

# Opening windows of opportunity in North Carolina





## To the people of North Carolina

This annual report showcases the Golden LEAF Foundation's work in 2007. However, I am retiring this year, and in my last letter as president, I want to take a broader look at how this remarkable foundation has become a vital resource in helping North Carolina during a period of critical economic transition.

As part of the Master Settlement Agreement with cigarette manufacturers in 1999, then-Attorney General Michael Easley and the legislature created Golden LEAF with the mandate of providing economic impact assistance to economically affected or tobacco-dependent regions of North Carolina. Unlike many states that rolled their money into their general funds, North Carolina was intentional in setting up a resource for the future. Further, the charter directed Golden LEAF, to the extent feasible, to preserve the principal and use income generated from investments to achieve the purposes for which it was established.

From the beginning, our appointed board of directors brought to the table 15 diverse perspectives, reflecting their backgrounds, understandings of philanthropy, ideas and expectations. As a body, the board has been tireless in its commitment to being good stewards of the foundation's assets, setting high standards for accountability and serving North Carolina's communities. In addition, Golden LEAF is fortunate to have dedicated, competent and hardworking staff who are personally and professionally committed to assisting the foundation's many constituencies.

It was fortuitous that Golden LEAF would be established in Rocky Mount, in the heart of Eastern North Carolina, an area once so dependent on tobacco. With a new headquarters under construction, Golden LEAF will have a permanent, more visible presence in rural, tobacco-dependent North Carolina.

Golden LEAF has distinguished itself in a number of ways: its strategic grantsmaking, its accessibility and responsiveness to grant seekers and its engagement with communities. Many of our grants produce an immediate effect, such as creating jobs and providing basic infrastructure. For others, the impact will be realized in future years. We have strategically focused on specific sectors that offer the promise of long-term stability, such as biotechnology, aerospace, advanced manufacturing, healthcare, agriculture and tourism.

While proud of our grantsmaking in general, I take great personal satisfaction in our support of educational projects. Golden LEAF has helped provide thousands of computers for rural students. We've also invested more than \$6 million in wiring schools for Internet access and awarded millions in scholarships to prepare students for a new economy.

All this work would not be possible without well-managed monetary resources. Working with some of the top investment advisors in the United States, Golden LEAF endeavors to steadily grow the foundation's assets so that we have the income each year to make grants and have funds available for the future. Comprehensive annual audits are performed, and to date, I am pleased to report, no issues of any kind have been found by our independent auditors. Moreover, Golden LEAF has operated with a lean budget, sufficient to carry out the mandate, but not excessive.

In closing, I want the people of North Carolina — legislators, civic leaders, the business community and citizens all across the state — to know how grateful I am for the extraordinary opportunity I have had to serve you. I've had the support of a staff I have grown to respect as colleagues and friends. I have been blessed with a board of directors that has been supportive of my leadership. There are also countless leaders in business, government, philanthropy, and the professions who have been generous with their advice and counsel. While rewarding, this work has been difficult at times, and my family, friends and colleagues have stood with me. I will forever be grateful for that love and support.

It is my hope that the course we have taken will continue to serve Golden LEAF and North Carolina well for years to come. I leave with renewed admiration and appreciation for the North Carolinians who diligently and creatively find ways to improve the lives of their fellow citizens. In this report, you'll get just a glimpse of some of those people. They have been an inspiration to me, both as a leader of this foundation striving to make a difference and as a fellow citizen who understands the amount of imagination, labor, determination and perseverance needed to bring about positive change.

Valeria L. Lee  
President

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## A message from the chairman

Valeria Lee, Golden LEAF's founding president, is leaving our organization, and I'd like to take this opportunity to thank her for her service. She's been a great motivator, leader and colleague. During her time here, Valeria put together a knowledgeable, capable staff, one that is committed to Golden LEAF's purpose. We're sad to see her go, but thankful for the chance to have worked with someone of her exemplary character and integrity. As we continue to search for the right individual to take the position of president, we look expectantly toward even greater endeavors under new leadership, knowing our foundation remains strong.

I'd also like to recognize my predecessor, Richard Holder. Under Richard's astute leadership, Golden LEAF focused on important priorities and launched our new community assistance program last year. Thank you, Richard, for your dedication to Golden LEAF and its mission.

Jessie Thomas Bunn  
Chairman of the Board



# A new outlook on our state's future

Many communities in North Carolina have been suffering from economic decline for decades. Dependence on tobacco farming and manufacturing jobs left these counties in distress when those industries took a downturn. The Golden LEAF Foundation has been working steadily and aggressively to open windows of hope and opportunity across the state.

In 1999, Golden LEAF was created to manage half of North Carolina's share of the Master Settlement Agreement with cigarette manufacturers. Since then, Golden LEAF has devoted itself to fostering economic well-being in North Carolina and helping the state transition to a more diverse economy. Focusing on agriculture, economic development and workforce preparedness, Golden LEAF gives priority to projects in tobacco-dependent, economically distressed and/or rural communities. To complement its primary grants, Golden LEAF also funds education and, as of last year, community assistance projects.

Golden LEAF launched its Community Assistance Initiative to directly engage both citizens and county leaders in seeking out projects with the potential to significantly impact entire communities. We're excited about this new level of grantsmaking, which has already accomplished a great deal in its first year.

Diversity marks Golden LEAF's grant awards, which include advancing the biotech industry, finding alternative crops, providing infrastructure to local economic development projects, training a qualified workforce for new and emerging jobs, and helping communities leverage existing assets for economic development activities such as tourism.

Partnering with local governments, educational institutions, nonprofit organizations, economic development organizations and other public agencies, Golden LEAF commits itself to good stewardship of the funds entrusted to it. Golden LEAF awards grants to projects that show the greatest potential for creating high-quality jobs and advancing the state's economy.



