

# Southport ABC Board

## Performance Audit Report



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

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**Alcoholic Beverage Control**

April 16, 2025

CHAIRMAN:  
Hank Bauer

Southport ABC Board  
William Davis, Chair  
714 N. Howe St.  
Southport, NC 28461

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

David Sherlin  
Raleigh

Chairperson Davis,

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 Southport 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.

Southport is a city in south-eastern North Carolina near the mouth of the Cape Fear River. The city was the county seat of Brunswick County until 1977 and is best known for its history and tourism. The city's population per the 2020 census was 3,971 residents which was an approximate forty percent (40%) percent increase from 2010. Brunswick County's population per the 2020 census was 136,693 residents.

Chapter 819 of the 1957 Session Laws authorized the City of Southport to hold an election upon a petition of at least fifteen percent of registered voters. The referendum was held on August 13, 1957, and passed 470 to 144. The first sale occurred on September 13, 1957. A mixed beverage election occurred on January 27, 1979, and passed 350 to 231. Upon election of an ABC store, the town was authorized to create an ABC board consisting of a chairman and two board members to serve three-year staggered terms. In 2022 the City Board of Alderman passed a resolution to add two additional board members for a total of five. Current board members include William Davis (Chair), Angela Wadsworth, James Poppe, Adam Steadman, and Zach Zuehlke. The Southport ABC Board operates one (1) retail store and is one of nine (9) boards with stores in the county.

*The last performance audit for the Southport ABC Board concluded in 2014.* 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 Tuesday, January 29, 2025, ABC Commission Program Analyst Edwin Strickland visited the Southport ABC Board and interviewed the General Manager, Todd Dunn, and other board personnel. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



**714 N. Howe St. Southport, N.C.**

# FINANCIAL ANALYSIS

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## INVENTORY TURNOVER

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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 goals for determining an effective rate based on the frequency of deliveries. Below are the turnover rates based upon the delivery schedule:

- 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 Southport ABC Board usually receives deliveries weekly with a target inventory turnover rate of around 6 times per year. The inventory rate in (FY) 2023-2024 was 6.6, which is above the goal.

## PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

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In fiscal year (FY) 2023-2024, the Southport ABC Board had a profit percentage to sales of 9.78%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales over \$2M is 6.5%.

- The Southport ABC Board's gross sales totaled \$6,471,884, which was an approximate 3.2% increase from the previous fiscal year.
- The board's sales have grown more than 54% over the last five completed fiscal years.

Southport ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .58 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with one or two stores and mixed beverage is .73 or less.

- Operating cost ratio is calculated by dividing total operating expenses less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).

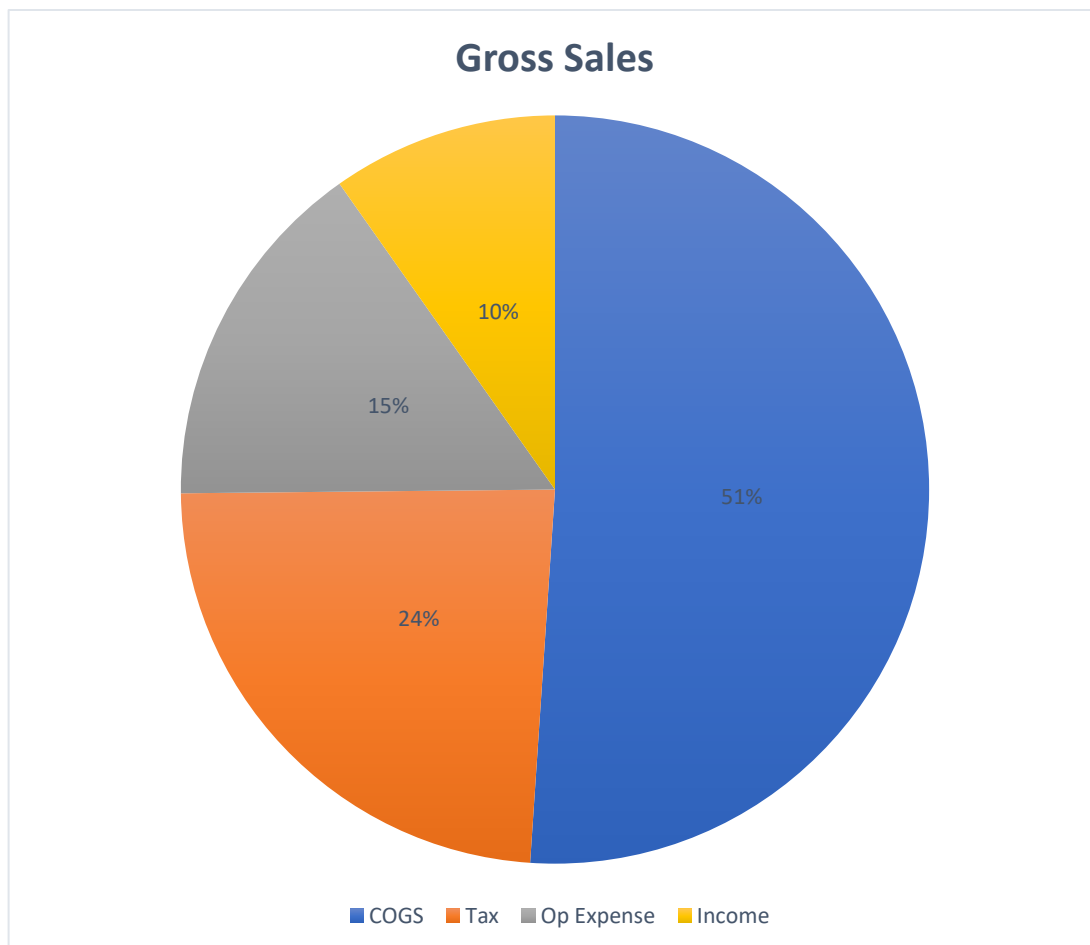
Thus, the Southport ABC Board exceeds both the profitability and the operating cost standards set by the NC ABC Commission. Below is a chart showing gross profit on sales and income from operations for the previous two years.

	FY 2023-2024	FY 2022-2023
<b>Gross Profit on Sales</b>	\$1,628,200	\$1,601,835
<b>Income from Operations</b>	\$632,670	\$698,972

