

Brevard ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
400 East Tryon Road, Raleigh, NC 27610
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ABC
COMMISSION
NORTH CAROLINA

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Alcoholic Beverage Control

June 26, 2025

CHAIRMAN:

Hank Bauer

Brevard ABC Board

COMMISSIONERS:

La'Tanta (L.T.) McCrimmon
Raleigh

Lisa Conner, Chair

350-A N. Broad St.
Brevard, NC 28712

David Sherlin

Raleigh

Chairperson Conner,

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 Brevard 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

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.

PHONE: (919) 779-0700

<http://abc.nc.gov/>

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

Brevard is city in southwestern North Carolina and was incorporated in 1889. It is the largest community and county seat of Transylvania County. The city's population per the 2020 census was 7,744 residents, up over 12% from 2010. The Brevard ABC Board operates two (2) retail stores and is the only board with stores in the county.

S.L. 1967-291 authorized the City of Brevard to hold an election for an ABC store upon a petition signed by at least fifteen percent (15%) of registered voters. The referendum was held on July 8, 1967, and passed 958 to 529. A mixed beverage election occurred on May 4, 1993, and passed 1,114 to 789.

Upon election of an ABC store, Brevard was authorized to create an ABC Board consisting of a chairperson and two members to serve for three-year terms. The board has since increased to five members. Current board members are Lisa Conner, chair, Frank Pearsall, Ron Brewer, Susan Miller, and Paula McKeller, board members.

The last performance audit for the Brevard ABC Board concluded in 2015. 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 Thursday, May 22, 2025, ABC Commission Program Analyst Edwin Strickland visited the Brevard ABC Board and interviewed the General Manager, Jackie Jarvis, and Finance Officer Paxton McAbee. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



