

# Randleman ABC Board

## Performance Audit Report



Alcoholic Beverage Control Commission  
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**ABC**  
COMMISSION  
NORTH CAROLINA

## **TABLE OF CONTENTS**

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ABC Commission Statement .....	3
Objective, Purpose & Background Information .....	4
Financial Analysis, Observations & Findings .....	6
Recommended Actions & Additional Considerations .....	15-17
Appendix A- Randleman ABC Board Response Letter .....	18



# ABC COMMISSION NORTH CAROLINA

## Alcoholic Beverage Control

December 12, 2024

CHAIRMAN:  
Hank Bauer

Randleman ABC Board  
C. O. Hayes Jr, Chair  
620 W. Academy St.  
Randleman, NC 27317

COMMISSIONERS:  
La'Tanta (L.T.) McCrimmon  
Raleigh

David Sherlin  
Raleigh

Chairperson Hayes,

DEPUTY COMMISSIONER:  
Mike DeSilva

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Randleman ABC Board. The report consists of an overview of the objectives & background summary, financial analysis and findings, and a summary of actions recommended based upon your board's performance and related findings. Additional considerations are listed as well to provide further guidance and enhance awareness to promote ABC board success.

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Please reach out if you have any questions or require assistance in implementing any of the statute requirements, Commission rules, or other recommendations included in the report. On behalf of the North Carolina ABC Commission, I thank you and your staff for your assistance and cooperation in conducting this periodic review. We appreciate the continued efforts by your board to comply with the performance standards, as well as the board's commitment to increase profitability and reduce expenses.

If we can be of assistance in the future, please do not hesitate to reach out to the Commission staff.

Respectfully,

Michael DeSilva  
Deputy Commissioner

## **OBJECTIVE, PURPOSE & BACKGROUND INFORMATION**

In addition to regular and special financial audits, G.S. 18B-705(a) authorizes the NC ABC Commission to conduct performance audits of all local ABC boards in the state. Performance audits are examinations of existing operating policies, practices, controls, and activities to determine those areas in which there may be a need for improvement.

The audits are designed to ensure that all local ABC Boards comply with established performance standards pursuant to G.S. 18B-203(a)(20). The audit's scope addresses compliance with ABC laws and rules, store appearance, operating efficiency, solvency, and customer service.

To achieve the objectives of the audit, auditors:

- Review applicable General Statutes, ABC Commission Rules, Reports, and Administrative Policies
- Verify compliance with Commission and Board policies
- Verify results of previous performance audit recommendations
- Review ABC Board annual independent financial audits
- Review ABC Board reporting and documentation reports
- Visit the store(s)
- Interview key ABC Board personnel

Randleman is a city in central North Carolina and is the third largest populated community in Randolph County. The city is most famous for being the home to the Petty family of NASCAR lore. The city's population per the 2020 Census was 4,595 residents which was approximately a twelve (12%) percent decrease since 2010. Randolph County's population per the 2020 census was 144,171 residents up approximately two (2%) percent from 2010.

Chapter 168 of the 1965 Session Laws authorized the City of Randleman to hold an election for an ABC stored upon a petition signed by at least fifteen percent (15%) of registered voters. The referendum was held on May 4, 1965, and passed 527 to 475. The first sale occurred on June 10, 1965. A mixed beverage election was held on May 19, 2009, and passed 682 to 354. Upon election of an ABC store, the town was authorized to create an ABC board consisting of a chairman and two board members to serve for three-year terms. Current board members are C. O. Hayes Jr. (Chair), Donald Hudson, and Theresa Ferguson.

The Randleman ABC Board operates one (1) retail store and is one of four (4) boards with stores in Randolph County. The board currently staffs eight (8) total employees, with two (2) full time and six (6) part time employees. The general manager is full time and responsible for the oversight of all daily operations pertaining to the store, inventory management, human resources, and implementation of other administrative decisions for the board. In addition to the administrative responsibilities, the general manager also has front-line store responsibilities. The finance officer is part time, has a long tenure with the board, and was previously the general manager. Her responsibilities include accounting, bank reconciliation, and budget and advisory management. The general manager and finance officer work collaboratively on invoices and serve to double check one another. The board has a store manager who oversees the warehouse and assists with ordering. Other store employees and shift leader(s) are primarily responsible for providing friendly customer service, general store upkeep, and stock maintenance.

