

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA
State Examiner**

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF
PERU COMMUNITY SCHOOLS
MIAMI COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

04/02/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

To: The Officials of the Peru Community Schools
Peru Community Schools
Miami County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Peru Community Schools. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 to June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 43 through 48. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 49 and 50.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report of Peru Community Schools was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

PERU COMMUNITY SCHOOLS
Miami County, Indiana

FINANCIAL STATEMENT
As of June 30, 2024, and for the
period of July 1, 2022 through June 30, 2024

PERU COMMUNITY SCHOOLS
Miami County, Indiana

FINANCIAL STATEMENT
As of June 30, 2024, and for the
period of July 1, 2022 through June 30, 2024

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PERU COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dan Durrwachter	07-01-22 to 06-30-24
Superintendent of Schools	Sam Watkins	07-01-22 to 06-30-23
	Dr. Jaime Cole	07-01-23 to 06-11-24
	Dr. Brandon Penrod (Interim)	06-12-24 to 06-30-24
President of the School Board	Ron Mullett	01-01-22 to 12-31-22
	Greg Quin	01-01-23 to 12-31-24



INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Peru Community Schools
Miami County, Indiana

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Peru Community Schools (the "School Corporation") as of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 through June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2024, or changes in net position for the period of July 1, 2022 through June 30, 2024.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation 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 opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

(Continued)

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 statement.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 School Corporation'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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statement.

(Continued)

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report March 25, 2025, our consideration of the School Corporation'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 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 School Corporation'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 School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 25, 2025

PERU COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 3,265,636	\$ 15,295,271	\$ 12,478,475	\$ (2,425,445)	\$ 3,656,987	\$ 16,235,995	\$ 13,655,289	\$ (2,382,000)	\$ 3,855,693
Debt Service	1,430,638	2,652,000	2,852,421	-	1,230,217	2,953,061	2,887,920	-	1,295,358
Operating	2,083,475	2,191,408	4,731,187	2,408,080	1,951,776	2,278,459	4,689,695	2,142,275	1,682,815
Rainy Day -2003	1,100,000	-	-	25,000	1,125,000	-	105,572	-	1,019,428
Construction Sinking	15,771	21,281	10,341	-	26,711	-	12,890	-	13,821
School Lunch	231,238	1,510,323	1,390,828	-	350,733	1,398,284	1,597,910	-	151,107
Textbook Rental	235,902	153,673	209,259	-	180,316	304,495	4,233	-	480,578
Insurance Wellness Clinic	4,829	16,185	6,507	-	14,507	13,695	16,207	-	11,995
No Kid Hungry	-	15,000	-	-	15,000	-	14,969	-	31
Educational License Plates	914	92	-	-	1,006	76	-	-	1,082
Law Enforce Continue Ed	-	-	-	-	-	276	-	-	276
Sro Nipsco Grant	-	-	-	-	-	5,000	3,644	-	1,356
Alpha Mu-Nurses Use	100	150	-	-	250	150	-	-	400
Hygiene Program	655	-	-	-	655	200	-	-	855
Tiger Pride Scholarship	1,475	-	-	-	1,475	-	-	-	1,475
Phi Delta Fraternity Donations	2,504	-	1,068	-	1,436	-	-	-	1,436
Band Scholarship	3,847	-	-	-	3,847	-	-	-	3,847
Eri Mcuw Mental Health Grant	3,837	-	3,837	-	-	-	-	-	-
Kicks For Kids	(135)	135	-	-	-	-	-	-	-
Reimburseable	(11,433)	129,785	162,057	-	(43,705)	20,716	182,215	-	(205,204)
Sources Of Strength	2,690	-	-	-	2,690	-	-	-	2,690
Local Adult Ed Grant	5,832	-	770	-	5,062	-	2,965	-	2,097
Elmwood Scholarship	658	1,840	751	-	1,747	985	2,000	-	732
Psi Iota Xi Grant	739	-	489	-	250	-	250	-	-
Donation/Special Ed Teachers	2,578	1,915	1,190	-	3,303	2,396	977	-	4,722
Summer Reading Donations	37	-	-	-	37	-	-	-	37
Transition Class	313	-	-	-	313	-	-	-	313
Pbis	1,261	-	2	-	1,259	-	-	-	1,259
Computer Certification	115	-	-	-	115	-	-	-	115

(Continued)

PERU COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Kroger Rewards	\$ 498	\$ 1,246	\$ 862	\$ -	\$ 882	\$ 1,092	\$ 74	\$ -	\$ 1,900
Ipep Grant 2021	761	-	-	-	761	-	-	-	761
Formative Assesment Grant	-	22,875	5,657	-	17,218	26,661	3,319	-	40,560
In Literacy Early Intervention	(207)	207	-	-	-	-	-	-	-
Spec Ed Mkp Do Not Use	4,373	182	-	(4,555)	-	-	-	-	-
Early Literacy Achievement	-	-	-	-	-	14,091	14,041	-	50
Secured School Current 2022	(94,233)	100,000	264,290	-	(258,523)	100,000	226,330	240,913	(143,940)
Indiana Early Literacy 20/21	1	-	1	-	-	-	-	-	-
In Literacy Eig	121	-	121	-	-	-	-	-	-
In Literacy Eig 22/23	-	5,332	5,332	-	-	-	-	-	-
Nesp 19/20	(1)	1	-	-	-	-	-	-	-
Nesp 2022	276	-	-	-	276	-	276	-	-
Nesp 2022/2023	-	11,700	10,630	-	1,070	-	1,070	-	-
State Connectivity	453	-	-	-	453	-	-	-	453
Career Techn Performance	23,934	605	-	-	24,539	412	412	-	24,539
Teacher Appreciation Grant	-	69,751	69,697	-	54	68,925	68,973	-	6
High Ability Grant	1,885	26,411	17,033	-	11,263	37,098	42,272	-	6,089
Technology	3	5,757	-	-	5,760	-	-	-	5,760
Title I 2018/19	(1,692)	1,692	-	-	-	-	-	-	-
Title I 2020/21	(2,923)	2,923	-	-	-	-	-	-	-
Title I 2021/22	(220,661)	226,870	6,209	-	-	-	-	-	-
Title I 2022/23	-	414,178	466,650	30,000	(22,472)	129,198	76,726	-	30,000
Title I 23/24	-	-	-	-	-	438,019	524,567	-	(86,548)
Parent Nurturing Program	2,392	9,300	10,263	-	1,429	5,076	8,654	-	(2,149)
Parent Nurturing-Alcohol	670	-	-	-	670	-	-	-	670
Adult Ed 2017-18	-	-	-	-	-	-	200	-	(200)
Adult Ed 18/19	(1,077)	1,077	-	-	-	-	-	-	-
Adult Ed 19/20	2,896	1	-	-	2,897	-	-	-	2,897
Adult Ed 21/22	(10,682)	33,776	9,393	-	13,701	-	11,366	-	2,335

(Continued)

