Louisburg ABC Board

Performance Audit Report

Alcoholic Beverage Control Commission
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ABC COMMISSION NORTH CAROLINA

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ABC
COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

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July 10, 2026

Louisburg ABC Board
Steven Moore, Chair
605 N. Bickett Blvd.
Louisburg, NC 27549

Chairperson Moore,

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

The Town of Louisburg is the county seat and largest community in Franklin County. The current estimated population for the town is approximately 3,550 residents, which reflects an increase of over 13% since the 2020 census. The Louisburg ABC Board operates one store and is one of four boards in Franklin County.

Chapter 862 of the 1947 Session Laws authorized the Town of Louisburg to hold an election for an ABC store. The referendum was held on July 1, 1947, and it passed 394 to 148. The first retail sale occurred on July 11, 1947. A mixed beverage election was held on September 21, 1978, and it passed 197 to 186. The Town of Louisburg appoints a chairperson and two additional board members to serve on the ABC board. Current members are Steven Moore, Chair; Ricky Raynor, and Jimmy Burnette.

The last performance audit for the Louisburg ABC Board concluded in 2023. The Commission audit serves as an ongoing method to provide local boards with information and best practices that target areas for improvement.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, and RECOMMENDATIONS

On May 27, 2026, ABC Commission Program Analyst Edwin Strickland visited the Louisburg ABC Board and interviewed the General Manager, Jessica Vajanyi, is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

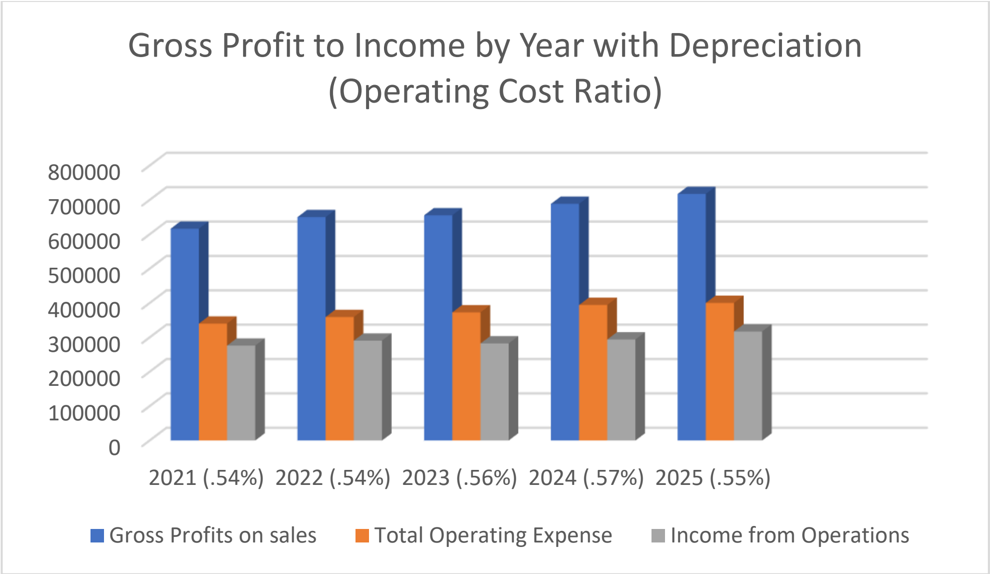
605 N. Bickett Blvd. Louisburg

FINANCIAL ANALYSIS

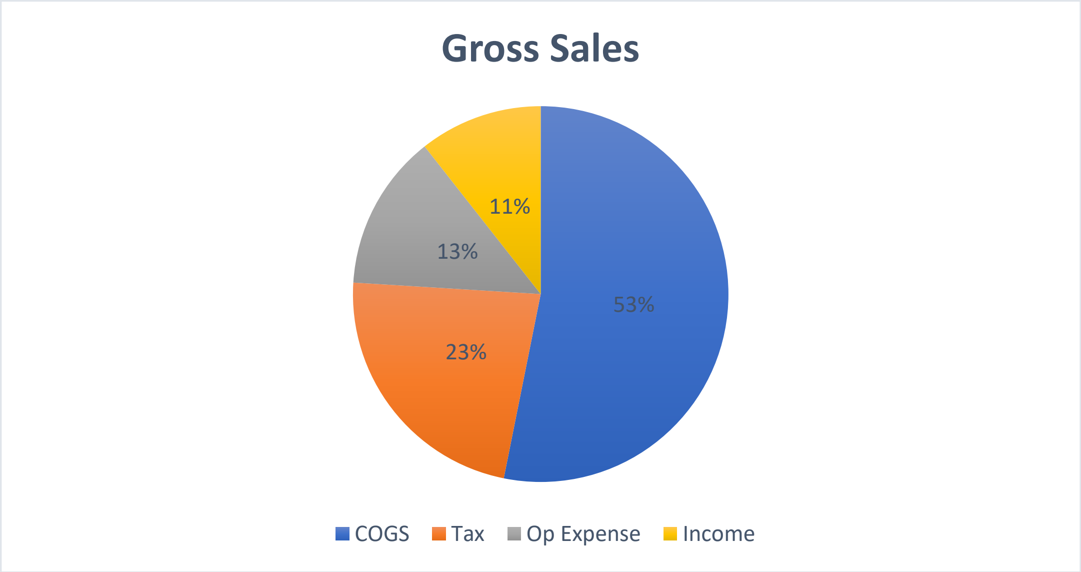
SALES, PROFIT PERCENTAGE, and OPERATING COST RATIO

- In FY 2025, the Louisburg ABC Board had gross sales totaling $2,982,096, an increase of approximately 2.7% increase from the previous year.
  - Since FY 2021, the board's sales have increased by more than 19%.
- In fiscal year FY 2025, the Louisburg ABC Board had a profit percentage to sales ratio of 10.63%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales less than $5M is 3% or higher.
  - *The profit percent to sales ratio over the previous four completed fiscal years were 10.13%, 10.24%, 11.60%, and 11.04%, respectively.*
- Louisburg ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was 0.55 in FY 2025. The NC ABC Commission standard for ABC boards with one store and mixed beverage sales is 0.73 or less. *The previous four years are in the chart below.*
  - 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).
- Therefore, the Louisburg ABC Board has met both the profitability standard and the operating cost standard set by the NC ABC Commission for 2025.
- Below are charts showing gross profit on sales, total operating expenses including depreciation, income from operations for recent years, and operating cost ratios.

	FY 2025	FY 2024
Gross Profit on Sales	$717,512	$688,591
Total Operating Expense	$400,418	$394,473
Income from Operations	$317,094	$294,118



- 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 three other ABC boards in the county and eight ABC boards with a store within a 30-mile radius of Louisburg's ABC store.
  - A 3.6% unemployment rate in Franklin County in June 2025 with a 0.1% decrease from the previous year. *The North Carolina average in June 2025 was 3.7%.*
  - Approximately 12.6% of the population in the county is below the poverty level. *The North Carolina average is 12.5%.*
  - Louisburg College's enrollment increases the town's population by over 10%, however, most of these students are below the legal age to purchase alcohol.
  - In FY 2025 mixed beverage sales accounted for almost 5% of gross sales.

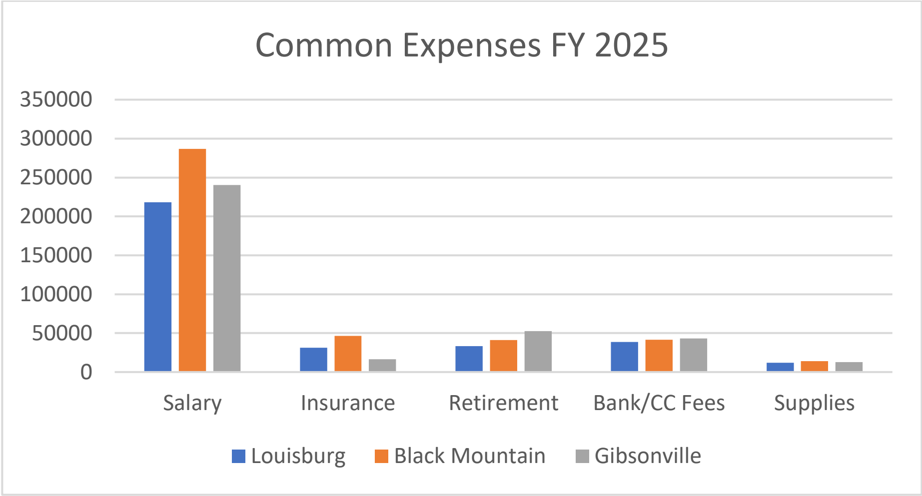
INVENTORY TURNOVER

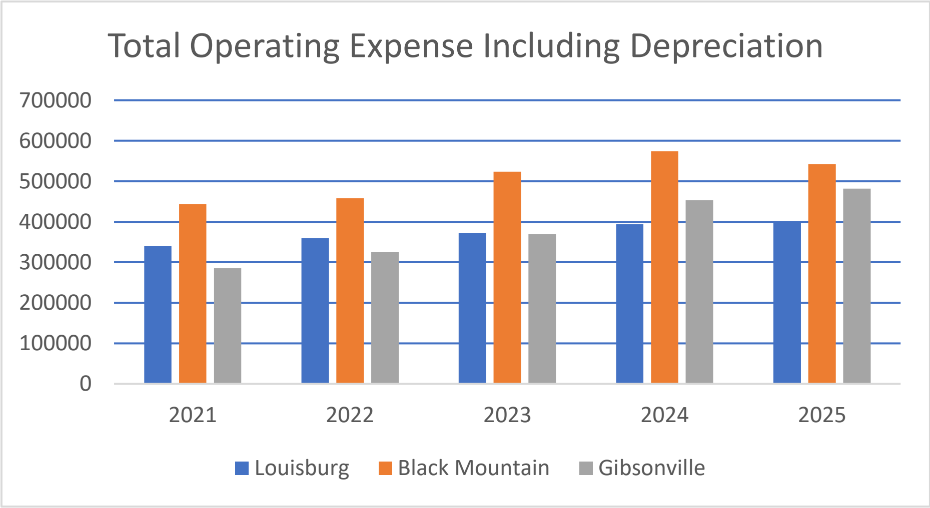
- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
  - Once a week deliveries target at 6 times 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 Louisburg ABC Board receives shipments twice a month with a target inventory turnover rate of around 5. The inventory turnover rate in FY 2025 was 5.8, which is above the goal.

Expense

- *Expense Information:*
  - In FY 2025, the board's total operating expenses increased around 1.5% from the last fiscal year and were around 13.4% of total annual sales.
  - Salaries were around 7.3% of total annual sales with a modest decrease from the previous fiscal year.
  - Cost of Goods Sold (COGS) was 53.1% for the fiscal year with a normal range being 52% to 54%.

- A common expense report and a total operating expense report show the Louisburg ABC Board has lower categorical and total operating expenses compared to other ABC boards within a somewhat relatable gross sales range and other variables. *Common expense report categories can be unreliable, as different CPAs may allocate costs to line items inconsistently.*





BUDGET ANALYSIS

	FY 2025 *Budget Projections*	*FY 2025 Actual*	Variance	Variance %
Total Revenues	$2,995,903	$2,990,444	($5,459)	(0.2%)
Total Expenditures	$2,632,952	$2,651,282	($18,330)	(0.7%)
Distributions	$352,951	$315,442		
Revenue over/under Expenditures & Finance		*$23,720*		
After Reconciling Items		*$10,000*		

- In reviewing the budget to actual analysis of the FY 2025 financial audit, actual total revenues were 0.2% below the final budget amendment and expenditures were 0.7% above the final budget amendment.
    - The change in net position during the fiscal year was $10,000. *The board's collective net position on June 30, 2025, was $386,076; the net position has increased by more than 11.5% since FY 2021.*
- Based on sales trajectory for the current fiscal year with ten months (83%) of the budget year completed, the board is tracking at around 75% 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 2025, Louisburg ABC accrued funds for other statutory distributions totaling $315,442 *(the net profit recipient received $262,441).*
- The amount of $680,746 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Franklin County.
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
    - 100% to Louisburg General Fund

DISTRIBUTIONS (cont.)

- STATUTORY DISTRIBUTIONS:
  - Net Profit Distributions – The Louisburg ABC board has made net profit distributions for the last five (5) fiscal years at or 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 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.

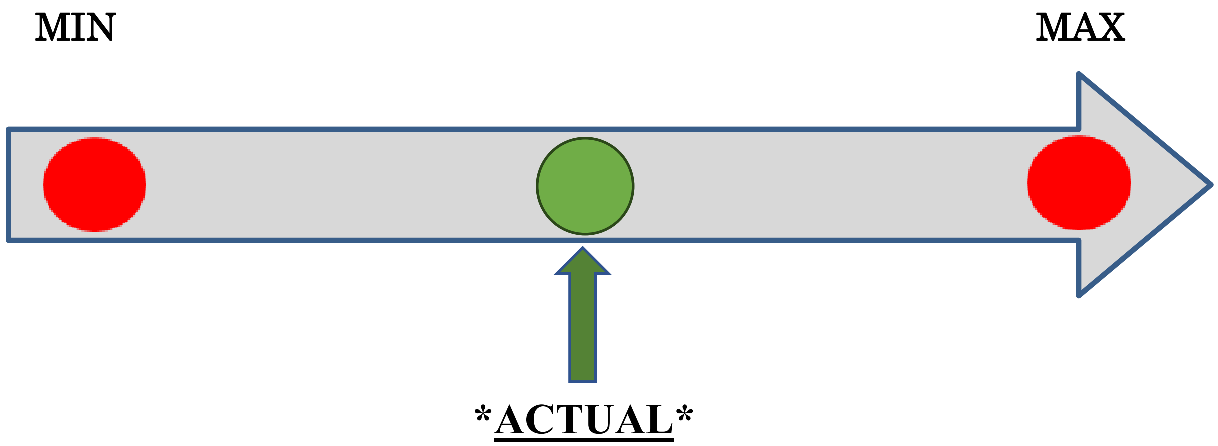
NC GENERAL STATUTE: 18B-805 (c)(1)				
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients ***Note: Referencing CPA Audit Reports***			**Louisburg ABC Board Net profit distribution made annually by fiscal year**	
Calculated Amount			**Total paid to recipient(s)**	
FY-2025	*$84,529*		FY-2025	***$262,441***
FY-2024	*$81,960*		FY-2024	***$239,051***
FY-2023	*$78,025*		FY-2023	***$228,526***
FY-2022	*$71,611*		FY-2022	***$232,572***
FY-2021	*$71,883*		FY-2021	***$221,235***

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.
  - Rule 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 Louisburg ABC Board is required to maintain a minimum working capital of $88,513 with a maximum working capital amount of $575,338.
  - The Louisburg ABC Board had a working capital balance of $320,529, which is less than the maximum allowed per Commission requirement for this section (*).

* FY 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 AND ADMINISTRATIVE COMPLIANCE

Board Members

- The board is composed of two members and a chairperson with all members receiving per-meeting compensation in accordance with G.S. 18B-700(g).
    - All board members' terms are staggered to comply with G.S. 18B-700(a), and all members have satisfied the ethics training requirement.
    - 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.
    - Members have professional backgrounds in business, marketing, and government contacting.
- Meetings are generally held on the second Thursday of each month with announcements posted in the store, on social media, and on the board's website.
- Meeting minutes are organized, accessible, and generally adhere to the established order of proceedings.
    - The minutes reviewed reference a no-conflict-of interest statement.
    - Financial data is compiled and presented by board personnel and includes budget-to-actual comparisons generated through the Finance Officer's accounting system, and additional supporting reports.
    - Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld. Boards should also routinely review any notes and recommendations provided by the CPA firm on annual audits.
- The board's login website had been updated at and prior to Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

Law Enforcement

- The board maintains a law enforcement contract with the Louisburg Police Department, reestablished in 2025.
    - In FY 2025, the board accrued $36,137 for law enforcement distribution.
- Law enforcement reports are submitted regularly by the General Manager with data supplied by the Police Department's administrative team.
    - These reports contain applicable data for accountability as outlined in G.S. 18B-501(f1).
    - Beyond the activities documented in the accountability reports, the Police Department also provides additional support services, including store security for certain events and escorting board personnel to the bank or at closing when requested.

Alcohol Education

- In FY 2025, the Board accrued $16,864 for alcohol education distributions made to the town police department's D.A.R.E. program and a second organization.
    - G.S. 18B-805(h) requires the board to include in its meeting minutes how its alcoholism funds are to be spent and to verify any person or agency receiving funds from the board reports to the board at least annually, describing how these funds were spent.

Board Personnel

- The board currently staffs three full-time and five part-time employees.
- The General Manager is full-time, compliant with ethics training, and responsible for all board operations and activities.
- The Assistant Manager is a full-time employee who supports the General Manager with numerous operational tasks and is able to perform these functions in the manager's absence.
- The Finance Officer is a contracted accounting service provider and is responsible for all month- end reconciliations, overall financial oversight, and the preparation of financial reports.
- 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 on-the-job and mentorship based.
    - Product knowledge is part of initial training.
    - Cross training opportunities are extended, and the General Manager maintains a handbook which outlines procedures for completing many administrative tasks.
    - RASP training has been attended by a few, but not all, employees.
    - All team members sign a personnel manual acknowledgment and complete complete ethics training, with certificates typically maintained in their employee file.
- No conflicts related to nepotism were found, based on discussions with the General Manager.
- All store personnel are aware that loitering is prohibited on board property and inside the store.

Policies

- The board has a code of ethics policy which adheres to the requirements of G.S. 18B-706(a), a thorough personnel manual which covers the requirements of Rule 15A .1006, and a shelf management plan as required by Rule 15A .1708.
- Additional policies adopted by the board include credit card usage, in-store tastings, and mixed beverage sales.
- The board may wish to consider a written policy for its allocated product sales.
- For travel, the board follows the state travel plan per G.S. 18B-702(g2), with reimbursements made pursuant to G.S. 138-6.

Operations

- All team members participate in quarterly inventory.
  - The General Manager investigates all discrepancies and is responsible for final adjustments.
  - Frequent inventory checks and camera reviews are conducted when shoplifting is suspected.
  - Price reductions for slow-moving products are requested, and special shelf tags are used to indicate the sale price.
- The board receives deliveries of liquor on the second and fourth Tuesday of each month.
  - Pallets are down-stacked from the truck, and handcarts are used to bring cases into the warehouse.
  - Scanners are used during offload to create variance reports, which are rechecked multiple times before being reported to LB&B.
- The General Manager makes the liquor order by comparing stock status to half of a thirty-day sales history.
  - Supplemental orders are made through DSD Link for allocated products and limited time offers.
  - Monthly SPA lists are reviewed, and buy-in investments are made when feasible.
  - Special order requests are considered on a case-by-case basis, and both the board's website and in-store personnel have systems in place to accommodate these requests.
- The board retains breakage reports and regularly includes the reports for credit with their suppliers. For compliance with Rule 15A .1701(c), copies of the reports should be submitted to the Commission quarterly.
- The board has an informative website with multiple links to social media, educational content, and state or local websites.
- The board currently has seven active mixed beverage customer accounts.
  - Online ordering is available through the board's website.
  - Pulled orders are often checked by a second employee and again with the permittee at the transaction.
  - Invoices are provided for permittees, and signed copies are retained by the board for at least three years.
  - The board stamps bottles as required by Rule 15A .1901.
- Allocated products are reserved for mixed beverage customers or randomly shelved, and the board has an annual lottery.
- The board has an informative website with multiple links to social media, educational content, and state or local websites.
- The board regularly holds tastings, and these events are included on its website's calendar.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed at the end of each month by the General Manager.
  - The board's checks include the required disbursement certificate in compliance with G.S. 18B-702(q) and are signed by the Finance Officer and countersigned by the General Manager.
  - A sample of payment dates reviewed indicates orders are paid within the thirty-day requirement.
- The preaudit certificate is not utilized on liquor or other purchase orders. *The board could consider methods to accommodate the provisions of G.S. 18B-702(m) regarding the preaudit/preauthorization of non-recurring payments by the Finance Officer, including properly designating a deputy finance officer.*
- The board has positive pay with their bank which is regularly reviewed by the manager.
- The board has a credit card issued to the General Manager.
  - All receipts are retained at the board's office, and the account is paid monthly by the Finance Officer.
  - The board has a small amount of petty cash that is not regularly used.
- Cash-handling procedures for the safe and registers are in place and known by all staff.
  - All funds are counted each morning, and the deposit is compiled to match the day's register total.
  - Deposits are transported to the bank each weekday.
  - *A sample of recent deposits were reviewed with no variances noted.*
  - The Finance Officer conducts full month end reconciliation for accounts.
- Payroll is processed every two weeks by the General Manager through QuickBooks.
  - Employees use clock in through an application and time is easily reviewed and adjusted by the General Manager before being processed.
  - *A payroll summary was reviewed to verify pay for the General Manager and Board Members.*
- The annual CPA audit was received by the Commission on October 8, 2025.
- All board members and applicable personnel are bonded for at least $50,000 per G.S. 18B-700(i).

STORE INSIGHT and OVERVIEW

- The Louisburg ABC Board's store is a free-standing building on a major thoroughfare.
    - The store has clearly viewable roadside and building signage.
    - Parking is limited but generally adequate, except on certain holidays or for vehicles pulling trailers.
    - The exterior of the building is well maintained and free of trash and debris.
- The interior of the store is small but well-lit and organized.
    - Floors and shelves are clean and displays and end caps are effectively utilized.
    - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
    - A quarterly price book is available at the counter, and supplemental price lists are available upon request.
    - North Carolina products are placed within their corresponding category.
- Shelf management practices are properly implemented.
    - Products are fronted and bottles are kept free of dust.
    - Products are grouped by category, and premium products are positioned at eye level or higher.
    - Bottles are arranged so that they increase in size from left to right of the same product.
    - Shelf space for products is set to follow the factors identified in Rule 15A .1708(5).
- A sample of approximately one hundred items was selected to determine if uniform pricing was displayed. Of those selected, all had correct pricing.
    - Price discrepancies are handled in the customer's favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Sales associates value customer service, and all are attentive and courteous.
- The store opens each day at 10:00 a.m. and closes at 7:00 p.m. Monday through Thursday and 8:00 p.m. on Friday and Saturday.
- The store is closed every Sunday, the five previously required holidays, and Memorial Day.
- Security systems are in place and functional, including a camera system, alarms with sensors, and panic buttons.

REQUIRED OR REQUESTED ACTIONS

- 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 the oaths have already been administered, a written copy of the oaths should, please, be available at the board's administrative office.*

- Item #2: While 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: When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. Rule 15A .1701(c) requires boards to submit quarterly reports for any unsaleable merchandise and to retain the original copies for three (3) years.

- Item #4: For compliance with G.S. 18B-805(h), the board should include in their meeting minutes how their alcoholism funds are to be spent and verify any person or agency receiving funds from the board report to the board at least annually describing how these funds were spent

- 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 to be included in this report.

RECOMMENDATIONS OR CONSIDERATIONS

- The board should continue to work to ensure each fiscal year's audit is submitted to the ABC Commission on or before September 30 of each year.

- The secretary responsible for preparing the board's meeting minutes may wish to review Sections 4.5-4.7 of the ABC Commission's Operations Manual. These sections provide guidance on accurately recording motions made by board members and documenting the outcome of all votes. Applying these guidelines will help ensure clarity, consistency, and compliance in the board's official records.

- The board may wish to consider adopting a written policy for the sale of allocated products. A formal policy would establish clear and equitable guidelines, assist team members in navigating interactions with patrons regarding high-demand items, and promote transparency in the distribution process.

- While the board has likely evaluated the operational impacts, continued consideration could be given to extending weekend or seasonal evening hours, particularly Thursday through Saturday. Adjusted hours may provide additional convenience for customers and support opportunities for increased sales during higher-traffic periods.

ADDITIONAL GUIDANCE FOR ALL BOARDS

- 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 potential construction of a new state warehouse in the foreseeable future, boards should assess whether updates or expansions may be necessary to efficiently accommodate any resulting increases in product volume and 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.
- 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 (2023)

- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. Ensure budget amendment copies are submitted to the ABC Commission as required per G.S. 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end
- ABC board members must complete ethics training within one (1) year of each appointment and again following all reappointments in connection with NCGS 18B-706(b). Then, the one-year window for ethics training starts at the time of new term beginning or appointment/reappointment. General managers, finance officers (and any applicable deputies) have a one-time training requirement for ethics training but are encouraged to complete training periodically as a good refresher along with any other personnel interested.
- Please ensure all newly adopted policies or any updated policies are submitted electronically to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. Electronic copies of the personnel manual should be emailed to Commission personnel for recordkeeping. The board is recommended to draft a business credit card policy and tastings policy.
- Due to new Town officials (Police Chief / Mayor), the board needs to draft a new law enforcement contract with Louisburg Police Department and provide a copy to the Commission per G.S. 18B501(f).
- 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.
- Ensure all purchase orders to include obligations evidenced by a contract or agreement requiring the payment of money, shall include or bear a certificate stating that the instrument (or order) has been pre-audited to ensure compliance with G.S. 18B-702(m) with a signature by the finance officer. The specific statement should read, "This instrument has been pre audited in the manner required by G.S. 18B-702." Special note: This would be most reasonably accomplished by signing & stamping the summary total of the Order Edit List from inventory system before any liquor orders are placed with state warehouse.
- Checks or drafts must bear a certificate, and the certificate shall take substantially the following form: "This disbursement has been approved in the manner required by G.S. 18B-702." This is most applicable for the payment of liquor invoices. Technically, no certificate is required on payroll checks or for expenditures from petty cash of $50.00 or less per 18B-702(q).
- The recipients of alcohol education distributions must provide annual documentation to the board describing the activity for which these awarded funds are spent per G.S. 18B-805(h). The board may want to consider obtaining documentation before the alcohol education funds are officially awarded / transmitted to any recipients.

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

SERVING YOU

Louisburg ABC

ALCOHOLIC BEVERAGE CONTROL

SINCE 1947

ABC Commission
Edwin Strickland
ABC Board Auditor
400 E. Tyron Rd.
Raleigh, NC 27610

7/9/2026

ABC commission and Mr. Strickland,

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:** ***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 the oaths have already been administered, a written copy of the oaths should, please, be available at the board's administrative office.***

All recommendations will be followed. Official sample of an Oath of Office was sent to the Louisburg Town Administrator for review and will be implemented at the next appointment at the October 2026 meeting. All current board members have signed and taken an oath of office that is filed at the Louisburg ABC Store.

➢ **Item #2: While 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.**

All recommendations will be followed.

➢ **Item #3: When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. Rule 15A .1701(c) requires boards to submit quarterly reports for any unsaleable merchandise and to retain the original copies for three (3) years.**

All recommendations will be followed. Breakage reports were sent out 6-10-2026 for the previous missing quarters.

➢ **Item #4: For compliance with G.S. 18B-805(h), the board should include in their meeting minutes how their alcoholism funds are to be spent and verify any person or agency receiving funds from the board report to the board at least annually describing how these funds were spent**

All recommendations will be followed. Each agency was reached out to and one has submitted their report and was presented at the June Board Meeting. We will follow up on the other agency and establish a formal date that reports must be turned in annually.

➢ **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 to be included in this report.**

The Certificate of Accountability form was signed at the June 2026 board meeting and will be turned in at the July 2026 meeting to Mr. Strickland.

Sincerely,

Steven Moore, Chairman
Louisburg ABC Board

Jessica Vajanyi, General Manager
Louisburg ABC Board

7 Month 9 Day 16 Year

Louisburg 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).

[signature] General Manager

[signature] Financial Officer

[signature] Chairman

[signature] Board Member

[signature] Board Member

Board Member

Board Member