

SECU Foundation

2026 Annual Report

July 1, 2025 through June 30, 2026

SECU FOUNDATION
AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITORS' REPORT

Board of Directors
State Employees' Credit Union Foundation
Raleigh, North Carolina

Report on the Financial Statements

Opinion

We have audited the financial statements of State Employees' Credit Union Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of State Employees' Credit Union Foundation as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of State Employees' Credit Union Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about State Employees' Credit Union Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of State Employees' Credit Union Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about State Employees' Credit Union Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

We have audited the financial statements of State Employees' Credit Union Foundation as of and for the year ended June 30, 2026, and our report thereon dated August 28, 2026, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Board of Directors, Executive Director, and Contact Information, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Baltimore, Maryland
August 28, 2026

SECU FOUNDATION
Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Cash and cash equivalents	\$ 45,972,141	\$ 43,909,655
Loans receivable (See Notes 2 & 3)		
NC Teacher Housing	4,464,418	5,156,882
NCHFA construction loans	-	468,500
Other Foundation loans	5,033,476	4,781,054
Habitat for Humanity	6,413,286	7,076,348
Less: allowance for credit losses	(306,272)	(420,871)
Total loans receivable	<u>15,604,908</u>	<u>17,061,913</u>
Contributions Receivable	2,500	-
Prepaid Expenses	-	10,248
Personal Property - Automobile	10,340	25,852
Total assets	\$ 61,589,889	\$ 61,007,668
LIABILITIES		
Accounts payable	\$ 10,482	\$ 10,352
Program Personnel Compensation and Benefits	-	-
Scholarships payable	12,152,162	12,135,749
Grants payable		
SECU Internship Program	-	-
Mission Development Grant Program	495,000	435,000
Grant programs	<u>16,108,248</u>	<u>16,202,907</u>
Total grants payable	<u>16,603,248</u>	<u>16,637,907</u>
Total liabilities	28,765,892	28,784,008
NET ASSETS		
Without donor restrictions		
Undesignated	11,634,800	8,740,876
Designated	<u>21,189,197</u>	<u>23,482,784</u>
Total net assets	<u>32,823,997</u>	<u>32,223,660</u>
Total liabilities & net assets	\$ 61,589,889	\$ 61,007,668

The accompanying notes are an integral part of the financial statements.

SECU FOUNDATION
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2026 and 2025

	2026	2025
Revenues, gains, and other support		
SECU member contributions	\$ 21,778,754	\$ 20,834,064
SECU contributed services	91,745	1,492,756
Interest and dividends	1,037,269	1,038,760
Total revenues, gains, and other support	<u>22,907,768</u>	<u>23,365,580</u>
Program expenses		
Total scholarships	5,103,009	5,151,188
SECU Internships	1,822,997	1,349,473
Mission Development Grant	1,145,000	1,225,000
Grants	12,718,341	18,020,123
Contributed services for programs	1,259,149	1,053,116
Total program expenses	<u>22,048,496</u>	<u>26,798,900</u>
Credit for Credit Losses	(114,117)	(116,127)
Management and general expenses		
Contributed services for management and general	91,745	439,641
Other management and general expenses	265,795	413,407
Depreciation Expense – Personal Property	15,512	15,512
Total expenses	<u>22,307,431</u>	<u>27,551,333</u>
Changes in net assets	600,337	(4,185,753)
Net assets, beginning of year	32,223,660	36,409,413
Net assets, end of year	<u>\$ 32,823,997</u>	<u>\$ 32,223,660</u>

The accompanying notes are an integral part of the financial statements.

SECU FOUNDATION
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Changes in net assets	\$ 600,337	\$ (4,185,753)
Credit for Credit Losses	(114,117)	(116,127)
Depreciation Expense	15,512	15,512
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Increase in accounts receivable	(2,500)	-
Decrease in grants payable	(34,659)	(3,711,047)
Increase in scholarships payable	16,413	93,941
Increase (Decrease) in accounts payable	130	(3,193)
Decrease (Increase) in prepaid expense	10,248	(10,248)
Net cash provided / (used) by operating activities	491,364	(7,916,915)
Cash flows from investing activities:		
Loan issuance	(417,982)	(157,908)
Principal collected on loans, net	1,989,104	2,591,718
Net cash provided in investing activities	1,571,122	2,433,810
Net increase (decrease) in cash and cash equivalents	2,062,486	(5,483,105)
Cash and cash equivalents at beginning of year	43,909,655	49,392,760
Cash and cash equivalents at end of year	\$ 45,972,141	\$ 43,909,655

The accompanying notes are an integral part of the financial statements.

SECU Foundation
Notes to Financial Statements
June 30, 2026 and 2025

Note 1: Organization and Summary of Significant Accounting Policies

Organization: The State Employees' Credit Union Foundation (the Foundation) is a private, non-profit, charitable foundation in North Carolina. The Foundation was approved by the Internal Revenue Service as a 501(c) (3) corporation in 2001 and began operating in July 2004. The focus of the Foundation is to promote local community development primarily through high impact projects in the areas of housing, education, healthcare, and human services. As an extension of the cooperative ideals on which State Employees' Credit Union (SECU) was founded, the funding for the Foundation is provided through contributions of SECU members. Members of SECU provide funding for the Foundation primarily through voluntary contributions of \$1.00 monthly maintenance fees on checking accounts. These fees would otherwise go toward the operation of SECU. In February 2022, SECU introduced Employee Contributions which allows employees to donate \$5 via payroll deduction, each month to the Foundation. Additional voluntary unrestricted contributions are accepted. While a \$1.00 per month maintenance fee contribution is not a significant burden on any individual member, the collective impact of the donations creates opportunities to positively impact and improve the quality of life in neighborhoods and communities throughout North Carolina. The Foundation is an outreach of the "People Helping People®" cooperative philosophy on which SECU was organized and by which SECU operates.

Basis of Accounting: The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for non-profit organizations. The financial statements include the accounts maintained by and directly under the control of the Foundation.

The financial statements of the Foundation are presented following the guidance of the "Not-for-Profit Organizations-Audit and Accounting Guide," including ASC 958-605 "Accounting for Contributions Received and Contributions Made" and ASC 958-205, "Financial Statements of Not-for-Profit Organizations" which require the Foundation to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are available for use in general operations. Board designated funds represent net assets without donor restrictions which are designated by the Board of Directors of the Foundation (the Board) action for scholarships or grants. All net assets of the Foundation were classified as without donor restrictions as of June 30, 2026 and 2025.

Net assets with donor restrictions consist of amounts that are subject to donor restrictions and income earned on donor restricted investments in perpetuity. The Foundation is permitted to use up or expend the donated assets in accordance with the donor restriction. The Foundation does not have any net assets with donor restrictions as of June 30, 2026 and 2025.

SECU Foundation
Notes to Financial Statements
June 30, 2026 and 2025

Cash and Cash Equivalents: For purposes relating to the statements of cash flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less, at the time of purchase, to be cash equivalents. The Foundation also includes money market accounts as cash equivalents. The Foundation maintains cash balances at SECU. Accounts are insured by the National Credit Union Share Insurance Fund (NCUSIF) up to specified limits. Balances in these accounts exceed NCUSIF limits. The Foundation held balances in excess of NCUSIF limits of \$45,997,854 and \$43,771,723 as of June 30, 2026 and 2025, respectively.

Loans Receivable: In furtherance of its charitable purpose, the Foundation provides loans to certain tax-exempt organizations that seek to develop housing supporting teachers, older adults, persons with disabilities, and state employees in North Carolina. Loan receivables are recorded during the year in which the funds are disbursed. Loans are stated at the amount of unpaid principal, reduced by an allowance for credit losses. Management has an established methodology to determine the adequacy of the allowance for credit losses that assesses the risks and losses inherent in the loan portfolio. The Allowance for Credit Loss was \$306,272 and \$420,871 as of June 30, 2026 and 2025, respectively. Past due status is based on contractual terms of the loan.

Allowance for Credit Loss: Beginning in fiscal year 2024, the Foundation began utilizing the Simplified Current Expected Credit Loss (CECL) tool in determining expected future credit losses for the mortgage loans. This method considers losses over the full life cycle of the loan. The Simplified CECL tool provides a methodology for lenders to determine the Allowance for Credit Losses (ACL) on loans and leases for their loan portfolio. The tool relies on portfolio-level Weighted Average Remaining Maturity (WARM) proxy data to estimate current expected credit losses. The WARM method for calculating the ACL was the chosen tool. The Financial Accounting Standards Board deemed it appropriate to estimate a credit loss allowance for less complex financial asset pools. For the WARM assumptions to remain applicable in an ever-changing environment, the Simplified CECL Tool is updated quarterly.

The Foundation's expected loss estimate is anchored in historical credit loss experience, with an emphasis on all available portfolio data. The Foundation's historical look-back period includes December 2017 through the current period, on a quarterly basis. When historical credit loss experience is not sufficient for a specific portfolio, the Foundation may supplement its own portfolio data with external models or data. As of June 30, 2026, the Foundation has experienced a loss totaling \$482.

The Foundation also considers qualitative adjustments to the quantitative baseline. For example, the Foundation considers the impact of current environmental factors at the reporting date that did not exist over the period from which historical experience was used. Relevant factors include, but are not limited to, concentrations of credit risk (geographic, large borrower, and industry), economic trends and conditions, changes in underwriting standards, experience and depth of lending staff, trends in delinquencies, and the level of criticized loans.

SECU Foundation
Notes to Financial Statements
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Prior to the adoption of ASC 326, the Foundation used an incurred loss model to measure an allowance for loan losses.

Grants and Scholarships: Unconditional grants and scholarships are recorded as an expense during the year of approval. Grants and scholarships subject to certain conditions are recorded as expenses during the year in which conditions are met or when the possibility that the conditions will not be met is remote, as determined by management. Grants and scholarships payable within one year are recorded at their fair value at the date of authorization. Grants and scholarships payable in more than one year are recorded at the present value of their future cash flows, using a risk-free rate of return based on U.S. Treasury securities.

Revenue Recognition: The Foundation has adopted the accounting treatment prescribed by Financial Accounting Standards Board ASC 958, Accounting for Contributions Received and Contributions Made, and Financial Statements for Not-for-Profit Organizations (FASB ASC 958). In accordance with FASB ASC 958, contributions received by the Foundation are treated as net assets without donor restrictions unless restricted by donor. As of June 30, 2026 and 2025, there are no donor restrictions present.

Net Assets: As of June 30, 2026, and 2025, all net assets of the Foundation were classified as without donor restriction. These assets have no donor restrictions and may be used for any purpose consistent with the mission of the Foundation. Undesignated net assets of \$11,634,800 and \$8,740,876 are available to be awarded as of June 30, 2026 and 2025, respectively. The Board designated \$21,189,197 and \$23,482,784 of net assets without donor restrictions for current projects related to amounts included in loans receivable and any unfunded construction loan commitments as of June 30, 2026 and 2025, respectively.

Contributed Services: Donations of services that create or enhance physical assets and essential services that require, and are donated by, persons with specialized skills are to be measured at fair value and reported as increases in net assets without donor restrictions during the reporting period. Fair Value is calculated using the actual costs incurred by SECU. Services donated by persons without specialized skills are not recorded. The Foundation receives donations of management, legal, and accounting services as contributed services. Expenses related to contributed services are included in management and general expense on the Statements of Activities and Changes in Net Assets. Contributed services provided by persons with specialized skills and support services in the amounts of \$91,745 and \$1,492,756 were recognized in the years ended June 30, 2026 and 2025, respectively.

SECU Foundation
Notes to Financial Statements
June 30, 2026 and 2025

Related Party Transactions: In fiscal year 2026, the Foundation entered into an expense sharing agreement with SECU. Staff members associated with the Foundation are employees of SECU. All employee medical benefits, retirement and post-retirement plans are funded and managed by SECU. The Foundation reimburses SECU for salaries and benefits on a full-time equivalent basis as outlined in the expense sharing agreement. The number of full-time equivalents allocated to the Foundation is evaluated on a quarterly basis by management. The Foundation paid \$1,259,149 for salaries and benefits for year ending June 30, 2026.

Functional Allocation of Expenses: The Foundation reports expenses on a functional basis in the statement of activities and changes in net assets. These functions consist of programs as well as management and general. Expenses related to individual programs are classified as program expenses. Taxes, insurance, and administrative costs related to the Foundation are reported as management and general.

Federal Excise Taxes: The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal income taxation except to the extent that it has unrelated business taxable income. The Foundation is classified as a private foundation and is subject to a federal excise tax of two percent on net investment income unless certain conditions are met in which case the Federal excise tax is 1 percent. The Foundation was subject to excise tax rates of 1.39 percent in 2026 and 1.39 percent in 2025, with estimated excise tax expenses of \$14,418 and \$16,704, respectively.

Management has evaluated the Foundation's tax positions and concluded that the Foundation has taken no uncertain tax positions that would require adjustments or disclosure in the Financial Statements to comply with the provisions of ASC Topic 740, Accounting for Uncertainty in Income Taxes.

The Foundation is also required to make certain minimum qualifying distributions of its assets in accordance with formulas provided by Federal law. As a private foundation, the Foundation is required to make a minimum distribution of five percent of the net value of noncharitable-use assets. The minimum distribution may be further increased for recoveries of amounts treated as distributions from a previous year. In 2026, the Foundation was required to make minimum distributions of \$4,430,403 (\$4,763,959 in 2025). The Foundation made qualifying distributions in 2026 totaling \$22,439,460 and \$29,943,379 in 2025, satisfying the minimum requirements.

Use of Estimates: When preparing these financial statements in conformity with generally accepted accounting principles in the United States of America, management is required to make certain estimates that affect the reported amounts of assets and liabilities as of the date of the financial statements and the revenues and expenses in the reporting period. Actual results could differ from those estimates.

SECU Foundation
Notes to Financial Statements
June 30, 2026 and 2025

Revisions: Certain revisions of amounts previously reported have been made to the accompanying financial statements. In footnote 7 of the financial statements, the disclosure of the financial assets available for general expenditures for the prior year has been revised to \$35,499,197. The revision had no impact on previously reported net assets.

Note 2: Programs, Scholarships and Grants

A key mission of the Foundation is to fund planning and development of projects which have the potential to attract broad-based local and state partnerships and to be self-sustaining. The Foundation promotes local and community development primarily by funding high impact projects in the areas of housing, education, healthcare, and human services. Letters of Interest are accepted on a rolling basis throughout the year, and awards are generally made in January and July. The Foundation Board approves all grants and awards for projects.

