

# Wayne County ABC Board

## Performance Audit Report



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

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**Alcoholic Beverage Control**

June 18, 2026

CHAIRMAN:  
Hank Bauer

Wayne County ABC Board  
Michael Dawson, Chair  
909 Landmark Dr.  
Goldsboro, NC 27534

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

David Sherlin  
Raleigh

Chairperson Dawson,

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 Wayne 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

Wayne County is in east-central North Carolina and Goldsboro is the county seat. The economy centers on agriculture, manufacturing, and the significant presence of Seymour Johnson Airforce Base. The current estimated population is 122,275 residents, an increase of approximately 4% since the 2020 census. The Wayne County ABC Board operates five retail stores and one mixed beverage only store.

The 1937 Act authorized Wayne County to hold an election for an ABC store. The referendum was held on April 4, 1964, and passed with 5,859 votes to 5,152. The first retail sales occurred on June 15, 1964. A county-wide vote was held for the sale of mixed beverages but did not pass. However, mixed beverage elections have been held and passed for several municipalities in the county including Goldsboro, Fremont, Mount Olive, Pikeville, and Walnut Creek. The ABC board is comprised of five members who are appointed by the Board of County Commissioners for three year terms. The current members are Michael Dawson, Chair, Matthew Harrison, Julie Daniels, Rosalind Weeks, and Octavius Murphy.

*The last performance audit for the Wayne County ABC Board concluded in 2022. The Commission audit serves as an ongoing method to provide local boards with information and best practices that target areas for improvement.*



**909 Landmark Dr. Goldsboro**



**103 Adair Dr. Goldsboro**

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

On May 12, 2026, ABC Commission Program Analyst Edwin Strickland visited the Wayne County ABC Board and interviewed the General Manager, Darnay Barefoot; the Assistant General Manager, Chester Bailey; and other store and administrative board personnel. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



**3370 Wayne Memorial Dr. Goldsboro**



**6056 US Hwy 70 E. La Grange**



**1138 N. Breazeale Ave. Mount Olive**

## FINANCIAL ANALYSIS

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### SALES, REVENUE & PROFIT PERCENTAGE

- In FY 2025, the Wayne County ABC Board had gross sales totaling \$16,427,878.
  - This was an approximate 0.5% increase from the previous fiscal year and an almost 14% increase from FY 2021.
- In FY 2025, the board generated \$118,052 in non-operational income of which \$105,552 was interest income.
  - This was an approximate 13% increase in interest income from the previous year and up from \$346 in FY 2021.
- In FY 2025, the board had income from operations of \$836,703, resulting in a profit percentage to sales ratio of 5.09%.
  - Effective May 1, 2026, the Commission's profit percent to sale ratio standard for boards with gross sales greater than \$10M is 5% or higher.
  - *The profit percentage to sales ratios over the previous four completed fiscal years were 8.30%, 10.47%, 11.98%, and 11.21%, respectively.*
- Thus, the Wayne County ABC Board has met the Commission's standard for profit percent to sales over the last five fiscal years.
- *Factors affecting sales:*
  - There are six other ABC boards with a store within a 30-mile radius of a Wayne County ABC store.
  - Seymour Johnson AFB has additional outlets.
  - The unemployment rate in Wayne County was 3.9% in June of 2025, with a 0.1% decrease from the previous year. *The North Carolina Average in June 2025 was 3.7%.*
  - Approximately 19.3% of the county's population is below the poverty level. *The North Carolina average is 12.8%.*
  - In FY 2025 mixed beverage sales accounted for over 10% of gross sales.
    - This was a 3.6% decrease in sales from the previous year but a 41% increase over FY 2021.

