TOWN OF WAXHAW
ALCOHOLIC BEVERAGE
CONTROL BOARD

(A Component Unit of the Town of Waxhaw)

Audited Financial Statements

June 30, 2019 and 2018

TOWN OF WAXHAW
ALCOHOLIC BEVERAGE CONTROL BOARD
(A Component Unit of the Town of Waxhaw)

Waxhaw, North Carolina

Audited Financial Statements

At

June 30, 2019 and 2018

And

For The Years Then Ended

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POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Town of Waxhaw Alcoholic Beverage Control Board
Waxhaw, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the **Town of Waxhaw Alcoholic Beverage Control Board**, a component unit of the Town of Waxhaw, which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses and changes in net position, distributions, 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.

Auditors' 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 auditors' 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 auditors consider 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Town of Waxhaw Alcoholic Beverage Control Board** as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then 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 the Management's Discussion on pages 4-6 and the Local Government Employees' Retirement System's Proportionate Share of Net Pension Liability and Schedule of Contributions on page 27 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 Schedules of Store and Warehouse Expenses, Administrative Expenses, and Reconciliation of Budget to Actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Store and Warehouse Expenses, Administrative Expenses, and the Reconciliation of Budget to 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.

Potter & Company, PA

Monroe, North Carolina
September 24, 2019

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, 2018. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- Gross sales increased $565,867 or 17.4%.
- Net Position increased by $78,321.
- Working capital increased from the prior year by $17,244

Overview of the Financial Statements

The audited financial statements of the ABC Board consist of three (3) components. They are as follows:

· Management's Discussion and Analysis
· Basic Financial Statements
· Additional Supplementary Information

The Basic Financial Statements are prepared using the full accrual basis of accounting. They consist of three (3) 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 Store and Warehouse Expenses, a Schedule of Administrative Expenses and a Budget to Actual Reconciliation.

Financial Analysis of the ABC Board

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by $866,968 in 2019, $783,939 in 2018, and $730,415 in 2017. The largest component of net position was unrestricted capital. It was 74.6% of the total net position for 2019, 71.1% for 2018, and 67.5% for 2017. Following is a summary of the Statement of Net Position:

Table 1
Condensed Statements of Net Position

	6/30/2019	6/30/2018	6/30/2017	$ Change This Yr vs Last Yr	% Change This Yr vs Last Yr
Current assets	$ 1,168,160	$ 895,679	$ 842,086	$ 272,481	30.4%
Non current assets	147,547	156,566	176,648	(9,019)	-5.8%
Total assets	1,315,707	1,052,245	1,018,734	263,462	25.0%
Current liabilities	411,536	245,996	268,108	165,540	67.3%
Non current liabilities	37,203	22,310	20,211	14,893	66.8%
Total liabilities	448,739	268,306	288,319	180,433	67.2%
Total net position	$ 866,968	$ 783,939	$ 730,415	$ 83,029	10.6%

Net position increased by 10.6% from 2018 compared to a 7.3% increase between 2018 and 2017. Income from operations increased by $154,512 or 55.42% from 2018 and by $26,029 or 10.3% between 2018 and 2017. Following is a summary of the changes in net position:

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

	6/30/2019	6/30/2018	6/30/2017	$ Change This Yr vs Last Yr	% Change This Yr vs Last Yr
Operating revenues	$ 3,814,516	$ 3,248,649	$ 2,840,633	$ 565,867	17.4%
Less taxes on gross sales	880,048	761,841	655,020	118,207	15.5%
Net sales	2,934,468	2,486,808	2,185,613	447,660	18.0%
Cost of sales	1,989,321	1,733,110	1,493,124	256,211	14.8%
Gross profit	945,147	753,698	692,489	191,449	25.4%
Less operating expenses	511,813	474,876	439,696	36,937	7.8%
Income from operations	433,334	278,822	252,793	154,512	55.4%
Nonoperating revenues	237	702	145	(465)	-66.2%
Change in net position before distributions	433,571	279,524	252,938	154,047	55.1%
Distributions	355,250	226,000	144,225	129,250	57.2%
Change in net position	78,321	53,524	108,713	24,797	46.3%
Net position, beginning	783,939	730,415	621,702	53,524	7.3%
Restatement	4,708	-	-	4,708	
Net position, beginning, restated	788,647	730,415	621,702	58,232	
Net position, ending	$ 866,968	$ 783,939	$ 730,415	$ 83,029	10.6%

The increase in sales is due to a increase in sales price and bottles sold, as well as a increased customer traffic. Following is a breakdown of sales by source:

Table 3
Sales by Source

	6/30/2019	6/30/2018	6/30/2017	$ Change This Yr vs Last Yr	% Change This Yr vs Last Yr
Liquor	$ 3,347,622	$ 2,870,417	$ 2,546,726	$ 477,205	16.6%
Mixed beverage	466,894	378,232	293,907	88,662	23.4%
	$ 3,814,516	$ 3,248,649	$ 2,840,633	$ 565,867	17.4%

Total sales increased by 17.4% over the prior year.

Capital Assets

Investment in capital assets as of June 30, 2019, was $107,577 (net of accumulated depreciation).

Major capital asset transactions during the year include the following:

· No assets added during the year ended June 30, 2019

Table 4
Capital Assets

	6/30/2019	6/30/2018	6/30/2017	$ Change This Yr vs Last Yr	% Change This Yr vs Last Yr
Leasehold improvements	$ 156,021	$ 156,021	$ 154,887	$ -	0.0%
Equipment	44,506	44,506	44,506	-	0.0%
Accumulated Depreciation	(92,950)	(69,690)	(46,326)	(23,260)	33.4%
Totals	$ 107,577	$ 130,837	$ 153,067	$ (23,260)	-17.8%

Additional information on the ABC Board's capital assets can be found in Note 1 of the Basic Financial Statements.

Request for Information

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

Cheryl Wilson, General Manager
Waxhaw ABC Board
Post Office Box 86
Waxhaw, North Carolina 28173

BASIC FINANCIAL STATEMENTS

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
STATEMENTS OF NET POSITION
June 30, 2019 and 2018

ASSETS AND DEFERRED OUTFLOWS	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	$ 930,189	$ 651,551
Inventories	211,039	215,686
Prepaid expenses	26,932	28,442
Total Current Assets	1,168,160	895,679
PROPERTY AND EQUIPMENT		
Store equipment	44,506	44,506
Leashold improvements	156,021	156,021
	200,527	200,527
Less: Accumulated depreciation	(92,950)	(69,690)
Net Property and Equipment	107,577	130,837
DEFERRED OUTFLOWS OF RESOURCES	39,970	25,729
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,315,707	$ 1,052,245
LIABILITIES, DEFERRED INFLOWS AND RETAINED EARNINGS		
CURRENT LIABILITIES		
Accounts payable	$ 165,112	$ 89,798
Taxes payable	93,521	89,752
Distributions payable	139,500	55,000
Withheld and accrued payroll liabilities	13,403	11,446
Total Current Liabilities	411,536	245,996
NET PENSION LIABILITY	37,011	21,696
DEFERRED INFLOWS OF RESOURCES	192	614
NET POSITION		
Net investment in capital assets	107,577	130,837
Restricted for working capital	113,009	95,765
Unrestricted capital	646,382	557,337
Total Net Position	866,968	783,939
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 1,315,707	$ 1,052,245

See Accompanying Notes to Financial Statements.

