

**ATTESTATION REPORT  
OF  
LINCOLN COUNTY COURT**

**JANUARY 1, 2018, THROUGH DECEMBER 31, 2019**

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**Issued on April 6, 2020**

LINCOLN COUNTY COURT

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## LINCOLN COUNTY COURT

### COMMENT AND RECOMMENDATION

During our examination of the Lincoln County Court, we noted a certain deficiency and other operational matters that are presented here. The following comment is required to be reported in accordance with *Government Auditing Standards* and is considered to be a material weakness.

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 to 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 noted that the office of the County Court lacked a sufficient 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 may not be 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.

Additionally, the following error was noted:

- A petty cash amount of \$550 was not reflected appropriately in the County Budget Message, which stated that the County Court had only \$500 in petty cash.

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.

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 County Court declined to respond.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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### LINCOLN COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Lincoln County Court  
North Platte, Nebraska 69101

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Lincoln County Court as of and for the calendar years ending December 31, 2018, and December 31, 2019. The County Court's management is responsible for the Schedules based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedules 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. Those standards require that we perform the examination to obtain reasonable assurance about whether the Schedules are based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions for the calendar years ending December 31, 2018, and December 31, 2019, are based on the accounting system and procedures prescribed by the Nebraska Supreme Court, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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 that finding, along with the views of management, is described in the Comment Section of the report.

The purpose of this report is to express an opinion on the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read "C. J. Janssen", with a long horizontal flourish extending to the right.

April 6, 2020

Charlie Janssen  
Auditor of Public Accounts  
Lincoln, Nebraska

LINCOLN COUNTY COURT  
NORTH PLATTE, NEBRASKA  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**

For the Calendar Year Ended December 31, 2019

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
<b>ASSETS</b>				
Cash and Deposits	\$ 323,536	\$ 1,833,259	\$ 1,851,900	\$ 304,895
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 13,865	\$ 181,208	\$ 181,301	\$ 13,772
Law Enforcement Fees	1,256	16,300	16,291	1,265
State Judges Retirement Fund	6,686	85,510	85,306	6,890
Court Administrative Fees	7,677	116,905	115,425	9,157
Legal Services Fees	5,324	66,625	66,460	5,489
Due to County Treasurer:				
Regular Fines	22,696	328,624	327,262	24,058
Overload Fines	3,200	60,776	59,475	4,501
Regular Fees	1,970	49,696	50,780	886
Petty Cash Fund	550	-	-	550
Municipality Fines	882	14,344	14,248	978
Due to Municipalities:				
Regular Fees	343	5,747	5,120	970
Trust Fund Payable	259,087	907,524	930,232	236,379
Total Liabilities	\$ 323,536	\$ 1,833,259	\$ 1,851,900	\$ 304,895

The accompanying notes are an integral part of the schedule.

LINCOLN COUNTY COURT  
NORTH PLATTE, NEBRASKA  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**

For the Calendar Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>ASSETS</b>				
Cash and Deposits	\$ 252,849	\$ 1,915,323	\$ 1,844,636	\$ 323,536
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 16,375	\$ 195,086	\$ 197,596	\$ 13,865
Law Enforcement Fees	1,421	19,881	20,046	1,256
State Judges Retirement Fund	6,983	100,437	100,734	6,686
Court Administrative Fees	9,888	133,375	135,586	7,677
Legal Services Fees	5,843	78,789	79,308	5,324
Due to County Treasurer:				
Regular Fines	30,666	376,206	384,176	22,696
Overload Fines	6,925	123,873	127,598	3,200
Regular Fees	1,496	27,431	26,957	1,970
Petty Cash Fund	550	-	-	550
Municipality Fines	3,143	16,072	18,333	882
Due to Municipalities:				
Regular Fees	570	4,576	4,803	343
Trust Fund Payable	168,989	839,597	749,499	259,087
Total Liabilities	\$ 252,849	\$ 1,915,323	\$ 1,844,636	\$ 323,536

The accompanying notes are an integral part of the schedule.

LINCOLN COUNTY COURT  
**NOTES TO FINANCIAL SCHEDULES**

For the Calendar Years Ending December 31, 2018, and December 31, 2019

**1. Criteria**

**A. Reporting Entity**

The Lincoln 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 Lincoln 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 or collected. 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 2016). 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 2018) to be secured either by a surety bond or as provided in the Public Funds Deposit Security Act.