



**SOUTH CAROLINA
FEDERAL CREDIT UNION
FOUNDATION
(A Nonprofit Organization)**

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024
(With Independent Auditor's Report Thereon)

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION
(A Nonprofit Organization)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Carolina Federal Credit Union Foundation
(A Nonprofit Organization)

Opinion

We have audited the financial statements of South Carolina Federal Credit Union Foundation (A Nonprofit Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of South Carolina Federal Credit Union Foundation (A Nonprofit Organization) as of December 31, 2025 and 2024, 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 (GAAP).

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 Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of South Carolina Federal Credit Union Foundation (A Nonprofit Organization) 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 South Carolina Federal Credit Union Foundation's (A Nonprofit Organization) ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audits 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 auditor's 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 South Carolina Federal Credit Union Foundation's (A Nonprofit Organization) 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 South Carolina Federal Credit Union Foundation's (A Nonprofit Organization) 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Doeren Mayhew Assurance

Miami, Florida
June 12, 2026

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION
(A Nonprofit Organization)

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Cash	\$ 124,388	\$ 130,451
Pledges receivable, net	111,975	119,017
Related party receivable	<u>13,637</u>	<u>3,050</u>
Total assets	<u><u>\$ 250,000</u></u>	<u><u>\$ 252,518</u></u>
 <u>Liabilities and Net Assets</u>		
Liabilities		
Contributions and accounts payable	<u>\$ 25,889</u>	<u>\$ 27,809</u>
Total liabilities	25,889	27,809
Net assets		
Without donor restrictions	58,131	56,042
With donor restrictions	<u>165,980</u>	<u>168,667</u>
Total net assets	<u>224,111</u>	<u>224,709</u>
Total liabilities and net assets	<u><u>\$ 250,000</u></u>	<u><u>\$ 252,518</u></u>

See accompanying notes to financial statements

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION
(A Nonprofit Organization)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:						
Contributions of cash	\$ 77,964	\$ 165,294	\$ 243,258	\$ 120,433	\$ 129,348	\$ 249,781
Contributions of nonfinancial assets	121,891	-	121,891	130,093	-	130,093
Other income	3,153	-	3,153	1,911	-	1,911
Fundraising revenue	-	-	-	-	-	-
Total revenue and support	203,008	165,294	368,302	252,437	129,348	381,785
Expenses						
Program services	294,988	-	294,988	362,617	-	362,617
Supporting services						
General and administrative	73,406	-	73,406	40,725	-	40,725
Fundraising	506	-	506	357	-	357
Total expenses	368,900	-	368,900	403,699	-	403,699
Net assets released from restrictions	167,981	(167,981)	-	85,031	(85,031)	-
Change in net assets	2,089	(2,687)	(598)	(66,231)	44,317	(21,914)
Net assets, beginning of year	56,042	168,667	224,709	122,273	124,350	246,623
Net assets, ending of year	<u>\$ 58,131</u>	<u>\$ 165,980</u>	<u>\$ 224,111</u>	<u>\$ 56,042</u>	<u>\$ 168,667</u>	<u>\$ 224,709</u>

See accompanying notes to financial statements

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION
(A Nonprofit Organization)

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Donations	\$ 234,043	\$ -	\$ -	\$ 234,043
Professional fees	-	12,460	-	12,460
Compensation and benefits	60,945	60,946	-	121,891
Other expenses	-	-	506	506
Total expenses	<u>\$ 294,988</u>	<u>\$ 73,406</u>	<u>\$ 506</u>	<u>\$ 368,900</u>

See accompanying notes to financial statements

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION
(A Nonprofit Organization)

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024 (RESTATED)

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Donations	\$ 261,699	\$ -	\$ -	\$ 261,699
Professional fees	-	11,550	-	11,550
Compensation and benefits	100,918	29,175	-	130,093
Other expenses	-	-	357	357
	<u>-</u>	<u>-</u>	<u>357</u>	<u>357</u>
Total expenses	<u>\$ 362,617</u>	<u>\$ 40,725</u>	<u>\$ 357</u>	<u>\$ 403,699</u>

