

SEAFORD DISTRICT LIBRARY  
FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

SEAFORD DISTRICT LIBRARY  
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FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

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

A PROFESSIONAL CORPORATION • CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Seaford District Library  
Sussex County, Delaware

We have audited the accompanying statements of cash receipts and disbursements of the Seaford District Library in Sussex County, Delaware for the years ended June 30, 1996 and 1995. 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 audit.

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 financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statement. 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 statements of cash receipts and disbursements 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, 1996 and 1995.

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 7, 1996

SEAFORD DISTRICT LIBRARY  
 STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS  
 FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	1996	1995
<b>RECEIPTS</b>		
Book sales	\$ 3,232	\$ 2,585
Capital equipment grant	-	2,217
Copy machine	5,628	5,058
City of Seaford	3,000 <sup>+1</sup>	2,000
Fees and fines	4,957	4,604
Gifts and donations	1,472	2,332
Interest	2,715	2,069
Memorials	1,318	750
Miscellaneous	275	177
State of Delaware	25,229 <sup>+1</sup>	23,681
Summer Youth	1,537	1,537
Sussex County	X 123,328 <sup>+1/4</sup>	109,016
<b>TOTAL RECEIPTS</b>	<b>172,691</b>	<b>156,026</b>
<b>DISBURSEMENTS</b>		
Accounting	285	275
Audio/visual	3,810	4,074
Automation	8,930 <sup>+4</sup>	4,927
Books	24,421	24,545
Dues and subscriptions	4,666	4,171
Fuel	1,850	1,650
Furniture and equipment	591 <sup>-5</sup>	5,575 <sup>10</sup>
Insurance	2,312	2,315
Janitorial services and supplies	2,080	2,060
Maintenance and repairs	5,163	4,524
Mileage	338	153
Miscellaneous	238	486
Office supplies	3,284	3,314
Payroll taxes	6,216	5,719
Photocopy supplies	1,000	1,034
Postage	799	756
Printing	69	-
Programs/projects	347	225
Salaries	81,247 <sup>+7</sup>	74,755
Telephone	1,716	1,863
Training/education	383	242
Utilities	13,767 <sup>+1</sup>	12,788
Worker's compensation	459	460
<b>TOTAL DISBURSEMENTS</b>	<b>163,971</b>	<b>155,911</b>

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, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 8,720	\$ 115
BEGINNING CASH BALANCE	<u>51,185</u>	<u>51,070</u>
ENDING CASH BALANCE	<u>\$ 59,905</u>	<u>\$ 51,185</u>
COMPOSITION OF ENDING CASH BALANCE		
Checking account - fines	\$ 475	\$ 632
Checking account - general	2,615	2,834
Certificate of deposit - Postles	5,000	5,000
Certificate of deposit - building fund	25,000	25,000
Certificate of deposit - D. Lockwood Memorial	4,249	4,249
Certificate of deposit - automation	7,186	-
Savings account	3,928	3,570
Savings account - building fund	11,452	9,900
	<u>59,905</u>	<u>51,185</u>
<b>TOTAL COMPOSITION OF ENDING CASH BALANCE</b>	<u>\$ 59,905</u>	<u>\$ 51,185</u>
ENCUMBERED PORTION OF CASH BALANCE	<u>\$ 11,013</u>	<u>\$ 3,093</u>

The accompanying notes are an integral part of this statement.

**NOTE A - ACCOUNTING POLICIES**

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 statements are presented on a basis other than generally accepted accounting principles.

Encumbrances

The encumbered portion of the 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.

**SUPPLEMENTAL INFORMATION**

SEAFORD DISTRICT LIBRARY  
INSURANCE COVERAGE  
JUNE 30, 1996

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AGENT: Callaway, Farnell & Moore Insurance, Inc.  
COMPANY: Atlantic States Insurance Company  
TERM: July 13, 1996 - July 13, 1997  
COVERAGE: Commercial Package Policy  
Face Amount: \$ 668,000 on Building  
80% Co-Insurance, \$500 Deductible  
\$ 289,000 on Contents  
80% Co-Insurance, \$500 Deductible  
\$ 1,000,000 General Aggregate Limit, Each  
Occurance Limit  
\$ 1,000,000 Auto Liability, Combined Single  
Limit, Each Accident  
\$ 5,000 Medical Limit, Per Person  
\$ 50,000 Fire Damage Limit, Per Fire  
\$ 500 Deductible  
PREMIUM: \$ 2,312

AGENT: Callaway, Farnell & Moore Insurance, Inc.  
COMPANY: Donegal Mutual Insurance Company  
TERM: July 1, 1996 - July 1, 1997  
COVERAGE: Worker's Compensation Insurance  
Face Amount: \$ 100,000 Each Accident  
\$ 100,000 Each Employee  
\$ 500,000 Policy Limit  
PREMIUM: \$ 460



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BOARD OF COMMISSIONERS

The Trustees of the Seaford District Library are:

- |                 |                   |
|-----------------|-------------------|
| President       | - Joan O'Day      |
| Treasurer       | - Jean Gandek     |
| Asst. Treasurer | - William W. Long |
| Secretary       | - Sarah Thrash    |
| Member          | - Brian Shirey    |
| Member          | - Wayne Carter    |

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August 9, 1995

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, 1995, we considered its 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 a matter that is an opportunity for strengthening internal controls and operating efficiency as listed below. This letter does not affect our report dated August 9, 1995, on the statement of Seaford District Library.

## OBSERVATION

Upon review of the payroll internal controls, it was noted that the employee's personnel files are missing completed Form I-9's (Employment Eligibility Verification). A completed I-9 is required by the Department of Justice and the State of Delaware for each employee.

## RECOMMENDATION

We recommend that all current employees complete Form I-9 and it be made a part of their personnel file. In addition, all new hires be required to complete Form I-9 at date of hire.

## OBSERVATION

The Library maintains no bond insurance on employees.

## RECOMMENDATION

Maintaining bond insurance safeguards assets and prevents losses from dishonest employees.

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.

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

Sincerely,

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