

**REPORT OF THE AUDIT OF THE  
WAYNE COUNTY  
FISCAL COURT**

**For The Year Ended  
June 30, 2023**



**ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS  
[auditor.ky.gov](http://auditor.ky.gov)**

**209 ST. CLAIR STREET  
FRANKFORT, KY 40601-1817  
TELEPHONE (502) 564-5841  
FACSIMILE (502) 564-2912**



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ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

To the People of Kentucky  
The Honorable Andy Beshear, Governor  
Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
The Honorable Scott Gehring, Wayne County Judge/Executive  
Mike Anderson, Former Wayne County Judge/Executive  
Members of the Wayne 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 Wayne County Fiscal Court, for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the Wayne 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 Wayne 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 Wayne 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 the Wayne 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.



To the People of Kentucky  
The Honorable Andy Beshear, Governor  
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### ***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 the Wayne 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***

Wayne 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 Wayne 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 Wayne County Fiscal Court's ability to continue as a going concern for a reasonable period of time.

To the People of Kentucky  
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Holly M. Johnson, Secretary  
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***Auditor's Responsibilities for the Audit of the Financial Statement (Continued)***

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**

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Wayne County Fiscal Court. The Budgetary Comparison Schedules 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 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 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.

To the People of Kentucky  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024, on our consideration of the Wayne 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 Wayne County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

May 29, 2024



**WAYNE COUNTY OFFICIALS****For The Year Ended June 30, 2023****Fiscal Court Members:**

Scott Gehring	County Judge/Executive - 1/1/23 to 6/30/23
Mike Anderson	County Judge/Executive - 7/1/22 to 12/31/22
Ronnie Turner	Magistrate
Jeffrey Dishman	Magistrate
Jonathan Dobbs	Magistrate
Wade Dick	Magistrate - 1/1/23 to 6/30/23
Dale Vaughn	Former Magistrate - 7/1/22 to 12/31/22

**Other Elected Officials:**

Thomas Simmons	County Attorney
Ronnie Ellis	Jailer
Heather Piercy	County Clerk
Patricia Lay	Circuit Court Clerk
Tim Catron	Sheriff
Bobby Upchurch	Property Valuation Administrator
Gordon Hicks	Coroner

**Appointed Personnel:**

Barbara Gehring	County Treasurer
Peggy Baker	Deputy Judge/Executive
Delilah Mansfield	Occupational Tax Administrator

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**WAYNE COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCES - REGULATORY BASIS**

**For The Year Ended June 30, 2023**

**WAYNE COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**

**For The Year Ended June 30, 2023**

	<b>Budgeted Funds</b>			
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>
<b>RECEIPTS</b>				
Taxes	\$ 4,465,547	\$	\$	\$
In Lieu Tax Payments	502,229	1,815		
Excess Fees	302,569			
Licenses and Permits	34,736			
Intergovernmental	810,231	2,059,876	1,665,301	28,589
Charges for Services	1,582,823		34,721	
Miscellaneous	708,381	28,959	174,076	3,333
Interest	18,772	6,658	226	6
Total Receipts	<u>8,425,288</u>	<u>2,097,308</u>	<u>1,874,324</u>	<u>31,928</u>
<b>DISBURSEMENTS</b>				
General Government	1,963,663			85,468
Protection to Persons and Property	3,003,883		1,770,768	
General Health and Sanitation	470,538			
Social Services	152,708			
Recreation and Culture	192,507			
Transportation Facility and Services		37,612		
Roads	46,525	1,909,223		
Debt Service	201,532	34,257	293,486	
Administration	2,516,890	197,453	449,900	18,017
Total Disbursements	<u>8,548,246</u>	<u>2,178,545</u>	<u>2,514,154</u>	<u>103,485</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(122,958)</u>	<u>(81,237)</u>	<u>(639,830)</u>	<u>(71,557)</u>
<b>Other Adjustments to Cash (Uses)</b>				
Payroll Revolving Account	36,811			
Borrowed Money	326,710			
Transfers From Other Funds	1,000,598	221,244	699,377	70,593
Transfers To Other Funds	(1,059,057)			
Total Other Adjustments to Cash (Uses)	<u>305,062</u>	<u>221,244</u>	<u>699,377</u>	<u>70,593</u>
Net Change in Fund Balance	182,104	140,007	59,547	(964)
Fund Balance - Beginning (Restated)	1,613,469	189,712	171,353	3,765
Fund Balance - Ending	<u>\$ 1,795,573</u>	<u>\$ 329,719</u>	<u>\$ 230,900</u>	<u>\$ 2,801</u>
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 1,777,518	\$ 329,743	\$ 234,392	\$ 2,801
Payroll Revolving Account Reconciled Balance	36,811			
Less: Outstanding Checks	(18,756)	(24)	(3,492)	
Fund Balance - Ending	<u>\$ 1,795,573</u>	<u>\$ 329,719</u>	<u>\$ 230,900</u>	<u>\$ 2,801</u>

The accompanying notes are an integral part of the financial statement.

