

2023

CITIZEN'S GUIDE TO COUNTY FINANCES

BOONE COUNTY, MISSOURI | FOR THE YEAR ENDING 2023





Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Boone County
Missouri**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2022

Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial reporting to BOONE COUNTY GOVERNMENT for its Popular Annual Financial Report (i.e., Citizen's Guide to County Finances) for the fiscal year ended DECEMBER 31, 2022. The Award for Outstanding Achievement in Popular Annual Financial reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must

publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. BOONE COUNTY GOVERNMENT received a Popular Award for 2022. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

To the Citizens of Boone County

I am pleased to present the 2023 Boone County Citizens' Guide to County Finances. This is the tenth year for publication of this condensed report. The County submitted last year's report for independent review by the Government Finance Officers Association (GFOA) and received an Award for Outstanding Achievement in Popular Annual Financial Reporting.

This guide serves as my commitment to keeping the public informed about the County's financial activities and promoting accountability in county government. My office publishes this guide each year with the goal of providing our Citizens with Boone County financial and demographic information in a summarized format that is easy to understand. The financial information in this report is taken from the County's Fund Financial Statements presented within the 2023 Annual Comprehensive Financial Report (ACFR). Please be mindful that the information in this report presents the County's financial information in a summarized format and does not conform to generally accepted accounting principles and reporting requirements for governmental entities. Additionally, unlike the ACFR, the Citizen's Guide to County Finances is unaudited and should not be used as a substitute for the ACFR. The ACFR, including the independent auditors' report, is available on the County's website at www.showmeboone.com/auditor/financial-reports/.

Boone County is committed to the highest standards of financial reporting in preparing its financial statements each year in accordance with generally accepted accounting principles applicable to governmental entities. The County's financial activities are guided by formally-adopted fiscal and budget policies which are published in our annual operating budget document. The County obtains an annual independent financial audit and has received an unmodified, or "clean", audit opinion each year. The Government Finance Officers Association (GFOA) has awarded Certificates of Achievement for Excellence in Financial Reporting to the County each year since 1987.

I appreciate the opportunity to serve as your County Auditor and hope that you find this report informative and useful in enhancing your understanding of Boone County's finances.

Respectfully,



Kyle Rieman
Boone County Auditor

This report is published by the Boone County Auditor's Office and is available on the County's website at www.showmeboone.com/auditor. Other reports also available from this webpage include the *Annual Comprehensive Financial Report* (ACFR) and the *Annual Budget*.

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Questions or Comments?

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County Governance Structure

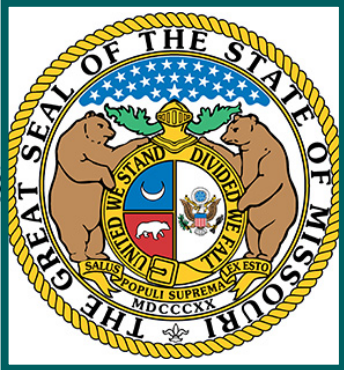


Established in 1821, the County's operational structure is governed by state law. Elected to four-year terms, County officials serve full-time. With the exception of the District I and District II Commissioners, all are elected county-wide. Circuit Court elected officials and most of their staff are state-paid employees with additional positions voluntarily funded by the County. For all other county offices, elected officials and employees are paid by the County. The County Commission appoints department directors to oversee the day-to-day operations of various county departments as well as the County Counselor who serves as general counsel for the County. The County Commission also appoints the Medical Examiner, services obtained on a contractual basis from the University of Missouri. The day-to-day operations of the 13th Judicial Circuit Court are administered by a full-time

elected Circuit Court Clerk and a full-time Court Administrator appointed by the Presiding Judge, with the consent of the *court en banc*. For all other county offices, the full-time elected official oversees the day-to-day operations. Detailed organization charts for each department and office are presented within the County's annual budget document.

The County Commission has limited ordinance-making authority and is responsible for all County property as well as approving the annual budget. The County Commission is the appropriating authority for the County's major operating funds and certain other funds; however, individual elected officials exercise appropriating authority over a variety of special revenue funds, as specified by state law. A description of all County funds is included in the County's annual budget document.

Officials Elected by the Citizens of Boone County



13th Judicial
Circuit Court Judges



13th Judicial Circuit Court Clerk
Sherry Terrell



County Assessor
Kenny Mohr



County Auditor
Kyle Rieman



County Clerk
Brianna Lennon



Presiding Commissioner
Kip Kendrick



District I Commissioner
Justin Aldred



District II Commissioner
Janet Thompson



Prosecuting Attorney
Roger Johnson



Public Administrator
Sonja Boone



Recorder of Deeds
Bob Nolte



Collector of Revenue
Brian McCollum

COUNTY GOVERNANCE STRUCTURE



Country Treasurer
Jenna Redel



Country Sheriff
Dwayne Carey

All positions listed below are appointed by the County Commission.

County Counselor
CJ Dykhouse

Director of Road & Bridge
Maintenance Operations
Greg Edington

Director of Community
Services
Joanne Nelson

Director of Boone County
Emergency Communications
Chris Kelly

Director of Boone County
Joint Communications
Gary German

Director of Facilities
Maintenance & Housekeeping
Johnny Mays

Director of Human Resources
& Risk Management
Angela Wehmeyer

Director of Information
Technology, GIS & Mail Services
Julia Lutz

Director of Purchasing
Melinda Bobbitt

Director of Resource
Management: Planning,
Inspection & Engineering
Bill Florea

The position listed below was appointed by the 13th Judicial Circuit Court Judges.

