



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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ROOM E418
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TO: All Library Treasurers

FROM: Bruce Hartman, CPA
State Examiner

DATE: December 13, 2007

RE: 2007 Annual Financial Report
Due February 29, 2008

Enclosed is the Library Annual Financial Report (Form Number LAR-1) required for preparing your 2007 Annual Financial Report. Please complete and return the form in the envelope provided to the State of Indiana, State Board of Accounts, c/o Bureau of the Census, 1201 E. 10th St., Jeffersonville, Indiana 47132, by February 29, 2008. A duplicate of the form has been furnished for your records.

We will appreciate your cooperation in providing this material to us promptly in order that our reporting to the Indiana Legislature and Bureau of the Census will not be delayed.

An electronic version of the LAR-1 is available and may be downloaded from the State Board of Accounts website at: <http://www.in.gov/sboa/publications/logodaba/library>

You are strongly encouraged to complete this report electronically. Please call your State Board of Accounts District Supervisor's office if you need assistance in preparing the electronic version of the report.

In addition, Form 100-R (Names, Addresses, Duties and Compensation of Public Employees) must be completed pursuant to I.C. 5-11-13-1, and must be filed with the State Board of Accounts by January 31, 2008. The form is to be obtained from your local printer, and should be sent directly to the State Board of Accounts, 302 West Washington Street, Room E418, Indianapolis, Indiana, 46204-2765.

CWP:dsk

enclosures

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ANNUAL LIBRARY FINANCIAL REPORT
FINANCIAL REPORT INSTRUCTIONS FOR 2007

Use the following instructions for completing the 2007 Annual Financial Report. This report shall be reported in dollars and cents.

Please type or print legibly.

Please check your addition.

If your library is on the accrual basis of accounting, the following adjustments will need to be made to the Receipts (Part 2) and Disbursements (Part 3), to get them to the cash basis:

- A. Sale or purchase of investments
- B. Transfers between funds
- C. Loans between funds
- D. Net change between beginning and ending accounts receivable or accounts payable
- E. Amount to balance, if needed. This is the amount needed to make receipts or disbursements agree with Part 1.

PART ONE: STATEMENT OF RECEIPTS, DISBURSEMENTS, CASH BALANCES, AND INVESTMENT BALANCES AT DECEMBER 31, 2007

NOTE: Completing Part One as you complete Parts Two, Three and Four should simplify the reporting. (A sample report with illustrative entries is included with the instructions.)

1. Review Part One, filling in the name of Library and County at top of each and every page. Please leave the I.D. Number blank. The State Board of Accounts will complete upon return.
2. In Section I, list all funds of the Library in the Fund Column. If you need additional forms for any parts, you may make copies of these forms. (It is permissible to combine all gift funds into one fund.)
3. In Column A (Cash Balance January 1) list the Beginning January 1, 2007 Cash Balances, plus or minus, for each fund. Do not include investment balances in these figures. This is the amount of your ending cash balance from 2007. Any adjustments should be shown in Receipts (Column B) and on Part 2 Miscellaneous Revenue Section.
4. In Column B (Receipts) list your 2007 receipts, as shown on your Financial and Appropriation Record, for each fund. The receipts listed for each fund must agree with total revenue for each fund shown in Part Two of this report.
5. In Column C (Disbursements), list your 2007 disbursements, as shown on your Financial and Appropriation Record, for each fund. The disbursements listed for each fund must agree with the total disbursements per fund in Part Three of this report.
6. In Column D (Cash Balance December 31), list the Ending Cash Balance at December 31, 2007, for each fund shown in your Financial and Appropriation Record. The total of the January 1, 2007 Cash Balance, added to the 2007 receipts, less the 2007 disbursements, must equal the December 31, 2007 Cash Balance. If you have an error, do not continue with step seven until the error has been corrected.

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PART ONE: STATEMENT OF RECEIPTS, DISBURSEMENTS, CASH BALANCES, AND INVESTMENT BALANCES AT DECEMBER 31, 2007 (Continued)

7. In Column E, list the total of All Investments on Hand at December 31, 2007 for each fund. Do not include investments from Cash Fund Balances, i.e. Checking or Savings Accounts -- these monies are reflected in the cash amount.
8. In Column F (Total Cash and Investments at December 31), place the total of Column D (Cash Balance December 31), plus Column E (Investments at December 31).
9. Total Columns A through F individually. List under the appropriate column. You can prove your total by adding the Total Beginning Cash Balance to the Total Receipts, then subtract the Total Disbursements. This must equal the Total Cash Balance at December 31. Add the Total Investments at December 31, to the Total Cash Balance at December 31. This must equal the Total Cash and Investment Balance at December 31, 2007 (or, Columns A + B - C = D + E = F).
10. In Section II, list investment activity and transfers in and out, in columns B and C, respectively, and subtract them from the subtotal all funds line to arrive at the net activity of all funds.

PART TWO: RECEIPT REPORT - ACTUAL RECEIPTS BY FUND

1. Review Part Two, filling in name of the Library and County at top of each and every page. Please leave the I.D. Number blank. The State Board of Accounts will complete upon return.
2. We have precoded funds for your convenience. If you have additional funds, please list them on the blank Part 2 forms provided. If you need additional forms, you may make copies.
3. Miscellaneous Revenue descriptions are provided on the left hand side in Part Two of the report. These Miscellaneous Revenue descriptions have been divided into seven revenue categories. Fill in the amount of revenue for each fund as applicable. Total each category in the space provided. NOTE: If you have a type of revenue for which no Miscellaneous Revenue description is given, please use account number 6500 Miscellaneous Receipts. Do not change any of the preprinted Miscellaneous Revenues or Codes. Miscellaneous Revenue should not have large amounts of unexplained revenue. If you use revenue code "Other", please specify.
4. Record the Total Cash Receipts for each fund (Total Taxes + Total Intergovernmental Revenue + Total Charges for Services + Fines and Forfeits + Miscellaneous Revenue = Total Cash Receipts).
5. Record Other Types of Receipts, including Sale of Investments, and total. Interest earned on Savings Accounts and Money Markets must be shown as interest earned on the Part 2, located on Part 2 Page 3.
6. Record the Total Revenue for each fund (Total Cash Receipts + Total Other Receipts). These totals must agree with the total receipts, per fund, shown in Part One Column B.

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PART THREE: DISBURSEMENTS OF ALL FUNDS

1. Review Part Three, filling in name of Library and County at top of each and every page. Please leave the I.D. Number blank. The State Board of Accounts will complete upon return.
2. We have precoded funds for your convenience. If you have additional funds, please list them in the other columns provided. If you need additional forms, you may copy them.
3. All expenditures shall be totaled from your Ledger of Appropriations, Encumbrances, Disbursements, and Balances, by Major Budget Class, for each fund, and shall be posted to the appropriate classification listed on the left hand side of the form.
4. Interest earned on Savings Accounts and Money Market Mutual Funds and is left in the account must be shown as Purchase of Investments on Part 3.
5. Record total expenditures for each fund.
6. Total disbursements for each fund must agree with the total disbursements for each fund in Part One Column C.

PART FOUR: CASH AND INVESTMENTS AT DECEMBER 31, 2007

1. Review Part Four, filling in name of Library and County at top of each and every page. Please leave the I.D. Number blank. The State Board of Accounts will complete upon return.
2. Please complete the following columns for each investment of the Library on hand at December 31, 2007:
 - A. Purchase Date: The date the investment was purchased or the date of the last renewal. Omit Purchase Date for savings accounts.
 - B. Serial Number: The number on the investment or savings account
 - C. Description: The type of investment (ie, Certificate of Deposit, Savings Account, Repurchase Agreements, Treasury Bills, Notes and Bonds)
 - D. Maturity Date: The date that the investment matures or can be renewed. Omit Maturity Date for savings accounts.
 - E. Interest Rate: The rate shown on the investment or the yield rate.
 - F. Purchase Cost: The purchase price of the investment or the renewal amount of the investment. For savings accounts, it is the December 31, 2007 balance.
3. Total Investments is the total of the Purchase Cost column for investments.

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PART FOUR: CASH AND INVESTMENTS AT DECEMBER 31, 2007 (Continued)

4. Please complete the following columns for each checking account, change fund and/or petty cash fund of the Library at December 31, 2007:
 - A. Serial Number: The checking account number.
 - B. Description: The name and type of each checking account, change fund, and/or petty cash fund.
 - C. Purchase Cost: The cash on hand at December 31, 2007 after adjusting for any items in transit and/or outstanding checks.
5. Total Cash is the total of the Purchase Cost column for cash.
6. Total Cash and Investment is Total Investments + Total Cash. This must equal the total of Cash and Investments at December 31, 2007 on Part 1 Column F.

PART FIVE: LONG-TERM INDEBTEDNESS AS OF DECEMBER 31, 2007

1. Review Part Five, filling in name of Library and County at top of each and every page. Please leave the I.D. Number blank. The State Board of Accounts will complete upon return.
2. In Column A, list the Total Outstanding Debt at January 1, 2007.
3. In Column B, list the principal amount received for each new debt instrument sold or issued by your governmental unit during 2007.
4. In Column C, list principal amount retired during 2007.
5. In Column D (Outstanding as of December 31, 2007), record the total outstanding indebtedness (Column A + B - C).
6. In Column E (Interest Paid During 2007), list interest paid on all debt for the year 2007.
7. Record the total of each column separately.
8. Column A (Total Outstanding as of January 1, 2007) + Column B (Issued in 2007) - Column C (Retired During 2007) must equal Column D (Outstanding as of December 31, 2007) (or, A + B - C = D).

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PART SIX: INTERGOVERNMENTAL EXPENDITURES

1. List expenditures paid to other local governments in the appropriate category.
2. List expenditures paid to State of Indiana in the appropriate category.
3. Record the total of the Other Local Government Column and the State Column.
4. Record the total Intergovernmental Expenditures (Other Local Government Column + State Column).

Note: If you do not have any intergovernmental expenditures, write "Not Applicable."

PART SEVEN: FEDERAL GRANT RECEIPTS

1. Review Part Seven, filling in name of Library and County at top of each and every page. Please leave the I.D. Number blank. The State Board of Accounts will complete upon return. Use this part only for grants and other assistance funded solely from federal sources. If a grant is partly federally funded and partly state funded, enter the federal portion here and the state portion on Part Eight.
2. **CFDA NUMBER:** Most federal financial grant programs have been assigned a specific number in the Catalog of Federal Domestic Assistance. This is true whether the grant was received directly from the federal agency or passed through a state agency or other governmental entity. The grant documentation should contain the CFDA number for that program. If you do not know the CFDA number, it may be obtained from the Catalog, or from the federal or pass through agency.
3. **FEDERAL TITLE:** All federal grants have been assigned a title. The title is also contained in the Catalog of Federal Domestic Assistance, and may be obtained from the federal or pass through agency if not readily apparent in the grant documentation.
4. **FEDERAL OR STATE AGENCY:** Enter the name of the federal agency for federal grants received directly from a federal agency, or the name of the state agency for pass-through federal grants.
5. **AWARD AMOUNT:** Enter the total amount of the federal grant. If the grant is partly federally funded and partly state funded, enter the federal portion here on Part 7, and the state portion on Part 8.
6. **FUND TITLE:** Enter the name of the fund that the Library uses to account for the federal grant.
7. **RECEIPTS:** Enter the total amount received in 2007 for the federal grant.
8. **DISBURSEMENTS:** Enter the total amount disbursed in 2007 for the federal grant.

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PART EIGHT: STATE GRANT RECEIPTS

1. Review Part Eight, filling in name of the Library and County at top of each and every page. Please leave the I.D. Number blank. The State Board of Accounts will complete upon return. Use this part only for grants and other assistance funded solely from state sources. If a grant is partly state funded and partly federally funded, enter the state portion here and the federal portion on Part Seven.
2. **GRANT NUMBER:** Enter the grant number assigned by the awarding state agency. This number should be readily apparent in the grant documentation. If you do not know the grant number, it may be obtained from the state awarding agency.
3. **PROJECT NAME:** The project name should also be readily apparent in the grant documentation, or may be obtained from the state awarding agency.
4. **STATE AGENCY:** Enter the name of the state awarding agency.
5. **AWARD AMOUNT:** Enter the total amount of the state grant. If the grant is partly state funded and partly federally funded, enter the state portion here on Part 8, and the federal portion on Part 7.
6. **FUND TITLE:** Enter the name of the fund that the Library uses to account for the state grant.
7. **RECEIPTS:** Enter the total amount received in 2007 for the state grant.
8. **DISBURSEMENTS:** Enter the total amount disbursed in 2007 for the state grant.

PART NINE: REPORT ON CAPITAL ASSETS

1. Review Part Nine, filling in name of the Library and County at top of each and every page. Please leave the Library I.D. Number blank. The State Board of Accounts will complete upon return.
2. The beginning balance for each fund should come from the Capital Assets Ledger (City and Town Form 211 or General Form 369). Since most libraries started to record fixed assets in 1996 and 1997, it is acceptable to report all prior expenditures for fixed assets as being made from the operating fund. All future expenditures for fixed assets should be broken down by fund.
3. The 2007 additions to Capital Assets for each fund should be calculated by totaling the additions to the Capital Assets Ledger by fund and type. Post the amount to the appropriate line.
4. Record the total additions for each fund.
5. The 2007 reductions to the Capital Assets for each fund should be calculated by totaling the cost of the asset (at original cost) from the Capital Assets Ledger by fund and type. Post the amount to the appropriate line in the reduction section of each fund.
6. Record the total reductions for each fund.
7. The ending balance for each fund should come from the Capital Assets Ledger.
8. The beginning balance, plus total additions, less the total reductions, must equal the ending balance of each fund.

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PART TEN: FINANCIAL ASSISTANCE TO NONGOVERNMENTAL ENTITIES

1. Review Part 10, filling in name of the Library and County at top of each and every page. Please leave the I.D. Number blank. The State Board of Accounts will complete upon return. Use this part only for financial assistance you provided to nongovernmental entities (i.e. not-for-profits) during the year. Examples of nongovernmental entities that you might provide funding to include: Convention and Visitors Bureaus, Volunteer Fire Departments, Senior Citizen Centers, Councils on Aging, Historical Societies, Day Care Centers, Humane Shelters, Chambers of Commerce, 4-H Clubs, Private/Religious Schools, YMCAs, Youth Leagues, etc. Do not include amounts you pay to vendors for goods or services.
2. **FEDERAL I.D. NUMBER:** Enter the entity's Federal I.D. Number, if known.
3. **NAME:** Enter the name of the entity you provided financial assistance to.
4. **ADDRESS:** Enter the complete address including zip code of the entity.
5. **COUNTY OF OPERATION:** Enter the name of the county the entity operates out of.
6. **NAME OF OPERATING OFFICER AND PHONE NUMBER:** Enter the name of the entity's operating officer as well as a phone number.
7. **DESCRIPTION OF FUNDING:** Enter a description of the funding (i.e. fire protection).
8. **AMOUNT:** Enter the total amount of financial assistance provided to the entity.