PERU COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Adult Ed 22/23	\$ -	\$ 28,050	\$ 36,791	\$ -	\$ (8,741)	\$ 21,129	\$ 14,360	\$ -	\$ (1,972)
Adult Ed 23/24	-	-	-	-	-	28,116	35,894	-	(7,778)
Title Iv A 00	75	-	90	-	(15)	-	-	-	(15)
Title Iv-A 84.186 08/09	2	-	2	-	-	-	-	-	-
Title Iv-A 02	(2,040)	18,055	16,015	-	-	196	187	-	9
Title Iv-A 03	(71)	118,224	118,904	-	(751)	124,040	122,728	-	561
Title Iv-A 04	-	-	10,246	-	(10,246)	42,844	36,873	-	(4,275)
Title li-A 43	-	279,285	281,928	-	(2,643)	152,942	150,282	-	17
Title li-A 44	-	-	-	(30,000)	(30,000)	50,938	40,600	-	(19,662)
Title li Grant Cfda 84.367A	-	-	-	-	-	36	1,367	-	(1,331)
Title li-A Ffy 2017	(1,118)	-	-	-	-	-	-	-	-
Title li-A 47	2,474	-	1	-	2,473	-	-	-	2,473
Title li -A 84-367A	(4,857)	4,857	-	-	-	-	-	-	-
Title lia Fy 2020	(2,307)	49,365	46,117	-	941	5,869	-	-	6,810
Title Vi B-Rural & Low Income	1,561	3,022	2,950	-	1,633	-	-	-	1,633
Title Vi-B Rlis 2020	(1,641)	18,491	16,650	-	200	-	-	-	200
Title Vib Rlis Ffy 21-23	(1,181)	41,322	42,141	-	(2,000)	49,298	47,298	-	-
Title lii Pt A Limited English	638	-	-	-	638	-	-	-	638
Governor's Emergency Education Relief	313	-	313	-	-	-	-	-	-
Esser lii	(49,623)	1,098,905	1,240,746	-	(191,464)	1,217,685	1,829,707	-	(803,486)
Esser li	(91,171)	886,350	811,607	-	(16,428)	299,966	283,538	-	-
Wvec 3E Grant	-	17,000	663	-	16,337	3,500	4,668	-	15,169
Covid19 Cares Act	(5,536)	12,370	6,834	-	-	-	2,345	-	(2,345)
Hot Lunch Clearing Account	7,511	35,463	37,175	-	5,799	28,886	29,061	-	5,624
Payroll Accrual	200	-	-	-	200	800	800	-	200
Federal Tax	5,565	-	-	-	5,565	-	-	-	5,565
Social Security	201	-	-	-	201	-	-	-	201
State Tax	(92)	-	-	-	(92)	-	-	-	(92)
Local Tax	(68)	-	-	-	(68)	-	-	-	(68)

(Continued)

PERU COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Teacher Retirement	\$ 7	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ 7
Perf	1,673	-	-	-	1,673	-	-	-	1,673
Group Insurance	21,821	45,001	66,911	-	(89)	54,960	60,561	-	(5,690)
Annuities	7,809	-	-	-	7,809	-	-	-	7,809
American Funds Repayment	(4,212)	-	-	-	(4,212)	-	-	-	(4,212)
Section 125 Reimbursement	(14,489)	-	-	-	(14,489)	-	-	-	(14,489)
Garnishment of Wages	(2,935)	-	-	-	(2,935)	-	-	-	(2,935)
Clearing Account	50	-	-	-	50	-	-	-	50
Retirees-Term Life Insurance	(1,575)	4,565	4,847	-	(1,857)	4,046	4,290	-	(2,101)
United Way Fund	(499)	-	-	-	(499)	-	-	-	(499)
Credit Union	300	-	-	-	300	-	-	-	300
Professional Dues	44	-	-	-	44	-	-	-	44
Child Support	462	-	-	-	462	-	-	-	462
Tiger Pride Scholarship Fund	344	-	-	-	344	-	-	-	344
Rolland Sutherly Scholarship	1,650	-	-	-	1,650	-	-	-	1,650
Fringe Benefits	(117,223)	5,950,273	6,011,211	-	(178,161)	5,939,840	5,917,027	-	(155,348)
Book Rent	(3,917)	11,136	12,544	-	(5,325)	-	-	-	(5,325)
Totals	\$ 7,838,408	\$ 31,544,676	\$ 31,480,006	\$ 3,080	\$ 7,906,158	\$ 32,059,451	\$ 32,736,602	\$ 1,188	\$ 7,230,195

See notes to financial statement.

PERU COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

Basis of Accounting: The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred. The basis of accounting also requires presentation of certain information as Other Information.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

Cash and Investments: Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

(Continued)

PERU COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Other Financing Sources and Uses: Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out. Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Fund Accounting: Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the School Corporation itself.

(Continued)

PERU COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 2 - BUDGETS

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

NOTE 3 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable.

From time to time, the School Corporation holds certificates of deposit with financial institutions that maintain the FDIC and PDIF coverages, as applicable. At June 30, 2024, the School Corporation had certificates of deposit valued at \$571,021.

NOTE 5 - RISK MANAGEMENT

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

The School Corporation has purchased insurance to address the risks described above.

(Continued)

PERU COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficits in the State Tax, Local Tax, Group Insurance, American Funds Repayment, Section 125 Reimbursement, Garnishment of Wages, Retirees-Term Life Insurance, United Way, Fringe Benefits, and Book Rental funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into a series of capital leases with the Peru Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$1,412,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,701,500.

NOTE 8 - PENSION PLANS

Public Employees Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

(Continued)

PERU COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

Teachers' Retirement Fund

Plan Descriptions

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teachers' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the plan when applicable.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

(Continued)

PERU COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 8 - PENSION PLANS (Continued)

Contributions

The School Corporation contributes the employer's share to Teachers' 1996 DB for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. These contributions are determined by the INPRS Board based on actuarial valuation. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995 (Teachers' Pre-1996 DB) is an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

NOTE 9 - SUBSEQUENT EVENTS

In December 2024, the School Corporation issued the GO Bonds of 2024, in the amount of \$1,500,000 to finance the renovations and improvements to school buildings. The term of the bonds is June 30, 2025 through December 31, 2029. The first principal payment of \$130,000 is due in June 2025.

OTHER INFORMATION (Unaudited)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Education	Debt Service	Operating	Rainy Day - 2003	Construction Sinking	School Lunch	Textbook Rental	Insurance Wellness Clinic	No Kid Hungry	Educational License Plates	Alpha Mu- Nurses Use	Hygiene Program
Cash and investments - beginning	\$ 3,265,636	\$ 1,430,638	\$ 2,083,475	\$ 1,100,000	\$ 15,771	\$ 231,238	\$ 235,902	\$ 4,829	\$ -	\$ 914	\$ 100	\$ 655
Receipts:												
Local sources	93,001	2,652,000	1,948,124	-	-	175,660	63,990	16,185	15,000	-	150	-
Intermediate sources	188	-	-	-	-	-	-	-	-	92	-	-
State sources	15,194,208	-	110,561	-	-	9,272	89,683	-	-	-	-	-
Federal sources	-	-	128,070	-	-	1,325,391	-	-	-	-	-	-
Other receipts	7,874	-	4,653	-	21,281	-	-	-	-	-	-	-
Total receipts	15,295,271	2,652,000	2,191,408	-	21,281	1,510,323	153,673	16,185	15,000	92	150	-
Disbursements:												
Instruction	9,331,932	-	36,933	-	-	-	-	-	-	-	-	-
Support services	2,869,972	-	4,648,998	-	10,341	-	209,259	5,896	-	-	-	-
Noninstructional services	276,571	-	-	-	-	1,390,828	-	-	-	-	-	-
Facilities acquisition and construction	-	-	45,256	-	-	-	-	611	-	-	-	-
Debt services	-	2,852,421	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,478,475	2,852,421	4,731,187	-	10,341	1,390,828	209,259	6,507	-	-	-	-
Excess (deficiency) of receipts over disbursements	2,816,796	(200,421)	(2,539,779)	-	10,940	119,495	(55,586)	9,678	15,000	92	150	-
Other financing sources (uses):												
Sale of capital assets	-	-	3,080	-	-	-	-	-	-	-	-	-
Transfers in	4,555	-	2,430,000	25,000	-	-	-	-	-	-	-	-
Transfers out	(2,430,000)	-	(25,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,425,445)	-	2,408,080	25,000	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	391,351	(200,421)	(131,699)	25,000	10,940	119,495	(55,586)	9,678	15,000	92	150	-
Cash and investments - ending	\$ 3,656,987	\$ 1,230,217	\$ 1,951,776	\$ 1,125,000	\$ 26,711	\$ 350,733	\$ 180,316	\$ 14,507	\$ 15,000	\$ 1,006	\$ 250	\$ 655

