Spruce Pine 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

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October 12, 2026

Spruce Pine ABC Board
McDaniel Robinson, Chair
12344 Hwy 226 S.
Spruce Pine, NC 28777

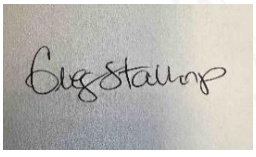
Chairperson Robinson,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Spruce Pine 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.

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,



Greg Stallings
Director Boards and Pricing

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 Spruce Pine is the largest community in Mitchell County and is most famous for its mining industry and natural scenery. The town's current estimated population is 2,300 residents, which is an approximate five percent increase from the 2020 census. The Spruce Pine ABC Board is appointed by the town, operates one retail store, and is the only board in Mitchell County.

G.S. 18B-601(c) authorized the Town of Spruce Pine to hold an election upon either a written request for an election from the city governing body or a petition signed by at least thirty-five percent of registered voters. A referendum was held March 10, 2009, and passed 460 votes for and 372 votes against. The first retail sales occurred on October 28, 2009. A mixed beverage election was held March 10, 2009, and passed 462 votes for and 366 votes against. Currently, the Spruce Pine town board appoints a chairperson and two (2) additional board members to serve on the ABC board. Current board members include McDaniel Robinson (Chair), Matt Miller, and Richard Canipe.

The most recent performance audit for the Spruce Pine ABC Board was concluded in 2024. The Commission audit serves as an ongoing method to provide local boards with information and best practices that identify areas for improvement.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On August 12, 2026, ABC Commission Program Analyst Edwin Strickland visited the Spruce Pine ABC Board and interviewed the General Manager, Steve Hughes and the Finance Officer, Danny Burleson. Below is a financial analysis, followed by operational observations, findings, and recommendations related to the performance audit.

