

**CUMBERLAND COUNTY
ALCOHOLIC BEVERAGE CONTROL
BOARD**

Fayetteville, North Carolina

BUDGET

FOR

JULY 1, 2025 – JUNE 30, 2026

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

June 10, 2025

CUMBERLAND COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD
Budget for the fiscal year 2025 – 2026

June 10, 2025

RE: BUDGET MESSAGE

To: The Cumberland County ABC Board

The Annual Budget for the fiscal year July 1, 2025 - June 30, 2026 (FY26) 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 decrease of 0.83% over FY24 sales. The budget consists of projected revenues of \$60 million from liquor sales, \$20,000 from other incomes, taxes related to liquor income of \$14.1 million, cost of sales of \$31.2 million, operating expenses costs of \$8.2 million, and income distribution of \$6.5 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 FY26.
 - New trash dumpster enclosure at one store - \$8K.
 - Parking lot asphalt repair at one store - \$15K.
 - New property fence at one store - \$40K
 - New property entrance enclosure at one store - \$7.5K.
 - Additional shelving at one store - \$10K.
 - Purchase stockroom racking for one store - \$10K.
 - Reconfigure parking lot entrance at one store - \$15K.
 - Purchase covered awning for loading dock at one store - \$15K.
 - Remodel front register area at one store - \$25K.
 - Renovate restroom at one store - \$15K.
 - Floor tile replacement at one store - \$7.5K.
 - LED light conversion for the stockroom at one store - \$10K.
 - Landscaping improvements at one store - \$7.5K.
 - Purchase dock lift for one store - \$30K.
 - HVAC repair for the administration building warehouse - \$35K.

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- Painting at the administrative office - \$7.5K.
 - Floor installation at the administrative office - \$5K.
 - New box delivery truck for the warehouse - \$75K.
 - New delivery cargo van for the warehouse - \$55K.
 - New vehicle for law enforcement - \$45K.
 - New HVAC Units (3 Units) for one store - \$45K.
- 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 to the Board in May. 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-805(c)(2).
 - 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-805(b)(2),(3), and (4)."
- As of March 31, 2025, the Board's Working Capital is calculated to be:
 - Minimum working capital \$1,747,498
 - Maximum working capital \$11,358,734
 - The actual Working Capital as of 03/31/2024 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.

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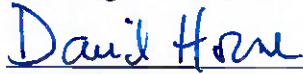
Staffing Summary:

The Board has authorized a total of 58 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	70
Warehouse Employees	10
General & Administrative Employees	7
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 2025 – 2026.

**BUDGET DOCUMENT
CUMBERLAND ABC BOARD
Fiscal Year 2025 - 2026**

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, 2025 through June 30, 2026.

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2025 and ending June 30, 2026 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	\$ 60,020,000
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Section 2. Appropriations. The following expenses are hereby appropriated for fiscal year 2025 - 2026 and are funded by the revenues made available through Section 1, herein.

Appropriations:

NC Excise Tax	\$ 13,200,000
MXB Tax (Dept. of Rev.)	\$ 612,000
MXB Tax (DHHS)	\$ 61,200
Rehabilitation Tax	\$ 179,600
Wine/Mixer Sales Tax	\$ 100
Taxes Based on Revenue	\$ 14,052,900

Cost of Sales:

Cost of Liquor Sold	\$ 31,200,000
Cost of Wine/Mixers Sold	\$ 185
Cost of Goods Sold	\$ 31,200,185

<u>Operating Expenses</u>	<u>Store(s)</u>	<u>Admin.</u>	<u>Warehouse</u>	<u>Law Enf.</u>	<u>Total</u>
Salaries and Wages	2,913,900	787,000	596,000	373,800	\$ 4,670,700
Group Insurance	654,000	159,600	130,900	65,400	\$ 1,009,900
Board Member Expense		18,600			\$ 18,600
Cash Over/Short	900				\$ 900
Lease Amortization Expense	433,500	6,700	0	0	\$ 440,200
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	158,000	27,200	47,200	9,700	\$ 242,100
Insurance - General & Bonds		282,000		2,400	\$ 284,400
Supplies	128,000	30,000	25,000	5,000	\$ 188,000
Uniforms	6,750		2,000	1,000	\$ 9,750
Travel		19,000		3,000	\$ 22,000
Licenses & Taxes	8,100	20,500	1,100		\$ 29,700
Publications Newspaper		1,000		0	\$ 1,000
Drug Testing		6,500		500	\$ 7,000
Convention Expense		6,265			\$ 6,265
Professional Fees	810	103,190	0		\$ 104,000
Dues & Subscriptions	1,950	17,150	0	1,700	\$ 20,800
Maintenance Agreements	140,800	18,800	12,000	5,500	\$ 177,100
Training	7,200	1,000		1,600	\$ 9,800
Security	19,500	2,800	3,200	2,000	\$ 27,500

**BUDGET DOCUMENT
CUMBERLAND ABC BOARD
Fiscal Year 2025 - 2026**

<u>Operating Expenses</u>	<u>Store(s)</u>	<u>Admin.</u>	<u>Warehouse</u>	<u>Law Enf.</u>	<u>Total</u>
Vehicle		8,000	25,000	20,000	\$ 53,000
Credit Card Processing Fees	792,000				\$ 792,000
Inspection Fee	1,000	100	100	100	\$ 1,300
Undercover Expense (LE)				2,500	\$ 2,500
Operating Expenses	Store(s)	Admin.	Warehouse	Law Enf.	Total
Contributions				0	\$ -
Late Payment Penalty					\$ -
Less revenue designated for LE				0	\$ -
Contingencies (5%)		430,700			\$ 430,700
					\$ -
Total Operating Expenses	\$ 5,391,710	\$ 1,953,105	\$ 862,500	\$ 496,200	\$ 8,703,515
	Store(s)	Admin.	Warehouse	Law Enf.	Total
Capital Outlay:					
Vehicle			130,000	45,000	\$ 175,000
Building Improvements	242,500	12,500			\$ 255,000
Equipment & Software	30,000	35,000			\$ 65,000
Capital Outlay Total	\$ 272,500	\$ 47,500	\$ 130,000	\$ 45,000	\$ 495,000
Working Capital Proceeds	\$ (272,500)	\$ (47,500)	\$ (130,000)	\$ (45,000)	\$ (495,000)
Debt Service/Lease:					
					\$ -
					\$ -
Total Debt Service/Lease	\$ -	\$ -	\$ -	\$ -	\$ -
Total Estimated Expenses	\$ 5,391,710	\$ 1,953,105	\$ 862,500	\$ 496,200	\$ 53,956,600
Distributions:					
Mandatory 3 1/2% & Bottle Tax					\$ 1,661,992
Law Enforcement					\$ -
Alcohol Education & Rehab.					\$ 341,392
Other County/Municipal					\$ 4,060,016
Other Distributions					
Total Distributions					\$ 6,063,400
Working Capital Retained					
Total Expense, Distribution & Reserve					\$ 60,020,000

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.