

*Year End Report*  
2009



The Community Foundation  
of Western North Carolina

HOMEGROWN  
PHILANTHROPY  
FOREVER

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The images used throughout this report are the work of printmaker Beth Schaible. Located in Penland, North Carolina, in Mitchell County, Schaible creates custom letterpress invitations, cards, books and prints. She graduated from Shepherd University in West Virginia and is enrolled in the Core Student Program at Penland School of Crafts. Penland School received a 2009 Summertime Kids grant to fund scholarships for Mitchell County students to study craft.

To see more of Schaible's work, visit [www.bethschaible.com](http://www.bethschaible.com).  
To learn more about Penland School, visit [www.penland.org](http://www.penland.org).

This report was designed by Design One, an Asheville-based graphic design and communications firm.

## BUILDING COMMUNITY

Our community of donors, nonprofits, community leaders and staff care deeply about creating a better Western North Carolina. Through responsive grantmaking and strategic initiatives, we collaborate to find innovative solutions to our region's most challenging problems and to support promising opportunities.

## GROWING TOGETHER

Together we are creating and caring for a resource that will benefit generations. The thoughtful stewardship of the assets in our care enables us to respond to community needs now while preparing for future challenges and opportunities. We connect charitable individuals, families and businesses with new ways to use their resources to improve lives and mountain communities.

## MAKING AN IMPACT

This year the Foundation distributed \$10.9 million in grants and scholarships. The impact of that funding in this economy is clear. We also work, often in partnership with others, to address issues of primary importance to our region. Our leadership on regional initiatives is rooted in our commitment to homegrown philanthropy and to finding effective, long-term solutions for Western North Carolina.

**HOMEGROWN PHILANTHROPY FOREVER**  
[WWW.CFWNC.ORG](http://WWW.CFWNC.ORG)



## FROM THE BOARD CHAIRMAN

November 2009

As this report goes to press, we welcome our second full-time president in the Foundation's thirty-one year history. On November 1, Elizabeth Brazas succeeded Pat Smith as president of this organization.

Pat worked for twenty-five years at The Community Foundation; the last nineteen was a period of unprecedented growth and expansion. When Pat became president in 1990, the Foundation had \$5 million in assets. Today we responsibly manage and invest more than \$140 million. During Pat's tenure, annual grantmaking rose from \$600,000 to \$11 million in our region. Pat's influence in Western North Carolina is wide and deeply felt. Her lasting legacy is a permanent resource that will benefit generations to come.



Photo courtesy of Verve

Pat Smith



Elizabeth Brazas

Elizabeth Brazas brings experience, insight and a deep knowledge of philanthropy. She steps into this role after a year of upheaval in world financial markets. Like all endowments, our funds suffered losses. The Board has been carefully monitoring the Foundation's finances. We have reduced our operating budget, including tough staff reductions, prioritizing the Foundation's long-term financial stability.

All nonprofits have been forced to examine how they use their resources. This abbreviated annual report demonstrates our commitment to be responsible stewards of the funds entrusted to our care. You can find additional information and reports as well as donor, fund and grant lists at [www.cfwnc.org](http://www.cfwnc.org).

The highlight of our year is the success of the Recession Response Fund. In January, we committed to raise \$1 million for the Recession Response Fund, and we have achieved our goal. As I write this letter, final grants are being distributed to provide critical services to families in Western North Carolina. (See the story on page 11) In partnership with nine regional affiliate funds, the Cherokee Preservation Foundation and hundreds of generous donors, we created a resource that was put to work keeping food on tables, families in their homes and so much more.

Our grantmaking this year totaled \$10.9 million. Clearly the important work of the Foundation continues. Thanks to each and every one of you who contributed to our efforts and invested in the community along with us. The Community Foundation is here today and will be here tomorrow. We will continue building community, growing together and making an impact.

A handwritten signature in black ink that reads "Bubba Crutchfield".

