

**Universal Service Administrative Company  
Audit Committee Quarterly Meeting  
Agenda**

**Tuesday, January 19, 2016  
2:00 p.m. – 3:00 p.m. Eastern Time  
USAC Offices  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036**

**OPEN SESSION**

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Audit Committee Meeting Minutes of October 26, 2015.
  - B.** Approval of moving all *Executive Session* items into *Executive Session*.
- a2.** Approval of 2016 Audit Committee Charter.  
*Same as aBOD01G*

**EXECUTIVE SESSION**

- i1.** Report on the Audit of the FCC's Financial Statements for the Fiscal Year Ending September 30, 2015 – **Confidential** – *Executive Session Recommended*.  
*Same as iBOD03cf*
- i2.** Business Update – **Confidential** – *Executive Session Recommended*.
- Beneficiary and Contributor Audit Program (BCAP).
  - Payment Quality Assurance (PQA).
  - Key Measurement.
  - Strategic Initiatives.

**Next Scheduled USAC Audit Committee Meeting**

**Monday, April 25, 2016  
8:00 a.m. – 9:30 a.m.  
USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**AUDIT COMMITTEE MEETING**  
**Tuesday, January 19, 2016**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) Audit Committee (Committee) was held at USAC's offices in Washington, D.C. on Tuesday, January 19, 2016. Mr. Joe Gillan, Committee Chair, called the meeting to order at 2:07 p.m. Eastern Time, with all four Committee members present (there is one vacancy):

Feiss, Geoff – *by telephone*  
Gillan, Joe – Chair – *by telephone*  
Jimenez, Jose – Vice Chair – *by telephone*  
Talbot, Dr. Brian – *by telephone*

Other Board members and officers of the corporation present:

Belden, Richard – Chief Operating Officer  
Fontana, Brent – Member of the Board – *by telephone*  
Henderson, Chris – Chief Executive Officer  
Lubin, Joel – Member of the Board – *by telephone*  
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Delmar, Teleshia	USAC
Gelman, Sheryl	USAC
Goode, Vernell	USAC
Guinan, Gabriela Gross	USAC
Murphy, Tom	USAC
Nuzzo, Patsy	USAC
Salvator, Charles	USAC
Schrieber, Johnnay	USAC

**OPEN SESSION**

**a1. Consent Items.**

A. Approval of Committee meeting minutes of October 26, 2015.

B. Approval for discussing in *Executive Session* agenda items:

(1) i1 – Report on the Audit of the FCC's Financial Statements for the Fiscal Year Ending September 30, 2015. USAC management recommends that

this matter be discussed in *Executive Session* because the report relates to *specific internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures.

- (2) i2 – Business Update. USAC management recommends that this matter be discussed in *Executive Session* because the report relates to USAC’s *procurement strategy and contract administration, pre-decisional matters pending before the FCC, and may also include discussion of personnel matters and attorney/client privileged communications*.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

**RESOLVED**, that the USAC Audit Committee hereby approves the Committee meeting minutes of October 26, 2015; and

**RESOLVED FURTHER**, that the USAC Audit Committee approves the discussion in *Executive Session* of the Report on the Audit of the FCC’s Financial Statements for the Fiscal Year Ending September 30, 2015 and the general business update.

- a2. Approval of 2016 Audit Committee Charter.** Mr. Scott presented this item for consideration.

On a motion duly made and seconded after discussion, the Committee adopted the following resolution:

**RESOLVED**, that the USAC Board of Directors, having reviewed the current Audit Committee Charter and the proposed change presented by the USAC Internal Audit Division, hereby accepts the recommendation of the Audit Committee and approves the revised Audit Committee Charter.

At 2:15 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

### **EXECUTIVE SESSION**

- i1. Report on the Audit of the FCC’s Financial Statements for the Fiscal Year Ending September 30, 2015.** Mr. Scott presented this item for discussion.

- i2. Business Update.** Mr. Scott presented this item for discussion.

- General business update.
  - Beneficiary and Contributor Audit Program (BCAP).
  - Payment Quality Assurance (PQA).
- Key Measurements.
- Strategic Initiatives.

To expedite navigation, please use the bookmarks located in the Navigation Pane.

