

**Rowan/Kannapolis ABC Board
2024-2025 Proposed Budget Message**

As General Manager at the Rowan/Kannapolis Alcohol Beverage Control Board, it is my responsibility yearly as our fiscal year reaches a conclusion to abide in compliance with the Governmental Accounting Board to evaluate our previous year's performance as well as our projections for the coming year.

Last year, as we prepared our discussion and analysis, I noted the potential for the sales to level off as we witnessed sales continuing to increase after the COVID-19 epidemic, but as we projected, we have seen those numbers reach a balanced norm. That norm is not reflected in the pre-covid, but we now see a "new norm."

Fortunately, as with last year, even with this new "level" in sales, we are projecting with the year-end totals that we will still see a sales increase of approximately \$400,000.

Our expenditures should only increase by around \$100,000, and the current economic projections will probably reflect numbers that will see an income of approximately \$200,000 to \$250,000.

Each year, I give credit for our success to our team of devoted employees who rise to new levels to provide us with continued positivity in our performance. We have a very responsible group of employees.

The vision of our Administrative Board has been phenomenal over my tenure here and has remained very positive and stable with the loss of a Board member each of the last two (2) years. New member Kenneth Gaethers has brought his many talents to join members Marny Hendrick and Dave McCoy, who continue to take our organization to new heights and show admiration to all of our employees for fulfilling their expectations.

Twenty (21) years ago, when I came on Board, I was given a request by our County Commissioners to make necessary business decisions to serve this area certainly but to please focus on the control aspect to hopefully resolve some of the neglected issues on problems our youth were confronting with underage decision making involving drugs/alcohol.

Fortunately, our educational initiatives have always been a priority and have been impactful in so many arenas in our community. Our programs are perhaps the greatest initiative in our system, and the honor bestowed and the feedback on the outreach to our students have been overwhelming. I can honestly say, having heard so many wonderful interactions from parents, school leaders, etc., on students, that we could not use the 7% requirement of implementation of education from our sales in a more impactful way.

The number of students our initiatives have reached continues to grow (230,000), and our outreach continues with programs, newspaper highlights, and radio ads that expand our initiatives.

The new Rockwell store completion was delayed about two (2) months longer than projected, but the transition has been very successful and has seen an overwhelming surge in sales. As we mentioned last year, this project, thanks to the vision of the Board, will see a quick implementation of the fulfillment of our financial responsibility ahead of schedule in record time.

In conclusion, our system continues to not only set goals but exceed them. We saw several challenges this year, including the loss of our Financial Officer. Still, not only did we find an outstanding replacement (Tracy Walser), but we have achieved a high level of accomplishments with Human Resources (Jessica Lind) that have shown that we are prepared for the challenges and soar to new heights that I am so very proud of.

Respectfully submitted,

Terry Osborne
General Manager
Rowan/Kannapolis ABC Board

ROWEN KANNAPOLIS ABC BOARD
BUDGET DOCUMENT
Fiscal Year 2024 - 2025

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025 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	\$ 23,684,000
Loan Proceeds	
Total	\$ 23,684,000

Section 2. Appropriations. The following expenses are hereby appropriated for fiscal year 2024 - 2025 and are funded by the revenues made available through Section 1, herein.

Appropriations:					
Taxes Based on Revenue					\$ 5,454,000
Cost of Goods Sold					\$ 12,426,000
Operating Expenses	Store(s)	Administration	Warehouse	Law Enf.	Total
Salaries and Wages	\$ 2,176,400	\$ 309,200	\$ 277,000	\$	2,762,600
Payroll Taxes	166,156	23,654	21,191		211,000
Retirement	253,200	42,000	37,700		332,900
Group Insurance	172,000	20,000	39,000		231,000
Lease Expense	180,000				180,000
Repairs & Maintenance	65,115	6,445	8,440		80,000
Utilities	77,000	6,500	6,500		90,000
Telephone	8,800	1,200	1,200		11,200
Breakage - Whse			1,000		1,000

Insurance - General & Bonds	38,500	10,500	4,000	53,000
Store Supplies	20,000			20,000
Paper Bags	75,000			75,000
Travel Expense		1,000		1,000
Supplies (Office & Warehouse)		15,000		15,000
Janitorial Services	23,000	3,000		26,000
Maintenance Agreements	28,000	7,000	6,000	41,000
Postage		2,000		2,000
Professional Fees		25,000		25,000
Dues & Subscriptions		3,900		3,900
Board Expense		1,000		1,000
Alarm Services	5,800	1,100	1,100	8,000
Vehicle Expense		6,000	4,000	10,000
Loss/Gain on sale of Asset				-
Credit Card Processing Fees	273,000			273,000
Interest Expense		24,000		24,000
Payroll & Bank Fee		35,000		35,000
Misc. Expense		500		500
Contingencies		5,400		5,400

Total	\$ 3,561,971	\$ 549,399	\$ 407,131	\$ -	\$ 4,518,500
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Total

Capital Outlay:

New Store - Rockwell	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Debt Service/Lease:

Loan repayments		\$523,000	\$	\$	523,000
Total			\$	\$	523,000

Total Estimated Expenses \$ 22,921,500

Distributions:

Mandatory 3 1/2% & Bottle Tax	\$ 633,000
Law Enforcement	40,000
Alcohol Education & Rehab.	89,500
Other County/Municipal	-
Other Distributions	-
Total Distributions	\$ 762,500

Working Capital Retained
(Appropriated Fund Balance) \$ -

Total Expense, Distribution & Reserve \$ 23,684,000

Section 3. Copies of this Budget Document shall be furnished to Rowan County, City of Salisbury, City of Kannapolis, the state ABC Commission, and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

NUMBER OF EMPLOYEES: F/T - 27 , PTA - 24, P/T - 18

Budget adopted by the Rowan Kannapolis ABC Board on XXXX