

STATE OF ALABAMA
ALCOHOLIC BEVERAGE
CONTROL BOARD



ANNUAL REPORT
FY 2008-2009

History and Mission

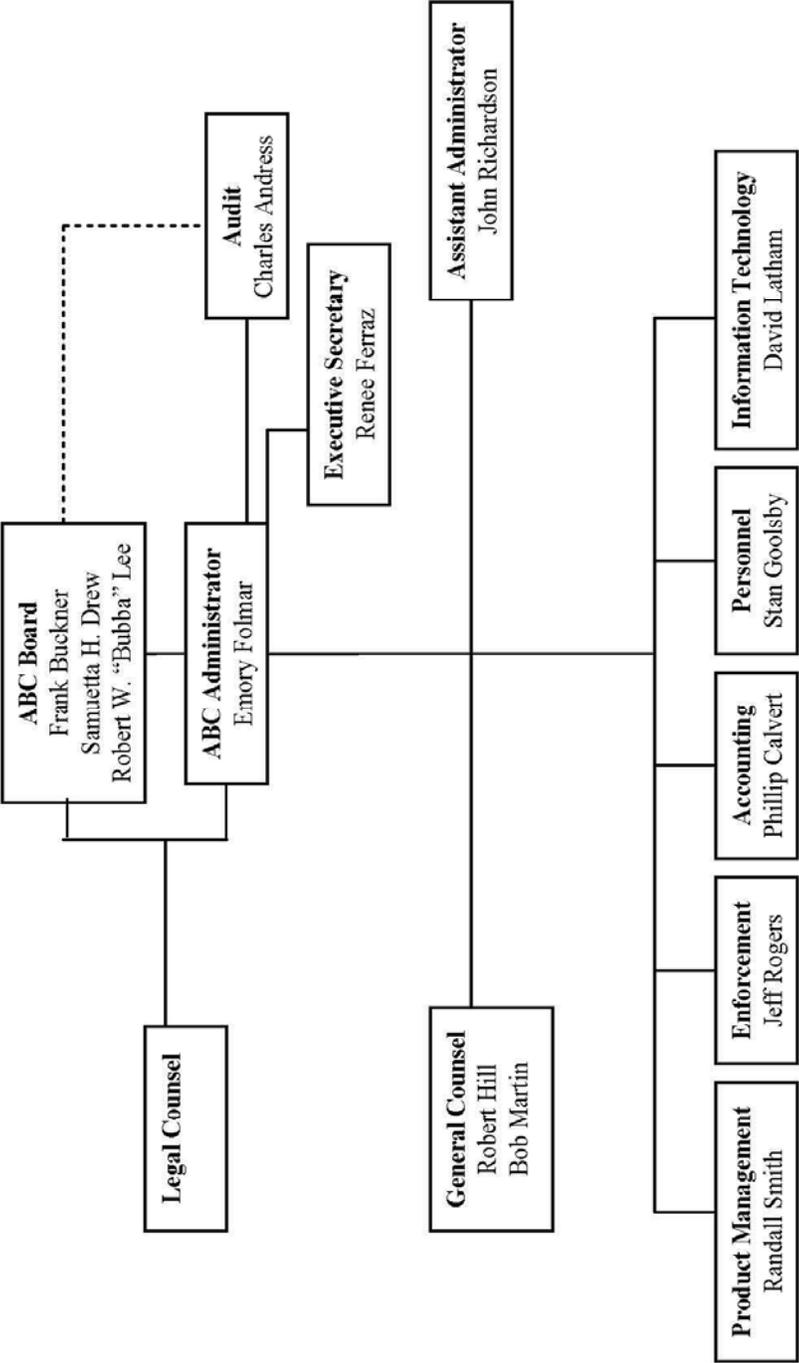
The Alabama ABC Board was established by the Alabama Alcoholic Beverage Control Act passed in February, 1937. The ABC Act established the ABC Board and gives it control over the manufacture, import, distribution, sale, and transportation of alcoholic beverages within the state. In 1997 the responsibility to issue retail sales permits, regulate, and enforce the laws related to underage access to tobacco products were added. In 2006 the responsibility to regulate and register retail establishments selling methamphetamine precursors was added.

