

High Point ABC Board

2017 – 2018

Proposed Budget



HIGH POINT
ALCOHOLIC BEVERAGE CONTROL BOARD

201 WEST FAIRFIELD ROAD
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BOARD:
David Wall, Chairman
Elizabeth Koonce
James Tanner
Mary Lou Blakeney

General Manager
Rosalind R. Stewart

The Honorable Mayor Bencini,
Members of the City Council of High Point,
The members of the High Point ABC Board and
Citizens of High Point, North Carolina:

I am pleased to present the High Point ABC Board's proposed 2017-2018 budget for your review and consideration. The format of this budget has been prepared in accordance to the requirements of North Carolina General Statute §18B-702 entitled "Financial Operations of Local Boards".

The proposed budget meets several board goals:

1. Provide for Distributions as mandated by local statute and which exceed the requirements of NCGS §18B-805(c)(1).
2. Responsible expenditure of Public Funds.
3. Submission of a Balanced Budget as required by NCGS §18B-702(c)
4. Review current locations and square footage to ensure we are adequately serving our community.
5. Continued high level of customer service and product availability.
6. Investment in substantial maintenance of board owned properties including:
 - a. Replacement of four HVAC units
 - b. Replacement of security surveillance.
7. Provide funding for Alcohol Law enforcement in the Board's territory.
8. Provide continued customer service and management training for board personnel.
9. Capital Expenditures that invest in the future stability, efficiency and profitability of the board.
10. Provide community service through local grants for alcohol education and rehabilitation.
11. Continued investment in computer technology to upgrade performance and security.
12. Achieve or exceed State Commission Standards.

The budget forecasts an increase in total sales revenue of 2.75% above the projected 2016/2017-year end. Our forecast includes:

- 2.88% Increase in Retail Liquor Sales
- 4.85% Decrease in Wine and Mixer Sales

- 1.80% Increase in Mixed Beverage Sales.

Total Sales Revenue is estimated at \$18,277,322, Taxes and Appropriations \$4,221,158, Cost of Goods \$9,473,136, Operating Expense \$2,719,550 and Income Profit Distribution of \$1,644,847.

Budget Highlights:

- The proposed budget is a 4.64% increase in gross profits over the previous year's budget.
- The proposed budget is a 7.67% increase in non-capital expenditure over the previous year's budget.
- A continued increase in County/Municipal distribution is projected
- The budget includes a 1.50% Contingency Fund of \$40,190
- Law Enforcement and Alcohol Education and Rehabilitation distribution remain at the current level of \$151,818 per year.
- No long-term debt is anticipated in the budget.
- No cost of living increase for full-time employees; maximum average of 3% merit increase included to be awarded at the discretion of the board.
- Decrease in Capital Expenditures over the previous year's budget of 55.31%.
- The budget does not include funds needed for possible relocation of store locations. An amended budget will be required if the board determines relocation is warranted.
- Budget figures were calculated based on a historical percent of sales for most categories.

Capital Expenditures include:


- Update of video surveillance equipment
- Replacement of aging HVAC units
- Purchase of an additional delivery vehicle.

Budget Timeline - Proposed

- May 5th – Budget presented to board, appointing authority, state commission and available for public review.
- May 17th – Public Budget Hearing and Board Budget Meeting
- June 21st – Budget Adopted or Interim budget adopted.

Conclusion:

The board anticipates continued growth in sales at a similar rate as forecast in the previous budget year. The proposed budget reflects the High Point ABC board's continued commitment to its financial goals of substantial profit distribution, sensible capital investment and fiscal responsibility.


Rosalind R. Stewart
General Manager
High Point ABC Board

BUDGET DOCUMENT
HIGH POINT ABC BOARD
2017 - 2018

The following budget establishing revenues and setting expense appropriations is hereby adopted and effective July 1, 2017, through June 30, 2018.