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For The Years Ended June 30, 2019 and 2018

	2019		2018	
	Amount	Percent	Amount	Percent
OPERATING REVENUES				
Liquor sales	$ 3,347,622	87.76	$ 2,870,417	88.36
Mixed beverage sales	466,894	12.24	378,232	11.64
Total Gross Sales	3,814,516	100.00	3,248,649	100.00
DEDUCT TAXES ON GROSS SALES				
State excise tax	829,792	21.75	719,249	22.14
Mixed beverage tax (Department of Revenue)	37,700	0.99	31,321	0.96
Mixed beverage tax (Human Resources)	3,769	0.10	3,075	0.09
Rehabilitation tax	8,787	0.23	8,196	0.25
Total Taxes	880,048	23.07	761,841	23.44
NET SALES	2,934,468	76.93	2,486,808	76.56
DEDUCT COST OF SALES				
Cost of liquor sold	1,989,321	52.15	1,733,110	53.35
GROSS PROFIT ON SALES	945,147	24.78	753,698	23.21
DEDUCT OPERATING EXPENSES				
Store and warehouse expenses	458,134	12.03	422,185	12.99
Administrative expenses	30,419	0.79	29,327	0.89
Depreciation expense	23,260	0.61	23,364	0.72
Total Operating Expenses	511,813	13.43	474,876	14.60
INCOME FROM OPERATIONS	433,334	11.35	278,822	8.61

See Accompanying Notes to Financial Statements.

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For The Years Ended June 30, 2019 and 2018

	2019		2018	
	Amount	Percent	Amount	Percent
INCOME FROM OPERATIONS - carried forward	$ 433,334	11.35	$ 278,822	8.61
NONOPERATING REVENUE				
Interest income	237	0.01	702	0.02
Total Nonoperating Revenue	237	0.01	702	0.02
CHANGE IN NET POSITION BEFORE DISTRIBUTIONS	433,571	11.36	279,524	8.63
DEDUCT DISTRIBUTIONS				
Law Enforcement	16,500	0.43	11,000	0.34
Total Distributions	16,500	0.43	11,000	0.34
CHANGE IN NET POSITION BEFORE PROFIT DISTRIBUTIONS	417,071	10.93	268,524	8.29
PROFIT DISTRIBUTIONS				
Town of Waxhaw	254,063		161,250	
Union County	84,687		53,750	
Total Profit Distributions	338,750		215,000	
CHANGE IN NET POSITION	78,321		53,524	
NET POSITION, BEGINNING OF YEAR	783,939		730,415	
RESTATEMENT	4,708		-	
NET POSITION, BEGINNING OF YEAR, RESTATED	788,647		730,415	
NET POSITION, END OF YEAR	$ 866,968		$ 783,939	

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
STATEMENT OF DISTRIBUTIONS
For The Year Ended June 30, 2019

DISTRIBUTION BY QUARTER FOR JUNE 30, 2019

	Distribution for Quarter Ended June 30, 2019	Distributed in Prior Quarters	Total Distributed as of June 30, 2019
Distribution of Profits			
Town of Waxhaw	$ 141,563	$ 112,500	$ 254,063
Union County	44,687	40,000	84,687
	$ 186,250	$ 152,500	$ 338,750
Law Enforcement			
Town of Waxhaw	$ 7,500	$ 9,000	$ 16,500

See Accompanying Notes to Financial Statements.

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
STATEMENTS OF CASH FLOWS
For The Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 3,814,516	$ 3,248,649
Payments for inventory costs	(1,909,360)	(1,707,035)
Payments for operating expenses	(484,434)	(449,085)
Taxes paid	(876,279)	(749,133)
Net cash provided by operating activities	544,443	343,396
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	-	(1,134)
Net cash used in capital and related financing activities	-	(1,134)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Law Enforcement distributions	(12,000)	(11,000)
Town of Waxhaw distributions	(191,250)	(171,919)
Union County distributions	(67,500)	(57,181)
Net cash used in non-capital financing activities	(270,750)	(240,100)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned on investments	237	702
NET INCREASE IN CASH	273,930	102,864
RESTATEMENT	4,708	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	651,551	548,687
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 930,189	$ 651,551

See Accompanying Notes to Financial Statements.

