



**Auditor of
Public Accounts
Allison Ball**

Rowan County Fiscal Court

Audit

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Rowan County Fiscal Court for the fiscal year ended June 30, 2024. 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 Rowan 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 fiscal court did not have adequate controls in place to accurately report amounts for debt on the Fourth Quarter Financial Report

Outstanding debt principal as of June 30, 2024, reported on the Fourth Quarter Financial Report was less than the outstanding principal per debt schedules by \$210,000 and the debt interest was less than the outstanding interest per debt schedules by \$232,944. The county failed to implement sufficient monitoring over the reporting process. By not correctly reporting outstanding liabilities, the fiscal court cannot make effective management decisions as it relates to debt service outstanding each fiscal year.

Recommendations

We recommend the Rowan County Fiscal Court strengthen internal controls over the reporting of outstanding debt service balances. Internal controls, such as comparisons of payment amounts and outstanding balances to amortization and payment schedules, should be implemented. We also recommend the county consult with lenders to verify that outstanding debt balances agree with the county's schedule of leases and liabilities. Such practices will strengthen internal controls over liabilities and debt service and ensure that the proper amounts are reported.

County Officials Response

County Judge/Executive's Response: Rowan County Fiscal Court has completed this correction as of the last quarter. Errors were made due to manual entry on reports.

The audit report can be found on the [auditor's website](https://www.auditor.ky.gov).

