CAROLINAS CREDIT UNION FOUNDATION, INC.
Salisbury, North Carolina

FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Carolinas Credit Union Foundation, Inc.
Salisbury, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Carolinas Credit Union Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles: this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carolinas Credit Union Foundation, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Sincerely,

Cantey, Tiller, Pierce & Green, LLP

Cantey, Tiller, Pierce and Green, LLP
Camden, South Carolina

April 19, 2021

EXHIBIT A

CAROLINAS CREDIT UNION FOUNDATION, INC.
Salisbury, North Carolina

STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and Cash Equivalents	$ 657,664	$ 2,285,036
Short-Term Investments	2,500,000	-
Promises to Give	-	25,000
Marketable Securities	16,488	27,912
Other Assets	22,727	65,452
Property and Equipment	34,300	46,849
Endowment Funds		
Cash and Cash Equivalents	809,259	809,259
Total Assets	$ 4,040,438	$ 3,259,508

LIABILITIES

	2020	2019
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Expenses	$ 59,733	$ 45,718
Deferred Revenue	42,148	11,650
Due to Others Fund	3,367	37,238
Total Liabilities	105,248	94,606
Net Assets		
Without Donor Restrictions		
Undesignated	172,046	131,377
Board Designated	350,000	350,000
	522,046	481,377
With Donor Restrictions	3,413,144	2,683,525
Total Net Assets	3,935,190	3,164,902
Total Liabilities and Equity	$ 4,040,438	$ 3,259,508

EXHIBIT B

CAROLINAS CREDIT UNION FOUNDATION, INC.
Salisbury, North Carolina

STATEMENT of ACTIVITIES
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 42,755	$2,843,766	$2,886,521
Dues Contributions	157,010	-	157,010
Carolinas Cup and Special Events	17,772	56,190	73,962
Investment Funds Earnings Support	-	55,188	55,188
Annual Fee Income	37,627	-	37,627
Interest Income	15,241	15,346	30,587
Unrealized and Realized Losses on Investments	(11,424)	-	(11,424)
Loss on Sale of Assets	(3,262)	-	(3,262)
In-Kind Contributions	4,743	-	4,743
Paycheck Protection Program ("PPP") Forgiven Loan	24,700	-	24,700
Other Income	238	-	238
	285,400	2,970,490	3,255,890
Net Assets Released from Restrictions-Distributions	2,240,871	(2,240,871)	-
Total Support and Revenue	2,526,271	729,619	3,255,890
Expenses			
Program Services	2,379,232	-	2,379,232
General and Administrative	72,619	-	72,619
Fundraising	33,751	-	33,751
Total Expenses	2,485,602	-	2,485,602
Change in Net Assets	40,669	729,619	770,288
Net Assets, Beginning of Year	481,377	2,683,525	3,164,902
Net Assets, End of Year	$ 522,046	$3,413,144	$3,935,190

EXHIBIT B
(CONTINUED)

CAROLINAS CREDIT UNION FOUNDATION, INC.
Salisbury, North Carolina

STATEMENT of ACTIVITIES
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 40,917	$ 1,898,319	$ 1,939,236
Dues Contributions	133,190	-	133,190
Carolinas Cup and Special Events	-	67,442	67,442
Community Investment Fund support	-	68,965	68,965
Annual Fee Income	27,325	-	27,325
Interest Income	33,535	26,773	60,308
Unrealized and Realized Gains on Investments	636	-	636
Gain on Sale of Assets	13,000	-	13,000
In-Kind Contributions	2,478	-	2,478
	251,081	2,061,499	2,312,580
Net Assets Released from Restrictions	1,173,023	(1,173,023)	-
Total Support and Revenue	1,424,104	888,476	2,312,580
Expenses			
Program Services	1,239,938	-	1,239,938
General and Administrative	65,716	-	65,716
Fundraising	30,660	-	30,660
Total Expenses	1,336,314	-	1,336,314
Change in Net Assets	87,790	888,476	976,266
Net Assets, Beginning of Year	393,587	1,795,049	2,188,636
Net Assets, End of Year	$ 481,377	$ 2,683,525	$ 3,164,902

