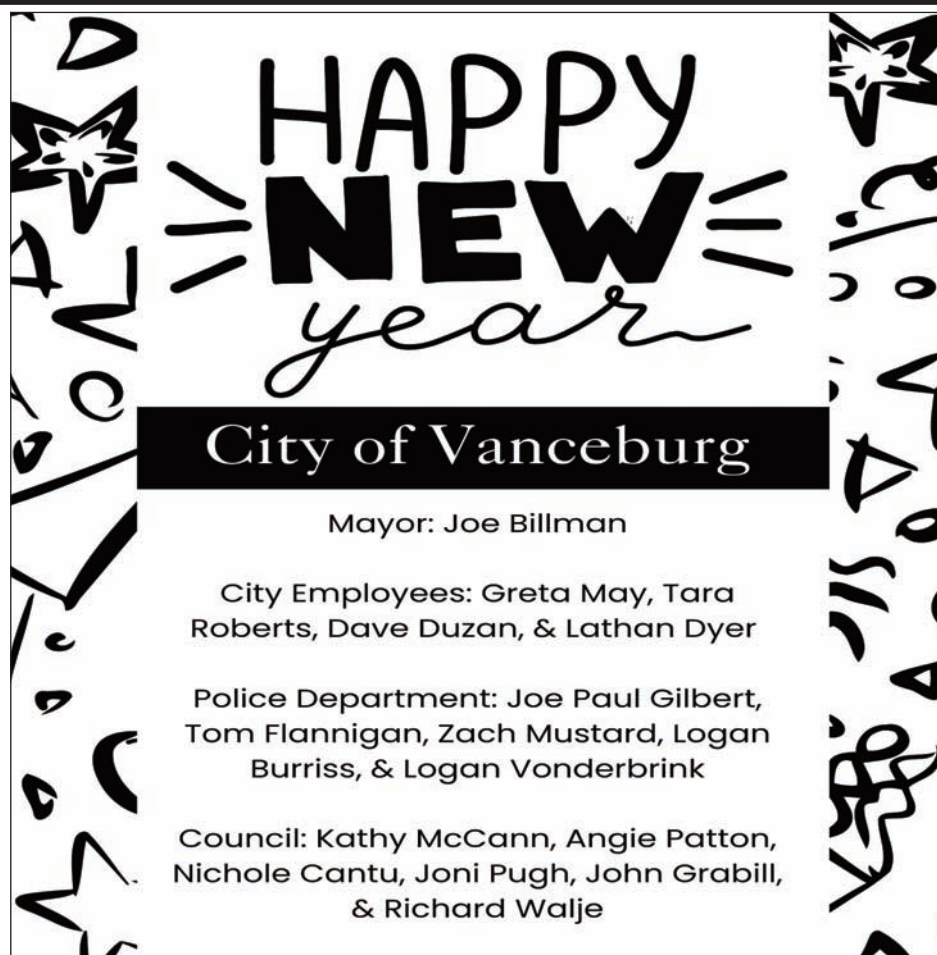


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**Magistrate Mark A. Horsley
and Family**



Mayor: Joe Billman

City Employees: Greta May, Tara Roberts, Dave Duzan, & Lathan Dyer

Police Department: Joe Paul Gilbert, Tom Flannigan, Zach Mustard, Logan Burriss, & Logan Vonderbrink

Council: Kathy McCann, Angie Patton, Nichole Cantu, Joni Pugh, John Grabill, & Richard Walje

PUBLIC NOTICE

- A copy of the complete audit report of Lewis County Fiscal Court for the year ending June 30, 2023, including financial statements and supplemental information, is on file at the Lewis County courthouse and is available for public inspection during normal business hours.
- Any citizen may obtain from the Lewis County courthouse a copy of the complete audit report, including financial statements and supplemental information, for personal use.
- Citizens requesting a personal copy of Lewis County's audit report will be charged for duplication costs at a rate that shall not exceed twenty-five cents (\$0.25) per page.
- Copies of the financial statement prepared in accordance with KRS 424.220, when a financial statement is required by KRS 424.220, are available to the public at no cost at the Lewis County courthouse located at 112 Second Street, Room 203, Vanceburg, KY 41179.

Penny Lee
Penny Lee Treasurer



124 Cordwood Drive
Winchester, KY 40391
Independent Auditor's Report

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable George Sparks, Lewis County Judge/Executive
Members of the Lewis County Fiscal Court

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances – Regulatory Basis of the Lewis County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise Lewis County Fiscal Court's financial statement as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and changes in fund balances – regulatory basis of the Lewis County Fiscal Court, for the year ended June 30, 2023, in accordance with accounting practices prescribed or permitted by the Commonwealth of Kentucky 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 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 Lewis County Fiscal Court, for the year ended June 30, 2023, or the changes in financial position and cash flows thereof 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 (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Fiscal Court Audit Guide* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Lewis County Fiscal Court 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 1 of the financial statement, the financial statement is prepared by Lewis County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement 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 Statement

Lewis County Fiscal Court's management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement is 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 GAAS 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 statement.

