



**BOONE COUNTY REGIONAL SEWER
DISTRICT, MISSOURI**

AUDITOR'S COMMUNICATION
TO THE BOARD OF TRUSTEES

For the Year Ended December 31, 2025

A grayscale photograph of a large industrial facility, likely a sewer treatment plant, with a complex network of pipes and structural elements. The image is overlaid with a semi-transparent geometric pattern of overlapping triangles and lines.

SIKICH.COM

BOONE COUNTY REGIONAL SEWER DISTRICT, MISSOURI
AUDITOR’S COMMUNICATION TO THE BOARD OF TRUSTEES
TABLE OF CONTENTS

	<u>Page(s)</u>
COVER LETTER.....	1
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE.....	2-5
Passed Adjustment	
MANAGEMENT LETTER.....	6-9
COMPANY SNAPSHOT	

12655 Olive Blvd., Suite 200
St. Louis, MO 63141
314.275.7277

SIKICH.COM

May 5, 2026

The Board of Trustees
Boone County Regional Sewer District
Boone County, Missouri

As part of our audit process, we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication dated January 23, 2026 was provided to you at the beginning of our audit process.

In addition, auditing standards requires the communication of internal control related matters to those charged with governance. This communication, as well as a listing of future pronouncements that may affect the Boone County Regional Sewer District (District), are enclosed within this document.

This information is intended solely for the use of management and Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich CPA LLC

Sikich CPA LLC
By: Victoria Dailey, CPA
Principal

12655 Olive Blvd., Suite 200
St. Louis, MO 63141
314.275.7277

SIKICH.COM

The Board of Trustees
Boone County Regional Sewer District, Missouri

We have audited the financial statements of the Boone County Regional Sewer District, Missouri (the District) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 23, 2026. 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 District are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of depreciation expense of its depreciable capital assets (including infrastructure assets) is based upon management's assumptions regarding the useful lives of these assets.

Management's estimate of the cost of capital contributions is based on the valuation performed by the District's management.

Management makes various other accounting estimates related to investments, long-term debt, asset retirement obligations, amortization, and allowance for doubtful accounts. These estimates are based on market value and historical experience.

We evaluated the key factors and the assumptions used to develop the above estimates and determined they are reasonable in relation to the financial statements taken as a whole.

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. The attached schedule summarizes an uncorrected misstatement of the financial statements. Management has determined that its effect is immaterial, both individually and in the aggregate to the financial statements taken as a whole. The uncorrected misstatement, also attached, or the matter underlying it could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatement is immaterial to the financial statements under audit. We did not identify any misstatements that were material or were corrected by management.

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 May 5, 2026.

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 District'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 District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were also engaged to report on the supplementary information as listed on the table of contents, which accompany the financial statements. With respect to the 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 principles generally accepted in the United States of America, 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 on Use

This information is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Sibich CPA LLC

St. Louis, Missouri
May 5, 2026

PASSED ADJUSTMENT

Boone County Regional Sewer District
(CLIENT)

12/31/2025

Description	Assets/ Deferred Outflows of Resources	(Liabilities/ Deferred Inflows of Resources)	(Net Position)	Change in Net Position
To correct unearned revenue amounts that were previously based on billing dates rather than service dates	\$ -	\$ (49,456)	\$ 49,456	\$ -
Totals	<u>\$ -</u>	<u>\$ (49,456)</u>	<u>\$ 49,456</u>	<u>\$ -</u>

12655 Olive Blvd., Suite 200
St. Louis, MO 63141
314.275.7277

SIKICH.COM

MANAGEMENT LETTER

The Board of Trustees
Boone County Regional Sewer District, Missouri

In planning and performing our audit of the financial statements of the business-type activities, we considered the Boone County Regional Sewer District, Missouri (the District) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control to be material weakness as described on the next page.

During our audit, we also identify certain matters which we communicate only to management. While many of these matters are operational in nature, they may include internal control deficiencies that do not meet the definition of a material weakness. We have chosen to communicate these matters in this communication. This letter does not affect our report dated May 5, 2026 on the financial statements of the District.

This communication is intended solely for the information and use of management and the Board of Trustees, and is not intended to be, and should not be, used by anyone other than these specified parties.

SiKich CPA LLC

St. Louis, Missouri
May 5, 2026

MATERIAL WEAKNESS

We noted the District corrected material errors related to prior year capital assets, asset retirement obligations, and beginning balances.

RECOMMENDATION

We recommend the District perform an extensive review of its year-end financial reporting to ensure amounts are properly recorded.

CONTROL DEFICIENCIES

DEFICIENCY#1

We noted the District does not have segregation of duties around payroll. The same employee enters hours and rates and approves the payroll.

RECOMMENDATION

We recommend someone other than the person submitting the payroll review these reports and that this review be documented.

DEFICIENCY#2

We noted the District does not have a documented policy governing the write-off of uncollectible accounts or the establishment of an allowance for doubtful accounts.

RECOMMENDATION

We recommend that the District develop and implement a documented policy that outlines the threshold, procedures, and approval process for write-offs and determining the allowance for doubtful accounts.

DEFICIENCY#3

We noted the District does not have a documented capital asset policy that addresses capitalization thresholds, asset additions, and disposals.

RECOMMENDATION

We recommend that the District establish and implement a capital asset policy that defines capitalization thresholds and provides clear guidance for asset additions and disposals.

DEFICIENCY#4

We noted the District does not have a documented credit and fleet card policy. We also noted that there is no documented approval for credit and fleet card purchases.

