

Bertie County ABC Board

Performance Audit Report



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Alcoholic Beverage Control

June 25, 2025

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Bertie County ABC Board
Michael Freeman, Chair
127 US 13-17 South
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Chairperson Freeman,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Bertie County ABC Board. The report consists of an overview of the objectives & background summary, financial analysis and findings, and a summary of actions recommended based upon your board's performance and related findings. Additional considerations are listed as well to provide further guidance and enhance awareness to promote ABC board success.

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.

Bertie County is in the northeastern Coastal Plain region of North Carolina. Established in 1722 from Chowan County, it was named after James and Henry Bertie, who were Lords Proprietors of Carolina. The county seat is Windsor, incorporated in 1766. As of the 2020 census, Bertie County's population was 17,934, with a demographic composition of approximately 59.5% Black or African American and 35.1% White residents.

The county is represented in the North Carolina General Assembly by Representative Shelly Willingham (Democrat, District 23) in the House and Senator Bobby Hanig (Republican, District 1) in the Senate. This mostly rural county depended on the agricultural economy well into the 20th century. In the colonial and antebellum eras, tobacco and cotton were the chief commodity crops, worked by Indian and African slaves. After the Civil War, agriculture continued to be important to the county. In the 21st century, developers have referred to it as being within the Inner Banks region, which is increasingly attracting retirees and buyers of second homes, because of its beaches and landscapes.

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. The board hired an external accountant who assists with payroll, financial reporting, the annual audit, and other bookkeeping duties as needed. All store employee's primary responsibility is to provide friendly customer service to all customers, store upkeep and stock maintenance.

A mixed beverage referendum occurred on October 15, 1941, and it passed. Currently, the Bertie County ABC Board appoints a chairperson and two (2) additional board members and a general manager to serve on the ABC board. The Bertie County ABC Board currently operates two (1) retail store. The board staffs eight (8) in total personnel. These include two (2) full-time employees and six (6) part-time personnel. The general manager is responsible for daily store operations including supervising personnel, inventory management, and various retail functions. The board's Finance Officer Jonathan Edwards provides the board with fiscal management, administrative support, and oversees routine operations of the ABC stores. Sales associate responsibilities include, selling products, daily stocking, and floor upkeep & maintenance.

The last performance audit for the Bertie County ABC Board occurred in 2019. 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, March 3, 2025, ABC Board Program Analyst II Eric McClary, visited the Bertie County ABC Board and interviewed Clint Freeman (General Manager), and Makeda Outlaw (Assistant Manager). 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) 2023-2024, the Bertie County ABC Board had a profit percentage to sales ratio of 7.61%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%.
 - The Fletcher ABC Board's gross sales totaled \$1,337,615, which was an approximate 0.4% increase from the previous fiscal year.
- Bertie County ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .65 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 Bertie County ABC Board met 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	\$302,604	\$314,003
Income from Operations	\$101,799	\$118,211

Factors affecting profitability and cost include:

- Surrounding areas with other ABC Boards operating stores which are within a 30-mile radius are Hertford County ABC Board, Chowan County ABC Board, Marton County ABC Board and Washington County ABC Board.
- An ABC Board's average cost of goods sold (COGS) is between 52% & 54% per year. The Bertie County ABC Board's cost of goods sold was approximately 54.8% in FY 2023-2024.

BUDGET ANALYSIS.

	FY 2023-2024 Budget Projections	FY2023-2024 Actual	Variance	Variance %
Sales	\$1,355,300	\$1,337,615	(\$17,685)	(1.3%)
Revenue over or (under) Expenditures		(\$18,524)		

In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual sales revenues were 1.3% below forecast. In addition, the net income change during the fiscal year was \$55,625. *The board's collective net position on June 30, 2023, was \$2,190.*

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).*

Bertie County ABC made a total of \$301,475 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), and NC Department of Health & Human Services (NCDHHS).

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

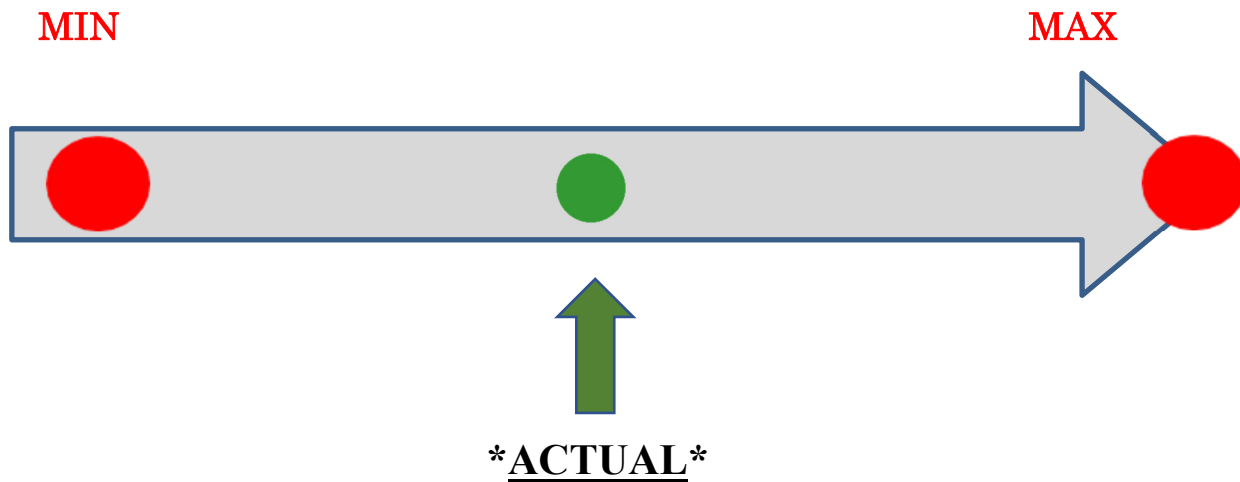
- Five percent (5%) of the profits made by the store in each incorporated town to town. The remainder to the Bertie County General Fund.

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.
 - NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales less than \$1.5M as an amount equal to four (4) 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 Bertie County ABC Board is required to maintain a minimum working capital of \$39,852 with a maximum working capital amount of \$345,381. The Bertie County ABC Board had a working capital balance of \$213,106 which falls within the amount allowed by the Commission requirements.

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



Under 18B-805(d), with approval of the appointing authority for the board, the local board may set aside a portion of the remaining gross receipts as a fund for specific capital improvements whenever working capital is exceeded.

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

The board holds board meetings the 3rd Tuesday of each month at 1:00 PM, records regular meeting minutes, and provides public notification and awareness of these meetings. The meeting minutes are organized in a spiral notebook for review. They record regular meeting minutes and provide public notification and awareness of these meetings. The meetings are organized by session and kept in a spiral notebook. Board meetings were viewed and followed the order of proceedings, providing sufficient detail that a reasonable person would be able to follow what transpired.

°Training Records: Board members and board personnel are fully compliant on ethics training referencing GS 18B-706.

° Oath of Office: All board members have taken an oath per the general manager's recollection; however, copies are not maintained on site. All board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *Written template is available in the operations manual on Commission website.*

- General Manager (GM) Salary and Board Member compensation: GM salary fully adheres to 18B-700(g1) statute requirements. The Board member compensation complies with statute 18B-700(g) requirement.

- Board website review: The board's login website was updated by the Commission in 2022 for board member term tenure information (*begin dates & end dates*). **Special note**: As part of a revalidation effort, the Commission has worked to revalidate term tenure information for all ABC boards across the state, working directly with the appointing authorities. As a value-added measure for all ABC boards and Commission records tracking in summer 2022, the term begin dates as well as term end dates were entered on all individual ABC board websites.
 - *The expectation going forward is that ABC boards will 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 is fairly adequate with oversight and recordkeeping including keeping board meeting minutes in three ring binder. The GM provides board members with monthly sales information and previous year's applicable sales and operational concerns along with financials from accounting firm. Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld; also, boards should routinely review any notes and recommendations provided by the CPA firm on annual audits.
 - POLICIES: The board has a personnel manual on site and the Commission has an electronic copy as well. The Commission does not have a current copy of their travel policy. For travel policy, Commission records indicate the board adheres to the State's travel policy. *Per discussion with the general manager, the board will provide a copy of the travel policy.*
 - Additional policies could be considered and provided to the Commission for record keeping including but not limited to, tastings or employee tastings, and social media.
- FINANCIAL INSIGHT: Invoices are processed monthly by the General Manager. Invoice records for recent liquor purchases reflect them as being paid routinely well inside of 30 days. Taxes and distributions are paid in a routine and timely manner. The board uses Quick Books for routine journal entries.

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

- Bank deposits are routinely made each business day per review of bank Statements and discussion with GM. Improvement and increased diligence has been made in this area due to Stewardship note from FY 2023-2024 audit. 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.
- All board members and applicable personnel are each bonded for \$50,000 per G.S. 18B-700(i).
- Law Enforcement (LE) Contract: The board does not have an active contract on file. The Commission will require a contract to be drafted, and a copy submitted to the Commission. The board has been submitting LE reports since January 2024.
- The annual CPA audit was received and logged by the Commission on August 28, 2024.

➤ INTERNAL CONTROLS/FINANCIAL INSIGHT:

- Invoice information is entered into QuickBooks, cash requirements are printed for the truck shipments.
- The board's FO is responsible for all accounting related controls including billing, payroll, and reconciliations.
- After the store closes, the manager compiles all monies collected and stores the monies deposit bag and placed in the safe.
- Personnel review deposits and the FO compares deposit slips with bank statements and a board member reviews at monthly reconciliation. *For safeguard measures and adherence to Commission rule 15A0905 Daily Deposits, the board utilizes a locked fireproof safe for integrity of funds that remain at the board at any given time.*
- Full time employees are enrolled in OPEB and have insurance coverage. This is mentioned as a Net Position issue and is discussed within the recommendations section.
- All employees are subject to on-line RASP training and other various behavioral standards. *Board could consider in person RASP or law enforcement training from local or state level agencies for responsible alcohol sales and other applicable rules and laws.*
- Board has a debit card, with a current zero balance, in the possession of the general manager.
- Board uses pens for bills to prevent counterfeit exchanges.
- No conflicts pertaining to nepotism found and per discussion with general manager.
- Board has a code of ethics policy on file with the Commission.

➤ STATUTORY DISTRIBUTIONS:

- Net Profit Distributions - The Bertie County ABC Board has routinely made the 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 properly disbursed at or above the regular 7% statute amount. This distribution category has been increased moderately annually.

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Bertie County ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
CPA Calculated Amount		Total paid to recipient(s)	
FY-2024	\$38,937	FY-2024	\$38,937
FY-2023	\$38,452	FY-2023	\$38,452
FY-2022	\$37,872	FY-2022	\$37,872

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

- LAW ENFORCEMENT (LE) REPORTS: Reports have been submitted online routinely since January 2024.
- LAW ENFORCEMENT (LE) CONTRACT: The Commission does not have a current electronic copy of a law enforcement contract on file and the Board has no active contract with the local authority. The LE reports have been submitted, however. The GM will coordinate and follow up the local authority and generate a LE Contract.
- INVENTORY: Full store inventories are conducted monthly, and the GM also conducts spot checks in certain categories are conducted at random intervals.
- INTERNAL CONTROLS:
 - The board has a part time Finance Officer and with one full-time employee to support the general manager.
 - The Finance Officer prepares monthly financial statements for the board. The GM reviews and makes these available for the monthly board meetings.
 - Invoice information is entered into Quick Books, cash requirements are printed for the truck shipments.
 - Bank Deposits are made each day by the general manager. The Finance Officer compares the deposit slips with bank statements. This was also mentioned as recommendation action per the Stewardship, Compliance and Accountability of the Audit. *For safeguard measures and adherence to Commission rule 15A0905 Daily Deposits, the board utilizes a locked fireproof safe for integrity of funds that remain at the board at any given time.*
 - EXPENSES:
 - Total expenses increased by roughly 2.5 % from the last fiscal year.
 - Salaries and Wages were roughly 9.5% of total annual sales.
 - Cost of Goods Sold (COGS) was 54.8%.

STORE INSIGHT & OVERVIEW

The findings for store insight & overview are as follows:

- Store has a small but modern layout, good ergonomics for shoppers, and plenty of inventory on the shelves.
- Sales associate interactions with customers are attentive, courteous, and all are eager to meet the needs of the customers.
- The board has one (1) MXB customers as of March 24, 2025. The board would be willing to deliver to customers if ever requested.
- A random sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, there were three (3) that required updating and were updated immediately. Every item reflected the correct quarterly or monthly SPA price. The board highlights the monthly SPA products very well with visual aids.
- 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 4th, and Labor Day annually.
- The store displays the required Fetal Alcohol Syndrome poster required by G.S. 18B-808. A new poster was provided to replace the older one.
- Most products are placed within the designated categories; premium products are found at eye-level or top shelf. Some other areas had bottle sizes of the same products decreasing in size from top to bottom, with larger bottles placed at the top. Bottles were fronted and dusted. Bottles are also organized from top to bottom on some shelves, to increase the possibility of sales. Bottles were properly 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.
 - *Seven (7) cameras work to cover the property footprint with four outside and three interior cameras.*

RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)

- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and 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 established authorized use (sample copy forwarded for consideration). A tastings policy is recommended if tastings are done routinely.
- The board is recommended to forward a current law enforcement contract. Please provide a copy to the Commission *per G.S. 18B-501(f).*
- Ensure all purchase orders to include obligations evidenced by a contract or agreement requiring the payment of money, shall include or bear a certificate stating that the instrument (or order) has been pre-audited to ensure compliance with *G.S. 18B-702(m)* with a signature by the finance officer. The specific statement should read, *“This instrument has been pre audited in the manner required by G.S. 18B-702.”*
Special note: This would be most reasonably accomplished by signing & stamping the summary total of the Order Edit List from inventory system *before* any liquor orders are placed with state warehouse
- Board does not have copies of oath before taking office or before the execution of the office per G.S. 11-7. *Written copies of oaths should be available at the board’s administrative office.*
- The Commission recognizes that the board follows the state’s travel policy, however the Board does not have a policy on site. As a reminder, the board must annually obtain approval from the appointing authority to adhere to their local government travel policy and annually provide the Commission a copy of this approval per *G.S. 18B-700(g2).*
- The Bertie County ABC Board is not making quarterly distributions required by [G.S. 18B-805(g)]. The distributions are being made once a year after the June 30 year end as approved by the County and Town of Windsor. Upon completion of the Performance Review on the listed date, the General Manager is aware of this recommendation and will seek to remedy the action. The GM advises that he have a discussion with the CPA and the town council in an effort for all to assure proper distributions are being made going forward.
- The Bertie County ABC Board did not make their annual profit distributions for the June 30, 2023, audit by the September 30 deadline. The Board received their audit report timely but chose not to distribute the funds until April. Upon completion of the Performance Review on the listed date, the General Manager is aware of this recommendation and will seek to remedy the action and will assure more diligence going forward in this area. The GM also advised that he is in the process of addressing this action with the County Commissioners and it’s the Board’s intent to obtain approval to pay the distributions later. This topic has been added to the next County Commissioners Agenda for March 2025.

- Bertie County ABC Board is in violation of [G.S. 159-32], regarding daily deposits, for the fiscal year ended June 30, 2024. The Board consistently did not make daily deposits. Management has reinforced to all employees the importance of this statute to ensure compliance going forward. The General manager also advised that he has since corrected this action by being more committed and making a better effort of making the deposits daily in compliance with this action.
- For the fiscal year ended June 30, 2024, the expenditures made by the Board exceeded the authorized appropriation made by the governing board for the following lines. Their net position has been very low in the negative because of OPEB related. The General Manager acknowledged that this is likely due to employees participating in OPEB. There are three (3) employees currently participating. The GM stated that he is considering offering a buyout option, a cash amount offered to the member which would remove the member from OPEB and could possibly alleviate or improve this issue. There have been conversations amongst the members regarding a possible buyout, however the conversations never led to action. Also, the GM advises that he nor the board had proper guidance as to how a buyout would take place and proper procedures for a buyout. The GM also submits that OPEB premiums have also increased which did not help the issue. The GM further advises that a member has recently passed on, which could help the NET Position in this area.

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 Sept 30th.
- 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.

Bertie County ABC Board

P.O. Box 97

Windsor, N.C. 27983

June 5, 2025

Mr. Eric McClary

ABC Board Auditor/ Program Analyst

NC ABC Commission

400 East Tryon Road,

Raleigh, N.C. 27610

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: Budget Each Fiscal Year

The Bertie ABC Board is in compliance with having a balanced budget each fiscal year.

Item 2: Adopted Policies and Updated Policies

The Bertie County ABC Board has adopted a new credit card policy that establishes authorized users, and an electronic copy will be submitted to Commission. Tastings here at the Bertie ABC store are not done routinely.

Item 3: Law Enforcement Contract

The General Manager has contacted the Bertie County Sheriff Department to update the Law Enforcement Contract. Attached will be a copy of the Law Enforcement Contract that has been signed by the Bertie County Sheriff and will be sent to the commission per G.S. 18B-501(f).

Item 4: Purchase Orders

The Bertie County ABC Board is in compliance with G.S. 18B-702(m) with purchase orders and requiring payment of money.

Item 5: Board Copies of the Oath of Office

The Bertie ABC Board members have all taken an oath from the office. An electronic copy of it has been attached per G.S. 11-7. Written copies are available at the Bertie ABC Board.

Item 6: Travel Policy

The Bertie ABC Board goes by the State of North Carolina Travel Policy. A copy of the policy is now on site at the Bertie ABC Board. G.S. 18B-700(g2).

Item 7: Quarterly Distribution

Bertie ABC Board does not do quarterly distribution.

Item 8: Annual Profit Distributions

The Board has gotten approval from its appointing Authority to pay distributions at a time that is more convenient for the ABC Board. An approval letter will be shown at a later date. per G.S. 18B-805(g).

Item 9: Daily Deposits

The Manager has made sure deposits were made daily, if deposits were not deposited it was due to the holiday closing or both managers were out of the store. Per G.S. 159-32

Item 10: OPEB

The General Manager and Board Members are still engaging in conversations and further research as to figure out a legal way to reduce OPEB. The Bolton company which does our Annual Report are assisting us as well.

The General Manager and The Board appreciate your time in preparing the performance audit. We were very pleased with the results and felt confident. Thank you for assisting us during this time. Your help was greatly appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael Freeman", with a stylized flourish at the end.

Michael Freeman

Chairman, Bertie ABC Board