

**MINUTES OF THE REGULAR MEETING OF THE FINANCE COMMITTEE OF
THE BOARD OF DIRECTORS**

OF

THE GOLDEN L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

The regular meeting of the Finance Committee of the Board of Directors of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the “Foundation”), was noticed for and convened on December 4, 2024, at the Conference Room of SpringHill Suites Durham City View located at 705 S Mangum St, Durham, NC 27701. Committee members participating in the meeting were Randy Isenhower, Laurence Lilley, Darryl Moss, and Ralph Strayhorn. Also present were Board members Charles Brown, Lawrence Davenport, Barry Dodson, Jeffrey Lee, Brian Raynor, Bobbie Richardson, David Rose, Jarette Sampson, and Tom Taft. Also present were Scott T. Hamilton, President, Chief Executive Officer of the Foundation; Ted Lord, Senior Vice President/ General Counsel of the Foundation; Kasey Ginsberg, Vice President/ Chief of Staff of the Foundation; J.P. Boyd, Vice President of Investments of the Foundation; Erica Smith, Vice President of Finance of the Foundation; Marilyn Chism, Director of Programs of the Foundation; Angela Gailliard, Director of Programs of the Foundation; Evan Benedict, Director of Grant Administration of the Foundation; Jenny Tinklepaugh, Communications and External Affairs Manager of the Foundation; Brynn Fann, Program Officer and AV/ Tech Coordinator of the Foundation; and David L. Kyger, legal counsel to the Foundation. J.P. Boyd served as secretary of the meeting.

Mr. Kyger called the roll of the Committee members.

Mr. Isenhower declared a quorum to be present and called the meeting to order.

A motion was made to approve the minutes of the October 3, 2024, meeting of the Finance Committee. The motion was seconded and carried.

Mr. Isenhower asked Ms. Smith to present her report to the Committee.

Ms. Smith reviewed the Foundation’s Statements of Position as of October 31, 2024, and June 30, 2024, including Cash and Cash Equivalents, Investments, and Grants Payable. As of October 31, 2024, the Foundation’s Total Assets were approximately \$1.42 billion, compared to nearly \$1.41 billion on June 30,

2024. The variance is primarily attributable to an increase in Cash and Cash Equivalents. The Foundation had Total Liabilities of approximately \$307.7 million as of October 31, 2024, comprised almost entirely of grants payable. The Foundation's Net Position as of October 31, 2024 was approximately \$1.11 billion compared to a net position of approximately \$1.16 billion as of June 30, 2024, a decrease of approximately \$48.6 million. During the period ending October 31, 2024, the Foundation's Investments increased approximately \$283.8 thousand to nearly \$1.38 billion. This slight increase reflects Investment Income of approximately \$43.8 million, Net Community Bank CD Activity of \$75,000, and transfers to Operating Cash of approximately \$43.6 million. The balance of Grants Payable stood at approximately \$307.4 million at the end of the period, an increase of approximately \$62.1 million since June 30, 2024, reflecting approximately \$101.1 million in Awards, \$33.3 million in Payments, and \$5.7 million in Rescissions.

Ms. Smith then reviewed the Foundation's Statements of Activities for the four months ending October 31, 2024, and October 31, 2023, including Revenues and Expenses. During the four-month period ending October 31, 2024, the Foundation had Total Revenues of approximately \$46.6 million, compared to Total Revenues of approximately negative \$40.4 million at the end of the same period for the prior year, which represents a variance of approximately \$87.0 million. The difference in Total Revenues is primarily attributable to an increase in Investment Income of approximately \$89.6 million. Total Expenses as of October 31, 2024, were approximately \$95.2 million, compared to Total Expenses of approximately \$76.8 million at the end of the same period for the prior year, which represents a variance of approximately \$18.4 million. The difference in Total Expenses is primarily attributable to an increase in Grant Awards (net of rescissions/returns) of nearly \$16.0 million. During the four-month period ending October 31, 2024, the Foundation's Expenses exceeded Revenues by approximately \$48.6 million, compared to Expenses exceeding Revenues by approximately \$117.2 million at the end of the same period for the prior year.

Ms. Smith then reported that as of October 31, 2024, the Foundation had Investment Income of nearly \$43.9 million. Year-to-date fiscal year 2025 investment income was comprised of Dividend / Interest Income of nearly \$6.5 million, Realized Gain of approximately \$23.5 million, Management Fees of approximately \$2.0 million, Unrealized Gain of approximately \$15.8 million, and Other Miscellaneous

Investment Income of nearly \$19,200. Ms. Smith also reported that as of October 31, 2024, the Foundation had Interest Income on Investments – Coronavirus Relief Account of nearly \$271.9 thousand.

Ms. Smith then provided an update on the Line of Credit Expenses. As of October 31, 2024, the Foundation had Total Line of Credit Expenses of nearly \$42 thousand. Year-to-date fiscal year 2025 Total Line of Credit Expenses were comprised of Renewal & Participation Expenses of \$15 thousand, Bank Legal Expenses of \$4 thousand, and Line of Credit Unused Fees of nearly \$23.0 thousand. Mr. Smith also reported that there were no draws on the line of credit through October 31, 2024, and that the total fiscal year 2025 expenses budget for line of credit is \$150,000.

Ms. Smith then reviewed the Budget Report for the four months ended October 31, 2024. Ms. Smith noted that Administrative Expenses for the fiscal year through October 31, 2024, were 8.7% favorable to the budget, with much of the favorability attributable to savings in the Personnel Expenses. Ms. Smith also stated that capital budget needs exceed the approved budget due to \$1,500 needed for cabling to run fiber internet to the Retreat Center and \$8,000 needed for a new split HVAC unit in the computer server room.

A motion was made to recommend that the Board increase the fiscal year 2025 capital budget by \$10,000 in the buildings line item. The motion was seconded and carried.

Ms. Smith then reviewed the Fiscal Year 2025 Budget, including the adjustments increasing the MSA Payment line item in the Budget Sources by \$5 million and increasing the Grants budget by \$5 million for Hurricane Helene Relief. These changes were previously approved by the Board.

There being no further business to come before the Committee, the meeting was adjourned.

J.P. Boyd, Secretary of the Meeting

Read and approved:

Randy Isenhower, Chair of the Finance Committee