*The last performance audit for the Randleman ABC Board occurred in 2014.* The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.

## **OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS**

On Wednesday, September 25, 2024, ABC Commission Program Analyst Edwin Strickland visited the Randleman ABC Board and interviewed the General Manager, David Hardison. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



**620 W Academy St. Randleman, NC.**

## FINANCIAL ANALYSIS

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### INVENTORY TURNOVER

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The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set goals for determining an effective rate based on the frequency of deliveries. Below are the turnover rates based upon the delivery schedule:

- Once a week deliveries target at 6 times or more per year
- Twice a month deliveries target at 5 times or more per year
- Monthly deliveries target at 4.5 times or more per year

The Randleman ABC Board received shipments 2 times a month with a target inventory turnover rate of approximately 5. The inventory rate in (FY) 2023-2024 was 7.6, which is well above the goal.

### PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

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In fiscal year (FY) 2023-2024, the Randleman ABC Board had a profit percentage to sales of 11.86%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%. The Randleman ABC Board's gross sales totaled \$3,069,378, which was an approximate 3% decrease from the previous fiscal year. The board's sales have grown an impressive 38% over the last five completed fiscal years.

Randleman ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .50 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with one or two stores and mixed beverage sales is .73 or less.

Thus, the Randleman ABC Board exceeds both the profitability standard and the operating cost standard set by the NC ABC Commission. Below is a chart showing gross profit on sales and income from operations for the previous two years.

	FY 2023-2024	FY 2022-2023
<b>Gross Profit on Sales</b>	\$764,266	\$799,467
<b>Income from Operations</b>	\$364,063	\$414,686

➤ *Factors affecting profitability and cost include:*

- Surrounding areas with other ABC Boards operating stores within an approximate thirty (30) mile range of Randleman ABC: Greensboro, Liberty, Ramseur, Asheboro, High Point, Thomasville, and Siler City.
- A 4.3% unemployment rate in Randolph County in June of 2024 with a .6% increase from the previous year.
- The board currently has seven (7) active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for less than one percent of sales.*
- Board owns their location’s property and assets.

## BUDGET ANALYSIS

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	FY 2032-2024 Budget Projections	FY2023-2024 Actual	Variance	Variance %
<b>Sales</b>	\$3,236,000	\$3,069,378	(\$166,622)	(5.1%)
<b>Revenue over or (under)</b>				
<b>Expenditures</b>		(\$8,784)		

In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual sales revenues were 5.1% below budgeted sales. In addition, the net income change during the fiscal year was \$29,334. *The board’s collective net position on June 30, 2024, was \$832,952; the net position has increased approximately 24% in the last five (5) fiscal years.*

## DISTRIBUTIONS

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G.S. 18B-805 (b) requires the board to pay from gross receipts, all expenses, excise, and rehabilitation taxes. G.S. 18B-805(c)(2) requires the board to *typically* distribute at least five percent (5%) of applicable gross receipts to law enforcement and *typically* at least seven percent (7%) for alcohol education. *Before assigning these percentage distributions, G.S. 18B-805(c)(1) requires the board to first make a minimum quarterly distribution of the 3.5% markup & relevant bottle charges to certain county/municipal recipients. **Some of these distribution percentages are designated by an official local enabling act (and thus distribution requirements and recipients are subject to vary).***

In FY 2023-2024, Randleman ABC made other statutory distributions totaling \$347,900 (Net profit distribution recipients received \$313,000 of this). The amount of \$701,514 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Randolph County.

*Per the local enabling act, the distribution formula for recipients of net profits is as follows:*

- 95% to Randleman General Fund
- 5% to Randleman Recreation Fund



## DISTRIBUTIONS (cont.)

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➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions – The Randleman ABC board has made robust net profit distributions over the last five (5) fiscal years above the minimum mandatory distribution in reference to NCGS 18B-805(c)(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
- Law Enforcement Distributions: Have been properly disbursed at or above the standard 5% statute amount for the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount for the last five (5) FYs.

<b>NC GENERAL STATUTE: 18B-805 (c)(1)</b>			
<b>Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients</b>		<b>Randleman ABC Board Net profit distribution made annually by fiscal year</b>	
<i>Note: Referencing CPA Audit Reports</i>			
<b>Calculated Amount</b>		<b>Total paid to recipient(s)</b>	
FY-2024	\$86,455	FY-2024	<b>\$313,000</b>
FY-2023	\$88,988	FY-2023	<b>\$323,100</b>
FY-2022	\$89,744	FY-2022	<b>\$390,000</b>
FY-2021	\$78,896	FY-2021	<b>\$262,000</b>
FY-2020	\$63,977	FY-2020	<b>\$185,000</b>

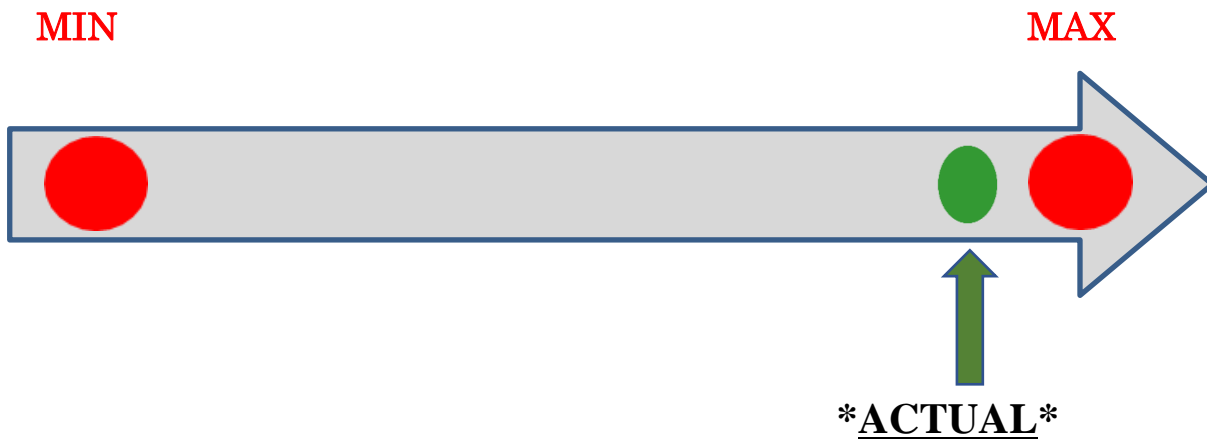
## WORKING CAPITAL

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G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system. The NC ABC Commission has set a working capital maximum standard for boards with annual gross sales greater than \$1.5M as an amount equal to three (3) months of sales revenue.

Based upon the existing rules, as of June 30, 2024, the Randleman ABC Board is required to maintain a minimum working capital of \$90,890 with a maximum working capital amount of \$590,782. The Randleman ABC Board had a working capital balance of \$566,978 which is greater than the minimum and less than the maximum Commission requirements for this section (\*).

### **\* FY 2023-2024: Working Capital (WC) graphic**



Under 18B-805(d), with approval of the appointing authority for the board, the local board may set aside a portion of the remaining gross receipts as a fund for specific capital improvements whenever working capital is exceeded.

