

Local ABC System
 Compensation and Benefits Survey
 Please Return on or before December 1, 2009
 To Laurie Lee, NC ABC Commission
 4307 Mail Service Center, Raleigh NC, 27699

Name of ABC System Halifax County ABC Board

ABC Employees

1. How many employees does your ABC system have? full-time 6 part-time 30
 other _____

2. What are the names, titles, total annual compensation (salaries plus bonuses), benefits (410(k), health, retirement, other) and hire date for the 5 most highly paid employees of your system for the following periods:

Fiscal Year 2009 (July 1, 2008 – June 30, 2009)

NAME Joseph A. McAllister TITLE Supervisor
 SALARY \$ 44,160.00 BONUS \$ 1,383.00 BENEFITS Yes No HIRE DATE 11-01-85

NAME Cynthia P. Allen TITLE Bookkeeper
 SALARY \$ 25,928.00 BONUS \$ 1,219.00 BENEFITS Yes No HIRE DATE 12-01-85

NAME John W. Allen TITLE Warehouse Manager
 SALARY \$ 35,208.00 BONUS \$ 12,04.00 BENEFITS Yes No HIRE DATE 07-01-88

NAME Phil A. Harris TITLE Store Manager
 SALARY \$ 35,172.00 BONUS \$ 1203.00 BENEFITS Yes No HIRE DATE 05-01-85

NAME Rachel Reid TITLE Store Clerk
 SALARY \$ 28,452.00 BONUS \$ 1069.00 BENEFITS Yes No HIRE DATE 05-01-89

Fiscal Year 2008 (July 1, 2007 – June 30, 2008)

NAME Joseph A. McAllister TITLE Supervisor
 SALARY \$ 42,876.00 BONUS \$ 1058.00 BENEFITS Yes No HIRE DATE 11-01-85

NAME Cynthia P. Allen TITLE Bookkeeper
 SALARY \$ 34,884.00 BONUS \$ 898.00 BENEFITS Yes No HIRE DATE 12-01-85

NAME John W. Allen TITLE Warehouse Manager
 SALARY \$ 34,188.00 BONUS \$ 884.00 BENEFITS Yes No HIRE DATE 07-01-88

NAME Phil A. Harris TITLE Store Manager
 SALARY \$ 34,152.00 BONUS \$ 884.00 BENEFITS Yes No HIRE DATE 05-01-85

NAME Rachel Reid TITLE Store Clerk
 SALARY \$ 27,624.00 BONUS \$ 753.00 BENEFITS Yes No HIRE DATE 05-01-89

Fiscal Year 2007 (July 1, 2006 – June 30, 2007)

NAME Joseph A. McAllister TITLE Supervisor
 SALARY \$ 40,836.00 BONUS \$ 1317.00 BENEFITS Yes No HIRE DATE 11-01-85

NAME Cynthia P. Allen TITLE Bookkeeper
 SALARY \$ 33,228.00 BONUS \$ 1165.00 BENEFITS Yes No HIRE DATE 12-01-85

NAME John W. Allen TITLE Warehouse Manager
SALARY \$ 32,556.00 BONUS \$ 11,511.00 BENEFITS Yes No HIRE DATE 07-01-88

NAME Phil A. Harris TITLE Store Manager
SALARY \$ 32,520.00 BONUS \$ 10,500.00 BENEFITS Yes No HIRE DATE 05-01-85

NAME Bachel Reid TITLE Store Clerk
SALARY \$ 26,304.00 BONUS \$ 10,260.00 BENEFITS Yes No HIRE DATE 05-01-89

3. Please attach a list of the benefits you pay to your 5 highest paid employees.
4. List the names of your board members and their annual board compensation for Fiscal Year 2009

Robert Shields, Ch. 1500.00 Jimmy Dildy 750.00
Johnny Draper 750.00

Fiscal Year 2008

Robert Shields, Ch. 1500.00 Jimmy Dildy 750.00
Johnny Draper 750.00

Fiscal Year 2007

Robert Shields, Ch. 1500.00 Jimmy Dildy 750.00
Johnny Draper 750.00

5. Do your board members receive insurance or retirement benefits? Yes No If yes, what are they? Board Member 100% Spouse 75%

6. Do your board members receive other compensation for their service Yes No If so, what? _____

7. Do you have a travel policy for board members/employees? Yes No If yes, when was it instituted? 1996 Please attach a copy. See Pages 21-24

8. Do you have an ethics policy in place for board members/employees? Yes No If yes, when was it instituted? 1996 Please attach a copy. See page 21-25

9. Does your ethics policy prohibit receipt of gifts, including for example, entertainment tickets, bottles of alcohol, goods or services? Yes No But with limitations
See page 22 + 25

10. Does your ethics policy allow payment of meals or other travel expenses by industry members or private dollars? Yes No But with limitations
See page 25

11. Do you have a nepotism policy in place for board members/employees? Yes No If yes, when was it instituted? 1996 Please attach a copy. See page 4

12. Do you have a standard process for setting salary and compensation ranges for ABC employees? Yes No If yes, when was it instituted? 1996 Please attach a copy. See pages 2-4

13. Do you pay a car allowance for board members/employees? Yes No If so, how much is it per year total and who receives it? _____

14. For your individual board members (and family members if applicable) what was the total travel expense paid or reimbursed from all sources, public and private for ABC-related functions in Fiscal Year 2009? 5199.66

Submitted by Name [Signature] Title: Supervisor Date: 11-30-09

SECTION 3. Responsibility of the Supervisor. The Supervisor of the Halifax County Alcoholic Beverage Control Board shall be responsible for the management of the personnel policies and rules which shall apply to all appointed employees, except as otherwise provided by Section 4 of this Article. The Supervisor shall obtain and utilize salary information from various sources, and shall perform such other duties in connection with an adequate personnel program as the Board shall require. All matters dealing with personnel shall be routed through the Supervisor who shall maintain proper personnel files and records.

SECTION 4. Employees Subject to Resolution. The provisions of this Resolution shall be applicable to all full-time employees. The employment of part-time and temporary employees shall be governed by this Resolution to the extent that it is applicable and by such other regulations as are adopted by the Board upon the recommendations of the Supervisor.

ARTICLE II

Salary Plan

SECTION 1. Maintenance of Salary Plan. The Board shall be responsible for the administration and maintenance of the salary plan. Each year the Supervisor shall secure information concerning the general level of salaries paid and fringe benefits provided by the ABC Board, the salaries paid and fringe benefits provided by comparable municipal, county and state employees, and any change in the cost of living in the area during the fiscal year. The Board shall conduct continuing studies of the internal relationships between classes in order to reduce or eliminate inequities between classes of

positions. Based on its studies and the general financial conditions, the Board shall make such increases, reductions, or amendments of the salary plan as it deems necessary to maintain the fairness and adequacy of the salary plan.

SECTION 2. Pay Period. All employees shall be paid monthly. Pay day normally shall be on the twenty-fifth day of the month.

SECTION 3. Salary of Trainee. A new employee shall be placed on the salary scale on a level below the minimum salary established for the position. The employee shall continue to receive a reduced salary during a probationary period until the supervising department head with the approval of the Board shall determine that the trainee is qualified to assume the responsibilities of the position, or until the end of that probationary period when the employee is either discharged or moved to a listed rate in the salary range established for the position.

SECTION 4. Salary of Promoted Employee. An employee promoted to a position in a class having a higher pay range may receive a salary increase commensurate with the difference in the two positions, or an increase to the minimum step of the new salary range, whichever is higher. If an employee fails to complete successfully his probationary period following promotion, he shall be reinstated in his former position or in a position in the same class at his former salary.

SECTION 5. Salary of Transferred Employee. The salary of an employee reassigned to a position in the same class or to a position in a different class with the same salary range shall not be changed by the reassignment.

SECTION 6. Salary of Demoted Employee. The salary of an employee demoted to a position in a class with a lower salary range shall be adjusted to the maximum of the

new range or to five (5%) percent below his former salary, whichever is lower.

SECTION 7. Salary of Part-time Employees. The pay plan established by this Resolution is for full-time service. An employee may be appointed for less than full-time service but shall be paid at an hourly rate approved by the Board.

SECTION 8. Salary Increases. Salary increases shall be granted only in recognition of superior or improved performance. Salary increases shall be effective only upon the recommendation of the Supervisor and with the approval of the Board.

ARTICLE III

Appointment

SECTION 1. Appointments. The Supervisor shall be responsible for recruiting and/or employing such employees as are authorized. After qualifications and experiences of the applicant, the Supervisor shall assign the position and salary of the new or promoted employee, subject to board approval.

SECTION 2. Qualification Standards. Employees shall meet the employment standards established by the Board and/or such other reasonable minimum standards as may be established by the Supervisor.

SECTION 3. Limitation on Employment of Relatives. Two members of an immediate family shall not be employed at the same time. Immediate family is defined as husband, wife, father, daughter, son, sister, brother, half-sister, half-brother, stepmother, stepfather, stepdaughter, stepson, stepsister, stepbrother, grandmother, grandfather, granddaughter, grandson, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, and brother-in-law.

representative.

ARTICLE VIII

Travel Policy

Sections 1 through 9 of this Article will be applicable to permanent, full-time employees, Supervisor and ABC Board members.

All personnel, law enforcement, Supervisor and Board members that attend State ABC conventions are required to attend all meetings.

All personnel, law enforcement, Supervisor and Board members that attend National ABC conventions are required to attend all meetings that pertain to North Carolina.

SECTION 1. Authorization. Travel on official ABC business outside of the state must be authorized by the ABC Board Chairman. A request for travel must describe the travel requested, the purpose of the trip, the period of time away from the ABC Board, and approval of the Board Chairman.

SECTION 2. Reimbursement for Mileage. ABC Board employees, Supervisor and Board members traveling away from the county on official business will be reimbursed as follows:

- (1) travel by ABC car, ABC Board pays total cost of operation and maintenance;
- (2) travel by personal car, amount per mile set by auditor to be reviewed annually;
- (3) travel by public conveyance with the prior approval of the Board Chairman, the actual cost of the fare; and

(4) mileage for travel will be paid for the shortest usually traveled route.