Paul (Bubba) Crutchfield  
Chairman of the Board of Directors

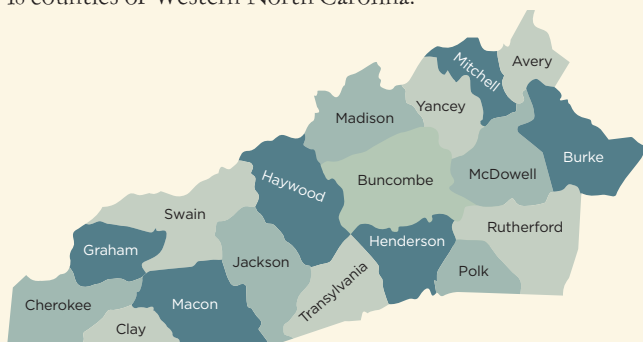
## THE COMMUNITY FOUNDATION OF WESTERN NORTH CAROLINA

- ~ Helps donors plan and carry out their charitable giving in the 18 counties of Western North Carolina
- ~ Distributes grants which anticipate and respond to the region's changing needs
- ~ Responsibly manages and wisely invests more than \$140 million entrusted to our care
- ~ Works to build a permanent source of philanthropic funding for the region

We also work in partnership with other foundations, public agencies and the business sector to bring an informed and consistent voice of leadership to critical civic issues such as development, nonprofit capacity and, importantly this year, the effect of the recession on our region.

### OUR MISSION

The Community Foundation of Western North Carolina promotes and expands philanthropy and develops local funds that address changing needs and opportunities in the 18 counties of Western North Carolina.



### 2009 QUICK FACTS

- ~ More than 950 unique charitable funds in our care
- ~ Assets of more than \$140 million
- ~ Grant distributions totaling more than \$10.9 million
- ~ Scholarships totaling \$361,495 were awarded to 125 students
- ~ Gifts received totaling \$18 million

## BOARD OF DIRECTORS 2009-2010

Paul (Bubba) Crutchfield  
*Chairman*

Terry Van Duyen  
*Secretary*

Marla Adams  
*Vice-Chairman*

William N. Lewin  
*Treasurer*

### BOARD MEMBERS

Louise W. Baker  
Gene Bell  
James A. Buckner  
Ellen Salisbury Burgin  
Sandra P. Byrd  
Vincent D. Childress, Jr.  
David S. Dimling  
Jennie Eblen  
Ernest E. Ferguson  
Thomas Lee Finger  
John N. Fleming

Kenneth M. Hughes  
Harry Jarrett  
John G. Kelso  
Virginia Litzenberger  
T. Wood Lovell  
Tina McGuire  
Stephen P. Miller  
Janet Smith Moore  
Maria Roloff  
Ramona C. Rowe  
Robby Russell

George W. Saenger  
Anna S. (Candy) Shivers  
James W. Stickney, IV  
Jerry Stone  
Michael S. Tanner  
Kate Vogel  
Laura A. Webb  
Laurence Weiss  
John G. Winkenwerder

### STAFF

Sheryl Aikman  
Vice President, Development

Lisa Forehand  
Program Officer

Tara Scholtz  
Affiliate &  
Development Officer

Elizabeth Brazas  
President

Lindsay Hearn  
Communications Director

Beth Semadeni  
Receptionist

Spencer Butler  
Donor Services Associate

Maria Juarez  
Scholarship Officer

Janet Sharp  
Staff Accountant

Diane Crisp  
Office Manager

Graham Keever  
Vice President, Finance  
& Administration

Bob Wagner  
Vice President, Programs

Becky Davis  
Development Officer

Beth Maczka  
Program Officer

Sally Weldon  
Director of Information  
Technology

Naomi Davis  
Accounting Associate

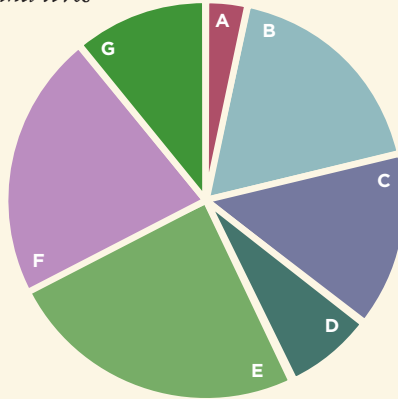
Tim Richards  
Senior Program Officer

Virginia Dollar  
Program Administrator

## OUR GRANTS

*Investing in neighborhoods, communities and lives*

This year, The Community Foundation distributed more than \$10.9 million in grants and scholarships to nonprofit organizations and individuals.