## **PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE**

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*The findings for personnel, operational & administrative compliance are as follows:*

- **Board Meetings:** The board generally holds meetings the first Tuesday of each month. They record regular meeting minutes and provide public notification and awareness of these meetings. The meeting minutes are organized by session and kept in a book. Board meeting minutes were viewed and followed the order of proceedings, providing sufficient detail that a reasonable person would be able to follow what transpired. *Meeting minutes should include the time the meeting is called to order.*
- **Oaths of Office:** All board members have not taken an oath per the general manager's recollection. All board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *Written template is available in the operations manual on Commission website.*
- **Training records review:** Board members and board personnel are compliant on ethics training referencing NCGS 18B-706(b), with one member needing to complete training in the coming months.
- **Board member compensation & General Manager (GM) salary:** Board members receive compensation for their services below the maximum \$150.00 per meeting. The board's appointing authority has approved compensation for the Chairperson above the maximum \$175.00 per meeting and the Commission has proper documentation on record. The General Manager has updated their salary for Commission records. *Any future salary changes should be relayed to the ABC Commission for record retention. Board members terms are appropriately staggered with one term ending date annually.*
- **Board website review:** The board's login website was updated by the Commission in 2022 for board member term tenure information (*begin dates & end dates*). **Special note:** As part of a revalidation effort, the Commission has worked to revalidate term tenure information for all ABC boards across the state, working directly with the appointing authorities. As a value-added measure for all ABC boards and Commission records tracking in summer 2022, the term begin dates as well as term end dates were entered on all individual ABC board websites.
  - *The expectation going forward is that ABC boards will routinely manage this information online, and work to communicate with the Commission particularly when new members are added, or whenever any current serving members resign before a term has ended.*
- **Board Personnel & Board Members:** Board personnel provide each board member financial reports for review at meetings including sales and historical comparisons. Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld especially on payroll; also, boards should routinely review any notes and recommendations provided by the CPA firm on annual audits.
- **POLICIES:** The board has a robust personnel manual and has provided an updated copy to the Commission. The manual covers many operational and behavioral standards.
  - Board does not have a mixed beverage sales policy in Commission records.
  - For travel policy, Commission records indicate the board adheres to their municipal travel policy. *Per discussion with the general manager, and because of very limited travel and for simplicity, the board will consider adhering to the state's travel policy.*
  - Additional policies could be considered and provided to the Commission for record keeping including but not limited to, tastings or employee tastings, social media, overtime, or any others.

## **PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)**

- **BUDGETS:** In FY 23/24, the board's actual sales were 5.1% less than the final amended budgeted sales. *The board submitted budget amendments but did not adjust for sales variances.*
- **FINANCIAL INSIGHT:** Invoices for liquor are processed by board personnel per delivery. Copies of the invoices are retained at the board's administrative office. Invoice records for recent liquor purchases reflect them as being paid within 30 days. Other payments, taxes and distributions are paid either monthly or quarterly by the general manager and finance officer. Full bank reconciliation is completed monthly by the finance officer.
  - All checks have the required disbursement approval and are signed by the finance officer and chairperson with the general manager as an alternat.
  - Pre-audit stamp verification is being properly documented. *For efficiency, the board could consider allowing the finance officer to stamp/sign the full liquor order rather than individual liquor invoices.*
  - Bank deposits are made each day by the general manager with closing staff receiving police escorts on Friday and Saturday nights. Multiple personnel review deposits and general manager compares deposit slips with funds at the bank.
  - The finance officer conducts full monthly reconciliation.
  - Tills start with \$100.00, and loans are given from change fund. Each clerk is responsible for register report and overages/shortages. Petty cash is limited to small purchases and was intact at Commission visit.
  - Payroll is weekly and processed by the general manager through Dalcom. Timecards are used by employees and general manager reviews hours and rates. Paper checks are issued and counter-signed by chairperson and finance officer or general manager. *Board will be transferring to ADP for payroll services in the next month.*
  - Employee files are kept in a locked portion of their administrative office and include insurance, retirement, medical, and tax information.
  - All board members, General Manager - Finance Officer are each bonded for \$50,000 per G.S. 18B-700(i). *Board could consider insuring bonds cover other applicable staff to include other employees per G.S. 18B-803(b)(c).*
  - Board keeps thorough records for unsaleable merchandise reports and sends reports to the Commission. *Commission requests unsaleable reports be sent quarterly and by email.*
  - The annual CPA audit was received and logged by the Commission on September 16, 2024.
- **LAW ENFORCEMENT (LE) REPORTS:** Reports are being submitted routinely and are current to date. Submitted reports come from the Randleman Police Department and are input by general manager.
- **LAW ENFORCEMENT (LE) CONTRACT:** The board has a law enforcement contract with the Randleman Police Department on file with the Commission from 2010.
- **INVENTORY:** Full inventory is conducted monthly and multiple staff members participate and conduct initial recounts. Final discrepancies are reviewed by general manager and adjustments are made. Additional spot checks are conducted regularly. General manager has strategies for slow moving stock to include moving around in store, moving to front displays, and working with reps for point-of-sale incentives.

