

LANCASTER COUNTY VETERANS' AID FUND

FINANCIAL STATEMENTS
WITH
SUPPLEMENTAL INFORMATION
AND
ACCOMPANYING INDEPENDENT AUDITORS' REPORTS

YEAR ENDED JUNE 30, 2007

BLAND & ASSOCIATES, P.C.
Certified Public Accountants

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8712 West Dodge Road • Suite 200 • Omaha, NE 68114 • (402) 397-8822 • Fax (402) 397-8649

INDEPENDENT AUDITORS' REPORT

Board of Directors
Lancaster County Veterans' Aid Fund
Lincoln, Nebraska

We have audited the accompanying cash basis financial statements of Lancaster County Veterans' Aid Fund, a component unit of Lancaster County, Nebraska, as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Lancaster County Veterans' Aid Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the financial statements present only the activity of Lancaster County Veterans' Aid Fund and do not purport to, and do not, present fairly the financial position of Lancaster County, Nebraska, as of June 30, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A, Lancaster County Veterans' Aid Fund prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lancaster County Veterans' Aid Fund as of June 30, 2007, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note A.

Lancaster County Veterans' Aid Fund has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined are necessary to supplement, although not required to be part of, the financial statements.

INDEPENDENT AUDITORS' REPORT (Continued)

The budgetary comparison information on pages 7 and 8 is not a required part of the financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2008, on our consideration of Lancaster County Veterans' Aid Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Omaha, Nebraska
January 18, 2008

Blane & Associates, P.C.

LANCASTER COUNTY VETERANS' AID FUND
BALANCE SHEET - CASH BASIS
June 30, 2007

ASSETS

Cash and Cash Equivalents (Notes A and B)	\$ 3,305
	<u>\$ 3,305</u>

NET ASSETS

Unrestricted (Note A)	\$ 3,305
	<u>\$ 3,305</u>

The accompanying notes to financial
statements are an integral part of these statements

LANCASTER COUNTY VETERANS' AID FUND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCE
Year Ended June 30, 2007

RECEIPTS

Remittance from County Treasurer	\$	5,000
Refund		25
Total Receipts		5,025

DISBURSEMENTS

Rent		1,815
Utilities		578
Burial		307
Food		125
Medical		270
Total Disbursements		3,095

CHANGE IN CASH BALANCE 1,930

CASH BALANCE - BEGINNING OF YEAR 1,375

CASH BALANCE - END OF YEAR \$ 3,305

The accompanying notes to financial
statements are an integral part of these statements

LANCASTER COUNTY VETERANS' AID FUND
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Lancaster County Veterans' Aid Fund (the Fund) is presented to assist in understanding the Fund's financial statements. The financial statements and notes are representations of the Fund's management who are responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

Reporting Entity

The Fund is included as a portion of the special revenue funds of Lancaster County, Nebraska. The Fund, which receives its support primarily from the County, is operated to provide assistance to eligible veterans of the armed forces from Lancaster County. The Lancaster County Veterans' Service Center is responsible for the administration of the Fund.

The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. GASB statements and interpretations constitute GAAP for governments. The Fund accounts for business-type activities pursuant to Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989, unless those pronouncements conflict with GASB pronouncements, in which case, GASB prevails.

Measurement Focus/Basis of Accounting

The Fund's financial statements are prepared on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligations are incurred.

The financial statements are not intended to be presented in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less, including overnight repurchase agreements and money market mutual funds, are considered cash equivalents.

LANCASTER COUNTY VETERANS' AID FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting used by the Fund requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Income Taxes

The County and, accordingly the Fund, qualify as a tax-exempt organization under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes is required.

Net Assets

Net assets represent the difference between total assets and total liabilities. Unrestricted net assets are those that do not meet the definition of either net assets invested in capital assets net of related debt or restricted net assets. Net assets invested in capital assets, net of related debt, consist of capital assets less accumulated depreciation and the net of outstanding balances of any debts used to finance those assets, such as capital leases and notes. Restricted assets are those that may be used only to finance specific types of transactions. The Fund reports only unrestricted net assets.

NOTE B – CASH AND CASH EQUIVALENTS

The balances of the Fund's deposits with financial institutions amounted to \$3,305 at June 30, 2007. As of June 30, 2007, all of the Fund's deposits with financial institutions were transferred to the receiving district. State law requires all funds in depositories to be fully insured or collateralized; and the Fund's policy was to require depositories to provide pledged securities to cover deposits in excess of Federal Deposit Insurance Corporation limits.

REQUIRED SUPPLEMENTAL INFORMATION

**LANCASTER COUNTY VETERANS' AID FUND
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES
 IN CASH BALANCE - BUDGET AND ACTUAL
 Year Ended June 30, 2007**

	Original & Final Budget	Actual
RECEIPTS		
Remittances from County Treasurer	\$ -	\$ 5,000
Refund	-	25
Total Receipts	-	5,025
DISBURSEMENTS		
Rent	8,250	1,815
Utilities	1,500	578
Burial	1,500	307
Food	2,000	125
Medical	1,000	270
Miscellaneous	750	-
Total Disbursements	15,000	3,095
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (15,000)	1,930
CASH BALANCE - BEGINNING OF YEAR		1,375
CASH BALANCE - END OF YEAR		\$ 3,305

The accompanying notes to required
 supplemental information are an integral part of this schedule

LANCASTER COUNTY VETERANS' AID FUND
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
Year Ended June 30, 2007

**NOTE A -- SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BALANCE - BUDGET AND ACTUAL**

Basis of Accounting

The accompanying schedule of receipts, disbursements, and changes in cash balance - budget and actual is presented on the cash basis of accounting. This basis is consistent with the basis of accounting used in preparing the financial statements which is the Fund's budgetary basis of accounting.

Budget Law

The Fund is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. Appropriations for expenditures lapse at year end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Lancaster County Veterans' Aid Fund
Lincoln, Nebraska

We have audited the cash basis financial statements of Lancaster County Veterans' Aid Fund, a component unit of Lancaster County, Nebraska (the Fund), as of and for the year ended June 30, 2007, and have issued our report thereon dated January 18, 2008. Our report disclosed that, as described in Note A to the financial statements, the Fund prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We did not identify any deficiencies in internal control over financial reporting that would be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We noted no deficiencies in internal control over financial reporting that we considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Lancaster County, Nebraska, Lancaster County Veterans' Aid Fund, and the State of Nebraska and this report is not intended to be and should not be used by anyone other than these specified parties.

Omaha, Nebraska
January 18, 2008

Bland & Associates, P.C.