See accompanying notes to financial statements

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION
(A Nonprofit Organization)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ (598)	\$ (21,914)
Adjustments		
Decrease/(increase) in assets		
Pledges receivable	7,042	(7,729)
Related party receivable	(10,587)	4,950
Increase/(decrease) in liabilities		
Contributions and accounts payable	<u>(1,920)</u>	<u>10,340</u>
Total adjustments	<u>(5,465)</u>	<u>7,561</u>
Net cash provided from (used in) operating activities	<u>(6,063)</u>	<u>(14,353)</u>
Net change in cash	(6,063)	(14,353)
Cash - beginning	<u>130,451</u>	<u>144,804</u>
Cash - ending	<u><u>\$ 124,388</u></u>	<u><u>\$ 130,451</u></u>

See accompanying notes to financial statements

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION (A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Activities

The South Carolina Federal Credit Union Foundation (A Nonprofit Organization), or the Foundation, is a not-for-profit organization and charitable giving institution founded in 2013 that makes a focused commitment to other not-for-profit charitable organizations. The Foundation promotes its services through press releases, a website, and through its program services.

The Foundation is operated and managed by an Executive Director, who reports directly to a volunteer Board of Directors that provides direction and oversight. The Foundation is supported primarily by South Carolina Federal Credit Union (SCFCU), its members and employees. Several members of management also serve on the Foundation board.

Program Services

The Foundation's program services facilitate donations to other not-for-profit charitable organizations, based upon recommendations by program contributors, that meet programmatic or geographic interest of both the donor and the Foundation. Through the program services, donors can provide funding for donations to a variety of charitable organizations, such as Alzheimer's Association of South Carolina, and other non-profit organizations that operate in the communities serviced by South Carolina Federal Credit Union. Donations can be used for charitable organizations in the state of South Carolina.

Supporting Services

Fundraising

This supporting service category includes expenditures which provide the structure necessary to encourage and secure financial support for the Foundation's operations.

General and Administrative

This supporting service category includes the functions necessary to secure proper administrative functioning of the Foundation's governing board and manage financial responsibilities of the Foundation.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Classification of Net Assets

Net assets of the Foundation are classified as net assets without donor restrictions and net assets with donor restrictions on the presence and characteristics of donor-imposed restrictions limiting the Foundation's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION

(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in net assets with donor restrictions. Revenues, gains, and losses on net assets with donor restrictions are classified as without donor restrictions unless specifically restricted by the donor or by applicable state law. See Note 2 for the breakdown of net assets with donor restrictions.

Cash

The Foundation maintains cash balances at high credit quality financial institutions. The Foundation's accounts at each institution are insured by the National Credit Union Administration (NCUA) up to \$250,000. At times, the cash balance may be in excess of the NCUA insurance limit.

Pledges Receivable

Pledges receivable consists of amounts due from employees of South Carolina Federal Credit Union and are reported at fair value. As of December 31, 2025 and 2024, pledges receivable consist of promises to give expected to be collected within one year. An allowance for uncollectable accounts has been established. Management has evaluated the accounts based on historical experience and review of current status and feels comfortable with the balance of uncollectable pledges receivable. The Foundation's allowance for uncollectable pledges receivable as of December 31, 2025 and 2024 was \$4,126 and \$4,150, respectively.

Contribution

Contributions are recorded as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are recorded as support with donor restrictions. When support is expended to satisfy the restricted purpose or the time restriction has been accomplished, net assets with donor restrictions are classified as net assets without donor restrictions.

Functional Allocation of Expenses

Directly identifiable expenses are charged to program services, general and administrative or fundraising depending on the reason the expenses were incurred. Compensation and benefits are allocated based on an estimate of time devoted to each category.

Income Taxes

The Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) clarifies accounting for uncertainty in income taxes reported in the financial statements. The interpretation provides criteria for assessment of individual tax positions and a process for recognition and measurement of uncertain tax positions. Tax positions are evaluated on whether they meet the "more likely than not" standard for sustainability on examination by tax authorities.

The Foundation is a not-for-profit organization generally exempt from income taxes under Internal Revenue Code Section (IRC) 501(c)(3) or income considered to be unrelated business income. The Foundation did not have any net unrelated business income during the years ended December 31, 2025 and 2024. As such, the Foundation has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Additionally, no interest or penalties have been recorded in the accompanying financial statements related to uncertain tax positions. Accordingly, no provisions for income taxes have been made in the accompanying financial statements.

