

***HARDIN COUNTY SCHOOL DISTRICT***  
***BASIC FINANCIAL STATEMENTS***  
***AND***  
***SUPPLEMENTARY INFORMATION***  
***Year Ended June 30, 2025***

***(With Independent Auditor's Report Thereon)***

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education  
Hardin County School District  
Elizabethtown, Kentucky

Kentucky State Committee for School District Audits  
Frankfort, Kentucky

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hardin County School District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District'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, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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* (GAS), issued by the Comptroller General of the United States; and the *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits. 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 District 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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.

***Auditor's Responsibilities for the Audit of the Financial Statements, Continued***

In performing an audit in accordance with GAAS and GAS, 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 District'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 District'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.

***Change in Accounting Principle***

As discussed in Note 17 to the financial statements, in 2025 the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

***Emphasis of Matter***

As discussed in Note 20 to the financial statements, net position at June 30, 2024, has been restated to correct material misstatements. Our opinion is not modified with respect to this matter.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, the budgetary comparison schedules on pages 60-61, and the pension and other postemployment benefits schedules on pages 62-72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying nonmajor governmental funds combining financial statements, the school activity fund schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

  
Owensboro, Kentucky  
January 29, 2026

**HARDIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2025**

The discussion and analysis of Hardin County School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to review the School District's financial performance as a whole; readers should also review the financial statements and notes to the financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

- The beginning General Fund fund balance was \$43.7 million. The ending fund balance was \$34.1 million.
- The beginning Construction Fund fund balance was \$71.8 million. The ending fund balance was \$96 million. The major reason for the change in fund balance was due to current year bond proceeds for West Hardin not yet spent on the project.

**USING THIS ANNUAL REPORT**

This discussion and analysis are intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the district's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the district's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the district's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the district that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the district include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Capital assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the district can be divided into three categories: governmental, proprietary and fiduciary funds. The fiduciary funds are custodial funds for private purpose trust funds. The proprietary funds are the food service, school age child care, early college and career center, educational television and school entrepreneurship operations. All other activities of the district are included in the governmental funds.

**HARDIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), CONTINUED  
YEAR ENDED JUNE 30, 2025**

The basic governmental fund financial statements can be found on pages 12-18 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 - 59 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as an indicator of a government's financial position. In the case of the district, net position was \$93.2 million as of June 30, 2025. The largest portion of the district's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is outstanding. The district uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not used to liquidate these liabilities. The district's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition, disposal and depreciation of capital assets.

**Net Position for the period ending June 30, 2025 and 2024  
(Table 1)**

| (Table 1)<br>Net Position        |                            |                      |                             |                     |                             |                      |
|----------------------------------|----------------------------|----------------------|-----------------------------|---------------------|-----------------------------|----------------------|
|                                  | Governmental<br>Activities |                      | Business-type<br>Activities |                     | Total<br>Primary Government |                      |
|                                  | 2025                       | 2024                 | 2025                        | 2024                | 2025                        | 2024                 |
| Current and Other Assets         | \$ 143,491,482             | \$ 127,495,551       | \$ 3,660,788                | \$ 6,833,174        | \$ 147,152,270              | \$ 134,328,725       |
| Capital Assets                   | 366,491,522                | 311,703,656          | 1,678,814                   | 1,577,202           | 368,170,336                 | 313,280,858          |
| <b>Total Assets</b>              | <b>509,983,004</b>         | <b>439,199,207</b>   | <b>5,339,602</b>            | <b>8,410,376</b>    | <b>515,322,606</b>          | <b>447,609,583</b>   |
| Deferred Outflows                | 26,763,252                 | 28,978,141           | 2,079,743                   | 1,955,137           | 28,842,995                  | 30,933,278           |
| Long-term Debt                   | 397,809,848                | 313,641,064          | 6,666,270                   | 7,349,450           | 404,476,118                 | 320,990,514          |
| Other Liabilities                | 12,165,188                 | 23,195,174           | 77,643                      | 71,877              | 12,242,831                  | 23,267,051           |
| <b>Total Liabilities</b>         | <b>409,975,036</b>         | <b>336,836,238</b>   | <b>6,743,913</b>            | <b>7,421,327</b>    | <b>416,718,949</b>          | <b>344,257,565</b>   |
| Deferred Inflows                 | 33,606,634                 | 40,242,414           | 2,586,961                   | 3,355,192           | 36,193,595                  | 43,597,606           |
| <b>Net Position</b>              |                            |                      |                             |                     |                             |                      |
| Net investment in capital assets | 55,195,104                 | 59,311,224           | 1,678,814                   | 1,577,202           | 56,873,918                  | 60,888,426           |
| Restricted                       | 98,705,985                 | 75,946,965           | -                           | -                   | 98,705,985                  | 75,946,965           |
| Unrestricted                     | (60,736,503)               | (44,159,493)         | (3,590,343)                 | (1,988,208)         | (64,326,846)                | (46,147,701)         |
| <b>Total Net Position</b>        | <b>\$ 93,164,586</b>       | <b>\$ 91,098,696</b> | <b>\$(1,911,529)</b>        | <b>\$ (411,006)</b> | <b>\$ 91,253,057</b>        | <b>\$ 90,687,690</b> |

The following are significant current year transactions that have had an impact on the Statement of Net Position.

Increased overall total assets for 2025 was largely due to strong growth. The district capital assets grew \$54.9 million. Long term debt increased \$61.3 million due to more bond issuances keeping the total net position from increasing even more. Restricted net position dropped due to capital project spending and more restricted fund use in 2025.

**HARDIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), CONTINUED  
YEAR ENDED JUNE 30, 2025**

The following Table 2 presents a summary of changes in net position for the fiscal years ended June 30, 2025 and 2024.

| (Table 2)                                      |                            |                        |                             |                   |                             |                        |
|--|----------------------------|------------------------|-----------------------------|-------------------|-----------------------------|------------------------|
| Changes in Net Position                        |                            |                        |                             |                   |                             |                        |
|  | Governmental<br>Activities |                        | Business-type<br>Activities |                   | Total<br>Primary Government |                        |
|  | 2025                       | 2024                   | 2025                        | 2024              | 2025                        | 2024                   |
| <b>REVENUES:</b>                               |                            |                        |                             |                   |                             |                        |
| <b>Program revenues:</b>                       |                            |                        |                             |                   |                             |                        |
| Charges for services                           | \$ 3,781,888               | \$ 2,207,947           | \$ 2,133,515                | \$ 2,322,946      | \$ 5,915,403                | \$ 4,530,893           |
| Operating grants and contributions             | 21,272,758                 | 29,913,725             | 10,365,346                  | 12,633,278        | 31,638,104                  | 42,547,003             |
| Capital grants                                 | 10,418,378                 | 11,884,422             | -                           | -                 | 10,418,378                  | 11,884,422             |
| <b>General revenues:</b>                       |                            |                        |                             |                   |                             |                        |
| Property taxes                                 | 65,954,945                 | 50,529,489             | -                           | -                 | 65,954,945                  | 50,529,489             |
| On-Behalf Payments                             | 43,632,508                 | -                      | 2,230,516                   | -                 | 45,863,024                  | -                      |
| Motor vehicle taxes                            | -                          | 5,470,581              | -                           | -                 | -                           | 5,470,581              |
| Utility taxes                                  | 7,333,090                  | 6,744,878              | -                           | -                 | 7,333,090                   | 6,744,878              |
| Other taxes                                    | -                          | 14,267                 | -                           | -                 | -                           | 14,267                 |
| Investment earnings                            | 5,402,602                  | 705,720                | 72,277                      | 26,121            | 5,474,879                   | 731,841                |
| State and formula grants                       | 59,227,162                 | 95,276,425             | -                           | -                 | 59,227,162                  | 95,276,425             |
| Gain on disposal of capital assets             | 558,492                    | -                      | (12,829)                    | -                 | 545,663                     | -                      |
| Miscellaneous                                  | 719,727                    | 892,788                | -                           | -                 | 719,727                     | 892,788                |
| <b>Total revenues</b>                          | <b>218,301,550</b>         | <b>203,640,242</b>     | <b>14,788,825</b>           | <b>14,982,345</b> | <b>233,090,375</b>          | <b>218,622,587</b>     |
| <b>EXPENSES</b>                                |                            |                        |                             |                   |                             |                        |
| <b>Program Activities</b>                      |                            |                        |                             |                   |                             |                        |
| Instruction                                    | 126,598,912                | 128,260,605            | -                           | -                 | 126,598,912                 | 128,260,605            |
| Student support                                | 13,696,979                 | 11,281,864             | -                           | -                 | 13,696,979                  | 11,281,864             |
| Instructional staff support                    | 10,979,868                 | 10,586,421             | -                           | -                 | 10,979,868                  | 10,586,421             |
| District administrative support                | 5,221,382                  | 2,430,929              | -                           | -                 | 5,221,382                   | 2,430,929              |
| School administrative support                  | 10,673,119                 | 9,435,634              | -                           | -                 | 10,673,119                  | 9,435,634              |
| Business support                               | 3,405,834                  | 3,103,682              | -                           | -                 | 3,405,834                   | 3,103,682              |
| Plant operation and maintenance                | 19,351,776                 | 22,038,726             | -                           | -                 | 19,351,776                  | 22,038,726             |
| Student transportation                         | 15,411,290                 | 21,374,693             | -                           | -                 | 15,411,290                  | 21,374,693             |
| Community service activities                   | 1,591,336                  | 3,281,422              | -                           | -                 | 1,591,336                   | 3,281,422              |
| Other  | 880,982                    | 368,591                | -                           | -                 | 880,982                     | 368,591                |
| Interest costs                                 | 9,293,222                  | 5,456,938              | -                           | -                 | 9,293,222                   | 5,456,938              |
| <b>Business-type Activities:</b>               |                            |                        |                             |                   |                             |                        |
| Food service                                   | -                          | -                      | 13,070,823                  | 12,411,662        | 13,070,823                  | 12,411,662             |
| School Age Child Care                          | -                          | -                      | 2,215,935                   | 1,066,182         | 2,215,935                   | 1,066,182              |
| Early College and Career Center                | -                          | -                      | 42,462                      | 46,111            | 42,462                      | 46,111                 |
| Educational television                         | -                          | -                      | 86,589                      | 71,238            | 86,589                      | 71,238                 |
| School entrepreneurship                        | -                          | -                      | 4,499                       | 1,686             | 4,499                       | 1,686                  |
| <b>Total expenses</b>                          | <b>217,104,700</b>         | <b>217,619,505</b>     | <b>15,420,308</b>           | <b>13,596,879</b> | <b>232,525,008</b>          | <b>231,216,384</b>     |
| <b>Change in net position before transfers</b> | <b>1,196,850</b>           | <b>(13,979,263)</b>    | <b>(631,483)</b>            | <b>1,385,466</b>  | <b>565,367</b>              | <b>(12,593,797)</b>    |
| <b>Transfers</b>                               | <b>869,040</b>             | <b>817,338</b>         | <b>(869,040)</b>            | <b>(817,338)</b>  | <b>-</b>                    | <b>-</b>               |
| <b>Change in net position</b>                  | <b>\$ 2,065,890</b>        | <b>\$ (13,161,925)</b> | <b>\$ (1,500,523)</b>       | <b>\$ 568,128</b> | <b>\$ 565,367</b>           | <b>\$ (12,593,797)</b> |

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**HARDIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), CONTINUED  
YEAR ENDED JUNE 30, 2025**

| <b>(Table 3)</b>               |                               |                       |                             |                       |
|--------------------------------|-------------------------------|-----------------------|-----------------------------|-----------------------|
| <b>Governmental Activities</b> |                               |                       |                             |                       |
|                                | <b>Total Cost of Services</b> |                       | <b>Net Cost of Services</b> |                       |
|                                | <u>2025</u>                   | <u>2024</u>           | <u>2025</u>                 | <u>2024</u>           |
| Instruction                    | \$ 126,598,912                | \$ 128,260,605        | \$ 110,563,010              | \$ 109,474,178        |
| Support Services               | 79,415,535                    | 80,251,949            | 71,888,865                  | 70,256,713            |
| Community services             | 1,591,336                     | 3,281,422             | 243,835                     | 12,637                |
| Adult Services                 | 130,607                       | -                     | (13,966)                    |                       |
| Facilities reno/add            | 75,088                        | -                     | (10,343,290)                | (11,884,422)          |
| Other                          | -                             | 368,591               | -                           | 297,367               |
| Interest costs                 | 9,293,222                     | 5,456,938             | 9,293,222                   | 5,456,938             |
| <b>Total Expenses</b>          | <b>\$ 217,104,700</b>         | <b>\$ 217,619,505</b> | <b>\$ 181,631,676</b>       | <b>\$ 173,613,411</b> |

**Business-Type Activities**

The business-type activities include the food service, school age child care, early college and career center, educational television operations and school entrepreneurship. These programs had total revenues of \$14,788,825 and expenses of \$15,420,308 for fiscal year 2025. Of the revenues, \$2,133,515 was charges for services, \$10,365,346 was from State and Federal operating grants and \$72,277 was from investment earnings. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity. If it becomes necessary, the School District will make adjustments to the operations of this activity.

**The School District's Funds**

Information about the School District's major funds start on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$327.7 million and expenditures and other financing uses of \$313.5 million. Net changes in fund balances for the year were most significant in the General Fund (\$9.6) million and the Construction Fund \$24.2million.

The decrease in the General Fund was primarily due to less grant money as Covid-19 funding phased out. The increase in the Construction Fund was due to unspent current year bond proceeds.

**General Fund-Budget Highlights**

The School District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. The State Department of Education requires a zero-based budget with any budgeted remaining fund balance shown as a contingency expense in the budget process.

For the General Fund revenues were budgeted at \$126.5 million with actual amounts of \$174.7 million. Budgeted expenditures of \$150.3 million compare with actual expenditures of \$184.3 million. The most significant fluctuation is for on-behalf payments of \$42.6 million.

**HARDIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), CONTINUED  
YEAR ENDED JUNE 30, 2025**

**Capital Assets and Debt Administration**

At the end of fiscal year 2025 the School District had \$368.2 million invested in land, land improvements, buildings, vehicles, equipment, and construction in progress, and \$366.5 million in governmental activities. Table 4 shows fiscal year 2025 and 2024 balances, net of depreciation.

| (Table 4)                  |                            |                    |                             |                  |                             |                    |
|----------------------------|----------------------------|--------------------|-----------------------------|------------------|-----------------------------|--------------------|
| Capital Assets             |                            |                    |                             |                  |                             |                    |
| (Net of Depreciation)      |                            |                    |                             |                  |                             |                    |
|                            | Governmental<br>Activities |                    | Business-type<br>Activities |                  | Total<br>Primary Government |                    |
|                            | 2025                       | 2024               | 2025                        | 2024             | 2025                        | 2024               |
| Land and land improvements | \$ 25,398,858              | \$ 17,802,938      | \$ 16,790                   | \$ 16,790        | \$ 25,415,648               | \$ 17,819,728      |
| Construction in progress   | 108,383,946                | 54,985,472         | -                           | -                | 108,383,946                 | 54,985,472         |
| Buildings and improvements | 219,886,204                | 224,914,522        | 7,539                       | 8,580            | 219,893,743                 | 224,923,102        |
| Technology                 | 262,849                    | 351,042            | -                           | -                | 262,849                     | 351,042            |
| Vehicles                   | 9,521,466                  | 11,111,928         | 67,393                      | 91,728           | 9,588,859                   | 11,203,656         |
| General equipment          | 2,500,152                  | 2,279,120          | 1,587,092                   | 1,460,104        | 4,087,244                   | 3,739,224          |
| Leased general equipment   | 538,047                    | 258,634            | -                           | -                | 538,047                     | 258,634            |
| <b>Total</b>               | <b>366,491,522</b>         | <b>311,703,656</b> | <b>1,678,814</b>            | <b>1,577,202</b> | <b>368,170,336</b>          | <b>313,280,858</b> |

Ongoing construction costs are in construction in progress at June 30, 2025, principally the West Hardin Middle and Central Hardin Project.

**Debt**

At June 30, 2025, the School District had \$307 million in bonds outstanding, of this amount \$7.0 million is to be paid from KSFCC funding provided by the State of Kentucky. A total of \$12.8 million is due within one year.

**District Challenges for the Future**

The most important challenge is to increase the academic achievement of our students. The district is continuing programs such as Reflex Math, My Path, Lexia, Dave Ramsey, No Red Ink, Edulastic, Newsela, and Apex in many schools as measures to improve learning and data quality. In addition, a data consultant has been hired to review the data within the district to measure program success. Technology is being funded at higher levels to increase student development with handheld devices. The district is striving to be one-to-one, bring-your-own-device, this is so important during this time given the at-home instruction. Improving overall teaching has been a focus with grow your own, portrait of learner, NewTech Network, teacher mentorship, and Orton-Gillingham trainings.

Central Hardin High School continues into Phase II of renovation and West Hardin Middle School construction will begin. Trojan Way will begin construction in 2026. Trane will continue a energy savings project for the district for HVAC and lightning upgrades.

The second District challenge is maintaining and improving average daily attendance. The district receives funding through the SEEK formula based on this count. Getting students back in the classroom after a pandemic is a challenge the district is facing. Many students are still being home-schooled or have gone to private schools. Hardin County's assessments are growing rapidly allowing for more revenue locally and less state revenue.

**HARDIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A), CONTINUED  
YEAR ENDED JUNE 30, 2025**

As a result of continued growth in average daily attendance, the district was able to levy a BRAC nickel in FY11 and this nickel has since been equalized by the state. This has enabled the district to add additional classroom space and improve the overall building culture. Adhering to the facilities plan is essential in providing excellent learning environments to meet the needs of all students. It is important to note good attendance correlates to student achievement. Maintaining excellence and emphasizing service to the public are the main factors influencing this District challenge.

The district has issued over ten percent in raises to maintain and recruit the highest level of staff. Alternative education options, including homeschooling, have contributed to enrollment declines in Hardin County, compounding existing challenges related to funding stability, staffing, and program sustainability

**Future Budgetary Implications**

In Kentucky, the public schools fiscal year is July 1 - June 30; other programs, i.e. some federal programs operate on a different fiscal calendar but are reflected in the district's overall budget. By law, the budget must have a minimum 2% contingency. The district adopted a budget for 2025-2026 with a 2.4% contingency. Significant Board action that impacts the finances includes pay increases for all employees including TRS/CERS and issuing COLA raises, additional resources for home learning, spending for facility repairs outside of the bonded building and renovation projects, and continued funding of Board initiatives. Hardin County will be facing significant growth over the next five or more years due to the Ford Motor Company Factory located in the county. The school system could face student growth, employee shortages, and the task of competing wages with businesses and Ford for classified employees

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions about this report or additional information needed should be directed to John Stith, Chief Operations Officer (270) 769-8800, 65 W. A. Jenkins Road, Elizabethtown, Kentucky, 42701.

## HARDIN COUNTY SCHOOL DISTRICT

### STATEMENT OF NET POSITION

June 30, 2025

|   | Governmental<br>Activities | Business-Type<br>Activities | Total         |
|---|----------------------------|-----------------------------|---------------|
| <b>ASSETS</b>                                   |                            |                             |               |
| Cash and cash equivalents                       | \$ 61,492,390              | \$ 2,459,639                | \$ 63,952,029 |
| Investments                                     | 76,364,043                 | 683,686                     | 77,047,729    |
| Accounts receivable:                            |                            |                             |               |
| Taxes   | 1,449,650                  | -                           | 1,449,650     |
| Other   | 2,972,168                  | 6,984                       | 2,979,152     |
| Due from other governments                      | 18,688                     | 125,879                     | 144,567       |
| Inventory                                       | -                          | 180,100                     | 180,100       |
| Prepays and other current assets                | -                          | -                           | -             |
| Net other postemployment benefits asset         | 1,194,543                  | 204,500                     | 1,399,043     |
| Capital assets, net                             | 366,491,522                | 1,678,814                   | 368,170,336   |
| <b>Total assets</b>                             | 509,983,004                | 5,339,602                   | 515,322,606   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                            |                             |               |
| Deferred charges on refunding                   | 1,885,989                  | -                           | 1,885,989     |
| Pension deferred outflows                       | 7,043,301                  | 1,773,462                   | 8,816,763     |
| Other postemployment benefits deferred outflows | 17,833,962                 | 306,281                     | 18,140,243    |
| <b>Total deferred outflows of resources</b>     | 26,763,252                 | 2,079,743                   | 28,842,995    |
| <b>LIABILITIES</b>                              |                            |                             |               |
| Accounts payable                                | 9,030,803                  | 77,643                      | 9,108,446     |
| Accrued interest payable                        | 2,715,376                  | -                           | 2,715,376     |
| Unearned revenue                                | 419,009                    | -                           | 419,009       |
| Long-term liabilities:                          |                            |                             |               |
| Due within one year                             | 22,234,501                 | -                           | 22,234,501    |
| Due in more than one year                       | 310,200,401                | -                           | 310,200,401   |
| Other liabilities due in more than one year:    |                            |                             |               |
| Net pension liability                           | 41,657,946                 | 6,666,270                   | 48,324,216    |
| Net other postemployment benefits liabilities   | 23,717,000                 | -                           | 23,717,000    |
| <b>Total liabilities</b>                        | 409,975,036                | 6,743,913                   | 416,718,949   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                            |                             |               |
| Pension deferred inflows                        | 4,962,102                  | 812,371                     | 5,774,473     |
| Other postemployment benefits deferred inflows  | 28,644,532                 | 1,774,590                   | 30,419,122    |
| <b>Total deferred inflows of resources</b>      | 33,606,634                 | 2,586,961                   | 36,193,595    |
| <b>NET POSITION</b>                             |                            |                             |               |
| Net investment in capital assets                | 55,195,104                 | 1,678,814                   | 56,873,918    |
| Restricted for:                                 |                            |                             |               |
| Capital projects                                | 96,000,595                 | -                           | 96,000,595    |
| Other   | 2,204,574                  | -                           | 2,204,574     |
| Debt service                                    | 115,230                    | -                           | 115,230       |
| Other postemployment benefits                   | 1,194,543                  | -                           | 1,194,543     |
| Technology                                      | 385,586                    | -                           | 385,586       |
| Unrestricted                                    | (61,931,046)               | (3,590,343)                 | (65,521,389)  |
| <b>Total net position</b>                       | \$ 93,164,586              | \$ (1,911,529)              | \$ 91,253,057 |

HARDIN COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

| Functions / Programs                                 | Program Revenues      |                      |                                    |                                  | Net (Expense) Revenue and Change in Net Position |                          |                      |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|--|--------------------------|----------------------|
|  | Expenses              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                          | Business-Type Activities | Total                |
| Governmental activities:                             |                       |                      |                                    |                                  |  |                          |                      |
| Instruction  | \$ 126,598,912        | \$ 468,302           | \$ 15,567,600                      | \$ -                             | \$ (110,563,010)                                 |                          | \$ (110,563,010)     |
| Support services:                                    |                       |                      |                                    |                                  |  |                          |                      |
| Student  | 13,696,979            | 2,863,502            | 447,194                            | -                                | (10,386,283)                                     |                          | (10,386,283)         |
| Instructional staff                                  | 10,979,868            | 28,873               | 2,317,819                          | -                                | (8,633,176)                                      |                          | (8,633,176)          |
| District administration                              | 5,221,382             | -                    | 1,000                              | -                                | (5,220,382)                                      |                          | (5,220,382)          |
| School administration                                | 10,673,119            | -                    | -                                  | -                                | (10,673,119)                                     |                          | (10,673,119)         |
| Business   | 3,405,834             | -                    | -                                  | -                                | (3,405,834)                                      |                          | (3,405,834)          |
| Plant operation and maintenance                      | 19,351,776            | 219,830              | 630,536                            | -                                | (18,501,410)                                     |                          | (18,501,410)         |
| Student transportation                               | 15,411,290            | 201,381              | 42,574                             | -                                | (15,167,335)                                     |                          | (15,167,335)         |
| Other instructional                                  | 2,000                 | -                    | -                                  | -                                | (2,000)  |                          | (2,000)              |
| Food service   | 11,954                | -                    | 9,653                              | -                                | (2,301)  |                          | (2,301)              |
| After school   | 661,333               | -                    | 764,308                            | -                                | 102,975  |                          | 102,975              |
| Community services                                   | 1,591,336             | -                    | 1,347,501                          | -                                | (243,835)  |                          | (243,835)            |
| Adult services                                       | 130,607               | -                    | 144,573                            | -                                | 13,966   |                          | 13,966               |
| Building renovations / additions                     | 75,088                | -                    | -                                  | 10,418,378                       | 10,343,290                                       |                          | 10,343,290           |
| Interest on long-term liabilities                    | 9,293,222             | -                    | -                                  | -                                | (9,293,222)                                      |                          | (9,293,222)          |
| Total governmental activities                        | <u>217,104,700</u>    | <u>3,781,888</u>     | <u>21,272,758</u>                  | <u>10,418,378</u>                | <u>(181,631,676)</u>                             |                          | <u>(181,631,676)</u> |
| Business-type activities:                            |                       |                      |                                    |                                  |  |                          |                      |
| Food service   | 13,070,823            | 277,428              | 10,365,346                         | -                                | -  | \$ (2,428,049)           | (2,428,049)          |
| School age child care                                | 2,215,935             | 1,721,313            | -                                  | -                                | -  | (494,622)                | (494,622)            |
| Early college and career center                      | 42,462                | 34,402               | -                                  | -                                | -  | (8,060)                  | (8,060)              |
| Educational television                               | 86,589                | 92,185               | -                                  | -                                | -  | 5,596                    | 5,596                |
| School entrepreneurship                              | 4,499                 | 8,187                | -                                  | -                                | -  | 3,688                    | 3,688                |
| Total business-type activities                       | <u>15,420,308</u>     | <u>2,133,515</u>     | <u>10,365,346</u>                  | <u>-</u>                         | <u>-</u>   | <u>(2,921,447)</u>       | <u>(2,921,447)</u>   |
| Total district                                       | <u>\$ 232,525,008</u> | <u>\$ 5,915,403</u>  | <u>\$ 31,638,104</u>               | <u>\$ 10,418,378</u>             | <u>(181,631,676)</u>                             | <u>(2,921,447)</u>       | <u>(184,553,123)</u> |
| General revenues:                                    |                       |                      |                                    |                                  |  |                          |                      |
| Property taxes                                       |                       |                      |                                    |                                  | 65,954,945                                       | -                        | 65,954,945           |
| Utility taxes  |                       |                      |                                    |                                  | 7,333,090  | -                        | 7,333,090            |
| State aid formula grants                             |                       |                      |                                    |                                  | 59,227,162                                       | -                        | 59,227,162           |
| On-behalf payments                                   |                       |                      |                                    |                                  | 43,632,508                                       | 2,230,516                | 45,863,024           |
| Investment earnings                                  |                       |                      |                                    |                                  | 5,402,602  | 72,277                   | 5,474,879            |
| Gain (loss) on disposition of capital assets         |                       |                      |                                    |                                  | 558,492  | (12,829)                 | 545,663              |
| Miscellaneous  |                       |                      |                                    |                                  | 719,727  | -                        | 719,727              |
| Transfers  |                       |                      |                                    |                                  | 869,040  | (869,040)                | -                    |
| Total general revenues and transfers                 |                       |                      |                                    |                                  | <u>183,697,566</u>                               | <u>1,420,924</u>         | <u>185,118,490</u>   |
| Change in net position                               |                       |                      |                                    |                                  | 2,065,890  | (1,500,523)              | 565,367              |
| Net position, June 30, 2024, as previously presented |                       |                      |                                    |                                  | <u>90,844,850</u>                                | <u>(448,861)</u>         | <u>90,395,989</u>    |
| Error correction                                     |                       |                      |                                    |                                  | <u>253,846</u>                                   | <u>37,855</u>            | <u>291,701</u>       |
| Net position, June 30, 2024, as restated             |                       |                      |                                    |                                  | <u>91,098,696</u>                                | <u>(411,006)</u>         | <u>90,687,690</u>    |
| Net position, June 30, 2025                          |                       |                      |                                    |                                  | <u>\$ 93,164,586</u>                             | <u>\$ (1,911,529)</u>    | <u>\$ 91,253,057</u> |

