

**ATTESTATION REPORT  
OF  
GOSPER COUNTY COURT**

**JANUARY 1, 2019, THROUGH DECEMBER 31, 2020**

**This document is an official public record of the State of Nebraska, issued by  
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
document and may be prohibited by law.**

**Issued on April 23, 2021**

GOSPER COUNTY COURT

**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>Comments Section</u></b>	
Summary of Comments	1
Comments and Recommendations	2 - 3
<b><u>Financial Section</u></b>	
Independent Accountant's Report	4 - 5
Financial Schedules:	
Schedule of Changes in Assets and Liabilities Arising from Cash Transactions - Agency Funds - For the Calendar Year Ended December 31, 2020	6
Schedule of Changes in Assets and Liabilities Arising from Cash Transactions - Agency Funds - For the Calendar Year Ended December 31, 2019	7
Notes to Financial Schedules	8

## GOSPER COUNTY COURT

### SUMMARY OF COMMENTS

During our examination of the Gosper County Court, we noted certain deficiencies and other operational matters that are presented here. Comment #1, "Segregation of Duties," is considered to be a material weakness and is required to be reported in accordance with *Government Auditing Standards*.

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. ***Case Balances:*** The Monthly Case Balance Report and the Overdue Case Balance Report were not reviewed, with corrective action taken when necessary, to resolve any issues noted therein.

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.

GOSPER COUNTY COURT

COMMENTS AND RECOMMENDATIONS

**1. 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. Specifically, 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:

- The County Court had not submitted a claim to Gosper County to be reimbursed for uncollectable fees since April of 2019. Only after inquiry by the Auditor of Public Accounts were two claims submitted to the County on March 23, 2021, for \$1,384.

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. Additionally, we recommend the implementation of procedures to ensure that claims for reimbursement are submitted timely.

*County Court's Response: The Judicial Branch does not have the financial and human resources to meet audit guidelines for segregation of duties in all county courts. To reduce the risk of improper transactions, court financial specialists regularly review records and provide assistance to county courts.*

*The Gosper County Court now has a procedure in practice with quarterly dates for claims to be reviewed and submitted for reimbursement. The next years calendar dates are as follows: June 1, 2021; September 1, 2021; December 1, 2021; March 1, 2022.*

**2. Case Balances**

The County Court failed to review either the Monthly Case Balance Report or the Overdue Case Balance Report to determine what action, if any, should be taken to collect or otherwise resolve the balances noted therein.

During testing of eight case balances being held by the County Court, three, totaling \$1,350, lacked any subsequent action to ensure their payout and/or resolution.

During testing of seven overdue balances, six, totaling \$4,081, did not have subsequent action taken by the County Court, such as the issuance of warrants and/or suspensions or declaration of certain overdue balances as uncollectible, to ensure their collection and/or resolution. As of February 26, 2021, overdue balances, excluding restitution judgments, totaled \$8,799.

Good internal control and sound business practices require procedures to ensure an ongoing, timely review of the Monthly Case Balance Report and the Overdue Case Balance Report to determine what action, if any, should be taken to collect or otherwise resolve the balances noted therein.

GOSPER COUNTY COURT

**COMMENTS AND RECOMMENDATIONS**

(Concluded)

**2. Case Balances** (Concluded)

Without such procedures, there is an increased risk of balances either not receiving proper follow-up action or having been resolved previously and no longer needing to be reflected as being held or overdue.

We included a similar finding in the previous report.

We recommend the County Court implement an ongoing, timely review of both the Monthly Case Balance Report and the Overdue Case Balance Report to ensure timely collection or resolution of the balances noted therein.

*County Court's Response: The Clerk Magistrate has outlined a plan for the Clerk to be working with the Sheriff's office to obtain new addresses of defendants where the current address has been either insufficient or produced returned mail. This procedure will hopefully assist in reaching those defendants that owe money in the form of fees/costs/restitution but also aid in returning refunds to parties before being turned over to unclaimed property.*

*The Clerk Magistrate has provided further training to the Clerk on the "how" to work the Monthly Case Balance Report and the Overdue Case Balance Report. The Clerk Magistrate will also provide more regular follow-up and review of the progress of maintaining these reports.*

*Further instruction and training has been provided to the Clerk on how to apply funds to fines and costs appropriately and timely. Areas reviewed include better understanding of how to waive costs per journal entry and order from Judge, waiving costs through jail time served on commitments and applying/waiving probation costs ordered by the Judge.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

---

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  
auditors.nebraska.gov

### GOSPER COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Gosper County Court  
Elwood, Nebraska 68937

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Gosper County Court as of and for the calendar years ending December 31, 2019, and December 31, 2020. 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, 2019, and December 31, 2020, 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 Comments 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 21, 2021

Charlie Janssen  
Auditor of Public Accounts  
Lincoln, Nebraska

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

For the Calendar Year Ended December 31, 2020

	Balance January 1, 2020	Additions	Deductions	Balance December 31, 2020
<b>ASSETS</b>				
Cash and Deposits	\$ 8,309	\$ 76,398	\$ 77,067	\$ 7,640
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 1,241	\$ 12,430	\$ 12,620	\$ 1,051
Law Enforcement Fees	88	1,047	1,066	69
State Judges Retirement Fund	433	4,984	5,037	380
Court Administrative Fees	370	5,341	5,179	532
Legal Services Fees	367	4,178	4,231	314
Due to County Treasurer:				
Regular Fines	1,314	24,069	23,858	1,525
Overload Fines	-	-	-	-
Regular Fees	226	351	575	2
Petty Cash Fund	20	-	-	20
Municipality Fines	100	150	200	50
Due to Municipalities:				
Regular Fees	-	98	-	98
Trust Fund Payable	4,150	23,750	24,301	3,599
<b>Total Liabilities</b>	<b>\$ 8,309</b>	<b>\$ 76,398</b>	<b>\$ 77,067</b>	<b>\$ 7,640</b>

The accompanying notes are an integral part of the schedule.

GOSPER COUNTY COURT  
ELWOOD, 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	\$ 8,516	\$ 83,848	\$ 84,055	\$ 8,309
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 884	\$ 13,414	\$ 13,057	\$ 1,241
Law Enforcement Fees	144	1,423	1,479	88
State Judges Retirement Fund	638	6,535	6,740	433
Court Administrative Fees	519	6,166	6,315	370
Legal Services Fees	542	5,371	5,546	367
Due to County Treasurer:				
Regular Fines	2,575	26,783	28,044	1,314
Overload Fines	-	600	600	-
Regular Fees	17	1,047	838	226
Petty Cash Fund	20	-	-	20
Municipality Fines	200	400	500	100
Due to Municipalities:				
Regular Fees	-	-	-	-
Trust Fund Payable	2,977	22,109	20,936	4,150
<b>Total Liabilities</b>	<b>\$ 8,516</b>	<b>\$ 83,848</b>	<b>\$ 84,055</b>	<b>\$ 8,309</b>

The accompanying notes are an integral part of the schedule.

GOSPER COUNTY COURT  
**NOTES TO FINANCIAL SCHEDULES**

For the Calendar Years Ending December 31, 2019, and December 31, 2020

**1. Criteria**

**A. Reporting Entity**

The Gosper 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 Gosper 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.