

VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
MISSION IN REVIEW 2014

CONTROL
SERVICE
REVENUE

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LETTER FROM THE CHAIRMAN

The Virginia Department of Alcoholic Beverage Control (ABC) celebrated its 80th anniversary in fiscal year 2014 and marked a year of milestones that promise an even brighter future for the agency. The celebratory year offered many highlights including the opening of Virginia's first premier ABC stores in Williamsburg and Leesburg.

Incorporating innovative retail space planning techniques, energy efficient lighting, a permanent tasting area, and appealing cabinetry, wall treatments and product displays, the new stores also feature a design theme reflective of the unique characteristics of each of the store's locations. In Williamsburg for example, a reproduction vintage copper still is evocative of Virginia's history of moonshine production. The still appears to have had its own impact on sales at the premier store, which experienced a nearly 50 percent boost in licensed moonshine revenues in its first three months over the same period the previous year.

The new retail initiative underscores a dedication to providing excellent customer service and is representative of the Board's commitment to innovative solutions and sound business decisions that keep ABC stores on firm operational and financial ground. ABC's growing retail division added seven stores and remodeled 19 during the last fiscal year.

Fiscal year 2014 also marked ABC's 16th consecutive record breaking year in sales and profits. Total gross sales were \$801 million, \$32 million higher than last year. Profits were \$140 million, an increase of \$6 million from the previous fiscal year. Retail sales ended the year up 4.7 percent and sales to mixed beverage licensees were up 1.6 percent.

ABC's new Field Support Vehicle (FSV), purchased during fiscal year 2013 with asset forfeiture funds, expanded its reach as a satellite enforcement command post to include educational outreach. Partnering with ABC's Education and Prevention Section, the FSV visits college campuses, community events and festivals to distribute educational materials on the dangers of alcohol misuse. Since spring 2014, the FSV has made four appearances with more scheduled in the coming year.

ABC also received final approval for regulatory changes, the most notable of which permits restaurants to promote happy hour. Effective January 29, restaurants were able to publicize happy hour and the time span of their drink specials in any medium, including print and broadcast advertising, social media and online. In the past, Virginia restaurants could only advertise happy hour inside or on a 17-by-22-inch sign attached to the outside of the building.

ABC launched its Education and Prevention Grants program issuing 11 grants to assist community partners with developing initiatives related to underage drinking, driving under the influence and other alcohol-related issues.

Governor Terry McAuliffe took office in January and in addition to naming me as Virginia ABC Chairman, also appointed commissioners Judy Napier and Henry Marsh to serve on Virginia ABC's Board. In April he appointed Ryant Washington as Virginia ABC's Special Policy Advisor for Law Enforcement.

In fiscal year 2014, Virginia ABC continued to adapt to an ever-changing marketplace. The agency 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 effectively managing a business enterprise generating a consistent source of revenue for some of the Commonwealth's most important programs.



ABC Board Chairman Jeff Painter



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 (clockwise, from top left): Bartender Julie Britland shows a mixed beverage stamp to Virginia ABC Special Agent Corey Blunt at Burger Bach in Richmond's Carytown neighborhood; Mark Elliott, forklift operator, puts a pallet from the receiving dock into a bulk location in the warehouse. Records Supervisor Jennifer Tolley discusses an application for a banquet license with a Richmond customer. Student participants take to the stage during the 29th annual YADAPP (Youth Alcohol and Drug Abuse Prevention Project) conference. Keysville Mayor James Ramsey joined local residents, store employees and Virginia ABC officials for a grand opening celebration of the town's first ABC store. Lead Sales Associate Darrin Jones examines a bottle of rum for sale at Virginia ABC's store in Richmond's Shockoe Bottom neighborhood.

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EXECUTIVE INFORMATION

Governor Terry McAuliffe
 Secretary of Public Safety and Homeland Security Brian J. Moran

ABC Board

Board Chairman Jeffrey L. Painter
 Commissioner Judy G. Napier
 Commissioner Henry L. Marsh III

Executive Staff

Chief Operating Officer Travis G. Hill
 Special Policy Advisor for Law Enforcement Ryant L. Washington
 Chief Financial Officer J. Craig Vanderland
 Secretary to the Board S. Christopher Curtis
 Chief Communications and Research Officer W. Eddie Wirt

Division Directors

Bureau of Law Enforcement Operations Shawn P. Walker
 Communications Rebecca V. Gettings
 Financial Management Services Barry M. Wenzig
 Hearings, Appeals and Judicial Services Margaret W. Reed
 Human Resources Crystal W. Stephenson
 Information Technology Services Stephen L. Fox
 Internal Audit John W. Wszelaki
 Logistics Ronald L. Dew
 Marketing John L. Shiffer
 Procurement and Support Services Debra C. Corley
 Property Management Susan W. Johnson
 Retail Operations C. Wilson Jones



Governor Terry McAuliffe



Secretary of Public Safety and Homeland Security Brian J. Moran

All Board members and executive staff served throughout the fiscal year with the exception of the following: Chairman Jeffrey L. Painter was appointed Commissioner in January 2014 and designated Chairman in April 2014. Chairman M. Boyd Marcus, Jr. was appointed in January 2014 and served through March 9, 2014. Commissioner Napier was appointed in January 2014. Commissioner Marsh was appointed in July 2014 (fiscal year 2015). Chief Operating Officer W. Curtis Coleburn retired on May 24, 2014. Richard D. Holcomb was appointed to serve as Acting Chief Operating Officer from May 13 through October 1, 2014. Travis G. Hill was appointed Chief Operating Officer on October 6, 2014 (fiscal year 2015). Special Policy Advisor for Law Enforcement Ryant Washington was appointed on May 13, 2014. Chief Financial Officer J. Craig Vanderland retired on August 30, 2014 (fiscal year 2015). Deputy Secretary to the Board S. Christopher Curtis was promoted to Secretary to the Board on September 8, 2014 (fiscal year 2015). W. Eddie Wirt was named Chief Communications and Research Officer on September 10, 2014 (fiscal year 2015).



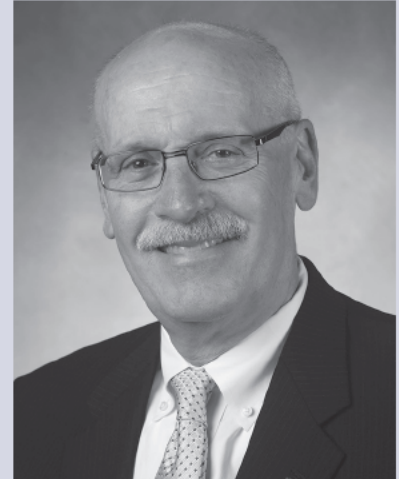
ABC Board (left to right): Commissioner Judy G. Napier, Chairman Jeffrey L. Painter and Commissioner Henry L. Marsh. Commissioner Marsh was appointed on July 7, 2014, early in fiscal year 2015.

LEGISLATIVE SYNOPSIS

The 2014 session of the Virginia General Assembly was an eventful one, with 34 ABC-related bills or resolutions introduced and 18 of those passing both chambers of the General Assembly and being signed into law by the Governor. Five of the pieces of legislation introduced dealt with changing the structure or powers of Virginia ABC, but none of these initiatives were enacted into law. All of the initiatives dealing with structure or powers of the Board were rolled into HB 216, which will be studied between the 2014 and 2015 General Assembly sessions.

Craft Breweries

Craft breweries are exploding in growth across the nation, and Virginia is no exception. SB 596 reduces the cost of an ABC license for those breweries producing 500 barrels or less of beer per year from \$2,150 to \$350 to assist the growth of micro breweries. The Virginia Craft Brewers Guild notes that the industry supports 8,123 full-time jobs and generates an economic impact of \$623 million in the Commonwealth.



