North Carolina Retirement Systems
NC 401(k) & NC 457 Plans

Draft MINUTES
AUDIT SUBCOMMITTEE OF THE NORTH CAROLINA
SUPPLEMENTAL RETIREMENT BOARD OF TRUSTEES

The meeting of the Audit Subcommittee was called to order at approximately 2:00 p.m. on July 13, 2026, by the Chair, State Treasurer Brad Briner. The meeting was held in a hybrid format, with people attending virtually or in person, in the Dogwood Conference Room of the Longleaf Building at 3200 Atlantic Avenue, Raleigh, NC 27604. The Chair indicated there would be a public comment period for organizations and individuals later in the agenda.

Members Present
Audit Subcommittee members attending in person: Brad Briner

Audit Subcommittee members attending virtually: Charles Perusse, Matt Leatherman, and Bob Shea.

Members Absent
None

Guests Present
Guests attending in person: Thomas R. Rey, Jr. from UHY.

Guests attending virtually: None.

Department of State Treasurer Staff (DST) and North Carolina Investment Authority (NCIA) Staff Present
Staff members attending in person: Thomas Blackwell, Kris Byrd (NCIA), Patti Hall, Jeff Hancock, Kristin Merrick, Chris Morris (NCIA), Eric Naisbitt, Paul Palermo, Trevor Parrish, Robby Rodwell, Kevin SigRist (NCIA), Brandon Watson, Sam Watts.

Staff members attending virtually: Shanta Bowley, and Derek Gee (NCIA).

The Chair called the meeting to order and welcomed Matt Leatherman as the newest member of the Audit Subcommittee. He reminded members that since this meeting is being held in a hybrid format, members must announce their names when they arrive, when they depart, and when speaking. In addition, he explained that making a motion will be assumed to be a vote for the proposal, unless there is an objection, and all votes will be taken by roll call. He stated that today's meeting is being recorded as part of the Department of State Treasurer's (DST) initiative to increase government transparency.

Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest
The Chair asked, pursuant to the ethics rules, about Subcommittee members' potential, or actual or appearance of a conflict of interest. No conflicts of interest were identified by the Subcommittee members.

Presentation of the 2025 Audit and Draft 2025 Financial Statements for the NC 401(k) and NC 457 Plans
The Chair recognized Mr. Thomas Rey, Partner, UHY, to present the auditor's report and the draft financial statements for the NC 401(k) and NC 457 Plans (included in the Board's materials).

Mr. Rey reviewed the results of the financial statements audit and said the results are unmodified which means the statements are represented fairly, in all material aspects and conform with the U.S. Generally Accepted Accounting Principles (GAAP) and no opinion was rendered on management's discussion and analysis of the financial statements. He added there were no material weaknesses or significant deficiencies in the report on internal control over financial reporting, compliance, and other matters.

Mr. Rey said a sample of employees was used from 25 employers in the annual employer testing, which includes 10 of the largest employers. The nature of the testing involves recalculating employees' and employers' contributions, verifying that these contributions were included in the contributions remitted to the recordkeeper, comparing total employee and employer contributions to the employer's general ledger, and comparing total remittance of employees' and employers' contributions for the pay period under review to the bank statement. He concluded there were no significant findings.

The Chair discussed the selection process and criteria for testing employers with Mr. Rey, Mr. Watts, and Mr. Hancock. Mr. Rey said the sample includes the top 10 employers and a random sampling of 15 more employers and there is a three-to-five-year cycle in the selection process. Mr. Hancock added that employers could be added to the sample if there are concerns.

The Chair entertained a motion to approve the 2025 financial statements for the NC 401(k) and the NC 457 Plans. Mr. Shea so moved, and Mr. Leatherman seconded. The motion passed by a unanimous roll call vote of 4-0.

Mr. Hancock thanked Brandon Watson, the Chief Financial Officer at DST and his staff, and the staff at NCIA for their hard work in getting the financial statements ready for the audit.

Public Comments
No comments were offered.

Audit Subcommittee Comments
The Chair thanked everyone for participating.

Adjournment
There was no further business before the Audit Subcommittee. Mr. Shea moved to adjourn the meeting and Mr. Leatherman seconded. The motion passed by a unanimous voice vote of 4-0. The meeting was adjourned at 2:17 p.m.

____
Chair

____
Secretary