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Office of the President  
February 19, 2026

Members, Audit and Compliance Committee:

## EXECUTE FISCAL YEAR 2025-26 AUDIT ENGAGEMENT LETTER

Recommendation: that the Audit and Compliance Committee authorize the Treasurer to execute the Engagement Letter with Forvis Mazars, LLP for the audit of the University of Kentucky's financial statements for the year ending June 30, 2026.

Background: Forvis Mazars, LLP was retained as the University's independent auditor from a competitive request for proposal (RFP) bid proposal in May 2025. The initial contract period has a term of five years (July 1, 2026 – June 30, 2030) with up to four additional one-year renewal options for a total term not to exceed nine years (through June 30, 2034).

The Treasurer recommends exercising the first year of the contract for the Fiscal Year 2025-26 audit engagement based on the contract's fixed price components.

The Fiscal Year 2024-25 audit engagement fees totaled \$1,070,120. The 2025-26 engagement is expected to be approximately \$984,000 including additional fees of \$30,000 for work required due to the number of additional research programs which had expenditures more than \$3,000,000 as required by the federal government and \$25,000 consulting fee for adopting new accounting standards. The engagement will include the following services:

- audit of the basic financial statements of the University and its affiliates for the Fiscal Year ending June 30, 2026;
- audit of the basic financial statements of the University organizational units, the Kentucky Tobacco Research and Development Center and Alumni Association; and
- other services including reports on internal controls and compliance as required by the State and federal government, reports on various agreed-upon procedures.

The Engagement Letter will be provided to the Audit and Compliance Committee at its April 2026 meeting, prior to the start of the Fiscal Year 2025-26 audit.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_