

# Oak Island ABC Board

## Performance Audit Report



Alcoholic Beverage Control Commission  
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**ABC**  
COMMISSION  
NORTH CAROLINA

## **TABLE OF CONTENTS**

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ABC Commission Statement .....	3
Objective, Purpose & Background Information .....	4
Financial Analysis, Observations & Findings .....	7
Requested Actions and Recommendations.....	18
Additional Guidance or Considerations.....	19
Previous Performance Audit Recommendations .....	20
Appendix A- Oak Island ABC Board Response Letter .....	21-22



# ABC

COMMISSION  
NORTH CAROLINA

## Alcoholic Beverage Control

May 18, 2026

CHAIRMAN:  
Hank Bauer

Oak Island ABC Board  
Willie Williams, Chair  
5402 E. Oak Island Dr.  
Oak Island, NC 28465

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

David Sherlin  
Raleigh

Chairperson Williams,

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 Oak Island 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

The Town of Oak Island is in southeastern North Carolina in Brunswick County. The seaside town's major industry is tourism and their population can reach approximately 50,000 residents during summer months. The town's estimated permanent resident population is over 9,000, up over 7% from the 2020 census. The Oak Island ABC Board operates one retail store and is one of nine ABC Boards in the county.

House Bill 221 of the 1999 Session Laws authorized the consolidation of ABC boards between the Towns of Yaupon Beach and Long Beach to form the Oak Island ABC Board. The first retail sale occurred on July 1, 1999, and mixed beverage sales also began this year. The Town of Oak Island appoints a chairperson and two (2) additional board members to serve on the ABC Board. Current members are Willie Williams, Chair, Loman Scott, and Amanda Wright.

*The last performance audit for the Oak Island ABC Board was conducted in 2023. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.*

# **OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS**

On March 3, 2026, ABC Commission Program Analyst Edwin Strickland visited the Oak Island ABC Board and interviewed the General Manager Bill Graves, and Finance Officer Debra Ann Rose. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



