

**ATTESTATION REPORT
OF
THOMAS COUNTY COURT**

JANUARY 1, 2025, THROUGH DECEMBER 31, 2025

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Issued on March 25, 2026

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THOMAS COUNTY COURT

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THOMAS COUNTY COURT

COMMENT AND RECOMMENDATION

During our examination of the Thomas County Court (County Court), we noted a certain deficiency and other operational matters that are presented here. The following comment is required to be reported in accordance with *Government Auditing Standards* and is considered to be a material weakness

This comment and recommendation is intended to improve the internal control over financial reporting and operational efficiencies in the following area:

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 Thomas 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 13 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 13 users, we noted that this access had been given to four State employees who were not employees of the Supreme Court.

We noted eight 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:

- Two criminal cases tested applied bonds held to fines, totaling \$610; however, no support was on file to ensure the consent of the defendant prior to the application of the bonds, as noted in Neb. Rev. Stat. § 29-2206(3) (Cum. Supp. 2024).

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.

THOMAS COUNTY COURT

COMMENT AND RECOMMENDATION

(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. Finally, we recommend the County Court ensure consent of the defendant before bonds are applied to fines.

County Court's Response: Your report specifically noted Thomas County Court lacked a segregation of duties. 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.

Additionally, your audit report noted that staff could create, and issue orders affixed with the Judge's signature in the JUSTICE system without formal documentation to support that the Judge approved the order. 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.

Furthermore, with respect to the deficiency noted for same staff had access to court receipts and were able to record non-monetary transactions (e.g., waiving fines) in JUSTICE. We further noted County Court access had also been given to other Clerk Magistrates within the district who were not employees of the County Court. Clerk magistrates for the county courts are state employees who have been given authority throughout the judicial district. The AOCP job descriptions for clerk magistrates include expectations that they may assist in courts other than the one to which they provide primary oversight.

Lastly, cases involving bonds applied to fines without support on file, we have put in place a check list to always have an assignment of bond on file for support. And to follow the steps in the Justice procedures manual.

It should be noted this report is critical in nature, as it contains only our comment and recommendation on the area 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 comment and recommendation contained herein. The formal response received has been incorporated into this report. The response has been objectively evaluated and recognized as appropriate in this report. A response that indicates corrective action has been taken was not verified at this time, but it will be verified in the next examination.



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THOMAS COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

Thomas County Court
Thedford, Nebraska 69166

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Thomas 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 a certain finding that is required to be reported under *Government Auditing Standards*, and that finding, along with the views of management, is described in the Comment Section of the report.

Government Auditing Standards also require us to perform limited procedures on the Thomas County Court's response to the findings identified in the Comment and Recommendation section of the report. The Thomas 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

March 24, 2026

THOMAS COUNTY COURT
THEDFORD, 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	\$ 6,501	\$ 69,981	\$ 66,821	\$ 9,661
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 430	\$ 5,357	\$ 5,560	\$ 227
Law Enforcement Fees	134	1,016	1,083	67
State Judges Retirement Fund	796	6,287	6,627	456
Court Administrative Fees	639	4,387	4,782	244
Legal Services Fees	468	3,589	3,805	252
Due to County Treasurer:				
Regular Fines	3,445	26,500	26,840	3,105
Regular Fees	-	72	72	-
Petty Cash Fund	55	-	-	55
Trust Fund Payable	534	22,773	18,052	5,255
Total Liabilities	\$ 6,501	\$ 69,981	\$ 66,821	\$ 9,661

The accompanying notes are an integral part of the Schedule.

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

1. Criteria

A. Reporting Entity

The Thomas 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 Thomas 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.