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POVERTY POINT RESERVOIR DISTRICT  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
DELHI, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORTS  
AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2000 AND JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-6-00

POVERTY POINT RESERVOIR DISTRICT  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
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AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2000 AND JUNE 30, 1999

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## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board of Directors  
Poverty Point Reservoir District of Louisiana  
Department of Transportation and Development  
State of Louisiana  
Delhi, Louisiana

We have audited the accompanying general purpose financial statements of the Poverty Point Reservoir District of Louisiana, a component unit of the State of Louisiana, as of and for the years ended June 30, 2000 and June 30, 1999, as listed in the foregoing Table of Contents. These financial statements are the responsibility of the Poverty Point Reservoir District of Louisiana. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and generally accepted governmental auditing standards contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying general purpose financial statements present fairly the financial position of the Poverty Point Reservoir District of Louisiana as of June 30, 2000 and June 30, 1999, and the results of operations for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 25, 2000, on our consideration of the Poverty Point Reservoir District of Louisiana's internal control structure and a report dated August 25, 2000, on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Poverty Point Reservoir District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Cochran, Clark & Robinson*

Rayville, Louisiana  
August 25, 2000

POVERTY POINT RESERVOIR DISTRICT  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2000

	Governmental Fund Types			Account Groups			Totals	
	General Fund	Capital Projects		General Fixed Assets	Long-Term Debt		(Memorandum Only)	
							2000	1999
ASSETS AND OTHER DEBITS								
Assets:								
Cash & Cash Equivalents	181,956	177,007		-	-		358,963	456,949
Accounts Receivable	-	-		-	-		-	-
Intergovernmental	-	1,253,348		-	-		1,253,348	830,243
Interest Receivable	1,030	1,212		-	-		2,242	1,887
Fixed Assets	-	-		4,747,848	-		4,747,848	3,102,752
Other Debits:								
Amount to be Provided for General Long-Term Debt	-	-		-	9,338		9,338	5,887
TOTAL ASSETS AND OTHER DEBITS	<u>182,986</u>	<u>1,431,567</u>		<u>4,747,848</u>	<u>9,338</u>		<u>6,371,739</u>	<u>4,397,718</u>
LIABILITIES, EQUITY AND OTHER CREDITS								
Liabilities:								
Accounts Payable	1,559	1,211,797		-	-		1,213,356	851,414
Payroll Taxes Payable	409	-		-	-		409	850
Accrued Expenditures	-	-		-	-		-	2,225
Deferred Revenue	-	130,216		-	-		130,216	154,956
Long-Term Obligations	-	-		-	9,338		9,338	5,887
Total Liabilities	<u>1,968</u>	<u>1,342,013</u>		-	<u>9,338</u>		<u>1,353,319</u>	<u>1,015,332</u>
Equity and Other Credits:								
Investment in General	-	-		4,747,848	-		4,747,848	3,102,752
Fixed Assets				-	-			
Fund Balance:								
Unreserved	181,018	89,554		-	-		270,572	279,634
Total Equity and Other Credits	<u>181,018</u>	<u>89,554</u>		<u>4,747,848</u>	-		<u>5,018,420</u>	<u>3,382,386</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>182,986</u>	<u>1,431,567</u>		<u>4,747,848</u>	<u>9,338</u>		<u>6,371,739</u>	<u>4,397,718</u>

The notes to the financial statements are an integral part of this statement.

POVERTY POINT RESERVOIR DISTRICT  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1999

	Governmental Fund Types		Account Groups		Totals
	General Fund	Capital Projects	General Fixed Assets	General Long-Term Debt	(Memorandum Only) 1997
ASSETS AND OTHER DEBITS					
Assets:					
Cash & Cash Equivalents	199,980	256,969	-	-	456,949
Accounts Receivable	-	-	-	-	-
Intergovernmental	-	830,243	-	-	830,243
Interest Receivable	890	997	-	-	1,887
Fixed Assets	-	-	3,102,752	-	3,102,752
Other Debits:					
Amount to be provided for					
General Long-Term Debt	-	-	-	5,887	5,887
TOTAL ASSETS AND OTHER DEBITS	<u>200,870</u>	<u>1,088,209</u>	<u>3,102,752</u>	<u>5,887</u>	<u>4,397,718</u>
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts Payable	1,272	850,142	-	-	851,414
Payroll Taxes Payable	850	-	-	-	850
Accrued Expenditures	2,225	-	-	-	2,225
Deferred Revenue	-	154,956	-	-	154,956
Long-term Obligations	-	-	-	5,887	5,887
Total Liabilities	<u>4,347</u>	<u>1,005,098</u>	<u>-</u>	<u>5,887</u>	<u>1,015,332</u>
Equity and Other Credits:					
Investment in General	-	-	3,102,752	-	3,102,752
Fixed Assets					
Fund Balance:					
Unreserved	196,523	83,111	-	-	279,634
Total Equity and Other Credits	<u>196,523</u>	<u>83,111</u>	<u>3,102,752</u>	<u>-</u>	<u>3,382,386</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS					
	<u>200,870</u>	<u>1,088,209</u>	<u>3,102,752</u>	<u>5,887</u>	<u>4,397,718</u>

The notes to the financial statements are an integral part of this statement.



