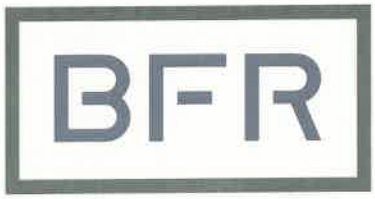
VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
VALLEY CENTER, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2024



VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
TABLE OF CONTENTS
JUNE 30, 2024

	Page
Independent Auditors' Report	1 – 4
Financial Statement	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	5
Notes to Financial Statement	6 – 13
Regulatory-Required Supplementary Information	
Summary of Expenditures - Actual and Budget	14
Schedule of Cash Receipts and Expenditures - Actual and Budget	
General Fund	15
Supplemental General Fund	16
Preschool-Aged At-Risk Fund	17
At Risk (K-12) Fund	18
Bilingual Education Fund	19
Virtual Education Fund	20
Capital Outlay Fund	21
Driver Training Fund	22
Food Service Fund	23
Professional Development Fund	24
Parent Education Program Fund	25
Summer School Fund	26
Special Education Fund	27
Career and Postsecondary Education Fund	28
KPERS Contribution Fund	29
Special Education Cooperative Fund	30
Recreation Commission Fund	31
Recreation Commission Employee Benefits Fund	32
Bond & Interest Fund	33
Schedule of Cash Receipts and Expenditures - Actual	
Federal Funds	34
Gifts and Grants Fund	35
Contingency Reserve Fund	36
Textbook & Student Material Revolving Fund	37
Schedule of Cash Receipts and Cash Disbursements	
Agency Funds	38 – 41
Schedule of Cash Receipts, Expenditures, and Unencumbered Cash	
District Activity Funds	42
Federal Award Information	
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of The Financial Statement Performed In Accordance With *Government Auditing Standards*	43 – 44
Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance	45 – 47
Schedule of Expenditures of Federal Awards	48
Notes to Schedule of Expenditures of Federal Awards	49
Schedule of Findings and Questioned Costs	50
Schedule of Prior Year Findings and Questioned Costs	51

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INDEPENDENT AUDITORS' REPORT

Board of Education
Valley Center Unified School District No. 262
Valley Center, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Valley Center Unified School District No. 262, Valley Center, Kansas**, as of and for the year ended **June 30, 2024**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Valley Center Unified School District No. 262, Valley Center, Kansas**, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Valley Center Unified School District No. 262, Valley Center, Kansas**, as of **June 30, 2024**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Valley Center Unified School District No. 262, Valley Center, Kansas** 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 adverse and unmodified audit opinions.

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Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America
As discussed in Note 1 of the financial statement, the financial statement is prepared by **Valley Center Unified School District No. 262, Valley Center, Kansas**, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Valley Center Unified School District No. 262, Valley Center, Kansas'** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements, and district activity funds schedules of regulatory basis cash receipts, expenditures, and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the

United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Valley Center Unified School District No. 262, Valley Center, Kansas**, as of and for the year ended June 30, 2023, and have issued our report thereon dated January 30, 2024, which contained an unmodified opinion on the basic financial statement.

The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/oar/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2023 (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2024, on our consideration of **Valley Center Unified School District No. 262, Valley Center, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC

BFR CPA, LLC
November 8, 2024

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 0	$ 0	$ 24,694,255	$ 24,694,255	$ 0	$ 0	$ 0
Special Purpose Funds							
Supplemental General	127,341	0	7,619,287	7,593,700	152,928	0	152,928
Preschool-Aged At-Risk	100,003	0	353,375	353,374	100,004	0	100,004
At Risk (K-12)	198,906	0	3,645,803	3,647,575	197,134	0	197,134
Bilingual Education	100,005	0	260,767	260,772	100,000	0	100,000
Virtual Education	35,009	0	157,347	157,356	35,000	0	35,000
Capital Outlay	5,139,994	0	3,596,202	1,824,030	6,912,166	0	6,912,166
Driver Training	30,957	0	34,850	33,000	32,807	0	32,807
Food Service	707,063	0	1,711,448	1,712,886	705,625	0	705,625
Professional Development	173,832	0	84,744	86,853	171,723	0	171,723
Parent Education Program	6	0	186,546	147,117	39,435	0	39,435
Summer School	30,076	0	30,775	30,007	30,844	0	30,844
Special Education	2,792,895	0	6,470,161	6,785,867	2,477,189	0	2,477,189
Career and Postsecondary Education	530,074	0	933,094	933,165	530,003	0	530,003
KPERS Contribution	0	0	3,653,783	3,653,783	0	0	0
Special Education Cooperative	1,064,333	0	8,477,360	9,174,230	367,463	0	367,463
Recreation Commission	23,221	0	1,414,819	1,425,000	13,040	0	13,040
Recreation Commission Employee Benefits	7,660	0	235,795	243,455	0	0	0
Federal Funds	(247,156)	0	1,664,655	1,608,068	(190,569)	0	(190,569)
Gifts and Grants	19,962	0	317,226	313,595	23,593	0	23,593
Contingency Reserve	1,796,491	0	0	0	1,796,491	0	1,796,491
Textbook & Student Material Revolving	128,924	0	250,829	150,877	228,876	0	228,876
District Activity Funds	141,641	0	759,835	744,732	156,744	0	156,744
Bond & Interest Fund	8,863,970	0	8,232,796	6,989,550	10,107,216	0	10,107,216
	$ 21,765,207	$ 0	$ 74,785,752	$ 72,563,247	$ 23,987,712	$ 0	$ 23,987,712

Composition of Cash:		
	Checking and Money Market Accounts	$ 24,117,611
	Certificates of Deposit	2,591
		24,120,202
	Agency Funds	(132,490)
		$ 23,987,712

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

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Valley Center Unified School District No. 262 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Valley Center, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds-used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond & Interest Fund-used to account for the accumulation of resources, including tax levies, transfers from other funds and for payment of general long-term debt.

Agency Funds-funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and bond & interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year ending June 30, 2024.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds	Gifts and Grants Fund	Contingency Reserve Fund
Textbook & Student Material Revolving Fund		District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 2 - Defined Benefit Pension Plan:

Plan description
The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions
K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds were transferred to the System.

The 2021 Legislature passed Senate Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1

million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $3,653,783 for the year ended June 30, 2024.

Net Pension Liability
At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $32,252,672. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 3 - Post Employment Benefits:

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Note 4 - Other Post Employment Benefits:

Death and Disability Other Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2024.

Note 5 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:									
Transfer from:	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Virtual Education	Professional Development	Parent Education Program	Summer School	Special Education	Career and Postsecondary Education	Total
General Fund	$ 21,020	$ 2,787,715	$ 66,067	$ 157,347	$ 0	$ 61,016	$ 5,000	$ 5,304,006	$ 0	$ 8,402,171
Supplemental General Fund	332,355	858,088	189,580	0	70,000	0	0	777,060	798,490	3,025,573
	$ 353,375	$ 3,645,803	$ 255,647	$ 157,347	$ 70,000	$ 61,016	$ 5,000	$ 6,081,066	$ 798,490	$ 11,427,744

Note 6 - Contingencies:

Grant Programs
The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management
The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 7 - Litigation:

The District is a party to various claims, none of which is expected to have a material financial impact on the financial statement.

Note 8 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 9 - Deposits:

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The rating of the District's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $24,120,202 and the bank balance was $28,480,134. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $23,345,126 was covered by federal depository insurance and the remaining $5,135,008 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Note 10 - Reimbursed Expenditures:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

Note 11 - Advance Refunding of Bond Obligation:

On December 28, 2017, the District issued $9,705,000 in General Obligation Bonds with interest rates ranging from 2.25% to 4.00%. Of the issue, $9,712,385 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 2016 bonds. As of June 30, 2024, $9,005,000 of bonds outstanding are considered defeased and not included in long-term debt below.

On November 1, 2019, the District issued $15,050,000 in General Obligation Bonds with interest rates ranging from 2.10% to 2.85%. Of the issue, $14,822,908 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 2015 bonds. As of June 30, 2024, $12,700,000 of bonds outstanding are considered defeased and not included in long-term debt below.

On April 1, 2021, the District issued $21,965,000 in General Obligation Bonds with interest rates ranging from 0.22% to 2.00%. Of the issue, $21,618,142 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 2015 and 2016 bonds. As of June 30, 2024, $11,370.000 and $7,870,000 of the 2015 and 2016 bonds outstanding are considered defeased and not included in long-term debt below.

Note 12 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Terms for long-term liabilities for the District for the year ended June 30, 2024, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2012 Series	2.00 - 3.00	12/27/2012	$ 9,255,000	9/1/2028
2015 Series	4.00 - 5.00	10/28/2015	$ 42,125,000	9/1/2033
2016 Series	2.00 - 5.00	7/6/2016	$ 18,000,000	9/1/2036
2017 Series	2.25 - 4.00	12/28/2017	$ 9,705,000	9/1/2035
2019 Series	2.10 - 2.85	11/1/2019	$ 15,050,000	9/1/2033
2021 Series	0.22 - 2.00	4/1/2021	$ 21,965,000	9/1/2033

Changes in long-term liabilities for the District for the year ended June 30, 2024, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2012 Series	$ 8,885,000	$ 0	$ 70,000	$ 8,815,000	$ 240,250
2015 Series	8,535,000	0	2,715,000	5,820,000	329,075
2016 Series	490,000	0	155,000	335,000	146,294
2017 Series	9,705,000	0	0	9,705,000	319,681
2019 Series	11,730,000	0	1,560,000	10,170,000	279,400
2021 Series	20,650,000	0	890,000	19,760,000	280,451
	$ 59,995,000	$ 0	$ 5,390,000	$ 54,605,000	$ 1,595,151

Current maturities of long-term debt and interest for the next five years and in five-year increments through maturity are as follows:

	Principal	Interest	Total Principal and Interest
2025	$ 5,560,000	$ 1,654,699	$ 7,214,699
2026	5,975,000	1,766,176	7,741,176
2027	6,150,000	1,629,106	7,779,106
2028	6,240,000	1,437,292	7,677,292
2029	7,050,000	1,256,747	8,306,747
2030 - 2034	17,295,000	3,283,321	20,578,321
2035 - 2037	6,335,000	730,983	7,065,983
	$ 54,605,000	$ 11,758,324	$ 66,363,324

Note 13 - Subsequent Events:

On August 15, 2024, the District issued General Obligation Bonds in the amount of $58,900,000 for the purpose of financing school building improvements. The bonds have interest rates of 5.00% and 4.50% and a final maturity date on September 1, 2044. Principal payments are due annually on September 1. Interest payments are due semi-annually on March 1 and September 1. Interest payments commence on March 1, 2025 and Principal payments on September 1, 2031.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 24,731,746	$ (247,565)	$ 210,074	$ 24,694,255	$ 24,694,255	$ 0
Special Purpose Funds						
Supplemental General	7,593,700	0	0	7,593,700	7,593,700	0
Preschool-Aged At-Risk	381,000	0	0	381,000	353,374	(27,626)
At Risk (K-12)	3,994,300	0	0	3,994,300	3,647,575	(346,725)
Bilingual Education	271,850	0	0	271,850	260,772	(11,078)
Virtual Education	428,400	0	0	428,400	157,356	(271,044)
Capital Outlay	4,435,000	0	0	4,435,000	1,824,030	(2,610,970)
Driver Training	48,800	0	0	48,800	33,000	(15,800)
Food Service	2,469,708	0	0	2,469,708	1,712,886	(756,822)
Professional Development	175,400	0	0	175,400	86,853	(88,547)
Parent Education Program	181,250	0	0	181,250	147,117	(34,133)
Summer School	37,600	0	0	37,600	30,007	(7,593)
Special Education	6,956,485	0	0	6,956,485	6,785,867	(170,618)
Career and Postsecondary Education	1,109,150	0	0	1,109,150	933,165	(175,985)
KPERS Contribution	4,007,296	0	0	4,007,296	3,653,783	(353,513)
Special Education Cooperative	9,250,450	0	0	9,250,450	9,174,230	(76,220)
Recreation Commission	1,425,000	0	0	1,425,000	1,425,000	0
Recreation Commission Employee Benefits	250,800	0	0	250,800	243,455	(7,345)
Federal Funds	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	1,608,068	XXXXXXXXX
Gifts and Grants	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	313,595	XXXXXXXXX
Contingency Reserve	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	150,877	XXXXXXXXX
District Activity Funds	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	744,732	XXXXXXXXX
Bond & Interest Fund	6,995,150	0	0	6,995,150	6,989,550	(5,600)
	$ 74,743,085	$ (247,565)	$ 210,074	$ 74,705,594	$ 72,563,247	$ (4,959,619)

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 249,569	$ 210,075	$ 0	$ 210,075
County Sources	6,789	0	0	0
State Sources	22,604,398	24,484,180	24,731,746	(247,566)
	22,860,756	24,694,255	$ 24,731,746	$ (37,491)
Expenditures				
Instruction	8,920,043	9,667,229	$ 10,620,060	$ (952,831)
Student Support Services	569,634	556,819	692,000	(135,181)
Instructional Support Staff	651,820	691,527	879,000	(187,473)
General Administration	800,775	977,563	836,000	141,563
School Administration	1,772,363	1,949,644	1,862,650	86,994
Central Services	564,763	732,023	708,500	23,523
Operations & Maintenance	375,322	653,352	607,025	46,327
Student Transportation Services	909,240	1,063,927	1,136,700	(72,773)
Transfers	8,296,796	8,402,171	7,389,811	1,012,360
Adjustment to Comply with Legal Max	0	0	(247,565)	247,565
Adjustment for Qualifying Budget Credits	0	0	210,074	(210,074)
	22,860,756	24,694,255	$ 24,694,255	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 2,453,822	$ 2,686,485	$ 2,492,895	$ 193,590
County Sources	271,397	264,955	305,617	(40,662)
State Sources	4,593,918	4,667,847	4,667,847	0
	7,319,137	7,619,287	$ 7,466,359	$ 152,928
Expenditures				
Instruction	514,640	533,280	$ 1,404,240	$ (870,960)
Student Support Services	15,620	10,870	15,000	(4,130)
Instructional Support Staff	122,236	70,147	95,000	(24,853)
General Administration	5,236	5,637	5,000	637
School Administration	203,649	185,916	243,000	(57,084)
Central Services	708,140	799,991	878,500	(78,509)
Operations & Maintenance	2,781,502	2,962,286	3,214,100	(251,814)
Transfers	2,894,905	3,025,573	1,738,860	1,286,713
	7,245,928	7,593,700	$ 7,593,700	$ 0
Receipts Over (Under) Expenditures	73,209	25,587		
Unencumbered Cash, Beginning	54,132	127,341		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 127,341	$ 152,928		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Preschool-Aged At-Risk Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 330,475	$ 353,375	$ 281,050	$ 72,325
	330,475	353,375	$ 281,050	$ 72,325
Expenditures				
Instruction	324,430	353,374	$ 376,000	$ (22,626)
Student Support Services	6,043	0	5,000	(5,000)
	330,473	353,374	$ 381,000	$ (27,626)
Receipts Over (Under) Expenditures	2	1		
Unencumbered Cash, Beginning	100,001	100,003		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 100,003	$ 100,004		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

At Risk (K-12) Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 3,935	$ 0	$ 0	$ 0
Transfers	3,465,624	3,645,803	3,795,450	(149,647)
	3,469,559	3,645,803	$ 3,795,450	$ (149,647)
Expenditures				
Instruction	3,095,698	3,136,818	$ 3,442,800	$ (305,982)
Student Support Services	474,960	497,481	551,500	(54,019)
Instructional Support Staff	0	13,276	0	13,276
	3,570,658	3,647,575	$ 3,994,300	$ (346,725)
Receipts Over (Under) Expenditures	(101,099)	(1,772)		
Unencumbered Cash, Beginning	300,005	198,906		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 198,906	$ 197,134		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 6,379	$ 5,120	$ 10,100	$ (4,980)
Transfers	174,960	255,647	161,800	93,847
	181,339	260,767	$ 171,900	$ 88,867
Expenditures				
Instruction	126,244	259,845	$ 271,850	$ (12,005)
Instructional Support Staff	55,090	927	0	927
	181,334	260,772	$ 271,850	$ (11,078)
Receipts Over (Under) Expenditures	5	(5)		
Unencumbered Cash, Beginning	100,000	100,005		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 100,005	$ 100,000		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 300	$ 0	$ 0	$ 0
Transfers	135,810	157,347	393,391	(236,044)
	136,110	157,347	$ 393,391	$ (236,044)
Expenditures				
Instruction	102,590	113,779	$ 376,300	$ (262,521)
Student Support Services	162	169	200	(31)
Instructional Support Staff	300	2,751	0	2,751
School Administration	33,543	36,718	45,700	(8,982)
Operations & Maintenance	4,507	3,939	6,200	(2,261)
	141,102	157,356	$ 428,400	$ (271,044)
Receipts Over (Under) Expenditures	(4,992)	(9)		
Unencumbered Cash, Beginning	40,001	35,009		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 35,009	$ 35,000		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,722,166	$ 2,542,195	$ 1,440,745	$ 1,101,450
County Sources	135,857	133,119	157,954	(24,835)
State Sources	792,887	920,888	920,953	(65)
	2,650,910	3,596,202	$ 2,519,652	$ 1,076,550
Expenditures				
Instruction	398,136	188,872	$ 250,000	$ (61,128)
Student Support Services	946	12,440	100,000	(87,560)
Instructional Support Staff	129,741	19,469	100,000	(80,531)
General Administration	1,714	9,380	50,000	(40,620)
School Administration	25,709	66,979	50,000	16,979
Central Services	130,485	65,528	100,000	(34,472)
Operations & Maintenance	444,194	380,733	750,000	(369,267)
Transportation	192,753	357,180	300,000	57,180
Other Support Services	0	0	500,000	(500,000)
Facility Acquisition & Construction Services	1,656,343	723,449	2,235,000	(1,511,551)
	2,980,021	1,824,030	$ 4,435,000	$ (2,610,970)
Receipts Over (Under) Expenditures	(329,111)	1,772,172		
Unencumbered Cash, Beginning	5,469,105	5,139,994		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 5,139,994	$ 6,912,166		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Driver Training Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 17,488	$ 13,365	$ 18,000	$ (4,635)
State Sources	11,760	21,485	26,190	(4,705)
	29,248	34,850	$ 44,190	$ (9,340)
Expenditures				
Instruction	30,686	32,838	$ 48,800	$ (15,962)
Vehicle Operations, Maintenance Services	165	162	0	162
	30,851	33,000	$ 48,800	$ (15,800)
Receipts Over (Under) Expenditures	(1,603)	1,850		
Unencumbered Cash, Beginning	32,560	30,957		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 30,957	$ 32,807		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Food Service Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 568,903	$ 618,753	$ 1,289,244	$ (670,491)
State Sources	14,669	15,702	11,294	4,408
Federal Sources	1,106,892	1,076,993	976,074	100,919
	1,690,464	1,711,448	$ 2,276,612	$ (565,164)
Expenditures				
Operations & Maintenance	132,795	71,194	$ 266,708	$ (195,514)
Food Service Operation	1,637,217	1,641,692	2,203,000	(561,308)
	1,770,012	1,712,886	$ 2,469,708	$ (756,822)
Receipts Over (Under) Expenditures	(79,548)	(1,438)		
Unencumbered Cash, Beginning	786,611	707,063		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 707,063	$ 705,625		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 0	$ 4,120	$ 0	$ 4,120
State Sources	6,463	10,624	17,250	(6,626)
Transfers	40,000	70,000	0	70,000
	46,463	84,744	$ 17,250	$ 67,494
Expenditures				
Instructional Support Staff	43,846	83,236	$ 173,400	$ (90,164)
Central Services	3,984	3,617	2,000	1,617
	47,830	86,853	$ 175,400	$ (88,547)
Receipts Over (Under) Expenditures	(1,367)	(2,109)		
Unencumbered Cash, Beginning	175,199	173,832		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 173,832	$ 171,723		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Parent Education Program Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 150	$ 52,500	$ 0	$ 52,500
State Sources	62,019	73,030	73,030	0
Transfers	55,485	61,016	108,220	(47,204)
	117,654	186,546	$ 181,250	$ 5,296
Expenditures				
Student Support Services	110,753	138,288	$ 181,250	$ (42,962)
Central Services	6,898	8,829	0	8,829
	117,651	147,117	$ 181,250	$ (34,133)
Receipts Over (Under) Expenditures	3	39,429		
Unencumbered Cash, Beginning	3	6		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 6	$ 39,435		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Summer School Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 9,688	$ 25,775	$ 10,000	$ 15,775
Transfers	0	5,000	0	5,000
	9,688	30,775	$ 10,000	$ 20,775
Expenditures				
Instruction	12,420	29,239	$ 37,600	$ (8,361)
Student Support Services	0	768	0	768
	12,420	30,007	$ 37,600	$ (7,593)
Receipts Over (Under) Expenditures	(2,732)	768		
Unencumbered Cash, Beginning	32,808	30,076		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 30,076	$ 30,844		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 410,575	$ 389,095	$ 0	$ 389,095
Federal Sources	900	0	300,000	(300,000)
Transfers	6,085,493	6,081,066	3,864,000	2,217,066
	6,496,968	6,470,161	$ 4,164,000	$ 2,306,161
Expenditures				
Instruction	5,680,903	6,225,211	$ 6,300,485	$ (75,274)
Student Transportation Services	591,703	560,656	656,000	(95,344)
	6,272,606	6,785,867	$ 6,956,485	$ (170,618)
Receipts Over (Under) Expenditures	224,362	(315,706)		
Unencumbered Cash, Beginning	2,568,533	2,792,895		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 2,792,895	$ 2,477,189		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 63,304	$ 117,665	$ 90,000	$ 27,665
State Sources	3,930	16,939	5,400	11,539
Federal Sources	0	0	22,222	(22,222)
Transfers	903,854	798,490	524,760	273,730
	971,088	933,094	$ 642,382	$ 290,712
Expenditures				
Instruction	891,932	881,393	$ 998,000	$ (116,607)
Student Support Services	671	0	0	0
Instructional Support Staff	73,229	36,436	95,150	(58,714)
Student Transportation Services	4,440	15,336	16,000	(664)
	970,272	933,165	$ 1,109,150	$ (175,985)
Receipts Over (Under) Expenditures	816	(71)		
Unencumbered Cash, Beginning	529,258	530,074		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 530,074	$ 530,003		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

KPERS Contribution Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 3,484,605	$ 3,653,783	$ 4,007,296	$ (353,513)
	3,484,605	3,653,783	$ 4,007,296	$ (353,513)
Expenditures				
Instruction	2,195,373	2,299,948	$ 2,522,474	$ (222,526)
Student Support Services	382,350	399,140	437,758	(38,618)
Instructional Support Staff	137,324	148,073	162,399	(14,326)
General Administration	82,138	86,203	94,544	(8,341)
School Administration	223,706	218,257	239,374	(21,117)
Central Services	120,522	124,426	136,464	(12,038)
Operations & Maintenance	157,958	166,564	182,680	(16,116)
Student Transportation Services	116,730	134,996	148,058	(13,062)
Food Service Operation	68,504	76,176	83,545	(7,369)
	3,484,605	3,653,783	$ 4,007,296	$ (353,513)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Special Education Cooperative Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 6,783,237	$ 7,370,763	$ 7,376,319	$ (5,556)
Federal Sources	1,118,939	1,106,597	815,667	290,930
	7,902,176	8,477,360	$ 8,191,986	$ 285,374
Expenditures				
Instruction	5,549,559	6,306,746	$ 6,385,000	$ (78,254)
Student Support Services	2,008,261	2,243,007	2,166,000	77,007
Instructional Support Staff	305,836	314,009	373,250	(59,241)
General Administration	235,385	255,824	270,000	(14,176)
Central Services	47,375	52,801	54,200	(1,399)
Student Transportation Services	1,690	1,843	2,000	(157)
	8,148,106	9,174,230	$ 9,250,450	$ (76,220)
Receipts Over (Under) Expenditures	(245,930)	(696,870)		
Unencumbered Cash, Beginning	1,310,263	1,064,333		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,064,333	$ 367,463		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Recreation Commission Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,175,133	$ 1,289,798	$ 1,294,606	$ (4,808)
County Sources	95,688	125,021	144,308	(19,287)
	1,270,821	1,414,819	$ 1,438,914	$ (24,095)
Expenditures				
Community Service Operations	1,247,600	1,425,000	$ 1,425,000	$ 0
	1,247,600	1,425,000	$ 1,425,000	$ 0
Receipts Over (Under) Expenditures	23,221	(10,181)		
Unencumbered Cash, Beginning	0	23,221		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 23,221	$ 13,040		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Recreation Commission Employee Benefits Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 196,898	$ 214,963	$ 219,338	$ (4,375)
County Sources	20,762	20,832	24,001	(3,169)
	217,660	235,795	$ 243,339	$ (7,544)
Expenditures				
Community Service Operations	210,000	243,455	$ 250,800	$ (7,345)
	210,000	243,455	$ 250,800	$ (7,345)
Receipts Over (Under) Expenditures	7,660	(7,660)		
Unencumbered Cash, Beginning	0	7,660		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 7,660	$ 0		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Bond & Interest Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 3,827,707	$ 4,177,898	$ 4,028,499	$ 149,399
County Sources	410,712	404,996	467,482	(62,486)
State Sources	3,709,992	3,649,902	3,788,465	(138,563)
	7,948,411	8,232,796	$ 8,284,446	$ (51,650)
Expenditures				
Debt Service	6,992,550	6,989,550	$ 6,995,150	$ (5,600)
	6,992,550	6,989,550	$ 6,995,150	$ (5,600)
Receipts Over (Under) Expenditures	955,861	1,243,246		
Unencumbered Cash, Beginning	7,908,109	8,863,970		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 8,863,970	$10,107,216		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 2,198,812	$ 1,664,655
	2,198,812	1,664,655
Expenditures		
Instruction	1,470,761	1,172,845
Student Support Services	176,811	274,713
Instructional Support Staff	203,167	51,129
General Administration	5,014	3,449
School Administration	23,499	20,154
Central Services	86,763	11,101
Operations & Maintenance	101,295	31,738
Student Transportation Services	31,681	28,928
Food Service Operation	19,346	14,011
	2,118,337	1,608,068
Receipts Over (Under) Expenditures	80,475	56,587
Unencumbered Cash, Beginning	(327,631)	(247,156)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (247,156)	$ (190,569)

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 15,742	$ 25,180
State Sources	250,716	282,716
Federal Sources	30,000	9,330
	296,458	317,226
Expenditures		
Instruction	44,922	38,341
Student Support Services	195,503	274,191
General Administration	2,456	1,063
Central Services	242	0
Operations & Maintenance	54,842	0
	297,965	313,595
Receipts Over (Under) Expenditures	(1,507)	3,631
Unencumbered Cash, Beginning	21,469	19,962
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 19,962	$ 23,593

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 0
	0	0
Expenditures		
Transfers	0	0
	0	0
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	1,796,491	1,796,491
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 1,796,491	$ 1,796,491

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Textbook & Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 208,260	$ 250,829
	208,260	250,829
Expenditures		
Instruction	213,648	103,789
Support Services	17,461	47,088
	231,109	150,877
Receipts Over (Under) Expenditures	(22,849)	99,952
Unencumbered Cash, Beginning	151,773	128,924
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 128,924	$ 228,876

