

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

**For The Year Ended
June 30, 2024**



**ALLISON BALL
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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 Gary W. Moore, Boone County Judge/Executive
Members of the Boone County Fiscal Court

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boone County Fiscal Court, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Boone County Fiscal Court's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Boone County Fiscal Court, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and 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 Statements section of our report. We are required to be independent of Boone 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.

Responsibilities of Management for the Financial Statements

Boone County Fiscal Court's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



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Responsibilities of Management for the Financial Statements (Continued)

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 Boone 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 Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 statements.

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Assisted Housing, which represent 63 percent and 63 percent, respectively, of the assets and revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Boone County Assisted Housing Department, is based solely on the report of the other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 Boone 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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boone 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.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 17, the Budgetary Comparison Schedules on pages 80 through 83, the Condition Rating of the County's Street System on page 86, the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions on page 89 and 90, and the Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions on page 91 and 92 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boone County Fiscal Court's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025, on our consideration of the Boone 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 the Boone County Fiscal Court's 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 Boone County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Allison Ball". The signature is fluid and cursive, with the first name "Allison" and the last name "Ball" clearly distinguishable.

Allison Ball
Auditor of Public Accounts
Frankfort, Ky

June 5, 2025

BOONE COUNTY OFFICIALS**For The Year Ended June 30, 2024****Fiscal Court Members:**

Gary W. Moore	County Judge/Executive
Cathy Flaig	Commissioner
Chet Hand	Commissioner
Jesse Brewer	Commissioner

Other Elected Officials:

Jordan Dallas Turner	County Attorney
Jason Maydak	Jailer
Justin Crigler	County Clerk
David Martin	Circuit Court Clerk
Michael A. Helmig	Sheriff
Jonathan Brown	Property Valuation Administrator
Elizabeth Rittinger	Coroner

Appointed Personnel:

Robert Notton, CPA	County Treasurer
Robert Franxman	County Engineer

**Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited**

Management's discussion and analysis (MD&A) of the Boone County Fiscal Court's (the County) financial performance provides a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2024.

Financial Highlights

- As of June 30, 2024, the County's net position was \$433,262,595, which is an increase of \$31,031,289 or 7.7% over the prior year. Total current assets of \$159,759,023 increased by \$6,596,426 or 4.3% and the noncurrent and capital assets (including deferred outflows) increased by \$19,150,948 or 5.5%.
 - The \$6,596,426 net increase in current assets is attributable to strong occupational license and net profit collections, as well as investment earnings.
 - Total liabilities decreased \$17,910,219 or 18.6% when compared with the previous year. Largely due to the spending of unearned income on capital projects.
- Program revenues offset 38.0% of Boone County's governmental activity expenses, totaling \$99,898,153. Program revenues consist of grants, contributions, and charges for services that are identifiable by function, and the County collects to complement its use of general revenue.
- Boone County's total bond indebtedness decreased by \$80,000. As of June 30, 2024, the County has \$4,020,000 of outstanding bonds, of which \$175,000 is due within one year. These consist entirely of General Obligation Bonds.
- Through budgeted expenditures, grants, and in-kind donations, the County capitalized approximately \$20.7 million in long-lived assets during FY24. Significant additions include the following:
 - The County continues to make progress on several infrastructure improvements relating to local roads and sidewalks.
 - Donated subdivision roads of approximately \$4,840,633.
 - New animal shelter completion \$9,387,637.
 - Sheriff and other county vehicles of approximately \$4,009,438.
 - Various Land Improvements \$3,706,337 3.8 Acres River Rd \$486,976.

Overview of the Financial Statements

The MD&A serves as an introduction to the County's basic financial statements, which consists of two government-wide financial statements and various fund financial statements. The County's financial statements and components are listed and explained below:

**Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)**

Government-wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. The financial statements include all activities for which the Boone County Fiscal Court is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government.

The primary government includes the following legal entity:

- Boone County Public Properties Corporation

The financial information of the County "as a whole" is reported in the two government-wide financial statements (pages 21 through 24). One of the most important questions to ask is whether the County is in better financial shape because of the year's activities. The two government-wide financial statements will help answer this question. These two statements report on the County's net position and changes from the prior period. You can think of the County's net position - the difference between assets and liabilities - as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or declining. You will need to consider other non-financial factors, however, such as changes in the County's property tax base and the condition of the roads and other infrastructure, to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, the County is divided into two types of activities: governmental and business.

- **Governmental Activities** - Most of the County's basic services are reported in this section, including police protection, roads and public works, parks, jail, emergency management, water rescue, building inspection, animal care and control, and social services. The internal service fund for Self-Insurance is also included in the governmental activities totals. Governmental activities also include the general administration of the County, all capital projects and mental health, intellectual disabilities, and aging programs. These programs and services are funded 38.0% by program revenues which include charges for services and federal, state, and local operating and capital grants. The Statement of Activities shows a positive change in net position of \$30,630,576. Revenues increased \$7,382,058 or 6.0% when compared with the previous year, and the expenses decreased by \$3,058,232 or 3.0%.
- **Business-Type Activities** - The County has the following business-type funds: the Jail Canteen, Assisted Housing, and Golf Course. Generally, these funds charge a fee to customers to help cover the cost of these activities. Current year program revenues covered 105.2% of service costs. The Jail Canteen, Assisted Housing, and Golf Course funds all experienced an increase in net position. The Golf Course transferred a net \$209,983 to the General Fund. The combined operations of all business-type activities resulted in a positive change in net position of \$494,871.

**Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)**

Fund Financial Statements

The fund financial statements (pages 25 - 36) focus on the individual funds of the County's government. These fund financial statements report the County's operations in more detail than the government-wide statements by providing information on the County's most significant funds. The four funds deemed "major" are general, road and bridge, jail, utility development, and capital improvements funds.

- Governmental funds are used to report most of the County's basic services. These funds provide a short-term view of the County's operations. The County currently has twelve governmental funds and adopts a budget for each except Public Properties. These funds provide the reader with information to help determine whether there are more or fewer financial resources that can be spent in the near future to finance County programs. Narrative describing the difference between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are included in the reconciliations on pages 26 and 28.
- Proprietary funds consist of enterprise funds and internal services funds. The focus for the enterprise funds is to be self-sufficient, and they are used to report operations the County treats as business-type activities. The County charges either outside customers or other units of government for services reported in these funds. The County currently has three enterprise funds: Jail Canteen Fund, Assisted Housing Fund, and Golf Course Fund. The Self-Insurance Fund is considered an internal service fund and, therefore, combined in the governmental activities portion of the government wide statements.
- Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for another group or individual. Activities from these types of funds are not included in the government wide financial statements because the County cannot use the assets from the funds in daily operations. The County currently has seven fiduciary funds: Jail Prisoners Fund, School Board Tax Fund, Motor Vehicle Rental Tax Fund, Bullittsville Cemetery Trust Fund, Flexible Spending Account, Health Reimbursement Account, County Clerk Storage, and Early Childhood Fund.

Notes to the Financial Statements

The notes to the financial statements (pages 38 - 77) provide expanded explanation about the government-wide and fund financial statements and are essential to the reader in obtaining a better understanding of the information provided within the financial statements.

**Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)**

Required Supplementary Information

The budgetary comparison schedules (pages 80 - 83) for three major operating governmental funds provide information that supplements the government wide and fund financial statements.

The other required information is the Condition Rating of the County's Street System. The Public Works Department is utilizing the modified approach method in valuing the County's maintained road system. The modified approach establishes a minimum condition level set for all Boone County maintained roads. The Public Works Department will maintain the necessary condition level through its Pavement Management Program which establishes a Pavement Condition Index (PCI) when the roads are analyzed (every 3 to 4 years) on a range from 0 to 100. The County has and will continue its commitment to preserve and maintain the road system at a level of at least 65 or higher. Using this approach, the roads will maintain the asset value of construction or historic cost, whichever is available, and will not depreciate each year. The recorded value of the road will not change unless a significant change in condition or use of the road occurs. Each year the Public Works Department is responsible for maintaining this condition level and the Fiscal Court is responsible for budgeting annually the estimated amount to expend for maintaining all roads at this level. When a road/street is scheduled to fall below the minimum PCI in a given fiscal year, the road/street will be listed to be rehabilitated in that year and placed on the yearly paving list submitted to the Court through the budget process. The PCI is upgraded upon rehabilitation and by doing this the County fulfills the requirements of the Modified Approach. For more information relating to the Condition Rating of the County's Street System, please see its more detailed report on page 86.

Supplementary Information

The Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances- Nonmajor Governmental Funds (pages 94 - 95) present the activities of the nonmajor governmental funds.

Basis of Accounting

The County has converted all financial information to the modified accrual basis of accounting as required by generally accepted accounting principles (GAAP). Under this basis of accounting, revenues are recorded when the resources are measurable and available, and expenditures are recorded in the accounting period in which the related fund liability is incurred. In previous years, certain assets such as accounts receivable and certain liabilities such as accounts payable were not recorded in the financial statements, therefore limiting the reader of the full effect of the financial statements. The Boone County budget is adopted on a cash basis of accounting, which is required by the Kentucky Constitution. The schedule on pages 84 through 85 reconciles the actual results of the cash basis budget and the accrual basis fund statements.

Financial Analysis of the County as a Whole

The following sections provide condensed financial information derived from the two government-wide financial statements, along with a comparison of the prior year.

Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)

STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	FY24	FY23	FY24	FY23	FY24	FY23
Current Assets	\$ 156,399,327	\$ 149,696,407	\$ 3,359,696	\$ 3,466,190	\$ 159,759,023	\$ 153,162,597
Noncurrent Assets	20,941,557	19,410,529	160,631	153,016	21,102,188	19,563,545
Capital Assets	328,032,935	314,533,588	7,182,737	6,786,056	335,215,672	321,319,644
Total Assets	505,373,819	483,640,524	10,703,064	10,405,262	516,076,883	494,045,786
Deferred Outflows of Resources	12,495,859	8,967,484	744,084	556,182	13,239,943	9,523,666
Total Assets and Deferred Outflows of Resources	517,869,678	492,608,008	11,447,148	10,961,444	529,316,826	503,569,452
Current Liabilities	29,482,328	36,278,187	488,379	496,082	29,970,707	36,774,269
Noncurrent Liabilities	46,024,255	56,429,966	2,447,888	3,148,834	48,472,143	59,578,800
Total liabilities	75,506,583	92,708,153	2,936,267	3,644,916	78,442,850	96,353,069
Deferred Inflows of Resources	16,632,802	4,705,980	978,579	279,097	17,611,381	4,985,077
Total Liabilities and Deferred Inflows of Resources	92,139,385	97,414,133	3,914,846	3,924,013	96,054,231	101,338,146
Net Investment in Capital Assets	323,964,470	310,381,780	7,182,737	6,871,704	331,147,207	317,253,484
Restricted						
Other Capital Projects	3,480,723	3,278,877	-	-	3,480,723	3,278,877
Other Purposes	987,772	1,053,148	872,824	886,483	1,860,596	1,939,631
PPP	4,306,490	4,190,166	-	-	4,306,490	4,190,166
County Clerk Storage	-	94,158	-	-	-	94,158
Opioid Remediation	4,746,497	4,771,868	-	-	4,746,497	4,771,868
Unrestricted	88,244,341	71,423,878	(523,259)	(720,756)	87,721,082	70,703,122
Total net position	\$ 425,730,293	\$ 395,193,875	\$ 7,532,302	\$ 7,037,431	\$ 433,262,595	\$ 402,231,306

Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)

On June 30, 2024, the County's net position exceeded its liabilities by \$354,819,745, an increase of \$48,941,508 or 16.0%, over the prior year. Most of the County's net position (76.4%) is invested in capital assets which include land, buildings, infrastructure, equipment, and vehicles. These assets are listed under the capital assets section. The unrestricted net position amount of \$87,721,082, an increase of \$17,017,960 or 24.1%, represents available funds the County may use to operate on a day-to-day basis to provide basic services, all operating expenses, and any capital construction.

In comparing the Statements of Net Position to the prior year, some other key points to consider are below:

- In governmental activity, current assets increased by \$6,702,920 (4.5%) due to Investment and Cash balances increasing. Noncurrent assets increased by \$1,531,028 (7.9%) which is mainly due to an increase in restricted investments for capital projects.
- Total liabilities under governmental activities decreased by \$17,201,570 (18.6%) due to recognizing unearned income in the current year as it was used for capital projects as well as a change in the Net OPEB Liability balance. Previously reported as a liability, the Net OPEB Liability has become a Net OPEB Asset in the current year.
- Total assets in the business activities increased by \$297,802 (2.9%) due mainly to an increase in cash and cash equivalents.
- In the business activities, the increase in net position of \$494,871 (7.0%) is attributable to decreases in lease liabilities and deferred inflows related to pension.

Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)

STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	FY24	FY23	FY24	FY23	FY24	FY23
Revenues						
<u>Program Revenues:</u>						
Charges for Services	\$ 10,439,454	\$ 14,872,150	\$ 4,470,867	\$ 4,608,193	\$ 14,910,321	\$ 19,480,343
Operating Grants and Contributions	15,562,506	12,491,362	7,531,316	6,523,021	23,093,822	19,014,383
Capital Grants and Contributions	11,984,204	5,374,587	-	-	11,984,204	5,374,587
Program Revenues Funded	37,986,164	32,738,099	12,002,183	11,131,214	49,988,347	43,869,313
<u>General Revenues:</u>						
Taxes	69,381,594	67,521,734	-	-	69,381,594	67,521,734
License Fees and Permits	402,963	489,880	-	-	402,963	489,880
Excess Fees	1,901,735	9,084,625	-	-	1,901,735	9,084,625
Rental Income	174,593	284,529	-	-	174,593	284,529
Unrestricted Investment Earnings	6,625,625	2,237,591	102,708	31,112	6,728,333	2,268,703
Donated Assets	4,840,633	4,039,878	-	-	4,840,633	4,039,878
Gain (Loss) on Sale of Capital Assets	186,098	48,209	2,961	-	189,059	48,209
Miscellaneous	8,809,845	6,482,647	-	-	8,809,845	6,482,647
Total General Revenue	92,323,086	90,189,093	105,669	31,112	92,428,755	90,220,205
Total Revenue	130,309,250	122,927,192	12,107,852	11,162,326	142,417,102	134,089,518
Expenses						
General Government	36,673,807	29,357,612	-	-	36,673,807	29,357,612
Protection to Persons and Property	37,229,642	39,052,116	-	-	37,229,642	39,052,116
General Health and Sanitation	3,868,750	5,022,798	-	-	3,868,750	5,022,798
Social Services	1,649,090	1,362,494	-	-	1,649,090	1,362,494
Recreation and Culture	3,846,211	3,769,723	-	-	3,846,211	3,769,723
Roads	10,005,969	11,385,168	-	-	10,005,969	11,385,168
Fleet Services	909,697	922,337	-	-	909,697	922,337
Capital Improvements	8,370,045	11,887,414	-	-	8,370,045	11,887,414
Interest on Long-Term Debt	(671,158)	148,928	-	-	(671,158)	148,928
Pension Expense	(645,422)	(810,606)	(120,502)	(192,566)	(765,924)	(1,003,172)
OPEB Expense	(1,338,478)	858,401	(105,492)	13,187	(1,443,970)	871,588
Jail Canteen Fund	-	-	745,904	739,630	745,904	739,630
Golf Course Fund	-	-	3,648,237	3,476,647	3,648,237	3,476,647
Assisted Housing Fund	-	-	7,243,709	6,510,338	7,243,709	6,510,338
Total Expenses	99,898,153	102,956,385	11,411,856	10,547,236	111,310,009	113,503,621
Change in Net Position, Before Transfers	30,411,097	19,970,807	695,996	615,090	31,107,093	20,585,897
Transfers	219,479	212,180	(201,125)	(189,313)	18,354	22,867
Change in Net Position	30,630,576	20,182,987	494,871	425,777	31,125,447	20,608,764
Net Position - Beginning Year	395,193,875	375,010,888	7,037,431	6,611,654	402,231,306	381,622,542
Restatement	(94,158)	-	-	-	(94,158)	-
Net Position - Ending Year	\$ 425,730,293	\$ 395,193,875	\$ 7,532,302	\$ 7,037,431	\$ 433,262,595	\$ 402,231,306

**Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)**

At June 30, 2024, governmental activities net position totaled \$425,730,293, an increase of 7.7% over the previous fiscal year. Net position for business-type activities was \$7,532,302, an increase of 7.0%.

Total program revenues increased \$6,119,034 or 13.9% compared with the previous fiscal year. Revenue from all sources increased \$8,327,584 or 6.2%.

The County continues to maintain a very conservative approach to budgeting by limiting capital projects for grants or pre-fund to offset the expenditures which it cannot obtain, control of discretionary spending, and strategic hiring practices. These conservative spending efforts have provided the County with strong reserves and allowed for the investment in needed capital projects on roads, sidewalks, and other infrastructure. Most capital improvements, other than regular maintenance of roads, were funded partially by general obligation bonds or fully by grants. Total expenditures decreased by \$2,193,612 or 1.9%. Overall total revenues exceeded total expenditures before transfer activity, resulting in a positive change in net position of \$31,107,093.

Significant changes compared to the prior year are listed below:

- The County continues to see positive housing growth as developers donated \$4,840,630 in new subdivision streets and sidewalks.
- Tax collections maintain their year over year growth, \$1,859,860 (2.8%) when compared with the prior year. This growth is made up mainly of an increase in occupational tax revenue.
- The business-type activity program revenues as a percentage of total expenditures were approximately 105.2%.

Program revenues for the governmental activities were 29.2% of total revenues received. This means that 29.2% of the revenues collected went directly to funding specific programs and offset the amount of general revenue needed for these programs. General revenues consist of all taxes, excess fees, borrowed money, donated roads, and investment earnings, which cannot be directly linked to a function.