## FINANCIAL ANALYSIS (cont.)

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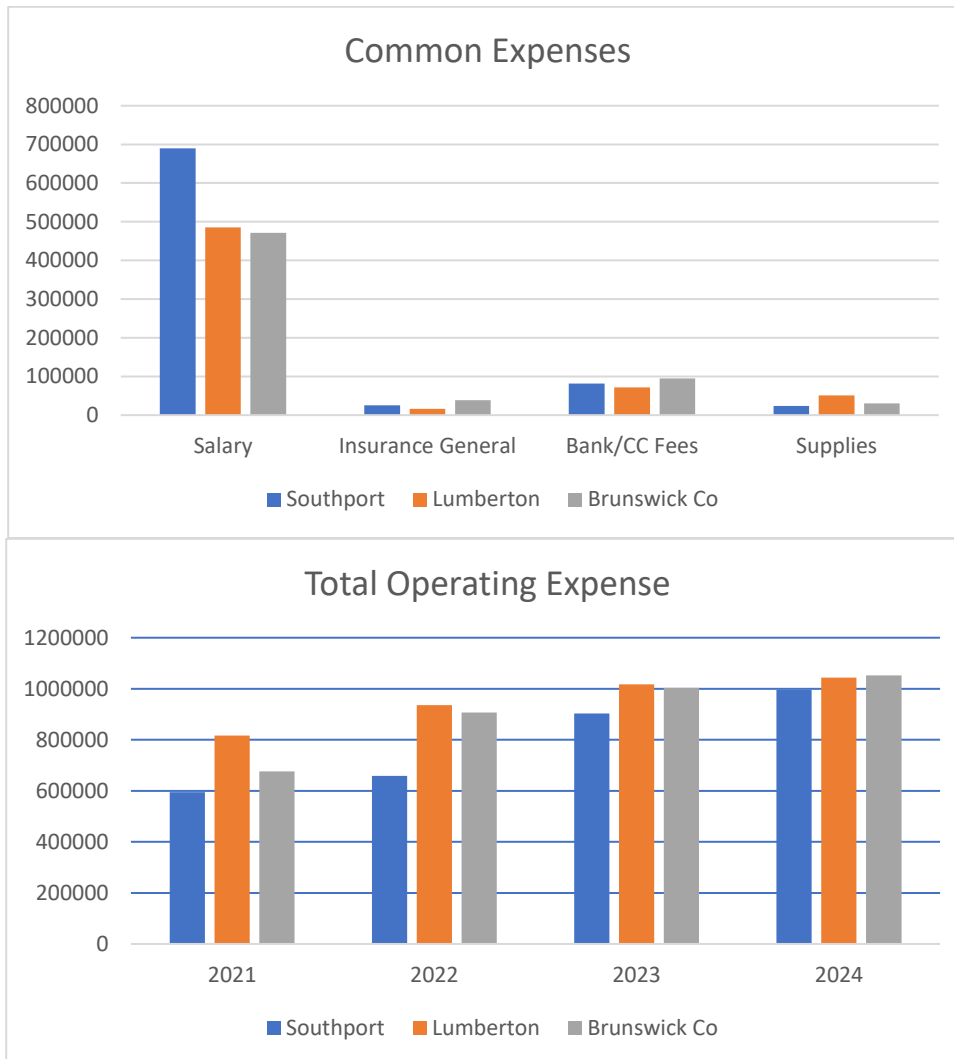
- *Factors affecting sales:*
  - Brunswick County has eight (8) ABC boards in addition to Southport ABC.
  - South Carolina is less than 40 miles from the store with additional spiritous liquor outlets.
  - A 4.5% unemployment rate in Brunswick County in June of 2024 with a .3% increase from the previous year.
  - The board currently has approximately 35 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for over 28% of gross sales.*
  
- 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, or as additional distributions beyond the minimum requirement.





## FINANCIAL ANALYSIS (cont.)

- *Factors affecting expenses:*
  - Total operating expenses increased more than ten percent (10%) from the last fiscal year and were roughly fifteen and one-half percent (15.5%) of total annual sales in FY-23/24.
  - Board salaries were approximately eleven percent (11%) of total annual sales. Salaries and benefits increased over nine percent (9%) from the previous fiscal year.
  - Cost of Goods Sold (COGS) was roughly 51.1% for the fiscal year with a normal range being 52% to 54%.
  
- An operating expense report and common expense report show the Southport ABC Board has similar categorical and lower total operating expenses comparable to other ABC boards within a similar gross sales range. *Common expense report categories can be unreliable as different CPAs may include different expenses in their line items.*



## BUDGET ANALYSIS

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	FY 2023-2024 <i>Budget Projections</i>	FY2023-2024 <i>Actual</i>	Variance	Variance %
<b>Total Revenues</b>	\$6,620,000	\$6,471,884	(\$148,116)	(2.2%)
<b>Total Expenditures</b>	\$6,037,967	\$5,842,363	\$195,604	3.2%
<b>Distributions</b>	\$582,033	\$586,584	(\$4,551)	(.8%)
<b>Revenue over or (under) Expenditures</b>		\$42,937		
<b>Reconciled items</b>		\$42,937		
<b>Change in Net Position</b>		-		

In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual sales revenues were 2.2% below final budget amendment. In addition, the net position change after reconciling items was \$0. *The board's collective net position on June 30, 2024, was \$302,894; the net position has decreased approximately 4% in the last five (5) fiscal years.*

Based on sales trajectory for the current fiscal year with six months (50%) of the budget year completed, the board is tracking along well at 48.5% 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).***

In FY 2023-2024, Southport ABC made other statutory distributions totaling \$586,584 (Net profit distribution recipients received \$537,055 of this). The amount of \$1,538,291 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Brunswick County.

- *Per the local enabling act, the distribution formula for recipients of net profits is as follows:*
  - 100% to Southport General Fund.