SECTION 3. Room and Board and Special Expenses.

- (1) Living expenses and meals for Supervisor, law enforcement, Board members and spouses will be authorized only for trips lasting overnight or longer.
- (2) Employees (law enforcement and Supervisor) will be expected to commence the return to the ABC Board as soon as practical after the conclusion of their business.
- (3) Personnel traveling away from Halifax County on official business will be compensated for all room and board and meals paid for out of pocket.
- (4) Employee and board members will be reimbursed for the actual cost of special expenses paid by them from their personal funds, such as parking fees, tolls, registration fees, and other related expenses.

SECTION 4. Expense Statement Required.

- (1) Employees and Board members traveling on a reimbursable basis for the ABC Board will keep an accurate record of their expenses. No reimbursement will be paid without written travel claim signed by the employee or Board member; receipts for the cost of hotel and travel expenses, and for any special expenses must be attached to the written claim.

SECTION 5. Expenses Not Reimbursable.

- (1) Alcoholic beverages, personal telephone calls, rented movies, golf, sightseeing tours, etc... will not be paid by the ABC Board. (Sightseeing

tours and golf tournaments will be paid by the ABC Board only if it is included in the package from the NABCA.)

- (2) Meals that exceed the price of the meals in the NABCA package will not be reimbursed.
- (3) Expenses for children will not be reimbursed.
- (4) Mileage for several members on one vehicle will not be reimbursed. The driver of the vehicle only will be reimbursed. Anyone riding in the ABC car will not be reimbursed for mileage. The driver of the ABC car has access to a credit card. If for any reason the credit card can not be used, the driver will be reimbursed for out of pocket gas expense.

SECTION 6. Short Trips. When an employee or Board member is away from the county on official business not requiring overnight absence, he will be reimbursed for meals and for special expenses incurred. The employee or official will keep an accurate record of all expenses, his time of departure to and from destination, and his time of return. No reimbursement will be paid without written travel claim signed by the employee or Board member; receipts for special expenses must be attached to the claim.

SECTION 7. Reimbursement for Training Expense. When an employee or Board member enters into an approved job-related training program, the ABC Board will pay for such expenses as tuition and books. The employee or Board member will not be expected to pay for these expenses out of pocket. In addition, the employee or Board members will be covered by all rules and regulations as outlined in Sections 1-9 of this Article.

SECTION 8. Status of Employees or Board Members While Traveling.

Participation in official out-of-town business meetings, authorized training courses, and authorized professional conferences, is "time worked" for the purpose of computing wages for employees eligible for overtime compensation. Travel away from home is work time when it cuts across such as an employee's normal workday. The employee is simply substituting travel for other duties. The time is not only hours worked during normal workdays but also during the corresponding hours on nonworking days.

SECTION 9. Workmen's Compensation. Employees of the ABC Board absent from the county on official business, or in training courses or professional meetings, will be covered by workmen's compensation insurance in accordance with the North Carolina Workmen's Compensation Act and the ABC Board's workmen's compensation insurance policy.

Policy Addition to Article VII, Section 9

The original policy remains the same, in addition:

It is the concensus of the Halifax County ABC Board that Board Members and Supervisor may accept an occasional meal and/or novelty item of minimal value from industry members as part of the day-to-day business.

ARTICLE VII

SECTION 16. Security Cameras. All ABC Stores are equipped with security cameras. The cameras are for the safety of Board employees and well as the security of Board property. It is the responsibility of the store employee on duty to insure that the security camera and Video Cassette Recorder (VCR) is operating properly immediately upon entering the store to begin the shift. VCR tapes shall be inspected for damage, rewound, and shall be used for the proper day of the week as labeled. VCR clocks should reflect the correct time of day and shall correspond with the clocks on the cash registers. If a VCR and/or security camera is not operating properly, the supervisor shall be notified immediately.

SECTION 17. Handling of Funds and Inventory. Every sale shall be made through the cash register. The funds for such sales shall be collected immediately. Board policy prohibits employees from issuing "credit" to customers, co-workers, or themselves. Any violation of this section shall be deemed improper and shall subject such employee to dismissal or other disciplinary action by the Board.

SECTION 18. Tipping. Employees are prohibited from accepting tips or compensation in any form from customers.

**HALIFAX COUNTY ABC BOARD
EMPLOYEE BENEFITS**

- **N.C. LOCAL GOV'T RETIREMENT SYSTEM**
- **GROUP HEALTH INSURANCE: EMP. 100%, FAMILY 75%**
- **401(K) 3%**
- **LONGEVITY 2% ANNUALLY**
- **LIFE INS., EMP. \$10,000, DEP. 2,000**
- **RETIREE HEALTH INS. 30+ YEARS 100%, 20+ YEARS 50%
(UNTIL REACHING MEDICARE ELIGIBILITY)**

Local ABC System
Compensation and Benefits Survey
Please Return on or before December 1, 2009
To Laurie Lee, NC ABC Commission
4307 Mail Service Center, Raleigh NC, 27699

RECEIVED

NOV 30 2009

NC ABC COMMISSION

Name of ABC System Hamlet ABC Board

ABC Employees

1. How many employees does your ABC system have? full-time 2 part-time 3
other _____

2. What are the names, titles, total annual compensation (salaries plus bonuses), benefits (410(k), health, retirement, other) and hire date for the 5 most highly paid employees of your system for the following periods:

Fiscal Year 2009 (July 1, 2008 – June 30, 2009)

NAME Mary Faulkner TITLE Store Manager
SALARY\$ 24,002.00 BONUS \$ 225.00 BENEFITS Yes No HIRE DATE 03-10-05

NAME Larry Hatfield TITLE Clerk
SALARY\$ 20,386.00 BONUS \$ 225.00 BENEFITS Yes No HIRE DATE 09-11-06

NAME Katherine Gillis TITLE Bookkeeper
SALARY\$ 8923.91 BONUS \$ 90.00 BENEFITS Yes No HIRE DATE 10-30-06

NAME Tara Staub TITLE Clerk
SALARY\$ 6606.30 BONUS \$ 90.00 BENEFITS Yes No HIRE DATE 09-10-08

NAME Gregory Rush TITLE Clerk
SALARY\$ 1343.36 BONUS \$ 25.00 BENEFITS Yes No HIRE DATE 11-18-08

Fiscal Year 2008 (July 1, 2007 – June 30, 2008)

NAME Mary Faulkner TITLE Store Manager
SALARY\$ 22,290.00 BONUS \$ 175.00 BENEFITS Yes No HIRE DATE 03-10-05

NAME Larry Hatfield TITLE Clerk
SALARY\$ 19,132.00 BONUS \$ 175.00 BENEFITS Yes No HIRE DATE 09-11-06

NAME Katherine Gillis TITLE Bookkeeper
SALARY\$ 8973.00 BONUS \$ 90.00 BENEFITS Yes No HIRE DATE 10-30-06

NAME Donald Sweatt TITLE Clerk
SALARY\$ 9293.00 BONUS \$ 90.00 BENEFITS Yes No HIRE DATE 08-08-07

NAME Jason Currie TITLE Clerk
SALARY\$ 6258.00 BONUS \$ 90.00 BENEFITS Yes No HIRE DATE 11-08-06

Fiscal Year 2007 (July 1, 2006 – June 30, 2007)

NAME Mary Faulkner TITLE Store Manager
SALARY\$ 18,969.14 BONUS \$ 175.00 BENEFITS Yes No HIRE DATE 03-10-05

NAME Larry Hatfield TITLE Clerk
SALARY\$ 14,150.89 BONUS \$ 175.00 BENEFITS Yes No HIRE DATE 09-11-06

NAME Katherine Gillis TITLE Bookkeeper
SALARY\$ 5468.00 BONUS\$ 25.00 BENEFITS Yes No HIRE DATE 10-30-06

NAME Jason Currie TITLE Clerk
SALARY\$ 3777.00 BONUS\$ 25.00 BENEFITS Yes No HIRE DATE 08-10-06

NAME Albert Harris TITLE Clerk
SALARY\$ 1392.00 BONUS\$ 25.00 BENEFITS Yes No HIRE DATE 10-06-06

3. Please attach a list of the benefits you pay to your 5 highest paid employees.
4. List the names of your board members and their annual board compensation for Fiscal Year 2009
John O. Thomas, Chairman -1200.00
Jerry L. Thomas \$600.00 Wilson A. Ramsey \$600.00
-
- Fiscal Year 2008
John O. Thomas, Chairman - 1200.00
Jerry L. Thomas \$600.00 Wilson A. Ramsey \$600.00
-
- Fiscal Year 2007
John O. Thomas, Chairman- 1200.00
Jerry L. Thomas \$600.00 Wilson A. Ramsey \$600.00
5. Do your board members receive insurance or retirement benefits? Yes ___ No If yes, what are they? _____
6. Do your board members receive other compensation for their service Yes ___ No If so, what? _____
7. Do you have a travel policy for board members/employees? Yes ___ No If yes, when was it instituted? _____ Please attach a copy.
8. Do you have an ethics policy in place for board members/employees? Yes ___ No If yes, when was it instituted? _____ Please attach a copy.
9. Does your ethics policy prohibit receipt of gifts, including for example, entertainment tickets, bottles of alcohol, goods or services? Yes ___ No
10. Does your ethics policy allow payment of meals or other travel expenses by industry members or private dollars? Yes ___ No
11. Do you have a nepotism policy in place for board members/employees? Yes ___ No If yes, when was it instituted? _____ Please attach a copy.
12. Do you have a standard process for setting salary and compensation ranges for ABC employees? Yes ___ No If yes, when was it instituted? _____ Please attach a copy.
13. Do you pay a car allowance for board members/employees? Yes ___ No If so, how much is it per year total and who receives it? _____
14. For your individual board members (and family members if applicable) what was the total travel expense paid or reimbursed from all sources, public and private for ABC-related functions in Fiscal Year 2009? 00

