

Town of Blowing Rock Board of Alcoholic Control
Profit & Loss Budget Overview
 July 2014 through June 2015

	<u>Jul '14 - Jun 15</u>
Ordinary Income/Expense	
Income	
6612 · Liquor Sales	916,501.88
6613 · Mixed Beverage Sales	490,724.70
6614 · Wine Sales	4,105.43
Total Income	<u>1,411,332.01</u>
Cost of Goods Sold	
50000 · Cost of Goods Sold	
7701 · Liquor Cost of Sales	719,015.46
7702 · Wine Cost of Sales	1,722.54
7703 · Bailment Surcharge	6,434.11
7704 · Bailment Fees	12,342.51
Total 50000 · Cost of Goods Sold	<u>739,514.62</u>
8892 · NC Dept of Human Resources	4,171.88
8893 · Mixed Beverage Tax	41,849.36
8894 · Excise Tax	304,690.23
8895 · Wine Sales Tax	323.28
8902 · County Surtax	3,553.08
Total COGS	<u>1,094,102.45</u>
Gross Profit	317,229.56
Expense	
8801 · Salaries and Wages Expense	122,273.38
8802 · Directors Fees	3,900.00
8814 · Legal and Professional Fees	5,500.00
8816 · Computer Rental Expense	3,500.04
8817 · Computer Expense	12,000.00
8826 · Dues & Subscriptions	357.00
8832 · Travel and Training	1,724.63
8836 · Repairs and Maintenance	1,118.42
8838 · Repairs - Equipment	500.00
8840 · Bank Charges	360.00
8841 · Credit Card Charges	14,125.00
8842 · Office Expenses	741.21
8844 · Operating Supplies	1,400.00
8846 · Postage and Box Rent	772.00
8848 · Electricity, Heat, & Water, Etc	9,140.90
8849 · Trash Removal	400.00
8850 · Telephone Expense	3,211.92
8860 · Retirement	5,090.69
8862 · Employee Bond	1,000.00
8864 · Group Health Insurance	16,478.04
8865 · OPEB Health Insurance Cost	3,150.00
8870 · Property Insurance	5,184.00
8871 · Professional Liability Ins.	5,100.00
8872 · Workmens' Compensation	3,780.00
8878 · Maintenance Agreement	1,800.00
8880 · Alarm Service	600.00
8884 · Employer FICA Tax Expense	10,344.02
8888 · State Unemployment Tax	480.00
8904 · Miscellaneous Expense	11,452.15
Total Expense	<u>245,483.40</u>
Net Ordinary Income	71,746.16
Other Income/Expense	
Other Income	
9001 - Interest Income	19.77
9504 · Refunds and Capital Credits	162.71
Total Other Income	<u>182.48</u>
Other Expense	
9501 · Distrib. - Law Enforcement	4,721.30
9502 · Distrib. - Alcohol Education	7,207.34
9503 · Distrib. - Town of Blowing Rock	60,000.00
Total Other Expense	<u>71,928.64</u>
Net Other Income	<u>-71,746.16</u>
Net Income	<u>0.00</u>

BLOWING ROCK ALCOHOLIC BEVERAGE CONTROL BOARD

Budget for the fiscal year 2014/2015

June 01, 2014

BUDGET MESSAGE

To the Blowing Rock ABC Board

The Annual Budget for the fiscal year July 1, 2014 through June 30, 2015 has been prepared in accordance to North Carolina General Statute 18B-702 "Financial operations of local boards". The ABC Board determines, through adoption of an annual budget, the level of customer services that the ABC system will provide and the resources available for the operations 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 fiscal year 14/15; and the need for growth of revenues sufficient to increase the capital reserve to operating levels.

Projected operating revenues reflected a proposed average sales increase. While the economy has improved we project a slight increase due to the widening of Hwy 321 project.

The budget consists of projected revenues from liquor sales and other receipts of \$1.4 million, taxes related to income of \$347,000.00, cost of sales of \$1.094 million, operating expenses costs of \$245,000.00 and income distributions of \$71,000.00. The budget document also provides a multi-year comparison of actual expenditures and variances.

Highlights of the Budget: Key elements include:

- Sales are projected flat because of the Hwy 321 widening project.
- The assumption is that no debt will be incurred.
- Increases of employee pay will be based on Store's profitability, employee's performance and cost of living.

The Board's Budget Process: This is the fourth year of the Board's budget process. We feel that the budget will be within budget projections.

Debt: The Board does not have any debt at this time: there is no anticipation of incurring debt during the budget year.

