

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

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



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

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



CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT .....	1
BOONE COUNTY OFFICIALS .....	5
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	6
STATEMENT OF NET POSITION .....	21
STATEMENT OF ACTIVITIES .....	24
BALANCE SHEET - GOVERNMENTAL FUNDS .....	25
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION .....	26
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS .....	27
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES .....	28
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS .....	29
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS .....	31
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS .....	33
STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS .....	35
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS .....	36
NOTES TO FINANCIAL STATEMENTS .....	38
BUDGETARY COMPARISON SCHEDULES .....	81
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION .....	85
CONDITION RATING OF THE COUNTY’S STREET SYSTEM .....	87
SCHEDULE OF THE COUNTY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY .....	89
SCHEDULE OF COUNTY’S PENSION CONTRIBUTIONS .....	90
SCHEDULE OF THE COUNTY’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY .....	91
SCHEDULE OF COUNTY’S OPEB CONTRIBUTIONS .....	92
COMBING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS .....	94
COMBING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS .....	95
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	99
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	100
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 <i>GOVERNMENT AUDITING STANDARDS</i> .....	103
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE .....	107
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	113
APPENDIX A: CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM	

THIS PAGE LEFT BLANK INTENTIONALLY



**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, 2025, 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, 2025, 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.

We did not audit the financial statements of the Business-Type Activities - Enterprise Fund - Assisted Housing Fund, which represent 19.82 percent of the business-type activities total assets. 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 Business-Type Activities - Enterprise Fund - Assisted Housing Fund, is based solely on the report of the other auditors.

***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.



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

### ***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 Fund, which represent 61 percent and 62 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.

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

*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 81 through 84, the Condition Rating of the County's Street System on page 87, 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2026, 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,



Allison Ball  
Auditor of Public Accounts  
Frankfort, Ky

April 17, 2026

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

**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 (Through April 16, 2025)	Sheriff
Les Hill (Effective April 17, 2025)	Sheriff
Jonathan Brown	Property Valuation Administrator
Elizabeth Rittinger	Coroner

**Appointed Personnel:**

Robert Notton, CPA (Through October 18, 2024)	County Treasurer
Kimberley Krugel, CPA (Through December 31, 2024)	Interim County Treasurer
Lisa Goetz, CPA (Effective January 1, 2025)	County Treasurer
Robert Franxman	County Engineer

**Boone County**  
**Management's Discussion and Analysis**  
**June 30, 2025**  
**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, 2025.

**Financial Highlights**

- As of June 30, 2025, the County's net position was \$454,441,700, which is an increase of \$21,179,105 or 4.9% over the prior year. Total current assets of \$160,343,087 increased by \$584,064 or 0.4% and the noncurrent and capital assets (including deferred outflows) increased by \$10,481,016 or 2.8%.
  - The \$584,064 net increase in current assets is attributable to strong occupational license and net profit collections, as well as investment earnings.
- Total liabilities decreased \$7,594,907 or 9.7% when compared with the previous year. Largely due to the spending of unearned income on capital projects.
- Program revenues offset 32.4% of Boone County's governmental activity expenses, totaling \$108,270,261. 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 \$175,000. As of June 30, 2025, the County has \$3,845,000 of outstanding bonds, of which \$180,000 is due within one year. These consist entirely of General Obligation Bonds.
- Through budgeted expenditures, grants and in-kind donations, the County capitalized approximately \$20.00 million in long-lived assets during FY25. 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 \$5,052,392.
  - Within Construction in Progress for the Parks Building \$3,383,519.
  - Sheriff and other county vehicles of approximately \$2,535,724.
  - Central Park Land Purchase \$1,088,707.

**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, 2025  
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 as a result 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 32.4% 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 \$21,100,654. Revenues decreased \$1,365,548 or 1.0% when compared with the previous year and the expenses increased by \$8,372,108 or 8.4%.
- **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 103.1% of service costs. Assisted Housing experienced an increase in net position. The Jail Canteen and Golf Course experienced slight decreases in net position. The Golf Course transferred a net \$419,266 to the General Fund. The combined operations of all business-type activities resulted in a positive change in net position of \$78,451.

**Boone County  
Management's Discussion and Analysis  
June 30, 2025  
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, opioid settlement, 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 eight fiduciary funds: Jail Prisoners Fund, School Board Tax Fund, Motor Vehicle Rental Tax Fund, Bullittsville Cemetery Trust Fund, Flexible Spending Account, Health Reimbursement Account, Early Childhood Fund and County Clerk Storage.

**Notes to the Financial Statements**

The notes to the financial statements (pages 38 - 78) 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, 2025  
Unaudited  
(Continued)**

**Required Supplementary Information**

The budgetary comparison schedules (pages 81 - 84) for four major 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 87.

**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 85 through 86 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, 2025  
Unaudited  
(Continued)**

**STATEMENT OF NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	FY25	FY24	FY25	FY24	FY25	FY24
Current Assets	\$ 156,877,784	\$ 156,399,327	\$ 3,465,303	\$ 3,359,696	\$ 160,343,087	\$ 159,759,023
Noncurrent Assets	19,838,289	20,941,557	877,185	160,631	20,715,474	21,102,188
Capital Assets	340,870,477	328,032,935	6,981,164	7,182,737	347,851,641	335,215,672
Total Assets	517,586,550	505,373,819	11,323,652	10,703,064	528,910,202	516,076,883
Deferred Outflows of Resources	10,831,582	12,495,859	640,122	744,084	11,471,704	13,239,943
Total Assets and Deferred Outflows of Resources	528,418,132	517,869,678	11,963,774	11,447,148	540,381,906	529,316,826
Current Liabilities	23,942,528	29,482,328	708,997	488,379	24,651,525	29,970,707
Noncurrent Liabilities	43,382,314	46,024,255	2,814,104	2,447,888	46,196,418	48,472,143
Total liabilities	67,324,842	75,506,583	3,523,101	2,936,267	70,847,943	78,442,850
Deferred Inflows of Resources	14,262,343	16,632,802	829,920	978,579	15,092,263	17,611,381
Total Liabilities and Deferred Inflows of Resources	81,587,185	92,139,385	4,353,021	3,914,846	85,940,206	96,054,231
Net Investment in Capital Assets	336,980,355	323,964,470	6,981,164	7,182,737	343,961,519	331,147,207
Restricted						
Other Capital Projects	3,886,897	3,480,723	-	-	3,886,897	3,480,723
Other Purposes	886,681	987,772	783,141	872,824	1,669,822	1,860,596
PPP	4,439,893	4,306,490	-	-	4,439,893	4,306,490
Opioid Remediation	3,139,867	4,746,497	-	-	3,139,867	4,746,497
Unrestricted	97,497,254	88,244,341	(153,552)	(523,259)	97,343,702	87,721,082
<b>Total Net Position</b>	<b>\$ 446,830,947</b>	<b>\$ 425,730,293</b>	<b>\$ 7,610,753</b>	<b>\$ 7,532,302</b>	<b>\$ 454,441,700</b>	<b>\$ 433,262,595</b>

**Boone County  
Management's Discussion and Analysis  
June 30, 2025  
Unaudited  
(Continued)**

On June 30, 2025, the County's net position exceeded its liabilities by \$383,593,827, an increase of \$28,774,012 or 8.1%, over the prior year. Most of the County's net position (75.7%) 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 \$97,343,702, an increase of \$9,622,620 or 11%, 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 \$478,457 (0.3%) due to Investment and Cash balances increasing. Noncurrent assets decreased by \$1,103,268 (5.3%) which is mainly due to a decrease in restricted investments for capital projects.
- Total liabilities under governmental activities decreased by \$8,181,741 (10.8%) 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 \$620,588 (5.8%) due mainly to an increase in cash and cash equivalents.
- In the business activities, the increase in net position of \$78,451 (1.0%) is attributable to decreases in lease liabilities and deferred inflows related to pension.

**Boone County  
Management's Discussion and Analysis  
June 30, 2025  
Unaudited  
(Continued)**

## STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	FY25	FY24	FY25	FY24	FY25	FY24
<b>Revenues</b>						
<u>Program Revenues:</u>						
Charges for Services	\$ 12,862,067	\$ 10,439,454	\$ 4,963,646	\$ 4,470,867	\$ 17,825,713	\$ 14,910,321
Operating Grants and Contributions	16,612,771	15,562,506	8,073,567	7,531,316	24,686,338	23,093,822
Capital Grants and Contributions	5,596,872	11,984,204	-	-	5,596,872	11,984,204
Program Revenues Funded	35,071,710	37,986,164	13,037,213	12,002,183	48,108,923	49,988,347
<u>General Revenues:</u>						
Taxes	71,817,694	69,381,594	-	-	71,817,694	69,381,594
License Fees and Permits	391,737	402,963	-	-	391,737	402,963
Excess Fees	2,147,287	1,901,735	-	-	2,147,287	1,901,735
Rental Income	111,133	174,593	-	-	111,133	174,593
Unrestricted Investment Earnings	6,853,942	6,625,625	101,128	102,708	6,955,070	6,728,333
Donated Assets	5,052,392	4,840,633	-	-	5,052,392	4,840,633
Gain (Loss) on Sale of Capital Assets	(4,914)	186,098	-	2,961	(4,914)	189,059
Miscellaneous	7,502,721	8,809,845	-	-	7,502,721	8,809,845
Total General Revenue	93,871,992	92,323,086	101,128	105,669	93,973,120	92,428,755
Total Revenue	128,943,702	130,309,250	13,138,341	12,107,852	142,082,043	142,417,102
<b>Expenses</b>						
General Government	43,853,639	36,673,807	-	-	43,853,639	36,673,807
Protection to Persons and Property	38,558,043	37,229,642	-	-	38,558,043	37,229,642
General Health and Sanitation	4,305,922	3,868,750	-	-	4,305,922	3,868,750
Social Services	1,758,179	1,649,090	-	-	1,758,179	1,649,090
Recreation and Culture	3,819,007	3,846,211	-	-	3,819,007	3,846,211
Roads	10,302,762	10,005,969	-	-	10,302,762	10,005,969
Fleet Services	1,026,274	909,697	-	-	1,026,274	909,697
Capital Improvements	7,122,923	8,370,045	-	-	7,122,923	8,370,045
Interest on Long-Term Debt	122,815	(671,158)	-	-	122,815	(671,158)
Pension Benefit	(474,893)	(645,422)	(42,657)	(120,502)	(517,550)	(765,924)
OPEB (Benefit) Expense	(2,124,410)	(1,338,478)	(129,623)	(105,492)	(2,254,033)	(1,443,970)
Jail Canteen Fund	-	-	915,625	745,904	915,625	745,904
Golf Course Fund	-	-	3,951,944	3,648,237	3,951,944	3,648,237
Assisted Housing Fund	-	-	7,947,577	7,243,709	7,947,577	7,243,709
Total Expenses	108,270,261	99,898,153	12,642,866	11,411,856	120,913,127	111,310,009
Change in Net Position, Before Transfers	20,673,441	30,411,097	495,475	695,996	21,168,916	31,107,093
Transfers	427,213	219,479	(417,024)	(201,125)	10,189	18,354
<b>Change in Net Position</b>	21,100,654	30,630,576	78,451	494,871	21,179,105	31,125,447
<b>Net Position - Beginning Year</b>	425,730,293	395,193,875	7,532,302	7,037,431	433,262,595	402,231,306
<b>Restatement</b>	-	(94,158)	-	-	-	(94,158)
<b>Net Position - Ending Year</b>	\$ 446,830,947	\$ 425,730,293	\$ 7,610,753	\$ 7,532,302	\$ 454,441,700	\$ 433,262,595

**Boone County  
Management's Discussion and Analysis  
June 30, 2025  
Unaudited  
(Continued)**

At June 30, 2025, governmental activities net position totaled \$446,830,947, an increase of 5.0% over the previous fiscal year. Net position for business-type activities was \$7,610,753, an increase of 1.0%.

Total program revenues increased \$1,879,424 or 3.8% compared with the previous fiscal year. Revenue from all sources decreased \$335,059 or 0.2%.

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 increased by \$9,603,118 or 8.6%. Overall total revenues exceeded total expenditures before transfer activity, resulting in a positive change in net position of \$21,168,916.

Significant changes compared to the prior year are listed below:

- The County continues to see positive housing growth as developers donated \$5,052,392 in new subdivision streets and sidewalks.
- Tax collections maintain their year over year growth, \$2,436,100 (3.5%) 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 103.1%.

Program revenues for the governmental activities were 27.2% of total revenues received. This means that 27.2% 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, Opioid, and Capital Improvement Funds. The County's governmental funds reflect a combined fund balance of \$140,842,953 of which approximately 50.6% 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 \$258,476 from the previous year is related to the County remaining 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, 2025  
Unaudited  
(Continued)**

The County's proprietary funds' statements are shown on pages 29 through 34 with a total increase in net position of \$78,451 for the enterprise funds from the prior fiscal year.

- The current year's Golf Course's operating activities reflect an decrease in the net position of \$101,591. During 2025, the Golf Course Fund transferred a net \$419,266 in expenditure reimbursement to the General Fund. Operating expenses, without depreciation, increased by \$368,391 (11.6%) from the prior fiscal year.
- The Jail Canteen Fund's net position decreased by \$89,683. 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 \$269,725 during the year. Revenues increased by \$542,251 and expenses increased by \$672,985.

The County has eight fiduciary funds: 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 0.8%, while recurring line-item operating expenses were below budget by 11.6%.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

At June 30, 2025, the government activities of the County had \$340,870,477 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 \$12,837,542 or 3.8%, on the governmental activities from the previous year. The County added approximately \$19.9 million in governmental activities assets before depreciation. Approximately \$11.3 million was for multiyear projects, \$5.1 million for roads and sidewalks, \$2.7 million for equipment and vehicles, and \$2.3 million for buildings and building improvements. Included in the total above, the County accepted approximately \$5.1 million of new streets and sidewalks from local developers.

