



VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
MISSION IN REVIEW 2011

CONTROL
SERVICE
REVENUE

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REVENUE

LETTER FROM THE CHAIRMAN

Fiscal year 2011 marked another record year for the Virginia Department of Alcoholic Beverage Control (ABC)'s Wholesale/Retail Division. This year ended with \$692.7 million in gross sales, 0.4 percent above the projected \$690 million and \$17.3 million more than last fiscal year. ABC transferred a record \$121 million in profits. Sunday store sales are up 9.6 percent or \$1.8 million when compared to last year.

Restaurants seem to be making a rebound, as sales to mixed beverage licensees rose 2.9 percent in Fiscal Year 2011. It is the first increase in distilled spirits sales to licensees since 2008. Sales to restaurants went from a 2.5 percent decline last year to a 2.9 percent increase this year, creating new confidence in the economic situation in Virginia.

ABC's Bureau of Law Enforcement is committed to working with licensees on compliance training to reduce sales of alcohol to underage persons and compliance rates for licensees remain at 90 percent. Sales associates approximate 2.2 million ID challenges per year, contributing to ABC store compliance rates remaining at an impressive 98 percent.

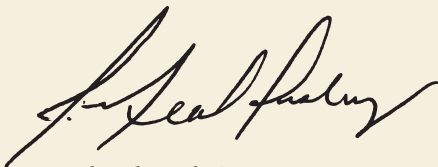
Gov. Bob McDonnell signed a bill on May 2 that makes it a felony to assault a special agent of the ABC Bureau of Law Enforcement. The ABC Agents Association had advocated for agents to be afforded the same protection under the law as other Virginia law enforcement officers. The bill passed the House and Senate unanimously earlier in the year.

ABC agents participated in Operation Rolling Thunder, a public safety initiative created by Secretary of Public Safety Marla Graff Decker targeting violent crime. ABC partnered with local police departments and other public safety agencies in joint operations in the cities of Richmond and Newport News. The results of these operations were impressive, with 262 persons arrested on approximately 360 charges. The Bureau of Law Enforcement is monitoring activities on Facebook, and ads on eBay and Craigslist. Using social media as investigative tools, ABC agents were able to seize stills, moonshine, marijuana and firearms as well as charge suspects with felonies for illegal manufacturing of alcohol and more.

Education initiatives this year included the 25th Annual College Conference with more than 200 students in attendance and the Youth Alcohol and Drug Abuse Prevention Project (YADAPP) with nearly 500 high school students and adult educators. The Alcohol and Aging Awareness Group (AAAG) continues to provide solutions to substance misuse problems facing older Americans.

All 333 ABC stores received state-of-the-art point-of-sale (POS) systems and equipment this fiscal year. The new POS system allows customers to select debit, commercial credit, ABC Gift Card or cash as payment options. The new registers provide cutting edge technology for employees with features such as infrared touch screens with much larger viewing areas and receipt printers that are twice as fast as before. Implementation of this new system has placed ABC in the forefront of current POS technology and customer service.

ABC remains committed to the public safety of Virginia's citizens, providing alcohol education for people of all ages; excellent customer service at each retail location; and generating a consistent source of revenue for some of the commonwealth's most important programs.



J. Neal Insley, Chairman



ABC Board Chairman J. Neal Insley



VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL

2901 Hermitage Road, Richmond, VA 23220

ABC VISION

To enhance the quality of life for Virginia's citizens by balancing service, revenue and control in the distribution, sale and consumption of alcoholic beverages.

ABC MISSION

To control the distribution of alcoholic beverages; operate efficient, conveniently located retail outlets; enforce the laws of the commonwealth pertaining to alcoholic beverages and youth access to tobacco products; and provide excellent customer service, a reliable source of revenue and effective public safety.

Cover (top, from left): Gov. Bob McDonnell signs House Bill 1516, making it a felony to assault an ABC agent; Sales Associate Caulbert Taylor, ABC Store 107 (Norfolk), assists a customer with product selection; Special Agent Davis Lincoln presents a Rural Law Enforcement grant check to Officer Troy Wheeler accepting for the Town of Orange. **(Bottom, from left):** Education Coordinator Regina Whitsett speaks on behalf of the Alcohol and Aging Awareness Group (AAAG) at the Senior Connections 7th Annual Empty Plate Luncheon; the first-place poster in ABC's middle school poster contest; ABC's YADAPP summer leadership conference draws enthusiastic participation from high school student participants.

CONTENTS

Executive Information	4
Legislative Synopsis	5

Statistical Highlights

Licensing	8
Prevention Education	8
Law Enforcement	8
Hearings & Appeals	9
Personnel	9
Stores & Products	10

Financial Reports

A Message from the Chairman and Chief Operating & Financial Officers	12
Financial Results in Brief, Fiscal Year 2011	12
Sales of All Beverages, Fiscal Year 2011	12
Comparison of Products Sold / Market Share, Fiscal Year 2011 vs. Fiscal Year 2010. . .	13
Analysis of Store Performance, Fiscal Year 2011	14
2011 Establishments by License Category – Cities	22
2011 Establishments by License Category – Counties	23

Financial Statements

Introduction	25
Management’s Discussion and Analysis (Unaudited)	26
Independent Auditor’s Report on Financial Statements	30
Statement of Net Assets	32
Statement of Revenues, Expenses and Changes in Net Assets	33
Statement of Cash Flows	34
Notes to Financial Statements	35

Fiscal Year 2011 in Review	41
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EXECUTIVE INFORMATION

Governor Robert F. McDonnell
Secretary of Public Safety Marla Graff Decker

ABC Board

Board Chairman J. Neal Insley
Commissioner Sandra C. Canada

Executive Staff

Chief Operating Officer, Secretary to the Board W. Curtis Coleburn, III
Chief Financial Officer J. Craig Vanderland

Division Directors

Bureau of Law Enforcement Administration Francis J. Monahan
Bureau of Law Enforcement Operations Shawn P. Walker
Financial Management Services Barry M. Wenzig
Hearings, Appeals and Judicial Services Robert S. O'Neal
Human Resources J. Wayne Jenkins
Information Technology Services Stephen L. Fox
Internal Audit John W. Wszelaki
Public Affairs Rebecca V. Gettings
Wholesale/Retail Operations Virginia A. Adams

Also on the ABC Board this fiscal year, Wayne J. Ozmore Jr. served as commissioner until his resignation on June 14, 2011.

All division directors served throughout the fiscal year with the exception of the following. Enforcement Co-Director Shawn Walker was appointed to that position on Dec. 10, 2010. Human Resources Director Janet L. Lawson resigned on Aug. 24, 2010 and Wayne Jenkins was named director on Jan. 10, 2011.



Governor Robert F. McDonnell



Secretary of Public Safety
Marla Graff Decker



ABC Board: Chairman J. Neal Insley (left)
and Commissioner Sandra C. Canada (right)

From gourmet oyster houses to outdoor advertising, the 2011 session of the Virginia General Assembly adopted a number of ABC-related measures.

Pro-rated Fees

The most interesting legislative action took place in connection with Senate Bill 1457. This was the only bill that did not become effective July 1, 2011. It had an emergency clause attached which made it effective upon Governor McDonnell's signature on March 26, 2011. The bill allows the Board to pro-rate and refund license fees in the case where the premises were destroyed by natural disaster. Those provisions were adopted, but the bill was also amended to add a number of unrelated provisions, dealing with outdoor alcoholic beverage advertising.

Outdoor Alcoholic Beverage Advertising/Billboards

The new law provides that manufacturers, wholesalers and retailers may advertise alcoholic beverages on lawfully erected billboard signs. Such signs may not depict persons consuming alcoholic beverages, may not use cartoon characters, nor use persons who have not attained the legal drinking age as models or actors. The billboards may not be placed within 500 feet of a church or synagogue; a public, private, or parochial school, college, or university; a public or private playground or similar recreational facility; or residentially zoned property.

Another portion of the legislation codifies the current provisions of 3VAC 5-20-30, which specify the number and types of alcoholic beverage advertising signs other than billboards allowed to be used by licensees. These new statutory provisions have a "sunset" clause, which makes them expire on January 1, 2013. In the meantime, the legislation requires that ABC promulgate new rules for outdoor alcoholic beverage advertising.

Corkage Fees

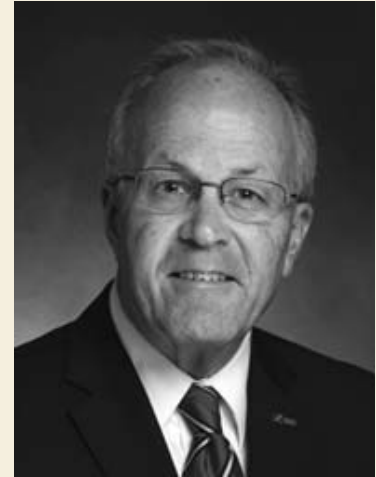
With the passage of Senate Bill 1292, ABC-licensed restaurants may permit customers to carry in and consume their own lawfully-acquired wine on the restaurant premises in all areas and locations covered by the license. The licensee may charge a corkage fee to such customer for the wine so consumed; however, the licensee shall not charge any other fee to such customer. This is a voluntary program, restaurants may allow customers to bring in their own wine, but are not required to do so.

Providers to Underage

House Bill 1496 addresses the situation where someone of legal age provides alcohol to someone less than 21. Currently, the commonwealth must prove that someone knew that the recipient was under 21 to obtain a conviction. The amendment adds the language "or having reason to know" to the statute, to enable the conviction of one who should have known the person he was giving alcohol was underage, without having to prove actual knowledge.

Alcohol Content of Cider

House Bill 2295 and Senate Bill 1000 were identical bills concerning the lawful alcohol content of cider products. Presently, a product called "cider" may only contain 7 percent alcohol or less. Some Virginia cider producers argued that the natural sweetness of



Chief Operating Officer W. Curtis Coleburn

(continued)

Virginia apples produced a product with a higher alcohol content. The new law will allow cider produced without added sugar to be up to 10 percent alcohol. Products produced by chaptalization, that is adding sugar to increase alcohol content, will continue to be limited to the 7 percent limit.

Catoctin Creek Store

Senate Bill 1249 currently benefits only one known Virginia distillery, Catoctin Creek Distillery. This bill provides that ABC may establish a government store on the premises of a certified organic distillery, and appoint the distillery's personnel as agents to operate the store, selling products produced by the distillery. Catoctin Creek will be ABC's fifth distillery store.

Oyster House License

One bill that has been signed into law creates a new license. House Bill 2501 creates a new gourmet oyster house license for a facility located on the premises of a commercial marina and permitted by the Department of Health to serve oysters and other fresh seafood. This license will allow the business to give samples or serve wine and beer for on-premises consumption and sell wine and beer for off-premises consumption. The Board will set minimum seafood sales requirements.

Common Interest Communities

Another bill creates a situation where a license is no longer needed. House Bill 1975 provides that a banquet license is no longer necessary for private events limited in attendance to members of a common interest community (as defined in Section 54.1-2345 of the Code of Virginia) and their guests. Such functions must be conducted on the common area set aside for this purpose in the community.

Out-of-State Shipments

Virginia's farm wineries were successful in obtaining the passage of House Bill 1979 and Senate Bill 1083, identical bills that deal with tax exemptions for shipments of wine and beer to consumers in other states. The present law provides that Virginia excise tax is not collected on shipments from Virginia licensees to businesses in other states for resale, but shipments directly to consumers are not exempt. The new amendment will make shipments to out-of-state consumers also exempt from Virginia wine and beer taxes.

30-Day Objection Period

House Bill 2226 was a piece of ABC-sponsored legislation, limiting the time for making objections to license applications. Currently, localities have 30 days to object to the issuance of a license, but there is no time limit on other objections. To streamline the application process, the amendment provides that objections from the public to ABC license applications must be made within 30 days of the first publication of the notice each applicant is required to run.

Assaults on ABC Special Agents

For many years, it has been a Class 6 felony to commit assault and battery upon a law enforcement officer. Prosecutors and courts have usually assumed this applied to assaults against ABC Special Agents. A 2009 opinion of the Virginia Court of Appeals

(continued)

ruled that since ABC agents were not among the specific officers listed in the statute, they were not covered. House Bill 1516 corrected this situation, making the assault and battery upon an ABC Special Agent a felony carrying a minimum six month mandatory term of confinement.

Changes to “Zero Tolerance”

House Bill 1407 and Senate Bill 770 were identical measures amending the “zero tolerance” statute for underage drinking and driving. Under current law, persons under the legal drinking age found driving with a blood alcohol level of .02 percent by volume or more lose their driver’s license for six months and are subject to a fine of up to \$500. The new law will make a violation of this statute a Class 1 misdemeanor, with at least a one-year license forfeiture, and a minimum of either a \$500 fine or 50 hours of community service.

(Below) Gov. Bob McDonnell signs House Bill 1516, making it a felony to assault an ABC special agent. The governor shakes hands with bill sponsor Delegate Robert Orrock, as ABC Agents Association President Special Agent Lisa Wright (center) and Secretary of Public Safety Marla Graff Decker (far left) look on.



STATISTICAL HIGHLIGHTS: LICENSING

Licenses and Licensing

ABC retail licenses (1)	17,248
New retail, wholesale and special-permit licenses	2,153
Licensed retail establishments	16,136
Private or corporate owners	12,534
Alcohol compliance rates for retail licensees (%) (2)	90.28
Average processing time for new retail applications (in days) (3)	76
One-day banquet and special-event licenses	18,119

(1) Inclusive of licenses for sale and consumption of beer and wine, mixed beverages, on- or off-premises.

(2) FY 10 rate: 90.24 percent

(3) FY 10: 90 days. ABC targets a 60-day average.

STATISTICAL HIGHLIGHTS: PREVENTION EDUCATION

Publications and Conferences

Total prevention education / compliance pieces distributed (1)	163,536
Do Not Sell stickers distributed to licensees	16,500
Licensee newsletters distributed	48,000
College Conference registrants (2)	228
YADAPP Conference participants (3)	425
YADAPP Wheeler Awards (3)	\$1,000
Community Coalitions of Virginia (CCOVA) one-day training (4)	\$3,000
Alcohol and Aging Awareness Group (AAAG) participants trained (5)	4,601
AAAG radio campaign, listening audience (6)	148,100

(1) Distributed to colleges and universities, law enforcement, licensees, community groups, youth, parents and other Virginia citizens.

(2) 25th Annual College Conference on the campus of George Mason University, in February 25–27, 2011 presented in conjunction with the Virginia College Leadership Council. Funded through a grant from the Virginia Department of Motor Vehicles' Highway Safety Office.

(3) Annual Youth Alcohol & Drug Abuse Prevention Project (YADAPP) summer conference, Longwood University, July 18–22, 2011. Seventy-four youth teams represented youth and communities across Virginia. Wheeler Award winners (\$500 each) were Great Bridge High School (Chesapeake) and Virginia Beach Mayor's Youth Leaders in Action.

(4) ABC co-sponsored a one-day training at the Roslyn Center, Richmond, VA, March 23–25, 2011. \$3,000 in Office of Juvenile Justice and Delinquency Prevention (OJJDP) workshop funding was disbursed for this event.

(5) Presented statewide by the Alcohol and Aging Awareness Group (AAAG) with 41 presentations and training 623 service providers. 312 participants took AAAG web based training and over 15,000 pieces of literature were distributed.

(6) December 20–29, 2010 and April 25–29, 2011, AAAG sponsored 15 on-air alcohol and aging awareness messages on public radio (WCVE-FM and WVTF-FM) in the Richmond, Roanoke, Lynchburg and Charlottesville markets.

Compliance Training

Responsible Sellers & Servers: Virginia's Program (RSVP) classes	89
RSVP participants (statewide)	1,511
Managers' Alcohol Responsibility Training (MART) classes	21
MART participants (statewide)	317

Grants

Operation Undergrad grants presented	6
Operation Undergrad disbursements	\$53,940
Community Coalition grants presented	7
Community Coalition disbursements	\$53,080
College Conference grant disbursements (1)	\$5,000
YADAPP minigrants presented	15
YADAPP minigrants disbursements	\$4,000
Rural and Local Law Enforcement grants presented	3
Rural and Local Law Enforcement disbursements (2)	\$15,000

Operation Undergrad and Community Coalition grants are funded by the Office of Juvenile Justice and Delinquency Prevention (OJJDP) and administered by ABC.

(1) Five campuses were awarded \$1,000 minigrants to start their underage and high-risk drinking prevention initiatives.

(2) Local and Rural Law Enforcement grants of \$5,000 each were awarded to the Harrisonburg Police Department, Town of Orange Police Department and Old Dominion University Police Department.

STATISTICAL HIGHLIGHTS: LAW ENFORCEMENT

Law Enforcement Activity

Criminal investigations	11,259
Arrests	2,213
Illegal still investigations	12
Inspections of licensed establishments	8,707
Underage Buyer compliance checks	2,968
ABC special agents	93
Written warning reports	1,012
Written violation reports	716
Wine, beer and mixed-beverage application and state license fees collected	\$12,317,845

Tobacco Synar

Synar compliance rate, May 1–September 30, 2010 (%) (1)	89.03
Total tobacco checks by ABC agents (2)	1,121

Part of a substance abuse prevention and treatment block grant from the federal government to the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services.

(1) FY 09: 87 percent

(2) This includes attempted checks visited but found not suitable for an underage buyer check. FY 09: 4,304 checks.

STATISTICAL HIGHLIGHTS: HEARINGS & APPEALS

Cases Referred for Hearings

Case Activity	Count
Violation/disciplinary reports	813
Contested applications	42
• Approved	35
• Denied	5
• Withdrawn before hearing	2
Contested banquet applications	12
• Approved	3
• Denied	4
• Withdrawn before hearing	5
Wine and beer franchise cases	6
Total hearings requested	873

Hearings Dispositions

Case Activity	Count	Percentage of Total Cases Received (%)
Settled by consent settlement offer	316	40.15
Heard by ABC hearing officer ¹	329	41.80
Settled by offer in compromise	118	15.00
Withdrawn or dismissed prior to hearing ²	24	3.05
Total hearings dispositions ³	787	100

¹ 329 hearings were held on 519 charges filed; licensees with multiple charges had cases combined into one hearing for efficiency. 40 of these cases were appealed to the ABC Board.

² These cases were withdrawn or dismissed prior to the hearing process because the licenses had been surrendered or the applications were withdrawn.

³ 120 cases were in process at the end of FY 10 and were completed during FY 11; 100 cases were in process at the end of FY 11 to be completed during FY 12

Average Case Turn-Around Time (in Days)

Activity	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
Violations	129	130	120	91	178	158	118.6
Applications	105	99	93	106	135	131	93.8

Case Decisions Appealed

Activity	Count	Percentage of Total (%)
Initial decision of hearing officer to ABC Board ¹	40	5.08
Final decision of ABC Board to circuit court ²	20	50.00

¹ Percentage of all cases referred

² Percentage of all cases appealed to the Board

Civil Penalties Collected

Activity	Count
Civil penalties collected (dollars)	1,041,730
Average civil penalty per case (dollars)	1,811.48
Average suspension period per case (days) ¹	17.73

¹ Most ABC case decisions provide for a civil penalty or suspension period. This average reflects the results of all civil penalties or suspension time levied from all case decisions, consent settlement offers, and offers-in-compromise for FY 11. When allowed by the Board order, licensees may choose which penalty they prefer to accept. Some penalties contain both mandatory suspension periods and civil penalties.

