

Weaverville ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
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ABC
COMMISSION
NORTH CAROLINA

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ABC

COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

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May 24, 2023

Weaverville ABC Board
Robert Chason, Chair
7 Northridge Commons Pkwy
Suite 101
Weaverville, NC 28787

Chairperson Chason,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Weaverville 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.

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 and studies of ABC Boards with similar size and geography
- 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

The Town of Weaverville is located north of Asheville in Buncombe County along the Interstate 26 corridor. Governor Zebulon B. Vance was born in the nearby Reems Creek Community. In March 2017, construction began on a 35,000 square foot ASPCA Behavioral Rehabilitation Center that is likely one of the first-ever facilities focused directly on providing canine victims with behavioral rehabilitation. A-B Emblem, one of the world's largest producers of embroidered patches, has been operating here since 1963. In 2020, the Town's population per the Census was approximately 4,567 residents which increased close to 50% since 2010.

NC General Statute 18B-601(c) authorized the town to hold an election for an ABC store. The referendum was held on April 24, 2007, and it passed 338 to 279. A mixed beverage election was held the same date and did not pass; however, another election was held on May 4, 2010, and it passed by a vote of 565 to 269. The first retail sale occurred on October 21, 2009. *Currently, the Town of Weaverville appoints a chairperson and two (2) additional board members to serve on the ABC board.*

The Weaverville ABC Board currently operates one (1) retail store. The board staffs approximately ten (10) total employees. These include seven (7) full-time employees and three (3) part-time personnel. The general manager is responsible for the daily store operations including supervising personnel, inventory management, and various retail functions. The finance officer provides the general manager/budget officer and the board with fiscal management, administrative support, and assist with routine operations of the ABC stores. Sales associate responsibilities include selling products, daily stocking, and floor upkeep & maintenance.

The last performance audit for the Weaverville 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 Monday, February 27, 2023, ABC Board Program Analyst Quinn Woolard, visited the Weaverville ABC Board and interviewed Tony Rogers (General Manager), Nola Kaufman (Finance Officer) and Robert Chason (Chairman). Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

FINANCIAL ANALYSIS

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

In fiscal year (FY) 2021-2022, the Weaverville ABC Board had a profit percentage to sales of 10.86%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales more than \$2M but less than \$10M is 6.5%. The Weaverville ABC Board's gross sales totaled \$4,627,634, which was a 6.7% increase over the previous fiscal year.

The operating cost ratio for the Weaverville ABC Board was .50 in FY 2021-2022. The NC ABC Commission standard for ABC Boards with one or two stores and mixed beverage sales is .73 or less.

Thus, the Weaverville ABC Board far surpassed both the profitability standards and the operating cost standards 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 2021-2022	FY 2020-2021
Gross Profit on Sales	\$1,145,309	\$1,068,203
Income from Operations	\$502,709	\$419,467

Factors affecting profitability and cost include:

- Surrounding areas with other ABC Boards operating stores within an approximate ten to fifteen (10-15) mile range of Weaverville ABC: Asheville ABC operating several stores within range and Woodfin ABC operating one store.
- An ABC Board's average cost of goods sold (COGS) is between 52% & 54% per year. The Weaverville ABC Board's cost of goods sold was approximately **52.5%** in FY 2021-2022.
 - *Mixed beverage sales were roughly five percent (5%) of total sales in FY-2022, and there are currently around nine (9) mixed beverage customers.*

BUDGET ANALYSIS

	FY 2021-2022 Budget Projections	FY2021-2022 Actual	Variance	Variance %
Sales	\$4,633,445	\$4,627,634	(5,811)	0.1%
Total Expenditures (to include Distributions)	\$4,632,445	\$4,592,998	39,447	0.85%

In reviewing the budget to actual analysis of the FY 2021-2022 financial audit, actual sales revenues were very slightly under budgeted projections by 0.1%. In addition, total expenditures were also below budget by 0.85%. Overall, revenues over expenditures were reflected as \$35,126 for the fiscal year period. The chart above shows the final budget to actual amounts and the appropriate positive or negative variances. *The board's ending net position on June 30, 2022, was around \$483k; the net position has fluctuated some over the last five (5) fiscal years, and the FY-2022 figure reflects the board's highest overall net position during the five-year period.*

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 normally distribute at least five percent (5%) of applicable gross receipts to law enforcement and 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 specific recipients are designated by an official local enabling act (and thus will vary).***

In FY 2021-2022, Weaverville ABC made other statutory distributions totaling \$412,492 (Net profit distribution recipients received \$372,475 of this). The amount of \$1,050,981 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), NC Department of Health & Human Services (NCDHHS), and the county commissioners of Buncombe County.

