SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Reynolds County, Missouri

The Office of the State Auditor contracted for an audit of Reynolds County's financial statements for the year ended December 31, 2025, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Mueller Oberkfell & Jones, LLC, Certified Public Accountants, is attached.

Scott Fitzpatrick
State Auditor

October 2026
Report No. 2026-091

Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Reynolds County

Budgetary Policies Noncompliance	The County strictly adheres to the internal budgetary control procedures and the statutory requirements established for the State of Missouri. It is also recommended that the budgetary system be regularly reviewed.
Segregation of Duties	Management continue to maintain these controls by ensuring custodial, recordkeeping, and reconciliatory functions remain appropriately segregated to the greatest extent possible. Where complete segregation is not feasible, the Sheriff should continue documented supervisory reviews of accounting records, bank reconciliations, receipts, and disbursements to ensure the controls remain effective.
Sheriff's Control over Cash	Management continue to monitor compliance with these procedures by ensuring all receipts are promptly receipted and deposited intact, bank reconciliations are prepared and reviewed timely, cumulative book balances are maintained, and any discrepancies are promptly investigated and resolved. Continued oversight should be performed to ensure these controls remain effective and operating as intended.
Ineffective Response to Identified Significant Risks	Management continue to monitor the effectiveness of these controls and periodically evaluate whether they are operating as designed. Any identified deficiencies should be promptly addressed to ensure controls continue to identify, prevent, and detect fraud or errors in a timely manner.
Sheriff Turn Over of Receipts	Management continue to monitor compliance with these procedures and maintain documentation supporting the timely reporting and turnover of all fees and other moneys collected to ensure continued compliance with statutory requirements.

THE COUNTY OF REYNOLDS
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
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FINANCIAL SECTION

Mueller Oberkfell
& Jones, LLC
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Reynolds, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the County of Reynolds ("County"), Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash Balances - All Governmental Funds - Regulatory Basis and the Statements of Assets and Liabilities Arising From Cash Transactions - Fiduciary Funds - Regulatory Basis as of December 31, 2025, and the related Statements of Receipts, Disbursements and Changes in Cash Balances - Budget and Actual - All Governmental Funds - Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash of each fund of the County as of December 31, 2025, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2025, or changes in net position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Missouri. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the County's basic financial statements. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

MUELLER OBERKFELL & JONES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 14, 2026

FINANCIAL STATEMENTS

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

FUND	CASH January 1, 2025	RECEIPTS 2025	DISBURSEMENTS 2025	CASH December 31, 2025
General Revenue Fund	$ 416,123.81	$ 2,613,072.39	$ 2,584,951.16	$ 444,245.04
Special Road and Bridge Fund	1,225,899.98	2,937,880.55	2,154,398.43	2,009,382.10
Assessment Fund	18,297.81	208,294.00	215,860.13	10,731.68
Sheriff's Training Fund	483.46	500.00	435.00	548.46
Prosecuting Attorney Fund	2,951.29	629.65	463.52	3,117.42
Inmate Security Fund	38,462.78	5,920.00	27,358.40	17,024.38
Recorder User Fee Fund	57,034.35	17,153.89	12,118.52	62,069.72
Children's Trust Fund	109.00	205.00	-	314.00
Senior Services Fund	8,515.57	71,571.31	65,909.00	14,177.88
Sheriff's Civil Fee Fund	15,114.60	3,905.30	799.95	18,219.95
Senate Bill 40 Fund	19,239.20	238,450.77	193,013.11	64,676.86
Sheriff's Revolving Fund	2,591.46	4,990.21	3,711.54	3,870.13
County Law Enforcement Restitution Fund	44,577.49	19,808.87	-	64,386.36
Administrative Handling Costs Fund	2,465.57	826.57	186.98	3,105.16
Election Services Fund	8,033.92	14,167.04	872.47	21,328.49
Tax Maintenance Fund	17,922.34	11,052.85	13,903.92	15,071.27
Matching Grant Fund	166,963.39	40,725.25	64,279.19	143,409.45
LATCF Fund	388,218.41	-	173,872.49	214,345.92
Title III Fund	38,229.51	-	37,826.95	402.56
LEPC Fund	31,797.88	-	-	31,797.88
COVID-19/American Rescue Plan Act Fund	37,242.58	567.15	37,809.73	0.00
CDBG Fund	1,000.00	-	-	1,000.00
TOTAL	$ 2,541,274.40	$ 6,189,720.80	$ 5,587,770.49	$ 3,143,224.71

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	GENERAL REVENUE FUND	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	$ 646,000.00	$ 950,248.21
Sales Taxes	665,900.00	609,067.18
Intergovernmental	488,248.35	497,944.53
Charges for Services	42,525.00	45,144.17
Interest	12,500.00	32,094.49
Other	50,000.00	465,379.13
Transfers In	-	13,194.68
TOTAL RECEIPTS	1,905,173.35	2,613,072.39
DISBURSEMENTS		
County Commission	118,313.96	114,859.07
County Clerk	134,591.80	127,153.89
Elections	23,000.00	25,171.59
Buildings and Grounds	81,250.00	87,094.98
Employee Fringe Benefits	291,160.58	273,200.55
County Treasurer	54,791.80	55,257.41
Collector	114,716.02	105,464.44
Recorder of Deeds	60,166.80	60,155.20
Circuit Clerk	4,500.00	2,157.29
Associate Circuit Court	-	-
Court Administration	2,475.00	5,115.03
Public Administrator	38,501.72	33,077.04
Sheriff	535,539.51	487,247.97
Jail	55,000.00	124,520.87
Pre Trial Admin Grant	85,191.23	188,866.99
Patrol Cars	61,629.00	60,002.43
Prosecuting Attorney	146,185.12	136,794.72
Juvenile Officer	28,102.68	28,102.68
Coroner	27,826.68	30,243.37
Other	97,337.52	86,599.11
Publications	2,500.00	2,854.97
Health and Welfare	-	-
Victims Advocate Grant	44,404.24	42,919.16
Delta Regional Authority Grant	-	498,092.40
Transfers Out	-	-
Emergency Fund	60,000.00	10,000.00
TOTAL DISBURSEMENTS	2,067,183.66	2,584,951.16
RECEIPTS OVER (UNDER) DISBURSEMENTS	(162,010.31)	28,121.23
CASH BALANCES, JANUARY 1	416,123.81	416,123.81
CASH BALANCES, DECEMBER 31	$ 254,113.50	$ 444,245.04

