

# Wingate ABC Board

## Performance Audit Report



Alcoholic Beverage Control Commission  
400 East Tryon Road, Raleigh, NC 27610  
p: 919-779-0700 | f: 919-661-5927 | <http://abc.nc.gov>



**ABC**  
COMMISSION  
NORTH CAROLINA

## TABLE OF CONTENTS

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ABC Commission Statement.....	3
Objective, Purpose & Background Information .....	4
Financial Analysis, Observations & Findings .....	6
Recommended Actions & Additional Considerations .....	14-15
Wingate ABC Response Letter.....	16-18



## Alcoholic Beverage Control

CHAIRMAN:

Hank Bauer

COMMISSIONERS:

La'Tanta (L.T.) McCrimmon  
Raleigh

David Sherlin

Raleigh

DEPUTY COMMISSIONER:

Mike DeSilva

LOCATION:

400 East Tryon Road  
Raleigh NC 27610

MAILING:

4307 Mail Service Center  
Raleigh NC 27699-4307

PHONE: (919) 779-0700

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

May 27, 2025

Wingate ABC Board

Greg Doyle, Chair

4104 Highway 74

Wingate, NC 28174

Chairperson Kittrell,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Wingate 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, and Administrative Policies
- Review applicable reports and studies of ABC Boards with similar size and geography.
- 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.

Wingate ABC Board is within the town of Wingate in Union County, North Carolina, with a population of 4,055 as of the 2020 census. Established in 1901, the town is named after Washington Manly Wingate. It is perhaps best known as the home of Wingate University, a private liberal arts institution founded in 1896. The university enrolls over 3,400 students across its campuses in Wingate and Hendersonville, offering a range of undergraduate and graduate programs. Notably, it is recognized as a leader in healthcare education, providing doctoral programs in pharmacy, physical therapy, and occupational therapy, as well as a bachelor's degree in nursing.

For visitors, the town offers attractions such as the Jesse Helms Center, which honors the late U.S. Senator Jesse Helms. Additionally, nearby destinations like Treehouse Vineyards in Monroe provide local entertainment options. In the town, the population was spread out, with 18.7% under the age of 18, 35.0% from 18 to 24, 21.7% from 25 to 44, 15.6% from 45 to 64, and 8.9% who were 65 years of age or older. The median age was 23 years. For every 100 females there were 93.9 males. For every 100 females aged 18 and over, there were 93.0 males.

The general manager is responsible for the oversight of all daily operations, inventory management, accounts payable, human resource organization and other administrative decisions for the board. The Finance Officer assists with payroll, financial reporting and other bookkeeping duties as needed. All store employee's primary responsibility is to provide friendly customer service to all customers, store upkeep and stock maintenance.

*A mixed beverage referendum occurred on November 3, 2009, and it passed. Currently, the Wingate ABC Board appoints a chairperson and two (4) additional board members and a general manager to serve on the ABC board. The Wingate ABC Board currently operates one (1) retail stores. The board staffs eight (8) in total personnel. These include three (3) full-time employees and five (5) part-time personnel. The general manager is responsible for daily store operations including supervising personnel, inventory management, and various retail functions. The board's Finance Officer Liz Hinson provides the board with fiscal management, administrative support, and oversees routine operations of the ABC stores. Sales associate responsibilities include, selling products, daily stocking, and floor upkeep & maintenance.*

*The last performance audit for the Wingate ABC Board occurred in 2018. 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 Thursday, February 27, 2025, ABC Board Program Analyst II Eric McClary, visited the Wingate ABC Board and interviewed Nichole Callahan (General Manager), and Liz Hinson (Finance Officer). Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

### FINANCIAL ANALYSIS

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#### PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

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In fiscal year (FY) 2024, the Wingate ABC Board had a profit percentage to sales of 10.28%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales more than \$2M is 6.5%. The Wingate ABC Board's gross sales totaled \$2,103,910, which was a 0.1% decrease from the previous fiscal year.

The operating cost ratio for the Wingate ABC Board was 0.60 in FY 2024. The NC ABC Commission standard for ABC Boards with one or two stores and mixed beverage sales is .73 or less.

Thus, the Wingate ABC Board did meet the profitability standard, and the operating cost standard set by the NC ABC Commission. Below is a chart showing gross profit on sales and income from operations for the previous two years.

	FY 2023-2024	FY 2022-2023
<b>Gross Profit on Sales</b>	\$651,494	\$496,942
<b>Income from Operations</b>	\$216,372	\$139,818

*Factors affecting profitability and cost include:*

- Surrounding areas with other ABC Boards operating stores which are within a 25-mile radius are Indian Trail ABC, Marshville ABC, Monroe ABC, Wadesboro ABC and Waxhaw ABC Board.
  - An ABC Board's average cost of goods sold (COGS) is between 52% & 54% per year. The Wingate ABC Board's cost of goods sold was approximately **46.4%** in FY. As shown, the COGS were well below the normal range. An investigation incurred and the results of the investigation discovered that this likely resulted from numerous invoices that the board's investigation identified had not been paid by the former GM in connection with embezzlement.

## BUDGET ANALYSIS.

	FY 2023-2024 Budget Projections	FY2023-2024 Actual	Variance	Variance %
<b>Sales</b>	\$2,049,796	\$2,103,910	\$54,115	2.6%
<b>Revenue over or (under) Expenditures</b>		\$80,877		

In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual sales revenues were 2.6% above forecast. In addition, the net income change during the fiscal year was \$69,865. *The board's collective net position on June 30, 2023, was \$ 911,453.*

## 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).*

Wingate ABC Board ABC made a total of \$ 475,364 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), and the County Commissioners of Union County.

*Per the local enabling act, the distribution formula for recipients of net profits is as follows:*

- One Hundred percent (100%) to Wingate General Fund.

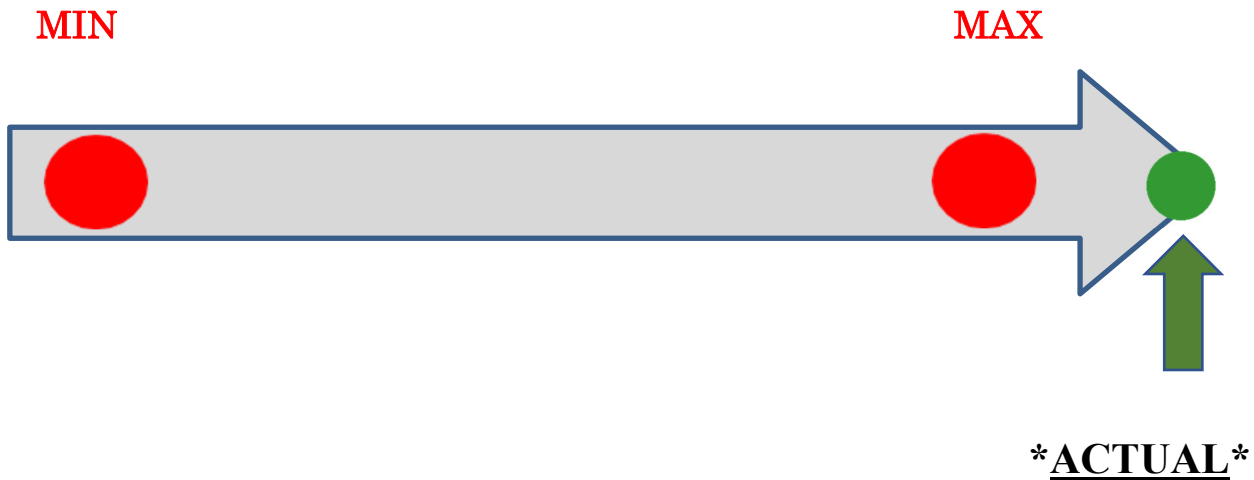
## WORKING CAPITAL

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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. The NC ABC Commission has set a working capital standard for boards with annual gross sales more than \$1.5M an amount equal to four (4) months of sales revenue.

Based upon the existing rules, as of June 30, 2024, the Wingate ABC Board is required to maintain a minimum working capital of \$62,326 with a maximum working capital amount of \$407,137. The Wingate ABC Board had a working capital balance of \$783,865 which exceeds the amount allowed by the Commission requirements.

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



Under 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

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

The board holds board meetings the 3<sup>rd</sup> Monday of each month at 6:00 PM, records regular meeting minutes, and provides public notification and awareness of these meetings. The meeting minutes are organized in a folder for review. They record regular meeting minutes and provide public notification and awareness of these meetings. The meetings are organized by session and kept in a book. Board meetings were viewed and followed the order of proceedings, providing sufficient detail that a reasonable person would be able to follow what transpired.

- Training Records: Board members and board personnel are fully compliant on ethics training referencing GS 18B-706.
- Oath of Office: All board members have not taken an oath per the general manager's recollection. All board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *Written template is available in the operations manual on Commission website.*
- General Manager (GM) Salary and Board Member compensation: GM salary fully adheres to 18B-700(g1) statute requirements. The Board member compensation complies with statute 18B-700(g) requirement.
- Board website review: The board's login website was updated by the Commission in 2022 for board member term tenure information (*begin dates & end dates*). **Special note:** As part of a revalidation effort, the Commission has worked to revalidate term tenure information for all ABC boards across the state, working directly with the appointing authorities. As a value-added measure for all ABC boards and Commission records tracking in summer 2022, the term begin dates as well as term end dates were entered on all individual ABC board websites.
  - *The expectation going forward is that ABC boards will better 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.*
- Board Personnel & Board Members: The general manager is very meticulous with oversight and recordkeeping including keeping board meeting minutes in heavily reinforced binder. The GM provides board members with monthly sales information and previous year's applicable sales and operational concerns along with financials from accounting firm. Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld; also, boards should routinely review any notes and recommendations provided by the CPA firm on annual audits.
- POLICIES: The board has a personnel manual on site; however, the Commission does not have a current copy. Also, the Commission does not have a current copy of their travel policy. For travel policy, Commission records indicate the board adheres to the state travel policy.
- Additional policies could be considered and provided to the Commission for record keeping including but not limited to, tastings or employee tastings, and social media.

- BUDGETS: In FY-2024, the board met the projected budgeted sales. *Based on sales trajectory for the current fiscal year, the board is tracking at 78% of projected sales with 58% of the year complete.*
- FINANCIAL INSIGHT: Invoices are processed are processed monthly by the General Manager. Invoice records for recent liquor purchases reflect them as being paid routinely well inside of 30 days. Taxes and distributions are paid in a routine and timely manner. The board uses QuickBooks for routine journal entries.

## **PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)**

- Bank deposits are made every Monday, Wednesday and Friday per review of bank Statements and discussion with GM. For safeguard measures and adherence to *Commission rule 15A .0905 Daily Deposits*, the board utilizes a locked fireproof safe for integrity of funds that remain at the board at any given time.
  - All board members and applicable personnel are each bonded for \$50,000 per G.S. 18B-700(i).
  - Law Enforcement (LE) Contract: The board has an active contract on file however is outdated, and signed by the former police chief, a new contract will be required. The board also has been submitting LE reports since October 2024. A new and updated contract will be submitted by the board with the new Police Chief's signature.
  - The annual CPA audit was received and logged by the Commission on November 14, 2024.
- INTERNAL CONTROLS/FINANCIAL INSIGHT:
- Invoice information is entered into QuickBooks, cash requirements are printed for the truck shipments.
  - The board's Finance Officer is responsible for all accounting related controls including billing, payroll, and reconciliations.
  - After the store closes, the manager compiles all monies collected and stores the monies deposit bag and placed in the safe.
  - Bank deposits are conducted every Monday, Wednesday and Friday. The Finance Officer compares the deposit slips with bank statements.
  - Personnel review deposits and the general manager compares deposit slips with bank statements and a board member reviews at monthly reconciliation. *For safeguard measures and adherence to Commission rule 15A0905 Daily Deposits, the board utilizes a locked fireproof safe for integrity of funds that remain at the board at any given time.*
  - All board members, General Manager - Finance Officer are each bonded for \$50,000 per G.S. 18B-700(i). *Board could consider insuring bonds cover other applicable staff to include other employees per G.S. 18B-803(b)(c).*
  - All employees are subject to on-line RASP training and other various behavioral standards. *Board could consider in person RASP or law enforcement training from local or state level agencies for responsible alcohol sales and other applicable rules and laws.*
  - Board has a debit card, with a current zero balance, in the possession of the general manager.
  - Board uses pens for bills to prevent counterfeit exchanges and also utilizes black lights at each register.
  - No conflicts pertaining to nepotism found and per discussion with general manager.
  - Board has a code of ethics policy on file with the Commission.

- The FY 2024 audit report identified evidence of approximately 55K in funds missing or not accounted for. An internal investigation incurred, and the results of the investigation discovered that numerous invoices had not been paid by the former GM which led to suspicions of embezzlement. The board's new and current GM, Nichole Callahan diligently conducted an internal investigation and discovered even more evidence of Embezzlement committed by the former GM. The Board presented the internal investigation to the Union County Sherriff's department for possible criminal charges. The Union County Sherriff's department conducted a criminal investigation. The sheriff's department found probable cause to go forward with criminal charges against the former GM and presented the investigation to the local Magistrates office and arrest warrants were issued. On Thursday February 27, 2025, the Union County Sherriff's office served the arrest warrants and processed the former GM for prosecution. Further status of the criminal investigation and the judicial process is unknown. This former GM left the board approximately in March 2024 roughly five months after the Town increased the board member size to increase oversight.

➤ **STATUTORY DISTRIBUTIONS:**

- **Net Profit Distributions** - The Wingate ABC Board has routinely made the minimum mandatory distributions to the designated recipients over the last three years referencing NCGS 18B-805(c)(1). **The table below references distributions calculated by CPA on the left and total net profit distributions made by the ABC Board for the last three (3) years on the right.**
- **Law Enforcement Distributions:** Have been properly disbursed at or above the regular 5% statute amount over the last three (3) fiscal years.
- **Alcohol Education Distributions:** Have been properly disbursed at or above the regular 7% statute amount. This distribution category has been increased moderately annually.

<b>NC GENERAL STATUTE: 18B-805 (c)(1)</b>			
<b>Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients</b>		<b>Wingate ABC Board Net profit distribution made annually by fiscal year</b>	
<i><b>Note: Referencing CPA Audit Reports</b></i>			
<b>CPA Calculated Amount</b>		<b>Total paid to recipient(s)</b>	
<b>FY-2024</b>	<b>\$60,419</b>	<b>FY-2024</b>	<b>\$145,477</b>
<b>FY-2023</b>	<b>\$60,555</b>	<b>FY-2023</b>	<b>\$60,564</b>
<b>FY-2022</b>	<b>\$64,170</b>	<b>FY-2022</b>	<b>\$64,176</b>

## **PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)**

- **LAW ENFORCEMENT (LE) REPORTS:** Reports have been submitted online routinely since May 2024. *The current GM, Nichole Callahan has worked diligently to ensure that LE reports are being completed monthly. Callahan has also enlightened the boards relationship with the current police administration's liaison. The board and Law Enforcement relationship is more communicative, professional and insightful as compared to the outgoing GM's policy on Law Enforcement and Board relations during her tenure. Prior to Miss. Callahan's tenure with Wingate ABC, the reports had stopped in 2022. This period of noncompliance was during the previous GM's tenure.*
- **LAW ENFORCEMENT (LE) CONTRACT:** The Commission does have a current electronic copy of a law enforcement contract on file but does not reflect the current contracted agency. The LE reports have been submitted and are compliant.
- **INVENTORY:** Full store inventories are conducted quarterly, and the GM also conducts spot checks in certain categories are conducted at random intervals.
- **INTERNAL CONTROLS:**
  - The board's Finance Officer is contracted while the remaining employees support the general manager.
  - The Finance Officer prepares monthly financial statements for the board. The GM reviews and makes these available for the monthly board meetings.
  - Invoice information is entered into Quick Books, cash requirements are printed for the truck shipments and the Purchase Orders History from the computer system and is utilized to balance totals to make sure invoices / inventory match the system.
  - Bank Deposits are made every Monday, Wednesday and Friday by the general manager. Personnel review deposits and the general manager compares deposit slips with bank statements and the Finance Officer reviews at monthly reconciliation. *For safeguard measures and adherence to Commission rule 15A0905 Daily Deposits, the board utilizes a locked fireproof safe for integrity of funds that remain at the board at any given time.*
- **EXPENSES:**
  - Total expenses increased approximately 22.0 % from the last fiscal year.
  - Board Salaries were roughly 11.7% of total annual sales.
  - Cost of Goods Sold (COGS) was 46.4%.

## STORE INSIGHT & OVERVIEW

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*The findings for store insight & overview are as follows:*

- Store has a modern layout, good ergonomics for shoppers, and plenty of inventory on the shelves.
- Sales associate interactions with customers are attentive, courteous, and all are eager to meet the needs of the customers.
- The board has three (3) MXB customers as of February 26, 2025. The board provides free deliveries to business customers every Wednesday. Since coming on board, the new GM, Nichole Callahan identified numerous internal issues that contributed to poor customer service. Miss. Callahan feels that implementing this free delivery practice is a way to improve board and customer relations.
- A random sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, there were two that required updating and were updated immediately. Every item reflected the correct quarterly or monthly SPA price. The board highlights the monthly SPA products very well with visual aids.
- Besides closing on the two (2) required annual holidays and every Sunday, the board may opt to continue closing on New Year's Day, July 4<sup>th</sup>, and Labor Day annually.
- The store displays the required Fetal Alcohol Syndrome poster required by G.S. 18B-808. A new poster was provided to replace the older one.
- Products are placed within the designated categories; premium products are found at eye-level or top shelf. Some other areas had bottle sizes of the same products decreasing in size from top to bottom, with larger bottles placed at the top. Bottles were fronted and dusted. Bottles are also organized from top to bottom on some shelves, to increase the possibility of sales. Bottles were properly fronted and dusted.
- Outside area surrounding the store is well-maintained and free of debris or trash.
- Security systems are in place and functional in all designated areas.
  - *Thirteen (13) cameras work to cover the property footprint with four outside and nine interior cameras.*

## RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)

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- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. *Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.*
- 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 personnel manual should be emailed to Commission personnel for recordkeeping. A credit card policy is recommended to established authorized use (sample copy forwarded for consideration). A tastings policy is recommended if tastings are done routinely.
- The board is recommended to forward an updated law enforcement contract due to age of current contract and signed members are no longer with the municipalities. Please provide a copy to the Commission *per G.S. 18B-501(f)*.
- Ensure all purchase orders to include obligations evidenced by a contract or agreement requiring the payment of money, shall include or bear a certificate stating that the instrument (or order) has been pre-audited to ensure compliance with *G.S. 18B-702(m)* with a signature by the finance officer. The specific statement should read, *“This instrument has been pre audited in the manner required by G.S. 18B-702.”* *Special note:* This would be most reasonably accomplished by signing & stamping the summary total of the Order Edit List from inventory system *before* any liquor orders are placed with state warehouse.
- Board does not have copies of oath before taking office or before the execution of the office per G.S. 11-7. *Written copies of oaths should be available at the board’s administrative office.*
- After year-end YR 2023, discrepancies in the point-of-sale system compared to bank deposits were discovered and totaled \$55,497. This was recorded as other receivable as noted under Note 1, F, (4) in this 2024 audit. The management and board plans to conduct further investigation of the discrepancies. Management has evaluated subsequent events through November 11, 2024, the date the financial statements were available to be issued.
- In accordance with 18B-700 (h), the Commission asks that the Board err on the side of caution. Three out of five board members are employed with the appointing authority’s town counsel.
- The annual CPA audit was received and logged by the Commission on November 14, 2024, which is outside of the required due date. The Commission asks that the board meets the required due date going forward.

## ADDITIONAL CONSIDERATIONS & GUIDANCE ....

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- The Commission's primary focus for ABC board members:
- ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by Sept 30<sup>th</sup>.
- 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. *Moreover, liaising with the Commission when new members are appointed or when member resign early before term has ended is very important for recordkeeping efforts of the Commission.*
- 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).* ABC Boards can limit the number of personnel travelling to conference and convention events across the state. 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.*
- 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.
- 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.
- NCAC Rule 15A .1701 requires quarterly reports be submitted for any unsaleable merchandise (breakage) and retain original copies for three (3) years. *All breakage reports should only be transmitted via email submission to Commission staff; copies should not be mailed.*
- 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.
- ABC boards can explore additional training opportunities periodically available through the ABC Commission as well as partnering with other ABC boards on specific areas such as best retail and marketing practices.



# **Wingate**

## **ABC Board**

5/20/2025

ABC Commission  
400 E. Tryon Rd.  
Raleigh, NC 27610

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

### **Item 1: Budget Amendments per NCGS 18B-702(h)**

To my knowledge we have been submitting amendments to the commission after it is approved by the board.

### **Item 2: Policy and Procedure Manual**

Both the GM and the boards lawyer have reviewed the previous manual. They will be discussing a few changes/updates. Once they are finalized, we will submit a copy to the commission.

### **Item 3: Law Enforcement Contract**

The board is aware this needs to be updated and we are discussing what would be the best option for the board at this time.

### **Item 4: Ensure all purchase orders to include obligations NCGS 18B-702(m) with a signature by the finance officer.**

We have already put a system in place. Once I am finished with the order, I then send an email of the order to the FO who signs off on it. It is then put in an email folder.



**Item 5: Board oath of office copies on file per G.S. 11-7.**

This has been resolved, the town provided me with the couple that we were missing. They are now in their personnel file.

**Item 6: The management and board plans to conduct further investigation of the discrepancies. The GM plans on figuring out a way to go back a prior year 2022-2023 to see if there was more embezzlement.**

This has been completed and some additional funds were missing in the amount of \$36,931.69. All the evidence has been provided to the detectives assigned to the case.

**Item 7: In accordance with 18B-700 (h), the Commission asks that the Board err on the side of caution. Three of the five board members are employed with the appointing authority's town counsel.**

We will discuss and possible when terms end, rotate out if that is an option.

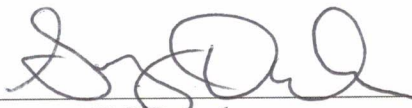
**Item 8: The annual CPA audit due Sept.**

This past year's audit was turned into the commission in mid Nov due to funds being off from embezzlement. We do not plan on having that problem in the future.

**Item 9: The board has signed and submitted a COA form.**

This we be signed at our next meeting in April.

Sincerely,

  
\_\_\_\_\_, Chairman / GM  
Wingate ABC Board

April 21<sup>st</sup> 2025  
Month Day Year

Wingate  
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).

Nicholas Callahan  
General Manager

Mary E. Hinz  
Financial Officer

[Signature]  
Chairman

[Signature]  
Board Member

[Signature]  
Board Member

[Signature]  
Board Member

[Signature]  
Board Member