



Seaford District Library, Inc.

Financial Statement - Cash Basis and Supplementary Information

**For the Years Ended June 30, 2016 (Compiled) and
June 30, 2015 (Reviewed)**

Seaford District Library, Inc.

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Independent Accountant's Report

To the Board of Commissioners
Seaford District Library, Inc.
Seaford, Delaware

Management is responsible for the accompanying financial statement of Seaford District Library, Inc. (a nonprofit organization), which comprise the statement of cash receipts and disbursements for the year ended June 30, 2016, and the related notes to the financial statement in accordance with the basis of accounting described in Note 1. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the 2016 financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

The 2016 supplementary information contained on pages 8 to 10 is presented for purposes of additional analysis and is not a required part of the basic financial statement. The information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

The accompanying 2015 financial statement and supplementary information of Seaford District Library, Inc. was previously reviewed by us, and in our reports dated November 30, 2015 we stated that we were not aware of any material modifications that should be made to that financial statement or supplementary information in order for them to be in accordance with basis of accounting described in Note 1. We have not performed any procedures in connection with that review engagement since that date.

BDO USA, LLP

November 8, 2016

Financial Statement - Cash Basis

Seaford District Library, Inc.

Statement of Cash Receipts and Disbursements

Years ended June 30,	(Compiled) 2016	(Reviewed) 2015
Receipts		
Book sales	\$ 23	\$ 150
Building fund income	12,488	120,970
City of Seaford	1,500	1,500
Fees and fines	22,537	23,716
Grants	9,500	-
Gifts, donations, and fundraising	7,654	7,453
Interest	74	-
Miscellaneous	621	9,251
Proceeds from sale of securities	-	231,504
State of Delaware	81,293	78,271
Sussex County	264,230	304,254
Total receipts	399,920	777,069
Disbursements		
Accounting	6,260	6,160
Advertising	4,680	1,735
Audio visual	5,326	8,189
Bank charges	1,765	468
Books	45,175	32,057
Building and capital expenditures	13,286	7,533
Capital expenditures	-	7,510
Dues and subscriptions	1,860	6,403
Fundraising	50	1,940
Insurance	11,193	13,019
Interest expense	-	9,281
Loan repayment	-	458,277
Maintenance and repairs	25,839	19,416
Mileage	651	604
Miscellaneous	14,576	12,979
Office supplies	22,405	22,396
Payroll taxes	17,809	17,608
Programs and projects	11,921	7,466
Professional fees	1,885	-
Salaries	231,618	228,157
Securities purchased	-	35
Telephone	3,123	4,166
Training and education	397	461
Utilities	44,080	36,671
Workman's compensation	5,405	-
Total disbursements	469,304	902,531
Deficit of receipts over disbursements	(69,384)	(125,462)
Cash Balance - Beginning	100,828	226,290
Cash Balance - Ending	\$ 31,444	\$ 100,828

See accompanying independent accountant's report and notes to financial statements.

Seaford District Library, Inc.

Notes to Financial Statement

1. Summary of Significant Accounting Policies

Nature of Activities

The Seaford District Library, Inc. (the "Library") provides library services to the general public. It is a free public library that provides collections of reading materials, programs, and services to benefit the Seaford area.

Basis of Accounting

The accompanying financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. All transactions are recognized as either cash receipts or disbursements, and non-cash transactions are not recognized. The cash receipts and disbursements basis differs from accounting principles generally accepted in the United States of America primarily because the effects of outstanding receivables and obligations unpaid at the date of the financial statement are not included in the financial statement.

Subsequent Events

Events and transactions subsequent to year end have been evaluated for potential recognition in the financial statement or disclosure in the notes to the financial statement. All events and transactions have been evaluated through November 8, 2016 which is the date the financial statement was available to be issued. There were no events that required adjustments to or disclosure in this financial statement.

2. Cash and Cash Equivalents and Concentration of Credit Risk

Cash and cash equivalents include cash on hand, bank demand deposits, money market accounts, and all other highly liquid investments with an original maturity of three months or less. Cash and cash equivalents are maintained at various financial institutions and, at times, balances may exceed federally insured limits. The Library has never experienced any losses related to these balances.

As of June 30, 2016, insurance coverage was \$250,000 per depositor at each financial institution. At June 30, 2016 and 2015, cash and cash equivalents did not exceeded the federally insured limits.

See accompanying independent accountant's report

Seaford District Library, Inc.

Notes to Financial Statement

3. Income Taxes

The Library is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

Although the Library is exempt from income taxes, income from certain activities not directly related to the Library's tax exempt purpose could be subject to taxation as unrelated business income. The Library did not engage in any such activities for the fiscal years ended June 30, 2016 and 2015. If there were any interest and penalties related to income taxes, the payments would be included in the statement of cash receipts and disbursements.

Management has reviewed its current federal and state tax provisions and has determined, based on clear and unambiguous tax laws and regulations, that the tax positions taken are certain and there is no likelihood that a material tax assessment would be made if a respective government agency examined the tax returns for the years subject to examination. Tax filings for fiscal years ended June 30, 2013 and after remain open to examination by the taxing jurisdictions to which the Library is subject, and they have not been extended beyond the statute of limitations.

4. Endowment Fund

The Library signed an agreement with Delaware Community Foundation (DCF) in 2008 to establish the Seaford District Library Endowment Fund, funded initially by a \$2,000 grant from the Delaware Division of Libraries. The funds are administered and invested by the DCF, a commingled investment fund for the benefit of the Library. DCF maintains separate subaccounts for each library where distributions are subject to certain restrictions and may not begin until the fund achieves a \$10,000 threshold. However, in the event of extraordinary circumstances, the balance of the Fund (less the grants from the Delaware Division of Libraries) may be distributed with written approval from the Board of Directors of both the DCF and the Library.

The balances designated for Seaford District Library, Inc. totaled \$303,305 and \$315,013 at June 30, 2016 and 2015, respectively, and are not included in the accompanying statement of cash receipts and disbursements.

See accompanying independent accountant's report

Supplementary Information

Seaford District Library, Inc.

Insurance Coverage

Year Ended June 30, 2016

Agent	Company	Coverage	Term	Annual Premium
Avery W. Hall Insurance Agency	Philadelphia Indemnity Insurance Company	Commercial Package Policy	07/13/15 - 07/13/16	\$11,193
		\$1,000,000 - General Aggregate Limit, Each Occurrence Limit \$1,000,000 - Products - Completed Operations Aggregate \$1,000,000 - Personal and Advertising Injury \$1,000,000 - Each Occurrence Limit	07/13/14 - 07/13/15	\$13,019
		Commercial Auto \$500,000 - Each Accident		

See accompanying independent accountant's report.

Seaford District Library, Inc.
Cash

The Library maintains cash for its operations at local financial institutions. The composition of cash is as follows:

<i>June 30</i>	2016	2015
Money market accounts - building fund	\$ -	\$ 15,416
Money market accounts - general	22,487	47,758
Checking account - general	8,607	15,786
Petty cash	350	150
M&T - building fund	-	21,718
Total Composition of Ending Cash Balance	\$ 31,444	\$ 100,828

See accompanying independent accountant's report.

Seaford District Library, Inc.
Board of Commissioners

The Commissioners of the Seaford District Library, Inc. at June 30, 2016 are:

President	Kay Wheatley
Vice President	Amy Russell
Treasurer	Janet Messick
Assistant Treasurer	Desiree Moore
Member	Peggy Boyd

See accompanying independent accountant's report.