

Person County ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
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ABC
COMMISSION
NORTH CAROLINA

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ABC

COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

April 28, 2026

CHAIRMAN:

Hank Bauer

Person County ABC Board

COMMISSIONERS:

La'Tanta (L.T.) McCrimmon
Raleigh

Michael Laws, Chair
712 N. Madison Blvd.
Roxboro, NC 27573

David Sherlin
Raleigh

Chairperson Laws,

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 Person 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 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

Person County is in north-central North Carolina and borders Virginia. The county seat and largest community is Roxboro. The county is known for its rural to suburban atmosphere, lakes, and for its higher elevation than some surrounding counties. The county's estimated population in 2024 is 40,000 residents, up 2.4% from the 2020 census.

Chapter 49 of the 1937 Session Law authorized Person County to hold an election for an ABC store. The referendum was held on August 25, 1962, and this passed 2,617 to 2,210. The first sale occurred on November 14, 1962. A mixed beverage election was held on July 20, 2004 and passed 4,299 to 3,332. Upon election of an ABC store, the city was authorized to create a three-member ABC board consisting of a chairperson and two members to serve for three-year terms. Current board members include Michael Laws, Chair, Dr. Johnny Bradsher, and Danny Bumpass, members. The board has two stores and is the only board in the county.

The last performance audit for the Person County ABC Board was conducted in 2022. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.



712 N. Madison Blvd. Roxboro

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On February 20, 2026, ABC Commission Program Analyst Edwin Strickland visited the Person County ABC Board and interviewed the General Manager Ben Foti. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



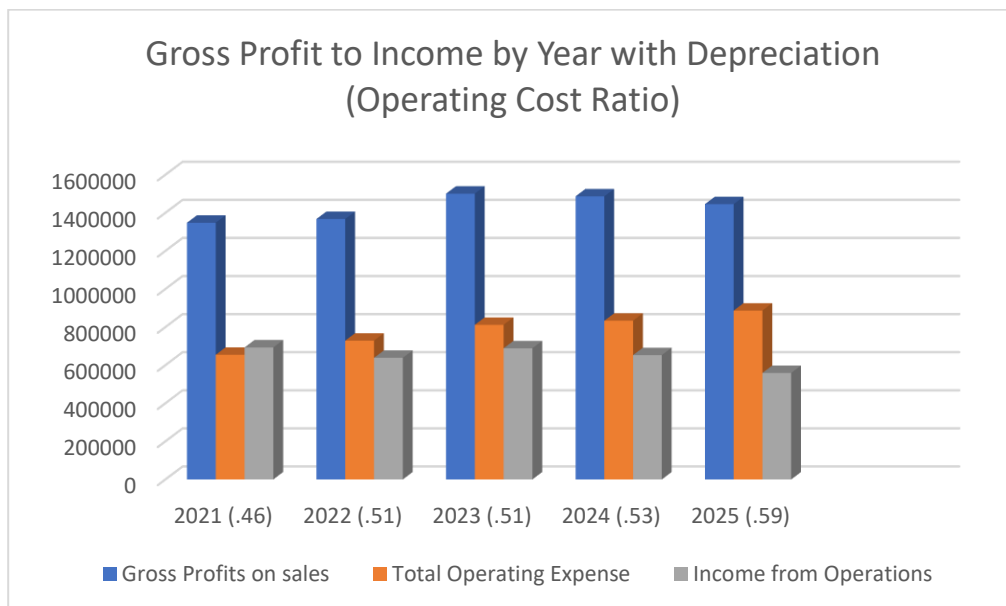
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FINANCIAL ANALYSIS

