

## NC Minority Support Center Annual Report

|                                |                  |
|--------------------------------|------------------|
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| Section Number:                | Section 14.10(a) |
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| Submission Date:               | Sept. 1, 2011    |

### Receiving Entities:

The House of Representatives Appropriation Subcommittee on Natural and Economic Resources  
The Senate Appropriations Subcommittee on Natural and Economic Resources  
The Joint Legislative Commission  
The Fiscal Research Division

### Submitting Entity:

North Carolina Minority Support Center

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## Introduction

The NC Minority Support Center (now The Support Center) respectfully submits this report for the periods covering July 1, 2010 through August 30, 2011. The report includes a full description of all organizational programs and activities, capacity grants, accomplishments for the past year and goals and objectives for the upcoming year.

All organizational and programmatic activities have been carried out in accordance with the organization's mission. The Support Center continues to work to address the needs of underserved and unbanked individuals and small business owners through its affiliates' financial institutions. Our programs help to provide financial literacy education and access to capital for mortgages and small business loans. The Support Center also provides small business lending training and other capacity building programs for our affiliate community development credit unions (CDCUs).

The Support Center continues to advocate for the interests of CDCUs and low- to moderate-income groups across the state to help them achieve economic empowerment and self-sufficiency.

## About The Support Center

Founded in 1990, The Support Center promotes economic development by providing loans, support, and programs to help our communities grow and thrive. We are the nation's first statewide intermediary devoted to community development credit unions (CDCUs), offering training, and financial assistance in underserved markets. We work with local CDCUs, community based organizations, and individual borrowers to give professional, yet personal service. Our CDCUs currently serve more than 110,000 members statewide through 32 branch locations.

## Mission

The Support Center is a statewide nonprofit that partners with Community Development Credit Unions (CDCUs) and community-based organizations to provide small business and mortgage lending services to its member; and to provide training, grants, and loans to create economic opportunities for individuals, families, and communities in underserved markets.

## General Administration

The Support Center's board and staff have developed and maintained the highest standards of fiscal integrity and accountability for the organization. These procedures include the accurate recording and maintenance of all accounting records and the preparation and timely submission of required reports to various state and federal entities and private foundations.

During the 2010-2011 legislative sessions, the NC General Assembly appropriated **\$3,742,974** to the Support Center. The funds were appropriated and utilized for operational and program support and small business lending. An independent CPA firm conducts the organization's annual audit. The auditing firm has begun its review for the report for year ending June 30, 2010. The complete audit is expected in late October and will be submitted to all "Receiving Entities" listed in this report.

The Support Center's affiliates continue to expand their reach in to underserved communities as the demand for their financial services increase - with two of affiliates adding new branch locations this year. We are proud of our ability to sustain long-term relationships with many of our supporters, funders, state representatives and financial institutions. We rely on the expertise of our strategic partners to help find effective and innovative ways to empower CDCUs and their members. We firmly believe that through our partnerships we can develop comprehensive, multidisciplinary, and interdependent strategies that help groups with limited resources achieve economic stability.

## **The Support Center's Programs & Activities**

### ***Capacity Grant Program***

During our last fiscal year, The Support Center awarded four capacity grants to our affiliate credit unions totaling **\$2,116,408**. The credit unions were able to use the funding for a variety of self-sustaining programs. Two credit unions were able to cover expenses associated with branch expansions. Others were able to upgrade computers and software equipment that allowed them to better serve their members. The grants were also used to support skill enhancement training, technical improvement, and offer new and better services. Most importantly, the grants allowed the credit unions to maintain equity to continue to make loans and provide other financial services to their members.

### ***Capital Support Loan Fund***

With the \$723,750 State Economic Development funds we received from the state, The Support Center offer funding to affiliates earmarked specifically to allow them to do small business lending in their respective communities across the state. Studies have shown conclusively that many business owners in distressed and low-wealth communities would not have access to capital without programs such as ours.

### ***Small Business Lending Program***

The Support Center offers loans directly to small business owners, as well as supports our affiliate credit unions using state and federal funding. We focus on specific loan products that are not readily available through traditional banking institutions.

#### **USDA Intermediary Relending Program (USDA IRP):**

- Covering 19 counties in eastern NC
- For new and existing small businesses that have been turned down by traditional banks.
- Aims to create and maintain jobs in underserved communities
- Maximum loan amount is \$150,000.

#### **NC Small Business Development Loan Program**

- Offered through our affiliated credit unions for small businesses
- For new and existing members with limited collateral
- Maximum loan amount is \$50,000

#### **SBA Intermediary Lending Pilot Program (SBA ILPP)**

- Covering 7 counties in mid-western NC
- Focused on lending in underserved and distressed areas.
- For new and existing small business
- Aims to spur economic development through small business development
- Maximum loan amount is \$200,000

### *Advocacy Program*

The Support Center serves as an advocate on behalf of the state's CDCUs, coordinating responses to federal and/or state regulatory actions, CDFI legislation, and policy debates that affect low-to-modest income communities. This program harnesses The Support Center's unique opportunities to communicate with, inform and mobilize CDCU members around issues that are relevant to them. The Support Center, in particular, emphasizes financial education for small business owners in low-wealth communities. The information provided through the program is geared toward equipping CDCU members with the necessary financial tools that enable them to participate in the democratic and economic systems that influence their futures.

### *Small Business Lunch & Learn Series*

This year, The Support Center expanded our small business education programs. The Support Center continued our successful Small Business Lunch and Learn series in partnership with the NC Institute of Minority Economic Development (IMED). These programs are aimed at helping entrepreneurs compete more effectively for the small amount of credit currently available. The lunch and learn sessions were produced through a sponsorship provided by Bank of America and Wells Fargo. Through this partnership with IMED we have combined their 20 plus years of successful business training with our decades of business lending services. Together we will help to improve the overall economic landscape in some of the most distressed, underserved areas in the state by helping local business owners get access to much needed capital.

In addition to working with IMED, the Support Center worked with the local chamber of commerce, community colleges, business technology centers, business organizations and other community organizations to identify participants and locations for the workshops. The goal is to educate business owners -particularly women and minority groups- in low-wealth communities about business plans, cash flow management, loan application and capital access opportunities for small businesses. We have reached over 350 entrepreneurs over the last year with these educational programs. This is a great improvement over the 60 entrepreneurs that we were able to reach the year before. Providing that we receive additional funding from supporters, The Support Center will continue the series during this fiscal year.

### *Accomplishments July 2010-August 2011*

- The Support Center underwent a strategic assessment and devised a new business plan to expand the organizations' reach and focus our efforts towards community and economic development.
- Completed Rebranding Project with new Logo, Name and service programs(See attachments)
- Elected seven new Board of Directors

- Successfully launched new Small Business Lending Program
- Launched new Housing Services and Home Lending Program
- Awarded \$1.5 million from Certified Development Financial Institution for Small Business Lending Program
- Awarded \$1 million from Small Business Administration - Small Business Intermediary Lending Pilot Program
- The Support Center launched a new underwriting and loan approval service for small business lending.
- Total Assets for affiliate credit unions increased 9% to \$192,147,735
- Total Amount of Loans to low income areas increased 6% to \$119,354,714
- Awarded capacity grants to affiliate credit unions
- Revised and strengthened capacity grant agreement contracts with affiliate credit unions
- Continued the Small Business Lunch and Learn Series and other educational efforts, reaching approximately 350 entrepreneurs
- Assisted affiliate credit unions with marketing, grant writing and other technical assistance
- Offered training for loan staff
- Partnered with USDA Rural Development to strengthen and expand our small business lending capacity. We expanded the program from 14 to 19 Tier 1 and 2 Counties in the Northeast region.
- Partnered with researchers at UNC-Charlotte and UNC-Chapel Hill to conduct an impact study of our small business lending in rural and low-income areas. The program has transitioned to a qualitative study to present a more detailed picture of our impact and will be completed in 2011.

## Goals & Objectives for FY 2011-2012

In this new fiscal year, The Support Center has outlined three major goals that are all designed to better achieve our mission of helping individuals generate wealth and become self sufficient. The three goals are:

### *Growing our Small Business Lending Program*

While all of The Support Center's products and services are critical to the success of its customer, we believe that the Small Business Revolving Loan Fund program will yield the greatest impact on the underserved communities. The goal of this program is to expand our reach into low-income areas and to make sure that no one who qualifies for a small-capital business loan is denied due to lack of access to affordable capital resources. This will be focused on creating and retaining private sector job opportunities as well as to provide an incentive for businesses to stay, locate and expand in rural and underserved communities. To do this, we will need to increase the capital we have available to lend as well as the amount of loans we process in a year.

### *Business Training Program*

The NC Minority Support Center is aggressively seeking foundation funding for a Small Business Training Program that will develop a financial literacy curriculum designed to

meet specific educational needs of small business owners – women, minorities and entrepreneurs in low wealth and rural communities. Their needs differ broadly from business owners based closer to traditional banks and financial resources. The curriculum includes a series of workshops- offered during non-working hours - covering credit building, record keeping, budgeting, managing loan funds and loan processing. The Support Center will work with Small Business managers from major financial institutions to conduct training for small business owners. The curriculum will be based, in part, around the online financial literacy module developed by some banking experts. Small business owners would be required to complete the workshop series as a condition of loan qualification. Businesses with existing loans would be required to complete the series as a condition of future loans.

### *Small Business Training for Borrowers*

The Support Center will implement a quarterly cycle of events throughout the target market to reach at least 100 business owners per quarter, either by classroom setting or individually. Our goal is to help fund nearly 10% of those borrowers, or 75 small businesses.

As for our curriculum, The Support Center will purchase an eight-week curriculum guide from Mountain BizWorks, a lending and small business training nonprofit organization in Asheville, NC. The curriculum was developed by experienced small business training facilitators with dozens of years of experience with small business in rural and low-wealth communities. The Support Center will extract specific modules from the curriculum to develop one-day learning programs. The following is a brief description of the program:

Participants of the Mt. BizWorks training program learn the business-planning process while building business skills. They study and estimate start-up and overhead costs, determine profit goals, study cash flow, develop marketing plans, and learn about necessary licensing and record keeping. Throughout the course, participants also learn about personal finance management, the requirements of entrepreneurship, and receive direct, supportive feedback on their business plan. At the end of the course, participants present and submit business plans to the class and instructor. In their end-of-course evaluations, participants clearly reflect that their business skills have grown, leaving them better prepared to respond to and plan for the issues and challenges they will face in their businesses. Both nascent and existing businesses utilize this long-term training program. While not required for all borrowers, this service often occurs prior to a loan application.

In addition to the Mt. BizWorks curriculum, we will utilize financial education plans that have been developed by our banking partners and other non-profit organization including Wells Fargo. The classes will be facilitated by the Vice President of Business & Operations Services or our Small Business Lending Manager and consultants as needed.

Our plan for education and training for new and existing small business owners will be as follows:

- 1) Provide understanding of financial documentation vital to receiving loan funds,
- 2) Clarify terms used throughout the loan process,
- 3) Define areas of analysis that borrowers are considered when applying for a loan,
- 4) For businesses needing minor technical assistance, we will provide that service to them
- 5) For businesses needing more intense technical assistance, we will direct them to our partners that offer such services
- 6) Supply owners with a notebook of resource materials that pertain to their prospective areas, as well as our materials for application
- 7) We will provide follow up assistance for borrowers not immediately approved for a business loan

### *Home Loan*

In the next year, The Support Center is looking to assist our Community Development Credit Unions (CDCUs) with all facets of mortgage lending. The Support Center creates opportunities for homebuyers to build wealth through homeownership. We provide access to home loans for underserved communities and low-wealth families and others who are not able to find financing elsewhere through the USDA Rural Development Single Family Housing Guaranteed Loan Program.

### *Home Loan Program Training*

To successfully implement the USDA Rural Development Single Family Housing Guaranteed Loan Program, we will need to provide training and skill enhancement for the staff at affiliate CDCUs. In the next year, The Support Center will work with lending and mortgage managers and other finance experts to design a training workshop that will aid in developing underwriting skills, improving loan application review process, designing a template for monitoring and preparing monthly reports that comply with the requirements of the USDA Rural Development Single Family Housing Guaranteed Loan Program. This workshop will be required attendance for all affiliates in order to participate in the USDA lending program with The Support Center.

### *Impact Study on Small Business Lending in Rural and Low Income Areas*

The Support Center Small Business Lending Impact & Future Opportunities Study project will be finalized before the end of 2011. The project expanded to include a qualitative research method to depict the impact that small business lending has in rural and low-income areas more accurately. The study will be used to help shape the Support Center's new business model, expand into new programmatic projects, advocate new policies, demonstrate the Support Center's value to community partners and funding supporters, better identify target markets and identify best practices to serve low wealth communities more effectively.



# THE SUPPORT CENTER ANNUAL BUDGET (2011-2012)

## NC MINORITY SUPPORT CENTER BUDGET FY 2011-2012

|                                      | STATE            | DIVIDENDS      | ZSR           | KELLOGG       | 2012<br>Proposed Bdgt | 2011<br>Prior Bdgt | Difference         |
|--------------------------------------|------------------|----------------|---------------|---------------|-----------------------|--------------------|--------------------|
| <b>REVENUE AND SUPPORT</b>           |                  |                |               |               |                       |                    |                    |
| Grant Income                         | 2,502,980        |                |               |               | 2,502,980             | 3,887,974          | (1,384,994)        |
| Dividend Income                      | 150,000          |                |               |               | 150,000               | 150,000            | -                  |
| Mortgage Interest                    | 10,000           |                |               |               | 10,000                | 10,000             | -                  |
| Business Loan Interest               | 32,000           |                |               |               | 32,000                | -                  | 32,000             |
| Misc. Income                         | 50,000           |                |               |               | 50,000                | 50,000             | -                  |
| Carry Forward                        |                  |                | 52,000        | 20,000        | 72,000                | -                  | 72,000             |
| <b>TOTAL REVENUE AND SUPPORT</b>     | <b>2,502,980</b> | <b>242,000</b> | <b>52,000</b> | <b>20,000</b> | <b>2,816,980</b>      | <b>4,097,974</b>   | <b>(1,280,994)</b> |
| <b>EXPENSES</b>                      |                  |                |               |               |                       |                    |                    |
| Salaries                             | 495,500          |                | 23,000        |               | 518,500               | 348,335            | 170,165            |
| Personel Contracts                   | 90,080           |                |               |               | 106,080               | 123,600            | (17,520)           |
| Payroll Taxes                        | 39,480           |                | 2,000         | 16,000        | 41,480                | 32,279             | 9,201              |
| Medical Benefits Expense             | 99,173           |                | 1,375         |               | 100,548               | 43,300             | 57,248             |
| Retirement Expense                   | 23,175           |                | 2,750         |               | 25,925                | 15,250             | 10,675             |
| Office Rent                          | 69,654           | 30,000         |               |               | 99,654                | 117,000            | (17,346)           |
| Training, Seminars, Materials        | 15,000           | 16,000         |               |               | 31,000                | 31,000             | -                  |
| Office Supplies                      | 10,000           |                |               |               | 10,000                | 12,000             | (2,000)            |
| Office Equipment                     | 12,500           |                |               |               | 12,500                | 14,600             | (2,100)            |
| Equipment Repair & Maintenance       | 2,500            |                |               |               | 2,500                 | 2,500              | -                  |
| Office Expense                       | 12,000           |                |               |               | 12,000                | 12,000             | -                  |
| Staff Travel                         | 33,200           |                | 2,800         | 4,000         | 40,000                | 35,500             | 4,500              |
| Board Travel                         | 8,000            |                |               |               | 8,000                 | 8,000              | -                  |
| Staff Development                    | 10,500           | 500            |               |               | 11,000                | 11,000             | -                  |
| Board Development                    | 10,000           |                |               |               | 10,000                | 10,000             | -                  |
| Audit & Accounting                   | 20,000           |                |               |               | 20,000                | 20,000             | -                  |
| Consultants                          | 145,000          | 88,000         | 18,000        |               | 251,000               | 222,950            | 28,050             |
| Legal Expense                        | 10,000           |                |               |               | 10,000                | 10,000             | -                  |
| Marketing & Advertisement            | 62,925           |                | 2,075         |               | 65,000                | 19,000             | 46,000             |
| Association Dues                     | 4,000            | 1,000          |               |               | 5,000                 | 5,000              | -                  |
| Sponsorships                         | 6,000            |                |               |               | 6,000                 | 6,000              | -                  |
| Subscriptions                        | 1,000            |                |               |               | 1,000                 | 1,000              | -                  |
| Telephone                            | 12,000           |                |               |               | 12,000                | 12,000             | -                  |
| FedEx shipping                       | 2,000            |                |               |               | 2,000                 | 2,000              | -                  |
| Postage                              | 1,000            |                |               |               | 1,000                 | 1,000              | -                  |
| Office Copying                       | 2,500            |                |               |               | 2,500                 | 2,500              | -                  |
| Online subscription                  | 6,500            |                |               |               | 6,500                 | 6,500              | -                  |
| Bank Fees                            |                  | 500            |               |               | 500                   | 500                | -                  |
| Insurance & Bonding                  | 9,000            |                |               |               | 9,000                 | 9,000              | -                  |
| Loan Loss                            | -                | 81,675         |               |               | 81,675                | 55,000             | 26,675             |
| Depreciation                         | -                |                |               |               | -                     | -                  | -                  |
| Interest Expense                     | -                | 16,625         |               |               | 16,625                | 17,000             | (375)              |
| Miscellaneous                        | -                | 2,000          |               |               | 2,000                 | 2,000              | -                  |
| Board Meetings                       | -                |                |               |               | -                     | -                  | -                  |
| Servicing Fees                       | -                | 5,700          |               |               | 5,700                 | -                  | 5,700              |
| Reserve Expense                      | 50,000           |                |               |               | 50,000                | 50,000             | -                  |
| Capacity Grants                      | 1,240,293        |                |               |               | 1,240,293             | 2,116,410          | (876,117)          |
| SEDA Funds                           |                  |                |               |               | -                     | 723,750            | (723,750)          |
| Interns                              |                  |                |               |               | -                     | -                  | -                  |
| <b>TOTAL EXPENSES</b>                | <b>2,502,980</b> | <b>242,000</b> | <b>52,000</b> | <b>20,000</b> | <b>2,816,980</b>      | <b>4,097,974</b>   | <b>(1,280,994)</b> |
| <b>REVENUE OVER (UNDER) EXPENSES</b> |                  |                |               |               |                       |                    |                    |
|                                      | -                | -              | -             | -             | -                     | 0                  | 0                  |

## SUPPORT CENTER BOARD OF DIRECTORS I

### 2009-2010

The Support Center's Board of Directors serves staggered two-year terms. Elections are held at an annual meeting each year. In accordance with the Bylaws, nominations for the Board are taken first from the CDCU community, then from partner community development organizations, and then from other sources if necessary. The Board & Executive Committee meet quarterly.

| NAME                         | OFFICE    | AFFILIATION, CITY                                |
|------------------------------|-----------|--|
| 1. Saundra R. Scales (BF)    | Chairman  | First Legacy Credit Union, Charlotte             |
| 2. Vacant Vice-Chair         |           |  |
| 3. Byron T. Robinson (BM)    | Secretary | Retired, Graham                                  |
| 4. Edward L. Mills (BM)      | Treasurer | Greater Kinston CU Board, Kinston                |
| 5. Armeer Kenchen (BM)       |           | Generations Credit Union, Durham                 |
| 6. Maurice R. Smith (BM)     |           | Local Government Federal CU, Raleigh             |
| 7. John A. Herrera (HM)      |           | Self-Help Credit Union, Durham                   |
| 8. Frances Bradshaw (BF)     |           | Retired, Greensboro                              |
| 9. Susan Perry Cole (BF)     |           | NC Association of CDCs, Raleigh                  |
| 10. W. A. (Tony) Hayes (NAM) |           | NC Indian Economic Dev. Corp., Raleigh           |
| 11. Luis Pastor (HM)         |           | Latino Community CU, Durham                      |
| 12. Peter Skillern (WM)      |           | Community Reinvestment Association of NC, Durham |

**Total: Three (3) Black Females, Four (4) Black Males, Two (2) Hispanic Males, One (1) Native American Male, One (1) White Male**

### NCMSC Strategic Partners

Center for Community Self Help  
Coalition for Responsible Lending  
Community Reinvestment  
Association of North Carolina Fair Housing Center  
IDA Collaborative  
Land Loss Prevention Project  
Local Government Federal Credit Union  
National Federation of CDCUs  
NC Association of CDCs  
NC Coalition of Farm and Rural Families  
NC Community Development Initiative  
NC Credit Union Network  
NC Institute for Minority Economic Development  
NC Rural Economic Development Center

### Supporters

Mary Reynolds Babcock Foundation  
Bank of America  
BB& T  
U.S. Dept. of Treasury  
First Bank  
First Citizen Bank  
Ford Foundation  
F.B. Heron Foundation  
Golden Leaf Foundation  
Charles and Mary Grant  
National Credit Union Foundation  
NC Community Shares  
NC General Assembly  
NC Rural Economic Development Center  
Z. Smith Reynolds Foundation  
USDA Rural Development  
Wachovia Bank

## Affiliates & Counties Served

### **First Legacy Credit Union**

431 Beatties Ford Road

Charlotte, NC 28216

**Counties served:** *Mecklenburg, Gaston, Lincoln, Cleveland, Rowan, Davie, Alexander, Catawba, Cabarrus, and Iredell*

### **Generations Community Credit Union**

123 W. Main Street, 1<sup>st</sup> Floor

Durham, NC 27701

**Counties served:** *Hertford, Camden, Durham, Wake, Chowan, Perquimans, Gates, Pasquotank, Vance, Warren, Person, Franklin, Halifax, Northampton, Edgecombe, Washington, Pitt, Martin, Bertie*

