THE
GOLDEN L.E.A.F.
(LONG-TERM ECONOMIC ADVANCEMENT FOUNDATION), INC.

REPORT TO THE

JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS

MARCH 1, 2014

Golden LEAF FOUNDATION

(LONG-TERM ECONOMIC ADVANCEMENT FOUNDATION)

TO: Joint Legislative Commission on Governmental Operations
c/o Mr. Timothy Dale
Fiscal Research Division
North Carolina General Assembly
Raleigh, NC

FROM: Dan Gerlach
President

DATE: March 1, 2014

RE: Report to Governmental Operations

In accordance with instructions from the Fiscal Research Division, enclosed are the following:

(1) An overview of Foundation Activities
(2) An unaudited statement of the net position of the Foundation as of December 31, 2013, a statement of activities for the six months ended December 31, 2013, and a preliminary budget for FY 2013-2014
(3) Official audited financial statements for the year ending June 30, 2013
(4) Tax returns for the Fiscal Year ending June 30, 2013

Enclosures as stated:

cc: The Honorable Pat McCrory, Governor of North Carolina
Senator Phil Berger, President Pro Tem, Senate of North Carolina
Representative Thom Tillis, Speaker of the House, N.C. House of Representatives
Johnathan L. Rhyne, Jr., Chairman of the Board 2014, Golden LEAF Foundation
David Kyger, Smith Moore Leatherwood, LLP

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BOARD OF DIRECTORS

As of 12/31/13

Overview of Foundation Activities

For the period of January 1, 2013 – December 31, 2013

CY2013 Overview

- Awarded 93 grants totaling $46,335,870.*
- Grants were awarded to support a diverse set of projects across 49 N.C. counties in the following programmatic areas: agriculture, workforce preparedness, job creation and retention, healthcare, scholarships, and educational initiatives.
- Awarded grants to assist with the creation of 3,202 jobs that were at risk without Golden LEAF support.
- Awarded grants through the Essential Skills in Advanced Manufacturing Initiative to help the state address the skills gap that companies are struggling to overcome. Over 2 cycles of grantsmaking for this initiative, industries reported that they are having trouble finding qualified workers to fill positions in industry. This initiative provides support to equip the state's workforce with the technical skills and qualifications required to fill these positions.
- Completed the Community Assistance Initiative grantsmaking process focused on Tier 1 counties. Over six years, the Initiative targeted grants to 46 of the state's Tier 1 counties. 198 grants totaling over $88 million were awarded for education, workforce training, economic development, health care programs & facilities, agriculture, and community development projects.
- Provided scholarships through the Golden LEAF Scholars Program to students from rural counties across the state: 215 new scholarships and 744 renewal scholarships were awarded to individuals attending North Carolina public and private universities and colleges and over 1,500 scholarships were provided to help students attend N.C. community colleges .
- Completed support for the Golden LEAF Rural Broadband Initiative to provide middle-mile, high-speed broadband across 69 rural counties in the state. The project was completed in the Spring of 2013 and leveraged over $100 million in federal and private funds.

** Grant amounts reported throughout the report reflect the current award amounts for grants made during calendar year 2013 unless otherwise indicated. These amounts also do not include grants that have been awarded but were rescinded prior to release of funds.*

CY2013 Open Grants Program

The Open Grants Program allows applicants to submit letters of inquiry year-round. Grantsmaking is focused in the areas of agriculture, job creation and retention, and workforce preparedness. Golden LEAF awarded 31 grants totaling $4,575,818 to organizations in 22 counties.

Examples

- A $125,000 grant to North Carolina State University to support the N.C. 10% Campaign aimed at increasing demand for locally grown foods. The program will develop large-scale supply-chain models to increase local food sourcing from more mid- to large-size farmers. The campaign increases sales and profits for producers, helps farmers access lucrative and growing markets, and creates jobs and business opportunities through the development of needed infrastructure.

- A $196,629 grant to Tyrrell County Schools to support a digital learning initiative that provides access to technology for students and teachers in Columbia Early College/High School in order to improve teaching and learning. Funds were used to upgrade wireless connectivity and provide a Google Chromebook to all students and teachers. Funds will also support professional development for instructional staff and provide additional classroom technology allowing students to obtain college credit prior to graduation.

- A $200,000 grant to the Cabarrus Health Alliance to provide support that will leverage federal Healthcare Connect funding. This project will benefit N.C. nonprofit healthcare providers, particularly North Carolina's rural providers, in a statewide, dedicated broadband network. The program will inject an estimated $12 to $30 million in annual federal funds into distressed, rural communities across North Carolina by subsidizing broadband costs for participating healthcare organizations. By facilitating increased broadband use, the project will enhance workforce retention and preparedness, provide cost savings and better access to bandwidth-intensive distance learning, and expand opportunities for healthcare providers to collaborate with peer institutions. This project will leverage experience gained during an earlier Golden LEAF funded FCC Rural Broadband pilot project (a.k.a. N.C. Telehealth Network) and scale the work through the use of higher-capacity tracking, project management tools and the addition of staff.

CY2013 Economic Catalyst Program

Golden LEAF awarded 13 grants totaling $12,861,100 to organizations in 12 counties for job creation and retention projects assisting with the creation of 3,202 jobs in N.C. over the next few years. These economic development projects were at risk of not locating or expanding in North Carolina but for Golden LEAF funds. Golden LEAF funds fill the gap left after state and local programs are used.

<u>Examples</u>

- A $2,000,000 grant to Citizens Economic Development, Inc. (CED), the economic development organization of Rockingham County, to support the location of a new Sturm, Ruger and Company manufacturing facility in Mayodan, N.C. The company will create 493 new full-time jobs by December 31, 2018, at an average annual wage of $43,000 compared to the average annual wage for private industries in Rockingham County of $35,984. The purpose of this grant is to provide funding to CED to purchase equipment that it will lease to the company at a rate that will allow CED to recover the full value of the grant plus interest at the applicable federal rate. CED will be able to use the lease proceeds to support future economic development projects.

- A $1,158,000 grant to the Town of Pembroke to construct a publicly owned wastewater pre-treatment facility that will serve Trinity Foods, LLC, and other future commercial users. Trinity Foods will operate a sweet potato processing plant in Pembroke. The plant is ultimately expected to process 90,000,000 pounds of sweet potatoes into fries and other frozen sweet potato products annually. The company will create 149 new jobs by the end of 2015. The pretreatment facility is necessary to allow Trinity Foods to discharge its wastewater into the Town of Pembroke wastewater treatment plant. The pretreatment facility will be readily expandable to accommodate other users and the growth of Trinity Foods.

**Grants are awarded to governmental entities and 501 (c)(3) non-profit organizations to support permissible activities that lead to job creation in tobacco-dependent or economically distressed areas.*

CY 2013 Essential Skills in Advanced Manufacturing Initiative

- In CY2013, Golden LEAF awarded 13 grants totaling $5,094,659 for the Essential Skills in Advanced Manufacturing Initiative that serve 35 rural, economically distressed and/or tobacco-dependent communities, engaging one university, four public school systems and 17 community colleges. Projects supported by Golden LEAF in 2 grant cycles target more than 5,500 employment opportunities identified by industry over a three-year period.

- The Initiative was formed to assist the state with job creation and address the skills gap that companies are struggling to overcome in hiring qualified workers with the technical expertise required in advanced manufacturing.

- Grants ranged from $165,000 to $825,000.

- The Initiative provides equipment funding to upgrade training capabilities at colleges and universities. It also helps increase access to technical skills training for high wage jobs in demand by industry. The desired result is an increased pool of qualified workers available for employment in advanced manufacturing.

Example

A grant of $500,000 was awarded to Western Carolina University to assist The Kimmel School of Construction and Technology with expanding the Bachelor of Science in Engineering (BSE) program to the Biltmore Park Campus. This project will support manufacturing growth in the Asheville/ Hendersonville area. This expansion will address strong demand for engineering talent and certifications required by regional partners and industry. The project will enhance the university's training capabilities in advanced manufacturing, establish a valuable engineering pathway for students at area community colleges, and develop comprehensive training programs to address short-term engineering workforce needs in the region. Partners include Asheville-Buncombe Technical, Blue Ridge, and Isothermal Community Colleges.

CY2013 Community Assistance Initiative

Launched in 2007 and completed in 2013, the Community Assistance Initiative targeted N.C.'s Tier 1 counties and provided support for projects identified as priorities by county leaders and citizens. Grant awards have typically supported projects focused on economic development, infrastructure, education, workforce training, and health care. In CY 2013, Golden LEAF awarded 27 grants totaling $13,277,293 in 7 counties: Alexander, Cherokee, Chowan, Clay, Duplin, Swain and Wilkes.

<u>Examples</u>

- A $1,000,000 grant was awarded to James Sprunt Community College (JSCC) to assist the college with the construction of a new 12,000 sq. ft. building to house a new Diesel Mechanic Program. The program addresses a local and regional skills shortage identified by agribusinesses and distribution companies. This new Diesel Mechanic Program will offer existing mechanics continuing education certificates in Electrical, Hydraulics, Preventative Maintenance, Heating and Air Conditioning, and Brakes and Alignment and the opportunity to earn a nationally recognized credential as a diesel mechanic. In addition, JSCC is working to position itself to offer a variety of credit programs (Certificate, Diploma and Associates Degree) that will give young adults and displaced workers the opportunity to become employed.

- Edenton-Chowan Board of Education received an $827,500 grant to support Edenton-Chowan Middle and High Schools with implementing a 1:1 Digital Learning Initiative that provides a computing device for every student and teacher in grades 6-12. The overall goals of the 1:1 Learning Initiative are to improve instructional practices and rigor, raise student academic achievement, increase graduation rates, and better prepare students for career and college after graduation.

- A grant of $305,255 was awarded to the Wilkes Dental Consortium Inc./ Wilkes Public Health Dental Clinic to purchase a new mobile dental clinic that will replace an aging unit. The mobile clinic is a long standing program in Wilkes County that provides dental care for individuals with income or transportation barriers. With the new mobile unit, the Dental Consortium will continue to treat children at area elementary schools and expand care to adults at nursing homes and area businesses. By also treating adults, who have more barriers to accessing dental care, the project should help to decrease the number of visits to local emergency rooms for dental illness, provide relief to suffering patients and provide preventive care to all ages.

CY2013 Golden LEAF Scholarships

- Scholarships target students who (1) reside in rural N.C. counties that are tobacco-dependent and/or deemed economically distressed, and (2) who demonstrate financial need. Recipients may attend the participating college or university of their choice in N.C.
- In CY2013, Golden LEAF awarded 3 grants totaling $2,977,000 to the North Carolina State Education Assistance Authority, North Carolina Independent Colleges and Universities, and the University of North Carolina – General Admission for a total of 959 scholarships (215 new and 744 renewal) to attend 4-year N.C. public and private universities and colleges. Each scholarship is valued at $3,000 per year.
- The Foundation awarded $750,000 to the North Carolina Community College System to support over 1,500 new scholarships to attend a participating N.C. community college. The scholarship provides students with up to $750 per semester for curriculum and up to $250 per semester for occupational programs that can be used for tuition and approved educational subsistence.
- Golden LEAF also awarded a $1,550,000 grant to the Center for Creative Leadership for a leadership development program targeting up to 120 freshmen, 115 sophomore, 40 junior, and 30 senior Golden LEAF Scholarship recipients who are enrolled in 4-year N.C. colleges and universities. The leadership program includes paid summer internships, providing these students with work experience in rural communities. The goal of the program is to prepare the next generation of leaders and to expose students to career opportunities in rural communities.
- Since inception, Golden LEAF has awarded a total of 39 grants totaling $29,981,288.87 assisting over 12,000 rural students in our state to attend 2- and 4-year N.C. colleges and universities (as of Summer 2013).

Community-Based Grants Initiative

- A new initiative that will expand to all regions in the state, the Community-Based Grants Initiative launched in the summer of 2013 in the Northeast as a continuation of the Foundation's community based grantsmaking and as a response to completion of the Community Assistance Initiative.
- The Foundation will invite counties to apply to participate in the Initiative by region. The Initiative is competitive, but all counties within a designated region are welcome to apply to participate.
- The Initiative is a more efficient process to identify those projects that are ready for implementation and have the potential to have a significant impact.
- It is a focused process with grants targeted toward investments in the building blocks of economic growth. Grants are limited to projects that address education, workforce development, infrastructure, health care infrastructure, and agriculture. Grant awards will be typically limited to 1-3 projects per county and total no more than $1.5 million per county. Not all counties will have funded projects.
- Competitive proposals will: 1) Clearly meet identified issue/need in the county that is aligned with Golden LEAF priorities; 2) Do the most good for the most people; 3) Demonstrate a timeliness of need and an ability to put grant funds to work quickly; 4) Focus on action, not planning; 5) Leverage additional funds/investment and community buy-in with a 20% local match preferred; 6) Leverage previous community planning processes and build on their results/findings; 7) Be sustainable; and 8) Have strong support from a variety of county citizens/organizations.

CY2013 Golden LEAF Grants Awarded

Project Area		Number	Amount
Open Grants:	Agriculture	5	$612,826.00
	Community Asst. & Education	9	$1,449,897.00
	Economic Development	7	$1,219,815.00
	Healthcare	7	$977,280.00
	Workforce Preparedness	3	$316,000.00
Scholarships/ Scholars Leadership Program		5	$5,277,000.00
Economic Catalyst		13	$12,861,100.00
Initiatives:	Agriculture Special Initiative	1	$800,000.00
	Community Assistance Initiative	27	$13,277,293.00
	Essential Skills in Advanced Manufacturing	13	$5,094,659.00
	Special Programs Initiative	3	$4,450,000.00
Total		**93***	**$46,335,870.00**

** Numbers do not include grants that have been awarded and then rescinded with no grant funds released.*

CY2013 Funding Overview

- 226 proposals received
- 93 funded*
- 98 declined*
- 53 pending*
- Maximum Grant – $3,500,000
- Minimum Grant - $45,000
- Median Grant Amount - $275,000

***** *Includes actions taken in 2013 on proposals received prior to 2013*

Golden LEAF Grants Awarded
2000-2013

Project Area		Number	Amount
Annual/ Open Grants:	Agriculture	226	$30,821,529.39
	Community Asst. & Education	126	$27,771,123.19
	Economic Development	113	$16,959,151.17
	Healthcare	58	$13,066,918.60
	Tourism	82	$8,609,542.42
	Workforce Preparedness	96	$15,719,390.60
Scholarships/ Scholars Leadership Program		43	$34,036,602.60
Economic Catalyst		101	$153,329,957.17
Economic Stimulus		17	$6,695,933.79
Site Certification		20	$438,695.21
Strategic Initiatives	Aerospace Alliance	6	$10,231,884.27
	AgBiotech Initiative	5	$2,140,465.76
	Agriculture Special Initiative	1	$800,000.00
	Biotechnology	9	$67,493,935.25
	Community Assistance Initiative	198	$88,263,001.92
	Essential Skills in Advanced Manufacturing Training Initiative	23	$10,948,707.00
	Financial Markets Access	1	$5,000,000.00
	GLOW	22	$3,003,239.64
	GLOW-AM (Aerospace)	10	$5,062,734.75
	Local Foods Initiative	12	$1,881,692.69
	Rural Broadband Initiative	2	$24,250,000.00
	Rural Health Care	21	$3,198,930.90
	Special Programs Initiative	8	$9,912,000.00
	STEM Initiative	16	$5,884,914.00
	UNC-CH Initiative	25	$4,020,413.46
	Total	**1,241***	**$549,540,763.78***

**Numbers do not include grants that have been awarded and then rescinded with no grant funds released*

2000-2013 Funding Overview

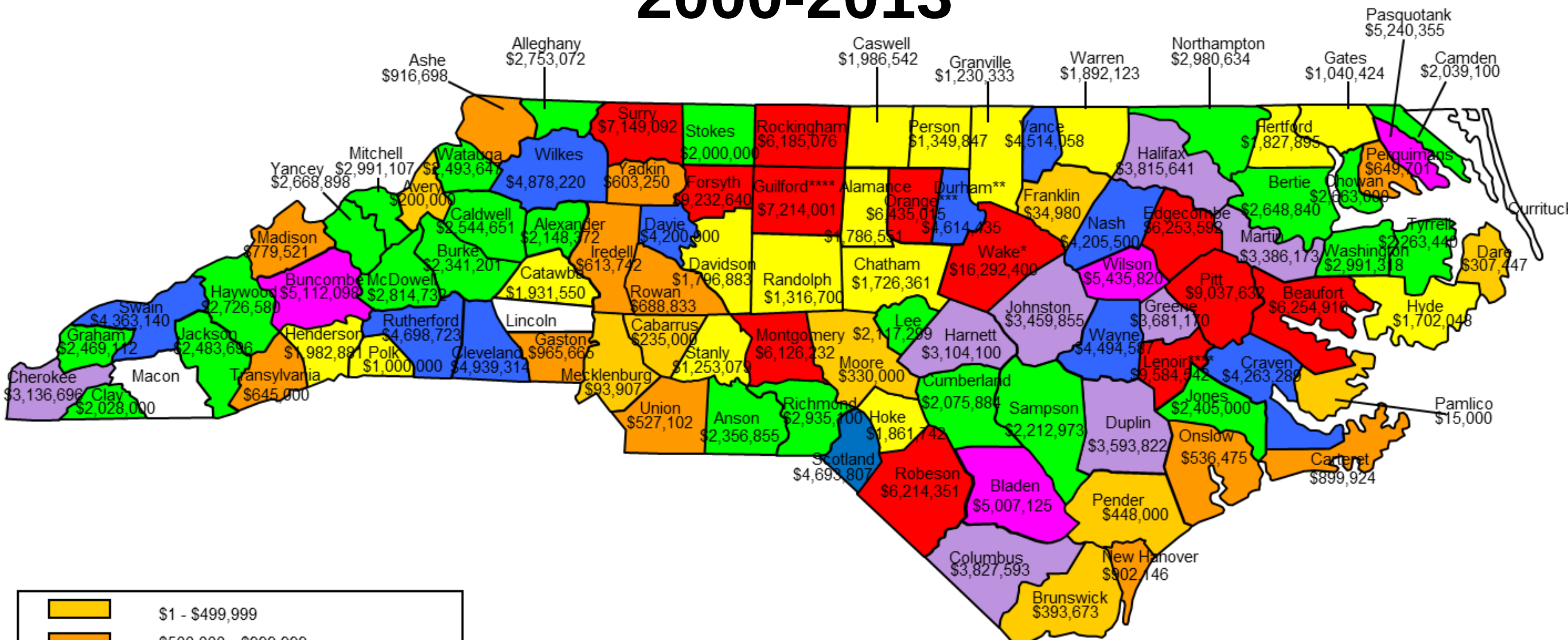
- 4,667 proposals received
- 1,329 funded*
- 3,285 declined
- 53 pending
- Maximum Grant – $100,000,000
- Minimum Grant - $1,000
- Median Grant Amount - $160,254