	2019	2018
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Income from operations	$ 433,334	$ 278,822
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	23,260	23,364
Changes in assets and liabilities:		
(Increase) decrease in inventory	4,647	50,704
(Increase) decrease in prepaid expenses	1,510	(1,433)
(Increase) decrease in deferred outflows of resources - pensions	(14,241)	(2,148)
Increase (decrease) in accounts payable	75,314	(24,629)
Increase (decrease) in taxes payable	3,769	12,708
Increase (decrease) in withheld and accrued payroll liabilities	1,957	3,909
Increase (decrease) in net pension liability	15,315	2,169
Increase (decrease) in deferred inflows of resources - pensions	(422)	(70)
Total adjustments	111,109	64,574
Net cash provided by operating activities	$ 544,443	$ 343,396

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles Used in Determining the Scope of the Entity for Financial Reporting

The Town of Waxhaw Alcoholic Beverage Control Board, a component unit of the Town of Waxhaw, is a corporate body with powers outlined by General Statutes Chapter 18B-701. The Town's governing body appoints the ABC Board.

The ABC Board is required by State Statute to distribute 75% of its surpluses to the General Fund of the Town which represents a financial benefit to the Town. Therefore, the Waxhaw ABC Board is reported as a discretely presented component unit in the Town's financial statements. The Board also distributes 25% of it surpluses to the General Fund of Union County.

Organizational History

The Board was organized under the provisions of House Bill #197 of the North Carolina Legislature, General Assembly of 1977, March 7, 1977, and implemented by a town wide election held May 14, 1977. The Town of Waxhaw appointed three individuals to serve on the Board with terms of three years, two years, and one year. In September 2010, the Board was expanded to five members.

The Board, as provided by North Carolina Alcoholic Beverage Control laws, operates one liquor store. North Carolina General Statute 18B-805(c)(2)(3) requires that the Board expend at least 5% of profits for law enforcement.

Basis of Presentation

All activities of the Town of Waxhaw Alcoholic Beverage Control 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.

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 PRACTICES** - Continued

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 and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

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 ABC Board's employer contributions are recognized when due and the ABC Board 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.

Deferred outflows / inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board had one item that met the criterion for this category, pension deferrals for the 2019 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board had one item that met the criterion for this category, pension deferrals.

Assets, Liabilities and Net Position

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

NOTE 1 - **SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES** - Continued

All the ABC Board'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 ABC Board's agent in the ABC 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 ABC Board, these deposits are considered to be held by the ABC Board agent in the ABC 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. 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 the information with the ABC Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the ABC 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, 2019 the ABC Board's deposits had a carrying amount of $930,089 and a bank balance of $990,099. Of the bank balance, $250,000 was covered by Federal Deposit Insurance and $539,955 was covered by collateral held under the pooling method. The Board had $100 in petty cash on hand.

At June 30, 2018 the ABC Board's deposits had a carrying amount of $651,551 and a bank balance of $784,162. Of the bank balance, $250,000 was covered by Federal Deposit Insurance and $534,162 was covered by collateral held under the pooling method. The Board had $100 in petty cash on hand.

Investments
Local ABC boards are allowed to invest idle funds in accordance with G.S. 159-30(c). The Waxhaw ABC Board had no investments at June 30, 2019.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the ABC 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 (LIFO) or market.

Details of inventories at June 30, 2019 and 2018 are as follows:

	2019	2018
Store #1	$ 211,039	$ 215,686

NOTE 1 - **SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES** – Continued

Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated				
Store Equipment	$ 44,506	$ -	$ -	$ 44,506
Leasehold Improvements	156,021	-	-	156,021
Total capital assets being depreciated	200,527	-	-	200,527
Less accumulated depreciation for:				
Store Equipment	26,625	7,696	-	34,321
Leasehold Improvements	43,065	15,564	-	58,629
Total accumulated depreciation	69,690	23,260	-	92,950
Capital Assets, net	$ 130,837			$ 107,577

Assets	Estimated Useful Life (Years)
Leasehold Improvements	10 - 15
Store Equipment	5

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period.

