

# The Support Center 2014 Annual Report

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The Senate Appropriations Subcommittee on Natural and Economic Resources  
The Joint Legislative Commission  
The Fiscal Research Division

## Submitting Entity:

The Support Center



# The SUPPORT CENTER

Your Partner in Small Business Growth



## 2014 ANNUAL REPORT

YOUR PARTNER IN  
SMALL BUSINESS GROWTH





Your Partner in  
Small Business Growth!





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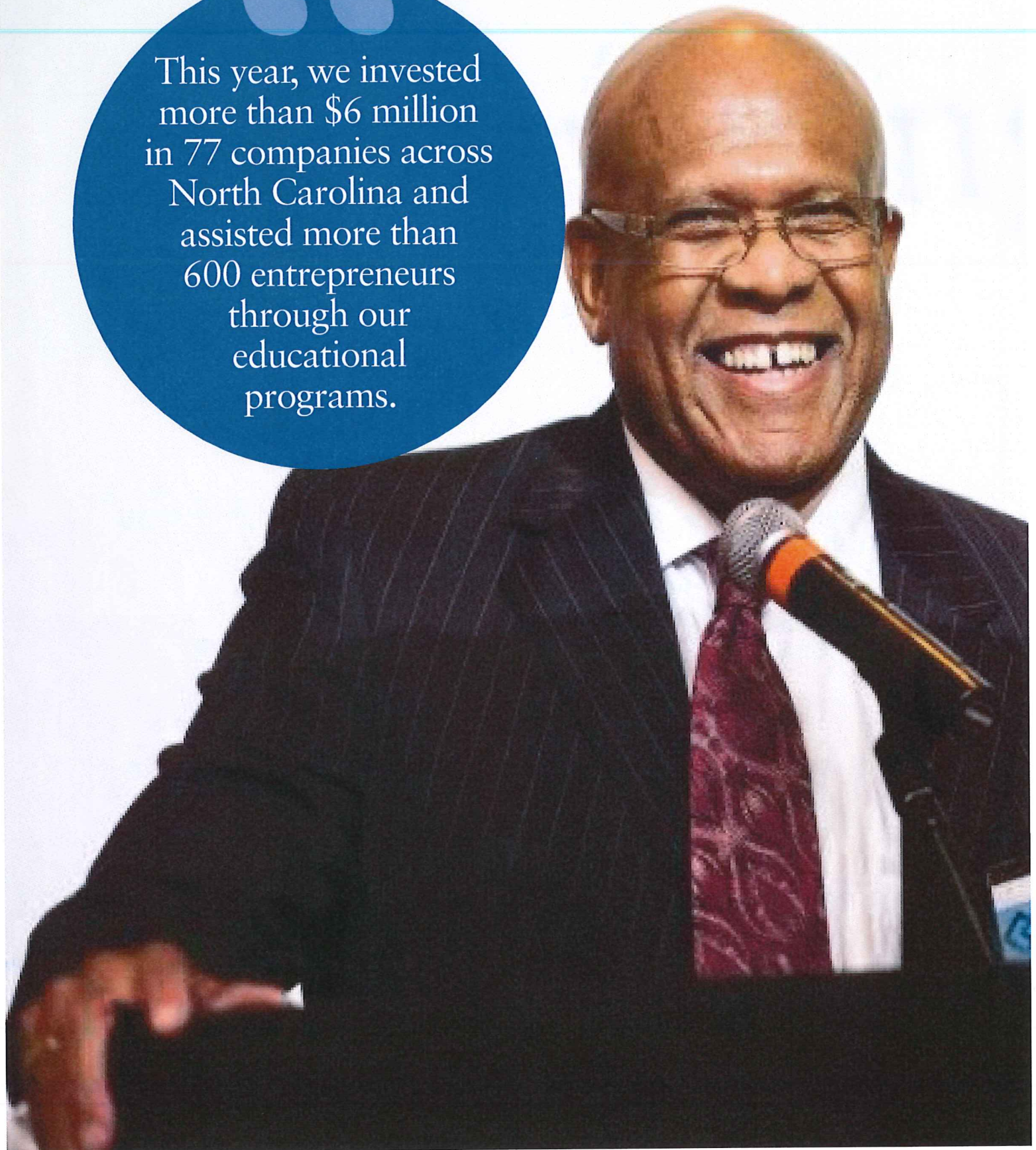


The  
**SUPPORT CENTER**  
Your Partner in Small Business Growth



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This year, we invested more than \$6 million in 77 companies across North Carolina and assisted more than 600 entrepreneurs through our educational programs.





