

Hyde ABC Board Meeting Minutes

3.21.17 6:30 pm

Open: 6:35 pm

Ethics Reminder: by Meredith Board Chair

Attendance: All board Members, Finance Officer and GM

Prior Board Minutes Adopted: Yes, December 2017 and January 2017.

Old Business:

- 1- **Audit engagement letter:** Gary has contacted 5-6 auditors. Scott May has agreed to do our audit. Board voted and approved to hire May & Place for \$5200. Meredith wanted to make sure that Scott will address all items concerning ABC and is familiar with what is required. Meredith will sign the contract tonight and we will mail it out. Gary will contact Tom Robinson our prior auditor and let him know.
- 2- **Price Discrepancy Policy:** Ruling was read and adopted
- 3- **Deposit Policy:** The Commission recommended that we adopt a better policy according to State regulations. Changes were made and adopted.
- 4- **Compliance response to the State Auditors:** We discussed and will finish this up tonight and Meredith will send out an email to all board members. I'll take a copy to the GM meeting for Laurie Lee.
- 5- **Ethics Class:** We're going to schedule the class for April at the SQ Store.

Gary Financial Statement and discussion:

Balance Sheet:

- Our Checking & Savings is up \$29,476.93 over last year.
- Current Liabilities increased \$1,630.85 largely due to the fact that our Pension and Payroll Tax liabilities had not been paid.
- Total Liabilities were down \$11,787.21.

- Overall, we continue in a strong financial position.

MTD Profit & Loss:

- Sales were down \$2,645.46 is largely due to Ocracoke's Mixed Beverages Sales having dropped.
- Gross Profit dropped from \$8,199.77 last year to \$6,529.80 this year, again a reflection of the lower Mixed Beverage Sales on Ocracoke.
- General Expenses were flat, dropping just \$46.32.
- Administrative Expenses were down \$303.99.
- Net Income was (\$2,727.96) this year versus (\$1,418.66) last year.

YTD Profit & Loss:

- Sales continue to run slightly ahead of last year by \$4,381.05.
- It is puzzling, as it has been in the past, that while our Sales are up, our Taxes are down \$1,029.55 and our Cost of Goods Sold are up \$4,872.25 which is more than the increase in Sales. Neither of these changes seem logical, because I would have expected Taxes to rise with the Sales and Cost of Goods to rise proportionally with Sales.
- Gross Profit is down \$1,520.75.
- General Expenses have increased \$4,671.14 which is largely due to increased Salaries & Wage Expense of \$4,185.93.
- Net Profit is \$25,169.99, down \$12,729.05 from last year. The major factors in this are the \$1,520.75 drop in Gross Profit and increased Salaries & Wages of \$4,185.93, settlement of the 2009 Sales Tax issue for \$3,544.91 in tax, \$1,283.10 in interest and \$364.20 in penalty. Together these are almost \$11,000.

While our results so far this fiscal year are down from a year ago, they remain strong. I looked back at February 2015 and our profit is up a little more than \$5,000 this year over that year. In February 2014 we had a deficit of \$9,134.93. Overall, I think we're in good shape.

General Manager Comments: The General Manager Conference is March 28th and Vicki is excited to be going. There is a software rep going to be there that we have been talking to. OC was down \$1500 SQ down \$1000 compared to prior year. This was all mix Bev sales in OC, but a combination for SQ. Hoping March and April will be better. The Sales resemble 2014 year.

Next Meeting: 4.17.17

Meeting Adjourned 6:53