

## **REQUEST FOR BOARD ACTION**

### **HENDERSON COUNTY BOARD OF COMMISSIONERS**

**MEETING DATE:** October 5, 2009

**SUBJECT:** N.C. Education Lottery Funds

**ATTACHMENTS:** Email Response – Ken Phelps, NCDPI

#### **SUMMARY OF REQUEST:**

At the September 8<sup>th</sup> Board of Commissioners meeting, Staff presented a N.C. Lottery Fund Application in the amount of \$351,372 for schools debt service which was approved by the Board. Staff was instructed at the meeting to contact the State to determine if these funds were a part of the February 2009 lottery funds that were withheld by the Governor and report back to the Board.

Staff contacted the N.C. Department of Public Instruction (DPI) and was told that the \$351,372 credited to Counties in August 2009 was the normal distribution of lottery funds for that month. However, DPI also stated that the February 2009 lottery funds of \$434,579 for the County that was withheld by the Governor was also available in September for drawdown even though the amount had not shown up on reports yet. Staff revised the September 8<sup>th</sup> application to include this additional amount for a total of \$785,951 to be drawn down and submitted it to DPI.

The Board is to discuss and determine whether to report the February 2009 lottery funds of \$434,579 drawn down in the previous Fiscal Year 2009 as an increase in General Fund Balance or to let these funds remain as revenue received in the current fiscal year.

#### **BOARD ACTION REQUESTED:**

Request that the Board discuss and give Staff direction on which fiscal year, current or previous, to report the February 2009 lottery funds that have been drawn down for schools debt service.

#### **Suggested Motion:**

No motion suggested.

## Carey McLelland

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**From:** Ken Phelps [KPhelps@dpi.state.nc.us]  
**Sent:** Wednesday, September 09, 2009 5:29 PM  
**To:** Carey McLelland  
**Subject:** Re: lottery funds

Hello Carey,

We received the 4th Quarter 2008-09 distribution in August and credited it to the accounts of the various LEA's. Then, on August 28, the governor announced that she would release the 2nd Quarter funds that had been held. But by then, it was too late to include that money in the reports of the August activity. So... when we publish the September activity records, it will show the addition of the 2nd Qtr. 2008-09 Lottery funds.

FY 2008-09 Lottery Allocation reports on the school planning website <http://www.schoolclearinghouse.org/> and on the NC DPI website <http://www.ncpublicschools.org/fbs/allotments/lottery/> show the four quarters of lottery funding in 1-2-3-4 order, as if they had been received on schedule. Both the second quarter and fourth quarter lottery money is available for your use in September, if you wish to draw on it. However, the 2nd quarter money has not yet shown up on the reports printed on or before August 28. (It's in the bank, it's just not yet on the monthly reports.)

I hope this helps. If you have any questions or need anything else, please contact me.

Regards,  
Ken

↳ \$ 434,579

>>> "Carey McLelland" <[carey@hendersoncountync.org](mailto:carey@hendersoncountync.org)> 9/9/2009 3:04 PM >>>

Good afternoon Ken,

Question. Is any of the August 2009 distribution of lottery funds deposited in our PSBCF account a part of the February 2009 lottery distribution that was withheld by the Governor and which she stated she would be returning to local governments/LEAs? If so, how much? If not, when should we expect to see the February 2009 funds moved back in to our account? Thanks.

J. Carey McLelland

Finance Director

Henderson County

Historic Courthouse Annex

113 N. Main Street

Hendersonville, NC 28792

828.697.4821 P

828.697.4569 F

**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

County: Henderson County

Contact Person: J. Carey McLelland

LEA: Henderson (450)

Title: Finance Director

Address: 113 N. Main St., Hendersonville, NC 28792

Phone: 828-697-4821

Project Title: Debt service on financing used for the new Sugarloaf Rd Elementary School

Location: Henderson County

Type of Facility: Elementary School

North Carolina General Statutes, Chapter 18C, provides that a portion of the proceeds of the North Carolina State Lottery Fund be transferred to the Public School Building Capital Fund in accordance with G.S. 115C-546.2. Further, G.S. 115C-546.2 (d) has been amended to include the following:

(3) No county shall have to provide matching funds...

(4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects incurred on or after January 1, 2003.

(5) A county may not use monies in this Fund to pay for school technology needs.

As used in this section, "Public School Buildings" shall include only facilities for individual schools that are used for instructional and related purposes, and does not include central administration, maintenance, or other facilities.

Short description of Construction Project: Current fiscal year debt service on financing used for construction of a new elementary school.

