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August 5, 2024

Perandoe Special Education District  
1525 Locust Street  
Red Bud, IL 62278

### Management Comment Letter

In planning and performing our audit of the financial statements of the governmental activities, and the major fund of the Perandoe Special Education District as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A control deficiency is a smaller weakness that does not rise to the level of being reported as a finding in your audited financial statements. We noted the following current year control deficiency:

#### Prior control deficiency #1

During testing of employee reimbursements in the prior year we noted that the reimbursements for the executive director were approved by a subordinate and then sent to the board for approval.

#### Resolution

During current year testing all reimbursements were properly approved.

If you have any questions regarding these recommendations or the District's internal control, please call us anytime at 314-845-7999.

Sincerely,

*Keith Slusser*

Keith Slusser

**PERANDOE SPECIAL EDUCATION DISTRICT  
RANDOLPH COUNTY, ILLINOIS**

**AUDITED FINANCIAL STATEMENTS  
ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2024

## TABLE OF CONTENTS

	Pages
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report	1-3
Government-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	4
Statement of Activities - Modified Cash Basis	5
Fund Financial Statements:	
Statement of Assets, Liabilities, and Fund Balance - Modified Cash Basis - Governmental Funds	6
Reconciliation of the Statement of Assets, Liabilities, and Fund Balance - Modified Cash Basis - Governmental Funds to the Statement of Net Position - Modified Cash Basis	7
Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash - Governmental Funds to the Statement of Activities - Modified Cash Basis	9
Notes to Financial Statements	10-14
<b>OTHER INFORMATION:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - Budget (Modified Cash Basis) and Actual - Education Fund	15-16
Notes to Other Information	17
<b>FEDERAL COMPLIANCE SECTION:</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an audit of the Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	18-19
Schedule of Findings and Questioned Costs	20-21
Schedule of Resolution of Prior Year Audit Findings	21

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education of  
Perandoe Special Education District

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, and the major fund of the Perandoe Special Education District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Perandoe Special Education District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, and each major fund of the Perandoe Special Education District, as of June 30, 2024, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Perandoe Special Education District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Perandoe Special Education District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Perandoe Special Education District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2024, on our consideration of the Perandoe Special Education District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Perandoe Special Education District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Perandoe Special Education District's internal control over financial reporting and compliance.

*F.E.W. CPAs*

F.E.W. CPAs  
Saint Louis, Missouri  
August 5, 2024

PERANDOE SPECIAL EDUCATION DISTRICT  
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
 JUNE 30, 2024

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,397,507
<b>TOTAL ASSETS</b>	\$ 3,397,507
 <b>LIABILITIES</b>	
None	\$ -
<b>TOTAL LIABILITIES</b>	\$ -
 <b>NET POSITION</b>	
Restricted	\$ -
Unrestricted	3,397,507
<b>TOTAL NET POSITION</b>	\$ 3,397,507

The notes to the financial statements are an integral part of this statement

PERANDOE SPECIAL EDUCATION DISTRICT  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction					
Special education programs	\$ 1,081,842	\$ 3,340,132	\$ 345,699	\$ -	\$ 2,603,989
Support services					
Pupils	1,994,609	-	-	-	(1,994,609)
Instructional staff	103,705	-	-	-	(103,705)
General administration	507,088	-	-	-	(507,088)
School administration	239,798	-	-	-	(239,798)
Business services	154,918	617	48,095	-	(106,206)
Central services	18,576	-	-	-	(18,576)
Nonprogrammed charges	140,560	-	-	-	(140,560)
Total governmental activities	<u>\$ 4,241,096</u>	<u>\$ 3,340,749</u>	<u>\$ 393,794</u>	<u>\$ -</u>	<u>(506,553)</u>
General revenues:					
Interest income					34,989
Grants and contributions not restricted to specific purposes					407,441
Miscellaneous					15,540
Total general revenues					<u>457,970</u>
Changes in net position					(48,583)
Net position - beginning					3,446,090
Net position - ending					<u>\$ 3,397,507</u>

The notes to the financial statements are an integral part of this statement



PERANDOE SPECIAL EDUCATION DISTRICT  
STATEMENT OF ASSETS, LIABILITIES, AND  
FUND BALANCE - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General	Total Governmental Funds
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 3,397,507	\$ 3,397,507
TOTAL ASSETS	\$ 3,397,507	\$ 3,397,507
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
Total liabilities	-	-
FUND BALANCE (DEFICIT)		
Restricted	-	-
Unassigned	3,397,507	3,397,507
Total fund balance (deficit)	3,397,507	3,397,507
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,397,507	\$ 3,397,507