EXHIBIT C

CAROLINAS CREDIT UNION FOUNDATION, INC.
Salisbury, North Carolina

STATEMENT of FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 85,484	$ 26,303	$ 19,727	$ 131,514
Payroll Taxes	7,214	2,220	1,665	11,099
Employee Benefits	14,506	4,463	3,348	22,317
Total Salaries Related	107,204	32,986	24,740	164,930
Grants	1,793,009	-	-	1,793,009
Scholarships	447,862	-	-	447,862
Conferences	-	1,114	-	1,114
Office Occupancy	3,479	1,070	803	5,352
Telephone	1,745	537	403	2,685
Postage	223	69	51	343
Supplies	560	172	129	861
Auto	-	283	-	283
Insurance	-	1,457	-	1,457
Outside Services	24,961	7,680	5,760	38,401
Staff Travel	-	1,821	1,821	3,642
Audit Fees	-	13,000	-	13,000
Other	189	58	44	291
Depreciation	-	12,372	-	12,372
Total Expenses	$ 2,379,232	$ 72,619	$ 33,751	$ 2,485,602

EXHIBIT C
(CONTINUED)

CAROLINAS CREDIT UNION FOUNDATION, INC.
Salisbury, North Carolina

STATEMENT of FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019

	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 85,086	$ 26,180	$ 19,635	$ 130,901
Payroll Taxes	5,604	1,724	1,293	8,621
Employee Benefits	14,614	4,497	3,372	22,483
Total Salaries Related	105,304	32,401	24,300	162,005
Grants	732,200	-	-	732,200
Scholarships	390,826	-	-	390,826
Conferences	-	2,407	-	2,407
Telephone	723	222	167	1,112
Postage	685	211	158	1,054
Supplies	1,437	442	332	2,211
Auto	-	716	-	716
Insurance	-	1,767	-	1,767
Outside Services	8,089	2,489	1,867	12,445
Staff Travel	-	3,679	3,679	7,358
Audit Fees	-	9,200	-	9,200
Marketing	426	131	98	655
Miscellaneous	248	76	59	383
Depreciation	-	11,975	-	11,975
Total Expenses	$ 1,239,938	$ 65,716	$ 30,660	$ 1,336,314

EXHIBIT D

CAROLINAS CREDIT UNION FOUNDATION, INC.
Salisbury, North Carolina

STATEMENTS of CASH FLOWS
For the Years Ending December 31,

	2020	2019
OPERATING ACTIVITIES		
Change in Net Assets	$ 770,288	$ 976,266
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	12,372	11,975
Unrealized (Gains) Losses on Investments	11,424	(636)
(Gain) Loss on Sale of Assets	3,262	(13,000)
(Increase) Decrease in Operating Assets:		
Contributions Receivable	25,000	80,003
Other Assets	42,725	(56,499)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	14,015	(25,955)
Deferred Dues	30,498	11,650
Due to Others Fund	(33,871)	37,238
Pledge Payable	-	(100,000)
Net Cash Provided by Operating Activities	875,713	921,042
INVESTING ACTIVITIES		
Capital Expenditures	(3,085)	(49,846)
Proceeds from Sale of Assets	-	13,000
Purchases of Short-Term Investments	(2,500,000)	-
Proceeds from Maturities of Short-Term Investments	-	496,000
Net Cash Provided by (Used In) Investing Activities	(2,503,085)	459,154
Change in Cash and Cash Equivalents	(1,627,372)	1,380,196
Cash and Cash Equivalents, Beginning of Year	3,094,295	1,714,099
Cash and Cash Equivalents, End of Year	$1,466,923	$3,094,295

NOTES to the FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES

The Carolinas Credit Union Foundation, Inc. (the "Foundation") is incorporated under the laws of the State of North Carolina for the purpose of fostering the "people helping people" philosophy of credit unions through academic and needs-based scholarships, community grants, small credit union grants, recognition of credit union ideals, fund management services, and aiding disaster relief for the local, national, and global credit union communities. The mission of the Carolinas Credit Union Foundation is to provide credit unions with collaborative opportunities for greater community impact.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (GAAP). The Foundation reports 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 - net assets that are not restricted by donors or for which donor- imposed restrictions have expired.

