

SEAFORD DISTRICT LIBRARY

**FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION**

FOR THE YEARS ENDED JUNE 30, 1994 AND 1993

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INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners
Seaford District Library

We have audited the accompanying statements of cash receipts and disbursements of the Seaford District Library for the years ended June 30, 1994 and 1993. These financial statements are the responsibility of the Library's management. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

As described in Note A, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Seaford District Library for the years ended June 30, 1994 and 1993.

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

Santora, Starr, & Baffone

August 5, 1994
Newark, Delaware

SEAFORD DISTRICT LIBRARY
 STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
 For The Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
RECEIPTS		
Sussex County	\$105,841	\$102,347
City of Seaford	2,000	2,000
Summer Youth	1,537	886
State of Delaware	21,005	20,485
Refunds	1,584	374
Fines and fees	3,874	3,522
Gifts and donations	2,217	3,021
Book sales	2,206	1,899
Memorials	750	525
Interest	1,424	3,575
Miscellaneous	132	-
Copy machine	<u>4,368</u>	<u>7,705</u>
Total receipts	146,938	146,339
DISBURSEMENTS		
Salaries	72,909 + 1	71,949
Payroll taxes	5,578	5,504
Workmen's compensation	402	500
Accounting	275	275
Telephone	1,633	1,694
Postage	748	658
Utilities	14,800	15,637
Insurance	2,315 - 1	3,543
Maintenance and repairs	4,372	4,966
Janitorial services	2,095	2,020
Office supplies	2,154	2,627
Fuel	1,426	1,601
Dues and subscriptions	3,629	3,662
Books	24,637 + 3	21,400
Photocopy supplies	843	613
Audio visual	5,138	4,265
Furniture and equipment	140	2,438
Miscellaneous charges	124	167
Programs/projects	330	144

Continued. . .

SEAFORD DISTRICT LIBRARY
 STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)
 For The Years Ended June 30, 1994 and 1993

	<u>1994</u>	<u>1993</u>
DISBURSEMENTS (CONTINUED)		
Training/education	\$ 356	\$ 190
Mileage	236	236
Printing	<u>54</u>	<u>149</u>
Total disbursements	<u>144,194</u>	<u>144,238</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	2,744	2,101
BEGINNING CASH BALANCE	<u>48,326</u>	<u>46,225</u>
ENDING CASH BALANCE	<u>\$ 51,070</u>	<u>\$ 48,326</u>
COMPOSITION OF ENDING CASH BALANCE		
Checking account - Fines	\$ 361	\$ 425
Checking account - General	2,947	2,826
Certificate of deposit - Postles	5,000	5,000
Certificate of deposit - Building fund	25,000	25,000
Savings account	2,823	2,045
Savings account - Building fund	10,690	8,781
Certificate of deposit - Doug Lockwood Memorial	<u>4,249</u>	<u>4,249</u>
TOTAL COMPOSITION OF ENDING CASH BALANCE	<u>\$ 51,070</u>	<u>\$ 48,326</u>
ENCUMBERED PORTION OF CASH BALANCE	<u>\$ 2,200</u>	<u>\$ -</u>

See note to financial statements.

SEAFORD DISTRICT LIBRARY
NOTE TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The financial statements are presented on a basis of accounting other than generally accepted accounting principles.

2. Encumbered Portion of Cash Balance

The encumbered portion of cash balance represents outstanding encumbrances against the year-end cash balance of the Library.

Encumbrance accounting is the practice whereby orders and commitments for the expenditures of monies are recorded in order to reserve that portion for the applicable appropriation.

ADDITIONAL INFORMATION

SEAFORD DISTRICT LIBRARY

INSURANCE COVERAGE

June 30, 1994

AGENT: Callaway, Farnell & Moore Insurance, Inc.

COMPANY: Atlantic States Insurance Company

TERM: July 13, 1994 - July 13, 1995

COVERAGE: Fire, Additional Perils and Liability
Face Amount: \$668,000 on Building
80% Co-Insurance
\$289,000 on Contents
80% Co-Insurance
\$1,000,000 Liability
\$5,000 Per Person - Medical
\$50,000 Per Fire
\$500 Deductible

PREMIUM: \$2,315

AGENT: Callaway, Farnell & Moore Insurance, Inc.

COMPANY: Donegal Mutual Insurance Company

TERM: July 1, 1994 - July 1, 1995

COVERAGE: Workmen's Compensation Insurance
Face Amount - \$100,000 Each Accident
\$100,000 Each Employee
\$500,000 Policy Limit

PREMIUM: \$393

SEAFORD DISTRICT LIBRARY

COMMENTS

June 30, 1994

BOARD OF COMMISSIONERS

At June 30, 1994, the Commissioners of the Seaford District Library were:

Joan O'Day, President
Dr. Gordon Maynes, Vice-President
Sara M. Thrash, Secretary
Jean Gandek, Treasurer
Brian Shirey, Member
William W. Long, Assistant Treasurer

August 5, 1994

To The Board of Commissioners
Seaford District Library

In planning and performing our audit of the financial statements of the Seaford District Library for the year ended June 30, 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The objective of internal accounting controls is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes the evaluation of these factors and necessarily requires estimates and judgments by management.

The comments in this report involve matters which represent opportunities for improving or enhancing the design or operation of the internal control structure, and other matters which we believe to be of value to the Board of Commissioners and management of the Library.

DOCUMENTATION OF CASH RECEIPTS

During our testing of cash receipts, we noted that no supporting documentation is maintained for cash receipts collected at the circulation desk, such as fines and copies. We recommend that the Library maintain a daily cash receipts register for cash receipts collected at the circulation desk. The information recorded in the register should include the patron's library card number, the amount of the charge, the purpose of the charge, the amount of the cash receipts collected on that day, and the amount of the bank deposit. Also, copies of checks made for donations in excess of \$50 should be attached to the deposit slip to provide additional support for the bank deposit.

PAYMENT OF INVOICES

During our testing of expenses, we noted that invoices are reviewed by the Director prior to payment. However, no indication of the Director's approval is made on the invoice. We recommend that the Director place her initials and approval for payment on each invoice.

This report is intended solely for the information and use of the Board of Commissioners and management of the Seaford District Library.

The comments contained herein are offered in the spirit of constructive comment and should not be misconstrued as reflecting on anyone associated with the Seaford District Library. We trust these comments will be accepted in the spirit of cooperation and assistance in which they are offered.


Santora, Starr & Baffone

Cash

Receipts

SUBJECT:

Please Count Money + fill in appropriate spaces with a pen!

Initial/\$.00	Fines/Front	Fines/Back	Copies	Back Sides	Initial/\$.00	Fines/Front	Fines/Back	Copies	Back Sides
1					1				
2					2				
3					3				
4					4				
5					5				
6					6				
7					7				
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