The notes to the financial statements are an integral part of this statement

PERANDOE SPECIAL EDUCATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2024

Total fund balance - governmental funds	\$ 3,397,507
Amounts reported for <i>governmental activities</i> in the statement of net position are different than amounts reported in the balance sheet for governmental funds due to the following items:	
None	<u>-</u>
Net position of governmental activities	<u><u>\$ 3,397,507</u></u>

The notes to the financial statements are an integral part of this statement

PERANDOE SPECIAL EDUCATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General	Total Governmental Funds
<b>REVENUES</b>		
Local sources		
Tuition	\$ 950,843	\$ 950,843
Interest earned	34,989	34,989
Food services	617	617
Services provided	2,389,289	2,389,289
Other	42,905	42,905
State sources		
Unrestricted grants-in-aid	407,441	407,441
Restricted grants-in-aid	795	795
Federal sources		
Restricted grants-in-aid	365,634	365,634
Total direct revenues	<u>4,192,513</u>	<u>4,192,513</u>
Revenues for on-behalf sources	<u>1,475,062</u>	<u>1,475,062</u>
Total revenues	<u>5,667,575</u>	<u>5,667,575</u>
<b>EXPENDITURES</b>		
Instruction		
Special education programs	1,081,842	1,081,842
Total instruction	<u>1,081,842</u>	<u>1,081,842</u>
Support services		
Pupils	1,994,609	1,994,609
Instructional staff	103,705	103,705
General administration	507,088	507,088
School administration	239,798	239,798
Business services	154,918	154,918
Central services	18,576	18,576
Total support services	<u>3,018,694</u>	<u>3,018,694</u>
Nonprogrammed charges	<u>140,560</u>	<u>140,560</u>
Total direct expenditures	<u>4,241,096</u>	<u>4,241,096</u>
Disbursements for on-behalf payments	<u>1,475,062</u>	<u>1,475,062</u>
Total expenditures	<u>5,716,158</u>	<u>5,716,158</u>
Excess (deficiency) of revenues over expenditures	(48,583)	(48,583)
Fund balance, beginning of year	<u>3,446,090</u>	<u>3,446,090</u>
Fund balance, end of year	<u>\$ 3,397,507</u>	<u>\$ 3,397,507</u>

The notes to the financial statements are an integral part of this statement

PERANDOE SPECIAL EDUCATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - governmental funds	\$ (48,583)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
None	<u>-</u>
Change in net position of governmental activities	<u><u>\$ (48,583)</u></u>

The notes to the financial statements are an integral part of this statement

PERANDOE SPECIAL EDUCATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Perandoe Special Education District's (the District) accounting policies conform to the modified cash basis of accounting as described below. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

The District operates under an agreement with 9 local districts. As required under the modified cash basis of accounting, these financial statements present the results of the District's cash transactions.

The District has developed criteria to determine whether outside agencies with activities that benefit the District should be included within its financial reporting entity. The criteria for including organizations within the District, as set forth in GASB No. 14, "The Financial Reporting Entity," is financial accountability.

The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approved the budget, the issuance of debt or the levying of taxes. The District has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements report financial information for the District as a whole excluding fiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers. The District does not maintain any business-type activities.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements, when applicable. Major individual governmental funds are reported in separate columns with composite columns for nonmajor funds in the fund financial statements.

The District reports the following major governmental fund:

The General Fund (Education Fund) is the District's main operating fund. The fund is used to account for and report all financial resources not accounted for and reported in another fund.

The District has no business-type activities or agency funds.

PERANDOE SPECIAL EDUCATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and contractual provisions.

Funds are classified into one category: governmental.

Governmental Funds are those through which all the governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the modified cash basis of accounting. The modification to the cash basis is unremitted withholdings. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. Revenue from member assessments, grants and donations are recognized when received consistent with the cash basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting, which is described in the previous paragraph.

Capital asset acquisitions are reported as expenditures in the governmental funds and the government-wide financial statements. Proceeds from long-term debt and capital leases are reported as other financing sources.

Cash, Cash Equivalents and Investments

The District's cash includes demand deposits. The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Short-term investments are reported at cost which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Certificates of deposit held at local banks with an original maturity of more than three months are valued at cost and labeled as certificates of deposit in the financial statements.

Capital Assets

Capital assets include property, plant, and equipment. Under the modified cash basis of accounting used by the District, capital acquisitions are not recorded as assets. At the time of purchase, assets are recorded as expenditures disbursed in the Governmental Fund. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge).

Long-Term Obligations

In the government-wide financial statements and the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The Education Fund would be used to liquidate long-term liabilities. As of June 30, 2024 the District had no long-term obligations.

PERANDOE SPECIAL EDUCATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property Taxes

The District does not receive property tax distributions.

Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the School District classifies governmental fund balances as follows:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Superintendent.

