



Gastonia *ABC* System

Budget Message FY 2024– 2025

- 1- Sales for FY 23-24 reflected minimal growth with a gain of 0.76% for the first 9 months. We anticipate a 2.63% increase in sales for this budget period.
- 2- Health care expenses will rise this year. We anticipate Health Care costs to go up \$90.00 a month per employee for the medical and dental portion of the benefits. The total of the increase is expected to be \$9,720.00 for the current 9 full-time employees.
- 3- The system will continue to operate with a majority of its staff part-time (41 part-time employees) and only 9 full-time employees. The board has approved raises for all full-time and part-time employees effective at the start of the new fiscal year. The increases will range from about 5%-7% depending on position. New hires will now start at \$15.00 per hour.
- 4- The two stores we currently lease space for (Store 2 – Dallas, Store 6 – W. Gastonia) will have a small increase in rent for this Fiscal Year. For six months of this fiscal year the rent for Dallas will increase by \$49.08 (\$294.48 total). Our W. Gastonia location will not have an increase for the year.
- 5- Business insurance is expected to increase for FY 24-25. This increase is due to the higher rates to insure two vehicles, the cost of building replacement increasing by 7%, and the amount of liquor we are storing in the warehouse.
- 6- The Employer contribution rate for the North Carolina Retirement plan is going to be 13.80% for this budget period. The 401k plan will continue to be funded at the current level of 5.5%.
- 7- Bank fee rates are expected to be the same for this year. The only increase we will see would be due to an increase in sales and card usage.
- 8- 9 capital projects are funded in the budget for fiscal year 24-25. The Office/Warehouse HVAC is carrying over from last year. Due to the age of the units, we want to be prepared for the significant expense in replacing them. The alarm at S. York rd. has been repaired several times and it is time to replace it due to the age of the unit. The remaining capital projects are all related to building the new W. Gastonia store. They have been included in the budget just in case the store will be completed during this fiscal year. It is most likely going to be completed in fiscal year 25-26.
- 9- The distribution will be \$600,000.00 to the City of Gastonia for Fiscal Year 24-25. This will be paid in 4 quarterly payments. For this fiscal year, the City will most likely not receive a fifth distribution due to the agreement to withhold funds until the new store in W. Gastonia is completed.
- 10- The Board will determine the distribution for Dallas after the year-end audit. The Board distributed \$34,082.00 for fiscal year 22-23.
- 11- The Board's financial status is sound; therefore, no monies will be borrowed to fund operations or capital expenses.
- 12- The Board has purchased land to build a new store in W. Gastonia to replace the store that is currently leased. This will allow the Board to build a significantly larger store and offer our customers more products, and improve their shopping experience. This budget proposal has Capital projects in place to account for the cost of the new store. At this time, it is not known if the new store will be finished during this budget period.