The ABC Board controls alcoholic beverages throughout the state through controlled distribution, licensing regulation, law enforcement, and education. Youth access to tobacco products are controlled through retail sales permit regulation, law enforcement, and education. Methamphetamine precursors are regulated through retail sales registration and law enforcement.

Operating expenses are paid by consumers of alcoholic beverages, tobacco manufacturers, and federal grant funding. The general public is not taxed to cover ABC Board expenses unless they purchase controlled products, although they do benefit from ABC operations through increased public safety and revenue distribution to cities, counties, state agencies, and the state general fund.

It is the ABC Board's goal to maintain a safe, reliable, and efficient distribution network of controlled products while maintaining an extremely professional level of public safety programs to insure responsibility in the distribution, possession and consumption of these products. ABC's law enforcement officers are well trained and operate at the highest level of professional police standards. The ABC Board strives each day to provide the citizens of Alabama the best service and safety that they should expect from our employees.

ABC Board Organization



Product Management

The Product Management Division is responsible for the pricing, purchase, warehousing, transport, distribution, merchandising, and sale of liquor products for the state. Products are evaluated, consumer preferences are analyzed, and more efficient supply lines are considered every day. Operating hours and outlet locations are evaluated for convenience to adult consumers and efficient operation. Our sales staff is trained to serve the consumer and prevent the access to alcoholic beverages by anyone under the age of 21. Product listings are made available to licensees and the general public. Personal imports or specialty products are made available to the general public through sales outlets.

Stores – Operates retail and wholesale outlets in areas of the state where the sale of alcoholic beverages have been approved. Locations are selected to be convenient to the public and licensees, providing a safe and satisfactory shopping experience for adult consumers who purchase alcoholic beverages.

Wholesale – Oversee product selection, processing, and transportation to ensure high quality products are available to the consumer in a efficiently operated distribution network.

Warehouse – Receives, stores, and ships a wide variety of approved liquor products to state operated retail and wholesale outlets, military installations, and licensed private establishments.

Law Enforcement

The Law Enforcement Division is responsible for the licensing and regulation of all private sales outlets for alcoholic beverages and tobacco products, registration of locations selling methamphetamine precursor products, criminal investigations, internal investigations, security for the state operated warehouse and sales outlets, and other law enforcement duties as assigned by the ABC Administrator and Governor. The division is staffed by sworn state police officers and support personnel who work daily to provide public safety to the citizens of the state. This is accomplished by agents and supervisors assigned to 11 districts and 1 statewide drug task force with operational supervision and support provided by Central Office Headquarters in Montgomery. Agents conduct licensee inspections to ensure legal operation and minor compliance checks to prevent the sale of alcoholic beverages and tobacco products to underage customers. The federally mandated SYNAR tobacco compliance program helps to maintain more than \$30 million in federal funding for the Alabama Department of Mental Health. The division oversees the operations of the Responsible Vendor Program providing certification and training for licensees who choose to participate in the program. The division is also responsible for facility security providing video surveillance and electronic protection of state operated facilities. The division also operates a toll free hotline (1-800-327-7341) to take complaints and gather information related to criminal activity.

Activities for the division during this fiscal year include:

Criminal Cases

Alcohol	2,712
Tobacco	554
Drug	1,832
Other	391
Stores	355

Administrative Cases

Alcohol	2,770
Tobacco	368

Inspections	
Alcohol	14,419
Tobacco	12,559
Minor Compliance Checks	
Alcohol	5,163 (618 Sales - 11.97% Non-Compliance)
Tobacco	3,397 (302 Sales – 8.89% Non-Compliance)
Application Processed	
Alcohol	2,607
Tobacco	1,353
Store Security Checks	10,071
Assists	
Alcohol	32,088
Tobacco	13,705
Drug	3,441
Other	3,348
Stores	322
Complaints Filed	733
Complaints Closed	3,697 (Complaints carried over from previous FY)
Evidence Seizures	
Alcohol	\$52,543
Tobacco	\$5,958
Drug	\$552,217
	*Street Value of Evidence Seized
Moonshine Still Investigations	
Stills Seized	4
Gallons of Mash Seized	1,210
Gallons of Moonshine Whiskey Seized	322
Responsible Vendor Program	
Certifications	3,075
Individuals Trained	2,174

Administration

Accounting – Processes receipt of all revenue for the ABC Board coming from alcohol sales, excise taxes, sales taxes, license fees and penalties, grant funding, tobacco settlement funding through the Children’s First Trust Fund, and property seizures related to criminal enterprises. After operating expenses are paid, within the guidelines of legislative spending approval, all remaining profits and all taxes are distributed as required by law to cities, counties, state agencies, and the state general fund. Accounting is also responsible for all budget operations, grants, financial reports, mail room operation, equipment inventories, and property management for the board.

Administrative – Provides services to the Administrator and Assistant Administrator for daily operations. This includes preparation and documentation for Board meetings, public relations, real estate management, legislative liaison, and legal counsel.

Auditing – Is responsible for the review of records maintained by beer and wine wholesalers, conducts physical inventories of the ABC Warehouse and ABC Stores, and performs internal audit functions for the ABC Board. Auditing is responsible for tracking tax computations and destruction of products not suitable for sale.

Information Technology (IT) – Is responsible for planning, implementing, and maintaining all communications and data systems for the ABC Board. Cash registers, credit card processing, electronic inventory, databases, software systems, data connections, computers, phone systems, data and technology security, and wiring all fall under the responsibilities of IT. This requires 24 hour service, upgrades, and liaison with other state agencies, software manufacturers, hardware providers, and contractors in the technology arena.

Personnel – Is responsible for the control of hiring, service, and separation of all employees of the ABC Board. This includes employee file maintenance, benefits maintenance, illness/injury monitoring, complaint management, payroll management, training & information, and disciplinary procedures. Personnel monitors compliance with and updates related to ABC Policies, State Personnel Board Rules, Merit System laws, and federal regulations related to employment procedures. Personnel provides service to

a large employee staff in many classifications related to stores operations, law enforcement, clerical, and executive management.

FY 2008 – 2009 Statement of Operations

Revenues:

Retail Sales	\$236,269,462.15
Wholesale Sales	\$128,036,666.33
Military Sales	<u>\$ 4,387,708.62</u>
Total Sales	\$368,693,837.10
Embedded Taxes – Title 28	\$103,251,537.12
Sales Taxes	<u>\$ 13,390,223.55</u>
Net Sales	\$252,052,076.43
Cost of Goods Sold	<u>\$185,275,063.43</u>
Gross Margin	\$ 66,777,013.00
5% Markup to General Fund	<u>\$ 9,082,387.50</u>
Total Operating Revenues	\$ 57,694,625.50
Other Revenues:	
Private Table Wine Liter Taxes	\$ 9,908,346.44
Publication & Statistics Sales	\$ 3,600.00
Salvaged Equipment	\$ 29,219.45
Salvages other than Equipment	\$ 54,078.07
Public Service & Import Income	\$ 33,966.35
Miscellaneous Income	\$ 43,680.12
Prior FY Accrual Adjustment	\$ 113,720.98
Grant Income	\$ 248,771.98
Responsible Vendor Fees	\$ 137,225.00
Bailment Fees	<u>\$ 1,340,322.42</u>
Total Other Revenues	<u>\$ 11,912,930.81</u>
Total Available Revenues	\$ 69,305,257.56

Expenditures:

Disposal of Equipment	\$ 131,250.81
Store Expenses	\$ 45,304,595.72
Warehouse Expenses	\$ 3,113,808.24
Administrative Expenses	\$ 6,059,565.79
Enforcement Expenses	\$ 14,696,037.00
Capital Outlay Expenses	<u>\$ 0.00</u>
Total Expenditures	\$ 69,305,257.56

Net Revenues for Distribution \$ 302,298.75

Profits Distribution

50% General Fund	\$ 151,149.38
19% Dept. of Human Resources	\$ 57,436.76
10% Counties	\$ 30,229.88
1% Counties	\$ 3,022.99
20% Cities	\$ 60,459.74
Wet Municipalities	\$ 0.00
85% General Fund	\$ 0.00
6.25% Counties	\$ 0.00
3.75% Dept. of Human Resources	\$ 0.00
3.75% Counties	\$ 0.00
1.25% Cities	\$ 0.00
Total Distribution	\$ 302,298.75

Resources Generated for Other State Agencies, Cities, and Counties

General Fund	\$ 63,228,410.32
Dept. of Human Resources	\$ 48,506,163.59
Dept. of Mental Health	\$ 32,529,225.12
Dept. of Education	\$ 22,839,886.45
Cities and Counties	\$ 8,528,446.46
Dept. of Revenue	\$ 13,390,223.55

Total Resources Generated \$189,022,355.49

Detailed Distribution to Cities and Counties:

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Autauga	\$95,308.14	\$811.05	\$96,707.45
Autaugaville			
Billingsley			
Prattville		\$588.26	
Baldwin	\$95,308.14	\$811.05	\$100,207.61
Bay Minette		\$220.24	
Daphne		\$115.73	

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Elberta			
Fairhope		\$816.87	
Foley		\$560.94	
Gulf Shores		\$1,077.46	
Loxley			
Orange Beach		\$768.15	
Robertsdale		\$73.54	
Silverhill			
Spanish Fort		\$455.49	
Summerdale			
Barbour	\$5,308.14	\$811.05	\$96,351.70
Blue Springs			
Clayton			
Clio			
Eufaula		\$232.51	
Louisville			
Blount	\$446,851.42		\$446,851.42
Bullock	\$95,308.14	\$811.05	\$96,225.62
Midway			
Union Springs		\$106.43	
Butler	\$95,308.14	\$811.05	\$96,377.36
Georgiana			
Greenville		\$258.17	
McKenzie			
Calhoun	\$95,308.14	\$811.05	\$97,256.97
Anniston		\$24.67	
Blue Mountain			
Hobson City			
Jacksonville		\$229.79	
Ohatchee			
Oxford		\$883.32	
Piedmont			

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Weaver			
Chambers	\$95,308.14	\$811.05	\$96,371.01
Five Points			
Lafayette		\$155.84	
Lanett			
Valley		\$95.98	
Waverly			
Chilton			\$311.28
Clanton		\$311.28	
Choctaw	\$95,208.14	\$811.05	\$96,184.34
Butler		\$65.15	
Gilbertown			
Lisman			
Pennington			
Silas			
Toxey			
Clarke			\$272.54
Jackson		\$272.54	
Cleburne	\$95,308.14	\$811.05	\$96,129.18
Edwardsville			
Fruithurst			
Heflin			
Ranburne		\$9.99	
Coffee			\$885.27
Enterprise		\$885.27	
Colbert	\$95,308.14	\$811.05	\$98,104.52
Cherokee			
Leighton			
Littleville			
Muscle Shoals		\$1,959.75	

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Sheffield Tuscumbia		\$25.58	
Conecuh Castleberry Evergreen Repton	\$95,308.14	\$811.05 \$280.55	\$96,399.74
Coosa Goodwater Kellyton Rockford	\$95,308.14	\$811.05	\$96,362.49
Covington Andalusia Babbie Carolina Floral Gantt Heath Libertyville Lockhart Onycha Opp Red Level River Falls Sanford	\$95,308.14	\$811.05 \$143.50 \$99.80	\$96,362.49
Crenshaw Brantley Dozier Glenwood Luverne Petrey Rutledge	\$95,308.14	\$811.05 \$63.06	\$96,182.25
Cullman	\$418,226.56		\$418,226.56

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Dale	\$95,308.14	\$811.05	\$96,308.00
Ariton			
Clayhatchee			
Daleville			
Grimes			
Level Plains			
Midland City			
Napier Field			
Newton			
Ozark		\$188.81	
Pinckard			
Dallas	\$95,308.14	\$811.05	\$97,013.27
Orrville			
Selma		\$894.08	
Dekalb	\$446,851.42		\$447,150.71
Ft. Payne		\$299.29	
Elmore	\$95,308.14	\$811.05	\$96,890.50
Coosada			
Deatsville			
Eclectic			
Elmore			
Millbrook		\$266.98	
Tallassee		\$77.48	
Wetumpka		\$426.85	
Escambia	\$95,308.14	\$811.04	\$96,373.37
Atmore		\$112.32	
Brewton		\$141.87	
East Brewton			
Flomaton			
Pollard			
Riverview			

