

West Columbus ABC Board

Performance Audit Report



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Alcoholic Beverage Control

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May 1, 2025

West Columbus ABC Board

Starling Fowler, Chair

505 Joe Brown Hwy N.

Chadbourn, NC 28431

Chairperson Fowler,

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

Columbus County is located in the southeastern part of North Carolina along its border with South Carolina, and the West Columbus ABC Store is located in the town of Chadbourn. Chadbourn's population per the 2020 census was 1,574 residents, down 15.2% from 2010. Columbus County's population per the 2020 census was 50,121 residents, an approximate 1% decrease from 2010. The West Columbus ABC Board operates one (1) retail store and is one of five (5) boards with stores in the county.

S.L. 1967-540 authorized the Town of Chadbourn to hold an election for an ABC store. The referendum was held on November 14, 1967, and passed 282 to 99. The first retail sale occurred on December 20, 1967.

G.S. 18B-703 authorized a merger agreement between the Towns of Chadbourn and Fairbluff to form the West Columbus ABC Board on May 7, 2002. On June 30, 2005, the Town of Fairbluff dissolved the merger agreement.

As a result of the disassociation, the town of Chadbourn created an ABC board consisting of a chairperson and two board members to serve for three-year staggered terms and increased the number of board members by two in 2022. Current board members are Starling Fowler (Chair), Hattie Kelly, Avala Nealy, Shanna Kay Williamson, and Martha Yates.

The last performance audit for the West Columbus ABC Board concluded in 2016. 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 Wednesday, March 5, 2025, ABC Commission Program Analyst Edwin Strickland visited the West Columbus ABC Board and interviewed the General Manager, Stephanie Miller, and other team members. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



505 Joe Brown Hwy N. Chadbourne, N.C.

FINANCIAL ANALYSIS

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

- Once a week deliveries target at 6 times or more per year
- Twice a month deliveries target at 5 times or more per year
- Monthly deliveries target at 4.5 times or more per year

The West Columbus ABC Board receives two shipments monthly with a target inventory turnover rate of 5. The inventory rate in (FY) 2023-2024 was 4.3, which is near the goal.

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

In fiscal year (FY) 2023-2024, the West Columbus ABC Board had a profit percentage to sales ratio of 5.17%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales less than \$2M is 5%.

- The West Columbus ABC Board's gross sales totaled \$1,443,379, which was an approximate 3.3% increase from the previous fiscal year.
- The board's sales have grown almost 60% over the last five completed fiscal years.

West Columbus ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was .75 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with one or two stores and no mixed beverage is .85 or less.