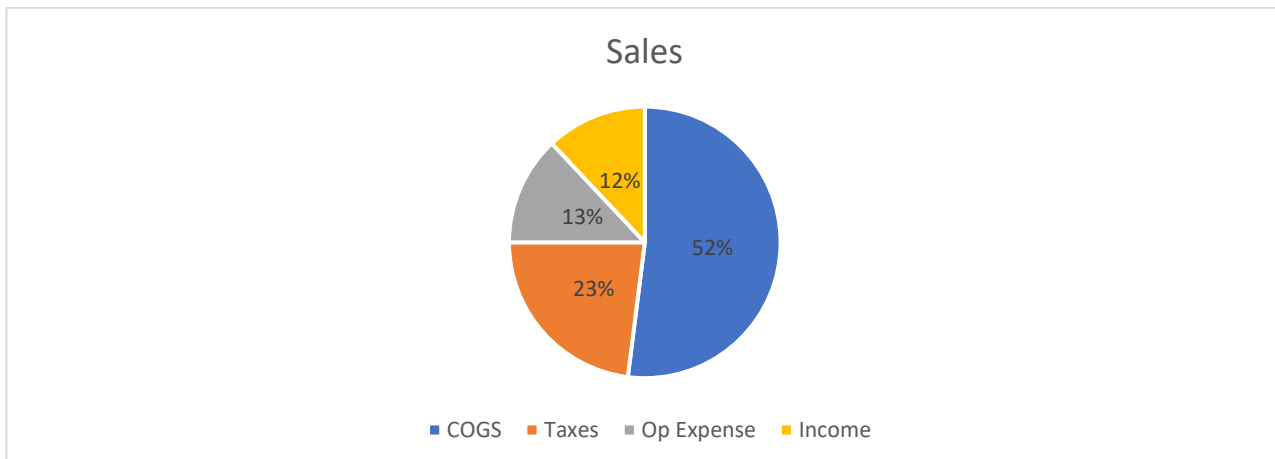
## PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

### ➤ INTERNAL CONTROLS:

- The general manager has worked for the board for over thirty years becoming the General Manager in 2014.
- The finance officer has been with the board for over forty years and has previously served as the general manager and dual role of manager and finance officer.
- The Board members and Chairperson have extensive professional experience in business and community relations and have a good mixture of longer tenures and some more recent appointees.
- The board does receive reports describing expenditure of funds from their alcohol education and rehabilitation recipient, the Randolph County Sheriff's Office's Dare Program.
- All employees are subject to training and various behavioral standards. The board has very low employee turnover and all staff members have received RASP training.
- Full time employees are enrolled in LGERS.
- General manager makes liquor order by analyzing recent monthly sales, historical data, SPAs, and current inventory. *The board is receiving a pos system update that will allow for quicker and more direct ordering for personnel.*
- Board receives two deliveries monthly. Counts are made using scanners and any variances are recounted, and actual discrepancies are reported to LB&B.
- Board does not have a credit card.
- Stores have pens used to prevent counterfeit bills.
- No conflicts pertaining to nepotism found and per discussion with general manager.
- Board has a code of ethics policy on file with the Commission.

### ➤ EXPENSES:

- Total operating expenses increased around four percent (4%) from the last fiscal year and are roughly thirteen percent (13%) of total annual sales in FY-23/24.
- Board salaries were approximately eight percent (8%) of total annual sales. Salaries and benefits decreased by around one- and one-half percent (1.5%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was an impressive 51.8% for the fiscal year with a normal range being 52% to 54%.



## STORE INSIGHT & OVERVIEW

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- Board's store is a free-standing building owned by the board. The store has good exterior signs, ample parking, well maintained landscaping, and the interior is well lit. Shelving is spacious and aesthetically pleasant. The warehouse area is large, well organized, and provides easy access for deliveries. The administrative and employee areas are clean, spacious, and well suited for the business activities.
- Deliveries from LB&B are usually the first and third Wednesdays of each month.
- Outside area surrounding the store is well-maintained and free of debris or trash.
- The store displays the required Fetal Alcohol Syndrome poster required by G.S. 18B-808, and the quarterly price book is available.
- Sales associate interactions with customers are attentive, courteous, welcoming, and all are eager to meet the needs of the customers.
- Product knowledge growth is accomplished through the broker reps or independently. *Board could consider additional opportunities for product knowledge training.*
- General manager indicates the board tries to order most customer requests if logical.
- General manager reserves portions of limited or allocated products for their mixed beverage customers and shelves the remainder at various times.
- The board does not have a web page.
- The board has seven (7) mixed beverage (MXB) customers according to board records. Board provides an invoice to customer at transaction and retains an invoice on file in a folder for each account. *While the board has a very friendly and accommodating approach to handling mixed beverage sales, they have no formal written policy.*
- The board is exempt and chooses not to facilitate mixed beverage delivery.
- A random sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, all but one item reflected the current quarterly or monthly SPA price. *The board has professional labels, stickers, and utilizes supplier displays to indicate special priced items.*
- A random sample of approximately 20 items was selected to verify accurate current inventory. All items actual quantities matched with system data correctly.
- Products are placed within the designated categories; premium products are generally found at eye-level or top shelf. Bottles were fronted and dusted, and shelf space is maximized. *Shelf management guidelines were mostly followed at time of Commission visit with a few instances of larger size bottles on the left and decreasing in size to the right. Please consult NCAC .1708 for full shelf management guidelines.*
- General manager indicates price discrepancies are handled in the customers favor if the shelf price is lower than the cash register and the customer objects. *Price discrepancy policy is on file with the Commission.*
- The board's store is generally open from 9:00 am until 9:00 pm Monday through Saturday. They are currently closed every Sunday, and the five (5) previously required annual holidays.
- Board does not conduct tasting.
- Security systems are in place and functional in all designated areas.
  - *Currently sixteen cameras operating and panic buttons behind the registers and in back-office areas.*

## **RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)**

- Board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *A written account of the oaths should be available at board administration.*
- Board should request their appointing authority to stagger member terms to have at least one term end date each year and on the same month. *If a member should leave the board before their term is concluded, the appointing authority should appoint a new member for the duration of the previous member's term and consider reappointment on the original term end date.*
- While already informally in place, the board should establish and provide to the Commission a written mixed beverage policy outlining ordering guidelines for current and future permitted establishments. *The Commission prefers a customer friendly policy that allows customers to pick up Monday through Saturday.*
- The board must annually obtain approval from the appointing authority to adhere to their local government travel policy and annually provide the Commission a copy of this approval per G.S. 18B-700(g2). *NOTE: As another option the board can alternately adopt the official State of NC government travel policy referenced under G.S. 138-6. This would allow the board an option to eliminate the annual travel policy update requirement by instead formally adopting the state government travel policy at an official board meeting and providing a copy of minutes to the Commission.*
- In connection with the periodic audit, a Certificate of Accountability attestation form should be reviewed and signed by board members and applicable personnel. A signed copy would then only need to be emailed to Commission personnel for recordkeeping.



## **ADDITIONAL CONSIDERATIONS & GUIDANCE ....**

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- The Commission's primary focus for ABC board members:
  - ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by Oct 1<sup>st</sup>.
  - ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc. *Moreover, liaising with the Commission when new members are appointed or when member resign early before term has ended is very important for recordkeeping efforts of the Commission.*
- Board could consider additional product knowledge materials or other industry education training for staff. *An excellent source for increased sales and customer relations is product knowledge.*
- Board could consider adopting or updating any policies to include, but not limited to, tastings or employee tastings, social media, overtime, or any others. *Personnel manual may cover some of the aforementioned suggested policies or could be updated to include.*
- ABC boards are highly encouraged to find straightforward ways to lower any recurring expenses. *A very tangible way to lower operating costs is to fully maximize monthly special purchase allowance (SPA) liquor products that routinely sell well in the store to lower cost of goods sold (COGS).* ABC Boards can limit the number of personnel travelling to conference and convention events across the state. Other ways to try to improve expenses include requesting bids annually from various vendors to get the best rates possible on financial audits, various utilities, maintenance contracts, and credit card processing companies. *Board could also consider ACH payments as a means of reducing expenses and eliminating fraud.*
- *ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.*
- As a reminder, remove all faded posters and replace with new ones when applicable. Reach out to the Commission to provide fetal alcohol syndrome posters, NC Dept of Labor can provide wage & hour posters, and OSHA can provide some applicable federal posters if any are needed.
- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.



## **PREVIOUS PERFORMANCE AUDIT RECOMMENDATIONS (2014)**

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- Consider discontinuing the post-employment benefits to future employees. As noted, these expenses rise year-to-year. Develop a plan on how to handle these expenses should the board cease to exist.
  - *Board has discontinued these benefits for new employees.*
- To minimize excess spending and to ensure the best price is offered on services, request bids annually from various vendors to get the best rates possible on financial audits, specific utilities, maintenance contracts, and credit card processing fees.
  - Consider additional ways to improve shelf management or product placement, such as the following:
    - Cross-merchandising by placing products that mix together on the same shelves. Intermingle North Carolina products within their specific category as well as having a designated area;
    - Reallocating shelf space from declining categories to those showing growth; Allow more space for your more popular brands and re-allocating space when eliminating underperforming brands.
  - *Board is working towards new shelving to accommodate additional products.*
- Consider additional training opportunities through the Commission and the ABC Officers Association on specific areas. The Commission offers Responsible Alcohol Sellers Program, RASP, training for ABC boards and mixed beverage permit holders. The NC ABC Officers Association offers ABC Inspection training for local law enforcement officers.
  - *Board personnel attend RASP training.*
- Adopt a price discrepancy policy that incorporates customer friendly practices.
  - *Price discrepancy policy is on file with Commission and staff adheres.*
- Have the board chairman read the conflict-of-interest statement to all board members at the beginning of each meeting. Reference the conflict-of-interest statement was read in the board minutes.
  - *Statement is read and documented in minutes reviewed.*
- Begin to work on a plan to designate someone other than the general manager as finance officer. The intent is to generate stronger internal controls and checks and balances.
  - *Board has a finance officer but could consider a deputy finance officer to help facilitate responsibilities and for general cross-training.*

**Please network with the ABC Commission whenever needed for guidance and assistance to support local ABC board mission and success.**

**CITY OF RANDLEMAN**  
**ALCOHOLIC BEVERAGE CONTROL BOARD**

620 W Academy St Randleman, NC 27317

Board Members:

C. O. Hayes, Jr., Chairman  
Donald Hudson, Jr., Member  
Theresa Ferguson., Member

General Manager  
David Hardison

ABC Commission  
400 E. Tryon Rd  
Raleigh, NC 27610

12/11/24

We truly appreciate your support and recommendations from the audit recently performed. The performance audit will help us with the areas that need improvement. Please find below our responses to the findings and recommendations.

Item 1: Oath of office we are having the Board members complete this Chairman Hayes oath is on file.

Item 2: Stagger Board terms we are working with the City of Randleman on this matter.

Item 3: Mixed Beverage Policy the Board will write and adopt a policy for Mixed Beverage accounts.

Item 4: Travel policy the Board adopted the State travel policy on 10/08/24

Item 5: Certificate of Accountability the Board signed this form and a copy will be submitted to the Commission.

Sincerely ,

Charles O. Hayes Jr. Board Chairman  
David L. Hardison General Manager