

Currituck County

ABC Board

Performance Audit Report



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Alcoholic Beverage Control

September 9, 2025

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Currituck County ABC
Board
Mike Payment, Chair
6420 Caratoke Hwy.
Grandy, NC 27939

Chairperson Payment,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Currituck 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, 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

Currituck County is located in northeastern North Carolina and bordered by Camden County to the east, Virginia to the north, the Albemarle Sound, Currituck Sound, and Atlantic Ocean (and maybe Dare County) to the east and south. The county seat is Currituck, and the largest community is Moyock. The community of Corolla on the outer banks and other areas within the county are well known as tourist destinations. Per the 2020 census, the county had 28,100 citizens, an increase of 19.3% since 2010.

Chapter 493, Pasquotank Act, and chapter 49 of the 1937 Act authorized Currituck County to hold an election. The referendum was held on January 31, 1967, and passed 820 to 618. The first sale occurred on April 11, 1967. A mixed beverage election was held on February 18, 2002, and passed 1,083 to 942. Upon election of an ABC store, an ABC board was created consisting of a chairman and two members to serve for three-year terms. Special legislation authorized the county to increase board membership from three to five members. Current board members are Michael Payment, board chair, Vance Aydlett Jr., Ronda Galko, Chris Bell, and one vacant position. The Currituck County ABC Board operates three (3) retail stores and is the only board with stores in the county.

The last performance audit for the Currituck County ABC Board concluded in 2014. 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, March 27, 2025, ABC Commission Program Analyst Edwin Strickland visited the Currituck County ABC Board and interviewed the General Manager Kimberlee Ambrose and future Finance Officer, Jade Lindsay. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



6420 Caratoke Hwy. Grandy, N.C.



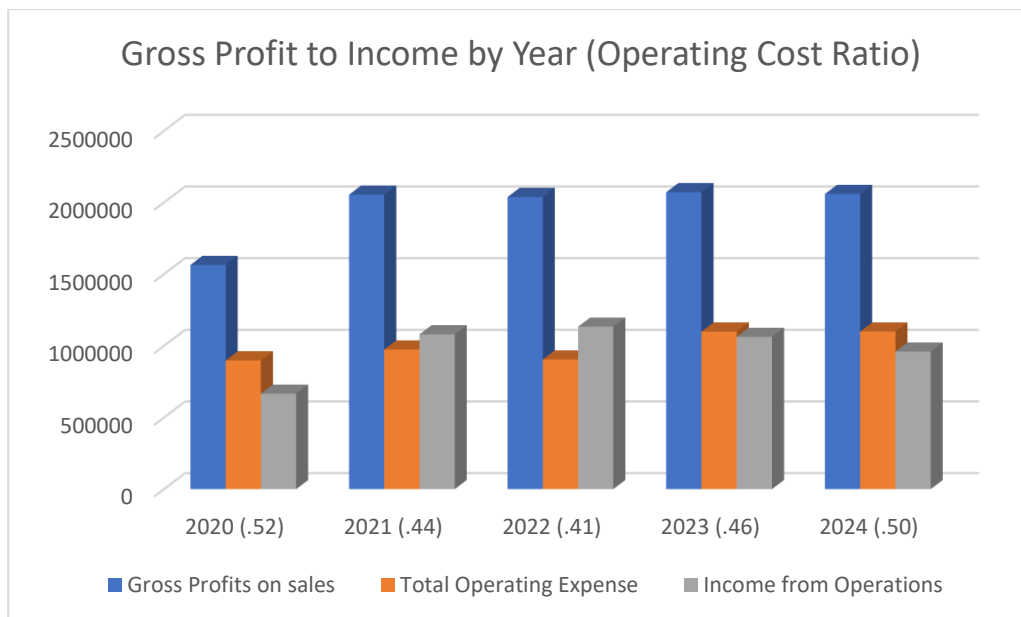
140 Caratoke Hwy. Moyock, N.C.

