



PUBLIC INFORMATION

ITEM NO. 3

DATE OF MEETING: June 6, 2016

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

SHORT TITLE: Quarterly Report on the Pender ABC System Involving Financial Information 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, and future plans. This report will be for January through March 2016.

PENDER COUNTY
BOARD OF ALCOHOLIC CONTROL

(A component unit of Pender County)

March 31, 2016

QUARTERLY FINANCIAL REPORT

Harms, Rode & Company, LLP
Certified Public Accountants
5917 Oleander Drive, Suite 204
Wilmington, NC 28403

PENDER COUNTY BOARD OF ALCOHOLIC CONTROL

Burgaw, North Carolina

March 31, 2016

MEMBERS OF THE BOARD

Don Hall, Chairman
Rocky Point, NC

Henry A. Jordan, Jr., Vice Chairman
Burgaw, NC

Elmer Hodges
Hampstead, NC

George Grubbs
Hampstead, NC

Susan Robbins
Willard, NC

GENERAL MANAGER

Diane Chadwick

PENDER COUNTY BOARD OF ALCOHOLIC CONTROL

CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	3
EXHIBIT A - Statement of Net Position March 31, 2016	4
EXHIBIT B - Statement of Distributions Payable and Net Position March 31, 2016	5
EXHIBIT C - Statement of Income and Expenses Three Months Ended March 31, 2016	6
EXHIBIT D - Statement of Income and Expenses Nine Months Ended March 31, 2016	7

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Management is responsible for the accompanying financial statements of Pender County Board of Alcoholic Control, which comprise the statement of net position and statement of distributions payable and net position as of March 31, 2016 and the related statements of income and expenses for the three months and nine months then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The Board has elected to omit substantially all the disclosures and the statement of cash flows required by the applicable financial reporting framework.

If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the entity's financial position, results of operations, and cash flows.

Accordingly these statements are not designed for those who are not informed about such matters.

Harms, Rode & Company, LLP

Harms, Rode & Company, LLP
Certified Public Accountants

Wilmington, North Carolina
April 20, 2016

PENDER COUNTY BOARD OF ALCOHOLIC CONTROL
(A component unit of Pender County)
STATEMENT OF NET POSITION
March 31, 2016

ASSETS

Current Assets:

Change funds	\$	800.00
Checking accounts:		
First Citizens Bank & Trust Company		517,944.66
Bank of America		66,051.14
Certificates of deposit & savings		
First Citizens Bank & Trust Company		73,548.16
Claims receivable - distillers		87.77
Inventory in retail outlets		368,382.06
Inventory in central warehouse		192,839.25
Deposit on equipment		3,274.73
Prepaid service contract		3,686.90
Net pension asset		<u>27,306.00</u>
<u>Total Current Assets</u>		<u>1,253,920.67</u>

Non-Current Assets:

Property & Equipment

Land		6,500.00
Building and paving		30,459.96
Building addition		96,564.15
Roof replacement		29,694.90
Equipment		258,741.93
Vehicle		<u>20,621.95</u>
		442,582.89
Less: Accumulated depreciation		<u>370,604.28</u>
Total Net Amount		<u>71,978.61</u>

Total Assets		<u>1,325,899.28</u>
--------------	--	---------------------

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow of pension plan resources		<u>36,008.00</u>
<u>Total Deferred Outflows of Resources</u>		<u>36,008.00</u>

See Accountants' Report

LIABILITIES**Current Liabilities:**

Accounts payable - distillers	\$ 246,835.40
Accounts payable - miscellaneous	2,709.04
Accrued salaries	5,256.38
Accrued vacation pay	22,873.73
N. C. excise tax payable	102,812.00
Alcoholic rehabilitation tax payable	1,470.50
Mixed beverage surcharge (NCDR)	1,908.00
Mixed beverage surcharge (NCDHR)	381.59
Sales tax payable	12,198.65
Distributions payable	<u>81,804.03</u>

Total Current Liabilities	<u>478,249.32</u>
---------------------------	-------------------

<u>Total Liabilities</u>	478,249.32
---------------------------------	------------

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of pension resources	66,550.00
---------------------------------------	-----------

NET POSITION

Invested in capital assets	71,978.61
Restricted for working capital	<u>745,129.35</u>

<u>Total Net Position</u>	<u>817,107.96</u>
----------------------------------	-------------------

Total Liabilities and Net Position	<u>\$ 1,361,907.28</u>
---	-------------------------------

