

# Kenansville 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 12, 2026

CHAIRMAN:  
Hank Bauer

Kenansville ABC Board  
Milta King, Chair  
119 Mallard St.  
Kenansville, NC 28349

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

David Sherlin  
Raleigh

Chairperson King,

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 Kenansville 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, 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

Kenansville is in southeastern North Carolina and is the seat for Duplin County. The population as of the 2020 census was 770 down approximately 33% from 2000, however, the estimated population for 2024 indicates some resurgence. The Kenansville ABC Board operates one (1) retail store and is one of three (3) boards in the county.

Chapter 1004 of the 1965 Session law authorized the Town of Kenansville to hold an election upon receipt of a petition signed by fifteen percent of the voters. The referendum was held on November 9, 1965. The votes for ABC store passed 119 to 97. The ABC store opened on April 15, 1966. Gross sales for the first year were \$120,187. A mixed beverage election was held on August 31, 1982 and passed 135 to 113. Upon election of an ABC store, the Town of Kenansville was authorized to create an ABC Board consisting of a chairperson and two members to serve for three-year terms. In 2005, the board was expanded to include two additional members. Current board members include Milta King, chair, Jeffrey Whithead, Wanda Clay, Jonathan Guy, and one vacancy.

*The last performance audit for the Kenansville ABC Board concluded in 2018.* 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 November 13, 2025, ABC Commission Program Analyst Edwin Strickland visited the Kenansville ABC Board and interviewed the General Manager, Sandra Piner and Finance Officer, Amanada Murphy. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



**119 Mallard Street**

## FINANCIAL ANALYSIS

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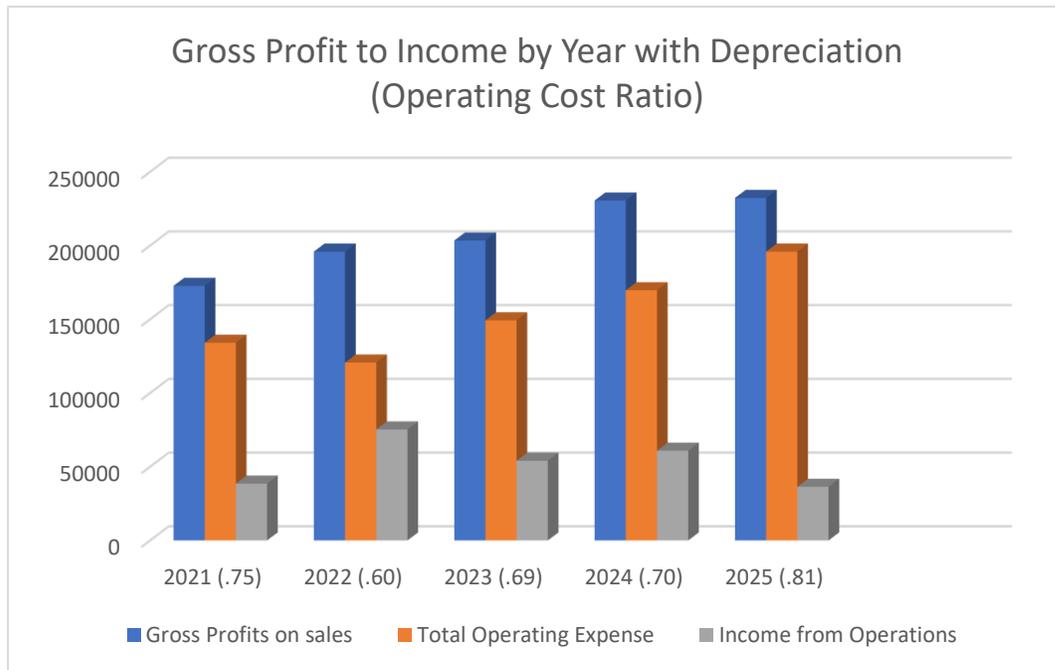
### PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

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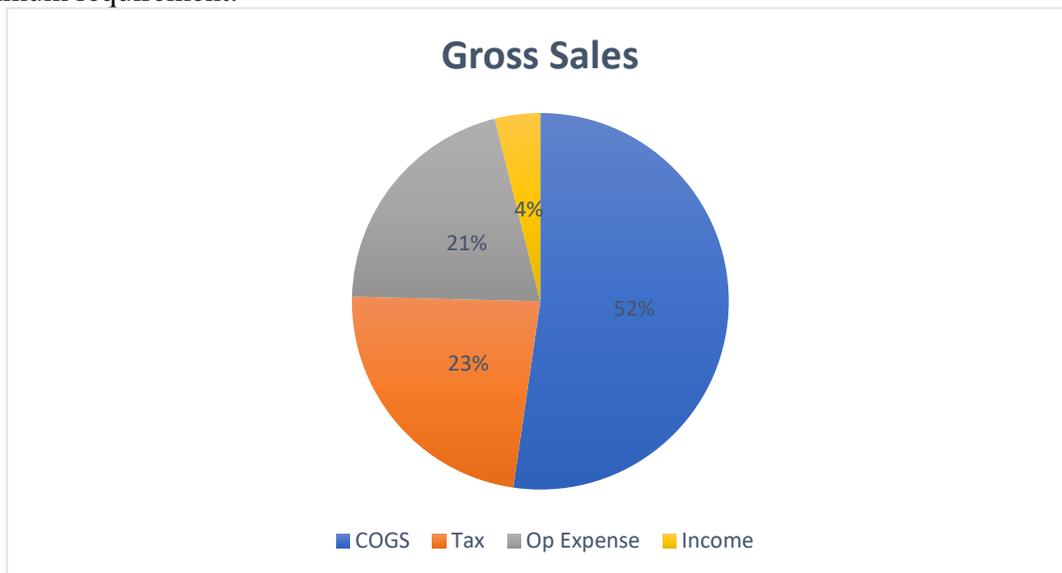
- In fiscal year FY 2024-2025, the Kenansville ABC Board had a profit percentage to sales ratio of 3.85%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales less than \$2M is 5%.
  - *The profit percentage to sale ratio over the previous four completed fiscal years are 6.46%, 6.30%, 9.86%, and 5.33%, respectively.*
  - The Kenansville ABC Board's gross sales totaled \$946,477, which was an approximate .5% increase from the previous fiscal year.
  - The board's sales have grown by almost 31% in the last five complete fiscal years.

- Kenansville ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .81 in FY 2024-2025. The NC ABC Commission standard for ABC Boards with one store and mixed beverage sales is .73 or less. *The performance standard for boards with no mixed beverage sales is .85 or less.*
  - Operating cost ratio is calculated by dividing total operating expense less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).
- Thus, the Kenansville ABC Board did not meet the profitability standard or the operating cost standard set by the NC ABC Commission for FY 2024-2025. *The board did meet these standards for the previous four fiscal years.*
- Below are charts showing gross profit on sales, total operating expenses including depreciation, and income from operations for recent years.

	FY 2024-2025	FY 2023-2024
<b>Gross Profit on Sales</b>	\$232,265	\$230,524
<b>Total Operating Expense</b>	(\$195,868)	(\$169,689)
<b>Income from Operations</b>	\$36,397	\$60,835



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

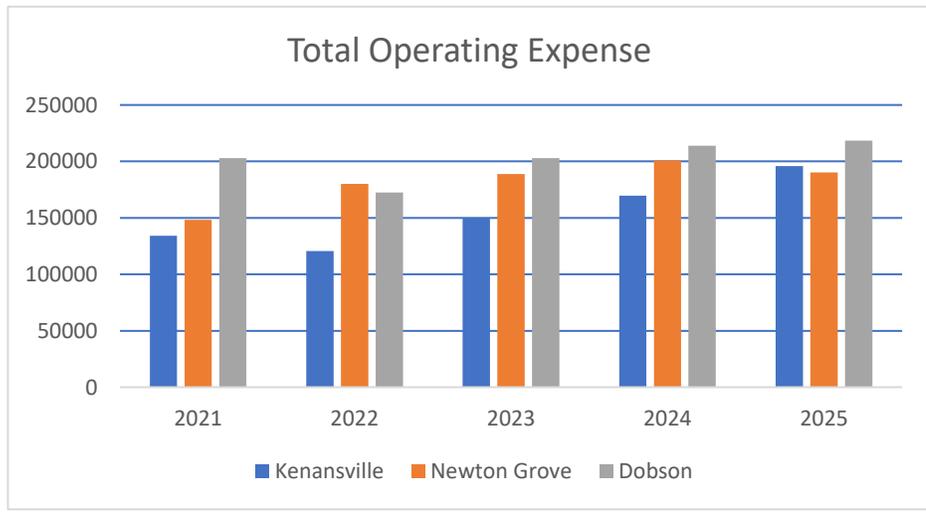
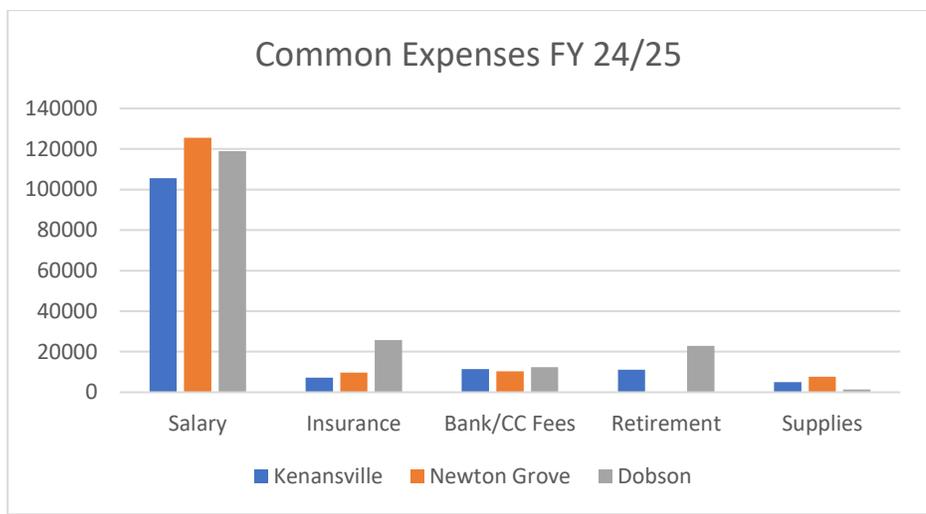


- *Factors affecting sales:*
  - There are five ABC Boards with a store within a 30-mile radius of the Kenansville ABC Store.
  - Population in the town and county has been declining in recent years.
  - New ABC stores have opened in and adjacent to Duplin County.
  - A 3.6% unemployment rate in Duplin County in June of 2025 with little change from the previous year.
  - The board currently has 4 active and 1 occasional mixed beverage customers. *In FY 2024/2025 mixed beverage accounted for around 4.5% 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 Kenansville ABC Board receives shipments twice monthly with a target inventory turnover rate of 5. The inventory turnover rate in (FY) 2024-2025 was 3.4, which is somewhat below the goal.

- *Factors affecting expenses:*
  - Total operating expenses increased by over fifteen percent (15%) from the last fiscal year and were around twenty- and one-half percent (20.5%) of total annual sales in FY-24/25.
  - Board salaries were about eleven percent (11%) of total annual sales and increased around twenty nine percent (29%) from the previous fiscal year.
  - Cost of Goods Sold (COGS) was roughly 52.3% for the fiscal year with a normal range being 52% to 54%.
- A common expense report and a total operating expense report show the Kenansville ABC Board has similar categorical and lower total operating expenses comparable to other ABC boards within a relatable 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

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	FY 2024-2025 <i>Budget Projections</i>	FY2024-2025 <i>Actual</i>	Variance	Variance %
<b>Total Revenues</b>	\$945,500	\$946,477	\$977	.1%
<b>Total Expenditures</b>	\$925,950	\$894,784	\$31,166	3.3%
<b>Distributions</b>	\$60,000	\$57,891		
<b>Revenue over/under Expenditures &amp; Finance</b>		(\$6,198)		
<b>After Reconciling Items</b>		(\$21,494)		

- In reviewing the budget to actual analysis of the FY 2024-2025 financial audit, actual total revenues were .1% above budget and expenditures were 3.3% below the final budget amendment.
  - The change in net position during the fiscal year was (\$21,494). *The board’s collective net position on June 30, 2025, was \$187,660; the net position has increased by over fifty-six percent (56%) over the last five (5) fiscal years.*
- Based on sales trajectory for the current fiscal year with four months (33%) of the budget year completed, the board is tracking at around 30% of annual budgeted sales.

## DISTRIBUTIONS

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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 2024-2025, Kenansville ABC accrued funds for other statutory distributions totaling \$57,891 (Net profit distribution recipient(s) received \$56,780).
- The amount of \$219,567 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Duplin County.
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
  - 55% to Kenansville General Fund
  - 35% to Duplin County General Fund
  - 10% to Duplin County General Fund for drainage control

## DISTRIBUTIONS (cont.)

### ➤ STATUTORY DISTRIBUTIONS:

- Net Profit Distributions – The Kenansville ABC board has made net profit distributions for three (3) of the last five (5) fiscal years above the minimum mandatory distribution in reference to G.S. 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 disbursed at or above the standard 5% statute amount for the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount for the last five (5) FYs.

<b>NC GENERAL STATUTE: 18B-805 (c)(1)</b>			
<b>Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients</b>		<b>Kenansville ABC Board Net profit distribution made annually by fiscal year</b>	
<i>Note: Referencing CPA Audit Reports</i>			
<b>Calculated Amount</b>		<b>Total paid to recipient(s)</b>	
FY-2025	\$27,141	FY-2025	\$56,780
FY-2024	\$27,044	FY-2024	\$50,576
FY-2023	\$24,778	FY-2023	\$0
FY-2022	\$22,006	FY-2022	\$36,470
FY-2021	\$20,961	FY-2021	\$0

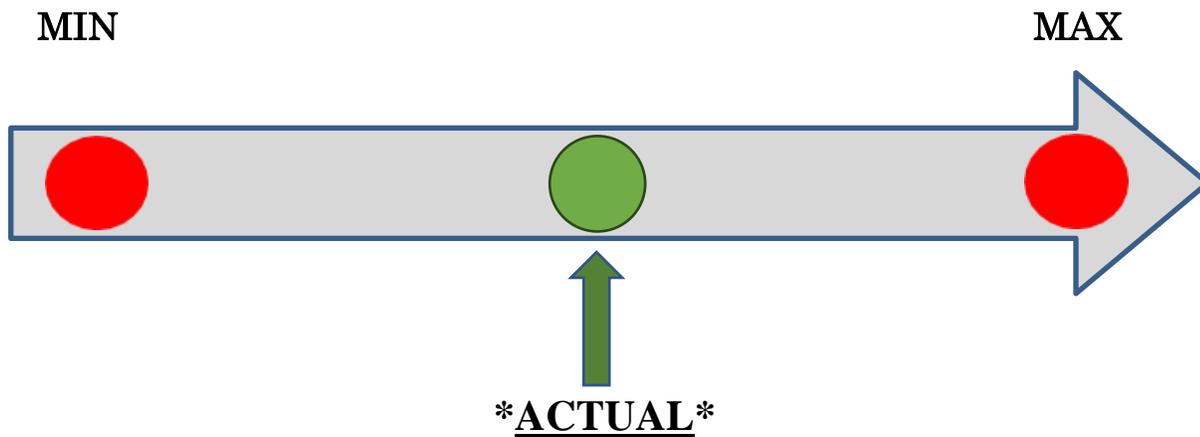
- Since inception, the board has made net profit distributions to the Town of Kenansville in the amount of \$417,818 and to Duplin County in the amount of \$343,587. *Distributions made over the last five years account for roughly 19% of all historical distributions.*
- Per conversation with the board’s finance officer, the board’s appointing authority agreed to lessen distributions FY-2023 to allow for facility improvements at the store. If future agreements are established between the board and their appointing authority to limit or otherwise forgo distributions, the ABC Board should forward a written approval of the agreement to the Commission prior to the completion of the fiscal year.

## WORKING CAPITAL

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- 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, 2025, the Kenansville ABC Board is required to maintain a minimum working capital of \$27,958 with a maximum working capital amount of \$242,303.
  - The Kenansville ABC Board had a working capital balance of \$142,908, which is more than the minimum and less than the maximum Commission requirement for this section (\*).

### **\* FY 2024-2025: Working Capital (WC) Graphic**



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

## **PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE**

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

### **Board Members**

- The board consists of four members and a chairperson each receiving compensation for their services below the maximum \$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).
  - The board has one current vacancy. A newly appointed member should be appointed to fill the term through April 2027.
  - All board members are currently compliant with ethics training requirements, with one recently reappointed member needing to satisfy the requirement in the coming months.
  - All members are serving successive terms.
  - Members have a variety of professional experiences in various businesses and education.
- Members may have taken an oath of office per G.S. 11-7 but copies of the oaths are not available at the board's administrative office.
- Meetings are generally held on the first Monday of each month, and meeting dates are posted in the store at the town's office.
- Meeting minutes are organized, available, and follow all the order of proceedings.
  - The no-conflict-of-interest statement is included in the agenda and discussed at meetings but not specifically written into meeting minutes.
  - Financial data is supplied by personnel at meetings to include monthly and year-to-date P&L statements, budget to actual comparisons, and balance sheets.
  - 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 Kenansville Police Department from 2011.
- Law enforcement reports are provided by the Chief of Police, J.R. Benton, and input by the general manager.
  - The law enforcement reports usually contain ample applicable data for accountability as required by G.S. 18B-501(f1) and are discussed at board meetings.

## **Board Personnel**

- The board currently has five employees.
- The General Manager is full-time, has held this position since 2023, and was previously a clerk in the store.
  - She is responsible for all board operations, her salary is compliant with G.S. 18B-700(g1), and she is compliant with the ethics training requirement.
- The finance officer is a contracted third-party agency and provides oversight for all accounting and budgetary activities.
- All other store employees are sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training for new employees is mentorship styled and begins with the general manager.
  - The personnel manual is signed by each team member.
  - Product knowledge education is provided through conversations.
  - All employees have attended RASP training except for one recent hire who will attend a future session.
- Files for employees' tax and compensation are kept at the finance officer's firm.
- Full-time employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with the general manager.

## **Policies**

- The board has a thorough personnel manual which covers many job and behavioral expectations and most requirements of Rule 15A .1006. For full compliance to the rule subsection (a)(7), the board should work to establish rules covering employee grievance procedures.
  - Policies not on file with the Commission that could be considered include price discrepancy, overages and shortages, shelf management, mixed beverage sales, and allocated product sales.
- For travel, the board follows the state travel plan per G.S. 18B-702(g2).

## Operations

- Board personnel conduct full inventory monthly, usually on a Sunday.
  - Counts are made by using both the scanner(s) and count sheets with all team members participating.
  - Discrepancies are recounted before any adjustments are made.
  - *A sample of products were inventoried during Commission visit with only one minor possible variance found. A review of adjustment sheets indicates only minor changes to stock status in recent months.*
  - Strategies for slow-moving products include moving to different areas in the store.
- The board receives deliveries of liquor on the first and third Monday of each month.
  - Offload is by the case and checked against the manifest.
  - Any variances are recounted and balanced against stock before discrepancy reports are sent to LB&B.
- Liquor orders are made by the general manager only.
  - Each item's fourteen days sales are reviewed and compared with stock status.
  - With current space limitations, management rarely focuses on buy in investments.
  - Special order requests from customers are ordered when possible.
- 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 the reports to the Commission quarterly.
- The board currently has four or five active mixed beverage customer accounts.
  - Pulled and stamped orders are rechecked by a second employee.
  - Invoices are provided to permittees and signed copies are retained in a file for each account.
  - Board personnel write the permit number and order number on their tax stamps attached to the mixed bottles purchased by the permittees. *For full compliance with NCAC 15A .1901, the board should consider a way to indicate their system of sale on the stamps.*
- Allocated products are available to mixed beverage customers.
- Tastings have been held at the store in recent months.

## **Financial, Administrative, and Internal Controls**

- Invoices for liquor are processed per truck by the finance officer.
- The board's checks are stamped with the required disbursement certificate in compliance with G.S. 18B-702(q).
  - Checks are cut and signed by the finance officer and counter-signed by the board's chairperson.
- Liquor or other purchase orders are not preaudit stamped or signed by the finance officer for compliance with G.S. 18B-702(m). *For liquor, this is most easily accomplished by having the finance officer stamp the order edit list or another document which reflects the initial cost expectation for an order.*
- The board does not have a credit card or petty cash.
- Tills are counted by clerks at the beginning of each shift, and any discrepancies are reported to the manager.
- Each clerk makes a deposit slip for their register with all deposits taken to the bank each night.
  - The finance officer conducts full account reconciliation monthly.
  - *A sample of deposits were reviewed and compared to the daily reports with no variances noted.*
- The board does not currently utilize but could explore with their bank's positive pay options to protect against check fraud.
- Payroll is processed weekly by the finance officer through QuickBooks.
  - Employees clock in through the board's point of sale system and hours are reviewed by the manager before being provided to the finance officer.
- The annual CPA audit was received by the Commission on September 30, 2025.
- All board members, the general manager, and finance officer, least \$50,000 per G.S. 18B-700(i).
- The board distributes their alcoholism funds to the county. *For general accountability and full compliance with G.S. 18B-805(h), the board should verify the board of county commissioners include in their meeting minutes how these funds are to be spent and verify any person or agency receiving funds from the county commissioners submits a report at least annually describing how these funds were spent.*

## **STORE INSIGHT & OVERVIEW**

- The board's store is located near the intersection of two thoroughfares in a commercial area and near downtown.
  - The building is free-standing, has multiple signs, and has adequate parking.
  - The exterior of the building is professional and presentable, and free of trash and debris.
- The interior of the store is very well lit, organized, and aesthetically pleasant.
  - Floors and shelves are clean, and the counters are not overly cluttered.
  - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is prominently displayed.
  - Quarterly price books are available, but SPA lists are not. *The board should consider a method to have the monthly price list available for customer review.*
  - Some category signs are posted, and the store has an area displaying North Carolina products.
  - Displays and endcaps are utilized, and retail space is optimized.
  - Broker supplied shelf tags for specially priced items are posted.
- Shelf management practices are mostly implemented.
  - Products are fronted, dusted, and in their designated category.
  - Premium products are generally found at eye-level or top shelf.
  - *Bottles are not always arranged so they increase in size left to right of the same item.*
- A sample of more than 100 items were selected to determine if uniform pricing is displayed. Of those selected, all item's shelf tags matched current pricing.
  - *Price discrepancies should be handled in the customers favor if the shelf tag were to be lower than the current price mandate and the customer objects.*
- Sales associate interactions with customers are courteous and attentive.
- The store is open from 10:00 am until 8:00 pm Monday through Thursday and 10:00 am until 9:00 pm on Fridays and Saturdays.
- The store is closed every Sunday, the five previously required holidays, Memorial Day, and Easter Monday.
- Security systems are in place and functional in designated areas.

## REQUIRED ACTIONS

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- Item #1: Board members should take an oath before taking office or before the execution of the office per G.S. 160A-61 and G.S. 11-7. *If already completed, a written account of the oaths should, please, be available at the board's administrative office.*
- Item #2: 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 purchase orders "This instrument has been preaudited 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.*
- Item #3: While not typically an issue in the store, the board should craft a price discrepancy policy that adheres to NCAC 15A .1705(b). If a shelf tag price is mistakenly lower than the current published price and a customer objects, board personnel should honor the shelf tag price and immediately correct the shelf price. Once adopted, the board should provide the Commission with a written copy.
- Item #4: The board should implement a shelf management plan which corresponds with Rule 15A .1708. While many parts of this rule are followed, the board should discuss the benefits of arranging bottles, so they increase in size from left to right of the same item. Once established, the board should have a copy of the plan available to reference for staff and Commission representatives.
- Item #5: 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.

## RECOMMENDATIONS

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- Board meeting agendas reference acknowledgment of no conflict of interests from members to the agenda, but meeting minutes do not. The secretary of the minutes should simply reference this statement in the meeting minutes at the point this is discussed.
- Should the board and their appointing authority enter into any agreements to lessen the required mandatory distributions per G.S. 18B-805(c)(1), the board should provide their appointing authority's written approval to the Commission.
- While tax and other employment information is kept and available with the finance officer, the board should maintain personnel files for each employee at their administrative office to be available per request as referenced in the board's personnel manual.
- The board should liaise with their board of county commissioners to ensure full compliance with G.S. 18B-805(h) regarding the expenditure of the alcoholism funds. Activities for the funds distributed under this subsection should be included in the county commissioner's meeting minutes and any person or agency receiving funds should submit a report at least annually to the county describing how the funds are spent.

- The board could consider having a written policy for their sale of allocated products and mixed beverage sales. *In addition to establishing guidelines, these policies can be informative to patrons who question your current distribution of these high demand products or new and existing mixed beverage customers who wish to adjust their usual ordering practices.*
- Board members and applicable personnel are encouraged to satisfy the requirements of G.S. 18B-706(b) and Rule 15A .2001 in a prompt manner and before the twelve (12) month mandate. *The board has one recently reappointed member who will need to satisfy the training in the coming months.*
- Rule 15A .1901(a)(1) requires the board's mixed beverage tax stamps to state the local board, permittee's transaction (order) number, and the permittee's mixed beverage permit number. Currently board personnel hand write the permit and order number on the stamps. *If possible, the board should begin including their board's name or board number on their stamps. If not, the board should consult this rule before upgrading or purchasing any new equipment for this task.*

## **ADDITIONAL CONSIDERATIONS & GUIDANCE ....**

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- 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 30<sup>th</sup> of each year.
  - ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc.
- ABC Boards are required to work within general minimum and maximum limits for working capital, as established per Commission Rule NCAC 15A .0902(a)(2). When ABC Boards exceed maximum working capital in any given FY due to planned capital improvements, please secure written approval from the applicable County or Municipal authorities per N.C.G.S. 18B-805(d) and forward to the Commission. As best measure, securing documentation prior to exceeding maximum working capital would be the most ideal approach.
- ABC boards are highly encouraged to find straightforward ways to lower any recurring expenses. 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.

- 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.

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

## **PREVIOUS PERFORMANCE AUDIT ACTIONS (2018)**

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- Begin distributing toward alcohol education/rehabilitation programs as described by G.S. 18B. G.S. 18B-805 (c) (3) states that the local board shall spend, or pay to the county commissioners to spend, for the purposes stated an amount set by the board which shall be at least seven percent (7%) of the gross receipts remaining. G.S. 18B-805 (h) states that funds distributed shall be spent for the treatment of alcoholism or substance abuse, or for research or education on alcohol or substance abuse. Any agency or person receiving funds from the county commissioners or local board shall submit an annual report to the board of county commissioners or local board from which funds were received, describing how the funds were spent.
- To strengthen internal controls for inventory management, conduct a regular monthly inventory beginning with the warehouse and ending with the retail store. At the end of the count, make the adjustments accordingly to match the actual counts with the inventory system. Once adjustments are made, provide copies to the board for review. To further ensure accuracy and completeness, throughout the month, have the general manager, finance officer, and board members conduct a spot check. Analyze inventory discrepancies to prevent unexplained adjustments in the future. Have board members review all monthly inventory adjustments. Have someone other than the person(s) handling the inventory assist with physical counts quarterly.
- Have all reappointed board members complete the required ethics training.
- Daily deposits are required for every ABC store. In the event the general manager is unavailable, have other employees perform this task so as to be in compliance with this rule. Ask the local law enforcement officers to assist with taking the deposits to the bank and include in you law enforcement contract.
- Pay all liquor vendor invoices within thirty days of receipt. NCAC 02R .1407 (c) states, “Local boards shall remit full payment of the distiller’s invoice within thirty (30) days of delivery of the liquor.”
- Board meeting minutes should be written so that a reasonable person can understand what transpired. All voting actions taken by the board members must be reflected in the minutes. Monthly financial reports presented to the board should be referenced and attached in the minutes.

**While having addressed considerations from the previous Commission review (2018), board should still monitor and strive to satisfy previously noted recommended actions.**

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

March 9, 2026

We 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: \*\*\*\*\***

**All members will take an oath of office and copies will be maintained at the board's office.**

**Item 2: \*\*\*\*\***

**The board is working to implement a plan to have the preaudit certificate signed by the finance officer included on liquor and other non-recurring purchase orders.**

**Item 3: \*\*\*\***

**The board will craft a price discrepancy policy and ensure all team members are aware of the policy. We will forward a copy to the Commission for their records.**

**Item 4\*\*\*\***

**Our General Manager is working to reset the store shelves to follow shelf management guidelines that correspond with Rule 15A .1708.**

**Item 5\*\*\*\***

**The board has forwarded a signed Certificate of Accountability to the Commission with this letter.**

Sincerely,

  
Milta King, Chairperson – Kenansville ABC Board  
Sandra Piner, GM - Kenansville ABC Board

March 9 2020  
Month Day Year

Kenansville  
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).

Danah D. Piner  
General Manager

Amanda R. Murphy  
Financial Officer

Melita G. King  
Chairman

Wanda C. Clay  
Board Member

[Signature]  
Board Member

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Board Member

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Board Member