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 expansive 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.

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!
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.
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
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

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

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.

Number of donors: 34,961

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.

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.

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
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
CASSL 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.
## Statements of Financial Position
March 31, 2013 and 2012

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 4,158,539</td>
<td>$ 6,134,756</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>1,747,500</td>
<td>490,000</td>
</tr>
<tr>
<td>Investments</td>
<td>156,270,645</td>
<td>137,725,295</td>
</tr>
<tr>
<td>Contributions receivable, net</td>
<td>4,285,594</td>
<td>7,044,356</td>
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<tr>
<td>Beneficial interests in split-interest agreements</td>
<td>4,206,888</td>
<td>4,517,008</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>343,241</td>
<td>257,353</td>
</tr>
<tr>
<td>Property, equipment and leasehold improvements, net</td>
<td>205,752</td>
<td>226,366</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 171,218,139</strong></td>
<td><strong>$ 156,395,134</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 391,848</td>
<td>$ 373,226</td>
</tr>
<tr>
<td>Obligations under split interest agreements</td>
<td>67,469</td>
<td>69,722</td>
</tr>
<tr>
<td>Agency funds payable</td>
<td>18,810,607</td>
<td>17,287,702</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>19,269,924</strong></td>
<td><strong>17,730,650</strong></td>
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<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>135,870,397</td>
<td>119,784,625</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>10,058,857</td>
<td>12,889,838</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>6,018,961</td>
<td>5,990,021</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>151,948,215</strong></td>
<td><strong>138,664,484</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$ 171,218,139</strong></td>
<td><strong>$ 156,395,134</strong></td>
</tr>
</tbody>
</table>

## Statements of Activities (summarized)
Years Ended March 31, 2013 and 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues, gains and other support:</td>
<td>$ 10,100,077</td>
<td>$ 16,530,840</td>
</tr>
<tr>
<td>Contributions</td>
<td>(625,265)</td>
<td>(597,813)</td>
</tr>
<tr>
<td><strong>Net contributions</strong></td>
<td><strong>9,474,812</strong></td>
<td><strong>15,933,027</strong></td>
</tr>
<tr>
<td>Interest and other investment income</td>
<td>3,639,885</td>
<td>3,276,026</td>
</tr>
<tr>
<td>Realized and unrealized gains</td>
<td>10,506,292</td>
<td>2,030,645</td>
</tr>
<tr>
<td>Adjust amounts from agency funds</td>
<td>(1,571,841)</td>
<td>(655,082)</td>
</tr>
<tr>
<td><strong>Net investment income and gains</strong></td>
<td><strong>12,574,336</strong></td>
<td><strong>4,651,589</strong></td>
</tr>
<tr>
<td>Other income</td>
<td>228,991</td>
<td>215,924</td>
</tr>
<tr>
<td><strong>Total revenues, gains and other support</strong></td>
<td><strong>22,278,139</strong></td>
<td><strong>20,800,540</strong></td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and scholarships</td>
<td>5,849,110</td>
<td>7,397,745</td>
</tr>
<tr>
<td>Less grants and scholarships made on behalf of others</td>
<td>(411,689)</td>
<td>(413,189)</td>
</tr>
<tr>
<td><strong>Grants and scholarships expense</strong></td>
<td><strong>5,437,421</strong></td>
<td><strong>6,984,556</strong></td>
</tr>
<tr>
<td>Grant making and fundholder support</td>
<td>2,625,842</td>
<td>2,438,098</td>
</tr>
<tr>
<td>Adjust amounts from agency funds</td>
<td>(282,512)</td>
<td>(246,404)</td>
</tr>
<tr>
<td><strong>Grant making and fundholder support expense</strong></td>
<td><strong>2,363,330</strong></td>
<td><strong>2,191,694</strong></td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td><strong>7,800,751</strong></td>
<td><strong>9,176,250</strong></td>
</tr>
<tr>
<td>Fundraising and development</td>
<td>477,857</td>
<td>436,405</td>
</tr>
<tr>
<td>Administrative</td>
<td>715,800</td>
<td>722,611</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>8,994,408</strong></td>
<td><strong>10,335,266</strong></td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td><strong>13,283,731</strong></td>
<td><strong>10,465,274</strong></td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning</td>
<td>138,664,484</td>
<td>128,199,210</td>
</tr>
<tr>
<td>Ending</td>
<td><strong>$ 151,948,215</strong></td>
<td><strong>$ 138,664,484</strong></td>
</tr>
</tbody>
</table>

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. Staunich, 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

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John Cameron, Eden
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Clyde P. Harris, Jr., Wilson
H. Kel Landis, III, Raleigh
James M. Parrott, Jr., Kinston
C. Ron Scheeler, Raleigh
Karen Stiwinter, Smithfield
Billy T. Woodard, Smithfield

Directors emeriti:
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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
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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

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John Hartley, Director of Finance
Sandi Matthews, Controller
Lisa Meeks, Financial Specialist

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D’Wayne Wilkins, Manager of Information Services
Lori Johnson, Communications Assistant and Office Manager

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Leslie Ann Jackson, Director of Grants and Scholarships
lajackson@nccommunityfoundation.org
Brittany Rea, Grants and Scholarship Specialist

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Phone: 800-201-9532

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Mary Anne Howard, Regional Associate
Raleigh

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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