



**WESTERN NORTH CAROLINA REGIONAL ECONOMIC DEVELOPMENT COMMISSION  
ANNUAL REPORT**

Citation of Law or Resolution: §158-8.5  
Due Date: February 15, 2011  
Submission Date: February 15, 2011

The enclosed report details the WNC Regional EDC response to the §158-8.5 *Annual Reporting Requirement*. Please contact me directly should you have any questions or comments.

Sincerely,

A handwritten signature in black ink that reads "Scott T. Hamilton".

Scott T. Hamilton  
President & CEO

**RECEIVING ENTITIES:**

**North Carolina House of Representatives**

*The Honorable Thom Tillis, Speaker of the House*  
16 West Jones Street, Room 2304  
Raleigh, NC 27601-2808

**North Carolina State Senate**

*The Honorable Phil Berger, President Pro tempore*  
16 West Jones Street, Room 2008  
Raleigh, NC 27601-2808

**North Carolina Department of Commerce**

*Electronic copy of report sent to Ms. Monique Johnson ([monique.johnson@nccommerce.com](mailto:monique.johnson@nccommerce.com)) and Ms. Rita Harris ([rharris@nccommerce.com](mailto:rharris@nccommerce.com))*

**North Carolina General Assembly, Fiscal Research Division**

*Electronic copy of report sent to Ms. Kristine Leggett ([kristinw@ncleg.net](mailto:kristinw@ncleg.net)) and [reports@ncleg.net](mailto:reports@ncleg.net)*

**The Joint Legislative Commission on Governmental Operations**

*Electronic copy of report sent to [govops@ncleg.net](mailto:govops@ncleg.net)*

**Office of State Management and Budget**

*Electronic copy of report sent to Ms. Jennifer Wimmer ([Jennifer.wimmer@osbm.nc.gov](mailto:Jennifer.wimmer@osbm.nc.gov)) and Ms. Jennifer Hoffmann ([Jennifer.hoffmann@osbm.nc.gov](mailto:Jennifer.hoffmann@osbm.nc.gov))*

**Joint Legislative Economic Development Oversight Committee**

*Electronic copy of report sent to Speaker of the House and President Pro Tempore as well as Ms. Nancy Brantley ([wilkinsla@ncleg.net](mailto:wilkinsla@ncleg.net))*

## REGIONAL ECONOMIC DEVELOPMENT COMMISSION REPORTS

**§158-8.5. Annual Reporting Requirement.** The Commissions and Partnerships must submit by February 15<sup>th</sup> of each year to the Department of Commerce, the Office of State Budget and Management, the Joint Legislative Commission on Government Operations, the Joint Legislative Economic Development Oversight Committee, and the Fiscal Research Division of the General Assembly a copy of their annual report to include the following:

**(1) The summary of the preceding year's program activities, objectives, and accomplishments**

Tab 1 i) Copy of 2009 Annual Report

ii) Bi-monthly reports from programmatic areas:

- Blue Ridge Advanced Manufacturing Initiative
- Blue Ridge Entrepreneurial Council & Certified Entrepreneurial Community Program
- AdvantageGreen
- Blue Ridge Food Ventures
- Western North Carolina Film Commission

**(2) The preceding fiscal year's itemized expenditures and fund sources**

Tab 2 Cash basis financial statements by fund source and expenditure

**(3) Demonstration of how the commission's or partnership's regional economic development and marketing strategy aligns with the State's overall economic development and marketing strategies**

Tab 3 "NC Economic Development Strategy" Report and North Carolina's Regional Economic Development Partnerships' pamphlet

**(4) A demonstration of how the commission's or partnership's involvement in promotion activities has generated leads**

Tab 4 Annual activity report for Advanced Manufacturing (EDAC), client activity for the Blue Ridge Entrepreneurial Council, client activity of Blue Ridge Food Ventures and a Reel Scout package report for the WNC Film Commission

**(5) The most recent audited annual financial statement regarding State funds**

Tab 5 Audited financial statements for the year ended June 30, 2010 by Burleson & Earley P.A.

**(6) A demonstration of the commission's efforts to obtain funds from local, private, and federal sources**

Tab 6 Updated "Revenue Source" for 7 year period thru 6/30/2010 and schedule of Grants Received or Pursued in FY 08/09

FOCUSING ON  
WESTERN NORTH CAROLINA  
FOR 15 YEARS

19  
94



20  
09

AdvantageWest  
2009 Annual Report



15  
YEARS



## Focused on Serving Western North Carolina

AdvantageWest celebrates 15 years as one of the most progressive and diversified economic development commissions in the nation.

1994 marked the start of an organization designed to promote and advocate the creation of improved economic opportunity in the 23 western counties of North Carolina. NC Senator Martin Nesbitt, then a member of the House of Representatives, spearheaded the effort. The General Assembly provided funding and appointed a governing board of 19 leaders from across Western North Carolina.

That nonprofit, public-private partnership, eventually called AdvantageWest, has earned a reputation as one of the most progressive and diversified economic development commissions in the nation. Over the past 15 years, we have strategically adapted and diversified our program of

work to meet the unique and changing needs of the region. Our innovative approach to economic development has set us apart among our peers.

This annual report provides a glimpse at some of AdvantageWest's activities and achievements since our start in 1994. It also presents an overview of our program of work going forward, focusing on advanced manufacturing, entrepreneurial development, agribusiness and AdvantageGreen.

We look forward to continuing to serve Western North Carolina.

"In an effort to respond to the diverse economic development needs of North Carolina, then State Representative Martin Nesbitt introduced legislation creating the regional economic development partnerships. It was this extraordinary insight that allowed AdvantageWest to become one of the most innovative and nimble economic development programs in the state."  
- Gordon S. Myers  
Founding Chair, AdvantageWest Board of Directors

"We had some tremendous visionaries at AdvantageWest who saw that it took a diversified approach to really build an economic strategy."  
-Rick Webb  
First AdvantageWest CEO

"The highly involved AdvantageWest Board of Directors has always done an excellent job with their fiduciary role as well as helping to shape and innovate a lot of the programs."  
-Dale Carroll  
NC Deputy Secretary of Commerce  
and former AdvantageWest CEO



# An innovative approach to economic development and the dedication of AdvantageWest's board, staff, partners and supporters put Western North Carolina in the national spotlight.

As AdvantageWest reflects on 15 years of serving the region, there's much to be proud of, including national recognition for AdvantageWest's innovative approach to economic development. From the US Department of Commerce and the National Association of Manufacturers to Georgia Tech Economic Development Institute and the Southern Economic Development Council, AdvantageWest has received numerous accolades and commendations for its work.

Media outlets including *Entrepreneur*, *BusinessWeek*, *Global Expansion Journal* and the *Huffington Post* have also put AdvantageWest in the spotlight. In addition, the region and its business climate have been noted by *Inc.*, *Money Magazine*, *Forbes*, *Fortune Small Business*, and *CNNMoney.com*, while *Site Selection* magazine has consistently ranked North Carolina No. 1 as the best state in the country to do business.

The recognition AdvantageWest has received would not be possible without the tireless work and support of many individuals and organizations. On behalf of the Board of Directors, I would like to especially recognize Scott Hamilton, AdvantageWest's president and CEO since January 2009, and Dale Carroll, who served in that role from 1997 to 2008. Scott, Dale, the AdvantageWest professional staff and my colleagues on the Board all deserve a debt of gratitude for their tremendous efforts.

Their dedication has enabled AdvantageWest to serve the people of our region with excellence, innovation and great pride, focusing on the goal of helping Western North Carolina's economy grow and flourish.



A stylized, handwritten signature in black ink that reads "Tommy Jenkins".

Tommy Jenkins  
Chairman of the Board

## Our Region

AdvantageWest is one of seven regional economic development partnerships in the state, serving the 23 western counties.

## Our Mission

AdvantageWest shall promote and advocate the creation of improved economic opportunity in our region, while encouraging stewardship of the culture, heritage and natural resources of Western North Carolina.

## Our Focus

Advanced Manufacturing  
Entrepreneurial Development  
Agribusiness  
AdvantageGreen  
WNC Film Commission

# 15

YEARS

Focused on Serving Western North Carolina for 15 years

# \$274,000

Provided to entrepreneurs through Advantage Opportunity Loan Fund since 2008

# \$10 million+

Provided in angel capital through Blue Ridge Angel Investors Network

# 25%

Tax incentive passed in '09 designed to make filmmaking more affordable in NC

# 60

Entrepreneurial clients provided assistance through BREC in 2009

# \$800,000

In the Advantage Opportunity Fund

# 200+

National site consultants AdvantageWest has had direct involvement with since '97

# 9

Entrepreneurial ventures provided bridge financing through Advantage Opportunity Loan Fund since 2008

# \$290 million+

Leveraged through the AdvantageWest grants program since 1994



37,901

Jobs created in WNC 1996-2009



\$500,000

Green business grants received in WNC during 2009



\$5.8 billion

Taxable investment [1996-2009/NC Dept. of Commerce]




\$364 million+

Economic impact of film industry in WNC, 1996-2009



17

Businesses "graduated" from Blue Ridge Food Ventures into their own facilities since 2005



\$1.5 million

Calculated value of publicity earned by AdvantageWest in 2009



60,000

Employed in manufacturing in AdvantageWest region in 2008



\$3.5 million+

Reported sales and services produced at Blue Ridge Food Ventures since 2005



142

Small businesses that have used Blue Ridge Food Ventures facility since 2005

# 15

YEARS

Focused on Serving Western North Carolina for 15 years

"Google is proud to work with AdvantageWest in supporting the second Juicy Ideas competition. We're eager to see what this year's students create and look forward to the winning team's presentation once again at Google headquarters."

—Google



"Whether supporting entrepreneurs or big business, the team at AdvantageWest gets it. The breadth of this support is truly something that has provided confidence while navigating our business during these challenging times."

—Thomas Dempsey

President & Founder of  
Sylvan Sport mobile adventure gear



"I wish to express my sincere gratitude for the fine support we received from AdvantageWest for the new Henderson County facility."

—Eberhard Flammer

President of Elkamet, Inc.

(shown at right)





"AdvantageWest has enabled ERC to not only extend its fiber optic network into rural WNC, but together we look for ways to expand the infrastructure that will bring about tomorrow's jobs. AdvantageWest is a great regional partner and advocate."

*—Hunter Goosmann  
General Manager, ERC Broadband*



"AdvantageWest and Blue Ridge Food Ventures enabled me to turn my idea for a business into a reality. You rock!"

*—Leslie Suber  
Owner, Sadie's Caribbean Fish Cakes*

"We are stronger together than we are as individuals. Regionalism is critically important for local developers as we work to improve the economy and quality of life for our citizens. AdvantageWest provides the means for us to think and act regionally."

*—Dr. Patricia Mitchell  
Chair/Local Developers Advisory Council and  
Ashe County Director of Economic Development*



"AdvantageWest is a critical resource to our business and the entire region, and helped introduce us to countless key organizations, both in the public and private sector."

*—Wesley Greene, President and  
Brian Summers, CEO of sgBlue,  
a WNC clean technology company*

# 1994

Western North Carolina Regional Economic Development Commission becomes AdvantageWest Economic Development Group and strategically locates adjacent to the Asheville Regional Airport.

# 1995

AdvantageWest places computers in each local economic development office across the region and provides Internet connections.

The Economic Development Information Network (EDIN), an information-rich database, is launched to assist in business development efforts.

Program of work expands with the creation of WNC Film Commission, assisting with productions such as Warner Bros. feature, "My Fellow Americans;" shot in 31 WNC locations.

The matching grant program is created to enhance the competitiveness of the region thorough marketing and capacity-building.

# 1996

The Certified Industrial Site (CIS) program, one of the first of its kind in the nation, is launched to provide local communities with a competitive advantage.

2009  
FOCUS ON  
Advanced  
Manufacturing

Manufacturing remains vital to the AdvantageWest economy, with nearly 60,000 workers and an annual payroll of \$2.1 billion.



“We created or retained 373 jobs and generated \$10 million in new sales. It’s not likely we would have seen that success without AdvantageWest.”  
–Noel Watts, MARC Custom Medical Products

*Advanced manufacturing* in Western North Carolina remains a vital component of the economy across the 23-county AdvantageWest region. Our commitment to recruiting and supporting industry is as strong as ever, with an emphasis on advanced manufacturing such as precision metalworking, optics, plastics technology, aerospace/aviation and advanced materials. Our goal is to market and promote the region to retain and create quality jobs.

“Our goal is to market and promote the region to retain and create quality jobs.” –Kyle Edney, Executive Vice President, AdvantageWest

*MARC Custom Medical Products* is the largest manufacturer of custom medical drapes in the US, with sales of \$10 million in its first three years. It is a venture of the Marketing Association of Rehabilitation Centers, a nonprofit association of community rehabilitation programs across WNC that provide vocational rehabilitation and employment for individuals with and without disabilities.

MARC launched the medical products initiative in 2006 with significant assistance from AdvantageWest, which included Economic Development Initiative (EDI) grants. The support has paid off: a Western Carolina University study of MARC and its 14 member consortium estimated the organization’s total economic impact in the region to be \$60.7 million in 2008. The organization has created or retained 373 jobs and more are expected in 2010. According to MARC’s executive director, Noel Watts, AdvantageWest has been a “true partner” in the organization’s success: “We’d be nowhere near this successful without the tremendous support of AdvantageWest.”

2009  
FOCUS ON  
Blue Ridge  
Entrepreneurial  
Council

A strong climate of innovation and entrepreneurship is vital to an overall healthy economy.



"I wouldn't be where I am—more importantly, where I'm going—if not for AdvantageWest." – Jason Scholder, Founder and CEO, Three Minute Egg, a company that manufactures fitness and yoga products

*Entrepreneurship provides a strong foundation* for economic growth. Risk-taking entrepreneurs are often those whose innovations drive the economy forward. Larger industries frequently consider the area's entrepreneurial environment when choosing a location, acknowledging its positive impact.

AdvantageWest was the first regional economic development organization to establish and invest resources into an entrepreneurial program. Created in 2002, the Blue Ridge Entrepreneurial Council (BREC), provides education, mentoring, networking, access to capital, and also has programs to help young people and even entire communities foster strong entrepreneurial environments. The US Small Business Administration has invested significantly in our programs—evidence of a collective belief that focusing on small business is a powerful part of a sustainable economy.

"The present economic climate has created an increased interest in entrepreneurship. People are looking to reinvent themselves." –Pam Lewis, Senior VP of Entrepreneurial Development at AdvantageWest

*Jason Scholder, the Three Minute Egg.* From startups with promising innovations to high-growth companies generating sales exceeding what one might expect of a "small" business, AdvantageWest has assisted scores of entrepreneurs. One is Jason Scholder, the inventor of an international fitness product used by yoga enthusiasts called the Three Minute Egg. After successfully participating in coaching, benchmarking and business development strategy through AdvantageWest and the Technology Commercialization Center, Scholder received bridge financing from our Advantage Opportunity Fund.

# 1997

AdvantageWest hosts first industrial site consultant familiarization event in the region.

# 1998

WNC Film Commission recruits and provides production assistance for several major motion pictures during this time period, with an economic impact in WNC of more than \$17 million.

AdvantageWest's Certified Industrial Site program wins an Economic Development Achievement award from Business Facilities Magazine, which honors "the most innovative, effective and pro-business programs in the world".

Regional infrastructure assessment of water and sewer needs is completed in collaboration with federal, state and local partners.

AdvantageWest works with employees of Champion International Paper in Haywood Co. on an employee buyout, saving 1,600 jobs.

# 1999

AdvantageWest partners with Biltmore Farms and the City of Asheville in the development of the Biltmore Park Technology Center.

# 2000

AdvantageWest, along with the economic developers in Burke and Henderson counties, establish the Economic Developers Advisory Council (EDAC).

# 2001

WNC Film Commission assists with production of feature films shot in the region: '28 Days', starring Sandra Bullock (Columbia Pictures) and 'Hannibal', starring Anthony Hopkins (MGM and Universal Pictures).

Blue Ridge Entrepreneurial Council (BREC) is the first entrepreneurial program with funding and staffing established by a regional economic development organization.

Blue Ridge Angel Investors Network (BRAIN) is established as the first regional angel investors network in WNC, resulting in \$10 million in angel capital financing for entrepreneurs.

The Future Industrial Parks master planning program is implemented to proactively identify and evaluate promising tracts of land.

# 2002

MountainSouth USA, an international destination marketing initiative, is developed to showcase Western North Carolina and the Southern Highlands to foreign visitors.

2009  
FOCUS ON  
Certified  
Entrepreneurial  
Community<sup>SM</sup>

The first program of its type in the country helps communities create a culture of rich resources for entrepreneurs.



"This certification will show the Tribe's commitment to making sure that we have and are providing the resources for anyone who is interested in starting a business." – Mitchell Hicks, Eastern Band of Cherokee Indians Principal Chief, shown right, with CEC team

*The entrepreneurial spirit* is alive and well in Western North Carolina, where the rate of entrepreneurial startups is higher than the state average—which exceeds the national average.

In 2007, following the successful efforts to cultivate and mentor individual entrepreneurs, AdvantageWest developed the Certified Entrepreneurial Community<sup>SM</sup> program, aiming to help entire communities foster a climate of entrepreneurship and ensure the existence of resources and infrastructure to help entrepreneurs thrive. The first program in the country to certify communities as "entrepreneur-ready," the CEC initiative was presented twice before Congress and has since been recognized at the National Consortium for Entrepreneurship Education.

"Our goal is that Cherokee will be recognized as a good place to come and start your business—a place that supports small-business owners and helps them grow." –Hope Huskey, Eastern Band of Cherokee Indians CEC Team

**Eastern Band of Cherokee Indians.** In 2009, four Western North Carolina counties and one nation—Transylvania, Watauga, Burke and Mitchell counties and the Eastern Band of Cherokee Indians—became Certified Entrepreneurial Communities, joining Haywood County, the first community to meet the rigorous standards for CEC certification, in 2008.

Eight more communities are in the pipeline. Members of the Cherokee CEC team say the certification process and the assistance they got from AdvantageWest helped them focus their resources and goals.

2009  
FOCUS ON  
Blue Ridge  
Food  
Ventures

From farmers and food entrepreneurs to natural products manufacturers, agribusiness is growing in the AdvantageWest region.



"Using Blue Ridge Food Ventures, I was able to move quickly to get my award-winning product from testing to full production in just a year." –Chef Ricardo Fernandez, with wife Suzanne

**When AdvantageWest launched Blue Ridge Food Ventures** in 2005, few realized the impact it could have. It was the state's first business incubator specifically for farmers and food entrepreneurs and the largest commercial kitchen of its type in the southeast. Developing the innovative program, however, was a big risk for AdvantageWest—only 20 percent of food incubators survive past three years.

Blue Ridge Food Ventures has excelled beyond expectations: 142 small businesses have used the facility, with products sold across the country and nearly \$3.5 million in reported sales and services. In 2009, BRFV launched Winter Sun Farms, a community-supported agriculture program enabling local farmers to increase their sales and consumers to enjoy local produce year round. As BRFV approaches its fifth successful year, it is expanding into natural products manufacturing and bottling.

"Blue Ridge Food Ventures is all about home-grown businesses for farmers, food entrepreneurs and traditional herbalists in the Western North Carolina mountains." –Mary Lou Surgi, Executive Director of Blue Ridge Food Ventures

**Chef Ricardo's Tomato Sauce.** Native Argentinean Chef Ricardo Fernandez and his wife Suzanne have owned Lomo Grill in Haywood County for 16 years. His tomato sauce using local ingredients has been a staple in the popular restaurant's dishes. Today, Chef Ricardo's Tomato Sauce is sold across the southeast, thanks in part to Blue Ridge Food Ventures, which helped Chef Ricardo with the steps necessary to get his product to market and provided a place for bottling and labeling. In 2009, the NC Specialty Foods Association named Chef Ricardo's Tomato Sauce 'Best New Product.'

# 2003

Carolina Connect, produced by BREC and BRAIN, is the first-ever venture capital conference in WNC and second largest in the state.

# 2004

An economic index for Western North Carolina is launched in partnership with Appalachian State University.

Western North Carolina is awarded Blue Ridge National Heritage Area designation by Congress, following efforts by AdvantageWest, HandMade in America and the Blue Ridge Heritage Initiative.

Blue Ridge Food Ventures is established as the first shared-use kitchen and food business incubator in the state and largest of its kind in the Southeast.

First life sciences wet-lab incubator is established in the region, designed to attract high-growth business in the life sciences industry.

# 2005

Grants awarded by AdvantageWest in the 1990s lead to the founding of BalsamWest FiberNet, an initiative to deploy 300 miles of underground fiber.

# 2006

The Technology Commercialization Center opens to evaluate promising business models, while the Advantage Opportunity Fund for entrepreneurs is established in collaboration with federal, state and local partners.

# 2007

Blue Ridge Food Ventures hosts its first Marketplace to allow BRFV clients to showcase their products. BRFV also launches its Farm Outreach Program to help farmers develop value-added products to complement direct marketing of fresh produce.

Certified Entrepreneurial Community<sup>SM</sup> program is launched, first in the country to certify communities as "entrepreneur-ready." Haywood Co. is the first to receive CEC certification.

Google opens a data center in Caldwell County; Vanir Energy plans for the world's largest solar thermal installation in Henderson County.

Juicy Ideas collegiate entrepreneurship competition launches nationally with support from Google, with nearly 900 students participating.

# 2008

AdvantageWest conducts four lean supply-chain seminars which are attended by 100-plus advanced manufacturers.

2009  
FOCUS ON  
AdvantageGreen

Supporting the economy by  
focusing on collaboration among  
green partners, programs and  
resources in the region.



“The potential of the AdvantageGreen initiative to capitalize on green technologies in the AdvantageWest region is huge. Doing so will promote the region as a great place to do business, live and visit.” – Dr. Rose Johnson, President of Haywood Community College

**Respect for the environment** and a strong ethic of sustainability are part of our culture in WNC. So it was no surprise that in 2004, we identified environmental-related enterprises as an emerging cluster of innovation in our vision plan. In 2007 we launched the region-wide Advantage Green Innovation conference, focused on renewable energy and green building technologies.

Following up to that event, we produced a video marketing WNC’s assets and strengths as a way to build the regional green economy. In 2009 our AdvantageGreen efforts expanded when we became the first regional economic development organization to establish a staff position focused on creating collaboration among green partners, programs and resources. We believe WNC is perfectly positioned to capitalize on the global green movement as a means to grow our economy.

“There’s an abundance of resources and initiatives around the region related to the green economy. Working together we can develop strategies to leverage these assets.” –Matt Raker, Senior Director, AdvantageGreen & Grants Administration

**Haywood Community College** is one of the many partners AdvantageWest is collaborating with to develop and implement green capacity-building opportunities across the 23-county region. Dr. Rose Johnson, president of HCC, was appointed by the NC Community College System to co-lead a project called “Code Green,” designed to position the system and its 53 colleges as leaders in the education, practice and demonstration of sustainability. She also signed the American College and University President’s Climate Commitment, a pledge that includes incorporating sustainability into the curriculum.

2009  
FOCUS ON  
Western North  
Carolina Film  
Commission

More than a backdrop: WNC is film-friendly and business savvy, supporting development of the region's creative economy.



"People were here from LA, Spain, Greece—they all fell in love with the area, and the production manager liked the ease of filming in Western North Carolina."

—Mike Bigham, Location Scout and Manager

*For nearly a century filmmakers* have chosen the AdvantageWest region for scores of projects, from feature films to music videos to TV spots. Robert Redford, Harrison Ford, Tom Hanks, Anthony Hopkins, Robin Williams and Sandra Bullock are just a few of the celebrities who've spent time on a movie set in WNC.

There's more to movie-making than stargazing. That's where the Western North Carolina Film Commission plays a critical role, including assistance with location scouting, on-the-ground logistics, and helping to ensure a successful production.

The economic impact of the film industry on Western North Carolina since 1994 is estimated to exceed \$36.4 million.—NC Film Office

**Mike Bigham, Location Scout.** In 2009, efforts of the WNC Film Commission included helping longtime local industry professional Mike Bigham, who was hired by a California filmmaker as location scout for the independent feature film, 'Road to Nowhere.' Shot at various location in Haywood County including Boyd Mountain Cabins shown at left, the production brought a big economic boost to the region, from hiring locals—such as Bigham—to purchasing supplies, lodging and food.

The economic impact of filmmaking in the region is long lasting, says Bigham: "Chimney Rock is still benefiting from 'Last of the Mohicans'—the impact goes on for years."

# 2009

National Juicy Ideas award winners from Appalachian State University travel to Google headquarters in California to present their winning idea and meet with Googlers.

AdvantageWest joins the Tennessee Valley Corridor to promote the area as a premier science and technology center.

'Plants to People' film is produced featuring Bent Creek Institute and the potential for job creation related to the array of medicinal plants in the region.

Winter Sun Farms, the area's first and only winter season CSA program, is launched by Blue Ridge Food Ventures; meanwhile BRFV's 100th client goes into production.

First regional economic development organization to establish a position focused on identifying resources and collaborative efforts in support of the green economy.

Blue Ridge Food Ventures undergoes significant expansion of storage and office space, renovation begins on manufacturing space for natural products.

Burke, Mitchell, Transylvania and Watauga counties and the Eastern Band of Cherokee Indians become Certified Entrepreneurial Communities<sup>SM</sup>.

The Blue Ridge Food Ventures 3rd Annual Marketplace draws 300 attendees—the largest ever—including representatives from major grocery chains as well as the general public.

# 2009 FOCUS ON Our Region

## Major Companies & Entities located in the AdvantageWest Region

Google  
Baxter Healthcare  
Eaton  
GE Lighting Systems  
Continental Teves  
Arvin Meritor  
Nupro  
Borg Warner Turbo Systems  
GE Aviation  
Jacob Holm Industries  
Volvo Construction Equipment NA Headquarters  
Drake Enterprises  
Shaw Industries  
Snap-On Tools  
National Climatic Data Center

## Our Region

10,000 square miles  
Population: approximately 1 million citizens  
1300 manufacturing firms - 17% of workforce  
More than 300 IT companies  
Entrepreneurship higher than state/national level - 175% workforce

## Transportation

Region is served by I-26 & I-40 with direct interstate access to I-85, I-77 and I-81

Asheville Regional Airport (AVL) served by Airtran, Continental, Delta, US Airways, and United with daily non-stop service to Atlanta, Charlotte, Chicago, Detroit, Houston, LaGuardia, Newark, Orlando, Dallas and Tampa

Greenville Spartanburg (GSP) and Charlotte-Douglas (CLT) International Airports within close proximity

Rail service by Norfolk Southern and CSX

Intermodal service to two deep-water ports

## Education

### Community College System

Asheville Buncombe Technical Community College  
Blue Ridge Community College  
Caldwell Community College  
Haywood Community College  
Isothermal Community College  
Mayland Community College  
McDowell Technical Community College  
Southwestern Community College  
Tri-County Community College  
Western Piedmont Community College  
Wilkes Community College

### Universities

Appalachian State University  
University of North Carolina at Asheville  
Western Carolina University

### Private Colleges

Brevard College  
Lees-McRae  
Mars Hill College  
Montreat College  
Warren Wilson College

## Technical Infrastructure

A high-capacity fiber optic network provides advanced technical infrastructure and interconnection opportunities throughout the AdvantageWest region. This network is comprised of a fully protected optical backbone with its primary Point of Presence in Asheville and partners with national carriers and regional and nonprofit providers.

"Western Carolina University has enjoyed a strong relationship with AdvantageWest from its beginning. Our degree and outreach programs very effectively complement the job creation initiatives of AdvantageWest. This type of collaboration is vital to the economic success of the region."

—Dr. John W. Bardo, Chancellor  
Western Carolina University

"Working with us on the development of the county's economic development strategic plan and supporting our EDC, AdvantageWest provides insight, experience and leadership. They are a critical strategic partner with Macon County."

—Jack Horton, Macon County Manager

"Attracting, growing and retaining companies in a competitive global economy is more challenging than ever before. AdvantageWest helps get Western North Carolina on the radar screens of location consultants and companies, and that leads to new jobs and growth."

—Robert H. Pittman, Senior Principal  
Janus Economics

## Reflecting on the past, focusing on the future.

What would Western North Carolina be like if not for AdvantageWest? Have our efforts made a positive impact? Where should our focus be in response to the challenges and opportunities of a changing global economy? These are questions we posed when putting together this Annual Report and what we continue to ask ourselves every day as we strive to make a positive economic impact on the region.

In reviewing our 15-year history, one thing became clear: AdvantageWest is a creative and innovative organization. Putting computers and Internet service in all the EDCs in the mid-90s was innovative and groundbreaking, as was the Certified Industrial Sites program. Our Certified Entrepreneurial Community<sup>SM</sup> program, the WNC Film Commission, the Juicy Ideas collegiate competition, Blue Ridge Food Ventures, and our commitment to exploring the green economy—these are just a few examples that demonstrate AdvantageWest's positive impact in Western North Carolina.

Throughout the years, we've adapted to changing circumstances, resulting in a reputation as one of the most enterprising and diversified economic development organizations in the country. In 2009, that ability to adapt enabled AdvantageWest to remain strong despite a tough economic year. With reduced funding, we are focusing our time, talent and resources on core areas that will retain and create quality jobs throughout the entire 23-county region: advanced manufacturing, entrepreneurial development, agribusiness and AdvantageGreen.

AdvantageWest's past accomplishments and future endeavors would not be possible without the energetic dedication of our board, staff, and our countless



partners and supporters who have worked hard to help improve economic conditions in the region; for this I thank you. Your spirit of collaboration has made a positive impact on Western North Carolina, and will continue to do so as we move forward, charting a path for a new economy.

*Scott T. Hamilton*

Scott T. Hamilton  
President & CEO

## AdvantageWest Board of Directors



Tommy Jenkins  
Chairman



Wanda Proffitt  
Vice Chair



Mike Fulenwider  
2<sup>nd</sup> Vice Chair



Tom Alexander  
Corporate Treasurer



Connie Haire  
Corporate Secretary



Randy Banks



George Couch



Mark Burrows



J. W. Davis



Henry H. Doss



Eugene Ellison



Larry Kernea



Reese Lasher



Peggy Melville



Elizabeth Miller



Gordon Myers



Sam Neill



Harris Prevost



Van Phillips

## AdvantageWest Staff



Scott Hamilton  
President & CEO



Kyle Edney  
Executive Vice President



Pam Lewis  
Senior Vice President  
Entrepreneurial Development



Kathy Neall  
Senior Vice President  
Finance & Grants



Mary Lou Sung  
Executive Director  
Blue Ridge Food Ventures



Matthew Baker  
Sr. Director, AdvantageGreen  
& Grants Administration



Justine Doerner  
Director IT Systems



Amanda Baranski  
Assistant Corporate Secretary



Karen Davis  
Accounting Associate



Alice Wilder-Lauff  
Administrative Professional



Kathi Petersen  
Communications Consultant

## Board Updates

In 2009 we welcomed two new members of our Board of Directors: Henry H. Doss of Ashe County and Larry Kernea of Cherokee County.

The 19 members of the AdvantageWest board are appointed by the Governor, Lt. Governor, Speaker of the House and the NC General Assembly.

## Staff Updates

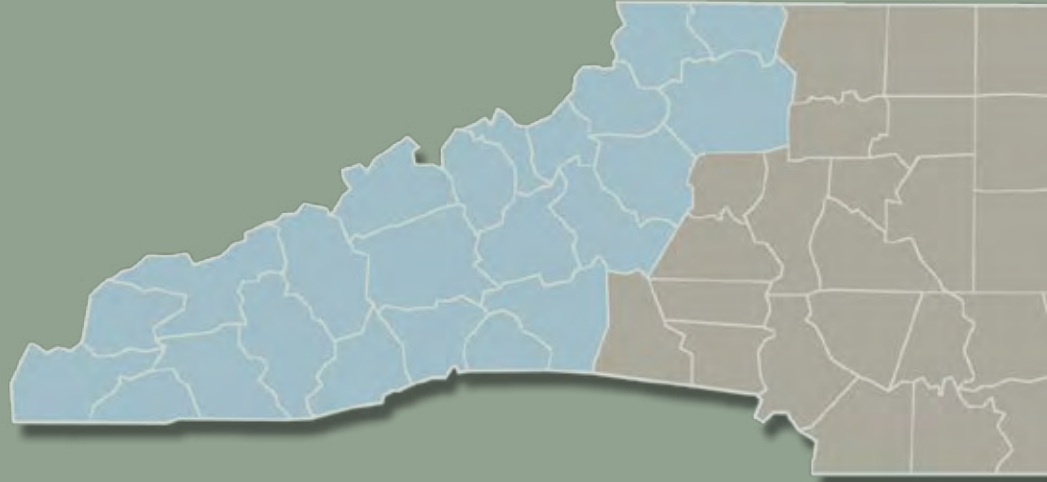
- In January 2009, Scott Hamilton became the third President and CEO of AdvantageWest.
- In July, one of AdvantageWest's first employees, Pam Lewis, was promoted to Senior Vice President, Entrepreneurial Development.
- In November, Matt Baker joined the staff in the newly created position of Senior Director, AdvantageGreen & Grants Administration.
- In December, Kyle Edney joined our team as Executive Vice President.

# Our Corporate Sponsors and Supporters

AdvantageWest is grateful for these public and private partners for their support in 2009.

Asheville Renaissance Hotels  
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Blue Ridge Mountain EMC  
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Land-of-Sky Regional Council  
Meet the Geeks  
McGill Associates  
Mountain First Bank  
Murphy Electric Power Board  
PSNC Energy  
Parker, Poe, Adams & Bernstein, LLP  
Piedmont Natural Gas  
Progress Energy  
The NC Rural Center  
US Small Business Administration

AdvantageWest serves the 23 western counties of North Carolina



Alleghany  
Ashe  
Avery  
Buncombe  
Burke  
Caldwell  
Cherokee  
Clay  
Graham  
Haywood  
Henderson  
Jackson

Macon  
Madison  
McDowell  
Mitchell  
Polk  
Rutherford  
Swain  
Transylvania  
Watauga  
Wilkes  
Yancey

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Writing & Editing services provided by KP Communications*



# ADVANTAGEWEST

## Economic Development Group

NORTH CAROLINA'S MOUNTAINS

Located adjacent to the Asheville Regional Airport

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23 6,789 lbs wood	8,584 gallons	16 million BTU	1102 pounds	2068 pounds

### Environmental Benefits Statement

AdvantageWest conserved these resources in the production of this Annual Report by using Neenah Environmental paper, composed of 100% post-consumer recycled fiber versus virgin fiber, and made with 100% renewable energy. Environment® premium brand papers are made with 100% Green-e Certified renewable energy.

**Blue Ridge Advanced Manufacturing Initiative**  
Bi-Monthly Programmatic Reports – FY2009

*Note: the Director position of the Blue Ridge Advanced Manufacturing Initiative was vacant for the third and fourth quarters of 2009.*

## February 2010

### Business Development/Marketing

- ❖ Conducted consultant call mission in Chicago, IL. Met with eight site location consultants to introduce AW region and promote assets
- ❖ Finalized marketing schedule (January – June, 2010). Schedule includes:
  - Chicago Consultant Calls (Feb. 1<sup>st</sup> – 3<sup>rd</sup>)
  - Atlanta Consultant Calls (March 15<sup>th</sup> – 17<sup>th</sup>)
  - Greenville/Charlotte Consultant Calls (April)
  - AdvantageWest Site Consultant Event (April 29<sup>th</sup> – May 2<sup>nd</sup>)
  - Area Development Consultants Forum (May 31<sup>st</sup> – June 2<sup>nd</sup>)
  - EDAC Raleigh Trip (June 6<sup>th</sup> – 8<sup>th</sup>)
- ❖ Created regional overview presentation that will be used as an introduction to prospective companies/site consultants, as well as local civic speaking engagements
- ❖ Hosted Margie Bukowski, a Senior Project Manager from the NC Dept. of Commerce. Visit included an overview of the AW region, Margie's participation in the EDAC meeting where she had an opportunity to meet many local developers and allies, as well as a tour of available product in Transylvania, Buncombe, Henderson, McDowell, and Burke counties.
- ❖ Met with North Carolina Department of Commerce Deputy Secretary Dale Carroll, as well as several Senior Project Managers from the Business & Industry division in Raleigh
- ❖ Met with Will Austin from the NC Military Business Foundation on potential partnership opportunities for the AW region to pursue defense related projects

### Prospect Activity

- ❖ AdvantageWest has received 15 inquiries/leads from January 1st, 2010 through present. There are currently 11 active leads/projects we are working. Two particular projects that have pending visits scheduled:

- *Project Costello*: Call center/back office client seeking 30,000-80,000 square feet. Project parameters are 300 new jobs (400 potential additional) with average wages of \$25-\$30/k annually. Search has been narrowed to 10 metro areas with Asheville being one of the 10. Buncombe, Henderson, Rutherford, McDowell, and Wilkes all submitted properties for consideration. Rutherford County was the only one selected to receive a visit from the client and consultant. Visit is scheduled for February 9<sup>th</sup> and 10<sup>th</sup>.

- *Project JB*: Manufacturer of automotive components seeking an existing building of roughly

40,000 sq. ft. with 6" concrete floors. The search parameters for this project were within 45 minutes of Asheville. Henderson, Buncombe, and McDowell submitted buildings for consideration. Project parameters are: 35 employees, wages of 10 employees @ \$15/hr., 20 employees @ \$20/hr., and 5 employees @ \$25+/hr., and new capital investment of \$22 million. A decision is expected by the spring of 2010. Four buildings remain in contention in Henderson and Buncombe counties. An incentive summary has been requested by the prospect. A visit has been tentatively scheduled for later this month (no definitive date set)

### **Meetings/Relationship Building**

- ❖ Conducted meetings with local leadership in 18 of the 23 AdvantageWest counties. Meetings centered on local economic development initiatives, available product, recent developments, and opportunities for AdvantageWest to partner and provide support through our programs of work. Multiple visits also included tours of available industrial buildings and sites. Meetings with the remaining five counties will be completed by the end of February
- ❖ Provided an update on the AdvantageWest program of work at the Cherokee County Economic Development Board Meeting
- ❖ Met with John Corellis and Susan Fleetwood from the NC Department of Commerce to discuss new NCEDIS website and capabilities/resources AW can utilize
- ❖ Arranged meeting between AdvantageWest and representatives from the Upstate Alliance of South Carolina (regional economic development group). A luncheon will take place February 8<sup>th</sup> to discuss potential future collaboration opportunities.
- ❖ Participated in the EDAC meeting and provided overview of advanced manufacturing program of work, marketing schedule, prospect activity, and future initiatives

## **April 2010**

### **Business Development/Marketing**

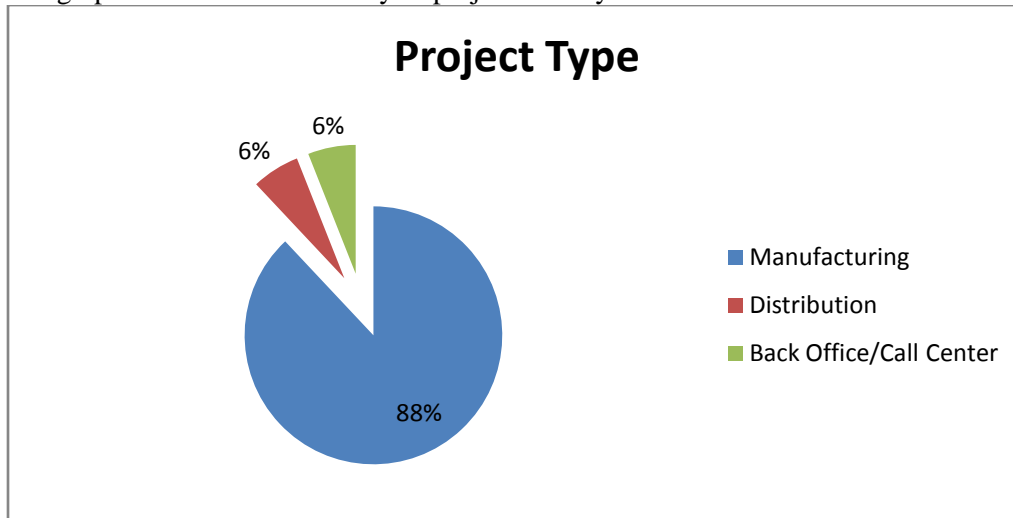
- ❖ Conducted consultant call mission in Atlanta, GA. Met with 19 site location consultants to introduce AW region and promote assets. One new active manufacturing project was generated from this trip, as well as several requests for additional information. Three consultants also confirmed their attendance for the AW site location consultant event to be held in April as a result of our meetings.
- ❖ The Western North Carolina Site Consultant event will take place April 29<sup>th</sup>-May 2<sup>nd</sup>. To date, eight consultants have confirmed their attendance and participation. The purpose of this event will be to highlight the strategic advantages our region offers and showcase business opportunities for companies considering locating/expanding in the southeastern United States. AW is currently working on specific programmatic details of the event.
- ❖ Upcoming marketing schedule (April – June, 2010):
  - AdvantageWest Site Consultant Event (April 29<sup>th</sup> – May 2<sup>nd</sup>)
  - Greenville/Charlotte Consultant Calls (April/May)

- Area Development Consultants Forum (May 31<sup>st</sup> – June 2<sup>nd</sup>)
- EDAC Raleigh Trip (June 6<sup>th</sup> – 8<sup>th</sup>)

**Prospect Activity**

- ❖ In the first quarter of 2010 AdvantageWest received/responded to 18 inquiries/projects. Five projects visited the region to tour available buildings/sites for the first time. There are currently 12 active leads/projects we are working. We have also assisted several local developers on active projects in their respective counties on a supplemental level. Specific project updates include:
  - *Project Costello*: Call center/back office client seeking 30,000-80,000 square feet. Project parameters are 300 new jobs (400 potential additional) with average wages of \$25-\$30/k annually. AW coordinated the clients visit to Rutherford County on February 24<sup>th</sup>. The AW region was eliminated from this project as the list was trimmed to 3 “semi-finalists.” AW coordinated a conference call with the consultant and Rutherford County representatives to received feedback on their elimination from this project.
  - *Project JB*: Manufacturer of automotive components seeking an existing building of roughly 40,000 sq. ft. with 6” concrete floors. Project parameters are: 45-50 employees and new capital investment of \$22 million. Four buildings remain in contention in Henderson and Buncombe counties. The consultant informed AW in late March the prospect has solidified their plans for production and plans to visit the region May 2<sup>nd</sup>-3<sup>rd</sup>.
  - *Project Coyote*: At the last board meeting action was taken in support of this project. AW was informed by Henderson County that the site in WNC is one of four “first-priority” sites under consideration and the client will be visiting in April. This project will create 500-600 new jobs.

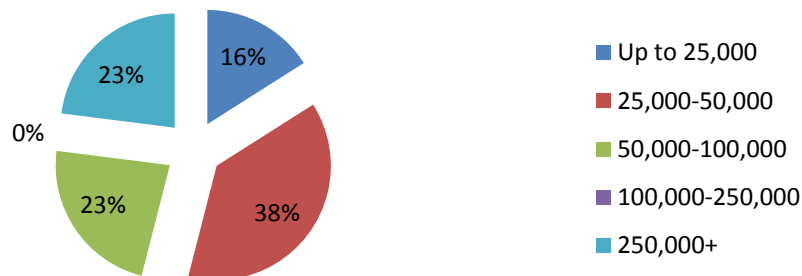
The graphs below are a summary of project activity:



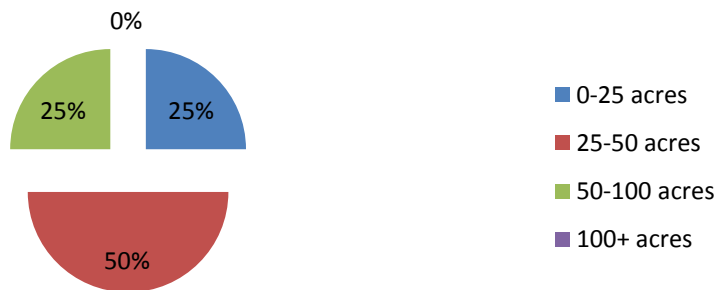
### Project Needs



### Existing Building Size Requirements



### Greenfield Site Size Requirements



#### Meetings/Relationship Building

- ❖ Conducted meetings with local leadership in 4 of the 5 remaining AdvantageWest counties that I had not previously visited. Meetings centered on local economic development initiatives, available product, recent developments, and opportunities for AdvantageWest to partner and provide support through our programs of work. Multiple visits also included tours of available industrial buildings and sites. Meetings with the remaining five counties will be completed by the end of February.

- ❖ Attended the NCEA Mid-Winter conference.
- ❖ Made a presentation to the Vision Henderson County community leadership class on the AW program of work and current initiatives.
- ❖ Two committee meetings have occurred with board members involved with the WNC Golf Trails initiative. Currently each member is reaching out to selected golf courses in the region to identify where this AW initiative can add value to the golf industry in the AW territory.
- ❖ The state-wide BizBoost initiative is underway. Each of the seven regional partnerships have been asked to assist with administering this initiative. A meeting was held with leadership representatives from the SBTDC outlining their expectations of AW in administering this program. AW has satisfied all requests made by the agency to date following an agreed upon timeline. A status update meeting is scheduled for April 7<sup>th</sup>.
- ❖ Made a presentation to the Madison County EDC board to provide an update on current AW initiatives.
- ❖ Participated in a meeting arranged by the Transylvania County EDC on future development opportunities at the former Ecusta manufacturing facility and site. Approximately 200 acres have been cleared and remediation of the site is almost complete. Transylvania County and the ownership group are exploring a variety of uses for this site, including industrial development.
- ❖ Met with Director and advanced manufacturing board champion Kernea to provide an update of AW marketing initiatives and strategies pertaining to this program of work.

## June 2010

### **Business Development/Marketing**

- ❖ The Western North Carolina Site Consultant event was held April 29<sup>th</sup>-May 2<sup>nd</sup>. Eight national site location consultants participated in the event. Activities included a regional overview, numerous presentations on topics relevant to economic development, and a consultant's forum that was moderated by Director Kernea. The feedback we received has been very positive. Many responses from the consultants mirror this one from John Morris, a Partner at Cushman & Wakefield and one of our participants: "If the purpose of the event was to increase awareness and understanding, it was tremendously successful. Exactly what someone who does the type of projects I do could benefit from." AW has received inquiries from participating consultants regarding two manufacturing projects. One is an outdoor recreational manufacturing project, and the other is an alternative energy manufacturing project. We continue to follow-up on these and other potential leads.
- ❖ AdvantageWest has purchased a list of almost 4,000 individuals involved with site selection across the United States. The list includes name, organization, telephone, physical address, and email addresses of individuals that are employed by site location firms, industrial brokerage firms, architectural and engineering firms, etc., and involved with site selection for companies. It will be utilized as a lead generation resource for electronic communications, as well as a tool for appointment setting on call missions. The list will also be updated quarterly to ensure accuracy.
- ❖ An electronic newsletter that will be emailed monthly to site selectors and other prospects will soon be completed. It is being designed exclusively to market one available industrial

- building and site in the AdvantageWest region. The aforementioned distribution list purchased by AW will be utilized for this communication piece. The first “e-blast” will be sent the second week of June.
- ❖ AdvantageWest hosted a representative from Monster.com as a keynote speaker during the CarolinaConnect conference in May. The representative from Monster who participated was also the lead company representative on a site selection project I worked closely with on a previous project location. The representative gained significant exposure to the AW region and, while Monster does not have an active project at this moment, the representative was very positive about the region and community.
  - ❖ The AdvantageWest EDAC trip to Raleigh will take place June 6<sup>th</sup>-8<sup>th</sup>. Approximately 25 EDAC members from the region will be participating in the trip. Presentations/updates will include: legislative updates from Parker Poe, economic development RFP responses, update from NC Commerce, E-NC Authority update, Technology Commercialization Center, NC Rural Center, Appalachian Regional Commission, and the Golden Leaf Foundation. Trip will also include lunch with NC Commerce B&I project managers, a legislative delegation breakfast, and an address from Lt. Governor Walter Dalton.
  - ❖ Upcoming marketing schedule (June-August):
    - Greenville/Charlotte Consultant Calls (6/29-30)
    - CarolinaWest Charlotte Consultant/Broker Luncheon (8/6)
    - Atlanta: Friends of NC Consultant Luncheon & AW consultant calls (8/24)
    - Cleveland or Houston Consultant Calls...tentative (Late August)

### **Prospect Activity**

- ❖ From January 1<sup>st</sup> – May 31<sup>st</sup>, 2010, AdvantageWest received/responded to 26 inquiries/projects. Nine projects visited the region to learn more about the region and/or tour available buildings/sites for the first time. There are currently nine active leads/projects we are working. We have also assisted several local developers on active projects in their respective counties on a supplemental level. Specific project updates include:
  - **Project JB:** Manufacturer of automotive components seeking an existing building of roughly 40,000 sq. ft. with 6” concrete floors. Project visited the region in late April. Two existing buildings and one greenfield site in Henderson/Buncombe counties are still in contention. Company has informed us that a meeting with their supplier will be held in June, with a final site selection decision forthcoming by July. Project parameters are: 45 employees and new capital investment of \$28 million.
  - **Project Coyote:** Client and consultant team visited the region in early May. AW provided a regional overview and participated in numerous activities with the client team. Henderson County was informed in late May that the client team had narrowed their “finalist” communities to two, with Henderson County being in 3<sup>rd</sup> place. However, the consultant left the door open for Henderson County to re-enter the project should certain conditions be satisfied. A meeting was held with participating entities in the AW board room last week to discuss the current status of the project. This project has now morphed into what is known as “Coyote Plus.” Project parameters now include: 400-500 manufacturing employees, and 250+ engineers with an average salary of \$85,000.
  - **Project Chem:** Prospect team/consultant visited the region in mid-April. This project is being driven by a site location consultant representing a European chemical manufacturer currently supplying the global automotive industry. Company is looking to do a joint venture/contract manufacturing agreement, and visited with a company in Caldwell County



that could be a match for their requirements. This new venture would operate as a stand-alone entity, and would result in 5-8 new manufacturing jobs.

- **Project Hot Rod:** Manufacturer of alternative energy conversion kits for the automotive industry. AdvantageWest met with company officials in early June to discuss the project and learn more about the operation. Company is considering several locations in multiple states, including WNC. Client asked AW to provide inventory of existing buildings 100,000+ sq. ft. in Burke, McDowell, and Rutherford counties. Client is currently reviewing available properties. AW will continue following up with client to facilitate this project moving forward in our region. Project parameters: 80 new jobs with an average salary of \$20/hr., and \$20 million in new taxable investment.

### **Meetings/Relationship Building**

- ❖ Made a presentation to the Joint Select Committee on Global Competiveness led by Senator Queen. AW presentation was in partnership with the Asheville-Buncombe EDC, and focused on available tools and resources local economic development officials in NC utilize to compete in a global economy.
- ❖ Made a presentation to the Asheville Commercial/Industrial Realtors Association. AW provided an update on business development and project activity, as well as resources we can provide when brokers are working with industrial clients.
- ❖ Attended the Appalachian State University listening tour featuring Chancellor Peacock and sponsored by Ashe County.
- ❖ Attended and participated in two receptions hosted by Wilkes County in which finalist candidates for their economic development commission Executive Director position were present.
- ❖ Attended two receptions hosted by Senator Hagan in conjunction of her office opening a western regional office in Asheville.
- ❖ Attended the Existing Industry Executives forum hosted by the Henderson County Partnership for Economic Development.



## **Blue Ridge Entrepreneurial Council & Certified Entrepreneurial Community Program** Bi-Monthly Programmatic Reports – FY2009

### **August 2009**

- Conducted on-going program support and leadership development with leadership teams participating in the CEC Program.
- Conducted one region-wide entrepreneurial networking forum during the quarter by partnering with A-B Technical Community College's Small Business Center on a lunch-and-learn session focusing on social media developed by the Sr. Director called "Twettiquette". This program was the first of its kind and reached maximum capacity in regards to attendance. The session focused on the use of Twitter in your business and the proper etiquette to use with social media. The forum was interactive for participants and was applauded as one of the best forums to date. Plans are currently underway to hold similar workshops across the region including a repeat session in the fall at A-B Technical Community College to meet demand.
- Additionally, CEC networking forums were held in Burke, Haywood and Polk Counties.
- AdvantageWest participated as a co-sponsor for the Burke County youth entrepreneurship camp conducted by NC REAL (Rural Entrepreneurship through Action Learning). This week long summer camp introduces middle school students to entrepreneurship through the use of hands on activities. Youth engagement is a core component of the CEC Program
- Continued work with the Juicy Ideas winning student team from Appalachian State University making key contacts with seasoned business owners and mentors in the region. The winning team is currently working on proof of concept for their product.
- Assisted the Eastern Band of Cherokee Indian's CEC Leadership Team by reviewing their progress and helping them with preparation of documents for submission to the CEC Certification Review Committee
- Prepared and distributed newsletters to 2500 plus subscribers
- Worked with Watauga and Transylvania Counties to finalize details for and carrying out individual CEC designation celebrations in their respective communities. Watauga and Transylvania represent the 2<sup>nd</sup> and 3<sup>rd</sup> counties to receive certification in the CEC Program.
- The CEC Certification Review Committee met to review completed guidebooks from The Eastern Band of Cherokee Indian.
- Prepared and delivered presentations on the Certified Entrepreneurial Community Program in a joint meeting between NC Department of Commerce, Cherokee Economic Development, Clay Economic Development and Graham Economic Development. These three counties are not currently enrolled in the program but have expressed a strong interest in participating next year.

- Worked with Burke County on reviewing their final materials as they prepare to compile their CEC notebook and submit to the CEC Certification Review Committee.
- Led a joint meeting between Haywood, Watauga, Eastern Band of Cherokee Indian, Transylvania and Burke County CEC team leaders to present the CEC Co-Op marketing plan and brainstorm as a team on the types of publications we would like to pursue and what our campaign would look like.
- Worked with middle-mile telecom broadband providers and several CEC communities to review shovel-ready infrastructure broadband projects being considered in grant proposals. Broadband infrastructure in place in our rural communities is a key component of the CEC Program
- Worked with Yancey County's CEC Team Leader to review their status in the CEC Program and offer assistance on moving forward.
- Worked on technology plan for CEC with the expectation that RFP's will be done during the next quarter of the grant period with work to begin in the fall and winter.
- Worked to identify potential Advantage Opportunity Fund (AOF) clients throughout the AdvantageWest region. Candidates were screened in partnership with the Technology Commercialization Center.
- Successfully closed on a fifth AOF loan, and the first loan to utilize SBA funding. This loan provided essential financing for product inventory in preparation for two major trade shows the yoga entrepreneur was participating in. The \$35,000 loan was provided in two tranches-- \$20,000 at the closing in May, (for the inventory noted above) and a second for \$15,000 in July for Website Search Engine Optimization and product marketing expenses. Note that this product has received on Amazon, a 5 star rating based on 8 reviews.
- Continued mentoring and coaching current AOF loan recipients. Work continues with preparing potential AOF clients for funding to include assistance with business plan preparation, marketing strategy and product development. The AOF client's in the pipeline represent a demographic of Buncombe, Transylvania, Yancey, Haywood and Burke counties.
- Began the planning phase of next year's Juicy Ideas competition with new potential partner NOAA and last years primary sponsor, Google. A theme currently under consideration for next year's competition is building a business from the use of public data. Work is underway with regional and state partners on expanding the scope and reach of the competition.

## October 2009

Hosted NC Rural Center visit to region and Advantage Opportunity Fund clients in Mitchell and Transylvania counties.

Completed US SBA grant application CEC Program and received approval on application.



- BREC client activity during this time included work with the following entrepreneurial companies:
  - GeneSys 3 – Madison County/Oak Ridge TN
  - Creative Allies – Buncombe County
  - Brian Summers & Wesley Greene w/Eco-Lab – Buncombe County
  - Tim & Jan Show – Caldwell County
  - Andrew Torres/Start-up Idea stage – Henderson County
  - Hemp-Tech-Buncombe County
  - Wendy Lupas /GraceWear – Macon/Jackson County
  - George Ferrence/Start-up-Transylvania County
  - Blue Nano – Huntersville NC
  - Isaac Roberts, 3G Deals – Cullowhee/Asheville
  - Jasper Ball/Solar Company – Atlanta GA
  - Rich Dalileader, – New York, NY
  - Jim Stracka/Stracka Golf – San Diego, CA
  - Melissa Zentz/KidBean – Asheville

Significant Progress on 2010 Juicy Ideas concept and scope of contest with Google

Coordinated Department of Labor grant with partners in High Country region

CEC Networking Meeting in Haywood County on Social Media

Hosted meeting with NC Department of Commerce Secretary, Assistant Secretary and Secretary of Energy on AdvantageGreen initiative and GeneSyS 3 client company

Coordinated NC Military Business Workshops across region in Macon, Haywood, Ashe, Wilkes, Boone, Caldwell and Henderson counties

Conducted region-wide BREC Forum “Creating a Financing Strategy for Your Business” with Logan Metcalfe, former COO of Immaculate Baking Company

## **December 2009**

### ***BREC/CEC Events:***

- Creating a Financing Strategy for Your Business – Logan Metcalfe – September 2009
- Creativity in Your Business – Mark Pruett – October 2009
- 2<sup>nd</sup> Twetiquette Lunch and Learn – Troy Tolle – October 2009
- ARRA Event with City of Asheville and Support Service Providers Group



- Macon County CEC Forum on Social Networking – October 2009
- Launched CEC Core Leadership Luncheon Series for CEC Team Members – November 2009
- Presented at the Tech 2020 Innovation Imperative Conference – Knoxville TN
- Attended the Tennessee Valley Corridor Annual Meeting – Murfreesboro, TN

***Advantage Opportunity Fund and BREC/Client Activity:***

- Work Continued with BREC and AOF deal flow (detailed spreadsheet to be included in Board supplement folder for December 10)
- Continued work with Technology Commercialization Center on existing AOF clients and new client activity as well.

***Certified Entrepreneurial Community Program:***

- Work continued on CEC roll-out for 2010
- Received CEC application from Polk County
- CEC Review Committee convened and reviewed Burke and Mitchell County's applications
- CEC Program presented at Graham and McDowell County

***Juicy Ideas Collegiate Competition (CEC-Youth Engagement)***

- Continued work with Google on planning for next year's competition
- Work continued with Juicy Ideas winners from 2008/2009
- Accepted invitation to present Juicy Ideas at Conference in February

## **February 2010**

***Certified Entrepreneurial Community Program***

- Completed significant planning on scope of work for Juicy Ideas '10
- Submitted additional information to SBA on grant for sole-sourcing
- Worked with Matt Raker on several RFP's for AW fulfillment piece
- Prepared quarterly reports for two SBA grants
- Worked with Burke, McDowell and Polk communities on formation of sub-regional networking group
- Mountain Bizworks Power Coaching preparation for CEC Leadership Teams
- Continued work on 2<sup>nd</sup> round of CEC region-wide leadership training
- NC Campus Compact planning and preparation for Juicy Ideas '09
- Reviewed Polk County completed notebook and planned for committee presentation



- Eastern Band of Cherokee Indian on their designation celebration

### ***Blue Ridge Entrepreneurial Council***

- Worked with Isaac Roberts and attended beta launch of tech company, YuDeal (worked with this company for 18-24 months)
- BREC Forum on Economic Landscape with representation from Sen. Hagan's office as well as Representative Jane Whilden and approximately 65+ attendees.
- Convened resource meeting with existing small industry, W.P. Hickman looking to expand
- Worked with Tech Commercialization Center on existing AOF clients as well as identification of 4 potential new clients
- Convened the full planning committee for Carolina Connect. Carolina Connect is scheduled for May 13, 2010 at the Asheville Renaissance

### **April 2010**

- Launched 2010 Juicy Ideas at over 300 universities with greater support from Google. Secured support regionally from Western Carolina University and Golden Leaf Foundation.
- Juicy Ideas challenge for 2010 is to develop a software application utilizing public data that also solves a problem in your community.
- Finalized the project management of 2009 AW Annual Report (see Tab 12)
- Managed the coordination and communication on behalf of the board sub-committee for the AdvantageWest Economic Summit (see Tab 12)
- Interviewed multiple vendors in conjunction with the RFP process for CEC website proposal and co-op marketing
- Convened the AW Board sub-committee for STEM community collaborative initiative
- Convened Advantage Opportunity Fund Investor Committee to discuss client activity including hardship cases

### **June 2010**

- Conducted the 7<sup>th</sup> Annual Carolina Connect conference at the Asheville Renaissance. Attendance exceeded 250 entrepreneurs, investors and leaders from across the Southeast. (*See attached conference information*)
- Worked with the Eastern Band of Cherokee Indian on their official designation as the first tribe in the US to become a Certified Entrepreneurial Community. This work



included an official record in the congressional record by Congressman Heath Shuler on behalf of AdvantageWest and the CEC Program

- Conducted ongoing work on the Certified Entrepreneurial Community Program fulfillment pieces by AW including; selection and meetings with web development firm, selection of design firm for signage of communities (design proof attached), selection of firm for CEC co-op mktg campaign.
- Held CEC core leadership luncheon in Transylvania County including presentation by CEC leadership team in Brevard
- Continued work with Advantage Opportunity Fund clients including the coordination of an Investor Committee and loan closing for technology company
- Participated in the Tennessee Valley Corridor conference along with CEO Hamilton and included visits to key SBA and legislative personnel
- Facilitated strategic partnership with Mountain Bizworks for key entrepreneurial initiatives
- Worked with Olivia Collier, Appalachian Regional Commission to coordinate new Federal Co-Chair's visit to WNC
- Worked with Google and DigitalChalk on completion of the Juicy Ideas 2010 technology competition (full report – August board meeting)
- Began working with AdvantageGreen initiative – providing oversight and direction to Sr. Director Matt Raker
- Began working with NC STEM Community Collaborative Initiative under direction of state program



## **AdvantageGreen**

Bi-Monthly Programmatic Reports – FY2009

*Note: the AdvantageGreen program began December 2009*

### **February 2010**

#### Program Development

- Working on a \$400K Clean Energy Project grant proposal to NC Rural Center that will support development of a regional clean energy brand and marketing strategy, recruitment efforts, supply chain education forums for existing industry, strategic energy plans for large institutions, and a robust cluster analysis. This project is a partnership between AdvantageWest and the 5 COG's in our region with Land of Sky serving as the lead applicant. \$100K in matching funds are in hand from EDA and additional \$100-200K is expected from ARC.
- Submitted a \$35K grant pre-proposal to NC Green Business Fund for 3 targeted Regional Expertise and Best Practices workshops to drive demand for energy efficiency, renewable energy, and waste minimization services region wide
- Presented an update of the AdvantageGreen program to EDAC at their January meeting
- Developed a draft 6 month AdvantageGreen Working Plan; working with other program directors and Board Champion Mark Burrows to refine
- In process of a regional "listening tour" with local economic developers, community colleges, universities, and green businesses working towards a baseline analysis of current green programs throughout the region and learning about local green priorities and opportunities
- Widely promoted the Green Business Fund opportunity to regional companies and provided light technical assistance to many companies. More than 30 companies in WNC applied requesting upwards of \$4.5m in funding. Statewide, \$8.3 is slated to be disbursed and WNC is in a great position to receive a considerable portion of this funding.

#### Branding, Marketing & Network Development

- Created an AdvantageGreen logo, twitter feed ([twitter.com/advantagegreen](https://twitter.com/advantagegreen)), blog ([blog.advantagegreen.org](http://blog.advantagegreen.org)) and online network ([advantagegreennetwork.org](http://advantagegreennetwork.org))
- Created a YouTube Channel for AdvantageWest to feature and better distribute our regional marketing videos including Tech Now, AdvantageGreen, Juicy Ideas Promo, Mountain South, Plants to People, and others
- Started stakeholder discussions around a regional natural products marketing campaign
- Working with other regional partnerships, NC Commerce, NC Solar Center, and industry to plan NC's presence at the WINDPOWER 2010 conference; AdvantageWest is not planning to attend this event but is engaging in the statewide wind supply chain marketing strategy

Upcoming AdvantageGreen Events in Production:

- March 16 (Greensboro) – AWEA Wind Power Supply Chain Workshop: an opportunity for regional manufacturers to learn about wind power supply chain opportunities and to network with major assemblers and end component (turbine) manufacturers
- March 17 (Grove Park Inn, Asheville) – “Recycling Means Business” Carolina Recycling Association Special Economic Development Track: a one day workshop produced in partnership with Land of Sky Regional Council for our local economic developers and elected officials to learn about recycling business development opportunities in WNC and to get introduced to CRA members interested in doing business in WNC
- May 13 (Renaissance Hotel, Asheville) – CarolinaConnect Green Innovations Track: a program at our annual CarolinaConnect conference focused on green entrepreneurship and innovation
- June 26 (Warren Wilson College, Swannanoa) – Mountain Green Conference: a one-day conference focused on clean energy, energy efficiency, and green building technologies as well as green architecture, planning, and “aging in place”

## April 2010

- Completed and submitted a \$400K grant request to NC Rural Center for the Clean Energy Economy Project; these funds are pending; upon award, we expect work to begin July 2010
- Completed and submitted a \$480K grant requests to NC State Energy Office to fund a paid internships and fellowships program that would result in a minimum of 10-15 FTE positions in WNC green businesses and organizations
- Met with co-applicants Land of Sky Regional Council to discuss roles and responsibilities and to review project action items for the next 3 months; near term items include website and initial branding development that AW is set to lead under a subcontract from Land of Sky Regional Council on an existing clean energy grant they have
- Many green businesses in the area have been invited to submit a full proposal to the NC Green Business Fund, however the \$35K pre-proposal that AW submitted was not among these
- Have most completed the initial “listening tour” with local economic developers, community colleges, universities, and green businesses working towards a baseline analysis of current green programs throughout the region and learning about local green priorities and opportunities; the next few months will entail synthesizing findings into a set of web resources and marketing platform for green opportunities in WNC
- Hosted a “Recycling Means Business” one-day economic development track during the annual Carolina Recycling Association annual conference; approximately 20 members of the regional economic development community were in attendance as well as many regional recycling businesses; this event elevated the awareness of recycling opportunities and sparked a number of conversations that could develop into commercial projects
- Co-hosted a half-day workshop with Ron Thomas, former director of the Chicago region planning and economic development partnership, for community planning and economic development professionals

- Co-hosted an initial meeting of businesses and organizations interested in electric vehicles and infrastructure opportunities
- Continuing to help support and plan major upcoming green networking events including Carolina Connect and the Mountain Green Conference
- Initiated a planning group to discuss the Fall 2010 Outdoor Industry Association Executive Rendezvous event to be held in Asheville. This event will bring executives from the outdoor industry to the region and provides an excellent opportunity for relationship building.
- Have begun using the AdvantageGreen online network ([www.advantagegreennetwork.org](http://www.advantagegreennetwork.org) – 30 members; excellent events calendar), blog ([www.advantagegreen.org](http://www.advantagegreen.org)), and twitter feed ([twitter.com/advantagegreen](https://twitter.com/advantagegreen) – 20 followers)
- Have had a presence and expanded awareness of the AdvantageGreen program through a number of events including the Emerging Issues Forum, ASAP Farm Promotion Workshop, ASAP Marketing Conference, NC Interagency Climate Adaptations Conference, Rural Center Rural Economic Development Institute, American Wind Energy Association Wind Power Supply Chain Workshop
- Participated in an initial WNC STEM planning call

## June 2010

- Produced the Green Innovations track at Carolina Connect 2010; had strong participation and excellent feedback from green businesses across the region
- Finalized details for the upcoming June 26 Mountain Green conference
- Hosted a meeting with AB Tech and Air Force Association regarding a potential future STEM symposium
- Participated in HATCHfest sessions and networking events related to green design and technology
- Completed and graduated from the NC Rural Center Economic Development Institute
- Along with EVP Kyle Edney, began work on Project Hot Rod, an in-region alternative fuels vehicle conversion company that is seeking to add a new production facility including a possible 50-100 jobs
- Continued or began work with Sr. VP Pam Lewis on more than 10 green entrepreneurial businesses
- Have organized and scheduled a second Outdoor Industry Association Executive Rendezvous event planning group meeting to continue planning economic development efforts related to this high profile event to be held in Asheville in Fall 2010
- Clean Energy Economy Project – partnership between AdvantageWest and 5 Councils of Government in AW region (Land of Sky Regional Council serves as lead applicant)
  - Project awarded \$220,000 from NC Rural Center to support leadership group and cluster analysis activities
  - Project awarded \$100,000 from Appalachian Regional Commission
  - Negotiated additional subcontract for AW to manage the development of the project website; this adds to AW's existing role as marketing and branding coordinator
  - Began initial work with a consultant to advise on the scope of work development for the clean energy cluster analysis



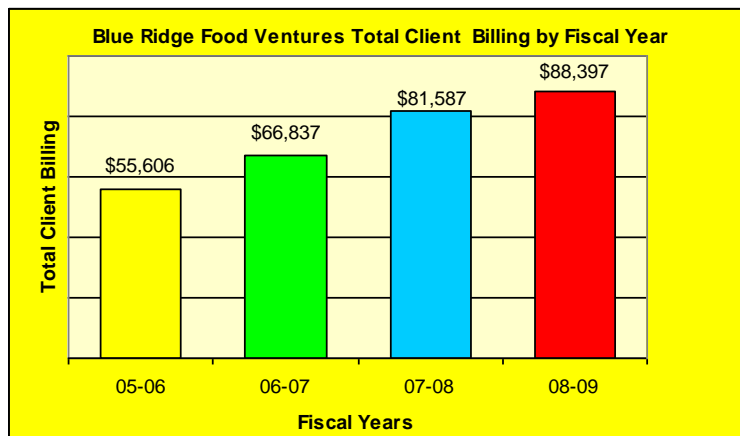
- Worked with project partners to develop the first draft list of invites for the leadership group
- Facilitated development of a regional collaborative funding request to the Golden LEAF Foundation for the Realizing the Potential of the Natural Products Industry in WNC project. The request was for \$680,000 and would support raw material production, product development and manufacturing, quality certification, and market development. Project partners include Blue Ridge Food Ventures, NC BioBusiness Center, Western Carolina University, NC Cooperative Extension Service, Bent Creek Institute and others
  - Helped promote the Botanical and Natural Products Summit
  - Met with Park Ridge Hospital, Warren Wilson College, and others regarding the “Aging in Place” and greening of wellness facilities track of the Mountain Green Conference, as well as natural products and integrative health synergies and the upcoming Blue Zones presentation
- Along with President & CEO Scott Hamilton, represented AdvantageWest at the proceedings and VIP reception of the TA3 Sustainable Communities Conference, an international meeting of community college and related professionals to advance their role in sustainable community and economic development
- Represented AdvantageWest at the InnoVenture innovation and entrepreneurship conference in Greenville, SC. This year’s presentations had a strong green focus from electric vehicles to smart communities to bio-energy.
- Continued development of the AdvantageGreen program website and work with NC Commerce to develop an online green resource directory and grants board

**Blue Ridge Food Ventures**  
 Bi-Monthly Programmatic Reports – FY2009

**August 2009**

***Fiscal Year Summary***

Despite the widespread slowdown in the region’s economy and related job losses, BRFV managed to come within 2% of achieving its budgetary goal for income from clients in the just completed FY 08-09. In that same period, it added 27 new clients, graduated 3, and generated over a million dollars in sales. Client use is only one measure of the impact that BRFV has on the region. The staff at BRFV provides business development services to several hundred more small businesses than those that actually come in to produce their products in the facility. It provides networking and resource information, offers classes, and provides a venue for entrepreneurs in a very specialized field that might not be helped as much by traditional small business centers.



***New Programs in FY 08-09***

The Farm Outreach Program at BRFV works to increase family farm income and attract new, young farmers to preserve the traditional farmland character of our region that is so integral to the quality of life that makes WNC attractive for businesses and residents. Working with farmers and entrepreneurs to develop products from local produce enables businesses to be created and sustained, and enhances the reputation of Asheville and the surrounding region as a “Foodtopia” attracting tourists and potential residents.

The Winter Sun Farms program at BRFV is working with 9 farmers from 5 counties to provide a wide variety of products to its winter subscribers. The program supports small family farms who either have surplus or who would rather grow for a guaranteed buyer than for a volatile local market. In the last month, in an effort to recruit more subscribers, the program staff have participated in local tailgate markets, been interviewed on the radio and received coverage in



local magazines and newspapers. The program's colorful sign and brochures, and sampling of its products, have attracted a lot of attention and resulted in dozens of new subscribers, with more coming in every day.

### ***New Programs in FY 09-10***

In an effort to provide services to an expanding pool of entrepreneurs and to support other initiatives in the region geared towards the natural products economy (i.e. The Bent Creek Institute, The BioBusiness Center), BRFV will be installing equipment for processing medicinal herbs and plants. These tinctures and extracts will meet standards for use in pharmaceutical research trials as well as consumer-oriented natural products.

## **October 2009**



September 20, 2009

## **Tough economy inspires many to become food entrepreneurs**

*Carol Motsinger*

Leslie Kirrane's job as a loan officer isn't keeping her as busy as it once did.

But the Fort Mill, S.C., resident has a successful second career that brings her to Asheville's Blue Ridge Food Ventures every two weeks or so.

Kirrane is The Mustard Lady, maker of Must Have Mustard, which is produced in the shared-use commercial kitchen and food processing facility at the Enka campus of Asheville-Buncombe Technical Community College.

"Mortgages aren't good, but the mustard is," Kirrane said.

Mary Lou Surgi, executive director of the 11,000-square-foot facility, said she's been seeing more people like Kirrane since the economic downturn.

"I do have people coming in who might not have before" the recession, Surgi said. "We have chefs coming in whose restaurants closed down," she said, as well as workers from the ailing real estate and banking sectors.

"We are a resource for people who have lost their jobs and are food people," she added.

## Creative activity

The public can get a taste of all this creative activity at the third annual Food Ventures Marketplace on Wednesday. The event will showcase the array of the food produced at the facility, including pickled bamboo shoots, chocolates, jams, sauces and herb mixtures. The free event is open to the public from 5-7 p.m., with 3-5 p.m. reserved for members of the specialty food and grocery industry.

Kirrane and her Must-Have Mustard will be a part of the marketplace. She said she couldn't run the business without Blue Ridge Food Ventures, so she doesn't mind the 2-hour drive from her South Carolina home.

The facility offers more than access to equipment: Staff members also helped her calculate nutritional values and convert her family recipe into large batches.

"We can do more at once, and it comes out just as tasty," she said. Since August, she estimates that she's made at least 1,400 small jars and at least 120 large jars.

## Many sign up

Blue Ridge Food Ventures has 60 businesses that use the facility on regular or seasonal schedules.

Founded in 2005 by the regional economic development group, AdvantageWest, the facility was North Carolina's first business incubator for farmers and food entrepreneurs.

The program has helped more than 130 food product makers, farmers and caterers in Western North Carolina found and develop their businesses. Dozens of full-time and part-time jobs have resulted from these businesses. Products made there can be found in stores from California to Florida and total reported sales are approaching more than \$3 million.

Scott Hamilton, AdvantageWest president and chief executive officer, said Wednesday's open house will allow the food entrepreneurs to make needed contacts with potential commercial and private customers.

"Blue Ridge Food Ventures allows the farmer to expand and add value to their products," Hamilton said. "There is a great opportunity for people using (the facility) because people are paying more attention to where their food is coming from and they want to support local businesses."

## Lifelines

And as the economic marketplace continues to change, Hamilton said the program will "adjust with what drives the economy."

"We are very well-suited to adapt," he said.

Blue Ridge Food Ventures has already started to introduce some new programs to help farmers and food producers stay afloat during tough times.



Winter Sun Farms of Western North Carolina, which will supply frozen locally grown produce during the winter months, is just getting started.

Attendees at the Food Ventures Marketplace can sample some of these products and buy a share of the program.

Blue Ridge Food Ventures' Surgi said the program can help meet the demand for local produce year-round.

They are also going to be introducing natural products equipment to the facility, which will allow people to grind and dehydrate herbs, for instance.

Although AdvantageWest focuses on the 23 westernmost counties in North Carolina, entrepreneurs from across the region come to facilities to launch their businesses.

Surgi said Blue Ridge Food Ventures is the largest of its kind in the Southeast.

She's been doing more and more consulting in other communities that want to start a business incubator, she said.

"It's a movement that's still growing," she said.

Jack and Rose Weaver came from Rural Retreat, Va., recently to see if Blue Ridge Food Ventures would be a good fit for the Indian Corn business they are starting.

"I think it has a lot of possibilities," Jack Weaver said. "These are the right people to know."

## Additional Facts

If you go

**What:** The third annual Food Ventures Marketplace at Blue Ridge Food Ventures.

**When:** 5-7 p.m. Wednesday

**Where:** 1461 Sand Hill Road, Candler.

**Cost:** Free

**For more:** [www.advantagewest.com](http://www.advantagewest.com).



September 24, 2009



## Asheville entrepreneurs, others showcase products at Food Ventures Marketplace

*By Carol Motsinger*

Blue Ridge Food Ventures helped Mary Tantillo O'Shields turn a recipe into a career.

O'Shields, of Asheville, was one of about 20 vendors who gave out samples of their food products during Wednesday's third annual Food Ventures Marketplace. The event showcased the array of the products made at the shared-use commercial kitchen and food processing facility at the Enka campus of Asheville-Buncombe Technical Community College.

"Today's been a great day," O'Shields said between giving out tastes of her gluten-free and dairy-free Italian desserts. "I've been able to connect with businesses and grocery stores ... it's also been really nice to see where (other vendors) are going with their (businesses)."

The day was split in two: Members of the restaurant and grocery industry had first dibs at the samples of such items as pickled bamboo shoots and tempeh. The public were able to line up at tables for a taste later in the day. An estimated 300 people attended, said Food Ventures spokeswoman Kathi Petersen.

Before she started renting the space to make her treats, Blue Ridge Food Ventures helped O'Shields develop a business plan and marketing strategy, she said.

Carole Miller, owner of True Confections in the Grove Arcade, came to check out the facility because she's interested in expanding the baked goods side of her business, she said. She met O'Shields and spoke about possibly working together on gluten-free, dairy-free wedding cakes, Miller added.

That's the sort of networking going on behind the booths. "For us, it's a great opportunity to find unique stuff," said Ross Long, a grocery category manager for Earth Fare.

Jean Clayton, of Biltmore Forest, brought a shopping bag to the marketplace. She came last year and learned that she needed something to carry all the products she wanted to give as gifts.

"Everybody likes a small taste of something and I get to support local business entrepreneurs," Clayton said.

## Additional Facts

WANT TO START A FOOD BUSINESS?

Blue Ridge Food Ventures is hosting a five-work course on "How To Start A Food Business," covering food industry basics, legal issues, business planning and product packaging. It starts Oct. 1 and costs \$30. For more, visit [www.abtech.edu/sbc](http://www.abtech.edu/sbc) or call Jill Sparks at 254-1921 ext. 5849.



## Blue Ridge Food Ventures

AdvantageWest Economic Development Group



Jill Frazer of Blue Ridge Food Ventures (BRFV) prepares sugar snap peas, fresh-picked from a local farm, for freezing and distributing through BRFV's winter/line community supported agriculture (CSA) program. (Photo by Jason Smedley)

## Blue Ridge Food Ventures Marketplace

BY KATHI PETERSEN

The third annual Blue Ridge Food Ventures Marketplace, featuring the specialties of more than 30 of the region's finest food entrepreneurs, takes place 5-7 P.M. on Thursday, September 23, at Blue Ridge Food Ventures (BRFV), located on the Enka campus of A-B Tech in Candler.

From pickled bamboo, raw, handcrafted chocolates, and flavored mustards to custom spice mixes, nutritious meal-to-go,

vegan baked goods, and gourmet jams, sauces, and dips, there's something for foodies of all tastes at the event. Free and open to the public, the Food Ventures Marketplace is a unique opportunity to meet makers of artisan foods, sample their wares, and purchase or place orders in time for holiday cooking and gift-giving.

BRFV is an 11,000-square-foot shared-use facility and



# Blue Ridge Food Ventures

AdvantageWest Economic Development Group

## SAMPLE SPECIALLY & ARTISAN FOODS FROM LOCAL PRODUCERS

- Appalachian Ginseng Farms (ginseng honey, tinctures)
- Asheville Kombucha Mamas (fermented black tea)
- Baked Asheville (biscotti, rugelach)
- Bamboo Ladies (bamboo pickles)
- Blessed Botanicals (organic teas, culinary blends)
- Chef's Table (nutritious ready-to-go meals)
- Dolci di Maria (gluten-free cakes, cupcakes)
- El Molinito (Mexican mole mixes)
- Fire from the Mountain (salsa, hot sauce)
- Fisher Farms (heirloom tomato sauce)
- Headstart Gourmet (compound butter sauces)
- Imladris Farm (berry jams, apple butter)
- Jake's Farm (organic tomato products)
- Kaninis (frozen, ready-to-go healthy meals)
- Leslie's MustHave Mustard (flavored mustards)
- Lotus Chips (snack chips)
- Lusty Monk (spicy mustards)
- Madd Mazz (Italian-style tomato sauce)
- Rowanne's Remedies (ready-to-eat vegan foods)
- Stokes Foods, Inc. (purple sweet potato products)
- UllMana (raw, organic chocolates)
- Wildcat Ridge Farm (Haywood County tomato sauces)
- Zouga Nougat (honey nougat candy)

FDA-inspected commercial kitchen providing services to those who wish to start or grow a food business. BRFV is one of several job creation initiatives developed by AdvantageWest, the regional economic development commission for the 23 westernmost counties of North Carolina, and receives support from the Golden LEAF Foundation, North Carolina Agricultural Advancement Consortium, and the North Carolina Tobacco Trust Fund Commission.

More than 130 food product makers, farmers, and caterers in the region have used BRFV since its launch in 2005, creating dozens of full- and part-time jobs, with reported sales approaching \$3 million. Products made at BRFV can be found in stores from California to Florida.

For more information, call 348.0128 or visit [blueridgefoodventures.org](http://blueridgefoodventures.org). Kathy Petersen is a freelance writer and communications consultant in Asheville, and can be reached at [kpccommunications@charter.net](mailto:kpccommunications@charter.net) or 712.1286.

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## December 2009

### *Calendar Year Review*

Despite the widespread slowdown in the region's economy and related job losses, BRFV continues to add new businesses to its user base. In 2009, 20 new businesses began production at BRFV for a total of 143 since the inception of the project. Over \$1 million in products and services was generated in 2009, and nearly \$90,000 in user fees paid to BRFV.

Client use is only one measure of the impact that BRFV has on the region. The staff at BRFV provides business development services to many more small businesses than those that actually come in to make their products in the facility. It provides networking and resource information, offers classes, and provides a venue for entrepreneurs in a very specialized field that might not be helped as much by traditional small business centers.

BRFV is recognized as a model for agribusiness development across the state and region. The Executive Director serves as a consultant to several other programs across the state, thus building the visibility of AdvantageWest as an innovator in economic development; and generating additional income for the facility.

### *Agribusiness Sectors*

Blue Ridge Food Ventures is diversifying the entrepreneurial sectors that it supports in order to generate the largest number of jobs for the region, and to diversity its own income stream to support its operation.

- Farmers

The Farm Outreach Program at BRFV works to increase family farm income and attract new, young farmers to preserve the traditional farmland character of our region that is so integral to the quality of life that makes WNC attractive for businesses and residents. Working with farmers and entrepreneurs to develop products from local produce enables businesses to be created and sustained, and enhances the reputation of Asheville and the surrounding region as a "Foodtopia" attracting tourists and potential residents.

The *Winter Sun Farms* program at BRFV is working with 13 farmers from 5 counties to provide a wide variety of products to its winter subscribers. This program supports small family farms who either have surplus or who would rather grow for a guaranteed buyer than for a volatile local market.

- Food Entrepreneurs

This category encompasses the many bottled, packaged, dried and catered foods that come out of BRFV's kitchen every day and are sold on gourmet store shelves across the country. Over 100 of the businesses that have used BRFV fall into that category.

- Natural Products Manufacturers

BRFV is working together with other initiatives in the region geared towards the natural products economy (i.e. GAIA Herbs, The Bent Creek Institute, The BioBusiness Center) to provide a GMP standard manufacturing facility for processing medicinal herbs and plants. The products produced here will meet strict standards for use in pharmaceutical research trials as well as consumer-oriented natural products making our region competitive and attractive to similar businesses.

## February 2010

### *What's Ahead for 2010?*

Blue Ridge Food Ventures will continue to provide services to small food businesses just entering the market or those that seek to expand their production capability. Beginning in 2010, this group of businesses will expand to those who make products in the lucrative dietary supplement and natural products category. This is one of the fastest-growing sectors in the green economy. Western North Carolina is recognized as a leading repository of botanical materials that are being studied for their medicinal qualities. As the Natural Products Manufacturing Facility at BRFV comes on line, we expect to house from 4-8 businesses producing high-quality natural products.

### *Training for Business Owners*

BRFV will continue to offer one-on-one business development services to entrepreneurs across the region, as well as to sponsor classes and continuing education that will make for stronger business operations. We collaborate with NC State University, NC Cooperative Extension, the A-B Tech Small Business Center and others throughout the region in order to strengthen the business owners that we work with. Just in the first quarter of 2010 we have 5 classes and workshops scheduled.

### *Collaboration*

As stated above, BRFV works with the many players who are working to strengthen small businesses and create more jobs. Federal Recovery funding has brought many new programs on-line and BRFV is a resource for several of those that deal with agriculture and job training.

### *Marketing*



Not forgetting that Advantage West is primarily a marketing organization to promote the region as a great place to live and work, Blue Ridge Food Ventures promotes the region as a great place to bring or start your food business. As we promote the products that are made here, that also brings attention to our facility and region as a good place for creative ideas to flourish and businesses to be built.

***Funding***

Blue Ridge Food Ventures earns its basic operating expenses in user fees and consulting fees brought in by the Executive Director. Advantage West supports the Executive Director position, but any other personnel must be paid out of earned income, or grant funds. We expect to keep our Farm Outreach Program going in 2010 with part-time staff paid out of these grant funds. As always we will look for ways to increase our earnings in order to grow new programs.

**April 2010**



Blue Ridge Food Ventures

AdvantageWest Economic Development Group

# JUST SHOOT ME

*by Hanna Raskin*





BAMBOO is the armadillo of the plant world.

The tastiest bits of the fast-growing grass are shielded by a tough outer casing that only a machete can penetrate. Eaters in places where bamboo is popular, such as Nepal and Indonesia, tend to harvest bamboo shoots when they're young and pliable, opting not to mess with the ossified old stalks.

But when a single plant smuggled home by a W.A.C. stationed in Panama blossomed into a bamboo grove in Wilkes

County, North Carolina, the women there set about finding a way to put bamboo on their dining room tables. For most cooks, the experimentation ended in exasperation.

"We tried the stir fry, and it didn't work too well," sighs Babe Walsh Faw, whose late mother Johnsie Walsh was given seven bamboo sprigs by her aunt in 1970. Still, the Walshes kept at it, adapting a bamboo pickle recipe Faw's great-aunt had developed.

"It was a pickle, but it wasn't the pickle we wanted," Faw recalls. "It had too much salt."

That pickle, perfected, is now available to the public under the label Bamboo Ladies, a small-scale venture that Faw's daughter Carla Squires began in 2006. Faw says the tangy bamboo rings have been a tremendous hit with most everyone who has sampled them.

The bamboo harvest begins in early May, when the family starts checking their bamboo for hints that it's time to start cutting. "Cutting bamboo is hot, and it's physically demanding," says Squires, who wades into her family's four-acre bamboo forest clad in boots and a plastic raincoat to protect her from ticks and snakes. Like her mother and grandmother before her, she cuts down the ripe bamboo shoots and drags them to the edge of the grove for slicing.

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*...you can't just hire someone and teach them how to slice.  
It took three or four years for me to learn.*



“I can hire college students or people who aren’t working to help me pack, but you can’t just hire someone and teach them how to slice,” Squires says. “It took three or four years for me to learn.”

It takes a practiced slicer like Squires about an hour to slice 10 bamboo stalks; at the harvest’s peak, she pulls more than 100 tender stalks each day. When customers pay \$7.50 for an eight-ounce jar of bamboo pickles, they’re buying, by extension, the long, sweat-drenched day Squires spent carving stalks into slices suited for an antipasto platter.

“I’m trying to figure out if there’s anything we can do to make it easier,” Squires says. “If I could figure out a way to speed up slicing, we could take it to the next level.”

Even before Squires shifted the pickling operation from her grandmother’s garage to a shared-use commercial food facility in Asheville, Faw says her family pickled and packed assembly-line style.

“We had it set up like a production thing,” she says. “The neighbors would come and just sit and talk. The year mother died, we pulled her wheelchair out in the garage, and she oversaw everything.”

Annual output under Walsh’s supervision hovered around 300 jars, nearly all of which showed up in housewarming baskets and Christmas stockings. “We have a large family,” Faw says. “There were probably 40 in the extended family, and there was just a few that didn’t like the pickles. I say try it with your black-eyed peas or pinto beans.”

Squires now produces 2000 jars a year. She sticks to her grandmother’s recipe, but she wonders what “Meemaw would think if she saw us running around with these pickle jars.”

Bamboo Ladies bamboo pickles are available at specialty retailers across North Carolina, and online at [www.bambooladies.com](http://www.bambooladies.com).

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*Hanna Raskin is the food editor of the Mountain Xpress in Asheville, North Carolina, and AOL Food’s southern food correspondent. She also curates edible adventures under the auspices of The American Table Culinary Tours. Photos courtesy Carla Squires.*

June 2010



## A Viable Culture

Local food that's good for the gut

by [Mackensy Lunsford](#) in Vol. 16 / Iss. 45 on 06/02/2010

**Related topics:** [Straight Dish](#)

Brian Moe is a verified fermented food fanatic. Moe, in fact, is so smitten with zymology that he started a company devoted entirely to fermented products: Viable Cultures. Moe, who became interested in the practice after he learned to make yogurt in college, was especially inspired by a simple yet complex-tasting sauerkraut that a friend shared with him. "She made this kraut with just red cabbage and salt, and it worked. It was just so good — the flavors were so exotic — I'd never had anything like it. It really blew me away, and I kind of quickly noticed that it did really help my digestion."

Now, Moe makes Kombucha and ferments local cabbage to make several varieties of kraut, which he sells at farmers markets, grocery stores and some local restaurants. This isn't your average kraut, says Moe. "It's all handmade, artisan-made. It's packed in glass jars, which is kind of uncommon in the industry, according to someone who knows a lot about fermentation." Moe says that many people choose to ferment sauerkraut in food-grade plastic, which he has an aversion to. "I'll soak beans in plastic, but I don't really want to put something that's going to be fermenting for three weeks in there," he says.

Moe also cooks organic soybeans, sourced from Old Fort, in giant vats at Blue Ridge Food Ventures, the food production facility on the Enka-Candler branch of A-B Tech. Once these beans are cooked, Moe cultures them with a beneficial organism to make his nutty-tasting, firm cakes of tempeh.

The tempeh organism, he says, actually transforms the soy beans, making them more digestible. He only cooks the soybeans for 30 minutes or so — a short time for any bean, let alone soy, which some people already have a difficult time digesting. "If you normally cooked soybeans for 30 minutes, and then you ate them, I think you'd probably be in bad shape," says Moe. "At least a little gassy."

Fermented foods in general aid the digestive system, says Moe. "They are enhanced with enzymes through the fermentation process," he says. "You get all these live, active enzymes and also healthful bacteria for the gut ... it's got lactobacillus and numerous other bacteria that are good for our digestive tract."



**The finished product:** Brian Moe roasts some of his tempeh to make sandwiches for market. Photos by Jonathan Welch



## Blue Ridge Food Ventures

AdvantageWest Economic Development Group

Combining cooked foods with live, raw kraut, for example, adds enzymes to the body that typically break down in the cooking process — somewhere in the vicinity of 112 degrees. "When you add in this highly enhanced, enzyme-rich food, that's going to help you digest other foods. Digestion takes a lot of energy, and when you don't use that energy for digestion, you have that energy for other things, like thinking and moving your body."

Viable Culture fermented foods are available every other Wednesday at the French Broad Co-op market, starting Wednesday, June 9. Brian also sells "The Sandwich," at the Co-op markets, which he describes as "kind of like a tempeh Rueben, using the Viable Cultures local organic tempeh, the German/Austrian-style mild, raw sauerkraut and Lusty Monk mustard on sprouted rye. It's really good."

Viable Cultures products are also available at the Greenlife Sunday Market and the North Asheville tailgate market on Saturdays. Visit [viablecultures.com](http://viablecultures.com) for more information.

Send your food news to [food@mountainx.com](mailto:food@mountainx.com)



**A hill of beans:** Brian Moe scoops hulls from a simmering vat of soybeans that will be made in tempeh.



**WNC Film Commission**  
Bi-Monthly Programmatic Reports – FY2009

**August 2009**

**REEL SCOUT PACKAGE ACTIVITY:**

<b><u>Project Name</u></b>	<b><u>Source</u></b>	<b><u>Type</u></b>	<b><u>Date</u></b>	<b><u>Locations</u></b>
Warner Brothers Picture	NC Film Office	Feature (studio)	6/16/09	13
Last Man (follow up from 5/13)	Phone call	Feature (independent)	6/22/09	1
L.L. Bean	Phone call	Still Photo Shoot	6/30/09	12
Serena	NC Film Office	Feature (independent)	7/1/09	58

**REEL SCOUT LOCATION ADDITIONS:**

<b><u>Location Name</u></b>	<b><u>City</u></b>	<b><u>Scouted For</u></b>	<b><u>Date</u></b>
Presas Cabin	Beech Mountain	N/A	6/19/009
Sugar Creek Road Cabin	Barnardsville	Last Man	6/22/09

**RESOURCE DIRECTORY ADDITIONS:**

<b><u>Category</u></b>	<b><u>Activation Complete</u></b>	<b><u>Date</u></b>
Grip & Lighting	Yes	6/9/09
Camera Operator (Video)	Yes	6/9/09
Location Manager/Scout	Yes	7/6/09
Location Manager/Scout	Yes	7/21/09
Director of Photography	Yes	7/21/09

**OTHER FILM RELATED ACTIVITY:**

- Continued efforts with the NC Film Office and film industry advocates to support the increase in film tax credits from 15 to 25%
- Attended 48 Hour Film Festival on 6/25 and Award Ceremony on 7/1/09
- Continued assistance with the Asheville International Children's Film Festival – screening scheduled at Asheville Arts Center on 8/10/09; premiere event 11/2 – 11/8 at various locations
- Work with Lamont Couch, writer for the *Last Man* independent film, and the owner of the Sugar Creek Road Cabin on filming at the location



- Assisted various LA Productions companies on tunnel locations in the WNC region for a possible Mercedes commercial
- Work with Michael Bigam (WNC location scout), Steven Gaydos (Executive Editor of *Variety*), and Monte Hellman (Director) on the *Road to Nowhere* independent film being shot in region – visited set in Maggie Valley on 7/21/09
- Assisting with multiple inquiries from the NC Film Office on WNC location possibilities and upcoming events for the film industry

## October 2009

### **REEL SCOUT PACKAGE ACTIVITY:**

<b><u>Project Name</u></b>	<b><u>Source</u></b>	<b><u>Type</u></b>	<b><u>Date</u></b>	<b><u>Locations</u></b>
The Mourning Portrait	NC Film Office	Feature (independent)	8/28/09	44
Untitled Studio Action Film	NC Film Office	Feature (studio)	9/1/09	17
The Lucky One	NC Film Office	Feature (studio)	9/22/09	26
Serena	NC Film Office	Feature (independent)	9/11/09	58
Visit NC Ad	Email	Still Photo Shoot	9/22/09	36
2 <sup>nd</sup> Wives Club	NC Film Office	Feature (studio)	9/24/09	8

### **REEL SCOUT LOCATION ADDITIONS:**

<b><u>Location Name</u></b>	<b><u>City</u></b>	<b><u>Scouted For</u></b>	<b><u>Date</u></b>
Claxton Farm	Weaverville	N/A	9/22/09

*\*\* 190 locations were converted from the NC State Reel Scout database to the WNC Reel Scout database. Locations have been reviewed, approved, and made open to the public for viewing. \*\**

### **RESOURCE DIRECTORY ADDITIONS:**

<b><u>Category</u></b>	<b><u>Activation Complete</u></b>	<b><u>Date</u></b>
Photographer (stills)	Yes	8/17/09

### **OTHER FILM RELATED ACTIVITY:**

- Participated in the NC Film Council teleconference to discuss next steps in marketing efforts for the new 25% film tax credit which will go into effect in January 2010



- Met with Travis Tatham and Patricia Phillips of the Biltmore Estate for an in-depth tour of the house and surrounding property and gained their continued support for any and all film activity at the Estate and in the region
- Prepared an overview of all major activity and events for the WNC Film Commission for FY 08/09 for a report to the auditors
- Received training on changes to the Reel Scout platform that enable each partnership to submit locations packages to the NC Film Office who can then submit one master location package featuring locations from all of NC to interested clients
- Assisting with all incoming inquiries and phone calls related to the film industry
- Assisting with multiple inquiries from the NC Film Office on WNC location possibilities and upcoming events for the film industry

## December 2009

### **REEL SCOUT PACKAGE ACTIVITY:**

<b><u>Project Name</u></b>	<b><u>Source</u></b>	<b><u>Type</u></b>	<b><u>Date</u></b>	<b><u>Locations</u></b>
Untitled Pacific Northwest Project	NC Film Office	Feature (independent)	9/29/09	50
Untitled Healthcare Company Brand Campaign	NC Film Office	Commercial	10/10/09	36
Untitled MTV Scripted TV Show	NC Film Office	TV Series	10/15/09	87
Ghost Town in the Sky	Email	Feature (independent)	10/19/09	1
Maserati Commercial	Phone	Commercial	10/23/09	10
Elations	NC Film Office	Commercial	10/28/09	14
The Good Doctor	NC Film Office	Feature (independent)	10/28/09	12
Untitled HBO Film	NC Film Office	Feature (independent)	11/5/09	15
Civil Warland	NC Film Office	Feature (independent)	11/24/09	35
Touchback	NC Film Office	Feature (independent)	11/24/09	51
Untitled Joe Rettkowski Short	NC Film Office	Short	11/24/09	28
Honda Commercial	Phone	Commercial	11/25/09	14

### **REEL SCOUT LOCATION ADDITIONS:**

<b><u>Location Name</u></b>	<b><u>City</u></b>	<b><u>Scouted For</u></b>	<b><u>Date</u></b>
Morris Cabin	Saluda	N/A	10/12/09
Rosebriar House	Bakersville	N/A	11/18/09

### **OTHER FILM RELATED ACTIVITY:**



- Provided much assistance to Blackhorse Studios and the NC Department of Commerce on their ad campaign for North Carolina and contact information for locations in Western North Carolina
- Working with regional location scout, Michael Bigham, on inclusion in the annual report featuring the success of *The Road to Nowhere* independent film and his role in bringing film to Western North Carolina
- Becoming familiar with the new 25% film tax incentive that will be in effect in January 2010
- Participating in a teleconference with the NC Film Office and Regional Film offices about the upcoming AFCI Locations Tradeshow in California in April 2010
- Assisting with all incoming inquiries and phone calls related to the film industry
- Assisting with multiple inquiries from the NC Film Office on WNC location possibilities and upcoming events for the film industry

## February 2010

### **REEL SCOUT PACKAGE ACTIVITY:**

<b><u>Project Name</u></b>	<b><u>Source</u></b>	<b><u>Type</u></b>	<b><u>Date</u></b>	<b><u>Locations</u></b>
Breakfast Club at Airport	NC Film Office	Feature (independent)	12/14/2009	1
Billy Graham Evangelical Assoc.	Phone	Music Video	12/17/2009	1
HBO Film	NC Film Office	Feature (studio)	1/7/2010	32
Untitled Small Town Feature	NC Film Office	Feature (studio)	1/8/2010	56
One Tree Hill – Scenic Overlooks	NC Film Office	TV Series	1/13/2010	12
Untitled Small Town Feature (follow up package)	NC Film Office	Feature (studio)	1/15/2010	36
Hatfields and McCoys	NC Film Office	TV Miniseries	1/19/2010	60
Little Red Wagon	NC Film Office	Feature (independent)	1/20/2010	32
30 Minutes or Less	NC Film Office	Feature (independent)	1/21/2010	26
The Loan Surfer	NC Film Office	Feature (independent)	1/22/2010	41
Untitled Western	AFCI	Feature (independent)	1/29/2010	1

### **REEL SCOUT LOCATION ADDITIONS:**

<b><u>Location Name</u></b>	<b><u>City, County</u></b>	<b><u>Scouted For</u></b>	<b><u>Date</u></b>
Blue Ridge Motion Pictures	Asheville, Buncombe	Billy Graham Music Video	12/17/2009
425 Misty Mountain Lane	Newland, Avery	Submitted via email	1/25/2010

### **CREW RESOURCE DIRECTORY ADDITIONS:**



<u>Name</u>	<u>City, County</u>	<u>Category</u>	<u>Date</u>
Sylvan Studio	Rutherfordton, Rutherford	Stages	1/11/2010

### **OTHER FILM RELATED ACTIVITY:**

- Compilation of film stats over the past 15 years for the annual report
- Follow-up with the producer that is planning to film an independent feature in WNC this year
- Working with an individual needing crew for a low budget feature film being planned in Ashe County for April 2010
- Providing assistance to a scout from *One Tree Hill*, a TV series based in Wilmington, that was in the region looking at Boone and Asheville for possible future episodes
- Assisting with all incoming inquiries and phone calls related to the film industry
- Assisting with multiple inquiries from the NC Film Office on WNC location possibilities and upcoming events for the film industry

### **April 2010**

### **REEL SCOUT PACKAGE ACTIVITY:**

<u>Project Name</u>	<u>Source</u>	<u>Type</u>	<u>Date</u>	<u>Locations</u>
Prison Pilot	NC Film Office	TV Pilot	2/5/10	19
Betwixt	NC Film Office	TV Pilot	2/9/10	43
Almette Yogurt	Phone	Commercial	2/15/10	10
Careful What You Wish For	NC Film Office	Feature (independent)	2/17/10	9
Untitled DreamWorks Horror Film	NC Film Office	Feature (studio)	2/19/10	15
Ralph Lauren	Phone	Photography (still)	3/1/10	20
Holler	NC Film Office	Feature (studio)	3/3/10	46
Untitled DreamWorks Horror Film – follow up package	NC Film Office	Feature (studio)	3/5/10	1
Forest Locations	Phone	Commercial	3/25/10	9
Buck Knob Island	Email	Feature (independent)	4/1/10	1

### **REEL SCOUT LOCATION ADDITIONS:**

<u>Location Name</u>	<u>City, County</u>	<u>Scouted For</u>	<u>Date</u>
Kinderhook Hollow	Swannanoa, Buncombe	Forwarded by NC Film Office	2/19/10



Harrah's Casino	Cherokee, Swain	Untitled DreamWorks Horror Film	3/5/10
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### **OTHER FILM RELATED ACTIVITY:**

- Compiled and submitted an Excel spreadsheet of all 2009 film stat activity to the NC Film Office for their economic impact of the film industry for the year
- Participated in a webinar featuring a new Film and Crew Resource Directory application for iPhones and Blackberries that will be launching in April
- Worked with an individual coordinating the Actionfest film festival planned for April at Carolina Asheville Cinemas by identifying possible sponsors
- Assisting the NC Film Office with WNC Film Commission logos for the Governor's Call Mission trip to California
- Continued work with the coordinator of the Asheville International Children's Film Festival on plans for 2010
- Assisting with all incoming inquiries and phone calls related to the film industry
- Assisting with multiple inquiries from the NC Film Office on WNC location possibilities and upcoming events for the film industry

## **June 2010**

### **REEL SCOUT PACKAGE ACTIVITY:**

<b><u>Project Name</u></b>	<b><u>Source</u></b>	<b><u>Type</u></b>	<b><u>Date</u></b>	<b><u>Locations</u></b>
The Arsenal	NC Film Office	Feature (independent)	4/6/10	42
Untitled MM Project	NC Film Office	Feature (studio)	4/7/10	6
Beer Commercial	NC Film Office	Commercial	4/9/10	13
The Arsenal (follow up package)	NC Film Office	Feature (independent)	4/9/10	3
Chevy Commercial	NC Film Office	Commercial	4/20/10	15
REI Commercial	Phone	Commercial	4/20/10	7
Toyota Commercial	NC Film Office	Commercial	4/27/10	37
Untitled Disney Project	NC Film Office	Feature (studio)	5/4/10	13
The Orvis Company	Email	Photography (still)	5/13/10	24
Alone Yet Not Alone	Phone	Feature (independent)	5/25/10	28

### **REEL SCOUT LOCATION ADDITIONS:**

<b><u>Location Name</u></b>	<b><u>City, County</u></b>	<b><u>Scouted For</u></b>	<b><u>Date</u></b>
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The Thoms Estate	Asheville, Buncombe	Untitled MM Project	4/9/10
Grove Park Cove	Asheville, Buncombe	Untitled MM Project	4/9/10
The Vistas of Westfield	Candler, Haywood	Untitled MM Project	4/9/10
The Venue	Asheville, Buncombe	Updated photos	5/21/10

### **RESOURCE DIRECTORY ADDITIONS:**

<b><u>Name</u></b>	<b><u>Category</u></b>	<b><u>Date</u></b>
Arledge Armenaki	Camera – Director of Photography	5/12/10
PSAV – Jay Kirk	Camera – Camera Operator (Video)	5/19/10
PSAV – Jay Kirk	Computer Rental & Service	5/19/10
PSAV – Jay Kirk	Grip & Lighting – Equipment Rental	5/19/10
PSAV – Jay Kirk	Video – Equipment Rental	5/19/10
PSAV – Jay Kirk	Rigging	5/19/10
Whitewater Recording – Adam Greenberg	Post Production – Sound	5/26/10

### **OTHER FILM RELATED ACTIVITY:**

- Began contacting all listings in the Film Resource Directory so that individuals/organizations can update all their contact information for accuracy (over 300 profiles in review)
- Updating Reel Scout location information (scouted by, project scouted for, date scouted) and location package project information status (completed, active, dead)
- Coordination of meetings with regional leaders to revamp the WNC Film Commission and efforts to bring film to WNC
- Participated in a conference call discussing House Bill 1957 to enhance the competitiveness of NC's film credit
- Working with the Association of Film Commissioners International (AFCI) on reinstating the WNC Film Commission's status to a full member
- Touching base with MK Harrison of the 48 Hour Film Festival to see how this year's festival is coming together and to explore sponsorship opportunities
- Meeting with two local filmmakers, Chusy Jardine and Angela Shelton to learn about their current and future projects
- Meeting with regional scout and animal wrangler, Dan Hydrick to learn about the film industry from his perspective and ways to move forward with revamping the WNC Film Commission
- Assisting with incoming inquiries and phone calls related to the film industry
- Assisting with multiple inquiries from the NC Film Office on WNC location possibilities and upcoming events for the film industry

<b>Western North Carolina Regional Economic Development Commission</b>		
<b>d/b/a Advantage West</b>		
<b>FUNDS - ADVANTAGEWEST - OTHER</b>		
<b>CASH BASIS Financials</b>		
<b>For the Fiscal Year July 1, 2009 thru June 30, 2010</b>		
<b><u>REVENUES:</u></b>		
US DOC Grant - MountainSouth USA Project	\$ 115,987	
Sponsorships - Site Consultant Event	16,000	
Land-of-Sky Green Asset Mapping Project	15,500	
BR Entrepreneurial Council (BREC) Registrations & Sponsorships	10,655	
BREC "Connect" Conference Registrations	16,690	
NCIC Revenues	5,609	
Sub-Lease Income	16,355	
Juicy Ideas Support Income	51,452	
US SBA Grant #1 - Certified Entrepreneurial Community Program	20,726	
US SBA Grant #2 - Certified Entrepreneurial Community Program	11,483	
NC Biotechnology Center Grant - Bent Creek Institute	44,000	
Investment Income	537	
<b>TOTAL REVENUES</b>		<b>\$ 324,994</b>
<b><u>EXPENDITURES:</u></b>		
Salaries	107,765	
Social Security & Other Benefits	25,492	
Dues and Registrations	6,200	
Communication Expenses	4,166	
Travel	2,079	
Contracted Services	16,727	
Office Supplies	4,101	
Repairs & Maintenance & Utilities	2,119	
Registrations and Professional Development	1,322	
Building Rents	36,869	
Insurance	1,463	
Industrial Site Consultant Event	16,000	
Juicy Ideas Competition	52,252	
BREC Forum Events	1,605	
BREC "Connect" Conference Event	23,715	
Labor Market Telephone Survey	17,804	
NCIC Expenses	5,609	
NC Biotechnology Center Expenses - Bent Creek Institute	4,650	
AW Support to Blue Ridge Food Ventures	9,184	
Other Administrative Expenses	1,973	
<b>TOTAL EXPENDITURES</b>		<b>341,095</b>
<b>EXCESS EXPENDITURES OVER REVENUES</b>		<b>\$ (16,101)</b>
<i>Excess Expenditures Over Revenues were Paid from 7/1/09 funds carried forward</i>		





## **Strategy Alignment**

The Western North Carolina Regional economic Development Commission (AdvantageWest Economic Development Group) works to align our regional marketing efforts with the state of North Carolina and the six other commissions or partnerships across the state in several ways.

- North Carolina Partnership for Economic Development (NCPED) – Leadership from the North Carolina Partnership for Economic Development brings cohesion and efficiency to the state’s regional economic development framework. All seven regional partnerships participate equally in NCPED with the North Carolina Department of Commerce serving as a collaborative partner. NCPED formed in 1997 as a private non-profit, facilitates information sharing, marketing strategy development and sharing of best practices from the regional partnerships and the North Carolina Department of Commerce. NCPED meets quarterly to formulate strategic objectives.
- The presidents of the seven regional partnerships joined by officials from the NC Department of Commerce meet on a monthly basis to share information and identify opportunities for tactical collaboration.
- The marketing managers from the seven regional partnerships and from the NC Department of Commerce meet at least quarterly under the auspices of the North Carolina Marketing Council to bring operational synthesis to North Carolina’s marketing activities and to develop collaborative marketing initiatives to leverage each of the entities’ marketing dollars.

# NORTH CAROLINA'S

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## REGIONAL ECONOMIC DEVELOPMENT PARTNERSHIPS



# FORGING STATEWIDE COMPETITIVENESS THROUGH REGIONAL COLLABORATION

In a modern business world without boundaries, there are few barriers to the flow of products and people, ideas and innovation. With economic competition now taking place in a global arena, civic lines drawn centuries ago are no longer the ideal basis for economic development strategies—or for the organizations that implement them. Counties and cities risk getting lost in the fine print of the rules of today's commerce.

North Carolina's success in recent years as a New Economy leader—with annual accolades from top publications such as *Site Selection*, *Forbes* and others—has come as a result of a unique economic development delivery system that complements state and local organizations with seven regional development partnerships.

Since 1994, all seven of the state's regional partnerships and commissions have received annual appropriations from the General Assembly—financial resources that are augmented by local and federal government funds, foundation grants, corporate contributions, in-kind technical expertise and leadership support.

As the 21st Century unfolds, the quest for sustainable jobs requires a diverse arsenal of tools and talent, and a team approach to meeting opportunities head-on. Positioning communities for prosperity in today's economy calls for aggressive strategies designed and implemented by regional entities that are in a strong position to leverage a constantly evolving array of public, private, philanthropic and academic resources.

Today, with 15 years of leadership in regional economic development innovation, North Carolina remains a model that other states follow.



I've found my interactions with North Carolina's regional partnerships to be of the highest caliber. They cut through red tape, zero in on the ideal sites and communities, and handle all interactions professionally and confidentially. I consider them a vital link between our company and its continued success.

*JIM CHESNUTT, President and CEO  
National Spinning Company, Washington, N.C.*

From a national perspective, North Carolina's legislatively mandated regional approach to economic development is very unique. As a result of the success of having a regional focus, other states have begun to take a closer look.

*JEFF FINKLE, President and CEO  
International Economic Development Council, Washington, D.C.*

# THE REGIONAL APPROACH: A VALUE PROPOSITION

## North Carolina's Regional Partnerships Believe:

- That North Carolina's ongoing accolades from publications such as *Forbes*, *Site Selection* and *Industry Week* are the result of a statewide economic development framework that is the nation's best;
- that effective regional economic development organizations working in tandem with a strong central lead agency, the N.C. Department of Commerce, form the basis for the state's enviable track record for business development and job creation success;
- that well-crafted regional solutions in economic development are increasingly vital to communities and states as they compete in the 21st Century global economy;
- that regional economic development organizations, working in coordination with state and local authorities and private allies (i.e., utilities, banks, etc.), offer the flexibility needed to effectively address regional branding, marketing and promotional needs;
- that consistent, meaningful funding from the North Carolina General Assembly, along with appropriate monitoring and oversight, has proven itself as the basis for a sound, uniform regional economic development policy benefiting the entire state;
- that public-private regional development partnerships are the ideal way to augment government support and guidance with private and philanthropic funding, leadership and technical expertise;
- that privately organized regional partnerships offer fleet, flexible and results-oriented management of economic development solutions at the regional level;
- that North Carolina's public and private universities and community colleges are key resources for regional job growth and business development strategies in the Knowledge Age;
- that economic progress should be measured not just by job creation headcounts, but through increased wage levels and community wealth formation (i.e. tax-base);
- that regionally-based marketing to, and recruitment of, out-of-state businesses remain the most effective means for introducing new investment and quality jobs into the state;
- that tourism promotion, film marketing, entrepreneurial development, retiree recruitment and other tools are promising avenues toward job growth and economic stability for many communities and regions.

The regional development partnerships were created during my third term as Governor, and I enthusiastically supported ongoing state funding of their activities. Together with our Department of Commerce and local developers, the partnerships play an essential role in continually reinventing the state's economy and ensuring that North Carolina is positioned to win the competition for 21st Century jobs.

HON. JAMES B. HUNT, JR., *Former Governor of North Carolina  
Partner, Womble Carlyle Sandridge & Rice, PLLC, Raleigh, N.C.*

By creating awareness of industrial opportunities, vigorously recruiting businesses that bring quality jobs, and attracting new investment dollars to the state, North Carolina's regional economic development strategies have contributed to economic growth, development and diversification statewide.

BRENDA DANIELS, *Manager of Economic Development  
ElectriCities of NC, Inc., Raleigh, N.C*



## ADVANTAGEWEST ECONOMIC DEVELOPMENT GROUP

**ADVANTAGEWEST ECONOMIC DEVELOPMENT GROUP** coordinates job creation in 23 western counties stretching from Virginia to Georgia. In addition to an aggressive advanced manufacturing program, AdvantageWest is actively engaged in the promotion of film and tourism in the region. It vigorously supports small business growth in the region through its Blue Ridge Entrepreneurial Council, Blue Ridge Food Ventures and first-in-the-nation Certified Entrepreneurial Community™ program.

**ADVANTAGEWEST ECONOMIC DEVELOPMENT GROUP**  
134 Wright Brothers Way  
Fletcher, NC 28732  
Tel: 828-687-7234  
[www.advantagewest.com](http://www.advantagewest.com)

**CHARLOTTE REGIONAL PARTNERSHIP (CRP)**, founded in 1991, markets twelve North Carolina counties comprising and surrounding the state's largest metropolitan area. In 2007, the organization received an Honorable Mention in *Site Selection* magazine's annual listing of Top U.S. Economic Development Agencies. Its accolades that year also included recognition from CoreNet, the worldwide association of corporate real estate professionals, which named the CRP's Regional Film Commission a finalist for its Strategies and Innovations Award.

**CHARLOTTE REGIONAL PARTNERSHIP**  
1001 Morehead Square Drive, Suite 200  
Charlotte, NC 28203  
Tel: 800-554-4373  
[www.charlotteusa.com](http://www.charlotteusa.com)

## OUR REGIONAL PARTNERSHIPS: STATEWIDE CONSISTENCY WITH REGIONAL

**PIEDMONT TRIAD PARTNERSHIP** unites a dynamic 12-county region surrounding Greensboro, Winston-Salem and High Point. In 2006, the organization became one of 13 U.S. Department of Labor Workforce Innovation in Regional Economic Development (WIRED) grantees – a four-year, \$15 million initiative that is developing an integrated regional economic and workforce development strategy for the Piedmont Triad. In 2007, *Site Selection* named the Piedmont Triad Partnership one of the Top 10 North American Economic Development Organizations for the second consecutive year.

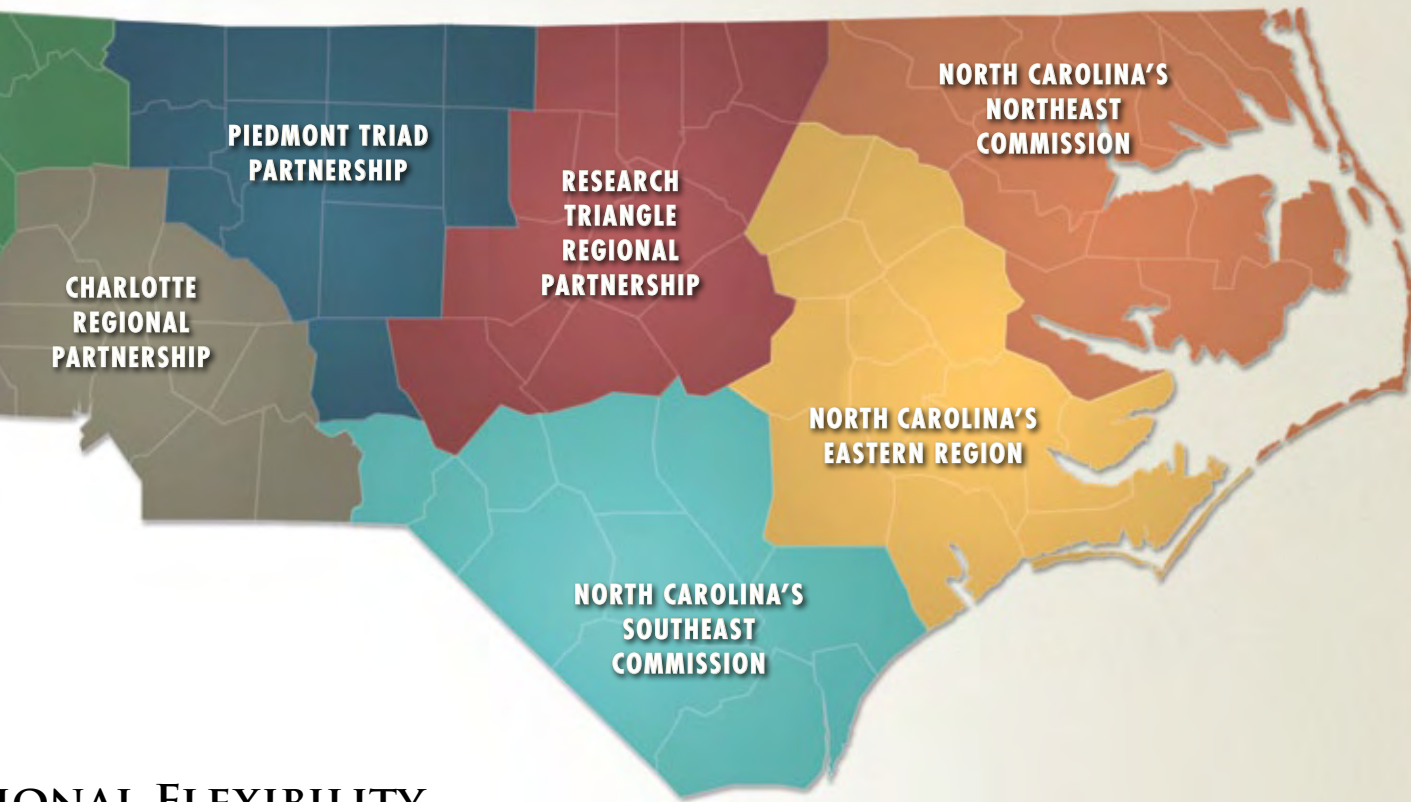
**PIEDMONT TRIAD PARTNERSHIP**  
7025 Albert Pick Rd., Suite 303  
Greensboro, NC 27409  
Tel: 336-668-4556  
[www.piedmonttriadnc.com](http://www.piedmonttriadnc.com)

**NORTH CAROLINA'S SOUTHEAST COMMISSION** is the lead regional marketing organization for 11 counties stretching from the Cape Fear Coast to the Sandhills. Its aggressive promotional efforts include active participation at industry trade shows, direct outreach to industrial real estate professionals and site selection consultants, and an information-rich Internet presence. The Southeast Commission facilitates the success of local economic development programs through the application of private and philanthropic funds raised by its two private non-profit adjunct organizations.

**NORTH CAROLINA'S SOUTHEAST COMMISSION**  
P.O. Box 2556  
Elizabethtown, NC 28337  
Tel: 910-862-8511  
[www.ncse.org](http://www.ncse.org)

If the Brothers Grimm had been micro-economists, they would have written the story of Goldilocks and the three site selectors, and explained how, for economic development strategies, states are too big, cities are too small, and regions are just right.

RANDALL KEMPNER, Vice President for Regional Innovation  
Council on Competitiveness, Washington, D.C.



## REGIONAL FLEXIBILITY

**RESEARCH TRIANGLE REGIONAL PARTNERSHIP (RTRP)**, which manages economic development for the 13-county Research Triangle Region, is completing a five-year, \$5 million regional competitiveness strategy, "Staying on Top: Winning the Job Wars of the Future" implemented in collaboration with more than 90 partner institutions. Among its distinctions, RTRP received the U.S. Department of Commerce's National Award for Excellence in Economic Development Regional Competitiveness Strategic Planning.

**RESEARCH TRIANGLE REGIONAL PARTNERSHIP**  
 P.O. Box 80756  
 RDU International Airport, NC 27623  
 Tel: 919-840-7372  
[www.researchtriangle.org](http://www.researchtriangle.org)

**NORTH CAROLINA'S EASTERN REGION**, unique among the seven regions, was established as a municipal corporation. Its diverse 13 counties span the central coastal plains from the Atlantic Ocean to the outer suburbs of Raleigh. The Eastern Region facilitates job and wealth creation via support for new infrastructure and industry-ready real estate, workforce improvement, industrial recruitment, regional tourism promotion and more. Its engaging marketing materials have won numerous honors from the Southern Economic Development Council.

**NORTH CAROLINA'S EASTERN REGION**  
 3802 Highway 58 North  
 Kinston, NC 28504  
 Tel: 252-522-2400  
[www.nceast.org](http://www.nceast.org)

**NORTH CAROLINA'S NORTHEAST COMMISSION** directs regional development for 16 counties stretching from the Outer Banks to Lake Gaston. The organization promotes heritage, environmental and family tourism, as well as the global recruitment of advanced manufacturers and modern agro-industries. It maintains a sharp focus on improving basic infrastructure and workforce resources across its quiet, remote region. *Site Selection* magazine named the Northeast Commission to its 1999 list of the nation's Top 10 Economic Development Organizations.

**NORTH CAROLINA'S NORTHEAST COMMISSION**  
 119 West Water Street  
 Edenton, NC 27932  
 Tel: 888-872-8562  
[www.ncnortheast.com](http://www.ncnortheast.com)

I have long been a major supporter of regional economic development, especially for business recruitment. In my view, there is no other option for ensuring success in generating jobs.

DENNIS J. DONOVAN, Principal  
 WDG Consulting, LLC, Bridgewater, N.J.

As with many aspects of economic development, North Carolina was a leader in recognizing that a regional approach increases the competitiveness of the entire state. Regional economic development aligns with the client's perspective: site selectors focus primarily on regions and typically do not consider political boundaries when evaluating locations.

JEANNETTE GOLDSMITH, Principal  
 McCallum Sweeney Consulting, Greenville, S.C.



[www.ncped.com](http://www.ncped.com)

**Working Together:** Leadership from the North Carolina Partnership for Economic Development (NCPED) brings cohesion and efficiency to the state's regional economic development framework. All seven regional partnerships participate equally in NCPED, with the N.C. Department of Commerce (DOC) serving as a collaborative partner. NCPED, a private, non-profit organization founded in 1997, facilitates information sharing among partnerships and DOC, the sharing of regional development "best practices," and the encouragement of private sector leadership in North Carolina's economic development programs.

NCPED's board of directors, comprised of the chairmen of each regional partnership, meets quarterly to formulate strategic objectives. Regional partnership presidents join DOC officials in monthly meetings to share information and identify opportunities for tactical collaboration. In addition, marketing managers from the seven partnerships and DOC meet quarterly under the auspices of the North Carolina Marketing Council to bring operational synthesis to North Carolina's economic development marketing activities. For more information, visit [www.ncped.com](http://www.ncped.com).



*No state funds were expended in the production of this document.*

Regional partnerships provide clients and consultants with what they need in the early stage of the site selection process, primarily transparency, as well as the factors they desire in the later stages of the process: multiple resources, options, consistency—and results.

*CLARK SUTTON GILLESPIE, Director of Economic Development  
Duke Energy Carolinas, Charlotte, N.C.*

Complementing the work of the N.C. Department of Commerce, the partnerships provide globally oriented research, industry outreach and other programs tailored to fit the specific needs of each region. Our economic development team highly values the collaboration, leadership, expertise and professionalism that the partnerships contribute.

*KATHERINE THOMAS, Director of Economic Development  
Progress Energy, Raleigh, N.C.*



**ADVANTAGEWEST**  
Economic Development Group

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NORTH CAROLINA'S MOUNTAINS

**2010 Advanced Manufacturing  
Activity Report**

# Business Development/ Marketing Outreach

- In 2010, AdvantageWest conducted site location consultant business development trips to Chicago, IL, Atlanta, GA, Los Angeles, CA, Charlotte, NC, Greenville, SC, and Houston, TX. In total, face to face meetings were conducted with 65 national site location consultants to introduce the AW region and promote regional assets. These calls have resulted in eleven project leads, as well as numerous requests for additional information.
- The Western North Carolina Site Consultant event was held April 29<sup>th</sup>-May 2<sup>nd</sup>, 2010. Eight national site location consultants participated in the event. Events included a regional overview from AdvantageWest, a formal business program with updates from the North Carolina Department of Commerce, North Carolina Community College System, two existing industry testimonials from companies in Ashe and Buncombe counties, a peer to peer panel with a site consultant who located a project in the region, and the Western Carolina University rapid product realization center. Participating consultants also sat on a panel moderated by AW Board Member Larry Kernea and discussed relevant issues pertaining to site selection and WNC. Consultants also participated in a variety of activities during the event, and finished with a dinner/reception with members of the AW Board and EDAC. The event has resulted in six project inquiries from participating consultants, including one project visit.
- AdvantageWest led the annual EDAC Raleigh trip June 6<sup>th</sup>-8<sup>th</sup>, 2010, 20 EDAC members participated from the region. Presentations/updates included: legislative updates from Parker Poe, economic development RFP responses, update from NC Commerce, E-NC Authority update, Technology Commercialization Center, NC Rural Center, Appalachian Regional Commission, and the Golden Leaf Foundation. EDAC also hosted 9 NC Dept. of Commerce Raleigh B&I developers for lunch, had 12 legislators from the region attend the legislative breakfast, and had an individual address from Lt. Governor Walter Dalton.

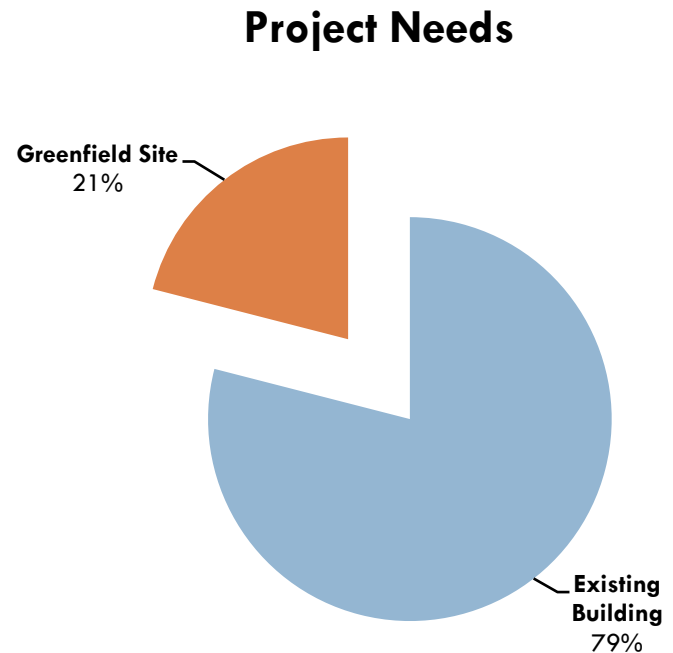
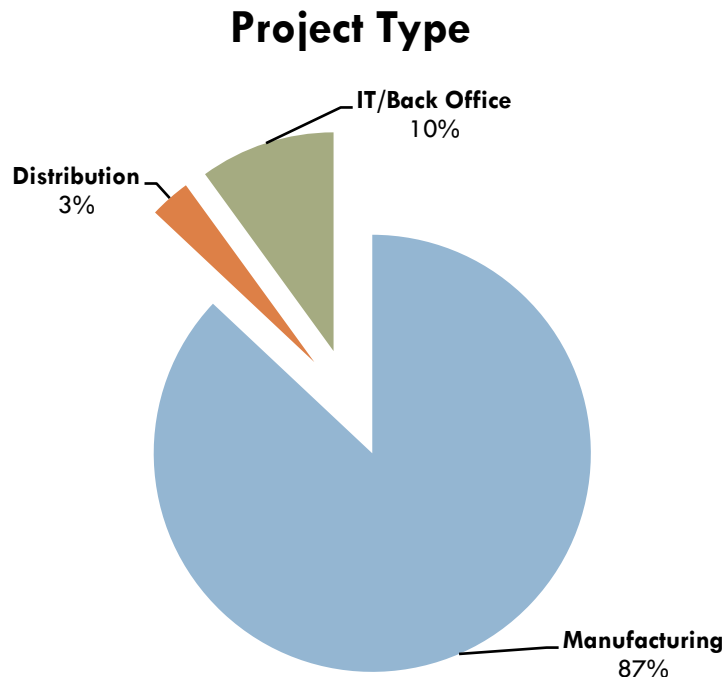
# Business Development/ Marketing Outreach pg2

- In July, AdvantageWest began distributing a monthly “WNC Featured Property” e-blast newsletter to approximately 3,300 site location professionals. Each issue features one available industrial building and site from the region, which will rotate until each county in the region has had a building and/or site featured. The e-blast is averaging 700 “opens” (21%) per distribution, and readership has increased each month.
- In October, AdvantageWest sponsored and participated in the Outdoor Industry Executive Rendezvous, held in Asheville. This event was attended by approximately 300 C-level executives from the outdoor industry, and offered significant networking and in-depth knowledge of the outdoor recreations products industry. AdvantageWest is continuing to follow-up with manufacturers from the conference to promote WNC as a desirable location for manufacturing projects.
- In November, AdvantageWest conducted a business development trip to Germany. Meetings were held with companies with a presence in the AW region (Elkamet and Reich); representatives from the local community college, and university; the regional Chamber of Commerce; the US Department of Commerce Trade Office and two companies that have expressed an interest in expanding or establishing a presence in the US. A key component of this trip was the establishment of an educational collaborative partnership between Western Carolina University and the Studium Plus program at Giessen Friedburg University. The partnership will initially encompass student and faculty exchanges, and will begin in the spring semester of ‘11.
- AdvantageWest also participated in several leveraged marketing events in 2010. They included the Friends of North Carolina Atlanta event (attended by 48 site location consultants), the Friends of North Carolina New York Consultant (attended by 31 consultants), as well as the Area Development Consultants Forum (attended by 10 site location consultants). Four project inquiries have resulted from these events.

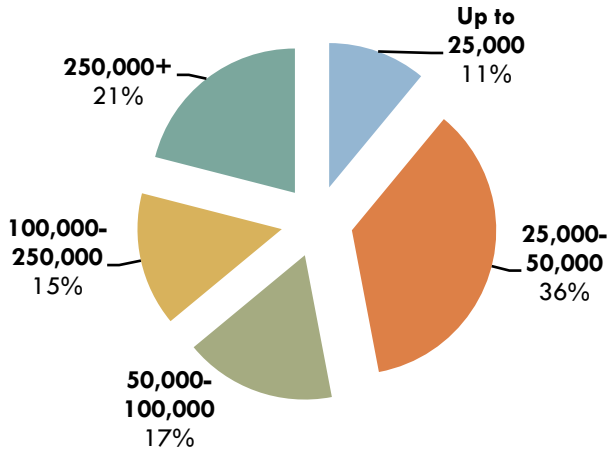
# Prospect Activity

Over the course of 2010, AdvantageWest responded to 61 inquiries/projects. 20 projects visited the region to tour available buildings/sites for the first time.

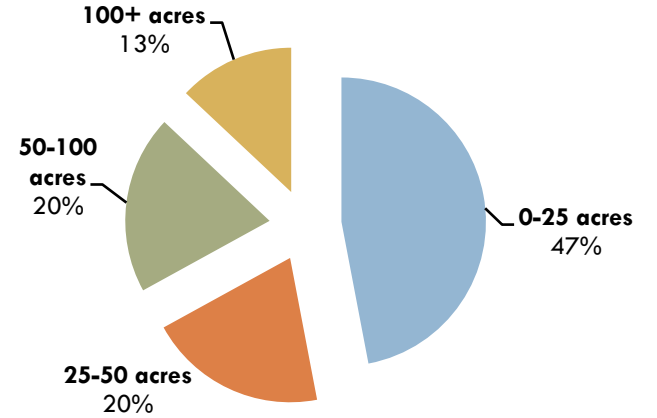
*The graphs below and on the following page provides additional information on prospect activity*



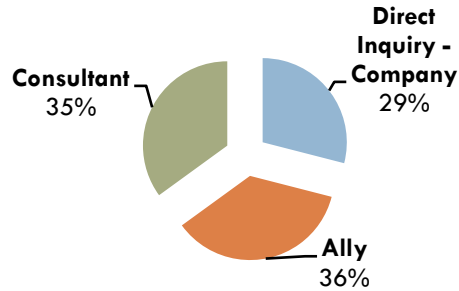
## Existing Building Size Requirements



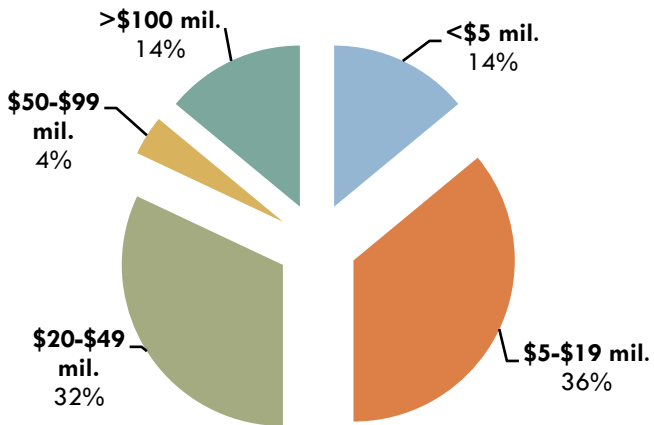
## Greenfield Site Size Requirements



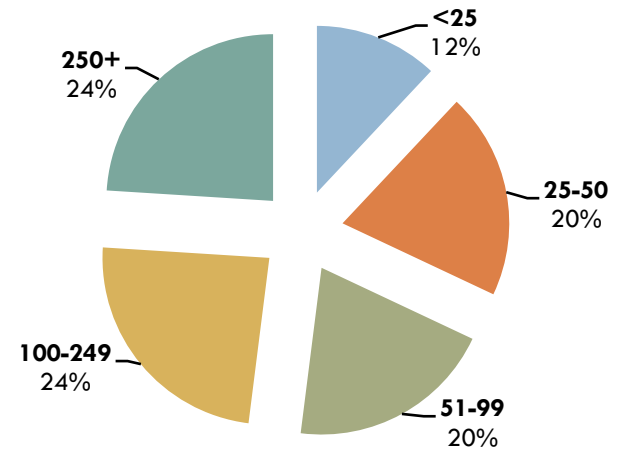
## Inquiry Source



## Defined Capital Investment Parameters



## Defined Job Creation Parameters



# AW Counties: Opportunities to Respond to Project Inquiries

*Of the 61 total leads, the chart to the right reflects the cumulative number of opportunities for each county to respond to project inquiries in 2010 based on clients project parameters*

Alleghany County	19
Ashe County	18
Avery County	17
Buncombe County	34
Burke County	28
Cherokee County	20
Clay County	20
Caldwell County	20
Graham County	20
Haywood County	21
Henderson County	31
Jackson County	19
Macon County	20
Madison County	20
McDowell County	28
Mitchell County	20
Polk County	19
Rutherford County	27
Swain County	20
Transylvania County	21
Watauga County	17
Wilkes County	20
Yancey County	19



**Blue Ridge Entrepreneurial Council &  
Certified Entrepreneurial Community Program**  
Client Activity Report – FY2009

	<u>BREC Clients</u> <u>Served</u>	<u>CEC Communities</u> <u>Certified</u>
2009 Q3	15	1
2009 Q4	12	2
2010 Q1	18	0
2010 Q2	17	1
<b>Total FY2009</b>	<b>62</b>	<b>4</b>

**Blue Ridge Food Ventures**  
Client Activity Report – FY2009

	<u>New Facility Clients</u>
2009 Q3	7
2009 Q4	9
2010 Q1	10
2010 Q2	8
<b>Total FY2009</b>	<b>34</b>



**WNC Film Commission**  
Project Activity Report – FY2009

**PROJECT ACTIVITY:**

<b><u>Project Name</u></b>	<b><u>Source</u></b>	<b><u>Type</u></b>	<b><u>Date</u></b>	<b><u>Locations</u></b>
Warner Brothers Picture	NC Film Office	Feature (studio)	6/16/09	13
Last Man (follow up from 5/13)	Phone call	Feature (independent)	6/22/09	1
L.L. Bean	Phone call	Still Photo Shoot	6/30/09	12
Serena	NC Film Office	Feature (independent)	7/1/09	58
The Mourning Portrait	NC Film Office	Feature (independent)	8/28/09	44
Untitled Studio Action Film	NC Film Office	Feature (studio)	9/1/09	17
The Lucky One	NC Film Office	Feature (studio)	9/22/09	26
Serena	NC Film Office	Feature (independent)	9/11/09	58
Visit NC Ad	Email	Still Photo Shoot	9/22/09	36
2 <sup>nd</sup> Wives Club	NC Film Office	Feature (studio)	9/24/09	8
Untitled Pacific Northwest Project	NC Film Office	Feature (independent)	9/29/09	50
Untitled Healthcare Company Brand Campaign	NC Film Office	Commercial	10/10/09	36
Untitled MTV Scripted TV Show	NC Film Office	TV Series	10/15/09	87
Ghost Town in the Sky	Email	Feature (independent)	10/19/09	1
Maserati Commercial	Phone	Commercial	10/23/09	10
Elations	NC Film Office	Commercial	10/28/09	14
The Good Doctor	NC Film Office	Feature (independent)	10/28/09	12
Untitled HBO Film	NC Film Office	Feature (independent)	11/5/09	15
Civil Warland	NC Film Office	Feature (independent)	11/24/09	35
Touchback	NC Film Office	Feature (independent)	11/24/09	51
Untitled Joe Rettkowski Short	NC Film Office	Short	11/24/09	28
Honda Commercial	Phone	Commercial	11/25/09	14
Breakfast Club at Airport	NC Film Office	Feature (independent)	12/14/2009	1
Billy Graham Evangelical Assoc.	Phone	Music Video	12/17/2009	1
HBO Film	NC Film Office	Feature (studio)	1/7/2010	32
Untitled Small Town Feature	NC Film Office	Feature (studio)	1/8/2010	56
One Tree Hill – Scenic Overlooks	NC Film Office	TV Series	1/13/2010	12
Untitled Small Town Feature (follow up package)	NC Film Office	Feature (studio)	1/15/2010	36
Hatfields and McCoys	NC Film Office	TV Miniseries	1/19/2010	60
Little Red Wagon	NC Film Office	Feature (independent)	1/20/2010	32
30 Minutes or Less	NC Film Office	Feature (independent)	1/21/2010	26
The Loan Surfer	NC Film Office	Feature (independent)	1/22/2010	41
Untitled Western	AFCI	Feature (independent)	1/29/2010	1
Prison Pilot	NC Film Office	TV Pilot	2/5/10	19
Betwixt	NC Film Office	TV Pilot	2/9/10	43



Almette Yogurt	Phone	Commercial	2/15/10	10
Careful What You Wish For	NC Film Office	Feature (independent)	2/17/10	9
Untitled DreamWorks Horror Film	NC Film Office	Feature (studio)	2/19/10	15
Ralph Lauren	Phone	Photography (still)	3/1/10	20
Holler	NC Film Office	Feature (studio)	3/3/10	46
Untitled DreamWorks Horror Film – follow up package	NC Film Office	Feature (studio)	3/5/10	1
Forest Locations	Phone	Commercial	3/25/10	9
Buck Knob Island	Email	Feature (independent)	4/1/10	1
The Arsenal	NC Film Office	Feature (independent)	4/6/10	42
Untitled MM Project	NC Film Office	Feature (studio)	4/7/10	6
Beer Commercial	NC Film Office	Commercial	4/9/10	13
The Arsenal (follow up package)	NC Film Office	Feature (independent)	4/9/10	3
Chevy Commercial	NC Film Office	Commercial	4/20/10	15
REI Commercial	Phone	Commercial	4/20/10	7
Toyota Commercial	NC Film Office	Commercial	4/27/10	37
Untitled Disney Project	NC Film Office	Feature (studio)	5/4/10	13
The Orvis Company	Email	Photography (still)	5/13/10	24
Alone Yet Not Alone	Phone	Feature (independent)	5/25/10	28

**Total FY2009 Projects:            52**

**Western North Carolina Regional Economic Development Non-Profit  
Corporation**



**Financial Statements  
For the Year Ended June 30, 2010**

# Western North Carolina Regional Economic Development Non-Profit Corporation

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BURLESON & EARLEY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

To the Commission Members  
Western North Carolina Regional Economic Development Non-Profit Corporation  
Fletcher, North Carolina

We have audited the accompanying financial statements of the governmental activities and the major fund of the Western North Carolina Regional Economic Development Non-Profit Corporation (the Corporation), as of and for the year then ended June 30, 2010, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Corporation, the aggregate remaining fund information of the Corporation as of June 30, 2010, and the changes in financial position, and the budgetary comparison of the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 22, 2010 on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Corporation. The budgetary schedule and schedule of expenditures of Federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying budgetary schedule and schedule of expenditures of Federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Burleson & Earley, P.A.*  
Certified Public Accountants  
September 22, 2010



134 Wright Brothers Way, Fletcher, NC 28732, Phone (828) 687-7234, Fax (828) 687-7552

## Management's Discussion and Analysis

As management of the Western North Carolina Regional Economic Development Non-Profit Corporation (the Corporation), we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended June 30, 2010. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Corporation's financial statements, which follow this narrative.

### Financial Highlights

- The assets of the Western North Carolina Regional Economic Development Non-Profit Corporation *exceeded* its liabilities at the close of the fiscal year by \$2,536,733.
- The Corporation's total net assets *increased* by \$316,418, due to *increases* in the *governmental* activities net assets.
- As of the close of the current fiscal year, the Corporation's reported ending general fund balance of \$1,668,336 represents an *increase* of \$286,862 in comparison with the prior year. Eighty-eight percent of this total amount, or \$1,470,769, is available for spending at the government's discretion (**unreserved fund balance**).
- The Corporation was awarded four new grants from federal, state and private foundations during the fiscal year totaling \$339,764.

The WNC Regional Economic Development Non-Profit Corporation completed another successful year in FY 2009/2010 under the guidance and leadership of the nineteen directors serving on our board. The Corporation also received important direction from our Board Champions for AdvantageGreen, Blue Ridge Food Ventures, Blue Ridge Advanced Manufacturing Initiative, and the Blue Ridge Entrepreneurial Council. A number of advisory committees in the region, including the Economic Developers Advisory Council, the Local Economic Developers Advisory Council, Blue Ridge Entrepreneurial Council, the Certified Entrepreneurial Community Certification Review Committee and the Advantage Opportunity Fund Investment Committee provided input and advice regarding the development of our job creation initiatives. Together, we focused on the corporation's mission statement which says we "shall promote and advocate the creation of improved economic opportunity in our region, while encouraging stewardship of the culture, heritage and natural resources of Western North Carolina."

During the fiscal year the WNC Regional Economic Development Non-Profit Corporation maintained Uniform Accountability Standards that were approved by the Secretary of the NC Department of Commerce in 2008. The Standards set a common accountability matrix among the seven regional partnerships within NC that include: Personnel Standards; Integrity and Ethics; Contracts, Purchasing and Procurement for use of State Funds; and Accounting Standards. During the 2008-2009 Fiscal Year, the Partnerships and the NC Department of Commerce approved “Uniform Performance Standards” that will measure marketing activities, regional visioning and economic indicators.

Continued collaboration with Appalachian State University’s Walker College of Business resulted in the publishing and distribution of the first-ever economic index for the region. This index is co-sponsored by our corporation and is distributed by Appalachian State University to media outlets across the state on a monthly basis. Independent measures of our regional economy included the “Working Capital Index” using ESC data which is presented monthly by the *Business North Carolina* magazine and the “E-Focus” study of regional economies by the East Carolina University Bureau of Business Research in the College of Business. For updated details on these regional metrics visit [www.advantagewest.com](http://www.advantagewest.com) and access “Research & Reports” on the main page.

During the 2009/2010 fiscal year, the Corporation’s Board of Directors committed to focus on four core job creation initiatives: Advanced Manufacturing, Entrepreneurial Development, Agribusiness and the Green Economy and to maintain the WNC Film Commission.

Under the AdvantageWest Economic Development Group marketing name we expanded what is regarded as the most diversified regional EDC program in the country. Accomplishments included:

- **Blue Ridge Advanced Manufacturing Initiative** – In December of 2009, Kyle Edney joined the AW team as Executive Vice President. During the 2009/2010 fiscal year (numbers from December '09 thru June '10), AdvantageWest responded to 28 project inquiries. These projects were from three primary industry clusters: Manufacturing (82%), IT/Back Office (14%), and Distribution (4%). Marketing outreach efforts included individual meetings with 41 national site consultants and corporate real estate executives. The call missions were conducted in Miami, Chicago, Atlanta and Los Angeles. AdvantageWest also hosted eight national site consultants in western North Carolina on a three day FAM tour of the region. Participation from local economic development officials with both the call missions and FAM tour was very strong. AdvantageWest also completed and began distributing a monthly electronic newsletter of a “featured” industrial building and site from within the region. The distribution scope of the newsletter is approximately 3,500 site location professionals, and featured properties will rotate monthly to be inclusive of all 23 counties within 1 year. AdvantageWest also led the annual EDAC (Economic Developers Advisory Council) trip to Raleigh, with participation including 20 members of EDAC. Meetings and presentations were coordinated by AdvantageWest on relevant economic development topics for WNC, as well as the hosting of a legislative breakfast attended by 12 WNC legislators. Also during FY 2009/2010, one additional labor market study was completed which totals eight of the thirteen labor sheds in the AdvantageWest region being surveyed.

- **WNC Film Commission** – Participated in the South-by-Southwest conference in Texas; participated in Governor Perdue’s call mission to California to promote the new 25% NC film tax incentives; worked on 47 film-related projects through the Reel Scout database and added 14 new locations; was a sponsor for the 48 Hour Film Festival; began mass update of the Film Resource Directory; completed the AFCI Film Commission Fundamentals online course; began efforts to revitalize the WNC Film Commission with support from individuals and organizations in the region; and continued support for 25% tax incentive revisions to continue to make NC more competitive in the film industry.
- **Blue Ridge Food Ventures, LLC** - was the featured pavilion at the Second Annual WNC Wine & Food Festival attended by over 2,000 visitors; hosted tours and presentations for numerous visitors from across the region, state, USA, and other countries who view Food Ventures as a best practice and model organization for food entrepreneurs and farmers. In over five years of operation, the facility at BRFV has been the launching point for over 160 small food businesses, supporting at least 54 full-time, and 80 part-time jobs; with the total value of goods and services produced reported to be over \$3.8 million. In addition, business counseling services were provided to hundreds of additional potential entrepreneurs. BRFV used grant funds from the Golden LEAF Foundation, Tobacco Trust Fund, and the North Carolina BioTechnology Center for the following initiatives: farm outreach, a winter community supported agriculture (CSA) program and upgrading facility space for natural products manufacturing in order to receive the “Good Manufacturing Practices” designation from the FDA.
- **Blue Ridge Entrepreneurial Council** – The Blue Ridge Entrepreneurial Council continued to experience success this year and had an increased demand for counseling services, networking opportunities and requests for capital from entrepreneurs ranging from green businesses, technology, creative industries and light manufacturing. BREC provided services to over 60 entrepreneurs over the course of FY 2009/10. Four additional Advantage Opportunity Fund (AOF) loans were closed and a new partnership was secured with Mountain Bizworks for servicing the AOF loans. Mountain Bizworks has a 25-year history in the WNC region for micro-lending and brings exceptional value and experience to the AOF loan program. Work also continued with the local angel investor group, Inception Micro-Angel Fund (IMAF) to provide deal-flow for potential investor opportunities. The Carolina Connect conference continued to grow and expanded its program offerings with a track targeted specifically for green businesses. In addition, Carolina Connect drew a Silicon Valley early-stage venture capitalist to western North Carolina for additional exposure to entrepreneurs in the region. This year’s conference drew a record audience of private investors and received more media attention than ever before.
- **Certified Entrepreneurial Community Program (CEC)** – Work continued with participating leadership teams from across the region in CEC communities. The Eastern Band of Cherokee Indians became the first tribe in the nation to obtain certification as a CEC followed by Mitchell, Burke and Polk counties, bringing our total to seven CEC communities across the region. The Juicy Ideas collegiate competition expanded with additional support from both the US Small Business Administration and Google to include over 300 schools in 19 states. The challenge for this year’s competition was for students to create a software application using public data. A team of diverse students from A-B Technical Community College won the regional competition with their website. Asheville-Outdoors.com and Stanford University secured the top spot with an Android application using public data for entertainment purposes.

- **AdvantageGreen Initiative** – In December of 2009 Matt Raker joined the AdvantageWest team as Sr. Director of AdvantageGreen and Grants Administration. Since joining, an inventory of the numerous green economy initiatives was conducted across the region. Additionally economic development, workforce development, business, local government and other leaders were interviewed about their green needs and opportunities. These efforts led to the development of a programmatic plan to integrate these initiatives and assets into a regional platform for green economy development. In early 2010 a regional collaborative, including the AdvantageGreen program and co-led by the Land-of-Sky Regional Council and AdvantageWest, received grant funding from the US EDA, the NC Rural Center, and the Appalachian Regional Commission to support the “Building the Clean Energy Economy” Project in WNC. The AdvantageGreen program also began development of a regional green economy awareness platform and has launched an online network for regional green businesses at [www.advantagegreennetwork.org](http://www.advantagegreennetwork.org), and a blog at [www.advantagegreen.org](http://www.advantagegreen.org). The AdvantageGreen initiative helped create green business networking opportunities, including a green-focused track at Carolina Connect and the MountainGreen Conference.

The corporation closed FY 2009/2010 by continuing to focus on sustaining the future, recognizing the reduction in funding from public and private sources due to the worsening economic climate. The Board and staff thus focused programmatic and financial resources to assure the organization’s time, talent and resources would provide the greatest impact across the region with our job creation initiatives.

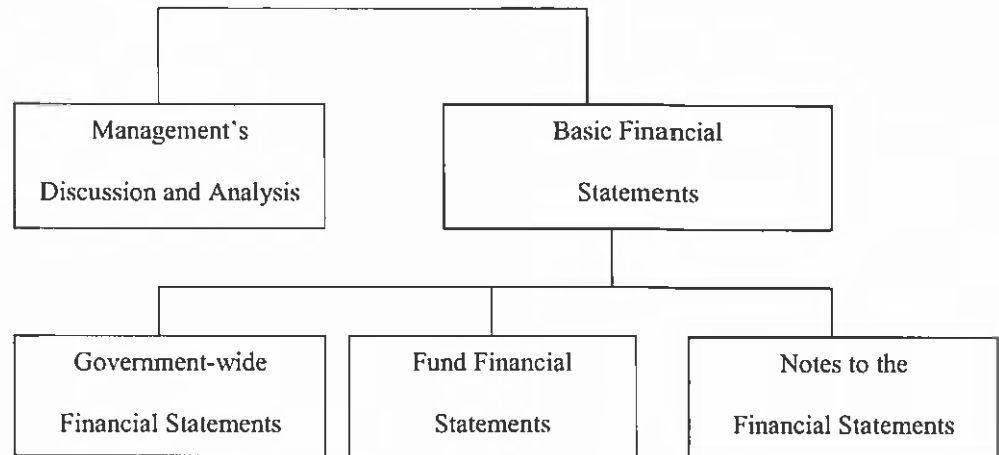
The CEO and Board of Directors continued reorganization plans for expanding capacity consistent with the organization’s job creation programs. Examples included hiring an Executive Vice President and a Sr. Director of AdvantageGreen and Grants Administration.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Corporation’s basic financial statements. The Corporation’s basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Corporation through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader’s understanding of the financial condition of the Corporation.

## Required Components of Annual Financial Report

Figure 1



Summary  $\longrightarrow$  Detail

### Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Corporation's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Corporation government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements and 2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Corporation's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Corporation financial status as a whole.

The two government-wide statements report the Corporation's net assets and how they have changed. Net assets are the difference between the Corporation's total assets and total liabilities. Measuring net assets is one way to gauge the Corporation's financial condition. The government-wide financial statements are on Exhibits 1 and 2 of this report.

### Fund Financial Statements

The fund financial statements provide a more detailed look at the Corporation's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that

have been segregated for specific activities or objectives. The Corporation uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements. The Corporation has one governmental fund.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Corporation adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 18 - 27 of this report.

**Government-Wide Financial Analysis**

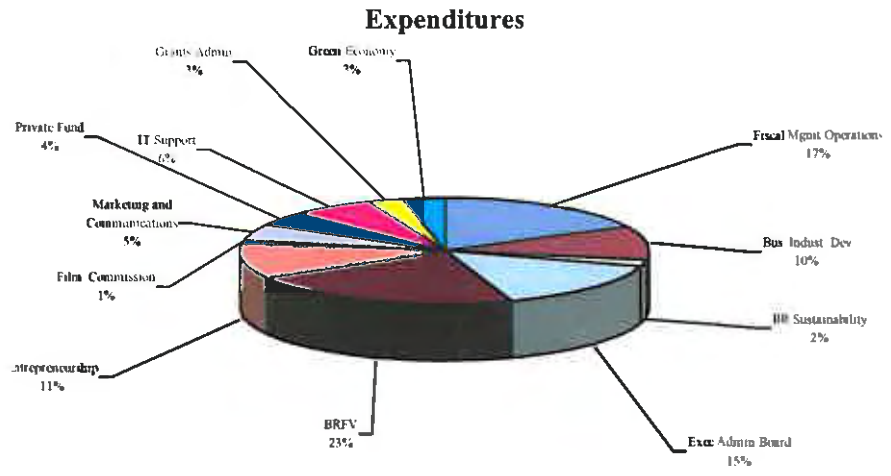
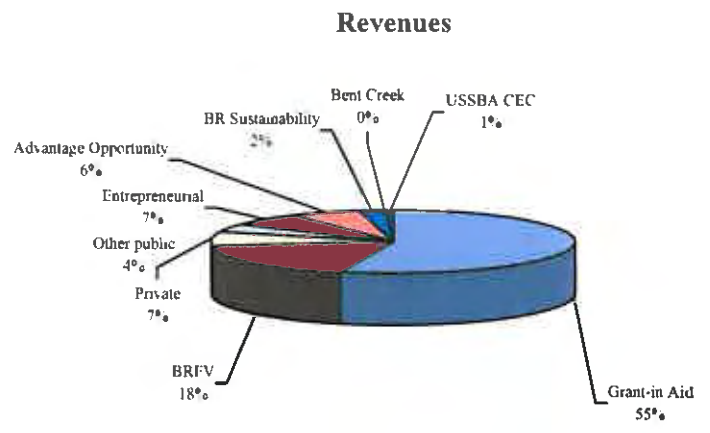
**Western North Carolina Regional Economic Development Non-Profit Corporation  
Condensed Statement of Net Assets**

**Figure 2**

	<b>Governmental Activities</b>	
	<b>2010</b>	<b>2009</b>
Current and other assets	\$ 1,842,056	\$ 1,659,812
Capital assets	868,397	838,843
<b>Total assets</b>	<b>2,710,453</b>	<b>2,498,655</b>
 Current liabilities	 173,720	 278,338
 Net assets:		
Invested in capital assets	868,397	838,843
Unrestricted	1,668,336	1,381,474
<b>Total net assets</b>	<b>\$ 2,536,733</b>	<b>\$ 2,220,317</b>

**Western North Carolina Regional Economic Development Non-Profit Corporation**  
**Changes in Net Assets**  
**Figure 3**

	<b>Government Activities</b>	
	<b>2010</b>	<b>2009</b>
<b>Revenues and Transfers:</b>		
Operating Grants and Contributions	\$ 512,646	\$ 807,229
Capital Grants and Contributions	108,056	-
Grants and Contributions not Restricted to Specific Programs	1,189,389	1,480,778
Charges for Services	124,208	100,700
Investment Earnings	19,738	20,734
Gain on Sale of Assets	20,045	-
<b>Total Revenues and Transfers</b>	<b>1,974,082</b>	<b>2,409,441</b>
<b>Expenses:</b>		
Economic Development	1,657,664	2,362,037
<b>Change in net assets</b>	<b>316,418</b>	<b>47,404</b>
Net assets, July 1	2,220,315	2,172,911
<b>Net assets, June 30</b>	<b>\$ 2,536,733</b>	<b>\$ 2,220,315</b>



As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Corporation exceeded liabilities by \$2,536,733 as of June 30, 2010. The Corporation's net assets *increased* by \$316,418 for the fiscal year ended June 30, 2010.

A portion of the Corporation's net assets reflects its investment in capital assets (e.g. equipment, furniture, and computers). The Corporation uses these capital assets to provide economic development services, consequently, these assets are *not* available for future spending. With the exception of the portion of net assets invested in capital assets, all net assets are considered to be unrestricted, which may be used to meet the Corporation's ongoing obligations.

AdvantageWest diversified general revenues during fiscal year 2009/2010 to supplement the grant-in-aid funding from the State of North Carolina. Major funding included the State Grant-In-Aid at \$1.089 million, Blue Ridge Food Ventures at \$354,545, the Advantage Opportunity Fund at \$117,483, and Entrepreneurship/Certified Entrepreneurial Community at \$145,397.

### **Financial Analysis of the Governmental Funds**

As noted earlier, the Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the Corporation's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Corporation's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

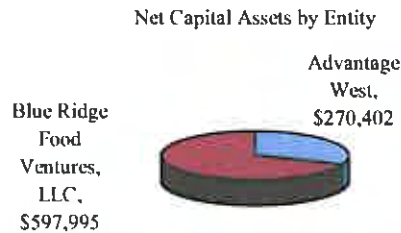
The General Fund is the chief operating fund of the Corporation. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,470,769, while total fund balance reached \$1,668,336. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents eighty-six percent of total General Fund expenditures.

### **Capital Asset and Debt Administration**

**Capital Assets** – The Corporation's investment in capital assets for its governmental and business-type activities as of June 30, 2010, totals \$868,397 (net of accumulated depreciation). These assets include leasehold improvements and equipment. The major capital outlay expenditures for the year were for Blue Ridge Food Ventures' leasehold renovations for the natural products facility and equipment for the same project. Additionally, there was website development for the Juicy Ideas competition.

**Western North Carolina Regional Economic Development Non-Profit Corporation  
Capital Assets  
Figure 4**

	<b>Government Activities</b>	
	<b>2010</b>	<b>2009</b>
Equipment	\$ 779,622	\$ 784,750
Leasehold improvements	698,970	645,794
Capitalized intangibles	54,000	
Construction in progress	12,925	35,000
	<hr/> 1,545,517	<hr/> 1,465,544
Less: accumulated depreciation and amortization	677,120	626,701
Net capital assets	<hr/> \$ 868,397	<hr/> \$ 838,843



**Long-term Debt**

As of June 30, 2010, the Corporation had no outstanding debt.

**General Fund Budgetary Highlights**

The budget was amended when necessary during the year. The following are some of the more significant budget highlights:

- The State decreased its initial grant-in-aid to the Corporation by 16% (\$216,265) over prior year funding levels, after total reversions. (FY 08/09 grant-in-aid after reversions totaled \$1,363,468, and initial FY 09/10 grant-in-aid totaled \$1,147,203). In addition, an immediate budget reversion to annual funding totaling 5% (\$57,360) occurred, bringing total State appropriations for FY 09/10 to \$1,089,843, or 20% (\$273,625) less than FY 08/09.
- Due to these State reductions in funding from public and private sector partners, the Corporation focused on four core program areas and reduced expenditures to end the fiscal year in a strong financial position with approximately twelve months of operational reserves in the bank.
- The Corporation recognized \$299,567 in grant revenues for seven grants from five different grantors during the fiscal year.
- The Corporation continued to serve as the fiscal agent for the Blue Ridge Sustainability Institute managing approximately \$46,000 in revenues and \$26,000 in expenditures for their organization.

**Matters of Continuing Concern**

The Corporation receives the majority of its funding from the State of North Carolina. With the ongoing State budgetary concerns, the Corporation's funding has been negatively affected. The Corporation adjusted its budget throughout the year to reflect the decrease in funding from the State and private sector partners.

## **Requests for Information**

This report is designed to provide an overview of the Corporation finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the President & CEO, Western North Carolina Regional Economic Development Non-Profit Corporation, 134 Wright Brothers Way, Fletcher, North Carolina 28732. Other sources of information about the Corporation can be found in the Corporation's annual report to the North Carolina General Assembly and on our website, [www.advantagewest.com](http://www.advantagewest.com).

Sincerely,

Scott T. Hamilton  
President & CEO

## **BASIC FINANCIAL STATEMENTS**

**Western North Carolina Regional Economic Development Non-Profit Corporation**  
**Statement of Net Assets**  
**June 30, 2010**

	<b>Primary Government Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 1,234,298
Grants receivable - federal and state	192,780
Accounts receivable - other	26,805
Notes receivable	172,412
Prepaid expenses	13,450
Inventory	8,356
Total current assets	1,648,101
Capital assets:	
Capital assets, net of depreciation	868,397
Other assets:	
Notes receivable	193,955
Total assets	\$ 2,710,453
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and other accrued expenses	\$ 37,326
Deferred revenue	136,394
Total current liabilities	173,720
<b>Net Assets</b>	
Investment in capital assets, net of related debt	868,397
Unrestricted	1,668,336
Total net assets	\$ 2,536,733

The accompanying notes are an integral part of the financial statements.

**Western North Carolina Regional Economic Development Non-Profit Corporation**  
**Statement of Activities**  
**For the Year Ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
<b>Primary government:</b>					
Governmental Activities:					
Economic development	\$ 1,657,664	\$ 124,208	\$ 512,646	\$ 108,056	\$ (912,754)
<b>Total governmental activities</b>	<b>\$ 1,657,664</b>	<b>\$ 124,208</b>	<b>\$ 512,646</b>	<b>\$ 108,056</b>	<b>(912,754)</b>
General revenues:					
					1,189,389
					8,321
					11,417
					20,045
					<u>1,229,172</u>
					316,418
					2,220,315
					<u>\$ 2,536,733</u>

The accompanying notes are an integral part of the financial statements.

**Western North Carolina Regional Economic Development Non-Profit Corporation**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2010**

	<b>General Fund</b>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 1,234,298
Grants receivable - federal and state	192,780
Accounts receivable - other	26,805
Notes receivable	172,412
Prepaid expenses	13,450
Inventory	8,356
Total current assets	1,648,101
Other assets:	
Notes receivable	193,955
Total assets	\$ 1,842,056
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and other accrued expenses	\$ 37,326
Deferred revenue	136,394
Total current liabilities	173,720
<b>Fund Balances</b>	
Reserved for:	
Golden LEAF expenditures	54,140
Advantage Opportunity Fund	135,071
Inventory	8,356
Unreserved	1,470,769
Total fund balances	1,668,336
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.	868,397
Net Assets of Governmental Activities	\$ 2,536,733

The accompanying notes are an integral part of the financial statements.

**Western North Carolina Regional Economic Development Non-Profit Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2010**

	<b>General Fund</b>
<b>Revenues:</b>	
State Regional Economic Development	\$ 1,089,843
Blue Ridge Food Ventures income	354,545
Private funds	143,239
Entrepreneurship	100,852
Advantage Opportunity Fund	117,483
Other public funds	86,130
Blue Ridge Sustainability Institute	46,650
U.S. Small Business Administration - Certified Entrepreneurial Community	44,545
Bent Creek Institute	4,000
Total revenues	1,987,287
<b>Expenditures:</b>	
Economic development	1,700,425
Net change in fund balance	286,862
<b>Fund balances</b>	
Beginning of year, July 1	1,381,474
End of year, June 30	\$ 1,668,336
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Net Change in Fund Balance - Total Governmental Funds	\$ 286,862
 Governmental funds report capital outlays as expenditures. However in the Statements of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Assets Sold - Net Book Value	(13,203)
Capital Outlay Expenditures that were capitalized	157,625
Depreciation Expense for Governmental Activities	(114,866)
Change in Net Assets of Governmental Activities	\$ 316,418

The accompanying notes are an integral part of these financial statements.

**Western North Carolina Regional Economic Development Non-Profit Corporation  
General Fund**

Exhibit 5

**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Modified Cash Basis)  
For the Year Ended June 30, 2010**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State Regional Economic Development	\$ 105,740	\$ 1,089,843	\$ 1,089,843	\$ -
Blue Ridge Food Ventures income	259,223	277,907	276,300	(1,607)
Private funds	85,550	131,356	130,931	(425)
Entrepreneurship	18,500	75,940	83,442	7,502
Advantage Opportunity Fund	-	-	133,367	133,367
Other public funds	14,095	52,995	49,224	(3,771)
Blue Ridge Sustainability Institute	-	-	41,400	41,400
U.S. Small Business Administration - Certified Entrepreneurial Comr	195,391	32,209	32,209	-
Bent Creek Institute	4,400	44,000	44,000	-
Golden LEAF	31,000	56,839	49,339	(7,500)
Green Asset Mapping Project	-	15,500	15,500	-
MountainSouth USA - US Department of Commerce	111,000	115,987	115,987	-
<b>Total revenues</b>	<u>824,899</u>	<u>1,892,576</u>	<u>2,061,542</u>	<u>168,966</u>
<b>Expenditures:</b>				
Bent Creek Institute	4,028	4,028	3,750	278
Blue Ridge Food Ventures	356,377	314,231	312,979	1,252
Blue Ridge Sustainability Institute	-	-	25,772	(25,772)
Business and Industrial Development	22,513	188,535	144,745	43,790
Capital Outlay	55,087	160,277	157,626	2,651
Entrepreneurship	228,245	173,072	138,231	34,841
Executive/Administration/Board Support	217,104	219,604	213,487	6,117
Film Commission	16,625	16,875	15,986	889
Fiscal Management/Operations	278,885	266,865	253,252	13,613
Golden LEAF Grant Close Outs	65,977	73,477	65,977	7,500
Grants Administration	41,675	44,875	41,661	3,214
Green Economy	83,470	57,001	46,785	10,216
Information Technology Support	76,428	96,378	94,005	2,373
MAP Awards	2,950	-	-	-
Marketing and Communications	71,800	71,800	70,773	1,027
Private Fund Expenditures	14,300	55,611	57,831	(2,220)
<b>Total expenditures</b>	<u>1,535,464</u>	<u>1,742,629</u>	<u>1,642,860</u>	<u>99,769</u>
Revenues over (under) expenditures	(710,565)	149,947	418,682	268,735
<b>Other financing sources:</b>				
Fund Balance Appropriated	710,565	(149,947)		149,947
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	418,682	<u>\$ 418,682</u>

**Reconciling items to convert from budgetary basis (modified cash basis) to modified accrual basis:**

Change in Accounts Receivable	(163,217)
Change in Fair Market Value of Investments	649
Change in Prepaid Expenses	(1,730)
Change in Inventory	(3,592)
Change in Deferred Revenue	60,520
Change in Accounts Payable	(22,701)
Golden Leaf Grant Close Out	(1,749)
Net change in fund balance	<u>\$ 286,862</u>

The accompanying notes are an integral part of the financial statements.

**Western North Carolina Regional Economic Development Non-Profit Corporation**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2010**

**Note 1 – Organization and Summary of Significant Accounting Policies**

The Western North Carolina Regional Economic Development Non-Profit Corporation (the Corporation), doing business as AdvantageWest Economic Development Group, was organized to assist in the economic development of the twenty-three counties in Western North Carolina.

The North Carolina General Assembly under General Statute 158-8.1 created the Corporation. While considered by the State of North Carolina as a component unit of the State, the statutory authority for the Corporation allows it to exercise its powers and duties independent of the State.

In 2004, the Corporation established a wholly owned, single member LLC, Blue Ridge Food Ventures, LLC. The purpose of the LLC is to provide technical assistance and business development services to local farmers and food entrepreneurs, including sales and marketing support, professional product development and assistance in complying with food and drug regulations. By providing these services, the Corporation along with the LLC, is assisting local farmers and food entrepreneurs with addressing the three greatest barriers to entry in the value-added foods business. As a single member LLC, all financial activity of the LLC is included in the Corporation's financial records.

**Government-wide and Fund Financial Statements**

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the Corporation. These statements include the financial activities of the Corporation. These statements present governmental activities that are financed through State and Federal agencies and contributions from foundations and corporations. The Corporation receives annual funding from the State of North Carolina.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Corporation's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Corporation's fund.

## **Measurement Focus and Basis of Accounting**

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Corporation considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Contributions and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current period. All other revenue items are considered to be measurable and available only when the Corporation receives cash.

The General Fund is the Corporation's only operating fund.

## **Cash and Cash Equivalents**

The Corporation's cash and investments consist of demand deposits and time deposits, such as money market accounts, at local financial institutions. These accounts have maturities of less than one year when purchased and are considered to be cash and cash equivalents.

## **Accounts Receivable**

Accounts Receivable primarily consists of unpaid balances of grants. Accounts are charged off as they are deemed uncollectible based upon periodic review of the accounts. At June 30, 2010, no allowance for uncollectible accounts was considered necessary.

## **Inventories**

The inventories are valued at cost (first-in, first-out), which approximates market.

### **Notes Receivable**

Notes receivable consists of the outstanding balances at year end of all loans awarded through the Advantage Opportunity Fund. This revolving loan fund to assist start-up entrepreneurs was established in June 2007. Funding has been received in each subsequent year from granting and other organizations.

Additionally, the Corporation holds a promissory note from a furniture manufacturer for equipment purchased for the manufacturer with grant funds. The Corporation recorded deferred revenue for the balance of this note and recognizes revenue as each note payment is made by the manufacturer.

### **Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization cost is \$1,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives, which range from five to forty years.

Intangible assets are classified as capital assets when their individual cost exceeds a chosen threshold and they have a useful life of two or more years. The Corporation has determined a \$5,000 capitalization threshold is appropriate. Under GASB 51, retroactive reporting is required for intangible assets, unless the intangible assets are internally generated. Websites are a common type of intangible asset and are considered internally generated if they are developed by a third-party contractor on behalf of the Corporation. The Corporation's websites were developed by third-party contractors and therefore were considered internally generated and thus no retroactive reporting is required.

### **Compensated Absences**

The Corporation allows for the accumulation of vacation throughout the year, but any unused vacation cannot be carried over into subsequent years. The Corporation does not have an obligation until vacation is actually taken. Thus at year-end, no accrual has been made. The Corporation's sick leave policy provides for an unlimited accumulation of earned sick leave. Since sick leave does not vest, the Corporation has no obligation for the accumulated sick leave until it is actually taken.

## **Net Assets/Fund Balances**

### *Net Assets*

Net assets in government-wide financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

### *Fund Balance*

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to a change.

### *Reserved:*

Reserved for Golden LEAF Expenditures – portion of fund balance that is available for appropriation but legally segregated for Golden LEAF grant expenditures.

Reserved for Advantage Opportunity Fund (AOF) - portion of fund balance that is available for appropriation but legally segregated for AOF loan expenditures.

Reserved for inventory - portion of fund balance that is not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

### *Unreserved:*

Undesignated – portion of total fund balance available for appropriation that is uncommitted at year-end.

## **Income Taxes**

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Continuance of exemption is subject to compliance with regulations and review of activities by taxing authorities. The Corporation is not aware of any transactions that would affect its tax-exempt status.

## **Note 2 - Budgetary Data**

The annual budget is adopted on a modified cash basis of accounting for the Corporation's governmental fund. All annual appropriations lapse at the fiscal-year end. The appropriated budget is prepared by fund and department.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. The board must approve any revisions that alter total expenditures of any fund. The Corporation's Board did not formally approve revenues or expenditures for the Blue Ridge Sustainability Institute, a non-profit entity that the Corporation provides fiscal agent services to. During the year, amendments to the original operating budget were necessary to fully fund programs once the state grant-in aid appropriation was known.

## **Note 3 – Detail Notes on All Funds**

### **Deposits**

All the deposits of the Corporation are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Corporation's agent in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Corporation, these deposits are considered to be held by the Corporation in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Corporation or their escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Corporation under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

On June 30, 2010, the Corporation's deposits had a carrying amount of \$1,230,991 and a bank balance of \$1,284,223. Of the bank balance \$749,451 was covered by federal depository insurance, \$534,772 was covered under the Pooling method.

### **Investments**

As a result of the demutualization of the Principal Financial Group in October 2001, the Corporation's 401 (k) provider, the Corporation received 141 shares of the Principal Financial Group, Inc. At June 30, 2010, the cost of these shares was \$2,961; the market value was \$3,305.

## Notes Receivable

The balance in notes receivable at year-end is comprised of the following elements:

	<u>Balance</u>
Loans and accrued interest - Advantage Opportunity Fund	\$ 242,961
Loan and accrued interest - Genesis Furniture Industries, Inc.	123,406
	<u>366,367</u>
Less: current portion	172,412
Long term portion	<u>\$ 193,955</u>

Due to the unprecedented economic environment, several Advantage Opportunity Fund (AOF) loan recipients have experienced hardship. To assist them through the challenging time, the AOF Investment Committee approved forbearance of payments for two loan recipients. One of these loans continues to struggle, but the Committee granted a second deferral of payments as the owner works to find ways to be viable. This loan was classified as a long-term note receivable at year end. The second loan recipient's payment deferral ends September 30. Additionally, there were two different loans which were in technical default at June 30, 2010. One of the loans, the Corporation is continuing to work with to negotiate a restructuring of terms. At year end, this loan was classified as long-term. The other loan, the Corporation in July 2010 provided additional funding to and a renewal of payment deferrals.

The promissory note the Corporation holds from a furniture manufacturer, Genesis Furniture Industries, Inc. for equipment purchased for them with Golden LEAF funds was current on its payments at June 30, 2010. However as of the date of this report, it is in default on the loan. Likewise, at the end of last fiscal year, the manufacturer was in default on the loan. During December 2009 the Corporation re-negotiated the terms of the Genesis note, with Golden LEAF's approval. Regular note payments and a payment of the proceeds from the sale of collateralized equipment were made during the 2009/10 fiscal year. Golden LEAF and the Corporation have agreed to split equally, note collections after the Corporation has recouped all attorney fees and collection costs. At June 30, 2010, the Corporation owed Golden LEAF \$21,921 for their share of the note payments. The Corporation's equal share was used for Blue Ridge Food Ventures, a purpose approved by Golden LEAF. The note is to mature on December 31, 2010, with a plan to completely payoff the note yet to be determined. The Corporation recorded deferred revenue for the balance of this note and recognizes revenue as each note payment is made by the manufacturer.

## Capital Assets

Capital asset activity for the Corporation for the year ended June 30, 2010 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets:				
Equipment	\$ 504,356	\$ -	\$ -	\$ 504,356
Computer Equipment	21,946	9,709		31,655
Intangible Assets		54,000		54,000
Leasehold Improvements	125,768			125,768
Blue Ridge Food Ventures LLC:				
Equipment	258,449	62,814	77,652	243,610
Leasehold Improvements	<u>555,026</u>	<u>31,102</u>	<u>-</u>	<u>586,128</u>
	1,465,544	157,625	77,652	1,545,517
Less accumulated depreciation/amortization	<u>626,701</u>	<u>114,866</u>	<u>64,447</u>	<u>677,120</u>
Governmental activity capital assets, net	<u>\$ 838,843</u>	<u>\$ 42,759</u>	<u>\$ 13,205</u>	<u>\$ 868,397</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Economic Development \$114,866

## General Assembly Funding

The North Carolina General Assembly appropriated \$1,089,843 for the fiscal year ended June 30, 2010, as a grant-in-aid to the Corporation for its use.

## Deferred Revenues

The balance in deferred revenues at year-end is comprised of the following elements:

Rutherford County Economic Development Commission	\$ 7,500
Labor Market Survey Sponsors	1,974
Winter CSA Subscriptions	3,840
Genesis Furniture Industries, Inc.	<u>123,080</u>
	<u>\$136,394</u>

## Retirement Plan

The Corporation has created a Simplified Employee Pension Plan for its employees. All employees at least twenty-one years of age who are employed as of January 1 of each year are eligible to participate in this discretionary single employer plan. A total of \$29,757 was contributed to the plan by the Corporation during the fiscal year ended June 30, 2010.

## **Risk Management**

The Corporation is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Corporation carries general liability and auto liability coverage and all other risks of loss through a commercial provider. The Corporation has general liability and auto liability coverage of \$1,000,000 per occurrence, umbrella liability coverage up to \$2,000,000 per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage with an unlimited lifetime limit. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the last three fiscal years.

## **Contractual Commitments**

The Corporation is obligated under the following contractual commitments at June 30, 2010:

<u>Description</u>	<u>Amount</u>
Golden LEAF	\$ 54,140
Advantage Opportunity Fund	135,071
	<u>\$ 189,211</u>

## **Operating Leases**

The Corporation is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the Corporation's accounting records.

An operating lease exists for office equipment with monthly payments of \$471 for a term of 36 months. This lease began September 1, 2008.

An operating lease exists for office equipment with monthly payments of \$166 for a term of 36 months. This lease began May 27, 2008.

Beginning July 1, 2009, the Corporation signed a five year lease for office space at \$6,604 per month with an option to terminate the lease by either party with a six month notice.

The Corporation signed a one year lease renewal for kitchen space for Blue Ridge Food Ventures beginning November 1, 2009 with monthly installments of \$3,300.

The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2010:

<u>Year Ending</u>	<u>Total</u>
2011	\$ 73,340
2012	942
	<u>\$ 74,282</u>

The Corporation sub-leases a portion of its office space to the N.C. Department of Commerce. The annual sub-lease income was \$9,785.

The corporation sub-leases a portion of its office space to a non-profit corporation. Annual sub-lease income totaled \$6,570.

#### **Related Party Transactions**

##### **North Carolina Partnership for Economic Development, Inc.**

The Chairman of the Board and the CEO of the Corporation are members of the board of the North Carolina Partnership for Economic Development, Inc., a 501(c)(3) organization. During the year ended June 30, 2010, the Corporation contributed \$6,000 to the Partnership.

##### **North Carolina Economic Development Group, Inc.**

The Chairman of the Board and the CEO of the Corporation are members of the board of the North Carolina Economic Development Group, Inc., a 501(c)(6) organization. During the year ended June 30, 2010, the Corporation contributed \$10,000 to the Organization.

##### **North Carolina Economic Developers Association**

The CEO of the Corporation was the immediate past President and a member of the board and Executive Committee during the 09/10 fiscal year. During the year ended June 30, 2010, the Corporation contributed \$2,230 in support of Association conferences for professional development of members.

#### **Note 4 - Concentration of Credit Risk**

The majority of the Corporation's financial activities are with the Federal and State governments. This constitutes a concentration of credit risk with respect to receivables from grantors.

**Note 5 – Transfer of Net Assets to the Blue Ridge Sustainability Institute, Inc.**

Effective July 1, 2010, the assets and liabilities of the Blue Ridge Sustainability Institute program were contributed to the Blue Ridge Sustainability Institute, Inc. The following represents the effect of this transfer on the Corporation:

Cash	<u>\$ 19,646</u>
Transfer of fund net assets	19,646
Capital Assets	<u>1,783</u>
Transfer of government-wide net assets	<u>\$ 21,429</u>

## **COMPLIANCE SECTION**

# BURLESON & EARLEY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## **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 Commission Members

Western North Carolina Regional Economic Development Non-Profit Corporation  
Fletcher, North Carolina

We have audited the accompanying financial statements of the governmental activities of the Western North Carolina Regional Economic Development Non-Profit Corporation (the Corporation), as of and for the year ended June 30, 2010, which collectively comprises the Corporation's basic financial statements, and have issued our report thereon dated September 22, 2010. We conducted our audit 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of providing an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of Directors, and Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Burleson & Earley, P.A.*  
Certified Public Accountants  
September 22, 2010

# BURLESON & EARLEY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## **Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act**

To the Commission Members  
Western North Carolina Regional Economic Development Non-Profit Corporation  
Fletcher, North Carolina

### Compliance

We have audited the compliance of the Western North Carolina Regional Economic Development Non-Profit Corporation (the Corporation), with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2010. The Corporation's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Corporation's compliance with those requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2010.

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### Internal Control Over Compliance

The management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the Corporation's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Board of Directors, and Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Burlison & Earley, P.A.*  
Certified Public Accountants  
September 22, 2010

**Western North Carolina Regional Economic Development Non-Profit Corporation**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2010**

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**Section I. Summary of Auditor's Results**

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Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?                     yes     no

Significant deficiency(ies) identified  
that are not considered to be  
material weaknesses                                     yes     none reported

Noncompliance material to financial  
statements noted

yes     no

Federal Awards

Internal control over major Federal and State programs:

Material weakness(es) identified?                     yes     no

Significant deficiency(ies) identified  
that are not considered to be  
material weaknesses                                     yes     none reported

Type of auditor's report issued on compliance for major Federal and State programs: Unqualified.

Any audit findings disclosed that are required  
to be reported in accordance with the section

510 (a) of Circular A-133 and the State Single Audit Act.     yes     no

Identification of major Federal and State programs:

Federal Program Names - None

State Program Names

North Carolina General Assembly-Regional Economic Development

Dollar threshold use to distinguish between Type A  
and Type B programs

\$ 300,000

Auditee qualified as low-risk auditee?

yes     no

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**Section II. Financial Statement Findings**

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None

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**Section III. Federal and State Awards Findings and Questioned Costs**

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None

**Western North Carolina Regional Economic Development Non-Profit Corporation**  
**Schedule of Federal and State Awards**  
**For the Year Ended June 30, 2010**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<b>Federal Awards</b>				
<b>US Department of Commerce</b>				
Direct Grant:				
Market Development Cooperator Program	11.112	04-NCR4	\$ 115,987	\$ -
<b>US Small Business Administration</b>				
Direct Grant:				
Certified Entrepreneurial Community Program	59.000	SBAHQ-08-I-0168	97,726	104,420
Certified Entrepreneurial Community Program	59.000	SBAHQ-09-I-0086	11,483	32,125
<b>Total Federal Awards</b>			<u>\$ 225,196</u>	<u>\$ 136,545</u>
<b>State Awards</b>				
<b>North Carolina General Assembly</b>				
Direct Grant:				
Regional Economic Development		G40431002110EDC	\$ 1,089,843	\$ 822,802
Passed Through the Golden LEAF Foundation				
Expanding the Farm Outreach Program at Blue Ridge Food Ventures			-	46,447
Workforce Training to Support a New Economy in Yancey County			-	65,977
<b>Rural Economic Development Center, Inc.</b>				
Project Advantage Opportunity Fund		2008-174-30301-107	50,000	35,000
Agricultural Advancement Consortium: Developing a Business Model for a Winter CSA at Blue Ridge Food Ventures		2009-037-50401-102	4,000	-
<b>North Carolina Biotechnology Center</b>				
The Bent Creek Institute-The Next Wave		2008-PIA-7003	44,000	3,750
Establishing a Good Manufacturing Practice (GMP) Facility for Medicinal Herb Businesses in Western North Carolina		2009-RDG-4006	25,451	55,654
<b>North Carolina Tobacco Trust Fund Commission</b>				
Farm Outreach Program		2008-044-01	-	58,368
<b>North Carolina Department of Commerce</b>				
Passed Through North Carolina State University				
Biz Boost Program		2009-2769-01	-	30,000
<b>Total State Awards</b>			<u>1,213,294</u>	<u>1,117,998</u>
<b>Total Federal and State Awards</b>			<u>\$ 1,438,490</u>	<u>\$ 1,254,543</u>

**Notes to the Schedule of Federal and State Awards**

(1) The information on this schedule has been prepared using the cash basis of accounting. Receipts are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligations are incurred. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

(2) Amounts shown from the Golden Leaf Foundation represents its FY 10 allocation to the Western North Carolina Regional Economic Development Non-Profit Corporation.

**Western North Carolina Regional Economic Development Commission  
(AdvantageWest Economic Development Group)**

**GRANTS RECEIVED OR PURSUED IN FY 09/10**

- After submitting a package of coordinated grant applications to support the *Building the Clean Energy Economy in WNC Project*, an effort to expand regional **clean energy industries**, AdvantageWest and project partners were awarded the following grants:
  - **\$100,000** in funding from the **Appalachian Regional Commission**
  - **\$100,000** in funding from the **US Economic Development Administration**
  - **\$220,000** in funding from the **NC Rural Center**
- Received **\$74,000** from the **NC Biotechnology Center** to support the establishment of a Good Manufacturing Practices (GMP) production facility at Blue Ridge Food Ventures for use by businesses in the **Natural Products** sector of the economy.
- Received **\$196,514** in Federal funding from the **US Small Business Administration** for a second grant for our **Certified Entrepreneurial Communities (CEC)** Program.
- Submitted to the **State Energy Office** a grant proposal totaling **\$479,259** for the development of an **Energy Internships and Fellowships** Program that would place a minimum of 12 full time fellows and interns at clean energy businesses throughout the region (*we subsequently received this award in the third quarter of 2010*)
- Submitted to **the Golden Leaf Foundation** a grant proposal totaling **\$680,393** for a regional collaborative effort to significantly expand the WNC **Natural Products** industry
- Submitted a letter of intent to the **Community Foundation of Western North Carolina** for a **\$25,000** grant to support **the Farm Outreach Program** at Blue Ridge Food Ventures