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Class of 2023	$ 1,828	$ 0	$ 1,828	$ 0
Class of 2024	1,430	457	1,665	222
Class of 2025	5,322	10,230	11,564	3,988
Class of 2026	2,181	4,995	856	6,320
Class of 2027	0	3,491	315	3,176
Student Services	864	2,492	3,515	(159)
TLC Student Services	376	250	135	491
Pepsi	214	1,878	1,500	592
Library	512	93	106	499
Sales Tax	602	3,590	3,728	464
Band Activity	931	3,060	3,701	290
Choir Activities	1,569	6,598	4,773	3,394
Counselor Activity	1,955	4,233	3,909	2,279
Crime Stoppers	485	0	0	485
Field Trip	124	0	0	124
Gifted	407	0	0	407
Math Department	227	0	0	227
Musical	11,056	7,677	8,527	10,206
Vending DECA	4,129	5,414	7,068	2,475
Hornet Food Pantry	995	1,828	1,341	1,482
SALT	264	0	0	264
Serve VC Community	1,000	0	0	1,000
Hornet Studios	29	0	0	29
Next Steps Academy	1,239	7,325	6,414	2,150
Frosty Fruit DECA	19	91	91	19
Auto Parts	620	5,699	5,568	751
Woods Project	4,877	4,204	8,895	186
Yearbook	8,311	3,111	6,965	4,457
PE Uniforms	(1,658)	1,658	0	0
Art Club	1,394	358	669	1,083
Chess Club	570	10	90	490
	51,872	78,742	83,223	47,391

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School (Continued)				
DECA	194	10,861	6,417	4,638
Drama Club	194	12,198	9,614	2,778
FBLA	685	750	0	1,435
FCCLA	4,822	0	0	4,822
Friendship Club	601	322	318	605
HOSA	1,027	0	0	1,027
Letterwomen's Club	635	1,963	1,667	931
National Forensics	2,281	1,145	3,334	92
National Honor Society	359	0	0	359
Robotics	3,253	311	448	3,116
SADD	989	676	596	1,069
Scholars Bowl	785	618	379	1,024
Science Club	419	0	0	419
Skills USA/TSA	1,464	0	0	1,464
Spanish Club	17	0	0	17
Student Council	4,290	4,786	5,150	3,926
Varsity Club	112	0	0	112
Spanish Travels	2,177	0	0	2,177
SHOW	20	0	0	20
GSA	391	0	0	391
SAFE	1,883	0	584	1,299
FAA Activity	143	0	73	70
Europe Travels	5,063	0	0	5,063
PBS Activity	611	1,025	664	972
Empowered & Educated	1,077	969	1,412	634
Car Club	1,062	1,726	329	2,459
Band DC Travels	936	0	0	936
eSports	0	1,774	1,204	570
eSports	0	50	0	50
eSports	0	2,000	0	2,000
Environment Club	506	342	110	738
	87,868	120,258	115,522	92,604

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Middle School				
Student Services	57	1,913	1,885	85
Faculty Services	291	3,259	3,523	27
PE Activity Account	1,289	3,757	3,821	1,225
Choir Activity Account	655	110	257	508
Bus Trips	7	2,363	2,370	0
Sales Tax	0	1,376	1,376	0
Dare Account	(53)	53	0	0
Brew Crew	52	0	52	0
Student Council	1,915	5,918	6,084	1,749
Yearbook	863	876	560	1,179
Academic Activities	(15)	15	0	0
Fundraiser	0	15	0	15
Leadership Program	8	0	0	8
Band Fundraiser	823	1,020	1,029	814
Let's Move Club	0	2,819	2,436	383
MS SHOW Account	1,411	0	0	1,411
Robotics	96	0	70	26
D&D Club	500	0	440	60
Concessions	203	11,811	11,620	394
	8,102	35,305	35,523	7,884
Intermediate School				
Faculty Services	22	175	34	163
Student Services	110	4,596	4,542	164
PE Account	3,295	4,920	7,125	1,090
Stuco	4,133	7,236	6,168	5,201
Robotics	65	0	0	65
Kindness Club	565	1,630	1,398	797
Sales Tax	0	675	675	0
	8,190	19,232	19,942	7,480

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Abilene Elementary				
Faculty Account	4,188	1,054	2,131	3,111
Revolving Account	0	72	72	0
Student Services	6,419	60	535	5,944
Gifts and Grants	2,789	125	241	2,673
	13,396	1,311	2,979	11,728
West Elementary				
Faculty Account	1,480	462	385	1,557
Student Services	9,118	551	2,337	7,332
PE Account	1,865	800	720	1,945
Sales Tax	116	0	0	116
Owls	26	0	0	26
	12,605	1,813	3,442	10,976
Wheatland Elementary				
Faculty Accounts	2,670	497	2,578	589
Student Services	267	7,408	9,228	(1,553)
Sales Tax	38	195	42	191
	2,975	8,100	11,848	(773)
Scholarship and Memorials				
Dawson Scholarship	2,961	34	404	2,591
	2,961	34	404	2,591
Total Agency Funds	$ 136,097	$ 186,053	$ 189,660	$ 132,490

