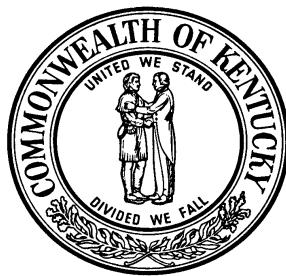


**REPORT OF THE AUDIT OF THE  
WAYNE COUNTY  
FISCAL COURT**

**For The Year Ended  
June 30, 2025**



**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  
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, 2025, 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, 2025, 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, 2025, 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  
Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
The Honorable Scott Gehring, Wayne County Judge/Executive  
Members of the Wayne County Fiscal Court

### ***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.

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

### ***Auditor's Responsibilities for the Audit of the Financial 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.

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  
Members of the Wayne County Fiscal Court

***Auditor's Responsibilities for the Audit of the Financial Statement (Continued)***

- 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.

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  
The Honorable Andy Beshear, Governor  
Holly M. Johnson, Secretary  
Finance and Administration Cabinet  
The Honorable Scott Gehring, Wayne County Judge/Executive  
Members of the Wayne County Fiscal Court

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2026, 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

February 10, 2026

**WAYNE COUNTY OFFICIALS**  
**For The Year Ended June 30, 2025**

**Fiscal Court Members:**

Scott Gehring	County Judge/Executive
Ronnie Turner	Magistrate District 1
Jeff Dishman	Magistrate District 2
Wade Dick	Magistrate District 3
Jonathan Dobbs	Magistrate District 4

**Other Elected Officials:**

Tom 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
Dawn Harmon	Finance Officer

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

**For The Year Ended June 30, 2025**

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

**For The Year Ended June 30, 2025**

	<b>Budgeted Funds</b>		
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail Fund</b>
<b>RECEIPTS</b>			
Taxes	\$ 4,853,022	\$	\$
In Lieu Tax Payments	616,961	245	
Excess Fees	218,089		
Licenses and Permits	34,580		
Intergovernmental	1,019,677	1,972,433	1,387,383
Charges for Services	1,753,896		25,153
Miscellaneous	526,310	6,792	104,435
Interest	1,092	1,643	266
Total Receipts	<u>9,023,627</u>	<u>1,981,113</u>	<u>1,517,237</u>
<b>DISBURSEMENTS</b>			
General Government	2,193,927		
Protection to Persons and Property	2,496,993		1,856,208
General Health and Sanitation	442,881		
Social Services	194,219		
Recreation and Culture	79,573		
Transportation Facility and Services		37,129	
Roads		2,061,336	
Airports	45,894		
Debt Service	143,176	10,753	293,487
Capital Projects			
Administration	2,874,234	226,763	446,601
Total Disbursements	<u>8,470,897</u>	<u>2,335,981</u>	<u>2,596,296</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>552,730</u>	<u>(354,868)</u>	<u>(1,079,059)</u>
<b>Other Adjustments to Cash (Uses)</b>			
Payroll Revolving Account	30,410		
Borrowed Money		206,763	
Transfers From Other Funds	186,607	32,900	1,222,026
Transfers To Other Funds	(1,317,682)	(17,352)	(34,727)
Total Other Adjustments to Cash (Uses)	<u>(1,100,665)</u>	<u>222,311</u>	<u>1,187,299</u>
Net Change in Fund Balance	(547,935)	(132,557)	108,240
Fund Balance - Beginning (Restated)	<u>2,346,735</u>	<u>392,784</u>	<u>193,163</u>
Fund Balance - Ending	<u>\$ 1,798,800</u>	<u>\$ 260,227</u>	<u>\$ 301,403</u>
<b>Composition of Fund Balance</b>			
Bank Balance	\$ 594,177	\$ 61,461	\$ 305,177
Plus: Deposits In Transit	1,215,555	200,000	
Less: Outstanding Checks	(41,342)	(1,234)	(3,774)
Payroll Revolving Account Reconciled Balance	30,410		
Fund Balance - Ending	<u>\$ 1,798,800</u>	<u>\$ 260,227</u>	<u>\$ 301,403</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, 2025**  
**(Continued)**

<b>Budgeted Funds</b>						
<b>Local Government Economic Assistance Fund</b>	<b>Emergency Management Fund</b>	<b>Timberland Tax Fund</b>	<b>National Opioid Fund</b>	<b>Alcoholic Beverage Control Fund</b>	<b>American Rescue Plan Act Fund</b>	<b>County Clerk Storage Fund</b>
\$	\$	\$ 3,180	\$	\$	\$	\$
				600		
33,120	17,450					
338			94,790	19,008		29,050
12	11	6	178	34	84	101
<u>33,470</u>	<u>17,461</u>	<u>3,186</u>	<u>94,968</u>	<u>19,642</u>	<u>84</u>	<u>29,151</u>
99,455			16,668	4,977		
	20,842	4,185	89			
			113,039			
					1,709	
					130,246	
18,575				1,372		
<u>118,030</u>	<u>20,842</u>	<u>4,185</u>	<u>129,796</u>	<u>6,349</u>	<u>131,955</u>	
(84,560)	(3,381)	(999)	(34,828)	13,293	(131,871)	29,151
67,599						
(1,518)					(137,853)	
<u>66,081</u>					<u>(137,853)</u>	
(18,479)	(3,381)	(999)	(34,828)	13,293	(269,724)	29,151
21,961	13,649	6,795	286,840	28,044	269,724	65,482
<u>\$ 3,482</u>	<u>\$ 10,268</u>	<u>\$ 5,796</u>	<u>\$ 252,012</u>	<u>\$ 41,337</u>	<u>\$ 0</u>	<u>\$ 94,633</u>
\$ 3,567	\$ 10,268	\$ 5,796	\$ 22,012	\$ 41,337	\$	\$ 94,633
			230,000			
(85)						
<u>\$ 3,482</u>	<u>\$ 10,268</u>	<u>\$ 5,796</u>	<u>\$ 252,012</u>	<u>\$ 41,337</u>	<u>\$ 0</u>	<u>\$ 94,633</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, 2025**  
**(Continued)**

	<u>Unbudgeted Funds</u>	
	<u>Jail Commissary Fund</u>	<u>Total Funds</u>
<b>RECEIPTS</b>		
Taxes	\$	\$ 4,856,202
In Lieu Tax Payments		617,206
Excess Fees		218,089
Licenses and Permits		35,180
Intergovernmental		4,430,063
Charges for Services		1,779,049
Miscellaneous	304,317	1,085,040
Interest		3,427
Total Receipts	<u>304,317</u>	<u>13,024,256</u>
<b>DISBURSEMENTS</b>		
General Government		2,315,027
Protection to Persons and Property		4,378,317
General Health and Sanitation		555,920
Social Services		195,928
Recreation and Culture	413,850	493,423
Transportation Facility and Services		37,129
Roads		2,061,336
Airports		45,894
Debt Service		447,416
Capital Projects		130,246
Administration		3,567,545
Total Disbursements	<u>413,850</u>	<u>14,228,181</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(109,533)</u>	<u>(1,203,925)</u>
<b>Other Adjustments to Cash (Uses)</b>		
Payroll Revolving Account		30,410
Borrowed Money		206,763
Transfers From Other Funds		1,509,132
Transfers To Other Funds		(1,509,132)
Total Other Adjustments to Cash (Uses)		<u>237,173</u>
Net Change in Fund Balance	(109,533)	(966,752)
Fund Balance - Beginning (Restated)	233,636	3,858,813
Fund Balance - Ending	<u>\$ 124,103</u>	<u>\$ 2,892,061</u>
<b>Composition of Fund Balance</b>		
Bank Balance	\$ 126,818	\$ 1,265,246
Plus: Deposits In Transit		1,645,555
Less: Outstanding Checks	(2,715)	(49,150)
Payroll Revolving Account Reconciled Balance		30,410
Fund Balance - Ending	<u>\$ 124,103</u>	<u>\$ 2,892,061</u>

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

**INDEX FOR NOTES  
TO THE FINANCIAL STATEMENT**

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**WAYNE COUNTY  
NOTES TO FINANCIAL STATEMENT**

**June 30, 2025**

**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, 2025**  
**(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.

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 2024. 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 Fund**

The fiscal court reports the following unbudgeted fund:

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.

**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.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(Continued)**

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

**D. Budgetary Information (Continued)**

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.

