



May 28, 2025

RE: Budget Message

The Annual budget for the fiscal year beginning July 1, 2025, and ending June 30, 2026 has been prepared in accordance to the North Carolina General Statute 18B-702 "Financial operations of local boards". The ABC Board determines, through adoption of an annual budget, the level of customer services that the Catawba County ABC system will provide and the resources available for operations and capital projects.

The primary goals desired to be reached by the adoption of this budget is to project and meet desired operating costs levels and to obtain sufficient revenues to meet and sustain an exceptional customer service level as well as obtaining sufficient funds to allow for capital improvements while maintaining adequate distributions to our beneficiaries.

The projected decrease in sales is 5.2%.

The projected revenues from liquor sales and other income is \$36,184,545.

Items of interest in this budget are:

- *The decrease in sales is due to the elimination of our Taylorsville location*
- *The assumption that no debt will be incurred, and all capital improvements will be funded by available cash*
- *Salary increases with cost of living and merit increase*
- *A continued effort will be done to cut costs when needed*
- *A continued effort to build reserves for unforeseen necessities*
- *New store building construction continued from last year*
- *Possible warehouse expansion*
- *Possible addition of new store locations*

Debt: The board has no debt at this time, and none is expected.

admin@catawbaabc.org

1225 Commerce St. SW | Conover, NC | 828.464.7192 | Fax: 828.464.0699

Priorities and Assumptions:

- *The board's primary source of revenue is through the sales of spirituous beverages. As this is the item that drives/controls many of the other projections within this budget, careful consideration has been given to make sure that sales are projected as correctly as possible.*
- *If the board considers other retail locations, adjustments downward will have to be considered when making contributions to beneficiaries until additional sales from such locations will be able to recoup cost of such projects.*
- *The board always seeks way to provide excellent facilities, employee performance standards while continuing substantial contributions to beneficiaries.*

Staffing Summary:

The board employs 1 general manager, 1 operation manager, 4 office staff, 3 warehouse personnel, 25 full time retail clerks and store managers, and 6 part-time clerks.

Other observations:

The Catawba County ABC Board desires to see accurate projections and cost assumptions with each budget while striving to operate precisely under each budget's expectations.

*Ronald G Kaylor, Jr
Chief Executive Officer*