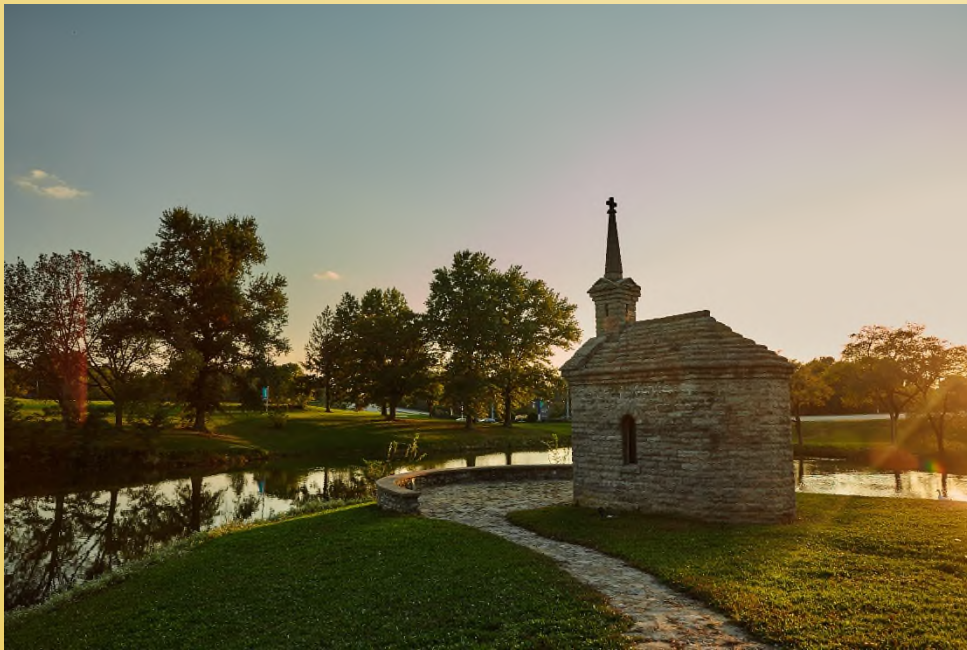


# CITY OF CRESTVIEW HILLS, KENTUCKY



For the Fiscal Year Ended June 30<sup>th</sup>, 2024



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

**CITY OF CRESTVIEW HILLS, KENTUCKY**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

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

**Prepared by:**

**Finance Department  
City of Crestview Hills, KY**

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Year Ended June 30, 2024**

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# CITY OF CRESTVIEW HILLS

50 Town Center Boulevard, Crestview Hills, Kentucky 41017-2561  
(859) 341-7373, FAX (859) 341-6993  
Website: [www.crestviewhills.com](http://www.crestviewhills.com)

September 20, 2024

To: The Citizens of the City of Crestview Hills, Kentucky,  
Mayor Paul Meier, and  
Members of the City Council

Kentucky law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in accordance with implementation of Government Standards Board (GASB) Statement 34 and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants within six months of the close of each fiscal year. Pursuant to that requirement, the City of Crestview Hills, Kentucky hereby issues its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, as audited by Chamberlin Owen & Company, Inc.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Crestview Hills management. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to fairly present the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Chamberlin Owen & Company, Inc., Certified Public Accountants, have issued an unmodified opinion (commonly known as a "clean audit") applicable to the City of Crestview Hills' financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction therewith.

The City provides a range of services including public works, engineering, maintenance of dedicated streets and right-of-ways, recreational activities, zoning administration, police protection, planning and general administrative functions. Contracted services include fire protection, basic and advanced emergency medical service, occupational license tax collection, city-wide landscaping maintenance, animal control services, building and zoning permitting, and code enforcement.

The majority of City activities are accounted for through the General Fund. The City does have a separate Capital Projects Fund maintained mostly for grant and large infrastructure projects, and a Special Revenue Fund utilized for the Wayfinding Signage project was closed out FY 2023-2024. Financial statements of governmental organizations differ somewhat from the statements prepared for profit-oriented organizations in that governmental organizations prepare statements on a fund basis. In governmental accounting, the term "fund" is used to identify a separate accounting entity with its own assets, liabilities, revenues, or expenses, as appropriate.

**PAUL W. MEIER, MAYOR**

[mayor@crestviewhills.com](mailto:mayor@crestviewhills.com)

1

**Alex Mattingly**  
City Administrator

[amattingly@crestviewhills.com](mailto:amattingly@crestviewhills.com)

**T.J. Holtman**

Finance Officer/Treasurer

[tjholtman@crestviewhills.com](mailto:tjholtman@crestviewhills.com)

**John Scheben, Jr.**

Public Works Director

[jscheben@crestviewhills.com](mailto:jscheben@crestviewhills.com)

**Stacy Kellam**

City Clerk

[skellam@crestviewhills.com](mailto:skellam@crestviewhills.com)

## ***Profile of the Government***

The City of Crestview Hills, KY, incorporated in 1951, is located in Northern Kentucky and is part of the Cincinnati metropolitan area. Crestview Hills currently occupies a land area of 2.6 square miles and serves a residential population of 3,246 (2020 Decennial Census - U.S. Census Bureau) with a much larger daytime population. The City levies a property tax on real property, an occupational/payroll fee on employees, and a license fee and gross receipts tax on businesses.

Crestview Hills has operated under the Mayor-Council form of government since 1951. Policy-making and legislative authority are vested in the City Council. The Mayor is responsible for the executive functions of the City, including administration of the budget, appointing employees, and representing the City as the Chief Elected Official. The City Council is responsible for setting policy, passing ordinances, adopting the budget, approving the Mayor's appointments to committees, and approving the appointment of the City Administrator, City Engineer, City Attorney and City Clerk. The appointed City Administrator is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and assisting the Mayor and City Council. The mayor and council are elected on a non-partisan basis. Council members serve two-year terms, while the mayor serves a four-year term.

The annual budget serves as the foundation for the City of Crestview Hills, KY financial planning and control. The Mayor is responsible for the presentation of the annual budget to the City Council for approval. The City Administrator and Finance Officer/Treasurer work closely with the Mayor and Council committees to assess the budgetary needs for each upcoming year. This information, along with known changes in funding formulas and contracts, is programmed into the budget document. The final budget proposal is submitted to the Finance Committee for review before going to City Council for first reading in May. Council is required by state statutes to hold public hearings on the proposed budget and adopt a final budget by no later than June 30, which is the close of Crestview Hills, KY fiscal year. Fund function (i.e. General, Capital Projects, and any Special Revenue fund), and department (i.e. General Government, Public Works, and Public Safety) determine the order of the appropriated budget. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted.

## ***Local Economy***

Crestview Hills, Kentucky is located approximately seven miles south of downtown Cincinnati. The City is known for its residential and commercial diversity including single-family residential homes and condominiums, an active lifestyle retail center, a large business and medical office park, a four-year university (Thomas More University), a country club, and a high-end fitness club. The key economic areas vital to the City's tax base are: the medical sector, higher education, professional offices, retail, and residential. Each contributes to the broad-based revenue that allows the City to operate.

The development of the Thomas More Office Park area along Thomas More Parkway during the last three decades has been a key piece of the City's economy. The Office Park is within seven miles of the Greater Cincinnati/Northern Kentucky International Airport with easy access to I-75, I-71, and I-275. While downtown Cincinnati is only a few minutes away, this location is suburban and residential in nature. The Office Park houses professional offices, specialty physicians, mental health counselors, attorneys, a fitness club, a university, a gymnastics training facility, and corporate offices in a suburban environment with the lowest overall tax rates in the area. The proximity of the St. Elizabeth Medical Center in the adjacent City of Edgewood has contributed to the large concentration of healthcare related offices in the City.

The Northern Kentucky economy, along with the entire state and country, continues to endure fiscal challenges due to the highest level on inflation to affect the United States of America in decades. The high inflation rates, coupled with labor shortages, and continued supply chain issues have created larger than normal cost increases in all business sectors in the region, state, and country. Fortunately, the City's primary revenue sources, payroll, and occupational

license taxes, have been steady during this difficult economic season. The Annual Returns tax revenue stream fluctuates from year to year, but the City recently switched to the Gross Receipts taxation model to ensure a fair and equitable system for all businesses to contribute to the efficient operations of Crestview Hills. For FY 2023-2024, the annual returns (gross receipts) tax revenue increased significantly by over 44% from the prior year. The annual returns revenues increased because of the fully realized transition from net profits to gross receipts taxation basis. The City's primary retail center continues to perform well overall and has very few vacant storefronts.

Crestview Hills continues to explore additional office space on undeveloped lots, though the market for office space is very soft in the Cincinnati/Northern Kentucky area and is projected to continue as such for several years. The City is experiencing a very competitive environment for recruitment of new jobs and retaining existing ones but has been successful in landing new businesses in the Thomas More Office Park. To encourage continued growth in the office park, Crestview Hills has enacted a small business incentive program that began on July 1, 2024.

Despite the strenuous economic conditions revolving around growing costs and high inflation, the City's key revenue sources were strong compared to the past fiscal year. The City added \$1,024,070 to the fund balance for FY 2023-2024. There were several key factors to the robust addition to the City's fund balance. First, the City's occupational license tax revenue streams increased. The payroll tax revenue sources surged due to new businesses opening in or relocating to Crestview Hills, as well as overall payroll tax base growth in general. Also, as mentioned previously, the annual returns revenues prospered because of the taxation basis change from net profits to gross receipts. Second, the City benefitted from the favorable rates of return on investments and its investment income reaped large dividends from its certificate of deposits portfolio. Finally, the Sunset Drive street resurfacing project planned in FY 2023-2024 was delayed into FY 2024-2025, and had an estimated budget of \$500,000. Consequently, total revenue was much better than budget by over \$350,000 or 108% to budget, and total expenditures were less than budget by almost \$670,000 or 85% FY 2023-2024.

Domiciled businesses account for the majority of payroll taxes received. The number of domiciled accounts increased from 657 accounts to 823 accounts in FY 2023-2024 because of a large influx of independent contractors from a new retail outlet at the Crestview Hills Town Center. In addition, for the latest fiscal year, the City's non-domiciled business registrations grew to a little over 5,500 businesses, including everything from construction companies to home service businesses.

The City's residential real estate market has somewhat slowed, because of high mortgage interest rates. Although home sale prices have increased in Crestview Hills, the City foresees the same trend as the national economists with expected slower home sales due to the high mortgage interest rates. Home sales within Crestview Hills will remain constrained as long as interest rates remain high, but the expectation is that mortgage rates and inflation will begin to decline over the next year. The final residentially zoned property development in the City, Crown Point, opened in 2016, and has continued to build new homes each year. The initial 42 building lots within the neighborhood have homes ranging in value from the mid \$600,000s to more than \$1 million. The builders of the Crown Point subdivision hope to complete the development by 2030. While residential assessments increased, there were some major reassessment reductions within the City's commercial properties and a reclassification of the taxable nature of utility property that negatively affected Crestview Hills.

### ***Long-term financial planning***

Unassigned fund balance in the general fund has exceeded policy guidelines set by City Council by recommendation of the Finance Committee for budgetary and planning purposes (i.e., between 15 and 20 percent of total general fund revenues). With a planned expansion of the City Building and a number of infrastructure projects in the works, the City will remain diligent in identifying and ensuring adequate financial reserves to meet future needs. This is particularly true for future street maintenance activities, where the City has begun an annual street reconstruction program, focusing on older residential areas such as the Old Crestview Hills neighborhood. The City faces steadily increasing costs for public safety and other personnel expenses in coming years, particularly in light of inflation and increased supply and service costs for local governments.

The City completed several projects in FY 2023-2024, including the new HVAC system at the City building, Phase II of the Centre View Park, the Thomas More Parkway crosswalk installation, street improvements on Shinkle Road (from Crown Point to Secretariat), the Horsebranch Road Emergency Stabilization Project (in conjunction with Edgewood), as well as the City-wide streetlight LED conversion project. There was one major project that remained in the “construction in progress” status that began in FY 2022-2023, which is the Vernon Drive reconstruction project. It is scheduled to be completed in FY 2024-2025. These projects continue to serve as a testimony to the City’s commitment to investing in the reconstruction of streets and infrastructure maintenance.

Crestview Hills has several cost drivers to consider for future budget cycles. Public safety costs will continue to rise, and although the City contracts out fire and EMS services or relies on a joint police authority with the City of Lakeside Park, the underlying increases in personnel (competitive salaries, pensions, health insurance, etc.) will continue to affect future City costs. The Kentucky Legislature adopted in May 2018 made significant changes to the State’s defined benefit system and a new actuarial funding model for participants that significantly raises payments into the system by members to pay down the unfunded liability. The employer pension rates have moderated somewhat in the last several years, which hopefully continues going forward. Regardless, the City will continue to focus its attention on the surge in costs due to high inflation. Although the inflation rate is decreasing, the City of Crestview Hills remains focused on navigating through these uncertain times by continuing to closely monitor key economic indicators and intricately manage the City’s revenue sources and expenditures.

The City’s attention to proper infrastructure investment has been a key initiative for many years. The City Council has always prioritized the maintenance of infrastructure to support our residential and business base. The City conducted a study of the existing infrastructure in FY 2020-2021 to determine the proper long-term plan to continue to improve and maintain the City’s infrastructure initiatives, which has been updated to take into account current economic conditions.

On the revenue side, high demand for medical services continues and the City enjoys a strong medical footprint in the Greater Cincinnati region. The City’s tax base remains heavily reliant upon the medical community in the Thomas More Office Park, and this business sector is thriving. The medical industry has been undergoing significant changes over the past ten years, including changes to reimbursement formulas with the Affordable Care Act, and COVID-19 related health guidelines and restrictions, and consolidation of medical practices. These changes continue to push independent practices to combine with large medical center systems and have moved several of the City’s specialty medical practices closer to the St. Elizabeth Medical Center Campus. Finally, the retail and restaurant landscape, especially restaurants, have adapted well and fully recovered from the COVID-19 pandemic. The Crestview Hills Town Center will more than likely continue to evolve, change and grow in response to rising costs due to high inflation. The City is actively working with the owner of the Town Center to explore future opportunities for redevelopment of the existing retail shopping center into a mixed-use area with residential, business, restaurants and retail uses. A mixed-use zone has been created in the City’s zoning ordinance in anticipation of this effort.

For the tax year 2023, the City Council approved the compensating rate plus an 0% for the 2023 property taxes. This tax rate produced \$798,834 in property tax revenue. The 0% increase was adopted by the Mayor and City Council to send the message to the residents and business community that, when possible, the City would take steps to ease economic pressures. The City’s Fire and Emergency Services contracts with Fort Mitchell and Edgewood increased by 4% combined from the prior fiscal year, as set forth in the contracts between Crestview Hills and each city. In addition, the Police Authority costs increased by a little more than 4%. The key factor to the increase is attributable to inflation and cost of living adjustments made to salaries and wages for the Police Authority officers and staff. In turn, a property tax rate was implemented for FY 2024-2025, in part, to aid with the annual cost increases in payroll, benefits, and general operating costs attributable to inflation (utilities, goods and services, etc.). The property tax rate that was approved and levied FY 2024-2025 is .151 per \$100 of assessed value, which equates to the compensating rate plus 4%. The City saw increases in assessed value of residential properties, as well as 2 new home construction completions, which created \$1,447,000 in additions. There were reductions in assessed value on 2 residential and 7 commercial properties, which resulted in \$2,003,900 in lower valuations. The net effect was a decrease in total new property valuations of \$556,900. Homestead Exemptions (owners 65 years of age and older) increased by fifteen, with a total of 456 properties (38.78% of total residential properties) now receiving the exemption in 2024. Another 7 properties receive the disability exemption, as well.

## ***Other Information***

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial resources, Crestview Hills is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by the management of the City.

As part of the City's annual audit, reviews are made of the internal control structure as well as to determine that the City has complied with applicable laws and regulations. The results of the City's annual audit for the fiscal year ended June 30, 2024, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

In addition, the City maintains budgetary controls. These controls include monitoring department(s) expenditures with the intent of remaining at or under the approved budget parameters. If a department exceeds its budgetary constraints, then a budget amendment is presented to City Council for acceptance/approval of the proposed amendment. As an additional layer of oversight, the Finance Committee chairperson (who is also a CPA) performs a monthly review and audit of the internal financial statements. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General, Capital Projects, and Special Revenue Funds are included in the annual appropriated budget. The adopted budget for fiscal year 2023-2024 was prepared in accordance with accounting principles generally accepted in the United States of America.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Cash resources of the individual funds are combined to form a pool of cash and investments. Cash temporarily idle during the year was invested in certificates of deposit, and an interest-bearing cash sweep account, which are consistent with the direction of City Council as recommended by the Finance Committee. High interest rates have allowed Crestview Hills to increase its investment income in FY 2023-2024.

The City's investment policy is designed to maximize the productive use of assets entrusted to its care and to invest and manage those funds wisely and prudently. Criteria for selecting investments and the order of priority are: (1) safety, (2) liquidity and (3) yield. The basic premise underlying the City's investment policy is to ensure that money is always available when needed while at the same time gaining the highest and best rates of return. Accordingly, deposits were either insured by Federal Depository Insurance Corporation (FDIC) and/or collateralized as required by Kentucky law.

In accordance with GASB 77, the City has approved and adopted several tax abatement incentives offered to residents and businesses. The resident abatements primarily offset the tax burden for residents living on private streets that are not maintained by Crestview Hills. Regarding businesses, the abatements serve as an economic development tool to attract prospective businesses to the Crestview Hills business community and promote retention and expansion of existing businesses. The goal is to motivate companies to invest in Crestview Hills commercial properties, which adds to the tax base of the City.

The City's insurance carrier, Kentucky League of Cities Insurance Services (KLCIS), provides a full range of insured risks, including property and casualty, automobile, elected official's liability, and general liability insurance.

The City's insurance carrier, Kentucky League of Cities Insurance Services (KLCIS), provides a full range of insured risks, including property and casualty, automobile, elected official's liability, and general liability insurance. The insurance limit of risk is 3 million with another 3 million umbrella, on a per occurrence basis. KLCIS provides a full range of risk management services, including loss control audits and safety training and accident prevention workshops. The City's worker's compensation insurance is also with KLCIS.

All claims are investigated, valued, reserved, defended and/or settled in accordance with generally accepted insurance industry practices. The City maintains a Risk Management Committee consisting of the Mayor, City Attorney, City Administrator and Finance Officer/Treasurer to periodically evaluate risks and ensure proper oversight of possible liability exposures. There are no known existing claims that would exceed the City's applicable coverage.

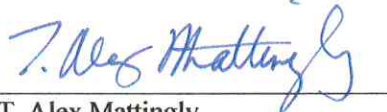
*Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Crestview Hills for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the twenty third consecutive year that the government has received this prestigious award. To qualify for a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy generally accepted accounting principles, pronouncements of the Governmental Accounting Standards Board, and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the City's finance staff and appreciation is expressed to those who assisted and contributed to its compilation and completion. Credit also must be given to the Mayor and City Council for their support in maintaining the highest standards of professionalism in the management of Crestview Hills finances and for being good stewards of public resources.

Respectfully submitted,

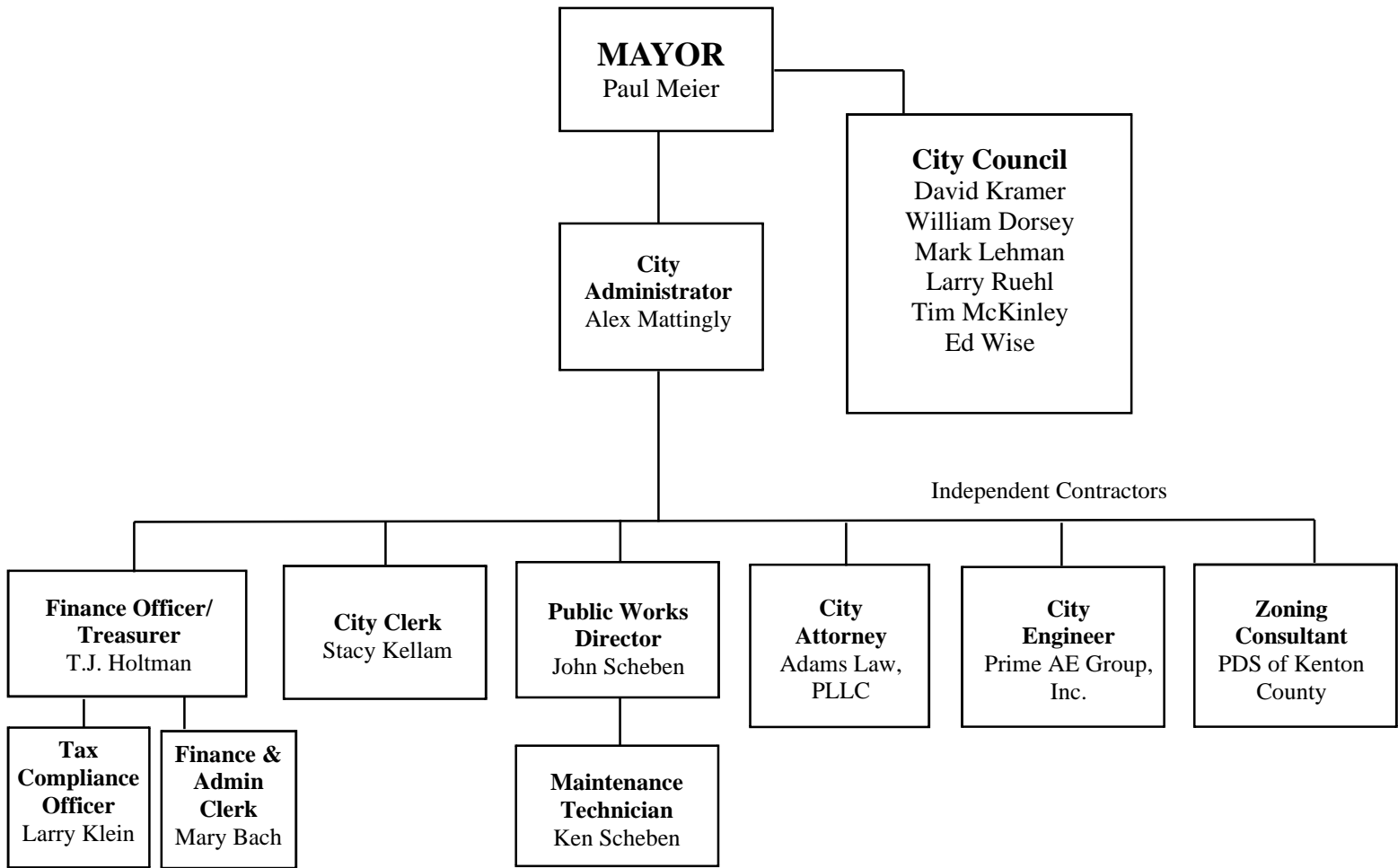


T. Alex Mattingly  
City Administrator



T.J. Holtman  
Finance Officer/Treasurer

*City of Crestview Hills, KY Organizational Chart*



# CITY OF CRESTVIEW HILLS, KENTUCKY

## LIST OF PRINCIPAL OFFICIALS

For the Year Ended June 30, 2024

Mayor – Council Form of Government

### City Council

Paul W. Meier  
Mayor

David Kramer  
Vice Mayor

William Dorsey  
Councilmember

Mark Lehman  
Councilmember

Tim McKinley  
Councilmember

Ed Wise  
Councilmember

Larry Ruehl  
Councilmember

### City Administration

Alex Mattingly

T.J. Holtman

Larry Klein

Stacy Kellam

Mary Bach

John Scheben

Ken Scheben

Planning & Development

Services of Kenton County

Planning & Development

Services of Kenton County

Mike Yeager, Prime AE Group, Inc.

Mary Ann Stewart, Adams Law PLLC

City Administrator

Finance Officer/Treasurer

Tax Compliance Officer

City Clerk

Finance & Administrative Clerk

Public Works Director

Public Works Technician

Building Inspector

Zoning Consultant

City Engineer

City Attorney



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Crestview Hills  
Kentucky**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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## FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

**To the Honorable Mayor and  
Members of the Council of the  
City of Crestview Hills, Kentucky**

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Crestview Hills, Kentucky, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Crestview Hills, Kentucky's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Crestview Hills, Kentucky as of June 30, 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with accounting standards generally accepted in the United States of America. 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 the City of Crestview Hills, Kentucky and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Crestview Hills, Kentucky'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 the City of Crestview Hills, Kentucky'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 the City of Crestview Hills, Kentucky'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.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Major Fund Budgetary Comparison Schedules, and *Multiple Employer, Cost Sharing, Defined Benefit Pension and OPEB Plan* disclosures 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 the 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 City of Crestview Hills, Kentucky's basic financial statements. The Wayfinding Signage Fund and Capital Projects Fund Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The 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 Wayfinding Signage Fund and Capital Projects Funds Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2024 on our consideration of the City of Crestview Hills, Kentucky'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 City of Crestview Hills, Kentucky'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 City of Crestview Hills, Kentucky's internal control over financial reporting and compliance.

*Chamberlin Owen & Co., Inc.*

**Chamberlin Owen, & Co., Inc.**

Erlanger, Kentucky  
September 20, 2024

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**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

As appointed management of the City of Crestview Hills, Kentucky ("City"), we offer readers of the City's financial statements this narrative overview as an analysis of the financial activities of the City of Crestview Hills, Kentucky, for the year ended June 30, 2024. We encourage readers to consider the information in conjunction with the letter of transmittal, which can be found on pages 1-6 of this report.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 25 and 26) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

**Reporting on the City as a Whole:**

**Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$10,083,311 (net position). Of this amount, \$5,023,145 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.
- The City's total net position increased \$535,733 this year. Some of the excess funds are related to projects funded in the FY 23-24 budget that had to be delayed to the next fiscal year.
- As of June 30, 2024, the City's governmental funds reported a combined ending fund balance of \$5,744,385, an increase of \$1,024,070 in comparison to the prior year.
- At the end of fiscal year 2023-2024, unassigned fund balance for the general fund was \$5,728,762 an increase of \$1,011,401 in comparison to the prior fiscal year 2022-2023.
- Compensated absences increased from \$15,312 to \$29,610 during the fiscal year, largely due to changes to the vacation and sick time policy applicable to part-time employees.
- The City's Net Pension liability decreased by \$43,341, from \$659,647 to \$616,306 during the year. See page Note G for a further explanation on the determination of pension liabilities.
- The net position of deferred outflows and inflows of resources pertaining solely to pensions and Other Post-Employment Benefits (OPEB) decreased by \$180,807, from \$92,222 to \$(88,585) in comparison to last fiscal year. See the page for Note G for further details on the deferred outflows and inflows of resources related exclusively to pensions and OPEB.

## **The Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the City's finances is "Is the City, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. You can think of the City's net position, the difference between assets, what the taxpayers own, and liabilities, what the taxpayers owe, as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health is* improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base, franchise fee base, and the condition of the City's capital assets (roads, buildings, equipment, and sidewalks) to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, all City financial activities are recorded as Governmental Activities:

- Governmental activities: most of the City's basic services are reported here, including the general administration, public safety, public works, and community development. Payroll/occupational license fees, franchise fees, property taxes, and net profits/gross receipts license fees finance most of these activities.

## **Reporting the City's Most Significant Funds:**

### **Fund Financial Statements**

Our analyses of the City's major funds begin on page 27 and provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes other funds to help it control and manage money for particular purposes. All of the City's funds are governmental funds.

*Governmental funds:* The City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental funds information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements.

The City maintains three individual governmental funds – the General Fund, the Capital Projects Fund, and the Wayfinding Signage/Special Revenue Fund. Information is presented separately in the Governmental Balance Sheet and in the Statement of Revenues, Expenditures and Changes in Fund Balance for the funds. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental financial statements can be found on pages 25 – 29 of this report.

*Notes to the financial statements:* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 30 – 51 of this report.

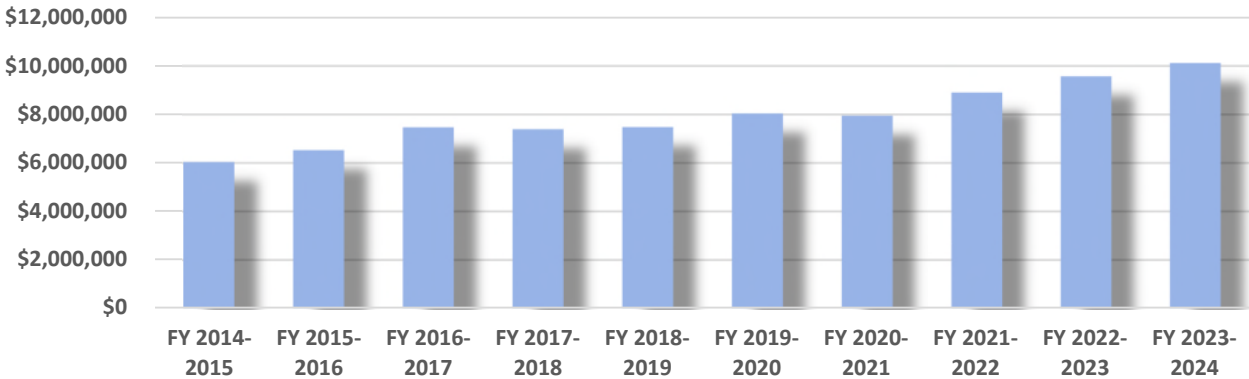
*Other information:* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, general fund – budget to actual comparison and pension disclosures, on pages 53-55 and other supplementary information, capital projects and wayfinding signing/special revenue funds – budget to actual, on pages 56-57.

## THE CITY AS A WHOLE

The statement of net position presents information on all of the City of Crestview Hills assets and liabilities, with the differences between the two reported as net position. For the years ended June 30, 2024 and 2023, net position was stated as follows:

	<b>Governmental Activities</b>	
	<u><b>2023-2024</b></u>	<u><b>2022-2023</b></u>
Current assets	\$5,871,261	\$5,865,093
Capital assets	<u>5,060,166</u>	<u>5,590,063</u>
Total assets	10,931,427	11,455,156
Deferred outflow of resources		
Deferred outflows related to pensions and OPEB - CERS	<u>199,799</u>	<u>210,053</u>
Total assets and deferred outflows	<u>11,131,226</u>	<u>11,665,209</u>
Long-term liabilities	603,045	839,710
Other liabilities	<u>156,486</u>	<u>1,160,090</u>
Total liabilities	759,531	1,999,800
Deferred inflow related to pensions and OPEB - CERS	<u>288,384</u>	<u>117,831</u>
Total liabilities and deferred inflows	<u>1,047,915</u>	<u>2,117,631</u>
Net investment in capital assets	5,060,166	5,590,063
Unrestricted	<u>5,023,145</u>	<u>3,957,515</u>
Total net position	<u>\$10,083,311</u>	<u>\$9,547,578</u>

## Change in Position of Net Assets FY 2015 - FY 2024



There was an increase of \$535,733 from last year to \$10,083,311 in the City’s net position for governmental activities. Cash decreased \$17,542 from FY 2022-2023 while capital assets decreased \$529,897 because all but one capital project started in the prior fiscal year was completed in FY 2023-2024 and transferred from construction in progress to begin being depreciated over the useful life of these newly completed projects. The only remaining capital project which started in FY 2022-2023 and was closed out in FY 2024-2025 is the Vernon Drive road reconstruction project. Current liabilities decreased by \$1,003,604 and long-term liabilities decreased by \$236,665 due primarily to a reduction in the City’s unfunded net pension and other post-employment benefits (OPEB) liability with the Kentucky Public Pensions Authority, coupled with the reduction of accrued costs on capital projects started in FY 2022-2023 and completed in FY 2023-2024, as mentioned previously.