**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.

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.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(Continued)**

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

**H. Related Organizations and Joint Ventures**

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 these criteria, the following is considered a related organization of the Wayne County Fiscal Court:

Wayne County Airport Board

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based on these criteria, the following are considered joint ventures of the Wayne County Fiscal Court:

- Industrial Development Board - Joint venture with City of Monticello. The fiscal court appoints three members.
- Parks and Recreation Board - Joint venture with City of Monticello. The fiscal court appoints three members.
- Fire Departments - Contract with fiscal court, City, Voluntary Fire Department, and the Pulaski Fiscal Court.
- Monticello-Wayne County Park Board – Joint venture with City of Monticello. The fiscal court appoints half the board members.
- Community Telecom Services - Joint venture with City of Monticello. There is a contractual arrangement between the two parties.
- ASPIRE Center - Joint venture with City of Monticello. There is a contractual arrangement between the two parties.
- Local Events - Joint venture with City of Monticello. There is a contractual arrangement between the two parties.

**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's) *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 DLG's *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2025, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(Continued)**

**Note 3. Transfers**

The table below shows the interfund operating transfers for fiscal year 2025.

	General Fund	Road Fund	Jail Fund	LGEA Fund	ARPA Fund	Total Transfers In
General Fund	\$	\$ 17,352	\$ 34,727	\$ 1,518	\$ 133,010	\$ 186,607
Road Fund	28,057				4,843	32,900
Jail Fund	1,222,026					1,222,026
LGEA Fund	67,599					67,599
Total Transfers Out	<u>\$ 1,317,682</u>	<u>\$ 17,352</u>	<u>\$ 34,727</u>	<u>\$ 1,518</u>	<u>\$ 137,853</u>	<u>\$ 1,509,132</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, 2025 was \$21,578.

**Note 5. Commitments – Lease Agreements**

**Leases – Lessee**

The Wayne County Fiscal Court was committed to the following lease agreements as lessee as of June 30, 2025:

Description	Effective Date	Length of Term	Frequency of Payments	Ending Date	Amount of Payments	Balance June 30, 2025
Postage Meter	9/27/2022	60 Months	Quarterly	8/27/2027	\$ 490	\$ 3,429
Copier	4/29/2021	60 Months	Monthly	3/29/2026	\$ 178	\$ 1,600
Radio Tower	8/12/2023	60 Months	Quarterly	7/12/2028	\$ 525	\$ 6,300
Vehicle	8/19/2022	36 Months	Yearly	7/19/2025	\$ 8,487	\$ 0
Copier	8/16/2021	63 Months	Monthly	10/16/2026	\$ 116	\$ 2,094

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(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 of 2.23 percent. The annual debt service is to be paid from the cable service fees collected. The principal balance was paid off as of June 30, 2025.

**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, 2025, is \$78,518. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$ 14,168	\$ 832
2027	14,332	668
2028	14,497	503
2029	14,667	333
2030	14,837	163
2031	6,017	233
Totals	<u>\$ 78,518</u>	<u>\$ 2,732</u>

**3. 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 a 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, 2025, is \$234,350. Future principal and interest requirements are:

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(Continued)**

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

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

**3. 911 Equipment (Continued)**

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$ 39,041	\$ 11,805
2027	40,855	9,632
2028	42,753	7,359
2029	44,739	4,979
2030	46,818	2,490
2031	20,144	275
Totals	<u>\$ 234,350</u>	<u>\$ 36,540</u>

**4. 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 5-year repayment schedule, with 3.70 percent fixed interest rate and monthly principal and interest payments ending October 19, 2024. The principal balance was paid off as of June 30, 2025.

**5. Tractors and Mowers**

On June 9, 2025, the Wayne County Fiscal Court entered into a \$206,763 (which includes \$29 for fees) agreement with a bank for the acquisition of two tractors and two mowers. Terms of the agreement stipulate a 5-year repayment schedule, with 5.39 percent fixed interest rate and monthly principal and interest payments ending June 9, 2030. The principal balance as of June 30, 2025, is \$206,792. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Scheduled Interest
2026	\$ 37,037	\$ 10,242
2027	39,083	8,196
2028	41,227	6,052
2029	43,520	3,758
2030	45,925	1,354
Totals	<u>\$ 206,792</u>	<u>\$ 29,602</u>