Administration and Protection to Persons and Property's activities are the largest users of the general revenue category. The administrative function includes all departments' fringe benefits, liability insurance and all contractual agreements, including the Transit Authority of Northern Kentucky (TANK). The other major use of general revenue is the protection to persons and property, which includes emergency management, water rescue, building inspector, Public Safety Communication Center (911 Emergency Dispatch) and support of the Sheriff's Office and Jail.

Financial Analysis of the County's Funds

Fund financial statements generally distinguish between major and nonmajor funds with major funds presented individually. The County has four major funds: General, Road and Bridge, Utility Development, and Capital Improvement Funds. The County's governmental funds reflect a combined fund balance of \$134,854,608 of which approximately 44.8% is described as unassigned, which allows these dollars to be used for day-to-day operational expenses for the following year's budget. The fund financial statements for the governmental funds can be found on pages 25 through 28. The General Fund balance decrease of \$5,581,360 from the previous year is related to strategic investment in infrastructure and county wide improvements. The County remains focused on conservative budgeting and a policy to maintain a minimum 25.0% emergency reserve in the General Fund, along with additional reserves in all major funds.

**Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)**

The County's proprietary funds' statements are shown on pages 29 through 34 with a total increase in net position of \$121,990 for the enterprise funds from the prior fiscal year.

- The current year's Golf Course's operating activities reflect an increase in the net position of \$108,717. During 2024, the Golf Course Fund transferred a net \$209,983 in expenditure reimbursement to the General Fund. Operating expenses, without depreciation, increased by \$52,381 (1.7%) from the prior fiscal year.
- The Jail Canteen Fund's net position decreased by \$13,659. This amount fluctuates from year to year depending on the expenditures taken from this account; however, the fund is self-sufficient and does not require additional support.
- Assisted Housing Fund's net position increased by \$399,813 during the year. Revenues increased by \$1,008,295 and expenses increased by \$817,148.

The County has eight fiduciary funds (new to 2024 we reclassified County Clerk Storage to a fiduciary fund from Special Revenue Fund – see note 18 for restatement information): School Board Tax Fund, Jail Prisoners Fund, Motor Vehicle Rental Tax Fund, Flexible Spending Account, Health Reimbursement Account, Bullittsville Cemetery Trust Fund, Early Childhood Fund and County Clerk Storage, for which the statements are shown on pages 35 and 36. These monies are restricted and excluded from the other statements because the County cannot use these assets to finance operations.

General Budgetary Highlights

The County made various line-item transfers within the budget to increase/decrease certain line items. Throughout the year, general fund operating revenues collected were over budget by 2.9%, while recurring line-item operating expenses were below budget by 5.2%.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2024, the government activities of the County had \$328,032,935 invested in a broad range of capital assets, including land, roads, buildings, equipment, and vehicles. As shown on the chart to follow, the amount represents a net increase (including additions, retirements, and accumulated depreciation) of \$13,499,347 or 4.2%, on the governmental activities from the previous year. The County added approximately \$20.0 million in governmental activities assets before depreciation. Approximately \$8.7 million was for multiyear projects, \$4.8 million for roads and sidewalks, \$5.4 million for equipment and vehicles, \$9.4 million for buildings and building improvements. Included in the total above, the County accepted approximately \$4.8 million of new streets and sidewalks from local developers.

The business activities reflect a net increase in capital assets of \$396,681 or 5.5%.

Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)

STATEMENT OF CAPITAL ASSETS

	Governmental Activities		Business Activities		Total	
	FY24	FY23	FY24	FY23	FY24	FY23
Land	\$ 14,359,178	\$ 13,872,202	\$ 2,396,478	\$ 2,396,478	\$ 16,755,656	\$ 16,268,680
Roads, Modified Approach (Not Depreciated)	233,656,014	228,815,381	-	-	233,656,014	228,815,381
Roads	8,491	8,491	-	-	8,491	8,491
Land Improvements	13,211,909	10,286,208	1,252,407	378,236	14,464,316	10,664,444
Building and Building Improvements	47,753,049	40,137,612	3,355,796	3,476,811	51,108,845	43,614,423
Furniture and Office Equipment	257,594	338,182	-	1,307	257,594	339,489
Vehicles and Equipment	13,066,663	11,504,998	178,056	126,511	13,244,719	11,631,509
Construction In Progress	5,720,037	9,570,514	-	406,713	5,720,037	9,977,227
	<u>\$ 328,032,935</u>	<u>\$ 314,533,588</u>	<u>\$ 7,182,737</u>	<u>\$ 6,786,056</u>	<u>\$ 335,215,672</u>	<u>\$ 321,319,644</u>

A more detailed breakdown of the capital assets and depreciation can be found in the Capital Assets note to the financial statements on page 52 through 54.

Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)

Noncurrent Liabilities

Noncurrent liabilities consist of outstanding bonds, accruals relating to earned and unused vacation of County employees, and escrowed dollars under the Family Self-Sufficiency program within the Assisted Housing Fund. As of June 30, 2024, the County had \$4,020,000 in outstanding bond obligations (not including premiums or discounts) versus \$4,100,000 last year, a decrease of 2.0%, as shown on the chart below.

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	FY24	FY23	FY24	FY23	FY24	FY23
General Obligation Bonds	\$ 4,020,000	\$ 4,100,000	\$ -	\$ -	\$ 4,020,000	\$ 4,100,000
Unamortized Premium	48,465	51,808	-	-	48,465	51,808
Lease Liability	2,067,540	1,655,307	66,908	105,809	2,134,448	1,761,116
Subscription Liability	1,595,164	1,924,565	-	-	1,595,164	1,924,565
Compensated Absences	986,654	907,362	105,801	104,075	1,092,455	1,011,437
Estimated Liability for					-	-
Claims - HRA Accounts	1,032,970	1,042,028	-	-	1,032,970	1,042,028
Accrued Other	-	-	163,189	126,367	163,189	126,367
	<u>\$ 9,750,793</u>	<u>\$ 9,681,070</u>	<u>\$ 335,898</u>	<u>\$ 336,251</u>	<u>\$ 10,086,691</u>	<u>\$ 10,017,321</u>

The Kentucky Revised Statutes provide that a county will not incur net indebtedness for all purposes that exceed an amount equal to two percent (2.0%) of the value of the taxable property within the County's limits. According to Boone County's 2024 assessment, the maximum allowable indebtedness of the County is more than \$439 million, which far exceeds the County's outstanding debt.

**Boone County
Management's Discussion and Analysis
June 30, 2024
Unaudited
(Continued)**

Economic Factors and Next Year's Budget

The County's local economy continues to reflect signs of growth. Tax assessments on occupational activities, net profits, and real and personal property increased approximately \$1.9 million dollars over the previous fiscal year, or 2.8%, like inflation for the same twelve-month period. Looking forward, property subject to real and personal property tax rates total valuation as certified by the State Local Finance Officer (SLFO) in July of each year continues to grow. Total property subject to the County's rates during the fiscal year was \$21.9 billion, as certified in July 2024. This represents an increase of \$2 billion or 11.9% over the prior year. July 2024 SLFO certification of real and personal property stated a total value of \$21.98 billion, an increase of \$2.3 billion or 11.7%. The July 2024 certification sets the values at which taxes to be collected in fiscal year 2025 will be based.

Annually, the County develops and remains committed to a strategic budget process that is focused on controlling the size of the County workforce without reducing the quality or effectiveness of public services and carefully control discretionary spending, in lieu of seeking additional revenue. The trend lines of the County's local economy and operating budget suggest continuing growth and expansion of business activity for the foreseeable future. The budget development guidelines for future periods will continue to employ conservative forecasting and careful control of discretionary spending.

Requests for Information

This financial report is designed to provide a general overview of Boone County's Financial Statements for all interested in the government's finances. Questions concerning any of the information provided in this or requests for additional financial information should be addressed to the Boone County Treasurer, P.O. Box 960 (2950 Washington Street), Burlington, KY 41005.

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**BOONE COUNTY
BASIC FINANCIAL STATEMENTS**

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BOONE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Current Assets			
Cash and Cash Equivalents	\$ 40,545,790	\$ 3,096,876	\$ 43,642,666
Investments	94,156,447	-	94,156,447
Inventory	-	175,423	175,423
Accounts Receivable	21,474,366	84,436	21,558,802
Interest Receivable	1,463	-	1,463
Lease Receivable	126,623	-	126,623
Notes Receivable	94,638	-	94,638
Due From Other Funds	-	2,961	2,961
Total Current Assets	156,399,327	3,359,696	159,759,023
Noncurrent Assets			
Right to Use Assets, Net	2,006,305	60,345	2,066,650
Subscription Assets, Net	1,864,398	-	1,864,398
Capital Assets, Net of Accumulated Depreciation			
Land	14,359,178	2,396,478	16,755,656
Land Improvements	13,211,909	1,252,407	14,464,316
Buildings and Building Improvements	47,753,049	3,355,796	51,108,845
Furniture and Office Equipment	257,594	-	257,594
Vehicles and Equipment	13,066,663	178,056	13,244,719
Construction in Progress	5,720,037	-	5,720,037
Infrastructure Assets, Net of Accumulated Depreciation	233,664,505	-	233,664,505
Restricted Cash	10,675,515	99,179	10,774,694
Restricted Investments	6,062,650	-	6,062,650
Lease Receivable	81,075	-	81,075
Notes Receivable	233,032	-	233,032
Net Other Postemployment Benefits Asset	18,582	1,107	19,689
Total Noncurrent Assets	348,974,492	7,343,368	356,317,860
Total Assets	505,373,819	10,703,064	516,076,883
Deferred Outflows of Resources			
Deferred Outflows Related to Pension	9,329,662	555,548	9,885,210
Deferred Outflows Related to OPEB	3,166,197	188,536	3,354,733
Total Deferred Outflows of Resources	12,495,859	744,084	13,239,943
Total Assets and Deferred Outflows of Resources	\$ 517,869,678	\$ 11,447,148	\$ 529,316,826

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

BOONE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2024
(Continued)

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Current Liabilities			
Compensated Absences Payable	\$ 42,147	\$ -	\$ 42,147
Bonds Payable	178,343	-	178,343
Lease Liability	367,948	66,908	434,856
Subscription Liability	779,115	-	779,115
Accounts Payable	6,898,394	260,332	7,158,726
Accrued Payroll	1,023,947	91,631	1,115,578
Accrued Interest	37,427	26	37,453
Due to Other Funds	2,961	-	2,961
Estimated Liability for Claims - HRA Accounts	25,470	-	25,470
Accrued Other	16,153,383	64,010	16,217,393
Unearned Income	3,973,193	5,472	3,978,665
Total Current Liabilities	29,482,328	488,379	29,970,707
Noncurrent Liabilities			
Compensated Absences Payable	944,507	105,801	1,050,308
Bonds Payable	3,890,122	-	3,890,122
Lease Liability	1,699,592	-	1,699,592
Subscription Liability	816,049	-	816,049
Estimated Liability for Claims - HRA Accounts	1,007,500	-	1,007,500
Accrued Other	-	99,179	99,179
Net Pension Liability	37,666,485	2,242,908	39,909,393
Total Noncurrent Liabilities	46,024,255	2,447,888	48,472,143
Total Liabilities	75,506,583	2,936,267	78,442,850
Deferred Inflows of Resources			
Deferred Inflows Related to Pension	4,169,335	248,269	4,417,604
Deferred Inflows Related to OPEB	12,264,517	730,310	12,994,827
Deferred Inflows Related to Leases	198,950	-	198,950
Total Deferred Outflows of Resources	16,632,802	978,579	17,611,381
Total Liabilities and Deferred Inflows of Resources	92,139,385	3,914,846	96,054,231

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

BOONE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2024
(Continued)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Net Position	323,964,470	7,182,737	331,147,207
Net Investment in Capital Assets			
Restricted for	3,480,723	-	3,480,723
Other Capital Projects	987,772	872,824	1,860,596
Other Purposes	4,306,490	-	4,306,490
Protection of Persons and Property	-	-	-
County Clerk Storage	4,746,497	-	4,746,497
Opioid Remediation	88,244,341	(523,259)	87,721,082
Unrestricted			
Total Net Position	\$ 425,730,293	\$ 7,532,302	\$ 433,262,595

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

BOONE COUNTY
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2024

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 36,673,807	\$ 680,107	\$ 1,516,731	\$ -	\$ (34,476,969)	\$ -	\$ (34,476,969)
Protection to Persons and Property	37,229,642	7,966,812	5,809,561	9,633	(23,443,636)	-	(23,443,636)
General Health and Sanitation	3,868,750	66,243	53,239	-	(3,749,268)	-	(3,749,268)
Social Services	1,649,090	610,201	197,857	-	(841,032)	-	(841,032)
Recreation and Culture	3,846,211	374,193	3,303,618	-	(168,400)	-	(168,400)
Roads	10,005,969	741,898	3,877,281	-	(5,386,790)	-	(5,386,790)
Fleet Services	909,697	-	-	-	(909,697)	-	(909,697)
Capital Improvements	8,370,045	-	804,219	11,974,571	4,408,745	-	4,408,745
Pension Benefit	(645,422)	-	-	-	645,422	-	645,422
OPEB Expense	(1,338,478)	-	-	-	1,338,478	-	1,338,478
Interest on Long-Term Debt	(671,158)	-	-	-	671,158	-	671,158
Total Governmental Activities	99,898,153	10,439,454	15,562,506	11,984,204	(61,911,989)	-	(61,911,989)
Business-Type Activities							
Jail Canteen Fund	745,904	697,646	-	-	-	(48,258)	(48,258)
Golf Course Fund	3,648,237	3,773,221	-	-	-	124,984	124,984
Assisted Housing Fund	7,243,709	-	7,531,316	-	-	287,607	287,607
Pension Benefit	(120,502)	-	-	-	-	120,502	120,502
OPEB Expense	(105,492)	-	-	-	-	105,492	105,492
Total Business-Type Activities	11,411,856	4,470,867	7,531,316	-	-	590,327	590,327
Total Primary Government	\$ 111,310,009	\$ 14,910,321	\$ 23,093,822	\$ 11,984,204	\$ (61,911,989)	\$ 590,327	\$ (61,321,662)
General Revenues							
Taxes							
Property Taxes					22,448,811	-	22,448,811
Occupational Taxes					45,763,282	-	45,763,282
Franchise Fees					1,169,501	-	1,169,501
License Fees and Permits					402,963	-	402,963
Excess Fees					1,901,735	-	1,901,735
Rental Income					174,593	-	174,593
Unrestricted Investment Earnings					6,625,625	102,708	6,728,333
Donated Assets					4,840,633	-	4,840,633
Gain on Sale of Capital Assets					186,098	2,961	189,059
Miscellaneous Revenues					8,809,845	-	8,809,845
Transfers					219,479	(201,125)	18,354
Total General Revenues and Transfers					92,542,565	(95,456)	92,447,109
Change in Net Position					30,630,576	494,871	31,125,447
Net Position July 1, 2023, As Originally Stated					395,193,875	7,037,431	402,231,306
Restatement					(94,158)	-	(94,158)
Net Position June 30, 2024					\$ 425,730,293	\$ 7,532,302	\$ 433,262,595

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

BOONE COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	Major Funds					Nonmajor	Total
	General Fund	Road and Bridge Fund	Jail Fund	Utility Development Fund	Capital Improvements Fund	Governmental Funds	Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 7,259,034	\$ 11,630,716	\$ 319,098	\$ 1,973,322	\$ 6,412,636	\$ 11,909,331	\$ 39,504,137
Investments	38,499,205	-	-	7,872,688	40,344,131	4,786,058	91,502,082
Notes Receivable	327,670	-	-	-	-	-	327,670
Accounts Receivable	15,069,733	1,031,122	563,364	-	585,170	3,952,968	21,202,357
Interest Receivable	1,463	-	-	-	-	-	1,463
Lease Receivable	207,698	-	-	-	-	-	207,698
Restricted Cash	10,675,515	-	-	-	-	-	10,675,515
Restricted Investments	6,062,650	-	-	-	-	-	6,062,650
Total Assets	\$ 78,102,968	\$ 12,661,838	\$ 882,462	\$ 9,846,010	\$ 47,341,937	\$ 20,648,357	\$ 169,483,572
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts Payable	\$ 1,361,777	\$ 1,960,495	\$ 162,528	\$ 2,098,919	\$ 340,257	\$ 316,197	\$ 6,240,173
Accrued Payroll	471,118	156,119	281,461	-	-	115,249	1,023,947
Due To Other Funds	2,961	-	-	-	-	-	2,961
Compensated Absences Payable	434,766	170,379	247,143	-	-	134,366	986,654
Unearned Revenues	-	-	-	3,973,193	-	-	3,973,193
Net Profit Tax Extension Payable	16,016,900	-	-	-	136,483	-	16,153,383
Total Liabilities	18,287,522	2,286,993	691,132	6,072,112	476,740	565,812	28,380,311
Deferred Inflows of Resources							
Deferred Inflows Related to Leases	198,950	-	-	-	-	-	198,950
Unavailable Revenue - Intergovernmental	2,084,956	408,541	6,053	-	528,283	3,021,870	6,049,703
	2,283,906	408,541	6,053	-	528,283	3,021,870	6,248,653
Fund Balances							
Non Spendable							
Notes Receivable Long-Term	233,032	-	-	-	-	-	233,032
Restricted							
Other Capital Projects	-	-	-	-	-	3,480,723	3,480,723
Other Purposes	721,265	-	-	-	-	266,507	987,772
Protection of Persons and Property	-	-	-	-	-	4,306,490	4,306,490
Opioid Remediation	-	-	-	-	-	2,039,488	2,039,488
Committed							
Health and Welfare	-	-	-	-	-	6,967,467	6,967,467
Assigned							
Other Capital Projects	-	-	-	-	46,336,914	-	46,336,914
Protection of Persons and Property	-	-	185,277	-	-	-	185,277
Road Resurfacing and Maintenance	-	9,966,304	-	-	-	-	9,966,304
Unassigned	56,577,243	-	-	3,773,898	-	-	60,351,141
Total Fund Balances	\$ 57,531,540	\$ 9,966,304	\$ 185,277	\$ 3,773,898	\$ 46,336,914	\$ 17,060,675	\$ 134,854,608
Total Liabilities and Fund Balances	\$ 78,102,968	\$ 12,661,838	\$ 882,462	\$ 9,846,010	\$ 47,341,937	\$ 20,648,357	\$ 169,483,572

