

**ATTESTATION REPORT  
OF  
NANCE COUNTY COURT**

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

**This document is an official public record of the State of Nebraska, issued by  
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
document and may be prohibited by law.**

**Issued on April 8, 2026**

*The **Nebraska Auditor of Public Accounts Office** was created by the first territorial Legislature in 1855. The Auditor was the general accountant and revenue officer of the territory. Those duties have expanded and evolved over the decades, as modern accounting theory has been implemented. The office of the Auditor of Public Accounts is one of six offices making up the executive branch of Nebraska State Government. Mike Foley was elected in November 2006 and re-elected in November 2010 and November 2022 as the Nebraska Auditor of Public Accounts. He was sworn into office on January 5, 2023, and is Nebraska's 24th State Auditor.*

*The mission of the Nebraska Auditor of Public Accounts' office is to provide independent, accurate, and timely audits, reviews, or investigations of the financial operations of Nebraska State and local governments.*

*We will provide this information, as required by statute, to all policymakers and taxpayers through written reports and our Internet-based Budget and Audit databases.*

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

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

Kris Kucera, CPA, CFE – Assistant Deputy Auditor

Kyla Davis – Audit Intern

Our reports can be found electronically at: [auditors.nebraska.gov](https://auditors.nebraska.gov)

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

NANCE COUNTY COURT

**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>Comments Section</u></b>	
Summary of Comments	1
Comments and Recommendations	2 - 4
<b><u>Financial Section</u></b>	
Independent Accountant's Report	5 - 6
Financial Schedule:	
Schedule of Changes in Assets and Liabilities Arising from Cash Transactions - Custodial Funds - For the Calendar Year Ended December 31, 2025	7
Notes to Financial Schedule	8

## NANCE COUNTY COURT

### SUMMARY OF COMMENTS

During our examination of the Nance 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 (“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:*** County Court staff were 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. *Unclaimed Property:*** The County Court did not report and remit trust balances to the State Treasurer that were over three years old, 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. The County Court declined to respond.

## NANCE 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 Nance 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 11 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 11 users, we noted that this access had been given to four State employees who were not employees of the Supreme Court.

We noted seven 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 errors due to the lack of segregation of duties in the County Court:

- One case had a balance held of \$900 from a bond in March 2024, and a warrant was issued in April 2024; however, no further action was taken to determine if the bond should be forfeited.
- One case had \$29 of court costs waived and \$21 of court costs claimed to the County without supporting documentation ordering such actions. Additionally, this case still had \$53 in sheriff fees owed since February 2024 for which no follow-up action has been taken.
- One probate case had \$66 in filing fees refunded without supporting documentation ordering such action.

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.

NANCE COUNTY COURT

**COMMENTS AND RECOMMENDATIONS**

(Continued)

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

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 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. We further recommend the County Court establish procedures to ensure costs are only waived, claimed, or paid back when ordered, and balances are followed up on timely.

**2. Overdue Balances**

All five overdue balances tested, totaling \$117, 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, the Overdue Case Account Report shows 66 probate cases, with balances totaling \$1,407, and nine juvenile cases, with balances totaling \$309, that either predate 2020 or lack a date. All of these cases need to be reviewed.

As of January 2026, overdue balances, excluding restitution judgments, totaled \$6,172.

A proper system of 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.

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 noted this issue in the previous examination.

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. Unclaimed Property**

During testing, it was noted that outstanding checks held by the County Court were not followed up on properly, resulting in five of those checks, totaling \$774, 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 (Act), intangible personal property held by a court and unclaimed for more than three years is presumed to be abandoned.

NANCE 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.



## 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

### NANCE COUNTY COURT

#### INDEPENDENT ACCOUNTANT'S REPORT

Nance County Court  
Fullerton, Nebraska 68638

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Nance 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 and Recommendations Section of the report.

*Government Auditing Standards* also require us to perform limited procedures on the Nance County Court's response to the findings identified in the Comments and Recommendations section of the report. The Nance County Court's response was 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 response.

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.



Kris Kucera, CPA, CFE  
Assistant Deputy Auditor  
Lincoln, Nebraska



Mike Foley  
Auditor of Public Accounts

April 8, 2026

**NANCE COUNTY COURT**  
**FULLERTON, 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	\$ 15,600	\$ 75,456	\$ 69,993	\$ 21,063
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 949	\$ 6,861	\$ 6,910	\$ 900
Law Enforcement Fees	37	566	531	72
State Judges Retirement Fund	531	5,851	5,706	676
Court Administrative Fees	311	4,738	4,018	1,031
Legal Services Fees	248	2,730	2,681	297
Due to County Treasurer:				
Regular Fines	525	17,062	14,000	3,587
Regular Fees	90	480	345	225
Petty Cash Fund	70	-	-	70
Municipality Fines	-	225	225	-
Due to Municipalities:				
Regular Fees	-	17	17	-
Trust Fund Payable	12,839	36,926	35,560	14,205
<b>Total Liabilities</b>	<b>\$ 15,600</b>	<b>\$ 75,456</b>	<b>\$ 69,993</b>	<b>\$ 21,063</b>

The accompanying notes are an integral part of the Schedule.

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

1. **Criteria**

A. **Reporting Entity**

The Nance 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 Nance 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.