

**CUMBERLAND COUNTY  
ALCOHOLIC BEVERAGE CONTROL  
BOARD**

**Fayetteville, North Carolina**

**BUDGET**

**FOR**

**JULY 1, 2023 – JUNE 30, 2024**

**Final Budget  
House Bill 1717, G.S. 18B-702**

**June 15, 2023**

## **TABLE OF CONTENTS**

- Budget Message by General Manager \_\_\_\_\_
- Budget Document \_\_\_\_\_

**CUMBERLAND COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD**  
**Budget for the fiscal year 2023 – 2024**

**June 15, 2023**

**RE: BUDGET MESSAGE**

To: The Cumberland County ABC Board

The Annual Budget for the fiscal year July 1, 2023 - June 30, 2024 (FY24) has been prepared per the North Carolina General Statute 18B-702 "Financial operations of the local board". The ABC Board determines, through the adoption of an annual budget, the level of customer services that the ABC system will provide and the resources available for operations and capital projects.

Factors contributing to the preparation of this budget include the projected revenue, taxes, cost of goods sold, operating expenses, non-operating revenue (expenses), capital improvements, and distributions.

Projected operating revenues reflect a proposed average sales increase of 12.5% over FY23 sales. The budget consists of projected revenues of \$63 million from liquor sales, \$2,000 from other incomes, taxes related to liquor income of \$14.8 million, cost of sales of \$32.8 million, operating expenses costs of \$8 million, and income distribution of \$7.4 million.

**Highlights of the Budget: Key elements include:**

- The assumption was that no debt will be incurred; all expenses will be funded through cash. Listed below are the planned capital projects for FY24.
  - Replace entrance doors at two stores - \$12K.
  - Replace shelving and counters at one store - \$65K.
  - Expand stockroom at one store - \$7.5K
  - Renovate restroom at one store - \$7.5K
  - Purchase 20' shipping container for one store - \$6K
  - Install new roof at one store - \$65K
  - Repair floor tiles at one store - \$12K.
  - Pallet stacker for one store - \$7.5K
  - Upgrade credit card pin pad at all stores - \$55K
  - Upgrade Tag Inventory scanners for all stores - \$58K
  - Build a file storage area for the office - \$10K
  - Purchase a utility vehicle and replace the 2008 Van for warehouse - \$45K
  - New dock and 2 AB Levelers for warehouse - \$65K

**CUMBERLAND COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD**  
**Budget for the fiscal year 2023 – 2024**

- A cost-of-living increase in employees' pay will be granted if revenues are available. The Board adopted a policy on October 13, 2003, that the employees are given at least what the County gives for COLA to their employees, we are budgeting 5%.
- Merit wage increases shall be considered for employees based on meritorious work performance.
- Longevity pay will be given in December to eligible employees with at least 3 years of service.

The Board's Budget Process: The Board's first budget was presented in FY 2003 - 04. The budget is prepared by the General Manager with the proposed budget being presented at the May Board meeting. The final budget is presented for approval at the June Board meeting.

The Board does not have any outstanding debt.

**Priorities and Assumptions:**

- The Board has hired Alcohol Law Enforcement officers as authorized under NC GS 18B-501(f).
- Alcohol Education: Cumberland County ABC Board must contribute 7% of the net profit remaining after the required distribution in NC GS 18B-505(c)(1).
- The Board is required to maintain working capital at no less than two weeks' average gross sales of the latest fiscal year and no greater than three months' average gross sales of the latest fiscal year. Gross sales mean gross receipts from the sales of alcoholic beverages less distributions as defined in GS 18B-505(b)(2),(3), and (4)."
  - As of March 31, 2024, the Board's Working Capital is calculated to be:
    - Minimum working capital \$1,767,573
    - Maximum working capital \$11,489,224
  - The actual Working Capital as of 03/31/2023 was \$6,100,000. The Board voted on 02/13/2023 to adopt \$6,100,000 as the minimum amount to maintain for Working Capital.
  - Profit distributions to the County are paid quarterly.

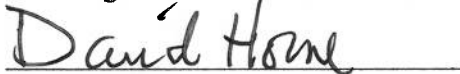
**Staffing Summary:**

The Board has authorized a total of 62 full-time positions and 33 part-time positions. All positions are allocated by the department as follows:

Retail and Liquor-By-the-Drink Permit ABC Store Employees	76
Warehouse Employees	9
General & Administrative Employees	6
Law Enforcement	4

**Conclusion:**

The budget reflects the Board's commitment to fulfilling its mission based on known information.



David Horne  
General Manager

Attached: Final Budget for the Fiscal Year 2023 – 2024.

**BUDGET DOCUMENT  
CUMBERLAND ABC BOARD  
Fiscal Year 2023 - 2024**

BE IT ORDAINED by the Cumberland ABC Board, of Cumberland County, North Carolina, that the following budget establishes revenues and expense appropriations for fiscal July 1, 2023 through June 30, 2024.

*Section 1. Estimated Revenues.* It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024 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:**

Liquor Sales & Other Income \$ 63,002,000

*Section 2. Appropriations.* The following expenses are hereby appropriated for fiscal year 2023 - 2024 and are funded by the revenues made available through Section 1, herein.

**Appropriations:**

Taxes Based on Revenue \$ 14,774,400

**Cost of Sales:**

Cost of Goods Sold \$ 32,765,000

<u>Operating Expenses</u>	<u>Store(s)</u>	<u>Admin.</u>	<u>Warehouse</u>	<u>Law Enf.</u>	<u>Total</u>
Salaries and Wages	2,828,000	759,900	489,700	343,700	\$ 4,421,300
Group Insurance	632,100	161,200	102,900	58,800	\$ 955,000
Board Member Expense		18,600			\$ 18,600
Cash Over/Short	900				\$ 900
Lease Amortization Expense	287,100	6,000	0	0	\$ 293,100
Rent	0	0	0	0	\$ -
Repairs & Maint - Build & Equip.	119,000	7,000	20,000	2,000	\$ 148,000
Bank Service Charges	6,300				\$ 6,300
Utilities & Phone	137,000	21,000	14,200	7,800	\$ 180,000
Insurance - General & Bonds		215,300		1,700	\$ 217,000
Supplies	127,000	25,000	20,000	5,000	\$ 177,000
Uniforms	9,000		2,000	1,000	\$ 12,000
Travel		19,000		3,000	\$ 22,000
Licenses & Taxes	8,000	500	1,000		\$ 9,500
Publications Newspaper		1,000		0	\$ 1,000
Drug Testing		6,500		500	\$ 7,000
Convention Expense		4,900			\$ 4,900
Professional Fees	684	105,316	0		\$ 106,000
Dues & Subscriptions	2,360	21,140	0	1,700	\$ 25,200
Maintenance Agreements	133,500	18,600	12,400	5,500	\$ 170,000
Training	7,200	1,000		1,600	\$ 9,800
Security	18,700	1,500	4,100	1,900	\$ 26,200

**BUDGET DOCUMENT  
CUMBERLAND ABC BOARD  
Fiscal Year 2023 - 2024**

<u>Operating Expenses</u>	<u>Store(s)</u>	<u>Admin.</u>	<u>Warehouse</u>	<u>Law Enf.</u>	<u>Total</u>
Vehicle		6,000	20,000	20,000	\$ 46,000
Credit Card Processing Fees	756,000				\$ 756,000
Inspection Fee	1,000	100	100	100	\$ 1,300
Undercover Expense (LE)				2,500	\$ 2,500
<u>Operating Expenses</u>	<u>Store(s)</u>	<u>Admin.</u>	<u>Warehouse</u>	<u>Law Enf.</u>	<u>Total</u>
Contributions				0	\$ -
Late Payment Penalty					\$ -
Less revenue designated for LE				0	\$ -
Contingencies (5%)		405,900			\$ 405,900
					\$ -
<b>Total Operating Expenses</b>	<b>\$ 5,073,844</b>	<b>\$ 1,805,456</b>	<b>\$ 686,400</b>	<b>\$ 456,800</b>	<b>\$ 8,022,500</b>
<b>Capital Outlay:</b>	<b>Store(s)</b>	<b>Admin.</b>	<b>Warehouse</b>	<b>Law Enf.</b>	<b>Total</b>
Vehicle			110,000		\$ 110,000
Building Improvements	169,000	10,000			\$ 179,000
Equipment & Software	126,500				\$ 126,500
<b>Capital Outlay Total</b>	<b>\$ 295,500</b>	<b>\$ 10,000</b>	<b>\$ 110,000</b>	<b>\$ -</b>	<b>\$ 415,500</b>
<b>Working Capital Proceeds</b>	<b>\$ (295,500)</b>	<b>\$ (10,000)</b>	<b>\$ (110,000)</b>	<b>\$ -</b>	<b>\$ (415,500)</b>
<b>Debt Service/Lease:</b>					\$ -
					\$ -
<b>Total Debt Service/Lease</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Estimated Expenses</b>	<b>\$ 5,073,844</b>	<b>\$ 1,805,456</b>	<b>\$ 686,400</b>	<b>\$ 456,800</b>	<b>\$ 55,561,900</b>
<b>Distributions:</b>					
Mandatory 3 1/2% & Bottle Tax					\$ 1,699,650
Law Enforcement					\$ -
Alcohol Education & Rehab.					\$ 500,000
Other County/Municipal					\$ 5,240,450
Other Distributions					\$ -
<b>Total Distributions</b>					<b>\$ 7,440,100</b>
<b>Working Capital Retained</b>					
<b>Total Expense, Distribution &amp; Reserve</b>					<b>\$ 63,002,000</b>

Section 3. Copies of this Budget Document shall be furnished to the County Commissioners, 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.

Adopted by the Cumberland ABC Board this 12th day of June 2023