Estimated Costs:

Purchase of Land _____	\$ _____
Planning and Design Services _____	_____
New Construction _____	_____
Additions / Renovations _____	_____
Repair _____	_____
Debt Payment / Bond Payment _____	<u>785,951.00</u>
<b>TOTAL _____</b>	<b>\$ <u>785,951.00</u></b>

Estimated Project Beginning Date: May 2006 Est. Project Completion Date: August 2008

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 785,951.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

\_\_\_\_\_  
(Signature — Chair, County Commissioners) (Date)

\_\_\_\_\_  
(Signature — Chair, Board of Education) (Date)



**Public Schools of North Carolina**  
**North Carolina Department of Public Instruction**

**Lottery Distribution Calculation Summary 2008-09**

County #	LEA#	LEA NAME	1st Quarter	2nd Quarter (See Note)	3rd Quarter	4th Quarter	Total
410	410	Guilford County	2,152,259	1,690,365	2,344,321	1,940,289	8,127,234
420	420	Halifax County	135,389	106,334	147,471	122,055	511,249
420	421	Roanoke Rapids City	88,333	69,375	96,215	79,633	333,556
420	422	Weldon City	30,458	23,921	33,175	27,458	115,012
430	430	Harnett County	558,307	438,489	608,129	503,322	2,108,247
440	440	Haywood County	185,088	263,263	238,403	212,858	899,612
450	450	Henderson County	305,532	434,579	393,540	351,372	1,485,023
460	460	Hertford County	97,929	76,912	106,668	88,284	369,793
470	470	Hoke County	224,766	176,529	244,823	202,629	848,747
480	480	Hyde County	14,841	21,109	19,116	17,068	72,134
490	490	Iredell County	506,943	721,060	652,968	583,003	2,463,974
490	491	Mooreville City	130,609	185,773	168,229	150,204	634,815
500	500	Jackson County	87,405	124,320	112,581	100,518	424,824
510	510	Johnston County	939,145	737,596	1,022,952	846,652	3,546,345
520	520	Jones County	37,163	29,187	40,479	33,503	140,332
530	530	Lee County	287,438	225,752	313,089	259,130	1,085,409
540	540	Lenoir County	287,111	225,494	312,732	258,834	1,084,171
550	550	Lincoln County	286,060	406,882	368,460	328,980	1,390,382
560	560	Macon County	102,662	146,023	132,233	118,065	498,983
570	570	Madison County	61,171	87,008	78,792	70,349	297,320
580	580	Martin County	121,323	95,287	132,150	109,374	458,134
590	590	McDowell County	153,252	217,982	197,397	176,246	744,877
600	600	Mecklenburg County	4,040,682	3,173,515	4,401,261	3,642,728	15,258,186
610	610	Mitchell County	50,915	72,419	65,580	58,553	247,467
620	620	Montgomery County	103,126	146,682	132,830	118,598	501,236
630	630	Moore County	285,528	406,125	367,773	328,367	1,387,793
640	640	Nash-Rocky Mount	529,102	415,552	576,317	476,992	1,997,963
650	650	New Hanover County	556,978	792,227	717,414	640,544	2,707,163
660	660	Northampton County	81,299	63,852	88,554	73,293	306,998
670	670	Onslow County	555,242	789,757	715,178	638,547	2,698,724
680	680	Orange County	209,507	164,545	228,203	188,873	791,128
680	681	Chapel Hill-Carrboro	347,668	273,055	378,693	313,428	1,312,844
690	690	Pamlico County	34,730	49,399	44,734	39,940	168,803
700	700	Pasquotank County	142,671	202,931	183,767	164,077	693,446
710	710	Pender County	188,839	268,599	243,233	217,171	917,842
720	720	Perquimans County	43,552	61,946	56,097	50,086	211,681
730	730	Person County	166,115	130,465	180,939	149,756	627,275
740	740	Pitt County	692,476	543,864	754,270	624,276	2,614,886
750	750	Polk County	58,601	83,353	75,482	67,394	284,830
760	760	Randolph County	442,971	630,068	570,568	509,432	2,153,039
760	761	Asheboro City	103,078	146,616	132,770	118,544	501,008
770	770	Richmond County	237,610	186,617	258,813	214,209	897,249
780	780	Robeson County	711,281	558,633	774,753	641,229	2,685,896
790	790	Rockingham County	427,120	335,456	465,234	385,054	1,612,864
800	800	Rowan-Salisbury	620,802	487,572	676,200	559,662	2,344,236
810	810	Rutherford County	223,801	318,327	288,267	257,379	1,087,774
820	820	Sampson County	250,604	196,821	272,966	225,923	946,314
820	821	Clinton City	96,051	75,438	104,623	86,591	362,703