Dobson ABC Board

Performance Audit Report

Alcoholic Beverage Control Commission
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ABC COMMISSION NORTH CAROLINA

Alcoholic Beverage Control

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August 17, 2026

Dobson ABC Board
Ellery Golding, Chair
816 E. Atkins St.
Dobson, NC 27017

Chairperson Golding,

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

Dobson is a town and the county seat in Dobson Township, Surry County, North Carolina. It is the fourth largest community in Surry County behind Mount Airy, Elkin, and the unincorporated area of Flat Rock. The current estimated population for the town is approximately 1,500 – 1,600 residents, which reflects an increase of about 38 – 138 residents since the 2020 census. The Dobson ABC Board operates one store and is one of four boards with a store in Surry County.

Chapter 438 of the 1971 Session Laws authorized the Town of Dobson to hold an election for an ABC store. The referendum was held March 29, 1975, and the vote passed 260 to 164. The first retail sales occurred on July 1, 1975. A mixed beverage referendum was held on August 9, 2011, and it passed. The Town of Dobson appoints a chairperson and two (2) additional board members to serve on the ABC board. Current board members are Ellery Golding, Chair, Walter White, and Sonia Schmidt.

The most recent performance audit for the Dobson ABC Board was concluded in 2023. The Commission audit serves as an ongoing method to provide local boards with information and best practices that identify areas for improvement.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On June 24, 2026, ABC Commission Program Analyst Edwin Strickland visited the Dobson ABC Board and interviewed the General Manager, Jon Bledsoe. Below is a financial analysis, followed by operational observations, findings, and recommendations related to the performance audit.