# YOUR PARTNER IN SMALL BUSINESS

## A MESSAGE FROM THE PRESIDENT AND CEO

This year has been a time of clarity for The Support Center (TSC). As we entered into our fourth year of offering small business loans to new and emerging companies it has become crystal clear who we are and what we offer to the community that sets us apart from other lenders. It is our partnership. To us partnership is not just making a small business loan. It is about being transformational with our lending program by providing flexible loans terms, understanding blemishes on credit reports, providing individual counseling on how to grow and taking the time to learn your business when no one else will. This specialized partnership that TSC offers to its borrowers is essential and is what makes us stand out in our industry. With that in mind, TSC decided this year that it was only natural to update our tagline and mission statement to better reflect our sincere commitment not just to lending capital, but to working alongside our borrowers providing training and resources to help them grow and achieve success.

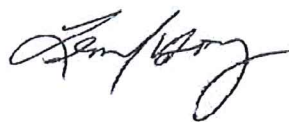
Our new tagline, **"Your Partner in Small Business Growth,"** captures the essence of how our staff approaches our work. We believe we are much more than a lender. TSC is investing in the success of its borrowers, not just their business. For TSC, success is not only having a business repay a loan; it is when we can help a company do such things as improve their marketing, increase sales, hire additional employees and grow to a point where they can apply to any lending institution and be able to secure the capital they need to continue to expand and have a positive impact on their local economy. Our new mission statement reflects this commitment: **To foster economic development in underserved communities by providing capital, business services and policy and research to support small businesses.**

As part of this commitment to becoming a transformational partner, we launched the Women's Business Center of Western NC (WBCW) in Asheville, N.C. where we provide training and one-on-one counseling in addition to capital for start-ups and business expansions for female entrepreneurs throughout the Western region. In addition, during the year we surveyed all of our borrowers to determine their top training and resources needs. We used their responses as a basis for developing our new "Training Assistance Program" (TAP), which we plan to launch this fall. We are truly excited about these programs and other successes that will be discussed in this annual report.

Overall, TSC continues to see a strong demand for our lending and training services. This year, we invested more than \$6 million in 77 companies across North Carolina and assisted more than 600 entrepreneurs through our educational programs. As we move forward, we want all business owners and entrepreneurs to know that TSC's commitment doesn't stop at the closing table. TSC is **Your Partner in Small Business Growth.**

Be Steadfast!

Lenwood V. Long, Sr.  
President/CEO



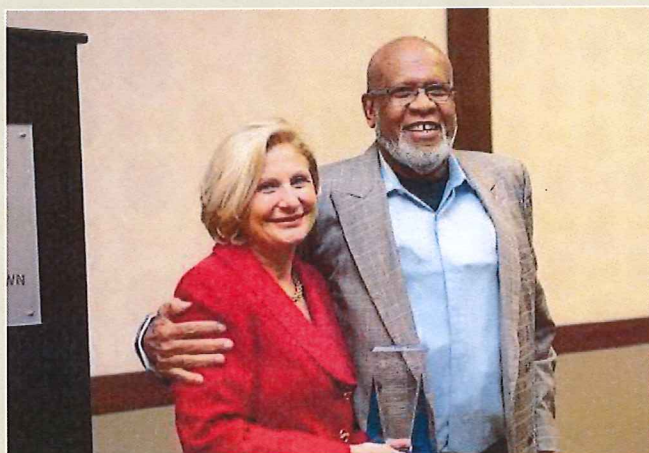


# BUILDING OUR ECONOMY

This year, TSC hosted its second annual Small Business Week Awards Luncheon featuring Dr. Patricia Mitchell, Assistant Secretary for Rural Economic Development, as our keynote speaker. Awards were also presented by the U.S. Small Business Administration (SBA) North Carolina District Office.

During the luncheon, TSC honored Lynn Douthett, District Director of the Small Business Administration's North Carolina District Office along with several small businesses across the state that demonstrated excellence among their peers. In addition to the awardees, the event brought together nearly 250 leaders of small business groups and organizations across the state.

## EXCELLENT LEADERSHIP IN SMALL BUSINESS GROWTH



Lynn Douthett, District Director of the Small Business Administration's North Carolina District Office

## EXCELLENCE IN COLLABORATIVE INNOVATION



Adrian L. Beard –Whitman May Enterprises, Inc.  
Keith Haywood, Andstar, Inc.

