

NORTH CAROLINA
COMMUNITY FOUNDATION



SERVING OUR STATE FOR

25 Years

L E T T E R

Lewis R. Holding



THE NORTH CAROLINA COMMUNITY FOUNDATION was created 25 years ago when founder Lewis R. Holding assembled several of our state's leading philanthropists and inspired them to help establish a pool of endowments designed, as he said, "to provide for the safety and growth of our state's nonprofit institutions ... in perpetuity."

The NCCF was born in 1988 and soon expanded the traditional concept of a community foundation defined by narrow geographic boundaries to an organization that now serves most of North Carolina through a unique network of local affiliates. The affiliate structure has proven effective because it, by definition, is based on local leadership, community involvement and, where appropriate, a focus on rural areas.

NCCF affiliate foundations grew from four in 1991 to 60 serving 67 counties in 2013. Our network is stronger than ever, bolstered by a structure that is open, flexible and supportive. Our statewide board members, local affiliate leaders and fundholders have learned a lot from each other along the journey. Together we have demonstrated the significant value of building local endowments to serve local needs.

Founding NCCF Executive Director Elizabeth Fentress has often said that the existence of a local community endowment helps to define an excellent community. It's about taking care of your own through the power of local philanthropy. Our affiliates certainly embrace this concept through their own community grantmaking funds designed to help support local needs. Affiliate leaders also are actively involved in working with local residents to create their own endowments. Our partnership with affiliates has helped to build NCCF's assets from zero in 1988 to \$100 million just 20 years later to more than \$171 million today, placing us among the 80 largest community foundations in the United States. As of fiscal year-end 3/31/13, NCCF is proud to hold 1,200 funds for causes that help donors achieve their charitable passions and support nonprofit programs critical to quality of life issues in their local communities.

In anticipation of the quarter-century mark, we challenged ourselves to examine our past with an eye toward the future to determine what is working and how we can improve. The FUTURES Committee was established with representation from the board, affiliates, fundholders and outside philanthropy experts. The committee's recommendations didn't surprise but did corroborate our direction. All agreed that NCCF's expan-

sive affiliate network was and remains one of the Foundation's key strengths and should continue as the cornerstone of our mission to ensure that philanthropy is local and accessible to all, especially in North Carolina's rural areas.

The FUTURES Committee identified several ways to extend our concept of local philanthropy while continuing our commitment to a successful affiliate structure. Initiatives underway include:

- Planning for growth to ensure the sustainability of our extensive affiliate network;
- Aligning our affiliate network with our overall organizational goals and strategies;
- Assessing the effectiveness and financial health of all affiliates;
- Deepening our focus on technology to help meet donor and grantmaking needs;
- Continuing our commitment to building NCCF's operating endowment, central to Mr. Holding's vision of maintaining an extensive affiliate model;
- Encouraging participation in philanthropy by expanding services and philanthropic tools;
- Continuing our focus on increasing inclusiveness.

An Affiliate Impact Committee has been meeting this year and just concluded "listening tours" with advisory board

NCCF President and CEO
Jennifer Tolle Whiteside and
Statewide Board Chairman
Stuart Dorsett



On the front is a montage of annual report covers that tells the story of NCCF's first quarter of a century. We invite you to keep reading to learn more about where we are now – and where we are going!



NCCF affiliate partners hold scores of events throughout the year to raise visibility and resources. The Tar River Food and Wine Festival is a signature event for the Futrell-Mauldin Community Foundation of Greater Rocky Mount and raises significant sums for its local grantmaking fund. At last April's gathering, affiliate President Sam Johnson toasted Bob Mauldin, event founder, former statewide board member and past affiliate president, who died this spring.

members to discuss how we can ensure the future success of our statewide affiliate model.

We're proud that listening and learning remain hallmarks of our work. We revived statewide gatherings with affiliate foundations, holding an NCCF Affiliate Forum last fall. Conversations among statewide and affiliate board members, panel discussions and the sharing of ideas that occurred at our day-long gathering were extremely valuable and informed our work this year. The event was such a success that we're holding another NCCF Affiliate Forum in conjunction with our 25th anniversary in late October.

We were also gratified to hear many heartwarming stories at last year's Forum of our affiliates' local grantmaking efforts. We consider these grantmaking funds central to our affiliate work and are committed to growing these endowments. This summer's Chairman's Challenge was a fundraising campaign designed to boost affiliates' unrestricted endowments and featured a special match from a generous, anonymous donor as well as contributions from across the state. The result was a healthy boost to future grantmaking among participating affiliates.