Secretary to the Board S. Christopher Curtis

Limited Mixed-Beverage Restaurant Licenses

Limited mixed beverage licensees are allowed to sell dessert wines and six varieties of liqueurs to be mixed with coffees or other non-alcoholic beverages. Newly enacted legislation allows these same licensees to sell and serve wine, beer and champagne for on-premises consumption, provided the sale of such alcoholic beverages, together with the sale of dessert wines and liqueur-based drinks, does not exceed 10 percent of the total annual gross sales of all food and alcoholic beverages.

Information to Consumers

This law expands the types of services that manufacturers/wholesalers of alcoholic beverages may provide to licensed retail establishments' customers. This amendment allows any winery, farm winery, wine importer or wine wholesaler licensee to provide to adult customers of licensed retail establishments information about wine being consumed on such premises. Three bills were introduced on this topic, and it passed with an emergency clause making it effective immediately after Governor McAuliffe signed it.

Suspension of License for Local Tax Delinquency

This provision authorizes Virginia's ABC Board to suspend or revoke the license of an establishment which is delinquent for a period of 90 days or more in the payment of any taxes, penalties or interest imposed by the locality where the licensed business is located. The Board is prohibited from acting if the outstanding amount/assessment is under appeal, or if there is a payment plan that has been entered into by the licensee with the locality.

Limited Brewery

This legislation creates a new license type for breweries. Modeled to some extent after the "farm winery" license, a brewery may manufacture no more than 15,000 barrels of beer per year and must be located on a farm in the Commonwealth. The brewery must use agricultural products (barley, hops, etc.) that are grown on the farm in the manu-

(continued)

facture of the beer. This bill also limits local regulation of limited brewery licensees and specifically prohibits any ordinance regulating the noise, production and harvesting of crops and the on-premises sale and consumption of beer during regular business hours.

Mixed Beverage Establishments in Dry Counties

In 1968 when Virginia passed liquor by the drink, localities were required to hold referendums before the sale of mixed beverages was allowed. Several counties in Virginia have never held or approved the sale of liquor by the drink. This bill exempts two country club properties located in Henry County and one country club in Washington County and allows those establishments to apply for a license to sell mixed beverages.

Cider

The growth of cider in recent years has been phenomenal, and it has become the fastest growing alcoholic beverage category in the nation. Prior to this legislation, regulations only allowed the sale of apple cider in containers of not less than 12 ounces nor more than a gallon. This change permits apple and pear cider containing less than seven percent of alcohol to be sold in any containers that comply with federal regulations for wine or beer. Apple or pear cider containing seven percent or more of alcohol may be sold in any containers that comply with federal regulations for wine. This change preempts the regulation limiting container size and allows this growing category to compete in the marketplace.

Wine and Beer Tasting Fees

SB 178 allows any sightseeing carrier or contract passenger carrier as defined in §46.2-2000 to collect tasting fees when transporting passengers for compensation to a restaurant, winery or brewery. These tasting fees are collected on behalf of the licensee from the passengers and must be remitted to the licensee for the tasting of alcoholic beverages.

Agency Opens Premier Stores

Virginia ABC reached a milestone during the fiscal year when it introduced its premier store concept. The new store design replaces the traditional three- or four-row store layout and incorporates retail space planning techniques. U-shaped traffic patterns lead customers through the larger, redesigned stores and expose them to more products. New flooring, lighting, ceiling, wall treatments, product displays and a tasting area are other highlights.

Two premier stores were opened, the first in Williamsburg in March 2014 and a second in Leesburg in June 2014. The Williamsburg store pays homage to the early days of distilled spirits with a reproduction vintage moonshine still on display. The Leesburg store decor reflects its historic Loudoun County hunt country motif and features a unique bottle chandelier.

The agency continued to expand its retail presence by opening seven additional new stores in Front Royal, Centreville, Fishersville and Stuarts Draft and in the counties of Fairfax, Henrico and Chesterfield raising the total number of retail stores across the Commonwealth to 349. This marked the greatest number of new store openings since fiscal year 2007. Virginia ABC also opened a new store in the Charlotte County town of Keysville, 20 miles from its Drakes Branch store that was closed because of decreased traffic and sales. In addition, the agency modernized and/or renovated 19 stores.

Each premier and new store opening was celebrated with a community celebration event attended by legislators, industry partners, Virginia ABC officials and members of the local community. Each event included brief remarks from officials, a ribbon cutting, photos and informal store tours. The first 80 customers were given non-alcoholic gifts in celebration of the agency's 80th anniversary.



Photos (clockwise from top): Sales Associate Jerry Pittenger scans a purchase for a customer at the Leesburg premier store. Commissioner Judy G. Napier (third from left) and Secretary of Public Safety and Homeland Security Brian J. Moran (second from right) are pictured with employees at the new Twinbrooke location. The Williamsburg store pays homage to the early days of distilled spirits with a reproduction vintage moonshine still on display.



STATISTICAL HIGHLIGHTS: LICENSING

Licenses and Licensing

ABC retail licenses (1)	18,171
New retail, wholesale and special-permit licenses	2,063
Licensed retail establishments	16,933
Private or corporate owners	13,105
Alcohol compliance rates for retail licensees (%) (2)	85.09
Average processing time for new retail applications (in days) (3)	73
One-day banquet and special-event licenses	19,525

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

(2) FY 13 rate: 85.7 percent

(3) FY 13: 78 days. ABC targets a 60-day average.

STATISTICAL HIGHLIGHTS: EDUCATION & PREVENTION

Publications and Conferences

"Do Not Sell" stickers packets distributed to licensees	18,743
Licensee newsletters distributed	50,000
YADAPP 2013 adult and student participants (1)	529
AAAG PSA campaign reach (2)	38,083
AAAG training participants (3)	240
Educational brochures disbursed	61,414
SAVVY Expos (4)	1
SAVVY Expo attendees	190
SAVVY Schools & Communities Recognition Program awardees (4)	14
VaCALC professionals trained (5)	143
Miss Virginia School Tour stops (6)	13
Miss Virginia School Tour student participants	4,233
College Tour stops (7)	2
College Tour participants	134

(1) Youth Alcohol and Drug Abuse Prevention Project (YADAPP) annual summer conference held at Longwood University, July 15–19, 2013. Ninety-three youth teams represented schools and communities across Virginia.

(2) Alcohol and Aging Awareness Group (AAAG) was interviewed and featured on Hampton Roads this Morning in November 2013.

(3) AAAG sponsored Screening, Brief Intervention, and Referral to Treatment (SBIRT) trainings in Williamsburg (December 5–6, 2013), Lynchburg (March 26, 2014), Fairfax (March 26, 2014) and Newport News (April 24, 2014).

(4) The fourth and final regional Substance Abuse Awareness Vital for Virginia Youth (SAVVY) Expo was held September 18, 2013, in Abingdon.

(5) Virginia College Alcohol Leadership Council (VaCALC) trains professionals through their bi-annual Drive-In Workshops and annual Summer Retreat.

(6) Miss Virginia 2013, Desiree Williams, toured elementary and middle schools across the Commonwealth with her prevention message.

(7) College Tour stopped at Tidewater Community College on March 22, 2014, and at Northern Virginia Community College on April 4, 2014.

Licensee Training

RSVP classes conducted by ABC special agents (1)	105
RSVP participants (statewide)	1,739
MART classes conducted by ABC special agents (2)	26
MART participants (statewide)	389

(1) Responsible Sellers & Servers: Virginia's Program (RSVP) classes are conducted by ABC Law Enforcement Special Agents across the Commonwealth.

(2) Managers' Alcohol Responsibility Training (MART) classes are conducted by ABC Law Enforcement Special Agents across the Commonwealth.

Grants

YADAPP 2013 grants presented (1)	22
YADAPP 2013 grants disbursements	\$5,750
College Alcohol Awareness grants (2)	5
College Alcohol Awareness disbursements	\$4,894

(1) These include both YADAPP mini-grants (\$250 each) and Wheeler Award (\$500). 2013 Wheeler Award recipient was Heritage High School in Newport News.

