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

FINANCIAL STATEMENT
JUNE 30, 2021

BFR

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
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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, 2021,** and the related notes to the financial statement.

Management's Responsibility for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. 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.

Auditors' Responsibility
Our responsibility is to express an opinion on the financial statement based on our audit. 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*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Board of Education
Valley Center Unified School District No. 262

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
As described in Note 1 of the financial statement, the financial statement is prepared by **Valley Center Unified School District No. 262, Valley Center, Kansas**, to meet the requirements of the State of 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.

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 Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the 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**, as of **June 30, 2021**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting
In our opinion, the 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, 2021**, 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.

Report on 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, schedule of cash receipts and expenditures-capital projects, 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 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 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.

Board of Education
Valley Center Unified School District No. 262

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 information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2020 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2020 basic financial statement upon which we rendered an unmodified opinion dated January 5, 2021. The 2020 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 http://da.ks.gov/ar/muniserv/. Such 2020 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 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 comparative information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole, 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 October 27, 2021, 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 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 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
October 27, 2021

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

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	$ 20,854,516	$ 20,854,516	$ 0	$ 0	$ 0
Special Purpose Funds							
Supplemental General	151,245	0	6,649,757	6,675,000	126,002	0	126,002
Preschool-Aged At-Risk	80,002	0	201,675	191,650	90,027	0	90,027
At Risk (K-12)	550,006	0	1,754,050	1,654,019	650,037	0	650,037
Bilingual Education	60,001	0	197,870	177,866	80,005	0	80,005
Virtual Education	30,000	0	131,230	121,219	40,011	0	40,011
Capital Outlay	3,786,680	0	2,207,707	2,147,139	3,847,248	0	3,847,248
Driver Training	47,135	0	8,200	10,856	44,479	0	44,479
Food Service	281,943	0	889,563	1,102,631	68,875	0	68,875
Professional Development	172,225	0	37,659	35,932	173,952	0	173,952
Parent Education Program	3	0	101,200	101,196	7	0	7
Summer School	11,651	0	5,945	0	17,596	0	17,596
Special Education	2,150,661	0	6,034,560	5,685,208	2,500,013	0	2,500,013
Career and Postsecondary Education	90,611	0	934,688	811,289	214,010	0	214,010
KPERS Contribution	0	0	2,393,943	2,393,943	0	0	0
Recreation Commission	0	0	695,048	695,048	0	0	0
Recreation Commission Employee Benefits	8,870	0	167,240	176,110	0	0	0
Federal Funds	(138)	0	856,192	886,773	(30,719)	0	(30,719)
Gifts and Grants	16,735	0	180,640	175,653	21,722	0	21,722
Contingency Reserve	1,406,491	0	300,000	0	1,706,491	0	1,706,491
Textbook and Student Material Revolving	256,048	0	220,349	154,551	321,846	0	321,846
District Activity Funds	46,498	0	513,441	477,752	82,187	0	82,187
Bond and Interest	5,277,739	0	6,817,228	5,406,943	6,688,024	0	6,688,024
Capital Projects	1,106,275	0	3,710	400,000	709,985	0	709,985
	$ 15,530,681	$ 0	$ 52,156,411	$ 50,335,294	$ 17,351,798	$ 0	$ 17,351,798

Composition of Cash:	Checking and Money Market Accounts	$ 17,497,272
	Agency Funds	(145,474)
		$ 17,351,798

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, 2021

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-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 and 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.

Capital Projects Fund-used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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 and 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.

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 amendments to the budget for the year ended June 30, 2021.

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 and 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 - In Substance Receipt in Transit:

The District received $1,496,523 subsequent to June 30, 2021, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

Note 3 - 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 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual paymentsof $19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for SenateBill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

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 $2,393,943 for the year ended June 30, 2021.