While community leadership has long been a signature of our affiliates' work, we continue to become more deliberate about civic engagement, bringing people together in many of our communities for meaningful conversations. One example: two years ago the Hoke County Community Foundation began a conversation about the chart-topping existence of diabetes among local citizens. Talk is turning into action as the medical community collaborates with the Hoke affiliate and other groups on concrete action steps to reduce the existence of this disease. (Visit our website to read more about our affiliates' work.)

Another important realization emerged as a result of the FUTURES Committee's examination: we can no longer think in terms of a five-year plan. Change is constant in our world; we must remain nimble. Our approach to goal-setting is ongoing, and our work never ends.

We don't need a long-term plan to know that we want to continue to build on our reputation as trusted charitable advisors, helping our donors achieve their own giving goals in all the communities we serve. Donor engagement is not a project

but the bedrock of all that we do! We were honored to add 55 new funds this past fiscal year. (See the list of new funds on page 6, with many profiled on our website.)

It was another solid year of grantmaking, with \$5.8 million going back into our communities at the direction of our fundholders and affiliates. (See a graph of our major grant categories on page 7.)

Scholarships comprise one category of grants that we find particularly gratifying to administer for our fundholders. NCCF awarded \$579,286 in direct scholarships to students last fiscal year, many of whom are the first generation in their families to attend college. This realization is driving a new outreach program that engages and encourages our scholarship recipients, with a particular focus on "first generation" students.

We are proud to work with Duke Energy to help administer grants for two important programs they offer: one to North Carolina's community colleges to develop programs for workforce development; and one to social service agencies for heat assistance to low-income residents. This allows us a new way to extend our grants administration expertise, and we will continue to explore opportunities in this area.

We mentioned that we have been privileged to learn from you over this past quarter century. The lessons are too many to recount, yet one stands above all: your generosity. Each and every day that we work on behalf of the North Carolina Community Foundation, we are awestruck by what you give to support your local communities, fund your charitable interests and strengthen this great state. It is both amazing and humbling, and we thank you.

Sincerely,

Jennifer Tolle Whiteside, CEO and President

Stuart Dorsett, Chairman of the Board

NCCF is proud to partner with eight local women's giving groups throughout the state and the statewide Women's Fund. These giving circles provide valuable resources to their local communities. This year the Women's Impact Network of New Hanover County awarded \$25,000 to DREAMS of Wilmington to support children's programs for the arts.



QUARTER CENTURY OF MEANINGFUL METRICS

Total amount of grants awarded over last 25 years: \$74 million

Fundholders and affiliates have made significant contributions to North Carolina's communities. Sharon Poarch, executive director of Shelter Home of Caldwell County (left), and Nancy Martin are excited about this year's grant from the Unifour Foundation Endowment, held with the Catawba Valley Community Foundation.

Students served through direct scholarships over last 25 years: 3,187



Our 100,000th gift is a milestone! Many contributions support endowments that keep on giving, like a fund to honor artist Jim McRae held with the Macon County Community Foundation. This year the endowment commissioned pottery by Cherokee artist Joel Queen.

Number of gifts: more than 100,000

Lenoir County Community Foundation board members Greg Hannibal, secretary/treasurer, and Caroline Roberts, president, enter grant recommendations online. NCCF affiliate board members log many volunteer hours in their roles as community leaders.

Volunteer hours from affiliate board members: more than 250,000 hours

**Largest gift from an individual:
\$6.5 million**

A fundholder from western North Carolina established a fund to support children and enjoyed grantmaking while he was living. He left a sizable estate to NCCF to help achieve his giving goals and keep his cause alive.

Number of donors: 34,961

Wayland Jenkins Jr. is an important philanthropist, donor and director emeritus of the Bertie-Hertford Community Foundation who was instrumental in getting that affiliate started. He was introduced to NCCF by Elizabeth Fentress, our founding executive director.

Agency funds: 272 with total assets of \$18,810,607

NCCF is proud to partner with non-profits throughout the state to help establish and build endowments that support programming for our local communities. The Raleigh Little Theatre helps improve the quality of life for all citizens in Wake County.



**Miles traveled by staff:
more than two million miles – equivalent to four round trips to the moon and 80 trips around the earth**

Chris Safriet is one of thousands of North Carolina students served through scholarships proudly administered by NCCF. Chris received the Richard Ellis Scholarship and attends Stanly Community College.

Scholarship dollars awarded directly to students over last 25 years: \$4,181,299

NCCF's assets have grown steadily over the last 25 years, due in part to our long-term investment philosophy. Assets approached \$20 million in 1997, doubled in two years to \$40 million and exceeded the \$100 million milestone in 2006. At fiscal year-end 3/31/13, NCCF's assets were more than \$171 million.

Assets over time: \$171,218,139



The William A. and Julia Hunt & Douglas P. and Alice H. Lindsey Fund for Historic Jarvisburg Colored School will help further renovation efforts for this historic structure in Currituck County .

NEW FUNDS

(April 1, 2012 through March 31, 2013)

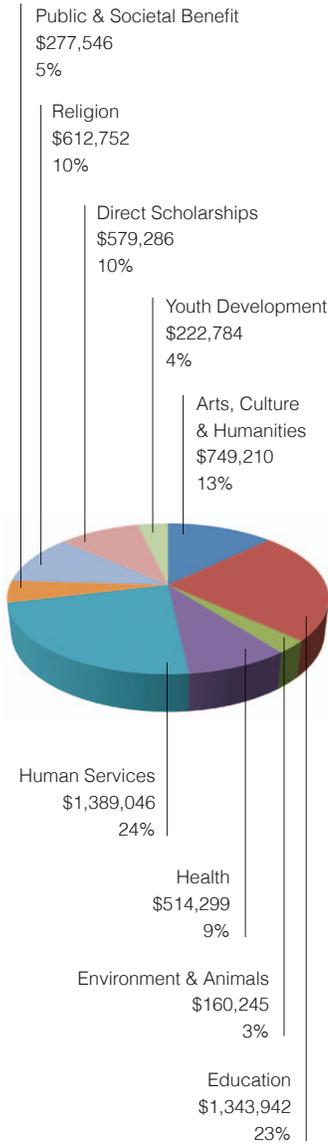
Chip and Judy Anderson Charitable Fund
 The Aunt Mae Fund
 Raz Autry Memorial Scholarship Endowment
 Joseph Bergin and Elsa Flower Davies Fund to Promote Training in the Field of Nursing
 Joseph Bergin and Elsa Flower Davies Nursing Training Scholarship
 Beth-El Congregation of Wilson Endowment
 David Bosomworth Performing Arts Fund
 Flora Ann Bynum Fund for the Southern Garden History Society
 Cary Society of 2112
 Cary Women's Giving Network Gift Fund
 CASL Scholarship Fund in Memory of Lane Meyer
 Roy Clifton Fund for Cape Fear Clinic, Inc.
 Currituck Extension Foundation
 Currituck Kids Endowment Fund
 Currituck Tennis Youth Opportunity Fund
 Faith Can Move Mountains: The Faith Amber Brown Memorial Foundation
 Finn Family Fund
 Meg and Andy Finn Fund
 First Rung Endowment
 Friend to Friend
 William B. and Sophie R. Gadzuk Endowment
 Haywood County Cattlemen's Association Endowment
 Highlands Country Club Scholarship Fund
 Jack and Barbara Holt Memorial Youth Opportunity Fund
 Mary Ferebee Howard Nursing Scholarship
 Ruth Bromer and Joseph Huberman Charitable Fund
 Hunger Free NC Gift Fund
 William A. and Julia Hunt & Douglas P. and Alice H. Lindsey Fund for Historic Jarvisburg Colored School (HJCS)
 Robbie Laughton Recreation Endowment for Chowan County

Frankie Lemmon Foundation
 Livingston and Cohildia Lyons Scholarship Endowment
 Macon County Historical Society Operating Endowment
 Martin County Public Schools Student Exchange Endowment
 The Michael and Phyllis May Endowment
 The Michael and Phyllis May Foundation
 Mighty Sixth District of Omega Psi Phi Scholarship
 Mitsch Family Foundation
 Nelson Family Memorial Endowment Fund
 M.J. and Mildred Oliver Endowment Fund for Johnston Community College
 Fred M. Parrish, Jr. Scholarship Endowment
 Hubie Poteat Memorial Scholarship
 Francis Abbott Burton Powers Endowment
 Red Oak High School Alumni Scholarship Fund
 Michael E. Rosser Scholarship Fund for Sanford Church of God (SCOG)
 Rotary Club of Pollocksville Scholarship
 Quincy and Constance Scott Endowed Scholarship for Shaw University
 Larry and Diane Stone Scholarship
 John M. Tayloe Fund
 Wake Enterprises Endowment
 Where Needed Endowment
 Catherine Campbell & Daniel White Memorial Scholarship Fund
 Wilmington Civitan Education Fund
 Wilson Education Partnership Endowment Fund
 Women's Giving Network of Wake County Endowment
 Cecil Worsley III Family Endowment

For a full listing of our funds visit nccommunityfoundation.org, where many are also profiled.

