

Weaverville ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
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ABC
COMMISSION
NORTH CAROLINA

TABLE OF CONTENTS

ABC Commission Statement	3
Objective, Purpose & Background Information	4
Financial Analysis, Observations & Findings	6
Actions, Recommendations, and Additional Considerations	18-19
Previous Performance Audit Recommendations	20
Appendix A- Weaverville ABC Board Response Letter	21-22



Alcoholic Beverage Control

June 24, 2026

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Hank Bauer

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Chairperson Chason,

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

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

Weaverville is a town in Buncombe County in western North Carolina. The current estimated population for the town is approximately 4,700 residents, which reflects an increase of about 3% since the 2020 census. The Weaverville ABC Board operates one store and is one of four boards in Buncombe County.

NC General Statute 18B-601(c) authorized the town to hold an election for an ABC store. The referendum was held on April 24, 2007, and passed by a vote of 338 to 279. A mixed beverage election was held on the same date but did not pass. Another election was held on May 4, 2010, and it passed by a vote of 565 to 269. The first retail sale occurred on October 21, 2009. Currently, the Town of Weaverville appoints a chairperson and two (2) additional board members to serve on the ABC board. Current board members are Robert Chason, Chair, Chip Fuller, and Michael McNamee.

The most recent performance audit for the Weaverville ABC Board concluded in 2023. 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 May 7, 2026, ABC Commission Program Analyst Edwin Strickland visited the Weaverville ABC Board and interviewed the General Manager, Brooke Hendrix, and Finance Officer Teresa Wilcox. Below is a financial analysis, followed by operational observations, findings, and recommendations related to the performance audit.



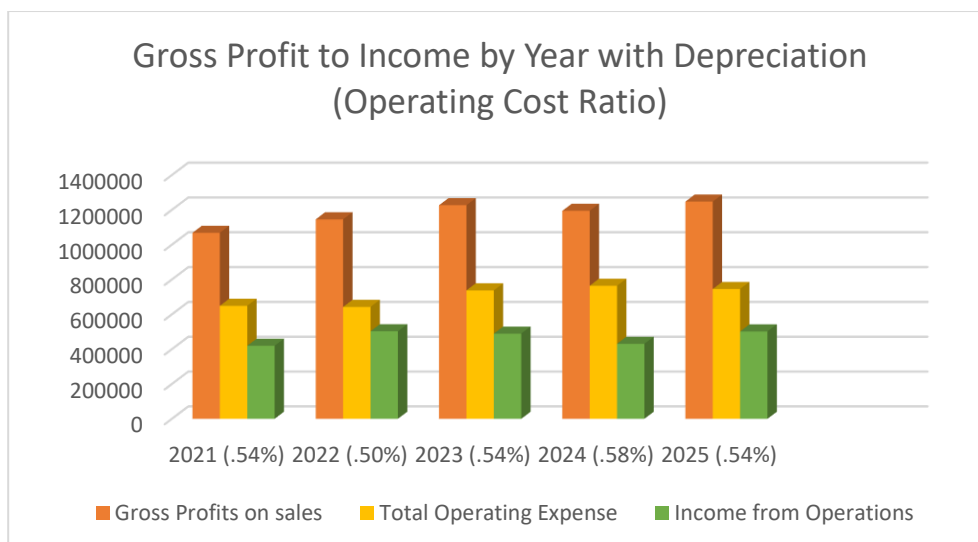
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FINANCIAL ANALYSIS

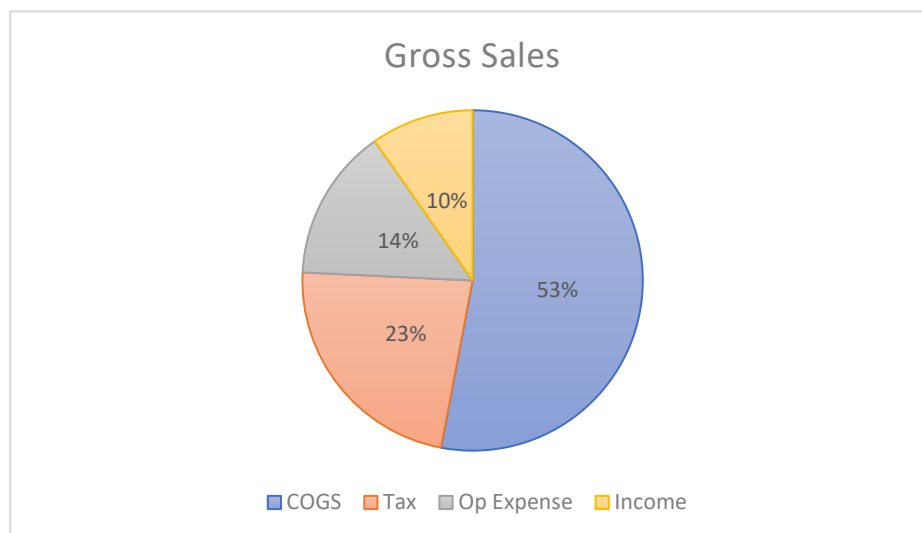
SALES, PROFIT PERCENTAGE, & OPERATING COST RATIO

- In FY 2025, the Weaverville ABC Board had gross sales totaling \$5,145,864, an increase of approximately 4.7% from the previous year.
 - Since FY 2021, the board’s sales have increased by nearly 19%.
- In FY 2025, the board’s profit percentage to sales ratio was 9.75%.
 - *The profit percentage to sales ratios over the previous four completed fiscal years were 8.76%, 10.00%, 10.86%, and 9.67%, respectively.*
 - The ABC Commission’s profit percent to sales standard for boards with sales greater than \$5M is 4% or higher.
- Weaverville ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was 0.54 in FY 2025. *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.
 - Operating cost ratio is calculated by dividing total operating expenses, less depreciation, by gross profit on sales (total operating expense less depreciation/gross profit).
- Therefore, the Weaverville ABC Board meets both the profitability standard and the operating cost standard set by the ABC Commission for FY 2025.
- 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
Gross Profit on Sales	\$1,247,303	\$1,194,429
Total Operating Expense	\$745,682	\$763,874
Income from Operations	\$501,621	\$430,555



- 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 five other ABC boards with a store within a 30-mile radius of the Weaverville ABC store.
 - The board's store is located about 10 miles from Madison County, which does not have ABC stores.
 - Buncombe County is a tourism hub, welcoming nearly 14 million visitors annually.
 - Buncombe County had a 4.5% unemployment rate in June of 2025, with the North Carolina average being around 3.7% at that time.
 - Approximately 13% of the population in the county is below the poverty level, which is close to the North Carolina average of 12.8%.
 - In FY 2025 mixed beverage sales accounted for over 8% of gross sales.

INVENTORY TURNOVER

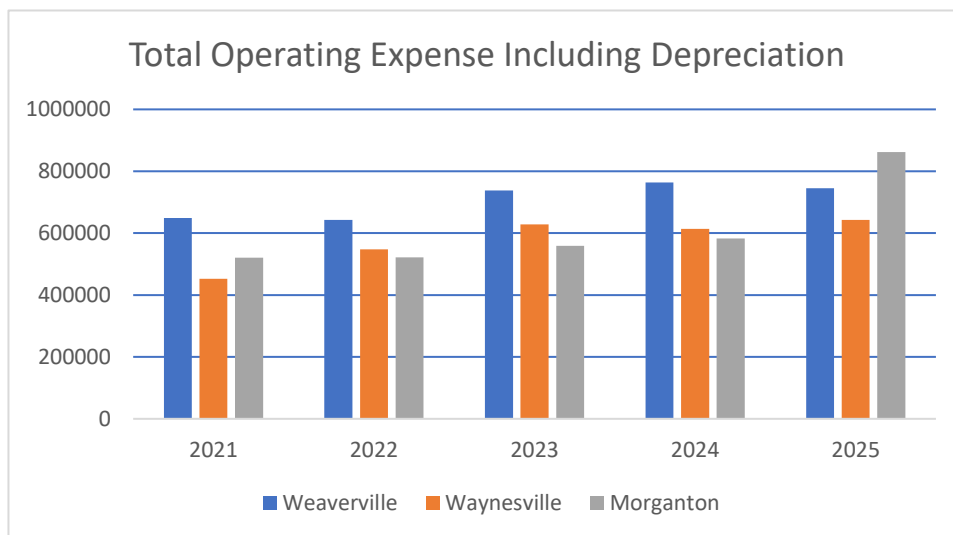
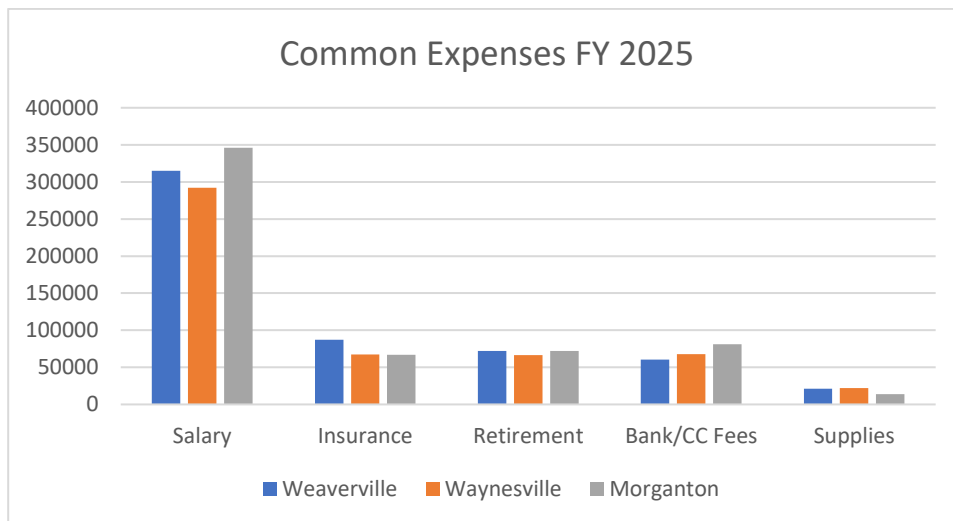
- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
 - Once a week deliveries target at 6 times 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 Weaverville ABC Board receives shipments weekly, with a target inventory turnover rate of around 6. The inventory turnover rate in FY 2025 was 12, which is well above the official goal and the highest in the state.

EXPENSES

➤ *Expense Information:*

- In FY 2025, total operating expenses decreased by over 2% from the last fiscal year and were around 14.5% of total annual sales.
- Board salaries were approximately 6% of total annual sales and increased by around 3% from the previous fiscal year.
- Cost of Goods Sold (COGS) was 53% for the fiscal year with a normal range being 52% to 54%.

- A common expense report and a total operating expense report show that the Weaverville ABC Board has similar categorical but typically higher total operating expenses compared 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	\$5,153,010	\$5,155,984	\$2,974	-%
Total Expenditures	\$4,904,963	\$4,680,573	\$224,390	4.6%
Distributions	\$248,047	\$404,547		
Revenue over/under Expenditures & Finance		\$70,864		
After Reconciling Items		\$82,114		

- In reviewing the budget to actual analysis of the FY 2025 financial audit, actual total revenues were marginally above the final budget amendment and expenditures were 4.6% below the final budget amendment.
- The change in net position during the fiscal year was \$82,114. *The board's collective net position on June 30, 2025, was \$535,813; the net position has increased by almost 24% 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 at 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 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 2025, a total of \$1,172,381 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Buncombe County.
- In FY 2025, Weaverville ABC accrued funds for other statutory distributions totaling \$404,547 (*the net profit recipient received \$360,445*).
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
 - 100% to Weaverville General Fund.

➤ **STATUTORY DISTRIBUTIONS:**

- Net Profit Distributions – The Weaverville ABC board has made robust net profit distributions for the last five (5) fiscal years 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 (5) FYs.
- Alcohol Education Distributions: Have been accrued and/or disbursed at or above the standard 7% statute amount for the last five (5) FYs.

