

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

**Monday, January 27, 2025
2:50 p.m. – 5:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each item is available for discussion upon request): A. Approval of Audit Committee Meeting Minutes of October 28, 2024 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5
Chair	a2. Recommendation for Election of Committee Chair and Vice Chair	5
Chair	a3. Review of the 2025 Audit Committee Charter	10
Teleshia	i1. Audit and Assurance Division Business Update <ul style="list-style-type: none"> • Fiscal Year 2024 Operational Scorecard • 2024 Year in Review • 2025 Plans • 2025 Audit Objectives • Roadmap • Appendices 	40
Teleshia	i2. Post Audit/Assessment Survey Results	15

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	a4. Action on Two USAC Audit and Assurance Division Strategic Audit Reports	15
Teleshia	a5. Approval of the 2025 Strategic Audit Plan	15
Chair	i3. Audit Committee <i>Executive Session</i> with USAC’s Vice President of Audit and Assurance	15

Next Scheduled USAC Audit Committee Meeting

**Monday, April 28, 2025
USAC Offices, Washington, D.C.**

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

AUDIT COMMITTEE MEETING
Monday, January 27, 2025

MINUTES¹

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, January 27, 2025. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 2:51 p.m. Eastern Time, with a quorum of four of the five Committee members present (there was one vacancy):

Chacko, Sheba
Gregory, Amber
Polk, Stephanie – Vice Chair – *by telephone*
Schell, Julie Tritt – Chair

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*
Butler, Steve – Vice President of Shared Services
Chalk, Indra – Member of the Board
Dalhover, Brian – Member of the Board
Davis, Criag – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Freeman, Sarah – Member of the Board
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Green, Anisa – Member of the Board
Kettwich, Dan – Member of the Board
Mason, Ken – Member of the Board
O'Brien, Tim – Vice President of Lifeline
Sekar, Radha – Chief Executive Officer
Semmler, Kara – Member of the Board – *by telephone*
Sweeney, Mark – Vice President of Rural Health Care
Thompson, Mona – Member of the Board
Wade, Joan – Member of the Board
Waller, Jeff – Member of the Board – *by telephone*
Wein, Olivia – Member of the Board

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Wibberly, Dr. Kathy – Member of the Board
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Bello, Fatoumata Bah – <i>by telephone</i>	USAC
Braxton-Johnson, Kianna	USAC
Cardile, Christina – <i>by telephone</i>	USAC
Claxton, Naomi	USAC
Estrella, Giulianna	USAC
Faunce, Donna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
King, Ryan	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Little, Chris	USAC
Lloyd, Pamela	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Robinson, Crystal	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Smith, Chris	USAC
Stanikzai, Taj	USAC
Staurulakis, Chresanthe	USAC
Truong, Linh	USAC
Ward, Rashonda	USAC
White, Stacy	USAC
Wilkins, Jonathan	USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

- a1. Consent Items.** Ms. Schell presented this item to the Committee.
- A.** Approval of the Audit Committee meeting minutes of October 28, 2024.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **a4.** Action on Two USAC Audit and Assurance Division Strategic Audit Reports. USAC management recommends that this matter be discussed in *Executive Session* because these reports relate to *specific*

internal controls or confidential company data that would constitute a discussion of internal rules and procedures.

- (2) **a5.** Approval of the 2025 Strategic Audit Plan. USAC management recommends that this matter be discussed in *Executive Session* because discussion of the plan would relate to *specific internal controls and/or confidential company data* that could constitute a discussion of internal rules and procedures.
- (3) **i3.** Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. USAC management recommends that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.

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

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of October 28, 2024; and (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Mr. Mason introduced this item to the Board requesting that Ms. Freeman, Chair of the Nominating Committee, report on the Nominating Committee's recommendations for the election of the Audit Committee Chair and Vice Chair.

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 **Julie Tritt Schell** as Chair and **Ken Mason** as Vice Chair of the Committee. The term for each position begins immediately upon the election to such position by the Board and ends at such time as the Chair or Vice Chair (as the case may be): (i) is replaced by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

- a3. Review of the 2025 Audit Committee Charter.** Ms. Delmar presented this item to the Committee, noting the suggested changes to the Charter that included but were not limited to the following:
 - This charter is guided by the governance provisions in the Generally Accepted Government Auditing Standards and the Global Internal Audit Standards.
 - Work with the head of the organization to ensure the chief audit executive reports to a level within the organization (i.e., the Chief Executive Officer)

that allows the internal audit function to fulfill the internal audit mandate and is provided with sufficient resources to achieve the audit plans.

