



VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
MISSION IN REVIEW 2010

CONTROL SERVICE REVENUE
CONTROL SERVICE REVENUE
CONTROL SERVICE REVENUE
CONTROL SERVICE REVENUE

LETTER FROM THE CHAIRMAN

As we recap the fiscal year at ABC, we are proud to highlight agency initiatives, business objectives, public-safety measures and, of course, sales.

Virginia Department of Alcoholic Beverage Control (ABC) ended the fiscal year with record sales of \$675.5 million, up \$10 million from the previous year. Retail dollars are up 2.5 percent while mixed beverage licensee sales continue to lag with a 2.5 percent decrease. On June 30, 2010, ABC transferred \$120.5 million in profits.

ABC's control/service/revenue mission necessitates that the agency accomplish more than high sales and good service. Commitment to public safety dictates selling responsibly and according to the law. Vigilance by ABC store associates resulted in a 98.5 percent compliance rate for fiscal year 2010. That means ABC is 1.5 percent from its goal of 100 percent compliance in preventing sales to underage. One tool that assists with this goal is the ID challenge. ABC store associates conduct an average of 18 ID challenges per store per day. That calculates to approximately 2.2 million ID challenges per year.

ABC's Bureau of Law Enforcement is committed to working with licensees on compliance training to reduce sales of alcohol by licensees to underage persons. Compliance rates for licensees have risen to 90.2 percent for Fiscal Year 2010. In addition, ABC is seeing an increase in high profile and complex enforcement operations and investigations.

The agency continues as a leader in alcohol education. ABC was awarded the National Liquor Law Enforcement Association's 2010 Most Innovative Program Award for its alcohol prevention initiative with the U.S. Naval Safety Center. The partnership is part of the ABC Military Outreach on Alcohol Incident Prevention program. Posters, fact sheets and public service announcements are key elements of the initiative.

ABC is doing more with less in all areas of the agency. In these difficult economic times, saving money is a highly valued skill and one in which ABC's Procurement and Support Services Division (PaSS) has a proven track record. PaSS saved ABC more than \$380,000 in contract negotiations last year and more than \$420,000 in the first half of fiscal year 2010. ABC has been accredited by the National Institute of Governmental Purchasing, Inc. and received the Outstanding Agency Accreditation Achievement Award for leadership and integrity in the public procurement profession. ABC is the first state agency in the Commonwealth of Virginia to receive this accreditation and award.

Legislation allowing tasting events in ABC stores passed in Fiscal Year 2010. Representatives of distilled spirits and wine companies are authorized to conduct tastings and vendors may choose up to three products to showcase. Each sample is limited to a 1/2 ounce of distilled spirits, with a maximum of three samples per person, or up to a total of five ounces of wine. Tastings allow customers to sample select products before making a purchase.

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 photos (top row, from left):

Special Agents Jill Humphreys and David Bragg communicate with local police; store 168 (Arlington) enjoys a prime urban location; Special Agent Kevin Smith checks for mixed beverage stamps.

Cover photos (bottom row, from left):

Assistant Manager Greg Ackerman assists a customer at store 169 (Richmond); Hearing Officer Michael Oglesby is assisted by Court Reporters Donna Tuten and Melissa Custis during an ABC hearing; students celebrate with the Y-Guy outside the YADAPP (Youth Alcohol & Drug Abuse Prevention Project) leadership conference in July 2009.

CONTENTS

Executive Information	4
Legislative Synopsis	5

Statistical Highlights

Licensing	7
Prevention & Education	7
Law Enforcement	7
Hearings & Appeals	8
Personnel	8
Stores & Products	9

Financial Reports

A Message from the Chairman and Chief Operating and Financial Officers	11
Financial Results in Brief, Fiscal Year 2010 (Pre-Audit)	11
Sales of All Beverages, Fiscal Year 2010 (Pre-Audit)	11
Comparison of Products Sold / Market Share, Fiscal Year 2010 vs. Fiscal Year 2009. . .	12
Analysis of Store Performance, Fiscal Year 2010	13
2010 Establishments by License Category – Cities	21
2010 Establishments by License Category – Counties	22

Financial Statements

Introduction	24
Management’s Discussion and Analysis (Unaudited)	25
Independent Auditor’s Report on Financial Statements	29
Statement of Net Assets	31
Statement of Revenues, Expenses and Changes in Net Assets	32
Statement of Cash Flows	33
Notes to Financial Statements	34

Fiscal Year 2010 in Review	40
--------------------------------------	----

EXECUTIVE INFORMATION

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

ABC Board

Board Chairman J. Neal Insley
Commissioner Sandra C. Canada
Commissioner Wayne J. Ozmore, Jr.

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 Francis J. Monahan
Financial Management Services Barry M. Wenzig
Hearings, Appeals and Judicial Services Robert S. O'Neal
Human Resources Janet L. Lawson
Information Technology Services Stephen L. Fox
Internal Audit John W. Wszelaki
Policy, Analysis and Support Services Claiborne Watkins
Property Management Services Robert W. Southall
Public Affairs Rebecca V. Gettings
Wholesale/Retail Operations Virginia A. Adams

Also on the ABC Board this fiscal year, Susan R. Swecker served as board chair until May 10, 2010. Franklin P. Hall served as commissioner through February 1, 2010. William J. Pantele served as commissioner through April 9, 2010. On the Executive Staff, Jeffrey L. Painter served as chief administrative officer through June 25, 2010. All division directors served throughout the fiscal year with the exception of Information Technology Services. Charles R. Moore retired as director of Information Technology Services on December 1, 2009 and a new director was named on January 10, 2010.



Governor Robert F. McDonnell



Secretary of Public Safety
Marla Graff Decker



ABC Board (left to right): Commissioner Wayne J. Ozmore, Jr., Chairman J. Neal Insley and Commissioner Sandra C. Canada.

Debates over “guns in bars” and consumer tasting events in state ABC stores highlighted alcohol issues in the 2010 session of the Virginia General Assembly. Twenty-nine alcohol-related measures were introduced for consideration by the legislature this year, with about half ultimately signed into law by Governor Bob McDonnell. All the laws discussed in this article went into effect July 1, 2010.

Concealed Weapons

Probably the most debated ABC-related measures addressed by the legislators were House Bill 505 and Senate Bill 334, identical bills which removed the prohibition against concealed weapon permit holders carrying a concealed handgun into a business licensed for on-premises alcohol consumption. The two acts replace the blanket ban on concealed weapons in licensed restaurants with a prohibition on consuming alcohol while so armed. Anyone who carries a concealed handgun onto the premises of a restaurant or club and consumes alcoholic beverages would be guilty of a Class 2 misdemeanor. Any person who becomes intoxicated while carrying a concealed handgun on the premises of a restaurant or club would be guilty of a Class 1 misdemeanor.



Chief Operating Officer W. Curtis Coleburn

Consumer Tastings

Senate Bill 26 and House Bill 952 were identical measures which provide that the Department of Alcoholic Beverage Control may allow organized tastings of alcoholic beverages when conducted by the authorized representative of a distilled spirits manufacturer at ABC retail locations. No single sample of distilled spirits served during the tasting shall exceed one-half ounce per spirits product offered, and no more than three spirits products may be offered to any one consumer. The measures require ABC to establish guidelines governing the tasting events. Tastings began on July 1.

Wine Liter Tax

Since its inception, the Virginia Wine Board has been funded by a transfer from the ABC fund in an amount just under \$600,000. The Wine Board uses the money to promote the Virginia wine industry and support the industry through research in enology and viticulture. The Wine Board received a big financial boost this year, with the passage of House Bill 588 and Senate Bill 237, two identical measures earmarking that portion of the wine liter tax collected from the sale of wine produced by Virginia farm wineries to the Virginia Wine Board. This will increase the transfer to the Wine Board to over \$1.4 million per year, based upon recent collections.

Underage Consumption at a Residence

A few years ago, the General Assembly amended the Alcoholic Beverage Control Act to provide an exemption to the general rule that alcoholic beverages could not be provided to persons under the age of 21, for situations in which the beverages were provided to the underage person in a residence while accompanied by a parent or guardian, or spouse 21 or older. The purpose of this action was to allow parents to give alcohol to their children at home. Each year since, there have been corrective measures to make sure there weren't any unintended loopholes in the law. This year, House Bill 1293 adds clarifying language to the exemption, to make it clear that the consumption of any alcoholic beverages lawfully provided to an underage person at a residence must take place only in such residence.

(continued)

DUI—Place of Last Consumption

Police may soon have a new tool for combating drunk driving. House Bill 144 gives the Department of Criminal Justice Services the power and duty to establish, publish and disseminate a model policy for law-enforcement personnel for handling individuals suspected of driving while intoxicated, including communication to the Alcoholic Beverage Control Board regarding the physical location where the individual states they consumed their last alcoholic beverage.

ABC Distillery Store

House Bill 620 adds to the possible locations of ABC stores on the property of licensed distilleries. This measure allows a licensed distiller who blends alcoholic beverages on his licensed premises, and who operates a duly organized nonprofit museum on the premises of a local historic building, to become a designated agent of the ABC Board. Such designation allows them to open a store/gift shop on their grounds and to sell products distilled in their facility. In Fredericksburg, A. Smith Bowman distillery is believed to be the only distillery expected to currently fit the statutory definition.

Fulfillment Warehouses/Marketing Portals

Two new licenses for businesses involved in assisting licensed direct shippers were created by House Bill 630 and Senate Bill 483. Licensed shippers will now be able to use the services of approved fulfillment warehouses to store, pack, and ship their products, and approved marketing portals to solicit and process orders. The statutory amendment specifies what organizations can perform the functions, and requires ABC to promulgate regulations to further define the process.

Infusion

As flavored spirits have proliferated in recent years, so have the imaginations of bartenders. Virginia law restricts the storage of distilled spirits by restaurants to the original containers in most cases. This has hampered the creativity of some mixologists, who would like to create their own flavors by infusing spirits with fruits, vegetables, and spices. Senate Bill 628 requires ABC to promulgate regulations to prescribe the terms and conditions under which mixed beverage licensees may infuse, store, and sell flavored distilled spirits. Regulations are currently under development.

Privatization

Two bills and a study resolution on the issue of potential privatization of Virginia's system for the distribution and sale of distilled spirits were introduced in the General Assembly, but none received positive committee action.

STATISTICAL HIGHLIGHTS: LICENSING

Licenses and Licensing

ABC retail licenses (1)	16,913
New retail, wholesale and special-permit licenses	2,270
Licensed retail establishments	15,911
Private or corporate owners	12,273
Alcohol compliance rates for retail licensees (%) (2)	90.24
Average processing time for new retail applications (in days) (3)	90
One-day banquet and special-event licenses	17,078

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

(2) FY 09 rate: 90 percent

(3) FY 09: 81 days. ABC targets a 60-day average.

STATISTICAL HIGHLIGHTS: PREVENTION EDUCATION

Publications and Conferences

Total prevention education / compliance publications distributed (1)	261,666
College Conference registrants (2)	305
YADAPP Conference participants (3)	521
YADAPP Wheeler Awards (3)	\$1,000
"High-Level Environmental Strategies and Best Practices for Prevention of Substance Abuse in the Community" participants (4)	70
"Screening, Brief Intervention and Referral to Treatment" training participants (physicians) (5)	350
"Best Is Yet to Come" media campaign, viewing audience (6)	495,000
"Don't Drink and Drive" media campaign, viewing audience (7)	3,974,800
"Energy Drink" prevention campaign, total hits on Facebook ads	3,378

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

(2) 24th Annual College Conference, Virginia Beach, November 13–15, 2009, presented in conjunction with the Virginia College Leadership Council. Funded through a grant from the Virginia Department of Motor Vehicles.

(3) 26th Annual Youth Alcohol & Drug Abuse Prevention Project (YADAPP) Summer Conference, Longwood University, July 19–22, 2010. Seventy-five youth teams represented youth and communities across Virginia. Wheeler Award winners (\$500 each) were Robert E. Lee H.S. (Staunton) and Great Bridge H.S. (Chesapeake).

(4) March 10–12, 2010, Richmond. ABC provided \$2,000 funding (through an Office of Juvenile Justice and Delinquency Prevention workshop grant) to co-sponsor this training, hosted by the Community Coalitions of Virginia in conjunction with Community Anti-Drug Coalitions of America, Office of National Drug Control Policy and Substance Abuse and Mental Health Services Administration. Participants included community coalition representatives from across Virginia, along with representatives from Virginia Commonwealth University and state government.

(5) Presented statewide by the Alcohol and Aging Awareness Group (AAAG).

(6) Presented by AAAG. Aired in Hampton Roads. Viewing audience total includes only adults, age 50+.

(7) Presented by military partnership. Aired in Hampton Roads.

Compliance Training

Responsible Sellers & Servers: Virginia's Program (RSVP) classes	88
RSVP participants (statewide)	1,667
Managers' Alcohol Responsibility Training (MART) classes	20
MART participants (statewide)	307

Grants

Operation Undergrad grants presented	6
Operation Undergrad disbursements	\$50,075
Community Coalition grants presented	7
Community Coalition disbursements	\$61,007
YADAPP minigrants presented	14
YADAPP minigrants disbursements	\$3,500
Rural and Local Law Enforcement grants presented	2
Rural and Local Law Enforcement disbursements	\$7,000

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

STATISTICAL HIGHLIGHTS: LAW ENFORCEMENT

Law Enforcement Activity

Criminal investigations	16,379
Arrests	2,570
Illegal still investigations	22
Inspections of licensed establishments	10,309
Underage Buyer compliance checks	4,644
ABC special agents	88
Written warning reports	1,995
Written violation reports	893
Wine, beer and mixed-beverage application and state license fees collected	\$11,970,308.23

Tobacco Syнар

Synar compliance rate, May 1–September 30, 2009 (%) (1)	87
Total tobacco checks by ABC agents (2)	4,304

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. ABC also receives funding from the Virginia Tobacco Settlement Foundation.

(1) FY 08: 83 percent

(2) This includes attempted checks visited but found not suitable for an underage buyer check. FY 08: 4,713 checks.

STATISTICAL HIGHLIGHTS: HEARINGS & APPEALS

Cases Referred for Hearings

Case Activity	Count
Violation/disciplinary reports	940
Contested applications	78
• Approved	36
• Denied	7
• Withdrawn before hearing	35
Contested banquet applications	16
• Approved	7
• Denied	4
• Withdrawn before hearing	5
Wine and beer franchise cases	6
Total hearings requested	1,040

Hearings Dispositions

Case Activity	Count	Percentage of Total Cases Received
Settled by consent settlement offer	416	42.62%
Heard by ABC hearing officer ¹	386	39.54%
Settled by offer in compromise	134	13.72%
Withdrawn or dismissed prior to hearing ²	40	4.09%
Total hearings dispositions ³	976	100%

¹ 386 hearings were held on 712 charges filed; licensees with multiple charges had cases combined into one hearing for efficiency. 55 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.

³ 200 cases were in process at the end of FY 09 and were completed during FY 10; 121 cases were in process at the end of FY 10 to be completed during FY 11

Average Case Turn-Around Time (in Days)

Activity	FY 05	FY 06	FY 07	FY 08	FY 09	FY10
Violations	129	130	120	91	178	158
Applications	105	99	93	106	135	131

Case Decisions Appealed

Activity	Count	Percentage of Total
Initial decision of hearing officer to ABC Board ¹	55	5.63%
Final decision of ABC Board to circuit court ²	20	36.36%

¹ Percentage of all cases referred

² Percentage of all appealed cases

Civil Penalties Collected

Activity	Count
Civil penalties collected (dollars)	\$1,257,350
Average civil penalty per case (dollars)	\$1,879.14
Average suspension period per case (days) ¹	19.0

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 10. 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

Type of Training	Employees	Courses
In-house training	229	16
Tuition Assistance Program (TAP)	14	27
E-learning, policy and regulation (1)	18,897	16
E-learning, safety	1,211	4
E-learning, emergency management (2)	2,189	5
E-learning, retail and product knowledge	6,699	19
Total	34,326	103

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

(2) State-mandated

Employees and Hiring

Total employees	2,670
Total classified employees	987
Total part-time employees	1,683
Classified employees hired in Fiscal Year 2010	86
Part-time employees hired in Fiscal Year 2010	545

This table reflects ABC personnel as of August 2, 2010, inclusive of classified and part-time, ABC stores, regional law-enforcement offices and central office.

