

September 21, 2021

Kentucky Department of Education

Division of District Support

Attn: District Financial Management Branch

300 Sower Blvd., 4th Floor

Frankfort, KY 40601

As part of the audit, we select certain federal programs to be tested. For the FY2021 audit we made our selections from the original SEFA (Schedule of Expended Federal Awards) that had been submitted to us. In recent weeks we all received an email from Marshall Smith from KDE specific to the FY2021 audit and the Coronavirus Relief Funds (CRF).  These funds were originally reported by KDE as being part of the District’s SEEK funding and not part of your federal funds. In this email, KDE is now noting that these funds are part of the District’s federal funding that needs to be included on the SEFA. There are specific rules that needed to be followed when auditing the federal programs. One of which is the requirement to test a minimum amount of the federal funds. After implementing with the new instructions in the email by adding these funds to the original SEFA, we are required to test more programs to comply with that requirement.

No one could have anticipated the consequences of the pandemic and the effects of the additional funding prior to getting these requirements as evidenced by the email last week. This requires more work and testing than what we have done in the past on the District’s audit and as such we need to modify the price of our services for the additional work.  We anticipate the cost of testing the new program will be $1,000.

Sincerely,

Barnes, Dennig & Co., Ltd.

