

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

**SINGLE AUDIT REPORTS**

**For the Year Ended  
August 31, 2021**

**KILLEEN INDEPENDENT SCHOOL DISTRICT**  
**SINGLE AUDIT REPORTS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

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**LOTT, VERNON & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

20 SOUTH FOURTH STREET 254/778/4783  
POST OFFICE BOX 160 800/460/4783  
TEMPLE, TEXAS 76503 FAX 254/778/4792

KILLEEN • COPPERAS COVE • TEMPLE

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Certified Public Accountants

**INDEPENDENT AUDITOR'S 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***

Board of Trustees  
Killeen Independent School  
District  
200 North W. S. Young Drive  
Killeen, Texas 76543

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Killeen Independent School District (the District), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 13, 2022.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Killeen, Texas

January 13, 2022



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Killeen Independent School  
District  
200 North W. S. Young Drive  
Killeen, Texas 76543

**Report on Compliance for Each Major Federal Program**

We have audited the Killeen Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the District's 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 the District's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the District 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 August 31, 2021.

### **Report on Internal Control over Compliance**

Management of the District 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 the District's 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 the District's 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses 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.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 13, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Jatt, Vernon + Co. P.C.*

Killeen, Texas

January 13, 2022

**KILLEEN INDEPENDENT SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
August 31, 2021**

I. Summary of Audit Results

**Financial Statements**

- 1. Type of auditor's report issued: unmodified
- 2. Internal control over financial reporting:  
 Material weakness(es) identified? \_\_\_\_\_ yes X no  
 Significant deficiencies identified that are  
 not considered to be material  
 weakness(es)? \_\_\_\_\_ yes X none reported
- 3. Noncompliance material to financial statements  
 noted? \_\_\_\_\_ yes X no

**Federal Awards**

- 4. Internal control over major programs:  
 Material weakness (es) identified? \_\_\_\_\_ yes X no  
 Significant deficiencies identified that are  
 not considered to be material weakness  
 (es)? \_\_\_\_\_ yes X no
- 5. Type of auditor's report issued on compliance  
 for major programs: unmodified
- 6. Any audit findings disclosed that are required to  
 be reported in accordance with section  
 200.516a of the Uniform Guidance? \_\_\_\_\_ yes X no

7. Identification of major programs:

<u>Name of Federal Programs</u>	<u>Federal CFDA Number</u>
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***US Department of Education***

Impact Aid	84.041
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***Pass Through From TEA***

ESEA Title 1, Part A-Improving Basic Programs	84.010A
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ESSER	84.425D
CRRSA ESSER II	84.425D
ARP ESSER III	84.425U

- 8. Dollar threshold used to distinguish between  
 type A and type B federal programs: \$3,000,000
- 9. Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no



**KILLEEN INDEPENDENT SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs (Continued)**  
**August 31, 2021**

II. Financial Statement Findings

- None.

III. Federal Awards Findings and Questioned Costs

None.