For students in LaTonya McLean's classroom, learning has become a collaborative and interactive experience.

Location: Scotland County  
Project: Future-Ready Classrooms  
Grant: \$693,810  
FY: 2008

## 21st century classrooms get an A+

Remember when solving a problem on the blackboard meant instant anxiety and chalk-covered hands? Thanks to Golden LEAF, Scotland County students have left those days in the dust. Now students eagerly write on a handheld wireless "slate," and their work appears on a big screen. LaTonya McLean, a sixth grade teacher at Spring Hill Middle School, says, "This technology has definitely changed the classroom climate — and it's all for the better."

McLean has been teaching math for seven years. "I love teaching sixth grade," she says. "They're a unique group with their own set of needs." But she was concerned when she didn't see their needs being met by the traditional methods of lecturing and note-taking.

In the past, the teacher was the focal point during class, lecturing from the front and putting the notes on the overhead. With the new technology, the students are at the center. "They've even become facilitators of instruction, presenting material to each other," McLean says.

The Golden LEAF grant provided Scotland County with 86 Future-Ready classrooms in three middle schools and the 9th Grade Academy. The rooms were equipped with computers, SMART Board interactive whiteboards, document cameras and, just recently, wireless connection. The grant also provided staff training for teachers to learn how to use the tools.

"We've had the opportunity to expose them to experiences we normally couldn't. For example, at the beginning of our geometry unit, we went on a virtual field trip to New York City," says McLean. The students were able to explore the structures and see the geometric relationships. "They saw how geometry is relevant to the real world."

Jim O'Hern, the technology director for Scotland County Schools, is excited about the future of the program: "The Golden LEAF Foundation helped us enormously, not just by providing the money but with tuning our vision."



Kevin Jones found a job within a couple of weeks of completing his training program.

Location: Robeson County  
Project: Heavy Equipment Operator Program  
Grant: \$227,189  
FY: 2007

Grant: \$150,000  
FY: 2008

## Clearing a path for new careers

Kevin Jones grew up helping his family farm tobacco on their land in Eastern North Carolina. As a small-scale producer, the Joneses were dealt a financial blow when the tobacco industry slowed. With the family business in jeopardy and his future uncertain, Jones set out to find a better way to earn a living.

“I started off working for a local body shop,” says Jones. “But that wasn’t cutting it. I was getting behind on my bills.” Refusing to be discouraged, he began searching for other career opportunities. That’s when he saw an ad for the Heavy Equipment Operator Program at Robeson Community College. “I immediately applied,” says Jones. “I was really excited when they called to schedule an interview.”

Those interviews played a big role. Bob Moore, the director of the Small Business Center at Robeson Community College, explains, “With so many qualified applicants, we had to narrow it down. The personal interviews became the determining factor.”

Moore and his two instructors were looking for some very specific traits. At the top of the list: the desire to work and the willingness to seek employment. “Kevin displayed both those qualities,” says Moore.

Jones’ admission to the program presented a huge opportunity at a minimal cost. His tuition and fees totaled only \$150. Moore points out how expensive a course like this would normally be. “A similar program at a technical school in South Carolina costs \$5,000,” he says.

Because of the generosity of Golden LEAF and local contractors who donated to a scholarship fund, 38 people received valuable training and certification. The grant also provided three pieces of equipment — a bulldozer, a combination front-end loader and backhoe, and an excavator — to give students the hands-on experience they needed to get jobs when they graduated.

Jones enjoyed the program. “I learned how to read blueprints and grading, how to use every piece of equipment,” he says. “I felt completely prepared to go out and look for a job.” And he quickly found one. The course ended in December, and by January, Jones was working for Clean Burn Fuels Inc. in Raeford, N.C.

“This is the type of workforce recovery program the Golden LEAF Foundation was established to assist,” says Moore. “We’ve trained people in our communities. And now they’re working here, contributing to our local economy.”



Aviation opportunities in Elizabeth City are reaching new heights, thanks to a joint effort by the airport authority and city and county government officials.

Location: Pasquotank County  
Project: Elizabeth City Aviation Research and Development Commerce Park  
Grant: \$2,000,000  
FY: 2008

L-R: Randy Keaton, county manager; Wayne Perry, Elizabeth City Regional Airport; Cecil Perry, Pasquotank County commissioner; Stephen Atkinson, Elizabeth City Mayor; Rich Olson, city manager; Scott Hinton, manager for Elizabeth City Regional Airport.

## A partnership takes flight

It's been said that an airport runway represents a road to the world. But Elizabeth City needs a runway to bring the world to them.

Elizabeth City-Pasquotank County Regional Airport is a joint-use facility. It serves as the city's airport, the Coast Guard air station and the site of DRS, a private company that overhauls C-130 aircraft. With all these occupants, it's no surprise that space has become a problem.

"I frequently field calls from businesses interested in leasing maintenance facilities or hangars, and I have to turn them away due to lack of real estate," says Scott Hinton, Elizabeth City Regional Airport manager. This persistent demand, along with an express desire from Elizabeth City State University to expand its aviation science program, led Hinton to take action.

Along with the airport authority, Hinton pursued funding from several sources to expand the airport and construct a new facility. However, they discovered they needed partners to take on the responsibilities associated with a project of this magnitude. So Hinton decided to go to the city and county managers for help.

When they saw the expansion plan, they immediately agreed to petition for grants on behalf of the airport. "They recognized the value and the viability of this endeavor," says Hinton. "Now we've got the city, the county, the airport authority and the university working together."

They've already purchased 63 acres across the road for the site of the Elizabeth City Aviation Research and Development Commerce Park. The park will house additional overhaul facilities and a 50,000-square-foot classroom and lab for the School of Aviation and Space Sciences at Elizabeth City State University. In addition, the College of The Albemarle will provide support programs and job training for the employees who will be working in the new hangars.