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $24,050,731. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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, 2020. 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 4 - Postemployment 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 5 - Capital Projects:

At year-end, capital project authorization compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
School Renovations and Improvements	$ 19,772,552	$ 19,062,567

Note 6 - 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	Capital Outlay	Professional Development	Parent Education Program	Summer School	Special Education	Career and Postsecondary Education	Contingency Reserve	Total
General Fund	$ 0	$ 650,000	$ 80,000	$ 130,640	$ 330,104	$ 0	$ 38,670	$ 0	$ 3,406,872	$ 588,670	$ 300,000	$ 5,524,956
Supplemental General Fund	201,675	1,102,860	107,950	0	0	30,000	0	5,000	2,242,957	290,140	0	3,980,582
	$ 201,675	$ 1,752,860	$ 187,950	$ 130,640	$ 330,104	$ 30,000	$ 38,670	$ 5,000	$ 5,649,829	$ 878,810	$ 300,000	$ 9,505,538

Note 7 - 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 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 - Subsequent Events:

The District has evaluated subsequent events through October 27, 2021, the date which the financial statement was available to be issued.

Note 10 - 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 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, 2021.

At June 30, 2021, the District's carrying amount of deposits was $17,497,272 and the bank balance was $18,407,590. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and the remaining $17,907,590 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Note 11 - 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 12 - 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, 2021, $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, 2021, $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, 2021, $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 13 - 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.

Lease payments are due monthly and annually.

Terms for long-term liabilities for the District for the year ended June 30, 2021, 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	12/27/12	$ 9,255,000	9/1/28
2015 Series	4.00 - 5.00	10/28/15	$ 42,125,000	9/1/33
2016 Series	2.00 - 5.00	7/6/16	$ 18,000,000	9/1/36
2017 Series	2.25 - 4.00	12/28/17	$ 9,705,000	9/1/35
2019 Series	2.10 - 2.85	11/1/19	$ 15,050,000	9/1/33
2021 Series	0.22 - 2.00	4/1/21	$ 21,965,000	9/1/33
Capital Leases				
iPads	2.05	5/14/18	$ 134,870	7/15/21
Chromebooks	5.11	8/1/18	$ 167,056	7/1/21

Changes in long-term liabilities for the District for the year ended June 30, 2021, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2012 Series	$ 9,155,000	$ 0	$ 100,000	$ 9,055,000	$ 245,350
2015 Series	27,210,000	0	13,650,000	13,560,000	1,160,000
2016 Series	8,850,000	0	8,065,000	785,000	760,800
2017 Series	9,705,000	0	0	9,705,000	0
2019 Series	15,050,000	0	300,000	14,750,000	365,793
2021 Series	0	21,965,000	0	21,965,000	0
	69,970,000	21,965,000	22,115,000	69,820,000	2,531,943
Capital Leases					
iPads	67,555	0	33,435	34,120	1,385
Chromebooks	83,425	0	83,424	0	6,444
	150,980	0	116,859	34,120	7,829
	$ 70,120,980	$ 21,965,000	$ 22,231,859	$ 69,854,120	$ 2,539,772

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			
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	Total Principal and Interest
2022	$ 4,605,000	$ 34,120	$ 4,639,120	$ 157,717	$ 699	$ 158,416	$ 4,797,536
2023	5,220,000	0	5,220,000	1,575,300	0	1,575,300	6,795,300
2024	5,390,000	0	5,390,000	1,536,601	0	1,536,601	6,926,601
2025	5,560,000	0	5,560,000	1,654,699	0	1,654,699	7,214,699
2026	5,975,000	0	5,975,000	1,766,176	0	1,766,176	7,741,176
2027 - 2031	33,060,000	0	33,060,000	6,055,078	0	6,055,078	39,115,078
2032 - 2036	10,010,000	0	10,010,000	2,201,222	0	2,201,222	12,211,222
2037	0	0	0	81,150	0	81,150	81,150
	$ 69,820,000	$ 34,120	$ 69,854,120	$ 15,027,943	$ 699	$ 15,028,642	$ 84,882,762

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, 2021

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	$ 21,294,367	$ (520,607)	$ 80,756	$ 20,854,516	$ 20,854,516	$ 0
Special Purpose Funds						
Supplemental General	6,675,000	0	0	6,675,000	6,675,000	0
Preschool-Aged At-Risk	191,650	0	0	191,650	191,650	0
At Risk (K-12)	1,956,500	0	0	1,956,500	1,654,019	(302,481)
Bilingual Education	255,600	0	0	255,600	177,866	(77,734)
Virtual Education	319,150	0	0	319,150	121,219	(197,931)
Capital Outlay	4,035,000	0	0	4,035,000	2,147,139	(1,887,861)
Driver Training	42,750	0	0	42,750	10,856	(31,894)
Food Service	1,815,000	0	0	1,815,000	1,102,631	(712,369)
Professional Development	179,000	0	0	179,000	35,932	(143,068)
Parent Education Program	112,800	0	0	112,800	101,196	(11,604)
Summer School	39,250	0	0	39,250	0	(39,250)
Special Education	6,049,607	0	0	6,049,607	5,685,208	(364,399)
Career and Postsecondary Education	956,250	0	0	956,250	811,289	(144,961)
KPERS Contribution	2,701,353	0	0	2,701,353	2,393,943	(307,410)
Recreation Commission	701,000	0	0	701,000	695,048	(5,952)
Recreation Commission Employee Benefits	185,000	0	0	185,000	176,110	(8,890)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	886,773	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	175,653	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook and Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	154,551	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	477,752	XXXXXXXXXX
Bond and Interest	5,410,143	0	0	5,410,143	5,406,943	(3,200)
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	400,000	XXXXXXXXXX
	$ 52,919,420	$ (520,607)	$ 80,756	$ 52,479,569	$ 50,335,294	$ (4,239,004)

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 54,169	$ 80,756	$ 0	$ 80,756
County Sources	20,957	6,252	0	6,252
State Sources	19,898,049	20,767,508	21,294,367	(526,859)
	19,973,175	20,854,516	$ 21,294,367	$ (439,851)
Expenditures				
Instruction	9,109,746	9,643,474	$ 10,088,797	$ (445,323)
Student Support Services	608,270	675,678	824,000	(148,322)
Instructional Support Staff	532,560	606,678	614,000	(7,322)
General Administration	661,073	597,874	744,800	(146,926)
School Administration	1,597,646	1,673,841	1,680,000	(6,159)
Central Services	333,784	348,729	363,750	(15,021)
Operations & Maintenance	1,217,241	1,033,664	1,358,450	(324,786)
Student Transportation Services	867,793	749,622	1,015,070	(265,448)
Architectural & Engineering Service	0	0	0	0
Transfers	5,045,062	5,524,956	4,605,500	919,456
Adjustment to Comply with Legal Max	0	0	(520,607)	520,607
Adjustment for Qualifying Budget Credits	0	0	80,756	(80,756)
	19,973,175	20,854,516	$ 20,854,516	$ 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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,954,354	$ 2,016,820	$ 1,899,736	$ 117,084
County Sources	288,897	286,177	277,258	8,919
State Sources	4,080,000	4,346,760	4,346,760	0
	6,323,251	6,649,757	$ 6,523,754	$ 126,003
Expenditures				
Instruction	650,953	297,148	$ 1,365,900	$ (1,068,752)
Student Support Services	23,545	10,227	86,000	(75,773)
Instructional Support Staff	73,130	65,292	77,000	(11,708)
General Administration	8,224	4,509	5,000	(491)
School Administration	172,232	128,503	216,000	(87,497)
Central Services	641,765	708,929	734,500	(25,571)
Operations & Maintenance	1,529,776	1,479,810	1,987,000	(507,190)
Transfers	3,275,375	3,980,582	2,203,600	1,776,982
	6,375,000	6,675,000	$ 6,675,000	$ 0
Receipts Over (Under) Expenditures	(51,749)	(25,243)		
Unencumbered Cash, Beginning	202,994	151,245		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 151,245	$ 126,002		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Preschool-Aged At-Risk Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 184,120	$ 201,675	$ 111,700	$ 89,975
	184,120	201,675	$ 111,700	$ 89,975
Expenditures				
Instruction	165,412	191,167	$ 186,650	$ 4,517
Student Support Services	3,769	413	5,000	(4,587)
School Administration	0	70	0	70
	169,181	191,650	$ 191,650	$ 0
Receipts Over (Under) Expenditures	14,939	10,025		
Unencumbered Cash, Beginning	65,063	80,002		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 80,002	$ 90,027		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

At Risk Fund (K-12)	Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,754	$ 1,190	$ 0	$ 1,190
Transfers	1,718,935	1,752,860	1,410,000	342,860
	1,720,689	1,754,050	$ 1,410,000	$ 344,050
Expenditures				
Instruction	1,278,709	1,291,109	$ 1,568,000	$ (276,891)
Student Support Services	362,027	362,910	385,000	(22,090)
Student Transportation Services	0	0	3,500	(3,500)
	1,640,736	1,654,019	$ 1,956,500	$ (302,481)
Receipts Over (Under) Expenditures	79,953	100,031		
Unencumbered Cash, Beginning	470,053	550,006		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 550,006	$ 650,037		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 0	$ 9,920	$ 0	$ 9,920
Transfers	212,470	187,950	195,600	(7,650)
	212,470	197,870	$ 195,600	$ 2,270
Expenditures				
Instruction	139,368	127,560	$ 186,500	$ (58,940)
Instructional Support Staff	58,144	50,306	69,100	(18,794)
	197,512	177,866	$ 255,600	$ (77,734)
Receipts Over (Under) Expenditures	14,958	20,004		
Unencumbered Cash, Beginning	45,043	60,001		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 60,001	$ 80,005		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 490	$ 590	$ 0	$ 590
Transfers	140,410	130,640	289,700	(159,060)
	140,900	131,230	$ 289,700	$ (158,470)
Expenditures				
Instruction	90,817	84,831	$ 273,500	$ (188,669)
Student Support Services	135	290	200	90
School Administration	41,658	32,377	40,700	(8,323)
Operations & Maintenance	3,348	3,721	4,750	(1,029)
	135,958	121,219	$ 319,150	$ (197,931)
Receipts Over (Under) Expenditures	4,942	10,011		
Unencumbered Cash, Beginning	25,058	30,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 30,000	$ 40,011		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Capital Outlay Fund	Prior Year	Current Year		
	Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,318,570	$ 1,113,738	$ 1,402,214	$ (288,476)
County Sources	105,345	126,572	123,171	3,401
State Sources	580,870	637,293	637,293	0
Transfers	0	330,104	0	330,104
	2,004,785	2,207,707	$ 2,162,678	$ 45,029
Expenditures				
Instruction	322,133	463,458	$ 275,000	$ 188,458
Student Support Services	21,067	0	100,000	(100,000)
Instructional Support Staff	9,685	36,904	100,000	(63,096)
General Administration	0	83,609	100,000	(16,391)
School Administration	0	0	10,000	(10,000)
Central Services	49,131	0	50,000	(50,000)
Operations & Maintenance	86,085	171,073	400,000	(228,927)
Transportation	277,051	193,717	250,000	(56,283)
Other Support Services	1,674,168	0	500,000	(500,000)
Facility Acquisition & Construction Services	0	1,198,378	2,250,000	(1,051,622)
	2,439,320	2,147,139	$ 4,035,000	$ (1,887,861)
Receipts Over (Under) Expenditures	(434,535)	60,568		
Unencumbered Cash, Beginning	4,221,215	3,786,680		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 3,786,680	$ 3,847,248		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Driver Training Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 185	$ 8,200	$ 0	$ 8,200
State Sources	8,320	0	0	0
	8,505	8,200	$ 0	$ 8,200
Expenditures				
Instruction	0	10,856	$ 21,700	$ (10,844)
Operations & Maintenance	0	0	21,050	(21,050)
	0	10,856	$ 42,750	$ (31,894)
Receipts Over (Under) Expenditures	8,505	(2,656)		
Unencumbered Cash, Beginning	38,630	47,135		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 47,135	$ 44,479		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Food Service Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 462,326	$ 60,252	$ 774,481	$ (714,229)
State Sources	13,266	7,632	8,310	(678)
Federal Sources	758,783	821,679	721,218	100,461
Transfers	0	0	30,000	(30,000)
