

Hyde ABC Board Meeting
June 26th, 2017
6:30 pm

Attendance: All board members; Meredith Glenda and Johnny. GM Vicki and F.O. Gary

Ethics Responsibility Reminder by Meredith.

May Board Minutes approved and adopted.

Meredith completed her Ethics renewal class.

Motion by Glenda to begin our Public Hearing. Purpose of this hearing is adopting the 2018 budget. There were no other people present. Motion made to close the public hearing.

Old Business:

- Gun Control Policy read and adopted.
- 2016-2017 Final budget. There were changes as discussion continued. This budget also adopted. Gary will mail to Laurie Lee.
- The 2016-2017 budget included having concrete poured at the Swan Quarter Store and the concrete has still not been poured.

New Business:

- Adopt 2017-2018 Budget. Discussion line by line continued and changes made. Gary will revise and send out. Motion made to adopt after changes. Budget was approved and adopted.
- Steve May has visited both stores and counted inventory. Both stores were found correct.
- Meredith met with County Commissioners and Glenda Williams was reappointed for 3 years.

Gary's Financial Statement and discussion for the month of May.

Attached are the financial statements for May 2017/May 2016. My comments follow.

BALANCE SHEET:

- While cash is down \$8,594.48, inventory is up \$6,102.92 and Accounts Payable are down \$37,089.96. Overall, this leaves us in a significantly stronger position than a year ago.
- Total debt is down by \$30,709.41 and our Equity is up \$25,582.25.

MTD PROFIT & LOSS:

- Sales increased by \$12,776.70 and Gross Profit increased by \$3,526.14.
- Salaries & Wages jumped \$3,855.69 as a result of May having been a three payroll month.
- Total General Expenses increased by \$5,586.52. In addition to the increased Salary & Wage Expense, we paid \$900 to renew our retail software license and there were a variety of small other increases.
- Administrative Expenses increased \$691.64 most of which was the result of the three payroll month (\$800.91).
- Overall, we had a profit of \$7,032 for the month.

YTD PROFIT & LOSS:

- While Sales are up \$15,941.52, Gross Profit dropped \$13,276.76. This is largely due to our having accrued \$15,236.00 for the \$.035 Bottle Tax.
- General Expenses are up \$9,529.98.
 - Salaries & Wages increased \$8,650.94. After having fallen every year since 2012, my wages increased about \$1,400 due to challenges of the Bottle Tax, travel related to computer systems and I am assuming a natural fluctuation. Vicki's wages are up \$2,568 which results largely from her shifting from being salaried to being paid hourly. Other employee wages increased, too, as the result of increased sales volume, Vicki realizing that she can't load and unload the truck without some help, using additional help to stock the store on delivery days in Ocracoke, etc.
 - Likewise, Contract Labor increased \$925 as the result of using additional help with loading and unloading the truck.
- Administrative Expense have increased \$7,722.72. As noted in the past, the largest portion of this increase is the settling of the 2006 Sales Tax matter which cost \$5,192.
- Overall Profit dropped from \$54,508 to \$21,522.

Depending on our June results and the final accrual for the Bottle Tax, Alcohol Education and Law Enforcement, I am anticipating a profit of about \$25,000 for the year.

Vicki and I will be working on finalizing revisions to our current year budget over the next week and will have it ready for Board review at our meeting on Monday, June 26.

Vicki's Comments.

Statewide sales were up 9.41%, while we were up 15.6%. This was our biggest May on record. Ocracoke Mix Beverage sales helped to push this big increase. The Swan Quarter store was down around \$600 compared to prior year.

Next Meeting July 10th
Meeting Adjourned.