Employee Demographics

Average age (years) (1)	43.9
Average years of service, classified employees (2)	11.8
Gender: male (%) (3)	55.1
Gender: female (%) (3)	44.9
Minority (%) (4)	35.9

This table reflects ABC personnel as August 2, 2010, inclusive of classified and part-time, ABC stores, regional law-enforcement offices and central office. The following comparative measures for all state classified employees are taken from the Virginia Department of Human Resources Management Workforce Planning Reports.

(1) Average age (all state employees): 45.1 years

(2) Average years of service (all state employees): 11.5 years

(3) Gender (all state employees): male, 45.6 percent; female, 53.9 percent

(4) Minority (all state employees): 32.6 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)	3,856,122
Total shipments to ABC stores (weight, in lbs)	123,666,895

(1) FY 09 rate: 97 percent

ABC Products

PRICE LIST

Active items on price list	2,698
Virginia wines on price list	87
Vermouths on price list	15
Items de-listed from price list (1)	187

SPECIAL ORDERS

Active items on special order catalog	233
Active items on special order noncatalog	736
Total special order purchases (cases) (2)	11,299
Total special order revenue (dollars) (2)	\$2,298,446
• Catalog purchases (cases)	3,672
• Catalog revenue (dollars)	\$1,082,867
• Noncatalog purchases (cases) (3)	7,557
• Noncatalog revenue (dollars)	\$1,215,579

(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, 2009–June 30, 2010

Store	Location	Activity	Closed	Opened	Total
096	Galax	relocation	07-02-09	07-03-09	332
284	Midlothian	relocation	07-04-09	07-08-09	332
036	Gainsville	new store	—	07-08-09	333
334	Mechanicsville	modernization	07-04-09	07-20-09	333
172	Chase City	modernization	08-01-09	08-18-09	333
068	Harrisonburg	relocation*	09-11-08	08-15-09	334
281	Madison Heights	modernization	08-17-09	09-01-09	334
132	Martinsville	relocation	09-14-09	09-15-09	334
324	Stuart	modernization	09-24-09	09-26-09	334
243	Ashland	modernization	09-26-09	10-12-09	334
214	Clarksville	modernization	10-10-09	10-27-09	334
101	Richmond	modernization	10-31-09	11-15-09	334
112	Hampton	relocation	12-05-09	12-10-09	334
337	Vinton	modernization	01-02-10	01-19-09	334
209	Fredericksburg	modernization	01-16-10	02-01-10	334
180	Fulton Bottom	closed	01-23-10	—	333
227	Gordonsville	modernization	02-01-10	02-12-10	333
331	Short Pump	modernization	02-13-10	03-01-10	333
360	Richmond	modernization**	—	—	333
145	Harrisonburg	modernization	03-15-10	03-26-10	333
289	Roanoke	modernization	03-29-10	04-13-10	333
071	Virginia Beach	closed	03-31-10	—	332
287	Lynchburg	modernization	04-12-10	04-23-10	332
293	Mount Jackson	modernization	04-24-10	05-08-10	332
176	Brookneal	modernization	05-21-10	05-24-10	332
268	Springfield	modernization	06-04-10	06-21-10	332
165	Chesapeake	modernization	06-21-10	07-02-10	332

* Relocation following fire in 2008.

** Less-extensive renovations to Store 360 did not require it to close for modernization.

(Below) ABC's Robert Scott, Steve Cumber and Robert O'Neal (left to right) assist Library of Virginia employee Marc Storrs in loading historical records headed to the Library for archiving. In an August 20, 2009 ceremony, the ABC Board transferred records dating back to 1934.



Top 50 Brands Sold in Fiscal Year 2010, Based on Dollars

Rank		Brand	Gross Dollars		Change (%)	Actual Change (\$)
FY 10	FY 09		FY 10 (\$)	FY 09 (\$)		
		Statewide	675,521,854	665,524,613	1.5	9,997,242
		Top 50	368,334,770	375,011,969	(1.8)	(6,677,199)
		All others	307,187,084	290,512,643	5.7	16,674,441
1	1	Jack Daniel's 7 Black Tennessee Whiskey	22,418,593	22,823,023	(1.8)	(404,430)
2	4	Smirnoff 80 Vodka Domestic	19,131,450	18,609,909	2.8	521,540
3	2	Grey Goose Vodka Imported	18,332,773	19,439,729	(5.7)	(1,106,956)
4	3	Jim Beam Straight Bourbon Whiskey	17,965,975	18,733,316	(4.1)	(767,342)
5	5	Crown Royal Canadian Whisky	17,366,315	18,255,947	(4.9)	(889,632)
6	6	Absolut Vodka Imported	14,327,146	15,199,324	(5.7)	(872,178)
7	7	Bacardi Superior Rum Domestic	13,851,996	14,321,017	(3.3)	(469,021)
8	8	Aristocrat Vodka Domestic	13,623,632	14,016,161	(2.8)	(392,528)
9	10	Jagermeister Cordials-Liqueurs-Specialties Imported	13,226,412	13,740,667	(3.7)	(514,255)
10	9	Captain Morgan's Spiced Rum Imported	12,905,298	13,747,871	(6.1)	(842,573)
11	12	Hennessy V.S. Cognac/Armagnac	12,198,050	12,232,087	(0.3)	(34,037)
12	11	Jose Cuervo Especial Gold Tequila	11,838,326	13,431,051	(11.9)	(1,592,724)
13	14	Patron Silver Tequila White	9,923,893	10,006,152	(0.8)	(82,259)
14	13	Seagram's Extra Dry Gin Domestic	9,685,960	10,566,391	(8.3)	(880,431)
15	15	Pinnacle Vodka Imported	8,572,252	8,171,358	4.9	400,894
16	18	Maker's Mark Straight Bourbon Whiskey	7,454,453	7,104,365	4.9	350,088
17	16	Bowman's Virginia Vodka Domestic	7,355,539	7,772,746	(5.4)	(417,207)
18	17	Skyy Vodka Domestic	7,252,498	7,108,989	2.0	143,509
19	19	Tanqueray Gin Imported	6,488,052	6,628,953	(2.1)	(140,901)
20	20	Canadian Mist Canadian Whisky	6,258,839	6,527,519	(4.1)	(268,679)
21	21	Grand Marnier Cordon Rouge Cordials Imported	5,477,135	5,776,852	(5.2)	(299,717)
22	23	Ketel One Vodka Imported	5,342,129	5,004,137	6.8	337,991
23	28	Burnett's Vodka Domestic	5,337,055	4,795,277	11.3	541,778
24	22	Bailey's Original Irish Cream Cordials Imported	4,936,606	5,114,543	(3.5)	(177,937)
25	25	Early Times Domestic Whiskey	4,870,781	4,945,435	(1.5)	(74,655)
26	24	Dewar's White Label Scotch Whiskey	4,766,815	4,993,675	(4.5)	(226,860)
27	27	Stolichnaya Vodka Imported	4,715,701	4,808,335	(1.9)	(92,634)
28	32	Evan Williams Black Straight Bourbon Whiskey	4,708,743	4,391,617	7.2	317,126
29	26	E & J V.S. Brandy Grape	4,678,695	4,916,239	(4.8)	(237,544)
30	30	Wild Turkey 101 Straight Bourbon Whiskey	4,565,910	4,640,375	(1.6)	(74,464)
31	29	Paul Masson Grande Amber V.S. Brandy Grape	4,562,035	4,760,645	(4.2)	(198,611)
32	33	Johnnie Walker Black Scotch Whiskey	4,304,770	4,231,873	1.7	72,897
33	34	Malibu Coconut Rum Imported	4,090,082	4,093,401	(0.1)	(3,319)
34	31	Southern Comfort Cordials Domestic	3,987,437	4,451,714	(10.4)	(464,277)
35	40	Ciroc Luxury Vodka	3,966,378	3,360,391	18.0	605,987
36	35	Kahlua Coffee Cordials Imported	3,945,443	4,025,026	(2.0)	(79,583)
37	36	Seagram's 7 Crown Blended Whiskey	3,878,081	3,969,913	(2.3)	(91,832)
38	41	Jameson Irish Whiskey	3,812,553	3,117,185	22.3	695,368
39	37	Bacardi Gold Rum Domestic	3,673,745	3,756,513	(2.2)	(82,768)
40	38	Bombay Sapphire Gin Imported	3,656,877	3,707,345	(1.4)	(50,468)
41	47	Firefly Sweet Tea Vodka Flavored	3,403,646	2,709,056	25.6	694,590
42	45	Evan Williams Green Straight Bourbon Whiskey	3,155,136	2,829,532	11.5	325,604
43	39	Courvoisier VS Cognac/Armagnac	3,058,287	3,385,785	(9.7)	(327,498)
44	42	Johnnie Walker Red Scotch Whiskey	3,021,937	3,001,227	0.7	20,710
45	44	Aristocrat White Domestic Rum	2,960,361	2,865,613	3.3	94,748
46	43	Absolut Citron Vodka - Flavored	2,784,954	2,920,671	(4.6)	(135,716)
47	48	Barton Domestic Gin	2,742,363	2,623,266	4.5	119,098
48	46	Henry McKenna Straight Bourbon Whiskey	2,695,067	2,796,070	(3.6)	(101,003)
49	49	Belvedere Vodka Imported	2,529,843	2,514,766	0.6	15,077
50	50	Svedka Vodka Imported	2,528,750	2,068,919	22.2	459,832

A Message from the Chairman and Chief Operating & Financial Officers

We are pleased to present the Fiscal Year 2010 Annual Report for the Virginia Department of Alcoholic Beverage Control (ABC). These facts and figures represent a twelfth consecutive record-breaking year for retail sales by our agency. In Fiscal Year 2010, we modernized 19 stores and relocated five. Also in Fiscal Year 2010, ABC operations returned record profits 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 Operating Officer W. Curtis Coleburn (left) and Chief Financial Officer J. Craig Vanderland.

Financial Results in Brief, Fiscal Year 2010 (Pre-Audit)

Revenue Source	Fiscal Year 2010
ABC profit transfers (1)	\$ 120,509,682
State taxes (2)	111,293,220
General sales tax (3)	26,906,495
Wine liter tax (4)	30,580,004
Malt beverage tax (5)	44,454,535
Total	\$ 333,743,936

- (1) Source: "Statement of Revenues, Expenses and Changes in Net Assets" (p. 32). 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. 36). 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. 37). General sales tax rate is 5 percent.
- (4) Source: "Notes to Financial Statements 4.B. General Fund" (p. 36). The non-ABC portion of the wine liter tax = \$.40 per liter. \$9,886,363 of the wine liter tax is transferred to the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services (now 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 2010 (Pre-Audit)

Product	Gallons (1)	Liters	Total Gallons (%)	Gross Dollars	Gross Sales (%)
STATE STORE SALES					
Distilled spirits	9,356,211	35,417,094	95.6%	\$668,212,838	98.9%
Virginia wine	28,355	107,337	0.3%	\$1,536,076	0.2%
Vermouth	38,493	145,712	0.4%	\$1,327,015	0.2%
Alcohol	106	403	0.0%	\$7,774	0.0%
Nonalcoholic mixers	320,743	1,214,143	3.6%	\$4,394,671	0.7%
Total	9,743,909	36,884,689	100.0%	\$675,478,375	100.0%
DIRECT SALES FROM WHOLESALERS					
Wines (\$0.40 liter) (2)	21,870,729	82,789,678	12.1%	\$33,115,871	42.7%
Beer (\$7.95 barrel) (3)	159,507,846	603,802,595	87.9%	\$44,444,405	57.3%
Total	181,378,575	686,592,273	100.0%	\$77,560,276	100.0%

- (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 2010 (Pre-Audit)" (this page).
Source: Policy, Planning and Analysis (PPA)

Comparison of Products Sold / Market Share, Fiscal Year 2010 vs. Fiscal Year 2009

Products	Cases Sold		Market Share (%)		Change (%)
	FY 10	FY 09	FY 10	FY 09	
Vodka	1,207,686	1,125,245	31.3	29.9	7.3%
Domestic	683,268	659,017	17.7	17.5	3.7%
Imported	309,301	292,615	8.0	7.8	5.7%
Flavored	215,117	173,613	5.6	4.6	23.9%
Rum	406,483	399,053	10.5	10.6	1.9%
Domestic	263,048	253,481	6.8	6.7	3.8%
Imported	143,434	145,573	3.7	3.9	(1.5%)
Cordials	376,005	374,911	9.7	10.0	0.3%
Imported	202,441	198,114	5.2	5.3	2.2%
Domestic	173,564	176,797	4.5	4.7	(1.8%)
Straight bourbon whiskey	364,414	357,966	9.4	9.5	1.8%
Gin	248,762	252,982	6.4	6.7	(1.7%)
Domestic	183,642	187,992	4.8	5.0	(2.3%)
Imported	52,439	52,125	1.4	1.4	0.6%
Flavored	11,906	12,033	0.3	0.3	(1.1%)
Sloe	774	833	0.0	0.0	(7.0%)
Tequila	180,865	175,651	4.7	4.7	3.0%
Canadian whiskey	171,070	173,198	4.4	4.6	(1.2%)
Brandy ¹	47,986	155,678	3.8	4.1	(4.9%)
Grape	119,875	124,584	3.1	3.3	(3.8%)
Imported	17,007	19,968	0.4	0.5	(14.8%)
Blackberry	2,778	2,755	0.1	0.1	0.8%
Apricot	2,478	2,424	0.1	0.1	2.2%
Peach	2,364	2,293	0.1	0.1	3.1%
Apple	1,139	1,094	0.0	0.0	4.1%
Flavored	1,250	1,459	0.0	0.0	(14.3%)
Cherry	1,071	1,080	0.0	0.0	(0.9%)
Fruit	24	20	0.0	0.0	—
Scotch whiskey	137,120	137,725	3.6	3.7	(0.4%)
Tennessee whiskey	98,116	98,355	2.5	2.6	(0.2%)
Cognac \ Armagnac	78,417	77,792	2.0	2.1	0.8%
Cocktails	84,012	84,066	2.2	2.2	(0.1%)
Domestic	80,523	78,730	2.1	2.1	2.3%
Imported	3,490	5,336	0.1	0.1	(34.6%)
Blended whiskey	96,796	95,291	2.5	2.5	1.6%
Specialty bottles	28,277	26,184	0.7	0.7	8.0%
Imported	20,359	20,022	0.5	0.5	1.7%
Domestic	7,918	6,162	0.2	0.2	28.5%
Domestic whiskey	43,485	43,452	1.1	1.2	0.1%
Irish whiskey	20,020	17,852	0.5	0.5	12.1%
Egg nog	3,760	3,966	0.1	0.1	(5.2%)
Corn whiskey	4,127	4,168	0.1	0.1	(1.0%)
Bottled in bond	570	532	0.0	0.0	7.2%
Miscellaneous mixers	0	0	0.0	0.0	
Rock & rye	1,420	1,393	0.0	0.0	1.9%
Straight rye whiskey	1,952	1,385	0.1	0.0	41.0%
Alcohol	39	46	0.0	0.0	(14.4%)
Vermouth	15,699	15,963	0.4	0.4	(1.7%)
Imported	7,900	8,169	0.2	0.2	(3.3%)
Domestic	7,798	7,794	0.2	0.2	0.1%
Virginia wine	12,017	12,262	0.3	0.3	(2.0%)
Nonalcoholic mixers	114,445	113,845	3.0	3.0	0.5%
Nonbeverage item	13,388	11,669	0.3	0.3	14.7%
Statewide totals*	3,856,930	3,760,629	100.0	100.0	2.6%

* Excludes miscellaneous records and confiscated items.

Source: Wholesale/Retail Operations

Analysis of Store Performance, Fiscal Year 2010

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		9,743,959	675,439,025	111,394,503	564,044,522	328,968,323	235,076,199	81,024,754	154,051,445	35,600,132	118,451,313	34.0
137 674 Hwy. 58, E.	Norton City	22,465	1,525,644	252,172	1,273,472	741,429	532,043	176,464	355,578	80,376	275,202	34.6
194 16427-E Wise St.	Wise Co.	9,769	649,282	107,542	541,740	315,093	226,647	52,324	140,131	34,192	105,939	38.1
206 18 E. 4th St., N.	Wise Co.	12,184	741,345	122,851	618,494	360,663	257,831	98,224	159,607	29,037	120,570	32.8
218 3982 Hwy. 23 N.	Scott Co.	9,647	549,120	90,672	458,448	266,283	192,166	80,781	104,642	28,935	75,707	30.3
Far Southwest		54,065	3,465,392	573,238	2,892,154	1,683,468	1,208,686	414,535	794,151	182,541	611,610	34.2
87 4027 College Ave.	Tazewell Co.	16,593	1,120,592	184,871	935,721	546,157	389,564	182,879	206,685	59,059	147,626	29.7
174 One Plaza Dr.	Buchanan Co.	8,704	574,266	94,842	479,424	280,050	199,374	79,799	119,575	30,259	89,316	32.1
197 12686 Gov. G. C. Perry Hwy.	Tazewell Co.	18,232	1,149,730	189,463	960,267	559,864	400,403	143,871	256,532	60,608	195,924	33.5
230 722 E. Riverside	Tazewell Co.	8,761	538,342	89,002	449,340	261,916	187,423	80,781	106,642	28,360	78,281	31.1
365 Food City Shp. Ctr.	Dickenson Co.	7,254	446,597	73,862	372,735	216,273	156,462	90,952	65,510	23,525	41,985	25.9
Southwest		59,544	3,829,527	632,039	3,197,487	1,864,260	1,333,227	578,282	754,945	201,812	553,133	30.9
58 3002 Lee Hwy.	Bristol City	26,017	1,741,622	287,179	1,454,443	848,922	605,521	212,625	392,896	91,798	301,098	33.8
96 974 E. Stuart Dr.	Galax City	21,250	1,185,160	195,041	990,119	578,338	411,781	152,276	259,505	62,492	197,013	33.1
135 1173 N. Main St.	Smyth Co.	23,960	1,369,739	226,426	1,143,312	666,579	476,733	168,803	307,930	72,161	235,769	33.7
141 441 W. Stuart Dr.	Carrroll Co.	15,156	842,072	138,384	703,688	411,638	292,050	116,426	175,623	44,414	131,210	32.0
153 325 W. Main St.	Wythe Co.	23,568	1,445,682	237,572	1,208,110	703,306	504,804	126,112	378,691	76,251	302,441	37.4
201 545 W. Main St.	Washington Co.	38,419	2,446,379	404,108	2,042,271	1,192,933	849,338	204,287	645,051	128,900	516,152	37.6
343 2123 Euclid Ave.	Bristol City	23,660	1,383,270	228,413	1,154,857	674,502	480,356	162,535	317,821	72,890	244,931	34.2
Wytheville/Hillsville		172,031	10,413,925	1,717,124	8,696,801	5,076,219	3,620,582	1,143,063	2,477,519	548,906	1,928,613	35.0
67 290 Peppers Ferry Rd.	Montgomery Co.	31,561	2,061,544	340,134	1,721,410	1,004,854	716,555	259,972	456,584	108,648	347,935	33.4
195 100 N. Franklin St.	Montgomery Co.	26,805	1,603,734	265,325	1,338,409	781,705	556,704	228,306	328,398	84,475	243,923	31.8
199 140 Kinter Way	Giles Co.	13,942	755,406	124,207	631,199	367,957	263,242	114,329	148,913	39,839	109,074	30.9
327 1332 S. Main St.	Montgomery Co.	79,998	5,073,628	839,459	4,234,169	2,472,890	1,761,279	386,330	1,374,949	267,243	1,107,706	38.4
345 1072 Memorial Square Dr.	Pulaski Co.	20,326	1,149,038	190,274	958,763	558,250	400,514	149,488	251,025	60,513	190,512	33.1
356 97 Walker St.	Radford City	41,954	2,404,959	397,903	2,007,056	1,169,664	837,392	247,283	590,109	126,677	463,432	35.8
Radford/Blacksburg		214,587	13,048,308	2,157,303	10,891,005	6,355,320	4,535,685	1,385,708	3,149,977	687,395	2,462,583	35.4
115 1423 Williamson Rd., N.E.	Roanoke City	55,537	3,837,850	634,056	3,203,794	1,865,524	1,338,270	276,890	1,061,380	202,210	859,170	38.9
123 531 Main St.	Alleghany Co.	6,994	416,264	68,717	347,547	202,188	145,359	51,893	93,466	21,936	71,531	33.7
124 123 W. Main St.	Covington City	14,013	869,022	144,082	724,940	422,367	302,572	125,451	177,122	45,755	131,367	31.7
186 1483 W. Main St.	Salem City	44,827	2,708,511	447,166	2,261,345	1,319,149	942,196	236,112	706,084	142,727	563,357	37.3
229 3940 Valley Gateway Blvd.	Roanoke Co.	20,478	1,243,672	205,671	1,038,000	606,085	431,916	172,888	259,028	65,514	193,513	32.1
259 1398 Towne Square Blvd.	Roanoke City	44,918	2,875,523	474,205	2,401,318	1,403,644	997,674	271,350	726,324	151,561	574,763	36.5
269 646 Brandon Ave., S.W.	Roanoke City	61,649	4,057,745	668,062	3,389,683	1,982,485	1,407,198	456,084	951,114	213,943	737,171	34.6
289 3341 Melrose Ave., N.W.	Roanoke City	30,282	1,989,988	330,329	1,659,659	965,651	694,009	210,702	483,307	104,751	378,556	35.6
309 3901 Brambleton Ave., S.W.	Roanoke Co.	56,088	3,484,903	573,364	2,911,539	1,700,029	1,211,509	328,534	882,975	183,764	699,211	36.5
337 1113 Vinyard Rd.	Roanoke Co.	30,220	1,745,838	288,109	1,457,729	849,968	607,761	184,023	423,738	92,006	331,732	35.5
364 56 Kingston Dr.	Botetourt Co.	22,666	1,428,557	234,984	1,193,573	696,843	496,730	184,769	311,961	75,333	236,628	33.0
Roanoke		387,672	24,657,872	4,068,744	20,589,128	12,013,932	8,575,196	2,498,696	6,076,500	1,299,500	4,777,000	35.9
57 1028 Richmond Ave.	Staunton City	14,979	968,595	159,739	808,856	471,914	336,941	238,850	98,091	51,052	47,039	21.3
68 2196 John Wayland Hwy.	Harrisonburg City	20,210	1,219,150	201,244	1,017,906	593,026	424,880	312,338	112,542	64,246	48,296	20.5
113 2827 E. Main St.	Bath Co.	6,478	486,591	80,151	406,440	237,284	169,156	117,426	51,730	25,653	26,077	21.8
122 201 State St.	Staunton City	22,906	1,524,900	251,686	1,273,215	743,000	530,215	171,049	359,166	80,360	278,806	34.8
140 445 E. Nelson St.	Lexington City	39,496	2,453,638	403,328	2,050,310	1,196,787	853,523	286,333	567,190	129,407	437,783	34.3

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 2010

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)
145 398 N. Main St.	Harrisonburg City	35,780	2,182,482	360,701	1,821,781	1,061,622	760,159	192,732	567,427	114,983	452,444	37.3
147 58 Water St.	Highland Co.	2,266	134,611	21,704	112,907	66,047	46,859	48,429	(1,570)	7,126	(8,696)	9.7
184 2035 E. Market St.	Rockingham Co.	71,827	4,584,370	755,427	3,828,943	2,234,170	1,594,773	391,580	1,203,193	241,667	961,526	37.5
302 132 Lee Jackson Hwy.	Staunton City	23,015	1,440,787	236,608	1,204,179	701,913	502,265	210,775	291,490	76,003	215,488	31.4
338 125 Lucy Ln.	Waynesboro City	49,593	3,122,239	514,220	2,608,018	1,521,703	1,086,316	317,375	768,941	164,607	604,334	35.8
339 Augusta Plz., Rt. 612	Augusta Co.	15,878	980,298	162,299	817,999	477,434	340,565	143,630	196,935	51,629	145,306	31.4
Staunton/Waynesboro		302,428	19,097,661	3,147,108	15,950,553	9,304,900	6,645,653	2,430,518	4,215,135	1,006,732	3,208,403	33.3
47 380 Gateway Dr.	Frederick Co.	21,976	1,497,424	246,453	1,250,972	729,738	521,233	224,188	297,045	78,956	218,089	31.0
52 786 Shopping Center Rd.	Shenandoah Co.	14,113	877,344	145,049	732,294	427,035	305,259	122,659	182,600	46,219	136,381	32.1
56 182 Delco Plz.	Frederick Co.	24,257	1,640,810	269,719	1,371,091	798,898	572,194	203,188	369,006	86,538	282,469	33.7
75 226 Elizabeth Dr.	Frederick Co.	18,967	1,226,262	202,727	1,023,535	595,576	427,960	169,854	258,106	64,601	193,504	32.3
139 235 Sunnyside Cir.	Frederick Co.	32,605	2,131,923	350,985	1,780,938	1,039,705	741,233	213,082	528,151	112,405	415,746	36.0
142 411-F South St.	Warren Co.	42,808	2,775,095	455,256	2,319,839	1,352,774	967,065	313,299	653,766	146,419	507,347	34.7
167 21 Crow St.	Clarke Co.	12,567	832,533	137,398	695,135	405,842	289,294	141,954	147,340	43,874	103,466	28.9
173 14817 Spotswood Trail	Page Co.	13,127	801,202	132,002	669,200	391,859	277,340	122,721	154,619	42,237	112,382	30.5
193 1412 W. 211 Bypass	Page Co.	18,729	1,112,017	183,187	928,830	542,200	386,629	141,199	245,431	58,624	186,807	33.3
261 2218 Valley Ave.	Winchester City	34,292	2,271,057	374,155	1,896,902	1,107,378	789,523	211,296	578,227	119,725	458,502	36.7
293 5814 Main St.	Shenandoah Co.	12,390	728,868	120,597	608,272	355,210	253,062	58,676	194,386	38,392	155,994	37.9
318 462 N. Main St.	Shenandoah Co.	15,182	885,969	146,422	739,547	431,465	308,082	117,637	190,445	46,677	143,768	32.8
Winchester/Front Royal		261,015	16,780,504	2,763,950	14,016,554	8,177,680	5,838,874	2,039,753	3,799,121	884,666	2,914,455	33.8
33 12631 Galveston Court	Prince William Co.	18,464	1,383,971	228,609	1,155,362	674,118	481,243	326,212	155,031	72,922	82,110	22.5
36 8038 Crescent Park Dr.	Prince William Co.	12,602	906,001	90,044	815,957	476,907	339,050	116,234	222,816	51,500	171,316	28.8
39 10410 Bristow Center Dr.	Prince William Co.	23,886	1,743,639	286,395	1,457,244	852,627	604,617	294,668	309,949	91,975	217,974	28.9
40 20200 Dulles Retail Plz.	Loudoun Co.	13,351	1,133,667	186,513	947,154	553,913	393,241	282,177	111,064	59,780	51,284	21.0
41 12950 Highland Crossing Dr.	Fairfax Co.	12,009	1,011,231	166,636	844,595	492,824	351,771	331,895	19,877	53,307	(33,431)	13.2
42 7702 Richmond Hwy.	Fairfax Co.	24,872	1,823,695	300,256	1,523,439	887,374	636,065	308,721	327,344	96,153	231,191	29.1
45 8428 Old Keene Mill Rd.	Fairfax Co.	26,481	1,926,466	317,400	1,609,066	938,802	670,258	258,446	411,812	101,557	310,255	32.6
49 881 N. Quincy St.	Arlington Co.	42,467	3,476,449	571,879	2,904,570	1,696,184	1,208,387	402,285	806,102	183,324	622,777	34.4
54 42015 Village Center Plz.	Loudoun Co.	22,163	1,798,832	296,337	1,502,495	878,597	623,898	291,656	332,242	94,831	237,411	29.7
55 9528 Liberia Ave.	Manassas City	30,801	2,315,045	381,070	1,933,975	1,130,948	803,027	299,543	503,484	122,064	381,420	32.9
61 22330 Sterling Blvd.	Loudoun Co.	24,869	1,879,819	310,458	1,569,360	916,726	652,634	297,020	355,614	99,051	256,563	30.2
63 8951 Ox Rd.	Fairfax Co.	15,733	1,186,814	195,340	991,474	580,249	411,225	245,819	165,406	62,578	102,828	25.1
73 43150 Broadlands Center Plz.	Loudoun Co.	24,491	2,055,170	337,814	1,717,356	1,003,170	714,186	284,700	429,486	108,392	321,094	32.1
76 1212 W. Broad St.	Falls Church City	22,727	1,800,838	296,095	1,504,743	879,641	625,102	351,724	273,724	94,973	178,751	26.4
78 5331 Merchants View Square	Prince William Co.	17,172	1,311,640	215,831	1,095,809	640,801	455,008	225,183	229,825	69,163	160,662	28.7
80 6206 Little River Tmpk.	Fairfax Co.	27,390	2,133,863	351,281	1,782,582	1,037,246	745,336	348,905	396,431	112,509	283,922	29.8
81 6230-J.N. Kings Hwy.	Fairfax Co.	26,996	2,105,396	346,068	1,759,328	1,024,149	735,180	243,658	491,522	111,041	380,480	34.5
82 46930 Cedar Lakes Plz.	Loudoun Co.	42,612	3,422,918	559,689	2,863,229	1,671,825	1,191,404	341,008	850,396	180,715	669,681	35.9
83 7263 Arlington Blvd.	Fairfax Co.	16,660	1,299,281	214,105	1,085,176	634,322	450,854	219,624	171,231	68,492	102,739	24.4
84 13053 E. Jackson Hwy.	Fairfax Co.	22,834	1,781,538	293,100	1,488,438	870,587	617,851	275,431	342,420	93,944	248,476	30.4
85 2930 Chain Bridge Rd.	Fairfax Co.	28,073	2,212,668	363,460	1,849,208	1,080,528	768,680	330,078	436,602	116,714	321,888	31.0
90 12965 Fair Lakes Shp. Ctr.	Fairfax Co.	31,286	2,538,148	415,479	2,122,669	1,238,203	884,466	355,113	529,353	133,974	395,379	31.9
93 6124 Rose Hill Dr.	Fairfax Co.	17,086	1,290,156	212,544	1,077,613	631,017	446,596	226,983	219,613	68,014	151,598	28.2
99 601 Post Dr.	Fairfax Co.	29,774	2,469,767	407,838	2,061,929	1,205,315	856,614	396,906	459,708	130,140	329,567	29.9
109 1731 Wilson Blvd.	Arlington Co.	30,604	2,598,768	424,713	2,174,055	1,271,294	902,761	329,725	573,036	137,217	435,819	33.1
111 5722 Union Mill Rd.	Fairfax Co.	28,974	2,335,041	385,122	1,949,919	1,137,179	812,740	334,950	477,790	123,071	354,720	31.7
119 901 N. St. Asaph St.	Alexandria City	48,881	4,093,090	674,475	3,418,615	1,995,656	1,422,959	333,005	1,089,954	215,769	874,185	37.8