## EXCELLENCE IN RURAL DEVELOPMENT



Shirley Stokes, Healthcare Options of the East, Inc.

## EXCELLENCE IN JOB CREATION



Amanda Willet, Brides of Hope





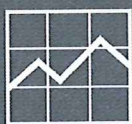
## YOUR PARTNER IN SMALL BUSINESS

TSC is a statewide nonprofit and Community Development Financial Institution (CDFI) that provides small business loans and financial training to start-ups and emerging businesses, and lending services to community-based organizations. Our mission is to foster economic development in underserved communities by providing capital, business services and policy and research to support small businesses. Our vision is to create economic opportunity for all people.

TSC achieves its mission by partnering with our clients and community partners. We currently operate three main programs:



SMALL  
BUSINESS  
LENDING



SMALL BUSINESS  
TRAINING &  
DEVELOPMENT



POLICY  
AND  
RESEARCH



## SMALL BUSINESS LENDING

**As job creators** and generators of local economic development, small businesses are the economic engines of communities across the state. However, many entrepreneurs face barriers in accessing affordable capital, particularly in recent years. Our Small Business Revolving Loan program helps to bridge this gap.

### WE ARE UNIQUE BECAUSE WE:

- Serve both existing and start-up businesses.
- Provide gap financing.
- Underwrite and service our loans in-house.
- Require only a 10% equity injection, whereas most lenders require 20-30%.
- Provide loan amounts from \$5,000 to \$250,000

### OUR LENDING PROGRAMS:

- USDA Intermediary Relending Program
- SBA Intermediary Lending Pilot Program
- US Department of Transportation (DOT) Short Term Lending Program
- State Revolving Loan Program
- TSC/Fifth Third Bank Microloan Enterprise Fund
- SBA Community Advantage 7(a) Guaranteed Lending Program
- Farm Service Agency Farming/Agricultural Lending Program
- TSC Veterans Direct Loan Program
- USDA Business & Industry Guaranteed Loan Program

## BUSINESS TRAINING AND FINANCIAL DEVELOPMENT

**TSC offers Small Business Lunch & Learn** and Dinner & Learn series and other training in partnership with the NC Small Business Center Network and community-based organizations across North Carolina. The goal is to educate business owners — particularly those in rural and underserved areas — about developing business plans, cash flow management, preparing loan applications and capital access opportunities for small businesses.

## POLICY & RESEARCH

**Our Policy & Research** program provides timely research and analysis on the broader economic impact that our small business lending programs and community development work to put forth thoughtful policy recommendations to strengthen our state's economy.



The Economic Impact of The Support Center's Small Business Revolving Loan Fund

January 2014

### 2014 Research Report

THE ECONOMIC IMPACT OF THE SUPPORT CENTER'S SMALL BUSINESS REVOLVING LOAN FUND (January 2014) - Nearly 70 small business across the state were able to generate millions in revenue and retain or hire 363 workers according to findings in this report. TSC reviewed the loans it made between fiscal years 2012 and 2013 to determine the economic multiplier of its investment.

## From Our Borrowers



"The Support Center offers good support because they don't try to make you [borrow] more money

than you actually need. They help you assess what amount will be good for your business...They also have a lot of good training classes for small businesses."

LAMONICA MOORE, OWNER  
DIFFERENT BY DESIGN HAIR SALON  
CHARLOTTE, NC

"With banks there was so much uncertainty about what they might do. ...The Support Center is more invested in my business. When I really didn't know who to go to, they had all of these resources available."



DEBBIE STIKELEATHE, OWNER  
IRON GATE VINEYARDS  
MEBANE, NC.



"The Support Center helped us to purchase new trucks to expand our business. It's a blessing."

CURTIS MCCROREY, OWNER  
KINGDOM TRUCKING  
CHARLOTTE, NC

"We just need a bridge loan. The Support Center's loan was just perfect for what we needed to do. They were very helpful and expedient."