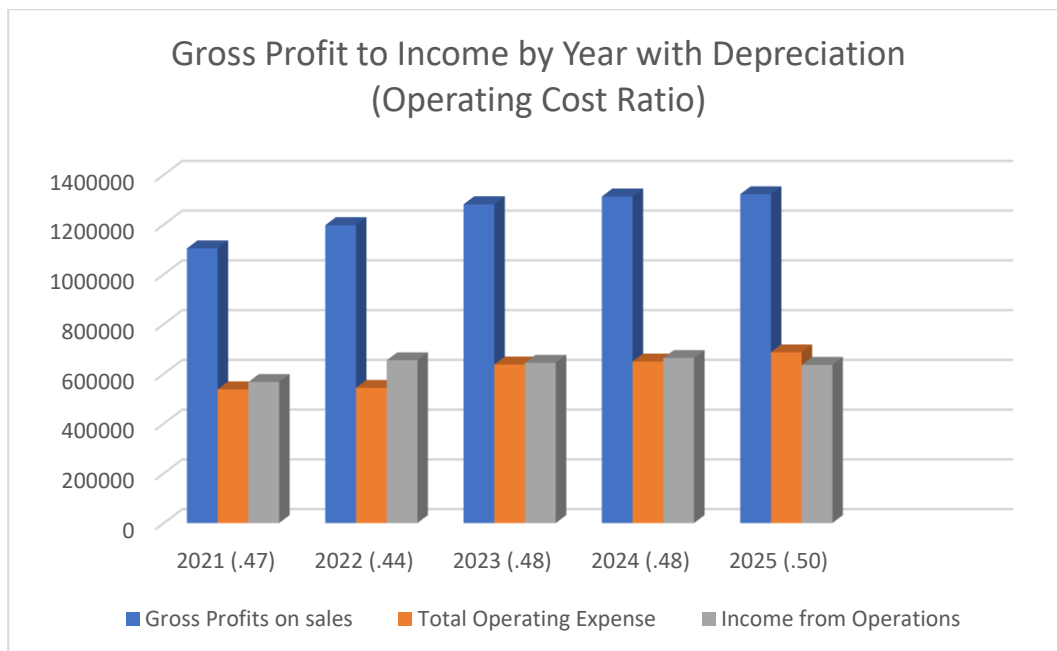
**5402 E. Oak Island Dr.**

# FINANCIAL ANALYSIS

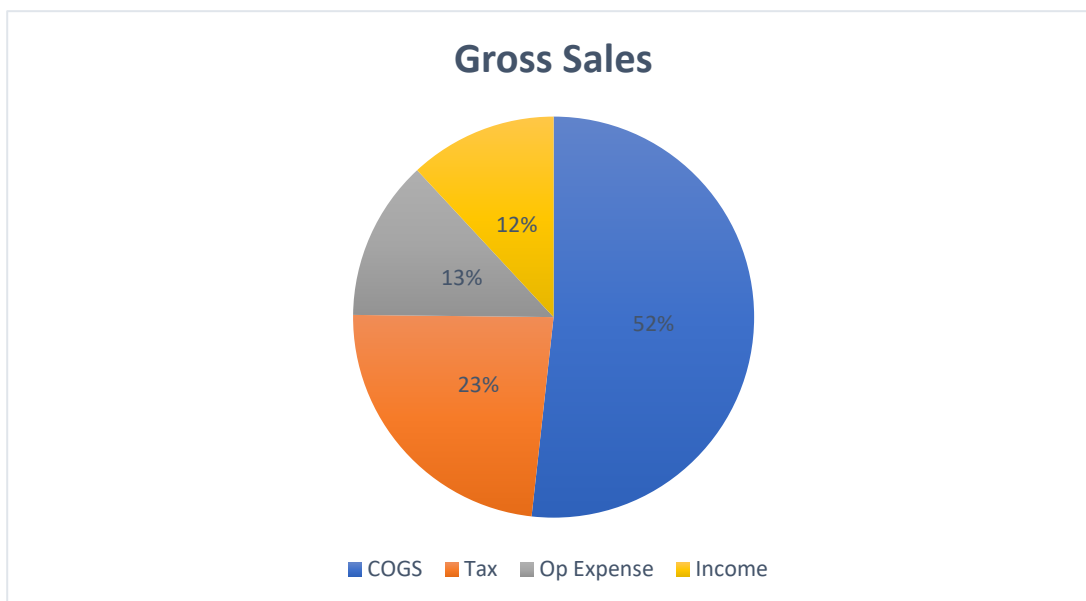
## PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year FY 2025, the Oak Island ABC Board had a profit percentage to sales ratio of 11.94%.
  - *The profit percent to sales ratio over the previous four completed fiscal years were 12.56%, 12.50%, 13.80%, and 12.74%, respectively.*
  - The board’s gross sales totaled \$5,321,882, which was an approximate .8% increase from the previous fiscal year.
  - The board’s sales have increased almost 20% from their FY 2021 sales.
- Oak Island ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .50 in FY 2025. *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 2024-2025	FY 2023-2024
<b>Gross Profit on Sales</b>	\$1,321,666	\$1,312,663
<b>Total Operating Expense</b>	(\$686,035)	(\$649,353)
<b>Income from Operations</b>	\$635,631	\$663,310



- 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.