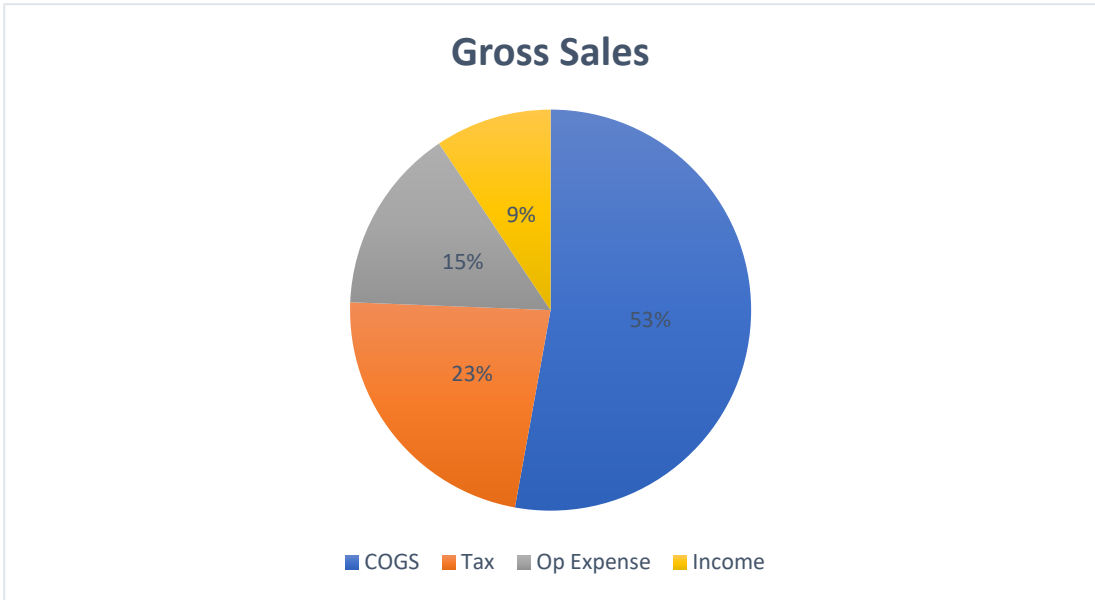
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year FY 2025, the Person County ABC Board had a profit percentage to sales ratio of 9.40%. The NC ABC Commission profit to sales historical standard for ABC Boards with gross sales greater than \$2M is 6.5%.
 - *The profit percent to sales ratio over the previous four completed fiscal years were 10.86%, 11.70%, 11.49%, and 12.63%, respectively.*
 - The board's gross sales totaled \$5,946,168, which was an approximate 1.1% decrease from the previous fiscal year.
 - The board's sales have increased over 8% from their FY 2021 sales.
- Person County ABC Board operates two retail stores with mixed beverage sales. The operating cost ratio for the board was .59 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. *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
Gross Profit on Sales	\$1,445,927	\$1,486,629
Total Operating Expense	(\$886,816)	(\$833,618)
Income from Operations	\$559,111	\$653,011



- 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.



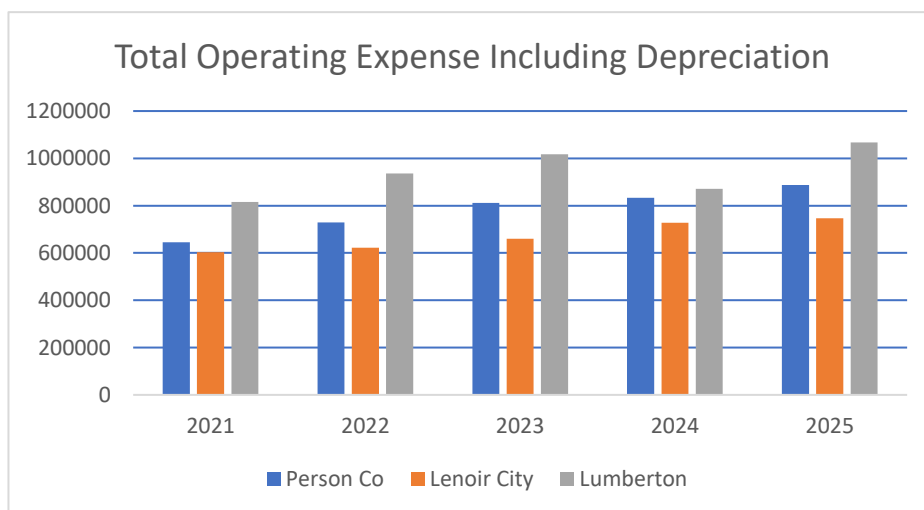
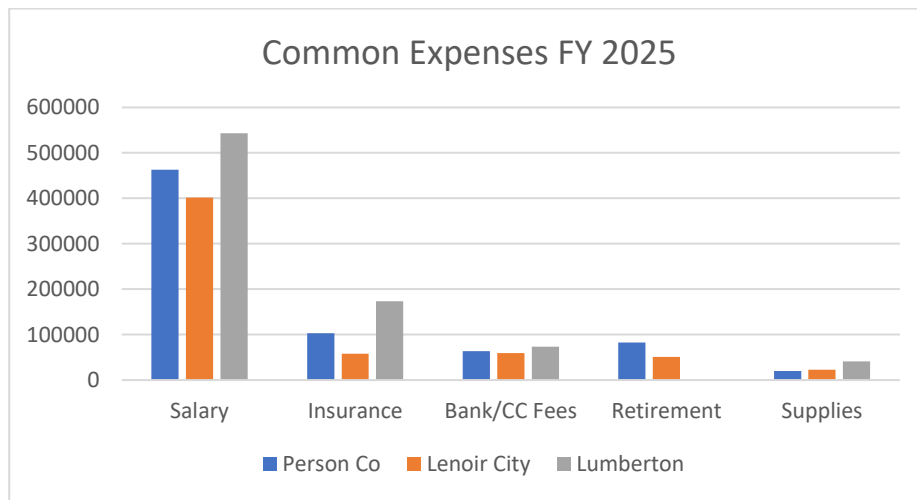
- *Factors affecting sales:*
 - All surrounding counties have an ABC store within a 30-mile radius of a Person County ABC Store, and the county borders Virginia with additional possible outlets.
 - A 3.8% unemployment rate in Person County in June of 2025 with a .2% increase from the previous year. *The North Carolina Average in June 2025 was 3.7%.*
 - Approximately 14% of the population in the county is below the poverty level. *The North Carolina average is 12.8%.*
 - In FY 2025 mixed beverage accounted for around 6% 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 Person County ABC Board receives shipments twice a month with a target inventory turnover rate of around 5. The inventory turnover rate in FY-2025 was 3.7, which is somewhat below the current goal.

