SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

To the County Commission
and
Officeholders of Hickory County, Missouri

The Office of the State Auditor contracted for an audit of Hickory 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 McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Scott Fitzpatrick
State Auditor

September 2026
Report No. 2026-076

Scott Fitzpatrick
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Hickory County

Treasurer Bank Reconciliations	The Treasurer ensure that the bank balances per the bank reconciliations agree to the actual bank balances per the bank statements. The Treasurer should determine the cause of the variances in each account, and identify appropriate correcting entries to ensure bank balances are accurately stated in the accounting system.
Budgetary Compliance	The County Commission adopt a formal budget each year for all funds under its control in accordance with state budgetary statutes.
Stale Outstanding Checks	The Treasurer review stale outstanding checks on the bank reconciliations each month to determine the status of each check and whether the amounts remain valid obligations of the County, and that amounts are turned over to unclaimed property as required by state regulations.
Sheriff Bank Reconciliations	The Sheriff's office prepare monthly bank reconciliations for all bank accounts maintained by their office. The reconciliations should compare the bank balance to the office's accounting records, identify outstanding checks and deposits in transit, and document any reconciling items. The reconciliations should be completed timely, reviewed by an individual independent of the reconciliation process, and retained as part of the office's accounting records.
Prosecuting Attorney Reconciliations	The Prosecuting Attorney's office prepare monthly bank reconciliations for the one bank account maintained by their office. The reconciliations should compare the bank balance to the office's accounting records, identify outstanding checks and deposits in transit, and document any reconciling items. The reconciliations should be completed timely, reviewed by an individual independent of the reconciliation process, and retained as part of the County's accounting records.

ANNUAL FINANCIAL REPORT

HICKORY COUNTY, MISSOURI

For the Year Ended
December 31, 2025

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

HICKORY COUNTY, MISSOURI

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
List of Elected Officials 2025	i
FINANCIAL SECTION	
Independent Auditor's Report	ii
BASIC FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis	1
Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds	2
Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis	10
Notes to the Financial Statements	11
COMPLIANCE SECTION	
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*	19
Findings and Recommendations	21
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	22

INTRODUCTORY SECTION

HICKORY COUNTY, MISSOURI
List of Elected Officials 2025

County Commission

Presiding Commissioner – Robert Sawyer

Commissioner, Eastern District – Larry Lightfoot

Commissioner, Western District – Rick Pearson

Other Elected Officials

Assessor – Clint D. Baker

Circuit Clerk – Cee Cee Smith

Collector – Karen Stokes

County Clerk – Tamara Weidman

Coroner – Connie Boller

Prosecuting Attorney – Daniel Dysart

Public Administrator – Kimberly Phillips

Recorder – Pamela Hutton

Sheriff – Greg Burke

Treasurer – Kenny Ratliff

FINANCIAL SECTION

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McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Hickory County, Missouri

Opinion

We have audited the accompanying financial statements of Hickory County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2025, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Hickory County, Missouri, 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 as described in Note 1.

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 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 Hickory County, Missouri, as of December 31, 2025, or the changes in financial position thereof for the year then ended.

Basis for Opinion

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 Hickory County, Missouri, 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 opinion.

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

As described in Note 1, the financial statements are prepared by Hickory County, Missouri 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 law. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 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 accounting principles prescribed or permitted by Missouri law. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hickory County, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinion. 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 Hickory County, Missouri'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated August 31, 2026, on our consideration of Hickory County, Missouri'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 Hickory County, Missouri'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 Hickory County, Missouri's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 31, 2026