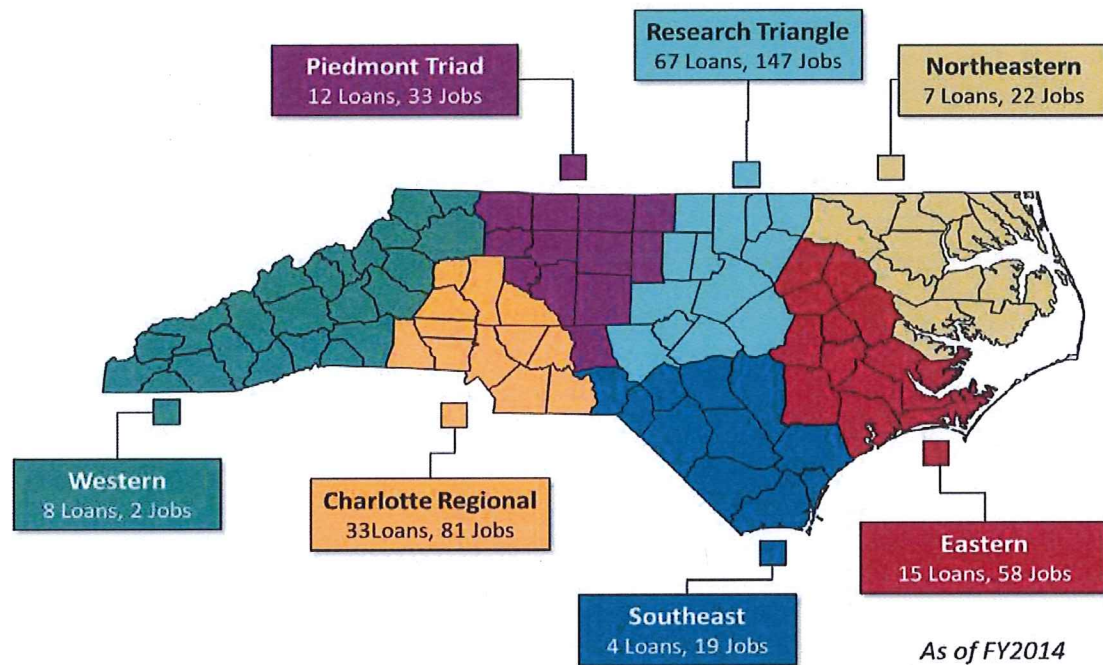


DOUGLAS & LOU ANNE HARRIS, OWNERS  
DOUGLAS R. HARRIS JEWELERS  
GASTONIA, NC.



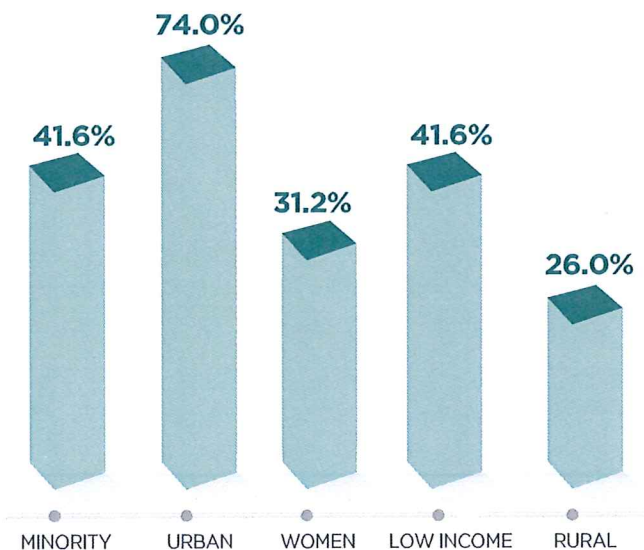
# OUR IMPACT

We are proud to report that in FY 2014 we were able to provide small business loans to 77 companies across North Carolina totaling \$6 million. Since 2010 with our lending activities have help to create or maintain 363 jobs. (Below is a chart of the loans TSC completed in North Carolina through June 2014.)



TSC funded loans in a wide range of industries throughout rural and urban communities including manufacturing, service, retail, and workforce training. As detailed in the chart below, as of June 30, 2014, TSC's loan program served a range of borrowers and industries in North Carolina.

## BORROWER TYPE & SECTOR PERCENTAGE



SECTOR	PERCENTAGE
SERVICE	36.50%
CONSTRUCTION	14.30%
RETAIL	10.30%
MANUFACTURING	9.60%
RESTAURANT	9.10%
FARMING	6.10%
TRUCKING	4.40%
BAKERY	3.70%
CHILDCARE SERVICES	1.50%
TREATMENT CENTER	1.20%
LANDSCAPING	1.20%
HOME HEALTH CARE	1.20%
FOOD TRUCK	0.60%
BUILDING MATERIALS	0.40%



# 2014 ACCOMPLISHMENTS

## OPENED TSC'S WOMEN'S BUSINESS CENTER OF WESTERN NORTH CAROLINA IN ASHEVILLE



More than 50 city officials and business leaders representing the Western region attended the grand opening of TSC's Women's Business Center of Western NC (WBCW).