FINANCIAL ANALYSIS

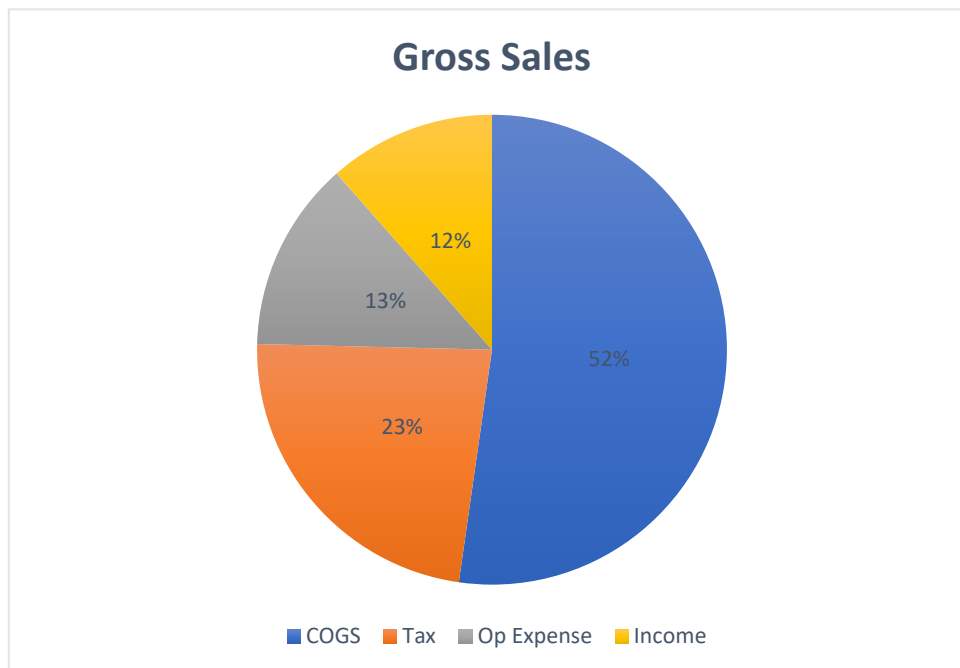
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2023-2024, the Currituck County ABC Board had a profit percentage to sales ratio of 11.49%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%.
 - The Currituck County ABC Board's gross sales totaled \$8,350,739, which was a less than .01% decrease from the previous fiscal year.
 - The board's sales have grown over 32% over the last five completed fiscal years.
- Currituck County ABC Board operates three retail stores with mixed beverage sales. The operating cost ratio for the board was .50 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with three or more stores and mixed beverage is .63 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 Currituck County ABC Board exceeds 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	\$2,059,289	\$2,071,689
Total Operating Expense	(\$1,099,688)	(\$1,099,369)
Income from Operations	\$959,601	\$1,062,320



- *Factors affecting sales:*
 - Other ABC boards with stores within a 30-mile radius include Pasquotank, Dare, and Camden Counties.
 - Currituck County borders the state of Virginia with additional outlets.
 - A 3.1% unemployment rate in Currituck County in June of 2024 with a less than .1% change from the previous year.
 - The board currently has approximately 41 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for almost 14% of gross sales.*
- The chart below shows where portions of gross sales are expended or retained as income. COGS and primary distributions (Taxes) usually account for approximately seventy six percent (76%) of any board's gross receipts, with the remainder used to operate the system and as income. In turn, the income is then used to satisfy other statutory distributions and as working capital, capital improvements, or as additional distributions beyond the minimum requirement.



INVENTORY TURNOVER

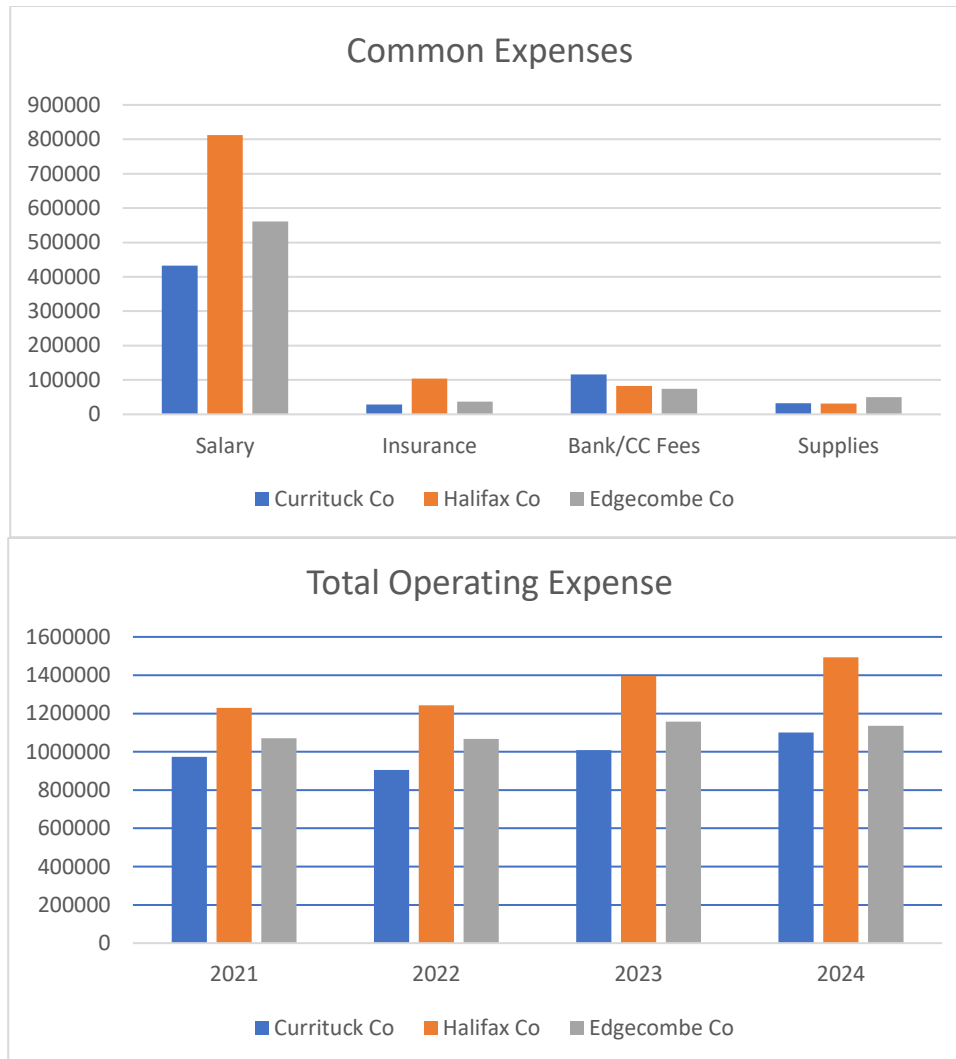
- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
 - Once a week deliveries target at 6 times or more per year
 - Twice a month deliveries target at 5 times or more per year
 - Monthly deliveries target at 4.5 times or more per year
- The Currituck County ABC Board receives weekly shipments 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 nine percent (9%) from the last fiscal year and were roughly thirteen percent (13%) of total annual sales in FY-23/24.
- Board salaries and wages were a little more than five percent (5%) of total annual sales. Salaries and wages increased around ten percent (10%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 52.2% for the fiscal year with a normal range being 52% to 54%.

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



BUDGET ANALYSIS

	FY 2023-2024 <i>Budget Projections</i>	<i>FY2023-2024 Actual</i>	Variance	Variance %
Total Revenues	\$9,355,500	\$8,368,713	(\$986,787)	(10.5%)
Total Expenditures	\$7,928,400	\$7,293,360	\$635,040	8%
Distributions	\$1,224,800	\$961,287	\$263,513	
Capital Outlay	\$203,300	\$162,581	\$40,719	
Revenue over or (under) Expenditures		(\$48,515)		
After Reconciling Items		\$0		

- In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual total revenues were 10.5% below final budget amendment.
 - In addition, the net income change during the fiscal year was \$0. *The board's collective net position on June 30, 2024, was \$2,861,365; the net position has remained constant over the last five (5) fiscal years.*
- Based on sales trajectory for the current fiscal year with eight months (66%) of the budget year completed, the board is tracking at approximately 58% of annual budgeted sales.

DISTRIBUTIONS

G.S. 18B-805 (b) requires the board to pay from gross receipts, all expenses, excise, and rehabilitation taxes. G.S. 18B-805(c)(2) requires the board to *typically* distribute at least five percent (5%) of applicable gross receipts to law enforcement and *typically* at least seven percent (7%) for alcohol education. *Before assigning these percentage distributions, G.S. 18B-805(c)(1) requires the board to first make a minimum quarterly distribution of the 3.5% markup & relevant bottle charges to certain county/municipal recipients. Some of these distribution percentages are designated by an official local enabling act (and thus distribution requirements and recipients are subject to vary).*

- In FY 2023-2024, Currituck County ABC made other statutory distributions totaling \$961,287 (Net profit distribution recipient received \$872,931).
- The amount of \$1,929,280 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Currituck County.
- *Per the local enabling act, the distribution formula for recipients of net profits is as follows:*
 - 100% to the Currituck County General Fund

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

- Net Profit Distributions – The Currituck County ABC board has made robust net profit distributions the last five (5) fiscal years well above the minimum mandatory distribution in reference to NCGS 18B-805(c)(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
- 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 over the last five (5) FYs.

