



# ABC

COMMISSION  
NORTH CAROLINA

## Alcoholic Beverage Control

CHAIRMAN:  
JAMES C. GARDNER

COMMISSIONERS:  
JOEL L. KEITH  
Wake Forest

KEVIN M. GREEN  
Greensboro

ADMINISTRATOR:  
MICHAEL C. HERRING

LOCATION:  
400 East Tryon Road  
Raleigh NC 27610

MAILING:  
4307 Mail Service Center  
Raleigh, NC 27699-4307

PHONE: (919) 779-0700  
FAX: (919) 661-5927  
<http://abc.nc.gov/>

TO: CPA's

FROM: Laurie Lee, ABC Board Auditor 

DATE: June 5, 2014

RE: FY 2014 ABC Board Audits

At the recommendation of the State and Local Government Finance Division, I have made changes to the MD&A and Note 1.F.6 with regard to capital assets and depreciation to meet the requirements of GASB 34. The revised *Illustrative Financial Statements* for FY 2014 is attached. Changes are marked in blue. The document is also on the Commission website under Local ABC Boards / Audit Finance.

Please complete and return the two-page *Statement of Revenues, Expenses and Changes in Net Position* as soon as possible. I prefer to get this in advance of the audit so that any problems that may come to light can be addressed before the audit is finalized.

One unbound copy of the completed audit is due to me no later than September 30, 2014.

Please note the following:

- Stewardship. Any ABC board with operating expenses over budget should receive a noncompliance statement. "Inexperience with the budget process" will no longer be accepted as a valid excuse.
- Commitments. Effective July 1, 2013 ABC boards can no longer elect to pay direct costs of unemployment security benefits.

If you have any indication that the ABC board you are auditing is not prepared and/or might cause the audit to be late, please let me know. I would prefer to do what I can up front to help get the audit in on time rather than find out in late September that it will not be ready by the due date.