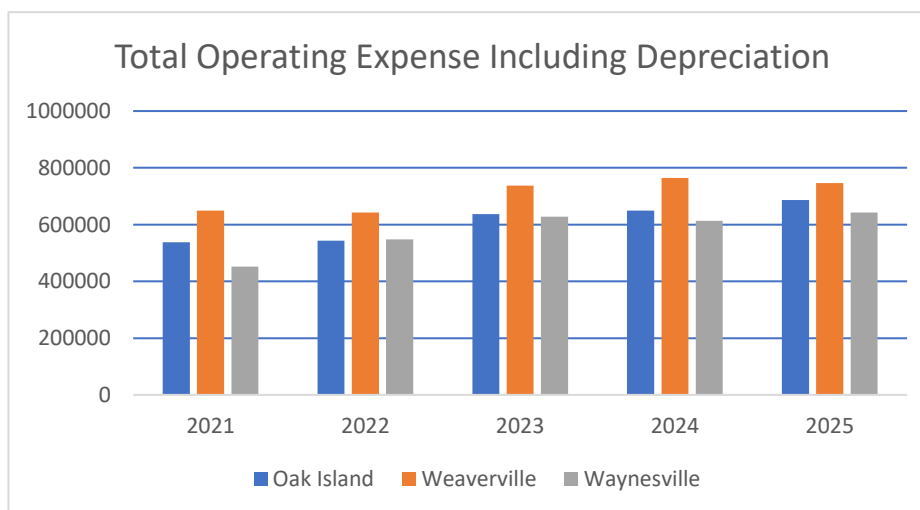
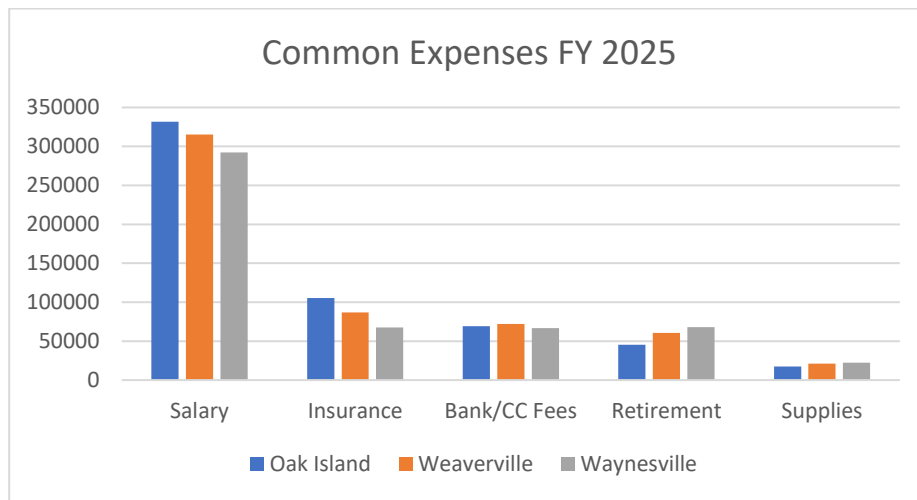
- *Factors affecting sales:*
  - There are eight other ABC Boards and ten other stores in the county.
  - The South Carolina border is less than 40 miles from the store with additional outlets.
  - A 4.6% unemployment rate in Brunswick County in June of 2025 with a .4% increase from the previous year. *The North Carolina Average in June 2025 was 3.7%.*
  - Approximately 10.5% of the county's population is below the poverty level. *The North Carolina average is roughly 13%.*
  - In FY 2025 mixed beverage accounted for around 19% 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 Oak Island ABC Board receives shipments either weekly or twice a month, depending on the season, with a target inventory turnover rate of around 5.5. The inventory turnover rate in FY-2025 was 11.3, which is well above the current goal.

## FINANCIAL ANALYSIS (cont.)

- *Factors affecting expenses:*
  - Total operating expenses increased less than six percent (6%) from the last fiscal year and were around thirteen percent (13%) of total annual sales.
  - Non-operating expenses were \$14,190.
  - Board salaries were slightly more than six percent (6%) of total annual sales and increased by around eight percent (8%) from the previous fiscal year.
  - Cost of Goods Sold (COGS) was 51.7% for the fiscal year with a normal range being 52% to 54%.
- A common expense report and a total operating expense report show the Oak Island ABC Board has similar categorical and total operating expenses comparable to other ABC boards within a 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

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	FY 2024-2025 <i>Budget Projections</i>	FY2024-2025 <i>Actual</i>	Variance	Variance %
<b>Total Revenues</b>	\$5,924,000	\$5,329,970	(\$594,030)	(10%)
<b>Total Expenditures</b>	\$5,387,646	\$4,713,389	\$674,257	12.5%
<b>Distributions</b>	\$395,400	\$565,004		
<b>Revenue over/under Expenditures &amp; Finance</b>		\$51,577		
<b>After Reconciling Items</b>		\$56,437		

- In reviewing the budget to actual analysis of the FY 2025 financial audit, actual total revenues were around 10% below budget and expenditures were 12.5% below budget.
  - The change in net position during the fiscal year was \$56,437. *The board’s collective net position on June 30, 2025, was \$1,120,199; the net position has increased by almost twenty-seven percent (27%) 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 at around 54% of annual budgeted sales.

## DISTRIBUTIONS

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G.S. 18B-805 (b) requires the board to pay from gross receipts, all expenses, excise, and rehabilitation taxes. G.S. 18B-805(c)(2) requires the board to *typically* distribute at least five percent (5%) of applicable gross receipts to law enforcement and *typically* at least seven percent (7%) for alcohol education. *Before assigning these percentage distributions, G.S. 18B-805(c)(1) requires the board to first make a minimum quarterly distribution of the 3.5% markup & relevant bottle charges to certain county/municipal recipients. **Some of these distribution percentages are designated by an official local enabling act (and thus distribution requirements and recipients are subject to vary).***

- The amount of \$1,247,540 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Brunswick County.
- In FY 2025, Oak Island ABC accrued funds for other statutory distributions totaling \$565,004 (*The net profit recipient received \$507,930*).
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
  - 100% to the Oak Island General Fund

**DISTRIBUTIONS (cont.)**

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions – The Oak Island ABC board has made robust net profit distributions for the last five (5) fiscal years well above the minimum mandatory distribution in reference to G.S. 18B-805I(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
- Law Enforcement Distributions: Have been disbursed at or above the standard 5% statute amount for the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount for the last five (5) FYs.

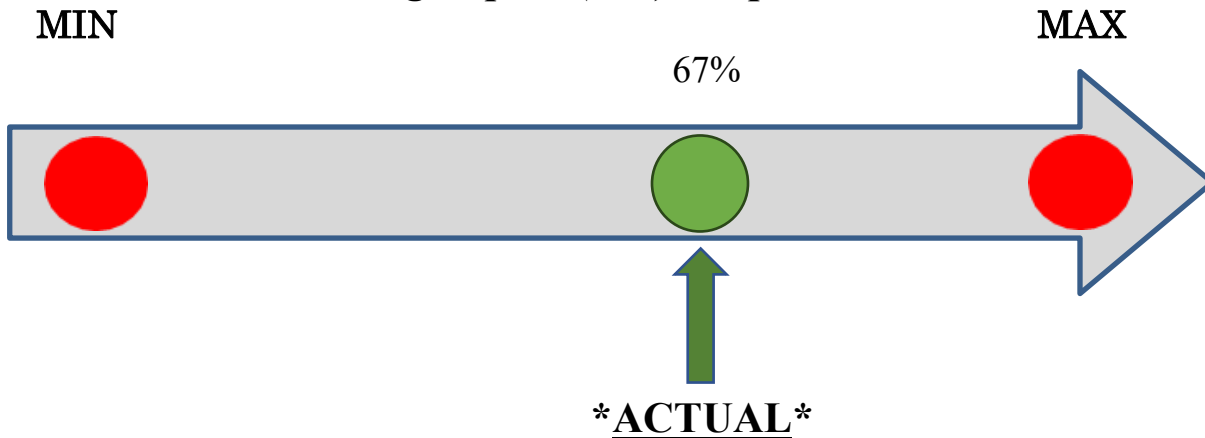
<b>NC GENERAL STATUTE: 18B-805 I(1)</b>			
<b>Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients</b>		<b>Oak Island ABC Board Net profit distribution made annually by fiscal year</b>	
<i>Note: Referencing CPA Audit Reports</i>			
<b>Calculated Amount</b>		<b>Total paid to recipient(s)</b>	
FY-2025	\$145,820	FY-2025	\$507,930
FY-2024	\$144,617	FY-2024	\$546,123
FY-2023	\$141,294	FY-2023	\$532,356
FY-2022	\$130,806	FY-2022	\$532,568
FY-2021	\$123,535	FY-2021	\$463,100

- Since inception, the board has made distributions to the Town of Oak Island in the amount of \$5,571,175. *Over 46% of this has been distributed in the last five fiscal years.*

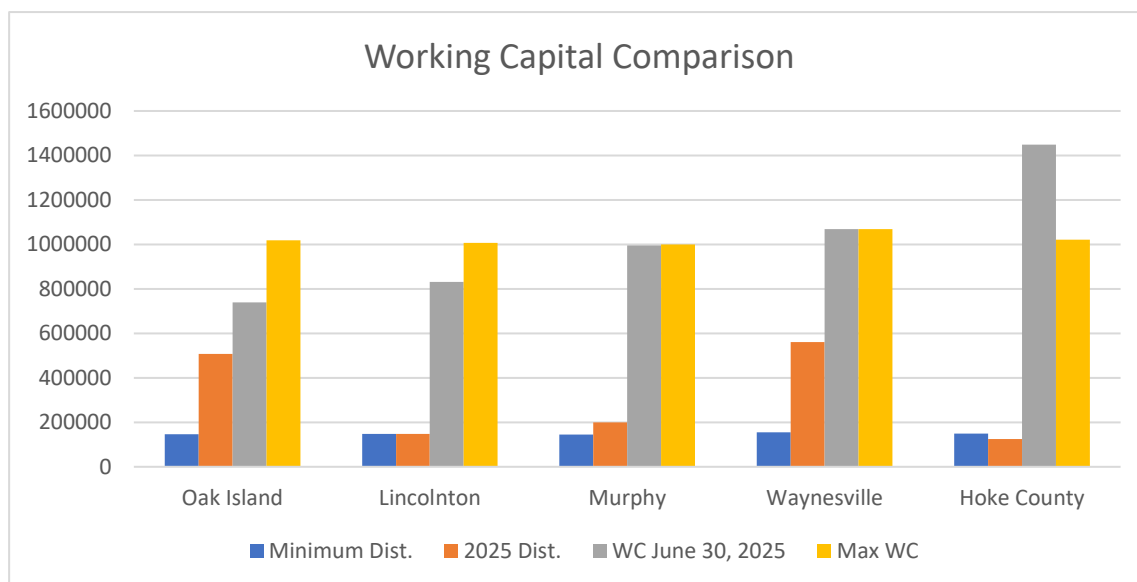
**WORKING CAPITAL**

- 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 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 Oak Island ABC Board is required to maintain a minimum working capital of \$156,706 with a maximum working capital amount of \$1,018,587. On June 30, 2025, the board had a working capital balance of \$739,809 which is \$278,778 less than the maximum and around 67% of working capital capacity.

**\* 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.
- The chart below compares four boards with similar sales to the Oak Island ABC Board.
  - Oak Island ABC has made net profit distributions well above the minimum requirement without reaching the maximum allowed working capital limit.
  - Lincolnton ABC made their net profit distribution near the minimum as they have not maximized their working capital limit.
  - Murphy ABC made their distribution(s) marginally above the minimum requirement as they maximized their working capital limit in FY 2025.
  - Waynesville ABC has made net profit distributions well above the minimum requirement by rule, as they maintained a working capital balance at or near the maximum limit for several years.
  - Hoke County ABC has received written approval from their appointing authority to limit distributions and retain excess working capital above the maximum allowed as a capital improvement fund for the likely expansion of one of their stores.



## **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 complies with G.S. 18B-700(g).
  - Current board members' terms are staggered to comply with G.S. 18B-700(a), and all have completed the required ethics training.
  - Two members have served multiple terms with the board and a third is a recent appointment.
  - At the time of the Commission visit, oaths of office for current members were not in the board's administrative records. *Prior to the visit, board personnel had forwarded oath of office templates to the town. Board members planned to sign and notarize the oaths, with the manager expecting copies to be added to the board's records by the next scheduled official meeting.*
  - Board members have signed and supplied the ABC Commission a Certificate of Accountability attestation at their most recent board meeting.
- Meetings are generally held on the second Tuesday of each month and public awareness is provided through the town's office.
- Meeting minutes are organized, available, and follow all the order of proceedings and reference the no conflict of interest statement.
  - Financial data is provided at each meeting by the administrative team to include budget comparisons.
  - The board's CPA conducts quarterly audits which are forwarded to board members.
- 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 reentered into a law enforcement contract with the Oak Island Police Department in 2023.
- Law enforcement reports are submitted regularly by the general manager with data supplied by the department's administrative assistant. The reports usually contain data for accountability as outlined in G.S. 18B-501(f1).

### **Alcohol Education and Rehabilitation**

- Over the last five fiscal years the board made alcohol education and rehabilitation distribution directly to the Town of Oak Island.
  - For compliance with G.S. 18B-805(h), the ABC Board should ensure they include in their meeting minutes how these funds are to be spent and receives reports of expenditures from the recipient of these funds at least annually.

## **Board Personnel**

- The board usually staffs eleven total employees with three working full time.
- The General Manager is full time and responsible for all board operations. He is in his first year with this board and was formerly the general manager of another ABC Board.
- The Finance Officer position is responsible for most accounting related functions and works in tandem with the general manager on administrative tasks. As the current finance officer is nearing retirement, a new officer is transitioning into the role.
- The board's organizational chart indicates positions for store and assistant store manager. While these positions are not currently designated, the general manager wishes to retain this chart in its current form for possible future considerations.
- 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 conducted through on-the-job mentorship. Employees typically begin by learning stocking and register operations before progressing to other duties.
  - Cross training opportunities are currently underway. The general manager is performing many of the duties typically handled by the finance officer to assist during the transition, while the individual slated to assume the finance officer position is working in store operations and beginning to learn the accounting-related functions.
  - Many team members have received RASP training and management plans to continue with training for all employees.
  - Product knowledge training is generally conversations with staff, the public, and sales representatives.
- Employee files are kept in the administrative office and include tax and other employment documents, and a signed standards of conduct form.
- All eligible employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with the general manager.

## **Policies**

- The board has a thorough personnel manual which covers the requirements of Rule 15A .1006.
- Other policies approved by the Commission include a code of ethics, shelf management, price discrepancy, mixed beverage order and pickup, credit card acceptance, allocated product sales, additional job descriptions, and a standard of conduct.
- For travel, the board follows the Town of Oak Island's travel policy. For compliance with G.S. 18B-702(g2), the board has received written approval from their appointing authority to follow and reimburse pursuant to said policy for the calendar year of 2026.

## **Operations**

- Board personnel usually conduct categorical inventory quarterly.
  - Scanners are used and multiple team members participate.
  - Discrepancies are thoroughly reviewed, and adjustments are ultimately made by the general manager.
  - Strategies for moving slow-selling products currently include focused sales efforts.
- The board receives deliveries of liquor on each Monday for part of the year and twice monthly in the off season.
  - The boards store does not accommodate pallets and offload is conducted via conveyor belt with checkoffs from the order list.
  - Warehouse stock cases are marked prior to delivery to help prevent mistakes with offload.
  - Discrepancy reports are rechecked before being reported to LB&B.
- The General Manager places liquor orders by editing a suggested order list and reviewing out of stock reports and store shelves.
  - SPA lists and quarterly price changes are reviewed.
  - All special-order requests are considered for mixed beverage accounts and residents.
- The board retains breakage reports and regularly includes the reports for credit with their suppliers. For compliance with Rule 15A 1701(c), the board has usually emailed copies of the reports to the Commission.
- The board currently has twenty-two active mixed beverage customer accounts.
  - Pulled orders are rechecked by a second employee and again with the transaction.
  - Invoices are provided to permittees and signed copies are retained in a file for each account.
  - The board stamps bottles as required by Rule 15A .1901, and also include the bottle code on the stamps for additional verification.
  - A mixed-beverage sales policy is available for permittees.
- Allocated products are reserved for permittees and others are available for loyal customers or randomly shelved.
- Tastings have not been held but may be considered in the future.
- The board has a social media account which provides awareness for general information.

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

- Invoices for liquor are processed at the beginning of each month.
  - Checks are cut and signed by the finance officer and counter-signed by the general manager with the board's chairperson as an alternat.
  - The board is considering making disbursements via ACH transfer once their accounting software is updated.
  - The board's checks are stamped with the required disbursement certificate for compliance with G.S. 18B-702(q).
  - *A sample of payment dates reviewed indicates orders are paid within the thirty-day requirement.*
- The preaudit certificate is administered and to liquor orders and invoices for recurring payments or supplies.
- The board does not have a credit card or petty cash.
  - Most purchases for supplies are made through accounts with occasional reimbursements directly to an employee.
- Travel for official business must be preauthorized using a request form. Reimbursement forms, accompanied by applicable receipts, are submitted, and reviewed prior to approval of reimbursement.
- Cash-handling procedures are in place, known by all staff, and some are covered in the personnel manual.
  - Store funds are counted daily, and sales associates are responsible for shortages.
  - Deposits are made on the next business day.
  - The general manager reviews deposits for accuracy when entering data into Traverse.
  - *A sample of recent deposits were reviewed with no significant variances noted.*
  - The finance officer and/or general manager conduct full month end reconciliation for accounts.
- Payroll is usually processed by the finance officer monthly through Traverse.
  - Time sheets are verified and compared to the schedule and applicable notes by the general manager.
- The annual CPA audit was received by the Commission on August 21, 2025.
- All board members and applicable personnel are bonded for at least \$50,000.

## **STORE INSIGHT & OVERVIEW**

- The board's store and administrative office is located on the main highway through the town in an area with other retail businesses.
  - The store has easily viewable signs, but somewhat limited parking.
  - The exterior and applicable surrounding areas are well maintained and free of trash and debris.
- The interior is well lit and organized.
  - Floors and shelves are clean, and the counter is not overly cluttered.
  - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
  - A quarterly price book is available at counters with an SPA pricing list available by request.
  - Special colored tags are used to highlight items currently on sale.
  - Category signs are prominently displayed, and endcaps are utilized.
  - North Carolina products are found on endcaps often near their category and the NC shelf tags are displayed.
- Shelf management practices are properly implemented.
  - Products are fronted, dusted, and in their designated category.
  - Premium products are found at eye-level or top shelf.
  - Bottles are arranged so they increase in size left to right of the same item.
  - Shelf space for products is set to follow the factors identified in Rule 15A .1708(5).
- A sample of around one hundred items were selected to determine if uniform pricing is displayed with no variances noted.
  - Price discrepancies should be handled in the customers favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Sales associates value customer service, and all are attentive and courteous.
- The store is open daily from 9:00 am until 8:55 pm, Monday through Saturday.
- The store closes the five previously required holidays, Memorial Day, and the day following Christmas.
- Security systems are in place and functional at both stores to include cameras, alarms, and panic buttons.
- All employees are aware loitering is prohibited at stores.

## REQUESTED ACTION ITEMS

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- Item #1: Board members should take an oath before taking office or before the execution of the office per G.S. 160A-61 and G.S. 11-7. *Prior to Commission visit the board had already requested their appointing authority administer oaths for members.*
- Item #2: 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 request reports from any person or agency, at least annually, describing how these funds were spent.

## RECOMMENDATIONS

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- While the board submitted budget amendments for fiscal year 2025, sales were approximately ten percent (10%) below budget and expenditures were approximately twelve and one-half percent (12.5%) below budget. The board should consider an additional budget amendment toward the end of the fiscal year to more closely establish revenues, expenditures, and anticipated distributions.
- The board may wish to consider retaining additional funds as working capital. Over at least the past five years, their other statutory distribution to their net profit recipient, per G.S 18B-805(c)(1), has far exceeded the minimum requirement. As of June 30, 2025, the board's working capital was about two-thirds of the maximum allowed. Benefits to retaining funds as working capital include:
  - Reducing the need to borrow for future property purchases and other costs associated with store relocation.
  - Allowing the administrative team greater liquidity to cover short-term obligations, seasonal demands, and inventory purchases, enabling the board to take advantage of buy-in-investment opportunities.
  - Additional money included as working capital could be invested to increase interest income.
  - Increasing the board's overall net position.
  - Once the maximum working capital is met, all additional net profits would be distributed to the recipient(s) by rule.
- The board may wish to consider obtaining a board credit card for the payment of recurring and incidental purchases. In addition to alleviating the need for employee reimbursements for supplies, many credit cards offer rewards that may be redeemed for cash which can then be added to working capital as non-operating revenue.

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

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

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- The Commission's primary focus for ABC board members:
  - ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by September 30<sup>th</sup> of each year.
  - ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc.
  
- ABC Boards are required to work within general minimum and maximum limits for working capital, as established per Commission Rule NCAC 15A .0902(a)(2). When ABC Boards exceed maximum working capital in any given FY due to planned capital improvements, please secure written approval from the applicable County or Municipal authorities per N.C.G.S. 18B-805(d) and forward to the Commission. As best measure, securing documentation prior to exceeding maximum working capital would be the most ideal approach.
  
- While having been done routinely until last quarter, please continue sending quarterly breakage reports to the Commission by email each quarter.
  
- The board should continue exploring ideas for product knowledge growth for current and future team members. Consider reaching out to other boards or the Association's Internal Support Committee for best practices.
  
- 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.

## **PREVIOUS PERFORMANCE AUDIT ACTIONS (2023)**

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- 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 or sales are projected to be below the annual budget amount. Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h). A final reconciliation budget amendment for the fiscal year end is recommended for ABC boards.
- Due to new town officials in place since the last contract was enacted, the board needs to draft a new law enforcement contract with Oak Island Police Department and provide a copy to the Commission per G.S. 18B-501(f). Update the law enforcement contract to specify distributions will be made if profits are generated.
- 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 funds are officially awarded / transmitted to any recipients to ensure good stewardship of this special category of distributions
- Board meeting minutes are recommended to be signed per Commission's Operations Manual.
- ABC board members must complete ethics training within one (1) year of each appointment and again following all reappointments. General managers, finance officers (and any applicable deputies) have a one-time training requirement for ethics training yet are highly encouraged to complete training periodically as a good refresher along with any other personnel interested.

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



# OAK ISLAND ABC BOARD

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ABC Commission  
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Raleigh, NC 27610

May 12, 2026

We appreciate your support and recommendations from the audit recently performed. This performance audit will help us with the areas that need improvement. Please find below our responses to the findings and recommendations.

**Item 1: \*\*\*\*\***

**All members have taken oaths of office and copies are maintained at the board office.**

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

**The board will request a report at least annually on how funds are spent from its Alcoholism Fund recipients.**

Sincerely,  
Oak Island ABC Board

Willie Williams, Chairman,

William M Graves, General Manager,

**Willie Williams, Chairman  
Loman Scott, Board Member  
Amanda Wright, Board Member**

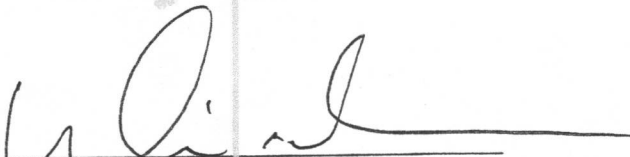
Feb 10 2026  
Month Day Year

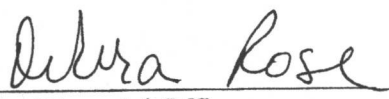
OAK ISLAND  
ABC Board

# Certificate of Accountability

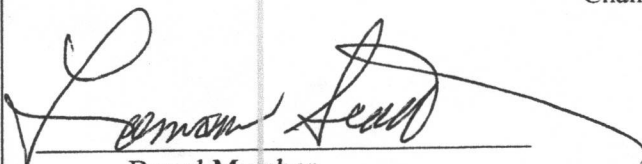
This document assures this Board and the State of North Carolina that the following statutory duties required of local ABC Boards have been properly performed.

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

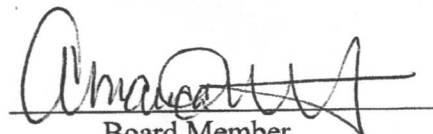
  
Financial Officer

  
Chairman

  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

  
Board Member