



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 (42 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 \$5,000.00 for FY 22-23. This increase is due to the new truck we purchased for Mixed Beverage delivery, the cost of building replacement increasing, and the amount of liquor we are storing in the warehouse.
- 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- 8 capital projects are funded in the budget for fiscal year 22-23. Five of the capital projects are to give the stores all new registers and back-office computers. Two of the capital projects 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. The last one is to replace all of the lights at Jett Lanier to LED.
 - S. York Rd. – New registers
 - W. Long Ave – New registers
 - Dallas – New registers
 - Jett Lanier – LED lighting
 - Office/Warehouse HVAC
 - W. Gastonia – New Registers
 - Dallas – HVAC
 - Jett Lanier – New registers
- 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.