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

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2010

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.	37,263	3,127,229	512,986	2,614,243	1,527,557	362,849	723,837	165,000	558,837	34.3
127	13300 Franklin Farm Rd.	Fairfax Co.	14,962	1,145,718	188,850	956,868	558,881	253,635	144,352	60,394	83,959	23.8
131	Bradlick Shp. Ctr.	Fairfax Co.	24,678	1,854,177	306,192	1,547,985	900,301	282,557	365,128	97,702	267,425	30.9
133	9130 Mathis Ave.	Manassas City	36,701	2,662,517	439,415	2,223,102	1,299,047	348,947	575,108	140,313	434,795	32.8
136	18 Fairfax St., S.E.	Loudoun Co.	34,833	2,638,249	435,110	2,203,139	1,287,723	307,348	608,068	139,053	469,015	34.3
166	210 Fort Evans Rd., N.E.	Loudoun Co.	38,885	3,109,552	512,384	2,597,168	1,519,202	319,430	758,536	163,922	594,614	35.6
168	1001 N. Fillmore St.	Arlington Co.	24,973	2,052,033	335,770	1,716,264	1,001,096	303,853	411,314	108,323	302,991	31.1
170	1238 Elden St.	Fairfax Co.	31,329	2,477,371	409,858	2,067,513	1,207,165	327,041	533,307	130,493	402,814	32.8
181	106 Washington St.	Loudoun Co.	7,787	644,539	105,719	538,821	314,958	111,695	112,168	34,008	78,160	28.5
203	44110 Ashburn Village Shp. Ctr.	Alexandria City	36,104	2,903,427	479,324	2,424,103	1,414,825	377,824	631,454	152,999	478,455	33.0
208	11160 S. Lakes Dr.	Loudoun Co.	21,744	1,733,276	285,480	1,447,796	848,756	282,974	316,065	91,379	224,686	29.4
210	167 Hillwood Ave.	Fairfax Co.	26,198	2,204,416	362,417	1,841,999	1,074,916	287,088	479,994	116,259	363,735	32.9
212	320 23rd St., S.	Falls Church City	13,833	983,349	161,754	821,594	479,968	259,613	82,013	51,856	30,158	19.5
215	8338 Leesburg Pike	Arlington Co.	21,946	1,896,971	311,922	1,585,049	925,115	299,219	360,715	100,042	260,674	30.2
219	12426 Little River Tnpk., E.	Fairfax Co.	74,116	7,373,156	1,219,530	6,153,626	3,597,712	1,092,894	1,463,020	388,391	1,074,629	31.1
224	13944 Lee Jackson Hwy.	Fairfax Co.	40,964	3,217,834	530,118	2,687,717	1,572,101	418,674	696,941	169,637	527,304	32.9
228	1524 Belle View Blvd.	Fairfax Co.	33,803	2,713,255	442,059	2,271,196	1,327,716	324,435	619,045	143,348	475,697	33.8
231	436 E. Maple Ave.	Fairfax Co.	35,144	2,690,516	439,629	2,250,887	1,317,894	440,334	492,660	142,067	350,593	29.4
234	9574 Old Keene Mill Rd.	Fairfax Co.	27,135	1,964,009	323,665	1,640,343	957,077	312,118	371,148	103,532	267,616	30.1
235	8628 Richmond Hwy.	Fairfax Co.	27,947	2,159,063	355,703	1,803,360	1,053,834	425,788	323,739	113,821	209,918	26.2
236	7200 James Swart Cir.	Fairfax Co.	34,540	2,488,392	410,063	2,078,329	1,205,670	263,763	608,896	131,175	477,720	35.7
241	11260 Arlington Blvd.	Fairfax Co.	43,437	3,510,833	578,168	2,932,665	1,709,237	409,399	814,029	185,098	628,932	34.4
248	4709 Lee Hwy.	Arlington Co.	34,486	2,672,166	438,279	2,233,887	1,306,238	318,019	609,630	140,994	468,636	33.9
260	6198 Rivers Ridge Blvd.	Fairfax Co.	22,609	1,725,073	284,045	1,441,028	840,055	298,115	302,858	90,952	211,906	28.7
264	16661 Chain Bridge Rd.	Prince William Co.	26,876	2,039,711	336,831	1,702,880	992,700	246,382	463,798	107,479	356,319	34.0
267	1446 Chain Bridge Rd.	Fairfax Co.	45,341	3,835,790	630,341	3,205,387	1,875,090	403,114	927,183	202,311	724,872	35.3
268	6400 Springfield Plz.	Fairfax Co.	46,205	3,558,243	586,506	2,971,737	1,735,659	426,842	809,237	187,564	621,673	34.0
271	13588 Jefferson Davis Hwy.	Prince William Co.	50,168	3,825,103	632,737	3,192,366	1,864,752	392,181	935,433	201,489	733,945	35.7
273	9421 Lorton Market St.	Fairfax Co.	22,098	1,716,808	283,046	1,433,762	837,252	260,673	335,837	90,493	245,344	30.8
286	7555 Linton Hall Rd.	Prince William Co.	36,978	2,821,410	464,470	2,356,940	1,378,179	314,326	664,435	148,760	515,675	34.7
294	3556-E S. Jefferson St.	Fairfax Co.	46,274	3,867,213	632,724	3,234,488	1,880,944	543,794	809,750	204,147	605,603	32.0
295	8095 Sudley Rd.	Prince William Co.	56,044	4,223,243	696,359	3,526,883	2,053,456	552,336	921,091	222,602	698,489	33.0
297	4647 Duke St.	Alexandria City	26,975	2,153,362	355,370	1,797,992	1,047,730	307,373	442,889	113,482	329,407	31.8
301	4292 Merchants Plz.	Prince William Co.	45,803	3,476,720	572,157	2,904,563	1,695,800	376,065	832,698	183,324	649,374	35.1
316	4108 Fortuna Center Plz.	Prince William Co.	27,532	2,097,330	345,114	1,752,216	1,023,837	339,879	388,500	110,593	277,907	29.7
317	9600 Main St.	Fairfax City	33,433	2,492,346	409,483	2,082,864	1,214,257	328,015	540,591	131,462	409,130	32.8
319	2435 N. Harrison St.	Arlington Co.	23,300	1,857,754	305,341	1,552,413	905,034	330,512	316,866	97,982	218,884	28.2
322	14151 St. Germain Dr.	Fairfax Co.	48,432	3,667,975	605,345	3,062,630	1,781,605	483,124	797,901	193,300	604,601	33.0
323	609-O E. Main St.	Loudoun Co.	26,938	2,016,545	332,425	1,684,120	983,542	272,107	428,471	106,295	322,177	32.5
346	8105 Lee Hwy.	Fairfax Co.	32,780	2,591,382	425,713	2,165,669	1,266,190	317,371	582,108	136,688	445,420	33.6
352	2555 John Milton Dr.	Fairfax Co.	22,361	1,725,383	283,889	1,441,493	842,917	231,817	366,759	90,981	275,778	32.4
353	4255 Cheshire Plz.	Prince William Co.	55,270	4,153,153	685,603	3,467,550	2,026,290	526,296	914,963	218,857	696,106	33.3
357	1454 N. Point Village Shp. Ctr.	Fairfax Co.	38,085	3,257,482	534,872	2,722,610	1,590,768	366,518	765,324	171,840	593,485	34.6
358	4312 Wheeler Ave.	Alexandria City	61,002	5,402,385	896,586	4,505,799	2,627,397	325,936	1,552,467	284,387	1,268,079	40.1
362	100 Edds Ln.	Loudoun Co.	32,421	2,519,997	413,229	2,105,768	1,232,515	322,082	551,171	132,907	418,264	33.0
367	20070 Ashbrook Commons Plz.	Loudoun Co.	16,448	1,365,893	225,177	1,140,716	667,290	329,747	143,678	71,997	71,681	21.7
368	10308 Willard Way	Fairfax Co.	27,487	1,971,423	325,135	1,646,289	963,000	312,671	370,618	103,907	266,711	30.0
369	6343-A Columbia Pike	Fairfax Co.	27,498	2,047,502	338,022	1,709,480	990,002	285,797	433,681	107,895	325,786	32.4
371	5739 Burke Centre Pkwy.	Fairfax Co.	30,758	2,270,383	374,037	1,896,346	1,108,451	260,707	527,188	119,689	407,499	34.4

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 averages. (4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2010

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	24,172	1,951,310	322,232	1,629,078	951,175	677,903	278,397	399,505	102,821	296,685	31.7
374 2955-A S. Glebe Rd.	Arlington Co.	49,981	3,965,135	654,238	3,310,897	1,928,203	1,382,694	390,397	992,297	208,970	783,327	36.3
Northern Virginia		2,409,332	190,851,011	31,364,038	159,486,974	93,111,282	66,375,692	26,063,394	40,312,297	10,066,151	30,246,146	32.3
37 15149 Montanus Dr.	Culpeper Co.	21,025	1,436,923	236,997	1,199,926	700,724	499,201	215,030	284,171	75,734	208,437	31.0
51 265 Turkey Sag Trail	Fluvanna Co.	16,932	1,086,747	178,485	908,262	530,785	377,477	132,894	244,583	57,326	187,257	33.7
66 11083-E Marsh Rd.	Fauquier Co.	18,053	1,166,368	192,045	974,323	569,543	404,780	201,654	203,126	61,495	141,631	28.6
72 5309-A Lyndon Dr.	Orange Co.	24,898	1,550,243	254,851	1,295,391	757,033	538,358	175,914	362,444	81,760	280,685	34.5
88 4199-B Winchester Rd.	Fauquier Co.	13,964	954,396	157,568	796,828	465,984	330,844	136,124	194,720	50,292	144,428	31.6
163 583 N. Madison Rd.	Orange Co.	14,516	889,441	147,155	742,285	432,130	310,155	140,776	169,379	46,850	122,529	30.3
227 S. Main St.	Orange Co.	8,357	515,650	85,000	430,651	251,002	179,649	101,683	77,966	27,181	50,785	26.3
274 28 Madison Plaza Dr.	Madison Co.	10,057	624,574	102,874	521,700	304,589	217,111	134,492	82,619	32,928	49,692	24.4
303 175 Lee Hwy.	Fauquier Co.	55,112	3,887,030	639,788	3,247,243	1,898,224	1,349,018	395,471	953,547	204,952	748,595	35.7
329 185 Southgate Shp. Ctr.	Culpeper Co.	26,429	1,698,523	280,107	1,418,416	827,971	590,445	232,930	357,515	89,524	267,991	32.3
Warrenton/Culpeper		209,343	13,809,894	2,274,870	11,535,024	6,737,985	4,797,039	1,866,968	2,930,071	728,042	2,202,029	32.4
46 183 Community St.	Albemarle Co.	20,183	1,467,134	241,109	1,226,025	716,335	509,690	174,551	335,138	77,382	257,757	34.0
70 8875 Seminole Trail	Greene Co.	14,026	873,132	143,571	729,561	425,577	303,984	154,479	149,505	46,047	103,458	28.3
125 304 Pantops Ctr.	Albemarle Co.	37,479	2,542,015	419,087	2,122,928	1,239,312	883,617	289,187	624,430	133,990	490,439	35.8
126 2819 Rockfish Valley Hwy.	Nelson Co.	9,127	626,181	101,573	524,607	307,559	217,048	122,846	94,202	33,111	61,091	26.0
138 Rts. 22 and 23	Louisa Co.	25,525	1,498,015	247,031	1,250,984	729,072	521,911	154,355	367,557	78,957	288,600	35.8
185 500 W. Main St.	Charlottesville City	37,095	2,694,136	445,781	2,248,355	1,310,277	938,078	267,327	670,751	141,907	528,844	36.2
189 Scottsville Shp. Ctr.	Albemarle Co.	9,310	571,861	94,598	477,264	277,567	199,696	97,575	102,121	30,123	71,998	29.1
202 1902 Emmet St.	Charlottesville City	58,741	4,526,170	748,337	3,777,833	2,203,104	1,574,729	423,342	1,151,387	238,441	912,946	36.7
253 1169 Emmet St.	Charlottesville City	55,459	3,841,430	632,174	3,209,256	1,875,798	1,333,458	381,440	952,018	202,555	749,463	36.0
321 77 Callohill Dr.	Nelson Co.	10,738	637,278	105,409	531,869	310,332	221,537	128,703	92,835	33,569	59,268	25.8
359 1653 Seminole Trail	Albemarle Co.	27,431	1,861,980	305,996	1,555,984	909,145	646,839	355,114	291,725	98,207	193,518	26.8
Charlottesville		305,115	21,139,332	3,484,666	17,654,667	10,304,080	7,350,586	2,518,918	4,831,669	1,114,289	3,717,380	34.1
117 309 Twelfth St.	Lynchburg City	38,691	2,395,139	397,507	1,997,632	1,161,734	835,898	191,276	644,622	126,082	518,540	38.2
160 1128 E. Lynchburg Salem Trnk.	Bedford City	24,994	1,488,152	246,063	1,242,089	723,995	518,094	188,037	330,057	78,395	251,662	33.4
176 Hwys. 501 and 40 S.	Campbell Co.	8,485	482,265	80,023	402,242	233,896	168,346	125,907	42,439	25,388	17,051	20.1
262 20401 Timberlake Rd.	Campbell Co.	37,925	2,327,452	383,692	1,943,759	1,133,711	810,048	207,766	602,282	122,682	479,600	37.1
266 2118 Wards Rd.	Lynchburg City	40,679	2,515,793	416,010	2,099,783	1,222,322	877,461	256,870	620,591	132,530	488,061	35.9
279 18013 Forest Rd.	Bedford Co.	35,763	2,267,866	373,520	1,894,346	1,051,176	789,170	229,427	559,743	119,563	440,179	35.9
281 216 Amelton Square Plz.	Amherst Co.	23,417	1,409,539	232,986	1,176,553	685,545	491,009	185,751	305,258	74,259	230,999	32.9
285 Ambriar Shp. Ctr.	Amherst Co.	11,239	667,191	110,023	557,168	324,845	232,323	146,311	86,012	35,166	50,846	24.1
287 4925 Boonsboro Rd.	Lynchburg City	20,581	1,384,115	228,292	1,155,823	676,888	478,935	221,800	257,135	72,951	184,184	29.8
347 1301-I N. Main St.	Campbell Co.	18,597	1,113,705	183,666	930,039	540,951	389,088	153,577	235,511	58,700	176,810	32.4
354 U.S. Rt. 460, W.	Appomattox Co.	15,859	915,059	151,764	763,294	443,899	319,395	142,329	177,066	48,176	128,890	30.7
Lynchburg		276,229	16,966,276	2,803,547	14,162,729	8,252,961	5,909,767	2,049,052	3,860,715	893,892	2,966,823	34.0
132 2777 Greensboro Rd.	Henry Co.	18,293	1,057,185	174,946	882,239	513,879	368,360	129,735	238,625	55,683	182,942	33.9
146 639 W. Main St.	Danville City	20,646	1,231,259	203,503	1,027,756	598,705	429,051	228,967	200,084	64,868	135,216	27.5
154 235 N. Union St.	Danville City	12,057	665,776	110,410	555,366	323,846	231,521	111,323	120,198	35,052	85,145	29.4
191 942 Tanyard Rd.	Franklin Co.	32,031	1,845,380	304,872	1,540,507	897,138	643,369	184,440	458,929	97,230	361,699	36.1
213 12990 B. T. Washington Hwy.	Franklin Co.	34,762	2,205,763	363,905	1,841,858	1,076,470	765,388	243,035	522,353	116,250	406,102	34.9
276 221 Nor-Dan Dr.	Danville City	28,375	1,771,179	292,575	1,478,604	859,741	618,863	171,430	447,433	93,323	354,110	36.5
277 985 Fairystone Park Hwy.	Henry Co.	22,852	1,232,129	203,877	1,028,252	598,687	429,565	175,063	254,503	64,899	189,604	31.9
283 Tightsqueeze Plz.	Pittsylvania Co.	12,423	714,556	118,129	596,427	347,628	248,800	137,260	111,540	37,644	73,896	26.9

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

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2010

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)
291 243 Commonwealth Blvd.	Martinsville City	37,295	2,262,935	374,391	1,888,544	1,100,860	787,684	275,534	512,150	119,197	392,953	33.9
324 301 S. Main St.	Patrick Co.	9,985	590,938	97,946	492,992	286,939	206,053	79,359	126,694	31,116	95,579	32.7
373 3308 Riverside Dr.	Danville City	25,380	1,625,323	268,594	1,356,729	790,808	565,921	226,057	339,864	85,631	254,233	32.2
Danville/Martinsville		254,097	15,202,423	2,513,149	12,689,274	7,394,700	5,294,574	1,962,202	3,332,372	800,894	2,531,478	33.2
59 3136 Halifax Rd.	South Boston	37,922	2,225,483	368,494	1,856,988	1,082,747	774,241	339,039	435,202	117,205	317,997	30.8
143 812 E. Atlantic St.	Mecklenburg Co.	35,654	2,136,618	354,223	1,782,394	1,038,981	743,413	190,594	552,820	112,497	440,323	37.2
157 302 New Hicks St.	Brunswick Co.	11,091	627,152	104,219	522,933	304,060	218,873	90,926	127,947	33,005	94,941	31.8
172 112 N. Main St.	Mecklenburg Co.	10,592	565,033	93,835	471,198	273,408	197,791	118,399	79,391	29,740	49,651	25.4
214 608 Virginia Ave.	Mecklenburg Co.	12,915	754,106	124,859	629,247	366,850	262,397	116,989	145,408	39,715	105,693	30.6
South Boston		108,173	6,308,391	1,045,631	5,262,761	3,066,045	2,196,715	855,947	1,340,768	332,163	1,008,605	32.6
152 1506 S. Main St.	Prince Edward Co.	44,223	2,646,923	438,145	2,208,778	1,285,739	923,039	243,337	679,702	139,409	540,293	37.0
161 501-F Main St.	Lunenburg Co.	9,705	519,359	86,352	433,007	250,672	182,336	109,950	72,386	27,330	45,056	25.3
164 1618 W. Virginia Ave.	Nottoway Co.	9,963	573,416	95,291	478,124	277,984	200,141	116,567	83,573	30,177	53,396	25.9
178 Main St.	Buckingham Co.	10,350	608,931	101,229	507,702	294,721	212,981	109,627	103,354	32,044	71,310	28.3
196 4875 Main St	Charlottesville	6,386	344,637	57,044	287,593	167,117	120,476	101,706	18,770	18,152	618	16.7
275 1527 S. Main St.	Nottoway Co.	16,608	984,169	163,465	820,703	477,334	343,370	175,128	168,242	51,799	116,443	28.4
351 15127 Patrick Henry Hwy.	Amelia Co.	10,382	592,401	98,321	494,081	287,300	206,780	81,006	125,774	31,184	94,590	32.6
Farmville		107,616	6,269,837	1,039,849	5,229,988	3,040,866	2,189,122	937,321	1,251,801	330,095	921,706	31.3
38 New Kent Crossing Shp. Ctr.	New Kent Co.	24,717	1,570,134	258,317	1,311,816	766,027	545,790	200,679	345,111	82,796	262,315	33.2
77 1800 S. Creek Dr.	Powhatan Co.	13,312	846,185	140,371	705,814	413,619	292,194	118,553	173,642	44,548	129,094	31.8
86 2610 Buford Rd.	Chesterfield Co.	27,440	1,876,086	308,062	1,568,024	917,140	650,884	254,433	396,451	98,967	297,484	32.3
89 34-A Broad Street Rd.	Goochland Co.	20,259	1,393,185	229,735	1,163,450	680,327	483,123	155,121	328,002	73,432	254,570	34.8
97 6504 Hull St.	Richmond City	38,390	2,665,449	440,666	2,224,783	1,297,409	927,374	269,995	657,379	140,419	516,960	35.9
101 3100-A W. Broad St.	Richmond City	39,600	2,699,578	445,765	2,253,812	1,314,241	939,571	338,474	601,097	142,251	458,846	33.5
102 1901 W. Main St.	Richmond City	18,211	1,172,760	194,043	978,717	570,217	408,500	212,696	195,805	61,773	134,032	28.0
104 7028 Woodlake Commons Loop	Chesterfield Co.	31,354	2,145,651	352,676	1,792,975	1,046,288	746,687	261,811	484,876	113,165	371,711	33.8
108 10242 Staples Mill Rd.	Henrico Co.	22,405	1,470,621	240,000	1,230,621	719,905	510,716	202,176	308,540	77,672	230,868	32.0
116 12635 Jefferson Davis Hwy.	Chesterfield Co.	53,654	3,612,647	593,547	3,019,100	1,759,925	1,259,175	344,167	915,008	190,553	724,455	36.5
150 5654 Brook Rd.	Henrico Co.	27,644	1,801,765	297,381	1,504,384	876,124	628,260	247,985	380,275	94,950	285,324	32.3
169 10 N. Thompson St.	Richmond City	73,166	5,491,670	899,614	4,592,056	2,676,293	1,915,763	374,721	1,541,042	289,831	1,251,210	39.2
171 8700 W. Broad St.	Henrico Co.	37,732	2,745,230	453,894	2,291,335	1,338,114	953,221	298,154	655,067	144,619	510,448	35.1
180 500 Goddin St.	Richmond City	4,206	265,122	44,057	221,065	48,232	172,833	55,151	117,682	13,953	103,730	55.7
182 1217 W. Broad St.	Richmond City	18,424	1,124,062	185,996	938,066	547,162	390,904	178,425	212,479	59,207	153,272	30.2
187 2421 Venable St.	Richmond City	24,926	1,503,019	249,980	1,253,039	720,775	532,264	163,961	369,303	79,087	289,217	35.9
190 13121 Rittenhouse Dr.	Chesterfield Co.	41,854	2,902,489	478,474	2,424,015	1,416,768	1,007,247	277,973	729,274	152,994	576,281	36.3
205 2288 John Rolfe Pkwy.	Henrico Co.	16,305	1,126,649	185,699	942,951	551,238	391,713	166,150	225,563	59,515	166,048	31.2
207 10106 Brook Rd.	Henrico Co.	33,480	2,505,872	409,888	2,095,984	1,222,784	873,201	263,772	609,429	132,290	477,139	35.4
242 1601 Willow Lawn Dr.	Henrico Co.	33,068	2,328,185	382,959	1,945,226	1,135,741	809,485	266,169	543,315	122,775	420,541	34.5
243 209 N. Washington Hwy.	Hanover Co.	32,693	2,014,811	332,030	1,682,781	982,817	699,963	217,766	482,197	106,210	375,987	35.1
247 9885 W. Broad St.	Henrico Co.	24,652	1,723,281	283,703	1,439,578	839,276	600,301	244,104	356,197	90,860	265,337	31.9
251 2924 North Ave.	Richmond City	13,033	769,960	128,096	641,865	371,155	270,710	115,362	155,348	40,512	114,836	31.6
252 618 W. Southside Plaza	Richmond City	45,820	2,995,820	497,216	2,498,605	1,451,188	1,047,416	252,145	795,271	157,701	637,570	37.9
254 7015 Three Chopt Rd.	Richmond City	27,921	1,912,688	313,109	1,599,579	936,806	662,773	262,440	400,332	100,959	299,374	32.0
270 809 E. Parham Rd.	Henrico Co.	36,138	2,320,161	382,945	1,937,216	1,129,182	808,034	292,334	517,700	122,269	393,431	33.5
284 14229 Midlothian Tnpk.	Chesterfield Co.	31,324	2,125,097	350,136	1,774,961	1,037,355	737,606	293,778	443,829	112,028	331,800	32.1
292 1521 Parham Rd.	Henrico Co.	27,334	1,840,662	303,310	1,537,352	897,816	639,536	245,204	394,332	97,031	297,301	32.6
300 9502 Chamberlayne Rd.	Hanover Co.	23,975	1,534,272	253,482	1,280,790	746,978	533,812	215,622	318,190	80,838	237,352	32.0

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 2010

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)
304 2734 Fairground Rd.	Goochland Co.	14,231	906,706	149,806	756,900	441,425	315,474	138,927	176,548	47,772	128,775	30.7
305 3910 Mechanicsville TnPk.	Henrico Co.	30,552	2,008,771	333,268	1,675,502	972,514	702,988	262,078	440,911	105,751	335,160	33.3
308 11252 Patterson Ave.	Henrico Co.	12,367	841,388	138,952	702,435	411,481	290,954	149,105	141,849	44,335	97,515	28.1
314 4320 S. Laburnum Ave.	Henrico Co.	68,181	4,795,404	788,271	4,007,133	2,332,741	1,674,392	425,926	1,248,465	252,913	995,552	37.2
315 7048 Commons Plz.	Chesterfield Co.	30,718	2,063,825	341,081	1,722,744	1,003,998	718,747	255,058	463,689	108,732	354,956	33.7
326 2105 Academy Rd.	Powhatan Co.	15,814	992,100	164,318	827,782	483,232	344,550	133,759	210,791	52,246	158,545	32.5
330 5722 Hopkins Rd.	Chesterfield Co.	34,466	2,235,779	369,628	1,866,151	1,086,653	779,498	221,388	558,109	117,784	440,326	36.2
331 3406 Pump Rd.	Henrico Co.	51,531	3,988,026	654,437	3,333,589	1,948,814	1,384,775	370,390	1,014,385	210,402	803,983	36.6
332 4018 Glenside Dr.	Henrico Co.	17,912	1,057,325	174,181	883,144	514,562	368,583	159,139	209,444	55,740	153,703	31.0
334 7057 Mechanicsville TnPk.	Hanover Co.	36,480	2,355,067	388,487	1,966,580	1,148,221	818,358	258,496	559,862	124,122	435,740	35.0
348 7036 Forest Hill Ave.	Richmond City	45,028	3,061,600	502,732	2,558,868	1,495,869	1,062,999	308,338	754,662	161,505	593,157	35.8
350 11108 Midlothian TnPk.	Chesterfield Co.	66,575	4,709,939	776,420	3,933,519	2,300,474	1,633,046	334,083	1,298,963	248,267	1,050,696	38.8
360 2901 Hermitage Rd.	Richmond City	79,297	6,242,474	1,037,932	5,204,542	3,037,364	2,167,178	216,130	1,951,048	328,489	1,622,559	42.6
363 9949 Hull St Rd.	Chesterfield Co.	37,400	2,412,440	398,233	2,014,207	1,175,064	839,143	290,872	548,271	127,128	421,143	34.0
366 1370 Gaskins Rd.	Henrico Co.	29,780	2,127,821	347,855	1,779,967	1,040,314	739,653	312,628	427,025	112,344	314,681	31.1
Richmond		1,433,369	98,283,774	16,200,754	82,083,020	47,803,626	34,279,394	10,625,637	23,653,757	5,180,737	18,473,020	35.3
35 2757 Jefferson Davis Hwy.	Stafford Co.	21,610	1,601,441	322,995	1,278,446	746,018	532,428	304,557	227,871	80,690	147,181	29.4
44 18035 Jefferson Davis Hwy.	Caroline Co.	14,686	940,431	155,072	785,359	457,052	328,307	140,632	187,675	49,569	138,107	31.2
62 1416 Carl D. Silver Pkwy.	Fredericksburg City	35,030	2,701,049	443,609	2,257,440	1,317,997	939,442	293,399	646,043	142,480	503,563	35.1
64 43 Town and Country Dr.	Stafford Co.	21,268	1,432,286	236,270	1,196,016	698,342	497,674	196,469	301,205	75,488	225,718	32.3
74 10857 Tidewater Trail	Fredericksburg City	12,368	803,112	132,389	670,723	391,165	279,557	157,949	121,608	42,333	79,275	26.4
95 Cosner's Corner Shp. Ctr.	Spotsylvania Co.	24,492	1,699,929	278,501	1,421,428	829,240	592,188	240,888	351,301	89,715	261,586	31.8
103 6348 Jefferson Davis Hwy.	Spotsylvania Co.	16,183	1,012,530	166,846	845,684	493,443	352,241	152,898	199,344	53,376	145,968	30.9
121 507 William St.	Fredericksburg City	24,131	1,686,459	278,642	1,407,817	822,772	585,045	211,035	374,011	88,856	285,155	33.4
183 560 Celebrate Virginia Pwky.	Stafford Co.	22,038	1,529,744	251,731	1,278,013	745,937	532,077	260,634	271,443	80,663	190,780	28.9
200 356 Garrisonville Rd.	Stafford Co.	45,970	3,413,294	561,786	2,851,508	1,664,104	1,187,404	322,980	864,424	179,975	684,449	36.5
209 5055 Jefferson Davis Hwy.	Spotsylvania Co.	31,217	2,092,805	345,117	1,747,688	1,020,199	727,489	228,261	499,228	110,307	388,921	35.1
221 15423 Dahlgren Rd.	King George Co.	8,841	596,932	98,757	498,175	290,448	207,727	67,811	139,916	31,443	108,473	34.7
239 320 W. Broadbudd Ave.	Caroline Co.	7,492	433,525	71,690	361,835	210,795	151,040	90,197	60,844	22,838	38,006	25.3
245 1271 Jefferson Davis Hwy.	Fredericksburg City	18,685	1,226,456	202,683	1,023,773	598,158	425,615	207,773	217,842	64,616	153,226	29.0
313 4189 Plank Rd.	Spotsylvania Co.	38,801	2,613,903	430,622	2,183,282	1,275,245	908,037	283,110	624,927	137,800	487,127	35.1
Fredericksburg		342,812	23,783,896	3,976,710	19,807,186	11,560,913	8,246,273	3,158,591	5,087,682	1,250,147	3,837,535	32.9
130 Rt. 205, Beachgate Shp. Ctr.	Westmoreland Co.	9,844	603,840	99,971	503,869	294,204	209,665	147,831	61,834	31,802	30,032	21.5
149 E. Richmond Rd.	Richmond Co.	8,466	482,274	79,859	402,415	234,515	167,901	110,424	57,476	25,399	32,077	23.2
192 101 S. Main St.	Lancaster Co.	41,047	2,494,147	411,383	2,082,763	1,216,036	866,727	308,239	558,488	131,455	427,033	33.6
220 109 East End Place	Westmoreland Co.	6,887	405,317	66,850	338,467	197,442	141,025	67,961	73,064	21,363	51,701	29.2
238 Rt. 360	Northumberland Co.	14,188	790,946	130,195	660,751	385,121	275,630	107,570	168,060	41,704	126,356	32.4
Northern Neck		80,432	4,776,523	788,258	3,988,265	2,327,318	1,660,948	742,026	918,922	251,723	667,199	30.5
32 16273 General Puller Hwy.	Middlesex Co.	15,198	880,093	144,714	735,379	429,346	306,032	61,652	244,380	46,414	197,966	38.9
155 2334 York Crossing Dr.	Gloucester Co.	30,935	1,999,547	330,370	1,669,177	973,467	695,710	232,750	462,960	105,351	357,608	34.4
175 416 14th St.	King William Co.	19,212	1,163,662	191,746	971,916	567,277	404,639	140,487	264,153	61,343	202,809	33.9
179 231 Virginia St.	Middlesex Co.	10,806	629,902	103,842	526,060	307,213	218,847	82,048	136,799	33,203	103,597	32.9
198 Rappahannock Shp. Ctr.	Essex Co.	20,085	1,213,334	200,364	1,012,970	590,240	422,730	173,765	248,965	63,934	185,030	31.8
233 6619 Main St.	Gloucester Co.	24,306	1,517,108	250,201	1,266,907	738,785	528,122	175,728	352,395	79,962	272,433	34.4
257 4915 Tappahannock Hwy.	King William Co.	15,792	946,616	156,526	790,090	460,244	329,846	131,140	198,706	49,867	148,839	32.3
333 10972 Buckley Hall	Mathews Co.	14,776	852,164	140,571	711,593	415,553	296,039	137,742	158,297	44,913	113,385	29.8