Depreciation expense is calculated using the straight-line method over the estimated useful life. Depreciation expense totaled $23,260 and $23,364 for each of the years ended June 30, 2019 and 2018, respectively.

Net Position

Net position may consist 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 capital improvements – State law G.S. 18B-805(d) requires approval of the appointing authority to establish this account. The Town of Waxhaw has agreed to allow the Waxhaw ABC Board to accumulate funds to purchase a new store location. The balance in net position restricted for capital improvements consists of the minimum distribution set aside in G.S. 18B-805(c)(1) that would have been paid to the Town of Waxhaw.

NOTE 1 - **SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES** – Continued

c. 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 three months' average gross sales of the last fiscal year (for boards with gross sales greater than or equal to $1,500,000 and less than $50,000,000). Average gross sales means gross receipts from the sale of alcoholic beverages less distributions required in G.S. 18B-805(b), (2), (3), and (4).

d. 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 assets.

NOTE 2 - **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

For the fiscal year ended June 30, 2019, certain expenditures made by the ABC Board (mixed beverage taxes, cost of goods sold, salaries, retirement, repairs and maintenance, insurance, supplies, travel, credit card fees, utilities, bank charges, miscellaneous, and distributions) exceeded the authorized appropriations made by the governing board by $111,586. The over expenditures in these accounts resulted from increased expenditures and the fact that a budget amendment was not made during the current year. The Board will implement policies and procedures to ensure that the future budgeted amounts are sufficient to cover actual expenditures. The future budget will be reviewed and amended if necessary to prevent an over expenditure.

NOTE 3 - **PENSION PLAN OBLIGATIONS**

Local Government Employees' Retirement System

Plan Description. The ABC Board 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 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, by calling (919) 981-5454, or at www.osc.nc.gov.

NOTE 3 - **PENSION PLAN OBLIGATIONS** – Continued

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.

Contributions: Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The ABC Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The ABC Board's contractually required contribution rate for the year ended June 30, 2019 was 7.75% 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 ABC Board were $12,583 and $9,704 for the years ended June 30, 2019 and 2018, respectively.

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, 2019, the Board reported a liability of $37,011 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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. As of June 30, 2019 and 2018, the Board's proportion was 0.00156%, and 0.00142%, respectively.

NOTE 3 - **PENSION PLAN OBLIGATIONS** – Continued

For the year ended June 30, 2019, the Board recognized pension expense of $13,235. At June 30, 2019, 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	$ 5,710	$ 192
Changes of assumptions	9,821	-
Net difference between projected and actual earnings on pension plan investments	5,080	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	6,776	-
ABC Board's contributions subsequent to the measurement date	12,583	-
Total	$ 39,970	$ 192

The Board reported $12,583 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date that will be recognized as an decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 12,283
2021	8,348
2022	2,937
2023	3,626
Total	$ 27,194

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

NOTE 3 - **PENSION PLAN OBLIGATIONS** – Continued

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, 2010 through December 31, 2014.

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

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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.

NOTE 3 - **PENSION PLAN OBLIGATIONS** – Continued

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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.

Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
ABC Board's proportionate share of the net pension liability (asset)	$ 88,898	$ 37,009	$ (6,351)

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.

NOTE 4 - **VACATION AND SICK LEAVE COMPENSATION**

Employees of the Town of Waxhaw ABC Board earn two weeks paid vacation each year. Employees are allowed to carry forward any vacation time to subsequent years. Employees can accumulate an unlimited amount of sick leave. Sick leave does not vest but unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made. Accumulated earned vacation at June 30, 2019 amounted to $3,996. The entire amount is considered current and is tracked on a calendar year basis.

NOTE 5 - **LEASES**

During 2016, the Board entered into a ten year operating lease for facilities at Howard's Mill Shopping Center in Waxhaw that expires August 31, 2025. The Board is responsible for taxes and insurance for this location.

Rent expense in the amounts of $118,397 and $117,741, respectively were incurred during the years ended June 30, 2019 and 2018.

Future minimum rentals are as follows:

Years Ending June 30:		
2020	$	116,040
2021		125,490
2022		127,380
2023		127,380
2024		127,380
Thereafter		21,230
Total	$	644,900

NOTE 6 - **DISTRIBUTIONS OF INCOME**

The Board has made distributions since inception as follows:

	Current Year	Total to Date
75% Town of Waxhaw	$ 254,063	$ 713,298
25% Union County	$ 84,687	$ 255,095

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 appointing authority.

NOTE 7 - **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 at June 30, 2019 and 2018 are summarized as follows:

	2019	2018
Taxes payable July 1	$ 69,882	$ 59,711
Taxes collected during the year	829,792	719,249
Taxes remitted to Department of Revenue	(830,005)	(709,078)
Taxes payable June 30	$ 69,669	$ 69,882

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

The accrued North Carolina excise tax at June 30, 2019 was remitted to the North Carolina Department of Revenue by July 15, 2019.

A bottle charge of one cent (.01) on each bottle containing 50 milliliters or less and five cents (.05) 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 ended June 30, 2019, payments to the county were based on the following bottle sales:

Regular Bottles	142,061 @ .05 =	$ 7,103
Mixed Beverage Bottles	18,461 @ .05 =	923
Miniature Bottles	76,070 @ .01 =	761
Total Payment for Year		$ 8,787

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%)	$ 37,700
Department of Human Resources (5%)	3,769
Profit Retained (45%)	33,931
Total	$ 75,400

NOTE 8 - LAW ENFORCEMENT AND ALCOHOLIC EDUCATION EXPENSES

The ABC Board is required by law to expend at least 5% of its profits for law enforcement and not less than 7% 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).

	2019	2018
Income before required distributions	$ 433,571	$ 279,524
Less: 3 1/2% tax & bottle charge	105,466	90,662
Profit subject to expense percentages	$ 328,103	$ 188,862
Law enforcement expenditures - actual	$ 16,500	$ 11,000
(percentage of profit)	5%	6%

The Board's local enabling act designates that 7% of the profit distributions to the Town of Waxhaw are designated for alcohol education.

NOTE 9 - SURCHARGE COLLECTED

The total amount of surcharge collected for the year ended June 30, 2019 was $24,351. The bailment surcharge rate was $1.40 per case July through October and decreased to $1.15 per case November 1, 2018.

NOTE 10 - LIQUOR SALES TAX

The total amount of sales tax collected by the ABC Board and remitted to the Department of Revenue for the fiscal year was $233,720. The current sales tax rate is 7%.

NOTE 11 - RETAIL OUTLETS

The Town of Waxhaw Alcoholic Beverage Control Board operated one retail outlet, with sales and profits as follows for the year ended June 30, 2019:

	Gross Sales	Change in Net Position Before Distributions
2528 Cuthbertson Rd, Waxhaw	$ 3,814,516	$ 433,571

NOTE 12 - **WORKING CAPITAL NEEDS**

The ABC 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 nor greater than four months' 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 Waxhaw ABC Board's position on this requirement is as follows:

		June 30, 2019
Gross Sales for the Year	$	3,814,516
Less: State Excise Tax		829,792
Mixed Beverage Tax		37,700
Rehabilitation Tax		8,787
Net Sales	$	2,938,237
Minimum Amount (average for 2 weeks)	$	113,009
Maximum Amount (average for 4 months)	$	734,559
Actual Working Capital	$	729,691

The Waxhaw ABC Board has met the minimum amount of working capital required by ABC laws.

NOTE 13 - **RISK MANAGEMENT**

The Town of Waxhaw ABC 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 ABC Board has commercial property, general 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 - **RESTATEMENT**

During the year ended June 30, 2019, the Board discovered that $4,708 of credit card sales were left off of the prior years financial statements. The net position should have been increased by these additional sales.

