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**VILLAGE OF NOBLE**  
**Noble, Louisiana**

**Annual Financial Statements**

**As of and for the Year Ended**  
**December 31, 2003**

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 5.5.04

VILLAGE OF NOBLE  
Noble, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2003

C O N T E N T S

	Statement	Page No.
<b>Accountant's Compilation Report</b>		3
<b>Required Supplemental Information:</b>		
Management's Discussion and Analysis		4
<b>Basic Financial Statements:</b>		
<b>Government-Wide Financial Statements:</b>		
Statement of Net Assets	A	9
Statement of Activities	B	10
<b>Fund Financial Statements:</b>		
<b>Governmental Funds:</b>		
Balance Sheet	C	11
Statement of Revenues, Expenditures and Changes in Fund Balances	D	12
<b>Business-Type Activities:</b>		
Statement of Net Assets	E	14
Statement of Revenues, Expenses, and Changes in Net Assets	F	15
Statement of Cash Flows	G	16
Notes to the Financial Statements		17

VILLAGE OF NOBLE  
Noble, Louisiana  
Annual Financial Statements  
As of and for the Year Ended December 31, 2003

**C O N T E N T S (Contd.)**

	<b>Schedule</b>	<b>Page No.</b>
<b>Required Supplemental Information:</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and And Actual - General Fund	1	26
<b>Other Supplemental Information Schedules:</b>		
Schedule of Per Diem Paid Aldermen	2	29
Status of Prior Year Findings	3	30
Current Year Findings and Corrective Action Plan	4	31

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

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**Accountant's Compilation Report**

MAYOR AND BOARD OF ALDERMEN  
VILLAGE OF NOBLE  
Noble, Louisiana

I have compiled the accompanying basic financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Village of Noble as of December 31, 2003, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and schedules, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

I am not independent with respect to the Village of Noble for the year ended December 31, 2003.

*Carleen Dumas*

Calhoun, Louisiana  
March 11, 2004

VILLAGE OF NOBLE  
Noble, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2003

Our discussion and analysis of Village of Noble's (hereafter referred to as the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2003. Please read it in conjunction with the Village's financial statements that begin on page 9.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities on pages 9 and 10 provide information about the activities of the Village as a whole and present a long-term view of the Village's financial position. Fund financial statements begin on page 11. For governmental activities, these statements provide information on how the general activities of the Village are financed in the short term as well as what remains for future spending. Fund financial statements report the Village's operations in more detail than the government-wide statements.

**The Statement of Net Assets and the Statement of Activities**

Our analysis of the village as a whole begins on page 9 with the Statement of Net Assets and on page 10 with the Statement of Activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's *net assets* and the changes in them. Net assets - the difference between assets (what the Village owns) and liabilities (what the Village owes) is a way to measure the financial position of the Village. Over time, increases or decreases in the Village's net assets are an indicator of whether the Village's financial position is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, the Village is divided into two kinds of activities:

Governmental activities - all of the Village's governmental services are reported here including the police department, general administration, and community development.

Business-type activities - the Village's water system is reported here.

The fund financial statements begin on page 11 and provide more detailed information about the Village's funds. The Village's two kinds of funds - governmental and business-type funds use different accounting methods.

VILLAGE OF NOBLE  
 Noble, Louisiana  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 For the Year Ended December 31, 2003

Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Village's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future. The differences between governmental activities reported in the Statement of Net Assets and the Statement of Activities and governmental funds are reported in a reconciliation at the bottom of the fund financial statements.

Business-type activities funds are reported in the same way that the activities are reported in the Statement of Net Assets and the Statement of Activities.