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

The District uses restricted amounts first when both restricted and unassigned fund balances are available, unless there are legal contracts that prohibit doing this.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

When restricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**NOTE 2 - RISK MANAGEMENT - INSURANCE**

The District purchases commercial general liability, auto, crime, and property insurance through Selective Insurance Company and workers' compensation through The Hartford and is covered for all risks. There have been no significant reductions in coverage during the fiscal year. Settlement amounts have not exceeded insurance coverage for any of the three prior years.

PERANDOE SPECIAL EDUCATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 3 - DEPOSITS**

The District is authorized by state statute to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the United States of America, insured credit union shares, money market funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

The District's policy states that all amounts deposited or investments with financial institutions in excess of any insurance limit shall be collateralized and the preferred method for safekeeping is to have securities registered in the District's name and held by a third-party custodian.

Deposits

At year-end, the carrying amount of the District's deposits totaled \$3,397,507 and bank balances totaled \$3,450,584

Custodial Credit Risk – Deposits - For a deposit, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy does not include custodial credit risk requirements. The deposits were not exposed to custodial credit risk for the year ended June 30, 2024.

**NOTE 4 - CONTINGENCIES**

Grants

The District has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from those audits will not be significant to District operations.

**NOTE 5 - RETIREMENT FUND COMMITMENTS**

Teacher's Retirement System of the State of Illinois

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration. TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888)678-3675.

TRS members are required to contribute 9.0% of their annual covered salary and the state makes employer contributions on behalf of the employer. The contribution requirements of members and the District are established and may be amended by the TRS Board of Trustees. The District's contributions to TRS for the year ending June 30, 2024 was \$232,578, equal to the required contributions.

Illinois Municipal Retirement Fund

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF) and is administered through the Red Bud Community Unit School District #132. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.



PERANDOE SPECIAL EDUCATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

**NOTE 5 - RETIREMENT FUND COMMITMENTS** (continued)

IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2023 was 7.92%. The District's contributions to IMRF for the fiscal year ending June 30, 2024 were \$63,158, equal to the required contributions.

Social Security

Employees not qualifying for coverage under the Illinois Teacher's Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$47,810, the total required contribution for the current fiscal year.

**NOTE 6 - RENTAL AGREEMENTS**

During August 2023, the District entered an agreement with Southwestern Illinois College (SWIC) for use of Phase 1 at their Red Bud Campus effective July 1, 2023. The agreement ends June 30, 2025. The rent terms call for payment of \$9,000 per month through June 30, 2025.

Lease expenditures for the fiscal year ended June 30, 2024 were \$117,000.

Future minimum lease payments under the above leases for the fiscal year ending June 30, 2025 is \$99,000.

**NOTE 7 - SUBSEQUENT EVENT**

Management has evaluated subsequent events through August 5, 2024, the date which the financial statements were available for issue, and noted no reportable events.

## **Other Information**

PERANDOE SPECIAL EDUCATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
EDUCATION FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Local sources				
Tuition	\$ 1,030,606	\$ 1,030,606	\$ 950,843	\$ (79,763)
Interest earned	-	-	34,989	34,989
Food services	500	500	617	117
Services provided	2,383,684	2,383,684	2,389,289	5,605
Other	18,064	18,064	42,905	24,841
Total local sources	<u>3,432,854</u>	<u>3,432,854</u>	<u>3,418,643</u>	<u>(14,211)</u>
State sources				
Unrestricted grants-in-aid				
General state aid	407,440	407,440	407,441	1
Restricted grants-in-aid				
School lunch program	400	400	795	395
Total state sources	<u>407,840</u>	<u>407,840</u>	<u>408,236</u>	<u>396</u>
Federal sources				
Other restricted grants-in-aid				
School lunch and breakfast	53,000	53,000	47,300	(5,700)
Medicaid matching funds	280,000	280,000	155,016	(124,984)
Other federal source	166,007	166,007	163,318	(2,689)
Total federal sources	<u>499,007</u>	<u>499,007</u>	<u>365,634</u>	<u>(133,373)</u>
Total direct revenues	4,339,701	4,339,701	4,192,513	(147,188)
Revenues for on-behalf sources	<u>1,384,887</u>	<u>1,384,887</u>	<u>1,475,062</u>	<u>90,175</u>
Total revenues	<u>5,724,588</u>	<u>5,724,588</u>	<u>5,667,575</u>	<u>(57,013)</u>
<b>EXPENDITURES</b>				
Instruction				
Special education programs				
Salaries	898,696	898,696	868,675	30,021
Employee benefits	191,373	191,373	170,409	20,964
Purchased services	17,225	17,225	21,808	(4,583)
Supplies and materials	11,060	11,060	7,093	3,967
Capital outlay	13,967	13,967	13,857	110
Total special education programs	<u>1,132,321</u>	<u>1,132,321</u>	<u>1,081,842</u>	<u>50,369</u>
Total instruction	<u>1,132,321</u>	<u>1,132,321</u>	<u>1,081,842</u>	<u>50,479</u>
Support services				
Support services - pupils				
Salaries	1,625,186	1,625,186	1,630,997	(5,811)
Employee benefits	311,744	311,744	306,708	5,036
Purchased services	76,600	76,600	45,331	31,269
Supplies and materials	11,950	11,950	11,573	377
Capital outlay	4,000	4,000	-	4,000
Total support services - pupils	<u>2,029,480</u>	<u>2,029,480</u>	<u>1,994,609</u>	<u>34,871</u>

(continued on next page)

PERANDOE SPECIAL EDUCATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
EDUCATION FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Support services (continued)				
Support services - instructional staff				
Salaries	59,972	59,972	59,972	-
Employee benefits	17,576	17,576	10,685	6,891
Purchased services	43,649	43,649	24,457	19,192
Supplies and materials	4,000	4,000	8,591	(4,591)
Total support services - instructional staff	125,197	125,197	103,705	21,492
Support services - general administration				
Salaries	297,717	297,717	298,201	(484)
Employee benefits	30,408	30,408	41,986	(11,578)
Purchased services	150,143	150,143	151,816	(1,673)
Supplies and materials	15,500	15,500	13,319	2,181
Other objects	2,000	2,000	1,766	234
Total support services - general administration	495,768	495,768	507,088	(11,320)
Support services - school administration				
Salaries	197,741	197,741	201,354	(3,613)
Employee benefits	32,278	32,278	38,444	(6,166)
Total support services - school administration	230,019	230,019	239,798	(9,779)
Support services - business services				
Salaries	86,982	86,982	84,844	2,138
Employee benefits	20,631	20,631	18,050	2,581
Purchased services	47,200	47,200	43,772	3,428
Supplies and materials	11,900	11,900	8,252	3,648
Total support services - business services	166,713	166,713	154,918	11,795
Support services - central services				
Purchased services	15,966	15,966	18,576	(2,610)
Total support services - central services	15,966	15,966	18,576	(2,610)
Total support services	3,063,143	3,063,143	3,018,694	44,449
Nonprogrammed charges				
Purchased services	103,200	103,200	117,000	(13,800)
Other objects	40,600	40,600	23,560	17,040
Total nonprogrammed charges	143,800	143,800	140,560	3,240
Total direct expenditures	4,339,264	4,339,264	4,241,096	98,168
Disbursements for on-behalf payments	1,384,887	1,384,887	1,475,062	(90,175)
Total expenditures	5,724,151	5,724,151	5,716,158	7,993
Excess (deficiency) of revenues over expenditures	\$ 437	\$ 437	(48,583)	\$ (49,020)
Fund balance, beginning of year			3,446,090	
Fund balance, end of year			\$ 3,397,507	

PERANDOE SPECIAL EDUCATION DISTRICT  
NOTES TO OTHER INFORMATION  
JUNE 30, 2024

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

The budget for all governmental fund types is prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Executive Director submits to the Board of Directors a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing was conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through the passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Directors may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Directors may amend the budget (in other ways) by the same procedures required of its original adoption. The budget was not amended during fiscal 2024.

**Federal Compliance**  
**Section**

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

To the Board of Education  
Perandoe Special Education District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Perandoe Special Education District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 5, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Perandoe Special Education District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Perandoe Special Education District's internal control. Accordingly, we do not express an opinion on the effectiveness of Perandoe Special Education District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*F.E.W. CPAs*

F.E.W. CPAs  
Saint Louis, Missouri  
August 5, 2024



**PERANDOE SPECIAL EDUCATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified \_\_\_\_\_ Yes      X   No

Significant deficiencies identified that are not considered to be material weaknesses \_\_\_\_\_ Yes      X   No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards – N/A**

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes    \_\_\_\_\_ No

Reportable conditions identified that are not considered to be material weaknesses \_\_\_\_\_ Yes    \_\_\_\_\_ No

Type of auditors' report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance \_\_\_\_\_ Yes    \_\_\_\_\_ No

**Identification of major programs:**

*CFDA Numbers*

*Name of Federal Program or Cluster*

N/A

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

Auditee qualified as low risk auditee? \_\_\_\_\_ Yes    \_\_\_\_\_ No

**PERANDOE SPECIAL EDUCATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Section II - Financial Statement Findings**

There are no reportable conditions to disclose.

**Section III - Federal Award Findings**

There are no federal award findings to disclose.

**PERANDOE SPECIAL EDUCATION DISTRICT  
SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

There were no prior year audit findings.