NOTE 15 - **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 24, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
Last Five Fiscal Years
Local Government Employees' Retirement System

PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)

	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset) (%)	0.00156%	0.00142%	0.00092%	0.00119%	0.00143%	0.00150%
Proportion of the net pension liability (asset)	$ 37,011	$ 21,696	$ 19,527	$ 5,341	(8,433)	$ 18,081
Covered-employee payroll	$ 129,387	$ 107,021	$ 85,487	$ 139,095	126,676	$ 135,396
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.60%	20.27%	22.84%	3.84%	-6.66%	13.35%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

CONTRIBUTIONS

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 12,583	$ 9,704	$ 7,759	$ 5,702	9,834	$ 8,956
Contributions in relation to the contractually required contribution	12,583	9,704	7,759	5,702	9,834	8,956
Contribution deficiency (excess)	$ -	$ -	$ -	$	-	$ -
Covered-employee payroll	$ 162,358	$ 129,387	$ 107,021	85,487	139,095	126,676
Contributions as a percentage of covered-employee payroll	7.75%	7.50%	7.25%	6.67%	7.07%	7.07%

SUPPLEMENTARY INFORMATION

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
SCHEDULES OF STORE AND WAREHOUSE EXPENSES
For The Years Ended June 30, 2019 and 2018

	2019		2018	
	Amount	Percent	Amount	Percent
Store salaries	$ 187,006	4.90	$ 168,945	5.20
Retirement	13,235	0.35	9,655	0.30
General repairs and maintenance	8,608	0.23	7,090	0.22
Utilities	10,609	0.28	10,579	0.33
Telephone	3,394	0.09	3,602	0.11
Rent	118,397	3.10	117,741	3.62
Payroll taxes	14,688	0.39	14,767	0.45
Store supplies	9,022	0.24	9,407	0.29
Insurance	38,584	1.01	31,015	0.95
Miscellaneous	227	0.01	(207)	(0.01)
Credit card fees	54,364	1.43	49,591	1.53
Total Store and Warehouse Expenses	$ 458,134	12.03	$ 422,185	12.99

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
SCHEDULES OF ADMINISTRATIVE EXPENSES
For The Years Ended June 30, 2019 and 2018

	2019		2018	
	Amount	Percent	Amount	Percent
Professional fees	$ 9,150	0.24	$ 8,600	0.26
Directors' fees	231	0.01	2,908	0.09
Dues and subscriptions	1,080	0.03	979	0.03
Postage	806	0.02	740	0.02
Office supplies	5,107	0.13	5,226	0.16
Fees and licenses	3,593	0.09	1,682	0.05
Janitorial services	2,270	0.06	2,352	0.07
Travel	1,533	0.04	2,804	0.09
Uniforms	1,167	0.03	-	-
Bank fees	2,461	0.06	1,333	0.04
Alarm service	3,021	0.08	2,703	0.08
Total Administrative Expenses	$ 30,419	0.79	$ 29,327	0.89

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
SCHEDULE OF DISTRIBUTIONS OF PROFITS
For The Year Ended June 30, 2019

Distribution Restrictions on Use Recipient	Amount	Date of Distribution
Law Enforcement		
For ABC law enforcement		
Town of Waxhaw	$ 3,000	9/29/2018
Town of Waxhaw	3,000	9/29/2018
Town of Waxhaw	250	3/29/2019
Town of Waxhaw	2,750	3/30/2019
Town of Waxhaw	3,000	6/30/2019
Town of Waxhaw	4,500	Accrued
	$ 16,500	
Town of Waxhaw		
75% distribution of profits - of which 7% for alcohol education		
Town of Waxhaw	$ 37,500	9/29/2018
Town of Waxhaw	30,000	12/30/2018
Town of Waxhaw	45,000	3/30/2019
Town of Waxhaw	37,500	6/30/2019
Town of Waxhaw	104,063	Accrued
	$ 254,063	
Union County		
25% distribution of profits - no restrictions		
Union County	$ 12,500	9/29/2018
Union County	10,000	12/30/2018
Union County	17,500	3/30/2019
Union County	13,750	6/30/2019
Union County	30,937	Accrued
	$ 84,687	

