

Dare County ABC Board

Performance Audit Report



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Alcoholic Beverage Control

CHAIRMAN:

Hank Bauer

COMMISSIONERS:

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David Sherlin

Raleigh

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January 27, 2026

Dare County ABC Board
Fields Scarborough, Chair
506 US 64/264
Manteo, NC 27954

Chairperson Scarborough,

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

Dare County is the easternmost county in North Carolina, with Manteo serving as the county seat. The county is internationally recognized for its pivotal role in early American colonial history and as the site of the world's first powered airplane flights. Today, Dare County is widely known for its tourism industry, the Outer Banks, and its extensive aquatic and recreational activities. The estimated population for the county was 38,183 residents in 2024, an increase of approximately 3.4% from 2020. The Dare County ABC Board operates five (5) retail stores and is the only board in the county.

S.L. 1937 - 493 authorized Dare County to hold an election for an ABC store. The referendum was held on March 18, 1937, and passed 632 to 611. The first retail sale occurred on June 17, 1937. Over the years many elections have been held to approve mixed beverage sales in either the county, or municipalities and townships. While the county overall has not approved mixed beverage sales, the following areas have: Duck, Hatteras Township, Kill Devil Hills, Kinnekeet Township, Kitty Hawk, Manteo, Nags Head, and Southern Shores.

Upon election of an ABC store, the county was authorized to create an ABC board consisting of a chairman and two board members to serve for three-year terms. In 2015 the Dare County Board of Commissioners voted to increase board membership by two members. Current board members include Fields Scarborough, Chair, Tim Shearin, Don Twyne Jr., Jimmy Pierce, and Bea Basnight, board members

The last performance audit for the Dare County 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.



506 US Hwy 64, Manteo

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On December 18, 2025, ABC Commission Program Analyst Edwin Strickland visited the Dare County ABC Board and interviewed the General Manager, Ted Toler, and other administrative and store personnel. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