**COMPARATIVE ANALYSIS OF  
 FINANCIAL DATA**

**Government-Wide**

The Village's total net assets increased by \$160,226 during 2003. The increase in net assets is primarily due to the village receiving federal grant funds in the amount of \$166,709 to make improvements to the village water system. The following presents an analysis of net assets and changes in net assets of the Village's governmental and business-type activities:

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2003	2002	2003	2002	2003	2002
<b>Assets</b>						
Current assets	\$5,342	\$10,447	\$20,110	\$27,051	\$25,452	\$37,498
Capital assets	203,812	25,206	103,582	108,670	307,394	133,876
Total assets	<u>209,154</u>	<u>35,653</u>	<u>123,692</u>	<u>135,721</u>	<u>332,846</u>	<u>171,374</u>
<b>Liabilities</b>						
Current liabilities	2,692	2,569	1,123	NONE	3,815	2,569
Long-term liabilities	NONE	NONE	NONE	NONE	NONE	NONE
Total liabilities	<u>2,692</u>	<u>2,569</u>	<u>1,123</u>	<u>NONE</u>	<u>3,815</u>	<u>2,569</u>
<b>Net Assets</b>						
Invested in capital assets	203,812	25,206	103,582	108,670	307,394	133,876
Unrestricted	2,650	7,878	18,987	27,051	21,637	34,929
Total net assets	<u>206,462</u>	<u>33,084</u>	<u>122,569</u>	<u>135,721</u>	<u>329,031</u>	<u>168,805</u>

VILLAGE OF NOBLE  
Noble, Louisiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2003

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2003	2002	2003	2002	2003	2002
<b>Program revenues</b>						
Charges for services	\$17,246	\$13,094	\$25,427	\$29,170	\$42,673	\$42,264
Operating grant	167,472			6,000	167,472	6,000
<b>General revenues</b>						
Property taxes	2,539	2,440			2,539	2,440
Franchise taxes	5,192	4,723			5,192	4,723
Occupational licenses	9,155	10,043			9,155	10,043
Investment earnings	25	129	97	148	122	277
<b>Transfers</b>	<u>7,835</u>		<u>(7,835)</u>			
Total revenue and transfers	<u>209,464</u>	<u>30,429</u>	<u>17,689</u>	<u>35,318</u>	<u>227,153</u>	<u>65,747</u>
<b>Program expenses</b>						
General government	27,185	38,831			27,185	38,831
Public safety - police	8,901	10,623			8,901	10,623
Water			30,841	36,967	30,841	36,967
Total expenses	<u>36,086</u>	<u>49,454</u>	<u>30,841</u>	<u>36,967</u>	<u>66,927</u>	<u>86,421</u>
Change in net assets	173,378	(19,025)	(13,152)	(1,649)	160,226	(20,674)
Net assets- beginning	33,084	52,109	135,721	137,370	168,805	189,479
Net assets - ending	<u>\$206,462</u>	<u>\$33,084</u>	<u>\$122,569</u>	<u>\$135,721</u>	<u>\$329,031</u>	<u>\$168,805</u>

The village's total revenues increased \$161,406 in 2003 primarily due to receiving a federal grant for \$166,709. Total expenses decreased \$19,494.

### Governmental Funds

Total revenues and transfers of governmental activities increased \$179,035 due to receiving a federal grant for \$166,709 and \$7,835 in transfers from the Water System Enterprise Fund. The expenses of the governmental activities decreased \$13,368 from the prior year amounts. This decrease is primarily due from a decrease in other expenditures. During 2002, the General Fund incurred grant expenses of \$9,618 that were reported as other expenditures.

### Business-Type Activities

The village's total revenue and transfers from business-type activities decreased \$17,629, primarily from a decrease in the amount of operating grants and transfers of \$7,835 to governmental funds. The expenses of the business-type activities decreased \$6,126. Maintenance and repairs and management expenses decreased while salary expense increased.

### VILLAGE'S FUNDS

At the end of the year, the Village's General Fund reported an unreserved fund balance of \$2,650. The decrease in unreserved fund balance for 2003 was \$5,229 and was primarily due to a \$13,690 transfer to

VILLAGE OF NOBLE  
Noble, Louisiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2003

the LCDBG Capital Projects Fund. Revenues and expenditures were equal in the LCDBG Capital Projects Fund during 2003. The LCDBG Capital Projects Fund had no fund balance at the end of the year. The Water System Enterprise Fund reported unrestricted net assets of \$18,987 at year end. The decrease in net assets was \$13,152 for 2003. The decrease in net assets was a result of a decrease in the amount of state grants received and transfers to the General Fund and LCDBG Capital Projects Fund.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village amended its budget one time during the year. At year end, actual revenues and other financing sources exceeded budgeted revenues and other financing sources by \$2,420 and actual expenditures and other financing uses were \$51 less than budgeted expenditures and other financing uses. The Village prepares its General Fund budget on the modified accrual basis of accounting.