The Golden LEAF grant is paying for the Aviation Park taxiway connecting the current airport to the new complex across the street. "The taxiway is the vital link. Without it, none of this happens," says Hinton.

"One of the expectations of the project is that we create 500 jobs over the next five years," says Rich Olson, city manager for Elizabeth City. "We're going to see that happen just within Phase I." Aviation-related jobs pay double the average wage in the county.

The opportunities presented by this undertaking are irrefutable. "It's like the stars have aligned," says Hinton. "The number of organizations working together to make this happen speaks volumes about its value."



The Lounsburys are just one of more than 40 farming families who take part in the Farms-to-Schools program.

Location: Madison County  
Project: Madison County Multi-purpose Agricultural Complex  
Grant: \$275,000  
FY: 2006

## The fruits of their labor

Once the largest provider of burley tobacco in North Carolina, Madison County suffered severely when the tobacco industry started slowing down — hurting its farmers most of all. “I started growing tobacco in the 1980s,” says Jim Lounsbury of Corner’s Knobb Farm. But as business dwindled, he and his wife Jan had to try alternative crops. Eventually, when their son Jamie joined the Army, Lounsbury decided to quit farming altogether. However, his son had other plans.

“When Jamie came home from the military, he told me it was his dream to go into farming,” says Lounsbury, “so I stayed in the business for my son.”

The two started growing melons to sell at the local tailgate markets. Customers loved the Lounsburys’ produce, but because the marketplace was so small, much of their crop was spoiling. Then Madison Farms, an organization that helps local farmers market their products, heard about their famous cantaloupes and contacted them with a proposal. “They asked me if I wanted to be a part of their Farms-to-Schools program,” says Lounsbury.

Through the program, Madison Farms supplies fresh produce grown by local farmers to Madison County Schools, Asheville City Schools, Mars Hill College and the University of North Carolina at Asheville. “It’s a win-win situation,” says Dewain Mackey, executive director of Madison Farms. “The farmers have a reliable customer base for their produce, and the students get healthy homegrown fruits and vegetables.”

“We sell everything through Madison Farms,” says Lounsbury. “We’ve even been able to expand our crop production and variety because of them.” Today the Lounsburys grow a total of 22 fruits and vegetables including eggplant, squash, potatoes and watermelon.

Through combined funding from Golden LEAF and other organizations, Madison Farms was established to help farmers in Madison County create business plans and learn to use the Internet for e-commerce. A few years later, Madison Farms acquired a piece of property and an 11,000-square-foot building. A second Golden LEAF grant helped buy equipment to open a Value-Added Center for processing specialty produce.

“We put in a kitchen, a hard vegetable wash line, walk-in coolers and a walk-in freezer,” says Mackey. Farmers use the equipment at the center free of charge to wash, package and store their produce. As the name implies, the fruits and vegetables sell at a higher price once they’re cleaned and packaged.

Mackey credits Golden LEAF with helping Madison County farmers make it through hard times: “Without them, Madison Farms wouldn’t exist.”

Fortunately, it’s working for farmers like Lounsbury. “Madison Farms has given us new hope for the future,” he says. “Hopefully in time, we’ll be able to purchase more land. We look forward to farming every day.”



Martha Schatz knows how much Internet access at the public library helps people conduct job searches, eBay business and personal medical research.

Location: Rutherford County  
Project: Expansion of Broadband Fiber Infrastructure  
Grant: \$1,450,000  
FY: 2008

## Going the extra mile

It's hard for many to imagine life without the immediacy of instant messaging, Google and e-mail. But residents of Rutherford County count themselves lucky just to have Internet connection. Most homes in the county have access only to dial-up without even the option of DSL. And as everyone who's used dial-up knows, that makes doing anything online frustrating and time-consuming. "You can practically wash a load of clothes in the time it takes for a page to load," says Martha Schatz, director of the Rutherford County Library.

After 25 years with the library, Schatz has witnessed firsthand the evolution of technology in her small community. Her introduction to the Internet occurred at a mandatory State Library workshop in 1995. "I didn't want to go because I had too much to do," says Schatz. She went begrudgingly and unexpectedly found herself getting excited as the teacher talked about a new world of information. Not long after, Rutherford County citizens were able to access the Internet through her library.

But as the Internet took off, Schatz's community was left behind. "We didn't get a DSL connection here at the library until last year," says Schatz. "Before that, we had frame relay, and it crawled like a snail." She admits that DSL is better, but it doesn't allow people to take advantage of all the Internet has to offer. "When someone views streaming video for, say, an online course, it slows the entire library down."

With only seven computers connected, the library can't possibly meet everyone's needs. "On a Saturday, we might have as many as 90 people come in, and we're only open three hours," says Schatz. "The computers are in use the entire time, and we limit people to one hour when others are waiting."

However, Schatz will soon be able to advertise a quick fix for her patrons. Through its Community Assistance Initiative, Golden LEAF is funding the expansion of Rutherford County's broadband fiber infrastructure. Already, enough fiber has been added to connect the county's schools and educational facilities to high-speed Internet. Completion of additional fiber to connect county assets, such as the library and fire and police stations, is scheduled for early 2009. On top of providing much-needed speed and access to these important services, the "middle mile" fiber will eventually allow wireless "last mile" private Internet service providers to offer broadband access at affordable rates to individual homes in Rutherford communities.

"We see this fiber capability enhancing the attractiveness of our community to potential businesses, helping our small businesses take part in the global economy and allowing our government and educational institutions to better serve our citizens," says John Condrey, Rutherford County manager.

Schatz is eagerly anticipating that day: "I'm looking forward to more productivity for everyone — and the opportunity for people in our community to keep up with others around the country and around the world."