**HARDIN COUNTY SCHOOL DISTRICT**

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2025

|  | <u>General<br/>Fund</u>     | <u>Special<br/>Revenue<br/>Fund</u> | <u>Construction<br/>Fund</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-----------------------------|-------------------------------------|------------------------------|--|---|
| <b>ASSETS</b>  |                             |                                     |                              |  |   |
| Cash and cash equivalents  | \$ 14,421,770               | \$ -                                | \$ 44,729,003                | \$ 2,341,617                               | \$ 61,492,390                           |
| Investments  | 18,618,601                  | -                                   | 57,745,442                   | -  | 76,364,043                              |
| Accounts receivable:   |                             |                                     |                              |  |   |
| Taxes  | 1,449,650                   | -                                   | -                            | -  | 1,449,650                               |
| Other  | 123,669                     | 2,848,499                           | -                            | -  | 2,972,168                               |
| Due from other governments   | 18,688                      | -                                   | -                            | -  | 18,688                                  |
| Due from other funds   | <u>1,561,383</u>            | <u>-</u>                            | <u>-</u>                     | <u>-</u>                                   | <u>1,561,383</u>                        |
| <b>Total assets</b>  | <b>\$ <u>36,193,761</u></b> | <b>\$ <u>2,848,499</u></b>          | <b>\$ <u>102,474,445</u></b> | <b>\$ <u>2,341,617</u></b>                 | <b>\$ <u>143,858,322</u></b>            |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>           |                             |                                     |                              |  |   |
| Liabilities:   |                             |                                     |                              |  |   |
| Accounts payable   | \$ 2,052,619                | \$ 482,521                          | \$ 6,473,850                 | \$ 21,813                                  | \$ 9,030,803                            |
| Due to other funds   | -                           | 1,561,383                           | -                            | -  | 1,561,383                               |
| Unearned revenue   | <u>-</u>                    | <u>419,009</u>                      | <u>-</u>                     | <u>-</u>                                   | <u>419,009</u>                          |
| <b>Total liabilities</b>   | <b><u>2,052,619</u></b>     | <b><u>2,462,913</u></b>             | <b><u>6,473,850</u></b>      | <b><u>21,813</u></b>                       | <b><u>11,011,195</u></b>                |
| Fund balances:   |                             |                                     |                              |  |   |
| Restricted   | 1,462,087                   | 385,586                             | 96,000,595                   | 2,319,804                                  | 100,168,072                             |
| Committed  | 2,652,545                   | -                                   | -                            | -  | 2,652,545                               |
| Assigned   | 15,000,000                  | -                                   | -                            | -  | 15,000,000                              |
| Unassigned   | <u>15,026,510</u>           | <u>-</u>                            | <u>-</u>                     | <u>-</u>                                   | <u>15,026,510</u>                       |
| <b>Total fund balances</b>   | <b><u>34,141,142</u></b>    | <b><u>385,586</u></b>               | <b><u>96,000,595</u></b>     | <b><u>2,319,804</u></b>                    | <b><u>132,847,127</u></b>               |
| <b>Total liabilities, deferred inflows of resources,<br/>and fund balances</b> | <b>\$ <u>36,193,761</u></b> | <b>\$ <u>2,848,499</u></b>          | <b>\$ <u>102,474,445</u></b> | <b>\$ <u>2,341,617</u></b>                 | <b>\$ <u>143,858,322</u></b>            |

## HARDIN COUNTY SCHOOL DISTRICT

### RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2025

---

|  |    |             |
|--|----|-------------|
| Total fund balances - governmental funds | \$ | 132,847,127 |
|--|----|-------------|

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

|  |  |             |
|--|--|-------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. |  | 366,491,522 |
|--|--|-------------|

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds:

|                               |                    |               |
|-------------------------------|--------------------|---------------|
| Bonds payable                 | \$ (306,975,000)   |               |
| Issuance premiums             | (6,306,173)        |               |
| Issuance discounts            | 623,975            |               |
| Deferred charges on refunding | 1,885,989          |               |
| Compensated absences          | (19,252,495)       |               |
| Capital leases payable        | (525,209)          |               |
| Net pension liability - CERS  | (41,657,946)       |               |
| Net OPEB asset - CERS         | 1,194,543          |               |
| Net OPEB liability - TRS      | (23,717,000)       |               |
| Accrued interest payable      | <u>(2,715,376)</u> | (397,444,692) |

Certain amounts related to the net pension and OPEB liabilities are not reported in the governmental funds, but are deferred in the statement of net position:

|                                    |                     |                    |
|------------------------------------|---------------------|--------------------|
| Pension and OPEB deferred outflows | \$ 24,877,263       |                    |
| Pension and OPEB deferred inflows  | <u>(33,606,634)</u> | <u>(8,729,371)</u> |

|   |    |                          |
|---|----|--------------------------|
| Net position of governmental activities | \$ | <u><u>93,164,586</u></u> |
|---|----|--------------------------|

**HARDIN COUNTY SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2025

|  | General<br>Fund    | Special<br>Revenue<br>Fund | Construction<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------|----------------------------|----------------------|-----------------------------------|--------------------------------|
| <b>Revenues:</b>                                     |                    |                            |                      |                                   |                                |
| Property taxes                                       | \$ 51,375,431      | \$ -                       | \$ -                 | \$ 14,579,514                     | \$ 65,954,945                  |
| Utility taxes  | 7,333,090          | -                          | -                    | -                                 | 7,333,090                      |
| Tuition and fees                                     | 125,890            | -                          | -                    | -                                 | 125,890                        |
| Earnings on investments                              | 1,707,049          | 5,052                      | 3,659,373            | 31,128                            | 5,402,602                      |
| Other local revenue                                  | 881,192            | 209,840                    | -                    | 3,230,727                         | 4,321,759                      |
| State aid  | 102,090,556        | 9,544,305                  | -                    | 11,511,298                        | 123,146,159                    |
| Federal aid  | 444,755            | 11,013,858                 | -                    | -                                 | 11,458,613                     |
| <b>Total revenues</b>                                | <b>163,957,963</b> | <b>20,773,055</b>          | <b>3,659,373</b>     | <b>29,352,667</b>                 | <b>217,743,058</b>             |
| <b>Expenditures:</b>                                 |                    |                            |                      |                                   |                                |
| Instruction  | 94,135,851         | 15,644,755                 | -                    | 2,954,926                         | 112,735,532                    |
| Support services:                                    |                    |                            |                      |                                   |                                |
| Student  | 12,123,944         | 77,433                     | -                    | -                                 | 12,201,377                     |
| Instructional staff                                  | 8,624,889          | 2,317,819                  | -                    | 128,645                           | 11,071,353                     |
| District administration                              | 4,889,285          | -                          | -                    | -                                 | 4,889,285                      |
| School administration                                | 10,330,889         | -                          | -                    | -                                 | 10,330,889                     |
| Business   | 3,513,893          | 1,000                      | -                    | -                                 | 3,514,893                      |
| Plant operation and maintenance                      | 19,394,814         | 630,536                    | -                    | 32,415                            | 20,057,765                     |
| Student transportation                               | 15,596,088         | 42,574                     | -                    | 1,471                             | 15,640,133                     |
| Other instructional                                  | 2,000              | -                          | -                    | -                                 | 2,000                          |
| Food service   | 18,888             | 9,653                      | -                    | -                                 | 28,541                         |
| After school   | -                  | 764,308                    | -                    | -                                 | 764,308                        |
| Community services                                   | 168,002            | 1,347,501                  | -                    | -                                 | 1,515,503                      |
| Adult services                                       | -                  | 144,573                    | -                    | -                                 | 144,573                        |
| Land/site acquisitions                               | 8,029,115          | -                          | -                    | -                                 | 8,029,115                      |
| Architectural/engineering                            | 53,885             | -                          | -                    | -                                 | 53,885                         |
| New building construction                            | -                  | -                          | 17,494,026           | -                                 | 17,494,026                     |
| Building renovations / additions                     | -                  | -                          | 39,176,690           | -                                 | 39,176,690                     |
| Debt service:  |                    |                            |                      |                                   |                                |
| Principal  | -                  | -                          | -                    | 12,920,000                        | 12,920,000                     |
| Interest   | -                  | -                          | -                    | 9,072,749                         | 9,072,749                      |
| Bond issuance costs                                  | -                  | -                          | 346,720              | -                                 | 346,720                        |
| <b>Total expenditures</b>                            | <b>176,881,543</b> | <b>20,980,152</b>          | <b>57,017,436</b>    | <b>25,110,206</b>                 | <b>279,989,337</b>             |
| Excess (deficiency) of revenues<br>over expenditures | (12,923,580)       | (207,097)                  | (53,358,063)         | 4,242,461                         | (62,246,279)                   |
| <b>Other financing sources (uses):</b>               |                    |                            |                      |                                   |                                |
| Proceeds from the issuance of bonds                  | -                  | -                          | 71,230,000           | -                                 | 71,230,000                     |
| Premium on bonds issued                              | -                  | -                          | 3,412,575            | -                                 | 3,412,575                      |
| Proceeds from sale of capital assets                 | 584,700            | -                          | -                    | -                                 | 584,700                        |
| Operating transfers in                               | 10,132,998         | 263,790                    | 2,905,837            | 21,421,842                        | 34,724,467                     |
| Operating transfers out                              | (7,391,447)        | (22,500)                   | -                    | (26,114,875)                      | (33,528,822)                   |
| <b>Total other financing sources (uses)</b>          | <b>3,326,251</b>   | <b>241,290</b>             | <b>77,548,412</b>    | <b>(4,693,033)</b>                | <b>76,422,920</b>              |
| Net change in fund balances                          | (9,597,329)        | 34,193                     | 24,190,349           | (450,572)                         | 14,176,641                     |
| Fund balance, June 30, 2024, as previously presented | 43,080,534         | 1,103,238                  | 69,901,061           | 2,770,376                         | 116,855,209                    |
| Error correction                                     | 657,937            | (751,845)                  | 1,909,185            | -                                 | 1,815,277                      |
| Fund balance, June 30, 2024, as restated             | 43,738,471         | 351,393                    | 71,810,246           | 2,770,376                         | 118,670,486                    |
| Fund balance, June 30, 2025                          | \$ 34,141,142      | \$ 385,586                 | \$ 96,000,595        | \$ 2,319,804                      | \$ 132,847,127                 |

**HARDIN COUNTY SCHOOL DISTRICT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

|   |    |                     |
|---|----|---------------------|
| Net change in fund balances - total governmental funds  | \$ | 14,176,641          |
| Amounts reported for governmental activities in the statement of activities are different because:  |    |                     |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:   |    |                     |
| Capital outlays   | \$ | 65,257,324          |
| Depreciation expense  |    | <u>(10,722,663)</u> |
|   |    | 54,534,661          |
| Governmental funds do not report the issuance of capital leases. However, in the statement of activities, these leases are recorded as right-to-use assets and the cost is allocated over their estimated useful lives and reported as amortization expense :   |    |                     |
| Capital outlays   | \$ | 617,916             |
| Amortization expense  |    | <u>(338,503)</u>    |
|   |    | 279,413             |
| Governmental funds report the disposal of capital assets to the extent proceeds are received. However, the statement of activities reports the gain or loss.  |    |                     |
|   |    | (26,208)            |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of certain items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities: |    |                     |
| Principal payments on bonds   | \$ | 12,920,000          |
| Proceeds from issuance of bonds   |    | (71,230,000)        |
| Premium on bonds issued   |    | (3,412,575)         |
| Amortization of premiums on bonds   |    | 530,976             |
| Amortization of discounts on bonds  |    | (104,322)           |
| Amortization of deferred charges on refunding   |    | <u>(456,373)</u>    |
|   |    | (61,752,294)        |
| Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:  |    |                     |
| Increase in compensated absences liability  | \$ | (15,408,344)        |
| Increase in capital lease liability   |    | (274,985)           |
| Decrease in pension expense - CERS  |    | 4,898,731           |
| Decrease in OPEB expense - CERS   |    | 3,022,367           |
| Decrease in OPEB expense - TRS  |    | 2,793,119           |
| Increase in accrued interest payable  |    | <u>(177,211)</u>    |
|   |    | <u>(5,146,323)</u>  |
| Change in net position of governmental activities   | \$ | <u>2,065,890</u>    |

**HARDIN COUNTY SCHOOL DISTRICT**

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2025

|   | Enterprise Funds      |                            |                           | Total                 |
|---|-----------------------|----------------------------|---------------------------|-----------------------|
|   | Food Service Fund     | School Age Child Care Fund | Nonmajor Enterprise Funds |                       |
| <b>ASSETS</b>                                   |                       |                            |                           |                       |
| Current assets:                                 |                       |                            |                           |                       |
| Cash  | \$ 529,575            | \$ 1,834,150               | \$ 95,914                 | \$ 2,459,639          |
| Investments                                     | 683,686               | -                          | -                         | 683,686               |
| Accounts receivable:                            |                       |                            |                           |                       |
| Operating                                       | -                     | -                          | 6,984                     | 6,984                 |
| Due from other governments                      | 125,879               | -                          | -                         | 125,879               |
| Inventory                                       | 180,100               | -                          | -                         | 180,100               |
| <b>Total current assets</b>                     | <b>1,519,240</b>      | <b>1,834,150</b>           | <b>102,898</b>            | <b>3,456,288</b>      |
| Noncurrent assets:                              |                       |                            |                           |                       |
| Net pension asset                               | 168,811               | 35,689                     | -                         | 204,500               |
| Capital assets                                  | 5,306,929             | -                          | -                         | 5,306,929             |
| Less accumulated depreciation                   | (3,628,115)           | -                          | -                         | (3,628,115)           |
| <b>Total noncurrent assets</b>                  | <b>1,847,625</b>      | <b>35,689</b>              | <b>-</b>                  | <b>1,883,314</b>      |
| <b>Total assets</b>                             | <b>3,366,865</b>      | <b>1,869,839</b>           | <b>102,898</b>            | <b>5,339,602</b>      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                       |                            |                           |                       |
| Pension deferred outflows                       | 1,470,360             | 303,102                    | -                         | 1,773,462             |
| Other postemployment benefits deferred outflows | 274,349               | 31,932                     | -                         | 306,281               |
| <b>Total deferred outflows of resources</b>     | <b>1,744,709</b>      | <b>335,034</b>             | <b>-</b>                  | <b>2,079,743</b>      |
| <b>LIABILITIES</b>                              |                       |                            |                           |                       |
| Current liabilities:                            |                       |                            |                           |                       |
| Accounts payable                                | 28,218                | 42,068                     | 7,357                     | 77,643                |
| <b>Total current liabilities</b>                | <b>28,218</b>         | <b>42,068</b>              | <b>7,357</b>              | <b>77,643</b>         |
| Non-current liabilities:                        |                       |                            |                           |                       |
| Net pension liability                           | 5,677,511             | 988,759                    | -                         | 6,666,270             |
| <b>Total liabilities</b>                        | <b>5,705,729</b>      | <b>1,030,827</b>           | <b>7,357</b>              | <b>6,743,913</b>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                       |                            |                           |                       |
| Pension deferred inflows                        | 684,848               | 127,523                    | -                         | 812,371               |
| Other postemployment benefits deferred inflows  | 1,557,591             | 216,999                    | -                         | 1,774,590             |
| <b>Total deferred inflows of resources</b>      | <b>2,242,439</b>      | <b>344,522</b>             | <b>-</b>                  | <b>2,586,961</b>      |
| <b>NET POSITION</b>                             |                       |                            |                           |                       |
| Net investment in capital assets                | 1,678,814             | -                          | -                         | 1,678,814             |
| Unrestricted                                    | (4,515,408)           | 829,524                    | 95,541                    | (3,590,343)           |
| <b>Total net position</b>                       | <b>\$ (2,836,594)</b> | <b>\$ 829,524</b>          | <b>\$ 95,541</b>          | <b>\$ (1,911,529)</b> |

**HARDIN COUNTY SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

Year Ended June 30, 2025

|  | Enterprise Funds        |                                  |                                 | Total                 |
|--|-------------------------|----------------------------------|---------------------------------|-----------------------|
|  | Food<br>Service<br>Fund | School Age<br>Child Care<br>Fund | Nonmajor<br>Enterprise<br>Funds |                       |
| Operating revenues:                                  |                         |                                  |                                 |                       |
| Charges for services                                 | \$ 263,961              | \$ 1,709,796                     | \$ 33,778                       | \$ 2,007,535          |
| Other operating revenues                             | 13,467                  | 11,517                           | 100,996                         | 125,980               |
| Total operating revenues                             | <u>277,428</u>          | <u>1,721,313</u>                 | <u>134,774</u>                  | <u>2,133,515</u>      |
| Operating expenses:                                  |                         |                                  |                                 |                       |
| Salaries and wages                                   | 3,984,893               | 1,425,711                        | 5,962                           | 5,416,566             |
| Employee benefits                                    | 1,530,578               | 552,526                          | 3,743                           | 2,086,847             |
| Professional and technical services                  | 11,114                  | 2,076                            | 23,733                          | 36,923                |
| Property services                                    | 166,582                 | 78,663                           | 945                             | 246,190               |
| Other purchased services                             | 10,450                  | 19,426                           | 6,986                           | 36,862                |
| Supplies and materials                               | 7,063,914               | 109,350                          | 74,094                          | 7,247,358             |
| Miscellaneous  | 52,985                  | 28,183                           | 18,087                          | 99,255                |
| Depreciation   | 250,307                 | -                                | -                               | 250,307               |
| Total operating expenses                             | <u>13,070,823</u>       | <u>2,215,935</u>                 | <u>133,550</u>                  | <u>15,420,308</u>     |
| Operating income (loss)                              | <u>(12,793,395)</u>     | <u>(494,622)</u>                 | <u>1,224</u>                    | <u>(13,286,793)</u>   |
| Nonoperating revenues (expenses):                    |                         |                                  |                                 |                       |
| Federal government grants                            | 9,494,035               | -                                | -                               | 9,494,035             |
| State government grants                              | 84,796                  | -                                | -                               | 84,796                |
| Donated commodities                                  | 786,515                 | -                                | -                               | 786,515               |
| Gain (loss) on disposition of capital assets         | (12,829)                | -                                | -                               | (12,829)              |
| State on-behalf payments                             | 1,640,960               | 587,101                          | 2,455                           | 2,230,516             |
| Interest income                                      | 72,277                  | -                                | -                               | 72,277                |
| Total nonoperating revenues (expenses)               | <u>12,065,754</u>       | <u>587,101</u>                   | <u>2,455</u>                    | <u>12,655,310</u>     |
| Income (loss) before transfers                       | (727,641)               | 92,479                           | 3,679                           | (631,483)             |
| Capital contribution                                 | 326,605                 | -                                | -                               | 326,605               |
| Transfers out  | (611,774)               | (583,871)                        | -                               | (1,195,645)           |
| Change in net position                               | (1,012,810)             | (491,392)                        | 3,679                           | (1,500,523)           |
| Net position, June 30, 2024, as previously presented | <u>(1,861,639)</u>      | <u>1,320,916</u>                 | <u>91,862</u>                   | <u>(448,861)</u>      |
| Error correction                                     | 37,855                  | -                                | -                               | 37,855                |
| Net position, June 30, 2024, as restated             | <u>(1,823,784)</u>      | <u>1,320,916</u>                 | <u>91,862</u>                   | <u>(411,006)</u>      |
| Net position, June 30, 2025                          | <u>\$ (2,836,594)</u>   | <u>\$ 829,524</u>                | <u>\$ 95,541</u>                | <u>\$ (1,911,529)</u> |

**HARDIN COUNTY SCHOOL DISTRICT**

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2025

|  | Enterprise Funds        |                         |                                  |                 |
|--|-------------------------|-------------------------|----------------------------------|-----------------|
|  | Food<br>Service<br>Fund | After<br>School<br>Fund | Nonmajor<br>Proprietary<br>Funds | Total           |
| <b>Cash flows from operating activities:</b>   |                         |                         |                                  |                 |
| Cash received from:  |                         |                         |                                  |                 |
| Charges for services   | \$ 263,961              | \$ 1,709,796            | \$ -                             | \$ 1,973,757    |
| Other operating revenues   | 13,467                  | 11,517                  | 129,140                          | 154,124         |
| Cash paid to / for:  |                         |                         |                                  |                 |
| Employees  | (6,756,125)             | (2,359,976)             | (5,962)                          | (9,122,063)     |
| Supplies   | (6,240,137)             | (109,350)               | (3,743)                          | (6,353,230)     |
| Other services   | (241,131)               | (86,366)                | (120,370)                        | (447,867)       |
| Net cash provided by (used in) operating activities  | (12,959,965)            | (834,379)               | (935)                            | (13,795,279)    |
| <b>Cash flows from noncapital financing activities:</b>  |                         |                         |                                  |                 |
| Federal government grants  | 9,537,819               | -                       | -                                | 9,537,819       |
| State government grants  | 84,796                  | 587,101                 | -                                | 671,897         |
| State on-behalf payments   | 1,640,960               | -                       | 2,455                            | 1,643,415       |
| Transfers out  | (611,774)               | (583,871)               | -                                | (1,195,645)     |
| Net cash provided by noncapital financing activities   | 10,651,801              | 3,230                   | 2,455                            | 10,657,486      |
| <b>Cash flows from capital and related financing activities:</b>   |                         |                         |                                  |                 |
| Acquisition of capital assets  | (38,143)                | -                       | -                                | (38,143)        |
| Proceeds from sale of capital assets   | -                       | -                       | -                                | -               |
| Net cash used in capital and related financing activities  | (38,143)                | -                       | -                                | (38,143)        |
| <b>Cash flows from investing activities:</b>   |                         |                         |                                  |                 |
| Interest income  | 72,277                  | -                       | -                                | 72,277          |
| Net cash provided by investing activities  | 72,277                  | -                       | -                                | 72,277          |
| Net change in cash and cash equivalents  | (2,274,030)             | (831,149)               | 1,520                            | (3,103,659)     |
| <b>Cash and cash equivalents:</b>  |                         |                         |                                  |                 |
| Beginning of year  | 3,487,291               | 2,665,299               | 94,394                           | 6,246,984       |
| End of year  | \$ 1,213,261            | \$ 1,834,150            | 95,914                           | \$ 3,143,325    |
| Reconciliation of operating loss to net cash used in operating activities:                               |                         |                         |                                  |                 |
| Operating income (loss)  | \$ (12,793,395)         | \$ (494,622)            | 1,224                            | \$ (13,286,793) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                         |                         |                                  |                 |
| Depreciation expense   | 250,307                 | -                       | -                                | 250,307         |
| Commodities used   | 786,515                 | -                       | -                                | 786,515         |
| Changes in assets and liabilities:   |                         |                         |                                  |                 |
| Accounts receivable - operating  | -                       | -                       | (6,070)                          | (6,070)         |
| Inventory  | 76,953                  | -                       | -                                | 76,953          |
| Accounts payable   | (39,691)                | 41,982                  | 3,911                            | 6,202           |
| Net other postemployment benefits liability and deferrals  | (473,383)               | (145,656)               | -                                | (619,039)       |
| Net pension liability and deferrals  | (767,271)               | (236,083)               | -                                | (1,003,354)     |
| Unearned revenue   | -                       | -                       | -                                | -               |
| Net cash provided by (used in) operating activities  | \$ (12,959,965)         | \$ (834,379)            | \$ (935)                         | \$ (13,795,279) |
| Noncash noncapital financing activities:   |                         |                         |                                  |                 |
| Food commodities from the U.S. Department of Agriculture   | \$ 786,515              |                         |                                  |                 |

**HARDIN COUNTY SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY FUNDS NET POSITION**

**FIDUCIARY FUNDS**

June 30, 2025

|                           | <u>Custodial Fund</u><br><u>Scholarship</u><br><u>Fund</u> |
|---------------------------|--|
| <b>ASSETS</b>             |  |
| Current assets:           |  |
| Cash                      | \$ 74,308  |
| Investments               | <u>95,932</u>  |
| Total current assets      | <u>170,240</u>   |
| <b>Total assets</b>       | <u>170,240</u>   |
| <b>NET POSITION</b>       |  |
| Reserved for scholarships | <u>170,240</u>   |
| <b>Total net position</b> | <u><u>\$ 170,240</u></u>                                   |

**HARDIN COUNTY SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION**

**FIDUCIARY FUNDS**

Year Ended June 30, 2025

|  | <u>Custodial Fund</u><br><u>Scholarship</u><br><u>Fund</u> |
|--|--|
| Additions:   |  |
| Earnings on investments                              | \$ 5,918   |
| Other additions                                      | <u>3,208</u>   |
| Total additions                                      | <u>9,126</u>   |
| Deductions   |  |
| Expenses paid  | <u>800</u>   |
| Change in net position                               | 8,326  |
| Net position, June 30, 2024, as previously presented | <u>158,742</u>   |
| Error correction                                     | <u>3,172</u>   |
| Net position, June 30, 2024, as restated             | <u>161,914</u>   |
| Net position, June 30, 2025                          | <u>\$ 170,240</u>  |

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 1. Reporting Entity

The Hardin County Board of Education (Board) is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Hardin County School District (District). Board members are elected by the public and have decision-making authority for the District.

