

C-171-26

**NEIGHBORHOOD DEVELOPMENT FUND
Not-for-Profit Transmittal and Approval Form**

Applicant/Program: City of St. Matthews / Warwick Park Improvement Phase 2 & 3
Applicant Requested Amount: \$175,000
Appropriation Request Amount: \$175,000

Executive Summary of Request

District 7 is requesting the allocation of \$175,000 from its Neighborhood Development Fund (NDF) to the City of St. Matthews for the Warwick Park Improvement Project Phases II & III. This specific funding will be dedicated entirely to purchasing the new, modern metal pavilion structure and funding its associated site improvements. While the total estimated cost for these final phases of park development is \$5.2 million, this NDF grant directly secures the \$180,000 pavilion structure, which serves as a central hub for community gatherings.

Is this program/project a fundraiser? Yes No
Is this applicant a faith based organization? Yes No
Does this application include funding for sub-grantee(s)? Yes No

I have reviewed the attached Neighborhood Development Fund Application and have found it complete and within Metro Council guidelines and request approval of funding in the following amount(s). I have read the organization's statement of public purpose to be furthered by the funds requested and I agree that the public purpose is legitimate. I have also completed the disclosure section below, if required.

7. Paula McCraney \$175,000 06/05/2026
District # Primary Sponsor Signature Amount Date

Primary Sponsor Disclosure

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

Approved by:

Appropriations Committee Chairman Date
Final Appropriations Amount: _____

Applicant/Program:City of St. Matthews / Warwick Park Improvement Phase 2 & 3

Additional Disclosure and Signatures

Additional Council Office Disclosure

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

Council Member Signature and Amount

District 1	_____	\$ _____
District 2	_____	\$ _____
District 3	_____	\$ _____
District 4	_____	\$ _____
District 5	_____	\$ _____
District 6	_____	\$ _____
District 7	_____	\$ _____
District 8	_____	\$ _____
District 9	_____	\$ _____
District 10	_____	\$ _____
District 11	_____	\$ _____
District 12	_____	\$ _____
District 13	_____	\$ _____
District 14	_____	\$ _____
District 15	_____	\$ _____

Applicant/Program: City of St. Matthews / Warwick Park Improvement Phase 2 & 3

Additional Disclosure and Signatures

Additional Council Office Disclosure

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

District 16 _____ \$ _____

District 17 _____ \$ _____

District 18 _____ \$ _____

District 19 _____ \$ _____

District 20 _____ \$ _____

District 21 _____ \$ _____

District 22 _____ \$ _____

District 23 _____ \$ _____

District 24 _____ \$ _____

District 25 _____ \$ _____

District 26 _____ \$ _____

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Legal Name of Applicant Organization City of St. Matthews

Program Name and Request Amount Warwick Park Improvement Phase 2 & 3 and \$175,000

	Yes/No/NA
Is the NDF Transmittal Sheet Signed by all Council Member(s) Appropriating Funding?	<input type="checkbox"/> Yes
Is the funding proposed by Council Member(s) less than or equal to the request amount?	<input type="checkbox"/> Yes
Is the proposed public purpose of the program viable and well-documented?	<input type="checkbox"/> Yes
Will all of the funding go to programs specific to Louisville/Jefferson County?	<input type="checkbox"/> Yes
Has Council or Staff relationship to the Agency been adequately disclosed on the cover sheet?	<input type="checkbox"/> Yes
Has prior Metro Funds committed/granted been disclosed?	<input type="checkbox"/> No
Is the application properly signed and dated by authorized signatory?	<input type="checkbox"/> Yes
Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?	<input type="checkbox"/> Yes
If Metro funding is for a separate taxing district is the funding appropriated for a program outside the legal responsibility of that taxing district?	<input type="checkbox"/> .Yes
Is the entity in good standing with: <ul style="list-style-type: none"> ▶ Kentucky Secretary of State? ▶ Louisville Metro Revenue Commission? ▶ Louisville Metro Government? ▶ Internal Revenue Service? ▶ Louisville Metro Human Relations Commission? 	<input type="checkbox"/> .Yes
Is the current Fiscal Year Budget included?	<input type="checkbox"/> Yes
Is the entity's board member list (with term length/term limits) included?	<input type="checkbox"/> Yes
Is recommended funding less than 33% of total agency operating budget?	<input checked="" type="checkbox"/> N/A Yes
Does the application budget reflect only the revenue and expenses of the project/program?	<input type="checkbox"/> Yes
Is the cost estimate(s) from proposed vendor (if request is for capital expense) included?	<input type="checkbox"/> Yes
Is the most recent annual audit (if required by organization) included?	<input type="checkbox"/> Yes
Is a copy of Signed Lease (if rent costs are requested) included?	<input type="checkbox"/> N/A
Is the Supplemental Questionnaire for churches/religious organizations (if requesting organization is faith-based) included?	<input type="checkbox"/> N/A
Are the Articles of Incorporation of the Agency included?	<input type="checkbox"/> Yes
Is the IRS Form W-9 included?	<input type="checkbox"/> .Yes
Is the IRS Form 990 included?	<input type="checkbox"/> .N/A
Are the evaluation forms (if program participants are given evaluation forms) included?	<input type="checkbox"/> N/A
Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required to do so)?	<input type="checkbox"/> N/A
Has the Agency agreed to participate in the BBB Charity review program? If so, has the applicant met the BBB Charity Review Standards?	<input checked="" type="checkbox"/> N/A No

Prepared by: Anthony J. Walker

Date: 06/05/2026

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION			
Legal Name of Applicant Organization: <i>(as listed on: http://www.sos.ky.gov/business/records)</i> City of St. Matthews			
Main Office Street & Mailing Address: 3940 Grandview Ave, St Matthews KY 40207			
Website: www.Stmatthewsky.gov			
Applicant Contact:	Kenan Stratman	Title:	Public Works Director
Phone:	(502) 899-2517	Email:	Kenan.stratman@stmatthewsky.gov
Financial Contact:	Judi Kassebaum	Title:	Assistant City Clerk
Phone:	(502) 899-2516	Email:	Judi.Kassebaum@stmatthewsky.gov
Organization’s Representative who attended NDF Training: <i>Kenan G. Stratman</i>			
GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED			
Program Facility Location(s):	Warwick Park, St Matthews		
Council District(s):	District 7	Zip Code(s):	40207
SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION			
PROGRAM/PROJECT NAME: Warwick Park Improvements Phase II & III			
Total Request: (\$)	\$ 175,000.00	Total Metro Award (this program) in previous year: (\$)	
Purpose of Request (check all that apply):			
<input type="checkbox"/> Operating Funds (generally cannot exceed 33% of agency’s total operating budget) <input type="checkbox"/> Programming/services/events for direct benefit to community or qualified individuals <input checked="" type="checkbox"/> Capital Project of the organization (equipment, furnishing, building, etc)			
The Following are Required Attachments:			
<input checked="" type="checkbox"/> IRS Exempt Status Determination Letter <input checked="" type="checkbox"/> Current year projected budget <input checked="" type="checkbox"/> Current financial statement <input type="checkbox"/> Most recent IRS Form 990 or 1120-H <input checked="" type="checkbox"/> Articles of Incorporation (current & signed) <input checked="" type="checkbox"/> Cost estimates from proposed vendor if request is for capital expense		<input type="checkbox"/> Signed lease if rent costs are being requested <input checked="" type="checkbox"/> IRS Form W9 <input type="checkbox"/> Evaluation forms if used in the proposed program <input checked="" type="checkbox"/> Annual audit (if required by organization) <input type="checkbox"/> Faith Based Organization Certification Form, if applicable	
For the current fiscal year ending June 30, list all funds appropriated and/or received from Louisville Metro Government for this or any other program or expense, including funds received through Metro Federal Grants, from any department or Metro Council Appropriation (Neighborhood Development Funds). Attach additional sheet if necessary.			
Source:		Amount: (\$)	
Source:		Amount: (\$)	
Source:		Amount: (\$)	
Has the applicant contacted the BBB Charity Review for participation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Has the applicant met the BBB Charity Review Standards? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 3 – AGENCY DETAILS

Describe Agency's Vision, Mission and Services:

The City of St. Matthews, incorporated in 1950, is a Home Rule city, located in Jefferson County, Kentucky. It is governed by a Mayor and eight City Council Members, who serve in these elected positions.

VISION:

It is the vision of the city, to create a welcoming environment and exceptional quality of life for all within our city boundary, whether it be a resident, local business, or visitor.

MISSION:

Our Mission is to promote a small hometown attractiveness, with top quality large city amenities.

SERVICES:

The City of St. Matthews prioritizes services which surpasses most cities of equal size, and are supported by a low yearly property tax, and a reasonable occupational tax.

Residents enjoy, at no extra cost, rear door sanitation services, street side recycling and yard waste disposal, yearly leaf collection, street snow treatments, code enforcement and arborist assistance, free tree plantings and stump removals, and green-ups of unwanted parking pull-offs at their homes. As a co permittee with MSD St. Matthews is responsible for all storm water runoff so we can ensure proper drainage for all residents. Perhaps one of our most vital services is our outstanding police department who keeps our community safe.

Local Businesses benefit from our offered 50% discount on business license renewals, the availability of an on-staff; Planning & Zoning officer, Alcohol Beverage Control Officer, Sign officer, Engineer, and Public Works Director, along with IT and administration staff to meet business needs conveniently, making our city a strategic location for a commercial financial investment.

Our city visitors, which can exceed over 100,000 daily, are provide with reliable public driving surfaces, green spaces, parks & recreation areas, all cared for by our Public Works crews. In addition, there is a convenient array of premier shopping, entertainment, and dining opportunities, comprised of charming and unique specialty shops, to "first location in Kentucky" stores and establishments well known from across the country.

Most importantly, every person and business, within our city borders, can be assured that they are protected and served, 24/7, by our fully accredited police department of 44 sworn officers, and additional support staff.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 4 - BOARD OF DIRECTORS AND PAID STAFF

Board Member	Term End Date
Mayor Rick Tonini	12/31/2026
Councilman Bernard Bowling	12/31/2026
Councilwoman Mary Jo Nay	12/31/2026
Councilman Frank Flynn	12/31/2026
Councilman Tim Holland	12/31/2026
Councilwoman Amy Olson	12/31/2026
Councilman Nathan Hernandez	12/31/2026
Councilwoman Sarah Landes	12/31/2026
Councilwoman Jacki Vanetti	

Describe the Board term limit policy:
 Mayor - 4 year term (No Term Limit)
 Councilperson - 2 year Term (No Term Limit)

Three Highest Paid Staff Names	Annual Salary
Barry Wilkerson	\$ 161,512.00
Kenan Stratman	\$ 158,727.00
Tony Cohbalt	\$ 138,382.00

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 5 – PROGRAM/PROJECT NARRATIVE

A: Describe the program/project start and end dates, a description of the program/project and applicable data with regards to specific client population the program will address (attach related flyers, planning minutes, designs, event permits, proposals for services/goods, etc.):

Warwick Park Improvement Project Phase II & Phase III

Project Bid Opening is Scheduled from July 7, 2026 with a NTI expected July 14, 2026, substantial completion expected May 2027. This project involves the middle and southern portion of the park. The norther section was completed in 2025. The scope of the project is to replace the existing asphalt walking trail with a new 8' wide concrete trail. The existing parking lot will be reconfigured and expanded to add about 30 additional parking spots. The existing pavilion will be replaced with a much larger and more modern structure. The existing playground and surface will be removed and a larger play structure suitable for all ages and accessibilities. The interior sports field will be regraded and an underground detention system to handle increased runoff. A new public restroom will be added to the south end of the park for those using the pavilion and the playground.

The park is a public park open to all residents. Many people throughout all of Louisville reserve our pavilions for party or get togethers. Our sports fields are reserved by multiple public schools throughout Louisville. This park will be a great place to promote outdoor recreations, healthy play, and exercise.

B: Describe specifically how the funding will be spent including identification of funding to sub grantee(s):

The total project cost for Phase II & III is estimated to be around \$5.2 million. The request of \$175,000 is going to be dedicated to pay for the pavilion structure and associated improvements. The cost of the metal structure is estimated at \$180,000.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

C: If this request is a fundraiser, please detail how the proceeds will be spent:

N/A

D: For Expenditure Reimbursement Only – The grant award period begins with the Metro Council approval date and ends on June 30 of Metro fiscal year in which the grant is approved. If any part of this funding request is for funds to be spent before the grant award period, identify the applicable circumstances:

- The funding request is a reimbursement of the following expenditures that will probably be incurred after the application date, but prior to the execution of the grant agreement:
 - ✓ If selecting this option, the invoice, receipt and payment documentation should not be available as of the date of this application.

The Grantee will be required to submit financial reporting in accordance with the reporting schedule provided in the grant agreement.

N/A

- Reimbursements should not be made before application date unless an emergency can be demonstrated by the primary council sponsor. The funding request is a reimbursement of the following expenditures (attach invoices or proof of payment):
 - ✓ Attach a copy of invoices and/or receipts to provide proof of purchase of activities associated with the work plan identified in this application.
 - ✓ Attach a copy of cancelled checks to provide proof of payment of the invoices or receipts associated with the work plan identified in this application.

N/A

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

E: Describe the program's benefits to those being served (measurable outcomes). Include the program's process for collecting data and the indicators that will be tracked to measure the benefits to those being served:

The park has many amenities that can be reserved for special events or parties, the pavilion being one of those. All reservations are managed by City Administration. If requested we can provide a list of the number of additional reservations we get compared to previous years.

F: Briefly describe any existing collaborative relationships the organization has with other community organizations. Describe what those partners are bringing to the relationship in general and to this program/project specifically.

The City of St Matthews has worked with previous Metro representative to make improvements in Warwick park over the years. With respect to this project we are not collaborating with any other agency.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 6 – PROGRAM/PROJECT BUDGET SUMMARY

THE PROGRAM/PROJECT BUDGET SHOULD REALISTICALLY ESTIMATE WHAT AMOUNT IS NEEDED FROM METRO GOVERNMENT AND WHAT IS EXPECTED FROM OTHER SOURCES.

Program/Project Expenses	Column 1	Column 2	Column (1+2)=3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
A: Personnel Costs Including Benefits			\$ 0.00
B: Rent/Utilities			\$ 0.00
C: Office Supplies			\$ 0.00
D: Telephone			\$ 0.00
E: In-town Travel			\$ 0.00
F: Client Assistance (See Detailed List on Page 8)			\$ 0.00
G: Professional Service Contracts			\$ 0.00
H: Program Materials			\$ 0.00
I: Community Events & Festivals (See Detailed List on Page 8)			\$ 0.00
J: Machinery & Equipment			\$ 0.00
K: Capital Project	\$ 175,000.00	\$ 5,000,000.00	\$ 5,175,000.00
L: Other Expenses (See Detailed List on Page 8)			\$ 0.00
*TOTAL PROGRAM/PROJECT FUNDS	\$ 175,000.00	\$ 5,000,000.00	\$ 5,175,000.00
% of Program Budget	3.38%	96.62%	100%

List funding sources for total program/project costs in Column 2, Non-Metro Funds:

Other State, Federal or Local Government	\$ 0.00
United Way	\$ 0.00
Private Contributions (do not include individual donor names)	\$ 0.00
Fees Collected from Program Participants	\$ 0.00
Other (please specify) City of St Matthews	\$ 5,000,000.00
Total Revenue for Columns 2 Expenses **	\$ 5,000,000.00

***Total of Column 1 MUST match "Total Request on Page 1, Section 2"**

****Must equal or exceed total in column 2.**

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail for Client Assistance, Community Events & Festivals or Other Expenses shown on Page 7 (circle one and use multiple sheets if necessary)	Column 1	Column 2	Column (1 + 2)=3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
N/A			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
Total	\$ 0.00	\$ 0.00	\$ 0.00

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail of In-Kind Contributions for this PROGRAM only: Includes Volunteers, Space, Utilities, etc. (Include anything not bought with cash revenues of the agency).

