

Tyrrell 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

June 9, 2026

CHAIRMAN:
Hank Bauer

Tyrrell County ABC Board
Carl Willis, Chair
1026 Hwy 64 E.
Columbia, NC 27925

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

David Sherlin
Raleigh

Chairperson Willis,

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 Tyrrell 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

Tyrrell County is in northeastern North Carolina and the seat is Columbia. The county is rural, with only one incorporated community, and mostly known for its wetlands, waterfronts, and other natural landscapes. The county's estimated population in 2024 is 3,517 residents, up 8.4% from the 2020 census. The county has the lowest permanent resident population in the state.

Chapter 49 of the 1937 Act authorized Tyrrell County to hold an election for an ABC store. The referendum was held September 18, 1937. The vote for an ABC store passed 358 to 302. The date of the first retail sales was November 1, 1937. A mixed beverage election was held on May 2, 2000. The vote for mixed beverage failed 656 to 350. A final mixed beverage election was held on May 4, 2010. The vote passed 612 to 577. The board consists of two members and a chairperson. Current members are Carl Willis, Chair, Joseph "Trey" Liverman, Vice Chair, and Justin Suter, Member. The Tyrrell County ABC Board operates one retail store and is the only board in the county.

The last performance audit for the Tyrrell County ABC Board was conducted in 2017. 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 February 25, 2026, ABC Commission Program Analyst Edwin Strickland visited the Tyrrell County ABC Board and interviewed the General Manager Trina Looker. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



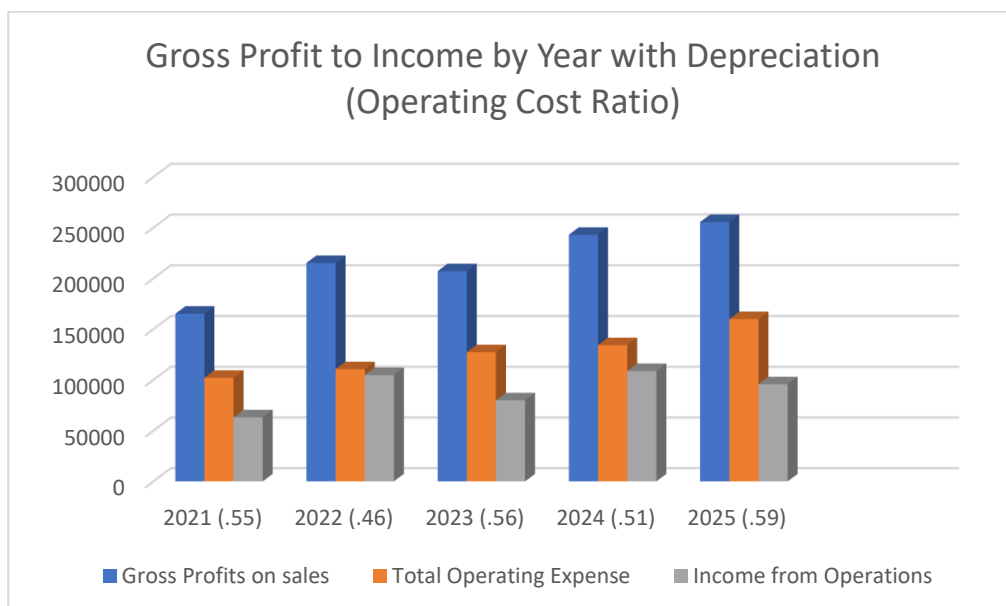
1026 Hwy 64 E. Columbia

FINANCIAL ANALYSIS

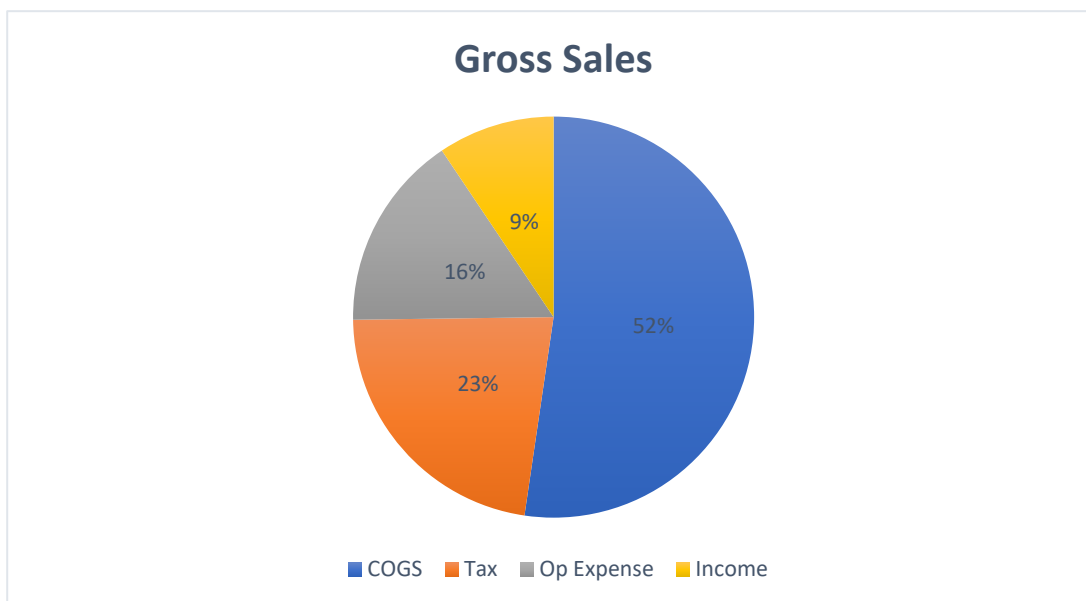
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year FY 2025, the Tyrrell County ABC Board had a profit percentage to sales ratio of 9.44%. The NC ABC Commission profit to sales historical standard for ABC Boards with gross sales less than \$2M is 5%.
 - *The profit percent to sales ratio over the previous four completed fiscal years were 10.94%, 8.73%, 11.92%, and 8.28%, respectively.*
 - The board's gross sales totaled \$1,012,802, which was an approximate 1.9% increase from the previous fiscal year.
 - The board's sales have increased almost 33% from their FY 2021 sales.
- Tyrrell County ABC Board operates one retail store without 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 store and no mixed beverage sales has historically been .85 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	\$255,513	\$243,010
Total Operating Expense	(\$159,884)	(\$134,250)
Income from Operations	\$95,629	\$108,760



- 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.



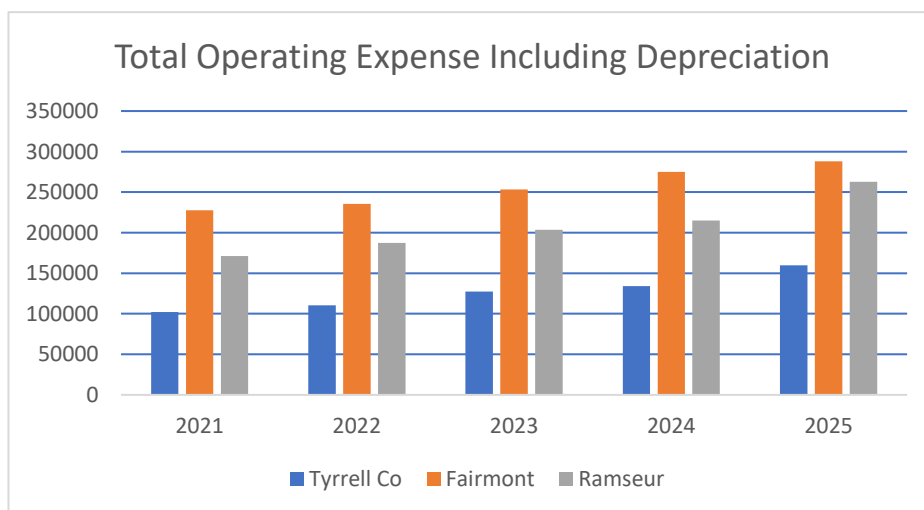
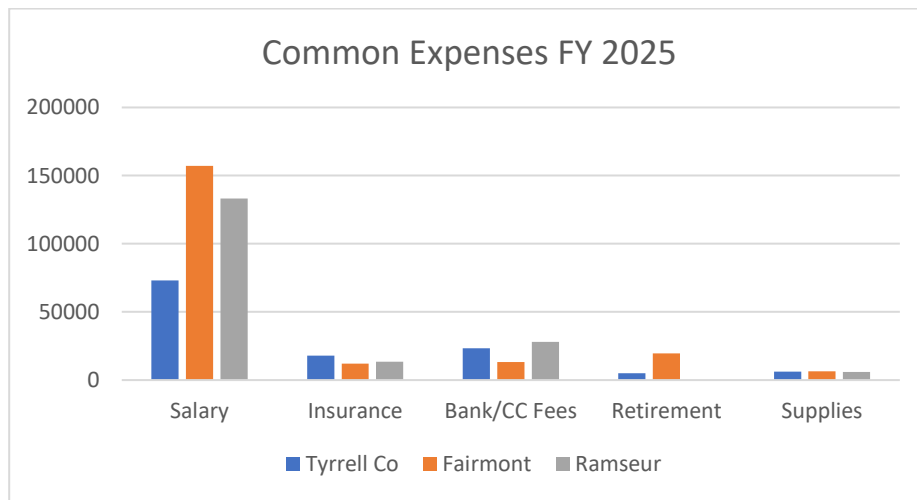
- *Factors affecting sales:*
 - All surrounding counties have an ABC store, but the nearest store is approximately thirty miles from the board's store.
 - A 4.3% unemployment rate in Tyrrell County in June of 2025 with a .6% decrease from the previous year. *The North Carolina Average in June 2025 was 3.7%.*
 - Approximately 19% - 20% of the population in the county is below the poverty level. *The North Carolina average is roughly 13%.*
 - While mixed beverage sales are approved throughout the county, there were no mixed beverage sales in FY 2025.

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 Tyrrell County ABC Board receives shipments once or twice a month with a target inventory turnover rate of around 4.5. The inventory turnover rate in FY-2025 was 2.2, which is below the current goal.

FINANCIAL ANALYSIS (cont.)

- *Factors affecting expenses:*
 - Total operating expenses increased around nineteen percent (19%) from the last fiscal year and were around sixteen percent (16%) of total annual sales.
 - Board salaries were slightly more than seven percent (7%) of total annual sales and increased by over thirty-three percent (33%) from the previous fiscal year.
 - Cost of Goods Sold (COGS) was 52.3% for the fiscal year with a normal range being 52% to 54%.
- A common expense report and a total operating expense report show the Tyrrell County ABC Board has mostly lower categorical and lower 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	\$961,600	\$1,014,236	\$52,636	5.5%
Total Expenditures	\$938,199	\$926,892	\$11,307	1.2%
Distributions	\$8,000	\$7,978		
Revenue over/under Expenditures & Finance		\$79,366		
After Reconciling Items		\$86,979		

- In reviewing the budget to actual analysis of the FY 2025 financial audit, actual total revenues were 5.5% above the final budget amendment and expenditures were 1.2% below the final budget amendment.
 - The change in net position during the fiscal year was \$86,979. *The board’s collective net position on June 30, 2025, was \$747,874; the net position has increased by almost eighty-six percent (86%) 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 60% of annual budgeted sales.

DISTRIBUTIONS

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

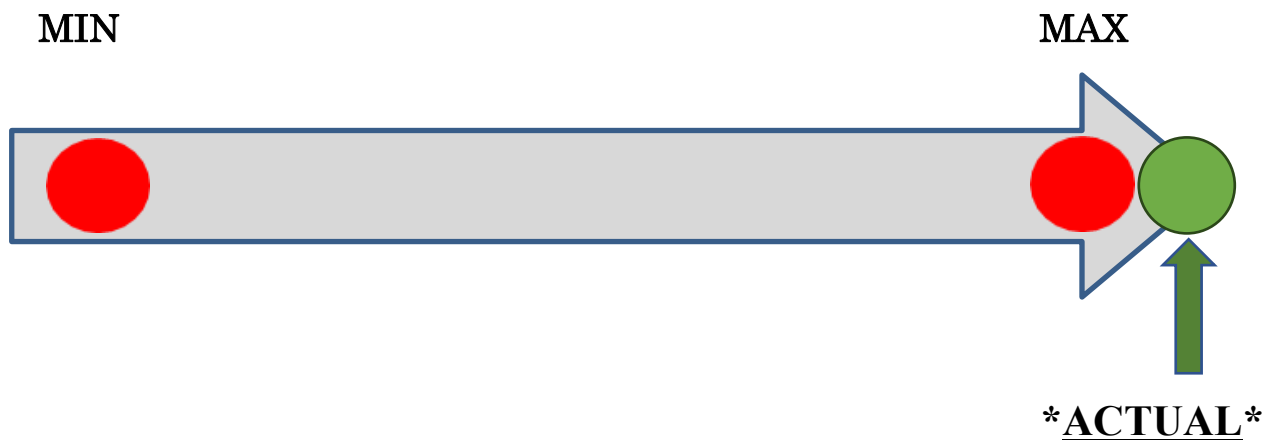
- The amount of \$227,555 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR) and the county commissioners of Tyrrell County.
- In FY 2025, Tyrrell County ABC accrued funds for other statutory distributions totaling \$7,978. *The board has not made net profit distributions to their recipient(s) since 2012, per agreement with their appointing authority.*
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
 - Up to \$1,200 to the board of education to supplement teachers’ salaries
 - Remainder to the Tyrrell County General Fund