STATISTICAL HIGHLIGHTS: PERSONNEL

Training and Tuition Assistance

Description of Training	Course Types	Units*
In-house training	8	283
Tuition Assistance Program (TAP)	11	14
E-learning, policy and regulation (1)	24	10,859
E-learning, safety	7	9,740
E-learning, emergency management (2)	1	2,489
E-learning, retail and product knowledge	7	9,768
Total	48	31,195

* These are units of training deployed to employees by ABC Human Resources. One employee may account for more than one unit of participation.

(1) Required agency-wide, inclusive of full-time, part-time, ABC stores and central office employees. On average, each employee was responsible for completing 14–28 modules each.

(2) State-mandated

Employees and Hiring

Total employees	2,505
Total classified employees	981
Total part-time employees	1,524
Classified employees hired in Fiscal Year 2011	94
Part-time employees hired in Fiscal Year 2011	521

ABC currently employs a diverse workforce, with approximately 981 classified employees, 1,524 wage employees, and 6 contractors. These 2,505 agency employees work throughout the commonwealth operating 333 retail stores and eight regional offices. Approximately 352 employees are located in Richmond at the central office and warehouse facility.

Employee Demographics

Average age (years) (1)	48
Average years of service, classified employees (2)	11.8
Gender: male (%) (3)	57.9
Gender: female (%) (3)	42.1
Minority (%) (4)	31.0

The demographics of ABC's workforce are generally consistent with the overall state workforce. Nearly 76% of all employees are over the age of 40, 42% are female and 31% are minorities. The average age of an ABC classified employee is 48 years, with an average length of service at 12 years. ABC has a high number of retirement-eligible classified employees: 106 employees (11% of FTE positions) eligible to retire today, an additional 47 employees (5% of FTE positions) within the next five years, and an additional 63 employees (6.5% FTE positions) eligible within 10 years.

(1) Average age (all state employees): 46.1 years

(2) Average years of service (all state employees): 11.9 years

(3) Gender (all state employees): male, 45.6 percent; female, 54.5 percent

(4) Minority (all state employees): 34.0 percent

STATISTICAL HIGHLIGHTS: STORES & PRODUCTS

ABC Stores

Alcohol compliance rate for ABC stores (%) (1)	98
Average delivery cost to ABC stores (dollars per case)	\$0.82
Total shipments to ABC stores (cases)	3,968,350
Total shipments to ABC stores (weight, in lbs)	126,525,964

(1) FY 10 rate: 98 percent

ABC Products

PRICE LIST

Active items on price list	2,732
Virginia wines on price list	95
Vermouths on price list	15
Items de-listed from price list (1)	388

SPECIAL ORDERS

Active items on special order catalog	234
Active items on special order noncatalog	843
Total special order purchases (cases) (2)	12,845
Total special order revenue (dollars) (2)	\$2,623,916
• Catalog purchases (cases)	4,315
• Catalog revenue (dollars)	\$1,222,294
• Noncatalog purchases (cases) (3)	8,530
• Noncatalog revenue (dollars)	\$1,401,622

(1) De-listed items remain on the price list until all inventory has been depleted.

(2) These totals include both catalog and noncatalog special orders.

(3) Noncatalog special orders are for those items not included in the special order catalog. They must be purchased by the case and must be obtainable from a source within the continental United States.

Store Activities: July 1, 2010–June 30, 2011

Store	Location	Activity	Closed	Opened	Total
305	Richmond	modernization	07-19-10	07-31-10	332
322	Centreville	modernization	07-30-10	08-17-10	332
139	Winchester	relocation	09-18-10	09-21-10	332
359	Charlottesville	relocation	09-20-10	09-27-10	332
248	Arlington	modernization	09-06-10	09-27-10	332
177	Chincoteague	modernization	09-18-10	10-01-10	332
050	Crozet	new store	—	10-01-10	333
150	Henrico	relocation	10-23-10	10-29-10	333
291	Martinsville	relocation	10-30-10	11-04-10	333
218	Gate City	modernization*	—	—	333
191	Rocky Mount	relocation	01-08-11	01-14-11	333
098	Virginia Beach	relocation	01-08-11	01-13-11	333
278	Virginia Beach	modernization	01-09-11	01-24-11	333
170	Herndon	modernization	01-23-11	02-08-11	333
172	Chase City	flooring	02-05-11	02-14-11	333
271	Woodbridge	relocation	03-01-11	03-05-11	333
303	Warrenton	modernization	02-19-11	03-05-11	333
179	Urbanna	modernization	03-05-11	03-21-11	333
352	Reston	modernization	03-19-11	04-05-11	333
290	Grafton	modernization	04-02-11	04-18-11	333
234	Burke	modernization	04-29-11	05-17-11	333
125	Charlottesville	modernization	06-11-11	06-30-11	333
180	Richmond	new store	—	06-30-11	334

* Stayed open during renovation, operating from side door.

(Below) Miss Virginia Caitlin Uze partnered with Virginia ABC to speak at more than 40 schools statewide, stressing the importance of saying no to alcohol, tobacco and illegal substances. The initiative was funded by a grant from the Office of Juvenile Justice and Delinquency Prevention (OJJDP).



Top 50 Brands Sold in Fiscal Year 2011, Based on Dollars

Rank		Brand	Product Category	Gross Dollars		Change (%)	Actual Change (\$)
FY 11	FY 10			FY 11 (\$)	FY 10 (\$)		
		Statewide		692,670,626	675,521,854	2.5	17,148,772
		Top 50		359,243,353	366,313,675	(1.9)	(7,070,322)
		All Others		333,427,274	309,208,179	7.8	24,219,095
1	1	Jack Daniel's 7 Black	Tennessee whiskey	22,664,736	22,418,593	1.1	246,143
2	2	Smirnoff 80	domestic vodka	19,508,095	19,131,450	2.0	376,645
3	3	Grey Goose	imported vodka	17,880,921	18,332,773	(2.5)	(451,852)
4	4	Jim Beam	straight bourbon whiskey	17,249,613	17,965,975	(4.0)	(716,362)
5	5	Crown Royal	Canadian whiskey	15,806,513	17,366,315	(9.0)	(1,559,802)
6	6	Absolut	imported vodka	14,065,839	14,327,146	(1.8)	(261,307)
7	7	Bacardi Superior	domestic rum	13,171,165	13,851,996	(4.9)	(680,831)
8	8	Aristocrat	domestic vodka	13,001,667	13,623,632	(4.6)	(621,965)
9	9	Jagermeister	imported cordials	12,871,214	13,226,412	(2.7)	(355,198)
10	10	Captain Morgan's Spiced	imported rum	12,102,268	12,905,298	(6.2)	(803,031)
11	12	Jose Cuervo Especial Gold	tequila	11,001,612	11,838,326	(7.1)	(836,714)
12	11	Hennessy V.S.	Cognac\Armagnac	10,730,236	12,198,050	(12.0)	(1,467,814)
13	13	Patron Silver White	tequila	10,559,119	9,923,893	6.4	635,226
14	14	Seagram's Extra Dry	domestic gin	8,874,838	9,685,960	(8.4)	(811,122)
15	16	Maker's Mark	straight bourbon whiskey	7,919,679	7,454,453	6.2	465,227
16	15	Pinnacle	imported vodka	7,253,355	8,572,252	(15.4)	(1,318,897)
17	18	Skyy	domestic vodka	7,132,015	7,252,498	(1.7)	(120,483)
18	17	Bowman's Virginia	domestic vodka	6,981,958	7,355,539	(5.1)	(373,581)
19	19	Tanqueray	imported gin	6,259,375	6,488,052	(3.5)	(228,677)
20	23	Burnett's	domestic vodka	5,788,417	5,337,055	8.5	451,362
21	22	Ketel One	imported vodka	5,681,523	5,342,129	6.4	339,394
22	20	Canadian Mist	Canadian whisky	5,660,149	6,258,839	(9.6)	(598,691)
23	21	Grand Marnier Cordon Rouge	imported cordials	5,432,245	5,477,135	(0.8)	(44,890)
24	24	Bailey's Original Irish Cream	imported cordials	4,890,959	4,936,606	(0.9)	(45,647)
25	38	Jameson Irish	Irish whiskey	4,809,179	3,812,553	26.1	996,625
26	28	Evan Williams Black	straight bourbon whiskey	4,771,791	4,708,743	1.3	63,048
27	26	Dewar's White Label	Scotch whiskey	4,659,858	4,766,815	(2.2)	(106,958)
28	27	Stolichnaya	imported vodka	4,575,806	4,715,701	(3.0)	(139,895)
29	25	Early Times	domestic whiskey	4,490,859	4,870,781	(7.8)	(379,922)
30	32	Johnnie Walker Black	Scotch whiskey	4,463,051	4,304,770	3.7	158,281
31	35	Ciroc Luxury	imported vodka	4,441,143	3,966,378	12.0	474,765
32	29	E & J V.S.	grape brandy	4,417,969	4,678,695	(5.6)	(260,726)
33	31	Paul Masson Grande Amber V.S.	grape brandy	4,294,218	4,562,035	(5.9)	(267,817)
34	33	Malibu Coconut	imported rum	4,217,939	4,090,082	3.1	127,857
35	30	Wild Turkey 101	straight bourbon whiskey	4,029,517	4,565,910	(11.7)	(536,394)
36	40	Bombay Sapphire	imported gin	3,771,617	3,656,877	3.1	114,740
37	34	Southern Comfort	domestic cordials	3,648,927	3,987,437	(8.5)	(338,510)
38	36	Kahlua Coffee	imported cordials	3,627,709	3,945,443	(8.1)	(317,734)
39	37	Seagram's 7 Crown	blended whiskey	3,555,130	3,878,081	(8.3)	(322,952)
40	39	Bacardi Gold	domestic rum	3,534,254	3,673,745	(3.8)	(139,491)
41	42	Evan Williams Green	straight bourbon whiskey	3,345,063	3,155,136	6.0	189,927
42	50	Svedka	imported vodka	3,244,670	2,528,750	28.3	715,920
43	—	E & J V.S.O.P.	grape brandy	3,188,428	3,471,423	(8.2)	(282,994)
44	43	Courvoisier V.S.	Cognac\Armagnac	2,997,091	3,058,287	(2.0)	(61,196)
45	44	Johnnie Walker Red	Scotch whiskey	2,988,732	3,021,937	(1.1)	(33,205)
46	45	Aristocrat White	domestic rum	2,985,409	2,960,361	0.8	25,048
47	46	Absolut Citron	flavored vodka	2,755,794	2,784,954	(1.0)	(29,161)
48	47	Barton	domestic gin	2,754,015	2,742,363	0.4	11,652
49	—	Ciroc Red Berry	flavored vodka	2,597,785	440,971	489.1	2,156,814
50	48	Henry McKenna	straight bourbon whiskey	2,589,888	2,695,067	(3.9)	(105,179)

A Message from the Chairman and Chief Operating & Financial Officers

We are pleased to present the Fiscal Year 2011 Annual Report for the Virginia Department of Alcoholic Beverage Control (ABC). These facts and figures represent a thirteenth consecutive record-breaking year for retail sales by our agency. In Fiscal Year 2011, we opened two new stores, modernized 13 and relocated seven. Also in Fiscal Year 2011, ABC operations returned record profits of \$121 million to the Commonwealth of Virginia. The agency has contributed more than \$1.5 billion dollars to the commonwealth in the last five years.

We stand behind these figures with pride in the accomplishments made possible by the hard working and dedicated employees of ABC. To the best of our knowledge, these figures accurately represent the operations of our agency during the fiscal year. The financial statements of the agency are audited annually by the Auditor of Public Accounts as required by the Code of Virginia. ■



Chairman J. Neal Insley (center), with Chief Chief Financial Officer J. Craig Vanderland (left) and Operating Officer W. Curtis Coleburn.

Financial Results in Brief, Fiscal Year 2011

Revenue Source	Fiscal Year 2011
ABC profit transfers (1)	\$ 121,013,600
State taxes (2)	114,201,593
General sales tax (3)	27,889,207
Wine liter tax (4)	32,171,151
Malt beverage tax (5)	43,915,010
Total	\$ 339,190,561

- (1) Source: "Statement of Revenues, Expenses and Changes in Net Assets" (p. 33). Profits are reported in accordance with generally accepted accounting principles. Profits include licensing fees and ABC's portion of the wine liter tax.
- (2) Source: "Notes to Financial Statements 4.B. General Fund" (p. 37). State tax on distilled spirits = 20 percent. State tax on wine sold in ABC stores = 4 percent.
- (3) Source: "Notes to Financial Statements 4.C. Department of Taxation-Sales Tax" (p. 38). General sales tax rate is 5 percent.
- (4) Source: "Notes to Financial Statements 4.B. General Fund" (p. 37). The non-ABC portion of the wine liter tax = \$.40 per liter. \$9,141,363 of the wine liter tax is transferred to the Virginia Department of Behavioral Health and Developmental Services.
- (5) Source: "Notes to Financial Statements 9. Collections of Malt Beverage Tax" (p. 39).

Sales of All Beverages, Fiscal Year 2011

Product	Gallons (1)	Liters	Total Gallons (%)	Gross Dollars	Gross Sales (%)
STATE STORE SALES					
Distilled spirits	9,597,182	36,329,267	96.3%	\$685,576,109	99.0%
Virginia wine	27,272	103,237	0.3%	\$1,530,661	0.2%
Vermouth	37,737	142,851	0.4%	\$1,308,128	0.2%
Alcohol	87	330	0.0%	\$6,407	0.0%
Nonalcoholic mixers	308,514	1,167,850	3.1%	\$4,206,681	0.6%
Total	9,970,792	37,743,536	100.0%	\$692,627,985	100.0%
DIRECT SALES FROM WHOLESALERS					
Wines (\$0.40 liter) (2)	23,045,827	87,237,905	12.8%	\$34,895,162	44.3%
Beer (\$7.95 barrel) (3)	157,429,456	595,935,037	87.2%	\$43,887,251	55.7%
Total	180,475,283	683,172,942	100.0%	\$78,782,413	100.0%

NOTES: (1) Excludes miscellaneous records, nonbeverage and confiscated items.

(2) Gross liter tax for wines after 12 percent allocated to ABC revenue

(3) Malt beverage gallons are estimated. Gross tax is taken from the malt beverage tax listed in "Financial Results in Brief, Fiscal Year 2011" (this page).

Source: Policy, Planning and Analysis (PPA)

Comparison of Products Sold / Market Share, Fiscal Year 2011 vs. Fiscal Year 2010

Products	Cases Sold		Market Share (%)		Change (%)
	FY 11	FY 10	FY 11	FY 10	
Vodka	1,281,618	1,207,686	32.2	31.3	6.1%
Domestic	693,502	683,268			1.5%
Imported	319,924	305,679			4.7%
Flavored	268,191	218,739			22.6%
Rum	416,813	406,483	10.5	10.5	2.5%
Domestic	278,537	265,827			4.8%
Imported	138,276	140,656			(1.7)%
Cordials, liqueurs, specialties	392,440	377,951	9.9	9.8	3.8%
Imported	204,085	204,235			(0.1)%
Domestic	188,355	173,715			8.4%
Straight bourbon whiskey	379,082	365,042	9.5	9.5	3.8%
Gin	246,411	248,762	6.2	6.4	(0.9)%
Domestic	180,970	183,642			(1.5)%
Imported	52,875	52,439			0.8%
Flavored	11,877	11,906			(0.2)%
Sloe	689	774			(11.0)%
Tequila	193,225	180,865	4.9	4.7	6.8%
Canadian whiskey	169,495	171,071	4.3	4.4	(0.9)%
Brandy	140,902	148,307	3.5	3.8	(5.0)%
Grape	114,117	119,875			(4.8)%
Imported	16,152	17,329			(6.8)%
Blackberry	2,682	2,778			(3.5)%
Apricot	2,406	2,478			(2.9)%
Peach	2,329	2,364			(1.5)%
Apple	1,096	1,139			(3.7)%
Flavored	1,030	1,250			(17.6)%
Cherry	1,063	1,071			(0.7)%
Fruit	28	24			14.5%
Scotch whiskey	137,207	136,568	3.4	3.5	0.5%
Tennessee whiskey	98,285	98,116	2.5	2.5	0.2%
Blended whiskey	94,626	96,795	2.4	2.5	(2.2)%
Cognac \ Armagnac	79,784	78,096	2.0	2.0	2.2%
Cocktails	77,844	74,447	2.0	1.9	4.6%
Domestic	73,129	70,957			3.1%
Imported	4,715	3,490			35.1%
Domestic whiskey	39,798	42,857	1.0	1.1	(7.1)%
Specialty bottles	38,494	28,854	1.0	0.7	33.4%
Imported	27,268	20,936			30.2%
Domestic	11,226	7,918			41.8%
Irish whiskey	22,797	20,014	0.6	0.5	13.9%
Egg nog	11,095	11,355	0.3	0.3	(2.3)%
Corn whiskey	4,681	4,359	0.1	0.1	7.4%
Straight rye whiskey	3,029	1,952	0.1	0.1	55.1%
Rock & rye	1,327	1,420	0.0	0.0	(6.6)%
Bottled in bond whiskey	362	338	0.0	0.0	7.0%
Alcohol	32	39	0.0	0.0	(17.6)%
Vermouth	15,393	15,699	0.4	0.4	(1.9)%
Imported	7,884	7,900			(0.2)%
Domestic	7,509	7,798			(3.7)%
Virginia wine	11,609	12,017	0.3	0.3	(3.4)%
Nonalcoholic mixers	109,834	114,527	2.8	3.0	(4.1)%
Nonbeverage item	17,793	13,388	0.4	0.3	32.9%
Statewide totals*	3,983,976	3,857,005	100.0	100.0	3.3%

The "Comparison of Products Sold / Market Share" table includes updated figures for 2010 and 2011 and properly accounts for sales of products by their respective spirits category.

* Excludes miscellaneous records and confiscated items.

Source: Wholesale/Retail Operations

Analysis of Store Performance, Fiscal Year 2011

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
Statewide totals		9,661,682	\$692,730,555	\$114,300,031	\$578,430,524	\$337,260,619	\$241,169,905	\$82,503,668	\$158,666,237	\$37,944,537	\$120,721,700	33.9
137 674 Hwy. 58 E.	Norton City	23,498	1,623,298	268,450	1,354,848	788,036	566,813	184,647	382,166	88,877	293,289	34.6
194 16427-E Wise St.	Wise Co.	10,522	729,528	120,920	608,609	354,316	254,293	51,656	202,636	39,924	162,712	38.9
206 18 E. 4th St., N.	Wise Co.	12,136	748,834	123,993	624,841	363,864	260,977	101,055	159,922	40,989	118,933	32.4
218 3982 Hwy. 23, N.	Scott Co.	8,958	525,242	86,795	438,448	255,070	183,378	90,109	93,269	28,762	64,507	28.8
Far Southwest		55,114	\$3,626,902	\$600,157	\$3,026,746	\$1,761,286	\$1,265,459	\$427,467	\$837,992	\$198,552	\$639,440	34.2
87 4027 College Ave.	Tazewell Co.	16,970	1,177,874	194,354	983,520	572,620	410,900	187,117	223,782	64,518	159,264	30.0
174 One Plaza Dr.	Buchanan Co.	8,872	610,392	100,928	509,464	297,590	211,874	80,240	131,634	33,420	98,214	32.6
197 12686 Gov. G. C. Perry Hwy.	Tazewell Co.	17,946	1,154,357	190,459	963,898	561,928	401,970	149,268	252,702	63,231	189,471	32.9
230 722 E. Riverside	Tazewell Co.	8,009	505,187	83,335	421,852	245,612	176,241	82,764	93,477	27,673	65,803	29.5
365 340 Chase St.	Dickenson Co.	6,972	440,751	72,957	367,794	213,671	154,123	88,655	65,468	24,127	41,341	25.9
Southwest		58,769	\$3,888,561	\$642,033	\$3,246,528	\$1,891,421	\$1,355,107	\$588,044	\$767,063	\$212,969	\$554,094	30.8
58 3002 Lee Hwy.	Bristol City	25,143	1,734,869	286,096	1,448,773	844,530	604,243	220,396	383,846	95,038	288,808	33.1
96 974 E. Stuart Dr.	Galax City	21,238	1,194,016	196,498	997,518	580,951	416,567	155,092	261,476	65,436	196,039	32.9
135 1173 N. Main St.	Smyth Co.	22,908	1,366,284	226,014	1,140,270	664,065	476,206	164,174	312,032	74,801	237,231	33.9
141 441 W. Stuart Dr.	Carroll Co.	14,819	840,699	138,460	702,239	410,757	291,482	117,732	173,751	46,066	127,684	31.7
153 325 W. Main St.	Wythe Co.	23,713	1,471,319	242,022	1,229,298	716,490	512,808	130,909	381,899	80,641	301,258	36.9
201 545 W. Main St.	Washington Co.	37,371	2,486,298	410,530	2,075,768	1,210,836	864,932	204,143	660,789	136,169	524,621	37.6
343 2123 Euclid Ave.	Bristol City	22,424	1,349,391	222,921	1,126,470	656,508	469,962	167,343	302,619	73,895	228,724	33.5
Wytheville/Hillsville		167,615	\$10,442,876	\$1,722,540	\$8,720,336	\$5,084,135	\$3,636,200	\$1,159,789	\$2,476,412	\$572,046	\$1,904,365	34.7
67 290 Peppers Ferry Rd.	Montgomery Co.	31,647	2,113,746	348,860	1,764,886	1,030,020	734,866	265,664	469,202	115,775	353,427	33.2
195 100 N. Franklin St.	Montgomery Co.	26,807	1,613,030	266,906	1,346,124	785,486	560,638	240,311	320,328	88,305	232,023	30.9
199 140 Kinter Way	Giles Co.	13,354	734,116	121,217	612,899	357,299	255,601	121,066	134,535	40,206	94,329	29.4
327 1332 S. Main St.	Montgomery Co.	81,955	5,210,114	861,700	4,348,413	2,534,401	1,814,012	396,311	1,417,702	285,252	1,132,450	38.3
345 1072 Memorial Square Dr.	Pulaski Co.	20,032	1,164,662	192,586	972,076	565,827	406,249	162,497	243,752	63,767	179,985	32.0
356 97 Walker St.	Radford City	42,399	2,466,577	408,015	2,058,563	1,198,533	860,029	249,767	610,262	135,040	475,222	35.8
Radford/Blacksburg		216,194	\$13,302,245	\$2,199,284	\$11,102,961	\$6,471,566	\$4,631,395	\$1,435,615	\$3,195,780	\$728,345	\$2,467,436	35.1
115 1423 Williamson Rd., N.E.	Roanoke City	55,812	3,891,439	641,978	3,249,461	1,891,639	1,357,822	290,442	1,067,380	213,162	854,218	38.4
123 531 Main St.	Clifton Forge City	6,809	427,104	70,721	356,383	207,440	148,944	69,681	79,263	23,378	55,885	29.6
124 123 W. Main St.	Covington City	14,185	892,059	147,745	744,314	433,017	311,297	130,686	180,611	48,826	131,785	31.3
186 1483 W. Main St.	Salem City	44,646	2,757,862	454,440	2,303,421	1,341,936	1,011,486	251,128	710,358	151,102	559,255	36.8
229 3940 Valley Gateway Blvd.	Roanoke City	20,464	1,300,446	215,155	1,085,290	632,607	452,683	191,677	261,006	71,194	189,811	31.1
259 1398 Towne Square Blvd.	Roanoke City	43,200	2,865,201	472,700	2,392,495	1,396,682	995,813	294,362	701,451	156,946	544,506	35.5
269 646 Brandon Ave., S.W.	Roanoke City	60,661	4,155,331	684,439	3,470,892	2,029,884	1,441,008	459,707	981,301	227,687	753,613	34.6
289 3341 Melrose Ave., N.W.	Roanoke City	31,103	2,106,192	349,621	1,756,571	1,019,849	736,721	222,839	513,882	115,230	398,653	35.5
309 3901 Brambleton Ave., S.W.	Roanoke Co.	54,407	3,512,968	578,687	2,934,281	1,713,380	1,220,902	344,023	876,879	192,486	684,393	36.0
337 1113 Vinyard Rd.	Roanoke Co.	30,572	1,820,087	300,772	1,519,315	885,590	633,769	189,217	444,552	99,669	344,883	35.5
364 56 Kingston Dr.	Botetourt Co.	21,873	1,421,632	234,399	1,187,233	692,679	494,554	194,362	300,192	77,881	222,311	32.1
Roanoke		383,733	\$25,150,320	\$4,150,619	\$20,999,701	\$12,244,703	\$8,754,998	\$2,638,123	\$6,116,875	\$1,377,562	\$4,739,312	35.3
57 1028 Richmond Ave.	Staunton City	14,997	993,874	163,877	829,997	484,527	345,470	243,594	101,876	54,447	47,429	21.3
68 2196 John Wayland Hwy.	Harrisonburg City	24,763	1,512,918	249,537	1,263,380	735,494	527,887	200,487	327,400	82,877	244,523	32.7
113 2827 E. Main St.	Bath Co.	6,474	512,824	84,522	428,302	249,654	178,648	122,468	56,181	28,096	28,084	22.0
122 201 State St.	Staunton City	22,730	1,533,716	252,940	1,280,775	748,146	532,629	188,137	344,493	84,018	260,475	33.5
140 445 E. Nelson St.	Lexington City	39,002	2,516,199	413,739	2,102,460	1,227,293	875,167	268,115	607,052	137,920	469,133	35.1

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores. (3) Store expenses include miscellaneous revenue and net cash overages. (4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales.

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2011

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
145 388 N. Main St.	Harrisonburg City	34,960	2,198,157	362,992	1,835,165	1,069,386	765,779	193,669	572,110	120,385	451,725	37.1
147 58 Water St.	Highland Co.	2,253	142,116	22,829	119,287	69,904	49,383	48,662	721	7,825	(7,104)	11.1
184 2035 E. Market St.	Rockingham Co.	68,724	4,502,636	742,155	3,760,481	2,191,082	1,569,399	394,165	1,175,235	246,684	928,550	37.1
302 132 Lee Jackson Hwy.	Staunton City	22,237	1,410,922	231,662	1,179,259	688,199	491,060	205,747	285,313	77,358	207,955	31.2
338 125 Lucy Ln.	Waynesboro City	47,831	3,104,508	511,229	2,593,279	1,511,799	1,081,480	322,543	759,937	170,117	588,820	35.4
339 Augusta Plz., Rt. 612	Augusta Co.	15,491	965,940	159,986	805,954	468,162	337,792	144,581	193,211	52,870	140,341	31.1
Staunton/Waynesboro		299,462	\$19,393,809	\$3,195,469	\$16,198,340	\$9,443,646	\$6,754,694	\$2,332,167	\$4,422,527	\$1,062,597	\$3,359,930	33.8
47 380 Gateway Dr.	Winchester City	23,493	1,639,699	270,046	1,369,653	798,417	571,236	232,348	338,888	89,848	249,040	31.7
52 786 Shopping Center Rd.	Shenandoah Co.	13,660	860,380	142,271	718,110	418,040	300,070	121,256	178,814	47,107	131,706	31.8
56 182 Delco Plz.	Frederick Co.	23,204	1,618,720	266,247	1,352,473	788,339	564,134	209,615	354,519	88,721	265,798	32.9
75 226 Elizabeth Dr.	Stephens City	18,909	1,266,595	209,474	1,057,121	615,160	441,961	170,344	271,616	69,346	202,270	32.5
139 235 Sunnyside Circle	Frederick Co.	31,525	2,145,400	352,817	1,792,584	1,047,051	745,532	234,486	511,047	117,592	393,455	34.8
142 411-F South St.	Warren Co.	42,698	2,860,790	469,771	2,391,019	1,394,029	996,990	324,377	672,613	156,849	515,764	34.4
167 21 Crowe St.	Clarke Co.	12,128	824,670	135,988	688,682	401,579	287,103	155,390	131,713	45,177	86,536	27.0
173 14817 Spotswood Trail	Page Co.	13,035	811,372	133,734	677,638	394,750	282,887	124,383	158,505	44,452	114,052	30.5
193 1412 W. 211 Bypass	Page Co.	18,607	1,116,590	184,096	932,494	544,164	388,330	143,929	244,401	61,171	183,230	32.9
261 2218 Valley Ave.	Winchester City	35,682	2,433,717	400,964	2,032,753	1,186,690	846,063	216,658	629,406	133,347	496,059	36.9
293 5814 Main St.	Shenandoah Co.	12,637	753,145	124,621	628,524	367,522	261,003	54,307	206,696	41,231	165,465	38.5
318 462 N. Main St.	Shenandoah Co.	14,959	907,315	149,718	757,597	441,528	316,068	122,158	193,910	49,698	144,213	32.4
Winchester/Front Royal		260,538	\$17,238,393	\$2,839,747	\$14,398,646	\$8,397,269	\$6,001,377	\$2,109,250	\$3,892,127	\$944,539	\$2,947,588	33.6
33 12631 Galveston Court	Prince William Co.	18,955	1,498,275	247,729	1,250,546	729,452	521,094	296,028	225,066	82,035	143,032	26.1
36 8038 Crescent Park Dr.	Prince William Co.	17,576	1,275,894	113,133	1,162,761	680,347	482,414	133,612	348,802	76,276	272,526	30.2
39 10410 Bristow Center Dr.	Prince William Co.	24,067	1,865,510	306,630	1,558,879	911,695	647,184	326,122	321,062	102,261	218,801	28.2
40 2000 Dulles Retail Plz.	Loudoun Co.	15,363	1,431,570	235,967	1,195,603	697,313	498,291	292,364	205,927	78,431	127,497	25.4
41 12950 Highland Crossing Dr.	Fairfax Co.	14,131	1,316,757	217,613	1,099,144	641,742	457,403	327,872	129,531	72,103	57,428	20.9
42 7702 Richmond Hwy.	Alexandria City	24,903	1,915,915	314,966	1,600,949	933,137	667,812	296,549	371,263	105,021	266,242	30.3
45 8428 Old Keene Mill Rd.	Fairfax Co.	26,069	2,013,272	331,927	1,681,345	979,979	701,366	310,381	390,985	110,295	280,690	30.4
49 881 N. Quincy St.	Arlington Co.	42,330	3,637,122	597,710	3,039,413	1,771,694	1,267,719	417,552	850,167	199,383	650,784	34.3
54 42015 Village Center Plz.	Loudoun Co.	22,800	1,954,376	321,963	1,632,413	952,804	679,609	298,257	381,352	107,085	274,267	30.5
55 9528 Liberia Ave.	Manassas City	30,695	2,413,910	398,172	2,015,738	1,177,177	838,561	302,280	536,282	132,231	404,051	33.2
61 22300 Sterling Blvd.	Loudoun Co.	24,607	1,920,359	317,854	1,602,505	935,494	667,011	299,740	367,271	105,123	262,148	30.2
63 8951 Ox Rd.	Fairfax Co.	16,020	1,276,475	210,289	1,066,186	623,641	442,545	296,456	146,089	69,941	76,148	22.4
73 43150 Broadlands Shp. Ctr. Plz.	Loudoun Co.	25,116	2,190,865	360,821	1,830,044	1,067,030	763,013	289,130	473,884	120,049	353,834	32.6
76 1212 W. Broad St.	Falls Church City	22,274	1,900,552	312,457	1,588,095	926,059	662,036	346,870	315,167	104,178	210,989	27.5
78 5331 Merchants View Square	Prince William Co.	18,043	1,456,859	239,479	1,217,381	711,653	505,727	265,775	239,952	79,859	160,093	27.4
80 6203 Little River Tnpk.	Alexandria City	25,381	2,123,168	349,663	1,773,505	1,033,761	739,745	345,084	394,661	116,340	278,320	29.6
81 6230-J N. Kings Hwy.	Alexandria City	26,737	2,160,101	355,706	1,804,396	1,050,975	753,421	281,826	471,595	118,367	353,228	32.8
82 46930 Cedar Lakes Plz.	Fairfax Co.	40,859	3,471,777	570,299	2,901,478	1,695,135	1,206,344	470,377	785,967	190,334	595,632	33.6
83 7263 Arlington Blvd.	Fairfax Co.	16,215	1,372,382	226,419	1,145,962	669,614	476,348	285,730	190,618	75,174	115,444	24.9
84 13053 E. Jackson Hwy.	Fairfax Co.	22,574	1,865,072	307,195	1,557,878	908,761	649,117	283,304	365,814	102,195	263,618	30.6
85 2930 Chain Bridge Rd.	Fairfax Co.	27,368	2,277,148	374,432	1,902,716	1,114,653	788,063	338,309	449,754	124,817	324,938	30.7
90 12965 Fair Lakes Shp. Ctr.	Fairfax Co.	31,069	2,647,512	434,288	2,213,224	1,289,598	923,626	362,508	561,118	145,186	415,933	32.1
93 6124 Rose Hill Dr.	Fairfax Co.	17,088	1,344,099	221,675	1,122,424	656,264	466,160	221,763	244,397	73,630	170,767	29.2
99 601 Post Dr.	Herdon City	30,602	2,685,160	443,890	2,241,270	1,308,830	932,440	395,888	536,551	147,025	389,526	31.0
109 1731 Wilson Blvd.	Arlington Co.	30,656	2,781,577	455,131	2,326,446	1,359,357	967,088	370,196	596,892	152,613	444,279	32.3
111 5722 Union Mill Rd.	Fairfax Co.	31,407	2,594,699	426,904	2,167,795	1,261,999	905,796	361,972	543,823	142,205	401,618	31.9
119 901 N. Saint Asaph St.	Alexandria City	47,862	4,320,950	711,959	3,608,990	2,106,091	1,502,899	326,750	1,176,149	236,747	939,402	38.2

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (3) Store expenses include miscellaneous revenue and net cash averages.
 (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores. (4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2011