### **A. Advancing the Arts: \$489,116**

Expanding cultural and heritage offerings, assisting museums and cultural institutions

### **B. Assisting People in Need: \$1,919,265**

Meeting basic needs, reaching the disadvantaged through early intervention and helping people facing challenges become more self-sufficient

### **C. Building Community and Economic Vitality: \$1,456,024**

Providing economic opportunities, improving affordable housing and encouraging civic engagement and community improvements

### **D. Enhancing the Environment: \$681,119**

Addressing challenges through education and initiatives to preserve and protect our natural resources

### **E. Improving Educational Opportunities: \$2,854,689**

Supporting creative approaches to improve education in the public schools and community and helping regional students pursue higher education

### **F. Promoting Quality Health: \$2,069,406**

Extending access, supporting health services encouraging health and wellness programs

### **G. Religion: \$1,438,918**

Donor-advised contributions to churches and religious institutions

*In you are interested in applying for a grant or scholarship, visit our website at [www.cfwnc.org](http://www.cfwnc.org) for detailed application information.*

## CAYLA PROGRAM BENEFITS STUDENTS AND THE COMMUNITY

*\$25,000 Strategy Grant Encourages Higher Education and Supports Local Businesses*

The world opened up to Anice Smith a couple of years ago. Through her participation in the *City of Asheville Youth Leadership Academy* (CAYLA), the teenager had summer internships with the Mountain Area Health Education Center and Asheville fire and rescue squads and participated in community service projects.

From her experiences, Smith – and other students in the CAYLA program – made important connections, learned the value of giving back to the community and gained confidence in her skills in the workplace. Since CAYLA began in 2007, 48 college-bound high school students have participated in the year-long program, which includes tutoring and career exploration.

“The CAYLA program gives Asheville youth the opportunity to stay and work in Asheville, as well as have valuable work experiences that will advance their future careers wherever they go,” says Erika Germer, coordinator of CAYLA and other educational programs for the City of Asheville. CAYLA, a partnership with the Asheville City Schools Foundation, is funded by the city and Buncombe County with corporate support. This year, The Community Foundation made a \$25,000 Strategy Grant to support the program.

*continued...*



*Asheville High School seniors Satorria Jones (left) and Anice Smith, shown at a Riverlink clean-up, both participate in the CAYLA program.*

Photo courtesy of CAYLA



CAYLA is open to Asheville High pupils who will be first-generation college students in their family. About twenty slots are available each year. Students are chosen based on academic achievement, extracurricular involvement, leadership potential and teacher recommendations.

Photo courtesy of CAYLA



*The 2009 CAYLA graduating class from Asheville High School proudly displays diplomas.*

A weeklong CAYLA orientation in June includes workshops and team-building activities, followed by a seven-week, paid internship for each participant, mostly at city and county offices and agencies. CAYLA students have proven valuable in the workplace. “There are more nonprofits who want students now than I can give,” Germer says. “It’s really a win-win in terms of both students and the businesses.”

Each CAYLA student receives a \$2,000 scholarship allocated by the Asheville City Council. Smith plans to join the sixteen CAYLA participants who are in college now. With an interest in the medical field, she has applied to UNC-Greensboro and will apply to UNC-Chapel Hill.

Smith has learned “the importance of giving back and building up networks to get to know people,” she says. “I want to show people growing up in low-income neighborhoods that they have an opportunity through CAYLA for a good summer job.” Gains for CAYLA students are gains for the community. The program works on the individual level and spreads benefits across the nonprofit sector, our neighborhoods and our region.

*This story contributed by Jess Clarke.*

## RECESSION RESPONSE FUND

### *Raising and Deploying \$1 Million to Help our Neighbors in Need*

Moving quickly as the foreclosure crisis and unprecedented unemployment shook our economy, the Recession Response Fund was launched in January with an ambitious goal to raise and distribute \$1 million to nonprofits providing critical services. The fund was seeded with \$250,000 from the Foundation’s permanent endowments with the goal of providing assistance immediately to ensure that WNC families could get through the winter with adequate food, shelter and heat.

The initial round of grants was made on the heels of the fund’s announcement with \$50,000 going to MANNA FoodBank and \$60,000 to OnTrack Financial Education & Counseling to directly address food and shelter needs. Another \$90,000 was committed to the Foundation’s Affiliate Funds, with \$10,000 going to each in a dollar-for-dollar challenge match to leverage the amount that could be granted in each community.

Working with partners such as the Cherokee Preservation Foundation, our affiliate funds and other foundations, and with the support of generous members of our community, the Recession Response Fund met the \$1 million goal.