#### **CAPITAL ASSETS**

At the end of the year, the Village had capital assets (net of accumulated depreciation) totaling \$332,846. Capital assets include the water system and improvements, construction in progress, land, buildings, and equipment, costing \$1,000 or more. The village has elected not to report major general infrastructure assets such as roads, bridges, and sidewalks that were purchased or constructed prior to January 1, 2002.

There was a \$183,234 addition to construction in progress and a \$986 addition to equipment during 2003. The construction in progress is the ongoing water system improvement project that is being financed in part by a federal grant. Additional information about the Village's capital assets is presented in Note 5 to the financial statements.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village prepared its 2004 General Fund budget on the assumption that revenues and expenditures will remain fairly constant next year. The Village anticipates no significant changes in revenue or expenditures during 2004. The Village expects its net assets to remain fairly unchanged by the end of 2004.

**BASIC FINANCIAL STATEMENTS**

VILLAGE OF NOBLE  
Noble, Louisiana

STATEMENT OF NET ASSETS  
December 31, 2003

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$2,993	\$17,977	\$20,970
Receivables (net of allowances for uncollectibles)	2,349	2,133	4,482
Capital assets (net)	<u>203,812</u>	<u>103,582</u>	<u>307,394</u>
<b>TOTAL ASSETS</b>	<u>209,154</u>	<u>123,692</u>	<u>332,846</u>
<b>LIABILITIES</b>			
Accounts payable	42	1,123	1,165
Deferred revenue	<u>2,650</u>		<u>2,650</u>
<b>TOTAL LIABILITIES</b>	<u>2,692</u>	<u>1,123</u>	<u>3,815</u>
<b>NET ASSETS</b>			
Invested in capital assets	203,812	103,582	307,394
Unrestricted	<u>2,650</u>	<u>18,987</u>	<u>21,637</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$206,462</u></u>	<u><u>\$122,569</u></u>	<u><u>\$329,031</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF NOBLE  
Noble, Louisiana

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2003

	Expenses	Program Revenues.. Charges for Services	Operating Grants	Governmental Activities	Business- Type Activities	Total	Net (Expense) Revenue and .....Changes in Net Assets.....
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government	\$27,185		\$763	(\$26,422)			(\$26,422)
Public safety - police	8,901	\$17,246		8,345			8,345
Community development			166,709	166,709			166,709
Total governmental activities	36,086	17,246	167,472	148,632	NONE		148,632
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Water service	30,841	25,427			(\$5,414)		(\$5,414)
Total government	\$66,927	\$42,673	\$167,472	148,632	(\$5,414)		143,218
<b>GENERAL REVENUES:</b>							
Property taxes				2,539			2,539
Franchise taxes				5,192			5,192
Occupational licenses				9,155			9,155
Investment earnings			25		97		122
<b>TRANSFERS</b>				7,835	(7,835)		
Total general revenues and transfers			24,746	24,746	(7,738)		17,008
<b>CHANGE IN NET ASSETS</b>				173,378	(13,152)		160,226
<b>NET ASSETS - BEGINNING</b>				33,084	135,721		168,805
<b>NET ASSETS - ENDING</b>				\$206,462	\$122,569		\$329,031

See accompanying notes and accountant's compilation report.

**VILLAGE OF NOBLE**  
Noble, Louisiana

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
December 31, 2003

	<u>General Fund</u>	<u>LCDBG Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$2,993		\$2,993
Receivables	2,349		2,349
<b>TOTAL ASSETS</b>	<u>\$5,342</u>	<u>NONE</u>	<u>\$5,342</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$42		\$42
Deferred revenue	2,650		2,650
Total liabilities	2,692	NONE	2,692
Fund balance - unreserved	2,650	NONE	2,650
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$5,342</u>	<u>NONE</u>	<u>\$5,342</u>

**Reconciliation of the Balance Sheet of Governmental  
Funds To the Statement of Net Assets:**

Fund balances - unreserved - Total Governmental Funds	\$2,650
Amount reported for net assets of governmental activities in the Statement of Net Assets (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	203,812
Net assets of governmental activities (Statement A)	<u>\$206,462</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF NOBLE  
Noble, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2003

	General Fund	LCDBG Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Property taxes	\$2,539		\$2,539
Franchise	5,192		5,192
Occupational licenses	9,155		9,155
Intergovernmental revenue:			
Federal grant	763	\$166,709	167,472
Fines	17,246		17,246
Investment earnings	25		25
<i>Total revenues</i>	<u>34,920</u>	<u>166,709</u>	<u>201,629</u>
<b>EXPENDITURES</b>			
General government and public safety:			
Personal services	10,887		10,887
Operating services	14,146		14,146
Materials and supplies	3,009		3,009
Other charges	2,431		2,431
Capital outlay	986		986
Community development - facilities construction		183,234	183,234
<i>Total expenditures</i>	<u>31,459</u>	<u>183,234</u>	<u>214,693</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>3,461</u>	<u>(16,525)</u>	<u>(13,064)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer in	5,000	16,525	21,525
Operating transfer out	(13,690)		(13,690)
<i>Total other financing sources (uses)</i>	<u>(8,690)</u>	<u>16,525</u>	<u>7,835</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,229)	NONE	(5,229)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>7,879</u>	NONE	<u>7,879</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$2,650</u>	<u>NONE</u>	<u>\$2,650</u>

(Continued)

See accompanying notes and accountant's compilation report.

VILLAGE OF NOBLE  
 Noble, Louisiana  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
 For the Year Ended December 31, 2003

	<u>General Fund</u>	<u>LCDBG Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:</b>			
Net change in fund balances - Total Governmental Funds			(\$5,229)
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:			
Governmental funds report capital outlays and facilities construction as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay and facilities construction exceeded depreciation expense in the current period.			<u>178,607</u>
Change in net assets of governmental activities (Statement B)			<u>\$173,378</u>

(Concluded)

See accompanying notes and accountant's compilation report.

VILLAGE OF NOBLE  
Noble, Louisiana

STATEMENT OF NET ASSETS - BUSINESS-TYPE ACTIVITIES  
December 31, 2003

Water  
System  
Enterprise  
Fund

**ASSETS**

## Current assets:

Cash

\$17,977

Accounts receivable (net of allowance for doubtful accounts)

2,133

Total current assets

20,110

## Noncurrent assets:

Capital assets (net of accumulated depreciation)

103,582

Total assets

123,692**LIABILITIES - accounts payable**1,123**NET ASSETS**

Invested in capital assets

103,582

Unrestricted

18,987

Total net assets

\$122,569

See accompanying notes and accountant's compilation report.

**VILLAGE OF NOBLE**  
Noble, Louisiana

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS - BUSINESS-TYPE ACTIVITIES**  
For the Year Ended December 31, 2003

	<u>Water System Enterprise Fund</u>
<b>OPERATING REVENUES</b>	
Water sales	\$25,313
Other operating income	<u>114</u>
Total operating revenue	<u>25,427</u>
<b>OPERATING EXPENSES</b>	
Bank charges	108
Advertising	16
Utilities	1,678
Repairs and maintenance	6,496
Chemicals	1,528
Management expense - billing and operations	7,245
Office expense	1,479
Supplies	1,849
Salaries	3,556
Payroll and sales taxes	849
Depreciation	5,088
Other operating expenses	<u>949</u>
Total operating expenses	<u>30,841</u>
<b>OPERATING INCOME (Loss)</b>	<u>(5,414)</u>
<b>NON-OPERATING REVENUES (Expenses)</b>	
Interest earned on deposits	97
Transfers out	<u>(7,835)</u>
Total non-operating revenues	<u>(7,738)</u>
<b>CHANGE IN NET ASSETS</b>	(13,152)
<b>NET ASSETS - BEGINNING</b>	<u>135,721</u>
<b>NET ASSETS - ENDING</b>	<u><u>\$122,569</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF NOBLE  
Noble, Louisiana

STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES  
For the Year Ended December 31, 2003

	<u>Water System Enterprise Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$29,650
Payments to suppliers	(21,074)
Payments to employees	(3,556)
Net cash provided by operating activities	<u>5,020</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Operating transfers	(7,835)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earnings on bank deposits	<u>97</u>
<b>NET DECREASE IN CASH</b>	(2,718)
<b>CASH AT BEGINNING OF YEAR</b>	<u>20,695</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$17,977</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities</b>	
Operating Loss	<u>(\$5,414)</u>
Adjustments:	
Depreciation	5,088
Decrease in accounts receivable	4,223
Increase in accounts payable	1,123
Total adjustments	<u>10,434</u>
Net cash provided by operating activities	<u><u>\$5,020</u></u>

See accountant's compilation report and accompanying notes.

VILLAGE OF NOBLE  
Noble, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2003

## INTRODUCTION

The Village of Noble was incorporated on March 12, 1901, under the provisions of the Lawrason Act. The village is governed by the mayor-board of aldermen form of government. The mayor and five aldermen serve four-year terms. The aldermen receive a \$60 per diem for attending each regular meeting. The village provides public safety and general government services to its residents. The village has an elected Chief of Police and a two part-time employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village of Noble is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The village has no component units.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Village of Noble. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

See accountant's compilation report.

VILLAGE OF NOBLE  
Notes to the Financial Statements

Separate financial statements are provided for governmental funds and business-type activities funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and  
Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the business-type fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the village.

The Village of Noble reports the following governmental funds:

**General Fund**

The General fund is the general operating fund of the village and accounts for all financial resources of the general government.

**Capital Projects - LCDBG Fund**

The LCDBG Fund is used to account for a grant from the United States Department of Housing and Urban

See accountant's compilation report.

VILLAGE OF NOBLE  
Notes to the Financial Statements

Development, Division of Administration for the improvement of the village's water system.

The Village of Noble reports the following business-type activity fund:

**Water System Enterprise Fund**

The Water System Enterprise fund accounts for the operation of the village's water system.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and business-type activities fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The village has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers for goods, services, or privileges provided and operating grants. General revenues include all taxes.

Business-type activities funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's ongoing operations. The Water System Enterprise Fund's operating revenues consist of charges for water. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**C. Deposits**

Cash includes amounts in demand deposits and interest-bearing demand deposits. State law allows the village to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

See accountant's compilation report.

VILLAGE OF NOBLE  
Notes to the Financial Statements

**D. Receivables**

All receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The village is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

**Property Taxes**

For the year ended December 31, 2003, a 5.89 mill tax authorized by the Village of Noble for general operating purposes was levied on property with assessed valuations totaling \$449,860.

**E. Capital Assets**

Capital assets, which include the water system and improvements, land, buildings, vehicles, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. Approximately 91 percent of the village's capital assets have been capitalized at cost and the remaining 9 percent have been capitalized at estimated cost based on the historical cost of similar assets. The Village of Noble maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - water system and improvements	10- 25 years
Buildings and improvements	7 - 40 years
Vehicles and equipment	5-10 years

**F. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative

See accountant's compilation report.

VILLAGE OF NOBLE  
Notes to the Financial Statements

management plans that are subject to change. At December 31, 2003, the village's governmental fund balances were unreserved and undesignated.

**G. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budget Information**

The Village of Noble uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is formally adopted by the mayor and board of aldermen at the December board meeting each year. The budget is established and controlled by the mayor and board of aldermen at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not utilized by the village. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts and all budget amendments.

**3. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2003, the village has cash (book balances) as follows:

Non-interest bearing checking accounts	\$7,488
Money market accounts	<u>13,482</u>
Total	<u>\$20,970</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting 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

See accountant's compilation report.

