

**ATTESTATION REPORT  
OF  
CASS COUNTY COURT  
JULY 1, 2013 THROUGH JUNE 30, 2015**

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**Issued on June 6, 2016**

# CASS COUNTY COURT

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# CASS COUNTY COURT

## SUMMARY OF COMMENTS

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

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the following areas:

1. ***Segregation of Duties:*** One individual was capable of handling all phases of a transaction from beginning to end.
2. ***Non-Waiverable Court Costs:*** The County Court waived costs that, according to State statute, were non-waiverable.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, as it contains only our comments and recommendations on the areas 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 with an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

# CASS COUNTY COURT

## COMMENTS AND RECOMMENDATIONS

### 1. Segregation of Duties

We noted the office of the County Court lacked a 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 included this comment in previous examinations. We consider this to be a material weakness.

Errors specifically noted include the following:

- Access to signature stamps is not limited to the individual whose name is on the stamp.
- Two duplicate payments, totaling \$246, received on traffic cases were not refunded timely.

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 a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end.

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: We are continuously working to correct this feedback. Two staff members will now be reviewing all cases to ensure that money is handled appropriately and to ensure that funds are refunded in a timely fashion. In addition our Financial specialist also reviews reports to ensure that we do not miss anything. We will continue to work with the Administrative Office of the Courts to resolve the stamps.*

### 2. Non-Waiverable Court Costs

We noted three instances where non-waiverable costs of \$17 were waived. Neb. Rev. Stat. § 29-2709 (Reissue 2008) provides, in relevant part, the following:

*When any costs in misdemeanor, traffic, felony preliminary, or juvenile cases in county court, except for those costs provided for in subsection (3) of section 24-703 [judges retirement fee], two dollars of the fee provided in section 33-107.01 [legal services fee], the court automation fee provided in section 33-107.03, and the uniform data analysis fee provided in section 47-633, are found by a county judge to be uncollectable for any reason, including the dismissal of the case, such costs shall be deemed waived . . . .*

# CASS COUNTY COURT

## COMMENTS AND RECOMMENDATIONS

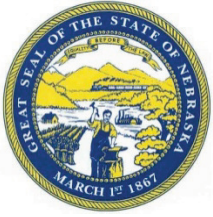
(Concluded)

### 2. Non-Waiverable Court Costs (Concluded)

When non-waiverable fees and costs are waived, the County Court is not in compliance with State statute. We have included this comment in previous examinations.

We recommend the County Court waive only court fees and costs allowed by State statute.

*County Court's Response: I have asked JUSTICE to run a query and am working on correcting this report. I am currently the only one who does Jail Layouts any more and they are being done correctly. I had a staff member who was doing them and was unaware of how to do them correctly. These will all be corrected by August 1, 2016.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.nebraska.gov

### CASS COUNTY COURT

#### INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Cass County Court as of and for the fiscal years ended June 30, 2015, and June 30, 2014. 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 Cass County Court, as of June 30, 2015, and June 30, 2014, 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.



Craig Kubicek, CPA, CFE  
Assistant Deputy Auditor

May 6, 2016

**CASS COUNTY COURT**  
**PLATTSMOUTH, NEBRASKA**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**

For the Fiscal Year Ended June 30, 2015

	<u>Balance</u>		<u>Deductions</u>	<u>Balance</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2015</u>
<b>ASSETS</b>				
Cash and Deposits	\$ 118,495	\$ 984,988	\$ 985,878	\$ 117,605
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 11,669	\$ 131,075	\$ 133,207	\$ 9,537
Law Enforcement Fees	1,419	14,058	14,521	956
State Judges Retirement Fund	4,393	43,876	45,315	2,954
Court Administrative Fees	6,583	77,298	78,538	5,343
Legal Services Fees	4,901	48,357	49,862	3,396
Due to County Treasurer:				
Regular Fines	30,123	309,366	319,826	19,663
Overload Fines	15,377	165,013	159,995	20,395
Regular Fees	1,548	18,368	19,037	879
Petty Cash Fund	760	-	-	760
Due to Municipalities:				
Regular Fines	75	465	515	25
Trust Fund Payable	<u>41,647</u>	<u>177,112</u>	<u>165,062</u>	<u>53,697</u>
Total Liabilities	<u>\$ 118,495</u>	<u>\$ 984,988</u>	<u>\$ 985,878</u>	<u>\$ 117,605</u>

The accompanying notes are an integral part of the schedule.



**CASS COUNTY COURT**  
**PLATTSMOUTH, NEBRASKA**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**

For the Fiscal Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>ASSETS</b>				
Cash and Deposits	\$ 112,562	\$ 971,549	\$ 965,616	\$ 118,495
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 9,877	\$ 129,961	\$ 128,169	\$ 11,669
Law Enforcement Fees	1,299	15,150	15,030	1,419
State Judges Retirement Fund	4,124	46,567	46,298	4,393
Court Administrative Fees	7,103	78,406	78,926	6,583
Legal Services Fees	4,387	51,121	50,607	4,901
Due to County Treasurer:				
Regular Fines	31,550	357,931	359,358	30,123
Overload Fines	6,870	124,844	116,337	15,377
Regular Fees	990	21,257	20,699	1,548
Petty Cash Fund	760	-	-	760
Due to Municipalities:				
Regular Fines	25	1,170	1,120	75
Trust Fund Payable	45,577	145,142	149,072	41,647
<b>Total Liabilities</b>	<b>\$ 112,562</b>	<b>\$ 971,549</b>	<b>\$ 965,616</b>	<b>\$ 118,495</b>

The accompanying notes are an integral part of the schedule.

**CASS COUNTY COURT**  
**NOTES TO FINANCIAL SCHEDULES**  
For the Fiscal Years Ended June 30, 2015, and June 30, 2014

**1. Criteria**

**A. Reporting Entity**

The Cass 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 Cass 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.