### Governmental Activities

Governmental activities increased the net position of the City of Crestview Hills by \$535,733 during FY 2023-2024 as summarized on the following chart:

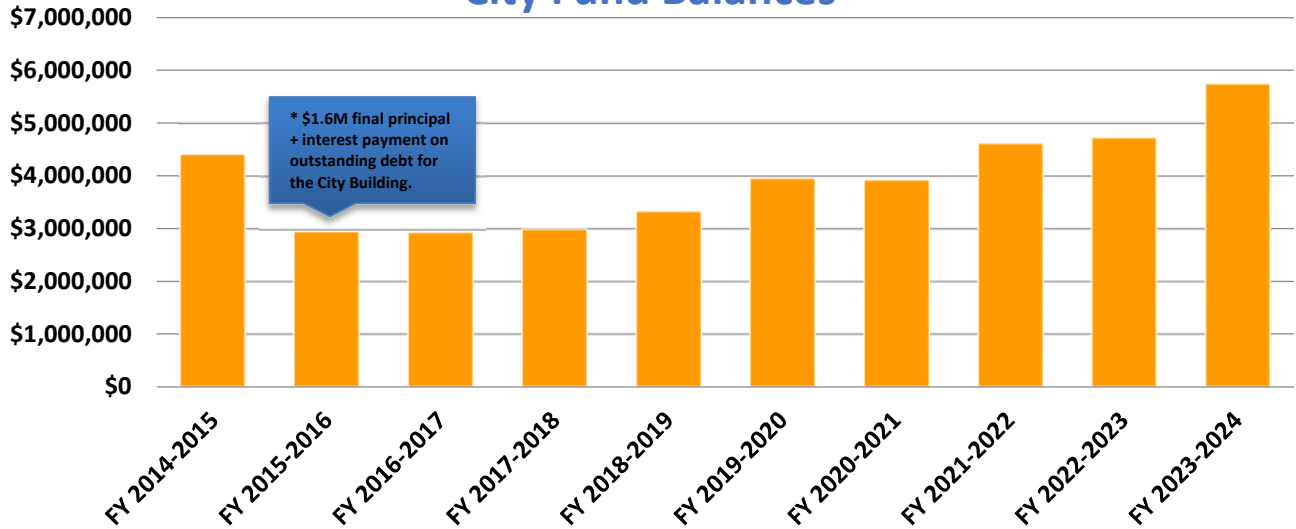
### Changes in Net Position Governmental Activities

	2023-2024	2022-2023
Revenues:		
Program revenues:		
Charges for services	\$162,584	\$193,592
Operating grants and contributions	0	447,978
Capital grants and contributions	153,803	115,761
General revenues:		
Property taxes	798,834	790,190
Payroll license fees	2,475,145	2,299,393
Annual Returns license tax	581,931	403,078
Other taxes, licenses, fees	381,690	373,611
Interest	192,724	89,183
Other	<u>16,553</u>	<u>18,421</u>
Total Revenues	<u>4,763,264</u>	<u>4,731,207</u>

Expenses:		
General Government	\$845,885	\$803,985
Public Safety	2,229,749	2,138,637
Public Works	1,016,418	976,707
Community Services	<u>135,479</u>	<u>131,095</u>
Total Expenses	<u>4,227,531</u>	<u>4,050,424</u>
Change in net position	535,733	680,783
Net Position – Beginning	9,547,578	8,862,883
Prior Period Adjustments	<u>0</u>	<u>3,912</u>
Net Position - End of Year	<u>\$10,083,311</u>	<u>\$9,547,578</u>

- Revenues for the City's governmental activities totaled \$4,763,264, compared to \$4,731,207 last year.
- Payroll license fees totaled \$2,475,145 or nearly 52% of the total revenues. This was an increase from last year by \$175,752 or up by almost 8%. The City's payroll tax revenue sources surged due to new businesses opening in Crestview Hills, as well as overall payroll tax base growth in general because of wage increases applicable to Crestview Hills-based jobs.
- The second largest recurring revenue was property taxes, which accounted for \$798,834, an increase of 1.1% over FY 2022-2023. This small incremental increase was attributable to lowering the property tax rate from .167/\$100 assessed value to .165/\$100 assessed value. This rate reflected a 0% increase over the compensating rate, which was approved by the Mayor and City Council with the intent of not increasing the tax rate to the residents and businesses of the Crestview Hills community in a time of inflationary pressures.
- This year total expenses for the City's governmental activities were \$4,227,531 compared to \$4,050,424 last year. Costs related to the police authority and the contracts for Fire and EMS services continue to remain a factor to increased costs to the City. The Fire and EMS service rates increased by 4% on April 1, 2024, and each year every April 1 going forward, per the executed contract terms. An annual 4% increase will occur every April 1 unless the contract is re-negotiated or terminated. FY 2023-2024, total expenses increased by \$177,107 or 4.4%. The primary sources of the increase is the continued escalation in public safety costs (including ensuring salaries are competitive to retain employees), additional depreciation expense related to projects started in FY 2022-2023 and completed in FY 2023-2024, and general expense increases for supplies and services due to inflation. Nonetheless, the City Administration continues to carefully manage expenses to ensure the revenue base can support public service delivery while remaining one of the lowest tax burden communities in Northern Kentucky.

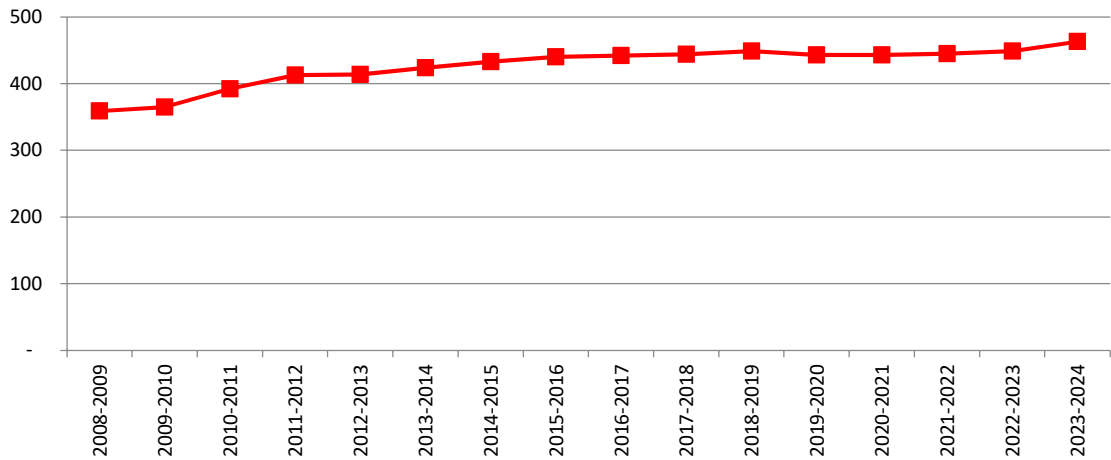
## City Fund Balances



### Governmental Activities: Revenues

Property tax rates were lowered to .165 cents per hundred for the 2023 tax year. Rates decreased to provide some inflationary relief to the Crestview Hills community, and the Mayor and City Council approved the property tax reduction with a 0% increase over the compensating rate. The City's Homestead & Disability Exemptions rose to 463 properties receiving the exemptions in FY 2023-2024. Kentucky law allows property owners who are 65 or older to receive a homestead exemption. For tax year 2024 the homestead exemption is \$46,350. The amount of the exemption is subtracted from the assessed value of the property.

**Total Properties with Homestead & Disability Exemptions**



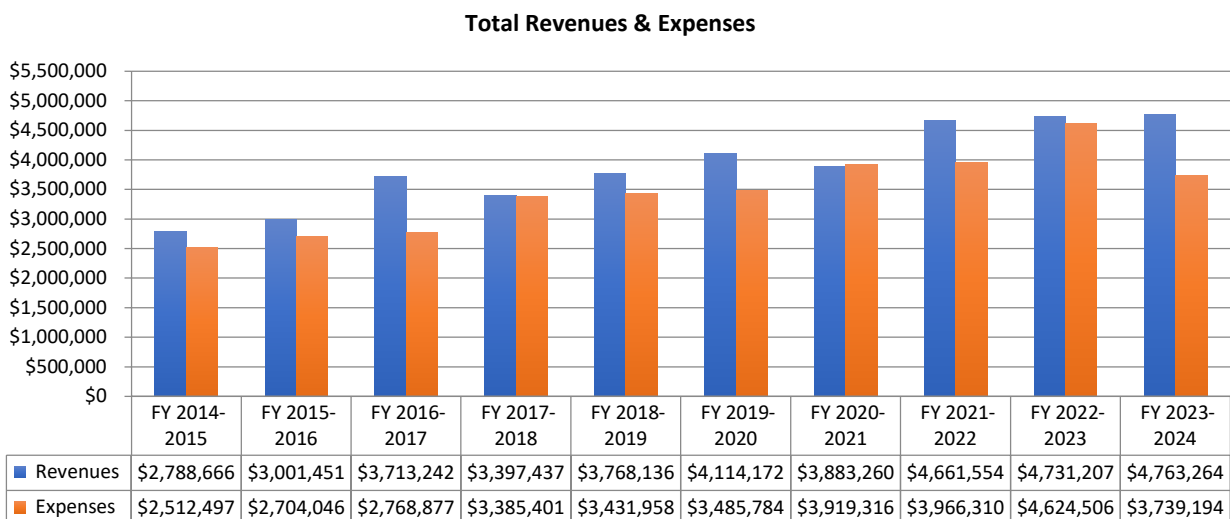
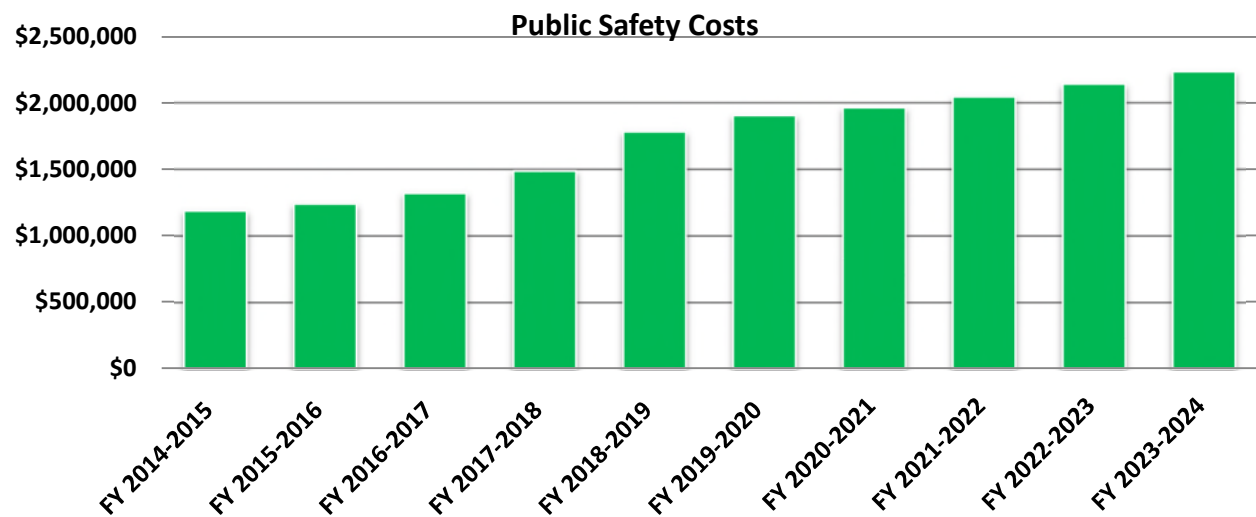
### Governmental Activities: Expenses

General Government expenses increased in FY 2023-2024 by \$41,900, or up by 5.2% from the prior fiscal year. In FY 2023-2024, the City's General Government department completed the City Building HVAC system replacement project that began in FY 2022-2023.

Total Community Development costs were almost flat and only increased marginally by a little over \$4,000 from the prior year. The City administrative staff was able to maintain modest increases in lawn care/landscaping costs, as well as the recreational programs expenses during the current inflationary economic conditions.

The costs of the City’s Public Works division increased by \$39,711 over FY 2022-2023. Public Works includes capital projects on infrastructure, which extend or renew the life of the street, joint projects with other governmental entities, and any repairs to the City Building. The increase in Public Works expenditures is because of several capital projects that were started in FY 2022-2023 and were completed in FY 2023-2024. The last remaining capital project which started in FY 2022-2023 and will officially be completed/closed out in FY 2024-2025 is the Vernon Drive road reconstruction project.

Lastly, Public Safety increased by \$91,112 or 4.3% over FY 2022-2023. This continues to be attributable to the rising Police Authority funding costs created by increasing pension and personnel costs, as well as the annual cost increases built into the contracts for Fire and EMS services. The City contracts with the cities of Ft. Mitchell and Edgewood for fire and EMS services – both cities applied small increases to Crestview Hills by 4% (Ft. Mitchell 4% & Edgewood 4%) combined. The executed contract terms set up an annual 4% increase every April 1st. In addition, the Police Authority costs increased by 4.4%. The key factor to the increase is attributable to inflation and cost of living adjustments made to salaries and wages for the Police Authority officers and staff.



## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS:**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### *Governmental funds*

The focus of the City's governmental funds is to provide information on revenues, expenditures, and net spendable resources. This information is useful in assessing the City's financial requirements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,744,385, an increase of \$1,024,070 from the previous fiscal year. The majority of this total amount, \$5,728,762 is unassigned fund balance, which is available for the City to spend at its discretion. While not formally assigned, it is likely that some of these funds will be utilized to expand the City Building and police department which are both out of space. The remaining \$15,623 is designated as non-spendable and is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City. At year end FY 2023-2024, the unassigned portion of the fund balance in the General Fund was \$5,728,762 while the total fund balance was \$5,744,385. As a good measure of the General Fund's liquidity, it is useful to compare both the unassigned fund balance and the total fund balance to the total fund expenditures. The unassigned fund balance in the General Fund represents 153.5%, while total fund balance represents 153.9% of that same amount. The fund balance of the City's General Fund increased by \$1,024,070 over last year. There were several key factors that contributed to the increase to the fund balance FY 2023-2024. First, the City's occupational license tax revenue streams boomed. The payroll tax revenue sources surged due to new businesses locating in Crestview Hills, as well as overall payroll tax base growth in general. In addition, the annual returns revenues increased because of the fully realized transition from net profits to gross receipts taxation basis. Second, the City has benefitted from the favorable rates of return on investments and its investment income remains strong built around its certificate of deposits portfolio. Finally, to avoid compounding resident hardships associated with natural gas transmission line work occurring in the Old Crestview Hills neighborhood, the Sunset Drive street resurfacing project planned in FY 2023-2024 was delayed into FY 2024-2025, and has an estimated budget of \$500,000.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Total Expenditures were less than budgeted amounts by \$667,515. The General Government budgeted expenditures were \$892,446 compared to the actual amount of \$813,242. Public Safety budgeted expenditures were \$2,233,772, compared to the actual amount of \$2,229,749. Public Works budgeted expenditures were \$510,632 compared to the actual amount of \$437,579. Excluded from that amount were transfers out of the General Fund to the Special Revenue and Capital Projects Funds of \$625,000 budgeted and \$126,796 expended. Community Development budgeted expenditures were \$137,150 compared to the actual amount of \$124,119. The primary driver for the reduction in expenditures compared to the City's approved budget is attributable to the Sunset Drive street resurfacing project budgeted in FY 2023-2024 that was delayed until the next fiscal year. The estimated budget for this project was \$500,000 and has been funded in FY 2024-2025. In general, City administrative staff continues to prudently manage all operating costs well below the approved budget parameters. The City management team has efficiently and effectively delivered public services and uninterrupted investment into the City's infrastructure, while doing so below the established budget and within available revenues, when possible.

