

Rowan/Kannapolis ABC Board
2025-2026 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 (\$23,321,336) for 2024/25 reflect the projected norm for sales following pre-covid numbers. But it also reflects the success of our system as a reflection of stability, which still exists in our pre-covid year numbers. Our numbers still reflected an increase of approximately 1% of sales volume in a year, clearly reflecting the potential for a point will large increases of sales have reached a peak that will probably see balance and possibly decline in the future.

As I highlighted last year, to underline the success of our program, we have seen an increase over a 5–6-year period of about 30% current versus that period where total sales were in the 16-17 million range compared to our stable rise in the 23 million range.

Our administration staff, along with our loyal and dedicated business employees, drive our success with the wonderful leadership as with the wonderful vision exhibited by our Administrative Board.

The upgrades implemented with our new approach at professionalism from our financial and H.R. leaders have been initiated very professionally, and the positive results are evident.

Our Board of Directors and our administration staff recently made some very significant decisions for our future plans for growth and stability. Our Board reached a united vote on three (3) high profile goals for our system.

Our Board made its top priority, based upon my request, always with the warehouse leadership for a new delivery vehicle, which is necessary due to issues recently of our current delivery truck which we are experiencing numerous issues with and projected for long term problems.

Secondly, the town of Cleveland and its leadership approached us about a potential location there that I visited and observed with town mayor and land owner, and then our team did extensive research with the EDC and a study with a similar location at our Rockwell outlet, and raised potential projections of sales and impact on current locations. We determined that this is certainly a potential location for us in the near future, but an item came forward to delay due to issues recognized that we should fulfill before moving forward with the Cleveland project.

The project that was decided on for our next endeavor, which is now our next priority, is to construct an addition to our warehouse to meet the necessary storage area which is already compromised with needed space. Our system already has reached out to a professional architect who has given us potential plans just as we had with cost potential with groups needed for the Cleveland project.

Our Board determined that we will continue our warehouse extension survey, and a timeline will be determined.

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As we evaluate our other success endeavors, we again have reviewed 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; and motivational speaker Mike Hall. 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 numerous endeavors'.

Our 2025/2026 goals will be met, in my opinion, because our drive on each level to ensure success will continue as we welcome new challenges of normal sales, but we prepare to maintain stability with accommodating many new businesses with our mixed beverage service focus.

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,

A handwritten signature in cursive script that reads "Terry Osborne".

Terry Osborne
General Manager

ROWAN KANNAPOLIS ABC BOARD
BUDGET DOCUMENT
Fiscal Year 2025-2026

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026 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	\$	23,794,000
Loan Proceeds		
Total	\$	23,794,000

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	\$	5,523,000
Cost of Goods Sold	\$	12,618,000

Operating Expenses

	Store(s)	Administration	Warehouse	Law Enf.	Total
Salaries and Wages	\$ 2,190,000	\$ 323,500	\$ 308,500	\$	2,822,000
Payroll Taxes	168,500	25,000	24,000		217,500
Retirement	254,000	47,000	44,500		345,500
Group Insurance	212,000	32,000	42,000		286,000
Lease Expense	195,000				195,000
Repairs & Maintenance	68,500	7,000	8,500		84,000
Utilities	88,000	8,000	8,000		104,000
Telephone	8,800	1,200	1,200		11,200
Breakage - Whse			2,000		2,000
Insurance - General & Bonds	46,000	11,500	4,000		61,500
Store Supplies	20,000				20,000
Paper Bags	75,000				75,000
Travel Expense		500			500

ROWAN KANNAPOLIS ABC BOARD
BUDGET DOCUMENT
Fiscal Year 2025-2026

Supplies (Office & Warehouse)		15,000			15,000
Janitorial Services	24,800	3,000			27,800
Maintenance Agreements	31,000	6,000	6,000		43,000
Postage		3,000			3,000
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	6,000		4,000	12,000
Loss/Gain on sale of Asset					-
Credit Card Processing Fees	273,000				273,000
Interest Expense		-			-
Payroll & Bank Fee		38,000			38,000
Misc. Expense		500			500
Contingencies		10,000			10,000
Total	\$ 3,663,400	\$ 570,300	\$ 453,800	\$ -	\$ 4,687,500

