

One North Carolina Fund
 Quarterly Report to the Joint Legislative Commission on Governmental Operations
 As Required By Section 12.4(c) of Session Law 2003-284
 October 31, 2003

Disbursements: July 1, 2003 through October 31, 2003

- Disbursements totaled \$1,439,228
- They include:

Sara Lee Bakery	Edgecombe County	\$125,000
Natural Care Labs, LLC	Rockingham County	\$300,000
Embrex Incorporated	Scotland County	\$9,228
Environmental Networks	Chowan County	\$5,000
Johnson & Wales	Mecklenburg County	\$1,000,000
- Represents \$41,250,000 in total investments and 284 new jobs
- Summary of pending commitments total \$13,194,272 (see Attachment #1)

Historical Information

- Since program's inception, \$18,690,445 has been disbursed from the fund
- Represents \$2,770,955,900 in total investments and 21,340 new jobs throughout North Carolina
- Disbursements are made under grant agreements based upon performance by the company (typically creating a certain level of new jobs)
- Grants may be committed and approved in one year; however, actual disbursement may not occur until one or more years later once the company has met the required performance criteria
- See Attachment #2 for historical disbursements information

Current Financial Situation

Cash Balance on June 30, 2003:	\$18,000,966
Approved FY 2002-03 Carryforward:	<u>\$1,455,512</u>
Funds Used for FY 2003-04 Credit Balance:	\$16,545,454

Cash Balance on July 1, 2004:	\$1,455,512
Current FY 2003-04 Disbursements:	<u>\$1,439,228</u>
Cash Balance on October 31, 2003:	\$16,284

Session Law 2003-284, Section 12.4(d) provides authority to carry forward and expend the unexpended balance of One North Carolina – Industrial Recruitment Competitive Funds.

The unexpended and obligated budget of the One North Carolina Fund for FY 2002-03 was not carried forward to FY 2003-04 as outlined in Section 12.4(d) of Session Law 2003-284 due to credit balance funds that were budgeted by the General Assembly for FY 2003-04. The Governor obtained agreement from the General Assembly to give the Executive Branch authority to meet this obligation in FY 2003-04 from available funds, but the Legislature adjourned before the agreement was passed.

G.S. 143-16.3 provides that no expenditures may be made for purposes for which the General Assembly has considered but not enacted an appropriation; provided, however, that in the event the Director of the Budget declares that it is necessary to deviate from this provision, he may do so after prior consultation with the Joint Legislative Commission on Governmental Operations.

Since the legislative intent and authority to expend up to \$16,545,454 for One North Carolina Industrial Recruitment Competitive Fund purposes has been established, and agreement from the General Assembly had been obtained to use available funds to accomplish this purpose, OSBM intends to transfer available funds to a statewide reserve to satisfy the obligations of the One North Carolina Fund as these documented obligations become due during FY 2003-04.