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

BOONE COUNTY
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - Governmental Funds		\$ 134,854,608
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets	\$ 404,740,565	
Accumulated Depreciation	<u>76,707,630</u>	
		328,032,935
Right to use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		2,006,305
Subscription assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		1,864,398
Other assets are not available to pay current period expenditures, and therefore, are deferred in the governmental funds.		6,049,703
Internal service fund is used by management to charge the cost of health insurance to individual funds. The assets and liabilities are included in governmental activities on the statement of net assets.		2,276,836
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:		
Deferred Outflows of Resources Related to Pension	9,329,662	
Deferred Outflows of Resources Related to OPEB	3,166,197	
Deferred Inflows of Resources Related to Pension	(4,169,335)	
Deferred Inflows of Resources Related to OPEB	<u>(12,264,517)</u>	
		(3,937,993)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Accrued Interest on Bonds	37,427	
Premiums on Bonds, Net	48,465	
Bonds Principal Payments, Due within One Year	175,000	
Bonds Principal Payments, Due in More than One Year	3,845,000	
Lease Liability	2,067,540	
Subscription Liability	1,595,164	
Net Pension Liability	37,666,485	
Net OPEB Liability	<u>(18,582)</u>	
		<u>(45,416,499)</u>
Total Net Position - Governmental Activities		<u><u>\$ 425,730,293</u></u>

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

BOONE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For The Year Ended June 30, 2024

	Major Funds					Nonmajor	Total
	General Fund	Road and Bridge Fund	Jail Fund	Utility Development Fund	Capital Improvements Program	Governmental Funds	Governmental Funds
Revenues							
Taxes	\$ 65,026,870	\$ -	\$ -	\$ -	\$ -	\$ 8,614,294	\$ 73,641,164
In Lieu Tax Payments	119,126	-	-	-	-	-	119,126
Excess Fees	1,911,875	-	-	-	-	-	1,911,875
Licenses and Permits	2,392,351	112,086	-	-	-	-	2,504,437
Intergovernmental	2,809,715	3,449,430	6,134,858	10,983,087	607,462	1,977,461	25,962,013
Charges for Services	1,737,606	270,739	168,730	-	-	-	2,177,075
Miscellaneous	1,110,172	815,654	269,730	40,250	3,216,384	15,695	5,467,885
Interest	2,927,410	221,061	17,772	573,054	2,027,895	679,269	6,446,461
Total Revenues	78,035,125	4,868,970	6,591,090	11,596,391	5,851,741	11,286,719	118,230,036
Expenditures							
General Government	7,874,349	-	-	-	-	-	7,874,349
Protection to Persons and Property	24,395,721	135,589	7,709,373	-	-	3,459,053	35,699,736
General Health and Sanitation	913,887	1,083,579	-	-	24,421	2,022,003	4,043,890
Social Services	173,434	-	-	-	-	826,631	1,000,065
Recreation and Culture	4,036,208	-	-	-	-	-	4,036,208
Roads	-	9,277,953	-	-	-	283,031	9,560,984
Fleet Services	-	1,046,654	-	-	-	-	1,046,654
Capital Projects	712,212	-	-	5,079,044	12,030,028	1,423,489	19,244,773
Administration	14,320,256	1,697,363	3,130,741	-	-	1,856,155	21,004,515
Debt Service	1,084,547	-	-	-	-	351,899	1,436,446
Total Expenditures	53,510,614	13,241,138	10,840,114	5,079,044	12,054,449	10,222,261	104,947,620
Excess (Deficiency) of Revenues Over Expenditures	24,524,511	(8,372,168)	(4,249,024)	6,517,347	(6,202,708)	1,064,458	13,282,416
Other Financing (Uses) Sources							
Proceeds from Right to Use Assets	82,349	-	-	-	-	715,449	797,798
Proceeds from Subscription Assets	410,390	-	-	-	-	-	410,390
Transfers to Other Funds	(30,932,248)	-	-	-	-	(123,655)	(31,055,903)
Transfers from Other Funds	333,638	11,670,393	3,642,475	619,380	15,000,000	-	31,265,886
Total Other Financing (Uses) Sources	(30,105,871)	11,670,393	3,642,475	619,380	15,000,000	591,794	1,418,171
Net Change in Fund Balances	(5,581,360)	3,298,225	(606,549)	7,136,727	8,797,292	1,656,252	14,700,587
Fund Balances July 1, 2023 (As Restated)	63,112,900	6,668,079	791,826	(3,362,829)	37,539,622	15,404,423	120,154,021
Fund Balances June 30, 2024	<u>\$ 57,531,540</u>	<u>\$ 9,966,304</u>	<u>\$ 185,277</u>	<u>\$ 3,773,898</u>	<u>\$ 46,336,914</u>	<u>\$ 17,060,675</u>	<u>\$ 134,854,608</u>

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

BOONE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Total Net Change in Fund Balances - Governmental Funds		\$ 14,700,587
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceed depreciation expense in the period.		
Depreciation Expense	\$ (6,487,278)	
Capital Outlays	<u>15,173,101</u>	8,685,823
The net effect of the disposal of capital assets is to decrease net position.		(27,109)
Some expenses in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Right to Use Assets		(14,744)
Subscription Assets		267,791
Repayment of bond and principal is an expenditure in the governmental funds but it reduces long-term liabilities in the statement of net position, and does not affect the statement of activities.		
		80,000
Donated capital assets are not reported on the governmental fund statements. However, for governmental activities, these assets are reported on the statement of net position.		
		4,840,633
Governmental funds report County pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
County Pension Contributions - June 30, 2023	(4,285,805)	
County Pension Contributions - June 30, 2024	4,632,471	
Cost of Benefits Earned Net of Employee Contributions	<u>298,756</u>	645,422
Governmental funds report County other postemployment benefit contributions as expenditures. However, other postemployment benefit expense is reported in the statement of activities. This is the amount by which other postemployment benefit expense exceeded contributions.		
County Other Postemployment Benefit Contributions - June 30, 2023	(638,337)	
County Other Postemployment Benefit Contributions - June 30, 2024	89,788	
Change in Other Postemployment Benefit Liability	<u>1,887,027</u>	1,338,478
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities; however, interest expense is recognized as the interest accrues, regardless of when it is due. The difference in interest expense reported in the statement of activities is a result of (1) the change in accrued interest on bonds and leases, (2) amortization of refunding gains and losses, and (3) amortization on bond discounts and premiums.		
		3,343
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		
		(11,638)
Internal Service Funds are used by management to charge the cost of health insurance to individual funds. The net revenues (expenses) of this fund are reported with governmental activities.		
		<u>121,990</u>
Total Change in Net Position - Governmental Activities		<u><u>\$ 30,630,576</u></u>

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

BOONE COUNTY
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds		Nonmajor Proprietary Funds		
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund	Total	Self Insurance Fund
Assets and Deferred Outflows of Resources					
Current Assets					
Cash and Cash Equivalents	\$ 1,783,390	\$ 440,662	\$ 872,824	\$ 3,096,876	\$ 1,041,653
Investments	-	-	-	-	2,654,365
Inventory	-	175,423	-	175,423	-
Accounts Receivable	84,436	-	-	84,436	272,009
Due From Other Funds	-	2,961	-	2,961	-
Restricted Cash	99,179	-	-	99,179	-
Total Current Assets	1,967,005	619,046	872,824	3,458,875	3,968,027
Noncurrent Assets					
Right to Use Asset, Net	-	60,345	-	60,345	-
Capital Assets					
Land	-	2,396,478	-	2,396,478	-
Land Improvements	-	7,004,859	-	7,004,859	-
Buildings and Building Improvements	137,417	6,564,817	-	6,702,234	-
Furniture and Office Equipment	128,572	-	-	128,572	-
Vehicles and Equipment	-	1,336,606	-	1,336,606	-
	265,989	17,302,760	-	17,568,749	-
Less Accumulated Depreciation	188,467	10,197,545	-	10,386,012	-
Total Capital Assets	77,522	7,105,215	-	7,182,737	-
Net Other Postemployment Benefits Asset	394	713	-	1,107	-
Total Noncurrent Assets	77,916	7,166,273	-	7,244,189	-
Total Assets	2,044,921	7,785,319	872,824	10,703,064	3,968,027
Deferred Outflows of Resources					
Deferred Outflows Related to Pension	197,704	357,844	-	555,548	-
Deferred Outflows Related to OPEB	67,095	121,441	-	188,536	-
Total Deferred Outflows of Resources	264,799	479,285	-	744,084	-
Total Assets and Deferred Outflows of Resources	\$ 2,309,720	\$ 8,264,604	\$ 872,824	\$ 11,447,148	\$ 3,968,027

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

BOONE COUNTY
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024
(Continued)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds		Nonmajor Proprietary Funds		
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund	Total	Self Insurance Fund
Liabilities and Deferred Inflows of Resources					
Current Liabilities					
Lease Liability	\$ -	\$ 66,908	\$ -	\$ 66,908	\$ -
Accounts Payable	1,588	258,744	-	260,332	658,221
Accrued Payroll	18,098	73,533	-	91,631	-
Accrued Interest	-	26	-	26	-
Estimated Liability for Claims - HRA Accounts	-	-	-	-	25,470
Accrued Other	64,010	-	-	64,010	-
Deferred Credit	5,472	-	-	5,472	-
Total Current Liabilities	89,168	399,211	-	488,379	683,691
Long-Term Liabilities (Net of Current Portion)					
Compensated Absences Payable	20,777	85,024	-	105,801	-
Estimated Liability for Claims - HRA Accounts	-	-	-	-	1,007,500
Accrued Other	99,179	-	-	99,179	-
Net Pension Liability	798,188	1,444,720	-	2,242,908	-
Total Noncurrent Liabilities	918,144	1,529,744	-	2,447,888	1,007,500
Total Liabilities	1,007,312	1,928,955	-	2,936,267	1,691,191
Deferred Inflows of Resources					
Deferred Inflows Related to Pension	88,352	159,917	-	248,269	-
Deferred Inflows Related to OPEB	259,897	470,413	-	730,310	-
Total Deferred Inflows of Resources	348,249	630,330	-	978,579	-
Total Liabilities and Deferred Inflows of Resources	1,355,561	2,559,285	-	3,914,846	1,691,191
Net Position					
Net Investment in Capital Assets	77,522	7,105,215	-	7,182,737	-
Restricted for					
Other Purposes	-	-	872,824	872,824	-
Multi-Governmental Self Insurance	-	-	-	-	2,276,836
Unrestricted	876,637	(1,399,896)	-	(523,259)	-
Total Net Position	\$ 954,159	\$ 5,705,319	\$ 872,824	\$ 7,532,302	\$ 2,276,836

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

BOONE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
For The Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds		Nonmajor Proprietary Funds		
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund	Total	Self Insurance Fund
Operating Revenues					
Governmental Grants	\$ 7,473,759	\$ -	\$ -	\$ 7,473,759	\$ -
Canteen Receipts	-	-	697,646	697,646	-
Green Fees	-	1,837,629	-	1,837,629	-
Power Cart Rentals	-	670,410	-	670,410	-
Memberships	-	200,037	-	200,037	-
Pro Shop Sales and Pull Cart Rentals	-	222,817	-	222,817	-
Food and Beverage	-	584,832	-	584,832	-
Employer / Employee Contributions	-	-	-	-	7,091,331
Miscellaneous	57,557	257,496	-	315,053	-
Total Operating Revenues	7,531,316	3,773,221	697,646	12,002,183	7,091,331
Operating Expenses					
Cost of Merchandise Sold	-	209,259	745,904	955,163	-
Housing Assistance Payment	6,509,006	-	-	6,509,006	-
Salaries and Wages	421,904	1,209,199	-	1,631,103	-
Employee Benefits	218,868	464,517	-	683,385	-
Contract Services	-	109,776	-	109,776	-
Materials and Supplies	81,313	9,851	-	91,164	-
Golf Cart Lease	-	(29,366)	-	(29,366)	-
Utilities	-	252,343	-	252,343	-
Maintenance and Repairs	-	173,175	-	173,175	-
Fertilizer and Chemicals	-	314,682	-	314,682	-
Petroleum Products	-	67,220	-	67,220	-
Uniforms	-	6,209	-	6,209	-
Food and Beverage	-	290,488	-	290,488	-
Depreciation	4,743	303,110	-	307,853	-
Pension Benefit	(22,360)	(98,142)	-	(120,502)	-
OPEB Benefit	(31,092)	(74,400)	-	(105,492)	-
Lease Amortization Expense	-	170,129	-	170,129	-
Lease Interest Expense	-	355	-	355	-
Other Operating Expenses	7,875	97,290	-	105,165	-
Insurance Claims	-	-	-	-	7,164,804
Total Operating Expenses	7,190,257	3,475,695	745,904	11,411,856	7,164,804
Operating Income (Loss)	341,059	297,526	(48,258)	590,327	(73,473)

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

BOONE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
For The Year Ended June 30, 2024
(Continued)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds		Nonmajor Proprietary Funds		
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund	Total	Self Insurance Fund
Non-Operating Revenues					
Interest Income	58,754	18,213	25,741	102,708	185,967
Gain on Sale of Capital Assets	-	2,961	-	2,961	-
Total Non-Operating Revenues	58,754	21,174	25,741	105,669	185,967
Transfers					
Transfers from Other Funds	-	-	8,858	8,858	9,496
Transfers to Other Funds	-	(209,983)	-	(209,983)	-
Total Transfers	-	(209,983)	8,858	(201,125)	9,496
Change in Net Position	399,813	108,717	(13,659)	494,871	121,990
Net Position July 1, 2023	554,346	5,596,602	886,483	7,037,431	2,154,846
Net Position June 30, 2024	<u>\$ 954,159</u>	<u>\$ 5,705,319</u>	<u>\$ 872,824</u>	<u>\$ 7,532,302</u>	<u>\$ 2,276,836</u>

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

BOONE COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For The Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds		Nonmajor Proprietary Funds		
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund	Totals	Self Insurance Fund
Cash Flows From Operating Activities					
Receipts from Customers	\$ -	\$ 3,773,221	\$ 1,016,168	\$ 4,789,389	\$ -
Receipts from Governmental Grants	7,462,411	-	-	7,462,411	-
Receipts from Employees/Intergovernmental	-	-	-	-	7,250,485
Payments to Suppliers	(98,239)	(1,482,118)	(745,904)	(2,326,261)	-
Payments to Employees	(635,830)	(1,667,973)	-	(2,303,803)	-
Payments for Housing Assistance	(6,472,184)	-	-	(6,472,184)	-
Payments for Claims	-	-	-	-	(7,080,226)
Receipts from Miscellaneous Income	57,557	-	-	57,557	-
Net Cash Provided by Operating Activities	313,715	623,130	270,264	1,207,109	170,259
Cash Flows from Non-Capital Financing Activities					
Transfers From Other Funds	-	-	8,858	8,858	-
Transfers to Other Funds	-	(209,983)	-	(209,983)	-
Net Cash (Used) Provided by Non-Capital Financing Activities	-	(209,983)	8,858	(201,125)	-
Cash Flows from Capital and Related Financing Activities					
Principal Paid on Lease Liabilities	-	(183,727)	-	(183,727)	-
Interest Paid on Lease Liabilities	-	(370)	-	(370)	-
Acquisition of Capital Assets	-	(704,534)	-	(704,534)	-
Net Cash Used by Capital and Related Financing Activities	-	(888,631)	-	(888,631)	-
Cash Flows from Investing Activities					
Purchase of Investments	-	-	-	-	(500,000)
Sale of Investments	-	-	-	-	31,127
Interest Income	58,754	18,213	25,741	102,708	49,944
Net Cash Provided (Used) by Investing Activities	58,754	18,213	25,741	102,708	(418,929)
Net Change in Cash	372,469	(457,271)	304,863	220,061	(248,670)
Cash and Cash Equivalents July 1, 2023	<u>1,510,100</u>	<u>897,933</u>	<u>567,961</u>	<u>2,975,994</u>	<u>1,290,323</u>
Cash and Cash Equivalents June 30, 2024	<u>\$ 1,882,569</u>	<u>\$ 440,662</u>	<u>\$ 872,824</u>	<u>\$ 3,196,055</u>	<u>\$ 1,041,653</u>

