Approved
Crite:________
Dinkins: GD
Riecke: WB
Robinson: TCR

MINUTES
BREVARD ABC BOARD
January 24, 2017

The Brevard ABC Board met in regular session on Tuesday, January 24th, 2017 at 8:30 a.m. in the City Council Chambers.

Members Present:	Cameron Austin, Chair Geraldine Dinkins William Riecke Tim Robinson
Members Absent:	Eric Crite
Staff Present:	Mark Balding – ABC General Manager Jill Murray – Deputy City Clerk
Visitors:	Terry Andersen, Carland & Andersen Kristen Gentry of C.A.R.E. Coalition

Welcome & Introduction

At 8:35 a.m., Mr. Austin called the meeting to order.

Approval of Minutes

Ms. Dinkins moved, seconded by Mr. Riecke, the December 20th meeting minutes be approved as presented. Motion carried unanimously.

FY16 Financial Audit Review

Terry Andersen of Carland & Andersen gave a brief review of the FY16 Financial Audit (Exhibit A). Gross profits were up by 7.7% and profit distributions increased by 2.8%. Total gross sales in 2016 were $3.2 million and gross profit reflects an increase of 2.8%. The Board accepted the FY16 Financial Audit as presented.

Alcohol Education

Kristen Gentry of the C.A.R.E. Coalition presented a handout (Exhibit B) that outlines the costs for programs for educational opportunities to reduce underage drinking. She explained each option:

Workshops or Presentations, SADD Conference in Raleigh, Youth to Youth International Conference in Charlotte, Community Resilience Model Training and Billboard Media Campaign.

Mr. Balding added that they need $4,000 if they want to support the college and the PSA's and feels the Board should make a decision on that before spending any more money. Mr. Riecke moved, seconded by Mr. Robinson to spend $4,000 for the PSA's at the college. Motion carried unanimously.

After much discussion, Mr. Robinson moved, seconded by Ms. Dinkins, to give $2,000 to the C.A.R.E. Coalition towards retaining a speaker of their choice and the C.A.R.E. Coalition can pick up the balance. Also, this motion is based on C.A.R.E. letting the Board know what they decided to spend the money on; $300 for the Community Resilience Model Training and a verbal commitment for SADD in the next fiscal year. Motion carried unanimously.

Also, the consensus with the Board was after giving $4,000 to the college for PSA's and $2,300 to the C.A.R.E. Coalition, that would leave $950 to possibly use towards billboards or something else.

Unfinished Business

Mr. Austin provided the December Accountant's Report and Reconciliation and Bank Statement and pointed out that the second page was the most informational.

Mr. Riecke moved, seconded by Mr. Robinson, the Accountant's Report and Reconciliation and Bank Statement for December approved. Motion carried unanimously.

New Business

Mr. Balding went over the Manager's Report and stated that December sales were up 8.6% versus last December. Also he carried more inventory. We're up $162,429.32 for the first half of the year. The Board accepted the report as presented.

Adjourn

There being no further business, the Board adjourned at 10:18 AM.

Next regular meeting: Tuesday, February 28th, 2017 @ 8:30 a.m.

Mark Balding, General Manager

Cameron Austin, Chair

Jill Murray

Jill Murray, Deputy City Clerk

Minutes Approved: February 28th, 2017

EXHIBIT "A"

CITY OF BREVARD
ALCOHOLIC BEVERAGE CONTROL BOARD

BREVARD, NORTH CAROLINA

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016
and JUNE 30, 2015

CITY OF BREVARD

ALCOHOLIC BEVERAGE CONTROL BOARD

BREVARD, NORTH CAROLINA

BOARD OF DIRECTORS

JUNE 30, 2016

Name	Term Expires
Cameron Austin, Chairman	July 1, 2018
Geraldine Dinkins	July 1, 2018
Brian Philips	October 1, 2018
Dr. William C. Riecke	July 1, 2018
Tim Robinson	July 1, 2018

CITY OF BREVARD

ALCOHOLIC BEVERAGE CONTROL BOARD

BREVARD, NORTH CAROLINA

(A COMPONENT UNIT OF THE CITY OF BREVARD)

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JUNE 30, 2016 AND JUNE 30, 2015

CARLAND&ANDERSEN, INC.
CERTIFIED PUBLIC ACCOUNTANTS

89 NORTH CALDWELL STREET • BREVARD, NC 28712
MEMBER - AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER - NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Ronald G. Carland, CPA
Terry B. Andersen, CPA

F.T. Carland, CPA
Trish Cheek, CPA
George B. Lee, CPA
Harold C. Reid, CPA

INDEPENDENT AUDITORS' REPORT

The Board of Directors
The City of Brevard Alcoholic Beverage
Control Board
Brevard, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Brevard Alcoholic Beverage Control Board, a component unit of the City of Brevard, which comprise the Statement of Net Position as of June 30, 2016 and 2015, and the related Statements of Revenues, Expenses and Changes in Net Position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

P: 828-884-2021 • CARLANDCPA.COM • F: 828-884-7407

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Brevard Alcoholic Beverage Control Board as of June 30, 2016 and 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, on pages three through five, and the Local Government Employees' Retirement System's Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions on pages twenty-five and twenty-six be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The Schedule of Operating Expenses and the Schedule of Revenues and Expenditures - Budget and Actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Operating Expenses and the Schedule of Revenues and Expenditures - Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Carland & Anderson, Inc.