Every penny of that \$1 million has been deployed quickly and efficiently, through an expedited grants schedule, to organizations doing important work across the region. We drew on regional expertise in the affiliate and partner communities for strategic decision-making. Grants were made for operating support, enabling organizations to focus on service delivery.

Photo courtesy of CFWNC Affiliate Funds



A complete list of the Recession Response Fund grants can be found at [www.cfwnc.org](http://www.cfwnc.org). The website also has statistics about the number of people and families helped by the Recession Response Fund effort. Accompanying the facts and figures are stories about real people helped by real solutions, made possible by the generous donors who contributed to this appeal.

The Recession Response Fund is a powerful example of the way The Community Foundation can bring its resources to bear on issues facing Western North Carolina. By moving quickly to assess community need, leverage resources, share expertise and work with our partners and donors, we were able to serve our region effectively. To learn more about the Recession Response Fund or to view complete donor and grants lists, visit [www.cfwnc.org](http://www.cfwnc.org).

## FIELDS OF HOPE INSPIRES OTHERS

### *A Community Project Takes Root and Grows*

Among the many worthy projects funded through the Recession Response Fund is the inspiring Fields of Hope community garden at Mars Hill Baptist Church in Madison County. The project is a shining example of the good that can happen when a perfect storm of philanthropy, volunteerism and a great idea come together. The brainchild of A.C. Honeycutt and his wife Susie, the garden produced 96,000 pounds of fresh produce that was distributed through MANNA FoodBank, ABCCM, Western Carolina Rescue Ministries, Beacon of Hope, Neighbors in Need, My Sister's Place, the Slavic community and local families. The garden contributed healthy nutritious food to an estimated 304,000 meals, resulting in an estimated \$144,000 of donated food.

A.C. Honeycutt was determined to do something that would have an impact on hunger in our region. A lifelong farmer, and bank vice president by day, he managed to secure land suitable for growing vegetables, obtain or adapt equipment to plow, cultivate and harvest, raise funds, and, perhaps most importantly, inspire literally hundreds of volunteers to join him in his quest to provide food for those in need. On any given day, students from Mars Hill College, Boy Scout troops, local football teams, senior citizens, church members, youth groups, passersby and more took to the fields to feed the hungry. This year an estimated 630 volunteers worked the Fields of Hope.

The Community Foundation is proud of the impact that Fields of Hope has had on hunger in the region. Through our knowledge of the project and local philanthropists, Lloyd Penley's family farm in Candler will become the second project location. The Fields of Hope at Penley Produce will be planted next year. "I'm delighted that the farm can be used to help others in need," Penley offered. "That's exactly how we did it sixty years ago during the Depression. Nobody really had any

money back then, so we just shared what we raised with our neighbors who might need a little help." A partnership between Upper Room Ministries and the Foundation, two acres are being prepared for next season's planting. Candler Feed & Seed has contributed discounted seed, while Mountaineer Construction cleared the land and prepared it for an application of lime. A good idea has taken root and the homegrown philanthropy is spreading.



Photo courtesy of Lloyd Penley



Photo courtesy of Greg Yost



Photo courtesy of Fields of Hope

*Lloyd Penley's farm in Candler will be the second Fields of Hope site. More than 600 volunteers contributed the manpower that produced 96,000 pounds of produce.*

The Community Foundation's Recession Response Fund provided important support to this project that has helped to feed hungry families and inspire good work. Connecting private philanthropy to the public good is at the heart of what we do.



## COMMUNITY LEADERSHIP

In addition to making grants and managing funds for our donors, the Foundation also puts resources and effort toward strengthening our region and nonprofit sector through leadership on important community initiatives.

### WNC Nonprofit Pathways

The Foundation has long been committed to strengthening and building the capacity and financial sustainability of the region's nonprofits. As part of the overall Recession Response Fund program, the Foundation partnered with WNC Nonprofit Pathways to offer contingency planning to help nonprofits budget with less money and plan for financial viability. More than 70 nonprofit organizations have been helped through this process.



WNC Nonprofit Pathways is a collaboration of The Community Foundation, the Cherokee Preservation Foundation, Mission Healthcare Foundation and United Way of Asheville and Buncombe County. For additional information, visit [www.cfwnc.org](http://www.cfwnc.org) or [www.nonprofitpathways.org](http://www.nonprofitpathways.org).

### WNC Funders Collaborative

As part of the overall Recession Response Fund program, the Foundation convened a Western North Carolina funders' collaborative. More than a dozen funding organizations coordinated the initial response to the recession and partnered on regional forums on foreclosure and education. The collaborative represents a new level of cooperation amongst regional funders. To learn more, visit [www.cfwnc.org](http://www.cfwnc.org).



Mountain Landscapes Initiative  
of The Community Foundation of Western North Carolina

Through this ambitious initiative, the Foundation engages citizens and communities in responsible regional land use planning and development. The first stage of the program resulted in the Region A Toolbox of best practices that is available at [www.cfwnc.org](http://www.cfwnc.org).

The Foundation's Next Steps Fund (NSF) is our matching grant program designed to advance the goals of the Mountain Landscapes Initiative. While the recession has eased regional land use pressures to some degree, now is the opportune



Photo courtesy of MLI

time to create a model for sustainable rural development that will leave communities poised to guide growth for generations.

The NSF awarded four grants this year to support local community-based efforts to adapt and implement tools from the Region A Toolbox. \$10,000 was awarded to:

Village Conservancy for the Cashiers Village Council  
Western North Carolina Alliance  
Town of Waynesville  
Land Trust for the Little Tennessee



To download the MLI Toolbox, learn more about this initiative or to read about these grants, visit [www.cfwnc.org](http://www.cfwnc.org).



## WOMEN'S PHILANTHROPY

In 2005, The Community Foundation launched *Women for Women* to harness the power of collective giving and to build a resource to make high-impact grants targeting the most pressing needs and supporting the most promising opportunities to help women and girls in our region. *Women for Women* is comprised of members who make a tax-deductible contribution of \$1,100 each year; most make a three-year funding commitment.



W O M E N *for* W O M E N

This year, *Women for Women* reached an important milestone in its funding and, with the awards listed below, has distributed more than \$1 million in grants. At the 2009 Power of the Purse event, grants totaling \$264,000 were announced including:

- \$64,000 to the YWCA of Asheville
- \$50,000 to MANNA FoodBank
- \$50,000 to Mountain BizWorks
- \$50,000 to Pisgah Legal Services
- \$35,000 to the Center for Participatory Change
- \$15,000 to the Blue Ridge Literacy Council



Photo courtesy of the YWCA

*The YWCA received \$64,000 for two years to continue the Drop-In Child-care Service for low-income women participating in its New Choices program.*

### The Women's Fund

The Women's Fund is a permanent endowment and additional source of funding for programs that address the needs of women and girls in our region. Each year funds are raised for The Women's Fund at the Power of the Purse luncheon and auction. Grants from the fund support programs addressing domestic violence, homelessness, health care and more.

### The Power of the Purse

This year, nearly 800 people attended the 5th annual Power of the Purse on June 11 to listen to Pulitzer Prize-winning journalist, novelist, social critic and columnist Anna Quindlen and to celebrate the power of women's philanthropy.



Visit [www.cfwnc.org](http://www.cfwnc.org) for a complete list of *Women for Women* members, membership details and grant stories as well as a transcript of Anna Quindlen's address, video clips, a photo gallery and more. For additional information, please contact Becky Davis at [bdavis@cfwnc.org](mailto:bdavis@cfwnc.org) or (828) 254-4960.

## OUR FUNDS

Founded in 1978, The Community Foundation invests its permanent funds to provide a perpetual resource for the people of Western North Carolina. Effective investment management of these funds allows us to respond to today's needs, while preserving and enhancing our ability to help in the future. We invest our assets with the same prudence and expertise that we apply to making grants or creating funds for our donors.

Our investment program utilizes multiple levels of oversight to manage the \$140 million entrusted to our care. The Foundation's Investment Committee oversees a well-diversified portfolio that helps to maximize returns and reduce volatility.

For the year ended June 30, 2008, we received contributions totaling \$18 million. Forty new funds were created and fourteen planned gifts were committed. We actively manage more than 950 funds, each created by an individual, family or nonprofit organization. Types of funds are listed below. Please visit our website at [www.cfwnc.org](http://www.cfwnc.org) for a complete list of our funds and donors.

**Unrestricted Endowment Funds** offer broad flexibility for addressing the region's changing needs.

**Field of Interest Funds** support broadly defined areas of charitable interest.

**Designated Funds** benefit one or more named charities for a specific time period or in perpetuity.

**Donor Advised Funds** facilitate philanthropy with a high level of donor involvement and support broad charitable purposes specified by the donor.

**Organization Funds** allow nonprofit organizations to build an endowment to permanently support their mission.

**Scholarship Funds** provide assistance to students pursuing higher education.

## OUR AFFILIATE FUNDS

Since 1992, The Community Foundation has supported and encouraged the growth of affiliate funds in order to extend the benefits of philanthropy across our 18-county region. Each affiliate is building a permanent philanthropic resource that will benefit generations.

The Community Foundation provides investment, accounting, grantmaking and administrative services, allowing affiliate boards to utilize their local expertise to attract donors and work with their nonprofit communities. Through boards of local leaders, our affiliates are a strong connection to needs and opportunities across our region.

During this year of financial upheaval, the affiliate boards provided crucial leadership as we partnered to raise funds for the Recession Response Fund campaign. Through their hard work and dedication, money was raised and distributed to nonprofits providing critical services to those in need. With their knowledge of local needs and issues, the affiliate board provided important guidance so grants would serve as many people as possible. The Community Foundation is privileged to partner with engaged citizens, organizations and families doing good work in our communities. Our affiliates are:

Black Mountain Community Endowment Fund  
Cashiers Community Fund  
The Fund for Haywood County  
Highlands Community Foundation  
The McDowell Foundation  
Foundation for Mitchell County  
Rutherford County Foundation  
Transylvania Endowment  
Yancey Foundation

To learn more about our affiliates, visit [www.cfwnc.org](http://www.cfwnc.org) or contact Tara Scholtz, affiliate & development officer, at (828) 254-4960 or [scholtz@cfwnc.org](mailto:scholtz@cfwnc.org).





## GIVING WISELY WITH THE COMMUNITY FOUNDATION

For more than three decades, The Community Foundation has been helping people turn their charitable passions into meaningful and effective philanthropy. We are here to help you create and sustain resources that support the nonprofits and causes that are important to you.

### GIVING NOW

The Community Foundation accepts most types of assets. Because we are a public charity, you receive the maximum tax benefit for your contributions. Although most donors contribute cash or publicly traded stock, you may want to talk with us about a gift of real estate, closely-held stock, IRA or retirement assets, life insurance, personal property, assets of a private foundation or trust, stock options or limited liability partnership units. With our expertise, we can help you generate charitable dollars that support your community.

#### Establish Your Own Charitable Fund

With an initial gift of \$10,000 or more, you can create a donor advised fund. Your gifts are immediately tax-deductible and can be invested. From your fund, you can recommend grants to nonprofits at any time, in your name or anonymously. This is a convenient way to simplify your giving, involve your family and access our expertise when you need it.

#### Connect to the Power of Collective Giving

Become a “Partner-in-Giving” and we’ll provide a portfolio of grant opportunities according to your interests. By adding your resources to those of others, we increase the funds available to invest in solutions.

## Take Your Giving to a New Level

Through conversations or working with your professional advisor, we can help you create giving solutions that reflect your personal values and that are tailored to your financial circumstances.

### GIVING IN THE FUTURE

#### Bequest

Specify a gift in your will or revocable trust, then tell us how you would like that gift to be used and we will carry out your wishes.

#### Charitable Gift Annuity

In exchange for a charitable gift of \$10,000 or more, you or your loved ones receive a guaranteed income stream for life. Part of your annuity payments may even be tax free. What remains after your lifetime benefits the charitable causes that you have specified.

#### Charitable Remainder Trust (CRT)

Create a CRT with \$50,000 or more and receive an immediate tax deduction. You or your loved ones receive income for life or for a specified number of years. When the CRT’s term is complete, the remaining assets create or add to your charitable fund.

Please contact Sheryl Aikman ([aikman@cfwnc.org](mailto:aikman@cfwnc.org)) or Becky Davis ([bdavis@cfwnc.org](mailto:bdavis@cfwnc.org)) at (828) 254-4960 to learn more.

## STEWARDSHIP OF COMMUNITY ASSETS

The thoughtful stewardship of The Community Foundation's assets is a critical responsibility of the Board of Directors. The Foundation's investment program utilizes multiple levels of oversight in managing assets.

The Foundation's Investment Committee, comprised of local professionals with investment and financial expertise, has responsibility for all aspects of investment activities including investment policy, asset allocation and performance review. A consulting firm strengthens and informs the work of the Investment Committee through analytical studies, manager searches and the compilation of performance data. Multiple investment managers provide value to the Foundation's investment process through the application of their knowledge and experience in portfolio management.