Beginning in 2004, the Foundation funded a \$10,000 four-year college scholarship for a graduating senior in every regular public high school. In 2023, the Foundation set a limit of 442 scholarships to be distributed statewide. The allocation of scholarships is based on the 115 NC Local Education Agencies (LEA or school districts). The statewide distribution per school district ensures the equitable dissemination of scholarships across North Carolina. The Foundation runs the allocation formula each year based on the information provided by the Department of Public Instruction. In addition, the Foundation has provided two \$5,000 scholarships over two years to students attending each of the fifty-eight community colleges in the North Carolina Community College System.

In 2018, the Foundation collaborated with the North Carolina Community College System to establish the SECU Bridge to Career Program replacing the Continuing Education Scholarship Program. The Bridge to Career Program was established to help remove financial barriers for students seeking to obtain state-regulated or industry-recognized credentials that lead to sustainable wage careers within their local communities. During fiscal year 2026 an additional \$1,044,000 was granted to the program. The outstanding balances as of June 30, 2026 and 2025 were \$1,044,000.

In 2015, the Foundation worked with the University of North Carolina at Pembroke, Appalachian State University, and East Carolina University to roll-out a pilot program named the SECU Public Fellows Internship Program with an initial investment of \$300,000 and provided to each university to be awarded up to \$100,000 in support of paid internships for 20 qualifying in-state undergraduates for the summer of 2015. The program is designed to provide sophomore or junior college students with meaningful job experiences through internship assignments focused on local leadership in rural North Carolina communities. The Foundation Board expanded the program to include sixteen state universities in 2022. This initiative was continued with additional commitments of \$1,950,000 in fiscal year 2026 and \$1,650,000 in fiscal year 2025. The outstanding balances as of June 30, 2026 and 2025 were \$0.

SECU Foundation
Notes to Financial Statements
June 30, 2026 and 2025

The University scholarship, Community College scholarship, SECU Partnership East, SECU Appalachian Partnership, SECU Bridge to Career, and SECU Public Fellows Internship program commitments total \$8 million in 2026 and \$7.7 million in 2025 and total over \$130 million since inception of the educational programs in 2004.

The Foundation has provided funding to NC GreenPower Solar+ Schools for the advancement of renewable energy sources since 2007. NC GreenPower Solar+ Schools is a non-profit organization that works with electric utilities across the state of North Carolina to encourage development of renewable energy. In 2015, the Foundation granted \$140,000 to the Organization to assist in installing a five-kilowatt solar photovoltaic system in up to 14 North Carolina K-12 schools. This project will serve as an educational tool as well as offer greater energy efficiency. In September 2021, an additional \$600,000 was granted to continue the installation of five kilowatt solar photovoltaic systems. The outstanding balance as of June 30, 2025 was \$15,000 and remaining funds were returned to available funds in September 2025.

Since 2007, the Foundation has provided a grant to support the administration of the North Carolina State Employees Combined Campaign, which raises funds from state government employees for a variety of charities and educational efforts. In September 2025, the Foundation renewed \$45,000 in funding over a three-year period to support communication platforms that integrate the printed Giving Guide with a more interactive digital presence on the website. The outstanding balance as of June 30, 2026 was \$25,000.

Since 2008, the Foundation has sponsored the Governor's Awards for Excellence program. The Awards for Excellence program honors the achievements of State employees by recognizing deserving State employees who have demonstrated outstanding achievements in the categories of Customer Service, Efficiency and Innovation, Human Relations, Outstanding Government Service, Public Service, Safety and Heroism, and Spirit of North Carolina. In May 2026, the sponsorship was renewed for \$72,000, with the grant to be distributed evenly over a four-year period at \$18,000 annually. The outstanding balance as of June 30, 2026 was \$49,691.

In October 2017, the Foundation started providing capacity building grants, now referred to as Mission Development Grants, to support non-profit organizations across North Carolina, especially in rural and underserved communities. Capacity building refers to opportunities for organizations to assess strengths and gaps, set priorities for growth and improvement, strategically expand impact and services, and achieve goals. Organizations are matched with consultants who help them plan and work toward their capacity building goals. Each non-profit organization is awarded \$40,000.

In fiscal year 2024 thirty grants were disbursed; fourteen were granted in August 2023 and sixteen granted in March 2024. The following statements detail the individual grants awarded:

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Neighbors in Ministry/Rise & Shine addresses social justice and racial inequity and encourages children and adults to pursue equality of opportunity. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in July 2025.

Family Abuse Services of Alamance County provides free, supportive, and confidential services to victims impacted by domestic violence in Alamance County. The outstanding balance as of June 30, 2026 and 2025 was \$15,000.

In fiscal year 2025 thirty-one grants were approved; eighteen were disbursed in August 2024, one disbursed in September 2024, six disbursed in February 2025 and six in March 2025. The following statements detail the individual grants awarded:

HELP Carolina Inc. offers vital support to the homeless population in Gaston, Lincoln, and Cleveland counties through a financial competency program to help individuals become good stewards over their personal finances and improve poor financial habits. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in August 2025.

Organization to Provide Equal Access to Technology, Inc. serves as a resource for older adults in Guilford County using technology literacy classes to assist with the use of telehealth programs, smartphones, tablets, computers, or specific software applications. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in August 2025.

HopeLine, Inc. offers mental health support, crisis intervention, and suicide prevention services throughout North Carolina. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in August 2025.

Community Home Trust represents ten land trusts across the state, dedicated to offering permanent affordable housing in diverse communities. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in August 2025.

The Dragonfly House Children's Advocacy Center serves as a crucial resource for mental health support and advocacy for child abuse victims in the Piedmont Triad area. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in January 2026.

Stable Housing Improvement Project of Northeastern North Carolina addresses the critical needs for supportive and affordable housing solutions in the northeastern region. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in July 2025.

North Carolina Partnership for Children, Inc. provides oversight of the Smart-Start initiative and the 75 Partnerships throughout the state which work to improve early childhood development and education. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in January 2026.

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Rutherford Housing Partnership, Inc. is dedicated to improving the quality and availability of affordable housing for low-income residents in Rutherford County. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in July 2025.

Full Spectrum Farms, Inc. provides support for autistic individuals in western North Carolina, offering opportunities to live, work, and thrive in a community environment that provides meaningful work and leisure. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in August 2025.

Henderson County Free Medical Clinic, Inc. serves as a lifeline for individuals and families in Henderson, Polk, and surrounding counties, providing essential medical services without financial or insurance barriers. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in August 2025.

Home of Refuge Outreach, Inc. provides essential shelter and support for homeless individuals in Alamance, Guilford, and Rockingham counties. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in July 2025.

Tyrrell County Inner Banks Hotline, Inc. serves victims of domestic violence and sexual assault in Tyrrell County providing crisis-intervention, advocacy, transportation, temporary shelter, referrals, and educational programming. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in July 2025.

Triangle Family Service, Inc. offers programs and informational services aimed at combatting the alarming rates of teen suicide. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in July 2025.

Suds of Love, Inc. provides laundry, hygiene, and shower services to students and families experiencing homelessness or poverty in the Sandhills region. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in August 2025.

