

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

**OF**

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

The regular meeting of the Audit 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 October 2, 2025, at the Golden LEAF Retreat Center, located at 301 North Winstead Ave., Rocky Mount, North Carolina. Committee members participating in the meeting were Barry Dodson (Chair), Michael Easley, Jr., Jeffrey Lee, Bobbie Richardson, Jarette Sampson, and Ralph Strayhorn. Also present were Board members Lawrence Davenport, Don Flow, Randy Isenhower, Buddy Keller, Laurence Lilley, Brian Raynor, David Rose, and Bill Webb. Board member Tom Taft entered the meeting at the point indicated below. 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; Erica Smith, Vice President of Finance of the Foundation; Marilyn Chism, Director of Programs of the Foundation; Jenny Tinklepaugh, Communications Manager of the Foundation; Brynn Fann, Program Officer and AV/ Tech Coordinator of the Foundation; J.P. Boyd, Vice President of Investments of the Foundation; and Byron Kirkland, legal counsel to the Foundation. Andrea Taylor, Engagement Principal, Jaclyn Taylor, Audit Senior Manager, and Sandy Feinsmith, Nonprofit Tax Managing Director for BDO USA, LLP (“BDO USA”), the Foundation’s independent auditors, also joined the meeting. Ted Lord served as secretary of the meeting.

Mr. Kirkland called the roll of the Audit Committee members.

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

A motion was made to approve the minutes of the August 7, 2025 meeting of the Audit Committee. The motion was seconded and carried.

Ms. Smith introduced Andrea Taylor, Jaclyn Taylor, and Sandy Feinsmith to the Committee. The Committee members had received BDO USA's Audit Results (the "Audit Results"), which included the Foundation's Financial Statements and Other Report for the fiscal years ending June 30, 2025 and June 30, 2024 (the "Financial Statements"), electronically prior to the meeting.

Ms. Andrea Taylor reviewed the Audit Results, including the audit team and the status of BDO USA's engagement with the Foundation. She noted that Stacey Powell, Quality Review Principal, had been added to the team. She also discussed the review process and reminded the Committee that a partner who is independent of the audit team reviews the quality of the work papers and financial statements.

Ms. Andrea Taylor informed the Committee that BDO USA performed a financial statement audit of the Foundation and a single audit of the Foundation's major federal programs. She reported that BDO USA issued an unmodified opinion for the financial statement audit for the period ending June 30, 2025. BDO USA also issued a "no material weakness letter" regarding the Foundation's internal control over financial reporting. She also informed the Committee that the final single audit would be delayed because the final Compliance Supplement had not yet been issued by the OMB and the report cannot be issued until the Compliance Supplement is released. She noted that BDO USA has completed a draft single audit report based on the draft supplement.

Ms. Andrea Taylor discussed Key Areas of Risk and reviewed the Critical Audit Areas. She emphasized that one of the goals of the audit is to verify information using third party

documents consistent with GAAP guidance. She also provided the results of the audit. She then discussed the Foundation's internal controls over financial reporting. BDO USA conducted testing of the Foundation's internal controls and did not identify any material weaknesses during the audit of the financial statements.

Ms. Andrea Taylor provided the Required Communications to the Committee members. She noted that during the audit BDO USA discovered no material misstatements, fraud or illegal acts, disagreements with management or any concerns that would be addressed in Required Communications.

Ms. Jaclyn Taylor then reviewed Independence Communications and Fraud Considerations with the Committee. She also provided an overview of the Foundation's FY2025 financial information and financial trends, noting that the Foundation's investments increased by nearly \$109 million during the period, primarily due to increases in investment income. Grants payable decreased to approximately \$199.6 million, primarily because of disbursements made on grants. She also reviewed the Foundation's state appropriation revenue, which increased to over \$56.8 million, primarily because of the \$50 million appropriation for the Hurricane Helene Recovery Loan Program.

Ms. Andrea Taylor reviewed the Foundation's Financial Statements for the Committee. She highlighted the unmodified opinion included in the Financial Statements and the no material weakness letter issued from BDO USA to the Board of the Foundation. She highlighted certain information in Management's Discussion and Analysis, including that "Significant Currently Known Facts" were brought out of the footnotes of the analysis and included in the body and the Subsequent Events in the Notes to Financial Statements. She reported that the financial statements had been sent to the State of North Carolina by the end of September 2025, as required. She then

reviewed the draft 2025 Single Audit Report which included a draft no material weakness letter and included no findings or questioned costs.

At this point, staff was excused from the meeting.

The Committee, in the absence of management, met with the auditors to determine whether the auditors had anything to disclose. The auditors stated that they had no disclosures.

Mr. Dodson asked staff to return to the meeting.

Ms. Feinsmith then reviewed the Foundation's draft Form 990 and Form 990-T, including attached schedules, for the year ending June 30, 2025, with the Committee. The documents were previously provided to the Committee electronically. She discussed the information in Part VI of Form 990 and that it includes key components of good governance of the organization. She also reviewed Part VII of the form, noting that compensation appeared reasonable and she did not identify any issues that would raise concerns. She highlighted that Part IX of the form showed that the Foundation has a program service ratio of 96%. She also reported that Schedule A, Part II showed that the Foundation has a public support ratio of over 74%.

Ms. Feinsmith then reviewed the Foundation's 990-T. She reported that the Foundation had no net unrelated business income and the Foundation would owe no federal income taxes.

A motion was made that the Audit Committee accept the audit report and recommend that the Board accept the audit report. The motion was seconded and carried.

A motion was made to recommend the Board authorize staff to file the Foundation's Forms 990 and 990-T. The motion was seconded and carried.

Mr. Dodson reported that at this meeting, the Audit Committee had addressed the following objectives from its Statement of Objectives:

Objective 5: Review with the independent auditors the adequacy of the Foundation's internal controls and any significant findings of the auditors.

Objective 7: Review with each public accounting firm that performs an audit the critical accounting practices and policies of the Foundation.

Objective 8: Review material written communication between the independent auditors and management.

Objective 9: Review with the independent auditors and management the independent auditors' audit of the financial statements and the independent auditors' report thereon.

Objective 11: Review with management Form 990 prior to filing.

Objective 13: Evaluation of the independent auditors. By consensus, the Committee agreed that the auditors received a positive evaluation.

Mr. Taft entered the meeting during this discussion.

Ms. Smith reported that the Foundation had received a communication from the State Auditor providing guidance that requires the Foundation to seek proposals from audit firms every three years and describing the process to be followed when selecting independent auditors. Ms. Smith reported that staff is reviewing the guidance and would provide further updates to the Committee.

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

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Ted Lord, Secretary of the Meeting

Read and approved:

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Barry Dodson, Chair of the Audit Committee