5440 N. Croatan Hwy. Kitty Hawk



2104 S. Croatan Hwy, Nags Head



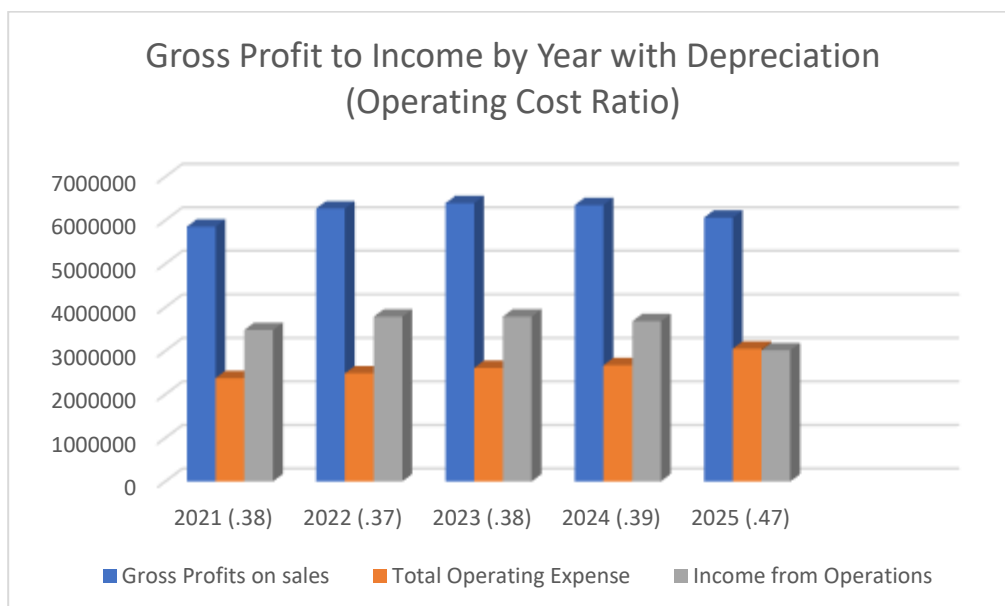
1216 Duck Rd. Duck

FINANCIAL ANALYSIS

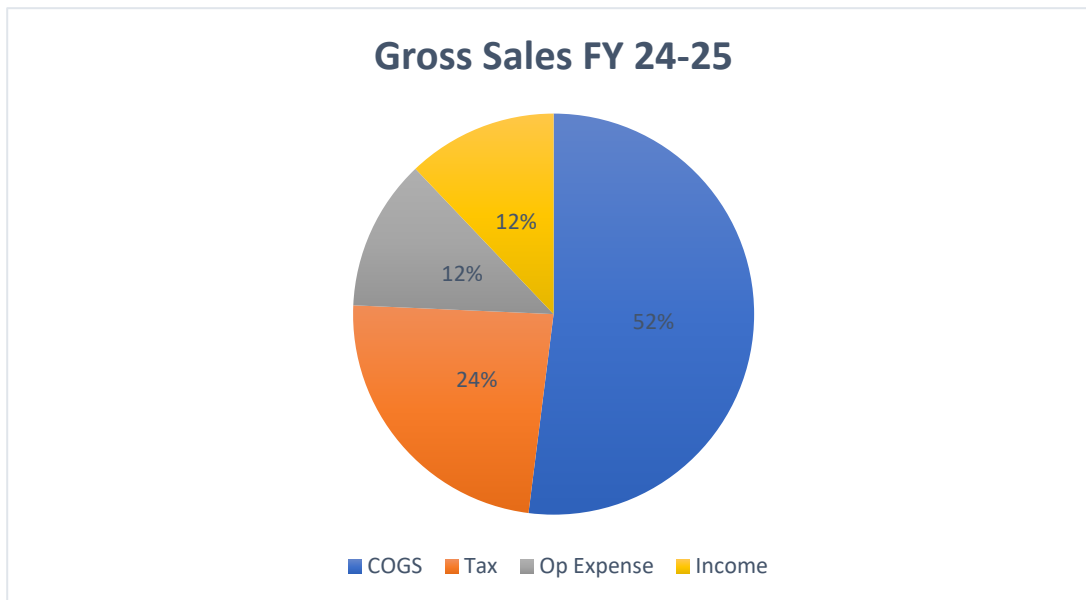
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year FY 2024-2025, the Dare County ABC Board had a profit percentage to sales ratio of 12.08%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$10M is 9%.
 - *The profit percentage to sales ratio over the previous four completed fiscal years were 14.75%, 15.08%, 15.87%, and 14.98%, respectively.*
 - The Dare County ABC Board's gross sales totaled \$24,940,445, which was a less than .1% decrease from the previous fiscal year.
 - The board's sales have grown by almost 7.5% since FY 2020-2021.
- Dare County ABC Board operates five retail stores, and additional mixed beverage outlets. The operating cost ratio for the board was .47 in FY 2024-2025. The NC ABC Commission standard for ABC Boards with three or more stores is .63 or less. *The four previous fiscal years are in the chart below.*
 - Operating cost ratio is calculated by dividing total operating expense less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).
- Thus, the Dare County ABC Board meets both the profitability standard and the operating cost standard set by the NC ABC Commission for FY 2024-2025 and the other most recent four fiscal years.
- Below are charts showing gross profit on sales, total operating expenses including depreciation, income from operations for recent years, and operating cost ratios.

	FY 2024-2025	FY 2023-2024
Gross Profit on Sales	\$6,060,407	\$6,348,648
Total Operating Expense	(\$3,048,042)	(\$2,668,849)
Income from Operations	\$3,012,365	\$3,679,799



- 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, debt service. or as additional distributions beyond the minimum requirement.



- *Factors affecting sales:*
 - While all surrounding counties have an ABC Board, Currituck County ABC is the only board with a store within a 30-mile radius of a Dare County ABC Store.
 - A 3.3% unemployment rate in Dare County in June of 2025 with little change from the previous year. *The North Carolina Average in June 2025 was 3.7%.*
 - According to the ABC Commission's website, there are 131 active mixed beverage customers in the county, however this total is unreliable because of seasonal fluctuation and will likely increase early in 2026. *In FY 2024/2025 mixed beverage accounted for around 26% of gross sales.*

INVENTORY TURNOVER

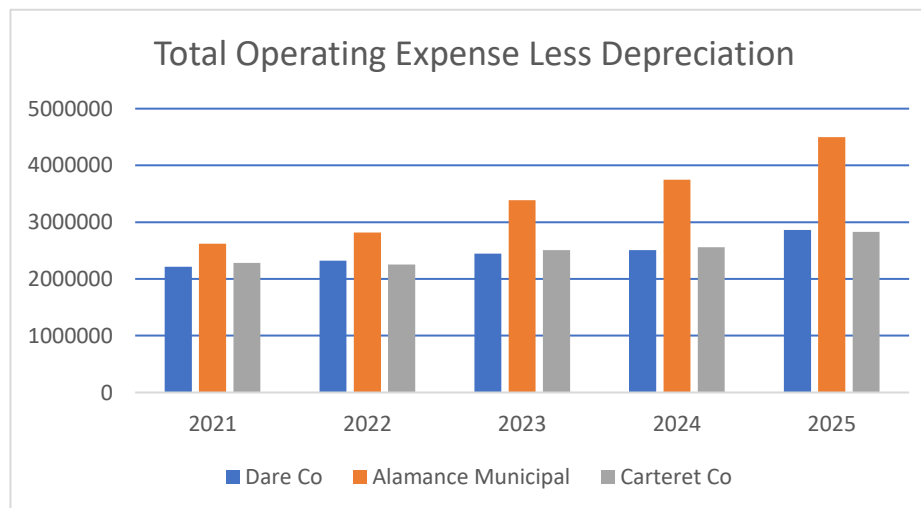
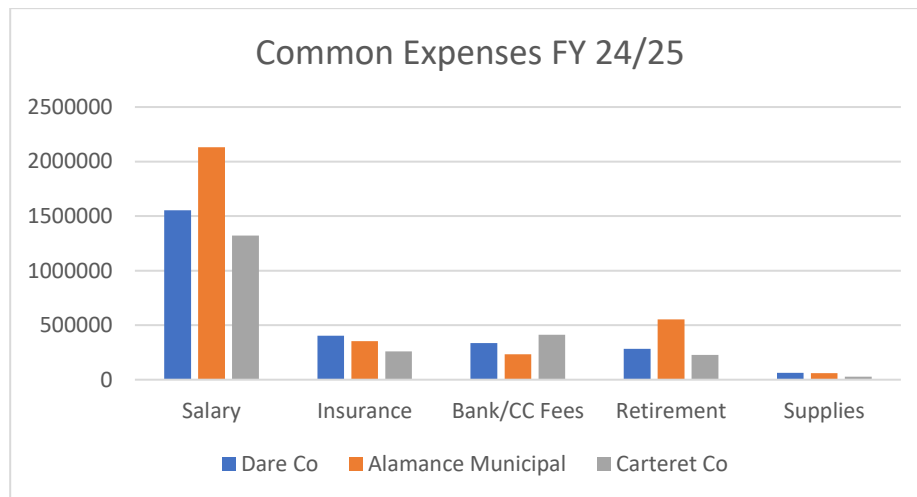
- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
 - Once a week deliveries target at 6 times 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 Dare County ABC Board receives shipments weekly with a target inventory turnover rate of 6. The inventory turnover rate in (FY) 2024-2025 was 8.8, which is well above the goal.

FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses increased by over fourteen percent (14%) from the last fiscal year and were roughly twelve percent (12%) of total annual sales.
- Board salaries were a little over six percent (6%) of total annual sales and increased around fifteen percent (15%) from the previous fiscal year.
- The board had an enterprising asset development project during the fiscal year.
- Cost of Goods Sold (COGS) was 52.0% for the fiscal year with a normal range being 52% to 54%.

- A common expense report and a total operating expense report show the Dare County ABC Board has similar or lower categorical and total operating expenses comparable to other ABC Boards within a relatable gross sales range and other variables. *Common expense report categories can be unreliable, as different CPAs may allocate costs to line items inconsistently. In addition, systems of this size typically have too many variables for meaningful expense comparisons.*



BUDGET ANALYSIS

	FY 2024-2025 <i>Budget Projections</i>	<i>FY2024-2025 Actual</i>	Variance	Variance %
Total Revenues	\$25,900,000	\$25,023,953	(\$876,047)	(3.4%)
Total Expenditures	\$24,558,754	\$24,190,055	\$368,699	1.5%
Distributions	\$3,489,615	\$2,843,058		
Revenue over/under Expenditures & Finance		(\$2,009,160)		
After Reconciling Items		\$252,815		

