

Vance County ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
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ABC
COMMISSION
NORTH CAROLINA

TABLE OF CONTENTS

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



Alcoholic Beverage Control

December 12, 2024

CHAIRMAN:
Hank Bauer

Vance County ABC Board
Dr. Roddy Drake, Chair
874 S. Beckford Dr.
Henderson, NC 27536

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

David Sherlin
Raleigh

Chairperson Drake,

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 Vance County 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

Vance County is in northcentral North Carolina bordering Franklin, Granville, and Warren Counties and sharing its northern border with Virginia. The county seat and largest community is Henderson. The area is best known for its history and recreational access with Kerr Lake and the Roanoke River. The county's population per the 2020 Census was 42,301 residents which was an approximate (6.3%) percent decrease from 2010.

Chapter 493 of the 1935 Pasquotank Act authorized Vance County to hold an election for an ABC store. The referendum was held on June 29, 1935, and passed 2,483 to 545. The first retail sale occurred on July 15, 1935. A county-wide mixed beverage election occurred on September 20, 1980, and did not pass. A second mixed beverage election for Henderson city limits occurred on May 8, 1984, and passed 2,196 to 1,631. On November 8, 2016, a second county wide mixed beverage election occurred and passed 12,771 to 5,694. Upon election of an ABC store, the county was authorized to create an ABC board which currently consists of a chairperson and four board members to serve for three-year terms. Current board members are Dr. Roddy Drake (Chair), John Banks, Arnold Bullock, Anne Tucker, and Paul Stainback.

The Vance County ABC Board operates one (1) retail store and is the only board in Vance County. The board currently staffs fourteen (14) total employees, with seven (7) full time, four (4) part time, and three (3) contract employees. The general manager is full time and responsible for the oversight of all daily operations pertaining to the store, inventory management, ordering, human resources, and implementation of other administrative decisions for the board. Store employees are primarily responsible for providing friendly customer service, general store upkeep, and stock maintenance. The board utilizes an accounting service, listed as their finance officer, who compiles payroll, bank reconciliation, financial reports, and other financial help.

The last performance audit for the Vance County 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 18, 2024, ABC Commission Program Analyst Edwin Strickland visited the Vance County ABC Board and interviewed the General Manager, Jimmie Whitfield, and spoke with other board personnel. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



874 S. Beckford Dr. Henderson, NC.

FINANCIAL ANALYSIS

INVENTORY TURNOVER

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 Vance County ABC Board received shipments 2 times a month with a target inventory turnover rate of approximately 5. The inventory rate in (FY) 2022-2023 was 7, which is above the goal.

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

In fiscal year (FY) 2022-2023, the Vance County ABC Board had a profit percentage to sales of 9.52%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%. The Vance County ABC Board's gross sales totaled \$6,500,224, which was an approximate 11% increase from the previous fiscal year. The board's sales have grown an impressive 59% over the last five completed fiscal years.

Vance County ABC Board operates one retail stores with mixed beverage sales. The operating cost ratio for the board was .60 in FY 2022-2023. The NC ABC Commission standard for ABC Boards with one or two stores and mixed beverage sales is .73 or less.

Thus, the Vance County ABC Board meets 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 2022-2023	FY 2021-2022
Gross Profit on Sales	\$1,638,525	\$1,476,589
Income from Operations	\$619,099	\$562,087

➤ *Factors affecting profitability and cost include:*

- Surrounding areas with other ABC Boards operating stores within an approximate thirty (30) mile range of Vance County ABC: Granville County, Warren County, Youngsville, Franklinton, and Louisburg.
- A 5.5% unemployment rate in Vance County in June of 2023 with a .4% decrease from the previous year.
- An ABC Board’s average cost of goods sold (COGS) is between 52% & 54% per year. The board’s cost of goods sold was approximately **52%** in FY 2022-2023.
- The board currently has sixteen (16) active mixed beverage customers. *In FY 2022/2023 mixed beverage accounted for approximately five (5%) percent of sales.*

BUDGET ANALYSIS

	FY 2022-2023 Budget Projections	FY2022-2023 Actual	Variance	Variance %
Sales	\$6,408,171	\$6,500,224	\$92,053	1.4%
Revenue over or (under)				
Expenditures		\$303,755		

In reviewing the budget to actual analysis of the FY 2022-2023 financial audit, actual sales revenues were 1.4% above final budget amendment. In addition, the net income change during the fiscal year was \$426,170. *The board’s collective net position on June 30, 2023, was \$2,327,843; the net position has increased approximately 65% in the last five (5) fiscal years.*

DISTRIBUTIONS

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 2022-2023, Vance County ABC made other statutory distributions totaling \$192,929 (Net profit distribution recipients received \$135,958 of this). The amount of \$1,479,907 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Vance County.