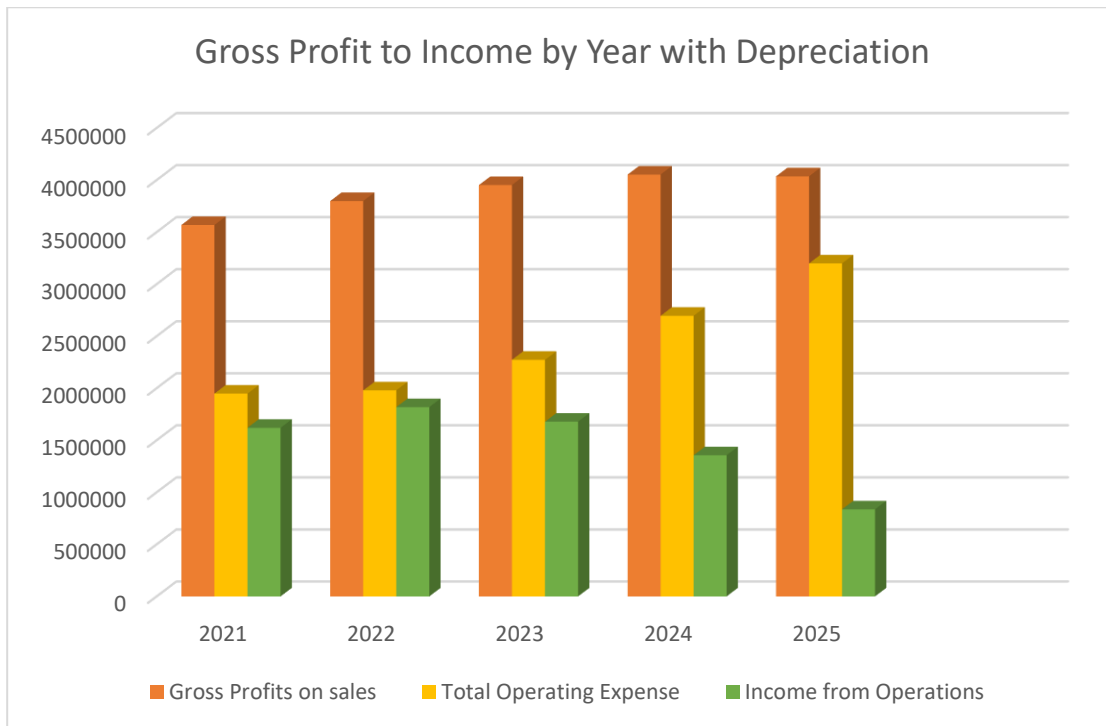
### INVENTORY TURNOVER

- 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.
  - Weekly 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 Wayne County ABC Board receives shipments weekly with a target inventory turnover rate of around 6. The inventory turnover rate in FY 2025 was 6.4, which is above the official goal.

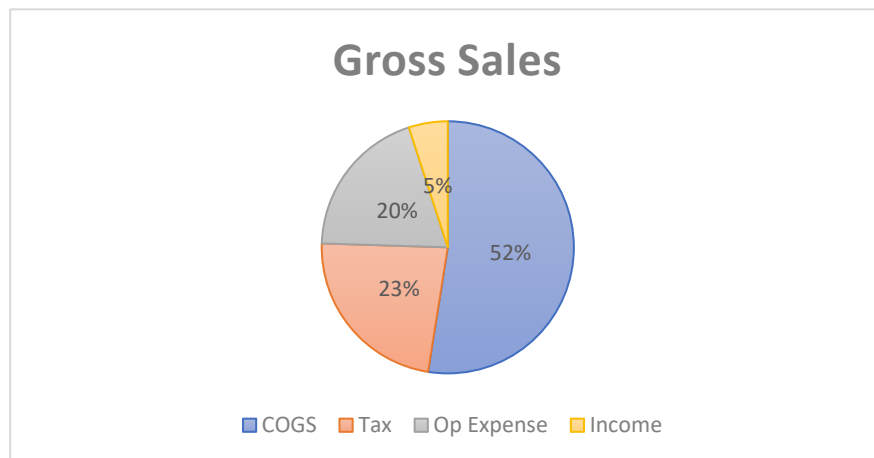
## OPERATING COST RATIO & EXPENSES

- Wayne County ABC Board operates five retail stores and one mixed beverage only store. The operating cost ratio for the board was 0.74 in FY 2025.
  - *The operating cost ratios over the previous four completed fiscal years were 0.63, 0.55, 0.49, and 0.51, respectively.*
  - 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’s current standard for ABC Boards with three or more stores is 0.63 or less. *This standard will likely be changing.*
- Below are charts showing gross profit on sales, total operating expenses including depreciation, income from operations for recent years, and operating cost ratios.

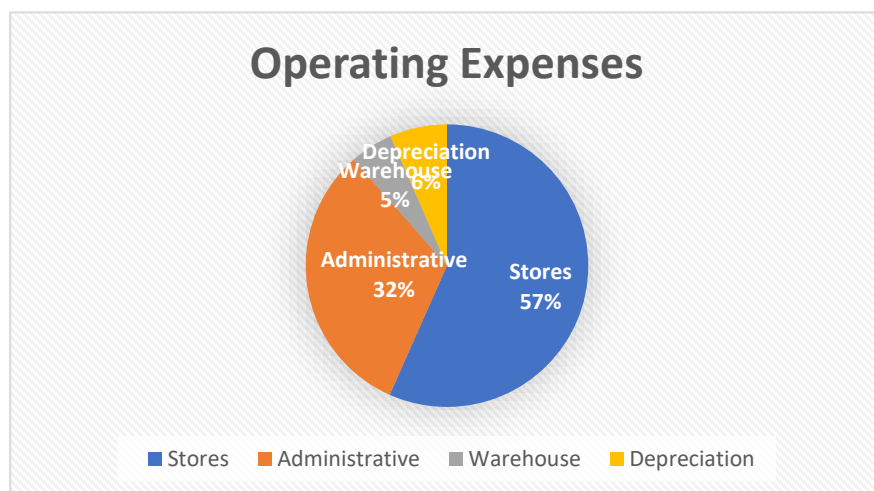
	FY 2025	FY 2024
<b>Gross Profit on Sales</b>	\$4,035,975	\$4,052,590
<b>Total Operating Expense</b>	\$3,199,272	\$2,696,239
<b>Income from Operations</b>	\$836,703	\$1,356,351



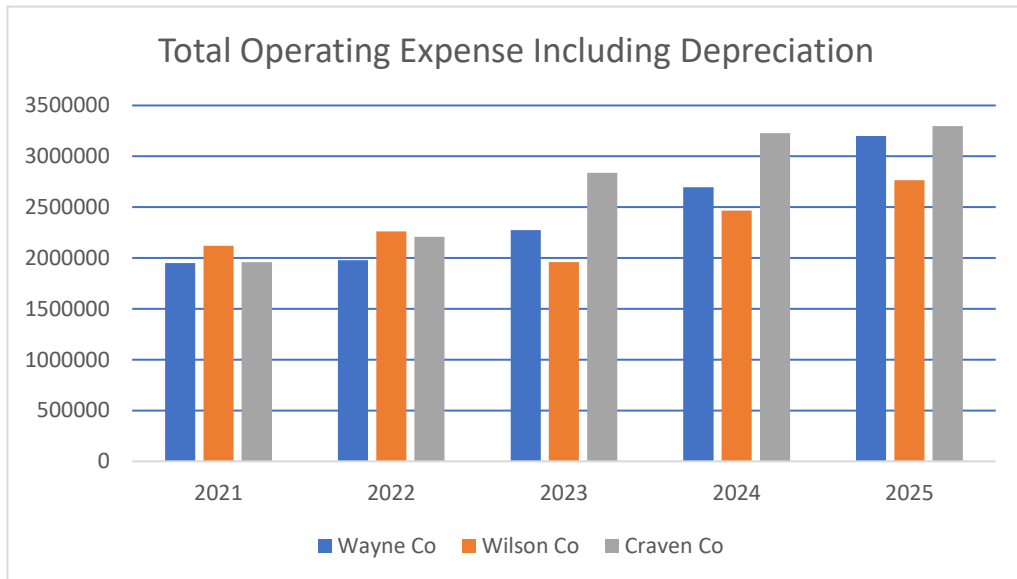
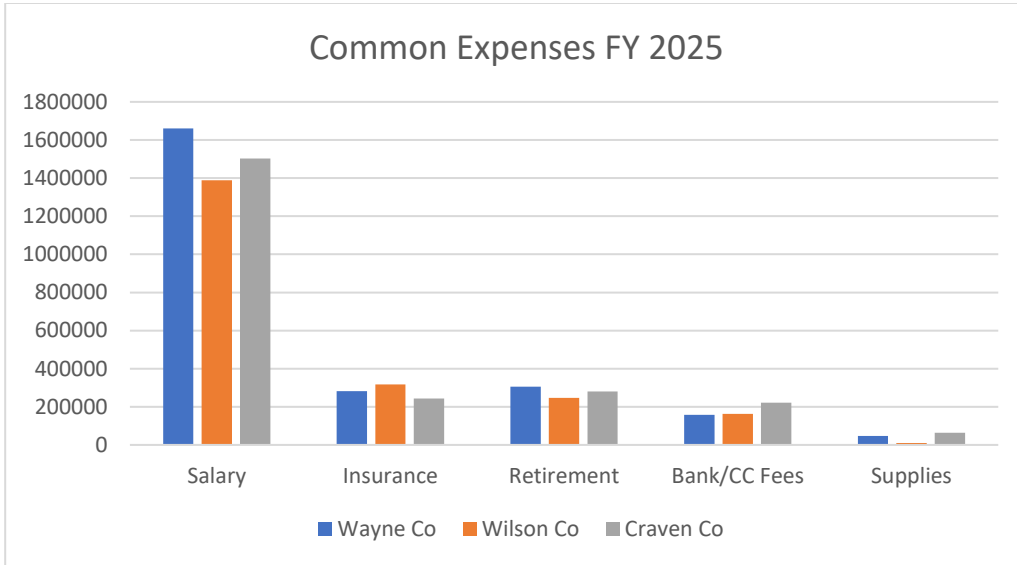
- *Additional expense information:*
  - In FY 2025, total operating expenses increased by around 18% from the last fiscal year and were approximately 19.5% of total annual sales.
  - Depreciation expense increased by almost 75% from the previous fiscal year and accounted for approximately 18% of the increase in calculated operating expense and almost 1.3% of total annual sales.
  - Board salaries, excluding law enforcement, were approximately 10% of total annual sales and increased around 18% from the previous fiscal year.
  - Cost of Goods Sold (COGS) was 52.5% for the fiscal year with a normal range being 52% to 54%.
  
- The chart below shows where portions of gross sales are expended or retained as income. COGS and primary distributions (Taxes) usually account for approximately 76% of any board's gross receipts, with the remainder used to operate the system and as income from operations.



- The chart below illustrates how operating expenses are allocated across the three primary operational categories and depreciation.



- A common expense report and a total operating expense report show the Wayne County ABC Board has similar categoritional and total operating expenses compared to other ABC boards within a reliable 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 %
<b>Total Revenues</b>	\$17,118,650	\$16,545,930	(\$572,720)	(3.3%)
<b>Total Expenditures</b>	\$17,509,811	\$15,714,459	\$1,795,352	10.3%
<b>Distributions</b>	\$1,441,797	\$692,970		
<b>Revenue over/under Expenditures &amp; Finance</b>		\$138,501		
<b>After Reconciling Items</b>		\$261,785		

- In reviewing the budget-to-actual analysis of the FY 2025 financial audit, actual total revenues were 3.3% below the final budget amendment and expenditures were 10.3% below the final budget amendment.
  - The change in net position during the fiscal year was \$261,785. *The board's collective net position on June 30, 2025, was \$7,565,042; the net position has increased by over 56% since FY 2021.*
- Based on sales trajectory for the current fiscal year with ten months (83%) of the budget year completed, the board is tracking around 78% of annual budgeted sales.

## DISTRIBUTIONS

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

- In FY 2025, \$3,773,698 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Wayne County.
- In FY 2025, Wayne County ABC accrued funds for other statutory distributions totaling \$692,970 (*The net profit recipient received \$463,001*).
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
  - 50% to towns with ABC stores
  - 50% to Wayne County general fund

**DISTRIBUTIONS (cont.)**

➤ **STATUTORY DISTRIBUTIONS:**

- **Net Profit Distributions** – The Wayne County ABC board has made net profit distributions for the last five (5) fiscal years at or above the minimum mandatory distribution in reference to G.S. 18B-805(c)(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
- **Law Enforcement Distributions:** Have been accrued or disbursed at or above the standard 5% statute amount for the last five (5) FYs.
- **Alcohol Education Distributions:** Have been accrued or disbursed at or above the standard 7% statute amount for one (1) the last five (5) FYs.
  - The board’s local enabling act and chapter 1245 of 1969 session law, dictates the board is authorized, at its discretion, to distribute up to five percent (5%) on alcohol education and rehabilitation with the approval of the Wayne County Board of Commissioners. The board has exceeded this 5% threshold for two (2) of the last five (5) fiscal years.

<b>NC GENERAL STATUTE: 18B-805 (c)(1)</b>			
<b>Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients</b>		<b>Wayne County ABC Board Net profit distribution made annually by fiscal year</b>	
<i>Note: Referencing CPA Audit Reports</i>			
<b>Calculated Amount</b>		<b>Total paid to recipient(s)</b>	
FY-2025	\$461,877	FY-2025	<b>\$463,001</b>
FY-2024	\$459,720	FY-2024	<b>\$465,000</b>
FY-2023	\$451,169	FY-2023	<b>\$856,000</b>
FY-2022	\$428,894	FY-2022	<b>\$638,000</b>
FY-2021	\$410,552	FY-2021	<b>\$623,346</b>

## 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 upon the existing rules, as of June 30, 2025, the Wayne County ABC Board is required to maintain a minimum working capital of \$486,699 with a maximum working capital amount of \$3,163,545.
  - The Wayne County ABC Board had a working capital balance of \$3,796,110.
- Under G.S. 18B-805(d), with approval of the appointing authority for the board, the local board may set aside a portion of the remaining gross receipts as a fund for specific capital improvements whenever working capital is exceeded.
  - In 2024, the Wayne County Board of Commissioners passed and adopted a resolution allowing the board to set aside \$1,000,000 as a capital improvement fund to be used for the repair/replacement of capital equipment, capital repair/improvements to existing ABC facilities, or construction of new ABC facilities.

### **\* FY 2024-2025: Working Capital Graphic**



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

### **Board Members**

- The board consists of four members and a chairperson whose per meeting compensation for their services is approved to comply with G.S. 18B-700(g).
  - Current board members' terms are staggered to comply with G.S. 18B-700(a) and all have satisfied the ethics training requirements.
  - Oaths of office for all members have been executed, and copies of the oaths are now in the board's administrative records.
  - Membership terms reflect a combination of initial and successive appointments.
  - Members share a variety of applicable professional experience in areas such as business, finance, law enforcement, and public administration.
- Meetings are generally held on the third Wednesday of each month with announcements posted on the board's website.
- Meeting minutes are written in a clear, organized, and logical sequence that reflects the proper order of proceedings. The content should allow any reasonable person to easily understand the business conducted and the matters discussed or acted upon.
  - For compliance with G.S. 18B-201, minutes include a no-conflict-of-interest declaration.
  - The board receives and reviews all required financial information, including supplemental data and budget-to-actual 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 was updated prior to and at Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

### **Law Enforcement**

- The board has an active internal law enforcement agency which provides substantial documentation on activities for accountability monthly to the Commission and to the board as required by G.S. 18B-501.
  - The department is comprised of a chief and four part time officers,
  - In addition to its many activities at permitted establishments, the law enforcement officers assist other agencies, provide an on-site security presence at stores, and contribute to alcohol awareness and responsible sales throughout the jurisdiction.

### **Alcohol Education**

- The board has an innovative alcohol education grant program. Prospective grantees apply through the board's website, and only eligible, vetted recipients are awarded funds.
  - For compliance with G.S. 18B-805(h), recipients report to the board how funds were expended.
- In FY 2025, the board granted funding to recipients totaling \$35,000.

## **Board Personnel**

- The board currently staffs thirty-four full-time and twenty-one part-time employees, five of whom are law enforcement agents.
- Its organizational chart is in Commission records and clearly defines the chain of command for board operations.
- The General Manager and Assistant General Manager are responsible for all system activities.
- The Finance Officer is full-time and responsible for all accounting related tasks and oversight.
- The administrative team includes those responsible for operations, human resources, and inventory control.
  - All required personnel and additional members of the administrative team have completed ethics training.
- The warehouse has a manager and an additional full-time employee.
- Each retail store has a designated manager and assistant manager, and the mixed beverage store has a designated manager and additional full-time employee.
- The board has one person dedicated to stocking and transfers, and all other employees are sales associates who are responsible for providing friendly customer service and stock maintenance.
- Training for new store employees is usually held at a specific training store.
  - Onboarding is conducted at the business office and includes an introduction to an interactive system, which provides employees with remote access to policies, scheduling information, and other operational resources.
  - Online RASP training is provided for all new employees.
  - Product knowledge discussions are held regularly for store employees. The board's website has an introductory spiritous liquor guide. Selected store managers attend conferences and distillery tradeshow to increase product awareness.
  - The board holds monthly manager meetings for store and assistant managers and has both internal and external training courses for these positions.
  - Performance reviews are semiannual with a mid-term review used to identify potential areas for improvement.
  - Each year, one employee and one manager are formally recognized for their outstanding contributions to the organization.
  - Cross training has been implemented across all administrative positions, and each role is paired with a tandem partner capable of completing its core responsibilities.
- No conflicts pertaining to nepotism were found or identified through discussions with the General Manager.

## **Policies**

- The board maintains a comprehensive and recently updated personnel manual that fulfills all requirements of Rule 15A .1006 and includes extensive additional policies and detailed job descriptions.
- The board has a code of ethics policy which adheres to the requirements of G.S. 18B-706(a), and a shelf management plan as required by Rule 15A .1708.
- Other policies on file with the Commission include mixed beverage sales and a secondary grievance policy. The board's website also publishes its allocated products policy, which is likewise displayed in each store.
- For travel, the board follows the state travel plan per G.S. 18B-702(g2), with reimbursements made pursuant to G.S. 138-6.

## **Projects and Initiatives**

- A chronological list of more than one hundred and sixty projects, upgrades, and other accomplishments the board has completed or engaged in since February of 2023 was reviewed and discussed during the Commission visit. *While not all listed items are included in this section, several key examples are highlighted below as evidence of the progress being realized by the board, the administrative team, and other personnel.*
  - Major capital asset projects, including the construction of a new warehouse and office complex, a new store to replace the board's previously leased store, and a full remodeling of at least two existing stores.
  - Financial improvements with banking, investments, and other contract negotiations.
  - A broad range of technology updates including a new point-of-sale system.
  - Multiple enhancements to law enforcement equipment and training.
  - Completion of various policy developments or revisions.
  - Creation of new staff roles, updated job descriptions, educational opportunities, and substantial changes to standard operating procedures.
  - Additional projects related to product procurement and the expansion of safety measures for the staff.
- Additional future projects are planned, including the remodel and expansion of stores #2 and #5 into the space currently occupied by the administrative office and warehouse.

## Operations

- Full inventory is conducted monthly at all stores and weekly in the warehouse.
  - Scanners are used and discrepancies are rechecked before being forwarded to the administrative team for further review.
  - Procedures for investigations into the repeated loss of specific items are in place and all adjustments are completed by the administrative team.
- Inventory-loss tracking tables are made available to board members and consistently show minimal negative discrepancies relative to the overall volume of inventory on hand.
  - *A small sample of products was inventoried at one store during the Commission visit with no discrepancies identified.*
  - Strategies for slow moving products include requesting tastings for the products, price reductions, and clearance sections.
- The board receives deliveries of liquor twice weekly at its central warehouse with orders for three stores per truck.
  - Pallets are pre-stacked for each store to eliminate down stacking at the board's warehouse.
  - Transfers are generally made on two days of each week.
  - Products are received by the stores using scanners and any variances are rechecked before being reported to LB&B.
- Each store submits weekly orders which are made by comparing stock status with fifteen days' sales history for each item.
  - The inventory control clerk routinely reviews SPA lists and quarterly price changes and buy-in investments are considered.
  - Special order requests forms are kept at each store and forwarded to the administrative office.
- The board retains breakage reports and includes the reports for credit with their suppliers. *For compliance with Rule 15A .1701(c), the board emails copies of these reports to the Commission each quarter.*
- The board currently has sixty-one active mixed beverage customer accounts.
  - All transactions are made at the mixed beverage store.
  - Orders are rechecked by a second, and sometimes third employee, and again at the transaction.
  - Invoices are provided for permittees, and signed copies are retained for each account.
  - The board stamps bottles as required by Rule 15A .1901.
  - Emails are forwarded to permittees when new products become available, and the store displays new or otherwise interesting products behind the sales counter to enhance customer awareness.
- Allocated products are initially reserved and available for mixed beverage customers with others being shelved according to policy.
- Tastings are conducted routinely
- The Board maintains a website that provides general operational and product information and facilitates mixed beverage ordering. *Social media accounts are also utilized for awareness.*