350-A N. Broad St. Brevard



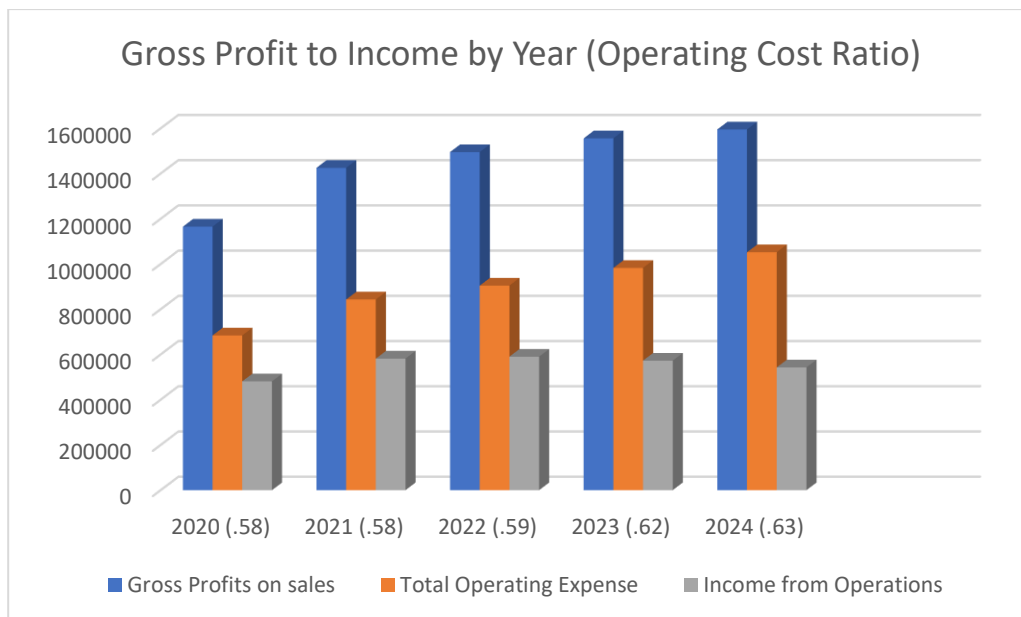
61 Forest Gate Dr. Pisgah Forest

FINANCIAL ANALYSIS

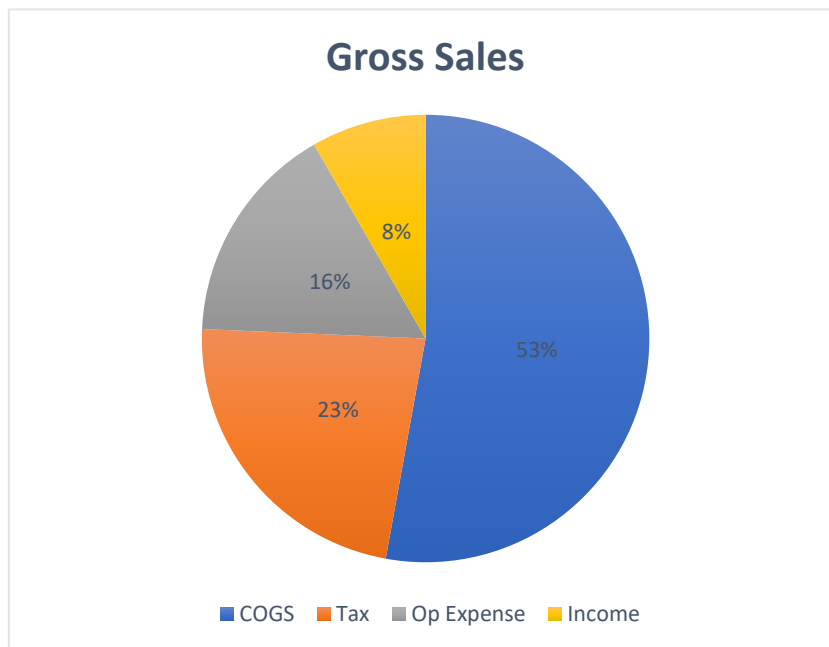
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2023-2024, the Brevard ABC Board had a profit percentage to sales ratio of 8.30%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%.
 - The Brevard ABC Board's gross sales totaled \$6,543,907 which was an approximate 4.1% increase from the previous fiscal year.
 - The board's sales have grown over 37% over the last five completed fiscal years.
- Brevard ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .64 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 Brevard 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	\$1,595,243	\$1,555,623
Total Operating Expense	(\$1,052,307)	(\$982,794)
Income from Operations	\$542,936	\$572,829



- 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.



- *Factors affecting sales:*
 - Other ABC boards with stores within a 30-mile radius include Asheville, Fletcher, Blue Ridge, and Jackson County. Transylvania County borders South Carolina with possible additional outlets.
 - A 3.6% unemployment rate in Transylvania County in June of 2024 with a .3% increase from the previous year.
 - The board currently has 36 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for almost 15% of gross sales.*

INVENTORY TURNOVER

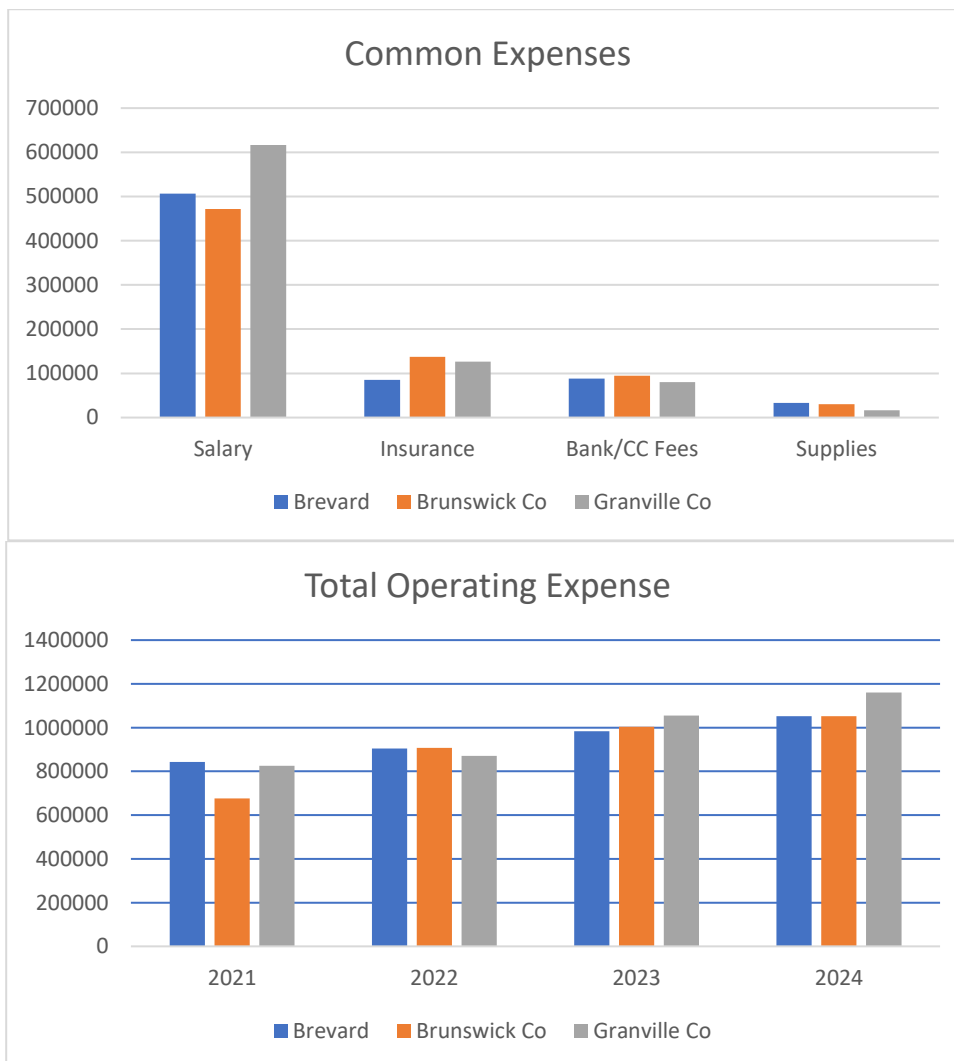
- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
 - Once a week deliveries target at 6 times 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 Brevard ABC Board receives shipments weekly with a target inventory turnover rate of 6. The inventory rate in (FY) 2023-2024 was 4.6, which is somewhat below the goal.

FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses increased approximately seven percent (7%) from the last fiscal year and were roughly sixteen percent (16%) of total annual sales in FY-23/24.
- Board salaries and wages were almost eight percent (8%) of total annual sales. Salaries and wages increased around three percent (3%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 52.8% for the fiscal year with a normal range being 52% to 54%.

- A common expense report and a total operating expense report show the Brevard ABC Board has similar categorial and total operating expenses comparable to other ABC boards within a relatable 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 Budget Projections	FY2023-2024 Actual	Variance	Variance %
Total Revenues	\$6,720,000	\$6,574,586	(\$145,414)	(2.2%)
Total Expenditures	\$6,074,900	\$5,980,772	\$94,128	1.5%
Distributions	\$367,500	\$465,673		
Revenue over or (under) Expenditures		\$128,141		
After Reconciling Items		\$107,942		

- In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual total revenues were 2.2% below budget and total expenditures were 1.5% below the original budget with no amendments submitted.
 - The net income change during the fiscal year was \$107,942. *The board's collective net position on June 30, 2024, was \$1,507,750; the net position has increased almost 96% over the last five (5) fiscal years.*
- Based on sales trajectory for the current fiscal year with ten months (83%) of the budget year completed, the board is tracking at around 75% of annual budgeted sales.
 - *A review of a recent P&L at Commission visit indicates no significant expenditures have exceeded budgeted amounts through March 2025.*

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, Brevard ABC made other statutory distributions totaling \$465,673 (Net profit distribution recipient received \$443,569).
- The amount of \$1,493,973 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Transylvania County.
- *Per the local enabling act, the distribution formula for recipients of net profits is as follows:*
 - Seventy five percent (75%) to Brevard General Fund
 - Twenty five percent (25%) to the Transylvania County General Fund

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

- Net Profit Distributions – The Brevard ABC board has made net profit distributions for the last five (5) fiscal years over 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.**
- 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 standard 7% statute amount zero (0) of the last five (5) FYs.
 - The board's original enabling act stipulates alcohol education distributions should not exceed five percent (5%).

