

New Hampshire Electric Cooperative, Inc.

Minutes of the Meeting of the

Audit Committee

April 17, 2026

Present: Committee Members: Pat Barbour (Chair), Alana Albee, Peter Laufenberg, Harry Viens, Bill Darcy, Jeff Morrill, Bob MacLeod, Kristen Taylor, Brittany L'Heureux

Other Board Members: Jerry Stringham, John Goodrich

NHEC Employees: Michael Jennings, Maria Stella, Ben Doyle, Christine Parent (Recording)

Others Present: NA

Meeting Called to Order

Chair Barbour called the meeting to order at 10:00a.m.

Agenda Review

There were no suggested changes to the agenda.

Approval of March 20, 2026 Minutes

Ms. Albee stated a correction is needed under Discussion on page three, line eleven in the public meeting minutes. It should read, "in the medium term the external auditor's work on the internal audit is beneficial, and it will be informative for the new internal auditor when they take over."

Upon motion by Mr. Darcy, seconded by Mr. Laufenberg, it was

VOTED that the Committee approves the March 20, 2026 Audit Committee Executive Session and Executive Session with Auditors and Board meeting minutes, and approves with changes the March 20, 2026 Audit Committee meeting (public session) minutes.

Vote was unanimous.

Form 990 Review and Approval

Ms. Stella presented the 2025 Form 990. The external auditors prepared the 990, and NHEC staff worked with them to validate the data questions and numbers for accuracy. Ms. Stella stated the Form 990 shows a growing co-op that is investing heavily in long-term infrastructure, particularly electric reliability and broadband expansion. Revenue and expenses increased at about the same pace, which is consistent with our capital intensive strategy and what we have seen in prior years. There were no major changes, and Ms. Stella highlighted the following updates:

- Page 2, Part III, 4b, removed language of allocating profits of broadband because it is not official at this point.
- Page 3, Part IV, 11d was changed to yes since the other assets are higher, 5% of the total assets, due to the receivable of the BA that was set up.
- Page 10, Part IX, 11d Lobbying cost was separated into a different line.

Discussion:

Mr. Darcy asked what “benefits paid to or for members” on Page 1, Line 14, is referring to. Ms. Stella replied it is benefits paid to the board and Senior Leadership Team.

- Follow up received 04.17.2026 – Ms. Taylor shared via email that amounts referenced in that line are related to our margin.

Mr. Darcy commented that on Page 1, Line 19, revenue less expenses shows a loss because the form requires that the profit from the electric business is a liability rather than a profit. He added it is not consistent with GAAP Accounting and that is why it shows a loss when there was a substantial gain.

Mr. Darcy requested a copy of 1023, application for non-profit status.

Mr. Darcy commented that on Page 8, the contractor’s payments are largely for construction management.

Regarding Page 11, Line 14, Change in Assets, Mr. Darcy asked, in addition to the BEAD grant, what other assets increased. Ms. Stella replied the increase is also from post-retirement benefits.

In response to a comment from Mr. Stringham regarding capital credits, Mr. Jennings stated that the weather impact drove the original estimate a lot higher.

Upon motion by Ms. Albee, seconded by Mr. Darcy, it was

VOTED that the committee recommends that the Board of Directors accepts NHEC’s 2025 IRS Form 990 as presented at the April 17, 2026, Audit Committee meeting.

Vote was unanimous.

Board Policies Review

B-2 Attachment D, Audit Committee

- Chair Barbour stated the addition of Assistant Treasurer to I. 1.

B-11 Audit Policy

- Ms. Taylor shared the following changes:
 - Replaced Chief Information Officer with Chief Administrative Officer.
 - Defined GAAS as Generally Accepted Auditing Standards.

B-17 Safeguarding Member Information

- Ms. L'Heureux shared the 10 general categories have been updated to reflect how staff have had to expand the information security program as technology has changed.
- Mr. Jennings added that our former attorney, Ms. Lowry, reviewed this policy and recommended that NHEC develop their own internal right-to-know policy, and it has since been developed and implemented.

Board Policies Resolution

Upon motion by Mr. Laufenberg, seconded by Mr. Morrill, it was

VOTED that the Committee recommends that the Board of Directors accepts Board Policies B-2, Attachment D - Audit Committee, B-11 Audit Policy, and B-17 Safeguarding Member Information with changes as presented at the April 17, 2026, Audit Committee meeting.

Vote was unanimous.

Action Items:

- Ms. Stella/Ms. Taylor will send a copy of form 1023 to Mr. Darcy.
 - Follow up received 04.17.2026 – Ms. Taylor shared via email NHEC's Tax Exempt Certificate, in lieu of the form 1023, which NHEC is not required to file per the external auditor.

Adjournment

Upon motion by Mr. Darcy, seconded by Ms. Albee, Chair Barbour adjourned the meeting at 10:14 a.m.