

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

**SINGLE AUDIT REPORTS**

**For the Year Ended  
August 31, 2019**

**KILLEEN INDEPENDENT SCHOOL DISTRICT**  
**SINGLE AUDIT REPORTS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

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

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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***

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, 2019, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated January 10, 2020.

**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) to determine the 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 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 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 10, 2020



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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 REWARDS 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, 2019. 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 the requirements of laws, regulations, contracts, and grants 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, 2019.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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 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 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 Killeen Independent School District, as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 10, 2020, 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.



Killeen, Texas

January 10, 2020

**KILLEEN INDEPENDENT SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
August 31, 2019**

**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  no  
 Significant deficiencies identified that are not considered to be material weakness(es)?  yes  none reported
- 3. Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

- 4. Internal control over major programs:  
 Material weakness (es) identified?  yes  no  
 Significant deficiencies identified that are not considered to be material weakness (es)?  yes  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  no
- 7. Identification of major programs:

Name of Federal Programs

Federal CFDA Number

***US Department of Education***

Special Education Cluster (IDEA)  
*IDEA Part B* 84.027  
*IDEA Part B, Preschool* 84.173  
 Impact Aid 84.041

***US Department of Defense***

Promoting K-12 Student Achievement at Military Connected Schools 12.556

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



**KILLEEN INDEPENDENT SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs (Continued)**  
**August 31, 2019**

II. Financial Statement Findings

- None.

III. Federal Awards Findings and Questioned Costs

Significant Deficiency:

**2019-001:** Significant Deficiency Related to Documentation Compliance

**Program:** Special Education Cluster (IDEA)  
84.027 – *IDEA Part B*  
84.173 – *IDEA Part B Preschool*  
U.S. Department of Education

Criteria: The District is responsible for ensuring compliance with all applicable provisions of the Special Education Cluster as prescribed by the U.S. Department of Education. Compliance within Special Education requires schools to accurately maintain documentation for Special Education Students.

Condition: As part of our testing of the Special Education Cluster, a sample of 50 students were selected to review that the District adhered to proper documentation compliance. In our sample, 7 of the students tested had required forms missing from their documentation. These forms included forms such as vision and hearing forms (1 student), records policy approval forms (1 student), initial referral forms (2 students), transfer placement forms (2 students), and ARD signature pages (1 student).

In addition, there were 3 students out of the sample of 50 students in which dates were missing from the District's "Referral for Special Education Assessment" forms.

It was also noted that the District does perform internal reviews on some of the Special Education Student files on a routine basis. However, proper follow-up is not being conducted on identified deficiencies in these files in order to ensure that the deficiency is corrected.

Cause: Inconsistent and incomplete record retention in regards to required forms. The forms were either not obtained by District staff or were not kept on hand for review by auditors.

Effect or Potential Effect: Without adequate documentation, it is difficult for the District to monitor and ensure compliance with the required Special Education timelines.

Questioned Costs: Not Applicable.

Recommendation: Ensure that required documentation is obtained, completed in entirety, and kept on hand. In relation to the internal reviews that are performed, we recommend that proper follow-up is conducted until the deficiency is corrected.

Views of Responsible Officials and Planned Corrective Action: See corrective action plan.

**KILLEEN INDEPENDENT SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs (Continued)**  
**August 31, 2019**

IV. Corrective Action Plan

**Corrective Action Plan – 2019-001:** Significant Deficiency Related to Documentation Compliance

The following actions to address deficiencies in documentation compliance were implemented prior to the outcome of this audit and in response to our own internal quality controls.

- A new campus position, Facilitator for Special Programs, was allocated to each campus to ensure that local, state, and federal requirements and timelines are met with respect to functions of special programs. The Facilitator's primary focus is to execute special education procedures and requirements, to include the uploading of required documents.
- The Special Education Coordinators implement a monthly folder audit and report compliance deficiencies to campuses. A documentation spreadsheet is used to track compliance campus by campus. In response to the findings of this audit, the current monthly internal audit process will be expanded (see corrective actions below).
- Special Program Campus Facilitators received 3 days of training prior to this school year and are supported in an ongoing manner through required monthly Facilitator meetings and after-school training.

To address campus errors in documentation compliance, the following corrective actions will be implemented:

1. The documentation spreadsheet currently used to track document submission has been reviewed and added to, as needed.
2. Operational Guidelines were reviewed and modified to ensure that documentation requirements are clearly and completely articulated.
3. The time for Special Programs Campus Facilitators to devote to ensuring that local, state, and federal requirements and timelines are met with respect to functions of special programs will be protected.
4. Compliance with document submission requirements will be monitored on a weekly basis. As a campus uploads or submits documents, the documentation spreadsheet will be updated to reflect the submissions. Each week, every campus will receive a copy of their spreadsheet with missing documentation notated. The campus then has five days to upload and submit the missing documentation or schedule an ARD to address the missing documentation. A copy of this weekly spreadsheet will be sent to the principal, the Campus Special Programs Facilitator, the campus's Executive Director for School Leadership, the Assistant Superintendent for School Leadership, the Assistant Superintendent for Curriculum and Instruction, and the Executive Director for Special Education.
  - The first time that a campus does not correct the deficiency within the 5 days, the principal will provide a written response to the parties identified above as to why the deadline was not met and the internal corrective action that the campus will put in place to ensure future compliance.
  - The second time that a campus has deficiencies that are not corrected within the 5 days, the principal and facilitator will be counseled and provided additional training in the deficient area by the district coordinator. The appropriate Executive Director will be notified, in addition to the Executive Director for Special Education and the Assistant Superintendents. Those required to attend the training/counseling session

**KILLEEN INDEPENDENT SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs (Continued)**  
**August 31, 2019**

include, but are not limited to, the building principal and the campus facilitator. Those responsible will also receive a “below expectation” rating on the identifiers linked to this noncompliance on the staff member’s annual evaluation.

- The third incident of noncompliance will result in a face-to-face corrective action meeting with the following in attendance: campus principal, campus facilitator, the appropriate Executive Director, the Executive Director or Director for Special Education, the appropriate Special Education Coordinator, the Assistant Superintendents and/or the Deputy Superintendent. Those responsible will receive an “unsatisfactory” rating on the identifiers linked to this noncompliance on the staff member’s annual evaluation.
- The corrective actions will be communicated to all campus principals and facilitators through a required meeting.

To address district errors in documentation compliance, the following correction actions will be implemented:

1. The documentation spreadsheet currently used to track document submission has been reviewed and added to, as needed.
2. Operational Guidelines were reviewed and modified to ensure that documentation requirements are clearly and completely articulated.
3. Compliance with document submission requirements will be monitored on a weekly basis. As district evaluation staff upload or submit documents, the documentation spreadsheet will be updated to reflect the submissions. Each week, every district evaluation staff member will receive a copy of their spreadsheet with missing documentation notated. The evaluation staff member then has five days to upload and submit the missing documentation or schedule an ARD to address the missing documentation. A copy of this weekly spreadsheet will be sent to the Executive Director for Special Education, the Director for Special Education, and the District Coordinator for Special Education.
  - The first time that a district evaluation staff member does not correct the deficiency within the 5 days, the evaluating staff member will provide a written response to the parties identified above as to why the deadline was not met and the internal corrective action that the staff member will put in place to ensure future compliance.
  - The second time that an evaluation staff member has deficiencies that are not corrected within the 5 days, the evaluating staff member will be counseled and provided additional training in the deficient area by the district coordinator. The Executive Director for Special Education, the Director for Special Education, and the Assistant Superintendents will be notified. The Executive Director for Special Education and Assistant Superintendent for Curriculum and Instruction will be notified. Those responsible will also receive a “below expectation” rating on the identifiers linked to this noncompliance on the staff member’s annual evaluation.
  - The third incident of noncompliance will result in a face-to-face corrective action meeting with the following in attendance: The Executive Director or Director for Special Education, the appropriate Special Education Coordinator, the Assistant Superintendent for Curriculum and Instruction and/or the Deputy Superintendent. Those responsible will receive an “unsatisfactory” rating on the identifiers linked to this noncompliance on the staff member’s annual evaluation.

**KILLEEN INDEPENDENT SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs (Continued)**  
**August 31, 2019**

- The corrective actions will be communicated to the district evaluation staff through a required meeting.

Estimated Completion Date: This process will be ongoing. The Corrective Action will begin February 1<sup>st</sup> in order to communicate to campuses administration/district personnel the corrective action plans and to provide an opportunity to correct and update all existing files.