(2) College Alcohol Awareness mini-grant awardees: Tidewater Community College, Roanoke College, Virginia Commonwealth University, Randolph-Macon College and the College of William & Mary.

STATISTICAL HIGHLIGHTS: LAW ENFORCEMENT

Law Enforcement Activity

Criminal investigations	8,675
Arrests	1,670
Illegal still investigations	56
Inspections of licensed establishments	8,884
Underage Buyer (UAB) compliance checks	3,600
ABC special agents	100
Written warning reports	1,154
Written violation reports	730
Wine, beer and mixed-beverage application and state license fees collected	\$12,991,941.82

Tobacco Compliance

Synar compliance rate, May 1–September 30, 2013 (%) (1)	90.3
Total tobacco checks by ABC agents (2)	1,221
FDA retail compliance check inspections (3)	2,200

(1) FY 13: 86.5 percent. Virginia ABC special agents conducted random, unannounced Synar inspections on behalf of the Virginia Department of Behavioral Health and Development Services (DBHDS).

(2) FY 13: 1,069 checks. This includes attempted visits found not suitable for an underage buyer check.

(3) FY 13: 2,700. The Bureau of Law Enforcement's 47 FDA-commissioned tobacco inspectors conducted tobacco retail inspections on behalf of the Food and Drug Administration (FDA), Center for Tobacco Products (CTP).

STATISTICAL HIGHLIGHTS: HEARINGS & APPEALS

Cases Referred for Hearings

Case Activity	Count
Violation/disciplinary reports	780
Contested applications	52
• Approved	15
• Denied	12
• Withdrawn before hearing	25
Contested banquet applications	12
• Approved	5
• Denied	4
• Withdrawn before hearing	3
Wine and beer franchise cases	5
Total hearings requested	849

Hearings Dispositions

Case Activity	Count	Percentage of Total Cases Received (%)
Settled by consent settlement offer	350	48.08
Heard by ABC hearing officer (1)	212	29.12
Settled by offer in compromise	109	14.98
Heard by ABC board on appeal	43	5.90
Withdrawn or dismissed prior to hearing (2)	14	1.92
Total hearings dispositions (3)	728	100

- (1) 212 hearings were held on 297 charges/objections filed. Single cases with multiple charges are heard in one hearing. Forty-three of these were appealed to the Board for a second hearing.
- (2) Cases may be withdrawn or dismissed prior to a hearing, but after docketing, for a variety of reasons, e.g., license surrendered; application withdrawn; settlement through mediation.
- (3) 1,188 cases were in process at the end of FY 13 and completed during FY 14.

Average Case Turnaround Time (in Days)

Activity	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 14*
Violations	178	158	118.6	62.45	58.73	83	108.9
Applications	135	131	93.8	95.9	109.66	40.73	123

Unless otherwise noted, turnaround times do not include continuances.

* This column shows turnaround times with continuances included. It provides additional information that was not included in previous annual reports. Parties are granted continuance requests for good cause shown. This shows how parties' requests for continuances increase turnaround time.

Case Decisions Appealed

Activity	Count	Percentage of Total (%)
Initial decision of hearing officer to ABC Board (1)	43	5.10
Final decision of ABC Board to circuit court (2)	6	14.63

- (1) Percentage of all cases referred
- (2) Percentage of all cases appealed to the Board

Civil Penalties Collected

Activity	Count
Civil penalties collected (dollars)	918,700.00
Average civil penalty per case (dollars)	1,286.69
Average suspension period per case (days) (1)	17.21

- (1) Most ABC cases result in the imposition of a civil penalty and/or suspension period. This average reflects the results of all civil penalties or suspension periods from all case decisions, consent settlement offers, and offers-in-compromise for FY 2014. The Board may allow licensees to choose between a civil penalty or suspension period. Some penalties, however, contain not only civil penalties but also mandatory suspension periods.

STATISTICAL HIGHLIGHTS: PERSONNEL

Employees and Hiring

Total employees (as of June 30, 2014)	3,312
Total classified employees	1,026
Total part-time employees	2,286
Classified employees hired in FY 14	101
Part-time employees hired in FY 14	556

ABC employs a diverse workforce. The agency's 3,312 employees work throughout the Commonwealth operating 349 retail stores and eight regional offices. Approximately 418 ABC employees and 26 contractual workers (444 total) are physically located in Richmond at the central office and warehouse facility.

Employee Demographics

Average age (years) (1)	47.0
Average years of service, classified employees (2)	11.2
Gender: male (%) (3)	58.0
Gender: female (%) (3)	42.0
Minority (%) (4)	29.9

The demographics of ABC's workforce are generally consistent with the overall state workforce. Nearly 71 percent of state classified employees are over the age of 40, 54.1 percent are female and 34.8 percent are minorities. The average age of an ABC classified employee is 47 years, with an average length of service of 11.2 years. ABC has a high number of retirement-eligible classified employees: 145 employees (13.2 percent of FTE positions) are eligible to retire currently, an additional 69 employees (6.3 percent FTE positions) within the next five years, and an additional 66 employees (6.0 percent FTE positions) eligible within 10 years. A total of 280 ABC classified employees, or 25.6 percent of ABC's classified workforce will be eligible to retire within the next 10 years (2024).

- (1) Average age (all state employees): 46.7 years
- (2) Average years of service (all state employees): 12.1 years
- (3) Gender (all state employees): male, 46.0 percent; female, 54.1 percent
- (4) Minority (all state employees): 34.8 percent

Tuition and Training Assistance

Description of Training	Course Types	Units (1)
Tuition Assistance Program (TAP)	18	18
Instructor-led (Agency)	8	471
Instructor-led (ENF)	39	82
Instructor-led (LAMP)	15	292
New hire orientation	13	93
Agency/state mandates (online)		
Retail/warehouse employees	34	11,659
Non-retail/warehouse employees (2)	57	14,628
Emergency management	6	994
HPM supervisor (online)	36	457
Safety	14	7,618

- (1) Units completed. These represent the units (modules) of training deployed to ABC employees by the training department. One employee may account for more than one unit of participation.
- (2) New types/categories added (via training request and COVKC).

STATISTICAL HIGHLIGHTS: STORES & PRODUCTS

ABC Stores

Alcohol compliance rate for ABC stores (%) (1)	99
Average delivery cost to ABC stores (dollars per case)	\$.84
Total shipments to ABC stores (cases)	4,392,471
Total shipments to ABC stores (weight, in lbs)	136,915,826

(1) FY 13 rate: 98 percent

ABC Products

Price list

Active items on price list	2,522
Virginia wines on price list	56
Vermouths on price list	13
Items de-listed from price list (1)	426

Special orders

Active items on special order catalog	225
Active items on special order noncatalog	1,042
Total special order purchases (cases) (2)	19,733
Total special order revenue (dollars) (2)	\$4,341,501
• Catalog purchases (cases)	5,489
• Catalog revenue (dollars)	\$1,651,420
• Noncatalog purchases (cases) (3)	14,244
• Noncatalog revenue (dollars)	\$2,682,884