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

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2010

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)
West Point/Mathews		151,110	9,202,425	1,518,334	7,684,091	4,482,125	3,201,967	1,135,312	2,066,655	484,988	1,581,667	33.7
60 4330 Westgate Dr.	Dinwiddie Co.	36,920	2,231,310	370,030	1,861,279	1,085,168	776,111	237,500	538,611	117,476	421,135	35.5
114 4575 Whitehill Blvd.	Prince George Co.	18,485	1,370,215	223,616	1,146,599	667,328	479,270	217,256	262,015	72,369	189,646	30.2
118 18 Washington St W.	Petersburg City	14,639	901,366	150,095	751,271	437,145	314,126	164,203	149,923	47,417	102,506	28.0
144 301 Market Dr.	Emporia City	25,925	1,556,801	258,231	1,298,567	756,796	541,771	208,411	333,361	81,960	251,400	32.7
151 210 N. Main St.	Hopewell City	18,762	1,074,430	178,062	896,368	522,137	374,231	141,470	232,761	56,575	176,186	33.0
232 3107-3 Blvd.	Colonial Heights City	36,163	2,258,836	372,793	1,886,042	1,098,626	787,416	268,087	519,329	119,039	400,290	34.2
240 Route 460	Sussex Co.	10,567	605,300	100,219	505,080	294,610	210,471	87,109	123,362	31,879	91,483	31.7
255 3330 S. Crater Rd.	Petersburg City	38,011	2,464,631	407,973	2,056,658	1,198,137	858,520	275,279	583,241	129,808	453,434	35.0
310 5232 Oaklawn Blvd.	Prince George Co.	30,989	2,065,251	342,016	1,723,235	1,003,519	719,716	224,146	495,570	108,763	386,806	35.3
Petersburg/Hopewell		230,461	14,528,138	2,403,039	12,125,099	7,063,467	5,061,632	1,823,460	3,238,172	765,286	2,472,886	33.6
43 235 Carmichael Way	Chesapeake City	13,770	902,744	148,738	754,005	440,721	313,285	192,046	121,239	47,590	73,649	24.6
53 11409 Windsor Blvd.	Isle of Wight Co.	10,785	633,896	105,052	528,844	308,198	220,645	83,635	137,010	33,378	103,632	32.9
69 1620 Cedar Rd.	Chesapeake City	27,671	1,841,465	302,976	1,538,489	896,969	641,520	233,631	407,889	97,103	310,786	33.3
71 1437 Virginia Beach Blvd.	Virginia Beach City	5,729	344,169	56,838	287,331	167,609	119,722	89,140	30,583	18,135	12,447	20.1
79 2137 Sam's Dr.	Chesapeake City	38,335	2,715,085	448,719	2,266,366	1,320,930	945,436	285,327	660,109	143,044	517,065	35.6
98 2476 Nimmo Pkwy.	Virginia Beach City	12,688	853,898	140,605	713,292	416,552	296,741	200,001	96,739	45,020	51,719	22.5
105 869 Lynnhaven Pkwy.	Virginia Beach City	30,431	2,109,542	347,023	1,762,519	1,026,421	736,098	182,270	553,828	111,243	442,586	37.4
106 2973 Shore Dr.	Virginia Beach City	48,531	3,324,086	547,947	2,776,140	1,623,811	1,152,328	290,995	861,333	175,218	686,115	37.1
107 141 W. Virginia Beach Blvd.	Norfolk City	60,779	4,673,890	775,811	3,898,078	2,267,863	1,630,216	445,509	1,184,707	246,030	938,677	36.7
110 1136 London Blvd.	Portsmouth City	16,167	1,083,778	180,338	903,440	524,173	379,266	165,857	213,409	57,021	156,388	31.1
128 159 W. Ocean View Dr.	Norfolk City	43,121	2,772,033	458,582	2,313,451	1,348,666	964,785	264,813	699,972	146,015	553,956	36.5
129 1615 General Booth Blvd.	Virginia Beach City	34,345	2,247,874	370,656	1,877,217	1,095,162	782,056	239,996	542,060	118,482	423,577	35.3
134 2301 Colley Ave.	Norfolk City	58,186	4,058,208	672,161	3,386,047	1,972,089	1,413,958	369,440	1,044,518	213,713	830,805	37.0
165 550 E. Liberty St.	Chesapeake City	26,296	1,691,007	281,217	1,409,790	820,068	589,722	148,119	441,603	88,980	352,623	37.5
188 4334 Holland Rd.	Virginia Beach City	41,415	2,787,675	456,694	2,330,981	1,356,672	974,310	270,162	704,148	147,122	557,026	36.4
211 6550 Hampton Roads Pkwy.	Suffolk City	22,414	1,591,615	261,887	1,329,728	773,698	556,030	200,861	355,169	83,927	271,242	33.5
216 1100 Armory Dr.	Franklin City	30,014	1,795,049	297,375	1,497,675	873,456	624,218	206,695	417,523	94,527	322,996	34.6
225 405 30th St.	Virginia Beach City	78,764	5,194,128	856,809	4,337,319	2,535,330	1,801,989	423,650	1,378,339	273,753	1,104,585	37.8
226 7862 Tidewater Dr.	Norfolk City	77,797	5,230,984	866,881	4,364,103	2,542,246	1,821,857	437,654	1,384,203	275,444	1,108,759	37.8
237 3812 George Washington Hwy.	Portsmouth City	28,761	1,851,197	307,432	1,543,765	899,118	644,647	268,355	376,292	97,436	278,856	31.7
246 5020 Ferrell Pkwy.	Virginia Beach City	27,258	1,860,414	307,404	1,553,010	905,381	647,629	218,972	428,657	98,019	330,637	34.3
249 2350 E. Little Creek Rd.	Norfolk City	41,375	2,668,307	441,749	2,226,558	1,299,037	927,521	251,831	675,690	140,531	535,159	36.6
256 1612 Laskin Rd.	Virginia Beach City	128,786	9,430,955	1,560,580	7,870,375	4,597,913	3,272,462	536,574	2,735,888	496,745	2,239,142	40.3
263 5900 Virginia Beach Blvd.	Norfolk City	57,764	4,050,424	670,456	3,379,968	1,968,268	1,411,700	397,773	1,013,928	213,329	800,598	36.3
278 3333 Virginia Beach Blvd.	Virginia Beach City	87,699	6,266,074	1,034,593	5,231,481	3,054,165	2,177,315	424,462	1,752,853	330,189	1,422,664	39.2
280 1103 S. Military Hwy.	Chesapeake City	85,943	6,067,425	1,003,063	5,064,361	2,954,833	2,109,528	376,953	1,732,575	319,641	1,412,934	39.8
288 5748 Churchland Blvd.	Portsmouth City	35,685	2,394,949	396,276	1,998,672	1,163,252	835,420	271,814	563,605	126,148	437,458	34.8
298 821 W. Constance Rd.	Suffolk City	37,104	2,135,851	354,401	1,781,450	1,038,053	743,397	200,634	542,763	112,438	430,325	36.7
299 1917 S. Church St.	Isle of Wight Co.	36,215	2,278,891	376,910	1,901,981	1,110,066	791,915	193,778	598,137	120,045	478,092	37.5
306 2085 Lynnhaven Pkwy.	Virginia Beach City	44,019	3,053,899	503,440	2,550,459	1,486,669	1,063,790	292,723	771,067	160,974	610,093	36.5
307 Providence Square Shp. Ctr.	Virginia Beach City	32,407	2,136,858	352,498	1,784,360	1,041,097	743,263	249,401	493,862	112,621	381,241	34.3
311 4020 Victory Blvd.	Portsmouth City	36,104	2,445,110	405,199	2,039,910	1,186,697	853,214	282,388	570,826	128,751	442,076	34.7
312 2815-G Godwin Blvd.	Suffolk City	28,193	1,883,252	310,074	1,573,178	915,965	657,213	321,854	335,359	99,292	236,067	29.0
325 22718 Main St.	Southampton Co.	7,622	414,076	68,754	345,322	202,268	143,055	67,801	75,253	21,795	53,458	29.5
328 836 Eden Way Ln.	Chesapeake City	35,197	2,552,590	422,578	2,130,012	1,240,838	887,174	266,835	620,339	134,437	485,901	35.6
336 1067 Independence Blvd.	Virginia Beach City	64,232	4,265,739	703,264	3,562,476	2,079,336	1,483,139	409,636	1,073,503	224,849	848,655	36.4
349 237 S. Battlefield Blvd.	Chesapeake City	39,755	2,701,353	446,046	2,255,307	1,318,088	937,216	322,472	617,746	142,346	472,401	34.0

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 2010

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	41,275	2,850,397	468,033	2,382,365	1,388,878	993,487	302,911	690,575	150,365	540,210	35.4
361 812 Airline Blvd.	Portsmouth City	43,445	3,007,898	498,508	2,509,390	1,460,089	1,049,301	340,161	709,140	158,382	550,758	34.9
370 1169 Nimmo Pkwy.	Virginia Beach City	44,802	2,996,945	492,439	2,504,506	1,463,738	1,040,768	265,842	774,927	158,074	616,853	37.0
Norfolk/Virginia Beach		1,660,881	113,163,729	18,700,007	94,463,722	55,086,382	39,377,340	10,992,972	28,384,368	5,962,155	22,422,213	36.3
48 6610-1 Mooretown Rd.	York Co.	33,255	2,107,846	347,880	1,759,966	1,027,956	732,009	234,318	497,692	111,082	386,610	34.8
92 227 Fox Hill Rd.	Hampton City	18,162	1,196,534	197,292	999,242	582,204	417,038	196,631	220,407	63,068	157,339	29.6
112 61 N. Mallory St.	Hampton City	26,396	1,818,664	301,097	1,517,567	885,181	632,386	305,805	326,581	95,782	230,799	29.2
148 4640-3 Monticello Ave.	James City Co.	59,870	4,307,894	701,225	3,606,669	2,103,537	1,503,132	388,477	1,114,655	227,638	887,017	36.9
158 3214 Jefferson Ave.	Newport News City	27,458	1,742,273	289,927	1,452,346	837,486	614,860	238,651	376,209	91,666	284,543	33.0
217 619 Pilot House Dr.	Newport News City	34,903	2,521,974	417,717	2,104,258	1,226,155	878,103	251,546	625,557	132,812	493,745	36.1
222 209 Village Ave.	York Co.	39,459	2,830,490	464,781	2,365,708	1,381,463	984,245	258,656	725,589	149,314	576,275	36.8
244 4909 W. Mercury Blvd.	Hampton City	47,207	3,208,567	531,778	2,676,789	1,555,125	1,121,664	241,498	880,167	168,948	711,219	38.7
250 2078 Nickerson Blvd.	Hampton City	26,126	1,718,746	283,650	1,435,097	836,390	598,707	239,662	359,045	90,577	268,467	32.1
258 3831 Kecoughtan Rd.	Hampton City	26,301	1,712,042	283,558	1,428,484	830,826	597,658	223,746	373,912	90,160	283,752	33.1
265 20 Towne Centre Way	Hampton City	21,635	1,557,603	255,390	1,302,213	757,723	544,490	207,106	337,384	82,190	255,194	32.8
272 55 Hidenwood Shp. Ctr.	Newport News City	20,906	1,395,550	230,003	1,165,547	680,180	485,367	198,427	286,940	73,564	213,375	31.8
282 2400 Cunningham Dr.	Hampton City	62,301	4,789,935	787,281	4,002,654	2,325,978	1,676,676	456,112	2,220,564	252,631	967,933	36.6
290 5226 George Washington Hwy.	York Co.	29,154	1,876,221	309,661	1,566,561	915,424	651,136	218,171	432,966	98,875	334,091	34.3
320 1246 Richmond Rd.	Williamsburg City	27,705	1,834,017	300,779	1,533,238	894,209	639,030	242,218	396,812	96,772	300,040	32.8
335 801-F Merrimac Trail	York Co.	34,090	2,371,791	392,352	1,979,438	1,149,196	830,242	288,849	541,393	124,934	416,460	34.1
340 309-A Oyster Point Rd.	Newport News City	39,262	2,810,298	463,659	2,346,639	1,367,142	979,497	285,823	693,674	148,110	545,564	35.9
341 621 Stoney Creek Ln.	Newport News City	58,817	4,228,567	694,022	3,534,544	2,056,743	1,477,801	407,268	1,070,534	223,086	847,448	36.5
342 10872 Warwick Blvd.	Newport News City	21,639	1,467,949	242,986	1,224,963	714,016	510,947	243,146	267,800	77,315	190,486	29.5
Newport News/Hampton		654,646	45,496,959	7,495,039	38,001,921	22,126,931	15,874,989	5,126,111	10,748,879	2,398,522	8,350,356	34.8
156 22485 Lankford Hwy.	Northampton Co.	15,264	942,996	155,754	787,242	459,577	327,665	120,652	207,012	49,687	157,325	33.2
162 7107 Lankford Hwy.	Accomack Co.	9,386	610,834	100,585	510,249	296,955	213,294	133,350	79,944	32,205	47,739	24.3
177 4371 Pension St.	Accomack Co.	10,079	640,254	104,478	535,777	312,988	222,788	135,211	87,577	33,816	53,761	24.7
223 4090-B Lankford Hwy.	Northampton Co.	14,432	806,906	133,550	673,355	392,329	281,027	137,786	143,241	42,499	100,742	29.0
344 Four Corners Plaza Shp. Ctr.	Accomack Co.	19,840	1,241,941	205,743	1,036,198	603,984	432,214	145,048	287,167	65,400	221,766	34.4
Eastern Shore		69,000	4,242,931	700,110	3,542,821	2,065,833	1,476,988	672,047	804,941	223,608	581,333	30.2
30 Copper Fox Distillery Store	—	0	39,316	8,132	31,184	21,953	9,231	0	9,231	1,968	7,263	39.2
31 Mount Vernon Distillery	—	0	38,050	8,668	29,382	24,393	4,989	0	4,989	1,854	3,134	31.0
34 Belmont Farms Distillery	—	0	42,931	10,199	32,732	21,683	11,049	0	11,048	2,066	8,982	44.7
Distilleries		0	120,297	26,999	93,298	66,030	25,268	0	25,268	5,888	19,379	38.6
Statewide totals		9,743,959	675,439,025	111,394,503	564,044,522	328,968,323	235,076,199	81,024,754	154,051,445	35,600,132	118,451,313	34.0

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

2010 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	29	16	13	132	185	2	460
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	9	7	21	1	0	5	21	17	3	94	140	1	339
Chesapeake	6	0	6	9	0	0	2	10	80	1	1	16	29	45	3	121	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	6	45	0	0	4	2	26	2	21	40	0	152
Emporia	0	0	0	0	0	0	0	0	11	0	0	2	0	4	0	2	2	0	21
Fairfax	1	0	1	0	0	0	1	3	4	0	0	7	9	11	0	34	53	0	124
Falls Church	0	0	0	0	1	0	0	1	4	0	0	2	1	5	0	16	36	0	66
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	0	2	2	20	0	0	1	8	6	4	55	81	0	182
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	18	52	0	0	11	13	33	8	60	97	0	314
Harrisonburg	1	1	1	1	1	0	1	6	22	0	0	5	8	14	3	35	66	0	165
Hopewell	1	0	0	0	0	0	0	6	15	0	0	2	2	8	0	12	19	0	65
James City County	2	0	1	2	1	0	3	3	13	2	1	4	11	8	3	49	67	3	173
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	26	6	48	74	0	230
Manassas	0	1	0	0	0	1	1	3	8	0	0	4	7	17	0	25	41	0	108
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	70	1	0	12	16	53	8	95	156	0	440
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	2	4	0	0	1	8	32	0	0	3	3	18	1	17	34	0	125
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	40	55	0	198
Radford	1	0	0	0	0	0	1	0	5	1	0	1	0	6	1	11	13	0	40
Richmond	18	5	6	6	1	0	12	23	142	6	1	18	22	58	7	248	331	0	904
Roanoke	5	0	0	3	2	2	5	11	81	0	0	5	10	30	5	81	120	0	360
Salem	4	0	2	3	0	0	1	6	22	0	0	3	3	6	1	12	29	0	92
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	32	43	0	153
Virginia Beach	24	2	2	4	1	2	9	14	118	2	1	37	58	87	19	428	572	1	1,381
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	6	7	0	0	5	6	15	3	36	59	0	150
Grand total	156	29	44	66	18	13	85	219	1,036	23	4	217	347	701	119	2,022	2,960	12	8,071