Restored Souls Foundation offers critical emergency foster care and respite experiences for families in New Hanover County, providing a haven for vulnerable populations. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in September 2025.

Hope Coalition Corp. provides countywide education and outreach, focusing on substance use, mental health challenges, and the unique needs of youth involved in the criminal justice system. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in April 2026.

Community Partners of Hope, Inc. focuses on providing shelter, job training, healthcare support, and assistance in finding permanent housing for individuals and families in need. The outstanding balance as of June 30, 2026 and 2025 was \$15,000.

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Dunn United Ministerial Association is a coalition of churches and individuals working to serve veterans, homebound seniors, people experiencing homelessness, foster youth, and low-income families through food assistance, case management, and financial support. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in April 2026.

Beloved Haven, Inc focuses on assisting incarcerated women who have experienced trauma, including trafficking, exploitation, and abuse, transition back to self-sufficiency. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in January 2026.

Destination Downtown Edenton, Inc works to revitalize the historic downtown area of Edenton, North Carolina, and promote economic development within the community. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in January 2026.

Restoration House – WNC serves Swain County residents in need through a homeless resource center, food pantry, community kitchen, free laundry services, case management, and community facilities. The outstanding balance as of June 30, 2026 and 2025 was \$15,000.

Franklin Vance Warren Opportunity works to improve the overall quality of life for individuals and families through a wide range of services designed to support adults, children, small businesses, and the homeless population. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in April 2026.

Tiny House Community Development helps to reduce homelessness in Guilford County by encouraging community engagement and constructing affordable tiny homes for individuals in need of permanent housing solutions. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in February 2026.

Samaritan House fills a service gap between hospitals and shelters offering a safe place to recover with medical monitoring and support services including meals, laundry, transportation, medication management, and case management. The outstanding balance as of June 30, 2025 was \$15,000 and balance was returned to available funds in April 2026 due to the Samaritan House closing.

Safe Space, Inc. provides crucial services to meet the needs of child survivors of domestic violence and sexual assault including safe housing, court advocacy, system advocacy, and individual and group counseling. The outstanding balance as of June 30, 2026 and 2025 was \$15,000.

Women's Resource Center (WRC) promotes the overall well-being of women by focusing on their intellectual, psychological, spiritual, and physical health. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in March 2026.

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Fifth Street Ministries provides essential services to the homeless and low-income individuals as the only homeless shelter and domestic violence/sexual assault shelter in Iredell County. The outstanding balance as of June 30, 2025 was \$15,000 and fully funded in December 2025.

In fiscal year 2026 twenty-nine grants were approved; eleven were disbursed in August 2025, four disbursed in September 2025, two disbursed in February 2026, eleven in March 2026, and one in April 2026. The following statements detail the individual grants awarded:

Four Day Movement, Inc. provides temporary supportive housing and food security programs to those who are overcoming homelessness or displacement. The outstanding balance as of June 30, 2026 was \$15,000.

Dream Center of Forsyth County serves as a vital support system for individuals and families facing basic needs challenges, providing food assistance, clothing, and mental health counseling services. The outstanding balance as of June 30, 2026 was \$15,000.

Camp Grier focuses on outdoor recreation and environmental stewardship through the development of public infrastructure to support regional economic mobility and recreational activities such as hiking, mountain biking, trail running, horseback riding, and fishing. The outstanding balance as of June 30, 2026 was \$15,000.

Burke United Christian Ministries provides critical resources and supportive programming to individuals in need including food, clothing, case management, and crisis intervention. The outstanding balance as of June 30, 2026 was \$15,000.

Cabarrus Cooperative Christian Ministry, Inc. provides a range of services, including food pantries, emergency financial aid, and a continuum of housing programs designed to prevent and respond to homelessness. The outstanding balance as of June 30, 2026 was \$15,000.

Ronald McDonald House Charities of Eastern NC, Inc. provides a home-like shelter for families with children receiving medical treatment at local area hospitals. The outstanding balance as of June 30, 2026 was \$15,000.

Randolph County Family Crisis Center is a safe haven for women fleeing domestic violence and has grown into a comprehensive resource center addressing various forms of familial abuse and trauma throughout the community. The outstanding balance as of June 30, 2026 was \$15,000.

Metropolitan Housing and Community Development Corporation works to address the growing housing crisis in Beaufort County marked by a shortage of affordable, safe, and stable housing options. The outstanding balance as of June 30, 2026 was \$15,000.

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Tyrrell County Community Development Corporation provides support to underserved populations including low-wealth residents, at-risk youth, and small business owners. The outstanding balance as of June 30, 2026 was \$15,000.

WhirliDogs Café and Training Center provide meaningful employment and life skills training to young adults living with disabilities. The outstanding balance as of June 30, 2026 was \$15,000.

Genesis Ministries of Rockingham County help participants overcome addiction through programs focused on personalized support, community partnerships, and evidence-based practices. The outstanding balance as of June 30, 2026 was \$15,000.

Miracles in Sight works to restore sight to men, women, and children by conducting research and collaborating with innovation partners to improve and develop corneal transplant procedures. The outstanding balance as of June 30, 2026 was \$15,000.

Heart of Horse Sense uses therapeutic interactions with horses to support mental health and emotional healing for veterans, military families, and at-risk youth who have experienced trauma. The outstanding balance as of June 30, 2026 was \$15,000.

Safe Spot Child Advocacy Center of Wilkes supports children who have experienced abuse by providing comprehensive services to both the child and their non-offending caregivers. The outstanding balance as of June 30, 2026 was \$15,000.

Main Street Mission of China Grove, Inc. has worked to alleviate food insecurity since 2005 by providing access to local, nutritious foods through its community market in addition to providing educational and training programs about healthy eating and self-sufficiency. The outstanding balance as of June 30, 2026 was \$15,000.

Bountiful Cities Project, Inc. is dedicated to teaching sustainable agriculture skills and sharing resources to promote social justice, economic viability, and community resilience. The outstanding balance as of June 30, 2026 was \$15,000.

Thirtieth Judicial District Domestic Violence-Sexual Assault Alliance (dba WNC Alliance) serves as a resource to local domestic violence and sexual assault programs, area agencies, and the criminal justice system across Western North Carolina. The outstanding balance as of June 30, 2026 was \$15,000.

Catawba County Hispanic Ministry, Inc. (dba Centro Latino) empowers, educates, and supports the Latino community in a safe and culturally understanding environment, promoting unity among the residents of Catawba, Burke, Caldwell, and Alexander Counties, where the Latino population has grown. The outstanding balance as of June 30, 2026 was \$15,000.

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Yadkin County Economic Development Partnership works to improve the lives of residents by convening community stakeholders, government entities, small businesses, and nonprofits to promote local economic advancement. The outstanding balance as of June 30, 2026 was \$15,000.

Carolina Wetlands Association promotes understanding, protection, restoration, and enjoyment of North and South Carolina's wetlands through science-based programs, education, and advocacy. The outstanding balance as of June 30, 2026 was \$15,000.

Hinton Rural Life Center is a retreat and outreach center located in the mountains of southern Appalachia offering year-round opportunities for individual volunteers, mission teams, and retreat and civic groups to support residents through their home repair program. The outstanding balance as of June 30, 2026 was \$15,000.