Net assets with donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of money market and short-term share account deposits at Vizo Financial Corporate Credit Union. These funds are insured by the National Credit Union Share Insurance Fund up to $250,000. The Foundation's uninsured cash balances were $3,801,370 and $2,761,335 at December 31, 2020 and 2019, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Contributions (promises to give) are recognized as revenues in the period the commitment is made. The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions revenue in the statements of activities. The Foundation determines an allowance for uncollectible promises to give based on historical experience, an assessment of the economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. The Foundation had no promises to give at December 31, 2020 or 2019.

Marketable Securities

Marketable securities consist of common stock reported at fair value in the accompanying statements of financial position. Unrealized gains and losses on the fair value of securities during the year are reflected in the statements of activities.

Property and Depreciation

Property and equipment additions are recorded at cost, or if donated, at fair value at the date of donation. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred.

Short-Term Investments

Short-term investments are comprised of certificates of deposit with original maturities between three months and one year.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Donated Services and In-Kind Contributions

Contributions of assets other than cash are recorded at their estimated fair value. The Foundation reports revenue for the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated. The Foundation recognized $4,743 and $2,478,of donated consulting services during the years ended December 31, 2020 and 2020, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated between the programs and supporting services benefited. Directly identifiable expenses are charged to the appropriate programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of estimates of time and effort made by management.

Tax-Exempt Status

The Foundation is a not-for-profit organization and is exempt from income taxes under Section 50l(c)(3) of the Internal Revenue Code. Accordingly, income tax expense is limited to activities that are deemed by the Internal Revenue Service to be unrelated to their exempt purpose.

The Foundation's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. It is the opinion of management that the Foundation has no uncertain tax positions that would be subject to change upon examination.

The Foundation is required to file a federal exempt organization tax return (Form 990) annually to retain its exempt status. The Foundation is also required to file an exempt organization business income tax return (Form 990-T) for any year unrelated business income exceeds $1,000. The Foundation's Form 990 filings are generally subject to examination by the Internal Revenue Service for three years after they are filed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent Events

The Foundation has evaluated its subsequent events (events occurring after December 31, 2020) through the dated of this report, which represents the date the financial statements were available to be issued and determined that all significant events and disclosures are included in the financial statements.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Accounting Principle

Changes in GAAP for not-for-profit organizations that will affect the future financial statement presentation of the Foundation include:

Substantially all operating leases will be capitalized as a right-to-use asset with an offsetting lease liability. There will be no substantial changes for capital leases except for terminology.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02 “Leases (Topic 842)” (ASU 2016-02). ASU 2016-02 establishes a comprehensive new lease accounting model. ASU 2016-02 modifies the definition of a lease, requires a dual approach to lease classification similar to prior lease accounting, and causes lessees to recognize operating leases on the balance sheet as a lease liability measured as the present value of the future lease payments with a corresponding right-of-use asset, with an exception for leases with a term of one year or less. Additional disclosures are required regarding the amount, timing, and uncertainty of cash flows arising from leases. The new lease accounting standard will take effect for nonpublic companies (which will include the majority of nonprofit organizations) for fiscal years beginning after December 15, 2021.

Adoption of Accounting Principles

Contract revenue will be recognized as it transfers goods and services to customers in an amount reflecting the consideration it expects to receive. A contract is defined by GAAP as “an agreement between two or more parties that creates enforceable rights and obligations”.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. Entities have the option of using either a full retrospective or a modified retrospective approach for the adoption of the new standard.

ASU 2014-09 became effective for annual reporting periods beginning after December 15, 2018. The Foundation believes this GAAP had little, if any, effect on the reporting or presentation in the financial statements.

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the balance sheet date, comprise the following:

	2020	2019
Cash and Cash Equivalents	$ 657,664	$2,285,036
Short-term Investments	2,500,000	-
Promises to Give	-	25,000
Marketable Securities	16,488	27,912
Endowment Funds	809,259	809,259
	3,983,411	3,147,207
Less Those Unavailable for General Expenditure within One Year Due to:		
Restricted by Donor with Time or Purpose Restrictions	(2,603,885)	(1,874,266)
Perpetual Endowments	(809,259)	(809,259)
	(3,413,144)	(2,683,525)
Financial Assets Available to Meeting Cash Needs for General Expenditure within One Year	$ 570,267	$ 463,682

The Foundation has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Foundation has a $100,000 line of credit available to draw upon, if needed.