The financial statements of the District include the financial activities of the Board and its blended component unit in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board, as described below.

Hardin County School District Finance Corporation – The Hardin County School District Finance Corporation (Corporation) serves as an agent of the Board in financing the acquisition, construction, and equipping of school buildings and related facilities, including the issuance of bonds. Members of the Board serve as the board of directors for the Corporation. The Corporation has no financial activity, and transactions related to bond issues in which the Corporation acts as an agent are recorded in the District’s government-wide financial statements.

### 2. Summary of Significant Accounting Policies

#### Basis of Presentation

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. Summary of Significant Accounting Policies, Continued

#### Basis of Presentation, Continued

classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the changes in net total assets.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The statement of cash flows provides information about how the District finances the cash flow needs of its proprietary activities.

The District reports the following funds:

#### Governmental Funds:

##### General Fund:

The General Fund is the main operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use. This is a major fund of the District.

##### Special Revenue Funds:

##### Special Revenue Fund:

The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances may be returned to the grantor at the close of the specified project periods, as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. Summary of Significant Accounting Policies, Continued

#### Basis of Presentation, Continued

##### District Activity Fund:

The District Activity Fund is used to account for funds to support co-curricular and extra-curricular activities not raised or expended by student groups.

##### Student Activity Fund:

The Student Activity Fund is used to account for funds raised and expended by student groups for co-curricular and extra-curricular activities.

##### Capital Projects Funds:

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds).

##### SEEK Capital Outlay Fund:

The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the District's facility plan.

##### FSPK Building Fund:

The Facility Support Program of Kentucky (FSPK) Building Fund accounts for funds generated by the building tax levy required to participate in the Kentucky School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.

##### Construction Fund:

The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction or renovation. This is a major fund of the District.

##### Debt Service Fund:

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

##### Proprietary Funds (Enterprise):

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing goods or services be financed or recovered primarily through user charges.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. Summary of Significant Accounting Policies, Continued

#### Basis of Presentation, Continued

##### Food Service Fund:

The Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). Revenues are primarily charges for meals. Amounts have been recorded for in-kind contributions of commodities from the USDA. This is a major fund of the District.

##### School Age Child Care Fund:

The School Age Child Care Fund is used to account for after-school programs established to provide supervised activities for students after dismissal. Revenues are primarily charges for child care. This is a major fund of the District.

##### Early College and Career Center Fund:

The Early College and Career Center Fund is used to account for funds received from activities held at the Early College and Career Center.

##### Educational Television Fund:

The Educational Television Fund is used to account for funds received from production services and the sale of recorded media.

##### School Entrepreneurship Fund:

The School Entrepreneurship Fund is used to account for sales from schools for goods made during classes.

##### Fiduciary Funds:

Fiduciary funds are used to account for assets held by the District on behalf of outside related organizations or on behalf of others within the District.

##### Custodial Fund - Scholarships:

The Custodial Funds – Scholarships is used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. Revenues consist of donations and interest income. Expenditures represent scholarships.

#### Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. Summary of Significant Accounting Policies, Continued

#### Basis of Accounting, Continued

##### Revenues – Exchange and Non-Exchange Transactions:

Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year end.

Non-Exchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from Non-Exchange Transactions must also be available before they can be recognized.

Unearned Revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the costs have been earned and eligibility requirements are met, are recorded as unearned revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in fund net position as an expense with a like amount reported as donated commodities revenue. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to first apply restricted resources.

The measurement focus of governmental fund accounting is on changes in net financial resources (expenditures) rather than revenues (expenses). Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

#### Budgetary Principles

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis are:

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. Summary of Significant Accounting Policies, Continued

#### Budgetary Principles, Continued

Revenues are recorded when received in cash (budgetary), as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary), as opposed to when the obligation is incurred (GAAP).

#### Encumbrance Accounting

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are included in assigned fund balance. For budgetary purposes, appropriations lapse at fiscal year-end and do not constitute expenditures or liabilities because the commitments will be reappropriated in the next year.

#### Cash and Cash Equivalents

The District considers bank demand deposit accounts to be cash equivalents.

#### Investments

Investments are measured at fair value on a recurring basis.

#### Accounts Receivable

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include federal and state funding and taxes. Balances deemed uncollectible are written off; therefore, the District does not record an allowance for doubtful accounts.

#### Inventory

Inventory in the General Fund consists of maintenance, instructional, and transportation supplies, stated at cost, which approximates market, using the first-in, first-out (FIFO) method. Inventory in the Food Service Fund consists of purchased food valued at cost, and donated commodities valued by the U.S. Department of Agriculture at fair value on the date of donation, using the FIFO method.

#### Capital Assets

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

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. Summary of Significant Accounting Policies, Continued

#### Capital Assets, Continued

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at fair market value as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets per Kentucky Department of Education Guidelines:

| <u>Description</u>         | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Land improvements          | 20 years               |
| Buildings and improvements | 25-50 years            |
| Technology equipment       | 5 years                |
| Vehicles                   | 5-10 years             |
| General equipment          | 10-20 years            |
| Food service equipment     | 12 years               |

#### Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and personal property in the District. Taxes are due in one installment on December 1 and become delinquent by January 1 following the levy date.

The assessed value of the tax roll on January 1, 2024, on which the levy for the 2025 fiscal year was based, totaled \$9,719,676,459. Property taxes collected are recorded as revenues in the fiscal year for which they were levied. All taxes collected are initially deposited into the General Fund and then transferred to the appropriate fund.

The tax rates assessed for the year ended June 30, 2025, to finance General Fund and FSPK Building Fund operations were 47.8 cents and 17.4 cents per \$100 valuation, respectively, for a total of 65.2 cents per \$100 valuation. In addition, the tax rate assessed for motor vehicles totaled 54.0 cents per \$100 valuation.

The District also levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishing within the county of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial, and mixed gas.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. **Summary of Significant Accounting Policies, Continued**

#### Unearned Revenue

The District reports unearned revenue on its government-wide and fund financial statements. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the District and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized.

#### Interfund Receivables, Payables, and Transfers

Each fund is a distinct fiscal and accounting entity, and thus interfund transactions are recorded in each fund affected by a transaction. These types of transactions are classified as due from and due to other funds. During the year, the General Fund receives and disburses funds that relate to other funds or activities. Transfers are then made between the various funds to more properly reflect the nature of the transactions.

#### Bonds and Related Premiums, Discounts, and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs, are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Discounts related to debt issuance are reported as other financing uses. Issuance costs are reported as debt service expenditures.

#### Pension and Other Postemployment Benefits

For purposes of measuring the net liabilities or assets, the deferred outflows of resources and deferred inflows of resources, and expense related to pensions and other postemployment benefits (OPEB), information about the fiduciary net position of the pension / OPEB plans, and additions to/deductions from the pension / OPEB plans’ fiduciary net position have been determined on the same basis as they are reported by the pension / OPEB plans. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. Summary of Significant Accounting Policies, Continued

#### Pension and Other Postemployment Benefits, Continued

primary government's proportionate share of pension amounts was further allocated to proprietary funds based on the salaries paid by each proprietary fund. Plan investments are reported at fair value.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position and/or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### Net Position

The District classifies net position in the government-wide financial statements as follows:

- Net investment in capital assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- Unrestricted net position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

#### Fund Balance Classification

The District reports fund balances in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 2. Summary of Significant Accounting Policies, Continued

#### Fund Balance Classification, Continued

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Education delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

#### Estimates

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

#### Recently Adopted Accounting Standards

In fiscal year 2025, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences. This standard requires that changes be applied retrospectively by restating prior periods, if practicable. However, the District determined that it was not practicable to restate prior year financial information due to the unavailability of necessary historical data. As a result, the cumulative effect of applying the standard has been reflected in the current year.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 3. Deposits and Investments

Kentucky Revised Statutes (KRS) permit the District to invest money subject to its control in obligations of the United States and its agencies, certificates of deposit or other interest-bearing accounts, bankers acceptances, commercial paper, bonds of the commonwealth of Kentucky and its agencies, securities issued by a state or local government, mutual funds, exchange-traded funds, individual equity securities, and individual corporate bonds, as more fully described in Kentucky Revised Statute (KRS) KRS 66.480.

#### Deposits

The District's deposits (demand deposit accounts) are carried at cost, which approximates fair value. At June 30, 2025, the book balance of the District's bank deposits was \$64,026,337, and the bank balances were \$85,695,241. Of the bank balances, \$615,230 was covered by federal depository insurance, and \$85,080,011 was collateralized by securities held by the pledging financial institution. There were no uninsured or uncollateralized balances.

Due to the nature of the accounts and limitations imposed for the purposes of the various funds, all cash balances are considered to be restricted except for the General Fund.

#### Investments

At June 30, 2025, the District had the following investments and maturities:

| Type                               | Fair Value           | Maturities in Years  |                 |
|------------------------------------|----------------------|----------------------|-----------------|
|                                    |                      | Less Than 1          | None            |
| Fixed income:                      |                      |                      |                 |
| U.S. government agency obligations | \$ 2,323             | \$ -                 | \$ 2,323        |
| U.S. Treasury bonds and notes      | 49,508,197           | 49,508,197           | -               |
| Municipal bonds                    | <u>27,633,141</u>    | <u>27,633,141</u>    | -               |
| Total investments                  | \$ <u>77,143,661</u> | \$ <u>77,141,338</u> | \$ <u>2,323</u> |

#### Credit Risk

The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy complies with KRS 66.480, which requires that investments be rated in one of the three highest categories by a competent rating agency. U.S. Government securities or obligations carry the explicit guarantee of the U.S. government and, therefore, are not considered to have credit risk exposure.

#### Custodial Credit Risk

The risk that an entity will not be able to recover the value of its investments that are in the possession of an outside party if the counterparty fails. The District averts this risk by maintaining all investments in the entity's name.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 3. Deposits and Investments, Continued

#### Interest Rate Risk

The risk that changes in market interest rates will adversely affect the fair value of an investment. The District's policy provides for coordinating investment maturities to closely match cash flow needs, and complies with KRS 66.480, which requires that corporate bonds have a maturity of no more than 10 years.

#### Concentration of Credit Risk

The risk of loss attributed to an overconcentration in the portfolio of a security type or issuer. The District's policy complies with KRS 66.480, which requires that amounts invested in individual equity securities may not exceed 25% of total equity securities in the portfolio; amounts invested in any one type of investment may not exceed 20% of the total portfolio; amounts invested in mutual funds, exchange-traded funds, individual equity securities, and corporate bonds may not aggregately exceed 40% of the total portfolio; and amounts invested in any one issuer may not exceed 5% of the portfolio.

#### Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs. The fair value measurements of the District's investments at June 30, 2025, are as follows:

|                                    | <u>Fair Value</u>    | <u>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</u> |
|------------------------------------|----------------------|--|
| Fixed income:                      |                      |  |
| U.S. government agency obligations | \$ 2,323             | \$ 2,323   |
| U.S. Treasury bonds and notes      | 49,508,197           | 49,508,197   |
| Municipal bonds                    | <u>27,633,141</u>    | <u>27,633,141</u>  |
| Total investments                  | <u>\$ 77,143,661</u> | <u>\$ 77,143,661</u>   |

The following is a description of the valuation methodologies used for the Level 2 fair value measurements. There have been no changes in the methodologies used since the prior fiscal year.

*Corporate bonds, and U.S. government and Treasury securities:* Valued using pricing models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 4. Capital Assets

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

|  | <u>Balance</u><br><u>June 30, 2024</u> | <u>Additions</u>     | <u>Disposals</u>      | <u>Balance</u><br><u>June 30, 2025</u> |
|--|--|----------------------|-----------------------|--|
| <b>Governmental activities:</b>              |  |                      |                       |  |
| Capital assets, not being depreciated:       |  |                      |                       |  |
| Land   | \$ 9,484,004                           | \$ 8,037,615         | \$ -                  | \$ 17,521,619                          |
| Construction in progress                     | <u>54,985,472</u>                      | <u>56,322,908</u>    | <u>(2,924,434)</u>    | <u>108,383,946</u>                     |
| Total capital assets, not being depreciated  | <u>64,469,476</u>                      | <u>64,360,523</u>    | <u>(2,924,434)</u>    | <u>125,905,565</u>                     |
| Capital assets, being depreciated:           |  |                      |                       |  |
| Land improvements                            | 15,359,030                             | 108,587              | (38,217)              | 15,429,400                             |
| Buildings and improvements                   | 347,209,061                            | 2,805,846            | (19,588)              | 349,995,319                            |
| Technology equipment                         | 3,651,563                              | -                    | (622,951)             | 3,028,612                              |
| Vehicles                                     | 26,418,659                             | 197,602              | (610,839)             | 26,005,422                             |
| General equipment                            | <u>9,334,937</u>                       | <u>709,200</u>       | <u>(1,038,352)</u>    | <u>9,005,785</u>                       |
| Totals capital assets, being depreciated     | <u>401,973,250</u>                     | <u>3,821,235</u>     | <u>(2,329,947)</u>    | <u>403,464,538</u>                     |
| Less accumulated depreciation:               |  |                      |                       |  |
| Land improvements                            | (7,040,096)                            | (550,282)            | 38,217                | (7,552,161)                            |
| Buildings and improvements                   | (122,294,539)                          | (7,826,059)          | 11,483                | (130,109,115)                          |
| Technology equipment                         | (3,300,521)                            | (91,603)             | 626,361               | (2,765,763)                            |
| Vehicles                                     | (15,306,731)                           | (1,788,064)          | 610,839               | (16,483,956)                           |
| General equipment                            | <u>(7,055,817)</u>                     | <u>(466,655)</u>     | <u>1,016,839</u>      | <u>(6,505,633)</u>                     |
| Total accumulated depreciation               | <u>(154,997,704)</u>                   | <u>(10,722,663)</u>  | <u>2,303,739</u>      | <u>(163,416,628)</u>                   |
| Lease assets:                                |  |                      |                       |  |
| Leased general equipment                     | 1,396,174                              | 617,916              | (1,021,481)           | 992,609                                |
| Accumulated amortization                     | <u>(1,137,540)</u>                     | <u>(338,503)</u>     | <u>1,021,481</u>      | <u>(454,562)</u>                       |
| Net lease assets                             | <u>258,634</u>                         | <u>279,413</u>       | <u>-</u>              | <u>538,047</u>                         |
| Total capital assets, being depreciated, net | <u>247,234,180</u>                     | <u>(6,622,015)</u>   | <u>(26,208)</u>       | <u>240,585,957</u>                     |
| Governmental activities:                     |  |                      |                       |  |
| Capital assets, net                          | <u>\$ 311,703,656</u>                  | <u>\$ 57,738,508</u> | <u>\$ (2,950,642)</u> | <u>\$ 366,491,522</u>                  |

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 4. Capital Assets, Continued

Business-type activities:

Capital assets, not being depreciated:

|      |           |      |      |           |
|------|-----------|------|------|-----------|
| Land | \$ 16,790 | \$ - | \$ - | \$ 16,790 |
|------|-----------|------|------|-----------|

Capital assets, being depreciated:

|                           |           |         |           |           |
|---------------------------|-----------|---------|-----------|-----------|
| Land improvements         | 14,407    | -       | -         | 14,407    |
| Building and improvements | 200,716   | -       | -         | 200,716   |
| Technology equipment      | 1,779     | -       | -         | 1,779     |
| Vehicles                  | 315,300   | -       | -         | 315,300   |
| General equipment         | 4,932,190 | 364,748 | (539,001) | 4,757,937 |

|   |                  |                |                  |                  |
|---|------------------|----------------|------------------|------------------|
| Total capital assets, being depreciated | <u>5,464,392</u> | <u>364,748</u> | <u>(539,001)</u> | <u>5,290,139</u> |
|---|------------------|----------------|------------------|------------------|

Less accumulated depreciation:

|                           |                    |                  |                |                    |
|---------------------------|--------------------|------------------|----------------|--------------------|
| Land improvements         | (14,407)           | -                | -              | (14,407)           |
| Building and improvements | (192,136)          | (1,041)          | -              | (193,177)          |
| Technology equipment      | (1,779)            | -                | -              | (1,779)            |
| Vehicles                  | (223,572)          | (24,335)         | -              | (247,907)          |
| General equipment         | <u>(3,472,086)</u> | <u>(224,931)</u> | <u>526,172</u> | <u>(3,170,845)</u> |

|                                |                    |                  |                |                    |
|--------------------------------|--------------------|------------------|----------------|--------------------|
| Total accumulated depreciation | <u>(3,903,980)</u> | <u>(250,307)</u> | <u>526,172</u> | <u>(3,628,115)</u> |
|--------------------------------|--------------------|------------------|----------------|--------------------|

Business-type activities:

|                     |                     |                   |                    |                     |
|---------------------|---------------------|-------------------|--------------------|---------------------|
| Capital assets, net | <u>\$ 1,577,202</u> | <u>\$ 114,441</u> | <u>\$ (12,829)</u> | <u>\$ 1,678,814</u> |
|---------------------|---------------------|-------------------|--------------------|---------------------|

Depreciation expense was charged to governmental functions as follows:

|                                  |                      |
|----------------------------------|----------------------|
| Instructional                    | \$ 8,479,961         |
| Support services:                |                      |
| Instructional staff              | 75                   |
| District administration          | 42,657               |
| School administration            | 1,424                |
| Business                         | 12,678               |
| Plant operations and maintenance | 501,788              |
| Student transportation           | <u>1,684,080</u>     |
| Total depreciation expense       | <u>\$ 10,722,663</u> |

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 5. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025, was as follows:

|                               | Balance<br>June 30,<br>2024 | Additions            | Deductions             | Balance<br>June 30,<br>2025 | Due<br>Within<br>One Year |
|-------------------------------|-----------------------------|----------------------|------------------------|-----------------------------|---------------------------|
| Governmental activities:      |                             |                      |                        |                             |                           |
| Long-term debt:               |                             |                      |                        |                             |                           |
| School building revenue bonds | \$ 248,665,000              | \$ 71,230,000        | \$ (12,920,000)        | \$ 306,975,000              | \$ 12,825,000             |
| Deferred amounts:             |                             |                      |                        |                             |                           |
| For issuance premiums         | 3,424,574                   | 3,412,575            | (530,976)              | 6,306,173                   | -                         |
| For issuance discounts        | <u>(728,297)</u>            | <u>-</u>             | <u>104,322</u>         | <u>(623,975)</u>            | <u>-</u>                  |
| Total long-term debt          | 251,361,277                 | 74,642,575           | (13,346,654)           | 312,657,198                 | 12,825,000                |
| Capital leases                | 250,224                     | 617,916              | (342,931)              | 525,209                     | 168,303                   |
| Compensated absences:         |                             |                      |                        |                             |                           |
| Accrued sick leave            | <u>3,844,151</u>            | <u>15,408,344</u>    | <u>-</u>               | <u>19,252,495</u>           | <u>9,241,198</u>          |
| Total governmental activities | <u>\$ 255,455,652</u>       | <u>\$ 90,668,835</u> | <u>\$ (13,689,585)</u> | <u>\$ 332,434,902</u>       | <u>\$ 22,234,501</u>      |

#### School Building Revenue Bonds

The District is obligated to make payments in amounts equal to annual debt service requirements on bonds issued by the Hardin County School District Finance Corporation and the Kentucky School Facilities Construction Commission (Commission) to construct or renovate school facilities. The District has an option to purchase the properties at any time by retiring the bonds outstanding. These payments are recorded in the Debt Service Fund.

In addition, the District has entered into participation agreements with the Commission. The Commission was created by the Kentucky Legislature for the purpose of assisting local school districts in meeting school construction needs.

A summary of District and Commission bond activity for the year ended June 30, 2025, is as follows:

|                        | District              | Commission          | Total                 |
|------------------------|-----------------------|---------------------|-----------------------|
| Balance, June 30, 2024 | \$ 242,366,649        | \$ 6,298,351        | \$ 248,665,000        |
| Issued                 | 69,635,637            | 1,594,363           | 71,230,000            |
| Retired                | <u>(12,064,072)</u>   | <u>(855,928)</u>    | <u>(12,920,000)</u>   |
| Balance, June 30, 2025 | <u>\$ 299,938,214</u> | <u>\$ 7,036,786</u> | <u>\$ 306,975,000</u> |

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 5. Long-Term Liabilities, Continued

#### School Building Revenue Bonds, Continued

A summary of the interest rates, maturities, and balances is as follows:

|                       | Range of<br>Interest<br>Rates | Final<br>Maturity | Balance, June 30, 2025 |                     |                       |
|-----------------------|-------------------------------|-------------------|------------------------|---------------------|-----------------------|
|                       |                               |                   | <u>District</u>        | <u>Commission</u>   | <u>Total</u>          |
| 2014 Issue            | 2.00 – 3.50%                  | 2034              | \$ 11,450,000          | \$ -                | \$ 11,450,000         |
| 2014R Issue           | 2.00 – 3.00%                  | 2026              | 295,000                | -                   | 295,000               |
| 2014R2 Issue          | 2.00 – 5.00%                  | 2026              | 868,934                | 121,066             | 990,000               |
| 2015 Issue            | 2.00 – 5.00%                  | 2026              | 10,200,000             | -                   | 10,200,000            |
| 2015R Issue           | 2.00 – 4.00%                  | 2027              | 2,200,231              | 219,769             | 2,420,000             |
| 2016R Issue           | 2.00 – 5.00%                  | 2029              | 20,068,168             | 516,832             | 20,585,000            |
| 2016 Issue            | 2.00 – 5.00%                  | 2037              | 19,025,000             | -                   | 19,025,000            |
| 2016 West Point Issue | 2.00%                         | 2028              | 36,389                 | 403,611             | 440,000               |
| 2017R Issue           | 3.00 – 4.00%                  | 2031              | 3,209,530              | 830,470             | 4,040,000             |
| 2018 West Point Issue | 2.00 – 3.00%                  | 2038              | -                      | 365,000             | 365,000               |
| 2019 Issue            | 3.00 – 5.00%                  | 2039              | 41,530,254             | 2,099,746           | 43,630,000            |
| 2021 Issue            | 2.00 – 5.00%                  | 2042              | 50,694,463             | 970,537             | 51,665,000            |
| 2021R Issue           | 2.00%                         | 2034              | 14,030,000             | -                   | 14,030,000            |
| 2024 ECM Issue        | 5.00%                         | 2044              | 13,960,000             | -                   | 13,960,000            |
| 2024 Issue            | 4.00 – 5.00%                  | 2044              | 44,825,000             | -                   | 44,825,000            |
| 2024 #2 Issue         | 4.00 – 5.00%                  | 2044              | 67,545,245             | 1,509,755           | 69,055,000            |
|                       |                               |                   | <u>\$ 299,938,214</u>  | <u>\$ 7,036,786</u> | <u>\$ 306,975,000</u> |

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District and amounts to be paid by the Commission, at June 30, 2025, for debt service (principal and interest) are as follows:

**HARDIN COUNTY SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

**5. Long-Term Liabilities, Continued**

School Building Revenue Bonds, Continued

| Year<br>Ending<br>June 30, | Hardin County<br>School District |                       |                       | Kentucky School Facility<br>Construction Commission |                     |                     |                       |
|----------------------------|----------------------------------|-----------------------|-----------------------|---|---------------------|---------------------|-----------------------|
|                            | Principal                        | Interest              | District<br>Total     | Principal   | Interest            | Commission<br>Total | Total                 |
| 2026                       | \$ 11,971,947                    | \$ 10,393,797         | \$ 22,365,744         | \$ 853,053  | \$ 245,027          | \$ 1,098,080        | \$ 23,463,824         |
| 2027                       | 12,175,363                       | 9,904,980             | 22,080,343            | 759,637   | 213,744             | 973,381             | 23,053,724            |
| 2028                       | 12,756,242                       | 9,341,704             | 22,097,946            | 673,758   | 184,769             | 858,527             | 22,956,473            |
| 2029                       | 13,285,218                       | 8,829,667             | 22,114,885            | 509,782   | 161,657             | 671,439             | 22,786,324            |
| 2030                       | 13,446,973                       | 8,394,577             | 21,841,550            | 423,027   | 144,271             | 567,298             | 22,408,848            |
| 2031-<br>2035              | 74,073,180                       | 34,826,990            | 108,900,170           | 1,696,820   | 519,321             | 2,216,141           | 111,116,311           |
| 2036-<br>2040              | 84,658,051                       | 21,992,863            | 106,650,914           | 1,561,949   | 239,431             | 1,801,380           | 108,452,294           |
| 2041-<br>2044              | <u>77,571,240</u>                | <u>7,276,204</u>      | <u>84,847,444</u>     | <u>558,760</u>                                      | <u>46,713</u>       | <u>605,473</u>      | <u>85,452,917</u>     |
|                            | <u>\$ 299,938,214</u>            | <u>\$ 110,960,782</u> | <u>\$ 410,898,996</u> | <u>\$ 7,036,786</u>                                 | <u>\$ 1,754,933</u> | <u>\$ 8,791,719</u> | <u>\$ 419,690,715</u> |

Generally, all bonds issued are secured by a statutory mortgage lien on the respective school buildings and appurtenant properties, including any subsequent additions thereto. The agreements contain a provision that in the event of default, action can be taken to compel specific performance. The amount of interest expense on bonds for the year ended June 30, 2025, totaled \$9,293,222, of which \$9,056,230 was incurred by the District, and \$236,992 was paid by the Commission.