(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, 2013–June 30, 2014

Store	Location	Activity	Closed	Opened	Total
312	Suffolk	modernization	7-6-13	7-22-13	342
387	Front Royal	new store	(n/a)	7-23-13	343
332	Staples Mill	modernization	7-20-13	8-3-13	343
249	Norfolk	modernization	8-4-13	8-17-13	343
060	Dinwiddie	modernization	8-19-13	8-30-13	343
196	Keysville	relocation	(n/a)	9-19-13	343
105	Virginia Beach	flooring	9-11-13	9-20-13	343
128	Norfolk	flooring	9-14-13	9-21-13	343
134	Norfolk	flooring	9-16-13	9-23-13	343
306	Virginia Beach	expans./modern.	9-7-13	10-23-13	343
320	Williamsburg	relocation	11-4-13	11-9-13	343
298	Suffolk	modernization	1-11-14	1-27-14	343
159	Chesterfield	new store	(n/a)	1-30-14	344
188	Virginia Beach	modernization	2-9-14	2-23-14	344
385	Fairfax	new store	(n/a)	2-24-14	345
368	Fairfax	flooring	2-23-14	2-27-14	345
082	Sterling	flooring	2-24-14	3-1-14	345
389	Henrico	new store	(n/a)	3-7-14	346
255	Petersburg	modernization	3-2-14	3-15-14	346
148	Williamsburg	modernization	3-17-14	3-29-14	346
384	Centreville	new store	(n/a)	4-15-14	347
350	Midlothian	modernization	3-29-14	4-21-14	347
082	Sterling	mini remodel	4-19-14	4-26-14	347
073	Ashburn	flooring	4-27-14	5-2-14	347
296	Fishersville	new store	(n/a)	6-14-14	348
386	Stuarts Draft	new store	(n/a)	6-20-14	349
166	Leesburg	relocation	6-22-14	6-27-14	349
111	Clifton	flooring	6-9-14	6-14-14	349
056	Winchester	flooring	6-21-14	6-27-14	349

Virginia ABC held its first-ever bench-bar conference in September 2013. The forum focused on bridging the gap between attorneys who represent clients in ABC cases and the ABC Board and administrative law judges who hear their cases and make decisions. Cosponsored by The Virginia Bar Association Administrative Law Section, the conference included discussions about issues commonly raised in ABC cases and facilitated a better understanding between bench and bar. Pictured is then-administrative law judge and attorney Kristina Stoney with Thomas Lisk, an attorney who frequently represents licensee interests.



STATISTICAL HIGHLIGHTS: STORES & PRODUCTS

Top 50 Brands Sold in Fiscal Year 2014

Rank		Brand	Product Category	Gross Dollars		Change (%)	Actual Change (\$)
FY 14	FY 13			FY 14 (\$)	FY 13 (\$)		
		Statewide		\$799,466,391	\$768,107,697	4.1	31,358,694
		Top 50		394,239,855	378,158,147	4.3	16,081,708
		All others		405,226,536	389,949,550	3.9	15,276,986
1	1	Jack Daniel's 7 Black	Tennessee whiskey	25,658,300	25,018,476	2.6	639,824
2	2	Smirnoff 80	domestic vodka	19,066,109	19,532,760	(2.4)	(466,652)
3	3	Jim Beam	straight bourbon	17,802,469	17,593,209	1.2	209,259
4	4	Grey Goose	imported vodka	17,104,944	16,944,481	0.9	160,463
5	17	Fireball Cinnamon	cordials	16,124,716	7,870,381	104.9	8,254,335
6	5	Crown Royal	Canadian whisky	15,900,902	16,022,401	(0.8)	(121,499)
7	9	Hennessy VS	cognac\armagnac	15,139,972	12,658,311	19.6	2,481,662
8	6	Absolut	imported vodka	14,838,477	15,334,309	(3.2)	(495,832)
9	7	Aristocrat	domestic vodka	12,974,264	13,170,079	(1.5)	(195,815)
10	10	Bacardi Superior	rum	12,194,703	12,585,587	(3.1)	(390,883)
11	11	Patron Silver	tequila	11,911,743	11,551,097	3.1	360,646
12	8	Captain Morgan's Spiced	rum	11,610,420	12,683,404	(8.5)	(1,072,984)
13	13	Maker's Mark	straight bourbon	11,570,538	10,695,845	8.2	874,693
14	14	Jose Cuervo Especial Gold	tequila	9,477,546	9,736,982	(2.7)	(259,436)
15	12	Jagermeister	cordials	9,409,119	11,492,692	(18.1)	(2,083,574)
16	15	Pinnacle	imported vodka	9,384,939	9,028,706	3.9	356,232
17	18	Jameson	Irish whiskey	8,391,923	7,380,834	13.7	1,011,089
18	16	Seagram's Extra Dry Domestic Gin	domestic gin	7,184,418	7,932,539	(9.4)	(748,122)
19	21	Ketel One Imported Vodka	imported vodka	6,826,003	6,386,509	6.9	439,493
20	19	Bowman's Virginia Domestic Vodka	domestic vodka	6,707,100	6,960,903	(3.6)	(253,803)
21	40	Tito's Handmade Domestic Vodka	domestic vodka	6,647,407	3,745,692	77.5	2,901,715
22	20	Skyy	domestic vodka	6,429,614	6,711,207	(4.2)	(281,594)
23	22	Burnett's	domestic vodka	6,426,821	6,344,029	1.3	82,792
24	23	Tanqueray	imported gin	6,348,116	6,223,720	2.0	124,396
25	24	Canadian Mist	Canadian whisky	5,300,361	5,320,833	(0.4)	(20,472)
26	25	Grand Marnier Cordon Rouge	cordials	5,223,776	5,301,615	(1.5)	(77,839)
27	26	Bailey's Original Irish Cream	cordials	5,110,833	5,281,651	(3.2)	(170,817)
28	28	Johnnie Walker Black	Scotch	5,052,012	5,011,245	0.8	40,767
29	29	Dewar's White Label	Scotch	4,935,664	4,925,549	0.2	10,114
30	32	Svedka	imported vodka	4,756,744	4,469,916	6.4	286,827
31	--	New Amsterdam	domestic vodka	4,748,539	1,653,983	187.1	3,094,556
32	30	Bombay Sapphire	imported gin	4,567,348	4,478,941	2.0	88,406
33	35	Paul Masson Grande Amber VS	brandy	4,532,230	4,278,339	5.9	253,891
34	27	Ciroc Peach	flavored vodka	4,527,903	5,244,251	(13.7)	(716,349)
35	33	E & J VS	brandy	4,451,607	4,343,284	2.5	108,322
36	36	Wild Turkey 101	straight bourbon	4,414,040	4,203,587	5.0	210,453
37	37	Malibu Coconut	imported rum	4,354,581	4,180,237	4.2	174,344
38	38	Evan Williams Green	straight bourbon	4,282,200	4,027,141	6.3	255,059
39	34	Early Times	domestic whiskey	4,248,115	4,325,697	(1.8)	(77,582)
40	31	Stolichnaya	imported vodka	4,179,726	4,477,720	(6.7)	(297,994)
41	42	Buffalo Trace	straight bourbon	4,019,896	3,458,997	16.2	560,899
42	39	Bacardi Gold	rum	3,869,794	3,754,370	3.1	115,424
43	--	Woodford Reserve	straight bourbon	3,599,415	2,964,381	21.4	635,034
44	41	Kahlua Coffee	cordials	3,551,302	3,485,675	1.9	65,627
45	48	Nikolai	domestic vodka	3,368,093	3,100,983	8.6	267,109
46	46	Courvoisier VS	cognac\armagnac	3,268,305	3,184,353	2.6	83,952
47	45	Belvedere	imported vodka	3,234,577	3,282,885	(1.5)	(48,308)
48	50	1800 Silver	tequila	3,219,928	3,027,981	6.3	191,947
49	44	Seagram's 7 Crown	blended whiskey	3,190,929	3,376,197	(5.5)	(185,268)
50	43	Southern Comfort	cordials	3,101,376	3,394,180	(8.6)	(292,804)

This table is based on FY 14 dollars and previous years' sales for these items. A dash (—) indicates items not included in the "Top 50 Brands" last year.

A Message from the Chairman

I am pleased to present the fiscal year 2014 annual report for the Virginia Department of Alcoholic Beverage Control (ABC). These facts and figures represent a sixteenth consecutive record-breaking year for retail sales by our agency. In fiscal year 2014, we opened seven new stores and modernized 19. ABC operations returned record profits of \$140 million to the Commonwealth of Virginia. The agency has contributed more than \$1.8 billion dollars to the Commonwealth in the last five years.