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SPECIAL ROAD AND BRIDGE FUND	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	$ 580,000.00	$ 825,784.98
Sales Taxes	1,485,300.00	1,494,453.31
Intergovernmental	45,000.00	316,936.20
Charges for Services	75,000.00	76,301.44
Interest	12,000.00	39,014.49
Other	10,000.00	185,390.13
Transfers In	-	-
TOTAL RECEIPTS	2,207,300.00	2,937,880.55
DISBURSEMENTS		
Salaries	650,000.00	636,997.72
Employee Fringe Benefits	289,753.34	266,988.74
Supplies	277,000.00	298,073.68
Insurance	64,447.70	68,355.70
Fuel and Lubricants	240,000.00	171,327.60
Equipment Purchases	435,000.00	135,292.19
Truck/Equipment Maintenance	160,000.00	148,587.45
R&B Construction	115,000.00	303,957.54
Other	78,564.00	85,006.15
Road Oil	225,000.00	39,811.66
Transfers Out	-	-
TOTAL DISBURSEMENTS	2,534,765.04	2,154,398.43
RECEIPTS OVER (UNDER) DISBURSEMENTS	(327,465.04)	783,482.12
CASH BALANCES, JANUARY 1	1,225,899.98	1,225,899.98
CASH BALANCES, DECEMBER 31	$ 898,434.94	$ 2,009,382.10

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	ASSESSMENT FUND		SHERIFF'S TRAINING FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ 125,550.00	$ 181,597.87	$ -	$ -
Charges for Services	-	-	750.00	500.00
Interest	300.00	696.13	-	-
Other	-	-	-	-
Transfers In	100,000.00	26,000.00	-	-
TOTAL RECEIPTS	225,850.00	208,294.00	750.00	500.00
DISBURSEMENTS				
Salaries	157,591.80	132,760.38	-	-
Employee Fringe Benefits	28,863.08	37,264.83	-	-
Insurance	3,786.70	4,496.06	-	-
Consultants	10,000.00	12,617.90	-	-
Supplies	900.00	1,712.76	-	-
Miscellaneous	1,000.00	750.00	-	-
Mapping Maintenance	23,000.00	21,345.04	-	-
Office Expenses	4,300.00	2,140.84	300.00	435.00
Hardware/Software	1,000.00	724.94	-	-
Training/Mileage	1,800.00	2,047.38	-	-
TOTAL DISBURSEMENTS	232,241.58	215,860.13	300.00	435.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,391.58)	(7,566.13)	450.00	65.00
CASH BALANCES, JANUARY 1	18,297.81	18,297.81	483.46	483.46
CASH BALANCES, DECEMBER 31	$ 11,906.23	$ 10,731.68	$ 933.46	$ 548.46

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	PROSECUTING ATTORNEY FUND		INMATE SECURITY FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ -	$ -	$ -	$ -
Charges for Services	700.00	629.65	15,000.00	5,920.00
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	700.00	629.65	15,000.00	5,920.00
DISBURSEMENTS				
MAPA and NDAA Dues	800.00	463.52	-	-
Office Expenses	-	-	-	9,040.74
Software and Security	-	-	-	15,423.79
Commissary Expenses	-	-	-	2,893.87
Inmate Security Fund Expenses	-	-	15,000.00	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	800.00	463.52	15,000.00	27,358.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(100.00)	166.13	-	(21,438.40)
CASH BALANCES, JANUARY 1	2,951.29	2,951.29	38,462.78	38,462.78
CASH BALANCES, DECEMBER 31	$ 2,851.29	$ 3,117.42	$ 38,462.78	$ 17,024.38

