



Durham County Alcoholic Beverage Control Board



ANNUAL REPORT

2014

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Durham County Alcoholic Beverage Control Board

GREETINGS FROM THE BOARD

Dear Community:

The Durham County ABC Board is pleased to present our FY2014 Annual Report highlighting the accomplishments of the year. We continue to strive for fiscal prudence and we are committed to the Durham community.

Inside this report, you will find financial highlights for the fiscal year that demonstrate that Durham County ABC is growing but more so it reflects that we are providing the community with greater financial support through larger contributions to the general funds of the County and City of Durham as well as through increased grant distributions.

Durham County ABC strives through our grant program to broaden our outreach to the community and provide transparency with our standardized reporting format. Twelve organizations qualified for grants through this process. All grantees are focused on alcohol abuse prevention and education among youth in our community. Durham County ABC will also provide to Durham Public School students a demonstration of a popular hands-on prevention tool used to educate people of all ages about the consequences of alcohol misuse and abuse. Fatal Vision Goggles use special lens technology that allows the user to experience a realistic simulation of impairment. These demonstrations will occur during the school year to help deter students from driving while intoxicated or impaired.

In early FY2013, we opened our newest store located in the Woodcroft Shopping Center. This location has surpassed our expectations with its customer satisfaction measures of performance and reception by customers for its convenience, customer service, and modernized décor. Durham County ABC's strategic plan is to apply this approach to each store for long-term success through customer satisfaction. The Durham County ABC Board believes that the following principles will provide the long-term success we subscribe to: 1) staying customer focused, 2) using employee involvement, 3) integrating our system for stakeholders, customers and employees, 4) using a systematic and strategic approach, 5) basing decisions on facts, 6) communicating to stakeholders, employees, and customers, and 7) continually improving.

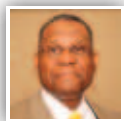
Durham County ABC continues to improve its financial performance compared to our peer ABC boards. We also continuously measure ourselves against the performance audit criteria established by the NC ABC Commission and modernize our infrastructure to be more efficient.

We appreciate the loyal patronage of our customers and we continue to be committed to our mission of effectively controlling the sale of alcohol in Durham County while focusing on our customers' needs and providing funding to our community. We offer our thanks to the Durham community for being our loyal stakeholders and customers.

Sincerely,

The Durham County ABC Board

YOUR DURHAM COUNTY ABC BOARD



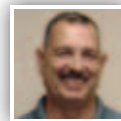
Wayland Burton (Chair)
Served since August 2012

Wayland Burton holds a BS degree in Business and an Engineer Technology Degree. He also holds several certifications from the War College and Defense University as well as a Masters Degree in Public Administration and Public Management. He has served actively in the United States Air Force and on assignment with the Department of Defense for over 36 years. Since retirement in February 2008, he has worked as a substitute teacher, a tutor for Durham Public Schools Homeless Liaison, and as a math tutor in his church at Union Baptist on Dowd Street. He presently serves as Chair of the Transportation Advisory Board for Durham County as well as a Board Member of the Durham ABC Board.



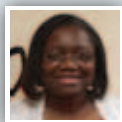
Dr. Deirdre Guion
Served since December 2011

Deirdre Guion, a Durham native, is an associate professor of marketing at North Carolina Central University. She earned her Ph.D. from the University of Utah, an MBA from Duke University and a BA in economics from Spelman College. Guion has extensive corporate business experience gained at General Mills, Wachovia Bank and as an advertising consultant for corporate clients including Maybelline and Hanes Hosiery.



Andy Miller
Served since August 2013

Andy Miller holds a Bachelor of Science in Criminal Justice Administration from Mount Olive College and a Masters in Public Administration from NCCU. He began his career in the United States Air Force as a Security Police Officer. Miller has served on the Orange County Sheriff's Department and the Durham Police Department. He is currently serving as Lieutenant on the North Carolina Central University Police Dept. Miller also serves as President of the NC Sheriff Police Alliance.



Dr. Sharron Hunter-Rainey
Served since February 2014

Dr. Sharron Hunter-Rainey is a native of Durham and earned her doctorate in business administration from Duke University. She also has an MBA in marketing from the University of Cincinnati and a chemical engineering degree from Purdue University. She holds six patents in her name which she obtained early in her career while working for Procter & Gamble.



Robert Nauseef
Served since February 2014

Robert J. Nauseef was born and raised in Binghamton, New York. He attended Eckerd College in St. Petersburg, Florida on a baseball scholarship. He then received his law degree from Albany (NY) Law School. He is a practicing attorney with the Durham law firm Clayton, Myrick, McClanahan and Coulter. His wife's name is Jennifer and he has two sons, Nicholas and Aaron.

FINANCIAL HIGHLIGHTS

WHERE THE MONEY GOES

Gross Sales	Percentage of Sales	100%
State Excise Tax (30%)		
Mixed Beverage Tax to NC Dept. of Revenue		
Mixed Beverage Tax to NC Dept. of Health and Human Services		
Rehabilitation Tax to Durham County Treasury		
Sales Tax on Wines/Mixers		
Total Taxes		23.6%
Net Sales		76.4%
Cost of Goods Sold (Includes surcharges and bailment charges paid to NC ABC Commission)		51.5%
Gross Profit		24.9%
Short term Operational Costs		15.6%
Non Operating Expenses		0.2%



Profit Before Distributions

9.1%*

DISTRIBUTIONS

Statutory and Additional Contributions to Durham County and City
Statutory and Additional Grants for Alcohol and Substance Abuse Prevention and Education

OTHER

Retained Earnings for Capital Improvements and Long Term Operational Costs



*Actual Profit Before Distributions in FY2013 – 8.5%. Figures based on FY2014 audited financial statements.

Financial Summary

Gross Sales					
FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
\$ 28,735,744	27,089,726	25,218,637	23,967,592	23,319,059	22,905,798
Profit Before Distribution					
FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
\$ 2,622,782	2,290,913	1,523,798	1,144,777	1,121,391	1,443,159
Profit as % of Sales					
9.1%	8.5%	6.04%	4.78%	4.81%	6.3%
Rehabilitation Tax Paid to Durham County Treasury					
FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
\$ 85,030	84,414	80,849	78,153	76,917	73,170

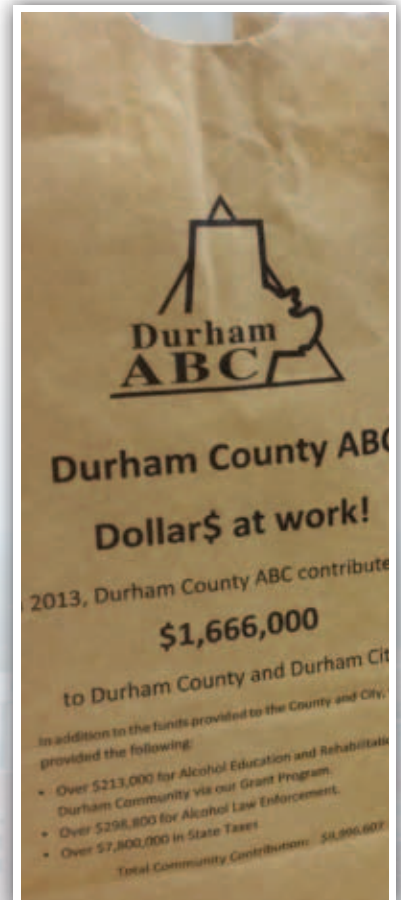
Distributions - S = Statutory Contribution, A = Additional Contribution

Durham County					
FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
S \$ 725,847	684,754	638,630	608,035	595,284	603,378
A \$ 774,153	815,246	376,370	300,965	313,716	406,622
\$ 1,500,000	1,500,000	1,015,000	909,000	909,000	1,010,000

Durham City					
FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
S \$ 80,650	76,084	70,959	67,559	66,143	67,042
A \$ 86,017	90,583	41,823	33,441	34,857	45,180
\$ 166,667	166,667	112,782	101,000	101,000	112,222

Total Distributed Profits to County & City					
FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
\$ 1,666,667	1,666,667	1,127,782	1,010,000	1,010,000	1,122,222

Alcohol Abuse Education and Prevention Grant Program Distribution					
FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
S \$ 141,149	128,673	85,012	56,963	53,668	71,386
A \$ 0	59	0	8,138	0	20,396
\$ 141,149	128,732	85,012	65,101	53,668	91,782





Durham County Alcoholic Beverage Control Board

GRANT FUNDING & RECIPIENTS

The Durham County ABC Board awarded a total of \$141,149 in grants to eleven non-profit or educational institutions across the county that provide alcohol abuse prevention and awareness education programming. All of this year's recipients are conducting programming specifically targeted toward youth and/or young adults in Durham County.

Community Health Coalition, Inc. (CHC) **\$7,500**
The Community Health Coalition, Inc. (CHC) is dedicated to reducing the incidence of preventable diseases in youth and adults in Durham's African American population. CHC is celebrating its 25th anniversary.

Teen Girl Power: Substance and Alcohol Abuse Education Seminars. This is an afterschool program at the local Boys and Girls Club and Carter Community Charter School, a college preparatory school that works with teen girls from low-income at risk-environments.

DOVE Institute **\$5,000**
DOVE (Diverse Occupational Vocational Education) has provided summer camps in various locations in the Durham community since 2008. Summer Camp 2014 – Five (5) hour day camp, Monday-Friday during the summer for middle school students 11-14 years old from the Birchwood Community.

Durham Crisis Response Center (DCRC) **\$25,017**
Durham Crisis Response Center has been a part of the Durham Community since the late 1970's serving victims of sexual assault and domestic violence through two agencies that merged in 2001.

Youth, Alcohol and Drug Facilitated Assault Prevention – Safe Dates Program. This program is the only teen dating violence program recognized by the Substance Abuse and Mental Health Services Administration as a Model program designed for 9th-12th graders.

El Centro Hispano **\$20,000**
El Centro Hispano, Inc. is a grassroots community-based organization dedicated to strengthening the Latino community and improving the quality of life of Latino residents in Durham, Carrboro, Chapel Hill and the surrounding area.

Jovenes Lideres En Accion/Youth Leaders in Action – Bilingual workshops on topics that impact youth (including alcohol and substance abuse and prevention) for 13-19 yr. olds Latino youth and their families.

El Futuro, Inc. **\$5,000**
El Futuro's goal is to provide mental health and substance abuse treatment services to the Latino population of Durham and surrounding areas. Provide substance abuse counseling to Spanish-speaking Latino students in Durham County.

Genesis Home, Inc. **\$7,500**
For twenty-five years, Genesis Home has provided housing and supportive services to homeless families with children in Durham. Self-Esteem: Combating Alcohol & Substance Abuse through Education for Homeless Youth and Families. Educational program that provides motivational intervention (workshops, focus groups, journaling, role play, interactive teaching aids) to the children living in their transitional shelter.

Mount Level Community Haven (MLCH) **\$10,000**
MLCH provides weekly recreational, and cultural activities, health education and services, life skills, GED and ESL classes and access to nutritional foods to young adults and families in Durham County.

Prevention and Intervention Programs for Youth address the short and long term effects of alcohol abuse to youth ages 13-17 during the Mt. Level Community Summer Camp Program.

Teen Talk – The Carolina Theatre of Durham, Inc. **\$18,565**
The Carolina Theatre is committed to providing meaningful arts experience for youth through the Arts Discovery educational series, of which Teen Talk is a part.

Teen Talk on Alcohol and Drug prevention is a 14-week alcohol-substance abuse prevention and arts program targeting middle school students in the Encore! Afterschool program.

DPS (Durham Public School District) **\$16,567**
To support the public school district in its ability to meet the district goals, which are: 1) reduce the prevalence of risk factors associated with alcohol and substance use; (2) equip students with the knowledge and tools necessary to ensure academic and social success and (3) reduce the alcohol and drug related offenses in our school learning community.

TRY (Together for Resilient Youth) **\$15,000**
TRY prevents substance abuse among youth and adults by reducing community risk factors through advocacy, education, mobilization and action.

Living In Future Tense – is a program focused on preventing underage drinking using various strategies and community partners in the Durham area.

Underage Drinking Initiative **\$11,000**
As a part of the Governor's May 2014 collaborative initiative with the NC ABC Commission and six of the constituent institutions of the North Carolina University system, the Durham County ABC board has allocated funds for a variety of related activities including the purchase of Drunk Buster Drug Impairment Goggles and a DWI Golf Cart.

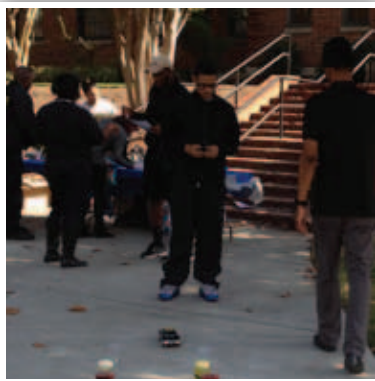
TOTAL **\$141,149**

NORTH CAROLINA CENTRAL UNIVERSITY (NCCU) ALCOHOL AND OTHER DRUGS COUNSELING CENTER

North Carolina Central University utilized the FY2013 grant funding they received to create an Alcohol and Other Drugs (AOD) Resource Center. The mission of the NCCU AOD Resource Center is to motivate behavior change, link choices about alcohol and/or drug use to academic and personal success, and help practice safer decision making through prevention, early intervention, treatment, and recovery support for students, faculty, and the greater community as a whole.

The NCCU AOD Resource Center will implement a comprehensive alcohol and drug program that draws from evidence-based practices and includes prevention, early intervention, treatment, and recovery support to decrease the frequency and level of intensity that interferes with students' academic/personal success and overall well-being.

The NCCU Counseling Center is staffed by counselors and mental health professionals who specialize in individual and group counseling, crisis intervention, substance abuse prevention and intervention, and anger management. We strive to provide services that are nonjudgmental and confidential and hope that all students feel safe in sharing their concerns. Counseling sessions are driven by a student's overall goal, which is developed with a counselor during the first appointment. Individual counseling can help students to define goals, make decisions, and solve problems related to personal, social, educational and career concerns. Many students find comfort in talking to a counselor in a confidential environment without the fear of judgment. Appointments are encouraged, but emergency services are also available. There are no additional fees for NCCU students to make use of counseling services or programs.



After attending an outreach program conducted by the NCCU AOD Resource Center at Southern High School in Durham, Wayland Burton, the Durham County ABC Board Chair observed the students during demonstrations that allowed them to experience how their senses are impaired by excess drinking through the use of fatal vision goggles. Students participated in demonstrations where they piloted remote controlled cars around cones and attempted to catch a rubber ball. Both exercises were performed with and without the goggles where students could clearly see the difference. Burton also noted that the NCCU AOD Resource Center encourages each school to establish their own AOD Resource Centers and provides assistance to those schools choosing to do so. Burton states "Helping North Carolina Central University encourage local High Schools to establish their own AOD Centers to help students with depression, anger management, eating disorders and alcohol abuse is a project that Durham County ABC is willing to help with and is excited about."

SERVICES OFFERED BY THE NCCU COUNSELING CENTER

Individual Counseling

One-on-one sessions with a counselor can help students define goals, make decisions and solve problems related to personal, social, educational and career concerns.

Group Counseling

Group counseling offers students the opportunity to learn from one another as well as the group leader. A group can serve as a support network for students who feel alone in their present condition.

Outreach

Counselors are available to host workshops in classrooms and residential halls. Some outreach activities include annual screening events for depression, anxiety, eating disorders and alcohol use, and participation in the Booze and Blues Festival.

Consultation

Counselors are available for confidential in person and phone consultations during business hours.

Training and Assistantships

Training and assistantships are available to masters-level counselor education and clinical psychology students through graduate assistantships, practica and internship placements.



Durham County Alcoholic Beverage Control Board

MEET THE NEW GENERAL MANAGER OF THE DURHAM COUNTY ABC BOARD



Barry Sessoms, Durham County ABC's new General Manager is new to the Durham County ABC but he is no stranger to the Alcoholic Beverage Industry. The General Manager spent the last 15 years in the Beer Industry in Canada. Barry Sessoms is a native of Durham and after graduating from Northern Durham High School moved to Canada where he attended Niagara College and The York University Schulich School of Business.

Mr. Sessoms is happy to be back in Durham and is excited about the city's growth and revitalization and what that can mean for the Durham County ABC. Sessoms is a firm believer in controlled sale of alcohol and sees this as a vital responsibility of the Durham County ABC Board. The new General Manager says that he is happy to work with a dedicated and progressive board and is looking forward to being part of an engaged group that is focused on providing great service, social responsibility and value to the citizens of Durham County.

DURHAM COUNTY ABC BOARD NAMES NEW LAW ENFORCEMENT CHIEF



Durham County Alcoholic Beverage Control Board has named Rufus Sales as the new Chief of Alcoholic Beverage Control Law Enforcement.

Chief Sales is a retired Director of Butner Public Safety. He had a long and distinguished career as a leader at Butner Public Safety. He has 30 plus years of government service. He started his career as a Public Safety Officer and was promoted through the ranks to Director of Public Safety. Sales has more than 20 years of progressive leadership in executive management and supervisory positions.

Chief Sales is a strong and capable leader with integrity and an unwavering commitment to excellence. Throughout his career, he demonstrated his commitment to upholding the highest level of personal and professional conduct.

A Durham native, Rufus Sales holds an Associate Applied Science degree in Police Science, Bachelor of Arts degree in Criminal Justice and Certification as a Public Manager. He has a strong background in all aspects of management from budget and accounting functions to personnel actions.

"I am very pleased to have been named Chief of Durham County Alcoholic Beverage Law Enforcement," said Sales. "My goals are: to protect Durham County Alcoholic Beverage Control Board employees, patrons and physical assets from harm, theft and robbery; to help Alcoholic Beverage Control permittees maximize compliance with Alcoholic Beverage Control laws and regulations through education and enforcement; to provide an unrestricted revenue source for Durham County Alcoholic Beverage Control Board through voluntary compliance by Alcoholic Beverage Control permittees"

TECHNOLOGY IMPROVEMENTS MAKE FOR BETTER CUSTOMER SERVICE

On March 24, 2014, Durham County ABC ushered in a new Point-of-Sale system in all of our retail stores. The new Point-of-Sale (POS) system called Fusion Retail Management System was developed by the Dallas-based company, Point Solutions, LLC. Preparations for our March 24th “go-live” date began when the stores closed on Saturday night, March 22nd and continued all day on Sunday, March 23rd. It took a team of people and much coordination between our vendors, project manager and store managers. Not only did we install new software, but new POS hardware as well. It had been 5 years since the last comprehensive update to our POS hardware and it was a highly welcomed change.

The new POS has been well received by staff because of its user-friendly interface, ease of learning and faster performance. Of course, the new Posiflex touch screen terminals (pictured lower right) only add to the quality of the interaction. Overall, we feel we are in a better position to serve our customers with a system that has proven to be far more reliable than what we were previously using.

Other changes were also implemented which included a new partnership with an Information Technology Service Provider who will provide hardware support, systems support and vendor management. We also replaced old and outdated computer hardware which eliminated the old and no-longer supported Windows XP operating system. Upcoming projects include an upgrade to all network equipment and telecommunications equipment. The ultimate goal is to provide not only a solid infrastructure and a working environment conducive to productivity, but to provide the best customer service that we can.



COMPUTER DONATIONS ADD VALUE TO YOUTH PROGRAM



After updating the majority of our PC equipment, the decision was made to donate the old PCs to John Avery Boys and Girls Club of Durham. A total of 31 computers have been donated to date. As stated on their website, “John Avery Boys and Girls Club (JABGC) is a private, nonprofit organization dedicated to educating and protecting children while preserving the beauty and innocence of childhood. JABGC daily serves over 780 children every year through After-School and Summer Camp. John Avery aims to make a fundamental difference in the lives of all youth, but especially those who need guidance the most by providing a safe alternative for youth between the ages of 6 and 18.”

According to Jerome Levisy, Chief Executive Officer for JABGC, “The donation of PC’s from the ABC Board allowed us to expand our technology initiatives for the elementary aged members. We increased computer time from 30 minutes twice per week, to 45 minutes three times per week for all members. This resulted in 45% of our members improving at least one letter grade in an academic subject from the previous nine-week period.”

Durham County ABC is certainly proud to have contributed to these results and we hope that this positive trend continues. With the new directive from our board, our computers will be replaced on a rotating 3-year schedule. As this occurs, we will be able to make more donations like this one. Just one more way Durham County ABC makes a difference in our community.



Durham County ABC Store Locations



1928 Holloway Street
Durham, NC 27703
(919) 682-4943



5202 Highway 55
Durham, NC 27713
(919) 544-1278



2806 Hillsborough Road
Durham, NC 27705
(919) 286-2525



3620 Durham Chapel Hill Boulevard
Durham, NC 27707
(919) 493-6773



2121 TW Alexander Drive
Morrisville, NC 27561
(919) 598-9761



3318 Guess Road
Durham, NC 27705
(919) 477-0860



5234 N. Roxboro Road
Durham, NC 27712
(919) 471-4854

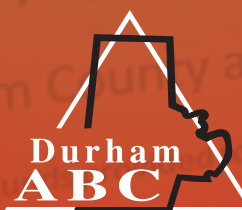


4717 Hope Valley Road
Durham, NC 27707
(919) 419-9811

Durham County ABC Administrative Office

3620 Durham Chapel Hill Boulevard
Durham, NC 27707
(919) 419-6217
www.durhamabc.com

Always Maintain Control. Practice Moderation.



Durham County ABC contributed over \$1,666,000 to Durham County and Durham City. In addition to the funds provided to the County and City, we also provided the following:

- Over \$213,000 for Alcohol Education and Rehabilitation in the Durham Community via our Grant Program.
- Over \$298,800 for Alcohol Law Enforcement.
- \$7,800,000 in State Taxes

Contribution: \$9,996,607