Court Administrator
Cindy Garrett

Boone County Demographics



2023 Demographics

County Population 189,463

Population Growth 1.95%

Median Household Income 66,564*

Housing Units (Estimated) 81,825

School Enrollment (K-12) 27,738

County Unemployment Rate 2.5%

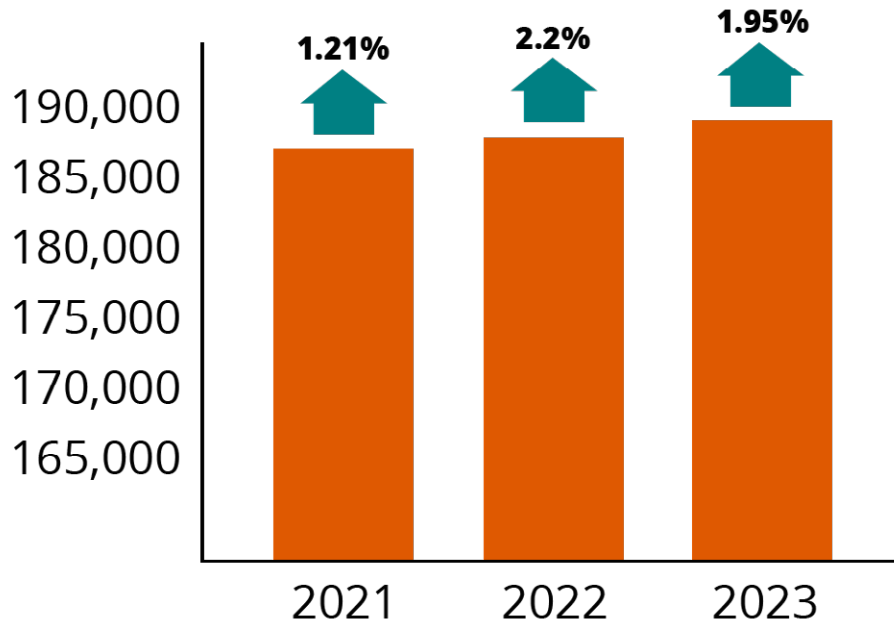
Number of Full-Time Equivalent (FTE)

