

MINUTES

Indian Trail Alcoholic Beverage Control Board

Law Offices of Goodwin & Hinson, PA

October 4, 2012 6:30 PM

Board Members: Ken Porter- Chairman, Wes Hinson

Attendees: Charles Fowler, Nancy Ratcliffe, Store Manager Melissa, Reggie Phillips, Chad Hannon, Hunt Gwyn, Katie Walter, Michael Hucks, Naomi Herndon

Call to Order

The meeting was called to order by Ken Porter at 6:30 PM.

Presentation

Motion made by Wes Hinson to move business item C) to A) and make item D) item B) so the presenters can go first and add Holiday Closings as item F). Seconded by Ken and approved unanimously.

Approval of Minutes

N/A

Public Comments

Ken Porter opened the floor for public comments. Wes introduced the Board, employees and visiting guests.

Charitable and/or Educational Funds Distributions

- Union County DWI Treatment Court Presentation by Chairman Michael Hucks:
 - PowerPoint handouts were provided. Treatment Court funding was cut by NC and this foundation was created to continue to fund the rehabilitation program of the Union County court and their efforts to assist and protect the public from repeat offenders. A federal grant that funded the startup 3 years will expire next September and then the program must be self-sufficient.
 - Union County Treatment Court program works to rehabilitate repeat offenders instead of just sending them to jail and then releasing them back into the public with no treatment for the problem. It costs about 6 times more tax dollars to jail someone for a year than to treat them through this program. Details of the program, its requirements, and success were covered.
 - Judge Hunt Gwyn spoke as an advocate of this program and its efforts to protect the public safety by addressing the issue behind the repeat offenders. Katie Walter also answered questions about the program.
- Turning Point Presentation by Naomi Herndon:
 - Turning Point is a domestic violence shelter in Monroe that is committed to providing victims of domestic violence and their dependent children with safe shelter while they learn how to break free from their abuser.
- Sun Valley High School Scholarship- originally spearheaded by Jan Brown. Board discussed naming it the Jan Brown Annual IT ABC Board Scholarship and asking Jan to present it to the high school when available in January.

Retirement Plan

- Presentation by Chad Hannon and Reggie Phillips with State Farm of Retirement Plans and options for 401 Ks & simple IRAs for full time employees of IT ABC Board.
- Package of Vanguard IRA Plan information also provided for review.
- Plans reviewed and options discussed by Board. Further action by Board members will take place at a future meeting.

Store Business, General Operations, and Sales Reports

- Melissa provided and reviewed handouts on August and September sales figures and store financials. She also gave a report on general store business and operations.
- Board reviewed monthly ALE Reports.

Store Financials

- Ken advised that Nancy has recommended that contributions not be disbursed until January to allow for cash flow for inventory build-up for holidays and catching up ALE contract.
- Holiday inventory was discussed.
- Nancy reviewed financials in detail, noting the recent changes in operational expenses for the maintenance contract and insurance policy.

Board Travel Policy

- Wes made a motion to alter the IT ABC Board travel policy to read as follows: "The travel policy shall follow the guidelines established by the State Alcoholic Beverage Control Commission as set forth N.C.G.S. 138-6." Seconded by Ken and carried unanimously.

Holiday Closings

- After looking at the calendar and researching what other local ABC stores are doing, Charles made a recommendation to the Board to close at 6 PM on Christmas Eve, Monday, December 24, 2012, remain closed for Christmas Day and the following day, and re-open on Thursday December 27, 2012. Charles recommended closing at 7 PM on New Year's Eve and being closed New Year's Day.
- Board discussed. Ken made a motion to follow Charles' recommendations for holiday hours. Seconded by Wes and carried unanimously.

Board Discussion & Possible Action/Comments

Ken made a motion for IT ABC Board to donate \$500 annually to Sun Valley High School Scholarship in Jan Brown's name and requests Jan Brown present the check to Sun Valley High School. Seconded by Wes Hinson and carried unanimously.

Board discussed possible contribution options for discretionary educational funds. Wes made a motion to donate \$1,500 to Turning Point and \$6,775 to Union County DWI Treatment Court Foundation to be disbursed in January 2013. Seconded by Ken and carried unanimously.

Next Meeting

Next meeting is November 15, 2012, at 6:30 PM at the Law Offices of Hinson Faulk, PA.

Adjourn

Motion to adjourn made by Ken, seconded by Wes, and was passed unanimously.

