

**ATTESTATION REPORT
OF
LANCASTER COUNTY COURT
JULY 1, 2013 THROUGH JUNE 30, 2014**

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Issued on March 9, 2015

LANCASTER COUNTY COURT

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LANCASTER COUNTY COURT

COMMENT AND RECOMMENDATION

During our examination of the Lancaster 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:

Non-Monetary Receipt Documentation

Good internal control requires supporting documentation to be available for all non-monetary receipt transactions in order to ensure receipts are accurate and proper.

During our review of non-monetary receipts, we noted two jail receipts totaling \$1,479 could not be traced to adequate documentation. When adequate documentation is not maintained to support non-monetary receipts, there is an increased risk that improper receipts could be made.

We recommend the County Court implement procedures to ensure adequate documentation is on file to support all non-monetary receipts.

County Court's Response: Lancaster County Court has always documented jail credit but we do understand the necessity of having written confirmation of how much jail credit is to be given as well as exactly where the information came from and who specifically provided the information to the court. To that end we have put a policy in place that requires staff to contact the jail and not issue jail credit until we have written confirmation to place in the file (i.e., e-mail or a returned commitment if available).

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 with 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.



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LANCASTER COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Lancaster County Court as of and for the fiscal year ended June 30, 2014. The County Court's management is responsible for the Schedule. Our responsibility is to express an opinion based on our examination.

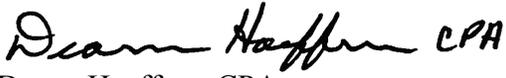
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule 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 Schedule referred to above presents, in all material respects, the assets and liabilities arising from cash transactions of the Agency Funds of the Lancaster County Court, as of June 30, 2014, and the related activity for the fiscal year 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 Schedule 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 Schedule 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 or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

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.

February 19, 2015


Deann Haeffner, CPA
Assistant Deputy Auditor

LANCASTER COUNTY COURT
LINCOLN, 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
ASSETS				
Cash and Deposits	\$ 1,472,690	\$ 12,282,680	\$ 11,796,442	\$ 1,958,928
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 51,063	\$ 1,420,971	\$ 1,397,941	\$ 74,093
Law Enforcement Fees	5,508	151,155	148,334	8,329
State Judges Retirement Fund	17,690	480,537	478,631	19,596
Court Administrative Fees	26,901	782,602	768,799	40,704
Legal Services Fees	18,650	511,942	503,193	27,399
Due to County Treasurer:				
Regular Fines	51,210	1,442,334	1,424,977	68,567
Overload Fines	5,150	75,415	76,890	3,675
Regular Fees	17,526	192,504	193,459	16,571
Due to Municipalities:				
Regular Fines	91,457	2,482,671	2,476,040	98,088
Regular Fees	5,481	149,399	147,770	7,110
Trust Fund Payable	1,182,054	4,593,150	4,180,408	1,594,796
Total Liabilities	\$ 1,472,690	\$ 12,282,680	\$ 11,796,442	\$ 1,958,928

The accompanying notes are an integral part of the schedule.

LANCASTER COUNTY COURT
NOTES TO FINANCIAL SCHEDULE
For the Fiscal Year Ended June 30, 2014

1. **Criteria**

A. **Reporting Entity**

The Lancaster 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 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 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 Lancaster County.

B. **Basis of Accounting**

The accounting records of the County Court Agency Funds are maintained, and the Schedule 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.