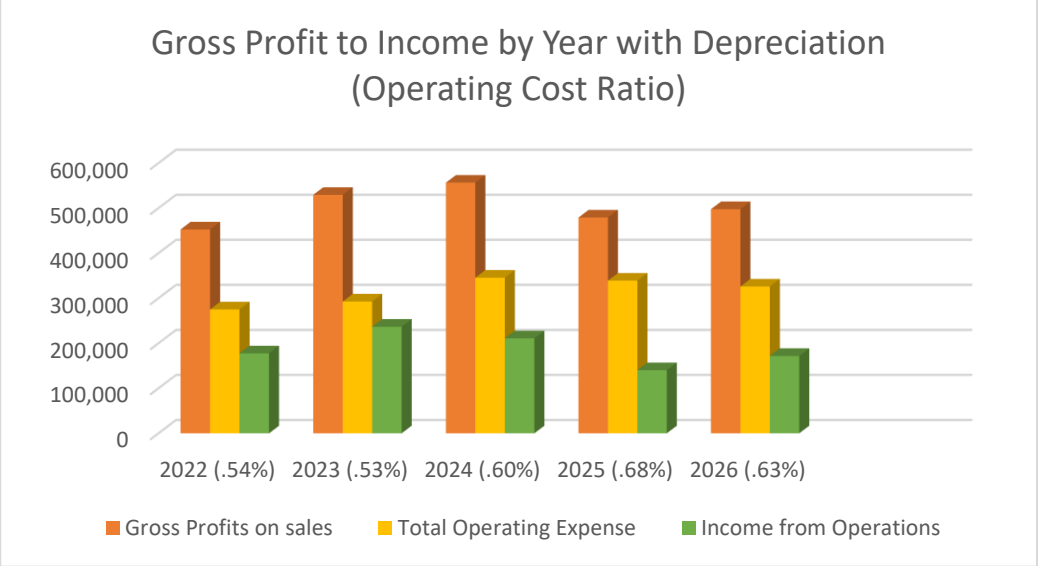
12344 Hwy 226 S. Spruce Pine

FINANCIAL ANALYSIS

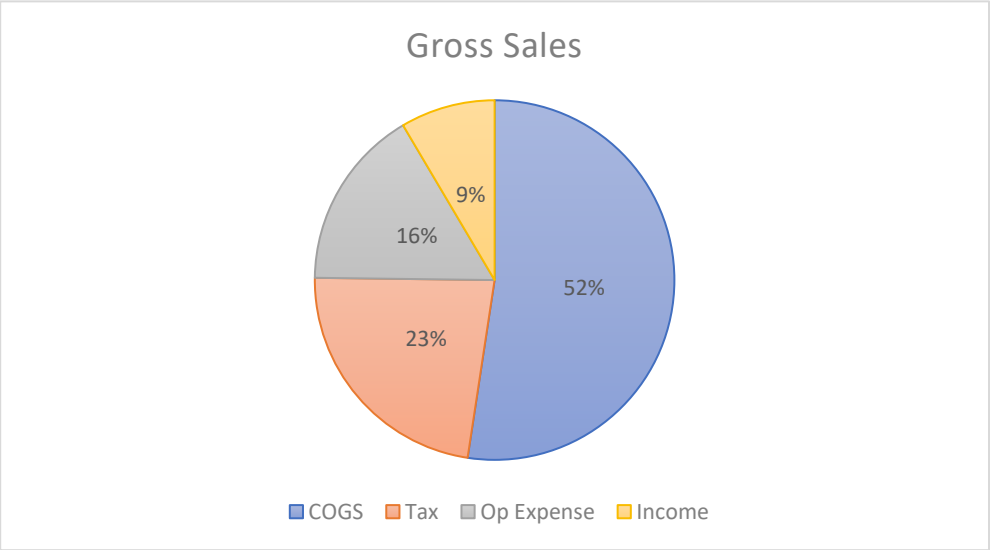
SALES, PROFIT PERCENTAGE, & OPERATING COST RATIO

- In FY 2026, the Spruce Pine ABC Board had gross sales totaling $2,005,626, a decrease of approximately 4% from the previous year.
  - Since FY 2022, the board's sales have decreased by approximately 0.7%.
- In FY 2026, the board's profit percentage to sales ratio was 8.56%.
  - *The profit percentage to sales ratios over the previous four completed fiscal years were 6.7%, 9.89%, 11.22%, and 11.09%, respectively.*
  - The ABC Commission's profit percent to sales standard for boards with sales less than $5M is 3% or higher.
- Spruce Pine ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was 0.63 in FY 2026. *The previous four years are shown in the chart below.*
  - The ABC Commission standard for ABC Boards with one store and mixed beverage sales is 0.73 or less.
- Therefore, the Spruce Pine ABC Board exceeds both the profitability standard and the operating cost standard set by the ABC Commission for FY 2026.
- Below are charts showing gross profit on sales, total operating expenses including depreciation, income from operations for recent years, and operating cost ratios.

	FY 2026	FY 2025
Gross Profit on Sales	$497,678	$479,177
Total Operating Expense	$325,962	$339,003
Income from Operations	$171,716	$140,174



- 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.



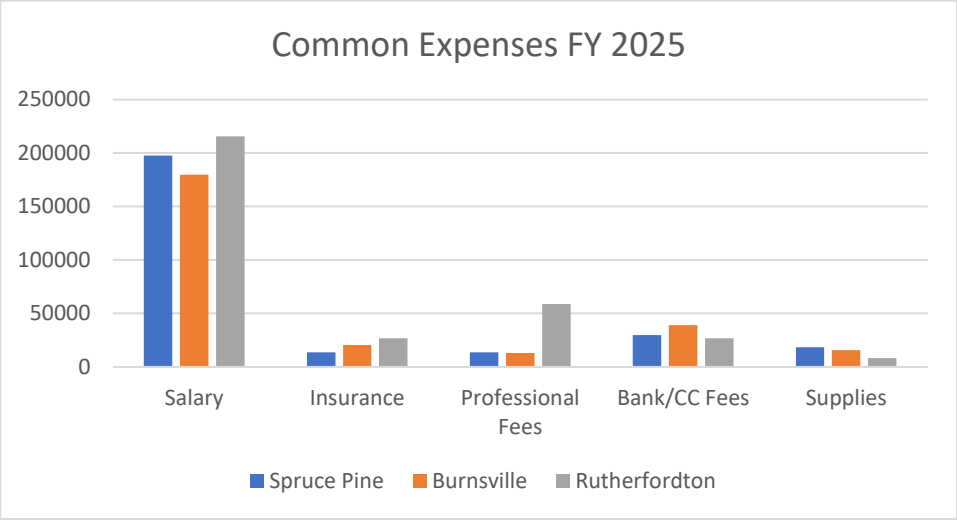
- *Factors affecting sales:*
  - There are three other ABC boards with a store within a 30-mile radius of the Spruce Pine ABC store.
  - Mitchell County borders Tennessee with additional possible outlets.
  - Mitchell County had a 3.5% unemployment rate in June of 2026 and a 4.9% rate in June of 2025. *The North Carolina average was around 3.7% at that time.*
  - Approximately 13.5% of the population in the county is below the poverty level, which is higher than the North Carolina average of around 12.6%.
  - In FY 2026 mixed beverage sales accounted for around 10% of gross sales.

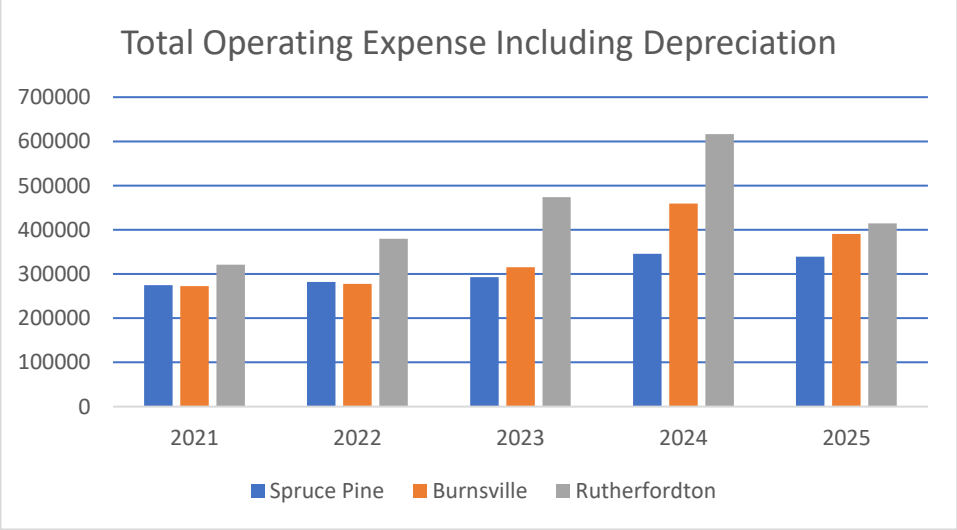
INVENTORY TURNOVER

- 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 5 times or more per year
  - Monthly deliveries target at 4.5 times or more per year
- The Spruce Pine ABC Board receives shipments twice a month, with a target inventory turnover rate of around 5. The inventory turnover rate in FY 2026 was 5.8, which is above the official goal.

EXPENSES

- *Expense Information:*
  - In FY 2026, total operating expenses decreased by approximately 4% from the last fiscal year and accounted for slightly more than 16% of total annual sales.
  - Store operating expenses decreased by almost 6% and administrative expenses decreased by approximately 0.6%.
  - Salaries were around 9.6% of total annual sales with a marginal decrease from the previous fiscal year.
  - Cost of Goods Sold (COGS) was 52.4% for the fiscal year with a normal range being 52% to 54%.
- A review of both a common expense report for FY 2025 and a total operating expense report for FY 2021 through FY 2025 indicates the Spruce Pine ABC Board has similar categorical and often lower total operating expenses compared with two other ABC boards with comparable gross sales, number of stores, and regions of the state.
  - *Common expense report categories can be unreliable, as different CPAs may allocate costs to line items inconsistently.*





BUDGET ANALYSIS

	FY 2026 *Budget Projections*	*FY 2026 Actual*	Variance	Variance %
Total Revenues	$2,107,500	$2,012,798	($94,702)	(4.5%)
Total Expenditures	$1,956,350	$1,819,929	($136,421)	(7%)
Distributions	$151,150	$164,877		
Revenue over/under Expenditures & Finance		*$27,992*		
After Reconciling Items		*($28,849)*		

- In reviewing the budget to actual analysis of the FY 2026 financial audit, actual total revenues were 4.5% below the final budget amendment and expenditures were 7% below the budget.
- The change in net position during the fiscal year was ($28,849). *The board's collective net position on June 30, 2026, was $658,220; the net position has decreased by 2.4% since FY 2022.*

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 and 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 2026, a total of $457,855 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Mitchell County.
- In FY 2026, Spruce Pine ABC accrued funds for other statutory distributions totaling $207,737 *(the net profit recipient received $192,860).*
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
    - 100% to Spruce Pine General Fund.

DISTRIBUTIONS (cont.)

- STATUTORY DISTRIBUTIONS:
  - Net Profit Distributions – The Spruce Pine ABC board has made net profit distributions for four of the last five fiscal years at or above the minimum mandatory distribution as referenced in G.S. 18B-805(c)(1). **The table below shows distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
  - Law Enforcement Distributions: Have been accrued and/or disbursed at or above the standard 5% statute amount for the last five FYs.
  - Alcohol Education Distributions: Have been accrued and/or disbursed at or above the standard 7% statute amount for the last five FYs.

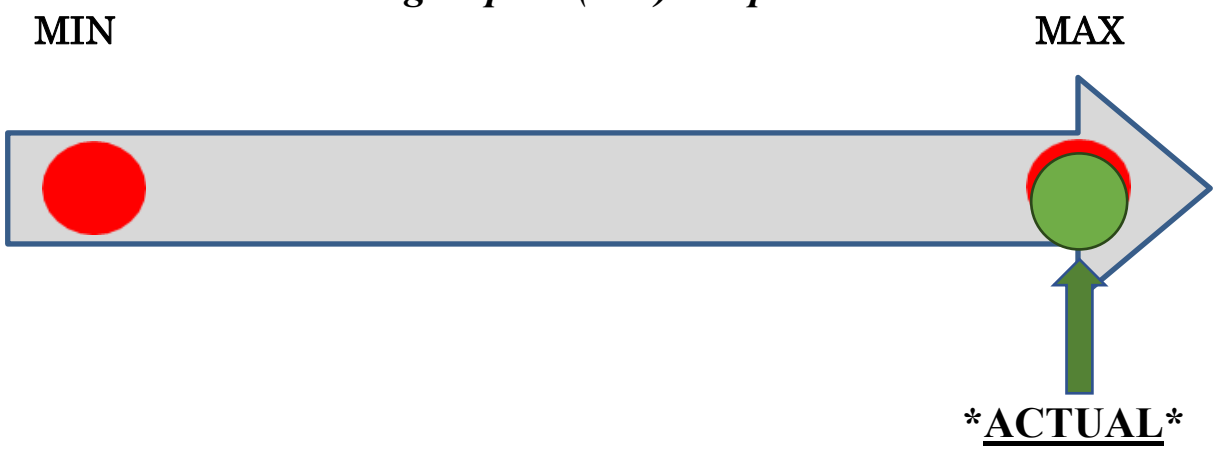
NC GENERAL STATUTE: 18B-805 (c)(1)				
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients ***Note: Referencing CPA Audit Reports***			**Spruce Pine ABC Board** **Net profit distribution made annually by fiscal year**	
Calculated Amount			**Total paid to recipient(s)**	
FY-2026	*$54,919*		FY-2026	***$192,860***
FY-2025	*$58,514*		FY-2025	***$157,845***
FY-2024	*$59,723*		FY-2024	***$178,552***
FY-2023	*$53,480*		FY-2023	***$200,000***
FY-2022	*$56,723*		FY-2022	***$41,677***

- In FY 2022, the board had an agreement with its appointing authority to make distributions below the minimum mandatory amount.
- Since inception in 2009, the board has distributed a total of $1,055,534 to the Spruce Pine General Fund, with over 73% of this amount distributed within 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 means gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).
- Based on the existing rules, as of June 30, 2026, the Spruce Pine ABC Board is required to maintain a minimum working capital of $59,281 with a maximum working capital amount of $385,324.
  - On June 30, 2026, the board had a working capital balance of $385,324 which is the maximum allowed per Commission requirement for this section (*).