Mount Jubilee Ministries provides services to individuals with Intellectual and/or Developmental Disabilities (I/DD) and their families through day programs, summer camps, and other engagement events incorporating a community-based approach dedicated to supporting families and individuals. The outstanding balance as of June 30, 2026 was \$15,000.

North Carolina Community Health Worker Association assists with recruitment, professional development, certification, and training of Community Health Workers (CHW) within the state. The outstanding balance as of June 30, 2026 was \$15,000.

North Carolina for Military Employment (NC4ME) networks with local businesses, provides human resource training, and implements development initiatives designed to bridge the gap between military experience and the civilian workforce. The outstanding balance as of June 30, 2026 was \$15,000.

Southern Alamance Family Empowerment (dba SAFE, Inc.) provides services to address food insecurity, trauma-informed care, community health, and educational outreach throughout Alamance and surrounding counties. The outstanding balance as of June 30, 2026 was \$15,000.

Carolina Rebuilding Ministry provides home repairs for low-income homeowners of Bertie, Chowan, and Washington counties to strengthen neighborhood stability and reduce displacement. The outstanding balance as of June 30, 2026 was \$15,000.

Center for Energy Education promotes energy research, industry innovation, and workforce development to demonstrate excellence in renewable energy as well as create economic growth across the state. The outstanding balance as of June 30, 2026 was \$15,000.

Second Bloom of Chatham, Inc. identifies the needs and raises awareness for those affected by any form of sexual violence and works collaboratively with other resource providers to meet those needs. The outstanding balance as of June 30, 2026 was \$15,000.

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Outer Banks Relief Foundation provides financial assistance to families during times of serious illness or personal tragedy, serving over 200 families annually. The outstanding balance as of June 30, 2026 was \$15,000.

A summary of organizations that received a Mission Development Grant in fiscal years 2024-2026 and continue to have outstanding balances in fiscal year 2026 and 2025 is below:

Project Name	2024	2025	2026
Family Abuse Services of Alamance County	\$15,000	\$15,000	\$15,000
Neighbors in Ministry/Rise & Shine	15,000	15,000	
Beloved Haven, Inc.		15,000	
Community Home Trust		15,000	
Community Partners of Hope, Inc.		15,000	15,000
Destination Downtown Edenton, Inc.		15,000	
Dunn United Ministerial Association		15,000	
Fifth Street Ministries		15,000	
Franklin Cance Warren Opportunity		15,000	
Full Spectrum Farms, Inc		15,000	
HELP Carolina, Inc.		15,000	
Henderson County Free Medical Clinic, Inc.		15,000	
Home of Refuge Outreach, Inc.		15,000	
Hope Coalition Corp		15,000	
HopeLine, Inc.		15,000	
North Carolina Partnership for Children, Inc.		15,000	
Organization to Provide Equal Access to Technology, Inc.		15,000	
Restoration House - WNC		15,000	15,000
Restored Souls Foundation		15,000	
Rutherford Housing Partnership, Inc.		15,000	
Safe Space, Inc		15,000	15,000
Samaritan House		15,000	
Stable Housing Improvement Project of Northeastern NC		15,000	
Suds of Love, Inc.		15,000	
The Dragonfly House Children's Advocacy Center		15,000	
Tiny House Community Development		15,000	
Triangle Family Services, Inc.		15,000	
Tyrrell County Inner Banks Hotline, Inc		15,000	
Women's Resource Center		15,000	
Bountiful Cities Project, Inc			15,000
Burke United Christian Ministries			15,000
Cabarrus Cooperative Christian Ministry, Inc			15,000
Camp Grier			15,000
Carolina Rebuilding Ministry			15,000
Carolina Wetlands Association			15,000
Catawba County Hispanci Ministry, Inc. (Centro Latino)			15,000
Center for Energy Education			15,000
Dream Cener for Forsyth County			15,000
Four Day Movement, Inc.			15,000
Genesis Ministries of Rockingham County			15,000
Heart of Horse Sense			15,000
Hinton Rural Life Center			15,000
Main Street Mission of China Grove, Inc			15,000
Metropolitan Housing and Community Development Corp.			15,000
Miracles in Sight			15,000
Mount Jubilee Ministries			15,000
NC Community Health Worker Association			15,000
NC for Military Employment			15,000
Outer Banks Relief Foundation			15,000
Randolph County Family Crisis Center			15,000
Ronald McDonald House Charities of Eastern NC, Inc.			15,000
Safe Spot Child Advocacy Center of Wilkes			15,000
Second Bloom of Chatham, Inc.			15,000
Southern Alamance Family Empowerment (dba SAFE, Inc.)			15,000
Thirtieth Judicial District Domestic Violence-Secual Assault Alliance, Inc. (dba WNC Alliance)			15,000
Tyrrell County Community Development Corp.			15,000
WhirliDogs Café and Training Center			15,000
Yadkin County Economic Development Partnership			15,000
	<u>\$30,000</u>	<u>\$435,000</u>	<u>\$495,000</u>

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In March 2021, the Foundation provided a grant of \$1,000,000 to Partners in Ministry, a non-profit organization that provides services in housing, education, and community resources in the Sandhills region of North Carolina. The grant will support the construction of a \$2,700,000 community education center for Partners in Ministry, serving as the hub for educational and human services programming for residents of Scotland, Richmond, and Robeson counties. An additional \$400,000 was approved by the Board in July of 2025 to support increased construction prices making the total grant awarded \$1.4 million. The outstanding balances as of June 30, 2026 and 2025 were \$900,000 and \$1,000,000, respectively.

In February 2022, the Foundation approved a \$1,500,000 grant to AMOREM to support construction of a new Hospice care facility in Boone, North Carolina. The facility will provide hospice patients and families from the High-Country region with a residential setting to receive respite care, acute symptom care, anxiety relief, and pain management. The outstanding balance as of June 30, 2025 was \$500,000 and fully funded in December 2025.

In September 2022, One Place was awarded a \$2,000,000 challenge grant to support construction of a new child advocacy and resource center in Onslow County. The facility will strive to improve the lives of children and families by connecting them with resources for childcare, early education, and a safe space to speak with medical providers and law enforcement. The outstanding balance as of June 30, 2025 was \$750,000 and fully funded in February 2026.

In October 2022, the Foundation approved a \$1,500,000 grant to the Tammy Lynn Memorial Foundation (founded as the Tammy Lynn Center), an organization serving children and adults with intellectual and developmental disabilities. The funds will help TLC expand the Wake County campus to provide a diverse range of on-site and community-based programs, including educational services, autism therapies, and community living support. The outstanding balance as of June 30, 2025 was \$500,000 and fully funded in May 2026.

In January 2023, NC Zoo was granted \$2,000,000 by the Foundation to assist in the construction of the SECU View Pavilion and Classroom in the new Asia habitat complex, which offers a formal venue for interactive learning opportunities both virtual and in-person visits, and includes a glass observation wall overlooking an indoor primate habitat. The outstanding balance as of June 30, 2025 was \$750,000 and fully funded in February 2026.

In May 2023, Vecinos was approved for a \$1.6 million grant supporting construction of a medical clinic and human services hub in Franklin, North Carolina that will provide medical care and other supportive services to low-income and uninsured adults in a 6-county region of western North Carolina. The outstanding balance as of June 30, 2025 was \$600,000 and fully funded in August 2025.

