2014 ANNUAL REPORT
BLUEPRINT FOR SUCCESS
Partnering to Grow Assets for Your Local Community

NORTH CAROLINA COMMUNITY FOUNDATION
Donor focus
We are keenly aware that donor satisfaction is critical to the success of any community foundation. We continually strive to serve our donors and provide what they value most, so we were gratified to learn that a recent national survey by the Center for Effective Philanthropy (CEP) affirmed our focus. The CEP study found that donors highly value responsiveness on two levels: one is specific to customer service; and the other more broadly relates to their perception of our response to community needs and ability to make an impact.

NCCF staff members are driven to provide service excellence, reflective of a strong internal culture that guides our work. We continually seek to strengthen connections with fundholders and proactively ascertain needs. Your feedback helps to sharpen our focus.

Blueprint for success
Leveraging our impact, both locally in all of our communities and collectively on a statewide level, is the impetus behind the creation of NCCF’s Affiliate Impact Committee, which began in 2013 and continues today.

You’ve heard us describe our affiliate network of 60 foundations serving 67 counties as a key differentiator that is both our greatest strength and also our biggest challenge. Our affiliates are central to NCCF’s mission to ensure widespread access to philanthropy, particularly in the rural areas of our state. We need to ensure that we maintain a viable model that reflects the needs of an ever-changing economic and donor climate – and allows us to keep our promise to constituents.

The Affiliate Impact Committee’s progress in 2014 builds on last year’s groundwork, which included statewide listening tours, affiliate surveys and presentations at local board meetings and regional forums. Affiliate boards are currently assessing their work in five areas important for success:

- Developing strong boards that reflect the communities we serve;
- Inspiring and promoting local philanthropy;
- Growing affiliate assets and a local “family of funds;”
- Leveraging grants for maximum impact;
- And positioning affiliate leadership as catalysts for meeting community needs.

Boards will identify their focus areas based on their unique strengths and needs, creating their own “blueprint” for success with annual goals as the outcome. Each affiliate will begin implementing tailored plans in 2015, with work ongoing.

Leadership
NCCF’s statewide leadership also experienced passages and progress this past year.

We were saddened by the May death of Board Member Keith Crisco, “one of North Carolina’s giants,” as described by the News & Observer. We will honor his legacy through our continued focus on first-generation college students, an important niche for NCCF that he enthusiastically supported.

C. Ronald Scheeler retired this year from the statewide board after nearly two decades of leadership that included serving as NCCF chairman. A beloved friend and steadfast advocate for the Foundation, we thank him for his many years of tireless service and dedication.

And we also want to acknowledge our board’s Finance Committee, which put in yeoman’s work this year as we identified a new portfolio manager for NCCF. Fund Evaluation Group (FEG) of Cincinnati is our new investment consulting firm, and we are confident that both their scale and deep foundation experience will combine to provide an effective resource for NCCF.

Making an impact
We are proud that NCCF’s generous fundholders directed us to make a record $15 million in grants and
scholarships last fiscal year. This brings our cumulative total to $89 million since we began grantmaking 26 years ago.

These grants are making a difference across our state. A Wilson County Community Foundation grant helped to fund character education for every single kindergartner starting public school. Another grant from the Watauga County Community Foundation enables a local nonprofit to serve fresh, local food within a unique café model that welcomes all. Pearl’s Pantry Fund, held with the Carteret Community Foundation, supports critical human needs, including a program that feeds the hungry and purchases medicines for the uninsured. And a Unifour Foundation grant builds nonprofit capacity through a program offered via Catawba Valley Community College. We invite you to read these and other stories of impact on our website.

Scholarship administration continues to be an important niche at NCCF. We administered nearly $600,000 in direct scholarships to more than 300 individuals last year, and about one-third went to first-generation college students like Holly Perry, recipient of the Robert E. Barnhill Sr. Scholarship, currently attending East Carolina. Read more about Holly in the Scholar Spotlight section of our website.

Our women’s giving programs are also making a difference. Last year our nine women’s giving circles and the Statewide Women’s Giving Fund granted an impressive $180,700 in communities big and small, nearly all focusing on programs important to women, families and/or children.

As reported last year, a new campaign called the Chairman’s Challenge gave a notable boost to affiliate grantmaking across the state. The fundraiser was such a success that we’ll launch a second in November. You’ll be hearing details soon about how you can support your local or favorite affiliates. We have the same generous, anonymous donor to thank again for kicking off the challenge match that underpins the campaign’s success. These community grantmaking funds provide important local resources throughout North Carolina.