Brevard, North Carolina
September 26, 2016

CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
BREVARD, NORTH CAROLINA

Management's Discussion and Analysis

This section of the Alcoholic Beverage Control (ABC) Board's (*the Board*) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2016 and 2015. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- Gross profit on sales increased by 7.7% over the prior year.
- Profit distributions increased by 2.8% over the prior year.

Overview of Financial Statements

The audited financial statements of the City of Brevard Alcoholic Beverage Control Board consist of three components. They are as follows:

- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Additional Information Required by the ABC Commission*

The *Basic Financial Statements* are prepared using the full accrual basis of accounting. They consist of three statements. The first statement is the **Statement of Net Position.** Assets and liabilities are classified between current and long-term. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement.

The next statement is the **Statement of Revenues, Expenses, and Changes in Net Position**. This statement is used in evaluating whether the Board has recovered all of its costs through sales. Its information is used in determining credit worthiness.

The final required statement is the **Statement of Cash Flows**. This statement reports cash inflows and outflows in the following categories: operating, investing, and financing activities. Based on this data, the user can determine the sources of cash, the uses of cash, and the change in cash.

The notes to the financial statements provide more detailed information and should be read in conjunction with the statements.

The ABC commission requires some schedules in addition to the information required by generally accepted accounting principles. They include a **Schedule of Operating Expenses** and a **Schedule of Revenues and Expenditures – Budget and Actual**

Financial Analysis of the ABC Board

Net position is an indicator of the fiscal health of the Board. Total net position was $ 298,159 in 2016, $297,941 in 2015, and $323,831 in 2014. The largest component of net position was net investments in capital assets for 2016 and 2015 and unrestricted net position for years 2014. Net investment in capital assets was 34.2% of the total net position for 2016, 36.9% for 2015, and unrestricted net position was 41.5% of total net position for 2014. Following is a summary of the Statement of Net Position:

Table 1
Condensed Statement of Net Position

	6/30/2016	06/30/2015	06/30/2014	$ Change This year over last year	% Change This year over last year
Current assets	$ 625,630	$ 536,252	$ 491,664	$ 89,378	16.7%
Non-current assets	102,039	125,918	93,314	(23,879)	(19.0%)
Total assets	$ 727,669	$ 662,170	$ 584,978	$ 65,499	9.9%
Deferred Outflows of Resources	$ 12,549	$ 11,444		$ 1,105	9.7%
Current liabilities	$ 417,494	$ 327,939	$ 261,147	$ 89,555	27.3%
Non-current liabilites	11,848			11,848	
Total liabilities	$ 429,342	$ 327,939	$ 261,147	$101,403	30.9%
Deferred Inflows of Resources	$ 12,717	$ 47,734		$ (35,017)	(73.4%)
Net investment in capital assets	$ 102,039	$ 109,935	$ 93,314	$ (7,896)	(7.2%)
Restricted net position	94,997	90,822	96,035	4,175	4.6%
Unrestricted net position	101,123	97,184	134,482	3,939	4.1%
Total net position	$ 298,159	$ 297,941	$ 323,831	$ 218	0.1%

Net position increased by 0.1 % from the prior year compared to a 8.0% decrease between 2015 and 2014. Income from operations decreased by .4% from the prior year compared to a 33.9% increase in 2015 compared to 2014. Following is a summary of changes in net position:

Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Position

	6/30/2016	06/30/2015	06/30/2014	$ Change This year over last year	% Change This year over last year
Operating revenues	$3,213,352	$3,073,009	$3,028,476	$140,343	4.6%
Less: Taxes on gross sales	743,386	711,631	714,831	31,755	4.5%
Net sales	$2,469,966	$2,361,378	$2,313,645	$108,588	4.6%
Cost of sales	1,685,502	1,632,979	1,601,782	52,523	3.2%
Gross profit	$ 784,464	$ 728,399	$ 711,863	$ 56,065	7.7%
Less: Operating expenses	544,768	493,667	539,260	51,101	10.4%
Income from operations	$ 239,696	$ 234,732	$ 172,603	$ 4,964	2.1%
Nonoperating revenues and expenses	218	167	2,992	51	30.5%
Change in net position before distributions	$ 239,914	$ 234,899	$ 175,595	$ 5,015	2.1%
Distributions	239,696	227,838	174,260	11,858	5.2%
Change in net position	$ 218	$ 7,061	$ 1,335	$ (6,843)	(96.9%)
Net position, beginning	297,941	290,880	289,545	7,061	2.4%
Net position, ending	$ 298,159	$ 297,941	$ 290,880	$ 218	0.1%

The increase in operating expenses is directly related to an increase salaries and related expenses.

Following is a breakdown of sales by source:

	06/30/2016	06/30/2015	06/30/2014	$ Change This year over last year	% Change This year over last year
Retail Liquor Sales	$ 2,823,913	$2,682,494	$2,620,704	$ 141,419	5.3%
Mixed Beverage Sales	376,698	377,986	395,372	(1,288)	(0.3%)
Retail Wine Sales	12,741	12,529	12,400	212	1.7%
Total Sales	$ 3,213,352	$3,073,009	$3,028,476	$ 140,343	4.6%

The percentage of mixed beverage sales to the total decreased by 0.6% compared to 2015 and by 0.8% in 2015 compared to 2014.

Capital Asset and Debt Administration

Capital Assets

Investment in capital assets as of June 30, 2016, totals $102,039 (net of accumulated depreciation).

Table 3
Capital Assets (net of depreciation)

	06/30/2016	06/30/2015	06/30/2014	$ Change This year over last year	% Change This year over last year
Leasehold Improvements	$ 67,357	$ 71,435	$ 43,678	$ (4,078)	(5.7%)
Furniture and equipment	27,583	30,071	39,008	(2,488)	(8.3%)
Vehicles	7,099	8,429	10,628	(1,330)	(15.8%)
Total	$ 102,039	$ 109,935	$ 93,314	$ (7,896)	(7.2%)

Debt Administration

The Board had no debt at the end of the current year.

Economic Factors

The Board plans to continue operating in a fiscally conservative manner in order to maximize profits available for distribution to the City of Brevard and Transylvania County.

Requests for Information

This report is intended to provide a summary of the financial condition of the City of Brevard Alcoholic Beverage Control Board. Questions or requests for additional information should be addressed to:

Mark Balding
General Manager
City of Brevard Alcoholic
Beverage Control Board
350-A North Broad Street
Brevard, NC 28712

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 281,658	$ 234,618
Inventories	340,687	298,318
Prepaid expenses	3,285	3,316
Total Current Assets	$ 625,630	$ 536,252
Noncurrent Assets:		
Net Pension Asset		$ 15,983
Property and equipment		
(net of accumulated depreciation)	$ 102,039	109,935
Total Noncurrent Assets	$ 102,039	$ 125,918
TOTAL ASSETS	$ 727,669	$ 662,170
DEFERRED OUTFLOWS OF RESOURCES	$ 12,549	$ 11,444
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 260,915	$ 177,123
Sales tax payable	17,792	16,602
Excise tax payable	63,460	59,343
Mixed beverage tax payable	3,776	3,721
Alcohol rehabilitation tax payable	850	825
Accrued liabilities	9,733	7,895
Distributions payable	60,968	62,430
Total Current Liabilities	$ 417,494	$ 327,939
Noncurrent Liabilities:		
Net Pension Liabilities	$ 11,848	
TOTAL LIABILITIES	$ 429,342	$ 327,939
DEFERRED INFLOWS OF RESOURCES	$ 12,717	$ 47,734
NET POSITION		
Net Investment in Capital Assets	$ 102,039	$ 109,935
Restricted for:		
Working capital	94,997	90,822
Unrestricted	101,123	97,184
Total Net Position	$ 298,159	$ 297,941

The accompanying notes are an integral part of the financial statements.

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
OPERATING REVENUE		
Liquor sales - regular	$ 2,823,913	$ 2,682,494
Mixed beverage sales	376,698	377,986
Wine sales	12,741	12,529
Total Gross Sales	$ 3,213,352	$ 3,073,009
DEDUCT TAXES ON GROSS SALES		
State excise tax	$ 697,549	$ 665,374
Mixed beverage tax (Department of Revenue)	32,178	32,713
Mixed beverage tax (Department of Human Resources)	3,218	3,271
Rehabilitation tax	9,631	9,463
Wine sales tax	810	810
Total Taxes	$ 743,386	$ 711,631
NET SALES	$ 2,469,966	$ 2,361,378
DEDUCT COST OF SALES		
Cost of liquor sold	1,676,607	1,624,791
Cost of wine sold	8,895	8,188
GROSS PROFIT ON SALES	$ 784,464	$ 728,399
DEDUCT OPERATING EXPENSES		
Operating expenses	$ 525,531	$ 473,350
Depreciation expense	19,237	20,317
Total Operating Expenses	$ 544,768	$ 493,667
INCOME FROM OPERATIONS	$ 239,696	$ 234,732
NONOPERATING REVENUES AND EXPENSES		
Interest income	$ 198	$ 167
Miscellaneous income	20	
Total Nonoperating Revenues (Expenses)	$ 218	$ 167
CHANGE IN NET POSITION BEFORE DISTRIBUTIONS	$ 239,914	$ 234,899
DEDUCT		
Law enforcement	11,509	11,511
Alcohol education	9,462	3,625
CHANGE IN NET POSITION BEFORE PROFIT DISTRIBUTIONS	$ 218,943	$ 219,763

