

TWO THOUSAND TWELVE ANNUAL REPORT



Strategic grantmaking

Donor engagement

NORTH CAROLINA
COMMUNITY FOUNDATION



Community leadership

Philanthropic support

LETTER



Jennifer Tolle Whiteside and James W. Narron

The North Carolina Community Foundation's "family tree" is rich in tradition. Our branches reach out across regions that cover a vast list of communities throughout the state. Our family of affiliates holds much in common, all sharing deep roots and connections to NCCF. Yet each affiliate foundation is unique.

We also could render an NCCF tree with our family of funds, all representing a shared commitment to community and cause — yet each unique in charitable intent.

The family tree provides an appropriate metaphor for our fiscal year ending March 31, 2012. As we approach our 25th anniversary in 2013, this past year has provided the perfect juncture for us to pause and look at both our roots and how we want to grow in the future.

FUTURES Committee

One view was provided by a group of statewide board members, philanthropists and community foundation experts, assembled to ensure we are on the right track as we approach our first quarter of a century. The FUTURES Committee met throughout the year to examine where we've been and where we're going. We confirmed that the many branches comprising NCCF's tree have a great deal in common — and, like most families — some things that are unique.

One committee conclusion is that there is no other community foundation quite like NCCF in the entire United States. This is both wonderful and frightening! While a number of factors sets us apart, our affiliate network is what truly makes us different. Our statewide structure also provides our organization

with both our greatest challenges and our biggest opportunities.

Other findings reaffirm both our direction and long-held commitment to our affiliates. It's no surprise that our ability to sustain such a broad network is achieved through our operating endowment, which allows us to provide so many services to so many communities across the state and informs our mission to support rural philanthropy. Other data gleaned from committee work will help board, staff and affiliate leadership make solid recommendations around current products and services to ensure we continue to meet donor needs.

Community Leadership

NCCF's affiliate structure and the local approach to philanthropy it affords fuel our community leadership strategy. While a movement among foundations nationwide, community leadership is not a new concept for NCCF. The affiliate network was created and built on serving communities through local leadership, knowledge and resources to help meet area needs. Renewed are NCCF's sharpened focus and a more intentional framework that have evolved around the concept of supporting the power of local philanthropy.

Many of our affiliate partners are poised to take this concept to the next level and act as catalysts, conveners and connectors in the 67 communities we serve across the state. There are countless examples of this work:

- Hoke County Community Foundation is a catalyst, bringing together local health professionals, providers

and opinion leaders to help solve the area's alarming level of diabetes.

- Ashe County Community Foundation has assumed the leadership role of convener, assembling donors representing the "family of funds" it administers through NCCF, with an eye toward combining grants to leverage impact.
- Granville County Community Foundation is connecting many facets of the community to address the systemic problem of unemployment.
- The "brain drain" is being tackled by Jones County Community Foundation, with a fund established to help stem the exodus of youth through encouraging entrepreneurship.
- Lenoir County Community Foundation is also targeting a younger demographic through its work to involve more generations of Kinston area citizens in the affiliate.
- Beaufort County Community Foundation reached out to neighboring Hyde, inviting them to help better leverage scant resources. The Beaufort-Hyde affiliate was born.
- Yadkin County Community Foundation has conducted strategic planning, as have Robeson County Community Foundation and New Hanover County Community Foundation, which recently created several committees, including Funds Development and Community Outreach.
- Wilson County Community Foundation established a Community Leadership

Task Force to identify key local issues and the best ways to engage donors.

Strategic partnerships continue to underpin community leadership initiatives, and we worked to further strengthen important alliances last year. The NC Rural Economic Development Center is helping us communicate both the impact and import of the Transfer of Wealth, partnering with us in several communities to discuss how this unprecedented inter-generational hand-off of family resources could be captured in part to sustain and build local communities across our state.