Exhibit A

HICKORY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

Fund	Cash and Investments January 1	Receipts	Disbursements	Cash and Investments December 31
General Revenue	$ 2,454,693	$ 2,118,738	$ 2,450,565	$ 2,122,866
Special Road and Bridge	705,345	1,932,188	2,144,232	493,301
Assessment	56,941	203,142	218,883	41,200
Law Enforcement Training	1,181	414	550	1,045
Prosecuting Attorney Training	3,774	536	1,038	3,272
Recorder's User Fee	27,650	10,496	4,100	34,046
Prosecuting Attorney Administrative Handling Cost	20,084	1,591	115	21,560
Children's Special Trust	4,171	798	-	4,969
Law Enforcement Post Commission	2,372	500	910	1,962
Sheriff's Special	28,745	9,955	11,558	27,142
Election Services	9,170	5,215	5,590	8,795
Tax Maintenance	67,283	20,277	13,042	74,518
Capital Projects	792,082	13,869	553,633	252,318
County Sheriff Revolving	17,364	3,716	2,617	18,463
County Law Enforcement Restitution	36,260	10,609	10,963	35,906
Inmate Security	66,866	10,805	2,572	75,099
Law Enforcement Sales Tax	45,136	880,007	887,690	37,453
911 Service	23,797	5,910	11,376	18,331
CARES/ARPA	360,640	4,487	365,127	-
Veterans Memorial	10,342	525	583	10,284
John Sally Trust	66,383	3,527	2,956	66,954
Liberty Cemetery	4,016	4,493	180	8,329
Total	$ 4,804,295	$ 5,241,798	$ 6,688,280	$ 3,357,813

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B-1

HICKORY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	$ 445,000	$ 447,077
Sales taxes	1,068,000	1,071,921
Intergovernmental	280,086	283,196
Charges for services	165,650	178,734
Interest	68,000	75,702
Other	32,500	34,928
Transfers in	27,180	27,180
Total Receipts	$ 2,086,416	$ 2,118,738
DISBURSEMENTS		
County Commission	$ 120,500	$ 123,417
County Clerk	109,424	100,243
Elections	77,660	74,529
Buildings and grounds	763,000	780,661
Employee fringe benefits	124,000	134,003
Treasurer	50,924	47,950
Collector	124,424	118,155
Recorder of Deeds	78,396	73,441
Circuit Court	10,000	5,752
Court Administration	11,600	712
Public Administrator	33,755	31,591
Jail	83,500	57,406
Prosecuting Attorney	110,300	95,189
Juvenile Officer	30,000	25,475
Coroner	30,400	18,642
Other County government	540,104	418,399
Transfers out	345,000	345,000
Emergency fund	55,272	-
Total Disbursements	$ 2,698,259	$ 2,450,565
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (611,843)	$ (331,827)
CASH AND INVESTMENTS, JANUARY 1	2,454,693	2,454,693
CASH AND INVESTMENTS, DECEMBER 31	$ 1,842,850	$ 2,122,866

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	SPECIAL ROAD AND BRIDGE FUND		ASSESSMENT FUND		LAW ENFORCEMENT TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ 375,000	$ 375,118	$ -	$ -	$ -	$ -
Sales taxes	535,000	535,640	-	-	-	-
Intergovernmental	918,510	933,388	36,000	46,245	-	-
Charges for services	-	-	105,000	109,701	500	414
Interest	17,000	19,929	500	2,196	-	-
Other	5,000	68,113	-	-	-	-
Transfers in	-	-	45,000	45,000	-	-
Total Receipts	$ 1,850,510	$ 1,932,188	$ 186,500	$ 203,142	$ 500	$ 414
DISBURSEMENTS						
Salaries	$ 511,000	$ 422,323	$ 140,424	$ 135,545	$ -	$ -
Employee fringe benefits	132,400	120,318	20,500	24,560	-	-
Materials and supplies	686,000	615,767	11,500	6,852	-	-
Services and other	501,400	452,204	24,200	22,114	700	550
Capital outlay	402,000	402,545	32,500	29,812	-	-
Construction	260,000	116,075	-	-	-	-
Transfers out	15,000	15,000	-	-	-	-
Total Disbursements	$ 2,507,800	$ 2,144,232	$ 229,124	$ 218,883	$ 700	$ 550
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (657,290)	$ (212,044)	$ (42,624)	$ (15,741)	$ (200)	$ (136)
CASH AND INVESTMENTS, JANUARY 1	705,345	705,345	56,941	56,941	1,181	1,181
CASH AND INVESTMENTS, DECEMBER 31	$ 48,055	$ 493,301	$ 14,317	$ 41,200	$ 981	$ 1,045

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

HICKORY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	PROSECUTING ATTORNEY TRAINING FUND		RECORDER'S USER FEE FUND		PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING COST FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	700	536	9,000	9,610	900	1,030
Interest	-	-	200	886	300	561
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 700	$ 536	$ 9,200	$ 10,496	$ 1,200	$ 1,591
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	3,000	-	-	-
Services and other	1,050	1,038	8,700	-	115	115
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	4,100	4,100	-	-
Total Disbursements	$ 1,050	$ 1,038	$ 15,800	$ 4,100	$ 115	$ 115
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (350)	$ (502)	$ (6,600)	$ 6,396	$ 1,085	$ 1,476
CASH AND INVESTMENTS, JANUARY 1	3,774	3,774	27,650	27,650	20,084	20,084
CASH AND INVESTMENTS, DECEMBER 31	$ 3,424	$ 3,272	$ 21,050	$ 34,046	$ 21,169	$ 21,560