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

- 85% to Vance County General Fund
- 15% to Henderson General Fund for Debt Service

DISTRIBUTIONS (cont.)

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions - The Vance County ABC board has made net profit distributions over four (4) of the last five (5) fiscal years at or 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.

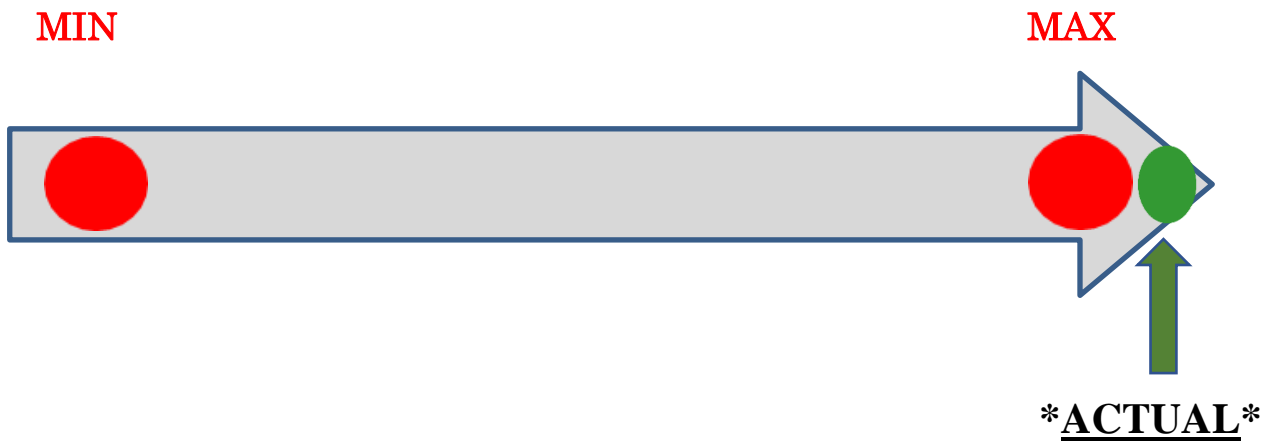
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Vance County ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2023	\$182,373	FY-2023	\$135,958
FY-2022	\$165,123	FY-2022	\$312,958
FY-2021	\$164,703	FY-2021	\$305,193
FY-2020	\$143,204	FY-2020	\$288,371
FY-2019	\$118,285	FY-2019	\$118,285

WORKING CAPITAL

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, 2023, the Vance County ABC Board is required to maintain a minimum working capital of \$193,089 with a maximum working capital amount of \$1,255,079. The Vance County ABC Board had a working capital balance of \$1,381,792 which is greater than the maximum Commission requirements for this section (*).

*** FY 2022-2023: 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

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

- The board generally holds meetings the second Tuesday of each month. They record regular meeting minutes but do not provide public notification and awareness for these meetings. The meeting minutes are organized by session and kept in files. 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. *The minutes reviewed did not include a conflict-of-interest statement nor were they signed by the chairperson.* Board member terms are appropriately staggered with no more than two term end dates per year.
- Oaths of Office: Board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *Written copies of oaths should be available at the board's administrative office.*
- Training records review: Board members and board personnel are compliant on ethics training referencing NCGS 18B-706(b). *Two recently reappointed members will need to complete training in the coming months.*
- Board member compensation & General Manager (GM) salary: Board members receive compensation for their services above the maximum \$150.00 per meeting and have provided the Commission the required approval from their appointing authority in compliance with GS 18B-700(d). 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 no more than term ending dates 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 robust financial reports, generated by their accounting firm, for the board's review at meetings. 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 personnel handbook and provided a copy at Commission visit. Board has a mixed beverage sales and delivery policy in Commission records. Additional policies could be considered and provided to the Commission for record keeping including but not limited to, tastings, overage and shorts, social media, lotteries, or any others. For travel policy, the board adheres to the state's policy.
- BUDGETS: In FY 22/23, the board's actual sales were 1.4% more than the final amended budgeted sales. *The board has submitted to the Commission a final budget amendment for FY-23/24.*