We are so pleased that Duke Energy has again tapped NCCF to serve as the administrator for the company’s generous Community College Grant Program to fund workforce training initiatives. This program is critical to our state’s economic development efforts and supports one of the best community college systems in the country. NCCF also helped to distribute Duke Energy grants to municipalities to provide energy assistance to low-income residents last winter. Corporate grants administration is an area of expertise that we are excited to provide.

NCCF’s assets continue to grow, reaching $191 million at fiscal year-end March 31, 2014. Investments and interest growth added more than $21 million to this total, and contributions last year reached nearly $18 million. NCCF welcomed 43 new endowments to our “family of funds” in fiscal year 2014, all listed on page six. Each has a unique back story, woven together by the common thread of generosity. Many new fundholders are profiled on our website. You’ll want to read about Brady Jefcoat, who left a legacy to support his lifetime passion of collecting. The generosity of Joseph and Elsa Flower Davies keeps on giving through scholarships that will change individuals -- and generations to come.

We are proud to work with the staff of professionals at NCCF. Their dedication to our state and to philanthropy inspires us every day. We also want to acknowledge the vision and passion of our statewide board of directors. This is the group that had the wisdom to commission the Affiliate Impact Committee, asking us to examine our direction to ensure a “blueprint” for our future.

It remains our distinct honor and privilege to steward philanthropy on behalf of our fundholders across this great state. We are inspired every day by your generosity, and we thank you.

Sincerely,

Jennifer Tolle Whiteside, CEO and President
Stuart B. Dorsett, Chairman of the Board

We are pleased to help administer Duke Energy’s Community College Grants program. A 2014 check presentation to Vance-Granville Community College included (L-R) President Stelfanie Williams, Endowment Fund Director Eddie Ferguson and Tanya Evans with Duke Energy and a member of our Vance County Community Foundation board.

Renee Boughman, (L) executive chef of the F.A.R.M. Café in Boone, with Watauga County Community Foundation President Dr. Bettie Bond (who won the 2014 Lewis R. Holding Philanthropic Leadership Award) in front of the commercial refrigerator purchased with the WCCF grant. The Café is featured on our website.
PARTNERING TO GROW ASSETS
North Carolina Community Foundation

INVESTING & INTEREST GROWTH
$21 MM

$18 MM DONORS’ GIFTS

TYPES OF FUNDS

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency</td>
<td>272 - 28%</td>
<td></td>
</tr>
<tr>
<td>Designated</td>
<td>268 - 24%</td>
<td></td>
</tr>
<tr>
<td>Donor Advised</td>
<td>246 - 21%</td>
<td></td>
</tr>
<tr>
<td>Scholarship</td>
<td>184 - 16%</td>
<td></td>
</tr>
<tr>
<td>Field of Interest</td>
<td>112 - 10%</td>
<td></td>
</tr>
<tr>
<td>Affiliate Unrestricted</td>
<td>57 - 5%</td>
<td></td>
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</tbody>
</table>
FOR YOUR LOCAL COMMUNITY
Investing & interest growth partnering to grow assets for your local community in North Carolina Community Foundation for fiscal year-end March 31, 2014

Community Impact:
- Human Services: $7,057,194 (~47%)
- Education: $3,925,720 (~26%)
- Arts, Culture & Humanities: $1,025,112 (~7%)
- Health: $849,736 (~6%)
- Religion: $753,987 (~5%)
- Direct Scholarships: $599,090 (~4%)
- Youth Development: $318,530 (~2%)
- Public & Societal Benefit: $297,394 (~2%)
- Environment & Animals: $244,389 (~2%)

Total: $15 MM

Grants by Program Area:
AGAPE Fund
Apple Foundation Endowment for Rockingham County
Jonathon Scott Bennett Scholarship Endowment
Meme Mckensie Brown “Fight Like A Girl” Fund
Carobell Endowment Fund
Carolina Philharmonic Music Education Endowment Fund
Ed and Dorothy Carter Foundation
The Children’s Playhouse Endowment
Thomas W. and Cynthia W. Cochran Endowment
Joseph and Elsa Flower Davies Fund to Promote School Teacher Training
Joseph and Elsa Flower Davies Teacher Training Scholarship
Duke Energy Community College Grant Program
Duke Energy Low Income Grant Program
Fields Family Endowment
Heritage Bible College - Jean A. Koch Memorial Scholarship Endowment
Heritage Bible College - Thomas and Rachel McLaurin Endowment
Brady C. Jefcoat Fund
The Jonas Foundation Fund
The Bob “Rowbear” Kemper Fund
Liberatore Family Fund
Robert R. Mauldin Scholarship Fund for Rocky Mount Preparatory School
McCracken Family Scholarship
MLJ Painter Fund
Moore Family Scholarship
Moore Women - A Giving Circle Gift Fund
Moore Women - Giving Circle Endowment
Edna Freeman Murray and Ralph Murray Charitable Fund
Myrtle Grove Volunteer Fire Department Memorial Scholarship
Northeast NC Coastal Research and Environmental Education Fund
Floyd C. and Edwina P. Odom Community Fund
Don and Carol Pardue Scholarship
Progressive North Carolina Endowment
Progressive North Carolina Gift Fund
Raeford Presbyterian Church Scholarship Endowment - Bill and Mary Southern Scholarship
Michael and Grace Powers Ragan Dairy Queen Nursing Scholarship Endowment
The RCCHC Charles and Lois Sawyer Wellness Fund
J. Guy Revelle Jr. Endowment
Betty Sauls Donor-Advised Endowment
Wayne Henry Schriever Charitable Fund
Peggy Haywood Smith Memorial Endowment for First Baptist Church of Mount Gilead
Taylor Family Endowment
Volunteers of Maria Parham Medical Center Health Awareness Endowment
WPP Endowment