Submitted by Name Mary Faulkner Title: Store Manager Date: 11-24-09

Local ABC System
 Compensation and Benefits Survey
 Please Return on or before December 1, 2009
 To Laurie Lee, NC ABC Commission
 4307 Mail Service Center, Raleigh NC, 27699

RECEIVED
 NOV 30 2009

Name of ABC System HENDERSONVILLE ABC NC ABC COMMISSION

ABC Employees

1. How many employees does your ABC system have? full-time 12 part-time 5
 other _____

2. What are the names, titles, total annual compensation (salaries plus bonuses), benefits (410(k) ~~health, retirement~~ other) and hire date for the 5 most highly paid employees of your system for the following periods:

Fiscal Year 2009 (July 1, 2008 - June 30, 2009)

NAME JOHN MORGAN TITLE SUPERVISOR
 SALARY \$ 64149.65 BONUS \$ 2486.80 BENEFITS Yes No HIRE DATE 12/26/1972

NAME DANNY BEDDINGFIELD TITLE GENERAL MANAGER
 SALARY \$ 48119.90 BONUS \$ 1839.95 BENEFITS Yes No HIRE DATE 06/01/1976

NAME RAYMOND ENGLISH TITLE STORE #2 MANAGER
 SALARY \$ 42832.45 BONUS \$ 1649.25 BENEFITS Yes No HIRE DATE 08/01/1979

NAME CHERYL McCRAW TITLE BOOKKEEPER
 SALARY \$ 40615.70 BONUS \$ 1574.50 BENEFITS Yes No HIRE DATE 10/01/1979

NAME HARVEY NEAL TITLE CLERK
 SALARY \$ 31711.70 BONUS \$ 1221.05 BENEFITS Yes No HIRE DATE 07/26/1997

Fiscal Year 2008 (July 1, 2007 - June 30, 2008)

NAME JOHN MORGAN TITLE SUPERVISOR
 SALARY \$ 61965.30 BONUS \$ 2414.35 BENEFITS Yes No HIRE DATE 12/26/1972

NAME DANNY BEDDINGFIELD TITLE GENERAL MANAGER
 SALARY \$ 45531.10 BONUS \$ 1743.80 BENEFITS Yes No HIRE DATE 06/01/1976

NAME RAYMOND ENGLISH TITLE STORE #2 MANAGER
 SALARY \$ 41631.20 BONUS \$ 1601.20 BENEFITS Yes No HIRE DATE 08/01/1979

NAME CHERYL McCRAW TITLE BOOKKEEPER
 SALARY \$ 39204.95 BONUS \$ 1528.60 BENEFITS Yes No HIRE DATE 10/01/1979

NAME GREG MARTIN TITLE CLERK
 SALARY \$ 33555.80 BONUS \$ 1232.55 BENEFITS Yes No HIRE DATE 04/15/1996

Fiscal Year 2007 (July 1, 2006 - June 30, 2007)

NAME JOHN MORGAN TITLE SUPERVISOR
 SALARY \$ 59225.20 BONUS \$ 2298.95 BENEFITS Yes No HIRE DATE 12/26/1972

NAME DANNY BEDDINGFIELD TITLE GENERAL MANAGER
 SALARY \$ 43981.80 BONUS \$ 1684.80 BENEFITS Yes No HIRE DATE 06/01/1976

NAME RAYMOND ENGLISH TITLE STORE #2 MANAGER
 SALARY \$ 37630.50 BONUS \$ 1524.25 BENEFITS Yes No HIRE DATE 08/01/1979

NAME CHERYL McCRAW TITLE BOOKKEEPER
 SALARY \$ 37497.40 BONUS \$ 1451.65 BENEFITS Yes No HIRE DATE 10/01/1979

NAME GREG MARTIN TITLE CLERK
 SALARY \$ 32848.70 BONUS \$ 1121.35 BENEFITS Yes No HIRE DATE 04/15/1996

3. Please attach a list of the benefits you pay to your 5 highest paid employees.
4. List the names of your board members and their annual board compensation for Fiscal Year 2009

<u>JEFF MILLER - Chairman</u>	<u>\$ 6000</u>
<u>DON COOPER</u>	<u>1800</u>
<u>ROBERT BETTS</u>	<u>1800</u>

Fiscal Year 2008

Same

Fiscal Year 2007

Same

5. Do your board members receive insurance or retirement benefits? Yes No If yes, what are they? _____
6. Do your board members receive other compensation for their service? Yes No If so, what? _____
7. Do you have a travel policy for board members/employees? Yes No If yes, when was it instituted? _____ Please attach a copy. Revised 09/2007
8. Do you have an ethics policy in place for board members/employees? Yes No If yes, when was it instituted? _____ Please attach a copy. Revised 09/2007
9. Does your ethics policy prohibit receipt of gifts, including for example, entertainment tickets, bottles of alcohol, goods or services? Yes No
10. Does your ethics policy allow payment of meals or other travel expenses by industry members or private dollars? Yes No
11. Do you have a nepotism policy in place for board members/employees? Yes No If yes, when was it instituted? _____ Please attach a copy. Revised 09/2007
12. Do you have a standard process for setting salary and compensation ranges for ABC employees? Yes No If yes, when was it instituted? _____ Please attach a copy.
13. Do you pay a car allowance for board members/employees? Yes No If so, how much is it per year total and who receives it? _____
14. For your individual board members (and family members if applicable) what was the total travel expense paid or reimbursed from all sources, public and private for ABC-related functions in Fiscal Year 2009? \$ 0

Submitted by Name CHERYL McCRAW Title: BOOKKEEPER Date: 11/23/09

Benefits include:

Health

Dental

Vision

Life

Short-term disability

Retirement

Vacation

Sick leave

Under such circumstance, you will not be compensated for the time away from work. Consult your supervisor if you have questions as to what constitutes appropriate appearance.

P. Employee Health

As a condition of employment, you may be requested at anytime to undergo a medical examination to determine your ability to perform under your job description. Any employee who refuses to cooperate with a determination of whether he or she is fit for duty will be subject to disciplinary action, up to and including termination.

Q. Customers

Positive customer relations not only enhance public perception or image of Hendersonville ABC Board, but also pay off in greater customer loyalty and increased sales and profit.

Every employee represents Hendersonville ABC Board to our customers and the public. The way we do our job presents an image of our entire ABC Board. Customers judge all of us by how they are treated in person or on the telephone. Therefore, one of our first business priorities is to assist each customer or potential customer. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention you give to customers.

R. Travel for Business

Hendersonville ABC Board will reimburse employees for reasonable business travel expenses incurred while on assignments away from the normal work location. All business travel must be approved in advance by the Supervisor or ABC Board Member(s).

When approved, all reasonable costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by Hendersonville ABC Board. When travel is completed, employees should submit completed travel expense reports within 30 days to the ABC Board office. Receipts for all individual expenses should accompany reports.

With prior approval, a family member or friend may accompany employees on business travel, when the presence of a companion will not interfere with successful completion of business objectives. Generally, employees are also permitted to combine personal travel with business travel, as long as time away from work is approved. Additional expenses arising from such non-business travel are the responsibility of the employee and will not be reimbursed.

Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by Hendersonville ABC Board may not be used for personal use without prior approval.

S. Company Vehicles and Equipment

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using the Board's equipment and vehicles, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or need repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment. Any employee who has been charged with a traffic violation of any kind should notify the supervisor immediately. (This is for insurance purposes only).

T. Smoking

In keeping with Hendersonville ABC Board's intent to provide a safe and healthful work environment, and current county ordinances, smoking and the use of smokeless tobacco products are prohibited in the store area. Employees may smoke or use smokeless tobacco products inside the warehouse area and the store offices.

Any questions regarding any policy, rule or regulation contained in this employee handbook should be directed to one of the Managers.

XIII. ETHICS AND CONFIDENTIALITY POLICY

The successful business operation and reputation of the Hendersonville ABC Board is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of Hendersonville ABC Board is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to Hendersonville ABC Board and its customers and employees should act in a way that will merit the continued trust and confidence of the public.

Hendersonville ABC Board will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your store manager and, if necessary, with the Supervisor for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Hendersonville ABC Board employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

A. Ethics Policy:

1. Employees shall refrain from any use of their position which is motivated by the desire for private gain for themselves or other persons. They must conduct themselves in such a manner that there is no suggestion of the extracting of private advantage from their employment with the Board.
2. Employees shall exercise discretion in the care of personal financial activities to avoid any legal liabilities which would reflect unfavorably upon the Board.
3. Employees shall not use their positions in any way to coerce, or give the appearance of coercing another employee to provide any financial benefit to the employee or other persons.
4. An employee shall avoid any action which might result in giving preferential treatment to any organization or person; losing his or her independence or impartiality of action, or affecting adversely the confidence of the public in the integrity of the Board.
5. An employee shall not accept any gift or gratuity, whether in the form of service, loan, thing of value, or promise from any fellow employee, or salesperson,

vendor or other entity who does business with or furnishes goods or services to the Board. Included in this prohibition is the purchasing, offering to purchase, or being given the opportunity to purchase an item or items for substantially less than fair market value from a vendor. If purchased, the item(s) should have been offered publicly through advertising or some other means to inform the general public that such an item was/is for sale and the cost publicly known.

6. Outside employment shall not interfere with or lessen the effectiveness of the employee's job and cannot be performed during regularly scheduled work hours. Nor may the employee use the facility, materials or equipment belonging to the Board to perform outside services.
7. An employee may not transact business with any salesperson, vendor, or other individual who does business with or who furnishes goods or services to the Board if the employee is engaged in any intimate, romantic or dating relationship with that person.

B. Confidentiality Policy:

Employees are often in a position to learn or have access to personal facts about a co-worker, or they may learn of sensitive information about the Board, management, or customer. Such information is considered strictly confidential and the employee is both legally and morally obligated to refrain from discussing any confidential information with anyone.

Integrity in preserving and protecting the rights and privacy of employees and the Board is a prime consideration for continued employment and breach of confidentiality is grounds for immediate dismissal.

XIV. EMPLOYEE OBLIGATIONS

A. Search of Company Property

No personal effects should be stored on the Board's premises. The Board retains the right and authority to search any property owned by the Board, property provided to an employee by the Board for Board use or any property used by an employee for the purpose of benefiting the Board. An employee should not maintain any reasonable expectation of privacy in property owned by the Board, property provided by the Board or property used in furtherance of the Board's business. Such items will include but are not limited to desk, file cabinets, closets, information contained on any computer used for Board business or a Board network and any other item that is provided by the Board or used on the Board's premises in order to carry out the Board's business.

B. Employee Safety Standards/Accident & Injury

To assist in providing a safe and healthful work environment for employees, customers, and visitors, Hendersonville ABC Board would like any employee who has ideas, concerns or suggestions for improved safety to voice them to the store manager or the supervisor.

G. Emergency Evacuation

In the event of an emergency requiring immediately evacuating a store, it is the duty of store managers and store employees to make sure all customers are told of the emergency and escorted from the store as quickly as possible. Do not wait to see if the emergency is "real".

H. Media Requests

It is the policy of the Hendersonville ABC Board not to grant interviews to the media without prior approval of the Supervisor. This policy ensures that accurate information will be provided to the public. In the event that a member of the media contacts an employee the following procedure should be followed:

1. All requests for an interview should be referred to the Supervisor.
2. During the time required to contact the Supervisor, reporters should be told "no comment".
3. If a reporter asks or attempts to interview an employee, he/she should politely decline, explaining that the Supervisor must first be contacted for approval.
4. The employee must contact the Supervisor, providing the name of the reporter, name of the publication or branch of media, a telephone number, and the topic of interest.

Report I. Relatives in the Workplace

The employment of relatives or individuals involved in a dating relationship in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships.

For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. A dating relationship is defined as a relationship that may be reasonably expected to lead to the formation of a consensual "romantic" or sexual relationship. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

Relatives of current employees may not occupy a position that will be working directly for or supervising their relative. Individuals involved in a dating relationship with a current employee may also not occupy a position that will be working directly for or supervising the employee with whom they are involved in a dating relationship. The Hendersonville ABC Board also reserves the right to take prompt action if an actual or potential conflict of interest arises involving relatives or individuals involved in a dating relationship who occupy positions at any level (higher or lower) in the same line of authority that may affect the review of employment decisions.

If a relative relationship or dating relationship is established after employment between employees who are in a reporting situation described above, it is the responsibility and obligation of the employee involved in the relationship to disclose the existence of the relationship to management. The individuals concerned will be given the opportunity to decide who is to be transferred to another available position. If that decision is not made within 30 calendar days, management will decide who is to be transferred or, if necessary, terminated from employment.

In other cases where a conflict or the potential for conflict arises because of the relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment. Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

J. Resignations

All employees who voluntarily leave the Board are asked to give at least two weeks or more notice.

K. Discharge Upon Conviction (N.C.G.S. 18B-202)

In addition to imposing any other penalty authorized by law, a judge may remove from office or discharge from employment any Commission or *local board member or employee*, or any ALE agent, who is convicted of a violation of any provision of this Chapter or of any felony and may declare that person ineligible for membership or employment with the Commission, *any local board*, or the ALE Division, for a period of not longer than three years. *Conviction of a crime under this Chapter or of any felony shall also be grounds for the Commission to remove from office or discharge from employment any local board member or employee.*

L. Personnel Records

It is the employee's responsibility for keeping the Board up to date on changes of name, address, telephone number, marital status, number of dependents, insurance beneficiary and person to contact in case of emergency.

M. Outside Employment/Moonlighting

The Hendersonville ABC Board has no desire to regulate what an employee does with his/her time outside of working hours. However, the Hendersonville ABC Board shall consider employment at the Hendersonville ABC System, if such is on a full-time basis, to be an employee's primary employment and will, therefore, not tolerate any outside employment that involves a conflict of interest, interferes with, or hinders the employee's performance at the Hendersonville ABC System.

The determination of whether the employee's outside employment conflicts or interferes with job performance at the Hendersonville ABC System shall be within the sole discretion of the Supervisor.

Local ABC System
 Compensation and Benefits Survey
 Please Return on or before December 1, 2009
 To Laurie Lee, NC ABC Commission
 4307 Mail Service Center, Raleigh NC, 27699

Name of ABC System TOWN OF HEALFORD

ABC Employees

1. How many employees does your ABC system have? full-time 2 part-time 1 other _____

2. What are the names, titles, total annual compensation (salaries plus bonuses), benefits (410(k), health, retirement, other) and hire date for the 5 most highly paid employees of your system for the following periods:

Fiscal Year 2009 (July 1, 2008 - June 30, 2009)

NAME D.R. KEATON TITLE SUPERVISOR
 SALARY \$ 34560.00 BONUS \$ 400.00 BENEFITS Yes No HIRE DATE 1984

NAME B.L. HARRELL TITLE CLERK
 SALARY \$ 28720.00 BONUS \$ 300.00 BENEFITS Yes No HIRE DATE 1993

NAME M.E. BENGE TITLE CLERK P/T
 SALARY \$ 12340.00 BONUS \$ 200.00 BENEFITS Yes No HIRE DATE 2004

NAME _____ TITLE _____
 SALARY \$ _____ BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME _____ TITLE _____
 SALARY \$ _____ BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

Fiscal Year 2008 (July 1, 2007 - June 30, 2008)

NAME D.R. KEATON TITLE SUPERVISOR
 SALARY \$ 32144.00 BONUS \$ 400.00 BENEFITS Yes No HIRE DATE 1984

NAME BL HARRELL TITLE CLERK
 SALARY \$ 26944.00 BONUS \$ 300.00 BENEFITS Yes No HIRE DATE 1993

NAME M.E. BENGE TITLE CLERK P/T
 SALARY \$ 10740.00 BONUS \$ 200.00 BENEFITS Yes No HIRE DATE 2004

NAME ~~D.R. KEATON~~ TITLE ~~Sup~~
 SALARY \$ _____ BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME _____ TITLE _____
 SALARY \$ _____ BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

Fiscal Year 2007 (July 1, 2006 - June 30, 2007)

NAME D.R. KEATON TITLE SUPERVISOR
 SALARY \$ 27872.00 BONUS \$ 300.00 BENEFITS Yes No HIRE DATE 1984

NAME B.L. HARRELL TITLE CLERK
 SALARY \$ 25792.00 BONUS \$ 200.00 BENEFITS Yes No HIRE DATE 1993

NAME M.E. BENGE TITLE CLERK P/T
SALARY \$ 10478.00 BONUS \$ 100.00 BENEFITS Yes ___ No X HIRE DATE 2007

NAME _____ TITLE _____
SALARY \$ _____ BONUS \$ _____ BENEFITS Yes ___ No ___ HIRE DATE _____

NAME _____ TITLE _____
SALARY \$ _____ BONUS \$ _____ BENEFITS Yes ___ No ___ HIRE DATE _____

- 3. Please attach a list of the benefits you pay to your 5 highest paid employees.
- 4. List the names of your board members and their annual board compensation for Fiscal Year 2009

Cecil E. Winslow - CHAIRMAN
\$ 900.00

Fiscal Year 2008
GEORGE JAMES - Member
\$ 600.00

Fiscal Year 2007
MICHAEL HARE - Member
\$ 600.00

- 5. Do your board members receive insurance or retirement benefits? Yes ___ No X If yes, what are they? _____
- 6. Do your board members receive other compensation for their service Yes ___ No X If so, what? _____
- 7. Do you have a travel policy for board members/employees? Yes ___ No X If yes, when was it instituted? _____ Please attach a copy.
- 8. Do you have an ethics policy in place for board members/employees? Yes ___ No X If yes, when was it instituted? _____ Please attach a copy.
- 9. Does your ethics policy prohibit receipt of gifts, including for example, entertainment tickets, bottles of alcohol, goods or services? Yes ___ No ___ NA
- 10. Does your ethics policy allow payment of meals or other travel expenses by industry members or private dollars? Yes ___ No ___ NA
- 11. Do you have a nepotism policy in place for board members/employees? Yes ___ No X If yes, when was it instituted? _____ Please attach a copy.
- 12. Do you have a standard process for setting salary and compensation ranges for ABC employees? Yes ___ No X If yes, when was it instituted? _____ Please attach a copy.
- 13. Do you pay a car allowance for board members/employees? Yes ___ No X If so, how much is it per year total and who receives it? _____
- 14. For your individual board members (and family members if applicable) what was the total travel expense paid or reimbursed from all sources, public and private for ABC-related functions in Fiscal Year 2009? 0

Submitted by Name D.R. Plate Title: Supervisor Date: 11-24-09

**TOWN OF HERTFORD
ALCOHOLIC BEVERAGE CONTROL BOARD**

FINANCIAL STATEMENTS

**For the Years Ended
June 30, 2009 and 2008**

TOWN OF HERTFORD ABC BOARD

(A component unit of The Town of Hertford)

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MAY & PLACE, PA
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 900
LOUISBURG, NC 27549
Bus: 919-496-3041
Fax: 919-496-6342

SCOTT H. MAY, CPA
DALE R. PLACE, CPA, CFE

Independent Auditor's Report

Board of Directors
Town of Hertford Alcoholic Beverage Control Board
Hertford, North Carolina

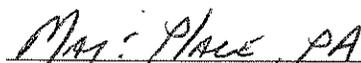
We have audited the accompanying financial statements of the Town of Hertford ABC Board, a component unit of the Town of Hertford, as of June 30, 2009 and 2008 and for the years then ended, as listed in the table of contents. These basic financial statements are the responsibility of the Town of Hertford ABC Board management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Town of Hertford ABC Board as of June 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


MAY & PLACE, PA
September 24, 2009

Management's Discussion and Analysis

This section of the Alcoholic Beverage Control (ABC) Board's (the Board) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2009. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- Total gross liquor sales increased 4.88% over the prior year.
- Actual working capital decreased approximately 9.96% over the prior year.
- Over 10% of the profits were expended for law enforcement and alcohol education.
- \$47,055 or 100% of the profits were distributed back to the Town of Hertford.

