The theme of our report this year is “unsung heroes.” While we single out a few examples on the following pages, in reality you all are our heroes. The endowments you create to support your philanthropic interests, the grants you make to meet local needs, your generous contributions to charitable causes and your leadership and involvement in our communities— all combine to make heroic differences in the life—and lives—of our state. This report recaps just some of the milestones and metrics we have achieved together this past year.

NCCF’s statewide affiliate network is the structure that allows us to keep our promise to deliver philanthropy to rural North Carolina—through partnerships with donors, grantees, local affiliate boards and fellow funders. We are delighted with the work of our affiliates as they chart the way towards: promoting local philanthropy; growing local funds; developing boards reflective of our communities; and convening around community needs. The work is guided by a plan they helped to create called the Blueprint for Success. All have established Blueprint goals, with the majority achieving most that they identified for the year. Meetings with representatives from each region allowed us to have deeper conversations about their goals and leadership. This work is spearheaded, in part, by the Affiliate Impact Committee, and an update of their progress is posted on our website.

Community grantmaking through our affiliate foundation partners takes place from March through November and is a big focus of NCCF’s team and advisory boards. Our affiliates’ knowledge of local community needs and opportunities helps to maximize grantmaking resources, which is an advantage of a community foundation. As examples, the Johnston County Community Foundation and the Brunswick County Community Foundation both utilize existing data to help ensure grantmaking meets local needs. JCCF’s grants have focused on food insecurity for the past two years because local research pinpointed that as high need. BCCF also has utilized existing data to inform their grantmaking and shares their research with other funders. (See page five for more on BCCF’s reliance on data to guide grants.)

Louise Oriole Burevitch, or “Mrs. B,” left a $20 million endowment for eastern North Carolina in 2015, and her heroic generosity is beginning to make a mark. Grants are being made to her preferred nonprofits, following her wishes. Progress continues on developing a competitive grants process to support her interest areas in the region.

Scholarships are an important niche, with NCCF administering 150 funds for students who are, for the most part, North Carolinians attending in-state schools. NCCF awarded $730,430 in direct scholarship aid to 335 students last year. Those scholars hail from 141 North Carolina cities and towns, now study at 87 different schools in 14 states across the country and include 142 first-generation college students who will change the course of their families forever. Not every community foundation focuses on scholarships as they are time-consuming and expensive to administer, but we believe it is an important part of our stewardship and mission to strengthen North Carolina.

Women’s giving programs continue to be strong at NCCF, with the Wake County Women’s Giving Network achieving a laudable $1 million mark in cumulative grantmaking since it began nine years ago. We also salute the Bertie-Hertford Women’s Fund and the Women Givers of Northeast North Carolina for “widening the circle” by instituting a junior membership to encourage younger women to participate in local philanthropy. NCCF supports nine regional women’s giving networks and the statewide Women’s Fund of North Carolina.

Our corporate grants administration services grew this past year with the addition of the Biogen Foundation as a client. Biogen’s “Ignite the Power of STEM” program awarded $210,000 in grants to support science education and projects in our state’s public and charter elementary, middle and high schools. We also remain honored to steward several Duke Energy grants, including the Community College Grant Program and the University Grant Program for Workforce Development. NCCF will continue to administer the corporation’s multi-million dollar Water Resources Fund and the Dan River Basin Program for Rockingham County, which our affiliate foundation there has been so gratified to help oversee for three grant cycles to date. Our corporate support services can accommodate nearly any size grants program, and we welcome your inquiry.

Grantmaking totaled a record-breaking $15 million for...
In the calendar year, bringing our cumulative grants total since we began to $116 million. The impact of NCCF’s grants is nearly statewide, with the majority of grant dollars remaining in North Carolina and touching almost all 100 counties.

North Carolina’s philanthropists throughout the state are always our heroes. Your generosity remains strong, with the total number of individual gifts to NCCF and funds we administer up by 20% over last fiscal year.

Many of those gifts came during our third annual Chairman’s Challenge, held last November. This campaign allocates a proportionate match of all gifts to participating affiliates, and your generosity continues to boost affiliate grantmaking in communities across the state. Nearly $900,000 has been donated to our affiliates’ community grantmaking funds to date, showing that gifts large and small truly make a difference. The fourth annual Chairman’s Challenge will kick off in November, with details on this year’s campaign to come.

New funds created with NCCF this fiscal year total 43 and are listed on page six. We welcome our new fundholders and love your stories, many of which are represented on our website.