## **DEBT AND CAPITAL ASSET ADMINISTRATION**

### **Debt**

The City has no long-term debt as of the end of the fiscal year. A General Obligation Bond was paid off early in 2015. Compensated absences totaled \$29,610 at the end of the fiscal year. This was an

increase of \$14,298 from FY 2022-2023 because part-time employees are eligible along with full-time staff, and the estimate added FICA and CERS in the computation for all eligible staff members.

	<b>Governmental Activities</b>	
	<b>2023-2024</b>	<b>2022-2023</b>
Compensated Absences PTO	\$ 29,610	\$ 15,312
Totals	<b>\$ 29,610</b>	<b>\$ 15,312</b>

Not included in the table above is the \$603,045 recognized as unfunded net pension and OPEB liabilities under GASB 68 and 75. For additional information concerning the City's debt please refer to Note E to the financial statements, as well as Note G for information regarding the unfunded pension obligations.

### Capital Assets

At June 30, 2024, the City had \$19,994,212 invested in governmental net capital assets including buildings, roads, and sidewalks. This represents a net increase of \$165,869.

	<b>Governmental Activities</b>	
	<b>2023-2024</b>	<b>2022-2023</b>
Land & Construction in Progress	\$971,912	\$1,842,400
Buildings	2,845,604	2,590,889
Improvements/Infrastructure	15,544,503	14,980,469
Parks	229,981	77,493
Equipment	343,162	287,042
Vehicles	<u>59,050</u>	<u>50,050</u>
Subtotals	19,994,212	19,828,343
Accumulated Depreciation	<u>(14,934,046)</u>	<u>(14,238,280)</u>
Net Capital Assets	<u><u>\$5,060,166</u></u>	<u><u>\$5,590,063</u></u>

Major additions included:

Construction in progress, net of deletions	\$(870,488)
Infrastructure Projects	\$564,034

For additional information concerning the City's capital assets please refer to Note D to the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET:

The national and local economies, along with many other parts of the world, are faced with rising costs due to a high inflationary environment. Although the inflation rate is decreasing, the country is still experiencing increased costs due to the rapid escalation of prices throughout every industry across the country, both supplies and service-based sectors. Even though there are signs that inflation is easing, the City of Crestview Hills remains focused on navigating through these arduous times by continuing to closely monitor key economic indicators and efficiently managing the City's revenue sources and expenditures.

The economy of the City relies to a great extent on professional or medical offices and retail entities. The City's activities are primarily funded through business/occupational license taxes collected from medical offices, general office, retail, and education jobs. The largest source of revenue by far is the

payroll tax of 1.15% (effective 1-1-19) on all wages up to the FICA cap limit of \$ 168,600 (for 2024) earned within the City limits. Approximately 80% of all City taxes derive from the business and commercial sectors of the City.

The City's primary revenue sources were able to sustain and exceed expectations due to the strong medical and office business community within Crestview Hills. The City's major employers, Thomas More University and St. Elizabeth Healthcare (and its associated entities), have a significant footprint of the overall employment map and have continued to grow and thrive.

As mentioned previously, the national economy, as well as Northern Kentucky, continue to witness and endure economic uncertainties with high inflationary rates, labor shortages, supply chain issues, and rising costs in general. Fortunately, the City's retail center (the Crestview Hills Town Center) is nearly fully leased and the overall vacancy rate within the office park is less than surrounding communities. The City continues to be diligent in working with the commercial realtor community and our economic development partners to fill vacant spaces, including the establishment of a small business incentive program that began on July 1, 2024.

The Crestview Hills Town Center is another significant contributor to the City's revenue. City staff works closely with the Town Center's owner and management to support new businesses and maintain its status as a high-end, destination shopping location in Northern Kentucky. The Town Center has thrived in the face of changing consumer habits and increased online shopping options. A mixed-use concept has been developed for future use in this area, including on-site offices and housing, to keep up with retail trends.

The City's housing market has started to slow, along with most of the nation, because of high mortgage interest rates. The developer of the new Crown Point subdivision is continuing to market that neighborhood with plans to continue building single family homes and sell lots to other builders in hopes of completing the development by 2030. And, due to the size and high assessed value of the homes, when completed, this subdivision will add significantly to the City's property tax revenue base. Home prices have dramatically increased in all portions of Crestview Hills. The City continues to see a generational turnover in the housing community, and as a result the City anticipates some single-family home remodeling on existing lots in the next 20 years since the community remains a sought-after area.

Crestview Hills continues to invest significant tax dollars into existing infrastructure, with a focus on the Old Crestview Hills neighborhood and the Thomas More Office Park. This will likely continue for the foreseeable future as the City rebuilds old streets and drainage systems, and repairs bridges and sidewalks. City Council also continues to invest in strategic enhancements to the community, including landscaped street medians, gateway signage and decorative lighting. This past fiscal year, the City invested in converting all streetlights to LED lighting, which will enhance public safety and achieve energy cost savings.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, businesses, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact City Finance Officer/Treasurer T.J. Holtman, at the City of Crestview Hills, 50 Town Center Boulevard, Crestview Hills, Kentucky, 41017.

<b>CITY OF CRESTVIEW HILLS, KENTUCKY</b> <b>STATEMENT OF NET POSITION</b> <b>June 30, 2024</b>
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	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 5,072,600
Investments	-
Receivables:	
Property taxes	4,745
Accounts	778,293
Other governments	-
Prepaid items	15,623
Capital assets:	
Capital assets not being depreciated	971,912
Other capital assets, net	4,088,254
<b>Total assets</b>	<u>10,931,427</u>
<b>Deferred outflows of resources</b>	
Deferred outflows related to pensions and OPEB - CERS	199,799
<b>Total deferred outflows of resources</b>	<u>199,799</u>
<b>Total assets and deferred outflows of resources</b>	<u>11,131,226</u>
<b>Liabilities</b>	
Accounts payable	125,578
Accrued liabilities	1,298
Compensated absences - current	23,688
Unearned revenue	-
Noncurrent liabilities due in more than one year:	
Compensated absences - long term	5,922
Net pension and OPEB liability - CERS	603,045
<b>Total liabilities</b>	<u>759,531</u>
<b>Deferred inflows of resources</b>	
Deferred inflows related to pensions and OPEB - CERS	288,384
<b>Total liabilities and deferred inflows of resources</b>	<u>1,047,915</u>
<b>Net position</b>	
Net investment in capital assets	5,060,166
Unrestricted	5,023,145
<b>Total net position</b>	<u>\$ 10,083,311</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 845,885	\$ 137,125	\$ -	\$ -	\$ (708,760)
Public safety	2,229,749	-	-	-	(2,229,749)
Public works	1,016,418	7,709	-	153,803	(854,906)
Community development	135,479	17,750	-	-	(117,729)
<b>Total governmental activities</b>	<u>4,227,531</u>	<u>162,584</u>	<u>-</u>	<u>153,803</u>	<u>(3,911,144)</u>
<b>Total primary government</b>	<u>\$ 4,227,531</u>	<u>\$ 162,584</u>	<u>\$ -</u>	<u>\$ 153,803</u>	<u>\$ (3,911,144)</u>
		<b>General revenues:</b>			
		Taxes:			
				\$ 798,834	
				43,344	
				2,475,145	
				581,931	
				99,074	
				239,272	
				192,724	
				16,553	
				<u>4,446,877</u>	
					535,733
					9,547,578
					-
					<u>\$ 10,083,311</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2024**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Wayfinding Signage Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 5,072,600	\$ -	\$ -	\$ 5,072,600
Investments	-	-	-	-
Receivables:				
Property taxes	4,745	-	-	4,745
Accounts	778,293	-	-	778,293
Other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepays	15,623	-	-	15,623
<b>Total assets</b>	<u>\$ 5,871,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,871,261</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 125,578	\$ -	\$ -	\$ 125,578
Miscellaneous accruals	1,298	-	-	1,298
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<u>126,876</u>	<u>-</u>	<u>-</u>	<u>126,876</u>
<b>Fund balances:</b>				
Nonspendable- prepaids	15,623	-	-	15,623
Assigned-wayfinding signage fund	-	-	-	-
Unassigned	5,728,762	-	-	5,728,762
<b>Total fund balances</b>	<u>5,744,385</u>	<u>-</u>	<u>-</u>	<u>5,744,385</u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,871,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,871,261</u>
<b>Reconciliation of total fund balance to net position</b>				
Total governmental fund balances				\$ 5,744,385
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				5,060,166
Deferred outflows and inflows of resources related to pensions and post employment health insurance are applicable to future periods and, therefore, are not reportable in the funds:				
Deferred outflow of resources - pensions & OPEB - CERS				199,799
Deferred inflow of resources - pensions & OPEB - CERS				(288,384)
Long-term liabilities are not due and payable in the current period and are not reported in the funds:				
Compensated absences				(29,610)
Net pension & OPEB liability - CERS				(603,045)
<b>Net position of governmental activities</b>				<u>\$ 10,083,311</u>

The accompanying notes are an integral part of these financial statements.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>  <b>GOVERNMENTAL FUNDS</b>  <b>For the Year Ended June 30, 2024</b></p>
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	General Fund	Capital Projects Fund	Wayfinding Signage Fund	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 798,834	\$ -	\$ -	\$ 798,834
Licenses and permits	3,429,247	-	-	3,429,247
Intergovernmental	153,803	-	-	153,803
Charges for services	154,875	-	7,709	162,584
Fines and forfeitures	9,519	-	-	9,519
Investment Income	192,724	-	-	192,724
Miscellaneous	16,553	-	-	16,553
<b>Total revenues</b>	<b>4,755,555</b>	<b>-</b>	<b>7,709</b>	<b>4,763,264</b>
<b>Expenditures</b>				
Current:				
General government	813,242	-	-	813,242
Public safety	2,229,749	-	-	2,229,749
Public works	437,579	126,796	7,709	572,084
Community development	124,119	-	-	124,119
<b>Total expenditures</b>	<b>3,604,689</b>	<b>126,796</b>	<b>7,709</b>	<b>3,739,194</b>
Excess (deficiency) of revenues over (under) expenditures	1,150,866	(126,796)	-	1,024,070
<b>Other financing sources (uses)</b>				
Transfers in	-	126,796	-	126,796
Transfers out	(126,796)	-	-	(126,796)
<b>Total other financing sources (uses)</b>	<b>(126,796)</b>	<b>126,796</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,024,070</b>	<b>-</b>	<b>-</b>	<b>1,024,070</b>
<b>Prior year adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>4,720,315</b>	<b>-</b>	<b>-</b>	<b>4,720,315</b>
<b>Fund balances - ending</b>	<b>\$ 5,744,385</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,744,385</b>

The accompanying notes are an integral part of these financial statements.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,</b>  <b>AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO</b>  <b>THE STATEMENT OF ACTIVITIES</b>  <b>For the Year Ended June 30, 2024</b></p>
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**Net change in fund balances - total governmental funds** \$ 1,024,070

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	1,036,356
Net change in Construction in Progress	(870,488)
Depreciation expense	(695,766)
Prior year Depreciation expense adjustment	-

Governmental funds report City pension and post employment health insurance contributions as expenditures. However, in the statement of activities, the cost of pension and post employment health insurance benefits earned, net of employer contributions, is reported as an expense:

Cost of benefits earned - pensions- CERS	30,186
Cost of benefits earned - OPEB - CERS	25,674

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in compensated absences	(14,299)
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**Change in net position of current year governmental activities** 535,733

Prior year adjustments -

**Change in net position of governmental activities** \$ 535,733

The accompanying notes are an integral part of these financial statements.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Crestview Hills, Kentucky, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described below.

*Reporting Entity*

The City of Crestview Hills, Kentucky is a municipality governed by a mayor and six-member council. As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the government.

*Basis of Presentation*

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. The City of Crestview Hills has no business-type activities, fiduciary activities, or blended or discretely presented component units.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than as an expenditure.

*Measurement focus, basis of accounting and financial statement presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, related to the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, payroll taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered recorded as revenue when funds have been received.

The government reports the following funds of the financial reporting entity.

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The capital project fund is used to account for financial resources to be used for the acquisition and construction of major capital projects.

The Wayfinding Signage/Special Revenue Fund accounts for financial resources to be used for the acquisition and installation of signage for the Thomas More Parkway area of the City. Businesses within the Thomas More Parkway Office Park are levied a special assessment fee annually included on their property tax bill, which assists with the acquisition and installation costs of the signage project.

*Assets, liabilities and net position or equity*

*Cash and Cash Equivalents*

Cash and cash equivalents including amounts in demand deposits as well as short-term investments (certificates of deposit) with an initial maturity date within one year of the date acquired by the City.

In general, the City is authorized by state statute to invest in:

1. Obligations of the United States and of its agencies and instrumentalities.
2. Obligations and contracts for future delivery or purchases of obligations backed by the full faith and credit of the United States or a United States government agency.
3. Obligations of any corporation of the United States government
4. 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 or similar entity, or which are collateralized, to the extent uninsured, by any obligation permitted by Section 41.240(4) of the Kentucky Revised Statutes.
5. Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one of these highest categories by a nationally recognized rating agency.
6. Bankers' acceptances for banks rated in one of the highest categories by a nationally recognized rating agency.
7. Commercial paper rated in the highest category by a nationally recognized rating agency.
8. Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities.
9. 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.
10. Shares of mutual funds, each of which shall have the following characteristics:
  - a. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
  - b. The management company of the investment company shall have been in operation for at least five (5) years; and
  - c. All of the securities in the mutual fund shall be eligible investments under this section.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

*Property Taxes and Tax Calendar*

Property taxes are levied as of January 1 on property values assessed as of the same date. The taxes are billed on or about October 1 each year and are due and payable on December 31 or the last business day of the calendar year if December 31 falls on a Saturday or Sunday. On January 1, the bill becomes delinquent, and penalties and interest may be assessed by the City. A lien may be placed on the property on January 1. Property tax rates for the year ended June 30, 2024, were \$.165 per \$100 valuation for real property. The assessed value of property on which the levy for 2023 was based was \$480,755,950.

*Short-Term Interfund Receivables/Payables*

During the course of operations, it is possible for transactions to occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

*Prepaid Items*

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recognized as prepaid items by the purchase method.

*Capital Assets*

Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The City capitalizes infrastructure assets exceeding \$5,000 and all other assets at \$2,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

The range of lives used for depreciation purposes for each capital asset class are as follows:

Buildings	20-28	years
Building Improvements	7-20	years
Public Domain Infrastructure	25-30	years
Parks	10-15	years
Vehicles	5-20	years
Office Equipment	5-20	years

*Deferred Revenue*

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

*Compensated Absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees with at least five years of continuous service with the City, who retire with CERS benefits, will be paid one-half of their accumulated sick leave upon termination of employment. All vacation pay is accrued when incurred in the government-wide financial statements. The liability is reported on the statement of net position based on rates of pay in effect as of June 30, 2024.

*Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of bonds.