The net profits are to be distributed as follows per the current local enabling act:

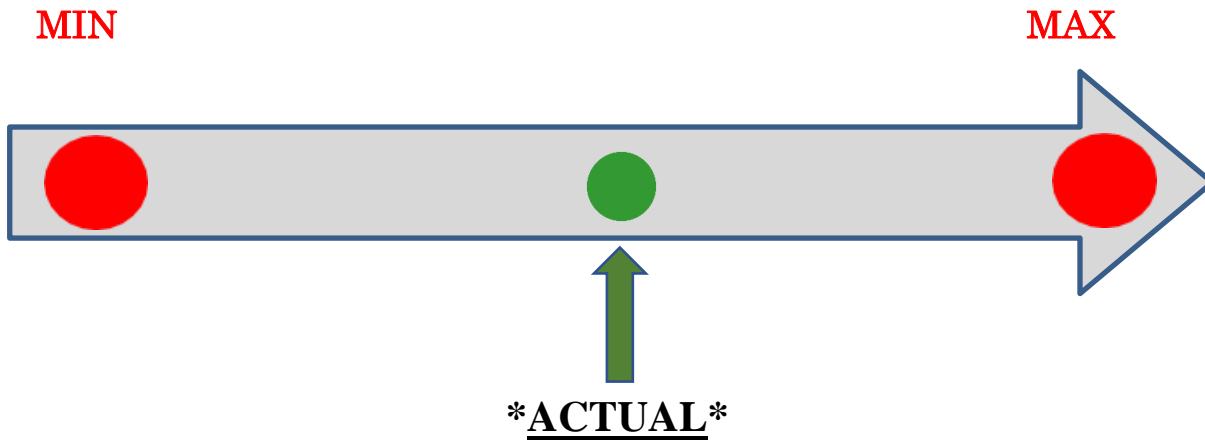
- One hundred percent (100%) to Weaverville General Fund

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 \$1.5M yet less than \$50M an amount equal to three (3) months of sales revenue.

Based upon the existing rules, as of June 30, 2022, the Weaverville ABC Board is required to maintain a minimum working capital of \$137,605 with a maximum working capital amount of \$894,432. The Weaverville ABC Board had a working capital balance of \$502,621, which falls within the Commission requirements for this section (*).

*** FY 2021-2022: 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 quarterly board meetings the first Wednesday of applicable months at 10:00 AM, records regular meeting minutes, and provides public notification and awareness of these meetings. The meeting minutes are organized in a binder, and routinely reflect the conflict-of-interest disclosure statement. *The minutes are well-written and routinely completed by the town attorney. The minutes reviewed were not signed by any board members.*
 - Training records review: All board members are current on ethics training. There are no immediate requirements again until the next appointments or reappointments occur.
 - Board member compensation & General Manager (GM) salary: Board member compensation exceeds statute amount at \$600 per member for each quarter. However, the appointing authority approved this compensation, and a copy was already on file with Commission. The salary of the general manager adheres to statute requirements.
 - Board website review: The board's login website was outdated 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 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 better 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: The general manager provides board members with monthly sales information and previous year's applicable sales and operational concerns. The finance officer provides various financial reports for the board's review; among these are spreadsheets and profit & loss statements. Chairman and board members are engaged with board operations and review profit & loss statements monthly. Board members use checks & balances to ensure that cash management practices are upheld. They are engaged with store personnel and contribute to a positive work environment for store employees. General manager & finance officer ensure board members are aware of concerns and a monthly folder is maintained to keep track of invoices needing signature and other administrative concerns for board member action or awareness.
- POLICIES: The board has a personnel policy manual and code of ethics, and the Commission has copies.
 - The board has a business debit card, but no policy currently exists for its authorized use.
- BUDGETS: The board did not exceed original budgeted sales in FY-2022 until midway through June 2022; a budget amendment could not be verified in Commission records. *For the current fiscal year, the sales to date are tracking along well based on the FY-2023 budget.*
- FINANCIAL INSIGHT: The finance officer is signing checks as required per statute with the Chairman / board members or General Manager as secondary signature. Invoice records for recent liquor purchases reflect them as being paid routinely inside of 30 days. Taxes and distributions are paid in a routine and timely manner. The board uses QuickBooks for routine journal entries, paying invoices, and payroll activities. The finance officer provided a monthly working capital spreadsheet created by the CPA.

