

**ATTESTATION REPORT  
OF  
FILLMORE COUNTY COURT  
JULY 1, 2012 THROUGH JUNE 30, 2014**

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**Issued on May 11, 2015**

# FILLMORE COUNTY COURT

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# FILLMORE COUNTY COURT

## COMMENT AND RECOMMENDATION

During our examination of the Fillmore County Court, we noted a certain deficiency and other operational matters that are presented here.

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

### **Segregation of Duties**

Good internal control includes a plan of organization, procedures, and documentation designed to safeguard assets and provide reliable financial records. A system of internal control should include a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end.

We noted the office of the County Court lacked a segregation of duties, as one person was capable of handling all aspects of processing transactions from beginning to end. 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 is not possible without additional cost. Further, personnel are under the direction of both the Nebraska State Court Administrator and the Presiding Judge. We have included this comment in previous examinations. We consider this to be a material weakness.

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.

*County Court's Response: This deficiency will always be an on-going issue in this Court as well as all other smaller courts, due to insufficient staffing.*

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 on any accounting strengths of the County Court.

Draft copies of this report were furnished to the County Court to provide management an opportunity to review the report and to respond to the comment and recommendation included in this report. The formal response received has been incorporated into this report. The response has been objectively evaluated and recognized, as appropriate, in the 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.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### FILLMORE COUNTY COURT

#### INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Fillmore County Court as of and for the fiscal years ended June 30, 2014, and June 30, 2013. The County Court's management is responsible for the Schedules. Our responsibility is to express an opinion 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 and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Schedules referred to above present, in all material respects, the assets and liabilities arising from cash transactions of the Agency Funds of the Fillmore County Court, as of June 30, 2014, and June 30, 2013, and the related activity for the fiscal years then ended, based on the accounting system and procedures prescribed by the Nebraska Supreme Court, as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Schedules and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Schedules are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedules 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 the finding, along with the views of management, is described in the Comments Section of the report.

This report is intended solely for the information and use of management, the Supreme Court, others within the County Court, and the appropriate Federal and regulatory agencies, and it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

April 20, 2015



Don Dunlap, CPA  
Assistant Deputy Auditor

**FILLMORE COUNTY COURT**  
**GENEVA, NEBRASKA**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>ASSETS</b>				
Cash and Deposits	\$ 26,026	\$ 268,712	\$ 270,275	\$ 24,463
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 3,607	\$ 42,475	\$ 43,104	\$ 2,978
Law Enforcement Fees	320	3,807	3,774	353
State Judges Retirement Fund	1,187	12,640	12,792	1,035
Court Administrative Fees	2,401	21,367	22,345	1,423
Legal Services Fees	1,111	13,163	13,109	1,165
Due to County Treasurer:				
Regular Fines	7,316	110,372	108,343	9,345
Overload Fines	1,275	7,950	7,850	1,375
Regular Fees	513	5,190	5,430	273
Due to Municipalities:				
Regular Fines	-	125	125	-
Trust Fund Payable	8,296	51,623	53,403	6,516
<b>Total Liabilities</b>	<b>\$ 26,026</b>	<b>\$ 268,712</b>	<b>\$ 270,275</b>	<b>\$ 24,463</b>

The accompanying notes are an integral part of the schedule.

**FILLMORE COUNTY COURT**  
**GENEVA, NEBRASKA**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Cash and Deposits	\$ 18,982	\$ 243,188	\$ 236,144	\$ 26,026
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 3,850	\$ 37,450	\$ 37,693	\$ 3,607
Law Enforcement Fees	241	3,123	3,044	320
State Judges Retirement Fund	919	10,892	10,624	1,187
Court Administrative Fees	1,187	18,471	17,257	2,401
Legal Services Fees	918	10,937	10,744	1,111
Due to County Treasurer:				
Regular Fines	6,967	92,032	91,683	7,316
Overload Fines	175	7,650	6,550	1,275
Regular Fees	177	4,294	3,958	513
Due to Municipalities:				
Regular Fines	10	-	10	-
Trust Fund Payable	4,538	58,339	54,581	8,296
<b>Total Liabilities</b>	<b>\$ 18,982</b>	<b>\$ 243,188</b>	<b>\$ 236,144</b>	<b>\$ 26,026</b>

The accompanying notes are an integral part of the schedule.

FILLMORE COUNTY COURT  
NOTES TO FINANCIAL SCHEDULES  
For the Fiscal Years Ended June 30, 2014, and June 30, 2013

**1. Criteria**

**A. Reporting Entity**

The Fillmore 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 Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the County Court reflect only the Agency Funds activity of the County Court, including the receipts and their subsequent disbursement to the appropriate entities for which they were collected. The Schedules do 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 Fillmore County.

**B. Basis of Accounting**

The accounting records of the County Court Agency Funds are maintained, and the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions have 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. 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 2008). 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 2009) to be secured either by a surety bond or as provided in the Public Funds Deposit Security Act.