The WBCW's mission is to provide high quality business training and development programs that reduce barriers and serve as a catalyst to the success of entrepreneurs, particularly women who are socially and economically disadvantaged in the Western region of North Carolina. The WBCW will be housed at the TSC's satellite office inside the headquarters of Eagle Market Streets Development Corporation (EMSDC) in Asheville, NC.

The WBCW will offer the following services in support of its mission:

- Business plan development
- One-on-one business development counseling
- Certification assistance for federal programs
- Marketing, accounting and other workshops
- Referral support for business services, and
- Networking and marketing opportunities



# 2014 ACCOMPLISHMENTS



## TSC RECEIVED AN AERIS AA+3 RATING

Aeris, which stands for CDFI Assessment and Rating System, is the only comprehensive, third-party assessment of a CDFI's impact performance, financial strength and overall performance.



## SBA COMMUNITY ADVANTAGE GUARANTEE PROGRAM

TSC was officially approved to participate in the SBA Community Advantage guarantee program.

## TSC EXCEEDS FUNDRAISING GOAL

TSC exceeded its annual fundraising objective, achieving 164% of its goal, raising \$8.21 million.

Our FY 2014 funders included:

- |                          |                          |                   |
|--------------------------|--------------------------|-------------------|
| o PNC Bank               | o Z. Smith Reynolds      | o CDFI            |
| o Wells Fargo            | o TD Bank                | o Bank of America |
| o Mercy Partnership Fund | o Golden Leaf Foundation |                   |

# UPCOMING EVENTS IN FY 2015

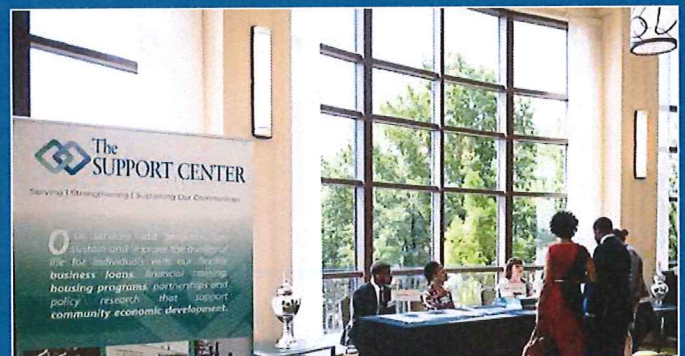
## CREATE 2,000 SMALL BUSINESS JOBS CAMPAIGN

TSC will launch the - 2,000 Small Business Jobs Creation Campaign - the first annual donor campaign to raise \$500,000. The funds will be used to sustain our lending operations to small business and help them sustain or add new jobs in the community. Our goal is help small businesses create or maintain 2,000 jobs by year 2018. To join us in our effort, please visit: [www.thesupportcenter-nc.org](http://www.thesupportcenter-nc.org).



## TECHNICAL ASSISTANCE PROGRAM

TSC has developed a formal Technical Assistance Program ("TAP") in conjunction with statewide technical assistance partners to provide financial education and needed resources to potential borrowers, and as well our existing borrowers as they face challenges in maintaining and growing their businesses. TSC will launch TAP in the fall of 2014.







# The SUPPORT CENTER

Your Partner in Small Business Growth

## STATEMENT OF FINANCIAL POSITION

THE SUPPORT CENTER  
CONDENSED FINANCIAL INFORMATION  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2014

	2013	2014
Assets	\$ 14,198,461	\$ 16,996,573
Liabilities	\$4,355,747	\$4,553,456
Net Assets	\$9,842,714	\$12,443,117
Total Liabilities & Net Assets	\$ 14,198,461	\$ 16,996,573

### STATEMENT OF ACTIVITIES

	2013	2014
Grant Income	\$ 3,859,503	\$ 4,403,890
Interest Income	308,945	516,359
Loan Origination Fees	32,516	59,814
Other Revenue	179,266	72,145
Total Revenue	\$ 4,380,230	\$ 5,052,208
Program Services	3,215,601	2,185,053
Support Services	346,752	266,751
Total Expenses	3,562,353	2,451,804
Change In Net Assets	817,877	2,600,403
Net Assets at Beginning of Year	9,024,837	9,842,714
Net Assets at End of Year	\$ 9,842,714	\$ 12,443,117