Compensated Absences

Upon retirement, as defined by the Teachers' Retirement System of the State of Kentucky or the County Employees Retirement System, certified and classified employees received an amount equal to 30% of the value of accumulated sick leave based on the individual final salary. In accordance with GASB Statement No. 101, Compensated Absences, the liability for compensated absences now also reflects management's estimate of sick leave expected to be taken prior to retirement, as well as an estimate of the portion of accumulated sick leave that is anticipated to be forfeited and, therefore, not paid out. Additionally, vacation time that will be paid out upon separation is reflected in the liability. This liability totaled \$19,252,495 at June 30, 2025, and is recorded as a long-term liability in the district-wide financial statements.

For governmental fund financial statements, the amount of compensated absences recorded as a liability would be the amount expected to be paid using expendable available resources. These obligations for June 30, 2025, were paid prior to fiscal year end and, therefore, no amount has been accrued in the governmental fund financial statements.

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2025

**5. Long-Term Liabilities, Continued**

Capital Leases

The District leases various copiers with a capitalized value of \$992,609 at June 30, 2025. These assets are included in capital assets and are depreciated on a straight-line basis over the estimated life of the asset.

The following schedule presents future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2025:

| <u>Description</u>                          | <u>Years</u> | <u>Amount</u>     |
|---|--------------|-------------------|
|   | 2026         | \$ 182,047        |
|   | 2027         | 133,755           |
|   | 2028         | 133,755           |
|   | 2029         | <u>133,755</u>    |
| Total minimum lease payments                |              | 583,312           |
| Less: amounts representing interest         |              | <u>(58,103)</u>   |
| Present value of net minimum lease payments |              | <u>\$ 525,209</u> |

**6. Pension Benefits – Teachers’ Retirement System of the State of Kentucky**

Plan Description

Teaching-certified employees of the Kentucky School District are provided pensions through the Teachers’ Retirement System of the State of Kentucky (TRS)—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). TRS is a blended component unit of the Commonwealth of Kentucky and, therefore, is included in the Commonwealth’s financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

Benefits Provided

For members who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, members become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

1. Attain age fifty-five (55) and complete five (5) years of Kentucky service, or
2. Complete 27 years of Kentucky service.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 6. Pension Benefits – Teachers’ Retirement System of the State of Kentucky, Continued

#### Benefits Provided, Continued

Participants who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university members with an account established prior to July 1, 2002, receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New members (including second retirement accounts) after July 1, 2002, will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years. New members after July 1, 2002, who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, members who retire July 1, 2004, and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for members hired on or after that date.

For members after July 1, 2008 – The annual retirement allowance for non-university members is equal to (a) one and seven tenths percent (1.7%) of final average salary for each year of credited service if their service is 10 years or less; (b) two percent (2.0%) of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) two and three tenths percent (2.3%) of final average salary of each year of credited service if their service is greater than 20 years but no more than 26 years; (d) two and one half percent (2.5%) of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) three percent (3.0%) of final average salary for years of credited service greater than 30 years. Effective January 1, 2022, the System again amended the benefit structure for members hired on or after that date.

For members after January 1, 2022 – condition for retirement is attainment of age 57 and 10 years of service or attainment of age 65 and 5 years of service. The annual foundational benefit for non-university members is equal to service times a multiplier times final average salary, based on a table. The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 30 years of service. The annual supplemental benefit is equal to the account balance which includes member and employer contributions and interest credited annually on June 30. Options include annualizing the balance or receiving the balance as a lump sum either at the time of retirement or at a later date.

Final average salary is defined as the member’s five (5) highest annual salaries for those with less than 27 years of service. Members at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. TRS also provides disability benefits for vested members at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing members and \$5,000 for retired or disabled members.

**HARDIN COUNTY SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

**6. Pension Benefits – Teachers’ Retirement System of the State of Kentucky, Continued**

Benefits Provided, Continued

Cost of living increases are one and one-half (1.5) percent annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

Contributions

Contribution rates are established by Kentucky Revised Statutes. Members in tiers 1, 2, and 3 are required to contribute 12.855% of their salaries to TRS for the year ended June 30, 2025. Beginning January 1, 2022, members in tier 4 are required to contribute 14.75% of their salaries. The State, as a non-employer contributing entity, contributes 13.105% of the salaries of school district members who joined before July 1, 2008, 14.105% for those who joined between July 1, 2008 and December 31, 2021, and 10.75% for those joining thereafter. For local school district TRS members whose salaries are federally funded, the District contributes the applicable percentage of salaries based on the employee’s tier.

If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member’s request.

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

Because the State, as a non-employer contributing entity, is required by Kentucky Revised Statutes to contribute 100% of the District’s contractually required contributions, the District reports no pension liabilities, pension expenses, deferred outflows of resources, or deferred inflows of resources related to TRS.

The portion of the TRS net pension liability that was associated with the District recognized at June 30, 2025, was as follows:

|   |    |                    |
|---|----|--------------------|
| District’s proportionate share of the net pension liability                           | \$ | -                  |
| State’s proportionate share of the net pension liability associated with the District |    | <u>340,759,110</u> |
| Total   | \$ | <u>340,759,110</u> |

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The net pension liability associated with the District was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2024, the measurement date, the District’s proportion of the TRS net pension liability was 2.0725%, an increase of .0403% from its proportion measured as of June 30, 2023, of 2.0322%.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 6. Pension Benefits – Teachers’ Retirement System of the State of Kentucky, Continued

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

For the year ended June 30, 2025, the District recognized on-behalf pension expense and revenue of \$22,148,226 for contributions provided by the State.

#### Actuarial Assumptions

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

|  |                |
|--|----------------|
| Inflation  | 2.50%          |
| Salary increases, including inflation  | 3.00 to 7.50%  |
| Long-term investment rate of return,<br>net of pension plan investment<br>expense, including inflation | 7.10%          |
| Municipal Bond Index Rate:   |                |
| Prior Measurement Date   | 3.66%          |
| Measurement Date   | 3.94%          |
| Single Equivalent Interest Rate, net of<br>pension plan investment expense,<br>including inflation:    |                |
| Prior Measurement Date   | 7.10%          |
| Measurement Date   | 7.10%          |
| Post-Retirement Benefit Increases  | 1.50% annually |

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally based on the Projection Scale MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members.

The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 6. Pension Benefits – Teachers’ Retirement System of the State of Kentucky, Continued

#### Actuarial Assumptions, Continued

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by TRS’s investment consultant is summarized in the following table:

| <u>Asset Class</u>             | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------|--------------------------|---|
| Large Cap U.S. equity          | 35.4%                    | 5.0%  |
| Small Cap U.S. equity          | 2.6%                     | 5.5%  |
| Developed International Equity | 15.7%                    | 5.5%  |
| Emerging Markets Equity        | 5.3%                     | 6.1%  |
| Fixed income                   | 15.0%                    | 1.9%  |
| High Yield Bonds               | 2.0%                     | 3.8%  |
| Other Additional categories    | 8.0%                     | 3.6%  |
| Real estate                    | 7.0%                     | 3.2%  |
| Private equity                 | 7.0%                     | 8.0%  |
| Cash                           | <u>2.0%</u>              | 1.6%  |
|                                | <u>100%</u>              |   |

#### Discount Rate

The discount rate used to measure the total pension liability (TPL) as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. TRS assumed that Plan member contributions will be made at the current contribution rates and that employer contributions will be made at the actuarially determined contribution rates for all fiscal years in the future. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2025

**6. Pension Benefits – Teachers’ Retirement System of the State of Kentucky, Continued**

Sensitivity of the State’s Proportionate Share of the District’s Net Pension Liability to Changes in the Discount Rate

The following presents the State’s proportionate share of the net pension liability associated with the District using the discount rate of 7.10%, as well as what the State’s proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

|                       | <u>Discount rate</u> | <u>State’s proportionate share of net pension liability associated with the District</u> |
|-----------------------|----------------------|--|
| 1% decrease           | 6.10%                | \$444,026,229  |
| Current discount rate | 7.10%                | \$340,759,110  |
| 1% increase           | 8.10%                | \$254,731,799  |

Plan Fiduciary Net Position

Detailed information about the TRS fiduciary net position is available in the publicly available financial report.

Payable to the Pension Plan

Because the State is required by statute to contribute 100% of the District’s contractually required pension contributions, the District reports no payable for such pension contributions at June 30, 2025.

**7. Other Postemployment Benefits – Teachers’ Retirement System of the State of Kentucky**

Medical Insurance Plan (MIP)

*Plan description* – In addition to the pension benefits described in Note 6, Kentucky Revised Statute 161.675 requires TRS to provide post-employment healthcare benefits to eligible members and dependents. The MIP is a cost-sharing multiple-employer defined benefit plan with a special funding situation. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

*Benefits provided* – To be eligible for medical benefits, the member must have retired either for service or disability. The MIP offers coverage to members under the age of 65 through the

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 7. **Other Postemployment Benefits – Teachers’ Retirement System of the State of Kentucky, Continued**

#### Medical Insurance Plan (MIP), Continued

Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. TRS retired members are given a supplement to be used for payment of their health insurance premium. The amount of the member’s supplement is based on a contribution supplement table approved by the TRS Board of Trustees. The retired member pays premiums in excess of the monthly supplement. Once retired members and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the TRS Medicare Eligible Health Plan.

*Contributions* – In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three percent (3.75%) is paid by member contributions and three quarters percent (.75%) from State appropriation and three percent (3.00%) from the employer. The State contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010, who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

At June 30, 2025, the District reported a liability for its proportionate share of the collective net OPEB MIP liability and the related deferred outflows or deferred inflows.

#### Life Insurance Plan (LIP)

*Plan description* – TRS also administers a life insurance plan as provided by Kentucky Revised Statute 161.655 to eligible active and retired members. The LIP is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the life insurance plan may be made by the TRS Board of Trustees and the General Assembly.

*Benefits provided* – TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member’s estate or to a party designated by the member.

*Contributions* – In order to fund the post-retirement life insurance benefit, three hundredths of one percent (.03%) of the gross annual payroll of members is contributed by the State. Employers do not contribute to the LIP.

At June 30, 2025, the District did not report a liability for a proportionate share of the collective net OPEB LIP liability, nor any related deferred outflows or deferred inflows, because the State of Kentucky provides the OPEB LIP support directly to TRS on behalf of the District, and the District does not contribute to the LIP.

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2025

**7. Other Postemployment Benefits – Teachers’ Retirement System of the State of Kentucky, Continued**

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

At June 30, 2025, the District reported a liability of \$23,717,000 for its proportionate share of the collective net MIP OPEB liability that reflected a reduction for state MIP OPEB support provided to the District. The collective net MIP OPEB liability was measured as of June 30, 2024, and the total MIP OPEB liability used to calculate the collective net MIP OPEB liability was based on a projection of the District’s long-term share of contributions to the MIP OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2024 measurement date, the District’s proportion was 1.064013%, a decrease of 0.003143% from its proportion measured as of June 30, 2023, of 1.067156%.

The amount recognized by the District as its proportionate share of the OPEB liabilities, the related State support, and the total portion of the net OPEB liabilities associated with the District were as follows:

|  | <u>MIP</u>           | <u>LIP</u>        |
|--|----------------------|-------------------|
| District’s proportionate share of the net OPEB liability                           | \$ 23,717,000        | \$ -              |
| State’s proportionate share of the net OPEB liability associated with the District | <u>21,128,000</u>    | <u>482,000</u>    |
| Total  | <u>\$ 44,845,000</u> | <u>\$ 482,000</u> |

For the year ended June 30, 2025, the District recognized MIP OPEB expense (credit) of \$(302,733). In addition, on-behalf MIP and LIP OPEB revenue and expense for support provided by the State totaled \$1,968,330 and \$58,919 for the year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the MIP OPEB from the following sources:

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 7. Other Postemployment Benefits – Teachers’ Retirement System of the State of Kentucky, Continued

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

|  | MIP                                  |                                     |
|--|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience   | \$ -                                 | \$ 7,122,000                        |
| Changes of assumptions   | 6,040,000                            | -                                   |
| Net difference between projected and actual earnings on plan investments                             | -                                    | 761,000                             |
| Changes in proportion and differences between contributions and proportionate share of contributions | 7,290,000                            | 8,933,000                           |
| District contributions subsequent to the measurement date  | 2,375,351                            | -                                   |
| Total  | \$ 15,705,351                        | \$ 16,816,000                       |

Of the total amount reported as deferred outflows of resources related to the MIP OPEB, \$2,375,351, resulting from District contributions subsequent to the measurement date and before the end of the fiscal year, will be included as a reduction of the collective net MIP OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to MIP OPEB will be recognized in the District’s MIP OPEB expense as follows:

| Year ended June 30, |                |
|---------------------|----------------|
| 2026                | \$ (1,395,000) |
| 2027                | 162,000        |
| 2028                | (131,000)      |
| 2029                | (1,110,000)    |
| 2030                | (1,024,000)    |
| Thereafter          | 12,000         |
|                     | \$ (3,486,000) |

*Actuarial assumptions* – The total MIP and LIP OPEB liabilities in the June 30, 2023, actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 7. Other Postemployment Benefits – Teachers’ Retirement System of the State of Kentucky, Continued

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

|  |   |
|--|---|
| Inflation  | 2.50%   |
| Real Wage Growth   | 0.25%   |
| Wage Inflation   | 2.75%   |
| Salary increases, including<br>wage inflation  | 3.00 – 7.50%  |
| Long-term Investment Rate of Return,<br>net of OPEB plan investment<br>expense, including inflation:             |   |
| MIP  | 7.10%   |
| LIP  | 7.10%   |
| Municipal Bond Index Rate  | 3.94%   |
| Single Equivalent Interest Rate, net<br>of OPEB plan investment expense,<br>including inflation (discount rate): |   |
| MIP  | 7.10%   |
| LIP  | 7.10%   |
| MIP Health Care Cost Trends:   |   |
| Medical Trend  | 6.50% for FY 2024 decreasing to an ultimate rate<br>of 4.50% by FY 2031 |
| Medicare Part B Premiums   | 5.92% for FY 2024 with an ultimate rate of<br>4.50% by 2035             |

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees, deferred vested retirees, and active members.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2023 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 2022 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation. The health care cost trend assumption was updated for the June 30, 2023 valuation and was shown as an assumption change in the TOL roll forward, while the change in initial per capita claims costs were included with experience in the TOL roll forward.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 7. **Other Postemployment Benefits – Teachers’ Retirement System of the State of Kentucky, Continued**

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

The long-term expected rate of return on Health Trust and Life Trust investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS’s investment consultant, are summarized in the following table:

| Asset Class             | Target Allocation |      | 30 Year Expected Geometric Real Rate of Return |      |
|-------------------------|-------------------|------|--|------|
|                         | MIP               | LIP  | MIP  | LIP  |
| U.S. Equity             | 38.0              | 40.0 | 10.5%  | 5.2% |
| International Equity    | 15.0              | 15.0 | 5.5%   | 5.5% |
| Emerging Markets Equity | 5.0               | 5.0  | 6.1%   | 6.1% |
| Fixed Income            | 9.0               | 21.0 | 1.9%   | 1.9% |
| Real Estate             | 6.5               | 7.0  | 3.2%   | 3.2% |
| Private Equity          | 8.5               | 5.0  | 8.0%   | 8.0% |
| High Yield              | 8.0               | -    | 3.8%   | -    |
| Additional Categories   | 9.0               | 5.0  | 3.7%   | 4.0% |
| Cash                    | 1.0               | 2.0  | 1.6%   | 1.6% |
| Total                   | 100%              | 100% |  |      |

*Discount rate* - The discount rate used to measure the total MIP and LIP OPEB liabilities was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the MIP employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liabilities.

The following table presents the District’s proportionate share of the collective net MIP OPEB liability, calculated using the discount rate of 7.10%, as well as what the District’s proportionate share of the collective net MIP OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

**HARDIN COUNTY SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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**7. Other Postemployment Benefits – Teachers’ Retirement System of the State of Kentucky, Continued**

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

|                        | <u>1% decrease<br/>(6.10%)</u> | <u>Current<br/>discount rate<br/>(7.10%)</u> | <u>1% increase<br/>(8.10%)</u> |
|------------------------|--------------------------------|--|--------------------------------|
| Net MIP OPEB liability | \$ 31,507,000                  | \$ 23,717,000                                | \$ 17,260,000                  |

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

|                        | <u>1% decrease</u> | <u>Current<br/>trend rate</u> | <u>1% increase</u> |
|------------------------|--------------------|-------------------------------|--------------------|
| Net MIP OPEB liability | \$ 16,020,000      | \$ 23,717,000                 | \$ 33,279,000      |

*OPEB plans’ fiduciary net position* – Detailed information about the OPEB plans’ fiduciary net position is available in the separately issued TRS financial report.

Payable to the OPEB Plans

The District reported payables of \$0 for the outstanding amount of MIP and LIP OPEB contributions due to the Plans at June 30, 2025.

**8. Pension and Other Postemployment Benefits – County Employees Retirement System**

Plan Description

The District contributes to the County Employees Retirement System (CERS), which is a cost-sharing multiple-employer defined benefit pension/OPEB plan administered by the Kentucky Public Pensions Authority (KPPA) that covers members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS. KPPA issues a publicly available financial report that can be obtained at [www.kyret.ky.gov](http://www.kyret.ky.gov).

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2025

**8. Pension and Other Postemployment Benefits – County Employees Retirement System, Continued**

Benefits Provided

CERS provides for retirement, disability, and death benefits to system members through its Pension Fund, as well as other postemployment benefits (OPEB) for hospital and medical insurance through its Insurance Fund.

Retirement benefits may be extended to beneficiaries of members under certain circumstances. Retirement benefits are determined using a formula which considers the member’s final compensation; benefit factors set by statute which vary depending upon the type/amount of service, participation date, and retirement date; and years of service as fully described in the plan documents.

Other postemployment benefits provided by CERS consist of prescribed contributions for whole or partial payments of required premiums to purchase hospital and medical insurance.

Contributions

State statute requires active members to contribute 5% of creditable compensation. For members participating on or after September 1, 2008, an additional 1% of creditable compensation is required. This amount is credited to the Insurance Fund and is non-refundable to the member. Employers contribute at the rate determined by the KPPA Board to be necessary for the actuarial soundness of the systems, as required by KRS 61.565 and KRS 78.635.

The District’s actuarially determined contribution rates and contribution amounts applicable to fiscal year 2025 were based on annual creditable compensation for the year ended June 30, 2024, were as follows:

|         | <u>Contribution<br/>Rates</u> | <u>Contributions</u> |
|---------|-------------------------------|----------------------|
| Pension | 19.71%                        | \$ 5,927,766         |
| OPEB    | -                             | -                    |
| Total   | <u>19.71%</u>                 | <u>\$ 5,927,766</u>  |

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

The net pension liability and OPEB liability (asset) reported as of June 30, 2025, were measured as of June 30, 2024, and the total pension liability and OPEB liability (asset) used to calculate

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

### 8. Pension and Other Postemployment Benefits – County Employees Retirement System, Continued

#### Assets, Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions and OPEB, Continued

the net pension liability and OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the asset and liability was based on a projection of the District's long-term share of contributions to the plan relative to the projected contributions of all participating entities, actuarially determined. Changes in the District's pension and OPEB proportions as of the measurement dates were as follows:

|               | Pension    | OPEB       |
|---------------|------------|------------|
| June 30, 2023 | 0.815754%  | 0.815723%  |
| Decrease      | (0.007714) | (0.006935) |
| June 30, 2024 | 0.808040%  | 0.808788%  |

The District's pension liability and OPEB liability (asset) and expense as of and for the year ended June 30, 2025, were as follows:

|                      | Net Pension Liability | Net OPEB Liability (Asset) |
|----------------------|-----------------------|----------------------------|
| Proportionate Share  | \$ 48,324,216         | \$ (1,399,043)             |
| Pension/OPEB Expense | \$ 25,681             | \$ (3,641,406)             |

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

|  | Pension                        |                               | OPEB                           |                               |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|  | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience   | \$ 2,338,981                   | \$ -                          | \$ 776,173                     | \$ 11,007,710                 |
| Changes of assumptions   | -                              | 2,183,306                     | 1,267,701                      | 987,172                       |
| Net difference between projected and actual earnings on plan investments                             | -                              | 3,106,986                     | -                              | 1,276,708                     |
| Changes in proportion and differences between contributions and proportionate share of contributions | 550,016                        | 484,451                       | 391,018                        | 331,532                       |
| Contributions subsequent to the measurement date   | 5,927,766                      | -                             | -                              | -                             |
| Total  | \$ 8,816,763                   | \$ 5,774,743                  | \$ 2,434,892                   | \$ 13,603,122                 |

**HARDIN COUNTY SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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**8. Pension and Other Postemployment Benefits – County Employees Retirement System, Continued**

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

The \$5,927,766 and \$0 of deferred outflows of resources resulting from the District’s pension and OPEB contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability and increase in OPEB liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension and OPEB expense as follows:

| Year ending June 30, | Pension        | OPEB            |
|----------------------|----------------|-----------------|
| 2026                 | \$ (1,704,131) | \$ (4,586,834)  |
| 2027                 | 705,170        | (3,406,719)     |
| 2028                 | (1,194,361)    | (3,024,329)     |
| 2029                 | (692,424)      | (150,348)       |
|                      | \$ (2,885,746) | \$ (11,168,230) |

Actuarial Assumptions

The total pension liability and OPEB liability (asset) in the June 30, 2023, actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                               |   |  |
|-------------------------------|---|--|
| Inflation                     | 2.50%   |  |
| Payroll                       |   |  |
| growth rate                   | 2.00%   |  |
| Salary increases              | 3.30% to 10.30%, varies by service  |  |
| Net investment rate           | 6.50%   |  |
| Healthcare trend rates (OPEB) | Pre-65: 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. Post-65: 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. |  |

Pension and OPEB: The mortality table used for active members was a PUB-2010 General Mortality table, 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

**HARDIN COUNTY SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

**8. Pension and Other Postemployment Benefits – County Employees Retirement System, Continued**

Actuarial Assumptions, Continued

the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled retired members was the 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 are summarized in the following table.

| Asset Class         | Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return |
|---------------------|----------------------|--|
| Equity              |                      |  |
| Public equity       | 50.00                | 4.15%  |
| Private equity      | 10.00                | 9.10%  |
|                     | 60.00                |  |
| Fixed income        |                      |  |
| Core fixed income   | 10.00                | 2.85%  |
| Specialty credit    | 10.00                | 3.82%  |
| Cash                | -                    | 1.70%  |
|                     | 20.00                |  |
| Inflation protected |                      |  |
| Real estate         | 7.00                 | 4.90%  |
| Real return         | 13.00                | 5.35%  |
|                     | 20.00                |  |
| Total               | 100.00%              |  |

Discount Rate

The discount rates used to measure the total pension liability and OPEB liability (asset) at the measurement dates and changes since the prior year were as follows:

|                              | Pension | OPEB  |
|------------------------------|---------|-------|
| Discount rate, June 30, 2023 | 6.50%   | 5.93% |
| Increase                     | -       | 0.23  |
| Discount rate, June 30, 2024 | 6.50%   | 5.99% |

**HARDIN COUNTY SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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**8. Pension and Other Postemployment Benefits – County Employees Retirement System, Continued**

Discount Rate, Continued

The discount rate of 6.50% used to measure the total pension liability was based on the expected rate of return on pension plan investments. The discount rate of 5.99% used to measure the total OPEB liability (asset) was based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97% as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2024.

The projection of cash flows used to determine the pension discount rate assumed that the funds would receive the required employer contributions in each future year, as determined by the current funding policy established in Statute last amended by House Bill 362 (passed in 2018). The projection of cash flows used to determine the OPEB discount rate assumed that employers would contribute the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

Sensitivity of the District’s Proportionate Share of the Liabilities to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability and OPEB liability (asset), as well as what the District’s proportionate share of the net pension liability and OPEB liability (asset) would be if they were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|                       | District’s Proportionate Share |                       |               |                            |
|-----------------------|--------------------------------|-----------------------|---------------|----------------------------|
|                       | Discount Rate                  | Net pension Liability | Discount Rate | Net OPEB Liability (Asset) |
| 1% decrease           | 5.50%                          | \$ 62,297,811         | 4.99%         | \$ 1,891,663               |
| Current discount rate | 6.50%                          | \$ 48,324,216         | 5.99%         | \$ (1,399,043)             |
| 1% increase           | 7.50%                          | \$ 36,729,815         | 6.99%         | \$ (4,165,874)             |

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

The following presents the District’s proportionate share of the net OPEB liability (asset), as well as what the District’s proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

**HARDIN COUNTY SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

**8. Pension and Other Postemployment Benefits – County Employees Retirement System, Continued**

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates, Continued

|                                     | <u>Healthcare Cost<br/>Trend Rates</u> | <u>District’s Proportionate<br/>Share of Net OPEB<br/>Liability (Asset)</u> |
|-------------------------------------|--|---|
| 1% decrease                         | 6.10% Pre-65 and 7.00 %Post-65         | \$ (3,365,927)  |
| Current healthcare cost trend rates | 7.10% Pre-65 and 8.00% Post-65         | \$ (1,399,043)  |
| 1% increase                         | 8.10% Pre-65 and 9.00% Post-65         | \$ 892,239  |

Plan Fiduciary Net Position

Detailed information about the CERS fiduciary net position is available in the separately issued KPPA Annual Comprehensive Financial Report.

