Woodfin ABC Board

Performance Audit Report

Alcoholic Beverage Control Commission
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ABC COMMISSION NORTH CAROLINA

Alcoholic Beverage Control

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August 26, 2026

Woodfin ABC Board
Robert Sterr, Chair
142 Weaverville Rd.
Asheville, NC 28804

Chairperson Sterr,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Woodfin 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 G. DeSilva

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

Woodfin is a town in Buncombe County in western North Carolina. The current estimated population for the town is approximately 8,230 residents, which reflects an increase of about 3.7 percent since the 2020 census. The Woodfin ABC Board operates one store and is one of four boards in Buncombe County.

NC General Statute 18B-601(c) authorized the town to hold an election for an ABC store. The referendum was held on May 2, 2006, and passed 286 to 181. A mixed beverage election was held on the same date and passed 288 to 181. The first retail sale occurred on July 19, 2007. Currently, the Town of Woodfin appoints a chairperson and, as of October 2025, four additional board members to serve on the ABC board. Current board members are Robert Sterr, Chair, Connie Wald, Michael Carroll, Jackie Craig, and Ronnie Lunsford.

The most recent performance audit for the Woodfin ABC Board concluded in 2023. The Commission audit serves as an ongoing method to provide local boards with information and best practices that identify areas for improvement.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On June 3, 2026, ABC Commission Program Analyst Edwin Strickland visited the Woodfin ABC Board and interviewed the General Manager, Tammy Ballew. Below is a financial analysis, followed by operational observations, findings, and recommendations related to the performance audit.

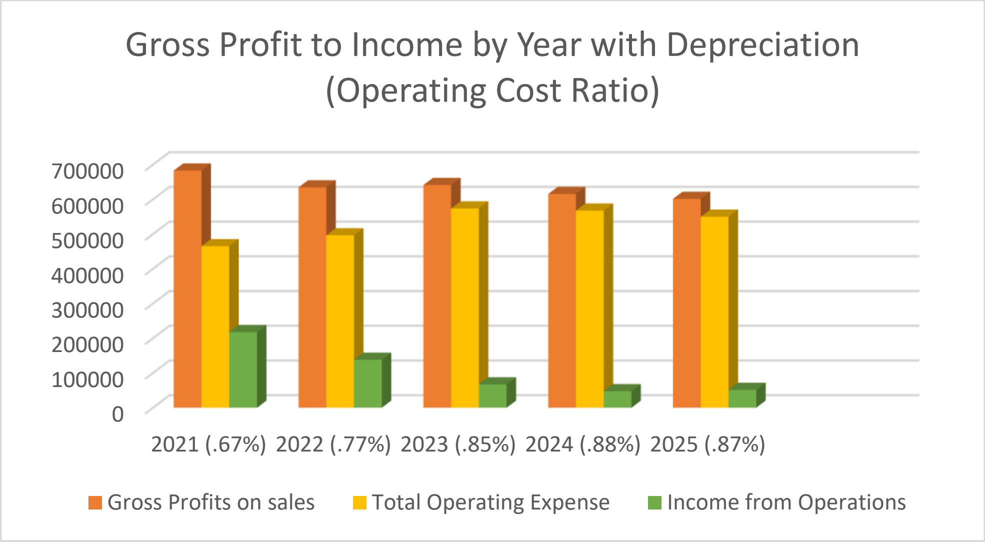
142 Weaverville Rd.

FINANCIAL ANALYSIS

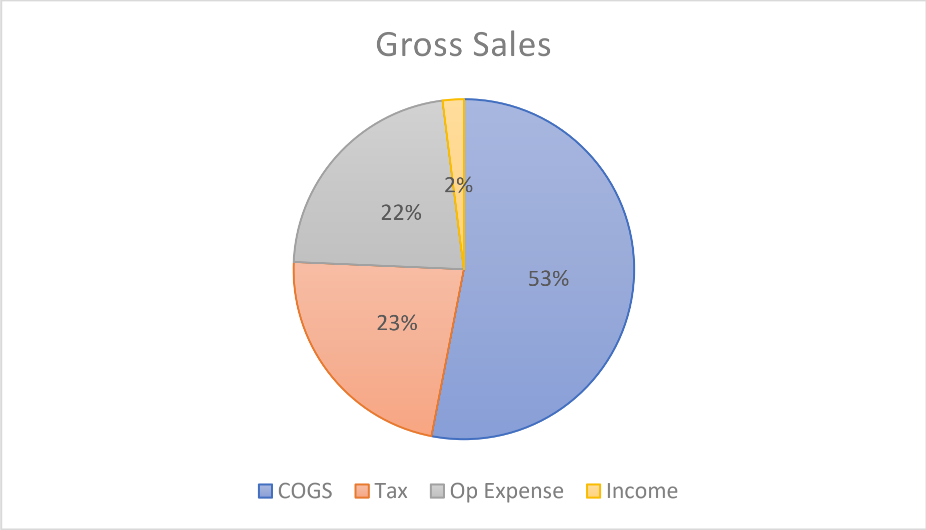
SALES, PROFIT PERCENTAGE, & OPERATING COST RATIO

- In FY 2025, the Woodfin ABC Board had gross sales totaling $2,462,846, a decrease of approximately 2.7% from the previous year.
  - Since FY 2021, the board's sales have decreased by approximately 12.4%.
- In FY 2025, the board's profit percentage to sales ratio was 2.09%.
  - *The profit percentage to sales ratios over the previous four completed fiscal years were 1.89%, 2.62%, 5.33%, and 7.75%, respectively.*
  - The ABC Commission's profit percent to sales standard for boards with sales less than $5M is 3% or higher.
- Woodfin ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was 0.87 in FY 2025. *The previous four years are shown in the chart below.*
  - The ABC Commission standard for ABC Boards with one store and mixed beverage sales is 0.73 or less.
  - Operating cost ratio is calculated by dividing total operating expenses, less depreciation, by gross profit on sales (total operating expense less depreciation/gross profit).
- Therefore, the Woodfin ABC Board did not meet the profitability standard or the operating cost standard set by the ABC Commission for FY 2025.
- Below are charts showing gross profit on sales, total operating expenses including depreciation, income from operations for recent years, and operating cost ratios.

	FY 2025	FY 2024
Gross Profit on Sales	$601,514	$615,452
Total Operating Expense	$550,072	$567,657
Income from Operations	$51,442	$47,795



- The chart below shows where portions of gross sales are expended or retained as income. COGS and primary distributions (Taxes) usually account for approximately seventy-six percent (76%) of any board's gross receipts, with the remainder used to operate the system and as income. In turn, the income is then used to satisfy other statutory distributions and as working capital, capital improvements, debt service, or as additional distributions beyond the minimum requirement.



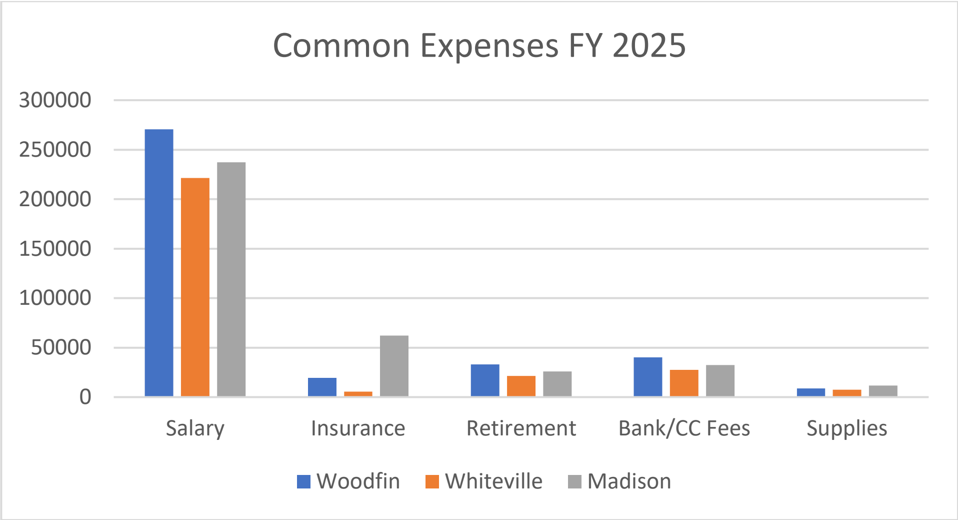
- *Factors affecting sales:*
    - There are five other ABC boards with a store within a 30-mile radius of the Woodfin ABC store.
    - The board's store is located about 15 miles from Madison County, which does not have ABC stores.
    - Buncombe County is a tourism hub, welcoming nearly 14 million visitors annually.
    - Hurricane Helene had a devastating impact on the region in FY 2025.
    - Buncombe County had a 4.5% unemployment rate in June of 2025, with the North Carolina average being around 3.7% at that time.
    - Approximately 13% of the population in the county is below the poverty level, which is close to the North Carolina average of 12.8%.
    - In FY 2025 mixed beverage sales accounted for around 3.5% of gross sales.

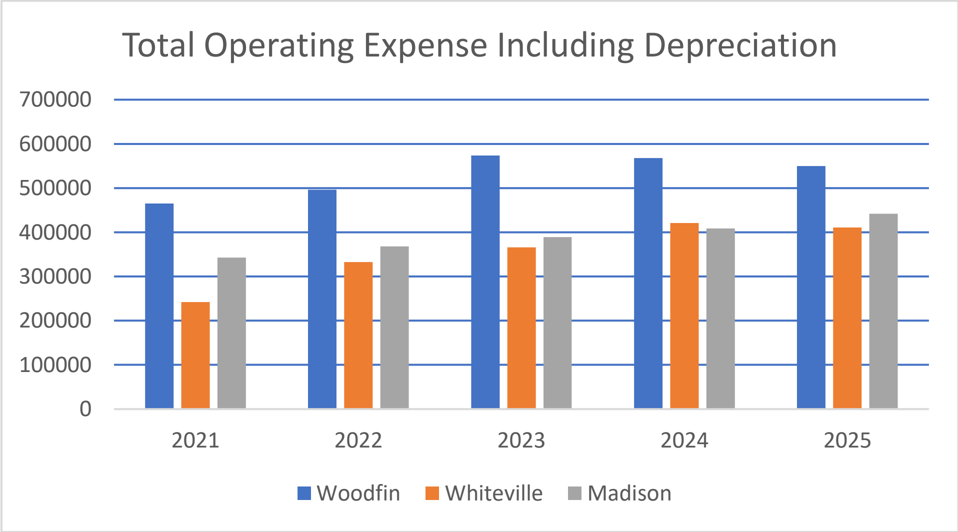
INVENTORY TURNOVER

- The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set these goals for determining an effective rate based on the frequency of deliveries.
    - Once a week deliveries target at 6 times or more per year
    - Twice a month deliveries target 5 times or more per year
    - Monthly deliveries target at 4.5 times or more per year
- The Woodfin ABC Board receives shipments weekly, with a target inventory turnover rate of around 6. The inventory turnover rate in FY 2025 was 6.1, which is above the official goal.

EXPENSES

- *Expense Information:*
  - In FY 2025, total operating expenses decreased by over 3% from the last fiscal year and were around 22.3% of total annual sales.
  - Lease amortization and lease interest expense were over 13% of total operating expense.
  - Salaries were around 11% of total annual sales with a modest decrease from the previous fiscal year.
  - Cost of Goods Sold (COGS) was 53% for the fiscal year with a normal range being 52% to 54%.
- A review of both a common expense report and a total operating expense report indicates the Woodfin ABC Board has similar categorical but higher total operating expenses than those of the other two ABC boards with comparable gross sales and number of stores.
  - Geography and cost-of-living factors are not variables in the charts below.
  - *Common expense report categories can be unreliable, as different CPAs may allocate costs to line items inconsistently.*





BUDGET ANALYSIS

	FY 2025 *Budget Projections*	*FY 2025 Actual*	Variance	Variance %
Total Revenues	$2,596,000	$2,472,212	($123,788)	(4.8%)
Total Expenditures	$2,510,217	$2,386,343	$123,874	4.9%
Distributions	$96,000	$96,000		
Revenue over/under Expenditures & Finance		*($10,131)*		
After Reconciling Items		*($35,192)*		

- In reviewing the budget to actual analysis of the FY 2025 financial audit, actual total revenues were 4.8% below the final budget amendment and expenditures were 4.9% below the final budget amendment.
- The change in net position during the fiscal year was ($35,192). *The board's collective net position on June 30, 2025, was $683,502; the net position has decreased by 4.2% since FY 2021.*
- Based on sales trajectory for the current fiscal year with eleven months (92%) of the budget year completed, the board is tracking at around 85% of annual budgeted sales.