**WAYNE COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2023**  
**(Continued)**

Budgeted Funds							American Rescue Plan Act Fund
Emergency Management Fund	Timberland Tax Fund	Community Development Block Grant Fund	Natural Gas Fund	National Opioid Fund	Alcoholic Beverage Control Fund		
\$	\$ 4,927	\$	\$	\$	\$	\$	
					3,800		
4,863		10,000					
11	7			152,033	18,740		
4,874	4,934	10,000		94	10		14,075
				152,127	22,550		14,075
					5,063		
13,272	4,185			15,000			
		10,000		1,000			299,591
					1,563		
13,272	4,185	10,000		16,000	6,626		299,591
(8,398)	749			136,127	15,924		(285,516)
							115,719
							(1,048,474)
							(932,755)
(8,398)	749			136,127	15,924		(1,218,271)
20,718	6,904				3,232		2,371,785
\$ 12,320	\$ 7,653	\$ 0	\$ 0	\$ 136,127	\$ 19,156		\$ 1,153,514
\$ 12,432	\$ 7,653	\$ 0	\$ 0	\$ 137,127	\$ 19,156		\$ 1,153,514
(112)				(1,000)			
\$ 12,320	\$ 7,653	\$ 0	\$ 0	\$ 136,127	\$ 19,156		\$ 1,153,514

The accompanying notes are an integral part of the financial statement.

**WAYNE COUNTY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND BALANCES - REGULATORY BASIS**  
**For The Year Ended June 30, 2023**  
**(Continued)**

	Budgeted Funds	Unbudgeted Funds		Total Funds
	County Clerk Storage Fund	Justice Center Public Properties Corporation Fund	Jail Commissary Fund	
<b>RECEIPTS</b>				
Taxes	\$	\$	\$	\$ 4,470,474
In Lieu Tax Payments				504,044
Excess Fees				302,569
Licenses and Permits				38,536
Intergovernmental		587,850		5,166,710
Charges for Services				1,617,544
Miscellaneous	33,430		307,085	1,426,037
Interest	15	221		40,095
Total Receipts	33,445	588,071	307,085	13,566,009
<b>DISBURSEMENTS</b>				
General Government				2,054,194
Protection to Persons and Property				4,807,108
General Health and Sanitation				471,538
Social Services				462,299
Recreation and Culture			285,626	478,133
Transportation Facility and Services				37,612
Roads				1,955,748
Debt Service		587,850		1,117,125
Administration				3,183,823
Total Disbursements		587,850	285,626	14,567,580
Excess (Deficiency) of Receipts Over Disbursements Before Other				
Adjustments to Cash (Uses)	33,445	221	21,459	(1,001,571)
<b>Other Adjustments to Cash (Uses)</b>				
Payroll Revolving Account				36,811
Borrowed Money				326,710
Transfers From Other Funds				2,107,531
Transfers To Other Funds				(2,107,531)
Total Other Adjustments to Cash (Uses)				363,521
Net Change in Fund Balance	33,445	221	21,459	(638,050)
Fund Balance - Beginning (Restated)		3,464	232,368	4,616,770
Fund Balance - Ending	\$ 33,445	\$ 3,685	\$ 253,827	\$ 3,978,720
<b>Composition of Fund Balance</b>				
Bank Balance	\$ 33,445	\$ 3,685	\$ 260,368	\$ 3,971,834
Payroll Revolving Account Reconciled Balance				36,811
Less: Outstanding Checks			(6,541)	(29,925)
Fund Balance - Ending	\$ 33,445	\$ 3,685	\$ 253,827	\$ 3,978,720

The accompanying notes are an integral part of the financial statement.

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The accompanying notes are an integral part of the financial statement.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**

**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The financial statement of Wayne County includes all budgeted and unbudgeted funds under the control of the Wayne County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds, and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act for and on behalf of, and as the agency and instrumentality of the fiscal court in the acquisition and financing of any public project which may be undertaken by the fiscal court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the fiscal court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

**B. Basis of Accounting**

The financial statement is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of fund balances and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) to meet the financial reporting requirements of the Department for Local Government and the laws of the Commonwealth of Kentucky.

This regulatory basis of accounting differs from GAAP primarily because the financial statement format does not include the GAAP presentations of government-wide and fund financial statements, cash receipts are recognized when received in cash rather than when earned and susceptible to accrual, and cash disbursements are recognized when paid rather than when incurred or subject to accrual.

Generally, except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to sale ninety days following April 15.

**C. Basis of Presentation**

**Budgeted Funds**

The fiscal court reports the following budgeted funds:

**General Fund** - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

**Road Fund** - This fund is for road and bridge construction and repair. The primary sources of receipts for this fund are state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

**Jail Fund** - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of receipts for this fund are reimbursements from the state and federal governments, payments from other counties for housing prisoners, and transfers from the general fund. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.



**WAYNE COUNTY  
NOTES TO FINANCIAL STATEMENT  
June 30, 2023  
(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Presentation (Continued)**

**Budgeted Funds (Continued)**

Local Government Economic Assistance Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the state and federal governments.

Emergency Management Fund - The primary purpose of this fund is to account for emergency management personnel and expenses for the county. The primary source of receipts for this fund is a federal reimbursement grant. The Emergency Management (EMA) Program is a program with 50% federal reimbursement of local funds to support local emergency preparedness activities.

Timberland Tax Fund - This fund is used to account for taxes collected for protection of forest lands.

Community Development Block Grant (CDBG) Fund - The primary purpose of this fund is to account for activity related to the CDBG Grant. The primary source of receipts for this fund is federal grant monies.