Payables to the Pension/OPEB Plans

The District reported the following payables for the outstanding amount of pension/OPEB contributions due to CERS for the year ended June 30, 2025.

|    | <u>Pension</u> | <u>OPEB</u> |
|----|----------------|-------------|
| \$ | <u>-</u>       | <u>-</u>    |

**9. On-Behalf Payments**

Payments are made by the Commonwealth of Kentucky for various purposes on behalf of the District. These on-behalf payments are budgeted and recorded as revenue and expense in the governmental funds of the District, and are comprised of the following for the year ended June 30, 2025:

|                             |                      |
|-----------------------------|----------------------|
| KTRS:                       |                      |
| Pension                     | \$ 22,148,226        |
| Retiree health insurance    | 1,968,330            |
| Retiree life insurance      | 58,919               |
| Health insurance            | 18,751,666           |
| HRA and administrative fees | 1,569,693            |
| State life insurance        | 26,427               |
| Technology                  | 246,842              |
| KSFCC debt service          | <u>1,092,921</u>     |
|                             | \$ <u>45,863,024</u> |

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 10. Deferred Compensation

The District offers its employees participation in a deferred compensation program administered by the Kentucky Public Employees' Deferred Compensation Authority. This program offers a plan authorized by Section 457(b) of the Internal Revenue Code and a plan authorized by Section 401(k) of the Internal Revenue Code. Both plans are available to all employees and permit them to defer up to 25% of their compensation (subject to limits) until future years. The District makes no contributions to these plans.

### 11. Fund Balance Classification

The composition of the fund balance classifications at June 30, 2025, is as follows:

|                             | Major Governmental Funds |                      |                      | Nonmajor Governmental Funds |                      |                   |                                   | Total                 |
|-----------------------------|--------------------------|----------------------|----------------------|-----------------------------|----------------------|-------------------|-----------------------------------|-----------------------|
|                             | General Fund             | Special Revenue Fund | Construction Fund    | District Activity Fund      | School Activity Fund | Debt Service Fund | Total Nonmajor Governmental Funds |                       |
| Restricted for:             |                          |                      |                      |                             |                      |                   |                                   |                       |
| Future capital needs        | \$ -                     | \$ -                 | \$ 96,000,595        | \$ -                        | \$ -                 | \$ -              | \$ -                              | \$ 96,000,595         |
| Other                       | 1,462,087                | 385,586              | -                    | 806,990                     | 1,397,584            | -                 | 2,204,574                         | 4,052,247             |
| Debt service                | -                        | -                    | -                    | -                           | -                    | 115,230           | 115,230                           | 115,230               |
|                             | <u>1,462,087</u>         | <u>385,586</u>       | <u>96,000,595</u>    | <u>806,990</u>              | <u>1,397,584</u>     | <u>115,230</u>    | <u>2,319,804</u>                  | <u>100,168,072</u>    |
| Committed:                  |                          |                      |                      |                             |                      |                   |                                   |                       |
| Other                       | 2,652,545                | -                    | -                    | -                           | -                    | -                 | -                                 | 2,652,545             |
| Assigned:                   |                          |                      |                      |                             |                      |                   |                                   |                       |
| Future construction project | 15,000,000               | -                    | -                    | -                           | -                    | -                 | -                                 | 15,000,000            |
|                             | <u>15,000,000</u>        | <u>-</u>             | <u>-</u>             | <u>-</u>                    | <u>-</u>             | <u>-</u>          | <u>-</u>                          | <u>15,000,000</u>     |
| Unassigned                  | 15,026,510               | -                    | -                    | -                           | -                    | -                 | -                                 | 15,026,510            |
| Total fund balances         | <u>\$ 34,141,142</u>     | <u>\$ 385,586</u>    | <u>\$ 96,000,595</u> | <u>\$ 806,990</u>           | <u>\$ 1,397,584</u>  | <u>\$ 115,230</u> | <u>\$ 2,319,804</u>               | <u>\$ 132,847,127</u> |

### 12. Net Position Deficit

The net position deficit reported by the Food Service Fund in the amount of \$(2,836,594) resulted from the recording of the net pension and other postemployment benefits liabilities.

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2025

**13. Transfers**

Interfund transfers for the year ended June 30, 2025, consisted of the following:

|                              |    | Transfers in:               |                            |                      |                                |                          |                         |                      |
|------------------------------|----|-----------------------------|----------------------------|----------------------|--------------------------------|--------------------------|-------------------------|----------------------|
|                              |    | Major<br>Governmental Funds |                            |                      | Nonmajor<br>Governmental Funds |                          |                         |                      |
|                              |    | General<br>Fund             | Special<br>Revenue<br>Fund | Construction<br>Fund | District<br>Activity<br>Fund   | FSPK<br>Building<br>Fund | Debt<br>Service<br>Fund | Total                |
| <u>Transfers out:</u>        |    |                             |                            |                      |                                |                          |                         |                      |
| Major Governmental Funds:    |    |                             |                            |                      |                                |                          |                         |                      |
| General Fund                 | \$ | -                           | \$ 263,790                 | \$ 1,947,329         | \$ 2,500                       | \$ 293,838               | \$ 4,883,990            | \$ 7,391,447         |
| Special Revenue Fund         |    | -                           | -                          | -                    | 22,500                         | -                        | -                       | <u>22,500</u>        |
|                              |    |                             |                            |                      |                                |                          |                         | <u>7,413,947</u>     |
| Nonmajor Governmental Funds: |    |                             |                            |                      |                                |                          |                         |                      |
| School Activity Funds        |    | -                           | -                          | -                    | 208,140                        | -                        | -                       | 208,140              |
| SEEK Capital Outlay Fund     |    | 1,304,351                   | -                          | -                    | -                              | -                        | -                       | 1,304,351            |
| FSPK Building Fund           |    | 7,976,505                   | -                          | 374,637              | -                              | -                        | 16,010,874              | 24,362,016           |
| Debt Service Fund            |    | 240,368                     | -                          | -                    | -                              | -                        | -                       | <u>240,368</u>       |
|                              |    |                             |                            |                      |                                |                          |                         | <u>26,114,875</u>    |
| Major Enterprise Fund:       |    |                             |                            |                      |                                |                          |                         |                      |
| Food Service Fund            |    | 611,774                     | -                          | -                    | -                              | -                        | -                       | 611,774              |
| School Age Child Care Fund   |    | -                           | -                          | 583,871              | -                              | -                        | -                       | <u>583,871</u>       |
|                              |    |                             |                            |                      |                                |                          |                         | <u>1,195,645</u>     |
|                              | \$ | <u>10,132,998</u>           | \$ <u>263,790</u>          | \$ <u>2,905,837</u>  | \$ <u>233,140</u>              | \$ <u>293,838</u>        | \$ <u>20,894,864</u>    | \$ <u>34,724,467</u> |

Transfers are used to: 1) move revenues from the funds with collection authorization to the funds where budgetary authorizations exist for disbursement; 2) reimburse the General Fund for costs incurred to support proprietary fund activity; and 3) move unrestricted General Fund revenues to programs accounted for in other funds for which the General Fund provides subsidies or matching funds.

**14. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases unemployment insurance; however, risk has not been transferred. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

# HARDIN COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2025

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### 15. Contingencies

The District receives funding from Federal, state and local government agencies and from private contributions. These funds are to be used for designated purposes only. For government agency grants, if based upon the grantors' review, the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the District for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

### 16. Commitments

During fiscal year 2025, the District entered into construction contracts totaling \$11,164,257 for various facility improvements. Remaining commitments under these contracts totaled \$76,885,856 at June 30, 2025, of which \$6,220,609 was included in accounts payable in the Construction Fund.

### 17. Correction of Errors

During fiscal year 2025, certain errors were identified that required correction. As a result, beginning net position and fund balances were restated to reflect correction of these errors, as described below:

**Special Revenue Fund:** Federal grant revenue had been claimed and recorded twice in a prior year. Consequently, federal revenue and accounts receivable were overstated by \$751,845.

**Multiple Funds:** Investment earnings had not been fully recorded in prior periods. This resulted in an understatement of investment income and investment assets totaling \$2,608,149. The affected funds included the General Fund, Construction Fund, Food Service Fund, and Custodial Fund – Scholarship Fund.

**Government-wide Statements:** Bond premium amortization had been incorrectly calculated in prior periods. As a result, bond premium amortization expense was overstated by \$1,561,431, and long-term liabilities were understated by the same amount.

These corrections were recorded as restatements of beginning balances in accordance with applicable governmental accounting standards as shown below:

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2025

**17. Correction of Errors, Continued**

|   | Government Funds<br>Fund Balance |                            |                      | Proprietary<br>Funds<br>Net Position | Fiduciary Fund:<br>Net Position       | Government-Wide<br>Net Position |                                 |                      |
|---|----------------------------------|----------------------------|----------------------|--------------------------------------|---------------------------------------|---------------------------------|---------------------------------|----------------------|
|   | General<br>Fund                  | Special<br>Revenue<br>Fund | Construction<br>Fund | Food<br>Service Fund                 | Custodial Fund<br>Scholarship<br>Fund | Governmental<br>Activities      | Business-<br>Type<br>Activities | Total                |
| Balances, June 30, 2024,<br>as previously presented | \$ 43,080,534                    | \$ 1,103,238               | \$ 69,901,061        | \$ (1,861,639)                       | \$ 158,742                            | \$ 90,844,850                   | \$ (448,861)                    | \$ 90,395,989        |
| Fund error corrections:                             |                                  |                            |                      |                                      |                                       |                                 |                                 |                      |
| Investment earnings                                 | 657,937                          | -                          | 1,909,185            | 37,855                               | 3,172                                 | 2,567,122                       | 37,855                          | 2,604,977            |
| Federal aid   | -                                | (751,845)                  | -                    | -                                    | -                                     | (751,845)                       | -                               | (751,845)            |
| Entity-wide adjustments:                            |                                  |                            |                      |                                      |                                       |                                 |                                 |                      |
| Bond premium<br>amortization                        | -                                | -                          | -                    | -                                    | -                                     | (1,561,431)                     | -                               | (1,561,431)          |
| Balances, June 30, 2024,<br>as restated             | <u>\$ 43,738,471</u>             | <u>\$ 351,393</u>          | <u>\$ 71,810,246</u> | <u>\$ (1,823,784)</u>                | <u>\$ 161,914</u>                     | <u>\$ 91,098,696</u>            | <u>\$ (411,006)</u>             | <u>\$ 90,687,690</u> |

**18. Impact of COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The District provided in-person instruction, nontraditional instruction, and hybrid in-person instruction throughout the next two school years. The District was awarded significant federal funds to address the needs and extra costs of the pandemic. The additional federal funds were fully expended during fiscal year 2025.

**HARDIN COUNTY SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

GENERAL FUND

Year Ended June 30, 2025

|   | Budget               |                      | Actual               | Variance with<br>Final Budget |
|---|----------------------|----------------------|----------------------|-------------------------------|
|   | Original             | Final                |                      |                               |
| <b>Revenues:</b>  |                      |                      |                      |                               |
| Property taxes  | \$ 44,438,772        | \$ 50,137,187        | \$ 51,375,431        | \$ 1,238,244                  |
| Utility taxes   | 6,400,000            | 6,400,000            | 7,333,090            | 933,090                       |
| Tuition and fees  | 121,600              | 121,600              | 125,890              | 4,290                         |
| Earnings on investments                                     | 500,000              | 500,000              | 1,707,049            | 1,207,049                     |
| Other local revenue   | 144,713              | 344,730              | 881,192              | 536,462                       |
| State aid   | 58,311,740           | 59,360,055           | 102,090,556          | 42,730,501                    |
| Federal aid   | 135,000              | 347,000              | 444,755              | 97,755                        |
| <b>Total revenues</b>                                       | <b>110,051,825</b>   | <b>117,210,572</b>   | <b>163,957,963</b>   | <b>46,747,391</b>             |
| <b>Expenditures:</b>  |                      |                      |                      |                               |
| Instruction   | 71,079,782           | 70,199,596           | 94,135,851           | (23,936,255)                  |
| <b>Support services:</b>                                    |                      |                      |                      |                               |
| Student   | 9,229,353            | 9,230,278            | 12,123,944           | (2,893,666)                   |
| Instructional staff   | 7,322,393            | 7,525,393            | 8,624,889            | (1,099,496)                   |
| District administration                                     | 2,005,096            | 2,019,000            | 4,889,285            | (2,870,285)                   |
| School administration                                       | 7,405,645            | 7,405,645            | 10,330,889           | (2,925,244)                   |
| Business  | 2,873,804            | 2,934,215            | 3,513,893            | (579,678)                     |
| Plant operation and maintenance                             | 15,934,406           | 17,104,026           | 19,394,814           | (2,290,788)                   |
| Student transportation                                      | 13,964,754           | 13,971,648           | 15,596,088           | (1,624,440)                   |
| Other instructional   | -                    | 2,000                | 2,000                | -                             |
| Food service operation                                      | -                    | 12,000               | 18,888               | (6,888)                       |
| Community services  | 190,189              | 269,590              | 168,002              | 101,588                       |
| Land/site acquisitions                                      | 100,000              | 9,100,000            | 8,029,115            | 1,070,885                     |
| Architectural/engineering                                   | 30,000               | 30,000               | 53,885               | (23,885)                      |
| <b>Total expenditures</b>                                   | <b>130,135,422</b>   | <b>139,803,391</b>   | <b>176,881,543</b>   | <b>(37,078,152)</b>           |
| <b>Excess (deficiency) of revenues over expenditures</b>    | <b>(20,083,597)</b>  | <b>(22,592,819)</b>  | <b>(12,923,580)</b>  | <b>9,669,239</b>              |
| <b>Other financing sources (uses):</b>                      |                      |                      |                      |                               |
| Proceeds from sale of capital assets                        | -                    | 10,000               | 584,700              | 574,700                       |
| Operating transfers in                                      | -                    | 9,280,856            | 10,132,998           | 852,142                       |
| Operating transfers out                                     | (658,735)            | (7,014,957)          | (7,391,447)          | (376,490)                     |
| Contingency   | (3,500,000)          | (3,500,000)          | -                    | 3,500,000                     |
| <b>Total other financing sources (uses)</b>                 | <b>(4,158,735)</b>   | <b>(1,224,101)</b>   | <b>3,326,251</b>     | <b>4,550,352</b>              |
| <b>Net change in fund balance</b>                           | <b>(24,242,332)</b>  | <b>(23,816,920)</b>  | <b>(9,597,329)</b>   | <b>14,219,591</b>             |
| <b>Fund balance, June 30, 2024, as previously presented</b> | <b>43,080,534</b>    | <b>43,080,534</b>    | <b>43,080,534</b>    | <b>-</b>                      |
| <b>Error correction</b>                                     | <b>-</b>             | <b>-</b>             | <b>657,937</b>       | <b>657,937</b>                |
| <b>Fund balance, June 30, 2024, as restated</b>             | <b>43,080,534</b>    | <b>43,080,534</b>    | <b>43,738,471</b>    | <b>657,937</b>                |
| <b>Fund balance, June 30, 2025</b>                          | <b>\$ 18,838,202</b> | <b>\$ 19,263,614</b> | <b>\$ 34,141,142</b> | <b>\$ (13,561,654)</b>        |

**HARDIN COUNTY SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

Year Ended June 30, 2025

|  | Budget            |                     | Actual            | Variance with<br>Final Budget |
|--|-------------------|---------------------|-------------------|-------------------------------|
|  | Original          | Final               |                   |                               |
| Revenues:  |                   |                     |                   |                               |
| Earnings on investments                              | \$ -              | \$ 3,179            | \$ 5,052          | \$ 1,873                      |
| Other local revenue                                  | 262,000           | 239,787             | 209,840           | (29,947)                      |
| State aid  | 8,664,434         | 8,985,902           | 9,544,305         | 558,403                       |
| Federal aid  | 9,601,941         | 10,155,292          | 11,013,858        | 858,566                       |
| Total revenues                                       | <u>18,528,375</u> | <u>19,384,160</u>   | <u>20,773,055</u> | <u>1,388,895</u>              |
| Expenditures:  |                   |                     |                   |                               |
| Instruction  | 14,246,748        | 15,122,494          | 15,644,755        | (522,261)                     |
| Support services:                                    |                   |                     |                   |                               |
| Student  | 81,646            | 108,833             | 77,433            | 31,400                        |
| Instructional staff                                  | 2,633,835         | 2,119,585           | 2,317,819         | (198,234)                     |
| Business   | -                 | -                   | 1,000             | (1,000)                       |
| Plant operation and maintenance                      | 225,031           | 625,030             | 630,536           | (5,506)                       |
| Student transportation                               | 68,627            | 78,291              | 42,574            | 35,717                        |
| Food service   | 102,183           | 102,183             | 9,653             | 92,530                        |
| After school   | -                 | -                   | 764,308           | (764,308)                     |
| Community services                                   | 1,371,950         | 1,341,950           | 1,347,501         | (5,551)                       |
| Adult services                                       | 80,591            | 145,796             | 144,573           | 1,223                         |
| Total expenditures                                   | <u>18,810,611</u> | <u>19,644,162</u>   | <u>20,980,152</u> | <u>(1,335,990)</u>            |
| Excess (deficiency) of revenues over expenditures    | <u>(282,236)</u>  | <u>(260,002)</u>    | <u>(207,097)</u>  | <u>52,905</u>                 |
| Other financing sources (uses):                      |                   |                     |                   |                               |
| Operating transfers in                               | -                 | 263,790             | 263,790           | -                             |
| Operating transfers out                              | -                 | -                   | (22,500)          | (22,500)                      |
| Total other financing sources (uses)                 | <u>-</u>          | <u>263,790</u>      | <u>241,290</u>    | <u>(22,500)</u>               |
| Net change in fund balance                           | (282,236)         | 3,788               | 34,193            | 30,405                        |
| Fund balance, June 30, 2024, as previously presented | <u>1,103,238</u>  | <u>1,103,238</u>    | <u>1,103,238</u>  | <u>-</u>                      |
| Error correction                                     | -                 | -                   | (751,845)         | 751,845                       |
| Fund balance, June 30, 2024, as restated             | <u>1,103,238</u>  | <u>1,103,238</u>    | <u>351,393</u>    | <u>751,845</u>                |
| Fund balance, June 30, 2025                          | <u>\$ 821,002</u> | <u>\$ 1,107,026</u> | <u>\$ 385,586</u> | <u>\$ 721,440</u>             |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY

Last 10 Fiscal Years

|  | <u>2025</u>           | <u>2024</u>           | <u>2023</u>           | <u>2022</u>           | <u>2021</u>           | <u>2020</u>           | <u>2019</u>           | <u>2018</u>           | <u>2017</u>           | <u>2016</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the plan total net pension liability                                      | 0.0000%               | 0.0000%               | 0.0000%               | 0.0000%               | 0.0000%               | 0.0000%               | 0.0000%               | 0.0000%               | 0.0000%               | 0.0000%               |
| District's proportionate share of the net pension liability associated with the District           | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| State's proportionate share of the net pension liability associated with the District              | <u>340,759,110</u>    | <u>346,264,513</u>    | <u>352,469,524</u>    | <u>261,001,419</u>    | <u>284,034,463</u>    | <u>273,745,933</u>    | <u>261,206,778</u>    | <u>541,260,627</u>    | <u>590,799,546</u>    | <u>464,602,978</u>    |
| Total  | <u>\$ 340,759,110</u> | <u>\$ 346,264,513</u> | <u>\$ 352,469,524</u> | <u>\$ 261,001,419</u> | <u>\$ 284,034,463</u> | <u>\$ 273,745,933</u> | <u>\$ 261,206,778</u> | <u>\$ 541,260,627</u> | <u>\$ 590,799,546</u> | <u>\$ 464,602,978</u> |
| District's covered payroll   | \$ 69,341,068         | \$ 68,120,544         | \$ 68,419,004         | \$ 63,455,261         | \$ 62,699,512         | \$ 62,271,800         | \$ 61,650,117         | \$ 61,270,021         | \$ 60,328,710         | \$ 59,612,198         |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 |
| Plan fiduciary net position as a percentage of the total pension liability                         | 60.36%                | 57.70%                | 56.40%                | 65.60%                | 58.30%                | 58.80%                | 59.30%                | 39.80%                | 35.20%                | 42.50%                |

**HARDIN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY**

Last 10 Fiscal Years

|  | <u>2025</u>   | <u>2024</u>   | <u>2023</u>   | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's contractually required contributions                                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| District's contributions in relation to the contractually required contributions | <u>-</u>      |
| Contribution deficiency (excess)   | <u>\$ -</u>   |
| District's covered payroll   | \$ 79,195,909 | \$ 69,341,068 | \$ 68,120,544 | \$ 68,419,004 | \$ 63,455,261 | \$ 62,699,512 | \$ 62,271,800 | \$ 61,650,117 | \$ 61,270,021 | \$ 60,328,710 |
| Contributions as a percentage of covered payroll                                 | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITIES  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY

Last 10 Fiscal Years \*

|   | <u>2025</u>          | <u>2024</u>          | <u>2023</u>          | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b><u>MEDICAL INSURANCE PLAN (MIP)</u></b>  |                      |                      |                      |                      |                      |                      |                      |                      |
| District's proportion of the plan total net MIP OPEB liability                                      | 1.064013%            | 1.941414%            | 1.987100%            | 1.923267%            | 1.929558%            | 1.926682%            | 1.910720%            | 1.919778%            |
| District's proportionate share of the net MIP OPEB liability associated with the District           | \$ 23,717,000        | \$ 25,992,000        | \$ 37,132,000        | \$ 22,884,000        | \$ 27,038,000        | \$ 31,196,000        | \$ 35,609,000        | \$ 37,677,768        |
| State's proportionate share of the net MIP OPEB liability associated with the District              | <u>21,128,000</u>    | <u>21,998,000</u>    | <u>12,198,000</u>    | <u>18,585,000</u>    | <u>21,659,000</u>    | <u>25,193,000</u>    | <u>30,688,000</u>    | <u>30,777,000</u>    |
| Total   | <u>\$ 44,845,000</u> | <u>\$ 47,990,000</u> | <u>\$ 49,330,000</u> | <u>\$ 41,469,000</u> | <u>\$ 48,697,000</u> | <u>\$ 56,389,000</u> | <u>\$ 66,297,000</u> | <u>\$ 68,454,768</u> |
| District's covered payroll  | \$ 69,341,068        | \$ 68,120,544        | \$ 68,419,004        | \$ 63,455,261        | \$ 62,699,512        | \$ 62,271,800        | \$ 61,650,117        | \$ 61,270,021        |
| District's proportionate share of the net MIP OPEB liability as a percentage of its covered payroll | 34.20%               | 38.16%               | 54.27%               | 36.06%               | 43.12%               | 50.10%               | 57.76%               | 61.49%               |
| Plan fiduciary net position as a percentage of the total MIP OPEB liability                         | 59.81%               | 57.70%               | 47.80%               | 51.70%               | 39.10%               | 32.60%               | 25.50%               | 21.20%               |
| <b><u>LIFE INSURANCE PLAN (LIP)</u></b>   |                      |                      |                      |                      |                      |                      |                      |                      |
| District's proportion of the plan total net LIP OPEB liability                                      | 1.966708%            | 1.921021%            | 1.950938%            | 1.889454%            | 1.886812%            | 1.883613%            | 1.867146%            | 1.876122%            |
| District's proportionate share of the net LIP OPEB liability associated with the District           | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| State's proportionate share of the net LIP OPEB liability associated with the District              | <u>482,000</u>       | <u>542,000</u>       | <u>607,000</u>       | <u>247,000</u>       | <u>655,000</u>       | <u>585,000</u>       | <u>526,000</u>       | <u>412,000</u>       |
| Total   | <u>\$ 482,000</u>    | <u>\$ 542,000</u>    | <u>\$ 607,000</u>    | <u>\$ 247,000</u>    | <u>\$ 655,000</u>    | <u>\$ 585,000</u>    | <u>\$ 526,000</u>    | <u>\$ 412,000</u>    |
| District's covered payroll  | \$ 69,341,068        | \$ 68,120,544        | \$ 68,419,004        | \$ 63,455,261        | \$ 62,699,512        | \$ 62,271,800        | \$ 61,650,117        | \$ 61,270,021        |
| District's proportionate share of the net LIP OPEB liability as a percentage of its covered payroll | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                |
| Plan fiduciary net position as a percentage of the total LIP OPEB liability                         | 80.56%               | 76.90%               | 74.00%               | 89.20%               | 71.60%               | 73.40%               | 75.00%               | 80.00%               |

\* Presented for those years for which the information is available.

**HARDIN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF OPEB CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY**

Last 10 Fiscal Years \*

|  | <u>2025</u>        | <u>2024</u>        | <u>2023</u>        | <u>2022</u>        | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <u>MEDICAL INSURANCE PLAN (MIP)</u>  |                    |                    |                    |                    |                    |                    |                    |                    |
| District's contractually required contributions                                  | \$ 2,375,192       | \$ 2,080,232       | \$ 2,043,616       | \$ 2,052,570       | \$ 1,904,000       | \$ 1,880,985       | \$ 1,868,154       | \$ 1,849,348       |
| District's contributions in relation to the contractually required contributions | <u>(2,375,192)</u> | <u>(2,080,232)</u> | <u>(2,043,616)</u> | <u>(2,052,570)</u> | <u>(1,904,000)</u> | <u>(1,880,985)</u> | <u>(1,868,154)</u> | <u>(1,849,348)</u> |
| Contribution deficiency (excess)   | <u>\$ -</u>        |
| District's covered payroll   | \$ 79,195,909      | \$ 69,341,068      | \$ 68,120,544      | \$ 68,419,004      | \$ 63,455,261      | \$ 62,699,512      | \$ 62,271,800      | \$ 61,650,117      |
| Contributions as a percentage of covered payroll                                 | 3.00%              | 3.00%              | 3.00%              | 3.00%              | 3.00%              | 3.00%              | 3.00%              | 3.00%              |
| <u>LIFE INSURANCE PLAN (LIP)</u>   |                    |                    |                    |                    |                    |                    |                    |                    |
| District's contractually required contributions                                  | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               |
| District's contributions in relation to the contractually required contributions | <u>-</u>           |
| Contribution deficiency (excess)   | <u>\$ -</u>        |
| District's covered payroll   | \$ 79,195,909      | \$ 69,341,068      | \$ 68,120,544      | \$ 68,419,004      | \$ 63,455,261      | \$ 62,699,512      | \$ 62,271,800      | \$ 61,650,117      |
| Contributions as a percentage of covered payroll                                 | 0.00%              | 0.00%              | 0.00%              | 0.00%              | 0.00%              | 0.00%              | 0.00%              | 0.00%              |

\* Presented for those years for which the information is available.