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
120	5926 Kingstowne Ctr. Fairfax Co.	35,328	3,117,494	512,557	2,604,937	1,520,721	1,084,216	347,698	736,518	170,882	565,637	34.6
127	13300 Franklin Farm Rd. Fairfax Co.	14,505	1,173,943	193,341	980,602	571,707	408,894	233,204	175,691	64,327	111,364	26.0
131	Bradlick Shp. Ctr. Fairfax Co.	25,025	1,956,537	323,479	1,633,058	948,715	684,343	304,462	379,880	107,127	272,753	30.5
133	9130 Mathis Ave. Manassas City	35,460	2,675,637	440,659	2,234,978	1,304,519	930,459	360,534	569,925	146,613	423,313	32.3
136	18 Fairfax St., S.E. Loudoun Co.	36,796	2,928,110	482,828	2,445,282	1,428,026	1,017,256	341,489	675,788	160,408	515,359	34.1
166	210 Fort Evans Rd. Loudoun Co.	38,726	3,292,201	542,289	2,749,912	1,607,378	1,142,534	335,261	807,273	180,392	626,881	35.5
168	1001 N. Fillmore St. Arlington Co.	23,279	2,094,131	343,096	1,751,035	1,020,079	730,956	296,298	434,658	114,866	319,791	31.7
170	1238 Elden St. Fairfax Co.	29,160	2,442,456	403,714	2,038,742	1,190,470	848,272	321,742	526,529	133,740	392,790	32.6
181	106 Washington St. Loudoun Co.	7,073	622,172	101,890	520,281	303,551	216,730	118,135	98,595	34,130	64,465	26.7
203	3678 King St. Alexandria City	32,953	2,813,324	464,266	2,349,058	1,369,731	979,328	388,804	590,524	154,096	436,428	32.0
208	44110 Ashburn Village Shp. Ctr. Loudoun Co.	22,346	1,861,356	306,572	1,554,784	909,660	645,124	277,929	367,196	101,992	265,203	30.7
210	11160 S. Lakes Dr. Fairfax Co.	26,385	2,293,752	377,725	1,916,027	1,117,179	798,848	300,611	498,237	125,690	372,547	32.7
212	167 Hillwood Ave. Falls Church City	14,717	1,141,727	188,254	953,473	557,244	396,229	267,241	128,988	62,547	66,441	22.3
215	320 23rd St., S. Arlington Co.	22,893	2,118,198	346,053	1,772,145	1,034,804	737,341	318,530	418,811	116,251	302,560	30.6
219	8338 Leesburg Pike Fairfax Co.	68,539	6,962,528	1,149,641	5,812,887	3,398,615	2,414,272	1,079,622	1,334,650	381,320	953,330	30.2
224	13944 Lee Jackson Hwy. Fairfax Co.	40,336	3,310,754	545,545	2,765,209	1,617,964	1,147,245	376,001	771,244	181,395	589,848	34.3
228	1524 Belle View Blvd. Fairfax Co.	33,033	2,846,072	463,776	2,382,296	1,390,009	992,287	340,228	652,059	156,277	495,782	33.7
231	436 E. Maple Ave. Fairfax Co.	33,751	2,792,731	457,165	2,335,566	1,366,153	969,413	409,114	560,299	153,211	407,088	30.9
234	9574 Old Keene Mill Rd. Fairfax Co.	24,638	1,866,932	308,149	1,558,782	909,027	649,755	314,299	335,456	102,255	233,201	29.0
235	8628 Richmond Hwy. Fairfax Co.	27,090	2,147,642	353,702	1,793,940	1,048,906	745,034	441,451	303,583	117,681	185,903	25.1
236	7200 Little River Tnpk., E. Fairfax Co.	33,928	2,529,460	417,455	2,112,005	1,224,020	887,986	265,521	622,465	138,546	483,919	35.6
241	11260 James Swart Circle Fairfax Co.	44,117	3,760,574	620,334	3,140,240	1,830,416	1,309,820	430,183	879,637	205,997	673,640	34.4
248	4709 Lee Hwy. Arlington Co.	30,768	2,584,415	424,167	2,160,248	1,262,162	898,086	409,608	488,478	141,710	346,767	29.8
260	6198 Arlington Blvd. Fairfax Co.	23,344	1,894,656	312,259	1,582,396	922,710	659,686	311,868	347,818	103,804	244,014	29.4
264	16661 Rivers Ridge Blvd. Prince William Co.	28,241	2,266,811	374,578	1,892,233	1,103,540	780,693	269,136	519,557	124,129	395,428	34.0
267	1446 Chain Bridge Rd. Fairfax Co.	43,495	3,945,325	649,232	3,296,093	1,925,880	1,370,213	405,226	964,987	216,221	748,766	35.4
268	6400 Springfield Plz. Fairfax Co.	47,220	3,827,903	631,951	3,195,952	1,866,851	1,329,101	428,954	900,147	209,652	690,495	34.5
271	13588 Jefferson Davis Hwy. Prince William Co.	47,400	3,834,858	634,202	3,200,656	1,868,360	1,332,296	425,056	907,240	209,960	697,280	34.7
273	9421 Lorton Market St. Fairfax Co.	22,855	1,866,580	307,868	1,558,711	908,689	650,022	256,527	393,495	102,250	291,245	32.1
286	7555 New Linton Hall Rd. Prince William Co.	35,435	2,828,290	465,781	2,362,509	1,380,184	982,326	313,403	668,922	154,979	513,944	34.6
294	3556-E S. Jefferson St. Fairfax Co.	47,665	4,124,386	677,997	3,446,389	2,010,404	1,435,985	562,133	873,851	226,080	647,771	32.1
295	8095 Sudley Rd. Prince William Co.	56,041	4,375,547	721,379	3,654,168	2,131,642	1,522,526	550,967	971,558	239,710	731,848	33.2
297	4607 Duke St. Alexandria City	26,923	2,273,144	375,147	1,897,997	1,104,632	793,365	311,337	482,028	124,507	357,521	32.2
301	4292 Merchants Plz. Prince William Co.	46,621	3,659,894	602,564	3,057,331	1,784,484	1,272,847	402,657	870,190	200,558	669,632	34.8
316	4108 Fortuna Village Ctr. Prince William Co.	27,118	2,199,553	362,454	1,837,098	1,072,791	764,307	326,749	437,558	120,512	317,046	30.9
317	9600 Main St. Fairfax City	35,007	2,713,170	447,368	2,265,802	1,320,238	945,564	336,383	609,181	148,635	460,546	33.5
319	2435 N. Hamilton St. Arlington Co.	23,179	1,975,884	324,181	1,651,703	963,293	688,410	334,929	353,480	108,350	245,130	28.8
322	14151 Germantown Dr. Fairfax Co.	43,145	3,431,247	566,614	2,864,633	1,666,393	1,198,240	491,859	706,381	187,917	518,464	31.6
323	609-O E. Main St. Loudoun Co.	26,456	2,073,176	340,795	1,732,380	1,010,951	721,429	268,079	453,351	113,643	339,708	32.8
346	8105 Lee Hwy. Fairfax Co.	31,635	2,627,268	430,971	2,196,297	1,283,026	913,271	324,543	588,728	144,075	444,653	33.3
352	2555 John Milton Dr. Fairfax Co.	20,254	1,663,177	274,013	1,389,164	811,873	577,290	247,292	329,998	91,128	238,870	30.8
353	4255 Chesley Plz. Prince William Co.	56,945	4,485,764	740,943	3,744,821	2,187,403	1,557,518	509,949	1,047,568	245,664	801,905	34.4
357	1454 N. Point Village Shp. Ctr. Fairfax Co.	37,250	3,385,914	556,494	2,829,419	1,652,000	1,177,420	368,632	808,787	185,607	623,180	34.8
358	4312 Wheeler Ave. Arlington Co.	64,386	5,708,874	946,876	4,761,998	2,776,726	1,985,272	356,904	1,628,368	312,383	1,315,985	39.6
362	100 Edds Lane Loudoun Co.	32,069	2,638,283	433,414	2,204,869	1,288,659	916,210	336,671	579,539	144,637	434,901	32.9
367	20070 Ashbrook Commons Plz. Loudoun Co.	16,181	1,401,372	231,002	1,170,370	685,199	485,170	326,478	158,693	76,775	81,918	22.3
368	10308 Willard Way Fairfax Co.	26,620	1,951,431	321,273	1,630,158	951,317	678,841	320,218	358,624	106,937	251,687	29.4
369	6343-A Columbia Pike Falls Church City	26,635	2,056,623	340,246	1,716,377	991,237	725,140	301,865	423,275	112,593	310,682	31.7
371	5739 Burke Centre Pkwy. Fairfax Co.	30,670	2,390,096	393,978	1,996,118	1,166,520	829,599	269,295	560,303	130,944	429,360	34.4

(continued)

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ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2011

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
372 3161 Duke St.	Alexandria City	22,489	1,901,988	314,049	1,587,939	925,612	662,326	292,392	369,935	104,167	265,767	30.5
374 2955-A S. Glebe Rd.	Arlington Co.	51,995	4,323,415	714,454	3,608,961	2,104,383	1,504,578	395,360	1,109,218	236,745	872,473	36.7
Northern Virginia		2,388,885	\$198,868,126	\$32,662,913	\$166,205,212	\$96,990,307	\$69,214,905	\$26,815,525	\$42,399,380	\$10,902,917	\$31,496,463	32.3
37 15149 Montanus Dr.	Culpeper Co.	22,776	1,593,436	263,014	1,330,421	776,484	553,937	218,076	335,861	87,274	248,586	32.1
51 265 Turkey Sag Trail	Fluvanna Co.	17,058	1,116,373	183,371	933,002	545,464	387,538	136,350	251,188	61,204	189,984	33.4
66 11083-E Marsh Rd.	Fauquier Co.	18,082	1,189,840	196,064	993,776	580,986	412,789	211,795	200,994	65,191	135,804	27.9
72 5309 A Lyndon Dr.	Orange Co.	24,320	1,565,184	257,535	1,307,649	762,925	544,724	189,516	355,208	85,781	269,428	33.7
88 4199-B Winchester Rd.	Fauquier Co.	14,089	987,957	163,213	824,744	481,097	343,647	140,395	203,252	54,103	149,149	31.6
163 583 N. Madison Rd.	Orange Co.	14,662	931,080	154,129	776,951	452,230	324,721	147,570	177,151	50,967	126,184	30.1
227 S. Main St.	Orange Co.	8,725	554,383	91,214	463,169	270,253	192,916	100,624	92,292	30,383	61,909	27.6
274 28 Madison Plaza Dr.	Madison Co.	9,655	611,995	100,740	511,254	298,034	213,220	139,771	73,450	33,538	39,912	23.0
303 175 Lee Hwy.	Fauquier Co.	51,202	3,744,729	613,959	3,130,769	1,829,413	1,301,356	404,289	897,067	205,376	691,692	34.9
329 185 Southgate Shp. Ctr.	Culpeper Co.	24,473	1,635,451	269,790	1,365,662	796,499	569,163	244,925	324,238	89,586	234,652	30.8
Warrenton/Culpeper		205,042	\$13,930,426	\$2,293,029	\$11,637,397	\$6,793,386	\$4,844,011	\$1,933,310	\$2,910,702	\$763,403	\$2,147,299	31.9
46 183 Community St.	Charlottesville City	21,443	1,643,968	269,849	1,374,119	802,587	571,531	183,866	387,665	90,141	297,524	34.5
50 325 Four Leaf Lane, Ste. 3	Albemarle Co.	7,504	556,694	91,720	464,974	271,405	193,569	107,914	85,655	30,502	55,153	26.4
70 8875 Seminole Trail	Greene Co.	15,510	1,001,094	164,774	836,319	487,338	348,981	163,815	185,166	54,862	130,304	29.5
125 304 Pantops Ctr.	Albemarle Co.	35,098	2,461,873	405,638	2,056,235	1,198,866	857,369	247,764	609,605	134,887	474,718	35.8
126 2819 Rockfish Valley Hwy.	Nelson Co.	8,373	605,935	98,453	507,482	297,478	210,004	114,067	95,937	33,290	62,647	26.6
138 Rts. 22 and 23	Louisa Co.	25,475	1,543,545	254,044	1,289,504	750,867	538,638	164,356	374,282	84,590	289,691	35.2
185 500 W. Main St.	Charlottesville City	37,159	2,772,834	458,809	2,314,025	1,346,210	967,815	270,715	697,099	151,798	545,301	36.2
189 138 Scottsville Village Square	Albemarle Co.	9,075	567,131	93,811	473,320	275,357	197,963	95,715	102,248	31,049	71,199	29.1
202 1902 Emmet St.	Charlottesville City	61,257	4,753,991	785,327	3,968,664	2,312,397	1,656,267	422,036	1,234,231	260,341	973,890	37.0
253 1169 Emmet St.	Charlottesville City	53,850	3,858,739	635,055	3,223,684	1,884,019	1,339,665	379,545	960,120	211,471	748,649	35.9
321 77 Callonhill Dr.	Nelson Co.	10,435	640,852	106,093	534,759	311,837	222,922	129,681	93,241	35,080	58,161	25.6
359 1653 Seminole Trail	Albemarle Co.	19,931	1,434,500	235,604	1,198,896	699,963	498,933	324,043	174,890	78,647	96,243	23.1
Charlottesville		305,110	\$21,841,155	\$3,599,175	\$18,241,980	\$10,636,323	\$7,603,657	\$2,603,518	\$5,000,140	\$1,196,658	\$3,803,482	33.9
117 309 Twelfth St.	Lynchburg City	36,018	2,243,446	372,721	1,870,726	1,087,608	783,118	190,240	592,878	122,718	470,160	37.6
160 1128 E. Lynchburg Salem Tmpk.	Bedford City	24,134	1,480,870	244,913	1,235,956	720,485	515,471	188,097	327,374	81,078	246,296	33.2
176 Highways 501 & 40, S.	Campbell Co.	8,443	481,278	79,819	401,459	233,408	168,052	126,519	41,533	26,335	15,198	19.7
262 20401 Timberlake Rd.	Campbell Co.	37,083	2,339,330	386,264	1,953,066	1,138,581	814,485	212,021	602,463	128,119	474,344	36.8
266 2118 Wards Rd.	Lynchburg City	40,250	2,513,294	415,864	2,097,430	1,220,738	876,692	272,608	604,084	137,590	466,494	35.1
279 18013 Forest Rd.	Bedford Co.	35,934	2,338,966	386,058	1,952,907	1,137,507	815,400	234,085	581,315	128,109	453,206	35.9
281 216 Amelon Square Plz.	Amherst Co.	24,970	1,535,841	254,105	1,281,737	746,631	535,106	200,200	334,906	84,081	250,825	32.9
285 199 Ambriar Shp. Ctr.	Amherst Co.	10,391	636,321	104,696	531,625	309,256	222,370	142,670	79,700	34,874	44,826	23.5
287 4925 Boonsboro Rd.	Lynchburg City	21,664	1,498,278	247,243	1,251,035	731,340	519,696	213,234	306,462	82,067	224,395	31.5
347 1301-I N. Main St.	Campbell Co.	18,331	1,108,273	182,903	925,370	538,203	387,168	155,276	231,891	60,703	171,188	31.9
354 U.S. Rt. 460 W.	Appomattox Co.	16,035	934,031	154,986	779,045	452,926	326,119	149,876	176,243	51,105	125,138	30.0
Lynchburg		273,254	\$17,109,928	\$2,829,571	\$14,280,357	\$8,316,683	\$5,963,674	\$2,084,825	\$3,878,849	\$936,779	\$2,942,070	33.7
132 2777 Greenboro Rd.	Henry Co.	21,301	1,258,781	208,414	1,050,367	611,057	439,310	153,663	285,647	68,903	216,744	33.8
146 639 W. Main St.	Danville City	20,332	1,223,476	202,407	1,021,069	594,085	426,983	219,522	207,461	66,981	140,480	28.0
154 235 N. Union St.	Danville City	11,670	648,362	107,451	540,911	315,274	225,636	119,709	105,928	35,483	70,444	27.4
191 942 Tanyard Rd.	Franklin Co.	30,611	1,812,683	299,445	1,513,238	880,976	632,262	220,662	411,600	99,267	312,333	33.7
213 12990 B. T. Washington Hwy.	Franklin Co.	34,088	2,198,829	362,908	1,835,921	1,073,478	762,442	243,859	518,584	120,435	398,149	34.6
276 221 Nor-Dan Dr.	Danville City	28,517	1,855,762	306,901	1,548,860	899,949	648,911	193,852	455,059	101,604	353,455	35.6
277 985 Fayette Park Hwy.	Henry Co.	21,398	1,165,138	192,764	972,374	564,980	407,394	158,792	248,602	63,787	184,815	32.4

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (3) Store expenses include miscellaneous revenue and net cash overages. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores. (4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales. (continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2011

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
283 Tightsqueeze Plz.	Pittsylvania Co.	12,699	740,323	122,374	617,949	359,548	258,401	142,797	115,604	40,537	75,067	26.7
291 243 W. Commonwealth Blvd.	Martinsville City	31,865	2,009,307	332,482	1,676,825	975,630	701,195	246,919	454,276	109,998	344,278	33.7
324 301 S. Main St.	Patrick Co.	10,500	622,584	103,122	519,462	302,417	217,045	80,855	136,189	34,076	102,113	33.0
373 3308 Riverside Dr.	Danville City	25,371	1,642,418	271,279	1,371,139	798,184	572,955	234,353	338,602	89,946	248,657	31.7
Danville/Martinsville		248,351	\$15,177,661	\$2,509,547	\$12,668,114	\$7,375,580	\$5,292,534	\$2,014,982	\$3,277,552	\$831,017	\$2,446,535	32.7
59 3136 Halifax Rd.	South Boston	37,030	2,212,016	366,067	1,845,949	1,075,171	770,778	313,562	457,216	121,093	336,123	31.7
143 812 E. Atlantic St.	Mecklenburg Co.	35,422	2,149,733	356,481	1,793,252	1,044,394	748,858	198,936	549,922	117,636	432,286	36.7
157 302 New Hicks St.	Brunswick Co.	11,022	613,572	102,045	511,527	297,798	213,729	90,882	122,848	33,556	89,292	31.2
172 112 N. Main St.	Mecklenburg Co.	10,671	566,882	94,252	472,630	274,309	198,321	122,052	76,269	31,004	45,265	24.6
214 608 Virginia Ave.	Mecklenburg Co.	13,310	797,360	132,152	665,207	387,437	277,771	103,088	174,682	43,637	131,045	33.0
South Boston		107,454	\$6,339,562	\$1,050,996	\$5,288,566	\$3,079,109	\$2,209,457	\$828,520	\$1,380,937	\$346,925	\$1,034,012	32.9
152 1506 S. Main St.	Prince Edward Co.	43,555	2,670,834	442,231	2,228,603	1,296,738	931,866	254,658	677,208	146,194	531,014	36.4
161 501 F Main St.	Lunenburg Co.	9,169	484,813	80,607	404,206	234,778	169,429	114,562	54,867	26,516	28,351	22.5
164 1618 W. Virginia Ave.	Nottoway Co.	10,086	578,793	96,144	482,650	280,646	202,003	118,294	83,710	31,661	52,048	25.6
178 974 Main St.	Buckingham Co.	10,034	587,661	97,722	489,939	284,473	205,466	111,653	93,813	32,140	61,674	27.1
196 4875 Main St.	Charlotte Co.	6,293	351,195	58,069	293,126	170,322	122,805	70,719	52,085	19,229	32,856	25.9
275 1527 S. Main St.	Nottoway Co.	16,382	958,381	159,225	799,156	464,600	334,556	171,208	163,347	52,424	110,924	28.2
351 15127 Patrick Henry Hwy.	Amelia Co.	9,889	567,425	94,232	473,194	274,678	198,516	83,980	114,536	31,041	83,495	31.3
Farmville		105,406	\$6,199,103	\$1,028,229	\$5,170,874	\$3,006,234	\$2,164,640	\$925,073	\$1,239,567	\$339,205	\$900,362	31.1
38 2501 New Kent Hwy.	New Kent Co.	23,607	1,546,169	254,589	1,291,580	753,513	538,066	187,597	350,470	84,727	265,743	33.7
77 1800 S. Creek Dr.	Powhatan Co.	13,358	855,903	141,683	714,219	417,551	296,668	118,247	178,422	46,852	131,570	31.9
86 2610 Buford Rd.	Richmond City	27,491	1,993,967	327,765	1,666,202	973,874	692,328	229,593	462,735	109,301	353,433	34.2
89 34-A Broad Street Rd.	Goochland Co.	19,396	1,390,694	229,156	1,161,538	679,069	482,469	160,445	322,024	76,196	245,828	34.2
97 6504 Hull St.	Richmond City	36,750	2,618,490	432,618	2,185,872	1,273,422	912,450	281,709	630,740	143,391	487,349	35.1
101 3100-A W. Broad St.	Richmond City	43,097	3,078,488	508,355	2,570,133	1,496,525	1,073,608	370,169	703,439	168,598	534,841	33.9
102 1901 W. Main St.	Richmond City	20,126	1,368,561	226,432	1,142,129	665,313	476,816	227,803	249,013	74,923	174,090	29.3
104 7028 Woodlake Commons	Chesterfield Co.	32,671	2,321,654	381,583	1,940,072	1,130,821	809,250	275,085	534,165	127,267	406,898	34.0
108 10242 Staples Mill Rd.	Henrico Co.	21,943	1,532,003	251,060	1,280,944	748,578	532,366	213,580	318,786	84,029	234,757	31.7
116 12635 Jefferson Davis Hwy.	Chesterfield Co.	52,817	3,662,890	602,620	3,060,271	1,783,035	1,277,236	350,815	926,421	200,751	725,670	36.3
150 5654 Brook Rd.	Henrico Co.	23,736	1,583,394	261,859	1,321,535	769,210	552,326	236,357	319,968	86,692	229,277	31.0
169 10 N. Thompson St.	Richmond City	79,064	6,109,361	998,651	5,110,709	2,974,098	2,136,612	377,935	1,758,676	335,258	1,423,418	39.6
171 8700 W. Broad St.	Henrico Co.	37,242	2,822,289	466,630	2,355,660	1,375,072	980,588	286,193	694,394	154,529	539,865	35.7
180 2026 E. Main St.	Richmond City	35	3,249	532	2,717	1,584	1,133	11,522	(10,390)	178	(10,568)	(308.9)
182 1217 W. Broad St.	Richmond City	18,869	1,212,402	200,728	1,011,674	588,938	422,736	199,286	223,449	66,365	157,085	29.5
187 2421 Venable St.	Richmond City	26,191	1,582,775	263,257	1,319,518	757,241	562,277	178,225	384,052	86,559	297,493	35.4
190 13121 Rittenhouse Dr.	Chesterfield Co.	40,731	2,940,175	483,816	2,456,358	1,432,295	1,024,064	278,339	745,724	161,135	584,589	36.3
205 2288 John Rolfe Pkwy.	Henrico Co.	15,322	1,079,717	177,822	901,895	526,149	375,746	168,146	207,600	59,164	148,436	30.2
207 10106 Brook Rd.	Henrico Co.	31,789	2,467,354	404,042	2,063,313	1,202,042	861,270	257,549	603,721	135,352	468,370	35.4
242 1601 Willow Lawn Dr.	Henrico Co.	33,934	2,500,299	411,933	2,088,366	1,218,780	869,586	275,155	594,431	136,995	457,436	34.8
243 209 N. Washington Hwy.	Hanover Co.	33,812	2,153,239	355,011	1,798,228	1,049,783	748,446	220,296	528,150	117,962	410,188	35.5
247 9685 W. Broad St.	Henrico Co.	23,747	1,710,824	281,758	1,429,066	832,610	596,456	256,130	340,326	93,745	246,580	30.9
251 2924 North Ave.	Richmond City	13,256	788,156	131,039	657,117	380,099	277,018	123,220	153,798	43,106	110,692	30.7
252 618 W. Southside Plz.	Richmond City	44,949	3,013,754	500,314	2,513,436	1,459,847	1,053,589	265,430	788,160	164,879	623,280	37.3
254 7015 Three Chopt Rd.	Richmond City	27,182	1,953,423	321,113	1,632,310	954,778	677,532	269,913	407,619	107,078	300,541	31.8
270 809 E. Parham Rd.	Henrico Co.	35,113	2,332,377	385,616	1,946,761	1,134,203	812,558	296,773	515,785	127,706	388,079	33.2
284 14229 Midlothian Tnpk.	Chesterfield Co.	32,714	2,329,877	384,155	1,945,722	1,135,998	809,724	289,348	520,376	127,638	392,739	33.3
292 1521 Parham Rd.	Henrico Co.	27,410	1,982,972	326,768	1,656,203	965,994	690,209	245,258	444,952	108,645	336,306	33.4