## DISTRIBUTIONS (cont.)

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➤ **STATUTORY DISTRIBUTIONS:**

- **Net Profit Distributions** – The Southport ABC board has made robust net profit distributions over the last five (5) fiscal years well 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 properly disbursed at or above the standard 5% statute amount for the last five (5) FYs.
- **Alcohol Education Distributions:** Have been scheduled at or above the standard 7% statute amount for the last five (5) FYs.

<b>NC GENERAL STATUTE: 18B-805 (c)(1)</b>			
<b>Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients</b>		<b>Southport 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-2024	\$173,843	FY-2024	<b>\$537,055</b>
FY-2023	\$168,872	FY-2023	<b>\$595,297</b>
FY-2022	\$146,339	FY-2022	<b>\$621,588</b>
FY-2021	\$132,710	FY-2021	<b>\$552,891</b>
FY-2020	\$114,893	FY-2020	<b>\$449,186</b>

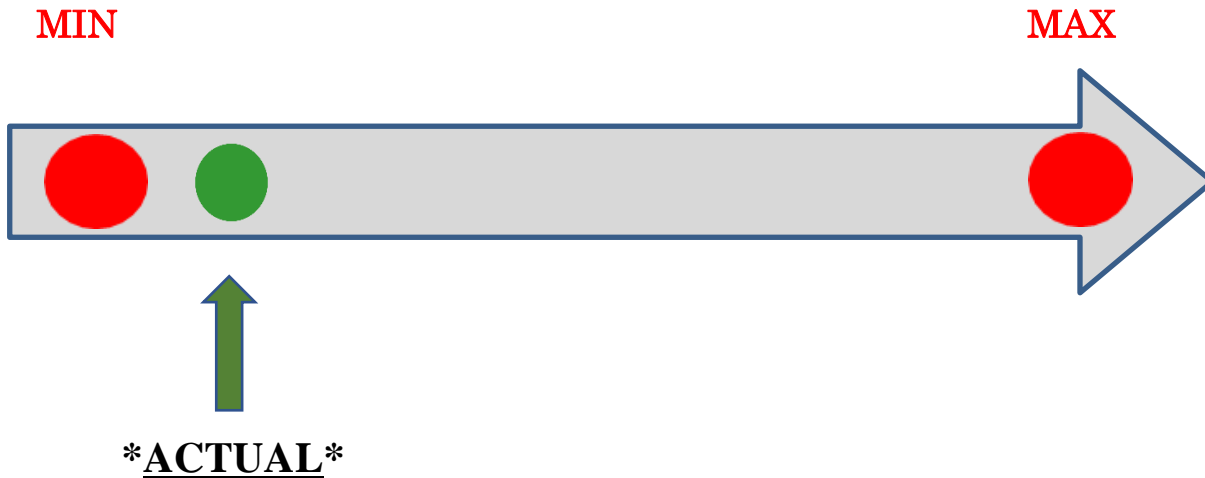
## WORKING CAPITAL

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G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross sales {Gross sales means gross receipts from the sale of alcoholic beverages less distributions as defined by G.S. 18B-805(b)(2)(3)(4) and (5)}, within the limits set by the rules of the Commission, as cash to operate the ABC system. The NC ABC Commission has set 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.

Based upon the existing rules, as of June 30, 2024, the Southport ABC Board is required to maintain a minimum working capital of \$189,598 with a maximum working capital amount of \$1,232,386. The Southport ABC Board had a working capital balance of \$270,207 which is less than the maximum Commission requirements for this section (\*).