The late Brady Jefcoat was a collector extraordinary, and a new endowment in his name will help support a museum that houses his treasures. Visit our website to read about him and the Brady C. Jefcoat Museum of Americana in Murfreesboro. (photo courtesy of the News & Observer)

Owen White enjoys one of the many activities at The Children’s Playhouse in Boone. A new endowment will help support this creative place that invites families to learn and grow. Visit go-playhouse.org to learn more.

Ned Barclay, a board member and past president of the New Hanover County Community Foundation, presents Mayra Robles with the Joseph and Elsa Flower Davies Teacher Training Scholarship. Read more on our website about Mayra, who attends UNC-Wilmington.
Statements of Financial Position
March 31, 2014 and 2013

Assets

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
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<tbody>
<tr>
<td>Cash</td>
<td>$4,345,619</td>
<td>$4,158,539</td>
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<tr>
<td>Short-term investments</td>
<td>$1,747,500</td>
<td>$1,747,500</td>
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<tr>
<td>Investments</td>
<td>$176,151,923</td>
<td>$156,270,645</td>
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<tr>
<td>Contributions receivable, net</td>
<td>$3,792,629</td>
<td>$4,285,594</td>
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<tr>
<td>Beneficial Interests in split-interest agreements</td>
<td>$4,930,767</td>
<td>$4,206,868</td>
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<tr>
<td>Prepaid expenses and other assets</td>
<td>$271,589</td>
<td>$343,241</td>
</tr>
<tr>
<td>Property, equipment and leasehold improvements, net</td>
<td>$196,989</td>
<td>$205,752</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$191,437,016</strong></td>
<td><strong>$171,218,139</strong></td>
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</table>

Liabilities and Net Assets

Liabilities:

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<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
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<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$472,969</td>
<td>$391,848</td>
</tr>
<tr>
<td>Obligations under split-interest agreements</td>
<td>$64,365</td>
<td>$67,469</td>
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<tr>
<td>Agency funds payable</td>
<td>$21,165,476</td>
<td>$18,810,607</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>21,702,810</strong></td>
<td><strong>19,269,924</strong></td>
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</table>

Net assets:

<table>
<thead>
<tr>
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<th>2013</th>
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<tbody>
<tr>
<td>Unrestricted</td>
<td>$153,373,343</td>
<td>$135,870,397</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>$10,913,223</td>
<td>$10,058,857</td>
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<tr>
<td>Permanently restricted</td>
<td>$5,447,640</td>
<td>$6,018,961</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td><strong>169,734,206</strong></td>
<td><strong>151,948,215</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$191,437,016</strong></td>
<td><strong>$171,218,139</strong></td>
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</tbody>
</table>

Statements of Activities (summarized)
Years Ended March 31, 2014 and 2013

Revenues, gains and other support:

<table>
<thead>
<tr>
<th></th>
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<th>2013</th>
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</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$17,704,730</td>
<td>$10,100,077</td>
</tr>
<tr>
<td>Less amounts received on behalf of others</td>
<td>(8,584,994)</td>
<td>(625,265)</td>
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<tr>
<td><strong>Net contributions</strong></td>
<td><strong>9,119,736</strong></td>
<td><strong>9,474,812</strong></td>
</tr>
<tr>
<td>Interest and other investment income</td>
<td>$3,884,325</td>
<td>$3,637,835</td>
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<tr>
<td>Realized and unrealized gains</td>
<td>$17,413,795</td>
<td>$10,506,292</td>
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<tr>
<td>Adjust amounts from agency funds</td>
<td>(2,428,856)</td>
<td>(1,571,841)</td>
</tr>
<tr>
<td><strong>Net investment income and gains</strong></td>
<td><strong>18,839,265</strong></td>
<td><strong>12,574,336</strong></td>
</tr>
<tr>
<td>Other income</td>
<td>$313,834</td>
<td>$228,991</td>
</tr>
<tr>
<td><strong>Total revenues, gains and other support</strong></td>
<td><strong>28,272,835</strong></td>
<td><strong>22,278,139</strong></td>
</tr>
</tbody>
</table>

Expenses:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and scholarships</td>
<td>$15,071,152</td>
<td>5,849,110</td>
</tr>
<tr>
<td>Less grants and scholarships made on behalf of others</td>
<td>(8,365,114)</td>
<td>(411,689)</td>
</tr>
<tr>
<td><strong>Grants and scholarships expense</strong></td>
<td><strong>6,706,038</strong></td>
<td><strong>5,437,421</strong></td>
</tr>
<tr>
<td>Grant making and fund holder support</td>
<td>$2,791,150</td>
<td>$2,625,842</td>
</tr>
<tr>
<td>Adjust amounts from agency funds</td>
<td>(293,867)</td>
<td>(262,612)</td>
</tr>
<tr>
<td><strong>Grant making and fund holder support expense</strong></td>
<td><strong>2,497,283</strong></td>
<td><strong>2,363,330</strong></td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>$9,203,321</td>
<td>7,800,751</td>
</tr>
<tr>
<td>Fundraising and development</td>
<td>$469,005</td>
<td>$477,857</td>
</tr>
<tr>
<td>Administrative</td>
<td>$814,518</td>
<td>$715,800</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>10,486,844</strong></td>
<td><strong>8,994,408</strong></td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning</td>
<td>$151,948,215</td>
<td>138,664,484</td>
</tr>
<tr>
<td>Ending</td>
<td>$169,734,206</td>
<td>$151,948,215</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. Staunach, 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. Narren, Immediate Past Chair, Smithfield

Board members at large
Juan Austin, Jamestown
Robert E. Barnhill, Jr., Tarboro
Laura M. Beasley, Colerain
John Cameron, Eden
Brian C. Crutchfield, Boone
Sarah Belk Gambrell, Charlotte
Frank B. Gibson, Jr., Wilmington
Katharine (Kack) Harrison Hardin, Rock Hill, SC
Clyde P. Harris, Jr., Wilson
H. Kel Landis, III, Raleigh
James M. Parrott, Jr., Kinston
C. Ron Scheeler, Raleigh
Karen Silwinski, Franklin
Elizabeth Hobgood Wellons, Smithfield
Billy T. Woodard, Smithfield

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

Staff

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4601 Six Forks Road, Suite 524
Raleigh, NC 27609
Phone: 919-828-4387; Fax: 919-828-5405
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jtwhiteside@nccommunityfoundation.org
Cherry Ballard, Assistant to the President

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Beth Boney Jenkins, Vice President
Megan Lynch Ellis, Regional Development Officer
Mary Morgan, Philanthropy Counsel
Melinda Allen, Gift and Development Specialist

Finance
John Berngartt, Chief Financial Officer**
John Harlley, Director of Finance
Lisa Meeks, Financial Specialist

Marketing, Communications and IT
Noé McLaughlin, Director of Marketing and Communications
D’Wayne Wilkins, Manager of Information Services
Lori Johnson, Communications Assistant & Office Manager

Community Leadership Team
Sally Migliore, Director of Community Leadership
Leslie Ann Jackson, Director of Scholarships and Grantmaking
lajackson@nccommunityfoundation.org
Brittany Rea, Grants and Scholarship Specialist

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Sue LeLieur, Regional Associate
PO Box 1396, Franklin, NC 28734
Phone: 800-201-9532
Fax: 423-910-0627

Northeastern Office (Beaufort-Hyde, Bertie-Hertford, Chowan, Currituck-Dare, Martin and Northern Albemarle, which includes Camden, Gates, Pasquotank and Perquimans)
Natalie Jenkins Peel, Regional Associate
204 S. Poindexter St., Elizabeth City, NC 27909
Phone: 252-216-8908 (cell)

Northwestern Office (Alleghany, Ashe, Avery, Catawba Valley, which includes Alexander, Caldwell and Catawba counties; Mount Airy, Watauga, Wilkes and Yadkin)
John Francis, Regional Associate
Mailing: PO Box 2851, Hickory, NC 28603
Phone: 336-745-1739 (cell)
Fax: 828-328-3948

Please give to NCCF or any of our funds!

If you would like to make a contribution to NCCF or one of our funds, we've enclosed a donor envelope or make an online gift at nccommunityfoundation.org.

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

We also invite you to support grantmaking in your local community by contributing to NCCF’s Chairman’s Challenge, which will be conducted Nov. 1-30! Details on our website.

A list of all of our donors for the fiscal year ending 3/31/14 is also posted on our website.