The business activities reflect a net decrease in capital assets of \$201,573 or 2.8%.

Boone County  
Management's Discussion and Analysis  
June 30, 2025  
Unaudited  
(Continued)

## STATEMENT OF CAPITAL ASSETS

	Governmental Activities		Business Activities		Total	
	FY25	FY24	FY25	FY24	FY25	FY24
Land	\$ 15,836,978	\$ 14,359,178	\$ 2,396,478	\$ 2,396,478	\$ 18,233,456	\$ 16,755,656
Roads, Modified Approach (Not Depreciated)	238,708,406	233,656,014	-	-	238,708,406	233,656,014
Roads	8,491	8,491	-	-	8,491	8,491
Land Improvements	16,225,227	13,211,909	1,196,179	1,252,407	17,421,406	14,464,316
Building and Building Improvements	47,996,728	47,753,049	3,179,997	3,355,796	51,176,725	51,108,845
Furniture and Office Equipment	165,295	257,594	-	-	165,295	257,594
Vehicles and Equipment	11,827,816	13,066,663	208,510	178,056	12,036,326	13,244,719
Construction In Progress	10,101,536	5,720,037	-	-	10,101,536	5,720,037
	<u>\$ 340,870,477</u>	<u>\$ 328,032,935</u>	<u>\$ 6,981,164</u>	<u>\$ 7,182,737</u>	<u>\$ 347,851,641</u>	<u>\$ 335,215,672</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, 2025  
 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, 2025, the County had \$3,845,000 in outstanding bond obligations (not including premiums or discounts) versus \$4,020,000 last year, a decrease of 4.4%, as shown on the chart below.

**Noncurrent Liabilities**

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<b>FY25</b>	<b>FY24</b>	<b>FY25</b>	<b>FY24</b>	<b>FY25</b>	<b>FY24</b>
General Obligation Bonds	\$ 3,845,000	\$ 4,020,000	\$ -	\$ -	\$ 3,845,000	\$ 4,020,000
Unamortized Premium	45,122	48,465	-	-	45,122	48,465
Lease Liability	1,699,591	2,067,540	776,839	66,908	2,476,430	2,134,448
Subscription Liability	1,027,750	1,595,164	-	-	1,027,750	1,595,164
Compensated Absences	1,228,379	986,654	132,581	105,801	1,360,960	1,092,455
Estimated Liability for					-	-
Claims - HRA Accounts	1,098,997	1,032,970	-	-	1,098,997	1,032,970
Accrued Other	15,666,616	-	161,278	163,189	15,827,894	163,189
	<b>\$ 24,611,455</b>	<b>\$ 9,750,793</b>	<b>\$ 1,070,698</b>	<b>\$ 335,898</b>	<b>\$ 25,682,153</b>	<b>\$ 10,086,691</b>

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 2025 assessment the maximum allowable indebtedness of the County is more than \$449 million, which far exceeds the County’s outstanding debt.

**Boone County  
Management's Discussion and Analysis  
June 30, 2025  
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 \$2.4 million dollars over the previous fiscal year or 3.5%, 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 \$22.4 billion, as certified in July 2025. This represents an increase of \$446 million or 2.0% over the prior year. The July 2025 certification sets the values at which taxes to be collected in fiscal year 2026 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.

THIS PAGE LEFT BLANK INTENTIONALLY

**BOONE COUNTY  
BASIC FINANCIAL STATEMENTS**

THIS PAGE LEFT BLANK INTENTIONALLY

**BOONE COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 27,250,387	\$ 3,153,315	\$ 30,403,702
Investments	106,489,648	-	106,489,648
Inventory	-	221,945	221,945
Accounts Receivable	22,924,900	87,082	23,011,982
Interest Receivable	1,249	-	1,249
Lease Receivable	114,926	-	114,926
Notes Receivable	96,674	-	96,674
Due From Other Funds	-	2,961	2,961
<b>Total Current Assets</b>	<b>156,877,784</b>	<b>3,465,303</b>	<b>160,343,087</b>
<b>Noncurrent Assets</b>			
Right to Use Assets, Net	1,622,494	774,045	2,396,539
Subscription Assets, Net	1,379,991	-	1,379,991
Capital Assets, Net of Accumulated Depreciation			
Land	15,836,978	2,396,478	18,233,456
Land Improvements	16,225,227	1,196,179	17,421,406
Buildings and Building Improvements	47,996,728	3,179,998	51,176,726
Furniture and Office Equipment	165,295	-	165,295
Vehicles and Equipment	11,827,816	208,509	12,036,325
Construction in Progress	10,101,536	-	10,101,536
Infrastructure Assets, Net of Accumulated Depreciation	238,716,897	-	238,716,897
Restricted Cash	5,224,212	92,353	5,316,565
Restricted Investments	11,181,656	-	11,181,656
Lease Receivable	111,036	-	111,036
Notes Receivable	136,359	-	136,359
Net Other Postemployment Benefits Asset	182,541	10,787	193,328
<b>Total Noncurrent Assets</b>	<b>360,708,766</b>	<b>7,858,349</b>	<b>368,567,115</b>
<b>Total Assets</b>	<b>517,586,550</b>	<b>11,323,652</b>	<b>528,910,202</b>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Related to Pension	8,218,102	485,671	8,703,773
Deferred Outflows Related to OPEB	2,613,480	154,451	2,767,931
<b>Total Deferred Outflows of Resources</b>	<b>10,831,582</b>	<b>640,122</b>	<b>11,471,704</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 528,418,132</b>	<b>\$ 11,963,774</b>	<b>\$ 540,381,906</b>

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

**BOONE COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**  
**(Continued)**

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Current Liabilities</b>			
Compensated Absences Payable	\$ 36,979	\$ -	\$ 36,979
Bonds Payable	183,343	-	183,343
Lease Liability	375,722	294,517	670,239
Subscription Liability	878,064	-	878,064
Accounts Payable	5,475,410	210,077	5,685,487
Accrued Payroll	1,134,439	109,199	1,243,638
Accrued Interest	31,204	3,624	34,828
Due to Other Funds	2,961	-	2,961
Estimated Liability for Claims - HRA Accounts	45,929	-	45,929
Accrued Other	15,579,185	87,082	15,666,267
Unearned Income	199,292	4,498	203,790
	<u>23,942,528</u>	<u>708,997</u>	<u>24,651,525</u>
Total Current Liabilities			
<b>Noncurrent Liabilities</b>			
Compensated Absences Payable	1,191,400	132,581	1,323,981
Bonds Payable	3,706,779	-	3,706,779
Lease Liability	1,323,869	482,322	1,806,191
Subscription Liability	149,686	-	149,686
Estimated Liability for Claims - HRA Accounts	1,053,068	-	1,053,068
Accrued Other	-	74,196	74,196
Net Pension Liability	35,957,512	2,125,005	38,082,517
	<u>43,382,314</u>	<u>2,814,104</u>	<u>46,196,418</u>
Total Noncurrent Liabilities			
Total Liabilities	<u>67,324,842</u>	<u>3,523,101</u>	<u>70,847,943</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Related to Pension	4,291,855	253,638	4,545,493
Deferred Inflows Related to OPEB	9,751,349	576,282	10,327,631
Deferred Inflows Related to Leases	219,139	-	219,139
	<u>14,262,343</u>	<u>829,920</u>	<u>15,092,263</u>
Total Deferred Outflows of Resources			
Total Liabilities and Deferred Inflows of Resources	<u>81,587,185</u>	<u>4,353,021</u>	<u>85,940,206</u>

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

**BOONE COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**  
**(Continued)**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position</b>	336,980,355	6,981,164	343,961,519
Net Investment in Capital Assets			
Restricted for			
Other Capital Projects	3,886,897	-	3,886,897
Other Purposes	886,681	783,141	1,669,822
Protection of Persons and Property	4,439,893	-	4,439,893
Opioid Remediation	3,139,867	-	3,139,867
Unrestricted	97,497,254	(153,552)	97,343,702
<b>Total Net Position</b>	<b>\$ 446,830,947</b>	<b>\$ 7,610,753</b>	<b>\$ 454,441,700</b>

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



**BOONE COUNTY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2025**

	<b>Major Funds</b>						<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Road and Bridge Fund</b>	<b>Jail Fund</b>	<b>Opioid Settlement Fund</b>	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	
<b>Assets</b>							
Cash and Cash Equivalents	\$ 2,100,869	\$ 2,771,233	\$ 593,992	\$ 2,461,783	\$ 1,655,334	\$ 16,150,093	\$ 25,733,304
Investments	41,403,846	5,196,873	-	-	42,445,754	14,665,595	103,712,068
Notes Receivable	233,032	-	-	-	-	-	233,032
Accounts Receivable	15,053,195	336,681	1,211,192	3,566,416	808,565	1,354,414	22,330,463
Interest Receivable	1,249	-	-	-	-	-	1,249
Lease Receivable	225,962	-	-	-	-	-	225,962
Restricted Cash	5,224,212	-	-	-	-	-	5,224,212
Restricted Investments	11,181,656	-	-	-	-	-	11,181,656
<b>Total Assets</b>	<b>\$ 75,424,021</b>	<b>\$ 8,304,787</b>	<b>\$ 1,805,184</b>	<b>\$ 6,028,199</b>	<b>\$ 44,909,653</b>	<b>\$ 32,170,102</b>	<b>\$ 168,641,946</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 1,187,986	\$ 1,509,518	\$ 124,431	\$ 181,323	\$ 1,259,519	\$ 459,797	\$ 4,722,574
Accrued Payroll	543,623	152,803	309,915	-	-	128,098	1,134,439
Due To Other Funds	2,961	-	-	-	-	-	2,961
Compensated Absences Payable	544,486	203,199	323,917	-	-	156,777	1,228,379
Unearned Revenues	-	-	-	-	-	199,292	199,292
Net Profit Tax Extension Payable	15,579,185	-	-	-	-	-	15,579,185
<b>Total Liabilities</b>	<b>17,858,241</b>	<b>1,865,520</b>	<b>758,263</b>	<b>181,323</b>	<b>1,259,519</b>	<b>943,964</b>	<b>22,866,830</b>
<b>Deferred Inflows of Resources</b>							
Deferred Inflows Related to Leases	219,139	-	-	-	-	-	219,139
Unavailable Revenue - Intergovernmental	73,577	9,687	279	3,566,416	750,315	312,750	4,713,024
<b>Total Deferred Inflows of Resources</b>	<b>292,716</b>	<b>9,687</b>	<b>279</b>	<b>3,566,416</b>	<b>750,315</b>	<b>312,750</b>	<b>4,932,163</b>
<b>Fund Balances</b>							
Non Spendable							
Notes Receivable Long-Term	136,059	-	-	-	-	-	136,059
Restricted							
Other Capital Projects	-	-	-	-	-	3,886,897	3,886,897
Other Purposes	826,683	-	-	-	-	59,998	886,681
Protection of Persons and Property	-	-	-	-	-	4,439,893	4,439,893
Opioid Remediation	-	-	-	2,280,460	-	-	2,280,460
Committed							
Health and Welfare	-	-	-	-	-	7,637,715	7,637,715
Assigned							
Other Capital Projects	-	-	-	-	42,899,819	-	42,899,819
Protection of Persons and Property	-	-	1,046,642	-	-	-	1,046,642
Road Resurfacing and Maintenance	-	6,429,580	-	-	-	-	6,429,580
Unassigned	56,310,322	-	-	-	-	14,888,885	71,199,207
<b>Total Fund Balances</b>	<b>\$ 57,273,064</b>	<b>\$ 6,429,580</b>	<b>\$ 1,046,642</b>	<b>\$ 2,280,460</b>	<b>\$ 42,899,819</b>	<b>\$ 30,913,388</b>	<b>\$ 140,842,953</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 75,424,021</b>	<b>\$ 8,304,787</b>	<b>\$ 1,805,184</b>	<b>\$ 6,028,199</b>	<b>\$ 44,909,653</b>	<b>\$ 32,170,102</b>	<b>\$ 168,641,946</b>

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, 2025**

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

Total Fund Balance - Governmental Funds	\$ 140,842,953
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of Capital Assets	\$ 423,720,671
Accumulated Depreciation	<u>82,850,194</u>
	340,870,477
Right to use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	1,622,494
Subscription assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	1,379,991
Other assets are not available to pay current period expenditures, and therefore, are deferred in the governmental funds.	4,713,024
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.	3,037,268
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	8,218,102
Deferred Outflows of Resources Related to OPEB	2,613,480
Deferred Inflows of Resources Related to Pension	(4,291,855)
Deferred Inflows of Resources Related to OPEB	<u>(9,751,349)</u>
	(3,211,622)
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	31,204
Premiums on Bonds, Net	45,122
Bonds Principal Payments, Due within One Year	180,000
Bonds Principal Payments, Due in More than One Year	3,665,000
Lease Liability	1,699,591
Subscription Liability	1,027,750
Net Pension Liability	35,957,512
Net OPEB Liability	<u>(182,541)</u>
	<u>(42,423,638)</u>
<b>Total Net Position - Governmental Activities</b>	<b><u>\$ 446,830,947</u></b>