272 Active Grants/ 1057 Closed Grants

** Included in this number are 88 grants that were awarded but were rescinded prior to release of funds*

Golden LEAF Grants by County

2000-2013



- $1 - $499,999
- $500,000 - $999,999
- $1,000,000 - $1,999,999
- $2,000,000 - $2,999,999
- $3,000,000 - $3,999,999
- $4,000,000 - $4,999,999
- $5,000,000 - $5,999,999
- $6,000,000 +

*Wake County - Does not include $46,294,999 awarded to NCSU and NCCCS for the Biotech Initiative; $11,618,397 awarded to NCCCS and NCICU for scholarships; $3,597,973 awarded to North Carolina state agencies such as the NC Department of Agriculture; $21,934,825 awarded to NCSU for projects throughout the state; or $400,000 awarded to the NC Rural Center (fiscal agent for E-NC Authority) for the GLF Rural Broadband project

**Durham County - Does not include $21,168,441 awarded to NCCU for the Biotech Initiative, $5,000,000 awarded to Self-Help for loan loss prevention, $6,446,246 to NCSEAA for scholarships or $23,850,000 to MCNC for the GLF Rural Broadband project

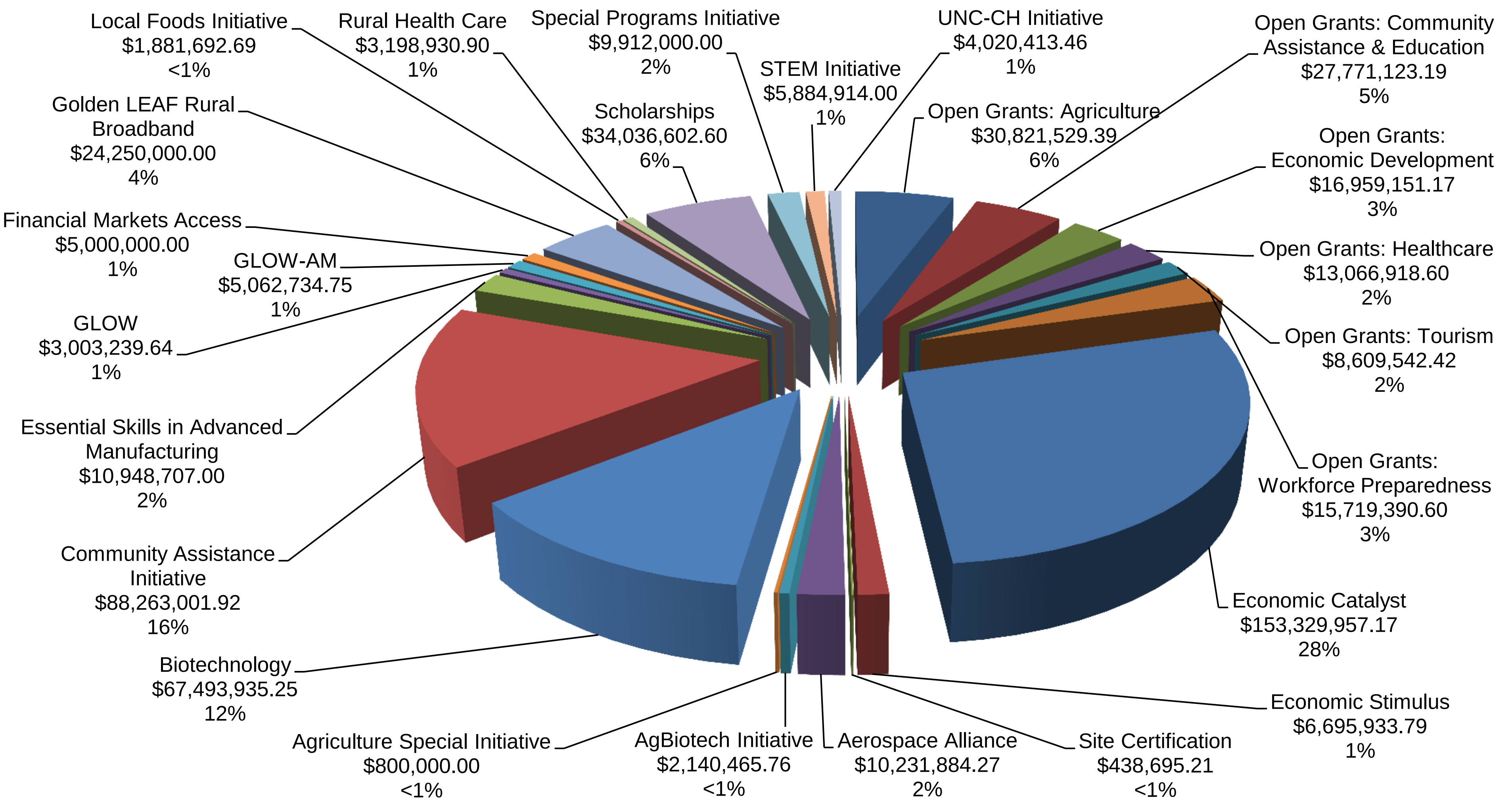
***Orange County - Does not include $11,916,646 awarded to UNC General Administration for scholarships or $30,496 to UNC-GA for the Biotech Initiative

****Lenoir County - Does not include the $100,000,000 grant awarded to the NC Global TransPark Authority for the project "Marco Polo" involving Spirit AeroSystems

*****Guilford County – Does not include $4,055,314 awarded to the Center for Creative Leadership for the GLF Scholars Leadership Program

Golden LEAF Grants by Program Area

2000-2013



Golden LEAF Impact Data

Impact Data as Reported by Grantees	Amount Reported	
	‡CY2013	Cumulative as of 12/31/2013
Jobs Created/Retained	2,463	52,090
People Trained/Worker Skills Upgraded	5,788	53,780
†Industry/3rd-party Credentials Earned	465	465
†Degree/Diploma/Certificates Earned	382	382
New Payroll	$56,559,736	$359,961,320
New Investment	$61,208,353	$3,053,562,177
†Patients: New or Receiving New Services	2,097	2,097
†Students Served by New Classroom Technology	7,012	7,012

‡Incremental impact for reports reviewed for CY2013
†New measures

Planned Activities and Goals for 2014

- Provide funding for economic development projects across N.C. that create jobs and/or add investment. The demand for these grants is beginning to pick up in early 2014.

- Continue the strong partnership with the Department of Commerce to ensure effective and efficient use of economic development assistance.

- Focus on the Sandhills and Northwest Prosperity Zones with community-based grantsmaking. All counties across N.C. will have a chance to participate in the Initiative within a four-year period.

- Give support to promising strategies that don’t fit traditional grant categories.

- Remain fully committed to accountability, transparency and building awareness of the Foundation and implementing improved grants management and reporting practices.

Financial Statements

The Golden L.E.A.F., Inc.
Statement of Net Position
December 31, 2013

Assets		
Cash and cash equivalents	$	776,932
Investments		946,155,605
Notes receivable		239,169
Prepaid items		65,194
Fixed assets:		
Land		900,256
Land improvements		3,650
Buildings		3,268,069
Equipment		68,657
Furniture and fixtures		142,593
		4,383,226
Accumulated depreciation		(689,238)
		3,693,988
Total assets	$	950,930,888
Liabilities		
Accounts payable and accrued liabilities:		
Accounts payable	$	42,300
Accrued liabilities		32,522
Grants payable		80,381,554
Total liabilities		80,456,376
Net position		
Invested in capital assets, net of related debt		3,693,988
Unrestricted		866,780,524 *
		870,474,512
Total liabilities and net position	$	950,930,888

*Note: The Foundation is committed to $61.8 million in future investments via private partnership agreements.

The Golden L.E.A.F., Inc.
Statement of Activities
For the Six Months Ended December 31, 2013

Revenues:	
Proceeds from state settlement	$ -
Investment income	71,959,567
Other income	1,450
Total revenues	71,961,016
Expenses:	
Grant distributions	13,441,498
Administrative costs	1,106,315
Depreciation expense	52,156
Total expenses	14,599,969
Excess of revenues over expenses	57,361,047
Net assets, at beginning of period	813,113,464
Net assets, at end of period	$ 870,474,511

The Golden L.E.A.F., Inc.
Preliminary Administrative Budget
FY2014

Operating Budget

Board of Director Expenses	
Bd of Directors Expenses	$ 10,500
Bd of Directors Per Diem	10,500
Board Meetings	28,000
Total Board of Director Expenses	49,000
Depreciation Expense	98,280
Insurance	
Property	4,037
Directors & Officer's Liability	19,035
Employee Crime	436
Workers Comp Insurance	3,163
Total Insurance	26,671
Miscellaneous and Bank Charges	1,200
Occupancy Expenses	
Maintenance	30,496
Utilities	35,700
Total Occupancy Expenses	66,196
Office Operations Expenses	
Equipment Rental	844
Office Supplies	18,500
Postage and Freight	4,500
Total Office Operations Expenses	23,844
Personnel Expenses	
Employee Insurance & Benefits	
Dental Insurance	16,716
Disability Insurance	9,124
Life Insurance	4,676
Medical Insurance	181,182
Retirement	134,768
Total Employee Insurance & Benefits	346,466
Salaries	1,412,682
Staff Development	7,000
Taxes-Payroll	99,841
Travel & Meetings	40,000
Total Personnel Expenses	1,905,989

The Golden L.E.A.F., Inc.
Preliminary Administrative Budget
FY2014 (continued)

Professional Fees	
Audit & Tax Return	60,000
Technical Consulting	10,000
Communication Expense	10,000
Dues & Memberships	7,500
Legal Fees	
General Representation	176,008
Special Matters	38,492
Total Legal Fees	214,500
Payroll Services	2,098
Total Professional Fees	304,098
Program Expenses	
Meetings - Facilities	1,000
Meetings - Meals	500
Total Program Expenses	1,500
Technology	
Installation	1,250
Software	14,150
Maintenance	24,252
Telephone-Long Distance/Local	20,000
Total Technology	59,652
Total Expenditures	**$ 2,536,430**
Capital Budget	
Furniture	$ 2,000
Computers and equipment	19,000
	$ 21,000

Audited Financials

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

Financial Statements and Other Report
Years Ended June 30, 2013 and 2012

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

BDO

The Golden L.E.A.F.
(Long-term Economic Advancement Foundation), Inc.

Financial Statements and Other Report
Years Ended June 30, 2013 and 2012

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

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Independent Auditor's Report

To the Board of Directors
The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of government activities and general fund of the Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Foundation"), a component unit of the State of North Carolina, which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements of governmental activities and general fund referred to above present fairly, in all material respects, the financial position of the Golden L.E.A.F. as of June 30, 2013 and 2012, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by ***Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

BDO USA, LLP

September 30, 2013

Our discussion and analysis of The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Foundation") provides an overview of the Foundation's financial activities. Please read it in conjunction with the Foundation's financial statements.

Overview

In 1999, the North Carolina General Assembly created The Golden L.E.A.F., Inc. to administer one-half of North Carolina's (the "State") share of the Master Settlement Agreement (MSA) with cigarette manufacturers. A nonprofit organization devoted to the economic well-being of North Carolinians, the Foundation endeavors to strengthen the State's economy through diverse grant making.

Financial Highlights

- The total assets of the Foundation increased by $103.6 million during fiscal year 2013 to $900.8 million at June 30, 2013.

- The Foundation ended 2013 with investments and cash and cash equivalents totaling $896.8 million, an increase of $103.5 from the prior year.

- The Foundation received $105.6 million in proceeds from the MSA in 2013 compared to $70.5 million in 2012. The increase was due to the receipt of proceeds from the settlement of the 2003 NPM Adjustment arbitration. Proceeds from the MSA were the primary source of revenue for the Foundation during 2013.

- The Foundation's investment portfolio generated $99.1 million of investment income in 2013 compared to a loss of $9.6 million in 2012. The Foundation's investment assets returned 12.6% compared to (0.6%) in 2012. The increase in investment earnings reflects broader market performance and value added from the Foundation's asset allocation. The S&P 500 Index (domestic equities) returned 20.7% in fiscal year 2013 compared with 5.4% in fiscal year 2012. The MSCI EAFE Index (international equities) returned 18.6% in fiscal year 2013 versus a return of (13.8%) in the prior year. Barclays Aggregate Index (fixed income) returned (0.7%) in fiscal year 2013 compared with 7.5% in fiscal year 2012 and the HFRI Index (hedge funds) returned 8.3% in fiscal year 2013 versus (4.4%) in fiscal year 2012.

- The Foundation awarded grants of $46.0 million in 2013, an increase of 2.9% from 2012 levels due to special initiatives. In addition to $24.4 million in grants awarded through the Foundation's Open Grants Program, Economic Catalyst Cycle, scholarship and other programs, grants were awarded to support the following special initiatives:

  <u>Community Assistance – $14.2 million</u> – Foundation staff and board work directly with the State's most distressed communities to understand community priorities and challenges and assist those communities in establishing a priority list of proposals for funding consideration.

Essential Skills in Advanced Manufacturing – $7.4 million – This workforce development grant initiative is aimed at closing the skills gap by supporting collaborative programs that increase the talent pool of a highly skilled, technical workforce aligned with identified employment opportunities of industries located in tobacco-dependent, economically distressed and/or rural communities in N.C.

The Foundation made grant payments of $40.3 million in 2013, putting these dollars to work in tobacco-dependent, economically distressed and/or rural communities in North Carolina. The Foundation made grant payments totaling $41.5 million in fiscal year 2012.

- Administrative costs were $2.4 million in 2013, an increase of approximately $102,000 from 2012.

Using This Annual Report

This annual report consists of two financial statements. The Statements of Net Position and Governmental Fund Balance Sheets show the assets, liabilities and fund balance/net position at June 30, 2013 and 2012. The Statements of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance show the revenues, expenditures, and changes in fund balance/net position for the fiscal years ended June 30, 2013 and 2012. The Notes to Financial Statements contain additional information that is essential to a full understanding of the data in the financial statements.

Statements of Net Position and Governmental Fund Balance Sheets

Condensed Statements of Net Position and Governmental Fund Balance Sheets:

June 30,	**2013**	2012	2011
Assets			
Current assets	**$ 897,044,517**	$ 793,382,903	$ 793,585,382
Capital assets—nondepreciable	**903,906**	908,131	904,481
Capital assets—depreciable, net	**2,832,758**	2,896,429	2,996,019
Total Assets	**$ 900,781,181**	$ 797,187,463	$ 797,485,882
Total Liabilities	**$ 87,667,715**	$ 84,625,928	$ 92,950,403
Net Position			
Invested in capital assets, net of debt	**3,736,664**	3,804,560	3,900,500
Unassigned	**809,376,802**	708,756,975	700,634,979
Total Net Position	**813,113,466**	712,561,535	704,535,479
Total Liabilities and Net Position	**$ 900,781,181**	$ 797,187,463	$ 797,485,882

2013

Total assets at June 30, 2013 were $900.8 million, an increase of approximately $103.6 million from June 30, 2012. The assets of the Foundation are comprised mainly of investments and cash and cash equivalents. The total of investments, cash and cash equivalents at June 30, 2013 was $896.8 million, compared to $793.3 million at June 2012. This increase resulted primarily from MSA proceeds plus investment income net of payments for grants and other expenditures. Net capital assets decreased to $3.7 million at June 30, 2013 from $3.8 million at June 30, 2012, primarily as the result of depreciation (see Note 3 to the financial statements).

The liabilities of the Foundation are comprised primarily of grants payable. Grants payable totaled $87.5 million at June 30, 2013, compared to $84.5 million at June 30, 2012. This increase resulted primarily from grant awards of $46.0 million in 2013 net of $40.3 million of grant payments. Grant awards totaling $2.7 million were rescinded in 2013.

The Net Position section of the Statements of Net Position and Governmental Fund Balance Sheets shows the amount of the assets of the Foundation, less its liabilities. There were no board designations of net position at the end of 2013.

2012

Total assets at June 30, 2012 were $797.2 million, a decrease of approximately $300,000 from June 30, 2011. The assets of the Foundation are comprised mainly of investments and cash and cash equivalents. The total of investments, cash and cash equivalents at June 30, 2012 was $793.3 million, compared to $793.5 million at June 30, 2011. This decrease resulted primarily from MSA proceeds net of investment losses, and payments for grants and other expenditures. Net capital assets decreased to $3.8 million at June 30, 2012 from $3.9 million at June 30, 2011, primarily as the result of depreciation (see Note 3 to the financial statements).

The liabilities of the Foundation are comprised primarily of grants payable. Grants payable totaled $84.5 million at June 30, 2012, compared to $92.8 million at June 30, 2011. This decrease resulted primarily from grant awards of $44.7 million in 2012 net of $41.5 million of grant payments. Grant awards totaling $11.9 million were rescinded or returned in 2012.

The Net Position section of the Statements of Net Position and Governmental Fund Balance Sheets shows the amount of the assets of the Foundation, less its liabilities. There were no board designations of net position at the end of 2012.

Statements of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance

Condensed Statements of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance:

Years ended June 30,	**2013**	2012	2011
Total revenues	**$ 204,668,748**	$ 60,850,673	$ 191,021,837
Total expenses	**104,116,817**	52,824,617	45,526,061
Change in net position	**100,551,931**	8,026,056	145,495,776
Net position, beginning of year	**712,561,535**	704,535,479	559,039,703
Net position, end of year	**$813,113,466**	$ 712,561,535	$ 704,535,479

These statements show the revenues and the expenses of the Foundation for the years ended June 30, 2013, 2012 and 2011, and the corresponding effect on the net position.

2013

Total revenues (MSA receipts, investment earnings, and other income) were $204.7 million in 2013 and $60.9 million in 2012.

The Foundation received $105.6 million in proceeds from the state settlement (or MSA receipts) in 2013 and $70.5 million in 2012. The increase was due to the receipt of proceeds from the settlement of the 2003 NPM Adjustment arbitration. The calculation of the MSA receipts that are received by the Foundation is affected by, among other things, an inflation adjustment and a volume adjustment. These factors are out of the control of the Foundation.

The Foundation had net investment income of $99.1 million in 2013 compared to net investment losses of $9.6 million in 2012.

Total expenses were $104.1 million in 2013 and $52.8 million in 2012.

Grant disbursements represent grants awarded net of grants rescinded and grant funds returned. Grants were awarded (excluding grants rescinded or returned) in the amount of $46.0 million during 2013 and $44.7 million in 2012.

Other expenses represents payments to the State of North Carolina in the amount of $59,445,436 in 2013 and $17,563,760 in 2012.