I stand behind these figures with pride in the accomplishments made possible by the hard working and dedicated employees of ABC. To the best of my 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.



Jeff Painter
ABC Board Chairman

Financial Results in Brief, Fiscal Year 2014

Revenue Source	FY 14	FY 13	FY 12	FY 11	FY 10
ABC profit transfers (1)	\$139,987,344	\$134,576,751	\$132,021,784	\$121,013,600	\$120,509,682
State taxes (2)	132,043,584	126,802,220	120,988,748	114,201,593	111,293,220
General sales tax (3)	36,879,111	31,263,867	29,617,739	27,889,207	26,906,495
Wine liter tax (4)	34,608,741	34,400,161	33,457,628	32,171,151	30,580,004
Malt beverage tax (5)	43,341,595	42,846,308	43,660,370	43,915,010	44,454,535
Total	\$386,860,375	\$369,889,307	\$359,746,269	\$339,190,561	\$333,743,936

Effective July 1, 2013, the Retail Sales and Use Tax rate for most purchases increased to 5.3 percent statewide due to House Bill 2313. In addition to the statewide increase, there is a 0.7 percent increase in the localities that make up the Northern Virginia and Hampton Roads regions, bringing the Retail Sales and Use Tax rate to 6.0 percent in those areas.

- (1) Source: "Statement of Revenues, Expenses and Changes in Net Position." 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." 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." General sales tax rate is 6.0 percent in the localities that make up the Northern Virginia and Hampton Roads regions, and 5.3 percent statewide.
- (4) Source: "Notes to Financial Statements 4.B. General Fund." The non-ABC portion of the wine liter tax = \$.40 per liter. \$9,141,363 of the wine liter tax is transferred to the Virginia Department of Behavioral Health and Developmental Services.
- (5) Source: "Notes to Financial Statements 8. Collections of Malt Beverage Tax."

Sales of All Beverages, Fiscal Year 2014

Product	Gallons*	Liters	Total Gallons (%)	Gross Dollars	Gross Sales (%)
STATE STORE SALES					
Distilled Spirits	10,441,980	39,527,177	96.9	\$ 792,240,926	96.9
Virginia Wine	27,082	102,517	0.3	1,548,012	0.3
Vermouth	38,682	146,426	0.4	1,413,567	0.4
Alcohol	110	415	0.0	8,542	0.0
Non-Alcoholic Mixers	264,152	999,924	2.5	4,196,952	2.5
Total	10,772,006	40,776,458	100.0	\$ 799,407,997	100.0
DIRECT SALES FROM WHOLESALERS					
Wines (\$0.40 Liter) (1)	24,885,496	94,201,807	13.9	37,680,723	13.9
Beer (\$7.95 Barrell)	154,012,635	583,000,969	86.1	43,308,144	86.1
Total	178,898,131	677,202,776	100.0	\$ 80,988,867	100.0

*excludes non-beverage items, confiscated items, distillery store sales

(1) Gross Liter Tax for Wines after 12 percent allocated to ABC revenue

Source: Virginia ABC Policy, Planning and Analysis

Comparison of Products Sold / Market Share, Fiscal Year 2014 vs. Fiscal Year 2013

Products	Cases Sold		Market Share (%)		Change (%)
	FY 14	FY 13	FY 14	FY 13	
Vodka	1,398,474	1,396,637	32.0	32.5	0.1
Domestic	738,803	724,644			2.0
Imported	342,794	343,308			(0.1)
Flavored	316,877	328,685			(3.6)
Rum	423,243	424,539	9.7	9.9	(0.3)
Domestic	285,481	283,094			0.8
Imported	137,762	141,445			(2.6)
Cordials—Liqueurs-Specialties	503,018	450,985	11.5	10.5	11.5
Imported	285,565	241,477			18.3
Domestic	217,454	209,508			3.8
Straight Bourbon Whiskey	457,349	428,736	10.5	10.0	6.7
Gin	237,532	244,339	5.4	5.7	(2.8)
Domestic	163,085	172,552			(5.5)
Imported	62,515	60,106			4.0
Flavored	11,351	11,025			3.0
Sloe	582	656			(11.3)
Tequila	227,319	219,623	5.2	5.1	3.5
Canadian Whisky	165,700	173,679	3.8	4.0	(4.6)
Brandy	136,390	134,539	3.1	3.1	1.4
Grape	118,435	115,055			2.9
Imported	7,269	9,382			(22.5)
Flavored	10,686	10,102			5.8
Scotch Whiskey	142,730	143,184	3.3	3.3	(0.3)
Tennessee Whiskey	101,608	101,216	2.3	2.4	0.4
Blended Whiskey	98,016	96,777	2.2	2.3	1.3
Cognac \ Armagnac	91,924	86,930	2.1	2.0	5.7
Cocktails	60,139	71,662	1.4	1.7	(16.1)
Domestic	53,071	66,171			(19.8)
Imported	7,068	5,491			28.7
Specialty Bottles	54,575	45,987	1.2	1.1	18.7
Imported	29,004	26,334			10.1
Domestic	25,571	19,653			30.1
Domestic Whiskey	41,383	41,133	0.9	1.0	0.6
Irish Whiskey	34,966	32,013	0.8	0.7	9.2
Egg Nog	14,334	12,881	0.3	0.3	11.3
Corn Whiskey	32,022	24,643	0.7	0.6	29.9
Straight Rye Whiskey	9,366	6,647	0.2	0.2	40.9
Rock & Rye	1,288	1,419	0.0	0.0	(9.2)
Bottled in Bond Whiskey	1,165	584	0.0	0.0	99.4
Alcohol	40	49	0.0	0.0	(17.3)
Vermouth	15,819	15,821	0.4	0.4	(0.0)
Imported	8,466	8,270			2.4
Domestic	7,353	7,552			(2.6)
Virginia Wine	11,533	12,087	0.3	0.3	(4.6)
Non-Alcoholic Mixers	99,270	106,037	2.3	2.5	(6.4)
Non-Beverage Items	17,331	20,978	0.4	0.5	(17.4)
Statewide totals*	4,376,531	4,293,125	100.0	100.0	1.9

* Excludes miscellaneous records and confiscated items.

