Auditor of
Public Accounts
Allison Ball

Lewis County Fiscal Court

Audit

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Lewis County Fiscal Court for the fiscal year ended June 30, 2025. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor's letter to communicate whether the financial statements present fairly the receipts, disbursements, and changes in fund balances of the Lewis County Fiscal Court in accordance with accounting principles generally accepted in the United States of America. The fiscal court's financial statement did not follow this format. However, the fiscal court's financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for 116 of 120 fiscal court audits in Kentucky.

Finding: The Lewis County Fiscal Court Failed To Implement Adequate Controls Over Debt Related Transactions That Resulted In Exceeding The Approved Budget

This is the repeat of a similar finding that was included in the prior year audit report as finding 2024-001. During the year, the county entered into a debt agreement to purchase trucks for the road department in the amount of $557,524. These funds did not flow through the county's financial reporting system and therefore that activity was not recorded on the county's receipts and disbursements as required. As a result, the fiscal court failed to properly budget for and record the debt-related receipts and disbursements in the Road Fund.

Recommendations

We recommend the fiscal court comply with KRS 68.300 and KRS 68.280 by budgeting all fiscal court disbursements and amending the budget as necessary to reflect unanticipated receipts and disbursements.

County Officials Response

County Judge/Executive's Response: This is an oversight. Made a procedure on internal controls for reporting debt services. This has been corrected in the June 30, 2026 fiscal year audit.

Finding: The Lewis County Fiscal Court Did Not Utilize Purchase Orders Correctly

The fiscal court issued purchase orders dated after the invoice date in 11 of the 42 expenditures sampled. As a result, the county paid a total of $525,598 of invoices without having a previously issued purchase order.

Recommendations

We recommend the fiscal court comply with DLG's requirements by issuing purchase orders on all disbursements.

County Officials Response

County Judge/Executive's Response: This was due to not receiving invoices in a timely manner. We have implemented a procedure in place to correct this finding

The audit report can be found on the auditor's website.