

**ATTESTATION REPORT
OF
LANCASTER COUNTY COURT**

JANUARY 1, 2025, THROUGH DECEMBER 31, 2025

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Issued on May 1, 2026

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Audit Staff Working On This Examination

Rachel Wittler, CPA, CFE – Audit Manager

Haylee Miller – Auditor-In-Charge

Chad Coates, CPA – Auditor II

Avery Reed – Auditor

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Additionally, you may request them by contacting us at:

Nebraska Auditor of Public Accounts

State Capitol, Suite 2303

P.O. Box 98917

Lincoln, Nebraska 68509

Phone: 402-471-2111

LANCASTER COUNTY COURT

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LANCASTER COUNTY COURT

SUMMARY OF COMMENTS

During our examination of the Lancaster County Court (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 (“Improper or Untimely Action Taken”), 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:*** County Court staff were capable of handling all phases of a transaction from beginning to end.
2. ***Improper or Untimely Action Taken:*** For 17 transactions tested, the County Court failed to address in a timely manner the balances held or due, maintain adequate supporting documentation, or act in accordance with relevant State statute.
3. ***Unclaimed Property:*** The County Court did not report and remit trust balances over three years old to the State Treasurer, as required by State statute.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observations of any strengths of the County Court.

Draft copies of this report were furnished to the County Court to provide management with an opportunity to review and to respond to the comments and recommendations contained herein. All formal responses received have been incorporated into this report. Responses have been objectively evaluated and recognized as appropriate in this report. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

LANCASTER COUNTY COURT

COMMENTS AND RECOMMENDATIONS

1. Segregation of Duties

The Judicial User System to Improve Court Efficiency (JUSTICE) application is the Supreme Court's case and financial management system for Nebraska trial courts.

The office of the Lancaster County Court (County Court) and the JUSTICE application lacked a sufficient segregation of duties, as one person could handle all aspects of processing transactions from beginning to end.

The JUSTICE system contains an inherent lack of segregation of duties within the "Administrator," "Supervisor," and "Financial" user classes. These user classes are able to complete, at least, the following tasks in JUSTICE: 1) issue, adjust, and void receipts, including non-monetary receipts; 2) issue, adjust, reprint, and void checks; 3) enter citations and court orders; 4) change the dates that checks clear the bank; 5) adjust funds from one account to another on a receipt; and 6) adjust funds from one account to another on a check. Staff assigned to these user roles also have physical access to the cash and checks in the office.

Furthermore, within JUSTICE is a module, DOCKET, used to issue court orders affixed with the Judge's signature. The "Judge Staff" role in JUSTICE granted users the ability to create and issue Judge-signed court orders through DOCKET and was assigned to 28 users of the County Court who were not Judges. As a result, these users were able to create and issue orders affixed with the Judge's signature without formal documentation to support the Judge's approval of the order. Of those 28 users, we noted that this access had been given also to four State employees who were not employees of the Supreme Court.

We noted 11 users with the "Judge Staff" role of the County Court who also have access to court receipts, which would allow them to record non-monetary transactions (e.g., waiving fines) in JUSTICE. Access to both the Judge's signature and court receipts significantly increases the risk of improper transactions, as one individual would be able to collect cash, record a non-monetary receipt in the system, create an authorization signed by the Judge to waive the fee, and not deposit the cash.

Lastly, we noted the following additional error due to the lack of segregation of duties in the Court:

- One County Court employee with "Judge Staff" access had access to three of her own civil cases filed in calendar year 2025.

A proper system of internal control includes a plan of organization, procedures, and documentation designed to safeguard assets and provide reliable financial records. Such system of internal controls should include a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end. Further, a proper system of internal controls includes: 1) procedures to ensure system access is limited, being granted only to appropriate individuals, and documentation is properly approved and maintained for such access; and 2) court orders affixed with a Judge's signature by someone other than the Judge have formal documentation to support the Judge's approval of the order, and such documentation is maintained for subsequent review.

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. Where reasonably possible, the Nebraska State Court Administrator should work with the County

LANCASTER COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Continued)

1. **Segregation of Duties** (Concluded)

Court to ensure adequate segregation of duties, as well as limit system access and ensure that such access is granted only to appropriate individuals. We also recommend the Nebraska State Court Administrator implement procedures to ensure that court orders affixed with a Judge’s signature by someone other than the Judge have formal documentation to support the Judge’s approval of the order, and such documentation is maintained for subsequent review.

County Court’s Response: The Administrative Office of the Courts and Probation (AOCP) accepts that there is a risk from one person having the authority to initiate and complete financial transactions. To reduce the risk of improper transactions, court financial specialists review court records and provide assistance to county courts if there are discrepancies. However, the Judicial Branch does not have the financial and human resources to mitigate all risks related to segregation of duties sufficient to meet current audit guidelines. As a result, in order to fulfill all statutory obligations, the AOCP has determined that all clerk magistrates will have the authority to operate all financial functions of a court.