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Tiger Pride Scholarship	Phi Delta Fraternity Donations	Band Scholarship	Eri Mcuw Mental Health Grant	Kicks For Kids	Reimburseable	Sources Of Strength	Local Adult Ed Grant	Elmwood Scholarship	Psi Iota Xi Grant	Donation/Special Ed Teachers	Summer Reading Donations
Cash and investments - beginning	\$ 1,475	\$ 2,504	\$ 3,847	\$ 3,837	\$ (135)	\$ (11,433)	\$ 2,690	\$ 5,832	\$ 658	\$ 739	\$ 2,578	\$ 37
Receipts:												
Local sources	-	-	-	-	135	129,785	-	-	1,840	-	1,915	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	135	129,785	-	-	1,840	-	1,915	-
Disbursements:												
Instruction	-	-	-	3,837	-	-	-	770	-	-	1,190	-
Support services	-	1,068	-	-	-	-	-	-	-	489	-	-
Noninstructional services	-	-	-	-	-	162,057	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	751	-	-	-
Total disbursements	-	1,068	-	3,837	-	162,057	-	770	751	489	1,190	-
Excess (deficiency) of receipts over disbursements	-	(1,068)	-	(3,837)	135	(32,272)	-	(770)	1,089	(489)	725	-
Other financing sources (uses):												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,068)	-	(3,837)	135	(32,272)	-	(770)	1,089	(489)	725	-
Cash and investments - ending	\$ 1,475	\$ 1,436	\$ 3,847	\$ -	\$ -	\$ (43,705)	\$ 2,690	\$ 5,062	\$ 1,747	\$ 250	\$ 3,303	\$ 37

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Transition Class	Pbis	Computer Certification	Kroger Rewards	Ipep Grant 2021	Formative Assesment Grant	In Literacy Early Intervention	Spec Ed Mkp Do Not Use	Secured School Current 2022	Indiana Early Literacy 20/21	In Literacy Eig	In Literacy Eig 22/23
Cash and investments - beginning	\$ 313	\$ 1,261	\$ 115	\$ 498	\$ 761	\$ -	\$ (207)	\$ 4,373	\$ (94,233)	\$ 1	\$ 121	\$ -
Receipts:												
Local sources	-	-	-	1,246	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	22,875	-	182	100,000	-	-	5,332
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	207	-	-	-	-	-
Total receipts	-	-	-	1,246	-	22,875	207	182	100,000	-	-	5,332
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	121	5,332
Support services	-	-	-	862	-	5,657	-	-	264,290	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	2	-	-	-	-	-	-	-	1	-	-
Total disbursements	-	2	-	862	-	5,657	-	-	264,290	1	121	5,332
Excess (deficiency) of receipts over disbursements	-	(2)	-	384	-	17,218	207	182	(164,290)	(1)	(121)	-
Other financing sources (uses):												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(4,555)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(4,555)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2)	-	384	-	17,218	207	(4,373)	(164,290)	(1)	(121)	-
Cash and investments - ending	\$ 313	\$ 1,259	\$ 115	\$ 882	\$ 761	\$ 17,218	\$ -	\$ -	\$ (258,523)	\$ -	\$ -	\$ -

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Nesp 19/20	Nesp 2022	Nesp 2022/2023	State Connectivity	Career Techn Performance	Teacher Appreciation Grant	High Ability Grant	Technology	Title I 2018/19	Title I 2020/21	Title I 2021/22	Title I 2022/23
Cash and investments - beginning	\$ (1)	\$ 276	\$ -	\$ 453	\$ 23,934	\$ -	\$ 1,885	\$ 3	\$ (1,692)	\$ (2,923)	\$ (220,661)	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	11,700	-	605	69,751	26,411	5,757	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	1,692	2,923	226,870	414,178
Other receipts	1	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1	-	11,700	-	605	69,751	26,411	5,757	1,692	2,923	226,870	414,178
Disbursements:												
Instruction	-	-	10,630	-	-	69,697	17,033	-	-	-	-	434,062
Support services	-	-	-	-	-	-	-	-	-	-	-	31,452
Noninstructional services	-	-	-	-	-	-	-	-	-	-	6,209	1,136
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	10,630	-	-	69,697	17,033	-	-	-	6,209	466,650
Excess (deficiency) of receipts over disbursements	1	-	1,070	-	605	54	9,378	5,757	1,692	2,923	220,661	(52,472)
Other financing sources (uses):												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	30,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	30,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1	-	1,070	-	605	54	9,378	5,757	1,692	2,923	220,661	(22,472)
Cash and investments - ending	\$ -	\$ 276	\$ 1,070	\$ 453	\$ 24,539	\$ 54	\$ 11,263	\$ 5,760	\$ -	\$ -	\$ -	\$ (22,472)

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Parent Nurturing Program	Parent Nurturing- Alcohol	Adult Ed 18/19	Adult Ed 19/20	Adult Ed 21/22	Adult Ed 22/23	Title Iv A 00	Title Iv-A 84.186 08/09	Title Iv-A 02	Title Iv-A 03	Title Iv-A 04	Title li-A 43
Cash and investments - beginning	\$ 2,392	\$ 670	\$ (1,077)	\$ 2,896	\$ (10,682)	\$ -	\$ 75	\$ 2	\$ (2,040)	\$ (71)	\$ -	\$ -
Receipts:												
Local sources	9,300	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	1,077	1	33,776	28,050	-	-	18,055	118,224	-	279,285
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	9,300	-	1,077	1	33,776	28,050	-	-	18,055	118,224	-	279,285
Disbursements:												
Instruction	-	-	-	-	9,393	36,791	90	2	4,488	91,296	10,246	116,568
Support services	10,263	-	-	-	-	-	-	-	11,527	27,608	-	165,360
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,263	-	-	-	9,393	36,791	90	2	16,015	118,904	10,246	281,928
Excess (deficiency) of receipts over disbursements	(963)	-	1,077	1	24,383	(8,741)	(90)	(2)	2,040	(680)	(10,246)	(2,643)
Other financing sources (uses):												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(963)	-	1,077	1	24,383	(8,741)	(90)	(2)	2,040	(680)	(10,246)	(2,643)
Cash and investments - ending	\$ 1,429	\$ 670	\$ -	\$ 2,897	\$ 13,701	\$ (8,741)	\$ (15)	\$ -	\$ -	\$ (751)	\$ (10,246)	\$ (2,643)