Administrative costs were $2.4 million in 2013 and $2.3 million in 2012.

Depreciation expense was approximately $105,000 in 2013 and $107,000 in 2012.

2012

Total revenues (MSA receipts, investment earnings, and other income) were $60.9 million in 2012 and $191.0 million in 2011.

The Foundation received $70.5 million in proceeds from the state settlement (or MSA receipts) in 2012 and $69.1 million in 2011. The calculation of the MSA receipts that are received by the Foundation is affected by, among other things, an inflation adjustment and a volume adjustment. These factors are out of the control of the Foundation. In addition, some participating manufacturers in the MSA withheld a portion of their 2012 payment because they believe they were entitled to a Non-Participating Manufacturer Adjustment as described in Section IX(d) of the MSA. The Foundation's share of the withheld amount was $9.0 million. This matter was arbitrated as provided in the MSA and proceeds from the settlement of the arbitration were received by the Foundation in April 2013.

The Foundation had net investment losses of $9.6 million in 2012 compared to net investment gains of $121.9 million in 2011.

Total expenses were $52.8 million in 2012 and $45.5 million in 2011.

The largest expenses were grant disbursements. Grant disbursements represent grants awarded net of grants rescinded. Grants were awarded (excluding grants rescinded) in the amount of $44.7 million during 2012 and $49.1 million in 2011.

Other expenses represents a payment to the State of North Carolina in the amount of $17,563,760 in 2012 and $0 in 2011.

Administrative costs were $2.3 million in 2012 and 2011.

Depreciation expense was approximately $107,000 in 2012 and 2011.

Notes to Financial Statements

The reader is referred to these notes for a more complete understanding of the financial statements of the Foundation. They contain a summary of the significant accounting policies as well as other information.

Requests for Information

This report is designed to provide a general overview of the Foundation's finances and to show the Foundation's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to The Golden L.E.A.F. Foundation, 301 N. Winstead Ave., Rocky Mount, NC 27804.

Financial Statements

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

Statement of Net Position and Governmental Fund Balance Sheet

June 30, 2013	General Fund	Reclassifications and Eliminations (Note 5)	Statement of Net Position
Assets			
Cash and cash equivalents	$ 327,381	$ -	$ 327,381
Sales tax refund and other receivables	1,695	-	1,695
Note receivable	167,179	-	167,179
Prepaid items	89,791	-	89,791
Investments	896,458,471	-	896,458,471
Capital assets—nondepreciable	-	903,906	903,906
Capital assets—depreciable, net	-	2,832,758	2,832,758
Total Assets	$ 897,044,517	$ 3,736,664	$ 900,781,181
Liabilities			
Accounts payable	$ 105,995	$ -	$ 105,995
Accrued liabilities	38,628	-	38,628
Grants payable	87,523,092	-	87,523,092
Total Liabilities	87,667,715	-	87,667,715
Fund Balance/Net Position			
Nonspendable prepaid items	89,791	(89,791)	-
Invested in capital assets	-	3,736,664	3,736,664
Unassigned/Unrestricted	809,287,011	89,791	809,376,802
Total Fund Balance/Net Position	809,376,802	3,736,664	813,113,466
Total Liabilities and Fund Balance/ Net Position	$ 897,044,517	$ 3,736,664	$ 900,781,181

See accompanying notes to financial statements.

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

Statement of Net Position and Governmental Fund Balance Sheet

June 30, 2012	General Fund	Reclassifications and Eliminations (Note 5)	Statement of Net Position
Assets			
Cash and cash equivalents	$ 445,273	$ -	$ 445,273
Sales tax refund and other receivables	1,927	-	1,927
Prepaid items	84,348	-	84,348
Investments	792,851,355	-	792,851,355
Capital assets—nondepreciable	-	908,131	908,131
Capital assets—depreciable, net	-	2,896,429	2,896,429
Total Assets	$ 793,382,903	$ 3,804,560	$ 797,187,463
Liabilities			
Accounts payable	$ 83,881	$ -	$ 83,881
Accrued liabilities	36,490	-	36,490
Grants payable	84,505,557	-	84,505,557
Total Liabilities	84,625,928	-	84,625,928
Fund Balance/Net Position			
Nonspendable prepaid items	84,348	(84,348)	-
Invested in capital assets	-	3,804,560	3,804,560
Unassigned/Unrestricted	708,672,627	84,348	708,756,975
Total Fund Balance/Net Position	708,756,975	3,804,560	712,561,535
Total Liabilities and Fund Balance/ Net Position	$ 793,382,903	$ 3,804,560	$ 797,187,463

See accompanying notes to financial statements.

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

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

Year ended June 30, 2013	General Fund	Reclassifications and Eliminations (Note 5)	Statement of Activities
Revenues			
Proceeds from state settlement	$ 105,581,136	$ -	$ 105,581,136
Investment income	99,082,410	-	99,082,410
Other income	5,202	-	5,202
Total Revenues	204,668,748	-	204,668,748
Expenditures/Expenses			
Grant distributions	42,129,687	-	42,129,687
Administrative costs	2,434,941	-	2,434,941
Capital outlays	38,857	(38,857)	-
Loss on fixed assets	-	1,422	1,422
Depreciation expense	-	105,331	105,331
Other expenses	59,445,436	-	59,445,436
Total Expenditures/Expenses	104,048,921	67,896	104,116,817
Excess Revenues Over (Under) Expenditures/Expenses	100,619,827	(67,896)	100,551,931
Change in Fund Balance/Net Position	100,619,827	(67,896)	100,551,931
Fund Balance/Net Position beginning of year	708,756,975	3,804,560	712,561,535
Fund Balance/Net Position end of year	$ 809,376,802	$ 3,736,664	$ 813,113,466

See accompanying notes to financial statements.

The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

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

Year ended June 30, 2012	General Fund	Reclassifications and Eliminations (Note 5)	Statement of Activities
Revenues			
Proceeds from state settlement	$ 70,489,443	$ -	$ 70,489,443
Investment loss, net	(9,645,339)	-	(9,645,339)
Other income	6,569	-	6,569
Total Revenues	60,850,673	-	60,850,673
Expenditures/Expenses			
Grant distributions	32,821,202	-	32,821,202
Administrative costs	2,332,627	-	2,332,627
Capital outlays	11,088	(11,088)	-
Loss on fixed assets	-	74	74
Depreciation expense	-	106,954	106,954
Other expenses	17,563,760	-	17,563,760
Total Expenditures/Expenses	52,728,677	95,940	52,824,617
Excess Revenues Over (Under) Expenditures/Expenses	8,121,996	(95,940)	8,026,056
Change in Fund Balance/Net Position	8,121,996	(95,940)	8,026,056
Fund Balance/Net Position beginning of year	700,634,979	3,900,500	704,535,479
Fund Balance/Net Position end of year	$ 708,756,975	$ 3,804,560	$ 712,561,535

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc. (the Foundation) is a not-for-profit corporation ordered to be established by the consent Decree and Final Judgment in *the State of North Carolina vs. Philip Morris Incorporated, et al.*

The Foundation was established for the purpose of receipt and distribution of fifty percent of the funds allocated to the North Carolina State Specific Account, such funds to be used to provide economic impact assistance to economically affected or tobacco-dependent regions of North Carolina.

For financial reporting purposes, the Foundation is deemed to be a component unit of the State of North Carolina, and is included as such in the State of North Carolina Comprehensive Annual Financial Report.

Basis of Presentation

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Government Accounting Standards Board (GASB).

General Fund

The general fund is used to account for all revenues and expenses applicable to the general operations of the Foundation that are not required either legally or by governmental accounting standards to be accounted for in another fund.

Basis of Accounting

The Foundation follows the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recorded when the liability is incurred.

The Foundation’s primary source of revenue is the funds received by the State of North Carolina under the settlement of the lawsuit noted above. Revenues are recorded upon receipt of the funds by the State of North Carolina and classified as proceeds from state settlement in the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance. Beginning in 2006, some of the participating manufacturers in the Master Settlement Agreement (MSA) withheld a portion of their payment because they believed they were entitled to a Non-Participating Manufacturer Adjustment as described in Section IX(d) of the MSA. This matter was arbitrated as provided in the MSA and proceeds from the settlement of the arbitration were received by the Foundation in April 2013.

Budgetary Requirement

The Foundation's enabling legislation requires that the Foundation's Board of Directors consult with the Joint Legislative Commission on Governmental Operations prior to adopting an annual operating budget. As of June 30, 2013, the Foundation's Board of Directors has adopted a preliminary budget only for the general fund on a basis consistent with generally accepted accounting principles, subject to finalization after the Foundation consults with the Joint Legislative Commission on Government Operations. Budgetary control is expected to be at the object of expense classification level (personal services, operating expenditures, capital outlay). Budgetary changes within expense classifications are expected to be made at the discretion of the Foundation.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consist of capital assets, less accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through legislation, legal responsibility or third-party requirement, which restrict the use of funds to a specific purpose. Funds received from the North Carolina State Specific Accounts are unrestricted, but are invested as directed by the Board of Directors, with the income from investment being used for operating expenses and to fund grants.

Fund Balance

Fund balance represents the difference between assets and liabilities in the governmental fund financial statements. The Foundation's fund balance is classified in the following categories:

Nonspendable fund balance represents amounts that cannot be spent due to legal requirements or because it is not in spendable form. The Foundation reports nonspendable fund balance for prepaid expenditures.

Unassigned fund balance is the residual fund balance of the general fund.

Investments

Investments include obligations of governments, long-duration fixed income investments, listed securites such as common stocks, SEC-registered mutual funds, absolute return funds, private equity limited partnerships, real asset limited partnerships, real estate investment trusts, money market funds and certificates of deposit. Investments are accounted for at fair value. Fair value for investment assets with readily determinable market values are based on quoted market prices. For certain international equity funds, absolute return funds, private equity limited partnerships, and real asset limited partnerships without a readily determinable fair value, the investment is reported at estimated fair value as determined by the underlying asset's manager. The investment asset managers estimate current fair value of nonpublicly traded assets in their portfolios taking into consideration the financial performance of the issuer, cash flow analysis, recent sales prices, market comparable transactions, a new round of financing, a change in economic conditions and other pertinent information. The Foundation reviews the values provided by the asset managers as well as the assumptions used in determining fair value. These investment values may differ from the values that would have been used had a ready market for these investments existed and differences could be material. The financial statements of these investments are audited at least annually (typically at December 31) by independent auditors. At June 30, 2013, fair value of investments based on other than quoted market prices was $500.2 million.

Realized investment gains and losses are determined using the specific identification basis and are recorded as investment income in the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance. Changes in net unrealized gains and losses are also recognized as a component of investment income.

Capital Assets

Generally, capital assets are defined by the Foundation as assets with an initial value or cost greater than or equal to $500 and an estimated useful life of two or more years. Capital assets are stated at cost less accumulated depreciation. Estimated useful lives are five years for equipment, seven years for furniture and fixtures and ten to forty years for buildings.

Prepaid Insurance

The Foundation allocates the cost of insurance between the related accounting periods. Amounts paid for services not yet provided are recorded as prepaid and amortized over the service period.

Grants Payable

The Foundation records grants payable when the Board of Directors approves the grant. The Programs Committee (a subset of the Board of Directors) evaluates the grant applications and makes recommendations to the entire Board of Directors. Applicants that are chosen by the Board of Directors must fill out and sign a “Grantee Acknowledgement and Agreement” which stipulates guidelines and related requirements. Several requirements must be met by the grantees prior to the disbursement of funds.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income taxes under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code.

New Accounting Pronouncements

In December 2010, the GASB issued GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (“GASB 62”)*. The objective of this GASB 62 is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

GASB 62 also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

GASB 62 is effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged and the provisions of GASB 62 are required to be applied retroactively for all periods presented. The Foundation adopted GASB 62 during fiscal year 2013.

In June 2011, the GASB issued GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* ("GASB 63"). The objective of this GASB 63 is to provide a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). GASB 63 requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. GASB 63 also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

GASB 63 is effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. The Foundation adopted GASB 63 during fiscal year 2013.

2. Cash and Investments

The Foundation considers highly liquid temporary cash investments with a maturity of three months or less when purchased to be cash equivalents. However, cash investments with a maturity of three months or less that were purchased with the intent to be maintained as an investment are classified as investments.

According to the Foundation's investment policy adopted by the Board of Directors, the Foundation may invest in any of the following broad asset classes: domestic equities; real estate; mutual funds; foreign equities; fixed income securities; cash equivalents; and alternatives.

The Foundation maintained no direct investments in derivatives at June 30, 2013 and 2012.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Foundation has no policy that contains requirements that would limit the exposure to custodial credit risk for deposits. At June 30, 2013, the carrying amount of the Foundation's deposits was $327,381 and the bank balance, excluding in-transit items, was $2,049,914. Of the bank balance, $517,371 was covered by Federal Depository Insurance and $1,532,543 was uninsured and uncollateralized.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation monitors the interest rate risk inherent in its portfolio by measuring the effective duration of its portfolio. The Foundation has no specific limitations with respect to duration. At June 30, 2013, the Foundation had investments in U.S. Treasuries with an average duration of 6.20 years and fair value of $54.3 million and investments in two fixed income security funds with an average duration of 1.60 years and fair value of $49.0 million. The Foundation also had an investment in a money market fund with a fair value of $36.1 million at June 30, 2013, and duration of 0.08 years.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Foundation's investment policy has no specific limitations with respect to credit quality, but provides that approximately 50% of the fixed income allocation will be allocated to U.S. Treasury strategies. At June 30, 2013, the Foundation had investments in two unrated fixed income funds with fair value of $49.0 million.

At June 30, 2013, the Foundation had an investment in a money market fund rated AAA with fair value of $36.1 million.

For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Foundation has no written policy on custodial credit risk; however, based on the nature of the investments the Foundation currently holds, management does not consider custodial risk to be significant.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Foundation's investment policy does not limit the amount invested in foreign currency-denominated investments.

The Foundation's investments are summarized below:

June 30,	**2013**	**%**	2012	%
U.S. Treasuries	**$ 54,299,138**	**6.06**	$ 48,149,106	6.07
Fixed income funds	**49,003,271**	**5.47**	50,837,087	6.41
Domestic stocks and equity funds	**140,668,553**	**15.69**	153,157,979	19.32
International stocks and equity funds	**192,434,322**	**21.47**	173,681,418	21.91
Absolute return funds	**188,741,695**	**21.05**	144,954,014	18.28
Private equity limited partnerships	**81,700,591**	**9.11**	85,523,740	10.79
Real estate and other real asset funds	**153,383,240**	**17.11**	100,756,979	12.71
Money market funds	**36,127,661**	**4.03**	35,691,032	4.50
Certificates of deposit	**100,000**	**.01**	100,000	.01
Total Investments	**$ 896,458,471**	**100.00**	$ 792,851,355	100.00

The following summarizes the investment return and its classification in the Statements of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance:

June 30,	2013	2012
Dividends and interest	$ 11,250,562	$ 8,888,370
Net realized gains	29,549,934	14,951,087
Net unrealized (losses) gains	60,510,203	(31,010,685)
Management fees	(2,228,289)	(2,474,111)
Total investment income (losses)	$ 99,082,410	$ (9,645,339)

The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior years and current year.

3. Capital Assets

A summary of the activity related to the capital assets follows:

	Balance June 30, 2012	Additions	Disposals	Balance June 30, 2013
Capital assets—nondepreciable:				
Land	$ 900,256	$ -	$ -	$ 900,256
Land improvements	3,650	-	-	3,650
Construction in progress	4,225	29,750	(33,975)	-
Total capital assets—nondepreciable	908,131	29,750	(33,975)	903,906
Capital assets—depreciable:				
Buildings	3,228,319	39,750	-	3,268,069
Equipment	116,042	3,331	(31,964)	87,409
Furniture and fixtures	114,549	-	(187)	114,362
Total capital assets—depreciable	$ 3,458,910	$ 43,081	$ (32,151)	$ 3,469,840
Less accumulated depreciation for:				
Buildings	(377,785)	(83,388)	-	(461,173)
Equipment	(90,314)	(11,264)	30,543	(71,035)
Furniture and fixtures	(94,382)	(10,679)	187	(104,874)
Total accumulated depreciation	$ (562,481)	$ (105,331)	$ 30,730	$ (637,082)
Total capital assets—depreciable, net	2,896,429	(62,250)	(1,421)	2,832,758
Total capital assets, net	$ 3,804,560	$ (32,500)	$ (35,396)	$ 3,736,664

	Balance June 30, 2011	Additions	Disposals	Balance June 30, 2012
Capital assets—nondepreciable:				
Land	$ 900,256	$ -	$ -	$ 900,256
Land improvements	-	3,650	-	3,650
Construction in progress	4,225	-	-	4,225
Total capital assets—nondepreciable	904,481	3,650	-	908,131
Capital assets—depreciable:				
Buildings	3,228,319	-	-	3,228,319
Equipment	111,025	7,438	(2,421)	116,042
Furniture and fixtures	114,549	-	-	114,549
Total capital assets—depreciable	$ 3,453,893	$ 7,438	$ (2,421)	$ 3,458,910
Less accumulated depreciation for:				
Buildings	(294,895)	(82,890)	-	(377,785)
Equipment	(79,536)	(13,125)	2,347	(90,314)
Furniture and fixtures	(83,443)	(10,939)	-	(94,382)
Total accumulated depreciation	$ (457,874)	$ (106,954)	$ 2,347	$ (562,481)
Total capital assets—depreciable, net	2,996,019	(99,516)	(74)	2,896,429
Total capital assets, net	$ 3,900,500	$ (95,866)	$ (74)	$ 3,804,560

4. Tobacco Settlement and Other Expenses

In November 1998, the Attorneys General of 46 states, five U.S. territories and the District of Columbia (the States) signed the Master Settlement Agreement (MSA) with the nation's largest tobacco manufacturers. Under the MSA, the participating tobacco manufacturers must provide payment to the States. The base payments to the States are estimated to total $206 billion through 2025. The State of North Carolina's share of the base payment is estimated to be $4.57 billion, of which the Foundation is expected to receive 50 percent. The Foundation has received $1.11 billion since its inception.

While the State of North Carolina's share of the base payments will not change over time, the amount of the annual payment is subject to a number of adjustments including, among others, inflation, and volume adjustments. These adjustments may increase or decrease the base payment. Therefore, the net effect of these adjustments is uncertain and the impact on the estimated future payments cannot be determined. Any changes in the base payments will impact the amount received by the Foundation. As a result of the uncertainty of payment and amount of these funds, no receivable has been recorded for the Foundation's share of the State of North Carolina's future payments under the MSA.