At 3:06 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Committee discussed items i1 and i2.

On a motion duly made and seconded, the Committee adjourned at 3:07 p.m. Eastern Time.

/s/ Ellis Jacobs  
Secretary

**Universal Service Administrative Company  
Audit Committee Quarterly Meeting  
Agenda**

**Friday, April 22, 2016  
1:00 p.m. – 2:00 p.m. Eastern Time  
USAC Offices  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036**

**OPEN SESSION**

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Audit Committee Meeting Minutes of January 19, 2016.
  - B.** Approval of Moving all *Executive Session* Items into *Executive Session*.
  - C.** Review of USAC's Processes to Assess Compliance with Applicable Laws and Regulations.
  - D.** Review of the Integrity of USAC's Financial Reporting Process.

**EXECUTIVE SESSION**

- i1.** Business Update **Confidential** – *Executive Session Recommended*.
- Business Update
    - Report on audit plans
    - Co-source vendor
  - Divisional Measurements
    - Post audit survey
  - Key Initiatives
    - Future of Payment Quality Assurance (PQA)

**Next Scheduled USAC Audit Committee Meeting**

**Monday, July 25, 2016  
8:00 a.m. – 9:30 a.m.  
USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**AUDIT COMMITTEE MEETING**  
**Friday, April 22, 2016**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) Audit Committee (Committee) was held at USAC's offices in Washington, D.C. on Friday, April 22, 2016. Mr. Joe Gillan, Committee Chair, called the meeting to order at 1:03 p.m. Eastern Time, with three of the five Committee members present (there is one vacancy):

Feiss, Geoff – *by telephone*  
Gillan, Joe – Chair – *by telephone*  
Talbott, Dr. Brian – *by telephone*

Members of the Committee not present:

Jimenez, Jose – Vice Chair

Other Board members and officers of the corporation present:

Belden, Richard – Chief Operating Officer  
Fontana, Brent – Member of the Board – *by telephone*  
Henderson, Chris – Chief Executive Officer  
Robinson, Vickie - Vice President and General Counsel  
Scott, Wayne – Vice President of Internal Audit  
Wein, Olivia– Member of the Board – *by telephone*

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Jarnice	USAC
Delmar, Teleshia	USAC
Gelman, Sheryl – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Guinan, Gabriela Gross	USAC
Nuzzo, Patsy	USAC
Salvator, Charles – <i>by telephone</i>	USAC

**OPEN SESSION**

**a1. Consent Items.**

A. Approval of Committee meeting minutes of January 19, 2016.

To expedite navigation, please use the bookmarks located in the Navigation Pane.

- B. Approval for discussing in *Executive Session* agenda items:
  - (1) i1 – Business Update. USAC management recommends that this matter be discussed in *Executive Session* because this item will include a discussion of *specific internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures.
- C. Review of USAC’s Processes to Assess Compliance with Applicable Laws and Regulations.
- D. Review of the Integrity of USAC’s Financial Reporting Processes.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolutions:

**RESOLVED**, that the USAC Audit Committee hereby approves the Committee meeting minutes of January 19, 2016, and discussion in *Executive Session* of the business update; and

**RESOLVED FURTHER**, that the USAC Audit Committee accepts the USAC Internal Audit Division’s assessment that USAC’s processes are in compliance with applicable laws and regulations; and

**RESOLVED FURTHER**, that the USAC Audit Committee accepts the Internal Audit Division’s review and assessment of USAC’s financial reporting processes.

At 1:08 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

### **EXECUTIVE SESSION**

- i1. **Business Update.** Mr. Scott presented this item for discussion.
  - Business Update
    - Report on audit plans
    - Co-source vendor
  - Divisional Measurements
    - Post audit survey
  - Key Initiatives
    - Future of Payment Quality Assurance (PQA).

At 1:39 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Committee discussed item i1.

On a motion duly made and seconded, the Committee adjourned at 1:39 p.m. Eastern Time.

To expedite navigation, please use the bookmarks located in the Navigation Pane.