DISTRIBUTIONS

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

- In FY 2025, a total of $554,814 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Buncombe County.
- In FY 2025, Woodfin ABC accrued funds for other statutory distributions totaling $96,000 *(the net profit recipient received $80,000).*
- Per the local enabling act, the distribution formula for recipients of net profits is as follows:
    - 100% to Woodfin General Fund.

DISTRIBUTIONS (cont.)

- STATUTORY DISTRIBUTIONS:
  - Net Profit Distributions – The Woodfin ABC board has made net profit distributions for two of the last five fiscal years above the minimum mandatory distribution as referenced in G.S. 18B-805(c)(1). **The table below shows distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
  - Law Enforcement Distributions: Have been accrued and/or disbursed at or above the standard 5% statute amount for the last five FYs.
  - Alcohol Education Distributions: Have been accrued and/or disbursed at or above the standard 7% statute amount for the last five FYs.

NC GENERAL STATUTE: 18B-805 (c)(1)				
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients ***Note: Referencing CPA Audit Reports***			**Woodfin ABC Board Net profit distribution made annually by fiscal year**	
Calculated Amount			**Total paid to recipient(s)**	
FY-2025	*$60,808*		FY-2025	***$80,000***
FY-2024	*$53,334*		FY-2024	***$85,000***
FY-2023	*$67,366*		FY-2023	***$60,000***
FY-2022	*$73,529*		FY-2022	***$60,000***
FY-2021	*$80,067*		FY-2021	***$75,000***

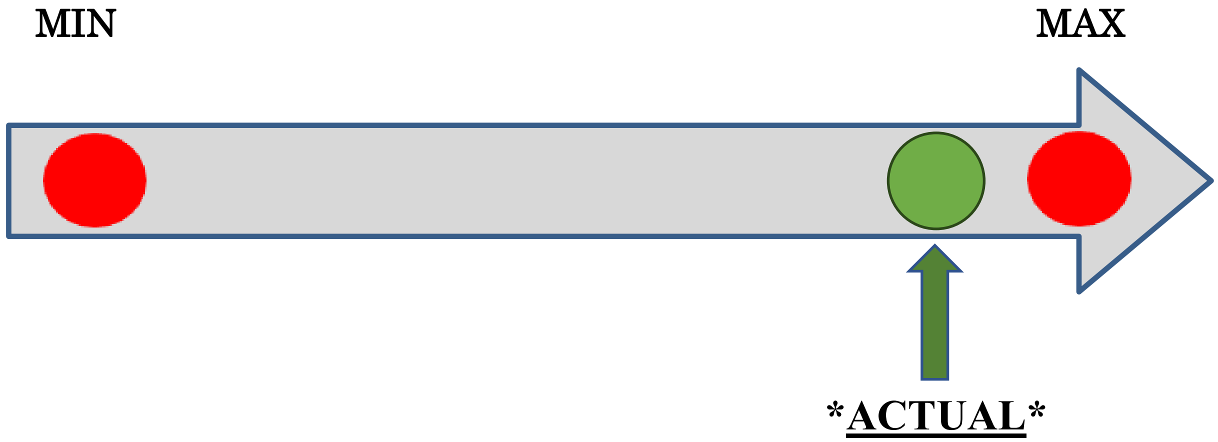
- The board met its mandatory net profit distribution requirement in only two of the last five fiscal years; however, its cumulative $360,000 exceeds the minimum required amount of $335,104 for the same five-year period.
- Since inception in 2006, the board has distributed a total of $844,475 to the Woodfin General Fund, with almost 43% of this amount distributed within the last five fiscal years.

WORKING CAPITAL

- G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system.
  - NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales greater than $1.5M as an amount equal to three (3) months of gross sales.
  - G.S. 18B-702(g)(3) defines "Working Capital" as the total of cash, investments, and inventory less all unsecured liabilities. As it pertains to working capital computation, gross sales means gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).

- Based on the existing rules, as of June 30, 2025, the Woodfin ABC Board is required to maintain a minimum working capital of $75,318 with a maximum working capital amount of $489,564.
  - On June 30, 2025, the board had a working capital balance of $416,960 which is less than the maximum allowed per Commission requirement for this section (*).

*** FY 2025: *Working Capital (WC) Graphic***



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

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

Board Members

- The board consists of four members and a chairperson who receive approved compensation for their services in compliance with G.S. 18B-700(g).
  - Current board members' terms are staggered to comply with G.S. 18B-700(a).
  - Two members need to complete their ethics training requirement before the end of their term's first year, and preferably sooner.
  - Copies of members' oaths of office are not available in the board's records.
- Meetings are generally held on the third Monday of each month.
  - Meeting announcements are posted in the store and are on the town's website.
- A small sample of meeting minutes were available for review at the board's office and minutes are also posted on the town's website.
  - Those reviewed include a conflict-of-interest statement.
  - Financial data are presented and discussed at board meetings to include the opportunity for budget comparisons for sales and expenses.
  - Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld. Boards should also routinely review any notes and recommendations provided by the CPA firm in annual audits.

Board Personnel

- The board employs three full-time and four part-time employees, including its Finance Officer.
- The General Manager is full-time, has completed the ethics training, and is responsible for overseeing all board operations and activities.
- The Assistant Manager supports and compliments the General Manager with daily operations.
- The Finance Officer is contracted and is responsible for all accounting related activities and provides financial oversight.
- All employees are responsible for providing friendly customer service, general store maintenance, and stock management.
- Training for new employees is on the job and mentorship based.
  - Cross training in administrative responsibilities has been extended to the Assistant Manager.
  - Some team members have received RASP training but not many of the newer employees.
  - Product knowledge discussions are held on a casual basis.
- No conflicts related to nepotism were found, based on discussion with the General Manager.
- All store personnel are aware that loitering is prohibited on board property and in the store.

Law Enforcement

- The board has an active law enforcement contract with the Woodfin Police Department signed in 2023.
- Law enforcement reports are submitted by the department's ABC Officer, Mehaffey.
  - Applicable data for accountability as outlined in G.S. 18B-501(f1), is typically provided.
  - In FY 2025, the board made $6,000 in law enforcement distributions.

Policies

- The board has a code of ethics policy which adheres to the requirements of G.S. 18B-706(a), a thorough personnel manual which covers the requirements of Rule 15A .1006, and a shelf management plan as required by Rule 15A .1708.
- Other policies on file with the Commission include mixed beverage sales, price discrepancy, special order, allocated product sales, credit card usage, parental leave, register shortages, and a policy allowing the finance officer to move limited funds between accounts without a budget amendment.
- For travel, the board follows the State travel plan per G.S. 18B-702(g2), with reimbursements made pursuant to G.S. 138-6.

Financial & Internal Controls

- Invoices for liquor are processed by the Finance Officer but were not reviewed at the Commission visit.
- The board's checks are signed by the Finance Officer and counter-signed by either a board member or the General Manager.
  - The checks have the required disbursement certificate for compliance with G.S. 18B-702(q).
- The General Manager has been designated as a deputy finance officer.
- Purchase orders are used for supplies and include the preaudit certificate as required by G.S. 18B-702(m). *The forms reviewed did not include the Finance Officer or Deputy Finance Officer's signature. Additionally, a preaudit certificate should be applied to liquor orders.*
- Tax and primary distributions are processed by the Finance Officer.
- The board has a credit card that is usually only used for supplies.
  - Itemized invoices are kept and a board member signs the account reconciliation each month.
  - The board has a small petty cash fund. *Itemized receipts were available, but one receipt may have been missing at the Commission visit.*
- Cash-handling procedures are in place and understood by all staff.
  - Employees count funds before shifts and sign the adding machine receipt.
  - Deposits are made each day except Saturday.
  - Board members alternate monthly review of deposits.
  - The Finance Officer conducts month-end reconciliations.
  - *A sample of recent deposits was reviewed with no variances noted.*
- Payroll is processed weekly by the Finance Officer through QuickBooks.
  - Time sheets are signed weekly by the employee and General Manager.
- All board members and applicable personnel are bonded for at least $50,000 as required by G.S. 18B-700(i).
- The annual CPA audit was received by the Commission on September 30, 2025.

Alcohol Education

- In FY 2025, $10,000 in alcohol education distributions were made to First Step Farm of WNC.
    - G.S. 18B-805(h) requires the board to include in its meeting minutes how its alcoholism funds are to be spent and requires any person or agency receiving these funds to report to the board at least annually, describing how these funds were spent.

Operations

- Full inventory is conducted every second month with additional spot counts.
    - Multiple team members participate and all variances are recounted by a different team member.
    - The General Manager is responsible for all adjustments.
    - *A small sample of products was inventoried during the Commission visit with no notable discrepancies found.*
    - Slow moving products are relocated within the store, and the board sometimes uses a delisted section.
- Liquor orders are made by the General Manager or Assistant Manager by comparing a stack status report to monthly sales.
    - SPA lists are reviewed and considered.
    - Special order requests are made according to procedure.
- The board receives liquor deliveries weekly on Tuesdays.
    - Pallets are dropped and down stacked with scanners and variances are rechecked by a second person, and again before the report is sent to LB&B.
- The board currently has two active mixed beverage customer accounts.
    - Pulled orders are rechecked and stamped by a second team member.
    - Invoices are provided to the permittees, and signed copies are retained for each account.
    - The board stamps bottles as required by Rule 15A .1901.
- Some allocated products are available for mixed beverage customers, with others being shelved according to policy.
- The board retains breakage reports and submits them to suppliers for credit. To comply with Rule 15A .1701(c), the board should reestablish emailing copies of the reports to the Commission quarterly.
- The board's login website was updated prior to the Commission visit and contains accurate information pertaining to board members, personnel, and store locations.

STORE INSIGHT & OVERVIEW

- The Woodfin ABC Board's store is in a freestanding building located on a major thoroughfare that runs adjacent to an interstate.
  - The store has easily viewable signage, including a pylon sign that is visible from the freeway.
  - There is adequate parking, and the exterior is free of trash and debris.
- The interior of the store is well lit and organized.
  - The showroom has recently been remodeled to include updated flooring and extended shelving.
  - Floors and shelves are clean and displays and end caps are utilized.
  - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
  - A quarterly price book is available at the counter, and an SPA pricing list is available upon request.
  - Broker supplied shelf tags highlight items that are currently on sale.
  - The store has a North Carolina product section, and additional North Carolina products are placed within their corresponding categories.
- Shelf management practices are properly implemented.
  - Products are fronted and bottles are dusted.
  - Products are grouped by category, and premium products are found at eye level or higher.
  - Bottles are usually arranged so that they increase in size from left to right of the same item.
  - Shelf space for products is set to follow the factors identified in Rule 15A .1708(5).
- A sample of approximately one hundred items was selected to determine if uniform pricing was displayed. Of those selected, a few flavors of the same brand had incorrect pricing.
  - Price discrepancies are handled in the customer's favor if the shelf tag were to be lower than the current price mandate and the customer objects.
- Sales associates value customer service, and all are attentive and courteous.
- The store is open from 9:00 a.m. until 9:00 p.m. Monday through Saturday.
- The store is closed every Sunday and the five previously required holidays.
- The building has a camera system, alarms, and panic buttons.

REQUIRED OR REQUESTED ACTIONS

- Item #1: All board members should take an oath before taking office or before the execution of the office per G.S. 160A-61 and G.S. 11-7. *If already completed, a written account of the oaths should, please, be available at the board's administrative office.*

- Item #2: G.S. 18B-706(b) requires each member of a local ABC board to complete ethics education within 12 months after initial appointment to office and within 12 months of each subsequent appointment. *Two members, appointed in October 2025, will need to satisfy this requirement within the next few months.*

- Item #3: While current quality controls on purchases likely meet the spirit of the statute, the board should re-establish full compliance with G.S. 18B-702(m) by ensuring the preaudit approval certificate appears on purchase orders to take substantially the following form: "This instrument has been preaudited in the manner required by G.S. 18B-702". *This could most reasonably be accomplished by having the Finance Officer or Deputy Finance Officer stamp and sign the order edit list for liquor or other purchase orders and contracts.*

- Item #4: When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. Rule 15A .1701(c) requires boards to submit quarterly reports for any unsaleable merchandise and to retain the original copies for three years.

- Item #5: In connection with the periodic audit, a Certificate of Accountability attestation form should be reviewed and signed by board members and applicable personnel. A signed copy would then only need to be emailed to Commission personnel for recordkeeping.

RECOMMENDATIONS OR CONSIDERATIONS

- While recent meeting minutes are available on the town's website, it is recommended that the board keep written or electronic copies of the minutes available at the board's office.

- Board personnel should work to ensure shelf prices match the cash register prices. *Price checks could be incorporated into routine inventory counts or after the conclusion of monthly or quarterly price changes.*

- The board may wish to consider contacting the Commission's Education Outreach personnel to set up RASP training for some of its newer employees or for those who have not participated in the training recently.

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

ADDITIONAL GUIDANCE FOR ALL BOARDS

- The Commission's primary focus for ABC board members:

    - ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at the beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by September 30th of each year.

    - ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc.

- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time when an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include sales adjustment for current fiscal year sales estimates.

- ABC Boards are required to work within general minimum and maximum limits for working capital, as established per Commission Rule NCAC 15A .0902(a)(2). When ABC Boards exceed maximum working capital in any given FY due to planned capital improvements, please secure written approval from the applicable County or Municipal authorities per N.C.G.S. 18B-805(d) and forward to the Commission. As best measure, securing documentation prior to exceeding maximum working capital would be the most ideal approach.

- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.

PREVIOUS PERFORMANCE AUDIT ACTIONS (2023)

- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.
- Please ensure all newly adopted policies or any updated policies are submitted electronically to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. Electronic copies of the debit card policy should be emailed to Commission personnel for recordkeeping once a policy.
- 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 preaudited 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.
- Due to new Town officials, the board needs to draft a new law enforcement contract with Woodfin Police Department and provide a copy to the Commission in connection with G.S. 18B-501(f).
- 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.
- The recipients of alcohol education distributions must provide annual documentation to the board describing the activity for which these awarded funds are spent per G.S. 18B-805(h). The board may want to consider obtaining general plan for use before the funds are officially awarded / transmitted to any recipients.
- ABC board members must complete ethics training within one (1) year of each appointment and again following all reappointments. General managers, finance officers (and any applicable deputies) have a one-time training requirement for ethics training but are encouraged to complete training periodically as a good refresher along with any other personnel interested.
- All ABC boards are expected to track and monitor board members' current appointment dates and term expiration dates, with updates made on the Commission's login board website (the website where monthly sales are reported). In 2022, the Commission has already worked to do a validation reset for all ABC boards on board member information to include the most recent & valid term begin date as well as term end date. Board members need to provide the GM with their Oath of Office documents when new members are appointed and whenever existing members are reappointed. Going forward, this will increase visibility and allow for seamless board member updates with the Commission. It also allows ABC boards to coordinate well with the appointing authorities involved.

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

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

August 17, 2026

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

REQUIRED OR REQUESTED ACTIONS:

Item 1: All members have taken the oath of office and copies are maintained at the board office.

Item 2: All members of the board who are due to complete ethics education will meet the requirement that they be taken within 12 months of initial appointment or reappointment.

Item 3: The board will re-establish full compliance with G.S. 18B-702(m) by ensuring that the pre-audit approval certificate appears on purchase orders in the following form: "This instrument has been pre-audited in the manner required by G.S. 18B-702" with a signature by the Finance Officer or Deputy Finance Officer.

Item 4: The board will ensure that unsaleable merchandise reports are submitted to the Commission quarterly.

Item 5: A Certificate of Accountability attestation form has been signed and is attached.

Sincerely,

Robert K. Sterr
Chairman, Woodfin ABC Board

Aug 17 2026
Month Day Year

Woodfin
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).

Tammy M Ballew
General Manager

Financial Officer

Chairman

Connie Wall
Board Member

Board Member

Board Member

Board Member