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(Continued)**

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

**B. Other Debt**

**1. 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 was paid off as of June 30, 2025.

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

Long-term Debt activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 450,349	\$ 206,792	\$ 137,480	\$ 519,661	\$ 90,246
Other Debt	289,864		289,864		
Total Long-term Debt	<u>\$ 740,213</u>	<u>\$ 206,792</u>	<u>\$ 427,344</u>	<u>\$ 519,661</u>	<u>\$ 90,246</u>

**D. Aggregate Debt Schedule**

The amount of required principal and interest payments on long-term obligations on June 30, 2025, were as follows:

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2026	\$	\$	\$ 90,246	\$ 22,879
2027			94,270	18,496
2028			98,477	13,914
2029			102,926	9,070
2030			107,580	4,007
2031			26,162	508
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 519,661</u>	<u>\$ 68,874</u>

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(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). 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 Kentucky Retirement Systems (Ky. Ret. Sys.). The CERS nine member board of trustees is responsible for the governance of the CERS pension and insurance plans.

The county's contribution for FY 2023 was \$1,222,623, FY 2024 was \$1,120,002, and FY 2025 was \$1,035,834.

Nonhazardous

Nonhazardous covered employees are required to contribute 5% of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6% of their salary to be allocated as follows: 5% will go to the member's account and 1% will be allocated to CERS's share of assets in 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% of their annual creditable compensation. Nonhazardous members also contribute 1% 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 CERS Board of Trustees 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% 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 19.71%.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(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:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are 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 \$10 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 \$10 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%. 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% 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%. 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.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(Continued)**

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

Other Post-Employment Benefits (OPEB) (Continued)

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.

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. Annual Financial Report and Proportionate Share Audit Report

KPPA 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. Some reports may also be obtained online at <https://kyret.ky.gov>.

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.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(Continued)**

**Note 10. Insurance**

For the fiscal year ended June 30, 2025, 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.

**Note 11. Prior Period Adjustments**

The financial statement beginning balances were restated as follows:

<b>General Fund</b>	
Fund Balance - Beginning	\$ 2,346,167
Adjustment - Prior Year O/S Checks Voided	<u>568</u>
Fund Balance - Beginning (Restated)	<u><u>\$ 2,346,735</u></u>
<b>Road Fund</b>	
Fund Balance - Beginning	\$ 392,718
Adjustment - Prior Year O/S Checks Voided	<u>66</u>
Fund Balance - Beginning (Restated)	<u><u>\$ 392,784</u></u>
<b>Jail Fund</b>	
Fund Balance - Beginning	\$ 192,832
Adjustment - Prior Year O/S Checks Voided	<u>331</u>
Fund Balance - Beginning (Restated)	<u><u>\$ 193,163</u></u>

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

**For The Year Ended June 30, 2025**

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

**For The Year Ended June 30, 2025**

	<b>GENERAL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Taxes	\$ 4,735,460	\$ 4,845,530	\$ 4,853,022	\$ 7,492
In Lieu Tax Payments	572,000	599,435	616,961	17,526
Excess Fees	57,600	218,089	218,089	
Licenses and Permits	34,474	34,533	34,580	47
Intergovernmental	669,813	1,117,747	1,019,677	(98,070)
Charges for Services	1,671,575	1,658,764	1,753,896	95,132
Miscellaneous	361,417	394,703	526,310	131,607
Interest	16,000	16,000	1,092	(14,908)
Total Receipts	<u>8,118,339</u>	<u>8,884,801</u>	<u>9,023,627</u>	<u>138,826</u>
<b>DISBURSEMENTS</b>				
General Government	1,869,770	2,426,999	2,193,927	233,072
Protection to Persons and Property	2,709,579	2,805,298	2,496,993	308,305
General Health and Sanitation	444,335	504,191	442,881	61,310
Social Services	197,757	199,082	194,219	4,863
Recreation and Culture	142,654	146,654	79,573	67,081
Airports	48,442	48,442	45,894	2,548
Debt Service	142,834	143,334	143,176	158
Administration	3,171,784	3,771,681	2,874,234	897,447
Total Disbursements	<u>8,727,155</u>	<u>10,045,681</u>	<u>8,470,897</u>	<u>1,574,784</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(608,816)</u>	<u>(1,160,880)</u>	<u>552,730</u>	<u>1,713,610</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	133,864	133,864	186,607	52,743
Transfers To Other Funds	(1,315,341)	(1,315,341)	(1,317,682)	(2,341)
Total Other Adjustments to Cash (Uses)	<u>(1,181,477)</u>	<u>(1,181,477)</u>	<u>(1,131,075)</u>	<u>50,402</u>
Net Change in Fund Balance	(1,790,293)	(2,342,357)	(578,345)	1,764,012
Fund Balance - Beginning (Restated)	<u>1,790,293</u>	<u>2,346,167</u>	<u>2,346,735</u>	<u>568</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 3,810</u>	<u>\$ 1,768,390</u>	<u>\$ 1,764,580</u>