Total

Capital Outlay:					
Warehouse Truck	\$ -	\$ -	\$ 98,000	\$	98,000
	\$ -	\$ -	\$ -	\$	-
Total				\$	98,000

Debt Service/Lease:					
Loan repayments		\$0		\$	-
Total				\$	-

Total Estimated Expenses				\$	22,926,500
Distributions:				\$	
Mandatory 3 1/2% & Bottle Tax					672,000
Law Enforcement					45,000
Alcohol Education & Rehab.					89,500
Other County/Municipal					-
Other Distributions					-

ROWAN KANNAPOLIS ABC BOARD
BUDGET DOCUMENT
Fiscal Year 2025-2026

Total Distributions	\$	806,500
Working Capital Retained (Appropriated Fund Balance)	\$	61,000
Total Expense, Distribution & Reserve	\$	23,794,000
		\$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 - 15, P/T - 31

Budget adopted by the Rowan Kannapolis ABC Board on June 17, 2025

Rowan Kannapols ABC Board
Fiscal Year: 2025 - 2026

ANNUAL BUDGET ESTIMATE - REVENUES								
Account	Last Year	Current Year				2025-2026		
	FY 2024 Audit Budget/Actual	2024-2025 Budget	Actual to April 30, 2025	May-June 2024 Rolling Actual	Totals for Year	Budget Officer's Estimate	Approved Proposed Estimate	Approved By Board
Liquor Sales - Regular	20,463,520	20,850,000	17,368,159	3,416,954	20,785,113	21,162,750	21,163,000	21,163,000
Mixed Beverage Sales	2,437,586	2,800,000	2,061,550	443,824	2,505,374	2,600,000	2,600,000	2,600,000
Wine/Mixer Sales	20,783	21,000	14,935	4,188	19,123	18,000	18,000	18,000
Interest Earned	1,844	6,000	3,532	694	4,226	6,000	6,000	6,000
Other Income					0	0	0	0
Loan Proceeds		0			0	0	0	0
MXB Delivery Fee	6,800	7,000	6,300	1,200	7,500	7,000	7,000	7,000
Totals	22,930,533	23,684,000	19,454,476	3,866,860	23,321,336	23,793,750	23,794,000	23,794,000
July-April figures are actual								
May - June Rolling Actual								

PROPOSED BUDGET WORKSHEET

Account	Last Year	Current Year			2025-2026	
	FY 2024 Audit Budget/Actual	2024-2025 Budget	Actual to April 30, 2025	May-June 2024 Rolling Actual	Totals for Year	Approved Proposed Estimate Approved By Board
ANNUAL BUDGET ESTIMATE - EXPENDITURES						
Taxes Based on Revenue:						
State Excise Tax	5,010,367	5,200,000	4,254,109	842,971	5,097,080	5,250,000 5,250,000
MXB Tax (Dept. of Rev.)	185,039	171,000	150,264	34,681	184,945	190,500 190,500
MXB Tax (DHHS)	18,503	19,000	14,284	3,468	17,752	18,500 18,500
Rehabilitation Tax	55,725	64,000	46,650	9,471	56,121	64,000 64,000
Total	5,269,634	5,454,000	4,465,308	890,591	5,355,899	5,523,000 5,523,000
Cost of Sales:						
Cost of Liquor Sold	12,024,464	12,400,000	10,107,081	2,163,565	12,270,646	12,594,000 12,594,000
Cost of Wine/Mixers Sold	13,443	14,000	9,792	2,711	12,503	11,700 11,700
Breakage, Shortage and Overage	13,029	12,000	4,650	2,510	7,160	12,000 12,000
Total	12,050,936	12,426,000	10,121,523	2,168,786	12,290,309	12,618,000 12,618,000
Operating Expenses:						
Salaries and Wages	2,672,086	2,762,600	2,334,956	425,671	2,760,627	2,822,000 2,822,000
Payroll Taxes	203,326	211,000	179,591	30,602	210,193	216,672 217,500
Retirement	328,428	332,900	275,474	46,152	321,626	345,106 345,500
Group Insurance	236,802	231,000	203,023	37,154	240,177	274,000 286,000
Lease Expense	8,357	180,000	153,851	26,665	180,516	195,000 195,000
Repairs & Maintenance	54,423	80,000	70,416	7,659	78,075	84,000 84,000
Utilities	90,265	90,000	83,605	19,534	103,139	104,000 104,000
Telephone	11,278	11,200	9,259	1,879	11,138	11,200 11,200
Breakage - Whse	0	1,000	1,723	84	1,807	2,000 2,000
Insurance - General & Bonds	50,897	53,000	46,849	9,577	56,426	61,500 61,500
Store Supplies	73,762	20,000	16,999	5,544	22,543	20,000 20,000
Paper Bags	0	75,000	55,381	4,243	59,624	75,000 75,000
Travel Expenses	600	1,000	13	0	13	500 500
Supplies (Office & Warehouse)	20,534	15,000	6,100	1,770	7,870	15,000 15,000
Janitorial Services	25,321	26,000	24,000	3,800	27,800	27,800 27,800
Maintenance Agreements	29,717	41,000	37,210	5,629	42,839	43,000 43,000
Postage	1,635	2,000	2,737	679	3,416	3,000 3,000