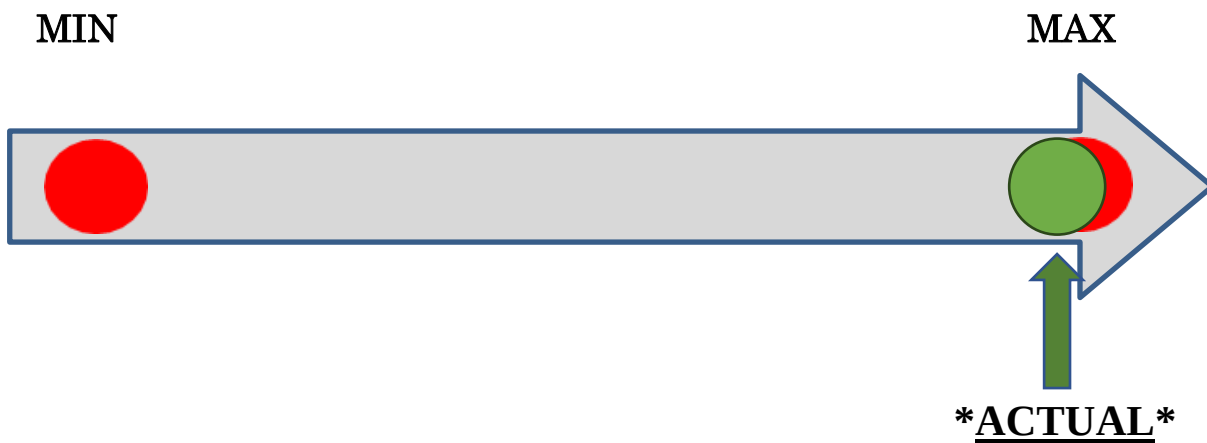
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Brevard ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2024	\$181,540	FY-2024	\$443,569
FY-2023	\$173,924	FY-2023	\$479,592
FY-2022	\$167,894	FY-2022	\$266,667
FY-2021	\$159,972	FY-2021	\$266,667
FY-2020	\$134,356	FY-2020	\$200,000

- Since inception, the board has made net profit distributions totaling \$8,983,627.

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 Brevard ABC Board is required to maintain a minimum working capital of \$194,228 with a maximum working capital amount of \$1,262,483.
 - The Brevard ABC Board had a working capital balance of \$1,262,482 which is more than the minimum and less than 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 or below the maximum \$150.00 per meeting.
 - All board members are compliant on ethics training.
 - Terms are staggered appropriately with no more than two term end date yearly.
 - The board has a mixture of first and second term appointees.
 - Members have a variety of professional experience in applicable areas such as finance, education, business, and other areas that work closely with local and state governments.
- Members may have not 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 fourth Thursday every other month and public awareness for meetings is posted in the store and with the town.
- Meeting minutes are well organized and follow the order of proceedings, providing detail of business discussed in a transparent and easily comprehensible manner.
 - Financial reports, including balance sheets, profit and loss statements, and budget comparisons, are provided and discussed at meetings.
 - The meeting agenda contains a no conflict-of-interest statement referencing G.S. 18B-201, but the minutes do not.
 - Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld. 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 Brevard Police Department from 2019 in Commission records.
- Law enforcement reports are submitted regularly by the Chief of Police or applicable subordinates.
 - Reports provide details of activities for accountability per G.S. 18B-501(f1).

Board Personnel

- The board currently staffs nineteen total employees, with six full time, and thirteen part time.
- General Manager has been with the board for approximately ten years and was previously the finance officer.
 - 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.
 - They are responsible for oversight of all board operations including scheduling, Human Resources, ordering, billing, payroll, and distributions.
- The Finance Officer is full time, has been with the board for two years, and is compliant on ethics training. Their responsibilities include taxes, budgets, and they assist the general manager with their responsibilities.
- Both stores have unofficial managers who focus on inventory and other store operations. *Board should verify compliance with G.S. 18B-803(a) regarding a designated store manager and has done so since Commission visit.*
- The board utilizes a third-party bookkeeping service for general accounting oversight including tax preparation, account reconciliation, and quarterly report compilation.
- The board has one person who helps with truck deliveries.
- 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 seasoned personnel and is on the job and mentorship styled.
 - RASP training has been extended to most employees and the board will likely have future trainings.
 - Product knowledge training is discussed informally between management and team members especially pertaining to new products.
- Employee files are kept locked in the administrative office and include tax, other employment documents, and personnel manual acknowledgment forms.
- Full time employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with general manager. *The board does employ a husband and wife who work at different stores.*

Policies

- The board has a thorough personnel manual that details various work requirements, behavioral standards, cash handling policies, price discrepancies, leave benefits, and job descriptions.
 - The policy is formatted after the Commission's template and an updated copy of the manual is now in Commission records retention.
- For travel, the board chooses to follow the states policy in compliance with G.S. 18B-700(g2).
- The board has a code of ethics policy from 2011, but all signatures are from former members and personnel. *The board could consider an updated code of ethics for full awareness.*
- Additional policies in Commission records include a credit card usage policy, mixed beverage, petty cash, lottery, shelf management, and vehicle usage
- Additional policies could be considered including tastings, and employee tastings.

Operations

- Board personnel conduct full inventory annually with perpetual categorical spot checks.
 - Multiple team members and management participate.
 - Discrepancies are reviewed and adjustments are made by the same people conducting the inventory.
 - Strategies for slow moving products include moving in store and to end caps and price reductions.
- Board receives deliveries for goods weekly on Mondays at their store #1, and self distributes to their second store.
 - Pallets are dropped and offload is checked against the purchase order list.
 - Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has thirty-six mixed beverage customer accounts and store #1 is the outlet.
 - Invoices are provided to permittees at the time of the transaction and one copy is retained in a separate file for each account.
 - Prepared orders are checked by a second employee.
 - The board uses their van or truck for deliveries throughout the county.
- The general manager orders liquor by running a report for minimums and maximums and adjusting as needed. Specially priced items are reviewed and purchased as applicable.
- Allocated products are available for mixed beverage accounts, some are shelved, and the board has lotteries.

Financial, Administrative, and Internal Controls

- Invoices for liquor are usually processed weekly.
 - *A small sample of invoices were checked and indicated payments submitted well within the thirty-day requirement.*
- Checks are not stamped with the required disbursement certificate in compliance with G.S. 18B-702(q). *Board personnel have been stamping the invoices instead.*
- While board personnel have been stamping invoices after an order has been placed, the board should reestablish compliance with G.S. 18B-702(m) and preaudit purchases before they have been made. *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 retained in board records.
- The board uses two registers with tills beginning with \$400.00.
 - Store #1 has a separate register for mixed beverage sales.
 - Employees receive their own till for each shift and are responsible for shortages.
 - Deposits are made daily, except Saturday, on the following business day. *A sample of deposit slips and register cash reports were verified for one with no discrepancies.*
 - Spot checks are made to match register cash amounts with deposits.
 - The board's accounting service reconciles accounts monthly.
- Funds are kept in a pooling bank(s) approved by the North Carolina Treasury Office.
- Payroll is processed every two weeks by the general manager using QuickBooks.
 - Timecards are used by employees.
 - *A review of recent payroll records indicates accurate pay rates for board members and the general manager.*
- The board keeps records for unsaleable merchandise reports and emails copies of the reports quarterly to the Commission in compliance with NCAC 15A .1701(c).
- The board receives reports for alcohol education and rehabilitation recipients describing the expenditures of funds, in compliance with G.S. 18B-805(h).
- The annual CPA audit was received by the Commission on October 7, 2024. *The board's auditor requested additional time with the audit because of hurricane related interruptions.*
- At Commission visit bonds were discussed and have since been reworked. All board members and board personnel to include the general manager, finance officer, and store manager(s) are each bonded for at least \$50,000 per G.S. 18B-700(i) and G.S. 18B-803(b) and (c).

STORE INSIGHT & OVERVIEW

- The board's store #1 is located in a complex or duplex on a main road near the city's downtown area. This store houses the administrative offices, main warehouse, and receives deliveries. The board's store #2 is in a large retail shopping center, also off the same busy road, and very near the city limits.
 - Outside areas surrounding the stores are free of trash or debris, have well maintained landscaping, and the general appearance of the buildings and properties are professional.
 - Both stores have ample parking for customers and easy access for deliveries.
- The retail areas are well-lit and shelving, endcaps, and other displays are well organized.
 - Show rooms are modern, have great 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.
 - Quarterly price books are kept at the counters or other store areas for customers.
 - Floors are modern, clean, and signs are not faded or worn.
 - Stores have information centers that provide awareness to meetings, budget hearings, pricing, law changes, and upcoming events.
 - Shelf tags include some custom-made signs, tags for specially priced items, and some revenue QR posters.
 - North Carolina products have a somewhat of section but are also mixed throughout the stores.
- The warehouse and administrative areas are well-lit and organized and accommodate pallet deliveries.
- 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.
 - Premium products are generally found at eye-level or top shelf.
 - Bottles are arranged so they increase in size left to right of the same item.
 - Products are cross-merchandised.
- 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 shelf price tags at store #2 reflected current pricing. Store #1 had a one vodka brand's 750ml bottles with shelf tags reflecting the previous quarter's price point.
 - Price discrepancies will be handled in the customers favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Tastings have been held and will be considered in the future.
- The stores are open from 9:00 am until 9:00 pm. They are currently closed every Sunday, the five (5) previously required annual holidays, Memorial Day and Easter Monday.
- Security systems are in place and functional in all designated areas.
 - *The stores have cameras, alarms, and panic buttons.*

RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES)

- While the board's finance officer and general manager do provide sufficient oversight and follow similar procedures to the statutory requirements, the board should reestablish full compliance with G.S. 18B-702(m)(q) referencing the following:
 - Checks should bear on their face a certificate to take substantially the following form: "This disbursement has been approved in the manner required by G.S. 18B-702".
 - Purchase orders to include orders for liquor should include on their face a certificate to take substantially the following form "This instrument has been preaudited in the manner required by G.S. 18B-702".
 - Each certificate should be signed by the finance officer, or a deputy finance officer approved for this purpose.
- For full compliance with G.S. 18B-803(a)(b), the board should employ a store manager for each store it operates, and ensure each manager is bonded in an amount not less than fifty thousand dollars (\$50,000).
 - Post Commission visit and before the conclusion of this report, a manager has been designated for the board's store #2 and the board's bond has been modified to meet the statutory requirements.
- To ensure correct pricing on the store shelves and in the computer system, audit shelf tags on a regular basis by incorporating this practice during or in between the regularly scheduled inventory counts.
- 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.
- The board should consider having someone other than the staff member who is conducting inventory review and process perspective adjustments.
- 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 should take an oath before taking office or before the execution of the office per G.S. 160A-61 and G.S. 11-7. *A written account of the oaths should, please, be available at the board's administrative office.*
- While already being addressed in the board meeting agenda, official meeting minutes should include the no conflict of interest statement referencing G.S. 18B-201.
- 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 G.S. 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.
- 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 (2015)

- Begin distributing towards alcohol education as required by the local enabling act, S.L. 1981-415.
- Have the alcohol education/rehabilitation programs that receive funding submit annual financial reports detailing how the funds were spent.
- Consider exploring more efficient ways of handling empty shelves. One common practice is to incorporate a shelf display when there is a limited brand category where possible.
- Either restock the display cases or remove them from the sales floor.
- Have all reappointed board members complete the ethics requirement within 12 months of reappointment.
- To ensure correct pricing on the store shelves and in the computer system, audit shelf tags on a regular basis by incorporating this practice during or in between the regularly scheduled inventory counts.
- Monitor budget more closely, particularly towards the year end, to determine whether amendments are needed. Amendments are required when expenses are over budget or have not been budgeted for and when sales are not meeting or are exceeding budgeted amounts.

While having addressed many considerations from previous Commission review (2015), board should still monitor and strive to satisfy previously noted recommended actions.

ABC Commission
400 E. Tryon Rd.
Raleigh, NC 27610

June 12th 2025

We 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: *****

The general manager and finance officer will reestablish practices to include the disbursement certificate on check and drafts and the preaudit certificate on purchase orders and the original liquor order. The finance officer will sign both certificates.

We have received our new stamp so we can reestablish stamping our purchase orders

Item 2: *****

The board has designated a manager for store #2 and the general manager is the manager for store #1.

David Stamey is store manager for store # 2 Jackie Jarvis is General Manager over both locations, she is also manager at store #1

Item 3: *****

The board will continue to monitor shelf tags for correct pricing.

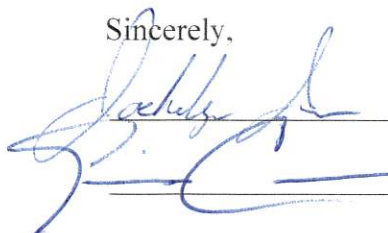
The board has and will continue to check prices on selves and in registers at both locations.

Item 5 *****

The board will provide the ABC Commission a signed certificate of accountability attestation form.

We have signed and emailed our letter of attestation

Sincerely,

 Chairman/ GM
 Brevard ABC Board

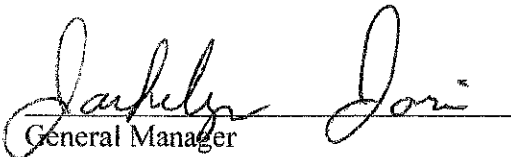
June 24th 2025
Month Day Year

Brevard N.C.
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).

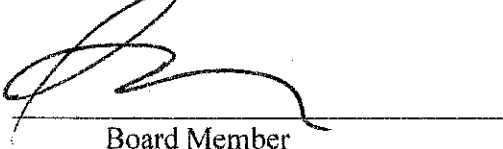

General Manager


Financial Officer


Chairman


Board Member


Board Member


Board Member


Board Member