

**ATTESTATION REPORT  
OF  
LINCOLN COUNTY COURT**

**JANUARY 1, 2025, THROUGH DECEMBER 31, 2025**

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**Issued on April 2, 2026**

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

Rachel Wittler, CPA, CFE – Audit Manager

Haylee Miller – Auditor-In-Charge

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LINCOLN COUNTY COURT

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## LINCOLN COUNTY COURT

### SUMMARY OF COMMENTS

During our examination of Lincoln 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”), 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:*** For 12 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 statutes

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.

## LINCOLN 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 Lincoln 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 15 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 15 users, we noted that this access had been given to four State employees who were not employees of the Supreme Court.

We noted nine 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" role had access to two of her own civil cases filed in calendar years 2024 and 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

LINCOLN 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.*

*We have documentation supporting the approval by the Judge's to affix their signatures by the Clerk Magistrates of the 11<sup>th</sup> District and the local staff.*

*The County Court Employee that had two civil cases was not involved in the process of their cases and both cases were resolved before the audit, under my supervision.*

2. **Improper or Untimely Action**

We tested 12 transactions, totaling \$12,706, that were not addressed in a timely manner, adequately supported, or handled in accordance with State statute, as follows:

- Three criminal cases tested waived restitution, totaling \$12,329; however, no support was on file for such waiver, which is permitted under Neb. Rev. Stat. § 29-2285 (Reissue 2016).

In its orders to waive restitution, the County Court referenced Neb. Rev. Stat. § 29-2281(3) (Cum. Supp. 2024), which allows such orders to require payment to be made "within a specified period of time not to exceed five years after the date of judgment or defendant's final release date from imprisonment, whichever is later." However, that particular statutory provision does not authorize waiving restitution.

From December 31, 2024, to December 31, 2025, the County Court waived \$122,278 in restitution, doing so primarily through orders similar to those noted above.

- Four criminal cases tested waived probation enrollment fees, totaling \$103; however, Neb. Rev. Stat. § 29-2262.06 (Supp. 2025) contains no provision for such waiver.
- One criminal case tested applied a bond held to fines, totaling \$100; however, no support was on file to ensure the consent of the defendant prior to application of the bond, per Neb. Rev. Stat. § 29-2206(3) (Cum. Supp. 2024).
- One criminal case tested had an order to waive probation fees, totaling \$90, in November 2025; however, the County Court failed to waive the fees until March 2026.

LINCOLN COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Concluded)

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

- For one criminal case tested, the County Court failed to ensure that liquidated damages, totaling \$50, were entered appropriately on the case. The defendant paid the liquidated damages in full; however, due to the failure of the County Court to assess such charges, the payment was refunded to the defendant.
- Two criminal cases tested received payment of the non-waiverable fees from Lincoln County; however, the reimbursement of these fees, totaling \$17 per case, by the defendants were not entered in the system, causing the amounts due on the cases to be understated.

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.*

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, appropriately documented, and in compliance with relevant State statutes.

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

A similar issue was noted 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, is adequately documented, and in compliance with relevant State statutes.

*County Court's Response: All issues noted were resolved or corrected during the audit. Policies and checklists have been reviewed with staff.*



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### LINCOLN COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Lincoln County Court  
North Platte, Nebraska 69101

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Lincoln 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 Lincoln County Court's response to the findings identified in the Comments and Recommendations section of the report. The Lincoln 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 1, 2026

**LINCOLN COUNTY COURT**  
**NORTH PLATTE, 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
<b>ASSETS</b>				
Cash and Deposits	\$ 267,723	\$ 2,779,968	\$ 2,236,581	\$ 811,110
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 11,329	\$ 164,840	\$ 159,540	\$ 16,629
Law Enforcement Fees	1,598	20,001	19,899	1,700
State Judges Retirement Fund	12,661	162,266	159,527	15,400
Court Administrative Fees	10,450	120,192	119,425	11,217
Legal Services Fees	6,633	81,681	80,969	7,345
Due to County Treasurer:				
Regular Fines	34,560	522,068	501,030	55,598
Overload Fines	4,425	92,930	87,554	9,801
Regular Fees	3,564	37,500	38,896	2,168
Petty Cash Fund	600	-	-	600
Municipality Fines	1,795	18,213	17,605	2,403
Due to Municipalities:				
Regular Fees	-	8,050	7,550	500
Trust Fund Payable	180,108	1,552,227	1,044,586	687,749
<b>Total Liabilities</b>	<b>\$ 267,723</b>	<b>\$ 2,779,968</b>	<b>\$ 2,236,581</b>	<b>\$ 811,110</b>

The accompanying notes are an integral part of the Schedule.

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

**1. Criteria**

**A. Reporting Entity**

The Lincoln 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 Lincoln 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.