

Hoke County ABC Board

Performance Audit Report



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Alcoholic Beverage Control

September 8, 2025

CHAIRMAN:
Hank Bauer

Hoke County ABC Board
Cleo Bratcher Jr., Chair
384 Laurinburg Rd.
Raeford, NC 28376

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

David Sherlin
Raleigh

Chairperson Bratcher,

DEPUTY COMMISSIONER:
Mike DeSilva

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On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Hoke County ABC Board. The report consists of an overview of the objectives & background summary, financial analysis and findings, and a summary of actions recommended based upon your board's performance and related findings. Additional considerations are listed as well to provide further guidance and enhance awareness to promote ABC board success.

Please reach out if you have any questions or require assistance in implementing any of the statute requirements, Commission rules, or other recommendations included in the report. On behalf of the North Carolina ABC Commission, I thank you and your staff for your assistance and cooperation in conducting this periodic review. We appreciate the continued efforts by your board to comply with the performance standards, as well as the board's commitment to increase profitability and reduce expenses.

If we can be of assistance in the future, please do not hesitate to reach out to the Commission staff.

Respectfully,

Michael DeSilva
Deputy Commissioner

OBJECTIVE, PURPOSE & BACKGROUND INFORMATION

In addition to regular and special financial audits, G.S. 18B-705(a) authorizes the NC ABC Commission to conduct performance audits of all local ABC boards in the state. Performance audits are examinations of existing operating policies, practices, controls, and activities to determine those areas in which there may be a need for improvement.

The audits are designed to ensure that all local ABC Boards comply with established performance standards pursuant to G.S. 18B-203(a)(20). The audit's scope addresses compliance with ABC laws and rules, store appearance, operating efficiency, solvency, and customer service.

To achieve the objectives of the audit, auditors:

- Review applicable General Statutes, ABC Commission Rules, Reports, and Administrative Policies
- Verify compliance with Commission and Board policies
- Verify results of previous performance audit recommendations
- Review ABC Board annual independent financial audits
- Review ABC Board reporting and documentation reports
- Visit the store(s)
- Interview key ABC Board personnel

Hoke County is in southcentral North Carolina and was created in 1911 from parts of Cumberland and Robeson Counties. The largest community and county seat is Raeford. The county's population per the 2020 census was 52,082 residents, up nearly 11% from 2010. The population for Raeford in 2020 was 4,559, down more than 1% from 2010. The Hoke County ABC Board operates two (2) retail stores and is the only board in the county.

S.L. 1937-49 authorized Hoke County to hold an election for an ABC store. The referendum was held on May 26, 1962, and passed 1,398 to 1,296. The first retail sale occurred on August 6, 1962. A subsequent mixed beverage election occurred on May 6, 1997, and passed 927 to 895. Mixed beverage sales began on May 31, 1997.

Upon election of an ABC store, the county was authorized to create an ABC board consisting of a chairperson and two board members to serve for three staggered year terms. Current board members are Cleo Bratcher, chairman, Gilbert Johnson, and Alfred "Dooie" Leach, board members.

The last performance audit for the Hoke County ABC Board concluded in 2016. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On Tuesday, May 6, 2025, ABC Commission Program Analyst Edwin Strickland visited the Hoke County ABC Board and interviewed the General Manager, Mike Summers and the Finance Officer, Gary Love. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