*** FY 2026: *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.

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

Board Members

- The board consists of two members and a chairperson who receive approved compensation for their services 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 ethics training requirement. *One recently reappointed member will need to complete the training within the first year of their new term.*
    - Members have taken oaths of office and copies are available in the board's administrative records.
- Meetings are generally held on the first Monday of each month and a sign announcing the meetings is posted at the store.
- Meeting minutes are well organized, available, and follow the proper order of proceedings.
    - The meeting minutes reviewed did not include a conflict-of-interest statement.
    - Financial data is presented and discussed at board meetings to include all account balances, general ledgers, and a profit and loss statement which can be used for budget comparisons.
    - 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 in annual audits.

Board Personnel

- The board employs two full-time and five part-time employees.
- The General Manager is full-time, has completed ethics training, and is responsible for overseeing all board operations and activities.
- The Finance Officer was formerly the General Manager and a charter board member. He is responsible for billing, budgeting, and providing administrative support.
- The board utilizes a third-party accounting firm for payroll and financial oversight.
    - *The firm also conducts the board's annual audit and has supplied documentation outlining its internal separation of duties between staff who perform clerical and accounting functions for the board, and those who carry out the independent audit.*
- All employees are responsible for providing friendly customer service, general store maintenance, and stock management.
- Training for new employees begins with one-on-one work with the General Manager and is on the job and mentorship based and includes introductory product knowledge discussions.
    - Both administrative positions can complete one another's tasks as needed and additional cross training for clerks is being considered.
    - Team members have not received RASP training.
    - Files for personnel are not maintained in the administrative office, but tax documents are kept with the accounting service.
- No conflicts related to nepotism were found, based on discussions with the General Manager.
- All store personnel are aware that loitering is prohibited on board property and in the store.

Law Enforcement

- The board has an active law enforcement contract with the Town of Spruce Pine Police Department signed in 2010.
- In FY 2026, the board accrued or distributed funds in the amount of $6,199 to the department.
- Law enforcement reports are submitted by the Police Chief but not always by the seven business day deadline and they, generally, do not contain applicable data for accountability as outlined in G.S. 18B-501(f1).

Operations

- Full inventory is conducted at least quarterly.
  - Sectional counts are made by the General Manager and other staff.
  - All variances are recounted and the General Manager is responsible for all adjustments.
  - *A small sample of products was inventoried during the Commission visit with no variances found.*
  - Slow moving products are frequently relocated within the store, and the board has requested price reductions for unsalable inventory.
- Liquor orders are made by the General Manager who checks each item in the store and compares current stock with the top 100 selling items and pars.
  - SPA lists are reviewed and buy in investments are considered.
  - Special order requests are usually purchased per customer request.
- The board receives deliveries on the second and fourth Tuesdays of each month.
  - Pallets are dropped and variances are rechecked before the report is sent to LB&B.
- The board currently has twelve active mixed beverage customer accounts.
  - Pulled orders are rechecked by a second employee and again during the customer transaction.
  - Invoices are provided to the permittees, and signed copies are retained for three years.
  - The board affixes tax stamps to bottles as required by Rule 15A .1901 but should include the permittee's order number on the stamps.
- Allocated products are reserved for mixed beverage customers and others are shelved according to the General Manager's discretion.
- The board retains breakage reports and submits them to suppliers for credit. To comply with Rule 15A .1701(c), the board emails copies of the reports to the Commission quarterly when applicable.
- The board does not have social-media account(s) or a website.
- The board's login website was updated prior to the Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

Policies

- The board has a code of ethics policy which adheres to the requirements of G.S. 18B-706(a), and a comprehensive personnel manual that addresses additional policies and the requirements of Rule 15A .1006.
- While already generally followed in practice, the board should adopt a written shelf management plan pursuant to Rule 15A .1708, and a credit card usage policy that clearly defines allowable and prohibited purchases made using the board's credit card.
- For travel, the board follows the State travel plan per G.S. 18B-702(g2), with reimbursements made pursuant to G.S. 138-6.

Financial & Internal Controls

- Invoices for liquor are processed by the Finance Officer following each delivery.
    - The board uses its bank's electronic payment system for distilleries, and therefore, the bank-issued checks are not signed by board members or personnel.
    - To satisfy the requirements of G.S. 18B-702(q), the board should consider an alternate means of stamping and signing the disbursements such as applying the certificate to a list of payments made.
- The preaudit certificate required by G.S. 18B-702(m) is not utilized on liquor or other purchase orders.
- Tax and primary distributions are processed by the accounting service.
- The board has a bank card which is kept in the administrative office.
    - Itemized receipts for purchases are retained, and the account is settled monthly by the accounting service.
- Employees' tills are counted before and after each shift.
    - Each clerk completes a daily report, and an end of day report is compiled to account for all cash in the building at closing.
    - Deposits are dropped nightly and verified the following day by the Finance Officer.
    - *A sample of recent deposits was reviewed with no variances noted.*
- The accounting service conducts full month-end reconciliations.
- Mileage logs are kept for each employee for mixed beverage deliveries and other transportation needs.
    - These logs are reviewed and supplied to the accounting service for reimbursement.
- Payroll is processed every two weeks by the accounting service.
    - A spreadsheet for employee hours worked is kept and reviewed daily by the administrative team.
- All board members and applicable personnel are bonded for at least $50,000 as required by G.S. 18B-700(i).
- The annual CPA audit was received by the Commission on August 5, 2026.

Alcohol Education

- In FY 2026, the board accrued or distributed funds in the amount of $8,678 to the Mitchell County School System to assist with children whose lives have been affected by substance abuse issues.
- For compliance with G.S. 18B-805(h), the board includes in its meeting minutes how its alcoholism funds are to be spent and to receives a report from the recipient describing how these funds are utilized.

STORE INSIGHT & OVERVIEW

- The Spruce Pine ABC Board's store is on a main highway for the area and has easily viewable roadside and building signs.
    - There is ample parking, and the exterior is free of trash and debris.
- The interior of the store is well lit and organized.
    - Floors and shelves are clean and displays and end caps are utilized.
    - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
    - A quarterly price book is available, and an SPA pricing list is available upon request.
    - Shelf tags to highlight items that are currently on sale for the month are posted.
    - North Carolina products are placed within their corresponding categories.
    - After each sale store personnel immediately restock the items sold.
- Shelf management practices are mostly implemented.
    - Products are fronted and bottles are dusted.
    - Products are grouped by category, and premium products are located at eye level or higher.
    - Bottles are not always arranged so that they increase in size from 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 approximately one hundred items was selected to determine if uniform pricing was displayed. Of those selected, all had correct pricing.
    - Price discrepancies are handled in the customer's favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Sales associates value customer service, and all are attentive and courteous.
- The store is open from 9:00 a.m. to 9:00 p.m. Monday through Saturday.
- The store is closed every Sunday and the five previously required holidays.
- Security systems are in place and functional with a camera system, alarms, and panic buttons.

REQUIRED ACTIONS

- Item #1: Board meeting minutes should have a conflict-of-interest disclosure statement, for proper adherence to G.S. 18B-201 (f)(k) and referencing G.S. 18B-700(h). Currently, no written statement exists on meeting minutes / agendas reviewed for calendar year 2022 to show where the Chairperson / board members are ensuring no conflict of interest is present.

- Item #2: The board should establish full compliance with G.S. 18B-702(m) by ensuring the preaudit approval certificate appears on purchase orders or liquor orders to take substantially the following form: "This instrument has been preaudited in the manner required by G.S. 18B-702". *This could most reasonably be accomplished by having the Finance Officer or Deputy Finance Officer stamp and sign the order edit list for liquor or other purchase orders and contracts.*

- Item #3: The board should work with its contracted law enforcement agency to reestablish law enforcement reporting to comply with the provisions of G.S. 18B-501(f1). Reports should be submitted by the fifth business day of the month and are to include as applicable the number of arrests made for ABC law, number of agencies assisted with ABC law, and other metrics for ABC law contribution such as compliance checks and alcohol education classes presented. If current law enforcement agencies are not completing ABC enforcement law activities on behalf of the board, it is recommended for the board to consider entering a contract with a different agency such as Alcohol Law Enforcement (ALE) state agency or the local sheriff department.