# CY 2007 Grants

| ORGANIZATION NAME                           | ORGANIZATION COUNTY | GRANT AMOUNT   | GRANT SUMMARY  |
|---|---------------------|----------------|--|
| Adult Enrichment Services of Wilkes Inc.    | Wilkes              | \$50,000.00    | To help support development of a state-certified adult day health center and enable family care providers to enter or return to the workforce.   |
| Anson County                                | Anson               | \$300,000.00   | To assist with installation of a gravity sewer line and pump station needed to expand a textile manufacturing plant. This expansion will also serve other businesses and the Town of Lilesville. Projected to create 30 new jobs and retain 288 positions.                                   |
| Appalachian State University                | Watauga             | \$750,000.00   | To construct and operate a modular biodiesel testing facility that will provide data important to the success of the state's growing biodiesel industry, particularly mid-sized biodiesel producers.   |
| Appalachian State University                | Watauga             | \$79,673.00    | To support the ASU Energy Center in assisting seven rural, economically distressed counties (Cleveland, Columbus, Edgecombe, McDowell, Rockingham, Scotland) with the utilization of landfill gas to promote economic development through the Community TIES Program.                        |
| Appalachian State University                | Watauga             | \$600,000.00   | To assist with the upfitting and equipping of the N.C. Center for Engineering Technologies in Hickory to provide workforce development to meet the demand for engineers in the Unifour Region.   |
| Appalachian Sustainable Agriculture Project | Buncombe            | \$75,000.00    | To support the Appalachian Grown project, partnering with local grocers, distributors, farmers and institutions to create opportunities for N.C. farmers in high-value markets and to drive demand for local food.   |
| Ashe County Partnership for Children        | Ashe                | \$64,500.00    | To purchase kitchen equipment to help local farmers and others create value-added products at the Creative Food Ventures facility in Jefferson, N.C.   |
| Beaufort County Committee of 100            | Beaufort            | \$1,000,000.00 | To acquire manufacturing equipment that will be leased to Carver Machine Works for its new facility just outside the City of Washington. Projected to create 50 new jobs and retain 68 positions over a three-year period.   |
| Beaufort County Committee of 100            | Beaufort            | \$1,128,000.00 | To assist the Beaufort County Committee of 100 with upfit of a manufacturing facility that will be leased to Impressions Marketing Group to facilitate a planned company expansion. Projected to create 120 jobs and retain 162 positions over a three-year period.                          |
| Beaufort County Committee of 100            | Beaufort            | \$1,000,000.00 | To assist with the construction of a manufacturing facility that will be leased to Southtech Plastics at the Blue Chip site, creating the first industrial park on the south side of Beaufort County. Expected to retain 75 positions and create 25 new jobs over a three-year period.       |
| Bladen County Hospital                      | Bladen              | \$515,880.00   | To support the procurement of clinical equipment, training and marketing activities at Bladen County Hospital to increase healthcare services offered in the emergency room and surgical suite and to establish a new pediatrics unit. Expected to help retain 300 full- and part-time jobs. |
| Bladen's Bloomin' Agri-Industrial Inc.      | Bladen              | \$750,000.00   | To support renovation and expansion of a manufacturing facility in Bladensboro that will be leased to a boat manufacturing company, creating more higher-paying jobs. Potential for the creation of 120 new jobs.  |
| Braswell Memorial Library                   | Nash                | \$125,000.00   | To support the development of Business Information Center Outreach Services, a multi-county program that helps bridge the gap between entrepreneurs and traditional service providers in Edgecombe, Halifax and Nash counties.   |
| Carolina East Home Care & Hospice Inc.      | Duplin              | \$300,000.00   | To support residential hospice care that will serve Duplin, Jones, Lenoir, Onslow, Pender, Sampson and Wayne counties. Projected to create 30 new jobs.  |
| Carteret Community College                  | Carteret            | \$120,000.00   | To assist Carteret Community College with equipping its Construction Trades Center to prepare a skilled workforce for the growing construction industry in the coastal region. Estimated that over 200 individuals will be trained annually.   |

