

Concord ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
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ABC
COMMISSION
NORTH CAROLINA

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ABC

COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

May 18, 2026

CHAIRMAN:
Hank Bauer

Concord ABC Board
Brian Hiatt, Chair
230 International Dr
Concord, NC 28027

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

David Sherlin
Raleigh

Chairperson Hiatt,

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 Concord 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.

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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.

Concord ABC Board is in Concord, NC. Concord is a thriving mid-sized city located in Cabarrus County, just northeast of Charlotte. As the county seat and largest municipality in the county, Concord plays a central role in the region's economic, cultural, and residential life. Over the past several decades, it has experienced steady growth, evolving from a historically textile-driven town into a modern suburban city that is closely tied to the greater Charlotte metropolitan area.

Founded in 1796, Concord was established as a compromise location for the county seat after disagreements between early German and Scots-Irish settlers. The name "Concord," meaning harmony, reflects that peaceful resolution and remains symbolic of the city's identity today. Over time, the area developed around agriculture and textile manufacturing, with mills and related industries shaping much of its early economy and community structure. Today, Concord is one of the fastest-growing cities in North Carolina, with a population exceeding 110,000 residents and continuing to rise. Its growth is largely driven by its proximity to Charlotte, offering residents access to a major urban job market while maintaining a more suburban and family-oriented environment. The city features a mix of established neighborhoods, newer subdivisions, and expanding commercial corridors, reflecting both its historical roots and ongoing development.

Economically, Concord is diverse and expanding. While manufacturing still has a presence, the city has broadened into retail, healthcare, logistics, and motorsports. It is home to major attractions such as the Charlotte Motor Speedway and Concord Mills, which draw visitors from across the region and contribute significantly to the local economy. These destinations, along with a growing number of businesses and services, help position Concord as both a residential hub and a regional destination.

Culturally, Concord balances tradition with modern growth. Its downtown area retains historic architecture and a small-town atmosphere, featuring local shops, community events, and cultural venues. At the same time, newer developments and infrastructure improvements reflect the city's expansion and its role within a larger metropolitan region. Parks, greenways, and recreational facilities also contribute to a high quality of life, making it attractive to families and professionals alike. Overall, Concord represents a blend of history, growth, and regional connectivity. Its origins rooted in cooperation and community continue to influence its character, while its steady expansion and economic diversification have made it an important and dynamic part of the North Carolina Piedmont.

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

A referendum occurred on September 19, 1967, and it passed. *Currently, the Concord ABC Board has a chairperson, two board members and a general manager on the ABC board.* The Concord ABC Board currently operates (7) retail stores. The board staff (86) in total personnel. These include (33) full-time employees and (48) part-time personnel. The general manager is responsible for daily store operations including supervising personnel, inventory management, and various retail functions. The GM provides the board with fiscal management, administrative support, and oversees routine operations of the ABC store. Sales associate responsibilities include selling products, daily stocking, and floor upkeep & maintenance.

The last performance audit for the Concord ABC Board occurred in 2022. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.



230 International Dr, Concord NC

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

On Tuesday, April 7, 2026, ABC Board Program Analyst II Eric McClary visited the Concord ABC Board and interviewed Belinda Aponte (General 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) 2024-2025, the Concord ABC Board had a profit percentage to sales ratio of 10.3%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$10M is 5%.
 - The Concord ABC Board’s gross sales totaled \$32,490,400, which was an approximate 2.76% decrease from the previous fiscal year.
- Concord ABC Board operates seven retail stores with mixed beverage sales. The operating cost ratio for the board was .52 in FY 2024-2025. The NC ABC Commission standard for ABC Boards with three stores or more and mixed beverage is .63 or less.
- Below are charts showing gross profit on sales, total operating expenses, and income from operations for recent years.

	FY 2024-2025	FY 2023-2024
Gross Profit on Sales	\$7,699,143	\$8,322,408
Income from Operations	\$3,345,549	\$4,295,554

Factors affecting profitability and cost include:

- Surrounding areas with other ABC systems which are within a 25-mile radius include Mount Pleasant ABC, Rowan/Kannapolis ABC, Mecklenburg County ABC, and Mooresville ABC.
- The board currently has approximately 103 active mixed beverage customers.