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Project Number	Federal Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<b><u>DIRECT PROGRAMS:</u></b>			
Impact Aid - P.L. 110-417, Section 551	84.041	N/A	3,680,223
Impact Aid - P.L. 81.874	84.041	33014906	59,016,648
Impact Aid - P.L. 107-110, Section 8007	84.041	33014906	-
Total CFDA Number 84.041			<u>62,696,871</u>
<b><u>PASS THROUGH PROGRAMS:</u></b>			
PASSED THROUGH TEXAS EDUCATION AGENCY			
ESEA Title I Part A	84.010	20610101014906	2,181,134
ESEA Title I Part A	84.010	21610101014906	7,260,473
ESEA Title I Part A	84.010	22610101014906	713,346
ESEA Title I, 1003(a) Priority and Focus School Grant	84.010	21610112014906120	147,732
Total CFDA Number 84.010			<u>10,302,685</u>
SPECIAL EDUCATION CLUSTER			
IDEA, Part B, Formula (Deaf)	84.027	166600010149066601	-
IDEA, Part B, Formula	84.027	206600010149066600	8,740
IDEA, Part B, Formula	84.027	216600010149066600	6,219,804
IDEA, Part B, Formula	84.027	226600010149066600	720,676
IDEA, Part B, Discretionary	84.027	216600110149066673	-
Total CFDA Number 84.027			<u>6,949,220</u>
IDEA, Part B, Preschool	84.173	216610010149066610	132,230
IDEA, Part B, Preschool	84.173	226610010149066610	16,835
IDEA, Part B, Preschool Deaf	84.173	166610010149066611	-
Total CFDA Number 84.173			<u>149,065</u>
TOTAL SPECIAL EDUCATION CLUSTER			
			<u>7,098,285</u>
Vocational Education- Basic Grant	84.048	22420006014906	41,245
Vocational Education- Basic Grant	84.048	21420006014906	407,908
Total CFDA Number 84.048			<u>449,153</u>
ESEA, Title X, Part C - Homeless Children and Youth	84.196	16-034	121,327
Title III, Part A, English Language Acquisition and Enhancement	84.365	20671001014906	406,471
Title III, Part A, English Language Acquisition and Enhancement	84.365	21671001014906	57,574
Title III, Part A, English Language Acquisition and Enhancement	84.365	22671001014906	24,767
Total CFDA Number 84.365			<u>488,812</u>
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367	20694501014906	180,565
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367	21694501014906	683,111
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367	22694501014906	85,602
Total CFDA Number 84.367			<u>949,278</u>
SSAEP	84.424A	20680101014906	477,602
SSAEP	84.424A	21680101014906	394,666
SSAEP	84.424A	22680101014906	-
Total CFDA Number 84.424			<u>872,268</u>
ESSER Grant	84.425D	20521001014906	535,570
ESSER II	84.425D	21521001014906	16,972,438
ESSER II - PPRP	84.425D	21521001014906	253,561
ESSER III	84.425U	21528001014906	7,867,563
Total CFDA Number 84.425			<u>25,629,132</u>
TOTAL PASSED THROUGH TEXAS EDUCATION AGENCY			
			<u>45,910,940</u>
<b><u>TOTAL U. S. DEPARTMENT OF EDUCATION</u></b>			<b><u>108,607,811</u></b>

The notes to the Schedule of Expenditures of Federal Programs are an integral part of this statement.

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Project Number	Federal Expenditures
<b><u>U.S. DEPARTMENT OF DEFENSE</u></b>			
<b><u>DIRECT PROGRAMS:</u></b>			
ROTC	12.00	N/A	374,534
Promoting K-12 Student Achievement at Military Connected School P.L. 109-364, Section 574(d)	12.556	HE1254-13-1-0021	87,864
Support for Student Achievement at Military Connected Schools/SPED - P.L. 109-364, Section 574(d)	12.556	HE1254-15-1-0021	17,840
Support for Student Achievement at Military Connected Schools/SPED - P.L. 109-364, Section 574(d)	12.556	HE1254-15-1-0021	<u>105,704</u>
Total CFDA Number 12.556			
Support for Student Achievement at Military Connected Schools - P.L. 109-364, Section 574(d)	12.557	HE1254-14-1-0031	-
<b><u>TOTAL U.S. DEPARTMENT OF DEFENSE</u></b>			<b><u>\$ 480,238</u></b>
 <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE			
CHILD NUTRITION CLUSTER			
Healthier U.S. School Challenge: Smarter Lunchrooms	10.543		-
National School Breakfast Program	10.553	71401401	\$ 605,053
National School Lunch Program	10.555	71301401	2,207,872
National School Lunch Program (Donated Commodities)	10.555	N/A	<u>602,602</u>
Total CFDA Number 10.555			<u>2,810,474</u>
Child and Adult Food Care Program	10.558		3,492
Summer Feeding Program, Texas Department of Agriculture	10.559	N/A	<u>14,318,542</u>
TOTAL CHILD NUTRITION CLUSTER			17,737,561
TOTAL PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE			17,737,561
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>17,737,561</u>
 <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			 <b><u>\$ 126,825,610</u></b>

The notes to the Schedule of Expenditures of Federal Programs are an integral part of this statement.

KILLEEN INDEPENDENT SCHOOL DISTRICT  
NOTES ON ACCOUNTING POLICIES FOR FEDERAL PROGRAMS  
YEAR ENDED AUGUST 31, 2021

The District utilizes the fund types specified by the Texas Education Agency in the Financial Accountability System Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or designed for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in the General Fund, a Special Revenue Fund or a Capital Projects Fund.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and expendable Trust Fund are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in a Governmental Fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for the Governmental Fund Types, The Expendable Trust Fund, and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Since the entity has an agency approved Indirect Recovery Rate it has elected not to use the 10 percent de minimis cost rate as permitted in the UG, section 200.414.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. The District uses the reimbursement method of reporting for Federal grants. Funds are requested and received after the expenditures have been made.

The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with the Uniform Guidance.

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2021

**Unresolved Prior Year Findings**

None.