The accompanying notes are an integral part of the financial statements.

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
PROFIT DISTRIBUTIONS		
City of Brevard	$ 164,044	$ 159,526
Transylvania County	54,681	53,176
Total Profit Distributions	$ 218,725	$ 212,702
CHANGE IN NET POSITION	$ 218	$ 7,061
NET POSITION, BEGINNING OF YEAR	297,941	290,880
NET POSITION, END OF YEAR	$ 298,159	$ 297,941

The accompanying notes are an integral part of the financial statements.

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
Cash flows from operating activities:		
Cash received from customers	$ 3,213,351	$ 3,073,009
Payments for inventory costs	(1,692,746)	(1,560,743)
Payments for operating expenses	(483,239)	(487,453)
Taxes paid	(738,045)	(707,851)
Net cash provided by operating activities	$ 299,321	$ 316,962
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	$ (11,341)	$ (36,938)
Net cash (used) by capital and related financing activities	$ (11,341)	$ (36,938)
Cash flows from noncapital financing activities:		
Law enforcement distributions	$ (11,509)	$ (11,511)
Alcohol education distributions	(9,462)	(3,625)
Profit distributions	(220,187)	(188,397)
Net cash (used) by noncapital financing activities	$ (241,158)	$ (203,533)
Cash flows from investing activities:		
Interest earned on investments	$ 198	$ 167
Miscellaneous income	20	
Net cash provided by investing activities	$ 218	$ 167
Net increase in cash and cash equivalents	$ 47,040	$ 76,658
Cash and cash equivalents at the beginning of the year	234,618	157,960
Cash and cash equivalents at the end of the year	$ 281,658	$ 234,618
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	$ 239,696	$ 234,732
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	$ 19,237	$ 20,317
Changes in assets and liabilities:		
(Increase) decrease in inventory	(42,369)	31,725
Decrease in prepaid expenses	31	345
(Increase) decrease in net pension asset	15,983	(15,983)
(Increase) decrease in deferred outflows of resources for pensions	(1,105)	204
Increase in accounts payable	83,792	38,835
Increase in other accrued liabilities	7,225	3,652
Increase (decrease) in net pension liability	11,848	(44,599)
Increase (decrease) in deferred inflows of resources for pensions	(35,017)	47,734
Total adjustments	$ 59,625	$ 82,230
Net cash provided by operating activities	$ 299,321	$ 316,962

The accompanying notes are an integral part of the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Principles used in determining the scope of the entity for financial reporting

The City of Brevard Alcoholic Beverage Control Board (the Board), a component unit of the City of Brevard, is a corporate body with powers outlined by General Statutes [Chapter 18B-701]. The City's governing body appoints the Board.

The Board is required by State Statute to distribute its surpluses to the general fund of the City, which represents a financial benefit to the City. Therefore, the Board is reported as a discretely presented component unit in the City's financial statements. The Board also is required to distribute a portion of its surpluses to the County.

B. Organizational History

The Board was organized under the provisions of Session Law Chapter 291, 1967 of the North Carolina Legislature and implemented by a city-wide election held in July 1967. The city council appoints five individuals to serve on the Board with terms of one to three years.

The Board, as provided by North Carolina Alcoholic Beverage Control laws, operates two retail liquor stores and through a law enforcement agreement with the North Carolina Department of Public Safety Section of Alcohol Law Enforcement (ALE), investigates violations of such laws. North Carolina General Statute [18B-805(c)(2)(3)] requires that the Board must expend at least 5% of profits for law enforcement and at the Board's discretion, up to 5% of the same profits for alcohol education and rehabilitation purposes.

C. Basis of Presentation

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or the change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. All sales are made by cash, check, debit or credit card and recorded at the time of sale. Other revenues are recorded when earned. Expenses are recognized when incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of net position date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

F. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board of Alcoholic Control's employer contributions are recognized when due and the Board of Alcoholic Control has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

G. Assets, Liabilities and Net Position

Deposits

All deposits of the Board are made in board-designated official depositories and are collateralized as required by State law [G.S. 159-31]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish Time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All of the Board of Alcoholic Beverage Control's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Board's agent in the Board's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the Board's agent in the Board's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At June 30, 2016, the Board's deposits had a carrying amount of $278,658 and a bank balance of $268,085. Federal depository insurance covered $250,000 of the bank balance. The amount in excess of federal depository insurance is collateralized under the Pooling Method.