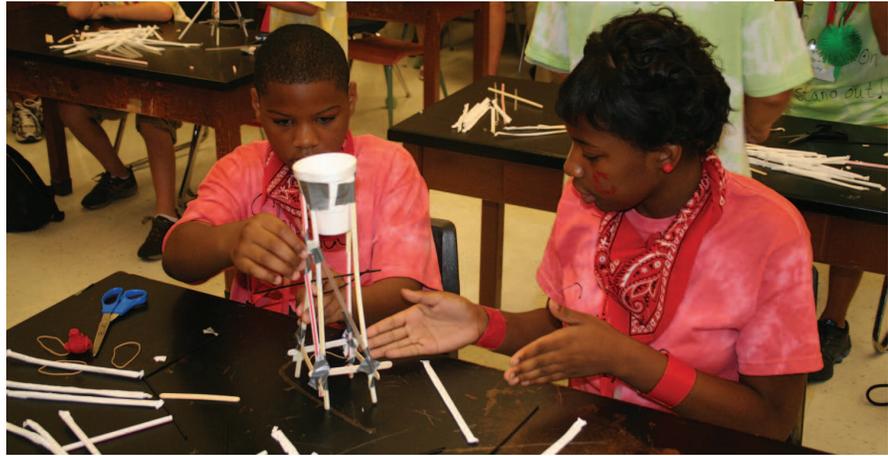
The Golden Leaf Foundation is another important resource to our state, and affiliate leaders have been asked to join conversations about local needs in several NCCF communities, including Chowan, Clay, Duplin and Wayne counties.

The overriding goal of NCCF's community leadership focus is to continually search for ways we can best and consistently support our affiliates and honor what makes each one unique, allowing them to expand their circle of influence and lead where they live.

Disaster Relief

We could not be as nimble or flexible in our grantmaking strategies without affiliate foundation leadership and their knowledge of local communities. This was strikingly apparent during our disaster relief work in 2011. When April's tornadoes tore across eastern North Carolina, the statewide NCCF Disaster Relief Fund literally was reactivated overnight. Staff and statewide board members quickly worked to replenish the fund, and generous donors, both longstanding and new, answered the call. NCCF's grants committee partnered with affiliates to assess needs and make contributions to counties in our network hardest hit by storms. Then came Hurricane Irene in August, and the process began again as we teamed with affiliates to address devastation in coastal counties, some still recovering from the spring tornadoes.

All told, nearly \$172,000 was raised and \$152,000 in grants has been allocated to date to help recovery efforts



Students study rockets in a program funded through the North Carolina Science Olympiad, which created a new statewide endowment. Read more at nccommunityfoundation.org.

from last year's disasters. We learned a lot in those busy months. Needs assessment and granting processes were refined. Reaffirmed was our grant strategy. We don't position ourselves as first-responders, yet immediate assistance was needed in some hard-hit communities with few resources. Our intention to meet mid- to long-term needs has paid off in communities that are still rebuilding. The NCCF Disaster Relief Fund matched Pamlico County Community Foundation's grant to help support this spring's 8 Days of Hope, a rebuilding effort that continues to meet dire needs to this day.

Elizabeth "Cissy" Wellons said NCCF proved our mettle through last year's disaster relief efforts. Her view as a member of NCCF's statewide board, grants committee and experience as an advi-

sory board member with the Johnston County Community Foundation prompted the uniquely qualified observation. "Our disaster relief work really brought home the power, strength and value of our local affiliates," she said.

Our fundholders

We have been educating North Carolinians about the power of philanthropy and, in turn, learning about generosity from the people of our state for nearly 25 years. The largesse we're privileged to witness is driven by our donors' desire to create legacies and support communities through charitable giving. Our donors teach us about what is important to our state through the funds they create.

We are honored to have worked together with people and organizations to create 34 new funds this past fiscal year, all listed on pages 5 and 6. Many are highly involved in their endowments from inception, and some choose to create legacies to support their communities after they're gone. Margaret Rawls Stancil was one such visionary citizen, who years ago created a fund to support her much-loved Craven County, and also started additional endowments for two nonprofits that will sustain her love of local history. These gifts will have a permanent and significant impact on her community. (Read more about Ms. Stancil and the New Bern celebration of her generosity — and other donors — at nccommunityfoundation.org.)



