



Gastonia *ABC* System

Budget Message FY 2022– 2023

- 1- Sales for FY 21-22 reflected minimal growth with a gain of 1.16% for the first 9 months. We anticipate a little over 1% increase in sales for this budget period. Store growth is trending down, and Mixed Beverage is trending up. Due to the stores making up about 85% of the sales, this is going to lower our sales increases for the new budget year.
- 2- Health care expenses will rise this year. We anticipate Health Care costs to go up \$61.00 a month per employee for the medical and dental portion of the benefits. The total of the increase is expected to be \$5,856.00.
- 3- The System will continue to operate with a majority of its staff part-time (41 part-time employees) and only 8 full-time employees. The board has approved a \$2.00 raise per employee effective at the start of the new fiscal year. New hires will now start at \$13.00 per hour.
- 4- The two stores we currently lease space for (Store 2 – Dallas, Store 6 – W. Gastonia) will have a small increase in rent for this Fiscal Year. For six months of this fiscal year the rent for Dallas will increase by \$47.00 (\$282.00 total). Our W. Gastonia location will increase \$600.00 for the year.
- 5- Business insurance is expected to increase approximately \$2,000.00 for FY 22-23. Most of this increase is due to the new truck we purchased for Mixed Beverage delivery.
- 6- The Employer contribution rate for the North Carolina Retirement plan is going to be 12.10% for this budget period. The 401k plan will continue to be funded at the current level of 5.5%.
- 7- Bank fee rates are expected to be the same for this year. The only increase we will see would be due to an increase in sales and card usage.
- 8- 6 capital projects are funded in the budget for fiscal year 22-23. Four of the capital projects are to give the stores all new registers and back-office computers. The other two are related to new HVAC units. They are at an age for potential replacement, and we want to be prepared due to the significant expense.
 - W. Long Ave – New registers
 - Dallas – New registers
 - Jett Lanier – New registers
 - Office/Warehouse HVAC
 - W. Gastonia – New Registers
 - Dallas – HVAC
- 9- The Board continues to provide a high level of financial distributions to the City of Gastonia. The distribution will be \$600,000 for Fiscal Year 22-23. This will be paid in 4 quarterly payments. After our annual external audit a fifth distribution may be made based on the results of the audit.
- 10- The Board will determine the distribution for Dallas after the year-end audit. The Board distributed \$19,896 for fiscal year 20-21.
- 11- The Board's financial status is sound; therefore, no monies will be borrowed to fund operations or capital expenses.
- 12- The board does not have any plans currently in place to open a new location.