TSC financial statements are audited by Romeo, Wiggins & Company, LLP. A full set of our audited version of these financial statements is available on the TSC's website at [www.thesupportcenter-nc.org](http://www.thesupportcenter-nc.org)



# YOUR PARTNER IN SMALL BUSINESS

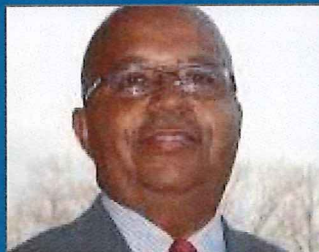
## THE SUPPORT CENTER TEAM



Lenwood V. Long, Sr.  
President/CEO



Roberta McCullough  
Vice President, Business  
Services



Don Harrington  
Small Business Lending &  
Risk Management Director



Awamary Lowe-Khan  
Chief Financial Officer



Susan C. Sauro  
Staff Accountant



Eleanor Reid  
Development Director



Sadaf Knight  
Policy & Research Director



G. Edward Timberlake  
Senior Loan Underwriter



Regina Durham  
Executive Assistant



Vicki Lee Parker  
Communications &  
Marketing Director



Roxanna Horne  
Loan Processor



Meryl Olson  
Accounts Receivables  
Accountant



Amber Banks  
Senior Cred Analyst



Sharon Oxendine  
Dir. Women's Business  
Center of Western NC



Patricia Costello  
Business Development  
Specialist, Asheville



Aron Fisher  
Business Development  
Specialist, Charlotte



# THE SUPPORT GROUP GOVERNANCE

## BOARD OF DIRECTORS

**PETER SKILLERN, CHAIRMAN**  
CEO  
Reinvestment Partners  
Durham

**MAURICE SMITH, TREASURER**  
President/CEO  
Local Government Federal Credit Union  
Raleigh

**TONY HAYES, VICE-CHAIRMAN**  
CEO  
NC Indian Economic Development Corporation  
Raleigh

**STEPHANIE S. TWITTY, SECRETARY**  
NC Association of CDC's  
Raleigh

**JEFF HARDIN**  
Director of Cooperative Initiatives  
Carolinas Credit Union League  
Raleigh

**NANCY PATRICK STROUD**  
Marketing Director  
First Legacy Credit Union  
Charlotte

**JENNIFER ROBERTS**  
Consultant and Community Advocate  
Charlotte

**DR. LUCY REUBEN**  
Professor  
Duke University  
Durham

**MARSHALL CHERRY**  
Vice President  
Roanoke Electric Coop  
Aulander

**BARBARA HILL LEE**  
Founder & Executive Director  
NC Area Day Reporting Center

**LYNN HOLMES**  
Principal Consultant  
Ross Holmes Group  
Raleigh

## STAKEHOLDERS





# PARTNERSHIPS & STAKEHOLDERS

## THE SUPPORT CENTER PARTNERS

Building sustainable partnerships remain a very high priority for TSC. During the year we worked to deepen our partnerships with a number of community groups.



TSC collaborated with the Governor's office, Department of Commerce, the Town of Edenton and Edenton officials that led to helping a new corporation relocate to North Carolina, bringing dozens of high paying jobs.



Opportunity Finance Network (OFN) and the Citi Foundation selected 50 Community Development Financial Institution (CDFI) professionals to participate in the Citi Leadership Program for Opportunity Finance. Two staff members from TSC were among those selected to participate in the Executive Leader and Emerging Leader program.

THE CHARLOTTE COMMUNITY CAPITAL FUND,  
an innovative public-private fund established to assist you with running a healthy business.

APPLY TODAY!

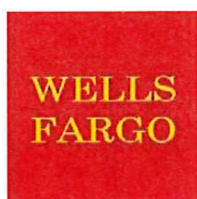


TSC was selected by the City of Charlotte to partner with Self-Help to help manage the Charlotte Community Capital Fund (CCCF). TSC has been named the Participating Lenders Program Manager and will also be a participating lender receiving an 85% guarantee for loans made in the seven counties surrounding the Mecklenburg area.



Through our partnership with Goldman Sachs 10,000 Small Businesses, TSC has been able to take advantage of several training and grant programs. Two TSC staff members were selected to attend a specialized small business lending training. TSC nominated three of its borrowers for the Goldman Sachs' development program that it offers in partnership with Babson College.

TSC is proud to be generously funded by foundations, financial institutions and federal and state agencies. They invest in our vision to create economic opportunity for all people, bringing capital and financial training to those who need it most. To them all we say Thank You.







The  
SUPPORT  
CENTER

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