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



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

## **PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE**

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

### **BOARD MEMBERS**

- The board consists of four members and a chairperson, each receiving compensation for their services at or below the maximum \$150.00 per meeting.
  - Board members are compliant on ethics training and have a good mixture of long tenured terms and more recent appointments.
  - Members terms are not appropriately staggered with four term end dates in the same calendar year.
  - Members have professional experience in law, education, and business including retail sales.
- Members should take an oath before taking office or before the execution of the office per G.S. 11-7. *Written copies of oaths should be available at the board's administrative office.*
- Meetings are generally held the second Wednesday of each month.
  - Public notices for meetings are posted on both the board and city's websites.
- Meeting minutes are kept available and follow the order of proceedings, providing sufficient detail of business discussed in a transparent and easily comprehensible manner.
  - Minutes reviewed included the date and time of meeting, approved previous meeting minutes, conflict of interest statement, discussed old and new business, and were signed by the chairperson.
  - Financial reports are provided and discussed at meetings including sales comparisons to previous years other boards in the area and statewide.
- The board's login website has been updated at Commission visit and contains accurate information pertaining to board members, personnel, and store location.
  - *The expectation going forward is that ABC boards will routinely manage this information online, and work to communicate with the Commission particularly when new members are added, or whenever any current serving members resign before a term has ended.*

### **Law Enforcement**

- The board has a law enforcement contract with the Southport Police Department from 2011.
- Law enforcement reports are not being submitted by the police department.
  - The general manager has submitted some reports through July of 2024 with no data.
  - Board should work to reestablish law enforcement reporting and should consider a new contract with their law enforcement distribution recipient.

## **Board Personnel**

- The board currently staffs seven (7) full time and three (3) part time employees.
- The General Manager has served in their role with the board for approximately ten years, has previous ABC experience at another board and with a point-of-sales technical provider.
  - General manager is full time, and their salary is below the maximum allowable compensation.
  - They are responsible for full oversight of all daily store operations including human resources, financial bookkeeping, scheduling, ordering, and other administrative decision making.
- The Finance Officer is full time and responsible for approving purchases, signing checks, inventory, and other front-line activities.
- The Assistant Manager is full time and responsible for supporting the general manager with many administrative tasks and general operational management of the store and personnel.
  - This position is new within the last year for the board and serves to supplement the administrative office and to facilitate cross-training of personnel.
- All other store employees are sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Job training is provided by management with new employees beginning by stocking and working towards cash register and mixed beverage sales procedures.
  - The board has done RASP training in the past but not recently.
  - Product knowledge training is provided by management, but no formal training guides or materials are regularly used.
- Employee files are kept locked in the administrative office and include application, tax information, disciplinary actions, and personnel manual acknowledgment forms.
- All applicable employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with general manager.

## **Operations**

- Inventory is done by category and usually conducted monthly by the finance officer who does provide adjustment sheets to the general manager for review.
  - Strategies for slow moving stock include moving to the counter, discussing with broker reps, and sometimes having tastings for the products.
  - A small sample of items were selected to verify accurate current inventory. Of those selected, no substantial variances were found with most items actual inventory matching the theoretical.
- Board usually receives deliveries weekly and scanners are used for offload.
- Management makes liquor order by reviewing 30-day sales history and adjusting for inventory and mixed beverage expectations.
  - Board conducts buy-ins and orders each truck to accommodate a 21-day period.
  - Portions of allocated products are reserved for mixed beverage customers and the board holds raffles bi-annually for their retail customers.
- The store has a separate area and entrance for mixed beverage accounts within their warehouse.
  - Board retains an invoice for every transaction in a file for each account.
  - A van has been purchased for future delivery.

## Policies

- At Commission visit the board provided an updated mixed beverage policy and personnel manual which are now approved and in Commission records retention. The manual covers many specific policies and conduct on behavioral standards and has an employee acknowledgment form. Policies covered include:
  - Employment categories.
  - Salary, benefits, holidays, leave and disciplinary.
  - Price discrepancy, register shortages, and deposit procedures.
  - Customer, employee, and personal relationships.
  - Alcohol sales for identification of age and intoxication.
- Policies not currently on file or approved by the Commission include:
  - Tastings, employee tastings, and lotteries.
  - Mixed beverage delivery and vehicle usage.
    - The board has recently purchased a van to facilitate mixed beverage deliveries and is working to establish a delivery policy. *Once drafted, the board should submit a copy to the Commission for approval and craft, or update their personnel manual, to include policy outlining standards for vehicle usage.*
  - Credit card.
    - The general manager currently has a board issued credit card with a \$5,000 limit on their possession. *Board should craft a policy defining specific guidelines for card usage and method(s) for retaining records of usage.*
  - For travel, the board chooses to follow their appointing authority's municipal travel policy.
    - Board should request approval from their appointing authority to continue following the city's travel policy annually and provide documentation to the Commission of approval.
    - For accountability and transparency, and in compliance with G.S. 18B-702(g2), the board should report any excess expenses related to travel to their appointing authority and the Commission.