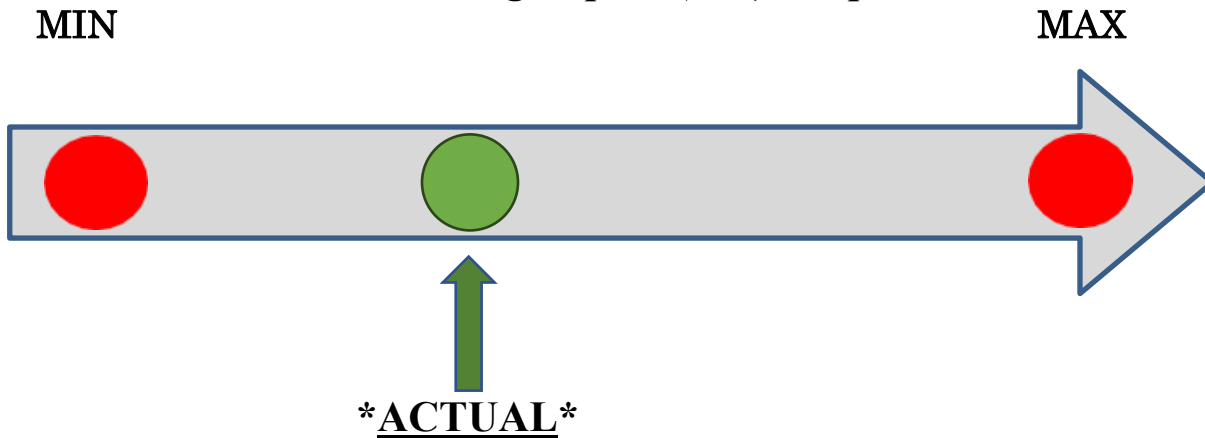
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Weaverville ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2025	\$131,644	FY-2025	\$360,445
FY-2024	\$137,405	FY-2024	\$392,897
FY-2023	\$136,843	FY-2023	\$420,749
FY-2022	\$130,712	FY-2022	\$372,475
FY-2021	\$122,580	FY-2021	\$337,686

- Since inception, the board has distributed \$2,614,128 to the Weaverville General Fund. *Over 72% of this has been distributed over the last five fiscal years.*

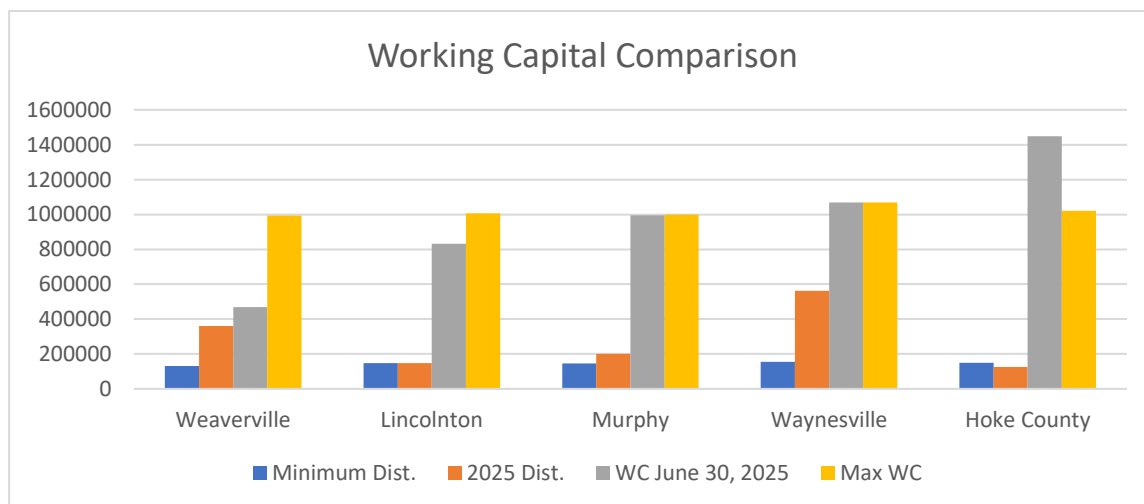
WORKING CAPITAL

- 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, 2025, the Weaverville ABC Board is required to maintain a minimum working capital of \$152,826 with a maximum working capital amount of \$993,371. On June 30, 2025, the board had a working capital balance of \$469,398 which is \$523,973 less than the maximum and around 38% of its working capital capacity.

*** FY 2024-2025: 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.
- The chart below compares the working capital and net profit distributions for four boards with somewhat similar sales to the Weaverville ABC Board.
 - Weaverville ABC has made net profit distributions in recent years well above the minimum requirement without nearing the maximum allowed working capital limit.
 - Lincolnton ABC made their net profit distribution near the minimum because they are working to maximize their working capital limit.
 - Murphy ABC made its distribution(s) marginally above the minimum requirement as they maximized their working capital limit in FY 2025.
 - Waynesville ABC has made net profit distributions well above the minimum requirement as required by rule, as they maintained a working capital balance at or near the maximum limit for several years.
 - Hoke County ABC has received written approval from its appointing authority to limit distributions and retain excess working capital above the maximum allowed as a capital improvement fund for the likely expansion of a store.