County Employees 566

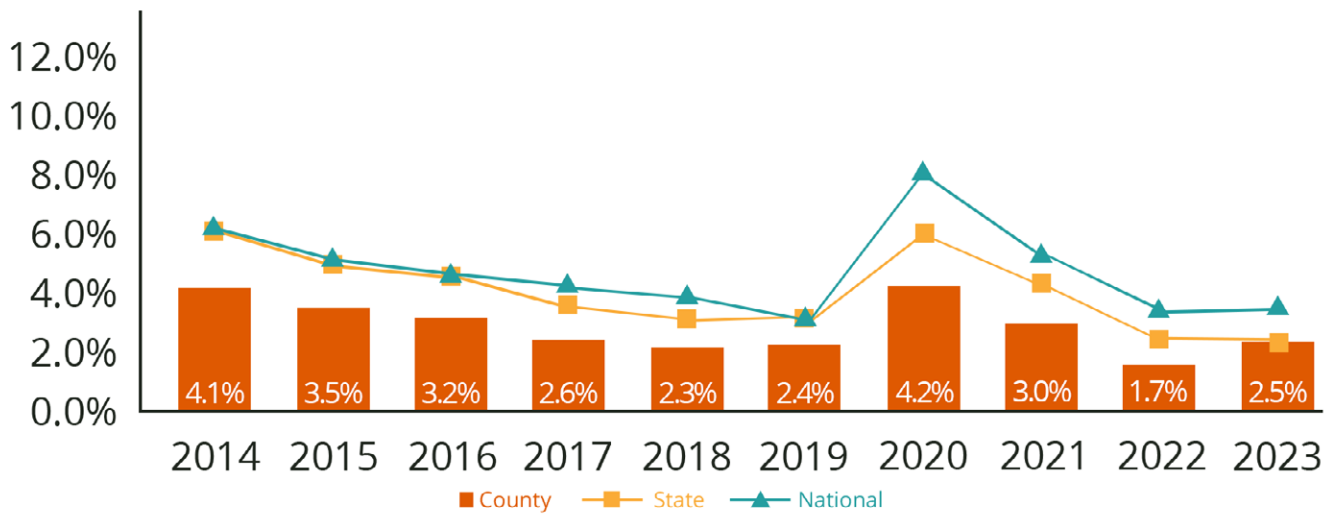
Total County Employment 98,678

**2022 Data*

Population Growth



Unemployment Rates



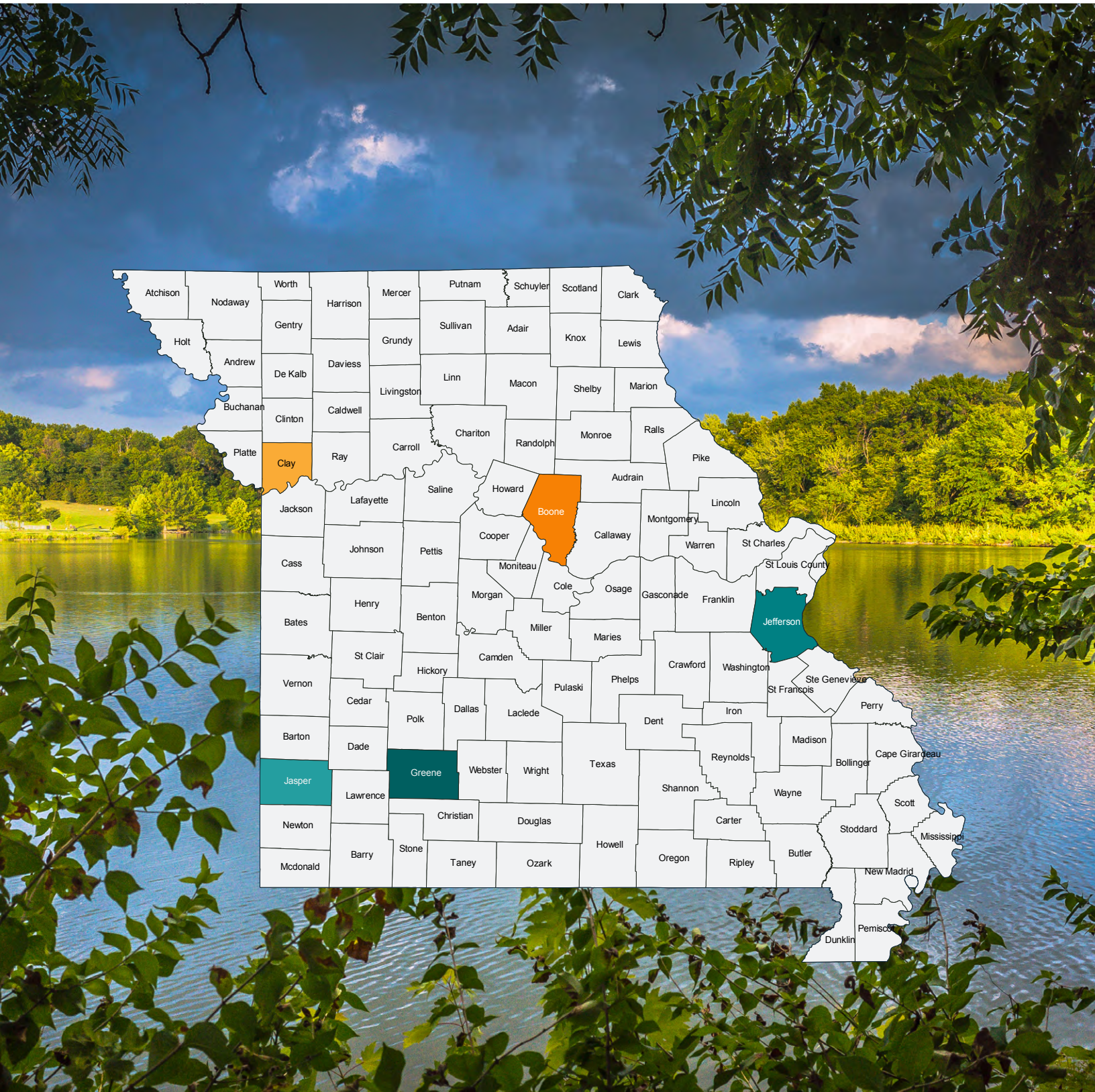
Boone County Principal Employers



EMPLOYER	# OF EMPLOYEES	% OF EMPLOYMENT
University of Missouri	9,732	9.86%
MU Healthcare	5,833	5.91%
Columbia Public Schools	2,944	2.98%
Veterans United Home Loans	2,906	2.94%
Harry S. Truman Veterans Hospital	1,957	1.98%
Boone Health	1,581	1.60%
Shelter Insurance Companies	1,382	1.40%
City of Columbia	1,368	1.39%
Hubbell Power Systems, Inc	730	0.74%
McClarty Auto Group: Joe Machens Dealerships	704	0.71%
TOTAL EMPLOYMENT FOR PRINCIPAL EMPLOYERS	29,137	29.53%
TOTAL COUNTY EMPLOYMENT 98,678		



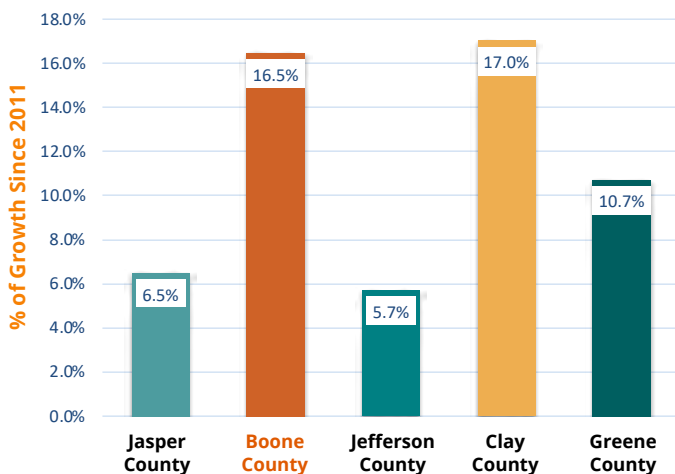
How Do We Compare?



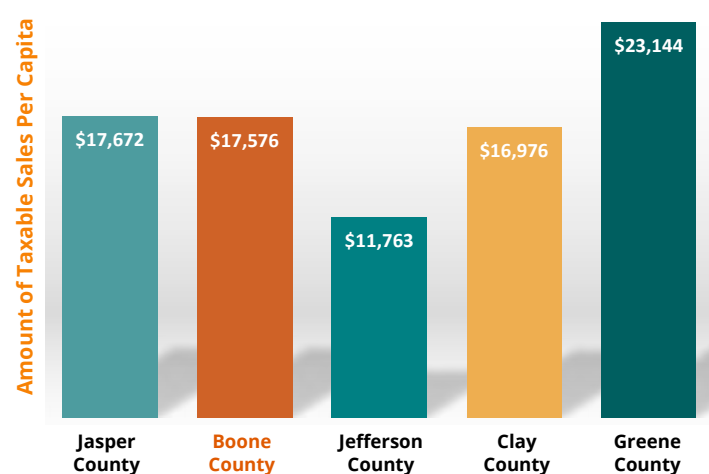
A Look Across the State

	Jasper County	Boone County	Jefferson County	Clay County	Greene County
County Seat	Carthage	Columbia	Hillsboro	Liberty	Springfield
Land area in square miles	638	685	657	397	675
Population, 2022 estimate	125,056	189,463	231,230	259,772	304,611
Persons per square mile	196	277	352	654	451
Population growth since 2011	6.5%	16.5%	5.7%	17.0%	10.7%
High school graduate or higher	88.3%	94.8%	91.2%	93.8%	93.1%
Bachelor's degree or higher	24.7%	49.7%	22.8%	34.9%	32.4%
Median household income, 2017-2021	\$54,963	\$66,564	\$77,217	\$82,264	\$54,968
Unemployment rate, as of April 2022	2.8%	2.4%	2.7%	2.7%	2.5%
Taxable sales, 2022 (in billions)	\$2.21	\$3.33	\$2.72	\$4.41	\$7.05
Taxable sales per capita	\$17,672	\$17,576	\$11,763	\$16,976	\$23,144