POVERTY POINT RESERVOIR DISTRICT  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000

	Governmental Fund Types		Totals (Memorandum Only)	
	General	Capital Projects	2000	1999
Revenues:				
Intergovernmental	100,000	6,148,465	6,248,465	2,873,880
Interest	5,392	6,444	11,836	15,587
Other	50	-	50	6,487
Total Revenue	<u>105,442</u>	<u>6,154,909</u>	<u>6,260,351</u>	<u>2,895,954</u>
Expenditures:				
Current				
Advertising	-	1,158	1,158	1,277
Ancillary	1,050	-	1,050	1,027
Automobile	1,440	1,639	3,079	4,191
Insurance	16,091	3,560	19,651	17,920
Miscellaneous	1,315	1,644	2,959	2,136
Office Supplies	1,647	659	2,306	3,252
Professional	2,342	35,440	37,782	4,700
Repair & Maintenance	3,615	4,067	7,682	6,672
Retirement	9,072	-	9,072	8,660
Salaries	72,885	-	72,885	70,806
Shop Supplies	-	1,615	1,615	1,938
Travel	1,934	-	1,934	4,265
Utilities	9,556	929	10,485	8,284
Total Current	<u>120,947</u>	<u>50,711</u>	<u>171,658</u>	<u>135,128</u>
Capital Outlay	-	6,097,754	6,097,754	2,759,464
Total Expenditures	<u>120,947</u>	<u>6,148,465</u>	<u>6,269,412</u>	<u>2,894,592</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,505)</u>	<u>6,444</u>	<u>( 9,061)</u>	<u>1,362</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(15,505)</u>	<u>6,444</u>	<u>(9,061)</u>	<u>1,362</u>
Fund Balance at Beginning of Year	<u>196,523</u>	<u>83,110</u>	<u>279,633</u>	<u>278,272</u>
Fund Balance at End of Year	<u>181,018</u>	<u>89,554</u>	<u>270,572</u>	<u>279,634</u>

The notes to the financial statements are an integral part of this statement.

POVERTY POINT RESERVOIR DISTRICT  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Revenues:			
Intergovernmental	100,000	2,773,880	2,873,880
Interest	8,895	6,692	15,587
Other	6,487	-	6,487
Total Revenue	<u>115,382</u>	<u>2,780,572</u>	<u>2,895,954</u>
Expenditures:			
Current			
Advertising	-	1,277	1,277
Ancillary	1,027	-	1,027
Automobile	1,525	2,666	4,191
Insurance	13,993	3,927	17,920
Miscellaneous	1,179	957	2,136
Office Supplies	2,763	489	3,252
Professional	4,700	-	4,700
Repairs & Maintenance	4,222	2,450	6,672
Retirement	8,660	-	8,660
Salaries	70,806	-	70,806
Shop Supplies	-	1,938	1,938
Travel	4,265	-	4,265
Utilities	7,573	711	8,284
Total Current	<u>120,713</u>	<u>14,415</u>	<u>135,128</u>
Capital Outlay	-	2,759,464	2,759,464
Total Expenditures	<u>120,713</u>	<u>2,773,879</u>	<u>2,894,592</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,331)</u>	<u>6,693</u>	<u>1,362</u>
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess (Deficiency) of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>(5,331)</u>	<u>6,693</u>	<u>1,362</u>
Fund Balance at Beginning of Year	<u>201,854</u>	<u>76,418</u>	<u>278,272</u>
Fund Balance at End of Year	<u>196,523</u>	<u>83,111</u>	<u>279,634</u>

The notes to the financial statements are an integral part of this statement.



POVERTY POINT RESERVOIR DISTRICT  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
COMPARATIVE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	2000		1999	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Revenues:				
Intergovernmental	100,000	100,000	100,000	100,000
Interest	10,000	5,392	10,000	8,895
Other	-	50	-	6,487
Total Revenue	<u>110,000</u>	<u>105,442</u>	<u>110,000</u>	<u>115,382</u>
Expenditures:				
Current				
Ancillary	1,050	1,050	1,025	1,027
Automobile	3,200	1,440	3,200	1,525
Insurance	20,000	16,091	20,000	13,993
Miscellaneous	4,000	1,315	4,000	1,179
Office Maintenance	5,000	3,615	5,000	4,222
Office Supplies	4,000	1,647	3,000	2,763
Professional	2,500	2,342	4,700	4,700
Retirement	8,900	9,072	8,800	8,660
Salaries	72,330	72,885	70,427	70,806
Travel	6,000	1,934	8,000	4,265
Utilities	11,000	9,556	8,000	7,573
Total Current	<u>137,980</u>	<u>120,947</u>	<u>136,152</u>	<u>120,713</u>
Capital Outlay	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Total Expenditures	<u>139,980</u>	<u>120,947</u>	<u>138,152</u>	<u>120,713</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(29,980)</u>	<u>(15,505)</u>	<u>(28,152)</u>	<u>( 5,331)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(29,980)</u>	<u>(15,505)</u>	<u>(28,152)</u>	<u>( 5,331)</u>
Fund Balance at Beginning of Year		<u>196,523</u>		<u>201,854</u>
Fund Balance at End of Year		<u>181,018</u>		<u>196,523</u>

The notes to the financial statements are an integral part of this statement.

