

Newton Grove ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
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ABC
COMMISSION
NORTH CAROLINA

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Alcoholic Beverage Control

June 26, 2026

CHAIRMAN:
Hank Bauer

Newton Grove ABC Board
Charles Tart Jr., Chair
203 Raleigh St.
Newton Grove, NC 28366

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

David Sherlin
Raleigh

Chairperson Tart,

DEPUTY COMMISSIONER:
Mike DeSilva

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

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

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

Respectfully,

Michael DeSilva
Deputy Commissioner

OBJECTIVE, PURPOSE & BACKGROUND INFORMATION

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

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

To achieve the objectives of the audit, auditors:

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

Newton Grove, a town chartered in 1879, is found in Sampson County at the crossroads of three major highways: US-701, US-13, and NC-55, and near Interstate 40. The current estimated population for the town is 595 residents with a minor increase from the 2020 census. Newton Grove ABC has one store and is one of three ABC Boards in Sampson County.

Chapter 181 of the 1971 Session Law authorized the town to hold an election for an ABC store upon receipt of a petition signed by 15% of registered voters. The referendum was held on July 10, 1971 and passed 110 to 47. The first retail sales were on October 1, 1971. A mixed beverage election was held on November 8, 2005, and passed 103 to 59. Although the election was held in 2005, the first mixed beverage sales did not occur until July 2011. While the county is dry, four municipalities have voted in mixed beverage and ABC stores: Clinton, Garland, Newton Grove, and Roseboro. The town council appoints three (3) members to serve on the Newton Grove ABC Board. Current board members are Charles Hart Jr., Chair, Margret Jackson, and Richard Warren.

The last performance audit for the Newton Grove ABC Board concluded in 2022. 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, & RECOMMENDATIONS

On March 19, 2026, ABC Commission Program Analyst Edwin Strickland visited the Newton Grove ABC Board and interviewed the Finance Officer, Paula Best, and other board personnel. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



203 Raleigh St. Newton Grove

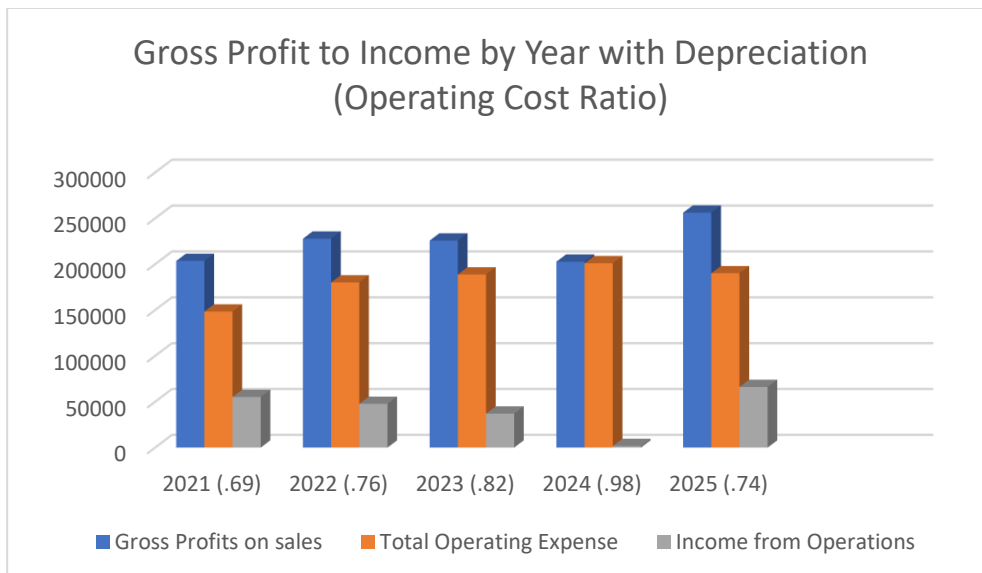
FINANCIAL ANALYSIS

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

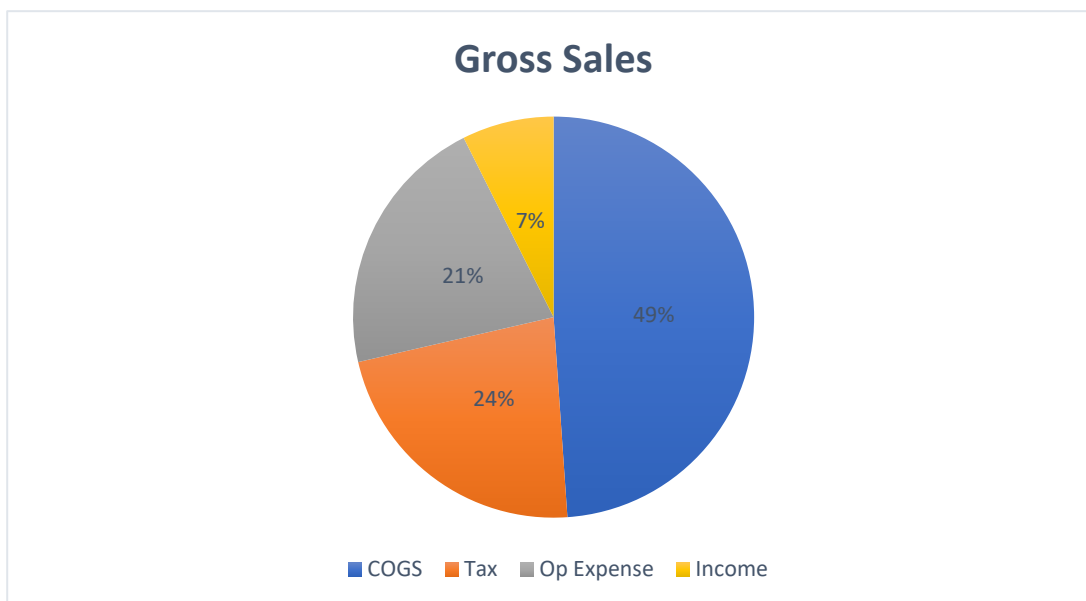
- In fiscal year FY 2025, the Newton Grove ABC Board had a profit percentage to sales ratio of 7.40%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales less than \$2M has historically been 5% or higher.
 - *The profit percent to sales ratio over the previous four completed fiscal years were .20%, 4.14%, 5.52%, and 6.44%, respectively.*
 - The Newton Grove ABC Board’s gross sales totaled \$893,297, which was an approximate .1% increase from the previous fiscal year.
 - The board’s sales have grown almost 4% since FY 2021.
- Newton Grove ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .74 in FY 2025. The NC ABC Commission standard for ABC Boards with one or two stores and mixed beverage sales has historically been .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).
- *The ABC Commission is currently working to re-evaluate performance standards for profit percent to sales and operating cost ratios.*

- 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	\$256,202	\$202,733
Total Operating Expense	(\$190,092)	(\$200,996)
Income from Operations	\$66,110	\$1,737



- 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 a store within a 30-mile radius of the Newton Grove ABC store.
 - A 4.2% unemployment rate in Sampson County in June of 2025 with a 0.1% decrease from the previous year. *The North Carolina Average in June 2025 was 3.7%.*
 - Approximately 20% of the population in the county is below the poverty level. *The North Carolina average is 12.8%.*
 - In FY 2025 mixed beverage sales accounted for around 1% of gross sales.

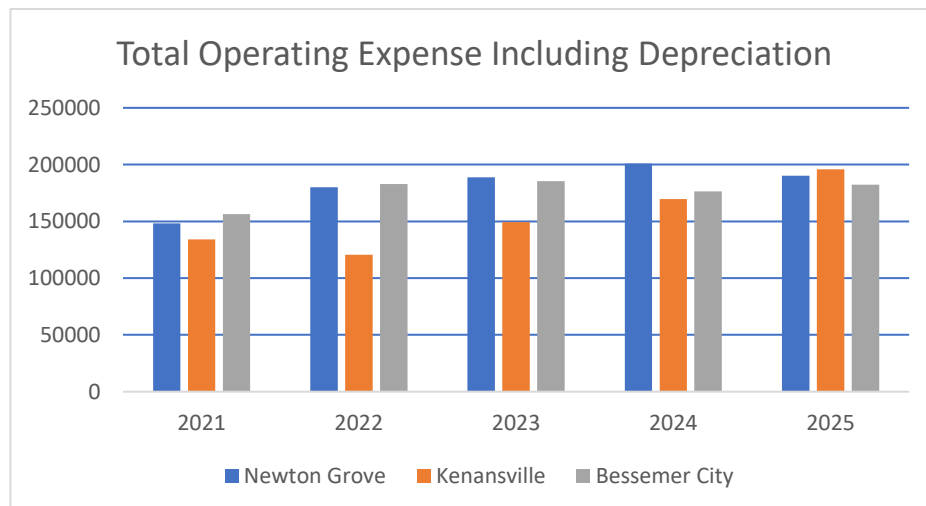
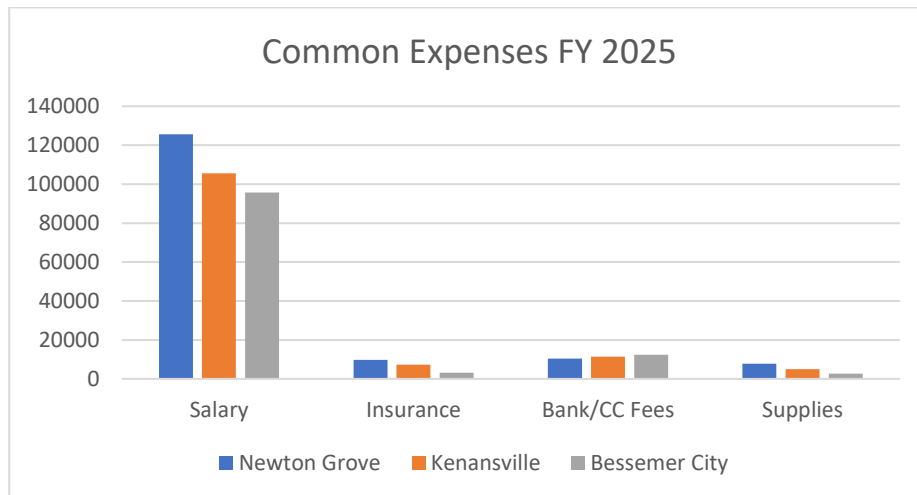
INVENTORY TURNOVER

- 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 Newton Grove ABC Board receives shipments twice per month, with a target inventory turnover rate of around 5. The inventory turnover rate in FY 2025 was 2.3, which is below the official goal.

FINANCIAL ANALYSIS (cont.)

- *Factors affecting expenses:*
 - Total operating expenses decreased by over five percent (5%) from the last fiscal year and were around twenty-one percent (21%) of total annual sales.
 - Board salaries were approximately fourteen percent (14%) of total annual sales and decreased around two percent (2%) from the previous fiscal year.
 - Cost of Goods Sold (COGS) was 48.9% for the fiscal year with a normal range being 52% to 54%. *FY 2024's cost of goods was 54.6%.*

- A common expense report and a total operating expense report show the Newton Grove ABC Board has mostly higher categorical but similar total operating expenses comparable 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 2024-2025 <i>Budget Projections</i>	FY2024-2025 <i>Actual</i>	Variance	Variance %
Total Revenues	\$985,000	\$893,297	(\$91,703)	(9.3%)
Total Expenditures	\$968,420	\$766,773	\$201,647	20.8%
Distributions	\$15,500	\$14,864		
Revenue over/under Expenditures & Finance		\$111,660		
After Reconciling Items		\$51,246		

- In reviewing the budget to actual analysis of the FY 2025 financial audit, actual total revenues were 9.3% below the final budget amendment and expenditures were 20.8% below the final budget amendment.
 - The change in net position during the fiscal year was \$51,246. *The board’s collective net position on June 30, 2025, was \$343,543; the net position has increased by almost thirty-seven percent (37%) since FY 2021.*
- Based on sales trajectory for the current fiscal year with eight months (67%) of the budget year completed, the board is tracking around 60% 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, the amount of \$200,628 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Sampson County.
- In FY 2025, Newton Grove ABC accrued funds for other statutory distributions totaling \$14,864 (*The net profit recipient received \$10,000*).
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
 - 100% to Newton Grove General Fund

DISTRIBUTIONS (cont.)

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions – The Newton Grove ABC board has not made net profit distributions for the last five (5) fiscal years at the minimum mandatory level 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 accrued or disbursed at or above the standard 5% statute amount for the last five (5) FYs.
- Alcohol Education Distributions: Have been accrued or 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		Newton Grove 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	\$25,576	FY-2025	\$10,000
FY-2024	\$25,585	FY-2024	\$10,000
FY-2023	\$25,877	FY-2023	\$10,000
FY-2022	\$25,119	FY-2022	\$10,000
FY-2021	\$21,975	FY-2021	\$12,500

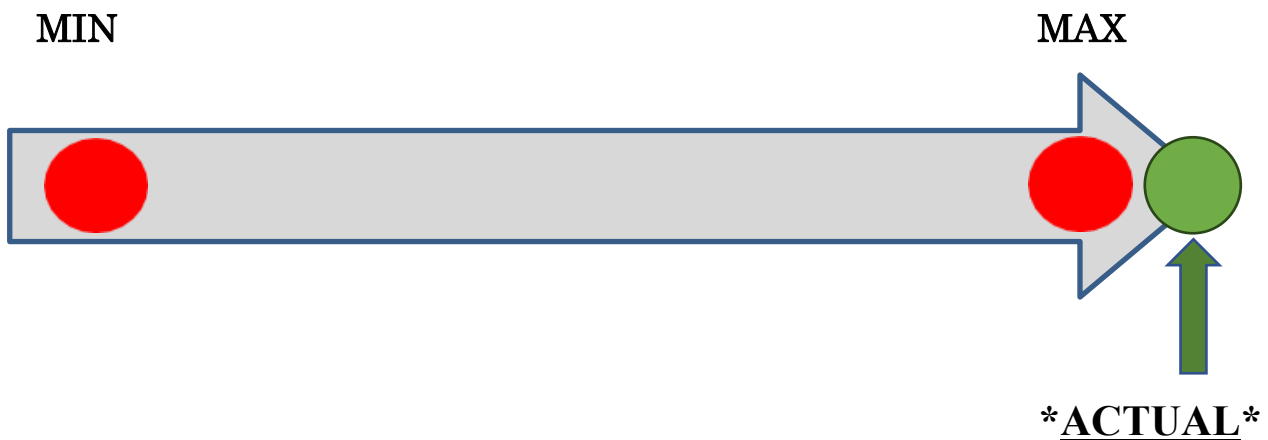
- Since inception, the board has made distributions to the Town of Newton Grove in the amount of \$736,646. *Over seven percent (7%) of this has been distributed in the last five fiscal years.*

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 as defined in G.S. 18B-805(b)(2), (3), and (4).

- Based upon the existing rules, as of June 30, 2025, the Newton Grove ABC Board is required to maintain a minimum working capital of \$26,641 with a maximum working capital amount of \$230,890.
 - The Newton Grove ABC Board had a working capital balance of \$338,453, which is more than the maximum per Commission requirement for this section (*).

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



- Under G.S. 18B-805(d), with approval of the appointing authority for the board, the local board may set aside a portion of the remaining gross receipts as a fund for specific capital improvements whenever working capital is exceeded.
 - The board's annual CPA audit indicates excess working capital in the amount of \$107,653 has been set aside as a capital improvement fund. The board should forward to the Commission written approval from its appointing authority granting permission for this fund, along with the schedule for its net profit distribution(s).

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 whose per meeting compensation for their services follows G.S. 18B-700(g).
 - Current board members' terms are staggered to comply with G.S. 18B-700(a) and all are serving successive terms.
 - Oaths of office copies are available in the board's administrative records, and all members are compliant with the ethics training requirements.
 - Members have professional experience in business, farming, and education.
- Meetings are generally held on the second Tuesday of each month with announcements posted in the store and with the town.
- Meeting minutes are organized, available, and follow the proper order of proceedings.
 - Although included in the meeting agendas, meeting minutes do not always include a no-conflict-of-interest statement.
 - Financial data is presented and discussed at board meetings to include profit and loss statements and sales comparisons. *The board should work to ensure budget-to-actual comparisons for sales and expenditures are routinely discussed.*
 - 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 Newton Grove Police Department that was reconfirmed in 2022.
- Law enforcement reports are submitted regularly by the finance officer but do not contain data for accountability as outlined in G.S. 18B-501(f1).
 - *The board could consider reviewing the reporting requirements with their contracted law enforcement agency and request more detailed reports for accountability.*
 - *Additionally, the board may wish to consider contracting with another law enforcement agency such as the Sampson County Sheriff's Department or ALE.*

Board Personnel

- The board currently staffs one full-time and five part-time employees.
- The General Manager is full-time and responsible for the store's operations.
- The Finance Officer is part-time and responsible for accounting related activities, fiscal management, and administrative support.
- Two primary clerks assist the general manager with operational activities, and all employees are responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training for new employees is on the job and mentorship-style.
 - Product knowledge discussions are regular between staff for new and existing products.
 - Cross training opportunities have been extended for two of the key clerks to include ordering and inventory.
 - RASP training has been attended by all employees except, perhaps, one.
- No conflicts pertaining to nepotism found and per discussion with the General Manager.

Policies

- The board has a thorough personnel manual which covers the requirements of Rule 15A .1006 and additional work and behavioral expectations.
- Additional policies adopted by the board include a code of ethics, price discrepancy, and mixed beverage sales.
- The board should craft and adopt a shelf management policy as required by Rule 15A .1708.
- The board may wish to consider additional policies such as allocated product sales or a policy for in-store tastings if they decide to allow these in the future.
- 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

- Full inventory is conducted on the last day of each month with multiple team members participating.
 - Discrepancies are rechecked and reviewed, and adjustments are made by management or clerks.
 - *A small sample of products was inventoried during the Commission visit with no notable discrepancies found.*
 - Slow moving products are relocated within the store.
- The board receives deliveries of liquor on the first and third Monday of each month.
 - Pallets are down stacked using order sheets or the manifest.
 - Any variances are re-checked before the report is submitted to LB&B.
- Orders are made by reviewing stock status and monthly sales.
 - Monthly SPA lists are reviewed and buy in investments are made when appropriate.
 - Special order requests are always considered and typically ordered.
- Although only having a limited amount, the board retains breakage reports and 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 currently has one active mixed beverage customer account.
 - Orders are rechecked by the manager and again with the permittee at the transaction.
 - Invoices are provided to permittees and signed copies are retained for each account.
 - The board stamps bottles as required by NCA 15A .1901.
- Some allocated products are available for mixed beverage customers with others being displayed and sold upon request.
- The board has not hosted tastings but may consider having them in the future.

Financial, Administrative, and Internal Controls

- The Finance Officer pays liquor invoices either once or twice a month. *A small sample of payment dates reviewed indicates orders are paid within the thirty-day requirement.*
 - The board's checks are stamped with the required disbursement certificate in compliance with G.S. 18B-702(q) and signed by the finance officer and a board member.
- The Finance Officer signs and administers the preaudit certificate to liquor and other purchase orders as required by G.S. 18B-702(m).
- Most purchases are ordered through accounts with a limited number of reimbursements made to staff for incidental purchases.
- Cash-handling procedures are in place and known by all staff.
 - Sales associates are responsible for counting tills and the manager compiles deposits daily with bank deliveries five times a week.
 - *A small sample of recent deposits were reviewed with no significant variances noted.*
 - The finance officer routinely reviews accounts and conducts month end reconciliation.
- Payroll is processed every two weeks by the finance officer through QuickBooks.
 - Both employees and the manager sign timesheets.
- 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).
- The board distributes their alcoholism education distribution to a local high school. While the board has sometimes received information on how the funds will be spent, the board does not receive a written annual report. *For general accountability and full compliance with G.S. 18B-805(h), the board should include in their meeting minutes how these funds are to be spent and verify any person or agency receiving funds from the board report to the board annually describing how these funds were spent.*

STORE INSIGHT & OVERVIEW

- The Newton Grove ABC Board's store is in a commercial strip in the town's central business district near a roundabout that is the convergence of three highways.
 - The store has easily viewable signage.
 - Parking is limited in the store front with signs that dictate ten-minute parking allowance. *Additional parking is available in adjacent areas.*
 - The exterior is well maintained and free of trash and debris.
- The interior is well lit and organized.
 - Floors and shelves are clean, and counters are not overly cluttered. *The board is aware of needed aesthetic improvements and has been researching options.*
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
 - A Quarterly price book is available at the counter, and an SPA pricing list would be available upon request.
 - Broker supplied shelf tags highlight items which are currently on sale, with other specially priced items unidentified.
 - Category signs are displayed and endcaps are utilized.
 - The store has a small North Carolina product section.
- Shelf management practices are mostly implemented but the store's older shelves complicate full compliance with Commission rules.
 - Products are fronted, dusted, and most often, in their designated category.
 - Premium products are found at eye-level or top shelf, with moderate deviations due to shelving complications.
 - Bottles are not always arranged so they increase in size left to right of the same item.
 - Shelf space for products is usually set to follow the factors identified in Rule 15A .1708(5).
 - All bottles and packages in the store are stamped with the product's code.
- A sample of around one hundred items were selected to determine if uniform pricing is displayed. Of those selected, the price of one item was incorrect.
 - 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.
- Stores are open daily at 10:00 am and close at 9:00 pm daily with some seasonal variations.
- The store is closed every Sunday, the five previously required holidays, and Memorial Day.
- Security systems are in place and functional.

REQUIRED ACTIONS

- Item #1: The board should provide the Commission with written approval from its appointing authority to retain a portion of their remaining gross receipts as a fund for specific capital improvements. In conjunction with this approval, the board may wish to request, in writing, its appointing authority's approval to limit their G.S. 18B-805(c)(1) net profit distribution below the minimum mandatory amount.
- Item #2: The board should work with their contracted law enforcement agency, the Town of Newton Grove Police Department, to reestablish law enforcement reporting to comply with the provisions of G.S. 18B-501(f1). Reports are to include as applicable the number of arrests made for ABC law, number of agencies assisted with ABC law, and other metrics for ABC law contribution such as compliance checks and alcohol education classes presented. If current law enforcement agencies are not completing ABC enforcement law activities on behalf of the board, it is recommended for the board to consider entering a contract with a different agency such as Alcohol Law Enforcement (ALE) state agency or the local sheriff department.
- Item #3: When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. NCAC Rule 15A .1701(c) requires quarterly reports to be submitted for any unsaleable merchandise and retain original copies for three (3) years.
- Item #4: Local boards shall establish and maintain a shelf management plan per Rule 15A .1708, Shelf Management. The board could work to rearrange liquor inventory on the shelves to follow shelf management requirements, in particular ensuring bottles increase in size from left to right, having as many brands as possible in their corresponding category, and having higher priced items shelved above lower priced items of the same category. While current shelving limitations prevent full compliance with the requirements of this Rule, improvements could still be made to the product arrangement to better align with the standards.
- Item #5: In connection with the periodic audit, a Certificate of Accountability attestation form should be reviewed and signed by board members and applicable personnel. A signed copy would then only need to be emailed to Commission personnel for recordkeeping.

RECOMMENDATIONS

- While often included in the agenda and routinely discussed at the beginning of meetings, the board's secretary should document in their meeting minutes that the agenda was reviewed by all members and that each member declared no conflict of interest with respect to the agenda items. *Additionally, all voting actions taken by the board members should be reflected in the minutes.*
- The board should discontinue the practice of stamping all liquor bottles with the product code. While this may have been a necessary practice in the past, it is no longer necessary and results in additional costs to the board for supplies and staff time.
- While the board has received information correspondence in previous years, for full compliance with G.S. 18B-805(h), the board should include in its 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.

- The board could consider adopting a written policy for the sale of allocated products. *In addition to providing clear guidelines, such a policy would inform patrons about the distribution of these high-demand items and assist sales associates in managing what can sometimes be challenging customer interactions.*
- To improve inventory turnover ratios, boards can monitor sales data to best plan orders. Also, boards can identify dead stock inventory and move these products to a more visible location within the store, offer products for sales to other boards, or request price reductions from the Commission to move the products more quickly.

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 the 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.
- 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 sales adjustment for current fiscal year sales estimates.
- 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 (2022)

- 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 sales adjustment for current fiscal year sales estimates.
- Due to new law enforcement officials, a new law enforcement contract must be enacted and adopted as soon as possible reflecting the current police chief for Newton Grove. Please note the board has the authority to work with Alcohol Law Enforcement (ALE) agency as an alternative if the local police have not been providing alcohol enforcement data to the board. A signed copy of the contract must be provided to the Commission per G.S. 18B-501(f).
- Local boards shall establish and maintain a shelf management plan per Commission Rule 15A .1708 Shelf Management. The board needs to work to rearrange the liquor inventory on the shelves to follow shelf management requirements instead of following product code numbers. The board can take advantage of a category management review through Republic National Distributing Company out of Charlotte, NC to assist with this requirement.
- Ensure all policies are submitted to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. When the board has an official delivery service policy for new Commission Rule 15A .1903 – Delivery of Mixed Beverages Permittee Orders, please forward an electronic copy of the board policy to the Commission. Alternately, the board may request an exemption through the ABC Commission for the delivery service rule.
- The board has a code of ethics policy per G.S. 18B-706, and ABC Commission now has a copy. The following are needed administrative actions: An adoption page should be signed by the board for the Code of Ethics and a Certificate of Accountability verification form should be reviewed and signed by applicable board personnel. Then, the two signed copies only need to be emailed to the Commission.
- Law enforcement reports must be submitted on the Commission’s board website by the 7th of each month referencing G.S. 18B-501(f1). Reports should include as applicable the number of arrests made for ABC law violations, number of agencies assisted with ABC laws, and any other identifiable metrics for ABC law contribution such as compliance checks on businesses holding retail ABC permits.
- 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 could be placed on Order Edit Lists and should read, “This instrument has been pre audited in the manner required by G.S. 18B-702.”
- 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 sent via email submission to the Commission; copies should never be mailed.

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

Appendix A

Program Analyst's Summary

The performance audit recommendations and findings were presented to the Newton Grove ABC Board on May 12, 2026. The board agrees to the recommendations as presented and attests to their implementation. The board will continue to be vigilant with profitability enhancement and expense reduction while operating a modern store with a robust customer service focus.

05 12 2026
Month Day Year

Newton Grove ABC
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

Paula B. Best
Financial Officer

Charles H. Gault Jr.
Chairman

Margaret H. Jackson
Board Member

Board Member

Richard O. Warren Jr.
Board Member

Board Member