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY**

Year Ended June 30, 2025

PENSION

Changes of Benefit Terms

2016-2025 None

Changes of Assumptions

2025 The municipal bond index rate increased from 3.66% to 3.94%.  
2024 The municipal bond index rate increased from 3.37% to 3.66%.  
2023 The municipal bond index rate increased from 2.13% to 3.37%.  
2022 The inflation rate decreased from 3.00% to 2.50%.  
The salary increases changed from 3.50%-7.30% to 3.00%-7.50%.  
The long-term investment rate of return decreased from 7.50% to 7.10%.  
The municipal bond index rate decreased from 2.19% to 2.13%.  
The discount rate decreased from 7.50% to 7.10%.  
2021 The municipal bond index rate decreased from 3.50% to 2.19%.  
2020 The municipal bond index rate decreased from 3.89% to 3.50%.  
2019 The municipal bond index rate increased from 3.56% to 3.89%.  
The discount rate increased from 4.49% to 7.50%.  
2018 None  
2017 The municipal bond index rate decreased from 3.82% to 3.01%.  
The discount rate decreased from 4.88% to 4.20%.  
2016 None

MEDICAL INSURANCE PLAN (MIP)

Changes of Benefit Terms

2019-2025 None  
2018 With the passage of Kentucky House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010, is restored, but the State will only finance, via its KEHP "shared responsibility" calculations, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

Changes of Assumptions

2025 The municipal bond index rate increased from 3.66% to 3.94%.  
Health Care Cost Trends decreased from 6.75% to 6.50%.  
Health Care Cost Trends for Medicare Part B Premiums increased from 1.55% to 5.92%.  
2024 The municipal bond index rate increased from 3.37% to 3.66%.  
Health Care Cost Trends increased from 5.125% to 6.75%.  
Health Care Cost Trends for Medicare Part B Premiums decreased from 6.97% to 1.55%.  
2023 The municipal bond index rate increased from 2.13% to 3.37%.  
Health Care Cost Trends for Ages 65 and Older increased from 5.0% to 5.125%.  
Health Care Cost Trends for Medicare Part B Premiums increased from 4.40% to 6.97%.

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY , CONTINUED**

Year Ended June 30, 2025

Changes of Assumptions, Continued

|      |  |
|------|--|
| 2022 | The inflation rate decreased from 3.00% to 2.50%.<br>The real wage growth rate decreased from .50% to .25%.<br>The wage inflation rate decreased from 3.50% to 2.75%.<br>The salary increases changed from 3.50%-7.20% to 3.00%-7.50%.<br>The long-term investment rate of return decreased from 8.00% to 7.10%.<br>The municipal bond index rate decreased from 2.19% to 2.13%.<br>The discount rate decreased from 8.00% to 7.10%.<br>Health Care Cost Trends for Under Age 65 decreased from 7.25% to 7.00%.<br>Health Care Cost Trends for Ages 65 and Older decreased from 5.25% to 5.00%.<br>Health Care Cost Trends for Medicare Part B Premiums decreased from 6.49% to 4.40%. |
| 2021 | The municipal bond index rate decreased from 3.50% to 2.19%.<br>Health Care Cost Trends for Under Age 65 decreased from 7.50% to 7.25%.<br>Health Care Cost Trends for Ages 65 and Older decreased from 5.50% to 5.25%.<br>Health Care Cost Trends for Medicare Part B Premiums increased from 2.63% to 6.49%.   |
| 2020 | The municipal bond index rate decreased from 3.89% to 3.50%.<br>Health Care Cost Trends for Under Age 65 decreased from 7.75% to 7.50%.<br>Health Care Cost Trends for Ages 65 and Older decreased from 5.75% to 5.50%.<br>Health Care Cost Trends for Medicare Part B Premiums increased from 0.00% to 2.63%.   |
| 2019 | The municipal bond index rate increased from 3.56% to 3.89%.<br>Health Care Cost Trends for Medicare Part B Premiums decreased from 1.02% to 0.00%.  |
| 2018 | None   |

LIFE INSURANCE PLAN (LIP)

Changes of Benefit Terms

2018-2025 None

Changes of Assumptions

|      |  |
|------|--|
| 2025 | The municipal bond index rate increased from 3.66% to 3.94%.   |
| 2024 | The municipal bond index rate increased from 3.37% to 3.66%.   |
| 2023 | The municipal bond index rate increased from 2.13% to 3.37%.   |
| 2022 | The inflation rate decreased from 3.00% to 2.50%.<br>The real wage growth rate decreased from .50% to .25%.<br>The wage inflation rate decreased from 3.50% to 2.75%.<br>The salary increases changed from 3.50%-7.20% to 3.00%-7.50%.<br>The long-term investment rate of return decreased from 7.50% to 7.10%.<br>The municipal bond index rate decreased from 2.19% to 2.13%.<br>The discount rate decreased from 7.50% to 7.10%. |
| 2021 | The municipal bond index rate decreased from 3.50% to 2.19%.   |
| 2020 | The municipal bond index rate decreased from 3.89% to 3.50%.   |
| 2019 | The municipal bond index rate increased from 3.56% to 3.89%.   |
| 2018 | None   |

**HARDIN COUNTY SCHOOL DISTRICT**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
COUNTY EMPLOYEES RETIREMENT SYSTEM  
PENSION FUND**

Last 10 Fiscal Years

|   | <u>2025</u>   | <u>2024</u>   | <u>2023</u>   | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability  | 0.808040%     | 0.815754%     | 0.787663%     | 0.776014%     | 0.821912%     | 0.807846%     | 0.781286%     | 0.787636%     | 0.791607%     | 0.791941%     |
| District's proportionate share of the net pension liability   | \$ 48,324,216 | \$ 52,342,924 | \$ 56,940,265 | \$ 49,476,979 | \$ 63,039,970 | \$ 56,816,171 | \$ 47,582,701 | \$ 46,102,757 | \$ 38,975,709 | \$ 34,049,704 |
| District's covered payroll  | \$ 25,992,125 | \$ 24,184,402 | \$ 22,018,317 | \$ 20,099,357 | \$ 21,582,870 | \$ 20,193,581 | \$ 19,887,726 | \$ 19,151,273 | \$ 19,069,830 | \$ 18,544,808 |
| District's proportionate share of the net pension liability<br>as a percentage of its covered payroll | 185.92%       | 216.43%       | 258.60%       | 246.16%       | 292.08%       | 281.36%       | 239.26%       | 240.73%       | 204.38%       | 183.61%       |
| Plan fiduciary net position as a percentage of the<br>total pension liability                         | 61.61%        | 57.48%        | 52.42%        | 57.33%        | 47.81%        | 50.45%        | 53.54%        | 55.30%        | 55.50%        | 59.97%        |

**HARDIN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS**  
**COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**PENSION FUND**

Last 10 Fiscal Years

|   | <u>2025</u>        | <u>2024</u>        | <u>2023</u>        | <u>2022</u>        | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contributions                                  | \$ 5,927,766       | \$ 6,066,562       | \$ 5,659,150       | \$ 4,661,278       | \$ 3,879,176       | \$ 4,165,494       | \$ 3,275,399       | \$ 2,879,743       | \$ 2,671,603       | \$ 2,368,473       |
| Contributions in relation to the contractually required contributions | <u>(5,927,766)</u> | <u>(6,066,562)</u> | <u>(5,659,150)</u> | <u>(4,661,278)</u> | <u>(3,879,176)</u> | <u>(4,165,494)</u> | <u>(3,275,399)</u> | <u>(2,879,743)</u> | <u>(2,671,603)</u> | <u>(2,368,473)</u> |
| Contribution deficiency (excess)                                      | \$ <u>-</u>        |
| District's covered payroll  | \$ 30,074,915      | \$ 25,992,125      | \$ 24,184,402      | \$ 22,018,317      | \$ 20,099,357      | \$ 21,582,870      | \$ 20,193,581      | \$ 19,887,726      | \$ 19,151,273      | \$ 19,069,830      |
| Contributions as a percentage of covered payroll                      | 19.71%             | 23.34%             | 23.40%             | 21.17%             | 19.30%             | 19.30%             | 16.22%             | 14.48%             | 13.95%             | 12.42%             |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
 COUNTY EMPLOYEES RETIREMENT SYSTEM  
 INSURANCE FUND

Last 10 Fiscal Years \*

|  | <u>2025</u>    | <u>2024</u>    | <u>2023</u>   | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   |
|--|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net OPEB liability (asset)  | 0.808788%      | 0.815723%      | 0.787562%     | 0.775832%     | 0.821673%     | 0.807790%     | 0.781257%     | 0.781257%     |
| District's proportionate share of the net OPEB liability (asset)   | \$ (1,399,043) | \$ (1,126,242) | \$ 15,542,643 | \$ 14,852,915 | \$ 19,840,904 | \$ 13,586,664 | \$ 13,871,063 | \$ 15,834,178 |
| District's covered payroll   | \$ 25,992,125  | \$ 24,184,402  | \$ 22,018,317 | \$ 20,099,357 | \$ 21,582,870 | \$ 20,193,581 | \$ 19,887,726 | \$ 19,151,273 |
| District's proportionate share of the net OPEB liability (asset)<br>as a percentage of its covered payroll | -5.38%         | -4.66%         | 70.59%        | 73.90%        | 91.93%        | 67.28%        | 69.75%        | 82.68%        |
| Plan fiduciary net position as a percentage of the<br>total OPEB liability (asset)                         | 104.89%        | 104.23%        | 60.95%        | 62.91%        | 51.67%        | 60.44%        | 57.62%        | 52.40%        |

\* Presented for those years for which the information is available.

**HARDIN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS**  
**COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**INSURANCE FUND**

Last 10 Fiscal Years \*

|   | <u>2025</u>   | <u>2024</u>   | <u>2023</u>      | <u>2022</u>        | <u>2021</u>      | <u>2020</u>        | <u>2019</u>        | <u>2018</u>      |
|---|---------------|---------------|------------------|--------------------|------------------|--------------------|--------------------|------------------|
| Contractually required contributions                                  | \$ -          | \$ -          | \$ 819,851       | \$ 1,272,659       | \$ 947,308       | \$ 1,027,345       | \$ 1,062,182       | \$ 934,723       |
| Contributions in relation to the contractually required contributions | <u>-</u>      | <u>-</u>      | <u>(819,851)</u> | <u>(1,272,659)</u> | <u>(947,308)</u> | <u>(1,027,345)</u> | <u>(1,062,182)</u> | <u>(934,723)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>      |
| District's covered payroll  | \$ 30,074,915 | \$ 25,992,125 | \$ 24,184,402    | \$ 22,018,317      | \$ 20,099,357    | \$ 21,582,870      | \$ 20,193,581      | \$ 19,887,726    |
| Contributions as a percentage of covered payroll                      | 0.00%         | 0.00%         | 3.39%            | 5.78%              | 4.71%            | 4.76%              | 5.26%              | 4.70%            |

\* Presented for those years for which the information is available.

**HARDIN COUNTY SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
COUNTY EMPLOYEES RETIREMENT SYSTEM**

Year Ended June 30, 2025

Changes of Benefit Terms

2016-2025 None

Changes of Assumptions

2025 OPEB:

The single discount rate changed from 5.93% to 5.99%.  
Healthcare Trend Rates for Pre - 65 increased from 6.80% to 7.10%.  
Healthcare Trend Rates for Post - 65 decreased from 8.50% to 8.00%.

2024 Pension and OPEB:

The assumed rate of inflation was increased from 2.30% to 2.50%.  
The assumed investment return was changed from 6.25% to 6.50%.  
The single discount rate changed from 6.25% to 6.50% for pension and from  
5.70% to 5.93% for OPEB.

OPEB:

Healthcare Trend Rates for Pre - 65 increased from 6.20% to 6.80%.  
Healthcare Trend Rates for Post - 65 decreased from 9.00% to 8.50%.

2023 OPEB:

The single discount rate changed from 5.20% to 5.70%.  
Healthcare Trend Rates for Pre - 65 decreased from 6.30% to 6.20%.  
Healthcare Trend Rates for Post - 65 increased from 6.30% to 9.00%.

2022 OPEB:

The single discount rate changed from 5.34% to 5.20%.

2021 OPEB:

The single discount rate changed from 5.68% to 5.34%.

2020 Pension and OPEB:

The salary increases assumption was changed from 3.05% to 3.30% - 10.30%.

OPEB:

The single discount rate changed from 5.85% to 5.68%.

2019 Pension and OPEB:

The salary increases assumption was changed from 2.00% to 3.05%.

OPEB:

The single discount rate changed from 5.84% to 5.85%.

2018 Pension and OPEB:

The assumed investment return was changed from 7.50% to 6.25%.  
The price inflation assumption was changed from 3.25% to 2.30%, which also resulted  
in a 0.95% decrease in the salary increase assumption at all years of service.  
The payroll growth assumption (applicable for the amortization of unfunded actuarial  
accrued liabilities) was changed from 4.00% to 2.00%.

OPEB:

The single discount rate changed from 6.89% to 5.84%.

2017 None

2016 Pension:

The assumed investment rate of return was decreased from 7.75% to 7.50%.  
The assumed rate of inflation was reduced from 3.50% to 3.25%.  
The assumed rate of wage inflation was reduced from 1.00% to 0.75%.  
Payroll growth assumption was reduced from 4.50% to 4.00%.  
The assumed rates of Retirement, Withdrawal, and Disability were updated to more  
accurately reflect experience.

**HARDIN COUNTY SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2025

|  | Special Revenue        |                      | Capital Projects         |                    | Debt Service Fund | Total Nonmajor Governmental Funds |
|--|------------------------|----------------------|--------------------------|--------------------|-------------------|-----------------------------------|
|  | District Activity Fund | School Activity Fund | SEEK Capital Outlay Fund | FSPK Building Fund |                   |                                   |
| <b>ASSETS</b>  |                        |                      |                          |                    |                   |                                   |
| Cash and cash equivalents  | \$ 828,803             | \$ 1,397,584         | \$ -                     | \$ -               | \$ 115,230        | \$ 2,341,617                      |
| <b>Total assets</b>  | <u>\$ 828,803</u>      | <u>\$ 1,397,584</u>  | <u>\$ -</u>              | <u>\$ -</u>        | <u>\$ 115,230</u> | <u>\$ 2,341,617</u>               |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                        |                      |                          |                    |                   |                                   |
| Liabilities:   |                        |                      |                          |                    |                   |                                   |
| Accounts payable   | \$ 21,813              | \$ -                 | \$ -                     | \$ -               | \$ -              | \$ 21,813                         |
| Total liabilities  | <u>21,813</u>          | <u>-</u>             | <u>-</u>                 | <u>-</u>           | <u>-</u>          | <u>21,813</u>                     |
| Fund balances:   |                        |                      |                          |                    |                   |                                   |
| Restricted   | 806,990                | 1,397,584            | -                        | -                  | 115,230           | 2,319,804                         |
| Total fund balances  | <u>806,990</u>         | <u>1,397,584</u>     | <u>-</u>                 | <u>-</u>           | <u>115,230</u>    | <u>2,319,804</u>                  |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <u>\$ 828,803</u>      | <u>\$ 1,397,584</u>  | <u>\$ -</u>              | <u>\$ -</u>        | <u>\$ 115,230</u> | <u>\$ 2,341,617</u>               |

**HARDIN COUNTY SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2025

|   | Special Revenue        |                      | Capital Projects         |                     |                   | Total Nonmajor Governmental Funds |
|---|------------------------|----------------------|--------------------------|---------------------|-------------------|-----------------------------------|
|   | District Activity Fund | School Activity Fund | SEEK Capital Outlay Fund | FSPK Building Fund  | Debt Service Fund |                                   |
| Revenues:   |                        |                      |                          |                     |                   |                                   |
| Property taxes                                    | \$ -                   | \$ -                 | \$ -                     | \$ 14,579,514       | \$ -              | \$ 14,579,514                     |
| Earnings on investments                           | -                      | -                    | -                        | -                   | 31,128            | 31,128                            |
| Other local revenue                               | 367,225                | 2,863,502            | -                        | -                   | -                 | 3,230,727                         |
| State aid   | -                      | -                    | 1,304,351                | 9,114,027           | 1,092,920         | 11,511,298                        |
| <b>Total revenues</b>                             | <b>367,225</b>         | <b>2,863,502</b>     | <b>1,304,351</b>         | <b>23,693,541</b>   | <b>1,124,048</b>  | <b>29,352,667</b>                 |
| Expenditures:                                     |                        |                      |                          |                     |                   |                                   |
| Instruction                                       | 338,352                | 2,616,574            | -                        | -                   | -                 | 2,954,926                         |
| Support services:                                 |                        |                      |                          |                     |                   |                                   |
| Student   | -                      | -                    | -                        | -                   | -                 | -                                 |
| Instructional staff                               | 128,645                | -                    | -                        | -                   | -                 | 128,645                           |
| District administration                           | -                      | -                    | -                        | -                   | -                 | -                                 |
| School administration                             | -                      | -                    | -                        | -                   | -                 | -                                 |
| Business  | -                      | -                    | -                        | -                   | -                 | -                                 |
| Plant operation and maintenance                   | 32,415                 | -                    | -                        | -                   | -                 | 32,415                            |
| Student transportation                            | 1,471                  | -                    | -                        | -                   | -                 | 1,471                             |
| Community services                                | -                      | -                    | -                        | -                   | -                 | -                                 |
| New building construction                         | -                      | -                    | -                        | -                   | -                 | -                                 |
| Building renovations / additions                  | -                      | -                    | -                        | -                   | -                 | -                                 |
| Debt service:                                     |                        |                      |                          |                     |                   |                                   |
| Principal   | -                      | -                    | -                        | -                   | 12,920,000        | 12,920,000                        |
| Interest  | -                      | -                    | -                        | -                   | 9,072,749         | 9,072,749                         |
| Bond issuance costs                               | -                      | -                    | -                        | -                   | -                 | -                                 |
| <b>Total expenditures</b>                         | <b>500,883</b>         | <b>2,616,574</b>     | <b>-</b>                 | <b>-</b>            | <b>21,992,749</b> | <b>25,110,206</b>                 |
| Excess (deficiency) of revenues over expenditures | (133,658)              | 246,928              | 1,304,351                | 23,693,541          | (20,868,701)      | 4,242,461                         |
| Other financing sources (uses):                   |                        |                      |                          |                     |                   |                                   |
| Operating transfers in                            | 233,140                | -                    | -                        | 293,838             | 20,894,864        | 21,421,842                        |
| Operating transfers out                           | -                      | (208,140)            | (1,304,351)              | (24,362,016)        | (240,368)         | (26,114,875)                      |
| <b>Total other financing sources (uses)</b>       | <b>233,140</b>         | <b>(208,140)</b>     | <b>(1,304,351)</b>       | <b>(24,068,178)</b> | <b>20,654,496</b> | <b>(4,693,033)</b>                |
| Net change in fund balances                       | 99,482                 | 38,788               | -                        | (374,637)           | (214,205)         | (450,572)                         |
| Fund balances, June 30, 2024                      | 707,508                | 1,358,796            | -                        | 374,637             | 329,435           | 2,770,376                         |
| Fund balances, June 30, 2025                      | \$ 806,990             | \$ 1,397,584         | \$ -                     | \$ -                | \$ 115,230        | \$ 2,319,804                      |

**HARDIN COUNTY SCHOOL DISTRICT**

COMBINING STATEMENT OF NET POSITION

NONMAJOR PROPRIETARY FUNDS

June 30, 2025

|                                   | Enterprise Funds                              |                                   |                                    |                  |
|-----------------------------------|---|-----------------------------------|------------------------------------|------------------|
|                                   | Early<br>College and<br>Career Center<br>Fund | Educational<br>Television<br>Fund | School<br>Entrepreneurship<br>Fund | Total            |
| <b>ASSETS</b>                     |   |                                   |                                    |                  |
| Current assets:                   |   |                                   |                                    |                  |
| Cash                              | \$ 16,145                                     | \$ 73,383                         | \$ 6,386                           | \$ 95,914        |
| Accounts receivable:<br>Operating | 1,879   | 5,105                             | -                                  | 6,984            |
| Total current assets              | 18,024  | 78,488                            | 6,386                              | 102,898          |
| <b>Total assets</b>               | <b>18,024</b>                                 | <b>78,488</b>                     | <b>6,386</b>                       | <b>102,898</b>   |
| <b>LIABILITIES</b>                |   |                                   |                                    |                  |
| Current liabilities:              |   |                                   |                                    |                  |
| Accounts payable                  | -   | 7,357                             | -                                  | 7,357            |
| Total current liabilities         | -   | 7,357                             | -                                  | 7,357            |
| <b>Total liabilities</b>          | <b>-</b>                                      | <b>7,357</b>                      | <b>-</b>                           | <b>7,357</b>     |
| <b>NET POSITION</b>               |   |                                   |                                    |                  |
| Unrestricted                      | 18,024  | 71,131                            | 6,386                              | 95,541           |
| <b>Total net position</b>         | <b>\$ 18,024</b>                              | <b>\$ 71,131</b>                  | <b>6,386</b>                       | <b>\$ 95,541</b> |

**HARDIN COUNTY SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

NONMAJOR PROPRIETARY FUNDS

Year Ended June 30, 2025

|  | Enterprise Funds                              |                                   |                                    |           |
|--|---|-----------------------------------|------------------------------------|-----------|
|  | Early<br>College and<br>Career Center<br>Fund | Educational<br>Television<br>Fund | School<br>Entrepreneurship<br>Fund | Total     |
| Operating revenues:                    |   |                                   |                                    |           |
| Charges for services                   | \$ 33,778                                     | \$ -                              | \$ -                               | \$ 33,778 |
| Other operating revenues               | 624   | 92,185                            | 8,187                              | 100,996   |
| Total operating revenues               | 34,402  | 92,185                            | 8,187                              | 134,774   |
| Operating expenses:                    |   |                                   |                                    |           |
| Salaries and wages                     | -   | 5,962                             | -                                  | 5,962     |
| Employee benefits                      | -   | 3,743                             | -                                  | 3,743     |
| Professional and technical services    | -   | 23,733                            | -                                  | 23,733    |
| Property services                      | 945   | -                                 | -                                  | 945       |
| Other purchased services               | 83  | 6,903                             | -                                  | 6,986     |
| Supplies and materials                 | 41,434  | 28,161                            | 4,499                              | 74,094    |
| Miscellaneous                          | -   | 18,087                            | -                                  | 18,087    |
| Total operating expenses               | 42,462  | 86,589                            | 4,499                              | 133,550   |
| Operating income (loss)                | (8,060)                                       | 5,596                             | 3,688                              | 1,224     |
| Nonoperating revenues (expenses):      |   |                                   |                                    |           |
| State on-behalf payments               | -   | 2,455                             | -                                  | 2,455     |
| Total nonoperating revenues (expenses) | -   | 2,455                             | -                                  | 2,455     |
| Change in net position                 | (8,060)                                       | 8,051                             | 3,688                              | 3,679     |
| Net position, June 30, 2024            | 26,084  | 63,080                            | 2,698                              | 91,862    |
| Net position, June 30, 2025            | \$ 18,024                                     | \$ 71,131                         | \$ 6,386                           | \$ 95,541 |

