



PUBLIC INFORMATION

ITEM NO. 3.

DATE OF MEETING: June 3, 2013

REQUESTED BY: Don Hall, Chairman, Pender County ABC Board Chairman

SHORT TITLE: ABC Board Update: Financial Highlights and Other Progress

BACKGROUND: Mr. Hall has requested to come before the Board to provide an update on the activities of the liquor stores in Pender County. The update will include financial highlights, other progress for the past six months, and future plans.

Pender County ABC

Budget Message 2013-2014 FY

The annual budget for fiscal year July 1, 2013 through June 30, 2014 has been prepared in accordance with NCGS 18B-702. The adoption of this budget increases the allocation of resources for operation of Pender County ABC for the new fiscal year. This budget message will highlight sales, salaries, new items, capital expenditures, staffing and major changes for the Pender County ABC Board.

Sales:

Projected sales for FY 2013-2014 reflect a slight increase over the previous year. All stores have recently experienced an increase in sales over the previous year.

Salaries:

We are projecting an increase in salaries for this fiscal year due to increased sales, increased regulatory requirements (ie: administrative and warehouse positions), and general cost of living type raises. We have also experienced a 19.6% increase in health insurance costs for the new year.

Capital Improvements:

For this fiscal year the only capital improvements we are anticipating are installing a new sign at the Rocky Point store, and mandatory upgrades to our computer system. The total amount of money for both of these items is roughly \$28000.00. Otherwise, no other major expenses are planned.

Other Changes:

There is a technical correction currently filed in the NC General Assembly that concerns our distribution formula, and specifically the amount of money budgeted for law enforcement. Once this bill becomes law, the amount of money budgeted for law enforcement will change from 15% to 5% of net profits.

Also, our General Manager, Patsy Blake has recently retired, and was replaced by Diane Chadwick.

Recommendations for the Future:

With so much control being centralized in the NC ABC system, the Board does not have much leeway other than making sure we operate the most efficient system possible. We will strive to continue this, and continue serving the citizens of Pender County.

**BUDGET PROPOSAL
PENDER COUNTY ABC BOARD
2013- 2014**

BUDGET PROPOSAL

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2013 and ending June 30, 2014 to meet the operational and functional appropriations as set forth in Section 2, in accordance with the chart of accounts prescribed by the state ABC Commission.

Estimated Revenues:	\$5,110,000.00
Sales	
Other Income INTEREST	515.00
Total	<u>\$5,110,515.00</u>

Section 2. Appropriations. The following expenses are proposed for fiscal year 2013- 2014 and are funded by the revenues made available through Section 1, herein.

Appropriations:

Taxes Based on Revenue	\$1,081,093.00
Cost of Sales	2,861,600.00
Operating Expenses:	Total
	3,942,693.00
Salaries and Benefits	438,922.00
Payroll Taxes	34,425.00
Retirement	25,819.00
Group Insurance	126,288.00
Rent	57,642.00
Repairs & Maintenance	18,000.00
Utilities	40,374.00
Insurance – General & Bonds	22,252.00
Store/Office Supplies	25,000.00
Travel	2,400.00
Professional Fees	16,600.00

Operating Expenses (cont.):	Store(s)	Admin.	Warehouse	Law Enf.	Total
Janitor Service and lawn maint.				4,000.00	
Dues and Subscriptions				1,500.00	
Licenses				1,200.00	
Security				2,900.00	
Vehicle				8,330.00	
Credit Fees				57,000.00	
Postage				996.00	
Contingencies				44,182.00	
Total					927,830.00
Capital Outlay:					
(define)	computer system				24,560.00
Debt Proceeds					
Debt Service/Lease					
(define)					
Total Estimated Expense					4,895,083.00
Distributions:					
Mandatory 3.5% and Bottle Tax					142,427.00
Law Enforcement					27,199.00
Alcohol Education & Rehab					4,385.00
Other County/Municipal					127,790.00
Other Distributions					10,962.00
Total distributions					312,763.00
Working Capital Retained (Appropriated Fund Balance)					
Working Capital used to balance budget					(97,331.00)
Total Expense, Distributions & Reserve					<u>5,110,515.00</u>

Section 3. Copies of this Budget Ordinance shall be furnished to the PENDER COUNTY COMMISSIONERS, the state ABC Commission, and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds²