

## Hyde ABC Board Meeting

8.14.17

6:00 pm

Call to order: 6:02

Attendance: Board: Meredith and Johnnie, Glenda is absent. FO Gary and GM Vicki

Consideration of Agenda and Ethics Reminder:

Approval of prior Board minutes: June 26,2017 and July 17,217 approved and adopted.

Old Business:

1. New Laptop: Vicki loves it and everything is running smooth.

New Business:

1. 2016-2017 Audit update. We have not had a response from Steve May even though Gary and Vicki have contacted requesting information. We will contact again requesting a draft of the audit for us to preview before the presentation in September.
2. PLC Loss of Business claim: Gary has made a claim due to the loss of income because of the power outage for a week beginning the last of July and carried over for about a week into August. A mandatory evacuation was in effect until the power was restored. Gary sent out this information to everyone by email.
3. 2017-2018 Budget: Meredith requests our current budget expenditures to be presented monthly with the financial statements when sent out. She also requested a trial balance. Gary will send this out and also change the format so that the classifications will be easier to understand.

Finance Officer Comments:

### **Balance Sheet:**

- **Checking/Savings** are down \$34,473.75 from last year. See below for offsetting "good news".

- Although our cash is down, our **Liquor Inventories** increased by \$9,251.48 and our **Accounts Payable** dropped by \$58,356.15. These two items reflect how our cash was used.
- Our **Total Liabilities** decreased by \$45,961.89.

### **Profit & Loss:**

- Despite the island evacuation ordered on July 29th, our **Sales** only dropped \$1,995.15. Up until the evacuation order, our sales were running ahead of last year. I've prepared an evaluation of the impact of the evacuation on our financial results which Vicki is reviewing before we send it to PCL; I'll send it to the Board after Vicki's review.
- Our **Gross Profit** fell from \$29,348.46 to \$25,220.41, a drop of \$4,128.05. This drop is due to the drop in sales as well as increases in our Taxes on Gross Income and Cost of Liquor Sold.
- **General Expenses** increased by \$1,645.68 which due almost entirely due to increased Salaries & Wages (\$1,066.24) and increased Merchant Fees (\$1,266.02). The increase in Merchant Fees is due to the fact that Vicki and I made the decision to recognize this expense for the month it was incurred rather than in the month it was billed. Consequently, we recognized both the June fees when paid and the July fees when incurred to get on track going forward.
- Allocated Expenses dropped by \$48.42 which is insignificant.
- **Net Profit** fell from \$18,829.20 last year to \$12,412.30 this year, a drop of \$6,416.90. The drop in Gross Profit and increased General Expenses discussed above account for the drop in Net Profit.

While July was not as strong as last year, we remain in a strong financial position. The ratio of our (Cash+Inventory)/Current Liabilities has improved from 2.40 times last year to 3.20 times.

General Manager Comments: Our sales were down but were heading towards being over 2016 before the power outage. Inventory is up because I had to cover a 5 week period in-between orders instead of 4 weeks. Some of our payroll is up because of training our new sales clerk in Ocracoke. Hopefully things will smooth out for August.

The State Sales were up only 2.36 %. We were down 1.80%, Tyrrell County was down 7.34%, Dare up 4.95%, Beaufort up only .21%.

Audit Presentation 9.18.17 6:30, during our Sept. Board Meeting.

Adjourn 6:18