*Deferred Outflows/Inflows of Revenues*

The City reports separate sections of deferred inflows and deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods. The City reports unavailable revenue in the governmental funds balance sheet only, from one source – property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government has two items that are reported only in the government-wide statement of net position - deferred outflow amounts related to pensions and OPEB contributions since the measurement date and other deferrals related to pensions and OPEB and deferred inflow amounts related to pensions and OPEB.

*Fund Balance Policies*

In the fund financial statements, government funds report components of fund balances for amounts that are non-spendable, assigned, or unassigned. Non-spendable fund balances are resources that cannot be spent because of their form and because resources must be maintained intact. Assigned fund balances are those that are constrained by the government's intent to be used for specific purposes. Unassigned fund balance is the residual classification for the general fund. The assigned amounts can only be used when expenditures for the amounts set aside for that specific purpose are incurred. The City currently has two assigned funds, the Capital Projects Fund, and the Wayfinding Signage Fund. The City policy to assign funds is the City Council votes to authorize the Mayor (chief executive officer) to assign fund balances.

*Interfund Transactions*

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. The principal purpose of the City's interfund transfers is to account for capital purchases to be recorded in the Capital Projects and the Wayfinding Signage/Special Revenue Funds.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

*Required Supplementary Information Budgetary Policies*

All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedules present actual expenditures in accordance with the accounting principles generally accepted in the U.S. on a basis consistent with the legally adopted budgets.

*Restricted Revenues*

When there are restricted and unrestricted revenues in a program, the City's policy is that the restricted revenues are expended first.

*Use of Estimates*

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could differ from those estimates.

**NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. In accordance with City ordinance, on or about May 15 each year, the Mayor submits to the Council a proposed operating budget on the modified accrual basis of accounting for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- B. A public meeting is conducted to obtain citizen comments.
- C. Prior to June 30, the budget is legally enacted through passage of an ordinance.
- D. The Mayor is required by Kentucky Revised Statutes to present a quarterly report to the Council explaining any variance from the approved budget.
- E. Appropriations continue in effect until a new budget is adopted.
- F. The Council authorizes supplemental appropriations during the year.

Expenditures may not legally exceed budgeted appropriations at the city level. Any revisions to the budget that would alter total revenues and expenditures of any fund must be approved by the Council; however, with proper approval by the City Administrator, budgetary transfers between departments can be made. All appropriations lapse at fiscal year-end.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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**NOTE C – DEPOSITS AND INVESTMENTS**

*Custodial Credit Risk – Deposits* – For deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned. The City maintains deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). As allowed by law, the depository bank must pledge securities along with FDIC insurance at least equal to the amount on deposit, if possible. As of June 30, 2024, the City’s deposits are entirely insured and/or collateralized with securities held by the financial institutions on the District’s behalf and the FDIC insurance.

Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized 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.

Investments’ fair value measurements and associated levels are as follows at June 30, 2024:

Investments	Fair Value Measurements Using			
	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
<b>Government bonds:</b>				
U.S. treasury bill	\$ -	\$ -	\$ -	\$ -
U.S. treasury note	-	-	-	-
Total government bonds	-	-	-	-
<b>Total investments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

As of June 30, 2024, the City transferred all excess cash funds into low risk, short term certificate of deposits and an interest-bearing cash sweep account because of favorable rates of return. In addition, the City elected not to place any excess cash funds into higher risk investments during the fiscal year ended June 30, 2024.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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**NOTE D – CAPITAL ASSETS AND DEPRECIATION**

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

Governmental activities:	June 30, 2023	Additions	Retirements/ Adjustments	June 30, 2024
Assets not being depreciated				
Construction in progress	\$ 1,582,400	\$ 48,441	\$ (918,929)	\$ 711,912
Land	260,000	-	-	260,000
Subtotal	<u>1,842,400</u>	<u>48,441</u>	<u>(918,929)</u>	<u>971,912</u>
Other capital assets				
Buildings	2,590,889	254,715	-	2,845,604
Improvements/infrastructure	14,980,469	564,034	-	15,544,503
Parks	77,493	152,488	-	229,981
Equipment	287,042	56,120	-	343,162
Vehicles	50,050	9,000	-	59,050
Subtotal	<u>17,985,943</u>	<u>1,036,357</u>	<u>-</u>	<u>19,022,300</u>
Accumulated depreciation				
Buildings	(1,493,771)	(99,158)	-	(1,592,929)
Improvements/infrastructure	(12,444,419)	(558,057)	-	(13,002,476)
Parks	(11,201)	(11,360)	-	(22,561)
Equipment	(238,839)	(26,969)	-	(265,808)
Vehicles	(50,050)	(222)	-	(50,272)
Subtotal	<u>(14,238,280)</u>	<u>(695,766)</u>	<u>-</u>	<u>(14,934,046)</u>
Other capital assets, less depreciation	<u>3,747,663</u>	<u>340,591</u>	<u>-</u>	<u>4,088,254</u>
Government activities capital assets, net	<u>\$ 5,590,063</u>	<u>\$ 389,032</u>	<u>\$ (918,929)</u>	<u>\$ 5,060,166</u>

Depreciation was charged to the following governmental activities:

General Government	\$	122,856
Public Works		561,550
Community Development		11,360
Total	\$	<u>695,766</u>

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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**NOTE E – DEBT**

The City’s only debt is the amount of unpaid vacation owed to City employees. The total is \$29,610 of which \$23,688 is current and payable in the next twelve months and \$5,922 is long-term. These funds are liquidated through the General Fund.

Short-term liability activity for the year ended June 30, 2024, was as follows:

	Balance at June 30, 2023	Additions & Retirements	Balance at June 30, 2024	Current Position
<b>Governmental activities -</b>				
Compensated absences	\$ 15,312	\$ 14,298	\$ 29,610	\$ 23,688
Total government activities	<u>\$ 15,312</u>	<u>\$ 14,298</u>	<u>\$ 29,610</u>	<u>\$ 23,688</u>

**NOTE F – CLAIMS AND JUDGMENTS**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**NOTE G – EMPLOYEES’ RETIREMENT SYSTEMS**

The City’s eligible employees are covered by the County Employees Retirement System (CERS), which is discussed in detail below.

**COUNTY EMPLOYEES’ RETIREMENT SYSTEM**

*Plan description* – City employees are covered by CERS (County Employees’ Retirement System), a cost-sharing multiple-employer defined benefit pension and health insurance (Other Post-Employment Benefits; OPEB) plan administered by the Kentucky Public Pension Authority, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statue (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Public Pension Authority administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Public Pension Authority issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

The Plan is divided into both a **Pension Plan** and **Health Insurance Fund Plan** (Other Post-Employment Benefits; OPEB) and each Plan is further sub-divided based on **Non-Hazardous** duty and **Hazardous** duty covered-employee classifications. The City has only *Non-Hazardous*.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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Membership in CERS consisted of the following at June 30, 2023:

	Non-Hazardous	
	Pension	OPEB
Active Plan Members	77,849	76,946
Inactive Plan Members	105,707	28,719
Retired Members	68,889	37,584
	<u>252,445</u>	<u>143,249</u>
Number of participating employers		<u>1,141</u>

**PENSION PLAN**

**Non-Hazardous Pension Plan Description**

*Benefits Provided* – CERS provides retirement, health insurance, death and disability benefits to non-hazardous plan employees and beneficiaries. Employees are vested in the plan after five years of service. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years service and 55 years old At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not available

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years of service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive health insurance benefits after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate or pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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*Contributions* – Required pension contributions by the employee are based on the tier:

	<u>Required Contribution</u>
Tier 1	5%
Tier 2	5%
Tier 3	5%

**Contributions**

For non-hazardous duty employees, the City contributed 23.34% of covered-employee’s compensation, of which 23.34% was for the pension fund and 0.00% was for the health insurance fund.

The City made all required contributions for the non-hazardous plan pension obligation for the fiscal year in the amount of \$71,061, of which \$71,061 was for the pension fund and \$0 was for the health insurance fund.

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

At June 30, 2024, the City reported a liability of \$616,306 as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City 's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2023 measurement year, the City's non-hazardous employer allocation proportion was 0.00961% of the total CERS non-hazardous duty employees. For the year ended June 30, 2024, the City recognized pension expense of \$(30,186) in addition to its \$71,061 pension contribution.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Non-Hazardous</u>	
	<u>Deferred Outflow</u>	<u>Deferred Inflow</u>
Differences between expected and actual experience	\$ 31,905	\$ (1,675)
Net difference between projected actual earnings on plan investments	-	(8,407)
Changes of assump.	-	(56,485)
Changes in proportion, differences between contributions and proportionate share of contributions	40,479	(2,073)
Contributions subsequent to the measurement date	<u>71,061</u>	<u>-</u>
	<u>\$ 143,445</u>	<u>\$ (68,640)</u>

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

The City's contributions subsequent to the measurement date of \$71,061 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ending June 30,	Net Deferral
2024	\$ 9,410
2025	(13,458)
2026	13,758
2027	(5,966)
2028	-
Thereafter	-
	<u>\$ 3,744</u>

**Actuarial Methods and Assumptions for Determining the Net Pension Liability**

For financial reporting, the actuarial valuation as of June 30, 2023, was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability, and sensitivity information as of June 30, 2023, were based on an actuarial valuation date of June 30, 2022. The total pension liability was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ending June 30, 2023, using generally accepted actuarial principles.

**Changes of Assumptions**

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023 and include a change in the investment return assumption from 6.25% to 6.50%. These assumptions are documented in the report titled "2022 Actuarial Experience Study for the Period Ending June 30, 2022." The Total Pension Liability as of June 30, 2023, is determined using these updated assumptions.

House Bill 506 passed during the 2023 legislative session and reinstated the Partial Lump Sum Option form of payment for members who retire on and after January 1, 2024, with the lump-sum options expanded to include 48 or 60 times the member's monthly retirement allowance. Since this optional form of payment results in a reduced, actuarial equivalent, monthly retirement allowance for members who elect a partial lump-sum option, this provision does not have a fiscal impact to the total pension liability.

House Bill 506 also adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance to one month under all circumstances. This is a minimal change for members in the hazardous plans, as the minimum separation period was already one month for members who became reemployed on a full-time basis in a hazardous position. The requirement was previously three months only for members who became reemployed on a part-time basis or in any nonhazardous position. GRS believes this provision of House Bill 506 will have an insignificant impact on the retirement pattern of hazardous members and therefore reflected no fiscal impact to the total pension liability of the hazardous plan.

Similarly, this is a relatively small change for future retirees in the non-hazardous plans. But as the minimum separation period was previously three months in almost every circumstance, GRS assumed that there would be a one percent (1%) increase in the rate of retirement for each of the first two years a

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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non-hazardous member becomes retirement eligible under the age of 65 in order to reflect a shift in the retirement pattern. The total pension liability as of June 30, 2023, for the non-hazardous plans is determined using these updated benefits provisions.

There have been no other plan provision changes that would materially impact the total pension liability since June 30, 2022. It is GRS's opinion that these procedures for determining the information contained in this report are reasonable, appropriate, and comply with applicable requirements under GASB No. 68.

The actuarial assumptions are:

Inflation	2.50%
Payroll Growth Rate	2.0% for CERS Non-hazardous
Salary Increases	3.30% to 10.30%, varies by service for CERS Non-hazardous
Investment Rate of Return	6.50% for CERS Non-hazardous

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a 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. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

**Discount Rate**

The projection of cash flows used to determine the discount rate of 6.50% for CERS non-hazardous system assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute, as amended by House Bill 362, (passed in 2018) over the remaining 28 years (closed) amortization period of the unfunded actuarial accrued liability.

**Actuarial Methods and Assumptions used to determine the Actuarial Determined Contributions for Fiscal Year 2023**

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2023:

Valuation Date	June 30, 2021
Experience Study	July 1, 2018 to June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 years closed period at June 30, 2019; gains and losses incurring after 2019 will be amortized over separate closed 20-year amortization bases

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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Payroll Growth Rate	2.0%
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 Increases	3.30% to 10.30%, varies by service for Non-Hazardous
Investment Rate of Return	6.25%
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

The mortality table used for healthy retired members was a 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.

**Plan Target Allocation**

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

Asset Class	CERS Pensions	
	Non-Hazardous Target Allocation	Long Term Expected Nominal Return
Public equity	50.00%	5.90%
Private equity	10.00%	11.73%
Core bonds	10.00%	2.45%
Specialty credit / high yield	10.00%	3.65%
Cash	0.00%	1.39%
Real estate	7.00%	4.99%
Real return	13.00%	5.15%
Expected Real Return	100.00%	5.75%
Long-Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		8.25%

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the City'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:

	Proportionate Share of Net Pension Liability		
	1% Decrease	Current Rate	1% Increase
	5.50%	6.50%	7.50%
Non-hazardous	\$ 778,123	\$ 616,306	\$ 481,829
Total	\$ 778,123	\$ 616,306	\$ 481,829

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

**HEALTH INSURANCE – OTHER POST-EMPLOYMENT BENEFITS**

**Non-Hazardous OPEB Plan Description**

*Benefits Provided* – CERS provides retirement, health insurance, death and disability benefits to non-hazardous duty Plan employees and beneficiaries. Health insurance coverage is provided through payment/partial payment of insurance premiums for both non-Medicare-eligible and Medicare-eligible retirees.

Tier 1	Participation date	Before July 1, 2003
	Benefit eligibility	Recipient of a retirement allowance
	Percentage of member premium paid by the plan	< 4 years service - 0% 4-9 years service - 25% 10-14 years service - 50% 15-19 years service - 75% 20 or more years service - 100%
Tier 2	Participation date	July 1, 2003 - August 31, 2008
	Benefit eligibility	Recipient of a retirement allowance with at least 120 months of service at retirement
	Member premium paid by the plan	\$10/month for each year of earned service with a 1.5% increase each July 1. As of July 1, 2016, the contribution was \$12.99 per month.
Tier 3	Participation date	On or after September 1, 2008
	Benefit eligibility	Recipient of a retirement allowance with at least 180 months of service at retirement
	Member premium paid by the plan	\$10/month for each year of earned service with a 1.5% increase each July 1. As of July 1, 2016, the contribution was \$12.99 per month.

*Contributions* – Required health insurance Plan contributions by the employee are based on the tier:

	<u>Required Contribution</u>
Tier 1	None
Tier 2	1%
Tier 3	1%

**Contributions**

Contribution requirements for covered employees and participating governmental entities are established and may be amended by the KPPA Trustees.

For non-hazardous employees, the City contributed 0.00% of covered employees' compensation for the health insurance fund.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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The City made all required contributions for the non-hazardous plan OPEB obligation for the fiscal year in the amount of \$0.

These contributions are actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (asset). For the year ended June 30, 2024, the City recognized OPEB gain (expense) of \$25,674 in addition to its \$0 OPEB contribution.

**OPEB Liabilities (Assets), OPEB Gain (Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2024, the City reported a liability (asset) of \$(13,261) as its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability (asset) was based on a projection of the City's long-term share of contributions to the OPEB Plan relative to the projected contributions of all governmental entities, actuarially determined. At the June 30, 2023 measurement year, the City's non-hazardous employer allocation proportion was 0.00961% of the total CERS non-hazardous duty employees.