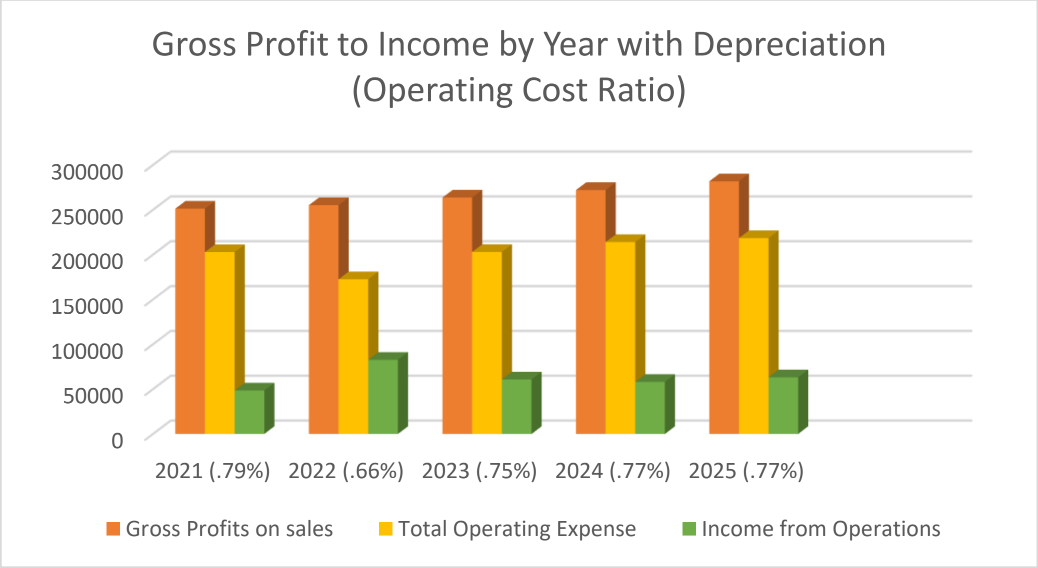
816 E. Atkins St. Dobson

FINANCIAL ANALYSIS

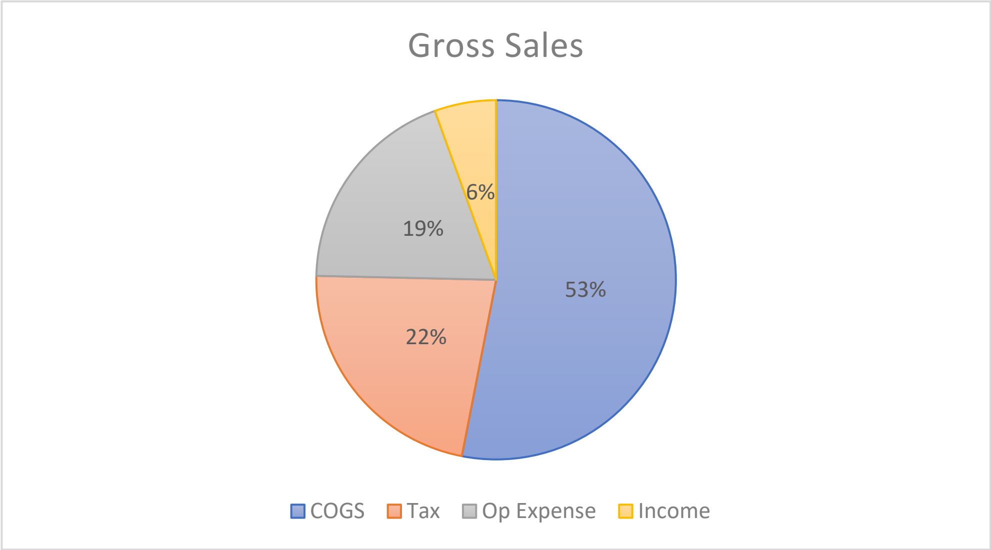
SALES, PROFIT PERCENTAGE, & OPERATING COST RATIO

- In FY 2025, the Dobson ABC Board had gross sales totaling $1,137,697, an increase of approximately 1% from the previous year.
    - Since FY 2021, the board's sales have increased by approximately 8%.
- In FY 2025, the board's profit percentage to sales ratio was 5.56%.
    - *The profit percentage to sales ratios over the previous four completed fiscal years were 5.16%, 5.46%, 8.00%, and 4.60%, respectively.*
    - The ABC Commission's profit percent to sales standard for boards with sales less than $5M is 3% or higher.
- Dobson ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was 0.77 in FY 2025. *The previous four years are shown in the chart below.*
    - The ABC Commission standard for ABC Boards with one store and no mixed beverage sales is 0.85 or less. *The board currently has one mixed beverage account.*
- Therefore, the Dobson ABC Board met the profitability standard and the operating cost standard set by the ABC Commission for FY 2025.
- Below are charts showing gross profit on sales, total operating expenses including depreciation, income from operations for recent years, and operating cost ratios.

	FY 2025	FY 2024
Gross Profit on Sales	$281,792	$272,073
Total Operating Expense	$218,502	$214,023
Income from Operations	$63,209	$58,050



- 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.



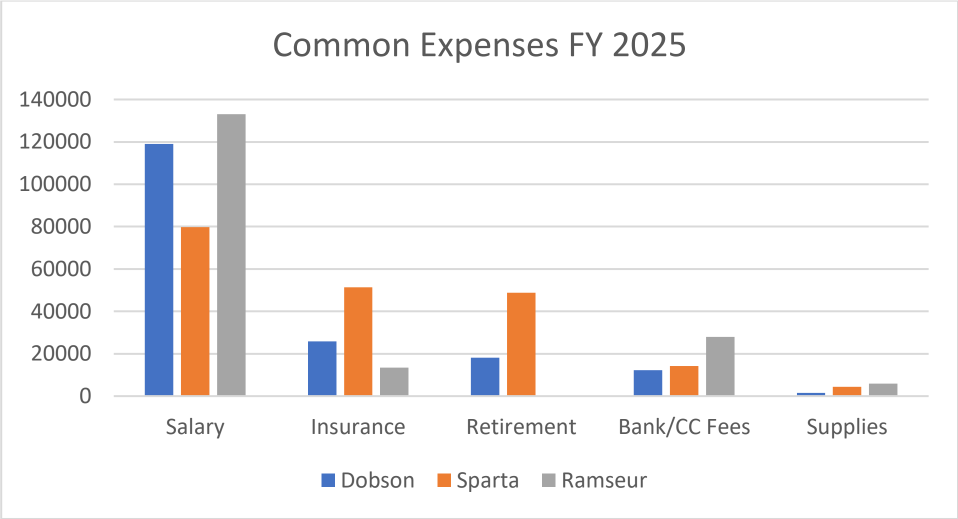
- *Factors affecting sales:*
  - There are four other ABC boards with a store within a 30-mile radius of the Dobson ABC store.
  - The store is approximately 12 miles from Virginia with additional possible outlets.
  - Surry County had a 3.6% unemployment rate in June of 2025, with the North Carolina average being around 3.7% at that time.
  - Approximately 16.8% of the population in the county is below the poverty level, which is higher than the North Carolina average of around 12.6%.
  - In FY 2025 mixed beverage sales accounted for around 0.008% of gross sales.