**HARDIN COUNTY SCHOOL DISTRICT**

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2025

|  | Nonmajor Enterprise Funds                  |                                   |                                    | Total            |
|--|--|-----------------------------------|------------------------------------|------------------|
|  | Early College and<br>Career Center<br>Fund | Educational<br>Television<br>Fund | School<br>Entrepreneurship<br>Fund |                  |
| <b>Cash flows from operating activities:</b>   |  |                                   |                                    |                  |
| Cash received from:  |  |                                   |                                    |                  |
| Charges for services   | \$ -                                       | \$ -                              | \$ -                               | \$ -             |
| Other operating revenues   | 33,124                                     | 87,829                            | 8,187                              | 129,140          |
| Cash paid to / for:  |  |                                   |                                    |                  |
| Employees  | -  | (5,962)                           | -                                  | (5,962)          |
| Supplies   | -  | (3,743)                           | -                                  | (3,743)          |
| Other services   | (42,595)                                   | (72,840)                          | (4,935)                            | (120,370)        |
| Net cash provided by (used in) operating activities  | <u>(9,471)</u>                             | <u>5,284</u>                      | <u>3,252</u>                       | <u>(935)</u>     |
| <b>Cash flows from noncapital financing activities:</b>  |  |                                   |                                    |                  |
| Federal government grants  | -  | -                                 | -                                  | -                |
| State government grants  | -  | -                                 | -                                  | -                |
| State on-behalf payments   | -  | 2,455                             | -                                  | 2,455            |
| Transfers out  | -  | -                                 | -                                  | -                |
| Net cash provided by noncapital financing activities   | <u>-</u>                                   | <u>2,455</u>                      | <u>-</u>                           | <u>2,455</u>     |
| <b>Cash flows from capital and related financing activities:</b>   |  |                                   |                                    |                  |
| Acquisition of capital assets  | -  | -                                 | -                                  | -                |
| Proceeds from sale of capital assets   | -  | -                                 | -                                  | -                |
| Net cash used in capital and related financing activities  | <u>-</u>                                   | <u>-</u>                          | <u>-</u>                           | <u>-</u>         |
| <b>Cash flows from investing activities:</b>   |  |                                   |                                    |                  |
| Interest income  | -  | -                                 | -                                  | -                |
| Net cash provided by investing activities  | <u>-</u>                                   | <u>-</u>                          | <u>-</u>                           | <u>-</u>         |
| Net change in cash and cash equivalents  | <u>(9,471)</u>                             | <u>7,739</u>                      | <u>3,252</u>                       | <u>1,520</u>     |
| <b>Cash and cash equivalents:</b>  |  |                                   |                                    |                  |
| Beginning of year  | <u>25,616</u>                              | <u>65,644</u>                     | <u>3,134</u>                       | <u>94,394</u>    |
| End of year  | <u>\$ 16,145</u>                           | <u>\$ 73,383</u>                  | <u>6,386</u>                       | <u>\$ 95,914</u> |
| Reconciliation of operating loss to net cash used in operating activities:                               |  |                                   |                                    |                  |
| Operating income (loss)  | \$ (8,060)                                 | \$ 5,596                          | 3,688                              | \$ 1,224         |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |  |                                   |                                    |                  |
| Depreciation expense   | -  | -                                 | -                                  | -                |
| Commodities used   | -  | -                                 | -                                  | -                |
| Changes in assets and liabilities:   |  |                                   |                                    |                  |
| Accounts receivable - operating  | (1,278)                                    | (4,356)                           | (436)                              | (6,070)          |
| Inventory  | -  | -                                 | -                                  | -                |
| Accounts payable   | (133)                                      | 4,044                             | -                                  | 3,911            |
| Net other postemployment benefits liability and deferrals  | -  | -                                 | -                                  | -                |
| Net pension liability and deferrals  | -  | -                                 | -                                  | -                |
| Unearned revenue   | -  | -                                 | -                                  | -                |
| Net cash provided by (used in) operating activities  | <u>\$ (9,471)</u>                          | <u>\$ 5,284</u>                   | <u>3,252</u>                       | <u>\$ (935)</u>  |
| Noncash noncapital financing activities:   |  |                                   |                                    |                  |
| Food commodities from the U.S. Department of Agriculture   | <u>\$ -</u>                                |                                   |                                    |                  |

**HARDIN COUNTY SCHOOL DISTRICT**

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, ACCRUALS, AND FUND BALANCE

SCHOOL ACTIVITY FUND

Year Ended June 30, 2025

|                               | Cash<br>June 30, 2024 | Receipts            | Disbursements       | Cash<br>June 30, 2025 | Accounts<br>Receivable | Inventory   | Accounts<br>Payable | Fund Balance<br>June 30, 2025 |
|-------------------------------|-----------------------|---------------------|---------------------|-----------------------|------------------------|-------------|---------------------|-------------------------------|
| Bluegrass Middle              | \$ 70,084             | \$ 139,148          | \$ 136,387          | \$ 72,845             | \$ -                   | \$ -        | \$ -                | \$ 72,845                     |
| Cecilia Valley Elementary     | 23,190                | 40,632              | 34,779              | 29,043                | -                      | -           | -                   | 29,043                        |
| Central Hardin High           | 211,423               | 615,221             | 560,778             | 265,866               | -                      | -           | -                   | 265,866                       |
| College View                  | 1,816                 | 873                 | 751                 | 1,938                 | -                      | -           | -                   | 1,938                         |
| Creekside Elementary          | 9,027                 | 51,460              | 50,315              | 10,172                | -                      | -           | -                   | 10,172                        |
| Early College and Career      | 3,808                 | 8,483               | 7,101               | 5,190                 | -                      | -           | -                   | 5,190                         |
| East Hardin Middle            | 88,940                | 263,118             | 267,096             | 84,962                | -                      | -           | -                   | 84,962                        |
| G.C. Burkhead Elementary      | 25,665                | 29,719              | 29,748              | 25,636                | -                      | -           | -                   | 25,636                        |
| Hardin County School District | -                     | 702                 | -                   | 702                   | -                      | -           | -                   | 702                           |
| Heartland Elementary          | 21,383                | 54,700              | 56,405              | 19,678                | -                      | -           | -                   | 19,678                        |
| J.T. Alton Middle             | 105,046               | 94,516              | 112,293             | 87,269                | -                      | -           | -                   | 87,269                        |
| John Hardin High              | 157,366               | 395,407             | 372,511             | 180,262               | -                      | -           | -                   | 180,262                       |
| Lakewood Elementary           | 5,617                 | 24,393              | 24,425              | 5,585                 | -                      | -           | -                   | 5,585                         |
| Lincoln Trail Elementary      | 25,329                | 31,214              | 33,115              | 23,428                | -                      | -           | -                   | 23,428                        |
| Meadowview Elementary         | 9,379                 | 28,376              | 27,207              | 10,548                | -                      | -           | -                   | 10,548                        |
| New Highland Elementary       | 11,790                | 42,643              | 37,680              | 16,753                | -                      | -           | -                   | 16,753                        |
| North Hardin High             | 412,721               | 742,812             | 766,172             | 389,361               | -                      | -           | -                   | 389,361                       |
| North Middle                  | 10,797                | 110,350             | 81,343              | 39,804                | -                      | -           | -                   | 39,804                        |
| North Park Elementary         | 11,969                | 18,508              | 21,725              | 8,752                 | -                      | -           | -                   | 8,752                         |
| Radcliff Elementary           | 8,240                 | 16,814              | 18,509              | 6,545                 | -                      | -           | -                   | 6,545                         |
| Rineyville Elementary         | 2,442                 | 25,171              | 21,921              | 5,692                 | -                      | -           | -                   | 5,692                         |
| Vine Grove Elementary         | 28,483                | 25,933              | 26,090              | 28,326                | -                      | -           | -                   | 28,326                        |
| West Hardin Middle            | 59,238                | 86,096              | 83,430              | 61,904                | -                      | -           | -                   | 61,904                        |
| Woodland Elementary           | 11,184                | 16,355              | 10,216              | 17,323                | -                      | -           | -                   | 17,323                        |
|                               | <u>\$ 1,314,937</u>   | <u>\$ 2,862,644</u> | <u>\$ 2,779,997</u> | <u>\$ 1,397,584</u>   | <u>\$ -</u>            | <u>\$ -</u> | <u>\$ -</u>         | <u>\$ 1,397,584</u>           |

HARDIN COUNTY SCHOOL DISTRICT

SCHEDULE OF RECEIPTS, DISBURSEMENTS, ACCRUALS, AND FUND BALANCE

CENTRAL HARDIN HIGH SCHOOL

Year Ended June 30, 2025

|                       | Cash<br>June 30, 2024 | Receipts | Disbursements | Transfers | Cash<br>June 30, 2025 | Accounts<br>Receivable | Inventory | Accounts<br>Payable | Fund Balance<br>June 30, 2025 |
|-----------------------|-----------------------|----------|---------------|-----------|-----------------------|------------------------|-----------|---------------------|-------------------------------|
| SCO OVER/UNDER        | \$ 1                  | \$ -     | \$ -          | \$ -      | \$ 1                  | \$ -                   | \$ -      | \$ -                | \$ 1                          |
| General Student Fund  | 84,976                | 79,694   | 69,215        | (4,863)   | 90,592                | -                      | -         | -                   | 90,592                        |
| Faculty Fund          | 1,503                 | 1,075    | 1,219         | -         | 1,359                 | -                      | -         | -                   | 1,359                         |
| Faculty Flower Fund   | 389                   | -        | 45            | -         | 344                   | -                      | -         | -                   | 344                           |
| Athletics             | 22,923                | 36,079   | 23,246        | 418       | 36,174                | -                      | -         | -                   | 36,174                        |
| Athletics Concessions | -                     | 43,163   | 18,533        | (24,630)  | -                     | -                      | -         | -                   | -                             |
| Archery               | 3,189                 | 19,512   | 17,746        | 877       | 5,832                 | -                      | -         | -                   | 5,832                         |
| Baseball              | 5,944                 | 6,096    | 6,801         | 154       | 5,393                 | -                      | -         | -                   | 5,393                         |
| Boy's Basketball      | 986                   | 16,714   | 12,657        | (3,736)   | 1,307                 | -                      | -         | -                   | 1,307                         |
| Girl's Basketball     | 276                   | 19,480   | 17,851        | 495       | 2,400                 | -                      | -         | -                   | 2,400                         |
| Bass Fishing          | 1,848                 | 6,466    | 7,561         | -         | 753                   | -                      | -         | -                   | 753                           |
| Bowling               | -                     | 818      | 2,591         | 1,773     | -                     | -                      | -         | -                   | -                             |
| Cheerleading          | -                     | 28,504   | 24,714        | 484       | 4,274                 | -                      | -         | -                   | 4,274                         |
| Cross Country         | 15,073                | 28,478   | 22,346        | (5,284)   | 15,921                | -                      | -         | -                   | 15,921                        |
| Football              | 19                    | 22,575   | 17,834        | -         | 4,760                 | -                      | -         | -                   | 4,760                         |
| Golf                  | 1,342                 | 630      | 1,508         | 1,365     | 1,829                 | -                      | -         | -                   | 1,829                         |
| Boy's Soccer          | 494                   | 23,691   | 22,957        | -         | 1,228                 | -                      | -         | -                   | 1,228                         |
| Girl's Soccer         | -                     | 12,630   | 13,902        | 1,272     | -                     | -                      | -         | -                   | -                             |
| Boy's Lacrosse        | -                     | 5,939    | 3,670         | 66        | 2,335                 | -                      | -         | -                   | 2,335                         |
| Girl's Lacrosse       | -                     | 2,452    | 2,470         | 35        | 17                    | -                      | -         | -                   | 17                            |
| Softball              | 92                    | 6,328    | 7,209         | 936       | 147                   | -                      | -         | -                   | 147                           |
| Swim Team             | 2,340                 | 8,277    | 8,960         | 573       | 2,230                 | -                      | -         | -                   | 2,230                         |
| Tennis                | 5,387                 | 7,307    | 10,454        | 1,044     | 3,284                 | -                      | -         | -                   | 3,284                         |
| Track                 | 8,274                 | 13,689   | 8,381         | (6,243)   | 7,339                 | -                      | -         | -                   | 7,339                         |
| Volleyball            | 2,396                 | 11,684   | 11,429        | (400)     | 2,251                 | -                      | -         | -                   | 2,251                         |
| Wrestling             | 2,628                 | 23,828   | 22,516        | 2,710     | 6,650                 | -                      | -         | -                   | 6,650                         |
| Academic Team         | 10                    | 7,103    | 5,942         | 1,550     | 2,721                 | -                      | -         | -                   | 2,721                         |
| Ag Dept               | -                     | 2,701    | -             | (2,701)   | -                     | -                      | -         | -                   | -                             |
| Art                   | 52                    | -        | -             | -         | 52                    | -                      | -         | -                   | 52                            |
| Arts-Humanities       | 273                   | -        | -             | -         | 273                   | -                      | -         | -                   | 273                           |
| Band                  | 43                    | 2,910    | 1,213         | 168       | 1,908                 | -                      | -         | -                   | 1,908                         |
| Business              | 1,739                 | -        | -             | -         | 1,739                 | -                      | -         | -                   | 1,739                         |
| Choral                | 1,062                 | 1,742    | 2,096         | -         | 708                   | -                      | -         | -                   | 708                           |
| English               | 983                   | 1,038    | 275           | (1,020)   | 726                   | -                      | -         | -                   | 726                           |
| English Field Trip    | -                     | -        | 586           | 586       | -                     | -                      | -         | -                   | -                             |
| FCS                   | 148                   | -        | -             | -         | 148                   | -                      | -         | -                   | 148                           |
| Guidance              | 1,335                 | 6,474    | 10,754        | 2,945     | -                     | -                      | -         | -                   | -                             |
| Journalism            | 508                   | 2,329    | 1,528         | -         | 1,309                 | -                      | -         | -                   | 1,309                         |
| JROTC                 | 9,067                 | 16,829   | 9,981         | (110)     | 15,805                | -                      | -         | -                   | 15,805                        |
| Library-Media Center  | -                     | 4,679    | -             | (4,679)   | -                     | -                      | -         | -                   | -                             |
| Science               | 911                   | -        | 466           | (86)      | 359                   | -                      | -         | -                   | 359                           |
| Science-Field Trips   | -                     | -        | 86            | 86        | -                     | -                      | -         | -                   | -                             |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF RECEIPTS, DISBURSEMENTS, ACCRUALS, AND FUND BALANCE

CENTRAL HARDIN HIGH SCHOOL

Year Ended June 30, 2025

|                                | Cash<br>June 30, 2024 | Receipts          | Disbursements     | Transfers   | Cash<br>June 30, 2025 | Accounts<br>Receivable | Inventory   | Accounts<br>Payable | Fund Balance<br>June 30, 2025 |
|--------------------------------|-----------------------|-------------------|-------------------|-------------|-----------------------|------------------------|-------------|---------------------|-------------------------------|
| Social Studies                 | 1,419                 | 270               | 275               | -           | 1,414                 | -                      | -           | -                   | 1,414                         |
| Special Ed                     | 37                    | 31                | -                 | (31)        | 37                    | -                      | -           | -                   | 37                            |
| Speech                         | -                     | 200               | 200               | -           | -                     | -                      | -           | -                   | -                             |
| Yearbook                       | 10,655                | 6,742             | 1,207             | -           | 16,190                | -                      | -           | -                   | 16,190                        |
| Art Club                       | 491                   | -                 | 55                | -           | 436                   | -                      | -           | -                   | 436                           |
| Beta Club                      | 3,214                 | 29,232            | 29,748            | 1,144       | 3,842                 | -                      | -           | -                   | 3,842                         |
| Drama Club                     | 2,440                 | 2,780             | 2,344             | 434         | 3,310                 | -                      | -           | -                   | 3,310                         |
| Earth Club                     | 293                   | 394               | 415               | -           | 272                   | -                      | -           | -                   | 272                           |
| Educators Rising               | 404                   | 1,063             | 1,369             | -           | 98                    | -                      | -           | -                   | 98                            |
| FBLA                           | 1,908                 | 13,726            | 11,807            | -           | 3,827                 | -                      | -           | -                   | 3,827                         |
| FCA                            | 167                   | -                 | 85                | -           | 82                    | -                      | -           | -                   | 82                            |
| FCCLA                          | 1,869                 | 6,339             | 5,316             | -           | 2,892                 | -                      | -           | -                   | 2,892                         |
| FFA                            | 4,169                 | 25,201            | 29,318            | -           | 52                    | -                      | -           | -                   | 52                            |
| French Club                    | 80                    | 463               | 90                | -           | 453                   | -                      | -           | -                   | 453                           |
| Gaming Club                    | 41                    | -                 | -                 | -           | 41                    | -                      | -           | -                   | 41                            |
| German Club                    | 405                   | -                 | -                 | -           | 405                   | -                      | -           | -                   | 405                           |
| Science National Honor Society | 179                   | -                 | -                 | -           | 179                   | -                      | -           | -                   | 179                           |
| Spanish Club                   | 60                    | -                 | -                 | -           | 60                    | -                      | -           | -                   | 60                            |
| Student Council/Government     | 4,320                 | 2,999             | 1,480             | -           | 5,839                 | -                      | -           | -                   | 5,839                         |
| TSA Club                       | (154)                 | 1,037             | 420               | -           | 463                   | -                      | -           | -                   | 463                           |
| Varsity Club                   | 1,395                 | 2,482             | 3,164             | -           | 713                   | -                      | -           | -                   | 713                           |
| Y-Club                         | 320                   | 12,112            | 12,121            | 1,044       | 1,355                 | -                      | -           | -                   | 1,355                         |
| Young Democrats Club           | -                     | 141               | 150               | 9           | -                     | -                      | -           | -                   | -                             |
| Young Republicans Club         | -                     | 356               | 345               | (5)         | 6                     | -                      | -           | -                   | 6                             |
| Grade 10                       | 116                   | -                 | -                 | (116)       | -                     | -                      | -           | -                   | -                             |
| Grade 11                       | 111                   | -                 | -                 | 5           | 116                   | -                      | -           | -                   | 116                           |
| Grade 12                       | -                     | 17,709            | 16,737            | (861)       | 111                   | -                      | -           | -                   | 111                           |
| Project Grad                   | 886                   | 10,673            | 10,988            | -           | 571                   | -                      | -           | -                   | 571                           |
| Scholarships                   | 144                   | 2,546             | 2,000             | -           | 690                   | -                      | -           | -                   | 690                           |
| Fund 22 Sweep                  | -                     | -                 | 34,592            | 34,592      | -                     | -                      | -           | -                   | -                             |
| Gaming Account                 | 243                   | 7,811             | 7,810             | -           | 244                   | -                      | -           | -                   | 244                           |
|                                | <u>\$ 211,423</u>     | <u>\$ 615,221</u> | <u>\$ 560,778</u> | <u>\$ -</u> | <u>\$ 265,866</u>     | <u>\$ -</u>            | <u>\$ -</u> | <u>\$ -</u>         | <u>\$ 265,866</u>             |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF RECEIPTS, DISBURSEMENTS, ACCRUALS, AND FUND BALANCE

JOHN HARDIN HIGH SCHOOL

Year Ended June 30, 2025

|                         | Cash<br>June 30, 2024 | Receipts | Disbursements | Transfers | Cash<br>June 30, 2025 | Accounts<br>Receivable | Inventory | Accounts<br>Payable | Fund Balance<br>June 30, 2025 |
|-------------------------|-----------------------|----------|---------------|-----------|-----------------------|------------------------|-----------|---------------------|-------------------------------|
| General Student Fund    | \$ 674                | \$ 4,985 | \$ 7,703      | \$ 3,902  | \$ 1,858              | \$ -                   | \$ -      | \$ -                | \$ 1,858                      |
| Faculty Fund            | 568                   | 695      | 1,395         | 155       | 23                    | -                      | -         | -                   | 23                            |
| Faculty Flower Fund     | 48                    | 153      | 105           | 153       | 249                   | -                      | -         | -                   | 249                           |
| Athletics               | -                     | 7,297    | 2,565         | (4,521)   | 211                   | -                      | -         | -                   | 211                           |
| Athletics Concessions   | -                     | 18,395   | 10,921        | (7,474)   | -                     | -                      | -         | -                   | -                             |
| Archery                 | 28,904                | 26,433   | 26,889        | 3,874     | 32,322                | -                      | -         | -                   | 32,322                        |
| Baseball                | 3,234                 | 2,209    | 4,876         | 575       | 1,142                 | -                      | -         | -                   | 1,142                         |
| Boy's Basketball        | 2,009                 | 28,103   | 24,875        | 1,052     | 6,289                 | -                      | -         | -                   | 6,289                         |
| Girl's Basketball       | 7,436                 | 16,893   | 14,214        | (947)     | 9,168                 | -                      | -         | -                   | 9,168                         |
| Bowling                 | 1,181                 | 7,801    | 3,502         | 287       | 5,767                 | -                      | -         | -                   | 5,767                         |
| Cheerleading            | -                     | 9,448    | 9,946         | 575       | 77                    | -                      | -         | -                   | 77                            |
| Cross Country           | 8,764                 | 33,958   | 31,826        | (510)     | 10,386                | -                      | -         | -                   | 10,386                        |
| Football                | 3,718                 | 20,560   | 22,172        | -         | 2,106                 | -                      | -         | 2,106               | 2,106                         |
| Golf                    | 2,368                 | -        | 50            | -         | 2,318                 | -                      | -         | 2,318               | 2,318                         |
| Boy's Soccer            | 260                   | 13,899   | 13,339        | 288       | 1,108                 | -                      | -         | -                   | 1,108                         |
| Girl's Soccer           | 1,776                 | 6,053    | 8,007         | 287       | 109                   | -                      | -         | -                   | 109                           |
| Softball                | 748                   | 3,324    | 4,629         | 575       | 18                    | -                      | -         | -                   | 18                            |
| Swim Team--John Hardin  | 90                    | 451      | 286           | 287       | 542                   | -                      | -         | -                   | 542                           |
| Swim Team--North Hardin | 283                   | 3,473    | 3,342         | 287       | 701                   | -                      | -         | -                   | 701                           |
| Tennis                  | 161                   | 2,675    | 2,071         | 575       | 1,340                 | -                      | -         | -                   | 1,340                         |
| Track                   | 13,110                | 3,625    | 7,481         | 287       | 9,541                 | -                      | -         | -                   | 9,541                         |
| Boys Volleyball         | -                     | 1,691    | 2,246         | 575       | 20                    | -                      | -         | -                   | 20                            |
| Girls Volleyball        | 960                   | 20,035   | 16,117        | (2,497)   | 2,381                 | -                      | -         | -                   | 2,381                         |
| Wrestling               | 205                   | 6,334    | 5,871         | 575       | 1,243                 | -                      | -         | -                   | 1,243                         |
| Academic Team           | 1,110                 | 166      | 553           | 575       | 1,298                 | -                      | -         | -                   | 1,298                         |
| Ag Dept                 | 393                   | -        | -             | -         | 393                   | -                      | -         | -                   | 393                           |
| Art                     | 504                   | -        | -             | -         | 504                   | -                      | -         | -                   | 504                           |
| Band                    | -                     | 10,880   | 10,579        | (301)     | -                     | -                      | -         | -                   | -                             |
| Choral                  | 255                   | 1,737    | 1,159         | -         | 833                   | -                      | -         | -                   | 833                           |
| English                 | 286                   | -        | -             | -         | 286                   | -                      | -         | -                   | 286                           |
| FCS                     | 3,987                 | 14,840   | 15,066        | 1,425     | 5,186                 | -                      | -         | -                   | 5,186                         |
| Foreign Language        | 108                   | -        | -             | -         | 108                   | -                      | -         | -                   | 108                           |
| Guidance                | 133                   | 3,621    | 1,154         | -         | 2,600                 | -                      | -         | -                   | 2,600                         |
| AP Exams                | 1,994                 | -        | 1,994         | -         | -                     | -                      | -         | -                   | -                             |
| Journalism              | 135                   | -        | -             | -         | 135                   | -                      | -         | -                   | 135                           |
| JROTC                   | 9,769                 | 2,780    | 5,412         | 410       | 7,547                 | -                      | -         | -                   | 7,547                         |
| Library-Media Center    | 3,277                 | 263      | 1,486         | (375)     | 1,679                 | -                      | -         | -                   | 1,679                         |
| Science                 | 1,067                 | -        | -             | (660)     | 407                   | -                      | -         | -                   | 407                           |
| Social Studies          | -                     | 1,181    | 1,097         | (78)      | 6                     | -                      | -         | -                   | 6                             |
| Special Ed              | 1,224                 | 2        | 904           | -         | 322                   | -                      | -         | -                   | 322                           |
| Yearbook                | 12,276                | 1,731    | 1,061         | -         | 12,946                | -                      | -         | -                   | 12,946                        |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF RECEIPTS, DISBURSEMENTS, ACCRUALS, AND FUND BALANCE

JOHN HARDIN HIGH SCHOOL

Year Ended June 30, 2025

|                              | Cash<br>June 30, 2024 | Receipts   | Disbursements | Transfers | Cash<br>June 30, 2025 | Accounts<br>Receivable | Inventory | Accounts<br>Payable | Fund Balance<br>June 30, 2025 |
|------------------------------|-----------------------|------------|---------------|-----------|-----------------------|------------------------|-----------|---------------------|-------------------------------|
| Beta Club                    | 2,122                 | 16,494     | 15,441        | -         | 3,175                 | -                      | -         | -                   | 3,175                         |
| DECA                         | 2,858                 | 23,541     | 16,198        | -         | 10,201                | -                      | -         | -                   | 10,201                        |
| Drama Club                   | 21                    | -          | -             | -         | 21                    | -                      | -         | -                   | 21                            |
| Euro Trip                    | 21                    | -          | -             | (21)      | -                     | -                      | -         | -                   | -                             |
| FCCLA                        | 2,522                 | 4,045      | 3,932         | 465       | 3,100                 | -                      | -         | -                   | 3,100                         |
| FFA                          | 6,171                 | 12,803     | 8,486         | -         | 10,488                | -                      | -         | -                   | 10,488                        |
| Gaming Club                  | 3                     | -          | -             | -         | 3                     | -                      | -         | -                   | 3                             |
| Musicals                     | 2,265                 | 6,830      | 4,775         | -         | 4,320                 | -                      | -         | -                   | 4,320                         |
| Pep Club                     | 1,045                 | -          | -             | -         | 1,045                 | -                      | -         | -                   | 1,045                         |
| SADD Club                    | 468                   | 500        | 295           | -         | 673                   | -                      | -         | -                   | 673                           |
| Student Council/Government   | 2,112                 | 2,591      | 2,415         | (350)     | 1,938                 | -                      | -         | -                   | 1,938                         |
| TSA Club                     | 156                   | -          | -             | (156)     | -                     | -                      | -         | -                   | -                             |
| Y-Club                       | 465                   | 1,700      | 1,599         | -         | 566                   | -                      | -         | -                   | 566                           |
| Grade 9                      | -                     | 190        | -             | (105)     | 85                    | -                      | -         | -                   | 85                            |
| Grade 10                     | 545                   | 170        | 68            | (545)     | 102                   | -                      | -         | -                   | 102                           |
| Grade 11                     | 3,379                 | 6,900      | 3,813         | (2,833)   | 3,633                 | -                      | -         | -                   | 3,633                         |
| Grade 12                     | 5,215                 | 26,856     | 31,790        | 3,379     | 3,660                 | -                      | -         | -                   | 3,660                         |
| Project Grad                 | 2,862                 | 13,322     | 13,427        | (307)     | 2,450                 | -                      | -         | -                   | 2,450                         |
| Criminal Justice Scholarship | 2,000                 | -          | 1,000         | -         | 1,000                 | -                      | -         | -                   | 1,000                         |
| Kat and Jacob Scholarship    | 426                   | -          | 400           | -         | 26                    | -                      | -         | -                   | 26                            |
| Mccurry Classic              | 9,395                 | 1,964      | -             | (1,052)   | 10,307                | -                      | -         | -                   | 10,307                        |
| Fund 22 Sweep                | -                     | 1,810      | 3,979         | 2,169     | -                     | -                      | -         | -                   | -                             |
| Charitable Causes            | 300                   | -          | -             | -         | 300                   | -                      | -         | -                   | 300                           |
|                              | \$ 157,366            | \$ 395,407 | \$ 372,511    | \$ -      | \$ 180,262            | \$ -                   | \$ -      | \$ -                | \$ 180,262                    |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF RECEIPTS, DISBURSEMENTS, ACCRUALS, AND FUND BALANCE