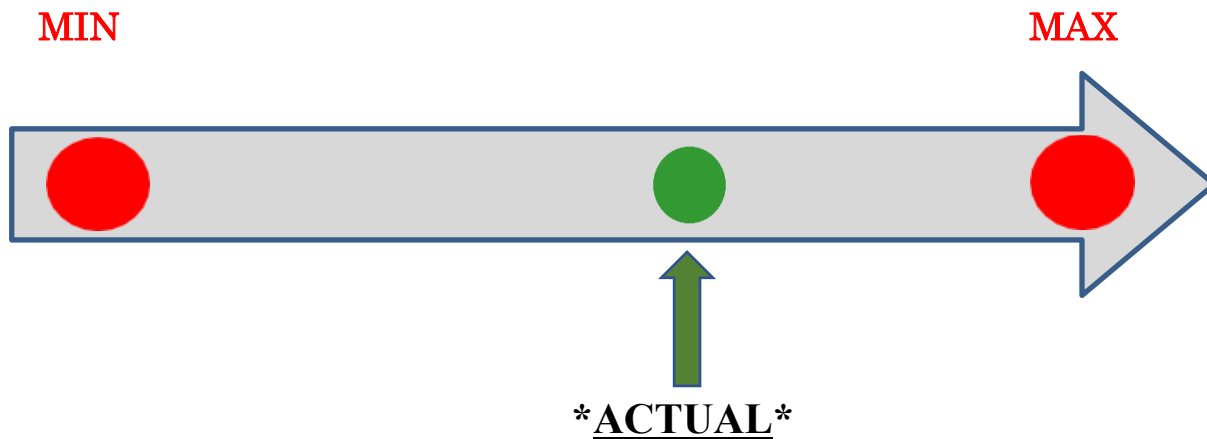
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Currituck County ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2024	\$224,984	FY-2024	\$872,931
FY-2023	\$225,381	FY-2023	\$964,030
FY-2022	\$218,991	FY-2022	\$1,023,919
FY-2021	\$222,229	FY-2021	\$977,269
FY-2020	\$172,181	FY-2020	\$607,201

- Since inception, the Currituck County ABC Board has made net profit distributions to the Currituck County General Fund in the amount of \$9,335,760.

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 Currituck County ABC Board is required to maintain a minimum working capital of \$246,979 with a maximum working capital amount of \$1,605,365.
 - The Currituck County ABC Board had a working capital balance of \$851,005 which is more than the minimum and less than the maximum Commission requirements 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, with one current vacancy, each receiving compensation for their services on a quarterly pay schedule.
 - The board typically meets quarterly. Compensation for board members is \$1,500 for the Chairperson and \$1,200 for members.
 - *The board should consult GS 18B-700(g) for guidance with member compensation and approval from their appointing authority for the current pay schedule.*
 - Board members are compliant on ethics training with two recent appointments needing to complete the training in the coming months.
 - Terms are properly staggered, and the board consists of recent appointees and others serving multiple terms.
 - Members have professional experience in business, insurance, real estate, and local government.
- Members may have taken an oath of office per G.S. 11-7, but copies of oaths are not available at the board's administrative office.
- Meetings are announced via flyer in the board's store(s), usually ten days before the meeting.
- Meeting minutes are well organized and available and follow the order of proceedings, providing detail of business discussed in a transparent and easily comprehensible manner.
 - Recent minutes reviewed contained the required notations including time and date, approval of previous meetings minutes, a no conflicts of interest statement, and distinguished business.
 - Full financial reports prepared by the board's accounting firm are presented at each meeting.
 - Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld especially on payroll. Boards should also, routinely review any notes and recommendations provided by the CPA firm on annual audits.
- The board's login website had been updated at and prior to Commission visit and contains accurate information pertaining to board members, personnel, and store location.
 - *The expectation going forward is that ABC boards will routinely manage this information online, and work to communicate with the Commission particularly when new members are added, or whenever any current serving members resign before a term has ended.*