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

HICKORY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	CHILDREN'S SPECIAL TRUST FUND		LAW ENFORCEMENT POST COMMISSION FUND		SHERIFF'S SPECIAL FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	500	500	-	-
Charges for services	700	676	-	-	8,500	9,955
Interest	50	122	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 750	$ 798	$ 500	$ 500	$ 8,500	$ 9,955
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	2,000	424
Materials and supplies	-	-	-	-	500	570
Services and other	4,170	-	1,000	910	20,500	9,512
Capital outlay	-	-	-	-	1,500	1,052
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 4,170	$ -	$ 1,000	$ 910	$ 24,500	$ 11,558
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,420)	$ 798	$ (500)	$ (410)	$ (16,000)	$ (1,603)
CASH AND INVESTMENTS, JANUARY 1	4,171	4,171	2,372	2,372	28,745	28,745
CASH AND INVESTMENTS, DECEMBER 31	$ 751	$ 4,969	$ 1,872	$ 1,962	$ 12,745	$ 27,142

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	ELECTION SERVICES FUND		TAX MAINTENANCE FUND		CAPITAL PROJECTS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	5,856	4,160	-	-	-	-
Charges for services	400	836	16,000	18,222	-	-
Interest	100	219	1,000	2,055	10,000	13,869
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 6,356	$ 5,215	$ 17,000	$ 20,277	$ 10,000	$ 13,869
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	5,590	5,590	30,000	5,674	-	-
Capital outlay	-	-	13,000	1,368	-	-
Construction	-	-	-	-	600,000	553,633
Transfers out	-	-	6,000	6,000	-	-
Total Disbursements	$ 5,590	$ 5,590	$ 49,000	$ 13,042	$ 600,000	$ 553,633
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 766	$ (375)	$ (32,000)	$ 7,235	$ (590,000)	$ (539,764)
CASH AND INVESTMENTS, JANUARY 1	9,170	9,170	67,283	67,283	792,082	792,082
CASH AND INVESTMENTS, DECEMBER 31	$ 9,936	$ 8,795	$ 35,283	$ 74,518	$ 202,082	$ 252,318

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	COUNTY SHERIFF REVOLVING FUND		COUNTY LAW ENFORCEMENT RESTITUTION FUND		INMATE SECURITY FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	3,000	3,241	6,000	10,609	13,300	10,805
Interest	300	475	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 3,300	$ 3,716	$ 6,000	$ 10,609	$ 13,300	$ 10,805
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	2,000	211	-	-	10,500	2,572
Capital outlay	8,500	2,406	9,717	8,883	5,500	-
Construction	-	-	-	-	-	-
Transfers out	-	-	2,080	2,080	-	-
Total Disbursements	$ 10,500	$ 2,617	$ 11,797	$ 10,963	$ 16,000	$ 2,572
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,200)	$ 1,099	$ (5,797)	$ (354)	$ (2,700)	$ 8,233
CASH AND INVESTMENTS, JANUARY 1	17,364	17,364	36,260	36,260	66,866	66,866
CASH AND INVESTMENTS, DECEMBER 31	$ 10,164	$ 18,463	$ 30,463	$ 35,906	$ 64,166	$ 75,099