Natural Gas Fund - The purpose of this fund is to account for activity related to a natural gas grant the county is expecting to receive.

National Opioid Fund - The purpose of this fund is to account for the county supporting opioid addiction treatment and recovery services. The primary source of receipts for this fund are from national settlement with pharmaceutical distributors that played a role in creating and fueling the opioid epidemic.

Alcoholic Beverage Control Fund - This fund is used to account for alcoholic license fees collected and the related expenditures.

American Rescue Plan Act Fund - The primary purpose of this fund is to account for activity related to American Rescue Act passed in 2022. The primary source of receipts for this fund is federal grant monies.

County Clerk Storage Fund - The purpose of this fund is to account for county clerk storage fees for the retention of deed room records in the county clerk's office. The primary source of receipts for this fund is collection of the storage fee collected by the county clerk on deed room transactions.

**Unbudgeted Funds**

The fiscal court reports the following unbudgeted funds:

Justice Center Public Properties Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135. The profits generated from the sale of items are to be used for the benefit and to enhance the well-being of the inmates, or to enhance safety and security within the jail. The jailer is required to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail commissary fund.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Information**

Annual budgets are adopted on a regulatory basis of accounting according to the laws of Kentucky as required by the state local finance officer, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board.

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

The state local finance officer does not require the jail commissary fund to be budgeted because the fiscal court does not approve the expenses of this fund.

The state local finance officer does not require the justice center public properties corporation fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

**E. Wayne County Elected Officials**

Kentucky law provides for election of the officials listed below from the geographic area constituting Wayne County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statement of the Wayne County Fiscal Court.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

**F. Deposits and Investments**

The government's fund balance is considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. The government's fund balance includes cash and cash equivalents and investments.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Deposits and Investments (Continued)**

KRS 66.480 authorizes the county to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

**G. Long-term Obligations**

The fund financial statement recognizes bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as disbursements. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as disbursements. Debt proceeds are reported as other adjustments to cash.

**H. Related Organization**

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on this criteria, the Wayne County Airport Board is considered a related organization of the Wayne County Fiscal Court.

**Note 2. Deposits**

The fiscal court maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2023, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 3. Transfers**

The table below shows the interfund operating transfers for fiscal year 2023.

	General Fund	American Rescue Plan Act Fund	Total Transfers In
General Fund	\$	\$ 1,000,598	\$ 1,000,598
Road Fund	212,654	8,590	221,244
Jail Fund	661,000	38,377	699,377
Local Government Economic Assistance Fund	69,684	909	70,593
American Rescue Plan Act Fund	115,719		115,719
Total Transfers Out	<u>\$ 1,059,057</u>	<u>\$ 1,048,474</u>	<u>\$ 2,107,531</u>

Reason for transfers:

To move resources from and to the general fund and other funds, for budgetary purposes, to the funds that will expend them.

**Note 4. Custodial Funds**

Custodial funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. In accordance with the regulatory basis of accounting, custodial funds are not presented on the financial statement.

The fiscal court has the following custodial fund:

Jail Inmate Fund - This fund accounts for funds received from the inmates. The balance in the jail inmate fund as of June 30, 2023, was \$2,972.

**Note 5. Leases**

**A. Lessor**

In March 2012, the Wayne County Public Properties Corporation, a blended component unit of the fiscal court, began leasing the judicial center to the Administrative Office of the Courts (AOC). The lease is for two year periods and the rental payments shall agree to the annual principal and interest costs on the bonds issued for the financing of the building construction. On July 1 of each even numbered year, the lease may be renewed by AOC, for another biennial period of two years. The lease renewal shall automatically be considered to have affirmatively exercised each even numbered year by AOC, unless notice of its election not to exercise the option for the biennial period be given by AOC to the corporation, the trustee, and the county in writing at least 60 days prior to the renewal date hereof. The corporation recognized \$587,650 in lease revenue during the current fiscal year. As of June 30, 2023, the corporation's receivable for lease payments was \$583,625.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 5. Leases (Continued)**

**B. Lessee**

**1. Postage Machine**

During the current fiscal year, the Wayne County Fiscal Court entered into a five-year lease agreement as lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$9,797 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$7,837. The Wayne County Fiscal Court is required to make quarterly lease payments of \$1,959. The future lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Amount</u>
2024	\$ 1,959
2025	1,959
2026	1,959
2027	<u>1,960</u>
Total Minimum Lease Payments	<u>\$ 7,837</u>

**2. Copier**

In April 2021, the Wayne County Fiscal Court entered into a five-year lease agreement as lessee for the use of a copier machine. An initial lease liability was recorded in the amount of \$10,667 during fiscal year 2021. As of June 30, 2023, the value of the lease liability was \$5,867. The Wayne County Fiscal Court is required to make monthly lease payments of \$178. The future lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Amount</u>
2024	\$ 2,133
2025	2,134
2026	<u>1,600</u>
Total Minimum Lease Payments	<u>\$ 5,867</u>

**3. Radio Tower**

In August 2020, the Wayne County Fiscal Court entered into a three-year lease agreement as lessee for the use of a land for a radio tower. An initial lease liability was recorded in the amount of \$2,100 during fiscal year 2021. As of June 30, 2023, the value of the lease liability was \$350. The Wayne County Fiscal Court is required to make quarterly lease payments of \$175.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 5. Leases (Continued)**

**B. Lessee (Continued)**

**3. Radio Tower (Continued)**

The future lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Amount</u>
2024	<u>\$ 350</u>
Total Minimum Lease Payments	<u>\$ 350</u>

**4. Vehicle**

During the current fiscal year, the Wayne County Fiscal Court entered into a three year lease agreement as lessee for the use of a vehicle for the corner and at end of the lease an option to purchase the vehicle. An initial lease liability was recorded in the amount of \$25,460 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$16,973. The Wayne County Fiscal Court is required to make yearly lease payments of \$8,487. The future lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Amount</u>
2024	<u>\$ 8,487</u>
2025	<u>8,486</u>
Total Minimum Lease Payments	<u>\$ 16,973</u>

**5. Copier**

In August 2021, the Wayne County Fiscal Court entered into a sixty-three-month lease agreement as lessee for the use of a copy machine. An initial lease liability was recorded in the amount of \$7,331 during fiscal year 2022. As of June 30, 2023, the value of the lease liability was \$4,887. The Wayne County Fiscal Court is required to make quarterly lease payments of \$349. The future lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Amount</u>
2024	<u>\$ 1,396</u>
2025	<u>1,396</u>
2026	<u>1,397</u>
2027	<u>698</u>
Total Minimum Lease Payments	<u>\$ 4,887</u>

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 6. Long-term Debt**

**A. Direct Borrowings and Direct Placements**

**1. Cable System Loan/Note Receivable**

On August 12, 2004, the Wayne County Fiscal Court passed and adopted a resolution authorizing the county to enter into a joint venture with the City of Monticello for the purchase and improvement of a cable television system. Financing of the county's portion of the project is provided through a certain lease agreement between the Kentucky League of Cities Leasing Trust (the lessor) and the county (the lessee) at an aggregate principal amount not to exceed \$2,300,000. Terms of the agreement stipulate a 20-year repayment schedule beginning December 2004, with interest at a variable rate. The annual debt service is to be paid from the cable service fees collected by the City of Monticello. The principal balance as of June 30, 2023, is \$223,167. Future principal and interest service requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 147,669	\$ 8,049
2025	<u>75,498</u>	<u>1,144</u>
Totals	<u>\$ 223,167</u>	<u>\$ 9,193</u>

The county has also recorded a note receivable due from the City of Monticello for the amount of the debt incurred by the county as of June 30, 2023, as follows:

Account Receivable

Current Portion	\$ 147,669
Long-term Portion	<u>75,498</u>
	<u>\$ 223,167</u>

**2. Recycling Center**

On December 15, 2015, the Wayne County Fiscal Court entered into a \$225,000 agreement with the Monticello/Wayne County Industrial Development Authority for the acquisition of a recycling center. Terms of the agreement stipulate a 15-year repayment schedule, with 1.16 percent fixed interest rate and monthly principal and interest payments ending November 15, 2030. The principal balance as of June 30, 2023, is \$106,365. Future principal and interest requirements are:

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**A. Direct Borrowings and Direct Placements (Continued)**

**2. Recycling Center (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 13,841	\$ 1,159
2025	14,005	995
2026	14,168	832
2027	14,332	668
2028	14,498	503
2029-2031	<u>35,521</u>	<u>729</u>
Totals	<u>\$ 106,365</u>	<u>\$ 4,886</u>

**3. Tractors and Mowers**

On October 10, 2019, the Wayne County Fiscal Court entered into a \$160,042 agreement with a bank for the acquisition of two tractors and two mowers. Terms of the agreement stipulate a five-year repayment schedule, with 3.70 percent fixed interest rate and monthly principal and interest payments ending October 19, 2024. The principal balance as of June 30, 2023, is \$42,678. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 32,009	\$ 1,051
2025	<u>10,669</u>	<u>83</u>
Totals	<u>\$ 42,678</u>	<u>\$ 1,134</u>

**4. 911 Equipment**

On November 15, 2022, the Wayne County Fiscal Court entered into a \$326,710 agreement with a bank for the acquisition and installation of 911 Emergency Equipment. Terms of the agreement stipulate an 8-year repayment schedule, with 5.45 percent fixed interest rate and monthly principal and interest payments ending November 20, 2030. The principal balance as of June 30, 2023, is \$307,309. Future principal and interest requirements are:



**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**A. Direct Borrowings and Direct Placements (Continued)**

**4. 911 Equipment (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 35,651	\$ 15,865
2025	37,308	13,881
2026	39,041	11,805
2027	40,855	9,632
2028	42,753	7,359
2029-2031	111,701	7,744
Totals	<u>\$ 307,309</u>	<u>\$ 66,286</u>

**B. Other Debt**

**1. Justice Center – Series 2012 First Mortgage Refunding Revenue Bonds**

On March 6, 2012, the public properties corporation issued \$5,465,000 of first mortgage refunding revenue bonds to pay off the 2003 and 2005 series bonds which were originally issued for construction of the Wayne County Judicial Center. The bonds maturity serially through September 1, 2023 and require annual principal payments on September 1 and semi-annual interest payments at various interest rates on March 1 and September 1 each year. Bonds outstanding as of June 30, 2023, total \$575,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	<u>\$ 575,000</u>	<u>\$ 8,625</u>
Totals	<u>\$ 575,000</u>	<u>\$ 8,625</u>

