

Forest City ABC Board

Performance Audit Report



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Alcoholic Beverage Control

CHAIRMAN:

Hank Bauer

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September 9, 2025

Forest City ABC Board

Scott Roach, Chair

430 Oak St

Forest City, NC 28042

Chairperson Roach,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Forest City 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, and Administrative Policies
- Review applicable reports and studies of ABC Boards with similar size and geography.
- Verify compliance with Commission and Board policies.
- Verify results of previous performance audit recommendations
- Review ABC Board annual independent financial audits.
- Review ABC Board reporting and documentation reports.
- Visit the store(s)
- Interview key ABC Board personnel.

What is now Forest City beginning as a crossroads on the Shelby-Rutherfordton and Spartanburg-Lincolnton Roads. Originally, the town was incorporated as Burnt Chimney in 1877. A replica near the site of the original chimney adorns the public square today. The "chimney" was the remains of the McArthur home that marked the crossroads. The name was changed to Forest City in 1887, named after a prominent citizen, Forest Davis. The 1880 census counted 110 residents in the small crossroads town. By 1890, 419 people lived in Forest City - the increase was primarily due to the coming of the railroad and the building of the Florence Mill. By 1910, Forest City was a flourishing community with 1,090 residents with electric lights and water and 12 passenger trains daily.

In 1914, the Forest City Betterment Club embarked on a project to beautify the town's Main Street and today the original landscaped medians and fountain still exist. In 1927, the town was selected as one of the ten most beautiful and best planned towns in the United States by the US Department of Agriculture. By 1940, Forest City had 4,068 residents and had established itself as the commercial hub of the county. Today, the population of Forest City is approximately 7,404. The town remains the commercial hub, and the legacy of "community betterment" can still be seen in the pride the town and its residents take in keeping Forest City a beautiful and livable community.

Additional facts include:

- Forest City is located six miles east of Rutherfordton, the county seat, and is situated in the foothills of the Blue Ridge and Smoky Mountains of North Carolina. The town is interconnected by three US highways, 74, 221, 64, and one state highway 108. Forest City is only 15 minutes away from the Tryon International Equestrian Center. Forest City is an electric distribution city, with customers using approximately 151,281,716-kilowatt hours per year.
- Forest City has approximately 7,443 residential water customers using some 22.4 million gallons of water per month.
- Forest City has approximately 56.47 miles of city streets, 70 miles of power lines, 100 miles of sewer lines and 208 miles of water lines.
- The Forest City Fire Rescue responds to approximately 1400 calls per year with an average response time of 3.18 minutes.
- More than 2,500 children participate in recreation programs sponsored by the Forest City Parks and Recreation Department
- Two senior citizens clubs are sponsored by the recreation department with 150 members.
- In 2007 the town began construction on McNair Field. McNair Field was designed by McGill Associates of Asheville, NC. The park is named after Forest City native and the owner of the NFL's Houston Texans, Robert McNair, whose contribution made construction of the stadium possible.
- Forest City is also home to a Facebook Data Center that was opened in 2010.
- In 2016 Forest City began planning the Thermal Belt Rail Trail that extends from Forest W. Hunt Elementary school to Gilkey North Carolina. It was completed in 2019.
- In 2016 POPS or Pavilion on Park Square began construction. In May of 2019 the park was officially opened, it is home to two splash pads, an amphitheater, and a concessions stand. With a grassy tiered seating area, capable of holding 2000 people.

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

A mixed beverage referendum occurred on March 12, 2002, and it passed. *Currently, the Forest City ABC Board appoints a chairperson and two (2) additional board members and a general manager to serve on the ABC board.* The Forest City ABC Board currently operates one (1) retail store. The board staffs eleven (11) in total personnel. These include five (5) full-time employees and six (6) part-time personnel. The general manager is responsible for daily store operations including supervising personnel, inventory management, and various retail functions. The board's Finance Officer Cheryl Steffey provides the board with fiscal management, administrative support, and oversees routine operations of the ABC stores. Sales associate responsibilities include, selling products, daily stocking, and floor upkeep & maintenance.

The last performance audit for the Forest City ABC Board occurred in 2015. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.



