

WEAVERVILLE ALCOHOLIC BEVERAGE CONTROL BOARD

Proposed Budget for the fiscal year 2026/2027

May 6, 2026

RE: BUDGET MESSAGE

Attention: Weaverville ABC Board

The Annual Budget for the fiscal year July 1, 2026 through June 30, 2027 has been constructed in accordance with the North Carolina General Statute 18B-702 "Financial operations of local boards". The ABC Board determines, through the adoption of the annual budget, the level of customer services that the ABC system will provide and the resources available for operation and capital projects.

The primary drivers during the preparation of this budget included projected operating costs required to sustain acceptable levels of customer service during the fiscal year 2026/2027 and the need for revenues sufficient to fund capital improvements as well as to provide distributions to beneficiaries.

Projected operating revenues are based on the first ten months of the current fiscal year, July 1, 2025 through April 30, 2026 and also includes revenues from the last two months of the prior fiscal year. (May and June of 2026) The average Retail / M/B Sales per week have been approximately \$105,267.09 for this fiscal year.

Projected operating revenues for 2026/2027 reflect a proposed average sales increase of 3% on actual of 2025/2026.

The budget consists of projected retail/ m/b revenues from liquor sales and other receipts of \$5,093,133.77 The taxes related to revenues are approximately \$1,087,556.68 The cost of goods sold is \$2,803,764.51 The operating expenses consist of \$955,339.97. The debt service consists of \$266,694.88 and the total distributions consist of \$170,000.00. The budget also shows "Working Capital Retained" which consists of \$9,172.61.

Highlights of the Budget:

- The projected budget revenues for next year, July 2026 through June 2027, reflects continued growth over the projected budgeted revenues from this year, July 2025 through June 2026.
- Cost of living increases of employees will be considered annually per decision by the Board. Pay increases will be based on merit (as a result of performance reviews), promotions or adjustments to market. Merit Pay (5%) Cost of Living increase this year (3%)
- As projected revenue from sales increases, so do taxes, cost of sales, operating costs and distributions.
- Monies budgeted for total distributions equal \$170,000.00.
- The purchase of suite 102 is reflected in the budget. The rent income from US Cellular and the expenses such as; insurance, maintenance, closing costs are included.

- Reserves to be used for the remodel of suite 102, to merge the 2 suites once the US Cellular lease ends. The change to reserve will be additional \$120,000.00. The reserves will be used for the expansion project.

Long Term Debt: The ABC Board has current long-term debt of \$356,319.98 related to the purchase of the land and the building for suite 101 and \$1,535,432.03 related to the purchase of suite 102.

Priorities and Assumptions:

- The Board’s primary source of revenue is through the sales of spirituous beverages. About 90.50% of that revenue (Retail sales) is generated from everyday walk-in customers and the other 9.5% from our MXB customers. We want to make sure our customers have a friendly and enjoyable experience shopping at this store. We value our customers and want them to come back and also tell their friends. We anticipate that no additional ABC stores will open closer than Woodfin or Burnsville.
- The Board contracts for local Alcohol Law Enforcement with the Weaverville Police Department as authorized under NC GS 18B-501 (f).
- NC ABC Commission Rules (4 NCAC 02R.0902) define “working capital” as the total of cash, investments and inventory, less any unsecured liabilities. A local Board shall set its working capital requirements at not less than two weeks’ average gross sales of the latest fiscal year or greater than four months’ average gross sales of the latest fiscal year. Gross sales mean gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b) (2), (3), and (4). Even though not a budget item, the budget shows retaining \$9,172.61 in earnings to remain in compliance with this rule and or to set aside a portion of this to specific capital improvements. We are currently within the guide lines of the G.S.

Staffing Summary:

Currently, we have 4 full-time associates, 3 part-time associates and one part-time Bookkeeping/ Financial Officer. The part-time associates are employed on an as needed basis.

Conclusion:

This budget reflects the Boards commitment to fulfill the Goals set for next year, based on this years’ projected revenues. Looking forward to a great new year!

Brooke Hendrix

General Manager (Budget Officer)

Attached: Weaverville ABC Budget FY 2026/2027