

**ATTESTATION REPORT  
OF  
GARDEN COUNTY COURT**

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

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**Issued on April 10, 2024**

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## Audit Staff Working On This Examination

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GARDEN COUNTY COURT

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## GARDEN COUNTY COURT

### SUMMARY OF COMMENTS

During our examination of Garden 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 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.

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.

## GARDEN 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 Garden County Court access had been given also to three other Clerk Magistrates who were not employees of the Garden County Court.

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 issue 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.

*County Court Response: The first deficiency noted was Segregation of Duties, The Garden County Court offices are staffed by one person. I rely on coverage from the Cheyenne County Clerks and Clerk of Courts Joan Hansen from Deuel County for my coverage in person and remotely. A DTEN Virtual Assistant was added to the office recently. This device can be utilized to contact those same Clerks for a face to face one on one visit should the public desire if they find the office unattended. This has certainly helped to alleviate this issue and is very user friendly.*

#### 2. Overdue Balances

During testing of five overdue case balances, three, totaling \$352, 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. Additionally, one of those case balances was noted to be incorrect.

The details of those balances are as follows:

- One criminal case with an overdue balance of \$250 had no documented follow-up action performed since October 2023.
- One criminal case with an overdue balance of \$53 had no documented follow-up action performed since October 2023. Additionally, \$17 of the balance should have been waived in July 2023 when the Court ordered those costs uncollectable.
- One traffic case with an overdue balance of \$49 had no documented follow-up action performed since May 2023.

GARDEN COUNTY COURT

**COMMENTS AND RECOMMENDATIONS**

(Concluded)

2. **Overdue Balances** (Concluded)

- One traffic case with an overdue balance of \$52 was determined to be understated by \$17, which related to non-waivable fees that were initially paid by the State of Nebraska; however, they should be reimbursed by the defendant.

As of February 29, 2024, overdue balances, excluding restitution judgments, totaled \$3,447.

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

Without such procedures, 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.

*County Court Response: The second deficiency addresses overdue balances that were either overlooked or had poor documentation to support efforts to collect the same. Being proactive at collecting these balances rather than the alternative to waiving them has always been something I felt was a solid roll that I have tried to implement. In moving forward, I intend to set deadlines for when to waive that which cannot be collected. As for documentation, there can never be too much of it. I intend to improve on this.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### GARDEN COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Garden County Court  
Oshkosh, Nebraska 69154

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

April 10, 2024



Mike Foley  
Auditor of Public Accounts  
Lincoln, Nebraska

**GARDEN COUNTY COURT**  
**OSHKOSH, 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	\$ 2,751	\$ 81,931	\$ 78,383	\$ 6,299
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 548	\$ 9,599	\$ 9,588	\$ 559
Law Enforcement Fees	55	790	793	52
State Judges Retirement Fund	379	5,028	5,002	405
Court Administrative Fees	244	3,736	3,730	250
Legal Services Fees	233	3,066	3,046	253
Due to County Treasurer:				
Regular Fines	432	19,046	18,776	702
Overload Fines	-	325	325	-
Regular Fees	8	421	354	75
Petty Cash Fund	25	-	-	25
Trust Fund Payable	827	39,920	36,769	3,978
<b>Total Liabilities</b>	<b>\$ 2,751</b>	<b>\$ 81,931</b>	<b>\$ 78,383</b>	<b>\$ 6,299</b>

The accompanying notes are an integral part of the Schedule.

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

**1. Criteria**

**A. Reporting Entity**

The Garden 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 Garden 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.