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

HICKORY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	LAW ENFORCEMENT SALES TAX FUND		911 SERVICE FUND		CARES/ARPA FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	500,000	535,961	-	-	-	-
Intergovernmental	53,700	10,600	-	-	-	-
Charges for services	31,000	33,106	6,000	5,411	-	-
Interest	-	-	300	499	4,487	4,487
Other	10,000	340	-	-	-	-
Transfers in	300,000	300,000	-	-	-	-
Total Receipts	$ 894,700	$ 880,007	$ 6,300	$ 5,910	$ 4,487	$ 4,487
DISBURSEMENTS						
Salaries	$ 651,000	$ 683,699	$ -	$ -	$ -	$ -
Employee fringe benefits	125,000	121,658	-	-	-	-
Materials and supplies	6,000	5,157	-	-	-	-
Services and other	106,350	44,669	20,000	11,376	365,127	365,127
Capital outlay	39,000	32,507	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 927,350	$ 887,690	$ 20,000	$ 11,376	$ 365,127	$ 365,127
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (32,650)	$ (7,683)	$ (13,700)	$ (5,466)	$ (360,640)	$ (360,640)
CASH AND INVESTMENTS, JANUARY 1	45,136	45,136	23,797	23,797	360,640	360,640
CASH AND INVESTMENTS, DECEMBER 31	$ 12,486	$ 37,453	$ 10,097	$ 18,331	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	VETERANS MEMORIAL FUND		JOHN SALLY TRUST FUND		LIBERTY CEMETERY FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	-	-	-	3,527	-	122
Other	300	525	-	-	-	4,371
Transfers in	-	-	-	-	-	-
Total Receipts	$ 300	$ 525	$ -	$ 3,527	$ -	$ 4,493
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	2,000	583	-	2,956	-	180
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 2,000	$ 583	$ -	$ 2,956	$ -	$ 180
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,700)	$ (58)	$ -	$ 571	$ -	$ 4,313
CASH AND INVESTMENTS, JANUARY 1	10,342	10,342	66,383	66,383	4,016	4,016
CASH AND INVESTMENTS, DECEMBER 31	$ 8,642	$ 10,284	$ 66,383	$ 66,954	$ 4,016	$ 8,329

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

HICKORY COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

Fund/Account	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
Treasurer Hickory County Health Department	$ -	$ 232,602	$ 232,602	$ -
Treasurer Hickory County Library	-	201,767	201,767	-
Treasurer County School Principal	21,191	57,043	44,650	33,584
Treasurer Cities and Villages	-	21,750	21,750	-
Treasurer Unclaimed Fees	419	-	-	419
Treasurer Over Plus Land Sales	41,962	65,963	27,314	80,611
Treasurer CERF	-	229,458	229,458	-
Treasurer School Districts	-	5,234,525	5,234,525	-
Treasurer Deputy Sheriff Salary Supplemental	-	3,235	3,235	-
Collector General	4,590,441	7,946,008	6,913,524	5,622,925
County Clerk Election	1	12,782	12,782	1
Recorder	7,048	88,907	86,582	9,373
Prosecuting Attorney	306	5,541	5,363	484
Sheriff General	4,162	30,139	25,921	8,380
Sheriff Civil	4,458	12,858	12,830	4,486
Sheriff Concealed Carry	191	3,241	3,241	191
Public Administrator	30,982	374,039	304,741	100,280
Total	$ 4,701,161	$ 14,519,858	$ 13,360,285	$ 5,860,734

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hickory County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Hickory County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

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 is considered to be a state function, including the operations of the Circuit Clerk (other than the portion that is funded by the General Revenue Fund) and all funds under their control.

B. Basis of Presentation

Governmental 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 that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets 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's policy is to adopt a budget for each governmental fund.

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

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, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

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

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

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

9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the John Sally Trust and Liberty Cemetery Funds.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceed budgeted amounts for the John Sally Trust and Liberty Cemetery Funds to the extent that formal budgets were not adopted for these funds.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. 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.

The assessed valuations of the tangible taxable property included within the County's boundaries for the calendar year 2025 for purposes of taxation were:

Real Estate	$ 117,903,690
Personal Property	47,622,673
Railroad and Utilities	7,216,819
Total	$ 172,743,182

For calendar year 2025, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

General Revenue	$ 0.2923
Special Road and Bridge	0.2420

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 these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of 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 and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and

Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. 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 County had the following cash and cash equivalent balances:

	Carrying Value	Bank Balance	FDIC Coverage
Cash and Cash Equivalents	$ 3,291,794	$ 4,187,664	$ 4,187,664
Investments	66,019	66,019	66,019
Total Governmental Funds	$ 3,357,813	$ 4,253,683	$ 4,253,683
Cash and Cash Equivalents - Fiduciary Funds	$ 5,860,734	$ 4,891,281	$ 4,891,281

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

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, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2025, the County collected and remitted to CERF employee withholdings and fees collected of $229,458.

B. Other Retirement Plans

Hickory County has a 401(a) plan where employees contribute .7% of their salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions withheld and remitted for the 401(a) plan were $10,989 for the year ended December 31, 2025.

Hickory County has a voluntary CERF 457 plan. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions withheld and remitted by the County were $34,348 for the year ended December 31, 2025.

C. 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, for the year ended December 31, 2025.

4. 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.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with vacation time. Employees start accruing vacation hours on the first day of work. Vacation time accrues at a rate of five days upon completion of one year of employment; ten days upon completion of two years of employment; and 15 days upon completion of ten years of employment. The vacation days accrued in any year must be taken prior to the employee's anniversary date of the year it was earned. Vacation time not used prior to the anniversary date will be forfeited unless approved by the elected official. Upon termination, employees are compensated for any unused vacation time provided the employee gives a two-week notice and works their shifts during those two weeks.

The County provides full-time employees with four hours of sick leave per pay period from the date of hire. Sick leave can accumulate to a maximum of 1,392 hours. Upon termination, employees will not be compensated for any unused sick time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

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

7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2025:

A. In September 2025, the County issued $905,000 in Certificates of Participation, Series 2025, maturing on October 15, 2035, to provide funds for the completion of an addition to the courthouse to include a basement, lower level and upper level. The County intends to satisfy its obligation to make rental payments out of revenues generated from property and sales taxes and other sources of revenue. The County has agreed to lease, as lessee, the project site pursuant to a project lease agreement dated September 19, 2025. Annual principal payments are due on October 15, and semi-annual interest payments are due on April 15 and October 15, through 2035, at the rate of 5% per annum on the outstanding principal. The schedule of remaining principal and interest payments is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2026	$ 75,000	$ 43,857	$ 118,857
2027	80,000	38,540	118,540
2028	80,000	36,020	116,020
2029	85,000	33,500	118,500
2030	85,000	29,250	114,250
2031- 2035	500,000	77,500	577,500
Totals	$ 905,000	$ 258,667	$ 1,163,667

B. On February 11, 2025, the County entered into a lease agreement for two Komatsu motor graders at a cost of $598,000. The agreement requires an initial payment of $50,000, and five annual payments of $119,897, which includes interest of 4.57%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2026	$ 100,273	$ 19,624	$ 119,897
2027	104,856	15,041	119,897
2028	109,620	10,278	119,898
2029	114,657	5,240	119,897
Totals	$ 429,406	$ 50,183	$ 479,589

C. In May 2022, the County entered into a lease purchase agreement to finance the purchase of two CAT motor graders at a cost of $567,109. The agreement required a down payment of $115,500 and seven annual payments of $74,271, which includes interest payable at 3.59%. On December 31, 2025, the County paid $278,274 to pay off the lease.

D. In December 2023, the County entered into a lease purchase agreement for the acquisition of a John Deere backhoe with a purchase price of $163,700. The agreement required a down

payment of $53,879, which was paid by the County in January 2024. On January 30, 2025, the County paid the remaining balance of $120,223, which included $10,403 of interest.

The following schedule shows changes in long-term debt during the year ended December 31, 2025:

Description	Balance 12/31/2024	Additions	Payments	Balance 12/31/2025	Interest Paid
Certificates of Participation	$ -	$ 905,000	$ -	$ 905,000	$ -
Komatsu Motor Graders	-	598,000	(168,594)	429,406	1,304
CAT Motor Graders	333,922	-	(333,922)	-	18,623
John Deere Backhoe	109,820	-	(109,820)	-	10,403

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2025 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 31, 2026, the date the financial statements were available to be issued.

COMPLIANCE SECTION

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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 and
Officeholders of Hickory County, 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 Hickory County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2025, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Hickory County, Missouri's basic financial statements and have issued our report thereon dated August 31, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hickory County, Missouri'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hickory County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Hickory County, Missouri'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hickory County, Missouri'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 31, 2026

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None Noted

ITEMS OF NONCOMPLIANCE

None

HICKORY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Hickory County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2021.

2021-001: During the audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. There was one fund that had actual expenditures which exceeded budgeted expenditures.

Status: Considered resolved. Similar conditions were noted in the current audit (see Note 1.D.9 and 1.D.10) but were not considered to be instances of material noncompliance.

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McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2026

To the County Commission
Hickory County, Missouri

We have audited the regulatory basis financial statements of Hickory County, Missouri for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 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 Hickory County, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. Since the County is reporting on the cash basis of accounting, there are no particularly sensitive estimates affecting the financial statements.

