

**ATTESTATION REPORT  
OF  
CASS COUNTY COURT**

**JANUARY 1, 2023, THROUGH DECEMBER 31, 2023**

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**Issued on March 21, 2024**

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*We will maintain a professionally prepared staff, utilizing up-to-date technology, and following current Government Auditing Standards.*

### **Audit Staff Working On This Examination**

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CASS COUNTY COURT

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CASS COUNTY COURT

**SUMMARY OF COMMENTS**

During our examination of Cass County Court, we noted certain deficiencies and other operational matters that are presented here. The following comments are required to be reported in accordance with *Government Auditing Standards*: Comment #2 (“Overdue Balances”), which is considered to be a significant deficiency, and Comment #1 (“Segregation of Duties”), which is considered to be a material weakness.

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. ***Overdue Balances:*** The County Court did not review its overdue balances on an ongoing, timely basis to ensure collection and/or resolution of such balances.
3. ***Monthly Case Balances:*** The County Court did not review its monthly case balance report on an ongoing timely basis to ensure there was sufficient documentation supporting such balances.

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. The County Court declined to respond.

CASS 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 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. Additionally, staff could create and issue orders affixed with the Judge’s signature in the JUSTICE (Judicial User System to Improve Court Efficiency) application without formal documentation to support that the Judge approved the order. That same staff had access to court receipts and were able to record non-monetary transactions (e.g., waiving fines) in JUSTICE. We noted further that Cass County Court access had been given also to two other Clerk Magistrates who were not employees of the Cass County Court.

The following item was noted:

- The County Court held petty cash of \$500; however, per Cass County’s Budget Message filed with the Office of the Auditor of Public Accounts for calendar year 2023, the County Court was only authorized petty cash of \$375.

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.

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 also recommend the Supreme Court implement procedures to ensure that each Judge’s approval of orders is formally documented.

2. **Overdue Balances**

Good internal control and sound business practices require overdue balances of the County Court to be reviewed on an ongoing, timely basis to determine what action should be taken to collect and/or resolve those balances.

During testing of the Overdue Case Account reports, we noted two of seven overdue balances, totaling \$654, 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 collection and/or resolution of the balances. The two balances, totaling \$654, were for liquidated damages due to the Nebraska Game and Parks Commission.

The details of these cases are shown below:

Case	Amount Due	Date of Last Case Activity	Date of Last Payment
1	\$400	5/15/2018	5/23/2018
2	\$254	11/16/2021	11/16/2021
Total	\$654		

As of January 31, 2024, overdue balances, excluding restitution judgments, totaled \$102,283.

CASS COUNTY COURT

**COMMENTS AND RECOMMENDATIONS**

(Concluded)

**2. Overdue Balances** (Concluded)

Neb. Rev. Stat. § 37-613(3) (Cum. Supp. 2022) states the following:

*Such damages [for violating the Game Law] may be collected by the commission by civil action. In every case of conviction for any of such offenses, the court or magistrate before whom such conviction is obtained shall further enter judgment in favor of the State of Nebraska and against the defendant for liquidated damages in the amount set forth in this section and collect such damages by execution or otherwise. Failure to obtain conviction on a criminal charge shall not bar a separate civil action for such liquidated damages. Damages collected pursuant to this section shall be remitted to the secretary of the commission who shall remit them to the State Treasurer for credit to the State Game Fund.*

Without a regular review of overdue case balances, there is an increased risk that such balances may either not have proper follow-up action taken or have been previously resolved and should no longer be reflected as overdue.

We recommend the County Court implement an ongoing, timely review of its Overdue Case Account reports to ensure the timely collection and/or resolution of overdue balances.

**3. Monthly Case Balances**

Good internal control and sound business practices require the County Court to implement procedures to ensure all balances held by the Court are adequately reviewed, and follow-up action is taken in a timely manner.

During testing of 10 monthly case balances, we noted the following for 2 of those balances:

- One balance, totaling \$67,130, was for a probate case in which the Court held the balance in trust for two minor children, as ordered in May 2016. The last action on the case was in September 2023, stating the funds were to be held pending further orders of the court. There have been no further actions determining the location or age of the minor children to determine if the funds could be disbursed.
- One balance for \$135 was refunded to a defendant when the order stated the bond was to be forfeited. Additionally, the check was never cashed, and the money is held by the Court until it is due to Unclaimed Property by November 2026.

As of December 29, 2023, monthly case balances totaled \$122,429.

Without a regular review of the Monthly Case Balance reports, there is an increased risk that monthly case balances may either not be correct or current.

We recommend the County Court implement procedures to ensure that documentation is on file for proper review and disbursement of balances on the Monthly Case Balance Report.



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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## CASS COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Cass County Court  
Plattsmouth, Nebraska 68048

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Cass County Court as of and for the calendar year ending December 31, 2023. The County Court's management is responsible for the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions 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 of Changes in Assets and Liabilities Arising from Cash Transactions 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 of Changes in Assets and Liabilities Arising from Cash Transactions, 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions for the calendar year ending December 31, 2023, 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; noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions; fraud that is material, either quantitatively or qualitatively, to 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. 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 of Changes in Assets and Liabilities Arising from Cash Transactions 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 of Changes in Assets and Liabilities Arising from Cash Transactions or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards*, and those findings, along with the views of management, are 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.

March 21, 2024



Mike Foley  
Auditor of Public Accounts  
Lincoln, Nebraska



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

For the Calendar Year Ended December 31, 2023

	Balance January 1, 2023	Additions	Deductions	Balance December 31, 2023
<b>ASSETS</b>				
Cash and Deposits	\$ 319,811	\$ 1,225,318	\$ 1,357,115	\$ 188,014
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 8,346	\$ 91,527	\$ 90,422	\$ 9,451
Law Enforcement Fees	1,229	11,347	11,927	649
State Judges Retirement Fund	6,884	70,786	72,979	4,691
Court Administrative Fees	6,610	80,117	80,583	6,144
Legal Services Fees	4,496	43,539	45,345	2,690
Due to County Treasurer:				
Regular Fines	30,313	322,463	327,734	25,042
Overload Fines	15,345	99,244	109,989	4,600
Regular Fees	3,655	30,236	32,311	1,580
Petty Cash Fund	500	-	-	500
Municipality Fines	20	809	779	50
Trust Fund Payable	242,413	475,250	585,046	132,617
Total Liabilities	\$ 319,811	\$ 1,225,318	\$ 1,357,115	\$ 188,014

The accompanying notes are an integral part of the Schedule.

CASS COUNTY COURT  
**NOTES TO FINANCIAL SCHEDULES**  
For the Calendar Year Ending December 31, 2023

**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 Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the County Court reflect only the Custodial 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 Cass County.

**B. Basis of Accounting**

The accounting records of the County Court Custodial Funds are maintained, and the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions has 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.