In performing an audit in accordance with GAAS 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 statement, 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 statement.
- 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 Lewis County Fiscal Court'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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lewis County Fiscal Court'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 Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Lewis County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

The accompanying Budgetary Comparison Schedules and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statement as a whole.

Other Information

Management is responsible for the other information included in this report. The other information is comprised of the schedule of capital assets but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2025 on our consideration of the Lewis County Fiscal Court'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 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 Lewis County Fiscal Court's internal control over financial reporting and compliance.

Based on the results of our audit, we present the accompanying Schedule of Findings and Questioned Costs included herein, which discusses the following report findings:

- 2022-001: Lewis County Fiscal Court Did Not Having Effective Internal Controls, Review Procedures, And Oversight For The Budget And Reporting Processes
- 2022-002: Lewis County Fiscal Court Did Not Have Adequate Controls In Place To Accurately Report Amounts For Debt On The Fourth Quarter Financial Report
- 2022-003: Lewis County Fiscal Court Failed To Implement Adequate Controls Over Debt Related Transactions That Resulted In Exceeding The Approved Budget

Respectfully submitted,

Patrick & Associates, LLC
Patrick & Associates, LLC

LEWIS COUNTY BUDGETARY COMPARISON SCHEDULES Supplementary Information - Regulatory Basis For The Year Ended June 30, 2023

GENERAL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 1,572,900	\$ 1,572,900	\$ 1,797,665	\$ 224,765
Excess Fees	51,000	51,000	99,149	48,149
Licenses and Permits	25,000	25,000	22,250	(2,750)
Intergovernmental	331,050	399,750	332,379	(67,371)
Charges for Services	1,200	1,200	25	(1,175)
Miscellaneous	50,800	50,800	38,898	(11,902)
Interest	2,000	2,000	943	(1,057)
Total Receipts	2,033,950	2,102,650	2,291,309	188,659
DISBURSEMENTS				
General Government	996,000	1,761,702	1,165,955	595,747
Protection to Persons and Property	64,285	263,285	253,786	9,499
General Health and Sanitation	146,750	152,040	146,742	5,298
Social Services	10,600	6,414	4,964	1,450
Recreation and Culture	125,000	273,648	273,648	
Administration	750,232	588,856	571,112	17,744
Total Disbursements	2,092,867	3,045,945	2,416,207	629,738
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(58,917)	(943,295)	(124,898)	818,397
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	223,122	223,122	829,794	606,672
Transfers To Other Funds	(600,000)	(600,000)	(597,550)	2,450
Total Other Adjustments to Cash (Uses)	(376,878)	(376,878)	232,244	609,122
Net Change in Fund Balance	(435,795)	(1,320,173)	107,346	1,427,519
Fund Balance - Beginning	435,795	435,795	464,641	28,846
Fund Balance - Ending	\$ 0	\$ (884,378)	\$ 571,987	\$ 1,456,365

ROAD FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 2,487,409	\$ 2,487,409	\$ 2,183,664	\$ (303,745)
Miscellaneous	693,752	693,752	854,713	160,961
Interest	2,500	2,500	2,989	489
Total Receipts	3,183,661	3,183,661	3,041,366	(142,295)
DISBURSEMENTS				
Roads	2,884,975	2,898,072	2,506,626	391,446
Debt Service	18,600	48,600	688,819	(640,219)
Capital Projects	120	120	120	
Administration	377,593	334,376	247,398	86,978
Total Disbursements	3,281,168	3,281,168	3,442,963	(161,795)
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(97,507)	(97,507)	(401,597)	(304,090)
Other Adjustments to Cash (Uses)				
Financing Obligation Proceeds			636,752	636,752
Transfers From Other Funds	(223,122)	(223,122)	(100,000)	(123,122)
Transfers To Other Funds	(223,122)	(223,122)	536,752	759,874
Total Other Adjustments to Cash (Uses)	(223,122)	(223,122)	36,752	260,000
Net Change in Fund Balance	(320,629)	(320,629)	135,155	455,784
Fund Balance - Beginning	320,629	320,629	955,346	634,717
Fund Balance - Ending	\$ 0	\$ 0	\$ 1,090,501	\$ 1,090,501