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Title li-A 44	Title li-A Ffy 2017	Title li-A 47	Title li -A 84- 367A	Title lia Fy 2020	Title Vi B-Rural & Low Income	Title Vi-B Rlis 2020	Title Vib Rlis Ffy 21-23	Title lii Pt A Limited English	Governor's Emergecy Education Relief	Esser lii	Esser li
Cash and investments - beginning	\$ -	\$ (1,118)	\$ 2,474	\$ (4,857)	\$ (2,307)	\$ 1,561	\$ (1,641)	\$ (1,181)	\$ 638	\$ 313	\$ (49,623)	\$ (91,171)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	4,857	49,365	3,022	18,491	41,322	-	-	1,098,905	886,350
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	4,857	49,365	3,022	18,491	41,322	-	-	1,098,905	886,350
Disbursements:												
Instruction	-	-	1	-	4,858	707	5,932	42,141	-	313	389,102	310,253
Support services	-	-	-	-	41,259	2,243	2,464	-	-	-	527,857	501,354
Noninstructional services	-	-	-	-	-	-	8,254	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	323,787	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1	-	46,117	2,950	16,650	42,141	-	313	1,240,746	811,607
Excess (deficiency) of receipts over disbursements	-	-	(1)	4,857	3,248	72	1,841	(819)	-	(313)	(141,841)	74,743
Other financing sources (uses):												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(30,000)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(30,000)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(30,000)	-	(1)	4,857	3,248	72	1,841	(819)	-	(313)	(141,841)	74,743
Cash and investments - ending	\$ (30,000)	\$ (1,118)	\$ 2,473	\$ -	\$ 941	\$ 1,633	\$ 200	\$ (2,000)	\$ 638	\$ -	\$ (191,464)	\$ (16,428)

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Wvec 3E Grant	Covid19 Cares Act	Hot Lunch Clearing Account	Payroll Accrual	Federal Tax	Social Security	State Tax	Local Tax	Teacher Retirement	Perf	Group Insurance	Annuities	American Funds Repayment
Cash and investments - beginning	\$ -	\$ (5,536)	\$ 7,511	\$ 200	\$ 5,565	\$ 201	\$ (92)	\$ (68)	\$ 7	\$ 1,673	\$ 21,821	\$ 7,809	\$ (4,212)
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	17,000	12,370	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	35,463	-	-	-	-	-	-	-	45,001	-	-
Total receipts	17,000	12,370	35,463	-	-	-	-	-	-	-	45,001	-	-
Disbursements:													
Instruction	-	6,834	-	-	-	-	-	-	-	-	-	-	-
Support services	663	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	37,175	-	-	-	-	-	-	-	66,911	-	-
Total disbursements	663	6,834	37,175	-	-	-	-	-	-	-	66,911	-	-
Excess (deficiency) of receipts over disbursements	16,337	5,536	(1,712)	-	-	-	-	-	-	-	(21,910)	-	-
Other financing sources (uses):													
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,337	5,536	(1,712)	-	-	-	-	-	-	-	(21,910)	-	-
Cash and investments - ending	\$ 16,337	\$ -	\$ 5,799	\$ 200	\$ 5,565	\$ 201	\$ (92)	\$ (68)	\$ 7	\$ 1,673	\$ (89)	\$ 7,809	\$ (4,212)

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Section 125 Reimbursement	Garnishment of Wages	Clearing Account	Retirees-Term Life Insurance	United Way Fund	Credit Union	Professional Dues	Child Support	Tiger Pride Scholarship Fund	Rolland Sutherly Scholarship	Fringe Benefits	Book Rent	Totals
Cash and investments - beginning	\$ (14,489)	\$ (2,935)	\$ 50	\$ (1,575)	\$ (499)	\$ 300	\$ 44	\$ 462	\$ 344	\$ 1,650	\$ (117,223)	\$ (3,917)	\$ 7,838,408
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	5,108,331
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	280
State sources	-	-	-	-	-	-	-	-	-	-	-	-	15,646,337
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	4,709,274
Other receipts	-	-	-	4,565	-	-	-	-	-	-	5,950,273	11,136	6,080,454
Total receipts	-	-	-	4,565	-	-	-	-	-	-	5,950,273	11,136	31,544,676
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	10,940,552
Support services	-	-	-	-	-	-	-	-	-	-	-	-	9,338,882
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	1,845,055
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	369,654
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	2,852,421
Nonprogrammed charges	-	-	-	4,847	-	-	-	-	-	-	6,011,211	12,544	6,133,442
Total disbursements	-	-	-	4,847	-	-	-	-	-	-	6,011,211	12,544	31,480,006
Excess (deficiency) of receipts over disbursements	-	-	-	(282)	-	-	-	-	-	-	(60,938)	(1,408)	64,670
Other financing sources (uses):													
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	3,080
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	2,489,555
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(2,489,555)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	3,080
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(282)	-	-	-	-	-	-	(60,938)	(1,408)	67,750
Cash and investments - ending	\$ (14,489)	\$ (2,935)	\$ 50	\$ (1,857)	\$ (499)	\$ 300	\$ 44	\$ 462	\$ 344	\$ 1,650	\$ (178,161)	\$ (5,325)	\$ 7,906,158

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Education	Debt Service	Operating	Rainy Day - 2003	Construction Sinking	School Lunch	Textbook Rental	Insurance Wellness Clinic	No Kid Hungry	Educational License Plates	Law Enforce Continue Ed	Sro Nipsco Grant
Cash and investments - beginning	\$ 3,656,987	\$ 1,230,217	\$ 1,951,776	\$ 1,125,000	\$ 26,711	\$ 350,733	\$ 180,316	\$ 14,507	\$ 15,000	\$ 1,006	\$ -	\$ -
Receipts:												
Local sources	48,533	2,953,061	2,171,063	-	-	166,488	13,064	13,695	-	-	276	5,000
Intermediate sources	188	-	-	-	-	-	-	-	-	76	-	-
State sources	16,179,719	-	44,005	-	-	4,887	291,431	-	-	-	-	-
Federal sources	-	-	59,551	-	-	1,226,909	-	-	-	-	-	-
Other receipts	7,555	-	3,840	-	-	-	-	-	-	-	-	-
Total receipts	16,235,995	2,953,061	2,278,459	-	-	1,398,284	304,495	13,695	-	76	276	5,000
Disbursements:												
Instruction	10,247,618	-	99,640	-	-	-	-	-	-	-	-	-
Support services	3,054,203	-	4,561,785	105,572	-	-	4,233	16,127	-	-	-	3,644
Noninstructional services	353,468	-	20,588	-	-	1,597,910	-	-	14,969	-	-	-
Facilities acquisition and construction	-	-	7,682	-	12,890	-	-	80	-	-	-	-
Debt services	-	2,887,920	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,655,289	2,887,920	4,689,695	105,572	12,890	1,597,910	4,233	16,207	14,969	-	-	3,644
Excess (deficiency) of receipts over disbursements	2,580,706	65,141	(2,411,236)	(105,572)	(12,890)	(199,626)	300,262	(2,512)	(14,969)	76	276	1,356
Other financing sources (uses):												
Sale of capital assets	-	-	1,188	-	-	-	-	-	-	-	-	-
Transfers in	-	-	2,382,000	-	-	-	-	-	-	-	-	-
Transfers out	(2,382,000)	-	(240,913)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,382,000)	-	2,142,275	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	198,706	65,141	(268,961)	(105,572)	(12,890)	(199,626)	300,262	(2,512)	(14,969)	76	276	1,356
Cash and investments - ending	\$ 3,855,693	\$ 1,295,358	\$ 1,682,815	\$ 1,019,428	\$ 13,821	\$ 151,107	\$ 480,578	\$ 11,995	\$ 31	\$ 1,082	\$ 276	\$ 1,356

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Alpha Mu- Nurses Use	Hygiene Program	Tiger Pride Scholarship	Phi Delta Fraternity Donations	Band Scholarship	Reimburseable	Sources Of Strength	Local Adult Ed Grant	Elmwood Scholarship	Psi Iota Xi Grant	Donation/Special Ed Teachers	Summer Reading Donations	Transition Class
Cash and investments - beginning	\$ 250	\$ 655	\$ 1,475	\$ 1,436	\$ 3,847	\$ (43,705)	\$ 2,690	\$ 5,062	\$ 1,747	\$ 250	\$ 3,303	\$ 37	\$ 313
Receipts:													
Local sources	150	200	-	-	-	20,716	-	-	985	-	2,396	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	150	200	-	-	-	20,716	-	-	985	-	2,396	-	-
Disbursements:													
Instruction	-	-	-	-	-	-	-	724	-	-	977	-	-
Support services	-	-	-	-	-	-	-	2,241	-	250	-	-	-
Noninstructional services	-	-	-	-	-	182,215	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	2,000	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	182,215	-	2,965	2,000	250	977	-	-
Excess (deficiency) of receipts over disbursements	150	200	-	-	-	(161,499)	-	(2,965)	(1,015)	(250)	1,419	-	-
Other financing sources (uses):													
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	150	200	-	-	-	(161,499)	-	(2,965)	(1,015)	(250)	1,419	-	-
Cash and investments - ending	\$ 400	\$ 855	\$ 1,475	\$ 1,436	\$ 3,847	\$ (205,204)	\$ 2,690	\$ 2,097	\$ 732	\$ -	\$ 4,722	\$ 37	\$ 313

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Pbis	Computer Certification	Kroger Rewards	Ipep Grant 2021	Formative Assesment Grant	Early Literacy Achievement	Secured School Current 2022	Nesp 2022	Nesp 2022/2023	State Connectivity	Career Techn Performance	Teacher Appreciation Grant	High Ability Grant	Technology
Cash and investments - beginning	\$ 1,259	\$ 115	\$ 882	\$ 761	\$ 17,218	\$ -	\$ (258,523)	\$ 276	\$ 1,070	\$ 453	\$ 24,539	\$ 54	\$ 11,263	\$ 5,760
Receipts:														
Local sources	-	-	1,092	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	26,661	14,091	100,000	-	-	-	412	68,925	37,098	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,092	-	26,661	14,091	100,000	-	-	-	412	68,925	37,098	-
Disbursements:														
Instruction	-	-	-	-	-	14,041	-	276	1,070	-	412	68,973	42,272	-
Support services	-	-	74	-	3,319	-	226,330	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	74	-	3,319	14,041	226,330	276	1,070	-	412	68,973	42,272	-
Excess (deficiency) of receipts over disbursements	-	-	1,018	-	23,342	50	(126,330)	(276)	(1,070)	-	-	(48)	(5,174)	-
Other financing sources (uses):														
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	240,913	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	240,913	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,018	-	23,342	50	114,583	(276)	(1,070)	-	-	(48)	(5,174)	-
Cash and investments - ending	\$ 1,259	\$ 115	\$ 1,900	\$ 761	\$ 40,560	\$ 50	\$ (143,940)	\$ -	\$ -	\$ 453	\$ 24,539	\$ 6	\$ 6,089	\$ 5,760

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Title I 2022/23	Title I 23/24	Parent Nurturing Program	Parent Nurturing- Alcohol	Adult Ed 2017-18	Adult Ed 19/20	Adult Ed 21/22	Adult Ed 22/23	Adult Ed 23/24	Title Iv A 00	Title Iv-A 02	Title Iv-A 03	Title Iv-A 04
Cash and investments - beginning	\$ (22,472)	\$ -	\$ 1,429	\$ 670	\$ -	\$ 2,897	\$ 13,701	\$ (8,741)	\$ -	\$ (15)	\$ -	\$ (751)	\$ (10,246)
Receipts:													
Local sources	-	-	5,076	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	129,198	438,019	-	-	-	-	-	21,129	28,116	-	196	124,040	42,844
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	129,198	438,019	5,076	-	-	-	-	21,129	28,116	-	196	124,040	42,844
Disbursements:													
Instruction	62,301	516,443	-	-	200	-	11,366	14,360	35,894	-	187	50,304	17,352
Support services	8,638	3,959	8,654	-	-	-	-	-	-	-	-	72,424	19,521
Noninstructional services	5,787	4,165	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	76,726	524,567	8,654	-	200	-	11,366	14,360	35,894	-	187	122,728	36,873
Excess (deficiency) of receipts over disbursements	52,472	(86,548)	(3,578)	-	(200)	-	(11,366)	6,769	(7,778)	-	9	1,312	5,971
Other financing sources (uses):													
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	52,472	(86,548)	(3,578)	-	(200)	-	(11,366)	6,769	(7,778)	-	9	1,312	5,971
Cash and investments - ending	\$ 30,000	\$ (86,548)	\$ (2,149)	\$ 670	\$ (200)	\$ 2,897	\$ 2,335	\$ (1,972)	\$ (7,778)	\$ (15)	\$ 9	\$ 561	\$ (4,275)

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Title li-A 43	Title li-A 44	Title li Grant Cfda 84.367A	Title li-A Ffy 2017	Title li-A 47	Title lia Fy 2020	Title Vi B-Rural & Low Income	Title Vi-B Rlis 2020	Title Vib Rlis Ffy 21-23	Title lii Pt A Limited English	Esser lii	Esser li	Wvec 3E Grant
Cash and investments - beginning	\$ (2,643)	\$ (30,000)	\$ -	\$ (1,118)	\$ 2,473	\$ 941	\$ 1,633	\$ 200	\$ (2,000)	\$ 638	\$ (191,464)	\$ (16,428)	\$ 16,337
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	152,942	50,938	36	-	-	5,869	-	-	49,298	-	1,217,685	299,966	3,500
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	152,942	50,938	36	-	-	5,869	-	-	49,298	-	1,217,685	299,966	3,500
Disbursements:													
Instruction	45,318	25,576	-	-	-	-	-	-	47,298	-	690,239	34,245	-
Support services	104,964	15,024	1,367	-	-	-	-	-	-	-	927,212	85,736	2,668
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	212,256	163,557	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	2,000
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	150,282	40,600	1,367	-	-	-	-	-	47,298	-	1,829,707	283,538	4,668
Excess (deficiency) of receipts over disbursements	2,660	10,338	(1,331)	-	-	5,869	-	-	2,000	-	(612,022)	16,428	(1,168)
Other financing sources (uses):													
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,660	10,338	(1,331)	-	-	5,869	-	-	2,000	-	(612,022)	16,428	(1,168)
Cash and investments - ending	\$ 17	\$ (19,662)	\$ (1,331)	\$ (1,118)	\$ 2,473	\$ 6,810	\$ 1,633	\$ 200	\$ -	\$ 638	\$ (803,486)	\$ -	\$ 15,169

