Approved
Pearsall:
Brewer:
Miller:
McKeller: PM
Conner:

MINUTES
BREVARD ABC BOARD
December 5, 2024

The Brevard ABC Board met in regular session on Thursday, December 5, 2024 at 8:30am in City Council Chambers at City Hall.

Members Present:	Lisa Conner Frank Pearsall Ron Brewer Susan Miller Paula McKeller
Staff Present:	Jackie Jarvis, Interim General Manager Paxton McAbee, Assistant General Manager Selena Coffey, Assistant to the City Manager
Guest:	Terry Anderson and Roger Warren, Gould-Killian CPA Firm

A. Welcome & Call to Order

Board Chair Lisa Conner welcomed Board members and guests and called the meeting to order at 8:30am.

B. Quorum

Assistant to the City Manager Selena Coffey certified a quorum noting that all members were present.

C. Approval of Agenda

Ms. Jarvis requested that Item E.2. Discussion of Audit, be moved to E.1. Mr. Pearsall made the motion to approve the agenda with this amendment. Motion seconded by Mr. Brewer.

D. Approval of Minutes

Mr. Pearsall made a motion to approve the regular meeting minutes for the October 24, 2024 meeting. Motion was seconded by Mr. Brewer. The vote carried unanimously.

E. New Business

1. Discussion of Audit

Terry Anderson and Roger Warren were present for the presentation of the annual audit for the Brevard ABC Board, with Mr. Anderson presenting the audit findings. Mr. Anderson noted the strong financial position of the Board and indicated that the audit has been presented to the State. As he reviewed the audit document, Mr. Anderson provided audit highlights including but not limited to the following:

- Gross profit from sales increased by 2.5% for the year and actual working capital (cash invests plus inventory less liabilities) increased by 4.4%.
- Overall, $2.4 million in total assets at year end, a decrease of approximately $40,000 from the previous year.
- Liabilities of $997,000, a decrease from the previous year.
- Net position of $1.087 million at year end, compared to $977,000 at prior year end.
- Gross sales of $6.5 million compared to $6.285 million in the previous year.
- Higher operating expenses by $69,500 over the previous year.
- Income from operations less than prior year at $543,000 compared to $572,000 last year.
- Amount for distribution for law enforcement was $19,600 and alcohol education was $2,500, with the remaining profits to City at $332,600 and County at $111,000.
- Cash flow from operating activities $694,000, a significant increase over the prior year at $221,000.

Mr. Anderson noted that non-compliance with N.C. General Statutes was noted for delays in quarterly distributions and budget overages that did not include budget amendments.

Ms. Jarvis noted that CPA Trish Cheek had corrected inventory reports last month. Mr. Anderson asked that June statements be sent to him to make clarifications in the audit.

Mr. Anderson and Mr. Warren completed their presentation and left the meeting. Upon their leaving the meeting, the Board continued discussion of the audit and indicated that they wanted more time to review the audit. The consensus was to add the audit to the January 2025 agenda for final Board approval.

The Board discussed the potential for contracting with a different firm for the next ABC audit due to unexpected expenses this year and a recommendation from the State. The Board directed Ms. Jarvis to get a copy of the current contract with Gould-Killian and receive another proposal from other auditors for next year's audit.

The Board and Ms. Jarvis discussed ways to improve the procedures for quarterly distributions and budget amendments and Mr. Jarvis noted that she has been

developing improvements in this area and will be sharing information with the Board on these issues.

2. **Manager's Report / Sales Update**

   Ms. Jarvis reported that overall sales were down by $1,300 for the month of October 2024. She noted that this was likely due to only one store being operational and the use of cash sales only. She noted that the month of November sales are up by $22,000 over the prior year sales for the month.

3. **Employee Party**

   Ms. Jarvis notified the Board that the annual Holiday Employee Appreciation Party will be held at Hog Wild on December 15, 2024 at 3:00pm, inviting the Board to attend.

F. Closed Session

Chair Lisa Conner asked for a motion to go into closed session to discuss a personnel matter. Ms. Miller made the motion, seconded by Ms. McKeller. All in favor. Closed session began at 9:08am

Staff, including Ms. Coffey, were invited to stay for closed session initially, with Ms. Jarvis and Ms. McAbee excused for a portion of closed session. Ms. Coffey remained in closed session for its entirety.

[Closed session]

Motion was made by Mr. Brewer to conclude the closed session and return to open session, seconded by Mr. Pearsall. Vote on motion passed unanimously.

Return to Open Session

Upon return to open session at 9:22am, the Board voted to remove the "Interim" designation from Ms. Jarvis' title, making her regular *General Manager*, with a motion by Mr. Pearsall, with a second by Mr. Brewer. All voted in favor.

G. Next Meeting – January 23, 2025 at 8:30am

Chairwoman Conner noted that the next meeting will be held on Thursday, January 23, 2025 at 8:30am in City Council Chambers at City Hall.

H. Adjourn

With no further business, Mr. Pearsall moved to adjourn the meeting, with a second by Mr. Brewer and all in favor. Meeting adjourned at 9:29am.

Minutes Approved: January 23, 2025

Jackie Jarvis, General Manager

Lisa Conner, Chair

Selena D. Coffey
Assistant to the City Manager