- In reviewing the budget to actual analysis of the FY 2024-2025 financial audit, actual total revenues were 3.4% below budget and expenditures were 1.5% above budget with no final budget amendments submitted.
 - The change in net position during the fiscal year was \$252,815. *The board's collective net position on June 30, 2025, was \$10,042,139; the net position has increased by almost twenty-six percent (26%) over the last five (5) fiscal years.*
- Based on sales trajectory for the current fiscal year with five months (41%) of the budget year completed, the board is tracking at around 51% 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 2024-2025, Dare County ABC accrued funds for other statutory distributions totaling \$2,843,058 (Net profit distribution recipient(s) received \$2,479,368).
- The amount of \$5,922,206 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Dare County.
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
 - 100% to Dare County Board of County Commissioners of which:
 - 42.5% to county social services for abused, neglected, and dependent children.
 - Up to 20% for ABC Board capital improvements.
 - 15% allocated and divided among incorporated towns in the county.
 - Remainder to stay with the county general fund.

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

- Net Profit Distributions – The Dare County ABC board has made net profit distributions for the last five (5) fiscal years above the minimum mandatory distribution in reference to G.S. 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 above the standard 5% statute amount for the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at 5% and below the standard 7% statute amount for the last five (5) FYs.

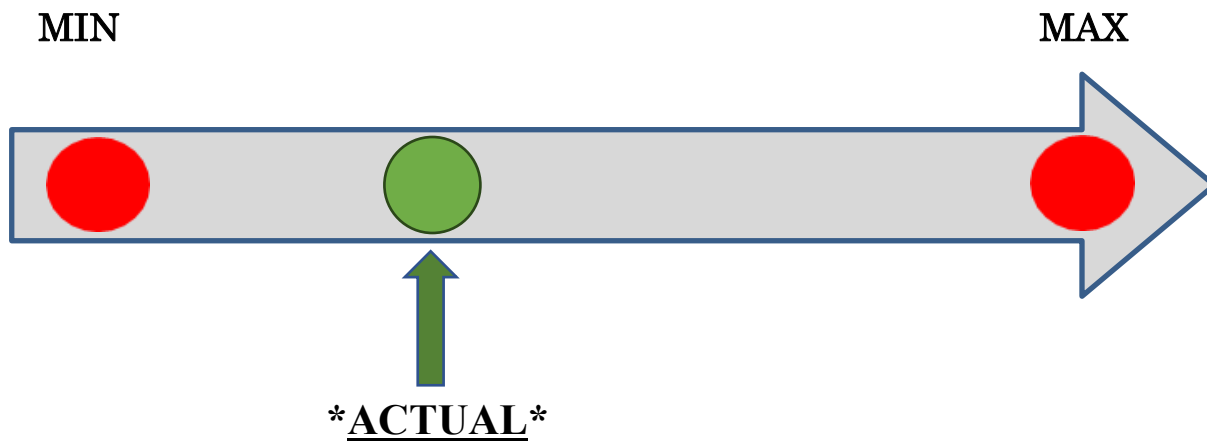
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Dare County ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2025	\$671,272	FY-2025	\$2,355,384
FY-2024	\$672,460	FY-2024	\$2,857,863
FY-2023	\$676,923	FY-2023	\$2,882,933
FY-2022	\$644,146	FY-2022	\$2,850,951
FY-2021	\$631,461	FY-2021	\$2,625,791

- The net profit distributions in the table's right column do not include the increase or decrease in Law Enforcement Reserve funds.

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, 2025, the Dare County ABC Board is required to maintain a minimum working capital of \$731,471 with a maximum working capital amount of \$4,754,560.
 - The Dare County ABC Board had a working capital balance of \$1,932,500, which is more than the minimum and less than the maximum Commission requirement for this section (*). *On June 30, 2024, the board's working capital balance was \$3,669,487.*