In addition, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Non-Hazardous	
	Deferred Outflow	Deferred Inflow
Differences between expected and actual experience	\$ 9,245	\$ (188,297)
Net difference between projected actual earnings on plan investments	-	(3,078)
Changes of assump.	26,097	(18,187)
Changes in proportion, differences between contributions and proportionate share of contributions	21,012	(10,181)
Contributions subsequent to the measurement date	-	-
	<u>\$ 56,354</u>	<u>\$ (219,743)</u>

The City's contributions subsequent to the measurement date of \$0 will be recognized as a reduction of the net OPEB liability (asset) in the year ending June 30, 2025.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (Gain) as follows:

Measurement Year Ending June 30,	Net Deferral
2024	\$ (39,410)
2025	(52,652)
2026	(36,683)
2027	(34,644)
2028	-
Thereafter	-
	<u>\$ (163,389)</u>

**Actuarial Methods and Assumptions to Determine the Net OPEB Liability (Asset)**

For financial reporting, the actuarial valuation as of June 30, 2023, was performed by Gabriel Roeder Smith (GRS). The total OPEB liability (asset), net OPEB liability (asset), and sensitivity information as of June 30, 2023, were based on an actuarial valuation date of June 30, 2022. The total OPEB liability (asset) was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ending June 30, 2023, using the generally accepted actuarial principles.

The following actuarial assumptions were used in performing the actuarial valuation as of June 30, 2023:

Inflation	2.50%
Payroll Growth Rate	2.0% for CERS Non-hazardous
Salary Increase	3.30% to 10.30%, varies by service for CERS Non-hazardous
Investment Rate of Return	6.50%
Health Care Trend Rates	
Pre-65	Initial trend starting at 6.80% at January 1, 2025, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 8.50% in 2025, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Non-hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Post-retirement (nondisabled)	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.
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year 2010.

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023. These assumptions are documented in the report titled "2022 Actuarial Experiences Study for the Period Ending June 30,

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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2022". Additionally, the single discount rates used to calculate the total OPEB liability (asset) within each plan changed since the prior year. Additional information regarding the single discount rates is provided below. The Total OPEB Liability (asset) as of June 30, 2023, is determined using these updated assumptions.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Option form of payment for members who retire on and after January 1, 2024 and adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance to one month for all circumstances.

This is a minimal change for members in the hazardous plans, as the minimum separation period was already one month for members who became reemployed on a full-time basis in a hazardous position. The requirement was previously three months only for members who became reemployed on a part-time basis in any nonhazardous position. GRS believes this provision of House Bill 506 will have an insignificant impact on the retirement pattern of hazardous members and therefore have reflected no fiscal impact to the total OPEB liability (asset) of the hazardous plan.

Similarly, this is a relatively small change for future retirees in the non-hazardous plan. But as the minimum separation period was previously three months in almost every circumstance, GRS assumed that there would be a one percent (1%) increase in the rate of retirement for each of the first two years a non-hazardous member becomes retirement eligible under the age of 65, in order to reflect a shift in the retirement pattern. The total OPEB liability (asset) as of June 30, 2023, for the non-hazardous plan is determined using these updated benefit provisions.

There have been no other plan provision changes that would materially impact the total OPEB liability (asset) since June 30, 2022. It is GRS's opinion that these procedures are reasonable and appropriate and comply with applicable requirements under GASB Statement No. 75.

**Actuarial Methods and Assumptions used to determine the Actuarial Determined Contribution for Fiscal Year 2023**

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for the fiscal year ending June 30, 2023:

Valuation Date	June 30, 2021
Experience Study	July 1, 2018 to June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 years closed period at June 30, 2019; gains and losses incurring after 2019 will be amortized over separate closed 20-year amortization bases
Payroll Growth Rate	2.0%
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 Increases	3.30% to 10.30%, varies by service for Non-hazardous

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre - 65	Initial trend starting at 6.30% at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2022 premiums were known at the time of the valuation and were included into the liability measurement.
Post - 65	Initial trend starting at 6.30% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2022 premiums were known at the time of the valuation and were included into the liability measurement.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Non-hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Post-retirement (non- disabled)	System-specific mortality table based on mortality experience 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010

The single discount rates used to calculate the total OPEB liability (asset) within each plan changed since the prior year. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2021, valuation process and was updated to better reflect the plan's anticipated long-term healthcare costs. There were no other material assumption changes.

Senate Bill 209 passed during the 2022 legislative session and increased the insurance dollar contribution for members hired on or after July 1, 2003, by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable on January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA.

The total OPEB liability (asset) as of June 30, 2023, is determined using these updated benefit provisions. There were no other material plan provision changes.

**Changes of Assumptions**

The discount rates used to calculate the total OPEB liability (asset) increased from 5.70% to 5.93%. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2023 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. There were no other material assumption changes.

**Discount Rate**

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

Single discount rates of 5.93% for CERS non-hazardous were used to measure the total OPEB liability (asset) as of June 30, 2023. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50%, and a municipal bond rate of 3.86%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2023. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan’s fiduciary net position and future contributions were projected separately and were 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 plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plans actuarially determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plan trusts. 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 future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

**Plan Target Allocation**

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

Asset Class	CERS Pensions Non-Hazardous Target Allocation	Long Term Expected Nominal Return
Public equity	50.00%	5.90%
Private equity	10.00%	11.73%
Core bonds	10.00%	2.45%
Specialty credit /high yield	10.00%	3.65%
Cash	0.00%	1.39%
Real estate	7.00%	4.99%
Real return	13.00%	5.15%
Expected Real Return	100.00%	5.75%
Long-Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		8.25%

**Sensitivity of the Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate**

The following presents the proportionate share of the net OPEB liability (asset) calculated using the discount rates of 5.93% for the Non-hazardous plan, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

	Proportionate Share of Net OPEB Liability (Asset)		
	1.00% Decrease	Current Rate	1.00% Increase
Discount Rate, Non-Hazardous	4.93%	5.93%	6.93%
Net OPEB liability, Non-Haz	\$ 24,886	\$ (13,261)	\$ (45,205)
Total	\$ 24,886	\$ (13,261)	\$ (45,205)

**Sensitivity of the Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates**

The following presents the proportionate share of the net OPEB liability (asset), as well as what the 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:

	Proportionate Share of Net OPEB Liability (Asset)		
	1.00% Decrease	Current Rate	1.00% Increase
Healthcare cost trend rate			
Net OPEB liability, Non-hazardous	\$ (42,505)	\$ (13,261)	\$ 22,662
Total	\$ (42,505)	\$ (13,261)	\$ 22,662

**Plan Fiduciary Net Position**

Both the Pension Plan and the Health Insurance Plan issue publicly available financial report that include financial statements and required supplementary information, and detailed information about each Plan’s fiduciary net position. These reports may be obtained, in writing, from the Kentucky Public Pension Authority, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky, 40601 or online at [www.kyret.ky.gov](http://www.kyret.ky.gov).

**NOTE H – CONTINGENT LIABILITIES**

The City is not currently a defendant in any lawsuits.

**NOTE I – RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The City has retained insurance coverage through Kentucky League of Cities (KLC) Insurance Services. In addition, the City has effectively managed risk through various employee education and prevention programs through the efforts and cooperation of its department heads. All risk general liability management activities are accounted for in the General Fund. Expenditures and claims are recognized when probable that a loss has occurred, and the amount of loss can be reasonably estimated.

The City estimates that the amount of actual or potential claims against the City as of June 30, 2024, will not materially affect the financial condition of the City. Therefore, the General Fund contains no provision for estimated claims. No claim has exceeded insurance coverage amounts in the past three fiscal years.

<p><b>CITY OF CRESTVIEW HILLS, KENTUCKY</b>  <b>Notes to the Financial Statements</b>  <b>Year Ended June 30, 2024</b></p>
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**NOTE J – JOINTLY GOVERNED ORGANIZATION**

In 1968, the cities of Crestview Hills, Kentucky and Lakeside Park, Kentucky signed an interlocal agreement to form a joint police authority. The Lakeside Park-Crestview Hills Police Authority (Authority) is governed by a 5-member board, board members are appointed by the City of Crestview Hills and by the City of Lakeside Park with the majority of the members (3) rotated each year among the cities. The Chair of the Board rotates each year between the two cities based on the majority. The Authority is an independent legal entity established by the interlocal agreement and the cities have no ongoing financial interest in the entity. In the event of the dissolution of the Authority, each city retains an 'in-substance' residual interest, based on the percentage of each city's total contributions, to any property owned by the entity.

The cities pay the Authority an annual amount for police protection services. This amount is determined by a formula that takes into account the property values, call volumes, and types of property activities (i.e., residential, commercial, etc.) within each city. In fiscal year 2023-2024, the City of Crestview Hills paid \$1,585,821 to the Authority for police protection services.

**NOTE K – COMMITMENTS**

On April 1, 2022, the City entered into two separate agreements with the City of Ft. Mitchell, Kentucky and the City of Edgewood, Kentucky for these cities to provide fire and basic life support services for certain geographic portions of Crestview Hills. The portion covered by Ft. Mitchell is approximately two thirds of the City. These agreements are set up to automatically renew with a 4% cost increase each year and can only be terminated if there is a material breach of the contract or written notice by one party at least 9 months prior to the April 1<sup>st</sup> renewal date. FY 2023-2024, the contract amounts for fire and emergency services paid to Ft. Mitchell and Edgewood was \$330,876 and \$304,091, respectively.

Effective July 1, 2023, the City exercised its first optional renewal year of its contract with Rumpke of Kentucky, Inc. for solid waste collection and recycling services. The amount paid for the fiscal year ended June 30, 2024 was \$218,059.

**NOTE L – TAX ABATEMENTS**

In accordance with GASB 77, the City had the following tax abatements for the fiscal year ended June 30, 2024:

Tax Payer	Tax Approved for Abatement	Authority	Commitment	Amount Abated this Fiscal Year	Date Abatement Ends
Residents on Private Street	\$0.023 per \$100 Assessment	Crestview Hills City Council Ordinance 2010-15-02	5 years with renewal after review by City	\$ 24,001	Reviewed Annually
Residents in College Park Neighborhood	Up to \$350 annual property tax rebate	Crestview Hills City Council Ordinance 2017-01-01	7 Years	\$ -	December 31, 2023
Whitehorse Freight,	Occupational License Fee - Payroll Taxes	Crestview Hills City Council Ordinance 2022-07-01	10 Years	\$ -	10 Years after Future Activation Date
Whitehorse Freight,	Occupational License Fee - Gross Receipts	Crestview Hills City Council Ordinance 2022-07-02	10 Years	\$ 30,000	January 2033
Total Abatement for the Year Ended June 30, 2024				<u>\$ 54,001</u>	

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2024**

**NOTE M – IMPLEMENTATION OF NEW ACCOUNTING STANDARDS**

Statement No. 99 – *Omnibus 2020*, Para. 4-10 – This standard has no significant impact on the City.

Statement No. 100 – *Accounting Changes and Error Corrections* – This standard has no significant impact on the City.

Statement No. 101 – *Compensated Absences* – This standard has been implemented with minimal effect on the City.

**NOTE N – FUTURE ACCOUNTING STANDARDS**

Statement No. 102 – *Certain Risk Disclosures* – Implementation in FY 2025

Statement No. 103 – *Financial Reporting Model Improvements* – Implementation in FY 2026

**NOTE O – SUBSEQUENT EVENTS**

The City's management has evaluated events through September 20, 2024, the date on which the financial statements were available for issue. The City's management did not have any events subsequent to June 30, 2024 through September 20, 2024 to disclose.

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## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Amendments	Final		
<b>Budgetary fund balance, July 1</b>	\$ 4,258,119	\$ -	\$ 4,258,119	\$ 4,720,315	\$ 462,196
<b>Prior year fund balance adjustments</b>	-	-	-	-	-
<b>Resources (inflows):</b>					
Taxes	795,000	-	795,000	798,834	3,834
Licenses and permits:	3,211,657	-	3,211,657	3,429,247	217,590
Intergovernmental	142,658	-	142,658	153,803	11,145
Charges for services	152,010	-	152,010	154,875	2,865
Fines and forfeitures	6,000	-	6,000	9,519	3,519
Investment income	86,000	-	86,000	192,724	106,724
Miscellaneous	5,500	-	5,500	16,553	11,053
<b>Amounts available for appropriation</b>	<u>8,656,944</u>	<u>-</u>	<u>8,656,944</u>	<u>9,475,870</u>	<u>818,926</u>
<b>Charges to appropriations (outflows):</b>					
General government	892,446	-	892,446	813,242	79,204
Public safety	2,233,772	-	2,233,772	2,229,749	4,023
Public works	510,632	-	510,632	437,579	73,053
Community development	137,150	-	137,150	124,119	13,031
Transfers out	625,000	-	625,000	126,796	498,204
<b>Total charges to appropriation</b>	<u>4,399,000</u>	<u>-</u>	<u>4,399,000</u>	<u>3,731,485</u>	<u>667,515</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ 4,257,944</u>	<u>\$ -</u>	<u>\$ 4,257,944</u>	<u>\$ 5,744,385</u>	<u>\$ 1,486,441</u>

**Notes to Required Supplementary Information for the Year Ended June 30, 2024**

As noted above, the City expended \$498,204 less than budgeted for transfers out to the Capital Projects Fund to pay for capital projects. The primary driver for the reduction in expenditures compared to the City's approved budget is attributable to the Sunset Drive street resurfacing project budgeted in FY 2023-2024, but is being delayed until the next fiscal year. The estimated budget for this project was \$500,000, and will be re-scheduled FY 2024-2025.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**CERS - REQUIRED SUPPLEMENTARY INFORMATION - MULTIPLE EMPLOYER, COST SHARING,**  
**DEFINED BENEFIT, PENSION PLAN DISCLOSURE-NON-HAZARDOUS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**Kentucky County Employees' Retirement System (CERS)**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of net pension liability	0.00961%	0.00913%	0.00827%	0.00960%	0.00910%	0.00832%	0.00809%	0.00920%	0.00973%	0.00894%
Proportionate share of the net pension liability (asset)	\$ 616,306	\$ 659,647	\$ 527,469	\$ 736,235	\$ 639,655	\$ 506,713	\$ 473,767	\$ 453,097	\$ 418,472	\$ 289,995
Covered payroll in year of measurement	278,817	252,336	211,313	245,879	229,424	210,840	207,232	227,093	224,039	221,040
Share of the net pension liability (asset) as a percentage of its covered payroll	221.04%	261.42%	249.62%	299.43%	278.81%	240.33%	228.62%	199.52%	186.79%	131.20%
Plan fiduciary net position as a percentage of total pension liability	57.48%	52.42%	57.33%	47.81%	53.54%	53.54%	53.30%	55.50%	59.97%	66.80%

**Schedule of the City's Pension Fund Contributions**  
**Kentucky County Employees' Retirement System (CERS)**  
**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 65,243	\$ 65,243	\$ 53,419	\$ 40,783	\$ 47,455	\$ 37,213	\$ 30,530	\$ 26,888	\$ 28,205	\$ 28,565
Actual contribution	65,243	65,243	53,419	40,783	47,455	37,213	30,530	26,888	28,205	28,565
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	304,460	278,817	252,336	211,313	245,879	229,424	210,840	207,232	227,093	224,039
Contributions as a percentage of covered payroll	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

**Notes to Required Supplementary Information for the Year Ended June 30, 2024**

The net pension liability as of June 30, 2024, is based on the June 30, 2023, actuarial valuation. The changes to the elements of the pension expense, i.e. the differences between expected and actual experience, net difference between projected and actual earnings on plan investments, changes in assumptions, the changes in proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date are detailed in NOTE G in the Notes to the Financial Statements.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**CERS - REQUIRED SUPPLEMENTARY INFORMATION - MULTIPLE EMPLOYER, COST SHARING,**  
**DEFINED BENEFIT, OPEB PLAN DISCLOSURE-NON-HAZARDOUS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**Kentucky County Employees' Retirement System (CERS)**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of net pension liability	0.00961%	0.00912%	0.00827%	0.00960%	0.00909%	0.00838%	0.00809%			
Proportionate share of the net pension liability (asset)	\$ (13,261)	\$ 180,063	\$ 158,344	\$ 231,714	\$ 152,940	\$ 148,803	\$ 162,717			
Covered payroll in year of measurement	278,817	252,336	211,313	245,879	229,424	210,840	207,232			
Share of the net pension liability (asset) as a percentage of its covered payroll	-4.76%	71.36%	74.93%	94.24%	66.66%	70.58%	78.52%			
Plan fiduciary net position as a percentage of total pension liability	104.23%	60.95%	62.91%	51.67%	57.62%	57.62%	52.40%			

**Schedule of the City's Pension Fund Contributions**  
**Kentucky County Employees' Retirement System (CERS)**  
**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ -	\$ 9,452	\$ 14,585	\$ 10,058	\$ 11,704	\$ 12,068	\$ 9,909	\$ 9,117		
Actual contribution	-	9,452	14,585	10,058	11,704	12,068	9,909	9,117		
Contribution deficiency (excess)	-	-	-	-	-	-	-	-		
Covered payroll	304,460	278,817	252,336	211,313	245,879	229,424	210,840	207,232		
Contributions as a percentage of covered payroll	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%	4.40%		

**Notes to Required Supplementary Information for the Year Ended June 30, 2024**

The net OPEB liability as of June 30, 2024, is based on the June 30, 2023 actuarial valuation. The changes to the elements of the OPEB expense, i.e. the differences between expected and actual experience, net difference between projected and actual earnings on plan investments, changes in assumptions, the changes in proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date are detailed in NOTE G in the Notes to the Financial Statements.