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 following material misstatements detected as a result of our audit were corrected by management:

- The John Sally Trust and Liberty Cemetery funds were not included in the County's accounting system and were not budgeted for. Adjustments were required to include these funds in the County's financial statements, resulting in the addition to the cash balances of $66,383 and $66,954 for the John Sally Trust and $4,016 and $8,329 for Liberty Cemetery at January 1, 2025 and December 31, 2025, respectively.

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 August 31, 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 County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the year ended December 31, 2025, we considered Hickory County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our

consideration of internal control over financial reporting dated August 31, 2026. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Treasurer Bank Reconciliations

During our audit, we tested and reviewed the bank reconciliations prepared by the Treasurer for the main checking, warrant, and money markets accounts. We noted discrepancies between the reconciled cash balances and the cash balances reported in the County's financial records for all three accounts. The bank statement balances per the reconciliations did not agree to the actual bank balances per the statements, with the bank balances per the reconciliations being a combined $5,414 higher than the actual bank balances as of December 31, 2025. Additionally, the reconciled balance on the December 2025 bank reconciliation for the warrant account was $8,715 lower than the balance per the County's financial records. We noted that the variances in each account originated in a prior year and remained consistent from month to month during 2025.

Bank accounts should be reconciled timely and accurately to the County's financial records, and reconciling items should be investigated and resolved in a timely manner. Accurate reconciliations are necessary to ensure that cash balances reported in the County's financial records and financial statements agree with the underlying bank activity and reconciled cash balances. We recommend that the Treasurer ensure that the bank balances per the bank reconciliations agree to the actual bank balances per the bank statements. The Treasurer should determine the cause of the variances in each account, and identify appropriate correcting entries to ensure bank balances are accurately stated in the accounting system.

Budgetary Compliance

The County did not adopt formal budgets for the John Sally Trust and Liberty Cemetery Funds. The County had previously budgeted for the John Sally Trust Fund in prior years, but it was not included in the 2025 budget. Neither fund had significant expenditures during the year. We recommend that the County Commission adopt a formal budget each year for all funds under its control in accordance with state budgetary statutes.

Stale Outstanding Checks

The County has not established or consistently followed procedures to periodically review and resolve checks that have remained outstanding for an extended period of time. During our audit, we noted 18 checks totaling $5,050 listed as outstanding on the Treasurer's December 2025 warrant account bank reconciliation that were more than five years. Outstanding checks should be reviewed periodically to determine whether they remain valid obligations of the County and turned over to the State Treasurer unclaimed property fund when necessary. We recommend the Treasurer review stale outstanding checks on the bank reconciliations each month to determine the status of each check and whether the amounts remain valid obligations of the County, and that amounts are turned over to unclaimed property as required by state regulations.

Sheriff Bank Reconciliations

During our audit, we noted that the Sheriff's office did not prepare monthly bank reconciliations during the year. As part of an effective system of internal control, bank accounts should be reconciled on a timely basis to ensure that recorded cash balances agree with bank records and to identify errors, unauthorized transactions, or other discrepancies. No formal bank reconciliations were provided for

any of the Sheriff's three bank accounts. We recommend that the Sheriff's office prepare monthly bank reconciliations for all bank accounts maintained by their office. The reconciliations should compare the bank balance to the office's accounting records, identify outstanding checks and deposits in transit, and document any reconciling items. The reconciliations should be completed timely, reviewed by an individual independent of the reconciliation process, and retained as part of the office's accounting records.

Prosecuting Attorney Bank Reconciliations

During our audit, we noted that the Prosecuting Attorney's office did not prepare monthly bank reconciliations during the year. As part of an effective system of internal control, bank accounts should be reconciled on a timely basis to ensure that recorded cash balances agree with bank records and to identify errors, unauthorized transactions, or other discrepancies. The office uses monthly accounting worksheets to record and track receipts and disbursements, however, no formal reconciliation of the bank balance to a recorded balance of cash is prepared. We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations for the one bank account maintained by their office. The reconciliations should compare the bank balance to the office's accounting records, identify outstanding checks and deposits in transit, and document any reconciling items. The reconciliations should be completed timely, reviewed by an individual independent of the reconciliation process, and retained as part of the County's accounting records.

Restriction on Use

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

Very truly yours,

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC