

Hyde ABC Board Minutes

7.16.18

6:15 pm

Call to Order: 6:17 pm

Ethics Reminder:

Attendance: Meredith, Glenda Johnny, Gary and Vicki

Adoption of Board Minutes: June Board Minutes tabled until August Board Meeting.

New Business: Our bank account has been compromised. We received a call from Frost bank in Texas that said they had denied cashing a check from us to an Amber Washington. Gary googled Prost Bank and found some of their accounts as well we had received an email stating that our vender Titos had been comprised earlier. We believe it is possible the compromise started from there. 2 other checks were cashed, one in Texas and one in Arkansas. These checks were cashed with an extra bank account number on the fake duplicated check. We watched it come in pending and then F.N. Bank handled it and refunded about \$4800.00 back to our account. We are now faced with adding protection for our security. FNB suggests Positive Pay. Meredith is familiar with it and uses it in her business. Gary will research out how it works and we will talk by phone or email and make decisions about its use. It would be a \$40 a month charges plus .06 a check.

Old Business:

1. Concrete has still not been poured at the SQ Store loading area. Trees may be trimmed around the property by the owner of the woods instead of hiring David Eakes. David has trimmed the trees around the ABC sign and we owe him for that.
2. Termite control: I expect them to come any day.

Gary's Financial Statement:

- Our **Total Current Assets** have grown from \$191,444 last year to \$272,902 this year, an increase of \$81,459. Most of the increase was due to the increase in our **Checking/Savings** of \$76,561 and an increase in our **Inventory** of \$4,690.

- At the same time, our **Total Current Liabilities** also increased by \$52,938 entirely due to an increase in our **Accounts Payable** of \$60,358, but offset by decreases in **Other Current Assets** and **Payroll Liabilities**.
- Our **Current Assets**, net of **Current Liabilities** has improved by \$28,520.
- **MTD Profit/Loss: Sales** dropped by \$5,074.55 compared to last year caused entirely by a drop in Mix Beverage Sales on Ocracoke.
 - Overall **Profit** only dropped \$533 compared to last year.

YTD Profit/Loss:

- **Sales** dropped by \$30,553 with both retail Liquor and Mixed Beverage Sales dropping on Ocracoke. This is partially due to the PCL outage and is offset by the money in **Other Income** that we recovered from PCL (\$5,664). The drop in sales on Ocracoke resulting from the PCL outage is approximately \$22,000.
- **Gross Profit** fell by \$9,699, again partially due to the PCL outage.
- General Expenses increased by \$2,587. The biggest expense increases were in Hourly Wages (\$1,949) and Utilities (\$686). There is an increase in Pension Expense of \$2,653 which results from entries made by the auditors to last year involving Deferred Outflows-Pension. I expect similar adjustments by the auditors this year.
- Despite the drop in Sales and increase in General Expenses, our overall **Profit** has increased by \$4,168.79 over last year. This is largely due to the PCL recovery noted earlier.

YTD Profit/Loss Budget vs Actual:

- We achieved 94.6% of budgeted **Sales** and 97.3% of budgeted **Gross Profit**.
- All of our **General Expenses** fell within our Budget and were only 93.0% of the amount budgeted.
- Net Ordinary Income was 113.4% of the amount budgeted.
- Other Income was 1,903.7% of the amount budgeted. This results from the unbudgeted PCL recovery and better than budgeted interest earnings.
- Net Income was 162.9% of the amount budgeted which is significantly better than budgeted.

- We budgeted \$3,000 for **Leasehold Improvements** on Ocracoke and spent \$2,615 which was well within our budget.

YTD Profit/Loss - By Store:

- Ocracoke profit increased by less than \$300 over last year with the big profit improvement being in Swan Quarter where the loss fell from \$21,558 last year to a loss of \$16,783 this year. Despite the PCL outage and some loss in Ocracoke Sales, our financial results remain strong and our financial position.

General Manager Comments:

Sales were up 7.58 % across the state. We were down 4.68 %. Surrounding counties were up but not by a full 1% except for Tyrell County. SQ store was up due to a larger Mix Bev order. OC store up \$2000 but mix Bev sales down \$5000. We are all very busy.

Meeting Adjourned: 6:43