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

- Invoices for liquor are processed monthly by the Finance Officer and administrative team within the thirty day requirement.
- The board's checks include the required disbursement certificate in compliance with G.S. 18B-702(q) and signed by the Finance Officer and either the General Manager or the Assistant General Manager.
- Until a recent change in the board's sales and inventory management system, the Finance Officer was responsible for administering and signing the preaudit certificate for liquor orders as required by G.S. 18B-702(m). *Prior to the conclusion of this report, the board restored the proper administration of this certificate within its liquor ordering process.*
- The board utilizes Positive Pay with its bank to combat fraudulent checks.
- The board has credit cards issued to select staff as well as petty cash funds.
  - Itemized receipts or related digital invoices are retained, and reconciliation records for these accounts are maintained by the Finance Officer.
  - The use of the board's credit cards is addressed in its personnel manual.
- Cash-handling procedures are in place and understood by all staff.
  - All store funds are counted daily, and a "banker" is assigned each day or shift to manage exchanges and other cash-handling responsibilities.
  - A deposit for each store is created daily, and the board has received a waiver allowing the staggered transit of deposits to the bank.
  - Law Enforcement Agents transport deposits in a locked bank bag on multiple days each week.
  - *A small sample of recent deposits was reviewed with no variances noted.*
  - The Finance Officer routinely reviews accounts and conducts month-end reconciliation.
- Payroll is processed every two weeks through ADP.
  - Facial recognition and other scheduling benefits are utilized through the company's software system.
  - Payroll records are reviewed by the administrative team before processing.
- The annual CPA audit was received by the Commission on September 30, 2025.
- The board has a bond secured by a corporate surety in the amount of \$50,000 which lists coverage for all board members, store managers, the general manager and finance officer as required by G.S. 18B-700(j) and 18B-803(b).
  - The bond also includes additional coverage for all other employees at a lesser amount.

## **STORE INSIGHT & OVERVIEW**

- All stores, the administrative office, warehouse, and mixed beverage store were visited on the day of the Commission review.
- Most stores are located on main thoroughfares or in high commercial and retail areas.
  - All stores are in free-standing buildings, have clearly visible building or roadside signage, and all have ample parking.
  - Exterior areas and landscaping are well maintained and free of trash and debris.
- Store interiors are well lit and organized.
  - Floors and shelves are clean, and counters are free of excessive clutter.
  - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
  - Quarterly price books are available, and supplemental price lists are linked to the board's website or available by request.
  - Specially colored shelf tags highlight items that are on sale or specially priced, and the tags are intentionally positioned off-center to display the item's regular price.
  - Category signs indicate where most products are shelved.
  - Endcaps and other product displays are used effectively.
  - Stores have a North Carolina products section, and these products are often cross-merchandized.
- Shelf management practices are implemented for compliance with Commission rules.
  - Products are fronted, dusted, and in their designated category.
  - Premium products are found at eye-level or on the top shelf.
  - Bottles are mostly arranged so they increase in size from left to right for the same item.
  - Shelf space for products is usually set to follow the factors identified in Rule 15A .1708(5).
- A sample of around one hundred items was selected to determine if uniform pricing is displayed at four stores. Of those selected, no discrepancies were noted.
  - 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. All employees are aware loitering is prohibited on the board's property and in stores.
- Stores open daily at 10:00 a.m. and close at 9:00 p.m. Monday through Friday.
- The store is closed every Sunday, the five previously required holidays, Martin Luther King Jr. Day, Memorial Day, and Easter Monday.
- Security systems are in place and functional and include cameras, alarms, mechanical locks, and panic buttons.

## **REQUIRED or REQUESTED ACTIONS**

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- Item #1: While quality controls on purchases likely exceed the spirit of the statute, the board should re-establish full compliance with G.S. 18B-702(m) by ensuring the preaudit approval certificate appears on purchase 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 stamping and signing the order edit list for liquor or other purchase orders and contracts.*
  - *Prior to the conclusion of the first draft of this report, the board restored the proper administration of this certificate within its liquor ordering process.*
- Item #2: In connection with the periodic audit, a Certificate of Accountability attestation form should be reviewed and signed by board members and other applicable personnel. A signed copy would then only need to be emailed to Commission personnel for recordkeeping.

## **CONSIDERATIONS**

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- In conjunction with item #1 in the required actions of this report, the board may wish to consider properly designating a Deputy Finance Officer to assist with the administration of the certificates and their subsequent signatures as required by G.S. 18B-702.

## **ADDITIONAL GUIDANCE FOR ALL BOARDS**

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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 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 30<sup>th</sup> of each year.
  - ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission’s board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc.
- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include sales adjustment for current fiscal year sales estimates.

- 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 (2022)**

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- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.
- 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 and policy per G.S. 18B-700(g2). NOTE: As another option, the board can alternately adopt the official State of NC government travel policy referenced under G.S. 138-6. This would allow the board an option to eliminate the annual travel policy update requirement by instead formally adopting the State of NC government travel policy during an official board meeting and provide a copy to the Commission.
- All reappointed board members (and newly appointed members) are required to complete ethics training within one (1) year of their reappointment date per G.S. 18B-706(b). Per Commission records on recent reappointment in July 2020, Board Member Meador is approximately eight (8) months overdue for ethics training completion. The training needs to be completed as soon as possible, and an ethics training completion certificate forwarded to the Commission.
- The board has a code of ethics policy per G.S. 18B-706, and ABC Commission has a copy. The following are needed administrative actions: A Certificate of Accountability form declaring the statutory duties of the board have been properly performed needs to be signed and copy forwarded to the Commission.



Wayne County ABC Board  
909 Landmark Drive  
Goldsboro, North Carolina 27534  
(919) 778-7731 Fax (919) 778-5528

June 17, 2026

To: Edwin Strickland  
ABC Auditor/Program Analyst  
North Carolina ABC Commission  
400 East Tryon Street  
Raleigh, North Carolina, 27610

From: Michael Dawson  
Chairman, Wayne County ABC Board  
909 Landmark Drive  
Goldsboro, North Carolina, 27534

Reference: 2026 ABC Audit

We appreciate your support and recommendations from the audit recently performed in May. This performance audit will help us going forward in the future, helping us understand ways to always be improving our ABC Board. Please find below our responses to some of your questions that came up during the audit.

**Item 1:** We were asked about oaths of office and their location. Since the audit we have had our board, all sworn again and proper paperwork filled out. Each members oath was placed in their personnel file.

**Item 2:** The board is aware that G.S. 18B-700(g) states board members may not receive more than one-hundred and fifty dollars (\$150.00) per board meeting. The board worked to maintain compliance with the statute by going to the Wayne County Board of Commissioners asking for a resolution by statute to increase the paid to (\$300) per Board meeting. They approved and we forwarded that resolution to the ABC Commission to put on file and keep us within the statute.

**Item 3:** The question was asked if all Board Members, General Manager, CFO and Managers were bonded. Bonding for board members and personnel has been verified and meets the requirements of G.S. 18B-803(b).

**Item 4:** We were asked about our daily deposits and how they were handled. The deposits for Wayne County ABC are taken to the bank on Monday, Wednesday and Friday by our Law Enforcement. We asked for a waiver under Rule 15A.0905(d) and were approved by the ABC Commission and a letter was put on file.

**Item 5:** The board will continue to monitor budget expenditure(s) and make amendments when needed.

**Item 6:** The board will meet annually and vote on how funds are spent for their Alcoholism Fund recipients. This is completed after a review is done of applicants requesting funds thru an application process.

**Item 7:** The board in 2026 voted to follow the state's travel policy and a letter was sent to the ABC Commission to be put on file showing we had made the change and that it was in our updated Personnel Policy Manual dated January 21, 2026.

**Item 8:** It was noted that we did not have the Certificate of Accountability done or on file. The board has now completed and forwarded a signed Certificate of Accountability to the Commission with this letter.

Again, thank you and the ABC Commission for carrying out this audit in a very professional manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Dawson", written in a cursive style.

Michael Dawson, Chairman  
Wayne County ABC Board

June 17 2026  
Month Day Year

Wayne County ABC  
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).

Dannay Baefer  
General Manager

[Signature]  
Financial Officer

Michael Dan  
Chairman

T. Matthew Harrison  
Board Member

Rosalind Weels  
Board Member

[Signature]  
Board Member

[Signature]  
Board Member