| ORGANIZATION NAME   | ORGANIZATION COUNTY | GRANT AMOUNT   | GRANT SUMMARY   |
|---|---------------------|----------------|---|
| City of Elizabeth City  | Pasquotank          | \$2,000,000.00 | To support building an airport taxiway connecting Elizabeth City-Pasquotank County Regional Airport to Aviation Park. Will also leverage the U.S. Coast Guard Station, the Aviation Sciences Program at ECSU and the College of The Albemarle to grow aviation businesses and jobs. Projected to create 500 jobs. |
| City of Laurinburg  | Scotland            | \$1,200,000.00 | To assist with the construction of a building that will house a Richmond Community College satellite campus and industrial training center.   |
| City of Rocky Mount   | Nash                | \$125,000.00   | To extend public sewer service to allow a local log home manufacturing business to expand its operations at its Whitakers facility. Projected to create 50 new jobs and retain 112 over a three-year period.  |
| County of Columbus  | Columbus            | \$150,000.00   | To support construction of public road infrastructure into Southeast Regional Industrial Park, critical for increasing access and locating a defense manufacturing company here. Projected to create a total of 120 jobs over a three-year period.  |
| Craven Community College  | Craven              | \$50,000.00    | To allow Craven Community College to expand its plastics training program to enable Carolina Technical Plastics to recruit and develop the workforce to remain competitive in Eastern N.C. Expected to create 35 additional jobs.   |
| Dan River Basin Association   | Rockingham          | \$57,527.00    | To support development of visitor guides/trip planners and market information that attracts nature, heritage and cultural tourists to the N.C. Dan River region, including Caswell, Person, Rockingham and Stokes counties.   |
| Destination Cleveland County Inc.   | Cleveland           | \$250,000.00   | To assist with construction of the performance space in the Cleveland County Courthouse to serve as a destination hub for travelers to experience the music and traditions of the Carolina Foothills. Expected to create 140 jobs in the first year.  |
| The Development Foundation of the North Carolina Center for the Advancement of Teaching | Jackson             | \$150,000.00   | To support the N.C. Center for the Advancement of Teaching's effort to increase the number of National Board Certified Teachers from tobacco-dependent, economically distressed and rural counties from across North Carolina in high-needs curriculum areas.   |
| East Carolina Health dba Roanoke-Chowan Hospital  | Hertford            | \$360,000.00   | To support Roanoke-Chowan Hospital and partners in implementing a program designed to address the shortage of healthcare workers, offering courses of study in nursing, respiratory therapy and radiology technology.   |
| East Carolina University  | Pitt                | \$1,000,000.00 | To pursue diabetes and obesity healthcare and research through the Metabolic Institute founded by the UNC Board of Governors. The center will foster economic development in rural Eastern N.C. through new service industries and jobs.  |
| East Carolina University  | Pitt                | \$1,000,000.00 | To support the development of the new Family Medicine Center at ECU's Brody School of Medicine that will address the shortage of primary care doctors in N.C.   |
| Edgecombe Community College   | Edgecombe           | \$1,000,000.00 | To support development of a Community Health Education Resource Center on the Rocky Mount campus of Edgecombe Community College. This facility will house many expanded allied health programs and training opportunities.  |
| Edgecombe County Public Schools   | Edgecombe           | \$1,550,000.00 | To support the implementation of a 1-1 laptop project for Edgecombe County Schools to provide personal computers to students and teachers in grades 9 and 10.   |
| Gates County  | Gates               | \$780,780.00   | To repair, renovate and expand the Gates County Community Center and its facilities, which house recreational, educational and social service programs.   |
| Gates County  | Gates               | \$60,000.00    | To pay for professional engineering services to identify and evaluate two strategic locations and establish budgets for waste water treatment and disposal facilities in Gates County.  |
| Handy Sanitary District   | Davidson            | \$250,000.00   | To assist with installing a sewer line that will positively impact the economy in southern Davidson County by allowing Loflin Fabrication to expand its operations and stimulating agritourism. Projected to create 25 jobs.  |
| Haywood County Economic Development Commission  | Haywood             | \$60,000.00    | To support the Buy Haywood Market Development Project to train farmers on marketing, test the market potential of Haywood-County branded products and increase sales of local produce.  |

| ORGANIZATION NAME                           | ORGANIZATION COUNTY | GRANT AMOUNT | GRANT SUMMARY  |
|---|---------------------|--------------|--|
| Haywood County Schools Foundation           | Haywood             | \$250,000.00 | To help expand the training program at Pisgah High School to meet the demand for highly skilled machinists. It will directly feed into Haywood Community College's Advanced Machining Center and industries in Western N.C., which are in need of skilled workers in order to expand.  |
| Hertford County                             | Hertford            | \$250,000.00 | To support the planning and development of a Parks and Recreation Program in Hertford County. The county will partner with the Hobson R. Reynolds Elks National Shrine to upgrade, operate and maintain recreational facilities.   |
| Isothermal Community College                | Rutherford          | \$800,000.00 | To assist Isothermal Community College in expanding technical trades programs with a focus on welding, construction trades and machining to meet the needs of new and expanding industry.  |
| The Leaflight Inc.                          | Orange              | \$50,000.00  | To provide credit, debit and food stamp EBT card capacity to 5-7 farmers' markets in tobacco-dependent and/or economically distressed counties, increasing sales opportunities for farmers.  |
| Lenoir Community College                    | Lenoir              | \$125,000.00 | To support a Mobile Machining Lab that will enable Lenoir Community College to reach future machining technology students and employees at local industries through training visits to nearby community colleges, universities, high schools and local industries.   |
| Lower Cape Fear Hospice Inc.                | Columbus            | \$150,000.00 | To support residential hospice care in Columbus County that will serve Columbus, Bladen and Brunswick counties. This project will free acute care beds at regional hospitals and provide another training site for student nurses. Project expected to create 10 new jobs.   |
| Mitchell County Development Foundation Inc. | Mitchell            | \$250,000.00 | To support a small business development project, and branding and marketing initiative for Mitchell County as the "Home of the Perfect Christmas Tree." Projected to create as many as 150 jobs over a five-year period.   |
| Mountain BizWorks Inc.                      | Buncombe            | \$145,000.00 | To match funds from the SBA Women's Business Center to allow Mountain BizWorks to provide its business planning course, its one-on-one business consulting program and its small business lending program to rural entrepreneurs. Projected to create 200 jobs and 50 businesses and sustain 250 jobs and 75 businesses in 10 rural Western N.C. counties. |
| Murfreesboro Historical Association         | Hertford            | \$17,000.00  | To support tourism development in Murfreesboro through the expansion of the Agriculture Museum.  |
| North Carolina Agricultural Foundation Inc. | Wake                | \$200,000.00 | To support the College of Agriculture and Life Sciences Agricultural Leadership Development Program to provide a two-year intensive learning opportunity to farmers and agribusiness representatives from across N.C. and extension agents.  |
| North Carolina Agricultural Foundation Inc. | Wake                | \$100,000.00 | To improve the market for organic grains by increasing the number of N.C. farms producing them, the profitability of existing farms and the farmers' access to federal cost-share programs.  |
| North Carolina Agricultural Foundation Inc. | Wake                | \$200,000.00 | To support the construction of a small animal processing facility in McDowell County that will allow the throughput of 1,000 chickens per day. A feasibility study indicated a demand for the facility and a potential retained value of \$377,000 each year.  |
| North Carolina Agricultural Foundation Inc. | Wake                | \$40,000.00  | To support additional work to develop a program to manage Pierce's Disease in grapes grown in the Piedmont through pruning, insecticide treatment for vector control and management or removal of disease hosts.   |
| North Carolina Agricultural Foundation Inc. | Wake                | \$75,000.00  | To implement the strategic plan for the N.C. muscadine grape industry: marketing the muscadine and its products, developing educational materials, establishing a research facility and exploring the grape's antioxidant composition.   |
| North Carolina Community College System     | Wake                | \$500,000.00 | To support the Golden LEAF Scholars Program providing scholarships for at least 330 eligible students from rural, tobacco-dependent and economically distressed counties to attend N.C. community colleges during the upcoming school year.  |