A primary focus this year has been on planned giving. Our Vice President for Development Beth Boney Jenkins has assumed a statewide leadership role as she chairs the North Carolina Planned Giving Council. And NCCF produced our first-ever comprehensive planned giving booklet to help individuals, organizations and financial advisors determine the best tools and strategies for your giving now and in the future. Our pledge to donors is to help you create, grow and grant from your endowments in ways that allow you achieve your philanthropic and financial goals.

Our leaders are also our heroes. We were honored to add three new members to our statewide board this year: Peter Bristow, president of First Citizens Bank; Hilda Pinnix-Ragland, former corporate officer for Duke Energy and managing partner, AHK Global Resources; and John Willingham, president of Indera Mills, a current member and past president of our Yadkin County Community Foundation board. Visit the Meet our board page on NCCF’s website to learn more about our directors. We were all saddened by the death of John R. Jordan, Jr. of Raleigh this past year. He had served as a valuable board member for many years and was named director emeritus upon his retirement. We will miss Clyde Harris, who also served as chair and board member of the Wilson County Community Foundation; and Jim Parrott, of Kinston. Both rotated off the board this past year.

We’re also excited to welcome new staff members to our team of regional directors, the grants and scholarships department and the operations area. We invite you to meet these “unsung heroes” on NCCF’s website, where full bios and photos of all on staff are posted.

As this goes to print we are in the midst of moving. We’ve outgrown our headquarters space that we’ve called home for the last decade and meet another milestone as we relocate to a larger suite of offices that will better serve our staff and partners across the state. Our new accommodations will have the latest in technology and ample meeting space to share with nonprofits, affiliates and donors. We can’t wait for you to visit. Our new address is listed on the back cover, and our doors are always open!

This report is a brief reflection of all that you have helped us to achieve – not just this past fiscal year, but since we began 28 years ago. On the following pages we introduce a few more of our unsung heroes, welcome our new funds and summarize our financials.

But here and now, we salute you – for what you do in the name of philanthropy across North Carolina every single day.

Sincerely,

Jennifer Tolle Whiteside, President and CEO
Linda Staunch, Chair of the Board
The theme of this year’s annual report is “unsung heroes.” We are privileged to know and work with so many across North Carolina. Last year one of our unsung heroes was discovered to be making such an impact in the tiny Edgecombe County town of Conetoe that his work made national news. Rev. Richard Joyner became one of CNN’s Top 10 Heroes of 2015 for his pioneering work to boost the health of an entire community. The story of his program, which has received long-time support from several of NCCF’s local affiliates, was shared on a national stage.

But most of NCCF’s heroes work in near obscurity. So we set out to discover a few to profile among the literally thousands of unsung heroes who quietly make an impact, day in and day out, through their affiliation with NCCF. This was of course a challenging task, but we landed on some philanthropic heroes that we’re happy to present here. They are fundholders, scholarship founders, community leaders and grantees – and many fall into several categories. We will continue to profile NCCF’s unsung heroes in the future, because we literally will never run out of stories. And their songs deserve to be sung. While we offer just a brief snapshot of their work and impact below, we invite you to read their full stories (and Rev. Joyner’s) on our website at nccommunityfoundation.org.

H.L. and Gayle Sorrell, fundholders and community leaders

Gayle and H.L. Sorrell are community leaders who have a deep understanding of the value of endowment. Through their own funds and those they have helped to both start and build in their community, there is a town museum, several scholarships supporting area students and a healthy unrestricted endowment with the Harnett County Community Foundation that supports a myriad of causes. Their leadership has inspired many to support these causes as well. “Lots of people have given to these funds,” they both emphasized, noting that this is the value of a community foundation. Gifts to honor birthdays, retirements, anniversaries and memorials arrive regularly from the Sorrells. These donations have added up over the years, yielding endowments that make significant grants to support their philanthropic passions and real community needs in Harnett County. See the website for more on these heroes.
Phil Stevens, scholarship founder

Phil Stevens founded the Watauga-Ashe-Wilkes Scholarship to help support young people who could not attend college without financial support. The endowment has provided more than $438,000 in financial aid to more than 75 students. The competitive scholarship offers $2,000 in financial assistance each year and is renewable for up to three additional years. For many of Watauga-Ashe-Wilkes Scholarship recipients, it has made all the difference in obtaining a college degree. Stevens’ vision for the long-term viability of the scholarship included an ongoing funding source. He spearheads the Watauga-Ashe-Wilkes Scholarship Golf Tournament, an event that raises more than $100,000 annually. Under his leadership, the tournament has become a true community event, bringing together sponsors and participants from across the three counties and beyond to support education. This all happened because Stevens, our unsung hero, decided to make a difference in his extended community and open the door to a college education for young people in the three counties he holds dear to his heart. His profile is on the website.