POVERTY POINT RESERVOIR DISTRICT  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2000 AND JUNE 30, 1999

INTRODUCTION

The Poverty Point Reservoir District is a component unit of the State of Louisiana created within the Department of Transportation and Development, as provided by Louisiana Revised Statutes LSA-R.S. 38:3087.1 through 38:3087.15. The board is composed of nine members, appointed by the governor, from the parishes of Richland, Madison, East Carroll and West Carroll. The district is created for the purpose of the development of the wealth and natural resources of the district by the conservation of soil and water for agricultural, recreational, commercial, industrial, and sanitary purposes. The creation and maintenance of a lake within the district shall be for such purposes.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The oversight reporting entity is the State of Louisiana. The district is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements represent the activities of the Poverty Point Reservoir District of Louisiana and therefore are a part of the fund and account group structure of the general purpose financial statements of the State of Louisiana.

C. FUND ACCOUNTING

The district uses governmental funds (General Fund and Capital Projects Fund) and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

POVERTY POINT RESERVOIR DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND JUNE 30, 1999

C. FUND ACCOUNTING (continued)

The General Fund, a governmental fund, is the general operating fund of the District and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

The Capital Projects Fund is classified as a governmental fund. It is used to account for the purchase or construction of major capital facilities. Intergovernmental revenues provide the financing for the acquisition of real property and the construction of the lake for the district.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Costs expended for appraisals, archeology, engineering, legal and other technical services are capitalized with the cost of land. All fixed assets are recorded at historical cost. Interest costs will be capitalized with fixed asset costs.

Infrastructure or public domain fixed assets are not recorded as a part of the general fixed asset account group.

Long-term obligations expected to be financed from the General Fund are accounted for in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. The measurement focus of governmental funds is on expenditures which represents decreases in net financial resources. Most expenditures are measurable and should be recorded when the related liability is incurred. The expenditures shall be the amount accrued during the year that would normally be liquidated with expendable available financial resources.

In the General Fund, intergovernmental revenue is the primary revenue source and it is recorded as revenue when collectibility is assured.

In the Capital Projects Fund, intergovernmental grants represents the primary revenue source. Grant resources are recognized as revenue when the measurable and available criteria are satisfied. As the grantee government unit satisfies the requirements of the grantor government when appropriate expenditures as defined by the program are incurred, the receipts of capital grant monies are recorded as revenue as the appropriate expenditures are made.



POVERTY POINT RESERVOIR DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND JUNE 30, 1999

D. BASIS OF ACCOUNTING (continued)

Receipt of capital grant monies before the incurrence of expenditures by the capital projects fund is recorded as deferred revenue.

Expenditures in the General Fund and the Capital Projects Fund are recognized under the modified accrual basis of accounting when the related fund liability is incurred. Accumulated vacation leave and sick leave is recognized when paid in the general fund.

E. BUDGET PRACTICES

Annually the District adopts a budget for the General Fund. The budget is adopted prior to the start of the fiscal year and is prepared on the modified accrual basis of accounting. The board of directors is responsible for the adoption and any amendments to the budget. Although budget amounts lapse at year end, the board retains its unexpended fund balance to fund expenditures of the succeeding year. The budget is used as a management control device during the year. Budget accounts reflected in the financial statements reflect the adopted budget. There were no amendments to the budgets for the years ended June 30, 2000 and June 30, 1999.

F. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and interest-bearing demand deposits. Cash equivalents include amounts in time deposits. Under state law, the district may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The district may also invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal offices in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federal or state chartered credit unions.

G. EMPLOYEE COMPENSATED ABSENCES

Employees of the district earn and accumulate vacation and sick leave at varying rates, depending upon years of service. The amount of vacation and sick leave that may be accumulated is unlimited. Prior accumulated time with qualifying governmental agencies may be transferred. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate at the time of termination. Current leave is recognized as a current year expenditures in the general fund when the leave is taken. The liability for accumulated leave is recorded in the general long-term debt account group.

POVERTY POINT RESERVOIR DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND JUNE 30, 1999

H. TOTAL COLUMN ON COMBINED STATEMENTS

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

II. CASH AND CASH EQUIVALENTS

At June 30, the district has cash and cash equivalents (book balances) as follows:

	<u>6-30-00</u>	<u>6-30-99</u>
Petty Cash	150	150
Checking Accounts	62,331	85,728
Time deposits	<u>298,724</u>	<u>372,958</u>
TOTAL	<u>361,205</u>	<u>458,836</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Other information on cash and cash equivalents is included in the summary of significant accounting policies.



POVERTY POINT RESERVOIR DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND JUNE 30, 1999

II. CASH AND CASH EQUIVALENTS (continued)

	Cash Equivalents			Total
	Cash	Certificates of Deposits	Other (Describe)	
At June 30, 2000:				
Carrying Amount on				
Balance Sheet	<u>62,332</u>	<u>296,482</u>	<u>-</u>	<u>358,814</u>
Bank Balances:				
a: Insured (FDIC)				
or collateralized				
with securities				
held by the entity				
or its agent in the				
entity's name	<u>63,623</u>	<u>100,000</u>	<u>-</u>	<u>163,623</u>
b: Collateralized with				
securities held by				
pledging financial				
institution's trust				
department or agent				
in the entity's name	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
c: Uncollateralized,				
including any secur-				
ities held for the				
entity but not in				
the entity's name	<u>-</u>	<u>196,482</u>	<u>-</u>	<u>196,482</u>
Total Bank Balances	<u>63,623</u>	<u>296,482</u>	<u>-</u>	<u>360,105</u>