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

BOONE COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For The Year Ended June 30, 2024
(Continued)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds		Nonmajor Proprietary Funds		
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund	Totals	Self Insurance Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	\$ 341,059	\$ 297,526	\$ (48,258)	\$ 590,327	\$ (73,473)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	4,743	303,110	-	307,853	-
Lease Amortization Expense	-	170,129	-	170,129	-
Lease Interest Expense	-	355	-	355	-
Pension Expense	(22,360)	(98,142)	-	(120,502)	-
OPEB Expense	(31,092)	(74,400)	-	(105,492)	-
Gain on Sale of Capital Assets	-	2,961	-	2,961	-
Change in Assets and Liabilities					
Accounts Receivable	(1,831)	-	-	(1,831)	11,042
Due From Other Funds	-	(2,961)	318,522	315,561	148,112
Inventory	-	(18,986)	-	(18,986)	-
Accounts Payable	(9,051)	37,795	-	28,744	93,636
Estimated Liability for Claims - HRA	-	-	-	-	(9,058)
Accrued Payroll	2,261	6,698	-	8,959	-
Accrued Other	36,822	-	-	36,822	-
Compensated Absences Payable	2,681	(955)	-	1,726	-
Deferred Credit	(9,517)	-	-	(9,517)	-
Net Cash (Used) Provided by Operating Activities	\$ 313,715	\$ 623,130	\$ 270,264	\$ 1,207,109	\$ 170,259
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position					
Cash and Cash Equivalents	\$ 1,783,390	\$ 440,662	\$ 872,824	\$ 3,096,876	\$ 1,041,653
Restricted Cash	99,179	-	-	99,179	-
Total Cash and Cash Equivalents	\$ 1,882,569	\$ 440,662	\$ 872,824	\$ 3,196,055	\$ 1,041,653

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

BOONE COUNTY
STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS
June 30, 2024

	Total Custodial Funds
Assets	
Cash and Cash Equivalents	\$ 5,115,408
Accounts Receivable	<u>18,592,014</u>
 Total Assets	 <u>23,707,422</u>
Liabilities	
Accounts Payable	<u>4,902,922</u>
Net Position	
Employee Flexible Spending Accounts	191,151
Employee Health Reimbursement Accounts	9,392
Jail Inmate Accounts	20,959
School District	18,035,020
Motor Vehicle Rental	25,899
Bullittsville Cemetery	25,137
Early Childhood Development	301,565
County Clerk Storage	<u>195,377</u>
	 <u><u>\$ 18,804,500</u></u>

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

BOONE COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For The Year Ended June 30, 2024

	Total Custodial Funds
Additions	
Employee Contributions	\$ 279,287
Employer Contributions	119,318
Property Taxes Collected for School District	22,197,680
Property Taxes Collected for Tri-Ed	2,867,032
Deposits from Inmates	1,220,543
Donations for Early Childhood Fund	75,000
County Clerk Storage Fees	194,051
Interest Income	<u>366,574</u>
 Total Additions	 <u>27,319,485</u>
Deductions	
Benefit Payments	347,530
Property Taxes Paid to School District	22,301,666
Property Taxes Paid to Tri-Ed	3,521,221
Inmate Payments	1,217,976
Early Childhood Fund Payments	101,970
County Clerk Permanent Storage	92,832
Administrative Expenses	<u>81,754</u>
 Total Deductions	 <u>27,664,949</u>
Transfers	
Transfers Out	<u>18,354</u>
 Net Increase in Net Position	 (363,818)
 Net Position July 1, 2023, As Originally Reported	 19,074,160
 Restatement	 <u>94,158</u>
 Net Position June 30, 2024	 <u><u>\$ 18,804,500</u></u>

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

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BOONE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The financial statements of the Boone County Fiscal Court (the County) include the funds, agencies, boards, component unit, and entities for which the fiscal court is financially accountable. The blended component unit, although a legally separate entity is, in substance, part of the County's operations.

Additional - Boone County Constitutional Elected Officials:

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

The Kentucky Constitution provides for election of the above officials from the geographic area constituting Boone 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.

Blended Component Unit

The following organization is shown as a blended component unit:

The Boone County Public Properties Corporation (BCPP) was formed to act as an issuing agent for long-term debt, the proceeds of which are to be used for the acquisition and construction of public building facilities in Boone County, Kentucky. The governing body is the County Commissioners. Separate financial statements are not required or prepared. The BCPP is a blended component unit because the board is the same as the fiscal court.

The following is a summary of certain significant accounting policies followed in the preparation of these financial statements.

Basis of Accounting, Measurement Focus, and Presentation

Government Wide Statements

The government wide financial statements (i.e., the statement of net position and the statement of activities) display information about all the non-fiduciary activities of the primary government and its component units. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The government wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government wide statements and the statements for governmental funds.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The government wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County, and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows. For example, property tax revenue is recognized in the year of levy, and all other revenue is recognized when services have been rendered. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions, and 3) capital grants and contributions.

Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include taxes and unrestricted state funds.

Fund Financial Statements

The fund financial statements are designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. The County's fund types, a definition of each, and County funds included within each fund type are listed below.

All governmental funds are accounted for on the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due.

The primary revenue sources, which have been treated as susceptible to accrual by the County, are taxpayer-assessed tax revenues (such as property taxes and franchise taxes) and certain grant revenues.

Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis of accounting, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Other revenues which may be accrued include other taxes, intergovernmental revenues, interest, and charges for services.

Again, grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the County may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenses. It is the County's policy to first apply restricted resources to such programs, followed by unrestricted resources if necessary.

The government reports the following major government funds:

General Fund

This is the primary operating fund of the County. 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 and Bridge Fund

This fund is a special revenue fund for road and bridge construction and repair. The primary source of revenue for this fund is state payments for truck license distribution, municipal road aid, and transportation grants. The Department of Local Development requires the County to maintain these receipts and expenditures separately from the General Fund.

Jail Fund

The primary purpose of this special revenue fund is to account for the jail expenses of the County. The primary sources of revenue for this fund are reimbursement from the state and federal government, and other counties for housing prisoners, and transfers from the General Fund. The Department of Local Government requires the Fiscal Court to maintain these receipts and expenditures separately from the General Fund.

Utility Development Fund

This fund is a special revenue fund for the planning, design, and construction of utility systems in partnership with qualified utility providers. A significant source of revenue for this fund is additional tax revenue earmarked in tax year 2020.

Capital Improvements Fund

The primary purpose of this capital projects fund is used to purchase and build capital assets. This fund tracks the funds to be used for these purposes and is considered a capital projects fund.

Nonmajor Funds

The primary government also has the following nonmajor funds: Public Safety Communications Center, Local Government Economic Assistance Fund, Federal Grants Fund, Tax Improvement Fund, Mental Health Fund, Opioid Settlement Fund, and Public Properties Fund.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Special Revenue Funds

The Road and Bridge Fund, Utility Development Fund, Jail Fund, Public Safety Communications Center, Local Government Economic Assistance Fund, Federal Grants Fund, Tax Improvement Fund, Mental Health Fund, and Opioid Settlement Fund are special revenue funds that account for the proceeds of specific revenue sources and expenditures that are legally restricted for specific purposes.

Debt Service Fund

The Boone County Public Properties Corporation Fund is presented as debt service funds. Debt service funds are to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) and deferred outflows of resources and deferred inflows of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the County's Enterprise Fund are charges to customers for sales in the Jail Canteen Fund, and greens fees revenue in the Public Properties Golf Course. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets.

The government reports the following major proprietary funds:

Golf Course Fund

The Golf Course Fund accounts for the activities of the Public Properties Golf Course. The Public Properties Golf Course owns and operates two golf courses. This is an enterprise fund.

Assisted Housing Fund

The Assisted Housing Fund is an enterprise fund and accounts for the activities of the Assisted Housing Department which provides rental assistance to low income families under a contract with the U.S. Department of the Housing and Urban Development.

Nonmajor Funds

The Jail Canteen Fund is a nonmajor fund. The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates or to enhance the safety and security within the jail. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer, the receipts and disbursements of the Jail Canteen Fund which is an enterprise fund.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Self-Insurance Fund

The Fiscal Court accounts for the health insurance of the County's employees through this internal service fund.

The fiduciary funds are used to account for the resources held by the County in a custodial capacity or as an agent for other governmental units. Fiduciary fund financial statements include a Statement of Fiduciary Net Position. All fiduciary funds of the County are custodial funds.

The government reports the following fiduciary funds:

School Board Tax Fund

This fund is used to collect and remit the occupational payroll and net profit taxes collected on behalf of the Boone County Board of Education.

Jail Prisoners Fund

The Jail Prisoners Fund is an agency fund that accounts for assets held by the County in a purely custodial nature.

Motor Vehicle Rental Tax Fund

This fund is used to collect a 3% motor vehicle rental tax placed on most car rental agencies by Boone County Ordinance 430.8 in 1995. These dollars are remitted to the Tri-County Economic Development, less a 3% administration fee, under KRS 68.200.

Flexible Spending Account

This fund is used as a pass through of any Cafeteria 125 plan dollars for tax exempt purposes from employees' payroll checks.

Health Reimbursement Account

This fund is used to pay for employee health care expenses and is funded solely by employer contributions.

Bullittsville Cemetery Trust Fund

This fund is an agency fund used to account for the maintenance and care of the Bullittsville Cemetery located in Burlington.

Early Childhood Fund

This fund is an agency fund used as a pass through to support organization working with Boone County children in ways that align with the 2017 Boone County by 6 mission and vision.

County Clerk Storage Fund

This fund is a custodial fund generated from a portion of the fees collected by the County Clerk for recording instruments (such as deeds and mortgages). These funds are used specifically for the permanent storage and access to records maintained by the County Clerk's Office.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of inter-fund activity has been eliminated from the government wide financial statements.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1st. Taxes are levied and are due and payable on November 1st of each year and may be paid upon receipt of the notice at declining discounts through the month of February. All unpaid taxes on real and personal property become delinquent on April 1st of the year following the year in which the taxes were levied. Delinquent real property taxes bear interest at the rate of 1.5% per month, and interest continues to accrue until a certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the certificate. Personal property taxes bear interest at 1.5% per month from April 1st until paid. After May 1st of each year, and following proper procedures, a court order may be issued to seize and sell the property.

Legal Compliance – Budget

The County budget is adopted on a cash basis of accounting, and according to the laws of Kentucky, as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the County by May 1st of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the County by July 1st.

The County may change the original budget by transferring appropriations at the activity level; however, the County may not increase the total budget without approval by the State Local Finance Officer. Expenditure may not exceed budgeted appropriations at the activity level.

The schedules of revenues, expenditures and changes in fund balances budget and actual present a comparison of budgetary data in actual results. These funds utilize the same basis of accounting for both budgetary purposes and actual results. See pages 26 and 28 for the reconciliation of the actual results to the fund statements.

Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost, which approximates market. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (see Deposits and Investments note), investments exclude certificates of deposit. KRS 66.480 authorizes the County to invest in the following, including but not limited to, 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).

Accounts Receivable

Accounts receivable primarily consists of taxes, intergovernmental revenues, and excess fees. Accounts receivable are presented, when considered necessary, net of an allowance for doubtful accounts. There was no allowance as of June 30, 2024.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Inventory

Inventory is valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the County may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period, and therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The County also recognizes deferred outflows of resources related to pensions and other postemployment benefits.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and is therefore deferred until that time. The County recognizes deferred outflows of resources related to pensions and other postemployment benefits. In the governmental funds, certain revenue transactions have been reported as unavailable revenue. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current period. Revenue that is earned but not available is reported as a deferred inflow of resource until such time as the revenue becomes available.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from expenditures in the Governmental Funds. These assets are reported in the governmental activities column of the government wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the Proprietary Funds are reported both in the business-type activities column of the government wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value as of the date received. The County maintains a capitalization threshold of \$20,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

All reported capital assets, except for land and roads, are depreciated. Improvements are depreciated over the estimated remaining useful lives of the related capital assets. The County has adopted the modified approach method in valuing their roads. They manage the roads using an asset management system and preserve the roads at or above a minimum condition level established by the County. Under the modified approach, expenditures made for roads (except for additions and improvements eligible to be capitalized) are expensed in the period incurred. If a road falls below the Pavement Condition Index (PCI) and the County, due to other circumstances, does not plan on improving the road, the road will be transferred to a depreciable asset and depreciated. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

Description	Estimated Useful Lives
Buildings and Building Improvements	25 - 50 Years
Land Improvements	20 Years
Technology Equipment	3 - 7 Years
Vehicles	5 - 10 Years
General Equipment	7 - 10 Years
Roads (Below the PCI Index)	15 - 25 Years

Accounting principles allows the government to report part of the infrastructure assets at transition. There were no infrastructure additions of bridges and sewers during the year.

Construction in Progress

Capitalizable costs incurred on projects which are not in use or ready for use are held in construction in progress. When the asset is ready for use, related costs are transferred to the appropriate capital asset account.

Compensated Absences

These amounts represent the unpaid vacation costs as of the end of the period. All compensated amounts for governmental and proprietary fund types are accrued as liabilities. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2024.

Right to Use Asset and Lease Liability

The County recognizes lease contracts or equivalents that have a term exceeding one year that meet the definition of a short-term lease. Short-term lease payments are expensed when incurred.

The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus any ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related asset.

The lease liability is based on the present value of the lease payments expected to be paid during the lease term. The County uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the County's incremental borrowing rate at the start of the lease for a similar asset type and term length to the contract.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Equity

In the governmental fund financial statements, fund balances are classified as follows:

- Non-Spendable Fund Balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted Fund Balance - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed Fund Balance - Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government itself takes the same highest level action to remove or change the constraint;
- Assigned Fund Balance - Amounts a government intends to use for a specific purpose intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned Fund Balance - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The County establishes (and modifies or rescinds) fund balance commitments by passage of resolutions.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Related Organizations

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 are considered related organizations of the County: Boone County Water District, Boone County Extension District, and the Boone County Public Library

Adoption of New Accounting Standards

The following Governmental Accounting Standards Board (GASB) Statements were implemented by the County for the fiscal year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Errors Corrections – and amendment of GASB No. 62*: This statement prescribes the accounting and financial reporting for each type of accounting change and error correction. The definition of accounting changes and error corrections is classified and guidance for reported retroactively by restating prior year's financial statements or if they are reported prospectively is provided. There was no impact to the audited financial statements as a result of implementation of this standard.

Subsequent Events

The County has evaluated subsequent events through June 5, 2025, which is the date the financial statements were available to be issued.

Note 2. Deposits and Investments

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.

Investments

The investment policy adopted for the County contains the following risk related policies:

Interest Rate Risk

The policy does not limit investment maturities as a means of managing its exposure to fair values arising from increasing interest rates.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 2. Deposits and Investments (Continued)

Credit Risk

The policy limits investments to the following:

- Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, provided that delivery of these obligations subject to repurchase agreements is taken, either directly or through an authorized custodian. The investments may be accomplished through repurchase agreements reached with sources including but not limited to, national or state banks chartered in Kentucky.
- Obligations and contracts for future delivery, or purchase, of obligations backed by the full faith and credit of the United States or a United States government agency.
- Obligations of any corporation of the United States government.
- Certificates of deposit issued by, or other interest-bearing accounts of any bank or savings and loan institute, which are insured by the Federal Deposit Insurance Corporation or similar entity, or which are collateralized to the extent uninsured, by any obligations permitted by KRS 41.240(4).
- Bankers' acceptances for banks rated in one of the three highest categories by a nationally recognized rating agency.
- Commercial paper rated in the highest category by a nationally recognized rating agency.
- Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities.
- Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency.

Concentration of Credit Risk

The policy limits the concentration of credit risk as follows:

- The amount of money invested at any time by the County in bankers' acceptances, commercial paper, or bonds or certificates of indebtedness of Kentucky shall not exceed 20% of the total amount of money invested by the County.
- The County shall not purchase any investment on a margin basis or through the use of any similar leveraging technique.
- With the exception of fully insured or fully collateralized investments, no more than 10% of the County's total investment portfolio shall be invested in a single security type or with a single financial institution.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy on custodial credit risk. As of June 30, 2024, the County investments are neither insured nor registered, but are held by the County's counter party in the County's name.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 2. Deposits and Investments (Continued)

Investments as of June 30, 2024, that are subject to rating for credit risk and interest rate risk are summarized by maturity below:

Investment Type	Fair Value	Investment Maturities (In Years)		Rating
		Less Than 1	1-5	
Cash	\$ 516,336	\$ 516,336	\$ -	N/A
Money Market Funds	19,698,356	19,698,356	-	N/A
Government Securities	80,004,405	28,048,939	51,955,466	N/A
	<u>\$ 100,219,097</u>	<u>\$ 48,263,631</u>	<u>\$ 51,955,466</u>	

Investment Valuation

The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County does not have any investments that are measured using Level 2 or Level 3 inputs.

For those investments measured at fair value, the investments' fair value measurements are as follows at June 30, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable (Level 2)	Significant Unobservable (Level 3)	Total
Cash	\$ 516,336	\$ -	\$ -	\$ 516,336
Money Market Funds	19,698,356	-	-	19,698,356
Government Securities	80,004,405	-	-	80,004,405
Total Investments	<u>\$ 100,219,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,219,097</u>

Note 3. Notes Receivable

The County has agreed to use a portion of the \$2,200,000 General Obligation Multi-Purpose Public Project Bond, Series 2006 to complete improvements to the Petersburg Fire Protection Firehouse and apparatus bays (the Project). The Petersburg Fire Protection District has determined to operate and maintain the Project and to make certain annual payments to the County. These annual payments equal Petersburg Fire Protection District's portion of principal and interest due on these bonds. The receivable balance on the lease agreement at June 30, 2024, totaled \$327,670.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 3. Notes Receivable (Continued)

The County has agreed to use a portion of the \$7,000,000 General Obligation Public Project Bonds, Series 2007 to complete construction of a fire training facility to be used by numerous fire districts in Boone County. An inter-local agreement was signed by the County and the various fire districts. The districts have agreed that 25% of one cent of their real property assessments will be sent to the County as payment on the note receivable. This note was paid off during the year ended June 30, 2024.

The remaining maturities on the notes are as follows:

Years Ended June 30,	
2025	\$ 94,638
2026	96,673
2027	67,162
2028	69,197
Total	<u>\$ 327,670</u>

Note 4. Accounts Receivable

Accounts receivable consists of the following at June 30, 2024.