PENDER COUNTY BOARD OF ALCOHOLIC CONTROL
(A component unit of Pender County)
STATEMENT OF DISTRIBUTIONS PAYABLE AND NET POSITION
March 31, 2016

Distribution Payable for Law Enforcement	
Balance, December 31, 2015	\$ 1,661.04
Add: Amount credited for quarter	2,631.88
Deduct: Distribution during quarter	<u>1,661.04</u>
	<u>2,631.88</u>
Distribution Payable for Rehabilitation and Education	
Balance, December 31, 2015	\$ 1,661.04
Add: Amount credited for quarter	2,631.88
Deduct: Distribution during quarter	<u>1,661.04</u>
	<u>2,631.88</u>
Distribution Payable for Mosquito Control	
Balance, December 31, 2015	\$ 1,661.04
Add: Amount credited for quarter	2,631.88
Deduct: Distribution during quarter	<u>1,661.04</u>
	<u>2,631.88</u>
Distribution Payable for General Fund of Pender County	
Balance, December 31, 2015	41,247.08
Add: Amount credited for quarter	48,040.45
Deduct: Distribution during quarter	<u>41,247.08</u>
	<u>48,040.45</u>
Distribution Payable for Municipality of Burgaw	
Balance, December 31, 2015	6,218.79
Add: Amount credited for quarter	7,243.02
Deduct: Distribution during quarter	<u>6,218.79</u>
	<u>7,243.02</u>
Distribution Payable for Municipality of Surf City	
Balance, December 31, 2015	9,328.18
Add: Amount credited for quarter	10,864.54
Deduct: Distribution during quarter	<u>9,328.18</u>
	<u>10,864.54</u>
Distribution Payable for Municipality of Atkinson	
Balance, December 31, 2015	1,600.56
Add: Amount credited for quarter	1,864.17
Deduct: Distribution during quarter	<u>1,600.56</u>
	<u>1,864.17</u>
Distribution Payable for Municipality of St. Helena	
Balance, December 31, 2015	2,079.27
Add: Amount credited for quarter	2,421.73
Deduct: Distribution during quarter	<u>2,079.27</u>
	<u>2,421.73</u>
Distribution Payable for Municipality of Topsail Beach	
Balance, December 31, 2015	1,967.47
Add: Amount credited for quarter	2,291.51
Deduct: Distribution during quarter	<u>1,967.47</u>
	<u>2,291.51</u>

See Accountants' Report

PENDER COUNTY BOARD OF ALCOHOLIC CONTROL
 (A component unit of Pender County)
 STATEMENT OF DISTRIBUTIONS PAYABLE AND NET POSITION March 31, 2016

Distribution Payable for Municipality of Watha	
Balance, December 31, 2015	1,015.69
Add: Amount credited for quarter	1,182.97
Deduct: Distribution during quarter	<u>1,015.69</u>
	<u>1,182.97</u>
 TOTAL DISTRIBUTIONS PAYABLE	 <u>\$ 81,804.03</u>
 Net Position	
Balance, December 31, 2015	\$ 811,209.96
Add: Amount credited for quarter	<u>5,898.00</u>
 TOTAL NET POSITION	 <u>\$ 817,107.96</u>

PENDER COUNTY BOARD OF ALCOHOLIC CONTROL
(A component unit of Pender County)
Statement of Income and Expenses
Three Months Ended March 31, 2016

