



Gastonia *ABC* System

Budget Message FY 2025– 2026

- 1- Sales for FY 24-25 reflected slow growth with a gain of 1.26% for the first 9 months. We anticipate sales to be in line with last year. The store sales are expected to grow approximately 2.35%, however the mixed beverage sales continue to trend down. This will cause overall sales to remain flat.
- 2- Health care expenses will be lower for the year. The Gastonia ABC Board is going with a new insurance carrier due to the NCLM no longer offering health care. We anticipate a savings of approximately \$5,000.00 for the year.
- 3- The System will continue to operate with a majority of its staff part-time (36-40 part-time employees) and only 9 full-time employees. The board has approved raises for all full-time and part-time employees effective at the start of the new fiscal year. The increase will be 2.5%. New hires will continue to start at \$15.00 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 \$49.09 (\$294.54 total). Our W. Gastonia location will not have an increase for the year.
- 5- Business insurance is expected to be up about 7% for this fiscal year. This figure was calculated to cover inflation and the increase in the vehicle insurance for two vehicles.
- 6- The Employer contribution rate for the North Carolina Retirement plan is going to be 14.52% 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- 13 capital projects are funded in the budget for fiscal year 25-26. 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 alarm at S. York rd. has been repaired several times and it is time to replace it due to the age of the unit. The camera system at W. Long Ave needs to be updated due to the age of the system, and new technology we can utilize. The remaining capital projects are all related to building the new W. Gastonia store.
- 9- The Board continues to provide a high level of financial distributions to the City of Gastonia. The distribution will be \$600,000.00 for Fiscal Year 25-26. This will be paid in 4 quarterly payments. For this fiscal year, the City will most likely not receive a fifth distribution due to the agreement to withhold funds until the new store in W. Gastonia is completed. However, if the new store is completed, and there are remaining funds, a fifth distribution will be made to the City of Gastonia as required.
- 10- The Board will determine the distribution for Dallas after the year-end audit. The Board distributed \$37,945.00 for fiscal year 23-24.
- 11- The Board's financial status is sound; therefore, no monies will be borrowed to fund operations or capital expenses.
- 12- The Board has purchased land to build a new store in W. Gastonia to replace the store that is currently leased. This will allow the Board to build a significantly larger store and offer our customers more products, and improve their shopping experience. This budget proposal has Capital projects in place to account for the cost of the new store. The new store is expected to be completed and operating during this fiscal year.