Barbara Patten, Brunswick County Community Foundation board

Barb Patten took on an assignment to assess local needs in her community and turned it into a comprehensive approach to effective grantmaking. Her use of existing data helped the Brunswick County Community Foundation become informed on issues facing their community, allowing them to leverage grantmaking. The work has resulted in an impact report on local grantmaking and a series of presentations that the board can use to share its knowledge with other local funders and nonprofits. Barb also has generously shared her approach to research, assessments and reporting with other boards in her region as a member of NCCF’s Affiliate Impact Committee. Visit our website for more on her and the BCCF’s work.

OUTright Youth Catawba Valley, grantee

OUTright Youth Catawba Valley, a non-profit working to create a safer environment for the young people of Hickory and the surrounding communities. OUTright Youth strives to provide a space for LGBTQ young people to come together to find resources, community, friends and help. In 2015, students from 25 different schools across the region participated in OUTright Youth programs. It’s the only organization outside of Charlotte, Asheville and the Triad offering resources to struggling LGBTQ young people in the region. Over the past five years, the Unifour Foundation Fund and other local NCCF affiliate fundholders have invested more than $10,000 in OUTright Youth, demonstrating to philanthropists across the region why this critical non-profit is a hero in the community. See more on this program at nccommunityfoundation.org.
NEW FUNDS  APRIL 1, 2015 – MARCH 31, 2016

Alexander County Habitat for Humanity Endowment
Arts Council of Wilson Endowment
Balsam Mountain Preserve Fund for Jackson County
Biogen Ignite the Power of STEM Fund
Bright for Will Foundation
Jon Clark Memorial Scholarship Fund
Congregational Church of Pinehurst, UCC Endowment
Esperanza de Dowdy Endowment
Roy Lee Etheridge, Sr. Family Endowment
F.A.R.M. Cafe Endowment Fund
Friendly Grove Baptist Church of West Jefferson Church
and Cemetery Endowment
Friends of BOMA Charitable Endowment
Mike and Peggy Gildea Endowment Benefiting the
Ocean Ridge Charities Association (ORCA)
Greene County Museum Endowment
Guardian Angel Thrift Endowment Fund
Melinda Hamrick Children’s Fund Endowment
The John Wheeler House Endowment: Established by
James Elliott Moore
Joyce Price Johnson’s Samaritan Fund
King Public Library Endowment
Kirby Eagle Scout Foundation
The Kathleen Morrissey Klutey Memorial Scholarship Fund
Reverend William P. Lesak Mass Intentions Fund
Reverend William P. Lesak Seminary Endowment Fund
The Rebecca Gatling Long Memorial Scholarship
W. Reid Martin Endowment Fund
Johnsie Patterson McFadden/Montpeller Presbyterian
Church Scholarship Endowment
North Carolina Museums Council Endowment
The North Carolina Pediatric Society Endowment

Paul Allen Perkins and Alda Gambill Perkins Scholarship
Endowment
The Lynwood Allen Robinson Memorial Scholarship
Rumple Memorial Presbyterian Church Endowment
The Reid Sasnett Memorial Scholarship Endowment
Leslie Dawn Sermons Fund
Andy and Emily Stallings Endowment
Surry Stokes American Legion Post 142 Scholarship
VAW’s Paws Fund
George and Billie Wall Gift Fund
West Jefferson Woman’s Club Mary Ruth Payne
Scholarship
Wilmington Healing Center Endowment
Wilmington / New Hanover County Endowment for
the Arts
Martha C. Rhyne-Winkler and Dorman F. Winkler
Endowment
In Memory of Clifford A. and Betty A. Rhyne and Virgil G.
and Myrtle V. Winkler

The Jackson County Community Foundation added the Balsam Mountain
Preserve Fund for Jackson County to its family of funds following meetings with a local
homeowners association.

The Lenoir County Community Foundation saw the creation of its first
scholarship, the Kathleen Morrissey Klutey Memorial Scholarship. Pictured
is scholarship recipient Caitlin Deans (middle) with Anne Klutey Fisher (left) and Fred Klutey.

