

**LANCASTER COUNTY VETERANS' AID FUND
AS MAINTAINED BY THE VETERANS' AID SERVICE CENTER**

**FINANCIAL STATEMENTS
WITH
SUPPLEMENTAL INFORMATION
AND
ACCOMPANYING INDEPENDENT AUDITORS' REPORTS
YEAR ENDED JUNE 30, 2009**

**BLAND & ASSOCIATES, P.C.
Certified Public Accountants**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Lancaster County Veterans' Aid Fund
As Maintained by the Veterans' Aid Service Center
Lincoln, Nebraska

We have audited the accompanying cash basis financial statements of Lancaster County Veterans' Aid Fund as maintained by the Veterans' Aid Service Center (the Fund), for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 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.

As described in Note A, the financial statements present only the activity of the Fund and do not purport to, and do not, present fairly the financial position of Lancaster County, Nebraska, as of June 30, 2009, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2009, and the changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note A.

The 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.

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.

INDEPENDENT AUDITORS' REPORT (Continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2009, on our consideration of the 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.

Bland + Associates, P.C.

Omaha, Nebraska
September 23, 2009

**LANCASTER COUNTY VETERANS' AID FUND
AS MAINTAINED BY VETERANS' AID SERVICE CENTER
BALANCE SHEET - CASH BASIS
JUNE 30, 2009**

ASSETS

Cash and Cash Equivalents	<u>\$ 7,346</u>
	<u><u>\$ 7,346</u></u>

NET ASSETS

Unrestricted	<u>\$ 7,346</u>
	<u><u>\$ 7,346</u></u>

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

**LANCASTER COUNTY VETERANS' AID FUND
AS MAINTAINED BY VETERANS' AID SERVICE CENTER
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH BASIS NET ASSETS
Year Ended June 30, 2009**

RECEIPTS	
Donation	\$ 100
Remittances from County Treasurer	5,000
Total Receipts	<u>5,100</u>
DISBURSEMENTS	
Rent	3,496
Utilities	979
Burial	520
Food	138
Medical	273
Total Disbursements	<u>5,406</u>
EXCESS OF DISBURSEMENTS OVER RECEIPTS	(306)
CASH BASIS NET ASSETS - BEGINNING OF YEAR	<u>7,652</u>
CASH BASIS NET ASSETS - END OF YEAR	<u><u>\$ 7,346</u></u>

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

**LANCASTER COUNTY VETERANS' AID FUND
AS MAINTAINED BY THE VETERANS' AID SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Lancaster County Veterans' Aid Fund as maintained by the Veterans' Aid Service Center (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, which receives its support primarily from the County, is operated to provide assistance to eligible veterans of the armed forces from the County. The Lancaster County Veterans' Service Center is responsible for the administration of the Fund. These financial statements present the activity of the Lancaster County Veterans' Service Center.

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

The Fund's deposits with financial institutions which are held in a checking account are considered to be cash equivalents.

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.

**LANCASTER COUNTY VETERANS' AID FUND
AS MAINTAINED BY THE VETERANS' AID SERVICE CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2009**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$7,346 at June 30, 2009. 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.

NOTE C – ECONOMIC DEPENDENCY

The County accounted for 98% of the Fund's revenues.

REQUIRED SUPPLEMENTAL INFORMATION

**LANCASTER COUNTY VETERANS' AID FUND
AS MAINTAINED BY VETERANS' AID SERVICE CENTER
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH BASIS NET ASSETS - BUDGET TO ACTUAL
Year Ended June 30, 2009**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
RECEIPTS			
Donation	\$ -	\$ 100	\$ (100)
Remittances from County Treasurer	5,000	5,000	-
Total Receipts	<u>5,000</u>	<u>5,100</u>	<u>(100)</u>
DISBURSEMENTS			
Rent	5,250	3,496	1,754
Utilities	1,250	979	271
Burial	1,000	520	480
Food	1,500	138	1,362
Medical	500	273	227
Miscellaneous	500	-	500
Total Disbursements	<u>10,000</u>	<u>5,406</u>	<u>4,594</u>
EXCESS (DEFICIENCY) OF DISBURSEMENTS OVER RECEIPTS	<u>\$ (5,000)</u>	(306)	<u>\$ (4,694)</u>
CASH BASIS NET ASSETS - BEGINNING OF YEAR		<u>7,652</u>	
CASH BASIS NET ASSETS - END OF YEAR		<u>\$ 7,346</u>	

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

**LANCASTER COUNTY VETERANS' AID FUND
AS MAINTAINED BY THE VETERANS' AID SERVICE CENTER
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION
Year Ended June 30, 2009**

**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.

**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**

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
As Maintained by the Veterans' Aid Service Center
Lincoln, Nebraska

We have audited the cash basis financial statements of Lancaster County Veterans' Aid Fund, as maintained by the Veterans' Aid Service Center (the Fund), as of and for the year ended June 30, 2009, and have issued our report thereon dated September 23, 2009. 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 as maintained by the Veterans' Aid Service Center, 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
September 23, 2009

Bland & Associates, P.C.