

Angier ABC Board

Performance Audit Report



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Alcoholic Beverage Control

July 25, 2025

CHAIRMAN:

Hank Bauer

COMMISSIONERS:

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Raleigh

David Sherlin
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Angier ABC Board
Ethan Alexander-Davey,
Chair
305 N. Hwy St.
Angier, NC 27501

Chairperson Alexander-Davey,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Angier 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, Reports, and Administrative Policies
- Verify compliance with Commission and Board policies
- Verify results of previous performance audit recommendations
- Review ABC Board annual independent financial audits
- Review ABC Board reporting and documentation reports
- Visit the store(s)
- Interview key ABC Board personnel

Angier is a town in central North Carolina and is mostly in Harnett County with a portion of the town in Wake County. The town's population per the 2020 census was 5,265 residents, up 21% from 2010. The Angier ABC Board operates one (1) retail store and is one of three (3) boards in Harnett County.

Chapter 626 of the 1969 Session Law authorized the Town of Angier to hold an election upon a petition signed by fifteen percent of the registered voters. The referendum was held on September 20, 1969. The vote for an ABC store passed 139 to 104. The date of the first retail sales was December 8, 1969. A mixed beverage election held on November 6, 2007, passed 266 to 185. Upon election of an ABC store, the town was authorized to create an ABC Board consisting of a chairperson and two members to serve three-year terms. House Bill 1599 of the 2002 Session Law authorized the town of Angier to increase the number of board members to five. Current board members are Ethan Alexander-Davey, Chair, Daniel Simon, Dennis Gilbey Jr., Tom Taylor, and Joe Langley.

The last performance audit for the Angier ABC Board concluded in 2020. 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 Tuesday, April 15, 2025, ABC Commission Program Analyst Edwin Strickland visited the Angier ABC Board and interviewed the General Manager, Patrick Brady, and other key personnel. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



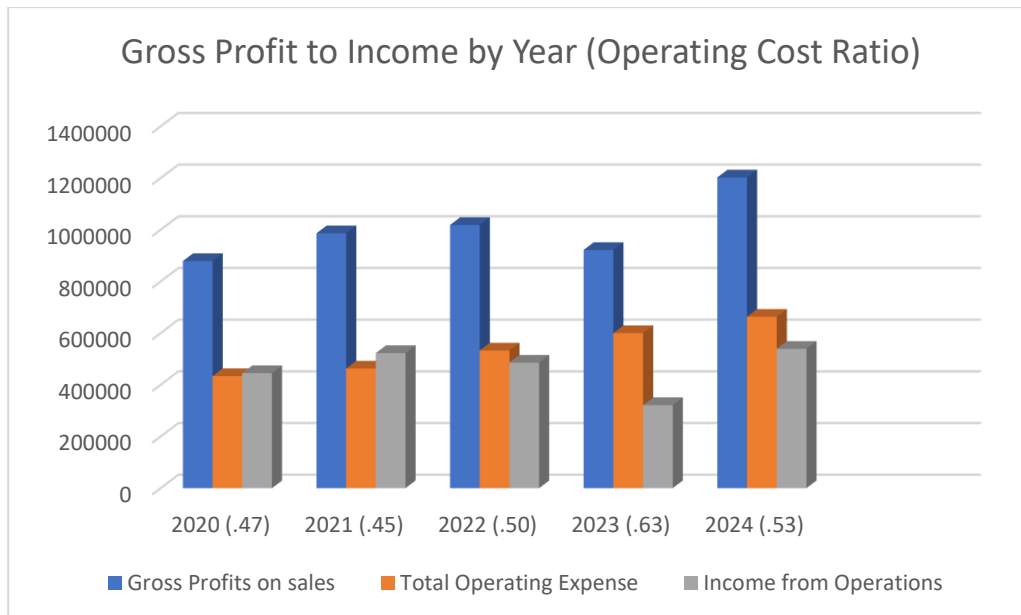
305 N Raleigh St. Angier, N.C.

FINANCIAL ANALYSIS

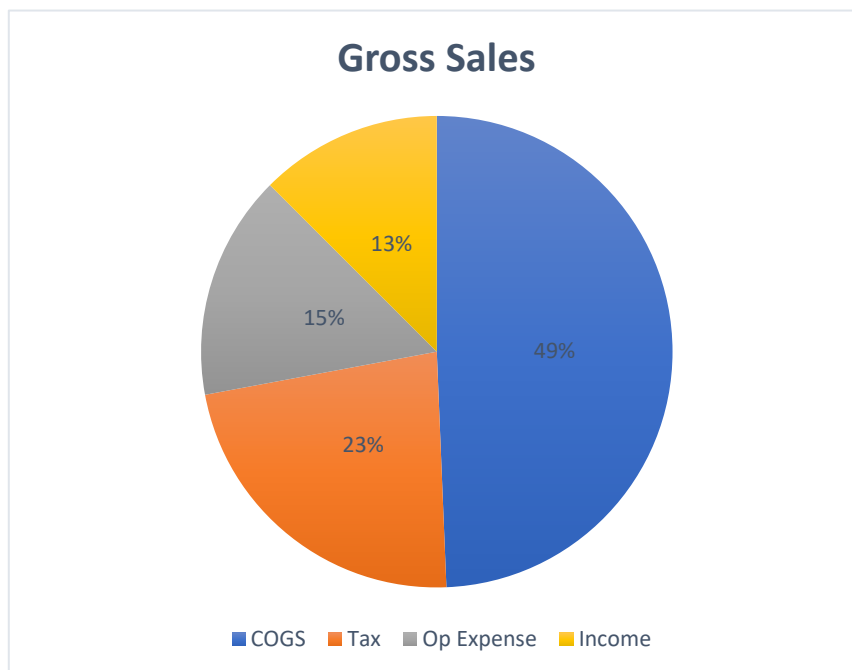
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2023-2024, the Angier ABC Board had a profit percentage to sales ratio of 12.54%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%.
 - The Angier ABC Board's gross sales totaled \$4,298,714, which was an approximate 2% increase from the previous fiscal year.
 - The board's sales have grown over 21% over the last five completed fiscal years.
- Angier ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .53 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with one or two stores and mixed beverage is .73 or less.
 - Operating cost ratio is calculated by dividing total operating expenses less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).
- Thus, the Angier ABC Board meets both the profitability and the operating cost standards set by the NC ABC Commission. Below are charts showing gross profit on sales, total operating expenses, and income from operations for recent years.

	FY 2023-2024	FY 2022-2023
Gross Profit on Sales	\$1,202,531	\$921,676
Total Operating Expense	(\$663,423)	(\$600,254)
Income from Operations	\$539,108	\$321,422



- *Factors affecting sales:*
 - Other ABC boards with stores within a 20-mile radius include Littleton, Dunn, Wake County, and Johnston County.
 - A 4.6% unemployment rate in Harnett County in June of 2024 with a .3% increase from the previous year.
 - The board currently has approximately 9 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for around 4.6% of gross sales.*
- The chart below shows where portions of gross sales are expended or retained as income. COGS and primary distributions (Taxes) usually account for approximately seventy six percent (76%) of any board's gross receipts, with the remainder used to operate the system and as income. In turn, the income is then used to satisfy other statutory distributions and as working capital, capital improvements, or as additional distributions beyond the minimum requirement.



INVENTORY TURNOVER

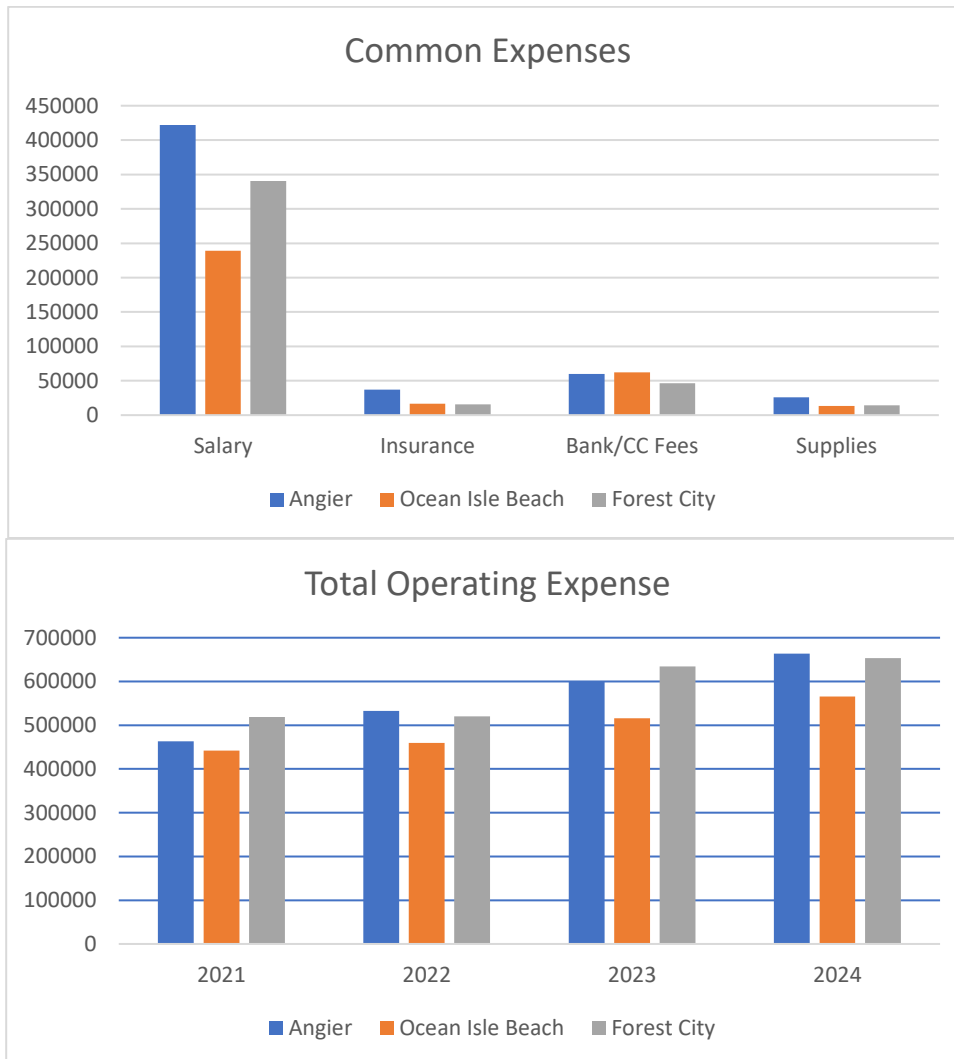
- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
 - Once a week deliveries target at 6 times 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 Angier ABC Board receives shipments twice monthly with a target inventory turnover rate of 5. The inventory rate in (FY) 2023-2024 was 4.5, which is somewhat below the goal.

FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses increased approximately ten- and one-half percent (10.5%) from the last fiscal year and were roughly fifteen- and one-half percent (15.5%) of total annual sales in FY-23/24.
- Board salaries and wages were a little less than ten percent (10%) of total annual sales. Salaries and wages increased over ten percent (10%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 49.3% for the fiscal year with a normal range being 52% to 54%.

- A common expense report and a total operating expense report show the Angier ABC Board has similar categorical and total operating expenses comparable to other ABC boards within a similar gross sales range and other variables. *Common expense report categories can, sometimes, be unreliable as different CPAs may include different expenses in their line items.*



BUDGET ANALYSIS

	FY 2023-2024 <i>Budget Projections</i>	<i>FY2023-2024 Actual</i>	Variance	Variance %
Total Revenues	\$4,824,322	\$4,302,204	(\$522,118)	(10.8%)
Total Expenditures	\$4,208,554	\$3,765,766	\$442,788	10.5%
Distributions	\$430,427	\$657,888		
Revenue over or (under) Expenditures		(\$121,450)		
After Reconciling Items		(\$115,290)		

- In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual total revenues were 10.8% below budget with no amendments submitted.
 - The net income change during the fiscal year was (\$115,290). *The board's collective net position on June 30, 2024, was \$1,587,005; the net position has increased around 20% over the last five (5) fiscal years.*
- Based on sales trajectory for the current fiscal year with nine months (75%) of the budget year completed, the board is tracking at around 65% of annual budgeted sales.

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 2023-2024, Angier ABC made other statutory distributions totaling \$657,888 (Net profit distribution recipient received \$565,029 *with an additional \$42,209 to Library*).
- The amount of \$1,476,128 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Harnett County.
- *Per the local enabling act, the distribution formula for recipients of net profits is as follows:*
 - 10% to Angier Community Library
 - 10% may be used for educational programs
 - Remainder to Angier General Fund of which 25% may be used for recreational programs

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

- Net Profit Distributions – The Angier ABC board has made net profit distributions the last five (5) fiscal years at or above the minimum mandatory distribution in reference to NCGS 18B-805(c)(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
 - For FY 2021-2024 the chart includes the distribution(s) to the library and separate distribution(s) to alcohol education
- Law Enforcement Distributions: Have been properly disbursed at or above the standard 5% statute amount over the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at or above the typical 7% statute amount over the last five (5) FYs.

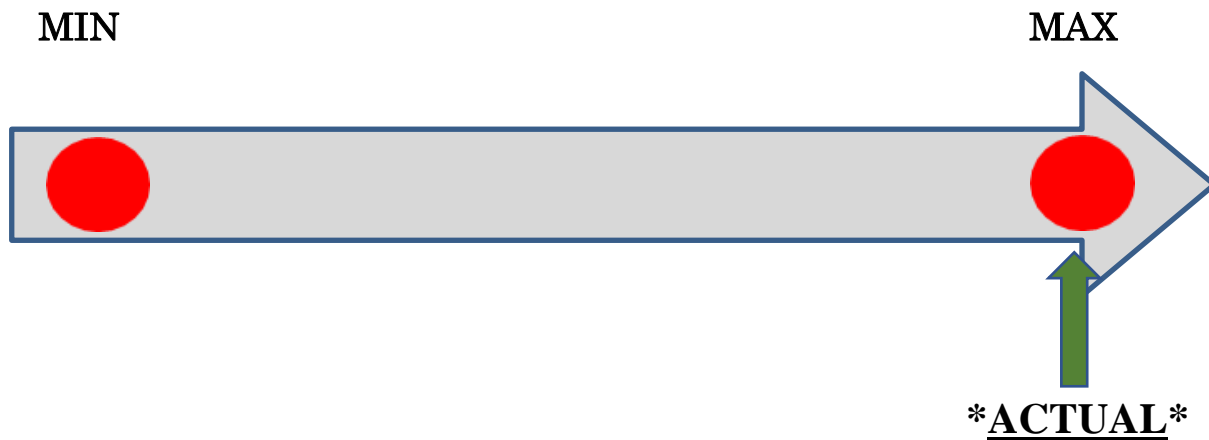
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Angier ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2024	\$120,510	FY-2024	\$607,238
FY-2023	\$118,291	FY-2023	\$280,672
FY-2022	\$116,630	FY-2022	\$252,783
FY-2021	\$116,555	FY-2021	\$180,997
FY-2020	\$104,902	FY-2020	\$104,902

- The board should consult their local enabling act and CPA auditor to verify or for clarity on net profit recipient and alcohol education distributions being appropriately calculated.
 - *The board could consider discussing the possibility of altering the distributions, to lessen confusion and for general transparency, with their appointing authority per G.S. 18B-805(e).*
- Since inception, the board has distributed \$2,479,306 to the Town of Angier.

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.
 - 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, 2024, the Angier ABC Board is required to maintain a minimum working capital of \$127,248 with a maximum working capital amount of \$827,115.
 - The Angier ABC Board had a working capital balance of \$827,115 which is more than the minimum and at the maximum Commission requirement for this section (*).

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



- Under G.S. 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:

Board Members

- The board consists of four members and a chairperson, each receiving compensation for their services at the maximum \$150.00 per meeting.
 - All board members are currently compliant on ethics training and terms are appropriately staggered. *One recently appointed member will need to satisfy the ethics training requirement in the coming months.*
 - All but one member of the board is serving their first term.
 - Members have a variety of experience in business, education, and local government.
- Members have taken an oath of office per G.S. 11-7. *Copies of oaths should be kept available at the board's administrative office.*
- Meetings are generally held the second Thursday of each month and public notice is announced via the board's website.
- The board has innovative advisory committees for personnel, finance, and governance.
- 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.
 - In the last few months, the board has included the required no-conflicts of interest statement for compliance with G.S. 18B-201.
 - Financial reports are provided and discussed at meetings including monthly and cumulative P&L and balance sheets.
 - Audio recordings are kept for all meetings and closed session minutes are kept digitally.
 - 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.

Law Enforcement

- The board has a law enforcement contract with the Angier Police Department and an updated copy from 2022 is in Commission records retention.
- Law enforcement reports are submitted regularly by the finance officer with data supplied from Chief G. Thompson with the APD.
 - Reports provide details of activities for accountability per G.S. 18B-501(f1).

Board Personnel

- The board currently staffs thirteen (13) total employees, with three full time, and ten part time.
- General Manager has served in this role with the board for approximately one year.
 - General manager is full time, their salary is below the maximum allowable compensation per G.S. 18B-700(g1), and they are compliant on ethics training.
 - Their responsibilities include administrative oversight of operations, human resources, building sales, and communication with members and staff.
- The Finance Officer is full time and has been with the board for over a year. Their responsibilities include billing, payroll, distributions, account reconciliation and all thing accounting related.
- The store has a manager who is full time and has been with the board for thirteen years. They are responsible for many of the operational activities including ordering, scheduling, and inventory maintenance.
- All other store employees are sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training is provided to new employees from management and other key personnel and is on the job and mentorship styled.
 - RASP training has been completed by some employees with plans for future trainings.
 - Product knowledge training is handled informally between team members and with guidance from broker reps.
- Employee files are kept in the administrative office and include tax and banking information, personnel manual acknowledgment forms, RASP certificates, and key holder agreements.
- Full time employees are enrolled in LGERS and a 401(k) is extended to eligible employees.
- 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, cash management, equipment usage, legal sales, job descriptions, pay scales, and employee benefits. *A copy is now in Commission records retention.*
- For travel, the board chooses to adhere to the state's travel policy in compliance with G.S. 18B-700(g2).
- Additional policies in Commission records include a credit card processing security policy, overtime, code of ethics, and some historical updates to the personnel policy.
- Policies not on file with the Commission include a mixed beverage sales policy, credit card usage, lottery, and tastings. *The board should work to ensure all updated policies are forwarded to the Commission for approval in compliance with NCAC 15A .1102.*

Operations

- Full inventory is conducted monthly on Sundays.
 - Three team members are involved in counts.
 - Adjustments are made by the store manager and reviewed by the general manager.
 - Strategies for slow moving products include checking with other boards for sales, having tastings for the product(s), and the board has a price reduction area where they stagger lowered prices.
- Board receives deliveries for goods on the first and third Fridays of each month.
 - Offload is conducted using order sheets currently but working to shift to scanners.
 - Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has nine mixed beverage customer accounts.
 - Invoices are provided to permittees at the time of the transaction and copies are retained in a file for each account.
 - While already verbally communicated to customers, the board should craft a written mixed beverage purchase and sales policy to ensure fair and consistent practices.
- The store manager makes the liquor order by scanning each product and comparing a 14-day sales history to inventory. Special allowance pricing is reviewed and the board and management orders according to space availability.
- Some allocated products are offered to mixed beverage accounts, and the board holds some different lotteries and other promotional means for controlled product distribution.

Financial, Administrative, and Internal Controls

- Invoices for liquor are usually processed per truck by the finance officer.
 - *A small sample of payment dates was reviewed and indicated invoices were paid within the thirty-day requirement.*
- Board's checks do not have the required disbursement certificate in compliance with G.S. 18B-702(q).
 - Some payments are made via ACH transfer.
 - The general manager and store manager sign all checks.
- While the finance officer does review some scheduled purchases, the pre-audit stamp required by G.S. 18B-702(m) is not being properly affixed to purchase orders and invoices. *For liquor purchases, this could most reasonably be accomplished by stamping and having the finance officer sign the order edit list or other purchase orders.*
- The board has a credit card in the possession of the general manager.
 - Itemized invoices and receipts for credit card purchases are provided to the finance officer and retained in board records. *The board should craft a credit card policy to establish controls for usage and records retention.*

Financial, Administrative, and Internal Controls (Cont.)

- The board usually uses two registers with tills beginning at \$200.00.
 - Drawers are counted at the beginning of each shift and the assigned employee is the only person who accesses the drawer.
 - Drawers are recounted to \$200.00 at the end of the shift and the remaining funds are bagged for deposit with overages or shortages included on the slip.
 - There is a change fund but not used as petty cash.
- Funds are kept in a pooling bank(s) approved by the North Carolina Treasury Office.
- Payroll is bi-weekly and processed by the finance officer using QuickBooks.
 - Home Base app is used for time keeping. The general manger reviews hours and compares to schedule.
 - *A review of recent payroll records indicates accurate pay rates for board members and the general manager.*
- Travel records for recent activity are maintained at the board with all or most charges to the board's credit card.
 - The board could consider discussing any overages in travel policy in their minutes for disclosure to their appointing authority's finance officer.
- Board keeps records for unsaleable merchandise reports and emails copies of the claims to the Commission. *Management should work to make sure they are sent quarterly in compliance with NCAC 15A .1701(c).*
- For FY 23/24, the board did not receive report(s) describing expenditures of funds from their alcohol education and rehabilitation recipient in compliance with G.S. 18B-805(h).
 - *Prior to Commission visit, the general manager has reached out to new alcohol education recipients and has received confirmation on their plans for their awarded funds. The board should work to obtain a report at least annually on the expenditures of the funds and provide documentation to their appointing authority.*
- The annual CPA audit was received by the Commission on September 30, 2024.
- All board members and the general manager and finance officer are each bonded for \$50,000 per G.S. 18B-700(i).
 - For compliance with G.S. 18B-803(b)(c) the board could consider having the store manager or other personnel bonded as well.

STORE INSIGHT & OVERVIEW

- The board's store and administrative office is located on a busy commercial area near downtown.
 - The building is an out-parcel lot in a shopping center, freestanding, and has both road and building signage.
 - Outside area surrounding the store is free of trash or debris, has well-maintained landscaping, and the general appearance of the building is professional.
 - The store has ample parking and easy access for deliveries.
- The retail areas are well-lit and shelving, endcaps, and other displays are well organized.
 - Show room is modern, has good categorical signage, and space is maximized but still allows for easy flow for patrons and staff.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed, but a quarterly price book was not available at visit. *The board should work to ensure a price list is available for customers.*
 - Floors are clean and signs are not faded or worn.
 - Shelf tags include highlights for special pricing for most SPAs.
 - The FY 23-24 revenue distribution poster is prominently displayed in the store's foyer.
- The warehouse and administrative areas are attached to the store.
 - The areas are well lit and organized.
 - The board has added shelving to the stock room to help free space and accommodate pallets.
 - Delivery drivers can easily drop pallets.
- Shelf management practices are fully implemented, and a written plan is now available for store personnel which corresponds with NCAC 15A .1708.
 - Products are fronted and dusted, and most are placed in categorized areas.
 - Premium products are generally found at eye-level or top shelf.
 - Bottles are generally arranged so they increase in size left to right of the same item.
- Sales associate interactions with customers are attentive, courteous, and the staff is eager to meet the needs of the customers.
- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, all items price tags reflected current pricing.
 - Price discrepancies are handled in the customers favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- The board has a well-designed website with many features including contact information, an events calendar, career information, monthly specials list, and board information including meeting agendas and minutes.
- The store is open from 9:00 am until 9:00 pm. They are currently closed every Sunday, the five (5) previously required annual holidays, and Veteran's and Memorial Days.
- Security systems are in place and functional in all designated areas.
 - *The store has thirty-two cameras and panic buttons.*

RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES)

- The board should consult their local enabling act, Chapter 626 of the 1969 Session Law, to verify adherence and clarity with the calculation of their net profit recipient and alcohol education distributions.
- 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 annual forecasted sales or expenditures will differ significantly from budgeted. Ensure budget amendment copies are submitted to the ABC Commission and the board's appointing authority as required per GS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.
- The recipient(s) of alcoholism fund or education distributions should provide annual documentation to the board describing the activity for which these awarded funds are spent per G.S. 18B-805(h). *The board has already communicated with and received anticipated expenditures from their current recipients for the current fiscal year.*
- While the board does provide appropriate oversight with the Finance Officer cutting checks, the board should re-establish compliance with GS 18B-702(p) and (q). The finance officer should sign checks with the disbursement approval certificate to take substantially the following form on checks, "This disbursement has been approved in the manner required by GS 18B-702". *Alternatively, if the board is content with the current signature procedures, they could consider officially designating the store manager as a deputy finance officer.*
- The board should re-establish compliance with GS 18B-702(m) preaudit approval certificate to take substantially the following form on checks, "This instrument has been preaudited in the manner required by GS 18B-702". *This could most reasonably be accomplished by the finance officer stamping and signing the order edit list or other purchase orders.*
- Board should craft a written credit card policy that clearly defines the purposes for usage of the card(s), people that may use the card(s), and the method for retaining records of usage. Additionally, the board should craft a written mixed beverage policy clarifying times of sales and other general procedures for satisfying and accommodating mixed beverage orders. In accordance with Rule 15A .1102, the board should send the Commission all rules for approval and record retention.
- 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.

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

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 September 30th of each year.
 - 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.
- With the anticipated construction of a new state warehouse in the foreseeable future, boards should evaluate the need for updates or expansions to efficiently accommodate the expected increase in products and their availability.
- Board members and applicable personnel are encouraged to satisfy requirements of G.S. 18B-706(b) in a prompt manner and before the twelve (12) month mandate. *The board currently has one recently appointed member who should complete their ethics training requirement when able.*
- For full compliance with Rule 15A .1703(c), management should ensure a quarterly price book is available in the retail area for customers. *While already available on the website, the board could consider having a listing of specially priced items available in store also.*
- While board personnel do keep good records and do send copies of unsaleable merchandise reports, please continue to send quarterly when possible.
- The board should consult Rule 15B .1008(e)(2)(A) regarding visible logos on their website.
- While having already recently reestablished the reading of the non-conflicts of interest statement in board meetings, board should continue to have the statement included in their board minutes.
- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.
- ABC boards can explore additional training opportunities periodically available through the ABC Commission Education Outreach as well as partnering with other ABC boards or the Association of ABC Boards on specific areas such as best retail and marketing practices.

PREVIOUS PERFORMANCE AUDIT RECOMMENDATIONS (2020)

- There is no indication of mismanagement of board funds. However, the board must ensure that the employee handbook is updated as appropriate. Any changes to the employee handbook must be forwarded and approved by the ABC Commission within fifteen days prior to adoption by the local ABC board. Once approved, the board must distribute amended policies to all employees for acknowledgement.
- When in closed sessions, the board must keep a general account of the closed session discussion so that a person not attending the meeting would have a reasonable understanding of what transpired. If the general manager is not in attendance, the board chairman will delegate a person to transcribe the minutes. Closed session minutes must be approved in the next scheduled board meeting and are withheld or sealed from the public until the need for confidentiality is no longer necessary.
- Board meeting times and location are at the sole discretion of the ABC board. However, to ensure the public is granted access to the board meetings, the board should consider moving board meeting times or a different location.
- The board must divest itself of the investment portfolio mentioned in the financial audit and invest in the appropriate avenues referenced in G.S. 159-30. ABC Boards are authorized to invest part of their cash balance, as mentioned in the above statute. However, detailed research into what funds to invest and what investment firms offer should be conducted to ensure that the board is utilizing the appropriate investment vehicle.
- As a reminder, the NC ABC Commission requires local ABC Boards to adopt a gift policy, whereas the acceptance of gifts is strictly prohibited. All employees and board members are to adhere to those policies and rules enforced by the NC ABC Commission. In the first instance it might have been a better option for the board to donate the gift card to a local charity to benefit alcohol education. In the second instance, the cash should have been deposited in the board's bank account as miscellaneous income.

While having addressed most considerations from previous Commission review (2020), board should still monitor and strive to satisfy previously noted recommended actions.

Town of Angier ABC Board

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Angier, N.C. 27501
(919) 639-4881

Ethan Alexander-Davey, Board Chairman

Thomas Taylor, Board Member

Joe Langley, Board Member

Dennis Gilby, Board Member

Casey Adams, Interim General Manager

June 25, 2025

Mr. Edwin Strickland
ABC Board Auditor
4307 Mail Service Center
Raleigh, NC 27699-4307

Dear Mr. Strickland,

This letter is in response to the Angier ABC Board Performance Audit Report. The audit report contained performance findings and recommendations for the board from your visit on April 15th, 2025.

We accept your findings and recommendations and continue to comply with the policies and procedures set forth by the NC ABC Commission and G.S. 18B.

- Per your recommendation, the board is discussing the possibility of altering alcohol education distributions to lessen confusion and for general transparency in accordance with G.S. 18B-805 (e).
- Regarding budget amendments, the board has submitted one budget amendment this fiscal year and will review for an additional budget amendment upon final reconciliation of the current fiscal year.
- Per your recommendation to require a description of funds spent by alcoholism education fund recipients, the board has already communicated with and received anticipated expenditures from these recipients for the current fiscal year. This will continue to be our practice going forward.
- Per your recommendations regarding the Finance Officer's (FO) requirement to sign checks and approve all purchases and purchase orders with a signature; The FO is currently signing all checks and is now stamping and signing all purchase orders. Additionally, we are considering appointing the store manager as a deputy finance officer to ensure proper compliance.
- As recommended, the management team is crafting a credit card purchasing policy as well as a written mixed beverage policy. These policies will be presented to the board and forwarded to the Commission.

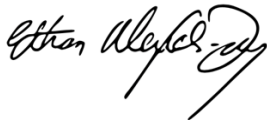
Town of Angier ABC Board

P.O. Box 788
Angier, N.C. 27501
(919) 639-4881

- We have reviewed the Additional Considerations & Guidance section of the report and have either completed or in progress of completing all line items as applicable.

We will continue striving to meet and adhere to recommendations and requirements put forth by the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Ethan Alexander-Davey". The signature is fluid and cursive, with a large, stylized initial "E".

Ethan Alexander-Davey, Board Chairman.

7 24 2025
Month Day Year

Angier

ABC Board

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

gianna cramer

Financial Officer



Chairman

Thomas Spencer Taylor

Board Member

J. E. Langley

Board Member



Board Member

Dennis Gilby

Board Member