### **Greater Kinston Credit Union**

901 N. Queen Street

Kinston, NC 28501

**Counties served:** *Lenoir, Greene, Jones, Craven, and Pitt*

### **Latino Community Credit Union**

100 W. Morgan Street

Durham, NC 27701

**Counties served:** *Mecklenburg, Wake, Forsyth, Guilford, and Cumberland*

### **Self-Help Credit Union**

301 W. Main Street

Durham, NC 27701

**Counties served:** *All*

### **Shepherd's Federal Credit Union**

5525 Albemarle Rd,

Charlotte, NC 28227

**Counties served:** *Mecklenburg*

# Annual Financial Statements

Printed: 8/22/2011  
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The Support Center  
Statement of Activities: CONSOLIDATED  
FY'11: July 1, 2010 - June 30, 2011

| As of June 30, 2011 (pre-audit)                   |                     |                  |             |                  |            |
|---|---------------------|------------------|-------------|------------------|------------|
|   | ANNUAL<br>BUDGET    | ACTUAL           |             | BUDGET REMAINING |            |
|   |                     | Year-to-Date     | % Used      | Amount           | %          |
| <b>REVENUE &amp; SUPPORT</b>                      |                     |                  |             |                  |            |
| Grant Income                                      | \$ 3,887,974        | 3,985,974        | 103%        | (98,000)         | -3%        |
| Dividend Income                                   | 150,000             | 153,898          | 103%        | (3,898)          | -3%        |
| Mortgage Interest                                 | 10,000              | 14,485           | 145%        | (4,485)          | -45%       |
| Miscellaneous Income                              | 50,000              | 43,437           | 87%         | 6,563            | 13%        |
| <b>TOTAL REVENUE</b>                              | <b>\$ 4,097,974</b> | <b>4,197,795</b> | <b>102%</b> | <b>(99,821)</b>  | <b>-2%</b> |
|   |                     | Target=          | 100%        | Target=          | 0%         |
| <b>EXPENSES</b>                                   |                     |                  |             |                  |            |
| Salaries & Personnel Contracts                    | \$ 471,935          | 416,430          | 88%         | 55,505           | 12%        |
| Fringe Benefits                                   | 90,829              | 76,605           | 84%         | 14,224           | 16%        |
| Office Rent                                       | 117,000             | 117,792          | 101%        | (792)            | -1%        |
| Training/Seminars/Materials                       | 31,000              | 17,611           | 57%         | 13,389           | 43%        |
| Office Supplies                                   | 12,000              | 9,045            | 75%         | 2,955            | 25%        |
| Office Equipment                                  | 14,600              | -                | 0%          | 14,600           | 100%       |
| Equipment Repair/Maintenance                      | 2,500               | 1,256            | 50%         | 1,244            | 50%        |
| Office Expense                                    | 12,000              | 9,560            | 80%         | 2,440            | 20%        |
| Staff Travel                                      | 35,500              | 32,698           | 92%         | 2,802            | 8%         |
| Board Travel                                      | 8,000               | 3,854            | 48%         | 4,146            | 52%        |
| Staff Development                                 | 11,000              | 7,005            | 64%         | 3,995            | 36%        |
| Board Development                                 | 10,000              | 6,338            | 63%         | 3,662            | 37%        |
| Audit & Accounting                                | 20,000              | 15,864           | 79%         | 4,136            | 21%        |
| Legal Expense                                     | 10,000              | 7,772            | 78%         | 2,228            | 22%        |
| Marketing & Newsletter                            | 19,000              | 7,493            | 39%         | 11,507           | 61%        |
| Association Dues                                  | 5,000               | 3,628            | 73%         | 1,372            | 27%        |
| Sponsorships                                      | 6,000               | 6,150            | 103%        | (150)            | -3%        |
| Bank Fees   | 500                 | 195              | 39%         | 305              | 61%        |
| Subscriptions                                     | 1,000               | 419              | 42%         | 581              | 58%        |
| Telephone   | 12,000              | 9,809            | 82%         | 2,191            | 18%        |
| FedEx Shipping                                    | 2,000               | 1,881            | 94%         | 119              | 6%         |
| Postage   | 1,000               | 642              | 64%         | 358              | 36%        |
| Office Copying                                    | 2,500               | 2,205            | 88%         | 295              | 12%        |
| Online Subscription                               | 6,500               | 6,295            | 97%         | 205              | 3%         |
| Insurance & Bonding                               | 9,000               | 6,020            | 67%         | 2,980            | 33%        |
| Loan Loss   | 55,000              | 167,607          | 305%        | (112,607)        | -205%      |
| Depreciation                                      | -                   | 13,482           |             | (13,482)         |            |
| Consultants                                       | 222,950             | 240,407          | 108%        | (17,457)         | -8%        |
| Capacity Grants                                   | 2,116,410           | 2,116,408        | 100%        | 2                | 0%         |
| Interest  | 17,000              | 23,068           | 136%        | (6,068)          | -36%       |
| Miscellaneous                                     | 2,000               | 2,311            | 116%        | (311)            | -16%       |
| Reserve Expense                                   | 50,000              | -                | 0%          | 50,000           | 100%       |
| SEDA Funds  | 723,750             | -                | 0%          | 723,750          | 100%       |
| <b>TOTAL EXPENSES</b>                             | <b>\$ 4,097,974</b> | <b>3,329,851</b> | <b>81%</b>  | <b>768,123</b>   | <b>19%</b> |
|   |                     | Target=          | 100%        | Target=          | 0%         |
| <b>NET INCREASE/<br/>(DECREASE) IN NET ASSETS</b> |                     |                  |             |                  |            |
|   | \$ -                | 867,944          |             |                  |            |