	TOTAL	ADMINISTRATIVE	BURGAW	SURF CITY
<u>REVENUES</u>				
Sales	\$ 1,217,013.76	\$ ---	\$ 234,235.93	\$ 293,906.61
Less: NC excise tax	266,849.00	---	51,736.00	65,120.00
Mixed beverage surcharge (NCDR)	3,502.36	---	---	---
Mixed beverage surcharge (NCDHR)	772.09	---	---	---
Rehabilitation tax	3,931.89	---	932.55	863.98
Net sales	941,958.42	---	181,567.38	227,922.63
<u>COST OF SALES</u>				
Beginning inventory, 12-31-15	362,969.85	---	88,725.33	80,380.55
Purchases	637,573.33	---	115,401.30	170,100.70
	1,000,543.18	---	204,126.63	250,481.25
Less: Inventory, 3-31-16	368,382.06	---	80,840.17	97,476.76
Cost of sales	632,161.12	---	123,286.46	153,004.49
GROSS PROFIT ON SALES	309,797.30	---	58,280.92	74,918.14
<u>EXPENSES</u>				
Salaries and wages	95,439.60	41,340.03	10,259.30	15,816.37
Payroll taxes	7,579.57	3,292.74	808.47	1,290.55
Retirement fund	5,872.97	2,211.99	685.00	1,096.65
Pension expense	---	---	---	---
Group hospital insurance	40,322.07	10,052.19	7,584.96	8,385.27
Rent	18,712.77	---	---	8,550.00
Depreciation	4,200.15	2,865.21	932.18	232.01
Repairs & maint. - bldg.	1,645.93	---	---	928.73
Repairs & maint. - eqpt.	5,443.24	1,431.13	450.36	2,051.81
Utilities	4,073.56	259.15	434.31	1,751.95
Telephone	5,846.84	2,364.02	664.65	1,161.26
Ins. & bond premium	5,399.04	5,399.04	---	---
Supplies	2,316.07	---	471.89	923.19
Travel	470.47	201.85	---	177.12
Licenses and other taxes	---	---	---	---
Office supplies & printing	3,000.24	3,000.24	---	---
Janitor service	1,609.00	---	276.00	425.00
Lawn maintenance	80.00	---	25.00	---
Penalties	---	---	---	---
Postage	196.00	196.00	---	---
Accounting & audit	2,200.00	2,200.00	---	---
Legal expense	1,500.00	1,500.00	---	---
Dues & subscriptions	---	---	---	---
Security	568.28	70.23	70.24	146.87
Vehicle expense	1,439.61	287.93	---	518.26
Bank card processing fees	14,248.69	---	2,347.98	3,615.80
Total expenses	222,164.10	76,671.75	25,010.34	47,070.84
Net Income (Loss) Before Allocation of General Expenses	87,633.20	(76,671.75)	33,270.58	27,847.30
Allocation of General Expenses	---	76,671.75	(15,871.05)	(19,911.65)
Net Income (Loss) from Operations	87,633.20	---	17,399.53	7,935.65
<u>OTHER INCOME</u>				
Interest earned	68.83	---	14.25	17.88
Miscellaneous	---	---	---	---
Total Other Income	68.83	---	14.25	17.88
NET INCOME (LOSS)	\$ 87,702.03	\$ ---	\$ 17,413.78	\$ 7,953.53

	HAMPSTEAD	ROCKY POINT	MIXED BEVERAGE
\$	436,517.23	\$ 166,997.11	\$ 85,356.88
	96,708.00	36,911.00	16,374.00
	---	---	3,502.36
	---	---	772.09
	1,313.48	626.63	195.25
	338,495.75	129,459.48	64,513.18
	107,432.54	86,431.43	---
	229,583.79	83,882.82	38,604.72
	337,016.33	170,314.25	38,604.72
	107,636.78	82,428.35	---
	229,379.55	87,885.90	38,604.72
	109,116.20	41,573.58	25,908.46
	15,946.69	12,077.21	---
	1,298.25	889.56	---
	1,037.36	841.97	---
	---	---	---
	8,429.58	5,870.07	---
	6,262.77	3,900.00	---
	55.84	114.91	---
	717.20	---	---
	1,080.62	429.32	---
	785.33	842.82	---
	929.48	727.43	---
	---	---	---
	713.90	207.09	---
	69.70	21.80	---
	---	---	---
	356.00	552.00	---
	55.00	---	---
	---	---	---
	---	---	---
	---	---	---
	---	---	---
	140.47	140.47	---
	503.86	129.56	---
	6,288.93	1,995.98	---
	44,670.98	28,740.19	---
	64,445.22	12,833.39	25,908.46
	(29,572.29)	(11,316.75)	---
	34,872.93	1,516.64	25,908.46
	26.55	10.15	---
	---	---	---
	26.55	10.15	---
\$	34,899.48	\$ 1,526.79	\$ 25,908.46

PENDER COUNTY BOARD OF ALCOHOLIC CONTROL
(A component unit of Pender County)
Statement of Income and Expenses
Nine Months Ended March 31, 2016