JAIL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 57,000	\$ 57,000	\$ 67,779	\$ 10,779
Charges for Services	150	150	430	280
Miscellaneous	1,150	1,150	12,164	11,014
Interest	100	100	113	13
Total Receipts	58,400	58,400	80,486	22,086
DISBURSEMENTS				
Protection to Persons and Property	563,974	580,368	576,389	3,979
Administration	59,426	43,032	42,118	914
Total Disbursements	623,400	623,400	618,507	4,893
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(565,000)	(565,000)	(538,021)	26,979
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	550,000	550,000	520,100	(29,900)
Total Other Adjustments to Cash (Uses)	550,000	550,000	520,100	(29,900)
Net Change in Fund Balance	(15,000)	(15,000)	(17,921)	(2,921)
Fund Balance - Beginning	15,000	15,000	22,541	7,541
Fund Balance - Ending	\$ 0	\$ 0	\$ 4,620	\$ 4,620

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 29,991	\$ 4,991
Interest	100	100	83	(17)
Total Receipts	25,100	25,100	30,074	4,974
DISBURSEMENTS				
General Government	23,265	23,265	19,214	4,051
General Health and Sanitation	5,000	5,000	3,100	1,900
Administration	16,835	16,835	16,835	
Total Disbursements	45,100	45,100	22,314	22,786
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(20,000)	(20,000)	7,760	27,760
Net Change in Fund Balance	(20,000)	(20,000)	7,760	27,760
Fund Balance - Beginning	20,000	20,000	24,163	4,163
Fund Balance - Ending	\$ 0	\$ 0	\$ 31,923	\$ 31,923

COMMUNITY DEVELOPMENT BLOCK GRANTS FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 495,000	\$ 495,000	\$ 411,273	\$ (83,727)
Total Receipts	495,000	495,000	411,273	(83,727)
DISBURSEMENTS				
General Government	499,200	499,200	416,274	82,926
Total Disbursements	499,200	499,200	416,274	82,926
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(4,200)	(4,200)	(5,001)	(801)
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			5,000	5,000
Total Other Adjustments to Cash (Uses)			5,000	5,000
Net Change in Fund Balance	(4,200)	(4,200)	(1)	4,199
Fund Balance - Beginning	4,200	4,200	4,201	1
Fund Balance - Ending	\$ 0	\$ 0	\$ 4,200	\$ 4,200

LEWIS COUNTY BUDGETARY COMPARISON SCHEDULES Supplementary Information - Regulatory Basis For The Year Ended June 30, 2023 (Continued)

ANIMAL SHELTER FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,100	\$ 1,100	\$ 175	\$ (925)
Charges for Services	6,700	6,700	7,960	1,260
Miscellaneous	400	400	1,017	617
Interest	15	15	9	(6)
Total Receipts	8,215	8,215	9,161	946
DISBURSEMENTS				
General Health and Sanitation	55,960	77,622	77,478	144
Administration	6,255			
Total Disbursements	62,215	77,622	77,478	144
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(54,000)	(69,407)	(68,317)	1,090
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	50,000	50,000	72,450	22,450
Total Other Adjustments to Cash (Uses)	50,000	50,000	72,450	22,450
Net Change in Fund Balance	(4,000)	(19,407)	4,133	23,540
Fund Balance - Beginning	4,000	4,000	395	(3,605)
Fund Balance - Ending	\$ 0	\$ (15,407)	\$ 4,528	\$ 19,935

E-911 FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 140,000	\$ 140,000	\$ 152,683	\$ 12,683
Intergovernmental	143,763	141,763	229,325	85,562
Miscellaneous	100	100	100	
Interest	500	500	381	(119)
Total Receipts	284,363	284,363	382,389	98,026
DISBURSEMENTS				
Protection to Persons and Property	349,552	394,629	336,617	58,012
Administration	95,811	70,734	63,472	7,262
Total Disbursements	465,363	465,363	400,089	65,274
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(181,000)	(181,000)	(17,700)	163,300
Net Change in Fund Balance	(181,000)	(181,000)	(17,700)	163,300
Fund Balance - Beginning	181,000	181,000	159,469	(21,531)
Fund Balance - Ending	\$ 0	\$ 0	\$ 141,769	\$ 141,769

SPECIAL COUNTY CLERK FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 40,000	\$ 40,000	\$ 18,820	\$ (21,180)
Total Receipts	40,000	40,000	18,820	(21,180)
DISBURSEMENTS				
General Government	40,000	40,000	1,800	38,200
Total Disbursements	40,000	40,000	1,800	38,200
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			17,020	17,020
Net Change in Fund Balance			17,020	17,020
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 17,020	\$ 17,020