	1,234,375	889,563	$ 1,534,009	$ (644,446)
Expenditures				
Operations & Maintenance	30,303	24,086	$ 226,000	$ (201,914)
Food Service Operation	1,250,113	1,078,545	1,589,000	(510,455)
	1,280,416	1,102,631	$ 1,815,000	$ (712,369)
Receipts Over (Under) Expenditures	(46,041)	(213,068)		
Unencumbered Cash, Beginning	327,984	281,943		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 281,943	$ 68,875		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Professional Development Fund	Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 7,200	$ 275	$ 0	$ 275
State Sources	17,332	7,384	18,000	(10,616)
Transfers	105,000	30,000	0	30,000
	129,532	37,659	$ 18,000	$ 19,659
Expenditures				
Instruction	21,592	291	$ 0	$ 291
Instructional Support Staff	91,259	35,496	178,500	(143,004)
Central Services	283	145	500	(355)
	113,134	35,932	$ 179,000	$ (143,068)
Receipts Over (Under) Expenditures	16,398	1,727		
Unencumbered Cash, Beginning	155,827	172,225		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 172,225	$ 173,952		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Parent Education Program Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 66,224	$ 62,530	$ 66,000	$ (3,470)
Transfers	33,625	38,670	46,800	(8,130)
	99,849	101,200	$ 112,800	$ (11,600)
Expenditures				
Student Support Services	99,856	98,732	$ 112,800	$ (14,068)
Central Services	0	2,464	0	2,464
	99,856	101,196	$ 112,800	$ (11,604)
Receipts Over (Under) Expenditures	(7)	4		
Unencumbered Cash, Beginning	10	3		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 3	$ 7		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Summer School Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 110	$ 945	$ 20,000	$ (19,055)
Transfers	4,000	5,000	8,000	(3,000)
	4,110	5,945	$ 28,000	$ (22,055)
Expenditures				
Instruction	640	0	$ 39,250	$ (39,250)
	640	0	$ 39,250	$ (39,250)
Receipts Over (Under) Expenditures	3,470	5,945		
Unencumbered Cash, Beginning	8,181	11,651		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 11,651	$ 17,596		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 113,533	$ 334,550	$ 0	$ 334,550
Federal Sources	0	50,181	230,181	(180,000)
Transfers	5,317,979	5,649,829	3,919,000	1,730,829
	5,431,512	6,034,560	$ 4,149,181	$ 1,885,379
Expenditures				
Instruction	4,687,307	5,135,273	$ 5,350,407	$ (215,134)
Student Support Services	0	1,113	25,000	(23,887)
Instructional Support Services	0	4,403	0	4,403
General Administration	0	147,398	144,200	3,198
Central Services	0	0	7,000	(7,000)
Operations & Maintenance	0	0	20,000	(20,000)
Student Transportation Services	450,009	397,021	503,000	(105,979)
	5,137,316	5,685,208	$ 6,049,607	$ (364,399)
Receipts Over (Under) Expenditures	294,196	349,352		
Unencumbered Cash, Beginning	1,856,465	2,150,661		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 2,150,661	$ 2,500,013		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 141,597	$ 55,878	$ 50,000	$ 5,878
State Sources	10,611	0	0	0
Federal Sources	0	0	17,376	(17,376)
Transfers	603,898	878,810	798,300	80,510
	756,106	934,688	$ 865,676	$ 69,012
Expenditures				
Instruction	671,435	734,442	$ 834,000	$ (99,558)
Student Support Services	2,663	0	6,000	(6,000)
Instructional Support Staff	68,148	70,944	105,150	(34,206)
Student Transportation Services	2,659	5,903	11,100	(5,197)
	744,905	811,289	$ 956,250	$ (144,961)
Receipts Over (Under) Expenditures	11,201	123,399		
Unencumbered Cash, Beginning	79,410	90,611		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 90,611	$ 214,010		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