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In October 2023, the Foundation provided Good Shepherd Center with a \$2,000,000 grant to support the construction of a 32-unit permanent supportive housing facility for those with special needs who face greater challenges securing and maintaining stable housing due to limited employment opportunities. The outstanding balance as of June 30, 2025 was \$1,500,000 and fully funded in May 2026.

In October 2023, NC Coastal Federation received a \$250,000 grant to support a minimum of five underserved coastal communities with programs to build coastal resilience, reduce vulnerability to environmental threats, and strengthen local infrastructure. The outstanding balance as of June 30, 2025 was \$125,000 and fully funded in September 2025.

In January 2024, Caring House received a \$3,000,000 challenge grant to serve Duke Cancer Institute patients and their caregivers providing them with affordable housing, a healing environment and supportive community. The outstanding balances as of June 30, 2026 and 2025 were \$1,000,000 and \$2,000,000, respectively.

In January 2024, the SPCA of Wake County received a \$1,000,000 grant to support the construction of their regional campus which promotes animal and human welfare in Wake County and provides educational opportunities for youth, specialized programs for animal shelter professionals, and other resources for partners across the state. The outstanding balances as of June 30, 2026 and 2025 were \$400,000 and \$1,000,000, respectively.

In April 2024, Helpmate, Inc. received a \$500,000 grant to support construction of a \$14 million domestic violence shelter in Buncombe County. The outstanding balances as of June 30, 2026 and 2025 were \$250,000 and \$500,000, respectively.

In April 2024, Lucy Daniels Center was approved for a second grant from the Foundation in the amount of \$750,000 to support the construction of a new child mental health facility and therapy center in Wake County. The outstanding balances as of June 30, 2026 and 2025 were \$250,000 and \$750,000, respectively.

In April 2024, the Foundation provided an additional \$1,000,000 grant to the UNC School of Government for the Lead for North Carolina program. The grant will support up to fifty fellows participating in the Lead for North Carolina post-graduate fellowship program at the UNC School of Government over a 3-year period. The outstanding balances as of June 30, 2026 and 2025 were \$433,557 and \$662,907, respectively.

In May 2024, the Foundation granted Raleigh Rescue Mission, Inc. \$500,000 to support the construction of a new campus for women and children experiencing homelessness. They provide services and support to individuals experiencing homelessness in Wake and surrounding counties. The outstanding balances as of June 30, 2026 and 2025 were \$250,000 and \$500,000, respectively.

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In August 2024, TROSA was granted \$1,000,000 by the Foundation to assist in the expansion of a multi-year residential recovery program that empowers individuals with substance use disorders to transform their lives by providing comprehensive treatment, vocational training, education, and continuing care. The outstanding balance as of June 30, 2025 was \$500,000 and fully funded in November 2025.

In September 2024, The C. W. Williams Health Center, Inc. received a \$500,000 grant to support construction of a medical facility serving low-income and uninsured residents of a 9-county region in southwest North Carolina. The outstanding balance as of June 30, 2025 was \$250,000 and fully funded on January 2026.

In October 2024, Greenville Community Shelters received a \$500,000 grant to support the renovation and expansion of their emergency shelter to provide safe housing and assistance to individuals transitioning to long term self-sufficiency. The outstanding balance as of June 30, 2025 was \$250,000 and fully funded in August 2025.

In October 2024, the Foundation awarded The Western Youth Network, Inc. a \$1,500,000 grant to serve at-risk youth in the High-Country region through a combination of prevention and intervention programs, focusing on supporting children overcoming trauma and adversity. The outstanding balance as of June 30, 2026 and 2025 was \$1,500,000.

In November 2024, North Carolina Aquarium Society received a \$2,000,000 grant for an expansion project that will allow the Aquarium Division to better serve the citizens of North Carolina with high-quality educational experiences, helping them gain an understanding and appreciation of North Carolina's aquatic environments. The outstanding balance as of June 30, 2026 and 2025 was \$1,500,000.

In March 2025, Grace Clinic of Yadkin Valley received a \$600,000 grant supporting construction of a medical clinic in Elkin, increasing program capacity to offer new services including on-site dental care to low-income individuals in a 4-county region of Yadkin Valley. The outstanding balance as of June 30, 2025 was \$300,000 and fully funded in September 2025.

In March 2025, Safelight, Inc. received a \$500,000 grant to support an expansion of a domestic violence shelter in Henderson County to increase the organization's capacity to provide safe housing, job training, and other support services to survivors of interpersonal violence, abuse, and exploitation. The outstanding balance as of June 30, 2026 and 2025 was \$250,000.

In April 2025, Peacehaven Community Farm was granted \$1,000,000 to support the construction of a multiphase campus in Guilford County providing a statewide resource for workforce training and education programs serving individuals with intellectual and developmental disabilities. The outstanding balance as of June 30, 2026 and 2025 was \$500,000.

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In September 2025, NC Dental Society Foundation was granted \$500,000 to expand access to oral and dental care for high need North Carolina communities through their Missions of Mercy (MOM) portable dental clinics. The outstanding balance as of June 30, 2026 was \$250,000.

In September 2025, Northwestern Housing Enterprises Inc. was granted \$1,000,000 to support construction of twenty-six small homes for low-income seniors, disabled individuals, and housing insecure families residing in Yancey County and the surrounding region. The outstanding balance as of June 30, 2026 was \$300,000.

In October 2025, NCLM Local Leadership Foundation received a \$500,000 grant to support the program expansion that will improve financial management and strengthen services in small rural communities resulting in more reliable public services, infrastructure, and long-term fiscal health for up to 40 municipalities. The outstanding balance as of June 30, 2026 was \$400,000.

In October 2025, Robeson County Committee on Domestic Violence (dba Southeastern Family Violence Center) was granted \$300,000 to support the expansion of a domestic violence shelter in Robeson County to provide safe non-congregate housing and other support services to survivors of interpersonal violence, abuse, and exploitation. The outstanding balance as of June 30, 2026 was \$200,000.

In October 2025, Family Services, Inc. received a \$500,000 grant to support the construction of a domestic violence shelter to serve the Forsyth County community and individuals in need through emergency relief, shelter, and supportive programs to ensure children and families succeed. The outstanding balance as of June 30, 2026 was \$500,000.

In October 2025, Open Door Community Center received a \$250,000 grant to support the expansion of the only shelter for women and children in Beaufort County experiencing homelessness while connecting them with services to enable a successful transition into stable housing. The grant was fully funded in December 2025.

In November 2025, Feeding the Carolinas received a \$500,000 grant to ensure individuals and families have access to food during times of crisis by working with local food pantries, shelters, and community resource providers. The grant was fully funded during the month.

In February 2026, Healing Transitions received a \$1,000,000 grant to support the construction of a supportive transitional housing complex and community center for women in recovery. The outstanding balance as of June 30, 2026 was \$1,000,000.

In March 2026, Boys & Girls Clubs of the Tar River Region received a \$1,500,000 grant to support campus renovation to provide a life and workforce readiness facility for at-risk youth and adolescents in Nash and Edgecombe counties. The outstanding balance as of June 30, 2026 was \$1,000,000.

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In March 2026, Freedom Communities received a \$350,000 grant to support the construction of a child and family resource campus in Mecklenburg County to provide comprehensive programming addressing education and skill development, family and parenting support, housing and basic needs, and health and behavioral services. The outstanding balance as of June 30, 2026 was \$150,000.