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 2010

2010 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	6	4	2	2	0	0	0	3	29	1	0	2	5	16	3	24	41	1	139
Albemarle	19	5	2	12	3	0	4	9	28	2	1	3	26	21	6	37	74	22	274
Alleghany	0	0	0	0	0	0	0	5	8	0	0	1	1	11	0	6	16	0	48
Amelia	0	0	0	0	0	0	0	1	13	0	0	1	0	4	0	2	5	0	26
Amherst	2	0	0	1	0	0	1	2	12	0	0	2	0	15	0	7	14	3	59
Appomattox	0	0	0	0	0	0	0	2	5	0	0	0	1	12	0	2	5	0	27
Arlington	4	0	1	0	2	6	3	6	44	1	0	20	22	39	25	200	290	0	663
Augusta	1	1	1	5	0	0	0	3	23	0	0	2	4	24	1	11	22	1	99
Bath	2	1	0	0	0	0	0	0	7	0	0	0	1	4	2	5	10	0	32
Bedford	9	1	0	4	0	0	1	6	24	0	0	4	5	18	1	21	41	4	139
Bland (dry)	0	0	0	0	0	0	0	0	2	0	0	0	0	5	0	0	1	0	8
Botetourt	2	0	0	5	0	0	0	1	14	1	0	1	2	11	0	3	16	3	59
Brunswick	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	10	0	0	2	0	32
Buckingham	1	0	0	0	0	0	0	0	8	0	0	0	0	14	0	3	4	0	30
Campbell	1	0	0	1	0	0	0	3	32	0	0	4	2	27	1	9	22	2	104
Caroline	1	1	0	0	0	0	0	3	23	0	0	1	2	6	0	4	14	0	55
Carroll	3	0	0	2	0	0	0	1	18	0	0	1	1	10	1	3	6	2	48
Charles City	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	9	0	2	1	1	0	6	6	96	1	0	29	33	58	4	143	205	1	595
Clarke	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	4	1	2	5	0	0	1	5	16	0	1	4	3	28	2	19	33	2	126
Cumberland	0	0	0	0	0	0	0	0	6	0	0	0	0	3	0	0	3	0	12
Dickenson	1	0	0	0	0	0	0	1	8	1	0	1	0	6	0	0	3	0	21
Dinwiddie	2	0	0	0	0	0	0	1	18	0	0	2	1	9	0	3	7	0	43
Essex	1	1	0	0	0	0	0	1	9	0	0	0	1	7	0	7	12	2	41
Fairfax	36	0	48	38	3	0	22	28	82	4	2	62	127	127	44	572	869	1	2065
Fauquier	15	2	3	17	0	0	3	4	29	1	0	5	11	17	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	0	0	0	0	0	0	0	0	6	0	0	1	4	1	0	4	12	0	28
Franklin	3	0	0	1	0	0	0	2	25	0	1	3	5	18	0	18	32	2	110
Frederick	6	2	2	6	0	0	2	4	25	1	0	4	12	26	3	24	33	3	153
Giles	1	1	0	0	0	0	0	4	11	3	0	2	0	11	1	2	8	0	44
Gloucester	1	0	0	0	0	0	0	4	19	1	0	2	4	9	0	15	27	0	82
Goochland	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	2	1	0	1	0	0	0	1	9	0	0	1	2	5	0	5	9	2	38
Greensville	0	0	0	0	0	0	0	1	15	0	0	0	0	0	0	1	1	0	18
Halifax	4	0	0	5	0	0	0	3	16	0	0	2	0	34	1	7	23	4	99
Hanover	5	0	5	5	0	0	2	7	38	1	0	6	11	24	0	45	85	1	235
Henrico	14	1	14	19	0	0	10	17	125	1	0	31	43	54	25	182	263	0	799
Henry	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	1	1	0	0	0	0	0	4	18	0	0	2	8	7	1	7	15	0	64
James City	2	0	1	2	1	0	3	3	13	2	1	4	11	8	3	49	67	3	173
King & Queen	0	0	0	0	0	0	0	0	3	1	0	0	0	4	0	1	2	0	11
King George	1	0	1	2	0	0	0	0	11	0	0	0	2	4	0	5	15	1	42
King William	0	0	0	0	0	0	0	3	7	0	0	1	2	5	0	5	11	0	34
Lancaster	4	1	0	1	0	1	0	4	5	0	0	2	2	10	3	20	30	2	85
Lee (dry)	0	0	0	0	0	0	0	4	20	0	0	1	0	7	0	0	4	0	36
Loudoun	26	2	9	29	2	15	11	8	39	3	1	20	46	51	12	150	271	27	722
Louisa	4	0	0	1	0	0	0	2	12	0	0	2	0	19	2	7	13	2	64
Lunenburg	1	0	0	0	0	0	0	4	8	0	0	0	0	9	0	0	2	0	24
Madison	2	3	0	2	0	0	0	0	7	0	0	0	1	5	1	3	7	9	40
Mathews	1	1	0	0	0	0	0	2	6	0	0	0	3	1	0	4	8	0	26
Mecklenburg	1	1	0	2	0	0	0	10	34	0	0	2	0	20	0	13	19	1	103
Middlesex	7	1	0	0	0	0	0	1	6	0	0	0	4	4	0	11	13	0	47
Montgomery	0	2	0	0	1	0	5	2	32	1	0	4	7	27	4	46	75	0	206
Nelson	11	3	1	6	2	0	1	2	10	1	0	0	1	13	2	4	10	10	77
New Kent	1	0	0	1	0	0	0	0	11	0	0	2	3	6	0	9	16	1	50
Northampton	4	1	1	5	0	1	1	2	13	0	0	1	1	5	1	13	19	2	70
Northumberland	4	0	0	1	0	1	0	2	7	0	0	1	1	6	0	6	10	1	40
Nottoway	0	0	1	3	0	0	0	4	13	0	0	0	0	6	0	5	14	0	46
Orange	5	5	0	1	0	0	0	3	16	0	0	3	3	5	0	9	23	3	76
Page	5	3	0	1	0	0	0	5	12	1	0	0	1	12	2	7	19	2	70

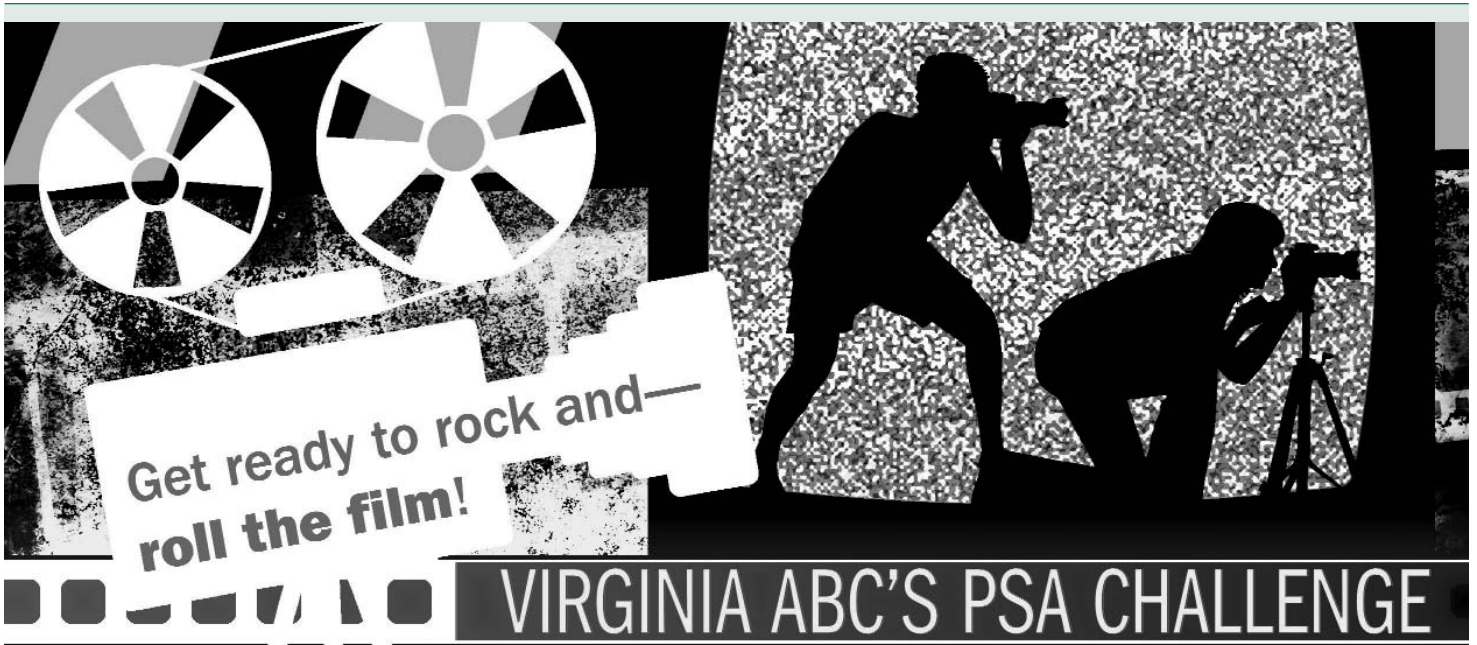
(continued)

2010 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	2	7	1	41
Pittsylvania	2	1	1	4	0	0	0	5	38	0	0	1	0	30	0	2	15	3	102
Powhatan	1	0	0	0	0	0	1	1	15	1	0	0	1	2	0	11	14	1	48
Prince Edward	1	0	0	0	0	0	2	2	13	0	0	2	1	10	0	14	23	1	69
Prince George	1	0	0	0	0	0	0	2	12	0	0	2	1	7	0	7	13	0	45
Prince William	11	0	9	12	0	1	4	12	48	2	0	19	42	93	6	167	245	1	672
Pulaski	4	0	1	2	1	0	1	6	12	2	0	5	1	26	0	5	11	1	78
Rappahannock	8	6	0	5	0	0	1	0	3	0	1	0	0	5	0	4	6	7	46
Richmond	1	0	0	5	0	0	1	0	2	0	0	1	1	6	0	0	6	2	25
Roanoke	1	0	5	7	0	0	2	3	34	1	0	5	7	15	0	38	61	2	181
Rockbridge	3	4	0	1	0	0	2	3	14	0	0	0	0	14	4	4	11	2	62
Rockingham	1	1	0	1	2	0	0	5	34	0	0	2	3	13	0	10	28	3	103
Russell (dry)	0	0	0	1	0	0	0	2	17	0	0	1	1	5	0	2	6	2	37
Scott	0	1	0	0	0	0	0	0	12	0	0	1	1	14	0	1	4	0	34
Shenandoah	4	2	0	4	0	0	0	9	14	0	0	3	6	29	3	14	37	8	133
Smyth	1	2	2	5	0	0	0	2	20	1	0	2	0	13	1	3	15	2	69
Southampton	0	0	0	0	0	0	0	2	13	0	0	1	1	10	0	3	4	0	34
Spotsylvania	6	0	2	4	3	0	0	6	53	1	1	12	14	23	1	50	80	2	258
Stafford	8	0	4	6	0	0	2	6	44	1	0	9	7	19	0	44	63	2	215
Surry	0	0	0	0	0	0	0	0	7	0	0	0	0	2	0	1	4	0	14
Sussex	1	0	1	0	0	0	1	1	14	0	0	0	1	11	0	0	6	0	36
Tazewell	2	0	1	0	0	0	0	3	21	1	0	2	4	27	0	7	20	0	88
Warren	1	2	0	1	0	0	0	5	20	0	0	2	4	13	1	20	37	2	108
Washington	4	5	1	4	3	0	0	2	35	2	0	3	6	11	2	11	26	2	117
Westmoreland	5	1	0	1	0	0	0	7	10	0	0	2	3	12	0	14	20	5	80
Wise	1	0	0	1	0	0	0	1	30	1	0	5	2	5	0	6	16	1	69
Wythe	2	0	1	3	0	0	0	3	17	2	0	1	1	20	0	10	14	2	76
York	7	0	0	1	2	0	0	2	29	0	0	6	11	10	4	32	62	2	168
Grand total	325	79	126	261	29	25	94	308	1,854	45	10	338	554	1455	183	2,299	3,857	210	12,052

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 2010



(Above) The 2010 “PSA” Challenge competition gave Virginia middle and high school students creative license to produce public service announcements (PSAs) with the tagline “Alcohol Has No Place....”

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)	25
Independent Auditor’s Report on Financial Statements	29
Statement of Net Assets	31
Statement of Revenues, Expenses and Changes in Net Assets	32
Statement of Cash Flows	33
Notes to Financial Statements	34

(Below) Store 183 (Stafford) is positioned so that it is the first store customers see when pulling into Celebrate Virginia North Shopping Center.





COMMONWEALTH of VIRGINIA

Department of Alcoholic Beverage Control

COMMISSIONERS
J. NEAL INSLEY, CHAIRMAN
SANDRA C. CANADA
WAYNE J. OZMORE, JR.

CHIEF OPERATING OFFICER/ SECRETARY TO THE BOARD
W. CURTIS COLEBURN, III

2901 HERMITAGE ROAD
P.O. BOX 27491
RICHMOND, VIRGINIA 23261
(804) 213-4400
FAX: (804) 213-4411
TDD LOCAL (804) 213-4687

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, 2010.

FINANCIAL HIGHLIGHTS

- The Department's operating revenues increased 1.5% in Fiscal Year 2010, slightly below prior years because of the sluggish economy.
- ABC operations returned record profits to the Commonwealth in Fiscal Year 2010 of \$120.6 million and excise taxes of \$111.4 million. Profits increased significantly over Fiscal Year 2009 because of reduced depreciation and personal service expenses.
- One new store was opened in Fiscal Year 2010 generating \$976,000 in additional sales. Five stores were relocated to improved market areas and 19 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 2010 ended with a total of 132 Stores operating on Sundays. The total Sunday sales for Fiscal Year 2010 reached \$19.3 million, an increase of \$893,000 from Fiscal Year 2009 to Fiscal Year 2010.

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, 2010. 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, 2010. 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 2010 with a total of \$54.4 million in current assets including \$46 million in inventory of alcohol merchandise for resale, a \$0.2 million increase. The increase in inventory is a result of 1 new store being opened in Fiscal Year 2010. 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 2009 to Fiscal Year 2010 is due to the following factors: An increase of work-in-progress of \$5.3M primarily driven by the POS (Point-of-Sale) project and other net charges (equipment purchases and annual depreciation) decreased by (\$2.0M).
- In total, assets increased from \$63.6 million in Fiscal Year 2009 to \$66.8 million in Fiscal Year 2010.

Net Assets	Fiscal Year 2010	Fiscal Year 2009	Change
Current and other assets	\$ 54,429,726	\$ 54,598,358	\$(168,632)
Capital assets, net	<u>12,377,726</u>	<u>9,029,096</u>	<u>3,348,630</u>
Total assets	<u>66,807,452</u>	<u>63,627,453</u>	<u>3,179,999</u>
Current liabilities	61,669,322	58,192,122	3,477,200
Noncurrent liabilities	<u>2,439,757</u>	<u>2,818,823</u>	<u>(379,066)</u>
Total liabilities	<u>64,109,079</u>	<u>61,010,945</u>	<u>3,098,134</u>
Net assets:			
Invested in capital assets	12,190,782	8,065,261	4,125,521
Unrestricted	<u>(9,492,409)</u>	<u>(5,448,753)</u>	<u>(4,043,656)</u>
Total net assets	<u>\$ 2,698,373</u>	<u>\$ 2,616,508</u>	<u>\$ 81,865</u>

- Total Liabilities increased from last fiscal year end. Current liabilities owed by the Department increased 3.4 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. (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 million line of credit with the State Comptroller to meet day-to-day operations. At June 30, 2010, the amount borrowed was \$32,721,702. (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 2010 reached an all time high of \$675 million, up \$10 million over Fiscal Year 2009. The gross revenue after state tax on sales of alcohol increased from \$555.8 million to \$564.1 million or 1.5%. License and permit fees increased in Fiscal Year 2010 totaling \$11.8 million over the \$11.3 million in Fiscal Year 2009. Federal grants and contracts receipts were down slightly while miscellaneous revenues increased \$0.5M. Other sources of revenue include lottery, wine wholesalers tax, penalties and mixed beverage taxes on common carriers.

Operating Revenues	Fiscal Year 2010	Fiscal Year 2009	Changed
Sales of alcohol	\$ 564,141,917	\$ 555,843,013	\$ 8,298,904
Sales of lottery tickets	2,419,871	3,050,857	(630,986)
License and permit fees	11,796,257	11,347,857	448,400
Wine wholesalers tax	2,937,302	2,758,136	179,166
Penalties	1,356,403	1,467,143	(110,740)
Federal grants and contracts	872,812	915,757	(42,945)
Mixed beverage tax on common carriers	24,044	23,320	724
Miscellaneous	1,121,552	620,749	500,803
Net operating revenues	\$ 584,670,158	\$ 576,026,832	\$ 8,643,326

EXPENSES:

In Fiscal Year 2010 operating expenses (not including cost of sales, alcohol and lottery) decreased from \$138.6 million to \$132.4 million, a decrease of 4.4%. 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% for lottery cost of sales. Following cost of merchandise is personal services, which accounts for 17.0% of total expenses. The remaining 11.5% is made up of contractual services (e.g. store rents), continuous charges (utilities) and other miscellaneous charges. Expenses for personal services, rents and utilities decreased in Fiscal Year 2010. Personal services showed a slight decline because of the elimination of fourth quarter VRS payments. Depreciation expense declined due to some equipment becoming fully depreciated and the Fiscal Year 2009 change in estimated life of vehicles. Expendable equipment decreased primarily due to the purchase of store security equipment in 2009.

Operating Expenses	Amount Fiscal Year 2010	% Expenses FY10	Amount Fiscal Year 2009	Difference
Cost of sales, alcohol	\$ 329,573,272	71.0%	\$ 323,086,495	\$ 6,486,777
Cost of sales, lottery	2,326,338	.5%	2,868,913	(542,575)
	331,899,610	71.5%	325,955,408	5,944,202
Personal services	79,063,927	17.0%	79,535,146	(471,219)
Continuous charges	23,839,618	5.1%	22,967,554	872,064
Contractual services	21,773,337	4.7%	23,038,603	(1,265,266)
Supplies and materials	2,342,684	0.5%	2,697,330	(354,646)
Depreciation	2,948,194	0.6%	6,421,757	(3,473,563)
Expendable equipment	1,866,000	0.4%	3,532,611	(1,666,611)
Other	569,664	0.2%	362,359	207,305
	132,403,424	28.5%	138,555,360	(6,151,936)
Total Operating Expenses	\$ 464,303,033	100.0%	\$ 464,510,767	\$ (207,734)

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 2010, approximately \$70.6 million of the agency's \$120.6 million in net profits were transferred to other state agencies. The majority, \$65.4 million, transfers to the Department of Mental Health, Mental Retardation and Substance Abuse Services incurred for care, treatment, study and rehabilitation of alcoholics. The remaining \$55.2 million was distributed to the General Fund in accordance with the Code of Virginia.