Population Growth since 2011



Taxable Sales Per Capita

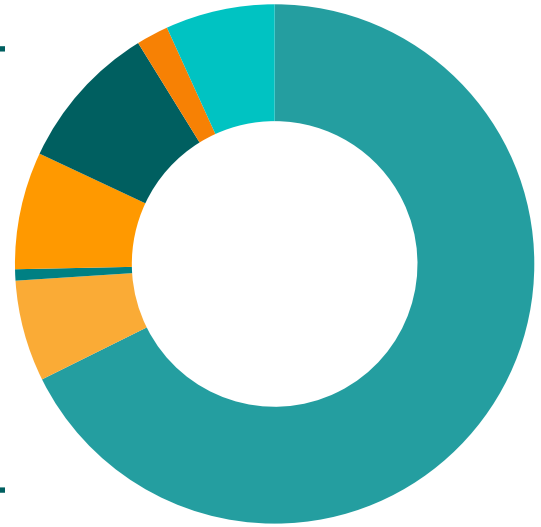


Where the Money Comes From



2023 Revenue

Sales Taxes	67.6%	\$75,040,580
Property and Franchise Taxes	6.3%	\$6,991,893
Licenses and Permits	0.7%	\$802,973
Intergovernmental Revenues	7.3%	\$8,128,087
Charges for Services	9.2%	\$10,256,692
Interfund Services Provided	2.0%	\$2,200,121
Investment Income & Other	6.8%	\$7,510,824
Total Revenue	100.00%	\$110,931,170



Sales Taxes: County services are primarily funded with locally generated sales tax revenues. The total voter-approved sales tax rate for County purposes amounts to 1.75%. Included in this total is a .50% rate for general use with the remainder (1.25%) restricted to the specific purposes of road infrastructure, law enforcement services, community children's services, and 911/Emergency Management. Sales tax is inherently more volatile than other sources of revenue. Boone County mitigates the risk of this volatility through fiscal and budget policies and the consistent application of sound, conservative budgeting principles. Additional sales tax information is presented later in this report.

County sales tax revenue increased by 20.57% compared to the prior year. This increase can mainly be attributable to the addition of \$8.6 million that was collected for the first year of collections for the voter approved County Use Tax. Sales tax growth has been strong over the past few years due to factors such as increased consumer spending and high inflation. In 2022 and 2021, sales tax revenue increased by 6.57% and 16%, respectively. During the 2024 budget, the County anticipated a 2% increase in sales and use tax revenue.

Charges for Services: The County Commission has limited authority to enact or change County fees because most fees are established by state law. Such

fees include real estate recording fees, marriage license fees, court-related fees, and property tax collection fees. Locally controlled fees include building permit fees, animal control fees, and food inspection fees.

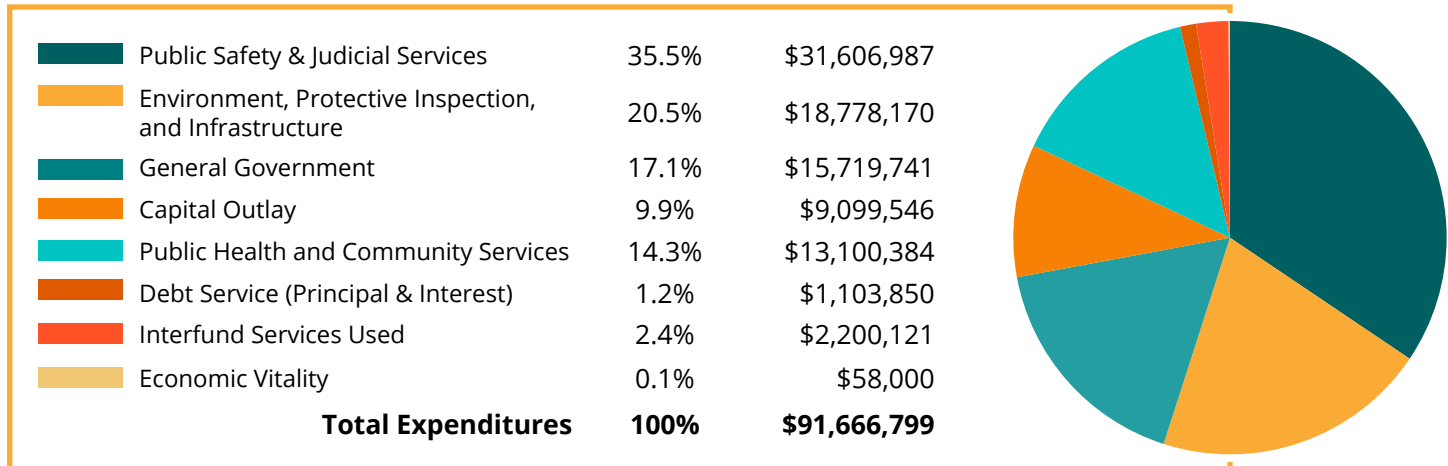
Property Taxes: The County is authorized to levy a property tax for general purposes and for road and bridge maintenance. The 2023 property tax rates (per \$100 of assessed valuation) were \$0.1200 for the General Fund and \$0.0500 for the Road and Bridge Fund. For comparison purposes, the 2023 property tax rates (per \$100 of assessed valuation) for Columbia Public Schools, Southern Boone County Schools, City of Columbia, and City of Centralia were \$5.6731, \$5.7901, \$0.4032, and \$0.9322, respectively.

Intergovernmental Revenue: Revenue received from other governments consists primarily of state reimbursements and grant revenues. State reimbursements are received for jail housing costs, juvenile detention, property assessment, and child support enforcement activities. These reimbursements are subject to appropriation at the state level and have been significantly reduced in recent years. The County also receives distributions from state-wide motor fuel taxes, state motor vehicle sales tax, state motor vehicle licensing fees, as well as various law enforcement and judicial grants.

Where the **Money Goes**



2023 Expenditures



The majority of county resources are directed to statutory functions of public safety & judicial services, to maintaining and improving the County's transportation network, and to providing public health and community children's services.

Public Safety and Judicial: The County provides funding for the Prosecuting Attorney, Sheriff and Corrections, 911 and Emergency Management, the Public Administrator, the 13th Judicial Circuit Court, the Juvenile Detention Center, and various alternative sentencing programs. The County provides medical examiner services through contract with the University of Missouri and is required to provide office space for the state Public Defender. With voter approval of a new dedicated sales tax in 2013, 911 and Emergency Management operations transferred from the City of Columbia to Boone County. A newly constructed Emergency Communications Center was dedicated in September 2016 and relocation of operations was completed mid-year 2017.

Environment, Protective Inspection, and Infrastructure: The County maintains approximately 800 miles of roadway infrastructure consisting of concrete, asphalt, and gravel surface types along with a variety of bridges and other drainage structures. Routine and preventative maintenance includes gravel application, asphalt and concrete patching/sealing, asphalt and concrete preservation and rehabilitation, ditching, vegetation control, and bridge maintenance repair. Routine traffic services include street signing, regulatory signing, dust control, and snow and ice

control. The County also provides planning and zoning, building inspection, building code enforcement, and storm water administration services.

General Government: The County provides various services including: record preservation (real estate transactions and marriage licenses); parcel mapping; assessment of real estate and personal property for taxing purposes; property tax collection, distribution, and reporting for all taxing entities within the County; voter registration and elections; information technology support; human resources and risk management; purchasing; accounting and financial reporting; budgeting; treasury and investment management; and County Commission operations.

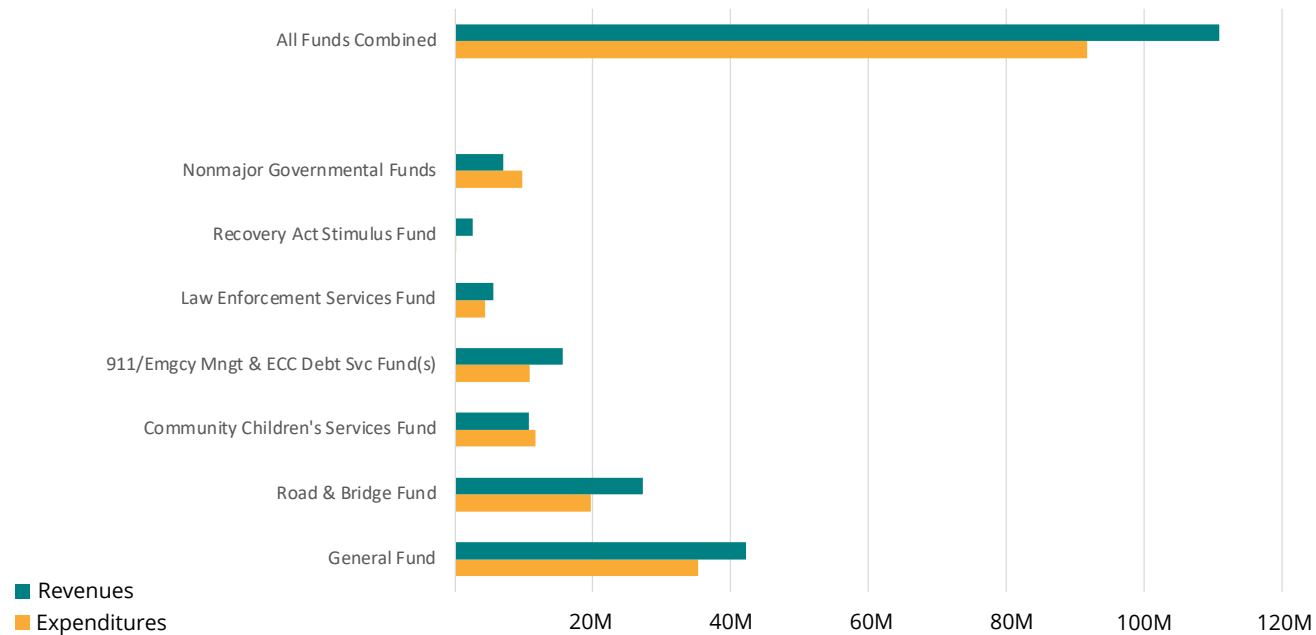
Public Health and Community Services: The County provides contractual funding for the Boone County/ City of Columbia Health Department, a city-administered department. In addition, voters approved a dedicated sales tax for community children's services which became effective mid-year 2013. A nine-member Commission-appointed governing board is responsible for establishing annual funding allocations consistent with the eligible services allowed under state law which include counseling, family support, and temporary residential services to persons nineteen years of age or less. These services are administered through the County's Community Services Department.

Fund Balances



Revenue & Expenditure by Fund

for the year ending 2023



Governmental funds are used to account for the revenues and expenditures associated with the County's governmental functions and activities. Revenues available for any governmental purpose are accounted for within the General Fund whereas revenues restricted as to use are accounted for within separate funds. Over 60% of the County's revenues are restricted as to use.

Governmental funds are classified as "major" or "nonmajor", according to established standards. The chart above shows the relationship between aggregate revenues and expenditures for each major fund and for all nonmajor funds combined as well as total revenues and expenditures for all funds combined. Detailed financial information for each individual fund is presented in the County's Annual Comprehensive Financial Report (ACFR), which is available at www.showmeboone.com/auditor/financial-reports/.

General Fund— revenues exceeded expenditures as a result of strategic spending and a notable increase in tax revenue, driven by the introduction of Use tax and Marijuana sales tax. Additionally, the fair values of investments were significantly higher than the previous year, attributed to prevailing market conditions.

Road and Bridge Fund— revenues exceeded expenditures partially due to introduction of Use tax revenue. In addition, the fair values of investments were significantly higher than the previous year, attributed to prevailing market conditions.

Community Children's Services Fund— expenditures exceeded revenues due to planned spending. Sales tax revenue received in prior years was appropriated and spent in the current year.

911/Emergency Management Fund and ECC Debt Service Fund (combined)— revenue exceeded expenditures primarily due to high staff turnover combined with extended vacancies, and delays with several large infrastructure improvement projects. The unspent revenues will be used for future improvements to the technology and radio infrastructure network.

