

Wadesboro ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
400 East Tryon Road, Raleigh, NC 27610
p: 919-779-0700 | f: 919-661-5927 | <http://abc.nc.gov>



ABC
COMMISSION
NORTH CAROLINA

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ABC

COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

September 3, 2024

CHAIRMAN:
Hank Bauer

Wadesboro ABC Board
Christopher Cook, Chair
326 E. Caswell St.
Wadesboro, NC 28170

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

David Sherlin
Raleigh

Chairperson Cook,

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 Wadesboro 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.

LOCATION:
400 East Tryon Road
Raleigh NC 27610

MAILING:
4307 Mail Service Center
Raleigh NC 27699-4307

PHONE: (919) 779-0700
<http://abc.nc.gov/>

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, and Administrative Policies
- Review applicable reports
- 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

Wadesboro is in the south-central part of the North Carolina and borders South Carolina. The town was renamed (formerly Newtown) for Thomas Wade in 1783 and is the county seat for Anson County. The town's population per the 2020 Census was 5,008 residents which was approximately a thirteen percent (13%) population decrease since 2010.

The Town of Wadesboro was authorized to hold a referendum for the creation of an ABC Board by S.L 1963 Chapter 750. A referendum was held August 29, 1963, and passed 758 votes for and 404 votes against. The first county retail sales occurred December 2, 1963. A mixed beverage referendum was held July 17, 2001, and passed 364 votes for and 184 votes against. *Currently, the Wadesboro Town Council appoints a chairperson and one (1) additional board members, and the Anson County Board of Commissioners appoints one (1) member to serve on the ABC board.* Current board members include Christopher Cook (Chair), and Mitchell Wyatt, with Frank Robinson's status as a board member uncertain at time of this report.

The Wadesboro ABC Board operates one (1) retail store. The Board is currently the only board and single ABC store in Anson County. The board currently staffs eleven (11) total employees. They have four (4) full time and seven (7) part time employees. The general manager is responsible for all board operations including ordering, scheduling, inventory, budget officer, various retail functions, Human Resources, mixed beverages, and many other projects. The finance officer is a third-party accounting service. All other staff are engaged in customer service, daily operations, floor upkeep, and sales.

The last performance audit for the Wadesboro 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, May 15, 2024, ABC Board Program Analyst Edwin Strickland visited the Wadesboro ABC Board and interviewed the General Manager, Keith Osuch. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



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 Wadesboro ABC Board received shipments 2 times a month. The inventory rate in (FY) 2022-2023 was 9.5, greater than the goal.

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

In fiscal year (FY) 2022-2023, the Wadesboro ABC Board had a profit percentage to sales of 7.85%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%. The Wadesboro ABC Board's gross sales totaled \$2,109,722, which was an approximate (2.87%) decrease from the previous fiscal year.

Wadesboro ABC Board operates one (1) retail store with mixed beverage sales. The operating cost ratio for the board was .67 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 Wadesboro ABC Board met 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	\$516,606	\$533,141
Income from Operations	\$165,513	\$220,115

Factors affecting profitability and cost include:

- Surrounding areas with other ABC Boards operating stores within an approximate thirty (30) mile range of Wadesboro ABC: Montgomery County, Norwood, Marshville, Wingate, Albemarle, Hamlet, and Rockingham.
- An ABC Board's average cost of goods sold (COGS) is between 52% & 54% per year. The Wadesboro ABC Board's cost of goods sold was approximately **52.9%** in FY 2022-2023.
 - *The board has five (5) mixed beverage customers which account for 1.5% of sales in FY 2022-2023. One mixed beverage customer has never placed an order.*

BUDGET ANALYSIS

	FY 2022-2023 Budget Projections	FY2022-2023 Actual	Variance	Variance %
Sales	\$2,386,463	\$2,109,722	(\$276,741)	(1.2%)
Revenue over or (under)				
Expenditures		(\$14,260)		

In reviewing the budget to actual analysis of the FY 2022-2023 financial audit, actual sales revenues were 1.2% below forecast. In addition, the net income change during the fiscal year was \$97,365. *The board's collective net position on June 30, 2023, was \$608,570; the net position has steadily increased each year since at least FY-2021.*

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, Wadesboro ABC made other statutory distributions totaling \$75,200 (Net profit distribution recipients received \$61,000 of this). The amount of \$476,473 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Anson County.

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

- Wadesboro General Fund 50%
- Anson County General Fund 50%

DISTRIBUTIONS (cont.)

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions - The Wadesboro ABC board has made net profit distributions over the last five (5) fiscal years, exceeding the minimum mandatory distribution those years 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 properly disbursed at or above the standard 7% statute amount for the last five (5) FYs.

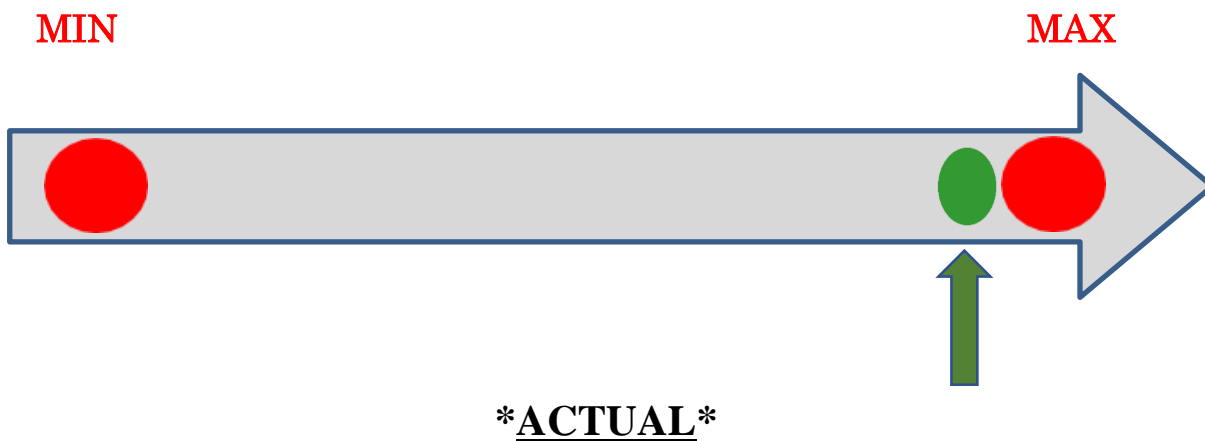
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Wadesboro ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2023	\$60,940	FY-2023	\$61,000
FY-2022	\$62,561	FY-2022	\$163,000
FY-2021	\$57,455	FY-2021	\$218,000
FY-2020	\$51,201	FY-2020	\$94,000
FY-2019	\$44,881	FY-2019	\$87,000

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 standard for boards with annual gross sales greater than \$2M but less than \$50M as an amount equal to three (3) months of sales revenue.

Based upon the existing rules, as of June 30, 2023, the Wadesboro ABC Board is required to maintain a minimum working capital of \$62,812 with a maximum working capital amount of \$408,312. The Wadesboro ABC Board had a working capital balance of \$406,088, which is near the maximum allowable to meet 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 holds board meetings on the third 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 for review. *The minutes provided do not have the conflict-of-interest disclosure statements referenced but did clarify new and old business, have certificate of accountability, have signatures, and copies are available.*
- Training records review: Board members and board personnel are compliant on ethics training referencing NCGS 18B-706(b). *One board member's term ended in April 2024 and the board has not received notice from the board of county commissioners about reinstatement. Should the board member be reappointed or if another board member is appointed, they should complete ethics training in the coming months.*
- Board member compensation & General Manager (GM) salary: Board members receive compensation for their services for the maximum \$150.00 per meeting. The General Manager has updated his salary for Commission records. *Any future salary changes should be relayed to the ABC Commission for record retention.*
- 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.*
 - *Commission staff will update the store's interior pictures to display recent remodel. Please update any future changes to interior or exterior of the store.*
- Board Personnel & Board Members: The general manager provides board members with financial reports for the board's review including extensive sales data, monthly profit & loss statements, budget comparison, and mixed beverage sales. 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. Board members have an array of experience in professional services, business, and education.
- POLICIES: The board has a personnel policy, and the Commission has a copy for retention records. Additional policies should be provided to the Commission for record. For travel policy, the board chooses to adhere to the municipal policy. *General manager indicates a new personnel policy is being considered.*
- BUDGETS: In FY-2023, the board's actual sales were \$276,741 less than budgeted sales. No budget amendment was submitted. *Based on sales trajectory for the current fiscal year with ten months (83%) of the budget year completed, the board is tracking along very well at 86% of annual budgeted sales. With anticipated sales increase for the last portion of FY 23/24 a final reconciliation budget amendment will likely need to be submitted.*

