

Highlands ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
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ABC
COMMISSION
NORTH CAROLINA

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Alcoholic Beverage Control

March 9, 2026

CHAIRMAN:
Hank Bauer

Highlands ABC Board
Steve Mehder, Chair
322 Oak St
Highlands, NC 28741

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

David Sherlin
Raleigh

Chairperson Mehder,

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 Highlands 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.

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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.

About Highlands North Carolina

Highlands North Carolina is a distinctive mountain town perched high on the Southern Appalachian Plateau in Macon County, known for its extraordinary elevation and natural beauty. Founded in 1875 by two developers from Kansas who picked the site based on a quirky map-crossing idea, Highland soon evolved into something beyond its founders' commercial dreams. Instead of a crossroads of trade, it became a healthful summer retreat where people from across the United States came to escape oppressive heat and enjoy cool mountain air and scenic views. Sitting at an average elevation of about 4,118 feet above sea level, Highlands is one of the highest incorporated towns east of the Mississippi River. This lofty perch gives the town cooler summers and abundant rainfall — conditions that have shaped both its climate and its lush, sometimes rainforest-like environment.

From the start, the community blended the cultures of Northerners and Southerners, artisans and laborers, professionals and adventurers, creating a town that was small but rich in diversity and character. Throughout the late 19th and early 20th centuries, Highlands grew slowly but steadily, adding stores, churches, a library, and welcoming summer guests who reveled in the mountain lifestyle. Today, year-round residents number in the low thousands, but in the warmer months that number swells significantly as visitors and second-home owners arrive to enjoy everything the region has to offer.

Nature is a defining force in Highlands' identity. The town is enveloped by Nantahala National Forest and sits near countless mountain streams, waterfalls, and forested ridges. Lakes such as Lake Sequoyah and Harris Lake offer calm water and outdoor recreation close to town, while dramatic cascades and scenic trails beckon explorers deeper into the surrounding wilderness. In the heart of town, a charming downtown Main Street reflects Highlands' blend of small-town heritage and artistic flair. Boutique shops, art galleries, and restaurants give the area a lively yet relaxed atmosphere, where strolling and conversation are as attractions as the views themselves. The community's cultural life is enriched by local theaters, visual arts centers, and seasonal festivals that draw people from across the region.

Throughout its history, Highlands has balanced preservation with evolution. Historic buildings like the Highlands Inn and districts such as Satulah Mountain remind visitors of the town's early days, while modern planning efforts protect its natural environment even as new residents and businesses find their place among the pines and firs. All told, Highlands is a place of elevated air and elevated spirits — a mountain refuge where rugged landscapes, seasonal rhythms, and a strong sense of community combine to create a uniquely Appalachian experience. Whether you're drawn by its cool summer breezes, its storybook streets, or its cascading waterfalls, Highlands stands as a testament to the enduring allure of the Southern Mountains.

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 Finance Officer oversees the financial reporting, and other bookkeeping duties as needed. The Board hired an external accountant that generates the annual audit reports. All store employees' primary responsibility is to provide friendly customer service to all customers, store upkeep and stock maintenance.

A mixed beverage referendum occurred on August 16, 1977, and it passed. Currently, Highlands ABC Board appoints a chairperson, (4) board members, and a general manager to serve on the ABC board. Highlands ABC Board currently operates (1) retail store. The board staff (6) in total personnel. These include (1) part-time and (5) full-time personnel. The general manager is responsible for daily store operations including supervising personnel, inventory management, and various retail functions. The GM also 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 Highlands 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.



322 Oak St, Highlands N.C

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On Wednesday, December 17, 2025, ABC Board Program Analyst II Eric McClary visited the Highlands ABC Board and interviewed Kevin Vinson (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 Highlands ABC Board had a profit percentage to sales ratio of 3.03%.
 - Highlands ABC Board’s gross sales totaled \$3,258,150, which was an approximate 7.8% decrease from the previous fiscal year.
- Highlands ABC Board operates one (1) retail store with mixed beverage sales. The operating cost ratio for the board was .81 in FY 2024-2025.

	FY 2024-2025	FY 2024-2025
Gross Profit on Sales	\$816,449	\$905,387
Income from Operations	\$98,822	\$250,118

Factors affecting profitability and cost include:

- Surrounding areas with other ABC systems which are within a 30-mile radius include Franklin ABC.
- There was 3.7% unemployment rate in Macon County in June of 2025 compared to 3.7% the previous year and month.
- The board currently has approximately 33 active mixed beverage customers. *In FY 2024/2025 mixed beverage accounted for over 46.1% of gross sales.*

FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses increased around (9.5%) from the last fiscal year.
- Board salaries and wages were approximately (12.9%) of total annual sales.
- Cost of Goods Sold (COGS) was roughly 50.8% for the fiscal year with a normal range being 52% to 54%.

BUDGET ANALYSIS

	FY 2024-2025 Budget Projections	FY 2024-2025 Actual	Variance	Variance %
Sales	\$3,336,400	\$3,258,150	(78,250)	2.3%
Revenue over or (under) Expenditures		(1,181,348)		

In reviewing the budget for actual analysis of the FY 2024-2025 financial audit, actual sales revenues were less than forecasted projections of 2.3%. The Board has submitted a budget amendment that reflects a reduction of \$778,388. After reconciliation, the change in the Board’s end net position was \$1,993,717.

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).* Highlands ABC made a total of \$787,426 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 Macon County.

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

- 11.5% for recreation in the town*
- 10.5% to Highlands Scholarship Fund*
- Remainder to Highlands 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.

- o 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.
- o 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 Highlands ABC Board is required to maintain a minimum working capital of \$95,067 with a maximum working capital amount of \$617,938.

- o The Highlands ABC Board had a working capital balance of 158,100 which is more than the minimum and less than 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 Highlands ABC Board has routinely made less than the minimum mandatory distributions to the designated recipients over the last three years referencing NCGS 18B-805(c)(1). The Commission has on file a previous Capital Improvement Plan that speaks to town approval. **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		Highlands 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	\$85,628	FY-2025	\$70,535
FY-2024	\$93,655	FY-2024	\$52,215
FY-2023	\$89,488	FY-2023	\$50,822

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

Board Members

- The board consists of chairperson, a general manager, and four members each receiving compensation for their services at the maximum \$150.00 per meeting.
 - Board members are compliant with required ethics training.
 - Terms are properly staggered.
 - Members have professional experience in Finance Operations, Military, sales and Architecture.
- Members may have taken an oath of office per G.S. 11-7, and copies of oaths are available at the board’s administrative office.
- Meetings are generally held on the Third Monday of each month, and public notices are posted on a bulletin board at the town hall
- Meeting minutes are organized and available and follow the order of proceedings, providing details of business discussed in a transparent and easily comprehensible manner.
 - Minutes reviewed contained most required notations including time and date, approval of previous meetings minutes, and distinguished between new and old minutes.

Full financial reports are prepared by the CPA and the GM, reviewed and are presented to the Board, 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 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 Highlands Police department from 2014, and a copy is on file in Commission records.
- Law enforcement reports are current and up to date.
 - o Reports often do provide details of activities for accountability per G.S. 18B-501(f1).

Board Personnel

- The board currently staffs (6) total employees, with (5) full time, and (1) part time.
- General Manager has served in this role with the board for approximately twelve years and has additional experience in retail sales and management.
 - o General manager is full time, and his salary meets the required compensation per G.S. 18B-700(g1).
 - o The GM's responsibilities include full oversight of all daily store operations, human resources, ordering, inventory, and other operational tasks.
- The board bookkeeper handles the accounting for the Board.
 - o The main responsibilities for this include processing much of the information provided by personnel, providing financial reports for members, and providing general financial oversight and guidance.
- One employee is a part-time sales associate 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 primarily on the job and mentorship style.
- RASP training has been completed in recent years, and management is receptive to the idea and benefit of more training. Product knowledge training is conducted 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 the LGERS.
- No conflicts of interest pertaining to nepotism were identified by discussion with general manager.

Policies

- The board has an adequate 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.
 - 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.
- For travel, the board chooses to adhere to the States travel policy in compliance with G.S. 18B-700(g2).

Operations

- Full inventory is conducted two times annually with code-based inventories and other random counts conducted more frequently.
 - The GM and other team members participate.
 - Scanners are used, and discrepancies are investigated.
 - Adjustments are made by the general manager and sheets are retained.
 - Strategies for slow-moving products include them being placed in a higher visibility area or asking the Commission for a reduction, anything that's D listed is phased out.
- Board receives deliveries for goods twice monthly.
 - Offload is conducted using a purchase scanner.
 - Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has 33 mixed beverage customer accounts.
 - Invoices are provided to permittees at the time of the transaction and copies are retained for each account.
 - Mixed beverage customers use a dedicated MXB entrance for purchases and staff assist in verifying order accuracy and helping the customers with loading.
 - The general manager makes liquor orders by inventory report, along with other team members.

Financial, Administrative, and Internal Controls

- Invoices for liquor are usually processed shortly after the delivery is made and completed for all deliveries, and many payments are processed via written checks.
 - *A sample of payment dates was reviewed and indicated invoices were paid within the thirty-day requirement.*
- Board's checks have the required disbursement certificate in compliance with G.S. 18B-702(q).
 - The board's GM and a board member sign the checks.
- The pre-audit stamp required by G.S. 18B-702(m) is being properly affixed to purchase orders.
- The general manager has a credit card, and he has the information about the cards to make on-line payments.
 - Itemized receipts for purchases are provided to the bookkeeper for review before the account is balanced.
- Deposits are made daily for the previous business day except Saturday by the GM or the bookkeeper. Deposit slips and other banking information are retained at the board's office, and the bookkeeper 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 the store; one is for MXB in the showroom with tills beginning with \$128.00.
 - Drawers are counted at the beginning and end of each shift and a slip for each till is signed by the applicable employee.
 - The opening manager recounts all tills and combines the individual employees' bank bags to build the deposit.
 - There is a small fund used as petty cash.
- Funds are kept in a pooling bank approved by the North Carolina Treasury Office.
- Payroll is biweekly and processed by bookkeeper and she also handles the accounting for the board.
 - Employees use a time clock 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 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 this date September 30, 2025.
- 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 1/10th of a mile from NC Highway 64 East.
 - Outside area surrounding the store is well-maintained and free of debris or trash.
 - There are two televisions on site.
 - There is very minimal parking due to the size of the parking lot and easy access for deliveries.
- The showroom-retail area, 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 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 are located within the back of the retail space provide more than adequate space. The board provides a dedicated warehouse for MXB. There is also a very large boardroom, and the board offices are comparable to ABC systems nearby.
- 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 on the top shelf.
 - Bottles are arranged so they increase in size left to right of the same item.
- 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 two with price discrepancies, The GM will act to correct these discrepancies.
 - 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 9:00 am until 7:00 p.m. 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.
 - *The store has (26) cameras and two panic buttons.*

RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES)

- A MXB beverage delivery policy and a credit card policy is recommended to established authorized use (sample copy forwarded for consideration).
- In response to the Commission Standards for Profit Percentage and Operating Cost Ratio. The Highlands ABC Board wants to highlight the fact that there was a relocation of the ABC store, with several months of construction, and equipment purchases, necessitated by the move. The second item occurred with the occurrence of Hurricane Helene, and the impact that had on the entire Western North Carolina region. Additionally, the relocation of the store caused considerable duplication of expenses, substantial labor cost of the move, additional rental cost due to delay with the contractor, and construction interest, which was abnormal to the operation of the store. The approximate cost of these items was almost \$70k. The board wants this to be understood that this does not reflect the lack of sales during the closure for the move and restocking of the inventory. Furthermore, the Board advises that the effect of the hurricane had a long-lasting impact on sales. Not only was the town shut down for an extended time, but the tourist population dropped substantially for both the news reports of the devastation, as well as the closure of the main highway traversed by most visitors arriving from the south. The predominant visitors come from the south, such as Atlanta, Birmingham, etc. The population increase in the fall is generally coming to view the fall foliage, etc. Highlands ABC relies heavily on the Mixed Beverage customer. Approximately 50% of the board's sales come from this source. Local hotels and resorts had multiple weddings, etc., cancelled because of the storm and arrival barriers. Restaurants saw a substantial drop in sales as well. The approximate effect of sales on this issue amounted to approximately \$90k, just by comparing current sales to the prior two years. The Board says that given adjustment to the above abnormal/non-recurring items mentioned above, the recalculated operating cost ratio would be .66 for 2024-2025. This is consistent with the prior two years' which had ratios of .65 and .68. As such, the board believes that there should be a correction, noted with the abnormal/non-recurring factors, to the Commission report. The board also feels that an audit should include analysis of special abnormalities to the trend.

ABC Board General Statute Reminders

- 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 when 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 should be emailed to Commission personnel for recordkeeping.
- 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.
- 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.

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.
- 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.*
- 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.

Highlands ABC Board

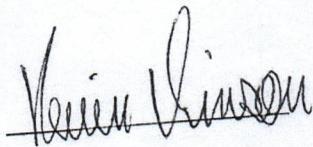
Response Letter

Please find below our responses to the findings and recommendations.

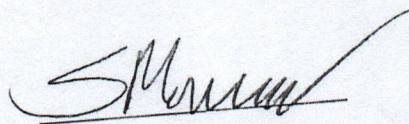
1. All recommendations regarding the credit card policy will be followed.
2. All recommendations regarding the delivery policy will be followed.

Adopted this 16TH day of FEBRUARY, 2026

General Manager



Board Chairman



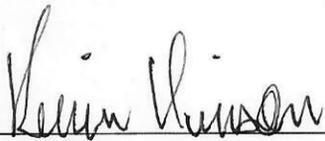
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Month Day Year

HIGHLANDS
ABC Board

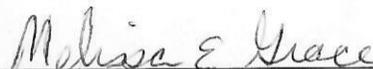
Certificate of Accountability

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.

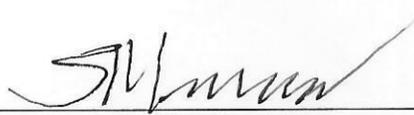
1. The system has complied with all State uniform pricing requirements pursuant to NCGS §18B-804.
2. That all alcoholic beverages sold have been approved by the Commission for sale in this State pursuant to NCGS §18B-800.
3. That all "gross receipts" pursuant to NCGS §18B-805(a) have been properly accounted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



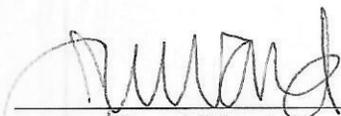
General Manager



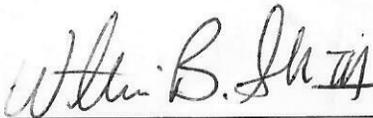
Financial Officer



Chairman



Board Member



Board Member



Board Member

Board Member