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	RECORDER USER FEE FUND		CHILDREN'S TRUST FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ 2,100.00	$ 2,506.00	$ -	$ -
Technology Fees	13,000.00	12,233.20	-	-
Charges for Services	1,200.00	1,451.99	134.00	205.00
Other	-	962.70	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	16,300.00	17,153.89	134.00	205.00
DISBURSEMENTS				
Recorder Supplies	-	-	-	-
Technology Expenses	9,000.00	9,611.57	-	-
Copier	8,000.00	2,506.95	-	-
Miscellaneous	1,000.00	-	-	-
Microfilming Records	600.00	-	-	-
Whole Health Outreach	-	-	200.00	-
TOTAL DISBURSEMENTS	18,600.00	12,118.52	200.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,300.00)	5,035.37	(66.00)	205.00
CASH BALANCES, JANUARY 1	57,034.35	57,034.35	109.00	109.00
CASH BALANCES, DECEMBER 31	$ 54,734.35	$ 62,069.72	$ 43.00	$ 314.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SENIOR SERVICES FUND		SHERIFF'S CIVIL FEE FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 49,000.00	$ 71,540.67	$ -	$ -
Charges for Services	-	-	-	3,640.29
Interest	-	30.64	-	265.01
Other	-	-	4,500.00	-
TOTAL RECEIPTS	49,000.00	71,571.31	4,500.00	3,905.30
DISBURSEMENTS				
Bonding Insurance	126.00	126.00	-	-
Office Supplies	100.00	100.00	-	669.95
Food Distribution Centers	48,000.00	65,500.00	-	-
Miscellaneous	1,000.00	183.00	-	-
Retirement Expenses	-	-	-	130.00
Sheriff Civil Fees Expenses	-	-	1,000.00	-
TOTAL DISBURSEMENTS	49,226.00	65,909.00	1,000.00	799.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	(226.00)	5,662.31	3,500.00	3,105.35
CASH BALANCES, JANUARY 1	8,515.57	8,515.57	15,114.60	15,114.60
CASH BALANCES, DECEMBER 31	$ 8,289.57	$ 14,177.88	$ 18,614.60	$ 18,219.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SENATE BILL 40 FUND	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	$ 188,621.00	$ 238,450.77
Charges for Services	-	-
Interest	-	-
Other	-	-
TOTAL RECEIPTS	188,621.00	238,450.77
DISBURSEMENTS		
Grant Payments	187,800.00	187,500.00
Purchased Services	-	2,017.35
Capital Outlay	-	3,495.76
Transfers Out	-	-
TOTAL DISBURSEMENTS	187,800.00	193,013.11
RECEIPTS OVER (UNDER) DISBURSEMENTS	821.00	45,437.66
CASH BALANCES, JANUARY 1	19,239.20	19,239.20
CASH BALANCES, DECEMBER 31	$ 20,060.20	$ 64,676.86

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SHERIFF'S REVOLVING FUND	
	BUDGET	ACTUAL
RECEIPTS		
Intergovernmental	$ -	$ -
Charges for Services	-	3,900.00
Interest	-	39.21
Other	750.00	1,051.00
TOTAL RECEIPTS	750.00	4,990.21
DISBURSEMENTS		
Mileage & Training	-	1,606.54
CCW Permits	-	315.00
Office Expense	-	1,790.00
Sheriff Revolving Expenses	300.00	-
TOTAL DISBURSEMENTS	300.00	3,711.54
RECEIPTS OVER (UNDER) DISBURSEMENTS	450.00	1,278.67
CASH BALANCES, JANUARY 1	2,591.46	2,591.46
CASH BALANCES, DECEMBER 31	$ 3,041.46	$ 3,870.13

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	COUNTY LAW ENFORCEMENT RESTITUTION FUND		ADMINISTRATIVE HANDLING COSTS FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for Services	-	18,894.25	-	780.00
Interest	-	914.62	-	46.57
Other	10,000.00	-	850.00	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	10,000.00	19,808.87	850.00	826.57
DISBURSEMENTS				
Sheriff Expenses	20,000.00	-	-	-
Office Expenses	-	-	-	181.98
Bad Check Fees	-	-	-	5.00
Admin Handling Fund	-	-	75.00	-
TOTAL DISBURSEMENTS	20,000.00	-	75.00	186.98
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,000.00)	19,808.87	775.00	639.59
CASH BALANCES, JANUARY 1	44,577.49	44,577.49	2,465.57	2,465.57
CASH BALANCES, DECEMBER 31	$ 34,577.49	$ 64,386.36	$ 3,240.57	$ 3,105.16

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	ELECTION SERVICES FUND		TAX MAINTENANCE FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	11,750.00	-	-
Delinquent Tax Collection Fees	-	-	10,500.00	10,789.72
Charges for Services	675.00	2,242.60	-	-
Interest	-	174.44	-	263.13
Other	-	-	-	-
TOTAL RECEIPTS	675.00	14,167.04	10,500.00	11,052.85
DISBURSEMENTS				
Office Supplies	1,500.00	404.97	-	653.92
Elections Assessment	-	467.50	-	-
Software	-	-	-	13,250.00
Service Fund	-	-	-	-
Tax Maintenance Fund	-	-	14,000.00	-
Equipment	-	-	-	-
TOTAL DISBURSEMENTS	1,500.00	872.47	14,000.00	13,903.92
RECEIPTS OVER (UNDER) DISBURSEMENTS	(825.00)	13,294.57	(3,500.00)	(2,851.07)
CASH BALANCES, JANUARY 1	8,033.92	8,033.92	17,922.34	17,922.34
CASH BALANCES, DECEMBER 31	$ 7,208.92	$ 21,328.49	$ 14,422.34	$ 15,071.27

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	MATCHING GRANT FUND		LATCF FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ -	$ 38,347.91	$ -	$ -
Charges for Services	-	-	-	-
Interest	-	2,377.34	-	-
Other	50,000.00	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	50,000.00	40,725.25	-	-
DISBURSEMENTS				
Office Expenses	-	48,898.92	-	6,045.27
Vehicle Expenses	-	15,380.27	-	-
Matching Grant Expenses	50,000.00	-	-	-
Renovation Expenses	-	-	-	121,597.20
Software Expenses	-	-	-	20,230.02
LATCF Expenses	-	-	100,000.00	-
Other	-	-	-	-
Transfers Out	-	-	100,000.00	26,000.00
TOTAL DISBURSEMENTS	50,000.00	64,279.19	200,000.00	173,872.49
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(23,553.94)	(200,000.00)	(173,872.49)
CASH BALANCES, JANUARY 1	166,963.39	166,963.39	388,218.41	388,218.41
CASH BALANCES, DECEMBER 31	$ 166,963.39	$ 143,409.45	$ 188,218.41	$ 214,345.92

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	TITLE III FUND		LEPC FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ 25,000.00	$ -	$ -	$ -
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	25,000.00	-	-	-
DISBURSEMENTS				
Office Expenses	-	37,826.95	-	-
Title III expenses	60,000.00	-	-	-
Meetings	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL DISBURSEMENTS	60,000.00	37,826.95	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(35,000.00)	(37,826.95)	-	-
CASH BALANCES, JANUARY 1	38,229.51	38,229.51	31,797.88	31,797.88
CASH BALANCES, DECEMBER 31	$ 3,229.51	$ 402.56	$ 31,797.88	$ 31,797.88

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	COVID-19/AMERICAN RESCUE PLAN ACT FUND		CDBG FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-
Interest	-	567.15	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	-	567.15	-	-
DISBURSEMENTS				
Repayment of Unused Funds	35,000.00	24,615.05	-	-
Transfers Out	-	13,194.68	-	-
TOTAL DISBURSEMENTS	35,000.00	37,809.73	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(35,000.00)	(37,242.58)	-	-
CASH BALANCES, JANUARY 1	37,242.58	37,242.58	1,000.00	1,000.00
CASH BALANCES, DECEMBER 31	$ 2,242.58	$ -	$ 1,000.00	$ 1,000.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
FIDUCIARY FUNDS - REGULATORY BASIS
DECEMBER 31, 2025

	Collector Accounts	Sheriff Accounts	Law Library	Prosecuting Attorney	Overplus Fund	Capital School Fund	Ambulance Fund	North Reynolds Co Fire
ASSETS								
Cash and Cash Equivalents	$ 1,992,069.36	$ 14,543.60	$ 17,536.72	$ 163.25	$ 21,498.66	$ 38,781.00	$ 1.57	$ 0.26
Total Assets	1,992,069.36	14,543.60	17,536.72	163.25	21,498.66	38,781.00	1.57	0.26
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	1,992,069.36	14,543.60	17,536.72	163.25	21,498.66	38,781.00	1.57	0.26
UNRESERVED FUND BALANCES	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 1,992,069.36	$ 14,543.60	$ 17,536.72	$ 163.25	$ 21,498.66	$ 38,781.00	$ 1.57	$ 0.26

	Unclaimed Fees Fund	Recorder Account	Healthcenter Fund	Sweetwater Cemetery	County Retirement Fund	Library Fund	Sheltered Workshop	Tax Deposit Fund
ASSETS								
Cash and Cash Equivalents	$ 2,253.81	$ 5,547.05	$ 1.97	$ 1,817.57	$ 8,140.04	$ 2.21	$ 1.97	$ 18,546.00
Total Assets	2,253.81	5,547.05	1.97	1,817.57	8,140.04	2.21	1.97	18,546.00
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	2,253.81	5,547.05	1.97	1,817.57	8,140.04	2.21	1.97	18,546.00
UNRESERVED FUND BALANCES	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 2,253.81	$ 5,547.05	$ 1.97	$ 1,817.57	$ 8,140.04	$ 2.21	$ 1.97	$ 18,546.00

	Opioid Fund	School Fund	Garwood Fire Department	Senior Services	Public Administrator	Total Custodial Funds
ASSETS						
Cash and Cash Equivalents	$ 110,948.74	$ 117.34	$ 4.70	$ 10.60	$ 29,219.86	$ 2,261,206.28
Total Assets	110,948.74	117.34	4.70	10.60	29,219.86	2,261,206.28
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	110,948.74	117.34	4.70	10.60	29,219.86	2,261,206.28
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 110,948.74	$ 117.34	$ 4.70	$ 10.60	$ 29,219.86	$ 2,261,206.28

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Reynolds, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector, Coroner, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Prosecuting Attorney and Public Administrator.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present the County's financial accountability.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of Reynolds County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri Court System and considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Fiduciary Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is determined upon changes in financial position rather than net income.

Fiduciary Fund Types

Custodial Funds – Fiduciary funds consist of custodial funds. Custodial funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Custodial funds are accounted for and reported similarly to governmental funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

8. The actual disbursements exceeded the budgeted disbursements in nine funds – see page 37.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2025 was:

	2025
Real Estate	$ 89,653,700
Personal Property	46,824,844
Railroad and Utilities	52,204,288
	$ 188,682,832

During 2025, the County Commission approved a $0.9010 tax levy per $100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2025
General Revenue Fund	$ 0.4210
Special Road and Bridge Fund	0.3500
Senior Services Fund	0.0300
Senate Bill 40 Board Fund	0.1000
	$ 0.9010

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes depositing funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest-bearing obligations guaranteed as to both principal and interest by the United States, or any instrumentality thereof, certain municipal bonds authorized by Missouri statute, or time certificates of deposit. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting. Transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. CASH DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. If applicable, deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash Balances" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2025, the carrying amount of the County's deposits was $5,404,430.99 and the bank balance was $5,550,564.29.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2025, as follows:

Statements of Receipts, Disbursements and Changes in Cash - Governmental Funds	
Deposits and cash equivalents	$ 3,143,224.71
Total Government Funds	3,143,224.71
Statements of Assets and Liabilities Arising from Cash Transactions - Fiduciary Funds	
Deposits and cash equivalents	2,261,206.28
Total Fiduciary Funds	2,261,206.28
Total Deposits and Investments - December 31, 2025	$ 5,404,430.99

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2025.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County had no investments at December 31, 2025.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County had no investments for the year ended December 31, 2025.