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The Foundation files only informational tax returns for federal reporting purposes. Currently, the 2025, 2024, and 2023 returns are open and subject to examination. The Foundation is not currently under audit by any income tax jurisdictions.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses for the periods then ended. Actual results could differ from those estimates.

Concentrations

The Foundation has entered into transactions with a related party, South Carolina Federal Credit Union. Certain employees of South Carolina Federal Credit Union spent a portion of their time supporting the Foundation. Total contributions of cash and nonfinancial assets from the related party amounted to \$197,662 and \$204,793 for the years ended December 31, 2025 and 2024, respectively, which represented approximately 55% and 54% of total revenues and support.

Reclassification

Certain amounts reported in the 2024 financial statements have been reclassified to conform with the 2025 presentation. There were no changes to total liabilities and net assets or change in net assets as a result of the aforementioned.

Subsequent Events

Management has evaluated subsequent events through June 12, 2026, the date the financial statements were available to be issued. No significant such events or transactions were identified.

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Note 2 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted as of December 31, 2025 and 2024 for the following purposes and period:

	<u>2025</u>	<u>2024</u>
Subject to the passage of time and purpose		
Alzheimer's Association	\$ 23,898	\$ 21,059
American Red Cross	11,457	12,242
Children's Miracle Network	16,446	20,274
Boys & Girls Club of Pee Dee	4,882	8,307
Employee Relief Fund	35,975	38,615
Local Food Bank	<u>19,317</u>	<u>18,520</u>
Total subject to the passage of time and purpose	111,975	119,017
Subject to purpose		
Employee Relief Fund	<u>54,005</u>	<u>49,650</u>
Total net assets with donor restrictions	<u><u>\$ 165,980</u></u>	<u><u>\$ 168,667</u></u>

Net assets were released from donor restrictions by satisfying the time restriction and purpose as follows:

	<u>2025</u>	<u>2024</u>
Time restrictions accomplished	\$ 118,330	\$ 124,350
Purpose restrictions accomplished	<u>4,353</u>	<u>10,331</u>
Total net assets with donor restrictions	<u><u>\$ 122,683</u></u>	<u><u>\$ 134,681</u></u>

Note 3 – Related Party Transactions

The Foundation has entered into transactions with a related party, South Carolina Federal Credit Union. Certain employees of South Carolina Federal Credit Union spent a portion of their time supporting the Foundation. As of December 31, 2025 and 2024, there was \$13,637 and \$3,050 due from South Carolina Federal Credit Union, respectively. Additionally, the Foundation had cash held in custody of South Carolina Federal Credit Union in the amount of \$124,388 and \$130,450 as of December 31, 2025 and 2024, respectively.

SOUTH CAROLINA FEDERAL CREDIT UNION FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note 4 – Liquidity and Availability

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

	<u>2025</u>	<u>2024</u>
Total assets	\$ 250,000	\$ 252,518
Less: those unavailable for general expenditures within one year, due to Restricted by donor with time or purpose restrictions	<u>165,980</u>	<u>168,667</u>
Total	<u>\$ 84,020</u>	<u>\$ 83,851</u>

Financial assets in the amount of \$138,025 and \$133,502 are available for general expenditure without donor or other restrictions limiting their use for the years ended December 31, 2025 and 2024, respectively. If funds to cover the cost of current liabilities are backed out, a net amount of \$112,136 and \$105,693 is available for the years ended December 31, 2025 and 2024, respectively.

The Foundation's administrative expenses are covered by South Carolina Federal Credit Union.

Note 5 – Contributions of Nonfinancial Assets

The Foundation recognizes contribution revenue for certain services received at the estimated fair value of those services, provided those services create or enhance nonfinancial assets or require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased. The Foundation records contributions of non-financial assets and expenses related to those contributions. A limited number of individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs and various committee assignments, however, those services received do not qualify for recognition in the financial statements.

For the years ended December 31, 2025 and 2024, non-financial assets recognized within the statements of activities and changes in net assets include:

	<u>2025</u>	<u>2024</u>
Compensation and benefits	<u>\$ 121,891</u>	<u>\$ 130,093</u>

Donated services comprise compensation and benefits for the Executive Director. These services are measured at the fair market value of the services performed based on current market rates.

There were no donor-imposed restrictions on contributions of non-financial assets.