- The Chair or the Vice Chair shall have a background in financial reporting, accounting, or auditing, or other financial expertise.

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

RESOLVED, that the USAC Audit Committee, having reviewed the revised Audit Committee Charter presented by the USAC Audit and Assurance Division, recommends that the USAC Board of Directors approve the revised Audit Committee Charter.

- i1. **Audit and Assurance Business Update.** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:
 - Fiscal Year 2024 Operational Scorecard
 - 2024 Year in Review
 - 2025 Plans
 - 2025 Audit Objectives
 - Roadmap
 - Appendices: Audits in Progress and Aging Reports
- i2. **Post Audit/Assessment Survey Results.** Ms. Delmar presented PowerPoint slides to the Committee and reviewed and discussed the survey results.

At 4:14 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- a4. **Action on Two USAC Audit and Assurance Division Strategic Audit Reports.** Ms. Delmar presented the results of Two USAC Audit and Assurance Division Strategic Audit reports.

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

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Audit and Assurance Division's strategic audit reports of USAC's Check Payment Process and the Lifeline Recovery Process, accepts the recommendation of USAC management and hereby deems the reports final.

- a5. **Approval of the 2025 Strategic Audit Plan.** Ms. Delmar presented PowerPoint slides to the Committee and reviewed the objectives, approach, audit plan, and the audit selections for the 2025 Strategic Audit Plan.

RESOLVED, that the USAC Audit Committee approves the 2025 Strategic Audit Plan.

At 4:51 p.m. Eastern Time, on a motion duly made and seconded, the Committee continued in Executive Session with only non-staff members of the Board and Ms. Delmar present.

- i3. **Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance.** Per the guidelines in the approved Audit Committee Charter, Ms. Delmar met with members of the Audit Committee and Board of Directors in a confidential *Executive Session*.

OPEN SESSION

At 5:26 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Schell reported that, in *Executive Session*, the Committee acted on items a4, a5, and discussed item i3.

On a motion duly made and seconded, the Committee adjourned at 5:26 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Monday, April 28, 2025
2:45 p.m. – 4:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each item is available for discussion upon request): <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of January 27, 2025 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Review of USAC’s Processes to Assess Compliance with Applicable Laws and Regulations 	5
Teleshia	i1. Audit and Assurance Division Business Update <ul style="list-style-type: none"> • Q1 2025 Accomplishments & Q2 2025 Plans • Roadmap • Appendix A: BCAP Audits in Process • Appendix B: BCAP Audits Aging Report • Appendix C: SCAP Audits in Process • Appendix D: PQA PDA Assessments in Process • Appendix E: Glossary of Term 	20
EXECUTIVE SESSION		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended		
Teleshia	i2. Audit and Assurance Division Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Compliance and Audit Modernization Platform (CAMP) 	10
Teleshia	a2. Action on One USAC Audit and Assurance Division Strategic Audit Report	10
Chair	i3. Audit Committee <i>Executive Session</i> with USAC’s Vice President of Audit and Assurance	15

Next Scheduled USAC Audit Committee Meeting

**Monday, July 28, 2025
USAC Offices, Washington, D.C.**

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

AUDIT COMMITTEE MEETING
Monday, April 28, 2025

MINUTES¹

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 28, 2025. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 2:47 p.m. Eastern Time, with a quorum of four of the five Committee members present.

Gregory, Amber
Kettwich, Dan
Mason, Ken – Vice Chair
Schell, Julie Tritt – Chair

Members not present:

Polk, Stephanie

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*
Butler, Stephen – Vice President of Shared Services
Chacko, Sheba – Member of the Board – *by telephone*
Chalk, Indra – Member of the Board
Davis, Criag – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Freeman, Sarah – Member of the Board
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Green, Anisa – Member of the Board
O'Brien, Tim – Vice President of Lifeline
Sekar, Radha – Chief Executive Officer – *by telephone*
Sweeney, Mark – Vice President of Rural Health Care
Thompson, Mona – Member of the Board – *by telephone*
Wade, Joan – Member of the Board
Waller, Jeff – Member of the Board – *by telephone*
Wein, Olivia – Member of the Board

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Wibberly, Dr. Kathy – Member of the Board
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Claxton, Naomi	USAC
Estrella, Giulianna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
King, Ryan	USAC
Little, Chris	USAC
Mitchell, Katherine	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Robinson, Crystal	USAC
Staurulakis, Chresanthe	USAC
Tyson, Ashley	FCC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

a1. Consent Items. Ms. Schell presented this item to the Committee.

A. Approval of the Audit Committee meeting minutes of January 27, 2025.

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i2.** Audit and Assurance Division Business Update (*Continued*).
 USAC management recommends that this matter be discussed in *Executive Session* because discussion of the plan relates *to specific internal controls and/or confidential company data* that could constitute a discussion of *internal rules and procedures*. Additionally, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (2) **a2.** Action on One USAC Audit and Assurance Division Strategic Audit Report. USAC management recommends that this matter be discussed in *Executive Session* because the report relates to *specific internal controls or confidential company data* that would constitute a discussion of *internal rules and procedures*. Additionally, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (3) **i3.** Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. USAC management recommends that this

matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.

C. Review of USACs Processes to Assess Compliance with Applicable Laws and Regulations.

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

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of January 27, 2025; and (2) discussion in *Executive Session* of the items noted above; and (3) USAC's Processes to Assess Compliance with Applicable Laws and Regulations.

i1. Audit and Assurance Division Business Update. Ms. Delmar presented a PowerPoint presentation including the following topics:

- Q1 2025 Accomplishments and Q2 2025 Plans
- Roadmap
- Appendices A-D: Status of Various Audits and Assessments
- Appendix E: Glossary of Terms

At 3:08 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board, FCC, and USAC staff were present.

EXECUTIVE SESSION

i2. Audit and Assurance Division Business Update (Continued). Ms. Delmar presented a PowerPoint presentation on the Compliance and Audit Modernization Platform (CAMP), describing the differences between the current processes compared to the benefits of CAMP.

a2. Action on One USAC Audit and Assurance Division Strategic Audit Report. Ms. Delmar presented the Audit and Assurance Division's strategic audit report for the Privacy Follow-Up Audit to the Committee.

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

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Audit and Assurance Division's strategic audit report for the Privacy Follow-Up Audit, accepts the recommendation of USAC management and hereby deems the report final.

At 3:45 p.m. Eastern Time, the Committee continued in Executive Session with only non-staff members of the Board and Ms. Delmar present.

- i3. Audit Committee *Executive Session* with USAC’s Vice President of Audit and Assurance.** Per the guidelines in the approved Audit Committee Charter, Ms. Delmar met with members of the Audit Committee and Board of Directors in a confidential *Executive Session*.

OPEN SESSION

At 4:01 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Schell reported that, in *Executive Session*, the Committee acted on item a2 and discussed items i2 and i3.

On a motion duly made and seconded, the Committee adjourned at 4:01 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Monday, July 28, 2025
2:20 p.m. – 3:55 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each item is available for discussion upon request): <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of April 28, 2025 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Annual Review of USAC’s System of Internal Controls (See AC03cf) D. Annual Review of USAC’s Financial Reporting Process (See aAC04cf) 	5
Teleshia	i1. Audit and Assurance Division Business Update <ul style="list-style-type: none"> • Q2 2025 Accomplishments • Q3 2025 Plans • Roadmap • Appendix A: BCAP Audits in Process • Appendix B: BCAP Audit Aging Report • Appendix C: SCAP Audit Reports in Process • Appendix D: PQA Assessments in Process • Appendix E: Glossary of Terms 	20

EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
Teleshia	i2. Audit and Assurance Division Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Fiscal Year 2024 Common BCAP/SCAP Audits and PQA Assessment Findings and Corrective Action Plans 	10
Teleshia	a2. Action on One USAC Audit and Assurance Division Strategic Audit Report	10
Teleshia	a3. Annual Review of USAC’s System of Internal Controls	–
Teleshia	a4. Annual Review of USAC’s Financial Reporting Process	–

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia/ Michelle/ Tom Leonard, PwC Partner	a5. Acceptance of USAC’s 2024 Financial Statement Audit and Agreed-Upon Procedures Review (Same as iBOD05cf)	20
PwC	i3. Audit Committee <i>Executive Session</i> with USAC’s Independent Audit Firm – PricewaterhouseCoopers LLP	15
Chair	i4. Audit Committee <i>Executive Session</i> with USAC’s Vice President of Audit and Assurance	15

Next Scheduled USAC Audit Committee Meeting

Monday, October 27, 2025 USAC Offices, Washington, D.C.
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Monday, July 28, 2025

MINUTES¹

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, July 28, 2025. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 2:25 p.m. Eastern Time, with a quorum of four of the five Committee members present.