FINANCIAL ANALYSIS (cont.)

- *Factors affecting expenses:*
 - Total operating expenses increased around six percent (6%) from the last fiscal year and were around fifteen percent (15%) of total annual sales.
 - Board salaries were almost eight percent (8%) of total annual sales and increased by less than five percent (5%) from the previous fiscal year.
 - Cost of Goods Sold (COGS) was 52.9% for the fiscal year with a normal range being 52% to 54%.
- A common expense report and a total operating expense report show the Person County ABC Board has similar categorical and 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	\$6,184,130	\$5,976,253	(\$207,877)	(3.4%)
Total Expenditures	\$5,731,277	\$5,425,809	\$305,418	5.3%
Distributions	\$340,171	\$336,413		
Revenue over/under Expenditures & Finance		\$214,031		
After Reconciling Items		\$248,529		

- In reviewing the budget to actual analysis of the FY 2025 financial audit, actual total revenues were 3.4% below the final budget amendment and expenditures were 5.3% below the final budget amendment.
 - The change in net position during the fiscal year was \$248,529. *The board’s collective net position on June 30, 2025, was \$2,742,822. The net position has increased by almost twenty-five percent (25%) since FY 2021.*
- Based on sales trajectory for the current fiscal year with seven months (58%) of the budget year completed, the board is tracking at around 59% 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, Person County ABC accrued funds for other statutory distributions totaling \$336,413 (*The net profit recipient received \$272,162*).
- The amount of \$1,356,163 in primary distributions and other taxes was paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Person County.
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
 - 70% to Person County General Fund
 - 30% to Roxboro General Fund
 - Board gives all funds to county, who, in turn, makes distributions to city

DISTRIBUTIONS (cont.)

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions – The Person County ABC board has made net profit distributions for the last five (5) fiscal years at or above the minimum mandatory distribution in reference to G.S. 18B-805(c)(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
- Law Enforcement Distributions: Have been disbursed 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.

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Person County 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	\$167,072	FY-2025	\$272,162
FY-2024	\$169,196	FY-2024	\$299,240
FY-2023	\$166,347	FY-2023	\$304,850
FY-2022	\$157,587	FY-2022	\$273,640
FY-2021	\$156,772	FY-2021	\$350,199

- Since inception, the board has made distributions to the Person County Board of Commissioners in the amount of \$9,144,643. *Nearly seventeen percent (17%) 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 Person County ABC Board is required to maintain a minimum working capital of \$176,539 with a maximum working capital amount of \$1,647,501.
 - The Person County ABC Board had a working capital balance of \$1,647,501, which is at the maximum allowed per Commission requirement for this section (*).

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



- Under G.S. 18B-805(d), with approval of the appointing authority for the board, the local board may set aside a portion of the remaining gross receipts as a fund for specific capital improvements whenever working capital is exceeded.
- In 2024, the Person County Board of Commissioners approved the Person County ABC Board's request to exceed their working capital maximum allowance by \$200,000 annually, for the next five years to set aside money for a new store.