NCCF is proud to administer agency endowments for museums and historical
sites across the state, including Murfreesboro’s John Wheeler House Endowment
established by James Elliott Moore.
### Statements of Financial Position

**March 31, 2016 and 2015**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$6,926,193</td>
<td>$12,298,998</td>
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<td>Short-term investments</td>
<td>$2,497,500</td>
<td>$2,497,500</td>
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<td>Investments</td>
<td>$205,703,476</td>
<td>$207,163,359</td>
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<td>Contributions receivable, net</td>
<td>$1,414,593</td>
<td>$8,731,041</td>
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<td>Beneficial interests in split-interest agreements</td>
<td>$5,202,978</td>
<td>$6,057,213</td>
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<td>Prepaid expenses and other assets</td>
<td>$311,339</td>
<td>$301,215</td>
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<tr>
<td>Property, equipment and leasehold improvements, net</td>
<td>$18,867</td>
<td>$17,280</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$222,074,946</strong></td>
<td><strong>$237,066,606</strong></td>
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<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
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<tr>
<td>Accounts payable and accrued expenses</td>
<td>$1,018,915</td>
<td>$880,038</td>
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<tr>
<td>Obligations under split-interest agreements</td>
<td>62,113</td>
<td>64,723</td>
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<td>Agency funds payable</td>
<td>$24,012,967</td>
<td>$28,893,954</td>
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<td><strong>Total liabilities</strong></td>
<td><strong>25,093,995</strong></td>
<td><strong>29,838,715</strong></td>
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<td>Net assets:</td>
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<tr>
<td>Unrestricted</td>
<td>$183,048,735</td>
<td>$184,592,711</td>
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<td>Temporarily restricted</td>
<td>$8,358,928</td>
<td>$17,124,772</td>
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<tr>
<td>Permanently restricted</td>
<td>$5,573,288</td>
<td>$5,510,408</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$196,980,951</strong></td>
<td><strong>$207,227,891</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$222,074,946</strong></td>
<td><strong>$237,066,606</strong></td>
</tr>
</tbody>
</table>

### Statements of Activities (summarized)

**Years Ended March 31, 2016 and 2015**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues, gains and other support:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$11,808,373</td>
<td>$44,170,504</td>
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<tr>
<td>Less amounts received on behalf of others</td>
<td>$(3,070,401)</td>
<td>$(12,288,132)</td>
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<tr>
<td><strong>Net contributions</strong></td>
<td><strong>8,737,972</strong></td>
<td><strong>31,882,372</strong></td>
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<tr>
<td>Interest and other investment income</td>
<td>$6,644,411</td>
<td>$6,339,747</td>
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<tr>
<td>Realized and unrealized gains</td>
<td>$(13,841,418)</td>
<td>$10,679,288</td>
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<tr>
<td>Adjust amounts from agency funds</td>
<td>$559,449</td>
<td>$(1,504,141)</td>
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<tr>
<td><strong>Net investment income and gains</strong></td>
<td><strong>(6,637,558)</strong></td>
<td><strong>15,515,096</strong></td>
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<tr>
<td>Other income</td>
<td>$470,722</td>
<td>$339,432</td>
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<tr>
<td><strong>Total revenues, gains and other support</strong></td>
<td><strong>2,571,136</strong></td>
<td><strong>47,736,900</strong></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and scholarships</td>
<td>$14,859,363</td>
<td>$11,964,506</td>
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<tr>
<td>Less grants and scholarships made on behalf of others</td>
<td>$(7,127,018)</td>
<td>$(5,779,279)</td>
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<tr>
<td>Grants and scholarships expense</td>
<td>$7,732,345</td>
<td>$6,185,227</td>
</tr>
<tr>
<td>Grant making and fund holder support</td>
<td>$3,058,090</td>
<td>$2,888,834</td>
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<tr>
<td>Adjust amounts from agency funds</td>
<td>$(264,921)</td>
<td>$(284,517)</td>
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<tr>
<td><strong>Grant making and fund holder support expense</strong></td>
<td><strong>2,793,169</strong></td>
<td><strong>2,604,317</strong></td>
</tr>
<tr>
<td>Total program services</td>
<td>$10,525,814</td>
<td>$8,789,544</td>
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<tr>
<td>Fundraising and development</td>
<td>$576,437</td>
<td>$547,653</td>
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<tr>
<td>Administrative</td>
<td>$1,716,125</td>
<td>$906,018</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td><strong>12,818,076</strong></td>
<td><strong>10,234,215</strong></td>
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<tr>
<td><strong>Change in net assets</strong></td>
<td><strong>(10,246,940)</strong></td>
<td><strong>37,493,685</strong></td>
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<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Beginning</td>
<td>$196,980,951</td>
<td>$207,227,891</td>
</tr>
<tr>
<td>Ending</td>
<td>$196,980,951</td>
<td>$207,227,891</td>
</tr>
</tbody>
</table>