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
School Projects							
Athletics	$ 97,605	$ 0	$ 613,960	$ 591,191	$ 120,374	$ 0	$ 120,374
Middle School	1,690	0	4,967	5,511	1,146	0	1,146
Middle School Athletics	28,580	0	124,519	131,775	21,324	0	21,324
Intermediate School	2,124	0	4,503	4,741	1,886	0	1,886
Abilene Elementary	1,947	0	1,921	1,946	1,922	0	1,922
West Elementary	2,531	0	3,427	3,201	2,757	0	2,757
Wheatland Elementary	7,164	0	6,538	6,367	7,335	0	7,335
Total District Activity Funds	$ 141,641	$ 0	$ 759,835	$ 744,732	$ 156,744	$ 0	$ 156,744

FEDERAL AWARD INFORMATION

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

Board of Education
Valley Center Unified School District No. 262
Valley Center, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Valley Center Unified School District No. 262, Valley Center, Kansas**, as of and for the year ended **June 30, 2024**, and the related notes to the financial statement, which collectively comprise **Valley Center Unified School District No. 262, Valley Center, Kansas'** basic financial statement, and have issued our report thereon dated November 8, 2024. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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.

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Board of Education
Valley Center Unified School District No. 262

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 result 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.

BFR CPA, LLC

BFR CPA, LLC
November 8, 2024

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

Board of Education
Valley Center Unified School District No. 262
Valley Center, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** major federal programs for the year ended **June 30, 2024**. **Valley Center Unified School District No. 262, Valley Center, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Valley Center Unified School District No. 262, Valley Center, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2024**.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of **Valley Center Unified School District No. 262, Valley Center, Kansas** 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Valley Center Unified School District No. 262, Valley Center, Kansas'** compliance with the compliance requirements referred to above.

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Board of Education
Valley Center Unified School District No. 262

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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** major federal programs.

Auditors' 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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Valley Center Unified School District No. 262, Valley Center, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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.

Board of Education
Valley Center Unified School District No. 262

Report on Internal Control over Compliance

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

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

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

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

BFR CPA, LLC

BFR CPA, LLC
November 8, 2024

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grant Title	Assistance Listing Number	Program Amount	Expenditures
(Passes Through Kansas Department of Education)			
Department of Agriculture			
Child Nutrition Cluster-Cluster			
School Breakfast Program	10.553	$ 184,517	$ 184,517
National School Lunch Program	10.555	770,280	770,280
Summer Food Service Program for Children	10.559	116,251	116,251
		1,071,048	1,071,048
Child and Adult Care Food Program	10.558	5,945	5,945
		1,076,993	1,076,993
Department of Education			
Title I Grants to Local Education Agencies	84.010	370,139	389,168
Special Education Cluster (IDEA)-Cluster			
Special Education Grants to States	84.027	803,090	803,090
Special Education Preschool Grants	84.173	11,910	11,910
		815,000	815,000
Career and Technical Education - Basic Grants to States	84.048	22,324	22,324
Supporting Effective Instruction State Grants	84.367	36,681	41,650
Student Support and Academic Enrichment Program	84.424	30,536	31,734
COVID-19 Education Stabilization Fund	84.425U	2,570,695	995,621
		3,845,375	2,295,497
Department of Health and Human Services			
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	98,208	127,571
Temporary Assistance for Needy Families	93.558	9,330	9,330
		107,538	136,901
(Passes Through Kansas Department of Health and Environment)			
Department of Health and Human Services			
Medicaid Cluster-Cluster			
Medical Assistance Program	93.778	291,597	291,597
		291,597	291,597
Total Federal Awards		$ 5,321,503	$ 3,800,988

The accompanying notes are an integral part of this schedule.

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Valley Center Unified School District No. 262, Valley Center, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement in accordance with the regulatory basis of accounting of **Valley Center Unified School District No. 262, Valley Center, Kansas**.

2. No significant deficiencies or material weaknesses were reported in the Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statement of **Valley Center Unified School District No. 262, Valley Center, Kansas**, were disclosed during the audit.

4. No significant deficiencies or material weakness were reported in the Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award programs for **Valley Center Unified School District No. 262, Valley Center, Kansas**, expresses an unmodified opinion on all major federal programs.

6. There were no audit findings relative to the major federal award programs for **Valley Center Unified School District No. 262, Valley Center, Kansas**.

7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
COVID-19 Education Stabilization Fund	84.425U

8. The threshold for distinguishing Types A and B programs was $750,000.

9. **Valley Center Unified School District No. 262, Valley Center, Kansas**, was determined not to be a low-risk auditee.

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

There are no prior audit findings.