**The Support Center**  
**Statement of Financial Position (Balance Sheet)**  
**FY'11: July 1, 2010 - June 30, 2011**

Printed: 8/22/2011  
1:17 PM

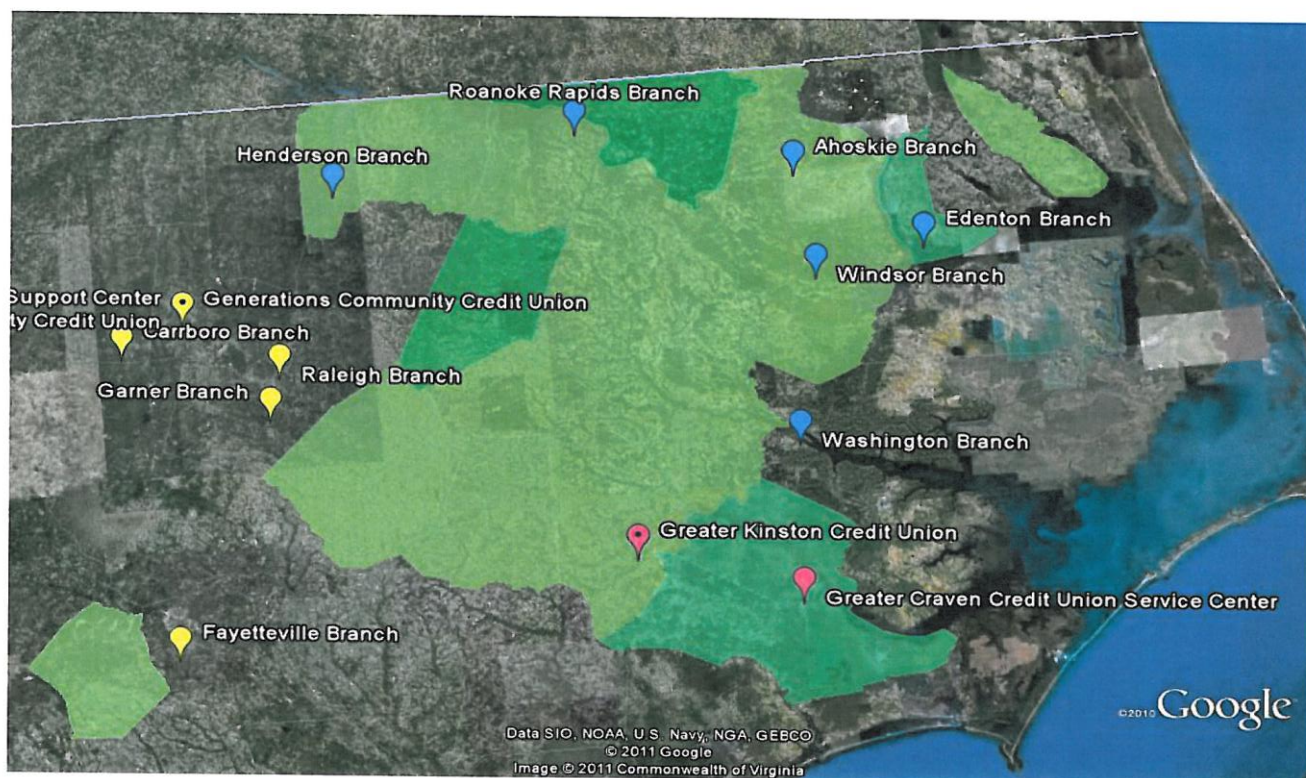
|                               |           | <b>As of June 30, 2011</b> |
|-------------------------------|-----------|----------------------------|
| Cash                          |           |                            |
| Operating Deposits            | \$        | 2,025,483                  |
| Capital Loan Support Deposits |           | 1,648,897                  |
| Sub-Total Cash                | \$        | 3,674,379                  |
| Investments                   |           |                            |
| 1st Citizens Loan Funds       | \$        | 303,089                    |
| SEDA Funds                    |           | 4,295,054                  |
| Secondary Capital             |           | 905,000                    |
|                               |           | 5,503,143                  |
| Less: Provision for Loss      |           | (219,572)                  |
| Sub-Total Investments (net)   | \$        | 5,283,571                  |
| Loans                         |           |                            |
| Mortgage                      |           | 904,846                    |
| Less: Provision for Loss      |           | (203,658)                  |
| Sub-Total Loans (net)         | \$        | 701,188                    |
| Other Current Assets          |           | 15,181                     |
| Property & Equipment          |           | 27,083                     |
| OREO Property                 |           | 326,086                    |
| <b>TOTAL ASSETS</b>           | <b>\$</b> | <b>10,027,489</b>          |
| Current Liabilities           | \$        | 583,177                    |
| Notes Payable                 | \$        | 942,339                    |
| Net Assets: Unrestricted      |           | 3,073,172                  |
| Net Assets: Restricted        |           | 5,428,802                  |
| Sub-Total Net Assets          | \$        | 8,501,974                  |
| <b>TOTAL LIABILITIES</b>      | <b>\$</b> | <b>10,027,489</b>          |
| <b>&amp; NET ASSETS</b>       |           |                            |

|  |    |           |
|--|----|-----------|
| <b>NET ASSET ACTIVITY:</b>             |    |           |
| Beginning Net Assets                   | \$ | 7,634,030 |
| Current Period Net Increase/(Decrease) |    | 867,944   |
| Ending Net Assets                      | \$ | 8,501,974 |

