

**ATTESTATION REPORT
OF
BURT COUNTY COURT
JULY 1, 2013 THROUGH JUNE 30, 2015**

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Issued on June 7, 2016

BURT COUNTY COURT

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BURT COUNTY COURT

COMMENT AND RECOMMENDATION

During our examination of the Burt 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.

Clerk Magistrate's Response: I would cite that the Financial Specialist spot checks voids, receipts and checks issued, as well as checks for our books being balanced. I supervise both the Burt and Washington County Courts and when I am in Burt County, I prepare the deposit and pay out case balances each week. When I am back before the Burt County staff person leaves, I check her end of day balance to make sure all cash and checks are accounted for.

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.



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BURT COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Burt County Court as of and for the fiscal years ended June 30, 2015, and June 30, 2014. 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 Burt County Court, as of June 30, 2015, and June 30, 2014, 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.

May 9, 2016


Deann Haeffner, CPA
Assistant Deputy Auditor

BURT COUNTY COURT
TEKAMAH, NEBRASKA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS

For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS				
Cash and Deposits	\$ 44,568	\$ 261,569	\$ 274,585	\$ 31,552
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 3,335	\$ 30,163	\$ 31,201	\$ 2,297
Law Enforcement Fees	189	2,912	2,877	224
State Judges Retirement Fund	616	9,013	8,917	712
Court Administrative Fees	1,963	28,061	27,920	2,104
Legal Services Fees	668	9,941	9,834	775
Due to County Treasurer:				
Regular Fines	5,243	66,312	67,364	4,191
Overload Fines	25	6,275	5,275	1,025
Regular Fees	363	6,107	6,233	237
Petty Cash Fund	60	-	-	60
Due to Municipalities:				
Regular Fines	-	286	255	31
Regular Fees	-	-	-	-
Trust Fund Payable	32,106	102,499	114,709	19,896
Total Liabilities	<u>\$ 44,568</u>	<u>\$ 261,569</u>	<u>\$ 274,585</u>	<u>\$ 31,552</u>

The accompanying notes are an integral part of the schedule.

BURT COUNTY COURT
TEKAMAH, NEBRASKA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS

For the Fiscal Year Ended June 30, 2014

	<u>Balance</u>		<u>Deductions</u>	<u>Balance</u>
	<u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2014</u>
ASSETS				
Cash and Deposits	\$ 30,279	\$ 214,637	\$ 200,348	\$ 44,568
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 2,952	\$ 31,753	\$ 31,370	\$ 3,335
Law Enforcement Fees	211	2,546	2,568	189
State Judges Retirement Fund	676	8,352	8,412	616
Court Administrative Fees	2,231	21,227	21,495	1,963
Legal Services Fees	723	9,124	9,179	668
Due to County Treasurer:				
Regular Fines	4,740	53,125	52,622	5,243
Overload Fines	-	2,575	2,550	25
Regular Fees	983	4,139	4,759	363
Petty Cash Fund	-	60	-	60
Due to Municipalities:				
Regular Fines	75	300	375	-
Trust Fund Payable	17,688	81,436	67,018	32,106
Total Liabilities	<u>\$ 30,279</u>	<u>\$ 214,637</u>	<u>\$ 200,348</u>	<u>\$ 44,568</u>

The accompanying notes are an integral part of the schedule.

BURT COUNTY COURT
NOTES TO FINANCIAL SCHEDULES
For the Fiscal Years Ended June 30, 2015, and June 30, 2014

1. Criteria

A. Reporting Entity

The Burt 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 Burt 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.