The Administrative Office of the Courts and Probation (AOCP) understands that there is a risk related to the ability of someone other than the judge applying the judge’s signature to an order within the DOCKET subsystem of JUSTICE, the court’s case management system. This level of access is granted only to employees who work directly with the judges in and outside of the courtroom and only with the judge’s approval and oversight. This electronic signature process is put into place to digitize and streamline the court process. The AOCP has determined no further action will be taken at this time, based on an evaluation of the level of risk, current IT priorities and resources, and a review of compensating controls and practices.

Access by the four non-Judicial Branch individuals was approved by the State Court Administrator and Deputy Director for Information Technology.

Regarding the 11 users with a “Judge Staff” role, Lancaster County Court will periodically review, and revise user access as needed.

Regarding the employee with “Judge Staff” access and civil cases, court management was aware of and is monitoring the situation. The employee reported the cases after being served.

2. **Improper or Untimely Action Taken**

We tested 17 transactions, totaling \$4,296, that were not addressed in a timely manner, not adequately supported, or not handled in accordance with State statute, as follows:

- For six case balances due, totaling \$933, the County Court failed to take timely action to collect or otherwise resolve these balances, such as the issuance of warrants and/or suspensions or declaration of certain balances as uncollectible, as follows:

Case	Balance Due as of 1/30/2026	Date Fees Assessed	Date of Last Action by the County Court	Last Action Description
1*	\$ 654	November 2021	November 2024	Jail Commitment
2	\$ 100	December 2023	February 2024	Payment Returned
3	\$ 49	August 2023	December 2023	Time Payment Deadline
4	\$ 49	August 2023	February 2024	Time Payment Deadline

LANCASTER COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Improper or Untimely Action Taken** (Continued)

Case	Balance Due as of 1/30/2026	Date Fees Assessed	Date of Last Action by the County Court	Last Action Description
5**	\$ 49	August 2024	September 2025	Notice of Past Due Amount Sent
6	\$ 32	October 2024	December 2025	Non-Waiverable Fees Claimed to Lancaster County.
	\$ 933			

**The defendant was committed to jail in November 2024 on another case, serving consecutive sentences. The County Jail failed to hold the defendant for costs on the case tested. The County Court failed not only to inquire with the jail regarding the balance due after the defendant's release but also to issue a warrant or suspension for non-payment.*

***No action had been taken on this case to collect the balance between August 2024 and September 2025 when the notice of past due amount was sent.*

- Five case balances due, totaling \$282, were incorrect because of the failure of the County Court to address appropriately the costs in compliance with Court orders. As of fieldwork in February 2026, the following was noted:

Case	Amount	Date of Order	Description
7	\$ 170	November 2024	Probation was revoked, and remaining probation fees should have been waived.
8	\$ 87	November 2023	Defendant was approved to proceed in forma pauperis, and filing fees should have been waived.
9	\$ 17	October 2021	Non-waiverable fees were claimed to Lancaster County; however, reimbursement of the fees by the defendant was not added to the case.
10	\$ 4	August 2025	Return Warrant fees were assessed to the incorrect party on each of the cases.
11	\$ 2	October 2023	
	\$ 2	August 2025	
	\$ 282		

- For four criminal cases tested, the County Court failed to address the bonds held in a timely manner or in accordance with relevant State statute, as follows:
 - One criminal case tested with a bond held, totaling \$2,250, was bound over to Lancaster County District Court in September 2025; however, the associated bond was not transferred until January 2026.
 - One criminal case tested with a bond held, totaling \$1,800, was assigned to a third party in April 2024; however, despite a valid assignment, the County Court applied this bond to \$57 of court costs in September 2024 in violation of Neb. Rev. Stat. § 29-2206(3) (Cum. Supp. 2024).
 - One criminal case tested applied a bond held to fines, totaling \$175; however, no support was on file to ensure the consent of the defendant prior to the application of the bond in compliance with § 29-2206(3).
 - One criminal case tested with a bond held, totaling \$135, was ordered forfeit in December 2024; however, the County Court failed to forfeit this bond until March 2025.

LANCASTER COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Improper or Untimely Action Taken** (Concluded)

- One criminal case tested received payment in full on the amount due, totaling \$174, in November 2024; however, the County Court failed to apply the balance received to the costs on the case. The failure to apply the costs resulted in a warrant being issued for nonpayment, and the defendant was subsequently arrested in January 2025. After spending one day in jail, the defendant received credit for the time served and was refunded \$133.
- One civil case tested received four receipts, totaling \$290, that were received after a satisfaction of judgment was filed; however, the County Court failed to return these receipts to the defendant and, instead, paid them to the plaintiff on the case. The County Court explained this was at the direction of the County Judge; however, no documentation is on file to support this explanation.