The Joseph Bergin and Elsa Flower Davies Fund to Promote Training in the Field of Nursing was established for the Davis Community, a nonprofit long-term care campus in Wilmington that also serves as a teaching facility. Charles Earney, trustee of the Davies Trust, presented the check to Charles Long, Davis Community CEO, and Dr. Ben Barker, board president. Also accepting the gift were incoming board president, Dr. William McMillan, Cindy Edgell, director of nursing, and Demaree Temple, nurse educator.





Statements of Financial Position

March 31, 2013 and 2012

	2013	2012
Assets		
Cash	\$ 4,158,539	\$ 6,134,756
Short-term investments	1,747,500	490,000
Investments	156,270,645	137,725,295
Contributions receivable, net	4,285,594	7,044,356
Beneficial interests in split-interest agreements	4,206,868	4,517,008
Prepaid expenses and other assets	343,241	257,353
Property, equipment and leasehold improvements, net	205,752	226,366
Total assets	\$ 171,218,139	\$ 156,395,134
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 391,848	\$ 373,226
Obligations under split interest agreements	67,469	69,722
Agency funds payable	18,810,607	17,287,702
Total liabilities	19,269,924	17,730,650
Net assets:		
Unrestricted	135,870,397	119,784,625
Temporarily restricted	10,058,857	12,889,838
Permanently restricted	6,018,961	5,990,021
Total net assets	151,948,215	138,664,484
Total liabilities and net assets	\$ 171,218,139	\$ 156,395,134

Statements of Activities (summarized)

Years Ended March 31, 2013 and 2012

	2013	2012
Revenues, gains and other support:		
Contributions	\$ 10,100,077	\$ 16,530,840
Less amounts received on behalf of others	(625,265)	(597,813)
Net contributions	9,474,812	15,933,027
Interest and other investment income	3,639,885	3,276,026
Realized and unrealized gains	10,506,292	2,030,645
Adjust amounts from agency funds	(1,571,841)	(655,082)
Net investment income and gains	12,574,336	4,651,589
Other income	228,991	215,924
Total revenues, gains and other support	22,278,139	20,800,540
Expenses:		
Programs:		
Grants and scholarships	5,849,110	7,397,745
Less grants and scholarships made on behalf of others	(411,689)	(413,189)
Grants and scholarships expense	5,437,421	6,984,556
Grant making and fundholder support	2,625,842	2,438,098
Adjust amounts from agency funds	(262,512)	(246,404)
Grant making and fundholder support expense	2,363,330	2,191,694
Total program services	7,800,751	9,176,250
Fundraising and development	477,857	436,405
Administrative	715,800	722,611
Total expenses	8,994,408	10,335,266
Change in net assets	13,283,731	10,465,274
Net assets:		
Beginning	138,664,484	128,199,210
Ending	\$ 151,948,215	\$ 138,664,484

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 LLP

Board of directors

Executive committee

Stuart B. Dorsett, *Chair, Raleigh*
 Linda J. Staunch, *Vice Chair, New Bern*
 W. Trent Ragland, III, *Treasurer, Raleigh*
 Dean E. Painter, Jr., *Secretary, Raleigh*
 Robert L. Jones, *Assistant Secretary, Raleigh*
 James Bell Black, III, *Chair, Governance, Raleigh*
 Rodney E. Martin, *Chair, Grants, Swansboro*
 Kenneth G. Reece, *Chair, Resource Development, Raleigh*
 James W. Narron, *Immediate Past Chair, Smithfield*