Source: Virginia ABC Policy, Planning and Analysis

Analysis of Store Performance, Fiscal Year 2014

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 (4) to Virginia
Statewide Totals		10,774,035	\$800,494,890	\$132,115,802	\$668,379,088	\$388,711,658	\$279,667,430	\$92,697,156	\$186,970,274	\$43,731,050	\$143,239,224	34.4
137 674 Hwy. 58, E.	Norton City	21,435	1,429,641	236,381	1,193,260	692,600	500,661	207,288	293,373	78,073	215,299	31.6
194 16427-E Wise St.	Wise Co.	7,940	520,295	86,312	433,983	251,840	182,143	150,079	32,064	28,395	3,669	17.3
206 18 E. 4th St., S.	Wise Co.	11,688	736,509	122,116	614,393	356,831	257,562	110,270	147,292	40,199	107,093	31.1
218 3982 Highway 23 N.	Scott Co.	9,447	566,403	93,713	472,690	274,488	198,202	93,537	104,664	30,927	73,737	29.6
Far Southwest		50,510	3,252,848	538,522	2,714,327	1,575,759	1,138,568	561,174	577,394	177,594	399,799	28.8
87 4027 College Ave.	Tazewell Co.	19,959	1,382,283	228,715	1,153,567	670,677	482,890	220,647	262,244	75,476	186,767	30.1
174 One Plaza Dr.	Buchanan Co.	8,995	628,705	104,273	524,432	305,850	218,583	98,119	120,463	34,313	86,151	30.3
197 149 Clay Dr.	Tazewell Co.	20,259	1,316,728	217,483	1,099,245	639,178	460,067	178,434	281,633	71,922	209,711	32.4
230 722 East Riverside	Tazewell Co.	8,116	517,372	85,543	431,828	250,843	180,985	89,925	91,060	28,254	62,806	28.7
365 340 Chase St.	Dickenson Co.	7,316	470,069	77,869	392,200	226,908	165,292	101,348	63,944	25,661	38,283	24.7
Southwest		64,646	4,315,156	713,883	3,601,273	2,093,457	1,507,817	688,473	819,343	235,626	583,717	30.1
58 3002 Lee Hwy.	Bristol City	26,259	1,856,447	306,957	1,549,490	899,794	649,696	224,657	425,039	101,381	323,658	34.0
96 974 E. Stuart Dr.	Galax City	23,407	1,364,928	224,815	1,140,113	663,343	476,770	177,541	299,229	74,596	224,633	32.9
135 1173 N. Main St.	Smyth Co.	24,341	1,527,556	252,721	1,274,835	741,004	533,836	172,842	360,990	83,411	277,580	34.7
141 441 W. Stuart Dr.	Carroll Co.	17,241	1,001,989	165,307	836,683	487,193	349,489	141,317	208,172	54,743	153,429	31.8
153 325 W. Main St.	Wythe Co.	25,331	1,645,134	270,915	1,374,219	797,600	576,618	168,388	408,230	89,913	318,317	35.8
201 545 W. Main St.	Washington Co.	40,303	2,765,910	457,425	2,308,485	1,344,268	964,217	195,207	769,010	151,041	617,969	38.9
343 2123 Euclid Ave.	Bristol City	23,645	1,448,424	239,517	1,208,907	703,853	505,054	183,286	321,768	79,097	242,671	33.3
Wytheville/Hillsville		180,527	11,610,389	1,917,657	9,692,732	5,637,056	4,055,676	1,263,238	2,792,438	634,181	2,158,257	35.1
67 290 Peppers Ferry Rd.	Montgomery Co.	32,665	2,292,148	378,280	1,913,868	1,113,695	800,173	292,053	508,120	125,222	382,899	33.2
195 100 N. Franklin St.	Montgomery Co.	27,909	1,761,962	291,808	1,470,154	856,012	614,142	203,931	410,211	96,190	314,021	34.4
1991 40 Kinter Way	Giles Co.	14,097	806,801	133,666	673,135	392,035	281,100	114,475	166,625	44,042	122,583	31.8
327 1332 S. Main St.	Montgomery Co.	90,284	5,991,007	992,257	4,998,750	2,908,805	2,089,946	433,014	1,656,932	327,061	1,329,871	38.8
345 5285 Alexander Rd.	Pulaski Co.	24,020	1,503,006	248,906	1,254,100	729,668	524,433	189,274	335,158	82,054	253,104	33.4
356 97 Walker St.	Radford City	43,466	2,664,034	441,430	2,222,603	1,292,509	930,094	250,191	679,903	145,422	534,481	36.6
Radford/Blacksburg		232,441	15,018,958	2,486,346	12,532,612	7,292,723	5,239,888	1,482,939	3,756,949	819,990	2,936,959	36.1
115 1423 Williamson Rd., N.E.	Roanoke City	57,991	4,204,168	695,225	3,508,942	2,039,407	1,469,536	339,865	1,129,671	229,585	900,086	37.9
123 531 Main St.	Allegheny Co.	7,331	476,125	78,846	397,278	230,781	166,497	92,951	73,547	25,983	47,563	26.5
124 123 W. Main St.	Covington City	15,312	983,739	142,411	851,328	495,446	355,882	149,633	206,249	55,701	150,547	29.5
186 1483 W. Main St.	Salem City	47,127	3,032,361	501,351	2,531,011	1,471,259	1,059,751	285,512	774,239	165,600	608,639	36.6
229 3940 Valley Gateway Blvd.	Roanoke Co.	23,284	1,536,828	254,502	1,282,326	745,716	536,610	197,207	339,403	83,901	255,502	33.2
259 5050-C Rutgers St.	Roanoke City	51,071	3,501,316	578,758	2,922,558	1,701,370	1,221,188	325,063	896,126	191,219	704,907	36.7
269 646 Brandon Ave.	Roanoke City	65,537	4,603,935	799,168	3,844,767	2,237,364	1,607,404	522,336	1,085,067	251,557	833,510	34.6
289 3341 Melrose Ave., N.W.	Roanoke City	34,208	2,537,575	421,852	2,115,723	1,221,102	894,623	239,777	654,843	138,429	516,415	37.0
309 3901 Brambleton Ave., S.W.	Roanoke Co.	60,149	4,023,281	664,117	3,359,164	1,956,634	1,402,530	369,527	1,033,003	219,785	813,218	36.7
337 1113 Vinyard Rd.	Roanoke Co.	32,665	2,055,986	340,405	1,715,581	999,234	716,347	203,372	512,975	112,248	400,727	36.0
364 56 Kingston Dr.	Botetourt Co.	24,914	1,693,646	279,239	1,414,407	822,888	591,519	209,730	381,790	92,543	289,247	33.6
Roanoke		419,587	28,658,960	4,715,875	23,943,085	13,921,200	10,021,885	2,934,973	7,086,912	1,566,560	5,520,351	35.7
67 1028 Richmond Ave.	Staunton City	16,181	1,147,407	188,819	958,588	557,704	400,884	245,290	155,594	62,719	92,875	24.6
58 2196 John Wayland Hwy.	Harrisonburg City	29,288	1,866,386	308,484	1,557,903	906,562	651,341	221,836	429,505	101,931	327,573	34.1
113 2827 Main St.	Bath Co.	8,319	701,323	114,726	586,597	339,916	246,680	139,616	107,064	38,380	68,684	26.2
122 201 State St.	Staunton City	25,981	1,767,555	292,103	1,475,453	858,271	617,181	194,287	422,894	96,537	326,358	35.0
140 445 E. Nelson St.	Lexington City	40,878	2,730,188	450,379	2,279,810	1,326,678	953,131	267,424	685,707	149,165	536,542	36.1
145 398 N. Main St.	Harrisonburg City	40,515	2,705,530	446,737	2,258,792	1,311,155	947,637	246,320	701,317	147,789	553,528	37.0
147 58 Water St.	Highland Co.	2,530	167,018	26,848	140,170	82,253	57,917	61,435	(3,518)	9,171	(12,689)	8.5