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(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	\$ 1,815	\$ 245	\$ 245	\$
Intergovernmental	1,879,469	2,007,346	1,972,433	(34,913)
Miscellaneous	34,500	6,810	6,792	(18)
Interest	3,885	3,885	1,643	(2,242)
Total Receipts	<u>1,919,669</u>	<u>2,018,286</u>	<u>1,981,113</u>	<u>(37,173)</u>
<b>DISBURSEMENTS</b>				
Transportation Facilities and Services	39,957	41,643	37,129	4,514
Roads	1,832,501	2,108,306	2,061,336	46,970
Debt Service	29,050	29,050	10,753	18,297
Administration	287,227	240,719	226,763	13,956
Total Disbursements	<u>2,188,735</u>	<u>2,419,718</u>	<u>2,335,981</u>	<u>83,737</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(269,066)</u>	<u>(401,432)</u>	<u>(354,868)</u>	<u>46,564</u>
<b>Other Adjustments to Cash (Uses)</b>				
Borrowed Money			206,763	206,763
Transfers From Other Funds	26,000	26,000	32,900	6,900
Transfers To Other Funds			(17,352)	(17,352)
Total Other Adjustments to Cash (Uses)	<u>26,000</u>	<u>26,000</u>	<u>222,311</u>	<u>196,311</u>
Net Change in Fund Balance	(243,066)	(375,432)	(132,557)	242,875
Fund Balance - Beginning (Restated)	<u>243,066</u>	<u>392,718</u>	<u>392,784</u>	<u>66</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 17,286</u>	<u>\$ 260,227</u>	<u>\$ 242,941</u>

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(Continued)**

	<b>JAIL FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 1,357,249	\$ 1,399,475	\$ 1,387,383	\$ (12,092)
Charges for Services	38,800	26,900	25,153	(1,747)
Miscellaneous	104,830	98,032	104,435	6,403
Interest	345	295	266	(29)
Total Receipts	<u>1,501,224</u>	<u>1,524,702</u>	<u>1,517,237</u>	<u>(7,465)</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	1,992,024	2,031,546	1,856,208	175,338
Debt Service	293,488	293,488	293,487	1
Administration	575,631	622,511	446,601	175,910
Total Disbursements	<u>2,861,143</u>	<u>2,947,545</u>	<u>2,596,296</u>	<u>351,249</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,359,919)</u>	<u>(1,422,843)</u>	<u>(1,079,059)</u>	<u>343,784</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	1,264,087	1,264,087	1,222,026	(42,061)
Transfers To Other Funds	<u>                    </u>	<u>                    </u>	<u>(34,727)</u>	<u>(34,727)</u>
Total Other Adjustments to Cash (Uses)	<u>1,264,087</u>	<u>1,264,087</u>	<u>1,187,299</u>	<u>(76,788)</u>
Net Change in Fund Balance	(95,832)	(158,756)	108,240	266,996
Fund Balance - Beginning (Restated)	<u>95,832</u>	<u>193,152</u>	<u>193,163</u>	<u>11</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 34,396</u>	<u>\$ 301,403</u>	<u>\$ 267,007</u>