Section 29-2206(3) states the following, in relevant part:

As an alternative to a lump-sum payment or as an alternative or in conjunction with installment payments, the court or magistrate may, with the consent of the offender, deduct fines from a bond posted by the offender to the extent that such bond is not otherwise encumbered by a valid lien, levy, execution, or assignment to counsel of record or the person who posted the bond.

(Emphasis added.) A proper system of internal control and sound accounting practices require procedures to ensure that proper action on balances held or due on cases is completed in a timely manner, adequately supported, and in compliance with a court order or relevant State statute.

Without such procedures, there is an increased risk of noncompliance with State statute and the loss or misuse of funds.

We noted this issue in the previous examination.

We recommend the County Court implement procedures to ensure that proper action on balances held or due on cases is completed in a timely manner, adequately documented, and in compliance with a court order or relevant State statute.

County Court's Response: All identified issues have been corrected or addressed. The Lancaster County Court judges have drafted an administrative order directing how funds, received by the court, are to be processed after a satisfaction of judgment is filed. The court will continue to dedicate resources to training staff and evaluating policies and procedures to improve internal processes.

Regarding bond being applied to fines with the consent of the defendant, staff will continue to apply bond as ordered by the judge as consent of the defendant was obtained on the record in the courtroom.

3. **Unclaimed Property**

During testing, it was noted that outstanding checks held by the County Court were not followed up on properly, resulting in 163 of those checks, totaling \$12,915, being outstanding for over three years. Contrary to State statute, however, those checks were not remitted to the State Treasurer as abandoned property.

Per Neb. Rev. Stat. § 69-1307.01 (Reissue 2018), which is found in the Uniform Disposition of Unclaimed Property Act, intangible personal property held by a court and unclaimed for more than three years is presumed to be abandoned.

LANCASTER COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Concluded)

3. Unclaimed Property (Concluded)

Neb. Rev. Stat. § 69-1310 (Cum. Supp. 2024) of the Act requires any property presumed abandoned, as of June 30 each year, to be reported and remitted to the State Treasurer by November 1 annually.

We recommend the implementation of procedures to ensure all property presumed abandoned, including outstanding checks, is remitted timely to the State Treasurer, as required by State statute.

County Court's Response: Lancaster County Court recognizes that there was an error in processing outstanding checks for Unclaimed Property. Additional training has been provided for accounting staff, and internal processes have been updated. The outstanding checks are in the process of being corrected and will be remitted to the Nebraska State Treasurer for the current reporting year.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

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, 2025. 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 plan and 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, 2025, 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 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;

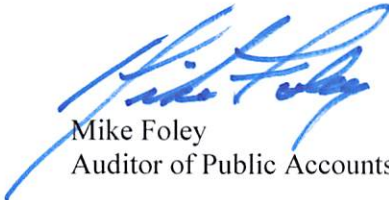
accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards*, and those findings, along with the views of management, are described in the Comments Section of the report.

Government Auditing Standards also require us to perform limited procedures on the Lancaster County Court's response to the findings identified in the Comments and Recommendations section of the report. The Lancaster County Court's responses were not subjected to the other procedures applied in the attestation of the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions and, accordingly, we express no opinion on the responses.

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.

Rachel Wittler

Rachel Wittler, CPA, CFE
Audit Manager
Lincoln, Nebraska


Mike Foley
Auditor of Public Accounts

April 30, 2026

LANCASTER COUNTY COURT
LINCOLN, NEBRASKA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
CUSTODIAL FUNDS

For the Calendar Year Ended December 31, 2025

	Balance January 1, 2025	Additions	Deductions	Balance December 31, 2025
ASSETS				
Cash and Deposits	\$ 2,346,532	\$ 11,655,106	\$ 11,582,247	\$ 2,419,391
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 41,075	\$ 844,821	\$ 849,179	\$ 36,717
Law Enforcement Fees	3,856	99,977	100,105	3,728
State Judges Retirement Fund	31,679	829,293	826,212	34,760
Court Administrative Fees	18,621	523,924	522,800	19,745
Legal Services Fees	16,204	413,730	413,607	16,327
Due to County Treasurer:				
Regular Fines	43,935	1,232,999	1,239,134	37,800
Overload Fines	2,500	32,657	35,157	-
Regular Fees	9,077	193,759	171,549	31,287
Petty Cash Fund	1,000	-	-	1,000
Municipality Fines	47,972	1,409,807	1,403,513	54,266
Due to Municipalities:				
Regular Fees	374	123,138	123,036	476
Trust Fund Payable	2,130,239	5,951,001	5,897,955	2,183,285
Total Liabilities	\$ 2,346,532	\$ 11,655,106	\$ 11,582,247	\$ 2,419,391

The accompanying notes are an integral part of the Schedule.

LANCASTER COUNTY COURT
NOTES TO FINANCIAL SCHEDULE
For the Calendar Year Ending December 31, 2025

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 reflects 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 Lancaster 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.