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2017 and ending June 30, 2018 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:

Liquor Sales	\$	16,368,563.26
Mixed Beverage Sales	\$	1,878,420.49
Wine/ Mixer Sales	\$	30,337.98
Investment Income	\$	7,445.00
Other Income	\$	2,100.00
Gain/Loss on Fixed Assets	\$	(90.00)
Total	\$	18,286,776.73

Section 2. Appropriations. The following expenses are hereby appropriated for fiscal year 2017 - 2018 and are funded by the revenues made available through Section 1, herein.

Appropriations:

Taxes Based on Revenue:		
NC Excise Tax	\$	3,972,907.14
MXB Tax (Dept. of Revenue)	\$	166,496.49
MXB Tax (DHHS)	\$	16,649.51
Rehabilitation Tax	\$	58,487.43
Wine Mixer Sales Tax	\$	2,047.81
Shared Mixed Beverage Tax	\$	4,569.33
Total	\$	4,221,157.71

Cost of Sales

Cost of Liquor Sold	\$	9,447,547.60
Cost of Wine/ Mixer Sold	\$	25,588.25
Total	\$	9,473,135.85

Operating Expenses:

	Stores	Administration	Warehouse	Law Enforcement	Total
Salaries and Wages	\$ 1,286,511.88	\$ 477,428.49	\$ 129,364.52	\$	\$ 1,893,304.89
Rent	\$ 127,895.63	\$	\$ 19,500.00	\$	\$ 147,395.63
Repairs and Maintenance	\$ 21,000.00	\$ 8,100.00	\$ 4,200.00	\$	\$ 33,300.00
Utilities	\$ 88,608.75	\$ 20,225.61	\$ 6,465.64	\$	\$ 115,300.00
Supplies	\$ 61,542.30	\$ 28,604.59	\$ 1,500.00	\$ 450.00	\$ 92,096.89
Travel	\$ 5,736.00	\$ 1,100.00	\$	\$	\$ 6,836.00
Maintenance Agreements	\$ 24,172.70	\$ 7,809.82	\$ 1,395.48	\$	\$ 33,378.00
Professional Services	\$ 7,000.00	\$ 22,425.00	\$ 1,000.00	\$ 46,000.00	\$ 76,425.00
Administrative Expense	\$ 13,500.00	\$ 10,800.00	\$	\$	\$ 24,300.00
Bank Card Fee's	\$ 203,000.00	\$	\$	\$	\$ 203,000.00
Insurance- General	\$ 26,828.35	\$ 14,037.45	\$ 2,978.20	\$ 1,700.00	\$ 45,544.00
Unemployment Insurance	\$	\$ 8,479.60	\$	\$	\$ 8,479.60
Misc. Expense	\$	\$ 40,190.40	\$	\$	\$ 40,190.40
Total	\$ 1,865,795.61	\$ 639,200.96	\$ 166,403.84	\$ 48,150.00	\$ 2,719,550.41

Public Notice of Budget Hearing

BUDGET PUBLIC HEARING

The proposed fiscal year 2017-2018 Budget for the High Point ABC Board has been presented to the Board and is available for public inspection in the office of the General Manager of the ABC Board at 201 West Fairfield Road in High Point on weekdays from 9:00 a.m. to 4:30 p.m.

The High Point ABC Board will hold a public hearing on the proposed budget on Wednesday, May 17, at 2:10 p.m. at 201 West Fairfield Road, for the purpose of receiving comments on the proposed budget. Persons wishing to be heard are invited to make written or oral comments.

Budget Announcement

On May 5, 2017, the High Point ABC board submitted the proposed board budget for the fiscal year 2017-2018. A copy of the budget is available for inspection between the hours of 9 am and 4:30 pm, Monday - Friday at the office of the general manager located at 201 W. Fairfield Road, High Point, North Carolina. A copy may also be found on the board's website at HighPointABC.org beginning on May 5, 2017 at 2 pm. Click the link at the bottom of the homepage entitled "Proposed Budget".

A **public hearing** will be held on May 17, 2017 at 2:10 pm at the administrative offices of the board. Persons wishing to be heard must register at the administrative office prior to 2:10 pm on the date of the hearing. Speakers will be limited to five minutes.

If you have questions, please contact the administrative office at (336) 434-2146.