BOARD OF TRUSTEES
AUDIT COMMITTEE
October 22, 2026

UNIVERSITY OF NEW HAMPSHIRE
DURHAM, NH

MEETING MINUTES
Draft for Approval

Attendance

Committee members present: Chair Peter T. Paul, Vice Chair David Westover, Jennifer Higgins Pitre, Joel Nkounkou

Other trustees present: Cathy Provencher

Other participants: Ashish Jain, Francine Ndayisaba, Crystal Floyd, Sam Fucile, Kim DeRego, Kara Bean, George Morris, Matt MacManes; Andy Lee and Christina Dooley from CLA

Call to Order

Committee Chair Paul called the meeting to order at 10:45 a.m.

Consent Agenda

Approval of the consent agenda containing the following items was duly moved, seconded, and approved.

Consent Items:

Approval of the June 26, 2026, Minutes

Enterprise Risk Management (ERM) update on Compliance

Non-Public Session

At 10:48 a.m., on motion moved by Trustee Westover 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 matters which if discussed in public would likely affect adversely the reputation of a person or persons, who are not members of this committee authorized by RSA 91-A:3, II(c).*

Return to Public Session

At 10:56 a.m., on motion by Trustee Westover and duly seconded, the committee voted unanimously to return to public session.

Sealing of Non-public Session Minutes

The following motion was made by Trustee Westover, duly seconded, discussed, and approved (by ⅔ of those present and voting) with no votes abstained or dissenting.

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

Items for Committee Consideration and Action

FY26 University System of New Hampshire Financial Statements and FY26 Audit Report and Comments from CLA

Francine Ndayisaba, USNH Assistant Vice Chancellor of Financial Affairs & Controller presented the financial statements and discussed FY26 financial results.

USNH's financial position strengthened in FY26. Net position increased $162M (8.6%) to $2.06B, primarily driven by strong investment performance and endowment growth. New borrowing generated approximately $8M in net present value savings. Factors that contributed to the positive operating margin are lower employee benefit costs, lower medical costs, and increased investment returns. Due to the fluctuation and unpredictability of these factors, Trustee Provencher noted that these results should not be the basis for future cost structures. Ms. Ndayisaba noted that system office balances were fully allocated for the first time, which was done in part to comply with NECHE requirements. This was done by leveraging Workday functionality.

There was one uncorrected misstatement regarding investment market valuation due to investment statement delays; it was not material. There were no corrected misstatements.

GASB 103 was implemented. GASB 103 changed how the operating margin is calculated and presented; it did not affect total net position or underlying results. In response to a question from Trustee Paul, Mr. Lee noted that this accounting policy primarily affected presentation of the Pell Grant, state appropriations, and short-term investment earnings.

Ongoing pressures for USNH include decreased tuition and fees revenue, reduced federal grant activity, decreased State appropriations, and enrollment declines. Moody's maintained Aa3/stable rating. S&P maintained A+ rating but revised its outlook to negative citing operating pressures and demand challenges.

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. There were no disagreements with management and no consultations with other independent accountants.

CLA takes a risk-based approach and gathered a list of risks from various constituencies at USNH. They test various items such as internal controls, capital projects and debt and investment valuation to ensure estimates are reasonable. Ms. Dooley noted that investment valuation and capital projects and debt require the most time and review.

Mr. Lee and Ms. Dooley acknowledged the exemplary work of Ms. Ndayisaba and Crystal Floyd, Assistant Controller, emphasizing their exceptional responsiveness. Trustee Provencher concurred, also

commending Ms. Ndayisaba and Ms. Floyd for successfully completing the financial statements on time despite other conflicting projects and resource constraints.

Mr. Lee stated that the federally required Uniform Guidance Audit is in progress. The focus will be on Research & Development (R&D) 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, as was the case last year, release of the compliance supplement by the federal government is delayed.

The following motion was made by Trustee Westover, 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, 2026 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, 2026 be accepted and forwarded to the Governor, the Legislative Fiscal Committee, and others as specified in state law RSA 187-A:22.*

Items for Committee Consideration and Discussion

ERP Program Update

George Morris, USNH CIO, presented the update. Key milestones reached include completion of Workday Finance Foundation Data Model (FDM) update. Workday Student design worksets A-D have been completed on time. Upcoming milestones include Workday Student design sign-off, launch of end-to-end testing stage, and move to the first production stage in October 2027. Academic Curriculum Management software implementation by 3rd party vendor (Course Leaf) is underway. Timely completion of this implementation by October end has been identified as a critical risk.

The committee and Mr. Morris discussed the limitations of Workday for a student information system application and the necessary use of "sidecar strategy", i.e., utilizing additional 3rd party applications to address needed functionality. Use of 3rd party vendors adds complexity to the project but they are necessary for higher education expertise and reputable software. Mr. Morris will provide the committee with the timeline status for the work of 3rd party vendors at the next meeting.

With feedback from various stakeholders, Mr. Morris has begun to make changes to IT governance.

Status of Outstanding Audit Issues

Mr. Jain shared the status of significant open audit issues from past internal audit reports. Progress is being made to address and close audit issues.

Other Business

There was discussion regarding Workday and the gravity of the project, and especially for the student information system application. Kim DeRego, UNH Vice Provost for Enrollment Management and Chief Enrollment Officer, stated that workstreams have been established and they are working hard to launch a successful student information system. A single system supporting three institutions, with federally mandated financial aid requirements, presents a significant challenge. It was noted that even after the project is launched, there will still be work to do and improvements to be made, as has been the case for the finance/human resources Workday project.

Adjournment

There being no further business or discussion, the meeting adjourned at 12:11 p.m.