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).
 - Two members have completed the ethics training requirements with one member needing to complete the training by the end of August 2026.
 - Copies of oaths of office for all members are available in board records.
- Meetings are generally held quarterly with additional meetings scheduled periodically.
 - Meeting announcements are posted in the store and on the board's website.
- Meeting minutes are well organized, available, and follow the proper order of proceedings.
 - All meeting minutes reviewed include a conflict-of-interest statement.
 - Financial data are presented and discussed at board meetings to include budget comparisons for sales and expenses.
 - 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 currently has four full-time and three part-time employees.
- The board's organizational chart is in Commission records and clearly defines the chain of command for board operations.
- The General Manager is full-time, compliant with ethics training, and responsible for all board operations and activities.
- The Finance Officer is a contracted employee and works in the administrative office. She is responsible for all accounting related activities and provides financial oversight.
- All employees are responsible for providing friendly customer service, general store maintenance, and stock management. *One part-time employee primarily assists with truck deliveries.*
- Training for new employees is on the job and mentorship-based.
 - Cross training opportunities have been extended for all full-time employees.
 - A request book is used to log administrative task requests made by these employees.
 - Detailed directions on completing administrative tasks are available in writing for all employees.
 - All team members have received RASP training and additional training from the local police department.
 - The board has a product knowledge book that provides an introduction to spiritous liquor.
- No conflicts related to nepotism were found, based on discussion 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 Weaverville Police Department signed in 2009.
- Law enforcement reports are submitted by Senior Officer A. Worley.
 - Applicable data for accountability as outlined in G.S. 18B-501(f1), is usually provided.
 - In FY 2025, the board made \$18,376 in law enforcement distributions.
- The Police Department conducts annual training for the board for matters related to robbery, alcohol sales, and other related topics.

Alcohol Education

- In FY 2025, \$25,726 in alcohol education distributions were made to the Town of Weaverville.
 - G.S. 18B-805(h) requires the board to include in its meeting minutes how its alcoholism funds are to be spent and to verify any person or agency receiving funds from the board reports to the board at least annually, describing how these funds were spent.

Policies

- The board has a code of ethics policy which adheres to the requirements of G.S. 18B-706(a), a thorough personnel manual which covers the requirements of Rule 15A .1006, and a shelf management plan as required by Rule 15A .1708.
- Other policies on file with the Commission include mixed beverage sales, price discrepancy, check signing, allocated product sales, and tastings.
- The board may wish to consider adopting an additional policy for the use of the board's bank 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.

Operations

- Full inventory is conducted monthly with additional spot counts.
 - Multiple team members participate and all variances are recounted by a different team member.
 - The General Manager is responsible for all adjustments.
 - *A small sample of products was inventoried during the Commission visit with no notable discrepancies found.*
 - Slow moving products are relocated within the store, and the board has a clearance section for items with reduced prices.
 - Practices are in place to monitor specific items when a pattern of missing inventory is detected.
- Liquor orders are made by the General Manager who reviews and modifies each item in a suggested order.
 - New products and SPA lists are reviewed and considered for top sellers and mixed beverage items.
 - Special order requests are considered and typically fulfilled for local customers or mixed beverage accounts.
- The board receives liquor deliveries weekly on Tuesdays.
 - Pallets are dropped and down stacked by checking off items on the receiving list.
 - Any variances are rechecked before the report is submitted to LB&B.
- The board currently has eleven active mixed beverage customer accounts.
 - Pulled orders are rechecked and stamped by a second team member.
 - Invoices are provided to the permittees, and signed copies are retained for each account.
 - The board stamps bottles as required by Rule 15A .1901.
- Some allocated products are reserved for mixed beverage customers, with others being reserved for quarterly lotteries and additional bourbon drops.
- The board retains breakage reports and submits them to suppliers for credit. To comply with Rule 15A .1701(c), the board has recently reestablished emailing copies of the reports to the Commission quarterly.
- The board has a website and a social media account.
- The board routinely hosts tastings with several scheduled each month.
- The board's login website was updated prior to the Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

Financial & Internal Controls

- Invoices for liquor are processed monthly by the Finance Officer. *A review of a small sample of payment dates indicates that most deliveries are paid within the 30-day timeframe. However, one out of four to five monthly deliveries are sometimes paid past the 30-day limit.*
- The board's checks are signed by a board member and the Finance Officer.
 - The checks are not stamped with the required disbursement certificate for compliance with G.S. 18B-702(q).
 - Some invoices are paid via ACH transfer and copies of these receipts are also signed.
 - Positive Pay through the board's bank is used to offset possible check fraud.
- The preaudit certificate is applied to liquor orders and other purchase orders and forms as required by G.S. 18B-702(m).
- Tax and primary distributions are processed by the Finance Officer.
- The board has a debit card that is usually only used for supplies or conference travel.
 - Itemized invoices are kept and a board member signs the account reconciliation each month.
- Cash-handling procedures are in place and understood by all staff.
 - Employees count funds before shifts and initial a till log.
 - Deposits are made each day except Saturday.
 - The account is routinely reviewed for deposit accuracy, and the Finance Officer conducts full month-end reconciliations.
 - *A sample of recent deposits was reviewed with no variances noted.*
- Payroll is processed weekly by the Finance Officer through QuickBooks.
 - Notes are kept on any scheduling changes and compared to the schedule before processing.
- 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 September 30, 2025.

STORE INSIGHT & OVERVIEW

- The Weaverville ABC Board's store is in a building complex that is part of a large shopping center.
 - The building is divided into four suites, and the board has recently purchased the neighboring suite to add additional retail, administrative, and warehouse space.
 - The complex is located off a major US Highway and near an interstate interchange.
 - The store has easily viewable signage, and there is ample parking.
 - The exterior is well maintained and free of trash and debris.
- The interior of the store is well lit and organized.
 - The showroom features décor such as pottery, signs, and paintings that create a welcoming mountain-themed atmosphere.
 - 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 at the counter, and an SPA pricing list would be available upon request.
 - Special shelf tags highlight items that are currently on sale.
 - The store has a North Carolina product section and additional North Carolina products are placed within their corresponding category.
- Shelf management practices are properly implemented.
 - Products are fronted and bottles are dusted.
 - Products are grouped by category, and premium products are found at eye level or higher.
 - Bottles are 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. until 9:00 p.m. daily.
- The store is closed every Sunday and the five previously required holidays, and Memorial Day.
- The building has a camera system, alarms and panic buttons.
- Security shutters cover the exterior windows of the store after closing nightly.
- Safety bollards are installed outside the front windows to prevent vehicles from driving into the building.

REQUIRED OR REQUESTED ACTIONS

- Item #1: The board should ensure any point of sale advertisements are targeted exclusively toward patrons inside the store and not directed toward individuals on the exterior portion of the store's premises. Rule 15B .1008(d) states point of sale advertising specialties for spirituous liquor may be used *in* ABC stores.
- Item #2: G.S. 18B-706(b) requires each member of a local ABC board to complete ethics education within 12 months after initial appointment to office and within 12 months of each subsequent appointment. *One member, appointed in August 2025, will need to satisfy this requirement within the next few months and before the end of their term's first year.*
- Item #3: For compliance with G.S. 18B-805(h), the board should include in their meeting minutes how their alcoholism funds are to be spent and verify any person or agency receiving funds from the board reports to the board at least annually, describing how these funds were spent
- 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

- Board personnel have recently reestablished sending destruction of unsaleable merchandise reports to the Commission and should continue emailing copies of these reports at least quarterly.
- While the board already has oversight procedures in place, it may wish to consider adopting a written bank card usage policy that outlines who may use board-issued bank cards, as well as when and for what purposes the cards may or may not be used. *Written policies can serve to strengthen internal controls and provide good guidelines if updates are made to or are being considered for the procedures already in place.*
- With recent changes to advertising rules, and with the board's store located off a major highway system exit, the board may wish to consider the feasibility of a billboard on the highway or interstate. *Generally, to break even, generated sales would need to be around or slightly over four times the investment made in the billboard.*

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

ADDITIONAL CONSIDERATIONS & GUIDANCE

- The Commission's primary focus for ABC board members:
 - ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at 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 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.

PREVIOUS PERFORMANCE AUDIT ACTIONS (2023)

- 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.

- Please ensure all newly adopted policies or any updated policies are submitted electronically to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. Electronic copies of the debit card policy should be emailed to Commission personnel for recordkeeping once a policy is adopted.
- Law enforcement reports must be submitted on the Commission’s board website by the 7th of each month referencing G.S. 18B-501(f1). Reports should 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. ABC Boards should make sure reports are in a “Final Submitted” status and not just in saved status. For any saved reports, the only transaction necessary is to click the preview button and then click the submit button for the reports.
- Due to new Town officials, the board needs to draft a new law enforcement contract with Weaverville Police Department and provide a copy to the Commission in connection with G.S. 18B-501(f).
- Local boards shall establish and maintain a shelf management plan per Commission Rule 15A .1708 Shelf Management. The board needs to work to rearrange liquor inventory on the shelves to follow shelf management requirements, in particular ensuring bottles increase in size from left to right.
- The recipients of alcohol education distributions must provide annual documentation to the board describing the activity for which these awarded funds are spent per G.S. 18B-805(h). The board may want to consider obtaining general plan for use before the funds are officially awarded / transmitted to any recipients.
- Meeting minutes should be signed by Chairperson referencing guidance in Commission’s Operations Manual.
- ABC board members must complete ethics training within one (1) year of each appointment and again following all reappointments. General managers, finance officers (and any applicable deputies) have a one-time training requirement for ethics training but are encouraged to complete training periodically as a good refresher along with any other personnel interested.
- All ABC boards are expected to track and monitor board members’ current appointment dates and term expiration dates, with updates made on the Commission’s login board website (the website where monthly sales are reported). In 2022, the Commission has already worked to do a validation reset for all ABC boards on board member information to include the most recent & valid term begin date as well as term end date. Board members need to provide the GM with their Oath of Office documents when new members are appointed and whenever existing members are reappointed. Going forward, this will increase visibility and allow for seamless board member updates with the Commission. It also allows ABC boards to coordinate well with the appointing authorities involved.

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

Mr. Strickland - Thank you for participating in the Weaverville ABC Board's meeting held on June 10 during which you discussed your performance audit conducted on May 7. We appreciated your review of your performance audit findings and recommendations. This email will serve as the Board's response to the few things that you noted in your report.

Item #1: Going forward the Board will ensure that any point-of-sale advertisements are targeted exclusively toward patrons inside the store and not directed toward individuals on the exterior portion of the store. As was discussed during your walkthrough, there is some advertisement on a shelving unit that was placed in a window. This shelving unit will be removed during an upcoming renovation and the advertisements will either be removed completed or redirected interiorly at that time. It is my understanding that you were agreeable with that change happen during the renovation. Please advise if I am mistaken and you need this to be taken care of more urgently.

Item #2: Board Member Michael McNamee was appointed to fill a vacancy on the Board and was then reappointed a year later for a full term. He took the ethics course with his original appointment and didn't realize he needed to take it again with his reappointment so soon after the completion of the first course. As was recommended, Board Member McNamee will be signing up for the class offered in August and we will ensure that this gets completed.

Item #3: Concerning the alcohol education funds, the Board receives a letter annually from the Weaverville Police Department concerning the use of these funds and it is included as documentation in the financial audit. Going forward we will make reference to this letter during the ABC Board meeting when the audit is reviewed so that it will be captured in the Board meeting minutes. Please let us know if you would like this handled in a different manner than what is described.

Item #4: The Certificate of Accountability has been reviewed and signed and emailed back to you on June 10 but also attached to this email.

In the coming months the Board will be consider implementing a written bank card usage policy. We appreciate that recommendation.

Thank you again for your kind words, encouragement, and attention to our store's operations.

Please reach out should you have any other questions or concerns to discuss.

Jennifer O. Jackson
Assistant Town Manager
30 South Main Street/PO Box 338
Weaverville, NC 28787
(828)442-1858

6 10 2026
Month Day Year

Weaverville
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).

Brian Hanks
General Manager

J. Widcox
Financial Officer

[Signature]
Chairman

[Signature]
Board Member

[Signature]
Board Member

Board Member

Board Member