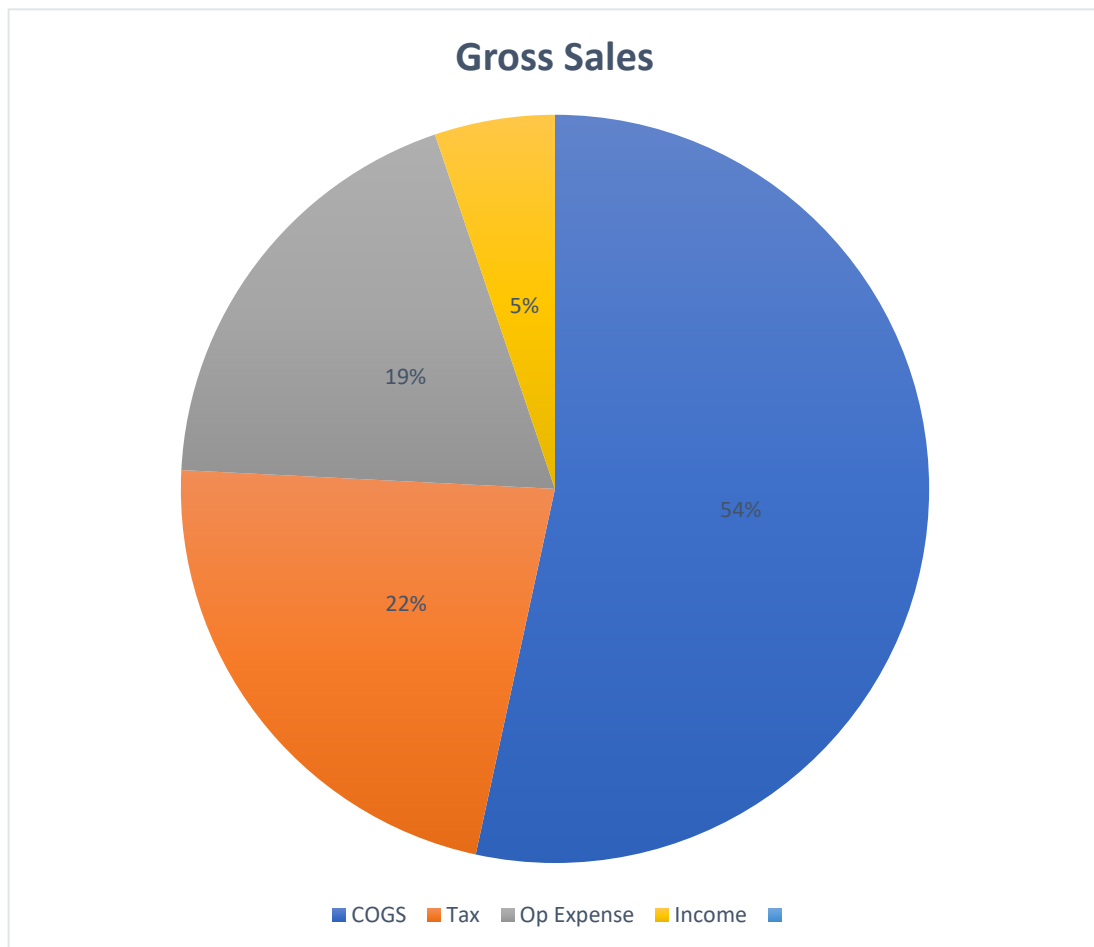
- Operating cost ratio is calculated by dividing total operating expenses less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).

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

	FY 2023-2024	FY 2022-2023
Gross Profit on Sales	\$349,009	\$348,389
Total Operating Expense	(\$274,456)	(\$215,226)
Income from Operations	\$74,553	\$133,163

FINANCIAL ANALYSIS (cont.)

- *Factors affecting sales:*
 - Columbus County has four other ABC Boards and surrounding counties have an additional seventeen ABC Boards with stores.
 - South Carolina is less than 20 miles away with possible additional outlets.
 - A 4.9% unemployment rate in Columbus County in June of 2024 with a .8% increase from the previous year.
 - The board currently has no mixed beverage customers.
- The chart below shows where portions of gross sales are expended or retained as income. COGS and primary distributions (Taxes) usually account for approximately seventy six percent (76%) of any board's gross receipts, with the remainder used to operate the system and as income. In turn, the income is then used to satisfy other statutory distributions and as working capital, capital improvements, or as additional distributions beyond the minimum requirement.

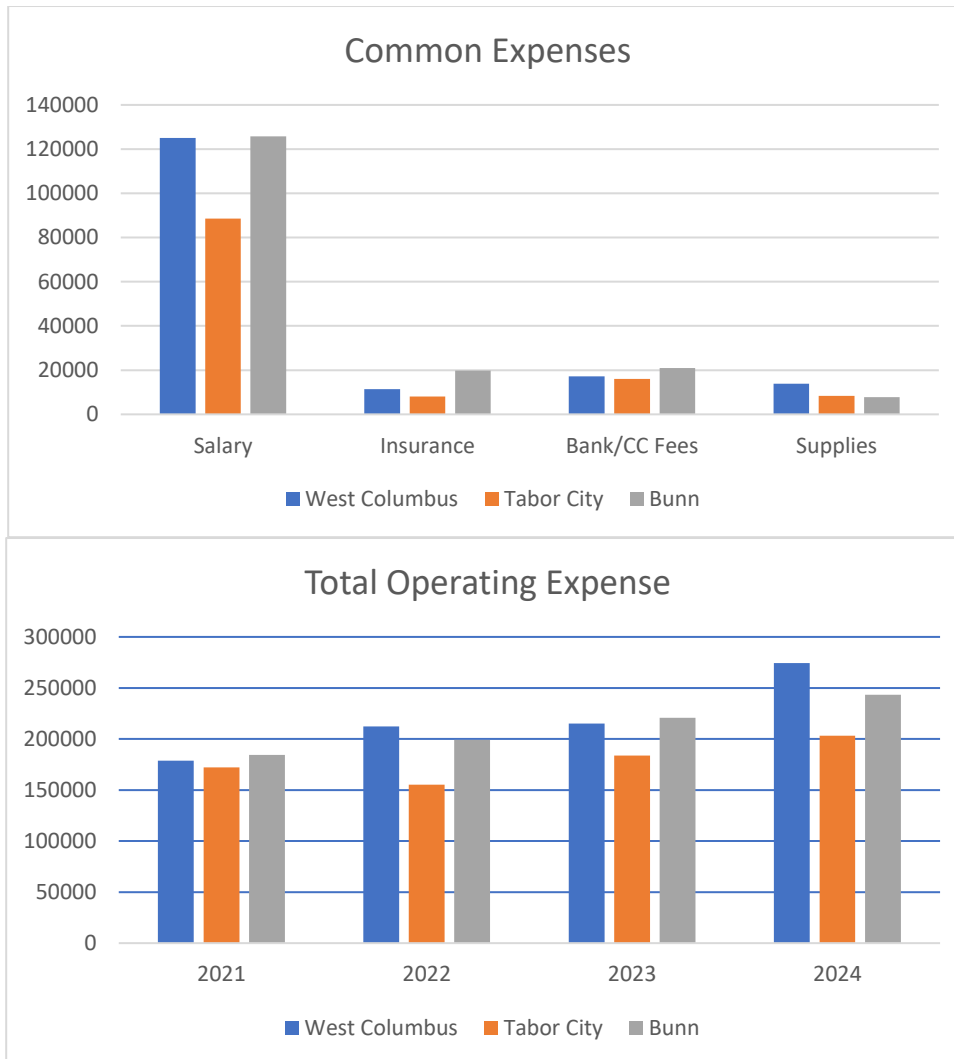


FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses increased over twenty-seven (27%) from the last fiscal year and were roughly nineteen percent (19%) of total annual sales in FY-23/24.
- Board salaries and wages were approximately nine percent (9%) of total annual sales. Salaries and wages increased over forty-three percent (43%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 53.4% for the fiscal year with a normal range being 52% to 54%.

- An operating expense report and common expense report show the West Columbus ABC Board has similar categorical and slightly higher total operating expenses comparable to other ABC boards within a similar gross sales range. *Common expense report categories can be unreliable as different CPAs may include different expenses in their line items.*



BUDGET ANALYSIS

	FY 2023-2024 <i>Budget Projections</i>	FY2023-2024 <i>Actual</i>	Variance	Variance %
Total Revenues	\$1,437,020	\$1,446,106	\$9,086	.6%
Total Expenditures	\$1,416,020	\$1,512,181	(\$96,161)	(6.8%)
Distributions	\$21,000	\$77,937		
Revenue over or (under) Expenditures		(\$144,012)		
After Reconciling Items		(\$3,059)		

- In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual sales revenues and income were .6% above final budget amendment.
 - In addition, the net income change during the fiscal year was (\$3,059). *The board's collective net position on June 30, 2024, was \$662,961; the net position has increased approximately 70% in the last five (5) fiscal years.*
- Based on sales trajectory for the current fiscal year with eight months (66%) of the budget year completed, the board is tracking at 58.6% of annual budgeted sales.
 - A comparison of the board's current P&L to their FY 2024-2025 budget indicates only small variations in line-item expenditures.

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 2023-2024, West Columbus ABC made other statutory distributions totaling \$77,937 (Net profit distribution recipient received \$74,000).
- The amount of \$323,182 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR) and the county commissioners of Columbus County.
- *Per the local enabling act, the distribution formula for recipients of net profits is as follows:*
 - 50% to Chadbourn General Fund
 - 45% to Columbus County General Fund
 - 5% to Town Fire Department

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

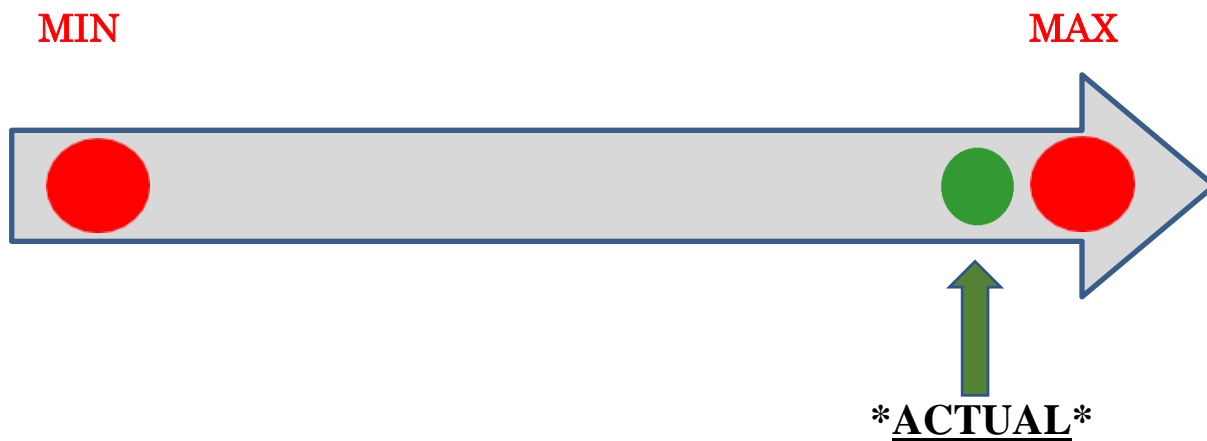
- Net Profit Distributions – The West Columbus ABC board has made net profit distributions once over the last five (5) fiscal years at or above the minimum mandatory distribution in reference to NCGS 18B-805(c)(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
- Law Enforcement Distributions: Have been properly disbursed at or above the standard 5% statute amount for the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at 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		West Columbus 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-2024	\$42,069	FY-2024	\$74,000
FY-2023	\$40,846	FY-2023	\$0
FY-2022	\$37,007	FY-2022	\$0
FY-2021	\$32,895	FY-2021	\$0
FY-2020	\$27,109	FY-2020	\$0

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. 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, 2024, the West Columbus ABC Board is required to maintain a minimum working capital of \$43,085 with a maximum working capital amount of \$373,400.
 - The West Columbus ABC Board had a working capital balance of \$373,349 which is narrowly less than the maximum Commission requirements for this section (*).

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



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

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

Board Members

- The board consists of four members and a chairperson, each receiving compensation for their services at the maximum \$150.00 per meeting.
 - Board members are compliant on ethics training and all terms are appropriately staggered with end dates the same month.
 - *Board could consider requesting approval to align board member terms so there are no more than two member's term end dates each year.*
 - The board has a mix of first term and reappointed members.
 - Members have professional experience in education, business, and activities with other local boards and organizations.
- Members have taken an oath of office per G.S. 11-7, and written copies of oath are available at the board's administrative office. *One member's oath was not in board records at visit.*
- Meetings are generally held the third Thursday of each month and public notices are posted in the store and provided to the town.
- Meeting minutes are well organized and available and follow the order of proceedings, providing detail of business discussed in a transparent and easily comprehensible manner.
 - Minutes reviewed contained all required notations including time and date, no conflict-of-interest statement, approval of previous meetings minutes, and were signed by chairperson and other members.
 - Full financial reports prepared by the finance officer and provided to each member.
- 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 location.
 - *The expectation going forward is that ABC boards will routinely manage this information online, and work to communicate with the Commission particularly when new members are added, or whenever any current serving members resign before a term has ended.*

Law Enforcement

- The board has an updated law enforcement contract with the Town of Chadbourne Police Department from 2024.
- Law enforcement reports have been submitted regularly by the general manager but contain no statistical data for activities, indicating none were provide from the police department.
 - The board has already discussed in official meetings but should continue to work with their law enforcement distribution recipient to ensure compliance with G.S. 18B-501(f) and (f1). *Additionally, if compliance with G.S. 18B-501(f1) is not satisfied, the board could consider contracting with a different law enforcement agency such as a sheriff's department or Alcohol Law Enforcement.*

Board Personnel

- The board currently staffs six (6) total employees, with two (2) full time, and four (4) part time.
- General Manager has served in this role with the board for approximately two years and was previously a sales associate and assistant manager.
 - General manager is full time, their salary is below the maximum allowable compensation per G.S. 18B-700(g1), and they are compliant on ethics training.
 - Their responsibilities include full oversight of all daily store operations, human resources, scheduling, ordering, deposits, inventory, financial review, and other administrative tasks.
- The assistant manager is full time and supports the manager with truck deliveries, inventory, and team management. They are cross trained on some of the general manager's key responsibilities.
 - Both the assistant manager and general manager have recently completed an ethics training course.
- The Finance Officer's primary employer is a third-party accounting firm.
 - Their responsibilities include billing and payables, payroll, distributions, taxes, and bank reconciliation.
- The board has a team for truck deliveries who are paid from petty cash.
- All other store employees are part time sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training for new employees is handled via a checklist on different tasks, functions, and job descriptions.
 - Most staff members have attended RASP training.
 - Product knowledge training is handled informally between team members and through guidance from sales reps.
- Employee files are kept in the administrative office and include employment verification, identifications, applications, pay and banking information, reviews, and personnel manual acknowledgment form.
 - Tax information is retained in the finance officer's records offsite.
- Full time employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with general manager.

Policies

- The board does not have a personnel manual approved in Commission records retention.
 - They have postings from their appointing authority's manual in the store and a copy of the Commission template manual in the manager's office.
 - The board is currently discussing items related to employee vacation hours and is seeking guidance from a law firm.
- Policies approved and on file with the Commission include shelf management, pricing and price discrepancy, sales to minors, tastings, and mixed beverage.
- In addition to a personnel manual, the board should consider adopting written policies for credit/bank card usage.
- The board does not currently have approval from their appointing authority to conform to their travel policy.
 - General manager has discussed a travel policy with the town manager and is working to seek approval. *Alternatively, the board could consider adopting the state's travel policy to avoid the need for their appointing authority's annual approval.*

Operations

- Inventory is routinely conducted, most often twice a month.
 - Both managers and another team member participate.
 - Scanners are used and discrepancies are investigated.
 - Adjustments are made by the general manager and sheets are retained.
 - A small sample of items were selected to verify accurate current inventory. Of those selected all items but one's actual inventory matched the theoretical.
 - Strategies for slow moving products include moving around in the store and on end caps, working with broker reps, and price reductions.
 - The board has a green tag, *last chance*, table by the entryway for reduced price products.
- Board receives deliveries for goods twice a month.
 - Offload is conducted using a conveyor belt with cases being scanned.
 - Variances are reviewed and recounted before sending notification to LB&B.
- The board does not currently have any mixed beverage customer accounts.
- General manager makes liquor order by reviewing each code's recent sales and current inventory.
 - Adjustments for season are made intuitively.
 - SPA pricing is considered for feasible buy ins.
 - Allocated products are shelved upon receipt.

Financial, Administrative, and Internal Controls

- Invoices for liquor are usually processed per delivery.
 - A sample of check payment dates were reviewed and indicated invoices were paid within the thirty-day requirement.
- Board's checks have the required disbursement certificate in compliance with G.S. 18B-702(q).
 - The finance officer and general manager countersign all checks.
- Pre-audit stamp verification is being implemented on all invoices including liquor suppliers.
 - *To avoid stamping each invoice the board could consider pre-auditing the final order edit list.*
- The general manager has a debit card used primarily for supplies.
 - Itemized receipts for purchases are provided to the finance officer for verification and then retained at administrative office.
- Deposits are made daily for the previous business day except Saturday. Cash is left in a bag and the final deposit is composed by the general manager. Deposit slips and other banking information are retained at board and the finance officer conducts month end reconciliation.
 - The board uses a log for discrepancies and overage is retained for covering any inventory issues.
 - *A review of one month's deposit information was conducted, and no discrepancies were found between deposits and register receipts.*
- The board uses one or two registers with tills begin with \$200.00.
 - Store has a change fund and petty cash. *Board has petty cash report for any usage and the finance officer replenishes by check.*
- All funds are kept in a pooling bank approved by the North Carolina Treasury Office.
- Payroll is bi-weekly and processed by the finance officer using QuickBooks.
 - Staff clock in through computer system and hours are verified with time sheets.
 - Overtime pay is not generally extended.
 - *A review of recent payroll records indicates accurate pay rates for board members and the general manager.*
- Board keeps records for unsaleable merchandise reports and emails copies of the claims to the Commission regularly in compliance with NCAC 15A .1701(c).
- The board has not received a report describing expenditures of funds from their alcohol education and rehabilitation recipient or the county for their distribution in compliance with G.S. 18B-805(h).
- The annual CPA audit was received by the Commission on September 26, 2024.
- All board members and the general manager and finance officer are each bonded for \$50,000 per G.S. 18B-700(i).
- Board has an approved code of ethics policy on file with the Commission.

STORE INSIGHT & OVERVIEW

- The board's store and administrative office is on a main thoroughfare between two highways and near the downtown area of Chadbourn.
 - There is a sign attached to the building but no street sign.
 - The store is beside a gas station/convenience store and the parking area is shared.
 - Outside area surrounding the store is well-maintained and mostly free of debris or trash.
 - The warehouse has a roll away door protecting the entryway but no pallet delivery access.
- The interior retail area and warehouse are brightly lit and organized.
 - Show room space is small but aesthetically pleasant.
 - The counter has a shield posted, probably from Covid, that doesn't seem to fit the character of the store. *This was removed post Commission visit.*
 - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed, and the quarterly price book is available.
- Shelf management practices are fully implemented, and a written plan is available for store personnel which corresponds with NCAC 15A .1708.
 - Products are fronted and dusted, and most are placed in areas with similar products but there is no categorical signage.
 - Premium products are generally found at eye-level or top shelf.
 - Bottles are arranged so they increase in size left to right of the same item.
- Management uses signs for specially priced items only when they are provided by sales representatives.
- Sales associate interactions with customers are attentive, courteous, and the staff is very familiar with many of their patrons.
 - Uniform shirts are worn by team members.
- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, all item's prices were accurately posted.
 - Board uses scanners at beginning of the month to minimize inaccuracies.
 - *Price discrepancies are handled in the customers favor if the shelf tag were to be lower than the current price mandate.*
- Store is generally open from 9:00 am until 9:00 pm daily. They are currently closed every Sunday and the five (5) previously required annual holidays.
- Security systems are in place and functional in all designated areas.
 - *The store has sixteen (16) cameras, and a panic button located at the register.*

RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)

- The board should approve a personnel manual which governs the operations of their store, their administration, and the enforcement of the ABC laws. This could include among many other items, information related to pay and benefits, particularly those associated with work time and vacation accruals. *As a starting point, the board could consult the personnel manual template on the Commission's website.* In accordance with Rule 15A .1102, the board should send the Commission all rules for approval and record retention.
- While already providing sufficient procedural oversight, the board should craft a credit card policy that clearly defines the purposes for usage of the card(s), people that may use the card(s), and the method for retaining records of usage. In accordance with Rule 15A .1102, the board should send the Commission all rules for approval and record retention.
- The board must annually obtain approval from the appointing authority to adhere to their local government travel policy and annually provide the Commission a copy of this approval per G.S. 18B-700(g2). *Prior to Commission visit, the management has discussed travel policy with their appointing authority's town manager.*
- The board should work with their contracted law enforcement agency, The Town of Chadbourn Police Department, to reestablish law enforcement reporting to comply with the provisions of G.S. 18-B-501(f1). If current law enforcement agencies are not completing ABC enforcement law activities on behalf of the board, it is recommended for the board to consider entering a contract with a different agency such as Alcohol Law Enforcement (ALE) state agency or the local sheriff department.
- The recipient(s) of alcoholism fund or education distributions should provide annual documentation to the board describing the activity for which these awarded funds are spent per G.S. 18B-805(h). *The board may want to consider obtaining documentation before the funds are officially awarded / transmitted to any recipients.*
- 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.

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 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 encouraged to closely review financial statements monthly, comparing with the annual budget forecast, approving budget amendments when necessary and submitting copies to the Commission for anticipated sales increases as well as other adjustments for budgeted accounts.
- ABC boards are highly encouraged to find straightforward ways to lower any recurring expenses. *A very tangible way to lower operating costs is to fully maximize monthly special purchase allowance (SPA) liquor products that routinely sell well in the store to lower cost of goods sold (COGS).* Other ways to try to improve expenses include requesting bids annually from various vendors to get the best rates possible on financial audits, various utilities, maintenance contracts, and *credit card processing companies*.
- With the anticipated construction of a new state warehouse in the foreseeable future, boards should evaluate the need for updates or expansions to efficiently accommodate the expected increase in products and their availability.
 - Under G.S. 18B-805(d), with approval of their appointing authority, the board could consider requesting additional funds be retained in a capital improvement fund for possible future store improvements or relocation.
- *The board could consider easily obtainable improvements to their current location such as a street visible sign and, possibly, additional product signs highlighting specially priced or other featured items.*
- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.
- ABC boards can explore additional training opportunities periodically available through the ABC Commission Education Outreach as well as partnering with other ABC boards or the Association of ABC Boards on specific areas such as best retail and marketing practices.

PREVIOUS PERFORMANCE AUDIT RECOMMENDATIONS (2016)

- Continue making quarterly distributions to the town as required in G.S 18B-805.
- Consider improving the store focusing on:
 - Seeking assistance from the owner to improve the parking area;
 - Replacing the light fixtures around the store;
 - Updating the shelves to incorporate a modern look.
- Consider cross-merchandising by placing products that mix together on the same shelves. Intermingle North Carolina products within their specific category as well as having a designated area.
- Utilize more of the end caps to incorporate valuable displays for new and bestselling items.
- Consider cross training by designating certain duties to other employees.
- Create personnel files for all employees. Include the employee's application, tax and I-9 documentation.
- Consider additional training opportunities through the Commission, such as the Responsible Alcohol Sellers Program, and other Commission-approved courses.
- Have an agreed upon law enforcement contract and submit to the Commission. All local boards are required to have an agreement, even if the agreement results in no enforcement activity without distribution.
- Adopt the above policies that incorporate customer friendly practices and current personnel practices. Once adopted, submit a copy to the Commission and communicate to all employees should the need arise.
- NCAC 15A .0905 requires boards to make daily deposits unless a waiver has been granted by the Commission.
- Refrain from allowing employees to cash payroll checks in the store.
- Submit breakage forms quarterly as required by the Commission rule.
- Consider performing more frequent spot checks of inventory.
- Post signage at the store and Town Hall notifying the public, when, where, and the time meetings are held.
- Ask the appointing authority to follow the staggered term requirements.
- Monitor budget more closely, particularly towards the year end, to determine whether amendments are needed. Amendments are required when expenses are over budget or have not been budgeted for and when sales are not meeting or are exceeding budgeted amounts.
- Place the pre-audit certificate with the finance officer's signature on the order to LB&B. When ordering supplies, have a purchase order or order confirmation that will have authorization from the finance officer before the transaction takes place.

While having addressed most considerations from previous Commission review (2016), board should still monitor and strive to satisfy previously noted recommended actions.

North Carolina ABC Commission

April 24, 2025

400 E. Tryon Rd.

Raleigh, NC 27610

Response to NC ABC Performance Audit Recommendations

Dear Mr. Strickland,

The West Columbus ABC Board appreciates your support and recommendations from the audit you recently performed on March 5, 2025. This performance audit will help us with the areas that need improvement. Please find below our responses to the findings and recommendations.

Item 1: A personnel manual was discovered by ABC Commission and recently sent to the board. The Commission has a stamp date of June 12, 2008. The board has acknowledged this manual during the board meeting held on March 27, 2025. The board will provide the Commission with any updated versions.

Item 2: The credit card policy template received by the Commission was drafted and reviewed during a board meeting on March 27, 2025. The board decided to edit the policy. The policy will be provided to the ABC Commission for approval.

Item 3: A travel policy was previously adopted by the appointing authority in 2016. The appointing authority will provide the board with an updated version and in return will be made available to the Commission for approval.

Item 4: The board will follow the recommendation provided regarding the Law Enforcement Contract seeking compliance with the Town of Chadbourn Police Department and other recommended options if not compliant.

Item 6: The Alcohol Education Fund or education distributions recommendations will be followed. The board will obtain all required annual documentation before

transmitting or awarding funds to any recipients describing the activity for the awarded funds adherent to G.S. 18B-805(h)

Item 7: All recommendations will be followed. The board has recently provided the ABC Commission with a signed certificate of accountability attestation form.

Sincerely,

A handwritten signature in cursive script, reading "Stephanie Miller", written over a horizontal line.

Stephanie Miller, General Manager

A handwritten signature in cursive script, reading "Starling Fowler", written over a horizontal line.

Starling Fowler, Chairman