	Cash Equivalents			Total
	Cash	Certificates of Deposits	Other (Describe)	
At June 30, 1999:				
Carrying Amount on				
Balance Sheet	<u>85,728</u>	<u>371,072</u>	<u>-</u>	<u>456,800</u>
Bank Balances:				
a: Insured (FDIC)				
or collateralized				
with securities				
held by the entity				
or its agent in the				
entity's name	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>200,000</u>
b: Collateralized with				
securities held by				
pledging financial				
institution's trust				
department or agent				
in the entity's name	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
c: Uncollateralized,				
including any secur-				
ities held for the				
entity but not in				
the entity's name	<u>18,980</u>	<u>271,072</u>	<u>-</u>	<u>290,052</u>
Total Bank Balances	<u>118,980</u>	<u>371,072</u>	<u>-</u>	<u>490,052</u>

POVERTY POINT RESERVOIR DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND JUNE 30, 1999

II. CASH AND CASH EQUIVALENTS (continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, LSA-R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

III. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2000 in the amount of \$1,253,348, and at June 30, 1999 in the amount of \$830,243, is from intergovernmental revenues to be received for the expenditures for property acquisition, equipment, appraisals, construction, engineering, legal and technical services incurred in the property acquisition and construction of the lake.

IV. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2000 and June 30, 1999 there were no interfund receivables and payables.

V. CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets follow:

	Balance 7/01/98	Additions	Deductions	Balance 6/30/99
Furniture; fixtures	8,668	-	-	8,668
Land	2,756,597	14,410	-	2,771,008
Equipment	56,810	12,522	-	69,332
Buildings	164,662	-	-	164,662
Office Equipment	14,181	2,790	-	16,971
Lot Development	11,922	20,921	-	32,843
Vehicles	39,268	-	-	39,268
TOTAL	<u>3,052,108</u>	<u>50,643</u>	<u>-</u>	<u>3,102,752</u>

	Balance 7/01/99	Additions	Deductions	Balance 6/30/00
Furniture; fixtures	8,668	46	-	8,714
Land	2,771,008	70,711	-	2,841,719
Equipment	69,332	1,148	-	70,480
Buildings	164,662	-	-	164,662
Office Equipment	16,971	1,060	-	18,031
Vehicles	39,268	25,087	-	64,355
Construction in Progress	32,843	1,547,044	-	1,579,887
TOTAL	<u>3,102,752</u>	<u>1,645,096</u>	<u>-</u>	<u>4,747,848</u>

In accordance with LSA-R.S. 39:321-332, the district has complied with the movable property statutes of the State of Louisiana.

POVERTY POINT RESERVOIR DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND JUNE 30, 1999

VI. CHANGES IN LONG-TERM OBLIGATIONS

General long-term obligations consist entirely of compensated absences. The following is a summary of the long term obligation transactions for each year:

Long-term obligations payable at July 1, 1998	7,570
Additions	5,555
Deductions	<u>(7,238)</u>
Long-term obligations payable at June 30, 1999	<u>5,887</u>
Long-term obligations payable at July 1, 1999	5,887
Additions	5,005
Deductions	<u>(1,553)</u>
Long-term obligations payable at June 30, 2000	<u>9,339</u>

A correction was made to the beginning long-term obligations payable at July 1, 1998 to adjust for accumulated sick leave recorded in error. The amount of the reduction was \$16,463.

VII. PENSION PLANS

All employees of the district are members of the Louisiana State Employees Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

Generally, all full-time employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5 percent of their highest consecutive 36-months average salary multiplied by the years of credited service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (504)922-0608 or (800)256-3000.

Members are required by state statute to contribute 7.5 percent of gross salary, and the board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal years ended June 30, 2000, and 1999, changed to 12.3 percent and 13.0 percent of annual covered payroll from the 12.4 percent required in fiscal years ended June 30, 1998 and 1997, respectively. The board contributions to the system for the years ending June 30, 2000 and 1999 were \$9,072 and \$8,660, respectively, equal to the required contributions for each year.

POVERTY POINT RESERVOIR DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND JUNE 30, 1999

VIII. CONSTRUCTION IN PROGRESS

The lake construction consists of the following major contracts: Cypress Creek Re-Route (Phase I); North Dam and Entrance Road (Phase II); Eastern Levee (Phase IV); South Dam and Tainter Gated Structure; Red Hill Bridge; North and South Boat Ramps and Parking Lots; Phase II Earthwork; Mid-Valley Pipeline Bern; Erosion Protection; and North Access Road. Construction of the lake will be completed in the next fiscal year.

Construction in Progress has been recorded in the general fixed asset account group for earthwork contracts and associated costs that upon completion will be classified as land. Other construction contracts for infrastructure assets have not been recorded in the general fixed asset account group. Other costs have been included in these assets such as legal, engineering, technical consulting, environmental, contract labor. The total cost expended at June 30, 2000 and June 30, 1999 for construction of the lake was \$9,714,723 and \$6,268,579 respectively. The total cost of other infrastructure assets such as bridges, roads, ramps and parking areas was \$1,417,977 and \$410,347 respectively for June 30, 2000, and June 30, 1999.