KPERS Contribution Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 2,384,248	$ 2,393,943	$ 2,701,353	$ (307,410)
	2,384,248	2,393,943	$ 2,701,353	$ (307,410)
Expenditures				
Instruction	1,465,159	1,456,519	$ 1,643,551	$ (187,032)
Student Support Services	97,644	125,558	141,681	(16,123)
Instructional Support Staff	93,094	92,185	104,023	(11,838)
General Administration	65,165	63,938	72,149	(8,211)
School Administration	222,278	216,470	244,268	(27,798)
Central Services	89,896	87,476	98,709	(11,233)
Operations & Maintenance	163,380	168,326	189,941	(21,615)
Student Transportation Services	124,238	118,034	133,191	(15,157)
Food Service Operation	63,394	65,437	73,840	(8,403)
	2,384,248	2,393,943	$ 2,701,353	$ (307,410)
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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Recreation Commission Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 584,301	$ 611,349	$ 626,984	$ (15,635)
County Sources	79,270	83,699	80,929	2,770
	663,571	695,048	$ 707,913	$ (12,865)
Expenditures				
Community Service Operations	663,571	695,048	$ 701,000	$ (5,952)
	663,571	695,048	$ 701,000	$ (5,952)
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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Recreation Commission Employee Benefit Fund

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 143,504	$ 152,125	$ 161,409	$ (9,284)
County Sources	12,006	15,115	14,777	338
	155,510	167,240	$ 176,186	$ (8,946)
Expenditures				
Community Service Operations	149,500	176,110	$ 185,000	$ (8,890)
	149,500	176,110	$ 185,000	$ (8,890)
Receipts Over (Under) Expenditures	6,010	(8,870)		
Unencumbered Cash, Beginning	2,860	8,870		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 8,870	$ 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, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Bond and Interest Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 3,217,865	$ 3,461,501	$ 3,357,093	$ 104,408
County Sources	400,754	417,417	404,609	12,808
State Sources	2,999,292	2,938,310	2,819,654	118,656
	6,617,911	6,817,228	$ 6,581,356	$ 235,872
Expenditures				
Debt Service	5,185,606	$ 5,406,943	$ 5,410,143	$ (3,200)
	5,185,606	5,406,943	$ 5,410,143	$ (3,200)
Receipts Over (Under) Expenditures	1,432,305	1,410,285		
Unencumbered Cash, Beginning	3,845,434	5,277,739		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 5,277,739	$ 6,688,024		

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 491,430	$ 856,192
	491,430	856,192
Expenditures		
Instruction	366,537	608,630
Student Support Services	0	110,036
Instructional Support Staff	28,615	57,361
General Administration	0	2,387
School Administration	74,622	6,815
Central Services	0	30,259
Operations & Maintenance	21,794	63,907
Student Transportation Services	0	2,273
Food Service Operations	0	5,105
	491,568	886,773
Receipts Over (Under) Expenditures	(138)	(30,581)
Unencumbered Cash, Beginning	0	(138)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (138)	$ (30,719)

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 36,748	$ 28,984
State Sources	120,206	134,164
Federal Sources	10,679	17,492
	167,633	180,640
Expenditures		
Instruction	29,671	24,442
Student Support Services	83,497	150,211
Instructional Support Staff	1,600	1,000
Operations & Maintenance	53,832	0
	168,600	175,653
Receipts Over (Under) Expenditures	(967)	4,987
Unencumbered Cash, Beginning	17,702	16,735
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 16,735	$ 21,722

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 300,000
	0	300,000
Expenditures		
Transfers	0	0
	0	0
Receipts Over (Under) Expenditures	0	300,000
Unencumbered Cash, Beginning	1,406,491	1,406,491
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 1,406,491	$ 1,706,491

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Textbook and Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 230,278	$ 220,349
	230,278	220,349
Expenditures		
Instruction	52,759	100,354
Student Support Services	27,040	54,197
	79,799	154,551
Receipts Over (Under) Expenditures	150,479	65,798
Unencumbered Cash, Beginning	105,569	256,048
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 256,048	$ 321,846

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	$ 26,460	$ 3,710
	26,460	3,710
Expenditures		
New Building Acquisition and Construction	366,765	400,000
	366,765	400,000
Receipts Over (Under) Expenditures	(340,305)	(396,290)
Unencumbered Cash, Beginning	1,317,150	1,106,275
Prior Year Canceled Encumbrances	129,430	0
Unencumbered Cash, Ending	$ 1,106,275	$ 709,985