**2. Detention Center-Series 2015 General Obligation Lease**

On August 12, 2015, the Wayne County Fiscal Court entered into a \$2,615,000 general obligation lease for the purpose of financing the current general obligation refunding bonds, series 2006 dated March 1, 2006, for the Wayne County Detention Center Project. The bonds mature serially through November 2024. Principal payments are due annually on November 1 and semi-annual interest payments at 2.5 percent are due on November 1 and May 1 each year. The principal balance as of June 30, 2023, is \$572,571. Future principal and interest service requirements are:

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 6. Long-term Debt (Continued)**

**B. Other Debt (Continued)**

**2. Detention Center-Series 2015 General Obligation Lease (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2024	\$ 282,707	\$ 10,780
2025	289,864	3,623
Totals	<u>\$ 572,571</u>	<u>\$ 14,403</u>

**C. Changes In Long-term Debt**

Long-term Debt activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 561,264	\$ 326,710	\$ 208,455	\$ 679,519	\$ 229,170
General Obligation Lease	848,298		275,727	572,571	282,707
Revenue Bonds	1,135,000		560,000	575,000	575,000
Total Long-term Debt	<u>\$ 2,544,562</u>	<u>\$ 326,710</u>	<u>\$ 1,044,182</u>	<u>\$ 1,827,090</u>	<u>\$ 1,086,877</u>

**D. Aggregate Debt Schedule**

The amount of required principal and interest payments on long-term obligations on June 30, 2023, were as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 857,707	\$ 19,405	\$ 229,170	\$ 26,124
2025	289,864	3,623	137,480	16,103
2026			53,209	12,637
2027			55,187	10,300
2028			57,251	7,862
2029-2031			147,222	8,473
Totals	<u>\$ 1,147,571</u>	<u>\$ 23,028</u>	<u>\$ 679,519</u>	<u>\$ 81,499</u>

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 7. Contingencies**

The county is involved in multiple lawsuits. While individually they may not be significant, in the aggregate they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

**Note 8. Employee Retirement System**

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (Ky. Ret. Sys.). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute. Effective April 1, 2021, the Kentucky Public Pension Authority (KPPA) was created by KRS 61.505 to provide staffing and daily administrative needs for CERS and Ky. Ret. Sys. The CERS nine (9) member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2021 was \$981,086, FY 2022 was \$1,396,776, and FY 2023 was \$1,221,544.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6 percent of their salary to be allocated as follows: 5 percent will go to the member's account and 1 percent will go to the Ky. Ret. Sys. insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous covered employees contribute 5 percent of their annual creditable compensation. Nonhazardous members also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Ky. Ret. Sys. Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

The county's contribution rate for nonhazardous employees was 26.79 percent.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 8. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

<b>Years of Service</b>	<b>% Paid by Insurance Fund</b>	<b>% Paid by Member through Payroll Deduction</b>
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 78.5536.

B. Health Insurance Coverage - Tier 2 and Tier 3 - Nonhazardous

Once members reach a minimum vesting period of 15 years, they earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5 percent. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

The monthly insurance benefit has been increased annually as a 1.5 percent cost of living adjustment (COLA) since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

Tier 2 member benefits are covered by KRS 78.5536. Tier 3 members are not covered by the same provisions.

C. Cost of Living Adjustments - Tier 1

The 1996 General Assembly enacted an automatic cost of living adjustment (COLA) provision for all recipients of Ky. Ret. Sys. benefits. During the 2008 Special Session, the General Assembly determined that each July beginning in 2009, retirees who have been receiving a retirement allowance for at least 12 months will receive an automatic COLA of 1.5 percent. The COLA is not a guaranteed benefit. If a retiree has been receiving a benefit for less than 12 months, and a COLA is provided, it will be prorated based on the number of months the recipient has been receiving a benefit.

D. Cost of Living Adjustments - Tier 2 and Tier 3

No COLA is given unless authorized by the legislature with specific criteria. To this point, no COLA has been authorized by the legislature for Tier 2 or Tier 3 members.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 8. Employee Retirement System (Continued)**

Other Post-Employment Benefits (OPEB) (Continued)

E. Death Benefit

If a retired member is receiving a monthly benefit based on at least 48 months of service credit, KPPA will pay a \$5,000 death benefit payment to the beneficiary designated by the member specifically for this benefit. Members with multiple accounts are entitled to only one death benefit.

F. Ky. Ret. Sys. Annual Financial Report and Proportionate Share Audit Report

Ky. Ret. Sys. issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

KPPA also issues proportionate share audit reports for both total pension liability and other post-employment benefits for CERS determined by actuarial valuation as well as each participating county's proportionate share. Both the Schedules of Employer Allocations and Pension Amounts by Employer and the Schedules of Employer Allocations and OPEB Amounts by Employer reports and the related actuarial tables are available online at <https://kyret.ky.gov>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

**Note 9. Deferred Compensation**

The Wayne County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax-sheltered supplemental retirement plans for all state, public school and university employees, and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full-time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 501 High Street, 2nd Floor, Frankfort, KY 40601, or by telephone at (502) 573-7925.

**Note 10. Insurance**

For the fiscal year ended June 30, 2023, the Wayne County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2023**  
**(Continued)**

**Note 11. Payroll Revolving Account**

The reconciled balance of the payroll revolving account as of June 30, 2023, was added to the general fund cash balance for financial reporting purposes.

**Note 12. Prior Period Adjustments**

The beginning balance of the general fund was increased by \$14 to account for prior year voided checks. The beginning balance of the jail commissary decreased \$1 due to rounding.

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**

**For The Year Ended June 30, 2023**

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**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**

**For The Year Ended June 30, 2023**

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 4,272,691	\$ 4,418,612	\$ 4,465,547	\$ 46,935
In Lieu Tax Payments	347,000	494,197	502,229	8,032
Excess Fees	45,180	302,569	302,569	
Licenses and Permits	34,650	34,676	34,736	60
Intergovernmental	1,113,658	1,463,705	810,231	(653,474)
Charges for Services	1,479,955	1,456,485	1,582,823	126,338
Miscellaneous	439,345	700,767	708,381	7,614
Interest	14,650	14,650	18,772	4,122
Total Receipts	<u>7,747,129</u>	<u>8,885,661</u>	<u>8,425,288</u>	<u>(460,373)</u>
<b>DISBURSEMENTS</b>				
General Government	2,067,077	2,440,290	1,963,663	476,627
Protection to Persons and Property	2,123,224	3,341,645	3,003,883	337,762
General Health and Sanitation	434,489	546,528	470,538	75,990
Social Services	136,121	163,121	152,708	10,413
Recreation and Culture	166,000	195,250	192,507	2,743
Roads	47,800	47,800	46,525	1,275
Debt Service	757,554	789,184	201,532	587,652
Administration	3,026,324	2,877,462	2,516,890	360,572
Total Disbursements	<u>8,758,589</u>	<u>10,401,280</u>	<u>8,548,246</u>	<u>1,853,034</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,011,460)</u>	<u>(1,515,619)</u>	<u>(122,958)</u>	<u>1,392,661</u>
<b>Other Adjustments to Cash (Uses)</b>				
Financing Obligation Proceeds		326,710	326,710	
Transfers From Other Funds	949,310	949,310	1,000,598	51,288
Transfers To Other Funds	(1,294,781)	(1,425,154)	(1,059,057)	366,097
Total Other Adjustments to Cash (Uses)	<u>(345,471)</u>	<u>(149,134)</u>	<u>268,251</u>	<u>417,385</u>
Net Change in Fund Balance	(1,356,931)	(1,664,753)	145,293	1,810,046
Fund Balance - Beginning (Restated)	<u>1,356,931</u>	<u>1,613,465</u>	<u>1,613,469</u>	<u>4</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (51,288)</u>	<u>\$ 1,758,762</u>	<u>\$ 1,810,050</u>

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

	<b>ROAD FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
In Lieu Tax Payments	\$ 2,300	\$ 1,815	\$ 1,815	\$
Intergovernmental	1,985,849	2,193,493	2,059,876	(133,617)
Miscellaneous	31,061	31,897	28,959	(2,938)
Interest	2,250	2,250	6,658	4,408
Total Receipts	<u>2,021,460</u>	<u>2,229,455</u>	<u>2,097,308</u>	<u>(132,147)</u>
<b>DISBURSEMENTS</b>				
Transportation Facilities and Services	38,100	41,100	37,612	3,488
Roads	1,972,813	2,250,178	1,909,223	340,955
Debt Service	34,258	34,258	34,257	1
Administration	350,728	314,886	197,453	117,433
Total Disbursements	<u>2,395,899</u>	<u>2,640,422</u>	<u>2,178,545</u>	<u>461,877</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(374,439)</u>	<u>(410,967)</u>	<u>(81,237)</u>	<u>329,730</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	174,429	212,654	221,244	8,590
Total Other Adjustments to Cash (Uses)	<u>174,429</u>	<u>212,654</u>	<u>221,244</u>	<u>8,590</u>
Net Change in Fund Balance	(200,010)	(198,313)	140,007	338,320
Fund Balance - Beginning	<u>200,010</u>	<u>189,723</u>	<u>189,712</u>	<u>(11)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (8,590)</u>	<u>\$ 329,719</u>	<u>\$ 338,309</u>

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

	<b>JAIL FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,300,437	\$ 1,456,404	\$ 1,665,301	\$ 208,897
Charges for Services		28,085	34,721	6,636
Miscellaneous	160,530	168,253	174,076	5,823
Interest	160	182	226	44
Total Receipts	<u>1,461,127</u>	<u>1,652,924</u>	<u>1,874,324</u>	<u>221,400</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	1,731,132	1,868,922	1,770,768	98,154
Debt Service	293,488	293,488	293,486	2
Administration	497,673	758,881	449,900	308,981
Total Disbursements	<u>2,522,293</u>	<u>2,921,291</u>	<u>2,514,154</u>	<u>407,137</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,061,166)</u>	<u>(1,268,367)</u>	<u>(639,830)</u>	<u>628,537</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,058,635	1,058,635	699,377	(359,258)
Total Other Adjustments to Cash (Uses)	<u>1,058,635</u>	<u>1,058,635</u>	<u>699,377</u>	<u>(359,258)</u>
Net Change in Fund Balance	(2,531)	(209,732)	59,547	269,279
Fund Balance - Beginning	<u>2,531</u>	<u>171,354</u>	<u>171,353</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (38,378)</u>	<u>\$ 230,900</u>	<u>\$ 269,278</u>