➤ **FINANCIAL ANALYSIS (cont.)**

➤ *Factors affecting expenses:*

- Total operating expenses increased around (8.1%) from the last fiscal year.
- Cost of Goods Sold (COGS) was roughly 53.2% for the fiscal year with a normal range being 52% to 54%.

BUDGET ANALYSIS

	FY 2024-2025 Budget Projection	FY 2024-2025 Actual	Variance	Variance %
Sales	\$32,257,200	\$32,559,352	\$302,152	0.9
Revenue over or (under) Expenditures		\$900,890		

In reviewing the budget to actual analysis of the FY 2024-2025 financial audit, actual sales revenues were more than forecasted projections of 0.9%. The Board has submitted a budget amendment. After reconciliation, the change in the Board’s end net position was \$23,543,957.

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).* Cabarrus County ABC made a total of \$7,508,087 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), NC Department of Health & Human Services (NCDHHS), and the county commissioners of Cabarrus County.

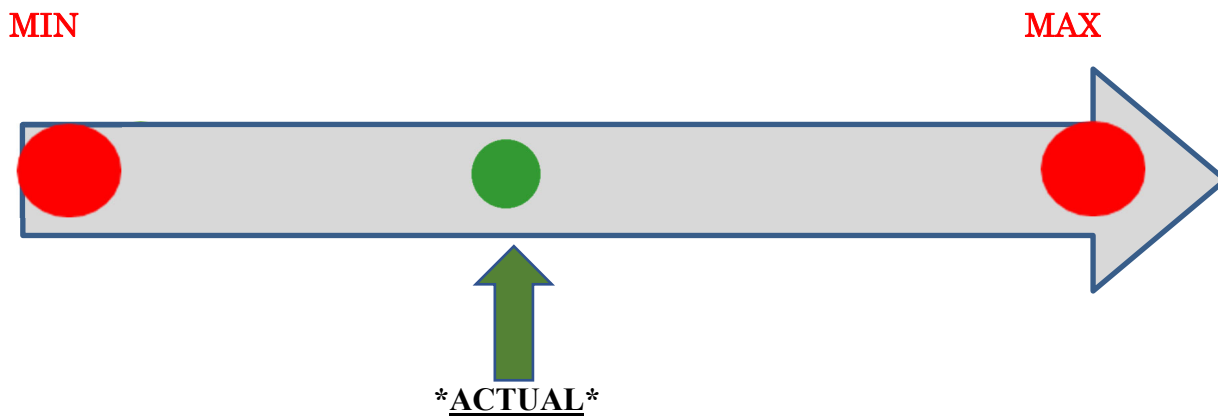
Per the local enabling act, the distribution formula for recipients of net profits is as follows:

- *25% to Cabarrus County General Fund*
- *75% to Concord 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 more than \$1.5M as an amount equal to three (3) months of gross sales.
 - G.S. 18B-702(g)(3) defines "Working Capital" as the total of cash, investments, and inventory less all unsecured liabilities. As it pertains to working capital computation, gross sales mean gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).
- Based upon the existing rules, as of June 30, 2025, the Concord ABC Board is required to maintain a minimum working capital of \$960,118 with a maximum working capital amount of \$6,240,767. *The board has been allowed by city to keep max of 4.2 million in our efforts to build the new stores.*
 - The Concord ABC Board had a working capital balance of \$9,896,930 which is more than the minimum and less than the maximum Commission requirements for this section (*).

*** FY 2024-2025: Working Capital (WC) graphic**



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

➤ **STATUTORY DISTRIBUTIONS:**

- **Net Profit Distributions** - The Concord ABC Board has routinely made 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. An explanation is documented in the Recommended Actions Section.**
- **Law Enforcement Distributions:** Have been properly disbursed at or above the regular 5% statute amount over the last three (3) fiscal years.
- **Alcohol Education Distributions:** Have been disbursed at or above the standard 7% statute amount of the last three (3).