The Community Foundation has a sustained record of managing prudent investment strategies. We offer donors and nonprofit organizations access to institutional investment strategies and management normally available only to large investors. Donors and nonprofit organizations can capitalize on the benefits of this multi-manager, diversified approach by working with The Community Foundation.

The Community Foundation allows fundholders to recommend an investment option from among multiple portfolios under the oversight of the Investment Committee. Donors may request to have the investment management of their charitable fund provided by the following firms:

Altamont Capital Management	Merrill Lynch
Altavista Wealth Management	Parsec Financial Management
Bank of America	Raymond James & Co.
Boys Arnold Co.	UBS Wealth Management
Colton Groome & Co.	

For funds not otherwise recommended by donors, the Foundation invests in a broadly diversified portfolio that provides strategic allocations to equity, fixed income and alternative investments.

### Annualized Investment Returns Through 6/30/2009

	CFWNC	BENCHMARK*
One Year	-19.6%	-14.2%
Three Years	-4.1%	-2.3%
Five Years	0.3%	0.8%
Ten Years	2.1%	1.3%

\*The benchmark utilized is 60% S&P 500, 40% Barclays Government Corporate Index.

Investment returns are reported net of investment expenses.

### Asset Allocation as of 6/30/2009

Domestic Equity	41%
International Equity	12%
Fixed Income	26%
Alternative Investments	13%
Real Estate	5%
Cash Equivalents	3%
	100%

## STATEMENT OF FINANCIAL POSITION

	2009	2008
<b>Revenues and other support:</b>		
<b>Assets</b>		
Cash & cash equivalents	2,348,348	2,133,908
Prepaid expenses	20,094	16,045
Accounts receivable	89,540	23,787
Promises to give, net	1,061,528	1,258,652
Investments	50,915,400	84,063,732
Property and equipment, net	60,710	72,551
Real Estate	544,186	544,186
Investments, restricted for endowment	75,201,561	76,340,042
<b>Total assets</b>	<b>130,241,367</b>	<b>164,452,903</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Grants and scholarships payable	588,230	820,455
Accounts payable	89,266	51,703
Liabilities under split-interest agreements	6,361,509	9,577,204
Funds held as agency endowments	26,664,687	32,079,574
<b>Total liabilities</b>	<b>33,703,692</b>	<b>42,528,936</b>
<b>Net assets</b>		
Unrestricted (deficit)	(6,566,057)	6,652,426
Temporarily restricted	27,902,171	38,931,499
Permanently restricted	75,201,561	76,340,042
<b>Total net assets</b>	<b>96,537,675</b>	<b>121,923,967</b>
<b>Total liabilities and net assets</b>	<b>130,241,367</b>	<b>164,452,903</b>

## STATEMENT OF ACTIVITIES

	2009	2008
<b>Revenues and other support:</b>		
Contributions	8,214,717	14,677,426
Investment Income	2,400,255	2,683,742
Realized and unrealized losses - net	(22,777,425)	(8,444,642)
Change in value of split-interest agreements	(2,506,733)	(1,606,815)
Management fee income	245,538	363,425
Grant income	55,856	52,309
Other income	179,253	148,221
<b>Total revenues and other support</b>	<b>(14,188,539)</b>	<b>7,873,666</b>
<b>Expenses</b>		
Program services	10,170,083	12,252,676
Supporting services	1,027,670	1,067,119
Unallocated payment to affiliated organization	-	10,000
<b>Total Expenses</b>	<b>11,197,753</b>	<b>13,329,795</b>
Change in net assets	(25,386,292)	(5,456,129)
Net assets, beginning of year, as previously reported	121,923,967	127,380,096
<b>Net assets, end of year</b>	<b>96,537,675</b>	<b>121,923,967</b>

*Note:* Standards of financial accounting for nonprofit organizations affect the reporting of charitable remainder trusts and certain endowment funds managed by The Community Foundation for other nonprofit organizations. On the Statement of Activities, among the categories of revenue and expense impacted by these reporting requirements are Contributions and Program Services, which includes grant distributions. References to Contributions and Grants in other parts of this annual report reflect total contributions and total grants disbursed. The audited financial statements of The Community Foundation of Western North Carolina are available for inspection at the Foundation office, Suite 1600, The BB&T Building, One West Pack Square, Asheville, NC, 28801.





The Community Foundation  
*of Western North Carolina*

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