YrEndFinancials-063011-PreAudit.xls



## Map of USDA IRP Counties

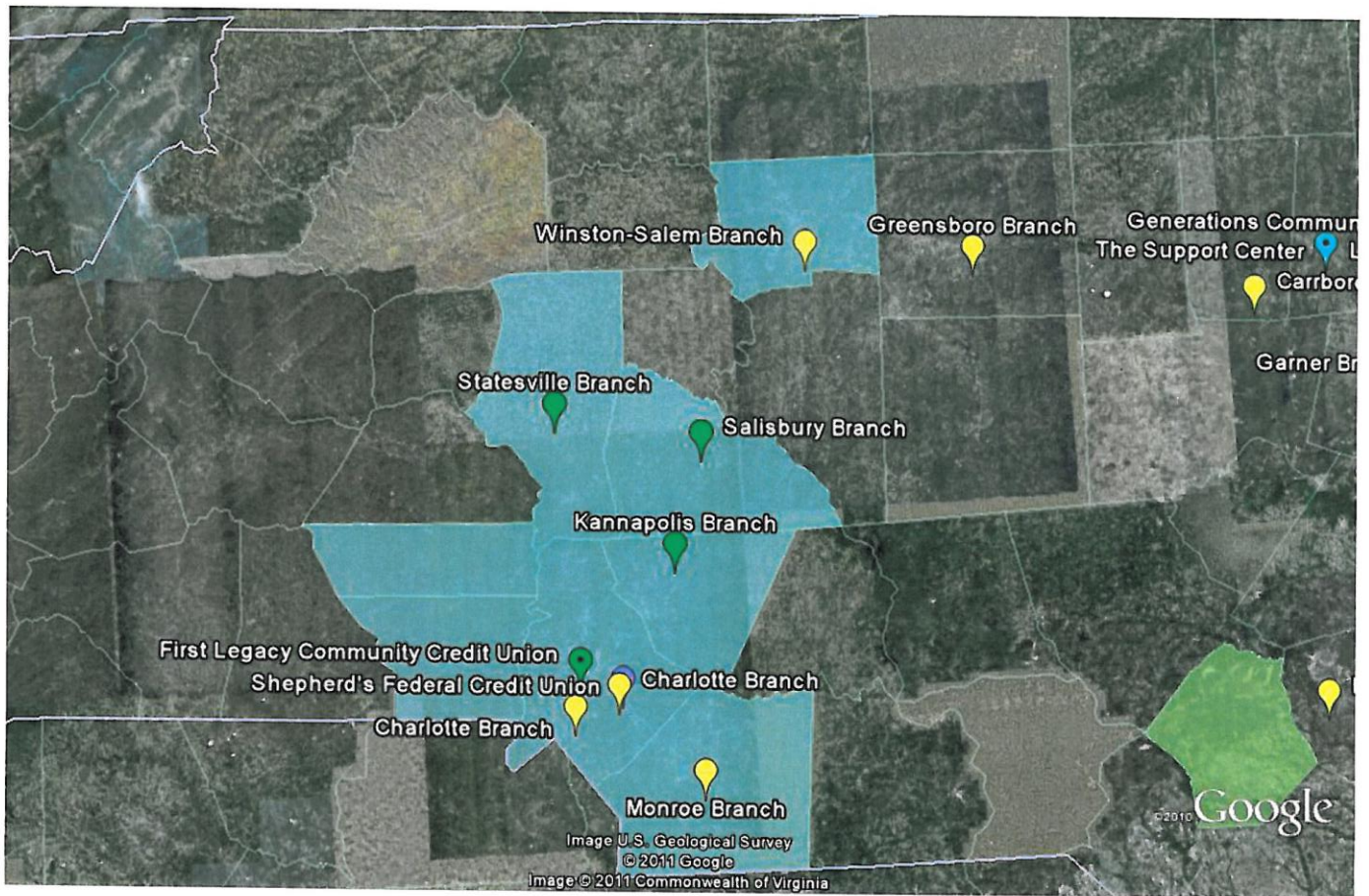


Light Green counties were in our original USDA proposal  
Dark Green counties were added for FY 2011-2012

The place markers represent branches of our affiliate credit unions:

Blue represents Generations Community Credit Union,  
Pink represents Greater Kinston  
Yellow represents Latino Credit Union

## Map of SBA ILPP Counties



Light Green counties are part of our USDA IRP County  
Light Blue counties are part of our SBA ILPP Counties

The place markers represent branches of our affiliate credit unions:

Green represents First Legacy Credit Union  
Blue represents Generations Community Credit Union,  
Yellow represents Latino Credit Union

Not pictured is the Shepherd's Federal Credit Union in Charlotte, NC.



### Strengthening Local Resources

“The Support Center has been a steadfast partner over the past 10 years as Latino Community Credit Union quickly grew to 10 branches and added over 55,000 members.”

Luis Pastor  
Chief Executive Officer  
Latino Community Credit Union



### Helping to Make Better Decisions

“The Support Center’s thoughtful and practical training has enabled us to serve our members better by providing financial services that offer them better productivity and more economic choices, therefore improving their lives and those in their community.”