Rebuilding continues after last year's storms. 8 Days of Hope was a building blitz funded in part through NCCF's Disaster Relief Fund and Pamlico County Community Foundation.

(continues on page 4)

The generosity of Ms. Stancil and others allowed us to reach a record level of assets under management last fiscal year. Total assets at March 31, 2012, totaled \$156 million, an 8% increase over last year's reported \$145 million.

We mentioned learning from our donors. All good teachers impart more than wisdom, however. They also move us. Our family of fundholders inspires us each and every day. This support and generosity combine to create positive change for North Carolina today and in the future.

Grants and scholarships

We continue our work around effective grantmaking, with the entire organization, including staff, board and affiliates, joining together as a team to collect, assess and process what the FUTURES committee has called a record number of requests for an organization our size.

Together we awarded \$7.4 million through 2,104 grants and scholarships on behalf of our fund-holders, affiliates and giving circle programs. Education and related programming continued to receive the most funding from our donors, with programs for public and societal benefit a close second. A complete



Affiliate advisory boards across the state are working to leverage their community leadership and impact. Yadkin County Community Foundation recently conducted strategic planning to determine focus and reaffirm direction. Board members are left-right: Jewell Welborn, John Willingham and Kenneth Reavis.



Joshua Snider from Lexington is a recipient of the Richard Ellis Scholarship, one of 179 administered by NCCF. His pet cow Annabelle has inspired Joshua to be a veterinarian! Visit nc-communityfoundation.org to read more about him and other NCCF scholars.

picture of the Foundation's grantmaking activities this past fiscal year can be seen on page 6.

NCCF administers 179 scholarships and last year awarded \$1,017,174, including \$532,889 in direct scholarships to students and \$484,285 to institutions of higher learning. NCCF's growing reputation for scholarships is not just based on expert administration, but also on our ongoing philosophy to provide recognition and support. Leslie Ann Jackson, NCCF program associate for grants and scholarships, says her goal is for NCCF "to be known for its scholarship program, not just writing checks." This is especially important to so many of our students, many of whom are the first generation in their families to be college bound. Scholarships have the power to change families forever, as so many of our donors realize.

Technology has also improved our grantmaking efforts, with the affiliates' community grantmaking programs entirely online for the second year. NCCF has also just invested in an upgraded program to improve grantmaking for both applicants and reviewers.

Women's giving

Many women's giving groups are also relying on the online grantmaking process. NCCF now supports nine women's giving groups, including the NCCF Statewide Women's Fund. All groups combined awarded nearly \$189,000 last fiscal year.

We take pride in our development and ongoing support of the women's giving programs, which represent both urban and rural areas of our state. Many of our rural groups in northeastern North Carolina have joined local affiliates' community grantmaking efforts to leverage giving. One of our newest groups, the Women's Impact Network of New Hanover County, just awarded its first grant to Cape Fear Guardian ad Litem Association. Another new circle is the Cary Women's Giving Network, which will commence its initial grants cycle this winter.

The Wake County Women's Giving Network, NCCF's first, will soon award \$150,000 to its community for 2012, bringing the total of grants awarded to programs supporting local women and/or children to an amazing \$682,000 in just six years. This flagship group recently started an endowment, the first of our giving circles to create a fund to ensure its future and help defray operating expenses. The group also received a prestigious award in 2011 from Urban Ministries of Wake County, which named the Women's Giving Network its Community Partner of the Year.

A good year

Other honors deserve mention as well. Robert Mauldin received the Lewis R. Holding Award for his past leadership on the statewide board as well as his unflagging devotion to building the Futrell-Mauldin Community Foundation for Greater Rocky Mount. This is a community that has received national attention as among the most generous small towns in America, no surprise to those involved with the annual Reach Out Rocky Mount-Fun Run for Charities. NCCF is honored to help administer this event, which this year earned nearly \$530,000 for local

nonprofits, a record-breaking sum.