Priorities and Assumptions:

- The Board's primary source of revenue is through the sale of spirituous beverages. A key assumption is the amount of expected sales growth. Revenue projections are calculated using expected sales growth combined with historic sales figures.
- The Board's books and records are maintained on the Enterprise method of accounting; which is different than the Fund method of accounting used by many government entities.
- The Government Accounting Standards Board requires the cost of post-employment benefits be recognized and recorded in the Boards annual financial statements.
- Alcohol Education: Blowing Rock ABC Store contributes 7% of net profits (after certain adjustments).
- NC ABC Commission Rules (4 NCAC 2R.0902) define "working capital" as "the total cash, investments and inventory less all unsecured liabilities." Also, "a local Board shall set its Working Capital requirements at not less than two week's average gross sales of the latest fiscal year nor greater than four months' average gross sales of the latest fiscal year. Gross sales means gross receipts from the sales of alcoholic beverages less distributions as defined in G. S. 18B-8059(b) (2),(3), and (4)."
 - For the period July 1, 2013 through March 31,2014,
 - Minimum - two week's average gross sales for the current fiscal year equals \$53,846.16.
 - Maximum- four month's average gross sales for the current fiscal year equals \$350,000.00.
 - Actual Working Capital as of 4/30/2014 was \$390,288.75.

- In addition to providing for operating expenses and distributions, the Board must retain a level sufficient to “seed” future capital improvements and expansion cost.

Staffing Summary:

The Board has authorized a total of 2 full-time positions. Part-time employees are employed on an “as needed” basis.

Recommendations for Future Budget Considerations:

- Establish a budget calendar for creation of the annual budget.
- Develop financial performance standards for this entity.
- Developing alternate ways of generating revenue during major construction of Highway 321 for fiscal years through 2016.

Conclusion:

The budget reflects the Board’s commitment to fulfill its mission based on known information.

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Accrual Basis

Town of Blowing Rock Board of Alcoholic Control

Profit & Loss Budget Overview

July 2013 through June 2014

	Jul '13 - Jun 14
Ordinary Income/Expense	
Income	
6612 · Liquor Sales	873,491.14
6613 · Mixed Beverage Sales	516,937.06
6614 · Wine Sales	4,772.73
Total Income	1,395,200.93
Cost of Goods Sold	
50000 · Cost of Goods Sold	
7701 · Liquor Cost of Sales	699,887.67
7702 · Wine Cost of Sales	3,048.41
7703 · Bailment Surcharge	6,697.60
7704 · Bailment Fees	12,086.92
Total 50000 · Cost of Goods Sold	721,720.60
8892 · NC Dept of Human Resources	4,406.46
8893 · Mixed Beverage Tax	42,306.24
8894 · Excise Tax	294,962.36
8895 · Wine Sales Tax	349.22
8902 · County Surtax	3,517.40
Total COGS	1,067,262.28
Gross Profit	327,938.65
Expense	
8801 · Salaries and Wages Expense	132,285.89
8802 · Directors Fees	3,900.00
8814 · Legal and Professional Fees	5,500.00
8816 · Computer Rental Expense	9,600.36
8817 · Computer Expense	1,583.02
8826 · Dues & Subscriptions	175.00
8832 · Travel and Training	2,189.52
8836 · Repairs and Maintenance	2,089.02
8838 · Repairs - Equipment	628.00
8840 · Bank Charges	923.14
8841 · Credit Card Charges	15,927.70
8842 · Office Expenses	674.80
8844 · Operating Supplies	2,893.11
8846 · Postage and Box Rent	713.75
8848 · Electricity, Heat, & Water, Etc	9,103.28
8849 · Trash Removal	350.00
8850 · Telephone Expense	3,698.37
8860 · Retirement	5,234.45
8864 · Group Health Insurance	16,500.00
8865 · OPEB Health Insurance Cost	3,300.00
8870 · Property Insurance	5,052.00
8871 · Professional Liability Ins.	5,500.08
8872 · Workmens' Compensation	3,770.00
8878 · Maintenance Agreement	1,750.00
8880 · Alarm Service	1,500.00
8884 · Employer FICA Tax Expense	10,229.22
8888 · State Unemployment Tax	0.00
8904 · Miscellaneous Expense	10,633.00
Total Expense	255,703.71
Net Ordinary Income	72,234.94
Other Income/Expense	
Other Income	
9001 · Interest Income	151.16
Total Other Income	151.16
Other Expense	
9501 · Distrib. - Law Enforcement	4,297.22
9502 · Distrib. - Alcohol Education	8,088.88
9503 · Distrib. - Town of Blowing Rock	60,000.00

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Accrual Basis

Town of Blowing Rock Board of Alcoholic Control
Profit & Loss Budget Overview
July 2013 through June 2014

	<u>Jul '13 - Jun 14</u>
Total Other Expense	<u>72,386.10</u>
Net Other Income	<u>-72,234.94</u>
Net Income	<u><u>0.00</u></u>

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Town of Blowing Rock Board of Alcoholic Control
Profit & Loss Budget vs. Actual
July 2012 through June 2013

