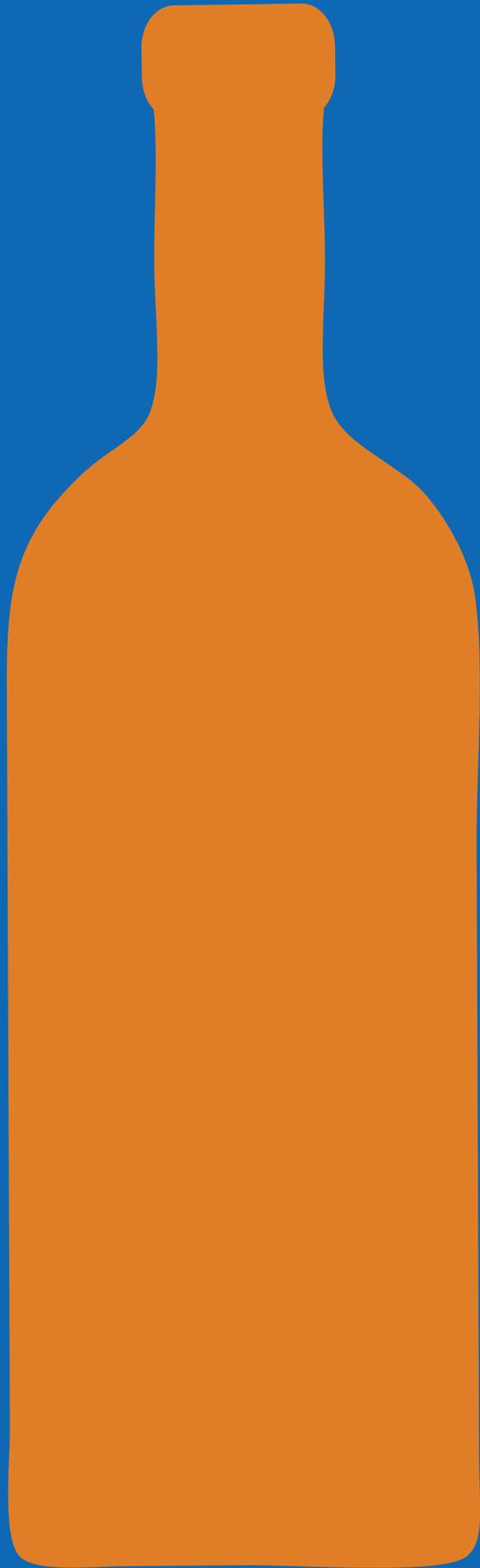
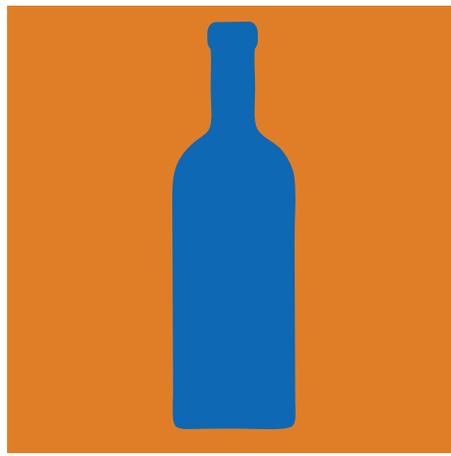


# 2012 ANNUAL REPORT

North Carolina Alcoholic Beverage Control  
Control, Service and Revenue Since 1937





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# A LETTER FROM THE CHAIRMAN



October 2012

This year marks the 75th year of the NC ABC Commission's existence. The anniversary is worth observing, but it is more remarkable to note that in the most recent fiscal year, the ABC system delivered more money to state and local governments than ever before. Both individual consumers and businesses rated their ABC store experience positively; in fact, a benchmarking survey conducted in fall 2011 by the University of North Carolina's Kenan-Flagler School of Business found customers graded North Carolina's ABC stores A- overall. And thanks to measures put in place in warehouse operations and administration, the North Carolina ABC Commission found ways to boost efficiency and increase service in 2012. It was a very positive year for the ABC system.

North Carolina's retail liquor sales climbed 6.54 percent over the last fiscal year to \$795,377,441. As a result of this increased revenue, more than \$300 million was distributed to the state's General Fund and to local governments.

The number of businesses holding ABC permits increased to more than 18,000 across the state. These businesses, 5,300 of which have mixed beverage permits, account for a significant portion of ABC store sales in jurisdictions that allow mixed drinks to be sold.

At the same time local ABC stores saw more demand, they also saw more products become available to sell. The state ABC Commission's leased warehouse doubled its storage capacity, which meant that more products in more sizes were available for local ABC stores to stock than ever before. With more warehouse capacity came greater responsiveness for the boards – warehouse out-of-stock issues declined and inventory availability increased significantly.

The fiscal year just completed was the first year local ABC boards had completed a budget cycle under the 2010 reform legislation, which mandated uniform budget processes and included financial forecasts. Results show that profitability varied widely among ABC boards, reflecting local economic conditions in many cases. Taking savings reserves into account, all of the 165 ABC boards operating the 418 retail ABC stores were solvent. With the new budget processes in place, those boards reporting operating losses declined nearly 50 percent (23 boards operated at a loss in FY 2011; 12 in FY 2012). The budget forecasts from the local boards anticipate that the coming year also will generate increased revenues topping \$800 million overall.

Based on the fiscal year just completed, it is clear that North Carolina's ABC system continues to provide a balance of control, revenue and service that benefits the people of North Carolina – and is responsive to the state's local communities, which have voted over the last three quarters of a century to specify whether and how alcohol is served in their jurisdictions. The report that follows provides additional detail about the financial performance of the individual local ABC boards, as well a look at the broader work of the NC ABC Commission, which serves as the state's regulator of all alcohol produced, transported and sold in North Carolina.

A.D. "Zander" Guy

A handwritten signature in black ink, appearing to read "A.D. Zander Guy". The signature is stylized and cursive.

Chairman, North Carolina Alcoholic Beverage Control Commission

# ABC AT A GLANCE

**Headquarters:** Raleigh, NC

**Oversight of:**

- Approximately 25,000 holders of permits to manufacture, transport and/or sell beer, wine and mixed drinks
- Approximately 18,000 retailers that sell alcohol for consumption on premise (restaurants/bars/clubs) and off premise (grocery stores/convenience stores/retail shops)
- 165 active local ABC Boards that own or lease the property and hire and manage the staff of the state's 418 retail ABC stores
- 2 central warehouses of 400,000 square feet, which receive and store all liquor to be sold in the state until it is shipped and purchased by the local ABC stores
- \$795.4 million in liquor revenues generated during fiscal year 2012
- \$304.7 million in total liquor revenue distributions by NC ABC boards during fiscal year. Distributions benefit the state's General Fund and the cities and counties where alcohol sales are allowed
- \$15.3 million collected by the state ABC Commission from permit application fees and renewals for the benefit of the General Fund
- 1,296 violations committed by permit holders during the fiscal year
- \$862,400 in revenues generated from penalties paid by permit-holders to local school districts where violations occurred
- 7,697 permit holders, employees and applicants trained
- 7,764 retail and commercial permits issued
- In 2011-2012 (April 1, 2010-March 31, 2011) excise taxes from beer sales totaled \$123,688,560, and for the same period, excise taxes from wine totaled \$18,164,904

*(Note: local ABC boards in North Carolina are established and operated with no state-appropriated funds. The state ABC Commission and warehouse operations are funded through fees from warehouse management.)*

6/30/2012



**ABC**  
COMMISSION  
NORTH CAROLINA



# WAREHOUSE SPACE DOUBLES & RETAIL SALES CLIMB



- In September 2011, the ABC Commission began receiving liquor shipments at its new **200,000** square-foot, leased warehouse in Clayton, N.C.

- The leased space doubled North Carolina's capacity to **400,000** square feet in two warehouses.

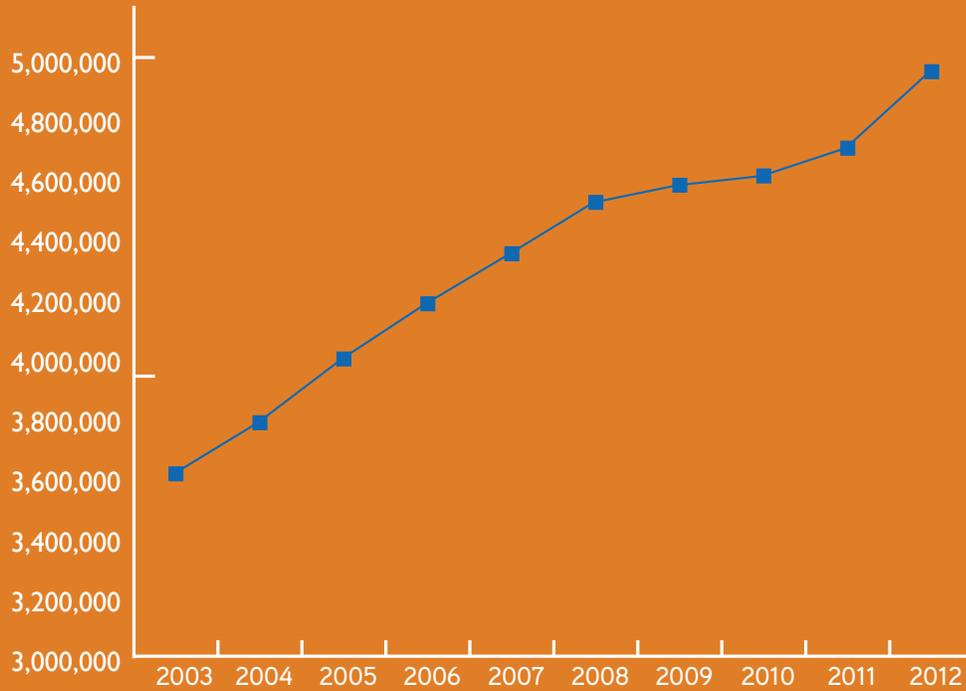
- With the expanded space, the Commission approved **200** new liquor products during the second half of the fiscal year, bringing the total number of items available to local boards for sale in the ABC stores to roughly **1,900**.