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

- Bank deposits are made routinely on regular business days per review of bank statements and discussion with the finance officer. For safeguard measures and adherence to *Commission rule 15A .0905 Daily Deposits*, the board utilizes a locked fireproof safe for integrity of funds that remain at the board at any given time.
- Bank reconciliation occurs monthly.
- Payroll occurs weekly by way of direct deposit and QuickBooks is utilized.
- The pre-audit certificate is routinely stamped on the orders (via Order Edit List) at the time they are placed. Checks bear the proper disbursement certificate.
- All board members and applicable personnel are each bonded for \$50,000 per G.S. 18B-700(i).

➤ **STATUTORY DISTRIBUTIONS:**

- **Net Profit Distributions** - The Weaverville ABC board has been routinely making well above the minimum required distributions to the Town of Weaverville in recent years. **Over the last five (5) years, the board has made generous net profit distributions which well exceeded the minimum calculated annual amount required by statute. Reference table below - The left side is CPA calculated amount & right side is combined amount distributed by the Weaverville ABC Board.**
 - **Special note:** The board is recommended to consider bringing working capital closer to the maximum while continuing to make the minimum mandatory distribution.
- **Law Enforcement Distributions:** Have been properly disbursed at the 5% statute amount.
- **Alcohol Education Distributions:** Have been properly disbursed at the 7% statute amount. In recent years, the Town of Weaverville has been the recipient of alcohol education funds but has not provided documentation to the ABC board showing the use of those funds. The Chairman discussed that the town has not spent the funds in the most recent year. Thus, the town has pushed the use of the alcohol funds into the next budget year.

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Weaverville ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated figures		Recipients by law: Town	
FY-2022	\$130,712	FY-2022	\$372,475
FY-2021	\$122,580	FY-2021	\$337,686
FY-2020	\$98,485	FY-2020	\$298,780
FY-2019	\$94,020	FY-2019	\$170,973
FY-2018	\$86,784	FY-2018	\$51,640

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

- **LAW ENFORCEMENT (LE) REPORTS:** Reports were being submitted routinely each month until November 2021 but have not been filed since that time. The police department had been directly entering this information on the ABC board login website and stopped for an unknown reason.
- **LAW ENFORCEMENT (LE) CONTRACT:** The board has a law enforcement contract on file at the Commission from 2009 with the Weaverville Police Department and a former mayor's signature. A new mayor has taken office in 2021, and a new contract will be needed.
- **INVENTORY:** Store inventories are conducted weekly with cycle counting. Product moves very well at the store and during FY-2022 the store had a robust 9.3 inventory turnover ratio.
 - In 2023, the board will be securing new software and cash registers with Carolina Data Systems.
 - The board also will be securing an electronic scanner to make inventory management much more efficient for all personnel involved.
- **INTERNAL CONTROLS:**
 - CPA firm provides monthly coordination, reconciliation on journal entries.
 - Board members will rotate on signing of checks for good participation and oversight measures. While the board meets on a quarterly cycle, the Chairman and board members will review profit & loss statements monthly.
 - Chairman will conduct checks & balance on payroll records to ensure no irregular increases occur.
 - Finance officer will coordinate with board members to make them aware when funds not exceeding \$1,000 are occasionally transferred to a separate checking account that is set up with a debit card that.
 - Board utilizes Positive Pay service through bank to heavily reduce fraudulent check potential.
 - General manager will step in for continuity when applicable during finance officer absences. Finance officer has a good process manual for payment of invoices, taxes, payroll, etc.
- **EXPENSES:**
 - Total expenses decreased by almost one percent (1%) over the last fiscal year.
 - Board payroll was roughly six percent (6%) of total sales during FY-2022. Payroll remained about the same from the previous fiscal year.
 - Cost of Goods Sold (COGS) is a reasonable 52.5% and the board can consider taking advantage of more buy-ins to reduce liquor costs on product that sells very well.
 - Mortgage debt on the building should be retired by or before 2029.