At June 30, 2015, the Board's deposits had a carrying amount of $231,618 and a bank balance of $203,968. All of the bank balance was covered by federal depository insurance.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Inventories

Inventories are valued at the lower of cost (first in, first out) or market.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital Asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated				
Leasehold improvements	$ 118,882	$ 1,907		$ 120,789
Furniture and equipment	121,549	8,450		129,999
Vehicles	10,995	984		11,979
Total capital assets being depreciated	$ 251,426	$ 11,341		$ 262,767
Less accumulated depreciation for:				
Leasehold improvements	$ 47,447	$ 5,985		$ 53,432
Furniture and equipment	91,478	10,938		102,416
Vehicles	2,566	2,314		4,880
Total accumulated depreciation	$ 141,491	$ 19,237		$ 160,728
Total capital assets being depreciated, net	$ 109,935	$ (7,896)		$ 102,039
Capital Assets, net	$ 109,935			$ 102,039

Net Position

Net position consists of the following:

a. Net investment in capital assets - This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

b. Restricted for law enforcement - This applies only when the Alcoholic Beverage Control Board employs its own ABC officer.

c. Restricted for capital improvements - State law [G.S. 18B-805(d)] requires approval of the appointing authority to establish this fund, outside of working capital, for specific capital improvements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position (continued)

d. Restricted for working capital - North Carolina Alcoholic Beverage Control Commission Rule [.0902] defines working capital as the total of cash, investments and inventory less all unsecured liabilities. An ABC board shall set its working capital requirements at not less than two weeks' average gross sales of the last fiscal year or greater than four months' average gross sales of the last fiscal year. Average gross sales means gross receipts from the sale of alcoholic beverages less distributions required by State law [G.S. 18B-805(b), (2), (3), and (4)].

e. Unrestricted net position - This component of net position consists of net position that does not meet the definition of restricted or net investment in capital asset.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Noncompliance with Local Enabling Act

The Alcoholic Beverage Control Board made alcohol education distributions of $2,476 in excess of the 5% allowed by the City of Brevard Municipal Ordinance.

The Board will put policies and procedures in place to ensure that future distributions are made in accordance with the City of Brevard Municipal Ordinance.

Excess of Expenses Over Appropriations

During the fiscal year ended June 30, 2016 the Alcoholic Beverage Control Board reported expenses that exceeded the amounts appropriated in the budget, as adopted and amended for the year. The line item amounts that exceeded the budget totaled $11,535 in taxes based on revenue, $94,522 in cost of goods sold, $5,836 in operating expenses, and $11,341 in capital outlay.

Management and the Board will more closely review the budgetary reports to ensure compliance in the future.

NOTE 3. DETAIL NOTES ON ALL FUNDS

Pension Plan Obligations

A. Local Government Employees' Retirement System

Plan Description. The Board of Alcoholic Control is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as an LEO and have reached age 50, or have completed five years of creditable service as an LEO and have reached age 55, or have completed 15 years of creditable service as an LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Board of Alcoholic Control's employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Board of Alcoholic Control's contractually required contribution rate for the year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.67% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Alcoholic Beverage Control Board totaled $12,549 for the year ended June 30, 2016.

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Refunds of Contributions – Board employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Board reported a liability of $11,848 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the Board's proportion was 0.00264 %, which was a decrease of 0.00007% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016 the Board recognized pension expense of $4,258. At June 30, 2016, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$ 2,785
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		3,371
Changes in proportion and differences between employer contributions and proportionate share of contributions		6,561
Employer contributions subsequent to the measurment date	$ 12,549	
Total	$ 12,549	$ 12,717

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

$12,549 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2017	$	(6,126)
2018		(6,126)
2019		(6,100)
2020		5,635
	$	(12,717)

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

Valuations were based on the results of an actuarial experience study for the period January 1, 2005, through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long- Term Expected Real Rate of Return
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Board's proportionate share of the net pension liability (asset)	$ 82,618	$ 11,848	$ (47,774)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

B. Other Post-Employment Benefits

Plan Description. Under the terms of a Board resolution, the Board administers a single-employer defined benefit, Healthcare Benefits Plan (the HCB Plan). This plan provides postemployment healthcare benefits to retirees of the Board, provided they participate in the North Carolina Governmental Employees' Retirement System (System) and have at least twenty-five years of creditable service with the Board. The Board pays the full cost of coverage for these benefits through private insurers. The Board's retirees cannot purchase spouse or dependent coverage. As of June 30, 2016, the Board had no retirees qualifying under the HCB Plan.

