

**ATTESTATION REPORT  
OF  
LANCASTER COUNTY COURT**

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

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**Issued on April 29, 2021**

LANCASTER COUNTY COURT

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LANCASTER COUNTY COURT

**COMMENT AND RECOMMENDATION**

During our examination of the Lancaster 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 and 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 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 noted this comment in previous examinations.

Additionally, we noted that access to signature stamps was not limited to the individual whose name was on the stamp.

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. We recommend also that access to signature stamps be limited to the individual whose name is on the stamp.

*County Court's Response: Lancaster County Court does take very seriously the need for segregation of duties. We will continue to work with the Nebraska State Court Administrator and our Presiding judge to eliminate this concern.*

*The judges' stamps are not utilized for any papers having to do with money. We will continue to work to eliminate the need for the use of the stamps.*

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 with 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.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### LANCASTER COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Lancaster County Court  
Lincoln, Nebraska 68508

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Lancaster County Court as of and for the calendar year ending December 31, 2020. The County Court's management is responsible for the Schedule based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule 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 Schedule is 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 Schedule 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 Schedule, 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 Schedule of Changes in Assets and Liabilities Arising from Cash Transactions for the calendar year ending December 31, 2020, is 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 Schedule is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule 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 28, 2021

Charlie Janssen  
Auditor of Public Accounts  
Lincoln, Nebraska

LANCASTER COUNTY COURT  
LINCOLN, 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	\$ 2,406,789	\$ 9,919,816	\$ 10,025,333	\$ 2,301,272
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 40,130	\$ 917,488	\$ 920,421	\$ 37,197
Law Enforcement Fees	4,651	89,331	90,060	3,922
State Judges Retirement Fund	23,871	455,931	459,152	20,650
Court Administrative Fees	26,382	513,844	518,687	21,539
Legal Services Fees	18,589	364,146	367,022	15,713
Due to County Treasurer:				
Regular Fines	42,163	957,017	959,637	39,543
Overload Fines	8,576	79,584	84,935	3,225
Regular Fees	15,582	162,021	173,419	4,184
Petty Cash Fund	950	-	-	950
Municipality Fines	62,703	1,349,365	1,355,886	56,182
Due to Municipalities:				
Regular Fees	4,306	76,967	78,987	2,286
Trust Fund Payable	2,158,886	4,954,122	5,017,127	2,095,881
<b>Total Liabilities</b>	<b>\$ 2,406,789</b>	<b>\$ 9,919,816</b>	<b>\$ 10,025,333</b>	<b>\$ 2,301,272</b>

The accompanying notes are an integral part of the schedule.

LANCASTER COUNTY COURT  
**NOTES TO THE FINANCIAL SCHEDULE**  
For the Calendar Year Ending December 31, 2020

**1. Criteria**

**A. Reporting Entity**

The Lancaster 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 Schedule 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 Schedule does 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 Lancaster County.

**B. Basis of Accounting**

The accounting records of the County Court Agency Funds are maintained, and the Schedule 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.