

KILLEEN INDEPENDENT SCHOOL DISTRICT

SINGLE AUDIT REPORTS

**For the Year Ended
August 31, 2023**

KILLEEN INDEPENDENT SCHOOL DISTRICT
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED AUGUST 31, 2023

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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

To the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Killeen Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Killeen Independent School District's basic financial statements, and have issued our report thereon dated January 18, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Killeen Independent School 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 Killeen Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Killeen Independent School 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Killeen Independent School 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.

Jatt, Vernon & Co. P.C.

Killeen, Texas

January 18, 2024



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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**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Killeen Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Killeen Independent School District's major federal programs for the year ended August 31, 2023. The Killeen Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Killeen Independent School 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Killeen Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Killeen Independent School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Killeen Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Killeen Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is

higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Killeen Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Killeen Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Killeen Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Killeen Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Killeen Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Killeen Independent School District's basic financial statements. We issued our report thereon dated January 18, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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 18, 2024

**KILLEEN INDEPENDENT SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 August 31, 2023**

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 Assistance Listing Number</u>
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Pass Through from TEA

Special Education Cluster (IDEA)	
IDEA, Part B, Formula	84.027
IDEA, Part B, Formula-ARP	84.027X
IDEA, Part B, Formula-Preschool	84.173
Supporting Effective Instruction State Grant	84.367
ESSER II	84.425D
ESSER III	84.425U

Pass Through from U.S. Department of Agriculture

Child Nutrition Cluster	
National School Breakfast Program (SBP)	10.553
National School Lunch Program (NSLP)	10.555
Summer Food Service Program - Children (SFSP)	10.559

KILLEEN INDEPENDENT SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
August 31, 2023

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

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, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Project Number	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<u>DIRECT PROGRAMS:</u>			
Impact Aid - P.L. 110-417, Section 551	84.041	N/A	4,336,074
Impact Aid - P.L. 81.874	84.041	33014906	60,705,967
Impact Aid - P.L. 107-110, Section 8007	84.041	33014906	1,418,865
Total ALN Number 84.041			66,460,906
<u>PASS THROUGH PROGRAMS:</u>			
PASSED THROUGH TEXAS EDUCATION AGENCY			
ESEA Title I Part A	84.010	23610101014906	13,644,382
ESEA Title I Part A	84.010	24610101014906	1,103,867
Total ALN Number 84.010			14,748,249
SPECIAL EDUCATION CLUSTER			
IDEA, Part B, Formula	84.027	236600010149066600	6,703,298
IDEA, Part B, Formula	84.027	246600010149066600	709,270
Total ALN Number 84.027			7,412,568
IDEA, Part B, Formula-ARP	84.027X	225350020149065350	1,397,102
Total ALN Number 84.027X			1,397,102
IDEA, Part B, Preschool	84.173	236610010149066610	153,653
IDEA, Part B, Preschool	84.173	246610010149066610	23,200
Total ALN Number 84.173			176,853
TOTAL SPECIAL EDUCATION CLUSTER			
			8,986,523
Vocational Education- Basic Grant	84.048	23420006014906	686,906
Vocational Education- Basic Grant	84.048	24420006014906	48,485
Total ALN Number 84.048			735,391
Title III, Part A, English Language Acquisition and Enhancement	84.365	22671001014906	51
Title III, Part A, English Language Acquisition and Enhancement	84.365	23671001014906	352,400
Title III, Part A, English Language Acquisition and Enhancement	84.365	24671001014906	46,578
Total ALN Number 84.365			399,029
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367	22694501014906	246
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367	23694501014906	1,132,732
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367	24694501014906	94,090
Total ALN Number 84.367			1,227,068
SSAEP	84.424A	23680101014906	827,415
SSAEP	84.424A	24680101014906	38,682
Total ALN Number 84.424A			866,097
ESSER II	84.425D	21521001014906	20,997,431
ESSER III	84.425U	21528001014906	6,713,524
Total ALN Number 84.425			27,710,955
COVID 19 School Health Support Grant to Schools	93.323	6 NUS0CK000501-02-06	288,671
TOTAL PASSED THROUGH TEXAS EDUCATION AGENCY			
			54,961,983
<u>TOTAL U. S. DEPARTMENT OF EDUCATION</u>			
			121,422,889

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, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Project Number	Federal Expenditures
<u>U.S. DEPARTMENT OF DEFENSE</u>			
<u>DIRECT PROGRAMS:</u>			
ROTC	12.00	N/A	371,656
Promoting K-12 Student Achievement at Military Connected School P.L. 109-364, Section 574(d) Total ALN Number 12.556	12.556	HE1254-13-1-0021	<u>209,534</u> <u>209,534</u>
<u>TOTAL U.S. DEPARTMENT OF DEFENSE</u>			<u><u>581,190</u></u>
 <u>ENVIRONMENTAL PROTECTION AGENCY</u>			
<u>DIRECT PROGRAMS:</u>			
EPA: Clean School Bus Rebate Program	66.045	H34SSLCPD3M6	200,000
<u>TOTAL ENVIRONMENTAL PROTECTION AGENCY</u>			<u><u>200,000</u></u>
 <u>U.S. DEPARTMENT OF AGRICULTURE</u>			
PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE			
CHILD NUTRITION CLUSTER			
National School Breakfast Program	10.553	71401401	\$ 5,911,017
National School Lunch Program	10.555	71301401	17,059,865
National School Lunch Program (Donated Commodities)	10.555	236TX400N8903	1,737,016
Supply Chain Assistance (SCA)	10.555	236TX400N8903	<u>1,238,652</u>
Total CFDA Number 10.555			<u>20,035,533</u>
Summer Feeding Program, Texas Department of Agriculture	10.559	236TX332N1099	<u>392,093</u>
TOTAL CHILD NUTRITION CLUSTER			26,338,643
Child and Adult Food Care Program	10.558	236TX332N1099	270,314
TOTAL PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE			26,608,957
<u>TOTAL DEPARTMENT OF AGRICULTURE</u>			<u>26,608,957</u>
 <u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u>			 <u><u>\$ 148,813,036</u></u>

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, 2023

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, 2023

Unresolved Prior Year Findings

None.