In June 2011, the North Carolina General Assembly enacted legislation that purported to transfer to the General Fund of the State of North Carolina $17,563,760 from the annual payment of MSA funds to the Foundation for each of the fiscal years 2012 and 2013. In July 2012, the North Carolina General Assembly amended the amount of the purported 2013 transfer from $17,563,760 to $24,313,760. The North Carolina General Assembly also enacted legislation in June 2011 that provides that any monies paid into the North Carolina State Specific Account from the Disputed Payments Account on account of the Non-Participating Manufacturers that would have been transferred to the Foundation shall be deposited in a Settlement Reserve Fund of the State of North Carolina. In fiscal years 2013 and 2012, the Foundation received 50 percent of North Carolina's share of the annual MSA payment. The Board of Directors of the Foundation approved payments to the State of North Carolina totaling $59,445,436 and $17,563,760 during fiscal year 2013 and 2012, respectively.

In July 2013, the North Carolina General Assembly enacted Session Law 2013-360, "Current Operations and Capital Improvements Appropriations Act of 2013." The legislation included an addition to available funds from "MSA Disputed Payments Erroneously Paid to Golden LEAF" in the amount of $24,639,357. The Foundation has reviewed the facts and circumstances surrounding the MSA payments the Foundation received in April 2013 and believes that the $24,639,357 in question was not erroneously paid to the Foundation and is not due to the State of North Carolina. The legislation also purports to repeal those sections of Session Law 1999-2 in which the General Assembly approved the transfer and assignment to the Foundation of fifty percent (50%) of each annual payment of MSA funds. This repeal appears to be intended to preclude payments of MSA funds to the Foundation in the future. The Foundation is currently reviewing this aspect of the legislation and the potential effect of this aspect of the legislation on the Foundation.

5. Explanations of Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

Total fund balances differ from net position of the Foundation reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus on the Foundation's fund balance sheets. The provisions of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* imposed the following difference.

(a) When capital assets (equipment, furniture and fixtures) that are to be used in Foundation activities are purchased, the costs of those assets are reported as expenditures in general funds. However, the Statement of Net Position includes those capital assets among the assets of the Foundation. The Foundation does not record depreciation so this expense is included as a reconciling item on the Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balance.

6. Commitments

The Foundation has committed to invest in several private equity funds.

7. Retirement Plans

The Foundation administers a 403(b) defined contribution plan that provides retirement benefits with options for payment to beneficiaries in the event of the participant's death. All employees of the Foundation are eligible to participate in the plan. The plan requires the Foundation to contribute 10% of participants' gross salary and permits participants to contribute a percentage of gross salary up to the maximum established by the Internal Revenue Code.

Prior to January 1, 2012, the Foundation separately administered the Defined Contribution Plan and the Tax-Deferred Annuity Plan. On January 1, 2012, the Foundation merged the Tax-Deferred Annuity Plan into the Defined Contribution Plan. There were no changes to participants' benefits as a result of the merger.

The Foundation contributed approximately $128,000 and $123,000 to the plan during the fiscal years ended June 30, 2013 and 2012, respectively. Participants contributed approximately $47,000 and $33,000 to the plan during the fiscal years ended June 30, 2013 and 2012, respectively.

Plan benefits are provided by means of contracts issued and administered by the privately operated Teachers' Insurance and Annuity Association and the College Retirement Equities Fund (TIAA-CREF) or by means of contracts issued by Vanguard, an investment management company.

8. Deferred Compensation Plan

The Foundation administers The Golden L.E.A.F., Inc. 457(b) Plan as approved by the Board of Directors. The plan is a non-qualified deferred compensation plan for the benefit of highly compensated, key employees designated by the Board of Directors. The Plan allows for discretionary contributions by the Foundation as well as employee deferrals up to the maximum established by the Internal Revenue Code. The Foundation contributed approximately $0 and $270 to the Plan during the years ended June 30, 2013 and 2012, respectively.

9. Risk Management

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; illnesses or injuries to employees and natural disasters. The Foundation carries commercial insurance to cover these risks of loss. Claims on this coverage have historically not exceeded commercial premiums.

10. Subsequent Events

The Foundation has evaluated subsequent events from the date of the financial statements through September 30, 2013. During this period, no material recognizable subsequent events were identified.

Other Report

Tel: 919-754-9370
Fax: 919-754-9369
www.bdo.com

5430 Wade Park Boulevard
Suite 208
Raleigh, NC 27607

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
The Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Golden L.E.A.F. (Long-term Economic Advancement Foundation), Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis*. A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

September 30, 2013

Tax Returns

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning JUL 1, 2012 **and ending** JUN 30, 2013

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

C Name of organization: THE GOLDEN L.E.A.F., INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 301 N. WINSTEAD AVE | Room/suite

City, town, or post office, state, and ZIP code: ROCKY MOUNT, NC 27804

D Employer identification number 52-2204473

E Telephone number 252-442-7474

G Gross receipts $ 315,721,228.

F Name and address of principal officer: DANIEL J. GERLACH
SAME AS C ABOVE

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.GOLDENLEAF.ORG

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1999 **M** State of legal domicile: NC

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: SEE PART III, LINE 1

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	15
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	15
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	74,693.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	70,489,443.	105,581,136.
	9	Program service revenue (Part VIII, line 2g)	0.	0.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	22,755,994.	40,875,189.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,569.	5,202.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	93,252,006.	146,461,527.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	44,742,093.	46,018,345.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,600,924.	1,702,899.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	20,780,662.	62,444,624.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	67,123,679.	110,165,868.
	19	Revenue less expenses. Subtract line 18 from line 12	26,128,327.	36,295,659.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	793,382,903.	897,044,517.
	21	Total liabilities (Part X, line 26)	84,625,928.	87,667,715.
	22	Net assets or fund balances. Subtract line 21 from line 20	708,756,975.	809,376,802.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer | Date

▶ DANIEL J. GERLACH, PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MICHAEL SORRELLS, CPA				P00001737

Firm's name ▶ BDO USA, LLP | Firm's EIN ▶ 13-5381590

Firm's address ▶ 7101 WISCONSIN AVE., SUITE 800
BETHESDA, MD 20814-4827 | Phone no. (301)654-4900

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:
GOLDEN LEAF'S MISSION IS TO PROMOTE THE SOCIAL WELFARE OF NORTH CAROLINA'S CITIZENS AND TO RECEIVE AND DISTRIBUTE FUNDS FOR ECONOMIC IMPACT ASSISTANCE TO ECONOMICALLY AFFECTED OR TOBACCO-DEPENDENT REGIONS OF NORTH CAROLINA.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 47,223,132. including grants of $ 46,018,345.) (Revenue $)
THE PRIMARY PURPOSE FOR WHICH THIS CORPORATION WAS FORMED IS TO PROMOTE THE SOCIAL WELFARE AND LESSEN THE BURDENS OF GOVERNMENT BY RECEIVING AND DISTRIBUTING FUNDS TO BE USED TO PROVIDE ECONOMIC IMPACT ASSISTANCE TO ECONOMICALLY AFFECTED OR TOBACCO-DEPENDENT REGIONS OF NORTH CAROLINA IN ACCORDANCE WITH THE CONSENT DECREE AND FINAL JUDGMENT IN STATE OF NORTH CAROLINA V. PHILIP MORRIS INCORPORATED, ET AL., 98 CVS 14377.
ACTIVITIES IN WHICH THE CORPORATION MAY ENGAGE IN THE STATE OF NORTH CAROLINA INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:
1. EDUCATION ASSISTANCE - PROVISION OF FUNDS FOR EDUCATIONAL PROGRAMS FOR TOBACCO FARMERS AND OTHER WORKERS IMPACTED OR PROJECTED TO BE IMPACTED BY A DECLINE IN DEMAND FOR AND/OR PRODUCTION OF TOBACCO OR TOBACCO PRODUCTS. (CONTINUED ON SCHEDULE O)

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 47,223,132.

SEE SCHEDULE O FOR CONTINUATION(S)

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		X
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V ☐

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	14			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	15			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	X	
b	If "Yes," enter the name of the foreign country: ▶ IRELAND					
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter:					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter:					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state?			13a		
	Note. See the instructions for additional information the organization must report on Schedule O.					
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

Form **990** (2012)

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Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 15			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent 1b 15			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

BETH EDMONDSON - 252-442-7474

301 N. WINSTEAD AVE, ROCKY MOUNT, NC 27804

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) WADE BARBER VICE-CHAIR	3.00	X		X				936.	0.	0.
(2) DALE C. BONE DIRECTOR	3.00	X						832.	0.	0.
(3) PAUL BROOKS DIRECTOR	3.00	X						832.	0.	0.
(4) J. THOMAS BUNN TREASURER	3.00	X		X				0.	0.	0.
(5) WILLIAM CLARKE CHAIR	15.00	X		X				1,248.	0.	0.
(6) BRITT COBB DIRECTOR	3.00	X						0.	0.	0.
(7) S. LAWRENCE DAVENPORT SECRETARY	3.00	X		X				832.	0.	0.
(8) DONALD E. FLOW DIRECTOR	3.00	X						0.	0.	0.
(9) CLAUDINE GIBSON DIRECTOR	3.00	X						0.	0.	0.
(10) BILLY RAY HALL DIRECTOR	3.00	X						1,144.	0.	0.
(11) JAMES H. JOHNSON, JR. DIRECTOR	3.00	X						0.	0.	0.
(12) YVONNE J. JOHNSON DIRECTOR	3.00	X						624.	0.	0.
(13) LACY R. JOYNER DIRECTOR	3.00	X						624.	0.	0.
(14) J. ARTHUR POPE DIRECTOR	3.00	X						0.	0.	0.
(15) EDGAR M. ROACH DIRECTOR	3.00	X						1,040.	0.	0.
(16) JOHNATHAN RHYNE DIRECTOR	3.00	X						0.	0.	0.
(17) DAVID T. STEPHENSON DIRECTOR	3.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(18) THOMAS F. TAFT, SR. ASSISTANT SECRETARY	3.00	X		X				0.	0.	0.
(19) EDWIN J. VICK DIRECTOR	3.00	X						0.	0.	0.
(20) DANIEL J. GERLACH PRESIDENT	40.00			X				186,260.	0.	35,964.
(21) MARK A. SORRELLS SENIOR VICE-PRESIDENT	40.00			X				158,026.	0.	33,041.
(22) PETER J. CERA VP INVESTMENTS	40.00			X				138,934.	0.	30,892.
(23) PATRICIA CABE-CANTRELL VP PROGRAMS/COMM. ASST. & OUTREACH	40.00			X				106,765.	0.	25,019.
(24) EDWARD P. LORD VP PROGRAMS/STAFF ATTORNEY	40.00			X				104,854.	0.	27,300.
(25) BETH A. EDMONDSON CONTROLLER	30.00			X				90,140.	0.	22,750.
1b Sub-total ▶								793,091.	0.	174,966.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								793,091.	0.	174,966.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 5

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ARTISAN PARTNERS, 5 CONCOURSE PARKWAY, SUITE 2120, ATLANTA, GA 30328	INVESTMENT MANAGEMENT	369,625.
SILCHESTER INTERNATIONAL INVESTORS 780 THIRD AVE, 42ND FLR, NEW YORK, NY 10017	INVESTMENT MANAGEMENT	357,728.
DRZ, 250 PARK AVE SOUTH, SUITE 250, WINTER PARK, FL 32789	INVESTMENT MANAGEMENT	271,160.
PRIME, BUCHHOLZ & ASSOCIATES, INC. 25 CHESTNUT STREET, PORTSMOUTH, NH 03801	INVESTMENT CONSULTING	245,132.
AXIOM INTERNATIONAL INVESTORS LLC 33 BENEDICT PLACE, GREENWICH, CT 06830	INVESTMENT MANAGEMENT	223,537.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 11

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII ☐

					(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	105,581,136.				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f: $						
	h	**Total.** Add lines 1a-1f ▶			105,581,136.			
Program Service Revenue			Business Code					
	2 a							
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	**Total.** Add lines 2a-2f ▶						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶			11,325,255.		74,693.	11,250,562.
	4	Income from investment of tax-exempt bond proceeds ▶						
	5	Royalties ▶						
			(i) Real	(ii) Personal				
	6 a	Gross rents						
	b	Less: rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss) ▶						
			(i) Securities	(ii) Other				
	7 a	Gross amount from sales of assets other than inventory	198,809,635.					
	b	Less: cost or other basis and sales expenses	169,259,701.					
	c	Gain or (loss)	29,549,934.					
	d	Net gain or (loss) ▶			29,549,934.			29,549,934.
	8 a	Gross income from fundraising events (not including $ of contributions reported on line 1c). See Part IV, line 18	a					
	b	Less: direct expenses	b					
	c	Net income or (loss) from fundraising events ▶						
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
	b	Less: direct expenses	b					
	c	Net income or (loss) from gaming activities ▶						
	10 a	Gross sales of inventory, less returns and allowances	a					
	b	Less: cost of goods sold	b					
	c	Net income or (loss) from sales of inventory ▶						
		Miscellaneous Revenue	Business Code					
	11 a	OTHER INCOME	900099		5,202.	5,202.		
	b							
	c							
	d	All other revenue						
	e	**Total.** Add lines 11a-11d ▶			5,202.			
	12	**Total revenue.** See instructions. ▶			146,461,527.	5,202.	74,693.	40,800,496.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	46,018,345.	46,018,345.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	996,938.	535,647.	461,291.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	469,288.	375,714.	93,574.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	46,742.	37,367.	9,375.	
9 Other employee benefits	99,431.	69,795.	29,636.	
10 Payroll taxes	90,500.	59,315.	31,185.	
11 Fees for services (non-employees):				
a Management				
b Legal	174,510.		174,510.	
c Accounting	53,279.		53,279.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	2,228,289.		2,228,289.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	82,549.	82,249.	300.	
12 Advertising and promotion	5,111.		5,111.	
13 Office expenses	43,290.		43,290.	
14 Information technology	36,213.		36,213.	
15 Royalties				
16 Occupancy	63,563.		63,563.	
17 Travel	48,898.	41,902.	6,996.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	2,798.	2,798.		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	22,635.		22,635.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PAYMENT TO STATE OF NC	59,445,436.		59,445,436.	
b MSA ENFORCEMENT	161,221.		161,221.	
c CAPITAL OUTLAYS	38,857.		38,857.	
d BOARD-DIRECTORS EXPENSE	32,168.		32,168.	
e All other expenses	5,807.		5,807.	
25 **Total functional expenses.** Add lines 1 through 24e	110,165,868.	47,223,132.	62,942,736.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	445,273.	1	327,381.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	1,927.	4	1,695.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	167,179.
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	84,348.	9	89,791.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a			
	b	Less: accumulated depreciation — 10b		10c	
	11	Investments - publicly traded securities	358,916,894.	11	396,264,222.
	12	Investments - other securities. See Part IV, line 11	433,934,461.	12	500,194,249.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	793,382,903.	16	897,044,517.
Liabilities	17	Accounts payable and accrued expenses	120,371.	17	144,623.
	18	Grants payable	84,505,557.	18	87,523,092.
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	84,625,928.	26	87,667,715.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets		27	
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☒ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds	0.	30	0.
	31	Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32	Retained earnings, endowment, accumulated income, or other funds	708,756,975.	32	809,376,802.
	33	Total net assets or fund balances	708,756,975.	33	809,376,802.
	34	Total liabilities and net assets/fund balances	793,382,903.	34	897,044,517.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	146,461,527.
2	Total expenses (must equal Part IX, column (A), line 25)	2	110,165,868.
3	Revenue less expenses. Subtract line 2 from line 1	3	36,295,659.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	708,756,975.
5	Net unrealized gains (losses) on investments	5	60,510,203.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	3,813,965.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	809,376,802.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII ☒

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Form 990 (2012)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization
THE GOLDEN L.E.A.F., INC.

Employer identification number
52-2204473

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:
5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	No	(v) Did you notify the organization in col. (i) of your support? Yes	No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	No	(vii) Amount of monetary support
Total									

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	87,593,455.	73,179,244.	69,128,105.	70,489,443.	105,581,136.	405,971,383.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3	87,593,455.	73,179,244.	69,128,105.	70,489,443.	105,581,136.	405,971,383.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						405,971,383.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4	87,593,455.	73,179,244.	69,128,105.	70,489,443.	105,581,136.	405,971,383.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	6,455,370.	5,237,547.	8,247,547.	8,888,370.	11,250,562.	40,079,396.
9 Net income from unrelated business activities, whether or not the business is regularly carried on	-576,622.	-705,680.	87,492.	-1,083,463.	74,693.	-2,203,580.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	50,554.	5,040.	8,686.	6,569.	5,202.	76,051.
11 **Total support.** Add lines 7 through 10						443,923,250.

12 Gross receipts from related activities, etc. (see instructions) | 12 |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) | 14 | 91.45 %

15 Public support percentage from 2011 Schedule A, Part II, line 14 | 15 | 91.64 %

16a **33 1/3% support test - 2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☒

b **33 1/3% support test - 2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

OMB No. 1545-0047

2012

Name of the organization	**Employer identification number**
THE GOLDEN L.E.A.F., INC.	52-2204473

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[ ] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[X] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year .... ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
THE GOLDEN L.E.A.F., INC.	52-2204473

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	STATE OF NORTH CAROLINA 1410 MAIL SERVICE CENTER RALEIGH, NC 27699-1410	$ 105,581,136.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
THE GOLDEN L.E.A.F., INC.	52-2204473

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization

THE GOLDEN L.E.A.F., INC.

Employer identification number

52-2204473

Part III *Exclusively* **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e) and** the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once.) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.**

OMB No. 1545-0047

2012

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
THE GOLDEN L.E.A.F., INC.	52-2204473

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ▶ $

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds. If none, enter -0-.	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. **Schedule C (Form 990 or 990-EZ) 2012**

LHA

232041
01-07-13

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures **(The term "expenditures" means amounts paid or incurred.)**	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

	(a)	(b)
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2009	**(b)** 2010	**(c)** 2011	**(d)** 2012	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2012

232042
01-07-13

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		4,180.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total. Add lines 1c through 1i			4,180.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

		Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1		
2 Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THESE EXPENSES REPRESENT SALARY AND BENEFIT COSTS FOR OUR PRESIDENT'S TIME SPENT LOBBYING MEMBERS OF THE NC GENERAL ASSEMBLY RELATED TO STATE BUDGET BILLS AFFECTING GOLDEN LEAF FUNDING AND EDUCATING LEGISLATORS ABOUT THE FOUNDATION AND ITS WORK.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization: THE GOLDEN L.E.A.F., INC.
Employer identification number: 52-2204473

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
☐ Preservation of land for public use (e.g., recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds.

Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ ______ %

b Permanent endowment ▶ ______ %

c Temporarily restricted endowment ▶ ______ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				0.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) AG REALTY FUND VII (TE), L.P.	9,900,046.	END-OF-YEAR MARKET VALUE
(B) ARCHSTONE OFFSHORE FUND, LTD.	22,622,828.	END-OF-YEAR MARKET VALUE
(C) AURORA VENTURES IV & V	8,404,197.	END-OF-YEAR MARKET VALUE
(D) AXIOM INTL EQUITY FUND II	21,666,873.	END-OF-YEAR MARKET VALUE
(E) BEACON CAPITAL STRATEGIC PTRS V & VI	5,369,704.	END-OF-YEAR MARKET VALUE
(F) SWIFTCURRENT OFFSHORE, LTD.	19,138,005.	END-OF-YEAR MARKET VALUE
(G) CANTILLON GLOBAL VALUE FUND	31,418,783.	END-OF-YEAR MARKET VALUE
(H) CARLYLE VENTURE PARTNERS II, LP	1,932,483.	END-OF-YEAR MARKET VALUE
(I) CAROUSEL CAPITAL PARTNERS III, L.P.	3,164,501.	END-OF-YEAR MARKET VALUE
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	500,194,249.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

SEE PART XIV FOR CONTINUATIONS

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	204,668,748.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	60,510,203.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	60,510,203.
3	Subtract line **2e** from line **1**			3	144,158,545.
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	2,228,289.		
b	Other (Describe in Part XIII.)	4b	74,693.		
c	Add lines **4a** and **4b**			4c	2,302,982.
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	146,461,527.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	104,048,921.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	0.
3	Subtract line **2e** from line **1**			3	104,048,921.
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	2,228,289.		
b	Other (Describe in Part XIII.)	4b	3,888,658.		
c	Add lines **4a** and **4b**			4c	6,116,947.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	110,165,868.

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

PASS-THROUGH UBI INCOME FROM K-1S 74,693.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

RESCISSIONS AND RETURNS OF GRANTS 3,888,658.

Part XIII Supplemental Information *(continued)*

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
COLONY INVESTORS VIII, L.P.	2,188,200.	FMV
CREDIT SUISSE	2,177,650.	FMV
DENHAM COMMODITY PARTNERS FUND V LP	3,679,376.	FMV
ENCAP ENERGY CAPITAL FUND VII, L.P.	3,441,271.	FMV
FARALLON CAPITAL INSTITUTIONAL PARTNERS, L.P.	17,095,453.	FMV
FPA HAWKEYE	16,003,171.	FMV
HATTERAS VENTURE PARTNERS II, L.P.	7,453,316.	FMV
HIGHLINE CAPITAL INTERNATIONAL, LTD.	20,939,071.	FMV
KING STREET CAPITAL, LTD.	20,116,534.	FMV
LEXINGTON CAPITAL PTRS V & LCPVI-A (OFFSHORE)	7,992,665.	FMV
LONE CASCADE, L.P.	20,976,850.	FMV
MATLIN PATTERSON GLOBAL OPPORTUNITIES PTRS III, L.P.	4,730,408.	FMV
OZ OVERSEAS FUND II, LTD.	20,376,690.	FMV
Q-BLK PRIVATE CAPITAL II, (PARALLEL), L.P.	9,069,615.	FMV
SHEPHERD INVESTMENTS INTERNATIONAL, LTD.	2,979,209.	FMV
SHERIDAN PRODUCTION PARTNERS 1-B & 11	11,927,000.	FMV
SILCHESTER INTL VALUE EQUITY TRUST	52,663,213.	FMV
SILVERPOINT CAPITAL OFFSHORE FUND, LTD.	816,790.	FMV
SYNERGY LIFE SCIENCE PARTNERS, LP	2,293,864.	FMV
REALTY ASSOCIATES FUND VIII & IX	16,019,015.	FMV
TACONIC OPPORTUNITY OFFSHORE FUND, LTD	21,329,143.	FMV
THOMAS H LEE EQUITY FUND VI, L.P.	5,702,132.	FMV
VARDE FUND IX & X	14,477,050.	FMV
WARBURG PINCUS X	14,302,709.	FMV
WELLINGTON ARCHIPELAGO	32,481,390.	FMV
WELLINGTON BAY POND	27,324,802.	FMV

Part XIII Supplemental Information *(continued)*

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	**(b)** Book value	**(c)** Method of valuation: Cost or end-of-year market value
WELLINGTON CTF COMMODITIES II	18,020,242.	FMV

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization	Employer identification number
THE GOLDEN L.E.A.F., INC.	52-2204473

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ...... ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
NORTH AMERICA - CANADA AND MEXICO, BUT	0	0	INVESTMENTS		27,324,802.
NORTH AMERICA - CANADA AND MEXICO, BUT	0	0	INVESTMENTS		32,481,390.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		816,790.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		2,177,650.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		2,979,209.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		6,136,194.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		19,138,005.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		20,116,534.
3 a Sub-total	0	0			111,170,574.
b Total from continuation sheets to Part I	0	0			116,686,514.
c **Totals** (add lines 3a and 3b)	0	0			227,857,088.

Part I **Continuation of Activities per Region.** (Schedule F (Form 990), Part I, line 3)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		20,376,689.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		20,939,071.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		21,329,143.
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INVESTMENTS		22,622,828.
EUROPE (INCLUDING ICELAND & GREENLAND) -	0	0	INVESTMENTS		31,418,783.
Totals ▶					116,686,514.

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Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶

3 Enter total number of other organizations or entities ▶

Schedule F (Form 990) 2012

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	**(b)** Region	**(c)** Number of recipients	**(d)** Amount of cash grant	**(e)** Manner of cash disbursement	**(f)** Amount of non-cash assistance	**(g)** Description of non-cash assistance	**(h)** Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ..... [X] Yes [ ] No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* ..... [ ] Yes [X] No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)* ..... [ ] Yes [X] No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* ..... [ ] Yes [X] No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)* ..... [ ] Yes [X] No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report. (see Instructions for Form 5713)* ..... [ ] Yes [X] No

Part V Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: THE GOLDEN L.E.A.F., INC.

Employer identification number: 52-2204473

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ALEXANDER CENTRAL HIGH SCHOOL 223 SCHOOL DRIVE TAYLORSVILLE, NC 28681	56-6000984	GOV'T ENTITY	800,000.	0.			1:1 WITH CHROME BOOKS
ALLEGHANY COUNTY SCHOOLS 85 PEACHTREE STREET SPARTA, NC 28675	56-6000985	EDUCATION/EXEMPT	1,199,726.	0.			HANDS ON MINDS ON STEM AND MODEL CLASSROOMS
APPALACHIAN DISTRICT HEALTH PO BOX 309 SPARTA, NC 28675	56-0001534	GOV'T ENTITY	500,000.	0.			ENSURING PRIMARY CARE IN ALLEGHANY COUNTY
APPALACHIAN STATE UNIVERSITY 287 RIVERS ST BOONE, NC 28608	56-1176030	STATE-NC	65,000.	0.			SUSTAINABLE PRODUCTION AND QUALITY ASSURANCE FOR THE NC GRAPE/WINE INDUSTRY
BEAUFORT COUNTY COMM. COLLEGE 5337 HWY 264 EAST WASHINGTON, NC 27889	56-0894923	EDUCATION/EXEMPT	188,000.	0.			STRENGTHENING THE BCCC TRUCK DRIVER TRAINING PROGRAM
BHM REGIONAL LIBRARY INC. 158 NORTH MARKET ST. WASHINGTON, NC 27889	56-6000093	501 (C)(3)	23,257.	0.			LIBRARY TECHNOLOGY CENTER WITH COMPUTERS, EQUIPMENT, AND FURNISHINGS

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 98.

3 Enter total number of other organizations listed in the line 1 table ▶ 0.

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BLUE RIDGE COMMUNITY COLLEGE 180 WEST CAMPUS DRIVE FLAT ROCK, NC 28731	56-0941830	EDUCATION/EXEMPT	200,000.	0.			MECHATRONICS
BLUE RIDGE COMMUNITY COLLEGE 180 WEST CAMPUS DRIVE FLAT ROCK, NC 28731	56-0941830	EDUCATION/EXEMPT	485,000.	0.			ADVANCED MANUFACTURING UPGRADE
BOYS & GIRLS CLUB OF EDENTON 131 MORRISTOWN ROAD EDENTON, NC 27932	61-1546080	501 (C)(3)	162,650.	0.			MAKING THE GRADES PROJECT
BRUNSWICK COMMUNITY COLLEGE P.O. BOX 30 SUPPLY, NC 28462	56-1255943	EDUCATION/EXEMPT	200,000.	0.			BRUNSWICK COMMUNITY COLLEGE INCUBATOR
CABARRUS HEALTH ALLIANCE 300 MOORESVILLE ROAD KANNAPOLIS, NC 28081	56-2016594	GOV'T ENTITY	200,000.	0.			CONNECTING CARE: THE NC TELEHEALTH NETWORK PROGRAM, NON-PROFIT HEALTHCARE PROVIDERS
CALDWELL COMMUNITY COLLEGE 2855 HICKORY BOULEVARD HUDSON, NC 28638	56-0817481	EDUCATION/EXEMPT	150,000.	0.			PROJECT MILLWORK
CATAWBA VALLEY COMM. COLLEGE 2550 US HWY 70E HICKORY, NC 28602-8302	56-0792028	EDUCATION/EXEMPT	900,000.	0.			ENHANCED PROGRAMMING FOR CVCC SATELLITE COLLEGE CAMPUS IN ALEXANDER COUNTY - PHASE 1
CATAWBA VALLEY COMM. COLLEGE 2550 US HWY 70E HICKORY, NC 28602-8302	56-0792028	EDUCATION/EXEMPT	470,000.	0.			CVCC PATHWAYS TO MID-SKILLS PHASE TWO ("CVCC PATHWAYS")
CENTRAL PARK NC PO BOX 159 STAR, NC 27356	56-1830629	501 (C)(3)	100,000.	0.			PHASE III STARWORKS BUSINESS DEVELOPMENT EDA CHALLENGE

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CHOWAN COUNTY TDA 101 WEST WATER STREET EDENTON, NC 27932	56-6000286	GOV'T ENTITY	150,000.	0.			EDENTON/CHOWAN COUNTY TOURISM PROMOTION PROJECT
CITY OF ASHEBORO 146 NORTH CHURCH STREET ASHEBORO, NC 27204	56-6001167	GOV'T ENTITY	200,000.	0.			WASTEWATER TO ENERGY PROJECT
CITY OF BURLINGTON PO BOX 1358 BURLINGTON, NC 27215	56-6001189	GOV'T ENTITY	695,000.	0.			PROJECT SOUTHPARK
CITY OF DUNN PO BOX 1065 DUNN, NC 28335	56-6001214	GOV'T ENTITY	448,000.	0.			PROJECT GLENWOOD
CITY OF GRAHAM PO DRAWER 357 GRAHAM, NC 27253	56-6001234	GOV'T ENTITY	900,000.	0.			ALAMANCE COUNTY EDA/PROJECT SWORDFISH - INFRASTRUCTURE
CLAY CO. BOARD OF EDUCATION PO BOX 178 HAYESVILLE, NC 28904	56-6001009	GOV'T ENTITY	98,000.	0.			21ST CENTURY HEALTH CAREERS
CLAY CO. BOARD OF EDUCATION PO BOX 178 HAYESVILLE, NC 28904	56-6001009	GOV'T ENTITY	750,000.	0.			1:1 DEVICE INITIATIVE FOR CLAY COUNTY SCHOOLS
CLAY COUNTY NORTH CAROLINA PO BOX 118 HAYESVILLE, NC 28904	57-6000287	GOV'T ENTITY	1,000,000.	0.			HWY 69 SEWER LINE EXTENSION PROJECT
CLEVELAND COMMUNITY COLLEGE 137 SOUTH POST ROAD SHELBY, NC 28152	56-0848556	EDUCATION/EXEMPT	825,000.	0.			CENTER FOR INTEGRATED MANUFACTURING

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
COLLEGE OF THE ALBEMARLE 1208 NORTH ROAD STREET ELIZABETH CITY, NC 27906-2327	56-6024012	EDUCATION/EXEMPT	350,000.	0.			ALBEMARLE AREA WELDING WORKFORCE P.R.E.P. (PREPARING RESIDENTS FOR ECONOMIC PROSPERITY)
CREST 241 TILLINGHAST STREET FAYETTEVILLE, NC 28301	56-1258754	501 (C)(3)	13,450.	0.			ADULT DAY VOCATIONAL PROGRAM, (ADVP) - INVENTORY MANAGEMENT PROJECT
CTR. FOR CREATIVE LEADERSHIP ONE LEADERSHIP PLACE GREENSBORO, NC 27438-6300	23-7079591	GOV'T ENTITY	1,550,000.	0.			GOLDEN LEAF SCHOLARS LEADERSHIP PROGRAM
DUPLIN COUNTY SCHOOLS 315 N. MAIN STREET KENANSVILLE, NC 28349-0128	56-6001020	GOV'T ENTITY	627,692.	0.			DEVELOPING CAREER PATHWAYS THROUGH STEM
EDENTON CHOWAN PARTNERSHIP 101 W. WATER STREET EDENTON, NC 27932	56-1978763	501 (C)(3)	130,000.	0.			COMPLETING AIRPORT INDUSTRIAL PARK II (FIRING RANGE REMOVAL AND CLEAN-UP)
EDENTON-CHOWAN BOARD OF EDUC. PO BOX 206 EDENTON, NC 27932	56-0889236	GOV'T ENTITY	285,000.	0.			SECONDARY SCIENCE TECHNOLOGY ENGINEERING AND MATHEMATICS (STEM) CURRICULUM PROGRAMS
EDENTON-CHOWAN BOARD OF EDUC. PO BOX 206 EDENTON, NC 27932	56-0889236	GOV'T ENTITY	827,500.	0.			1:1 LEARNING INITIATIVE
FARMER FOODSHARE, INC. 104 GRANITE RIDGE ROAD CHAPEL HILL, NC 27516	27-3717889	501 (C)(3)	45,000.	0.			POP FOOD MARKET
FORSYTH TECH. COMM. COLLEGE 2100 SILAS CREEK PARKWAY WINSTON-SALEM, NC 27103	56-0792614	EDUCATION/EXEMPT	825,000.	0.			BUILDING MID-SKILLS IN ADVANCED MANUFACTURING FOR THE PIEDMONT TRIAD

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
GASTON COLLEGE 201 HIGHWAY 321 SOUTH DALLAS, NC 28034	56-0792292	EDUCATION/EXEMPT	500,000.	0.			GASTON COLLEGE CENTER FOR ADVANCED MANUFACTURING
HIGH COUNTRY COMMUNITY HEALTH PO BOX 1490 BOONE, NC 28607	27-3033445	501 (C)(3)	200,000.	0.			PROVIDING PRIMARY CARE IN THE HIGH COUNTRY
HOKE COUNTY 227 NORTH MAIN STREET RAEFORD, NC 28376	56-6001525	GOV'T ENTITY	1,000,000.	0.			HOKE COUNTY - PHASE 1B SEWER & WATER SYSTEM IMPROVEMENTS
JAMES SPRUNT COMM. COLLEGE P.O. BOX 398 KENANSVILLE, NC 28349	56-0892755	GOV'T ENTITY	1,000,000.	0.			JSCC DIESEL MECHANIC PROGRAM
JOHNSTON COMMUNITY COLLEGE 245 COLLEGE ROAD SMITHFIELD, NC 27577	56-0937578	501 (C)(3)	275,000.	0.			PARTNERSHIP REALIZING IMPACT ON MANUFACTURING ECONOMY (PRIME)
LAURINBURG-MAXTON AIRPORT 16701 AIRPORT ROAD MAXTON, NC 28364	56-6018132	GOV'T ENTITY	200,000.	0.			LMAC WATER SYSTEM IMPROVEMENTS FOR FCC NORTH CAROLINA
LEE COUNTY INDUSTRIES, INC. 2711 TRAMWAY ROAD SANFORD, NC 27332	56-0898262	501 (C)(3)	35,000.	0.			DOCUMENT MANAGEMENT BUSINESS
MAYLAND COMM. COLLEGE FDN. P. O. BOX 547 SPRUCE PINE, NC 28777	58-1486405	501 (C)(3)	71,000.	0.			READINESS NOW: BUILDING WORKFORCE SKILLS AND PREPAREDNESS IN AVERY COUNTY
MCDOWELL COUNTY SCHOOLS 334 SOUTH MAIN STREET MARION, NC 28752	56-6001073	GOV'T ENTITY	200,000.	0.			IMPLEMENTING 9-12 ONE-TO-ONE COMPUTING IN MCDOWELL COUNTY SCHOOLS

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MCDOWELL EDA 25 SOUTH GARDNER STREET MARION, NC 28572-1289	56-1346748	501 (C)(3)	60,258.	0.			FOOTHILLS PILOT PLANT, FINAL SUSTAINABILITY PHASE
MDC, INC. PO BOX 17268 CHAPEL HILL, NC 27516-7268	56-0894222	501 (C)(3)	37,500.	0.			BUILDING AN EDUCATION-TO-CAREER SYSTEM IN DURHAM
METROPOLITAN COMM. HEALTH PO BOX 1886 WASHINGTON, NC 27889-1886	56-2143419	501 (C)(3)	200,000.	0.			AGAPE CLINIC #2 SATELLITE CLINIC BELHAVEN, NORTH CAROLINA
MILES JOB FUND, INC. PO BOX 727 SPARTA, NC 28675	26-1802548	501 (C)(3)	75,000.	0.			JOB CREATION
MITCHELL COMMUNITY COLLEGE 500 WEST BROAD STREET STATESVILLE, NC 28677	56-1048429	EDUCATION/EXEMPT	418,742.	0.			GOLDEN LEAF: BUILDING TECHNICAL TALENTS
MONTGOMERY COUNTY 102 EAST SPRING STREET TROY, NC 27371-0425	56-6000321	GOV'T ENTITY	3,500,000.	0.			PROJECT SKYFALL
MOSS MEMORIAL LIBRARY PO BOX 900 HAYESVILLE, NC 28904	56-6000703	GOV'T ENTITY	60,000.	0.			WORK TRAINING CENTER
MOUNTAIN AREA HEALTH ED. CTR. 121 HENDERSONVILLE ROAD ASHEVILLE, NC 28803-2868	56-1071426	501 (C)(3)	175,000.	0.			PRIMARY HEALTHCARE ACCESS IN WESTERN NORTH CAROLINA
NASH COMMUNITY COLLEGE 522 NORTH OLD CARRIAGE ROAD ROCKY MOUNT, NC 27804	56-0895794	EDUCATION/EXEMPT	845,000.	0.			PROJECT NC301

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NASH HOSPITALS, INC. 2460 CURTIS ELLIS DRIVE ROCKY MOUNT, NC 27804	23-7027004	501 (C)(3)	200,000.	0.			DIGITAL RADIOGRAPHY EQUIPMENT FOR PEDIATRIC EMERGENCY DEPARTMENT
NASH-ROCKY MOUNT PUBLIC SCH. 930 EASTERN AVENUE NASHVILLE, NC 27856	56-1766036	EDUCATION/EXEMPT	150,000.	0.			DIGITAL CONVERSION: 21ST CENTURY PROFESSIONAL LEARNING FOR EDUCATORS
NC COMMUNITY COLLEGE SYSTEM 5016 MAIL SERVICE CENTER RALEIGH, NC 27699-5016	56-1288079	EDUCATION/EXEMPT	750,000.	0.			GOLDEN LEAF SCHOLARS PROGRAM - TWO-YEAR COLLEGES (2013-14)
NC INDEPENDENT COLLEGES 530 N. BLOUNT STREET RALEIGH, NC 27604	56-0775353	501 (C)(3)	210,000.	0.			NCICU GOLDEN LEAF FOUNDATION SCHOLARSHIP PROGRAM, 2013-14
NC NEW SCHOOLS PROJECT, INC. 4600 MARRIOTT DRIVE, SUITE 510 RALEIGH, NC 27612-3307	20-4031703	501 (C)(3)	100,000.	0.			1:1 NC LEARNING TECHNOLOGY INITIATIVE
NC SEAA 10 T.W. ALEXANDER DRIVE RESEARCH TRIANGLE PARK, NC 27709-4103	90-0145439	GOV'T ENTITY	1,894,000.	0.			GOLDEN LEAF SCHOLARS PROGRAM 2013-2014
NC STATE UNIVERSITY 2701 SULLIVAN DR., SUITE 240 RALEIGH, NC 27695-7514	56-6000756	STATE-NC	297,244.	0.			GOLDEN LEAF MID-SKILLS EVALUATION
NC STATE UNIVERSITY 2701 SULLIVAN DR., SUITE 240 RALEIGH, NC 27695-7514	56-6000756	STATE-NC	185,326.	0.			ALTERNATIVES TO PEAT MOSS AND PERLITE IN HORTICULTURAL CROP PRODUCTION
NC STATE UNIVERSITY 2701 SULLIVAN DR., SUITE 240 RALEIGH, NC 27695-7514	56-6000756	STATE-NC	125,000.	0.			EXPANDING THE IMPACT AND SUCCESS OF THE NC 10% CAMPAIGN

Schedule I (Form 990)

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NC STATE UNIVERSITY 2701 SULLIVAN DR., SUITE 240 RALEIGH, NC 27695-7514	56-6000756	STATE-NC	199,925.	0.			OPERATION: FLY GULL ROCK
NC STATE UNIVERSITY CAMPUS BOX 7514 RALEIGH, NC 27695-7626	56-6000756	STATE-NC	99,890.	0.			ECONOMIC GROWTH FOR RURAL WOOD PRODUCTS SHOPS VIA SALES TO RETAIL STORES
PHARMACY FOUNDATION OF NC 194 FINLEY GOLF COURSE RD, STE 106 CHAPEL HILL, NC 27517	56-6037918	501 (C)(3)	100,000.	0.			UNC ESHELMAN SCHOOL OF PHARMACY ASHEVILLE SATELLITE PROGRAM
PIEDMONT COMMUNITY COLLEGE PO BOX 1197 ROXBORO, NC 27573	56-0990351	EDUCATION/EXEMPT	165,032.	0.			PIEDMONT COMMUNITY COLLEGE'S WORKFORCE CERTIFICATION ACADEMY
PIEDMONT TRIAD AIRPORT AUTH. 1000 A TED JOHNSON PARKWAY GREENSBORO, NC 27409	56-0668378	501 (C)(3)	1,000,000.	0.			PROJECT RADAR
PITT COMMUNITY COLLEGE PO DRAWER 7007 GREENVILLE, NC 27835-7007	56-0793335	GOV'T ENTITY	900,000.	0.			REGIONAL PARTNERSHIP FOR INCREASING MID-LEVEL SKILLS IN ADVANCED MANUFACTURING
REGENERATION DEV. GROUP, INC. P. O. BOX 485 SCOTLAND NECK, NC 27874	52-1867108	501 (C)(3)	52,280.	0.			ALLIED HEALTH WORKFORCE TRAINING AND JOB CREATION PROJECT
RICHMOND COUNTY SCHOOLS 118 VANCE STREET HAMLET, NC 28345	56-6002508	EDUCATION/EXEMPT	110,000.	0.			INTERACTIVE PROJECT BASED LEARNING USING 3D
ROCKINGHAM COMMUNITY COLLEGE P.O. BOX 38 WENTWORTH, NC 27289	56-0812577	GOV'T ENTITY	496,000.	0.			WELDING FOR SUCCESS

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ROWAN-CABARRUS COMM. COLLEGE PO BOX 1595 SALISBURY, NC 28145	56-0792333	EDUCATION/EXEMPT	491,451.	0.			ADVANCED MACHINING PROJECT
SAMPSON COUNTY 406 COUNTY COMPLEX RD, BLDG C CLINTON, NC 28328	56-6000338	GOV'T ENTITY	450,000.	0.			PROJECT TRIO
SAMPSON COUNTY 406 COUNTY COMPLEX RD, BLDG C CLINTON, NC 28328	56-6000338	GOV'T ENTITY	450,000.	0.			PROJECT TRIUMPH
SAMPSON REGIONAL MEDICAL CTR. 607 BEAMAN STREET (28328) CLINTON, NC 28329-0260	56-0562304	501 (C)(3)	200,000.	0.			EASTERN NORTH CAROLINA RURAL HOSPITAL LEAN IMPROVEMENT
SCOTLAND COUNTY PO BOX 489 LAURINBURG, NC 28352	56-6000339	GOV'T ENTITY	1,000,000.	0.			FCC (NORTH CAROLINA), LLC EXPANSION
SOUTH PIEDMONT COMM. COLLEGE PO BOX 126 POLKTON, NC 28135	56-0893801	EDUCATION/EXEMPT	345,000.	0.			MACHINING CREDENTIAL TO COLLEGE CREDIT & APPRENTICESHIP PROJECT
SOUTHEASTERN COMM. COLLEGE PO BOX 151 WHITEVILLE, NC 28472-0151	56-0815200	EDUCATION/EXEMPT	275,000.	0.			PROJECT PRIME (PLASTICS RESOURCES IN MANUFACTURING EXCELLENCE)
STOKES COUNTY PO BOX 20 DANBURY, NC 27016	56-6000340	GOV'T ENTITY	2,000,000.	0.			MEADOWS & FORSYTH TECHNICAL COMMUNITY COLLEGE WATER & SEWER IMPROVEMENTS
TEACH FOR AMERICA NC 324 BLACKWELL ST, SUITE 1160 DURHAM, NC 27701	13-3541913	501 (C)(3)	100,000.	0.			CLOSING THE ACHIEVEMENT GAP IN EASTERN NORTH CAROLINA

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
THE SOUTHERN DOCUMENTARY FUND 762 NINTH ST. #574 DURHAM, NC 27705	75-2993148	501 (C)(3)	75,000.	0.			A CHEF'S LIFE (WORKING TITLE FOR TV SERIES AND WEBSITE)
TOWN OF BLOWING ROCK PO BOX 47 BLOWING ROCK, NC 28605	56-6001184	GOV'T ENTITY	100,000.	0.			HOSPITAL SERVICES EXPANSION PROJECT
TOWN OF NORTH WILKESBORO 832 MAIN STREET NORTH WILKESBORO, NC 28659	56-6001302	GOV'T ENTITY	150,000.	0.			115 SEWER INFRASTRUCTURE PROJECT
TOWN OF PEMBROKE PO BOX 866 PEMBROKE, NC 28372	56-0809922	GOV'T ENTITY	1,158,000.	0.			ONSITE PRE-TREATMENT WASTE WATER PROCESSING PLANT
TOWN OF TAYLORSVILLE 67 MAIN AVENUE DRIVE TAYLORSVILLE, NC 28681	15-6001351	GOV'T ENTITY	300,000.	0.			MILLERSVILLE COMMUNITY SANITARY SEWER PROJECT
TRANSYLVANIA COUNTY SCHOOLS 225 ROSENWALD LN. BREVARD, NC 28712	56-6001121	GOV'T ENTITY	200,000.	0.			MASTERING THE GLOBAL WORLD
TRI-COUNTY COMMUNITY COLLEGE 21 CAMPUS CIRCLE MURPHY, NC 28906	56-0896010	GOV'T ENTITY	55,000.	0.			MACHINING TRAINING FOR INDUSTRY EXPANSION
UNC - GA 910 RALEIGH ROAD CHAPEL HILL, NC 27515-2688	56-6172047	EDUCATION/EXEMPT	315,000.	0.			GOLDEN LEAF SCHOLARS PROGRAM, 2013-14
UNC-G 1713 HHRA BLDG GREENSBORO, NC 27402-6170	56-6001468	EDUCATION/EXEMPT	200,000.	0.			21ST CENTURY LEADERSHIP WITH INSTRUCTIONAL TECHNOLOGY FACILITATOR CERTIFICATION

Schedule I (Form 990)

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
VANCE COUNTY 122 YOUNG STREET, STE B HENDERSON, NC 27536-5574	56-6000346	GOV'T ENTITY	7,806.	0.			SATTERWHITE POINTE ROAD WATER PROJECT
VIDANT DUPLIN HOSPITAL PO BOX 274 KENANSVILLE, NC 28349	56-6011594	501 (C)(3)	389,266.	0.			DUPLIN TELEHEALTH CHRONIC DISEASE MANAGEMENT PROGRAM
WAYNE COMMUNITY COLLEGE PO BOX 8002 GOLDSBORO, NC 27533-8002	56-0792849	EDUCATION/EXEMPT	1,250,000.	0.			WAYNE COMMUNITY COLLEGE'S TRAINING AND CREDENTIALING (TAC) PROJECT
WAYNE COUNTY PUBLIC SCHOOLS P.O. DRAWER 1797 GOLDSBORO, NC 27533	56-6001131	GOV'T ENTITY	526,095.	0.			GOLDEN LEAF STEM LEARNING CENTERS
WAYNE HEALTH FOUNDATION PO BOX 8001 GOLDSBORO, NC 27533	58-1881912	501 (C)(3)	225,000.	0.			WATCH HEALTHCARE PROGRAM EXPANSION
WHITAKER PARK DEV. AUTH. 635 NORTH TRADE STREET WINSTON-SALEM, NC 27101	45-3814914	501 (C)(3)	1,700,000.	0.			WHITAKER PARK
WILKES ADULT DEVELOPMENT PO BOX 968 NORTH WILKESBORO, NC 28659	56-1158621	501 (C)(3)	50,000.	0.			A MIND IS A TERRIBLE THING TO WASTE
WILKES COMMUNITY COLLEGE P.O. BOX 120 WILKESBORO, NC 28697-0120	56-0846669	EDUCATION/EXEMPT	1,250,000.	0.			WILKES COMMUNITY COLLEGE HEALTH SCIENCES CENTER
WILKES DENTAL CONSORTIUM 1915 WEST PARK DRIVE, STE 104 NORTH WILKESBORO, NC 28659-3777	91-1943799	501 (C)(3)	305,255.	0.			MOBILE DENTAL CLINIC

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
WILSON EDC PO BOX 728 WILSON, NC 27894-0728	56-0654413	GOV'T ENTITY	1,000,000.	0.			WOODARD PARKWAY INFRASTRUCTURE IMPROVEMENTS (WPII)
YADKIN COUNTY SCHOOLS 121 WASHINGTON STREET YADKINVILLE, NC 27055	56-6001137	EDUCATION/EXEMPT	200,000.	0.			LEARNERS ENGAGED AND FUTURE-READY

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

SCHEDULE I, PART I, LINE 2: APPLICANTS THAT RECEIVE AWARDS FROM THE BOARD ARE REQUIRED TO SIGN A GRANTEE ACKNOWLEDGEMENT & AGREEMENT, WHICH STATES GUIDELINES AND CONDITIONS FOR A GRANT. GRANTEES MUST ALSO ATTEND A GRANTS MANAGEMENT SESSION. THE GRANTEE ACKNOWLEDGEMENT & AGREEMENT MAY CONTAIN CONDITIONS THAT MUST BE SATISFIED BEFORE FUNDS WILL BE RELEASED. THESE CONDITIONS, ALONG WITH REQUIREMENTS FOR INTERIM AND FINAL REPORTS, ARE ENTERED IN A DATABASE. ONCE THE FOUNDATION RECEIVES THE SIGNED GRANTEE ACKNOWLEDGEMENT & AGREEMENT, EVIDENCE THAT PRECONDITIONS HAVE BEEN MET, AND A WRITTEN REQUEST FOR PAYMENT, THE APPLICANT IS ELIGIBLE TO RECIEVE AN

Part IV Supplemental Information

INITIAL DISBURSEMENT OF UP TO 80% OF THE GRANT AWARD. A SUM EQUAL TO 20% OF THE TOTAL AMOUNT OF THE GRANT IS RETAINED BY THE FOUNDATION UNTIL COMPLETION OF THE GRANTEE'S OBLIGATIONS UNDER THE GRANT, INCLUDING THE SUBMISSION TO THE FOUNDATION OF A FINAL REPORT ON THE FUNDED PROJECT AND SATISFACTION OF ANY REMAINING CONDITIONS TO RELEASE OF FUNDS. GRANTEES MAY USE FUNDS ONLY FOR ITEMS IDENTIFIED IN THE PROJECT'S APPROVED BUDGET. SHOULD THE GRANTEE SEEK TO SPEND FUNDS ON AN ITEM NOT INCLUDED IN THE BUDGET OR IN AN AMOUNT IN EXCESS OF THE APPROVED BUDGET AMOUNT, THE GRANTEE MUST RECEIVE APPROVAL OF A BUDGET MODIFICATION. IN NO EVENT MAY A GRANTEE SPEND GOLDEN LEAF FUNDS IN EXCESS OF THE AMOUNT AWARDED BY THE GOLDEN LEAF BOARD. GRANTEES MUST SUBMIT INTERIM REPORTS IN SIX MONTH INCREMENTS BEGINNING SIX MONTHS AFTER THE AWARD DATE AND A FINAL REPORT WITHIN 60 DAYS AFTER COMPLETION OF THE PROJECT. THE REPORTS INCLUDE INFORMATION REGARDING THE WORK ACCOMPLISHED, COMPARED TO AN APPROVED SCOPE OF WORK, REPORTED OUTCOMES OF THE PROJECT, AND EXPENDITURE REPORTS WITH SUPPORTING DOCUMENTATION.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: THE GOLDEN L.E.A.F., INC.

Employer identification number: 52-2204473

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- [ ] First-class or charter travel
- [ ] Travel for companions
- [ ] Tax indemnification and gross-up payments
- [ ] Discretionary spending account
- [ ] Housing allowance or residence for personal use
- [ ] Payments for business use of personal residence
- [X] Health or social club dues or initiation fees
- [ ] Personal services (e.g., maid, chauffeur, chef)

			Yes	No
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	X	

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- [X] Compensation committee
- [ ] Independent compensation consultant
- [X] Form 990 of other organizations
- [ ] Written employment contract
- [X] Compensation survey or study
- [X] Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

			Yes	No
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

			Yes	No
a	The organization?	5a		X
b	Any related organization?	5b		X

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

			Yes	No
a	The organization?	6a		X
b	Any related organization?	6b		X

If "Yes" to line 6a or 6b, describe in Part III.

			Yes	No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DANIEL J. GERLACH	(i)	185,990.	0.	270.	18,973.	16,991.	222,224.	0.
PRESIDENT	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) MARK A. SORRELLS	(i)	157,612.	0.	414.	16,425.	16,616.	191,067.	0.
SENIOR VICE-PRESIDENT	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) PETER J. CERA	(i)	138,664.	0.	270.	14,264.	16,628.	169,826.	0.
VP INVESTMENTS	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 1A: ROTARY CLUB DUES.

PART I, LINE 1B: PAYMENT OF DUES APPROVED BY BOARD.

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization	Employer identification number
THE GOLDEN L.E.A.F., INC.	52-2204473

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

2. JOB TRAINING AND EMPLOYMENT ASSISTANCE - PROVISION OF LOANS AND GRANTS, TO BE USED FOR JOB TRAINING AND OTHER EMPLOYMENT-RELATED PROGRAMS, TO ORGANIZATIONS ASSISTING TOBACCO FARMERS AND OTHER WORKERS DEPENDENT ON TOBACCO FARMING, PRODUCTION AND SALES TO TRANSITION TO OTHER SOURCES OF INCOME.

3. SCIENTIFIC RESEARCH - PROVISION OF FUNDING FOR SCIENTIFIC RESEARCH TO DEVELOP NEW USES FOR TOBACCO OR FOR THE DEVELOPMENT OF ALTERNATIVE CASH CROPS.

4. ECONOMIC HARDSHIP ASSISTANCE - PROVISION OF DIRECT GRANTS, LOANS AND OTHER ASSISTANCE PROGRAMS TO ALLEVIATE ECONOMIC HARDSHIP, POVERTY OR NEED EXPERIENCED BY TOBACCO FARMERS, QUOTA OWNERS, THEIR FAMILIES AND OTHERS AS A RESULT OF DECLINE IN QUOTA AND/OR PRODUCTION OF TOBACCO OR TOBACCO PRODUCTS.

5. PUBLIC WORKS AND INDUSTRIAL RECRUITMENT - PROVISION OF GRANTS AND LOANS TO LOCAL GOVERNMENTS FOR UPGRADING UTILITIES, TRANSPORTATION, AND OTHER PUBLIC SERVICE INFRASTRUCTURE TO ATTRACT NEW BUSINESSES OR FOR MORE GENERAL ECONOMIC DEVELOPMENT PURPOSES.

6. HEALTH AND HUMAN SERVICES - PROVISION OF FUNDING FOR IMPROVED HEALTH CARE AND OTHER SOCIAL SERVICES NEEDED TO MAINTAIN THE STABILITY OF TOBACCO-DEPENDENT COMMUNITIES.

7. COMMUNITY ASSISTANCE - PROVISION OF DIRECT GRANTS AND LOANS TO ECONOMICALLY DEPRESSED AND DETERIORATING TOBACCO-DEPENDENT COMMUNITIES, TO BE USED EXCLUSIVELY FOR PUBLIC PURPOSES.

FORM 990, PART VI, SECTION A, LINE 7A: THE FOUNDATION IS GOVERNED BY A

Name of the organization	Employer identification number
THE GOLDEN L.E.A.F., INC.	52-2204473

BOARD OF DIRECTORS COMPRISED OF FIFTEEN DIRECTORS. FIVE DIRECTORS ARE APPOINTED BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA. FIVE DIRECTORS ARE APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE NORTH CAROLINA SENATE. FIVE DIRECTORS ARE APPOINTED BY THE SPEAKER OF THE NORTH CAROLINA HOUSE OF REPRESENTATIVES.

FORM 990, PART VI, SECTION A, LINE 7B: THE FOUNDATION MAY NOT DISPOSE OF ASSETS PURSUANT TO THE PROVISIONS OF SECTION 55A-12-02 OF THE NORTH CAROLINA GENERAL STATUTES WITHOUT THE APPROVAL OF THE NORTH CAROLINA GENERAL ASSEMBLY. THE FOUNDATION MAY NOT AMEND ITS ARTICLES OF INCORPORATION WITHOUT THE APPROVAL OF THE NORTH CAROLINA GENERAL ASSEMBLY.

FORM 990, PART VI, SECTION B, LINE 11: A COPY OF FORM 990 WAS PROVIDED TO EACH MEMBER OF THE FOUNDATION'S BOARD OF DIRECTORS. THE AUDIT COMMITTEE OF THE BOARD REVIEWED THE FORM 990 AND RECOMMENDED APPROVAL TO THE FULL BOARD. THE BOARD OF DIRECTORS APPROVED THE FORM 990 PRIOR TO ITS FILING.

FORM 990, PART VI, SECTION B, LINE 12C: THE FOUNDATION'S BOARD OF DIRECTORS AND COMMITTEES MEET APPROXIMATELY SIX TIMES PER YEAR. AT EACH SUCH MEETING, OR GROUP OF MEETINGS, DIRECTORS ARE ASKED TO CONFIRM THEIR DISCLOSURES OR MAKE ANY NEW DISCLOSURES. WHEN A DIRECTOR DISCLOSES AN INTEREST IN A PROPOSED TRANSACTION, THE DIRECTOR DOES NOT PARTICIPATE IN THE DISCUSSION CONCERNING, OR THE VOTE UPON, THE PROPOSED TRANSACTION.

FORM 990, PART VI, SECTION B, LINE 15A: THE PERSONNEL COMMITTEE OF THE BOARD OF DIRECTORS REVIEWED SALARY AND BENEFIT INFORMATION FOR POSITIONS COMPARABLE TO THE PRESIDENT AT OTHER NORTH CAROLINA FOUNDATIONS AND ENDOWMENTS AND NORTH CAROLINA STATE AGENCIES PRIOR TO MAKING A

Name of the organization	Employer identification number
THE GOLDEN L.E.A.F., INC.	52-2204473

RECOMMENDATION TO THE BOARD REGARDING THE PRESIDENT'S SALARY AND BENEFITS.

THE BOARD APPROVED THE SALARY AND BENEFITS OF THE PRESIDENT.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES ITS
GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY AVAILABLE UPON REQUEST.
THE FINANCIAL STATEMENTS ARE MADE AVAILABLE ON THE ORGANIZATION'S WEBSITE
AND UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

PASS-THROUGH UBI INCOME FROM K-1S	-74,693.
RESCISSIONS AND RETURNS OF GRANTS	3,888,658.
TOTAL TO FORM 990, PART XI, LINE 9	3,813,965.

FORM 990, PART XII, LINE 2C

OVERSIGHT OF AUDIT:

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

Form **990-T**

Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2012 or other tax year beginning JUL 1, 2012 , and ending JUN 30, 2013

OMB No. 1545-0687

2012

Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(c)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
THE GOLDEN L.E.A.F., INC.

Number, street, and room or suite no. If a P.O. box, see instructions.
301 N. WINSTEAD AVE

City or town, state, and ZIP code
ROCKY MOUNT, NC 27804

D Employer identification number (Employees' trust, see instructions.)
52-2204473

E Unrelated business activity codes (See instructions)
523000

C Book value of all assets at end of year
897,044,517.

F Group exemption number (see instructions) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ INVESTMENTS IN PASSTHROUGH ENTITIES

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☐ Yes ☒ No

If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ BETH EDMONDSON Telephone number ▶ 252-442-7474

Part I Unrelated Trade or Business Income

		Line	(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales				
b	Less returns and allowances c Balance ▶	1c			
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5	74,693.	STMT 2	74,693.
6	Rent income (Schedule C)	6			
7	Unrelated debt-financed income (Schedule E)	7			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11			
12	Other income (see instructions; attach statement)	12			
13	**Total.** Combine lines 3 through 12	13	74,693.		74,693.

Part II Deductions Not Taken Elsewhere
(see instructions for limitations on deductions)
(except for contributions, deductions must be directly connected with the unrelated business income)

				Line	Amount
14	Compensation of officers, directors, and trustees (Schedule K)			14	
15	Salaries and wages			15	
16	Repairs and maintenance			16	
17	Bad debts			17	
18	Interest (attach statement)			18	
19	Taxes and licenses			19	
20	Charitable contributions (see instructions for limitation rules)			20	
21	Depreciation (attach Form 4562)	21			
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b	
23	Depletion			23	
24	Contributions to deferred compensation plans			24	
25	Employee benefit programs			25	
26	Excess exempt expenses (Schedule I)			26	
27	Excess readership costs (Schedule J)			27	
28	Other deductions (attach statement)			28	
29	**Total deductions.** Add lines 14 through 28			29	0.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			30	74,693.
31	Net operating loss deduction (limited to the amount on line 30)			31	74,693.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			32	0.
33	Specific deduction (generally $1,000, but see instructions for exceptions)			33	1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			34	0.

Part III Tax Computation

35	**Organizations taxable as corporations** (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here ▶ ☐ **See instructions** and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ (2) $ (3) $		
b	Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ (2) Additional 3% tax (not more than $100,000) $		
c	Income tax on the amount on line 34 ▶	35c	0.
36	**Trusts taxable at trust rates** (see instructions for tax computation). Income tax on the amount on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶	36	
37	**Proxy tax** (see instructions) ▶	37	
38	Alternative minimum tax	38	0.
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	0.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	0.
42	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach statement)			42	
43	**Total tax.** Add lines 41 and 42			43	0.
44a	Payments: A 2011 overpayment credited to 2012	44a			
b	2012 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: ☐ Form 2439 ☐ Form 4136 ☐ Other Total ▶	44g			
45	**Total payments.** Add lines 44a through 44g			45	
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐			46	
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	0.
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	0.
49	Enter the amount of line 48 you want: **Credited to 2013 estimated tax** ▶		**Refunded** ▶	49	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶ IRELAND	X	
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a	Additional section 263A costs (att. statement)	4a					
b	Other costs (attach statement)	4b					
5	**Total.** Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | Date | ▶ PRESIDENT Title

May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MICHAEL SORRELLS, CPA	Z Mich S	2/10/2014		P00001737
Firm's name ▶ BDO USA, LLP			Firm's EIN ▶ 13-5381590	
Firm's address ▶ 7101 WISCONSIN AVE., SUITE 800 BETHESDA, MD 20814-4827			Phone no. (301)654-4900	

Part III Tax Computation

35	**Organizations taxable as corporations** (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here ▶ ☐ **See instructions** and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ (2) $ (3) $		
b	Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ (2) Additional 3% tax (not more than $100,000) $		
c	Income tax on the amount on line 34 ▶	35c	0.
36	**Trusts taxable at trust rates** (see instructions for tax computation). Income tax on the amount on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶	36	
37	**Proxy tax** (see instructions) ▶	37	
38	Alternative minimum tax	38	0.
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	0.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	0.
42	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach statement)			42	
43	**Total tax.** Add lines 41 and 42			43	0.
44a	Payments: A 2011 overpayment credited to 2012	44a			
b	2012 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: ☐ Form 2439 ☐ Form 4136 ☐ Other Total ▶	44g			
45	**Total payments.** Add lines 44a through 44g			45	
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐			46	
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	0.
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	0.
49	Enter the amount of line 48 you want: **Credited to 2013 estimated tax** ▶		**Refunded** ▶	49	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶ IRELAND	X	
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a	Additional section 263A costs (att. statement)	4a					
b	Other costs (attach statement)	4b					
5	**Total.** Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | Date | ▶ PRESIDENT Title

May the IRS discuss this return with the preparer shown below (see instructions)? X Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
MICHAEL SORRELLS, CPA				P00001737
Firm's name ▶ BDO USA, LLP			Firm's EIN ▶ 13-5381590	
Firm's address ▶ 7101 WISCONSIN AVE., SUITE 800 BETHESDA, MD 20814-4827			Phone no. (301)654-4900	

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property
(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total	0.	Total 0.	
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶		0.	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

	1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property (a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1)				
(2)				
(3)				
(4)				

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	0.
Total dividends-received deductions included in column 8 ▶					0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

	1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations 3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)						
(2)						
(3)						
(4)						

Nonexempt Controlled Organizations

	7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					
				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶				0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A). 0.			Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			0.

Form 990-T (2012)

223731
01-11-13

FOOTNOTES	STATEMENT 1

NET OPERATING LOSS:

LOSS ORIGINATING IN 2009 TAX YEAR	705,680.
CARRYFORWARD UTILIZED IN 2010 TAX YEAR	-87,492.
LOSS ORIGINATING IN 2011 TAX YEAR	1,083,463.
CARRYFORWARD UTILIZED IN 2012 TAX YEAR	-74,693.
CARRYFORWARD AVAILABLE FOR 2013 TAX YEAR	1,626,958.

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 2

DESCRIPTION		AMOUNT
AG REALTY FUND VII (TE), LP	EIN: 26-0330156	114,100.
COLONY INVESTORS VIII, LP	EIN: 20-5748317	-7,249.
DENHAM COMMODITY PARTNERS FUND V LP	EIN: 26-1710058	1,264.
ENCAP ENERGY CAPITAL FUND VII, LP	EIN: 26-0413806	-189,830.
LEXINGTON CAPITAL PARTNERS V, LP	EIN: 06-1634170	-6,387.
Q-BLK PRIVATE CAPITAL II (PARALLEL) LP	EIN: 20-3111907	232,810.
AG REALTY FUND VIII, L.P.	EIN: 27-2996434	-10,062.
THE VARDE FUND IX, LP	EIN: 26-1594327	-878.
THE VARDE FUND X(B) (FEEDER) LP	EIN: 52-2204473	338.
WARBURG PINCUS PRIVATE EQUITY (E&P) X-A, LP	EIN: 27-3762729	-32,543.
WARBURG PINCUS (BERMUDA)PRIVATE EQUITY X LP	EIN: 27-3762729	25,920.
CAROUSEL CAPITAL PARTNERS III, LP	EIN: 20-4142952	29,917.
CAROUSEL CAPITAL PARTNERS IV, LP	EIN: 45-2469751	-82,707.
TOTAL TO FORM 990-T, PAGE 1, LINE 5		74,693.

Form **926** (Rev. December 2011) Department of the Treasury Internal Revenue Service

Return by a U.S. Transferor of Property to a Foreign Corporation

▶Attach to your income tax return for the year of the transfer or distribution.

OMB No. 1545-0026

Attachment Sequence No. 128

Part I U.S. Transferor Information (see instructions)

Name of transferor: THE GOLDEN L.E.A.F., INC.

Identifying number (see instructions): 52-2204473

1 If the transferor was a corporation, complete questions 1a through 1d.

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? ☐ Yes ☒ No

b Did the transferor remain in existence after the transfer? ☒ Yes ☐ No

If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? ☐ Yes ☒ No

If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

d Have basis adjustments under section 367(a)(5) been made? ☐ Yes ☒ No

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

a List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership
THE VARDE FUND IX, LP	26-1594327

b Did the partner pick up its pro rata share of gain on the transfer of partnership assets? ☒ Yes ☐ No

c Is the partner disposing of its **entire** interest in the partnership? ☐ Yes ☒ No

d Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? ☐ Yes ☒ No

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation): PUBLIC HOUSE TRUST

4 **Identifying number**, if any: NONE

5 Address (including country)

PO BOX 1093 BOUNDARY HALL,CRICKET SQUARE

GRAND CAYMAN, KY1-1102 CAYMAN ISLANDS

6 Country code of country of incorporation or organization

CJ

7 Foreign law characterization (see instructions)

CORPORATION

8 Is the transferee foreign corporation a controlled foreign corporation? ☒ Yes ☐ No

LHA **For Paperwork Reduction Act Notice, see separate instructions.** Form **926** (Rev. 12-2011)

224531 05-01-12

Part III **Information Regarding Transfer of Property** (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash			186,225.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in final and temp. Regs. sec. 1.367(a)-4(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

Supplemental Information Required To Be Reported (see instructions):

Part IV Additional Information Regarding Transfer of Property (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before .1502 % **(b)** After .1502 %

10 Type of nonrecognition transaction (see instructions) ▶ SECTION 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

		Yes	No
a	Gain recognition under section 904(f)(3)		X
b	Gain recognition under section 904(f)(5)(F)		X
c	Recapture under section 1503(d)		X
d	Exchange gain under section 987		X

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? ☐ Yes ☒ No

13 Indicate whether the transferor was required to recognize income under final and temporary Regulations sections 1.367(a)-4 through 1.367(a)-6 for any of the following:

		Yes	No
a	Tainted property		X
b	Depreciation recapture		X
c	Branch loss recapture		X
d	Any other income recognition provision contained in the above-referenced regulations		X

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? ☐ Yes ☒ No

15 a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? ☐ Yes ☒ No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ▶ $ ____________

16 Was cash the only property transferred? ☒ Yes ☐ No

17 a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? ☐ Yes ☒ No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

Form **926** (Rev. December 2011) Department of the Treasury Internal Revenue Service

Return by a U.S. Transferor of Property to a Foreign Corporation

▶Attach to your income tax return for the year of the transfer or distribution.

OMB No. 1545-0026

Attachment Sequence No. **128**

Part I U.S. Transferor Information (see instructions)

Name of transferor	Identifying number (see instructions)
THE GOLDEN L.E.A.F., INC.	52-2204473

1 If the transferor was a corporation, complete questions 1a through 1d.

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? ☐ Yes ☒ No

b Did the transferor remain in existence after the transfer? ☒ Yes ☐ No

If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? ☐ Yes ☒ No

If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

d Have basis adjustments under section 367(a)(5) been made? ☐ Yes ☒ No

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

a List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership
COLONY-MARLIN HOLDINGS, LLC	26-0794134

b Did the partner pick up its pro rata share of gain on the transfer of partnership assets? ☒ Yes ☐ No

c Is the partner disposing of its **entire** interest in the partnership? ☐ Yes ☒ No

d Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? ☐ Yes ☒ No

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation)	4 **Identifying number**, if any
COLONY MARLIN HOLDING LIMITED	98-0552222

5 Address (including country)

PO BOX GT, UGLAND HOUSE, SOUTH CHURCH ST.
GEORGETOWN, CAYMAN ISLANDS

6 Country code of country of incorporation or organization

CJ

7 Foreign law characterization (see instructions)

CORPORATION

8 Is the transferee foreign corporation a controlled foreign corporation? ☒ Yes ☐ No

LHA **For Paperwork Reduction Act Notice, see separate instructions.** Form **926** (Rev. 12-2011)

224531 05-01-12

Part III **Information Regarding Transfer of Property** (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	11/06/2012		379,260.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in final and temp. Regs. sec. 1.367(a)-4(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

Supplemental Information Required To Be Reported (see instructions):

Part IV Additional Information Regarding Transfer of Property (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before .1750 % **(b)** After .1750 %

10 Type of nonrecognition transaction (see instructions) ▶ SECTION 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

		Yes	No
a	Gain recognition under section 904(f)(3)	[ ]	[X]
b	Gain recognition under section 904(f)(5)(F)	[ ]	[X]
c	Recapture under section 1503(d)	[ ]	[X]
d	Exchange gain under section 987	[ ]	[X]

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? [ ] Yes [X] No

13 Indicate whether the transferor was required to recognize income under final and temporary Regulations sections 1.367(a)-4 through 1.367(a)-6 for any of the following:

		Yes	No
a	Tainted property	[ ]	[X]
b	Depreciation recapture	[ ]	[X]
c	Branch loss recapture	[ ]	[X]
d	Any other income recognition provision contained in the above-referenced regulations	[ ]	[X]

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? [ ] Yes [X] No

15 a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? [ ] Yes [X] No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ▶ $ ______

16 Was cash the only property transferred? [X] Yes [ ] No

17 a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? [ ] Yes [X] No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

Form **926** (Rev. December 2011) Department of the Treasury Internal Revenue Service

Return by a U.S. Transferor of Property to a Foreign Corporation

▶Attach to your income tax return for the year of the transfer or distribution.

OMB No. 1545-0026

Attachment Sequence No. 128

Part I U.S. Transferor Information (see instructions)

Name of transferor	Identifying number (see instructions)
THE GOLDEN L.E.A.F., INC.	52-2204473

1 If the transferor was a corporation, complete questions 1a through 1d.

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? ☐ Yes ☒ No

b Did the transferor remain in existence after the transfer? ☒ Yes ☐ No

If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? ☐ Yes ☒ No

If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

d Have basis adjustments under section 367(a)(5) been made? ☐ Yes ☒ No

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

a List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership
AG REALTY FUND VIII, L.P.	27-2996434

b Did the partner pick up its pro rata share of gain on the transfer of partnership assets? ☒ Yes ☐ No

c Is the partner disposing of its **entire** interest in the partnership? ☐ Yes ☒ No

d Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? ☐ Yes ☒ No

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation)	4 Identifying number, if any
AG REALTY VIII INVESTMENTS, LP	98-0685804

5 Address (including country)

5300 COMMERCE CT. W, 199 BAY ST.

TORONTO, ONTARIO M5L 1B9 CANADA

6 Country code of country of incorporation or organization

CA

7 Foreign law characterization (see instructions)

CORPORATION

8 Is the transferee foreign corporation a controlled foreign corporation? ☒ Yes ☐ No

Part III **Information Regarding Transfer of Property** (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash			370,822.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in final and temp. Regs. sec. 1.367(a)-4(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

Supplemental Information Required To Be Reported (see instructions):

Part IV Additional Information Regarding Transfer of Property (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 1.2310 % **(b)** After 1.2310 %

10 Type of nonrecognition transaction (see instructions) ▶ SECTION 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

		Yes	No
a	Gain recognition under section 904(f)(3)		X
b	Gain recognition under section 904(f)(5)(F)		X
c	Recapture under section 1503(d)		X
d	Exchange gain under section 987		X

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? ☐ Yes ☒ No

13 Indicate whether the transferor was required to recognize income under final and temporary Regulations sections 1.367(a)-4 through 1.367(a)-6 for any of the following:

		Yes	No
a	Tainted property		X
b	Depreciation recapture		X
c	Branch loss recapture		X
d	Any other income recognition provision contained in the above-referenced regulations		X

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? ☐ Yes ☒ No

15 a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? ☐ Yes ☒ No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ▶ $ ____________

16 Was cash the only property transferred? ☒ Yes ☐ No

17 a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? ☐ Yes ☒ No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

CD-405 (40)

C Corporation Tax Return 2012

North Carolina Department of Revenue

For calendar year 2012, or other tax year beginning 07 01 12 and ending 06 30 13	DOR Use Only
THE GOLDEN L.E.A.F., INC. 301 N. WINSTEAD AVE ROCKY MOUNT NC 27804	Federal Employer ID Number 522204473 N.C. Secretary of State ID Number NAICS Code

☐ Fed Schedule M-3 is attached ☐ Initial Filer ☐ Captive REIT ☐ CD-479 ☐ Amended Return ☐ Non U.S./Foreign

☐ Has Escheatable Property ☐ Final Return ☐ NC-478 ☐ Nonprofit/Tax Exempt ☐ Combined Return

Is this corporation related to another corporation as: ☐ Parent ☐ Subsidiary ☐ Affiliate

THE 301 27804 522204473 M3 N EP N IF N FR N

PP 135381590 PFSP F RE N 478 N 479 N NP/TE N

TN PAR N SUB N AFF N AR N CR N NF N

THE GOLDEN L.E.A.F., INC.