CONTROL DEFICIENCIES (Continued)

DEFICIENCY#4 (Continued)

RECOMMENDATION

We recommend the District document its policies on the usage of credit and fleet cards and include in that policy that there is documented approval on credit and fleet card purchases.

DEFICIENCY#5

We noted the District does not have a documented journal entry policy outlining the procedures for preparing, reviewing, and approving journal entries. We also noted that journal entries prior to December 2025 were not reviewed by someone other than the person making the journal entry. We understand this control was implemented in December 2025.

RECOMMENDATION

We recommend that the District develop and implement a journal entry policy that includes clearly defined processes for preparation, review, and approval.

OTHER COMMENTS

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that will impact the District in the future.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for the fiscal year December 31, 2026.

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital asset note disclosures. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal year ending December 31, 2026.

GASB Statement No. 105, *Subsequent Events*, establishes guidance for governments regarding the recognition and disclosure of events that occur after the financial statement date but before the statements are issued or available to be issued. This Statement clarifies the types of subsequent events that require adjustment to the financial statements and those that require only disclosure. It also specifies the period during which governments should evaluate subsequent events and outlines the required disclosures for events that could significantly affect the financial statements. The objective is to enhance consistency and transparency in reporting subsequent events across governmental entities. The requirements of this Statement are effective for the fiscal year ending December 31, 2027. Early application is encouraged.

Company snapshot



We help organizations manage risk, maintain compliance and make the most of their technology investments.

Sikich offers the public and private sectors a diverse platform of professional services across consulting, technology and compliance. Highly specialized and hands-on teams deliver integrated solutions rooted in deep industry experience. Our approach is strategically and thoughtfully designed to help our clients, teams and communities accelerate success. Sikich has approximately 2,000 team members and operates across North America, EMEA and APAC.

Specialized services

Risk management

- Cybersecurity
- Forensic and valuations
- Governance, risk and compliance
- Transaction advisory (deals)

Business process solutions

- Finance and accounting services
- IT and security managed services
- Marketing and communications

Enterprise application consulting

- Data and AI
- ERP, CRM, HCM products and services
- Regulatory, quality and compliance

Compliance services

- Audit and assurance
- IT controls
- Tax services

Niche expertise

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:


 **Manufacturing**

 **Private equity**

 **Government**

 **Distribution & supply chain**

 **High-tech**

 **Not-for-profit**

 **Construction & real estate**

 **Professional services**

 **Higher education**

 **Automotive**

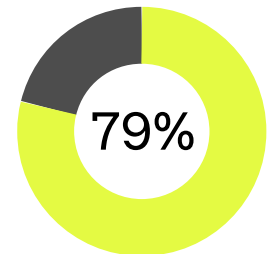
 **Agriculture**

 **Life sciences**



Net promoter score

The firm's overall Net Promoter Score (NPS) is 79%. This is a measure of our clients' willingness to recommend Sikich's services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.



Operating principles

We're different than most service providers because we have the right people backed by the right platform.

 **End to end expertise**

 **Partners in impact**

 **Full access no ego**

 **Cutting edge tech and innovation**

 **Uncompromising problem solvers**



Office locations

Ahmedabad, GJ	Chicago, IL	Los Angeles, CA*	Princeton, NJ
Alexandria, VA	+1 (312) 648-6666	+1 (877) 279-1900	+1 (609) 285-5000
+1 (703) 836-1350	Cleveland, OH	Milwaukee, WI	Springfield, IL
+1 (703) 836-6701	+1 (330) 864-6661	+1 (262) 754-9400	+1 (217) 793-3363
Bangalore, KA	Coimbatore, TN	Naperville, IL	St. Louis, MO
Boston, MA	Decatur, IL	+1 (630) 566-8400	+1 (314) 275-7277
+1 (508) 485-5588	+1 (217) 423-6000	Peoria, IL	
Chattanooga, TN	Indianapolis, IN	+1 (309) 694-4251	
+1 (423) 954-3007	+1 (317) 842-4466		

*Perform only Technology and Advisory services



Sikich is a member of PrimeGlobal, an award-winning association of independent accounting and business advisory firms. With over 1000 locations in 112 countries, PrimeGlobal is firmly established as the top association worldwide in terms of diverse reach and geographically widespread coverage.

Certifications & awards

- Great Place to Work® U.S. and India
- Ranked #8 Best Workplace in Chicago by Fortune magazine
- Handshake Early Talent Award
- Best Place to Work, Crain's Chicago Business
- Healthiest Employers® in Illinois, Indiana, New Jersey, Ohio, Virginia and Wisconsin
- Military Times Best for Vets Employer
- NetSuite Winter Alliance Partner Spotlights Award in Biotech and Biopharma
- CRN Solution Provider 500 list
- CRN Managed Service Provider 500 list, Elite 150 category
- Inner Circle for Microsoft AI Business Solutions
- Accounting Today VAR Top 100
- NetSuite North America Solution Provider Partner of the Year
- MSSP Alert Top 250 MSSPs
- Ranked #25 in IPA Top 500 Public Accounting Firms
- Accounting Today top financial planning firms by assets under management (\$1B+ AUM)
- USA TODAY/Statista's list of "America's Most Recommended Tax & Accounting Firms"
- Financial Advisor America's Top RIA
- Construction Executive's Top Construction Accounting Firms

For more information about our services, visit www.sikich.com.

