

Audit Poverty Point 2001 to 2002

Depreciation expense has been included in expenditures as follows:

	<u>2002</u>	<u>2001</u>
General Fund	19,967	8,618
Capital Projects	175,865	64,340
Total Depreciation	<u>195,832</u>	<u>72,958</u>

General revenues decreased by \$10,000, an interest income reduction due to the use of the capital outlay dollars previously invested and lower interest rates.

Other special items during the current year were an economic development grant for \$117,000 to Poverty Point Economic Recovery District; and the sale of the island lots for \$621,000.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal 2001, the Reservoir District expended \$4.6 million on capital activities. This included \$2.2 for the construction of the road around the lake, \$1.1 for the marina and related parking areas and the balance for lake construction and various related contracts.

During the year, completed projects totaling \$7.8 were closed from construction in progress to their respective capital accounts. The major completed projects were:

Island Lot Development Project	\$1.2 million
South Dam & Tainted Gate	5.4 million
Pumping Station, Wells, Water Intake	.9 million
office Protection System	.3 million

Capital asset acquisition and improvements, exceeding \$2,500 are capitalized at cost. All capital asset acquisitions have been funded by the state capital outlay program.

The island lot development was sold under the state's bid law to a private development company for \$621,200 during the fiscal year. Further development costs of the lots will be paid by the developer.

FINANCIAL STATEMENTS

The District's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The District is structured as a general fund and a capital projects fund with revenues when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their useful lives. Amounts are restricted for construction activities. See the notes to the financial statements for a summary of the District's significant accounting policies.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances for all of those interested. Questions concerning any of the information provided in this report or a request for additional information should be addressed in writing to Poverty Point Reservoir District, P.O. Box 811, Delhi, La. 71232.

Respectfully,



Michael Thompson
Executive Director