301 N. WINSTEAD AVE ROCKY MOUNT NC 27804

BD	0	08	0	20	0	29E	0
GR	0	09	0	21	0	31	0
TA	897044517	10	0	22	0	32	0
01	0	11	0	24	0	36	0
HCE	N	13	0	26	0	EU	
02	0	15	0	27	0	37A	0
03	0	16	0	29A	0	37B	0
05	0	17	1000000	29B	0	40	0
06	0	18	0	29C	0	41	0
07	0	19	0	29D	0	42	0

63001400014

Sch. A Computation of Franchise Tax	
1. Capital Stock, Surplus, & Undivided Profits	NONE
Holding Company Exception	N
2. Investment in N.C. Tangible Property	0
3. Appraised Value of N.C. Tangible Property	0
4. Taxable Amount	NONE
5. Total Franchise Tax Due	0
6. Application for Franchise Tax Extension	NONE
7. Tax Credits	0
8. Franchise Tax Due	0

9. Franchise Tax Overpaid	NONE
Sch. B Computation of Corporate Income Tax	
10. Federal Taxable Income	0
11. Adjustments to Federal Taxable Income	0
12. Net Income Before Contributions	0
13. Contributions to Donees Outside N.C.	0
14. N.C. Taxable Income	0
15. Nonapportionable Income	0
16. Apportionable Income	0
17. Apportionment Factor	100.0000 %

Sign Return Below ☐ **Refund Due** 0 ☒ **Payment Due** 0

Signature and Title of Officer — Corporate Telephone Number — Date

TLMiles Jr CPA 2/10/2014 (301) 654-4900 13-5381590

Signature of Paid Preparer — Preparer's Telephone Number — Preparer's FEIN, SSN, or PTIN

I certify that, to the best of my knowledge, this return is accurate and complete. ☒ FEIN ☐ SSN ☐ PTIN

Mail to: NCDOR, P.O. Box 25000, Raleigh, N.C. 27640-0500. Returns are due by the 15th day of the 4th month after the end of the income year.

2D3921 1.000

CD-405 (40)

C Corporation Tax Return 2012

North Carolina Department of Revenue

For calendar year 2012, or other tax year beginning	07 01 12	and ending	06 30 13	DOR Use Only

THE GOLDEN L.E.A.F., INC.
301 N. WINSTEAD AVE
ROCKY MOUNT NC 27804

Federal Employer ID Number 522204473
N.C. Secretary of State ID Number
NAICS Code

☐ Fed Schedule M-3 is attached ☐ Initial Filer ☐ Captive REIT ☐ CD-479 ☐ Amended Return ☐ Non U.S./Foreign
☐ Has Escheatable Property ☐ Final Return ☐ NC-478 ☐ Nonprofit/Tax Exempt ☐ Combined Return

Is this corporation related to another corporation as: ☐ Parent ☐ Subsidiary ☐ Affiliate

THE 301 27804 522204473 M3 N EP N IF N FR N

PP 135381590 PFSP F RE N 478 N 479 N NP/TE N

TN PAR N SUB N AFF N AR N CR N NF N

THE GOLDEN L.E.A.F., INC.

301 N. WINSTEAD AVE ROCKY MOUNT NC 27804

BD	0	08	0	20	0	29E	0
GR	0	09	0	21	0	31	0
TA	897044517	10	0	22	0	32	0
01	0	11	0	24	0	36	0
HCE	N	13	0	26	0	EU	
02	0	15	0	27	0	37A	0
03	0	16	0	29A	0	37B	0
05	0	17	1000000	29B	0	40	0
06	0	18	0	29C	0	41	0
07	0	19	0	29D	0	42	0

63001400014

Sch. A Computation of Franchise Tax

1. Capital Stock, Surplus, & Undivided Profits	NONE
Holding Company Exception	N
2. Investment in N.C. Tangible Property	0
3. Appraised Value of N.C. Tangible Property	0
4. Taxable Amount	NONE
5. Total Franchise Tax Due	0
6. Application for Franchise Tax Extension	NONE
7. Tax Credits	0
8. Franchise Tax Due	0
9. Franchise Tax Overpaid	NONE

Sch. B Computation of Corporate Income Tax

10. Federal Taxable Income	0
11. Adjustments to Federal Taxable Income	0
12. Net Income Before Contributions	0
13. Contributions to Donees Outside N.C.	0
14. N.C. Taxable Income	0
15. Nonapportionable Income	0
16. Apportionable Income	0
17. Apportionment Factor	100.0000%

Sign Return Below ☐ **Refund Due** 0 ☒ **Payment Due** 0

Signature and Title of Officer — Corporate Telephone Number — Date

Signature of Paid Preparer — Preparer's Telephone Number (301) 654-4900 — Preparer's FEIN, SSN, or PTIN 13-5381590

I certify that, to the best of my knowledge, this return is accurate and complete. ☒ FEIN ☐ SSN ☐ PTIN

Mail to: NCDOR, P.O. Box 25000, Raleigh, N.C. 27640-0500. Returns are due by the 15th day of the 4th month after the end of the income year.

2D3921 1.000

Legal Name *(First 10 Characters)* THE GOLDEN Federal Employer ID Number 522204473

CD-405 Line-by-Line Information

Enter the amount of bonus depreciation from Schedule H, Line 1(g) 0

Sch. B Computation of Corporate Income Tax

18.	Income Apportioned to N.C.	0
19.	Nonapportionable Income Allocated to N.C.	0
20.	Income Subject to N.C. Tax	0
21.	% Depletion over Cost - N.C. Property	0
22.	Net Economic Loss (Attach schedule)	0
23.	Income Before Contributions to N.C. Donees	0
24.	Contributions to N.C. Donees	0
25.	Net Taxable Income	0
26.	N.C. Net Income Tax	0
27.	Annual Report Fee	0
28.	Add Lines 26 and 27	0
29.	Payments and Credits	
	a. Application for Income Tax Extension	0
	b. 2012 Estimated Tax (previous payments if amended)	0
	c. Partnership (include Form D-403, NC K-1)	0
	d. Nonresident Withholding (include 1099 or W-2)	0
	e. Tax Credits	0
30.	Add Lines 29a through 29e	0
31.	Income Tax Due	0
32.	Income Tax Overpaid	0

Tax Due or Refund

33.	Franchise Tax Due or Overpayment	0
34.	Income Tax Due or Overpayment	0
35.	Balance of Tax Due or Overpayment	0
36.	Underpayment of Estimated Income Tax	0
EU.	Exception to Underpayment of Estimated Tax	
37.	a. Interest	0
	b. Penalties	0
38.	Total Due	0
39.	Overpayment	0
40.	2013 Estimated Income Tax	0
41.	N.C. Nongame and Endangered Wildlife Fund	0
42.	Amount to be Refunded	0

Sch. C Capital Stock, Surplus, and Undivided Profits

1.	Total capital stock outstanding less cost of treasury stock	0
2.	Paid-in or capital surplus	0
3.	Retained earnings	NONE
4.	Other surplus	0
5.	Deferred or unearned income	0
6.	Allowance for bad debts	0
7.	LIFO reserves	0
8.	Other reserves that do not represent definite and accrued legal liabilities (Attach schedule)	0
9.	Add Lines 1 through 8	NONE
10.	Affiliated indebtedness (Attach schedule)	0
11.	Line 9 plus (or minus) Line 10	NONE
12.	Apportionment factor	100.0000
13.	Capital Stock, Surplus, and Undivided Profits	NONE

Sch. D Investment in N.C. Tangible Property

	Inventory valuation method	
1.	Total inventories located in N.C.	0
2.	Total furniture, fixtures, and M & E located in N.C.	0
3.	Total land and buildings located in N.C.	0
4.	Total leasehold improvements and other N.C. tangible property	0
5.	Add Lines 1 through 4	0
6.	Acc. depreciation, depletion, and amortization with respect to N.C. tangible property	0
7.	Debts existing for N.C. real estate	0
8.	Investment in N.C. Tangible Property	0

Sch. E Appraised Value of N.C. Tangible Property

1.	County tax value of N.C. tangible property	0
2.	Appraised value of N.C. tangible property	0

Sch. G Federal Taxable Income Before NOL Deduction

1.	a. Merchant card and third-party payments	0
	b. Gross receipts or sales	0
	c. Returns and allowances	0
	d. Balance - Line 1a plus 1b minus Line 1c	0
2.	Cost of goods sold (Attach schedule)	0
3.	Gross Profit (Line 1d minus Line 2)	0
4.	Dividends (Attach schedule)	0
5.	a. Interest on obligations of U.S. and its instrumentalities	0
	b. Other interest	0
6.	Gross rents	0
7.	Gross royalties	0
8.	Capital gain net income (Attach schedule)	0
9.	Net gain (loss) (Attach schedule)	0
10.	Other income (Attach schedule)	0
11.	Total Income	0
12.	Compensation of officers (Attach schedule)	0
13.	Salaries and wages (less employment credits)	0
14.	Repairs and maintenance	0
15.	Bad debts	0
16.	Rents	0
17.	Taxes and licenses	0
18.	Interest	0
19.	Charitable contributions	0
20.	a. Depreciation	0
	b. Depreciation included in cost of goods sold	0
	c. Balance - Line 20a minus 20b	0
21.	Depletion	0
22.	Advertising	0
23.	Pension, profit-sharing, and similar plans	0
24.	Employee benefit programs	0
25.	Domestic production activities deduction	0
26.	Other deductions (Attach schedule)	0
27.	Total Deductions	0
28.	Taxable Income Per Federal Return Before NOL and Special Deductions	0
29.	Special Deductions	0
30.	Federal Taxable Income	0

This page must be filed with this form.

Legal Name *(First 10 Characters)* THE GOLDEN   Federal Employer ID Number 522204473

Sch. H Adjustments to Federal Taxable Income

1.	Additions		
	a. Taxes based on net income	1a.	0
	b. Dividends paid by captive REITs	1b.	0
	c. Contributions	1c.	0
	d. Royalties paid to related members	1d.	0
	e. Expenses attributable to income not taxed	1e.	0
	f. Domestic production activities deduction	1f.	0
	g. Bonus depreciation	1g.	0
	h. Other (Attach schedule)	1h.	0
2.	Total Additions	2.	0
3.	Deductions		
	a. U.S. obligation interest (net of expenses)	3a.	0
	b. Other deductible dividends	3b.	0
	c. Dividends received from captive REITs	3c.	0
	d. Royalties received from related members	3d.	0
	e. Interest on deposits with FHLB (net of expenses) S&L's only	3e.	0
	f. Bonus depreciation	3f.	0
	g. Section 179 expense deduction	3g.	0
	h. Other (Attach schedule)	3h.	0
4.	Total Deductions	4.	0
5.	Adjustments to Federal Taxable Income	5.	0

Sch. I Contributions

1.	Contributions to Donees Outside N.C.		
	a. Total contributions to donees outside N.C.	1a.	0
	b. Multiply Schedule B, Line 12 by 5%	1b.	0
	c. Amount Deductible	1c.	0
2.	Contributions to N.C. Donees		
	a. Total contributions to N.C. donees other than those listed in Line 2d	2a.	0
	b. Multiply Sch. B, Line 23 by 5%	2b.	0
	c. Enter the lesser of Line 2a or 2b	2c.	0
	d. Total contributions to the State of N.C. and its political subdivisions	2d.	0
	e. Amount Deductible	2e.	0

Other Information - All Taxpayers Must Complete this Schedule

1. a. State of incorporation NC
   b. Date incorporated 10 22 99
2. Date of N.C. Certificate of Authority
3. a. Regular or principal trade or business in N.C. P'SHIP INV
   b. Regular or principal trade or business everywhere N/A
4. Principal place business is directed or managed
5. What was the last year the IRS redetermined the corporation's federal taxable income?
6. a. Were adjustments reported to N.C.?
   b. If so, when?
7. Does this corporation finance or discount its receivables through a related or an affiliated company? N
8. Is this corporation subject to franchise tax but not N.C. income tax because the corporation's income tax activities are protected under P.L. 86-272? (If yes, attach explanation)
9. Officers' names and addresses:
   President SEE ATTACHED 990-T
   Vice-President
   Secretary
   Treasurer

Explanation of Changes for Amended Return:

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Legal Name *(First 10 Characters)* THE GOLDEN   Federal Employer ID Number 522204473

Sch. L Balance Sheet per Books

Assets	Beginning of Tax Year (a)	(b)	End of Tax Year (c)	(d)
1. Cash		445273		327381
2. a. Trade notes and accounts receivable	1927		1695	
b. Less allowance for bad debts	(0)	1927	(0)	1695
3. Inventories		0		0
4. a. U.S. government obligations		0		0
b. State and other obligations		0		0
5. Tax-exempt securities		0		0
6. Other current assets (Attach schedule) SEE STATEMENT 1		84348		89791
7. Loans to shareholders		0		0
8. Mortgage and real estate loans		0		0
9. Other investments (Attach schedule) SEE STATEMENT 1		792851355		896458471
10. a. Buildings and other depreciable assets	0		0	
b. Less accumulated depreciation	(0)		(0)	0
11. a. Depletable assets	0	0	0	
b. Less accumulated depletion	(0)	0	(0)	0
12. Land (net of any amortization)		0		0
13. a. Intangible assets (amortizable only)	0		0	
b. Less accumulated amortization	(0)	0	(0)	0
14. Other assets (Attach schedule) SEE STATEMENT 1		0		167179
15. **Total Assets**		793382903		897044517
Liabilities and Shareholders' Equity				
16. Accounts payable		120371		144623
17. Mortgages, notes, and bonds payable in less than 1 year		0		0
18. Other current liabilities (Attach schedule)		0		0
19. Loans from shareholders		0		0
20. Mortgages, notes, and bonds payable in 1 year or more		0		0
21. Other liabilities (Attach schedule) SEE STATEMENT 1		84505557		87523092
22. Capital stock: a. Preferred Stock	0		0	
b. Common Stock	0	0	0	0
23. Additional paid-in capital		0		0
24. Retained earnings - Appropriated (Attach schedule)		0		0
25. Retained earnings - Unappropriated		0		NONE
26. Adjustments to shareholders' equity (Attach schedule)		708756975		809376802
27. Less cost of treasury stock		(0)		(0)
28. **Total Liabilities and Shareholders' Equity**		793382903		897044517

Sch. M-1 Reconciliation of Income (Loss) per Books with Income per Return

1. Net income (loss) per books		0	7. Income recorded on books this year not included on this return:		
2. Federal income tax		0			
3. Excess of capital losses over capital gains		0	Tax-exempt interest $	0	
4. Income subject to tax not recorded on books this year:		0			0
5. Expenses recorded on books this year not deducted on this return:			8. Deductions on this return not charged against book income this year:		
a. Depreciation $	0		a. Depreciation $	0	
b. Charitable Contributions $	0		b. Charitable Contributions $	0	
c. Travel and entertainment $	0				
		0	9. Add Lines 7 and 8		0
6. Add Lines 1 through 5		0	10. Income		0

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Legal Name *(First 10 Characters)* THE GOLDEN Federal Employer ID Number 522204473

Sch. M-2 Retained Earnings Analysis

1. Balance at beginning of year	0	5. Distributions: a. Cash	0
2. Net income (loss) per books	0	b. Stock	0
3. Other increases:		c. Property	0
		6. Other decreases:	0
	0	7. Add Lines 5 and 6	0
4. Add Lines 1, 2, and 3	0	8. Balance at End of Year	0

Sch. N Nonapportionable Income

Nonapportionable Income	Gross Amounts	Related Expenses	Net Amounts	Net Amounts Allocated Directly to N.C.
1. Nonapportionable Income			0	
2. Nonapportionable Income Allocated to N.C.				0

Explanation of why income listed is nonapportionable income rather than apportionable income:

Sch. O Computation of Apportionment Factor

Part 1. Domestic and Other Corporations Not Apportioning Franchise or Income Outside N.C. 0 %

Part 2. Corporations Apportioning Franchise or Income to N.C. and to Other States

	1. Within North Carolina (a) Beginning Period	1. Within North Carolina (b) Ending Period	2. Total Everywhere (a) Beginning Period	2. Total Everywhere (b) Ending Period	Factor
1. Land					
2. Buildings					
3. Inventories					
4. Other property					
5. Total					
6. Average value of property					
7. Rented Property					
8. Property Factor					%
9. Gross Payroll					
10. Compensation of general executive officers					
11. Payroll Factor					%
12. Sales Factor					%
13. Sales Factor					%
14. Total of Factors					%
15. N.C. Apportionment Factor					100.0000%

Part 3. Corporations Apportioning Franchise or Income to N.C. and to Other States Using Single Sales Factor 0 %

Part 4. Special Apportionment 0 %

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NORTH CAROLINA FORM CD-405, PAGE 4 DETAIL

	BEGINNING	ENDING
SCH L, LINE 6 - OTHER CURRENT ASSETS		
PREPAID EXPENSES	84,348.	89,791.
TOTAL	84,348.	89,791.
SCH L, LINE 9 - OTHER INVESTMENTS		
OTHER SECURITIES	792,851,355.	896,458,471.
TOTAL	792,851,355.	896,458,471.
SCH L, LINE 14 - OTHER ASSETS		
NOTES AND LOANS RECEIVABLE		167,179.
TOTAL		167,179.
SCH L, LINE 21 - OTHER LIABILITIES		
GRANTS PAYABLE	84,505,557.	87,523,092.
TOTAL	84,505,557.	87,523,092.