(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 2014

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 (4) to Virginia
173	14817 Spotswood Trail	14,233	919,317	151,680	767,636	446,076	321,561	138,601	182,960	50,225	132,735	30.9
184	2035 E. Market St.	76,212	5,320,237	879,063	4,441,174	2,580,314	1,860,860	444,723	1,416,136	290,579	1,125,557	37.7
296	32 Windward Dr.	175	11,931	1,967	9,964	5,753	4,212	17,073	(12,862)	652	(13,514)	0.0
302	132 Lee Jackson Hwy.	22,953	1,481,415	243,836	1,237,580	720,099	517,481	222,074	295,407	80,973	214,434	30.9
338	125 Lucy Lane	49,509	3,316,473	547,440	2,769,033	1,609,157	1,159,876	317,544	842,333	181,174	661,159	36.4
339	Augusta Plz., Rt. 612	16,706	1,068,865	176,723	892,143	518,828	373,315	169,364	203,951	58,372	145,580	30.2
386	2576 Stuarts Draft Hwy.	154	9,667	1,600	8,067	4,725	3,342	42,167	(39,825)	528	(39,353)	0.0
	Staunton/Waynesboro	343,634	23,213,313	3,830,403	19,382,910	11,267,491	8,115,419	2,727,756	5,387,663	1,268,195	4,119,468	34.2
47	380 Gateway Dr.	28,994	2,043,447	337,019	1,706,428	992,545	713,882	262,213	451,670	111,649	340,021	33.1
52	786 Shopping Center Rd.	14,383	923,890	153,096	770,794	447,662	323,132	135,666	187,466	50,432	137,034	31.4
56	182 Deico Plz.	24,839	1,774,758	291,692	1,483,066	862,575	620,491	219,252	401,239	97,035	304,204	33.6
75	226 Elizabeth Dr.	21,935	1,539,449	254,230	1,285,220	746,273	538,947	195,576	343,371	84,090	259,281	33.4
139	160 Rivendell Ct.	41,001	2,887,146	474,166	2,412,960	1,404,246	1,008,714	248,264	760,450	157,876	602,574	37.3
142	411-F South St.	39,969	2,805,348	461,470	2,343,878	1,363,035	980,843	285,680	695,164	153,356	541,807	35.8
167	21 Crow St.	13,490	951,159	166,859	794,300	462,536	331,765	153,338	178,427	51,970	126,457	29.8
193	1412 W. 211 Bypass	18,974	1,220,179	200,762	1,019,417	592,928	426,489	161,885	264,604	66,699	197,905	32.7
261	2218 Valley Ave.	34,451	2,416,089	398,767	2,017,322	1,173,142	844,180	240,055	604,124	131,990	472,134	36.0
293	5814 Main St.	12,250	767,797	127,196	640,601	373,221	267,380	97,407	169,973	41,914	128,059	33.2
318	1015 S. Main St.	20,187	1,282,526	211,891	1,070,635	622,857	447,978	172,184	275,794	70,050	205,744	32.6
387	115 Crooked Run Plz.	16,702	1,206,397	197,146	1,009,251	585,460	423,790	192,580	231,210	66,034	165,177	30.0
	Winchester/Front Royal	287,175	19,818,185	3,264,314	16,553,871	9,626,279	6,927,592	2,364,101	4,563,491	1,083,095	3,480,396	34.0
33	12631 Galveston Ct.	24,359	2,003,914	331,688	1,672,227	972,711	699,516	348,167	351,349	109,411	241,937	28.6
36	8038 Crescent Park Dr.	22,910	1,867,441	308,087	1,559,354	909,463	649,891	266,803	383,088	102,026	281,062	31.5
39	10410 Bristow Center Dr.	29,224	2,324,281	383,094	1,941,187	1,130,642	810,543	366,201	444,345	127,009	317,336	30.1
40	22000 Dulles Retail Plz.	19,214	1,870,138	307,883	1,562,255	909,162	653,093	336,899	316,194	102,216	213,978	27.9
41	12950 Highland Crossing Dr.	15,581	1,507,987	249,527	1,258,460	732,292	526,168	321,019	205,149	82,339	122,810	24.7
42	7469 Richmond Hwy.	19,484	1,433,812	246,406	1,247,407	724,554	522,853	278,101	244,752	81,616	163,136	27.4
45	8428 Old Keene Mill Rd.	29,403	2,354,984	388,482	1,966,493	1,143,766	822,727	354,058	468,669	128,665	340,004	30.9
49	881 N. Quincy St.	52,001	4,636,289	763,477	3,872,812	2,251,529	1,621,283	474,072	1,147,211	253,392	893,818	35.7
54	42015 Village Ctr. Plz.	29,800	2,683,818	441,263	2,242,555	1,304,925	937,630	344,238	593,392	146,727	446,665	33.1
55	9528 Liberia Ave.	36,508	2,949,335	487,603	2,461,732	1,431,207	1,030,525	347,261	683,265	161,067	522,197	34.2
61	22360 S Sterling Blvd.	26,313	2,090,277	346,507	1,743,770	1,013,893	729,876	299,018	430,859	114,092	316,766	31.7
63	8951 Ox Rd.	17,379	1,420,872	233,646	1,187,226	691,628	495,598	221,421	274,177	77,678	196,498	30.3
73	43150 Broadlands Shp. Ctr. Plz.	26,959	2,297,727	378,841	1,918,885	1,117,150	801,735	316,147	485,588	125,550	360,038	32.2
76	1212 W. Broad St.	25,676	2,280,020	373,960	1,906,060	1,106,006	800,054	423,243	376,811	124,711	252,100	27.5
78	5331 Merchants View Sq.	22,433	1,880,740	309,102	1,571,638	916,710	654,928	311,212	343,716	102,830	240,886	29.2
80	6206 Little River Tnpk.	26,165	2,246,484	371,588	1,874,896	1,087,357	787,539	356,165	431,374	122,672	308,703	30.3
81	6230 J. N. Kings Hwy.	29,811	2,431,763	400,867	2,030,895	1,179,342	851,553	332,052	519,501	132,878	386,622	32.4
82	46360 Cedar Lakes Plz.	43,651	3,835,146	631,041	3,204,105	1,866,360	1,337,745	429,011	908,734	209,640	699,094	34.7
83	7263 Arlington Blvd.	17,106	1,588,205	257,220	1,300,985	758,044	542,941	277,699	265,242	85,122	180,120	28.1
84	13053 E. Lee Jackson Hwy.	23,269	2,043,576	337,460	1,706,116	993,006	713,110	286,669	426,441	111,629	314,813	31.9
85	2930 Chain Bridge Rd.	28,177	2,404,651	395,147	2,009,504	1,168,240	841,263	369,113	472,151	131,479	340,672	30.6
90	12965 Fair Lakes Shp. Ctr.	38,398	3,319,830	542,958	2,776,872	1,612,966	1,163,907	429,908	733,998	181,687	552,312	33.0
93	6124 Rose Hill Dr.	20,320	1,679,808	277,267	1,402,541	816,008	586,533	234,024	352,509	91,766	260,743	32.0
94	42385, Ryan Rd., No. 106	16,724	1,590,944	262,464	1,328,485	772,686	555,799	266,462	289,337	86,921	202,416	29.2
99	601 Post Dr.	36,220	3,356,328	554,138	2,802,190	1,630,096	1,172,094	399,575	773,520	183,343	590,176	34.1
109	1731 Wilson Blvd.	0	0	0	0	0	0	56,649	(56,649)	0	(56,649)	0.0
111	5722 Union Mill Rd.	35,636	2,970,938	491,334	2,479,604	1,441,278	1,038,325	417,820	620,506	162,237	458,269	32.0