/s/ Ellis Jacobs  
Secretary

**Universal Service Administrative Company  
Audit Committee Quarterly Meeting  
Agenda**

**Monday, July 25, 2016  
8:00 a.m. – 9:30 a.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

**OPEN SESSION**

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Audit Committee Meeting Minutes of April 22, 2016.
  - B.** Approval of moving all *Executive Session* items into *Executive Session*.
- a2.** Recommendation for Election of Committee Chair and Vice Chair.
- a3.** Acceptance of USAC's 2015 Annual Financial Audit and Agreed-Upon Procedures Review.  
*Same as iBOD02*
- ii.** Business Update:
- General Business Update.
  - Key Initiatives.

**EXECUTIVE SESSION**

- a4.** Action on USAC Internal Audit Division Finance Division Operational Follow-Up Audit Report – **Confidential** – *Executive Session Recommended*.  
*Same as aEC02cf*
- ii2.** Audit Committee Executive Session with USAC's Independent Audit Firm – **Confidential** – *Executive Session Recommended*.
- ii3.** Annual Executive Session with USAC's Vice President of Internal Audit – **Confidential** – *Executive Session Recommended*.

**Next Scheduled USAC Audit Committee Meeting**

**Monday, October 24, 2016  
8:00 a.m. – 9:30 a.m.  
USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

**AUDIT COMMITTEE MEETING**  
**Monday, July 25, 2016**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) Audit Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, July 25, 2016. Mr. Jose Jimenez, Committee Vice Chair, called the meeting to order at 8:01 a.m. Eastern Time, with three of the four Committee members present (there is one vacancy):

Feiss, Geoff  
Jimenez, Jose – Vice Chair  
Talbott, Dr. Brian

Mr. Joe Gillan, Committee Chair, joined the meeting by telephone at 8:06 a.m.

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board  
Case, David – Vice President and Chief Financial Officer  
Fontana, Brent – Member of the Board  
Henderson, Chris – Chief Executive Officer  
Hernandez, Dr. Mike – Member of the Board  
Robinson, Vickie - Vice President and General Counsel  
Scott, Wayne – Vice President of Internal Audit  
Shah, Hemang, Vice President of Strategy and Change Management  
Sweeney, Mark – Chief Operating Officer; Acting Vice President of High Cost Program  
Taylor, Peter – Vice President of Information Technology and Chief Information Officer  
Tinic, Atilla – Member of the Board  
Wein, Olivia – Member of the Board

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Belden, Richard	USAC
Delmar, Teleshia	USAC
Gelman, Sheryl	USAC
Goode, Vernell	USAC
Guinan, Gabriela Gross	USAC
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
King, Lauren	USAC

<u>NAME</u>	<u>COMPANY</u>
Lutz, Corey	USAC
French, John	PricewaterhouseCoopers LLP (PwC)
Leonard, Tom	PwC
Nuzzo, Patsy	USAC
Ordon, Bob	Knights Net, Inc.
Salvator, Charles	USAC
Sinkfield, David	USAC
Smith, Chris	USAC
Stenger, Doug	USAC
Tuinstra, Jason	PwC

### OPEN SESSION

#### a1. Consent Items.

- A. Committee meeting minutes of April 22, 2016.
- B. Approval for discussing in *Executive Session* agenda items:
  - (1) a4 – Action on USAC Internal Audit Division Finance Division Operational Follow-Up Audit Report. USAC management recommends that this matter be discussed in *Executive Session* because the report relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.
  - (2) i2 – Audit Committee Executive Session with USAC’s Independent Audit Firm. USAC management recommends that this matter be discussed in *Executive Session* consistent with the requirements of the Audit Committee Charter that the Committee meet annually with USAC’s independent audit firm in *Executive Session*.
  - (3) i3 – Annual Executive Session with USAC’s Vice President of Internal Audit. USAC management recommends that this matter be discussed in *Executive Session* consistent with the requirements of the Audit Committee Charter that the Committee meet annually with the Vice President of Internal Audit in *Executive Session*.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

**RESOLVED**, that the USAC Audit Committee hereby approves the Committee meeting minutes of April 22, 2016, and discussion in *Executive Session* of the USAC Internal Audit Division Finance Division Operational Follow-Up Report, the Audit Committee executive session with USAC’s independent audit firm, and the executive session with USAC’s Vice President of Internal Audit.

### OPEN SESSION

To expedite navigation, please use the bookmarks located in the Navigation Pane.

- a2. **Recommendation for Election of Committee Chair and Vice Chair.** Mr. Feiss, Chair of the Nominating Committee, presented this item for discussion.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

**RESOLVED**, that the USAC Audit Committee recommends that the USAC Board of Directors elect **Mr. Gillan** as Chair and **Mr. Jimenez** as Vice Chair of the Committee for a term that begins immediately upon the adoption of this resolution by the Board and ends when a successor to the Chair and/or Vice Chair has been elected, when the Chair or Vice Chair resigns from the Committee or the Board, is removed by resolution of the Board, or is no longer a member of the Board.

- a3. **Acceptance of USAC's 2015 Annual Financial Audit and Agreed-Upon Procedures Review.** Mr. Scott presented this item for discussion.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolutions:

**RESOLVED**, that the USAC Audit Committee, having reviewed the USAC 2015 Financial Audit Report as submitted by PricewaterhouseCoopers LLP, hereby deems the report final; and

**RESOLVED FURTHER**, that the USAC Audit Committee, having reviewed the USAC 2015 Agreed-Upon Procedures Review Report as submitted by PricewaterhouseCoopers LLP, hereby deems such report final.

- i1. **Business Update.** Mr. Scott presented this item to the Committee.

- General Business Update.
- Key Initiatives.

At 9:03 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

### **EXECUTIVE SESSION**

- a4. **Action on USAC Internal Audit Division Finance Division Operational Follow-Up Audit Report.** Mr. Scott presented this item for discussion.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**RESOLVED**, that the USAC Audit Committee, having reviewed the USAC Internal Audit Division (IAD) Finance Division operational follow-up audit report, accepts the recommendations of the USAC Executive Committee and USAC management and hereby deems the report final.

- i2. **Audit Committee Executive Session with USAC's Independent Audit Firm.** Mr. Jimenez introduced this item to the Committee. Tom Leonard prepared remarks on behalf of PwC.
- i3. **Annual Executive Session with USAC's Vice President of Internal Audit.** Mr. Jimenez introduced this item to the Committee.

At 9:07 a.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Jimenez reported that in *Executive Session*, the Committee took action on item a4 and discussed items i2 and i3.

On a motion duly made and seconded, the Committee adjourned at 9:42 a.m. Eastern Time.

/s/ Vickie Robinson  
Assistant Secretary

**Universal Service Administrative Company  
Audit Committee Quarterly Meeting  
Agenda**

**Monday, October 24, 2016  
8:00 a.m. – 9:30 a.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

**OPEN SESSION**

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Audit Committee Meeting Minutes of July 25, 2016.
  - B.** Approval of moving all *Executive Session* items into *Executive Session*.
  - C.** Acceptance of the Annual Assessment by the USAC Internal Audit Division of the Independence and Financial Literacy of USAC Audit Committee Members.
  - D.** Annual Review of the Internal Audit Charter; the Organizational Structure, Budget, and Activities of the Internal Audit Division; and Significant Changes to the Internal Audit Plan.
  - E.** Annual Review of the Effectiveness of the Company's Process for Assessing Significant Risks and Exposures and the Steps Management Has Taken to Minimize Such Risks and Exposures.
  - F.** Annual Review of the Adequacy of USAC's System of Internal Controls.
- i1.** Business Update:
- General Business Update.
  - Status Update PwC – 2015 Audit.
- i2** USAC Internal Audit Division Peer Review Report.

**EXECUTIVE SESSION**

- i3.** Annual Executive Session with USAC's Vice President of Internal Audit – **Confidential** – *Executive Session Recommended*.