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Etowah	\$95,308.14	\$811.04	\$97,230.79
Altoona			
Attalla		\$64.15	
Gadsden		\$627.71	
Glencoe			
Hokes Bluff			
Mountainboro			
Rainbow City		\$286.23	
Reece City			
Ridgeville			
Sardis		\$133.52	
Southside			
Walnut Grove			
Greene	\$95,308.14	\$811.04	\$96,309.20
Boligee			
Eutaw		\$190.02	
Forkland			
Hale	\$95,308.14	\$811.05	\$96,223.57
Akron			
Greensboro		\$104.38	
Moundville			
Newbern			
Henry	\$95,308.14	\$811.05	\$96,171.80
Abbeville			
Haleburg			
Headland		\$52.61	
Newville			
Houston	\$95,308.14	\$811.05	\$97,821.27
Ashford			
Avon			
Columbia			
Cottonwood			
Cowarts			

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Dothan		\$1,702.08	
Gordon			
Kinsey			
Madrid			
Rehobeth			
Taylor			
Webb			
Jackson			\$384.06
Scottsboro		\$384.06	
Jefferson	\$95,308.14	\$811.05	\$109,535.29
Adamsville		\$273.32	
Bessemer		\$1,466.82	
Brighton			
Brookside			
Cardiff			
Center Point			
Clay			
County Line			
Fairfield		\$477.35	
Fultondale		\$474.01	
Gardendale			
Graysville			
Homewood		\$391.94	
Hoover		\$1,113.88	
Hueytown		\$495.56	
Irontdale			
Kimberly			
Lipscomb			
Maytown			
Midfield			
Morris			
Mountain Brook		\$463.99	
Mulga			
North Johns			
Pinson			

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Pleasant Grove			
Sylvan Springs			
Tarrant City		\$100.16	
Trafford			
Trussville			
Vestavia Hills		\$365.37	
Warrior			
West Jefferson			
Lauderdale	\$245,206.46		\$245,549.22
Florence		\$342.76	
Lee	\$95,308.14	\$811.05	\$98,453.60
Auburn		\$2,122.44	
Loachapoka			
Opelika		\$211.97	
Limestone			\$481.73
Athens		\$481.73	
Lowndes	\$95,308.14	\$811.05	\$96,126.32
Benton			
Fort Deposit			
Hayneville		\$7.13	
Lowndesboro			
Mosses			
White Hall			
Macon	\$95,308.14	\$811.04	\$96,443.08
Franklin			
Notasulga			
Shorter			
Tuskegee		\$323.90	
Madison	\$95,308.14	\$811.04	\$101,338.57
Gurley			
Huntsville		\$4,202.21	

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Madison New Hope Owens Crossroads Triana		\$1,017.18	
Marengo	\$95,308.14	\$811.04	\$96,358.41
Dayton			
Demopolis		\$217.71	
Faunsdale			
Linden		\$21.52	
Myrtlewood			
Providence			
Sweet Water			
Thomaston			
Marshall	\$245,206.46		\$245,760.64
Albertville		\$66.33	
Guntersville		\$487.85	
Mobile	\$95,308.14	\$811.04	\$100,641.11
Bayou La Batre			
Chickasaw		\$557.18	
Citronelle		\$79.02	
Creola			
Dauphin Island			
Mobile		\$3,532.16	
Mount Vernon			
Prichard		\$174.57	
Saraland		\$179.00	
Satsuma			
Montgomery	\$95,308.14	\$811.04	\$100,221.44
Montgomery		\$4,102.26	
Pike Road			
Morgan			\$1,881.69
Decatur		\$1,881.69	

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Perry	\$95,308.14	\$811.04	\$96,334.03
Marion		\$174.00	
Uniontown		\$40.85	
Pike	\$95,308.14	\$811.04	\$96,639.80
Banks			
Brundidge			
Goshen			
Troy		\$520.62	
Russell	\$95,308.14	\$811.04	\$96,442.06
Hurtsboro			
Phenix City		\$322.88	
Shelby	\$95,308.14	\$811.04	\$97,787.33
Alabaster			
Calera		\$34.83	
Chelsea		\$396.70	
Columbiana		\$70.23	
Harpersville			
Helena		\$68.56	
Indian Springs Village			
Montevallo		\$187.42	
Pelham		\$910.41	
Vincent			
Westover			
Wilsonville			
Wilton			
St. Clair	\$95,308.14	\$811.04	\$96,949.30
Argo			
Ashville		\$105.16	
Branchville			
Leeds			
Margaret			
Moody		\$247.22	
Odenville			

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Pell City		\$471.01	
Ragland			
Riverside			
Springville		\$6.73	
Steele			
Sumter	\$95,308.14	\$811.04	\$96,296.85
Cuba			
Emelle			
Epes			
Gainesville			
Geiger			
Livingston		\$107.24	
York		\$70.43	
Talladega	\$95,308.14	\$811.04	\$96,730.22
Bon Air			
Childersburg		\$104.65	
Lincoln			
Munford			
Oak Grove			
Sylacauga		\$220.05	
Talladega		\$286.34	
Talladega Springs			
Waldo			
Tallapoosa	\$95,308.14	\$811.04	\$96,703.86
Alexander City		\$359.20	
Camp Hill			
Dadeville		\$225.48	
Daviston			
Goldville			
Jackson's Gap			
New Site			
Tuscaloosa	\$95,307.14	\$811.04	\$100,344.98
Brookwood			

County/City	Beer Excise Taxes	Stores Net Revenue	Total by County
Coaling			
Coker			
Lake View			
Northport		\$382.68	
Tuscaloosa		\$3,843.12	
Vance			
Walker			\$887.58
Jasper		\$887.58	
Wilcox	\$95,308.14	\$811.04	\$96,378.52
Camden		\$259.34	
Oak Hill			
Pine Apple			
Pine Hill			
Grand Total	\$5,709,976.06	\$93,712.61	\$5,803,688.67

State License Activity

Liquor

Lounge Class I	664
Lounge Class II	465
Restaurant	1,787
Club Class I	143
Club Class II	235
Retail Common Carrier	10
Special Events Retail	45
Special Retail (30 days or less)	8
<u>Special Retail (More than 30 days)</u>	<u>235</u>
Total Liquor	3,592

Beer

Retail Beer (On-Premises)	665
<u>Retail Beer (Off-Premises)</u>	<u>4,201</u>
Total Beer	4,866

Wine

Retail Table Wine (On-Premises)	349
<u>Retail Table Wine (Off-Premises)</u>	<u>3,036</u>
Total Table Wine	3,385

Other Licenses

International Motor Speedway	1
Wholesale Liquor	3
Wholesale Beer	20
Wholesale Table Wine	19
Wholesale Beer & Table Wine	26
Warehouse	5
Manufacturer	94
Importer	170
<u>Brew Pub</u>	<u>3</u>
Total Other	341

Total All 12,184

RVP Certifications 1,760

Ephedrine Registrations 9,932

Annual Tobacco Report

Tobacco Permits issued by Retail Outlet Type

Convenience Store	5,492
Grocery/Supermarket	376
Drug Store/Pharmacy	750
Restaurant	1,412
Liquor Package Store	350
Department/Discount Store	171
Liquor Lounge/Club	740
Industry	2
Canteen/Snack Bar	35
Tobacco Store	96
Hotel/Motel	72
Other	809
Total	10,305

Tobacco Administrative Cases Filed 368

Tobacco Compliance Checks

	Total Completed	Minor Sales Cases	Non- Compliance Rate
Convenience Store	2,698	236	8.75%
Grocery/Supermarket	219	24	10.96%
Drug Store/Pharmacy	191	22	11.52%
Restaurant	20	0	0.00%
Liquor Package Store	88	4	4.55%
Department/Discount Store	52	5	9.62%
Liquor Lounge/Club	48	3	6.25%
Industry	0	0	0.00%
Canteen/Snack Bar	2	0	0.00%
Tobacco Store	51	7	13.73%
Hotel/Motel	3	0	0.00%
Other	25	1	4.00%
Total	3,397	302	8.89%