

**ATTESTATION REPORT  
OF  
THAYER 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**

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THAYER COUNTY COURT

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## THAYER COUNTY COURT

### SUMMARY OF COMMENTS

During our examination of Thayer 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. ***Case Balances:*** The County Court did not review its case 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, 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.

## THAYER 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 Thayer 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 10 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 10 users, we noted that this access had been given also to four State employees who were not employees of the Supreme Court.

We noted six 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 criminal case tested applied a bond held to fines, totaling \$370; however, no support was on file to ensure the consent of the defendant prior to application of the bond in compliance with Neb. Rev. Stat. § 29-2206(3) (Cum. Supp. 2024).

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 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.

THAYER COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Continued)

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

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 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. Lastly, we recommend the County Court implement procedures to ensure consent of the defendant is on file to support the application of any bonds held to fines in compliance with State statute.

*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.*

*DOCKET: 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.*

*Non-Judicial Branch Access to JUSTICE: Access by the three non-Judicial Branch individuals was approved by the State Court Administrator and Deputy Director for Information Technology.*

*The Court would like to address the comment on bonds applied to fines and court costs. The Court does get verbal consent from the Defendant if the bond should be applied to costs and fines or if they would like it released. There is a recording of the consent and written record on the Journal Entry and Order. However, the staff will start making an additional entry on the Order when the Defendant gives verbal consent to apply bond(s) in the case.*

2. **Case Balances**

During testing of case balances, including both overdue amounts and amounts held, we noted that the County Court failed to take subsequent action to ensure collection and/or resolution of the balances. Details on the errors noted are included below.

THAYER COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Concluded)

2. **Case Balances** (Concluded)

- During testing of five overdue case balances, we noted that all five balances, totaling \$927, 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, as follows:

Case	Balance Due as of 1/30/2026	Date Fees Assessed	Date of Last Action by the County Court	Description
1	\$ 800	Jan. 2013	April 2014	Liquidated Damages
2	\$ 49	Nov. 2019	Feb. 2022	Recall Warrant
3	\$ 49	Oct. 2024	Nov. 2024	Correspondence Sent Regarding Amount Due
4	\$ 20	Nov. 2023	Nov. 2023	Transfer to Civil Court
5	\$ 5	May 2021	May 2021	No action has been taken to collect this balance.
	\$ 4	July 2021	July 2021	
	<b>\$ 927</b>			

For Case #4 above, the overdue balance was related to filing fees of \$20 paid in the associated civil case; however, the County Court failed to waive the balance due in this case until after inquiry in March 2026.

- For one small claims case tested, the County Court received an appeal bond, totaling \$50, in June 2023 and received a mandate on the appeal in November 2023; however, the bond was still held at the time of fieldwork in March 2026.

A proper system of internal control and sound business practices require all case 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 case balances, there is an increased risk that such balances may either not have proper follow-up action taken or have been previously resolved.

We have noted this issue in the previous examination.

We recommend the County Court implement an ongoing, timely review of its case balances to ensure the timely collection and/or resolution thereof.

*County Court’s Response: One of the cases you tested showed a balance due of \$800 for liquidated damages. It is the position of the Administrative Office of the Courts and Probation (AOC) that Neb. Rev. Stat. §37-613 does not create a duty for a court to enforce collection of liquidated damages. Courts will remit any funds received to the Nebraska Game and Parks Commission.*

*As for the other cases tested, the Court would like to note that the County Court staff is all new as of January 2026. We are in the process of tidying up the overdue case balances and plan to review the provided reports on a regular basis and remedy any issues found.*

*Our court will continue to make every effort to develop and maintain good internal control over all financial operations.*

**APA Response: Pursuant to the plain language of § 37-613(3), the County Courts are required not only to enter judgment against the defendant for liquidated damages arising from a conviction for the illegal selling, purchasing, taking, or possessing of any wildlife but also to “collect such damages by execution or otherwise.” Both the entering of the judgment for liquidated damages and the collection thereof are statutorily mandated upon the County Court.**



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### THAYER COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Thayer County Court  
Hebron, Nebraska 68370

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

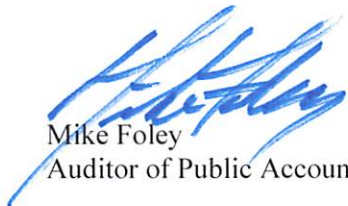
accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards*, and those findings, along with the views of management, are described in the Comments Section of the report.

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

**THAYER COUNTY COURT**  
**HEBRON, 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	\$ 45,845	\$ 363,513	\$ 364,619	\$ 44,739
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 4,555	\$ 24,175	\$ 26,833	\$ 1,897
Law Enforcement Fees	340	4,817	4,707	450
State Judges Retirement Fund	2,337	32,100	31,309	3,128
Court Administrative Fees	1,271	20,751	19,867	2,155
Legal Services Fees	1,258	17,534	17,159	1,633
Due to County Treasurer:				
Regular Fines	10,852	150,739	144,298	17,293
Overload Fines	6,050	62,239	62,644	5,645
Regular Fees	34	1,468	1,466	36
Petty Cash Fund	250	-	-	250
Trust Fund Payable	18,898	49,690	56,336	12,252
<b>Total Liabilities</b>	<b>\$ 45,845</b>	<b>\$ 363,513</b>	<b>\$ 364,619</b>	<b>\$ 44,739</b>

The accompanying notes are an integral part of the Schedule.

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

**1. Criteria**

**A. Reporting Entity**

The Thayer 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 Thayer 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.