NOTE 4 FAIR VALUE MEASUREMENTS

Financial assets and liabilities required to be measured on a recurring basis (at least annually) are classified under a three-tier hierarchy. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date.

Assets and liabilities measured at fair value are categorized depending on the observability of the inputs employed in their measurement. Level I inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1 for the asset or liability, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that can be corroborated by observable data for substantially the full term of the assets or liabilities. Level 3 inputs are unobservable for the asset or liability, including the Foundation's own assumptions in determining the fair value of assets or liabilities.

NOTE 4 FAIR VALUE MEASUREMENTS (Continued)

Valuation techniques used in the fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. The following is a description of the valuation methodologies used by the Foundation for assets measured at fair value:

Marketable securities: Valued at the closing prices reported on the active markets on which the individual securities are traded (Level 1).

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets measured at fair value on a recurring basis as of December 31, 2020 and 2019:

	Level 1	Level 2	Level 3	Total
December 31, 2020				
Marketable Securities				
Common Stocks - Energy	$ 16,488	$ -	$ -	$ 16,488
December 31, 2019				
Marketable Securities				
Common Stocks - Energy	$ 27,912	$ -	$ -	$ 27,912

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	December 31, 2020	December 31, 2019
Furniture, Fixtures and Equipment	$ 3,085	$ 4,416
Automobiles	41,752	41,752
Computer Equipment and Software	12,450	12,450
Subtotal	57,287	58,618
Less: Accumulated Depreciation	(22,987)	(11,769)
Total	$ 34,300	$ 46,849

Depreciation expenses amounted to $12,372 and $11,975 for the year ending December 31, 2020 and 2019, respectively.

NOTE 6 PROMISES TO GIVE TO OTHERS

During the year ended December 31, 2018, the Foundation committed an unconditional promise to give to support the Victory Junction's Outreach Program in the amount of $100,000. The promise of $100,000 was paid during the year ended December 31, 2019.

NOTE 7 LINE OF CREDIT

The Foundation has available for its use a line of credit from Vizo Financial Corporate Credit Union in the amount of $100,000. The line of credit bears interest at a variable rate designated by the lender. There were no outstanding amounts on this line of credit as of December 31, 2020 or 2019.

NOTE 8 ENDOWMENT FUNDS

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor- restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time accumulations are added to the fund. Donor- restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purpose of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investment s, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Endowment net assets composition by type as December 31, 2020 and 2019 is as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Original Gift Amount	Total With Donor Restrictions	Total Funds
December 31, 2020				
Donor-Restricted Funds	$ -	$ 809,259	$ 809,259	$ 809,259
Board-Designated Funds	350,000	-	-	350,000
	$ 350,000	$ 809,259	$ 809,259	$ 1,159,259
December 31, 2019				
Donor-Restricted Funds	$ -	$ 809,259	$ 809,259	$ 809,259
Board-Designated Funds	300,000	-	-	300,000
	$ 300,000	$ 809,259	$ 809,259	$ 1,109,259

NOTE 8 ENDOWMENT FUNDS (CONTINUED)

There were no transfers or changes to the endowment funds for the years ended December 31, 2020 and 2019.

Included in accumulated gains (losses) and other are accumulated investment returns and term endowment funds. Term endowments are gifts of cash and other assets with stipulations that they be invested to provide a source of income for a specified term and that the income be used for a specific purpose as both time and purpose restricted.

Funds with Deficiencies. From time to time, the fair value of the assets associated with the donor restricted endowment fund may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no endowment fund deficiencies at December 31, 2020 or 2019.

Investment Return Objectives, Risk Parameters and Strategies. Endowment assets are invested in a low-risk share account and short-term certificates of deposit at a local corporate credit union. The account is insured up to $250,000 by the National Credit Union Share Insurance Fund.

Spending Policy. Disbursements from the funds are primarily used for scholarships. However, an administrative fee of up to 10% of income earned and an annual disbursement fee ranging from 2% - 4% of annual disbursements with a maximum of $2,500 can be assessed to each fund. The Foundation assessed $37,627 and $27,325 of fees for the years ended December 31, 2020 and 2019, respectively. The decision as to who receives a scholarship is determined by a committee appointed by the Board of Directors.