IX. LITIGATION AND CLAIMS

There are no pending litigations or claims against the district at June 30, 2000 or June 30, 1999, which, if asserted, in the opinion of the district's legal counsel would have at least a reasonable probability of an unfavorable outcome or for which resolution would materially affect the financial statements.

X. RISK TRANSFER AND FINANCING

Poverty Point Reservoir District is exposed to a variety of risks that may result in losses. These risks include possible loss from acts of God, injury to employees or breach of contract. The District purchases commercial insurance to protect itself from these possible losses. There have been no reductions in insurance coverage from prior year coverages for the years ended June 30, 2000 and June 30, 1999 respectively. The District has not incurred any losses or made any settlement agreements.

XI. PER DIEM PAID BOARD MEMBERS

Board members of the district are not compensated for their services in accordance with Act 888 of 1992.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
BASED SOLELY ON AN AUDIT OF THE COMPONENT UNIT  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Poverty Point Reservoir District  
Department of Transportation and Development  
State of Louisiana  
Delhi, Louisiana

We have audited the general purpose financial statements of the Poverty Point Reservoir District, a component unit of the State of Louisiana reporting entity, as of and for the years ended June 30, 2000 and June 30, 1999, and have issued our report thereon dated August 25, 2000.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

The management of Poverty Point Reservoir District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audits of the general purpose financial statements of the Poverty Point Reservoir District as of and for the years ended June 30, 2000, and June 30, 1999, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.



Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Board of Directors. However, this report is a matter of public record and its distribution is not limited.

*Cochran, Clark & Robinson*

Rayville, Louisiana  
August 25, 2000

# Cochran, Clark & Robinson

905 Julia Street • P.O. Box 538 • Rayville, Louisiana 71269

A Corporation of Certified Public Accountants

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Renée Robinson

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS MATERIAL TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

Board of Directors  
Poverty Point Reservoir District  
Department of Transportation and Development  
State of Louisiana  
Delhi, Louisiana

We have audited the general purpose financial statements of the Poverty Point Reservoir District, a component unit of the State of Louisiana, as of and for the years ended June 30, 2000 and June 30, 1999, and have issued our report thereon dated August 25, 2000.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Poverty Point Reservoir District, State of Louisiana, is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the District's compliance with certain provisions of laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of management and the Board of Directors. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Cochran, Clark & Robinson*

Rayville, Louisiana  
August 25, 2000

**STATE OF LOUISIANA  
Poverty Point Reservoir Districts**

**Annual Financial Statement  
For the Year Ended June 30, 2000**

**STATE OF LOUISIANA**  
**Poverty Point Reservoir Districts**

Annual Financial Statement  
For the Year Ended June 30, 2000  
(Fiscal Close)

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STATE OF LOUISIANA  
Annual Financial Statement  
Fiscal Year Ending 6/30/2000  
Poverty Point Reservoir District  
(Agency Name)


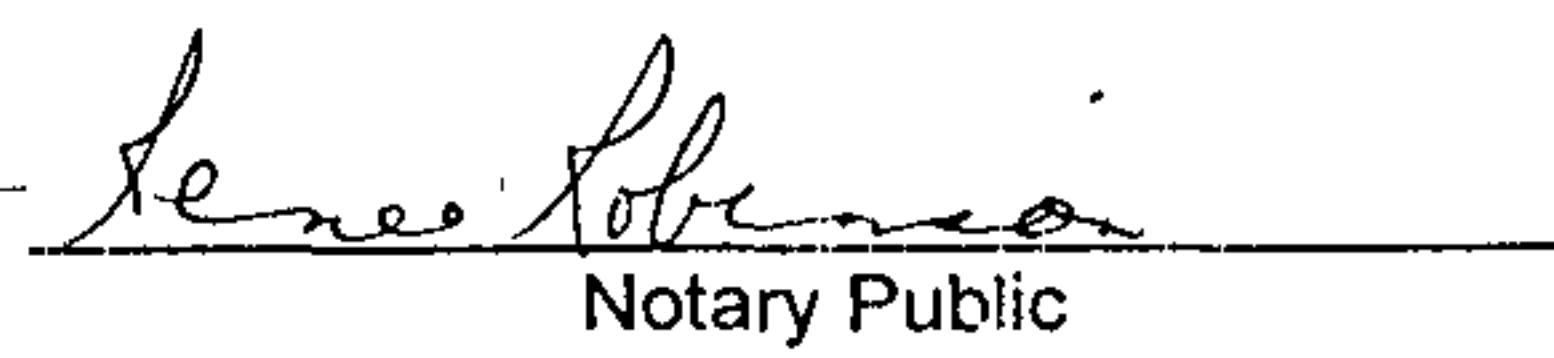
Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Michael L. Thompson  
(Name) Executive Director (Title) of Poverty Point Reservoir District  
(agency) who duly sworn, deposes and says, that the financial statement herewith given presents  
fairly the financial position of Poverty Point Reservoir District (agency) at  
June 30, 2000 and the results of operations for the year then ended in accordance with policies  
and practices established by the Division of Administration or in accordance with Generally  
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Sworn and subscribed before me, this 25th day of August, 2000.

 Signature of Agency Official  
 Notary Public

Prepared by: Michael Thompson

Title: Executive Director

Telephone No.: 318-878-8572

Date: August 25, 2000



STATE OF LOUISIANA  
 POVERTY POINT RESERVOIR DISTRICT  
 COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 2000 (Fiscal Close)

	GOVERNMENTAL FUND TYPE			
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>
<b>ASSETS AND OTHER DEBITS</b>				
Cash and cash equivalents	\$ 181,956	\$	\$ 177,007	\$
Investments				
Receivables	1,030		1,212	
Due from primary government			1,253,348	
Due from component units				
Due from other funds				
Due from federal government				
Notes receivable				
Prepayments				
Inventories				
Other assets				
Restricted assets:				
Cash				
Investments				
Receivables				
Direct financing lease payments receivable				
Property, plant, and equipment (net of accumulated depreciation)				
Other debits:				
Amount available for debt service				
Amount to be provided for retirement of general long term debt				
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 182,986</b>	<b>\$</b>	<b>\$ 1,431,567</b>	<b>\$</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>				
Liabilities:				
Accounts payable and accruals	1,968		1,104	
Contracts and retainage payable			1,210,693	
Compensated absences payable				
Due to primary government				
Due to component units				
Due to other funds				
Due to federal government				
Deferred revenues			130,216	
Amounts held in custody for others				
Liabilities payable from restricted assets				
Obligations under capital lease				
Notes payable				
Bonds payable				
Estimated liabilities for claims				
Other liabilities				
Total liabilities	<b>\$ 1,968</b>	<b>\$</b>	<b>\$ 1,342,013</b>	<b>\$</b>

(Continued)

The accompanying notes are an integral part of this statement.

Statement A

[illegible]

STATE OF LOUISIANA  
POVERTY POINT RESERVOIR DISTRICT  
**COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS**  
June 30, 2000 (Fiscal Close)

	GOVERNMENTAL FUND TYPE			
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>
Equity and other credits:				
Investment in fixed assets	\$ _____	\$ _____	\$ _____	\$ _____
Contributed capital	_____	_____	_____	_____
Retained earnings:				
Reserved	_____	_____	_____	_____
Unreserved	_____	_____	_____	_____
Fund balances:				
Reserved for debt service	_____	_____	_____	_____
Reserved for inventories	_____	_____	_____	_____
Reserved for pension benefits	_____	_____	_____	_____
Reserved for encumbrances	_____	_____	_____	_____
Reserved for construction	_____	_____	_____	_____
Other reserves	_____	_____	_____	_____
Unreserved:				
Designated	_____	_____	_____	_____
Undesignated(Deficit)	<u>181,018</u>	_____	<u>89,554</u>	_____
Total equity and other credits	<u>181,018</u>	_____	<u>89,554</u>	_____
TOTAL LIABILITIES, EQUITY, OTHER CREDITS	\$ <u>182,986</u>	\$ _____	\$ <u>89,554</u>	\$ _____

(Concluded)

The accompanying notes are an integral part of this statement.

Statement A

[illegible]

STATE OF LOUISIANA  
**POVERTY POINT RESERVOIR DISTRICT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
For the year ended June 30, 2000

	GOVERNMENTAL FUND TYPE				FIDUCIARY FUND TYPE	TOTAL
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	EXPENDABLE TRUST	(MEMORANDUM ONLY)
REVENUES						
Intergovernmental revenues	\$ 100,000	\$	\$ 6,148,465	\$	\$	\$ 6,248,465
Taxes						
Use of money and property	5,392		6,444			11,836
Licenses, permits, and fees	50		-			50
Other						
Total revenues	105,442		6,154,909			6,260,351
EXPENDITURES:						
Current:						
General government						
Health and welfare						
Other	120,947		50,711			171,658
Intergovernmental	-		-			
Capital outlay	-		6,097,754			6,097,754
Retirement Benefits	-		-			
Debt service:						
Principal retirement	-		-			
Interest and fiscal charges	-		-			
Total expenditures	120,947		6,148,465			6,269,412
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 15,505)		6,444			( 9,061)
OTHER FINANCING SOURCES(USES):						
Payments to refunded bond escrow agent						
Bond proceeds						
Operating transfers in -- primary government						
Operating transfers out -- primary government						
Operating transfers in -- component units						
Operating transfers out -- component units						
Operating transfers in -- other funds						
Operating transfers out -- other funds						
Other						
Total other financing sources(uses)	-		-			-
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(15,505)		6,444			(9,061)
FUND BALANCES AT BEGINNING OF YEAR	196,523		83,110			279,633
Increase(decrease) in reserve for inventories	-					
FUND BALANCES AT END OF YEAR	\$ 181,018	\$	\$ 89,554	\$	\$	\$ 270,572

The accompanying notes are an integral part of this statement.

