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700 South Fayetteville Street, Asheboro, NC 27203

BUDGET MESSAGE FOR FISCAL YEAR 2014-2015

North Carolina General Statute § 18B-702 “Financial operations of local boards” requires the Asheboro ABC Board Finance Officer prepare for the Board’s consideration an annual budget applicable for fiscal years. Upon adoption, no monies may be expended except as provided by the budget or as authorized by specific statute.

Retail operation of the Board’s single store commenced with its first sale on November 18, 2008. As of April 30, 2014, the single store located at 700 South Fayetteville Street has collected \$15,723,837.79 in sales and tax revenues. Sales and tax revenues are differentiated in this message to emphasize the mission of a local ABC board to not only sell spirits in a controlled environment, but also to collect significant tax revenues from those electing to purchase spirits.

A review of the Board’s financial records for the current fiscal year to date (July 1, 2013 through April 30, 2014) indicates a 3.94% sales and tax collections increase over the same period the previous year. Revenues are expected to remain consistent in the coming year and the proposed budget reduces many line-item expenses and working capital (cash) reserves enabling the Board to begin saving \$40,000 a year for capital improvements (Future Facility Fund) without reducing the monthly \$15,500 monthly contribution to the City of Asheboro.

On-going goals include continuation of the Board’s mission of responsibly controlling the sale and distribution of alcoholic beverages, superior customer service, and operational efficiency designed to increase profit margins.

The Asheboro ABC Board Budget Ordinance for fiscal year July 1, 2014, through June 30, 2015, prepared in accordance with governing laws and the Board’s stated desire to continue a responsibly sound fiscal policy, is hereby presented to the Board for consideration.

Respectfully submitted for consideration this the 20th day of May 2014.


Rodney E. Johnson
General Manager
Budget Officer

Attachment: Proposed Budget Ordinance for Fiscal Year 2014-2015

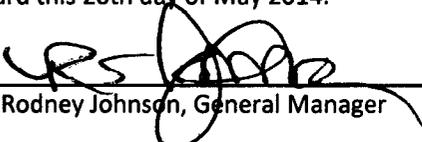
cc: Jeff Sugg, City of Asheboro
NC ABC Commission

J. Brooke Schmidly, Chair • Stephen R. Knight, Board Member
Robert E. Morrison, Board Member • Rodney E. Johnson, General Manager

PROPOSED
ASHEBORO ABC BOARD
ANNUAL BUDGET FOR FISCAL YEAR
2014-15

Sales		3,179,000.00
Other Income		300.00
	Total	\$3,179,300.00
Less Taxes		898,524.50
	Net Sales	\$2,280,775.50
Less:		
Cost of Sales		1,558,950.50
	Gross Profit	\$721,825.00
Less:		
<u>Operating Expenses</u>		
Salaries, benefits and fees		250,500.00
Payroll taxes		20,150.00
Rent		64,800.00
Repairs and maintenance		6,500.00
Utilities		16,725.00
Insurance - general and bonds		14,050.00
Supplies and janitorial		11,500.00
Travel and training		3,100.00
Professional services		9,250.00
Dues and subscriptions		1,250.00
Bank fees and charges		30,000.00
Miscellaneous & Contingencies		7,000.00
	Total Operating Expenses	\$434,825.00
	Operating Income	\$287,000.00
Less:		
<u>Capital Expenditures</u>		
Future Facility Fund		40,000.00
Capital Improvements		25,000.00
	Total Capital Expenditures	\$65,000.00
		\$222,000.00
Net Income before Distributions		\$222,000.00
Less:		
<u>Distributions</u>		
Law Enforcement		15,000.00
Alcohol Education and Rehab		21,000.00
City of Asheboro General Fund		186,000.00
	Total Distributions	\$222,000.00
	Net Income after Distributions	-

Presented to the Asheboro ABC Board this 20th day of May 2014.



 Rodney Johnson, General Manager