Law Enforcement

- The board has a law enforcement contract with the Currituck County Sheriff's Department from 2010 and a copy is on file in Commission records. *The board could consider updating their law enforcement contract since both the Sheriff and board member who signed the 2010 contract are no longer in their respective positions.*
- Law enforcement reports are submitted regularly by Sergeant W. Alcock and are current to date.
 - Reports provide details of activities for accountability per G.S. 18B-501(f1). *The board could consider discussing activities related to law enforcement at board meetings.*

Board Personnel

- The board currently staffs seventeen (17) total employees, with eight (8) full time, and nine (9) part time.
- General Manager is new in their role but has served many years with the board and was formerly 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.
 - Their responsibilities include full oversight of all daily board operations and human resources.
- The Finance Officer is new to their position (was about to be named at Commission visit) and full time. They have around twenty years of experience with the board and were previously a store manager. Their responsibilities include ordering, breakage, and they are currently working towards full support for the general manager's activities.
- The board uses a third-party firm for many accountings related duties.
 - Their main responsibilities include processing invoices for liquor and other bills, assistance with budget and financials for board meetings, monthly reconciliation, and help with benefits and retirement.
- Each store other than the Grandy store has a store manager and another full-time employee responsible for ordering supplies and general store upkeep.
- 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 to new employees from management and other personnel and is on the job and mentorship styled.
 - RASP training has been completed by some employees and is scheduled for all staff.
 - Product knowledge training is handled informally between management and team members.
- Employee files are kept in the administrative office and include tax and other applicable information. *Board could consider adding a signed personnel manual acknowledgment form.*
- Full time and one part-time employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with general manager. *Board should consider crafting a policy that establishes no mixed beverage ordering responsibilities for one current employee who also works for a mixed beverage permittee.*

Policies

- The board has a comprehensive personnel manual that details various policies, behavioral standards, cash management, equipment usage, legal sales, job descriptions, pay scales, and employee benefits. *An updated copy is in Commission records retention.*
- Additional policies that have been submitted and approved include shelf management, credit card, price discrepancy, vehicle use, mixed beverage, and a code of ethics.
- For travel, the board chooses to adhere to their county's policy and has received approval in previous years. In compliance with G.S. 18B-700(g2) the board should reestablish annual approval from their appointing authority to use a policy which conforms to the county's.
 - *Itemized receipts for recent travel were reviewed and are available at the board's administrative office.*
- The board could consider adopting written policies for lottery, tastings, and employee tastings.

Operations

- Full inventory is conducted frequently, and management is working to reestablish a full monthly inventory schedule.
 - Both managers and other team members participate at each store.
 - Adjustments are made by the general manager and sheets are retained.
 - A sample of items were selected at the Grandy store to verify accurate current inventory. Of those selected no real discrepancies found between actual and theoretical inventories.
 - Strategies for slow moving products include moving within the store and to end caps, moving between stores and ultimately to the Corolla store.
- Board receives deliveries for goods at each store weekly on Tuesdays.
 - Offload is conducted using the delivery manifest and cases are manually checked.
 - Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has forty-one mixed beverage customer accounts.
 - Invoices are provided to permittees at the time of the transaction and copies are retained for each account.
 - All three of the board's stores are designated mixed beverage outlets.
- The finance officer is currently working to take over liquor ordering. The order is based on recent sales and current inventory and designed to accommodate stock for two or more weeks. Additionally, the finance officer considers mixed beverage requests or expectations and SPA pricing when ordering.
- Allocated products are reserved for mixed beverage accounts, included in an on-going lottery program.

Financial, Administrative, and Internal Controls

- Invoices for liquor are usually processed twice monthly for all four deliveries.
 - *A sample of payment dates was reviewed and indicated invoices were paid within the thirty-day requirement.*
- Board's checks have the required disbursement certificate in compliance with G.S. 18B-702(q).
 - The general manager and chairperson currently sign checks.
 - The board has positive pay to reduce potential account fraud.
- Preaudit verification is currently being implemented on orders, however, the wrong stamp certificate was being used at visit. The certificate should read "This instrument has been preaudited in the manner required by GS 18B-702".
- The board has a credit card in the General Manager's name. The board's credit card policy is followed, and the manager sends itemized receipts to the accounting firm before the account is settled.
- Petty cash is kept in the board's administrative office and only the general manager accesses. Any expenditures require itemized receipts which are provided to the accounting firm before reimbursing the reserved cash.
- Deposits are made nightly except for the Corolla store where the bank is not near the store.
 - *The board should consider requesting a waiver from the Commission to stagger deposits for their Corolla store in compliance with NCAC 15A .0905(d).*
 - Deposit slips and other banking information are retained at the board administration office, routinely reviewed by the general manager, and provided to the accounting firm for reconciliation
 - *A review of one month's deposit information was conducted, and no discrepancies were found between deposits and register receipts.*
- The board uses different numbers of registers at different stores with Grandy and Moyock usually using just one. One clerk is provided a bank bag with \$700, and an additional change fund is available.
 - Drawers are counted at the beginning and end of each shift and staff are responsible for shortages.
- Funds are kept in a pooling bank approved by the North Carolina Treasury Office.
- Payroll is processed twice monthly with physical checks currently being issued.
 - A time-clock app is used for employees and the general manager reviews hours before pay is processed.
 - *A review of recent payroll records indicates accurate pay rates per the board website for board members and the general manager.*
- The finance officer keeps thorough records for unsaleable merchandise reports and emails copies of the claims to the Commission regularly in compliance with NCAC 15A .1701(c). All breakage is moved to the administrative office for processing and representative signatures.
- The board has not received a report describing expenditures of funds from their alcohol education and rehabilitation recipient or the county for their distribution in compliance with G.S. 18B-805(h).
- The annual CPA audit was received by the Commission on September 30, 2024.
- All board members and the general manager and finance officer are each bonded for \$50,000 per G.S. 18B-700(i). It was not established at Commission visit if all store managers are bonded in compliance with G.S. 18B-803(b).

STORE INSIGHT & OVERVIEW

- The Currituck County ABC Board has three stores, and a central administrative office at their Grandy location. Commission staff visited two of the three stores, but did not visit the board's newest store in Corolla. This store is a free-standing building on the island's main road that opened in 2024 and replaced a previous store which was in a shopping center.
- The Moyock store is free-standing and on the major highway and commercial area of the community. The Grandy store and office is also free-standing and located on the major highway for the peninsula in a central location for the county.
 - Both stores visited have signage on the road and building. *Moyock's road sign could possibly be considered for an upgrade as the color pattern doesn't correspond with the other signage.*
 - Outside area surrounding the stores are well-maintained and free of debris or trash.
 - Both stores have ample parking and easy access for deliveries.
 - Show room areas are aesthetically pleasant, well-lit, and allows for easy flow for patrons and staff. Floors and counters are clean.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 are displayed, and the quarterly price books are available should customers request.
 - The warehouse area at the Grandy store is large and both were well lit and organized.
 - The board has a box truck and may purchase a van to accommodate the transfer of products between the different stores.
- Shelf management practices are fully implemented, and a written plan is now available for store personnel which corresponds with NCAC 15A .1708.
 - Products are fronted and dusted, and most are placed in categorized areas.
 - Premium products are generally found at eye-level or top shelf.
 - Bottles are generally arranged so they increase in size left to right of the same item.
- Sales associate interactions with customers are attentive, courteous, and eager to meet the needs of their customers.
- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. No discrepancies in price were noted for this report.
 - Price discrepancies are handled in the customers favor if the shelf tag were to be lower than the current price mandate.
- Stores are generally open from 9:00 am until 9:00 pm daily. They are currently closed every Sunday, the five (5) previously required annual holidays, and Martin Luther King Jr. Day.
- Security systems are in place and functional in all designated areas.
 - *All stores have 14 or more cameras, and each have panic buttons.*

RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES)

- Board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *A written account of the oaths should be available at board administration.*
- While the generally accepted annual compensation for board members is not exceeded, the board should consult with their appointing authority to ensure they are in full compliance with GS 18B-700(g). *The statute references a compensation schedule per meeting with the board often meeting only quarterly. The statute allows for a different level of monetary compensation if approved by the appointing authority.*
- The board should consult G.S. 18B-803(b) and verify if bonding for store managers in an amount not less than \$50,000 is in place with a corporate surety and could consider bonds for all employees referencing G.S. 18B-803(c).
- The board should consult NCAC 15A .0905(a) to establish whether full compliance is in place for deposits at their Corolla store. If the board's retained deposits exceed the two-hundred-and fifty-dollar (\$250.00) limit, the board should either make daily deposits for the store or request a waiver from the Commission describing how and when deposits will be made for the location per NCAC 15A .0905(d). *Commission staff could be consulted for guidance regarding the waiver process.*
- 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.
- The recipient(s) of alcoholism fund or education distributions should provide annual documentation to the board describing the activity for which these awarded funds are spent per G.S. 18B-805(h). *The board may want to consider obtaining documentation before the funds are officially awarded / transmitted to any recipients.*
- 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). *NOTE: As another option the board can alternately adopt the official State of NC government travel policy referenced under G.S. 138-6. This would allow the board an option to eliminate the annual travel policy update requirement by instead formally adopting the state government travel policy at an official board meeting and providing a copy of minutes to the Commission.*
- 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.

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 review GS 18B-702(p)(q) to evaluate full compliance with check signatures. Once a finance officer is established, this person is usually included as a signature on checks. *This could be in addition to the current signees or instead of one of the current signees.*
- ABC board members must complete ethics training within one (1) year of each appointment and again following all reappointments following NCGS 18B-706(b). General managers, finance officers (and any applicable deputies) have a one-time training requirement for ethics training yet are highly encouraged to complete training periodically as a good refresher along with any other personnel interested.
- 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).* 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*.
- With the anticipated construction of a new state warehouse in the foreseeable future, all boards should evaluate the need for updates or expansions to efficiently accommodate the expected increase in products and their availability.
- The board could consider updating their law enforcement contract since both the county and board officials who signed the current contract are no longer in their respective positions.
- 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.

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

PREVIOUS PERFORMANCE AUDIT RECOMMENDATIONS (2014)

- As a reminder, submit a written approval from the appointing authority allowing the board to adopt the county's travel policy.
- Adopt a vehicle usage policy that would specify who is able to use the vehicle, all persons must have a valid driver's license, and a mileage form needs to be completed at every trip.
- To ensure stronger internal controls of credit card purchases, adopt a written credit card usage policy. Document procedures for the usage including:
 - o Who has authority to use the card,
 - o What types of items the card may be used for,
 - o Personal usage is prohibited;
 - o An itemized receipt for every transaction is required,
 - o Maximum limit allowed on purchases before approval is needed from the finance officer,
 - o Receipts are to be submitted within 15 days of the purchase;
 - o Have someone other than the person purchasing reconcile the credit card statements.
- To be in compliance with the statute, affix the pre-audit certificate on liquor orders before the transaction occurs.
- Audit shelf tags more frequently. Incorporate such practices within spot check time periods.

While having addressed most considerations from previous Commission review (2014), board should still monitor and strive to satisfy previously noted recommended actions.

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

September 09, 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: *****

All members have taken oaths of office and copies are maintained at the board office.

Item 2: *****

The board is aware that G.S. 18B-700(g) states board members may not receive more than one-hundred and fifty dollars (\$150.00) per board meeting. The board will work to maintain compliance with the statute and may consider asking the appointing authority for a defined compensation schedule for members if it is determined they may sometimes exceed maximum compensation.

Item 3: *****

Bonding for board members and personnel has been verified and meets the requirements of G.S. 18B-803(b).

Item 4*****

The board will request a waiver from the Commission for daily deposits at their Corolla store.

Item 5*****

The board will continue to monitor budget expenditure(s) and make amendments when needed.

Item 6*****

The board will request a report at least annually on how funds are spent from their Alcoholism Fund recipients.

Item 7*****

The board will either begin following the state's travel policy or obtain a copy and written approval from their appointing authority to follow the County's travel policy.

Item 8*****

The board has forwarded a signed Certificate of Accountability to the Commission with this letter.

Sincerely,



Kimberlee Ambrose, GM
Currituck County ABC Board

04 24 2025
Month Day Year

Currituck County
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).

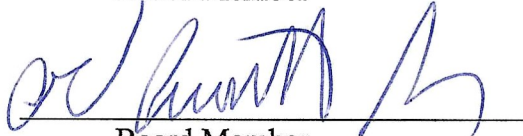

General Manager


Financial Officer


Chairman


Board Member


Board Member


Board Member


Board Member