Gregory, Amber
Kettwich, Dan
Mason, Ken – Vice Chair
Schell, Julie Tritt – Chair

Members not present:

Polk, Stephanie

Other Board members and officers of the corporation present:

Butler, Stephen – Vice President of Shared Services
Chalk, Indra – Member of the Board
Dalhover, Brian – Member of the Board
Davis, Criag – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Green, Anisa – Member of the Board
O'Brien, Tim – Vice President of Lifeline
Sekar, Radha – Chief Executive Officer
Semmler, Kara – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care
Waller, Jeff – Member of the Board – *by telephone*
Wein, Olivia – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Batemon, Lanelle – <i>by telephone</i>	Institute for Digital Health & Innovation – UAMS-e-Link
Boakye-Gyan, Carol	USAC
Cleveland, John – <i>by telephone</i>	Federal Funding Advisor, LLC
Francisco, Dale	USAC
Goode, Vernell	USAC
King, Ryan	USAC
Kriete, Debra	South Dakota Department of Education
Leonard, Jr., Thomas	PwC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Portillo, Jennifer	USAC
Rivera, Daniel	HPE Aruba Networking
Robinson, Crystal	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Storey, Sarah	ICC
Truong, Linh	USAC
Ward, Rashonda	USAC
Weidinger, Andrew	PwC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

a1. Consent Items. Ms. Schell presented this item to the Committee.

A. Approval of the Audit Committee meeting minutes of April 28, 2025.

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i2.** Audit and Assurance Division Business Update (*Continued*). 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) **a2.** Action on One USAC Audit and Assurance Division Strategic 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.

- (3) **a3.** Annual Review of USAC's System of Internal Controls. USAC *management* recommends that this matter be discussed in *Executive Session* because this matter relates to *specific internal controls or confidential company data* that would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - (4) **a4.** Annual Review of USAC's Financial Reporting Process. USAC *management* recommends that this matter be conducted in *Executive Session* because this matter relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.
 - (5) **a5.** Acceptance of USAC's 2024 Annual Financial Statement Audit and Agreed-Upon Procedures Review (*same as iBOD05cf*). USAC *management* recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.
 - (6) **i3.** Audit Committee *Executive Session* with USAC's *Independent* Audit Firm. USAC *management* recommends that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.
 - (7) **i4.** Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. USAC *management* recommends that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.
- C. Annual Review of USAC's Systems of Internal Controls. In accordance with Section III.F of the Committee's Charter, the Committee is required to review the adequacy of USAC's system of internal controls (*See aAC03cf*; if discussion is needed, it will be conducted in *Executive Session*).
- D. Annual Review of USAC's Financial Reporting Process. In accordance with Section III.C of the Committee's Charter, the Committee is required to review the integrity of USAC's financial reporting process (*See aAC04cf*; if discussion is needed, it will be conducted in *Executive Session*).

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

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of April 28, 2025; (2) discussion in *Executive Session* of the items noted above; (3) the annual review of USAC's system of internal controls; and (4) the annual review of USAC's financial reporting process.

i1. Audit and Assurance Division Business Update. Ms. Delmar presented a PowerPoint presentation including the following topics:

- Q2 2025 Accomplishments
- Q2 2025 Plans
- Roadmap
- Appendices A-D: Status of Various Audits and Assessments
- Appendix E: Glossary of Terms

At 2:54 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board, FCC, and USAC staff were present.

EXECUTIVE SESSION

i2. Audit and Assurance Division Business Update (Continued). Ms. Delmar presented a PowerPoint presentation on the Fiscal Year 2024 Common BCAP/SCAP Audits and PQA Assessment Findings and Corrective Action Plans.

a2. Action on One USAC Audit and Assurance Division Strategic Audit Report. Ms. Delmar presented the Audit and Assurance Division's strategic audit report for the High Cost Manual Data Process Audit to the Committee.

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

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Audit and Assurance Division's follow-up audit report for the High Cost Manual Data Process, accepts the recommendation of USAC management and hereby deems the report final.

a3. Annual Review of USAC's System of Internal Controls. No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Audit Committee accepts the review of USAC's system of internal controls.

