

**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
CASTON SCHOOL CORPORATION
FULTON COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

04/01/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

April 1, 2025

To: The Officials of Caston School Corporation
Caston School Corporation
Fulton County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Caston School Corporation. 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 included in the report 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 37 through 42. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on page 43 through 45.

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 for Caston School Corporation 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

CASTON SCHOOL CORPORATION
Fulton County, Indiana

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

CASTON SCHOOL CORPORATION
Fulton County, Indiana

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

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited)	1
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS	5
NOTES TO FINANCIAL STATEMENT	8
OTHER INFORMATION	
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS (Unaudited).....	14
SCHEDULE OF PAYABLES AND RECEIVABLES (Unaudited)	24
SCHEDULE OF LEASES AND DEBT (Unaudited).....	25
SCHEDULE OF CAPITAL ASSETS (Unaudited).....	26
STATE REPORTING INFORMATION (Unaudited)	27
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	28
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	30
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 <i>GOVERNMENT AUDITING STANDARDS</i>	31
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE	33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	36

CASTON SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Susan Loftain	07-01-22 to 06-30-23
	Lindsey Clemons	07-01-23 to 08-04-23
	Elaine Sutton	08-05-23 to 06-30-24
Superintendent of Schools	Paul Voigt	07-01-22 to 12-31-22
	Angela Miller	01-01-23 to 06-30-24
President of the School Board	Chad Boldry	01-01-22 to 12-31-22
	Beth Howard	01-01-23 to 12-31-24



INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Caston School Corporation
Fulton 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 Caston School Corporation (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 20, 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 20, 2025

CASTON SCHOOL CORPORATION
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	\$ 2,839,863	\$ 6,210,828	\$ 4,936,333	\$ (450,000)	\$ 3,664,358	\$ 6,630,074	\$ 5,854,852	\$ (249,736)	\$ 4,189,844
Debt Service	123,235	419,618	401,644	(15,438)	125,771	429,384	425,356	-	129,799
Operations	4,157,064	2,654,527	3,348,315	349,849	3,813,125	2,998,750	2,919,725	150,750	4,042,900
Rainy Day	1,228,759	-	40,799	100,000	1,287,960	-	16,397	100,000	1,371,563
School Lunch	119,553	664,451	578,004	151	206,151	649,471	734,510	36	121,148
Textbook Rental	97,200	97,015	95,022	15,438	114,631	136,398	86,556	(36)	164,437
In Retired Tchrs Grant - Elliott	-	-	-	-	-	500	500	-	-
Donations Gifts Trusts	3,196	-	1,586	-	1,610	-	-	-	1,610
Whin	-	32,121	16,373	-	15,748	-	-	-	15,748
Extra-Curricular Activities	-	6,712	6,618	-	94	32,634	20,346	-	12,382
Formative Assessment Grant	-	10,005	10,005	-	-	-	4,554	-	(4,554)
22-23 Early Literacy Grant	-	-	-	-	-	6,743	6,709	(34)	-
Safe/Drug Free School	7,872	-	2,759	-	5,113	-	2,841	-	2,272
Medicaid Reimb Fund	60,370	50,984	13,956	-	97,398	97,684	13,187	-	181,895
Secured School Safety Grant	40,000	22,500	40,000	-	22,500	54,500	24,000	-	53,000
K-12 Robotics Grant	-	-	-	-	-	-	21,682	-	(21,682)
Alternative Ed Grant	-	11,625	11,625	-	-	7,224	-	-	7,224
Eig 22-23	-	2,287	-	-	2,287	-	-	-	2,287
Non-English Speaking Program	4,637	2,945	4,637	-	2,945	-	-	-	2,945
Career & Tech Perf.	830	73	-	-	903	2,275	-	-	3,178
Tag	-	31,083	31,083	-	-	-	-	-	-
Tag Grant 22-23 Paid Dec 2023	-	-	-	-	-	31,581	31,351	(230)	-
High Ability Grant 21-22	12,650	19,712	13,169	-	19,193	26,113	45,306	-	-
State Connect/Technology	31,498	2,400	3,410	-	30,488	-	-	-	30,488
Project Lead The Way	2,400	-	-	-	2,400	-	-	-	2,400
Ipep Grant	7,336	-	7,336	-	-	-	-	-	-
Title I 20-21	-	-	125	-	(125)	-	208	-	(333)
Title I Fy21-22	(8,234)	109,766	25,775	-	75,757	20,378	270	-	95,865
Title I 22-23	-	-	81,344	-	(81,344)	-	13,952	-	(95,296)

(Continued)

