

Wilson County ABC Board

Performance Audit Report



TABLE OF CONTENTS

ABC Commission Statement	3
Objective, Purpose & Background Information ...	4
Financial Analysis, Observations & Findings	6
Recommended Actions & Additional Considerations	19-20
Previous Performance Review Recommendations	20
Appendix A- Wilson County ABC Board Response Letter	21-22



Alcoholic Beverage Control

December 17, 2025

CHAIRMAN:

Hank Bauer

Wilson County ABC Board

COMMISSIONERS:

La'Tanta (L.T.) McCrimmon
Raleigh

Paul Farris, Chair

2612 Forest Hills Rd SW.

Wilson, NC 27893

David Sherlin

Raleigh

Chairperson Farris,

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 Wilson 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.

LOCATION:

400 East Tryon Road
Raleigh NC 27610

MAILING:

4307 Mail Service Center
Raleigh NC 27699-4307

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.

PHONE: (919) 779-0700

<http://abc.nc.gov/>

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

Wilson County is located in eastern North Carolina and the seat is Wilson. The county's population per the 2020 census was 78,784 residents, down 3% from 2010. The Wilson County ABC Board operates five (5) retail stores, an administrative building with a warehouse, and a second adjacent central warehouse. The Wilson County ABC Board was the first board with a store to have retail sales in the state, and it is the only ABC Board in the county.

S.L. 1935-493 authorized Wilson County to have an ABC store. The referendum was held on June 22, 1935, and passed 4,147 to 428. The first retail sale occurred on July 2, 1935. Subsequent mixed beverage elections occurred in Wilson County and the City of Wilson and did not pass. A second mixed beverage election occurred for the City of Wilson on November 5, 1985, and passed 4,578 to 2,762. Upon vote passage, the county commissioners were authorized to create an ABC board consisting of a chairman and two members to serve for three staggered year terms. Current board members are Paul Farris, chair, Bruce Beasley, and Erin Day.

The last performance audit for the Wilson County 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.



2612 Forest Hills Rd SW. Wilson



OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On August 27, 2025, ABC Commission Program Analyst Edwin Strickland visited the Wilson County ABC Board and interviewed the General Manager, Larry Etheridge, Finance Officer, and Tanner Smith. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



5900 Ward Blvd (Hwy 301). Wilson



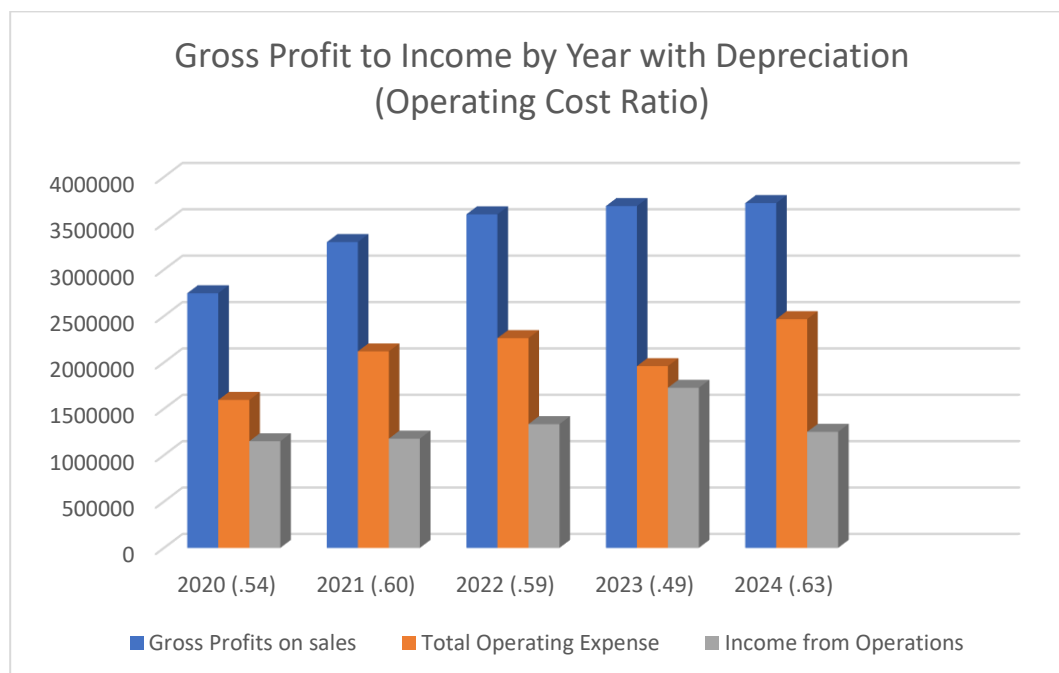
4912 Raleigh Rd Parkway W. Wilson

FINANCIAL ANALYSIS

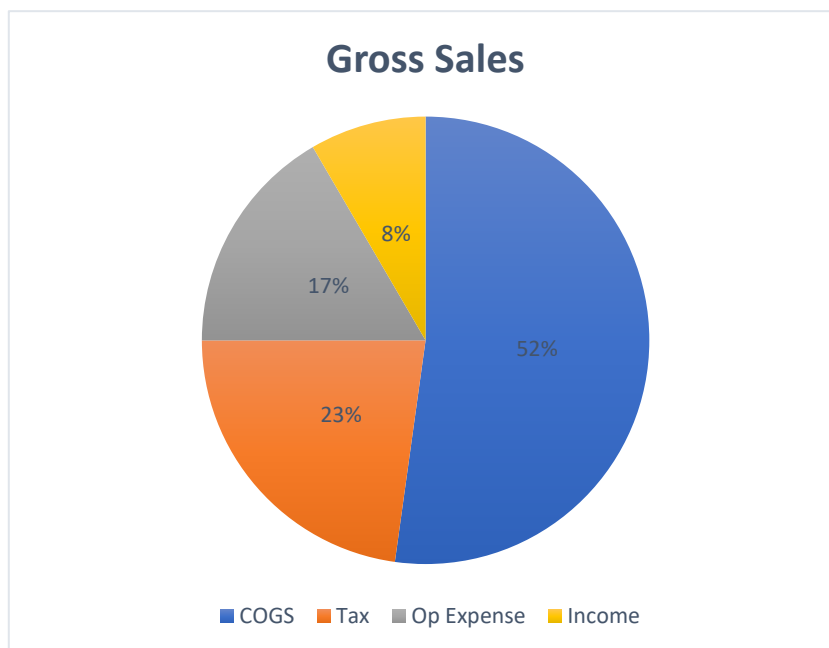
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2023-2024, the Wilson County ABC Board had a profit percentage to sales ratio of 8.41%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$10M is 9%.
 - The Wilson County ABC Board's gross sales totaled \$14,881,448, which was an approximate .1% increase from the previous fiscal year.
 - The board's sales have grown almost 34% in the last five complete fiscal years.
- Wilson County ABC Board operates five retail stores with mixed beverage sales. The operating cost ratio for the board was .63 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with three or more stores is .63 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 Wilson County ABC Board narrowly did not meet the profitability standard but did meet the operating cost standard set by the NC ABC Commission. Below are charts showing gross profit on sales, total operating expenses, and income from operations for recent years.

	FY 2023-2024	FY 2022-2023
Gross Profit on Sales	\$3,717,808	\$3,686,317
Total Operating Expense	(\$2,466,531)	(\$1,959,969)
Income from Operations	\$1,251,277	\$1,726,348



- 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:*
 - Other ABC boards with stores within a 30-mile radius include Bunn and Nash, Greene Edgecombe, Wake, Halifax, Pitt, and Johnston Counties' ABC Boards.
 - A 5.5% unemployment rate in Wilson County in June of 2024 with a .6% increase from the previous year.
 - The board currently has approximately 37 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for over 8% of gross sales.*

INVENTORY TURNOVER

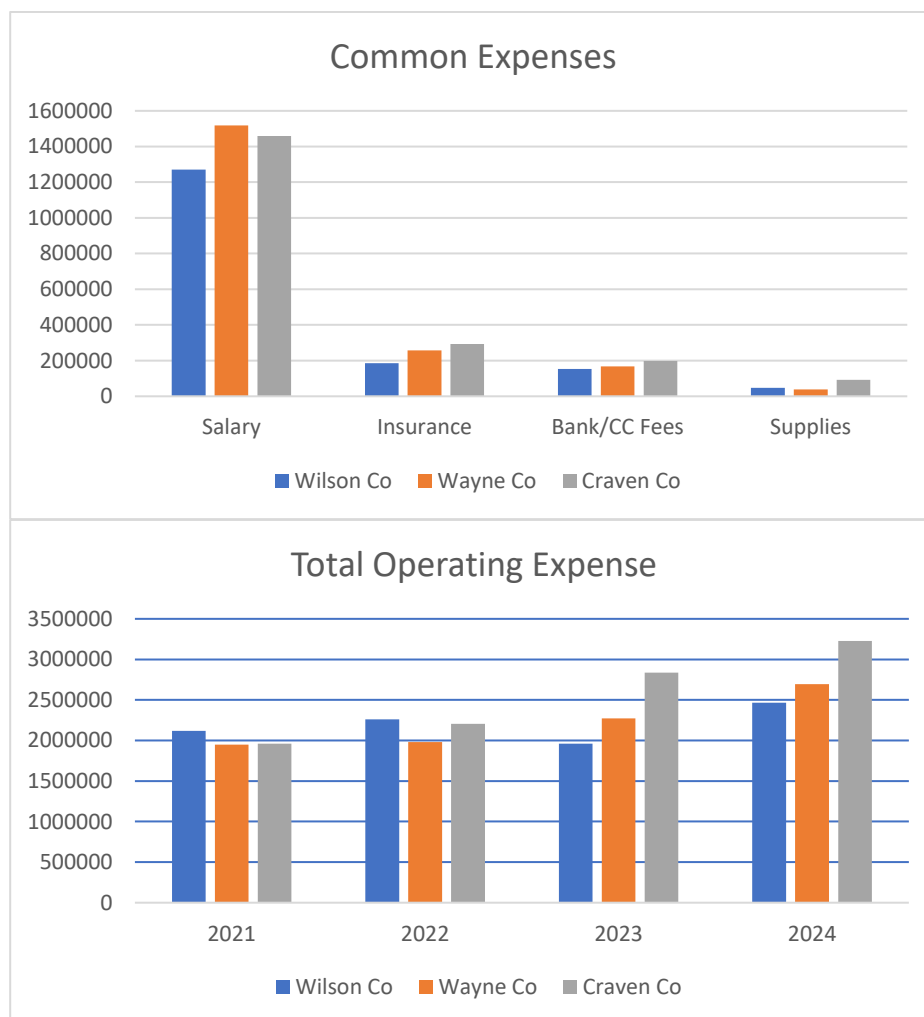
- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
 - Once a week deliveries target at 6 times or more per year
 - Twice a month deliveries target at 5 times or more per year
 - Monthly deliveries target at 4.5 times or more per year
- The Wilson County ABC Board receives shipments weekly with a target inventory turnover rate of 6. The inventory turnover rate in (FY) 2023-2024 was 4.4, which is near the goal. *Inventory turnover will change with the robust buy in program in progress.*

FINANCIAL ANALYSIS (cont.)

➤ *Factors affecting expenses:*

- Total operating expenses increased by almost twenty-six percent (26%) from the last fiscal year and were around sixteen- and one-half percent (16.5%) of total annual sales in FY-23/24. *Operating expenses in FY 22/23 were down almost 14% from the previous FY.*
- Board salaries were around eight- and one-half percent (8.5%) of total annual sales and increased less than nine percent (9%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 52.2% for the fiscal year with a normal range being 52% to 54%.

- A common expense report and a total operating expense report show the Wilson County ABC Board has similar or lower categorical and total operating expenses comparable to other ABC boards within a relatable gross sales range and other variables. *Common expense report categories can, sometimes, be unreliable as different CPAs may include different expenses in their line items. Both boards referenced in the table have higher total sales than Wilson County ABC. Total operating expense reports include the depreciation expense.*



BUDGET ANALYSIS

	FY 2023-2024 <i>Budget Projections</i>	<i>FY2023-2024 Actual</i>	Variance	Variance %
Total Revenues	\$14,000,000	\$14,988,680	\$889,448	6.3%
Total Expenditures	\$17,132,736	\$15,853,022	\$1,279,714	7.5%
Distributions	\$773,200	\$715,086		
Revenue over/under Expenditures & Finance		(\$1,579,428)		
After Reconciling Items		\$643,423		

- In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual total revenues were 6.3% above budget and expenditures were below the final budget amendment by 7.5%.
 - The net income change during the fiscal year was \$643,423. *The board's collective net position on June 30, 2024, was \$6,707,699; the net position has increased by almost eighty-four percent (84%) over the last five (5) fiscal years.*

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, Wilson County ABC accrued funds for other statutory distributions totaling \$715,086 (Net profit distribution recipient received \$575,000).
- The amount of \$3,400,595 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Wilson County.
- *Per the local enabling act, the distribution formula for recipients of net profits is as follows:*
 - 75% to Wilson County General Fund
 - 25% to towns with stores

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

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

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Wilson 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	\$416,889	FY-2024	\$575,000
FY-2023	\$414,262	FY-2023	\$547,689
FY-2022	\$401,664	FY-2022	\$425,000
FY-2021	\$377,368	FY-2021	\$425,000
FY-2020	\$319,278	FY-2020	\$800,000

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 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 Wilson County ABC Board is required to maintain a minimum working capital of \$441,571 with a maximum working capital amount of \$2,870,213.
 - The Wilson County ABC Board had a working capital balance of \$3,305,537 which is more than the maximum Commission requirement 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.
- *The board has an approval from their appointing authority in 2012 to exceed working capital for future improvements. With several improvement projects during FY 24/25 the board may now be below maximum working capital. If the board is still above the working capital maximum amount on June 30, 2025, the board should consider seeking an additional capital improvement approval from their appointing authority because of the length of time since their initial approval.*

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

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

Board Members

- The board consists of two members and a chairperson each receiving compensation for their services at or below the maximum \$150.00 per meeting in compliance with G.S. 18B-700(g).
 - Current board members' terms are staggered to comply with G.S. 18B-700(a).
 - Board members are currently compliant with ethics training with one recently reappointed member needing to satisfy the training requirement in the coming months.
 - All current members have served previous terms for the board.
 - Members have professional experience in business, other area boards, and with a substance abuse and/or rehabilitation facility.
- Members have taken an oath of office per G.S. 11-7. *Copies of oaths are available at the board's administrative office.*
- Meetings are generally held on the third Wednesday of each month and public awareness is posted at the administrative office and on the board's website. *The board may want to verify if the county clerk's office is notified when meeting dates change.*
- Meeting minutes are organized and available and follow the order of proceedings to include the no-conflict-of-interest statement.
 - Financial reports are provided by the administrative team and are discussed at meetings to include monthly sales per store, comparisons to previous year, mixed beverage sales, statewide sales, balance sheets, budgetary information, and law enforcement reports.
 - Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld. Boards should also, routinely review any notes and recommendations provided by the CPA firm on annual audits.
- The board's login website had been updated at and prior to Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

Law Enforcement

- The board has a team of part-time internal law enforcement officers to include a chief and two others.
- Law enforcement reports are submitted regularly with data supplied by Chief Cooke.
 - Law enforcement reports contain applicable data for accountability as required by G.S. 18B-501(f1).
 - Reports contain thorough remarks and indicate an active and vigilant agency.
 - Law enforcement activities are reported and discussed at board meetings with some attendance from the officer(s).

Board Personnel

- The board currently staffs forty total employees with nineteen working full-time.
- The General Manager has been with the board for around twenty-eight years. He has been the general manager since 2010 and was previously the operations manager.
 - He is full-time, his salary is below the maximum allowable compensation per G.S. 18B-700(g1), and he is compliant with ethics training.
 - He is responsible for oversight of all board operations and human resources.
- The Finance Officer is full-time, has been with the board for around four years, and is compliant with ethics training.
 - Their responsibilities include accounting and operational activities, and they work directly with the general manager on many system functions.
- The board has a warehouse manager who oversees a team responsible for warehouse, inventory, deliveries, and ordering.
- The board has an executive assistant who provides financial assistance to the finance officer for accounts payable, account reconciliations, and other office and store activities.
- All stores have a designated store manager responsible for their store's inventory and general store upkeep. Some stores have a designated assistant manager.
- All other store employees are sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Schedules for employees are made and approved by the general manager.
- Training is provided by new employees from store managers and seasoned employees and is on-the-job mentorship style.
 - Cross-training opportunities are extended in both the stores and administration.
 - New employees meet with the administrative office at the beginning of their employment, and a checklist for on-boarding is utilized and kept in employee files.
 - Responsible alcohol sales training is provided by the board's law enforcement officers and is conducted in the initial phase of employment and again annually for all employees.
 - Product knowledge training is provided at initial employment and perpetually through general conversations between management and other employees.
 - Contact information for special order requests is provided to the general manager who contacts the customer(s) to assess whether the board should purchase. All mixed beverage and listed product requests are usually ordered.
- A file for each employee is kept in the general manager's office and include salary updates, policy acknowledgments, and new hire checklists. Tax and employment verification information is retained in separate file in the administrative office.
- Full-time employees are enrolled in LGERS and some employees hired before a specific date are eligible for OPEB benefits. All employees are eligible for a supplemental 401(k) plan.
- No conflicts pertaining to nepotism found and per discussion with the general manager.

Policies

- The board has a thorough personnel manual that details various work requirements, behavioral standards, leave and other benefits, scheduling and holidays, and all additional requirements of Rule 15A .1006.
 - The personnel manual covers other policies including price discrepancies, shelf management, and vehicle usage.
 - Additional policies provided to the Commission include code of ethics, mixed beverage sales and delivery, credit card usage, and tasting approval and agreement.
- For travel, the board chooses to adhere to their appointing authority's travel policy. *To comply with G.S. 18B-700(g2), the board should obtain and provide the Commission each year an annual approval and copy of the policy from their appointing authority to continue following the county's travel policy.*

Alcoholism Fund Recipients

- G.S. 18B-805(h) requires funds distributed under subdivisions (b)(4) and (c)(3) of this section, shall be spent for the treatment of alcoholism or substance abuse, or for research or education on alcohol or substance abuse.
 - In FY 23/24 the board made or accrued distributions in the amount of \$65,913 and has made distributions in the amount of \$399,654 over the last five completed fiscal years.
 - The board receives requests and considers distributions under this subsection for a variety of programs throughout the county. In FY 23/24, the board awarded funds to nine different programs, schools, and a municipal police department.
 - For compliance with G.S. 18B-805(h), the board receives reports from the various recipients describing how funds were or will be spent.

Operations

- Board personnel conduct full inventory weekly at all stores and weekly at their warehouse.
 - Counts are made using scanners in stores and manually in the warehouse, and multiple team members participate.
 - Adjustments and transfers are made only by the administrative office and reviewed by the warehouse and general manager.
 - Law enforcement investigates certain discrepancies to include camera review.
 - Strategies for slow moving products include moving between stores, and price reductions.
- The board receives deliveries of goods each Monday at their central warehouse with rare direct delivery to store(s).
 - Pallets are dropped and cases are down stacked using scanners.
 - Self-distribution from the warehouse for all stores except store #4 (Stantonsburg) occurs on Mondays and are rechecked by applicable personnel.
 - Any variances are recounted and balanced against store and warehouse stock before reports are sent to LB&B.
 - The board's newly constructed second warehouse is mostly devoted to accommodating an immense buy in program.
- Liquor orders are made by the warehouse manager and reviewed by the administration. Orders are made by reviewing a 30-day sales history and provided to store managers for review. SPAs and other price changes are considered for every product. The finance officer maintains a spreadsheet of several years' special pricing history and targets certain months' pricing for long range buy ins.
- The General Manager converses with mixed beverage accounts regarding allocated products and portions are reserved for the accounts. The board holds one lottery per year, and other products are randomly shelved at different stores.
- The board has a website with general information about the board, contact, employment, pricing, frequent questions, and other helpful links.
- The board keeps records for the destruction of unsaleable merchandise reports and copies are sent to the Commission for compliance with Rule 15A 1701(c).
- The board currently has around thirty-seven mixed beverage customer accounts.
 - Three stores are designated mixed beverage outlets.
 - Permittees are responsible for designating in writing the person(s) who will be picking up orders.
 - Picked orders are rechecked by a second teammate and again at the transaction.
 - Invoices are provided to permittee(s) and signed copies are retained.
 - The board stamps bottles in the manner required by NCAC 15A .1901.
- The board does hold tastings in some stores and has policies for approval and other guidelines.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed monthly or, sometimes, twice monthly.
 - The board pays most supplier invoices via ACH with some paper checks.
 - The board has positive pay for account security.
- The board's checks have the required disbursement certificate in compliance with G.S. 18B-702(q).
 - Checks are signed by the finance officer and the chairperson or other board members.
- The finance officer reviews, stamps, and signs the liquor order edit list and other payment notices in compliance with G.S. 18B-702(m).
- The board has a credit card maintained in their administrative office. Itemized receipts are kept and reviewed by the finance officer or administrative assistant when the account is fully settled monthly.
- Each store manager is responsible for a change fund.
- The board's administrative office has petty cash, and itemized receipts are required for all usage and reviewed at reconciliation and replenished via board check.
- Most stores have three retail registers, and a mixed beverage only register for applicable stores. Tills usually start at \$200.00.
 - Tills are compared to register report(s) at shift change but funds remain with the till.
 - Clerks are responsible for the full register amount including shortages and overages remain in the stores' safes for a period before being deposited.
 - POS errors are investigated when overages/shortages occur, and employees are repaid for shortage variance when needed.
 - Till deposits are combined and verified nightly by a closing employee.
 - Deposits are taken to the bank daily except Saturdays.
 - The finance officer and administrative assistant verify deposits match receipts routinely and again at month end reconciliation.
 - *A sample of recent deposits were reviewed and matched with cash register tapes with no significant variances.*
- Funds are kept in a pooling bank(s) approved by the North Carolina Treasury Office.
- Payroll is processed bi-weekly through ADP.
 - Store managers send time sheets which are reviewed by the administrative team before reporting to ADP.
 - *A review of recent payroll records indicates accurate pay rates as entered on the board website for board members and the general manager.*
- Travel reimbursements are made to members and applicable staff following their appointing authority's policy and itemized receipts are required for claims.
- The annual CPA audit was received by the Commission on September 21, 2024.
- All board members and applicable personnel are bonded for at least \$50,000 per G.S. 18B-700(i) and G.S. 18B-803(b).

STORE INSIGHT & OVERVIEW

- Commission staff visited the board's administrative office, one warehouse, and three retail stores.
- The board's warehouse and administrative office are in the same building at a central location with their newly constructed second warehouse in an adjacent lot.
 - The administrative office is spacious, professional, and welcoming.
 - The warehouse is well lit and organized and allows for pallet delivery.
 - The board's store #9 is located in the same complex as the administrative office.
 - The board's store #8 is a recently reconstructed free-standing building on a corner with a stoplight.
 - The board's store #7 is a free-standing building with a recent warehouse expansion.
 - All stores visited are located on or near busy thoroughfares in commercial areas.
 - All stores have adequate parking and easily viewable building signs.
- All the facilities visited are well lit and organized.
 - Floors, counters, and shelves are clean.
 - The Fetal Alcohol Syndrome posters required by G.S. 18B-808 are displayed.
 - Quarterly price books are available at all stores.
 - North Carolina products are mixed throughout the stores and/or in a special section. *The board has created their own North Carolina product shelf tags indicating their board's name and logo.*
 - All stores have information boards located at their entrances.
 - Outside areas around the buildings are free of trash and debris.
- Shelf management practices are implemented in all stores visited.
 - Products are fronted, dusted, and in their designated category.
 - 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.
 - Bright shelf tags are made to highlight specially priced items.
 - Category signs are prominently displayed.
- Sales associate interactions with customers are attentive, courteous, and the staff are eager to meet the needs of the customers. *All staff are aware that loitering is prohibited.*
- A sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, all items across three stores' shelf price tags reflected current pricing.
 - Price discrepancies will be handled in the customers favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Store hours vary by location and day of the week with all stores except #4 (Stantonsburg) staying open until 9:00 pm on Friday and Saturday.
- All stores are closed every Sunday, the five previously required holidays, Martin Luther King Jr. Day, Easter Monday, and Memorial Day.
- Security systems are in place and functional in all designated areas.
 - *The stores have cameras, alarms, and panic buttons.*

RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES)

- The board must annually obtain approval from the appointing authority to adhere to their local government travel policy and annually provide the Commission with 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 formally adopting the State of NC government travel policy during an official board meeting and provide a copy to the Commission.
- 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.
- 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.
- All boards should verify compliance with G.S. 18B-805(h), to ensure the board of county commissioners or the local board includes in their meeting minutes the activity(s) for which the alcoholism funds are spent and receives a report at least annually from any agency or person receiving funds under this subsection.

- If the board remained over maximum allowable working capital on June 30, 2025, the board should consider either distributing excess funds to their net profit recipients or requesting a new capital improvement plan per G.S. 18B-805(d) as their previous approval was granted in 2012.
- Board members and applicable personnel are encouraged to satisfy the requirements of G.S. 18B-706(b) and Rule 15A .2001 in a prompt manner and before the twelve (12) month mandate. *The board has one recently reappointed member who will need to satisfy the training in the coming months.*
- ABC boards are highly encouraged to find straightforward ways to lower any recurring expenses. 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.
- As a reminder, remove all faded posters and replace with new ones when applicable. Reach out to the Commission to provide fetal alcohol syndrome posters, NC Dept of Labor can provide wage & hour posters, and OSHA can provide some applicable federal posters if any are needed.
- 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)

- Display the required Fetal Alcohol Syndrome in all locations.
- Adopt a travel policy that conforms to either the appointing authority or the state. If adopting the appointing authority's policy, submit a copy of their approval allowing the board's use, a copy of the appointing authority's travel policy, and a copy of the ABC board's travel policy to the Commission annually.
- Prepay conference fees for spouses and/or non-employees without using ABC board funds.

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



Wilson County

Alcoholic Beverage Control Board

J. Paul Farris
CHAIRMAN
Erin J. Day
MEMBER
E. Bruce Beasley, III
MEMBER

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Lawrence T. Etheridge, II
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Kenneth W. Cooke
CHIEF, ABC ENFORCEMENT

November 19, 2025

Mr. Edwin Strickland, ABC Board Auditor
North Carolina ABC Commission
4307 Mail Service Center
Raleigh, North Carolina 27699-4307

Dear Edwin:

On behalf of the Wilson County Alcoholic Beverage Control Board, I would like to thank you for attending our October 2025 Board meeting to review your performance audit of our operations, staff, and facilities. We thought that your audit was very professional and organized; and that you personally interacted well with our staff. The recommended actions noted on page 18 of your audit will be handled accordingly.

This year marks the 90th anniversary of the ABC System in North Carolina, but it also is the 90th anniversary of the Wilson County ABC Board! The first ABC Store in North Carolina opened right here in Wilson on July 2, 1935. A lot has changed in 90 years, but one thing remains the same: The primary function of local ABC Boards in North Carolina is to control the sale of spirituous liquor in their communities. The North Carolina ABC System was created in 1935 for the very same reasons that remain true today. Our system addresses the sale and distribution of spirituous liquor while simultaneously addressing public health and revenue objectives. Today the Wilson County ABC Board carries over 1,800 different items and operates two warehouses and five modern ABC Stores, three of which also serve as mixed beverage pickup locations for our local bars and restaurants.

Again, we appreciate your time and work involved with this audit. It is our goal to continue to provide good customer service to our customers while simultaneously controlling the sale of spirituous liquor in Wilson County.

Sincerely,

J. Paul Farris
Chairman

JPF/lte

"Providing 90 years of Control, Service and Revenue in Wilson County."

November 19, 2025
Month Day Year

Wilson County ABC Board
ABC Board

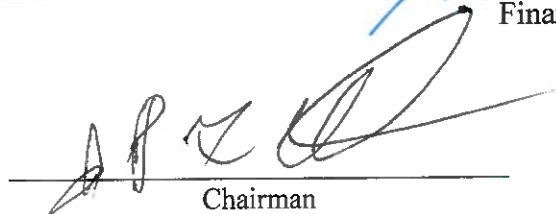
Certificate of Accountability

This document assures this Board and the State of North Carolina that the following statutory duties required of local ABC Boards have been properly performed.

1. The system has complied with all State uniform pricing requirements pursuant to NCGS §18B-804.
2. That all alcoholic beverages sold have been approved by the Commission for sale in this State pursuant to NCGS §18B-800.
3. That all "gross receipts" pursuant to NCGS §18B-805(a) have been properly accounted for and are lawful.
4. That all taxes due and board expenses have been properly and timely paid pursuant to NCGS §18B-805(b).
5. That all distributions pursuant to NCGS §18B-805 have been properly and timely paid.
6. That the finance officer for the board has properly performed all duties as required pursuant to NCGS §18B-702(k).


General Manager


Financial Officer


Chairman


Board Member


Board Member

Board Member

Board Member