- Retail sales the first half of the calendar year were up more than **10** percent.

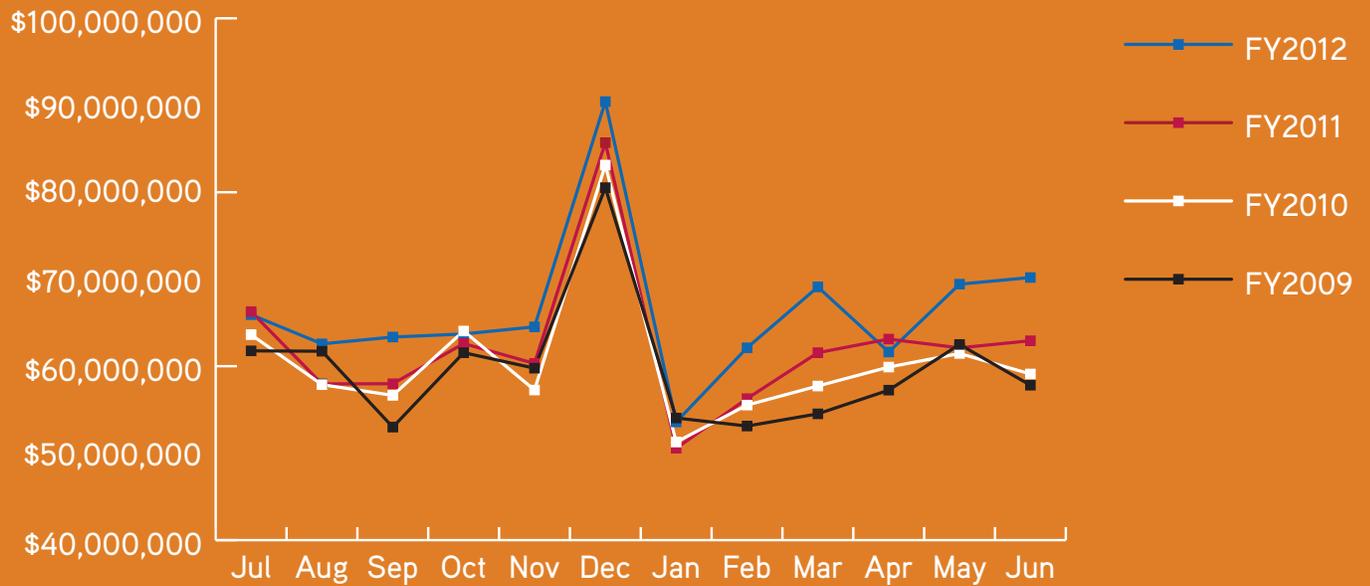
- Case shipments from the state warehouses to local ABC Boards increased more than **228,000** cases or 4.9 percent as compared to 2011. Cases shipped to local ABC Boards in 2012 totaled **4,901,534**.



# CASE SHIPMENTS RISE



# MONTHLY SALES INCREASE



# COMMISSION LAUNCHES CUSTOMER SERVICE SURVEY AND PERFORMANCE AUDITS



In fall 2011, a telephone survey of more than 1,200 individuals and businesses across North Carolina found most people have a very favorable opinion of their local ABC stores and the service they receive from the stores' employees.

The NC ABC Commission selected the Kenan-Flagler Business School of the University of North Carolina to conduct the survey and to analyze the results.

## Survey Results: "Grade A"

ABC stores won an overall grade of A- from retail and business customers. Survey participants generally graded the customer experience at their local ABC store higher than they graded their bank, drugstore and local discount store.

In the 2010 ABC reform legislation, the mission of ABC stores was established: "local ABC boards and their employees shall serve their localities responsibly by controlling the sale of spirituous liquor and promoting customer-friendly, modern, and efficient stores."

The same legislation required that the ABC Commission shall "promulgate rules to establish performance standards for local boards. Performance standards established pursuant to this subdivision shall include, but not be limited to, standards that address enforcement of ABC laws, store appearance, operating efficiency, solvency, and customer service."

As a benchmark, the survey provides an important first step in understanding how stores are performing with regard to the "customer-friendly" and "customer service" requirements of the legislation.

Details of the survey can be found at <http://abc.nc.gov/customerservice>.

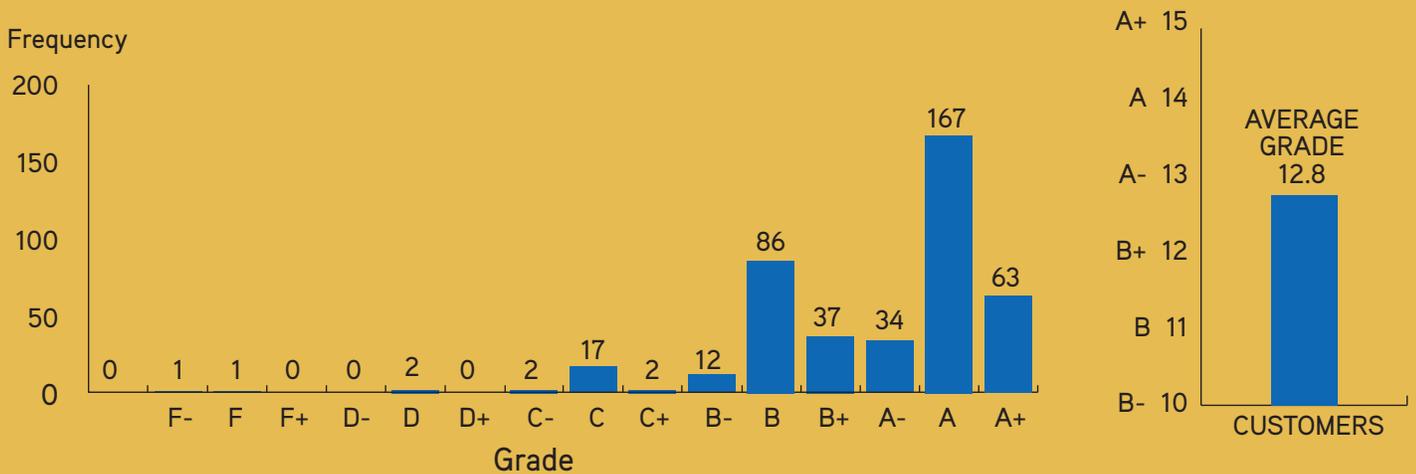
## Performance Audits Provide Closer Look

While the benchmarking survey provides a baseline for customer service as a whole, it does not offer perspective about individual boards. However, another initiative under way at the Commission does give a look at how individual boards measure up with regard to boards of comparable size and provides recommendations for improving certain aspects of operations that affect customer service and compliance with the law.

Eventually, every ABC board will receive a performance audit. As of June 30, 2012 more than 30 performance audits had been completed since the audits were launched in late 2010. Completed audits are posted on the ABC Commission's web site at <http://abc.nc.gov/performanceaudits>. The performance audit process involves an on-site visit by ABC Commission staff, an analysis of the local board's operations, review of those findings by the board and a final report with recommendations for the board.

# ABC STORE SERVICE WINS TOP GRADES

424 retail customers surveyed graded the ABC store where they shop most often an average of A- overall.



Retail customers graded the ABC store where they shop most often **HIGHER** than they graded their local drug store, discount store, bank, or grocery store.



# COMMISSION FOCUSES ON OUTREACH TO PERMIT HOLDERS

## Public Education

During fiscal year 2012, the NC ABC Commission staff trained 7,697 permit holders, employees and applicants via in-person classes held across the state. In addition, the Commission offered webinars twice a month, making training more accessible for permit holders and applicants.

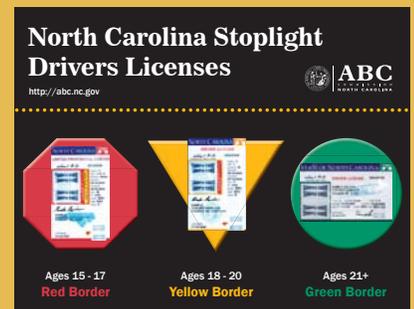
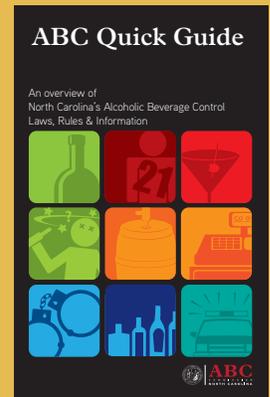
The Commission developed materials for ABC stores and permit holders (register tents, license flyers, updated Retail Guide); translated many online resources into Spanish and created a 30-second television Public Service Announcement for DWI prevention and two 30-second radio PSAs for holiday DWI prevention.

Additional outreach (including media interviews, conference and seminar presentations) raised awareness of “overage drinking” – alcohol use/misuse/abuse by older adults. Regarding underage drinking, the NC ABC Commission sponsored a middle school poster contest to reinforce the message that 70 percent of middle school students do not drink alcohol. The contest received more than 150 entries from across the state.

## Public Safety

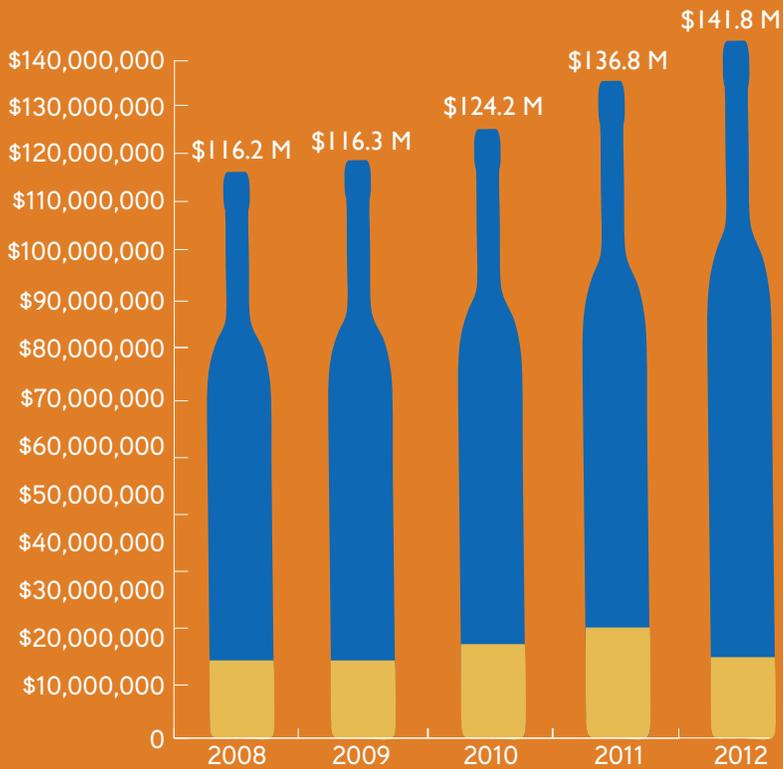
During the year, the Commission continued its efforts to strengthen public safety initiatives. Staff met with community groups and conducted several interviews with the media outlining the process for permits and penalties that businesses face when violations of the ABC laws have occurred.

In addition, the Commission’s Last Call initiative continued. The Commission issued three Last Call summary suspensions of permanent ABC permits in fiscal 2012. The Commission had launched the Last Call initiative in April 2010 in cooperation with local law enforcement and the state’s Alcohol Law Enforcement to streamline the process for suspending alcohol permits of violent businesses. Summary suspensions are immediate and remain in effect until the cases are heard by the Office of Administrative Hearings.



# NC BEER & WINE BY THE NUMBERS

## Beer and Wine Tax Revenue Collections Grow



NC Department of Revenue data for fiscal years ending March 31



## NC Beer/Wine FY 2012

**61** Breweries

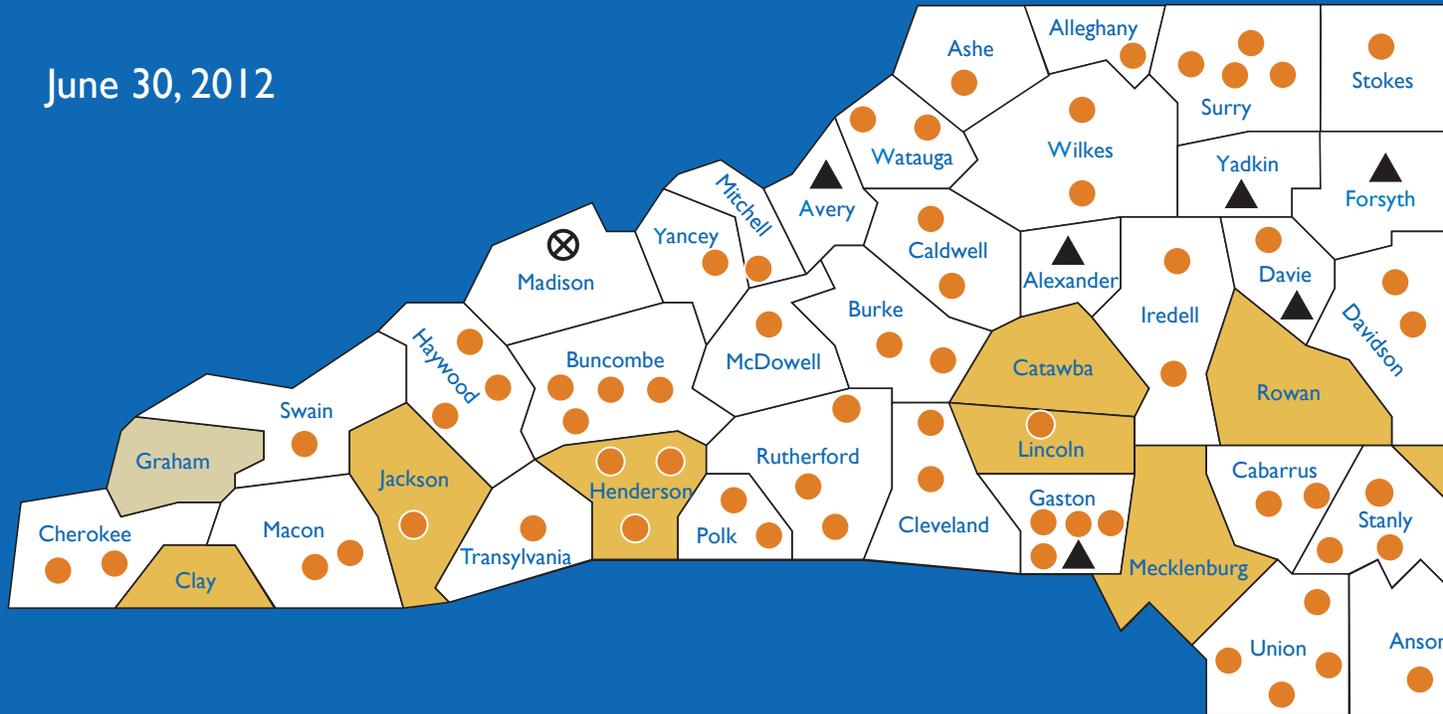
**129** Unfortified Wineries

**18** Fortified Wineries

**8** Active Distilleries

# NORTH CAROLINA COUNTY AND MUNICIPAL ABC BOARDS

June 30, 2012



-  County Boards
-  Municipal Boards
-  Merged Boards
-  Dry Counties
-  Boards Currently Not Open