	TOTAL	ADMINISTRATIVE	BURGAW	SURF CITY
<u>REVENUES</u>				
Sales	\$ 4,452,521.65	\$ ---	\$ 724,727.09	\$ 1,401,325.86
Less: NC excise tax	972,634.00	---	160,089.00	310,664.00
Mixed beverage surcharge (NCDR)	29,972.36	---	---	---
Mixed beverage surcharge (NCDHR)	3,188.00	---	---	---
Rehabilitation tax	14,051.14	---	2,810.45	3,950.32
Net sales	3,432,676.15	---	561,827.64	1,086,711.54
<u>COST OF SALES</u>				
Beginning inventory, 6-30-15	407,471.44	---	81,239.93	123,630.86
Purchases	2,304,448.92	---	386,258.24	721,484.38
	2,711,920.36	---	467,498.17	845,115.24
Less: Inventory, 3-31-16	368,382.06	---	80,840.17	97,476.76
Cost of sales	2,343,538.30	---	386,658.00	747,638.48
GROSS PROFIT ON SALES	1,089,137.85	---	175,169.64	339,073.06
<u>EXPENSES</u>				
Salaries and wages	344,466.93	145,713.00	39,736.06	62,500.59
Payroll taxes	26,514.51	11,090.89	3,307.87	4,920.89
Retirement fund	20,021.72	7,358.20	2,708.83	3,963.86
Pension expense	---	---	---	---
Group hospital insurance	118,693.33	30,156.57	20,481.96	26,175.73
Rent	55,955.79	---	---	25,650.00
Depreciation	12,610.07	8,659.75	2,796.57	594.96
Repairs & maint. - bldg.	4,665.93	1,925.00	---	1,078.73
Repairs & maint. - eqpt.	13,293.33	4,309.20	1,356.14	3,695.36
Utilities	13,404.34	751.44	850.81	6,084.67
Telephone	18,344.16	7,031.09	1,840.56	3,209.10
Ins. & bond premium	16,057.42	16,057.42	---	---
Supplies	8,125.03	---	1,486.75	2,851.68
Travel	1,772.85	736.37	---	816.14
Licenses and other taxes	787.50	262.50	131.25	131.25
Office supplies & printing	8,864.00	8,864.00	---	---
Janitor service	2,126.50	---	379.50	498.50
Lawn maintenance	560.00	---	175.00	---
Penalties	---	---	---	---
Postage	686.00	686.00	---	---
Accounting & audit	13,200.00	13,200.00	---	---
Legal expense	4,500.00	4,500.00	---	---
Dues & subscriptions	1,291.00	1,291.00	---	---
Security	2,214.79	210.69	210.72	950.56
Vehicle expense	2,539.57	507.93	---	914.24
Bank Card Processing Fees	50,620.79	---	6,384.41	20,158.05
Total expenses	741,315.56	263,311.05	81,846.43	164,194.31
Net Income (Loss) Before Allocation of General Expenses	347,822.29	(263,311.05)	93,323.21	174,878.75
Allocation of General Expenses	0.00	263,311.05	(46,782.56)	(87,316.32)
Net Income (Loss) from Operations	347,822.29	---	46,540.65	87,562.43
<u>OTHER INCOME</u>				
Interest earned	214.39	---	38.22	72.17
Miscellaneous	---	---	---	---
Total Other Income	214.39	---	38.22	72.17
NET INCOME (LOSS)	\$ 348,036.68	\$ ---	\$ 46,578.87	\$ 87,634.60

	HAMPSTEAD	ROCKY POINT	MIXED BEVERAGE
\$	1,459,706.89	\$ 519,731.67	\$ 347,030.14
	323,317.00	114,883.00	63,681.00
	---	---	29972.36
	---	---	3,188.00
	4,554.87	1,919.70	815.80
	1,131,835.02	402,928.97	249,372.98
	119,664.23	82,936.42	---
	766,758.61	276,780.32	153,167.37
	886,422.84	359,716.74	153,167.37
	107,636.78	82,428.35	---
	778,786.06	277,288.39	153,167.37
	353,048.96	125,640.58	96,205.61
	53,758.64	42,758.64	---
	4,156.87	3,037.99	---
	3,142.72	2,848.11	---
	---	---	---
	24,268.82	17,610.25	---
	18,605.79	11,700.00	---
	214.05	344.74	---
	717.20	945.00	---
	2,830.92	1,101.71	---
	2,634.15	3,083.27	---
	4,060.76	2,202.65	---
	---	---	---
	2,480.98	1,305.62	---
	194.02	26.32	---
	131.25	131.25	---
	---	---	---
	489.50	759.00	---
	385.00	---	---
	---	---	---
	---	---	---
	---	---	---
	---	---	---
	421.41	421.41	---
	888.84	228.56	---
	18,666.98	5,411.35	---
	138,047.90	93,915.87	---
	215,001.06	31,724.71	96,205.61
	(95,587.73)	(33,624.44)	---
	119,413.33	(1,899.73)	96,205.61
	76.59	27.41	---
	---	---	---
	76.59	27.41	---
\$	119,489.92	\$ (1,872.32)	\$ 96,205.61