INDIAN TRAIL ALCOHOLIC BEVERAGE CONTROL BOARD #180
P. O BOX 2932 5880 HWY. 74 EAST
INDIAN TRAIL, N.C. 28079

STATEMENT OF REVENUES AND EXPENSES
 FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012

	AMOUNT	PERCENT
Revenues		
Liquor Sales	\$ 803,243.84	91.58
Mixed Beverage Sales	73,898.30	8.42
Total Revenues	877,142.14	100.00
Taxes Based On Revenue		
Utility & Liquor Sales and Use	52,607.20	6.00
Mixed Beverage Tax (Dept of Human Resources)	438.48	0.05
NC Excise Tax	187,142.00	21.34
County Rehabilitation Tax	2,699.76	0.31
Total Taxes Based On Revenue	242,887.44	27.69
Cost of Sales	354,941.91	40.47
Cost of Liquor	354,941.91	40.47
Total Cost of Sales	354,941.91	40.47
Gross Profit	279,312.79	31.84
Operating Expenses		
Salaries	51,091.41	5.82
Rent	35,648.48	4.06
Maintenance	1,073.04	0.12
Utilities	14,632.84	1.67
Insurance	13,622.52	1.55
Travel	219.11	0.02
Supplies	3,547.46	0.40
Professional Service	6,650.00	0.76
Accounting	10,000.00	1.14
Bank Charges and Fees	621.60	0.07
Training	42.90	0.00
Credit Card Fees	12,943.50	1.48
Uniforms	275.42	0.03
Interest	1,558.88	0.18
Total Operating Expenses	151,927.16	17.32
Income From Operations	127,385.63	14.52

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**STATEMENT OF REVENUES AND EXPENSES
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012**

	AMOUNT	PERCENT
Distributions		
IT General Fund Distribution	\$ (17,153.00)	(1.96)
Law Enforcement (Contract Service - Outside Agency)	(15,000.00)	(1.71)
Total Distributions	(32,153.00)	(3.67)
Net Income	\$ 95,232.63	10.86

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**SCHEDULE OF REVENUES AND EXPENSES
FOR THE ONE MONTH AND FOUR MONTHS ENDED**

OCTOBER 31, 2012

	CURRENT PERIOD		YEAR TO DATE	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Salaries				
Salaries - Store	\$ 11,159.14	5.09	\$ 46,625.06	5.32
FICA Tax	853.70	0.39	3,587.38	0.41
Unemployment Insurance	373.53	0.17	878.97	0.10
Total Salaries	<u>\$ 12,386.37</u>	<u>5.65</u>	<u>\$ 51,091.41</u>	<u>5.82</u>
Maintenance				
Repairs and Maintenance - Buildings	\$ 319.75	0.15	\$ 598.54	0.07
Repairs and Maintenance - Equipment	0.00	0.00	474.50	0.05
Total Maintenance	<u>\$ 319.75</u>	<u>0.15</u>	<u>\$ 1,073.04</u>	<u>0.12</u>
Utilities				
Utilities	\$ 9,655.67	4.40	\$ 13,066.54	1.49
Telephone	314.16	0.14	1,386.60	0.16
Security	0.00	0.00	179.70	0.02
Total Utilities	<u>\$ 9,969.83</u>	<u>4.55</u>	<u>\$ 14,632.84</u>	<u>1.67</u>
Insurance				
Group Insurance	\$ 1,983.60	0.90	\$ 6,846.52	0.78
Insurance - General	3,379.00	1.54	6,776.00	0.77
Total Insurance	<u>\$ 5,362.60</u>	<u>2.45</u>	<u>\$ 13,622.52</u>	<u>1.55</u>
Travel				
Travel	\$ 74.18	0.03	\$ 219.11	0.02
Total Travel	<u>\$ 74.18</u>	<u>0.03</u>	<u>\$ 219.11</u>	<u>0.02</u>
Supplies				
Store Supplies	\$ 223.09	0.10	\$ 1,768.94	0.20
Office Supplies	401.68	0.18	935.52	0.11
Dues and Subscriptions	495.00	0.23	843.00	0.10
Total Supplies	<u>\$ 1,119.77</u>	<u>0.51</u>	<u>\$ 3,547.46</u>	<u>0.40</u>

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STATEMENT OF ASSETS, LIABILITIES, AND EQUITY

OCTOBER 31, 2012

	ASSETS	
Checking Account	\$	121,455.68
Petty Cash		86.55
Change Fund		3,000.00
Prepaid Insurance		1,511.32
Prepaid Other		1,621.50
Lease Security Deposit		6,304.00
Liquor Inventory		218,454.00
FIXED ASSETS		
Leasehold Improvements		91,576.02
Equipment		38,051.82
Equipment - Warehouse		3,266.65
Equipment - Office		1,287.27
Accumulated Depreciation		<u>(23,040.46)</u>
TOTAL FIXED ASSETS	\$	<u>111,141.30</u>
TOTAL ASSETS	\$	<u><u>463,574.35</u></u>

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STATEMENT OF ASSETS, LIABILITIES, AND EQUITY

OCTOBER 31, 2012

Liabilities And Equity

Accounts Payable - Liquor	\$	67,293.37
Note: First Citizens #7474		115,613.71
Payable to IT General Fund		16,591.00
Payable to Law Enforcement		10,562.00
Payable to Alcohol Education		8,774.00
Accrued Merch Charges		4,623.47
Accrued Taxes		61,795.88
Current Portion of Long-term Debt		63,258.96
Less Current Portion LTD		<u>(63,258.96)</u>

TOTAL LIABILITIES

\$ 285,253.43

Fund Balance		
Fund Balance		178,320.92
Designated for Working Capital		74,286.00
Unrestricted		<u>(74,286.00)</u>

Total Fund Balance

178,320.92

Total Liabilities And Equity

\$ 463,574.35