| ORGANIZATION NAME  | ORGANIZATION COUNTY | GRANT AMOUNT   | GRANT SUMMARY  |
|--|---------------------|----------------|--|
| North Carolina Community Development Initiative Inc.         | Wake                | \$25,000.00    | To support the N.C. Community Development Initiative's pre-development work for a multi-use community center in Henderson. The project will increase local asset retention and boost community spending through local ownership of commercial ventures.          |
| North Carolina Department of Agriculture & Consumer Services | Wake                | \$200,000.00   | To support the N.C. Department of Agriculture's successful Got to Be NC program's efforts to expand markets for direct market farms, continuing the retail and food service campaign, and supporting the campaign promoting specialty crops and products.        |
| North Carolina Department of Agriculture & Consumer Services | Wake                | \$60,000.00    | To support efforts of the N.C. Department of Agriculture & Consumer Services to help farmers obtain GLOBALGAP certification, which is necessary to sell agricultural products in many European markets.  |
| North Carolina Department of Agriculture & Consumer Services | Wake                | \$500,000.00   | To help transport bales of corn, soy and other stover or fodder from Eastern N.C. to keep livestock operations viable in Western N.C. and other parts of the state. Also provides an alternative market for farmers in Eastern N.C.                              |
| North Carolina Development Finance Corporation               | Wake                | \$300,000.00   | To assist startup of the N.C. Development Finance Corporation, which will provide more financing options to agri-businesses and rural enterprises by expanding the use of existing programs of federal agencies.   |
| North Carolina Hospital Foundation                           | Wake                | \$1,000,000.00 | To help establish a loan loss reserve fund for the N.C. Rural Hospital Investment Project, which will leverage \$40 million in capital funding to help 56 small and rural N.C. hospitals invest in needed upgrades and renovations.                              |
| North Carolina Independent Colleges and Universities         | Wake                | \$864,000.00   | To support the Golden LEAF Scholars Program providing scholarships for up to 288 eligible students from rural, tobacco-dependent N.C. counties to attend N.C. independent colleges and universities during the upcoming school year.                             |
| North Carolina New Schools Project Inc.                      | Wake                | \$388,506.00   | To provide funding for 1-1 computer projects at the Learn and Earn high schools in Davidson and Wayne counties for the upcoming school year.   |
| North Carolina New Schools Project Inc.                      | Wake                | \$1,408,750.00 | To provide funding for 1-1 computer demonstration projects at five Learn and Earn high schools across N.C. Funds will be used to purchase laptops for students and teachers and for professional development for Edgecombe, Hoke, Macon and Rutherford counties. |
| North Carolina REAL Enterprises Inc.                         | Wake                | \$225,000.00   | To support the Building REAL Interest in Developing Greater Entrepreneurial Systems (BRIDGES) project in Ashe, Allegheny and Wilkes counties to support all levels of entrepreneurship education and community engagement.                                       |
| North Carolina State Historic Preservation Office            | Wake                | \$75,000.00    | To document historic properties in Bertie, Beaufort, Hertford and Northampton counties to help them fully capitalize on cultural and heritage tourism as they work to diversify their economy.   |
| North Carolina State University                              | Wake                | \$89,620.00    | To support work by N.C. State University to meet demand for N.C.-grown lettuce by researching the best-performing cultivars, establishing planting schedules and analyzing nutrition, disease control and pest issues.   |
| North Carolina State University                              | Wake                | \$200,000.00   | To develop sweet potato varieties suitable for value-added products, to optimize storage conditions for processing needs and to investigate ways to manage the cutting and aging characteristics of sweet potatoes.  |
| North Carolina State University                              | Wake                | \$1,500,000.00 | To design, construct and commission a pilot plant to develop technology to convert low-value agriculture products easily grown in N.C. into ethanol, fostering a new biomass-based energy infrastructure.  |
| North Carolina State University                              | Wake                | \$50,000.00    | To support extending the season for production of blackberries and raspberries in Western N.C. to meet a demonstrated demand from retailers, the pick-your-own market and others.  |
| North Carolina State University-IMSEI                        | Wake                | \$60,000.00    | To help graduate-level engineering interns advance process improvement, quality, manufacturing systems, automation and information systems in small companies in rural tobacco-dependent and economically distressed counties.                                   |

| ORGANIZATION NAME   | ORGANIZATION COUNTY | GRANT AMOUNT   | GRANT SUMMARY  |
|---|---------------------|----------------|--|
| North Carolina State University - Physical and Mathematical Sciences Foundation | Wake                | \$360,000.00   | To support The Science House in promoting and improving the performance of K-12 students and teachers in science, technology, engineering and mathematics related disciplines.   |
| Opportunities Industrialization Center of Wilson Inc.                           | Wilson              | \$100,000.00   | To support Project New Start efforts in retraining dislocated workers from tobacco and other industries for employment, providing remedial and life skills training, job readiness and placement services, and case management.  |
| Our Community Hospital  | Halifax             | \$50,000.00    | To support the expansion of Our Community Hospital Wellness Center to increase access to outpatient therapy services and provide disease management for the chronically ill. Expected to create 3-4 new jobs.  |
| River City Community Development Corporation                                    | Pasquotank          | \$50,000.00    | To allow River City CDC to provide low-income, at-risk youth the entrepreneurial tools and leadership skills to plan, start and manage a small business.   |
| Roanoke-Chowan Community College  | Hertford            | \$1,388,040.00 | To support Roanoke-Chowan Community College and Hertford County Schools as they partner to establish an Early College High School in Ahoskie.  |
| Robeson Community College   | Robeson             | \$150,000.00   | To support the Heavy Equipment Operator training program at Robeson Community College to meet a workforce shortage as well as long-term high-growth need.  |
| Rocky Mount/Edgecombe Community Development Corporation                         | Edgecombe           | \$100,000.00   | To support work related to Phase I of the Crossing at 64 Mixed Use Development that will provide affordable housing and local access to goods and services for residents and create more than 200 jobs.  |
| Rural Advancement Foundation International - USA (RAFI-USA)                     | Chatham             | \$75,000.00    | To support seven agricultural initiatives that will investigate and demonstrate ways to replace lost tobacco income. Eligible farmers selected from tobacco-dependent and economically distressed counties.  |
| Rutherford County Government  | Rutherford          | \$1,450,000.00 | To assist Rutherford County with growing the broadband fiber infrastructure to support county assets such as fire and police stations, libraries and schools, and to reach outlying areas where broadband is not available.  |
| Sales & Service Training Center at Northgate Inc.                               | Durham              | \$125,000.00   | To assist with training efforts in eight counties to provide competent employees in the service sector and in tourism-related businesses, particularly related to entertainment, tourism and military base realignments. Expected to train and place 200 participants. |
| Sampson Community College   | Sampson             | \$300,000.00   | To support the purchase of equipment to create an ammonia refrigeration program, commonly used by pork/poultry and food processing businesses and in the biotechnology industry, to train workers for jobs related to technology.                                      |
| Scotland County Schools   | Scotland            | \$693,810.00   | To assist Scotland County Schools with purchasing technology, staff development and technology support to create and implement Future-Ready classrooms in 9th Grade Academy and all three middle schools.  |
| Southwestern N.C. Planning & Economic Development Commission                    | Swain               | \$205,539.00   | To help fund completion of infrastructure and services for broadband connectivity to 73 schools and colleges in six rural counties in southwestern N.C.  |
| Surry Community College Foundation Inc.   | Surry               | \$450,000.00   | To help equip a lab at Surry Community College that will provide simulated clinical experiences for nursing students and qualify more students for local nursing positions.  |
| Town of Ayden   | Pitt                | \$101,205.00   | To extend public infrastructure, water and sanitary sewer to serve a new industry locating to Minges Corporate Park as well as other tenants and the towns of Ayden and Grifton. Expected to create 165 jobs over a three-year period.                                 |
| Town of Elkin   | Surry               | \$200,000.00   | To provide funds for the construction of an elevated water storage tank, which will allow expansion of Hugh Chatham Memorial Hospital and other commercial and retail development. Projected to create a minimum of 60 high-quality jobs over a four-year period.      |
| Town of Fairmont  | Robeson             | \$504,850.00   | To assist the Town of Fairmont with funding to convert a vacant building into a multi-purpose facility for educational and community uses, including continuing education and specialty training programs.   |

| ORGANIZATION NAME                                     | ORGANIZATION COUNTY | GRANT AMOUNT   | GRANT SUMMARY   |
|---|---------------------|----------------|---|
| Town of Salemburg                                     | Sampson             | \$175,000.00   | To support the construction of commercial space in downtown Salemburg that will be divided into three commercial offices or retail spaces. Lease commitments are in place for two tenants.  |
| Town of Scotland Neck                                 | Halifax             | \$62,550.00    | To make needed improvements to the public sewer system to create jobs at Carter & Mayes Inc., a manufacturing plant in Scotland Neck. Expected to assist with the creation of as many as 115 jobs.  |
| UDI Community Development Corporation                 | Durham              | \$200,000.00   | To build a facility to house retail establishments, a business incubator, offices and residences in the old Five Points area of Durham, which suffers from high unemployment and poverty. Projected to create 65 full-time and 20 part-time jobs. |
| UNC-TV  | Durham              | \$212,890.00   | To use UNC-TV's statewide reach to raise awareness of revitalization efforts, through 12 features on <i>N.C. Now</i> , three town hall meetings and a Web site to give an in-depth look at economic development in N.C.                           |
| United Community Ministries                           | Edgecombe           | \$37,500.00    | To help United Community Ministries expand its Business Services Employment and Training Program to provide participants with the skills for jobs in facility maintenance and landscaping/lawn care.  |
| University of North Carolina - General Administration | Orange              | \$1,740,000.00 | To support the Golden LEAF Scholars Program providing scholarships for up to 580 eligible students from rural, tobacco-dependent and economically distressed counties to attend N.C. public universities during the upcoming school year.         |
| University of North Carolina at Chapel Hill           | Orange              | \$31,209.00    | To support the Cecil Sheps Center for Health Services Research in performing financial analysis on Ashe Memorial Hospital and identifying the issues, challenges and opportunities facing the hospital.   |
| University of North Carolina at Chapel Hill           | Orange              | \$194,070.00   | To support the Institute of the Environment and Kenan-Flagler Business School in performing a complete assessment of the feasibility of developing a "green" industrial park in Camden County.  |
| University of North Carolina at Chapel Hill           | Orange              | \$121,686.41   | To fund a strategic collaboration with UNC-Chapel Hill that brings its intellectual capital and assets to bear on rural, tobacco-dependent and economically distressed areas through long-term capacity building and rapid response projects.     |
| University of North Carolina at Chapel Hill           | Orange              | \$125,000.00   | To provide initial support to UNC-Chapel Hill and its strategic partners for professional development for school administrators and teachers and to begin establishing a K-20 curriculum for entrepreneurial education.                           |
| Wilson County Schools                                 | Wilson              | \$1,613,300.00 | To assist with implementing a comprehensive plan to improve the quality, relevance and rigor of education in Wilson County, by providing laptops to students at Hunt High School in grades 9-12.  |
| Wilson Technical Community College                    | Wilson              | \$450,000.00   | To help equip a lab at Wilson Technical Community College that will provide simulated clinical experiences for nursing students. The project will qualify more students for local nursing positions.  |
| Windows On The World E-CDC                            | Washington          | \$250,000.00   | To convert 15 Eastern N.C. clinics, primarily Federally Qualified Health Centers, to electronic health records and billing and train at least 15 billers/coders.  |