NCCF was gratified to receive renewal of our National Standards designation, the country's highest philanthropic measure of operational quality, integrity and accountability within the community foundation sector. We also received Charity Navigator's top four-star rating for the fifth year in a row.

We were pleased to welcome two new members to NCCF's statewide board: Laura Beasley of Colerain and James M. Parrott Jr. of Kinston. Beasley is chair of the Bertie-Hertford Community

Foundation's board and a founding member of the Bertie-Hertford Women's Fund. Parrott is president of Parrott Farms in Kinston and worked for Wachovia Bank for 22 years.

As we near the milepost of our 25th year, we paused to look at our heritage and our future. What has fueled our success? There is one constant. We put the people with whom we're privileged to work at the top of the list. Our statewide board, affiliate advisory board members, staff, donors and volunteers are what make this "family" thrive. The work we've

completed together over the last quarter century will drive our continued success for the next 100 years and beyond.

Sincerely,

Jennifer Tolle Whiteside, *President and CEO*

James W. Narron, *Chairman of the Board*

NEW FUNDS

(April 1, 2011-March 31, 2012)

We welcome our new fundholders to the NCCF family and appreciate the trust they put in our partnership to help them achieve their charitable goals and dreams, now and in the future.

The following funds were all established to support general, charitable, educational, religious and scientific purposes.

All About the Benjamins: Youth Philanthropy and Financial Literacy Giff Fund

Edward and Nancy Aman Family Endowment

Bill and Marva Babb Endowment

Peggy Kirk Bell Foundation Endowment (read more about Peggy Kirk Bell in our spring newsletter, available online at nccommunityfoundation.org)

Peggy Kirk Bell Foundation Giff Fund

Beth-El Congregation of Wilson Charitable Fund

Jeann H. and John P. Graham Endowment

Dean Kesler Endowment

The following funds were established for various intents:

Anne and Alex Bernhardt Charitable Fund

— This fund supports general charitable, educational, religious and scientific purposes with priority for nonprofit organizations in Caldwell, Ashe, Avery, Burke and Watauga counties.

Beth-El Congregation of Wilson Endowment — This fund supports Barton College in Wilson and provides a yearly scholarship.

Cape Fear Garden Club Beautification Endowment Fund — This fund supports charitable uses in the particular field of beautification and maintenance of public areas in the City of Wilmington and New Hanover County.

Cary Women's Giving Network Giff Fund — This fund supports broad charitable purposes to benefit residents of Cary.

Elderhaus Fund — This fund supports Elderhaus, Inc.

Macon County Historical Society Capital Endowment — This fund was established to support the Macon County Historical Society.

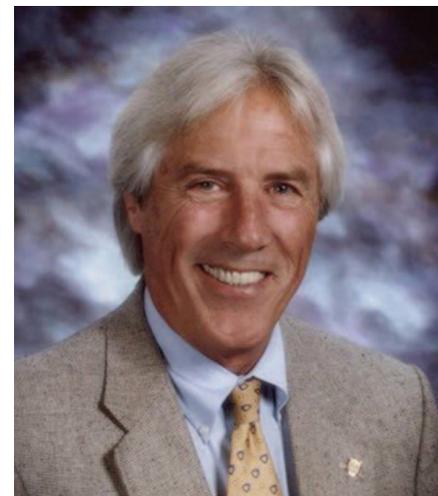
Jim McRae Endowment for the Visual Arts — This endowment supports charitable uses in the particular field of visual arts in the Greater Macon County area.

Lane Meyer Scholarship Fund — This fund provides scholarships to students who are members of the varsity soccer team from Wake Forest Rolesville High School.

Morrisville Community Fund — This endowment supports general charitable purposes within the Town of Morrisville and vicinity. (Read more about the Morrisville Community Fund online at nccommunityfoundation.org)

Richard J. Murphy Memorial Scholarship — This fund provides scholarships to deserving seniors at Leesville Road High School.