384 Laurinburg Rd. Raeford N.C.



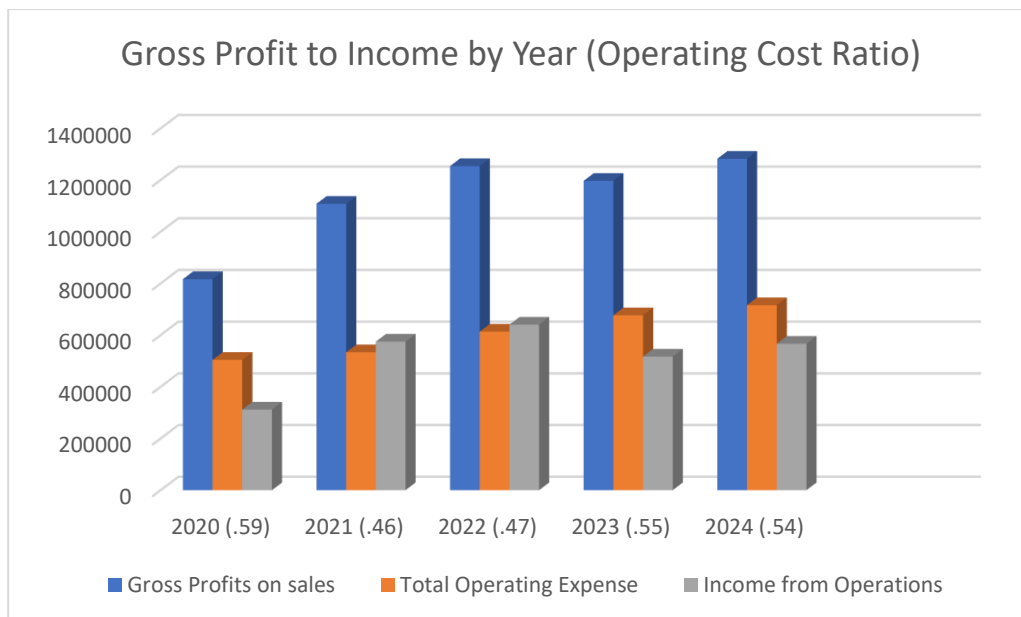
235 Flagstone Ln. Raeford N.C.

FINANCIAL ANALYSIS

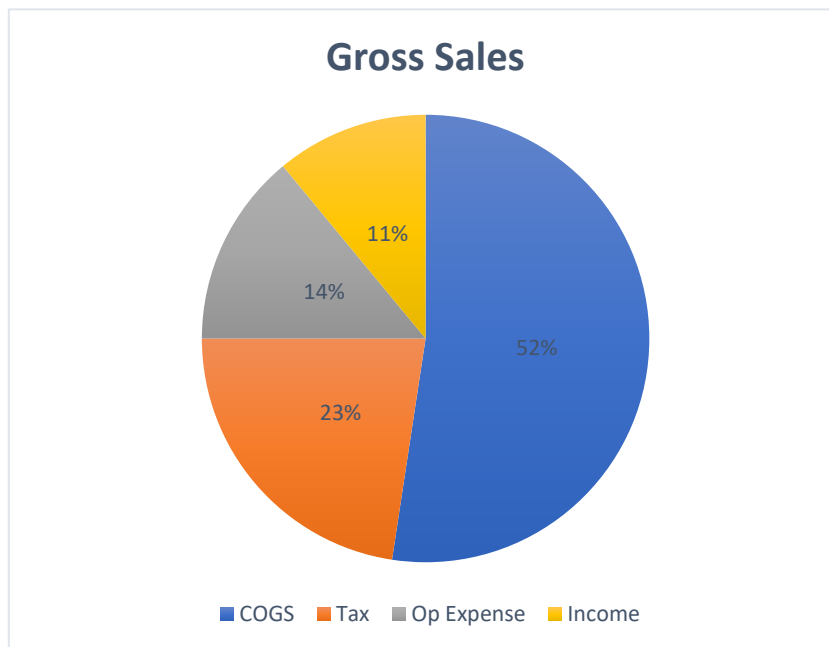
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2023-2024, the Hoke County ABC Board had a profit percentage to sales ratio of 11.02%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%.
 - The Hoke County ABC Board's gross sales totaled \$5,142,491 which was an approximate 3.9% increase from the previous fiscal year.
 - The board's sales have grown almost 53% over the last five completed fiscal years.
- Hoke County ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .54 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 Hoke County 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	\$1,282,484	\$1,193,689
Total Operating Expense	(\$715,934)	(\$676,701)
Income from Operations	\$566,550	\$516,988



- The chart below shows where portions of gross sales are expended or retained as income. COGS and primary distributions (Taxes) usually account for approximately seventy six percent (76%) of any board's gross receipts, with the remainder used to operate the system and as income. In turn, the income is then used to satisfy other statutory distributions and as working capital, capital improvements, or as additional distributions beyond the minimum requirement.



- *Factors affecting sales:*
 - Other ABC boards with stores within a 30-mile radius include Scotland County, Cumberland County, Moore County, and five boards in Robeson County.
 - A 4.7% unemployment rate in Hoke County in June of 2024 with a .2% increase from the previous year.
 - The board currently has approximately 8 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for almost 3% of gross sales.*

INVENTORY TURNOVER

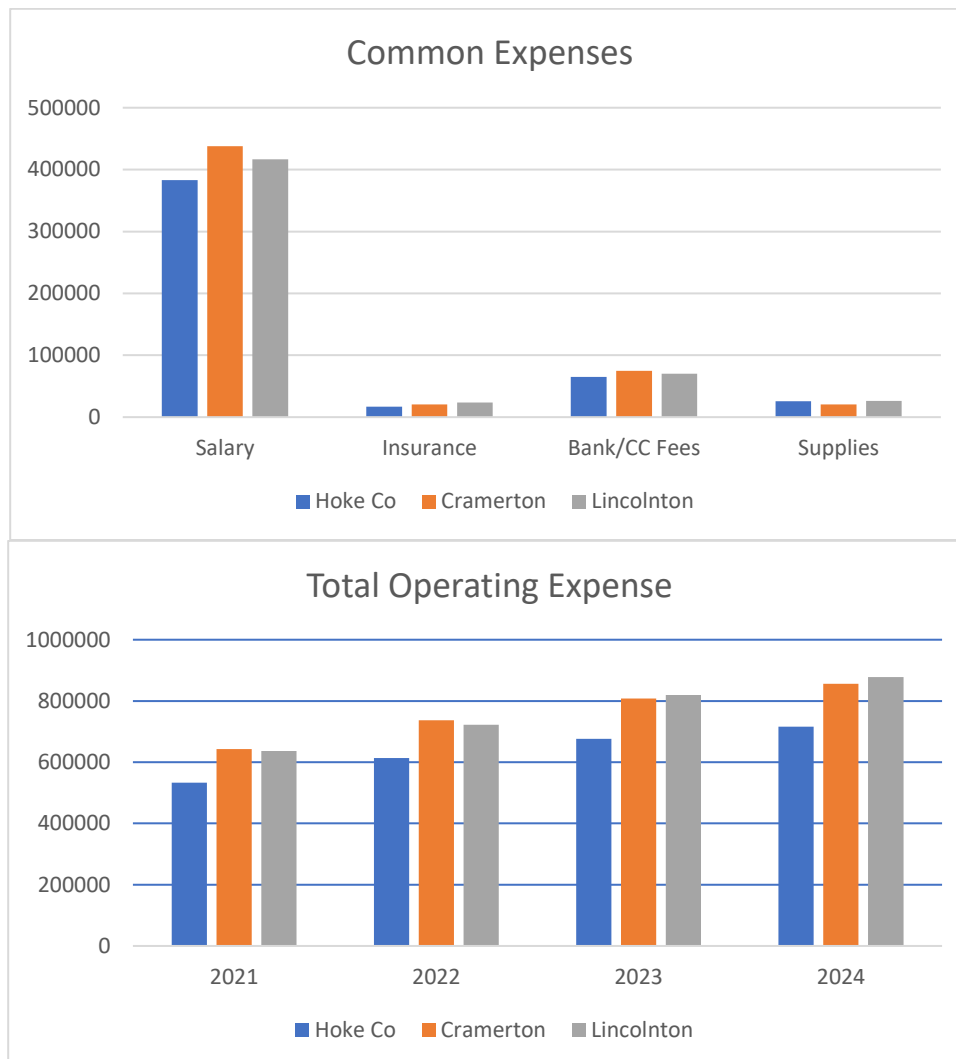
- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
 - Once a week deliveries target at 6 times or more per year
 - Twice a month deliveries target at 5 times or more per year
 - Monthly deliveries target at 4.5 times or more per year
- The Hoke County ABC Board receives shipments twice monthly with a target inventory turnover rate of 5. The inventory rate in (FY) 2023-2024 was 6.6, which is above the goal.

FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses increased approximately six percent (6%) from the last fiscal year and were roughly fourteen percent (14%) of total annual sales in FY-23/24.
- Board salaries and wages were about seven- and one-half percent (7.5%) of total annual sales. Salaries and wages increased almost seven percent (7%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 52.4% for the fiscal year with a normal range being 52% to 54%.

- A common expense report and a total operating expense report show the Hoke County ABC Board has mostly lower categorical and total operating expenses comparable to other ABC boards within a similar gross sales range and other variables. *Common expense report categories can, sometimes, be unreliable as different CPAs may include different expenses in their line items.*



BUDGET ANALYSIS

	FY 2023-2024 <i>Budget Projections</i>	<i>FY2023-2024 Actual</i>	Variance	Variance %
Total Revenues	\$5,159,000	\$5,142,491	(\$16,509)	(.3%)
Total Expenditures	\$4,703,030	\$5,195,722	\$153,094	3.2%
Distributions	\$378,000	\$52,327		
Revenue over or (under) Expenditures		(\$105,558)		
After Reconciling Items		\$529,442		

- In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual total revenues were .3% below final budget amendment.
 - The net income change during the fiscal year was \$529,442. *The board's collective net position on June 30, 2024, was \$1,631,282; the net position has increased over 180% over the last five (5) fiscal years.*
- Based on sales trajectory for the current fiscal year with nine months (75%) of the budget year completed, the board is tracking at around 79% of annual budgeted sales.

DISTRIBUTIONS

G.S. 18B-805 (b) requires the board to pay from gross receipts, all expenses, excise, and rehabilitation taxes. G.S. 18B-805(c)(2) requires the board to *typically* distribute at least five percent (5%) of applicable gross receipts to law enforcement and *typically* at least seven percent (7%) for alcohol education. *Before assigning these percentage distributions, G.S. 18B-805(c)(1) requires the board to first make a minimum quarterly distribution of the 3.5% markup & relevant bottle charges to certain county/municipal recipients. **Some of these distribution percentages are designated by an official local enabling act (and thus distribution requirements and recipients are subject to vary).***

- In FY 2023-2024, Hoke County ABC made other statutory distributions totaling \$504,899 (Net profit distribution recipient received \$452,572).
- The amount of \$1,163,335 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Hoke County.
- *Per the local enabling act, the distribution formula for recipients of net profits is as follows:*
 - 100% to Hoke County General Fund

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

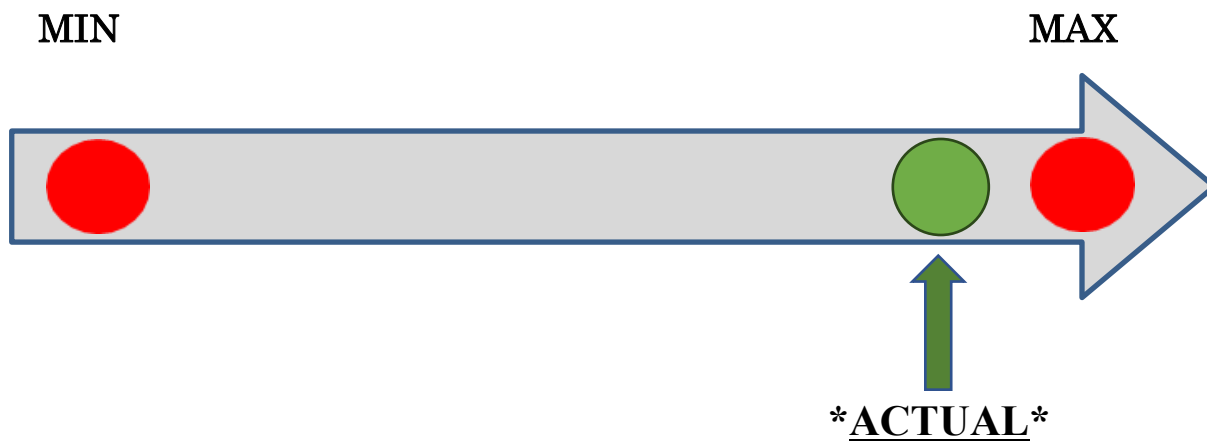
- Net Profit Distributions – The Hoke County ABC board has made net profit distributions for the last five (5) fiscal years at or above the minimum mandatory distribution in reference to NCGS 18B-805(c)(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
- Law Enforcement Distributions: Have been properly disbursed at or above the standard 5% statute amount over the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount the last five (5) FYs.

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Hoke County ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2024	\$145,714	FY-2024	\$452,572
FY-2023	\$140,449	FY-2023	\$220,034
FY-2022	\$140,662	FY-2022	\$148,064
FY-2021	\$129,390	FY-2021	\$114,500
FY-2020	\$96,988	FY-2020	\$151,500

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 Hoke County ABC Board is required to maintain a minimum working capital of \$155,045 with a maximum working capital amount of \$994,790.
 - The Hoke County ABC Board had a working capital balance of \$890,180 which is more than the minimum and less than the maximum Commission requirement for this section (*).

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



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

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

Board Members

- The board consists of two members and a chairperson, each receiving compensation for their services at the maximum \$150.00 per meeting.
 - Two board members are currently compliant on ethics training with one recently reappointed member needing to satisfy the requirement as soon as possible.
 - Current member term end dates are not staggered appropriately with no term end date for a member scheduled in 2027.
 - *Board should consult their appointing authority for member realignment for compliance with G.S. 18B-700(a).*
 - One member of the board is serving in their first term with two having long tenures with the board.
 - Members have a variety of experience in business and services and law enforcement.
- Members may have not taken an oath of office per G.S. 11-7. *Copies of oaths should be kept available at the board's administrative office.*
- Meetings are generally held the second Monday of each month and public notice is provided via the county office's bulletin board
- Meeting minutes are well organized and follow the order of proceedings, providing detail of business discussed in a transparent and easily comprehensible manner.
 - Financial reports, to include balance sheets and profit and loss statements, are provided and discussed at meetings.
 - 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.

Law Enforcement

- The board has a law enforcement contract with the Raeford Police Department and an updated copy from 2024 was supplied as Commission visit.
- Law enforcement reports are submitted regularly by the general manager with data supplied from the Chief of Police M. Godwin's clerk's office.
 - Reports provide details of activities for accountability per G.S. 18B-501(f1).
 - A majority of the distributions for law enforcement are made directly to individual officers for security efforts at the store.
 - Law enforcement officers provide a presence for staff making deposits when they are able.

Board Personnel

- The board currently staffs seventeen (17) total employees, with three full time, and fourteen part time.
- General Manager has been with the board for approximately eighteen years, first serving as an assistant manager.
 - General manager is full time, their salary is below the maximum allowable compensation per G.S. 18B-700(g1), and they are compliant on ethics training.
 - Their responsibilities include administrative oversight of all board operations and both stores, budgetary concerns, human resources, payroll, and working directly with the store managers.
- Both stores have a full-time manager whose responsibilities include ordering liquor and supplies, scheduling, reporting to the general manager, and general supervision of staff and store operations.
- The Finance Officer has been with the board for over six years and serves as the manager for Store #1. In addition to those responsibilities, they also collaborate with the general manager for billing, checks, preaudit orders, and month end reconciliation.
- The board utilizes some contracted labor for truck deliveries.
- All other store employees are sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, truck deliveries, and stock maintenance.
- Training is provided to new employees from management and seasoned personnel and is on the job and mentorship styled.
 - RASP training has been extended to all employees.
 - Product knowledge training is discussed informally between management and team members especially pertaining to new products.
- Employee files are kept in the administrative office and include tax, other employment documents, and some time sheets.
- Full time employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with general manager.

Policies

- The board has a personnel manual that details various work requirements, salaries and benefits, behavioral standards, policies, and instructions for disagreements or misunderstandings.
 - Specific policies outlined include personnel appearance, underage and intoxicated alcohol sales, shelf management, price discrepancies, cash handling, and others.
 - An updated copy of the manual is now in Commission records retention.
- For travel, the board chooses to adhere to the state's travel policy in compliance with G.S. 18B-700(g2). *The only travel expenses incurred are for conferences.*
- Additional policies in Commission records include a code of ethics, credit card usage policy, mixed beverage, sales to underage, and shelf management.

Operations

- Board personnel conduct one full inventory annually in June, with frequent additional categorical spot checks.
 - Multiple team members participate.
 - Discrepancies are reviewed by store managers and adjustments are made only by the general manager.
 - A sample of items were selected to verify accurate current inventory. Of those selected no variations in actual inventory verses theoretical found.
 - Strategies for slow moving products include moving to the other store and a price reduction table.
- Board receives deliveries for goods on the first and third Friday of each month.
 - Each store has one monthly delivery.
 - Offload is down a conveyor belt, and scanners are used to generate a variance report.
 - Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has eight mixed beverage customer accounts and both stores are outlets.
 - Invoices are provided to permittees at the time of the transaction and one copy is retained in a separate file, and another in a file for each account.
 - Generally, two employees are involved in the preparation of the orders for oversight.
- Each store manager makes the liquor order for their store and the other store manager adds a supplemental order. The orders are completed by comparing a 35-day sales history to stock status report. Special allowance pricing is reviewed and the management orders when applicable.
- Allocated products are available for mixed beverage accounts, but most of these items are sold on a first come basis with some staggered shelving and some bottles held for frequent customers.

Financial, Administrative, and Internal Controls

- Invoices for liquor are usually processed per truck by the general manager and finance officer.
- Checks have the required disbursement certificate in compliance with G.S. 18B-702(q).
- While the finance officer does pre-audit invoices after an order has been placed, the board should reestablish compliance with G.S. 18B-702(m) and preaudit purchases before they have been made. *For liquor purchases, this could most reasonably be accomplished by stamping and having the finance officer sign the order edit list or other purchase orders.*
- The board has a credit card in the possession of the general manager.
 - Itemized invoices and receipts for credit card purchases are retained in board records.
 - All travel expenses are paid for with the credit card and are limited to association conferences.
- The board uses one or two registers with tills beginning at \$50.00.
 - Loans are provided from the change fund and repaid together.
 - The board's personnel manual covers procedure for register shortages and for money counting.
 - There is a change fund but not used as petty cash.
- Funds are kept in a pooling bank(s) approved by the North Carolina Treasury Office.
- Payroll processed weekly by the general manager using QuickBooks.
 - Hours are determined from the schedule and provided by store managers and pay rates are reviewed.
 - *A review of recent payroll records indicates accurate pay rates for board members and the general manager.*
- The board keeps records for unsaleable merchandise reports and has recently reestablished procedures for emailing copies of the reports quarterly to the Commission in compliance with NCAC 15A .1701(c).
- In FY 23/24, the board received reports from one of their two alcohol education and rehabilitation recipients describing the expenditures of funds, in compliance with G.S. 18B-805(h).
 - For full compliance with G.S. 18B-805(h), the board should obtain reports from all recipients and provide documentation on how funds were spent to the board of county commissioners.
- The annual CPA audit was received by the Commission on July 24, 2024.
- All board members and all staff members are each bonded for \$50,000 per G.S. 18B-700(i) and G.S. 18B-803(b) and (c), and the bond was reviewed as current at visit.

STORE INSIGHT & OVERVIEW

- The board's Store #1 and administrative office is located on a busy highway and retail commercial area on the edge of Raeford.
 - The building is freestanding, at an intersection with a stoplight, and has road and building signage.
 - Outside area surrounding the store is free of trash or debris, has well maintained landscaping, and the general appearance of the building is professional.
 - The store has ample parking for customers.
 - The board has purchased an adjacent building and property beside the store, that currently is leased to a restaurant, for future considerations.
- The board's Store #2 consists of two suites in a shopping center on a busy highway and retail commercial area.
- The retail areas are well-lit and shelving, endcaps, and other displays are well organized.
 - Show rooms are modern, have good categorical signage, and space is maximized but still allows for easy flow for patrons and staff.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 are displayed along with other education outreach posters.
 - A quarterly price book is kept at the counter for customers.
 - Floors are modern, clean, and signs are not faded or worn.
 - Shelf tags include highlights for special pricing and tags for North Carolina products.
- The warehouse and administrative areas for both stores are relatively small, but well-lit and organized.
- Shelf management practices are fully implemented, and a written plan is now 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.
 - Products are cross-merchandised.
- Sales associate interactions with customers are attentive, courteous, and the staff is eager to meet the needs of the customers.
- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, all items except one's price tags, across both stores, reflected current pricing.
 - Price discrepancies will be handled in the customers favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Store(s) have both a new item and D-listed items table.
- Tastings have recently been held.
- The stores are open from 10:00 am until either 8:00 pm at Store #1 or 9:00 pm at Store #2. They are currently closed every Sunday, the five (5) previously required annual holidays, and Easter Monday. and Memorial Days.
- Security systems are in place and functional in all designated areas.
 - *The stores have cameras, alarms, and panic buttons.*
 - *On site security officers are utilized for busy occasions and often escort employees while making cash deposits.*

RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES)

- In accordance with G.S. 18B-700(a) the board should request their appointing authority stagger member terms to have at least one term end date each year and on the same month. *If a member should leave the board before their term is concluded, appoint a new member for the duration of the previous member's term.* Commission staff has been corresponding with the town who is aware of the term realignment request.
- Board members should take an oath before taking office or before the execution of the office per G.S. 160A-61 and G.S. 11-7. *A written account of the oaths should, please, be available at the board's administrative office.*
- The recipient(s) of alcoholism fund or education distributions should provide annual documentation to the board describing the activity for which these awarded funds are spent per G.S. 18B-805(h). *While the board has received reports from one of their two recipients, the board should work to obtain and provide to their appointing authority documentation from all recipients.*
- While not discussed in statutes or rules, for transparency, it is recommended the board submit in writing to the ABC Commission their intention to temporarily lease the building recently purchased and located adjacent to their Store #1, for which they are receiving rental income.
- In connection with the periodic audit, a Certificate of Accountability attestation form should be reviewed and signed by board members and applicable personnel. A signed copy would then only need to be emailed to Commission personnel for recordkeeping.

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

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 September 30th of each year.

- ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc.
- With the anticipated construction of a new state warehouse in the foreseeable future, boards should evaluate the need for updates or expansions to efficiently accommodate the expected increase in products and their availability.
- For compliance with G.S. 18B-805, the board should obtain written approval from their appointing authority if their net profit distribution is less than the minimum required by G.S. 18B-805(c)(1). Once obtained, the board would need to forward the written approval to the ABC Commission for review and audit purposes.
- While the finance officer does currently preaudit invoices, the board should re-establish compliance with GS 18B-702(m) preaudit approval certificate to take substantially the following form on orders before they are placed, "This instrument has been preaudited in the manner required by GS 18B-702". *This could most reasonably be accomplished by the finance officer stamping and signing the order edit list or other purchase orders.*
- Board members and applicable personnel are encouraged to satisfy requirements of G.S. 18B-706(b) and Rule 14B 15A .2001 in a prompt manner and before the twelve (12) month mandate. *The board currently has one reappointed member who should complete their ethics training requirement as soon as possible.*
- When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. NCAC Rule 15A .1701(c) requires quarterly reports be submitted for any unsaleable merchandise and retain original copies for three (3) years.
- If travel expenses for food or lodging exceed the maximum amount allowed by the board's travel policy, the board should report any excess expenses to their appointing authority's finance officer and the ABC Commission.
- 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.
- ABC boards can explore additional training opportunities periodically available through the ABC Commission Education Outreach as well as partnering with other ABC boards or the Association of ABC Boards on specific areas such as best retail and marketing practices.

PREVIOUS PERFORMANCE AUDIT RECOMMENDATIONS (2016)

- Replace worn signage with current signage.
- Remove empty boxes from the front of the store to a better location that will be easily accessible for customers.
- Have the new board members complete the ethics requirement within 12 months of appointment.
- Consider additional training opportunities through the Commission, such as the Responsible Alcohol Sellers Program, and other Commission-approved courses.
- Adopt a policy that details the position of the board when an employee is charged with selling to a minor.
- Keep all documentation pertinent to expense reimbursement and inventory management according to the time frame as indicated in the Records Retention Schedule.
- Update the Commission website to reflect current board appointment and compensation amounts.
- Update board insurance to include the finance officer as bonded for \$50,000.
- Affix the approved certificate to all checks, excluding payroll checks, indicate the payment has been authorized and approved.

While having addressed most considerations from previous Commission review (2016), board should still monitor and strive to satisfy previously noted recommended actions.

NC ABC Commission

400 E. Tryon Rd.

Raleigh, NC 27610

07/25/25

Edwin..

We appreciate the visit and the recommendations that you provided for the Board pertaining to our performance audit. The Board appreciated your summary during our teleconference. Please find our responses below.

1. In accordance with board member terms, we are submitting our request to reappoint one of our board members for a one year term to get back in sync with the 3 year term.
2. The oath of office is on file for each board member.
3. We have received some of the documentation pertaining to the alcohol distributions. All recipients have been notified and this is still in process.
4. We have submitted a letter to the ABC Commission Chairman to provide transparency pertaining to the purchase of property for our future store.
5. A copy of the Certificate of Accountability is currently being prepared and should be completed and submitted by our next board meeting.
6. All invoices are now being reviewed to make sure that the required stamp has been applied.
7. One board member still needs to complete the ethics training. He is scheduled to complete by the next board meeting.

Sincerely,

Cleo Bratcher Jr. / Chairman

Mike Summers/ GM

08 11 2025
Month Day Year

Hoke Co.
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(h).
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).

Mike Sumner
General Manager

Gary Lore
Financial Officer

Chris Bratton Jr.
Chairman

Dwight Johnson
Board Member

Board Member

Board Member

Board Member