

**ATTESTATION REPORT  
OF  
GRANT COUNTY COURT**

**JANUARY 1, 2018, THROUGH DECEMBER 31, 2019**

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**Issued on March 10, 2020**

GRANT COUNTY COURT

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GRANT COUNTY COURT

**COMMENT AND RECOMMENDATION**

During our examination of the Grant 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 or result in operational efficiencies in the following area:

**Segregation of Duties and Unresolved Balances**

Good internal control includes a plan of organization, procedures, and documentation designed to safeguard assets and to 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. Furthermore, good internal control requires balances of the County Court to be reviewed on an ongoing, timely basis to determine what action should be taken to collect and/or otherwise resolve those balances.

We noted that the office of the County Court lacked a sufficient 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 may not be 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.

During testing, we also noted three overdue balances and one receipt not applied to a case, totaling \$272, which did not have documentation of subsequent action taken by the County Court to ensure collection and/or resolution of the balances. Two of the overdue balances for \$72 were created in error and required correction on the system according to the County Court. The third overdue balance of \$130 required further research that had not yet been performed for the proper resolution. The non-case receipt for \$70 was received in 2016 and contained no documentation that the County Court attempted to refund the balance paid in error.

The Overdue Case Account reports and the Non-Case Receipt reports detail the status of outstanding balances. Without a regular review of those reports, there is an increased risk that balances may not have proper follow-up action taken, or the balances may have been previously resolved and should no longer be reflected as being overdue.

We recommend the County Court and the Nebraska State Court Administrator review its segregation of duties. As always, the cost of hiring additional personnel versus the benefit of a proper segregation of duties must be weighed. We also recommend the County Court implement an ongoing, timely review of its Overdue Case Account reports and the Non-Case Receipt reports to ensure timely collection and/or resolution of outstanding balances.

*Clerk Magistrate's Response: The staff of the Grant County Court consists of myself as Clerk-Magistrate. Staffing of this court is similar to the staffing of small rural county courts across the state. While I understand the concerns of segregation of duties, it is impossible to have more than one individual handle all of the financial transactions of the court. I take the requirements of financial accountability very seriously, and do everything possible to make sure that all financial transactions are receipted, deposited, and recorded as required, and will continue to do so. Two of the overdue case balances, equaling \$72.00, were created when a new case was entered in the wrong county. When this happens it is my procedure to see if another new case can be entered manually. Because I failed to review the Overdue Case Balance report I did not catch the overdue amounts. The two cases were never assigned to any other case and the costs should have been waived and/or claimed. This has been corrected. The overdue balance of \$130.00 was overlooked by the court, but correspondence has been issued to try and collect the balance*

GRANT COUNTY COURT

**COMMENT AND RECOMMENDATION**

(Concluded)

*owed. Regarding receipt #2447, this case was not filed, the court issued correspondence to they payer, but didn't have a case to image the correspondence to. Efforts are being made within the court to collect overdue balances. On those balances where it appears that they are and will continue to be uncollectible, I will consult with the judge to determine if those uncollected balances should be discharged as uncollectible, or if there is some other disposition the judge wants me to make with those balances. The report states the Monthly Case Balance Report and the Overdue Case Balance Report were not reviewed, with corrective action taken when necessary. The Case Balance Review went over a number of cases that still had a balance due and where follow up was not completed. Due to this the court will review all monthly reports, refund money, turn money over to unclaimed property and properly examine all financial accounts within a more timely fashion.*

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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### GRANT COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Grant County Court  
Hyannis, Nebraska 69350

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Grant County Court as of and for the calendar years ending December 31, 2018, and December 31, 2019. The County Court's management is responsible for the Schedules based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedules 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 perform the examination to obtain reasonable assurance about whether the Schedules are 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 Schedules 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 Schedules, 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.

In our opinion, the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions for the calendar years ending December 31, 2018, and December 31, 2019, are 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; fraud and noncompliance with provisions of laws or regulations that have a material effect on 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; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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 that finding, along with the views of management, is described in the Comment Section of the report.

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.

A handwritten signature in black ink, appearing to read "C. Janssen", with a long horizontal flourish extending to the right.

March 4, 2020

Charlie Janssen  
Auditor of Public Accounts  
Lincoln, Nebraska

GRANT COUNTY COURT  
 HYANNIS, NEBRASKA  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**

For the Calendar Year Ended December 31, 2019

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
<b>ASSETS</b>				
Cash and Deposits	\$ 1,817	\$ 20,196	\$ 20,929	\$ 1,084
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 205	\$ 2,594	\$ 2,675	\$ 124
Law Enforcement Fees	31	496	510	17
State Judges Retirement Fund	151	2,115	2,184	82
Court Administrative Fees	119	1,734	1,783	70
Legal Services Fees	133	1,772	1,829	76
Due to County Treasurer:				
Regular Fines	200	9,080	8,855	425
Overload Fines	-	1,150	1,125	25
Regular Fees	418	51	452	17
Trust Fund Payable	560	1,204	1,516	248
<b>Total Liabilities</b>	<b>\$ 1,817</b>	<b>\$ 20,196</b>	<b>\$ 20,929</b>	<b>\$ 1,084</b>

The accompanying notes are an integral part of the schedule.

GRANT COUNTY COURT  
 HYANNIS, NEBRASKA  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**

For the Calendar Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>ASSETS</b>				
Cash and Deposits	\$ 2,785	\$ 30,512	\$ 31,480	\$ 1,817
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 159	\$ 3,379	\$ 3,333	\$ 205
Law Enforcement Fees	33	569	571	31
State Judges Retirement Fund	132	2,433	2,414	151
Court Administrative Fees	107	2,011	1,999	119
Legal Services Fees	113	2,058	2,038	133
Due to County Treasurer:				
Regular Fines	400	8,674	8,874	200
Overload Fines	125	325	450	-
Regular Fees	-	891	473	418
Trust Fund Payable	1,716	10,172	11,328	560
<b>Total Liabilities</b>	<b>\$ 2,785</b>	<b>\$ 30,512</b>	<b>\$ 31,480</b>	<b>\$ 1,817</b>

The accompanying notes are an integral part of the schedule.

GRANT COUNTY COURT  
**NOTES TO FINANCIAL SCHEDULES**

For the Calendar Years Ending December 31, 2018, and December 31, 2019

**1. Criteria**

**A. Reporting Entity**

The Grant 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 Grant 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 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.