NOTE 4. LEASES

The Board leases its facilities for both stores. Store number one located at 350 North Broad Street, Brevard, North Carolina is on a five-year lease expiring March 31, 2019, with an option to renew for an additional five-year term at an $1,100 per month increase. Current monthly lease payments are due in the amount of $2,200.

In March, 2013 the Board entered into a lease agreement for Store number two located in the Forest Gate Center, Pisgah Forest, North Carolina. The lease is a five-year lease expiring February 28, 2018. Due to a transfer of ownership, monthly lease payments were increased in September 2015 and are due in the amount of $2,217.

The future minimum lease payments are as follows:

June 30, 2017	$ 53,004
June 30, 2018	44,136
June 30, 2019	19,800
Total	$ 116,940

The Board is responsible for utilities and insurance in addition to the required lease payments.

NOTE 5. VACATION AND SICK LEAVE COMPENSATION

The Alcoholic Beverage Control Board's full time regular employees earn vacation compensation on the following basis with no accumulation allowed:

Years of Service	Hours
One to Ten	80
Ten to Fifteen	120
Fifteen and thereafter	160

Each full-time regular employee earns sick leave at the rate of three days per year with no accumulation allowed.

NOTE 6. DISTRIBUTIONS OF INCOME

The Board has made distributions since its inception as follows:

	Current Year	Cumulative
75% City of Brevard	$ 164,044	$ 4,953,178
25% Transylvania County	54,681	1,634,299
Totals	$ 218,725	$ 6,587,477

State law [G.S. 18B-805] requires that the minimum distribution set aside in (c)(1) and any profit remaining after deducting amounts required for law enforcement and alcohol education and retaining proper working capital, be paid quarterly to the City and County.

NOTE 7. LAW ENFORCEMENT AND ALCOHOLIC EDUCATION EXPENSES

The Board is required by law to expend at least 5% of its profits for law enforcement and at the Board's discretion up to 5% for alcohol education (alcohol education requirements follows local enabling act). Profits are defined by law for these calculations as change in net position before law enforcement and educational expenses, less the 3 1/2% markup provided in G.S. 18B-804(b)(5) and the bottle charge provided for in G.S. 18B-804(b)(6b).

	2016	2015
Profit before distributions	$ 230,451	$ 231,274
Less: 3 1/2% tax and bottle charge	(90,738)	(87,107)
Profit subject to expense percentages	$ 139,713	$ 144,167
Law enforcement expenditures	$ 11,509	$ 11,511
Percentage of profit	8.2%	8.0%
Provision for alcoholic education and rehabilitation	$ 9,462	$ 3,625
Percentage of profit	6.8%	2.5%

NOTE 8. DISBURSEMENT OF TAXES INCLUDED IN SELLING PRICE

A state excise tax, at the rate of 30% on the retail (net sales) price is charged monthly on liquor sales (excluding wine sales). Transactions for this account for the year are summarized as follows:

Taxes payable, July 1, 2015	$ 59,343
Taxes collected during the year	697,549
Taxes remitted to Department of Revenue	(693,432)
Taxes payable, June 30, 2016	$ 63,460

The excise tax is computed in accordance with G.S. 18B-805(i).

The accrued North Carolina excise tax at June 30, 2016 was remitted to the North Carolina Department of Revenue on July 11, 2016.

A bottle charge of one cent on each bottle containing 50 milliliters or less and five cents on each bottle containing more than 50 milliliters is collected and distributed monthly to the county commissioners for alcohol education and rehabilitation. For the fiscal year, payments to the county were based on the following bottle sales:

Regular Bottles	161,789	@ 5 cents=	$8,089
Mixed Beverage Bottles	17,052	@ 5 cents=	853
Miniature Bottles	68,860	@ 1 cent=	689
Total payment for the year			$9,631

A "mixed beverage tax" at the rate of $20 per 4 liters is charged on the sale of liquor to be resold as mixed beverages. One-half of the mixed beverage tax is submitted monthly to the Department of Revenue. Five percent of the mixed beverage tax is submitted monthly to the Department of Human Resources.

The mixed beverage tax for the year was:

Department of Revenue (50%)	$ 32,178
Department of Human Resources (5%)	3,218
Profit Retained (45%)	28,960
Total	$ 64,356

NOTE 9. SURCHARGE COLLECTED

The total amount of surcharge collected for the fiscal year was $25,053. (The rate increased May 1, 2015 from 80 cents per case sold to $1.40 per case sold.)

NOTE 10. LIQUOR SALES TAX

The total amount of sales tax collected by the Board and remitted to the Department of Revenue for the fiscal year was $198,717. The current sales tax rate is 7%.

NOTE 11. RETAIL OUTLETS

The Board operated with two retail outlets:

Store #1 - 350-A North Broad Street
Brevard, North Carolina

Gross sales	$2,286,300

Store #2 - 61 Forest Gate Center
Pisgah Forest, North Carolina

Gross sales	$927,052

Detailed records were not available to provide a breakdown of change in net position by store.

NOTE 12. WORKING CAPITAL

The Board is required by the Alcoholic Beverage Control Commission rule [.0902] to set its working capital requirements at not less than two weeks average gross sales of the last fiscal year. (Gross sales are gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b) (2), (3), and (4)).

The Board's position on this requirement is as follows:

Minimum Amount	$ 94,997
Maximum Amount	$ 617,480
Actual Working Capital	$ 204,850

The Board has met the minimum amount of working capital.

NOTE 13. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has commercial property, general liability, auto liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability.

There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of $50,000 secured by a corporate surety.

NOTE 14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 26, 2016, which is the date the financial statements were available to be issued.

Subsequent to the June 30, 2016 fiscal year end, the Alcoholic Beverage Control Board terminated its contract for law enforcement with the North Carolina Department of Public Safety Section of Alcohol Law Enforcement (ALE). Effective July 1, 2016 the Board has contracted with the City of Brevard and Transylvania County for law enforcement services.

REQUIRED

SUPPLEMENTARY

INFORMATION

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA

LOCAL GORVERNMENT EMPLOYEES' RETIREMENT SYSTEM
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LAST THREE FISCAL YEARS

	2016	2015	2014
Proportion of net pension liability (asset) (%)	0.00264%	0.00271%	0.00370%
Proportion of net pension liability (asset) ($)	$ 11,848	$ (15,983)	$ 44,599
Covered-employee payroll	$ 188,138	$ 161,864	$ 164,750
Proportionate share of net pension liability (asset) as a percentage of covered-employee payroll	6.30%	(9.87%)	27.07%
Plan fiduciary net position as a percentage of total pension liability	98.09%	102.64%	94.35%

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA

LOCAL GORVERNMENT EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST THREE FISCAL YEARS

	2016	2015	2014
Contractually Required contribution	$ 12,549	$ 11,444	$ 11,648
Contributions in relation to the contractually required contribution	12,549	11,444	11,648
Contribution deficiency (excess)	$ -	$ -	$ -
ABC Board's covered-employee payroll	$ 188,138	$ 161,864	$ 164,750
Contributions as a percentage of covered-employee payroll	6.67%	7.07%	7.07%

SUPPLEMENTARY INFORMATION

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA

SCHEDULE OF OPERATING EXPENSES

FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
Bank charges	$ 36,882	$ 33,062
Board expense	9,150	10,350
Dues and subscriptions	3,023	1,909
Group insurance	58,182	52,148
Insurance - general	12,356	14,876
Licenses and fees	483	
Miscellaneous	307	
Payroll taxes	21,938	22,289
Pension expense	4,258	(1,082)
Professional services	14,316	14,060
Rent	53,212	52,095
Repairs and maintenance	15,995	1,336
Salaries	260,364	242,549
Store and office supplies	14,274	11,550
Telephone	7,087	4,799
Travel	753	660
Utilities	12,951	12,749
Total Operating Expenses	$ 525,531	$ 473,350

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	2016 Original Budget	2016 Revised Budget	2016 Actual	Variance Positive (Negative)
Revenues:				
Sales	$ 3,070,928	$ 3,181,460	$ 3,213,352	$ 31,892
Other income	500	500	218	(282)
Total	$ 3,071,428	$ 3,181,960	$ 3,213,570	$ 31,610
Expenditures:				
Taxes based on revenue	$ 706,428	$ 731,851	$ 743,386	$ (11,535)
Cost of goods sold	1,566,428	1,590,980	1,685,502	(94,522)
Total	$ 2,272,856	$ 2,322,831	$ 2,428,888	$ (106,057)
Operating Expenses:				
Bank and credit card fees	$ 34,500	$ 37,750	$ 36,882	$ 868
Board member expense	11,250	9,000	9,150	(150)
Contingency	20,000	1,500	307	1,193
Dues and licenses	1,750	2,500	3,506	(1,006)
Insurance - general and bonds	69,500	69,251	70,538	(1,287)
Office and store supplies	13,000	13,450	14,274	(824)
Professional fees	17,000	12,650	14,316	(1,666)
Rent	53,250	53,213	53,212	1
Repairs and maintenance	16,000	15,521	15,995	(474)
Payroll expenses	42,250	35,917	34,487	1,430
Salaries	270,000	267,036	260,364	6,672
Travel	1,750	825	753	72
Utilities	20,000	19,609	20,038	(429)
Total	$ 570,250	$ 538,222	$ 533,822	$ 4,400
Capital outlay			$ 11,341	$ (11,341)

THE CITY OF BREVARD ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE CITY OF BREVARD)
BREVARD, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	2016 Original Budget	2016 Revised Budget	2016 Actual	Variance Positive (Negative)
Distributions:				
Profit distributions	$ 205,406	$ 293,446	$ 218,725	$ 74,721
Alcohol Education	11,416	11,416	9,462	1,954
Law enforcement	11,500	16,045	11,509	4,536
Total	$ 228,322	$ 320,907	$ 239,696	$ 81,211
Total expenditures and distributions	$ 3,071,428	$ 3,181,960	$ 3,213,747	$ (31,787)
Revenues over expenditures	$ -	$ -	$ (177)	$ (177)

Reconciliation from budgetary basis (modified accrual) to full accrual:

Reconciling items:	
Capital outlay	11,341
Depreciation	(19,237)
(Decrease) in net pension asset	(15,983)
Increase in deferred outflows of resources - pensions	1,105
(Increase) in net pension liability	(11,848)
Decrease in deferred inflows of resources - pensions	35,017
Change in Net Position	$ 218

ABC Board—Educational Opportunities to Reduce Underage Drinking

Workshops or Presentations—Rosman and Brevard Middle School are interested in hosting assemblies with underage drinking prevention and positive choice promotion themes. Rosman Middle School is particularly interested in a workshop facilitator for their Social Skills Remediation Class. This class is targeted towards students with behavioral issues that put them at risk for school drop-out, mental health issues, and substance abuse. Davidson River is also interested in hosting workshops for small groups of their students. The idea is to provide an assembly or workshop to each school on the same day, to maximize investment and impact.

Speaker/Facilitator	Cost	Includes
Ty Sells	$2,800 plus airfare (~$550)	3 one-hour presentations in one day
Chris Sandy (+Jaden Maxwell)	$2,000 (+750) (+travel & lodging)	1 day rate for 2 presentations
Eric Rowles www.leadingtochange.com	$2,500/3,500	1 day/2 day rate for unlimited presentations/workshops, includes travel and lodging
Mike Hall www.mikeisspeaking.com	$3,500	2 assemblies, 1 workshop with student leaders, 15 posters, 10 copies of his book, re-printable discussion guides, includes travel

SADD Conference— Raleigh, November 2017 This 3-day training workshop empower the students (and their advisors) with the latest and most effective tools to lead their peers and to have a positive effect on both teens and adults in their attitudes toward underage use of alcohol, drinking and driving, seatbelt use, distracted driving, speeding and other unsafe driving behavior.

Next November--$85 per student and $235 per advisor—4 students and 1 advisor from each school= $910*
Rental van--$277*
Gas—526 miles round trip~ $100 in gas
*prices based on 2016 estimate
TOTAL=$1,267

Youth to Youth International Conference—Charlotte, July 2017 Nationally, Youth to Youth is the recognized leader for engaging youth in positive change. Each summer, this conference experience, led by trained teens & adults, is the training that groups across the country count on to initiate or improve their youth prevention programming. At this conference, students will meet and befriend drug-free teens from all over the region, develop skills to make positive choices, attend interactive and informative workshops, hear nationally known speakers, and create action plans to create change back home in their schools and communities, and learn vital leadership skills they can use for a lifetime.

CARE Coalition will be sending 6 students and pay for transportation. TAFFY & CARE are looking for partial sponsors in order to register more kids at this conference who aren't already plugged in. Current TAFFY members are applying for "youth staff" positions to help reduce the cost and free more spots for other youth. **$425 per person includes conference, food, lodging**

Community Resilience Model Training
The Community Resilience Model Training is a 2-day training for adults who work with youth. It aims to provide adults with strategies that counterbalance the risk factors associated with substance abuse and alcoholism among the children they work with. After the training, the attendees will then train their own agencies, "teaching people how to fish" and extending the scope of this practice to the larger community. This training was created by the Trauma Resource Institute and has been empirically validated in several studies. CARE, SAFE, The Family Place, and other community organizations have pledged to financially sponsor this $2100 training (for up to 15 people) in Transylvania County, but still need several hundred more dollars to reserve a date. Teachers, school counselors, SROs, after-school volunteers, and youth workers are encouraged to attend. **$300 contribution.**

Billboard Media Campaign
C.A.R.E. has continued to support the Talk It Out Campaign and would like to relaunch their media along Highway 64. C.A.R.E. has recently hired a media consultant, Allison Development Group, to assist in graphic design, content, and media strategies. Billboard signage could also be developed and implemented by this group.
$500—4 weeks for 1 billboard, $800—4 weeks for 2 billboards, $150 production cost per billboard