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

- 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 on three of four delivery cycles reviewed. Other payments, taxes and distributions are paid either monthly or quarterly by the general manager and other board personnel with some guidance from a third-party accounting service. Full bank reconciliation is completed monthly by accounting service/finance officer.
 - All checks have the required disbursement approval and are signed by the general manager and a board member with all board members as bank registered signees.
 - Pre-audit stamp verification is not being properly implemented on liquor orders. *Board could consider using purchase orders for non-liquor purchases and having them pre-audited.*
 - Bank deposits are made each day by the general manager. Personnel review deposits and general manager compares deposit slips with bank statements and the finance officer reviews at monthly reconciliation. *For safeguard measures and adherence to Commission rule 15A0905 Daily Deposits, the board utilizes a locked fireproof safe for integrity of funds that remain at the board at any given time.*
 - Tills start with \$150.00, and loans are given from change fund. Each clerk is responsible for register report and overages/shortages. An additional \$2,000 is kept for petty cash with the general manager only, having access.
 - Payroll is twice monthly and processed by the finance officer. Time sheets are reviewed by store leads and the general manager.
 - Employee files are kept in a locked portion of their administrative office and include copy of ID, some medical information, banking documents, 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 routinely sends reports to the Commission. *Commission requests unsaleable reports be sent quarterly and by email.*
 - The annual CPA audit was received and by the Commission on September 30, 2023.
- LAW ENFORCEMENT (LE) CONTRACT: The board has a law enforcement contract with Alcohol Law Enforcement (ALE) on file with the Commission.
- LAW ENFORCEMENT (LE) REPORTS: Reports are being submitted routinely by ALE Assistant Special Agent in Charge (ASAC) T. Wiggs and contain complete data.
- INVENTORY: Full inventory is conducted quarterly with multiple staff members participating. Final discrepancies are reviewed by general manager and adjustments are made. Additional spot checks are conducted. General manager has strategies for slow moving stock including moving around in store to front displays, selling to another board, and they have done price reductions in the past.

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

➤ INTERNAL CONTROLS:

- The general manager has worked for the board for approximately two years. He has long tenured experience in financial management and human resources and has a firm understanding of local board operations.
- The Board members and Chairperson have extensive professional experience in fields including, legal, medical, and law enforcement and have a good mixture of longer tenures and some more recent appointees.
- The board does receive an annual report describing expenditure of funds from their alcohol education and rehabilitation recipients. *Board should retain report for the year at administrative office.*
- All employees are subject to RASP training and various behavioral standards.
- Full time employees are enrolled in LGERS.
- General manager makes liquor order by analyzing recent sales, historical data, mixed beverage historical sales, and current inventory.
- Board receives two deliveries monthly. Counts are made using load sheets and any variances are recounted, and actual discrepancies are reported to LB&B.
- Board does not have a credit card and some purchases are made by the general manager with their personnel credit card. *Board could consider a credit card or other means to limit personal expenditures for board purchases.*
- Board has added Positive Pay to combat potential fraudulent checking issues.
- 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 twelve percent (12%) from the last fiscal year and are roughly fifteen percent (15%) of total annual sales in FY-22/23.
- Board salaries were approximately seven percent (7%) of total annual sales. Salaries and benefits decreased by around one-half percent (.5%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 52% for the fiscal year with a normal range being 52% to 54%.

STORE INSIGHT & OVERVIEW

- Board's store is a free-standing building owned by the board. The store has good exterior signs, ample parking, well maintained exterior, and the interior is well lit. Retail space is approximately 2,500 sq. ft. The warehouse area is large, well organized, and provides easy access for deliveries. The space is approximately 2,500 sq. ft. and stock was high with Commission visit a few days after truck delivery. *The board has recently purchased some land adjacent to the building that allows for full control of driveway-parking area and possible future considerations.*
- Deliveries from LB&B are usually the second and fourth Mondays of each month.
- Outside area surrounding the store is well-maintained and free of debris or trash. *Adjacent side lot past parking area may need some attention with litter.*
- 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, association conferences, and networking with other boards.
- General manager indicates the board tries to order most customer requests if they receive multiple inquiries or if the customer plans to purchase multiple bottles.
- General manager reserves portions of limited or allocated products for their mixed beverage customers and has different methods for selling the remainder.
- The board does not have a web page.
- The board has sixteen (16) 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.
- A mixed beverage delivery policy is on file with Commission, but board has had no requests.
- 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 but two 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.
- 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, the five (5) previously required annual holidays, Boxing Day, Easter Monday, and Memorial Day.
- Security systems are in place and functional in all designated areas.
 - *Currently twenty-two cameras operating and panic buttons behind the registers and in office.*

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 meeting minutes must have a conflict-of-interest disclosure statement, for proper adherence to G.S. 18B-201 (f)(k) and referencing G.S. 18B-700(h). Additionally, the chairperson or alternat board member in their absence, should sign the board meeting minutes for record retention.
- In accordance with G.S. 143-318.12 the board should provide public notice of board meetings. This could be accomplished by advertising the meetings at the store(s) or town administration building(s).
- To comply with GS 18B-702(m)(q) place the pre-audit certificate with the finance officer's signature on the order to LB&B. When ordering supplies, have a purchase order or order confirmation that will have authorization from the finance officer before the transaction takes place. *The board could consider the appointment of a deputy finance officer to assist with signatures or other responsibilities described as relating to the primary functions of their official finance officer, Holden & Moss P.A.*
- In accordance with GS 18B-805(c)(d)(e), the board should obtain written approval from their appointing authority when exceeding maximum working capital or making statutory distributions less than the computed mandatory minimum. Once approved, the board should provide the Commission with written notification of said approval.
- 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

- 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 1st.
 - 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.*
- The board could consider requesting approval from their appointing authority to set aside additional funds for specific capital improvements.
- 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.*
- 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.
- ABC boards can explore additional training opportunities periodically available through the ABC Commission Education Outreach as well as partnering with other ABC boards or the Association of ABC Boards on specific areas such as best retail and marketing practices.

PREVIOUS PERFORMANCE AUDIT RECOMMENDATIONS (2014)

- Consider more efficient 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.
 - Optimize the floor space and end caps to incorporate valuable displays.
 - Allow more space for your more popular brands and re-allocating space when eliminating underperforming brands.
 - *Board complies with these recommendations.*
- Create personnel files for all employees and board members. Include in the file's employment information, tax withholding documentation, and federal I-9 forms.
 - Board now has employee files.
- Adopt a mixed beverage policy that details customer friendly and flexible ordering and pickup guidelines. Once adopted, distributed to all mixed beverage accounts of any changes, and submit a copy to the Commission.
 - *Board has a customer friendly policy on file with Commission.*
- Adopt a price discrepancy policy that incorporates customer friendly practices.
 - *Board has a price discrepancy policy on file with Commission.*
- Place the pre-audit certificate with the finance officer's signature on the order to LB&B. When ordering supplies, have a purchase order or order confirmation that will have authorization from the finance officer before the transaction takes place.
 - *Board needs to implement this procedure included in recommended actions.*

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

VANCE COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD

P.O. BOX 1417
HENDERSON, NC 27536

DR. RODDY DRAKE JR.
Chair

JIMMIE WHITFIELD
Supervisor



MEMBERS

THE HONORABLE J. HENRY BANKS
ARNOLD BULLOCK
MS. ANNE TUCKER
JERRY STAINBACK

ABC Commission
400 E. Tryon Rd.
Raleigh, NC 27610

12/12/2024

We truly appreciate your support and recommendations from the audit recently performed. This performance audit will help us with the areas that need improvement and your provision of options for consideration can also help us as we continue our focus on a path of continuous improvement.

Each of your recommended actions have been implemented or will be implemented at the appropriate time as instructed.

Thank you again for your very thorough review of our existing operating policies, practices, controls, and activities.

Regards,

A handwritten signature in black ink, appearing to read "Dr. Roddy Drake, Jr.", is written over the typed name.

Dr. Roddy Drake, Chair
Vance County ABC Board