In March 2026, Horizons Residential Care Center received a \$1,500,000 grant to support the construction of a residential care campus in Forsyth County serving children and adults who live with intellectual and developmental disabilities requiring extensive medical support. The outstanding balance as of June 30, 2026 was \$1,500,000.

In March 2026, Mountain Community Health Partnership, Inc. received a \$750,000 grant to support construction of an integrated healthcare clinic in Mitchell County to deliver critical health services to rural communities by offering dedicated clinical spaces, extended hours, and telehealth-enabled care for remote patients. The outstanding balance as of June 30, 2026 was \$250,000.

In March 2026, Rural Opportunity Institute received a \$300,000 grant to support the expansion of mental health services in underserved rural schools across North Carolina. The outstanding balance as of June 30, 2026 was \$150,000.

In April 2026, PBS North Carolina received a \$250,000 grant supporting the creation and launch of the Homegrown History Initiative, which will feature a diverse array of historical stories across the platforms of PBS North Carolina, including broadcast services, online streaming, and social media. The outstanding balance as of June 30, 2026 was \$100,000.

In May 2026, the North Carolina Museum of History Foundation received a \$3,000,000 grant to support the expansion of deeper learning for students in all 100 counties through onsite visits, in addition to expanded streaming and studio programs that bring the resources directly into classrooms across the state. The outstanding balance as of June 30, 2026 was \$3,000,000.

Note 3: Loans Receivable

In August 2018, the Foundation consolidated two interest free loans to Dare Education Foundation in the total amount of \$998,778 for the construction of the Run Hill Ridge apartment complex and the Hatteras Teacher Housing complex. The outstanding balances as of June 30, 2026 and 2025 were \$10,404 and \$135,251, respectively.

In 2010, the Foundation approved a \$2.25 million interest free loan to the Partners for Hoke County Public Schools Education Foundation for a 24-unit Hoke County Teacher Housing project. Additional funding of \$330,000 was approved in 2013. The outstanding balances of the loan as of June 30, 2026 and 2025 were \$451,264 and \$607,464, respectively.

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In 2015, the Foundation agreed to provide an interest free loan for \$2,500,000 to Eblen Charities, Inc., a North Carolina nonprofit corporation for the construction of a teacher housing complex for teachers that work within the Buncombe County and Asheville City Schools. Additional funding of \$335,000 was approved in 2016. The construction phase was completed in July 2017 and converted to a loan in December 2017. The outstanding balances as of June 30, 2026 and 2025 were \$1,212,750 and \$1,417,500, respectively.

In September 2023, the Foundation agreed to provide an interest free loan for \$3,100,000 to Partners for Bertie County Public Schools, a new nonprofit organization formed to complete the 24-unit affordable housing in Bertie County for public school staff and government employees. The advances for the construction were completed in May 2024. The outstanding balances as of June 30, 2026 and 2025 were \$2,790,000 and \$2,996,667, respectively.

Beginning in 2009, the Foundation worked with the North Carolina Housing Finance Agency (NCHFA) to finance the construction of supportive housing for persons with disabilities and special needs through local non-profit organizations. The Foundation provides interest-free construction financing for a variety of projects. Each construction loan is to be repaid by permanent financing previously committed to the project by NCHFA, allowing the funds to be recycled and available for future housing projects. The projects have been in a multitude of counties throughout North Carolina. Since 2009, \$17.2 million in loan advances have been made. The terms of the construction loans call for balloon payments of all outstanding principal through proceeds from permanent financing previously committed to the project by NCHFA.

The following paragraph detail the individual construction loan supported by the Foundation and NCHFA:

In October 2023, the Foundation provided a \$468,500 interest-free loan to North Carolina Indian Housing Authority for the construction of the Marlboro Place homes in Red Springs, North Carolina. The project will consist of three duplex units with six 1-bedroom homes and two units set aside for persons with disabilities to provide housing for formerly homeless, households at risk of homelessness. The outstanding loan balance as of June 30, 2025 was \$468,500 and paid off in October 2025.

In June 2010, the Foundation provided a \$435,000 installment loan to finance the construction of Maple Court Apartments Veteran Housing, located in Durham County. The housing complex provides transitional rental housing for homeless veterans and veterans at risk of being homeless. The outstanding balances as of June 30, 2026 and 2025 were \$264,184 and \$278,166, respectively.

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In January 2015, the Foundation provided an interest-free loan to the Roanoke Chowan Development Corporation for the construction of Longview Terrace. The 12-unit apartment complex will provide housing for low to moderate income individuals with disabilities in Ahoskie. This loan was structured in two parts, with the NCHFA construction portion advanced, completed and paid in full. The outstanding balances as of June 30, 2026 and 2025 were \$15,997 and \$39,257, respectively.

In August 2018, the Foundation provided a loan to DHIC for the construction of the Greenfield Place affordable housing community. The five-building community will provide housing for low-to-moderate income individuals and to individuals with disabilities. The loan has an interest rate of 3.0 percent and a 30-year term. The outstanding balances as of June 30, 2026 and 2025 were \$2,254,848 and \$2,325,106, respectively.

In June 2020, the Foundation provided a loan to Booker Park North for the construction of a three-story building housing seventy-two units for low-income senior adults located in Raleigh, North Carolina. The loan has an interest rate of 3.0 percent, with a term of 18 years, and amortized over 30 years with one final balloon payment at the end of the term. The outstanding balances as of June 30, 2026 and 2025 were \$2,080,464 and \$2,138,525, respectively.

In 2015, the Foundation entered an agreement with Habitat for Humanity for the purchase of mortgage loans in North Carolina. The Foundation agreed to provide interest free loans for a maximum loan term of 25 years in each of the one hundred counties in North Carolina. 102 mortgages have been originated, completing the challenge to Habitat for Humanity of North Carolina to expand their reach to all NC counties. The outstanding loan balances as of June 30, 2026 and 2025 were \$6,413,286 and \$7,076,348, respectively.

In 2025, the Foundation entered into a master loan agreement, called The Building Dreams Planting Seeds Initiative, with Habitat for Humanity of NC for up to \$16 million over 5 years to support infrastructure development. This funding is intended to provide seed capital for high-density affordable housing projects for low- and modest-income working families across the state, with up to approximately 8 sites receiving \$2 million each.

In December 2025, the Foundation signed a loan agreement with Habitat for Humanity Orange County, NC Auman Village at Meadowlands. The outstanding loan balance as of June 30, 2026 was \$417,982.

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Note 4: Allowance for Credit Losses

Management has established an allowance for credit losses that estimates losses inherent in the loan portfolio. The allowance for credit losses is established through a provision for (credit) losses charged to expense. Loans are charged off against the allowance for credit losses on loans when management believes that the principal and interest are uncollectible. Any recoveries of previously charged off loans are recorded to the allowance to offset the charge-off. The net loan charge-off balance as of June 30, 2026 was \$482.

A summary of the activity in the allowance for credit losses on loans and loan losses for the years ended June 30, 2026 and 2025 are as follows. The Foundation adopted CECL as of July 1, 2023.