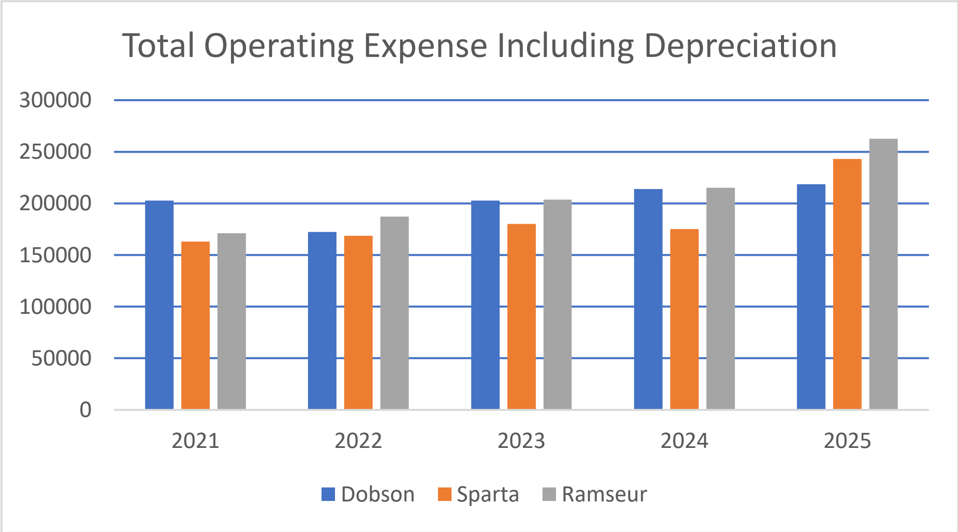
INVENTORY TURNOVER

- 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 5 times or more per year
  - Monthly deliveries target at 4.5 times or more per year
- The Dobson ABC Board receives shipments twice a month, with a target inventory turnover rate of around 5. The inventory turnover rate in FY 2025 was 4.6, which is marginally below the official goal.

EXPENSES

- *Expense Information:*
    - In FY 2025, total operating expenses increased by slightly more than 2% from the last fiscal year and were around 19% of total annual sales.
    - Salaries were around 10.5% of total annual sales with an increase of around 3% from the previous fiscal year.
    - Cost of Goods Sold (COGS) was 53.3% for the fiscal year with a normal range being 52% to 54%.
- A review of both a common expense report and a total operating expense report indicates the Dobson ABC Board has similar categorical and total operating expenses to those of the other two ABC boards with comparable gross sales and number of stores.
    - *Common expense report categories can be unreliable, as different CPAs may allocate costs to line items inconsistently.*





BUDGET ANALYSIS

	FY 2025 *Budget Projections*	*FY 2025 Actual*	Variance	Variance %
Total Revenues	$1,065,000	$1,142,723	$77,723	7.3%
Total Expenditures	$1,038,170	$1,062,264	($24,094)	(2.3%)
Distributions	$26,830	$52,214		
Revenue over/under Expenditures & Finance		*$28,245*		
After Reconciling Items		*$16,102*		

- In reviewing the budget to actual analysis of the FY 2025 financial audit, actual total revenues were 7.3% above the budget and expenditures were 2.3% above the budget.
  - No budget amendments were made during the fiscal year.
- The change in net position during the fiscal year was $16,102. *The board's collective net position on June 30, 2025, was $358,896; the net position has increased by over 40% since FY 2021.*
- Based on sales trajectory for the current fiscal year with eleven months (92%) of the budget year completed, the board is tracking at around 95% 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 and 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 2025, a total of $254,894 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Surry County.
- In FY 2025, Dobson ABC accrued funds for other statutory distributions totaling $52,214 *(the net profit recipient received $47,884).*
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
  - 70% to Dobson General Fund.
  - 20% to Dobson General Fund to be used for law enforcement.
  - 10% to Dobson General Fund to be used for parks and recreation.

DISTRIBUTIONS (cont.)

- STATUTORY DISTRIBUTIONS:
  - Net Profit Distributions – The Dobson ABC board has made net profit distributions for the last five fiscal years at or above the minimum mandatory distribution as referenced in G.S. 18B-805(c)(1). **The table below shows 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 accrued and/or disbursed at or above the standard 5% statute amount for the last five FYs.
  - Alcohol Education Distributions: Have been accrued and/or disbursed at or above the standard 7% statute amount for the last five FYs.

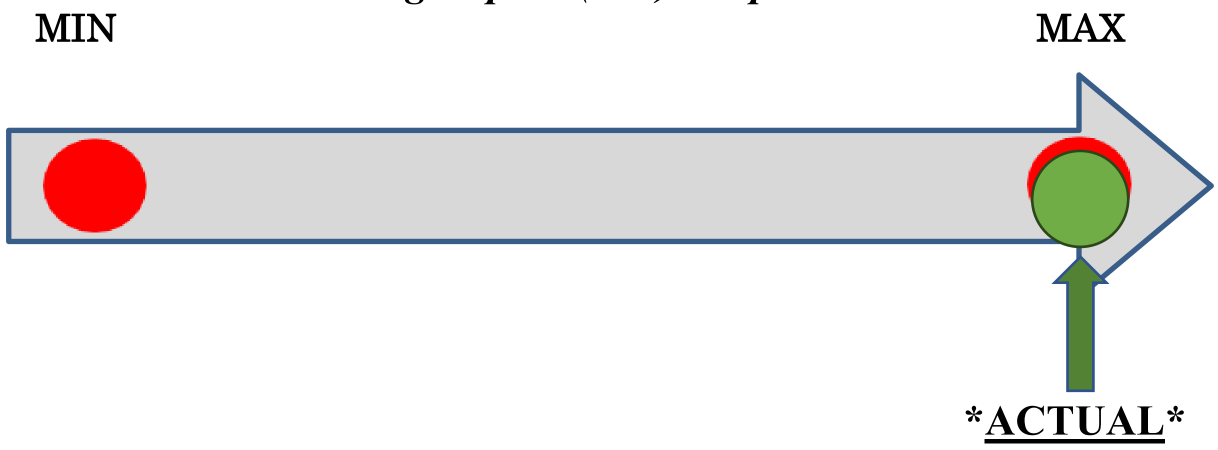
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients ***Note: Referencing CPA Audit Reports***		**Dobson ABC Board Net profit distribution made annually by fiscal year**	
Calculated Amount		**Total paid to recipient(s)**	
FY-2025	*$32,230*	FY-2025	***$47,884***
FY-2024	*$32,023*	FY-2024	***$32,023***
FY-2023	*$31,813*	FY-2023	***$39,635***
FY-2022	*$29,447*	FY-2022	***$29,447***
FY-2021	*$30,103*	FY-2021	***$30,103***

- Since inception in 1975, the board has distributed a total of $1,519,331 to the Dobson General Fund, with almost 12% of this amount distributed within the last five fiscal years.

WORKING CAPITAL

- G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system.
    - NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales less than $1.5M as an amount equal to four (4) months of gross sales.
    - G.S. 18B-702(g)(3) defines "Working Capital" as the total of cash, investments, and inventory less all unsecured liabilities. As it pertains to working capital computation, gross sales means gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).
- Based on the existing rules, as of June 30, 2025, the Dobson ABC Board is required to maintain a minimum working capital of $33,961 with a maximum working capital amount of $294,324.
    - On June 30, 2025, the board had a working capital balance of $294,324 which is the maximum allowed per Commission requirement for this section (*).

*** FY 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

Board Members

- The board consists of two members and a chairperson who receive compensation for their services 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 the ethics training requirement.
    - Members may have taken oaths of office, but copies are not available in the board’s administrative records.
    - Members have extensive professional experience in business, and one member serves on the town’s Board of Commissioners.
- Meetings are generally held on the first Tuesday of each month.
    - Meeting announcements are provided to the town and are posted on a sign in the store.
- Meeting minutes are well organized, available, and follow the proper order of proceedings.
    - The meeting minutes reviewed did not include a conflict-of-interest statement.
    - Financial data are presented and discussed at board meetings to include budget comparisons for sales and expenses.
    - 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 in annual audits.