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended June 30, 2019

	2019 Original Budget	2019 Revised Budget	2019 Actual	Variance Positive (Negative)
REVENUES				
OPERATING REVENUES				
Liquor sales	$ 3,200,000	$ 3,485,000	$ 3,347,622	$ (137,378)
Mixed beverage sales	-	116,350	466,894	350,544
Total	3,200,000	3,601,350	3,814,516	213,166
NONOPERATING REVENUES				
Interest income	700	237	237	-
Total Nonoperating Revenues	700	237	237	-
Total Revenues	3,200,700	3,601,587	3,814,753	213,166
EXPENDITURES				
TAXES BASED ON REVENUE				
State excise tax	776,000	903,500	829,792	73,708
Mixed beverage tax (Department of Revenue)	-	7,600	37,700	(30,100)
Mixed beverage tax (Human Resources)	-	783	3,769	(2,986)
Rehabilitation tax	-	770	8,787	(8,017)
Total	776,000	912,653	880,048	32,605
COST OF GOODS SOLD	1,650,000	1,887,000	1,989,321	(102,321)
OPERATING EXPENSES				
Salaries and wages	175,000	177,000	187,006	(10,006)
Payroll taxes	38,000	36,700	14,688	22,012
Directors' fees	3,500	3,600	231	3,369
Retirement	9,600	11,768	13,235	(1,467)
Rent	119,000	118,397	118,397	-
Repairs and maintenance	8,650	7,385	8,608	(1,223)
Insurance - general and bonds	9,200	12,618	38,584	(25,966)
Office/store supplies	13,400	14,929	14,935	(6)
Travel	3,300	1,033	1,533	(500)
Professional fees	8,750	9,150	9,150	-
Credit card fees	46,000	52,503	54,364	(1,861)
Janitorial service	2,900	2,270	2,270	-
Utilities and telephone	14,700	14,003	14,004	$ (1)

TOWN OF WAXHAW ALCOHOLIC BEVERAGE CONTROL BOARD
(A COMPONENT UNIT OF THE TOWN OF WAXHAW)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For The Year Ended June 30, 2019

	2019 Original Budget	2019 Revised Budget	2019 Actual	Variance Positive (Negative)
OPERATING EXPENSES - Continued				
Fees and licenses	6,200	3,593	3,593	-
Security and training	2,750	3,021	3,021	-
Dues and subscriptions	1,000	1,080	1,080	-
Uniforms	1,200	1,233	1,167	66
Bank service charges	-	-	2,461	(2,461)
Miscellaneous	-	-	227	(227)
Contingencies	64,550	68,401	-	68,401
Total Operating Expenses	527,700	538,684	488,554	50,130
Capital outlay	-	-	-	-
DISTRIBUTIONS				
Law enforcement	12,000	12,000	16,500	(4,500)
Town of Waxhaw	235,000	251,250	254,063	(2,813)
Union County	-	-	84,687	(84,687)
Total	247,000	263,250	355,250	(92,000)
Total expenditures & distributions	3,200,700	3,601,587	3,713,173	(111,586)
Revenues over expenditures	-	-	101,580	101,580
Other financing sources/(uses)				
Fund balance appropriated	-	-	-	-
Revenues over expenditures and other financing sources/(uses)	$ -	$ -	101,580	$ 101,580

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

Reconciling items:	
Depreciation	(23,260)
Increase (decrease) in deferred outflows of resoucres - pensions	14,241
Increase in net pension liability	(15,315)
(Increase) decrease in deferred inflows of resources - pensions	422
Pension expense adjustment	653
Capital outlay	-
Change in net position	$ 78,321