Clay County ABC Board

Performance Audit Report

Alcoholic Beverage Control Commission
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Alcoholic Beverage Control

CHAIRMAN:
Hank Bauer

COMMISSIONERS:
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David Sherlin
Raleigh

DEPUTY COMMISSIONER:
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October 15, 2025

Clay County ABC Board
Tommy Moore, Chair
48 Creekside Cir
Haysville, NC 28904

Chairperson Moore,

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

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 Statues, 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

Clay County is located in southwestern North Carolina and shares part of its border with Georgia. Hayesville is the county seat and only incorporated town. The county's population per the 2020 census was 11,089 residents, up 4.7% from 2010. The estimated population as of 2023 is 11,864 residents. The Clay County ABC Board operates one (1) retail store and is the only board in the county.

G.S. 18B-601 (c) authorized Clay County to hold an election for an ABC store. The referendum was held August 8, 2009, and passed 2,722 to 1,896. A mixed beverage election occurred on the same date and passed 2,771 to 1,839.

Upon election of an ABC store, the county was authorized to create an ABC board consisting of a chairman and two board members to serve for three-year staggered terms. Current board members include Tommy Moore, board chairman, Carl Patterson and Clyde Shaver III, board members.

The last performance audit for the Clay County ABC Board concluded in 2015. 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 August 5, 2025, ABC Commission Program Analyst Edwin Strickland visited the Clay County ABC Board and interviewed the General Manager, Denny Patterson and other board personnel. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

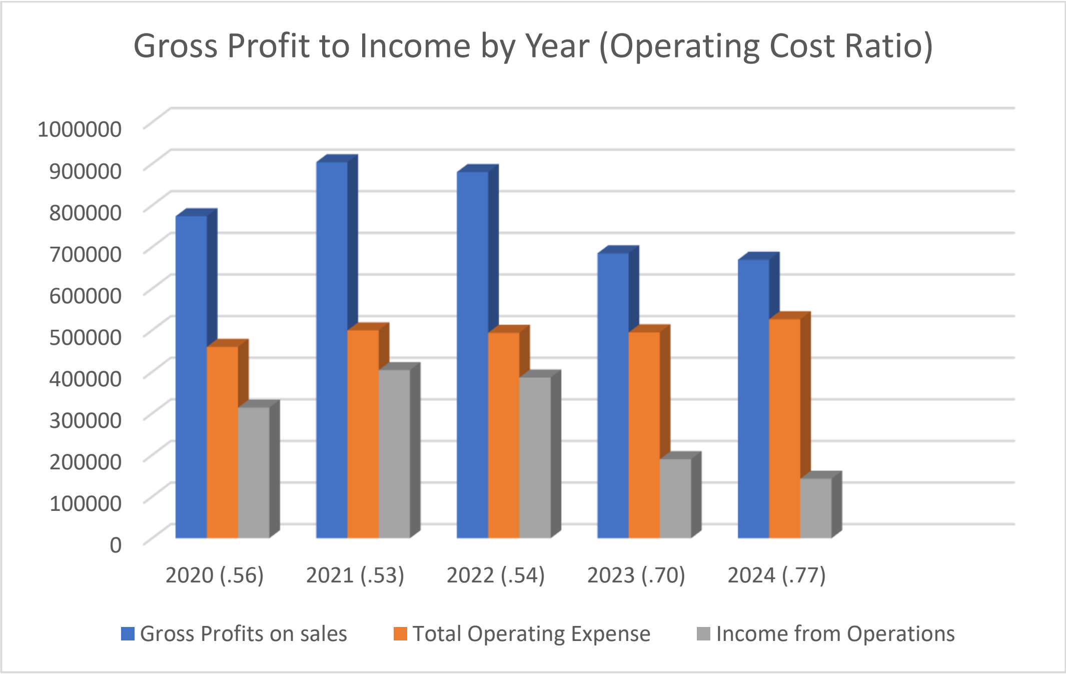
48 Creekside Cir. Hayesville.

FINANCIAL ANALYSIS

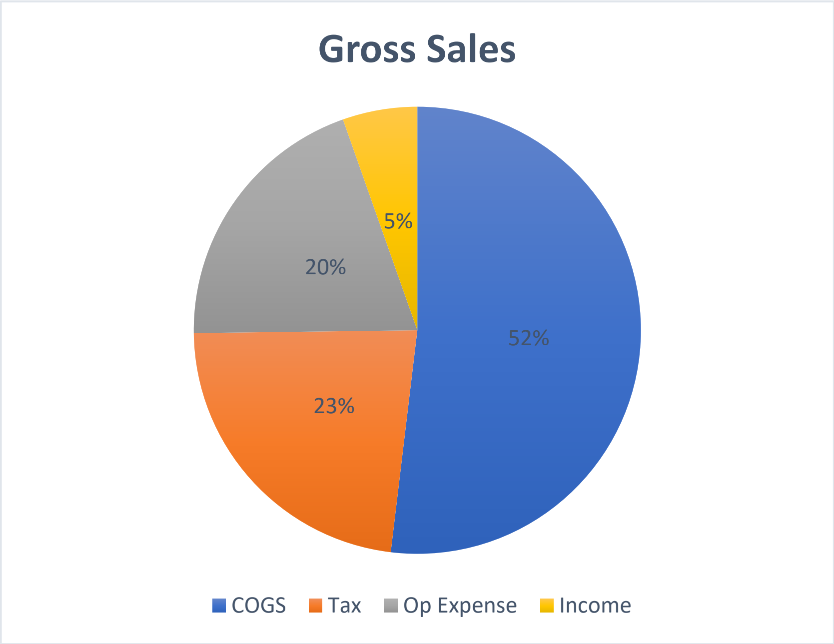
PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2023-2024, the Clay County ABC Board had a profit percentage to sales ratio of 5.38%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than $2M is 6.5%.
  - The Clay County ABC Board's gross sales totaled $2,659,759 which was an approximate 3% decrease from the previous fiscal year.
  - The board's sales have decreased over 15% over the last five completed fiscal years.
- Clay County ABC Board operates one retail store with mixed beverage sales. The operating cost ratio for the board was *.77* in FY 2023-2024. The NC ABC Commission standard for ABC Boards with one store and mixed beverage sales is *.73* 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 Clay County ABC Board, narrowly, does not meet the profitability and operating cost standards 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	$669,362	$684,776
Total Operating Expense	($526,294)	($494,824)
Income from Operations	$143,068	$189,952



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



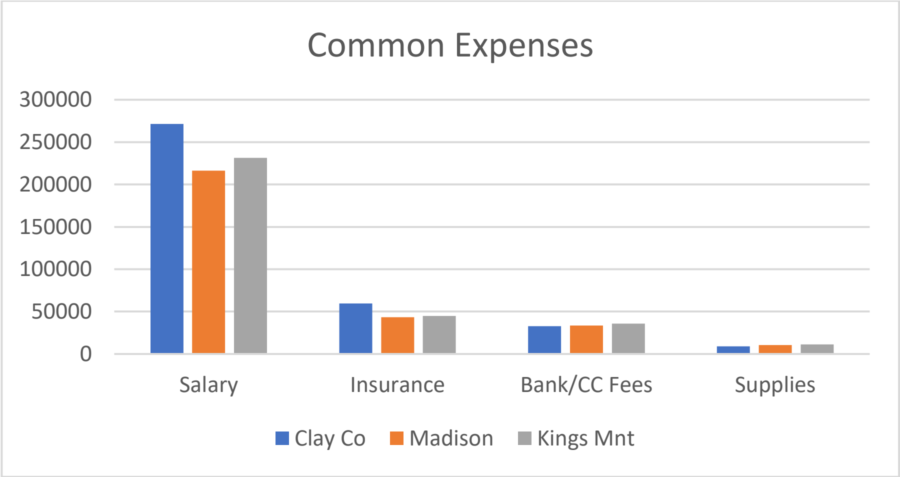
- *Factors affecting sales:*
  - Clay County ABC Board has two other ABC Boards within a 30-mile radius.
  - The county borders Georgia with additional outlets to include a newer county with approved liquor sales.
  - A 3.5% unemployment rate in Clay County in June of 2024 with a .1% increase from the previous year.
  - The board currently has 15 active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for over 11% of gross sales.*

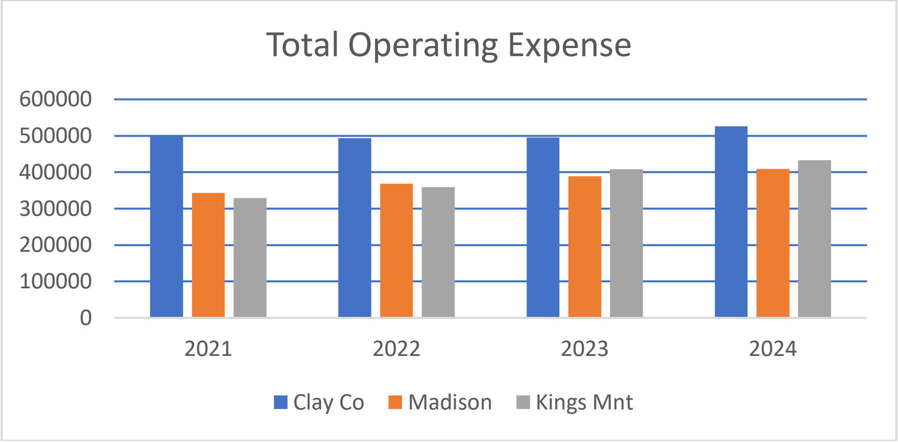
INVENTORY TURNOVER

- 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 Clay County ABC Board receives shipments twice monthly with a target inventory turnover rate of 5. The inventory turnover rate in (FY) 2023-2024 was 3.5, which is somewhat below the goal.

FINANCIAL ANALYSIS (cont.)

- *Factors affecting expenses:*
  - Total operating expenses increased around six percent (6%) from the last fiscal year and were around twenty percent (20%) of total annual sales in FY-23/24.
  - Board salaries were around ten percent (10%) of total annual sales. Salaries and wages increased less than two percent (2%) from the previous fiscal year.
  - Cost of Goods Sold (COGS) was roughly 51.9% for the fiscal year with a normal range being 52% to 54%.
- A common expense report and a total operating expense report show the Clay County ABC Board has similar categorical and higher 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. Total operating expense reports include the depreciation expense.*
  - Variables, including sales, are based only on the FY 23/24.





BUDGET ANALYSIS

	FY 2023-2024 *Budget Projections*	*FY2023-2024 Actual*	Variance	Variance %
Total Revenues	$2,695,500	$2,660,080	($35,420)	(1.3%)
Tax/COG/OP EX/Cap	$2,614,400	$2,453,972	$160,428	6%
Distributions	$102,000	$102,000		
Revenue over/under Expenditures & Finance		*$104,108*		
After Reconciling Items		*$41,289*		

- In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual total revenues were 1.3% below budget and taxes/costs/operating expenses were less the final budget amendment by 6%.
    - The net income change during the fiscal year was $41,289. *The board's collective net position on June 30, 2024, was $840,498; the net position has increased approximately 4% 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, Clay County ABC accrued funds for other statutory distributions totaling $102,000 (Net profit distribution recipient received *$80,000*).
- The amount of $609,817 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), DHHS, and the county commissioners of Clay County.

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

    - 100% to the Clay County General Fund

DISTRIBUTIONS (cont.)

- STATUTORY DISTRIBUTIONS:
  - Net Profit Distributions – The Clay 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 accrued at or above the standard 5% statute amount for two (2) the last five (5) FYs.
  - Alcohol Education Distributions: Have been accrued at or above the standard 7% statute amount for two (2) the last five (5) FYs.

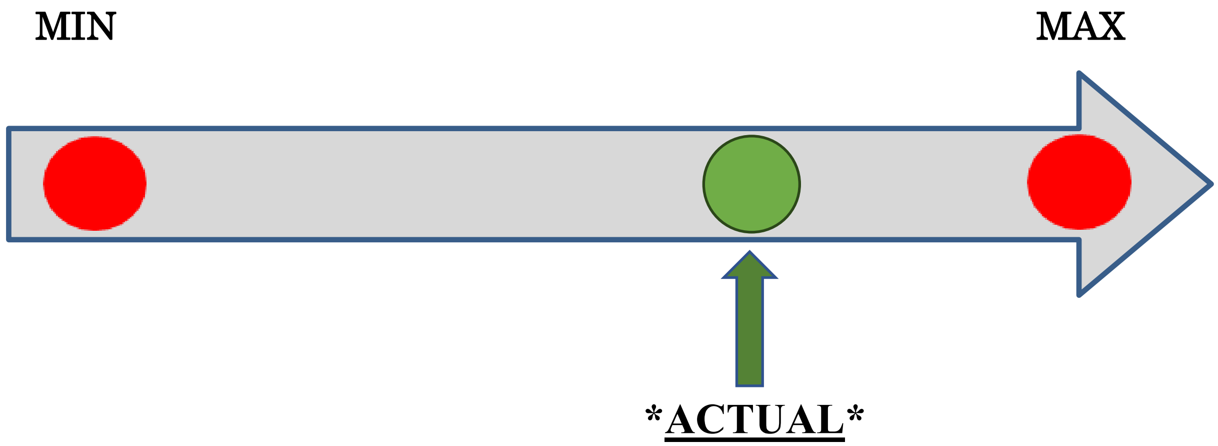
NC GENERAL STATUTE: 18B-805 (c)(1)				
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients ***Note: Referencing CPA Audit Reports***			**Clay County ABC Board** **Net profit distribution made annually by fiscal year**	
Calculated Amount			**Total paid to recipient(s)**	
FY-2024	*$73,623*		FY-2024	***$80,000***
FY-2023	*$76,148*		FY-2023	***$330,000***
FY-2022	*$97,682*		FY-2022	***$275,000***
FY-2021	*$101,816*		FY-2021	***$285,000***
FY-2020	*$80,241*		FY-2020	***$235,000***

- Since inception, the board has made distributions to the Clay County General Fund in the amount of $2,165,644.

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 Clay County ABC Board is required to maintain a minimum working capital of $78,844 with a maximum working capital amount of $512,486.
    - The Clay County ABC Board had a working capital balance of $358,045 which is more than the minimum and less 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.

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. Members receive compensation for their services at the maximum $150.00 per meeting.
    - Current board member terms are staggered to comply with G.S. 18B-700(a), and all members have served multiple terms with board.
    - Board members are currently compliant on ethics training.
    - Members have professional experience in local and state government, real estate, and other areas of business.
- 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 the second Thursday every other month and public awareness is posted in the newspaper. *The board may want to verify if the county clerk's office is notified when meeting dates change.*
- Meeting minutes are available and follow the order of proceedings and include the no conflict of interest statement.
    - Financial reports are provided by the administrative team and are discussed at meetings to include monthly sales and comparisons to previous year and other boards, profit and loss statement, and working capital computation.
    - 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 location(s).

Law Enforcement

- The board has a law enforcement contract with the Clay County Sheriff's Department from 2015 and a copy is in Commission records.
- Law enforcement reports have been submitted by the general manager for the last two months but do not contain data from their law enforcement agency. *This does satisfy the statutory requirement of the board but does not satisfy the accountability requirement as defined by G.S. 18B-501(f1).*
    - The board could consider requesting a newly signed contact with their county's sheriff's department or could consider a different law enforcement agency who would agree to the submission of reports containing applicable data for accountability as required by G.S. 18B-501(f1). *The board could also consider discussing law enforcement activity at board meetings.*

Board Personnel

- The board currently staffs seven total employees with five working full time.
- General Manager has served in this role with the board since its inception in 2009.
  - They are full time, their salary is below the maximum allowable compensation per G.S. 18B-700(g1), and they are compliant on ethics training.
  - They are responsible for oversight of all board operations and work directly with the staff and the finance officer on administrative tasks.
- The finance officer has been with the board since 2016 and is also the finance officer and general manager for a neighboring board.
  - Their responsibilities include all accounting activities except payroll, budget and audit preparation, and additional administrative training and support.
- The board has a full-time clerk who is currently being cross trained on several administrative tasks for general assistance and reserve support.
- All other store employees are sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training is provided to new employees from the managers and on the job and mentorship styled.
  - RASP training has been extended to all employees recently.
  - Product knowledge training is provided for the staff through general conversation and information provided from the broker reps.
  - Special orders are considered from staff and with procedures in place to accommodate, especially with mixed beverage customers or inquiries where a profitable amount of the case will likely be purchased.
- Employee files are kept in a locked portion of the administrative office and include tax, banking, and salary change information, as well as personnel policy updates and acknowledgments.
- Full time employees are enrolled in LGERS.
- The board has an approval from the Commission for the Grandson of the Chairperson to work at the board provided they recuse themselves from matters pertaining to that employee. Beyond this, no conflicts pertaining to nepotism found and per discussion with 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 most additional requirements of Rule 15A .1006.
  - While the manual does discuss salary administration, it does not fully cover promotions and demotions.
  - The personnel manual includes an acknowledgment sheet.
- Additional policies on file with the Commission include credit card usage, shelf management, price discrepancy, alcohol sales, mixed beverage sales, and personnel manual updates.
- For travel, the board has chosen to follow the state's travel policy for compliance with G.S. 18B-700(g2).

