

Notice of Public Hearing on the Proposed FY 2020/2021 Budget for the Weaverville ABC Board

Notice is hereby given in order to inform the public that the **ABC Board of the Town of Weaverville** will hold a public hearing on **Wednesday, June 3, 2019, at 10:00 am** within the **Community Room of Town Hall located at 30 South Main Street, Weaverville, NC**, on its proposed FY 2020-2021 Budget. This public hearing will be held in accordance with Section 18B-702 of the North Carolina General Statutes. Copies of the proposed budget can be obtained on the ABC store website at <https://weaverville.ncabcboards.com> or by calling the Weaverville ABC store at 828-645-3399.

Due to the COVID-19 public health emergency in-person attendance by the public may be limited or staggered and social distancing during the hearing will be required.

Written public comments can be submitted in advance of the public hearing and will be included in the record of the public hearing. Written public comments can be submitted as follows: (1) by **emailing** to weavervilleabc@frontier.com at least 6 hours prior to the meeting, (2) by putting your written comment in a **drop box** at Town Hall (located at front entrance and back parking lot) at least 6 hours prior to the meeting, or (3) by **mailing** your written comment (must be received not later than Wednesday's mail delivery on June 3) to: Weaverville ABC Board, 7 Northridge Commons Parkway, Suite 101, Weaverville, NC, 28787, Attn: Public Comments.

Robert Chason, Chairman
May 15, 2020

WEAVERVILLE ALCOHOLIC BEVERAGE CONTROL BOARD

Budget for the fiscal year 2020/2021

May 12, 2020

RE: BUDGET MESSAGE

Attention: Weaverville ABC Board

The Annual Budget for the fiscal year July 1, 2020 through June 30, 2021 has been constructed in accordance with the North Carolina General Statute 18B-702 "Financial operations of local boards". The ABC Board determines, through the adoption of the annual budget, the level of customer services that the ABC system will provide and the resources available for operation and capital projects.

The primary drivers during the preparation of this budget included projected operating costs required to sustain acceptable levels of customer service during the fiscal year 19/20 and the need for revenues sufficient to fund capital improvements as well as to provide distributions to beneficiaries.

Projected operating revenues are based on the first eight months of the current fiscal year, July 1, 2019 through February 29, 2020 and also includes revenues from the last four months of the prior fiscal year. (March, April, May and June of 2019) The average Retail / M/B Sales per week have been approximately \$70K for this fiscal year.

Projected operating revenues for 2020/2021 reflect a proposed average sales increase of 9.63%.

The budget consists of projected retail/ m/b revenues from liquor sales and other receipts of \$3,808,122.00. The taxes related to revenues are approximately \$875,858.00. The cost of goods sold is \$2,018,282.00. The operating expenses consist of \$621,990.00. The debt service consists of \$127,500.00 and the total distributions consist of \$152,092.00. The budget also shows "Working Capital Retained" which consists of \$1,500.00.

Highlights of the Budget:

- The projected budget revenues for next year, July 2020 through June 2021, reflects continued growth over the projected amended budgeted revenues from this year, July 2019 through June 2020.
- Cost of living increases of employees will be considered annually per decision by the Board. Pay increases will be based on merit (as a result of performance reviews), promotions or adjustments to market. This is a continuation from last year.
- As projected revenue from sales increases, so do taxes, cost of sales, operating costs and distributions.
- Monies budgeted for total distributions equal \$152,092.00.

Long Term Debt: The ABC Board has current long-term debt of \$1 million, related to the purchase of the land and the building.

Priorities and Assumptions:

- The Board's primary source of revenue is through the sales of spirituous beverages. About 96% of that revenue (Retail sales) is generated from everyday walk-in customers and the other 4% from our MXB customers. We want to make sure our customers have a friendly and enjoyable experience shopping at this store. We value our customers and want them to come back and also tell their friends. We anticipate that no additional ABC stores will open closer than Woodfin or Burnsville.
- The Board contracts for local Alcohol Law Enforcement with the Weaverville Police Department as authorized under NC GS 18B-501 (f).
- NC ABC Commission Rules (4 NCAC 02R.0902) define "working capital" as the total of cash, investments and inventory, less any unsecured liabilities. A local Board shall set its working capital requirements at not less than two weeks' average gross sales of the latest fiscal year or greater than four months' average gross sales of the latest fiscal year. Gross sales mean gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b) (2), (3), and (4). Even though not a budget item, the budget shows retaining \$1,500.00 in earnings to remain in compliance with this rule and or to set aside a portion of this to specific capital improvements. We are currently within the guide lines of the G.S.

Staffing Summary:

Currently, we have 6 full-time associates, 3 part-time associates and one part-time Bookkeeping/ Financial Officer. The part-time associates are employed on an as needed basis.

Conclusion:

This budget reflects the Boards commitment to fulfill the Goals set for next year, based on this years' projected revenues. Coronavirus is having a large impact on the last four months of this year. We are seeing record dollar percentage spikes in March and April. This may continue for the short term. Only time will tell after that.

Tony Rogers

General Manager (Budget Officer)

Attached: Weaverville ABC Budget FY 2020/2021

Proposed Budget
_WEAVERVILLE ABC BOARD
Fiscal Year 2020-2021

The following budget establishing revenues and setting expense appropriations is hereby adopted and effective July 1, 2020, through June 30, 2021.

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021 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:

Sales	\$3,808,122
Other Income	\$0
Total	<u><u>\$3,808,122</u></u>

Section 2. Appropriations. The following expenses are hereby appropriated for fiscal year 2020 - 2021 and are funded by the revenues made available through Section 1, herein.

Appropriations:

Taxes Based on Revenue	\$875,858
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Cost of Goods Sold

\$2,018,282

Operating Expenses	Store(s)	Admin.	Warehouse	Law Enf.	Total
Salaries/Wages/Payroll Tax	\$306,325				\$301,618
Outside Services		\$35,000	\$3,000		\$38,000
Health Benefits	\$53,811				\$53,811
Retirement Fund	\$24,091				\$24,091
Repairs & Maintenance	\$51,832				\$51,832
Utilities	\$14,574				\$14,574
Insurance - General & Bonds	\$12,641				\$12,641
Store/Office Supplies	\$20,143				\$20,143
Travel	\$1,000				\$1,000
Professional Fees	\$24,255				\$24,255
Credit Card Fees	\$61,525				\$61,525
Contingencies	\$18,500				\$18,500
Total	\$588,697				\$621,990
Capital Outlay:	Store(s)	Admin.	Warehouse	Law Enf.	\$ 10,900
(define)					\$0
Debt Proceeds					\$0
	\$10,900	\$	\$	\$	\$10,900
Debt Service/Lease:					
(define)	\$127,500	\$	\$	\$	\$127,500
					\$0
	\$	\$	\$	\$	\$127,500

Total Estimated Expenses	\$0	\$0	\$3,654,530
Estimated Gross Profit			\$152,092
Distributions:			
Mandatory 3 1/2%			\$5,323
Law Enforcement 5%			\$7,605
Alcohol Education & Rehab. 7%			\$10,646
Other County/Municipal			\$128,518
Other Distributions			
Total Distributions			<u>\$152,092</u>
Working Capital Retained (Appropriated Fund Balance)			\$1,500
Total Expense, Distribution & Reserve			<u><u>\$3,808,122</u></u>