The audited financial statements are available for inspection at: North Carolina Community Foundation
3737 Glenwood Avenue, Suite 460, Raleigh, NC 27612

Independent Auditors: Cherry Bekaert LLP
Board of directors

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

Board members at large
Juan Austin, Jamestown
Robert E. Bammhill, Jr., Tarboro
Laura M. Beasley, Colerain
Peter M. Bristow, Raleigh
Brian C. Crutchfield, Boone
Alex G. Floyd, Granville County and Raleigh Sarah Belle Gambrell, Charlotte
Frank B. Gibbon, Jr., Wilmington
Katharine (Kack) Harrison Hardin, Rock Hill, SC H. Kel Landis, III, Raleigh
Hilda Pinnix-Ragland, Raleigh
Karen Stiwinter, Franklin
Steven Wangerin, Jacksonville
Elizabeth Hobgood Wellons, Smithfield
John Willingham, Yadkinville

Directors emeriti:
Annabelle L. Fetterman, Clinton
Henry E. Frye, Greensboro

* Deceased

We’ve moved!

Our new address is:
3737 Glenwood Avenue, Suite 460
Raleigh, NC 27612

Our phone numbers stay the same.
Main: 919-828-4387
Fax: 919-828-0749

Visit nccommunityfoundation.org for individual extensions.

Our mail will be forwarded, so don’t worry if you forget!

Staff

Headquarters & Raleigh-based associates
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Raleigh, NC 27612
Phone: 919-828-4387; Fax: 919-827-0749;
Toll-Free: 1-800-532-1349
Unless noted, all email addresses are first initial last name@nccommunityfoundation.org

Executive
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jtwhiteside@nccommunityfoundation.org
Cherry Ballard, Assistant to the President

Development
Beth Boney Jenkins, Vice President
Megan Lynch Ellis, Regional Development Officer (Serving the Western and Northwestern regions)
PO Box 524, Boone, NC 28607
Phone: 828-355-4306
Mary Morgan, J.D., Philanthropy Counsel
Melinda Allen, Gift and Development Specialist

Finance
David Ryan, Chief Financial Officer
John Hartley, Director of Finance & Chief Investment Officer
Rhonda Daly, Controller
D’Wayne Wilkins, Manager of Information Technology
Lisa Meeks, Senior Accounting Associate

Grants and Scholarships
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lajackson@nccommunityfoundation.org
Christopher Fipps, Grants Program Manager
Sybil Bowick, Grants and Scholarships Specialist

Marketing and Communications
Noël McLaughlin, Director of Marketing and Communications
Louis Duke, Marketing and Communications Specialist

Operations
Maritose K. Steigerwald, Director of Operations
Lori Johnson, Office Manager & Communications Assistant

Community Leadership Team
Sally Migliore, Director of Community Leadership
Sheila Cratch, Administrative Assistant

Affiliate Offices
Western Office (Cherokee, Clay, Eastern Band of Cherokee, Graham, Haywood, Jackson, Macon, Madison and Swain)
Katie Crumpler, Regional Director
PO Box 401, Mars Hill, NC 28754
Phone: 828-538-4299

Northwestern Office (Alleghany, Ashe, Avery, Catawba Valley, which includes Alexander, Caldwell and Catawba counties; Mount Airy, Watauga, Wilkes and Yadkin)
Colby Martin, Regional Director
Lyerty House
310 N. Center Street, Hickory, NC 28601
Mailing: PO Box 2851, Hickory, NC 28603
Phone: 828-358-0030

Northern Piedmont Office (Cary, Franklin, Granville, Johnston, Person, Vance and Wake)
Quinn E. Novels, Regional Director
Raleigh

Sandhills Office (Harnett, Hoke, Lee, Montgomery, Moore, Randolph and Rockingham)
Dawn Neighbors, Regional Director
PO Box 739, Coats, NC 27521
Phone: 910-292-4437

Coastal Plain South (Edgecombe, Halifax, Nash, Northampton, Rocky Mount, Warren, Wayne and Wilson)
Mary Morgan, J.D., Philanthropy Counsel
Melinda Allen, Gift and Development Specialist


Visit nccommunityfoundation.org and click on Affiliates to use an online statewide map to locate NCCF affiliate foundations serving North Carolina. Also online are NCCF Affiliate Profiles and our Donor List as of 3/31/16.

www.nccommunityfoundation.org