

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

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

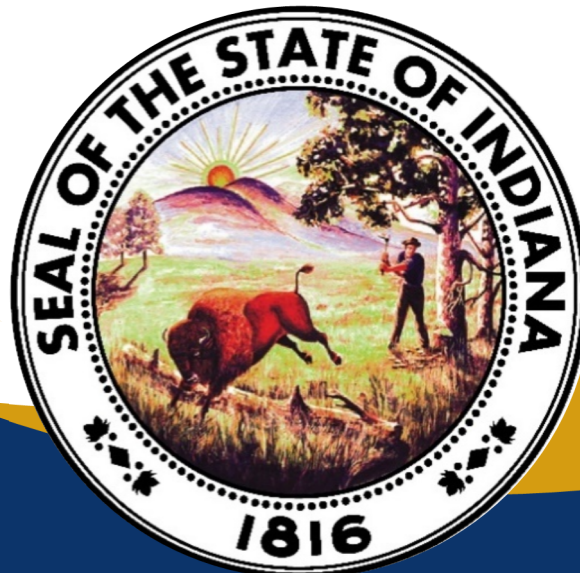
COMPLIANCE EXAMINATION REPORT

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

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April 1, 2025

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

This report is supplemental to the audit report of Caston School Corporation (the School Corporation), for the period July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report for Caston School Corporation prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 and 4.

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

Tammy R. White, CPA  
Deputy State Examiner

**COMPLIANCE EXAMINATION OF**  
**CASTON SCHOOL CORPORATION**  
Fulton County, Indiana  
July 1, 2022 through June 30, 2024

CASTON SCHOOL CORPORATION

Fulton County, Indiana  
July 1, 2022 through June 30, 2024

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CASTON SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS  
July 1, 2022 through June 30, 2024

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<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 ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Caston School Corporation

We have examined Caston School Corporation's ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period of July 1, 2022 through June 30, 2024. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period of July 1, 2022 through June 30, 2024, as described in items 2024-001 through 2024-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period of July 1, 2022 through June 30, 2024.

  
Crowe LLP

Indianapolis, Indiana  
March 20, 2025

CASTON SCHOOL CORPORATION  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-001: OVERDRAWN CASH BALANCES**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, "The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit."

**Condition:** During testing of cash fund balances, we noted the following fund that was not cost-reimbursement based with a cash balance below zero as of June 30, 2023 or June 30, 2024:

<b>Fund</b>	<b>Amount Overdrawn June 30, 2023</b>	<b>Amount Overdrawn June 30, 2024</b>
Prepaid School Lunch	\$ 187	\$ -
Social Security-Cert	2,763	2,747
P.E.R.F. Voluntary	103	103
HSA-Vol-Emp Contributions	1,798	1,978
One America-Vol-Life Ins.	621	287

This is a repeat finding from report B60851.

**FINDING 2024-002: SCHEDULES IN ANNUAL FINANCIAL REPORT – OTHER INFORMATION**

**Criteria:** Indiana Code 5-11-1-4(a) states, "*The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7.*"

**Condition:** Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained the following errors:

*Capital Assets*

The School Corporation reported \$482,512 for infrastructure, while the underlying capital asset detail showed a balance of \$142,186. The School Corporation reported \$6,123,029 for improvements other than buildings, while the underlying capital asset detail showed a balance of \$5,809,454. The schedule has been updated to agree to the underlying detail.

*Leases and Debt*

The School Corporation had included the Ad Valorem Property Tax First Mortgage Bonds in the debt section of the schedule and showed the ending principal balance due of \$4,865,000, with \$295,000 due within one year. The Ad Valorem Property Tax First Mortgage Bonds are in the Caston Educational Building Corporation's name and the building corporation is the lessor. The schedule was updated to report the transaction as a capital lease through the holding corporation with annual lease payment amounts and lease term dates.

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(Continued)

CASTON SCHOOL CORPORATION  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-002: SCHEDULES IN ANNUAL FINANCIAL REPORT – OTHER INFORMATION**  
(Continued)

*Accounts Payable / Accounts Receivable*

The School Corporation was unable to provide support for the accounts payable balance of \$17,045 presented on the other information schedule. Further, the School Corporation showed an accounts receivable balance of \$0 on the schedule, however, there are grant funds on the Annual Financial Report with a negative balance of \$459,413 at June 30, 2024, which represents receivables for grant expenditures incurred but not yet claimed. The other information schedule in the financial statements has been updated to reflect this balance.

**FINDING 2024-003: PREPAID SCHOOL MEAL ACCOUNTS**

**Criteria:** Prepaid school meals should not be considered income to the child nutrition program until students are charged a meal to their account. When a student deposits money into their school account the balance of their individual account it should not be included in Fund 800 School Lunch. The school should have a clearing account with the fund number 8400 Prepaid School Lunch Accounts, which is included in Chapter 5 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. The student deposits for school meals into their account should be recorded to fund 8400 using receipt account 1630 Special Functions. Once the student is charged meals, disburse that amount using expenditure account 31900 Other Food Services from fund 8400 and receipt this into fund 800 using the Food and Serviced receipt accounts 1611-1623 at the time established in a written policy to ensure accurate monthly reporting. The receipt at this point is considered program income and should be reported as such.

It is also a requirement that the balance of fund 8400 to be reconciled on a monthly basis to the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019).

**Condition:** A monthly reconciliation between Fund 8400, Prepaid School Lunch, and the detailed records by student was not presented for the audit.

CASTON SCHOOL CORPORATION  
EXIT CONFERENCE  
July 1, 2022 through June 30, 2024

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The contents of this report were discussed on March 20, 2025, with Angela Miller, Superintendent of Schools, Elaine Sutton, Treasurer, and Cristie Rans, President of the School Board.