VILLAGE OF NOBLE  
Notes to the Financial Statements

in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the Village of Noble has \$31,283 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

**4. RECEIVABLES**

The following is a summary of receivables at December 31, 2003:

	General Fund	Water System Enterprise Fund	Total
Property taxes	\$1,251		\$1,251
Franchise taxes	1,098		\$1,098
Accounts		\$2,133	2,133
Allowance for doubtful accounts	NONE	NONE	NONE
Total	<u>\$2,349</u>	<u>\$2,133</u>	<u>\$4,482</u>

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2003, is as follows:

	Balance at January 1, 2003	Increases	Decreases	Balance at December 31, 2003
<b>Governmental activities:</b>				
Capital assets not being depreciated - construction in progress	NONE	\$183,234	NONE	\$183,234
Capital assets being depreciated:				
Buildings	\$26,971			\$26,971
Vehicles and equipment	30,463	986		31,449
Total capital assets being depreciated	<u>57,434</u>	<u>986</u>	<u>NONE</u>	<u>58,420</u>
Less accumulated depreciation for:				
Buildings	12,037	722		12,759

See accountant's compilation report.

VILLAGE OF NOBLE  
Notes to the Financial Statements

	Balance at January 1, 2003	Increases	Decreases	Balance at December 31, 2003
Vehicles and equipment	\$20,191	\$4,892		\$25,083
Total accumulated depreciation	32,228	5,614	NONE	37,842
Total assets being depreciated, net	<u>\$25,206</u>	<u>(\$4,628)</u>	<u>NONE</u>	<u>\$20,578</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated - land	\$75	NONE	NONE	\$75
Capital assets being depreciated:				
Water system and improvements	\$182,270	NONE	NONE	\$182,270
Less accumulated depreciation for:				
Water system and improvements	73,675	\$5,088	NONE	78,763
Total assets being depreciated, net	<u>\$108,595</u>	<u>(\$5,088)</u>	<u>NONE</u>	<u>\$103,507</u>

Depreciation expense of \$5,614 for the year ended December 31, 2003 was charged to the following governmental functions:

General government	\$931
Public safety - police	4,683
Total	<u>\$5,614</u>

**6. INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the year ended December 31, 2003:

See accountant's compilation report.

VILLAGE OF NOBLE  
Notes to the Financial Statements

	General Fund	LCDBG Capital Projects Fund	Water System Enterprise Fund	Total
Transfers in	\$5,000	\$16,525		\$21,525
Transfers out	(13,690)		(7,835)	(21,525)
Total	<u>(\$8,690)</u>	<u>\$16,525</u>	<u>(\$7,835)</u>	<u>NONE</u>

The General Fund transferred \$13,690 and the Water System Enterprise Fund transferred \$2,835 to the LCDBG Capital Projects Fund as a portion of the local match for the federal grant received to fund improvements to the water system. The Water System Enterprise Fund's transfer of \$5,000 to the General Fund was to finance a portion of the General Fund operating expenses for the year.

**7. RISK MANAGEMENT**

The village purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

**8. FEDERAL GRANT CONTINGENCIES**

During the year ended December 31, 2003, the Village of Noble received federal grant funds totaling \$166,709. These grant funds are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with the conditions of the grant. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

See accountant's compilation report.

**REQUIRED SUPPLEMENTAL INFORMATION**

See accountant's compilation report.

VILLAGE OF NOBLE  
Noble, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND

For the Year Ended December 31, 2003

	Budgeted .....Amounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$1,300	\$1,400	\$2,539	\$1,139
Franchise	4,000	5,100	5,192	92
Occupational licenses	10,000	9,100	9,155	55
Intergovernmental - federal grant			763	763
Fines	16,000	16,500	17,246	746
Investment earnings	400	400	25	(375)
Total revenues	<u>31,700</u>	<u>32,500</u>	<u>34,920</u>	<u>2,420</u>
<b>EXPENDITURES</b>				
General government and public safety:				
Personal services	11,250	11,000	10,887	113
Operating services	15,000	14,500	14,146	354
Materials and supplies	1,300	2,500	3,009	(509)
Other charges	4,000	16,200	2,431	13,769
Capital outlay	500	1,000	986	14
Total expenditures	<u>32,050</u>	<u>45,200</u>	<u>31,459</u>	<u>13,741</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(350)</u>	<u>(12,700)</u>	<u>3,461</u>	<u>16,161</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in		5,000	5,000	
Operating transfers out			(13,690)	(13,690)
Total other financing sources (uses)	<u>NONE</u>	<u>5,000</u>	<u>(8,690)</u>	<u>(13,690)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(350)</u>	<u>(7,700)</u>	<u>(5,229)</u>	<u>2,471</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>6,926</u>	<u>7,879</u>	<u>7,879</u>	<u>NONE</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$6,576</u>	<u>\$179</u>	<u>\$2,650</u>	<u>\$2,471</u>

See accountant's compilation report.