Revenues, Expenses and Changes in Net Assets	Fiscal Year 2010	Fiscal Year 2009	Change
Net operating revenues	\$ 584,670,158	\$ 576,026,832	\$ 8,643,326
Total operating expenses	464,303,033	464,510,767	(207,734)
Nonoperating revenues/(expenses)	<u>224,423</u>	<u>234,955</u>	<u>(10,532)</u>
Net profit before transfers	<u>120,591,547</u>	<u>111,751,021</u>	<u>8,840,526</u>
Transfers of profits to the General Fund of the Commonwealth	(49,899,621)	(44,235,757)	(5,663,864)
Appropriation Act transfers	<u>(70,610,061)</u>	<u>(67,586,382)</u>	<u>(3,023,679)</u>
Total transfers	<u>(120,509,682)</u>	<u>(111,822,139)</u>	<u>(8,687,543)</u>
Net increase after transfers	81,865	(71,118)	152,983
Total net assets – beginning	2,616,508	2,687,626	(71,118)
Total net assets – ending	<u>\$ 2,698,373</u>	<u>\$ 2,616,508</u>	<u>81,865</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- During Fiscal Year 2011, the Department expects to continue to feel the effects of the sluggish economy. ABC is currently forecasting gross sales of \$690M, a 2.2% increase over Fiscal Year 2010.
- ABC expects expenses to continue to increase in Fiscal Year 2011. The payment of a 3% bonus to classified employees will increase personal service costs by an estimated \$1.4M. Other 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. ABC also expects a significant increase in technology charges to the VITA/NG partnership (\$1.6M) as a result of rate changes.
- ABC expects to meet the Appropriation Act transfer requirements for Fiscal Year 2011. 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.



Walter J. Kucharski, Auditor

Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

September 28, 2010

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, 2010 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 opinion.

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, 2010, 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 financial position of the Department of Alcoholic Beverage Control as of June 30, 2010, and the changes in

its financial position and its cash flows for the year 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 anticipate releasing our report on the 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 on or after October 21, 2010. 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

CGC/clj

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
STATEMENT OF NET ASSETS
As of June 30, 2010

ASSETS

Current assets:	
Cash and cash equivalents (Note 2 and 8)	\$ 2,507,433
Petty cash	160,000
Receivables	3,794,391
Inventory - Alcohol (Note 1)	46,017,735
Inventory - Lottery tickets	72,417
Prepaid insurance expenses	1,666,950
Investments held by Treasurer of Virginia (Note 8)	<u>210,800</u>
Total current assets	<u>54,429,726</u>
Noncurrent assets:	
Nondepreciable capital assets (Note 3)	1,827,702
Depreciable capital assets, net (Note 3)	5,230,943
Construction-in-progress (Note 3)	5,319,081
Other assets, net (Note 3)	<u>-</u>
Total noncurrent assets	<u>12,377,726</u>
Total assets	<u>66,807,452</u>

LIABILITIES

Current liabilities:	
Accounts payable	20,338,612
Installment notes payable (Note 6)	186,944
Unearned revenue	161,372
Due to Commonwealth of Virginia (Note 4)	37,770,854
Obligations under securities lending (Note 8)	601,925
Compensated absences payable (Note 7)	<u>2,609,615</u>
Total current liabilities	<u>61,669,322</u>
Noncurrent liabilities:	
Installment notes payable (Note 6)	-
Compensated absences payable (Note 7)	<u>2,439,757</u>
Total noncurrent liabilities	<u>2,439,757</u>
Total liabilities	<u>64,109,079</u>

NET ASSETS

Invested in capital assets, net of related debt	12,190,782
Unrestricted net assets	<u>(9,492,409)</u>
Total net assets	<u>\$ 2,698,373</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, 2010

Operating revenues:	
Sales of alcohol	\$ 564,141,917
Sales of lottery tickets	2,419,871
License and permit fees	11,796,257
Wine wholesalers tax	2,937,302
Penalties	1,356,403
Federal grants and contracts	872,812
Mixed beverage tax on common carriers	24,044
Miscellaneous	<u>1,121,552</u>
Total operating revenues	<u>584,670,158</u>
Operating expenses:	
Cost of sales of alcohol	329,573,272
Cost of sales of lottery tickets	2,326,338
Personal services	79,063,927
Continuous charges	23,839,618
Contractual charges	21,773,337
Supplies and materials	2,342,684
Depreciation and amortization	2,948,194
Expendable equipment	1,866,000
Other	<u>569,664</u>
Total operating expenses	<u>464,303,033</u>
Operating income	<u>120,367,124</u>
Nonoperating revenues (expenses):	
Rents	184,924
Income from security lending transactions (Note 8)	10,819
Expenses from security lending transactions (Note 8)	(10,819)
Interest income (expense)	(7,195)
Seized assets	<u>46,694</u>
Total nonoperating revenues (expenses)	<u>224,423</u>
Net profit before transfers	<u>120,591,547</u>
Transfers out:	
Transfers of profits to the General Fund of the Commonwealth	(49,899,621)
Appropriation Act transfers	<u>(70,610,061)</u>
Total transfers	<u>(120,509,682)</u>
Net increase after transfers	81,865
Total net assets - July 1, 2009	<u>2,616,508</u>
Total net assets - June 30, 2010	<u>\$ 2,698,373</u>

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, 2010

Cash flows from operating activities:	
Cash received from sales	\$ 566,504,950
Cash received from licenses and fees	11,685,856
Cash received from other revenue	6,268,310
Cash payments for cost of sales	(331,444,515)
Cash payments for personal services	(78,780,003)
Cash payments for other expenses	<u>(50,155,230)</u>
Net cash provided by operating activities	<u>124,079,369</u>
Cash flows from noncapital financing activities:	
Note payable to the Commonwealth	32,721,702
Due to the Commonwealth repayments	(28,109,858)
Cash received from nonoperating activities	231,618
Cash received from taxes	168,779,720
Transfers of tax collections to the General Fund of the Commonwealth	(141,338,707)
Transfers of tax collections to the Department of Taxation	(28,664,493)
Transfers of profit to the General Fund of the Commonwealth	(49,961,684)
Appropriation Act transfers	<u>(70,610,061)</u>
Net cash used for noncapital financing activities	<u>(116,951,764)</u>
Cash flows from capital and related financing activities:	
Construction in-progress	(5,319,081)
Acquisition of equipment	(998,633)
Sale of depreciable assets	20,889
Interest Income	13,402
Note payable principal payments	(776,891)
Note payable interest payments	<u>(20,597)</u>
Net cash used for capital financing activities	<u>(7,080,911)</u>
Net decrease in cash and cash equivalents	46,694
Cash and cash equivalents - July 1, 2009	<u>2,229,614</u>
Cash and cash equivalents - June 30, 2010	<u><u>\$ 2,276,308</u></u>
Reconciliation of cash and cash equivalents	
Cash and cash equivalents	2,507,433
Petty cash	160,000
Securities lending cash equivalent	<u>(391,125)</u>
	<u><u>\$ 2,276,308</u></u>
Reconciliation of net profit to net cash provided by operating activities:	
Operating income	120,367,124
Adjustments to reconcile net profit to net cash provided by operating activities:	
Depreciation and amortization	2,948,194
Change in assets and liabilities:	
Increase in accounts receivable	(100,642)
Increase in inventory	(176,847)
Decrease in compensated absences	(120,673)
Increase in accounts payable	1,036,539
Decrease in prepaid items	236,073
Decrease in unearned revenue	<u>(110,400)</u>
Net cash provided by operating activities	<u><u>\$ 124,079,369</u></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, 2010

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.

The Department has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Department has elected to apply FASB pronouncements issued after the applicable date.

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.

	<u>Balance at July 1, 2009</u>	<u>Acquired</u>	<u>Deleted</u>	<u>Balance at June 30, 2010</u>
Nondepreciable capital assets				
Land	\$ 1,827,702	\$ -	\$ -	\$ 1,827,702
Construction in-progress	<u>-</u>	<u>6,371,032</u>	<u>(1,051,951)</u>	<u>5,319,081</u>
Total nondepreciable capital assets	<u>1,827,702</u>	<u>6,371,032</u>	<u>(1,051,951)</u>	<u>7,146,783</u>
Depreciable capital assets				
Buildings	9,571,382	-	-	9,571,382
Equipment	41,839,441	998,633	(473,635)	42,364,439
Other Equipment	643,230	-	(404,094)	239,136
Intangibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total depreciable capital assets	<u>52,054,053</u>	<u>998,633</u>	<u>(877,729)</u>	<u>52,174,957</u>
Less accumulated depreciation:				
Building	9,267,174	12,551	-	9,279,725
Equipment	34,942,255	2,935,642	(452,745)	37,425,152
Other Equipment	643,230	-	(404,094)	239,136
Intangibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total accumulated depreciation	<u>44,852,659</u>	<u>2,948,193</u>	<u>(856,839)</u>	<u>46,944,013</u>
Depreciable capital assets, net	<u>7,201,394</u>	<u>(1,949,560)</u>	<u>(20,890)</u>	<u>5,230,944</u>
Total capital assets, net	<u>\$9,029,096</u>	<u>\$4,421,472</u>	<u>\$(1,072,841)</u>	<u>\$12,377,727</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).

3. CAPITAL ASSETS (continued)

Insurance Recovery

An insurance recovery of \$141,158 was received in Fiscal Year 2010 resulting from fire and water damage to the inventory that occurred in September 2008 at Store Location #68, Harrisonburg, Virginia.

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, 2010, the Department had outstanding \$32,721,702 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, 2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at June 30, 2010</u>
<u>\$28,109,858</u>	<u>\$32,721,702</u>	<u>\$ (28,109,858)</u>	<u>\$32,721,702</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 2010 Virginia Acts of Assembly required \$9,886,363 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, 2010, 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, 2009	<u>\$ 219,853</u>	<u>\$ (111,706)</u>	<u>\$ 108,147</u>
Receipts for fiscal year	111,293,220	30,580,004	141,873,224
Transfers to the General Fund	<u>(111,171,777)</u>	<u>(30,166,930)</u>	<u>(141,338,707)</u>
Balance due to the General Fund, June 30, 2010	<u>\$ 341,296</u>	<u>\$ 301,368</u>	<u>\$ 642,664</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, 2010, is summarized below.

Balance due to the Department of Taxation, July 1, 2009	\$ 2,072,064
Sales tax collections	26,906,495
Transfers to the Department of Taxation	<u>(28,664,494)</u>
Balance due to the Department of Taxation, June 30, 2010	<u>\$314,065</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 \$4,092,423 due to the General Fund at June 30, 2010.

5. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for retail store buildings. Rent expense under operating lease agreements amounted to \$19,511,871 for the year. A summary of future obligations under lease agreements as of June 30, 2010, follows.

<u>Year Ending June 30, 2010</u>	
2011	18,494,093
2012	15,198,578
2013	11,303,376
2014	7,253,522
2015	4,226,453
2016-2019	<u>2,261,030</u>
Total obligations	<u>\$58,737,052</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. Principal and interest payments of this commitment for fiscal years subsequent to June 30, 2010 are as follows.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Obligations</u>
2011	<u>186,944</u>	<u>1,963</u>	<u>188,907</u>
Total	<u>\$ 186,944</u>	<u>\$ 1,963</u>	<u>\$ 188,907</u>

The following schedule presents the changes in long-term debt.

<u>Balance at July 1, 2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at June 30, 2010</u>
<u>\$ 963,835</u>	<u>\$ 0</u>	<u>\$ (776,891)</u>	<u>\$ 186,944</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, 2009</u>	<u>Short Term Increase</u>	<u>Long Term Decrease</u>	<u>Balance at June 30, 2010</u>	<u>Amounts due within one year</u>
<u>\$ 5,170,045</u>	<u>\$ 71,449</u>	<u>\$ (192,122)</u>	<u>\$ 5,049,372</u>	<u>\$ 2,609,614</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, 2010, the Department collected \$44,454,535 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, 2010, the bailment inventory was valued at \$36,072,441.

FISCAL YEAR 2010 IN REVIEW

ABC Launches Social Media: In Fiscal Year 2010, ABC became committed to integrating social media into its strategic communications efforts. The agency utilizes Facebook, Twitter and YouTube as additional resources to interact with customers, licensees, media, prevention organizations and more.

Talk of Privatization Sparks Media Interest: Talk of privatization thrust ABC into the news, as Governor McDonnell's administration prepared a plan to replace state stores with private licensed businesses. Privatization-related inquiries about ABC's revenues and operations poured in from media and citizens.

YADAPP Celebrates Silver Anniversary: The 25th Annual Youth Alcohol and Drug Abuse Prevention Project (YADAPP) summer leadership conference was held at Longwood University July 20–23, 2009. More than 520 Virginia high school students and adults gathered for the silver anniversary conference, which featured the theme "Face It!," playing on the popular social media Web site Facebook. The conference inspired 94 teams of students to create prevention plans for their schools and communities and to assume positive peer leadership roles in their regions.

ABC Continues its Green Efforts: ABC is committed to an ongoing program of waste reduction, energy conservation and recycling to reduce costs. Cardboard recycling increased 31 percent and accounted for 76 percent of all recycled materials in Fiscal Year 2010. Paper and shrink-wrap recycling increased 46 percent each. Total recycling amounted to 845,684 pounds.

Alcoholic Energy Drink Poster in Demand: A poster designed to highlight the subtle differences in packaging between alcoholic and nonalcoholic energy drinks is ABC's most popular poster ever. More than 22,000 posters titled *Alcohol? Energy? Both?* were distributed to licensees, schools, parent groups, health educators and individuals interested in raising awareness about the dangers of alcoholic energy drinks. An additional 50,000 posters were printed to meet demands.

Students Brave Stormy College Conference: A Nor'easter/Tropical Storm that prompted a state of emergency declaration, added an extra element of drama to the 24th Annual ABC College Conference ("Lights, Camera, Action: Take 2"), held Nov. 13–15, 2009 in Virginia Beach. Despite a change of venue and difficult travel conditions, more than 120 students of the 305 registered attended. Dozens of colleges and universities in Virginia were represented. From the educational components to the fun alcohol-free evenings of games and music, each aspect reflected the conference mission—to prevent and reduce underage and high-risk drinking and alcohol-related injuries and fatalities and improve quality of life for campus communities.

Military Partnership Recognized: ABC was awarded the National Liquor Law Enforcement Association's 2010 Most Innovative Program Award for its alcohol prevention initiative with the U.S. Naval Safety Center. The partnership with the Navy is part of the ABC Military Outreach on Alcohol Incident Prevention program. Posters, fact sheets and public service announcements are key elements of the initiative.

Students Rise to the PSA Challenge: The "PSA Challenge" competition conducted in 2010 gave Virginia middle and high school students broad creative license to produce public service announcements (PSAs) with the tagline "Alcohol Has No Place...." The agency received more than 130 entries from across the commonwealth and selected six for special recognition and posting on YouTube. From somber to silly, sophisticated to simple, the winning PSAs communicated the pre-teen and teenage producers' uncensored points of view. ABC encouraged parents, as well as school administrators and students, to use the PSAs to initiate discussions about the dangers and consequences of underage drinking.

Miss Virginia Promotes Healthy Choices: Miss Virginia Chinah Helmandollar partnered with ABC and the Department of Behavioral Health and Developmental Services to bring alcohol prevention messages to 22 elementary, middle and high schools in February and March 2010. Helmandollar encouraged students to make healthy choices and stressed the importance of saying "no" to alcohol, tobacco and substance abuse. She became Miss Virginia Feb. 1, after Caressa Cameron was crowned Miss America. At this time, Cameron's PSA that speaks out against drunk driving drew a record number (8,895) of views on ABC's YouTube site.

Procurement and Support Services Accredited: ABC is accredited by the National Institute of Governmental Purchasing, Inc. and received the Outstanding Agency Accreditation Achievement Award for leadership and integrity in the public procurement profession in 2010. ABC is the first state agency in the Commonwealth of Virginia to receive this accreditation and award.

Photos (top to bottom): Acting Manager James Medimyer, Manager Young Jin and Acting Manager Thomas Murphy (left to right) pose in front of new store 036 in Gainesville, opened July 8, 2009; this fiscal year marked the launching of ABC social media, including Facebook, Twitter and YouTube; then Miss Virginia, now Miss America Caressa Cameron, smiles as Special Agent Jesse Tate conducts a "red carpet interview" with a College Conference attendee; Jeff Harbert, Joan Stromberg and Colonial Robinson listen as Public Safety Secretary Marla Decker speaks during her visit with Deputy Secretary John Buckovich to the employee appreciation breakfast on May 5; all three network news trucks appear in the ABC Central Office parking lot to film people leaving a high-profile hearing.



VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL