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Concessions	$ 0	$ 1,020	$ 1,020	$ 0
Class of 2020	1,118	0	1,118	0
Class of 2021	1,638	479	2,117	0
Class of 2022	2,498	4,035	4,610	1,923
Class of 2023	2,414	668	0	3,082
Class of 2024	0	518	0	518
Class of 2025	0	238	0	238
Student Services	3,894	951	1,190	3,655
TLC Student Services	126	0	0	126
Pepsi	3,246	1,165	2,916	1,495
Library/Media	473	66	189	350
Sales Tax	337	773	773	337
Band Activity	895	800	762	933
Choir Activities	310	1,661	288	1,683
Counselor Activity	1,749	3,070	895	3,924
Crime Stoppers	485	0	0	485
Field Trip	587	0	0	587
Gifted	407	0	0	407
Kansas Beef Council	0	0	94	(94)
Math Department	6	254	254	6
Musical	12,118	3,246	4,184	11,180
Vending DECA	2,546	3,384	2,492	3,438
Hornet Print & Design	4,436	0	0	4,436
Hornet Food Pantry	1,388	0	104	1,284
SALT	264	0	0	264
Serve VC Community	1,000	0	0	1,000
Hornet Studios	418	545	0	963
Auto Parts	944	709	1,149	504
	43,297	23,582	24,155	42,724

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School (Continued)				
Bank Instrument Rental	0	720	720	0
Woods Project	48	864	912	0
Yearbook	3,958	2,488	1,000	5,446
PE Uniforms	(1,658)	0	0	(1,658)
Art Club	1,561	0	0	1,561
Chess Club	292	400	0	692
DECA	5,642	360	1,477	4,525
Drama Club	1,149	195	464	880
FBLA	2,111	0	237	1,874
FCCLA	2,671	225	222	2,674
Friendship Club	470	0	0	470
HOSA	1,027	0	0	1,027
Letterwomen's Club	391	69	350	110
National Forensics	6,641	16	1,924	4,733
National Honor Society	588	75	12	651
Robotics	4,660	0	0	4,660
SADD	1,061	75	0	1,136
Scholars Bowl	554	500	578	476
Science Club	419	0	0	419
Skills USA/TSA	1,137	32	162	1,007
Spanish Club	173	0	0	173
Student Council	5,281	1,381	1,025	5,637
Varsity Club	406	0	350	56
Spanish Travels	2,177	0	0	2,177
SHOW	20	0	0	20
GSA	391	0	0	391
SAFE	2,114	2,000	0	4,114
FAA Activity	143	0	0	143
Europe Travels	1,354	6,765	5,199	2,920
Band DC Travels	451	485	0	936
Environment Club	506	0	0	506
	89,035	40,232	38,787	90,480

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Middle School				
Student Services	3,156	2,108	3,341	1,923
Faculty Services	546	1,195	1,405	336
PE Activity Account	135	3,465	2,952	648
Choir Activity Account	248	0	0	248
Bus Trips	7	0	0	7
Sales Tax	0	171	171	0
Dare Account	(53)	0	0	(53)
Brew Crew	52	0	0	52
Student Council	702	1,000	1,528	174
Video Yearbook	249	729	416	562
Academic Activities	(15)	0	0	(15)
Leadership Program	185	186	3	368
Band Fundraiser	1,063	1,052	1,997	118
SHOW Account	1,567	0	0	1,567
Robotics	150	0	54	96
Concessions	600	114	555	159
	8,592	10,020	12,422	6,190

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Intermediate School				
Faculty Services	213	587	598	202
Student Services	1,121	524	1,066	579
PE Account	3,424	3,627	4,725	2,326
Stuco	3,014	0	198	2,816
Robotics	1,362	0	0	1,362
Kindness Club	398	602	550	450
Sales Tax	0	77	77	0
	9,532	5,417	7,214	7,735

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Abilene Elementary				
Faculty Services	5,151	1,057	1,324	4,884
Student Services	7,337	125	156	7,306
Gifts & Grants	1,931	250	0	2,181
	14,419	1,432	1,480	14,371

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
West Elementary				
Faculty Account	1,313	438	561	1,190
Student	10,630	928	1,254	10,304
PE	1,242	752	0	1,994
Sales Tax	13	0	1	12
Owls	26	0	0	26
	13,224	2,118	1,816	13,526

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Wheatland Elementary				
Faculty Services	2,714	509	0	3,223
Student Services	6,234	5,520	5,495	6,259
Sales Tax	51	0	0	51
	8,999	6,029	5,495	9,533

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Scholarship and Memorials				
Dawson Scholarship	3,966	73	400	3,639
	3,966	73	400	3,639
Total Agency Funds	$ 147,767	$ 65,321	$ 67,614	$ 145,474

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, 2021

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	$ 15,995	$ 0	$ 410,218	$ 375,926	$ 50,287	$ 0	$ 50,287
Middle School	1,519	0	1,923	2,231	1,211	0	1,211
Middle School Athletics	21,326	0	83,192	90,145	14,373	0	14,373
Intermediate School	1,077	0	5,395	3,983	2,489	0	2,489
Abilene Elementary	2,459	0	9	1,064	1,404	0	1,404
West Elementary	2,899	0	554	692	2,761	0	2,761
Wheatland Elementary	1,023	0	6,820	3,711	4,132	0	4,132
	46,298	0	508,111	477,752	76,657	0	76,657
Activity Advertising	200	0	5,330	0	5,530	0	5,530
Total District Activity Funds	$ 46,498	$ 0	$ 513,441	$ 477,752	$ 82,187	$ 0	$ 82,187

FEDERAL AWARD INFORMATION

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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*

INDEPENDENT AUDITORS' REPORT

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, 2021**, 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 October 27, 2021. 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.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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
October 27, 2021

BFR

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

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Valley Center Unified School District No. 262, Valley Center, Kansas,** with the types of compliance requirements described 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, 2021**. **Valley Center Unified School District No. 262, Valley Center, Kansas'** major federal financial programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Valley Center Unified School District No. 262, Valley Center, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. 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*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Valley Center Unified School District No. 262, Valley Center, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Valley Center Unified School District No. 262, Valley Center, Kansas'** compliance.

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Board of Education
Valley Center Unified School District No. 262

Opinion on Each Major Federal Program
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, 2021**.

Report on Internal Control Over Compliance
Management of **Valley Center Unified School District No. 262, Valley Center, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Valley Center Unified School District No. 262, Valley Center, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Valley Center Unified School District No. 262, Valley Center, Kansas'** 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 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

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

BFR CPA, LLC
BFR CPA, LLC
October 27, 2021

VALLEY CENTER UNIFIED SCHOOL DISTRICT NO. 262
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grant Title	Assistance Listing Number	Program Amount	Unencumbered Cash 7/1/2020	Receipts	Expenditures	Unencumbered Cash 6/30/2021
(Passes Through Kansas Department of Education)						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
National School Lunch Program	10.555	$ 169,672				
Summer Food Service Program for Children	10.559	652,007				
		821,679	$ 0	$ 821,679	$ 821,679	$ 0
Department of Education						
Title I Grants to Local Education Agencies	84.010	305,026	(1)	305,026	305,192	(167)
Career and Technical Education - Basic Grants to States	84.048	17,376	0	17,376	17,376	0
Supporting Effective Instruction State Grants	84.367	62,997	0	62,997	62,997	0
Student Support and Academic Enrichment Program	84.424	17,424	8	17,424	17,431	1
COVID-19 Education Stabilization Fund	84.425D	3,950,542	(145)	271,479	301,887	(30,553)
		4,353,365	(138)	674,302	704,883	(30,719)
Health and Human Services						
Temporary Assistance for Needy Families Cluster-Cluster						
Temporary Assistance for Needy Families State Programs	93.558	16,502	0	16,502	16,502	0
(Passes Through Sedgwick County)						
Department of the Treasury						
COVID-19 Coronavirus Relief Fund	21.019	233,061	0	233,061	232,071	990
Total Federal Awards		$ 5,424,607	$ (138)	$ 1,745,544	$ 1,775,135	$ (29,729)

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, 2021

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, 2021

SUMMARY OF AUDIT RESULTS

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

2. No significant deficiencies or material weaknesses were reported in the 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 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	
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559

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, 2021

There are no prior audit findings.