STORE INSIGHT & OVERVIEW

The findings for store insight & overview are as follows:

- The store has a welcoming atmosphere with plenty of shelf space and is located near prime retail shopping including Lowe's Home Improvement, Walmart, and Publix. Warehouse space is limited yet organized well.
- Sales associate interactions are attentive and courteous to customers, and all are eager to meet the needs of the customer.
- The board has around nine (9) MXB customers as of February 2023. None of the business customers are interested in delivery service. However, the board has already provided a delivery service policy to the ABC Commission - Referencing Rule 15A . 1903 Delivery of MXB Permittee Orders.
- A random sample of approximately 100 items was selected to determine if uniform pricing is displayed. Of those selected, four items had shelf prices that did not reflect the current quarterly or monthly SPA price. The shelf tags for these items were immediately updated. Special note: These applicable items were not reflected in the Price Change Edit List that was forwarded to ABC boards.
- Besides closing on the five (5) required annual holidays and every Sunday, the board opts to also close one additional day over the Christmas break.
- The store displays the required Fetal Alcohol Syndrome poster required by G.S. 18B-808.
- North Carolina products are cross merchandised according to product category.
- Products are placed within the designated categories; premium products are found at eye-level or top shelf. *Some occurrences were found with various bottle sizes of the same products increasing in size appropriately from left to right. Some sections of the store have product increasing in size from right to left.* Bottles were fronted and dusted.
- Outside area surrounding the store is well-maintained and free of debris or trash.
- Security systems are in place and functional in all designated areas.
 - *Sixteen (16) cameras work to cover the property footprint.*
 - *Safety bollards were added to protect store front infrastructure.*
 - *In 2020, the board added security shutters to protect the glass infrastructure.*

RECOMMENDED ACTIONS (PER STATUTES, RULES, OPS MANUAL)

- 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.*
- Please ensure all newly adopted policies or any updated policies are submitted *electronically* to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. Electronic copies of the debit card policy should be emailed to Commission personnel for recordkeeping once a policy is adopted.
- Law enforcement reports must be submitted on the Commission’s board website by the 7th of each month referencing G.S. 18B-501(f1). Reports should include as applicable the number of arrests made for ABC law, number of agencies assisted with ABC law, and other metrics for ABC law contribution such as compliance checks and alcohol education classes presented. 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 is to click the preview button and then click the submit button for the reports.
- Due to new Town officials, the board needs to draft a new law enforcement contract with Weaverville Police Department and provide a copy to the Commission in connection with *G.S. 18B-501(f)*.
- Local boards shall establish and maintain a shelf management plan *per Commission Rule 15A .1708 Shelf Management*. The board needs to work to rearrange liquor inventory on the shelves to follow shelf management requirements, in particular ensuring bottles increase in size from left to right.
- The recipients of alcohol 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 general plan for use before the funds are officially awarded / transmitted to any recipients.*
- Meeting minutes should be signed by Chairperson referencing guidance in Commission’s Operations Manual.
- ABC board members must complete ethics training within one (1) year of each appointment and again following all reappointments. *General managers, finance officers (and any applicable deputies) have a one-time training requirement for ethics training but are encouraged to complete training periodically as a good refresher along with any other personnel interested.*
- All ABC boards are expected to track and monitor board members’ current appointment dates and term expiration dates, with updates made on the Commission’s login board website (the website where monthly sales are reported). In 2022, the Commission has already worked to do a validation reset for all ABC boards on board member information to include the most recent & valid term begin date as well as term end date. *Board members need to provide the GM with their Oath of Office documents when new members are appointed and whenever existing members are reappointed. Going forward, this will increase visibility and allow for seamless board member updates with the Commission. It also allows ABC boards to coordinate well with the appointing authorities involved.*