Board Personnel

- The board employs two full-time and two part-time employees.
- The General Manager is full-time, has completed ethics training, and is responsible for overseeing all board operations and activities, including many accounting-related tasks.
- The Board Chairperson serves as the Finance Officer and provides oversight for fiscal activity.
- All employees are responsible for providing friendly customer service, general store maintenance, and stock management.
- Training for new employees is on the job and mentorship based and includes introductory product knowledge discussions.
    - Cross training for administrative responsibilities has been extended to the full-time clerk, who can perform some of the General Manager’s usual duties in their absence.
    - All team members have received RASP training.
    - Files for personnel are maintained in the administrative office.
- No conflicts related to nepotism were found, based on discussions with the General Manager.
- All store personnel are aware that loitering is prohibited on board property and in the store.

Law Enforcement

- The board has an active law enforcement contract with the Town of Dobson Police Department signed in 2011, that is now in the Commission’s records.
- The board has recently renewed this contract with the town’s police department, but a copy of this contract was unable to be located during the Commission visit.
- Law enforcement reports are submitted each month by the General Manager.
    - Applicable data for accountability as outlined in G.S. 18B-501(f1), is not provided to the board from its contracted law enforcement agency.

Policies

- The board has a code of ethics policy which adheres to the requirements of G.S. 18B-706(a), and a thorough personnel manual which covers many additional policies and the requirements of Rule 15A .1006.
- While already being generally followed, the board should adopt a written shelf management plan pursuant to Rule 15A .1708, and a price discrepancy policy pursuant to Rule .1705(b).
- Other written policies the board may wish to consider include allocated product and mixed beverage sales.
- For travel, the board follows the State travel plan per G.S. 18B-702(g2), with reimbursements made pursuant to G.S. 138-6.

Operations

- Full inventory is conducted quarterly and often reviewed during ordering.
    - The General Manager and the full-time clerk conduct most of the inventory.
    - All variances are recounted and the General Manager is responsible for all adjustments.
    - *A small sample of products was inventoried during the Commission visit with no variances found.*
    - Slow moving products are relocated within the store.
- Liquor orders are made by the General Manager who checks each item in the store and reviews for possible correction before submitting a final order.
    - SPA lists are reviewed and buy in investments are considered when available.
    - Special order requests are considered on a case-by-case basis for retail sales.
- The board receives liquor deliveries on the first and third Thursdays of each month.
    - Pallets are dropped and variances are rechecked before the report is sent to LB&B.
- The board currently has one active mixed beverage customer account.
    - Pulled orders are rechecked and again during the customer transaction.
    - Invoices are provided to the permittees, and signed copies are retained for three years.
    - The board affixes tax stamps to bottles as required by Rule 15A .1901.
- Allocated products would be available for the mixed beverage customers should they request, with others being shelved according to the General Manager's discretion.
- The board retains breakage reports and submits them to suppliers for credit. To comply with Rule 15A .1701(c), the board should reestablish emailing copies of the reports to the Commission quarterly.
- The board does not have social-media account(s) or a website.
- The board's login website was updated prior to the Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

Financial & Internal Controls

- Invoices for liquor are processed by the General Manager monthly and presented for review at each board meeting.
  - Per conversation with the General Manager, some distilleries are paid slightly outside of the thirty-day requirement for one of the board's two monthly deliveries.
- The board's checks are signed by the Chairperson, who is the board's appointed Finance Officer, and counter-signed by the General Manager.
  - The checks have the required disbursement certificate for compliance with G.S. 18B-702(q). *The certificate printed on the checks actually states preaudited instead of disbursed and should be corrected when the board orders more checks.*
- The preaudit certificate is not utilized on liquor or other purchase orders. *The board could consider methods to accommodate the provisions of G.S. 18B-702(m) regarding the preaudit/preauthorization of non-recurring payments by the Finance Officer, including properly designating a deputy finance officer.*
- Tax and primary distributions are processed by the General Manager.
- The board does not have a bank card or petty cash.
  - Occasionally, employees may purchase items with personal funds, with itemized invoices being retained for reimbursement.
- Employees work out of one till each day with all funds counted at the beginning of each day.
  - Deposits are compiled daily and transported to the board's bank weekly.
  - *An official Commission waiver should be requested from the board for compliance with Rule 15A .0905.*
- The General Manager conducts month-end reconciliations.
  - *A sample of recent deposits was reviewed with no variances noted.*
- Payroll is processed every two weeks by the General Manager through QuickBooks.
  - The schedule is used for hours, and any changes are noted and discussed to verify before checks are cut.
  - *Payroll summaries reviewed indicate corresponding compensation for Board Members and the General Manager as compared with the board's log-in website.*
- All board members and applicable personnel are bonded for at least $50,000 as required by G.S. 18B-700(i).
- All board members and applicable personnel have signed a certificate of accountability attestation form.
- The annual CPA audit was received by the Commission on September 25, 2025.
- Alcohol education distributions are made annually and to the town, following the CPA audit.
  - G.S. 18B-805(h) requires the board to include in its meeting minutes how its alcoholism funds are to be spent and to verify any person or agency receiving funds from the board reports to the board at least annually, describing how these funds were spent.

STORE INSIGHT & OVERVIEW

- The Dobson ABC Board's store is a freestanding building on a busy corridor between the town and a highway.
  - The store has easily viewable roadside and building signs.
  - There is ample parking, and the exterior is free of trash and debris.
- The interior of the store is well lit and organized.
  - Floors and shelves are clean and displays and end caps are utilized.
  - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
  - A quarterly price book is available, and an SPA pricing list is available upon request.
  - Shelf tags to highlight items that are currently on sale are made and posted by the team.
  - The store has a North Carolina product section, and additional North Carolina products are placed within their corresponding categories.
- Shelf management practices are properly implemented.
  - Products are fronted and bottles are dusted.
  - Products are grouped by category, and premium products are located at eye level or higher.
  - Bottles are arranged so that they increase in size from 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 approximately one hundred items was selected to determine if uniform pricing was displayed. Of those selected, all had correct pricing.
  - Price discrepancies are handled in the customer's favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Sales associates value customer service, and all are attentive and courteous.
- The store is open from 11:00 a.m. to 9:00 p.m. Monday through Thursday, and 9:00 a.m. to 9:00 p.m. on Friday and Saturday.
- The store is closed every Sunday, the five previously required holidays, Easter Monday, and Memorial Day.
- Security systems are in place and functional with a camera system, alarms, panic buttons, and a thumb print entry system for the office door.

REQUIRED ACTIONS

- Item #1: All board members should take an oath before taking office or before the execution of the office per G.S. 160A-61 and G.S. 11-7. *If already completed, a written account of the oaths should, please, be available at the board's administrative office.*

- Item #2: Board meeting minutes should have a conflict-of-interest disclosure statement, for proper adherence to G.S. 18B-201 (f)(k) and referencing G.S. 18B-700(h). Currently, no written statement exists on meeting minutes / agendas reviewed for calendar year 2022 to show where the Chairperson / board members are ensuring no conflict of interest is present.

- Item #3: Daily cash bank deposits should be conducted or a waiver request from the Commission should be requested for compliance with NCAC 15A .0905 (a)(d). *Commission staff will be happy to assist should the board decide to seek a waiver request.*

- Item #4: 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. Ensure budget amendment copies are submitted to the ABC Commission as required per G.S. 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.

- Item #5: The board should re-establish full compliance with G.S. 18B-702(m) by ensuring the preaudit approval certificate appears on purchase orders or liquor orders to take substantially the following form: "This instrument has been preaudited in the manner required by G.S. 18B-702". *This could most reasonably be accomplished by having the Finance Officer or Deputy Finance Officer stamp and sign the order edit list for liquor or other purchase orders and contracts.*
    - *Because the Finance Officer is a board member, the board could consider properly designating a deputy finance officer to help accomplish the facilitation of the preaudit requirement for liquor orders and other common purchases.*

- Item #6: When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. Rule 15A .1701(c) requires boards to submit quarterly reports for any unsaleable merchandise and to retain the original copies for three years.

- Item #7: For compliance with G.S. 18B-805(h), the board should include in their meeting minutes how their alcoholism funds are to be spent and verify any person or agency receiving funds from the board report to the board at least annually describing how these funds were spent

RECOMMENDATIONS OR CONSIDERATIONS

- While the board provided a law enforcement contract at the Commission visit, originally entered in 2011, the board should forward a copy of its most recent law enforcement contract to the Commission. *The board may also wish to converse with its contracted law enforcement agency to see if they can reestablish the practice of receiving data for accountability from the police department as required by G.S. 18B-501(f1), and as dictated in the current contract.*

- While generally understood by all staff, the board may wish to consider establishing or adopting 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.
  - The board may wish to consider adopting a written policy for the sale of allocated products. A formal policy would establish clear and equitable guidelines, assist team members in interactions with patrons regarding high-demand items, and promote transparency in the distribution process.
  - In the event the board experiences an increase in the number of its mixed beverage customers, the board should consider a written mixed beverage sales policy. Such a policy can help provide information to new and existing customers about the preferred methods for placing orders and expectations for filling the orders.
  - While already being followed by the board's personnel, Rule 15A .1708 states that the board should keep a copy of its shelf management plan at the store and provide a copy to a Commission representative upon request.

- The board may wish to consider obtaining a credit card for the payment of recurring and incidental purchases. In addition to alleviating the need for employee reimbursements for supplies or registrations, many credit cards offer rewards that may be redeemed for cash which can then be added to working capital or investments as non-operating revenue.

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

ADDITIONAL GUIDANCE FOR ALL BOARDS

- 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 the 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.

- 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.

- Any ABC board members who also serve on the board of the appointing authority must recuse themselves from voting on or being involved in any decisions involving net profit distributions or other applicable distributions that will be dispersed to the appointing authority, adhering properly to avoiding conflicts of interest referenced in G.S. 18B-201.

- 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.

PREVIOUS PERFORMANCE AUDIT ACTIONS (2023)

- 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.
- The board needs to forward a signed law enforcement contract with Dobson Police Department (or other applicable law enforcement agency) and provide a copy to the Commission per G.S. 18B-501(f).
- Law enforcement reports must be submitted on the Commission's board website by the 7th of each month referencing G.S. 18B-501(f1). Reports should include as applicable the number of arrests made for ABC law, number of agencies assisted with ABC law, and other metrics for ABC law contribution such as compliance checks and alcohol education classes presented. ABC Boards should make sure reports are in a "Final Submitted" status and not just in saved status. For any saved reports, the only transaction necessary is to click the preview button and then click the submit button for the reports.
- Local boards shall establish and maintain a shelf management plan per Commission Rule 15A .1708 Shelf Management. The board needs to work to rearrange liquor inventory on the shelves to follow shelf management requirements, in particular ensuring bottles increase in size from left to right.
- Board meeting minutes should have a conflict-of-interest disclosure statement, for proper adherence to G.S. 18B-201 (f)(k) and referencing G.S. 18B-700(h). Currently, no written statement exists on meeting minutes / agendas reviewed for calendar year 2022 to show where the Chairperson / board members are ensuring no conflict of interest is present. Meeting minutes should be routinely signed by Chairperson referencing guidance in Commission's Operations Manual.
- Ensure all purchase orders to include obligations evidenced by a contract or agreement requiring the payment of money, shall include or bear a certificate stating that the instrument (or order) has been preaudited to ensure compliance with G.S. 18B-702(m) with a signature by the finance officer. The specific statement should read, "This instrument has been pre audited in the manner required by G.S. 18B-702." Special note: This would be most reasonably accomplished by signing & stamping the summary total of the Order Edit List from inventory system before any liquor orders are placed with state warehouse.
- 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.
- The recipients of alcohol education distributions must 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.

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

Edwin Strickland

ABC Commission Program Analyst

400 E. Tryon Rd.

Raleigh, NC 27610

August 17th, 2026

Dear Mr. Strickland,

The Dobson ABC Board would like to thank you taking the time and showing how we can improve our store. We will work on all the recommended actions you have laid out for us and answer the required actions that were presented.

1. All Board members will take an oath to the office and new members in the future will take an oath of office.

2. The minutes going forward will have a conflict of interest disclosure statement.

3. A waiver was obtained to take cash deposits to the bank once a week instead of daily.

4. Budget amendments will be done before year end of the fiscal year if warranted.

5. Pre audited purchase orders will be signed by the Finance Officer to be in compliance with G.S. 18B-702.

6. Unsalable merchandise or breakage will reports will be copied and sent to the commission quarterly.

7. The Board will include in the minutes how the Town of Dobson spent the money that was dispersed to be in compliance with statute 18B-805,

Sincerely,

Jon Bledsoe

General Manger

Dobson ABC

6 / 2 / 2026
Month Day Year

Dobson
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