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(2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores. (4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2011

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
300 9502 Chamberlayne Rd.	Hanover Co.	24,390	1,614,276	266,821	1,347,455	785,666	561,789	213,620	348,169	88,392	259,777	32.6
304 2734 Fairground Rd.	Goochland Co.	13,823	903,014	149,320	753,694	439,377	314,317	142,034	172,284	49,442	122,842	30.1
305 3910 Mechanicsville TnPk.	Henrico Co.	27,971	1,892,145	314,198	1,577,946	916,165	661,782	278,650	383,131	103,512	279,619	31.4
308 11252 Patterson Ave.	Henrico Co.	11,666	841,658	138,986	702,672	410,861	291,811	146,430	145,382	46,095	99,287	28.3
314 4320 S. Laburnum Ave.	Henrico Co.	69,194	4,075,155	819,055	4,156,101	2,419,461	1,736,640	414,349	1,322,291	272,637	1,049,655	37.6
315 7048 Commons Plz.	Chesterfield Co.	30,255	2,079,849	343,904	1,735,945	1,011,905	724,040	260,397	463,644	113,876	349,767	33.4
326 2105 Academy Rd.	Powhatan Co.	15,177	965,654	159,873	805,781	470,051	335,729	151,268	184,461	52,859	131,603	30.2
330 5722 Hopkins Rd.	Chesterfield Co.	33,898	2,285,921	378,190	1,907,731	1,111,051	796,680	223,393	573,287	125,145	448,141	36.1
331 3406 Pump Rd.	Henrico Co.	52,986	4,317,233	710,639	3,606,594	2,104,810	1,501,785	363,750	1,136,035	236,589	901,446	37.3
332 4018 Glenside Dr.	Henrico Co.	16,801	1,016,908	167,344	849,564	495,070	354,495	168,207	186,288	55,731	130,558	29.3
334 7057 Mechanicsville TnPk.	Hanover Co.	37,284	2,481,582	409,402	2,072,181	1,209,503	862,678	257,572	605,106	135,933	469,172	35.4
348 7036 Forest Hill Ave.	Richmond City	42,874	3,042,391	501,494	2,540,896	1,484,983	1,055,913	323,131	732,782	166,881	566,101	35.1
350 11108 Midlothian TnPk.	Chesterfield Co.	65,544	4,787,722	788,743	3,998,979	2,333,149	1,665,830	343,984	1,321,845	262,330	1,059,516	38.6
360 2301 Hermitage Rd.	Richmond City	75,389	5,792,564	958,800	4,833,764	2,814,461	2,019,304	219,313	1,799,990	317,091	1,482,899	42.2
363 9949 Hull St.	Chesterfield Co.	35,837	2,379,084	393,280	1,985,804	1,157,188	828,616	291,427	537,189	130,267	406,922	33.6
366 1370 Gaskins Rd.	Henrico Co.	28,053	2,099,858	344,457	1,755,400	1,025,893	729,507	324,650	404,857	115,153	289,705	30.2
Richmond		1,417,493	\$100,409,470	\$16,555,413	\$83,854,057	\$48,870,015	\$34,984,042	\$10,772,294	\$24,211,748	\$5,500,753	\$18,710,995	35.1
35 2757 Jefferson Davis Hwy.	Stafford Co.	21,624	1,707,733	378,551	1,329,182	775,633	553,549	320,829	232,720	87,193	145,526	30.7
44 18035 Jefferson Davis Hwy.	Caroline Co.	14,798	968,091	160,095	807,996	469,988	338,007	151,074	186,933	53,004	133,929	30.4
62 1416 Carl D. Silver Pkwy.	Fredericksburg City	35,674	2,863,389	469,678	2,393,712	1,394,378	999,334	301,549	697,784	157,025	540,759	35.3
64 43 Town and Country Dr.	Stafford Co.	20,886	1,465,467	241,783	1,223,684	713,433	510,251	198,301	311,949	87,784	231,677	32.3
74 10857 Tidewater Trail	Fredericksburg City	12,571	847,749	139,790	707,959	413,484	294,475	172,585	121,890	46,442	75,449	25.4
95 10025 Jefferson Davis Hwy.	Fredericksburg City	24,064	1,782,213	291,994	1,490,220	869,321	620,898	249,371	371,527	97,450	273,770	31.7
103 6348 Jefferson Davis Hwy.	Spotsylvania Co.	14,570	938,852	154,844	784,007	456,544	327,463	161,023	166,440	51,430	115,010	28.7
121 5077 William St.	Fredericksburg City	24,672	1,782,286	294,137	1,488,149	869,214	618,935	186,570	432,365	97,621	334,744	35.3
183 560 Celebrate Virginia Pkwy.	Stafford Co.	22,259	1,616,254	266,176	1,350,078	786,790	563,288	233,903	329,384	88,564	240,820	31.4
200 356 Garrisonville Rd.	Stafford Co.	44,021	3,443,585	566,829	2,876,756	1,677,008	1,199,748	332,513	867,235	188,713	678,523	36.2
209 5055 Jefferson Davis Hwy.	Spotsylvania Co.	30,931	2,127,567	351,083	1,776,484	1,037,867	738,617	214,898	523,719	116,536	407,183	35.6
221 15423 Dahlgren Rd.	King George Co.	8,584	600,990	99,365	501,624	292,436	209,189	67,437	141,752	32,906	108,846	34.6
239 320 W. Broadus Ave.	Caroline Co.	6,939	407,547	67,350	340,197	198,140	142,056	91,888	50,169	22,317	27,852	23.4
245 1271 Jefferson Davis Hwy.	Fredericksburg City	19,535	1,327,497	219,561	1,107,936	646,053	461,883	199,079	262,804	72,680	190,125	30.9
313 4189 Plank Rd.	Spotsylvania Co.	36,814	2,587,209	426,291	2,160,919	1,259,957	900,962	284,141	616,821	141,754	475,066	34.8
Fredericksburg		337,943	\$24,466,429	\$4,127,527	\$20,338,902	\$11,860,247	\$8,478,655	\$3,165,162	\$5,313,493	\$1,334,214	\$3,979,279	33.1
130 700 McKinney Blvd.	Westmoreland Co.	10,299	652,170	108,252	543,917	318,699	225,218	115,423	109,795	35,681	74,115	28.0
149 E. Richmond Rd.	Richmond Co.	8,321	485,869	80,519	405,350	236,051	169,298	90,326	78,973	26,591	52,382	27.4
192 101 S. Main St.	Lancaster Co.	39,135	2,429,257	400,732	2,028,525	1,183,986	844,539	317,301	527,238	133,069	394,169	32.7
220 109 East End Place	Westmoreland Co.	6,736	408,598	67,280	341,319	198,818	142,501	68,492	74,009	22,390	51,619	29.1
238 Rt. 360	Northumberland Co.	14,455	823,889	135,738	688,151	400,523	287,628	111,280	176,348	45,142	131,206	32.4
Northern Neck		78,945	\$4,799,783	\$792,521	\$4,007,261	\$2,336,077	\$1,669,184	\$702,821	\$966,363	\$262,873	\$703,491	31.2
32 16273 General Puller Hwy.	Middlesex Co.	14,381	871,745	143,038	728,706	424,957	303,749	64,941	238,808	47,802	191,006	38.3
155 2334 York Crossing Rd.	Gloucester Co.	29,643	1,957,991	323,491	1,634,501	953,200	681,301	232,267	449,034	107,222	341,812	34.0
175 416 14th St.	King William Co.	18,137	1,132,840	186,679	946,161	551,884	394,277	166,313	227,965	62,067	165,897	31.1
179 231 Virginia St.	Middlesex Co.	9,633	569,937	94,264	475,673	279,034	196,639	83,678	112,961	31,204	81,757	30.9
198 Tappahannock Towne Ctr.	Essex Co.	19,573	1,197,189	197,819	999,370	582,220	417,150	149,697	267,453	65,558	201,895	33.4
233 6619 Main St.	Gloucester Co.	23,899	1,510,323	248,864	1,261,459	734,401	527,058	178,229	348,829	82,751	266,078	34.1
257 4915 Tappahannock Hwy.	King William Co.	15,068	919,203	152,097	767,106	447,405	319,701	133,119	186,582	50,321	136,261	31.4

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(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2011

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
333 10972 Buckley Hall	Mathews Co.	14,177	828,866	136,727	692,139	403,658	288,481	150,832	137,649	45,404	92,245	27.6
West Point/Mathews		144,511	\$8,988,093	\$1,482,980	\$7,505,114	\$4,376,759	\$3,128,355	\$1,159,075	\$1,969,280	\$492,329	\$1,476,951	32.9
60 4330 Whitegate Dr.	Dinwiddie Co.	36,172	2,212,773	367,088	1,845,684	1,075,597	770,087	215,145	554,941	121,075	433,866	36.2
114 4575 Whitehill Blvd.	Prince George	22,167	1,651,800	269,974	1,381,826	803,556	578,270	217,376	360,894	90,647	270,248	32.7
118 18 Washington St., W.	Petersburg City	13,656	820,606	136,778	683,829	397,884	285,944	162,881	123,063	44,859	78,205	26.2
144 301-H Market Dr.	Emporia City	26,121	1,567,410	260,043	1,307,367	760,775	546,592	217,474	329,117	85,762	243,355	32.1
151 210 N. Main St.	Hopewell City	17,704	1,043,057	172,804	870,254	506,855	363,399	144,176	219,223	57,088	162,135	32.1
232 3107 Boulevard, Ste. 3	Colonial Heights City	34,954	2,242,561	370,697	1,871,864	1,089,403	782,461	268,676	513,786	122,793	390,993	34.0
240 Rt. 460	Sussex Co.	10,891	633,140	104,631	528,509	308,343	220,166	90,080	130,086	34,670	95,416	31.6
255 3330 S. Crater Rd.	Petersburg City	37,774	2,495,351	413,407	2,081,944	1,212,887	869,057	281,523	587,533	136,574	450,959	34.6
310 5232 Oaklawn Blvd.	Prince George Co.	28,670	1,951,376	323,197	1,628,180	948,416	679,764	218,470	461,294	106,807	354,487	34.7
Petersburg/Hopewell		228,108	\$14,618,075	\$2,418,618	\$12,199,456	\$7,103,717	\$5,095,739	\$1,815,801	\$3,279,938	\$800,274	\$2,479,665	33.5
43 235 Carmichael Way	Chesapeake City	14,160	967,624	159,511	808,113	471,475	336,637	201,017	135,620	53,011	82,609	25.0
53 11409 Windsor Blvd.	Isle of Wight Co.	11,100	665,719	110,227	555,492	323,421	232,072	70,499	161,573	36,440	125,133	35.4
69 1620 Cedar Rd.	Chesapeake City	26,915	1,852,320	305,970	1,546,350	901,405	644,945	240,284	404,661	101,439	303,222	32.9
79 1437 Sam's Dr.	Chesapeake City	37,895	2,725,270	450,802	2,274,467	1,324,512	949,956	291,877	658,079	149,203	508,875	35.2
98 3312 Princess Anne Rd.	Virginia Beach City	13,747	988,143	162,570	825,573	481,030	344,543	233,677	110,866	54,157	56,709	22.2
105 869 Lynnhaven Pkwy.	Virginia Beach City	32,360	2,300,523	378,028	1,922,496	1,118,047	804,449	188,925	615,523	126,114	489,409	37.7
106 2973 Shore Dr.	Virginia Beach City	48,883	3,475,954	572,823	2,903,131	1,695,510	1,207,621	320,637	886,985	190,443	696,542	36.5
107 141 W. Virginia Beach Blvd.	Norfolk City	64,833	4,867,271	807,206	4,060,066	2,365,250	1,694,816	451,035	1,243,781	266,337	977,444	36.7
110 1136 London Blvd.	Portsmouth City	16,703	1,121,688	186,438	935,250	540,884	394,366	187,973	206,393	61,352	145,042	29.6
128 159 W. Ocean View Dr.	Norfolk City	42,611	2,825,362	467,497	2,357,864	1,373,037	984,827	275,789	709,038	154,674	554,364	36.2
129 1615 General Booth Blvd.	Virginia Beach City	34,532	2,370,467	390,742	1,979,725	1,154,357	825,368	242,972	582,397	129,868	452,529	35.6
134 2301 Colley Ave.	Norfolk City	60,581	4,258,424	706,102	3,552,322	2,068,382	1,483,940	342,617	1,141,323	233,029	908,293	37.9
165 550 E. Liberty St.	Chesapeake City	26,765	1,712,432	284,606	1,427,826	830,668	597,159	151,877	445,282	93,664	351,618	37.2
188 4334 Holland Rd.	Virginia Beach City	41,935	2,930,740	483,851	2,446,889	1,425,553	1,021,336	275,792	745,544	160,514	585,030	36.5
211 6350 Town Point Rd.	Suffolk City	24,532	1,793,380	295,352	1,498,028	871,965	626,063	217,881	408,182	98,269	309,913	33.7
216 1100 Armory Dr.	Franklin City	29,049	1,735,376	287,562	1,447,814	843,793	604,021	223,151	380,870	94,975	285,895	33.0
225 405 30th St.	Virginia Beach City	86,806	5,883,884	969,441	4,914,443	2,865,624	2,048,819	470,769	1,578,050	322,383	1,255,667	37.8
226 7862 Tidewater Dr.	Norfolk City	76,526	5,206,411	862,339	4,344,072	2,527,308	1,816,765	459,630	1,357,134	284,967	1,072,167	37.2
237 3812 George Washington Hwy.	Portsmouth City	29,559	1,918,706	318,623	1,600,083	931,758	668,325	262,768	405,557	104,964	300,593	32.3
246 5020 Ferrell Pkwy.	Virginia Beach City	25,604	1,815,049	300,126	1,514,924	881,810	633,114	227,849	405,265	99,378	305,888	33.4
249 2350 E. Little Creek Rd.	Norfolk City	41,788	2,766,209	458,034	2,308,175	1,345,672	962,503	259,125	703,379	151,414	551,965	36.5
256 1612 Laskin Rd.	Virginia Beach City	131,779	9,716,636	1,606,254	8,110,382	4,729,041	3,381,342	550,090	2,831,251	532,034	2,299,217	40.2
263 5900 Virginia Beach Blvd.	Norfolk City	59,775	4,328,937	717,060	3,611,877	2,101,715	1,510,161	388,636	1,121,526	236,936	884,590	37.0
278 3333 Virginia Beach Blvd.	Virginia Beach City	79,787	5,803,670	957,311	4,846,358	2,828,369	2,017,990	412,585	1,605,405	317,917	1,287,488	38.7
280 1103 S. Military Hwy.	Chesapeake City	79,674	5,725,832	946,018	4,779,813	2,783,286	1,996,528	399,005	1,597,523	313,552	1,283,972	38.9
288 5748 Churchland Blvd.	Portsmouth City	34,895	2,401,201	397,256	2,003,944	1,166,152	837,793	274,245	563,548	131,457	432,091	34.5
298 821 W. Constance Rd.	Suffolk City	35,270	2,047,716	340,017	1,707,698	995,545	712,153	200,711	511,441	123,067	399,418	36.1
299 1917 S. Church St.	Isle of Wight Co.	35,127	2,264,812	375,049	1,889,764	1,102,166	787,597	240,355	547,242	123,967	423,275	35.2
306 2085 Lynnhaven Pkwy.	Virginia Beach City	42,706	3,086,626	509,338	2,577,289	1,499,496	1,077,792	291,779	786,013	169,068	616,945	36.5
307 957 & 959 Providence Sq. Ctr.	Virginia Beach City	32,326	2,168,227	357,562	1,810,665	1,055,042	755,623	272,390	483,233	118,778	364,455	33.3
311 4020 Victory Blvd.	Portsmouth City	35,627	2,459,034	407,610	2,051,424	1,194,134	857,290	295,084	562,206	134,572	427,634	34.0
312 2815 Gov. Godwin Blvd.	Suffolk City	27,246	1,855,508	306,573	1,548,935	902,359	646,576	270,174	376,401	101,609	274,793	31.3
325 22718 Main St.	Southampton Co.	7,540	413,420	68,650	344,770	202,029	142,741	68,267	74,474	22,617	51,857	29.1
328 836 Eden Way Lane	Chesapeake City	35,538	2,667,301	441,485	2,225,816	1,299,157	926,659	276,954	649,705	146,012	503,693	35.4
336 1067 Independence Blvd.	Virginia Beach City	65,557	4,531,514	748,227	3,783,287	2,206,482	1,576,805	412,727	1,164,078	248,180	915,898	36.7
349 237 S. Battlefield Blvd.	Chesapeake City	38,015	2,636,198	435,992	2,200,207	1,285,751	914,456	280,043	634,413	144,332	490,081	35.1

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores. (3) Store expenses include miscellaneous revenue and net cash overages. (4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales.

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2011

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
355 4300 Portsmouth Blvd.	Chesapeake City	40,165	2,808,904	463,355	2,345,549	1,365,840	979,709	292,429	687,280	153,866	533,414	35.5
361 812 Airline Blvd.	Portsmouth City	43,816	3,065,596	508,420	2,557,177	1,488,887	1,068,290	318,594	749,696	167,749	581,948	35.6
370 1169 Nimmo Pkwy.	Virginia Beach City	44,218	3,070,864	504,074	2,566,790	1,496,576	1,070,214	268,938	801,275	168,379	632,896	37.0
Norfolk/Virginia Beach		1,655,945	\$115,232,947	\$19,048,098	\$96,184,849	\$56,043,487	\$40,141,363	\$11,109,150	\$23,032,213	\$6,309,642	\$22,722,571	36.2
48 6610-I Mooretown Rd.	York Co.	31,854	2,084,969	344,132	1,740,837	1,014,846	725,991	241,354	484,637	114,197	370,439	34.3
92 227 Fox Hill Rd.	Hampton City	18,134	1,253,588	206,829	1,046,758	609,784	436,974	207,214	229,760	68,666	161,094	29.3
112 61 N. Mallory St.	Hampton City	25,272	1,805,282	298,525	1,506,756	783,192	628,565	313,706	314,859	98,842	216,017	28.5
148 4640-3 Monticello Ave.	James City Co.	57,029	4,300,233	703,508	3,596,726	2,098,543	1,498,182	399,275	1,099,907	235,942	862,965	36.4
158 3214 Jefferson Ave.	Newport News City	26,572	1,703,824	281,427	1,422,396	818,209	604,187	260,905	343,281	93,308	249,973	31.2
217 619 Pilot House Dr.	Newport News City	35,672	2,639,560	437,516	2,202,045	1,283,791	918,253	248,693	669,561	144,452	525,109	36.5
222 209 Village Ave.	York Co.	38,190	2,850,851	468,900	2,381,951	1,390,952	990,999	262,819	728,180	156,254	571,926	36.5
244 4909 W. Mercury Blvd.	Hampton City	50,042	3,485,879	577,909	2,907,970	1,688,202	1,219,768	228,695	991,073	190,760	800,312	39.5
250 2078 Nickerson Blvd.	Hampton City	22,677	1,520,475	251,169	1,269,307	739,614	529,692	226,096	303,597	83,265	220,331	31.0
258 3831 Kecoughtan Rd.	Hampton City	29,049	1,927,266	319,207	1,608,059	935,202	672,857	228,127	444,730	105,487	339,243	34.2
265 20 Towne Centre Way	Hampton City	22,893	1,698,310	280,401	1,417,909	826,915	590,994	217,405	373,589	93,014	280,575	33.0
272 55 Hidenwood Shp. Ctr.	Newport News City	21,353	1,481,771	244,952	1,236,819	721,618	515,201	191,418	323,783	81,134	242,648	32.9
282 2400 Cunningham Dr.	Hampton City	66,978	5,307,447	872,584	4,434,863	2,577,123	1,857,740	472,308	1,385,432	290,923	1,094,509	37.1
290 5226 George Washington Hwy.	York Co.	27,422	1,815,574	299,887	1,515,687	884,835	630,852	223,752	407,099	99,428	307,672	33.5
320 1246 Richmond Rd.	Williamsburg City	30,543	2,079,523	341,382	1,738,141	1,013,368	724,773	245,431	479,342	114,021	365,322	34.0
335 801 F Merrimac Trail	York Co.	33,220	2,373,766	392,593	1,981,173	1,154,908	826,265	262,652	563,614	129,963	433,650	34.8
340 309-A Oyster Point Rd.	Newport News City	36,562	2,711,937	447,366	2,264,568	1,317,823	946,745	293,024	653,721	148,554	505,167	35.1
341 621 Stoney Creek Lane	Newport News City	61,599	4,562,836	750,631	3,812,205	2,217,738	1,594,467	425,939	1,168,528	250,077	918,451	36.6
342 10872 Warwick Blvd.	Newport News City	20,169	1,396,583	231,005	1,165,578	679,073	486,505	226,971	259,534	76,461	183,073	29.6
Newport News/Hampton		655,231	\$46,999,673	\$7,749,926	\$39,249,748	\$22,850,739	\$16,399,009	\$5,175,784	\$11,223,225	\$2,574,749	\$8,648,476	34.9
156 22485 Lankford Hwy.	Northampton Co.	14,545	930,763	154,027	776,736	454,348	322,389	125,071	197,318	50,953	146,364	32.3
162 7107 Lankford Hwy.	Accomack Co.	9,845	654,506	107,982	546,523	317,948	228,575	138,877	89,698	35,851	53,847	24.7
177 6371 Pension St.	Accomack Co.	9,263	624,991	101,739	523,252	305,639	217,613	142,056	75,557	34,325	41,232	22.9
223 4090-B Lankford Hwy.	Northampton Co.	14,198	821,523	135,959	685,564	399,699	285,865	136,118	149,747	44,972	104,774	29.3
344 Four Corners Plaza Shp. Ctr	Accomack Co.	20,728	1,327,226	220,048	1,107,178	645,408	461,770	152,435	309,335	72,630	236,705	34.4
Eastern Shore		68,578	\$4,359,009	\$719,756	\$3,639,253	\$2,123,041	\$1,516,212	\$694,557	\$821,655	\$238,732	\$582,923	29.9
34 Belmont Farms Distillery		0	53,310	12,544	40,767	30,583	10,183	0	10,183	2,674	7,509	37.6
31 Mount Vernon Distillery		0	150,229	35,348	114,881	87,983	26,898	0	26,898	7,536	19,362	36.4
30 Copper Fox Distillery Store		0	134,552	31,659	102,892	76,519	26,373	0	26,373	6,750	19,624	38.1
91 Bowman's Distillery		0	9,919	2,334	7,585	5,803	1,782	0	1,782	498	1,285	36.5
Distilleries		0	348,010	81,885	266,125	200,888	65,237	0	65,237	17,458	47,780	
Statewide totals		9,661,682	\$692,730,555	\$114,300,031	\$578,430,524	\$337,260,619	\$241,169,905	\$82,503,668	\$158,666,237	\$37,944,537	\$120,721,700	33.9

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (3) Store expenses include miscellaneous revenue and net cash overages.
 (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores. (4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

2011 Establishments by License Category—Cities

Cities (1)	All Others (2)	Bed and Breakfasts	Beer/Wine Importers	Beer/Wine Wholesalers	Breweries	Carrier Licensees	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distilleries	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Alexandria	7	0	9	7	3	1	4	6	30	3	0	13	28	16	13	133	186	2	461
Bedford	0	0	0	0	0	0	0	0	2	0	0	0	0	5	1	4	8	1	21
Bristol	0	0	0	1	0	0	2	0	15	1	0	3	5	5	2	13	23	0	70
Buena Vista	0	0	0	0	0	0	0	0	2	0	0	1	2	5	0	1	8	0	19
Charlottesville	7	1	5	6	1	0	8	6	21	1	0	5	21	16	3	94	139	1	335
Chesapeake	6	0	6	9	0	0	2	10	79	1	1	16	29	45	3	122	173	2	504
Colonial Heights	0	0	0	0	0	0	0	2	9	0	0	5	3	6	2	19	28	0	74
Covington	0	0	0	0	0	0	0	0	4	0	0	1	1	3	0	1	6	0	16
Danville	2	1	0	1	0	0	2	7	46	0	0	4	2	27	2	22	40	0	156
Emporia	0	0	0	0	0	0	0	0	10	0	0	2	0	4	0	2	2	0	20
Fairfax	1	0	1	0	0	0	1	3	4	0	0	7	9	10	0	34	53	0	123
Falls Church	0	0	0	0	1	0	0	2	5	0	0	3	2	9	0	23	51	0	96
Franklin	1	0	0	0	0	0	0	1	6	0	0	1	1	4	0	6	9	0	29
Fredericksburg	2	1	0	0	0	1	2	1	20	0	0	1	8	6	4	57	82	0	185
Galax	0	0	0	0	0	0	0	1	3	0	0	1	2	4	0	5	11	0	27
Hampton	12	1	2	2	2	1	2	19	52	0	0	11	13	33	8	60	97	0	315
Harrisonburg	1	1	1	1	1	0	1	6	22	0	0	5	8	14	3	36	67	0	167
Hopewell	1	0	0	0	0	0	0	6	15	0	0	2	2	8	0	12	19	0	65
Lexington	2	1	0	0	0	0	3	0	0	0	0	1	4	1	0	10	16	0	38
Lynchburg	8	2	1	7	1	0	4	8	29	1	0	6	9	25	6	48	75	0	230
Manassas	0	1	0	0	0	1	1	3	8	0	0	4	8	16	0	27	41	0	110
Manassas Park	0	0	0	0	0	0	0	0	2	0	0	0	0	7	0	3	10	0	22
Martinsville	3	0	0	0	0	0	0	2	8	0	0	0	2	5	0	10	12	0	42
Newport News	7	0	2	2	0	1	5	12	68	1	0	12	16	53	8	95	156	0	438
Norfolk	17	1	0	2	1	3	9	28	58	0	0	14	23	70	9	166	220	0	621
Norton	0	0	0	2	0	0	0	0	4	1	0	1	0	2	2	2	2	0	16
Petersburg	2	0	1	3	0	0	1	8	32	0	0	3	3	18	1	18	34	0	124
Poquoson	0	0	0	0	0	0	0	1	2	0	0	1	2	2	0	4	11	0	23
Portsmouth	6	0	0	2	0	2	0	14	36	0	0	8	7	28	0	41	56	0	200
Radford	1	0	0	0	0	0	1	0	5	1	0	1	0	6	0	11	13	0	39
Richmond	18	5	6	6	1	0	12	23	142	6	1	18	21	58	7	255	333	0	912
Roanoke	5	0	0	3	2	2	5	11	81	0	0	5	10	30	5	84	120	0	363
Salem	4	0	2	3	0	0	1	6	22	0	0	3	3	6	1	13	29	0	93
Staunton	2	2	0	0	2	0	2	4	11	1	0	3	6	10	2	15	25	2	87
Suffolk	5	0	0	0	0	0	0	5	27	2	0	5	10	20	4	33	43	0	154
Virginia Beach	24	2	2	4	1	2	9	14	117	2	1	37	58	87	19	428	571	1	1,379
Waynesboro	0	0	0	0	0	0	0	2	7	0	0	3	5	13	0	13	23	0	66
Williamsburg	6	9	0	0	0	0	3	0	9	0	0	3	7	2	7	46	62	0	154
Winchester	4	1	4	2	1	0	1	5	7	0	0	5	6	15	3	36	59	0	149
Grand total	154	29	42	63	17	14	81	216	1,020	21	3	214	336	694	115	2,002	2,913	9	7,943

NOTES:

- (1) All cities are "wet"—approved for liquor by the drink. Ten counties are "dry"—not approved for liquor by the drink; however, beer and wine may be served. Referendums may allow for mixed beverages in certain towns located within dry counties.
- (2) "All Others" includes hospitals, fire departments, rescue squads, performing arts facilities, gift shops, food concessions, etc. It does not include banquets.

- (3) "Restaurants (Mixed Beverage)" represents the total number of wine and beer establishments also having mixed beverage licenses. These licenses are included in the grand total column.

Source: CORE, July 2011

2011 Establishments by License Category—Counties

Counties (1)	All Others (2)	Bed and Breakfasts	Beer/Wine Importers	Beer/Wine Wholesalers	Breweries	Carrier Licensees	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distilleries	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Accomack (wet)	6	4	2	2	0	0	0	3	29	1	0	2	5	16	3	24	41	1	139
Albemarle (wet)	19	5	2	12	3	0	5	10	28	2	1	3	26	21	6	39	76	22	280
Alleghany (wet)	0	0	0	0	0	0	0	5	8	0	0	1	1	11	0	6	16	0	48
Amelia (wet)	0	0	0	0	0	0	0	1	13	0	0	1	0	4	0	2	5	0	26
Amherst (wet)	2	0	0	1	0	0	1	2	12	0	0	2	1	14	0	7	14	3	59
Appomattox (wet)	0	0	0	0	0	0	0	2	5	0	0	0	1	12	0	2	5	0	27
Arlington (wet)	4	0	1	0	2	6	3	6	44	1	0	20	22	39	25	200	290	0	663
Augusta (wet)	1	1	1	5	0	0	0	3	23	0	0	2	4	25	1	11	22	1	100
Bath (wet)	2	1	0	0	0	0	0	0	7	0	0	0	1	4	2	5	10	0	32
Bedford (wet)	9	1	0	4	0	1	1	6	24	0	0	4	5	18	1	21	40	4	139
Bland (dry)	0	0	0	0	0	0	0	0	2	0	0	0	0	5	0	0	1	0	8
Botetourt (wet)	2	0	0	5	0	0	0	1	14	1	0	1	2	11	0	3	16	3	59
Brunswick (wet)	2	0	0	1	0	0	0	0	15	0	0	1	0	6	1	4	8	0	38
Buchanan (dry)	0	0	0	0	0	0	0	1	16	0	0	2	1	9	0	0	2	0	31
Buckingham (wet)	1	0	0	0	0	0	0	0	8	0	0	0	0	14	0	3	4	0	30
Campbell (wet)	1	0	0	1	0	0	0	3	32	0	0	4	2	25	1	10	23	2	104
Caroline (wet)	1	1	0	0	0	0	0	3	24	0	0	1	2	5	0	4	14	0	55
Carroll (wet)	3	0	0	2	0	0	0	1	18	0	0	1	1	10	1	3	6	2	48
Charles City (wet)	0	2	0	0	0	0	0	0	2	0	0	0	0	3	0	3	5	0	15
Charlotte (dry)	0	1	0	0	0	0	0	1	12	0	0	1	0	13	1	0	3	1	33
Chesterfield (wet)	9	0	2	1	1	0	6	6	96	1	0	29	33	58	4	144	205	1	596
Clarke (wet)	4	1	0	2	0	0	0	3	9	0	0	0	3	4	0	5	11	2	44
Craig (dry)	0	0	0	0	0	0	0	0	4	0	0	0	0	2	0	0	0	0	6
Culpeper (wet)	4	1	2	5	0	0	1	5	16	0	1	4	3	28	2	19	33	2	126
Cumberland (wet)	0	0	0	0	0	0	0	0	6	0	0	0	0	3	0	0	3	0	12
Dickenson (wet)	1	0	0	0	0	0	0	1	8	1	0	1	0	6	0	0	3	0	21
Dinwiddie (wet)	2	0	0	0	0	0	0	1	18	0	0	2	1	9	0	3	7	0	43
Essex (wet)	1	1	0	0	0	0	0	1	9	0	0	0	1	7	0	7	12	1	40
Fairfax (wet)	33	0	41	36	3	0	22	27	79	4	2	61	123	123	42	568	855	1	2,020
Fauquier (wet)	15	2	3	17	0	0	3	4	29	1	0	5	13	15	4	32	53	25	221
Floyd (dry)	1	1	0	1	3	0	0	2	5	0	1	0	2	3	1	1	9	2	32
Fluvanna (wet)	0	0	0	0	0	0	0	0	6	0	0	1	4	1	0	4	12	0	28
Franklin (wet)	3	0	0	1	0	0	0	2	25	0	1	3	5	18	0	18	33	2	111
Frederick (wet)	5	2	2	6	0	0	2	5	25	1	0	4	12	26	3	24	33	1	151
Giles (wet)	1	1	0	0	0	0	0	4	11	3	0	2	0	11	1	2	8	0	44
Gloucester (wet)	1	0	0	0	0	0	0	4	19	1	0	2	4	9	0	16	27	0	83
Goochland (wet)	2	1	2	2	0	0	0	3	10	0	0	0	3	7	0	10	18	3	61
Grayson (dry)	1	0	0	0	0	0	0	0	5	2	0	0	0	5	0	1	5	0	19
Greene (wet)	2	1	0	1	0	0	0	1	9	0	0	1	2	5	0	5	9	2	38
Greensville (wet)	0	0	0	0	0	0	0	1	15	0	0	0	0	0	0	1	1	0	18
Halifax (wet)	4	0	0	5	0	0	0	3	16	0	0	2	0	34	1	7	23	4	99
Hanover (wet)	5	0	5	5	0	0	2	7	38	1	0	6	11	25	0	45	85	1	236
Henrico (wet)	14	1	14	19	0	0	10	17	124	1	0	31	43	53	24	184	263	0	798
Henry (wet)	3	0	0	0	0	0	1	8	35	0	0	4	1	30	2	3	19	3	109
Highland (dry)	0	0	0	0	0	0	0	0	1	0	0	0	0	6	1	0	1	0	9
Isle of Wight (wet)	1	1	0	0	0	0	0	4	18	0	0	2	8	7	1	7	15	0	64
James City (wet)	2	0	1	2	1	0	3	3	13	2	1	4	11	8	3	50	67	3	174
King & Queen (wet)	0	0	0	0	0	0	0	0	3	1	0	0	0	4	0	1	2	0	11
King George (wet)	1	0	1	2	0	0	0	0	11	0	0	0	2	4	0	5	15	1	42
King William (wet)	0	0	0	0	0	0	0	3	7	0	0	1	2	5	0	5	11	0	34
Lancaster (wet)	4	1	0	1	0	1	0	4	5	0	0	2	2	10	3	22	30	2	87
Lee (dry)	0	0	0	0	0	0	0	4	20	0	0	1	0	7	0	0	4	0	36
Loudoun (wet)	25	2	9	25	2	15	11	8	39	3	1	20	45	51	12	150	270	27	715
Louisa (wet)	4	0	0	1	0	0	0	2	12	0	0	2	0	19	2	8	13	2	65
Lunenburg (wet)	1	0	0	0	0	0	0	4	8	0	0	0	0	9	0	0	2	0	24
Madison (wet)	2	3	0	2	0	0	0	0	6	0	0	0	1	5	1	3	7	8	38
Mathews (wet)	1	1	0	0	0	0	0	2	6	0	0	0	3	1	0	4	8	0	26
Mecklenburg (wet)	1	1	0	2	0	0	0	10	34	0	0	2	0	20	0	13	19	1	103
Middlesex (wet)	7	1	0	0	0	0	0	1	6	0	0	0	4	4	0	11	13	0	47
Montgomery (wet)	0	2	0	0	1	0	5	2	32	1	0	4	7	26	4	46	74	0	204
Nelson (wet)	11	3	1	6	2	0	1	2	10	1	0	0	1	13	2	3	9	10	75
New Kent (wet)	1	0	0	1	0	0	0	0	11	0	0	2	3	6	0	9	16	1	50
Northampton (wet)	4	1	1	5	0	1	1	2	13	0	0	1	1	5	1	13	19	2	70
Northumberland (wet)	4	0	0	1	0	0	0	2	7	0	0	1	1	6	0	6	10	1	39
Nottoway (wet)	0	0	1	3	0	0	0	4	13	0	0	0	0	6	0	6	14	0	47
Orange (wet)	5	5	0	1	0	0	0	3	16	0	0	3	3	5	0	10	23	3	77
Page (wet)	5	3	0	1	0	0	0	5	12	1	0	0	1	12	2	8	19	2	71

(continued)

2011 ESTABLISHMENTS BY LICENSE CATEGORY—COUNTIES (CONTINUED)

Counties (1)	All Others (2)	Bed and Breakfasts	Beer/Wine Importers	Beer/Wine Wholesalers	Breweries	Carrier Licensees	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distilleries	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Patrick (dry)	1	2	0	0	0	0	0	1	13	0	0	1	0	13	0	3	7	1	42
Pittsylvania (wet)	2	1	1	4	0	0	0	4	37	0	0	1	0	29	0	2	14	3	98
Powhatan (wet)	1	0	0	0	0	0	1	1	15	1	0	0	1	2	0	11	14	1	48
Prince Edward (wet)	1	0	0	0	0	0	2	2	13	0	0	2	1	10	0	15	23	1	70
Prince George (wet)	1	0	0	0	0	0	0	2	12	0	0	2	1	7	0	7	13	0	45
Prince William (wet)	11	0	9	11	0	1	4	12	47	2	0	19	40	95	6	167	246	1	671
Pulaski (wet)	4	0	1	2	1	0	1	6	12	2	0	5	1	26	0	5	11	1	78
Rappahannock (wet)	8	6	0	5	0	0	1	0	3	0	1	0	0	5	0	4	6	7	46
Richmond (wet)	1	0	0	5	0	0	1	0	2	0	0	1	1	6	0	0	6	2	25
Roanoke (wet)	1	0	5	7	0	0	2	3	34	1	0	5	7	15	0	38	61	2	181
Rockbridge (wet)	3	4	0	1	0	0	2	3	14	0	0	0	0	14	4	4	11	2	62
Rockingham (wet)	1	1	0	1	2	0	0	5	34	0	0	2	3	12	0	10	26	3	100
Russell (dry)	0	0	0	1	0	0	0	2	17	0	0	1	1	5	0	2	6	2	37
Scott (wet)	0	1	0	0	0	0	0	0	12	0	0	1	1	14	0	1	4	0	34
Shenandoah (wet)	4	2	0	4	0	0	0	9	14	0	0	3	6	29	3	14	37	8	133
Smyth (wet)	1	2	2	5	0	0	0	2	20	1	0	2	0	13	1	3	15	2	69
Southampton (wet)	0	0	0	0	0	0	0	2	13	0	0	1	1	10	0	3	4	0	34
Spotsylvania (wet)	6	0	2	4	3	0	0	7	54	1	1	12	14	23	1	49	78	2	257
Stafford (wet)	8	0	4	6	0	0	2	6	44	1	0	9	8	17	0	44	64	2	215
Surry (wet)	0	0	0	0	0	0	0	0	7	0	0	0	0	2	0	1	4	0	14
Sussex (wet)	1	0	1	0	0	0	1	1	14	0	0	0	1	11	0	0	6	0	36
Tazewell (wet)	2	0	1	0	0	0	0	3	21	1	0	2	4	27	0	7	20	0	88
Warren (wet)	1	2	0	1	0	0	0	5	20	0	0	2	4	13	1	21	37	2	109
Washington (wet)	3	5	1	4	3	0	0	2	35	2	0	3	6	11	2	11	26	2	116
Westmoreland (wet)	5	1	0	1	0	0	0	7	10	0	0	2	3	12	0	14	20	5	80
Wise (wet)	1	0	0	1	0	0	0	1	30	1	0	5	2	5	0	6	16	1	69
Wythe (wet)	2	0	0	2	0	0	0	3	17	2	0	1	1	20	0	10	14	2	74
York (wet)	7	0	0	1	2	0	0	2	29	0	0	6	11	10	4	32	62	2	168
Grand total	319	79	118	253	29	25	95	309	1,849	45	10	337	551	1,442	180	2,310	3,840	206	11,997

NOTES:

- (1) All counties are “wet”—approved for liquor by the drink unless indicated as “dry.” Ten counties are “dry”—not approved for liquor by the drink; however, beer and wine may be served. Referendums may allow for mixed beverages in certain towns located within dry counties. Following are the “dry” counties in Virginia: Bland, Buchanan, Charlotte, Craig, Floyd, Grayson, Highland, Lee, Patrick and Russell.
 - (2) “All Others” includes hospitals, fire departments, rescue squads, performing arts facilities, gift shops, food concessions, etc. It does not include banquets.
 - (3) “Restaurants (Mixed Beverage)” represents the total number of wine and beer establishments also having mixed beverage licenses. These licenses are included in the grand total column.
- Source: CORE, July 2011



(Above) ABC honored the Middle School Poster Contest participants during the Flying Squirrels Education Day at The Diamond. Students are pictured with mascots Ginger and Nutzy.

FINANCIAL STATEMENTS

The financial statements of the agency are audited annually by the Auditor of Public Accounts as required by the Code of Virginia. The Auditor of Public Accounts is part of the legislative branch of Virginia government and reports through the Joint Legislative Audit and Review Commission (JLARC) of the General Assembly. This structure provides independence from the executive and judicial branch agencies they audit. ■

Financial Statements Contents

Management's Discussion and Analysis (Unaudited)	26
Independent Auditor's Report on Financial Statements	30
Statement of Net Assets	32
Statement of Revenues, Expenses and Changes in Net Assets	33
Statement of Cash Flows	34
Notes to Financial Statements	35

(Below) Posing during a tastings presentation at Store 169 (Richmond) are (left to right): Store Manager Kate Rogers, Diageo Retail Accounts Manager John Reed, Sampling Hostess Kelly Davis and Diageo Director of Virginia and West Virginia Gary Holland.





COMMONWEALTH of VIRGINIA

COMMISSIONERS
J. NEAL INSLEY, CHAIRMAN
SANDRA C. CANADA

Department of Alcoholic Beverage Control

CHIEF OPERATING OFFICER/ SECRETARY TO THE BOARD
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Management's Discussion and Analysis

(UNAUDITED)

This discussion and analysis of the Virginia Department of Alcoholic Beverage Control's (ABC) financial performance provides a brief overview of financial activities for the fiscal year ended June 30, 2011.

FINANCIAL HIGHLIGHTS

- The Department's operating revenues increased 2.4% in Fiscal Year 2011.
- The Department's operating expenses increased 2.9% in Fiscal Year 2011. The cost of goods sold for alcohol increased \$8.1 million from Fiscal Year 2010, due to the increased sales volume. Personal Service costs increased by 3.0% from Fiscal Year 2010, this was driven by the one-time 3.0% bonus paid to state employees. In addition, contractual service costs increased by \$2.6 million primarily due to increased VITA (Information Technology) costs.
- ABC operations returned record profits to the Commonwealth in Fiscal Year 2011 of \$120.9 million and excise taxes of \$114.3 million. Profits increased slightly over Fiscal Year 2010 because the increase in operating revenue was virtually offset by increased VITA costs and one-time bonuses described above.
- Two new stores opened in Fiscal Year 2011 generating \$560,000 in additional sales. Eight stores were relocated to improved market areas and 14 were remodeled.
- As a result of HB1314 passed by the 2004 session of the General Assembly, the Board was allowed to operate on Sundays. Five additional localities were added to Sunday sales with the passing of HB908 in 2008. Fiscal Year 2011 ended with a total of 131 Stores operating on Sundays. The total Sunday sales for Fiscal Year 2011 reached \$21.2 million, an increase of \$1.9 million from Fiscal Year 2010 to Fiscal Year 2011.

OVERVIEW OF FINANCIAL STATEMENTS

The audited annual report consists of a series of proprietary fund financial statements. The Statement of Net Assets provides information about the Department's assets and liabilities and reflects the financial position as of June 30, 2011. The Statement of Revenues, Expenses, and Changes in Net Assets reports the operating revenue activity and the expenses related to such activity for the twelve-month period ended June 30, 2011. The Statement of Cash Flows outlines the cash inflows and outflows relating to the operations for the same twelve-month period. The financial statements also include "notes" that provide additional information that is essential to a full understanding of the data provided in the statements. These statements provide current and noncurrent information about the Department's financial position.

FINANCIAL ANALYSIS

- ABC ended Fiscal Year 2011 with a total of \$55.5 million in current assets including \$46.8 million in inventory of alcohol merchandise for resale, a \$0.8 million increase. The increase in inventory is a result of 2 new stores being opened in Fiscal Year 2011, new products being introduced in the market and vendor price increases to ABC also impacts the value of ABC inventory.
- The change in Net Capital Assets from Fiscal Year 2010 to Fiscal Year 2011 is due to the following: Depreciation expense was partially offset by additional costs spent in Fiscal Year 2011 for the Point of Sale (POS) hardware and software.
- In total, assets decreased from \$66.8 million in Fiscal Year 2010 to \$66.6 million in Fiscal Year 2011.

Net Assets	Fiscal Year 2011	Fiscal Year 2010	Change
Current and other assets	\$ 55,545,937	\$ 54,429,726	\$1,116,211
Capital assets, net	<u>11,026,926</u>	<u>12,377,726</u>	<u>(1,350,801)</u>
Total assets	<u>66,572,862</u>	<u>66,807,452</u>	<u>(234,590)</u>
Current liabilities	61,793,840	61,669,322	124,518
Noncurrent liabilities	<u>2,197,472</u>	<u>2,439,757</u>	<u>(242,285)</u>
Total liabilities	<u>63,991,312</u>	<u>64,109,079</u>	<u>(117,767)</u>
Net assets:			
Invested in capital assets	11,026,925	12,190,782	(1,163,856)
Unrestricted	<u>(8,445,375)</u>	<u>(9,492,409)</u>	<u>1,047,034</u>
Total net assets	<u>\$ 2,581,550</u>	<u>\$ 2,698,373</u>	<u>(116,823)</u>

- Total Liabilities decreased from last fiscal year end. Current liabilities owed by the Department increased 0.1 million from last fiscal year. The liability amount is largely represented in accounts payable as well as payments due to the Commonwealth for line of credit repayment, taxes payable (see Note 4) and the undistributed balance of profits. Noncurrent liabilities netted a slight decrease due to the normal scheduled monthly payments according to the Master Equipment Leasing Program (MELP) through the Department of Treasury. ABC had a \$3.7 million MELP increase in Fiscal Years 2006 and 2007 to finance a portion of the new warehouse racking system (final payments were made in Fiscal Year 2011). (see Note 6)
- The Department lacks working capital (current assets in excess of current liabilities) to fund all business needs at year-end including accelerated payments of taxes and profits before June 30. Given this periodic lack of necessary working capital, the Department depends on a \$60.0 million line of credit with the State Comptroller to meet day-to-day operations. At June 30, 2011, the amount borrowed was \$29,467,745. (see Note 4)

REVENUE:

The vast majority of the Department's revenues come from the sale of alcoholic beverages. These revenues are achieved through the 330+ state-run stores located throughout the state. Gross sales including state tax on sales in Fiscal Year 2011 reached an all time high of \$692.7 million, up \$17.3 million over Fiscal Year 2010. The gross revenue after state tax on sales of alcohol increased from \$564.1 million to \$578.5 million or 2.5%. License and permit fees increased in Fiscal Year 2011 totaling \$12.1 million over the \$11.8 million in Fiscal Year 2010. Federal grants and contracts, miscellaneous revenue and penalties decreased from last year. Other sources of revenue include lottery, wine wholesalers tax and mixed beverage taxes on common carriers.

Operating Revenues	Fiscal Year 2011	Fiscal Year 2010	Changed
Sales of alcohol	\$ 578,521,041	\$ 564,141,917	\$ 14,379,124
Sales of lottery tickets	2,496,597	2,419,871	76,726
License and permit fees	12,055,197	11,796,257	258,940
Wine wholesalers tax	3,240,332	2,937,302	303,030
Penalties	1,142,666	1,356,403	(213,737)
Federal grants and contracts	619,678	872,812	(253,134)
Mixed beverage tax on common carriers	28,061	24,044	4,017
Miscellaneous	480,152	1,121,552	(641,400)
Net operating revenues	\$ 598,583,725	\$ 584,670,158	\$ 13,913,567

EXPENSES:

In Fiscal Year 2011 operating expenses (not including cost of sales, alcohol and lottery) increased from \$132.4 million to \$137.7 million, an increase of 4.0%. Approximately 71.0% of the Department's total expenses are for the cost of sales of distilled spirits and mixers sold through ABC stores and less than 1.0% for lottery cost of sales. Following cost of merchandise is personal services, which accounts for 17.0% of total expenses. The remaining 11.8% is made up of contractual services (e.g. store rents), continuous charges (utilities) and other miscellaneous charges. Personal service costs increased by 3.0% due to the one-time bonus for state employees. The increased cost of contractual services was primarily driven by VITA costs. Depreciation expense increased due to the completion of the Point of Sale (POS) hardware and software installation half way through Fiscal Year 2011.

Operating Expenses	Amount Fiscal Year 2011	% Expenses Fiscal Year 2011	Amount Fiscal Year 2010	Difference
Cost of sales, alcohol	\$ 337,689,682	70.7%	\$ 329,573,272	\$ 8,116,410
Cost of sales, lottery	2,327,548	.5%	2,326,338	1,211
	340,017,230	71.2%	331,899,610	8,117,621
Personal services	81,396,498	17.0%	79,063,927	2,332,571
Continuous charges	23,848,628	5.0%	23,839,618	9,010
Contractual services	24,373,121	5.1%	21,773,337	2,599,784
Supplies and materials	2,852,422	0.6%	2,342,684	509,738
Depreciation	3,175,843	0.7%	2,948,194	227,649
Expendable equipment	1,560,795	0.3%	1,866,000	(305,205)
Other	536,134	0.1%	569,664	(33,530)
	137,743,441	28.8%	132,403,424	5,340,017
Total Operating Expenses	\$ 477,760,671	100.0%	\$ 464,303,034	\$ 13,457,638

PROFITS:

Prior to the statutory distribution of quarterly net profits to the General Fund, transfers required in the Appropriation Act for each fiscal year must be executed. In Fiscal Year 2011, approximately \$67.7 million of the agency's \$120.9 million in net profits were transferred to other state agencies. The majority, \$65.4 million, transfers to the Department of Behavioral Health and Developmental Services incurred for care, treatment, study and rehabilitation of alcoholics. The remaining \$53.3 million was distributed to the General Fund in accordance with the Code of Virginia.

Revenues, Expenses and Changes in Net Assets	Fiscal Year 2011	Fiscal Year 2010	Change
Net operating revenues	\$ 598,583,725	\$ 584,670,158	\$ 13,913,567
Total operating expenses	477,760,671	464,303,034	<u>13,457,637</u>
Nonoperating revenues/(expenses)	<u>73,723</u>	<u>224,423</u>	<u>(150,700)</u>
Net profit before transfers	<u>20,896,777</u>	<u>120,591,547</u>	<u>305,230</u>
Transfers of profits to the General Fund of the Commonwealth	(53,269,159)	(49,899,621)	(3,369,538)
Appropriation Act transfers	<u>(67,744,441)</u>	<u>(70,610,061)</u>	<u>2,865,620</u>
Total transfers	<u>(121,013,600)</u>	<u>(120,509,682)</u>	<u>(503,918)</u>
Net increase after transfers	(116,823)	81,865	(198,688)
Total net assets—beginning	2,698,373	2,616,508	81,865
Total net assets—ending	<u>\$ 2,581,550</u>	<u>\$ 2,698,373</u>	<u>(116,823)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- During Fiscal Year 2012, the Department expects to continue to feel the effects of the sluggish economy. ABC is currently forecasting gross sales of \$710.0M, a 2.5% increase over Fiscal Year 2011.
- ABC expects expenses to continue to increase in Fiscal Year 2012. Expenses such as store rents will increase because of contractual escalation clauses. Depreciation will increase significantly because of the completion of the POS replacement project.
- Appropriation Act profit transfer requirements for Fiscal Year 2012 are \$117.0 million. ABC expects to meet this transfer requirement. Risks include continued economic declines, particularly during the holiday season and unforeseen increases in expenses.

CONTACTING THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Virginia Department of Alcoholic Beverage Control at 2901 Hermitage Road, Richmond, Virginia 23220 or visit us on the Web at www.abc.virginia.gov.



Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 28, 2011

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable Charles J. Colgan
Chairman, Joint Legislative Audit
And Review Commission

Alcoholic Beverage Control Board
Department of Alcoholic Beverage Control

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying basic financial statements of the Department of Alcoholic Beverage Control as of and for the year ended June 30, 2011 as listed in the Table of Contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 audit provides a reasonable basis for our opinions.

