



BUDGET AMENDMENT

AS APPROVED by the **Durham County ABC Board** at the June 21, 2022 meeting, the following amendment was made to the annual budget document for the fiscal year ending June 30, 2022.

Section 1.

A INCREASED ESTIMATED REVENUES: Sales Income came in higher than the original budget estimate.

B & C INCREASED TAXES AND COST OF SALES: Based on increased Sales (see A above) appropriate budgetary increases were made to Taxes and Cost of Sales.

D DECREASED RENT EXPENSE: Due to Admin Office no longer leasing but owns the suite occupied and offset by North Pointe (Store #12) leasing their store suite for a full year at their new location.

E INCREASED PERSONNEL (Salaries & Benefits) COST: Salary & Wage adjustments to attract/retain staff, offset by better than anticipated benefit costs.

F DECREASED TEMPORARY HELP: Fewer part-time help hours at the warehouse with utilizing a staffing agency resulted in these cost savings.

G DECREASE IN INSURANCE: Savings from the general insurance policy, anticipated increases were negotiated at a lower rate.

H INCREASED CREDIT CARD PROCESSING FEES: Due to increased card sales throughout the year this resulted in higher fees.

I DECREASED LAW ENFORCEMENT: Difficulty in securing off duty law enforcement personnel to provide security in all DCABC locations resulted in lower costs.

J DECREASED STAFF TRAINING & DEVELOPMENT: Limited opportunities for training due to COVID-19 restrictions.

K INCREASED PROFESSIONAL FEES: Executive search firm utilized for GM position.

L DECREASE IN OFFICE OCCUPANCY COST: Better than anticipated efficiencies with regards to bigger retail stores and negotiated contracts.

M DECREASED SECURITY CONTRACTS COSTS: Store security contracts in all DCABC locations resulted in lower costs along with reallocation of certain vendors to more appropriate expense accounts.

N DECREASE IN TRAVEL COST: COVID-19 restrictions limited the availability to travel. See comments on staff training above.

O DECREASED FACILITIES MAINTENANCE EXPENSE: DCABC locations are no longer performing weekly "EnviroShield" fogging service with Jan-Pro Cleaning and the older stores have been updated thus not having the costly maintenance with aging equipment and facilities.

P DECREASED MISCELLANEOUS EXPENSE: More expenses were allocated to expense accounts during the current year vs. prior years thus not necessitating the posting to a general miscellaneous account.

Q DECREASED SUPPLIES AND MATERIALS: Better buying tactics and conscience efforts to not over-stock with supplies resulted in lower expenditures needed throughout the year.

R INCREASED PROFIT DISTRIBUTION – COUNTY OF DURHAM: As a year-end additional increase to the profit distribution to Durham County, a budget increase of \$488,000 was approved. This resulted in the total distribution to the County for FY2022 being \$2,500,000.

S INCREASED PROFIT DISTRIBUTION – CITY OF DURHAM: As a year-end additional increase to the profit distribution to City of Durham, a budget increase of \$54,000 was approved. This resulted in the total distribution to the City for FY2022 being \$278,000.

T INCREASED ALCOHOL & REHAB. GRANTS: Higher sales resulted in additional funds available for grants to be funded.

U - AA INCREASED/DECREASED CAPITAL BUDGET PROJECTS: Certain capital projects were budgeted to be completed during the current F/Y but will need to be carried over to the following F/Y due to delays in completion which resulted in them coming in under budget for this F/Y. One project, Hwy. 55, was under budget as the completion date for this year was not accomplished and is pushed back to next fiscal year. Other capital projects carried over from previous fiscal years were completed, as well as projects started and finished during the current fiscal year.

AB PROCEEDS ASSET SALE: Disposal of Warehouse truck.

AC INCREASED WORKING CAPITAL RETAINED – FY2022: Based on the budget amendments shown above, (Items A through AC), there was a net increase to Working Capital Retained of \$840,000.

<u>Account</u>	<u>Inc./-Dec.</u>
ESTIMATED REVENUES:	
A Actual Sales came in higher than estimated	5,900,000
B TAXES BASED ON REVENUE - increased	-1,355,000
C COST OF SALES - increased	-3,068,000
OPERATING EXPENSES:	
D Decreased Rent	23,000
E Increased Personnel (Salaries & Benefits) cost	-93,000
F Decreased Temporary Help	30,000
G Decrease in Insurance - General	38,000
H Increased Credit Card Processing Fees due to increased Sales	-74,000
I Decrease Law Enforcement	49,000
J Decrease Staff Training & Development	23,000
K Increase Professional Fees	-21,000
L Decrease in Office Occupancy Costs	31,000
M Decrease in Security Contracts	54,000
N Decrease in Travel	26,000
O Decreased Facilities Maintenance Expense	268,000
P Decreased Miscellaneous Expense	122,000
Q Decreased Supplies & Materials	13,000
DISTRIBUTIONS:	
R Additional Profit Distribution to County of Durham	-488,000
S Additional Profit Distribution to City of Durham	-54,000
T Alcohol Education & Rehab. Grants over budget	-71,000
U Store Coolers project over budget	-292,000
V Tech. Improvements Project expense over budget	-46,000
W Holloway St. Project expense over budget	-221,000
X Hwy. 55 (Store #10) Project Expense under Budget	68,000
Y Mixed Beverage Vehicle acquired	-28,000
Z Warehouse & Stores Equip. & Fixtures Acquired	-14,000
AA TW Alexander Rd. (Store #4) pre-construction costs	-68,000
AB Proceeds truck sale. (Warehouse)	88,000
FY2021 WORKING CAPITAL RETAINED:	
AC Increase Working Capital Retained (Net of Amendments A to W)	-840,000
TOTALS	\$0

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Durham County Commissioners, the ABC Commission, and to the Durham County ABC Board's Budget Officer and Finance Officer for their direction.

Adopted this 21st day of JUNE, 2022