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, 2025**

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Road and Bridge Fund	Jail Fund	Opioid Settlement Fund	Capital Improvements Program		
<b>Revenues</b>							
Taxes	\$ 67,198,536	\$ -	\$ -	\$ -	\$ -	\$ 8,546,940	\$ 75,745,476
In Lieu Tax Payments	117,535	-	-	-	-	-	117,535
Excess Fees	2,147,287	-	-	-	-	-	2,147,287
Licenses and Permits	2,360,867	117,105	-	-	-	-	2,477,972
Intergovernmental	8,501,406	3,066,819	6,806,578	643,918	1,647,582	4,923,242	25,589,545
Charges for Services	2,011,977	296,256	163,404	-	-	-	2,471,637
Miscellaneous	843,638	1,366,153	272,631	-	(17,576)	101,424	2,566,270
Interest	2,784,857	372,741	22,562	85,532	2,240,390	1,051,327	6,557,409
<b>Total Revenues</b>	<b>85,966,103</b>	<b>5,219,074</b>	<b>7,265,175</b>	<b>729,450</b>	<b>3,870,396</b>	<b>14,622,933</b>	<b>117,673,131</b>
<b>Expenditures</b>							
General Government	8,440,263	-	-	-	-	-	8,440,263
Protection to Persons and Property	22,310,251	2,892	8,306,345	-	-	3,608,945	34,228,433
General Health and Sanitation	1,032,521	1,242,043	-	-	-	2,192,828	4,467,392
Social Services	387,324	-	-	238,478	-	695,430	1,321,232
Recreation and Culture	3,948,417	-	-	-	-	-	3,948,417
Roads	-	11,112,988	-	-	-	393,000	11,505,988
Fleet Services	-	1,026,274	-	-	-	-	1,026,274
Capital Projects	224,310	-	-	-	13,307,491	5,274,401	18,806,202
Administration	20,746,503	1,613,000	3,064,818	-	-	1,608,433	27,032,754
Debt Service	1,200,525	-	-	-	-	350,882	1,551,407
<b>Total Expenditures</b>	<b>58,290,114</b>	<b>14,997,197</b>	<b>11,371,163</b>	<b>238,478</b>	<b>13,307,491</b>	<b>14,123,919</b>	<b>112,328,362</b>
Excess (Deficiency) of Revenues Over Expenditures	27,675,989	(9,778,123)	(4,105,988)	490,972	(9,437,095)	499,014	5,344,769
<b>Other Financing (Uses) Sources</b>							
Proceeds from Subscription Assets	224,310	-	-	-	-	-	224,310
Transfers to Other Funds	(28,828,132)	(1,214,497)	-	(250,000)	-	(91)	(30,292,720)
Transfers from Other Funds	669,357	7,455,896	4,967,353	-	6,000,000	11,619,380	30,711,986
<b>Total Other Financing (Uses) Sources</b>	<b>(27,934,465)</b>	<b>6,241,399</b>	<b>4,967,353</b>	<b>(250,000)</b>	<b>6,000,000</b>	<b>11,619,289</b>	<b>643,576</b>
Net Change in Fund Balances	(258,476)	(3,536,724)	861,365	240,972	(3,437,095)	12,118,303	5,988,345
<b>Fund Balances July 1, 2024</b>	<b>57,531,540</b>	<b>9,966,304</b>	<b>185,277</b>	<b>2,039,488</b>	<b>46,336,914</b>	<b>18,795,085</b>	<b>134,854,608</b>
<b>Fund Balances June 30, 2025</b>	<b>\$ 57,273,064</b>	<b>\$ 6,429,580</b>	<b>\$ 1,046,642</b>	<b>\$ 2,280,460</b>	<b>\$ 42,899,819</b>	<b>\$ 30,913,388</b>	<b>\$ 140,842,953</b>

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, 2025**

Amounts reported for governmental activities in the statement of activities are different because:		
Total Net Change in Fund Balances - Governmental Funds	\$	5,988,345
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	\$	(6,973,135)
Capital Outlays		<u>14,867,920</u>
		7,894,785
The net effect of the disposal of capital assets is to decrease net position.		(109,635)
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		(15,437)
Subscription Assets		88,805
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.		175,000
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.		5,052,392
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, 2024	(4,632,471)	
County Pension Contributions - June 30, 2025	4,220,706	
Cost of Benefits Earned Net of Employee Contributions	<u>886,658</u>	474,893
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, 2024	(89,788)	
County Other Postemployment Benefit Contributions - June 30, 2025	77,013	
Change in Other Postemployment Benefit Liability	<u>2,137,185</u>	2,124,410
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.		(1,336,679)
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>760,432</u>
<b>Total Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>21,100,654</u></b>

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

**BOONE COUNTY**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Nonmajor Proprietary Funds	Self Insurance Fund
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund	Total	
<b>Assets and Deferred Outflows of Resources</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 1,986,697	\$ 383,477	\$ 783,141	\$ 3,153,315	\$ 1,517,083
Investments	-	-	-	-	2,777,580
Inventory	-	221,945	-	221,945	-
Accounts Receivable	87,082	-	-	87,082	594,438
Due From Other Funds	-	2,961	-	2,961	-
Restricted Cash	92,353	-	-	92,353	-
Total Current Assets	<u>2,166,132</u>	<u>608,383</u>	<u>783,141</u>	<u>3,557,656</u>	<u>4,889,101</u>
<b>Noncurrent Assets</b>					
Right to Use Asset, Net	-	774,045	-	774,045	-
Capital Assets					
Land	-	2,396,478	-	2,396,478	-
Land Improvements	-	7,004,859	-	7,004,859	-
Buildings and Building Improvements	137,418	6,612,502	-	6,749,920	-
Furniture and Office Equipment	128,572	-	-	128,572	-
Vehicles and Equipment	-	1,413,806	-	1,413,806	-
	265,990	17,427,645	-	17,693,635	-
Less Accumulated Depreciation	<u>191,903</u>	<u>10,520,568</u>	<u>-</u>	<u>10,712,471</u>	<u>-</u>
Total Capital Assets	<u>74,087</u>	<u>6,907,077</u>	<u>-</u>	<u>6,981,164</u>	<u>-</u>
Net Other Postemployment Benefits Asset	<u>3,731</u>	<u>7,056</u>	<u>-</u>	<u>10,787</u>	<u>-</u>
Total Noncurrent Assets	<u>77,818</u>	<u>7,688,178</u>	<u>-</u>	<u>7,765,996</u>	<u>-</u>
Total Assets	<u>2,243,950</u>	<u>8,296,561</u>	<u>783,141</u>	<u>11,323,652</u>	<u>4,889,101</u>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows Related to Pension	167,983	317,688	-	485,671	-
Deferred Outflows Related to OPEB	53,421	101,030	-	154,451	-
Total Deferred Outflows of Resources	<u>221,404</u>	<u>418,718</u>	<u>-</u>	<u>640,122</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,465,354</u>	<u>\$ 8,715,279</u>	<u>\$ 783,141</u>	<u>\$ 11,963,774</u>	<u>\$ 4,889,101</u>

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

**BOONE COUNTY**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2025**  
**(Continued)**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	Self Insurance Fund
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund		
			Nonmajor Proprietary Funds		
<b>Liabilities and Deferred Inflows of Resources</b>					
<b>Current Liabilities</b>					
Lease Liability	\$ -	\$ 294,517	\$ -	\$ 294,517	\$ -
Accounts Payable	5,620	204,457	-	210,077	752,836
Accrued Payroll	24,123	85,076	-	109,199	-
Accrued Interest	-	3,624	-	3,624	-
Estimated Liability for Claims - HRA Accounts	-	-	-	-	45,929
Accrued Other	87,082	-	-	87,082	-
Deferred Credit	4,498	-	-	4,498	-
Total Current Liabilities	121,323	587,674	-	708,997	798,765
<b>Long-Term Liabilities (Net of Current Portion)</b>					
Lease Liability	-	482,322	-	482,322	-
Compensated Absences Payable	23,907	108,674	-	132,581	-
Estimated Liability for Claims - HRA Accounts	-	-	-	-	1,053,068
Accrued Other	74,196	-	-	74,196	-
Net Pension Liability	734,993	1,390,012	-	2,125,005	-
Total Noncurrent Liabilities	833,096	1,981,008	-	2,814,104	1,053,068
Total Liabilities	954,419	2,568,682	-	3,523,101	1,851,833
<b>Deferred Inflows of Resources</b>					
Deferred Inflows Related to Pension	87,728	165,910	-	253,638	-
Deferred Inflows Related to OPEB	199,323	376,959	-	576,282	-
Total Deferred Inflows of Resources	287,051	542,869	-	829,920	-
Total Liabilities and Deferred Inflows of Resources	1,241,470	3,111,551	-	4,353,021	1,851,833
<b>Net Position</b>					
Net Investment in Capital Assets	74,087	6,907,077	-	6,981,164	-
Restricted for					
Other Purposes	-	-	783,141	783,141	-
Multi-Governmental Self Insurance	-	-	-	-	3,037,268
Unrestricted	1,149,797	(1,303,349)	-	(153,552)	-
<b>Total Net Position</b>	\$ 1,223,884	\$ 5,603,728	\$ 783,141	\$ 7,610,753	\$ 3,037,268

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, 2025**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Major Funds</b>			<b>Nonmajor Proprietary Funds</b>	<b>Self Insurance Fund</b>
	<b>Assisted Housing Fund</b>	<b>Golf Course Fund</b>	<b>Jail Canteen Fund</b>	<b>Total</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	
<b>Operating Revenues</b>					
Governmental Grants	\$ 8,024,741	\$ -	\$ -	\$ 8,024,741	\$ -
Canteen Receipts	-	-	794,491	794,491	-
Green Fees	-	1,991,242	-	1,991,242	-
Power Cart Rentals	-	728,013	-	728,013	-
Memberships	-	199,721	-	199,721	-
Pro Shop Sales and Pull Cart Rentals	-	250,966	-	250,966	-
Food and Beverage	-	691,187	-	691,187	-
Employer / Employee Contributions	-	-	-	-	7,356,852
Miscellaneous	48,826	308,026	-	356,852	-
<b>Total Operating Revenues</b>	<b>8,073,567</b>	<b>4,169,155</b>	<b>794,491</b>	<b>13,037,213</b>	<b>7,356,852</b>
<b>Operating Expenses</b>					
Cost of Merchandise Sold	-	214,910	915,625	1,130,535	-
Housing Assistance Payment	7,304,939	-	-	7,304,939	-
Salaries and Wages	377,186	1,326,701	-	1,703,887	-
Employee Benefits	160,862	464,969	-	625,831	-
Contract Services	-	105,395	-	105,395	-
Materials and Supplies	91,198	11,942	-	103,140	-
Golf Cart Lease	-	37,227	-	37,227	-
Utilities	-	325,947	-	325,947	-
Maintenance and Repairs	-	172,407	-	172,407	-
Fertilizer and Chemicals	-	319,446	-	319,446	-
Petroleum Products	-	60,585	-	60,585	-
Uniforms	-	2,124	-	2,124	-
Food and Beverage	-	341,905	-	341,905	-
Depreciation	3,436	323,023	-	326,459	-
Pension Benefit	(34,098)	(8,559)	-	(42,657)	-
OPEB Benefit	(50,237)	(79,386)	-	(129,623)	-
Lease Amortization Expense	-	135,971	-	135,971	-
Lease Interest Expense	-	10,867	-	10,867	-
Other Operating Expenses	9,956	98,525	-	108,481	-
Insurance Claims	-	-	-	-	6,912,008
<b>Total Operating Expenses</b>	<b>7,863,242</b>	<b>3,863,999</b>	<b>915,625</b>	<b>12,642,866</b>	<b>6,912,008</b>
<b>Operating Income (Loss)</b>	<b>210,325</b>	<b>305,156</b>	<b>(121,134)</b>	<b>394,347</b>	<b>444,844</b>

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, 2025**  
**(Continued)**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Major Funds</b>		<b>Nonmajor Proprietary Funds</b>	<b>Total</b>	<b>Self Insurance Fund</b>
	<b>Assisted Housing Fund</b>	<b>Golf Course Fund</b>	<b>Jail Canteen Fund</b>		
<b>Non-Operating Revenues</b>					
Interest Income	59,400	12,519	29,209	101,128	307,641
Total Non-Operating Revenues	59,400	12,519	29,209	101,128	307,641
<b>Transfers</b>					
Transfers from Other Funds	-	-	2,242	2,242	7,947
Transfers to Other Funds	-	(419,266)	-	(419,266)	-
Total Transfers	-	(419,266)	2,242	(417,024)	7,947
Change in Net Position	269,725	(101,591)	(89,683)	78,451	760,432
<b>Net Position July 1, 2024</b>	954,159	5,705,319	872,824	7,532,302	2,276,836
<b>Net Position June 30, 2025</b>	<b>\$ 1,223,884</b>	<b>\$ 5,603,728</b>	<b>\$ 783,141</b>	<b>\$ 7,610,753</b>	<b>\$ 3,037,268</b>

