

AUDITOR'S COMMENTS TO MANAGEMENT

Board of Atchison County Commissioners
Atchison, Kansas

In planning and performing our audit of the financial statements of the County for the year ended December 31, 2020, we considered the County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report, dated September 8, 2021, on the financial statements of the County.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various County personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comment is as follows:

1. During the audit, we tested 25 credit card transactions for compliance with the County's credit card usage policies. We noted three instances in which sales tax was paid and one instance where no receipt or supporting documentation was available to support the transaction. We recommend the County follow its policies for proper credit card usage.
2. During the audit, we noted that bank reconciliations were not completed timely throughout the year. We recommend that bank reconciliations be completed within 30 days of the end of the month being reconciled.
3. During the audit, we noted that County's cash accounts were not properly tracked throughout the year within the County's accounting information system (AIS). This led to an approximately \$78,000 variance between actual balances and those reported by the AIS. We recommend that the County's cash accounts be properly tracked and reconciled within its AIS.
4. During the audit, we noted that multiple entities that are separate from the County are using the County's Taxpayer Identification Number on checking accounts. We recommend that the County review, with each of its official depositories, which organizations are allowed to use the County's Taxpayer Identification Number.
5. During the audit, we noted six bank accounts with the names of former employees listed as authorized signers. We also noted that there was not an authorized signer on these six bank accounts who was still affiliated with the County as of December 31, 2020. We recommend that a new signature card be prepared for these accounts.
6. During the audit, we noted the County has outstanding checks that were issued between 2014 and 2018. Per K.S.A. 58-3934 and K.S.A. 10-816, outstanding payroll checks that are one year or older should be remitted to the Kansas State Treasurer Office's Unclaimed Property Division. Outstanding accounts payable checks two years or older should be canceled and restored to the fund originally charged. We recommend the County follow these statutes regarding outstanding checks.

7. During the audit, we noted the County Treasurer's Office was not transferring the 5% fee assessed on Neighborhood Revitalization Rebate applications from the Neighborhood Revitalization agency fund into the General fund for many years. We recommend that the revenue produced from this fee be transferred at the time Neighborhood Revitalization Rebates are paid.
8. During the audit, we noted that the County did not obtain bids before awarding significant capital improvement projects. We recommend the County request bids from qualified parties and award contracts to the lowest-cost qualified bidder for any projects greater than \$20,000.

This report is intended for the use of the Board of County Commissioners and other members of management of Atchison County, Kansas and should not be used by anyone other than these specified parties.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

September 8, 2021

AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT

Board of County Commissioners
Atchison County, Kansas

We have audited the financial statements of Atchison County, Kansas (the County), for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2020. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 8, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

We were engaged to report on regulatory required supplementary information which accompanies the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting policies used by the County as described in Note 1 to the financial statements, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction of Use

This information is intended solely for the use of the board of county commissioners and management of Atchison County, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

September 8, 2021