## 2012 FISCAL YEAR HIGHLIGHTS

### One new ABC board opened a store:

- Wingate, June 2012

### Three boards opened additional retail stores:

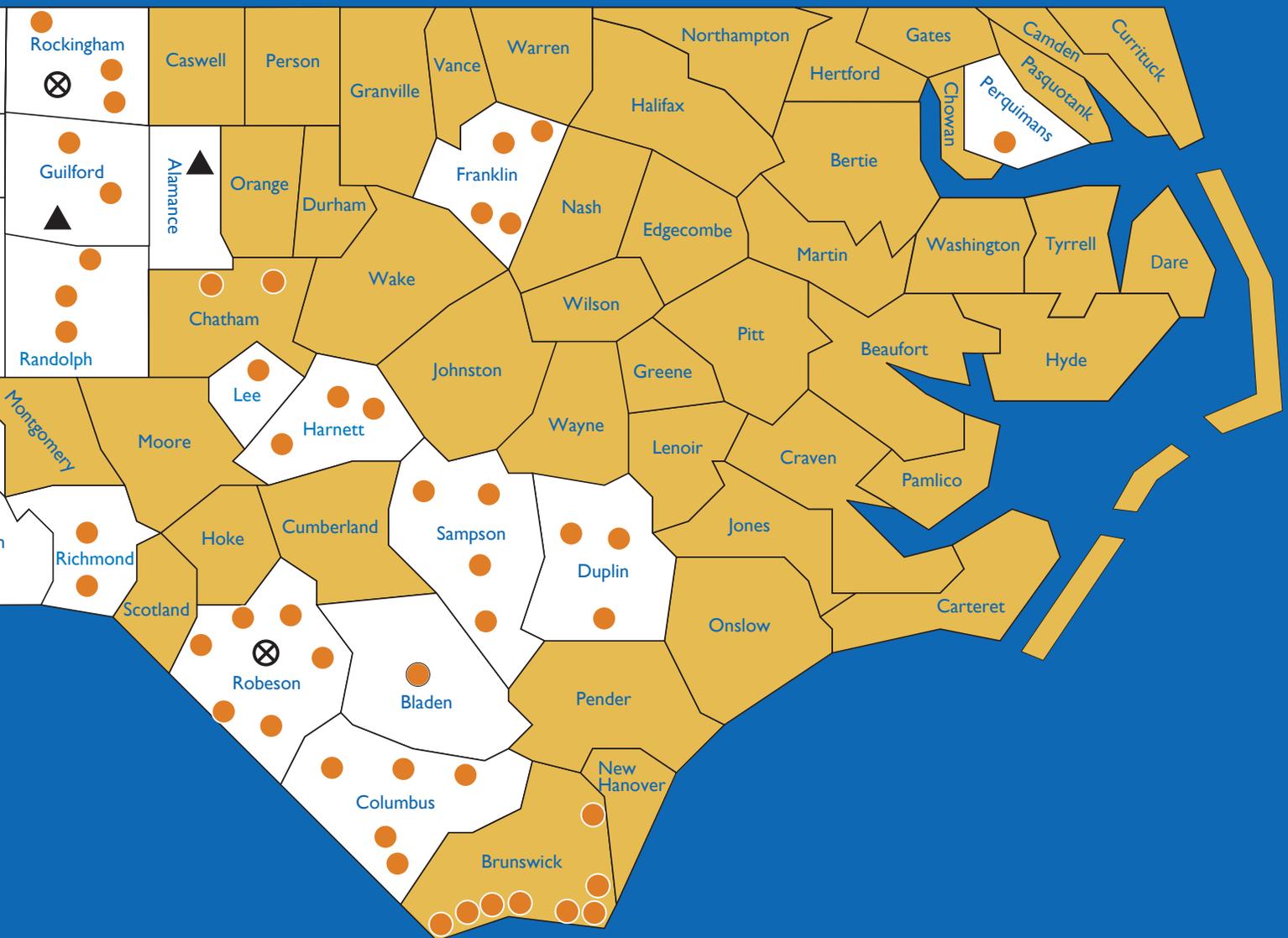
- Mecklenburg County
- Wake County
- Wilkesboro

### Four boards closed stores:

- Durham County
- Pender County
- Thomasville
- Wilson County

### Two boards merged:

- Catawba County
- Taylorsville



**Two new ABC boards were voted in:**

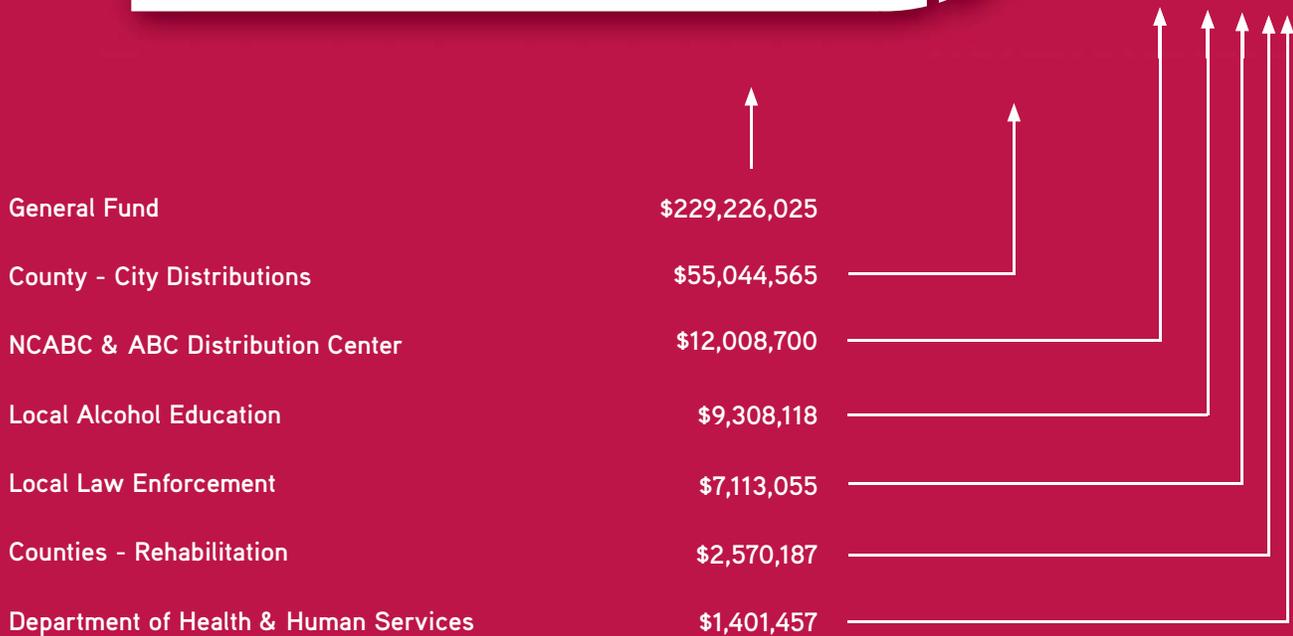
- Henderson County, May 2012
- Jackson County, May 2012

**Ten mixed beverage referendums passed:**

- Kinnekeet Township (Dare County) August 2011
- Dobson (Surry County) August 2011
- Elon (Alamance County) November 2011
- Black Mountain (Buncombe County) November 2011
- Gaston (Stanly County) November 2011
- LaGrange (Lenoir County) November 2011
- Hoffman (Richmond County) November 2011
- Boonville (Yadkin County) November 2011
- Henderson County, May 2012
- Jackson County, May 2012

# LIQUOR REVENUES CLIMB

Local ABC Boards in North Carolina are established and operated with no state funds. Through the sales of \$795,377,441 in spirituous liquor in ABC stores in the fiscal year ending June 30, 2012, total revenue distributions amounted to \$304,663,407 to the state's General Fund and the cities and counties where alcohol sales are allowed.



# REVENUES FROM SPIRITUOUS LIQUOR NORTH CAROLINA ABC BOARDS JULY 1, 2011 - JUNE 30, 2012

	6/30/12	6/30/11	Increase/ - Decrease	Percent Change
Liquor Sales - Regular	639,985,257	600,642,647	39,342,610	6.55%
Mixed Beverage Sales	155,392,184	145,880,874	9,511,310	6.52%
Total Sales	795,377,441	746,523,521	48,853,920	6.54%
State Excise Tax	170,378,967	159,722,765	10,656,202	6.67%
Liquor Sales Tax	44,832,810	48,105,158	-3,272,348	-6.80%
Mixed Beverage Tax - Revenue	14,014,248	13,413,026	601,222	4.48%
Mixed Beverage Tax - DHHS	1,401,457	1,341,591	59,866	4.46%
Rehabilitation Tax	2,570,187	2,469,031	101,156	4.10%
Cost of Goods Sold	409,940,662	385,937,645	24,003,017	6.22%
Operating Expenses	120,032,781	120,446,941	-414,160	-0.34%
Interest Income	343,690	416,850	-73,160	-17.55%
Other Income	737,810	1,363,525	-625,715	-45.89%
Profit Before Distribution	78,172,584	63,784,948	14,387,636	22.56%
Profit Percent To Sales	9.83%	8.54%		1.28%
Law Enforcement	7,113,055	6,999,731	113,324	1.62%
Alcohol Education	9,308,118	8,577,516	730,602	8.52%
Net Profit	61,751,411	48,207,701	13,543,710	28.09%
County - City Distributions	55,044,565	42,815,167	12,229,398	28.56%
Mixed Beverage Tax Retained	12,613,381	12,071,627	541,754	4.49%
Surcharge Collected	4,105,000	3,895,342	209,658	5.38%
Bailment Collected	7,903,700	5,206,081	2,697,619	51.82%
Bottles Sold:				
Regular	41,591,100	40,163,447	1,427,653	3.55%
Mixed Beverage	7,220,075	6,957,667	262,408	3.77%
Total	48,811,175	47,121,114	1,690,061	3.59%
Miniatures	12,883,410	11,242,824	1,640,586	14.59%
Number Of Stores	418	421	-3	
Notes: Sales tax decreased from 8% to 7% July 2011 Bailment increased from \$1.20 per case to \$1.65 August 2011				

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

ABC Boards by County and # of Stores	Sales			State Taxes Collected	Cost of Liquor Sold	Operating Expenses
	Gross Sales	Percent Change Over FY11	Forecast for FY13			
<b>Alamance</b>						
Alamance Municipal (5)	9,820,691	7.88%	9,289,100	2,311,568	5,098,194	1,926,384
<b>Alleghany</b>						
Sparta (1)	661,038	1.53%	715,500	151,309	346,124	116,182
<b>Anson</b>						
Wadesboro (1)	1,251,854	4.68%	1,231,100	283,817	667,029	230,432
<b>Ashe</b>						
West Jefferson (1)	1,416,761	3.39%	1,407,000	321,036	750,599	216,195
<b>Avery</b>						
High Country (1)	2,553,541	1.10%	2,588,000	602,955	1,337,381	398,602
<b>Beaufort County (6)</b>	4,587,322	7.67%	4,485,000	1,047,120	2,404,019	801,432
<b>Bertie County (1)</b>	644,895	7.21%	470,000	145,638	346,735	137,593
<b>Bladen</b>						
Elizabethtown (1)	1,181,056	2.52%	1,260,000	269,012	632,916	181,825
<b>Brunswick</b>						
Belville (2)	2,525,049	7.21%	2,253,213	568,621	1,354,799	489,303
Boiling Spring Lakes <sup>1</sup> (1)	316,488	-34.91%	431,298	71,638	169,220	74,740
Brunswick County (2)	2,296,798	1.72%	2,340,400	542,143	1,187,418	440,197
Calabash (1)	1,337,012	-0.01%	1,346,000	317,880	687,346	235,787
Oak Island (1)	2,116,838	9.91%	2,134,841	505,732	1,086,750	371,583
Ocean Isle Beach (1)	1,421,335	3.88%	1,413,275	337,755	713,795	288,605
Shalotte (1)	1,411,984	3.24%	1,368,000	327,346	741,386	252,723
Southport (1)	2,125,116	6.74%	2,032,000	500,590	1,115,901	278,357
Sunset Beach (1)	1,395,021	4.32%	1,514,000	321,439	733,724	218,619
<b>Buncombe</b>						
Asheville (9)	22,123,255	9.96%	23,297,669	5,384,862	11,166,532	3,723,736
Black Mountain (1)	1,617,565	8.62%	1,632,122	369,440	856,922	245,520
Weaverville (1)	2,092,129	6.71%	2,070,000	470,252	1,117,447	379,280
Woodfin (1)	1,274,799	1.89%	1,268,700	288,946	679,240	282,279
<b>Burke</b>						
Morganton (1)	2,702,022	-2.08%	2,720,600	621,558	1,425,052	365,474
Valdese (1)	791,545	54.86%	837,000	182,712	414,694	200,675
<b>Cabarrus</b>						
Concord (5)	9,787,315	5.46%	10,209,000	2,318,419	5,088,411	1,804,464
Mount Pleasant (1)	514,581	10.78%	525,000	116,040	276,148	126,984
<b>Caldwell</b>						
Granite Falls (1)	920,745	-0.93%	880,000	208,902	490,023	203,447
Lenoir City (2)	2,908,336	1.56%	2,850,500	665,876	1,550,397	420,280
<b>Camden County (2)</b>	1,010,615	3.85%	1,041,420	227,740	539,190	213,635
<b>Carteret County (6)</b>	11,615,839	4.01%	11,155,000	2,736,097	5,984,661	1,787,542
<b>Caswell County (4)</b>	1,844,011	5.21%	1,881,215	418,740	983,602	389,335
<b>Catawba County (10)</b>	14,974,744	6.46%	15,646,877	3,500,161	7,791,542	2,914,931
<b>Chatham County</b>						
Chatham County (3)	2,413,733	8.35%	2,478,186	550,760	1,276,557	437,439

<sup>1</sup> Store closed Feb. 15 through June 30 due to fire

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

Other Income & Expense	Local Profits				Local Distributions	
	Profit Before Distribution FY12	Profit Percent FY12	Profit Before Distribution FY11	Percent Change Over FY11	FY12	Forecast for FY13
6,229	490,774	5.00%	441,607	11%	368,075	350,900
961	47,162	7.13%	38,665	22%	41,764	15,042
295	69,293	5.54%	55,236	25%	51,500	52,494
-19,321	109,610	7.74%	112,669	-3%	38,215	50,980
3,595	218,198	8.54%	232, 298	-6%	261,838	263,000
7,940	342,691	7.47%	234,846	46%	188,118	153,387
15,760	30,689	4.76%	-37,641	182%	30,689	0
787	98,090	8.31%	95,851	2%	107,443	114,316
36	112,362	4.45%	-4,670	2506%	80,691	0
1,069	1,959	0.62%	2,885	-32%	6,247	6,203
-23,012	104,028	4.53%	87,667	19%	28,670	39,100
3,255	98,111	7.34%	82,290	19%	103,022	87,400
12,125	164,898	7.79%	118,018	40%	148,966	129,602
227	81,407	5.73%	60,331	35%	78,668	39,685
527	91,056	6.45%	75,665	20%	88,524	62,600
305	230,573	10.85%	256,841	-10%	230,573	338,500
-23,723	94,745	6.79%	51,054	86%	3,004	32,700
-96,111	1,728,478	7.81%	1,315,234	31%	1,454,842	1,133,066
322	146,005	9.03%	80,049	82%	80,867	77,600
-86,292	38,858	1.86%	13,434	189%	0	32,606
81	24,415	1.92%	84,163	-71%	0	0
953	290,891	10.77%	306,240	-5%	290,891	284,200
-12,339	-20,240	-2.56%	-65,805	69%	0	0
65,309	641,330	6.55%	376,257	70%	371,128	315,300
119	-4,472	-0.87%	-15,126	70%	0	2,050
399	18,772	2.04%	14,554	29%	36,128	13,900
1,034	266,431	9.16%	251,716	6%	255,227	221,100
302	30,352	3.00%	4,977	510%	28,838	43,750
-9,039	1,077,602	9.28%	841,063	28%	930,622	401,959
171	52,505	2.85%	31,134	69%	52,507	33,912
14,922	756,778	5.05%	593,577	27%	893,395	955,246
953	149,930	6.21%	102,380	46%	78,592	60,924

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

ABC Boards by County and # of Stores	Sales			State Taxes Collected	Cost of Liquor Sold	Operating Expenses
	Gross Sales	Percent Change Over FY11	Forecast for FY13			
Pittsboro (1)	984,762	11.56%	1,011,263	223,917	518,989	139,420
Siler City (1)	1,169,311	5.12%	1,243,462	267,132	609,321	222,856
<b>Cherokee</b>						
Andrews (1)	568,256	5.23%	1,000,200	129,030	298,307	129,778
Murphy (1)	2,355,922	3.04%	2,338,000	535,944	1,242,115	395,522
<b>Chowan County (1)</b>	1,193,881	3.35%	1,266,352	273,198	634,239	273,046
<b>Clay County (1)</b>	1,688,822	15.58%	1,573,000	382,227	888,185	249,612
<b>Cleveland</b>						
Kings Mountain (1)	1,240,041	7.41%	1,253,000	283,621	660,515	219,476
Shelby (2)	3,655,802	6.52%	3,678,300	840,618	1,932,017	665,330
<b>Columbus</b>						
Brunswick (1)	458,782	9.99%	514,175	103,073	244,389	85,327
Lake Waccamaw (1)	285,344	2.46%	291,633	64,401	152,422	63,146
Tabor City (1)	615,195	1.82%	605,000	138,806	328,987	113,074
West Columbus (1)	605,117	1.38%	643,476	136,457	325,325	116,429
Whiteville (1)	1,031,600	4.36%	990,000	236,543	544,647	186,330
<b>Craven County (6)</b>	8,563,010	6.87%	8,627,736	2,010,119	4,436,738	1,218,529
<b>Cumberland County (10)</b>	28,032,941	5.21%	28,700,000	6,685,620	14,253,545	4,158,029
<b>Currituck County (3)</b>	4,400,709	2.22%	4,410,000	1,010,499	2,296,465	676,973
<b>Dare County (5)</b>	13,758,278	4.93%	13,831,329	3,281,563	7,033,350	1,938,306
<b>Davidson</b>						
Lexington (2)	3,449,491	5.27%	3,384,500	797,251	1,808,763	543,487
Thomasville (1)	2,249,923	-12.22%	2,154,200	515,591	1,201,193	390,189
<b>Davie</b>						
Cooleemee (1)	748,564	3.68%	737,600	171,561	394,817	199,134
<b>Duplin</b>						
Kenansville (1)	434,363	4.30%	438,920	99,046	229,984	95,546
Wallace (1)	1,384,892	7.55%	1,450,696	319,286	730,386	195,585
Warsaw (1)	504,286	2.56%	504,285	114,036	269,350	109,664
<b>Durham County (7)</b>	25,218,637	5.22%	25,397,580	5,965,569	12,949,041	4,259,500
<b>Edgecombe County (6)</b>	4,188,596	8.93%	4,144,000	953,021	2,224,037	776,816
<b>Forsyth</b>						
Triad Municipal (14)	34,090,345	6.83%	34,868,600	7,997,425	17,612,578	5,215,960
<b>Franklin</b>						
Bunn (1)	624,567	1.62%	624,362	140,852	335,509	138,390
Franklinton (1)	810,056	14.73%	764,600	183,090	432,403	148,484
Louisburg (1)	1,154,595	2.50%	1,157,457	262,487	622,453	223,449
Youngsville (1)	768,419	1.08%	772,000	173,219	411,235	146,584
<b>Gaston</b>						
Bessemer City (1)	469,873	6.17%	518,950	108,564	242,580	122,552
Cherryville (1)	954,420	2.99%	947,000	216,097	507,041	201,050
Cramerton (1)	1,609,066	0.99%	1,821,975	373,313	841,853	262,917
Gastonia (5)	8,006,830	7.66%	8,319,500	1,873,913	4,186,609	1,385,893
Mount Holly (1)	1,798,226	4.35%	1,812,000	406,668	965,715	269,634

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

Other Income & Expense	Local Profits				Local Distributions	
	Profit Before Distribution FY12	Profit Percent FY12	Profit Before Distribution FY11	Percent Change Over FY11	FY12	Forecast for FY13
33,217	134,837	13.69%	25,262	434%	33,991	58,374
-4,527	63,722	5.45%	45,954	39%	38,480	48,900
126	8,067	1.42%	27,825	-71%	7,834	6,000
3,132	171,592	7.28%	44,319	287%	170,410	70,410
174	13,102	1.10%	20,658	-37%	13,102	22,852
-1,573	158,349	9.38%	103,186	53%	7,000	25,439
1,152	77,581	6.26%	36,551	112%	48,828	20,475
1,946	219,783	6.01%	112,056	96%	199,711	109,500
596	26,589	5.80%	13,285	100%	25,233	23,733
138	5,513	1.93%	1,945	183%	0	0
-13,699	20,629	3.35%	22,764	-9%	9,925	24,000
976	27,882	4.61%	26,640	5%	411	3,250
794	64,874	6.29%	29,270	122%	57,008	39,000
3,193	900,817	10.52%	774,970	16%	1,293,055	334,000
19,372	2,912,558	10.39%	2,616,459	11%	2,801,947	1,946,100
3,482	401,126	9.12%	341,841	17%	345,994	305,000
4,200	1,509,259	10.97%	1,603,918	-6%	1,303,862	1,556,421
4,269	304,259	8.82%	223,136	36%	304,186	105,700
4,965	142,948	6.35%	68,512	109%	76,104	77,700
3,742	-13,206	-1.76%	27,163	-149%	14,600	12,500
103	9,890	2.28%	10,139	-2%	9,891	294
13	139,648	10.08%	111,887	25%	140,000	142,000
30	11,266	2.23%	10,128	11%	0	0
-96,794	1,915,738	7.60%	1,489,326	29%	1,604,349	1,123,612
271	232,372	5.55%	115,028	102%	182,372	127,500
-6,158	3,198,145	9.38%	2,398,061	33%	2,801,022	1,895,700
292	10,108	1.62%	-11,920	185%	4,108	7,888
8,627	54,454	6.72%	13,363	307%	50,254	7,075
528	46,734	4.05%	35,861	30%	46,734	50,701
0	37,381	4.86%	21,331	75%	37,381	0
69	-4,222	-0.90%	-2,710	-56%	0	4,200
1,533	29,428	3.08%	23,239	27%	33,349	14,070
353	131,336	8.16%	114,252	15%	67,632	58,965
45,524	605,939	7.57%	462,249	31%	418,714	503,400
-15,417	140,792	7.83%	121,513	16%	10,468	11,600

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

ABC Boards by County and # of Stores	Sales			State Taxes Collected	Cost of Liquor Sold	Operating Expenses
	Gross Sales	Percent Change Over FY11	Forecast for FY13			
<b>Gates County (2)</b>	586,360	7.34%	573,400	132,115	314,097	143,849
<b>Granville County (2)</b>	3,127,344	4.87%	3,085,277	708,153	1,662,421	437,989
<b>Greene County (2)</b>	679,359	2.71%	649,500	153,274	363,792	148,851
<b>Guilford</b>						
Gibsonville (1)	803,535	6.88%	811,500	182,269	422,373	143,218
Greensboro (14)	36,016,043	5.99%	36,752,000	8,611,322	18,398,536	5,146,516
High Point (6)	13,606,692	8.54%	13,933,277	3,155,163	6,997,048	2,047,123
<b>Halifax County (5)</b>	4,383,030	4.61%	4,215,571	1,002,908	2,318,812	747,612
<b>Harnett</b>						
Angier (1)	1,193,573	5.10%	1,235,082	268,839	633,359	261,561
Dunn (2)	1,908,810	1.83%	1,885,500	435,161	1,018,402	317,832
Lillington (1)	1,054,152	10.64%	1,035,000	246,255	561,559	210,636
<b>Haywood</b>						
Canton (1)	1,013,064	3.56%	971,403	230,180	536,686	248,651
Maggie Valley (2)	1,669,376	7.05%	1,679,118	388,170	857,618	354,961
Waynesville (1)	2,139,899	0.63%	2,151,800	493,265	1,119,399	369,664
<b>Henderson</b>						
Fletcher (1)	1,655,280	-12.01%	1,687,030	376,841	873,684	326,943
Hendersonville (2)	4,905,664	4.04%	5,065,000	1,147,656	2,544,615	866,983
Laurel Park (1)	1,071,653	5.30%	1,150,000	246,341	558,338	242,128
<b>Hertford County (3)</b>	2,039,618	5.55%	1,930,000	463,889	1,075,835	427,150
<b>Hoke County (1)</b>	1,122,193	2.28%	1,068,600	258,488	592,162	161,267
<b>Hyde County <sup>2</sup> (2)</b>	567,333	2.57%	1,035,000	142,155		
<b>Iredell</b>						
Mooresville (3)	7,506,542	5.38%	7,360,403	1,763,832	3,918,476	1,059,214
Statesville (2)	4,866,983	5.93%	4,745,168	1,125,272	2,566,776	894,328
<b>Jackson</b>						
Sylva (1)	2,728,508	2.92%	2,681,000	643,417	1,403,294	347,017
<b>Johnston County (7)</b>	10,320,263	6.84%	10,564,086	2,382,346	5,423,305	1,522,968
<b>Jones County (3)</b>	929,984	3.36%	914,630	209,806	474,720	234,550
<b>Lee</b>						
Sanford (2)	4,417,257	4.51%	4,585,000	1,022,627	2,315,218	731,813
<b>Lenoir County (3)</b>	3,460,661	7.77%	3,211,201	794,875	1,828,908	594,792
<b>Lincoln</b>						
Lincoln County (1)	2,096,656	5.27%	2,094,300	485,542	1,105,532	259,295
Lincolnton (1)	2,027,959	4.18%	2,085,000	482,358	1,057,674	411,212
<b>Macon</b>						
Franklin (1)	2,392,510	2.50%	2,799,000	553,425	1,245,061	498,657
Highlands (1)	1,700,604	1.55%	1,399,800	401,633	870,548	330,498
<b>Martin County (2)</b>	1,772,752	5.81%	1,905,000	401,903	941,836	318,426
<b>McDowell</b>						
Marion (2)	2,030,691	7.50%	1,998,931	472,968	1,068,951	390,228
<b>Mecklenburg County (23)</b>	107,447,897	8.73%	110,500,000	26,232,459	53,895,441	13,707,989

<sup>2</sup> Data is unaudited

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

Other Income & Expense	Local Profits				Local Distributions	
	Profit Before Distribution FY12	Profit Percent FY12	Profit Before Distribution FY11	Percent Change Over FY11	FY12	Forecast for FY13
106	-3,595	-0.61%	-14,863	76%	1,100	0
-2,156	316,625	10.12%	284,325	11%	369,326	203,159
519	13,961	2.06%	-944	1579%	2,239	2,000
2,473	56,896	7.08%	35,871	59%	13,917	6,850
31,174	3,879,616	10.77%	3,452,125	12%	3,679,616	3,892,378
-2,351	1,375,964	10.11%	1,144,076	20%	980,680	944,205
5,174	318,872	7.28%	229,288	39%	229,410	137,368
12,013	39,352	3.30%	13,594	189%	207	0
6,346	143,761	7.53%	117,239	23%	126,525	116,675
858	36,560	3.47%	10,054	264%	304	26,910
-5,792	-8,245	-0.81%	-15,259	46%	2,400	0
-22,666	39,073	2.34%	-23,890	264%	0	22,291
382	153,409	7.17%	146,876	4%	126,738	60,869
-14,196	58,822	3.55%	82,887	-29%	51,320	52,888
1,373	324,274	6.61%	249,496	30%	229,097	199,999
2,335	22,648	2.11%	21,813	4%	22,648	13,220
727	73,471	3.60%	44,998	63%	61,595	74,409
36	110,312	9.83%	99,662	11%	108,312	52,350
						0
652	765,672	10.20%	674,591	14%	627,799	626,000
2,916	283,523	5.83%	182,580	55%	283,522	182,321
4,465	330,081	12.10%	313,578	5%	475,192	182,828
7,220	989,151	9.58%	882,419	12%	1,050,538	1,153,298
8	10,916	1.17%	-20,699	153%	0	0
20,825	361,697	8.19%	320,864	13%	466,511	245,000
1,569	243,655	7.04%	178,019	37%	243,655	89,595
880	247,167	11.79%	239,397	3%	201,497	201,600
5,839	82,554	4.07%	88,358	-7%	142,555	85,000
1,350	84,010	3.51%	67,096	25%	71,939	72,000
272	92,330	5.43%	61,511	50%	92,330	37,600
642	111,229	6.27%	74,656	49%	66,770	172,380
-5,041	93,503	4.60%	-789	11951%	58,499	56,000
251,191	13,684,215	12.74%	11,892,450	15%	11,396,094	10,187,851

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

ABC Boards by County and # of Stores	Sales			State Taxes Collected	Cost of Liquor Sold	Operating Expenses
	Gross Sales	Percent Change Over FY11	Forecast for FY13			
<b>Mitchell</b>						
Spruce Pine (1)	1,030,981	-7.92%	1,103,879	241,393	535,068	232,165
<b>Montgomery (2)</b>	1,241,694	3.18%	1,260,077	283,624	648,350	279,825
<b>Moore County (4)</b>	8,421,657	4.49%	8,518,500	2,002,996	4,304,167	1,012,239
<b>Nash County (9)</b>	8,832,395	3.99%	8,756,616	2,041,968	4,564,941	1,381,187
<b>New Hanover County (8)</b>	33,462,799	6.01%	33,584,437	8,143,503	16,759,811	3,727,817
<b>Northampton County (4)</b>	996,703	1.27%	984,179	225,073	525,470	224,916
<b>Onslow County (6)</b>	14,190,448	8.04%	13,650,000	3,385,373	7,241,945	2,245,841
<b>Orange County (8)</b>	15,448,930	9.35%	14,835,216	3,705,116	7,894,912	2,765,718
<b>Pamlico County (2)</b>	1,150,136	6.45%	1,137,700	262,445	611,679	225,657
<b>Pasquotank County (1)</b>	2,963,430	7.79%	2,850,000	700,076	1,534,643	360,689
<b>Pender County (4)</b>	4,942,344	8.20%	4,636,703	1,139,567	2,594,730	909,669
<b>Perquimans</b>						
Hertford (1)	798,196	3.68%	795,000	180,554	426,790	150,540
<b>Person County (2)</b>	2,553,120	2.51%	2,542,101	586,817	1,358,590	362,379
<b>Pitt County (10)</b>	15,745,249	8.37%	16,340,548	3,755,478	8,013,210	2,201,760
<b>Polk</b>						
Columbus (1)	526,132	-0.32%	573,472	119,673	272,036	132,214
Tryon <sup>2</sup> (1)	347,705	-2.17%		80,977	188,635	102,862
<b>Randolph</b>						
Asheboro (1)	2,777,754	6.12%	2,910,000	645,275	1,444,485	388,308
Liberty (1)	727,316	5.82%	733,100	164,395	387,173	156,251
Randleman (1)	1,270,617	-0.54%	1,283,300	289,904	667,689	254,499
<b>Richmond</b>						
Hamlet (1)	842,370	1.85%	890,000	191,300	446,608	172,521
Rockingham (2)	1,883,714	7.10%	1,854,614	433,940	1,019,774	346,505
<b>Robeson</b>						
Fairmont (1)	538,958	-0.69%	574,105	122,599	291,377	116,754
Lumberton (2)	3,466,502	0.17%	3,481,200	800,397	1,838,158	607,361
Maxton (1)	523,623	-3.33%	540,000	118,230	293,640	115,471
Red Springs (1)	671,403	0.34%	732,200	151,583	360,394	131,995
Rowland (1)	203,104	8.21%	200,000	45,950	108,268	41,433
Saint Pauls (1)	947,801	1.41%	1,018,600	212,999	510,898	187,948
<b>Rockingham</b>						
Eden (1)	1,791,169	11.14%	1,650,000	416,284	933,698	308,702
Madison (1)	1,076,757	1.91%	1,078,811	244,834	571,219	233,772
Reidsville (1)	2,072,037	5.38%	2,000,000	476,508	1,097,887	380,040
<b>Rowan/Kannapolis (7)</b>	9,810,160	4.99%	9,657,845	2,257,084	5,155,248	2,009,369
<b>Rutherford</b>						
Forest City (1)	1,732,024	4.46%	1,706,000	394,207	910,784	335,433
Lake Lure (1)	677,783	3.41%	661,700	162,481	345,352	146,289
Rutherfordton (1)	1,108,505	5.84%	1,054,479	256,421	579,333	223,970
<b>Sampson</b>						
Clinton (1)	1,683,535	7.60%	1,640,811	387,784	876,958	241,476
Garland (1)	220,973	-2.93%	228,000	49,692	115,054	57,328

<sup>2</sup> Data is unaudited

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

Other Income & Expense	Local Profits				Local Distributions	
	Profit Before Distribution FY12	Profit Percent FY12	Profit Before Distribution FY11	Percent Change Over FY11	FY12	Forecast for FY13
40	20,449	1.98%	25,644	-20%	4,324	16,000
216	30,111	2.42%	2,548	1082%	30,111	0
14,493	1,104,561	13.12%	975,095	13%	854,927	888,453
5,397	843,105	9.55%	744,129	13%	597,866	377,100
45,572	4,849,117	14.49%	2,783,495	74%	3,793,914	3,880,864
62	21,306	2.14%	3,956	439%	20,106	0
7,254	1,300,579	9.17%	1,135,869	15%	885,689	591,500
5,076	1,075,969	6.96%	928,766	16%	625,000	655,000
274	50,629	4.40%	35,556	42%	40,629	32,300
184	368,206	12.42%	298,195	23%	324,234	177,000
679	299,057	6.05%	198,900	50%	274,209	247,710
310	40,622	5.09%	31,227	30%	40,622	28,050
1,470	246,804	9.67%	262,417	-6%	205,415	218,149
7,229	1,782,030	11.32%	1,477,495	21%	1,485,952	1,145,724
275	106	0.02%	7,143	-99%	4,000	5,204
0	-24,769	-7.12%	-14,271	-74%	0	0
277	292,052	10.51%	265,549	10%	245,065	215,368
335	19,832	2.73%	13,240	50%	19,832	17,500
1,351	56,391	4.44%	53,352	6%	72,856	58,950
278	30,445	3.61%	37,067	-18%	30,000	0
0	83,495	4.43%	68,826	21%	83,495	67,710
148	8,376	1.55%	8,276	1%	8,276	1,267
-1,520	213,671	6.16%	254,964	-16%	365,999	192,200
-751	-4,697	-0.90%	-3,245	-45%	6,000	7,000
0	27,431	4.09%	26,025	5%	22,524	29,100
0	7,453	3.67%	-5,690	231%	0	0
168	35,071	3.70%	55,588	-37%	39,072	32,300
804	130,057	7.26%	91,598	42%	118,088	71,650
311	27,243	2.53%	20,008	36%	31,858	32,410
-1,508	116,094	5.60%	85,188	36%	90,892	56,550
43,923	413,806	4.22%	156,751	164%	413,806	334,087
3,209	88,895	5.13%	86,052	3%	251,660	58,250
1,006	24,667	3.64%	17,219	43%	10,948	8,000
-4,914	40,890	3.69%	19,419	111%	50,518	51,618
443	177,760	10.56%	139,786	27%	144,144	0
3	-1,098	-0.50%	-4,625	76%	0	0

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

ABC Boards by County and # of Stores	Sales			State Taxes Collected	Cost of Liquor Sold	Operating Expenses
	Gross Sales	Percent Change Over FY11	Forecast for FY13			
Newton Grove (1)	428,423	6.63%	448,000	97,035	229,331	95,829
Roseboro (1)	654,034	9.44%	710,800	147,269	355,428	124,407
<b>Scotland County (1)</b>	1,680,117	2.55%	1,654,200	383,655	887,390	320,212
<b>Stanly</b>						
Albemarle (1)	2,299,033	5.02%	2,268,500	530,718	1,195,086	387,525
Locust (1)	1,045,872	10.67%	1,064,752	237,649	553,730	219,367
Norwood (1)	442,564	-1.88%	497,050	100,358	236,259	102,597
<b>Stokes</b>						
Walnut Cove (1)	749,311	1.23%	745,000	168,767	402,034	154,638
<b>Surry</b>						
Dobson (1)	520,488	4.13%	537,500	118,047	274,776	120,204
Elkin (1)	1,177,497	2.67%	1,176,100	268,144	622,203	233,505
Mount Airy (1)	1,961,991	1.56%	1,945,000	452,706	1,018,053	342,026
Pilot Mountain (1)	737,346	9.74%	782,800	166,466	392,766	157,132
<b>Swain</b>						
Bryson City (1)	1,602,833	5.09%	1,629,675	368,770	841,942	280,321
<b>Transylvania</b>						
Brevard (1)	2,651,573	4.17%	2,684,000	615,682	1,366,495	420,560
<b>Tyrrell County</b>	282,706	6.05%	412,676	64,231	150,419	79,789
<b>Union</b>						
Indian Trail (1)	2,512,735	87.70%	2,700,000	581,275	1,321,579	423,119
Monroe (1)	4,289,855	-3.89%	4,300,000	1,011,300	2,234,649	551,243
Waxhaw (1)	1,376,485	11.82%	1,500,000	318,886	718,956	263,173
Wingate <sup>3</sup> (1)	69,811	N/A	1,000,000	16,313	37,401	33,780
<b>Vance County (1)</b>	3,172,210	4.96%	3,030,000	723,622	1,690,582	541,869
<b>Wake County (24)</b>	89,746,548	9.08%	90,621,800	21,531,428	45,577,860	8,164,424
<b>Warren County (3)</b>	2,038,984	5.51%	1,985,000	464,461	1,084,808	388,572
<b>Washington County (1)</b>	795,758	3.15%	765,000	180,990	421,290	191,937
<b>Watauga</b>						
Blowing Rock (1)	1,401,833	2.88%	1,359,681	340,862	708,755	248,536
Boone (1)	4,951,973	6.13%	4,782,000	1,172,042	2,549,785	579,063
<b>Wayne County (5)</b>	7,366,192	7.20%	7,552,755	1,706,832	3,853,785	1,223,355
<b>Wilkes</b>						
North Wilkesboro (1)	1,076,894	3.72%	1,040,870	247,357	569,143	226,079
Wilkesboro (2)	1,468,966	4.80%	2,464,750	336,805	762,969	336,114
<b>Wilson County (5)</b>	6,643,836	5.40%	6,398,600	1,534,858	3,457,572	1,236,340
<b>Yancey</b>						
Burnsville (1)	864,606	67.13%	915,000	197,668	456,797	193,732
	796,657,698	6.37%	806,759,446	188,335,464	409,744,150	120,003,869

<sup>3</sup> Store opened June 4, 2012

# ABC BOARD REVENUE AND DISTRIBUTIONS

## JULY 1, 2011 - JUNE 30, 2012

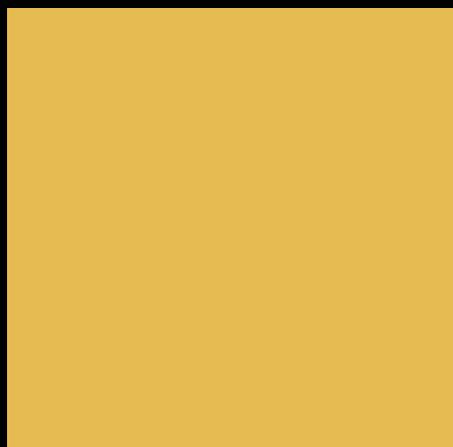
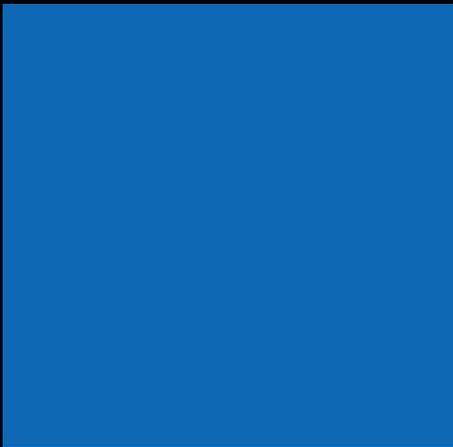
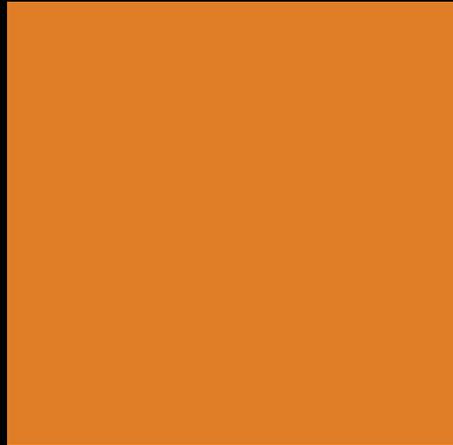
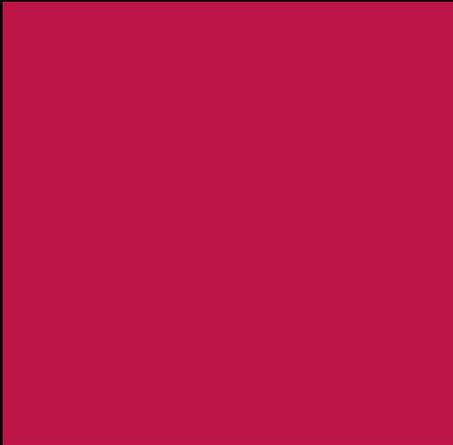
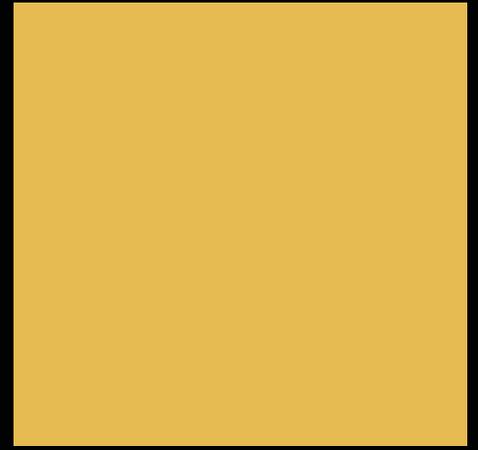
Other Income & Expense	Local Profits				Local Distributions	
	Profit Before Distribution FY12	Profit Percent FY12	Profit Before Distribution FY11	Percent Change Over FY11	FY12	Forecast for FY13
0	6,228	1.45%	-2,573	342%	2,500	5,000
82	27,012	4.13%	11,949	126%	6,000	6,000
988	89,848	5.35%	50,954	76%	77,080	47,000
36	180,197	7.84%	146,215	23%	129,684	132,000
6,398	41,524	3.97%	-35,281	218%	0	0
-7,955	-4,605	-1.04%	2,865	-261%	0	143
0	23,872	3.19%	15,560	53%	25,972	24,220
437	6,933	1.33%	-1,592	535%	7,885	6,097
1,228	54,873	4.66%	52,188	5%	74,475	73,800
2,303	147,941	7.54%	118,437	25%	141,459	111,804
-8,747	12,235	1.66%	-19,480	163%	0	0
47,953	159,753	9.97%	81,612	96%	185,000	24,000
-819	239,550	9.03%	188,992	27%	240,370	86,400
46,035	34,302	12.13%	-6,540	624%	0	0
-6,375	180,387	7.18%	43,475	315%	104,729	158,000
1,584	494,247	11.52%	526,514	-6%	411,988	193,600
982	76,452	5.55%	27,865	174%	10,771	0
0	-17,683	-25.33%	N/A	N/A	0	500
-39,822	176,315	5.56%	125,854	40%	64,035	47,840
32,850	14,378,281	16.02%	12,625,317	14%	16,951,030	9,106,630
8,366	109,509	5.37%	96,835	13%	109,509	109,025
5,099	6,640	0.83%	-576	1253%	15,910	0
20	103,700	7.40%	123,208	-16%	127,872	69,910
-8,346	642,737	12.98%	560,590	15%	632,857	497,963
2,543	574,442	7.80%	503,519	14%	683,091	445,271
567	33,355	3.10%	35,187	-5%	21,500	26,570
530	29,349	2.00%	87,253	-66%	30,000	100,000
16,617	426,258	6.42%	360,019	18%	347,505	358,000
-16,216	-2,090	-0.24%	-80,036	97%	0	0
400,063	77,651,328	9.81%	63,666,141	22.56%	71,262,587	54,171,712



Pictured above is a sample of the wide range of liquors produced today by North Carolina's distilleries. North Carolina's ABC stores feature a selection of NC products in a special display area of each of the stores. (See photo, facing page bottom left.)

In addition to moonshine, which is produced by several distilleries, North Carolina distilled spirits also include vodka, gin, rum and brandy. At the time of publication, the map of Tar Heel distilleries extended from Asheville in the west to Snow Hill in the east. (Facing page, center photo shows cases in transit at the old Raleigh warehouse.)

Eight NC distilleries were in production in the last fiscal year, double the four operating in fiscal year 2011 — and more are expected to begin bottling spirits in the months ahead. Madison-based Piedmont Distillers was the first North Carolina distillery to launch in 2005 and now sells 10 products ranging from fruit infusions to traditional moonshine. (Photos on facing page, bottom right, Gov. Bev Perdue, right, hears production details from Highland Brewing Company founder Oscar Wong during a tour of the brewery and of adjacent Troy & Sons Distillers in Asheville. At top left, are an array of some of the 1,900 available products for purchase at North Carolina's ABC stores.)





# ABC

C O M M I S S I O N  
N O R T H C A R O L I N A

400 EAST TRYON RD.  
RALEIGH, NC 27610  
919.779.0700  
[HTTP://ABC.NC.GOV](http://abc.nc.gov)