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(Continued)**

**LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 27,766	\$ 35,318	\$ 33,120	\$ (2,198)
Miscellaneous	500	500	338	(162)
Interest	20	20	12	(8)
Total Receipts	<u>28,286</u>	<u>35,838</u>	<u>33,470</u>	<u>(2,368)</u>
<b>DISBURSEMENTS</b>				
General Government	66,257	108,065	99,455	8,610
Administration	8,605	31,460	18,575	12,885
Total Disbursements	<u>74,862</u>	<u>139,525</u>	<u>118,030</u>	<u>21,495</u>
Excess (Deficiency) of Receipts Over				
Disbursements Before Other				
Adjustments to Cash (Uses)	<u>(46,576)</u>	<u>(103,687)</u>	<u>(84,560)</u>	<u>19,127</u>
<b>Other Adjustments to Cash (Uses)</b>				
Transfers From Other Funds	25,254	25,254	67,599	42,345
Transfers To Other Funds	<u>          </u>	<u>          </u>	<u>(1,518)</u>	<u>(1,518)</u>
Total Other Adjustments to Cash (Uses)	<u>25,254</u>	<u>25,254</u>	<u>66,081</u>	<u>40,827</u>
Net Change in Fund Balance	(21,322)	(78,433)	(18,479)	59,954
Fund Balance - Beginning	<u>21,322</u>	<u>21,961</u>	<u>21,961</u>	<u>          </u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (56,472)</u>	<u>\$ 3,482</u>	<u>\$ 59,954</u>

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(Continued)**

**EMERGENCY MANAGEMENT FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Intergovernmental	\$ 12,000	\$ 15,531	\$ 17,450	\$ 1,919
Interest	10		11	11
Total Receipts	<u>12,010</u>	<u>15,531</u>	<u>17,461</u>	<u>1,930</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	14,595	21,028	20,842	186
Administration	9,173	8,162		8,162
Total Disbursements	<u>23,768</u>	<u>29,190</u>	<u>20,842</u>	<u>8,348</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(11,758)</u>	<u>(13,659)</u>	<u>(3,381)</u>	<u>10,278</u>
Net Change in Fund Balance	(11,758)	(13,659)	(3,381)	10,278
Fund Balance - Beginning	<u>11,758</u>	<u>13,649</u>	<u>13,649</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (10)</u>	<u>\$ 10,268</u>	<u>\$ 10,278</u>

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(Continued)**

	<b>TIMBERLAND TAX FUND</b>			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Taxes	\$ 3,300	\$ 3,300	\$ 3,180	\$ (120)
Interest	6	6	6	
Total Receipts	<u>3,306</u>	<u>3,306</u>	<u>3,186</u>	<u>(120)</u>
<b>DISBURSEMENTS</b>				
Protection to Persons and Property	4,200	4,200	4,185	15
Administration	5,880	5,901		5,901
Total Disbursements	<u>10,080</u>	<u>10,101</u>	<u>4,185</u>	<u>5,916</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(6,774)</u>	<u>(6,795)</u>	<u>(999)</u>	<u>5,796</u>
Net Change in Fund Balance	(6,774)	(6,795)	(999)	5,796
Fund Balance - Beginning	<u>6,774</u>	<u>6,795</u>	<u>6,795</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,796</u>	<u>\$ 5,796</u>

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(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	\$	\$ (4,057,900)
Total Receipts	<u>4,057,900</u>	<u>4,057,900</u>		<u>(4,057,900)</u>
<b>DISBURSEMENTS</b>				
General Government	4,057,900	4,057,900		4,057,900
Total Disbursements	<u>4,057,900</u>	<u>4,057,900</u>		<u>4,057,900</u>
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(Continued)**

	<b>NATIONAL OPIOID FUND</b>			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$		\$ 94,790	\$ 94,790
Interest		191	191	(13)
Total Receipts		191	94,981	(13)
<b>DISBURSEMENTS</b>				
General Government			16,668	16,668
Protection to Persons and Property			90	89
General Health and Sanitation			113,039	113,039
Administration		167,320	252,025	252,025
Total Disbursements		167,320	381,822	252,026
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)		(167,129)	(286,841)	(34,828)
Net Change in Fund Balance		(167,129)	(286,841)	(34,828)
Fund Balance - Beginning		167,129	286,840	286,840
Fund Balance - Ending	\$	0	\$ (1)	\$ 252,012
				\$ 252,013

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(Continued)**

**ALCOHOLIC BEVERAGE CONTROL FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Licenses and Permits	\$ 2,373	\$ 1,173	\$ 600	\$ (573)
Miscellaneous	12,200	16,675	19,008	2,333
Interest	17	19	34	15
Total Receipts	<u>14,590</u>	<u>17,867</u>	<u>19,642</u>	<u>1,775</u>
<b>DISBURSEMENTS</b>				
General Government	6,486	6,716	4,977	1,739
Administration	<u>23,575</u>	<u>39,195</u>	<u>1,372</u>	<u>37,823</u>
Total Disbursements	<u>30,061</u>	<u>45,911</u>	<u>6,349</u>	<u>39,562</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(15,471)</u>	<u>(28,044)</u>	<u>13,293</u>	<u>41,337</u>
Net Change in Fund Balance	(15,471)	(28,044)	13,293	41,337
Fund Balance - Beginning	<u>15,471</u>	<u>28,044</u>	<u>28,044</u>	<u></u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 41,337</u>	<u>\$ 41,337</u>

