

Moore County ABC Board

Performance Audit Report



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Alcoholic Beverage Control

October 6, 2025

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Moore County ABC Board
Michael Kantorowski, Chair
273 NE Broad St
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Chairperson Kantorowski,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Moore County ABC Board. The report consists of an overview of the objectives & background summary, financial analysis and findings, and a summary of actions recommended based upon your board's performance and related findings. Additional considerations are listed as well to provide further guidance and enhance awareness to promote ABC board's 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, and Administrative Policies
- Review applicable reports and studies of ABC Boards with similar size and geography.
- Verify compliance with Commission and Board policies.
- Verify results of previous performance audit recommendations
- Review ABC Board annual independent financial audits.
- Review ABC Board reporting and documentation reports.
- Visit the store(s)
- Interview key ABC Board personnel.

Moore County is a county located in the U.S. state of North Carolina. As of the 2020 census, its population was 99,727. Its county seat is Carthage and its largest community Pinehurst. It is a border county between the Piedmont and the Atlantic Coastal Plain. Mount Holly's roots trace back to the late 1800s, when it developed as a textile mill town. In the early years, the economy was dependent on agriculture and lumber. The lumber business expanded after railroads reached the area, improving access to markets. It lies at the northern edge of the area known as the Sandhills Region and developed resorts in the late 19th century, aided by railroads.

Since the early 21st century, Moore County comprises the Pinehurst-Southern Pines, NC Metropolitan Statistical area. Moore County is a part of the Fayetteville Lumberton -Pinehurst, NC Combined Statistical area, which had an estimated population of 693,299 in 2023, making it the 75th largest CSA in the United States

Archeological evidence indicates Siouan Native Americans inhabited the area eventually comprising Moore County from the early 500s until the 1600s. European settlers arrived in about 1739. In subsequent years, settlers of English, Ulster Scots, and German origin arrived by way of the Great Wagon Road and from the Cape Fear River valley, with most choosing to reside in the northern section of the eventual county. From the 1750s to the 1770s, the area received an influx of settlers from the Scottish Highlands, who mostly occupied the southeastern portions of the county and developed a naval stores industry with the area's longleaf pines. The Scots also brought African slaves to the area.

The present Historic Courthouse, built in 1922 in Carthage, is the most recent Governmental Administration Building in a line of three previous courthouses. According to various historical accounts, court proceedings were first held in Kenchion Kitchen's home, beginning in August of 1784, and in the homes of other area residents. The first courthouse was constructed in 1785, southwest of the present Historic Courthouse, and was described as "a rather crude log building, small in size", that was moved to the present Historic Courthouse site in 1814. In 1820, this log structure was replaced by "a two-story wood structure, which was built high above the ground, with the space beneath the building used as a marketplace." In 1840, a two-story brick courthouse was built with four offices on the ground floor and a courtroom on the second floor. With no belfry, the Courthouse bell hung outside above the door. The bell is now displayed on the grounds of the Historic Courthouse. There was a jail cell in the courtroom where prisoners were always conveniently available to the judge.

Wade Wellman, in his book entitled *The County of Moore: 1847-1947*, writes that the 1840 Courthouse that stood in the central square of Carthage was "two-storied and two-chimneyed", and had been built of clay bricks from Dabney Cosby's clay pits south of Carthage to replace "the rickety wooden structure". On September 5, 1889, the brick Courthouse burned. Meade Seawell's book entitled *Edgehill Entry: Tale of a Tarheel Town*, relates the editor of *The Carthage Blade*'s description of the disaster. Editor Matthew Cagle laments that not only were the 1889 tax books and records of the County Superintendent's Office lost, but the County records for over 100 years were destroyed by fire. According to Seawell, the ropes to the well buckets had been cut by the fire, and the buckets were down in the well. Wellman writes that the wooden portions of this building burned, but "within the walls of the Old Courthouse, built of locally molded brick, a new set of offices and doors were built and ready by the fall of the next year." According to Wellman, "the Old Courthouse was far outgrown and outdated. It was botched together of brick and stone salvaged from the one that had burned down in 1889." Judge William J. Adams described the reconstructed Courthouse as "an uncertain composite of the old and the new."