	2026	2025
Beginning balance	\$ 420,871	\$ 536,998
Credit for credit losses	(114,117)	(116,127)
Charge-offs	(482)	-
Recoveries	-	-
Allowance for credit losses	<u>\$ 306,272</u>	<u>\$ 420,871</u>

Loan Modifications to Borrowers in Financial Difficulty

Modifications to borrowers experiencing financial difficulty may include forbearances, partial payments, term extensions, and other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral. The following table presents the amortized cost basis of loan modifications made to borrowers experiencing financial difficulty during the year ended June 30, 2026 and 2025:

	Type of Concession		
	Payment Delay	Partial Payment	Total
<u>2026</u>			
First Mortgage	\$444,041	\$75,099	\$519,140
Total	<u>\$444,041</u>	<u>\$75,099</u>	<u>\$519,140</u>

	Type of Concession		
	Payment Delay	Partial Payment	Total
<u>2025</u>			
First Mortgage	\$470,000	\$79,687	\$549,687
Total	<u>\$470,000</u>	<u>\$79,687</u>	<u>\$549,687</u>

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For the year ending June 30, 2026, payment delays, partial payments, and term extensions made to borrowers experiencing financial difficulty included:

- **Payment Delays** – Granted through the Foundation’s standard deferral program, payment delays of up to six months were offered as a concession on mortgage loans. Payment delays allow the borrower to pause payments and avoid the negative credit impacts of delinquency. The delayed payments are added to the end of the contractual term.
- **Partial Payments** – Granted on first mortgage loans for members experiencing financial hardship but who want to continue with payments, partial payment plans are provided to temporarily reduce borrowers’ monthly payments. Typically, this program is used in conjunction with the payment delay program to ensure the borrower stays current and does not experience negative credit impacts associated with delinquency.
- **Term Extension** – Term extensions were granted on consumer loans where borrowers experiencing financial difficulty refinanced their loans to extend the term reducing monthly payments.

The following table presents the loan modifications made to borrowers experiencing financial difficulty that defaulted (within 12-months of making the modification) during the year ended June 30, 2026 and 2025. SECU defines “default” as becoming 90 or more days past due.

	Type of Concession		
	Payment Delay	Partial Payment	Total
2026			
First Mortgage	\$77,815	\$-	\$77,815
Total	\$77,815	\$-	\$77,815

	Type of Concession		
	Payment Delay	Partial Payment	Total
2025			
First Mortgage	\$97,467	\$-	\$97,467
Total	\$97,467	\$-	\$97,467

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Delinquent Loans and Loan Balances

The tables below provide an age analysis of past due loans by class at June 30, 2026 and 2025. All loans greater than 90 days delinquent are in non-accrual status.

2026	30-59 Days	60-89 Days	90 Days or Greater	Total Past Due	Current	Total Loans
Real Estate						
First mortgage	\$ 582,466	\$ 371,073	\$ 261,638	\$ 1,215,177	\$ 14,696,003	\$ 15,911,180
Total	<u>\$ 582,466</u>	<u>\$ 371,073</u>	<u>\$ 261,638</u>	<u>\$ 1,215,177</u>	<u>\$ 14,696,003</u>	<u>\$ 15,911,180</u>

2025	30-59 Days	60-89 Days	90 Days or Greater	Total Past Due	Current	Total Loans
Real Estate						
First mortgage	\$ 2,049,075	\$ 249,479	\$ 430,574	\$ 2,729,128	\$ 14,753,656	\$ 17,482,784
Total	<u>\$ 2,049,075</u>	<u>\$ 249,479</u>	<u>\$ 430,574</u>	<u>\$ 2,729,128</u>	<u>\$ 14,753,656</u>	<u>\$ 17,482,784</u>

Real Estate Credit Quality Indicators

As part of the on-going monitoring of the credit quality of the real estate portfolio, management tracks certain credit quality indicators based on whether the loans are performing or non-performing. To differentiate these categories, management tracks loan performance and when loans become 90 days or more past due, the loans are classified as non-performing. The delinquency reports enable management to monitor the loan portfolio.

The real estate credit risk profile based on payment activity by class at June 30 is as follows:

2026	First Mortgage	Total
Performing	\$ 15,649,542	\$ 15,649,542
Non-performing	261,638	261,638
Total	<u>\$ 15,911,180</u>	<u>\$ 15,911,180</u>

2025	First Mortgage	Total
Performing	\$ 17,052,210	\$ 17,052,210
Non-performing	430,574	430,574
Total	<u>\$ 17,482,784</u>	<u>\$ 17,482,784</u>

SECU Foundation
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Note 5: Property and Equipment

In March 2024, the Foundation purchased a vehicle in the amount of \$46,534.

	2026	2025
Beginning Balance	\$ 25,852	\$ 41,364
Less Annual Accumulated Depreciation	(15,512)	(15,512)
Total Personal Property	<u>\$ 10,340</u>	<u>\$ 25,852</u>

Note 6: Grants and Scholarships Payable

The fair value of grants and scholarships payable as of June 30, 2026 and 2025 using a weighted average discount rate of 1.6 percent at June 30, 2026 (1.63 percent at June 30, 2026) are as follows:

	2026	2025
Payable within 1 year	\$ 22,766,148	\$ 22,802,894
Payable between 1 and 2 years	3,578,587	3,571,531
Payable between 2 and 3 years	2,089,101	2,083,572
Payable between 3 and 4 years	982,412	987,021
Fair Value Discount	(660,838)	(671,364)
Total grants and scholarships payable	<u>\$ 28,755,410</u>	<u>\$ 28,773,656</u>

Interest expense recognized on grants and scholarships payable amounted to \$348,884 for 2026 (\$365,141 in 2025).

Note 7: Liquidity

The Foundation receives contributions without donor restrictions from members of SECU to be used in accordance with the missions of the Foundation.

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of available funds. The following table discloses the financial assets available to meet cash needs for general expenditures within one year as of the years ended June 30, 2026 and 2025:

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	2026	2025
Cash and Cash Equivalents	\$ 45,972,141	\$ 43,909,655
Loans Receivable, Net	15,604,908	17,061,913
Contributions Receivable	2,500	-
Total Financial Assets at Year End	61,579,549	60,971,568
Less those unavailable for general expenditures within one year, due to:		
Loan Term Loan Payments	(1,209,864)	(1,989,587)
Board Designations:	(21,189,197)	(23,482,784)
Financial Assets available to meet cash needs for general expenditures within one year	\$ 39,180,488	\$ 35,499,197

Note 8: Subsequent Events

Management evaluated subsequent events through August 28, 2026 the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2026 but prior to August 28, 2026 that provided additional evidence about conditions that existed at June 30, 2026 have been recognized in the financial statements for the year ended June 30, 2026.

SECU Foundation
June 30, 2026 and 2025

Board of Directors and Executive Director

Members of the Board of Directors are as follows:

Mona Moon, Chair
Stelfanie Williams, Vice Chair
Mark Fleming, Secretary/Treasurer
Bob Brinson
Michael Clements
Ben McLawhorn
Brad McMillen
Chuck Stone
McKinley Wooten Jr.
Chris Ayers
Amaka Flynn
Thomas Parrish
Jennifer Willis

The Executive Director is Jama Campbell.

Contact Information

The mailing address and phone numbers of the SECU Foundation are:

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PO Box 25966		844-296-4832 (toll free)
Raleigh, NC 27611-5966		

The SECU Foundation website address is:

www.ncsecufoundation.org

The SECU Foundation email address is:

secufoundation@ncsecu.org