Rowan Kannapols ABC Board

Fiscal Year: 2025 - 2026

PROPOSED BUDGET WORKSHEET

Account	Last Year	Current Year			2025-2026		
	FY 2024 Audit Budget/Actual	2024-2025 Budget	Actual to April 30, 2025	May-June 2024 Rolling Actual	Totals for Year	Budget Officer's Estimate	Approved Proposed Estimate Approved By Board
Professional Fees	18,450	25,000	20,863	250	21,113	25,000	25,000
Dues & Subscriptions	3,875	3,900	8,035	0	8,035	6,000	6,000
Board Expense	163	1,000	800	0	800	1,000	1,000
Alarm Service	5,102	8,000	6,605	1,774	8,379	9,000	9,000
Vehicle Expense	14,178	10,000	9,157	800	9,957	12,000	12,000
Loss/Gain on sale of Asset					0	0	0
Credit Card Processing Fees	265,746	273,000	220,761	41,546	262,307	273,000	273,000
Interest Expense	79,996	24,000	15,115	9,067	24,182	0	0
Payroll & Bank Fee	36,352	35,000	31,760	5,880	37,640	38,000	38,000
Misc. Expense	1,486	500	-496	1,377	881	500	500
Contingencies		5,400	0	0	0	10,000	10,000
Total	4,232,779	4,518,500	3,813,786	687,336	4,501,123	4,673,417	4,687,500
Capital Outlay:	858,999	0		0	0		
New Delivery Truck		0	0	0	0	100,000	98,000
Warehouse Expansion						TBD	0
New Retail Store Upfit (Cleveland)						TBD	0
(Debt Proceeds)	-523,415				0	0	0
Total	335,584	0	0	0	0	100,000	98,000
Debt Service/Lease:							
Loan Repayments	150,593	523,000	523,415	0	523,415	0	0
Total	150,593	523,000	523,415	0	523,415	0	0
Total Estimated Expense	4,718,956	5,041,500	4,337,201	687,336	5,024,537	4,773,417	4,785,500
Distributions:							
Law Enforcement	41,842	40,000	40,000	0	40,000	45,000	45,000
Alcohol Education & Rehab.	75,524	89,500	72,276	5,164	77,440	89,500	89,500
County	640,892	633,000	495,000	156,000	651,000	672,000	672,000
Other Distributions					0		
Total	758,258	762,500	607,276	161,164	768,440	806,500	806,500

Rowan Kannapols ABC Board

Account	Last Year	Current Year				2025-2026		
	FY 2024 Audit Budget/Actual	2024-2025 Budget	Actual to April 30, 2025	May-June 2024 Rolling Actual	Totals for Year	Budget Officer's Estimate	Approved Proposed Estimate	Approved By Board
Total	758,258	762,500	607,276	161,164	768,440	806,500	806,500	806,500
Total Expenditure Summary	22,797,784	23,684,000	19,531,308	3,907,877	23,439,185	23,720,874	23,733,000	23,733,000
Working Capital Retained	132,749	0	-76,832	-41,017	-117,849	72,876	61,000	61,000
NUMBER OF EMPLOYEES: F/T - 27, PTA - 15, P/T - 31								