A \$150,000 bond issue was passed, and on January 16, 1922, construction began on the present Historic Courthouse. The cornerstone was laid in August and the present building, constructed of Indiana Limestone, was dedicated on September 17, 1923. On June 27, 1922, editorial in the Moore County News stated, "more and more each year, people drop into Moore County, and the stranger is impressed by the exhibits that meet the eye. The Courthouse was not an awakener of much enthusiasm... a County with efficiency written on its public buildings makes a hit. The Old Courthouse was a drug. The new one present is an advance agent of enterprise." When the present Historic Courthouse was finished, it was also described as "crowning the dominating ridge, visible against the blue-haze of the pines over the rolling Sandhills country; the Moore County Courthouse, glistening white in the brilliant Carolina sunshine is a significant exponent of the new age of peace, progress, prosperity, and plenty of our beloved Sandhills...."

The new building housed offices for the Register of Deeds, County Commissioners, County Clerk, Sheriff, Superintendent of Schools, Home Economic Demonstrator, and a lounge. On the second floor was the courtroom and separate rooms for two petit juries, grand jury, judge, solicitor, attorney, and witnesses. There were 364 chairs facing the polished wood judge's bar, and on the third story were two large rooms for the Road Commissioners and Farm Demonstrator. On the third floor, overlooking the Courtroom, there was a gallery. In 1979, the Old Courthouse was placed on the National Registry of Historic Places. In keeping with the previously mentioned editorial in the Moore County News of June 27, 1922, which stated that "a County with efficiency written on its public buildings makes a hit", the Historic Courthouse underwent a renovation process in 1988. In conjunction with the North Carolina Division of Archives and History, the interior was freshly painted, doors and brass were stripped of paint and restored to the original 1922 finish. This revitalization was continued on the exterior by professionally trimming the four stately oaks, and by establishing a previously non-existent lawn with plantings of holly, azaleas, flowers and native plants. This renovation and attention to historical details will continue as a symbol of the pride, service, efficiency, vibrancy and strength of the County of Moore.

To bring the Historic Courthouse into compliance with the Federal Americans with Disabilities Act, the County began work on additional renovations to the facility. Renovation projects began during the Fall of 1999, with the construction of a handicap ramp on the exterior of the building, followed by improvements to the public restrooms in the basement, making them handicapped accessible. On April 4, 2000, demolition began inside the Courthouse, for the installation of a Dover Oilraulic four-stop elevator. The elevator was completed and serviceable in December 2000.

The general manager is responsible for the oversight of all daily operations, inventory management, accounts payable, human resource organization and other administrative decisions for the board. The board's FO assists with payroll, financial reporting, and other bookkeeping duties as needed. The Board hired an external accountant that generates the annual audit reports. All store employees' primary responsibility is to provide friendly customer service to all customers, store upkeep and stock maintenance.

Multiple elections occurred for townships within Moore County that authorized the opening of an ABC store. S.L. 1935-493 authorized the townships of Southern Pines and Pinehurst to have ABC stores but managed by the Wilson County ABC Board. S.L. 1937-49 (6) later authorized Moore County to manage the operations of the stores in the above townships. The first retail sale occurred in Southern Pines on August 30, 1935, and Pinehurst on October 19, 1935. S.L. 1965-962 authorized the Town of Carthage to hold an election for an ABC store. The vote passed 248 to 219. S.L. 1969-122 authorized the Town of Aberdeen to hold an election for an ABC store. The vote passed 228 to 60.

Subsequent elections for mixed beverages in multiple townships were authorized between 1978 and 2015. The following townships allow for the sale of mixed beverages:

- Town of Southern Pines
- Town of Pinehurst
- Town of Little River
- Town of East and West Aberdeen
- Town of Pindene
- Town of Carthage
- Town of Robbins

S.L. 1935-493 authorized Moore County Commissioners to create an ABC board consisting of a chairman and two members to serve for three-year staggered terms. S.L. 1984-957 allowed for the expansion of the board from three to five members.

Currently, the Moore County ABC Board appoints a chairperson, (4) members, and a general manager to serve on the ABC board. The Moore County ABC Board currently operates four (4) retail stores. The board staff (44) in total personnel. These include twenty-six (26) part-time and (18) full-time personnel. The general manager is responsible for daily store operations including supervising personnel, inventory management, and various retail functions. The board's Finance Officer and provides the board with fiscal management, administrative support, and overseas routine operations of the ABC stores. Sales associate responsibilities include selling products, daily stocking, and floor upkeep & maintenance.

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



273 NE Broad St, Southern Pines, N.C.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On Tuesday, August 12, 2025, ABC Board Program Analyst II Eric McClary, visited the Moore County ABC Board and interviewed Craig Goodnight. (General Manager). Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

FINANCIAL ANALYSIS

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2023-2024, the Moore County ABC Board had a profit percentage to sales ratio of 18.36%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$10M is 9.0%.
 - Moore County ABC Board's gross sales totaled \$21,671,705, which was an approximate 6.9% increase from the previous fiscal year.
- Moore County ABC Board operates four (4) retail stores with mixed beverage sales. The operating cost ratio for the board was .27 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with three or more stores and mixed beverages is .63 or less.
 - Operating cost ratio is calculated by dividing total operating expenses into less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).

Thus, the Moore County ABC Board met the profitability standard and met the operating cost standard set by the NC ABC Commission. Below is a chart showing gross profit on sales and income from operations for the previous two years.

	FY 2023-2024	FY 2022-2023
Gross Profit on Sales	\$5,612,390	\$5,208,128
Income from Operations	\$3,979,126	\$3,415,446

Factors affecting profitability and cost include:

- Surrounding areas with other ABC systems which are within a 30-mile radius include Sanford ABC, Montgomery ABC, Hamlet ABC, and Hoke County ABC.
- There was 3.7% unemployment rate in Moore County in June of 2024 compared to the same 3.7% the previous year and month.
- The board currently has approximately 170 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for over 26.8% of gross sales.*

FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses decreased around eight percent (8%) from the last fiscal year.
- Board salaries and wages were approximately six-point five percent (6.5%) of total annual sales. Salaries and wages increased over twenty eight percent (28%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 50.4% for the fiscal year with a normal range being 52% to 54%.

BUDGET ANALYSIS

	FY 2023-2024 Budget Projections	FY2023-2024 Actual	Variance	Variance %
Sales	\$22,800,000	\$21,671,705	\$(1,128,295)	4.9%
Revenue over or (under) Expenditures		\$2,176,567		

In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual sales revenues were slightly less than forecasted projections by 4.9%. After reconciliation, the change in the Board's end net position was \$8,124,881.

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).*

Moore County ABC made a total of \$5,127,260 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), NC Department of Health & Human Services (NCDHHS), and the county commissioners of Moore County.

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

- *25% of profits of stores to their town general funds*
- *50% of mixed Beverage profit in stores to their town general funds*
- *Remainder to Moore County general fund*

WORKING CAPITAL

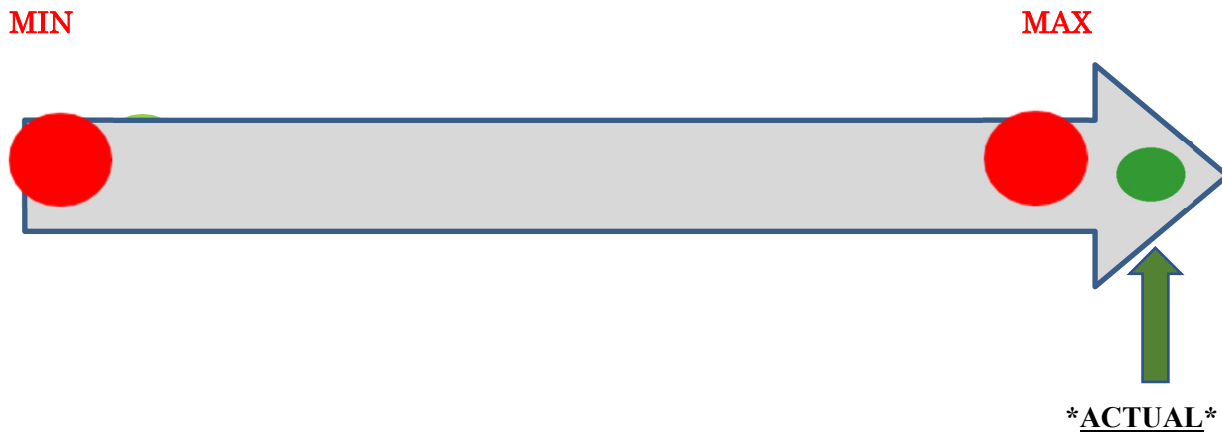
G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system.

- o NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales greater than \$1.5M as an amount equal to three (3) months of gross sales.
- o G.S. 18B-702(g)(3) defines "Working Capital" as the total of cash, investments, and inventory less all unsecured liabilities. As it pertains to working capital computation, gross sales mean gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).

Based upon the existing rules, as of June 30, 2024, the Moore County ABC Board is required to maintain a minimum working capital of \$636,325 with a maximum working capital amount of \$4,136,111.

- o The Moore County ABC Board had a working capital balance of \$5,010,791 which is more than the minimum and exceeds the maximum Commission requirements for this section (*). The board has met the minimum amount of working capital, and has exceeded the maximum amount by \$874,680, this amount is being retained for future capital expenditures for the purchase of land and construction of a new retail outlet, office and warehouse.

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



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

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions - The Moore County ABC Board has routinely made the minimum mandatory distributions to the designated recipients over the last three years referencing NCGS 18B-805(c)(1). **The table below references distributions calculated by CPA on the left and total net profit distributions made by the ABC Board for the last three (3) years on the right.**
- Law Enforcement Distributions: Have been properly disbursed at or above the regular 5% statute amount over the last three (3) fiscal years.
- Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount of the last three (3)

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Moore County ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
CPA Calculated Amount		Total paid to recipient(s)	
FY-2024	\$587,741	FY-2024	\$1,117,849
FY-2023	\$549,773	FY-2023	\$1,080,637
FY-2022	\$523,600	FY-2022	\$3,338,500

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

Board Members

- The board consists of chairperson, a general manager, a Finance Officer and four members each receiving compensation for their services at \$300.00 per meeting while the chairman is \$400.00.
 - Board members are compliant on ethics training.
 - Terms are properly staggered.
 - Members have professional experience in accounting, business, and other non-profit areas.
 - Members may not have taken an oath of office per G.S. 11-7, and copies of oaths are not available at the board's administrative office.
 - Meetings are generally held the fourth Wednesday of each month and public notices are posted via a flyer in an in-store vestibule and information is posted on the board website.
 - Meeting minutes are organized and available and follow the order of proceedings, providing detail of business discussed in a transparent and easily comprehensible manner.
 - Minutes reviewed contained most required notations including time and date, approval of previous meetings minutes, and distinguished between new and old minutes. *Meeting minutes were not signed by the chairperson.*
- Full financial reports prepared by the board's Finance Officer are presented including sales for mixed beverages, comparisons for previous year, P&L and balance sheet.

- o Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld, especially on payroll. Boards should also routinely review any notes and recommendations provided by the CPA firm on annual audits.

The board's login website had been updated prior to Commission visit and contains accurate information pertaining to board members, personnel, and store location.

- o *The expectation going forward is that ABC boards will routinely manage this information online and work to communicate with the Commission particularly when new members are added, or whenever any current serving members resign before a term has ended.*

Law Enforcement

- The board has a law enforcement contract with the Town of Moore County Sheriff's Department from 2025, and a copy is on file in Commission records.
- Law enforcement reports are submitted regularly by Captain W.R. Morgan and are current to date.
 - o Reports often provide details of activities for accountability per G.S. 18B-501(f1). *The board could consider discussing activities related to law enforcement at board meetings.*

Board Personnel

- The board currently staffs forty-four (44) total employees, with (18) full-time employees and (26) part-time employees.
- General Manager has served in this role with the board for approximately one year and has additional experience in retail sales and management.
 - o General manager is full time, and his salary meets the required compensation per G.S. 18B-700(g1).
 - o The GM's responsibilities include full oversight of all daily store operations, human resources, ordering, inventory, and other operational tasks.
- The finance officer is full-time and supports the manager with many responsibilities including inventory and deliveries.
- The Finance Officer has served the board for around one year and three months. Her responsibilities include billing and other invoices, many other financial and administrative things, and additional operational activities.
- The board uses a third-party firm for some accounting related duties.
 - o Their main responsibilities include processing much of the information provided by personnel, providing financial reports for member review and the annual CPA audit, and providing general financial oversight and guidance.
- The board has a store manager for each location who assists management with scheduling and other operational duties.
- All other store employees are part-time 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 other personnel and is on the job and mentorship styled.

- Product knowledge training is handled informally between management and team members.
- Employee files are kept in the administrative office and include tax and other applicable information and personnel manual acknowledgment form.
- Full time employees “The GM” is enrolled in the LGERS.
- No conflicts pertaining to nepotism found and per discussion with general manager.

Policies

- The board has an adequate personnel manual that details various policies, behavioral standards, and aspects of employee benefits. Some of the headlines included in the manual are as follows:
 - Ethics standards and customer, employee, and personnel relationship.
 - Alcohol sales for identification of age, intoxication, employee, or families.
 - Cash handling including deposits and register balancing.
 - Pay, leave and benefits including holidays, timekeeping, scheduling, overtime, insurance, illness, medical, military, pregnancy, and employment categories.
 - Conduct standards including appearance, attendance, etiquette, drug or alcohol use, smoking, discipline, and harassment.
 - Employee evaluations, discipline, and problem resolution.
- For travel, the board chooses to adhere to the state travel policy in compliance with G.S. 18B-700(g2).

Operations

- Full inventory is conducted monthly with code-based inventories and other random counts conducted more frequently.
 - The GM manager and other team members participate.
 - Scanners are used, and discrepancies are investigated.
 - Adjustments are made by the general manager and sheets are retained.
 - Strategies for slow moving products include a discontinued section, and offering to return to LB&B.
- Board receives deliveries for goods once weekly.
 - Offload is conducted using a purchase order receipt list checking off cases by code.
 - Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has 170 mixed beverage customer accounts.
 - Invoices are provided to permittees at the time of the transaction and copies are retained for each account.
 - Mixed beverage customers use the warehouse entrance for purchases and staff assist in verifying order accuracy and help the customers with loading.

- The general manager makes liquor orders by first reviewing a thirty-day sales history and comparing it to current inventory code by code. Lastly, special orders are submitted and limited and allocated products are considered and ordered at midnight on the first of each month.

Financial, Administrative, and Internal Controls

- Invoices for liquor are usually processed weekly for all deliveries and many payments are processed via ACH and some stores may pay by check.
 - *A sample of payment dates was reviewed and indicated invoices were paid within the thirty-day requirement.*
- Board's checks have the required disbursement certificate in compliance with G.S. 18B-702(q).
 - The finance officer and the general manager sign checks.
- The finance officer does regularly review liquor orders, the pre-audit stamp required by G.S. 18B-702(m).
- The general manager and finance officer each have a credit card, and the finance officer has the information for one of the cards to make on-line payments.
 - Itemized receipts for purchases are provided to the finance officer for review before the account is balanced.
- Deposits are made daily for the previous business day except Saturday. Deposit slips and other banking information are retained at the board's office and the finance officer conducts month end reconciliation and provides documentation to their accounting firm.
 - *A review of one month's deposit information was conducted, and no discrepancies were found between deposits and register receipts.*
- The board uses two registers in each store's showroom with four tills beginning with \$1000.00.
 - Drawers are counted at the beginning and end of each shift and a slip for each till is signed by the applicable employee.
 - The opening manager recounts all tills and combines the individual's employees' bank bags to build the deposit.
 - There is a fund used as petty cash.
- Funds are kept in a pooling bank approved by the North Carolina Treasury Office.
- Payroll is biweekly and processed by board the finance officer with the accounting firm handling tax and other reductions.
 - Employees use a time clock system to clock in and out and hours are reviewed by all administrative employees.
 - *A review of recent payroll records indicates accurate pay rates for the board website for board members and the general manager.*
- Board has in the past kept records for unsaleable merchandise reports and emails copies of the claims to the Commission regularly in compliance with NCAC 15A .1701(c).
- The annual CPA audit was received by the Commission on August 29, 2024.
- All board members and the general manager and finance officer are each bonded for \$50,000 per G.S. 18B-700(i).

STORE INSIGHT & OVERVIEW

- The board's store and administrative office is located on a side street off a major commercial thoroughfare and approximately .5 miles of an interstate.
 - Outside area surrounding the store is well-maintained and free of debris or trash.
 - There are no televisions on site.
 - There is ample parking and easy access for deliveries.
- The showroom-retail area is medium to large and shelving, endcaps, and other displays are well organized.
 - Show room space is aesthetically pleasant, well-lit, and allows for easy flow for patrons and staff.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed, and the quarterly price book is available should customers request.
 - Listings for specially priced items are printed and available for customers to review
- The warehouse and administrative areas form a full horseshoe around the retail spaced.
- Shelf management practices are fully implemented, and a written plan is available for store personnel which corresponds with NCAC 15A .1708.
 - Products are fronted and dusted, and most are placed in categorized areas.
 - Premium products are generally found at eye-level or top shelf.
 - Bottles are generally arranged so they increase in size left to right of the same item.
- Sales associate interactions with customers are attentive, courteous, and the staff is very familiar with many of their patrons.
- A sample of approximately 100 items were selected to determine if uniform pricing. There were no discrepancies.
- Store is generally open from 9:00 am until 8:00 pm daily. They are currently closed every Sunday, the five (5) previously required annual holidays, and Memorial Day.
- Security systems are in place and functional in all designated areas.
 - *The store has sixteen (16) cameras and one panic button.*
 - *Management has an informal agreement with the police department to have a visible presence in their parking area or road near the store as their time permits.*

RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES)

- 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 oaths were already administered, a written account of the oaths should be available at the board's administrative office.*
- The board Chairperson is recommended to sign meeting minutes in connection with ABC Commission Operations Manual Section 4.5 - Board Minutes.
- During the fiscal year ended June 30, 2024, the Board reported operating expenses that violated State law [G.S. 18B-702(c)] because they exceeded the amount appropriated in the budget ordinance, as summarized below:

Operating expenses \$ 111,484

- 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 sent to Commission personnel for recordkeeping.

ADDITIONAL CONSIDERATIONS & GUIDANCE

- The Commission's primary focus for ABC board members:
- ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by Sept 30th.
- ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc. *Moreover, liaising with the Commission when new members are appointed or when member resign early before term has ended is very important for recordkeeping efforts of the Commission.*
- ABC boards are highly encouraged to find straightforward ways to lower any recurring expenses. *A very tangible way to lower operating costs is to fully maximize monthly special purchase allowance (SPA) liquor products that routinely sell well in the store to lower cost of goods sold (COGS).* ABC Boards can limit the number of personnel travelling to conference and convention events across the state. Other ways to try to improve expenses include requesting bids annually from various vendors to get the best rates possible on financial audits, various utilities, maintenance contracts, and *credit card processing companies.*
- ABC boards are encouraged to closely review financial statements monthly, comparing with the annual budget forecast, approving budget amendments when necessary and submitting copies to the Commission for anticipated sales increases as well as other adjustments for budgeted accounts.
- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. *Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.*
- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.
- NCAC Rule 15A .1701 requires quarterly reports be submitted for any unsaleable merchandise (breakage) and retain original copies for three (3) years. *All breakage reports should only be transmitted via email submission to Commission staff; copies should not be mailed.*
- As a reminder, remove all faded posters and replace with new ones when applicable. Reach out to the Commission to provide fetal alcohol syndrome posters, NC Dept of Labor can provide wage & hour posters, and OSHA can provide some applicable federal posters if any are needed.
- ABC boards can explore additional training opportunities periodically available through the ABC Commission as well as partnering with other ABC boards on specific areas such as best retail and marketing practices.



ABC Commission

400 E. Tryon Rd.

Raleigh, NC 27610

October 2, 2025

We truly 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 the five recommendations.

Item 1: The board's FY 2023/2024 audit indicates an excess in set working capital per NCAC 15A.0902(a)(2). The board should make additional distributions to comply with administrative code. Alternatively, with an approval from their appointing authority, the board may set aside a portion of the remaining gross receipts as a fund for specific capital improvements per G.S.18B-805(d). **Attached is a resolution from the appointing board (Moore County Commissioners) allowing the Moore County ABC Board to set aside funds for building a new retail store and warehouse.**

All recommendations will be followed.

Item 2: 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 oaths were already administered, a written account of the oaths should be available at the board's administrative office.

Copies of each Board Member's Oath of Office are available for safekeeping and review at the administration office.

All recommendations will be followed.

Item 3: Board meetings are recommended to be signed "Signature" by the ABC Chairperson.

Our Board Chairman is signing the prior month's board meeting minutes after they are approved and are maintained in the administration office.

All recommendations will be followed.

Item 4: During the fiscal year ended June 30, 2024, the Board reported operating expenses that violated State law [G.S. 18B-702(c)] because they exceeded the amount appropriated in the budget ordinance, as summarized below:
Operating expenses \$ 111,484.00.

The Moore County ABC Board were between Finance Officers in April-June 2024 and the amendments were not made. With the 2024-2025 audit for the Moore County ABC Board that was submitted to NC ABC Commission last month, we show where we made the proper amendments and had the Board Chairman signed off on them.

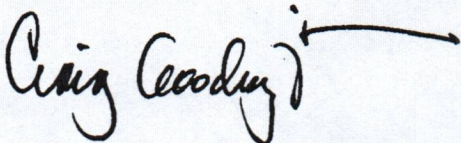
All recommendations will be followed.

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.

Attached is a copy of the signed Certificate of Accountability form signed by all parties requested.

All recommendations will be followed.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Goodnight", with a long horizontal flourish extending to the right.

Craig Goodnight General Manager

Moore County ABC Board

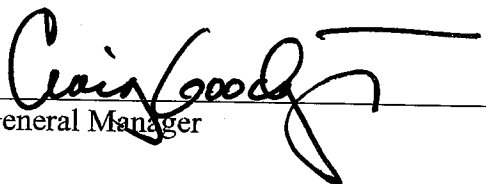
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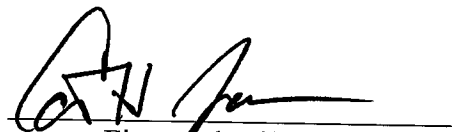
Moore
ABC Board

Certificate of Accountability

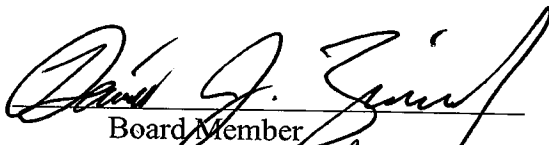
This document assures this Board and the State of North Carolina that the following statutory duties required of local ABC Boards have been properly performed.

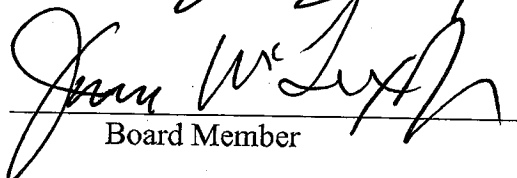
1. The system has complied with all State uniform pricing requirements pursuant to NCGS §18B-804.
2. That all alcoholic beverages sold have been approved by the Commission for sale in this State pursuant to NCGS §18B-800.
3. That all "gross receipts" pursuant to NCGS §18B-805(a) have been properly accounted for and are lawful.
4. That all taxes due and board expenses have been properly and timely paid pursuant to NCGS §18B-805(b).
5. That all distributions pursuant to NCGS §18B-805 have been properly and timely paid.
6. That the finance officer for the board has properly performed all duties as required pursuant to NCGS §18B-702(k).

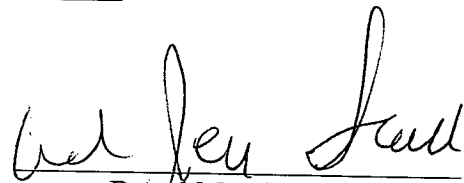

General Manager



Financial Officer


Chairman


Board Member


Board Member


Board Member


Board Member