Overview of the Financial Statements

The audited financial statements of the ABC Board consist of 3 components. They are as follows:

- Management's Discussion and Analysis
- Basic Financial Statements
- Additional Information required by the ABC Commission

The Basic Financial Statements are prepared using the full accrual basis of accounting. They consist of three statements. The first statement is the **Statement of Net Assets**. Assets and liabilities are classified between current and long-term. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement.

The next statement is the **Statement of Revenues, Expenses, and Changes in Net Assets**. This statement is used in evaluating whether the Board has recovered all of its cost through sales. Its information is used in determining credit worthiness.

The final required statement is the **Statement of Cash Flows**. This statement reports cash inflows and outflows in the following categories: operating, investing, and financing activities. Based on this data, the user can determine the sources of cash, the uses of cash, and the change in cash.

The notes to the financial statements provide more detailed information and should be read in conjunction with the statements.

The ABC Commission requires some schedules in addition to the information required by generally accepted accounting principles. They include a **Schedule of Store Expenses**.

Financial Analysis of the ABC Board

Net assets are an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$77,796 in 2009. The largest components of net assets were cash and the investment in inventory. It was 99.76% of the total net assets. Following is a summary of the Statement of Net Assets:

Table 1
Condensed Statement of Net Assets

	<u>June 30</u>		<u>\$ Change</u>	<u>%Change</u>
	<u>2009</u>	<u>2008</u>		
Current assets	\$ 186 170	\$ 174 930	\$ 11 240	6.43%
Non-current assets	15 396	7 854	7 542	96.03%
Total assets	<u>\$ 201 566</u>	<u>\$ 182 784</u>	<u>\$ 18 782</u>	<u>10.28%</u>
Current liabilities	<u>\$ 123 770</u>	<u>\$ 104 988</u>	<u>\$ 18 782</u>	<u>17.89%</u>
Invested in capital assets, net of related debt	15 396	7 854	7 542	96.03%
Restricted net assets	22 234	21 130	1 104	5.23%
Unrestricted net assets	<u>40 166</u>	<u>48 812</u>	<u>(8 646)</u>	<u>(17.71%)</u>
Total net assets	<u>\$ 77 796</u>	<u>\$ 77 796</u>	<u>\$ -</u>	<u>-</u>

Note that current assets and restricted net assets increased during the year. Current assets increased due to increases in cash and cash equivalents which is the result of increased sales over the prior year which generated more cash on hand. The increase in restricted assets resulted from an increase in actual working capital due to increases in cash.

Net assets increased by 0% over the prior year. Income from operations increased by \$7,987 or 18.53% over the prior year. The following is a summary of the changes in net assets:

Table 2
Condensed Statement of Revenues Expenses, and Changes in Net Assets

	<u>June 30</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2009</u>	<u>2008</u>		
Operating revenues	\$ 717 521	\$ 684 130	\$ 33 391	4.88%
Less: Taxes on gross sales	139 444	134 737	4 707	3.49%
Net sales	578 077	549 393	28 684	5.22%
Cost of sales	390 176	372 324	17 852	4.79%
Gross profit	187 901	177 069	10 832	6.12%
Less: Operating expenses	136 804	133 959	2 845	2.12%
Income from operations	51 097	43 110	7 987	18.53%
Nonoperating revenues and expenses	404	1 309	(905)	69.14%
Change in net assets before distributions	51 501	44 419	7 082	15.94%
Distributions	51 501	44 419	7 082	15.94%
Change in net assets	-	-	-	-
Net assets, beginning	77 796	77 796	-	-
Net assets, ending	<u>\$ 77 796</u>	<u>\$ 77 796</u>	<u>\$ -</u>	<u>-</u>

During the year the total number of bottles sold increased by 1,731 which resulted in a total increase in overall sales for the year by \$33,391 or 4.88%. It was noticed that during the year customers were purchasing more profitable brands, thus the over all sales increased. This in turn results in increases in the amounts for taxes collected. Good management of store operations and the expansion of qualified staff resulted in a very small increase in store operations expenses of 2,845 or 2.12%

Following is the breakdown of sales by source:

	<u>June 30</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2009</u>	<u>2008</u>		
Retail Liquor Sales	\$ 709 347	\$ 673 010	\$ 36 337	5.40%
Mixed Beverage Sales	<u>8 174</u>	<u>11 120</u>	<u>(2 946)</u>	<u>(26.49%)</u>
Total Sales	<u>\$ 717 521</u>	<u>\$ 684 130</u>	<u>\$ 33 391</u>	<u>4.88%</u>

Capital Asset and Debt Administration
Capital Assets

Capital assets increased by 10.32% from the 2008 fiscal year.

Table 3
Summary of Changes in Capital Assets

	<u>June 30</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2009</u>	<u>2008</u>		
Property Plant and Equipment	\$ 103 784	\$ 94 081	\$ 9 703	10.32%
Total Capital Assets	<u>\$ 103 784</u>	<u>\$ 94 081</u>	<u>\$ 9 703</u>	<u>10.32%</u>

Debt Administration

The Town of Hertford ABC Board currently does not have any long-term debt outstanding.

Economic Factors

Hertford is located in the Northeastern portion of North Carolina along Highway 17. The Town of Hertford with a population of approximately 2,100 people is seeing some area growth.

Request for Information

This report is intended to provide a summary of the financial condition of the ABC Board. Questions or requests for additional information should be addressed to:

Don Keaton, Supervisor
Town of Hertford ABC Board
P.O. Box 23
Hertford, N.C. 27944

Town of Hertford ABC Board
(A component unit of The Town of Hertford)
Statements of Net Assets
as of June 30, 2009
and June 30, 2008

<u>Assets</u>	June 30	
	2009	2008
Current Assets		
Cash and Cash Equivalents	\$ 101 810	\$ 91 640
Inventories	83 916	82 649
Prepaid Expenses	444	641
Total Current Assets	186 170	174 930
Non-current Assets		
Property Plant and Equipment (net of accumulated depreciation)	103 784 88 388	94 081 86 227
Total Net Amount	15 396	7 854
<u>Total Assets</u>	\$ 201 566	\$ 182 784
<u>Liabilities</u>		
Current Liabilities		
Accounts Payable	\$ 28 638	\$ 24 440
Accrued Expenses	646	1 161
Payroll Taxes Payable	1 568	997
Accrued Beverage Taxes	15 191	14 164
Due for Law Enforcement	3 562	3 598
Due to Alcohol Education	6 325	4 843
Distributions Payable	67 840	55 785
Total Current Liabilities	123 770	104 988
<u>Total Liabilities</u>	123 770	104 988
<u>Net Assets</u>		
Invested in Capital Assets, net of related debt	15 396	7 854
Restricted for:		
Working capital	22 234	21 130
Unrestricted	40 166	48 812
<u>Total Net Assets</u>	77 796	77 796
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 201 566	\$ 182 784

The accompanying notes are an integral part of the financial statements.

Town of Hertford ABC Board
(A component unit of The Town of Hertford)
Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended June 30, 2009
and June 30, 2008

	June 30	
	2009	2008
<u>Operating Revenue</u>		
Liquor Sales - Regular	\$ 709 347	\$ 673 010
Mixed Beverage Sales	8 174	11 120
Wine Sales	-	-
Total Gross Sales	717 521	684 130
<u>Deduct Taxes On Gross Sales</u>		
State Excise Tax	136 005	131 036
Mixed Beverage Tax (Revenue)	765	1 078
Mixed Beverage Tax (Human Resources)	77	108
Rehabilitation Tax	2 597	2 515
Wine Sales Tax	-	-
Total Taxes	139 444	134 737
<u>Net Sales</u>	578 077	549 393
<u>Deduct Cost Of Sales</u>		
Cost of Liquor Sold	390 176	372 324
Cost of Wine Sold	-	-
<u>Gross Profit Of Sales</u>	187 901	177 069
<u>Deduct Operating Expenses</u>		
Store Expenses	134 643	128 541
Warehouse and Delivery Expenses	-	-
Administrative Expenses	-	-
Depreciation Expenses	2 161	5 418
Total Operating Expenses	136 804	133 959
<u>Income From Operations</u>	\$ 51 097	\$ 43 110

The accompanying notes are integral part of the financial statements.

Town of Hertford ABC Board
(A component unit of The Town of Hertford)
Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended June 30, 2009
and June 30, 2008

	June 30	
	2009	2008
<u>Nonoperating Revenues and Expenses</u>		
Interest Income	\$ 404	\$ 1 308
Other Income	-	1
Other Expenses	-	-
Total Nonoperating Revenues (Expenses)	404	1 309
<u>Change in Net Assets Before Distributions</u>	51 501	44 419
Deduct		
Law Enforcement	2 964	2 356
Alcohol Education	1 482	1 178
<u>Change in Net Assets Before Profit Distributions</u>	47 055	40 885
Municipalities	47 055	40 885
County	-	-
Other	-	-
Total Profit Distributions	47 055	40 885
<u>Change in Net Assets</u>	-	-
<u>Net Assets, Beginning of Year</u>	77 796	77 796
<u>Net Assets, End of Year</u>	\$ 77 796	\$ 77 796

The accompanying notes are an integral part of the financial statements.

Town of Hertford ABC Board
(A component unit of The Town of Hertford)
Statements of Cash Flows
For the Years Ended June 30, 2009
and June 30, 2008

	June 30	
	2009	2008
<u>Cash flows from operating activities:</u>		
Cash received from customers	\$ 717 521	\$ 684 130
Payments to suppliers for goods and services	(428 697)	(422 932)
Payments to employees for services	(92 672)	(80 588)
Payments for beverage taxes	(138 683)	(134 737)
Net cash provided (used) by operating activities	57 469	45 873
<u>Cash flows from capital and related financing activities:</u>		
Acquisition of capital assets	(9 703)	-
Proceeds from sale of assets	-	-
Net cash provided (used) by capital and related financing activities	(9 703)	-
<u>Cash flows from non-capital financing activities:</u>		
Law enforcement distributions	(3 000)	(3 000)
Alcohol education distributions	-	(1 500)
Profit distributions to primary government	(35 000)	(40 000)
Net cash provided (used) by non-capital financing activities	(38 000)	(44 500)
<u>Cash flows from investing activities:</u>		
Interest on investments	404	1 308
Other Income	-	1
Net cash provided (used) in investing activities	404	1 309
Net increase (decrease) in cash and cash equivalents	10 170	2 682
Cash and cash equivalents, beginning of year	91 640	88 958
Cash and cash equivalents, end of year	\$ 101 810	\$ 91 640

The accompanying notes are an integral part of the financial statements.

Town of Hertford ABC Board
(A component unit of The Town of Hertford)
Statements of Cash Flows
For the Years Ended June 30, 2009
and June 30, 2008

	June 30	
	2009	2008
<u>Reconciliation of income from operating to</u>		
<u>net cash provided (used) by operating activities:</u>		
Income (loss) from operations	\$ 51 097	\$ 43 110
Adjustments to reconcile income from operations		
to net cash provided (used) by operating activities:		
Depreciation	2 161	5 418
Changes in assets and liabilities:		
(Increase) decrease in accounts receivables	-	-
(Increase) decrease in inventory	(1 267)	164
(Increase) decrease in prepaid expenses	197	-
Increase (decrease) in accounts payable	4 198	(1 349)
Increase (decrease) in accrued liabilities	1 083	(1 470)
Total adjustments	6 372	2 763
Net cash provided (used) by operating activities	\$ 57 469	\$ 45 873

Noncash investing, capital, and financing activities:

There were no noncash investing, capital, and financing activities.

The accompanying notes are an integral part of the financial statements.

Town of Hertford ABC Board
(A component unit of The Town of Hertford)
Notes to the Financial Statements
June 30, 2009

Note 1. Summary of Significant Accounting Policies

A. Principles used in determining the scope of the entity for financial reporting:

The ABC Board, a component unit of the Town of Hertford, is a corporate body with powers outlined by General Statutes [Chapter 18B-701.] The Town's governing body appoints the ABC Board.

The ABC Board is required by State Statute to distribute its surpluses to the general fund of the Town, which represents a financial benefit to the Town. Therefore, the ABC Board is reported as a discretely presented component unit in the Town's financial statements.

B. Organizational History

The Board was organized under the provisions of Senate Bill #367 of the North Carolina Legislature, General Assembly of 1961 and implemented by a town wide election held August 8, 1961. The town council appointed three individuals to serve on the ABC Board with terms of three years, two years and one year.

The ABC Board, as provided by North Carolina Alcoholic Beverage Control laws, operates one liquor store. North Carolina General Statute [18B-805(c)(2)(3)] requires that the ABC Board expend at least 10% of profits for law enforcement and at least 5% of the same profits for alcohol education and rehabilitation purposes.

C. Basis of Presentation

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or the change in net assets is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. All sales are made by cash, check, debit or credit card and recorded at the time of sale. Other revenues are recorded when earned. Expenses are recognized when incurred. As permitted, the Board has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its proprietary operation, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of net assets date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

F. Assets, Liabilities, and Net Assets

(1) Deposits

All deposits of the ABC Board are made in board-designated official depositories and are collateralized as required by State law [G.S. 159-31.] The ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the ABC Board may establish Time Deposit Accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the ABC Board's agent in the ABC Board's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the ABC Board, these deposits are considered to be held by the ABC Board agent in the ABC Board's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling

Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the ABC Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the ABC Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

At June 30, 2009, the ABC Board's deposits had a carrying amount of \$101,360 and a bank balance of \$99,583. All of the bank balance was covered by federal depository insurance.

(2) Cash and Cash Equivalents

For purposes of the statement of cash flows, the ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(3) Inventories

Inventories are valued at the lower of cost (FIFO) or market.

(4) Property Plant and Equipment

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis as follows:

<u>Useful Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Furniture/ Equipment 5-10 yrs	<u>\$ 103 784</u>	<u>\$ 88 388</u>	<u>\$ 15 396</u>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period.

(5) Net Assets

Net assets consists of the following:

- a. Invested in capital assets, net of related debt - This component of net assets consists of capital assets, including any restricted capital assets, net of

accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets components as the unspent proceeds.

- b. Restricted for law enforcement - This applies only when the ABC Board employs its own ABC officer.
- c. Restricted for capital improvements - State law [G.S. 18B-805(d)] requires approval of the appointing authority to establish this account.
- d. Restricted for working capital - North Carolina Alcoholic Beverage Control Commission Rule [.0902] defines working capital as the total of cash, investments and inventory less all unsecured liabilities. An ABC board shall set its working capital requirements at not less than two weeks' average gross sales of the last fiscal year or greater than four months' average gross sales of the last fiscal year. Average gross sales means gross receipts from the sale of alcoholic beverages less distributions required by State law [G.S. 18B-805(b),(2), (3) and (4)].
- e. Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

Note 2. Stewardship, Compliance and Accountability

Noncompliance with N.C. General Statutes

- A. The Town of Hertford ABC Board has not paid required law enforcement and alcohol education and rehabilitation payments as required by North Carolina General Statute [18B-805(c)(2)(3)] for the year ended June 30, 2009. The Board will put policies in place to ensure that future distributions are made in a timely matter.

Note 3. Pension Plan Obligations

A. Local Government Employees' Retirement System

Plan description:

The ABC Board contributes to the statewide Local Governmental Employee's Retirement System (LGERS), a cost-sharing multiple-employer defined benefit

pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919)981-5454.

Funding Policy:

Plan members are required to contribute six percent of their annual covered salary. The ABC Board is required to contribute at an actuarially determined rate. The ABC Board's current rate for employees not engaged in law enforcement and for law enforcement officers is 4.95% and 0 %, respectively, of annual covered payroll. The contribution requirements of members and of the ABC Board are established and may be amended by the North Carolina General Assembly. The ABC Board's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007, were, \$3,743, \$3,345, and \$3,066, respectively. The contributions made by the ABC Board equaled the required contributions for each year.

B. Death Benefits

The board has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Board has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The Board considers these contributions to be immaterial.

Note 4. Commitments

The ABC Board has elected to pay direct costs of employment securities benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue the year following discharge of employees.

Note 5. Vacation and Sick Leave Compensation

ABC Board full time employees shall receive one week paid vacation after one year employment and two weeks paid vacation after three years employment. All vacation is to be taken within the calendar year. Vacation time shall not accumulate. No cash or compensation shall be given for unused vacation.

ABC Board full time employees shall receive one day per month sick leave. Sick leave will be cumulative. One month of retirement credit is allowed for each twenty days accrued in an employee's sick leave account at the time of retirement to employees who are members of the North Carolina Local Governmental Employees Retirement System. No cash or compensation shall be given for unused sick leave. All sick leave for part time employees shall be at the discretion of the Board.

Note 6. Distributions of Income

The ABC Board has made distributions for the current year as follows:

<u>Town</u>	<u>Current Year</u>
100% Town of Hertford	<u>\$ 47 055</u>

State law [G.S. 18B-805(e)] requires that the entire profit, after deducting amounts required for law enforcement and alcohol education and retaining proper working capital, be paid quarterly to the county or city.

Note 7. Law Enforcement and Alcohol Education Expenses

The ABC Board is required by law to expend at least 10% of its profits for law enforcement and not less than 5% for alcohol education (alcohol education requirements follows local enabling act). Profits are defined by law for these calculations as change in net assets before law enforcement and educational expenses, less the 3 1/2% markup provided in G.S. 18B-804(b)(5) and the bottle charge provided for in G.S. 18B-804(b)(6b).

Profit before distributions:	\$ 51 501
Less: 3 1/2% tax and bottle charge	<u>21 860</u>
Profit subject to expense percentages:	<u>\$ 29 641</u>
Law enforcement expenditures	<u>\$ 2 964</u>
-actual percentage of profit	<u>10%</u>
Provision for alcohol education and rehabilitation	<u>\$ 1 482</u>
-actual percentage of profit	<u>5%</u>

Note 8. Disbursement of Taxes Included in Selling Price

A state excise tax, at the rate of 25% effective February 1, 2002, on the retail (net sales) price is charged monthly on liquor sales (excluding wine sales). Transactions for this account for the year are summarized as follows:

Taxes payable 6/30/2008	\$ 10 171
Taxes collected during the year	136 005
Taxes remitted to Department of Revenue	<u>135 300</u>
Taxes payable on 6/30/2009	<u>\$ 10 876</u>

The excise tax is computed in accordance with G.S. 18B-805(i).

The accrued North Carolina excise tax at June 30, 2009 was remitted to the North Carolina Department of Revenue on July 10, 2009.

A bottle charge of one cent on each bottle containing 50 milliliters or less and five cents on each bottle containing more than 50 milliliters is collected and distributed monthly to the county commissioners for alcohol education and rehabilitation. For the fiscal year, payments to the county were based on the following bottle sales:

Regular Bottles	49 768 @ 5 cents	\$ 2 489
Mixed Beverage Bottles	408 @ 5 cents	20
Miniature Bottles	8 799 @ 1 cents	<u>88</u>
Total payments for the year		<u>\$ 2 597</u>

A "mixed beverage tax" at the rate of \$20 per 4 liters is charged on the sale of liquor to be resold as mixed beverages. One-half of the mixed beverage tax is submitted monthly to the Department of Revenue. Five percent of the mixed beverage tax is submitted monthly to the Department of Human Resources.

The mixed beverage tax for the year was:

Department of Revenue (50%)	\$ 765
Department of Human Resources (5%)	77
Profit Retained (45%)	<u>688</u>
Total	<u>\$ 1 530</u>

Note 9. Surcharge Collected

The total amount of surcharge collected for the fiscal year was \$3,557 (The rate is 85 cents per case sold.)

Note 10. Liquor Sales Tax

The total amount of sales tax collected by the ABC Board and remitted to the Department of Revenue for the fiscal year was \$49,718. (The sales tax rate is 7%.)

Note 11. Retail Outlets

The ABC Board operated with one retail outlet:

Store #1 - Highway #17 Hertford		
Gross Sales	<u>\$ 717,521</u>	Change in Net Assets <u>\$ -0-</u>

Note 12. Working Capital

The ABC Board is required by the Alcoholic Beverage Control Commission rule [.0902] to set its working capital requirements at not less than two weeks average gross sales of the last fiscal year. (Gross sales are gross receipts from the sale of alcoholic beverages less distributions are defined in G.S. 18B-805(b)(2),(3),and (4)).

The board's position on this requirement is as follows:

Minimum Amount	\$ 22,234
Maximum Amount	192,692
Actual Amount	62,401

The board has met the minimum amount of working capital.

Note 13. Breakage Expense

Breakage expense absorbed by the Board for the year was zero.

Note 14. Risk Management

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets ; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, auto liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability.

There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 18B-803(b) and (c), the store manager is bonded for \$25,000. All other employees who have access to funds are bonded under a blanket bond for \$25,000.

SUPPLEMENTARY INFORMATION

**Town of Hertford ABC Board
Schedules of Store Expenses
For the Years Ended June 30, 2009
and June 30, 2008**

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Salaries	\$ 75 620	\$ 69 878
Payroll Taxes	6 190	5 265
Employees' retirement	3 743	3 345
Board Members Per Diem	2 100	2 100
Store Supplies	3 288	3 239
Insurance and Bond Expense	16 932	17 587
Telephone	3 079	2 944
Utilities	4 006	3 695
Repairs and Maintenance	2 780	5 089
State and federal licenses	-	-
Professional Fees	5 767	3 550
Burglar Alarm	897	2 955
Dues and Subscriptions	310	656
Office Supplies	69	1 365
Travel	591	-
Other Expenses	<u>9 271</u>	<u>6 873</u>
Total Operating Expenses	<u>\$ 134 643</u>	<u>\$ 128 541</u>

10: Laurie Lee
919-644-5927 fax

Local ABC Systems
Compensation and Benefits Survey
Please Return on or before December 1, 2008
To Laurie Lee, NC ABC Commission
4307 Mail Service Center, Raleigh NC, 27699

Name of ABC System Hertford County

ABC Employees

1. How many employees does your ABC system have? full-time 6 part-time 2
other 2 Board Members

2. What are the names, titles, total annual compensation (salaries plus bonuses); benefits (410(k), health, retirement, other) and hire date for the 5 most highly paid employees of your system for the following periods:

Fiscal Year 2009 (July 1, 2008 - June 30, 2009)

NAME Lonnie Simmons TITLE General Manager
SALARY \$ 42,689.18 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME Clarence Jordan TITLE Store Manager
SALARY \$ 33,818.40 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME Brenda Greene TITLE Store Manager
SALARY \$ 25,951.68 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME Arthur Hall TITLE Laborer
SALARY \$ 22,066.80 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME Kecia Chamblee TITLE Laborer
SALARY \$ 12,499.96 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

Fiscal Year 2008 (July 1, 2007 - June 30, 2008)

NAME Lonnie Simmons TITLE General Manager
SALARY \$ 41,874.04 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME Clarence Jordan TITLE Store Manager
SALARY \$ 32,626.68 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME Brenda Greene TITLE Store Manager
SALARY \$ 25,036.70 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME Arthur Hall TITLE Laborer
SALARY \$ 21,288.66 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

Retired
now

NAME James Roarson TITLE Store Manager
SALARY \$ 31,965.00 BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

Fiscal Year 2007 (July 1, 2006 - June 30, 2007)

NAME _____ TITLE _____
SALARY \$ _____ BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME _____ TITLE _____
SALARY \$ _____ BONUS \$ _____ BENEFITS Yes No HIRE DATE _____

NAME _____ TITLE _____
SALARY \$ _____ BONUS \$ _____ BENEFITS Yes ___ No ___ HIRE DATE _____

NAME _____ TITLE _____
SALARY \$ _____ BONUS \$ _____ BENEFITS Yes ___ No ___ HIRE DATE _____

NAME _____ TITLE _____
SALARY \$ _____ BONUS \$ _____ BENEFITS Yes ___ No ___ HIRE DATE _____

3. Please attach a list of the benefits you pay to your 5 highest paid employees. *Medical Insurance.*

4. List the names of your board members and their annual board compensation for Fiscal Year 2009
Hazel Pierce \$2700.00 Winfred Hardy \$3300.00
Lillie White \$2700.00

Fiscal Year 2008
Hazel Pierce \$2700.00 Winfred Hardy \$3300.00
Lillie White \$2700.00 not on payroll (1099)

Fiscal Year 2007

5. Do your board members receive insurance or retirement benefits? Yes ___ No If yes, what are they? _____

6. Do your board members receive other compensation for their service Yes ___ No If so, what? _____

7. Do you have a travel policy for board members/employees? Yes ___ No If yes, when was it instituted? _____ Please attach a copy. *Working on one*

8. Do you have an ethics policy in place for board members/employees? Yes ___ No If yes, when was it instituted? _____ Please attach a copy.

9. Does your ethics policy prohibit receipt of gifts, including for example, entertainment tickets, bottles of alcohol, goods or services? Yes ___ No

10. Does your ethics policy allow payment of meals or other travel expenses by industry members or private dollars? Yes ___ No

11. Do you have a nepotism policy in place for board members/employees? Yes ___ No If yes, when was it instituted? _____ Please attach a copy.

12. Do you have a standard process for setting salary and compensation ranges for ABC employees? Yes ___ No If yes, when was it instituted? _____ Please attach a copy.

13. Do you pay a car allowance for board members/employees? Yes ___ No If so, how much is it per year total and who receives it? _____

14. For your individual board members (and family members if applicable) what was the total travel expense paid or reimbursed from all sources, public and private for ABC-related functions in Fiscal Year 2009? *7589.61*

Submitted by Name *Angelalathan* Title: *Bookkeeper* Date: *12-3-09*

Local ABC System
 Compensation and Benefits Survey
 Please Return on or before December 1, 2009
 To Laurie Lee, NC ABC Commission
 4307 Mail Service Center, Raleigh NC, 27699

RECEIVED

NOV 30 2009

NC ABC COMMISSION

Name of ABC System High Country Municipal ABC Board

ABC Employees

1. How many employees does your ABC system have? full-time 5 part-time —
 other —

2. What are the names, titles, total annual compensation (salaries plus bonuses), benefits (410(k), health, retirement, other) and hire date for the 5 most highly paid employees of your system for the following periods:

Fiscal Year 2009 (July 1, 2008 – June 30, 2009)

NAME Sara A. Brewer TITLE Supervisor
 SALARY \$ 52,512.00 BONUS \$ 1250.00 BENEFITS Yes No HIRE DATE 10/98

NAME Larry Ruppard TITLE Assist. Mgr.
 SALARY \$ 37,273.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

NAME Sean Ulmer TITLE Clerk I
 SALARY \$ 30,950.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/06 (Sept.)

NAME Roger Platt TITLE Clerk
 SALARY \$ 27,644.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

NAME Tom Aherson TITLE Clerk
 SALARY \$ 25,894.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

Fiscal Year 2008 (July 1, 2007 – June 30, 2008)

NAME Sara A. Brewer TITLE Supervisor
 SALARY \$ 48,422.00 BONUS \$ 1250.00 BENEFITS Yes No HIRE DATE 10/98

NAME Larry Ruppard TITLE Assist. Mgr.
 SALARY \$ 34,840.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

NAME Sean Ulmer TITLE Clerk I
 SALARY \$ 28,932.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/06

NAME Roger Platt TITLE Clerk
 SALARY \$ 25,854.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

NAME Tom Aherson TITLE Clerk
 SALARY \$ 23,732.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

Fiscal Year 2007 (July 1, 2006 – June 30, 2007)

NAME Sara A. Brewer TITLE Supervisor
 SALARY \$ 43,675.00 BONUS \$ 1250.00 BENEFITS Yes No HIRE DATE 10/98

NAME Larry Ruppard TITLE Assist Mgr.
 SALARY \$ 32,552.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

NAME Roger Platt TITLE Clerk
 SALARY \$ 24,169.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

NAME Tom Ahlson TITLE Clerk
 SALARY \$ 22,172.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 10/98

NAME Prestley Cully TITLE Clerk
 SALARY \$ 21,320.00 BONUS \$ 500.00 BENEFITS Yes No HIRE DATE 2/99

3. Please attach a list of the benefits you pay to your 5 highest paid employees.
4. List the names of your board members and their annual board compensation for Fiscal Year 2009

see attached list

Fiscal Year 2008

see attached list

Fiscal Year 2007

see attached list

5. Do your board members receive insurance or retirement benefits? Yes No If yes, what are they? _____
6. Do your board members receive other compensation for their service Yes No If so, what? Mileage allowance
7. Do you have a travel policy for board members/employees? Yes No If yes, when was it instituted? 10/98 Please attach a copy.
8. Do you have an ethics policy in place for board members/employees? Yes No If yes, when was it instituted? _____ Please attach a copy.
9. Does your ethics policy prohibit receipt of gifts, including for example, entertainment tickets, bottles of alcohol, goods or services? Yes No N/A
10. Does your ethics policy allow payment of meals or other travel expenses by industry members or private dollars? Yes No N/A
11. Do you have a nepotism policy in place for board members/employees? Yes No If yes, when was it instituted? 10/98 Please attach a copy.
12. Do you have a standard process for setting salary and compensation ranges for ABC employees? Yes No If yes, when was it instituted? _____ Please attach a copy.
please see comments on attachment
13. Do you pay a car allowance for board members/employees? Yes No If so, how much is it per year total and who receives it? _____
14. For your individual board members (and family members if applicable) what was the total travel expense paid or reimbursed from all sources, public and private for ABC-related functions in Fiscal Year 2009? \$14,419.00

Submitted by Name Cara A. Brewer Title: Supervisor Date: 11-23-09

Fiscal Year 2009 Board Member Compensation:

Bob Austin, Chair.	\$2400
Lois Dodson	\$2400
Guion Eells	\$2400

David Johnson	\$1200	Alternate
Donna Dicks	\$1200	Alternate
Sarah Manning	\$1200	Alternate

Fiscal Year 2008:

Bob Austin, Chair.	\$1800
Lois Dodson	\$1800
Guion Eells	\$1800

David Johnson	\$ 600	Alternate
Donna Dicks	\$ 600	Alternate
Sarah Manning	\$ 300	Alternate (1/2 year)

Fiscal Year 2007

Lois Dodson, Chair.	\$1200
Bob Austin	\$1200
Guion Eells	\$1200

David Johnson	\$ 600	Alternate
Donna Dicks	\$ 600	

#3. Benefits paid to employees are medical, state retirement and Christmas bonus.

#8 – 10. Although we do not have a policy in place, we as a board try to use our good judgment in situations that would include gifts, meals or other “free” items. This Board adheres to the general rules set by our statutes and the AB Commission.

#12. This Board was a merger of three Towns. At present this Board, each year, aligns any salary increases to employees to what each Town may be increasing their own employees.

BE IT RESOLVED by the High Country Municipal Alcoholic Beverage Control Board that the following rules and regulations shall govern the appointment, salary, promotion, demotion, dismissal, and conditions of employment of the employees of the High Country Municipal Alcoholic Beverage Control Board.

ARTICLE 1. THE PERSONNEL SYSTEM

Section 1. DEFINITION. Wherever used in these rules and regulations, the term "ABC Board or Board" will be synonymous with and refer to the High Country Municipal Alcoholic Beverage Control Board.

Section 2. MERIT PRINCIPLE. All appointments and promotions of employees subject to the authority of the Board shall be made solely on the basis of merit and fitness.

Section 3. RESPONSIBILITY OF THE BOARD. The Board shall be responsible for the administration of the following personnel policies and rules which shall apply to all appointed employees except those specifically exempt.

Section 4. APPLICABILITY. The provisions of this Resolution shall be applicable to all employees except members of the Alcoholic Beverage Control Board.

ARTICLE 2. THE SALARY PLAN

** please see attachment also*

Section 1. MAINTENANCE OF THE SALARY PLAN. The Board shall be responsible for the administration and maintenance of the salary plan. At the request of the Board, the General Manager shall secure information concerning the general level of salaries paid and fringe benefits provided in private industry in the area, the salaries paid and fringe benefits provided for comparable municipal, county and state employees, and any change in the cost of living in the area during the fiscal year. The Board shall conduct continuing studies of the internal relationships between positions in order to reduce or eliminate inequities between positions. Based on its studies and the general financial conditions, the Board shall make such increases, reductions, or amendments of the salary plan as it deems necessary to maintain the fairness and adequacy of the salary plan.

Section 2. ENTRANCE AT MINIMUM. Each new employee shall be appointed at the minimum salary which has been established for the position in which he is employed except: (1) if the new employee does not meet the minimum requirements of the position and qualified applicants for the position are not available, the Board may designate the employee as a "trainee" to be appointed at a salary below the minimum; (2) when the Board shall determine that there has been a demonstrated inability to recruit at the minimum salary or that an applicant possesses exceptional qualifications, it may authorize the employment of an applicant at a higher rate than the minimum in the salary range.

Section 3. SALARY OF TRAINEE. A new employee who does not meet all of the established requirements for a position may be appointed with the approval of the Board at a training salary below the minimum salary established for the position. The employee shall continue to receive a reduced salary during a probationary period until the supervising department head with the approval of the Board shall determine that the trainee is qualified to assume the responsibilities of the position or until the end of that probationary period when the employee is either discharged or moved to a listed rate in the salary plan established for that position.

Section 4. SALARIES FOR FULL TIME EMPLOYEES. All full time employees shall have a starting salary negotiable with the Board and Manager, with a six month probation period. Further raises will be based on store's profitability and employee's performance. Salary increments shall be effective only upon recommendation of the manager and the approval of the Board. The store manager's salary shall be negotiated between the Board and the manager.

Section 5. SALARY OF PART TIME EMPLOYEES. An employee to be appointed for less than full time service shall be paid at an hourly rate approved by the Board.

Section 6. PAY PERIODS. All employees shall be paid every two weeks, totaling 26 pay periods per year. If pay day falls on a holiday, regular day off or a scheduled vacation day, the employee shall be paid at the conclusion of his or her last working day prior thereto.

Section 7. EFFECTIVE DATE OF SALARY ADJUSTMENTS. Salary adjustments will be approved by the Board on or before July 1 (start of fiscal year) each year. Salary adjustments approved after the first

working day of a pay period shall become effective at the beginning of the next pay period or at such specific date as may be provided by the Board.

ARTICLE 4. APPOINTMENTS, DISMISSAL, AND DEMOTION.

Section 1. **APPLICABILITY OF ARTICLE.** The provisions of this article are applicable to all employees except those exempted.

Section 2. **EMPLOYMENT OPPORTUNITIES.** The Board shall publicize opportunities for employment with the governmental unit including positions available and employment qualifications needed.

Section 3. **RECRUITMENT.** Each department head shall be responsible for assisting the Board in recruiting such employees as are authorized for his department by the position needed and the budget. A police and public records check on any prospective employee shall be made prior to recommending that person for employment. Before any commitment is made to an applicant, the department head shall forward the applicant's completed application form and the public record investigation to the Board with a recommendation as to the position to be filled and the salary to be paid. After investigating the duties and responsibilities of the position and the qualification and experience of the applicant, the Board shall determine the position and the starting salary to be paid if the applicant is employed. All recruitment sources shall be advised of the Equal Opportunity Policy and advertisements shall contain assurance of Equal Opportunity Employers.

Section 4. **APPOINTMENTS.** The Board shall appoint all employees except otherwise provided by the law.

Section 5. **QUALIFICATION STANDARDS.** Employees shall meet the employment standards established by the State ABC Commission, the position available and such other reasonable minimum standards as to character, aptitude, ability to meet public, and a pre-employment medical examination, at the applicants expense, is required to determine whether a physical condition exists that would limit or prevent an employee from performing the required duties. No employee shall be required to belong to a particular political party as a condition of employment.

Section 6. **LIMITATIONS ON EMPLOYMENT OF RELATIVES.** Two members of an immediate family shall not be employed in the same administrative department at the same time. Neither shall two members of an immediate family be employed at the same time if such employment will result in an employee directly or indirectly supervising a member of his immediate family. This policy applies to promotions, demotions, transfers, reinstatements, and new appointments. The provisions of this section shall not be retroactive, and no action is to be taken concerning those members of the same family employed at the same time of this adoption of this section. Immediate family is defined as wife, husband, mother, father, daughter, son, sister, brother, half-sister, half-brother, stepmother, stepfather, stepdaughter, stepson, stepsister, stepbrother, grandmother, grandfather, granddaughter, grandson, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law and brother-in-law.

Section 7. **PROBATIONARY PERIOD.** All trainees shall serve a probationary period of six months. Employees serving a probationary period shall receive all benefits provided in accordance with this Resolution with the following exceptions or as otherwise provided:

- (a) the employee may accumulate vacation leave but shall not be permitted to take vacation leave during the probationary period unless the denial of such leave shall create unusual hardships. Vacation leave may be granted to such employee only with the approval of the Board.
- (b) the employee, if dismissed during the probationary period, shall not be eligible for terminal pay for accumulated vacation leave, nor shall be entitled to exercise the right to appeal his dismissal.

Before the end of the probationary period, the appointing department head shall indicate in writing to the Board:

- (a) that he has discussed with the employee the employee's accomplishments, failures, strengths and weaknesses
- (b) whether the employee is performing satisfactory work

Section 10. WORK SCHEDULES. All employees are expected to be prompt in reporting for duty. Employees should be cooperative at times when it is necessary to adjust duty hours due to unusual circumstances. In case of emergency, when an employee cannot report on time, the Manager should be notified as soon as possible so adequate personnel coverage of the store can be arranged.

Section 11. SOLICITATIONS. Solicitations and sales other than normal ABC activities are prohibited on the premises of the ABC store.

Section 12. TELEPHONE CALLS. ABC telephones are for business use. Personal calls by employees should be held to a minimum and should not interfere with the work schedule. Long distance calls are to be logged with the secretary, who will reconcile phone charges. Any calls unaccounted for shall be reported to the Board.

Section 13. TRAVEL POLICY. Travel on official ABC Store business requiring an overnight stay must be authorized by the Store Manager prior to the trip. Travel not previously approved shall be at the expense of the employee. ABC employees and officials traveling away from the store on official business shall be reimbursed as follows:

1. mileage for travel for shortest travel route. Mileage paid \$.31 per mile.
2. Living expenses other than meals shall be authorized only for trips lasting overnight or longer.
3. Reimbursement for meals while traveling in-state and out-of-state shall not exceed the following rates:

Breakfast	in-state	\$6.00
Lunch	in-state	\$6.00
Dinner	in-state	\$12.00
Breakfast	out-of-state	\$7.00
Lunch	out-of-state	\$7.00
Dinner	out-of-state	\$16.00

Meal reimbursement shall not exceed \$24.00 per day of in-state travel and \$30.00 per day for out-of-state travel with the exception while attending a convention. Meals will be reimbursed at actual cost which is customary and reasonable.

4. ABC employees and officials traveling away from the ABC store on official business will be compensated for all room and board expense paid out of pocket, and the actual cost of special expenses paid from their personal funds such as; registration fees and other expenses.
5. a written travel claim, signed by the employee or official, accompanied by receipts for hotel and travel expenses, and for any special expenses such as registration fees, and other related expenses shall be required for reimbursement.
6. travel to and from conferences, classes or other meetings while on official business, is (time-worked) by the employee. Such travel is construed to be covered by Worker's Compensation Insurance protection when the travel has been properly authorized.