- Item #4: The board has a shelf management plan pursuant to Rule 15A .1708, The board should work to rearrange liquor inventory on the shelves to follow shelf management requirements, particularly ensuring bottles increase in size from left to right.

- 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 OR CONSIDERATIONS

- One recently reappointed board member will need to satisfy the ethics training requirement of G.S. 18B-706(b) in the coming months. *While the statute states the member has twelve months to complete the training, it is recommended that the training course be attended within the first three months of any member's term.*

- While already providing sufficient procedural oversight, the board should consider adopting 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 Rule 15A .1102, the board should send the Commission all rules for approval and record retention.

- Since board personnel pay distiller invoices through its bank's pay system, the board should consider a means for satisfying the requirements of G.S. 18B-702(q). A method used by other systems is to print a list of the payments made and administer the certificate to that document.

- The board may wish to consider contacting the Commission's Education Outreach personnel to set up RASP training for some of its newer employees or for those who have not participated in the training recently.

- The board may wish to consider maintaining an individual file for each employee in its administrative office. In addition to standard employment-related documents, these files typically include items such as policy acknowledgments and performance-related records.

ADDITIONAL GUIDANCE FOR ALL BOARDS

- The Commission's primary focus for ABC board members:

    - ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at the beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by September 30th of each year.

    - ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc.

- ABC Boards are required to work within general minimum and maximum limits for working capital, as established per Commission Rule NCAC 15A .0902(a)(2). When ABC Boards exceed maximum working capital in any given FY due to planned capital improvements, please secure written approval from the applicable County or Municipal authorities per N.C.G.S. 18B-805(d) and forward to the Commission. As best measure, securing documentation prior to exceeding maximum working capital would be the most ideal approach.

- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.

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

PREVIOUS PERFORMANCE AUDIT ACTIONS (2024)

- Board should designate an official finance officer or consider requesting a waiver from the Commission allowing the general manager to also be the finance officer in accordance with G.S. 18B- 702(j). Additionally, the board could consider a third-party finance officer if this accounting firm differs from the firm who conducts the annual CPA audit.

- Board should craft and provide to the Commission a policy covering the duties performed by the third-party accounting firm. The policy should clarify what services are provided by the firm and specifically who provides the services. *This is needed to establish compliance with G.S.18B-702(s).*

- Board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *General manager indicates oaths have been taken and board should retain written records of oaths at the board.*

- When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. NCAC Rule 15A .1701 requires quarterly reports be submitted for any unsaleable merchandise and retain original copies for three (3) years. *If no reports are available for a full quarter, please email Commission for awareness.*

- Board could provide additional training that will include alcohol education, customer service, and product knowledge. Contact other boards that have a training module(s) in these areas.

- Board should consider utilizing purchase orders for non-liquor goods and services and have them pre-audited. *A template is available on the Commission website.*

- Once a finance officer is established, board should 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:* This could be most reasonably accomplished by signing & stamping the summary total of the Order Edit List from inventory system *before* any liquor orders are placed with state warehouse.

- Consider adopting or updating any policies to include, but not limited to ACH payments, tastings, credit card, mixed beverage and delivery, store policies, social media, code of ethics, vehicle, or personnel manual. *Consider updates to any policies to include current administration where applicable.*

- 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.

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

Spruce Pine ABC Board
12344 S Hwy 226
Spruce Pine, NC 28777

Oct 8, 2026

Mr. Edwin Strickland

The recommendations that you offered on the performance audit report have been reviewed by the board and management.

First, the conflict of interest posted on the agenda has been enacted. We now have files for all personnel. The law enforcement reporting was discussed with the board. It was recommended the Steve speak with the police chief on this matter. A credit card policy was approved by the board and a copy sent to you.

We will review Rule 15A.1708 for guidance on a shelf management plan, also reviewing 18B.702(g) for guidance.

We now stamp the order edit list with the notation (This instrument has been pre audited in the manner required by G.S 18b-702) before any liquor orders are sent to the state.

The certificate of accountability was duly signed and sent to the ABC Commission.

Again, thank you for your expert advice and if anything else is needed please let us know.

Thank you

Steve Hughes
Manager

Month Day Year 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