## OTHER SUPPLEMENTARY INFORMATION

<b>CITY OF CRESTVIEW HILLS, KENTUCKY</b> <b>BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND</b> <b>For the Year Ended June 30, 2024</b>
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	Budgeted Amounts			Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Amendments	Final		
<b>Budgetary fund balances, July 1</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Prior year fund balance adjustments</b>	-	-	-	-	-
<b>Resources (inflows):</b>					
Transfers in	625,000	-	625,000	126,796	(498,204)
<b>Amounts available for appropriation</b>	<u>625,000</u>	<u>-</u>	<u>625,000</u>	<u>126,796</u>	<u>(498,204)</u>
<b>Charges to appropriations (outflows):</b>					
Capital outlay	625,000	-	625,000	126,796	498,204
<b>Total appropriations</b>	<u>625,000</u>	<u>-</u>	<u>625,000</u>	<u>126,796</u>	<u>498,204</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Note - Other supplementary information:** The basis of budgeting is the same as GAAP

<b>CITY OF CRESTVIEW HILLS, KENTUCKY</b> <b>BUDGETARY COMPARISON SCHEDULE - WAYFINDING SIGNAGE FUND</b> <b>For the Year Ended June 30, 2024</b>
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	Budgeted Amounts			Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Amendments	Final		
<b>Budgetary fund balances, July 1</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Prior year fund balance adjustments</b>	-	-	-	-	-
<b>Resources (inflows):</b>					
Special assessments	7,709	-	7,709	7,709	-
<b>Amounts available for appropriation</b>	<u>7,709</u>	<u>-</u>	<u>7,709</u>	<u>7,709</u>	<u>-</u>
<b>Charges to appropriations (outflows):</b>					
Public works	7,709	-	7,709	7,709	-
<b>Total appropriations</b>	<u>7,709</u>	<u>-</u>	<u>7,709</u>	<u>7,709</u>	<u>-</u>
<b>Budgetary fund balances, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Note - Other supplementary information:** The basis of budgeting is the same as GAAP

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# STATISTICAL SECTION

## STATISTICAL SECTION NARRATIVE

The Statistical Section of the City of Crestview Hills Annual Comprehensive Financial Report presents detailed information as a context for understanding the information in the financial statements, notes and supplementary information as it pertains to the overall financial health of the City.

### **Section 1: Financial Trend Data:**

Pages 60-64

These tables contain trend information to help the reader understand how the City's financial status has changed in recent years.

### **Section 2: Revenue Capacity:**

Pages 65-69

These tables contain information to help the reader assess the City's most significant local sources of revenue.

### **Section 3: Debt Capacity:**

Pages 70-73

These tables include information to help the reader assess the affordability of the City's current outstanding debt and its ability to issue additional debt in the future.

### **Section 4: Demographic and Economic Information:**

Pages 74-75

This table shows demographic and economic indicators to help the reader understand the local environment in which the City's financial activities take place.

### **Section 5: Operating Information:**

Pages 76-77

These tables contain service and infrastructure data to help the reader understand how the information contained in this report relates to the City's services and activities.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>Governmental activities</b>										
Net investment in capital assets	\$ 1,893,526	\$ 3,911,302	\$ 4,894,134	\$ 4,903,229	\$ 4,719,062	\$ 4,724,685	\$ 4,755,451	\$ 4,998,892	\$ 5,590,063	\$ 5,060,166
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,116,532	2,588,155	2,549,688	2,453,605	2,735,678	3,289,133	3,161,659	3,863,991	3,957,515	5,023,145
<b>Total governmental activities net position</b>	<b>\$ 6,010,058</b>	<b>\$ 6,499,457</b>	<b>\$ 7,443,822</b>	<b>\$ 7,356,834</b>	<b>\$ 7,454,740</b>	<b>\$ 8,013,818</b>	<b>\$ 7,917,110</b>	<b>\$ 8,862,883</b>	<b>\$ 9,547,578</b>	<b>\$ 10,083,311</b>

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 1,389	\$ -	\$ -	\$ -	\$ 108,900	\$ 108,900	\$ 136,175	\$ 136,050	\$ 136,406	\$ 137,125
Public safety	3,420	2,260	25,233	39,850	-	-	-	-	-	-
Public works	-	-	22,058	47,980	24,532	24,526	25,141	28,059	25,186	7,709
Community development	7,689	14,390	9,481	15,250	18,050	12,450	-	11,250	32,000	17,750
Operating grants and contributions	-	-	-	-	-	235,853	75,266	457,281	447,978	-
Capital grants and contributions	131,197	152,412	694,632	97,769	123,493	137,781	133,898	189,113	115,761	153,803
<b>Total governmental activities program revenues</b>	<b>143,695</b>	<b>169,062</b>	<b>751,404</b>	<b>200,849</b>	<b>274,975</b>	<b>519,510</b>	<b>370,480</b>	<b>821,753</b>	<b>757,331</b>	<b>316,387</b>
<b>Total Primary government program revenues</b>	<b>143,695</b>	<b>169,062</b>	<b>751,404</b>	<b>200,849</b>	<b>274,975</b>	<b>519,510</b>	<b>370,480</b>	<b>821,753</b>	<b>757,331</b>	<b>316,387</b>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	585,436	685,335	636,737	779,259	737,411	762,738	842,847	559,736	803,985	845,885
Public safety	1,179,061	1,237,305	1,316,898	1,482,557	1,776,955	1,901,044	1,958,618	2,041,683	2,138,637	2,229,749
Public works	571,053	647,622	730,455	1,044,660	1,050,391	798,663	1,195,944	1,033,768	976,707	1,016,418
Community development	109,355	93,247	84,787	78,925	105,472	92,648	(17,441)	80,594	131,095	135,479
Interest on long-term debt	67,592	40,537	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>2,512,497</b>	<b>2,704,046</b>	<b>2,768,877</b>	<b>3,385,401</b>	<b>3,670,229</b>	<b>3,555,093</b>	<b>3,979,968</b>	<b>3,715,781</b>	<b>4,050,424</b>	<b>4,227,531</b>
<b>Total primary government expenses</b>	<b>\$ 2,512,497</b>	<b>\$ 2,704,046</b>	<b>\$ 2,768,877</b>	<b>\$ 3,385,401</b>	<b>\$ 3,670,229</b>	<b>\$ 3,555,093</b>	<b>\$ 3,979,968</b>	<b>\$ 3,715,781</b>	<b>\$ 4,050,424</b>	<b>\$ 4,227,531</b>
<b>Net (expense)/revenue Governmental Activities</b>	<b>\$ (2,368,802)</b>	<b>\$ (2,534,984)</b>	<b>\$ (2,017,473)</b>	<b>\$ (3,184,552)</b>	<b>\$ (3,395,254)</b>	<b>\$ (3,035,583)</b>	<b>\$ (3,609,488)</b>	<b>\$ (2,894,028)</b>	<b>\$ (3,293,093)</b>	<b>\$ (3,911,144)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes, levied for general purposes	\$ 623,891	\$ 627,437	\$ 654,192	\$ 657,437	\$ 683,599	\$ 701,471	\$ 724,547	\$ 754,552	\$ 790,190	\$ 798,834
Bank deposit taxes	43,274	39,748	34,779	34,850	38,243	44,354	54,995	41,418	44,946	43,344
Public service taxes	1,948,986	2,155,045	2,264,414	2,484,158	2,746,529	2,810,266	2,691,238	3,018,193	3,031,136	3,395,422
Interest	6,943	6,031	6,056	5,782	23,640	23,022	4,693	18,273	89,183	192,724
Miscellaneous	21,877	4,128	2,397	14,361	1,149	15,548	37,308	7,365	18,421	16,553
<b>Total governmental activities</b>	<b>2,644,971</b>	<b>2,832,389</b>	<b>2,961,838</b>	<b>3,196,588</b>	<b>3,493,160</b>	<b>3,594,661</b>	<b>3,512,780</b>	<b>3,839,801</b>	<b>3,973,876</b>	<b>4,446,877</b>
<b>Total primary government</b>	<b>\$ 2,644,971</b>	<b>\$ 2,832,389</b>	<b>\$ 2,961,838</b>	<b>\$ 3,196,588</b>	<b>\$ 3,493,160</b>	<b>\$ 3,594,661</b>	<b>\$ 3,512,780</b>	<b>\$ 3,839,801</b>	<b>\$ 3,973,876</b>	<b>\$ 4,446,877</b>
<b>Change in Net Position</b>										
Current year Governmental activities	\$ 276,169	\$ 297,405	\$ 944,365	\$ 12,036	\$ 97,906	\$ 559,078	\$ (96,708)	\$ 945,773	\$ 680,783	\$ 535,733
Prior year adjustments	(289,399)	191,994	-	(99,024)	-	-	-	-	3,912	-
<b>Total primary government</b>	<b>\$ (13,230)</b>	<b>\$ 489,399</b>	<b>\$ 944,365</b>	<b>\$ (86,988)</b>	<b>\$ 97,906</b>	<b>\$ 559,078</b>	<b>\$ (96,708)</b>	<b>\$ 945,773</b>	<b>\$ 684,695</b>	<b>\$ 535,733</b>

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Payroll License Fee</b>	<b>Annual Returns License Fee</b>	<b>Other</b>	<b>Bank Deposits Tax</b>	<b>Total</b>
2014-2015	\$ 623,891	\$ 1,622,419	\$ 246,607	\$ 53,784	\$ 43,274	\$ 2,589,975
2015-2016	627,437	1,743,878	317,368	63,701	39,748	2,792,132
2016-2017	654,192	1,809,737	349,743	64,949	34,779	2,913,400
2017-2018	657,437	1,806,331	432,400	51,267	34,850	2,982,285
2018-2019	683,599	2,098,661	363,823	55,925	38,243	3,240,251
2019-2020	701,471	2,141,232	394,651	56,286	44,354	3,337,994
2020-2021	724,547	2,138,824	272,247	57,881	54,995	3,248,494
2021-2022	754,552	2,321,651	379,380	69,222	41,418	3,566,223
2022-2023	790,190	2,299,394	403,078	63,701	44,946	3,601,309
2023-2024	798,834	2,475,145	581,931	69,497	43,344	3,968,750

The Public Service Tax consists of occupational, net profit and payroll license fees treated as public service taxes. The payroll license fee taxes comprise most of the category.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2014-2015	2015-2016 <sup>(1)</sup>	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	14,108	15,655	14,474	10,514	9,416	21,940	30,147	17,987	2,954	15,623
Unassigned	4,249,795	2,732,769	2,907,706	2,957,163	3,313,832	3,929,696	3,885,433	4,592,836	4,713,449	5,728,762
Prior year adjustments - Unassigned	-	191,994	-	19,285	-	-	-	-	3,912	-
<b>Total General Fund</b>	<b>4,263,903</b>	<b>2,940,418</b>	<b>2,922,180</b>	<b>2,986,962</b>	<b>3,323,248</b>	<b>3,951,636</b>	<b>3,915,580</b>	<b>4,610,824</b>	<b>4,720,315</b>	<b>5,744,385</b>
<b>Capital Projects Fund - Assigned</b>	-	-	-	-	-	-	-	-	-	-
<b>Wayfinding Signage Fund - Assigned</b>	141,526	3,044	2,997	2,899	2,791	2,790	2,790	2,790	-	-
	<b>\$ 4,405,429</b>	<b>\$ 2,943,462</b>	<b>\$ 2,925,177</b>	<b>\$ 2,989,861</b>	<b>\$ 3,326,039</b>	<b>\$ 3,954,426</b>	<b>\$ 3,918,370</b>	<b>\$ 4,613,614</b>	<b>\$ 4,720,315</b>	<b>\$ 5,744,385</b>

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>Revenues</b>										
Taxes	\$ 623,891	\$ 630,863	\$ 654,192	\$ 657,437	\$ 683,599	\$ 701,471	\$ 724,547	\$ 754,552	\$ 790,190	\$ 798,834
Licenses and permits	1,992,260	2,190,474	2,291,437	2,515,956	2,775,063	2,848,914	2,741,878	3,054,493	3,070,335	3,429,247
Intergovernmental	131,197	152,412	694,632	97,769	123,493	137,782	133,898	189,113	115,761	153,803
Fines and forfeitures	2,509	4,319	7,756	3,052	9,710	5,646	4,354	5,118	5,747	9,519
Charges for services	9,989	16,650	56,772	103,080	151,482	145,936	161,316	175,359	193,592	162,584
Interest	6,943	6,031	6,056	5,782	23,640	23,022	4,693	18,273	89,183	192,724
Miscellaneous	21,877	4,128	2,397	19,813	1,149	15,548	37,308	7,365	18,421	16,553
<b>Total revenues</b>	<b>2,788,666</b>	<b>3,004,877</b>	<b>3,713,242</b>	<b>3,402,889</b>	<b>3,768,136</b>	<b>3,878,319</b>	<b>3,807,994</b>	<b>4,204,273</b>	<b>4,283,229</b>	<b>4,763,264</b>
<b>Expenditures</b>										
Current:										
General government	476,503	518,494	542,075	670,266	592,491	622,282	653,786	744,713	703,562	813,242
Public safety	1,184,116	1,237,305	1,316,898	1,482,557	1,776,955	1,901,044	1,958,618	2,041,683	2,138,637	2,229,749
Public works	909,793	1,218,845	1,787,767	1,125,742	957,040	869,810	1,259,651	1,099,320	1,655,124	572,084
Community development	109,355	93,247	84,787	78,925	105,472	92,648	47,261	80,594	131,095	124,119
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	125,000	1,560,000	-	-	-	-	-	-	-	-
Interest	66,145	30,947	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,870,912</b>	<b>4,658,838</b>	<b>3,731,527</b>	<b>3,357,490</b>	<b>3,431,958</b>	<b>3,485,784</b>	<b>3,919,316</b>	<b>3,966,310</b>	<b>4,628,418</b>	<b>3,739,194</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(82,246)</b>	<b>(1,653,961)</b>	<b>(18,285)</b>	<b>45,399</b>	<b>336,178</b>	<b>392,535</b>	<b>(111,322)</b>	<b>237,963</b>	<b>(345,189)</b>	<b>1,024,070</b>
<b>Other financing sources (uses)</b>										
Bond issue	-	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-	-
Proceeds from CARES Act	-	-	-	-	-	235,853	75,266	24,431	-	-
Proceeds from ARPA Funds	-	-	-	-	-	-	-	432,850	447,978	-
Transfers in	632,211	632,211	1,391,634	688,661	530,494	493,846	858,321	628,756	1,230,560	126,796
Transfers out	(632,211)	(632,211)	(1,391,634)	(688,661)	(530,494)	(493,846)	(858,321)	(628,756)	(1,230,560)	(126,796)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,853</b>	<b>75,266</b>	<b>457,281</b>	<b>447,978</b>	<b>-</b>
<b>Net change in current year fund balance</b>	<b>(82,246)</b>	<b>(1,653,961)</b>	<b>(18,285)</b>	<b>45,399</b>	<b>336,178</b>	<b>628,388</b>	<b>(36,056)</b>	<b>695,244</b>	<b>102,789</b>	<b>1,024,070</b>
Prior year adjustments	-	191,994	-	19,285	-	-	-	-	3,912	-
<b>Net change in fund balance</b>	<b>\$ (82,246)</b>	<b>\$ (1,461,967)</b>	<b>\$ (18,285)</b>	<b>\$ 64,684</b>	<b>\$ 336,178</b>	<b>\$ 628,388</b>	<b>\$ (36,056)</b>	<b>\$ 695,244</b>	<b>\$ 106,701</b>	<b>\$ 1,024,070</b>
<b>Debt service as a percentage of non capital expenditures</b>	<b>8.03%</b>	<b>34.15%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Payroll License Fee</b>	<b>Net Profits/ Gross Receipts License Fee</b>	<b>Other</b>	<b>Bank Deposits Tax</b>	<b>Total</b>
2014-2015	\$ 623,891	\$ 1,622,419	\$ 246,607	\$ 53,784	\$ 43,274	\$ 2,589,975
2015-2016	627,437	1,743,878	317,368	63,701	39,748	2,792,132
2016-2017	654,192	1,809,737	349,743	64,949	34,779	2,913,400
2017-2018	657,437	1,806,331	432,400	51,267	34,850	2,982,285
2018-2019	683,599	2,098,661	363,823	55,925	38,243	3,240,251
2019-2020	701,471	2,141,232	394,651	56,286	44,354	3,337,994
2020-2021	724,547	2,138,824	272,247	57,881	54,995	3,248,494
2021-2022	754,552	2,321,651	379,380	69,222	41,418	3,566,223
2022-2023	790,190	2,299,394	403,078	63,701	44,946	3,601,309
2023-2024	798,834	2,475,145	581,931	69,497	43,344	3,968,750

The Public Service Tax consists of occupational, gross receipts and payroll license fees treated as public service taxes. The revenue base for public service taxes (license fees) is not available, in that the City is not the actual tax collector. The payroll license fees are based on a rate of 1.15% of total payroll of all persons working in the City up to the FICA cap maximum of \$168,600. The net profit license fee is based on a rate of .75% of net profits earned in the City. The City switched to gross

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Less: Tax-Exempt Real Property Tax</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Rate</b>
2014-2015	\$ 472,945,842	\$ -	\$ 71,555,902	\$ 401,389,940	16.00%
2015-2016	476,663,228	-	72,269,602	404,393,626	16.10%
2016-2017	498,027,602	-	78,705,002	419,322,600	16.00%
2017-2018	507,215,502	-	84,627,602	422,587,900	16.00%
2018-2019	510,103,502	-	85,428,002	424,675,500	16.50%
2019-2020	513,900,802	-	86,659,602	427,241,200	16.80%
2020-2021	558,614,002	-	91,518,102	467,095,900	15.80%
2021-2022	564,682,002	-	92,054,502	472,627,500	16.20%
2022-2023	573,406,802	-	92,054,502	481,352,300	16.70%
2023-2024	578,511,102	-	97,755,152	480,755,950	16.50%

Source: Kenton County PVA

Note: The county assesses property at 100% of fair market value for all types of real and personal property.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (1)**  
**Last Ten Fiscal Years**

Fiscal Year	City of Crestview Hills, KY	Total Direct Rates (a)	Overlapping Rates County			Total Direct and Overlapping Rates
			Kenton County	School District	Other	
2014-2015	\$ 0.1600	\$ 0.1600	\$ 0.1480	\$ 0.5910	\$ 0.1713	\$ 1.0703
2015-2016	0.1610	0.1610	0.1480	0.6090	0.1713	1.0893
2016-2017	0.1600	0.1600	0.1480	0.6210	0.1715	1.1005
2017-2018	0.1600	0.1600	0.1480	0.6380	0.1719	1.1179
2018-2019	0.1650	0.1650	0.1550	0.6590	0.1758	1.1548
2019-2020	0.1680	0.1680	0.1590	0.6720	0.1782	1.1772
2020-2021	0.1580	0.1580	0.1590	0.6710	0.1756	1.1636
2021-2022	0.1620	0.1620	0.1540	0.6710	0.1715	1.1585
2022-2023	0.1670	0.1670	0.1440	0.6660	0.1670	1.1440
2023-2024	0.1650	0.1650	0.1330	0.6590	0.1600	1.1170

(1) Per \$100 assessed valuation

(a) The City of Crestview Hills, KY is the only direct rate

The City of Crestview Hills is within Kenton County and the Kenton County School Taxing District.

Other taxing districts include TANK and the Kenton County Library, Health, and Extension Districts.

<b>CITY OF CRESTVIEW HILLS, KENTUCKY</b> <b>PRINCIPAL PROPERTY TAXPAYERS</b> <b>Current Year and Ten Years Ago</b>
--

Taxpayer	2023-2024			2014-2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Crestview Hills Town Center	\$ 35,788,500	1	7.44%			
Grandview Summit	28,000,000	2	5.82%			
Higbee Company	9,000,000	3	1.87%			
CP Crestview Hills, LLC	8,950,000	4	1.86%			
Broadstone TSGA Kentucky, LLC	7,960,000	5	1.66%			
Children's Hospital Medical Center	6,831,000	6	1.42%			
Northern KY Racquet Club, Inc.	6,260,900	7	1.30%			
Summit Hills Country Club, Inc.	5,940,000	8	1.24%			
CMK Crestview Hills LLC	5,700,000	9	1.19%			
Atria Summit Hills, LLC	5,248,000	10	1.09%			
<b>Total</b>	<b>\$ 119,678,400</b>		<b>24.89%</b>			
Crestview Hills Town Center				\$ 31,693,380	1	7.90%
Grandview Summit Investments				17,600,000	2	4.39%
Higbee Company				11,555,000	3	2.88%
CP Crestview Hills, LLC				8,500,000	4	2.12%
Broadstone TSGA Kentucky, LLC				7,752,600	5	1.93%
Northern KY Racquet Club, Inc.				6,580,800	6	1.64%
Atria Summit Hills, LLC				5,076,000	7	1.26%
Chapel Place D, LLC				4,500,000	8	1.12%
Summit Hills Country Club Inc.				4,391,100	9	1.09%
Thomas More Hemmer LTD				3,937,500	10	0.98%
Thomas More Hemmer IV LTD				3,937,500	10	0.98%
<b>Total</b>				<b>\$ 105,523,880</b>		<b>26.29%</b>

Source: Kenton County PVA

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Collections	Total Collections at End of Fiscal Year	
					Amount	Percentage of Levy
2014-2015	\$ 642,224	\$ 623,164	97%	\$ 727	\$ 623,891	97%
2015-2016	679,236	674,521	99%	3,426	677,947	100%
2016-2017	653,192	651,870	100%	1,322	653,192	100%
2017-2018	682,594	664,739	97%	16,883	681,622	100%
2018-2019	709,104	631,721	89%	76,440	708,160	100%
2019-2020	726,311	719,498	99%	944	720,442	99%
2020-2021	751,037	749,409	100%	-	749,409	100%
2021-2022	783,225	721,457	92%	55,588	777,044	99%
2022-2023	816,325	776,204	95%	37,830	814,034	100%
2023-2024	801,420	744,260	93%	54,575	798,834	100%

Source: City of Crestivew Hills, KY Finance Staff/Tax Software

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Total Primary Government	Per Capita	Percentage of Per Capita Personal Income
	General Obligation Bonds	Notes			
2014-2015	\$ 1,560,000	-	\$ 1,560,000	\$ 496	0.01%
2015-2016	-	-	-	-	-
2016-2017	-	-	-	-	-
2017-2018	-	-	-	-	-
2018-2019	-	-	-	-	-
2019-2020	-	-	-	-	-
2020-2021	-	-	-	-	-
2021-2022	-	-	-	-	-
2022-2023	-	-	-	-	-
2023-2024	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

<b>CITY OF CRESTVIEW HILLS, KENTUCKY</b> <b>RATIOS OF GENERAL BONDED DEBT OUTSTANDING</b> <b>Last Ten Fiscal Years</b>
--

**Governmental Activities**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2014-2015	\$ 1,560,000	\$ -	\$ 1,560,000	0.39%	\$ 496
2015-2016	-	-	-	-	-
2016-2017	-	-	-	-	-
2017-2018	-	-	-	-	-
2018-2019	-	-	-	-	-
2019-2020	-	-	-	-	-
2020-2021	-	-	-	-	-
2021-2022	-	-	-	-	-
2022-2023	-	-	-	-	-
2023-2024	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value of Taxable property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2024**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>(1)</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Kenton County (2)	\$ 87,442,352	2.90%	\$ 2,535,828
Kenton County School District (3)	257,881,292	4.26%	10,985,743
Other Kenton County Governments (4)	4,326,197	2.90%	125,460
<b>Subtotal, overlapping debt</b>	<u>349,649,841</u>		<u>13,647,031</u>
City of Crestview Hills direct debt	<u>-</u>		<u>-</u>
<b>Total direct and overlapping debt</b>	<u><u>\$ 349,649,841</u></u>		<u><u>\$ 13,647,031</u></u>

Source: Kentucky local Debt Report

<sup>(1)</sup> Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Crestview Hills. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>(2)</sup> Kenton County Treasurer's office

<sup>(3)</sup> Kenton County School District Treasurer's office

<sup>(4)</sup> Kenton County Public Library, Kenton County Public Health Taxing District, TANK and Kenton County Extension District.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2023-2024**

Taxable real property value	\$480,755,950
Add back: exempt real property	97,755,152
Total assessed real property value	<u>\$578,511,102</u>

Debt limit (10% of total assessed real property value)	<u>\$ 57,851,110</u>
--	----------------------

Debt applicable to limit:	
General obligation bonds	-
Less: amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 57,851,110</u>

	Fiscal Year									
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Debt limit	\$ 47,294,854	\$ 47,666,323	\$ 49,802,760	\$ 50,721,550	\$ 51,022,650	\$ 51,390,080	\$ 55,861,400	\$ 56,468,200	\$ 57,340,680	\$ 57,851,110
Total debt applicable to limit	1,560,000	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 45,734,854	\$ 47,666,323	\$ 49,802,760	\$ 50,721,550	\$ 51,022,650	\$ 51,390,080	\$ 55,861,400	\$ 56,468,200	\$ 57,340,680	\$ 57,851,110
Total net debt applicable to the limit as a percentage of debt limit	3.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Under state finance law, the City's outstanding debt should not exceed 10 percent of total assessed real property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

Fiscal Year	<u>Crestview Hills</u> Population(1)	<u>Kenton County</u>	<u>Crestview Hills</u>	<u>Crestview Hills</u> Median Age(4)	<u>Kenton County</u>
		Per Capita Personal Income(2)	Median Household Income(3)		Unemployment Rate(5)
2014-2015	3,320	\$49,932	\$71,976	47.5	4.6%
2015-2016	3,327	52,935	68,186	47.4	4.3%
2016-2017	3,321	53,690	71,696	48.1	4.4%
2017-2018	3,281	54,865	76,179	49.2	3.8%
2018-2019	3,300	57,691	87,500	48.8	3.8%
2019-2020	3,310	61,264	74,189	39.2	5.3%
2020-2021	3,383	68,327	90,625	40.9	4.7%
2021-2022	3,212	69,498	107,857	39.2	3.9%
2022-2023	3,250*	70,500*	110,000*	40.0*	4.1%
2023-2024	3,300*	71,500*	113,000*	41.0*	4.4%

(1) U.S. Census Bureau - American Community Survey "Total Population"

(2) Bureau of Economic Analysis (Kenton County data) "BEA produced intercensal annual county population statistics for 2010 to 2019 that are tied to the Census Bureau decennial counts for 2010 and 2020."

(3) U.S. Census Bureau - American Community Survey "Income in the Past 12 Months"

(4) U.S. Census Bureau - American Community Survey "Age and Sex"

(5) U.S. Bureau of Labor Statistics (Kenton County data only)

\* Internal Estimates made by City Administration

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Ten Years Ago**

2023-2024			2014-2015		
<u>Taxpayer</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Taxpayer</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
St. Elizabeth Medical Center	1	13.72%	St. Elizabeth Physicians	1	12.20%
St. Elizabeth Physicians	2	11.69%	St. Elizabeth Healthcare	2	9.30%
Thomas More University	3	5.93%	Thomas More College	3	6.10%
Houchens Insurance Group	4	3.46%	Huntington-Kentucky	4	3.90%
Whitehorse Freight LLC	5	2.64%	Columbia Sussex Management LLC	5	3.00%
Children's Hospital Medical Center	6	2.47%	Higbee GAK LP/Dillard's	6	2.60%
Crestview Management LLC/Columbia Sussex	7	2.35%	Dresssman, Benzinger, & Lavelle, PSC	7	2.90%
Pediatric Associates PSC	8	2.22%	BB&T Bank	8	2.90%
Higbee GAK LP/Dillard's	9	1.92%	Children's Hospital Medical Center	9	2.50%
Trader Joe's East Inc.	10	1.40%	Roeding Group Companies, Inc.	10	1.50%
<b>TOTAL</b>		<b>47.80%</b>	<b>TOTAL</b>		<b>46.90%</b>

Source: Kenton County Business Services

**CITY OF CRESTVIEW HILLS, KY  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 Last Ten Years**

Function/Program	Fiscal Year									
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
General Government	3	3	3	3	3	3.5	4	4	4	4
Public works	1	1	1	1	1	0.5	1	1	1	1

Source: City of Crestview Hills, KY Human Resource Department

**CITY OF CRESTVIEW HILLS, KENTUCKY**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Years**

Function	Fiscal Year									
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>Public safety</b>										
Police:										
Stations	-	-	-	-	-	-	-	-	-	-
Fire:										
Fire stations	-	-	-	-	-	-	-	-	-	-
<b>Highways and streets</b>										
Street (miles)	13	13	13	13	13	13	13	13	13	13
Streetlights	73	73	73	73	73	73	73	73	73	92

Source: Various City departments

Police function is contracted with the Lakeside Park/Crestview Hills Police Authority

Fire and Emergency Medical Service functions are contracted with the Cities of Ft. Mitchell and Edgewood, Kentucky

Sanitation lines are owned and maintained by the Sanitation District No. 1.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Honorable Mayor and  
Members of the Council of the  
City of Crestview Hills, Kentucky**

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, each major fund, and the aggregate remaining fund information of the City of Crestview Hills, Kentucky, as of June 30, 2024 and the related notes to the financial statements which collectively comprise the City of Crestview Hills, Kentucky's financial statements, and have issued our report thereon dated September 20, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Crestview Hills, Kentucky's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Crestview Hills, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Crestview Hills, Kentucky'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 a 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 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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Crestview Hills, Kentucky's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Chamberlin Owen & Co., Inc.*

**Chamberlin Owen & Co., Inc.**  
Erlanger, Kentucky  
September 20, 2024