



AUDIT COMMITTEE
OCTOBER 23, 2025

KEENE STATE COLLEGE
KEENE, NEW HAMPSHIRE

MEETING MINUTES
Draft for Approval

Committee members physically present: Chair Peter T. Paul, Joel Nkounkou, Jennifer Higgins Pitre

Other Trustees physically present: Gregg Tewksbury, Michael Pilot, Cathy Provencher (arrived at 11:20 a.m.)

Other Trustees participating virtually: Sen. James Gray

Other participants participating in person: (USNH) Kara Bean, Ashish Jain, Karen Benincasa, Francine Ndayisaba; (KSC) Nathalie Houder; (UNH) Matt MacManes; (CLA) Andy Lee

Other participants participating virtually: John Corbet, (CLA) Christina Dooley

I. Call to Order

At 10:47 a.m., Committee Chair Paul called the meeting to order. Chair Paul called the roll and noted the presence of a quorum sufficient for the conduct of business.

II. Approval of Consent Agenda Items

Chair Paul asked the committee members if they had any comments or questions about the consent agenda items; there were none.

Items on the consent agenda appear below:

- A. Minutes of June 26, 2025 Meeting
- B. FY25 Financial Statements and Audit Report/Comments for UNH Foundation
- C. Internal Audit Reports Issued
 - 1. USNH 403b and 457b Plans Recommendations
 - 2. Confidential – USNH Network Security Audit Report

III. Items for Committee Consideration and Action

A. Approve FY25 University System of New Hampshire Financial Statements

B. Review FY25 Audit Report and Comments from CLA

Karen Benincasa, Vice Chancellor for Financial Affairs & Treasurer, and Francine Ndayisaba, Assistant Vice Chancellor, Financial Affairs & Controller presented the financial statements.

Ms. Benincasa noted that this was a challenging year for timely release of the financial statements due to mid-year conversion of the financial system and staffing challenges. Timeliness of reconciliation and audit documentation resulted in a significant deficiency. Ms. Benincasa agrees with the finding, noting that difficult prioritization decisions had to be made. She commended her team, especially Francine Ndayisaba, Assistant Vice Chancellor, Financial Affairs & Controller, for all of their hard work to get the statements released on time given all of the challenges this year. Lastly, Ms. Benincasa stated that improvements are being made (additional training, hiring more experienced professional staff, leveraging resources) to improve the audit process and financial services overall.

Francine Ndayisaba discussed FY25 financial results. USNH had a negative operating margin of \$7M which can be attributed to an increase in non-grant expenses primarily due to medical claims and an increase in student financial aid while tuition stayed flat. Unrestricted financial resources (UFR) increased \$29M primarily due to an increase in auxiliary reserves, and recovery of over accrued CERP costs. Increases in medical claims resulted in a negative cash flow. USNH adopted GASB 101 Compensated Absences but it did not impact the financial statements.

Andy Lee and Christina Dooley from CLA presented the audit results.

Mr. Lee briefly reviewed the scope of services and the audit process.

Ms. Dooley stated that the USNH Financial Statement audit resulted in an unmodified opinion (“clean opinion”) on the financial statements and no material weaknesses, acknowledging the significant deficiency. One uncorrected adjustment was also noted, which was a FY24 adjustment corrected in the FY25 financial statements (as opposed to restating the FY24 financial statements). CLA concluded that management has a reasonable basis for significant judgements and estimates. There were no disagreements with management and no consultations with other independent accountants.

Mr. Lee stated that the Uniform Guidance Audit is in progress. The focus will be on Student Financial Assistance (SFA) Cluster. Testing is underway and on track to be substantially complete by the end of the year. There are no findings to date. Mr. Lee pointed out that release of the compliance supplement is significantly delayed; the draft supplement is being utilized in the meantime.

Mr. Lee briefly discussed industry insights and emerging issues including impacts of the One Beautiful Bill Act affecting students, economics and compliance. Most notable are the elimination of Graduate PLUS loans and Form 1099 increases.

GASB 103 – Financial Reporting Module, relative to financial statement presentation, has an effective date of June 30, 2026. This requirement will affect the Management Discussion & Analysis and Pell Grant reporting.

CLA is holding a free higher education virtual conference in February.

The following motion was made by Trustee Paul, duly seconded, discussed, and approved with no votes abstained or dissenting.

***VOTED**, on recommendation of the Chancellor, that the USNH Financial Statements for the fiscal year ended June 30, 2025 be approved and forwarded to the Board of Trustees with the following recommended action:*

***MOVED**, on recommendation of the Audit Committee, that the USNH Financial Statements for the fiscal year ended June 30, 2025 be accepted and forwarded to the Governor, the Legislative Fiscal Committee, and others as specified in state law RSA 187-A:22.*

IV. Items for Committee Consideration and Discussion

A. Status of Outstanding Audit Issues

Mr. Jain shared the status of significant open audit issues from the past internal audit reports. There has been a special focus on the remediation of old outstanding audit issues. Progress is being made.

V. Non-public Session

At 11:34 a.m., on motion moved by Trustee Paul and duly seconded, the committee voted unanimously by roll call to go into non-public session for the purposes indicated:

***VOTED**, that the Audit Committee go into non-public session for the purpose of discussing: (1) matters which if discussed in public would likely affect adversely the reputation of a person or persons, who are not members of this committee and (2) involve consideration of confidential information systems and pending risk mitigation strategies, as authorized by RSA 91-A:2, I(b), RSA 91-A:3, II(c) and (j), and RSA 91-A:5 XI..*

At 12:15 p.m., on motion moved by Trustee Paul and duly seconded, the committee voted unanimously to return to public session. Chair Paul announced the committee did not take any votes or make any decisions while in non-public session.

The following motion was made by Trustee Paul, duly seconded, discussed, and approved (by over 2/3 majority) with no votes abstained or dissenting.

***VOTED**, pursuant to RSA 91-A:3.III, that the minutes of the nonpublic session be sealed indefinitely because divulgence of the information would adversely affect the reputation of a person other than a member of the Committee.*

VI. Other Business

Chancellor Provencher acknowledged the exemplary work of Francine Ndayisaba and her team on the financial statements.

VII. Adjournment

There being no further business, the meeting adjourned at 12:17 p.m.

-- End of Audit Committee Meeting Minutes --