Donor*/Type of Contribution	Value of Contribution	Method of Valuation
NA		
<p align="center"><i>Total Value of In-Kind</i> (to match Program Budget Line Item. Volunteer Contribution & Other In Kind)</p>	<p align="center">\$ 0.00</p>	

*** DONOR INFORMATION REFERS TO WHO MADE THE IN KIND CONTRIBUTION. VOLUNTEERS NEED NOT BE LISTED INDIVIDUALLY, BUT GROUPED TOGETHER ON ONE LINE AS A TOTAL NOTING HOW MANY HOURS PER PERSON PER WEEK**

Agency Fiscal Year Start Date: 7/1/25

Does your Agency anticipate a significant increase or decrease in your budget from the current fiscal year to the budget projected for next fiscal year? NO YES

If YES, please explain:

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 7 – CERTIFICATIONS & ASSURANCES

By signing Section 7 of the Grant Application, the authorized official signing for the applicant organization certifies and assures to the best of his or her knowledge and/or belief the following Assurances and Certifications. If there is any reason why one or more of the assurances or certifications listed cannot be certified or assured, please explain in writing and attach to this application.

Standard Assurances

1. Applicant understands this application and its attachments as well as any resulting grant agreement, reports and proof of expenditure is subject to Kentucky's open records law.
2. Applicant understands if the grant agreement is not returned to Louisville Metro within 90 days of its mailing to the applicant, the approval is automatically revoked and the funds will not be disbursed to our organization.
3. Applicant and any sub grantee will give Louisville Metro Government access to and the right to examine all paper or electronic records related to the awarded grant for up to five years of the grant agreement date.
4. Applicant assures compliance with the grant requirements and will monitor the performance of any third party (sub-grantee).
5. The Agency is in good standing with the Kentucky Secretary of State, Louisville Metro Government, the Jefferson County Revenue Commission, the Internal Revenue Service, and the Louisville Metro Human Relations Commission.
6. Applicant understands failure to provide the services, programs, or projects included in the agreement will result in funds being withheld or requested to be returned if previously disbursed.
7. Applicant understands they must return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end.
8. Applicant understands they must provide proof of all expenditures (canceled checks, receipts, paid invoices). The Applicant understands the failure to provide proof of expenditures as required in the grant agreement could result in funding being withheld or request to be returned if previously disbursed.
9. Applicant understands if this application is approved, the grant agreement will identify an award period that begins with the Metro Council approval date, and will end with June 30 of the fiscal year in which the grant is approved. Expenditures associated with this award expected to occur prior to the award period (approval date) must be disclosed in this application in order to be considered compliant with the grant agreement.
10. Applicant understands if we choose to incur expenditures prior to the approval of the application by the Metro Council, there is no guarantee that funding will be reimbursed, as the Council may choose not to award the application.
11. Applicant will establish safeguards to prohibit employees or any person that receives compensation from awarded funds from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

Standard Certifications

1. The Agency certifies it will not use Louisville Metro Government funds for any religious, political or fraternal Activities.
2. The Agency has a written Affirmative Action/Equal Opportunity Policy.
3. The Agency does not discriminate in employment or in provision of any service/program/activity/event based on age, color, disabled status, national origin, race, religion, sex, gender identity or sexual orientation, or Vietnam era veteran status.
4. The Agency certifies it will not require clients, recipients, or beneficiaries to participate in religious, political, fraternal or like activities in order to receive services/benefits provided with Louisville Metro Government funds.
5. The Agency understands the Americans with Disabilities Act (ADA) and makes reasonable accommodations.

Relationship Disclosure: List below any relationship you or any member of your Board of Directors or employees has with any Councilperson, Councilperson's family, Councilperson's staff or any Louisville Metro Government employee.

SECTION 8 – CERTIFICATIONS & ASSURANCES

I certify under the penalty of law the information in this application (including, without limitation, "Certifications and Assurances") is accurate to the best of my knowledge. I am aware my organization will not be eligible for funding if investigation at any time shows falsification. If falsification is shown after funding has been approved, any allocations already received and expended are subject to be repaid. I further certify that I am legally authorized to sign this application for the applying organization and have initialed each page of the application.

Signature of Legal Signatory:	<i>Kenan Stratman</i>	Date:	06/03/2026
Legal Signatory: (please print):	Kenan Stratman	Title:	Public works Director
Phone:	(502) 899-2517	Extension:	
Email:	kenan.stratman@stmatthewsky.gov		



**Department of the Treasury
Internal Revenue Service
OGDEN**

In reply refer to: 0152313846
Jul 09, 2021 LTR 147C
61-6008189

**CITY OF SAINT MATTHEWS
3940 GRANDVIEW AVE
LOUISVILLE KY 40207-3837 402**

Taxpayer Identification Number: 61-6008189

Form(s):

Dear Taxpayer:

Thank you for your telephone inquiry of July 9th, 2021.

Your Employer Identification Number (EIN) is 61-6008189. Please keep this letter in your permanent records. Enter your name and your EIN on all business federal tax forms and on related correspondence.

If you have any questions regarding this letter, please call our Customer Service Department at 1-800-829-0115 between the hours of 7:00 AM and 10:00 PM. If you prefer, you may write to us at the address shown at the top of the first page of this letter. When you write, please include a telephone number where you may be reached and the best time to call.

Sincerely,

MRS.PIKUL
1003836663
Customer Service Representative

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF REVENUE
FRANKFORT
revenue.ky.gov

November 26, 2024

CITY OF ST MATTHEWS
ATTN: JUDI KASSEBAUM
3940 GRANDVIEW AVENUE
ST MATTHEWS, KY 40207

LOCATION ADDRESS: 3940 GRANDVIEW AVENUE, ST MATTHEWS, KY 40207.

PURCHASE EXEMPTION NUMBER: CT-000056115. EFFECTIVE DATE: 07/30/1991

SUBJECT: EXEMPTION FROM KENTUCKY SALES AND USE TAX

Based on the information submitted in your Application for Purchase Exemption – Sales and Use Tax, you are hereby authorized to purchase tangible personal property or services, including utilities, without paying or reimbursing the vendor for the sales or use tax with respect to such purchases. A copy of this letter should be presented to the vendor to be retained as authorization to make such exempt sales.

Every vendor making such sales must require an official or an employee exercising comparable authority within the city government department listed above to sign and acknowledge in writing on a copy of the invoice that the sale and delivery of the property was actually made to a unit of the city government. The invoice shall be retained by the vendor as documentary evidence in support of the deduction of the sale from gross receipts on the vendor's sales and use tax return. For proper reporting, the vendor must deduct receipts from these exempt sales on Line 6 of the sales and use tax return.

If any of the property or service is not used for an exempt purpose, the purchaser will be required to pay any tax due on purchases made tax-free under this exemption.

Any official or employee of a unit of federal, state, or local government who uses their position to make tax-free purchases for their own personal use, or for that of any other person, will be subject to the penalties provided in KRS 139.990 and other applicable laws.

In the event there is a change in your name, address, or operations from the information submitted in your application, you must notify the Department of Revenue in writing of the change immediately.

If you require additional information or assistance in this matter, please contact the Department of Revenue, Division of Sales and Use Tax, Station 67, PO Box 181, Frankfort, KY 40602-0181, or call 502-564-5170.

Certification Section, Division of Sales and Use Tax

Email: DOR.WebResponseSalesTax@ky.gov

**CITY OF ST. MATTHEWS
ORDINANCE NO. 25-05
AN ORDINANCE RELATING TO THE ADOPTION OF AN ANNUAL BUDGET
FOR THE CITY OF ST. MATTHEWS FOR THE FISCAL YEAR JULY 1, 2025
THROUGH JUNE 30, 2026, ESTIMATING REVENUES AND RESOURCES AND
APPROPRIATING FUNDS FOR THE OPERATION OF CITY GOVERNMENT.**

WHEREAS, an annual budget proposal and Message have been prepared and delivered to the City Council, and

WHEREAS, the City Council has reviewed such budget proposal, and made necessary modifications, now, therefore,

BE IT ORDAINED BY THE CITY OF ST. MATTHEWS:

Section 1. The annual budget for the fiscal year July 1, 2025, to June 30, 2026, is hereby adopted as follows:

ESTIMATED REVENUE	<u>General Fund</u>	<u>MAP Fund</u>
Alcoholic Beverage Licenses	105,000	
Bank Tax	250,000	
Business License- Current year	525,000	
Coal and Minerals		
Franchises- cable, phone & CSX	110,000	
Insurance proceeds	10,000	
Insurance premiums tax	2,400,000	
Interest Income	550,000	
KLEFPF	202,500	
Law enforcement fees	174,200	
Miscellaneous income	40,000	
Code Enforcement Fines	750	
Rebates on Medical Insurance	75,000	
Occupational tax	9,600,000	
Vending/Other permits	550	
Parking income	4,500	
Property taxes	3,800,000	

Proceeds from Sale of Assets	15,000	
Sign permits	35,000	
Opioid Abatement Fund	5,000	
Rental Income (combined)	141,675	
Arterburn Rentals	35,000	
Gen. Fund Reserves	9,363,227	
Municipal Road Aid Income	0	352,800
Municipal Road Aid Reserves	0	751,400
Total resources available	\$27,442,402	\$1,104,200

APPROPRIATIONS	<u>General Fund</u>	<u>MAP Fund</u>
Administration	1,528,944	
Com. Center Building	148,686	
Parks	6,721,000	
Police	11,889,266	
Public Works	6,393,306	
Rental Property (combined)	27,000	
IT Department	734,200	
Municipal Road Aid	0	1,104,200
Total Appropriations	\$27,442,402	\$1,104,200

Section 2. This Ordinance shall take effect from and after its passage, signing, and publication as required by law.

FIRST READING held this 10th day of June, 2025.

SECOND READING: held this 24th day of June, 2025.

PASSED AND APPROVED: _____

Richard J. Tonini, Mayor

ATTEST:

Judi Kassebaum, City Clerk

In Favor: _____

Opposed: _____

City of St. Matthews					
Financial Report					
FYE June 30, 2026					
	General Fund		MAP Fund		
	Budget	Actual	Budget	Actual	Percent
	July 1 to June 30	July 1 to Mar 31	July 1 to June 30	July 1 to Mar 31	of Budget
Revenue					
Alcoholic Beverage License	\$ 105,000	\$ 106,088			101.04%
Bank Tax	250,000	264,945			105.98%
Business License - Current Year	525,000	189,907			36.17%
Coal and Minerals	-	-			
Franchises - cable, phone, & CSX	110,000	144,119			131.02%
Insurance proceeds	10,000	39,350			393.50%
Insurance premiums tax	2,400,000	2,238,358			93.26%
Interest income	550,000	633,052			115.10%
KLEFPF	202,500	185,715			91.71%
Law enforcement fees	174,200	214,801			123.31%
Miscellaneous income	40,000	57,180			142.95%
Code enforcement fines	750	5,800			773.33%
Rebates on Medical Insurance	75,000	57,323			76.43%
Occupational tax	9,600,000	8,313,840			86.60%
Vending/Other permit	550	441			80.18%
Parking income	4,500	4,410			98.00%
Property taxes	3,800,000	3,980,452			104.75%
Proceeds from sale of asset	15,000	67,840			452.27%
Sign permits	35,000	27,770			79.34%
Opioid abatement fund	5,000	18,217			364.34%
Rental income (combined)	141,675	103,771			73.25%
Arterburn rentals	35,000	23,600			67.43%
General fund reserves	9,363,227				
Municipal road aid income			352,800	225,136	63.81%
Municipal road aid reserves			751,400		
Total Resources Available	\$ 27,442,402	\$ 16,676,979	\$ 1,104,200	\$ 225,136	
Appropriations					
Administration	\$ 1,528,944	\$ 1,211,178			79.22%
Com. Center building	148,686	228,810			153.89%
Parks	6,721,000	306,048			4.55%
Police	11,889,266	8,566,765			72.05%
Public works	6,393,306	4,683,429			73.26%
Rental property (combined)	27,000	6,537			24.21%
IT department	734,200	306,735			41.78%
Municipal road aid	-		1,104,200	251,693	22.79%
Total Appropriations	\$ 27,442,402	\$ 15,309,502	\$ 1,104,200	\$ 251,693	

NO. 319-47E

JEFFERSON CIRCUIT COURT

CHANCERY BRANCH

FIRST DIVISION

JAMES H. NOLAN
CHARLES C. KING
J. LESTER WHITNEY
HENRY S. LEATHERS
BERNARD W. GRATZER

PETITIONERS

JUDGMENT

This action coming on to be heard and it appearing to the Court from the record herein, that due notice of the filing of the Petition herein and the object thereof has been published in two issues of the Louisville Times, on March 4, 1950 and on March 11, 1950, said newspaper being of general circulation and published in Jefferson County, Kentucky; and it further appearing to the Court, and the Court being sufficiently advised on the verified petition herein, that the population within the boundary described in said petition is sufficient to meet the requirements of law in such cases, and no defense having been interposed herein, it is now ordered, adjudged and decreed:

1. That a city by the name of "ST. MATTHEWS" be, and the same is hereby established, as a municipal corporation of the sixth class, within the following described boundary, as shown by the map filed with the petition herein, to-wit, and more particularly described as follows:

BEGINNING at the point of intersection of the South property line of the alley South of Gilman Avenue and the East property line of Chenoweth Lane; running thence Southerly along the East

line of St. Matthews Avenue; thence Northerly along the West property line of St. Matthews Avenue in an irregular line for a distance of 1595.3 feet to the South property line of the alley South of Gilman Avenue; thence Westerly along the South property line of said alley for a distance of 1179.1 feet to the point of beginning.

2. That there are hereby appointed as Board of Trustees of the said City of St. Matthews, the following named persons, residents therein, to-wit:

James H. Noland
Gilbert Flack
Henry S. Leathers
B. W. Gratzner
T. S. Rudy

As Police Judge thereof, Granville Crockett; As Marshal thereof, G. B. Seidel; and as Assessor thereof, Charles C. King. Each of the Trustees and officers shall hold their respective offices until the next election at which officers for city and towns may be elected. The qualification of said officers shall be in the manner provided by law, by taking the respective oaths of office and executing respective bonds and obligations as may be prescribed by law, a record of which shall be entered upon the records of said city, and copies thereof certified.