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

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 32,502	\$ 32,502	\$ 28,589	\$ (3,913)
Miscellaneous	1,200	2,649	3,333	684
Interest	20	20	6	(14)
Total Receipts	<u>33,722</u>	<u>35,171</u>	<u>31,928</u>	<u>(3,243)</u>
<b>DISBURSEMENTS</b>				
General Government	72,184	89,016	85,468	3,548
Administration	23,255	24,547	18,017	6,530
Total Disbursements	<u>95,439</u>	<u>113,563</u>	<u>103,485</u>	<u>10,078</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(61,717)</u>	<u>(78,392)</u>	<u>(71,557)</u>	<u>6,835</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	61,717	73,717	70,593	(3,124)
Total Other Adjustments to Cash (Uses)	<u>61,717</u>	<u>73,717</u>	<u>70,593</u>	<u>(3,124)</u>
Net Change in Fund Balance		(4,675)	(964)	3,711
Fund Balance - Beginning		<u>3,765</u>	<u>3,765</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (910)</u>	<u>\$ 2,801</u>	<u>\$ 3,711</u>

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

**EMERGENCY MANAGEMENT FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 10,343	\$ 10,343	\$ 4,863	\$ (5,480)
Interest	5	5	11	6
Total Receipts	<u>10,348</u>	<u>10,348</u>	<u>4,874</u>	<u>(5,474)</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	14,124	14,424	13,272	1,152
Administration	360	16,642		16,642
Total Disbursements	<u>14,484</u>	<u>31,066</u>	<u>13,272</u>	<u>17,794</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(4,136)</u>	<u>(20,718)</u>	<u>(8,398)</u>	<u>12,320</u>
Net Change in Fund Balance	(4,136)	(20,718)	(8,398)	12,320
Fund Balance - Beginning	<u>4,136</u>	<u>20,718</u>	<u>20,718</u>	<u></u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,320</u>	<u>\$ 12,320</u>

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

	<b>TIMBERLAND TAX FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 4,895	\$ 4,895	\$ 4,927	\$ 32
Interest	2	2	7	5
Total Receipts	<u>4,897</u>	<u>4,897</u>	<u>4,934</u>	<u>37</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	5,000	5,000	4,185	815
Administration	5,819	6,801		6,801
Total Disbursements	<u>10,819</u>	<u>11,801</u>	<u>4,185</u>	<u>7,616</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(5,922)</u>	<u>(6,904)</u>	<u>749</u>	<u>7,653</u>
Net Change in Fund Balance	(5,922)	(6,904)	749	7,653
Fund Balance - Beginning	<u>5,922</u>	<u>6,904</u>	<u>6,904</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,653</u>	<u>\$ 7,653</u>

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

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$	\$ 10,000	\$ 10,000	\$
Total Receipts		10,000	10,000	
<b>DISBURSEMENTS</b>				
Social Services		10,000	10,000	
Total Disbursements		10,000	10,000	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$ 0	\$ 0

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

	<b>NATURAL GAS FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$	\$ 4,057,900	\$	\$ (4,057,900)
Total Receipts		4,057,900		(4,057,900)
<b>DISBURSEMENTS</b>				
General Government		4,057,900		4,057,900
Total Disbursements		4,057,900		4,057,900
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$	0
		\$		0
		\$		0
		\$		0



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

	<b>NATIONAL OPIOID FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$		\$ 152,033	\$
Interest			94	94
Total Receipts		152,033	152,127	94
<b>DISBURSEMENTS</b>				
Protection to Persons and Property		15,000	15,000	
General Health and Sanitation		1,000	1,000	
Administration		136,033		136,033
Total Disbursements		152,033	16,000	136,033
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			136,127	136,127
Net Change in Fund Balance			136,127	136,127
Fund Balance - Beginning				
Fund Balance - Ending	\$	0	\$ 136,127	\$ 136,127

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

**ALCOHOL BEVERAGE CONTROL FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Licenses and Permits	\$ 2,200	\$ 2,200	\$ 3,800	\$ 1,600
Miscellaneous	18,800	18,800	18,740	(60)
Interest	1	1	10	9
Total Receipts	<u>21,001</u>	<u>21,001</u>	<u>22,550</u>	<u>1,549</u>
<b>DISBURSEMENTS</b>				
General Government	17,528	18,528	5,063	13,465
Administration	3,473	5,705	1,563	4,142
Total Disbursements	<u>21,001</u>	<u>24,233</u>	<u>6,626</u>	<u>17,607</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		<u>(3,232)</u>	<u>15,924</u>	<u>19,156</u>
Net Change in Fund Balance		(3,232)	15,924	19,156
Fund Balance - Beginning		<u>3,232</u>	<u>3,232</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,156</u>	<u>\$ 19,156</u>