430 Oak St, Forest City N.C.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On Thursday, July 24, 2025, ABC Board Program Analyst II Eric McClary, visited the Forest City ABC Board and interviewed Brian Day (General Manager). Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

FINANCIAL ANALYSIS

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2023-2024, the Forest City ABC Board had a profit percentage to sales ratio of 10.94%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%.
 - The Forest City ABC Board's gross sales totaled \$4,262,228, which was an approximate 4.08% increase from the previous fiscal year.
- Forest City ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .56 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with one or two stores and mixed beverage is .73 or less.
 - Operating cost ratio is calculated by dividing total operating expenses less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).
- Thus, the Forest City ABC Board meets both the profitability and the operating cost standards set by the NC ABC Commission. Below are charts showing gross profit on sales, total operating expenses, and income from operations for recent years.

	FY 2023-2024	FY 2022-2023
Gross Profit on Sales	\$1,119,597	\$1,027,595
Income from Operations	\$466,144	\$393,196

Factors affecting profitability and cost include:

- Surrounding areas with other ABC systems which are within a 25-mile radius include Rutherfordton ABC, Shelby ABC, and Columbus ABC.
- There was 5.5% unemployment rate in Rutherford County in June of 2024 compared to a 4.7% the previous year and month.
- The board currently has approximately 9 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for over 8.1% of gross sales.*

FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses increased around eleven percent (1.8%) from the last fiscal year.
- Board salaries and wages were approximately seven-point nine percent (7.9%) of total annual sales. Salaries and wages decreased over one percent (1.0%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 50.9% for the fiscal year with a normal range being 52% to 54%.
- Total sales increased by 4% in 2024 compared to an increase of 10% in 2023 over 2022.

BUDGET ANALYSIS

	FY 2023-2024 Budget Projections	FY2023-2024 Actual	Variance	Variance %
Sales	\$3,999,847	\$4,262,228	\$262,381	6.5%
Revenue over or (under) Expenditures		(11,442)		

In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual sales revenues were more than forecasted projections by 6.5%. After reconciliation, the change in the Board's end net position was \$654,403.

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).*

Forest City ABC made a total of \$975,087 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), NC Department of Health & Human Services (NCDHHS), and the county commissioners of Rutherford County.

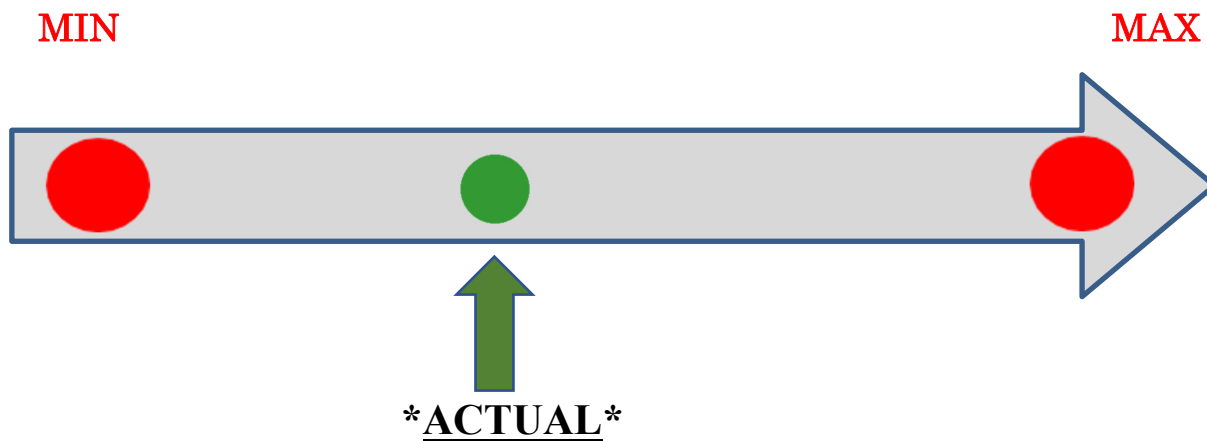
Per the local enabling act, the distribution formula for recipients of net profits is as follows:

- One Hundred percent (100%) to town General Fund.

WORKING CAPITAL

- G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system.
 - NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales 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 Forest City ABC Board is required to maintain a minimum working capital of \$125,986 with a maximum working capital amount of \$818,908.
 - The Forest City ABC Board had a working capital balance of \$427,314 which is more than the minimum and less than the maximum Commission requirements for this section (*).