WORKING CAPITAL

- G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system.
 - NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales less than \$1.5M as an amount equal to four (4) months of gross sales.
 - G.S. 18B-702(g)(3) defines “Working Capital” as the total of cash, investments, and inventory less all unsecured liabilities. As it pertains to working capital computation, gross sales mean gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).

- Based upon the existing rules, as of June 30, 2025, the Tyrrell County ABC Board is required to maintain a minimum working capital of \$30,202 with a maximum working capital amount of \$261,749.
 - The Tyrrell County ABC Board had a working capital balance of \$533,823, which is above 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 2017, the Tyrrell County Board of Commissioners approved the Tyrrell County ABC Board’s request to alter their quarterly distributions from July 1, 2015 through June 30, 2026 to retain funds for construction projects.
 - *As of June 30, 2025, the board has retained capital improvement funds in the amount of \$272,074 which equals the amount the board is above their maximum allowable working capital.*

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 with one recently reappointed member needing to satisfy the requirement in the coming months.
 - All members have served multiple terms with the board and their oaths of office are filed in the board's administrative office.
- Meetings are generally held on the fourth Monday of each month and their county liaison and deputy finance officer notifies the county office if there are scheduling changes.
- 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 to include 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 on annual audits.
- The board's login website had been updated at and prior to Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

Law Enforcement

- The board has a law enforcement contract with the Tyrrell County Sheriff's Office from 2010.
 - Per the contract, the board has accrued or distributed funds at the standard 5% statute amount for the last five (5) FYs.
- Law enforcement reports are submitted regularly by the general manager with data supplied by the department's administrative assistant. The reports sometimes contain data for accountability as outlined in G.S. 18B-501(f1). *Reports are included on the agenda and presented at board meetings.*

Alcohol Education and Rehabilitation

- Over the last five fiscal years the board made alcohol education and rehabilitation distribution directly to Tyrrell County.
 - This distribution has been disbursed or accrued at or above the standard 7% statute amount for the last five (5) FYs.
 - For compliance with G.S. 18B-805(h), the ABC Board should ensure the county board includes in their meeting minutes how these funds are to be spent and receives reports of expenditures from any recipients at least annually.

Board Personnel

- The board currently staffs five total employees all of which are part-time except the general manager.
- The General Manager is responsible for all board operations and has been with the board for nearly seven years; five as manager.
- The Finance Officer is an accounting firm and responsible for most accounting related activities.
- 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 styled.
 - Cross training opportunities have been extended to at least one employee in the event the general manager is unavailable.
 - Staff has not received RASP training, but the manager hopes to attend a session soon.
- Full-time employee(s) are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with the general manager.

Policies

- The board has a personnel manual which covers many requirements of Rule 15A .1006.
 - The policy may not fully address compensation, the granting of salary increases, promotion or demotions, and a grievance policy.
 - The policy includes an addendum stating that if a matter is not addressed in the ABC Board's policy, the applicable policies of Tyrrell County Government shall apply. *While this is helpful for employees, it is recommended that relevant excerpts from the county's policies be available in writing to board members and personnel and maintained in the administrative office.*
- Other policies approved by the Commission include a code of ethics, mixed beverage sales, and price discrepancy.
- Policies not on file with the Commission that should be considered include a shelf management plan. *Additionally, the board may wish to adopt an allocated product sales policy to aid team members when asked about their sales procedure for these products.*
- For travel, the board follows the state travel plan per G.S. 18B-702(g2), with reimbursements made pursuant to G.S. 138-6.