	Governmental Activities	Business-Type Activities	Total
Taxes - Current	\$ 13,691,891	\$ -	\$ 13,691,891
Excess Fees	344,795	-	344,795
Charges for Service	178,963	-	178,963
Intergovernmental	2,710,073	-	2,710,073
License Fees	276,448	-	276,448
Miscellaneous	4,272,196	84,436	4,356,632
	<u>\$ 21,474,366</u>	<u>\$ 84,436</u>	<u>\$ 21,558,802</u>

Note 5. Subscription-Based Information Technology Arrangements

The County has noncancellable subscription-based information technology arrangements (SBITAs) for the right to use IT vendors' information technology software reportable under GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which was implemented in fiscal year 2023. For SBITAs, the County recognizes a subscription asset with a corresponding subscription liability. The liability has been discounted at the County's estimated incremental borrowing rate on the contracts.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 5. Subscription-Based Information Technology Arrangements (Continued)

The total amount of subscription assets and the related accumulated amortization are as follows:

	Governmental Activities
Subscription Asset	\$ 2,859,839
Less Accumulated Amortization	<u>995,441</u>
Subscription Asset, Net	<u>\$ 1,864,398</u>

The following schedule details minimum subscription payments to maturity for the County's SBITA liability at June 30, 2024.

Fiscal Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 779,115	\$ 59,559	\$ 838,674
2026	<u>816,049</u>	<u>29,870</u>	<u>845,919</u>
Totals	<u>\$ 1,595,164</u>	<u>\$ 89,429</u>	<u>\$ 1,684,593</u>

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated				
Land	\$ 13,872,202	\$ 486,976	\$ -	\$ 14,359,178
Roads	228,815,381	4,840,633	-	233,656,014
Construction in Progress	9,570,514	8,771,954	12,622,431	5,720,037
 Total Capital Assets Not Being Depreciated	 252,258,097	 14,099,563	 12,622,431	 253,735,229
Depreciable Capital Assets				
Land Improvements	19,370,897	3,706,337	-	23,077,234
Buildings and Building Improvements	70,376,159	9,443,814	-	79,819,973
Equipment	27,633,315	1,353,784	48,912	28,938,187
Furniture and Office Equipment	2,384,496	23,229	-	2,407,725
Vehicles	13,717,605	4,009,438	1,049,729	16,677,314
Roads	84,903	-	-	84,903
 Total Depreciable Capital Assets	 133,567,375	 18,536,602	 1,098,641	 151,005,336
 Total Capital Assets at Historical Cost	 385,825,472	 32,636,165	 13,721,072	 404,740,565
Less Accumulated Depreciation For				
Land Improvements	9,084,689	780,636	-	9,865,325
Buildings and Building Improvements	30,238,547	1,828,377	-	32,066,924
Equipment	19,396,905	2,211,518	48,912	21,559,511
Furniture and Office Equipment	2,046,314	103,817	-	2,150,131
Vehicles	10,449,017	1,562,930	1,022,620	10,989,327
Roads	76,412	-	-	76,412
 Total Accumulated Depreciation	 71,291,884	 6,487,278	 1,071,532	 76,707,630
 Depreciated Capital Assets, Net	 62,275,491	 12,049,324	 27,109	 74,297,706
 Governmental Activities Capital Assets, Net	 \$ 314,533,588	 \$ 26,148,887	 \$ 12,649,540	 \$ 328,032,935

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 6. Capital Assets (Continued)

<u>Business-Type Activities</u>	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Capital Assets Not Being Depreciated				
Land	\$ 2,396,478	\$ -	\$ -	\$ 2,396,478
Construction in Progress	406,713	-	406,713	-
Total Capital Assets Not Being Depreciated	2,803,191	-	406,713	2,396,478
Depreciable Capital Assets				
Land Improvements	6,100,594	904,265	-	7,004,859
Buildings and Building Improvements	6,603,437	98,797	-	6,702,234
Furniture and Office Equipment	128,572	-	-	128,572
Vehicles and Equipment	1,261,821	108,185	33,400	1,336,606
Totals at Historical Cost	14,094,424	1,111,247	33,400	15,172,271
Total Capital Assets at Historical Cost	16,897,615	1,111,247	440,113	17,568,749
Less Accumulated Depreciation For				
Land Improvements	5,722,358	30,094	-	5,752,452
Buildings and Building Improvements	3,126,626	219,812	-	3,346,438
Furniture and Office Equipment	127,265	1,307	-	128,572
Vehicles and Equipment	1,135,310	56,640	33,400	1,158,550
Total Accumulated Depreciation	10,111,559	307,853	33,400	10,386,012
Depreciable Capital Assets, Net	3,982,865	803,394	-	4,786,259
Business-Type Activities Capital Assets, Net	\$ 6,786,056	\$ 803,394	\$ 406,713	\$ 7,182,737

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 6. Capital Assets (Continued)

Depreciation expense was charged to functions of the primary government as follows:

	Year Ended June 30, 2024
<u>Governmental Activities:</u>	
General Government	\$ 932,842
Protection to Persons and Property	3,238,943
General Health and Sanitation	156,476
Social Services	2,625
Recreation and Culture	322,849
Roads, Including Depreciation of General Infrastructure Assets	<u>1,833,543</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,487,278</u>
<u>Business-Type Activities</u>	
Golf Course	\$ 303,110
Assisted Housing	<u>4,743</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 307,853</u>

Note 7. Leases

Lease Receivable

The County owns various buildings and land throughout Boone County that are leased to organizations. Each lease has an initial term as well as various renewal options at the end of the lease that are reasonably certain to be exercised. The terms of the renewals expire at various dates through June 2026. The County calculated the present value of future lease revenue based on an incremental borrowing rate ranging from 0.05% to 4.94%.

During the year ended June 30, 2024, the County recognized \$159,859 of lease revenue and \$7,131 of interest revenue under the leases.

Future minimum payments and net present value of these minimum lease payments and net present value of these minimum lease payments included in the remeasurement of the lease receivable as of June 30, 2024, are as follows:

Fiscal Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 126,623	\$ 4,760	\$ 131,383
2026	<u>81,075</u>	<u>1,730</u>	<u>82,805</u>
Totals	<u>\$ 207,698</u>	<u>\$ 6,490</u>	<u>\$ 214,188</u>

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 7. Leases (Continued)

Lease Liability

The County entered into various leases for the use of land, equipment, office space, and vehicles. These assets are recognized as right-to-use leased assets with a corresponding lease liability. Each lease has an initial term as well as various renewal options at the end of the lease that are reasonably certain to be exercised. The terms of the renewals expire at various dates through September 2032. The liability has been discounted based on an incremental borrowing rate ranging from 0.47% to 4.43%.

The total amount of lease assets and the related accumulated amortization are as follows:

	Governmental Activities	Business-Type Activities	Total
Leased Asset			
Land	\$ 201,026	\$ -	\$ 201,026
Equipment	1,701,227	144,826	1,846,053
Office Space	867,913	-	867,913
	<u>2,770,166</u>	<u>144,826</u>	<u>2,914,992</u>
Accumulated Amortization			
Land	41,153	-	41,153
Equipment	438,664	84,481	523,145
Office Space	284,044	-	284,044
	<u>763,861</u>	<u>84,481</u>	<u>848,342</u>
Right to Use Asset, Net	<u>\$ 2,006,305</u>	<u>\$ 60,345</u>	<u>\$ 2,066,650</u>

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 7. Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, are as follows:

Fiscal Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 367,948	\$ 30,244	\$ 398,192
2026	375,723	24,550	400,273
2027	382,528	18,723	401,251
2028	358,249	12,822	371,071
2029	283,280	7,527	290,807
2030-2033	299,812	6,828	306,640
Totals	<u>\$ 2,067,540</u>	<u>\$ 100,694</u>	<u>\$ 2,168,234</u>

Fiscal Year Ended June 30,	Business-Type Activities		
	Principal	Interest	Total
2025	<u>\$ 66,908</u>	<u>\$ 92</u>	<u>\$ 67,000</u>

Note 8. Accounts Payable

Accounts payable consists of the following at June 30, 2024:

	Governmental Activities	Business-Type Activities	Total
General Government	\$ 916,291	\$ -	\$ 916,291
Protection to Persons and Property	210,242	-	210,242
General Health and Sanitation	86,169	-	86,169
Social Services	36,221	1,588	37,809
Recreation and Culture	206,843	258,744	465,587
Roads	1,913,784	-	1,913,784
Fleet Services	13,080	-	13,080
Capital Projects	2,519,409	-	2,519,409
Administration	338,134	-	338,134
Insurance Claims	658,221	-	658,221
	<u>\$ 6,898,394</u>	<u>\$ 260,332</u>	<u>\$ 7,158,726</u>

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 9. Long-Term Liabilities

The following is a summary of the County's long-term liabilities for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 4,100,000	\$ -	\$ 80,000	\$ 4,020,000	\$ 175,000
Unamortized Premium	51,808	-	3,343	48,465	3,343
Lease Liability	1,655,307	797,797	385,564	2,067,540	367,948
Subscription Liability	1,924,565	410,390	739,791	1,595,164	779,115
Compensated Absences	907,362	79,292	-	986,654	42,147
Estimated Liability for Claims - HRA Accounts	1,042,028	-	9,058	1,032,970	25,470
	<u>9,681,070</u>	<u>1,287,479</u>	<u>1,217,756</u>	<u>9,750,793</u>	<u>1,393,023</u>
Governmental Activities Long-term Liabilities					
	<u>9,681,070</u>	<u>1,287,479</u>	<u>1,217,756</u>	<u>9,750,793</u>	<u>1,393,023</u>
Business-Type Activities					
Lease Liability	105,809	144,826	183,727	66,908	66,908
Compensated Absences	104,075	1,726	-	105,801	-
Accrued Other	126,367	36,822	-	163,189	64,010
	<u>336,251</u>	<u>183,374</u>	<u>183,727</u>	<u>335,898</u>	<u>130,918</u>
Business-Type Activities Long-Term Liabilities					
	<u>336,251</u>	<u>183,374</u>	<u>183,727</u>	<u>335,898</u>	<u>130,918</u>
Long-Term Liabilities	<u>\$ 10,017,321</u>	<u>\$ 1,470,853</u>	<u>\$ 1,401,483</u>	<u>\$ 10,086,691</u>	<u>\$ 1,523,941</u>

Series 2015 - General Obligation Refunding Bonds

The County issued General Obligation Bonds for the purpose of refunding the outstanding amount of both the 2003C and 2006 General Obligation Bonds. The Series 2015, dated September 24, 2015, were issued at various interest rates ranging from 2.0% to 2.375% and were scheduled to be retired on November 1, 2027. Interest payments were due by May 1st and November 1st with principal payments due November 1st each year. In November 2021, the County defeased the General Obligation Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At June 30, 2024, \$1,610,000 of the bonds outstanding is considered defeased.

Series 2018 - General Obligation Bonds

The County issued General Obligation Bonds for the purpose of renovating the golf clubhouse. The Series 2018, dated December 28, 2018, was issued at various interest rates ranging from 3.0% to 3.5% and will be retired on December 1, 2038. Interest payments are due by December 1st and June 1st with principal payments due June 1st each year. Principal payments are required and scheduled interests for the retirement of the bonds are as follows:

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 9. Long-Term Liabilities (Continued)

Year Ended June 30	Scheduled Principal	Scheduled Interest
2025	\$ 175,000	\$ 126,157
2026	180,000	120,832
2027	185,000	115,357
2028	190,000	109,732
2029	195,000	103,954
2030-2034	1,200,000	417,194
2035-2039	1,895,000	169,481
	<u>\$ 4,020,000</u>	<u>\$ 1,162,707</u>

Direct Borrowings and Direct Placements

The County does not have an outstanding balance from direct borrowings and direct placements related to governmental activities. The County has not pledged assets as collateral for any debt.

Conduit Debt Obligations

From time to time the County has issued bonds, notes, etc. to provide financial assistance to various entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Boone County Fiscal Court's name as issuer, the County has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2024, the outstanding principal on these bonds were \$477,352,979.

Note 10. Pension Plan

General Information about the Pension Plan

Plan description: County Employees Retirement System (CERS) consists of two plans, Nonhazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit pension plan governed by a nine-member Board of Trustees under KRS 78.782. The plan was formerly a part of and administered by the Kentucky Retirement System (Ky. Ret. Sys.). However, during the 2020 Legislative Session, House Bill 484 was passed establishing a new governance structure for the system. Effective April 1, 2021, the Kentucky Public Pension Authority (KPPA) was created by KRS 61.504 to provide staffing and daily administration needs for CERS and Ky. Ret. Sys.. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city, and any additional eligible local agencies electing to participate in CERS.

Benefits provided: These systems provide for retirement, disability, and death benefits to system members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Pension Plan (Continued)

Non-hazardous Plan:

**Tier 1: Retirement Eligibility for Members Whose Participation
Began Before 09/01/2008**

Age	Years of Service	Allowance Reduction
65	1 month	None
Any	27	None
55	5	6.5% per year for first five years, and 4.5% for next five years before age 65 or 27 years of service.
Any	25	6.5% per year for first five years, and 4.5% for next five years before age 65 or 27 years of service.

**Tier 2: Retirement Eligibility for Members Whose Participation
Began On or After 9/01/2008 but Before 01/01/2014**

Age	Years of Service	Allowance Reduction
65	5	None
57	Rule of 87	None
60	10	6.5% per year for first five years, and 4.5% for next five years before age 65 or Rule of 87 (age plus years of service).

**Tier 3: Retirement Eligibility for Members Whose Participation
Began On or After 1/01/2014**

Age	Years of Service	Allowance Reduction
65	5	None
57	Rule of 87	None

Benefit Formula for Tiers 1 & 2

Final Compensation	X	Benefit Factor	X	Years of Service
Average of the five highest years of compensation if participation began before 09/01/2008.	2.20% if:	Member begins participating prior to 08/01/2004.		Includes earned service, purchased service, prior service, and sick leave service (if the member's employer participates in an approved sick leave program).
	2.00% if:	Member begins participating prior to 08/01/2004 and before 09/01/2008.		
Average of the last five years of compensation if participation began on or after 09/01/2008 but before 01/01/2014.	Increasing percent based on service at retirement* plus 2.00% for each year of service over 30 if:	Member begins participating on or after 08/01/2004 but before 01/01/2014.		

* **Service (and Benefit Factor) : 10 years or less (1.10%); 10-20 years (1.30%); 20-26 years (1.50%); 26-30 years (1.75%)**

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Pension Plan (Continued)

Hazardous Plan:

**Tier 1: Retirement Eligibility for Members Whose Participation
Began Before 09/01/2008**

Age	Years of Service	Allowance Reduction
55	1 month	None
Any	20	None
50	15	6.5% per year for first five years, and 4.5% for next five years before age 55 or 20 years of service.

**Tier 2: Retirement Eligibility for Members Whose Participation
Began On or After 9/01/2008 but Before 01/01/2014**

Age	Years of Service	Allowance Reduction
60	5	None
Any	25	None
50	15	6.5% per year for first five years, and 4.5% for next five years before age 60 or 25 years of service.

**Tier 3: Retirement Eligibility for Members Whose Participation
Began On or After 1/01/2014**

Age	Years of Service	Allowance Reduction
60	5	None
Any	25	None

Benefit Formula for Tiers 1 & 2

Final Compensation	X	Benefit Factor	X	Years of Service
Average of the three highest years of compensation if participation began before 09/01/2008.		2.50% if: Member begins participating before 09/01/2008.		Includes earned service, purchased service, prior service, and sick leave service (if the member's employer participates in an approved sick leave program).
Average of the three highest complete years of compensation if participation began on or		Increasing percent based on service at retirement* if: Member begins participation on or after 09/01/2008 but before 01/01/2014.		

* **Service (and Benefit Factor) : 10 years or less (1.30%); 10-20 years (1.50%); 20-25 years (2.25%); 25 + years (2.50%)**

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Pension Plan (Continued)

Non-hazardous and Hazardous Plans:

Benefit Formula for Tier 3					
Accumulate Account Balance / Actuarial Factor = Monthly Life Annuity					
Accumulate Account Balance					
	Member Contributions	Employer Contributions	Base Annual Interest	Upside Sharing Interest (FY 2023)	Actuarial Factor
Non-hazardous	5.00%	4.00%	4.00%	5.89%	Various*
Hazardous	8.00%	7.50%	4.00%	6.01%	Various*

*See www.kyret.gov for most recent actuarial factors.

For post-retirement death benefits, if the member is receiving a monthly benefit based on at least four (4) years of creditable service, the retirement system will pay a \$5,000 death benefit payment to the beneficiary named by the member specifically for this benefit.

For disability benefits, members participating before August 1, 2004, may retire on account of disability provided the member has at least 60 months of service credit and is not eligible for an unreduced benefit. Additional service credit may be added for computation of benefits under the benefit formula. Members participating on or after August 1, 2004, but before January 1, 2014, may retire on account of disability provided the member has at least 60 months of service credit. Benefits are computed as the higher of 20% for non-hazardous and 25% for hazardous of Final Rate of Pay or the amount calculated under the Benefit Formula based upon actual service. Members participating on or after January 1, 2014, may retire on account of disability provided the member has at least 60 months of service credit. The hypothetical account which includes member contributions, employer contributions and interest credits can be withdrawn from the system as a lump sum or an annuity equal to the larger of 20% for non-hazardous and 25% for hazardous of the member's monthly final rate of pay or the annuitized account into a single life annuity option. Members disabled as a result of a single duty-related injury or act of violence related to their job may be eligible for special benefits.

For pre-retirement death benefits, the beneficiary of a deceased active member will be eligible for a monthly benefit if the member was: (1) eligible for retirement at the time of death or, (2) under the age of 55 with at least 60 months of service credit and currently working for a participating agency at the time of death or (3) no longer working for a participating agency but at the time of death had at least 144 months of service credit. If the beneficiary of a deceased active member is not eligible for a monthly benefit, the beneficiary will receive a lump sum payment of the member's contributions and any accumulated interest.

The Kentucky General Assembly has the authority to increase, suspend, or reduce Cost of Living Adjustments (COLAs). Senate Bill 2 of 2013 eliminated all future COLAs unless the State Legislature so authorizes on a biennial basis and either (1) the system is over 100.00% funded or (2) the Legislature appropriates sufficient funds to pay the increased liability for the COLA.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Pension Plan (Continued)

House Bill (HB) 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Options (PLSO) form of payment for members retiring on or after January 1, 2024. The bill introduced an expansion of the lump-sum payment options, allowing for payout equal to 48 or 60 times the member's Basic, or Survivorship 100% monthly retirement allowance. The lifetime monthly retirement allowance is adjusted actuarially to account for the selected lump sum payment option. House Bill (HB) 506 additionally modified the minimum separation period required for a retiree to reemploy with a participating employer of the Systems administered by the KPPA while still receiving their retirement allowance. This adjustment standardized the separation period to one month for all scenarios within each plan for retirement dates effective January 1, 2024, and after.

Contributions: The employee contribution rate is set by state statute. Plan members who began participating prior to September 1, 2008 are required to contribute 5.00% (non-hazardous) or 8.00% (hazardous) of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30th on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 plan members, who began participating on or after September 1, 2008, and before January 1, 2014, are required to contribute 6.00% (non-hazardous) or 9.00% (hazardous) of their annual creditable compensation. Further, 1.00% of these contributions are deposited to an account created for the payment of health insurance benefits under 26 USC section 401(h) in the Insurance Fund. These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30th on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1.00% contribution to the 401(h) account is non-refundable and is forfeited.

Tier 3 plan members who began participating on or after January 1, 2014, are 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 contribute 5.00% (non-hazardous) or 8.00% (hazardous) of their monthly creditable compensation which is deposited into their account, and an additional 1.00% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund, which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4.00% (non-hazardous) or 7.50% (hazardous) of the members monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation. If a vested (60 months of service) member terminates employment and applies to take a refund, the member is entitled to the member's contributions (less HIC) plus employer pay credit plus interest (for both employee contributions and employer pay). If a non-vested (less than 60 months) member terminates the employee and applies to take a refund, the member is entitled to receive employee contributions (less HIC) plus interest (on employee contributions only).

Interest is paid into the Tier 3 member's account. The account currently earns 4.00% interest credit on the member's accumulated account balance as of June 30th of the previous year. The member's account may be credited with additional interest if the fund's five-year Geometric Average Net Investment Return (GANIR) exceeded 4.00%. If the member was actively employed and participating in the fiscal year, and if KPPA's GANIR for the previous five years exceeds 4.00%, then the member's account will be credited with 75.00% of the amount of returns over 4.00% on the account balance as of June 30th of the previous year (Upside Sharing Interest). It is possible that one fund in KPPA may get an Upside Sharing Interest, while another may not.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Pension Plan (Continued)

Local government participating employers are required to contribute an actuarially determined rate for CERS pension contributions per KRS 78.635. The CERS Board of Trustees establishes the employer contribution rate in accordance with KRS 78.635 and KRS 78.784 each year following the annual actuarial valuation as of July 1 and prior to July 1 of the succeeding fiscal year for local governments in Kentucky.

For the fiscal year ended June 30, 2024, participating employers contributed 23.34% (23.34% pension fund and 0.00% insurance fund) for the non-hazardous system and 43.69% (41.11% pension fund and 2.58% insurance fund) for the hazardous system of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal years was a percentage of each employee's creditable compensation. Contributions to the pension fund from the County were \$4,632,470 for the year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the County reported a liability of \$39,909,393 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2022, using generally accepted actuarial principles. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2024, the County's proportion for the non-hazardous system was 0.440982% and for the hazardous system was 0.430784%. This was an increase of 0.045534% and 0.060000%, respectively.

For the year ended June 30, 2024, the County recognized a pension benefit of \$765,924. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 502,476.00
Difference Between Expected and Actual Experience	1,995,744	76,887
Changes of Assumptions	-	3,500,316
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	3,256,996	337,925
Contributions After Measurement Date	<u>4,632,470</u>	<u>-</u>
Total	<u>\$ 9,885,210</u>	<u>\$ 4,417,604</u>

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Pension Plan (Continued)

\$4,632,470 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	
2025	\$ 257,873
2026	(133,108)
2027	1,035,471
2028	<u>(325,100)</u>
Total	<u>\$ 835,136</u>

Actuarial assumptions: The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2022
Inflation	2.50%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, Varies by Service (Non-hazardous)
	3.55% to 19.05%, Varies by Service (Hazardous)
Investment Rate of Return	6.50%

The Board of Trustees, in consultation with the actuary, set the actuarial assumptions and methods used in the actuarial valuation. An experience study was conducted after the June 30, 2022 actuarial valuation and the Board adopted updated assumptions for use in this actuarial valuation. The updated assumptions include:

Demographic Assumptions:

- Post-retirement mortality rates were updated based on KPPA experience.
- Mortality improvement assumptions were updated to the ultimate rates of the MP-2020 mortality improvement scale.
- Rates of termination prior to retirement were increased.
- Rates of disability incidence for the CERS funds were decreased.

Economic Assumptions:

- The rate of inflation increased from 2.30% to 2.50%.
- The salary productivity assumption was reduced by 0.20%, resulting in no change in the salary increase assumption for long-service employees of 3.30% in the Nonhazardous funds.
- The individual rates of salary increase were increased during the selected period.
- The investment return assumption was increased from 6.25% to 6.50%.
- The Tier 3 cash balance interest crediting rate assumption was increased to 6.75%

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Pension Plan (Continued)

Pre-retirement mortality: PUB-2010 General Mortality Table for the Nonhazardous System projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

Post-retirement mortality (non-disabled): System-specific mortality table based on mortality experience 2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.

Post-retirement mortality (disabled): PUB-2010 disabled mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

The long-term (10-year) expected return on plan assets was determined by using a building-block method in which best estimated ranges of expected future real returns were developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00	11.73
Fixed Income		
Core Bonds	10.00	2.45
Specialty Credit/High Yield	10.00	3.65
Cash	-	1.39
Diversifying Strategies		
Real Estate	7.00	4.99
Real Return	<u>13.00</u>	5.15
Total	<u>100.00%</u>	

Discount rate: The single discount rate used to measure the total pension liability was 6.50%. The single discount rate was based on the expected rate of return on pension plan investments for the system. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan member. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 10. Pension Plan (Continued)

The projections of cash flows used to determine the single discount rate includes an assumption regarding actual employer contributions made each future year. Except where noted below, future contributions are projected assuming that the entire actuarially determined employer contribution is received by each plan each future year, calculated in accordance with the current funding policy. The assumed future employer contributions for the CERS plans reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12.00% over the prior fiscal year through June 30, 2028.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate: The following presents the County's proportionate share of the net pension liability using the discount rate of 6.50%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1- percentage-point higher (7.50%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
Non-hazardous	\$ 35,724,964	\$ 28,295,647	\$ 22,121,606
Hazardous	14,665,126	11,613,746	9,121,460
Total	<u>\$ 50,390,090</u>	<u>\$ 39,909,393</u>	<u>\$ 31,243,066</u>

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Kentucky Public Pensions Authority Annual Comprehensive Financial Report on the KPPA website at www.kyret.ky.gov.

Note 11. OPEB Plan

General Information About the OPEB Plan

Plan description: The County contributes to the Commonwealth of Kentucky's County Employees' Retirement System (CERS) administered by its Board of Trustees. The CERS system is comprised of two plans, CERS Nonhazardous plan and CERS Hazardous plan. CERS is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Kentucky Public Pensions Authority (KPPA) under the provisions of KRS 78.782. The plan covers all regular full-time members employed in positions of each participating county, city, school board, and any additional eligible local agencies electing to participate in CERS.

Benefits provided: The CERS Insurance Trust Fund was established to provide hospital and medical insurance for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. The KPPA Board contracts with Humana to provide health care benefits to eligible Medicare retirees through a Medicare Advantage Plan. KPPA submits the premium payments to DEI and Humana. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

The amount of benefit paid by the Insurance Fund is based on years of service. For members who began participating prior to July 1, 2003, a percentage of the contribution rate is paid based on years of service with 100% of the contribution rate being paid with 20 years of service.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 11. OPEB Plan (Continued)

Since the passage of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits have been calculated differently for members who began participating on or after July 1, 2003. Once members reach a minimum vesting period of 10 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. Hazardous employees whose participation began on or after July 1, 2003, earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5% based upon Kentucky Revised Statutes. House Bill 1 (2008 Kentucky General Assembly) changed the minimum vesting requirement for participation in the health insurance plan to 15 years for members whose participation began on or after September 1, 2008. This benefit is not protected under the inviolable contract provisions of Kentucky Revised Statutes 16.652, 61.692, and 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands. The Insurance Plan pays 100% of the contribution rate for hospital and medical insurance premiums for the spouse and dependent of members who die as a direct result of an act in the line of duty or from a duty-related injury.

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Portion Paid by Insurance Fund	
Years of Service	Paid by Insurance Fund (%)
20 + Years	100%
15 - 19 Years	75%
10 - 14 Years	50%
4 - 9 Years	25%
Less Than 4 Years	0%

Contributions: The employee contribution rate is set by state statute. Plan members who began participating prior to September 1, 2008, are required to contribute 5.00% (non-hazardous) or 8.00% (hazardous) of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30th on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 plan members, who began participating on or after September 1, 2008, and before January 1, 2014, are required to contribute 6.00% (non-hazardous) or 9.00% (hazardous) of their annual creditable compensation. Further, 1.00% of these contributions are deposited to an account created for the payment of health insurance benefits under 26 USC section 401(h) in the Insurance Fund. These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30th on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1.00% contribution to the 401(h) account is non-refundable and is forfeited.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 11. OPEB Plan (Continued)

Tier 3 plan members who began participating on or after January 1, 2014, are 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 contribute 5.00% (non-hazardous) or 8.00% (hazardous) of their monthly creditable compensation which is deposited into their account, and an additional 1.00% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund, which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4.00% (non-hazardous) or 7.50% (hazardous) of the members monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation. If a vested (60 months of service) member terminates employment and applies to take a refund, the member is entitled to the member's contributions (less HIC) plus employer pay credit plus interest (for both employee contributions and employer pay). If a non-vested (less than 60 months) member terminates the employee and applies to take a refund, the member is entitled to receive employee contributions (less HIC) plus interest (on employee contributions only).

Interest is paid into the Tier 3 member's account. The account currently earns 4.00% interest credit on the member's accumulated account balance as of June 30th of the previous year. The member's account may be credited with additional interest if the fund's five-year Geometric Average Net Investment Return (GANIR) exceeded 4.00%. If the member was actively employed and participating in the fiscal year, and if KPPA's GANIR for the previous five years exceeds 4.00%, then the member's account will be credited with 75.00% of the amount of returns over 4.00% on the account balance as of June 30th of the previous year (Upside Sharing Interest). It is possible that one fund in KPPA may get an Upside Sharing Interest, while another may not.

Local government participating employers are required to contribute an actuarially determined rate for CERS pension contributions, per the KRS 78.635. The CERS Board of Trustees establishes the employer contribution rate based on KRS s 78.635 and KRS 78.784, each following the annual actuarial valuation as of July 1 and prior to July 1 of the succeeding fiscal year for local governments in Kentucky.

For the fiscal year ended June 30, 2024, participating employers contributed 23.34% (23.34% pension fund and 0.00% insurance fund) for the non-hazardous system and 43.69% (41.11% pension fund and 2.58% insurance fund) for the hazardous system of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal years were a percentage of each employee's creditable compensation. Contributions to the insurance fund from the County were \$89,788 for the year ended June 30, 2024.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the County reported a liability of \$19,689 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2023, using generally accepted actuarial principles. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At June 30, 2024, the County's proportion for the non-hazardous system was 0.440965% and for the hazardous system was 0.430583%. This was an increase of 0.045586% and 0.060000%, respectively.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 11. OPEB Plan (Continued)

For the year ended June 30, 2024, the County recognized OPEB expense of \$1,443,970. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	\$ -	\$ 222,432
Difference Between Expected and Actual Experience	477,730	11,073,552
Changes of Assumptions	1,600,392	1,449,121
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	1,186,823	249,722
Contributions After Measurement Date	<u>89,788</u>	<u>-</u>
Total	<u>\$3,354,733</u>	<u>\$12,994,827</u>

\$89,788 reported as deferred outflows of resources related to OPEB resulting from County contributions, subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended <u>June 30,</u>	
2025	\$ (2,262,158)
2026	(2,877,756)
2027	(2,137,126)
2028	(2,100,125)
2029	<u>(352,717)</u>
Total	<u>\$ (9,729,882)</u>

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 11. OPEB Plan (Continued)

Actuarial assumptions: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2022
Inflation	2.50%
Payroll Growth Rate	2.00%
Salary Increases	3.30% to 10.30% Varies by Service (Non-Hazardous) 3.55% to 19.05% Varies by Service (Hazardous)
Investment Rate of Return	6.50%
Healthcare Cost Trend Rates:	
Non-Medicare Plans	Initial trend starting at 6.80% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Medicare Plans	Initial trend starting at 8.50% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Dollar Contribution	1.50%

The Board of Trustees, in consultation with the actuary, set the actuarial assumptions and methods used in the actuarial valuation. An experience study was conducted after the June 30, 2022 actuarial valuation and the Board adopted updated assumptions for use in this actuarial valuation. The updated assumptions include:

Demographic Assumptions:

- Post-retirement mortality rates were updated based on KPPA experience.
- Mortality improvement assumptions were updated to the ultimate rates of the MP-2020 mortality improvement scale.
- Rates of termination prior to retirement were increased.
- Rates of disability incidence for the CERS funds were decreased.

Economic Assumptions:

- The rate of inflation increased from 2.30% to 2.50%.
- The salary productivity assumption was reduced by 0.20%, resulting in no change in the salary increase assumption for long-service employees of 3.30% in the Nonhazardous funds.
- The individual rates of salary increase were increased during the selected period.
- The investment return assumption was increased from 6.25% to 6.50%.
- The Tier 3 cash balance interest crediting rate assumption was increased to 6.75%

Pre-retirement mortality: PUB-2010 General Mortality Table for the Nonhazardous System projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

Post-retirement mortality (non-disabled): System-specific mortality table based on mortality experience 2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.

Post-retirement mortality (disabled): PUB-2010 disabled mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 11. OPEB Plan (Continued)

The long-term (10-year) expected return on plan assets was determined by using a building-block method in which best estimated ranges of expected future real returns were developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.45%
Private Equity	10.00	11.73
Fixed Income		
Core Fixed Income	10.00	2.45
Specialty Credit	10.00	3.65
Cash	-	1.39
Inflation Protected		
Real Estate	7.00	4.99
Real Return	13.00	5.15
Total	100.00%	

Discount rate: The single discount rate used to measure the total OPEB liability was 5.93% for Non-Hazardous and 5.97% for Hazardous. The single discount rate was based on the expected rate of return on the OPEB plan investments of 6.50% and a municipal bond rate of 3.86%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023. Based on the stated assumptions and the projection of cash flows as of each fiscal year ended, the plan's insurance fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on Insurance Plan investments was applied to all periods of the projected benefit payments paid from the retirement plan. However, the cost associated with the implicit subsidy is not currently being included in the calculation of the system's actuarial determined contributions, and it is understood that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 11. OPEB Plan (Continued)

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the discount rate: The following present's the County's proportionate share of the net OPEB liability (asset), as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.93% for non-hazardous and 4.97% for hazardous) or 1-percentage-point higher (6.93% for non-hazardous and 6.97% for hazardous) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Non-hazardous	\$ 1,142,533	\$ (608,826)	\$ (2,075,375)
Hazardous	1,489,936	589,137	(161,469)
	<u>\$ 2,632,469</u>	<u>\$ (19,689)</u>	<u>\$ (2,236,844)</u>

Sensitivity of the County's proportionate share of the net OPEB liability (asset) to changes in the healthcare cost trend rates: The following present's the County's proportionate share of the net OPEB liability (asset), as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Non-hazardous	\$ (1,951,393)	\$ (608,826)	\$ 1,040,391
Hazardous	6,712	589,137	1,292,534
	<u>\$ (1,944,681)</u>	<u>\$ (19,689)</u>	<u>\$ 2,332,925</u>

Pension plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Public Pensions Authority Annual Comprehensive Financial Report on the KPPA website at www.kyret.ky.gov.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 12. Insurance

For the fiscal year ended June 30, 2024, Boone County 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 a 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 13. Governmental Activities – Internal Service Fund

Self-Insurance Fund

The Self Insurance Fund was established in 1999 to cover all health insurance costs, including medical and dental claims, prescriptions and any fixed administrative cost related to health insurance. In fiscal year 2007, in an effort to decrease insurance costs to the County's health insurance, and increase reserves in the account, a Health Reimbursement Arrangement (HRA) was set up for each employee on the plan to coincide with a higher deductible plan. These dollars are to reimburse any covered persons' out of pocket deductible or co-insurance expenses. Each single plan was given \$1,000 and all other plans \$2,000 in January 2009.

The total liability of these HRA dollars at the fiscal year ended June 30, 2024 was \$1,032,970, which includes all departments on the plan (Fiscal Court, Sheriff, County Clerk, Soil Conservation District, and Planning Commission). In the statement of net position, the Self Insurance Fund shows a cash balance of \$1,041,653 and an investment balance of \$2,654,365. The net position on June 30, 2024 is a positive \$2,276,836.

In 2024, the County paid out 8.1% of total HRA liability, including the rolled over amounts from 2023. Another 4.1% was forfeited, either through waiving the health plan or leaving employment.

Cash Balance, Beginning of Year	\$ 1,290,323
Premiums Collected	7,250,435
Interest Earned	49,994
Claims Paid	(7,080,226)
Purchase of Investments	(500,000)
Sale of Investments	31,127
	<hr/>
Cash Balance, End of Year	<u>\$ 1,041,653</u>

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 14. Inter-Fund Transactions

The following is a list of inter-fund transactions as of June 30, 2024:

	Governmental Funds							
	Total	General Fund	Road and Bridge Fund	Jail Fund	Utility Development Fund	Capital Improvements Fund	Federal Grants Fund	Tax Improvement Fund
\$ -	\$ (11,670,393) 1	\$ 11,670,393 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	(15,000,000) 2	-	-	-	-	15,000,000 2	-	-
-	(3,642,475) 3	-	3,642,475 3	-	-	-	-	-
-	123,541 4	-	-	-	-	-	-	(123,541) 4
209,983	209,983 5	-	-	-	-	-	-	-
-	114 6	-	-	-	-	-	(114) 6	-
-	(619,380) 7	-	-	619,380 7	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
Total Transfer To Other Funds	<u>\$ (31,055,903)</u>	<u>\$ (30,932,248)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114)</u>	<u>\$ (123,541)</u>
Total Transfer From Other Funds	<u>\$ 31,265,886</u>	<u>\$ 333,638</u>	<u>\$ 11,670,393</u>	<u>\$ 3,642,475</u>	<u>\$ 619,380</u>	<u>\$ 15,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 14. Inter-Fund Transactions (Continued)

The following is a list of inter-fund transactions as of June 30, 2024:

	Proprietary Funds				Total Custodial Funds
	Total	Golf Course Fund	Jail Canteen Fund	Internal Service Fund	
	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	(209,983)	(209,983) 5	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	8,858	-	8,858 8	-	(8,858) 8
	9,496	-	-	9,496 9	(9,496) 9
Total Transfer To Other Funds	<u>\$ (209,983)</u>	<u>\$ (209,983)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,354)</u>
Total Transfer From Other Funds	<u>\$ 18,354</u>	<u>\$ -</u>	<u>\$ 8,858</u>	<u>\$ 9,496</u>	<u>\$ -</u>

1. For road improvement projects.
2. For multiple construction projects taking place during the Fiscal Year.
3. To supplement jail operation costs.
4. For interest received.
5. Golf Course debt repayments.
6. For interest received.
7. For utility development projects taking place.
8. For jail prisoners fund interest received.
9. For interest transferred.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 15. Deferred Compensation

On February 24, 2000, the County 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 Kentucky Public Employees' Deferred Compensation Authority at 105 Sea Hero Road, Suite 1, Frankfort, KY 40601-8862 or by telephone at (502) 573-7925.

Note 16. Tax Abatements

The County participates in the Commonwealth of Kentucky's Kentucky Business Investment Program. The Kentucky Business Investment Program is a statement administered tax incentive, authorized by KRS 154.32, and approved by the Kentucky Economic Development Finance Authority. In order to be eligible, a company must create ten (10) new full-time jobs for Kentucky residents, incur eligible costs of at least \$100,000, pay average hourly wages of at least one hundred fifty percent (150%) of the federal minimum wage, and provide a minimum level of benefits by the activation date. Incentives are approved for up to ten (10) years. The County participates by providing inducements of various percentages of the Boone County Ordinance 07-27 payroll tax to the company per authorized job. The eligible amount of the tax abatement for each business is negotiated as part of the tax incentive agreement. This reduces the payroll taxes paid per job from 0.08% to 0.06%, 0.04%, 0.02%, and 0.00%. The local inducement is approved by resolution of the Boone County Fiscal Court. If the above eligibility requirements are met as of the activation date and are not met at the annual review date(s), the incentives may be suspended or, with the appropriate approval from KEDFA, terminated. Abated taxes may be recaptured for failure to comply with Kentucky Cabinet for Economic Development, Kentucky Department of Revenue, or Boone County Fiscal Court compliance reporting.

The amount of taxes abated for the year ending June 30, 2024 were as follows:

Program	Taxes Abated
Kentucky Business Investment	\$ 311,076

Note 17. Contingent Liabilities

The County is, from time to time, a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2024
(Continued)

Note 18. Restatement

During the current fiscal year, the County Clerk Permanent Storage Fund was reclassified from a Special Revenue Fund to a Custodial Fund within the Fiduciary Funds. This reclassification was determined to be more appropriate to reflect the County's role as a purely custodial agent for these resources held for the County Clerk's office.

As a result of this change in fund classification, the beginning fund of the governmental funds as of June 30, 2023, has been restated. The impact of this restatement is as follows:

	Governmental Funds
	<hr/>
Fund Balance, June 30, 2023	\$ 120,248,179
Decrease due to reclassification of County Clerk Permanent Storage Fund	<hr/> (94,158)
Restated Fund Balance, June 30, 2024	<hr/> <u>\$ 120,154,021</u>

Additionally, as a result of this change, the beginning net position of the fiduciary funds as well as the governmental activities has been restated as of June 30, 2023. The impact of this restatement is as follows:

	Fiduciary Funds
	<hr/>
Net Position, June 30, 2023	\$ 19,074,160
Increase due to reclassification of County Clerk Permanent Storage Fund	<hr/> 94,158
Restated Net Position, June 30, 2024	<hr/> <u>\$ 19,168,318</u>

	Governmental Activities
	<hr/>
Net Position, June 30, 2023	\$ 395,193,875
Decrease due to reclassification of County Clerk Permanent Storage Fund	<hr/> (94,158)
Restated Net Position, June 30, 2024	<hr/> <u>\$ 395,099,717</u>

REQUIRED SUPPLEMENTARY INFORMATION

BOONE COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2024

BOONE COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2024

GENERAL FUND				
	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 63,435,000	\$ 63,435,000	\$ 64,417,861	\$ 982,861
In Lieu Tax Payments	145,000	145,000	119,126	(25,874)
Excess Fees	2,003,500	2,003,500	1,872,781	(130,719)
Licenses and Permits	2,605,000	2,605,000	2,302,393	(302,607)
Intergovernmental	2,374,000	2,374,000	2,794,918	420,918
Charges for Services	2,065,074	2,065,074	1,881,553	(183,521)
Miscellaneous	708,305	708,305	1,065,820	357,515
Interest	1,305,000	1,305,000	2,387,282	1,082,282
Total Revenues	74,640,879	74,640,879	76,841,734	2,200,855
Expenditures				
General Government	9,575,134	9,926,107	8,901,695	1,024,412
Protection to Persons and Property	22,820,621	25,014,376	24,387,861	626,515
General Health and Sanitation	960,526	960,525	887,100	73,425
Social Services	163,527	189,527	167,553	21,974
Recreation and Culture	4,606,550	4,715,050	3,863,343	851,707
Debt Service	209,983	209,983	209,983	-
Administration	14,333,632	14,686,022	14,398,271	287,751
Total Expenditures	52,669,973	55,701,590	52,815,806	2,885,784
Excess of Revenues Over Expenditures	21,970,906	18,939,289	24,025,928	5,086,639
Other Financing Sources (Uses)				
Operating Transfers In	310,082	310,082	333,638	23,556
Operating Transfers Out	(30,932,248)	(30,932,248)	(30,932,248)	-
Total Other Financing Sources (Uses)	(30,622,166)	(30,622,166)	(30,598,610)	23,556
Net Change in Fund Balances	(8,651,260)	(11,682,877)	(6,572,682)	5,110,195
Fund Balances July 1, 2023	8,651,260	11,682,877	51,999,051	40,316,174
Fund Balances June 30, 2024	\$ -	\$ -	\$ 45,426,369	\$ 45,426,369

BOONE COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2024
(Continued)

ROAD AND BRIDGE FUND				
	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget (Unfavorable) Favorable
Revenues				
Licenses and Permits	\$ 125,000	\$ 125,000	\$ 144,609	\$ 19,609
Intergovernmental	3,370,677	3,370,677	3,347,821	(22,856)
Charges for Services	275,000	275,000	277,115	2,115
Miscellaneous	682,000	682,000	669,675	(12,325)
Interest	120,000	120,000	221,061	101,061
Total Revenues	4,572,677	4,572,677	4,660,281	87,604
Expenditures				
Protection to Person & Property	146,183	146,383	132,591	13,792
General Health and Sanitation	1,298,782	1,303,282	1,054,428	248,854
Roads	13,822,584	13,844,345	7,449,647	6,394,698
Fleet Service	1,205,796	1,233,916	1,047,803	186,113
Administration	1,589,253	1,702,471	1,700,203	2,268
Total Expenditures	18,062,598	18,230,397	11,384,672	6,845,725
Deficit of Revenues Over Expenditures	(13,489,921)	(13,657,720)	(6,724,391)	6,933,329
Other Financing Sources				
Operating Transfers In	11,670,393	11,670,393	11,690,356	19,963
Operating Transfers Out	-	-	(28,604)	(28,604)
Total Other Financing Sources (Uses)	11,670,393	11,670,393	11,661,752	(8,641)
Net Change in Fund Balances	(1,819,528)	(1,987,327)	4,937,361	6,924,688
Fund Balances July 1, 2023	1,819,528	1,987,327	6,693,355	4,706,028
Fund Balances June 30, 2024	\$ -	\$ -	\$ 11,630,716	\$ 11,630,716

BOONE COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2024
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual	Variance with Final Budget (Unfavorable) Favorable
	Original	Final		
Revenues				
Intergovernmental	\$ 6,811,000	\$ 6,811,000	\$ 6,368,060	\$ (442,940)
Charges for Services	174,000	174,000	168,731	(5,269)
Miscellaneous	237,000	237,000	252,249	15,249
Interest	5,000	5,000	17,772	12,772
Total Revenues	7,227,000	7,227,000	6,806,812	(420,188)
Expenditures				
Protection to Person & Property	8,220,440	8,096,068	7,577,240	518,828
Administration	2,982,986	3,150,595	3,106,466	44,129
Total Expenditures	11,203,426	11,246,663	10,683,706	562,957
Deficit of Revenues Over Expenditures	(3,976,426)	(4,019,663)	(3,876,894)	142,769
Other Financing Sources				
Operating Transfers In	3,642,475	3,642,475	3,642,475	-
Net Change in Fund Balances	(333,951)	(377,188)	(234,419)	142,769
Fund Balances July 1, 2023	333,951	377,188	553,517	176,329
Fund Balances June 30, 2024	\$ -	\$ -	\$ 319,098	\$ 319,098

BOONE COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Budgetary Basis
For The Year Ended June 30, 2024
(Continued)

UTILITY DEVELOPMENT FUND				
	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,100,000	\$ 2,100,000	\$ -	\$ (2,100,000)
Miscellaneous	25,000	25,000	40,250	15,250
Interest	-	-	607,317	607,317
Total Revenues	2,125,000	2,125,000	647,567	(1,477,433)
Expenditures				
Capital Projects	15,100,000	15,100,000	4,269,115	10,830,885
Deficit of Revenues Over Expenditures	(12,975,000)	(12,975,000)	(3,621,548)	9,353,452
Other Financing Sources				
Operating Transfers In	619,380	619,380	619,380	-
Net Change In Fund Balance	(12,355,620)	(12,355,620)	(3,002,168)	9,353,452
Fund Balances July 1, 2023	12,355,620	12,355,620	12,802,099	446,479
Fund Balances June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,799,931</u>	<u>\$ 9,799,931</u>

BOONE COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

The County budget is adopted on a cash basis of accounting according to the laws Kentucky. The Fund statements are presented on a modified accrual basis of accounting, as required by generally accepted accounting principles. The following schedule reconciles the actual results of the two statements:

	General Fund	Road and Bridge Fund	Jail Fund	Utility Development Fund
Revenues				
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual	\$ 76,841,734	\$ 4,660,281	\$ 6,806,812	\$ 647,567
Accounts Receivable June 30, 2023	(14,058,516)	(671,905)	(790,409)	-
Accounts Receivable June 30, 2024	15,069,733	1,031,122	563,364	-
Interest Receivable June 30, 2023	(206,255)	-	-	(18,646)
Interest Receivable June 30, 2024	302,767	-	-	-
Lease Receivable June 30, 2023	(217,817)	-	-	-
Lease Receivable June 30, 2024	207,698	-	-	-
Accounts Payable June 30, 2023	-	78,713	-	-
Accounts Payable June 30, 2024	(300)	-	-	-
Due to Other Funds June 30, 2023	6,356	-	-	-
Due to Other Funds June 30, 2024	(2,961)	-	-	-
Unearned Revenues June 30, 2023	-	-	-	14,956,281
Unearned Revenues June 30, 2024	-	-	-	(3,973,193)
Unavailable Revenue - Other June 30, 2023	1,830,881	179,299	17,375	-
Unavailable Revenue - Other June 30, 2024	(2,084,956)	(408,541)	(6,053)	-
Deferred Inflows Related to Leases June 30, 2023	206,030	-	-	-
Deferred Inflows Related to Leases June 30, 2024	(198,950)	-	-	-
Change in Note Receivable Balance	(91,585)	-	-	-
Change in Unrealized Loss on Investments	428,927	-	-	(15,617)
Difference in Current Year Beginning Balance	2,338	-	-	-
Rounding Adjustment	1	1	1	(1)
Schedule of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	\$ 78,035,125	\$ 4,868,970	\$ 6,591,090	\$ 11,596,391
Expenses				
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual	\$ 52,815,806	\$ 11,384,672	\$ 10,683,706	\$ 4,269,115
Accounts Payable June 30, 2023	(501,129)	(137,007)	(114,209)	(1,288,989)
Accounts Payable June 30, 2024	640,212	1,960,495	162,528	2,098,919
Accrued Payroll June 30, 2023	(410,248)	(135,353)	(223,727)	-
Accrued Payroll June 30, 2024	471,118	156,119	281,461	-
Compensated Absences Payable June 30, 2023	(432,651)	(158,168)	(196,789)	-
Compensated Absences Payable June 30, 2024	434,766	170,379	247,143	-
Capital Outlays for Right to Use Assets	82,349	-	-	-
Capital Outlays for Subscription Assets	410,390	-	-	-
Rounding Adjustment	1	1	1	(1)
Schedule of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	\$ 53,510,614	\$ 13,241,138	\$ 10,840,114	\$ 5,079,044

BOONE COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024
(Continued)

	General Fund	Road and Bridge Fund	Jail Fund	Utility Development Fund
Other Financing (Uses) Sources				
Schedule of Revenues, Expenditures and Changes				
In Fund Balance Budget and Actual	\$ (30,598,610)	\$ 11,661,752	\$ 3,642,475	\$ 619,380
Due to Other Funds June 30, 2023	-	8,641	-	-
Proceeds from Right to Use Assets	82,349	-	-	-
Proceeds from Subscription Assets	410,390	-	-	-
Schedule of Revenues, Expenditures and Changes				
In Fund Balances - Governmental Funds	<u>\$ (30,105,871)</u>	<u>\$ 11,670,393</u>	<u>\$ 3,642,475</u>	<u>\$ 619,380</u>
Ending Balance				
Schedule of Revenues, Expenditures				
and Changes In Fund Balance Budget				
and Actual	\$ 45,426,369	\$ 11,630,716	\$ 319,098	\$ 9,799,931
Notes Receivable	327,670	-	-	-
Accounts Receivable	15,069,733	1,031,122	563,364	-
Interest Receivable	302,767	-	-	-
Lease Receivable	207,698	-	-	-
Restricted Cash	10,675,515	-	-	-
Restricted Investments	6,062,650	-	-	-
Accounts Payable	(1,361,777)	(1,960,495)	(162,528)	(2,098,919)
Accrued Payroll	(471,118)	(156,119)	(281,461)	-
Due to Other Funds	(2,961)	-	-	-
Compensated Balances Payable	(434,766)	(170,379)	(247,143)	-
Unearned Revenues	-	-	-	(3,973,193)
Unavailable Revenue - Intergovernmental	(2,084,956)	(408,541)	(6,053)	-
Deferred Inflows Related to Leases	(198,950)	-	-	-
Net Profit Tax Extensions Payable	(16,016,900)	-	-	-
Unrealized Loss on Investments	30,566	-	-	46,079
Schedule of Revenues, Expenditures and Changes				
In Fund Balances - Governmental Funds	<u>\$ 57,531,540</u>	<u>\$ 9,966,304</u>	<u>\$ 185,277</u>	<u>\$ 3,773,898</u>

BOONE COUNTY
CONDITION RATING OF THE COUNTY'S STREET SYSTEM
June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Road System Length in Miles:	453.4	450.8	448.0	469.0	463.5
Total Road System PCI Average:	70	70	70	71	72
Percentage of Lane Miles With PCI Greater Than or Equal to 65:	61%	59%	60%	62%	64%
Percentage of Lane Miles With PCI Less Than 65:	39%	41%	40%	38%	36%
Backlog as a Percentage of Total Lane Miles:	6%	4%	4%	3%	2%
Comparison of Needed-to-Actual Maintenance/Preservation:					
Needed	\$ 6,218,564	\$ 5,946,375	\$ 4,902,989	\$ 5,102,127	\$ 4,720,128
Actual	\$ 3,404,127	\$ 5,539,161	\$ 3,980,202	\$ 2,628,899	\$ 2,841,981

Note: As of June 30, 2015, the County switched to a new pavement quality standard known as Pavement Condition Index (PCI), an analysis methodology and data collection technology based on the latest version of ASTM D6433 Standard Practice for Roads and Parking Lots Pavement Condition Index Surveys for assessment of pavement surface condition and the International Roughness Index for quantification of pavement roughness. These measurements of pavement quality are combined to form an overall 0 to 100 Pavement Condition Index, with 100 being the best.

Roads and streets with a PCI score less than 40 are referred to as "Backlog" roads. These roads and streets are past their due point for overlay or surface-based rehabilitation and may require heavier or thicker forms of rehabilitation or total reconstruction.

Under the adopted PCI standard, the County accepted the professional recommendations from IMS to set the minimum total road system average of 65 or higher and backlog as a percentage of total lane miles to 10% or less.

**BOONE COUNTY
CERS PENSION AND OPEB SCHEDULES
Required Supplementary Information**

June 30, 2024

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BOONE COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2024

County Employees Retirement System
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
The Fiscal Court's proportionate percentage of the net pension liability										
Hazardous	0.430784%	0.395448%	0.397570%	0.399009%	0.382318%	0.375462%	0.374627%	0.382260%	0.377834%	0.378294%
Non-Hazardous	0.440982%	0.374755%	0.386283%	0.401905%	0.420994%	0.434906%	0.406650%	0.399048%	0.360644%	0.330197%
The Fiscal Court's proportionate share of the net pension liability										
Hazardous	\$ 11,613,746	\$ 28,586,989	\$ 25,348,206	\$ 30,603,660	\$ 26,888,595	\$ 22,866,780	\$ 21,928,070	\$ 18,821,045	\$ 16,245,063	\$ 12,273,284
Non-Hazardous	28,295,647	11,435,489	10,283,469	12,117,550	11,629,098	10,518,014	9,097,894	6,847,425	5,536,269	3,968,390
	<u>\$ 39,909,393</u>	<u>\$ 40,022,478</u>	<u>\$ 35,631,675</u>	<u>\$ 42,721,210</u>	<u>\$ 38,517,693</u>	<u>\$ 33,384,794</u>	<u>\$ 31,025,964</u>	<u>\$ 25,668,470</u>	<u>\$ 21,781,332</u>	<u>\$ 16,241,674</u>
The Fiscal Court's covered-employee payroll	\$ 15,812,141	\$ 13,724,931	\$ 12,884,035	\$ 12,783,622	\$ 12,117,952	\$ 12,070,563	\$ 11,272,839	\$ 11,629,174	\$ 11,001,641	\$ 10,935,677
The Fiscal Court's proportionate share of the net pension liability as a percentage of its covered-employee payroll	252.40%	291.60%	276.56%	334.19%	317.86%	276.58%	275.23%	220.72%	197.98%	148.52%
Plan fiduciary net position as a percentage of the total pension liability										
Hazardous	52.96%	52.42%	57.33%	47.81%	50.45%	53.54%	53.32%	55.00%	59.97%	66.80%
Non-Hazardous	57.48%	47.11%	52.26%	44.11%	46.63%	49.26%	49.78%	53.95%	57.52%	53.46%

BOONE COUNTY
SCHEDULE OF COUNTY'S PENSION CONTRIBUTIONS
June 30, 2024

County Employees Retirement System
Last 10 Fiscal Years

Nonhazardous & Hazardous	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contributions										
Hazardous	\$ 1,430,691	\$ 2,993,865	\$ 2,358,246	\$ 2,006,766	\$ 1,993,747	\$ 1,568,165	\$ 1,352,036	\$ 1,276,916	\$ 1,140,081	\$ 1,136,496
Non-Hazardous	3,201,780	1,291,940	875,405	747,377	737,470	609,319	536,849	474,605	417,290	382,115
Contributions in Relation to the Contractually Required Contribution										
Hazardous	(1,430,691)	(2,993,865)	(2,358,246)	(2,006,766)	(1,993,747)	(1,568,165)	(1,352,036)	(1,276,916)	(1,568,165)	(1,352,036)
Non-Hazardous	(3,201,780)	(1,291,940)	(875,405)	(747,377)	(737,470)	(609,319)	(536,849)	(474,605)	(417,290)	(382,115)
Covered Payroll										
Hazardous	3,480,153	12,794,295	11,139,565	10,397,751	10,330,295	9,667,644	9,522,842	9,127,484	9,467,267	9,014,830
Non-Hazardous	13,717,995	3,017,846	2,585,366	2,486,284	2,453,327	2,450,308	2,547,721	2,145,355	2,161,911	1,986,811
Contributions as a Percentage of Covered Payroll										
Hazardous	41.11%	23.40%	21.17%	19.30%	19.30%	16.22%	14.20%	13.99%	12.04%	12.61%
Non-Hazardous	23.34%	42.81%	33.86%	30.06%	30.06%	24.87%	21.07%	22.12%	19.30%	19.23%

Notes:

Valuation Date	Actuarially determined contribution rates for 2023 were calculated based on the June 30, 2021 actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.30% to 10.30%, Varies by Service (Non-Hazardous) 3.55% to 19.05%, Varies by Service (Hazardous)
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Phase-in Provision	Board certified rates is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

BOONE COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
June 30, 2024

County Employees Retirement System
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
County's Proportionate Share of the Net OPEB Liability							
Nonhazardous	\$ (608,826)	\$ 7,802,858	\$ 7,609,498	\$ 9,632,753	\$ 6,429,441	\$ 6,665,986	\$ 7,531,284
Hazardous	589,137	3,191,369	3,123,319	3,714,045	3,114,336	3,100,875	3,361,661
	<u>\$ (19,689)</u>	<u>\$ 10,994,227</u>	<u>\$ 10,732,817</u>	<u>\$ 13,346,798</u>	<u>\$ 9,543,777</u>	<u>\$ 9,766,861</u>	<u>\$ 10,892,945</u>
County's Proportion of the Net OPEB Liability							
Nonhazardous	0.440965%	0.395379%	0.397477%	0.398922%	0.382260%	0.375447%	0.374627%
Hazardous	0.430583%	0.374668%	0.386282%	0.401907%	0.420936%	0.434930%	0.406650%
Covered Payroll	15,812,141	\$ 13,724,931	\$ 12,884,035	\$ 12,783,622	\$ 12,117,952	\$ 12,070,563	\$ 11,272,839
County's Share of the Net OPEB Liability as a Percentage of its Covered Payroll							
	-0.12%	80.10%	83.30%	104.41%	78.76%	80.91%	96.63%
Total Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability							
Nonhazardous	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.39%
Hazardous	92.27%	64.13%	66.81%	58.84%	64.44%	64.24%	58.99%

*Only seven years of information available. Additional years' information will be displayed as it becomes available.

BOONE COUNTY
SCHEDULE OF COUNTY'S OPEB CONTRIBUTIONS
June 30, 2024

County Employees Retirement System
Last 10 Fiscal Years*

Nonhazardous	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily Required Contributions	\$ -	\$ 433,727	\$ 643,867	\$ 494,933	\$ 491,722	\$ 508,519	\$ 438,851	\$ 432,961
Contributions in Relation to the								
Contractually Required Contribution	-	(433,727)	(643,867)	(494,933)	(491,722)	(508,519)	(438,851)	(432,961)
Covered Payroll	\$ 13,717,995	\$ 12,794,295	\$ 11,139,565	\$ 10,397,751	\$ 10,330,295	\$ 9,667,644	\$ 9,522,842	\$ 9,127,484
Contributions as a Percentage of								
Covered Payroll	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.61%	4.74%
Hazardous	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily Required Contributions	\$ 89,788	\$ 204,610	\$ 270,688	\$ 236,694	\$ 233,557	\$ 256,620	\$ 226,106	\$ 204,402
Contributions in Relation to the	(89,788)	(204,610)	(270,688)	(236,694)	(233,557)	(256,620)	(226,106)	(204,402)
Contractually Required Contribution								
Covered Payroll	\$ 3,480,153	\$ 3,017,846	\$ 2,585,366	\$ 2,486,284	\$ 2,453,327	\$ 2,450,308	\$ 2,547,721	\$ 2,145,355
Contributions as a Percentage of	2.58%	6.78%	10.47%	9.52%	9.52%	10.47%	8.87%	9.53%
Covered Payroll								

*Only eight years of information available. Additional years' information will be displayed as it becomes available.

Notes:

Valuation Date	Actuarially determined contribution rates for 2023 were calculated based on the June 30, 2021 actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.
Inflation	2.30%
Salary Increase	3.30% to 10.30%, for non-hazardous members, varies by service 3.55% to 19.05%, for hazardous members, varies by service
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality Improvement scale using a base year of 2019.
Healthcare Rate Trends	
Pre-65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over 13 years. The 2022 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over 13 years. The 2022 premiums were known at the time of the valuation and were incorporated into the liability measurement.

SUPPLEMENTARY INFORMATION

BOONE COUNTY
COMBING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Public Safety Communi- cations Center	Local Government Economic Assistance Fund	Federal Grants Fund	Tax Improvement Fund	Mental Health Fund	Opioid Settlement Fund	Total Nonmajor Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 4,573,878	\$ 225,338	\$ 9,292	\$ 3,361,263	\$ 1,700,072	\$ 2,039,488	\$ 11,909,331
Investments	-	-	-	-	4,786,058	-	4,786,058
Accounts Receivable	257,130	41,160	9,297	200,507	737,865	2,707,009	3,952,968
Total Assets	\$ 4,831,008	\$ 266,498	\$ 18,589	\$ 3,561,770	\$ 7,223,995	\$ 4,746,497	\$ 20,648,357
Liabilities and Fund Balances Liabilities							
Accounts Payable	\$ 21,778	\$ -	\$ 18,580	\$ 80,233	\$ 195,606	\$ -	\$ 316,197
Accrued Payroll	115,249	-	-	-	-	-	115,249
Compensated Absences Payable	134,366	-	-	-	-	-	134,366
Total Liabilities	271,393	-	18,580	80,233	195,606	-	565,812
Deferred Inflows of Resources							
Unavailable Revenue - Intergovernmental	253,125	-	-	814	60,922	2,707,009	3,021,870
Fund Balances							
Restricted							
Other Capital Projects	-	-	-	3,480,723	-	-	3,480,723
Other Purposes	-	266,498	9	-	-	-	266,507
Protection to Persons and Property	4,306,490	-	-	-	-	-	4,306,490
Opioid Remediation	-	-	-	-	-	2,039,488	2,039,488
Committed							
Health and Welfare	-	-	-	-	6,967,467	-	6,967,467
Total Fund Balances	4,306,490	266,498	9	3,480,723	6,967,467	2,039,488	17,060,675
Total Liabilities and Fund Balances	\$ 4,831,008	\$ 266,498	\$ 18,589	\$ 3,561,770	\$ 7,223,995	\$ 4,746,497	\$ 20,648,357

BOONE COUNTY
COMBING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED June 30, 2024

	Public Safety Communi- cations Center	Local Government Economic Assistance Fund	Federal Grants Fund	Tax Improvement Fund	Mental Health Fund	Opioid Settlement Fund	Total Nonmajor Governmental Funds
Revenues							
Taxes	\$ 4,324,728	\$ -	\$ -	\$ 904,256	\$ 3,385,310	\$ -	\$ 8,614,294
Intergovernmental	623,467	164,726	197,857	-	-	991,411	1,977,461
Interest	188,793	11,626	121	126,364	291,358	61,007	679,269
Miscellaneous	225	-	-	-	15,470	-	15,695
Total Revenues	5,137,213	176,352	197,978	1,030,620	3,692,138	1,052,418	11,286,719
Expenditures							
Protection to Persons and Property	3,459,053	-	-	-	-	-	3,459,053
General Health and Sanitation	-	-	-	-	2,022,003	-	2,022,003
Social Services	-	-	197,855	-	448,648	180,128	826,631
Roads		283,031					283,031
Capital Projects	718,256	-	-	705,233	-	-	1,423,489
Administration	1,207,130	-	-	-	649,025	-	1,856,155
Debt Service	351,899	-	-	-	-	-	351,899
Total Expenditures	5,736,338	283,031	197,855	705,233	3,119,676	180,128	10,222,261
(Deficiency) Excess of Revenues Over Expenditures	(599,125)	(106,679)	123	325,387	572,462	872,290	1,064,458
Other Financing Sources (Uses)							
Proceeds from Right to Use Assets	715,449	-	-	-	-	-	715,449
Transfers to Other Funds	-	-	(114)	(123,541)	-	-	(123,655)
Total Other Financing Sources (Uses)	715,449	-	(114)	(123,541)	-	-	591,794
Net Change in Fund Balances	116,324	(106,679)	9	201,846	572,462	872,290	1,656,252
Fund Balances July 1, 2023	4,190,166	373,177	-	3,278,877	6,395,005	1,167,198	15,404,423
Fund Balances June 30, 2024	\$ 4,306,490	\$ 266,498	\$ 9	\$ 3,480,723	\$ 6,967,467	\$ 2,039,488	\$ 17,060,675

REQUIRED REGULATORY SECTION

BOONE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2024

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BOONE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Fiscal Year Ended June 30, 2024

Federal Grants/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Justice</u>				
<i>Direct Program</i>				
State Criminal Alien Assistance Program	16.606		\$ -	\$ 5,291
Total U.S. Department of Justice			-	5,291
<u>U.S. Department of Treasury</u>				
<i>Direct Program</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		-	10,983,088
Total U.S. Department of Treasury			-	10,983,088
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed-Through Kentucky</i>				
<i>Department for Local Government</i>				
Community Development Block Grants/State's Program				
-Kentucky Recovery Grant - Brighton Center (Operating)	14.228	PON2 112 2400001659	87,188	87,188
-Kentucky Recovery Grant - Brighton Center (Operating)	14.228	PON2 112 2300002016	110,668	110,668
Total U.S. Department of Housing and Urban Development			197,856	197,856
<u>U.S. Department of Federal Emergency</u>				
<u>Management Agency</u>				
<i>Passed-Through Kentucky</i>				
<i>Department for Military Affairs</i>				
Emergency Management Performance Grants	97.042	PON2 095 080007930 1	-	45,282
National Urban Search and Rescue (US&R) Response System	97.025	PON3 095 2400000036	-	4,513
Total U.S. Department of Federal Emergency Management Agency			-	49,795
<u>U.S. Department of Transportation</u>				
<i>Passed-Through Kentucky</i>				
<i>Transportation Cabinet</i>				
Highway Planning and Construction				
-Frogtown Connector Sidewalk	20.205	SC-628-2100001326	-	242,678
-KY 20 Turn Lanes at Aviation Blvd	20.205	PO2-625-2300000250	-	53,449
-KY 237 Multi-Use Path	20.205	SC-625-2200000273-2	-	474,899
-Sam Neace Sidewalk	20.205	SC-628-2100001323	-	800
-Camp Ernst Road Roundabout	20.205	PO2-625-2300000995	-	114,896
-CVG Trail KY 236 & KY Multi-Use Path	20.205	SC-2300000661	-	64,331
-Southpark Drive Widening	20.205	SC-628-2400000583	-	5,440
-KY 237 Turn Lanes	20.205	SC-2400000893	-	19,360
Total U.S. Department of Transportation			-	975,853
Total Expenditures of Federal Awards			\$ 197,856	\$ 12,211,883

The accompanying notes are an integral part of this schedule.

BOONE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Boone County Assisted Housing Department

Expenditures reported on the Boone County Assisted Housing Department's Schedule of Expenditures of Federal Awards were not included on the County's Schedule of Expenditures of Federal Awards. A separate Uniform Guidance audit was conducted on the Boone County Assisted Housing Department's Financial Statements and therefore are excluded.

Note 4. Indirect Cost Rate

Boone County has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**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 Gary W. Moore, Boone County Judge/Executive
Members of the Boone County Fiscal Court

We have audited, in accordance with the 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boone County Fiscal Court as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Boone County Fiscal Court's basic financial statements, and have issued our report thereon dated .

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Boone County Fiscal Court's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Boone County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Boone 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 statements 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 Boone County Fiscal Court's financial statements are free from 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 statements. 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

June 5, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With The Uniform Guidance

Independent Auditor's Report

The Honorable Gary W. Moore, Boone County Judge/Executive
Members of the Boone County Fiscal Court

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Boone County Fiscal Court's compliance with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Boone County Fiscal Court's major federal programs for the year ended June 30, 2024. The Boone County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Boone County Fiscal Court complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Boone County Fiscal Court and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Boone County Fiscal Court's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Boone County Fiscal Court's federal programs.



Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With Uniform Guidance
(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Boone County Fiscal Court's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Boone County Fiscal Court's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Boone County Fiscal Court's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Boone County Fiscal Court's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Boone County Fiscal Court's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With Uniform Guidance
(Continued)

Report on Internal Control Over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

June 5, 2025

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BOONE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2024

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BOONE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2024

Section I: Summary of Auditor's Results

Financial Statement

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
 Unmodified on GAAP Basis

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

BOONE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2024
(Continued)

Section II: Financial Statement Findings

None.

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

Finding Number	Prior Year Finding Title	Status	Corrective Action
2023-001	The County Improperly Identified Two Contractors As Subrecipients	Resolved	There was confusion when the ARPA account was set up by the previous Treasurer and previous County Administrator. This has been corrected.

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

BOONE COUNTY FISCAL COURT

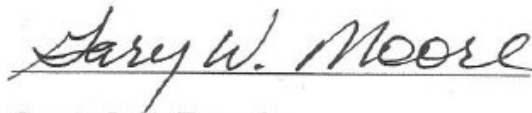
For The Year Ended June 30, 2024

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CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
BOONE COUNTY FISCAL COURT

For The Year Ended June 30, 2024

The Boone 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