As discussed in Note 1A, the basic financial statements of the Department are intended to present the financial position and the changes in financial position and cash flows of only that portion of the business-type activities and the major enterprise fund of the Commonwealth of Virginia that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the Commonwealth of Virginia's overall financial position as of June 30, 2011, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Department of Alcoholic Beverage Control as of June 30, 2011, and the changes in its financial position, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2011 on our consideration of the Department of Alcoholic Beverage Control's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



AUDITOR OF PUBLIC ACCOUNTS

DLR/clj

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
STATEMENT OF NET ASSETS
As of June 30, 2011

ASSETS

Current assets:	
Cash and cash equivalents (Note 2 and 8)	\$ 2,326,528
Petty cash	160,000
Receivables	4,077,630
Inventory - Alcohol (Note 1)	46,782,911
Inventory - Lottery tickets	86,984
Prepaid insurance expenses	1,719,516
Prepaid other expenses	291,137
Investments held by Treasurer of Virginia (Note 8)	<u>101,232</u>
Total current assets	<u>55,545,937</u>
Noncurrent assets:	
Nondepreciable capital assets (Note 3)	1,827,702
Depreciable capital assets, net (Note 3)	9,199,223
Total noncurrent assets	<u>11,026,925</u>
Total assets	<u>66,572,862</u>

LIABILITIES

Current liabilities:	
Accounts payable	20,127,402
Unearned revenue	103,808
Due to Commonwealth of Virginia (Note 4)	38,381,560
Obligations under securities lending (Note 8)	431,365
Compensated absences payable (Note 7)	<u>2,749,705</u>
Total current liabilities	<u>61,793,840</u>
Noncurrent liabilities:	
Compensated absences payable (Note 7)	<u>2,197,472</u>
Total noncurrent liabilities	<u>2,197,472</u>
Total liabilities	<u>63,991,312</u>

NET ASSETS

Invested in capital assets, net of related debt	11,026,925
Unrestricted net assets	<u>(8,445,375)</u>
Total net assets	<u>\$ 2,581,550</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2011

Operating revenues:	
Sales of alcohol	\$ 578,521,041
Sales of lottery tickets	2,496,597
License and permit fees	12,055,197
Wine wholesalers tax	3,240,332
Penalties	1,142,666
Federal grants and contracts	619,678
Mixed beverage tax on common carriers	28,061
Miscellaneous	480,152
	<hr/>
Total operating revenues	598,583,725
Operating expenses:	
Cost of sales of alcohol	337,689,682
Cost of sales of lottery tickets	2,327,548
Personal services	81,396,498
Continuous charges	23,848,628
Contractual charges	24,373,121
Supplies and materials	2,852,422
Depreciation and amortization	3,175,843
Expendable equipment	1,560,795
Other	536,134
	<hr/>
Total operating expenses	477,760,671
Operating income	<hr/> 120,823,053
Nonoperating revenues (expenses):	
Rents	195,600
Income from security lending transactions (Note 8)	1,320
Expenses from security lending transactions (Note 8)	(1,320)
Interest income (expense)	(1,964)
Seized assets	(119,913)
	<hr/>
Total nonoperating revenues (expenses)	73,723
Net profit before transfers	<hr/> 120,896,777
Transfers out:	
Transfers of profits to the General Fund of the Commonwealth	(53,269,159)
Appropriation Act transfers	(67,744,441)
	<hr/>
Total transfers	(121,013,600)
Net increase after transfers	(116,823)
Total net assets - July 1, 2010	<hr/> 2,698,373
Total net assets - June 30, 2011	<hr/> <hr/> \$ 2,581,550

The accompanying Notes to Financial Statements are an integral part of this statement.

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

Cash flows from operating activities:	
Cash received from sales	\$ 581,138,068
Cash received from licenses and fees	11,997,633
Cash received from other revenue	5,107,221
Cash payments for cost of sales	(340,706,097)
Cash payments for personal services	(81,800,779)
Cash payments for other expenses	<u>(53,514,803)</u>
Net cash provided by operating activities	<u>122,221,243</u>
Cash flows from noncapital financing activities:	
Note payable to the Commonwealth	29,467,745
Due to the Commonwealth repayments	(32,721,702)
Cash received from nonoperating activities	75,687
Cash received from taxes	174,261,952
Transfers of tax collections to the General Fund of the Commonwealth	(145,239,980)
Transfers of tax collections to the Department of Taxation	(27,730,545)
Transfers of profit to the General Fund of the Commonwealth	(50,695,922)
Appropriation Act transfers	<u>(67,744,441)</u>
Net cash used for noncapital financing activities	<u>(120,327,207)</u>
Cash flows from capital and related financing activities:	
Construction in-progress	5,319,081
Acquisition of equipment	(7,144,122)
Note payable principal payments	(186,944)
Note payable interest payments	<u>(1,964)</u>
Net cash used for capital financing activities	<u>(2,013,949)</u>
Net decrease in cash and cash equivalents	(119,913)
Cash and cash equivalents - July 1, 2010	<u>2,276,308</u>
Cash and cash equivalents - June 30, 2011	<u>\$ 2,156,395</u>
Reconciliation of cash and cash equivalents	
Cash and cash equivalents	2,326,528
Petty cash	160,000
Securities lending cash equivalent	<u>(330,133)</u>
	<u>\$ 2,156,395</u>
Reconciliation of net profit to net cash provided by operating activities:	
Operating income	120,823,053
Adjustments to reconcile net profit to net cash provided by operating activities:	
Depreciation and amortization	3,175,843
Change in assets and liabilities:	
Increase in accounts receivable	(283,239)
Increase in inventory	(779,743)
Decrease in compensated absences	(102,195)
Decrease in accounts payable	(211,209)
Increase in prepaid items	(343,703)
Decrease in unearned revenue	<u>(57,564)</u>
Net cash provided by operating activities	<u>\$ 122,221,243</u>

The accompanying notes to financial statements are an integral part of this statement.

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Department of Alcoholic Beverage Control administers ABC laws with an emphasis on public service and a focus on public safety by ensuring a safe, orderly, and regulated system for convenient distribution and responsible consumption of alcoholic beverages while generating a reasonable profit for the Commonwealth.

A separate report is prepared for the Commonwealth of Virginia, which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority or is the recipient of their services and/or benefits. The Department is an agency of the Commonwealth of Virginia and is included in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

B. Fund Accounting

The activities of the Department are accounted for in an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis, including depreciation and amortization, be financed or recovered primarily through user charges.

C. Basis of Accounting

The Department's records are maintained on the accrual basis, with an economic focus, whereby revenues are recognized when earned and expenses are recognized when the liability is incurred.

Operating revenues and expenses include activities related to the sale of alcohol and licenses, as well as enforcement activities. Nonoperating revenues and expenses include activities that have the characteristics of noncapital financing activities, such as the collection of rent, as defined by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 34.

D. Inventories

Merchandise inventory, purchased for resale, is valued at average cost, which is lower than market value.

2. CASH WITH THE TREASURER OF VIRGINIA

All state funds of the Department are held by the Treasurer of Virginia, pursuant to Section 2.2-1800, et. seq., *Code of Virginia*, who is responsible for the collection, disbursement, custody, and investment of state funds. Each fund's equity in pooled state funds is reported as "Cash and Cash Equivalents" on the Statement of Net Assets and is not categorized as to credit risk.

3. CAPITAL ASSETS

The following schedule presents the changes in capital assets by category.

	Balance at <u>July 1, 2010</u>	<u>Acquired</u>	<u>Deleted</u>	Balance at <u>June 30, 2011</u>
Nondepreciable capital assets				
Land	\$ 1,827,702	\$ —	\$ —	\$ 1,827,702
Construction in-progress	<u>5,319,081</u>	<u>399,529</u>	<u>(5,718,610)</u>	<u>—</u>
Total nondepreciable capital assets	<u>7,146,783</u>	<u>399,529</u>	<u>(5,718,610)</u>	<u>\$1,827,702</u>
Depreciable capital assets				
Buildings	9,571,382	—	—	9,571,382
Equipment	42,364,439	6,260,880	(15,621,150)	33,004,169
Other Equipment	239,136	—	(239,136)	—
Intangibles	<u>—</u>	<u>883,243</u>	<u>—</u>	<u>883,243</u>
Total depreciable capital assets	<u>52,174,957</u>	<u>7,144,123</u>	<u>(15,860,286)</u>	<u>43,458,794</u>
Less accumulated depreciation:				
Building	9,279,725	12,552	—	9,292,277
Equipment	37,425,152	3,090,788	(15,621,150)	24,894,790
Other Equipment	239,136	—	(239,136)	—
Intangibles	<u>—</u>	<u>72,503</u>	<u>—</u>	<u>72,503</u>
Total accumulated depreciation	<u>46,944,013</u>	<u>3,175,843</u>	<u>(15,860,286)</u>	<u>4,259,570</u>
Depreciable capital assets, net	<u>5,230,944</u>	<u>3,968,280</u>	<u>—</u>	<u>9,199,224</u>
Total capital assets, net	<u>\$12,377,727</u>	<u>\$4,367,809</u>	<u>\$(5,718,610)</u>	<u>\$11,026,926</u>

The Department capitalizes all property, plant, and equipment that have a cost or value equal to or greater than \$5,000. The Department capitalizes all intangibles that have a cost or value equal to or greater than \$100,000. Property, plant, equipment, and intangibles are stated at cost and at the time of acquisition are set up in a comprehensive capital asset system. Depreciation of the cost of property, plant, equipment, and intangibles are provided on a straight-line basis over their estimated lives of from ten to thirty years on buildings, from three to eight years on equipment, and from three to five years on intangibles. Intangible assets are defined as assets that lack physical substance, are non-financial in nature and useful lives or benefit period exceed one or more years. Examples of intangible assets are: software, land use rights (right-of-ways) and intellectual property (patents, copyrights and trademarks).

4. DUE TO THE COMMONWEALTH

A. Note Payable

The Department has a line of credit for \$60,000,000 with the Treasurer of Virginia. Repayment is made from revenue collections pursuant to Title 4.1, Chapter 1 of the *Code of Virginia*. As of June 30, 2011, the Department had outstanding \$29,467,745 of its available line of credit to extinguish a cash overdraft.

The following schedule presents the changes in short term debt activity:

<u>Balance at July 1, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at June 30, 2011</u>
<u>\$32,721,702</u>	<u>\$29,467,745</u>	<u>\$ (32,721,702)</u>	<u>\$29,467,745</u>

B. General Fund

The Department collects certain taxes on behalf of the General Fund of the Commonwealth. The state tax on sales is collected from store sales and is paid quarterly to the General Fund of the Commonwealth. The liter tax is collected on wholesalers' direct wine shipments. The 2011 Virginia Acts of Assembly required \$9,141,363 of the gross liter tax to be transferred to the General Fund for expenses incurred for care, treatment, study, and rehabilitation of alcoholics by the Department of Behavioral Health and Development Services and other state agencies. Of the remaining liter tax, twelve percent is retained by the Department and reported as wine wholesalers' tax on the Department's financial statements. The remaining eighty-eight percent is paid to the General Fund of the Commonwealth quarterly. Collections and transfers of state tax on sales and liter tax are not reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Activity relating to the amounts due to the General Fund for the year ended June 30, 2011, is summarized below.

	<u>State Tax on Sales</u>	<u>Liter Tax on Wine</u>	<u>Total</u>
Balance due to the General Fund, July 1, 2010	<u>\$ 341,295</u>	<u>\$ 301,369</u>	<u>\$ 642,664</u>
Receipts for fiscal year	114,201,593	32,171,151	146,372,744
Transfers to the General Fund	<u>(113,474,824)</u>	<u>(31,765,156)</u>	<u>(145,239,980)</u>
Balance due to the General Fund, June 30, 2011	<u>\$ 1,068,064</u>	<u>\$ 707,364</u>	<u>\$ 1,775,428</u>

C. Department of Taxation—Sales Tax

The Department collects sales tax on all sales of alcohol and remits collections monthly to the Department of Taxation. Sales tax collections and transfers are not reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Activity relating to the amounts due to the Department of Taxation for the year ended June 30, 2011, is summarized below.

Balance due to the Department of Taxation, July 1, 2010	\$ 314,065
Sales tax collections	27,889,207
Transfers to the Department of Taxation	<u>(27,730,545)</u>
Balance due to the Department of Taxation, June 30, 2011	<u>\$ 472,727</u>

D. Earned Surplus

The Appropriation Act, Chapter 781 of the 2010 Acts of Assembly, requires the Department to transfer an estimate of its fourth quarter profits in the month of June. In accordance with the Alcoholic Beverage Control Act, Section §4.1-116 of the *Code of Virginia*, the Department transfers any additional net profit to the General Fund of the Commonwealth 50 days after the last day of the quarter. The Department underestimated profit for the fourth quarter resulting in an additional \$6,665,660 due to the General Fund at June 30, 2011.

5. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for retail store buildings. Rent expense under operating lease agreements amounted to \$ 20,096,827 for the year. A summary of future obligations under lease agreements as of June 30, 2011, follows.

<u>Year Ending June 30,</u>	
2012	18,748,961
2013	15,882,102
2014	11,740,947
2015	8,684,862
2016	5,605,759
2017–2020	<u>2,472,321</u>
Total obligations	<u>\$ 63,134,952</u>

6. INSTALLMENT NOTES PAYABLE

During Fiscal Years 2005 and 2006 the Department entered into an additional five-year installment purchase agreement for the warehouse racking system. The interest rate charges range from 2.7397 percent to 3.5922 percent. The following schedule presents the changes in long-term debt.

<u>Balance at July 1, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at June 30, 2011</u>
<u>\$ 186,944</u>	<u>\$ —</u>	<u>\$ (186,944)</u>	<u>\$ —</u>

7. COMPENSATED ABSENCES

Compensated absences reflected in the Statement of Net Assets represent the amounts of vacation, sick, and compensatory leave earned by employees of the Department, but not taken at June 30, 2010. The amount reflects all earned vacation, sick, and compensatory leave payable under the Commonwealth of Virginia's leave payout policies. Information on the Commonwealth's leave payout policies is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

<u>Balance at July 1, 2010</u>	<u>Short Term Increase</u>	<u>Long Term Decrease</u>	<u>Balance at June 30, 2011</u>	<u>Amounts due within one year</u>
<u>\$ 5,049,372</u>	<u>\$ 140,090</u>	<u>\$ (242,285)</u>	<u>\$ 4,947,177</u>	<u>\$ 2,749,705</u>

8. SECURITIES LENDING TRANSACTIONS

Investments held by the Treasurer of Virginia represent the Department's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report. The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

9. COLLECTIONS OF MALT BEVERAGE TAX

During the year ended June 30, 2011, the Department collected \$43,915,010 in malt beverage taxes. These funds are deposited by the Department directly with the Treasurer of Virginia for credit to the General Fund of the Commonwealth and are not available to the Department to meet current operating needs and are not included in the financial statements.

10. PENSION PLAN AND OTHER POST RETIREMENT BENEFITS

The employees of the Department are employees of the Commonwealth. The employees participate in a defined benefit plan administered by the Virginia Retirement System (VRS). The VRS also administers life insurance and health related plans for retired employees. Information related to these plans is available on a statewide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report. The Commonwealth, not the Department, has overall responsibility for contributions to these plans.

11. RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The Department of Alcoholic Beverage Control participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. The Department of Alcoholic Beverage Control pays premiums to each of these Departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

12. CONTINGENT LIABILITIES

Legal Proceedings

The Department is named as a party in several legal proceedings. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the Department in respect to the various proceedings; however, it is believed that any ultimate liability resulting from these suits will not have a material, adverse effect on the financial condition of the Department.

Bailment Inventory

The Department houses and controls bailment inventory in the warehouse and is therefore responsible for the exercise of reasonable care to preserve the inventory until it is purchased by the Department or returned to the supplier. The Department uses the bailment system for payment of merchandise for resale. The Department initiates payments to the vendors based on shipments from the ABC warehouse to the retail stores, rather than receipt of invoice from the vendor. At June 30, 2011, the bailment inventory was valued at \$33,983,949.

ABC Stores Receive Technology Upgrade. From October 2010 to January 2011, the Information Technology Services and Wholesale/Retail Operations divisions installed a new point-of-sale system in all 333 ABC stores with no lapse in service. Each store's upgrade typically began around 4 a.m. and most were ringing sales on their new systems by the 10 a.m. opening time. The new registers provide improved features such as infrared touch screens with much larger viewing areas, enhanced ID verification and receipt printers that are twice as fast as before. The system complies with standards set by the payment card industry, increases lane service and provides smoother transactions for customers and store associates.

ABC Agents Ride in Bike for the Blue. As part of National Police Week, Virginia ABC special agents rode 117 miles on May 13, 2011 in the Bike for the Blue event. More than 200 officers rode from Richmond to Washington D.C. to honor and remember those who have died in the line of duty. Participating from ABC were Special Agent in Charge Donnie Brown and Special Agents Matt Halphen, Marc Haalman, Danny Blye and Tony Jimenez. They completed the ride in spite of wind and rain. Special Agent Gary Frank drove the support van equipped with extra water and supplies.

Silver Anniversary for College Conference. ABC presented the 25th Annual College Conference February 25–27, 2011 on George Mason University's campus. More than 200 students, prevention advocates and campus professionals from Virginia's colleges and universities attended the super hero themed event "25 Years of Saving Lives." Attendees launched the Hero Institute—campus teams developed or modified alcohol-related prevention programs specific to their respective schools. At the end of the weekend, teams representing five campuses (Shenandoah University, Ferrum College, Saint Paul's College, Virginia Tech and Virginia Union University) received \$1,000 mini-grants to start their own underage and high-risk drinking prevention initiatives on campus.

Plaudits for Perfect Audits. In August 2010, the Board implemented a reward and recognition program for ABC store staff when a store receives an "Extraordinary Review" audit rating. Internal Audit Division staff conduct periodic audit inspections in each store statewide on a random basis. During Fiscal Year 2011, Internal Audit reviewed 217 stores; 20 earned "Extraordinary" rating with auditors noting an encouraging trend toward reduced audit findings.

Middle School Poster Contest Inspired Student Artists. ABC's Education Section hosted the "Alcohol Has No Place" Middle School Poster Contest in 2011. Talented students embraced the challenge of creating messages to discourage peers from drinking underage and illustrating the many fun, healthy, alcohol-free activities that fill their lives. From the 549 entries, the judging panel selected three winners and 26 honorable mentions. The first-place winner received an iPad and her poster was printed for bulk distribution. In April, ABC and the Flying Squirrels honored the contest participants during an Education Day special event at The Diamond in Richmond.

Tastings Pleased Many Palates. Tastings began in ABC stores on July 1, 2010. As provided by Senate Bill 26/House Bill 952, representatives of distilled spirits and wine companies conduct tasting events to allow customers to sample select products before making a purchase. Each sample is limited to 1/2 ounce of distilled spirits, with a maximum of three samples per person, or up to a total of five ounces of wine. Vendors choose up to three products to showcase at each tasting event. Tastings are held primarily on Fridays and Saturdays and last a maximum of two hours. During the first year of tastings more than 2,850 events were held at approximately 195 ABC store locations.

Social Media and Web. The ABC Web Team implemented numerous changes to make the website more timely, visually appealing and easier to navigate. The home page was revamped to make Quick Links to the most frequently-viewed pages and Online Services easier to find. Other upgrades streamlined business functions such as the ability to purchase gift cards and apply for special event licenses online. The agency also increased utilization of social media to enhance customer service and increase accessibility, while communicating with a wider audience, to highlight the agency's mission and accomplishments. ABC's Facebook page and Twitter handle both crossed the 1,000-follower/"likes" milestone and almost 30 videos were posted to YouTube.

Governor Signs Assault Bill. Governor Bob McDonnell signed a bill on May 2, 2011 that makes it a felony to assault an ABC special agent. The ABC Agents Association advocated for the bill which allows for ABC special agents to be afforded the same protection under the law as other Virginia law enforcement officers. The bill, sponsored by Delegate Robert Orrock, passed the House and Senate unanimously. The Board and ABC agents from multiple regional offices, as well as other state and local law enforcement officers and first responders, attended the bill signing ceremony.

Photos (top to bottom): Members of the point-of-sale team gathered at ABC Store 239 in Bowling Green to celebrate completion of the project; Bureau of Law Enforcement agents rode from Richmond to Washington D.C. in the Bike for the Blue event; promotion postcard for the 2011 College Conference; staff at ABC Store 295 in Manassas earned an Internal Audit Division "Extraordinary Review" rating; ABC's YouTube channel videos feature a variety of agency initiatives.



**VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL**

