

# Alamance Municipal 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

March 12, 2026

CHAIRMAN:  
Hank Bauer

Alamance Municipal ABC Board  
Chip Foushee, Chair  
603 W. Harden St  
Graham, NC 27253

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

David Sherlin  
Raleigh

Chairperson Foushee,

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 Alamance Municipal 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 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.

Alamance Municipal ABC is in the heart of Graham, North Carolina and carries the quiet dignity of a small town steeped in history yet steadily embracing growth. Laid out in 1849 and incorporated just two years later, it earned its place as the county seat, named in honor of William A. Graham, a figure prominent in state politics. Over the decades, the town grew from its rural roots into a more suburban character — though its downtown still pulses with the charm of a bygone era.

Walking through downtown Graham feels like stepping into a living postcard. The streets are lined with 19th-century buildings — brick storefronts, cozy cafés, and little shops tucked into historic corners. The courthouse square serves as a centerpiece, and around it, preserved homes and storefronts tell stories of generations past. Preservation is more than a nod to heritage here; it's a commitment: historic buildings and public art co-exist with a growing number of modern businesses.

People in Graham seem to carry two mindsets in harmony: one of neighborliness, the other of ambition. The city's location offers big-city access — just off Interstate 40/85 — yet it retains a slower pace of life. That blend has made Graham increasingly appealing to young families, entrepreneurs, and long-time locals alike.

Economically, Graham is evolving. While its textile legacy still whispers in its architecture, the present-day economy is more diversified: healthcare, manufacturing, and retail all play important roles in job growth. The city has also encouraged new development through its commerce park, signaling that it's looking ahead rather than resting on its past.

Community life in Graham is warm and lively. Downtown festivals bring people together on Main Street, while cultural hubs like the local arts center nurture creativity and connection. Parks and river trails offer quiet spots to unwind or take in nature, reminding residents that even in transition, Graham values its green spaces.

Housing here runs the gamut: historic cottages with deep roots share neighborhoods with newer homes and townhouses. There's a tangible sense of growth — but not at the expense of what made Graham special in the first place.

Ultimately, Graham is a place that feels grounded. It's not flashy, but it doesn't need to be. With its strong sense of place, history-rich core, and steadily growing economy, Graham offers a balanced lifestyle that honors its past even as it shapes its future.

The general manager is responsible for the oversight of all daily operations, inventory management, accounts payable, human resource organization and other administrative decisions for the board and other directors that report to him with various other duties. The board hired an external accountant who assists with the annual audit. All store employees' primary responsibility is to provide friendly customer service to all customers, store upkeep and stock maintenance.

A mixed beverage referendum occurred on August 15, 1961, and passed. Currently, the Alamance Municipal ABC Board has a chairperson, five board members and a General Manager to serve on the ABC board. The Alamance Municipal ABC Board currently operates (5) retail stores. The board staff (42) in total personnel. These include (27) full-time employees and (15) part-time personnel.

The general manager is responsible for all daily store operations including supervising personnel, inventory management, and various retail functions. The board's Finance Officer Jennifer Adams along with the GM, provides the board with fiscal management, administrative support, and she also oversees financial operations of the ABC stores. Sales associate responsibilities include selling products, daily stocking, and floor upkeep & maintenance.

The last performance audit for the Alamance Municipal ABC Board occurred in 2020. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.



603 W. Harden St, Graham N.C.

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

On Thursday, November 20, 2025, ABC Board Program Analyst II Eric McClary visited the Alamance Municipal ABC Board and interviewed Larry Brooks (General Manager). Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

### **FINANCIAL ANALYSIS**

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#### **PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO**

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- In fiscal year (FY) 2024-2025, the Alamance Municipal ABC Board had a profit percentage to sales ratio of 4.2%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$10M is 9.0%.
  - The Alamance Municipal ABC Board's gross sales totaled \$22,981,995 which was an approximate 0.6% decrease from the previous fiscal year.
  
- Alamance Municipal ABC Board operates five retail stores with mixed beverage sales. The operating cost ratio for the board was .80 in FY 2024-2025. The NC ABC Commission standard for ABC Boards with three or more stores and mixed beverages is .63 or less. NOTE: financial metrics (profit percent, operating cost ratio) are subject to being reviewed by Chairman Bauer and his team at some point.
  - Operating cost ratio is calculated by dividing total operating expenses into less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).
  
- Below are charts showing gross profit on sales, total operating expenses, and income from operations for recent years.

	FY 2024-2025	FY 2024-2025
<b>Gross Profit on Sales</b>	\$5,583,191	\$5,712,922
<b>Income from Operations</b>	\$969,330	\$1,831,288

*Factors affecting profitability and cost include:*

- Surrounding areas with other ABC systems which are within a 25-mile radius include Orange County ABC, Gibsonville ABC, and Greensboro ABC.
- The board currently has approximately 260 active mixed beverage customers. *In FY 2024/2025 mixed beverage accounted for over 13.8% of gross sales.*

### **FINANCIAL ANALYSIS (cont.)**

- *Factors affecting expenses:*
  - Total operating expenses increased by (18.8%) from the last fiscal year.
  - Board salaries and wages were approximately (10.1%) of total annual sales.
  - Cost of Goods Sold (COGS) was roughly 52.5% for the fiscal year with a normal range being 52% to 54%.

### **BUDGET ANALYSIS**

	FY 2024-2025 Budget Projections	FY 2024-2025 Actual	Variance	Variance %
<b>Sales</b>	\$24,235,000	\$22,981,995	(1,253,005)	5.1%
<b>Revenue over or (under) Expenditures</b>		372,244		

In reviewing the budget to actual analysis of the FY 2024-2025 financial audit, actual sales revenues were less than forecasted projections of 5.1%. After reconciliation, the change in the Board's end net position was \$7,505,043.

### **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).* Alamance Municipal ABC made a total of \$5,325,758 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 Alamance County.

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

- 80% to General fund of each municipality on basis of population
- 20% to administrative school units in Alamance County

## WORKING CAPITAL

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- G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system.
  - NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales greater than \$1.5M as an amount equal to three (3) months of gross sales.
  - G.S. 18B-702(g)(3) defines "Working Capital" as the total of cash, investments, and inventory less all unsecured liabilities. As it pertains to working capital computation, gross sales mean gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).
- Based upon the existing rules, as of June 30, 2025, the Alamance Municipal ABC Board is required to maintain a minimum working capital of \$679,086 with a maximum working capital amount of \$5,745,499.
  - The Alamance Municipal ABC Board had a working capital balance of \$5,223,024 which is more than the minimum and less than the maximum Commission requirements for this section (\*).

### **\* FY 2024-2025: 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.

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions - The Alamance Municipal ABC Board has routinely made minimum mandatory distributions to the designated recipients over the last three years referencing NCGS 18B-805(c)(1). **The table below references distributions calculated by CPA on the left and total net profit distributions made by the ABC Board for the last three (3) years on the right.**
- Law Enforcement Distributions: Have been properly disbursed at or above the regular 5% statute amount over the last three (3) fiscal years.
- Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount of the last three (3) years by the Cities of Graham, Burlington and Mebane from their distribution.

<b>NC GENERAL STATUTE: 18B-805 (c)(1)</b>			
<b>Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients</b>		<b>Alamance Municipal ABC Board Net profit distribution made annually by fiscal year</b>	
<i><b>Note: Referencing CPA Audit Reports</b></i>			
<b>CPA Calculated Amount</b>		<b>Total paid to recipient(s)</b>	
<b>FY-2025</b>	<b>\$636,412</b>	<b>FY-2025</b>	<b>\$706,463</b>
<b>FY-2024</b>	<b>\$639,907</b>	<b>FY-2024</b>	<b>\$1,212,454</b>
<b>FY-2023</b>	<b>\$641,159</b>	<b>FY-2023</b>	<b>\$1,455,048</b>

**PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE**

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

**Board Members**

- The board consists of *chairperson*, a General Manager, a finance officer, and five board members to serve the board.
  - All board members are compliant with ethics training.
  - Member terms are properly staggered.
  - Board Members have professional experience in business, banking and real estate, Law, other professional areas.
- Members have taken an oath of office per G.S. 11-7, and copies of oaths are available at the board’s administrative office.
- Meetings are generally held on the second Thursday of each quarter, “February, May, August and November” and public notices are posted via the board website, on the doors of each retail store.
- Meeting minutes are well organized and available and follow the order of proceedings, providing detail of business discussed in a transparent and easily comprehensible manner.

- o The board minutes were reviewed and contained most required notations including time and date, approval of previous meetings minutes, and distinguished between new and old minutes.
- o Full financial reports prepared by the board's Finance Officer and are presented to the board at each meeting. They include sales for mixed beverages, comparisons for previous year, P&L and balance sheet, warehouse expenses, Law Enforcement expenses, Cash Flows from Operating Activities, Disbursements of Taxes and Credit Card sales.
- o Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld, especially on payroll. Boards should also routinely review any notes and recommendations provided by the CPA firm on annual audits.
- The board's login website had been updated at and prior to Commission visit and contains accurate information pertaining to board members, personnel, and store location.
  - o *The Commission's 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.*

### **Law Enforcement**

- The board is contracted with 3 law enforcement agencies "Mebane, Burlington and Graham. Documentation is on file in Commission records.
- Law enforcement reports are submitted regularly by a representative of each Police Department and are current to date.
  - o Reports often provide details of activities for accountability per G.S. 18B-501(f1).

### **Board Personnel**

- The board currently has (42) total employees, with (27) full-time, (15) part-time.
- General Manager has served in this role with the board for approximately 8.5 years and has over additional years working in board management and Finance." CPA".
  - o General Manager is full time; his salary is within the allowable compensation per G.S. 18B-700(g1). All members are compliant with required ethics training.
  - o Their responsibilities include full oversight of all daily store operations, human resources, ordering, inventory, and other operational tasks.
- The Finance Officer supports the manager with many additional responsibilities. Employees are cross-trained and both the general manager's and finance officers have key responsibilities. They are compliant with ethics training.
- The Finance Officer has served the board for around five and a half years. Her responsibilities include the overseeing of billing, processing invoices, many other financial and administrative duties, and additional management of other operational activities.
- Many of the board's store employees are part-time sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training is provided for new employees from management and other personnel and is on the job and mentorship styled.
  - o RASP training has been completed in recent years, and management is receptive to the idea and benefit.
  - o Product knowledge training is handled informally between management and team members.

- Employee files are kept in the administrative office and include tax and other applicable information and personnel manual acknowledgment form.
- Full time employees are enrolled in LGERS and voluntary 401K.
- No conflicts pertaining to nepotism found and per discussion with general manager.

## **Policies**

- The board has a comprehensive personnel manual that details various policies, behavioral standards, and aspects of employee benefits. Some of the headlines included in the manual are as follows:
  - o Ethics standards and customer, employee, and personnel relationship.
  - o Media, internet, equipment usage and cell phones.
  - o Alcohol sales for identification of age, intoxication, employee, or families.
  - o Cash handling including deposits and register balancing.
  - o Pay leave and benefits including holidays, timekeeping, scheduling, overtime, insurance, illness, medical, military, pregnancy, and employment categories.
  - o Conduct standards including appearance, attendance, etiquette, drug or alcohol use, smoking, discipline, and harassment.
  - o Employee evaluations, and discipline. Workplace Safety, Telephone Compliance and Business Travel
- Additional policies that are practiced include shelf management, breakage, price discrepancy, mixed beverage, and a code of ethics.
- For travel, the board chooses to adhere to the State travel policy in compliance with G.S. 18B-700(g2).

## **Operations**

- Full inventory is conducted each month with code-based inventories and other random counts conducted more frequently.
  - o All store managers participate, along with other team members.
  - o Scanners are used, and discrepancies are investigated.
  - o Adjustments are made by the finance staff
  - o Strategies for slow-moving products include a discontinued section and reviewing sales of the slow-moving product and moving this product to a store where the product will likely sale best. Comparisons with other products.
- Board receives deliveries three days per week.
  - o Offload is conducted using a file that's uploaded into a scanner.
  - o Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has 112 mixed beverage customer accounts.
  - o Invoices are provided to permittees at the time of the transaction and copies are retained for each account.
  - o Mixed beverage customers use the warehouse entrance for purchases and staff assist in verifying order accuracy and helping the customers with loading. The warehouse has its own entrance door.
  - o The Board does not provide MXB delivery service.
- Customers make liquor orders by faxing or phone call and the order can be picked up the same day if the order is in by 3:00 p.m.
- Allocated products are reserved for both retail and mixed beverage accounts, to a reasonable extent. Records for Mixed Beverage accounts are well documented.

## **Financial, Administrative, and Internal Controls**

- Invoices for liquor are processed daily for all deliveries and are paid weekly and roughly 100% of payments are processed via printed written checks.
    - *A sample of payment dates was reviewed and indicated invoices were paid within the thirty-day requirement.*
  - Board's checks have the required disbursement certificate in compliance with G.S. 18B-702(q).
    - The Alamance Municipal ABC Board requires two signatures on checks. The general manager and the Finance Officer are all authorized to sign checks.
  - The board's GM regularly reviews liquor orders, the pre-audit stamp required by G.S. 18B-702(m) is also being properly affixed to purchase orders.
  - The general manager has a credit card, and it's kept in a secure location at the administrative office.
    - Itemized receipts for purchases are provided to the finance officer for review before the account is balanced. The General Manager will sign off on them.
  - Deposits are made daily for the previous business day. Deposit slips and other banking information are retained at the board's office and processed by the Board's Finance Officer. The FO also conducts month end reconciliation.
- The board operates 5 retail stores. Each store has a minimum of two to three registers some stores have even 4 registers.
- Drawers are counted at the beginning and end of each shift and a slip for each till is signed by the applicable employee.
- Funds are kept in a pooling bank approved by the North Carolina Treasury Office.
  - Payroll is bi-weekly and processed by the board's GM and FO. They utilize ADP with the accounting, tax and other reductions.
    - Employees use a phone APP to clock in and out. They are reviewed by the appointed board staff. The GM will then approve the staff times and approve payment.
  - Board keeps thorough records for unsaleable merchandise reports and emails copies of the claims to the Commission regularly in compliance with NCAC 15A .1701(c).
  - The annual CPA audit was received by the Commission on September 10, 2025.
  - All board members and the general manager and finance officer are each bonded for \$50,000 per G.S. 18B-700(i).

## **STORE INSIGHT & OVERVIEW**

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- The board and administrative office are located off a major commercial thoroughfare and near an interstate.
  - Outside area surrounding the store is well-maintained and free of debris or trash.
  - There is ample parking and easy access for deliveries.
- Each store's showroom-retail area is moderately large and shelving, endcaps, and other displays are well organized.
  - Showroom space is aesthetically pleasant at most locations, well-lit, and allows for easy flow for patrons and staff.
  - The Boards' floor's carpeting is clean, and the hardwood flooring is also very nice.
  - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed, and the quarterly price book is available should customers request.
  - Listings for specially priced items are printed and available for customers to review.
- The warehouse and administrative areas are equipped with administrative offices for various board employees and officials.
  - The Alamance Municipal ABC Board's warehouse is strategically well organized and can accommodate hundreds of cases.
- Shelf management practices are fully implemented, and a written plan is available for store personnel which corresponds with NCAC 15A .1708.
  - Products are fronted and dusted, and most are placed in categorized areas at all stores.
  - Premium products are generally found at eye-level or on top shelves at all stores.
  - Bottles are generally not arranged so they increase in size left to right of the same item.
- Sales associate interactions at the board's retail locations with customers are attentive, courteous, and the staff are very familiar with many of their patrons.
  - Price discrepancies are handled in the customer favor if the shelf tag were to be lower than the current price mandate. The board also provides a price discrepancy form to the customer to be filed.
- Stores are generally open Monday-Saturday from 9 a.m. until 9:00 pm, Fri-Sat 10:00. Besides closing on the two (2) required annual holidays and every Sunday, the board may opt to continue closing on New Year's Day, July 4<sup>th</sup>, and Labor Day annually.
- Security systems are in place and functional in all designated areas.
  - *The Alamance Municipal ABC has approximately (10) cameras.*

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

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- 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 personnel manual should be emailed to Commission personnel for recordkeeping. A credit card policy is recommended to establish authorized use (sample copy forwarded for consideration). A tastings policy is recommended if tastings are done routinely.
- ABC Boards are required to work within general minimum and maximum limits for working capital, as established per Commission Rule NCAC 15A .0902(a)(2). When ABC Boards exceed maximum working capital in any given FY due to planned capital improvements, please secure written approval from the applicable County or Municipal authorities per N.C.G.S. 18B-805(d) and forward to the Commission. As best measure, securing documentation prior to exceeding maximum working capital would be the most ideal approach.
- Local boards shall establish and maintain a shelf management plan per Commission Rule 15A.1708 Shelf Management. While mostly followed, the board could work to rearrange liquor inventory on the shelves to follow shelf management requirements, in particular ensuring bottles increase in size from left to right where applicable.