3. It is further ordered by the Court that the Clerk of this Court, not later than ten days from the entry of this Judgment, send a certified copy thereof to the Secretary of State for the purpose of properly indexing and filing same as a permanent record in his office.

Judge

WARWICK PARK - Phase 2 & 3

100% BID DOCUMENTS COST ESTIMATE

May 2026

DESCRIPTION	QUANTITY	PRICE	UNIT	TOTAL	COMMENTS
1 SITE WORK					
Asphalt Pavement Demolition	4688	\$15	SY	\$70,320	
Concrete Sidewalk Demolition	781	\$25	SY	\$19,525	
Tree Removal	170	\$1,000	EA	\$170,000	
1-Story Frame House Demolition	1	\$10,000	LS	\$10,000	
Playground Equipment Removal	1	\$5,000	LS	\$5,000	
Footbridge Removal	2	\$1,000	EA	\$2,000	
Chain-Link Fence Removal	179	\$25	LF	\$4,475	
Wood Fence Removal	108	\$25	LF	\$2,700	
Canopy Structure Demolition (24' x 36')	1	\$10,000	LS	\$10,000	
Storm Sewer Pipe Removal	881	\$50	LF	\$44,050	
Storm Catch Basin Removal	17	\$500	EA	\$8,500	
Storm Manhole Removal	1	\$1,000	EA	\$1,000	
1' Retaining Wall Demolition	187	\$25	LF	\$4,675	
Concrete Flume Demolition	40	\$25	LF	\$1,000	
Concrete Ditch Demolition	33	\$25	SY	\$825	
Miscellaneous Structure Demolition	1	\$5,000	LS	\$5,000	
Cut/Fill On-Site	4582	\$10	CY	\$45,820	
Haul-Off	1045	\$30	CY	\$31,350	
Silt Fence	2695	\$5	LF	\$13,475	
Temporary Gravel Construction Entrance	2	\$5,000	EA	\$10,000	
Concrete Washout Area	2	\$400	EA	\$800	
Stone Bag Check Dam	1	\$400	EA	\$400	
Stone Bag Inlet Protection	32	\$400	EA	\$12,800	
Headwall Inlet Protection	1	\$400	EA	\$400	
Dandy Bag Inlet Protection	4	\$400	EA	\$1,600	
Dandy Curb Inlet Protection	7	\$400	EA	\$2,800	
SUBTOTAL - SITE WORK				\$478,515	

DESCRIPTION	QUANTITY	PRICE	UNIT	TOTAL	COMMENTS
2 UTILITIES					
6-Inch Corrugated HDPE Storm Pipe	21	\$95	LF	\$1,995	
8-Inch Corrugated HDPE Storm Pipe	19	\$95	LF	\$1,805	
12-Inch Corrugated HDPE Storm Pipe	1025	\$95	LF	\$97,375	
15-Inch Corrugated HDPE Storm Pipe	498	\$100	LF	\$49,800	
18-Inch Corrugated HDPE Storm Pipe	378	\$125	LF	\$47,250	
24-Inch Corrugated HDPE Storm Pipe	392	\$175	LF	\$68,600	
30-Inch Corrugated HDPE Storm Pipe	9	\$200	LF	\$1,800	
15-Inch Nyloplast Drop Box w/ Dome Grate	1	\$500	EA	\$500	
18-Inch Nyloplast Drop Box w/ Standard Grate	1	\$500	EA	\$500	
Catch Basin Type 1 (MSD STD DC-01-01)	1	\$2,500	EA	\$2,500	
48-Inch Dia. Double Catch Basin	12	\$5,000	EA	\$60,000	
48-Inch Dia. Double Curb Inlet	7	\$5,000	EA	\$35,000	
48-Inch Dia. Storm Manhole	2	\$5,000	EA	\$10,000	
60-Inch Dia. Double Catch Basin	1	\$8,000	EA	\$8,000	
60-Inch Dia. Storm Manhole	2	\$8,000	EA	\$16,000	
12" Sloped & Flared Headwall	1	\$2,000	EA	\$2,000	
18" Sloped & Flared Headwall	2	\$5,000	EA	\$10,000	
30" Sloped & Flared Headwall	1	\$7,000	EA	\$7,000	
ADS Arcadia 3 Stormwater Separator	1	\$18,000	EA	\$18,000	
ADS Arcadia 4 Stormwater Separator	1	\$20,000	EA	\$20,000	
Replace Existing Solid Lid with Round Manhole Catch Basin Grate	1	\$1,000	EA	\$1,000	
Connection to Existing Catch Basin	1	\$500	EA	\$500	
90" Concrete Fiber Reinforced Paved Ditch	1	\$1,500	LS	\$1,500	
120" Concrete Fiber Reinforced Paved Ditch	1	\$2,500	LS	\$2,500	
Contech 36-Inch CMP Underground Detention System	1	\$280,000	LS	\$280,000	
Flexi-Pave Cover	22	\$250	EA	\$5,500	
1 1/2-Inch Domestic Water Service Line	464	\$80	LF	\$37,120	
1 1/2-Inch Domestic Water Resilient Seat Gate Valve	2	\$500	EA	\$1,000	
Domestic Water Meter	1	\$5,000	LS	\$5,000	
Domestic Water Frost-Proof Yard Hydrant	1	\$500	EA	\$500	
6" SDR 26 PVC Sanitary Property Service Connection	66	\$150	LF	\$9,900	
Underground Electric Service	680	\$100	LF	\$68,000	
Remove Utility Pole	2	\$5,000	EA	\$10,000	
Relocate Electric Meter	1	\$5,000	LS	\$5,000	
Adjust Existing Storm Catch Basin Frame to Grade	3	\$1,500	EA	\$4,500	
Adjust Existing Storm Manhole Frame to Grade	5	\$1,500	EA	\$7,500	
Adjust Sanitary Manhole Frame to Grade	3	\$1,500	EA	\$4,500	
Adjust Sanitary Cleanout Frame to Grade	1	\$1,000	EA	\$1,000	
Adjust Electric Junction Box to Grade	1	\$1,000	EA	\$1,000	
Adjust Domestic Water Valve Frame to Grade	1	\$1,000	EA	\$1,000	
Adjust Irrigation Valve Frame to Grade	2	\$1,000	EA	\$2,000	
Adjust Irrigation Hydrant to Grade	1	\$1,000	EA	\$1,000	
SUBTOTAL - UTILITIES				\$908,145	

3 LIGHTING

LG&E Area Light	3	\$300	EA	\$900	
SUBTOTAL - PAVEMENT				\$900	

4 PAVEMENT

5" Concrete Sidewalk	55478	\$15	SF	\$832,170	
Asphalt Drive and Parking	16098	\$7	SF	\$112,686	
Concrete Wheel Stops	6	\$250	EA	\$1,500	
Parking Striping	2	\$10,000	LS	\$20,000	
Concrete Curb - Flush	166	\$60	LF	\$9,960	
Concrete Curb - Rolled	109	\$60	LF	\$6,540	
Concrete Curb - Raised	1816	\$50	LF	\$90,800	
Tactile Warning Pavers	102	\$10	SF	\$1,020	
Pavers on concrete base	569	\$35	SF	\$19,915	
Playground Safety Surface	5070	\$30	SF	\$152,100	
Crushed Stone Path	656	\$8	SF	\$5,248	
SUBTOTAL - PAVEMENT				\$1,251,939	

5 BARRIERS/FENCING

3 Rail Fence	163	\$40	LF	\$6,520	
Privacy Fence	91	\$80	LF	\$7,280	
22' Driveway Gate with Latch Post	1	\$2,700	EA	\$2,700	22' manual swing gate with latch post
Baseball Backstop	1	\$12,000	EA	\$12,000	
Soccer Goals	2	\$5,000	EA	\$10,000	
SUBTOTAL - PAVEMENT				\$38,500	

6 SIGNAGE

Park Hours Sign	2	\$1,000	EA	\$2,000	
Metal Park Entrance Sign	1	\$2,000	EA	\$2,000	
Track Sign	2	\$1,500	EA	\$3,000	
Relocated Concrete Entrance Sign	1	\$3,000	EA	\$3,000	
Pollinator Garden Sign	2	\$1,000	EA	\$2,000	
Park Rules Sign	3	\$1,500	EA	\$4,500	
Regulatory Signage - ADA Parking	6	\$500	EA	\$3,000	
SUBTOTAL - PAVEMENT				\$19,500	

7 MISCELLANEOUS STRUCTURES

Pavilion Structure	1	\$180,000	LS	\$180,000	1/19/26 Sourcewell Price \$138,326.53 + 30%
Trellis	1	\$85,000	LS	\$85,000	1/19/26 Sourcewell Price \$61,897.96 + 30%
Playground Equipment	1	\$205,533	LS	\$205,533	3/1/26 Burke Price \$157949 + 30%
Restroom Building	1	\$350,000	LS	\$350,000	
Pedestrian Bridge	1	\$50,000	LS	\$50,000	
Flagpole	1	\$5,000	EA	\$5,000	
SUBTOTAL - SPECIALTY				\$875,533	

8 LANDSCAPING

Canopy Trees	172	\$500	EA	\$86,000	
Understory Trees	168	\$350	EA	\$58,800	
Evergreen Trees	8	\$300	EA	\$2,400	
Seed	30240	\$2	SY	\$60,480	
Forbs	4791	\$30	EA	\$143,730	
Grasses	7413	\$30	EA	\$222,390	
Edging	26	\$10	LF	\$260	Between crushed stone path and pollinator garden
Planting Bed Preparation	1	\$2,000	LS	\$2,000	
Topsoil/Planting Mix	62	\$50	CY	\$3,100	
Mulch	62	\$55	CY	\$3,410	6,669 sf Planting Area
Tree Protection Fencing	3966	\$10	LF	\$39,660	
SUBTOTAL - LANDSCAPING				\$622,230	

9 FURNISHINGS

Trash Receptacle	5	\$1,750	EA	\$8,750
Backed Bench	5	\$3,500	EA	\$17,500
Bench Swing	7	\$4,375	EA	\$30,625
Limestone Bench	10	\$3,750	EA	\$37,500
Charcoal Grill	5	\$1,500	EA	\$7,500
Picnic Table	9	\$2,675	EA	\$24,075
Cafe Table and Chairs	6	\$5,000	EA	\$30,000
Cafe Table and Chairs (ADA)	1	\$5,000	EA	\$5,000
Water Fountain with bottle filler	1	\$12,500	EA	\$12,500
Water Fountain	1	\$12,500	EA	\$12,500
Bike Rack	5	\$500	EA	\$2,500
Gravel Sump	1	\$500	EA	\$500
SUBTOTAL - SITE FURNITURE				\$188,950

PROJECT SUBTOTAL	\$4,384,212
-------------------------	--------------------

10 MOBILIZATION/DEMOBILIZATION (6.5%)	\$284,974
----------------------------------------------	------------------

11 MAINTENANCE OF TRAFFIC	\$10,000
----------------------------------	-----------------

SUBTOTAL	\$4,679,186
10% Contingency	\$467,919
TOTAL	\$5,147,104

**Request for Taxpayer
 Identification Number and Certification**

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)	CITY OF ST. MATTHEWS	
	2 Business name/disregarded entity name, if different from above.		
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) <small>Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.</small> <input checked="" type="checkbox"/> Other (see instructions) LOCAL GOVERNMENT	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____	
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions <input type="checkbox"/>	<i>(Applies to accounts maintained outside the United States.)</i>	
	5 Address (number, street, and apt. or suite no.). See instructions. 3940 GRANDVIEW AVENUE	Requester's name and address (optional)	
	6 City, state, and ZIP code ST. MATTHEWS, KY 40207		
	7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number													
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> </tr> </table>													
or													
Employer identification number													
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">6</td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">6</td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">0</td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">0</td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">8</td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">8</td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">9</td> </tr> </table>	6	1			6	0	0	8	1	8	9		
6	1			6	0	0	8	1	8	9			

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person Sandra K. Roans, Assistant City Clerk Date May 27, 2024

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

Financial Statements and Supplementary Information

for

CITY OF ST. MATTHEWS, KENTUCKY

Year Ended June 30, 2025
with Independent Auditor's Report

CONTENTS

	<u>Pages</u>
Independent Auditor's Report.....	1 - 3
Management's Discussion and Analysis (Unaudited).....	4 - 11
Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities.....	17
Notes to the Financial Statements.....	18 - 42
Required Supplementary Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability.....	43
Schedule of City Pension Contributions.....	44
Schedule of the City's Proportionate Share of the Net OPEB Liability.....	45
Schedule of City OPEB Contributions.....	46
Notes to the Required Supplementary Information.....	47 - 49
Other Supplementary Information:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	50 - 51

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of St. Matthews, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the City of St. Matthews, Kentucky (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City, as of June 30, 2025, and the respective changes in financial position and the budgetary comparison for the major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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'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.

Report on the Audit of the Financial Statements, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial 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'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'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.

Report on the Audit of the Financial Statements, continued

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 - 11 and the Supplementary Pension and OPEB Information on pages 43 - 49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December XX, 2025 on our consideration of the City'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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Louisville, Kentucky
December XX, 2025

CITY OF ST. MATTHEWS, KENTUCKY

Management's Discussion and Analysis (Unaudited)

Year Ended June 30, 2025

The purpose of the management's discussion and analysis is to provide an overview of the financial activities of the City of St. Matthews, Kentucky (the City) based on currently known facts, decisions, and conditions and should be read in conjunction with the City's financial statements, which begin on page 12.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$50,219,665 (net position) for this fiscal year. This is an increase over the prior year figure of \$46,548,029.
- The three largest sources of general revenues for the City continued to be property taxes, insurance taxes, and occupational taxes. These three revenue sources accounted for 83.13% of the total revenue received by the City as reported on the statement of activities. Total revenues increased from the prior year by \$653,044 to \$20,448,032.
- Total expenses of the City increased to \$16,776,396 during this fiscal year of which \$1,841,831 was for depreciation expense on capital assets and amortization expense on right of use assets.
- The City shows a long-term liability in the amount of \$917,825 for compensated absences in this fiscal year as well as the City's proportionate share of the unfunded liabilities for pension (\$11,657,170) and other-post employment benefits (OPEB) (\$403,224). The increase in compensated absences from year-to-year was just over \$39,000. The pension obligation decreased by just over \$684,000 compared to the previous year. As discussed in the footnotes there is an OPEB liability of \$403,224 as it relates to the hazardous duty employee classification and an OPEB asset of \$90,034 for non-hazardous duty employees. The OPEB liability decreased just over \$46,000 this fiscal year while the OPEB asset increased by just over \$15,000.
- During this fiscal year the City completed Phase 1 of the Warwick Park improvement project and made substantial progress towards completing the Trinity Hills Flood Relief Project which should be completed in the upcoming fiscal year.
- The City spent approximately \$374,000 on street repairs and paving as well as improvements to City sidewalks.

CITY OF ST. MATTHEWS, KENTUCKY

Management's Discussion and Analysis (Unaudited), (continued)

Year Ended June 30, 2025

Using This Annual Report

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements included in this report provide insight into the financial status of the City for the fiscal year ended June 30, 2025 and are made up of three parts:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Government-wide Financial Statements

The statement of net position and the statement of activities report information about the City as a whole and about its activities during the current fiscal year and begin on page 12. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

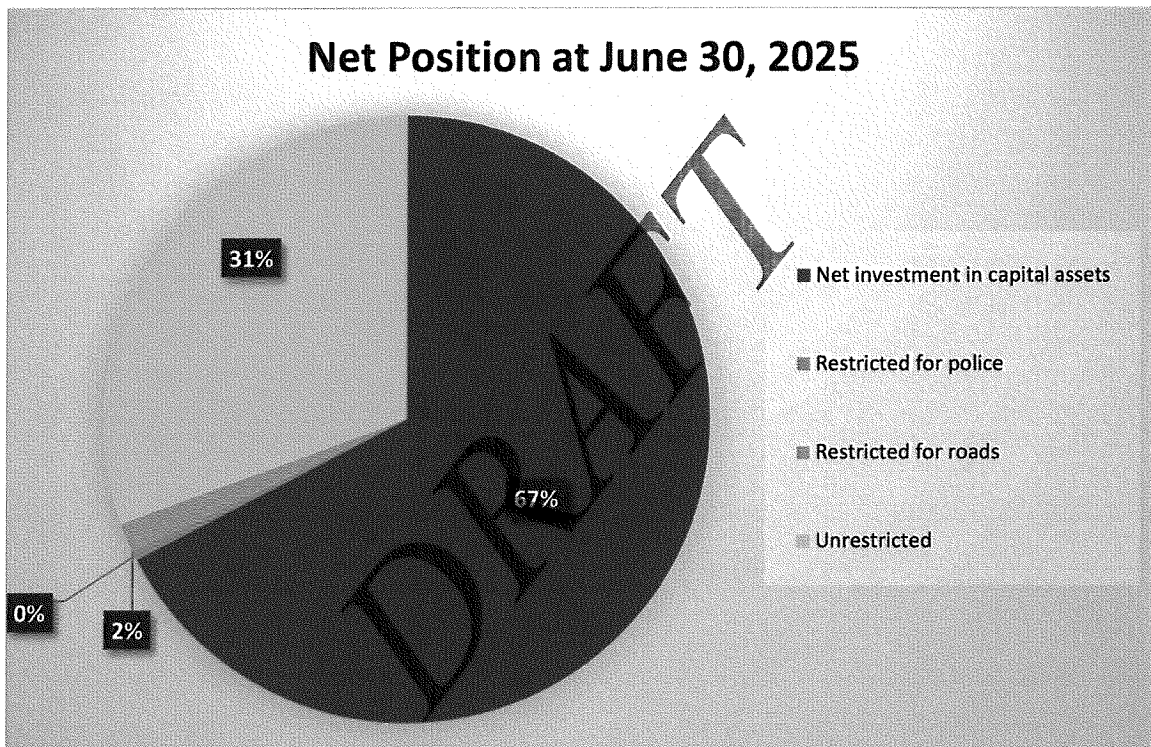
These two statements report the City's net position and changes in them. One can think of the City's net position as one way to measure the City's health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

CITY OF ST. MATTHEWS, KENTUCKY

Management's Discussion and Analysis (Unaudited), (continued)

Year Ended June 30, 2025

The statement of net position displays the City's assets and deferred outflows of resources as well as the City's liabilities and deferred inflows of resources. The difference between these two groups is called net position. The City's net position is comprised of three components with restricted net position being further broken down by the purpose of such restriction. The makeup of net position at June 30, 2025 is displayed in the chart below.

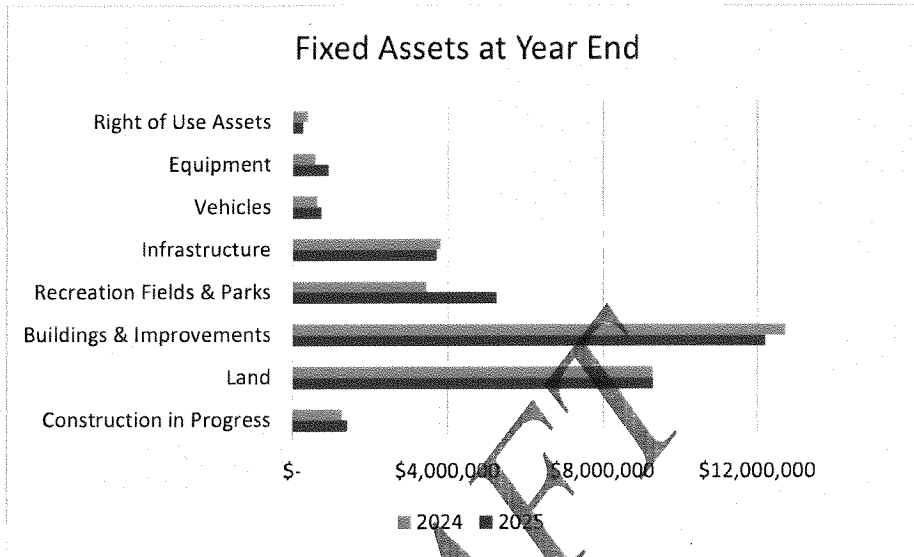


As you can see the majority of the City's net position is comprised of its investment in capital assets. The City placed in service approximately \$3.33 million in new capital assets this year. In addition to the previously mentioned completion of Phase 1 at Warwick Park, the City also put in service 50 police radios as well as five new police vehicles and two new vehicles in the works department. Capital assets of the City are depreciated over their estimated useful life at the time the asset is placed in service. The difference between the cost of the assets and their accumulated depreciation is referred to as net book value. There was an increase of just over \$1.6 million at June 30, 2025 as compared to the previous year. A component of fixed assets are right of use assets. These assets are a result of the City entering into a lease agreement during the prior fiscal year for multiple police vehicles in an effort to maintain the fleet of police vehicles at the appropriate level. Amounts related to the right of use asset can be found in Note 4 and the corresponding lease liability is discussed in Note 9. The net book value of the City's capital assets, including right of use assets is displayed below:

CITY OF ST. MATTHEWS, KENTUCKY

Management's Discussion and Analysis (Unaudited), (continued)

Year Ended June 30, 2025



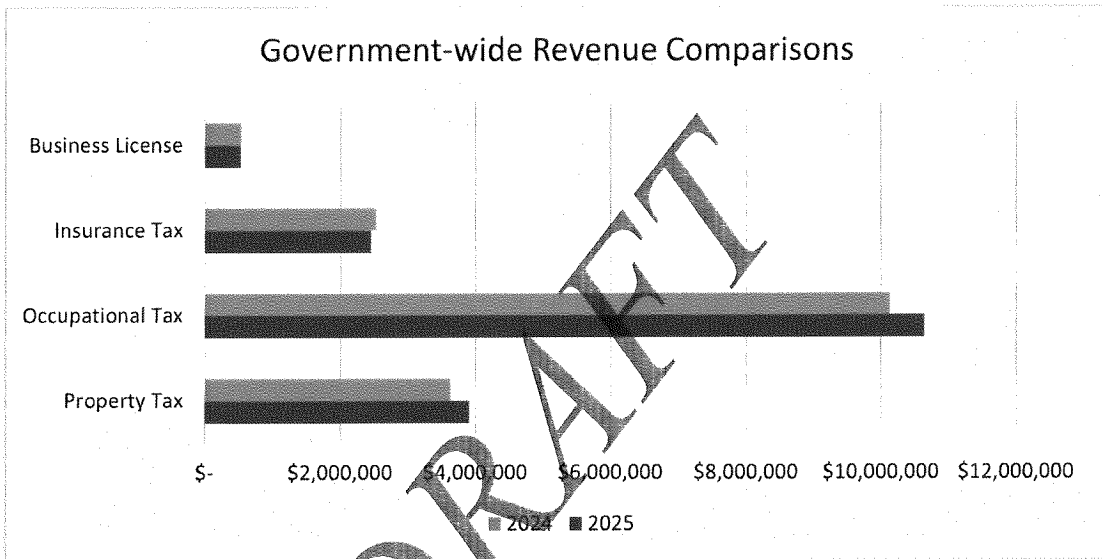
In addition to fixed assets, the statement of net position also shows the liabilities of the City. Two of the larger liabilities of the City relate to its participation in the County Employees Retirements System and the City's share of the unfunded pension and OPEB liabilities of that system. As of June 30, 2025, the City's pension obligation decreased by \$684,3954 as compared to the prior year to \$11,657,170 while the City's OPEB obligation decreased by \$46,136 to \$403,224 over the same period. The change in these liabilities is the result of several factors such as changes in actuarial assumptions, differences between expected and actual experience, and changes in the City's proportionate share. The City is also required to recognize financial statement items called deferred outflows / deferred inflows of resources due to its participation in this plan as well.

CITY OF ST. MATTHEWS, KENTUCKY

Management's Discussion and Analysis (Unaudited), (continued)

Year Ended June 30, 2025

The statement of activities reflects the City's revenue and expenses, as well as other transactions that have an impact on the City's net position. During this fiscal year, the City saw an increase in revenues as compared to the prior year of \$653,044. The revenue sources with the most significant increases over the prior fiscal year were property and occupational taxes. Other selective changes from year to year are noted below.

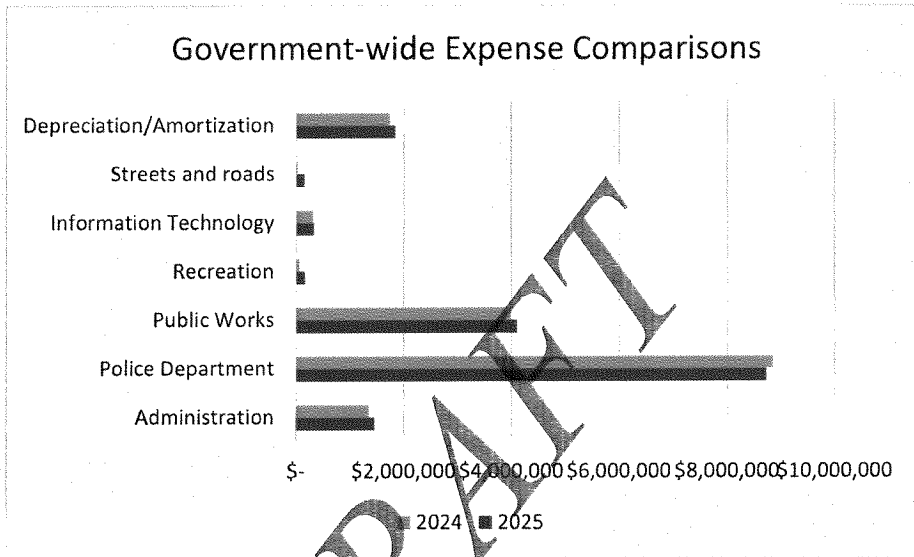


CITY OF ST. MATTHEWS, KENTUCKY

Management's Discussion and Analysis (Unaudited), (continued)

Year Ended June 30, 2025

Expenses of the City were \$16,776,396 for the fiscal year ended June 30, 2025, of which \$1,841,831 was the current depreciation expense on capital assets and well as the amortization expense of right of use assets as previously discussed. Changes from year-to-year are as follows:



Fund Financial Statements

The second component of the annual report is the fund financial statements, which begin on page 14. Fund financial statements consist of a balance sheet - governmental funds and a statement of revenues, expenditures, and changes in fund balances - governmental funds. The fund financial statements provide detailed short-term information about the City's general government operations. Most of the City's basic services are reported in the governmental funds, which focus on how money flows into and out of the fund and the balance left over at year-end this is available for spending in the next period. This fund is reported using the accounting method called the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. Governmental fund information helps you to 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 statement of activities) and governmental funds in a separate statement following each of the respective fund financial statements.

The City has two funds, the general fund and the municipal road aid fund. Fund balance in the general fund increased by over \$1.0 million during the fiscal year ended June 30, 2025 as compared to the prior year. This increase in fund balance was driven by increases in various revenues such as property, occupational, and insurance taxes as well as charges for services. Fund balance for the municipal road aid fund decreased during this fiscal year by approximately \$470,000.

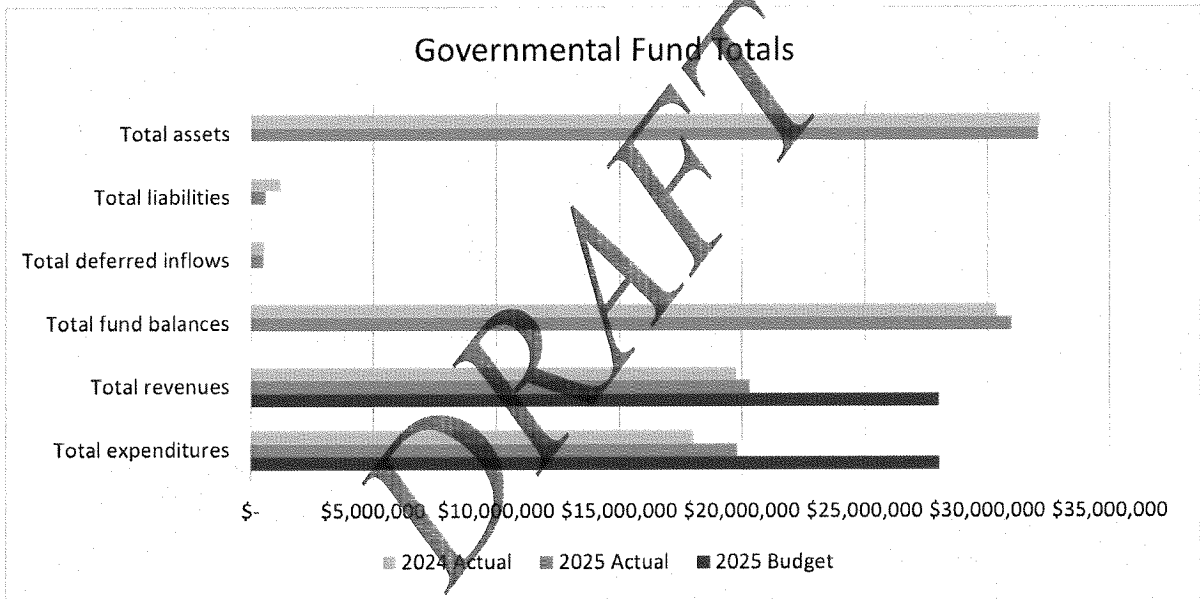
CITY OF ST. MATTHEWS, KENTUCKY

Management's Discussion and Analysis (Unaudited), (continued)

Year Ended June 30, 2025

General fund revenues increased by \$610,290 to \$19,956,775 during this fiscal year which were \$1,860,833 more than the \$18,095,942 that was budgeted, excluding reserves. General fund expenditures increased by \$1,638,887 to \$19,237,671 during this fiscal year which were \$7,953,449 less than the amount budgeted. The municipal road aid fund had a small decrease in revenues of \$47,511 to \$374,764 for this fiscal year which was \$28,136 less than the budgeted revenue amount of \$402,900, excluding reserves. Municipal road aid fund expenses increased by \$142,737 as compared to the prior year, and were also less than the \$844,200 that was budgeted.

Select financial information for the two governmental funds combined is as follows:



Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements and provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Economic Outlook

The City passed a fiscally prudent budget for fiscal year 2026. General fund revenues were budgeted to be \$18,079,175 which is a decrease of just under \$27,000 compared to the amount budgeted for fiscal year 2025. General fund expenditures were budgeted to be \$27,442,402 which is an increase of just over \$250,000 when compared to that same amount in fiscal year 2025. These increased costs stem from in part from increased spending on public safety.

CITY OF ST. MATTHEWS, KENTUCKY

Management's Discussion and Analysis (Unaudited), (continued)

Year Ended June 30, 2025

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, 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 any questions about this report or need additional information, contact the City Clerk's Office at 3940 Grandview Avenue, St. Matthews, Kentucky 40207.

DRAFT

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DRAFT

CITY OF ST. MATTHEWS, KENTUCKY

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 26,791,228
Cash and cash equivalents - restricted	1,143,844
Investments	97,239
Receivables	3,494,314
Leases receivable, net	454,004
Prepaid expenses	104,222
OPEB asset	90,034
Capital assets, net	<u>33,822,489</u>
Total assets	<u>\$ 65,997,374</u>
Deferred Outflows of Resources	
Deferred amount related to pension plan	\$ 2,394,937
Deferred amount related to OPEB	<u>741,216</u>
Total deferred outflows of resources	<u>\$ 3,136,153</u>
Liabilities	
Accounts payable	\$ 282,704
Confiscated funds payable	110,049
Unearned revenue	5,375
Accrued payroll	185,767
Compensated absences	917,825
User deposits	10,850
Pension obligation	11,657,170
OPEB obligation	403,224
Lease liability	<u>304,099</u>
Total liabilities	<u>\$ 13,877,063</u>
Deferred Inflows of Resources	
Deferred amount related to pension plan	\$ 1,503,243
Deferred amount related to OPEB	3,121,269
Deferred amount related to rental income	<u>412,287</u>
Total deferred inflows of resources	<u>\$ 5,036,799</u>
Net Position	
Net investment in capital assets	\$ 33,822,489
Restricted for police	250,070
Restricted for roads	783,725
Unrestricted	<u>15,363,381</u>
Total net position	<u>\$ 50,219,665</u>

See accompanying notes.

CITY OF ST. MATTHEWS, KENTUCKY

Statement of Activities

Year Ended June 30, 2025

	<u>Governmental Activities</u>
Expenses:	
Administration	\$ 1,460,478
Police department	8,713,938
Public works	4,107,769
Recreation	163,746
Information technology	332,055
Streets and roads	156,579
Depreciation and amortization expense	<u>1,841,831</u>
Total expenses	16,776,396
General revenues:	
Property tax	3,906,227
Occupational tax	10,641,686
Insurance tax	2,450,610
Franchise tax	111,478
Business license tax	534,283
Bank deposit tax	253,403
Charges for services	636,556
Intergovernmental revenue	720,834
Insurance refunds	109,997
Interest income	903,205
Gain on disposal of equipment	86,227
Penalties and interest	22,861
Other	<u>70,665</u>
Total general revenues	<u>20,448,032</u>
Change in net position	3,671,636
Net position, beginning of year	<u>46,548,029</u>
Net position, end of year	<u>\$ 50,219,665</u>

DRAFT

See accompanying notes.

FUND FINANCIAL STATEMENTS

DRAFT

CITY OF ST. MATTHEWS, KENTUCKY

Balance Sheet - Governmental Funds

June 30, 2025

	General Fund	Municipal Road Aid Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 26,791,228	\$ -	\$ 26,791,228
Cash and cash equivalents - restricted	360,119	783,725	1,143,844
Investments	97,239	-	97,239
Taxes and intergovernmental receivables	3,494,314	-	3,494,314
Leases receivable	454,004	-	454,004
Prepaid expenses	<u>104,222</u>	<u>-</u>	<u>104,222</u>
Total assets	<u>\$ 31,301,126</u>	<u>\$ 783,725</u>	<u>\$ 32,084,851</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 282,704	\$ -	\$ 282,704
Confiscated funds payable	110,049	-	110,049
Unearned revenue	5,375	-	5,375
Accrued payroll	185,767	-	185,767
User deposits	<u>10,850</u>	<u>-</u>	<u>10,850</u>
Total liabilities	594,745	-	594,745
Deferred inflows of resources:			
Rental income	412,287	-	412,287
Unavailable revenue	<u>96,998</u>	<u>-</u>	<u>96,998</u>
Total deferred inflows of resources	509,285	-	509,285
Fund balances:			
Nonspendable	104,222	-	104,222
Restricted for police	250,070	-	250,070
Restricted for roads	-	783,725	783,725
Assigned	9,363,227	-	9,363,227
Unassigned	<u>20,479,577</u>	<u>-</u>	<u>20,479,577</u>
Total fund balances	<u>30,197,096</u>	<u>783,725</u>	<u>30,980,821</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,301,126</u>	<u>\$ 783,725</u>	<u>\$ 32,084,851</u>

DRAFT

See accompanying notes.

CITY OF ST. MATTHEWS, KENTUCKY

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

June 30, 2025

Total fund balances for governmental funds	\$ 30,980,821
Total net position reported for governmental activities in the statement of net position is different because:	
Certain tax revenues are earned but not available, and therefore, are shown as unavailable revenue in the fund financial statements.	96,998
Capital assets used in governmental activities are not financial resources, and therefore, not reported in the governmental funds.	33,822,489
Long-term liabilities and deferred inflows and outflows of resources related to pensions are not financial resources or current liabilities, and therefore, the net impact of the pension-related liabilities and deferred inflows and outflows of resources are not reported in the governmental funds.	(10,765,476)
Long-term liabilities and assets and deferred inflows and outflows of resources related to OPEB are not financial resources or current liabilities, and therefore, the net impact of the OPEB-related liabilities, assets and deferred inflows and outflows of resources are not reported in the governmental funds.	(2,693,243)
Long-term liabilities applicable to the City's governmental activities are not reported as fund liabilities. Thus, lease liabilities are not reported in the governmental funds.	(304,099)
Compensated absences are not due and payable in the current period, and therefore, are not reported in the governmental funds.	<u>(917,825)</u>
Total net position of governmental activities	<u>\$ 50,219,665</u>

See accompanying notes.

CITY OF ST. MATTHEWS, KENTUCKY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2025

	Actual				Over (Under) Budget
	Total Budget	General Fund	Municipal Road Aid Fund	Total Governmental Funds	
Revenues:					
Property tax	\$ 3,700,000	\$ 3,875,961	\$ -	\$ 3,875,961	\$ 175,961
Occupational tax	9,600,000	10,641,686	-	10,641,686	1,041,686
Charges for services	450,350	636,556	-	636,556	186,206
Franchise tax	135,000	111,478	-	111,478	(23,522)
Insurance tax	2,400,000	2,450,610	-	2,450,610	50,610
Bank deposit tax	275,000	253,403	-	253,403	(21,597)
Intergovernmental revenue	623,492	350,216	370,618	720,834	97,342
License and permits	525,000	534,283	-	534,283	9,283
Insurance refunds	205,000	109,997	-	109,997	(95,003)
Interest income	550,000	900,559	2,646	903,205	353,205
Penalties and interest	-	22,861	-	22,861	22,861
Other	35,000	69,165	1,500	70,665	35,665
Reserve	<u>9,526,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,526,478)</u>
Total revenues	28,025,320	19,956,775	374,764	20,331,539	(7,693,781)
Expenditures:					
Administration	1,421,313	1,498,683	-	1,498,683	77,370
Police department	10,021,322	9,793,506	-	9,793,506	(227,816)
Public works	4,888,467	4,371,060	156,579	4,527,639	(360,828)
Recreation	189,700	163,746	-	163,746	(25,954)
Information technology	497,935	348,295	-	348,295	(149,640)
Capital outlay	<u>11,016,583</u>	<u>3,062,381</u>	<u>413,523</u>	<u>3,475,904</u>	<u>(7,540,679)</u>
Total expenditures	28,035,320	19,237,671	570,102	19,807,773	(8,227,547)
Excess of revenues over expenditures (expenditures over revenues)	(10,000)	719,104	(195,338)	523,766	533,766
Other financing sources:					
Proceeds from sale of equipment	10,000	86,227	-	86,227	76,227
Transfers to (from) other funds	<u>-</u>	<u>273,779</u>	<u>(273,779)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ <u>-</u>	1,079,110	(469,117)	609,993	\$ <u>609,993</u>
Fund balances, beginning of year		<u>29,117,986</u>	<u>1,252,842</u>	<u>30,370,828</u>	
Fund balances, end of year		\$ <u>30,197,096</u>	\$ <u>783,725</u>	\$ <u>30,980,821</u>	

See accompanying notes.

CITY OF ST. MATTHEWS, KENTUCKY

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities**

Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$ 609,993
The change in net position reported for governmental activities in the statement of activities is different because:	
Certain tax revenues will not be collected for several months after the City's fiscal year ends and are not considered available revenues in the fund financial statements. This is the difference between the amount not available in the prior year of \$66,732 and the current year amount of \$96,998.	30,266
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 and reported as depreciation expense. This is the amount by which capital outlays of \$3,475,904 were greater than depreciation of \$1,841,831.	1,634,073
Net difference between pension and OPEB plan contributions of \$1,350,935 reported as expense in governmental funds and the pension and OPEB expense of \$37,245 recorded in the statement of activities.	1,313,690
Governmental funds financial statements report lease payments as an expense. Under government-wide financial statements, lease costs are not expensed but capitalized and amortized over the term of the lease obligation.	122,708
Changes in the compensated absences accrual are expenses in the statement of activities and do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. This is the amount by which the compensated absences accrued in the prior year of \$878,731 increased to the current year balance of \$917,825.	<u>(39,094)</u>
Change in net position of governmental activities	<u>\$ 3,671,636</u>

See accompanying notes.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements

1. Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

The City of St. Matthews, Kentucky (the City) is a home-rule city with a population in excess of 17,000 located in Jefferson County, Kentucky. It operates under an elected mayor-council form of government. The City provides the following services authorized by its charter: police, sanitation, street maintenance, and recreation and community development. Primary revenue sources are property taxes, occupational taxes, insurance taxes, business licenses, and municipal road aid.

All significant activities and organizations on which the City exercises oversight responsibility have been included in the City's financial statements for the year ended June 30, 2025. The following criteria regarding manifestation of oversight were considered by the City in its evaluation of City organizations and activities:

Financial interdependency - The City is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the City.

Election of the government authority - The locally elected City Council is exclusively responsible for all public decisions and accountable for the decisions it makes.

Ability to significantly influence operations - The City Council has the statutory authority under the provisions of the Kentucky Revised Statutes to significantly influence operations. This authority includes, but is not limited to, adoption of the budget, control over all assets, including facilities and properties, short-term borrowing, signing contracts, and developing the programs to be provided.

Accountability of fiscal matters - The responsibility and accountability over all funds is vested in the City management.

After consideration of the above criteria, no additional entities are deemed to be component units of the City.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP) requires City management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Government-Wide Financial Statements

The City has presented a statement of net position and a statement of activities for the City as a whole. These statements include the primary government and its component units, if applicable. Government-wide accounting is designed to provide a more comprehensive view of the City's operations and financial position as a single economic entity.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Government-Wide Financial Statements, continued

Government-wide financial statements distinguish between governmental-type and business-type activities. Governmental-type activities are those financed through property taxes, intergovernmental revenues, municipal aid, and other non-exchange revenues and are usually reported in governmental and internal service funds. The City has no business-type activities.

Policies specific to the government-wide financial statements are as follows:

Capital Assets – Tangible assets used in operations with an initial useful life that extends beyond one year with a value greater than \$5,000 are capitalized. Capital assets, including infrastructure, are recorded at their historical cost or estimated historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position. The City capitalizes general infrastructure assets acquired on or after July 1, 2003.

Capital assets, including land, buildings, improvements, infrastructure, and equipment, are reported in the governmental activities column in the government-wide financial statements. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are expensed as incurred.

All capital assets are depreciated using the straight-line depreciation method over the following estimated useful lives:

Buildings and improvements	20-40 years
Equipment	5-15 years
Infrastructure	25 years
Recreation areas	25 years
Vehicles	5 years

Pensions and Other Post-Employment Benefits (OPEB) – The City participates in the County Employees Retirement System (CERS) administered by the board of trustees of the CERS. This is a cost-sharing, multiple employer defined benefit pension and OPEB plan, which covers all eligible full-time employees and provides for retirement, disability, health insurance and death benefits to plan members.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Government-Wide Financial Statements, continued

Cost-sharing governmental employers, such as the City, are required to report a net pension and OPEB liability or asset, pension and OPEB expense and pension and OPEB related deferred inflows of resources and deferred outflows of resources, based on their proportionate share of the collective amounts for all governments in the plan. For purposes of measuring the net pension and OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of CERS and additions to or deductions from CERS' fiduciary net position have been determined on the same basis as they are reported by CERS. The CERS financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

All governments participating in the defined benefit pension plan also are required to disclose various information in the footnotes to the financial statements – see Note 10.

Fund Financial Statements

The City uses funds to report on its financial position and the result of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Funds of the City are classified as governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds – Governmental funds account for all or most of the City's general activities, including the collection of legally restricted monies, administrative expenses, and the acquisition or construction of capital assets. Governmental funds include:

General Fund – The general operating fund of the City accounts for all financial resources, except those required to be accounted for in other funds.

Municipal Road Aid Fund – Repairs and improvements to the City's road system are conducted through the Municipal Road Aid Fund.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Measurement Focus and Basis of Accounting

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, regardless of the timing of related 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. Capital assets are reported and depreciated.

Governmental 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except pension and OPEB liabilities are accounted for as expenditures in the period when contributions are made. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgetary Accounting

The budget information reflected in the financial statements is the annual budget adopted by the City in accordance with the provisions of Commonwealth of Kentucky law. The budget is prepared on a basis consistent with GAAP.

Adoption of New Accounting Standard

Effective July 1, 2024, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB 101). The statement requires the City to recognize liabilities for compensated absences for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability is recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means.

The adoption of this new standard did not have a significant impact on the financial statements and did not result in an adjustment to the opening balance of net position.

Cash and Cash Equivalents

Cash and cash equivalents include cash on-hand and highly liquid investments with an original maturity of three months or less from the date of acquisition.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents - Restricted

The City had restricted cash and cash equivalents as of June 30, 2025, that relate primarily to funds and highly liquid assets confiscated in the normal course of business by the police department, and as such are restricted for use by that department, as well as funds in the municipal road aid fund whose use is restricted to road maintenance and repairs.

Receivables

Receivables consists of revenue earned but not yet received for property taxes, insurance taxes and occupational taxes. Nonexchange transactions that are collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. The City considers all receivables to be fully collectible; therefore an allowance for doubtful accounts is not necessary.

Leases

Leases are contracts that convey control of a right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction.

Short-term Leases

For leases with a maximum term of 12-months or less at the commencement date of the lease, the City recognizes rental income or expense as amounts become due under the lease agreement.