Visit [www.goldenleaf.org](http://www.goldenleaf.org) for more information on Golden LEAF grants.

# Financials

The foundation's financial statements undergo an annual audit, which is conducted by Ernst & Young, LLP. They audited our financial statements for the years ended June 30, 2007 and 2006, which are presented in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), and expressed an unqualified opinion on these financial statements. A copy of Ernst & Young's audit report dated November 14, 2007, may be viewed on the Golden LEAF Web site, [www.goldenleaf.org](http://www.goldenleaf.org).

Statement of Net Assets and Governmental Fund Balance Sheet June 30, 2007

|             |   | General Fund          | Reclassifications and Eliminations | Statement of Net Assets |
|-------------|---|-----------------------|------------------------------------|-------------------------|
| ASSETS      | Cash and cash equivalents                             | \$ 3,008,068          | \$ -                               | \$ 3,008,068            |
|             | Sales tax refund and other receivables                | 2,594                 | -                                  | 2,594                   |
|             | Prepaid items   | 27,298                | -                                  | 27,298                  |
|             | Investments   | 715,769,651           | -                                  | 715,769,651             |
|             | Capital assets-nondepreciable                         | -                     | 1,055,714                          | 1,055,714               |
|             | Capital assets-depreciable, net                       | -                     | 272,802                            | 272,802                 |
|             | <b>Total assets</b>                                   | <b>\$ 718,807,611</b> | <b>\$ 1,328,516</b>                | <b>\$ 720,136,127</b>   |
| LIABILITIES | Accounts payable                                      | \$ 184,718            | \$ -                               | \$ 184,718              |
|             | Accrued liabilities                                   | 20,193                | -                                  | 20,193                  |
|             | Grants payable  | 71,031,169            | -                                  | 71,031,169              |
|             | <b>Total liabilities</b>                              | <b>71,236,080</b>     | <b>-</b>                           | <b>71,236,080</b>       |
| NET ASSETS  | Reserved for prepaid items                            | 27,298                | (27,298)                           | -                       |
|             | Invested in capital assets, net of debt               | -                     | 1,328,516                          | 1,328,516               |
|             | Unrestricted  | 647,544,233           | 27,298                             | 647,571,531             |
|             |   | 647,571,531           | 1,328,516                          | 648,900,047             |
|             | <b>Total liabilities and fund balances/net assets</b> | <b>\$ 718,807,611</b> | <b>\$ 1,328,516</b>                | <b>\$ 720,136,127</b>   |

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance June 30, 2007

|                                   |   | General Fund        | Reclassifications and Eliminations | Statement of Activities |
|-----------------------------------|---|---------------------|------------------------------------|-------------------------|
| REVENUES                          | Proceeds from state settlement          | \$ 71,412,539       | \$ -                               | \$ 71,412,539           |
|                                   | Investment income                       | 101,469,685         | -                                  | 101,469,685             |
|                                   | Other income                            | 6,137               | -                                  | 6,137                   |
|                                   | <b>Total revenues</b>                   | <b>172,888,361</b>  | <b>-</b>                           | <b>172,888,361</b>      |
| EXPENSES                          | Grant distributions                     | 31,774,950          | -                                  | 31,774,950              |
|                                   | Administrative costs                    | 2,208,003           | -                                  | 2,208,003               |
|                                   | Capital outlays                         | 1,320,912           | (1,320,912)                        | -                       |
|                                   | Gain on fixed assets                    | -                   | (679)                              | (679)                   |
|                                   | Depreciation expense                    | -                   | 14,516                             | 14,516                  |
|                                   | Bad debt expense                        | 638,399             | -                                  | 638,399                 |
|                                   | Unrelated business income tax           | 7,887               | -                                  | 7,887                   |
|                                   | <b>Total expenses</b>                   | <b>35,950,151</b>   | <b>(1,307,075)</b>                 | <b>34,643,076</b>       |
|                                   | <b>Excess of revenues over expenses</b> | <b>136,938,210</b>  | <b>1,307,075</b>                   | <b>138,245,285</b>      |
|                                   | Net assets, at beginning of year        | 510,633,321         | 21,441                             | 510,654,762             |
| <b>Net assets, at end of year</b> | <b>\$ 647,571,531</b>                   | <b>\$ 1,328,516</b> | <b>\$ 648,900,047</b>              |                         |

# Board of Directors

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Appointed by Speaker of the House

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## Applying for a Grant

At Golden LEAF, we have an open door policy and encourage you to contact us to discuss project ideas or other issues before submitting an application.

To learn more about our application process, visit [www.goldenleaf.org](http://www.goldenleaf.org) or call us at 1.888.684.8404.

**Golden LEAF**  
FOUNDATION  
*your partner for prosperity*



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