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Accrual Basis

	Jul '12 - Jun 13	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
6612 · Liquor Sales	832,207.03	912,963.47	-80,756.44
6613 · Mixed Beverage Sales	508,899.93	505,501.97	3,397.96
6614 · Wine Sales	4,342.29	5,967.56	-1,625.27
6615 · Liquor Sales Tax Collected	0.00	64,751.83	-64,751.83
6616 · Return Check Fee	0.00	25.00	-25.00
Total Income	1,345,449.25	1,489,209.83	-143,760.58
Cost of Goods Sold			
50000 · Cost of Goods Sold			
7701 · Liquor Cost of Sales	652,624.26	744,683.56	-92,059.30
7702 · Wine Cost of Sales	2,903.14	3,121.11	-217.97
7703 · Bailment Surcharge	5,653.75	6,236.75	-583.00
7704 · Bailment Fees	11,269.75	10,522.07	747.68
Total 50000 · Cost of Goods Sold	672,450.90	764,563.49	-92,112.59
8892 · NC Dept of Human Resources	4,061.66	4,093.10	-31.44
8893 · Mixed Beverage Tax	40,620.00	41,505.38	-885.38
8894 · Excise Tax	280,393.00	294,888.29	-14,495.29
8895 · Wine Sales Tax	291.98	453.62	-161.64
8896 · Liquor Sales Tax	0.00	64,751.81	-64,751.81
8902 · County Surtax	3,335.65	4,025.50	-689.85
Total COGS	1,001,153.19	1,174,281.19	-173,128.00
Gross Profit	344,296.06	314,928.64	29,367.42
Expense			
8801 · Salaries and Wages Expense	124,167.49	133,072.79	-8,905.30
8802 · Directors Fees	3,900.00	3,900.00	0.00
8807 · Depreciation Expense	9,937.56		
8810 · Advertising & Promotion Expense	0.00	250.00	-250.00
8812 · Alcohol Education Expense	0.00	125.00	-125.00
8814 · Legal and Professional Fees	5,250.00	5,250.00	0.00
8816 · Computer Rental Expense	8,011.63	9,100.02	-1,088.39
8817 · Computer Expense	1,854.51	1,620.00	234.51
8826 · Dues & Subscriptions	357.00	187.00	170.00
8832 · Travel and Training	703.91	1,488.00	-784.09
8836 · Repairs and Maintenance	2,770.32	1,440.00	1,330.32
8838 · Repairs - Equipment	58.71	600.00	-541.29
8840 · Bank Charges	238.68	1,338.37	-1,099.69
8841 · Credit Card Charges	13,098.82	15,630.10	-2,531.28
8842 · Office Expenses	452.71	1,041.47	-588.76
8844 · Operating Supplies	2,536.11	2,308.00	228.11
8846 · Postage and Box Rent	591.95	496.00	95.95
8848 · Electricity, Heat, & Water, Etc	7,971.97	9,854.65	-1,882.68
8849 · Trash Removal	300.00	300.00	0.00
8850 · Telephone Expense	3,167.87	3,183.75	-15.88
8860 · Retirement	5,104.19	5,391.00	-286.81
8864 · Group Health Insurance	16,150.32	16,916.16	-765.84
8870 · Property Insurance	6,031.00	5,200.08	830.92
8871 · Professional Liability Ins.	5,580.00	5,100.00	480.00
8872 · Workmens' Compensation	2,790.00	3,397.65	-607.65
8878 · Maintenance Agreement	1,596.22	1,170.00	426.22
8880 · Alarm Service	1,372.17	177.00	1,195.17
8884 · Employer FICA Tax Expense	9,797.15	10,002.83	-205.68
8888 · State Unemployment Tax	0.00	0.00	0.00
8904 · Miscellaneous Expense	1,833.27	10,942.24	-9,108.97
Total Expense	235,623.56	249,482.11	-13,858.55
Net Ordinary Income	108,672.50	65,446.53	43,225.97
Other Income/Expense			
Other Income			
9001 · Interest Income	41.52	4,463.69	-4,422.17
9504 · Refunds and Capital Credits	241.29		

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Accrual Basis

Town of Blowing Rock Board of Alcoholic Control
Profit & Loss Budget vs. Actual
July 2012 through June 2013

	<u>Jul '12 - Jun 13</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Total Other Income	282.81	4,463.69	-4,180.88
Other Expense			
9008 · Interest Expense	143.46		
9501 · Distrib. - Law Enforcement	2,409.74	5,033.70	-2,623.96
9502 · Distrib. - Alcohol Education	7,373.64	4,876.52	2,497.12
9503 · Distrib. - Town of Blowing Rock	60,000.00	60,000.00	0.00
Total Other Expense	<u>69,926.84</u>	<u>69,910.22</u>	<u>16.62</u>
Net Other Income	<u>-69,644.03</u>	<u>-65,446.53</u>	<u>-4,197.50</u>
Net Income	<u><u>39,028.47</u></u>	<u><u>0.00</u></u>	<u><u>39,028.47</u></u>