The City as Lessee

Lease liabilities on the statement of net position represent the present value of payments expected to be made during the lease term. Lease payments are discounted to present value using the rate implicit in the lease, when it can be readily determined, or the City's incremental borrowing rate at the commencement of the lease. In subsequent years, amortization of the discount is included in interest expense in the statement of activities.

Variable payments based on future performance of the City, usage of the underlying asset or criteria other than an index or rate are not included in the measurement of the lease liability. Those variable payments are recognized as lease expense in the period in which the obligation for those payments is incurred.

At commencement of the lease, a right to use asset is recorded on the statement of net position in an amount equal to the corresponding lease liability plus lease payments paid by the City at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term. The right to use asset also includes any initial direct costs that are necessary to place the leased asset into service. The right to use asset is amortized over the shorter of the lease term or the useful life of the right to use asset.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Leases, continued

Subsequent to the commencement of the lease, the lease liability and right to use asset are remeasured if certain criteria are met. Subsequent lease payments are recognized as expenditures when they become due under the lease agreement.

The City as Lessor

The City, as a lessor, has lease agreements involving a baseball facility and other buildings with maturity dates through August 2069 (see Note 9).

Leases receivable represent the present value of payments expected to be received during the lease term, reduced by a provision for estimated uncollectible amounts, if necessary. Lease payments are discounted to present value using the rate implicit in the lease. In subsequent years, amortization of the discount is recognized as interest income and included within rental income.

Variable payments based on the future performance of the lessee, usage of the underlying asset or criteria other than an index or rate are not included in the measurement of the leases receivable. Those variable payments are recognized as rental income in the period to which those payments relate.

At commencement of the lease, a deferred inflow of resources is recorded in an amount equal to the corresponding leases receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflow of resources is recognized as rental income in a systematic and rational manner (generally, straight-line approach) over the term of the lease.

Subsequent to the commencement of the lease, the leases receivable and the deferred inflow of resources are remeasured if certain criteria are met.

Investments

Investments are stated at fair market value. Realized and unrealized gains and losses are reflected in the statement of activities and the statement of revenues, expenditures, and changes in fund balances – governmental funds. Investments in certificates of deposit are stated at cost plus accrued interest, which approximates fair value.

Net Position/Fund Balances

In the statement of net position, the components of net position are as follows:

Net Investment in Capital Assets – This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowing attributable to the acquisition, construction, or improvement of capital assets.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Net Position/Fund Balances, continued

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City had restricted funds of \$250,070 for utilization by police and \$783,725 for road improvements as of June 30, 2025.

Unrestricted – This category represents net position not appropriated for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balance is divided into the following classifications, as applicable:

Nonspendable – These resources include amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City's nonspendable funds as of June 30, 2025 consisted of \$104,222 of prepaid expenses.

Restricted – Amounts constrained for a specific purpose by external parties, constitutional provisions or enabling legislation. The City had restricted funds of \$250,070 for utilization by police and \$783,725 for road improvements as of June 30, 2025.

Committed – Amounts constrained for a specific purpose by the City using its highest level of decision-making authority. For resources to be considered committed, the City Council issues an ordinance that can only be changed with another corresponding ordinance. The City had no committed funds as of June 30, 2025.

Assigned – Amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the City Council or by a City official given authority to assign amounts. The City had \$9,363,227 of assigned funds as of June 30, 2025.

Unassigned – Amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

It is the policy of the City to spend restricted funds first when both restricted and unrestricted are available. Once restricted funds are spent then committed, assigned and unassigned funds are spent in that order.

Accounts Payable

Accounts payable consists of trade payables to vendors who provide goods and services to the City.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Confiscated Fund Payable

Confiscated fund payables relate to obligations to remit funds confiscated in the normal course of business by the police department.

Compensated Absences

Compensated absences includes accumulated unpaid leave benefits. City employees are granted leave benefits in varying amounts in accordance with administrative policy.

The City allows regular employees and officers to accumulate up to 160 hours and 180 hours of vacation time, respectively, and up to 1,920 hours of sick leave. Upon termination, the City will pay out compensation for unused vacation at a rate of 100% of the employees' respective base pay and unused sick leave at a rate of 50% of the employees' respective base pay.

All accumulated leave benefits are accrued when incurred in the government-wide financial statements. In governmental funds, compensated absences are not payable with available and spendable resources, therefore, they are only recorded when they have matured, for example, as a result of employee resignations and retirements, or when employees have taken vacation or sick time.

A summary of the City's compensated absences activity is as follows:

	<u>June 30, 2024</u>	<u>Net Increases</u>	<u>June 30, 2025</u>
Compensated absences	\$ 878,731	\$ 39,094	\$ 917,825

Subsequent Events

Management has evaluated subsequent events for accounting and disclosure requirements through December XX, 2025, the date that the financial statements were available to be issued.

2. Deposits and Investments

Deposits

The City maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by Kentucky Revised Statutes (KRS) 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Consistent with the City's deposit policy, as of June 30, 2025 all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

2. Deposits and Investments, continued

Investments

At June 30, 2025, the City's investment balance was as follows:

	Maturity	Fair Value
Certificates of deposit:		
Interest rate of 4.1839%	July 2, 2025 and extended to February 2, 2026	\$ 97,239

Interest Rate Risk – The City does not have a formal written investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changes in interest rates.

Credit Risk – Commonwealth of Kentucky law under KRS 66.480, limits investments to obligations of the United States Government, obligations backed by the full faith and credit of the United States Government, obligations of any corporation or agency of the United States Government, certificates of deposits, commercial paper, bonds or securities issued by a state or local government, and shares of mutual funds. The City has no written investment policy that would further limit its investment choices as they are defined in KRS 66.480.

Concentration of Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty or bank, the City will not be able to recover the value of its investments held in the possession of an outside party. As of June 30, 2025, all investments were covered by FDIC insurance or a properly executed collateral security agreement.

3. Receivables

Receivables at June 30, 2025 consisted of the following:

Property tax	\$	101,941
Occupational tax		2,704,494
Insurance tax		634,881
KLEFPF (police incentive)		20,628
KY SRO		32,370
Total receivables	\$	3,494,314

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

4. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 9,300,315	\$ -	\$ -	\$ 9,300,315
Construction in progress	<u>1,271,232</u>	<u>2,461,131</u>	<u>(2,315,557)</u>	<u>1,416,806</u>
Total capital assets not being depreciated	10,571,547	2,461,131	(2,315,557)	10,717,121
Capital assets being depreciated:				
Buildings and improvements	18,723,904	5,696	-	18,729,600
Recreation fields and parks	5,876,319	2,039,860	-	7,916,179
Infrastructure	9,286,500	478,279	-	9,764,779
Vehicles	2,882,740	333,169	(346,246)	2,869,663
Equipment	<u>1,520,434</u>	<u>473,328</u>	<u>-</u>	<u>1,993,762</u>
Total, at historical cost	38,289,897	3,330,332	(346,246)	41,273,983
Less accumulated depreciation				
Buildings and improvements	(6,005,933)	(513,668)	-	(6,519,601)
Recreation fields and parks	(2,428,035)	(229,961)	-	(2,657,996)
Infrastructure	(5,455,037)	(597,499)	-	(6,052,536)
Vehicles	(2,246,958)	(228,133)	346,246	(2,128,845)
Equipment	<u>(929,734)</u>	<u>(144,014)</u>	<u>-</u>	<u>(1,073,748)</u>
Total accumulated depreciation	<u>(17,065,697)</u>	<u>(1,713,275)</u>	<u>346,246</u>	<u>(18,432,726)</u>
Net capital assets being depreciated	21,224,200	1,617,057	-	22,841,257
Leased assets, being amortized:				
Right of use assets - vehicles	581,811	-	-	581,811
Less: accumulated amortization	<u>(189,144)</u>	<u>(128,556)</u>	<u>-</u>	<u>(317,700)</u>
Net leased assets, being amortized	<u>392,667</u>	<u>(128,556)</u>	<u>-</u>	<u>264,111</u>
Capital assets, net	\$ <u>32,188,414</u>	\$ <u>3,949,632</u>	\$ <u>(2,315,557)</u>	\$ <u>33,822,489</u>

5. Property Taxes

Property taxes are levied in November of each year based upon the taxable value as of January 1 for all real property located within the City. Taxable values are assessed periodically by the Property Valuation Administrator (PVA) of Jefferson County, Kentucky who is required by Commonwealth of Kentucky law to maintain total assessments at approximately 100% of fair market value.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

5. Property Taxes, continued

As of January 1, 2024, the taxable value of real and certain personal property, as assessed by the PVA, was \$3,220,166,240. The City currently levies a property tax rate of \$0.20 per \$100 of the taxable value of real property and certain personal property, as determined by the PVA. Property tax payments are due by January 1 of each year. After January 1, a penalty of 10% is added, plus interest at 1.5% per month compounded monthly, or a flat \$10 in the event the penalty and interest is less than that amount. Delinquent tax collections shall incur minimum legal costs of \$150 for lien filing and release. If there are additional costs for collection, the collection fees will be charged at a rate of \$150 per hour. Taxpayers receive a 40% discount if property taxes are paid by October 31. Property tax revenues, after applicable discounts, were \$3,906,227 for the year ended June 30, 2025.

6. Occupational Tax

The City imposes a tax of 0.75 percent of wages on persons who work within the City in any business, profession, trade, or occupation. Such amounts are to be withheld from the employee's wages and remitted quarterly with a completed payroll tax return detailing total wages and tax withholdings.

7. Insurance Tax

The City receives insurance fee income based on the number of insurance policies held by residents of the City and based on the size of the associated premiums paid.

8. Conduit Debt Obligations

The City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public's interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

Neither the City, the State of Kentucky, nor any political subdivision there-of is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

In November 2005, the City Council approved a bond not to exceed \$2,300,000 for the St. Matthews Episcopal Church to finance and refinance the costs of acquisition, construction and equipping of a multi-purpose facility and commercial grade kitchen, and equipment to make the structure handicapped accessible, including an elevator, within the City limits.

In December 2005, the City Council approved a bond not to exceed \$11,000,000 for Baptist Healthcare System, Inc. to finance the costs of constructing and acquiring certain hospital and related health care properties within the City limits.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

8. Conduit Debt Obligations, continued

In March 2018, the City Council approved a bond not to exceed \$1,300,000 for the Walden School Corporation to finance the costs of constructing, equipping, expansion, and installation of a new library and to refinance certain education building revenue improvement bonds within the City limits.

The City does not have a system in place to track the outstanding balance of these bonds.

9. Lease Arrangements

The City as Lessor

During the fiscal year ended June 30, 2005, the City entered into an agreement to lease office space in a building it owns to a third party. The initial term of the lease is 6 years with six additional 3 year options. Rent payments began on January 1, 2005. The agreement requires annual rent payments of \$54,500 during the initial 6 year period. Should the options be exercised to extend the lease beyond the original 6 year term the rent shall be as follows:

Option 1	\$54,500
Option 2	\$54,500
Option 3	\$59,500
Option 4	\$64,500
Option 5	\$64,500
Option 6	\$69,500

Under the terms of the lease, the City is obligated to maintain the common areas including landscaping and parking lot maintenance. After the initial six year period, should the lessee require additional adjacent space of not less than 1,000 square feet and the City is unable to provide it, the lessee has the option to terminate the lease anytime thereafter with six months prior written notice.

Effective January 1, 2023, the tenant exercised the fifth of its six options to renew the lease for another 3 year period. Total rent received in this fiscal year under this agreement was \$64,500. In determining the amount of lease receivable, the City has considered all renewal periods because it is probable that the lessee will renew the lease.

During the fiscal year ended June 30, 2019, the City entered into an agreement to lease a baseball facility to a third party. The term of the lease is 50 years and shall terminate in August 2069. Lease payments from the third party began on January 1, 2019. The agreement requires annual lease payments of \$10,000 plus an additional \$3,000 annually for maintenance during the lease period.

During the year ended June 30, 2025, the City recognized \$121,097 in rental income including \$24,626 in interest income related to these leases. The leases receivable and deferred inflow of resources related to rental income were \$454,004 and \$412,287, respectively, at June 30, 2025.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

9. Lease Arrangements, continued

The City as Lessee

The City, as a lessee, has entered into various lease agreements involving vehicles. The maturity of each of these leases range between two to three years and the monthly payments range between \$622 to \$1,088.

The future payments under lease agreements are as follows for the years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 137,918	\$ 27,814	\$ 165,732
2027	136,395	11,509	147,904
2028	<u>29,786</u>	<u>972</u>	<u>30,758</u>
	<u>\$ 304,099</u>	<u>\$ 40,295</u>	<u>\$ 344,394</u>

The following is a summary of changes in lease liabilities for the year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease liability	\$ 426,807	\$ -	\$ (122,708)	\$ 304,099	\$ 137,918

10. Retirement Plan

CERS Plan

CERS is governed by a 9-member board of trustees. Another 9-member board of trustees called the Kentucky Retirement Systems oversees the Kentucky Employees Retirement Systems (KERS) and the State Police Retirement System (SPRS). The administrative entity comprising the office of counselors and professional staff is the Kentucky Public Pensions Authority (KPPA). It is governed by a third 8-member board composed of trustees from CERS and the Kentucky Retirement Systems. CERS is a cost-sharing, multiple employer defined benefit pension and OPEB plan. The City has elected to participate in CERS pursuant to KRS Section 78.530. The boards of trustees of the Kentucky Retirement Systems and CERS administer the Kentucky Retirement Systems Insurance Trust Fund (the Insurance Fund). The statutes provide for a single insurance fund to provide group hospital and medical benefits to retirees drawing a benefit from the three pension funds: (1) KERS; (2) CERS; and (3) SPRS.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

CERS Plan, continued

Plan description and benefits provided – The CERS Pension Fund and the Insurance Fund cover all eligible full-time employees and provide retirement, disability and death benefits, and health insurance benefits. Benefit contributions and provisions are actuarially determined, per KRS Section 78.454(33), each year. CERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the KPPA, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, by visiting the website of www.kyret.ky.gov or by calling (502) 696-8800.

Non-hazardous employees can retire with full retirement benefits after 27 years of service or age 65. Non-hazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit. Retirement benefits are determined based upon a maximum of 2.2 percent of the employee's years of service multiplied by their Final Compensation. Final Compensation is calculated based upon the average of the five highest fiscal years (or last five fiscal years for employees who begin participation on or after September 1, 2008) of salary prior to attainment of the CERS specified age (or age and service combinations).

Hazardous employees can retire with full retirement benefits after 20 years of service or age 55. Hazardous employees who begin participation on or after September 1, 2008 must have 25 years of service or the member is age 60, with a minimum of 60 months of service credit. Retirement benefits are determined based upon a maximum of 2.5 percent of the employee's years of service multiplied by their Final Compensation. Final Compensation is calculated based upon the average of the three highest fiscal years of salary prior to attainment of the CERS specified age (or age and service combinations).

CERS allows non-hazardous and hazardous employees to retire prior to meeting the requirements above and receive partial benefits, providing they meet certain age and service related criteria.