Statement B



STATE OF LOUISIANA  
**POVERTY POINT RESERVOIR DISTRICT**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
For the year ended June 30, 2000

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental revenues	\$ 100,000	\$ 100,000	\$ -
Taxes			
Use of money and property	10,000	5,392	(4,608)
Licenses, permits, and fees	-	50	50
Other			
Total revenues	110,000	105,442	(4,558)
EXPENDITURES			
Salaries & Burden	82,280	83,007	( 727)
Insurance	20,000	16,091	3,909
Professional	2,500	2,342	158
Auto & Travel	9,200	3,374	5,826
Repairs	5,000	3,615	1,385
Supplies	4,000	1,647	2,353
Miscellaneous	4,000	1,315	2,685
Utilities	11,000	9,556	1,444
Total expenditures	137,980	120,947	17,033
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,980)	(15,505)	12,475
OTHER FINANCING SOURCES(USES):			
Total other financing sources(uses)	-	-	-
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(27,980)	(15,505)	12,475
Fund balance(deficit) at beginning of year	196,523	196,523	-
Adjustment			
Fund balance(deficit) at end of year	\$ 168,543	\$ 181,018	\$ 12,475

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA**  
**POVERTY POINT RESERVOIR DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2000**

**INTRODUCTION**

The Poverty Point Reservoir District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:3087. The following is a brief description of the operations of Poverty Point Reservoir District which includes the parishes of Richland, Madison, East Carroll and West Carroll in which the District is located. The district is created for the purpose of the development of the wealth and natural resources of the district by the conservation of soil and water for agricultural, recreational, commercial, industrial, and sanitary purposes. The creation and maintenance of a lake within the district shall be for such purposes. The board is composed of nine members appointed by the governor.

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Presentation**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

**2. Reporting Entity**

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity of the District to be the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commissioners, and public service is rendered within the state's boundaries. The accompanying statement presents only transactions of the Poverty Point Reservoir District, a component unit of the State of Louisiana. Annually the State of Louisiana issues a general purpose financial report which includes the activity contained in the accompanying financial statements. The general purpose financial report is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

**3. Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the accompanying financial statements are described as follows:

**General Fund**

The General Fund is the general operating fund of the Poverty Point Reservoir District. It is used to account for all financial resources except those required to be accounted for in another fund.

**STATE OF LOUISIANA**  
**POVERTY POINT RESERVOIR DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30 , 2000**

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities other than those not reported in other funds.

Account Groups

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations. Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt.

a. General Fixed Asset Account Group - Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds.

b. General Long-Term Debt Account Group - Obligations such as compensated absences payable expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses as appropriate, are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The records are maintained on the modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

**Revenues:**

In the General Fund, intergovernmental revenue is the primary revenue source and it is recorded as revenue when collectibility is assured.

In the Capital Projects Fund, intergovernmental grants represents the primary revenue source. Grant resources are recognized as revenue when the measurable and available criteria are satisfied. As the grantee government unit satisfies the requirements of the grantor government when appropriate expenditures as defined by the program are incurred, the receipts of capital grant monies are recorded as revenue as the appropriate expenditures are made.

Receipt of capital grant monies before the incurrence of expenditures by the capital projects fund is recorded as deferred revenue.

**Expenditures:**

Expenditures in the General Fund and the Capital Projects Fund are recognized under the modified accrual basis of accounting when the related fund liability is incurred. Accumulated vacation leave and sick leave is recognized when paid in the general fund.

**STATE OF LOUISIANA**  
**POVERTY POINT RESERVOIR DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30 , 2000**

**5. Total Columns on Combined Statements**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**B. BUDGETARY PRACTICES**

The Poverty Point Reservoir District utilizes the following budgetary practices:

The Commission/District prepares its budget in accordance with Louisiana Revised Statute 39:1301 . The budget is prepared on a modified accrual basis for the General Fund. The budget for the fiscal year ended June 30, 2000 was adopted on June 21, 1999 . Formal budget integration is employed as a management control device during the year for the General Fund. All appropriations lapse at year-end, and any encumbrances outstanding at year-end in the governmental funds are included in the next year's budget with funds appropriated in that year to finance them.

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Poverty Point Reservoir District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30 , 2000 , were secured as follows:



STATE OF LOUISIANA  
**POVERTY POINT RESERVOIR DISTRICT**  
**Notes to the Financial Statements**  
For the Year Ended June 30 , 2000

	Deposits in Bank Accounts			<u>Total</u>
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	
Deposits in Bank Accounts per Balance Sheet	\$ <u>62,332</u>	\$ <u>296,482</u>	<u>\$</u>	\$ <u>358,814</u>
Bank Balances:				
a. Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u>	<u>63,623</u>	<u>100,000</u>	<u></u>	<u>163,623</u>
b. Collateralized with securities held by pledging financial institution's trust department or agent <u>in the entity's name</u>	<u>-</u>	<u>-</u>	<u></u>	<u>-</u>
c. Uncollateralized, including any securities held for the entity but <u>not in the entity's name</u>	<u>-</u>	<u>196,482</u>	<u></u>	<u>196,482</u>
Total Bank Balances	\$ <u>63,623</u>	\$ <u>296,482</u>	<u>\$</u>	\$ <u>360,105</u>

The following is a breakdown by banking institution, program, fund, and amount of the balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>AmSouth Bank</u>	<u>General Fund</u>	\$ <u>48,509</u>
2. <u>AmSouth Bank</u>	<u>Special Projects</u>	<u>15,114</u>
3. <u>Guaranty Bank</u>	<u>General Fund</u>	<u>133,517</u>
4. <u>Guaranty Bank</u>	<u>Special Projects</u>	<u>162,965</u>
Total		\$ <u>360,105</u>
Cash in State Treasury		<u>-</u>
Petty Cash		<u>\$150</u>



STATE OF LOUISIANA  
**POVERTY POINT RESERVOIR DISTRICT**  
Notes to the Financial Statements  
For the Year Ended June 30 , 2000

