

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

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**Issued on April 30, 2015**

# YORK COUNTY COURT

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# YORK COUNTY COURT

## SUMMARY OF COMMENTS

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

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:*** One individual was capable of handling all phases of a transaction from beginning to end.
2. ***Trust Balances:*** Deficiencies were noted in the County Court's handling and/or resolution of trust balances held at fiscal year end.

More detailed information on the above items is provided hereafter. It should be noted that this report is critical in nature, as it contains only our comments and recommendations on the areas 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 comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the County Court declined to respond. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

# YORK COUNTY COURT

## COMMENTS AND RECOMMENDATIONS

### 1. 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. Specifically, 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.

### 2. Trust Balances

Good internal control and sound business practices require trust balances of the County Court to be reviewed on an ongoing, timely basis to determine what action should be taken to refund and/or otherwise resolve those balances.

During the testing of trust balances, we noted the following:

- Three traffic cases had duplicate or overpayments, totaling \$125, with no attempt made to refund the individual.
- One receipt for \$123, received on a case never filed, no attempt was made to refund the individual

Without adequate controls in place to ensure the complete, accurate, and timely resolution of trust balances, there is an increased risk of loss, theft, misuse, or improper payment of monies held by the County Court.

We recommend the County Court implement procedures to ensure trust balances are reviewed timely for completeness, accuracy, and proper disposition.

*County Court's Response: The trust balances problems have been corrected. We have instituted a policy to review trust balances in the future.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### YORK COUNTY COURT

#### INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the York 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 York 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

**YORK COUNTY COURT**  
**YORK, 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	\$ 48,690	\$ 632,277	\$ 592,545	\$ 88,422
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 5,490	\$ 89,641	\$ 87,996	\$ 7,135
Law Enforcement Fees	407	5,811	5,684	534
State Judges Retirement Fund	1,586	22,631	22,032	2,185
Court Administrative Fees	2,803	38,490	37,997	3,296
Legal Services Fees	1,581	21,595	21,180	1,996
Due to County Treasurer:				
Regular Fines	9,565	144,345	143,662	10,248
Overload Fines	775	8,925	8,025	1,675
Regular Fees	316	13,842	13,079	1,079
Petty Cash Fund	150	-	-	150
Due to Municipalities:				
Regular Fines	115	1,900	1,781	234
Trust Fund Payable	25,902	285,097	251,109	59,890
Total Liabilities	\$ 48,690	\$ 632,277	\$ 592,545	\$ 88,422

The accompanying notes are an integral part of the schedule.

**YORK COUNTY COURT**  
**YORK, 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	\$ 62,728	\$ 583,102	\$ 597,140	\$ 48,690
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 4,166	\$ 78,348	\$ 77,024	\$ 5,490
Law Enforcement Fees	515	5,475	5,583	407
State Judges Retirement Fund	1,960	20,727	21,101	1,586
Court Administrative Fees	3,709	39,300	40,206	2,803
Legal Services Fees	1,948	20,521	20,888	1,581
Due to County Treasurer:				
Regular Fines	12,943	155,146	158,524	9,565
Overload Fines	1,150	8,450	8,825	775
Regular Fees	909	8,411	9,004	316
Petty Cash Fund	-	150	-	150
Due to Municipalities:				
Regular Fines	225	630	740	115
Trust Fund Payable	35,203	245,944	255,245	25,902
Total Liabilities	\$ 62,728	\$ 583,102	\$ 597,140	\$ 48,690

The accompanying notes are an integral part of the schedule.

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

**1. Criteria**

**A. Reporting Entity**

The York 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 York 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.