Operations

- Full inventory is conducted annually with frequent spot checks during stocking.
    - Counts are made by multiple team members and scanners are available.
    - Adjustments are made by the general manager.
    - A small sample of items were selected to verify accurate current inventory. Of those selected, all items actual inventory matched the theoretical.
    - Strategies for slow moving products include trading with a neighboring board and moving to a last chance table in the front of the store.
- Board receives deliveries for goods on the second and fourth Monday of the month.
    - Pallets are dropped and cases are checked with scanners.
    - Any variances are recounted and double verified before filing a discrepancy report.
- Liquor order is made by comparing each items stock to sales for the last 30 days and by comparing the same month's sales for the previous year. SPAs are considered for each item and the top 100 item list is reviewed.
- The board currently has around fifteen mixed beverage customer accounts.
    - Invoices are provided to permittees at the time of the transaction and signed copies are retained.
    - The board stamps bottles in the manner required by NCAC 15A .1901.
    - After being pulled, orders are scanned by a different team member and then verified at the time of transaction.
    - The board does not deliver but would likely accommodate if a customer needed help.
- Allocated products are reserved for mixed beverage customers on an equivalent level for their purchases. Some are shelved and made available to retail customers.
- The board does not have a website or social media accounts.
- The board keeps records for the destruction of unsaleable merchandise and has a section dedicated for the retention.
    - *In compliance with NCAC 15A .1701(c), the board emails copies of the reports to the Commission quarterly.*
- The board has held tastings and may consider more in the future.

Financial, Administrative, and Internal Controls

- Invoices for liquor are processed monthly for both deliveries.
    - Invoices are input by a full-time clerk and checks are cut by the finance officer.
    - Checks have the disbursement approval certificate as required by G.S. 18B-702(q).
    - Along with the finance officer, the general manager counter signs all checks.
- In compliance with G.S. 18B-702(m), the finance officer stamps the preaudit approval on liquor orders.
- The board has a debit card kept in the administrative office and usually only used by the general manager. Itemized receipts are maintained and reviewed by the finance officer when the account is fully settled monthly, and other policy mandated procedures are followed.
- The store has a change fund and petty cash occasionally used for incidental purchases.
- The store has two registers with tills starting at $200.00
    - Clerks usually work the full store operating hours with no shift changes.
    - Tills are verified at the beginning and end of the day.
    - Deposits are verified before being taken to the bank and are made on the following business day.
    - *A sample of recent deposits were reviewed and matched with cash register tapes with no significant variances.*
    - The finance officer conducts monthly deposit reconciliation.
- Funds are kept in a pooling bank(s) approved by the North Carolina Treasury Office.
- Payroll is processed by a third-party company via direct deposit.
    - General manger emails hours from employee timecards.
    - *A review of recent payroll records indicates accurate pay rates as entered on the board website for board members and the general manager.*
- The board currently makes their alcohol education distribution to Clay County, their appointing authority.
    - For compliance with G.S. 18B-805(h), the board should request a report at least annually on how these funds are spent. While the statutory requirement is to report this to the appoint authority, a report or affirmation on how these funds are spent should still be requested for accountability and should be at least included in the board of county commissioner's meeting minutes.
- The annual CPA audit was received by the Commission on August 5, 2024.
    - No areas of non-compliance were noted in the audit.
- All board members and the general manager and finance officer are bonded for at least $50,000 per G.S. 18B-700(i).

STORE INSIGHT & OVERVIEW

- The board's store and administrative office is located on a service road off a major throughfare somewhat behind a shopping strip. The store is in the county's biggest town and near the busiest intersection for retail and other business.
    - Building is free-standing and has visible signage including a prominent roadside sign.
    - Floors, counters, and shelves are clean.
    - Store has categorical signage.
    - The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed.
    - Quarterly price book is available, but specially priced items lists are not readily available to customers.
    - North Carolina products are mixed throughout the store.
    - Outside areas around the building is free of trash and debris.
- The board's warehouse is spacious, well-organized, and allows for pallet deliveries.
- Shelf management practices are followed, and a plan is available.
    - Products are fronted and dusted, and most are placed in categorized areas.
    - 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.
    - Special green shelf tags are used to highlight items on sale.
- Sales associate interactions with customers are attentive, courteous, and the staff is eager to meet the needs of the customers. *All staff is 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 shelf tags matched the official state price.
    - 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 are 9:00 am until 9:00 pm each day except Sunday. They are currently closed the five previously required holidays and Memorial Day.
- Security systems are in place and functional in all designated areas.
    - *The store has sixteen cameras, alarms, and panic buttons in office and at the counters.*
    - *The board has installed bollards in front of the entrance for pedestrian safety.*

RECOMMENDED ACTIONS (STATUTES OR COMMISSION RULES)

- The board should work with their contracted law enforcement agency, Clay County Sheriff's Department, to reestablish law enforcement reporting to comply with the provisions of G.S. 18-B-501(f1). If current law enforcement agencies are not completing ABC enforcement law activities on behalf of the board, it is recommended for the board to consider entering a contract with a different agency such as Alcohol Law Enforcement (ALE) state agency or any other local departments.
    - The board could consider requesting a new contract with the sheriff's department to reemphasize the reporting requirement.
    - Accountability; Enforcement Reports. – To ensure accountability to the appointing authority and the Commission, every local board's ABC officers and those law enforcement agencies subject to an enforcement agreement entered pursuant to subsection (f) of this section shall report to the local board, by the fifth business day of each month, on a form developed by the Commission, the following:
        - (1) The number of arrests made for ABC law, Controlled Substance Act, or other violations, by category, at ABC permitted outlets.
        - (2) The number of arrests made for ABC law, Controlled Substance Act, or other violations, by category, at other locations.
        - (3) The number of agencies assisted with ABC law or controlled substance related matters.
        - (4) The number of alcohol education and responsible server programs presented.

- For compliance with G.S. 18B 805(h), the board should verify their alcohol education distribution recipient, Clay County, reports how these awarded funds are spent, and the board of county commissioners describes in their meeting minutes how these funds are spent.

- The board should consult Rule 15A .1006 to determine their personnel manual covers all requirements. *The manual may not fully cover promotions and demotions.* Additionally, the board could consider other policies to include allocated products, social media, tastings, or employee tastings.

- 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.

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 30^{th} 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.

- In FY 2023/2024 the board did not meet all fiscal performance standards as established by the Commission per G.S. 18B-705. *The board is and should continue to consider strategies to reduce operating expenses and/or increase profits. The board could consider consulting with other boards, the association's internal controls team, or Commission staff for possible suggestions and marketing strategies.*

- 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.

- 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.

- 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.

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

PREVIOUS PERFOMANCE AUDIT RECOMMENDATIONS (2015)

- Consider exploring more efficient ways of handling empty shelves. The common practice is to incorporate a shelf display when there is a limited brand category.
- Consider additional training opportunities through the Commission, such as the Responsible Alcohol Sellers Program, and other Commission-approved courses.
- Have the board chairman read the conflict-of-interest statement to all board members at the beginning of each meeting.
- Update board appointment information on the Commission website.

While having addressed many considerations from previous Commission review (2015), board should still monitor and strive to satisfy previously noted recommended actions.

Clay County Alcoholic Beverage Control Board

Post Office Box 657, Hayesville, North Carolina 28904
(828) 389-7039

Tommy Moore
Chairman

Clyde Shaver
Carl Patterson
Board Members

Denny Patterson
General Manager

October 14, 2025

Edwin Strickland
Program Analyst/Board Auditor
400 E. Tryon Rd.
Raleigh, NC 27610

Dear Mr. Strickland:

On behalf of the Clay County ABC Board we want to thank you for your time and effort put into the Performance Audit that you conducted on our store and for presenting and reviewing the report with us at our board meeting held on October 14, 2025.

The Clay County ABC board members and employees take pride in our store and strive to maintain excellent store appearance and customer service. Our intent is to strictly operate and comply with the established standards and rules set forth by the North Carolina ABC Commission and General Statutes.

Your comments and recommendations have been duly noted and have been fully implemented. An updated Law Enforcement Contract with the Clay County Sheriff's Office has been implemented which reemphasizes the reporting requirements. The Board will verify that all Alcohol Education distribution recipients, including Clay County, report how the funds are spent. The Board will review the personnel manual and ensure it fully covers promotions and demotions. The Board has approved and adopted policies for allocated products, social media, and tastings. The Board has signed a Certificate of Accountability which will be forwarded to the Commission with this letter.

We appreciate your time and your assistance in helping us to build on and to improve our existing policies, practices, and controls within our Board.

Sincerely,

Tommy Moore
Chairman
Clay County ABC Board

Clay County Alcoholic Beverage Control Board

Post Office Box 657, Hayesville, North Carolina 28904
(828) 389-7039

Tommy Moore
Chairman

Denny Patterson
General Manager

Clyde Shaver
Carl Patterson
Board Members

Certificate of Accountability

October 14, 2025

This document assures this Board and the State of North Carolina that the following statutory duties required of the 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).

Denny Patterson
General Manager

Tommy Moore
Chairman

[signature]
Financial Officer

[signature]
Board Member

Carl Patterson
Board Member