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Covid19 Cares Act	Hot Lunch Clearing Account	Payroll Accrual	Federal Tax	Social Security	State Tax	Local Tax	Teacher Retirement	Perf	Group Insurance	Annuities	American Funds Repayment
Cash and investments - beginning	\$ -	\$ 5,799	\$ 200	\$ 5,565	\$ 201	\$ (92)	\$ (68)	\$ 7	\$ 1,673	\$ (89)	\$ 7,809	\$ (4,212)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	28,886	800	-	-	-	-	-	-	54,960	-	-
Total receipts	-	28,886	800	-	-	-	-	-	-	54,960	-	-
Disbursements:												
Instruction	2,345	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	29,061	800	-	-	-	-	-	-	60,561	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,345	29,061	800	-	-	-	-	-	-	60,561	-	-
Excess (deficiency) of receipts over disbursements	(2,345)	(175)	-	-	-	-	-	-	-	(5,601)	-	-
Other financing sources (uses):												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,345)	(175)	-	-	-	-	-	-	-	(5,601)	-	-
Cash and investments - ending	\$ (2,345)	\$ 5,624	\$ 200	\$ 5,565	\$ 201	\$ (92)	\$ (68)	\$ 7	\$ 1,673	\$ (5,690)	\$ 7,809	\$ (4,212)

(Continued)

PERU COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Section 125 Reimbursement	Garnishment of Wages	Clearing Account	Retirees-Term Life Insurance	United Way Fund	Credit Union	Professional Dues	Child Support	Tiger Pride Scholarship Fund	Rolland Sutherly Scholarship	Fringe Benefits	Book Rent	Totals
Cash and investments - beginning	\$ (14,489)	\$ (2,935)	\$ 50	\$ (1,857)	\$ (499)	\$ 300	\$ 44	\$ 462	\$ 344	\$ 1,650	\$ (178,161)	\$ (5,325)	\$ 7,906,158
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	5,401,795
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	264
State sources	-	-	-	-	-	-	-	-	-	-	-	-	16,767,229
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	3,850,236
Other receipts	-	-	-	4,046	-	-	-	-	-	-	5,939,840	-	6,039,927
Total receipts	-	-	-	4,046	-	-	-	-	-	-	5,939,840	-	32,059,451
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	12,029,431
Support services	-	-	-	-	-	-	-	-	-	-	-	-	9,227,945
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	2,179,102
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	396,465
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	2,887,920
Nonprogrammed charges	-	-	-	4,290	-	-	-	-	-	-	5,917,027	-	6,015,739
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	4,290	-	-	-	-	-	-	5,917,027	-	32,736,602
Excess (deficiency) of receipts over disbursements	-	-	-	(244)	-	-	-	-	-	-	22,813	-	(677,151)
Other financing sources (uses):													
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	1,188
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	2,622,913
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(2,622,913)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	1,188
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(244)	-	-	-	-	-	-	22,813	-	(675,963)
Cash and investments - ending	\$ (14,489)	\$ (2,935)	\$ 50	\$ (2,101)	\$ (499)	\$ 300	\$ 44	\$ 462	\$ 344	\$ 1,650	\$ (155,348)	\$ (5,325)	\$ 7,230,195

(Continued)

PERU COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 2,400,511</u>	<u>\$ 1,980,525</u>

PERU COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Crossroads Bank	Bus Lease	\$ 50,918	6/21/2024	3/1/2027
Peru Multi-School Building Corporation	First Mortgage Bonds Series 2012A	205,000	1/15/2013	1/15/2027
Peru Multi-School Building Corporation	First Mortgage Bonds Series 2012B	220,000	1/15/2013	1/15/2026
Peru Multi-School Building Corporation	Ad Valorem Property Tax First Mortgage Bonds, Series 2022	191,000	7/15/2023	1/15/2043
Peru Multi-School Building Corporation	Ad Valorem Property Tax Series 2020	155,000	7/15/2021	1/15/2041
Peru Multi-School Building Corporation	First Mortgage Bonds Series 2014B	372,000	1/15/2016	1/15/2027
Peru Multi-School Building Corporation	First Mortgage Bonds Series 2013	<u>556,500</u>	1/15/2015	1/15/2027
Total of annual lease payments		<u>\$ 1,750,418</u>		

<u>Type</u>	<u>Description of Debt</u>	<u>Purpose</u>	<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
Governmental activities:				
General Obligation Bonds	GO BOND 16		\$ 1,625,000	\$ 435,825
Common School Loan	School Construction		<u>1,686,000</u>	<u>673,000</u>
Total governmental activities			<u>3,311,000</u>	<u>1,108,825</u>
Totals			<u>\$ 3,311,000</u>	<u>\$ 1,108,825</u>

PERU COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 5,449,914
Infrastructure	1,083,601
Buildings	28,335,205
Improvements other than buildings	631,684
Machinery, equipment, and vehicles	6,202,208
Construction in progress	<u>1,586,727</u>
 Total governmental activities	 <u>43,289,339</u>
 Total capital assets	 <u>\$ 43,289,339</u>

PERU COMMUNITY SCHOOLS
STATE REPORTING INFORMATION
July 1, 2022 - June 30, 2024

Financial Statement and Accompanying Notes:

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.

Indiana Department of Education Reporting:

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information on the IDOE website and on the Indiana Gateway for Government Units presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

PERU COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School /Breakfast Program		10.553	FY2023, FY2024	\$ 250,750	\$ 245,248	\$ 495,998
National School Lunch		10.555	FY2023, FY2024	960,941	922,324	1,883,265
Supply Chain Assistance Funds		10.555	FY2023, FY2024	110,048	64,225	174,273
Commodities		10.555	FY2023, FY2024	81,804	102,524	184,328
Total - Child Nutrition Cluster				<u>1,403,543</u>	<u>1,334,321</u>	<u>2,737,864</u>
Child and Adult Care Food Program	Indiana Department of Education					
Child and Adult Care		10.558	FY2023, FY2024	517	-	517
State Pandemic EBT Administrative Costs Grant	Indiana Department of Education					
PEBT		10.649	FY2023	3,135	-	3,135
Total - Department of Agriculture				<u>1,407,195</u>	<u>1,334,321</u>	<u>2,741,516</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	21611-054-PN01	21,473	-	21,473
IDEA, Part B		84.027	22611-054-PN01	406,340	29,872	436,212
IDEA, Part B		84.027	23611-054-PN01	148,218	441,127	589,345
IDEA, Part B		84.027	24611-054-PN01	-	133,078	133,078
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-054-ARP	66,831	39,352	106,183
Total - Special Education Grants to States				<u>642,862</u>	<u>643,429</u>	<u>1,286,291</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	22619-054-PN01	19,853	229	20,082
IDEA, Preschool		84.173	23619-054-PN01	8,088	18,776	26,864
IDEA, Preschool		84.173	24619-054-PN01	-	9,151	9,151
COVID-19 - Supplemental Funding - IDEA Preschool, Part B		84.173X	22619-054-ARP	7,117	952	8,069
Total - Special Education Preschool Grants				<u>35,058</u>	<u>29,108</u>	<u>64,166</u>
Total - Special Education Cluster (IDEA)				<u>677,920</u>	<u>672,537</u>	<u>1,350,457</u>

(Continued)

PERU COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Department of Agriculture						
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	\$ 226,870	\$ -	\$ 226,870
Title I, Part A		84.010A	S010A220014	414,178	129,198	543,376
Title I, Part A		84.010A	S010A230014	-	438,019	438,019
Total - Title I Grants to Local Educational Agencies				<u>641,048</u>	<u>567,217</u>	<u>1,208,265</u>
Rural Education						
Rural & Low Income	Indiana Department of Education					
Rural & Low Income		84.358	S358B190014	3,022	-	3,022
Rural & Low Income		84.358	S358B200014	18,491	-	18,491
Rural & Low Income		84.358	S358B210014	20,661	24,649	45,310
Total - Rural Education				<u>42,174</u>	<u>24,649</u>	<u>66,823</u>
Supporting Effective Instruction State Grants						
	Indiana Department of Education					
Title II, Part A		84.367A	S367A200013	49,365	5,869	55,234
Title II, Part A		84.367A	S367A210013	44,345	27,707	72,052
Title II, Part A		84.367A	S367A220013	-	50,939	50,939
Title II, Part A		84.367A	S367A230013	-	36	36
Total - Supporting Effective Instruction State Grants				<u>93,710</u>	<u>84,551</u>	<u>178,261</u>
Student Support and Academic Enrichment Program						
	Indiana Department of Education					
Title IV, Part A		84.424	S424A200015	18,055	196	18,251
Title IV, Part A		84.424	S424A210015	14,778	15,505	30,283
Title IV, Part A		84.424	S424A220015	-	21,422	21,422
Total - Student Support and Academic Enrichment Program				<u>32,833</u>	<u>37,123</u>	<u>69,956</u>
COVID-19 - Education Stabilization Fund						
	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	12,370	-	12,370
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	886,350	392,070	1,278,420
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	1,098,905	1,125,581	2,224,486
Total - COVID-19 - Education Stabilization Fund				<u>1,997,625</u>	<u>1,517,651</u>	<u>3,515,276</u>
Total - Department of Education				<u>3,485,310</u>	<u>2,903,728</u>	<u>6,389,038</u>
Total federal awards expended				<u>\$ 4,892,505</u>	<u>\$ 4,238,049</u>	<u>\$ 9,130,554</u>

See accompanying notes to the schedule of expenditure of federal awards.

PERU COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2022 through June 30, 2024. The information in the SEFA 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 SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

The School Corporation has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period of July 1, 2022 through June 30, 2024.

NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$184,328 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

NOTE 5 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173, 84.027X, 84.173X)

The School Corporation is a member of the Wabash-Miami Area Program for Exceptional Children Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

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

Those Charged with Governance
Peru Community Schools
Miami County, Indiana

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 statement of the Peru Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Corporation'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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying *schedule of findings and questioned costs* as item 2024-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

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

School Corporation's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the finding identified in our audit and described in the accompanying *schedule of findings and questioned costs*. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

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.


Crowe LLP

Indianapolis, Indiana
March 25, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE

Those Charged with Governance
Peru Community Schools
Miami County, Indiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Peru Community Schools' (School Corporation) 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 School Corporation's major federal programs for the period of July 1, 2022 through June 30, 2024. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Child Nutrition Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the *Child Nutrition Cluster* for the period of July 1, 2022 through June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2022 through June 30, 2024.

Basis for Qualified and Unmodified Opinions

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

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

(Continued)

Matter Giving Rise to Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, the School Corporation did not comply with requirements regarding *the Child Nutrition Cluster as described in finding number 2024-003 for Allowable Costs/Cost Principles*. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

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 School Corporation'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 School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation'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 School Corporation'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 School Corporation'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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

(Continued)

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be material weaknesses.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 25, 2025

PERU COMMUNITY SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2022 through June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditor’s report issued: Adverse as to GAAP, Unmodified
as to regulatory basis

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported

Noncompliance material to financial statement noted?	_____	Yes	<u> X </u>	No
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Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> X </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported

Type of auditor’s report issued on compliance for major programs:

Child Nutrition Cluster	Qualified
Special Education Cluster	Unmodified
Title I Grants to Local Educational Agencies	Unmodified
COVID-19 – Education Stabilization Fund	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.027, 84.027X, 84.173, 84.173X	Special Education Cluster
84.010A	Title I Grants to Local Educational Agencies
84.425D, 84.425U	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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(Continued)

PERU COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings

FINDING 2024-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:
. . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(Continued)

PERU COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (continued)

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Cause: Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net understatement of the total federal awards expended on the SEFA by \$1,410,589 for the period July 1, 2022, through June 30, 2024:

1. The Child Nutrition Cluster (10.553, 10.555) expenditures were understated by \$1,253,784
2. The Child and Adult Care (10.558) expenditures were overstated by \$1,040,348
3. The Pandemic EBT Administrative Costs (10.649) expenditures were understated by \$3,135
4. The Adult Education (84.002) expenditures were overstated by \$86,322
5. The Special Education Cluster (84.027, 84.173, 84.027X, 84.173X) expenditures were understated by \$1,280,340

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Identification as a repeat finding, if applicable: Yes. Identified as finding 2022-001 on the prior audit report.

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to the supporting federal receipt fund ledger detail.

(Continued)

PERU COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (continued)

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

FINDING 2024-002

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

29 CFR 5.5 states in part:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the

Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency).

(Continued)

PERU COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-002 (Continued)

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . .”

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements.

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

Effect: The failure to design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation had one project for HVAC installation and improvements at various buildings which was funded with American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) (84.425U) grant awards. The School Corporation properly included Davis-Bacon wage rate requirements in the vendor contract, however, the School Corporation did not obtain the weekly payroll report certifications from the construction vendor to monitor compliance with the Davis-Bacon wage rate requirements. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed for projects requiring labor installation and funded by federal grants subject to Davis-Bacon wage rate requirements to ensure compliance with federal regulations.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

PERU COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-003

Subject: Child Nutrition Cluster – Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
AL Numbers: 10.533, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Qualified Opinion

Criteria: 2 CFR 200.403 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. To be allowable, under federal awards, cost must meet certain criteria:

- a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.
- g) Be adequately documented.
- h) Cost must be incurred during the approved budget period.

Additionally, 2 CFR 200.303 indicates that non-Federal Entities receiving Federal awards must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations and terms and conditions of the Federal award.

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the allowable costs/cost principles compliance requirements.

Cause: After June 30, 2024, the School Corporation changed systems used to track time worked for the food service department and is unable to obtain archived records or time sheets to support the hours worked

(Continued)

PERU COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-003 (Continued)

by the food service department personnel. A system of internal controls was not in place to ensure there were appropriate records or audit trails to support time charged to the federal program.

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: There were \$19,714 of questioned costs identified.

Context: During the testing of internal controls over allowable costs/cost principles, the School Corporation had a system conversion for time entry during the audit period and did not retain copies of the adequate documentation to corroborate the hours worked for food service employees tested. The School Corporation was unable to provide timesheets or records supporting the number of hours charged by each employee for 35 of 35 selections related to hourly employees.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation's management establish an internal control process to ensure that detailed records are maintained and an audit trail is evident to comply with federal compliance requirements.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.



Peru Community Schools

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CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS July 1, 2022 through June 30, 2024

FINDING 2024-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net understatement of the total federal awards expended on the SEFA by \$1,410,589 for the period July 1, 2022, through June 30, 2024:

1. The Child Nutrition Cluster (10.553, 10.555) expenditures were understated by \$1,253,784
2. The Child and Adult Care (10.558) expenditures were overstated by \$1,040,348
3. The Pandemic EBT Administrative Costs (10.649) expenditures were understated by \$3,135
4. The Adult Education (84.002) expenditures were overstated by \$86,322
5. The Special Education Cluster (84.027, 84.173, 84.027X, 84.173X) expenditures were understated by \$1,280,340

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

Description of Corrective Action Plan: The SEFA will be prepared by the Financial Assistant and Treasurer and reviewed by the Deputy Treasurer and/or Superintendent to ensure the balances reported agree to the underlying detail, before being submitted to the Gateway portal.

Who Will Oversee the Implementation and the Anticipated Completion Date: The corrective action will be implemented with the submission of the Fiscal Year 2025 SEFA.

FINDING 2024-002

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listing Number: 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements.

Context: The School Corporation had one project for HVAC installation and improvements at various buildings which was funded with American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) (84.425U) grant awards. The School Corporation properly included Davis-Bacon wage rate requirements in the vendor contract, however, the School Corporation did not obtain the weekly payroll report certifications from the construction vendor to monitor compliance with the Davis-Bacon wage rate requirements. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements.

Description of Corrective Action Plan: The School Corporation will implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with federal regulations.

Who Will Oversee the Implementation and the Anticipated Completion Date: The Treasurer and the Deputy Treasurer will be responsible for overseeing the implementation of the corrective action plan which will go into effect immediately.

FINDING 2024-003

Subject: Child Nutrition Cluster – Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
AL Numbers: 10.533, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Qualified Opinion

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the allowable costs/cost principles compliance requirements.

Context: During the testing of internal controls over allowable costs/cost principles, the School Corporation had a system conversion for time entry during the audit period and did not retain copies of the adequate documentation to corroborate the hours worked for food service employees tested. The School Corporation was unable to provide timesheets or records supporting the number of hours charged by each employee for 35 of 35 selections related to hourly employees.

Description of Corrective Action Plan: The School Corporation will establish an internal control process to ensure detailed records are maintained and an audit trail is evident to comply with federal compliance requirements.

Who Will Oversee the Implementation and the Anticipated Completion Date: The Treasurer and the Deputy Treasurer will oversee the implementation of the corrective action plan, which will go into effect immediately.



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PERU COMMUNITY SCHOOLS SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net understatement of the total federal awards expended on the SEFA by \$1,744,654 for the period July 1, 2020 through June 30, 2022:

1. The Child Nutrition Cluster expenditures were overstated by \$65,167
2. The Child and Adult Care Food Program expenditures were overstated by \$80,832
3. The Pandemic EBT Administrative Costs expenditures were understated by \$3,063
4. The Special Education Cluster expenditures were understated by \$1,170,761
5. The Title I, Part A expenditures were understated by \$322,336
6. The Title II, Part A expenditures were understated by \$8,015
7. The Title IV, Part A expenditures were understated by \$5,335
8. The COVID-19 – Education Stabilization Fund expenditures were understated by \$257,846
9. The Medicaid Cluster expenditures were understated by \$120,557
10. The Coronavirus Relief Fund expenditures were understated by \$966
11. The Social Security-Disability Insurance expenditures were understated by \$350
12. The Adult Education expenditures were understated by \$1,425

Additionally, the pass-through numbers were incorrectly listed for several grants on the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

Status: Not resolved see finding 2024-001 in current year

FINDING 2022-002

Information on the federal program:

Subject: Preparation of the Annual Financial Report
Audit Findings: Material Weakness

Condition: The School Corporation did not have an effective system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission, however, it was not reviewed in enough detail to prevent the following errors in the financial statement:

1) The beginning balance of cash and investments as of June 30, 2020, reported in Gateway was understated by \$23,096. For the period of July 1, 2020 to June 30, 2021, receipts and disbursements were understated by \$5,236,592 and \$5,269,711, respectively. The net impact on cash and investment balances reported in Gateway as of June 30, 2021, was an overstatement of \$10,023.

2) For the period of July 1, 2021 to June 30, 2022, receipts and disbursements were understated by \$5,677,536 and \$5,764,885, respectively. The net impact on cash and investment balances reported in Gateway as of June 30, 2022, was an overstated of \$87,349.

Status: Resolved

FINDING 2022-003

Information on the federal program:

Subject: Child Nutrition Cluster - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch, Summer Food Service Program
Assistance Listing Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2021, FY2022
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

Context: Monthly Sponsor Claims for Reimbursement (Claims) were submitted to the Indiana Department of Education (IDOE) based upon meals served for the month. The Claims were prepared by the Food Service Director without an oversight or review process in place to prevent, or detect and correct, errors. For three of the four Claims tested, there were differences between the Claims submitted and the School Corporation's summary meal count reports. The lack of internal controls and noncompliance were systemic issues throughout the audit period.

Status: Resolved

FINDING 2022-004

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Eligibility
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A170014; S010A190014;
S010A200014
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Eligibility
Audit Finding: Material Weakness

Condition: An internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

Context: The School Corporation had not designed or implemented a system of internal control to ensure the poverty status of each student was accurate. The free and reduced applications were completed by parents online and the poverty status was then calculated based on the guidelines input into the system. The income guidelines were updated by the software vendor without an oversight or review process by the School Corporation to ensure the accuracy of the information. Additionally, one employee uploaded the Direct Certification reports from the state into the software system without a documented oversight or review process to ensure direct certified students were properly processed. The lack of controls was a systematic issue throughout the audit period.

Status: Resolved

FINDING 2022-005

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Earmarking
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A190014; S010A20014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Finding: Significant Deficiency

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Context: The School Corporation had not implemented controls to ensure that the required level of expenditures for Parental Involvement were spent. Expenditures for Parental Involvement were \$4,129 and \$9,556 below the minimum required per the approved grant application for grants S010A190014 and SA010A200014, respectively.

Status: Resolved

FINDING 2022-006

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Assessment System Security

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listing Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A170014; S010A190014; S010A200014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Assessment System Security

Audit Findings: Significant Deficiency

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement.

Context: The School Corporation had not established effective internal controls to ensure applicable employees received proper training over test and security administration. The School Corporation had implemented a policy in which all applicable employees were to be provided training annually. However, documentation of training for six of 40 employees could not be provided. The six employees were in a position and location that had contact with the testing materials and therefore should have received the training. The lack of internal controls and noncompliance were systemic issues throughout the audit period.

Status: Resolved

FINDING 2022-007

Information on the federal program:

Subject: COVID-19 - Education Stabilization Fund - Equipment and Real Property

Federal Agency: Department of Education

Federal Program: COVID19 - Education Stabilization Fund

Assistance Listings Numbers: 84.425C, 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013, S425U210013, S425C200018

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

Audit Findings: Material Weakness

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement.

Context: The School Corporation did not have an effective control in place to ensure property records were properly maintained and included all required information. The School Corporation's property record did not include the following required information: a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, percentage of federal participation in the project costs for the federal award under which the property was acquired, use and condition of the property.

The School Corporation did not perform a physical inventory of equipment during the audit period and did not have an internal control system in place to ensure a physical inventory was performed.

There was no internal control system in place to ensure equipment was appropriately safeguarded and

maintained. There was no evidence to show all equipment included on the property records was being appropriately safeguarded and maintained during the audit period.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

Status: Resolved

FINDING 2022-008

Information on the federal program:

Subject: COVID-19 - Education Stabilization Fund - Reporting

Federal Agency: Department of Education

Federal Program: COVID19 - Education Stabilization Fund

Assistance Listings Numbers: 84.425C, 84.425D

Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425C200018

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Significant Deficiency

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

Context: The School Corporation did not have an effective system of internal controls to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) and the Governor's Emergency Education Relief (GEER) annual Data Collection reports (Reports) were accurately submitted.

The School Corporation had six annual data reports due during the audit period. The Full Time Equivalent (FTE) key line item on both the ESSER I, Fiscal Year 2021 and the GEER, Fiscal Year 2021 annual Data Collection reports were not accurately submitted.

The lack of internal controls and noncompliance were isolated to the ESSER 1, Fiscal Year 2021 and GEER, Fiscal Year 2021 reports.

Status: Resolved