



State of North Carolina
ALCOHOLIC BEVERAGE CONTROL COMMISSION

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Local ABC Board Expenses Increase Faster Than Sales

RALEIGH – The NC ABC Commission has received the audits from the state's ABC boards operating during the fiscal year completed at June 30, 2010, and the numbers show a mix of results.

In North Carolina, local voters determine whether alcohol can be sold in a community. As of June 30, 2010 167 counties and municipalities had approved ABC liquor sales and authorized boards to be established there. During the year, 163 boards were active and operating a total of 418 ABC stores selling liquor to individual consumers and holders of mixed beverage permits.

During FY 2010:

- Total sales were \$726,734,392, an increase of 1.43% over FY 2009.
- Operating expenses were \$116,842,722, up 3.2%.
- Local board net profits declined 11.29 % from \$56.9 million in FY 2009 to \$50.6 million in FY 2010.
- 24 boards operated at a loss totaling \$506,151. In FY 2009 nine boards operated at a loss.
- Local board distributions of \$46 million were down 1% over FY09. Many boards released retained funds to maintain distributions near the FY09 level.
- Excise and sales tax collected exceeded \$197 million, up 15% and 17% respectively over FY09.
- Bottle sales increased slightly,0.7% on the retail side, and continued to decline 2.4% for mixed beverage permittees.

"The numbers just in confirm a recent trend – ABC store sales are increasing, but operating expenses are climbing faster. Since 2007, net profitability for the local boards is down more than 20 percent," said Jon Williams, chairman of the NC ABC Commission. "The ABC reform legislation challenges the local boards and the Commission to establish performance standards to address this issue among many others."

For information about each local ABC board's performance, see <http://www.ncabc.com/boards/revenue.aspx>.

ABOUT THE ABC COMMISSION

North Carolina is one of 19 states to regulate alcohol through a control system. Since 1937, the North Carolina Alcoholic Beverage Control Commission has provided regulation and control over the sale, purchase, transportation, manufacture, consumption and possession of alcoholic beverages in the state of North Carolina. The Commission oversees more than 25,000 permits allowing alcohol sales by more than 17,000 retail outlets across the state. In fiscal year 2010, liquor sales returned more than \$260 million in taxes and revenue to benefit the General Fund and the budgets of local cities and counties that sell spirits.