Management Contact: Janice Peronto, Executive Director for Special Education

Status: In process

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2019

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	2,760,133
Impact Aid - P.L. 81.874	84.041	33014906	58,914,299
Impact Aid - P.L. 107-110, Section 8007	84.041	33014906	196,249
Total CFDA Number 84.041			61,870,681
<b><u>PASS THROUGH PROGRAMS:</u></b>			
PASSED THROUGH TEXAS EDUCATION AGENCY			
ESEA Title I Part A	84.010	18610101014906	1,255
ESEA Title I Part A	84.010	19610101014906	8,440,027
ESEA Title I Part A	84.010	20610101014906	684,822
ESEA Title I Part D, Subpart 2	84.010	16610103014906	-
ESEA Title I Part D, Subpart 2	84.010	17610103014906	-
ESEA Title I, 1003(a) Priority and Focus School Grant	84.010	18610112014906120	-
ESEA Title I, 1003(a) Priority and Focus School Grant	84.010	19610112014906120	(398)
Total CFDA Number 84.010			9,125,706
SPECIAL EDUCATION CLUSTER			
IDEA, Part B, Formula (Deaf)	84.027	166600010149066601	-
IDEA, Part B, Formula	84.027	186600010149066600	538,647
IDEA, Part B, Formula	84.027	196600010149066600	6,303,631
IDEA, Part B, Formula	84.027	206600010149066600	527,439
IDEA, Part B, Discretionary	84.027	196600110149066673	3,724
IDEA, Part B, Evaluation Capacity	84.027	65515	56,312
Total CFDA Number 84.027			7,429,753
IDEA, Part B, Preschool	84.173	186610010149066610	39,942
IDEA, Part B, Preschool	84.173	196610010149066610	70,306
IDEA, Part B, Preschool	84.173	206610010149066610	11,921
IDEA, Part B, Preschool Deaf	84.173	166610010149066611	-
Total CFDA Number 84.173			122,169
TOTAL SPECIAL EDUCATION CLUSTER			
			7,551,922
Vocational Education-Basic Grant	84.048A	20420006014906	44,175
Vocational Education-Basic Grant	84.048	19420006014906	454,749
Total CFDA Number 84.048			498,924
ESEA, Title X, Part C - Homeless Children and Youth	84.196	16-034	107,864
Title III, Part A, English Language Acquisition and Enhancement	84.365	19671001014906	355,663
Title III, Part A, English Language Acquisition and Enhancement	84.365	20671001014906	-
Total CFDA Number 84.365			355,663
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367	19694501014906	1,165,624
ESEA Title II, Part A, Teacher & Principal Training and Recruiting	84.367	20694501014906	96,998
Total CFDA Number 84.367			1,262,622
SSAEP	84.424A	U350C110001	479,127
Hurricane Education Recovery	84.938C	18001301501	-
TOTAL PASSED THROUGH TEXAS EDUCATION AGENCY			
			19,381,828
<b><u>TOTAL U. S. DEPARTMENT OF EDUCATION</u></b>			
			<b>81,252,509</b>
<b><u>U.S. DEPARTMENT OF DEFENSE</u></b>			
<b><u>DIRECT PROGRAMS:</u></b>			
ROTC	12.00	N/A	376,839
Promoting K-12 Student Achievement at Military Connected School P.L. 109-364, Section 574(d)	12.556	HE1254-13-1-0019	315,602
Support for Student Achievement at Military Connected Schools/SPED - P.L. 109-364, Section 574(d)	12.556	HE1254-15-1-0019	913,500
Support for Student Achievement at Military Connected Schools/SPED - P.L. 109-364, Section 574(d)	12.556	HE1254-15-1-0018	-
Total CFDA Number 12.556			1,229,102
Support for Student Achievement at Military Connected Schools - P.L. 109-364, Section 574(d)	12.557	HE1254-14-1-0031	204,202
<b><u>TOTAL U.S. DEPARTMENT OF DEFENSE</u></b>			
			<b>\$ 1,810,143</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, 2019

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Project Number	Federal Expenditures
<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	\$ 3,826,795
National School Lunch Program	10.555	71301401	12,589,941
National School Lunch Program (Donated Commodities)	10.555	N/A	1,606,928
Total CFDA Number 10.555			<u>14,196,869</u>
Child and Adult Food Care Program	10.558		-
Summer Feeding Program, Texas Department of Agriculture	10.559	N/A	<u>469,390</u>
TOTAL CHILD NUTRITION CLUSTER			18,493,054
TOTAL PASSED THROUGH TEXAS DEPARTMENT OF AGRICULTURE			18,493,054
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>18,493,054</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 101,555,706</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, 2019

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, 2019

**Unresolved Prior Year Findings**

None.