*** FY 2024-2025: 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 whose per meeting compensation for their services has been approved by their appointing authority in compliance with G.S. 18B-700(g).
 - Current board members' terms are staggered to comply with G.S. 18B-700(a), and all have completed their ethics training requirement.
 - Members have taken an oath of office per G.S. 11-7 and copies of the oaths are available at the board's administrative office.
 - Members bring a diverse range of professional experience, including multiple law enforcement agencies, education, business, and the chair was previously the board's manager.
- Meetings are generally held on the third Tuesday of each month, and meeting dates are provided to the county office and are posted at the board's office in the event of a change in time or date.
- Meeting minutes are organized, available, and follow all the order of proceedings including the no conflict of interest statement.
 - Meeting discussions are documented as either new or old business.
 - Financial data is reported to include sales comparisons per store, bottle comparisons, and inventory variances.
 - 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 could begin keeping closed meeting minutes separate from regular meeting minutes.*
- 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 an active internal law enforcement agency who provides substantial documentation on activities for accountability monthly to the Commission and to the board as required by G.S. 18B-501.
 - The department is comprised of a chief and one full time officer,
 - Informative data and other communications on policy, activities, and programs are discussed at board meetings.
 - In addition to their many activities at permitted establishments, the law enforcement officers coordinate education programs, monitor security surveillance, and provide an in-store security presence for specific occasions.

Board Personnel

- The board currently staffs thirty-two full-time employees and three part-time team members.
- The General Manager has held their position for around fourteen years and was previously the assistant general manager. He is responsible for all board operations and provides leadership to all team members.
- The Assistant General Manager works to compliment the general manager's responsibilities and coordinates mixed beverage, inventory, breakage, and their bourbon lists.
- The Finance Officer has been with the board for nearly forty years and is currently part-time. The board also has a full-time bookkeeper, and together, they are responsible for all accounting related activities.
- The board has two full-time warehouse employees or managers who coordinate deliveries for all stores.
- Each store has a designated manager, and some have an assistant manager and/or a mixed beverage manager.
- All other store employees are salesclerks and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training for new store employees begins with the managers and is one-on-one and mentorship styled.
 - Cross training opportunities have been extended with applicable employees able to aid managers, mixed-beverage sales and the warehouse team.
 - Product knowledge training is provided by managers and from sales reps.
 - RASP training is regularly provided to all employees with only a few possible new employees that haven't attended. The board's law enforcement officers coordinate the training and offer additional guidance to board staff.
- Employee files are maintained in the administrative office and include performance reviews and any relevant disciplinary reports.
- Full-time employees are enrolled in LGERS.
- One current member of the board's personnel team is related to a board member per discussion with the general manager. For compliance with G.S. 18B-700(k) and general transparency, the board has provided the Commission in writing details describing how this board member rescues themselves from activities related to the employment, promotion, salary administration, or other related management or personnel considerations for the applicable employee.

Policies

- The board has a thorough personnel manual which covers all requirements of Rule 15A .1006 and additional behavioral expectations, job descriptions, and a variety of additional specific policies which are acknowledged via employee signature.
 - Additional policies on file with the Commission include mixed beverage sales, price discrepancies, a code of ethics, and board members sign a certificate of accountability attestation form anytime there is a change in membership.
 - Policies not on file with the Commission that could be considered include a written shelf management plan, credit card usage, and allocated product sales guidelines.
- For travel reimbursements, the board follows state travel plan per G.S. 18B-702(g2).

Operations

- Board personnel conduct full inventory at each store and warehouse at least monthly.
 - Managers and at least one additional team member participate with some stores using scanners and others count sheets.
 - After recounting, variances are reported to the AGM and warehouse manager who investigate possible transfer errors before making adjustments.
 - Pending recounts, the board's law enforcement officers review security camera footage for possible theft.
 - Mixed beverage, warehouse, and store inventories are separated at applicable stores.
 - Slower moving products are displayed on end caps or transferred to different stores.
- The board's delivery schedule from LB&B varies depending on the season. Deliveries are each Tuesday with multiple stores receiving shipments during peak months.
 - Pallets are dropped and down stacked with the three receiving stores having forklifts.
 - Any variances are recounted and balanced against stock before discrepancy reports are sent to LB&B.
 - Self-distribution and store transfers are handled from Wednesday through Friday.
- Liquor orders are made by the general manager by reviewing each item's stock status.
 - A color-coded system is used to signify current specials and future monthly and quarterly price changes.
 - Special order requests are considered and usually ordered for local residents. Mixed beverage special orders sometimes require the purchase of a case after receipt.
- The board retains breakage reports and regularly includes the reports for credit with their suppliers. For compliance with Rule 15A 1701(c), the board regularly emails copies of the reports to the Commission quarterly. *Damaged merchandise is generally transferred to the board's administrative building.*
- The Commission's website permittee search queue currently shows one hundred and thirty-one active mixed beverage customer accounts. This number may fluctuate during seasons.
 - Three stores are mixed beverage outlets, with at least two having mixed beverage sales entrances separate from the showroom.
 - Online ordering is available.
 - Pulled and stamped orders are rechecked during the transaction with the permittee.
 - Invoices are provided to permittees and signed copies are retained for each account.
 - The board stamps bottles as required by NCAC 15A .1901.
 - The board is exempt from delivery and does not currently deliver to mixed beverage accounts.
- Allocated products are available to mixed beverage customers by percentage. Lists are kept for county residents for other highly sought after products.
- The board has previously allowed tastings at certain stores but has paused this for now.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed twice monthly with the bookkeeper cutting checks.
 - The board's checks are stamped with the required disbursement certificate in compliance with G.S. 18B-702(q).
 - Although checks are signed and counter-signed by two approved administrative team members, they should be signed by the finance officer. *Alternatively, the board could properly designate a deputy finance officer to comply with the requirements of G.S. 18B-702(p).*
- Liquor orders and other bills and recurring payments and distributions are preaudit stamped in the manner required by G.S. 18B-702(m). *The board utilizes purchase orders for supplies which should also be preaudit stamped.*
- Board credit cards are issued to several members of the administrative team. Itemized receipts are retained until the accounts are reconciled by the finance officer's team.
- Cash-handling procedures are in place with all tills built from the store's safe and change fund.
 - Clerks are responsible for their tills and overages and shortages procedures are included in the personnel manual.
 - The finance officer completes month end reconciliations.
- The board utilizes positive pay through their bank to help combat possible check fraud.
- Payroll is processed biweekly through Traverse.
 - Time is reported by store managers to include adjustments as most employees are full-time.
- The annual CPA audit was received by the Commission on September 30, 2025.
- All board members, general manager, finance officer, and store managers, are bonded for at least \$50,000 per G.S. 18B-700(i) and G.S. 18B-803(b).
- Funds are kept in a pooling bank(s) approved by the North Carolina Treasury Office in compliance with G.S. 18B-702(t).
- The board makes their alcohol education distributions to several programs, schools, and towns and receives reports from the recipients for compliance with G.S. 18B-805(h).

STORE INSIGHT & OVERVIEW

- Commission staff visited the board's central office and four retail stores to include two mixed beverage outlets.
 - All stores visited are located in high-traffic commercial areas and on major roads or highways.
 - All have adequate parking spaces and easily viewable signage.
 - The exterior of the buildings are professional and presentable, and landscaping and other applicable exterior areas are well maintained and free of trash and debris.
- The interior of the stores are well lit, organized, and aesthetically pleasant and modern.
 - Floors and shelves are clean, and the counters are not overly cluttered.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is prominently displayed in all stores.
 - Quarterly price books are available with an SPA pricing list either posted or kept at the counters.
 - Category signs are prominently displayed and arranged according to market share.
 - Promotional shelf tags for specially priced items are displayed for monthly specials.
 - Stores have a North Carolina product section, and most products are shelved in their corresponding category.
- Shelf management practices are fully implemented.
 - Products are fronted, dusted, and in their designated category.
 - 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.
 - Shelf space for products is set to follow the factors identified in Rule 15A .1708(5).
- A sample of around 100 items were selected at all stores visited to determine if uniform pricing is displayed with no discrepancies noted.
 - 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.
- Sales associate interactions with customers are attentive, courteous, and the staff are eager to meet the needs of the customers.
- All stores are open daily from 10:00 am until 9:00 pm Monday through Saturday with store #5 in Duck having modified winter hours.
- All stores are closed every Sunday, New Year's Day, Easter Monday, Memorial Day, Labor Day, Veteran's Day, Thanksgiving and Christmas. *Stores remained open on Independence Day in 2025.*
- Security systems are in place and functional in all designated areas to include alarms, cameras, and panic buttons.
 - Stores have ID scanners at sales counters to help prevent underage sales.

REQUIRED ACTIONS

- Item #1: While quality controls are already in place with two members of the administrative team signing checks, the board should reestablish full compliance with G.S. 18B-702(p). Checks or Drafts Signed by Finance Officer. – Except as otherwise provided by law, all checks or drafts on an official depository shall be signed by the finance officer or a properly designated deputy finance officer. The chairman of the local board or general manager of the local board shall countersign these checks and drafts.
 - In conjunction with this action item and other provisions of G.S. 18B-702, the board should verify current applicable members of the administrative team are “properly” designated deputy finance officers.

RECOMMENDATIONS

- While generally understood by all staff, the board could consider establishing the following written policies. *Written policies can serve to strengthen internal controls and as good guidelines if updates are made or are being considered to the procedures already in place.* Copies of all adopted policies should be forwarded to the Commission for approval and records retention.
 - Credit card usage; While the board already has procedures to include oversight in place, the board should consider crafting a written credit card usage policy.
 - Allocated product sales; *In addition to establishing guidelines, this policy can be informative to patrons who question your current distribution of these high demand products.*
 - Shelf Management: While specifications are already followed, a written plan is required by Rule 15A .1708.
- The board could consider keeping closed session meeting minutes separate from their regular minutes as they may be withheld from public inspection so long as public inspection would frustrate the purpose of the closed session.

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

ADDITIONAL CONSIDERATIONS & GUIDANCE

- 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.
- Commission staff are currently investigating whether ABC Boards chartered under the 1937 Pasquotank Act are required to distribute at least 7% of their profits for alcohol education and rehabilitation purposes. *The board should be aware there is the possibility of a need for a future adjustment to their distribution schedule as it pertains to G.S. 18B-805(c)(3).*

PREVIOUS PERFORMANCE AUDIT ACTIONS (2015)

- Adopt a written mixed beverage policy that incorporates current practices of ordering, pickup, and payment processes.
- Adopt a vehicle usage policy that would specify the following:
 - Who is able to use the vehicle,
 - Requirement that all drivers must have a valid driver's license
 - What purposes vehicle may be used for
 - Requirement that a mileage and/or gas log be filled out for every trip, if applicable.
- To ensure strong internal controls for credit card purchases, adopt a written credit card usage policy. Document procedures for the usage including:
 - Who has authority to use the card,
 - What types of items the card may be used for,
 - Personal usage is prohibited;
 - An itemized receipt for every transaction is required,
 - Maximum limit allowed on purchases before approval is needed from the finance officer,
 - Receipts are to be submitted within 15 days of the purchase.

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

Mr. Edwin Strickland
North Carolina ABC Commission
4307 Mail Service Center
Raleigh, NC 27699-4307

January 26, 2026

Dear Mr. Strickland,

The Dare County ABC Board and staff would like to thank you for your teleconference call to our Board meeting on January 20, 2026 to discuss your performance audit report.

Upon reviewing your recommendations our Board has designated two staff members to serve as deputy finance officers. We are in the process of writing a new mixed beverage policy, credit card use policy, and shelf management policy as well. We expect it to be ready for review and approval at our next Board meeting on February 17, 2026.

It is the Dare County ABC Board's goal to be among the top performing Boards in the State each and every year. We are committed to upholding the standards, if not exceeding them, set forth by the North Carolina ABC Commission.

We appreciate all of the hard work by everyone at the Commission for their guidance and in keeping our State run system running as efficiently as possible.

I would like to pass on to you our staff's thanks for your time visiting some of our stores, and that it was their sincere pleasure to get to know you a little during your audit process. They also greatly appreciate your sharing of some ideas on how to improve our ABC system.

Best regards,
Fields L. Scarborough, Sr
Chairman DCABCB

**DARE 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:

The system has complied with all State uniform pricing requirements pursuant to NCGS 18B-804.

That all alcoholic beverages sold have been approved by the Commission for sale in this State pursuant to NCGS 18B-800.

That all "gross receipts" pursuant to NCGS 18B-805(a) have been properly accounted for and are lawful.

That all taxes due have been properly and timely paid pursuant to NCGS 18B-805(b)(1).

That all distributions pursuant to NCGS 18B-805 have been properly and timely paid.

That the General Manager has properly performed all duties as required pursuant to ABC Commission Rule 04 NCAC 02R.0906.

Dated this 21st day of May, 2024

General Manager 

Finance Officer



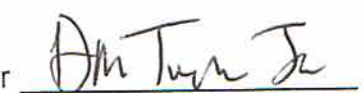
Board Chairman



Board Member



Board Member



Board Member



Board Member