## ADDITIONAL CONSIDERATIONS & GUIDANCE ....

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- The Commission's primary focus for ABC board members:
- ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by Sept 30<sup>th</sup>.
- ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc. *Moreover, liaising with the Commission when new members are appointed or when member resign early before term has ended is very important for recordkeeping efforts of the Commission.*
- 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.
- 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.

**Alamance  
Municipal ABC  
BOARD**

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March 9<sup>th</sup>, 2026

ABC Commission  
Att: Eric McClary  
400 E. Tryon Rd.  
Raleigh, NC 27610

March 9<sup>th</sup>, 2026

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

**Item 1: \*\*\*\*\***

**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.**

**Item 2: \*\*\*\*\***

**Newly adopted policies or any updated policies or any updated policies are submitted electronically to the Commission for recordkeeping and review per NCAC 15A. 1102 Rule. A credit card policy is recommended to establish authorized use. A tastings policy is recommended if tastings are done routinely.**

**Item 3: \*\*\*\***

**ABC Boards are required to work within general minimum and maximum limits for working capital, as established per Commission Rule NCAC 15A.009(a)(2).**

**Item 4: \*\*\*\***

**Local boards shall establish and maintain a shelf management plan per Commission Rule 15A. 1708 Shelf Management. While mostly followed, the board could work to rearrange**

**liquor inventory on the shelves to follow shelf management requirements, in particular ensuring bottles increase in size from left to right where applicable.**

**Item 5: \*\*\*\*\***

**All recommendations will be followed per NCGS**

**Item 6: \*\*\*\*\***

**The board will ensure pre-audit certificates are present on liquor orders to adhere to NCGS 18B-702(m).**

**Item 7: \*\*\*\*\***

**The board has signed and submitted a COA form.**

Sincerely,

Larry E. Brooks, Executive Director  
Alamance Municipal ABC Board

- We would like to thank Mr. McClary for his visit. He was very professional. He was informative and we had excellent discussions on some topics. The Board was pleased with his review and the discussion on the Performance Audit Report. Thank you.

Feb 19 2026  
Month Day Year

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ABC Board  
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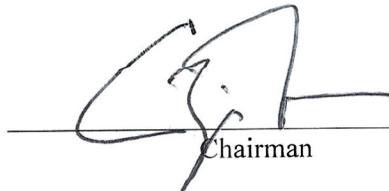
# Certificate of Accountability

This document assures this Board and the State of North Carolina that the following statutory duties required of local ABC Boards have been properly performed.

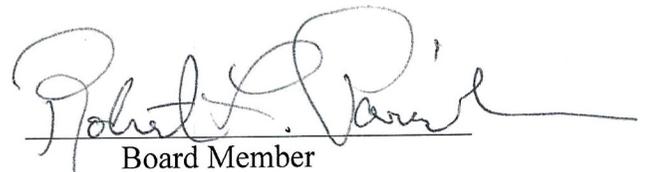
1. The system has complied with all State uniform pricing requirements pursuant to NCGS §18B-804.
2. That all alcoholic beverages sold have been approved by the Commission for sale in this State pursuant to NCGS §18B-800.
3. That all "gross receipts" pursuant to NCGS §18B-805(a) have been properly accounted for and are lawful.
4. That all taxes due and board expenses have been properly and timely paid pursuant to NCGS §18B-805(b).
5. That all distributions pursuant to NCGS §18B-805 have been properly and timely paid.
6. That the finance officer for the board has properly performed all duties as required pursuant to NCGS §18B-702(k).

  
General Manager

  
Financial Officer

  
Chairman

  
Board Member

  
Board Member

  
Board Member

  
Board Member