## **Financial Insight & Other Controls**

- Invoices for liquor are most often processed every two weeks or for two deliveries. *Check payment dates were reviewed and indicate invoices are paid within the thirty-day requirement.*
- Board's checks have the required disbursement certificate in compliance with G.S. 18B-702(m).
  - Finance officer and general manager countersign checks.
- Pre-audit stamp verification is being properly implemented on liquor orders and other purchase agreements.
- Deposits are made each day for the previous business day. Deposit slips and other banking information is retained and the general manager conducts month end reconciliation.
  - *A review of one month's deposit information was conducted, and no discrepancies were found between point of sale and account data.*
- The board generally uses three registers in their showroom and at least one in their mixed beverage that does not have cash. Tills begin daily with \$100.00, and funds are verified before and after each shift. *The board has an overage and shortage policy but treats discrepancies on a case-by-case basis.*
  - Store has a change fund and no petty cash.
  - Board has pens to prevent counterfeit bills.
- Payroll is weekly and processed by the general manager using QuickBooks.
  - Hours are input from time sheets with time clock stamps for cross-reference.
- Board keeps records for unsaleable merchandise reports but does not email copies of the claims to the Commission quarterly in compliance with NCAC Rule 15A .1701(c).
- The board does not receive an annual report describing expenditure of funds from their alcohol education and rehabilitation recipient.
- All funds are kept in a pooling bank approved by the North Carolina Treasury Office.
- The most recent annual CPA audit was logged as received by the Commission on September 30, 2024.
- All board members, the General Manager, and Finance Officer are each bonded for \$50,000 per G.S. 18B-700(i).
- Board has an approved code of ethics policy on file with the Commission.



## STORE INSIGHT & OVERVIEW

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- In 2022 the board opened its current showroom which is an expansion of their previous store into what was a neighboring property. The new retail area is more spacious and provides an overall aesthetically modernized atmosphere.
  - Most of the previous store's space is now used as the warehouse and has a separate area reserved for mixed beverage sales.
- The store is on the main thoroughfare for the city in a highly retail and commercial area.
  - There is visible signage and ample parking.
  - Outside area surrounding the store is well-maintained and free of debris or trash.
- The interior retail space is well lit and organized with high beamed ceilings and modern floors.
  - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed, and the quarterly price book is available.
- A shelf management plan was not available for store personnel. The board should establish and provide awareness to associates a shelf management plan which corresponds, when applicable, to NCAC 15A .1708.
  - Products are fronted and dusted and are placed within designated categories.
  - Premium products are generally found at eye-level or top shelf.
  - *Bottles were not always arranged so they increase in size left to right of the same item.*
- Sales associate interactions with customers are attentive, courteous, and welcoming, and all are eager to meet the needs of the customers.
- Allocated or limited distribution products are made available for mixed beverage customers, and the board holds biannual lotteries for others.
- The board conducts tastings mostly on Fridays and Saturdays.
- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. All items reflected the current quarterly or monthly SPA price.
- General manager indicates price discrepancies are handled in the customers favor if the shelf tag price is lower than the cash register and the customer objects.
  - Store places a door sign during price changes to caution customers about possible inaccurate shelf tags.
- The board's stores are generally open from 9:00 am until 9:00 pm daily. They are currently closed every Sunday, the five (5) previously required annual holidays, Memorial Day, and a second day around Christmas.
- Security systems are in place and functional in all designated areas.
  - Eighteen cameras, panic buttons, and motion detectors are functional.

## **RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)**

- Board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *A written account of the oaths should be available at board administration.*
- To resume compliance with G.S 18B-700(a), the board should request approval from their appointing authority to re-stagger member terms to have at least one term end date each year and on the same month. *If a member should leave the board before their term is concluded, the appointing authority should appoint a new member for the duration of the previous member's term and consider reappointment on the original term end date.*
- 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 this approval per G.S. 18B-700(g2).
- When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. NCAC Rule 15A .1701(c) requires quarterly reports be submitted for any unsaleable merchandise and retain original copies for three (3) years.
- Board should craft a credit card policy that clearly defines the purposes for usage of the card(s), people that may use the card(s), and the method for retaining records of usage. In accordance with NCAC 15A .1102, the board should send the Commission all rules for approval and record retention. Additional policies should be considered to include vehicle usage, lottery, mixed beverage delivery, and tastings.
- While having been done in past years, the recipient(s) of alcoholism fund or education distributions should 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.*
- Law enforcement reports must be submitted to the appointing authority and on the Commission's board website by the 7<sup>th</sup> of each month referencing G.S. 18B-501(f1). *Board should either work to reestablish law enforcement activities with their current contracted law enforcement agency or consider contracting with a different agency.* Current contract was established in 2011 and board could consider a newly signed and approved contract.
- 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.

## **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. *Moreover, liaising with the Commission when new members are appointed or when member resign early before term has ended is very important for recordkeeping efforts of the Commission.*
- The board should consider retaining additional funds as working capital. Currently, their other statutory distribution to their net profit recipient per G.S 18B-805(c)(1) far exceeds the minimum requirement yearly, while their working capital fund is only marginally greater than the minimum requirement. In addition to strengthening the board's overall net position, this would allow their administration more tangible money for facilitating liquor ordering and other applicable expenditures.
- Local boards shall establish and maintain a shelf management plan per NCAC Rule 15A .1708 Shelf Management. While mostly followed, 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 where applicable.
- While the general manager does currently review adjustment sheets, management should consider including more individuals when conducting liquor inventory to avoid any recurring discrepancies and to promote transparency.
- 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.
- ABC boards can explore additional training opportunities periodically available through the ABC Commission Education Outreach as well as partnering with other ABC boards or the Association of ABC Boards on specific areas such as best retail and marketing practices.

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

## **PREVIOUS PERFORMANCE REVIEW RECOMMENDATIONS (2014)**

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- Consider renovating the store for a more modern appearance or make improvements to the store to include updating shelving, purchasing a newer more efficient security system and other areas where needed.
- Cross train employees on key functions that include ordering liquor, closing the month, paying bills, and filing taxes in the event the general manager was suddenly unavailable.
- Create personnel files on all employees. Every employee should have a personnel file that includes authorization for hiring, salary history, hours authorized to work, federal and state withholding forms, health insurance, and retirement information, when applicable, and support for any other payroll deduction.
- Update the employee handbook/manual to include current practices and policy changes. Once completed, submit a copy to the Commission.
- Have an agreed upon law enforcement contract and submit to the Commission. All local boards are required to have an agreement, even if the agreement results in enforcement activity without compensation.
- Although understood by all employees, have a written price discrepancy policy. Having written procedures will allow future employees to be knowledgeable about current practices.
- Implement procedures/policy for handling cash drawer overages and shortages. Incorporate the procedures/policy into the updated employee manual for current and future employees.
- For transparency, have the board chairman read the conflict-of-interest statement to all board members at the start of each meeting. Reference the conflict-of-interest statement was read in the board minutes.
- Update the Commission website when notified of reappointment dates and other changes.
- Monitor budget frequently and more closely to ensure that actual expenses do not exceed budgeted amounts. Make budget amendments where appropriate before year-end.
- Place the pre-audit certificate with the finance officer's signature on the order to LB&B.

**The board currently complies with the recommendations from the Commission's previous performance review in 2014.**



# SOUTHPORT ABC BOARD

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714 N Howe Street  
Southport, NC 28461

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Email: southportabc@gmail.com

March 10, 2025

Hi Edwin

Thank you for your visit and suggestions for improvements. This helps a lot and will help us make sure we are up to date and current on all policies and procedures.

We are currently working on implementing and sending all suggested procedures and policies. We will also make sure all other suggestions are corrected and implemented or reimplemented. We also will be working with our accountant to build up our working capitol.

Todd Dunn  
General Manager/FO