CASTON SCHOOL CORPORATION
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</u> <u>Investments</u> <u>07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other</u> <u>Financing</u> <u>Sources (Uses)</u>	<u>Cash and</u> <u>Investments</u> <u>06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other</u> <u>Financing</u> <u>Sources (Uses)</u>	<u>Cash and</u> <u>Investments</u> <u>06-30-2024</u>
2024-2025 Title I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,989	\$ -	\$ (36,989)
Local Reading Improvement	21	-	-	-	21	-	-	-	21
Idea Spec Ed Fy20 611	(16,112)	57,822	38,326	-	3,384	32,462	-	-	35,846
Idea Spec Ed Fy22 611	-	-	124,950	-	(124,950)	255,371	200,643	-	(70,222)
Idea Spec Ed Fy22 619	-	-	3,384	-	(3,384)	-	-	-	(3,384)
Title Iv Ffy21	-	11,125	11,125	-	-	11,446	-	-	11,446
Title Iv Fy 22-24	-	-	-	-	-	-	30,790	-	(30,790)
Epa Grant-Electric Bus	-	-	-	-	-	395,000	395,000	-	-
Title II FY19-21	1	-	1	-	-	-	-	-	-
Title li A Ffy 20-22	-	-	-	-	-	-	1,129	-	(1,129)
Title li Fy2021-2023	(3,175)	13,382	10,207	-	-	-	-	-	-
Title li Fy 22-24	-	2,142	5,638	-	(3,496)	-	13,605	-	(17,101)
Fy22 Idea Arp 611	-	10,000	10,000	-	-	-	-	-	-
Whin Elearning	7	(7)	-	-	-	-	-	-	-
Esser lii	(113,045)	-	88,437	-	(201,482)	522,136	501,632	-	(180,978)
Esser li	(288,065)	-	139,080	-	(427,145)	427,304	159	-	-
Fed Stim 18003 Ed Stabilization	-	-	-	-	-	-	339	-	(339)
Prepaid School Lunch	3,453	-	3,640	-	(187)	41,048	707	-	40,154
Federal Tax - Clearing	(110)	333,591	332,849	-	632	382,409	382,310	-	731
Social Security-Cert	(2,763)	226,417	226,417	-	(2,763)	257,867	257,851	-	(2,747)
State Tax	(12)	142,297	141,513	-	772	158,479	158,518	-	733
County Tax	-	121,231	120,576	-	655	138,503	138,464	-	694
Teacher Retirement	5,931	3,381	3,381	-	5,931	3,666	3,666	-	5,931
P.E.R.F. Voluntary	(103)	1,915	1,915	-	(103)	2,113	2,113	-	(103)
Health Insurance	4,206	253,776	252,210	-	5,772	271,641	273,287	-	4,126
Life Insurance	265	662	662	-	265	663	665	-	263
Disability Insurance	4	1	-	-	5	1	-	-	6
Dental Insurance	(55)	42,371	42,282	-	34	46,370	45,987	-	417
Vision Insurance	631	10,243	10,222	-	652	12,390	12,010	-	1,032

(Continued)

CASTON SCHOOL CORPORATION
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>
Social Security-Classified	\$ 2,504	\$ 125,746	\$ 125,746	\$ -	\$ 2,504	\$ 139,157	\$ 139,157	\$ -	\$ 2,504
American Fidelity Assurance	3,692	55,498	55,005	-	4,185	67,829	67,520	-	4,494
Hsa-Vol-Emp Contributions	327	52,399	54,524	-	(1,798)	54,450	54,630	-	(1,978)
One America-Vol-Life Ins.	47	2,346	3,014	-	(621)	4,345	4,011	-	(287)
Child Support	43	2,834	2,791	-	86	3,563	2,815	-	834
Flex Spending	431	6,458	6,458	-	431	4,592	4,592	-	431
Garnishment Of Wages	-	3,064	3,064	-	-	-	-	-	-
Penserv Annuity	1,860	53,911	53,911	-	1,860	49,751	51,401	-	210
Met Life	10	2,160	2,160	-	10	2,160	1,980	-	190
American Fidelity Annuity	1,898	27,560	26,483	-	2,975	28,760	27,558	-	4,177
Voya 403B	-	3,925	3,925	-	-	25,450	25,450	-	-
Totals	<u>\$ 8,330,120</u>	<u>\$ 11,914,902</u>	<u>\$ 11,573,814</u>	<u>\$ -</u>	<u>\$ 8,671,208</u>	<u>\$ 14,462,635</u>	<u>\$ 13,057,280</u>	<u>\$ 750</u>	<u>\$ 10,077,313</u>

See notes to financial statement.

CASTON SCHOOL CORPORATION
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)

CASTON SCHOOL CORPORATION
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)

CASTON SCHOOL CORPORATION
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 deposits with institutions that maintain the FDIC and PDIF coverages, as applicable. At June 30, 2024, the School Corporation had certificates of deposits valued at \$2,000,000.

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)

CASTON SCHOOL CORPORATION
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 Social Security-Cert, P.E.R.F. Voluntary, HSA-Vol-Emp Contributions, and One America-Vol-Life Ins. 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 Caston Educational 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 \$401,644. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$425,356.

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)

CASTON SCHOOL CORPORATION
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)

CASTON SCHOOL CORPORATION
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 October 2024, the Caston Educational Building Corporation issued the Ad Valorem Property Tax First Mortgage Bonds, Series 2024, in the amount of \$5,630,000, to finance the renovation of and improvements to school facilities. The first principal payment of \$45,000 is due on June 30, 2026 and the term of the bond is from December 31, 2024 through December 31, 2043.

OTHER INFORMATION (Unaudited)

CASTON SCHOOL CORPORATION
 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	Operations	Rainy Day	School Lunch	Textbook Rental	Donations Gifts Trusts	Whin	Extra-Curricular Activities	Formative Assessment Grant	Safe/Drug Free School	Medicaid Reimb Fund
Cash and investments - beginning	\$ 2,839,863	\$ 123,235	\$ 4,157,064	\$ 1,228,759	\$ 119,553	\$ 97,200	\$ 3,196	\$ -	\$ -	\$ -	\$ 7,872	\$ 60,370
Receipts:												
Local sources	21,065	419,618	2,654,387	-	200,516	57,886	-	32,121	6,712	-	-	-
Intermediate sources	-	-	140	-	-	-	-	-	-	-	-	-
State sources	6,189,763	-	-	-	4,581	39,129	-	-	-	10,005	-	50,984
Federal sources	-	-	-	-	459,354	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	6,210,828	419,618	2,654,527	-	664,451	97,015	-	32,121	6,712	10,005	-	50,984
Disbursements:												
Instruction	3,671,245	-	-	17,074	-	-	-	-	-	-	-	4,319
Support services	1,148,468	-	2,444,158	23,725	-	95,022	-	16,373	-	10,005	2,759	9,637
Noninstructional services	116,620	-	-	-	578,004	-	1,586	-	6,618	-	-	-
Facilities acquisition and construction	-	-	904,157	-	-	-	-	-	-	-	-	-
Debt services	-	401,644	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,936,333	401,644	3,348,315	40,799	578,004	95,022	1,586	16,373	6,618	10,005	2,759	13,956
Excess (deficiency) of receipts over disbursements	1,274,495	17,974	(693,788)	(40,799)	86,447	1,993	(1,586)	15,748	94	-	(2,759)	37,028
Other financing sources (uses):												
Transfers in	-	-	400,000	100,000	151	15,438	-	-	-	-	-	-
Transfers out	(450,000)	(15,438)	(50,151)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(450,000)	(15,438)	349,849	100,000	151	15,438	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	824,495	2,536	(343,939)	59,201	86,598	17,431	(1,586)	15,748	94	-	(2,759)	37,028
Cash and investments - ending	\$ 3,664,358	\$ 125,771	\$ 3,813,125	\$ 1,287,960	\$ 206,151	\$ 114,631	\$ 1,610	\$ 15,748	\$ 94	\$ -	\$ 5,113	\$ 97,398

(Continued)

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

	Secured School Safety Grant	Alternative Ed Grant	Eig 22-23	Non-English Speaking Program	Career & Tech Perf.	Tag	High Ability Grant 21-22	State Connect/Technology	Project Lead The Way	Ipep Grant	Title I 20-21	Title I Fy21-22
Cash and investments - beginning	\$ 40,000	\$ -	\$ -	\$ 4,637	\$ 830	\$ -	\$ 12,650	\$ 31,498	\$ 2,400	\$ 7,336	\$ -	\$ (8,234)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	22,500	11,625	2,287	2,945	73	31,083	19,712	2,400	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	109,766
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	22,500	11,625	2,287	2,945	73	31,083	19,712	2,400	-	-	-	109,766
Disbursements:												
Instruction	-	11,625	-	4,637	-	31,083	13,169	-	-	-	125	10,111
Support services	40,000	-	-	-	-	-	-	3,410	-	7,336	-	15,664
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	40,000	11,625	-	4,637	-	31,083	13,169	3,410	-	7,336	125	25,775
Excess (deficiency) of receipts over disbursements	(17,500)	-	2,287	(1,692)	73	-	6,543	(1,010)	-	(7,336)	(125)	83,991
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,500)	-	2,287	(1,692)	73	-	6,543	(1,010)	-	(7,336)	(125)	83,991
Cash and investments - ending	\$ 22,500	\$ -	\$ 2,287	\$ 2,945	\$ 903	\$ -	\$ 19,193	\$ 30,488	\$ 2,400	\$ -	\$ (125)	\$ 75,757

(Continued)

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

	Title I 22-23	Local Reading Improvement	Idea Spec Ed Fy20 611	Idea Spec Ed Fy22 611	Idea Spec Ed Fy22 619	Title Iv Ffy21	Title II FY19-21	Title li Fy2021- 2023	Title li Fy 22-24	Fy22 Idea Arp 611	Whin Elearning	Esser Iii
Cash and investments - beginning	\$ -	\$ 21	\$ (16,112)	\$ -	\$ -	\$ -	\$ 1	\$ (3,175)	\$ -	\$ -	\$ 7	\$ (113,045)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	57,822	-	-	-	-	-	-	10,000	-	-
Federal sources	-	-	-	-	-	11,125	-	13,382	2,142	-	(7)	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	57,822	-	-	11,125	-	13,382	2,142	10,000	(7)	-
Disbursements:												
Instruction	38,700	-	38,326	124,950	3,384	-	1	-	1,539	10,000	-	55,286
Support services	42,644	-	-	-	-	11,125	-	10,207	4,099	-	-	33,151
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	81,344	-	38,326	124,950	3,384	11,125	1	10,207	5,638	10,000	-	88,437
Excess (deficiency) of receipts over disbursements	(81,344)	-	19,496	(124,950)	(3,384)	-	(1)	3,175	(3,496)	-	(7)	(88,437)
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(81,344)	-	19,496	(124,950)	(3,384)	-	(1)	3,175	(3,496)	-	(7)	(88,437)
Cash and investments - ending	\$ (81,344)	\$ 21	\$ 3,384	\$ (124,950)	\$ (3,384)	\$ -	\$ -	\$ -	\$ (3,496)	\$ -	\$ -	\$ (201,482)

(Continued)

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

	Essex li	Prepaid School Lunch	Federal Tax - Clearing	Social Security-Cert	State Tax	County Tax	Teacher Retirement	P.E.R.F. Voluntary	Health Insurance	Life Insurance	Disability Insurance	Dental Insurance
Cash and investments - beginning	\$ (288,065)	\$ 3,453	\$ (110)	\$ (2,763)	\$ (12)	\$ -	\$ 5,931	\$ (103)	\$ 4,206	\$ 265	\$ 4	\$ (55)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	333,591	226,417	142,297	121,231	3,381	1,915	253,776	662	1	42,371
Total receipts	-	-	333,591	226,417	142,297	121,231	3,381	1,915	253,776	662	1	42,371
Disbursements:												
Instruction	35,533	-	-	-	-	-	-	-	-	-	-	-
Support services	103,547	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	3,640	332,849	226,417	141,513	120,576	3,381	1,915	252,210	662	-	42,282
Total disbursements	139,080	3,640	332,849	226,417	141,513	120,576	3,381	1,915	252,210	662	-	42,282
Excess (deficiency) of receipts over disbursements	(139,080)	(3,640)	742	-	784	655	-	-	1,566	-	1	89
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(139,080)	(3,640)	742	-	784	655	-	-	1,566	-	1	89
Cash and investments - ending	\$ (427,145)	\$ (187)	\$ 632	\$ (2,763)	\$ 772	\$ 655	\$ 5,931	\$ (103)	\$ 5,772	\$ 265	\$ 5	\$ 34

(Continued)

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

	Vision Insurance	Social Security- Classified	American Fidelity Assurance	Hsa-Vol-Emp Contributions	One America- Vol-Life Ins.	Child Support	Flex Spending	Garnishment Of Wages	Penserv Annuity	Met Life	American Fidelity Annuity	Voya 403B	Totals
Cash and investments - beginning	\$ 631	\$ 2,504	\$ 3,692	\$ 327	\$ 47	\$ 43	\$ 431	\$ -	\$ 1,860	\$ 10	\$ 1,898	\$ -	\$ 8,330,120
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	3,392,305
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	140
State sources	-	-	-	-	-	-	-	-	-	-	-	-	6,454,909
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	595,762
Other receipts	10,243	125,746	55,498	52,399	2,346	2,834	6,458	3,064	53,911	2,160	27,560	3,925	1,471,786
Total receipts	10,243	125,746	55,498	52,399	2,346	2,834	6,458	3,064	53,911	2,160	27,560	3,925	11,914,902
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	4,071,107
Support services	-	-	-	-	-	-	-	-	-	-	-	-	4,021,330
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	702,828
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	904,157
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	401,644
Nonprogrammed charges	10,222	125,746	55,005	54,524	3,014	2,791	6,458	3,064	53,911	2,160	26,483	3,925	1,472,748
Total disbursements	10,222	125,746	55,005	54,524	3,014	2,791	6,458	3,064	53,911	2,160	26,483	3,925	11,573,814
Excess (deficiency) of receipts over disbursements	21	-	493	(2,125)	(668)	43	-	-	-	-	1,077	-	341,088
Other financing sources (uses):													
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	515,589
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(515,589)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21	-	493	(2,125)	(668)	43	-	-	-	-	1,077	-	341,088
Cash and investments - ending	\$ 652	\$ 2,504	\$ 4,185	\$ (1,798)	\$ (621)	\$ 86	\$ 431	\$ -	\$ 1,860	\$ 10	\$ 2,975	\$ -	\$ 8,671,208

CASTON SCHOOL CORPORATION
 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	Operations	Rainy Day	School Lunch	Textbook Rental	In Retired Tchs Grant - Elliott	Donations Gifts Trusts	Whin	Extra-Curricular Activities	Formative Assessment Grant	22-23 Early Literacy Grant	Safe/Drug Free School
Cash and investments - beginning	\$ 3,664,358	\$ 125,771	\$ 3,813,125	\$ 1,287,960	\$ 206,151	\$ 114,631	\$ -	\$ 1,610	\$ 15,748	\$ 94	\$ -	\$ -	\$ 5,113
Receipts:													
Local sources	(79,488)	429,384	2,992,637	-	168,935	2,687	500	-	-	32,634	-	-	-
Intermediate sources	-	-	139	-	-	-	-	-	-	-	-	-	-
State sources	6,709,562	-	-	-	2,885	133,533	-	-	-	-	-	6,743	-
Federal sources	-	-	-	-	477,651	-	-	-	-	-	-	-	-
Other receipts	-	-	5,974	-	-	178	-	-	-	-	-	-	-
Total receipts	6,630,074	429,384	2,998,750	-	649,471	136,398	500	-	-	32,634	-	6,743	-
Disbursements:													
Instruction	4,359,594	-	-	2,153	-	-	500	-	-	-	-	6,709	-
Support services	1,373,919	-	2,694,101	14,244	-	86,556	-	-	-	-	4,554	-	2,841
Noninstructional services	121,339	-	-	-	734,510	-	-	-	-	20,346	-	-	-
Facilities acquisition and construction	-	-	225,624	-	-	-	-	-	-	-	-	-	-
Debt services	-	425,356	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,854,852	425,356	2,919,725	16,397	734,510	86,556	500	-	-	20,346	4,554	6,709	2,841
Excess (deficiency) of receipts over disbursements	775,222	4,028	79,025	(16,397)	(85,039)	49,842	-	-	-	12,288	(4,554)	34	(2,841)
Other financing sources (uses):													
Sale of capital assets	-	-	750	-	-	-	-	-	-	-	-	-	-
Transfers in	2,864	-	200,000	100,000	36	-	-	-	-	-	-	-	-
Transfers out	(252,600)	-	(50,000)	-	-	(36)	-	-	-	-	-	(34)	-
Total other financing sources (uses)	(249,736)	-	150,750	100,000	36	(36)	-	-	-	-	-	(34)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	525,486	4,028	229,775	83,603	(85,003)	49,806	-	-	-	12,288	(4,554)	-	(2,841)
Cash and investments - ending	\$ 4,189,844	\$ 129,799	\$ 4,042,900	\$ 1,371,563	\$ 121,148	\$ 164,437	\$ -	\$ 1,610	\$ 15,748	\$ 12,382	\$ (4,554)	\$ -	\$ 2,272

(Continued)

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

	Medicaid Reimb Fund	Secured School Safety Grant	K-12 Robotics Grant	Alternative Ed Grant	Eig 22-23	Non-English Speaking Program	Career & Tech Perf.	Tag	Tag Grant 22- 23 Paid Dec 2023	High Ability Grant 21-22	State Connect/Technology	Project Lead The Way
Cash and investments - beginning	\$ 97,398	\$ 22,500	\$ -	\$ -	\$ 2,287	\$ 2,945	\$ 903	\$ -	\$ -	\$ 19,193	\$ 30,488	\$ 2,400
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	97,684	54,500	-	7,224	-	-	2,275	-	31,581	26,113	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	97,684	54,500	-	7,224	-	-	2,275	-	31,581	26,113	-	-
Disbursements:												
Instruction	3,388	-	21,682	-	-	-	-	-	31,351	45,306	-	-
Support services	9,799	24,000	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,187	24,000	21,682	-	-	-	-	-	31,351	45,306	-	-
Excess (deficiency) of receipts over disbursements	84,497	30,500	(21,682)	7,224	-	-	2,275	-	230	(19,193)	-	-
Other financing sources (uses):												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(230)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(230)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	84,497	30,500	(21,682)	7,224	-	-	2,275	-	-	(19,193)	-	-
Cash and investments - ending	\$ 181,895	\$ 53,000	\$ (21,682)	\$ 7,224	\$ 2,287	\$ 2,945	\$ 3,178	\$ -	\$ -	\$ -	\$ 30,488	\$ 2,400

(Continued)

CASTON SCHOOL CORPORATION
 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 20-21	Title I Fy21-22	Title I 22-23	2024-2025 Title I	Local Reading Improvement	Idea Spec Ed Fy20 611	Idea Spec Ed Fy22 611	Idea Spec Ed Fy22 619	Title Iv Ffy21	Title Iv Fy 22- 24	Epa Grant- Electric Bus	Title li A Ffy 20- 22	Title li Fy 22- 24
Cash and investments - beginning	\$ (125)	\$ 75,757	\$ (81,344)	\$ -	\$ 21	\$ 3,384	\$ (124,950)	\$ (3,384)	\$ -	\$ -	\$ -	\$ -	\$ (3,496)
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	32,462	255,371	-	-	-	-	-	-
Federal sources	-	20,378	-	-	-	-	-	-	11,446	-	395,000	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	20,378	-	-	-	32,462	255,371	-	11,446	-	395,000	-	-
Disbursements:													
Instruction	208	270	7,227	3,449	-	-	200,643	-	-	-	-	-	250
Support services	-	-	6,725	33,540	-	-	-	-	-	30,790	395,000	1,129	13,355
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	208	270	13,952	36,989	-	-	200,643	-	-	30,790	395,000	1,129	13,605
Excess (deficiency) of receipts over disbursements	(208)	20,108	(13,952)	(36,989)	-	32,462	54,728	-	11,446	(30,790)	-	(1,129)	(13,605)
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	(208)	20,108	(13,952)	(36,989)	-	32,462	54,728	-	11,446	(30,790)	-	(1,129)	(13,605)
Cash and investments - ending	\$ (333)	\$ 95,865	\$ (95,296)	\$ (36,989)	\$ 21	\$ 35,846	\$ (70,222)	\$ (3,384)	\$ 11,446	\$ (30,790)	\$ -	\$ (1,129)	\$ (17,101)

(Continued)

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

	Esser Iii	Esser li	Fed Stim 18003 Ed Stabilization	Prepaid School Lunch	Federal Tax - Clearing	Social Security- Cert	State Tax	County Tax	Teacher Retirement	P.E.R.F. Voluntary	Health Insurance	Life Insurance	Disability Insurance
Cash and investments - beginning	\$ (201,482)	\$ (427,145)	\$ -	\$ (187)	\$ 632	\$ (2,763)	\$ 772	\$ 655	\$ 5,931	\$ (103)	\$ 5,772	\$ 265	\$ 5
Receipts:													
Local sources	-	-	-	100	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	522,136	427,304	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	40,948	382,409	257,867	158,479	138,503	3,666	2,113	271,641	663	1
Total receipts	522,136	427,304	-	41,048	382,409	257,867	158,479	138,503	3,666	2,113	271,641	663	1
Disbursements:													
Instruction	10,743	29,856	-	-	-	-	-	-	-	-	-	-	-
Support services	490,889	(53,196)	339	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	(5,500)	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	28,999	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	707	382,310	257,851	158,518	138,464	3,666	2,113	273,287	665	-
Total disbursements	501,632	159	339	707	382,310	257,851	158,518	138,464	3,666	2,113	273,287	665	-
Excess (deficiency) of receipts over disbursements	20,504	427,145	(339)	40,341	99	16	(39)	39	-	-	(1,646)	(2)	1
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	20,504	427,145	(339)	40,341	99	16	(39)	39	-	-	(1,646)	(2)	1
Cash and investments - ending	\$ (180,978)	\$ -	\$ (339)	\$ 40,154	\$ 731	\$ (2,747)	\$ 733	\$ 694	\$ 5,931	\$ (103)	\$ 4,126	\$ 263	\$ 6

(Continued)

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

	Dental Insurance	Vision Insurance	Social Security- Classified	American Fidelity Assurance	Hsa-Vol-Emp Contributions	One America- Vol-Life Ins.	Child Support	Flex Spending	Penserv Annuity	Met Life	American Fidelity Annuity	Voya 403B	Totals
Cash and investments - beginning	\$ 34	\$ 652	\$ 2,504	\$ 4,185	\$ (1,798)	\$ (621)	\$ 86	\$ 431	\$ 1,860	\$ 10	\$ 2,975	\$ -	\$ 8,671,208
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	3,547,389
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	139
State sources	-	-	-	-	-	-	-	-	-	-	-	-	7,359,933
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	1,853,915
Other receipts	46,370	12,390	139,157	67,829	54,450	4,345	3,563	4,592	49,751	2,160	28,760	25,450	1,701,259
Total receipts	46,370	12,390	139,157	67,829	54,450	4,345	3,563	4,592	49,751	2,160	28,760	25,450	14,462,635
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	4,723,329
Support services	-	-	-	-	-	-	-	-	-	-	-	-	5,128,585
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	870,695
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	254,623
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	425,356
Nonprogrammed charges	45,987	12,010	139,157	67,520	54,630	4,011	2,815	4,592	51,401	1,980	27,558	25,450	1,654,692
Total disbursements	45,987	12,010	139,157	67,520	54,630	4,011	2,815	4,592	51,401	1,980	27,558	25,450	13,057,280
Excess (deficiency) of receipts over disbursements	383	380	-	309	(180)	334	748	-	(1,650)	180	1,202	-	1,405,355
Other financing sources (uses):													
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	750
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	302,900
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(302,900)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	750
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	383	380	-	309	(180)	334	748	-	(1,650)	180	1,202	-	1,406,105
Cash and investments - ending	\$ 417	\$ 1,032	\$ 2,504	\$ 4,494	\$ (1,978)	\$ (287)	\$ 834	\$ 431	\$ 210	\$ 190	\$ 4,177	\$ -	\$ 10,077,313

CASTON SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>17,045</u>	\$ <u>459,413</u>

CASTON SCHOOL CORPORATION
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:				
Apple	iPads for students	\$ 92,320	3/15/2024	3/15/2027
Cardinal Leasing	Admin Copier	1,464	7/1/2022	7/1/2027
Cardinal Leasing	High School Copier	3,144	4/1/2020	4/1/2025
Cardinal Leasing	Elementary School Copier	5,346	8/1/2023	8/1/2028
Caston Educational Building Corp.	Ad Valorem Property Tax First Mortgage Bonds, Series 2016	198,500	8/23/2016	12/31/2029
Caston Educational Building Corp.	Ad Valorem Property Tax First Mortgage Bonds, Series 2020	<u>214,500</u>	4/1/2020	12/31/2028
Total governmental activities		<u>515,274</u>		
Total of annual lease payments		<u><u>\$ 515,274</u></u>		

CASTON SCHOOL CORPORATION
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	\$ 39,120
Infrastructure	142,186
Buildings	8,530,838
Improvements other than buildings	5,809,454
Machinery, equipment, and vehicles	3,525,731
Construction in progress	<u>472,632</u>
 Total governmental activities	 <u>18,519,961</u>
 Total capital assets	 <u>\$ 18,519,961</u>

CASTON SCHOOL CORPORATION
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.

CASTON SCHOOL CORPORATION
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	\$ 109,018	\$ 110,455	\$ 219,473
National School Lunch Program		10.555	FY2023, FY2024	349,708	367,197	716,905
Commodities		10.555	FY2023, FY2024	25,818	29,629	55,447
Total - Child Nutrition Cluster				484,544	507,281	991,825
Total - Department of Agriculture				484,544	507,281	991,825
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
Special Ed-Part B		84.027	H027A200084	54,438	-	54,438
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	H027X210084	10,000	22,990	32,990
Special Ed-Part B		84.027	H027A210084	-	164,572	164,572
Special Ed-Part B		84.027	H027A220084	-	45,948	45,948
Total - Special Education Grants to States				64,438	233,510	297,948
Special Education Preschool Grants	Indiana Department of Education					
Special Ed-Preschool		84.173	H173A210104	3,384	2,861	6,245
Special Ed-Preschool		84.173	H173A220104	-	6,582	6,582
Total - Special Education Preschool Grants				3,384	9,443	12,827
Total - Special Education Cluster(IDEA)				67,822	242,953	310,775
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	34,009	-	34,009
Title I, Part A		84.010A	S010A220014	73,779	20,378	94,157
Total - Title I Grants to Local Educational Agencies				107,788	20,378	128,166
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A210013	13,382	-	13,382
Title II, Part A		84.367A	S367A220013	4,120	-	4,120
Total - Supporting Effective Instruction State Grants				17,502	-	17,502

(Continued)

CASTON SCHOOL CORPORATION
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
Student Support and Academic Enrichment Program Title IV, Part A	Indiana Department of Education	84.424	S424A210015	\$ 11,125	\$ -	\$ 11,125
Total - Supporting Effective Instruction State Grants				<u>11,125</u>	<u>-</u>	<u>11,125</u>
COVID-19 - Education Stabilization Fund Elementary and Secondary School Emergency Relief (ESSER II) Fund American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	Indiana Department of Education	84.425D	S425D210013	-	427,304	427,304
		84.425U	S425U210013	-	522,136	522,136
Total - COVID-19 - Education Stabilization Fund				<u>-</u>	<u>949,440</u>	<u>949,440</u>
Total - Department of Education				<u>204,237</u>	<u>1,212,771</u>	<u>1,417,008</u>
Total federal awards expended				<u>\$ 688,781</u>	<u>\$ 1,720,052</u>	<u>\$ 2,408,833</u>

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

CASTON SCHOOL CORPORATION
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 \$55,447 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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
Caston School Corporation
Fulton 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 Caston School Corporation ("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 20, 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*.

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
Crowe LLP

Indianapolis, Indiana
March 20, 2025

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

Those Charged with Governance
Caston School Corporation
Fulton County, Indiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Caston School Corporation's (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 the Other Major Federal Program

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 its other major federal program 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 Procurement and Suspension and Debarment*. 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 and significant deficiencies.

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 2024-003 and 2024-004 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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

Indianapolis, Indiana
March 20, 2025

CASTON SCHOOL CORPORATION
 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
--	-------	-----	--------------	----

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?	<u> X </u>	Yes	_____	None Reported

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

Child Nutrition Cluster	Qualified
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
---	--------------	-----	-------	----

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D, 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
--	-------	-----	--------------	----

(Continued)

CASTON SCHOOL CORPORATION
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)

CASTON SCHOOL CORPORATION
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 \$1,021,823 for the period July 1, 2022, through June 30, 2024:

1. The Child Nutrition Cluster expenditures were understated by \$538,943
2. The Special Education Cluster expenditures were understated by \$42,310
3. The Title I, Part A expenditures were understated by \$18,400
4. The Title II, Part A expenditures were overstated by \$16,259
5. The COVID-19 – Education Stabilization Fund expenditures were understated by \$427,304
6. The Student Support and Academic Enrichment Program expenditures were understated by \$11,125

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: No.

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)

CASTON SCHOOL CORPORATION
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.

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Significant Deficiency

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). . . ."

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 eligibility compliance requirement.

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

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 \$1,953 of questioned costs identified.

Context: During the testing of internal controls over eligibility determinations for free and reduced meals, we noted management was unable to provide support for three of the 60 applications selected for testing. Additionally, for one of the 60 selections, the student was improperly classified as reduced when the annual income per the student's application exceeded the corresponding threshold for that determination.

(Continued)

CASTON SCHOOL CORPORATION
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)

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation's management establish an internal control process to review all applications to determine if the student qualifies for free or reduced meals. There should be a formal sign off in place that the application has been reviewed and the student's classification of free or reduced is appropriate.

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

FINDING 2024-003

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
AL Numbers: 10.553, 10.555
Federal Award Numbers and Years: FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Qualified Opinion

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). . . ."

2 CFR section 200.303 states in part: "The non-Federal entity must use one of the following methods of procurement...

- (b) Simplified acquisition thresholds. The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.

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 simplified acquisitions procurement method of the Procurement and Suspension and Debarment compliance requirement.

Cause: The School Corporation's management noted that the vendor they chose to work with was one they could rely on to deliver high quality products on time. Management stated that during the years under audit, they found it hard to find other vendors that had quality items in stock that they could count on to be delivered on time when they were needed.

(Continued)

CASTON SCHOOL CORPORATION
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)

Effect: The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the simplified acquisition procurement method of the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs: There were no questioned costs identified.

Context: During the audit period, we tested two vendors that fell within the Small Purchase procurement threshold. Small purchases are those vendors that the School Corporation has purchased between \$10,000 and \$150,000 of products and goods from during the fiscal year. For one of the two vendors selected for testing, we noted the School Corporation did not obtain price or rate quotations from other vendors or document the basis for purchasing from the vendor that was utilized. The School Corporation had \$134,542 and \$117,589 of expenditures with the vendor for fiscal years 2023 and 2024, respectively.

The School Corporation was not able to provide verification that the vendor is not suspended or debarred.

The lack of controls and noncompliance occurred throughout the audit period. There were no other issues noted during the testing of Procurement and Suspension and Debarment.

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

Recommendation: We recommended that the School Corporation's management establish controls related to the grant agreement and the small purchase procurement method of the Procurement and Suspension and Debarment compliance requirement. Management should obtain multiple quotes, document rationale for vendor selection and perform suspension and debarment checks.

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

FINDING 2024-004

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425D, 84.425U

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: 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). . . ."

(Continued)

CASTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

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

FINDING 2024-004 (Continued)

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 Financial reporting"

34 CFR 76.722 states:

"A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

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 requirements.

Cause: The School Corporation's management implemented a review control over the annual data reports, however, it was not sufficient enough to detect and prevent errors in annual data reports submitted to the Indiana Department of Education.

Effect: Annual data reports submitted during the audit period to the Indiana Department of Education contained material errors compared to underlying transaction detail for the period reported.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation was required to submit Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER II and ESSER III amounts reported on the Year 3 report (\$288,565 and \$115,716, respectively) did not agree to the underlying expenditure records (\$139,081 and \$88,437, respectively) for the period of July 1, 2022 through June 30, 2023.

Additionally, the School Corporation was not able to provide any support for the 86 full-time equivalent (FTE) positions on September 30, 2022, reported on the Year 3 CrossAct report or the 110 full-time equivalent (FTE) positions on September 30, 2023, reported on the Year 4 CrossAct report.

Identification as a repeat finding: No.

Recommendation: We recommend management review internal controls over the review of annual data reports to ensure the data to be submitted agrees to underlying transaction detail or other supporting documentation prior to the submission of the annual data report.

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



**Caston School Corporation
Office of the Superintendent**

9815 S State Rd 25
Rochester IN 46975-7509
Phone 574-598-8000
Fax 574-598-8001

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

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 \$1,021,823 for the period July 1, 2022, through June 30, 2024:

1. The Child Nutrition Cluster expenditures were understated by \$538,943
2. The Special Education Cluster expenditures were understated by \$42,310
3. The Title I, Part A expenditures were understated by \$18,400
4. The Title II, Part A expenditures were overstated by \$16,259
5. The COVID-19 – Education Stabilization Fund expenditures were understated by \$427,304
6. The Student Support and Academic Enrichment Program expenditures were understated by \$11,125

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

Corrective Action Plan: The School Corporation will implement internal control procedures to ensure the amounts reported on the School Corporation's SEFA agree to the underlying support and accurately reflect the amount of federal receipts received during the fiscal year.

Person responsible for implementation and projected implementation date: The Corporation's Treasurer and Superintendent will be responsible for implementing the corrective action, which will be implemented with the submission of the fiscal year 2025 SEFA.

FINDING 2024-002

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
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 eligibility compliance requirement.

Context: During the testing of internal controls over eligibility determinations for free and reduced meals, we noted management was unable to provide support for three of the 60 applications selected for testing. Additionally, for one of the 60 selections, the student was improperly classified as reduced when the annual income per the student's application exceeded the corresponding threshold for that determination.

Corrective Action Plan: The School Corporation will implement internal control procedures to ensure the applications are filed and maintained in a secure manner. The School Corporation will also implement internal control procedures to ensure that applications are formally reviewed by the Food Services Director and the Treasurer, so that applicants are accurately denied or approved for free or reduced meals.

Person responsible for implementation and projected implementation date: The Corporation's Food Services Director and Treasurer will be responsible for implementing the corrective action, which will be implemented immediately.

FINDING 2024-003

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
AL Numbers: 10.553, 10.555
Federal Award Numbers and Years: FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
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 simplified acquisitions procurement method of the Procurement and Suspension and Debarment compliance requirement.

Context: During the audit period, we tested two vendors that fell within the Small Purchase procurement threshold. Small purchases are those vendors that the School Corporation has purchased between \$10,000 and \$150,000 of products and goods from during the fiscal year. For one of the two vendors selected for testing, we noted the School Corporation did not obtain price or rate quotations from other

vendors or document the basis for purchasing from the vendor that was utilized. The School Corporation had \$134,542 and \$117,589 of expenditures with the vendor for fiscal years 2023 and 2024, respectively.

Corrective Action Plan: To meet the conditions of the grant agreement, Caston School Corporation will keep record of all vendors that are outside of our NIESC buying agreement. Vendors on this list will be identified as having an RFP on file or requiring an RFP to purchase. The director or the director's purchasing designee will consult the list before ordering from the vendor. The School Corporation will ensure that the appropriate number of bids are obtained or will document the reasoning behind why the appropriate number of bids could not be obtained. The School Corporation will run a suspension and debarment check on vendors prior to entering into a contract.

Person responsible for implementation and projected implementation date: The Food Services Director and/or the Director's designee, as well as the Treasurer will be responsible for implementation of the corrective action plan, which will be done immediately.

FINDING 2024-004

Information on the federal program:

Subject: Education Stabilization Fund (ESSER) – Internal Controls

Federal Agency: Department of Education

Federal Program: COVID-19 – Education Stabilization Fund

Assistance Listing Number: 84.425D, 84.425U

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: 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 requirements.

Context: The School Corporation was required to submit Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER II and ESSER III amounts reported on the Year 3 report (\$288,565 and \$115,716, respectively) did not agree to the underlying expenditure records (\$139,081 and \$88,437, respectively) for the period of July 1, 2022 through June 30, 2023.

Corrective Action Plan: The School Corporation will implement a system of internal controls to ensure the amounts reported on the annual data reports agree to the underlying expenditure detail in the accounting system.

Person responsible for implementation and projected implementation date: The Treasurer and the Superintendent will be responsible for implementing the corrective action plan, which will start with the next submission of the annual data report.



**Caston School Corporation
Office of the Superintendent**

9815 S State Rd 25
Rochester IN 46975-7509
Phone 574-598-8000
Fax 574-598-8001

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Information on the federal program:

Subject: Child Nutrition Cluster - Procurement
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
AL Numbers: 10.553, 10.555
Federal Award Numbers and Years: FY 20-21, FY 21-22
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
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 simplified acquisitions procurement method of the Procurement and Suspension and Debarment compliance requirement.

Context: For the audit period, there was one vendor that fell within the simplified acquisitions procurement threshold for \$164,000. Simplified acquisitions are those vendors that the School Corporation has purchased over \$150,000 of products and goods from during the fiscal year. The School Corporation did not obtain quotes for the one item with purchases under the simplified acquisitions procurement method. The School Corporation did not obtain price or rate quotations from other vendors or document the basis for purchasing from the vendor that was utilized.

The School Corporation was not able to provide verification that the vendor is not suspended or debarred.

The lack of controls and noncompliance occurred throughout the audit period. There were no other issues noted during the testing of Procurement and Suspension and Debarment.

Status: Not resolved. See finding 2024-003.