**OTHER SUPPLEMENTAL INFORMATION SCHEDULES**

See accountant's compilation report.

VILLAGE OF NOBLE  
Noble, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended December 31, 2003

**COMPENSATION PAID ALDERMEN**

The schedule of per diem paid aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the aldermen is included in the general government personal services expenditures of the General Fund. Aldermen receive a per diem of \$60 for attending each meeting.

**STATUS OF PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in Schedule 3.

**CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 4.

See accountant's compilation report.

VILLAGE OF NOBLE  
Noble, Louisiana

Schedule of Per Diem Paid Aldermen  
For the Year Ended December 31, 2003

Terry Ebarb	\$720
Amy Remedies	720
Janice Rike	<u>720</u>
Total	<u>\$2,160</u>

See accountant's compilation report.

VILLAGE OF NOBLE  
Noble, Louisiana

STATUS OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 2003

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action
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There were no prior year findings.

See accountant's compilation report.

# HILL, INZINA & COMPANY

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Village of Noble, Louisiana  
Noble, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Village of Noble, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Villages' compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our applied procedures, together with any findings, follow:

### *Public Bid Law*

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).
  - Our review of monthly handwritten journals revealed no individual expenditure for materials and supplies exceeding \$15,000 and no individual expenditure for public works exceeding \$100,000.

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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701 East Madison Avenue • P. O. Box 631 • Bastrop, Louisiana 71221-0631  
Telephone 318-281-4492 • Fax 318-281-4087

3. Obtain from management a listing of all employees paid during the period under examination.
4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
  - o Management provided the required information. The employees included on the employees listing provided by management in agreed-upon procedure (3) did not appear on the listings provided by management in agreed-upon procedure (2).

#### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.
6. Trace the budget adoption and amendments to the minute book.
7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.
  - o Management provided a copy of the original and amended budgets. Amendments were made to the budget at a meeting held on December 23, 2003. We traced the adoption of the original budget to the minutes of a meeting held on December 11, 2002, which indicated that the budget was adopted by the Alderman of the Village by a unanimous vote.
  - o We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

#### *Accounting and Reporting*

8. Randomly select six disbursements made during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee; (b) determine if payments were properly coded to the correct fund and general ledger account; and (c) determine whether payments received approval from proper authorities.
  - o We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amounts and made to the correct payees; were properly coded to the correct fund and general ledger accounts; and received approval from the full Board of Aldermen.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the open meetings law).
  - The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's meeting location. Management has asserted that such documents were properly posted.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.
  - We scanned monthly handwritten journals for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### *Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.
  - A reading of the minutes of the Village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Village of Noble, Louisiana, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Hill, Drayton & Co.*

March 15, 2004

Cindy I. Haynes, CPA  
Hill, Inzina, & Co. CPAs  
P. O. Box 631  
Bastrop, La 71221

Mrs. Haynes,

In accordance with the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of 12-31-03.

#### **PUBLIC BID LAW**

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [] No [ ] N/A [ ]

#### **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No [ ] N/A [ ]

3. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes [] No [ ] N/A [ ]

**BUDGETING**

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [] No [ ] N/A [ ]

**ACCOUNTING AND REPORTING**

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No [ ] N/A [ ]

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Yes [] No [ ] N/A [ ]

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No [ ] N/A [ ]

**MEETINGS**

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [] No [ ] N/A [ ]

**DEBT**

9. We have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [] No [ ] N/A [ ]

**ADVANCES AND BONUSES**

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No [ ] N/A [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Janice C. Kibe  
Name

1-21-04  
Date