*** FY 2023-2024: *Working Capital (WC) graphic***



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

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions - The Forest City ABC Board has routinely made the minimum mandatory distributions to the designated recipients over the last three years referencing NCGS 18B-805(c)(1). **The table below references distributions calculated by CPA on the left and total net profit distributions made by the ABC Board for the last three (3) years on the right.**
- Law Enforcement Distributions: Have been properly disbursed at or above the regular 5% statute amount over the last three (3) fiscal years.
- Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount of the last three (3)

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Forest City ABC Board Net profit distribution made annually by fiscal year	
<u>Note: Referencing CPA Audit Reports</u>			
CPA Calculated Amount		Total paid to recipient(s)	
FY-2024	\$120,092	FY-2024	\$463,574
FY-2023	\$116,282	FY-2023	\$409,498
FY-2022	\$100,621	FY-2022	\$268,687

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

Board Members

- The board consists of two members and a chairperson, each receiving compensation for their services at the maximum \$150.00 per meeting.
 - Board members are compliant on ethics training.
 - Terms are properly staggered.
 - The board's appointees have served consecutive terms.
 - Members have professional experience in accounting, business, and other non-profit areas.
- 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 generally held the second Monday of each month and public notices are posted via a flyer in an in-store vestibule.
- 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.

- o Minutes reviewed contained most required notations including time and date, approval of previous meetings minutes, and distinguished between new and old minutes.
- o Full financial reports prepared by the board's accounting firm are presented including sales for mixed beverages, comparisons for previous year, P&L and balance sheet.
- o 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.
 - o *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 Town of Forest City Police Department from 2002 and a copy is on file in Commission records. *The board could consider updating their law enforcement contract since both the town official and board member who signed the 2002 contract are no longer in their respective positions.*
- Law enforcement reports are submitted regularly by FO Cheryl Steffey and are current to date. The Board obtains pertinent LE data from the Forest City Police Department.
 - o Reports often 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 eleven (11) total employees, with five (5) full time, and six (6) part time.
- General Manager has served in this role with the board for approximately five years and has over thirty additional years working in retail sales and management.
 - o General manager is full time, their salary is within the allowable compensation per G.S. 18B-700(g1). All members are compliant on ethics training.
 - o Their responsibilities include full oversight of all daily store operations, human resources, ordering, inventory, and other operational tasks.
- The Finance Officer is full time and supports the manager with many responsibilities including inventory and deliveries. They are cross trained on some of both the general manager's and finance officer's key responsibilities and have recently completed an ethics training course.
- The Finance Officer is full time and has served the board for around twenty-one years. Her responsibilities include billing and other invoices, many other things financial and administrative, and additional operational activities.
- The board uses a third-party firm for some accounting related duties.
 - o Their main responsibilities include processing much of the information provided by personnel, providing financial reports for member review and the annual CPA audit, and providing general financial oversight and guidance.
- The board has a full-time lead store clerk who assists management with scheduling and other operational duties.

- 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 not been completed in recent years and management is receptive to the idea and benefit.
 - 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 and personnel manual acknowledgment form.
- Full time employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with general manager.

Policies

- The board has a comprehensive personnel manual that details various policies, behavioral standards, and aspects of employee benefits. Some of the headlines included in the manual are as follows:
 - Ethics standards and customer, employee, and personnel relationship.
 - Media, internet, equipment usage and cell phones.
 - Alcohol sales for identification of age, intoxication, employee, or families.
 - Cash handling including deposits and register balancing.
 - Pay, leave and benefits including holidays, timekeeping, scheduling, overtime, insurance, illness, medical, military, pregnancy, and employment categories.
 - Conduct standards including appearance, attendance, etiquette, drug or alcohol use, smoking, discipline, and harassment.
 - Employee evaluations, discipline, and problem resolution.
- Additional policies on site include shelf management, breakage, price discrepancy, refund, mixed beverage, and a code of ethics.
- For travel, the board chooses to adhere to the local municipality travel policy in compliance with G.S. 18B-700(g2) and has provided documentation for Commission records.
- The board could consider adopting written policies for credit/bank card usage, lottery, tastings, and employee tastings.

Operations

- Full inventory is conducted once a year with code-based inventories and other random counts conducted more frequently.
 - o Both the GM, FO and other team members participate.
 - o Scanners are used, and discrepancies are investigated.
 - o Adjustments are made by the general manager and sheets are retained.
 - o A sample of items were selected to verify accurate current inventory. Of those selected no price discrepancies were found.
 - o Strategies for slow moving products include a discontinued section, offering to other boards, and focused sales directing customers to the area and receive approval to mark down products. The GM will also consider providing free lunch to sales associates who generate the most sales.
- Board receives deliveries for goods the first and third Tuesdays of each month.
 - o Offload is conducted using a purchase order receipt list checking off cases by code.
 - o Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has nine mixed beverage customer accounts.
 - o Invoices are provided to permittees at the time of the transaction and copies are retained for each account.
 - o Mixed beverage customers use the warehouse entrance for purchases and staff assist in verifying order accuracy and help the customers with loading.
- General manager makes liquor order by first reviewing a thirty-day sales history and comparing to current inventory code by code. Next quarterly and SPA pricing is reviewed, and adjustments are made. Lastly, special orders are submitted and limited and allocated products are considered and ordered at midnight on the first of each month.
- Allocated products are reserved for mixed beverage accounts, included in an on-going lottery program, or occasionally shelved.

Financial, Administrative, and Internal Controls

- Invoices for liquor are usually processed monthly for all deliveries and many payments are processed via printed written checks.
 - o *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).
 - o The finance officer and general manager sign checks.
- Although the finance officer does regularly review liquor orders, the pre-audit stamp required by G.S. 18B-702(m) is not being properly affixed to purchase orders. *This could most reasonably be accomplished by stamping and signing the order edit list or other purchase orders.*
- The general manager has a credit card, and the finance officer has the information for one of the cards to make on-line payments.
 - o Itemized receipts for purchases are provided to the finance officer for review before the account is balanced.
 - o *the board does not have a written credit card policy but should consider.*

- Deposits are made daily for the previous business day. Deposit slips and other banking information are retained at the board's office and the finance officer conducts month end reconciliation and provides documentation to their accounting firm.
 - *A review of one month's deposit information was conducted, and no discrepancies were found between deposits and register receipts.*
- The board uses three registers in their showroom with tills beginning with \$120.00.
 - The board has a register without cash for mixed beverage sales in the warehouse area.
 - Drawers are counted at the beginning and end of each shift and a slip for each till is signed by the applicable employee.
 - There is a change fund but not used as petty cash.
- Funds are kept in a pooling bank approved by the North Carolina Treasury Office.
- Payroll is bi-weekly and processed by board Finance Officer she utilizes Quick Books with the accounting, tax and other reductions.
 - Employees use a phone APP "Home Base" system to clock in and out and hours are reviewed by all administrative employees.
 - *A review of recent payroll records indicates accurate pay rates for the board website for board members and the general manager.*
- Board keeps thorough records for unsaleable merchandise reports and emails copies of the claims to the Commission regularly in compliance with NCAC 15A .1701(c).
- The annual CPA audit was received by the Commission on September 19, 2024.
- All board members and the general manager and finance officer are each bonded for \$50,000 per G.S. 18B-700(i).

STORE INSIGHT & OVERVIEW

- The board's store and administrative office is located off a major commercial thoroughfare and near an interstate.
 - Outside area surrounding the store is well-maintained and free of debris or trash.
 - The television is tuned to show on site security surveillance.
 - There is ample parking and easy access for deliveries.
- The showroom-retail area is very large and shelving, endcaps, and other displays are well organized.
 - Show room space is aesthetically pleasant, well-lit, and allows for easy flow for patrons and staff.
 - The floor's carpeting is clean.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed, and the quarterly price book is available should customers request.
 - Listings for specially priced items are printed and available for customers to review.
- The warehouse and administrative areas form a full horseshoe around the retail space.
 - The area is well lit and organized and can accommodate a large number of cases.
- Shelf management practices are fully implemented, and a written plan is available for store personnel which corresponds with NCAC 15A .1708.
 - Products are fronted and dusted, and most are placed in categorized areas.
 - Premium products are generally found at eye-level or top shelf.
 - Bottles are generally arranged so they increase in size left to right of the same item.
- Sales associate interactions with customers are attentive, courteous, and the staff is very familiar with many of their patrons.

- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, no item's prices were inaccurately posted.
 - o Price discrepancies are handled in the customers favor if the shelf tag were to be lower than the current price mandate.
- Store is generally open from 10:00 am until 8:00 pm daily. They are currently closed every Sunday, the five (5) previously required annual holidays, and Memorial Day.
- Security systems are in place and functional in all designated areas.
 - o *The store has twenty five (25) cameras and panic buttons.*
 - o *Management has an informal agreement with the police department to have a visible presence in their parking area or road near the store as their time permits.*

RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)

- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. *Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.*
- Please ensure all newly adopted policies or any updated policies are submitted electronically to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. Electronic copies of the personnel manual should be emailed to Commission personnel for recordkeeping. A credit card policy is recommended to established authorized use (sample copy forwarded for consideration). A tastings policy is recommended if tastings are done routinely.
- The board is recommended to forward a current law enforcement contract. Please provide a copy to the Commission *per G.S. 18B-501(f)*.
- Board does not have copies of oath before taking office or before the execution of the office per G.S. 11-7. *Written copies of oaths should be available at the board's administrative office.*
- While the board does provide appropriate oversight with the finance officer reviewing purchase orders, the board should re-establish compliance with GS 18B-702(m) preaudit approval certificate to take substantially the following form on checks, "This instrument has been pre-audited in the manner required by GS 18B-702".

ADDITIONAL CONSIDERATIONS & GUIDANCE

- The Commission's primary focus for ABC board members:
- ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by Sept 30th.
- ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc. *Moreover, liaising with the Commission when new members are appointed or when member resign early before term has ended is very important for recordkeeping efforts of the Commission.*
- ABC boards are highly encouraged to find straightforward ways to lower any recurring expenses. *A very tangible way to lower operating costs is to fully maximize monthly special purchase allowance (SPA) liquor products that routinely sell well in the store to lower cost of goods sold (COGS).* ABC Boards can limit the number of personnel travelling to conference and convention events across the state. Other ways to try to improve expenses include requesting bids annually from various vendors to get the best rates possible on financial audits, various utilities, maintenance contracts, and *credit card processing companies.*
- ABC boards are encouraged to closely review financial statements monthly, comparing with the annual budget forecast, approving budget amendments when necessary and submitting copies to the Commission for anticipated sales increases as well as other adjustments for budgeted accounts.
- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.
- NCAC Rule 15A .1701 requires quarterly reports be submitted for any unsaleable merchandise (breakage) and retain original copies for three (3) years. *All breakage reports should only be transmitted via email submission to Commission staff; copies should not be mailed.*
- As a reminder, remove all faded posters and replace with new ones when applicable. Reach out to the Commission to provide fetal alcohol syndrome posters, NC Dept of Labor can provide wage & hour posters, and OSHA can provide some applicable federal posters if any are needed.
- ABC boards can explore additional training opportunities periodically available through the ABC Commission as well as partnering with other ABC boards on specific areas such as best retail and marketing practices.

FOREST CITY ABC BOARD

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

8/21/2025

We truly appreciate your support and recommendations from the audit recently performed. This performance audit will help us with the areas that need improvement. Please find below our responses to the findings and recommendations.

- Item 1: The board is recommended to forward a current law enforcement contract. Please provide a copy to the Commission *per G.S. 18B-501(f)*.
All recommendations will be followed.
An Updated LE Contract was submitted on July 24, 2025
- Item 2: Board does not have copies of oath before taking office or before the execution of the office per G.S. 117. *Written copies of oaths should be available at the board's administrative office.*
All recommendations will be followed.
All Board member copies of Oath were submitted on July 24, 2025
- Item 3: While the board does provide appropriate oversight with the finance officer reviewing purchase orders, the board should re-establish compliance with GS 18B-702(m) preaudit approval certificate to take substantially the following form on checks, "This instrument has been pre-audited in the manner required by GS 18B-702".
All recommendations will be followed.
The Pre Audit stamp was ordered on July 24,2025 and is now in use.
- Item 4: Please ensure all newly adopted policies or any updated policies are submitted electronically to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. Electronic copies of the personnel manual should be emailed to Commission personnel for recordkeeping. A credit card policy is recommended to established authorized use (sample copy forwarded for consideration). A tastings policy is recommended if tastings are done routinely.
All recommendations will be followed.

Sincerely,
Scott Roach / Brian Day Chairman / GM
Forest City ABC Board

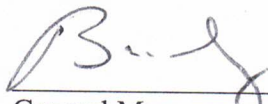
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Month Day Year

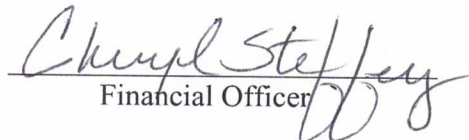
Forest City
ABC Board

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