

Franklinton ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
400 East Tryon Road, Raleigh, NC 27610
p: 919-779-0700 | f: 919-661-5927 | <http://abc.nc.gov>



ABC
COMMISSION
NORTH CAROLINA

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ABC

COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

February 26, 2026

CHAIRMAN:
Hank Bauer

Franklinton ABC Board
Jimmy Collie, Chair
3378 US 1 Hwy
Franklinton, NC 27525

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

David Sherlin
Raleigh

Chairperson Collie,

DEPUTY COMMISSIONER:
Mike DeSilva

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

LOCATION:
400 East Tryon Road
Raleigh NC 27610

MAILING:
4307 Mail Service Center
Raleigh NC 27699-4307

PHONE: (919) 779-0700
<http://abc.nc.gov/>

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.

Franklinton ABC is in Franklin County North Carolina. It's a small town that grew up alongside the sweeping rural landscapes of central North Carolina. Its story begins in the early 19th century when this crossroads community took shape around farming, tobacco, and the arrival of the railroad — a lifeline that connected its cotton and crop-rich countryside to wider markets and helped shape the town's identity. Over decades, life here was defined by hard work on farms, mills rising along the rail lines, and a pace set by seasons in fields and local commerce. The old Sterling Cotton Mill, now repurposed into apartments and businesses, still stands as a reminder of that industrial chapter.

Today, Franklinton combines its historic roots with the quiet momentum of modern small-town America. With a population of roughly 2,500–2,700 people, the community reflects a mix of backgrounds and generations — long-time families, newer arrivals drawn by affordability, and young professionals who enjoy a slower pace but remain connected to larger regional hubs. The town's racial and cultural diversity is part of its current texture, and, like many small towns, its social life often centers around local events, parks, and churches where neighbors meet and share community rhythms.

Historically, Tabor City's economy was rooted in agriculture, especially tobacco farming, and the timber industry. As those industries have declined or changed, the town's economic base has diversified. Today, light manufacturing, retail, service industries, and a state correctional facility play roles in local employment. Despite this, the town faces economic challenges: median household incomes are lower than state or national averages, and unemployment and poverty rates tend to be higher.

Walking through downtown Franklinton feels like stepping back into another era: tree-lined streets with historic facades that whisper of the town's 19th-century beginnings. Yet there's a sense of transition here as well. New homes and developments have begun to appear, and people increasingly look to Franklinton as a place that offers both the charm of quiet, everyday living and convenient access to larger job markets, cultural attractions, and services just a short drive away.

Life in Franklinton moves at a comfortable pace. The rhythm of the season brings summer concerts in the park, local festivals that draw families together, and quiet mornings with coffee at a local café. Children play in community parks, and neighbors greet one another on sidewalks and front porches. Schools and local institutions serve as anchors where both history and future aspirations meet, much like the town itself — rooted in tradition but evolving with the aspirations of its residents.

In essence, Franklinton is a place where history and progress coexist. It's neither a bustling city nor a sleepy backwater. Instead, it's one of those American small towns where past and present live side by side — offering a sense of stability, community, and space to grow, without losing sight of the legacy that shaped it.

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 and provides additional support quarterly. 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 July 11, 1947, and it passed. *Currently, the Franklinton ABC Board has a chairperson, three board members and a general manager to serve on the ABC board.* The Franklinton ABC Board currently operates one (1) retail store. The board staff (9) in total personnel. These include (2) full-time employees and (7) 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 is Stephanie Pritchett. She and the GM provide the board with fiscal management, administrative support, and oversees routine operations of the ABC store. Sales associate responsibilities include, selling products, daily stocking, and floor upkeep & maintenance.

The last performance audit for the Franklinton ABC Board occurred in 2021. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.



3378 US 1 Hwy, Franklinton N.C.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On Thursday, January 8, 2026, ABC Board Program Analyst II Eric McClary visited the Franklinton ABC Board and interviewed Laurie Pritchett (General Manager). Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

FINANCIAL ANALYSIS

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2024-2025, the Franklinton ABC Board had a profit percentage to sales ratio of 7.68%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales more than \$2M is 6.5%.
 - The Franklinton ABC Board's gross sales totaled \$3,021,312, which was an approximate 5.1% increase from the previous fiscal year.

- Franklinton ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .64 in FY 2024-2025. 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). NOTE: financial metrics (profit percent, operating cost ratio) are subject to being reviewed by Chairman Bauer and his team at some point.
- Below are charts showing gross profit on sales, total operating expenses, and income from operations for recent years.

	FY 2024-2025	FY 2023-2024
Gross Profit on Sales	\$698,036	\$614,359
Income from Operations	\$231,994	\$139,047

Factors affecting profitability and cost include:

- Surrounding areas with other ABC systems which are within a 25-mile radius include Bunn ABC, Louisburg ABC, Youngsville ABC, Vance County, Granville County and Wake County ABC.
- There was 3.6% unemployment rate in Franklinton in June of 2025 compared to 3.6% the previous year and month.
- The board currently has approximately 10 active mixed beverage customers.
- **FINANCIAL ANALYSIS (cont.)**
- *Factors affecting expenses:*
 - Total operating expenses decreased around (1.9%) from the last fiscal year.
 - Cost of Goods Sold (COGS) was roughly 53.9% for the fiscal year with a normal range being 52% to 54%.

BUDGET ANALYSIS

	FY 2024-2025 Budget Projection	FY 2024-2025 Actual	Variance	Variance %
Sales	\$3,330,491	\$3,021,312	(309,179)	9.2%
Revenue over or (under)				
Expenditures		\$48,138		

In reviewing the budget to actual analysis of the FY 2024-2025 financial audit, actual sales revenues were slightly less than forecasted projections of 9.2%. After reconciliation, the change in the Board's end net position was \$298,430.

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).* Franklinton ABC made a total of \$693,819 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 Franklin County.

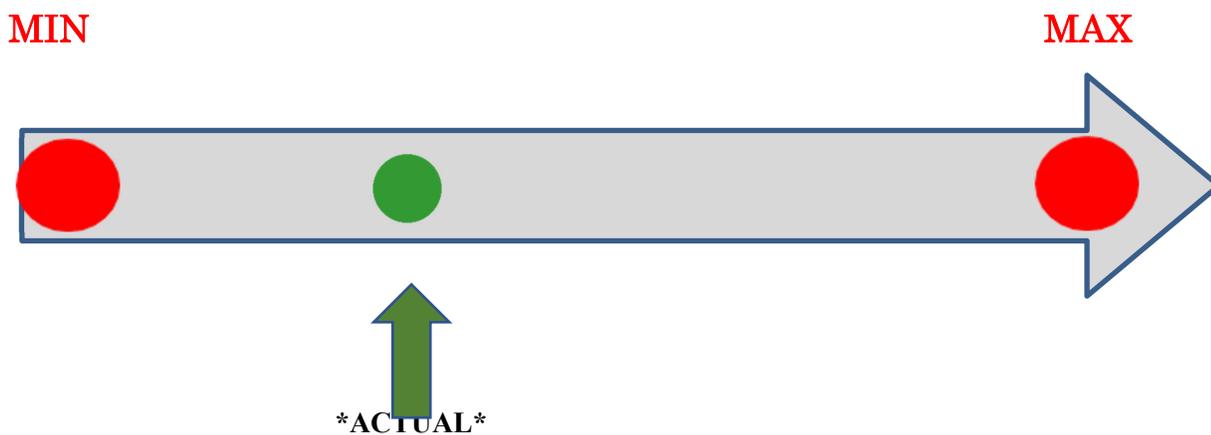
Per the local enabling act, the distribution formula for recipients of net profits is as follows:

- *100% to Franklinton general fund*

WORKING CAPITAL

- G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system.
 - NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales more than \$1.5M as an amount equal to three (3) months of gross sales.
 - G.S. 18B-702(g)(3) defines "Working Capital" as the total of cash, investments, and inventory less all unsecured liabilities. As it pertains to working capital computation, gross sales mean gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).
- Based upon the existing rules, as of June 30, 2025, the Franklinton ABC Board is required to maintain a minimum working capital of \$89,519 with a maximum working capital amount of \$581,873.
 - The Franklinton ABC Board had a working capital balance of \$239,612 which is more than the minimum and equal to the maximum Commission requirements for this section (*).

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



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

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions - The Franklinton 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		Franklinton ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
CPA Calculated Amount		Total paid to recipient(s)	
FY-2025	\$84,255	FY-2025	\$150,000
FY-2024	\$80,332	FY-2024	\$100,000
FY-2023	\$75,083	FY-2023	\$100,000

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

Board Members

- ➤ The board consists of four members, a secretary, an FO and a chairperson, each receiving compensation for their services at a maximum of \$150.00 per meeting and in compliance with G.S. 18B-700(g).
 - Current board members’ terms are staggered to comply with G.S. 18B-700(a), however the Chairman’s appointment ended in December 2025. He will require re-appointment and Ethics Training. The GM is aware and follow up with the Chairman.
 - Board members are currently compliant with the ethics training requirements. *Two recently appointed or reappointed members will need to satisfy the training requirement soon.*
 - Members are a mixture of initial appointees and multi-term appointments.
 - Members have professional experience in the fields of business, law enforcement, nursing, and administration.
- Members have taken an oath of office per G.S. 11-7, but copies of the written oaths are kept only with the county. *The board should work to ensure copies of oaths are maintained at the board administrative office.*

- Meetings are generally held every other month or sometimes the board chooses to meet more frequently if an issue arises. Board personnel announce the meetings by posting a sign at the Boards' front door. *The board will want to ensure the county office is notified of meeting times as well.*
- Meeting minutes are organized, available, and follow all the order of proceedings.
 - Comprehensive financial data is provided and discussed at meetings to include quarterly computations from the board's auditor, sales comparisons and other expense reports.
 - Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld. Boards should also routinely review any notes and recommendations provided by the CPA firm on annual audits.
- The board's login website had been updated at and prior to Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

Law Enforcement

- The board has a law enforcement contract with the Franklinton Police Department from 2011, and a copy is on file in Commission records. All that signed are still in office.
- Law enforcement reports are submitted regularly by Chief J.D Davis and are current to date. The Board obtains pertinent LE data from the Franklinton Police Department. Reports provide intricate details of activities for accountability per G.S. 18B-501(f1).

Board Personnel

- The board currently staffs (9) total employees, with (2) full time, and (7) part-time.
- General Manager has served in this role with the board for approximately 1 year.
 - General manager is full time; her salary is within the allowable compensation per G.S. 18B-700(g1). All members are compliant on ethics training; however, the Chairman will require training due to reappointment.
 - Their responsibilities include full oversight of all daily store operations, human resources, ordering, inventory, and other operational tasks.
- The Finance Officer supports the general manager with many additional responsibilities. She is cross trained and has other key responsibilities. The GM is compliant with ethics training.
- The board uses a third-party firm for some accounting related duties, including payroll and financial reporting.
 - 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 lead store clerk who assists the GM with operational duties on the floor.
- All other store employees are part-time sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training is provided for new employees from 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.
- No conflicts pertaining to nepotism found and per discussion with general manager.

Policies

- The board has a thorough personnel manual with additional policies that details various work requirements, behavioral standards, leave and other benefits, scheduling and holidays, and the requirements of Rule 15A .1006.
 - The manual includes additional policies for gifts, employee grievances, delivery truck usage, alcohol sales, overages/shortages, board member travel to meetings, and employee purchases.
 - Additional policies on file with the commission include a code of ethics, allocated products, and mixed beverage sales.
 - While procedures and practices currently follow Commission rules, the board should establish in writing both a shelf management and price discrepancy policy.
- For travel, the board follows the reimbursement schedule for state employees in G.S. 138-6.

Operations

- ➤ Board personnel conduct full inventory frequently, at least once a month at the board and the warehouse.
 - Counts are made using either scanners or count sheets. Variances are re-checked before being submitted to the administrative office.
 - The General Manager reviews and investigates discrepancies before adjustments are made.
 - Strategies for slow moving products include moving in stores, moving to different stores, and price reductions.
- The board receives deliveries of liquor twice monthly with occasional extra orders during peak times.
 - Pallets are dropped and cases are down stacked using scanners with multiple team members participating.
 - Any variances are recounted and balanced against store and warehouse stock before reports are sent to LB&B.
 - Store deliveries are usually made on every second and fourth Tuesday. The store team members also run a variance report.
- Liquor orders are made by the warehouse manager.
 - A suggested order for the store is compiled, and each item is adjusted by comparing it with stock status.
- The board has a unique distribution procedure for allocated products, and a policy is available to customers and now in Commission records retention. The policy includes both retail sales and mixed beverage accounts and the warehouse manager works directly with mixed beverage accounts to help meet their requests.
- 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 reports to the Commission as applicable.*
- The board currently has ten mixed beverage customer accounts active in the county.
 - Invoices are provided to permittees and signed copies are retained in a file for each account.
 - The board stamps bottles in the manner required by NCAC 15A .1901.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed for all deliveries and payments are processed via written check within 30 days.
 - *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). and are signed by the GM and the Finance Officer.
- The GM and the FO conduct regularly review liquor orders, however the pre-audit stamp required by G.S. 18B-702(m) is not being properly affixed to purchase orders.
- The general manager has a credit card, and it's kept in a secure location at the administrative office.
 - Itemized receipts for purchases are generated by the GM for review before the account is balanced.
 - *The board does not have a written credit card policy but should consider one.*
- Deposits are conducted daily. Deposit slips and other banking information are retained at the board's office, and the GM provides documentation to the third-party accounting firm.
 - *A review of one month's deposit information was conducted, and no discrepancies were found between deposits and register receipts.*
- The board has 2 registers in their showroom. Tills start at \$650.00.
 - Drawers are counted at the beginning and end of each shift and a slip for each till is signed by the applicable employee.
- Funds are kept in a pooling bank approved by the North Carolina Treasury Office.
- Payroll is bi-weekly and processed by the General Manager.
 - Employees use a time clock system to clock in and out and hours are reviewed by all the GM.
- 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 November 13, 2025.
- All board members and the general manager are not properly bonded for \$50,000 per G.S. 18B-700(i).

STORE INSIGHT & OVERVIEW

- The board's administrative office is located off a major commercial thoroughfare and near an interstate.
 - Outside area surrounding the board is well-maintained and free of debris or trash.
 - There is ample parking, and deliveries are conducted at the board warehouse.
 - The floor's carpeting is also very nice.
 - 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 spaced.
 - The area is well lit and organized and can accommodate many cases.
- □ Shelf management practices are implemented.
 - Products are fronted and dusted, and most are placed in categorized areas around the store.
 - Premium products are generally found at eye level or top shelves at all retail locations.
 - Bottles are arranged so they increase in size from left to right.
- Sales associate interactions with customers are attentive, courteous, and the staff are very familiar with many of their patrons.
- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected there were no prices that were inaccurately posted.
 - Price discrepancies are handled in the customers favor if the shelf tag were to be lower than the current price mandate.
- Store is generally open from 10:00 am until 8:30 pm daily, Monday through Saturday. The board is closed every Sunday. Besides closing on the two (2) required annual holidays and every Sunday, the board may opt to continue closing on New Year's Day, July 4th, and Labor Day annually.
- Security systems are in place and functional in all designated areas.
 - *The board has (9) security cameras.*

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 MXB beverage delivery policy and 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.
- 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.
- For the fiscal year ended June 30, 2023, expenditures exceeded the authorized appropriations made by the governing board for debt and distributions. Management and the board will more closely review the budget reports to ensure compliance in future years.
- ABC Board members must complete ethics training within one (1) year of each appointment and again following all reappointments under NCGS 18B-706(b).
- While quality oversight on purchases is in place, the board should re-establish full compliance with G.S. 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”. *This could most reasonably be accomplished by stamping and signing the order edit list or other purchase orders.*

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.

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

February 24, 2026

To: Eric McClary
RE: Performance Audit

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: 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.

All recommendations will be followed.

Item 2: While quality oversight on purchases is in place, the board should re-establish full compliance with G.S.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.

Item 3: 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. A MXB beverage delivery policy and a credit card policy is recommended to establish authorized use.

This recommendation has been corrected and updated.

Item 4: 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.

All recommendations will be followed.

Item 5: For the fiscal year ended June 30, 2023, expenditures exceeded the authorized appropriations made by the governing board for debt and distributions. Management and the board will more closely review the budget reports to ensure compliance in future years.

All recommendations will be followed.

Item 6: ABC Board members must complete ethics training within one (1) year of each appointment and again following all reappointments under NCGS 18B-706(b). Based on G.S.

18B-702(s), ABC boards submit annual CPA audits to the appointing authority and the Commission. The Commission requests for the audits to be submitted by September 30th each year outside of any unanticipated scenarios.

All recommendations will be followed.

The board has signed and submitted a COA form.

Sincerely,

Jimmy A. Collie

Jimmy Collie, Chairman
Franklinton ABC Board

February 24, 2026

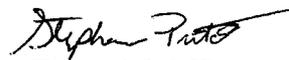
Franklinton ABC Board

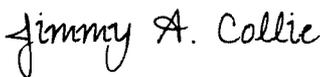
Certificate of Accountability

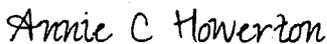
This document assures this Board and the State of North Carolina that the following statutory duties required of local ABC Boards have been properly performed.

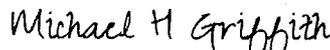
1. The system has complied with all State uniform pricing requirements pursuant to NCGS §18B-804.
2. That all alcoholic beverages sold have been approved by the Commission for sale in this State pursuant to NCGS §18B-800.
3. That all "gross receipts" pursuant to NCGS §18B-805(a) have been properly accounted 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