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Concord 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-2025	\$897,449	FY-2025	\$1,253,321
FY-2024	\$923,549	FY-2024	\$3,960,541
FY-2023	\$933,490	FY-2023	\$1,228,553

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

Board Members

- The board consists of a General Manager, 2 members and a chairperson. Each board member received an increase in compensation for their services at or above the maximum of \$150.00 per meeting required with G.S. 18B-700(g). Current board members’ terms are staggered to comply with G.S. 18B-700(a).
 - All board members are currently compliant with the ethics training. One member will be due for reappointment in June 2026. The GM will keep the Commission updated on the reappointment.
 - Members have professional experience in the fields of Hospitality and Politics.
- All members have taken an oath of office per G.S. 11-7 and there are copies on site.
- Meetings are generally held on the third Fourth Monday of every month. The board announces the meetings are posted at the board’s website and a sign at the board administrative office.
- Meeting minutes are organized, available, and follow all the order of proceedings.

- Comprehensive financial data is provided and discussed at meetings to include quarterly computations from the board's GM and FO, also sales comparisons and other expense reports.
 - 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 locations.

Law Enforcement

- The board has LE contract with Concord ABC. The GM provided an updated copy of the current LE contract. Officer D.B Oppy submits the monthly reports.

Board Personnel

- The board currently staff (86) total employees, with (33) full-time staff, and (48) part-time.
- General Manager has served in this role with the board for approximately 3 years.
 - General Manager is full-time; her salary is within the allowable compensation per G.S. 18B-700(g1).
 - The GM responsibilities include full oversight of all daily store operations, human resources, inventory, and other operational tasks.
- The FO is Edith Anderson and provides the board with accounting-related duties and financial reporting and delivers this data to the board and assists with the budget.
- All other store employees are part-time sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training is provided for new employees from the training manager and other personnel and consists of on the job, and mentorship styled.
 - Product knowledge training is conducted informally between the training manager and team members. RASP training is provided.
- Employee files are kept in the administrative office and include tax and other applicable information.
- No conflicts pertaining to nepotism found and per discussion with general manager.

Policies

- The board has a thorough personnel manual with additional policies that details various work requirements, behavioral standards, leave and other benefits, scheduling and holidays, and the requirements of Rule 15A .1006. The manual is also available online.
 - The manual includes additional policies for customer relations, employee relations, workplace violence prevention, drug and alcohol use and conduct, intoxication and customer code of conduct.
 - Additional policies on file with the commission include a personnel manual.
- For travel, the board follows the local municipal travel reimbursement schedule for state employees in G.S. 138-6.

Operations

- ➤ Board personnel conduct full inventory monthly at each store of the board. Spot checks are conducted as needed.
 - Counts are made by scanners. Variances are re-checked before being submitted to the administrative office.
 - The GM, managers and Asst MGRs review and investigate discrepancies before adjustments are made. All store managers conduct the inventories.
 - Strategies for slow-moving products are conducted by building displays at each store and requesting price reductions from the Commission.
- The board receives deliveries of liquor three times a week and two times in the second week of the month. Basically 10 deliveries per month.
 - Pallets are removed from the truck to the dock area. Products are then brought to the storage area by pallet jack by board employees.
 - Variances are recounted and balanced against store and warehouse stock before reports are sent to LB&B.
 - Liquor orders are made by the GM and the warehouse director.
- Special order procedures are compliant with NCAC 2R .1404 or .1706 (c).
- The board has retained breakage reports which should regularly include the reports for credit with their suppliers. *For compliance with Rule 15A 1701(c), the board regularly emails copies of reports to the Commission as applicable.*
- The board currently has 103 mixed beverage customer accounts active in the county.
 - Invoices are provided to permittees, and signed copies are retained in a file for each account.
 - The board stamps bottles in the manner required by NCAC 15A .1901.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed for all deliveries and payments are processed via ACH by the majority, with some check payments, within 30 days.
- Board's checks have the required disbursement certificate in compliance with G.S. 18B- 702(q). and are signed by the GM and FO.
 - The MXB MGR regularly reviews MXB liquor orders. The pre-audit stamp required by G.S. 18B-702(m) is properly affixed to purchase orders.
 - The general manager has a credit card, and it's kept in a secure location at the administrative office.
 - Deposits are conducted daily. Store and admin deposits are made every other day. Deposit slips and other banking information are retained at the board's office.
 - *A review of one month's deposit information was conducted, and no discrepancies were found between deposits and register receipts.*
- Cash management details: All money is counted and deposited daily.
 - The board has 3 registers in their showrooms. 2 stores have 4 registers. Tills start at \$200.00.
 - Drawers are counted at the beginning and end of each shift
 - Funds are kept in a pooling bank approved by the North Carolina Treasury Office.
 - Payroll is bi-weekly and processed by the FO, or the GM participates at times.
- Employees use an online time sheet app to document time. The hours are reviewed by the FO and compared hours to the schedule.
 - Board keeps thorough records for unsaleable merchandise reports and emails copies of the claims to the Commission regularly in compliance with NCAC 15A .1701(c).
 - The annual CPA audit was received by the Commission on September 30, 2025.
 - All board members and the general manager are properly bonded for \$50,000 per G.S. 18B-700(i).

