



AUBURN PULP AND PAPER FOUNDATION
at AUBURN UNIVERSITY

Foundation Focus

2008 ANNUAL REPORT

OCTOBER 2008

Alabama Center for
Paper & Bioresource
Engineering Missions:

The missions of AC-PABE are to provide undergraduate, graduate and continuing education in science and engineering relevant to the needs of the pulp, paper and bio-resource industries, to conduct fundamental and applied research in line with the industry's research agenda, to develop and transfer technology to the industry consistent with the industry's technology vision and to provide timely technical information to the operating sector of the industry.

President's Update: Growing Impact

In my new role as the president of the Auburn Pulp and Paper Foundation, I have had the privilege to receive thank you notes from student recipients of our scholarship funds. It is absolutely heartwarming to see the positive impact we are having on these talented young people.

One student wrote "I wish to express my thanks to you and your organization for your generosity and for helping engineering students, such as myself, who are in financial need. This award will prove to be extremely



By Mike Bruner, President
Auburn Pulp & Paper
Foundation

valuable for me, helping with the financial burdens of pursuing a degree in Chemical Engineering ... I hope to become an individual that makes your organization proud"

This excerpt is just one of the many young people that we are helping.

Over my years of involvement with the Foundation I have been impressed by the dedicated people who spend countless hours in its support. The APPF does not have any full time employees, everyone who works for and contributes to it also holds down a paying job, many of which are very demanding. And yet despite this "part-time" effort, the Foundation has continued to grow and *(continued, Back Page)*

Director's Message: New Focus Areas

By Dr. Harry T. Cullinan

For the past several years, our attention has been directed toward the critical issue of declining enrollment levels in our paper and

bioresource engineering specializations. Now that the number of APPF scholarships recipients has recovered to the point where we can reasonably expect a graduation rate, beginning in 2010, of

12 to 15 per year, it is appropriate to turn our attention to other matters that need to be addressed.

First, while we have succeeded in increasing and stabilizing our *(continued Page 3)*

Financial Report

Auburn Pulp and Paper Foundation

Support and revenue

Corporate and other contributions

Total Contributions

Endowment Earnings

Other Revenues

Total Revenues

Expenses

Guests/Fundraising Activities

Printing and Promotion

Scholarship Grants to Auburn University

Total Expenses

Excess of revenue over expenses

Interfund Transfers

Net assets, July 1, 2007

Net assets, June 30, 2008

	Operational/ Scholarship Funds	Fund Raising Activities	Total Unrestricted	Endowment Funds	Grand Total
Support and revenue					
Corporate and other contributions	\$78,203.40	\$0.00	\$78,203.40	\$6,500.00	\$84,703.40
Total Contributions	\$78,203.40	\$0.00	\$78,203.40	\$6,500.00	\$84,703.40
Endowment Earnings	\$0.00	\$0.00	\$0.00	\$31,441.55	\$31,441.55
Other Revenues	\$10,048.75	\$4,703.00	\$14,751.75	\$2,000.00	\$16,751.75
Total Revenues	\$88,252.15	\$4,703.00	\$92,955.15	\$39,941.55	\$132,896.70
Expenses					
Guests/Fundraising Activities	\$9,820.14	\$6,519.64	\$16,339.78	\$0.00	\$16,339.78
Printing and Promotion	\$5,018.00	\$0.00	\$5,018.00	\$0.00	\$5,018.00
Scholarship Grants to Auburn University	\$149,095.00	\$0.00	\$149,095.00	\$0.00	\$149,095.00
Total Expenses	\$163,933.14	\$6,519.64	\$170,452.78	\$0.00	\$170,452.78
Excess of revenue over expenses	(\$75,680.99)	(\$1,816.64)	(\$77,498.63)	\$39,941.55	(\$37,556.08)
Interfund Transfers	\$16,378.07	\$69,778.07	\$53,400.00	\$55,000.00	\$1,600.00
Net assets, July 1, 2007	\$215,712.42	\$71,744.71	\$287,457.13	\$740,744.09	\$1,028,201.22
Net assets, June 30, 2008	\$156,409.50	\$150.00	\$156,559.50	\$835,685.64	\$992,245.14

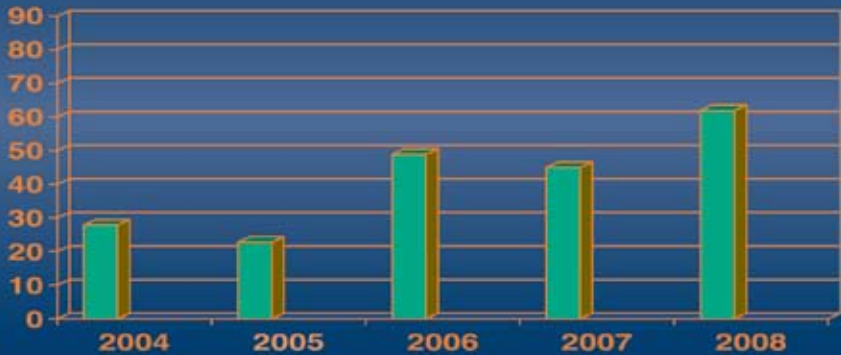
Thee APPF is taking steps to raise its contributions to match the level of scholarship grants.