At large board members

Robert E. Barnhill, Jr., *Tarboro*
 Laura M. Beasley, *Colerain*
 John Cameron, *Eden*
 J. Keith Crisco, *Asheboro*
 Brian C. Crutchfield, *Boone*
 Sarah Belk Gambrell, *Charlotte*
 Frank B. Gibson, Jr., *Wilmington*
 Clyde P. Harris, Jr., *Wilson*
 H. Kel Landis, III, *Raleigh*
 James M. Parrott, Jr., *Kinston*
 C. Ron Scheeler, *Raleigh*
 Karen Stiwinter, *Franklin*
 Elizabeth Hobgood Wellons, *Smithfield*
 Billy T. Woodard, *Fuquay-Varina*

Directors emeriti:

Annabelle L. Fetterman, *Clinton*
 Henry E. Frye, *Greensboro*
 Charles W. Gaddy*
 Martha Guy, *Newland*
 Lewis R. Holding*
 The Honorable James E. Holshouser, Jr.*
 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 contribution to NCCF or one of our funds, please use the enclosed donor envelope or make a gift online at nccommunityfoundation.org. Additional options for submitting a gift also are outlined online.

We invite you to review our online list of funds to find the right recipient for your charitable objectives, a meaningful tribute, memorial, anniversary or birthday gift.

A list of all of our donors for the fiscal year ending 3/31/13 is also available on our website.

Staff

Headquarters & Raleigh-based associates
 4601 Six Forks Road, Suite 524
 Raleigh, NC 27609
 Phone: 919-828-4387; Fax: 919-828-5495
Unless noted, all email addresses are first initial last name@nccommunityfoundation.org

Executive

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

Development

Beth Boney Jenkins, *Vice President*
 Mary Morgan, *Philanthropy Counsel*
 Melinda Allen, *Gift and Development Specialist*

Finance

John Berngartt, *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*
 D'Wayne Wilkins, *Manager of Information Services*
 Lori Johnson, *Communications Assistant and Office Manager*

Community Leadership Team

Sally Migliore, *Director of Community Leadership*
 Leslie Ann Jackson, *Director of Grants and Scholarships*
ljackson@nccommunityfoundation.org
 Brittane Rea, *Grants and Scholarship Specialist*

Affiliates

Western Office (*Cherokee, Clay, Eastern Band of Cherokee, Graham, Haywood, Jackson, Macon, Madison and Swain*)
 Sue LeLievre, *Regional Associate*
 PO Box 1396
 Franklin, NC 28734
 Phone: 800-201-9532

Northwestern Office (*Alleghany, Ashe, Avery, Catawba Valley, which includes Alexander, Caldwell and Catawba counties; Mount Airy, Watauga, Wilkes and Yadkin*)
 John Francis, *Regional Associate*
 74 13th Avenue NE
 Hickory, NC 28601
 Mail: PO Box 2851, Hickory, NC 28603
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Northern Piedmont Office (*Cary, Franklin, Granville, Johnston, Person, Vance and Wake*)

Katie Crumpler, *Regional Associate*
 Raleigh

Sandhills Office (*Harnett, Hoke, Lee, Montgomery, Moore, Randolph and Rockingham*)
 Mary Anne Howard, *Regional Associate*
 Raleigh

Southeastern Office (*Brunswick, Columbus, Duplin, New Hanover, Onslow, Pender, Robeson and Sampson*)

Patricia Lawler, *Regional Associate*
 1213 Culbreth Drive
 Wilmington, NC 28405
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 Phone: 910-509-7256

Coastal Plain North Office (*Edgecombe, Halifax, Nash, Northampton, Rocky Mount, Warren, Wayne and Wilson*)
 Kelly Lee, *Regional Associate*
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 Rocky Mount, NC 27804
 Phone: 252-245-1794

Coastal Plain South Office (*Carteret, Craven, Greene, Jones, Lenoir, Pamlico and Pitt*)
 Kim Ball, *Regional Associate*
 PO Box 3411
 New Bern, NC 28564-3411
 Phone: 252-288-5706

Northeastern Office (*Beaufort-Hyde, Bertie-Hertford, Chowan, Currituck-Dare, Martin and Northern Albemarle, which includes Camden, Gates, Pasquotank and Perquimans*)
 Peggy Birkemeier, *Senior Regional Associate, retired in September after 14 years of service!*
 Sally Migliore, *Interim contact*
 Phone: 919-828-4387
 Mail: Harbinger Center, Suite 4, Point Harbor, NC 27964

Visit nccommunityfoundation.org and click on Affiliates to use an online map to locate affiliate foundations in 67 locations across North Carolina. Also online are Affiliate Profiles as of 3/31/13.

WWW.NCCOMMUNITYFOUNDATION.ORG