North Carolina Science Olympiad Endowment — This fund supports North Carolina Science Olympiad, Inc. (Read more about this statewide fund at nccommunityfoundation.org)



Visit nccommunityfoundation.org to read more about Richard J. Murphy, a remarkable educator who inspired a wide circle of students, colleagues and friends to establish a memorial scholarship to benefit students from Leesville Road High School in Wake County.

Octagon Endowment of John R. and Lois B. Jones — This endowment supports general charitable, religious, scientific and educational purposes, including literary purposes.

Octagon Giff Fund of John R. and Lois B. Jones — This fund supports general charitable, religious, scientific and educational purposes, including literary purposes.

Piney Creek Dirty Fingers Garden Club Endowment — This fund supports the Piney Creek Dirty Fingers Garden Club.

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Hubie Poteat Memorial Scholarship Fund — This fund supports charitable uses in the particular field of sending qualified campers to a nonprofit organization’s summer camp.

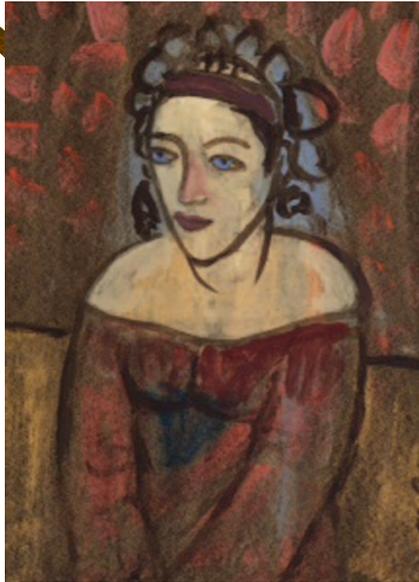
Meredith Griffin Revels Memorial Scholarship Fund — This fund provides scholarships to residents of Martin County enrolling in an accredited institution of higher education to pursue or complete a degree in nursing or a related medical field.

Ridgecroft School Tuition Endowment — This fund supports the Herford County Educational Foundation, Inc. (doing business as Ridgecroft School) in Herford County.

Quincy and Constance Scott Endowed Scholarship for Shaw University — This fund provides scholarships to students involved in the Campus Ministry of Shaw University.

Southern Bank Endowment for Elizabeth City State University — This fund supports ECSU Davis School of Business and Economics, to provide scholarships to qualifying students.

Larry and Diane Stone Scholarship Endowment — This fund provides scholarships to a graduating high school student from any Wilkes County



Franklin resident Jim McRae was a contemporary artist of national renown, and a memorial endowment in his name will support the arts in the Macon County area.

public high school wishing to attend one of the University of North Carolina institutions.

Thalian Association Operating Endowment — This endowment supports the Thalian Association of Wilmington, Inc.

United Church of Chapel Hill Building and Grounds Fund — This endowment supports United Church of Chapel Hill and maintaining and enhancing the church building and grounds.

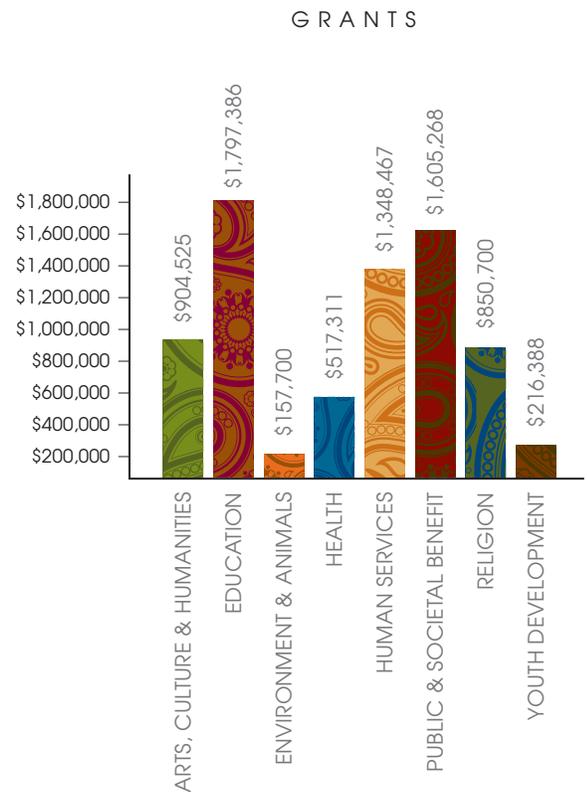
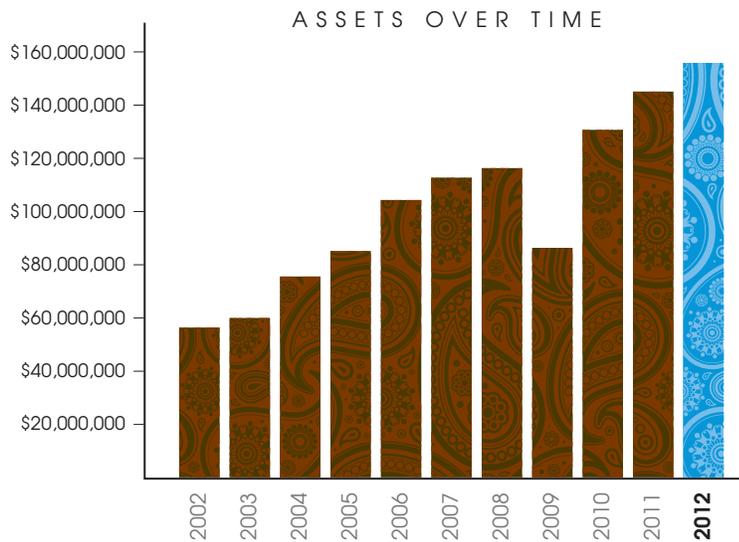
United Church of Chapel Hill Endowment — This endowment supports United Church of Chapel Hill.

Wilmington Civitan Education Fund — This fund supports the Wilmington Civitan Club Scholarship Fund.

Wilson Education Partnership Endowment Fund — This fund was established to support the mission of Wilson Education Partnership.

Women’s Impact Network of New Hanover County Gift Fund — This fund supports broad charitable purposes to benefit residents of New Hanover County.

GRANTS & ASSETS



FINANCIALS

Statements of Financial Position

March 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Cash	\$ 6,134,756	\$ 3,958,809
Short-term investments	490,000	490,000
Investments	137,725,295	135,645,922
Assets held for sale	-	143,000
Contributions receivable, net	7,044,356	1,457,245
Beneficial interests in split-interest agreements	4,517,008	3,048,109
Prepaid expenses and other assets	257,353	274,805
Property, equipment and leasehold improvements, net	226,366	256,687
Total assets	\$ 156,395,134	\$ 145,274,577
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 373,226	\$ 292,614
Obligations under split interest agreements	69,722	88,353
Agency funds payable	17,287,702	16,694,400
Total liabilities	17,730,650	17,075,367
Net assets:		
Unrestricted	119,784,625	116,288,972
Temporarily restricted	12,889,838	5,924,128
Permanently restricted	5,990,021	5,986,110
Total net assets	138,664,484	128,199,210
Total liabilities and net assets	\$ 156,395,134	\$ 145,274,577

Statements of Activities (summarized)

Years Ended March 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues, gains and other support:		
Contributions	\$ 16,530,840	\$ 9,148,095
Less amounts received on behalf of others	(597,813)	(361,777)
Net contributions	15,933,027	8,786,318
Interest and other investment income	3,276,026	3,126,139
Realized and unrealized gains	2,030,645	12,521,125
Adjust amounts from agency funds	(655,082)	(1,886,493)
Net investment income and gains	4,651,589	13,760,771
Other income	215,924	176,907
Total revenues, gains and other support	20,800,540	22,723,996
Expenses:		
Programs:		
Grants and scholarships	7,397,745	6,812,508
Less grants and scholarships made on behalf of others	(413,189)	(558,915)
Grants and scholarships expense	6,984,556	6,253,593
Grant making and fund holder support	2,438,098	2,417,019
Adjust amounts from agency funds	(246,404)	(227,534)
Grant making and fund holder support expense	2,191,694	2,189,485
Total program services	9,176,250	8,443,078
Fundraising and development	436,405	403,524
Administrative	722,611	682,933
Total expenses	10,335,266	9,529,535
Change in net assets	10,465,274	13,194,461
Net assets:		
Beginning	128,199,210	115,004,749
Ending	\$ 138,664,484	\$ 128,199,210

