

STATE COMMITTEE FOR SCHOOL DISTRICT AUDITS
MINUTES OF THE July 30th, 2026, Special-Called MEETING

Members present:

Via Microsoft Teams: Auditor of Public Accounts Designee, Valerie Hamilton; Office of Education Accountability Designee, Marshall Smith; Office of the Attorney General Designee, Stacy Woodrum, Commissioner of Education Designee, Sabrina Smith, Office of the Governor Designee, John Hicks

Member not present: N/A

Also in attendance: APA Attendees: Alex Evans, Ella Morton, Jeremy Sylvester

I. Call to Order:

With a quorum present, Valerie Hamilton called the virtual meeting to order at 9:00 am. Valerie informed all present that this meeting is subject to the Kentucky Open Meetings Act. The meeting was made available to the public via a Media Advisory provided by Olivia McKown. It was also noted that all members of a public agency attending via video teleconference must remain on camera at all times. A roll call was performed.

II. Approval of Minutes of the June 11th, 2026 Meeting:

Sabrina Smith made a motion to approve the June 11th, 2026 meeting minutes. Stacy Woodrum seconded this motion, and the Committee unanimously approved the motion.

III. Old Business:

Valerie opened with the Penalty Letter to Allen & Associates, PLLC, asking if the committee had any suggested edits. Sabrina answered that she had called Estill County yesterday following up on their current deficit and found that the school district had already paid Allen & Associates, PLLC. She questioned whether the language about the 10% penalty should be updated to reflect the district's recent action. If so, she recommended language that if the audit is already paid that the 10% penalty be reimbursed to the school district in question. John Hicks agreed as well as other members. Sabrina added that she had not spoken to Jenkins Independent at the time of this meeting. John Hicks made a motion to approve the Penalty Letter to Allen & Associates, PLLC with the added language. Sabrina Smith seconded this motion, and the Committee unanimously approved the motion.

Next, Valerie proceeded to discuss the Letter to the Office of the Governor. John Hicks wished to address the letter as well. He did not dispute the facts, expressing sincere regret for his cumulative absence and apologized to the committee. Since the fault lied with him, he suggested that the letter be addressed to him personally instead of the Governor. Marshall added that KDE is not supportive of the letter, in its current state, but in favor of addressing it directly to John Hicks. Sabrina commented that the letter is addressed to and from those holding statutory positions, but if changed then it needs to be from Valerie Hamilton to John Hicks or Auditor Ball to Governor Beshear with verbiage adjusted to reflect accordingly. After continued cross dialogue, Sabrina expressed the

letter needs to comprise the verbiage that a state committee member pointed out an ongoing issue with the Governor Designee, so it should be addressed to John Hicks and that, for the record, he renewed his commitment to attend or have another attend in his stead. Valerie took note by sharing her screen with the committee so all could see live the updates to the letter. After continued deliberation, a final draft was agreed to be satisfactory with final edits to be further performed to the addressee line, signature block, and the carbon copy notation. Sabrina Smith made a motion to approve the amended letter. Stacy Woodrum seconded this motion, and the Committee unanimously approved the motion with John Hicks abstaining.

IV. New Business:

Marshall Smith updated the committee on the status of the outstanding FY25 Audits: Jenkins Independent and Estill School District. Only Jenkins Independent's audit report has been received as of the start of the meeting. An adjusting entry not booked was found in the report, prompting KDE to flag it as non-compliant to the audit contract and follow-up with Allen & Associates, PLLC. With respect to Estill, ongoing conversations are taking place on obtaining the report. No timeline was reported by Marshall.

Marshall transitioned to the FY26 Audit Contracts. 5 districts submitted their contracts late for the committee to review.

- Fayette County is using Mauldin & Jenkins CPAs & Advisors, a new audit firm. Marshall recommends this for approval.
- Fulton Independent wished to use Allen & Associates, PLLC again. Marshall recommended approving the contract due to late timing and that the CPA firm would be watched closely.
- Jenkins Independent is using Montgomery & Company, PLLC, a new audit firm. Marshall recommends this for approval.
- Southgate Independent is using Maddox & Associates. Marshall commented that there were logistical issues getting the contract signed. He recommends this for approval.
- Williamsburg Independent is using Cloyd & Associates, a new audit firm. This is a switch from Allen & Associates, PLLC. Marshall recommends this for approval.

Sabrina expressed that Fulton Independent should not be allowed to use Allen & Associates, PLLC due to the ongoing issues and letter discussed in the meeting. She made a motion to disapprove. Marshall shared the concern that the school would have trouble finding a new CPA. Sabrina summarized the existence of other options with a CPA Firm out of Lexington, KY that would like to do more audits. No name was given. She is open to supporting any extension the new CPA would need to complete the audit for this upcoming year.

Marshall Smith made a motion to approve the FY26 Audit Contracts of Fayette County, Jenkins Independent, Southgate Independent, and Williamsburg Independent. John Hicks seconded. The Committee unanimously approved.

Marshall Smith made a motion to approve the FY26 Audit Contract of Fulton Independent. Valerie Hamilton, seeing no second, commented that Fulton Independent will be directed by KDE to find a new audit firm to use. Their contract will be approved at a later date.

V. Miscellaneous:

No miscellaneous items discussed.

VI. Future Meeting Date:

The next regularly scheduled SCSDA meeting will be held via TEAMS on September 10, 2026, at 9:00 AM.

Additional meeting dates for 2026 and 2027 were outlined:

October 8, 2026 @ 9:00am (Teams)

March 11, 2027 @ 9:00am (Teams)

March 18, 2027 @ 9:00am (Teams)

June 10, 2027 @ 9:00am (Teams)

VII. Adjournment:

Sabrina Smith made a motion for adjournment. John Hicks seconded the motion. Without objection, the meeting was adjourned.

VIII. Summary of Items for Future Discussion:

- Fulton Independent FY26 Audit Contract
- Board Correspondence and Oversight at General Assembly's direction

Full Video of the YouTube Livestream for July 30th, 2026:

[July 30 2026 - State Committee for School District Audits Meeting](#)