

**Rowan/Kannapolis ABC Board
2026-2027 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.

Our sales for this fiscal year (\$23,006,000 estimated) for 2025/26 reflect a decrease of 1.7% in sales. Based on current economic indicators and potential legislative changes to canned cocktail sales, we anticipate a continued decline in sales of up to 2% for the 2026/2027 budget year. Operational expenses are also expected to rise; therefore, the board has opted to not provide cost of living raises for the year and to make cuts to some non-essential services.

Our Board of Directors and our administration staff have decided to delay two long term growth plans. Instead, we will be upgrading our POS system in 2026/2027 and performing needed maintenance on the warehouse.

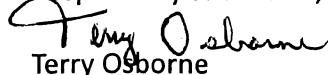
As we evaluate our other success endeavors, we again have received numerous political and private recognition of our educational programs. We recently continued our spring programs in high schools after very successful events in the middle schools back in the fall. We again had a prestigious group of speakers who had a tremendous impact on our students. All Rowan Co. middle schools and high schools in Rowan County, as well as A.L. Brown in Kannapolis, were presented programs which try to educate students with issues regarding alcohol, drugs, bullying, and other issues. Some of the great speakers that were used in this year's events were legendary Duke University great player, now commentator, Mike Gminski; legendary U.N.C Tarheels star Al Wood; legendary Duke stars Gene Banks and Robert Brickey; also motivational speakers: Ricky Stenhouse, Jr., NASCAR driver; Ivory Latta, legendary UNC and WNBA star; Larry Dixon, Morehouse College basketball coach; Alex Hiatt, "Cases for a Cause" motivational speaker; and Tyler Haines, Catawba College head football coach. We have received wonderful feedback from school leaders, parents, and elected officials about the successful impact of the group with our students.

Numerous elected officials in both U.S. Congress and State Legislative positions continue to recognize our programs this past year as well as our total tenure of service, with recognition highlighted in the Congressional Record on a federal level and recognition on the state level from Governors, a Lt. Governor and state ABC leaders.

In my closing remarks, I want to once again extend my appreciation to the work ethics of our office staff and dedicated workers in all of our business locations. The TEAM concept that we set our goals around, continue and I cherish the opportunity to serve our community in this role in its numerus endeavors'.

Challenges in our system have been met and I feel secure that we will move forward for a successful future and serve our system as is required.

Respectfully submitted,


Terry Osborne

General Manager

ROWAN KANNAPOLIS ABC BOARD
BUDGET DOCUMENT
Fiscal Year 2026-2027

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2026 and ending June 30, 2027 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	\$ 22,570,000
Interest	\$ 10,000
Total	\$ 22,580,000

Section 2. Appropriations. The following expenses are hereby appropriated for fiscal year 2026 - 2027 and are funded by the revenues made available through Section 1, herein.

Appropriations:	
Taxes Based on Revenue	\$ 5,230,000
Cost of Goods Sold	\$ 11,860,000

Operating Expenses	Store(s)	Administration	Warehouse	Law Enf.	Total
Salaries and Wages	\$ 2,204,000	\$ 323,500	\$ 308,500	\$	2,836,000
Payroll Taxes	168,500	25,000	24,000		217,500
Retirement	254,000	47,000	44,500		345,500
Group Insurance	218,000	34,000	46,000		298,000
Lease Expense	196,000				196,000
Repairs & Maintenance	69,900	7,000	8,500		85,400
Utilities	91,000	9,000	9,000		109,000
Telephone	9,600	1,400	1,400		12,400
Breakage - Whse			1,500		1,500
Insurance - General & Bonds	43,000	11,000	12,500		66,500
Store Supplies	20,000				20,000
Paper Bags	75,000				75,000
Travel Expense	500	500			1,000
Supplies (Office & Warehouse)		10,000	5,000		15,000

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Fiscal Year 2026-2027

Janitorial Services	-	4,000		4,000
Maintenance Agreements	38,500	3,000	3,500	45,000
Postage		1,000		1,000
Professional Fees		25,000		25,000
Dues & Subscriptions		6,000		6,000
Board Expense		1,000		1,000
Alarm Services	6,800	1,100	1,100	9,000
Vehicle Expense	2,000	4,000	7,000	13,000
Loss/Gain on sale of Asset				-
Credit Card Processing Fees	270,000			270,000
Interest Expense		-		-
Payroll & Bank Fee		38,000		38,000
Misc. Expense		500		500
Contingencies		-		-
Total	\$ 3,666,800	\$ 552,000	\$ 472,500	\$ 4,691,300

Total

Capital Outlay:

Admin/WH Roof Boxing		6,500	6,500	\$ 13,000
POS Computer, CC Machine, Inv. Scar	\$ 67,500	-	-	\$ 67,500
RTD Cooler	\$ 7,000	-	-	\$ 7,000
Total				\$ 87,500

Debt Service/Lease:

Loan repayments		\$0		\$ -
Total				\$ -

Total Estimated Expenses

		\$		\$ 21,868,800
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Distributions:

Mandatory 3 1/2% & Bottle Tax		\$		\$ 637,000
Law Enforcement			45,000	\$ 45,000
Alcohol Education & Rehab.				\$ 65,000
Other County/Municipal				\$ -
Other Distributions				\$ -

**ROWAN KANNAPOLIS ABC BOARD
BUDGET DOCUMENT
Fiscal Year 2026-2027**

Total Distributions	\$	747,000
Working Capital Retained (Appropriated Fund Balance)	\$	(35,800)
Total Expense, Distribution & Reserve	\$	22,580,000
		\$0

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 - 13, P/T - 39

Budget adopted by the Rowan Kannapolis ABC Board on June 18, 2026