MINUTES
BREVARD ABC BOARD
August 28, 2025

The Brevard ABC Board met for their monthly meeting at 10:00 AM on August 28, 2025. The meeting was held in the conference room of Store #1 at 350A North Broad Street. The following were in attendance:

Board Members: Lisa Conner, Chair
Ron Brewer
Paula McKeller
Susan Miller
Tommy Carpenter

Staff: Jackie Jarvis, General Manager
Paxton McAbee, Assistant Manager
Glenda Sansosti, Acting Secretary
Trish Cheek, CPA

Welcome and Call to Order

Board Chair Lisa Conner called the meeting to order and welcomed those present. A special welcome was extended to Mr. Tommy Carpenter. Mr. Carpenter replaces Frank Pearsall on the Board and whose term has expired.

Certification of Quorum

Acting Secretary Glenda Sansosti noted the presence of all Board Members and further certified a quorum present. There was no conflict of interest or appearance of a conflict of interest expressed by any Board Member on any agenda item pursuant to G.S.18B-201.

Approval of Agenda

A motion was made by Ms. Miller, seconded by Mr. Brewer and unanimously passed approving the agenda as presented.

Approval of Minutes

A motion was made by Ms. McKeller, seconded by Mr. Brewer and unanimously passed approving the Minutes of July 24, 2025 as presented.

Auditors Report

Ms. Robin G. Black, CPA and her Office Assistant, Keri Clearwater submitted to the Board the Independent Auditors report which states that she has audited the financial statements of the City of Brevard Alcoholic Beverage Control Board for the year ended June 30, 2025. The audit report presented by Ms. Black is on file in the General Manager's Office and made a part of these Minutes by reference.

Financial Highlights included:

- The assets of the City of Brevard ABC Board exceeded its liabilities at the close of the Fiscal year by $1,576,823 (met position)
- The ABC Board's total net position increased by $69,073 due mainly to current year revenues exceeding expenses.
- Working capital decreased approximately 2% over the prior year due to the working capital distributions required by NC Statute .
- The City of Brevard ABC Board had a long term lease liability for two buildings in the amount of $518,064 in the current fiscal year.

Ms. Black stated there are no serious issues and the stores are basically in good shape. She referred to page 7 of the report and reviewed Assets, pointing out the Prepaid Profit Distribution to the City of Brevard and Transylvania County was overpaid by $140,112. Trish pointed out that revenues were down this year due to the closing of the store for a month and also salary increases that were given.

Ms. Black referred the Board to pages 30 and 31 of the report and reviewed the cash flow of each store. She commented that Paxton did a good job in allocating expenses for each store by sale, square footage, maintenance and general insurance.

Administrative expenses were over budget on Insurance. This is not a problem within the budget due to General Insurance and Health Insurance being budgeted in different line items.

The Board's bank reconciliations have several outstanding deposits and disbursements dating back to 2011. The outstanding disbursements for prior fiscal years exceeds $28,000. The outstanding disbursements in the current fiscal year exceeds $18,000. Outstanding deposits prior to April 2025 exceeds $13,000.

In reviewing the stewardship report it was noted that Trish (Boards CPA) will meet with the auditor to clean up the A/P files first. The previous auditor did not address the Aging Adjustment Summaries. Other items not addressed are sick leave and retirement policies.

The Board requested copies of all policies be provided and two members volunteered to review the policies.
Ms. Conner and Ms. Miller will review these policies and make recommendations at the next meeting for amendments to the standard policy.

Ms. Conner stated if board members have questions or concerns regarding the policies or the audit to let her know. Ms. Miller noted that she thinks the Board now sees validation in changing auditors this year and that over one million dollars in adjustments is flabbergasting.

Ms. Miller asked if Ms. Black received any input from the previous auditor and if the Board was responsible for paying him the $900 he billed for providing information. Ms. Black stated he provided minimal information but it was most likely a legal obligation.. It was suggested the Board not pay the $900 fee until the previous auditor provides a breakdown on what information was provided and the cost for providing the same. Board members were asked to review the proposed audit and be prepared to ask any questions at the next meeting.

Managers Report

Ms. Jarvis stated she had been working on the Forest Gate Store lease. Ingles provided a signed copy of the lease which addressed an increase when the previous lease expired. Ms. Jarvis recommended moving forward with the renewed Ingles lease as it will be in effect until 2030 and we do not want to break the lease or renegotiate at this time. Contingency can be used to cover the increase in rent at this time. The purchase of the new truck will also reduce expenses - plus there will be income from the sale of the old truck. Savings will also be realized in the Manager's salary when Jackie retires. When asked if prices could be increased, Ms. Jarvis replied that the State of North Carolina regulates and sets the prices for all stores in North Carolina.

Ms. Jarvis asked that before Trish issues the July report that a copy be sent to the Board electronically and Ms. Miller review these before receiving the final statement on the $1.2 million in adjustments and how that will affect the financial position down the line. This should be reviewed prior to sending the Audit to the City as both the

City of Brevard and Transylvania County will have questions about their distributions.

Sales were down approximately $24,000 due to the store being closed on July 4 (required by the State). The store will also be closed on Labor Day.

Ms. Jarvis stated the deadline for submitting resumes for a General Manager is August 29, 2025. Ms. Miller and Ms. McKeller will be provided copies of all employee policies and provide the duties and responsibilities of a General Manager. These will include policies on vacation and sick leave. The Board will also consider making any amendments retroactive to include the retirement of the current General Manager.

Adjourn

Motion by Mr. Brewer, seconded by Mr. Carpenter and unanimously passed, the meeting adjourned at 11:10 AM.

Lisa Conner, Chair

Jackie Jarvis, General Manager

Glenda Sansosti, Acting Secretary

The next meeting is September 25, 2025 at 10:00 AM.