NORTH HARDIN HIGH SCHOOL

Year Ended June 30, 2025

|                               | Cash<br>June 30, 2024 | Receipts  | Disbursements | Transfers | Cash<br>June 30, 2025 | Accounts<br>Receivable | Inventory | Accounts<br>Payable | Fund Balance<br>June 30, 2025 |
|-------------------------------|-----------------------|-----------|---------------|-----------|-----------------------|------------------------|-----------|---------------------|-------------------------------|
| General Student Fund          | \$ 32,424             | \$ 19,041 | \$ 221        | \$ 4,265  | \$ 55,509             | \$ -                   | \$ -      | \$ -                | \$ 55,509                     |
| Gen Student-Transportation    | -                     | 40        | -             | -         | 40                    | -                      | -         | -                   | 40                            |
| Faculty Fund                  | 5,509                 | 2,447     | 2,673         | -         | 5,283                 | -                      | -         | -                   | 5,283                         |
| Faculty Flower Fund           | 317                   | 123       | 386           | -         | 54                    | -                      | -         | -                   | 54                            |
| Athletics                     | 25,725                | 55,402    | 64,400        | (1,852)   | 14,875                | -                      | -         | -                   | 14,875                        |
| Athletics- Uniforms/Equipment | 33,748                | -         | 7,409         | 14,963    | 41,302                | -                      | -         | -                   | 41,302                        |
| Archery                       | 8,426                 | 11,345    | 15,986        | 950       | 4,735                 | -                      | -         | -                   | 4,735                         |
| Baseball                      | 62                    | 3,998     | 7,429         | 4,108     | 739                   | -                      | -         | -                   | 739                           |
| Boy's Basketball              | 24,092                | 33,132    | 40,565        | 1,166     | 17,825                | -                      | -         | -                   | 17,825                        |
| Girl's Basketball             | 12,939                | 16,542    | 22,492        | (298)     | 6,691                 | -                      | -         | -                   | 6,691                         |
| Bass Fishing                  | 2,303                 | -         | -             | 950       | 3,253                 | -                      | -         | -                   | 3,253                         |
| Bowling                       | 3,284                 | 858       | 2,830         | 875       | 2,187                 | -                      | -         | -                   | 2,187                         |
| Cheerleading                  | 2,626                 | 11,876    | 14,843        | 3,295     | 2,954                 | -                      | -         | -                   | 2,954                         |
| Boy's Cross Country           | 2,882                 | 7,030     | 6,280         | 920       | 4,552                 | -                      | -         | -                   | 4,552                         |
| Girl's Cross Country          | 4,687                 | 2,562     | 3,871         | 920       | 4,298                 | -                      | -         | -                   | 4,298                         |
| Dance Team                    | 4,432                 | -         | 2,242         | 540       | 2,730                 | -                      | -         | -                   | 2,730                         |
| ESports                       | 920                   | 390       | 336           | -         | 974                   | -                      | -         | -                   | 974                           |
| Football                      | 4,676                 | 32,086    | 27,106        | (1,515)   | 8,141                 | -                      | -         | -                   | 8,141                         |
| Boy's Golf                    | 704                   | -         | 1,025         | 950       | 629                   | -                      | -         | -                   | 629                           |
| Girl's Golf                   | -                     | 1,579     | -             | (478)     | 1,101                 | -                      | -         | -                   | 1,101                         |
| Boy's Lacrosse                | -                     | 6,591     | 2,699         | 40        | 3,932                 | -                      | -         | -                   | 3,932                         |
| Boy's Soccer                  | 21,325                | 15,421    | 14,534        | 526       | 22,738                | -                      | -         | -                   | 22,738                        |
| Girl's Soccer                 | 12,496                | 6,869     | 11,984        | 666       | 8,047                 | -                      | -         | -                   | 8,047                         |
| Softball                      | 4,628                 | 21,450    | 18,453        | (2,766)   | 4,859                 | -                      | -         | -                   | 4,859                         |
| Swim Team                     | 5,428                 | 399       | 948           | 510       | 5,389                 | -                      | -         | -                   | 5,389                         |
| Tennis                        | 1,562                 | 1,127     | 2,675         | 950       | 964                   | -                      | -         | -                   | 964                           |
| Boy's Track                   | 9,756                 | 110       | 6,564         | 1,900     | 5,202                 | -                      | -         | -                   | 5,202                         |
| Girl's Track                  | 5,097                 | 110       | 3,485         | 1,900     | 3,622                 | -                      | -         | -                   | 3,622                         |
| Volleyball                    | 1,120                 | 4,386     | 4,948         | 1,436     | 1,994                 | -                      | -         | -                   | 1,994                         |
| Wrestling-Boys                | 1,746                 | 536       | 4,482         | 2,200     | -                     | -                      | -         | -                   | -                             |
| Wrestling-Girls               | 1,244                 | 2,045     | 5,101         | 1,812     | -                     | -                      | -         | -                   | -                             |
| Academic Team                 | 2,325                 | -         | 690           | 475       | 2,110                 | -                      | -         | -                   | 2,110                         |
| Ag Dept                       | 13,719                | 4,144     | -             | -         | 17,863                | -                      | -         | -                   | 17,863                        |
| Art                           | 32                    | -         | -             | -         | 32                    | -                      | -         | -                   | 32                            |
| Band                          | 4,103                 | -         | 8,423         | 9,500     | 5,180                 | -                      | -         | -                   | 5,180                         |
| Business                      | 189                   | -         | -             | -         | 189                   | -                      | -         | -                   | 189                           |
| Choral                        | 5,905                 | 22,080    | 19,894        | (1,517)   | 6,574                 | -                      | -         | -                   | 6,574                         |
| FCS                           | -                     | 140       | 90            | -         | 50                    | -                      | -         | -                   | 50                            |
| Trojan Treats                 | 313                   | -         | -             | -         | 313                   | -                      | -         | -                   | 313                           |
| Foreign Language              | 25                    | -         | -             | -         | 25                    | -                      | -         | -                   | 25                            |
| Guidance                      | 2,583                 | 909       | 2,317         | -         | 1,175                 | -                      | -         | -                   | 1,175                         |
| Journalism                    | 35                    | -         | -             | -         | 35                    | -                      | -         | -                   | 35                            |
| JROTC                         | 10,611                | 13,058    | 22,399        | 950       | 2,220                 | -                      | -         | -                   | 2,220                         |
| Library-Media Center          | 910                   | 2,514     | 187           | (2,614)   | 623                   | -                      | -         | -                   | 623                           |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF RECEIPTS, DISBURSEMENTS, ACCRUALS, AND FUND BALANCE

NORTH HARDIN HIGH SCHOOL

Year Ended June 30, 2025

|                              | Cash<br>June 30, 2024 | Receipts          | Disbursements     | Transfers   | Cash<br>June 30, 2025 | Accounts<br>Receivable | Inventory   | Accounts<br>Payable | Fund Balance<br>June 30, 2025 |
|------------------------------|-----------------------|-------------------|-------------------|-------------|-----------------------|------------------------|-------------|---------------------|-------------------------------|
| Poster Maker                 | 178                   | -                 | -                 | 198         | 376                   | -                      | -           | -                   | 376                           |
| Math                         | -                     | 25                | -                 | (25)        | -                     | -                      | -           | -                   | -                             |
| Special Ed                   | 1,627                 | 9,410             | 8,941             | (261)       | 1,835                 | -                      | -           | -                   | 1,835                         |
| Debate                       | 435                   | -                 | -                 | 238         | 673                   | -                      | -           | -                   | 673                           |
| Yearbook                     | 22,291                | 929               | 2,210             | 840         | 21,850                | -                      | -           | -                   | 21,850                        |
| Art Club                     | 774                   | 787               | 1,452             | 238         | 347                   | -                      | -           | -                   | 347                           |
| Beta Club                    | 2,130                 | 11,384            | 14,096            | 950         | 368                   | -                      | -           | -                   | 368                           |
| Climate Committee            | 4,877                 | -                 | -                 | (4,877)     | -                     | -                      | -           | -                   | -                             |
| DECA                         | 18,777                | 19,733            | 20,300            | 3,451       | 21,661                | -                      | -           | -                   | 21,661                        |
| Drama Club                   | 2,219                 | 949               | 1,485             | 170         | 1,853                 | -                      | -           | -                   | 1,853                         |
| Educators Rising             | 481                   | 1,583             | 877               | 59          | 1,246                 | -                      | -           | -                   | 1,246                         |
| FBLA                         | 4,268                 | -                 | -                 | 475         | 4,743                 | -                      | -           | -                   | 4,743                         |
| FCA                          | 336                   | -                 | 30                | -           | 306                   | -                      | -           | -                   | 306                           |
| FCCLA                        | 3,080                 | 6,502             | 6,783             | (1,383)     | 1,416                 | -                      | -           | -                   | 1,416                         |
| FFA                          | 7,402                 | 2,671             | 7,867             | 950         | 3,156                 | -                      | -           | -                   | 3,156                         |
| Friends of Rachel            | 725                   | -                 | 374               | 312         | 663                   | -                      | -           | -                   | 663                           |
| Gaming Club                  | -                     | 180               | -                 | -           | 180                   | -                      | -           | -                   | 180                           |
| German Club                  | 408                   | 250               | 461               | 238         | 435                   | -                      | -           | -                   | 435                           |
| History Club                 | -                     | 440               | 200               | -           | 240                   | -                      | -           | -                   | 240                           |
| Japanese Club                | 700                   | 80                | 241               | 237         | 776                   | -                      | -           | -                   | 776                           |
| PBIS                         | 2,232                 | 7,810             | 9,454             | 713         | 1,301                 | -                      | -           | -                   | 1,301                         |
| Pep Club                     | 680                   | 1,846             | 2,933             | 1,024       | 617                   | -                      | -           | -                   | 617                           |
| Photography Club             | 3,186                 | -                 | -                 | 238         | 3,424                 | -                      | -           | -                   | 3,424                         |
| Science Club                 | 2,556                 | -                 | -                 | 238         | 2,794                 | -                      | -           | -                   | 2,794                         |
| Spanish Club                 | 705                   | 48                | 388               | 237         | 602                   | -                      | -           | -                   | 602                           |
| STLP                         | 857                   | -                 | 1,470             | 1,150       | 537                   | -                      | -           | -                   | 537                           |
| Student Council/Government   | 2,326                 | 710               | 1,474             | 750         | 2,312                 | -                      | -           | -                   | 2,312                         |
| Trojan Stitchery             | 1,482                 | 229               | -                 | 70          | 1,781                 | -                      | -           | -                   | 1,781                         |
| TSA Club                     | 146                   | -                 | -                 | (60)        | 86                    | -                      | -           | -                   | 86                            |
| Y-Club                       | 3,446                 | 7,237             | 9,548             | 950         | 2,085                 | -                      | -           | -                   | 2,085                         |
| Grade 9                      | 1,302                 | 125               | 455               | 475         | 1,447                 | -                      | -           | -                   | 1,447                         |
| Grade 10                     | 3,572                 | 158               | 201               | 475         | 4,004                 | -                      | -           | -                   | 4,004                         |
| Grade 11                     | 4,976                 | 306               | 946               | 475         | 4,811                 | -                      | -           | -                   | 4,811                         |
| Grade 12                     | 3,091                 | 26,384            | 28,076            | 2,760       | 4,159                 | -                      | -           | -                   | 4,159                         |
| Grade 12-Transportation Only | 844                   | -                 | 844               | -           | -                     | -                      | -           | -                   | -                             |
| Bingo                        | -                     | 95,000            | -                 | (95,000)    | -                     | -                      | -           | -                   | -                             |
| Project Grad                 | 7,096                 | 100               | 4,684             | 950         | 3,462                 | -                      | -           | -                   | 3,462                         |
| Student Support              | 5,101                 | 3,218             | 989               | (2,305)     | 5,025                 | -                      | -           | -                   | 5,025                         |
| Cameron Irwin Scholarship    | 1,122                 | -                 | -                 | -           | 1,122                 | -                      | -           | -                   | 1,122                         |
| National Guard Scholarship   | 193                   | -                 | -                 | -           | 193                   | -                      | -           | -                   | 193                           |
| Will Yates Scholarship       | -                     | 600               | -                 | -           | 600                   | -                      | -           | -                   | 600                           |
| Fund 22 Sweep                | -                     | -                 | 39,323            | 39,323      | -                     | -                      | -           | -                   | -                             |
| Gaming Account               | 22,192                | 243,778           | 250,103           | -           | 15,867                | -                      | -           | -                   | 15,867                        |
|                              | <u>\$ 412,721</u>     | <u>\$ 742,812</u> | <u>\$ 766,172</u> | <u>\$ -</u> | <u>\$ 389,361</u>     | <u>\$ -</u>            | <u>\$ -</u> | <u>\$ -</u>         | <u>\$ 389,361</u>             |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2025

| <u>Grantor / Program Title</u>  | <u>Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Fund Number</u> | <u>Project Number</u> | <u>Federal Expenditures</u> | <u>Expenditures to Subrecipients</u> |
|---|----------------------------------|---|--------------------|-----------------------|-----------------------------|--------------------------------------|
| <u>U.S. Department of Agriculture</u>   |                                  |   |                    |                       |                             |                                      |
| Passed through Kentucky Department of Agriculture:  |                                  |   |                    |                       |                             |                                      |
| Food Donation   | 10.555                           | 57502   | 51                 | -                     | \$ 786,515                  | \$ -                                 |
| Passed through Kentucky Department of Education:  |                                  |   |                    |                       |                             |                                      |
| Child Nutrition Cluster:  |                                  |   |                    |                       |                             |                                      |
| School Breakfast Program  | 10.553                           | 7760005                                       | 51                 | -                     | 2,857,072                   | -                                    |
| National School Lunch Program   | 10.555                           | 7750002                                       | 51                 | -                     | 6,368,848                   | -                                    |
| Summer Food Service Program for Children  | 10.559                           | 7740023                                       | 51                 | -                     | 216,825                     | -                                    |
| Total Child Nutrition Cluster   |                                  |   |                    |                       | <u>9,442,745</u>            | <u>-</u>                             |
| Child and Adult Care Food Program   | 10.558                           | 7790021                                       | 51                 | -                     | 34,301                      | -                                    |
| State Administrative Expenses for Child Nutrition   | 10.560                           | 7700001                                       | 51                 | -                     | 16,989                      | -                                    |
| Total U.S. Department of Agriculture  |                                  |   |                    |                       | <u>\$ 10,280,550</u>        | <u>\$ -</u>                          |
| <u>U. S. Department of Defense</u>  |                                  |   |                    |                       |                             |                                      |
| Direct Programs:  |                                  |   |                    |                       |                             |                                      |
| ROTC  | 12.000                           | -   | 2                  | 504K/L                | \$ 222,662                  | \$ -                                 |
| Promoting K-12 Student Achievement at Military-Connected Schools: Support for Student Achievement | 12.556                           | -   | 2                  | 429I                  | 150,864                     | -                                    |
| Total U. S. Department of Defense   |                                  |   |                    |                       | <u>\$ 373,526</u>           | <u>\$ -</u>                          |
| <u>U. S. Department of Education</u>  |                                  |   |                    |                       |                             |                                      |
| Direct Program:   |                                  |   |                    |                       |                             |                                      |
| Impact Aid  | 84.041                           | -   | 1                  | 84.041                | \$ 102,994                  | \$ -                                 |
| Passed through Kentucky Council on Postsecondary Education:                                       |                                  |   |                    |                       |                             |                                      |
| Adult Education - Basic Grants to States  |                                  |   |                    |                       |                             |                                      |
| Adult Education Recruitment   | 84.002                           | -   | 2                  | 365K                  | 148                         | -                                    |
| Federal Adult Education   | 84.002                           | -   | 2                  | 373K/L                | 306,308                     | -                                    |
| Adult Education   | 84.002                           | -   | 2                  | 464K/L                | 52,520                      | -                                    |
|   |                                  |   |                    |                       | <u>358,976</u>              | <u>-</u>                             |
| Passed through Kentucky Department of Education:  |                                  |   |                    |                       |                             |                                      |
| Title I Grants to Local Educational Agencies:   |                                  |   |                    |                       |                             |                                      |
| Title 1 - Local Educational Agencies  | 84.010A                          | 3100002-22                                    | 2                  | 310J                  | 97,977                      | -                                    |
| Title 1 - Local Educational Agencies  | 84.010A                          | 3100002-23                                    | 2                  | 310K                  | 467,033                     | -                                    |
| Title 1 - Local Educational Agencies  | 84.010A                          | 3100002-24                                    | 2                  | 310L                  | 3,413,496                   | -                                    |
|   |                                  |   |                    |                       | <u>3,978,506</u>            | <u>-</u>                             |
| Migrant Education - State Grant Program   | 84.011A                          | 3110002-23                                    | 2                  | 311K                  | 46,594                      | -                                    |
| Migrant Education - State Grant Program   | 84.011A                          | 3110002-24                                    | 2                  | 311L                  | 23,902                      | -                                    |
|   |                                  |   |                    |                       | <u>70,496</u>               | <u>-</u>                             |
| Special Education Cluster:  |                                  |   |                    |                       |                             |                                      |
| Special Education - Grants to States:   |                                  |   |                    |                       |                             |                                      |
| IDEA, Part B  | 84.027A                          | 3810002-22                                    | 2                  | 337J                  | 135,265                     | -                                    |
| IDEA, Part B  | 84.027A                          | 3810002-23                                    | 2                  | 337K/KP               | 550,494                     | -                                    |
| IDEA, Part B  | 84.027A                          | 3810002-24                                    | 2                  | 337L                  | 3,057,752                   | -                                    |
|   |                                  |   |                    |                       | <u>3,743,511</u>            | <u>-</u>                             |
| Special Education - Preschool Grants:   |                                  |   |                    |                       |                             |                                      |
| IDEA Preschool  | 84.173A                          | 3800002-23                                    | 2                  | 343K/KP               | 145,675                     | -                                    |
| IDEA Preschool  | 84.173A                          | 3800002-24                                    | 2                  | 343L                  | 49,627                      | -                                    |
|   |                                  |   |                    |                       | <u>195,302</u>              | <u>-</u>                             |
| Total Special Ed Cluster  |                                  |   |                    |                       | <u>3,938,813</u>            | <u>-</u>                             |
| Career and Technical Education - Basic Grants to States:  |                                  |   |                    |                       |                             |                                      |
| Perkins - Part C (Carry-over)   | 84.048                           | 3710002-24                                    | 2                  | 348KA                 | 16,412                      | -                                    |
| Perkins - Part C  | 84.048                           | 3710002-24                                    | 2                  | 348L                  | 206,708                     | -                                    |
|   |                                  |   |                    |                       | <u>223,120</u>              | <u>-</u>                             |
| English Language Acquisition Grants:  |                                  |   |                    |                       |                             |                                      |
| Title III English Language Learners   | 84.365A                          | 3300002-23                                    | 2                  | 345K/KI               | 30,110                      | -                                    |
| Title III English Language Learners   | 84.365A                          | 3300002-24                                    | 2                  | 345L/LI               | 30,360                      | -                                    |
|   |                                  |   |                    |                       | <u>60,470</u>               | <u>-</u>                             |

**HARDIN COUNTY SCHOOL DISTRICT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED

Year Ended June 30, 2025

| Grantor / Program Title   | Assistance Listing Number | Pass-Through Entity Identifying Number | Fund Number | Project Number | Federal Expenditures | Expenditures to Subrecipients |
|---|---------------------------|--|-------------|----------------|----------------------|-------------------------------|
| <u>U. S. Department of Education, Continued</u>   |                           |  |             |                |                      |                               |
| Passed through Kentucky Department of Education, Continued:   |                           |  |             |                |                      |                               |
| Improving Teacher Quality State Grants:   |                           |  |             |                |                      |                               |
| Title II  | 84.367A                   | 3230002-22                             | 2           | 401J/JP        | 41,687               | -                             |
| Title II  | 84.367A                   | 3230002-23                             | 2           | 401K/KP        | 374,612              | -                             |
| Title II  | 84.367A                   | 3230002-24                             | 2           | 401L/LP        | 307,329              | -                             |
|   |                           |  |             |                | <u>723,628</u>       | <u>-</u>                      |
| Student Support and Academic Enrichment Program:  |                           |  |             |                |                      |                               |
| Title IV, Part A  | 84.424A                   | 3420002-22                             | 2           | 552JP/JS/JT/JW | 3,350                | -                             |
| Title IV, Part A  | 84.424A                   | 3420002-23                             | 2           | 552KP/KS/KT/KW | 98,019               | -                             |
| Title IV, Part A  | 84.424A                   | 3420002-24                             | 2           | 552LP/LS/LT/LW | 227,926              | -                             |
|   |                           |  |             |                | <u>329,295</u>       | <u>-</u>                      |
| Twenty-First Century Community Learning Centers   | 84.287                    | 3400002-24                             | 2           | 550I/J/K/L     | 347,550              | -                             |
| Education Stabilization Fund (COVID -19):   |                           |  |             |                |                      |                               |
| FY21 American Rescue Plan Elementary and Secondary School Emergency Relief Fund                               | 84.425U                   | 4300002-21                             | 2           | 473G/GL/GN/GW  | 98,197               | -                             |
| FY21 American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Deeper Learning             | 84.425U                   | -                                      | 2           | 563J           | 19,083               | -                             |
| FY22 American Relief Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth | 84.425W                   | 4980002-21                             | 2           | 476IC          | 10,401               | -                             |
|   |                           |  |             |                | <u>127,681</u>       | <u>-</u>                      |
| Passed through Kentucky Department of Juvenile Justice:   |                           |  |             |                |                      |                               |
| Title I Program for Neglected and Delinquent Children:  |                           |  |             |                |                      |                               |
| Title I Part D Subpart I  | 84.013                    | 313L                                   | 2           | 313L           | 28,917               | -                             |
| Total U. S. Department of Education   |                           |  |             |                | \$ <u>10,290,446</u> | \$ <u>-</u>                   |
| <u>U.S. Department of Health and Human Services</u>   |                           |  |             |                |                      |                               |
| Passed through Kentucky Cabinet for Health and Family Services:   |                           |  |             |                |                      |                               |
| Child Care and Development Block Grant:   |                           |  |             |                |                      |                               |
| ARPA Child Care Sustainment (COVID-19)  | 93.575                    | -                                      | 2           | 576I           | \$ 305,187           | \$ -                          |
| ARPA Child Care Sustainment (COVID-19)  | 93.575                    | -                                      | 2           | 562IP          | 147,693              | -                             |
| Total U. S. Department of Health and Human Services   |                           |  |             |                | \$ <u>452,880</u>    | \$ <u>-</u>                   |
| Total Federal Awards  |                           |  |             |                | \$ <u>21,397,402</u> | \$ <u>-</u>                   |

Notes to Schedule of Expenditures of Federal Awards

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Hardin County School District (District) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of the District.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C: Indirect Cost Rate

The District has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note D: Nonmonetary assistance for the Food Distribution Program is reported in the Schedule at the fair value of the commodities received.



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

Members of the Board of Education  
Hardin County School District  
Elizabethtown, Kentucky

Kentucky State Committee for School District Audits  
Frankfort, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hardin County School District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 29, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial 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*.

In addition, the results of our tests disclosed no material instances of noncompliance with specific statutes or regulations identified in the *Kentucky Public School District's Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits.

We noted certain matters other than significant deficiencies and material weaknesses that we reported to management of the District in a separate letter dated January 29, 2026.

## **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.

*Riney Hancock CPAs PSC*

Owensboro, Kentucky

January 29, 2026



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

Members of the Board of Education  
Hardin County School District  
Elizabethtown, Kentucky

Kentucky State Committee for School District Audits  
Frankfort, Kentucky

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Hardin County School District's (District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States, and the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the

***Auditor’s Responsibilities for the Audit of Compliance, Continued***

Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over compliance. Accordingly, no such opinion is expressed.

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

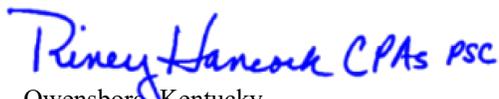
**Report on Internal Control Over Compliance**

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

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

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

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

  
Owensboro, Kentucky  
January 29, 2026

**HARDIN COUNTY SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, 2025

**A. Summary of Auditor’s Results**

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of the Hardin County School District (District) were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of the District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were reported in the Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor’s report on compliance for the major federal award programs for the District expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose any findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as the major programs were:
  - Child Nutrition Cluster:
    - 10.553 – School Breakfast Program
    - 10.555 – National School Lunch Program
    - 10.559 – Summer Food Service Program for Children
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The District was determined to be a low-risk auditee.

**B. Findings - Financial Statements Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None

**Board of Education**

Dawn Johnson, Chair  
Ben Segó, Vice Chair  
Steve Bland  
Mark Casey  
Charlie Wise



**HARDIN COUNTY SCHOOLS**  
HELPING CHILDREN SUCCEED

**Teresa Morgan, Superintendent**

**Finance & Support Services**

Shelee Clark  
Chief Operations Officer

**Directors**

Jessica Annis, Finance  
Chris Corder, Transportation  
Josey Crew, Child Nutrition  
Jamey Hawkins, Buildings & Grounds

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2025

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No audit findings were reported in the schedule of findings and questioned costs for the year ended June 30, 2024.