- a4. Annual Review of USAC’s Financial Reporting Process.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Audit Committee accepts the review of USAC’s system of internal controls.

- a5. Acceptance of USAC’s 2024 Financial Statement Audit and Agreed-Upon Procedures Review (Same as iBOD05cf).** Ms. Delmar introduced PricewaterhouseCoopers LLP to present this item. Mr. Leonard and Mr. Weidinger presented this item to the Committee.

RESOLVED, that the USAC Audit Committee, having reviewed the Report to the Audit Committee, as submitted by PricewaterhouseCoopers LLP, hereby accepts the Report to the Audit Committee, including the results of the 2024 Financial Statement Audit and Agreed-Upon Procedures Review and hereby directs PricewaterhouseCoopers LLP to issue the final signed reports to USAC.

At 3:32 p.m. Eastern Time, the Committee continued in Executive Session with only non-staff members of the Board and Mr. Leonard and Mr. Weidinger present.

- i3. Audit Committee *Executive Session* with USAC’s Independent Audit Firm – PricewaterhouseCoopers LLP.** Per the guidelines in the approved Audit Committee Charter, PricewaterhouseCoopers LLP met with members of the Audit Committee and Board of Directors in a confidential *Executive Session*.

At 3:38 p.m. Eastern Time, the Committee continued in Executive Session with only non-staff members of the Board and Ms. Delmar present.

- i4. Audit Committee *Executive Session* with USAC’s Vice President of Audit and Assurance.** Per the guidelines in the approved Audit Committee Charter, Ms. Delmar met with members of the Audit Committee and Board of Directors in a confidential *Executive Session*.

OPEN SESSION

At 4:30 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Schell reported that, in *Executive Session*, the Committee acted on item a2 and a5 and discussed items i2, i3, and i4.

On a motion duly made and seconded, the Committee adjourned at 4:30 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Monday, October 27, 2025
11:00 a.m. – 12:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each item is available for discussion upon request): <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of July 28, 2025 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members 	5
Teleshia	i1. Audit and Assurance Division Business Update <ul style="list-style-type: none"> • Q3 2025 Accomplishments • Q4 2025 Plans • Roadmap • Appendices: <ul style="list-style-type: none"> A: BCAP Audits in Process B: BCAP Audits Aging Report C: SCAP Audits in Process D: PQA Assessments in Process E: Glossary of Terms 	15

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	i2. Audit and Assurance Division Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Improper Payment Results • Internal Quality Assessment Results 	20
Teleshia	a2. Action on Two USAC Audit and Assurance Division Strategic Audit Reports	15
Teleshia	a3. Review of the USAC Audit and Assurance Division External Peer Review Reports	15
Teleshia	a4. Review of the Audit and Assurance Division Charter	10

EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
Chair	i3. Audit Committee Discussion for Strategic Audits in 2026	10
Chair	i4. Audit Committee <i>Executive Session</i> with USAC’s Vice President of Audit and Assurance	10

Next Scheduled USAC Audit Committee Meeting

Monday, January 26, 2026 USAC Offices, Washington, D.C.
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Monday, October 27, 2025

MINUTES¹

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, October 27, 2025. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 11:01 a.m. Eastern Time, with a quorum of three of the five Committee members present.

Gregory, Amber
Kettwich, Dan
Schell, Julie Tritt – Chair

Mr. Ken Mason joined the meeting at 11:03 a.m. Eastern Time by telephone and voted on all items.

Members not present:

Polk, Stephanie

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Chacko, Sheba – Member of the Board – *by telephone*
Chalk, Indra – Member of the Board
Davis, Criag – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Francisco, Dale – Chief Financial Officer (Interim)
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Chief Executive Officer (Interim), and Assistant Treasurer
Green, Anisa – Member of the Board
O'Brien, Tim – Vice President of Lifeline
Semmler, Kara – Member of the Board – *by telephone*
Siefer, Angela – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care

Thompson, Mona – Member of the Board – *by telephone*

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Wade, Dr. Joan – Member of the Board
 Waller, Jeff – Member of the Board – *by telephone*
 Wein, Olivia – Member of the Board
 Wibberly, Dr. Kathy – Member of the Board – *by telephone*
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Benham, Cathy – <i>by telephone</i>	CSM Consulting, Inc.
Boakye-Gyan, Carol	USAC
Braxton-Johnson, Kianna	USAC
Chavis, Sherry Cathcart – <i>by telephone</i>	Cisco
Claxton, Naomi	USAC
Corra, Kristen – <i>by telephone</i>	SHLB
Dando, Gena – <i>by telephone</i>	Crown Castle
Goode, Vernell	USAC
Josephs, Fred – <i>by telephone</i>	CSM Consulting, Inc.
Keating, Megan – <i>by telephone</i>	Funds For Learning
King, Ryan	USAC
Krueger, Katie	KPMG
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Robinson, Crystal	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Troung, Linh	USAC
White, Stacey Ann – <i>by telephone</i>	USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

a1. Consent Items. Ms. Schell presented this item to the Committee.