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 is in compliance 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.
 - All members have served multiple terms with the board, and have extensive professional experience in business, administration, and the medical field.
 - *Members may have taken an oath of office per G.S. 11-7 but copies of the oaths are not available at the board's administrative office.*
- Meetings are generally held on the second Tuesday of each month, and announcements for the meetings are posted on the county's website. *At Commission visit, the county's website listed an incorrect start time for the board's meetings.*
- Meeting minutes are organized, available, and follow all the order of proceedings and reference the no conflict of interest statement.
 - Financial data is discussed at meetings and budget to actual comparisons will be reviewed at least quarterly.
 - 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 reentered into a law enforcement contract with the Person County Sheriff's Office in 2025, providing for quarterly payments of \$9,500 in exchange for services rendered. *A copy of the updated contract was provided at Commission visit.*
- Law enforcement reports are submitted regularly by the general manager with data supplied by Investigator T.J. Knaub. The reports contain sufficient data for accountability as outlined in G.S. 18B-501(f1).

Alcohol Education and Rehabilitation

- In FY 2025, the board made alcohol education and rehabilitation distributions to the Person County School system to support several initiatives.
 - For compliance with G.S. 18B-805(h), the board includes in their minutes how these funds are to be spent and receives reports of expenditures from the recipients quarterly.
 - The board has an accrual account for additional future distributions and is exploring different methods and ideas for these accrued distributions.

Board Personnel

- The board currently staffs eight full-time and eight part-time employees.
- The General Manager is responsible for all board operations and has been with the board for approximately three years.
 - His salary is compliant G.S. 18B-700(g1), and he is compliant with the ethics training requirement.
- The Finance Officer is part-time and is responsible for most accounting related activities.
- Other positions include store manager and warehouse manager. *The board should ensure at least one person is officially designated as the manager of each of its stores.*
- Some casual labor for truck deliveries are paid from petty cash.
- All other store employees are sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training for new employees is on the job and mentorship style.
 - Prior to final hire date, prospective employees participate in simulated work experience to ensure the position is a good fit for the applicant and the board.
 - Cross training opportunities have been extended to the administrative team in the event the general manager is unavailable.
 - RASP training has been attended by most employees with future sessions expected.
- Full-time employees are enrolled in LGERS.
- No conflicts pertaining to nepotism were found and per discussion with the general manager.

Policies

- The board has a personnel manual which covers the requirements of Rule 15A .1006 and includes an employee acknowledgment form.
- Other policies approved by the Commission include a code of ethics, credit card usage, vehicle usage, and price discrepancy.
 - The board has received Commission approval for a policy relieving the finance officer of check-signing responsibilities. Under the approved policy, all checks are countersigned by the General Manager and the Chairperson.
- Policies not on file with the Commission that could be considered include mixed beverage sales, allocated product sales, a shelf management plan, and a tasting policy.
- For travel, the board follows their appointing authority's policy. For compliance with G.S. 18B-702(g2), the board has provided the Commission with the county's written approval to follow their policy through the end of May 2026.

Operations

- Board personnel conduct full inventory twice a year with intermittent spot checks.
 - Scanners are used and at least two team members participate.
 - Adjustments are made by one of the three managers who initial and log the changes.
 - Strategies for slow-moving products include moving in and between stores, using postcards supplied by broker reps, and requesting price reductions which are highlighted with a discontinued - clearance shelf tag.
- The board receives deliveries of liquor on the second and fourth Wednesday of each month, with shipments alternating between stores.
 - Shipments are checked against an order list, and variances are rechecked before being reported to LB&B.
- The liquor order is a collaborative effort, and the original compilation is made by comparing sales history to stock status.
 - The general manager reviews and edits the order for price changes, limited offers, and he walks the store for a final review.
 - Special order requests are considered on a case by case basis.
- The board retains breakage reports and includes the reports for credit with their suppliers. For compliance with Rule 15A 1701(c), board personnel should reestablish emailing copies of any reports to the Commission quarterly.
- The board currently has eighteen active mixed beverage customer accounts.
 - Online ordering is available and used by several permittees.
 - Orders are pulled by one employee and sold by another and rechecked with the permittee during the transaction.
 - Invoices are provided to permittees and signed copies are retained in a file for each account.
 - The board stamps bottles required by NCAC 15A .1901.
- Some allocated products are reserved for mixed beverage customers and other are kept on a list for local residents.
- Tastings have been held at both stores.
- The board has created a website and may explore utilizing this more in the future.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed either once or twice monthly.
 - Checks are cut and signed by the general manager and counter-signed by the board's chairperson.
 - The board's checks are not 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 not utilized on liquor or purchase orders. *The board could consider methods to accommodate the provisions of G.S. 18B-702(m) regarding the preaudit/preauthorization of non-recurring payments by the finance officer, to include properly designating a deputy finance officer.*
- The board has positive pay with their bank and reviews deposits and drafts routinely.
- The board has a credit card issued to the general manager and all receipts are retained at the board's office.
- Petty cash is kept in the administrative office. A log for expenditures is kept, and the account is settled monthly.
- Cash-handling procedures are in place, known by all staff, and some are covered in the personnel manual.
 - Store funds are counted daily by management and sales associates are issued bags.
 - Deposits are made on the next business day with the general manager entering totals on a spread sheet for review.
 - *A small sample of recent deposits was reviewed with no significant variances noted.*
 - The finance officer conducts full month end reconciliation for accounts.
- Payroll is processed by the finance officer twice monthly through QuickBooks.
 - Part time employees use a time clock. Fulltime employees' time is matched with the schedule and with any variations reviewed by management.
- The annual CPA audit was received by the Commission on September 29, 2025.
- All board members and applicable personnel are bonded for at least \$50,000 per G.S. 18B-700(i) and G.S. 18B-803(b).

STORE INSIGHT & OVERVIEW

- Both of the board's stores are situated along major thoroughfares, with one store in a highly commercialized district and the other located on the county's highest-traffic highway.
 - The stores have easily viewable signs, and ample parking.
 - The exterior and applicable surrounding areas are well maintained and free of trash and debris.
- The interiors are well lit and organized.
 - Floors and shelves are clean, and counters are not overly cluttered.
 - The Fetal Alcohol Syndrome posters required by G.S. 18B-808 are prominently displayed.
 - A Quarterly price book is available at counters with an SPA pricing list posted on an information board.
 - Some broker supplied special shelf tags are used to highlight items currently on sale.
 - Category signs are prominently displayed, and endcaps and other displays are utilized.
 - Stores have a North Carolina product section, and the products are also found in their category.
- Shelf management practices are implemented.
 - Products are fronted, dusted, and in their designated category.
 - Premium products are found at eye-level or top shelf.
 - Bottles 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 at both stores 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.
- Both stores are open daily from 9:00 am until 9:00 pm.
- Both stores are closed every Sunday, the five previously required holidays, Martin Luther King Jr. Day, Easter Monday, Memorial Day, and sometimes an additional day after 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.

REQUIRED ACTIONS

- Item #1: Board members should take an oath before taking office or before the execution of the office per G.S. 160A-61 and G.S. 11-7. *If already completed, a written account of the oaths should, please, be available at the board's administrative office.*
- Item #2: Checks or drafts must bear a certificate, and the certificate shall take substantially the following form: "This disbursement has been approved in the manner required by G.S. 18B-702." This is most applicable for the payment of liquor invoices. Technically, no certificate is required on payroll checks or for expenditures from petty cash of \$50.00 or less per 18B-702(q).
- Item #3: Ensure all purchase orders to include obligations evidenced by a contract or agreement requiring the payment of money, shall include or bear a certificate stating that the instrument (or order) has been pre-audited to ensure compliance with G.S. 18B-702(m) with a signature by the finance officer. The specific statement should read, "This instrument has been pre audited in the manner required by G.S. 18B-702." Special Note: Going forward, the board can best accomplish this by stamping & finance officer signing the last page of applicable Order Edit Lists from the inventory software.
- Item #4: To ensure full compliance with G.S. 18B-803(a) and (b), the board should employ at least one manager for each store it operates. Although the statute does not define the term "store manager" or specify required duties, the board should maintain official documentation designating a manager for each location. *Members of the administrative or management team may serve in this capacity; however, no individual may be designated as the manager of more than one store.*
- 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

- The board should continue to ensure that budget-to-actual comparisons are reviewed regularly by both administration and board members. Although only a limited number of line items exceeded authorized appropriations, management should ensure that any budget amendments are approved by the board prior to the transfer of funds between accounts.
- The board should ensure their appointing authority is aware of any changes to scheduled board meetings. This could be most reasonably done by simple communication to the county clerk's office if a change is needed, and by an occasional review of the county's ABC Board website page. *For additional awareness, the board could consider posting meeting announcements in their store(s).*
- Management should remind all staff of the board's price discrepancy policy, which addresses the requirements of Rule 15A .1705(b). If the shelf price is lower than the price reflected at the register and the customer objects, the item should be sold at the shelf price, and the shelf tag should be promptly corrected.

- The board could consider having a written policy for their sale of allocated products and mixed beverage sales. *In addition to establishing guidelines, these policies can be informative to patrons who question your current distribution of these high demand products or new and existing mixed beverage customers who wish to adjust their usual ordering practices.*
 - Additionally, the board should craft a written shelf management plan which includes the practices described in Rule 15A .1708(5).
- 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.
- While having been done routinely in recent years, please reestablish sending quarterly breakage reports to the Commission by email each quarter.

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

ADDITIONAL CONSIDERATIONS & GUIDANCE

- The Commission's primary focus for ABC board members:
 - ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by September 30th of each year.
 - ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc.
- 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.

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. Budget amendment copies should be submitted to the ABC Commission as required per NCGS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.
- Currently, there is a valid law enforcement contract approved by the county sheriff. However, a new law enforcement contract needs to be formally established between the ABC board and newly elected sheriff after the 2022 election reflecting current officials [per adherence to G.S. 18B-501(f)]. When applicable in early 2023, the official contract signed by all applicable parties would need to be forwarded via email to the Commission.
- Ensure all policies are submitted to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. Please forward via email an electronic copy of the board's personnel & policy manual to the Commission.
- The board must annually obtain approval from the appointing authority to adhere to their local government travel policy and annually provide the Commission a copy of both the approval and latest annual travel policy per G.S. 18B-700(g2). If the board still follows the county travel policy, a copy of the policy and county approval needs to be provided to the Commission via email. Special Note: As another option to consider, the board can alternately move to adopt the official State of NC government travel policy referenced under G.S. 138-6. This would allow the board an option to eliminate the annual travel policy update requirement by instead formally adopting the State of NC government travel policy during an official board meeting.
- The finance officer is required to sign all checks referenced in the statutes. G.S. 18B-702(p) states, "Except as otherwise provided by law, all checks or drafts on an official depository shall be signed by the finance officer or a properly designated deputy finance officer."
- Checks or drafts must bear a certificate, and the certificate shall take substantially the following form: "This disbursement has been approved in the manner required by G.S. 18B-702." This is most applicable for the payment of liquor invoices. Technically, no certificate is required on payroll checks or for expenditures from petty cash of \$50.00 or less per 18B-702(q).
- Ensure all purchase orders include obligations evidenced by a contract or agreement requiring the payment of money, shall include or bear a certificate stating that the instrument (or order) has been pre-audited to ensure compliance with G.S. 18B-702(m) with a signature by the finance officer. The specific statement should read, "This instrument has been pre audited in the manner required by G.S. 18B-702." Special Note: Going forward, the board can best accomplish this by stamping & finance officer signing the last page of applicable Order Edit Lists from the inventory software.

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

PERSON COUNTY BOARD OF ALCOHOL CONTROL

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04/15/2026

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400 East Tryon Road
Raleigh, NC 27610

Dear Mr. Strickland,

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 recommendations.

- **Item 1: Board members Oath**
During the transition of the next Board member, all new and existing members will take an oath of office.
- **Item 2: Check certificates**
Certificate from G.S. 18B-702 will be present on check register/report and signed by the Finance Officer each time a set of checks are produced.
- **Item 3: Purchase Order certificates**
All recommendations will be followed.
- **Item 4: G.S. 18B-803(a) and (b) related to store managers**
Until a specific manager is assigned at Timberlake, General Manager Ben Foti will serve as store manager for Roxboro and Yogi Blaylock will serve as store manager for Timberlake.
- **Item 5: Certificate of Accountability**
An updated Certificate of Accountability is signed and submitted with this letter.

We hope these actions will meet your standards, and keep us in good standing with the ABC Commission. Let us know if you need additional information.

Sincerely,



Michael R. Laws
Chairman, Person County ABC Board

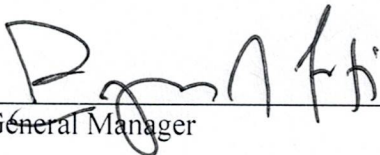
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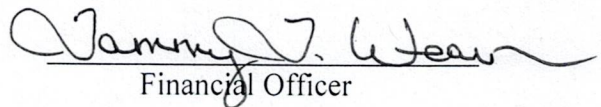
Person County
ABC Board

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