**Next Scheduled USAC Audit Committee Meeting**

**Monday, January 30, 2017  
8:00 a.m. – 9:30 a.m.  
USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

**AUDIT COMMITTEE MEETING**  
**Monday, October 24, 2016**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) Audit Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, October 24, 2016. Mr. Gillan, Committee Chair, called the meeting to order at 8:04 a.m. Eastern Time, with all five Committee members present:

Feiss, Geoff  
Gillan, Joe – Chair  
Jimenez, Jose – Vice Chair  
Talbot, Dr. Brian  
Wibberly, Dr. Kathy

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board  
Case, David – Vice President and Chief Financial Officer  
Fontana, Brent – Member of the Board  
Henderson, Chris – Chief Executive Officer  
Hernandez, Dr. Mike – Member of the Board  
Jortner, Wayne – Member of the Board  
Robinson, Vickie - Vice President and General Counsel  
Scott, Wayne – Vice President of Internal Audit  
Shah, Hemang, Vice President of Strategy and Change Management  
Sweeney, Mark – Chief Operating Officer; Acting Vice President of High Cost Program  
Taylor, Peter – Vice President of Information Technology and Chief Information Officer  
Tinic, Atilla – Member of the Board  
Wein, Olivia – Member of the Board

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Jarnice	USAC
Delmar, Teleshia	USAC
Gelman, Sheryl	USAC
Goode, Vernell	USAC
Hudson, Jeanne	PricewaterhouseCoopers LLP (PwC)
Hughet, Pamela	USAC
Hwang, Michael	USAC

<u>NAME</u>	<u>COMPANY</u>
King, Lauren	USAC
Leonard, Tom	PwC
Lutz, Corey	USAC
McClements, Terri	PwC
McNeff, Kristina	USAC
Murphy, Tom	USAC
Myers, Erica	USAC
Nuzzo, Patsy	USAC
Salvator, Charles	USAC
Smith, Chris	USAC
Tuinstra, Jason	PwC

### OPEN SESSION

#### **a1. Consent Items.**

- A. Committee meeting minutes of July 25, 2016.
- B. Approval for discussing in *Executive Session* agenda item:
  - (1) **i3** – Annual Executive Session with USAC’s Vice President of Internal Audit. USAC management recommends that this matter be discussed in *Executive Session* consistent with the requirements of the Audit Committee Charter that the Committee meet annually with the Vice President of Internal Audit in *Executive Session*.
- C. Acceptance of the Annual Assessment by the USAC Internal Audit Division of the Independence and Financial Literacy of USAC Audit Committee Members.
- D. Annual Review of the Internal Audit Charter; the Organizational Structure, Budget and Activities of the Internal Audit Division; and Significant Changes to the Internal Audit Plan.
- E. Annual Review of the Effectiveness of the Company’s Process for Assessing Significant Risks and Exposures and the Steps Management Has Taken to Minimize Such Risks and Exposures.
- F. Annual Review of the Adequacy of USAC’s System of Internal Controls.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolutions:

**RESOLVED**, that the USAC Audit Committee hereby approves the Committee meeting minutes of July 25, 2016; and

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**RESOLVED FURTHER**, that the USAC Audit Committee accepts the assessment made by the USAC Internal Audit Division and agrees that the Audit Committee is adequately staffed with independent members and has a sufficient level of financial expertise; and

**RESOLVED FURTHER**, that the USAC Audit Committee, having reviewed the current Internal Audit Charter as presented by USAC Internal Audit Division staff, reaffirms its approval of the Internal Audit Charter, which was last approved October 26, 2015; and

**RESOLVED FURTHER**, that the USAC Audit Committee accepts the USAC Internal Audit Division's review of the effectiveness of the Company's process for assessing significant risks and exposures, and the steps management has taken to minimize such risks and exposures; and

**RESOLVED FURTHER**, that the USAC Audit Committee accepts the review of the adequacy of USAC's system of internal controls performed by the USAC Internal Audit Division.

### **OPEN SESSION**

**i1. Business Update.** Mr. Scott and PwC presented this item to the Committee.

- General Business Update.
- Status Update PwC- 2015 Audit.

**i2. USAC Internal Audit Division Peer Review Report.** Mr. Scott presented this item to the Committee.

At 9:07 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

### **EXECUTIVE SESSION**

**i3. Annual Executive Session with USAC's Vice President of Internal Audit.** Mr. Gillan introduced this item to the Committee.

At 9:34 a.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Committee discussed item i2.

On a motion duly made and seconded, the Committee adjourned at 9:35 a.m. Eastern Time.

/s/ Vickie Robinson  
Assistant Secretary