

Hyde ABC Board Meeting

Audit Review

10.08.18

6:30 pm

Call to Order: 6:31

Roll Call: All members present. Gary and Vicki present.

Ethics Reminder: By Meredith

Prior Board Minutes: August Board Minutes adopted. There was no Board meeting in Sept. We rescheduled this meeting 2 times to no avail due to Board absence, Hurricane Florence and Vicki having to reschedule her days.

Old Business:

1. Positive Pay: We are using Positive pay. We are getting along great with it.
2. Audit Draft: Gary responded to May and Place with any concerns or changes. We should expect the Audit at any time. Vicki will set up the time for the Audit presentation and call everyone with the time and date.
3. Concrete has been poured at the loading/unloading door of the Warehouse. We no longer have to drag the dollies through the mud on a rainy day!
4. The Swan Quarter driveway holes have been smoothed out. It looks much better!

New Business:

1. Meredith will take the County Distribution check to County Commissioners during their December 2018 meeting.
2. Education Distribution: "Sold Out" will visit both the Mattamuskeet and Ocracoke Middle and High School aged students as he did last year. The distribution owed is about \$1900.00 however you can't find a group to come out this far for that amount. We paid \$2800.00 last year and Roman wanted more money. Vicki will see if he will agree to the \$2800.00 again being we owe less this year.
3. Budget Revision: Due to Positive Pay charges we will have to amend the budget to include the \$60.00 per month plus .06 charge per check.

Gary Financial Statement for August 2018 and Sept. 2018.

August 2018 Financial Statement by Gary

Balance Sheet:

- **Checking/Savings** have increased by \$38,244 over last year.
- **Inventory** is up \$3,500
- **Accounts Payable** and **Total Liabilities** have increased \$12,580 and \$7,974 respectively.
- The ratio of our **Total Current Assets** to **Total Current Liabilities** has improved from 2.72 to 2.93.

MTD & YTD Profit & Loss:

- **MTD & YTD Sales** increased \$26,214 and \$29,080 respectively
- **MTD & YTD Gross Profit** increased by \$4,417 and \$9,151 respectively
- **MTD & YTD General Expenses** have increased \$3,244 and \$2,029 respectively. Increases in **Payroll** of \$588 (actually down 1% of Sales), **Pest Control** of \$750 were the two biggest contributors to the increased YTD General Expenses.
- **MTD & YTD Net Income** has increased \$931 and \$6,636 respectively. Our PCL recovery of \$5,663 last year is remarkably close to our increased Net Income this year after having had an uneventful July-August this year. September is likely to be a different story thanks to Hurricane Florence.

YTD Profit & Loss vs. Actual:

- The one needed amendment to our budget so far is for **Bank Fees** which results from our having started using FNB's Positive Pay System costing about \$60-65/month. This was not in our original budget.
- Otherwise it is too early in the year to make any solid predictions regarding the budget, so I will reserve further comment until later this year.

Sept 2018 Financial Statement by Gary

- **Checking/Savings** are up \$30,794 over prior year.

- **Inventory** is up \$20,651 over prior year. This is largely, because of Hurricane Florence which shut down our stores for several days. The stores were stocked for a normal month of sales.
- **Accounts Payable** were up \$20,799 reflecting the fact that we anticipated an uninterrupted month of sales.
- Our overall **Equity** is up \$36,744 over this point in time last year.

MTD Profit & Loss:

- **Sales** were down 23.6% or \$16,204 as the result of the hurricane evacuation. Both stores suffered a loss in sales.
- **General Expenses** dropped \$5,213 almost entirely due to our having received the audit bill for \$5,200 at this time last year, but have yet to receive it for this year. Otherwise, General Expenses were nearly flat.
- **Net Loss** was \$3,262 this year versus \$3,458 last year. It seems August is a cursed month!

YTD Profit/Loss:

- Despite the hurricane, our **Sales** are up \$12,876 and our **Gross Profit** is up \$4,866.58.
- **General Expenses** are down \$3,183. As with MTD results, we have not received the bill for our audit yet. Otherwise there a variety of ups and downs amounting to about a \$2,000 increase in expenses.
- **Net Profit** is \$28,331 this year, compared to \$21,294 last year. This is inspite of the fact that we had received our PCL settlement by September last year. Factoring out the \$5,200 audit bill, our profit is up about \$1,800..

YTD Profit & Loss Budget vs Actual:

- We are well within our budget with the exception of for **Bank Fees** which result from our utilizing FNB's Positive Pay System. I have attached a revised Budget to reflect this additional expense.

All things considered, I believe we're doing very well in spite of the hurricane's impact on our sales.

General Manager Comments:

I don't want to forget that August was a great month for us even though it is followed by a loss for Sept. October will bring the 300th Blackbeard Anniversary celebration at Ocracoke, so hopefully we will regain our momentum!

August Sales were up 10.66 % across the state and we were up 30.43%. This may have been our best August on record!

Sept sales were down almost 2% across the state due to Hurricane Florence. We were down almost 24%. Surrounding counties were also down. The Swan Quarter Store was closed 3 days. Ocracoke was closed for 4 days then opened to residents and home owners for a week. Visitors were allowed to return the week after this.

Meeting adjourned: 6:58