A. Approval of the Audit Committee meeting minutes of July 28, 2025.

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i2.** Audit and Assurance Division Business Update (*Continued*).
 USAC management recommends that this matter be discussed in

Executive Session because *specific internal controls or confidential company data* or *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity and *relates to pre-decisional matters pending before the FCC*.

- (2) **a2.** Action on Two USAC Audit and Assurance Division Strategic Audit Reports. 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.
- (3) **a3.** Review of the USAC Audit and Assurance Division External Peer Review Reports. USAC *management* recommends that this matter be discussed in *Executive Session* USAC management recommends that this matter be discussed in *Executive Session* because these reports relate to *specific internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures.
- (4) **a4.** Review of the Audit and Assurance Division Charter. USAC *management* recommends that this matter be conducted in *Executive Session* because this matter relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.
- (5) **i3.** Audit Committee Discussion for Strategic Audits in 2026. USAC management recommends that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.
- (6) **i4.** Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. USAC management recommends that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.

- C. Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members. In accordance with Section II.A.1 of the Committee's Charter, the Committee members are required to meet established independence requirements (*See Attachment C*).

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

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July 28, 2025; (2) discussion in *Executive Session* of the items noted above; and (3) the annual assessment of the independence and financial literacy of the USAC audit committee members and agrees that the Audit Committee consists of independent members and that there is a sufficient level of financial expertise.

i1. Audit and Assurance Division Business Update. Ms. Delmar presented a PowerPoint presentation including the following topics:

- Q3 2025 Accomplishments
- Q4 2025 Plans
- Roadmap
- Appendices A-D: Status of Various Audits and Assessments
- Appendix E: Glossary of Terms

At 11:20 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

i2. Audit and Assurance Division Business Update (Continued). Ms. Delmar presented a PowerPoint presentation on the following topics:

- Improper Payment Results
- Internal Quality Assessment Results

a2. Action on Two USAC Audit and Assurance Division Strategic Audit Reports. Ms. Delmar presented the Audit and Assurance Division's strategic audit reports for the USAC's Data Use and Vendor Payment Process to the Committee.

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

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Audit and Assurance Division's strategic audit reports of USAC's Data Use and Vendor Payment Process, accepts the recommendation of USAC management and hereby deems the reports final.

a3. Review of the USAC Audit and Assurance Division External Peer Review Reports. Ms. Delmar presented the external Peer Review Reports of the USAC Audit and Assurance Division's (AAD) compliance with required quality standards.

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

RESOLVED, that the Audit Committee of the USAC Board of Directors, having reviewed the external Peer Review reports submitted by Quality Assessment and Audit Services LLC, hereby deems the reports final.

- a4. Review of the Audit and Assurance Division Charter.** Ms. Delmar reviewed the recommended updates to the Audit and Assurance Division Charter to the Committee, noting that the changes were based on the outcome of the External Peer Review.

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

RESOLVED, that the Audit Committee of the USAC Board of Directors approves the recommended changes to the Audit and Assurance Division Charter.

- i3. Audit Committee Discussion for Strategic Audits in 2026.** Ms. Delmar presented this item to the Committee, noting that a plan for the newly named Internal Audit Plan for 2026 would be presented at the January 2026 Committee meeting and Committee members were encouraged to provide recommendations for consideration.

At 12:41 p.m. Eastern Time, the Committee continued in Executive Session with only non-staff members of the Board and Ms. Delmar present.

- i4. Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance.** Per the guidelines in the approved Audit Committee Charter, Ms. Delmar met with members of the Audit Committee and Board of Directors in a confidential *Executive Session*.

OPEN SESSION

At 1:08 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Schell reported that, in *Executive Session*, the Committee acted on items a2-a4 and discussed items i2-i4.

On a motion duly made and seconded, the Committee adjourned at 1:08 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary