Dear Concerned Members:

Thank you for your continued dedication to the success of the NSS. We value your feedback and appreciate the input you are providing. Our focus is to ensure that the appropriate leadership is identified and that continued improvements are made to our structure which include financial controls, policy and procedure updates, and operational and governance efficiency. All of these items, and more, are constant focuses of our efforts and more information will continue to shared with membership as progress is made.

Please find responses to your points from your August 19th letter below:

Point 1)

- We do not have plans to separate the two offices at this time and will not appoint an Acting Secretary-Treasurer. The Board stands by the interim appointment of Kristine Ebrey.
- No provision of the Constitution, Bylaws, or Acts bars one person from holding both roles. Bylaw V.C prohibits only simultaneous service as a director and as a direct report to the Executive Director; the interim Executive Director is not a director. Act 15-573 names the Executive Director, the Secretary-Treasurer, and agents designated by the Executive Director as those who may hold signature authority. It identifies roles that may sign. It does not require that they be different individuals.
- Both Mauldin & Jenkins, the firm conducting the audit, and our hired legal counsel were consulted on this specific question before the appointment was made. Neither identified an issue.
- Appendix BR directs individuals to avoid situations where a single person controls expenditures without oversight. That condition does not exist here. Distributions formerly approved by the Executive Director are now approved by the Chair of the Board. Monthly reports are reviewed by members of the Financial Review Committee. Approval routing runs through the RAMP financial control system. Under Appendix AV no member of that Committee may hold signature authority on any Society bank account. Approval, execution, and review are held by three different parties.
- The Financial Review Committee, not the Secretary-Treasurer, is the body charged under Appendix AV with oversight of internal control and with receiving reports of financial fraud. Its independence is unaffected by who holds the interim Executive Director post.
- Finally, we want to add we believe this position will be backfilled significantly faster than it took to hire the former Executive Director. Even during the relatively brief

tenure of Dr. Engel, the operations and governance teams had the opportunity to learn a lot about what the Society needs long-term. We plan to kick off the search in mid-September and aim to have the position filled before the 2027 Convention.

Point 2) No person now holding financial authority in the Society held the supervisory line under examination, so recusal would not make any review more independent than it already is.

- The conduct at issue predates the Executive Director's start date of August 4, 2025. During that period the employee reported to the Facilities Chair, who oversaw financial operations at headquarters. On the hiring of an Executive Director that responsibility and oversight transferred to her, and the employee was terminated during her tenure. No one else held financial or personnel oversight over him.
- The on-site bookkeeper or office manager has always done (and still does) the accounting for venue rentals and the bookstore. The Secretary Treasurer was not and still is not involved in those operations at all. A conversation between [withheld] and Ms. Ebrey ultimately led to the thief being uncovered, after which Ms. Ebrey notified Annette. Annette and Ms. Ebrey had a discussion with the Facilities Chair the following afternoon. Annette then instructed [withheld] to review the bookkeeping which resulted in identifying anomalies with the fired party's explanations of events.
- The body that will establish the facts is external by construction. Mauldin & Jenkins was selected through the Financial Review Committee's vetting process, reports to that Committee under Appendix AV, and was given the full record of the matter during the engagement so that it can review it and provide findings. Its independence does not turn on who holds an interim operational post. We will follow their advice on any additional review that may be recommended. It is our understanding that the review done by [withheld] and Annette Engel, which was subsequently turned over to detectives, is comprehensive especially considering that the embezzlement was achieved almost entirely by handshake and cash deals that have no records and leave us with little to no evidence. If the audit identifies any additional recommended precautions or investigation measures, we will pursue those to the maximum extent possible.
- Standing aside is not cost-free. The officers in question hold the institutional record of the period under review and are the people producing data and answering questions for the firm. Removing them would slow the audit and leave the Society without operational continuity during an Executive Director search.

Point 3) The Board does not intend to commission a second accountability review running alongside the audit. The audit is the independent review, and has been specifically asked to

address the question the letter raises in addition to their comprehensive review of our financial processes.

- Mauldin & Jenkins was approached in December 2025 after vetting by the Financial Review Committee against several other candidates, was incorporated into the March budget, and began work on June 1, 2026 with the start of the fiscal year. Completion is expected in late fall. All facts related to the loss were disclosed during the engagement so the firm can review them and provide additional feedback.
- Where a control failed, the auditing firm is the right body to say so. Its report, findings, and recommendations will be made available to the membership in full, along with any resulting Bylaws changes, which require notice as always.
- Bylaw V.A.3 places oversight of the operational components of the Society with the Board. Where the audit or law enforcement establishes facts warranting action, the Board will act on them, and it will do so on the record those bodies produce rather than on its own.
- We also have greatly increased in-office oversight with Ms. Ebrey being in-person at the headquarters every week. This is the greatest mechanism for preventing future issues as no amount of review of bank accounts, separation of HQ accounting, or separate event accounting would have led us to discover the embezzlement. All of these measures have been in place for many years now. In-office management was identified as the key issue to resolve.

Point 4) The Board will not commission a separate forensic engagement while the audit is open and while the matter remains open with the Huntsville Police Department.

- The engagement is a complete audit, not the minimum annual financial review. Act 15-510 requires the Society to engage a CPA or firm for an annual review of its accounting and bookkeeping records. The Board went beyond that floor in engaging a full audit, and did so for reasons that predate this matter, including grant eligibility and the long-term standing of the Society.
- We have disclosed all information relevant the embezzlement to Mauldin & Jenkins and asked them to identify any findings relevant to the activities that took place. They will report back with any findings and/or improvements that can be made. If they suggest that a separate forensic audit would give us additional information or be helpful in any way, we will absolutely move forward with that recommendation.
- A parallel forensic engagement covering the full employment history of the individual would duplicate cost, risk cutting across an active law enforcement matter, and produce a second set of findings before the first is complete. If the audit recommends forensic procedures, the Board will fund them. That decision should follow the findings rather than precede them.

- Findings will be shared with the membership to the extent law enforcement permits. The Board has been committed to transparency on this matter even before the previous Executive Director wished to share information about it and does not plan to change that approach.

Point 5) This is already in progress. The Board accepts that the finalization cycle in Appendix J.V.A has not been met and has already begun correcting it.

- A revised Board of Governors Manual current through March 14, 2026 is posted in the members section. Website changes are underway to make minutes easier to locate. Final minutes through May 27,2026 have been shared with the Bylaws committee. Draft minutes through July 7, 2026 are posted on caves.org. The updated manual is already in progress. We suggest reaching out to the Bylaws committee and offering assistance if you wish to see it sooner.
- On contents, the Board will meet what the Acts require and does not intend to go beyond them. Act 05-121 requires motions, disposals of motions, other action taken, oral updates to written reports, issues and comments from Open Discussion, reports from closed sessions, a list of Board members present and proxies, and disclosures of conflict of interest and their disposition.
- Closed sessions are held only for private matters such as employment concerns, land acquisitions, and legal matters. Act 03-363 provides for a closed portion of each meeting. A report to the membership follows the conclusion of each closed session with as much detail as can be given without jeopardizing the Society.

Additional Points

- Interim Compensation: Under Bylaw VI.A.5 Executive Director compensation is set by the Board. Under Act 03-445 an officer must disclose a personal financial interest and recuse from any vote or decision touching it. The Board discussed and voted on this matter in closed session on July 10, 2026. Ms. Ebrey was absent from both the discussion and voting process. The disclosure and its disposition will appear in the minutes of that meeting under Act 05-121 once those minutes are approved and posted.

- Fund-withdrawal Authority: Act 15-573 places signature authority with the Executive Director, the Secretary-Treasurer, and agents designated by the Executive Director. Distributions that were previously approved by the Executive Director now go to the Chair of the Board for approval. Approvals are routed and recorded through the RAMP financial control system and are reflected in the monthly reports reviewed

by the Financial Review Committee. The Acts set an express threshold only for capital purchases (Act 15-617). The Board will consider codifying a written withdrawal threshold as part of the post-audit review of the financial Acts.

- Bonding: Act 15-020 makes the Executive Director responsible for bonding Society employees and members who have access to significant Society funds on a regular basis. The Interim Executive Director is not an exception. The Society separately maintains Directors' and employees' insurance of at least one million dollars under Act 15-759 and general liability coverage of at least one million dollars under Act 15-676.

- Conflict of Interest Policy: Act 03-445 does not cover only directors. As amended March 1, 2025 it reaches the Executive Director, the Directors of the Society, and Division Heads. It extends to the financial interests of immediate family members, romantic partners, and business partners. Appendix BR, the Code of Ethics, applies to employees, elected officials, and appointed volunteers alike. Appendix AV charges the Financial Review Committee with monitoring the Society's conflict of interest policies, its principles of employee conduct, and its fraud policy.

  The former Executive Director's policy was drafted using an online resource and needs to be vetted by our outside legal partner. We intend to vote on approving this policy in the Fall 2026 meeting in Boise. The Board will take the drafted policy up together with the audit's recommendations rather than adopt it piecemeal beforehand.

- Volunteer Background Checks: Background checks were completed for all employees of the Society through ADP as of July 27, 2026.

  The Board does not intend to extend that requirement to all volunteers but believes it should do so for certain positions, such as JSS coordinators. The Society is a volunteer organization of thousands of members across grottos, commissions, and conventions. A blanket requirement would be costly, slow, and in practice unenforceable, and would deter volunteers in roles that carry no financial exposure.

- Review of Governing Documents: The Board will not engage an outside firm to review the governing documents in advance of the audit. Bylaw VII.E.4 charges the Bylaws Committee with keeping the Bylaws current, considering all revision proposals, and ensuring that new Acts of the Board do not conflict with the Bylaws and Constitution.

Appendix AV charges the Financial Review Committee with working alongside the Executive Director, the Secretary-Treasurer, the Bylaws Committee, and the Strategic Planning Committee to ensure that existing Acts relating to finances suit the strategic direction of the organization, and to propose modifications, removals, and new acts for Board approval. The audit will produce recommendations on internal control and governance, and the Board will route those recommendations to both committees.

The Board of Governors again thanks all concerned members for their continued feedback and questions. We genuinely appreciate that you care about the wellbeing of the society. Together we will ensure a bright and successful future for the NSS.

Sincerely,

The NSS Board of Governors