II. CASH DEPOSITS AND INVESTMENTS (concluded)

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The County had no investments for the year ended December 31, 2025.

Investment Credit Risk

Investment credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has no formal investment credit risk policy that prequalifies the institutions, brokers/dealers, intermediaries and advisors with which the County will do business, nor for diversifying the portfolio so that potential losses on individual securities will be minimized. The County had no investments for the year ended December 31, 2025.

III. INTERFUND TRANSFERS

Transfers were made from the LATCF Fund to the Assessment Fund in the amount of $26,000.00 and from the COVID-19/American Rescue Plan Act Fund to the General Revenue Fund in the amount of $13,194.68 for the year ended December 31, 2025.

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, County prosecuting attorneys, and County sheriffs.

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating County employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating County employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. In addition to employee contributions, the plan is funded through various fees, penalties and interest collected by the County. During 2025, the County collected and remitted to CERF employee contributions, specified fees, penalties and interest of $160,289.55.

V. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $4,488.00 for the year ended December 31, 2025.

VI. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County did not have any COBRA participants during the year ended December 31, 2025.

VII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

Various suits and claims against the County are presently pending. It is management's opinion that any liability resulting from pending suits in excess of insurance coverage will not have a material effect on the basic financial statements of the County.

B. Compensated Absences

Annually the County provides employees with from one to five weeks of paid vacation based on the number of years of employment. Vacation time must be used in the year acquired (unless authorized by a supervisor). Each full-time employee shall accrue two personal leave days the first year of employment and six days per year thereafter. Personal leave can be accrued up to twenty days. Upon termination from County employment, an employee is reimbursed for unused leave time.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

VIII. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation Trust. The County purchases workers' compensation insurance through this Trust, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Trust is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

IX. TAX ABATEMENTS

The County has no tax abatements required to be disclosed under GASB Statement No. 77 for the year ended December 31, 2025.

X. SUBSEQUENT EVENTS

The County has evaluated subsequent events through October 14, 2026, the date the financial statements were available to be issued.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE AND FEDERAL COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

For the year ended December 31, 2025, we noted the following state findings:

1) See Financial Statement Finding 2025-001 on page 37.

2) See Financial Statement Finding 2025-005 on page 39.

Mueller Oberkfell
& Jones, LLC
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Reynolds, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Reynolds ("County"), which comprise the Statement of Receipts, Disbursements and Changes in Cash Balances - All Governmental Funds - Regulatory Basis and the Statements of Assets and Liabilities Arising From Cash Transactions - Fiduciary Funds - Regulatory Basis as of December 31, 2025, and the related Statements of Receipts, Disbursements and Changes in Cash Balances - Budget and Actual - All Governmental Funds - Regulatory Basis for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 14, 2026.

In our report, because the County prepared its financial statements using financial reporting provisions prescribed or permitted by Missouri law, our opinion stated that the financial statements were not presented fairly in conformity with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated in accordance with the financial reporting provisions prescribed or permitted by Missouri law, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, 2025-003, 2025-004 and 2025-005 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

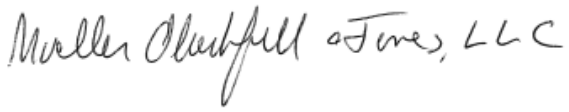
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-005.

County Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



MUELLER OBERKFELL & JONES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 14, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To The County Commission
The County of Reynolds, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Reynolds' ("County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2025. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title* 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MUELLER OBERKFELL & JONES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 14, 2026

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES	PROVIDED TO SUBRECIPIENTS
US DEPARTMENT OF AGRICULTURE				
PASSED THROUGH THE STATE				
Office of Administration:				
Schools and Roads - Grants to States	10.665	N/A	$ 811,508.00	$ -
Total U.S. Department of Agriculture			811,508.00	-
DEPARTMENT OF INTERIOR				
DIRECT PROGRAM				
PILT - Payment in Lieu of Taxes	15.226	N/A	279,507.00	-
PASSED THROUGH THE STATE				
Office of Administration:				
National Forest Acquired Lands	15.438	N/A	115,865.00	-
Total U.S. Department of Interior			395,372.00	-
US DEPARTMENT OF JUSTICE				
PASSED THROUGH THE STATE				
Department of Public Safety:				
Crime Victim Assistance Grant	16.575	ER130220151	38,160.00	-
PASSED THROUGH MISSOURI SHERIFFS' ASSOCIATION				
Violence Against Women Formula Grants	16.588	W912S25P0054	400.00	-
Total U.S. Department of Justice			38,560.00	-
US DEPARTMENT OF TRANSPORTATION				
PASSED THROUGH THE STATE				
Missouri Department of Transportation:				
Highway Planning and Construction	20.205	BRO-R090(011)	211,444.00	-
Total U.S. Department of Transportation			211,444.00	-
US DEPARTMENT OF TREASURY				
DIRECT PROGRAM				
Local Assistance and Tribal Consistency Fund	21.032	N/A	173,873.00	-
Total U.S. Department of Treasury			173,873.00	-
US ELECTION ASSISTANCE COMMISSION				
PASSED THROUGH STATE				
Missouri Office of Secretary of State				
HAVA Elections Security Grants	90.404	N/A	12,218.00	-
DIRECT PROGRAM				
HAVA Elections Security Grants	90.201	MO-54930	435,042.00	-
Total U.S. Election Assistance Commission			447,260.00	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
PASSED THROUGH STATE				
State Emergency Management Agency:				
Disaster Grants - Public Assistance Grants (FEMA)	97.036	824691	181,905.00	-
Total U.S. Department of Homeland Security			181,905.00	-
Total Expenditures of Federal Awards			**$ 2,259,922.00**	**$ -**

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County of Reynolds under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Reynolds, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Reynolds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUB-RECIPIENTS

The County provided no federal awards to subrecipients during the year ended December 31, 2025.

NOTE 5 – DONATED PERSONAL PROTECTIVE EQUIPMENT

The County did not receive any donated personal protective equipment in the year ended December 31, 2025.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified? ___ Yes X No

b. Significant deficiency (ies) identified? X Yes ___ None Reported

3. Noncompliance material to financial statements noted? X Yes ___ No

B. Federal Awards

1. Internal control over major federal programs:

a. Material weakness(es) identified? ___ Yes X No

b. Significant deficiency (ies) identified? ___ Yes X None Reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516(a)? ___ Yes X No

4. Identification of major federal programs:

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
10.665	Schools and Roads – Grants to States
15.438	PILT – National Forest Acquired Land

5. Dollar threshold used to distinguish between type A and type B programs: $ 1,000,000

6. Auditee qualified as low-risk auditee? ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

2025-001: Budgetary Policies Noncompliance

Criteria:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund. Adoption of a formal budget is required by law.

2. Section 50.740 RSMo prohibits expenditures in excess of approved budget.

Condition: During our audit for December 31, 2025, we noted the following budgetary noncompliance:

The County actual expenditures exceeded the budget for the following funds:

General Revenue Fund, Sheriff's Training Fund, Inmate Security Fund, Senior Services Fund, Senate Bill 40 Fund, Sheriff's Revolving Fund, Administrative Handling Costs Fund, Matching Grant Fund, and the COVID-19/American Rescue Plan Act Fund.

Cause: There is a significant deficiency in the budgetary system in the County. In addition, the County has poor budgetary control.

Effect: Noncompliance with budgetary policy leads to overspending of funds and misappropriation of assets.

Recommendation: We recommend that the County strictly adheres to the internal budgetary control procedures and the statutory requirements established for the State of Missouri. It is also recommended that the budgetary system be regularly reviewed.

County's Response: The County agrees with the recommendation of the auditor.

2025-002: Segregation of Duties

Criteria: A proper system of internal controls requires segregation of duties to ensure adequate oversight and accountability for employees with accounting duties.

Condition: The Sheriff did not segregate accounting duties or perform supervisory reviews of detailed accounting and bank records. The Administrative Assistant was primarily responsible for receipting, recording, and depositing receipts; billing for paper service, patrol service, and prisoner board; making disbursements; reviewing and transmitting bill payments received; and performing bank reconciliations.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate bank reconciliations.

Effect: The inadequate segregation of duties and absence of supervisory review and approval increase the likelihood that accounting errors or a misappropriation of funds would not be detected in a timely manner.

II. FINANCIAL STATEMENT FINDINGS (continued)

Recommendation: During 2025, the Sheriff's office implemented corrective actions to improve segregation of duties and supervisory review procedures. We recommend management continue to maintain these controls by ensuring custodial, recordkeeping, and reconciliatory functions remain appropriately segregated to the greatest extent possible. Where complete segregation is not feasible, the Sheriff should continue documented supervisory reviews of accounting records, bank reconciliations, receipts, and disbursements to ensure the controls remain effective.

County's Response: The County agrees with the recommendation of the auditor.

2025-003: Sheriff's Control over Cash

Criteria: A proper system of internal controls requires the reconciliation between the accounting and bank records to be accurately completed in a timely manner and that cash receipts are properly safeguarded until they are deposited to reduce the opportunity of misappropriation.

Condition: Sheriff's office procedures for receipting, recording, and depositing were inadequate. As a result, personnel did not deposit any receipts between January 1, 2025 and February 25, 2025, nor did personnel timely deposit receipts from February 26, 2025 through October 8, 2025, and money is missing. Sheriff's office personnel did not timely prepare bank reconciliations for the Main and Commissary bank accounts for the months of January through August 2025. In addition, they did not maintain book balances for the Main account or the Commissary account for those months. The Sheriff's office overdrew from the Commissary bank account causing the County to incur bank service charges for not maintaining the minimum required balance for the months of February and March 2025. Further, unsupported cash withdrawals were made from the Main and Commissary bank accounts totaling $2,440 and $300, respectively.

Cause: The Sheriff's office did not implement procedures to timely deposit receipts received for certain fees collected for the County. Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate bank reconciliations, and the Sheriff's personnel lacked the qualifications and capabilities of handling these duties.

Effect: The lack of segregation of duties discussed in finding 2025-002 and inadequate receipting and depositing controls resulted in the missing receipts going undetected. Without timely reconciliations of bank balances to book balances, the risk of misstatements due to error or misappropriation is heightened.

Recommendation: During 2025, the Sheriff's office implemented procedures to strengthen controls over receipting, depositing, and reconciliation processes. We recommend management continue to monitor compliance with these procedures by ensuring all receipts are promptly receipted and deposited intact, bank reconciliations are prepared and reviewed timely, cumulative book balances are maintained, and any discrepancies are promptly investigated and resolved. Continued oversight should be performed to ensure these controls remain effective and operating as intended.

County's Response: The County agrees with the recommendation of the auditor.

II. FINANCIAL STATEMENT FINDINGS (continued)

2025-004: Ineffective Response to Identified Significant Risks

Criteria: Management and those charged with governance of Reynolds County are responsible for establishing and maintaining a proper system of internal controls.

Condition: During our audit, we noted several instances wherein the internal controls designed by the County to identify, prevent or detect fraud or errors were not functioning.

Cause: For the months of January through September 2025, the Sheriff's office did not implement the internal controls designed to identify, prevent or detect fraud or errors.

Effect: Lack of appropriate response to identified significant risks increases the opportunity for and the likelihood that accounting errors or a misappropriation of funds would not be detected in a timely manner.

Recommendation: The County and Sheriff's office implemented corrective actions during 2025 to address identified control deficiencies and significant risks. We recommend management continue to monitor the effectiveness of these controls and periodically evaluate whether they are operating as designed. Any identified deficiencies should be promptly addressed to ensure controls continue to identify, prevent, and detect fraud or errors in a timely manner.

County's Response: The County agrees with the recommendation of the auditor.

2025-005: Sheriff Turn Over of Receipts

Criteria: Section 50.370 , RSMo states, "In all counties of classes three and four, every county officer who receives any fees or other remuneration for official services which is payable to the county, except recorders of deeds whose offices are separate from that of circuit clerks, shall at the end of each month file a verified report with the county commission of his county showing all fees charged and accruing to his office and the act or service for which each such fee was charged, together with the names of persons paying or liable for same. Upon the filing of such report, each said county officer shall forthwith pay over to the county treasurer all fees and other moneys collected by him which belong to the county and shall take two receipts therefor, one of which shall be filed with the county commission and the other shall be kept on file in his office. Every such officer shall be liable personally and on his official bond for all fees collected by him and not accounted for and paid into the county treasury as herein provided."

Condition: The Sheriff's Office receives funds for a variety of services. During the audit, it was noted that the Sheriff did not report a complete or accurate account of funds received nor did the Sheriff timely turn over funds received to the Treasurer for the months of January 2025 through September 2025.

Cause: Lack of management oversight, and the Sheriff's personnel lacked the qualifications and capabilities of handling these duties.

II. FINANCIAL STATEMENT FINDINGS (concluded)

Effect: The Sheriff's office has not provided a complete and accurate account of fees received to the Treasurer nor has the Sheriff's office paid over to the county Treasurer all fees and other moneys collected for deposit in accordance with state statute, leading to excess funds on hand and misappropriation of assets.

Recommendation: During 2025, the Sheriff's office implemented procedures to ensure funds received are accurately reported and timely turned over to the County Treasurer in compliance with Section 50.370, RSMo. We recommend management continue to monitor compliance with these procedures and maintain documentation supporting the timely reporting and turnover of all fees and other moneys collected to ensure continued compliance with statutory requirements.

County's Response: The County agrees with the recommendation of the auditor.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs related to federal awards for the year ended December 31, 2025.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

I. FINANCIAL STATEMENT FINDING – PRIOR YEAR

2024-001: Budgetary Policies Noncompliance

Criteria:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund. Adoption of a formal budget is required by law.

2. Section 50.740 RSMo prohibits expenditures in excess of approved budget.

Condition: During the prior audit, the following budgetary noncompliance was reported:

The County actual expenditures exceeded the budget for the following funds:

Road & Bridge Fund (2024), Assessment Fund (2024), Sheriff's Training Fund (2024), Inmate Security Fund (2023 & 2024), Children's Trust Fund (2023 &2024), Senior Services Fund (2023 & 2024), Sheriff's Civil Fee Fund (2023 & 2024), Senate Bill 40 Fund (2023 & 2024), Sheriffs Revolving Fund (2023 & 2024), County Law Enforcement Restitution Fund (2024), Administrative Handling Costs Fund (2024), Election Services Fund (2023), Tax Maintenance Fund (2023), LATCF Fund (2023 & 2024), Title III Fund (2024), and the COVID-19/American Rescue Plan Act Fund (2023).

Cause: There is a significant deficiency in the budgetary system in the County. In addition, the County has poor budgetary control.

Effect: Noncompliance with budgetary policy leads to overspending of funds and misappropriation of assets.

Recommendation: It was recommended that the County strictly adheres to the internal budgetary control procedures and the statutory requirements established for the State of Missouri. It was also recommended that the budgetary system be regularly reviewed.

Status: Unresolved and reported in the current year as finding 2025-001.

2024-002: Segregation of Duties

Criteria: A proper system of internal controls requires segregation of duties to ensure adequate oversight and accountability for employees with accounting duties.

Condition: The Sheriff did not segregate accounting duties or perform supervisory reviews of detailed accounting and bank records. The Administrative Assistant was primarily responsible for receipting, recording, and depositing receipts; billing for paper service, patrol service, and prisoner board; making disbursements; reviewing and transmitting bill payments received; and performing bank reconciliations.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate bank reconciliations.
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I. FINANCIAL STATEMENT FINDING – PRIOR YEAR (continued)

Effect: The inadequate segregation of duties and absence of supervisory review and approval increase the likelihood that accounting errors or a misappropriation of funds would not be detected in a timely manner.

Recommendation: It was recommended that the Sheriff's office segregate custodial, recordkeeping and reconciliatory functions to the greatest extent possible. To the extent that segregating duties is not possible, it was recommended that the Sheriff oversee the duties of the administrative assistant and maintain documentation of that supervisory review.

Status: Unresolved and reported in the current year as finding 2025-002.

2024-003: Sheriff's Control over Cash

Criteria: A proper system of internal controls requires the reconciliation between the accounting and bank records to be accurately completed in a timely manner and that cash receipts are properly safeguarded until they are deposited to reduce the opportunity of misappropriation.