**D. RECEIVABLES**

At (last day of fiscal year end), the commission/district had net receivable balances, totaling \$ 1,255,590 as follows:

<u>Class of Receivable</u>	<u>Governmental Funds</u>				<u>Proprietary</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	
Grants:						
State	\$ _____	\$ _____	\$ _____	\$ <u>1,253,348</u>	\$ _____	\$ <u>1,253,348</u>
Federal	_____	_____	_____	_____	_____	_____
Ad valorem taxes	_____	_____	_____	_____	_____	_____
Rents, leases, and other	_____	_____	_____	_____	_____	_____
Interest receivable	<u>1,030</u>	_____	_____	<u>1,212</u>	_____	<u>2,242</u>
Total receivables, net	\$ <u>1,030</u>	\$ _____	\$ _____	\$ <u>1,254,560</u>	\$ _____	\$ <u>1,255,590</u>

**E. GENERAL FIXED ASSETS**

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain or infrastructure are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

A summary of changes in general fixed assets follows:

	<u>Beginning Balance at</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance at</u>
Land	\$ <u>2,771,008</u>	\$ <u>70,711</u>	\$ _____	\$ <u>2,841,719</u>
Buildings	<u>164,662</u>	<u>-</u>	_____	<u>164,662</u>
Equipment	<u>134,239</u>	<u>27,341</u>	_____	<u>161,580</u>
Construction in progress	<u>32,843</u>	<u>1,547,044</u>	_____	<u>1,579,887</u>
Total	\$ <u>3,102,752</u>	\$ <u>1,645,096</u>	\$ _____	\$ <u>4,747,848</u>

STATE OF LOUISIANA  
**POVERTY POINT RESERVOIR DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2000**

**F. PAYABLES**

At June 30, 2000 (last day of fiscal year), the commission/district had payables totaling \$ 1,213,356, as follows:

<u>Class of Payable</u>	<u>Governmental Funds</u>				<u>Proprietary</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	
Accounts payable	\$ <u>1,968</u>	\$ _____	\$ _____	\$ <u>1,104</u>	\$ _____	\$ <u>3,072</u>
Taxes payable	_____	_____	_____	_____	_____	_____
Salaries payable	_____	_____	_____	_____	_____	_____
Payroll deductions payable	_____	_____	_____	_____	_____	_____
Other payables (identify):	_____	_____	_____	_____	_____	_____
<u>Contracts Payable</u>	<u>-</u>	_____	_____	<u>595,674</u>	_____	<u>595,674</u>
<u>Retainage</u>	<u>-</u>	_____	_____	<u>615,019</u>	_____	<u>615,019</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
Total payables	\$ <u>1,968</u>	\$ _____	\$ _____	\$ <u>1,211,797</u>	\$ _____	\$ <u>1,213,765</u>

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Poverty Point Reservoir District has the following policy on annual and sick leave:

An example disclosure follows:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in the general long-term obligations account group.

STATE OF LOUISIANA  
**POVERTY POINT RESERVOIR DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2000**

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the District are members of the La State Employees Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time District employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the District is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2000, decreased to 12.4% of annual covered payroll from the 13.0% and 12.4% required in fiscal years ended June 30, 1999 and 1998, respectively. The District contributions to the System for the years ending June 30, 2000, 1999, and 1998, were \$ 9,072, \$ 8,660, and \$ 8,976, respectively, equal to the required contributions for each year.

**I. GENERAL LONG-TERM OBLIGATIONS**

General long-term obligations consist entirely of compensated absences. The following is a summary of the long-term obligation transactions for June 30, 2000 :

Long term obligations payable at <u>June 30</u> , 1999	\$ <u>5,887</u>
Additions	<u>5,005</u>
Retirements	<u>(1,553)</u>
Long term obligations payable at <u>June 30</u> , 2000	\$ <u>9,339</u>

A correction was made to the beginning long-term obligations payable at July 1, 1998 to adjust for accumulated sick leave recorded in error. The amount of the reduction was \$16,463.

**J. LITIGATION**

There are no pending litigations or claims against the district at June 30, 2000 or June 30, 1999, which, if asserted, in the opinion of the district's legal counsel would have at least a reasonable probability of an unfavorable outcome or for which resolution would materially affect the financial statements.

**SCHEDULE 1**

STATE OF LOUISIANA  
POVERTY POINT RESERVOIR DISTRICT  
SCHEDULE OF STATE FUNDING  
For the Year Ended June 30, 1999  
(Fiscal Close)

<u>Description of Funding</u>	<u>Amount</u>
1. <u>General Operating Budget</u>	\$ <u>100,000</u>
2. <u>Capital Outlay</u>	<u>6,148,465</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u>6,248,465</u>



STATE OF LOUISIANA  
POVERTY POINT RESERVOIR DISTRICT  
SCHEDULE OF EXPENDITURES BY OBJECT  
For the Year Ended June 30, 2000  
(Fiscal Close)

	<u>Amount</u>
Personal services	\$ <u>83,007</u>
Travel	<u>1,934</u>
Operating services	<u>-</u>
Supplies	<u>6,880</u>
Professional services	<u>37,782</u>
Other charges	<u>42,055</u>
Capital outlay	<u>6,097,754</u>
Interagency transfer	<u></u>
Debt service	<u></u>
Total	\$ <u>6,269,412</u>