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

**AMERICAN RESCUE PLAN ACT FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
	<b>RECEIPTS</b>			
Interest	\$ 2,000	\$ 2,000	\$ 14,075	\$ 12,075
Total Receipts	2,000	2,000	14,075	12,075
<b>DISBURSEMENTS</b>				
Social Services	544,849	445,684	299,591	146,093
Administration	868,906	984,625		984,625
Total Disbursements	1,413,755	1,430,309	299,591	1,130,718
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,411,755)	(1,428,309)	(285,516)	1,142,793
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds		115,719	115,719	
Transfers To Other Funds	(949,310)	(949,310)	(1,048,474)	(99,164)
Total Other Adjustments to Cash (Uses)	(949,310)	(833,591)	(932,755)	(99,164)
Net Change in Fund Balance	(2,361,065)	(2,261,900)	(1,218,271)	1,043,629
Fund Balance - Beginning	2,361,065	2,361,065	2,371,785	10,720
Fund Balance - Ending	\$ 0	\$ 99,165	\$ 1,153,514	\$ 1,054,349

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

**COUNTY CLERK STORAGE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 50,000	\$ 30,500	\$ 33,430	\$ 2,930
Interest		5	15	10
Total Receipts	<u>50,000</u>	<u>30,505</u>	<u>33,445</u>	<u>2,940</u>
<b>DISBURSEMENTS</b>				
General Government	<u>50,000</u>	<u>30,505</u>		<u>30,505</u>
Total Disbursements	<u>50,000</u>	<u>30,505</u>		<u>30,505</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)			<u>33,445</u>	<u>33,445</u>
Net Change in Fund Balance			33,445	33,445
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 33,445</u>	<u>\$ 33,445</u>

**WAYNE COUNTY**  
**NOTES TO REGULATORY SUPPLEMENTARY**  
**INFORMATION - BUDGETARY COMPARISON SCHEDULES**

**June 30, 2023**

**Note 1. Budgetary Information**

Annual budgets are adopted on a regulatory basis of accounting according to the laws of Kentucky as required by the state local finance officer, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board.

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

**Note 2. Reconciliation Of The General Fund**

Other Adjustments to Cash (Uses) - Budgetary Basis	\$ 268,251
Adjustments for Change in Payroll Revolving Account	<u>36,811</u>
Total Other Adjustments to Cash (Uses) - Regulatory Basis	<u>\$ 305,062</u>
Fund Balance - Ending - Budgetary Basis	\$ 1,758,762
Adjustments for Change in Payroll Revolving Account	<u>36,811</u>
Total Fund Balance - Ending - Regulatory Basis	<u>\$ 1,795,573</u>

**Note 3. Budget Not Balanced**

The final budget was out of balance by \$1.

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**WAYNE COUNTY**  
**SCHEDULE OF CAPITAL ASSETS**  
**Other Information - Regulatory Basis**

**For The Year Ended June 30, 2023**

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**WAYNE COUNTY**  
**SCHEDULE OF CAPITAL ASSETS**  
**Other Information - Regulatory Basis**

**For The Year Ended June 30, 2023**

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Buildings	\$ 13,952,968	\$	\$	\$ 13,952,968
Vehicles	3,876,884	309,043	235,158	3,950,769
Equipment	3,259,408	624,138	15,350	3,868,196
Infrastructure	14,994,803	1,009,269		16,004,072
 Total Capital Assets	 <u>\$ 36,084,063</u>	 <u>\$ 1,942,450</u>	 <u>\$ 250,508</u>	 <u>\$ 37,776,005</u>

**WAYNE COUNTY**  
**NOTES TO OTHER INFORMATION - REGULATORY BASIS**  
**SCHEDULE OF CAPITAL ASSETS**

**June 30, 2023**

**Note 1. Capital Assets**

Capital assets, which include land, land improvements, buildings, furniture, and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported as other information. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Land Improvements	\$ 12,500	10-60
Buildings and Building Improvements	25,000	10-75
Equipment	2,500	4-25
Vehicles	2,500	4-25
Infrastructure	20,000	10-50

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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ALLISON BALL  
AUDITOR OF PUBLIC ACCOUNTS

Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

The Honorable Scott Gehring, Wayne County Judge/Executive  
Mike Anderson, Former Wayne County Judge/Executive  
Members of the Wayne County Fiscal Court

We have audited, 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, the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Wayne County Fiscal Court for the fiscal year ended June 30, 2023 and the related notes to the financial statement which collectively comprise the Wayne County Fiscal Court's financial statement and have issued our report thereon dated May 29, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Wayne County Fiscal Court'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 statement, but not for the purpose of expressing an opinion on the effectiveness of the Wayne County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wayne County Fiscal Court'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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 over financial reporting 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 Internal Control Over Financial Reporting  
And On Compliance And Other Matters Based On An Audit Of The Financial  
Statement Performed In Accordance With *Government Auditing Standards*  
(Continued)

**Report on Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Wayne County Fiscal Court's financial statement is free of 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 statement. 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.

Respectfully submitted,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

May 29, 2024

**CERTIFICATION OF COMPLIANCE -  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

**WAYNE COUNTY FISCAL COURT**

**For The Year Ended June 30, 2023**

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CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
COUNTY FISCAL COURT

For The Year Ended June 30, 2023

The Wayne County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

  
\_\_\_\_\_

County Judge/Executive

  
\_\_\_\_\_

County Treasurer