The audited financial statements are available for inspection at: North Carolina Community Foundation
4601 Six Forks Road, Suite 524, Raleigh, North Carolina 27609

Independent Auditors: Cherry Bekaert & Holland

NCCF BOARD AND STAFF

Board

Executive Committee

James W. Narron, *Chair, Smithfield*
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Dean E. Painter, Jr., *Treasurer, Raleigh*
Billy T. Woodard, *Secretary, Fuquay-Varina*
Robert L. Jones, *Assistant Secretary, Raleigh*
James Bell Black, III, *Chair, Development, Raleigh*
Rodney E. Martin, *Chair, Grants, Swansboro*
Linda J. Staunch, *Chair, Governance, New Bern*

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James Parrott, *Kinston*
W. Trent Ragland, III, *Raleigh*
Kenneth G. Reece, *Raleigh*
C. Ron Scheeler, *Raleigh*
Karen Stiwinter, *Franklin*
Elizabeth Hobgood Wellons, *Smithfield*

Directors Emeriti:

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Charles W. Gaddy*
Martha Guy, *Newland*
Lewis R. Holding*
The Honorable James E. Holshouser, Jr.,
Pinehurst
John R. Jordan, Jr., *Raleigh*
W. Trent Ragland, Jr., *Raleigh*
The Honorable Robert W. Scott*
Sherwood H. Smith, Jr., *Raleigh*

* Deceased

Give now to NCCF or any of our funds!

If you would like to make a gift to NCCF or one of our funds, please use the enclosed donor envelope or make a gift online at ncccommunityfoundation.org. You also may download a form and mail your check or credit card information or submit credit card information via fax at 919-828-5495.

While on our website, we invite you to review our list of funds if you are looking for the right recipient for your charitable objectives, a meaningful tribute, memorial or gift.

Staff

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Unless noted, all email addresses are first initial last name@ncccommunityfoundation.org

Executive

Jennifer Tolle Whiteside, *President and CEO*
jtwhiteside@ncccommunityfoundation.org
Cherry Ballard, *Assistant to the President*

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Mary Morgan, *Philanthropy Counsel*
Leslie Stewart, *Regional Development Officer (address below)*
Melinda Allen, *Gift and Development Specialist*

Finance

John Bergartt, *Chief Financial Officer*
John Hartley, *Director of Finance*
Sandi Matthews, *Controller*
Lisa Meeks, *Financial Specialist*

Marketing, Communications and IT

Noël McLaughlin, *Director of Marketing and Communications*
Patrick Callahan, *Manager of Information Services*
Lori Johnson, *Communications Assistant and Office Manager*

Community Leadership Team

Sally Migliore, *Director of Community Leadership*
Leslie Ann Jackson, *Program Associate for Scholarships and Grantmaking*
lajackson@ncccommunityfoundation.org

Affiliates

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Raleigh

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Mary Anne Howard, *Regional Associate*
Raleigh

Southeastern Office (Brunswick, Columbus, Duplin, New Hanover, Onslow, Pender, Robeson and Sampson)
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Fax: 910-256-0630

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Coastal Plain South Office (Carteret, Craven, Greene, Jones, Lenoir, Pamlico and Pitt)
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Phone: 252-670-5929

Northeastern Office (Beaufort-Hyde, Bertie-Hertford, Chowan, Currituck-Dare, Martin and Northern Albemarle, which includes Camden, Gates, Pasquotank and Perquimans)
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Visit ncccommunityfoundation.org and click on **Affiliates** to use an online statewide map to locate affiliate foundations in 67 locations across North Carolina.

WWW.NCCCOMMUNITYFOUNDATION.ORG