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

- FINANCIAL INSIGHT: Invoices are provided to the accounting firm who cuts and signs checks. The General Manager receives checks and countersigns. Invoice records for recent liquor purchases reflect them as being paid routinely within thirty (30) days. Taxes and distributions are paid in a routine and timely manner. Staff cash out for each register at the shift's conclusion. All data is compiled in a daily store report. General Manager validates accuracy daily. Bookkeeper verifies deposit slips match their banking statements.
 - Bank deposits are *not* always made each morning after the previous business day. Per discussion with the General Manager, deposits are made on an irregular basis to include days with no deposits and days with multiple deposits. *For safeguard measures and adherence to Commission rule 15A .0905 (a)(d) Daily Deposits, the board should submit a written waiver request to the Commission for less than daily deposits if the board utilizes their locked fireproof safe for integrity of funds that remain at the board at any given time.*
 - Payroll is processed biweekly for full time employees, by the third-party finance officer. The General Manager supplies hours and verifies payments. Parttime staff is paid once a month.
 - Board members will review financial records at board meeting. Comprehensive data is supplied, to include all financials, and board signs as having reviewed with a certificate of accountability.
 - Board meetings are now held at the Board. *General Manager indicated this change as an extra step to help provide board members more presence at the board/store.*
 - The pre-audit certificate is not stamped on the orders at the time they are placed. board's checks do not bear the NCGS 18B-702 disbursement certificate statement. *Please follow statute 18B-702(m)(q) for guidance on statutory requirements for disbursements and payments.*
 - All board members and the General Manager, and Finance Officer are each bonded for \$50,000 per G.S. 18B-700(i).
 - Unsaleable merchandise reports are not sent quarterly. General Manager has detailed records of unsaleable merchandise reports. *As discussed, General Manager will begin emailing unsalable reports quarterly.*
 - The annual CPA audit was received and logged by the Commission on September 28, 2023. CPA performs and second audit for the board's physical year each December.
- LAW ENFORCEMENT (LE) REPORTS: Reports are being submitted routinely, and they are current to date as well. Submitted reports come from B.H. Chewning, Chief of Police.
- LAW ENFORCEMENT (LE) CONTRACT: The board has a law enforcement contract with Wadesboro Police Department on file with the Commission. *An updated version was supplied at audit visit and is now in Commission records.*
- INVENTORY: Full store inventory is not currently being conducted due to transition in the role for the General Manager. General Manager plans to resume doing full inventories by category regularly in the very near future. All rotations are made for first in first out. The inventory turns over at a 9.5 turnover ratio during the last fiscal year. Staff monitors trends and General Manager orders appropriately.

➤ INTERNAL CONTROLS:

- The general manager has extensive retail experience and is a former business owner.
- Finance officer is a third-party accounting service.
- The Board members and Chairperson have extensive professional experience in business and education.
- All employees are subject to training and various behavioral standards. General manager currently utilizes some product knowledge training and plans to increase in this area.
- Before deliveries, board staff fully stocks all shelves and compiles a list for what is immediately needed in retail. These items are taken to store front immediately when removed from pallet. Remain cases and any empty boxes are scanned and balanced with what was on the check off sheet from LB&B. Orders are changed to reflect actual delivered merchandise and credits or debits are included in invoices provided by LB&B. Invoices are paid via countersigned checks.
- Board currently uses checks for supplier payment. In June 2024 the board will begin ACH payments in lieu of checks. *Board should craft policy for ACH payments to include referencing who makes payments and how other personnel provide oversight to the person(s) making the drafts.*

➤ EXPENSES:

- Total expenses increased almost ten percent (10%) from the last fiscal year and are roughly sixteen percent (16%) of total annual sales.
- Board payroll and payroll expenses were approximately ten and a half percent (10.5%) of total annual sales. Payroll increased by almost eight percent (8%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 52.9% for the fiscal year with a normal range being 52% to 54%. The board could explore more buy-ins to keep the COGS low.

STORE INSIGHT & OVERVIEW

The findings for store insight & overview are as follows:

- The Board's store interior retail and office area has just received a major upfit to include flooring, cleaning, painting, and rearrangement. The new retail space has a very modern and professional retail atmosphere. Shelving is spacious and aesthetically pleasant. Retail space is approximately 1,500 sq. ft.
- The store is a free-standing building with ample parking. Landscaping renovations are underway around the building store front and side. Outside area surrounding the store is well-maintained and free of debris or trash.
- General Manager is considering a new sign to include lettering to allow to showcase upcoming events/tastings.
- Board has done and plans to more frequently conduct tastings.
- The board does not currently have a website. *Board is considering establishing a Facebook page.*
- Board is starting online mixed beverage ordering. *Staff member will visit each mixed beverage customer to help introduce new system and process.*
- Sales associate interactions with customers are attentive, courteous, and all are eager to meet the needs of the customers. *An excellent source for increased sales and customer relations is product knowledge. Recommend the adoption of a product knowledge book or other sources for sales associates.*
- Special requests from customers are ordered if item is listed and inquiries are made if the item is not. *Special order information for items not listed has been provided.*
- The board has five (5) mixed beverage (MXB) customers according to Commission permittee and board records. *One mixed beverage customer has never placed an order. Board has detailed invoice files for permittee record retention and well-maintained archived records.*
- A random sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, all items reflected the current quarterly or monthly SPA price. *The board has very professional labels and bright color sticker system to indicate special priced items.*
- All shelf management practices were *not* being fully utilized. *15A .1708 (a)(3) arrange bottles sizes so they increase left to right of the same item.*
- Products are placed within the designated categories; premium products are found at eye-level or top shelf. Bottles were fronted and dusted. *Board could consider uniform labeling and category signs.*
- The board is generally open from 10:00 am until 8:00 pm. They are closed every Sunday and the five (5) required annual holidays. In addition, the board closes Memorial Day, and Easter Monday.
- The store displays the required Fetal Alcohol Syndrome poster required by G.S. 18B-808.
- Security systems are in place and functional in all designated areas.
 - *Currently eight (8) cameras. General Manager plans to add additional interior and exterior cameras to include coverage of blind spots, full parking lot, and warehouse.*

RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)

- 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 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.*
- Daily cash bank deposits should be conducted or a waiver request from the Commission should be sought in compliance with rule 15A .0905 (a)(d). *Board could consider researching the possibility of a police escort for deposits.*
- Shelf management plan should be fully followed to include arranging bottles, so they increase (in size) from left to right of the same item. *15A .1708 (a)(3)*
- The recipient(s) (Anson County) of alcoholism fund or education distributions must provide annual documentation to the board describing the activity for which these awarded funds are spent *per G.S. 18B-805(h). The board may want to consider obtaining documentation before the funds are officially awarded / transmitted to any recipients.*
- NCAC Rule 15A .1701 requires quarterly reports be submitted to Commission for any unsaleable merchandise (breakage) and retain original copies for three (3) years. *All breakage reports should only be transmitted via email submission to Commission staff; copies should not be mailed.*
- Ensure each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or a deputy finance officer approved for this purpose by the local board (or signed by the chairman or some other member of the board pursuant to subsection (o) of this section). The certificate shall take substantially the following form "This disbursement has been approved in the manner required by G.S. 18B-702. _____ (Signature of finance officer)." No certificate is required on payroll checks or drafts on an imprest account in an official depository if the check or draft depositing the funds in the imprest account carried a signed certificate. No certificate is required for expenditures of fifty dollars (\$50.00) or less from a petty cash fund, provided the expenditure is accounted for by a receipt for the expended item.
- Ensure all purchase orders to include obligations evidenced by a contract or agreement requiring the payment of money, shall include or bear a certificate stating that the instrument (or order) has been pre-audited to ensure compliance with *G.S. 18B-702(m)* with a signature by the finance officer. The specific statement should read, *"This instrument has been pre audited in the manner required by G.S. 18B-702."* Special note: This could be most reasonably accomplished by signing & stamping the summary total of the Order Edit List from inventory system *before* any liquor orders are placed with state warehouse.
- New personnel manual should be considered and adopted to include, but not limited to, use of property, consumption of alcoholic beverages, employment age requirements, warehouse authorized persons, employment qualifications, compensation, benefits, hours/days of work, holidays, vacation, sick leave, promotion, transfer, demotion, suspension, separation or termination of employees, salary increases, and employee grievances. Please consult 14B 15A .1000-1006 for guidance. Sample policy provided.

- 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).
- Consider adopting or updating any policies to include, but not limited to ACH payments, tastings, credit card, mixed beverage and delivery, store policies, social media, code of ethics, vehicle, or personnel manual. *Update any policies to include current administration where applicable. Law enforcement and mixed beverage ordering have been updated at audit visit.*
- 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. *Same document being used at the conclusion of board meetings.*

Previous Performance Audit Findings and Actions

- Utilize end caps to highlight new, on sale or discontinued items. To reduce the amount of empty shelving, consider filling a section with a product display of bestselling products or add additional facings of product. Cross merchandising products in various categories will increase impulse shopping patterns and make shelves look fuller. *Shelves are now full.*
- Bring all board members into compliance with state ethics requirement. All reappointed board members must receive ethics education within 12 months of the reappointment date. *All compliant. With new or reappointed member pending, member will need training within one year.*
- Provide additional training that will include alcohol education, customer service, and product knowledge. Contact other boards that have a training module(s) in these areas and take advantage of RASP classes offered by the Commission. *Still recommend.*
- Update the employee manual to include the town's travel policy information and other changes. *Still recommend.*
- To strengthen inventory controls, consider implementing procedures that would segregate duties. Physical inventories should be performed by someone other than the person(s) responsible for that inventory on a daily basis. When this is not possible, the physical inventory should be spot-checked by the bookkeeper, a board member, and/or finance officer (someone not handling the inventory daily). *General Manager plans to reinstate monthly inventory. Should incorporate other staff members when conducting inventory.*
- Adopt a written cash shortage and overage policy. While this is understood, it is good business practice to have written procedures in place for current and future employees. Once adopted, submit a copy to the Commission and include in the employee personnel manual. *Has been submitted but could be updated.*
- Consider acquiring payroll software to aid in tax and other calculations to save time and to verify accuracy. *Third-party accounting service is finance officer.*
- To save time, eliminate stamping each invoice and proceed to stamping the initial liquor order. *Could consider.*

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.*
- 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.*
- ABC boards are encouraged to closely review financial statements monthly, comparing with the annual budget forecast, approving budget amendments when necessary and submitting copies to the Commission for anticipated sales increases as well as other adjustments for budgeted accounts.
- ABC board members must complete ethics training within one (1) year of each appointment and again following all reappointments following NCGS 18B-706(b). *General managers, finance officers (and any applicable deputies) have a one-time training requirement for ethics training yet are highly encouraged to complete training periodically as a good refresher along with any other personnel interested.*
- Law enforcement reports must be submitted on the Commission's board website by the 7th of each month referencing G.S. 18B-501(f1). *In cases where law enforcement provides no information in any given month, simply enter "No data provided by law enforcement" in narrative of report. ABC Boards should make sure reports are in a "Final Submitted" status and not just in saved status. For any saved reports, the only transaction necessary to finalize them is to click the preview button and then click the submit button.*
- Recommend utilizing SPA buy ins as a great means for increasing profits and decreasing COGS.
- 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 as well as partnering with other ABC boards on specific areas such as best retail and marketing practices.

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

Appendix A

Program Analyst's Summary

The performance audit recommendations and findings were presented to the Wadesboro ABC Board on June 18, 2024. The board agrees to the recommendations as presented and attests to their implementation. The board will continue to be vigilant with profitability enhancement and expense reduction while operating a modern store with a robust customer service focus.