Operations

- Board personnel usually conduct full inventory quarterly with intermittent spot checks.
 - Scanners are used and at least two team members participate.
 - Discrepancies are most often reviewed by the manager and a team member and sometimes discussed with the board's point of sale provider for possible computer related errors.
 - Adjustments are ultimately made by the general manager.
 - Strategies for slow-moving products include moving in the store, selling the product to a different board, and requesting price reductions.
- The board receives deliveries of liquor on the second and fourth Tuesdays of most months; with only one delivery per month from January through April.
 - Pallets are dropped and down stacked using scanners.
 - Discrepancy reports are rechecked before being reported to LB&B.
 - The General Manager places liquor orders using multiple strategies and resources: reviewing low-stock and out-of-stock reports, considering special pricing lists, and conducting firsthand store observations.
 - All special-order requests are considered.
- The general manager keeps records for unsaleable merchandise reports but has not applied the credits towards the supplier invoices.
 - The board should begin to reconcile their breakage reports and apply the credits when paying their supplier invoices. *Once the reports are signed and the credits are applied, management should work to make sure reports are also emailed quarterly to the Commission in compliance with NCAC 15A .1701(c).*
- While mixed beverage sales are approved in the county, the board does not currently have any permittee accounts. *When the next mixed beverage permit is issued in the county, the board should consult Commission staff for guidance with compliance and best practices.*
- Most allocated products are sold through monthly drawings.
- Tastings have been held with plans to continue.
- The board does not have a website or social media accounts.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed either once or twice monthly.
 - Checks are cut and signed by the finance officer and counter-signed by the board's chairperson.
 - The board's checks are stamped with the required disbursement certificate for compliance with G.S. 18B-702(q).
 - *A sample of payment dates reviewed indicates orders are paid within the thirty-day requirement.*
- The preaudit certificate is not administered on liquor or purchase orders by the finance officer, however, orders are signed by the board's chairperson before orders are placed. *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.*
- Distribution (tax) forms are submitted by the finance officer monthly.
- The board does not have a credit card or petty cash.
 - Most purchases for supplies are made through an account with occasional reimbursements directly to an employee.
- Cash-handling procedures are in place and known by staff.
 - Store funds are counted daily.
 - Deposits are made to a secured machine in the office and delivered to the bank weekly by a cash-in-transit company.
 - *A small sample of recent deposits were reviewed with no significant variances noted.*
 - The finance officer conducts full month end reconciliation for accounts.
- Payroll is processed by the finance officer monthly through QuickBooks.
 - Part time employees use a timeclock.
 - A payroll worksheet is tallied each month and reviewed and signed by the chairperson before submission to the finance officer
- The annual CPA audit was received by the Commission on September 24, 2025.
- All board members and applicable personnel are bonded for at least \$50,000.

STORE INSIGHT & OVERVIEW

- The board's store and administrative office is located on the main highway through the town and county in an area with other retail businesses. The board plans to expand their current store to double the size of both the showroom and warehouse.
 - The store has 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 the counter is not overly cluttered.
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is now displayed.
 - A Quarterly price book is available at counters with an SPA pricing list available by request.
 - Some broker supplied special shelf tags and other special colored tags are used to highlight items currently on sale.
 - Category signs are prominently displayed, and endcaps and other displays are utilized.
 - North Carolina products are found in their category with special shelf tags.
- Shelf management practices are mostly implemented.
 - Products are fronted, dusted, and in their designated category.
 - Premium products are found at eye-level or top shelf.
 - Bottles are not always arranged so they increase in size left to right of the same item.
 - Shelf space for products is set to follow the factors identified in Rule 15A .1708(5).
- A sample of around one hundred items were selected to determine if uniform pricing is displayed with no variances noted.
 - Price discrepancies should be handled in the customers favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Sales associates value customer service, and all are attentive and courteous.
- The store is open daily from 10:00 am until 7:00 pm Monday through Saturday.
- In 2025, the board began opening on certain holidays for which it was previously required to close and is currently evaluating which holidays it will remain open for sales going forward.
- Security systems are in place and functional at both stores to include cameras, alarms, and panic buttons.
- All employees are aware loitering is prohibited at stores.

REQUESTED ACTION ITEMS

- Item #1: The board should ensure its personnel manual addresses all provisions of Rule 15A .1006. The current manual includes an addendum stating that if a matter is not addressed in the ABC Board's policy, the applicable policies of Tyrrell County Government shall apply. While it is acceptable to model the board's personnel manual after the appointing authority's policies, it is preferable that this rule's provisions are directly addressed in a separate, established document that is easily accessible to board members and personnel.
- Item #2: 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. *Additionally, management should begin applying credits to supplier payments for recouping losses associated with damaged and unsaleable merchandise.*
- Item #3: Local boards shall establish and maintain a shelf management plan per Commission 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.
- Item #4: 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

- For full compliance with the provisions of G.S. 18B-702(m) regarding the preaudit/preauthorization of non-recurring payments, and in particular the liquor order, the board could consider properly designating the chairperson as a deputy finance officer.
- While it is understood that many team members have other employment and obligations, it is recommended that RASP training be extended to as many employees as possible and that information presented during the training be provided to those unable to attend.
- The board could consider adopting a written policy for the sale of allocated products. *In addition to providing clear guidelines, such a policy would inform patrons about the distribution of these high-demand items and assist sales associates in managing what can sometimes be challenging customer interactions.*
- 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.
- For compliance with G.S. 18B-805(h), the ABC Board should request or ensure the county board includes in their meeting minutes how the alcoholism fund distributions are to be spent and receives reports of expenditures from any recipients at least annually.
- While the board has likely evaluated the potential benefits and implications, consideration could be given to extending weekend or seasonal hours of sale beyond 7:00 p.m.

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.
- Board members and applicable personnel are encouraged to satisfy the requirements of G.S. 18B-706(b) and Rule 15A .2001 in a prompt manner and before the twelve (12) month mandate.
- To help combat potential check fraud and for general ease in administrative tasks, the board should continue to investigate the potential of making payments via ACH or bank pay. Additionally, the board could inquire about positive pay options with their bank.

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

PREVIOUS PERFORMANCE AUDIT ACTIONS (2017)

- Either begin making distribution payments according to the distribution schedule in place or seek approval from the appointing authority asking to retain profits for a specified time period or until a certain level of working capital is attained.
- Update the law enforcement contract to specify distributions will be made if profits are generated.
- Conduct a routine check of shelf prices along with the register to ensure accuracy. All prices must match what is in the register, the shelf, and within the NC Liquor Quarterly, and/or memorandums. Refer to the ABC Commission's website to verify product pricing.
- Ask the appointing authority for current appointment dates for all board members. Once received, update the NC ABC Commission's website to include current appointment dates.
- Adopt an employee manual for board employees. The NC ABC Commission rules state, "Each local board shall establish policies and rules governing each of the following:
 - Initial employment of employees, including qualifications and requirements for new employees.
 - Compensation and benefits.
 - Hours and days of work, holidays, vacation, sick leave and other matters pertaining to the conditions of employment.
 - Promotion, transfer, demotion and suspension of employees.
 - Separation or termination of employees.
 - Granting of salary increases.
 - Employee grievance procedures.
 - Any other programs or procedures as may be necessary to promote efficiency and to provide for a fair and reasonable system of personnel administration.
- Monitor the budget closely to ensure that actual appropriations or expenditures have not exceeded budgeted projections. All ABC Boards are required to operate within a balanced budget. When actual sales have exceeded the budget and expenses have not met budgeted amounts, the board is required to adopt a budget amendment to satisfy this requirement.

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

ABC Commission
400 E. Tryon Rd.
Raleigh, NC 27610
March 9,2026

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

Item 1: *****

The board will consider provision to the personnel manual to meet Commission mandates.

Item 2: *****

The board will reestablish sending quarterly unsaleable (breakage) merchandise reports to the Commission by email. Elizabeth.adams@abc.nc.gov

Item 3*****

The board will adopt a shelf management plan and provide a copy to all store employees to follow, working to arrange bottles as required.

Item 4*****

The board has forwarded a signed Certificate of Accountability to the Commission with this letter.

Sincerely,

Carl Willis, Chairman
Trina Looker, GM