Condition: Sheriff's office procedures for receipting, recording, and depositing were inadequate. As a result, personnel did not deposit any receipts from July 13, 2024 through September 30, 2024, and from October 3, 2024 through December 27, 2024, and money is missing. Sheriff's office personnel did not prepare bank reconciliations for the Main and Commissary bank accounts for the months of July 2024 through December 2024. In addition, they did not maintain book balances for the Main account or the Commissary account.

Cause: The Sheriff's office did not implement procedures to timely deposit receipts received for certain fees collected for the County. Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate bank reconciliations, and the Sheriff's personnel lacked the qualifications and capabilities of handling these duties.

Effect: The lack of segregation of duties discussed in finding 2024-002 and inadequate receipting and depositing controls resulted in the missing receipts going undetected. Without timely reconciliations of bank balances to book balances, the risk of misstatements due to error or misappropriation is heightened.

Recommendation: Establish controls for receipting, recording, and depositing money received including immediately issuing prenumbered receipt slips for all money received and ensuring the method of payment is indicated on all receipt slips, receipt slips are issued in numerical sequence, the composition of receipts is reconciled to the composition of deposits, and all money received is deposited timely and intact. Ensure cumulative book balances, adequate monthly bank reconciliations, and monthly lists of liabilities are prepared and reconciled timely. Any discrepancies between accounting records and reconciliations should be promptly investigated and resolved.

Status: Unresolved and reported in the current year as finding 2025-003.

I. FINANCIAL STATEMENT FINDING – PRIOR YEAR (continued)

2024-004: Ineffective Response to Identified Significant Risks

Criteria: Management and those charged with governance of Reynolds County are responsible for establishing and maintaining a proper system of internal controls.

Condition: During the audit, several instances were noted wherein the internal controls designed by the County to identify, prevent or detect fraud or errors were not functioning.

Cause: The Sheriff's office did not implement the internal controls designed to identify, prevent or detect fraud or errors.

Effect: Lack of appropriate response to identified significant risks increases the opportunity for and the likelihood that accounting errors or a misappropriation of funds would not be detected in a timely manner.

Recommendation: It was recommended that the County address various risks in the environment by ensuring controls designed to identify, prevent or detect fraud or errors are installed as designed and placed in service and that those controls continue to function as designed after implementation.

Status: Unresolved and reported in the current year as finding 2025-004.

2024-005: Sheriff Turnover of Receipts

Criteria: Section 50.370 , RSMo states, "In all counties of classes three and four, every county officer who receives any fees or other remuneration for official services which is payable to the county, except recorders of deeds whose offices are separate from that of circuit clerks, shall at the end of each month file a verified report with the county commission of his county showing all fees charged and accruing to his office and the act or service for which each such fee was charged, together with the names of persons paying or liable for same. Upon the filing of such report, each said county officer shall forthwith pay over to the county treasurer all fees and other moneys collected by him which belong to the county and shall take two receipts therefor, one of which shall be filed with the county commission and the other shall be kept on file in his office. Every such officer shall be liable personally and on his official bond for all fees collected by him and not accounted for and paid into the county treasury as herein provided".

Condition: The Sheriff's Office receives funds for a variety of services. During the audit, it was noted that the Sheriff did not report or turnover funds received to the Treasurer for the months of July 2024 through December 2024.

Cause: Lack of management oversight.

Effect: The Sheriff's office has not provided a complete and accurate account of fees received to the Treasurer nor has the Sheriff's office paid over to the county Treasurer all fees and other moneys collected for deposit in accordance with state statute, leading to excess funds on hand and misappropriation of assets.

I. FINANCIAL STATEMENT FINDING – PRIOR YEAR (concluded)

Recommendation: It was recommended that the Sheriff's office implement procedures to ensure that funds are turned over to the Treasurer for deposit in compliance with RSMo 50.370.

Status: Unresolved and reported in the current year as finding 2025-005.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no federal award findings or questioned costs noted for the year ended December 31, 2024.

REYNOLDS COUNTY
FINANCIAL STATEMENT

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
12/31/2025

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2025-001	The County will strictly adhere to the internal budgetary control procedures and the statutory requirements established for the State of Missouri. As well as regularly reviewing the budgetary system.	12/31/2026	Alicia Baker, Clerk
2025-002	The Sheriff's office will segregate duties, including custodial, recordkeeping, and reconcilatory functions to the greatest extent possible. As well as the Sheriff overseeing duties of the administrative assistant and maintain documentation of that supervisory review.	12/31/2026	Caleb McCoy, Sheriff
2025-003	The Sheriff's office will establish controls for receipting, recording, depositing money received, and reconciling receipts to deposits and ensure that deposits are made within a timely manner. Along with ensuring cumulative book balances, adequate monthly bank reconciliations, and monthly lists of liabilities are prepared and reconciled timely with discrepancies between accounting records and reconiliations being promptly investigated and resolved.	12/31/2026	Caleb McCoy, Sheriff
2025-004	The county will implement controls designed to identify, prevent, and detect fraud or errors and that those controls continue to function as designed after implementation.	12/31/2026	Caleb McCoy, Sheriff
2025-005	The Sheriff's office will implement procedures to ensure that funds are turned over to the Treasurer for deposit in compliance with RSMo 50.370.	12/31/2026	Caleb McCoy, Sheriff

Alicia Baker
Signature

County Clerk
Title

10-13-26
Date

Caleb C McCoy
Signature

Sheriff
Title

10-14-2026
Date