

**ATTESTATION REPORT
OF
DODGE COUNTY COURT**

JULY 1, 2011 THROUGH JUNE 30, 2013

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Issued on May 2, 2014

DODGE COUNTY COURT

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DODGE COUNTY COURT

COMMENT AND RECOMMENDATION

During our examination of the Dodge County Court, we noted a certain deficiency and other operational matters that are presented here.

This comment and recommendation is intended to improve the internal control over financial reporting or result in operational efficiencies in the following area:

Segregation of Duties

Good internal control includes a plan of organization, procedures, and documentation designed to safeguard assets and provide reliable financial records. A system of internal control should include proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end.

We noted the office of the County Court had a lack of segregation of duties, as one person was capable of handling all aspects of processing transactions from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost. Further, personnel are under the direction of both the Nebraska State Court Administrator and the Presiding Judge. We have noted this comment in previous examinations. We consider this to be a material weakness.

We recommend the County Court and the Nebraska State Court Administrator review this situation. As always, the cost of hiring additional personnel versus the benefit of a proper segregation of duties must be weighed.

County Court's Response: My comment would be that we have only a certain number of employees therefore we do the best we can and we have not had any problems.

It should be noted this report is critical in nature as it contains only our comment and recommendation on the area noted for improvement and does not include our observations on any accounting strengths of the County Court.

Draft copies of this report were furnished to the County Court to provide management an opportunity to review the report and to respond to the comment and recommendation included in this report. The formal response received has been incorporated into this report. The response has been objectively evaluated and recognized, as appropriate, in the report. A response that indicates corrective action has been taken was not verified at this time, but it will be verified in the next examination.



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DODGE COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Dodge County Court as of and for the fiscal years ended June 30, 2013, and June 30, 2012. The County Court's management is responsible for the Schedules. Our responsibility is to express an opinion based on our examination.

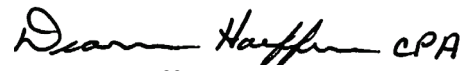
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Schedules referred to above present, in all material respects, the assets and liabilities arising from cash transactions of the Agency Funds of the Dodge County Court, as of June 30, 2013, and June 30, 2012, and the related activity for the fiscal years then ended, based on the accounting system and procedures prescribed by the Nebraska Supreme Court, as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Schedules and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Schedules are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedules or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards*, and the finding, along with the views of management, is described in the Comments Section of the report.

This report is intended solely for the information and use of management, the Supreme Court, others within the County Court, and the appropriate Federal and regulatory agencies, and it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

April 24, 2014

A handwritten signature in black ink that reads "Deann Haeffner CPA". The signature is written in a cursive style with a distinct loop for the letter 'D' and a clear 'CPA' at the end.

Deann Haeffner, CPA
Assistant Deputy Auditor

DODGE COUNTY COURT
FREMONT, NEBRASKA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS

For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS				
Cash and Deposits	\$ 281,919	\$ 1,634,075	\$ 1,667,036	\$ 248,958
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 19,619	\$ 192,499	\$ 196,732	\$ 15,386
Law Enforcement Fees	1,666	19,227	19,456	1,437
State Judges Retirement Fund	5,900	63,492	64,795	4,597
Court Administrative Fees	12,896	136,522	140,237	9,181
Legal Services Fees	6,128	68,239	69,426	4,941
Due to County Treasurer:				
Regular Fines	39,820	479,531	482,734	36,617
Overload Fines	5,700	47,945	51,750	1,895
Regular Fees	9,577	47,650	52,866	4,361
Due to Municipalities:				
Regular Fines	743	11,272	11,570	445
Regular Fees	-	125	125	-
Trust Fund Payable	<u>179,870</u>	<u>567,573</u>	<u>577,345</u>	<u>170,098</u>
Total Liabilities	<u>\$ 281,919</u>	<u>\$ 1,634,075</u>	<u>\$ 1,667,036</u>	<u>\$ 248,958</u>

The accompanying notes are an integral part of the schedule.

DODGE COUNTY COURT
FREMONT, NEBRASKA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS

For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS				
Cash and Deposits	\$ 204,205	\$ 1,561,434	\$ 1,483,720	\$ 281,919
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 15,714	\$ 187,898	\$ 183,993	\$ 19,619
Law Enforcement Fees	1,447	17,799	17,580	1,666
State Judges Retirement Fund	5,211	59,583	58,894	5,900
Court Administrative Fees	10,643	150,435	148,182	12,896
Legal Services Fees	5,447	63,460	62,779	6,128
Due to County Treasurer:				
Regular Fines	36,456	448,096	444,732	39,820
Overload Fines	2,400	45,923	42,623	5,700
Regular Fees	3,413	63,735	57,571	9,577
Due to Municipalities:				
Regular Fines	1,085	8,350	8,692	743
Regular Fees	50	150	200	-
Trust Fund Payable	<u>122,339</u>	<u>516,005</u>	<u>458,474</u>	<u>179,870</u>
Total Liabilities	<u>\$ 204,205</u>	<u>\$ 1,561,434</u>	<u>\$ 1,483,720</u>	<u>\$ 281,919</u>

The accompanying notes are an integral part of the schedule.

DODGE COUNTY COURT
NOTES TO FINANCIAL SCHEDULES
For the Fiscal Years Ended June 30, 2013, and June 30, 2012

1. Criteria

A. Reporting Entity

The Dodge County Court is established by State statute and is administratively operated through the Court Administrator's Office of the Nebraska Supreme Court, which is part of the State of Nebraska reporting entity. The Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the County Court reflect only the Agency Funds activity of the County Court, including the receipts and their subsequent disbursement to the appropriate entities for which they were collected. The Schedules do not reflect the personal services expenses of the County Court, which are paid by the Nebraska Supreme Court, or the operating expenses, which are paid by Dodge County.

B. Basis of Accounting

The accounting records of the County Court Agency Funds are maintained, and the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions have been prepared, based on the accounting system and procedures prescribed by the Nebraska Supreme Court. Under this system of accounting, fines, fees, and receipts relating to trust funds are shown as additions to assets and as an increase in the related liability when received. Likewise, disbursements are shown as deductions to assets and as a decrease in the related liability when a check is written.

2. Deposits and Investments

Funds held by the County Court are deposited and invested in accordance with rules issued by the Supreme Court, as directed by Neb. Rev. Stat. § 25-2713 (Reissue 2008). Funds are generally consolidated in an interest-bearing checking account; however, the County Court may order certain trust funds to be invested separately. Any deposits in excess of the amount insured by the Federal Deposit Insurance Corporation are required by Neb. Rev. Stat. § 77-2326.04 (Reissue 2009) to be secured either by a surety bond or as provided in the Public Funds Deposit Security Act.