

**ATTESTATION REPORT
OF
STANTON COUNTY COURT
JANUARY 1, 2018, THROUGH DECEMBER 31, 2019**

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Issued on March 17, 2020

STANTON COUNTY COURT

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STANTON COUNTY COURT

COMMENT AND RECOMMENDATION

During our examination of the Stanton 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.

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.

Clerk Magistrate's Response: Stanton County is a 2 person court that provides assistance to the 7th District. Most weeks my employee or myself are working outside the office in another court 2 days of the week. So, the remaining employee must do all phases of receipting, depositing and balancing. I see no way to avoid this audit comment. I do closely monitor all NM & V receipts and checks. I review all financial end-of-month reports regularly.

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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STANTON COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

Stanton County Court
Stanton, Nebraska 68779

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Stanton 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.

March 12, 2020

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

STANTON COUNTY COURT
STANTON, 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
ASSETS				
Cash and Deposits	\$ 29,041	\$ 373,918	\$ 359,844	\$ 43,115
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 1,592	\$ 38,263	\$ 37,896	\$ 1,959
Law Enforcement Fees	230	4,377	4,300	307
State Judges Retirement Fund	988	18,525	18,208	1,305
Court Administrative Fees	1,252	21,989	21,885	1,356
Legal Services Fees	821	15,463	15,207	1,077
Due to County Treasurer:				
Regular Fines	8,847	135,888	135,078	9,657
Overload Fines	-	150	150	-
Regular Fees	77	3,363	3,333	107
Petty Cash Fund	100	-	-	100
Municipality Fines		20	20	-
Trust Fund Payable	15,134	135,880	123,767	27,247
Total Liabilities	\$ 29,041	\$ 373,918	\$ 359,844	\$ 43,115

The accompanying notes are an integral part of the schedule.

STANTON COUNTY COURT
STANTON, 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
ASSETS				
Cash and Deposits	\$ 34,730	\$ 315,070	\$ 320,759	\$ 29,041
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 2,374	\$ 33,819	\$ 34,601	\$ 1,592
Law Enforcement Fees	361	4,435	4,566	230
State Judges Retirement Fund	1,591	18,850	19,453	988
Court Administrative Fees	1,642	21,706	22,096	1,252
Legal Services Fees	1,324	15,681	16,184	821
Due to County Treasurer:				
Regular Fines	11,440	146,177	148,770	8,847
Overload Fines	-	125	125	-
Regular Fees	184	2,862	2,969	77
Petty Cash Fund	100	-	-	100
Municipality Fines	30	510	540	-
Trust Fund Payable	15,684	70,905	71,455	15,134
Total Liabilities	\$ 34,730	\$ 315,070	\$ 320,759	\$ 29,041

The accompanying notes are an integral part of the schedule.

STANTON COUNTY COURT
NOTES TO FINANCIAL SCHEDULES

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

1. Criteria

A. Reporting Entity

The Stanton 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 Stanton 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.