

SEAFORD DISTRICT LIBRARY
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

SEAFORD DISTRICT LIBRARY
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FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

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Jefferson, Urian, Doane & Sterner, P.A.

A PROFESSIONAL CORPORATION • CERTIFIED PUBLIC ACCOUNTANTS

TRUITT W. JEFFERSON, CPA
DAVID R. URIAN, CPA
DAVID C. DOANE, CPA
CHARLES H. STERNER, JR., CPA

INDEPENDENT AUDITORS' REPORT

Seaford District Library
Sussex County, Delaware
Seaford, Delaware

We have audited the accompanying statement of cash receipts and disbursements arising from cash transactions of the Seaford District Library in Sussex County, Delaware for the year ended June 30, 1990. This statement is the responsibility of the Library's management. Our responsibility is to express an opinion on this statement based on our audit. The statement of cash receipts and disbursements of the Seaford District Library for the year ended June 30, 1989, was audited by other auditors whose report dated August 9, 1989, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the statements of cash receipts and disbursements are a summary of the cash activity of the Library and do not present transactions that would be included in financial statements of the Library prepared in conformity with generally accepted accounting principles.

In our opinion, the statement referred to above presents fairly, in all material respects, the cash receipts and disbursements arising from cash transactions of the Seaford District Library for the year ended June 30, 1990.

The supplemental information contained herein is presented for additional analysis purposes and is not a required part of the statements referred to above. We did not audit this information and, therefore, we do not express an opinion thereon.



Georgetown, Delaware
August 29, 1990

SEAFORD DISTRICT LIBRARY
 STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
 FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

	<u>1990</u>	<u>1989</u>
RECEIPTS		
Sussex County	\$ 92,702	\$ 88,645
Meeting room	465	-
State of Delaware - Ceta	1,473	-
State of Delaware	23,765	28,515
Sale of capital items	350	-
Fines and fees	4,391	3,469
Donations	285	421
Donations - Building fund	-	2,601
Book sales	1,691	2,108
Memorials	141	2,100
Interest	3,968	4,063
Miscellaneous	-	206
Copy machine	5,483	4,986
TOTAL RECEIPTS	<u>134,714</u>	<u>137,114</u>
DISBURSEMENTS		
Refunds	120	-
Salaries	61,993 + 7	54,610
Payroll taxes	384	248
Workmen's compensation	303	303
Accounting	275	425
Building improvements/renovations	902	6,454
Telephone	2,515	1,600
Postage	686	429
Utilities	13,556	12,967
Insurance	3,226	3,050
Maintenance and repairs	3,733	3,388
Janitorial services	2,000	1,988
Office supplies	1,154	954
Fuel	1,371	1,560
Janitorial supplies	-	34
Dues and subscriptions	3,245	2,838
Books	32,845	37,452
Photocopy supplies	459	781
Audio visual	5,327	4,403
Furniture and equipment	2,233	491
Miscellaneous charges	49	-
Programs/projects	180	56
Conferences	161	-
Training/education	210	213
Mileage	196	-
Legal	-	-
TOTAL DISBURSEMENTS	<u>137,123</u>	<u>134,244</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER TOTAL DISBURSEMENTS	(2,409)	2,870
BEGINNING CASH BALANCE	<u>46,868</u>	<u>43,998</u>
ENDING CASH BALANCE	<u>\$ 44,459</u> =====	<u>\$ 46,868</u> =====

The accompanying notes are an integral part of this statement.

SEAFORD DISTRICT LIBRARY
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS - CONTINUED
FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

	<u>1990</u>	<u>1989</u>
COMPOSITION OF ENDING CASH BALANCE		
Checking account - Fines	\$ 568	\$ 312
Checking account - General	519	1,419
Certificate of deposit - Postles	5,000	5,000
Certificate of deposit - Building fund	25,000	25,000
Certificate of deposit - Building fund	3,000	-
Savings account	1,709	3,541
Money market - Restricted building fund	4,414	7,347
Certificate of deposit - Doug Lockwood Memorial	<u>4,249</u>	<u>4,249</u>
TOTAL COMPOSITION OF ENDING CASH BALANCE	<u>\$ 44,459</u>	<u>\$ 46,868</u>
ENCUMBERED PORTION OF CASH BALANCE	<u>\$ -</u>	<u>\$ 754</u>

The accompanying notes are an integral part of this statement.

SEAFORD DISTRICT LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 1990 AND 1989

NOTE A - ACCOUNTING POLICIES

Basis of Accounting

The Library's policy is to prepare its statements on the cash basis of accounting; consequently, cash receipts are recognized when received rather than when earned, and cash disbursements are recognized when cash is disbursed rather than when the obligation is incurred. The purchase of assets are treated as a cash disbursement in the statements. The statements are presented on a basis of accounting other than generally accepted accounting principles.

SUPPLEMENTAL INFORMATION

SEAFORD DISTRICT LIBRARY
INSURANCE COVERAGE
JUNE 30, 1990

AGENT: Callaway, Farnell & Moore
COMPANY: Continental Insurance Company
TERM: July 13, 1990 - July 13, 1991
COVERAGE: Fire, Additional Perils and Liability
Face Amount: \$577,500 On Building
90% Co-Insurance
\$262,500 On Contents
80% Co-Insurance
\$1,000,000 Liability
\$5,000 Per Person - Medical
Non-Owned Automobile Coverage - Liability Coverage
For The Public, does not cover damage to employees
Auto - \$1,000,000
PREMIUM: \$ 3,226

AGENT: Callaway, Farnell & Moore Insurance, Inc.
COMPANY: Chester County Mutual Insurance Company
TERM: July 1, 1990 - July 1, 1991
COVERAGE: Workmen's Compensation Insurance
Face Amount - \$100,000 Each Accident
PREMIUM: \$ 303

SEAFORD DISTRICT LIBRARY
COMMENTS
JUNE 30, 1990

BOARD OF TRUSTEES

The Trustees of the Seaford District Library are:

Phyllis Palmer, President
Benjamin Tull, Vice-President
Sara M. Thrash, Secretary
Jean Gandek, Treasurer
Paul E. Ellis, Member
Anna May Marvel, Member

Jefferson, Urian, Doane & Sterner, P.A.

A PROFESSIONAL CORPORATION • CERTIFIED PUBLIC ACCOUNTANTS

TRUITT W. JEFFERSON, CPA
DAVID R. URIAN, CPA
DAVID C. DOANE, CPA
CHARLES H. STERNER, JR., CPA

December 12, 1990

To the Board of Directors
Seaford District Library
Seaford, Delaware 19971

In planning and performing our audit of the statement of cash receipts and disbursements of the Seaford District Library for the year ended June 30, 1990, we considered the Company's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency as listed below. This letter does not affect our report dated August 29, 1990, on the statement of Seaford District Library.

OBSERVATION

Upon review of cash disbursements it was discovered that only one signature is required on checks.

RECOMMENDATION

A dual signature policy would establish a stronger internal control.

OBSERVATION

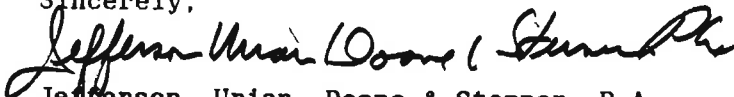
Through communication with library personnel, it was discovered that the required signature on checks is not by a bonded individual.

RECOMMENDATION

We recommend all required check signers be bonded.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various library personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,


Jefferson, Urian, Doane & Sterner, P.A.