STORE INSIGHT & OVERVIEW

- The board's administrative office is located off a large commercial thoroughfare.
 - Outside area surrounding the board is well-maintained and free of debris or trash.
 - There is ample parking, and deliveries are conducted at the board primary location.
 - The floors are carpeted flooring.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed, and the quarterly price book is available should customers request.
- The warehouse and administrative areas are located at the back of the main store.
 - The area is well lit and organized and can accommodate many cases.
- □ Shelf management practices are implemented.
 - Products are fronted and dusted, and most are placed in categorized areas around the store.
 - Premium products are generally found at eye level or top shelves at all retail locations.
 - Bottles are arranged so they increase in size from left to right.
- Sales associate interactions with customers are attentive, courteous, and the staff are very familiar with many of their patrons.
- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected there were no prices that were inaccurately posted.
 - Price discrepancies are handled in the customers favor if the shelf tag were to be lower than the current price mandate.
- All stores are generally open from 9:00 am until 9:00 pm daily, Monday through Saturday. 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.
- Security systems are in place and functional in all designated areas.
 - *The board has approximately (30) security cameras.*

(RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES))

- 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 sent to Commission personnel for recordkeeping.

- For the fiscal year ended June 30, 2025, an expense was incurred more than the budgeted amount for cost of liquor sold by \$683,170, salaries by \$47,190, dues and subscriptions by \$2,250, training by \$15,077, debt service for leases principle by \$213,768, interest on leases by \$55,856, and capital outlay by \$152,565. The Board has put policies and procedures in place to ensure that future budgets are amended as necessary to cover changes in revenues and expenditure.

(GENERAL STATUTE REMINDERS)

- 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).
- ABC Boards are required to work within general minimum and maximum limits for working capital, as established per Commission Rule NCAC 15A .0902(a)(2). When ABC Boards exceed maximum working capital in any given FY due to planned capital improvements, please secure written approval from the applicable County or Municipal authorities per N.C.G.S. 18B-805(d) and forward to the Commission. As best measure, securing documentation prior to exceeding maximum working capital would be the most ideal approach.

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.

Brian Hiatt
Chairman of Board
Concord, N.C.

BELINDA APONTE
General Manager/CEO

Concord County
Alcoholic Beverage Control Board
230 International Dr.
Concord, N.C. 28027

ABC Concord
230 international Dr.
Concord NC 28027

04/28/2026

Eric,

Thank you for your time and recommendations from the recent audit. All recommendations suggested are being followed. The board has signed and submitted the COA form. (attached)

Appreciate your time with us,

Belinda Aponte
General Manager
Concord ABC Board

April 27 2026
Month Day Year

Concord
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).

Belinda Spite
General Manager

Chris Lawson
Financial Officer

W. Brian Heath
Chairman

Alan Benson
Board Member

J. Scott Padgett
Board Member

Board Member

Board Member