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Scholarship Recipients

Number of students for Fall 08	
Seniors	4
Juniors	7
Sophomores	12
Freshmen (APPF)	15
Freshmen (ChE sponsored)	20
Freshmen (Mill sponsored)	4
TOTAL	62



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Alternative Energy Focus Fuels Student Interest

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scholarship recipient numbers, what more can we do to insure that the graduates enter our industry? The competition from the energy sector for our graduates has been intense, and successful, and is likely to remain so for some time to come. We need to craft a strategy in response.

Next, what are the implications for the APPF of the in-state tuition and fees at Auburn University increase to \$6,500? We are now encouraging all APPF member companies to contribute annually at the \$5,000 level, but even that amount now falls short of a full scholarship. Tuition has doubled since we instituted the \$5,000 level, so the time has come to review this.

Finally (for now), what are the possibilities for the APPF in light of the burgeoning interest in our industry in the area of biorefining? We have already capitalized on this to some extent in our strategy to increase enrollment. AC-PABE's volume of research in biorefining is sky-rocketing. Nearly half the faculty in chemical engineering are engaged in this work, as are several more in other AU departments, schools and colleges as well. Auburn University is building a very visible and nationally prominent position in renewable biofuels, and AC-PABE is at the forefront. Opportunities in this area for APPF need to be examined.

Dr. Harry T. Cullinan
Director,
Alabama Center
for Paper &
Bioresource Engineering



A systematic analysis of these (and, perhaps, other) issues in the context of our AU-APPF partnership holds the promise of re-clarifying our vision and sharpening our goals and objectives as we move into the next decade. I eagerly look forward to the process and its results.

AC-PABE Research Partnerships

The Alabama Center for Paper and Bioresource Engineering's research and development programs in biorefining are focused on the deployment of thermochemical, biochemical and advanced biomass fractionation/depolymerization technologies to help create the forest biorefinery of tomorrow. Active research projects cover Fischer-Tropsch catalysis for biofuels production; lignocellulosic pretreatment and SSCF technologies for ethanol production; biomass fractionation process development; and supercritical water processing of biomass for bio-crude and hydrogen production.

AC-PABE has a number of industrial partners including Masada Resource Group, PureVision Technology, ThermoChem Recovery International, NeoSources International and the Gas Technology Institute. These companies are partners in various commercial demonstration projects, including pulp mill sludge to ethanol, pulp mill waste gasification to liquid fuels, pulp mill waste to bio-crude and algae to biodiesel. Funding is being provided by Auburn University, Masada, Alabama Department of Agriculture and Industries, DOE and NSF.

There is a lot of promising research at Auburn that we expect will allow our industry to supply our mills and the public with renewable energy, bringing higher financial returns on our investments.

APPF News Bytes

Membership Growth

Packaging Corporation of America and Georgia Pacific -Brewton have joined the Foundation since Fall 2007. Active prospects include AbitibiBowater - Calhoun, MeadWestvaco - Evadale, and Evergreen - Pine Bluff. We appreciate all our foundation members and partners!

Fundraising Success

The 2007 Silent Auction held during the annual meeting last fall was a big success with 31 items being auctioned and raising \$10,200 for scholarships! Thanks to auction chairman Pat Hogg for his leadership and his committee that made this annual fundraiser successful.



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98 Percent of APPF Donations Used For Scholarships

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expand its very positive impact.

We certainly have our challenges, such as rising tuition and retention of our graduates in the pulp and paper industry. In spite of these and other challenges, I am confident that we will continue to find ways to grow and expand the great work of this foundation. We all have a unique opportunity to get involved in helping develop our future and in truly making a difference in the lives of some very talented young people.

Thank you for your continued support of the foundation.

Golf Tournament a Big Success

The 2008 APPF Spring Golf Tourney was held April 17, at the Auburn Links golf course. The goal of this annual event is to raise scholarship funds to ensure a steady flow of future engineers into the paper industry. In support of that goal, 16 four-man teams representing 20 paper industry companies participated. In total, the tournament event raised \$10,687 for student scholarships.

Sponsors included BE&K, Albany International, Kemira Chemicals, International Paper Prattville, American Centrifugal, IP Courtland Mill, Buckeye Technology, Imerys, MeadWestvaco, Honeywell Process Solutions, International Paper - Riverdale Mill, Rock Tenn and AbitibiBowater.

The winning team was comprised of Billy Ford, VP, Sales North America, Kemira Chemicals; Kelvin Hill, Vice President Operations, Georgia Pacific, Pennington AL Mill; Gary Bone, Corporate account manager, Kemira Chemicals; Kevin Hale, Global Deinking product line manager, Kemira Chemicals.

Thanks to all who participated as sponsors and as golfers. We hope to repeat this success in our golf tournament next spring. Details will be forthcoming.