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, 2025**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds		Nonmajor Proprietary Funds		Self Insurance Fund
	Assisted Housing Fund	Golf Course Fund	Jail Canteen Fund	Totals	
<b>Cash Flows From Operating Activities</b>					
Receipts from Customers	\$ -	\$ 4,169,155	\$ 794,491	\$ 4,963,646	\$ -
Receipts from Governmental Grants	8,021,121	-	-	8,021,121	-
Receipts from Employees/Intergovernmental	-	(1,791,222)	-	-	7,034,423
Payments to Suppliers	(97,123)	(1,756,477)	(915,625)	(2,769,225)	-
Payments to Employees	(528,893)	-	-	(528,893)	-
Payments for Housing Assistance	(7,306,850)	-	-	(7,306,850)	-
Payments for Claims	-	-	-	-	(6,751,366)
Receipts from Miscellaneous Income	48,826	-	-	48,826	-
Net Cash Provided by Operating Activities	137,081	621,456	(121,134)	637,403	283,057
<b>Cash Flows from Non-Capital Financing Activities</b>					
Transfers From Other Funds	-	-	2,242	2,242	-
Transfers to Other Funds	-	(419,266)	-	(419,266)	-
Net Cash (Used) Provided by Non-Capital Financing Activities	-	(419,266)	2,242	(417,024)	-
<b>Cash Flows from Capital and Related Financing Activities</b>					
Principal Paid on Lease Liabilities	-	(136,142)	-	(136,142)	-
Interest Paid on Lease Liabilities	-	(10,867)	-	(10,867)	-
Acquisition of Capital Assets	-	(124,885)	-	(124,885)	-
Net Cash Used by Capital and Related Financing Activities	-	(271,894)	-	(271,894)	-
<b>Cash Flows from Investing Activities</b>					
Sale of Investments	-	-	-	-	134,430
Interest Income	59,400	12,519	29,209	101,128	57,943
Net Cash Provided (Used) by Investing Activities	59,400	12,519	29,209	101,128	192,373
Net Change in Cash	196,481	(57,185)	(89,683)	49,613	475,430
<b>Cash and Cash Equivalents July 1, 2024</b>	1,882,569	440,662	872,824	3,196,055	1,041,653
<b>Cash and Cash Equivalents June 30, 2025</b>	<u>\$ 2,079,050</u>	<u>\$ 383,477</u>	<u>\$ 783,141</u>	<u>\$ 3,245,668</u>	<u>\$ 1,517,083</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, 2025**  
**(Continued)**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
					<b>Activities -</b>
	<b>Major Funds</b>		<b>Nonmajor</b>		<b>Internal</b>
	<b>Assisted</b>	<b>Golf</b>	<b>Jail</b>		<b>Service Fund</b>
<b>Housing</b>	<b>Course</b>	<b>Canteen</b>	<b>Totals</b>	<b>Self</b>	
<b>Fund</b>	<b>Fund</b>	<b>Fund</b>		<b>Insurance</b>	
<b>Fund</b>	<b>Fund</b>	<b>Fund</b>		<b>Fund</b>	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	\$ 210,325	\$ 305,156	\$ (121,134)	\$ 394,347	\$ 444,844
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation	3,435	323,023	-	326,458	-
Lease Amortization Expense	-	10,867	-	10,867	-
Lease Interest Expense	-	135,971	-	135,971	-
Pension Expense	(34,098)	(8,559)	-	(42,657)	-
OPEB Expense	(50,237)	(79,386)	-	(129,623)	-
Change in Assets and Liabilities					
Accounts Receivable	(2,646)	-	-	(2,646)	(322,429)
Inventory	-	(46,522)	-	(46,522)	-
Accounts Payable	4,032	(54,287)	-	(50,255)	94,615
Estimated Liability for Claims - HRA	-	-	-	-	66,027
Accrued Payroll	6,025	11,543	-	17,568	-
Accrued Other	(1,911)	-	-	(1,911)	-
Compensated Absences Payable	3,130	23,650	-	26,780	-
Deferred Credit	(974)	-	-	(974)	-
<b>Net Cash (Used) Provided by Operating Activities</b>	<b>\$ 137,081</b>	<b>\$ 621,456</b>	<b>\$ (121,134)</b>	<b>\$ 637,403</b>	<b>\$ 283,057</b>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>					
Cash and Cash Equivalents	\$ 1,986,697	\$ 383,477	\$ 783,141	\$ 3,153,315	\$ 1,517,083
Restricted Cash	92,353	-	-	92,353	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 2,079,050</b>	<b>\$ 383,477</b>	<b>\$ 783,141</b>	<b>\$ 3,245,668</b>	<b>\$ 1,517,083</b>

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

**BOONE COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS**  
**June 30, 2025**

	<b>Total Custodial Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,945,126
Accounts Receivable	<u>14,273,197</u>
Total Assets	<u>16,218,323</u>
<b>Liabilities</b>	
Accounts Payable	<u>288,194</u>
<b>Net Position</b>	
Employee Flexible Spending Accounts	217,081
Employee Health Reimbursement Accounts	9,390
Jail Inmate Accounts	25,626
School District	15,035,871
Motor Vehicle Rental	(1,495)
Bullittsville Cemetery	26,037
Early Childhood Development	298,437
County Clerk Storage	<u>319,182</u>
Total Net Position	<u>\$ 15,930,129</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, 2025**

	<b>Total Custodial Funds</b>
<b>Additions</b>	
Employee Contributions	\$ 296,786
Employer Contributions	274,299
Property Taxes Collected for School District	20,185,256
Property Taxes Collected for Tri-Ed	3,475,669
Deposits from Inmates	1,287,618
Donations for Early Childhood Fund	70,000
County Clerk Storage Fees	217,754
Interest Income	<u>317,620</u>
Total Additions	<u>26,125,002</u>
<b>Deductions</b>	
Benefit Payments	545,157
Property Taxes Paid to School District	23,465,318
Property Taxes Paid to Tri-Ed	3,383,531
Inmate Payments	1,283,001
Early Childhood Fund Payments	84,084
County Clerk Permanent Storage	93,949
Administrative Expenses	<u>134,144</u>
Total Deductions	<u>28,989,184</u>
<b>Transfers</b>	
Transfers Out	<u>10,189</u>
Net Decrease in Net Position	(2,874,371)
<b>Net Position July 1, 2024</b>	<u>18,804,500</u>
<b>Net Position June 30, 2025</b>	<u>\$ 15,930,129</u>

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

**INDEX FOR NOTES  
TO THE FINANCIAL STATEMENT**

NOTE 1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	38
NOTE 2.	DEPOSITS AND INVESTMENTS .....	47
NOTE 3.	NOTES RECEIVABLE .....	49
NOTE 4.	ACCOUNTS RECEIVABLE .....	50
NOTE 5.	SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS .....	50
NOTE 6.	CAPITAL ASSETS.....	52
NOTE 7.	LEASES.....	54
NOTE 8.	ACCOUNTS PAYABLE .....	56
NOTE 9.	LONG-TERM LIABILITIES .....	57
NOTE 10.	PENSION PLAN .....	58
NOTE 11.	OPEB PLAN.....	67
NOTE 12.	INSURANCE.....	73
NOTE 13.	GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUND.....	74
NOTE 14.	INTER-FUND TRANSACTIONS .....	75
NOTE 15.	DEFERRED COMPENSATION .....	77
NOTE 16.	TAX ABATEMENTS .....	77
NOTE 17.	CONTINGENT LIABILITIES .....	78

**BOONE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**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 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 boards are the same. There was no activity during the year ended June 30, 2025.

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, 2025**  
**(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 tax-payer-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, 2025**  
**(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 licenses 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.

Opioid Settlement Fund

This fund is a special revenue fund for the purpose of establishing the best strategies to address the lingering effects of the opioid pandemic and reduce future impacts. The source of this revenue is the continued payments on opioid settlement payouts.

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, and Utility Development Fund.

**BOONE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(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.

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. 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.

Self Insurance Fund

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

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

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

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 a custodial 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, through enabling legislation passed in the 1994 General Assembly House Bill 662.

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 custodial fund used to account for the maintenance and care of the Bullittsville Cemetery located in Burlington.

Early Childhood Fund

This fund is an custodial fund used as a pass through to support organizations 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, 2025**  
**(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, 2025.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
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, 2025.

**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, 2025**  
**(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, 2025**  
**(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, 2025:

GASB Statement No. 101, *Compensated Absences*: This statement provides guidance on accounting and financial reporting for compensated absences, such as vacation and sick leave, for state and local governments. It establishes criteria for recognizing liabilities and expenses related to compensated absences and clarifies how these should be measured and reported. The implementation of this standard did not have an impact on the audited financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*: This statement requires certain disclosures related to risk exposures for governments, including those arising from legal claims, insurance coverage, and other contingent liabilities. It aims to enhance the transparency of financial reporting by providing users with more detailed information about the nature and extent of risks to which the government is exposed. The implementation of this standard did not have an impact on the audited financial statements.

**Subsequent Events**

The County has evaluated subsequent events through April 17, 2026, which is the date the financial statements were available to be issued.

**Note 2. Deposits and Investments**

**Deposits**

The County maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposits at all times. In order to be valid against the FDIC, 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 County 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, and as of June 30, 2025, the County's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the County's agent in the County's name or provided surety bond which named the County as beneficiary/obligee on the bond.

**Investments**

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

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

**Note 2. Deposits and Investments (Continued)**

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.

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, 2025, 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, 2025**  
**(Continued)**

**Note 2. Deposits and Investments (Continued)**

Investments as of June 30, 2025, 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	\$ 2,563,310	\$ 2,563,310	\$ -	N/A
Money Market Funds	22,212,986	22,212,986	-	N/A
Government Securities	92,895,008	38,260,335	54,634,673	N/A
	<u>\$ 117,671,304</u>	<u>\$ 63,036,631</u>	<u>\$ 54,634,673</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, 2025:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable (Level 2)	Significant Unobservable (Level 3)	Total
Cash	\$ 2,563,310	\$ -	\$ -	\$ 2,563,310
Money Market Funds	22,212,986	-	-	22,212,986
Government Securities	92,895,008	-	-	92,895,008
Total Investments	<u>\$ 117,671,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,671,304</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, 2025, totaled \$233,033.

**BOONE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(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, 2025.

The remaining maturities on the notes are as follows:

Years Ended June 30,		
2026	\$	96,674
2027		67,162
2028		69,197
Total	\$	233,033

**Note 4. Accounts Receivable**

Accounts receivable consists of the following at June 30, 2025.

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Taxes - Current	\$ 13,993,376	\$ -	\$ 13,993,376
Excess Fees	365,658	-	365,658
Charges for Service	128,610	-	128,610
Intergovernmental	3,953,626	-	3,953,626
License Fees	180,854	-	180,854
Miscellaneous	4,302,776	87,082	4,389,858
	\$ 22,924,900	\$ 87,082	\$ 23,011,982

**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*. 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, 2025**  
**(Continued)**

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

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

	<u>Governmental Activities</u>
Subscription Asset	\$ 3,084,149
Less Accumulated Amortization	<u>1,704,158</u>
<b>Subscription Asset, Net</b>	<b><u>\$ 1,379,991</u></b>

The following schedule details minimum subscription payments to maturity for the County's SBITA liability at June 30, 2025.

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 878,064	\$ 31,776	\$ 909,840
2027	36,560	6,334	42,894
2028	36,139	4,844	40,983
2029	37,687	3,296	40,983
2030	<u>39,300</u>	<u>1,683</u>	<u>40,983</u>
Totals	<b><u>\$ 1,027,750</u></b>	<b><u>\$ 47,933</u></b>	<b><u>\$ 1,075,683</u></b>

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

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2025, was as follows:

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2025</b>
<b><u>Governmental Activities</u></b>				
Capital Assets Not Being Depreciated				
Land	\$ 14,359,178	\$ 1,477,800	\$ -	\$ 15,836,978
Roads	233,656,014	5,052,392	-	238,708,406
Construction in Progress	5,720,037	11,339,026	6,957,527	10,101,536
Total Capital Assets Not Being Depreciated	<u>253,735,229</u>	<u>17,869,218</u>	<u>6,957,527</u>	<u>264,646,920</u>
Depreciable Capital Assets				
Land Improvements	23,077,234	3,955,735	-	27,032,969
Buildings and Building Improvements	79,819,973	2,328,992	-	82,148,965
Equipment	28,938,187	265,370	239,627	28,963,930
Furniture and Office Equipment	2,407,725	-	-	2,407,725
Vehicles	16,677,314	2,458,524	700,579	18,435,259
Roads	84,903	-	-	84,903
Total Depreciable Capital Assets	<u>151,005,336</u>	<u>9,008,621</u>	<u>940,206</u>	<u>159,073,751</u>
Total Capital Assets at Historical Cost	<u>404,740,565</u>	<u>26,877,839</u>	<u>7,897,733</u>	<u>423,720,671</u>
Less Accumulated Depreciation For				
Land Improvements	9,865,325	942,417	-	10,807,742
Buildings and Building Improvements	32,066,924	2,085,313	-	34,152,237
Equipment	21,559,511	1,980,264	171,292	23,368,483
Furniture and Office Equipment	2,150,131	92,299	-	2,242,430
Vehicles	10,989,327	1,872,842	659,279	12,202,890
Roads	76,412	-	-	76,412
Total Accumulated Depreciation	<u>76,707,630</u>	<u>6,973,135</u>	<u>830,571</u>	<u>82,850,194</u>
Depreciated Capital Assets, Net	<u>74,297,706</u>	<u>2,035,486</u>	<u>109,635</u>	<u>76,223,557</u>
Governmental Activities Capital Assets, Net	<u>\$ 328,032,935</u>	<u>\$ 19,904,704</u>	<u>\$ 7,067,162</u>	<u>\$ 340,870,477</u>

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

**Note 6. Capital Assets (Continued)**

<u>Business-Type Activities</u>	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2025</b>
Capital Assets Not Being Depreciated				
Land	\$ 2,396,478	\$ -	\$ -	\$ 2,396,478
Depreciable Capital Assets				
Land Improvements	7,004,859	-	-	7,004,859
Buildings and Building Improvements	6,702,234	47,686	-	6,749,920
Furniture and Office Equipment	128,572	-	-	128,572
Vehicles and Equipment	1,336,606	77,200	-	1,413,806
Totals at Historical Cost	15,172,271	124,886		15,297,157
Total Capital Assets at Historical Cost	17,568,749	124,886	-	17,693,635
Less Accumulated Depreciation For				
Land Improvements	5,752,452	56,228	-	5,808,680
Buildings and Building Improvements	3,346,438	223,484	-	3,569,922
Furniture and Office Equipment	128,572	-	-	128,572
Vehicles and Equipment	1,158,550	46,747	-	1,205,297
Total Accumulated Depreciation	10,386,012	326,459		10,712,471
Depreciable Capital Assets, Net	4,786,259	(201,573)	-	4,584,686
Business-Type Activities Capital Assets, Net	\$ 7,182,737	\$ (201,573)	\$ -	\$ 6,981,164

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

**Note 6. Capital Assets (Continued)**

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

	<u>Year Ended June 30, 2025</u>
<u>Governmental Activities:</u>	
General Government	\$ 871,720
Protection to Persons and Property	3,274,531
General Health and Sanitation	408,101
Social Services	2,625
Recreation and Culture	353,712
Roads, Including Depreciation of General Infrastructure Assets	<u>2,062,446</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,973,135</u>
<u>Business-Type Activities</u>	
Golf Course	\$ 323,023
Assisted Housing	<u>3,436</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 326,459</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 2029. The County calculated the present value of future lease revenue based on an incremental borrowing rate ranging from 0.47% to 4.94%.

During the year ended June 30, 2025, the County recognized \$157,736 of lease revenue and \$11,108 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, 2025, are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 114,926	\$ 7,480	\$ 122,406
2027	35,384	4,216	39,600
2028	36,988	2,612	39,600
2029	<u>38,664</u>	<u>936</u>	<u>39,600</u>
Totals	<u>\$ 225,962</u>	<u>\$ 15,244</u>	<u>\$ 241,206</u>

**BOONE COUNTY**  
**NOTES TO FINANCIAL STATEMENT**  
**June 30, 2025**  
**(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 7.10%.

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

	Governmental Activities	Business-Type Activities	Total
<b>Leased Asset</b>			
Land	\$ 192,047	\$ -	\$ 192,047
Equipment	1,673,078	849,671	2,522,749
Office Space	867,913	-	867,913
	<u>2,733,038</u>	<u>849,671</u>	<u>3,582,709</u>
<b>Accumulated Amortization</b>			
Land	65,845	-	65,845
Equipment	665,973	75,626	741,599
Office Space	378,726	-	378,726
	<u>1,110,544</u>	<u>75,626</u>	<u>1,186,170</u>
<b>Right to Use Asset, Net</b>	<u>\$ 1,622,494</u>	<u>\$ 774,045</u>	<u>\$ 2,396,539</u>

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

**Note 7. Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, are as follows:

Fiscal Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 375,722	\$ 24,550	\$ 400,272
2027	382,528	18,723	401,251
2028	358,249	12,822	371,071
2029	283,280	7,527	290,807
2030	156,232	4,101	160,333
2031-2033	143,580	2,728	146,308
Totals	<u>\$ 1,699,591</u>	<u>\$ 70,451</u>	<u>\$ 1,770,042</u>

Fiscal Year Ended June 30,	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 294,517	\$ 36,111	\$ 330,628
2027	311,208	19,421	330,629
2028	142,723	4,306	147,029
2029	14,331	1,555	15,886
2030	14,060	504	14,564
Totals	<u>\$ 776,839</u>	<u>\$ 61,897</u>	<u>\$ 838,736</u>

**Note 8. Accounts Payable**

Accounts payable consists of the following at June 30, 2025:

	Governmental Activities	Business-Type Activities	Total
General Government	\$ 927,230	\$ -	\$ 927,230
Protection to Persons and Property	228,883	-	228,883
General Health and Sanitation	164,297	-	164,297
Social Services	72,695	5,620	78,315
Recreation and Culture	113,209	204,457	317,666
Roads	1,452,667	-	1,452,667
Fleet Services	33,879	-	33,879
Capital Projects	1,404,403	-	1,404,403
Administration	325,311	-	325,311
Insurance Claims	752,836	-	752,836
	<u>\$ 5,475,410</u>	<u>\$ 210,077</u>	<u>\$ 5,685,487</u>

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

**Note 9. Long-Term Liabilities**

The following is a summary of the County's long-term liabilities for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 4,020,000	\$ -	\$ 175,000	\$ 3,845,000	\$ 180,000
Unamortized Premium	48,465	-	3,343	45,122	3,343
Lease Liability	2,067,540	-	367,949	1,699,591	375,722
Subscription Liability	1,595,164	224,310	791,724	1,027,750	878,064
Compensated Absences	986,654	241,725	-	1,228,379	36,979
Estimated Liability for Claims - HRA Accounts	1,032,970	66,027.00	-	1,098,997	45,929
<b>Governmental Activities Long-term Liabilities</b>	<b>9,750,793</b>	<b>532,062</b>	<b>1,338,016</b>	<b>8,944,839</b>	<b>1,520,037</b>
<b>Business-Type Activities</b>					
Lease Liability	66,908	823,443	113,512	776,839	294,517
Compensated Absences	105,801	26,780	-	132,581	-
Accrued Other	163,189	-	1,911.00	161,278	87,082
<b>Business-Type Activities Long-Term Liabilities</b>	<b>335,898</b>	<b>850,223</b>	<b>115,423</b>	<b>1,070,698</b>	<b>381,599</b>
<b>Long-Term Liabilities</b>	<b>\$ 10,086,691</b>	<b>\$ 1,382,285</b>	<b>\$ 1,453,439</b>	<b>\$ 10,015,537</b>	<b>\$ 1,901,636</b>

**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, 2025, \$1,145,000 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, 2025**  
**(Continued)**

**Note 9. Long-Term Liabilities (Continued)**

<u>Year Ended</u> <u>June 30</u>	<u>Scheduled</u> <u>Principal</u>	<u>Scheduled</u> <u>Interest</u>
2026	\$ 180,000	\$ 120,832
2027	185,000	115,357
2028	190,000	109,732
2029	195,000	103,954
2030	225,000	97,654
2031-2035	1,330,000	378,943
2036-2039	1,540,000	110,078
	<u>\$ 3,845,000</u>	<u>\$ 1,036,550</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, 2025, the outstanding principal on these bonds were \$272,324,853.

**Note 10. Pension Plan**

**General Information about the Pension Plan**

*Plan description:* The County contributes to the Commonwealth of Kentucky's County Employees' Retirement System (CERS). The CERS system is comprised of four plans, CERS Nonhazardous pension plan, CERS Hazardous pension plan, CERS Nonhazardous insurance plan, and CERS Hazardous insurance plan. Each of the plans are legally separated with benefits only eligible to be paid for each of the respective membership groups. The CERS Nonhazardous pension and CERS Hazardous pension plans are cost-sharing multiple-employer defined benefit pension plans.

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

**Note 10. Pension Plan (Continued)**

The pension plans were established by Kentucky Revised Statutes 78.520, to be known as the “County Employees Retirement System” to provide retirement, disability, and death benefits to system members. The responsibility of the plans within CERS is vested in the CERS Board of Trustees. The CERS Nonhazardous plan was established to provide retirement benefits to all regular full-time employees employed in positions of each participating county, city, school board, and any additional eligible local agencies electing to participate in CERS. The membership of the CERS Hazardous plan includes employees whose position is considered hazardous with principal job duties including, but not limited to, active law enforcement, probation and parole officers, detectives, pilots, paramedics, and emergency medical technicians, with duties that require frequent exposure to a high degree of danger and also require a high degree of physical condition. Retirement benefit may be extended to beneficiaries of members under certain circumstances.

*Membership Eligibility:* For all regular full-time non-school board employees to be eligible for membership, they must average 100 or more hours of work per month over a fiscal or calendar year.

Nonhazardous:

<b>Tier 1: Members Whose Participation Began Before 09/01/2008</b>		
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.
<b>Tier 2: Members Whose Participation Began On or After 09/01/2008 but before 01/01/2014</b>		
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).
<b>Tier 3: Members Whose Participation Began On or After 01/01/2014</b>		
Age	Years of Service	Allowance Reduction
65	5	None
57	Rule of 87	None

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

**Note 10. Pension Plan (Continued)**

Hazardous:

<b>Tier 1: Members Whose Participation Began Before 09/01/2008</b>		
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.
<b>Tier 2: Members Whose Participation Began On or After 09/01/2008 but before 01/01/2014</b>		
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.
<b>Tier 3: Members Whose Participation Began On or After 01/01/2014</b>		
Age	Years of Service	Allowance Reduction
60	5	None
Any	25	None

*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.

*Benefits Formulas:*

Nonhazardous:

<b>Tier 1: Members Whose Participation Began Before 09/01/2008</b>				
Final Compensation	X	Benefit Factor	X	Years of Service
Average of the five highest years of compensation	CERS 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).
		Member begins participating on or after 08/01/2004 and before 09/01/2008.		

If a member retires with less than four years of service credit, the member's benefit is equal to the actuarially equivalent of two times their member contribution balance with interest.

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

**Note 10. Pension Plan (Continued)**

<b>Tier 2: Members Whose Participation Began On or After 09/01/2008 but before 01/01/2014</b>				
<b>Final Compensation</b>	<b>X</b>	<b>Benefit Factor</b>	<b>X</b>	<b>Years of Service</b>
Average of the five highest years of compensation		CERS increasing percent based on service at retirement up to 30 years* plus 2.00% for each year of service over 30 years.		Includes earned service, purchased service, prior service, and sick leave service (if the member's employer participates in an approved sick leave program).
		*Service	Multiplier	
		10 years or less	1.10%	
		10-20 years	1.30%	
		20-26 years	1.50%	
		26-30 years	1.75%	

Hazardous:

<b>Tier 1: Members Whose Participation Began Before 09/01/2008</b>				
<b>Final Compensation</b>	<b>X</b>	<b>Benefit Factor</b>	<b>X</b>	<b>Years of Service</b>
Average of the three highest years of compensation		CERS 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).

If a member retires with less than four years of service credit, the member's benefit is equal to the actuarially equivalent of two times their member contribution balance with interest.

<b>Tier 2: Members Whose Participation Began On or After 09/01/2008 but before 01/01/2014</b>				
<b>Final Compensation</b>	<b>X</b>	<b>Benefit Factor</b>	<b>X</b>	<b>Years of Service</b>
Average of the last three highest complete years of compensation		CERS increasing percent based on service at retirement.		Includes earned service, purchased service, prior service, and sick leave service (if the member's employer participates in an approved sick leave program).
		*Service	Multiplier	
		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, 2025  
(Continued)**

**Note 10. Pension Plan (Continued)**

Nonhazardous and Hazardous:

<b>Tier 3: Members Whose Participation Began On or After 01/01/2014</b>					
<b>Accumulate Account Balance / Actuarial Factor = Monthly Life Annuity</b>					
<b>Accumulate Account Balance</b>					
	Member Contributions	Employer Contributions	Base Annual Interest	Upside Sharing Interest (FY 2024)	Actuarial Factor
Nonhazardous	5.00%	4.00%	4.00%	6.75%	Various*
Hazardous	8.00%	7.50%	4.00%	6.89%	Various*

\*See [www.kyret.ky.gov](http://www.kyret.ky.gov) for most recent actuarial factors.

*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.

*Disability Benefits:* Members participating before August 1, 2004 may qualify for disability retirement provided the member has at least 60 months of service credit (service requirements may be waived if line of duty or duty related) 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 qualify for disability provided the member has at least 60 months of service credit (service requirements may be waived if line of duty or duty related). Nonhazardous benefits are computed as the greater of 20% of member's monthly 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 benefit to the member is the higher of 20% of the member's monthly final rate of pay for nonhazardous or the annuity among using the factor at the member's normal retirement age.

Members disabled as a result of single duty-related injury, act of violence related to their job or in the line of duty may be eligible for additional benefits.

*Pre-Retirement Death Benefits:* The beneficiary of a deceased active member is eligible for a monthly benefit if the member died while in the line of duty or duty related death. The beneficiary of a deceased active member who did not die in the line of duty is 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 was employed for a participating agency at a time of death or (3) no longer working for a participating agency but at the time of death had at least a 144 months of service credit. If the beneficiary of a deceased member is not eligible for a monthly benefit, the beneficiary will receive a lump-sum payment from the member's accumulated account balance.

*Cost of Living Adjustment (COLA):* Senate Bill (SB) 2 of 2013 eliminated all future COLAs unless the State Legislature authorizes on a biennial basis and either (1) the system is over 100.00% funded or (2) the Legislature directs payment of employer contributions to fully prefund the increased liability for the COLA.

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

**Note 10. Pension Plan (Continued)**

*Benefit Changes Since the Prior Valuation:* There have been no benefit changes since the prior valuation.

*Contributions:*

Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5.00% (Nonhazardous) 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 30 on members' accounts balance as of June 30 of the previous year 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 5.00% (Nonhazardous) or 8.00% (Hazardous) of their annual creditable compensation. Further, members also contribute an additional 1.00% which is 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 30 on members' accounts as of June 30 of the previous year 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% Health Insurance Contribution (HIC) 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% (Nonhazardous) 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% (Nonhazardous) 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 members 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 30 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 CERS'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 30 of the previous year (Upside Sharing Interest). It is possible that one fund in CERS 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. The CERS Board of Trustees establishes the employer contribution rate based on Kentucky Revised Statute section 78.635 each year following the annual actuarial valuation as of July 1 and prior to July 1 of the succeeding fiscal year and are a percentage of each employee's creditable compensation.

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

**Note 10. Pension Plan (Continued)**

For the fiscal year ended June 30, 2025, participating employers contributed 19.71% (19.71% pension fund and 0.00% insurance fund) for the nonhazardous plan and 38.61% (36.49% pension fund and 2.12% insurance fund) for the hazardous plan 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 (excluding the insurance portion) from the County were \$4,220,706 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported a liability of \$38,082,517 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2024, 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, 2025, the County's proportion for the nonhazardous plan was 0.437073% and for the hazardous plan was 0.464373%. This was a decrease of 0.003909% for the nonhazardous plan and an increase 0.033589% for the hazardous plan.

For the year ended June 30, 2025, the County recognized a pension benefit of \$517,550. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 2,318,050
Difference Between Expected and Actual Experience	2,041,237	-
Changes of Assumptions	-	1,855,042
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	2,441,830	372,401
Contributions After Measurement Date	<u>4,220,706</u>	<u>-</u>
Total	<u>\$ 8,703,773</u>	<u>\$ 4,545,493</u>

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

**Note 10. Pension Plan (Continued)**

\$4,220,706 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, 2026. 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,	
2026	\$ (92,169)
2027	1,008,394
2028	(492,304)
2029	<u>(486,347)</u>
Total	<u>\$ (62,426)</u>

**Actuarial assumptions**

The total pension liability as of June 30, 2024 was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2023
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%
Mortality	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.

*Plan Provisions:* There have been no assumption, method or plan provision changes that would materially impact the total pension liability since June 30, 2023.

**Target Asset Allocation**

The long-term (10-year) expected rates of return were determined by using a building block method in which best estimated ranges of expected future real rates of return were developed for each asset class. The ranges were 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:

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

**Note 10. Pension Plan (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<b>Equity</b>		
Public Equity	50.00 %	4.15 %
Private Equity	10.00 %	9.10 %
<b>Fixed Income</b>		
Core Fixed Income	10.00 %	2.85 %
Specialty Credit	10.00 %	3.82 %
Cash	- %	1.70 %
<b>Inflation Protected</b>		
Real Estate	7.00 %	4.90 %
Real Return	<u>13.00 %</u>	5.35 %
<b>Total</b>	<b><u>100.00 %</u></b>	

**Discount rate**

The single discount rate of 6.50% for the nonhazardous and hazardous plans was used to measure the total pension liability for the fiscal year ended June 30, 2024. The single discount rate was based on the expected rate of return on pension plan investments for each plan. Based on the stated assumptions and the projection of cash flows as of each fiscal year ended, 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 members. 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 for each plan.

The projections of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. 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 provisions of House Bill 362 (passed during the 2018 legislative session) are still in effect and limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028. However, contribution rates are not currently projected to increase by more than 12% in any given future year. Therefore, for the purposes of this calculation, the provisions of House Bill 362 do not impact the projected employer contributions.

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

**Note 10. Pension Plan (Continued)**

*Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate:* The following present's 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	Current Discount Rate	1% Increase
Non-hazardous	\$ 33,697,207	\$ 26,138,817	\$ 19,867,346
Hazardous	15,376,266	11,943,700	9,141,198
Total	<u>\$ 49,073,473</u>	<u>\$ 38,082,517</u>	<u>\$ 29,008,544</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](http://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). The CERS system is comprised of two plans, CERS Nonhazardous pension plan, CERS Hazardous pension plan, CERS Nonhazardous insurance plan, and CERS Hazardous insurance plan. Each of the plans are legally separated with benefits only eligible to be paid for each of the respective membership groups. The CERS Nonhazardous insurance and CERS Hazardous insurance plans are cost-sharing multiple-employer defined benefit OPEB plans.

The OPEB plans are part of the Kentucky Retirement Systems Insurance Trust Fund (Insurance Fund), established by the Kentucky Revised Statutes 61.701 for eligible members receiving benefits from CERS Nonhazardous and CERS Hazardous. The Insurance Fund was created for the purpose of providing a trust separate from the retirement trusts and for the purpose of providing hospital and medical insurance benefits. The responsibility of the plans within CERS is vested in the CERS Board of Trustees. The CERS Nonhazardous plan was established to provide retirement benefits to all regular full-time employees employed in positions of each participating county, city, school board, and any additional eligible local agencies electing to participate in CERS. The membership of the CERS Hazardous plan includes employees whose position is considered hazardous with principal job duties including, but not limited to, active law enforcement, probation and parole officers, detectives, pilots, paramedics, and emergency medical technicians, with duties that require frequent exposure to a high degree of danger and also require a high degree of physical condition. Retirement benefits may be extended to beneficiaries of members under certain circumstances.

*Benefits provided:* Eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans, eligible Medicare retirees are covered through contracts with Humana through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

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

**Note 11. OPEB Plan (Continued)**

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.

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

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

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, Nonhazardous 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. 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 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 amount of benefit paid by the Insurance Fund is based on years of service. For members participating on or July 1, 2003, the dollar amount of the benefit per year of service is \$14.41 for CERS Nonhazardous.

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.

*Cost of Living Adjustment (COLA):* Prior to July 1, 2009, COLAs were provided to retirees annually equal to the percentage increase in the annual average of the consumer price index (CPI) for all urban consumers for the most recent calendar year, not to exceed 5.00% in any plan year. After July 1, 2009, the COLAs were to be limited to 1.50%.

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

**Note 11. OPEB Plan (Continued)**

In 2013, the General Assembly created a new law to govern how COLAs will be granted. Language included in Senate Bill 2 during the 2013 Regular Session states COLAs will only be granted in the future if the CERS Board determines that assets of the System are greater than 100% of the actuarial liabilities and legislation authorizes the use of surplus funds for the COLA; or the General Assembly fully prefunds the COLA through employer contributions. Kentucky Revised Statutes 78.5518 governs how COLAs may be granted for members of CERS. No COLA has been granted since July 1, 2011.

*Contributions:*

Tier 1 plan members began participating prior to September 1, 2008, are required to contribute 5.00% (Nonhazardous) 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 30 on members' accounts balance as of June 30 of the previous year 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 5.00% (Nonhazardous) or 8.00% (Hazardous) of their annual creditable compensation. Further, members also contribute 1.00% which is deposited to an account created for the payment of health insurance benefits under 26 USC section 401(h) in the Insurance Fund. These members are classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts as of June 30 of the previous year 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% Health Insurance Contribution (HIC) 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% (Nonhazardous) 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% (Nonhazardous) 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 members 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 30 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 CERS'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 30 of the previous year (Upside Sharing Interest). It is possible that one plan in CERS may get an Upside Sharing Interest, while another may not.

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

**Note 11. OPEB Plan (Continued)**

Local government participating employers are required to contribute an actuarially determined rate for CERS pension contributions. The CERS Board of Trustees establishes the employer contribution rate based on Kentucky Revised Statute section 78.635 each year following the annual actuarial valuation as of July 1 and prior to July 1 of the succeeding fiscal year and are a percentage of each employee's creditable compensation.

For the fiscal year ended June 30, 2025, participating employers contributed 19.71% (19.71% pension fund and 0.00% insurance fund) for the nonhazardous plan and 38.61% (36.49% pension fund and 2.12% insurance fund) for the hazardous plan 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 \$77,013 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of \$193,328 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2024, 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, 2025, the County's proportion for the nonhazardous plan was 0.437489% and for the hazardous plan was 0.464492%. This was a decrease of 0.003476% for the nonhazardous plan and 0.033909% for the hazardous plan.

For the year ended June 30, 2025, the County recognized OPEB expense of \$2,254,033. At June 30, 2025, 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	\$ -	\$ 1,044,655
Difference Between Expected and Actual Experience	572,423	8,016,604
Changes of Assumptions	1,067,901	1,029,845
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	1,050,594	236,527
Contributions After Measurement Date	<u>77,013</u>	<u>-</u>
Total	<u>\$ 2,767,931</u>	<u>\$ 10,327,631</u>

\$77,013 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

**Note 11. OPEB Plan (Continued)**

Years Ended <u>June 30,</u>	
2026	\$ (2,921,925)
2027	(2,174,220)
2028	(2,155,118)
2029	(450,116)
2030	<u>64,666</u>
Total	<u>\$ (7,636,713)</u>

**Actuarial assumptions**

The total OPEB liability as of June 30, 2024 was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2023
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%
Mortality	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year 2023.
Healthcare Trend Rates	Pre-65 - Initial trend starting at 6.80% on January 1, 2025, gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2024 premiums were known at the time of the valuation and were incorporated into the liability measurement.  Post-65 - Initial trend starting at 8.50% on January 1, 2025, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years. The 2024 premiums were known at the time of the valuation and were incorporated into the liability measurement.

*Plan Provisions:* There have been no assumption, method or plan provision changes that would materially impact the total OPEB liability since June 30, 2023.

**Target Asset Allocation**

The long-term (10-year) expected rates of return were determined by using a building-block method in which best estimated ranges of expected future real rates of return were developed for each asset class. The ranges were 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 rate of return for each major asset class are summarized in the following table:

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

**Note 11. OPEB Plan (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
<b>Equity</b>		
Public Equity	50.00 %	4.15 %
Private Equity	10.00 %	9.10 %
<b>Fixed Income</b>		
Core Fixed Income	10.00 %	2.85 %
Specialty Credit	10.00 %	3.82 %
Cash	- %	1.70 %
<b>Inflation Protected</b>		
Real Estate	7.00 %	4.90 %
Real Return	13.00 %	5.35 %
<b>Total</b>	<b><u>100.00%</u></b>	

**Discount rate**

Single discount rates of 5.99% for nonhazardous plan and 6.02% for hazardous plan were used to measure the total OPEB liability for the fiscal year ended June 30, 2024. They are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024.

Based on the state assumptions and the projection of cash flows as of each fiscal year ended, the plan's 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 system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarial determined contributions, and it is our understanding 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.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. 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.

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

**Note 11. OPEB Plan (Continued)**

*Sensitivity of the County's proportionate share of the net OPEB liability (asset) 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 (4.99% for nonhazardous and 5.02% for hazardous) or 1-percentage-point higher (6.99% for nonhazardous and 7.02% for hazardous) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Non-hazardous	\$ 1,023,237	\$ (756,769)	\$ (2,253,402)
Hazardous	<u>1,557,087</u>	<u>563,441</u>	<u>(266,943)</u>
	<u>\$ 2,580,324</u>	<u>\$ (193,328)</u>	<u>\$ (2,520,345)</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 (asset) 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:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Non-hazardous	\$ (1,820,695)	\$ (756,769)	\$ 482,629
Hazardous	<u>(87,345)</u>	<u>563,441</u>	<u>1,324,067</u>
	<u>\$ (1,908,040)</u>	<u>\$ (193,328)</u>	<u>\$ 1,806,696</u>

**Other Information about the OPEB Plan**

*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](http://www.kyret.ky.gov).

**Note 12. Insurance**

For the fiscal year ended June 30, 2025, 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.

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

**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, 2025 was \$1,098,997, 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 \$1,517,083 and an investment balance of \$2,777,580. The net position on June 30, 2025 is a positive \$3,037,268.

In 2025, the County paid out 5.9% of total HRA liability, including the rolled over amounts from 2024. Another 2.7% was forfeited, either through waiving the health plan or leaving employment.

Cash Balance, Beginning of Year	\$ 1,041,653
Premiums Collected	7,034,423
Interest Earned	136,304
Claims Paid	(6,751,366)
Sale of Investments	<u>56,069</u>
Cash Balance, End of Year	<u>\$ 1,517,083</u>

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

**Note 14. Inter-Fund Transactions**

The following is a list of inter-fund transactions as of June 30, 2025:

	Governmental Funds							
	Total	General Fund	Road and Bridge Fund	Jail Fund	Utility Development Fund	Capital Improvements Fund	Federal Grants Fund	Tax Improvement Fund
\$ -	\$ (7,455,896)	1 \$ 7,455,896	1 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	(6,000,000)	2 -	-	-	-	6,000,000	2 -	-
-	(4,967,353)	3 -	4,967,353	3 -	-	-	-	-
-	250,000	4 -	-	-	-	-	-	(250,000)
419,266	419,266	5 -	-	-	-	-	-	-
-	91	6 -	-	-	-	-	(91)	6 -
-	(10,404,883)	7 (1,214,497)	7 -	11,619,380	7 -	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<b>Total Transfer</b>								
To Other Funds	<u>\$ (30,292,720)</u>	<u>\$ (28,828,132)</u>	<u>\$ (1,214,497)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (91)</u>	<u>\$ (250,000)</u>
<b>Total Transfer</b>								
From Other Funds	<u>\$ 30,711,986</u>	<u>\$ 669,357</u>	<u>\$ 7,455,896</u>	<u>\$ 4,967,353</u>	<u>\$ 11,619,380</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Note 14. Inter-Fund Transactions (Continued)**

The following is a list of inter-fund transactions as of June 30, 2025:

	Proprietary Funds			Total Custodial Funds
	Total	Golf Course Fund	Jail Canteen Fund	
	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
	-	-	-	-
	-	-	-	-
	(419,266)	(419,266) <sup>5</sup>	-	-
	-	-	-	-
	-	-	-	-
	2,242	-	2,242 <sup>8</sup>	(2,242) <sup>8</sup>
	<u>7,947</u>	<u>-</u>	<u>-</u>	<u>(7,947) <sup>9</sup></u>
Total Transfer To Other Funds	<u>\$ (419,266)</u>	<u>\$ (419,266)</u>	<u>\$ -</u>	<u>\$ (10,189)</u>
Total Transfer From Other Funds	<u>\$ 10,189</u>	<u>\$ -</u>	<u>\$ 2,242</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. Opioid transfer to General Fund.
5. Golf Course debt repayments and sales tax reimbursement.
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, 2025**  
**(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**

Boone County Fiscal Court participates in two tax abatement and economic development programs: (1) the Kentucky Business Investment (KBI) Program, a state-administered incentive authorized by KRS 154.32, and (2) locally administered Tax Increment Financing (TIF) agreements authorized under KRS 65.7041 to KRS 65.7083. These programs are designed to promote economic development and job creation within Boone County and involve the abatement of specific local tax revenues.

**Kentucky Business Investment (KBI) Program**

The Kentucky Business Investment Program is administered by the Kentucky Economic Development Finance Authority (KEDFA) and requires participating businesses to meet specific eligibility criteria. These include the creation of at least ten (10) new full-time jobs for Kentucky resident, a minimum of \$100,000 in eligible capital investment, average hourly wages at least 150% of the federal minimum wage, and the provision of specified employee benefits. Incentives under the program may be granted for up to ten (10) years.

Boone County supports the program by providing local inducements in the form of a reduced payroll tax rate, as set by Boone County Ordinance 07-27. The local tax abatement is negotiated for each approved project and may reduce the payroll tax from the standard 0.08% to a lower rate (e.g., 0.6%, .04%, 0.2%, or 0.0%) per eligible job. All local inducements are subject to approval by resolution of the Boone County Fiscal Court.

Failure by a participating company to meet the program's activation or annual maintenance requirements may result in suspension or termination of the incentive, pending KEDFA approval. Additionally, non-compliance with reporting obligations to the Kentucky Cabinet for Economic Development, the Kentucky Department of Revenue, or Boone County Fiscal Court may result in the recapture of abated taxes.

**Tax Increment Financing (TIF) Districts**

Boone County also participates in Tax Increment Financing (TIF) arrangements to stimulate local economic development. These locally authorized agreements allow the County to pledge incremental increases in specific local tax revenues generated within a designated development area toward reimbursing approved project costs.

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

**Note 16. Tax Abatements (Continued)**

Incremental revenues are defined as the portion of tax revenue that exceeds the base year value at the inception of the TIF district. Boone County may pledge revenues from various sources, including property taxes and occupational license (payroll) taxes levied under Ordinance 07-27. Funds are remitted in accordance with participation agreements and tracked in separate accounts to ensure transparency and compliance.

During fiscal year 2025, Boone County remitted \$1,631 in incremental property tax revenues related to prior years (2021, 2022, and 2023).

The amount of taxes abated for the year ending June 30, 2025 were as follows:

<u>Program</u>	<u>Description</u>	<u>Taxes Abated</u>
Kentucky Business Investment	Payroll Tax Abatement	<u>\$ 205,098</u>
Local TIF District	Incremental Property Tax	<u>\$ 626</u>

**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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BOONE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Required Supplementary Information - Budgetary Basis**  
**For The Year Ended June 30, 2025**

**BOONE COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Required Supplementary Information - Budgetary Basis**  
**For The Year Ended June 30, 2025**

	<b>GENERAL FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 65,615,000	\$ 65,615,000	\$ 66,342,283	\$ 727,283
In Lieu Tax Payments	145,000	145,000	117,535	(27,465)
Excess Fees	2,100,000	2,100,000	2,126,424	26,424
Licenses and Permits	2,505,000	2,505,000	2,410,297	(94,703)
Intergovernmental	2,684,400	8,592,525	7,143,440	(1,449,085)
Charges for Services	2,107,765	2,107,765	2,145,160	37,395
Miscellaneous	708,369	708,369	896,715	188,346
Interest	2,500,000	2,500,000	2,404,528	(95,472)
<b>Total Revenues</b>	<b>78,365,534</b>	<b>84,273,659</b>	<b>83,586,382</b>	<b>(687,277)</b>
<b>Expenditures</b>				
General Government	10,429,540	10,837,970	9,352,368	1,485,602
Protection to Persons and Property	22,719,423	24,272,249	22,244,603	2,027,646
General Health and Sanitation	1,072,118	1,097,488	1,034,921	62,567
Social Services	421,709	421,709	372,918	48,791
Recreation and Culture	4,711,670	4,852,280	4,004,865	847,415
Debt Service	301,160	301,160	301,158	2
Administration	51,523,886	24,042,311	20,853,922	3,188,389
<b>Total Expenditures</b>	<b>91,179,506</b>	<b>65,825,167</b>	<b>58,164,755</b>	<b>7,660,412</b>
Excess of Revenues Over Expenditures	(12,813,972)	18,448,492	25,421,627	6,973,135
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	819,466	819,466	669,357	(150,109)
Operating Transfers Out	(31,257,126)	(31,257,126)	(28,828,132)	2,428,994
<b>Total Other Financing Sources (Uses)</b>	<b>(30,437,660)</b>	<b>(30,437,660)</b>	<b>(28,158,775)</b>	<b>2,278,885</b>
<b>Net Change in Fund Balances</b>	<b>(43,251,632)</b>	<b>(11,989,168)</b>	<b>(2,737,148)</b>	<b>9,252,020</b>
<b>Fund Balances July 1, 2024</b>	<b>43,251,632</b>	<b>11,989,168</b>	<b>45,426,369</b>	<b>33,437,201</b>
<b>Fund Balances June 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,689,221</b>	<b>\$ 42,689,221</b>

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

<b>ROAD AND BRIDGE FUND</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>with Final Budget (Unfavorable) Favorable</b>
<b>Revenues</b>				
Licenses and Permits	\$ 130,000	\$ 130,000	\$ 84,703	\$ (45,297)
Intergovernmental	3,610,600	3,610,600	3,341,813	(268,787)
Charges for Services	492,000	492,000	289,497	(202,503)
Miscellaneous	846,000	846,000	1,506,555	660,555
Interest	150,000	150,000	316,780	166,780
<b>Total Revenues</b>	<b>5,228,600</b>	<b>5,228,600</b>	<b>5,539,348</b>	<b>310,748</b>
<b>Expenditures</b>				
General Health and Sanitation	1,431,022	1,431,022	1,258,367	172,655
Roads	14,071,880	14,071,880	11,630,347	2,441,533
Fleet Service	1,271,610	1,271,610	992,215	279,395
Administration	5,682,714	5,682,714	1,618,389	4,064,325
<b>Total Expenditures</b>	<b>22,457,226</b>	<b>22,457,226</b>	<b>15,499,318</b>	<b>6,957,908</b>
Deficit of Revenues Over Expenditures	(17,228,626)	(17,228,626)	(9,959,970)	7,268,656
<b>Other Financing Sources</b>				
Operating Transfers In	8,670,393	8,670,393	6,241,399	(2,428,994)
<b>Total Other Financing Sources (Uses)</b>	<b>8,670,393</b>	<b>8,670,393</b>	<b>6,241,399</b>	<b>(2,428,994)</b>
Net Change in Fund Balances	(8,558,233)	(8,558,233)	(3,718,571)	4,839,662
<b>Fund Balances July 1, 2024</b>	<b>8,558,233</b>	<b>8,558,233</b>	<b>11,630,716</b>	<b>3,072,483</b>
<b>Fund Balances June 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,912,145</b>	<b>\$ 7,912,145</b>

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

	<b>JAIL FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget (Unfavorable) Favorable</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 6,511,000	\$ 6,511,000	\$ 6,139,784	\$ (371,216)
Charges for Services	174,000	174,000	160,516	(13,484)
Miscellaneous	242,000	242,000	288,709	46,709
Interest	5,600	5,000	22,562	17,562
<b>Total Revenues</b>	<b>6,932,600</b>	<b>6,932,000</b>	<b>6,611,571</b>	<b>(320,429)</b>
<b>Expenditures</b>				
Protection to Person & Property	8,558,901	8,812,473	8,225,886	586,587
Administration	3,550,452	3,296,880	3,078,144	218,736
<b>Total Expenditures</b>	<b>12,109,353</b>	<b>12,109,353</b>	<b>11,304,030</b>	<b>805,323</b>
Deficit of Revenues Over Expenditures	(5,176,753)	(5,177,353)	(4,692,459)	484,894
<b>Other Financing Sources</b>				
Operating Transfers In	4,967,353	4,967,353	4,967,353	-
Net Change in Fund Balances	(209,400)	(210,000)	274,894	484,894
<b>Fund Balances July 1, 2024</b>	<b>209,400</b>	<b>210,000</b>	<b>319,098</b>	<b>109,098</b>
<b>Fund Balances June 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 593,992</b>	<b>\$ 593,992</b>

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

<b>OPIOID SETTLEMENT FUND</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Miscellaneous	400,000	400,000	643,917	243,917
Interest	50,000	50,000	85,533	35,533
<b>Total Revenues</b>	<b>451,000</b>	<b>451,000</b>	<b>729,450</b>	<b>278,450</b>
<b>Expenditures</b>				
Social Services	571,000	571,000	57,155	513,845
Administration	1,665,000	1,665,000	-	1,665,000
<b>Total Expenditures</b>	<b>2,236,000</b>	<b>2,236,000</b>	<b>57,155</b>	<b>2,178,845</b>
Deficit of Revenues Over Expenditures	<u>(1,785,000)</u>	<u>(1,785,000)</u>	<u>672,295</u>	<u>2,457,295</u>
<b>Other Financing Sources</b>				
Operating Transfers In	(250,000)	(250,000)	(250,000)	-
<b>Net Change In Fund Balance</b>	<b>(2,035,000)</b>	<b>(2,035,000)</b>	<b>422,295</b>	<b>2,457,295</b>
<b>Fund Balances July 1, 2024</b>	<u>2,035,000</u>	<u>2,035,000</u>	<u>2,039,488</u>	<u>4,488</u>
<b>Fund Balances June 30, 2025</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,461,783</u>	<u>\$ 2,461,783</u>

**BOONE COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2025**

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:

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Jail Fund</u>	<u>Opioid Settlement Fund</u>
<b>Revenues</b>				
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual	\$ 83,586,382	\$ 5,539,348	\$ 6,611,571	\$ 729,450
Accounts Receivable June 30, 2024	(15,069,733)	(1,031,122)	(563,364)	(2,707,009)
Accounts Receivable June 30, 2025	15,053,195	336,681	1,211,192	3,566,416
Interest Receivable June 30, 2024	(302,767)	-	-	-
Interest Receivable June 30, 2025	385,336	33,915	-	-
Lease Receivable June 30, 2024	(207,698)	-	-	-
Lease Receivable June 30, 2025	225,962	-	-	-
Accounts Payable June 30, 2024	300	-	-	-
Accounts Payable June 30, 2025	(2,267)	-	-	-
Due to Other Funds June 30, 2024	2,961	-	-	-
Due to Other Funds June 30, 2025	(2,961)	-	-	-
Unavailable Revenue - Intergovernmental June 30, 2024	2,084,956	408,541	6,053	2,707,009
Unavailable Revenue - Intergovernmental June 30, 2025	(73,577)	(9,687)	(279)	(3,566,416)
Deferred Inflows Related to Leases June 30, 2024	198,950	-	-	-
Deferred Inflows Related to Leases June 30, 2025	(219,139)	-	-	-
Change in Note Receivable Balance	(94,638)	-	-	-
Change in Unrealized Loss on Investments	286,433	22,046	-	-
State Grants	-	(80,647)	-	-
Credit Card Clearing Cash	114,408	-	-	-
Rounding Adjustment	-	(1)	2	-
<b>Schedule of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds</b>	<b>\$ 85,966,103</b>	<b>\$ 5,219,074</b>	<b>\$ 7,265,175</b>	<b>\$ 729,450</b>
<b>Expenses</b>				
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual	\$ 58,164,755	\$ 15,499,318	\$ 11,304,030	\$ 57,155
Accounts Payable June 30, 2024	(640,212)	(1,960,495)	(162,528)	-
Accounts Payable June 30, 2025	359,036	1,509,518	124,431	181,323
Accrued Payroll June 30, 2024	(471,118)	(156,119)	(281,461)	-
Accrued Payroll June 30, 2025	543,623	152,803	309,915	-
Compensated Absences Payable June 30, 2024	(434,766)	(170,379)	(247,143)	-
Compensated Absences Payable June 30, 2025	544,486	203,199	323,917	-
Capital Outlays for Subscription Assets	224,310	-	-	-
State Grants	-	(80,647)	-	-
Rounding Adjustment	-	(1)	2	-
<b>Schedule of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds</b>	<b>\$ 58,290,114</b>	<b>\$ 14,997,197</b>	<b>\$ 11,371,163</b>	<b>\$ 238,478</b>

**BOONE COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2025**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Jail Fund</u>	<u>Opioid Settlement Fund</u>
<b>Other Financing (Uses) Sources</b>				
Schedule of Revenues, Expenditures and Changes				
In Fund Balance Budget and Actual	\$ (28,158,775)	\$ 6,241,399	\$ 4,967,353	\$ (250,000)
Proceeds from Subscription Assets	224,310	-	-	-
<b>Schedule of Revenues, Expenditures and Changes</b>				
<b>In Fund Balances - Governmental Funds</b>	<b>\$ (27,934,465)</b>	<b>\$ 6,241,399</b>	<b>\$ 4,967,353</b>	<b>\$ (250,000)</b>
<b>Ending Balance</b>				
Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual				
Notes Receivable	\$ 42,689,221	\$ 7,912,145	\$ 593,992	\$ 2,461,783
Accounts Receivable	233,032	-	-	-
Interest Receivable	15,053,195	336,681	1,211,192	3,566,416
Lease Receivable	385,336	33,915	-	-
Restricted Cash	225,962	-	-	-
Restricted Investments	5,224,212	-	-	-
Accounts Payable	11,181,656	-	-	-
Accrued Payroll	(1,187,986)	(1,509,518)	(124,431)	(181,323)
Due to Other Funds	(543,623)	(152,803)	(309,915)	-
Compensated Balances Payable	(2,961)	-	-	-
Unavailable Revenue - Intergovernmental	(544,486)	(203,199)	(323,917)	-
Deferred Inflows Related to Leases	(73,577)	(9,687)	(279)	(3,566,416)
Net Profit Tax Extensions Payable	(219,139)	-	-	-
Credit Card Clearing Cash	(15,579,185)	-	-	-
Unrealized Loss on Investments	114,408	-	-	-
	316,999	22,046	-	-
<b>Schedule of Revenues, Expenditures and Changes</b>				
<b>In Fund Balances - Governmental Funds</b>	<b>\$ 57,273,064</b>	<b>\$ 6,429,580</b>	<b>\$ 1,046,642</b>	<b>\$ 2,280,460</b>

**BOONE COUNTY**  
**CONDITION RATING OF THE COUNTY'S STREET SYSTEM**  
**June 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Road System Length in Miles:	456.2	453.4	450.8	448.0	469.0
Total Road System PCI Average:	70	70	70	70	71
Percentage of Lane Miles With PCI Greater Than or Equal to 65:	63%	61%	59%	60%	62%
Percentage of Lane Miles With PCI Less Than 65:	37%	39%	41%	40%	38%
Backlog as a Percentage of Total Lane Miles:	7%	6%	4%	4%	3%
Comparison of Needed-to-Actual Maintenance/Preservation:					
Needed	\$ 5,816,900	\$ 6,218,564	\$ 5,946,375	\$ 4,902,989	\$ 5,102,127
Actual	\$ 5,012,827	\$ 3,404,127	\$ 5,539,161	\$ 3,980,202	\$ 2,628,899

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, 2025**

**BOONE COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**June 30, 2025**

County Employees Retirement System  
 Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
The Fiscal Court's proportionate percentage of the net pension liability										
Hazardous	0.437073%	0.430784%	0.395448%	0.397570%	0.399009%	0.382318%	0.375462%	0.374627%	0.382260%	0.377834%
Non-Hazardous	0.464373%	0.440982%	0.374755%	0.386283%	0.401905%	0.420994%	0.434906%	0.406650%	0.399048%	0.360644%
The Fiscal Court's proportionate share of the net pension liability										
Hazardous	\$ 11,943,700	\$ 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
Non-Hazardous	26,138,817	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
	<u>\$ 38,082,517</u>	<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>
The Fiscal Court's covered-employee payroll	\$ 17,198,148	\$ 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
The Fiscal Court's proportionate share of the net pension liability as a percentage of its covered-employee payroll	221.43%	252.40%	291.60%	276.56%	334.19%	317.86%	276.58%	275.23%	220.72%	197.98%
Plan fiduciary net position as a percentage of the total pension liability										
Hazardous	61.61%	52.96%	52.42%	57.33%	47.81%	50.45%	53.54%	53.32%	55.00%	59.97%
Non-Hazardous	57.05%	57.48%	47.11%	52.26%	44.11%	46.63%	49.26%	49.78%	53.95%	57.52%

**BOONE COUNTY**  
**SCHEDULE OF COUNTY'S PENSION CONTRIBUTIONS**  
**June 30, 2025**

County Employees Retirement System  
Last 10 Fiscal Years

Nonhazardous & Hazardous	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contributions										
Hazardous	\$ 1,325,572	\$ 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
Non-Hazardous	2,895,134	3,201,780	1,291,940	875,405	747,377	737,470	609,319	536,849	474,605	417,290
Contributions in Relation to the										
Contractually Required Contribution										
Hazardous	(1,325,572)	(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)
Non-Hazardous	(2,895,134)	(3,201,780)	(1,291,940)	(875,405)	(747,377)	(737,470)	(609,319)	(536,849)	(474,605)	(417,290)
Covered Payroll										
Hazardous	3,433,235	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
Non-Hazardous	14,688,656	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
Contributions as a Percentage of										
Covered Payroll										
Hazardous	38.61%	41.11%	23.40%	21.17%	19.30%	19.30%	16.22%	14.20%	13.99%	12.04%
Non-Hazardous	19.71%	23.34%	42.81%	33.86%	30.06%	30.06%	24.87%	21.07%	22.12%	19.30%

## Notes:

Valuation Date	Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022 actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30-year closed period at June 30, 2019. Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization basis.
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.
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, 2025**

County Employees Retirement System  
Last 10 Fiscal Years\*

	2025	2024	2023	2022	2021	2020	2019	2018
County's Proportionate Share of the Net OPEB Liability								
Nonhazardous	\$ (756,769)	\$ (608,826)	\$ 7,802,858	\$ 7,609,498	\$ 9,632,753	\$ 6,429,441	\$ 6,665,986	\$ 7,531,284
Hazardous	563,441	589,137	3,191,369	3,123,319	3,714,045	3,114,336	3,100,875	3,361,661
	<u>\$ (193,328)</u>	<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	0.437489%	0.440965%	0.395379%	0.397477%	0.398922%	0.382260%	0.375447%	0.374627%
Hazardous	0.464492%	0.430583%	0.374668%	0.386282%	0.401907%	0.420936%	0.434930%	0.406650%
Covered Payroll	17,198,148	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	-1.12%	-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	104.89%	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.39%
Hazardous	93.53%	92.27%	64.13%	66.81%	58.84%	64.44%	64.24%	58.99%

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

**BOONE COUNTY  
SCHEDULE OF COUNTY'S OPEB CONTRIBUTIONS  
June 30, 2025**

County Employees Retirement System  
Last 10 Fiscal Years\*

<u>Nonhazardous</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
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	\$ 14,688,656	\$ 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%	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.61%	4.74%
<u>Hazardous</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily Required Contributions	\$ 77,013	\$ 89,788	\$ 204,610	\$ 270,688	\$ 236,694	\$ 233,557	\$ 256,620	\$ 226,106	\$ 204,402
Contributions in Relation to the Contractually Required Contribution	(77,013)	(89,788)	(204,610)	(270,688)	(236,694)	(233,557)	(256,620)	(226,106)	(204,402)
Covered Payroll	\$ 3,433,235	\$ 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 Covered Payroll	2.24%	2.58%	6.78%	10.47%	9.52%	9.52%	10.47%	8.87%	9.53%

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

Notes:

Valuation Date	Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022 actuarial valuation.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30-year closed period at June 30, 2019. Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization basis.
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 6.20% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over 12 years. The 2023 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 9.00% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over 12 years. The 2023 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, 2025**

	<b>Public Safety Communi- cations Center</b>	<b>Local Government Economic Assistance Fund</b>	<b>Federal Grants Fund</b>	<b>Tax Improvement Fund</b>	<b>Mental Health Fund</b>	<b>Utility Development Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>							
Cash and Cash Equivalents	\$ 4,751,539	\$ 238	\$ 15,993	\$ 3,689,738	\$ 2,121,670	\$ 5,570,915	\$ 16,150,093
Investments	-	-	-	-	5,012,288	9,653,307	14,665,595
Accounts Receivable	317,670	43,866	38,341	197,159	718,554	38,824	1,354,414
<b>Total Assets</b>	<b>\$ 5,069,209</b>	<b>\$ 44,104</b>	<b>\$ 54,334</b>	<b>\$ 3,886,897</b>	<b>\$ 7,852,512</b>	<b>\$ 15,263,046</b>	<b>\$ 32,170,102</b>
<b>Liabilities and Fund Balances</b>							
<b>Balances Liabilities</b>							
Accounts Payable	\$ 31,691	\$ -	\$ 38,440	\$ -	\$ 214,797	\$ 174,869	\$ 459,797
Accrued Payroll	128,098	-	-	-	-	-	128,098
Compensated Absences Payable	156,777	-	-	-	-	-	156,777
Unearned Revenues	-	-	-	-	-	199,292	199,292
<b>Total Liabilities</b>	<b>316,566</b>	<b>-</b>	<b>38,440</b>	<b>-</b>	<b>214,797</b>	<b>374,161</b>	<b>943,964</b>
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue - Intergovernmental	312,750	-	-	-	-	-	312,750
<b>Fund Balances</b>							
<b>Restricted</b>							
Other Capital Projects	-	-	-	3,886,897	-	-	3,886,897
Other Purposes	-	44,104	15,894	-	-	-	59,998
Protection to Persons and Property	4,439,893	-	-	-	-	-	4,439,893
<b>Committed</b>							
Health and Welfare	-	-	-	-	7,637,715	-	7,637,715
Unassigned	-	-	-	-	-	14,888,885	14,888,885
<b>Total Fund Balances</b>	<b>4,439,893</b>	<b>44,104</b>	<b>15,894</b>	<b>3,886,897</b>	<b>7,637,715</b>	<b>14,888,885</b>	<b>30,913,388</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,069,209</b>	<b>\$ 44,104</b>	<b>\$ 54,334</b>	<b>\$ 3,886,897</b>	<b>\$ 7,852,512</b>	<b>\$ 15,263,046</b>	<b>\$ 32,170,102</b>

**BOONE COUNTY**  
**COMBING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED June 30, 2025**

	<b>Public Safety Communi- cations Center</b>	<b>Local Government Economic Assistance Fund</b>	<b>Federal Grants Fund</b>	<b>Tax Improvement Fund</b>	<b>Mental Health Fund</b>	<b>Utility Development Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>							
Taxes	\$ 4,306,700	\$ -	\$ -	\$ 774,615	\$ 3,465,625	\$ -	\$ 8,546,940
Intergovernmental	772,972	161,014	215,355	-	-	3,773,901	4,923,242
Interest	182,288	9,592	86	133,197	310,779	415,385	1,051,327
Miscellaneous	1,118	-	-	-	19,584	80,722	101,424
Total Revenues	<u>5,263,078</u>	<u>170,606</u>	<u>215,441</u>	<u>907,812</u>	<u>3,795,988</u>	<u>4,270,008</u>	<u>14,622,933</u>
<b>Expenditures</b>							
Protection to Persons and Property	3,608,945	-	-	-	-	-	3,608,945
General Health and Sanitation	-	-	-	-	2,192,828	-	2,192,828
Social Services	-	-	199,465	-	495,965	-	695,430
Roads	-	393,000	-	-	-	-	393,000
Capital Projects	-	-	-	500,000	-	4,774,401	5,274,401
Administration	1,169,848	-	-	1,638	436,947	-	1,608,433
Debt Service	350,882	-	-	-	-	-	350,882
Total Expenditures	<u>5,129,675</u>	<u>393,000</u>	<u>199,465</u>	<u>501,638</u>	<u>3,125,740</u>	<u>4,774,401</u>	<u>14,123,919</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>133,403</u>	<u>(222,394)</u>	<u>15,976</u>	<u>406,174</u>	<u>670,248</u>	<u>(504,393)</u>	<u>499,014</u>
<b>Other Financing Sources (Uses)</b>							
Transfers From Other Funds	-	-	-	-	-	11,619,380	11,619,380
Transfers to Other Funds	-	-	(91)	-	-	-	(91)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(91)</u>	<u>-</u>	<u>-</u>	<u>11,619,380</u>	<u>11,619,289</u>
Net Change in Fund Balances	133,403	(222,394)	15,885	406,174	670,248	11,114,987	12,118,303
<b>Fund Balances July 1, 2024</b>	<u>4,306,490</u>	<u>266,498</u>	<u>9</u>	<u>3,480,723</u>	<u>6,967,467</u>	<u>3,773,898</u>	<u>18,795,085</u>
<b>Fund Balances June 30, 2025</b>	<u>\$ 4,439,893</u>	<u>\$ 44,104</u>	<u>\$ 15,894</u>	<u>\$ 3,886,897</u>	<u>\$ 7,637,715</u>	<u>\$ 14,888,885</u>	<u>\$ 30,913,388</u>

**REQUIRED REGULATORY SECTION**

**BOONE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

THIS PAGE LEFT BLANK INTENTIONALLY

**BOONE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

Federal Grants/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Passed-Through Kentucky</i>				
<i>Department for Local Government</i>				
<i>Community Development Block Grants/State's Program</i>				
-Kentucky Recovery Grant - Brighton Center (Operating)	14.228	23-047	\$ 112,812	\$ 112,812
-Kentucky Recovery Grant - Brighton Center (Operating)	14.228	24-030	102,523	102,523
<b>Total U.S. Department of Housing and Urban Development</b>			<u>215,335</u>	<u>215,335</u>
<b><u>U.S. Department of Treasury</u></b>				
<i>Direct Program</i>				
<i>COVID-19 Coronavirus State and Local Fiscal Recovery Funds</i>				
-Boone County High Speed Broadband Fiber Project	21.027		-	697,950
-Boone County Rural Water Expansion	21.027		-	3,773,901
<b>Total U.S. Department of Treasury</b>			<u>-</u>	<u>4,471,851</u>
<b><u>U.S. Federal Emergency Management Agency</u></b>				
<i>Passed-Through Kentucky</i>				
<i>Department for Military Affairs</i>				
Emergency Management Performance Grants	97.042	PON2 095 080007930 1	-	44,928
<b>Total U.S. Federal Emergency Management Agency</b>			<u>-</u>	<u>44,928</u>
<b><u>U.S. Department of Transportation</u></b>				
<i>Passed-Through Kentucky</i>				
<i>Transportation Cabinet</i>				
<i>Highway Planning and Construction</i>				
-KY 20 Turn Lanes at Aviation Blvd	20.205	PO2-625-2300000250	-	96,438
-KY 237 Multi-Use Path Phase I	20.205	SC-625-2200000273-2	-	52,726
-KY 237 Multi-Use Path Phase II	20.205	PO2-328-2000000587	-	217,151
-Camp Ernst Road Roundabout	20.205	PO2-625-2300000995	-	279,104
-CherryHill Subdivision Sidewalks	20.205	SC-628-24000000928	-	20,952
-Southpark Drive Widening	20.205	SC-628-2400000583	-	57,744
-KY 237 Turn Lanes	20.205	SC-2400000893	-	33,923
<b>Total U.S. Department of Transportation</b>			<u>-</u>	<u>758,038</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 215,335</u>	<u>\$ 5,490,152</u>

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, 2025**

**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, 2025. 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. Indirect Cost Rate**

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

**Note 4. 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.

**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***

THIS PAGE LEFT BLANK INTENTIONALLY



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, 2025, 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 April 17, 2026. Our report includes a reference to other auditors who audited the financial statements of the Assisted Housing Fund as listed in our report on the Boone County Fiscal Court's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***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

April 17, 2026

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

THIS PAGE LEFT BLANK INTENTIONALLY



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, 2025. 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, 2025.

*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.



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

**Other Matter – Federal Expenditures Not Included in the Compliance Audit**

The Boone County Fiscal Court's financial statements include the operations of amounts included for the financial statements of the Assisted Housing Fund, which expended \$7,941,534, in federal awards which is not included in the Boone County Fiscal Court's schedule of expenditures of federal awards for the year ended June 30, 2025. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the Assisted Housing Fund because other auditors were engaged to perform the audits of compliance.

***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.

***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 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)**

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.

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

April 17, 2026

THIS PAGE LEFT BLANK INTENTIONALLY

**BOONE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

THIS PAGE LEFT BLANK INTENTIONALLY

**BOONE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2025**

**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, 2025  
(Continued)**

**Section II: Financial Statement Findings**

None.

**Section III: Federal Award Findings And Questioned Costs**

None.

**Section IV: Summary Schedule of Prior Audit Findings**

None.

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

**BOONE COUNTY FISCAL COURT**

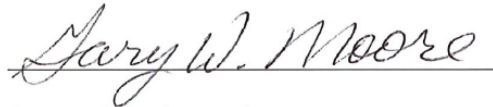
**For The Year Ended June 30, 2025**

THIS PAGE LEFT BLANK INTENTIONALLY

CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE  
BOONE COUNTY FISCAL COURT

For The Year Ended June 30, 2025

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.

Handwritten signature of Gary W. Moore in black ink, written over a horizontal line.

County Judge/Executive

Handwritten signature of Lisa Jeff in blue ink, written over a horizontal line.

County Treasurer