Nathan Farrior  
Senior Vice President  
Generations Community Credit Union



Serving | Strengthening | Sustaining Our Communities

Since 1990, The Support Center has worked tirelessly to remove the barriers that have prevented people in low-wealth and underserved communities from gaining access to the capital they need. The Support Center is passionate about excellence as reflected in all their services. More information including staff contact information can be found at [www.TheSupportCenter-nc.org](http://www.TheSupportCenter-nc.org).

919.530.1683

[TheSupportCenter-nc.org](http://TheSupportCenter-nc.org)

# The SUPPORT CENTER

Serving | Strengthening | Sustaining Our Communities



**The Support Center** promotes economic development by providing loans, support, and programs to help our communities grow and thrive. We work with local community development credit unions, community-based organizations, and individual borrowers to give professional, yet personal service.



# The SUPPORT CENTER

The Support Center is a statewide nonprofit that partners with Community Development Credit Unions (CDCUs) and community-based organizations to provide small business and mortgage lending services to its members; and to provide training, grants, and loans to create economic opportunities for individuals, families, and communities in underserved markets.

## Our Affiliated Credit Unions

- First Legacy Community Credit Union
- Generations Community Credit Union
- Greater Kinston Credit Union
- Latino Community Credit Union
- Shepherd's Federal Credit Union
- Self-Help Credit Union

## Our Small Business Lending Programs

The Support Center offers loans directly as well as through our affiliated credit unions with support from federal and state funding. We focus on specific loan products that are not easily available through traditional bank services.

### USDA Intermediary Relending Program\* (IRP)

- For new and existing small businesses that lack access to traditional banks
- Aims to create and maintain jobs in underserved communities
- Maximum loan amount is \$150,000

### NC Small Business Development Loan Program

- Offered through our affiliated credit unions for small businesses
- For members with limited collateral
- Maximum loan amount is \$100,000

*\*Offered in 14 counties in eastern NC*

## Our Services

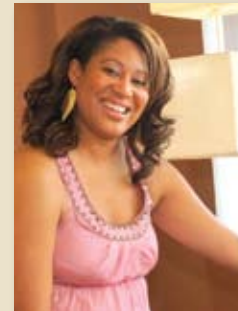
The Support Center provides services to CDCUs and small businesses.

### For CDCUs

|                                  |                           |
|----------------------------------|---------------------------|
| Portfolio Management             | Grant Funding             |
| Small Business Loan Underwriting | Mortgage Underwriting     |
| Small Business Lending Training  | Impact Studies & Research |

### For Small Businesses

|                      |                             |
|----------------------|-----------------------------|
| Small Business Loans | Financial Literacy Training |
|----------------------|-----------------------------|



### Allowing People to Live Their Dreams

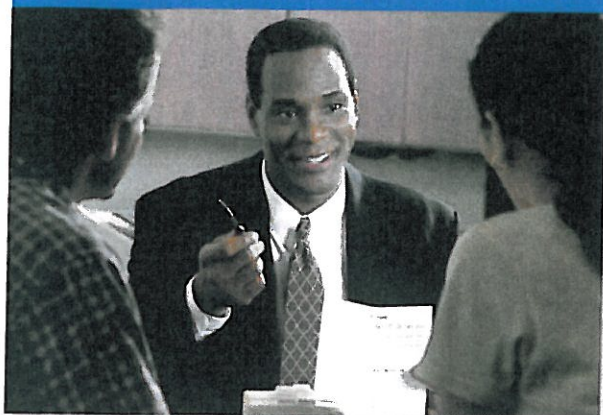
“The loan from Generations Community Credit Union allowed me to hire two new employees, renovate the location for my salon, and purchase salon equipment.”

Natassia Hewitt  
Owner  
Remedy Hair Salon and Spa in Durham, NC



Serving | Strengthening | Sustaining Our Communities

To find out more about  
The Support Center,  
give us a call at 919.530.1683.



# The SUPPORT CENTER

Serving | Strengthening | Sustaining our Communities

**The Support Center** promotes economic development by providing loans, support, and programs to help our communities grow and thrive. We work with local community development credit unions to give professional, yet personal service.

The Support Center is a statewide nonprofit that partners with Community Development Credit Unions (CDCUs) to provide small business and home lending services to its members, and to provide training, grants and loans to the CDCUs to create economic opportunities for families and their communities.

## Our Affiliated Credit Unions

- First Legacy Community Credit Union
- Generations Community Credit Union
- Greater Kinston Credit Union
- Latino Community Credit Union
- Shepherd's Federal Credit Union

## Our Services

The Support Center provides services to CDCUs and small businesses.

### For CDCUs

|                                  |                           |
|----------------------------------|---------------------------|
| Portfolio Management             | Grant Funding             |
| Small Business Loan Underwriting | Mortgage Underwriting     |
| Small Business Lending Training  | Impact Studies & Research |

### For Small Businesses

|                      |                             |
|----------------------|-----------------------------|
| Small Business Loans | Financial Literacy Training |
|----------------------|-----------------------------|

## Our Small Business Lending Programs

The Support Center offers special loan programs that are funded by community development grants. These grants allow us to focus on specific loan products that are not easily available through traditional bank services.

### USDA Intermediary Relending Program\* (IRP)

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*\*Offered in 14 counties in Eastern NC*

# The SUPPORT CENTER

919.530.1683 • [TheSupportCenter-nc.org](http://TheSupportCenter-nc.org)

For more information contact: **Roberta McCullough:** [rmccullough@ncmsc.org](mailto:rmccullough@ncmsc.org)  
or **Ed Timberlake:** [etimberlake@ncmsc.org](mailto:etimberlake@ncmsc.org)