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.
- Law enforcement reports must be submitted on the Commission's board website by the 7th of each month referencing G.S. 18B-501(f1). 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 is to click the preview button and then click the submit button for the reports.
- 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.
- NCAC Rule 15A .1701 requires quarterly reports be submitted 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.*
- 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.
- 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



Weaverville A.B.C. BOARD

May 18, 2023

Quinn Woolard
ABC Board Auditor
400 E. Tryon Road
Raleigh, NC 27610

Via email to: quinn.woolard@abc.nc.gov

Re: Weaverville ABC Store – Performance Audit – February 27, 2023

Dear Mr. Woolard:

Thank you for spending time at Weaverville’s ABC store on February 27 and for your corresponding Performance Audit Report. We also appreciate your extra efforts in completing the written report so that it could be presented during the ABC Board’s regular quarterly meeting on March 1, 2023. The information reported and your recommendations has highlighted some of our strengths and will help us in areas that needed improvement.

It is our intention that this letter will serve as the Weaverville ABC Board’s response to the audit. The “Item” numbers correspond to the paragraphs under the “Recommended Actions” and “Additional Considerations & Guidance” sections of your written Performance Audit Report.

Item 1 – Budget Amendments: All recommendations will be followed. It is noted, however, that in July of 2020 the Board adopted and submitted what could be considered a “reconciliation budget” for FY2020 but was subsequently told that this should not have been done. Further guidance on how the Commission would like for end-of-year budget amendments to be handled would be welcomed.

Item 2 – Electronic Submission of Policies: All recommendations will be followed.

Item 3 – Law Enforcement Reports: All recommendations will be followed. The law enforcement reports that were noted as missing had been saved but not “finally submitted”. This has now been corrected and will be followed for all future reports.

Item 4 – Law Enforcement Contract: This recommendation has been followed. The attached new law enforcement contract was approved by the Weaverville Town Council on March 27, 2022, and by the ABC Board on May 17, 2023.

Item 5 – Shelf Management Plan: All recommendations will be followed.

Item 6 – Documentation of Alcohol Education Distributions: All recommendations will be followed. That information will be requested for use during the preparation of the FY2024 budget and for subsequent years.

Item 7 – Meeting Minutes: This recommendation will be followed for all meetings beginning with the March 1, 2023, meeting.

Item 8 – Ethics Training: All recommendations will be followed.

Item 9 – Board Member Status: All recommendations will be followed.

Item 10 – Board Meetings and New Board Members: All recommendations will be followed.

Item 11 – Lowering Recurring Expenses: All recommendations will be considered.

Item 12 – Review of Financial Statements and Budget: All recommendations will be followed, except that the frequency will be on a quarterly and as needed basis, instead of the recommended monthly basis.

Item 13 – Law Enforcement Reports: Duplicate of Item 3. All recommendations will be followed.

Item 14 – Cross-Training: All recommendations will be considered.

Item 15 – Breakage Reporting: All recommendations will be followed.

Item 16 – Posters: All recommendations will be followed.

Item 17 – Board Training: All recommendations will be considered.

Item 18 – Board Credit/Debit Card Policy: All recommendations will be followed. The Board adopted a debit card use policy on May 17, 2023.

Please be assured that the Board and our staff are committed to following up on all of these items to ensure full compliance with ABC Commission requirements and for the betterment of our store. Should you have any questions or concerns about our response please don't hesitate to contact me or our General Manager, Tony Rogers.

Thank you, again, for your commitment to improving ABC stores in North Carolina, including our own, and for your willingness to extend the response deadline to allow audit-related action to be taken during the Board's May meeting and in advance of this response.

Sincerely,



Rob Chason
ABC Board Chairman

Cc: Tony Rogers, General Manager (via email)
Jennifer Jackson, Board Attorney (via email)