NOTE 9 NET ASSETS WITHOUT DONOR RESTRICTIONS DESIGNATED FOR SPECIAL PURPOSES

The Foundation maintains unrestricted funds designated by the Board for certain special purposes. The amounts of such designated net assets at December 31 were as follows:

	2020	2019
Board-designated for Operating Reserves	$ 50,000	$ 50,000
Board-designated endowment	300,000	300,000
Total Board-designated	$ 350,000	$ 350,000

CAROLINAS CREDIT UNION FOUNDATION, INC.
Salisbury, North Carolina

NOTES to the FINANCIAL STATEMENTS

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31:

	2020	2019
Subject to Expenditure for Specified Purposes:		
Donor Advised Assistance	$ 1,132,905	$ 607,623
Scholarships	862,888	896,264
Victory Junction/REACH	13,511	7,156
Disaster Relief	198,657	96,564
Fundraising Funds	19,766	7,901
Hardship Funds	253,378	143,996
Community Grants and Programs	122,780	114,762
	2,603,885	1,874,266
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Original Gifts (Corpus) for:		
Scholarships and Assistance	809,259	809,259
	809,259	809,259
	$ 3,413,144	$ 2,683,525

Net assets were released from restrictions by usage of funds consistent with donor restrictions for the following purposes during the year ended December 31:

	2020	2019
Donor Advised Assistance	$ 1,411,766	$ 651,905
Scholarships	447,862	390,826
Victory Junction/REACH	56,980	10,954
Disaster Relief	277,093	30,500
Other Grants	47,170	38,838
	$ 2,240,871	$ 1,123,023

NOTES to the FINANCIAL STATEMENTS

NOTE 11 COMMUNITY INVESTMENT FUND

Credit unions from North and South Carolina can invest money in a Community Investment Fund (CIF) held and administered by Vizo Financial Corporate Credit Union. Earnings from the CIF are allocated between the investing credit unions and the Foundation. During the years ending December 31, 2020 and 2019, the Foundation received CIF earnings of $55,188 and $68,965, respectively.

NOTE 12 RETIREMENT PLAN

The Foundation participates in a contributory retirement plan administered by the Carolinas Credit Union League, which covers substantially all permanent employees who have reached 21 years of age and six months of service. The plan provides that the Foundation make a non-elective contribution to the account of each eligible participant equal to 3% of the participant's compensation. In addition, the Foundation will match 2% of the participant's compensation for the participant's service period of six months to five years, 4% of the participant’s compensation for the participant's service period of five years to ten years, and 6% of the participant's compensation after the participant has reached ten years of serv ice. Employee deferrals are vested immediately, and employer contributions become vested when a participant reaches five years of service. Employer contributions to the plan amounted to $9,396 and $8,860 for the years ended December 31, 2020 and 2019, respectively.

NOTE 13 RELATED PARTY TRANSACTIONS

The individuals on the Board of Directors are comprised of senior management in various credit unions and credit union service organizations from North Carolina and South Carolina. The organizations that these board members represent gave, in the aggregate, $11,980 and $11,700 in contributions without donor restrictions for the years ended December 31, 2020 and 2019 respectively. In addition, the organizations gave $2,557,650 and $1,771,031 in contributions with donor restrictions for the years ended December 31, 2020 and 2019, respectively. The restricted contributions are directed to donor-advised funds controlled by the Foundation.

Also, members of the Board of Directors include the President of Vizo Financial Corporate Credit Union who provides banking services and holds all cash accounts and the President of the Carolinas Credit Union League, parent company of Professional League Resources (PLR), who provides human resources and accounting services to the Foundation. The fees paid to PLR for these services totaled $9,312 for each of the years ended December 31, 2020 and 2019, respectively. Also, at December 31, 2020 and 2019, the Foundation has an intercompany liability payable to the Carolinas Credit Union League for $26,304 and $11,801, respectively. These were reimbursed in the following January of each year.

NOTE 14 PAYCHECK PROTECTION PROGRAM LOAN

The Small Business Association gave the Foundation a “PPP loan” of $24,700 in May 2020 which provided much relief. The loan was 100% forgiven on January 7, 2021. The income from the forgiveness of the loan was reported on the Statement of Revenues, Expenses and Changes in Net Assets for the year ending December 31, 2020. The proceeds were used to offset the expenses associated with payroll, rent and utilities.