Employees are eligible for service-related disability benefits regardless of length of service. Five years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits equal the employee's final full-year salary.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

CERS Plan, continued

CERS also provides post-retirement health care coverage as follows:

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

<u>Years of service</u>	<u>% Paid by Insurance</u>	
	<u>Fund</u>	<u>% Paid by Member</u>
20 or more	100%	0%
15 - 19	75%	25%
14 - 10	50%	50%
4 - 9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Hazardous employees whose participation began on or after July 1, 2003, earn fifteen dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, such employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Contributions – Benefit and contribution rates are established by state statute. Non-hazardous covered employees are required to contribute 5.00% of their salary to the plan. Non-hazardous covered employees who began participation on or after September 1, 2008, are required to contribute 6.00% of their salary to be allocated as follows: 5.00% will go to the member's account and 1.00% will go to the Insurance Fund. The City's contribution rate for non-hazardous employees was 19.71%, 23.34%, and 26.79% for the years ended June 30, 2025, 2024 and 2023, respectively.

Hazardous covered employees are required to contribute 8.00% of their salary to the plan. Hazardous covered employees who began participation on or after September 1, 2008, are required to contribute 9.00% of their salary to be allocated as follows: 8.00% to the member's account and 1.00% to the Insurance Fund. The City's contribution rate for hazardous employees was 38.61%, 43.69%, and 49.59% for the years ended June 30, 2025, 2024 and 2023, respectively.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

CERS Plan, continued

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute 5% (non-hazardous) and 8% (hazardous) of their creditable compensation each month to their own account, and 1% to the Insurance Fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the board of trustees of the Kentucky Retirement Systems and CERS based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (non-hazardous) and 7.5% (hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

Pension Plan

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2025, the City reported a liability of \$11,657,170 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's actual contributions to the pension plan relative to the actual contributions of all participating organizations.

The complete actuarial valuation report including all actuarial assumptions and methods is publicly available on the website at www.kyret.ky.gov or can be obtained as described previously.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

Pension Plan, continued

For the year ended June 30, 2025, the City recognized pension expense of \$697,448. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:		
Hazardous	\$ -	\$ 456,200
Non-hazardous	-	199,937
Difference between expected and actual experience:		
Hazardous	555,392	-
Non-hazardous	150,515	-
Change of assumptions:		
Hazardous	-	482,404
Non-hazardous	-	140,497
Change in proportion and differences between employer contributions and proportionate share of contributions:		
Hazardous	383,226	64,595
Non-hazardous	-	159,610
City's contributions subsequent to the measurement date:		
Hazardous	968,615	-
Non-hazardous	337,189	-
Total	\$ 2,394,937	\$ 1,503,243

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

Pension Plan, continued

The deferred outflows of resources related to the City's contributions to the CERS pension plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The deferred inflows of resources related to the net difference between projected and actual earnings on pension plan investments are amortized and recognized in pension expense over five years. All other amounts reported as deferred inflows and outflows of resources related to pensions are amortized and recognized in pension expense over the average expected remaining service life of the entire plan membership, which is 2.63 years for non-hazardous employees and 4.09 years for hazardous employees. The net increase (decrease) in pension expense related to the amortization of these deferred inflows and outflows of resources is as follows:

Year ending June 30:	
2026	\$ (313,605)
2027	183,302
2028	(146,643)
2029	<u>(137,164)</u>
Total	\$ <u>(414,110)</u>

Actuarial assumptions – For financial reporting, the actuarial valuation as of June 30, 2024 was performed by Gabriel Roeder Smith & Company (GRS). The total pension liability, net pension liability, and sensitivity information as of June 30, 2024 were based on an actuarial valuation date of June 30, 2023. The total pension liability was rolled-forward from the valuation date (June 30, 2023) to the plan's fiscal year ended June 30, 2024 using generally accepted actuarial principles.

The actuarial assumptions for CERS are:

Inflation	2.50%
Payroll growth rate	2.00%
Salary increases	3.30% to 10.30%, varies by service for CERS non-hazardous 3.55% to 19.05%, varies by service for CERS hazardous
Investment rate of return	6.50%

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

Pension Plan, continued

The mortality table used for active members was a PUB-2010 General Mortality table, for the non-hazardous plan participants, and the PUB-2010 Public Safety Mortality table for the hazardous plan participants, projected with the ultimate rates from the MP-2020 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.

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class for CERS are summarized as follows:

	Target Allocation	Long-Term Expected Real Rate of Return
Asset Class:		
Growth:		
Public Equity	50.00 %	4.15%
Private Equity	10.00 %	9.10%
Fixed Income:		
Core Fixed Income	10.00 %	2.85%
Specialty Credit	10.00 %	3.82%
Cash	0.00 %	1.70%
Inflation Protected:		
Real Estate	7.00 %	4.90%
Real Return	13.00 %	5.35%
Total	100.00 %	

Discount rate – The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumes that contributions from plan members and employers will be made at the required contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payment of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

Pension Plan, continued

Sensitivity of the City's 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 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 or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's share of the net pension liability	\$15,012,886	\$11,657,170	\$ 8,905,460

OPEB Plan

OPEB Liabilities and Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2025, the City reported an asset of \$90,034 for its proportionate share of the net OPEB asset for the CERS non-hazardous plan and a liability of \$403,224 for its proportionate share of the net OPEB liability for the CERS hazardous plan. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on the City's actual contributions to the OPEB plan relative to the actual contributions of all participating organizations.

The complete actuarial valuation report including all actuarial assumptions and methods is publicly available on the website at www.kyret.ky.gov or can be obtained as described previously.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

OPEB, continued

For the year ended June 30, 2025, the City recognized an offset to OPEB expense of \$632,303. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments:		
Hazardous	\$ -	\$ 253,381
Non-hazardous	-	82,161
Difference between expected and actual experience:		
Hazardous	109,191	1,475,893
Non-hazardous	49,950	708,394
Change of assumptions:		
Hazardous	273,503	354,863
Non-hazardous	81,582	63,529
Change in proportion and differences between employer contributions and proportionate share of contributions:		
Hazardous	144,777	103,521
Non-hazardous	7,078	79,527
City's contributions subsequent to the measurement date:		
Hazardous	50,729	-
Non-hazardous	24,406	-
Total	\$ 741,216	\$ 3,121,269

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

OPEB, continued

The deferred outflows of resources related to the City's contributions to the OPEB plan subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. The deferred inflows of resources related to the net difference between projected and actual earnings on OPEB plan investments are amortized and recognized in OPEB expense over five years. All other amounts reported as deferred outflows of resources and deferred inflows of resources are amortized and recognized in OPEB expense over the average of the expected remaining service life of all employees that are provided OPEB through the OPEB plan which is 5.70 years for hazardous employees and 4.60 years for non-hazardous employees. The net decrease in OPEB expense for future years related to the amortization of deferred inflows and outflows of resources is as follows:

Year ending June 30:		
2026	\$	(824,524)
2027		(614,139)
2028		(706,551)
2029		(337,412)
2030		<u>27,438</u>
Total	\$	<u>(2,455,188)</u>

Actuarial assumptions – For financial reporting the actuarial valuation as of June 30, 2024 was performed by GRS. The total OPEB liability and asset, net OPEB liability, and sensitivity information as of June 30, 2024 were based on an actuarial valuation date of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date (June 30, 2023) to the plan's fiscal year ending June 30, 2024, using generally accepted actuarial principles.

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 the plans' anticipated long-term healthcare cost increases. In general, the updated assumption is assuming higher future increases in healthcare costs. There were no other material assumption changes.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

OPEB, continued

The actuarial assumptions for CERS are:

Inflation	2.50%
Payroll growth rate	2.00%
Salary increase	3.30% to 10.30%, varies by service for CERS non-hazardous 3.55% to 19.05%, varies by service for CERS hazardous
Investment rate of return	6.50%
Healthcare trend rates:	
Pre – 65	Initial trend starting at 7.10% in January 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.
Post – 65	Initial trend starting at 8.00% in January 2026, then gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.
Mortality:	
Pre-retirement	PUB-2010 General Mortality table for the non-hazardous plan participants and the PUB-2010 Public Safety Mortality table for the hazardous plan participants, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Post-retirement (non-disabled)	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 of 2010.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

OPEB, continued

Discount Rate – The discount rate used to calculate the total OPEB liability increased from 5.93% to 5.99% for the non-hazardous fund and from 5.97% to 6.02% for the hazardous fund. The projection of cash flows used to determine the discount rate of 5.99% for non-hazardous and 6.02% for hazardous assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 25 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.50%, and a municipal bond rate of 3.97%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2024. However, the cost associated with the implicit employer subsidy was not included in the calculation of the KPPA’s actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of KPPA’s trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the pension section above.

Sensitivity of the City’s proportionate share of the net OPEB liability or asset to changes in the discount rate – The following presents the City’s proportionate share of the net OPEB liability, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's share of the net OPEB liability (asset)	\$ 1,236,061	\$ 313,190	\$ (459,129)

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
City's share of the net OPEB liability (asset)	\$ (279,120)	\$ 313,190	\$ 1,004,983

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Financial Statements, continued

10. Retirement Plan, continued

Deferred Compensation Plans

The City's employees may elect to participate in two deferred compensation plans offered by the Kentucky Public Employees Deferred Compensation Authority under sections 401(k) and 457 of the Internal Revenue Code. Under the plans, employees may defer up to 100% of their compensation after deducting required contributions to the CERS plan. The City does not make matching contributions to these plans.

11. Litigation

The City is involved in various legal proceedings incidental to the normal course of business. City management is of the opinion, based upon the advice of general counsel, that although the outcome of such litigation cannot be forecast with certainty, final disposition should not have a material effect on the financial position of the City.

12. Recent Accounting Pronouncements

In April 2024, the GASB issued Statement No. 103 *Financial Reporting Model Improvements* which focuses on improving key components of the financial reporting model to enhance its effectiveness in providing information and assessing the government's accountability. This statement addresses requirements relating to Management's Discussion and Analysis, unusual or infrequent items, major component unit information, and the presentation of proprietary fund statement of revenues, expenses, and changes in fund net position. In addition, the statement requires that budgetary comparison information be presented as Required Supplementary Information. This statement becomes effective for the fiscal year ending June 30, 2026. The City is evaluating the impact of this statement on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

CITY OF ST. MATTHEWS, KENTUCKY
Schedule of the City's Proportionate Share of the Net Pension Liability
County Employees Retirement System
For the Years Ended June 30 for the Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's proportionate percentage of the net pension liability:					
Hazardous	0.33 %	0.33 %	0.31 %	0.30 %	0.33 %
Non-hazardous	0.05 %	0.05 %	0.06 %	0.06 %	0.06 %
City's proportionate share of the net pension liability	\$11,657,170	\$12,341,565	\$13,708,869	\$11,657,719	\$14,118,066
City's covered-employee payroll*	\$ 4,106,599	\$ 3,886,133	\$ 3,618,520	\$ 3,281,221	\$ 3,333,238
City's proportionate share of the net pension liability as a percentage of its covered payroll	283.86 %	317.58 %	378.85 %	355.29 %	423.55 %
Plan fiduciary net position as a percentage of the total pension liability					
Hazardous	57.05 %	52.96 %	47.11 %	52.26 %	44.11 %
Non-hazardous	61.61 %	57.48 %	52.45 %	57.33 %	47.81 %
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportionate percentage of the net pension liability:					
Hazardous	0.35 %	0.36 %	0.36 %	0.39 %	0.41 %
Non-hazardous	0.05 %	0.06 %	0.06 %	0.06 %	0.06 %
City's proportionate share of the net pension liability	\$13,566,751	\$12,213,113	\$12,072,238	\$ 9,871,530	\$ 8,926,670
City's covered-employee payroll*	\$ 4,213,116	\$ 4,250,354	\$ 4,302,815	\$ 4,209,322	\$ 4,029,936
City's proportionate share of the net pension liability as a percentage of its covered payroll	322.01 %	287.34 %	280.57 %	234.52 %	221.54 %
Plan fiduciary net position as a percentage of the total pension liability					
Hazardous	46.63 %	49.26 %	49.78 %	53.95 %	57.52 %
Non-hazardous	50.45 %	53.54 %	53.32 %	55.50 %	59.97 %

*The amounts presented for each fiscal year were determined as of the measurement date of the net pension liability, which is as of the City's prior fiscal year end.

See *Independent Auditor's Report and Notes to the Supplementary Information.*

CITY OF ST. MATTHEWS, KENTUCKY
Schedule of City Contributions - Pension
County Employees Retirement System
For the Years Ended June 30 for the Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 1,305,804	\$ 1,398,904	\$ 1,356,880	\$ 1,026,343	\$ 825,629
Contributions in relation to the contractually required contribution	<u>1,305,804</u>	<u>1,398,904</u>	<u>1,356,880</u>	<u>1,026,343</u>	<u>825,629</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 4,365,217	\$ 4,106,599	\$ 3,886,133	\$ 3,618,520	\$ 3,281,221
Contributions as a percentage of covered employee payroll	29.91 %	34.06 %	34.92 %	28.36 %	25.16 %
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 848,295	\$ 926,208	\$ 830,637	\$ 823,193	\$ 740,760
Contributions in relation to the contractually required contribution	<u>848,295</u>	<u>926,208</u>	<u>830,637</u>	<u>823,193</u>	<u>740,760</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 3,333,238	\$ 4,213,116	\$ 4,250,354	\$ 4,302,815	\$ 4,209,322
Contributions as a percentage of covered employee payroll	25.45 %	21.98 %	19.54 %	19.13 %	17.60 %

See Independent Auditor's Report and Notes to the Supplementary Information.

CITY OF ST. MATTHEWS, KENTUCKY
Schedule of the City's Proportionate Share of the Net OPEB Liability
County Employees Retirement System
For the Years Ended June 30 for the Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's proportionate percentage of the net OPEB liability:					
Hazardous	0.33 %	0.33 %	0.31 %	0.30 %	0.33 %
Non-hazardous	0.05 %	0.05 %	0.06 %	0.06 %	0.06 %
City's proportionate share of the net OPEB liability	\$ 313,190	\$ 374,451	\$ 3,799,993	\$ 3,527,666	\$ 4,361,479
City's covered-employee payroll*	\$ 4,106,599	\$ 3,886,133	\$ 3,618,520	\$ 3,281,221	\$ 3,333,238
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	7.63 %	9.64 %	105.02 %	107.51 %	130.85 %
Plan fiduciary net position as a percentage of the total OPEB liability					
Hazardous	93.53 %	92.27 %	64.13 %	66.81 %	58.84 %
Non-hazardous	104.89 %	104.23 %	60.95 %	62.91 %	51.67 %
	<u>2020</u>	<u>2019</u>	<u>2018</u>		
City's proportionate percentage of the net OPEB liability:					
Hazardous	0.35 %	0.36 %	0.39 %		
Non-hazardous	0.05 %	0.06 %	0.06 %		
City's proportionate share of the net OPEB liability	\$ 3,524,219	\$ 3,589,101	\$ 4,373,725		
City's covered-employee payroll*	\$ 4,213,116	\$ 4,250,354	\$ 4,302,815		
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	83.65 %	84.44 %	101.65 %		
Plan fiduciary net position as a percentage of the total OPEB liability					
Hazardous	64.44 %	64.24 %	58.99 %		
Non-hazardous	60.44 %	57.62 %	52.39 %		

*The amounts presented for each fiscal year were determined as of the measurement date of the net OPEB liability, which is as of the City's prior fiscal year end.

See Independent Auditor's Report and Notes to the Supplementary Information.

CITY OF ST. MATTHEWS, KENTUCKY
Schedule of City OPEB Contributions
County Employees Retirement System
For the Years Ended June 30 for the Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 56,275	\$ 63,945	\$ 209,901	\$ 305,354	\$ 240,485
Contributions in relation to the contractually required contribution	<u>56,275</u>	<u>63,945</u>	<u>209,901</u>	<u>305,354</u>	<u>240,485</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 4,365,217	\$ 4,106,599	\$ 3,886,133	\$ 3,618,520	\$ 3,281,221
Contributions as a percentage of covered employee payroll	1.29 %	1.56 %	5.40 %	8.44 %	7.33 %
	<u>2020</u>	<u>2019</u>	<u>2018</u>		
Contractually required contribution	\$ 249,341	\$ 367,877	\$ 329,381		
Contributions in relation to the contractually required contribution	<u>249,341</u>	<u>367,877</u>	<u>329,381</u>		
Contribution deficiency (excess)	\$ -	\$ -	\$ -		
City's covered-employee payroll	\$ 3,333,238	\$ 4,213,116	\$ 4,250,354		
Contributions as a percentage of covered employee payroll	7.48 %	8.73 %	7.75 %		

See Independent Auditor's Report and Notes to the Supplementary Information.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Required Supplementary Information

1. The OPEB supplemental schedules are intended to show information for ten years. Additional years will be displayed as they become available.
2. The following summarizes key changes in assumptions and benefit terms from year to year.

2025 (CERS plan year ended June 30, 2024): The discount rate used to calculate the total OPEB liability increased from 5.93% to 5.99% for the nonhazardous plan and from 5.97% to 6.02% for the hazardous plan. The healthcare trend rates changed from pre-65 retirees to an initial trend starting at 7.10% at January 1, 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years and for the post-65 retirees to an initial trend starting at 8.00% in 2026, then gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.

2024 (CERS plan year ended June 30, 2023): Since the prior measurement date, the Board of Trustees adopted new actuarial assumptions on May 9, 2023. These assumptions are documented in the report titled "2022 Actuarial Experience Study for the Period Ending June 30, 2022", and include a change in the investment return assumption from 6.25% to 6.50%; an increase in the inflation rate from 2.3% to 2.5%; a change in the healthcare trend rates at January 1, 2025 used to from an initial trend starting at 6.3% to 6.8% for Pre-65 retirees and from an initial trend starting at 6.3% to 8.5% for Post-65 retirees; and an increase in the discount rate from 5.70% to 5.93% (non-hazardous plan) and 5.61% to 5.97% (hazardous plan). 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.

2023 (CERS plan year ended June 30, 2022): Since the prior measurement date, the discount rate used to calculate the total OPEB liability increased from 5.20% to 5.70% (non-hazardous plan) and 5.05% to 5.61% (hazardous plan). Senate Bill 209, passed during the 2022 Legislative Session, increased the insurance dollar contribution for members hired on or after July 1, 2003 and is first payable January 1, 2023.

2022 (CERS plan year ended June 30, 2021): Senate Bill 169, passed during the 2021 Legislative Session, increased the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty related disability. The discount rate used to calculate the total OPEB liability changed from 5.34% to 5.20% (non-hazardous plan) and 5.30% to 5.05% (hazardous plan).

2021 (CERS plan year ended June 30, 2020): Senate Bill 249, passed during the 2020 Legislative Session, changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurred in future years will be amortized over separate 20-year amortization bases. Additionally, House Bill 271, passed during the 2020 Legislative Session, removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries. The payroll growth rate assumption was changed from 3.30% to 10.30% for the pension plan. The discount rate used to calculate the total OPEB liability changed from 5.68% to 5.34%.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Required Supplementary Information, continued

2020 (CERS plan year ended June 30, 2019): Since the prior measurement date, annual salary increases were updated based on the 2018 Experience Study; annual rates of retirement, disability, withdrawal, and mortality were updated based on the 2018 Experience Study; the percent of disabilities assumed to occur in the line of duty was updated from 0% to 2% for non-hazardous members and 50% for hazardous members; the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated (i.e. increased) to better reflect more current expectations relating to anticipated future increases in the medical costs for post-age 65 retirees; and the assumed impact of the Cadillac Tax was changed from a 3.6% to a 0.9% load on employer paid premiums for Non-Medicare retirees who became participants prior to July 1, 2003. The salary increase assumption was changed to 3.30% to 10.30% (non-hazardous plan) and 3.55% to 19.05% (hazardous plan) for both the pension and OPEB plans. The mortality table used for active members was changed to a Pub-2010 General Mortality table, for the non-hazardous system, and the Pub-2010 Public Safety Mortality table for the 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 changed to 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. The mortality table used for the disabled members was changed to a 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.

2019 (CERS plan year ended June 30, 2018): Since the prior measurement date, there have been no changes in actuarial assumptions. However, during the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children.

2018 (CERS plan year ended June 30, 2017): Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated as described: (i) the assumed investment rate of return was decreased from 7.50% to 6.25%, (ii) the assumed rate of inflation was reduced from 3.25% to 2.30%, and (iii) payroll growth assumption was reduced from 4.00% to 2.00%.

2017 (CERS plan year ended June 30, 2016): None.

CITY OF ST. MATTHEWS, KENTUCKY

Notes to the Required Supplementary Information, continued

2016 (CERS plan year ended June 30, 2015): Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated as described: (i) the assumed investment rate of return was decreased from 7.75% to 7.50%, (ii) the assumed rate of inflation was reduced from 3.50% to 3.25%, (iii) the assumed rate of wage inflation was reduced from 1.00% to 0.75%, (iv) payroll growth assumption was reduced from 4.50% to 4.00%, (v) the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted, and (vi) the assumed rates of retirement, withdrawal and disability were updated to more accurately reflect experience.

DRAFT

**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***

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of St. Matthews, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the City of St. Matthews, Kentucky (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December XX, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Louisville, Kentucky
December XX, 2025

DRAFT



**Louisville Metro Government
Office of Management and Budget**

Neighborhood Development Fund Training Attestation

Grantee Organization Name: City of St Matthews

Grantee Representative Name: Kenan G. Stratman

I agree that I am an authorized representative and/or signatory of the organization named above and attest to having viewed the Neighborhood Development Fund training presentation. I understand the reporting requirements of the Neighborhood Development Fund grant. Additionally, after viewing the presentation, I have correctly answered the below questions.

Please check:



I viewed the NDF training material on the website

Answer the following questions before signing (Circle or write in the correct answer).

1. The NDF funding your agency received is a gift from LMG? True or False
2. Name the three budget categories that require a detail list.
Client Assistance, Community Events and Festivals and Other Expenses
3. If your agency charged gross pay to NDF, you are required to provide additional documentation to satisfy reporting requirements. True or False
4. Which four questions should your financial support documentation answer at all times?
Who, What, When and Where
5. Your agency is considered noncompliant if you do not account for funds received and/or your financial report is missing support documentation? True or False
6. Canceled check, bank statement, invoice and receipt are considered proof of payment. True or False.

Kenan G. Stratman
Grantee Representative Signature

5/28/26
Date

NOTE: Please return to Roxanne Steele

E-mail address: Roxanne.Steele@louisvilleky.gov

Fax: 502-574-3219

Mailing Address: Louisville Metro Government
ATTN: NDF Coordinator
611 West Jefferson St.
Louisville, KY 40202



Kentucky Secretary of State
Michael G. Adams

Saint Matthews, Kentucky

[Search Again](#)

Class (effective Jan 1, 2015)
Class (ending Dec 31, 2014)
Status
Incorporated
County
Area Development District
County Seat
Form of Government
Type of Election (City officials)
City Waives Primary Election (City officials)
Time Zone

Home Rule
 4
 Active
 1950-03-22
 Jefferson
 Kentuckiana Regional Planning & Development Agency
 No
 Mayor - Council
 Non-Partisan
 Yes
 Eastern

No images were found for Saint Matthews

Submit a picture of Saint Matthews

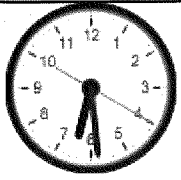
Interactive Map (Division of Geographic Information/COT)

Notes: Actual name of city is St. Matthews. Originally known as Sale's Precinct (1800) & Gilman's Point (1840). Later given the name St. Matthews for the Episcopal church established there in 1839.

City Links

County Links

Saint Matthews	Jefferson
City History	Area Development District
City Website	Chamber of Commerce Website
	Historic Louisville
	History & Genealogy
	Jefferson County Clerk
	Jefferson County Genealogy
	Jefferson County PVA
	Jefferson County Sheriff
	LOJIC
	Louisville Free Public Library
	Louisville Genealogical Society
	Metro Louisville Website
	National Sons of the American Revolution
	Records Management & Archives
	The Filson Historical Society

Mayor	Richard J. Tonini	
Meeting Times	2nd & 4th Tue 7:00pm	
Office Hours	Mon-Thu 7:30am-4:00pm, Fri 7:30am-11:30pm	
		Eastern Time
For more information about Saint Matthews contact the Department for Local Government		

Population Estimates

2022: 17,362	2021: 17,452	2020: 17,533	2019: 18,105	2018: 18,152
2017: 18,195	2016: 18,158	2015: 18,115	2014: 18,046	2013: 17,986
2012: 17,815	2011: 17,701	2010: 17,600	1998: 16,583	1997: 16,192
1996: 16,210	1995: 16,274	1994: 16,325	1993: 16,372	1992: 16,296
1991: 15,954	1990: 15,691			

U.S. Decennial Census

2010: 17,472	2000: 15,852	1990: 15,800	1980: 13,519	1970: 13,152
---------------------	---------------------	---------------------	---------------------	---------------------

Current Filings (KRS 81.045 to present date)

Search Results: 27

Date Filed	Type	Ordinance	Map Status	Notes
2022-12-07	Annexation (TIFF) (PDF)	22-07	MAPPABLE	Lots 1 through 12 of Twinbrook Subdivision fronting the west side of Hubbards Lane approximately 150' east of the intersection of Elmwood Avenue & Hubbards Lane: 16.797 acres
2020-05-21	Population Estimate			U. S. Census Bureau Population Estimate as of July 1, 2019: 18,105
2019-05-23	Population Estimate			U. S. Census Bureau Population Estimate as of July 1, 2018: 18,199
2018-05-24	Population Estimate			U. S. Census Bureau Population Estimate as of July 1, 2017: 18,139
2017-05-15	Annexation (TIFF) (PDF)	17-06	MAPPABLE	Tract located in the area of Ormond & Flint Roads: 20.100 acres
2017-03-20	Notification of Vacancy & Appointment (TIFF) (PDF)			Vacancy due to the death of City Council Member Martha Schade. City resident Shaun P. McKiernan was appointed to fill Council Member Schade's remaining term ending December 31, 2018.
2016-05-19	Population Estimate			U. S. Census Bureau Population Estimate as of July 1, 2015: 18,025
2016-03-17	Annexation (TIFF) (PDF)	14-12	MAPPABLE	Three tracts inadvertently omitted from Annexation Ordinance 14-01: 416 Springwood Lane, 4095 Massie Avenue, & 4125 Massie Avenue (9.472 acres)
2015-05-21	Population (2010)			Population Total per 2010 U.S. Decennial Census: 17,472
2015-05-05	Approval of Annexation by Metro Council (TIFF) (PDF)	Metro Ord. No. 147, Series 2014		Copy of Metro Ordinance No. 147, Series 2014, not provided. Annexation Request 14-10 not provided. The annexation of the City of Richlawn by St. Matthews was defeated in the November 2014 election.

2015-05-05	Approval of Annexation by Metro Council (TIFF) (PDF)	Metro Ord. No. 055, Series 2014		Approves Annexation Request 13-07 regarding Annexation Ordinance 14-01
2015-05-05	Approval of Annexation by Metro Council (TIFF) (PDF)	Metro Ord. No. 214, Series 2014		Approves Annexation Request 14-13 regarding Annexation Ordinance 14-12
2014-09-03	Annexation (TIFF) (PDF)	Ord. No.14-01	MAPPABLE	Springwood Subdivision: east side of Hubbards Lane north of Massie Avenue (14.044 acres)
2014-08-07	Declaration (TIFF) (PDF)	pursuant to HB 331 (2014)		Acknowledgment of Reclassification (Home Rule), Statement of Form of Government (Mayor-Council), Name of City, & Year of Incorporation
2001-02-12	Annexation Maps (TIFF) (PDF)		MAPPABLE	Cherrywood Village, Fairmeade & Springlee
2001-02-07	Annexation Maps (TIFF) (PDF)		MAPPABLE	Broad Fields & Plymouth Village
2001-01-08	Annexation (TIFF) (PDF)	2000-06	MAPPABLE	City of Broad Fields; map not included
2001-01-08	Annexation (TIFF) (PDF)	2000-08	MAPPABLE	City of Springlee; map not included
2001-01-08	Annexation (TIFF) (PDF)	2000-11	MAPPABLE	City of Fairmeade; map not included
2001-01-08	Annexation (TIFF) (PDF)	2000-07	MAPPABLE	City of Plymouth Village; map not included
2001-01-08	Annexation (TIFF) (PDF)	2000-09	MAPPABLE	City of Cherrywood Village; map not included
1992-08-06	Census (TIFF) (PDF)			Population: 15,691 (1990)
1981-07-02	KRS 81.045 Filing (TIFF) (PDF)		MAPPABLE	Duplicate Filing
1981-01-05	Annexation Proposal (TIFF) (PDF)	Ord. No. 3, Series 1977	MAPPABLE	Shelbyville Road
1981-01-05	Annexation (TIFF) (PDF)	Ord. No. 7, Series 1980	MAPPABLE	Sherburn Lane
1981-01-05	Annexation (TIFF) (PDF)	Ord. No. 20, Series 1980	MAPPABLE	Shelbyville Road
1980-07-15	KRS 81.045 Filing (TIFF) (PDF)		MAPPABLE	KRS 81.045 Filing

Pre KRS 81.045 Filings (1942 to July 15, 1980)

Search Results: 5

Date Filed	Type	Ordinance	Notes
1980-09-25	Annexation (TIFF) (PDF)	#80-CI-04940 (eff. 7/7/1980)	Jefferson Circuit Court Judgment
1980-09-25	Annexation (TIFF) (PDF)	#80-CI-04941 (eff. 7/3/1980)	Jefferson Circuit Court Judgment
1976-12-12	Annexation (TIFF) (PDF)	#220-196 (eff. 11/24/1976)	Jefferson Circuit Court Judgment
1972-11-01	Annexation (TIFF) (PDF)	#165324	Jefferson Circuit Court Judgment
1950-03-30	Incorporation (TIFF) (PDF)	#319-478	Jefferson Circuit Court Judgment