



**JIM GALYON, CHAIR
CASSANDRA BROWN, MEMBER
DR LATOYA GATHERS, MEMBER**

**RICK PINTO, MEMBER
CECELIA THOMPSON, MEMBER
NIEGEL SULLIVAN, GENERAL MANAGER**

April 25, 2022

**The Honorable Mayor Nancy Vaughan
Members of the City Council of Greensboro
The North Carolina ABC Commission
The Greensboro ABC Board and
The Citizens of Greensboro, North Carolina:**

I am pleased to present the Greensboro ABC Board's FY2024 fiscal budget. The budget has been prepared in accordance with the format requirements of North Carolina General Statute §18B-702.

Revenue and Other Income

The budget projects revenue from liquor sales and other receipts to be \$80,867,851 for FY2024. This projection is based on expected sales increases which reflect both current trends and strategic planning.

Facility Improvements

To grow the business to meet the new demands of a growing population and new consumer shopping habits, successful organizations must adapt and change. The Greensboro ABC Board is relocating two existing retail locations, in the design phase of a new location to increase retail locations by one store and in the design phase of the warehouse to improve efficiency and increase overall capacity of inventory. We will continue to make various facility and technology improvements that will enhance the shopping experience for our customers including the ability to order products online. The budgeted investment in improvements in the FY2024 budget will be \$1,315,000.

Compensation Plan

In accordance with the Board's compensation plan, competitive base salaries are maintained to retain and attract talent to meet the current and future needs of the business.

Profit Distributions to Local Government

The Greensboro ABC Board has budgeted \$2,729,059 for distribution to the general fund of the City of Greensboro and other municipal entities in Guilford County. Distributions are paid quarterly. At the end of each fiscal year the Greensboro ABC Board determines the actual amount of contribution that can be made, often exceeding the budgeted amount. The final contribution is based on how much funding is available over the anticipated operating expenses to ensure Statute required working capital is retained and strategic needs funding that will enable Greensboro ABC Board to continue to thrive and for the long term.

Major Projection Variables and Assumptions

The Board's primary source of revenue is the sale of spirituous liquor. Projected sales growth is an important assumption in our proposed budget. Business is beginning to normalize post COVID and we are planning for some tightening of sales due to high inflation and other external forces that might impact the business. We continue to make strategic purchases of inventory to realize cost savings and ensure that we have adequate inventory to serve our retail and mixed beverage customers in the event of potential supply chain issues that continue to impact the industry.

Taxes related to the sale of spiritous liquor is planned at \$18,923,232. The total cost of goods sold totals \$41,189,012. Personnel expenses and facility expenses comprise the majority of operating expenses. Salaries are budgeted for \$5,269,235 and the total operating budget is \$13,850,173.

The Board employs 80 full-time and 31 part-time employees. This includes 92 store employees, 12 warehouse employees and 8 administrative employees. Contracted employees are utilized to provide security services and support services.

Our goal is to replicate that of a world class retailer, while meeting the requirements of North Carolina statute for the safe sale of the products that we sell, which will result in increased profitability to give back to the citizens of the City of Greensboro and affiliate communities.

OUR MISSION:

To serve the consumers of Guilford County by dispersing spirituous liquors responsibly, ethically and lawfully. Thereby, protecting the quality of life in our municipality, and contributing over \$4,000,000 annually to the operating budgets of the great city of Greensboro, NC and affiliate communities.

Sincerely,



Niegel Sullivan
General Manager

115 North Cedar Street Greensboro, North Carolina 27401 Ph 336-274-6304 Fax 336-273-3708
greensboroabc.com