



## Gastonia *ABC* System

## Budget Message FY 2023– 2024

- 1- Sales for FY 22-23 reflected positive growth with a gain of 13.34% for the first 9 months. We anticipate a 5.50% increase in sales for this budget period.
- 2- Health care expenses will rise this year. We anticipate Health Care costs to go up \$85.00 a month per employee for the medical and dental portion of the benefits. The total of the increase is expected to be \$8,160.00 for the current 8 full-time employees. There will be an additional \$17,040.00 spent on the Assistant Store Manager position that was approved for the W. Long Avenue store starting in July.
- 3- The System will continue to operate with a majority of its staff part-time (41 part-time employees) and only 9 full-time employees. The board has approved a \$1.00 raise per employee effective at the start of the new fiscal year. New hires will now start at \$14.00 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 \$49.00 (\$294.00 total). Our W. Gastonia location will not have an increase for the year.
- 5- Business insurance is expected to increase approximately \$6,500.00 for FY 23-24. This increase is due to the higher rates to insure two vehicles, the cost of building replacement increasing by 7%, 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 14.10% 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- 2 capital projects are funded in the budget for fiscal year 23-24. The Office/Warehouse HVAC is carrying over from last year. Due to the age of the units, we want to be prepared for the significant expense in replacing them. The final capital project is to purchase land for a new W. Gastonia store.
  - Office/Warehouse HVAC
  - W. Gastonia – Land purchase
- 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 23-24. 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 \$37,617.00 for fiscal year 21-22.
- 11- The Board's financial status is sound; therefore, no monies will be borrowed to fund operations or capital expenses.
- 12- The board is under contract to purchase land to replace our W. Gastonia location that is currently leased. The plan is to build a stand-alone store after the land is purchased. This will allow the Board to build a significantly larger store and offer our customers more products and improve their shopping experience.