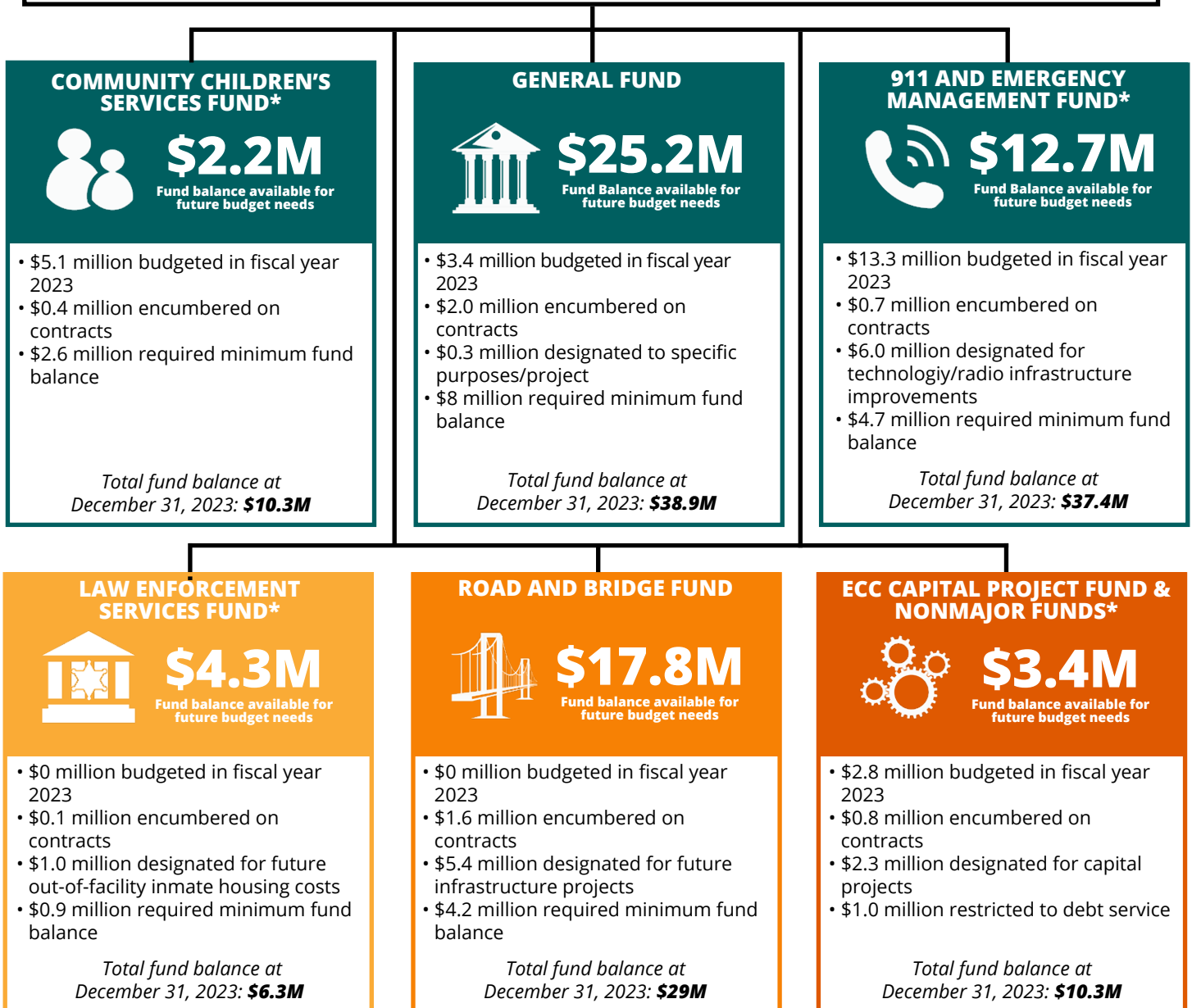
Law Enforcement Services Fund— revenues exceeded expenditures, primarily due to reduced expenses for salaries, wages resulting from staff vacancies and turnover, and the introduction of Use tax revenue to the fund.

Nonmajor Funds— expenditures exceeded revenues primarily because of planned spending in capital project funds.

Fund Balances

As of December 31, 2023

FUND BALANCE is the net difference between the assets and liabilities of a governmental fund. Throughout the year, significant portions of fund balance consist of receivables associated with property taxes, sales taxes, and reimbursement revenues. **Therefore, fund balance should NOT be confused with cash on hand.** To ensure adequate cash flow throughout the year, County policy requires a minimum fund balance equal to two month's expenditures (17%) within each of the major funds. Fund balance amounts that exceed minimum requirements are available for appropriation through the budgeting process.



*The resources of this fund may only be used for specific purposes, such as those allowed by state law or ballot language. Because of this, the revenues, expenditures, and fund balance are accounted for within a separate and distinct fund and not co-mingled with general revenues or the resources of any other fund. For many of the nonmajor funds, an elected official other than the County Commission is the appropriating authority.

Sales Tax



Sales Tax

County sales tax levies are authorized by state law and subject to voter approval. The sales tax levy for roads (0.500%) was initially approved by voters in 1993 for five years and has been renewed three times for ten-year periods, expiring September 30, 2028. This tax levy is accompanied by a voluntary property tax rollback and the County intends to seek voter approval for renewal. All other County sales tax levies are permanent.

The municipal sales tax rates shown below are intended to provide a rate comparison of Boone County's various municipalities with those of nearby communities. All rates are effective as of January 1, 2023.

Sales Tax Rates Cities In Boone County

State, County and City rates combined

McBaine, Midway, Prathersville, Wilton	5.975%
Hartsburg, Huntsdale, & Village of Pierpont	6.475%
Harrisburg	6.975%
Hallsville	8.600%
Rocheport	7.475%
Columbia & Sturgeon	7.975%
Ashland	9.475%
Centralia	8.475%

Sales Tax Comparison

Columbia	7.975%
Boonville	9.100%
Fayette	7.975%
Jefferson City	8.975%
Fulton	9.225%
Sedalia	8.725%
Moberly	8.475%
Macon	8.600%
Warrensburg	9.475%
Kirksville	8.725%
Mexico	8.850%
Springfield	8.100%
Lee's Summit	8.600%

Countywide Sales Tax Rate Breakdown

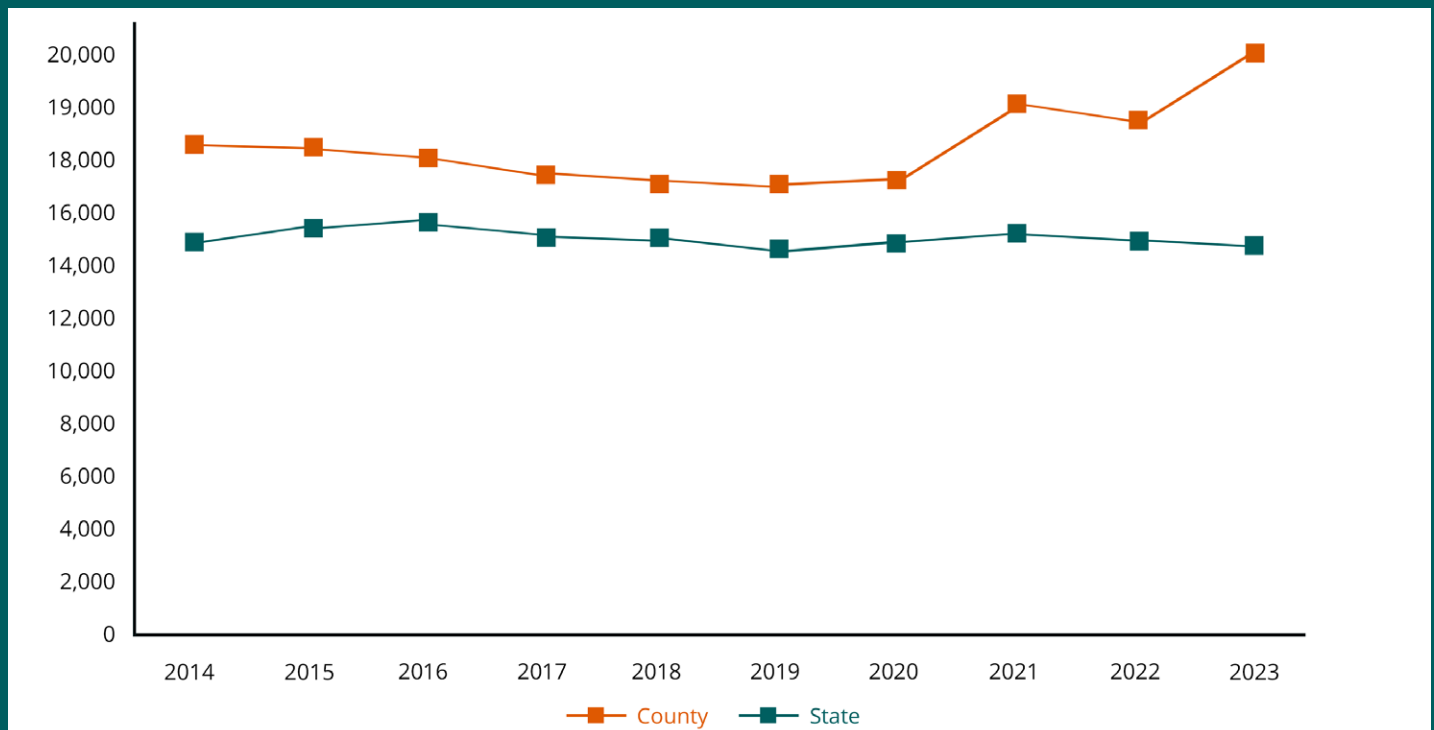
State	4.225%	
County General Revenue	0.500%	Permanent
County Maintenance-Roads	0.500%	Renewable
County Law Enforcement Services	0.125%	Permanent
Community Children's Services	0.250%	Permanent
911/Emergency Management	0.375%	Permanent
Combined State & County Sales Tax Rate	5.975%	

Taxable Sales per Capita

Taxable Sales is the County's primary tax base and Boone County's ability to fund services over time is significantly impacted by its stability and growth. Historically, population growth has been a key factor influencing local taxable sales and sales tax revenue was strongly correlated to population growth. In the chart below, the increase in taxable sales per capita reflects the impact of 40 year high inflationary price increases. Prior to this, the County was experiencing an on-going erosion of this tax base due to untaxed e-commerce. The County's population continues to grow at a steady and strong rate; however, the County's primary operating revenue has been largely flat (and sometimes shrinking) in recent years. In April of 2022, Boone County voters approved a use tax that will equal the combined sales tax rate of 1.75%. The use tax took effect on January 1, 2023, enabling the County to receive voter-approved sales taxes on remote sales.

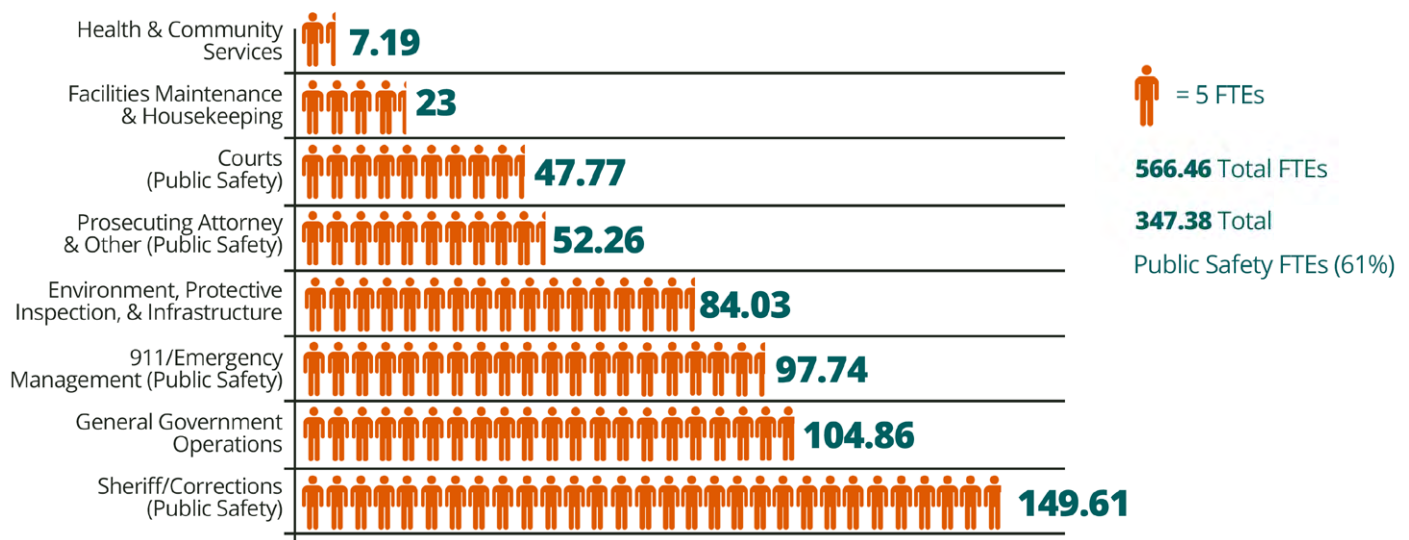
Boone County's taxable sales per capita compares favorably to that for the state of Missouri as a whole.

Taxable Sales per Capita



Boone County Workforce

Full-Time Equivalent (FTE) Positions by Function

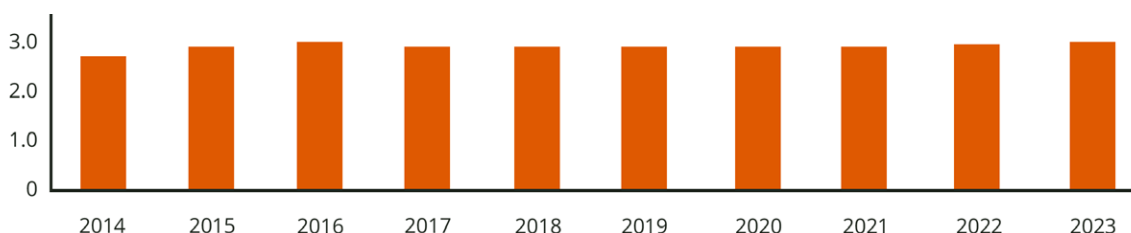


For fiscal year 2023, Boone County's work force totaled approximately 566 budgeted full-time equivalent (FTE) positions, a slight increase over the prior year attributable to fluctuations in seasonal employees. The overall size of Boone County's employee work force has remained stable relative to population over the last 10 years, as shown in the chart above. There are approximately 3 County employees for each 1,000 residents.

Approximately 60% of the workforce is concentrated in public safety, which has grown significantly since 2013, a result of the transfer of Joint Communications and Emergency Management activities from the City of Columbia to Boone County.

The State of Missouri provides funding for 39 FTEs for the Circuit Court Clerk's office and 23.5 FTEs for the Circuit Court. The County-paid court positions supplement the workforce provided by the state.

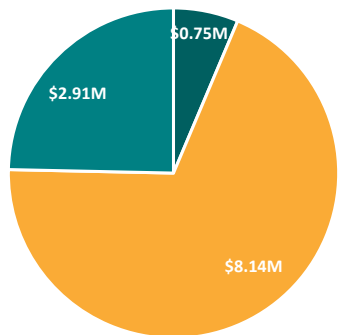
Number of Budgeted FTE Positions Per 1000 Residents



Long-Term Debt

Long-Term Obligations

As of December 31, 2023



The County's long-term debt consists of employee benefit obligations and bonds payable. Overall, the amount of long-term debt is very low.

■ General Obligation Bonds ■ Special Obligation Bonds ■ Compensated Absences & Other

Compensated Absences and Other Debt:

amounts owed to county employees for vacation leave accrued according to county personnel policies, unamortized amounts associated with bonded debt, and Other Post-Employment Benefits (OPEB) associated with the County's self-insured health plan.

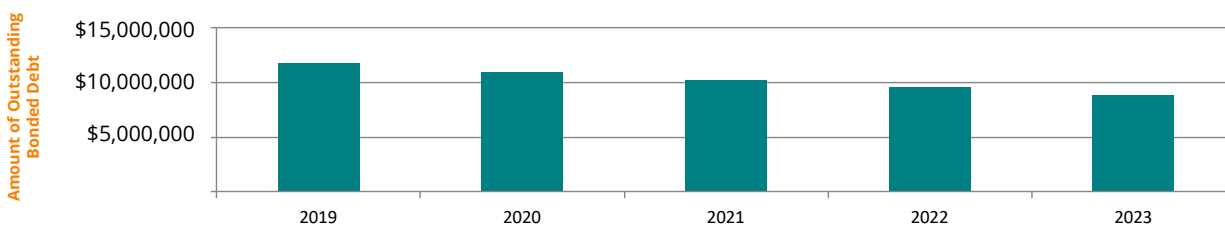
Special Obligation Bonds: issued to construct and/or improve various county-owned facilities and are being retired through annual appropriations from county revenues. The debt will be fully retired in 2034. The County issued approximately \$13.3 million in additional debt during 2015 to construct the

new Emergency Communications Center (ECC); at December 31st, \$8.1 million was still outstanding. This debt is being retired with proceeds from the 911/Emergency Management sales tax.

General Obligation Bonds: issued to construct road and sewer neighborhood improvement district (NID) projects and are being retired through special assessments billed to property owners. No property taxes are levied nor are County resources used to retire this debt; it will be fully retired in 2036. The County expects to issue additional debt associated with the NID program, all of which will be retired through special assessments.

Changes in Outstanding Bonded Debt

As of December 31, 2023



In 2015, the County issued \$13.3 million in Special Obligation Bonds to design and construct the Emergency Communications Center. The new facility houses the operations of Boone County Joint Communications (911 call-taking and dispatching) and Boone County Emergency Management. At December 31st, \$8.1 million remained outstanding and it will be fully retired in 2034.