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(Continued)**

**AMERICAN RESCUE PLAN ACT FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
	<b>RECEIPTS</b>			
Interest	\$ 200	\$ 200	\$ 84	\$ (116)
Total Receipts	200	200	84	(116)
<b>DISBURSEMENTS</b>				
Social Services		1,709	1,709	
Capital Projects		130,246	130,246	
Administration	157,138	25,183		25,183
Total Disbursements	157,138	157,138	131,955	25,183
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(156,938)	(156,938)	(131,871)	25,067
<b>Other Adjustments to Cash (Uses)</b>				
Transfers To Other Funds	(133,864)	(133,864)	(137,853)	(3,989)
Total Other Adjustments to Cash (Uses)	(133,864)	(133,864)	(137,853)	(3,989)
Net Change in Fund Balance	(290,802)	(290,802)	(269,724)	21,078
Fund Balance - Beginning	290,802	290,802	269,724	(21,078)
Fund Balance - Ending	\$ 0	\$ 0	\$ 0	\$ 0

**WAYNE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Supplementary Information - Regulatory Basis**  
**For The Year Ended June 30, 2025**  
**(Continued)**

**COUNTY CLERK STORAGE FUND**

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS</b>				
Miscellaneous	\$ 31,600	\$ 31,600	\$ 29,050	\$ (2,550)
Interest	60	82	101	19
Total Receipts	<u>31,660</u>	<u>31,682</u>	<u>29,151</u>	<u>(2,531)</u>
<b>DISBURSEMENTS</b>				
General Government	63,660	63,660		63,660
Administration		33,504		33,504
Total Disbursements	<u>63,660</u>	<u>97,164</u>		<u>97,164</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(32,000)</u>	<u>(65,482)</u>	29,151	<u>94,633</u>
Net Change in Fund Balance	(32,000)	(65,482)	29,151	94,633
Fund Balance - Beginning	<u>32,000</u>	<u>65,482</u>	<u>65,482</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 94,633</u>	<u>\$ 94,633</u>

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

**June 30, 2025**

**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	\$ (1,131,075)
To adjust for Payroll Revolving Account	<u>30,410</u>
Total Other adjustments to Cash (Uses) - Regulatory Basis	<u>\$ (1,100,665)</u>
Fund Balance - Ending - Budgetary Basis	\$ 1,768,390
To adjust for Payroll Revolving Account	<u>30,410</u>
Total Fund Balance Ending - Regulatory Basis	<u>\$ 1,798,800</u>

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

**For The Year Ended June 30, 2025**

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

**For The Year Ended June 30, 2025**

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Buildings	\$ 13,952,968	\$ 22,775	\$	\$ 13,975,743
Vehicles	4,022,716	482,710		4,505,426
Equipment	4,159,093	227,437		4,386,530
Infrastructure	16,949,939	693,476		17,643,415
 Total Capital Assets	 <u>\$ 39,084,716</u>	 <u>\$ 1,426,398</u>	 <u>\$ 0</u>	 <u>\$ 40,511,114</u>

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

**June 30, 2025**

**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  
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, 2025 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 February 10, 2026.

**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

February 10, 2026

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

**WAYNE COUNTY FISCAL COURT**

**For The Year Ended June 30, 2025**

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CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
COUNTY FISCAL COURT

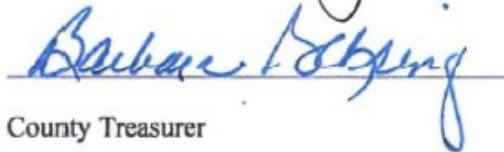
For The Year Ended June 30, 2025

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.



A handwritten signature in black ink, appearing to read "Scott R. [unclear]", written over a horizontal line.

County Judge/Executive



A handwritten signature in blue ink, appearing to read "Barbara [unclear]", written over a horizontal line.

County Treasurer