

Liberty ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
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ABC
COMMISSION
NORTH CAROLINA

TABLE OF CONTENTS

ABC Commission Statement	3
Objective, Purpose & Background Information ...	4
Financial Analysis, Observations & Findings	6
Actions and Additional Considerations	17-18
Previous Performance Audit Recommendations	19-20
Appendix A- Liberty ABC Board Response Letter.....	21-22



Alcoholic Beverage Control

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November 13, 2025

Liberty ABC Board
Christopher Compton, Chair
423 W. Swannanoa Ave.
Liberty, NC 27298

Chairperson Compton,

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

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

Liberty is a town in Randolph County, in central North Carolina. The town's population per the 2020 census was 2,655 residents and is currently estimated to be over 2,715. The Liberty ABC Board operates one (1) retail store and is one of four (4) boards in the county.

Chapter 972 of the 1973 Session Laws authorized the town of Liberty to hold an election for an ABC store upon at least fifteen percent (15%) of registered voters. The referendum was held on January 16, 1978, and passed 639 to 321. The first retail sale occurred on March 15, 1978.

Upon election of an ABC store, the town was authorized to create an ABC board consisting of a chairman and two board members to serve for three-year terms. Current members include Christopher Compton, Chair, Mark Jones and Jarius Griffith, board members.

The last performance audit for the Liberty ABC Board concluded in 2020. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.

On October 13, 2025, ABC Commission Program Analyst Edwin Strickland visited the Liberty ABC Board and interviewed the General Manager, Tammy Duncan, and Finance Officer Faye Ward. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



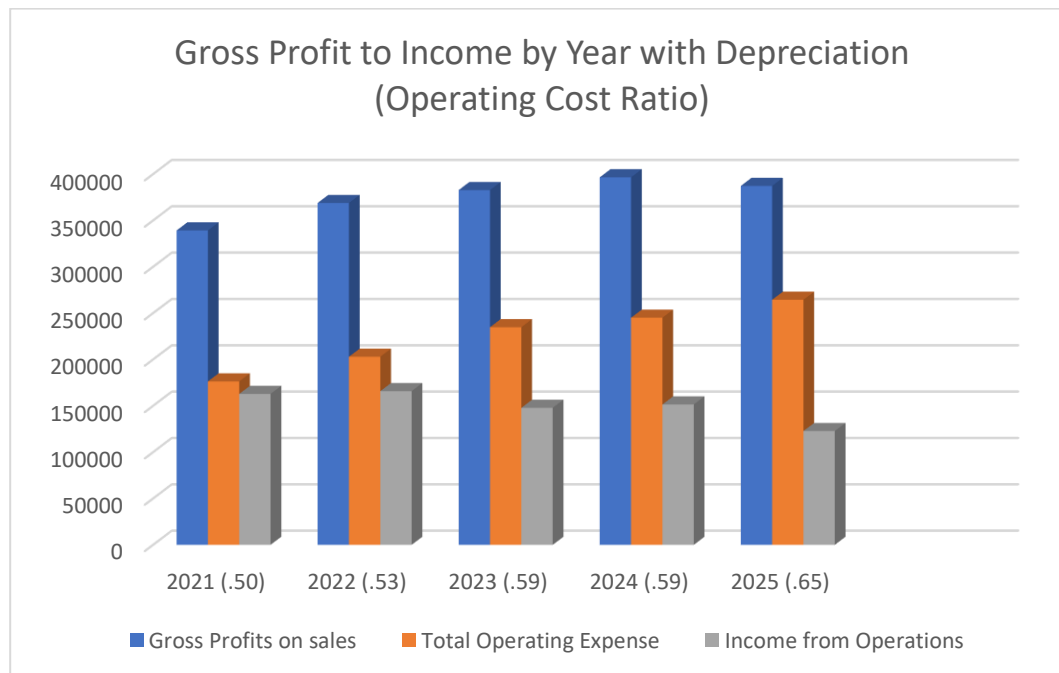
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FINANCIAL ANALYSIS

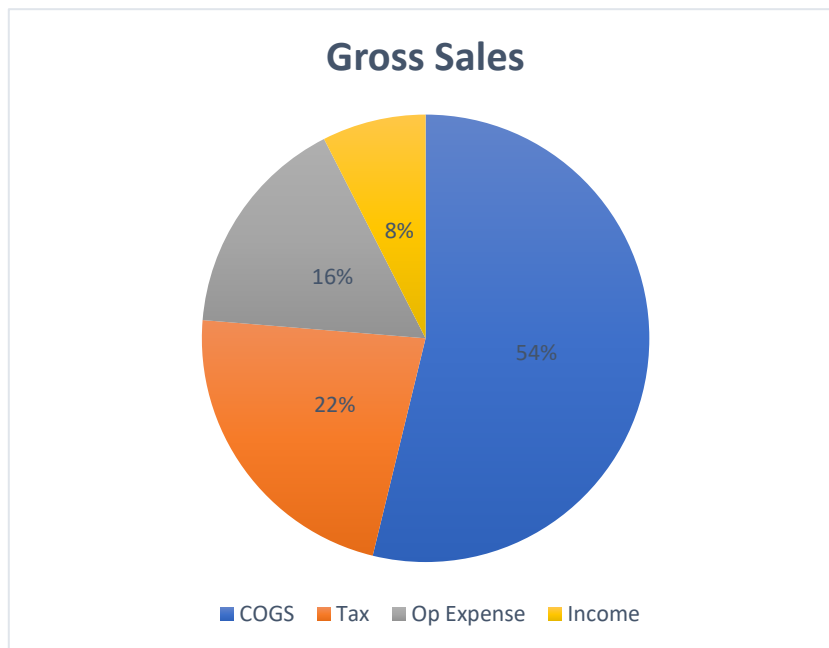
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2024-2025, the Liberty ABC Board had a profit percentage to sales ratio of 7.5%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales less than \$2M is 5%.
 - The Liberty ABC Board's gross sales totaled \$1,637,336 which was an approximate .2% increase from the previous fiscal year.
 - The board's sales have grown almost 18% in the last five complete fiscal years.
- Liberty ABC Board operates four retail stores with mixed beverage sales. The operating cost ratio for the board was .65 in FY 2024-2025. The NC ABC Commission standard for ABC Boards with one store and mixed beverage sales is .73 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 Liberty ABC Board meets both the profitability standard and the operating cost standard set by the NC ABC Commission. 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
Gross Profit on Sales	\$387,241	\$396,563
Total Operating Expense	(\$264,443)	(\$245,104)
Income from Operations	\$122,798	\$151,459



- 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.



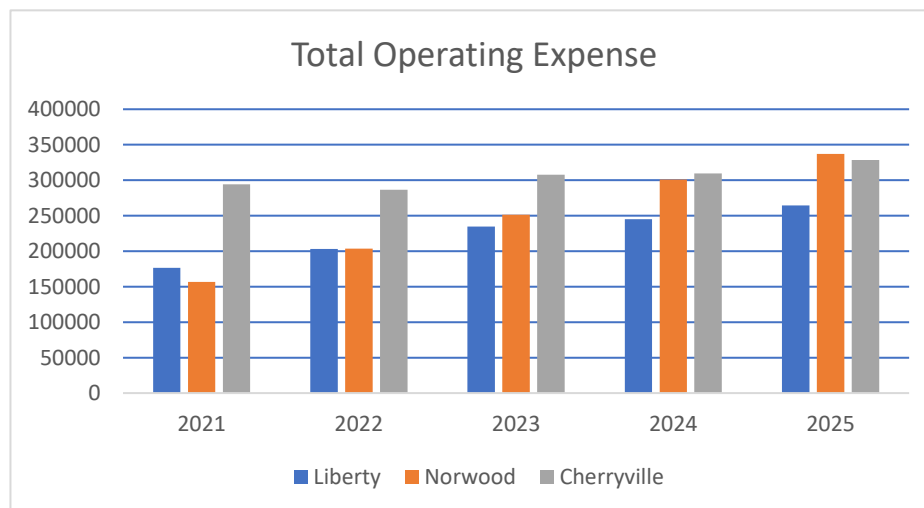
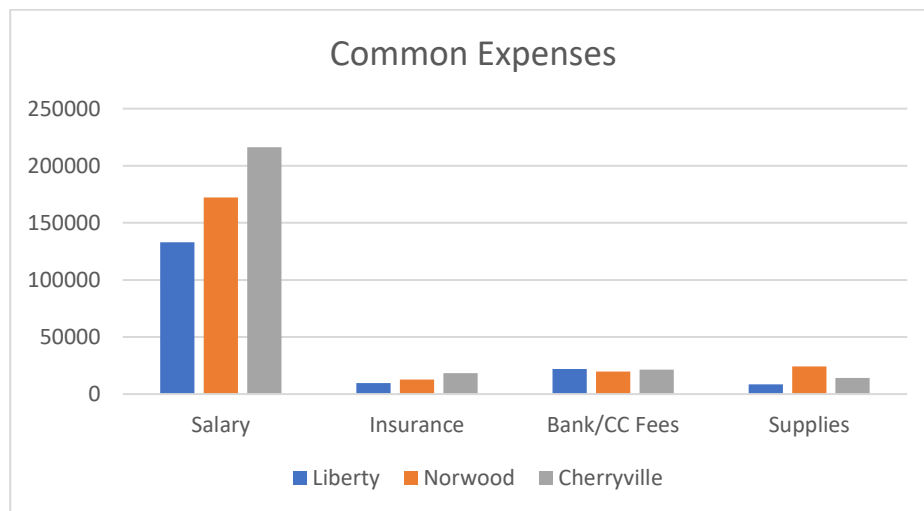
- *Factors affecting sales:*
 - There are seven other ABC Boards with stores within a 30-mile radius of Liberty ABC Board's store.
 - A 3.7% unemployment rate in Randolph County in June of 2025 with a .4% decrease from the previous year.
 - The board currently has 2 active mixed beverage customers. *In FY 2024/2025 mixed beverage accounted for around 2% 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 Liberty ABC Board receives shipments twice monthly with a target inventory turnover rate of 5. The inventory turnover rate in (FY) 2024-2025 was 2.9, which is below the goal.

FINANCIAL ANALYSIS (cont.)

- *Factors affecting expenses:*
 - Total operating expenses increased by almost eight percent (8%) from the last fiscal year and were around sixteen percent (16%) of total annual sales in FY-24/25.
 - Board salaries were just over eight percent (8%) of total annual sales and increased eleven percent (11%) from the previous fiscal year.
 - Cost of Goods Sold (COGS) was roughly 53.8% for the fiscal year with a normal range being 52% to 54%.
- A common expense report and a total operating expense report show the Liberty ABC Board has lower categorical and 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

	FY 2024-2025 <i>Budget Projections</i>	<i>FY2024-2025</i> <i>Actual</i>	Variance	Variance %
Total Revenues	\$1,727,225	\$1,637,827	(\$89,606)	(5.2%)
Total Expenditures	\$1,596,249	\$1,554,595	\$41,654	2.6%
Distributions	\$62,591	\$109,574		
Revenue over/under Expenditures		(\$26,342)		
After Reconciling Items		\$13,715		

- In reviewing the budget to actual analysis of the FY 2024-2025 financial audit, actual total revenues were 5.2% below budget and expenditures were 2.6% below budget with no amendments submitted.
 - The change in net position during the fiscal year was \$13,715. *The board's collective net position on June 30, 2025, was \$579,620; the net position has increased by one hundred and five percent (105%) over the last five (5) fiscal years.*
- Based on sales trajectory for the current fiscal year with three months (25%) of the budget year completed, the board is tracking at over 22% 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 2024-2025, Liberty ABC accrued funds for other statutory distributions totaling \$109,573 (Net profit distribution recipient(s) received \$99,225).
- The amount of \$370,015 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Randolph County.
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
 - 7% for education and rehabilitation – may spend additional 3%.
 - 5% to Town Medical Clinic Maintenance Fund.
 - Remainder to Liberty General Fund

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

- Net Profit Distributions – The Liberty ABC board has made net profit distributions for 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 all of the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at or above the local 5% statute amount for all of the last five (5) FYs.

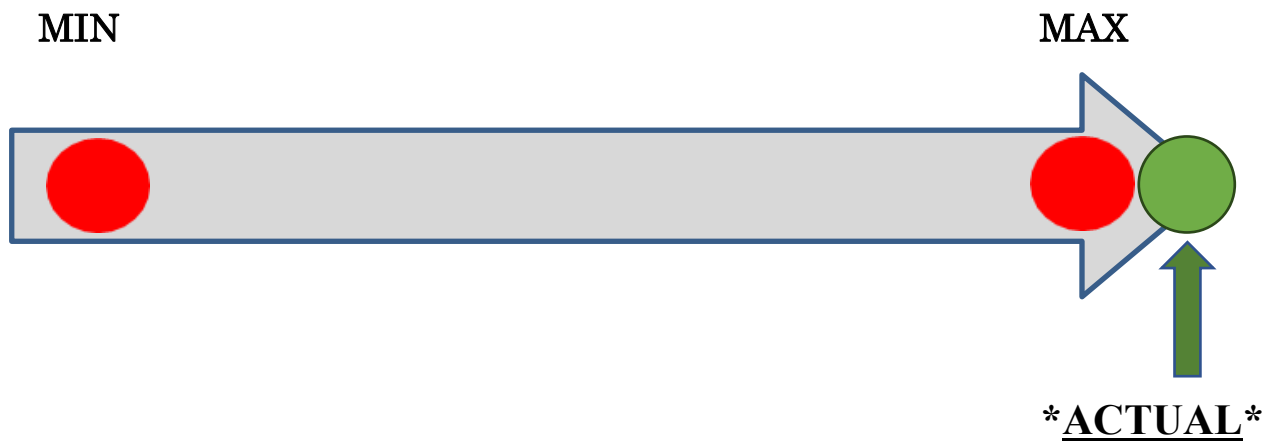
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Liberty ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2025	\$46,891	FY-2025	\$99,225
FY-2024	\$46,859	FY-2024	\$76,674
FY-2023	\$44,931	FY-2023	\$90,867
FY-2022	\$43,252	FY-2022	\$115,016
FY-2021	\$40,159	FY-2021	\$108,061

- Since inception, the board has made net profit distributions to their county and municipalities in the amount of \$856,558. *Over fifty-seven percent (57%) of the total distributions have been distributed in the last five (5) fiscal years.*

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 less than \$1.5M as an amount equal to four (4) 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 (taxes) as defined in G.S. 18B-805(b)(2), (3), and (4).
- Based upon the existing rules, as of June 30, 2025, the Liberty ABC Board is required to maintain a minimum working capital of \$48,743 with a maximum working capital amount of \$422,441.
 - The Liberty ABC Board had a working capital balance of \$474,776, which is more than the maximum allowed per Commission requirement for this section (*).
 - Excess working capital was distributed to net recipient(s) in first quarter of 2025.

*** 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 two members and a chairperson each receiving compensation for their services at or below the maximum \$150.00 per meeting and in compliance with G.S. 18B-700(g).
 - Current board members' terms are not staggered to comply with G.S. 18B-700(a), with two members end dates slated for January 2027. *The Town Clerk's office has indicated they will consider a one-year appointment or reappointment for one of the two members with 2027 term end dates.*
 - Board members are currently compliant with the ethics training requirements and have one member serving in their second term.
 - Members have a variety of business and professional experience applicable to serving on the ABC Board.
- Members have taken an oath of office per G.S. 11-7 and copies are available at the board's administrative office.
- Meetings are generally held on the fourth Wednesday of each month, and announcements are posted at the store, and the board will notify the town if there are scheduled changes.
- Meeting minutes are organized, available, and follow all the order of proceedings including a no-conflict-of-interest statement.
 - Financial data is provided and discussed at meetings to include revenue and expense statements with comparisons to previous year 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 Liberty Police Department signed in 2012.
- Law enforcement reports are now submitted regularly by Officer David Jessup.
 - The police department recently changed the officer assigned to reporting activities with a small period where the general manager submitted reports with no data.
 - The law enforcement reports contain applicable data for accountability as required by G.S. 18B-501(f1).
 - The previous law enforcement officer visited board meetings to discuss activities.

Board Personnel

- The board currently has ten employees with one working full-time.
- The General Manager has been with the board since 2013 initially as a clerk.
 - She has been the General Manager since 2020 and is responsible for all board operations.
 - She is full-time, her salary is below the maximum allowable compensation per G.S. 18B-700(g1), and she is compliant with the ethics training requirement.
- The Finance Officer is part-time and has been with the board for over fifteen years and has held this position since 2019.
 - Their responsibilities include all accounting related activities such as payroll, purchase order approvals, taxes, reconciliations, and billing.
- All other store employees are sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training is provided for new employees from management and seasoned employees and is on-the-job mentorship styled.
 - The General Manager reviews rules and alcohol sales requirements during initial on-boarding.
 - All employees have attended RASP training.
 - Product knowledge training is provided through conversations between team members.
 - Special order requests are forwarded to the general manager and all are considered.
- A file for each employee is kept in the administrative office and includes application, tax information, and some manual acknowledgment forms and information pertaining to compensation and pay increases.
- 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 with additional policies that details various work requirements, behavioral standards, leave and other benefits, scheduling and holidays, and the requirements of Rule 15A .1006.
 - The manual includes additional policies for cash handling including register shortages, bank deposits, and price discrepancies.
 - Additional policies on file with the commission include a code of ethics, mixed beverage sales and delivery, and a shelf management plan.
 - While procedures and practices are currently well known by board personnel, the board could consider policies for credit card and petty cash usage and allocated product sales.
- For travel, the board follows the reimbursement schedule for state employees in G.S. 138-6.

Operations

- Board personnel conduct full inventory each month, usually on Sunday and Monday.
 - Counts are made using either scanners or count sheets and multiple team members participate.
 - Variances are re-checked and investigated before adjustments are made by the general manager.
 - Strategies for slow moving products include price reductions and D-listed shelf tags. *Management has considered a clearance section.*
 - Management is currently working on methods to reduce inventory variances including having recently removed the ability to use the “@” symbol for multiple bottle purchases. *Additionally, the manager has discussed other options with neighboring board’s management.*
 - *A small sample of products were inventoried at Commission visit with no variances found.*
- The board receives deliveries of liquor on the first and third Wednesday of each month.
 - Pallets are dropped and cases are down stacked using the manifest with multiple team members participating.
 - Any variances are recounted and balanced against store and warehouse stock before reports are sent to LB&B.
- Liquor orders are made by the general manager.
 - A 30-day sales report with stock status is reviewed and a similar suggested order is run and edited per the original stock status report.
 - The manager does consider ordering some extra products when on sale.
 - *Management could consider more buy-in opportunities utilizing their warehouse rack system.*
- The board shelves most allocated products and reserve some of the annual allocations for frequent customers. Mixed beverage accounts are given the opportunity to order with infrequent purchases. *While the sales for allocated products are relatively straightforward, the board could consider having in writing their procedures for allocated sales.*
- The board retains breakage reports and regularly includes the reports for credit with their suppliers. *For compliance with Rule 15A 1701(c), the board emails copies of the reports to the Commission quarterly.*
- The board currently has two active mixed beverage customer accounts.
 - Picked orders are rechecked by the general manager for accuracy before the transaction.
 - Invoices are provided to permittees and signed copies are retained in a file for each account.
 - The board stamps bottles in the manner required by NCAC 15A .1901, except the stamps do not identify the local board’s system of sale.
 - A mixed beverage sales and delivery policy is available to accounts.
- The board holds tastings and plans to continue.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed per truck by the finance officer.
 - *A small sample of invoices were reviewed and indicated payments are processed well within the thirty-day requirement.*
- 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 general manager.
- The finance officer preaudits stamps invoices for liquor purchases, other purchase orders, and recurring payments and distributions for compliance with G.S. 18B-702(m).
- The board has a petty cash box with \$100.00, and receipts are retained for reconciliation.
- The board has a credit card which is kept in the administrative office.
 - The card is primarily used for travel reimbursements and occasional supply orders.
 - Invoices are submitted to the finance officer for reconciliation.
 - *The board should consider adopting written credit card usage and petty cash usage policies.*
- The board's store generally operates with one register daily and two on weekend night shifts.
 - Assigned tills are counted before the beginning of a shift.
 - At shift end, the cash registered amount is removed, and the tills are counted with employees being responsible for any shortages.
 - Deposits are generally made on the bank's next business day.
 - The finance officer reviews deposits for accuracy weekly and again at month end reconciliation.
 - *A sample of recent deposits were reviewed and matched with cash register tapes with no significant variances.*
- Funds are kept in a pooling bank(s) approved by the North Carolina Treasury Office.
- Payroll is processed twice monthly by the finance officer.
 - Employees use their POS system for time keeping and statements are reviewed by the general manager before being submitted to the finance officer.
 - *A review of recent payroll records indicates accurate pay rates as entered on the board website for board members and the general manager.*
- The board has requested and sometimes has received correspondence from their Alcoholism Fund recipients. *For full compliance with G.S. 18B-805(h), the board should make sure the activities for which these funds are to be spent are included in their meeting minutes, and the recipients submit a report at least annually describing how the funds were spent.*
- The annual CPA audit was received by the Commission on September 30, 2025.
- All board members and applicable personnel are bonded for at least \$50,000 per G.S. 18B-700(i).

STORE INSIGHT & OVERVIEW

- The board's store, warehouse, and administrative office are housed in one facility.
 - The building is on one of the town's major thoroughfares in an area with other commercial and retail businesses.
 - The building is free standing, has ample parking, and an easily viewable road sign.
 - The board has constructed a new dock, and the warehouse has a rack system for additional product storage.
 - The board's warehouse and administrative office are professionally maintained and well organized.
- The store's showroom is modern and has been updated in the last few years to include new flooring, shelves, including an additional row, and paint.
 - The showroom is well lit, organized, and allows for easy flow for customers and staff.
 - Floors and shelves are clean, and the sales counter is not overly cluttered.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
 - Quarterly price books are available, and SPA lists are printed monthly.
 - Category signs are prominently displayed.
 - The store has both a North Carolina product section and cross-merchandises other local products.
 - Specially priced items' shelf tags are colored or identified with a in-house or broker supplied sign. *Other colored shelf tags are used to identify D-listed or Holiday specific items.*
 - Displays, coolers, and endcaps are utilized.
- Shelf management practices are implemented.
 - Products are fronted, dusted, and in their designated category.
 - Premium products are generally found at eye-level or 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 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' shelf price tags 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.
- The store is open from 9:00 am to 8:00 pm on Monday and Tuesday, and 9:00 am to 9:00 pm Wednesday through Saturday.
- The store is closed every Sunday and the five previously required holidays
- Security systems are in place and functional in all designated areas.
 - *The store has cameras, alarms, and panic buttons.*
 - *A monitor for camera footage is also displayed near the sales counter for clerks.*
 - *There are pens and a scanner to combat counterfeit bills at the sales counter.*
 - *All staff are aware that loitering is prohibited*

REQUIRED ACTIONS

- Item #1: Per Rule 15A .1901(a)(1), the board should indicate something that identifies the local board's system of sale on mixed beverage tax stamps. *This is typically the name of the board but could be the board's official identifying number.*
- Item #2: While the board has made attempts to receive reports on their Alcoholism Fund recipient's activities, the board should verify full compliance with G.S. 18B-805(h). *The board's meeting minutes should describe the activity(s) for which the funds are to be spent, and recipient(s) should submit an annual report describing how the funds were spent.*
- Item #3: The board should work with their appointing authority to realign board member term end dates to have at least one members term ending each year per G.S. 18B-700(a). *Commission staff has previously discussed with the Town Clerk's office the prospect of reappointing one of the members whose term is scheduled to end in 2027 for an additional one-year term ending in 2028.*
- Item #4: 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.

RECOMMENDED ACTIONS

- While the board already has quality oversight and well-established procedures in place, the board could consider adopting in writing a policy for the use of petty cash and the board's credit card. *Written policies can serve to strengthen internal controls and as good guidelines if updates are made or are being considered to the procedures already in place.*
- Additionally, the board could consider having a written policy for their sale of allocated products. *In addition to establishing guidelines, this policy can be informative to patrons who question your current distribution of these high demand products.*
- Although storage space and finances can sometimes limit the feasibility of the recommendation, the board could consider investing in more special price (SPA) buy-ins. *This can be an excellent opportunity to lower costs of goods and, therefore, retain more of their sales as income from operations.*

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.
- 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.
- Boards must keep full and accurate minutes of all official meetings, including all closed sessions, *referencing G.S. 143-318.10*. Regular minutes should make a general reference to the reason for closed session occurring. Closed sessions minutes could either be kept at the board location secured under lock and key, or with board attorney (or appointing authority attorney) for proper stewardship.
- 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 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.

PREVIOUS PERFORMANCE AUDIT ACTIONS (2020)

- **REQUIRED ACTION:** All ABC Boards are required to operate within a balanced budget. When sales do not meet budget projections, amend the budget to adjust for the decrease or loss. If budgeted expenditure line items are not balanced, adopt budget amendments to correct specific items or add omitted line items. G.S. 18B-702(h) states, “Except as otherwise restricted by law, the local board may amend the budget at any time after adoption, in any manner, so long as the budget, as amended, continues to satisfy the requirements of this section...Amendments to the adopted budget shall also be provided to the appointing authority and the Commission.”
- **REQUIRED ACTION:** To ensure accuracy in product pricing, conduct frequent spot checks that incorporate physical counts and pricing
- **STRONGLY RECOMMENDED:** Consider utilizing resources that would create a shelf management system that is conducive to industry norms but considers sales history and trends.
- **STRONGLY RECOMMENDED:** Remove empty boxes from the front of the store. Require customers to pick up boxes at the rear of the store or the side entrance.
- **REQUIRED ACTION:** Confirm with the town the correct appointment or reappointment dates of all board members. Once confirmed, update the NC ABC Commission website to reflect the current terms. As a reminder, reappointed board members must complete ethics training within one year of appointment status.
- **REQUIRED ACTION:** Public board meetings are required to be held regularly. The Commission strongly recommends monthly meetings to provide effective management and financial oversight and make pertinent business decisions. Meeting notifications must follow the guidelines set by the general statutes.
- **REQUIRED ACTION:** Adopt a personnel manual and/or policies that incorporate board practices. The ABC Commission encourages ABC boards to model personnel policies and procedures after those of the appointing authority. However, certain ABC procedures must be clearly presented in the employee manual.
- **REQUIRED ACTION:** As a reminder, submit policies to the NC ABC Commission prior to adoption.
- **REQUIRED ACTION:** All ABC Boards are required to pay distiller invoices within thirty days of receipt of liquor. 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.” It is the NC ABC Commission’s policy to halt liquor shipments when payments are delinquent.
- **REQUIRED ACTION:** All ABC Boards are required to appoint a finance officer other than the general manager to perform the duties set by the general statute. G.S. 18-702 (j) states, “...the local board shall designate (i) a part-time or full-time employee of the board other than the general manager or (ii) the finance officer of the appointing authority with consent of the appointing authority to be the finance officer for the local board.”

- **REQUIRED ACTION:** As per the duties of the finance officer, the finance officer is required to perform duties as authorized in the general statute, not limited to the finding. The finance officer is also required to approve for payment by providing his/her signature on all checks. The board may authorize a deputy finance officer to perform these duties in the absence of the finance officer or for additional checks and balances. G.S. 18B-702 (k) states, “The finance officer for a local board shall: 1. Keep the accounts of the local board in accordance with generally accepted principles of governmental accounting and the rules and regulations of the Commission. 2. Disburse all funds of the local board in strict compliance with this Chapter, the budget, preaudit obligations, and disbursements as required by this section. 3. As often as may be requested by the local board or the general manager, prepare and file with the board a statement of the financial condition of the local board. 4. Receive and deposit all monies accruing to the local board, or supervise the receipt and deposit of money by other duly authorized employees. 5. Maintain all records concerning the debt and other obligations of the local board, determine the amount of money that will be required for debt service or the payment of other obligations during each fiscal year, and maintain all funds. 6. Supervise the investment of idle funds of the local board pursuant to subsection 9t) of this section. The finance officer shall perform such other duties as may be assigned by law, by the general manager, budget officer, or local board, or by rules and regulations of the Commission.
- **STRONGLY RECOMMENDED:** Bid financial auditing services to other vendors to ensure services will be conducted according the general statute. Contracted services should be open for bid following the appointing authority guidelines or general statutes.

While having addressed many considerations from the previous Commission review (2020), board should still monitor and strive to satisfy previously recommended actions.

Liberty ABC Board
423 Swannanoa Ave.
P.O. Box: 1186
Liberty, NC 27298

November 13, 2025

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:

Tax stamps now have the Liberty ABC Board's number where we previously had the date.

Item 2:

The board will continue to request reports from the alcoholism fund recipients and include in our board meeting minutes how these funds are spent.

Item 3:

The board will work with the town board to realign term end dates when our current members' terms end.

Item 4

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

Sincerely,

Tammy Duncan, GM
Liberty ABC Board

Oct. 29 2005
Month Day Year

Liberty ABC Board
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).

Tammy B. Duncan
General Manager

Pay Akard
Financial Officer

Chris Compton
Chairman

James P. Luff
Board Member

Mark (MT) Jones
Board Member

Board Member

Board Member