(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 2014

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 (4) to Virginia
119	901 N. St. Asaph St.	52,758	4,967,549	819,154	4,148,395	2,411,442	1,736,952	370,347	1,366,605	271,423	1,095,182	38.5
120	5926 Kingstowne Ctr.	35,502	3,254,770	532,615	2,722,155	1,582,867	1,139,288	380,877	758,411	178,107	580,304	34.2
127	13300 Franklin Farm Rd.	15,789	1,345,354	222,059	1,123,294	653,352	469,942	242,927	242,015	73,495	168,519	29.0
131	6920-E Bradlick Shp. Ctr.	26,896	2,290,977	378,696	1,912,281	1,109,070	803,211	321,857	481,354	125,118	356,236	32.1
133	9130 Mathis Ave.	38,138	2,999,129	475,938	2,503,291	1,457,045	1,046,946	364,305	682,641	163,832	518,808	33.8
136	18 Fairfax St., S.E.	43,034	3,575,105	590,996	2,984,109	1,737,831	1,246,278	316,711	929,566	195,246	734,321	37.1
166	506 Fort Evans Rd., N.E.	44,417	3,845,946	634,444	3,211,502	1,871,361	1,340,141	382,246	957,895	210,124	747,771	35.9
170	1001 N. Fillmore St.	29,375	2,698,301	442,297	2,256,004	1,308,480	947,524	327,289	620,235	147,607	472,628	33.9
178	1238 Eiden St.	33,754	2,975,181	491,321	2,483,860	1,445,704	1,038,157	342,489	695,668	162,515	533,153	34.4
181	106 Washington St.	8,708	902,863	146,978	755,885	438,962	316,923	89,877	227,046	49,456	177,590	35.9
203	3678 King St.	30,584	2,758,675	453,680	2,304,995	1,339,095	965,899	397,547	568,352	150,812	417,539	31.6
208	44110 Ashburn Village Blvd.	27,023	2,300,041	379,515	1,920,527	1,121,018	799,509	284,486	515,023	125,657	389,366	33.4
210	11160 South Lakes Dr.	26,442	2,402,839	396,563	2,006,276	1,167,361	838,916	321,910	517,005	131,268	385,738	32.6
212	167 Hillwood Ave.	16,086	1,303,743	214,389	1,089,354	634,159	455,195	279,611	175,584	71,275	104,309	24.4
215	320 23rd St., S.	28,086	2,633,200	431,348	2,201,852	1,280,631	921,221	344,610	576,612	144,064	432,548	32.8
219	8338 Leesburg Pike	61,290	6,490,317	1,061,542	5,428,775	3,163,477	2,265,299	1,073,000	1,192,299	355,197	837,102	29.3
224	13944 Lee Jackson Hwy.	39,409	3,301,274	542,685	2,758,589	1,606,013	1,152,576	395,012	757,564	180,490	577,074	33.9
228	1524 Belle View Blvd.	41,977	3,792,686	618,443	3,174,243	1,843,856	1,330,587	392,438	938,149	207,686	730,463	35.6
231	436 E. Maple Ave.	39,555	3,538,365	573,663	2,964,702	1,724,699	1,240,003	522,219	717,784	193,976	523,808	31.0
234	9574 Old Keene Mill Rd.	27,599	2,232,830	368,765	1,864,065	1,083,928	780,137	334,103	446,034	121,963	324,071	31.0
235	8628 Richmond Hwy.	31,336	2,484,305	409,033	2,075,272	1,208,061	867,210	356,262	510,949	135,782	375,167	31.6
236	7200 Little River Tnpk.	36,236	2,763,809	456,742	2,307,067	1,335,870	971,197	288,421	682,775	150,948	531,827	35.8
241	11260 James Swart Circle	41,037	3,671,281	605,301	3,065,980	1,842,104	1,223,876	390,021	892,950	200,603	692,347	35.3
248	4709 Lee Hwy.	44,948	3,793,567	624,061	3,169,506	1,842,104	1,327,402	481,507	845,895	207,376	638,519	33.3
260	6284 Arlington Blvd.	21,220	1,886,552	310,354	1,576,198	917,887	658,311	265,420	392,892	103,128	289,763	31.8
264	16661 River Ridge Blvd.	32,880	2,708,928	447,663	2,261,265	1,312,349	948,916	325,831	623,085	147,951	475,133	34.1
267	1446 Chain Bridge Rd.	48,863	4,658,526	765,620	3,892,906	2,262,950	1,629,956	474,784	1,155,172	254,707	900,465	35.8
268	6400 Springfield Plz.	52,037	4,389,906	725,652	3,664,254	2,135,049	1,529,205	504,818	1,024,387	239,747	784,640	34.4
271	13991 Jefferson Davis Hwy.	47,685	4,101,155	717,776	3,423,379	1,991,630	1,431,748	460,392	971,356	223,987	747,370	34.7
273	9421 Lorton Market St.	27,322	2,225,324	367,738	1,857,585	1,081,150	776,436	333,903	442,532	121,539	320,993	30.9
286	7555 Linton Hall Rd.	39,990	3,366,153	554,797	2,811,355	1,634,615	1,176,741	345,096	831,645	183,943	647,702	35.7
294	3556-E S. Jefferson St.	52,692	4,854,445	799,644	4,054,800	2,358,775	1,696,025	578,728	1,117,297	285,300	851,997	34.0
295	8005 Sudley Rd.	59,163	4,765,981	785,959	3,980,022	2,314,232	1,665,790	556,929	1,108,861	260,407	848,454	34.3
297	4607 Duke St.	29,025	2,560,176	422,745	2,137,431	1,240,989	896,441	332,420	564,021	139,849	424,172	33.1
301	4292 Merchants Plz.	41,733	3,497,080	577,587	2,919,493	1,699,316	1,220,177	426,022	794,156	191,018	603,137	33.8
316	4108 Fortuna Center Plz.	31,599	2,598,941	428,905	2,170,037	1,261,784	908,253	342,028	566,224	141,982	424,242	32.8
317	9600 E. Main St.	33,782	2,735,074	451,518	2,283,557	1,327,960	955,597	381,702	573,895	149,410	424,485	32.0
319	2435 N. Harrison St.	27,593	2,489,406	408,407	2,081,000	1,209,760	871,240	381,926	489,315	136,157	353,158	30.6
322	14151 St. Germain Dr.	47,862	3,869,189	638,938	3,230,251	1,874,664	1,355,586	488,505	867,081	211,350	655,730	33.5
323	609 O. E. Main St.	32,788	2,694,856	444,496	2,250,360	1,311,022	939,337	279,129	660,209	147,238	512,971	35.0
346	8105 Lee Hwy.	39,782	3,447,249	567,424	2,879,830	1,674,742	1,205,088	378,474	826,614	188,423	638,191	35.5
352	2555 John Milton Dr.	23,369	2,014,356	331,721	1,682,635	977,614	705,021	289,408	415,613	110,082	305,520	31.6
353	1454 N. Shoreline Plz.	62,651	5,151,285	847,289	4,303,996	2,498,624	1,805,371	563,067	1,242,304	281,604	960,700	35.1
357	4254 N. Point Village Shp. Ctr.	42,730	3,984,640	657,821	3,326,819	1,935,622	1,391,197	408,419	982,778	217,669	765,109	35.7
358	4312 Wheeler Ave.	62,918	5,645,107	932,149	4,712,957	2,736,915	1,976,042	462,528	1,513,514	308,362	1,205,152	37.9
362	100 Edds Lane	39,602	3,282,886	540,930	2,741,956	1,597,339	1,144,617	355,099	789,518	179,402	610,115	35.1
367	20070 Ashbrook Commons Pl.	22,875	2,035,616	336,228	1,699,388	989,980	709,408	293,500	415,908	111,188	304,720	31.5
368	10308 Willard Way	30,368	2,282,187	376,581	1,905,606	1,110,258	795,348	327,125	468,223	124,681	343,542	31.6
369	6343 A Columbia Pike	26,559	2,204,784	364,587	1,840,197	1,065,447	774,750	282,797	491,953	120,401	371,552	33.4
371	5739 Burke Centre Pkwy.	31,507	2,592,995	426,594	2,166,401	1,260,234	906,167	304,590	601,577	141,744	459,833	34.2
372	3161 Duke St.	24,906	2,207,359	364,509	1,842,849	1,072,260	770,589	321,824	448,765	120,575	328,190	31.4
374	2955-A S. Glebe Rd.	61,960	5,533,890	965,557	4,568,333	2,654,440	1,913,893	492,780	1,421,113	298,899	1,122,214	37.7

(3) Store expenses include miscellaneous revenue and net cash overages.

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

(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.

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2014

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 (4) to Virginia
375 2225 Old Bridge Rd.	Prince William Co.	18,401	1,425,768	235,129	1,190,639	692,600	498,039	207,624	290,416	77,902	212,514	31.4
378 2940 Columbia Pike	Arlington Co.	21,716	1,914,548	314,369	1,600,178	929,897	670,281	283,288	386,994	104,687	282,296	31.2
384 5109 Westfields Blvd.	Fairfax Co.	3,791	304,617	49,573	255,044	106,595	148,450	93,590	13,005	16,687	(3,682)	15.1
385 9575 Braddock Rd.	Fairfax Co.	4,258	338,694	55,681	283,014	164,544	118,470	115,248	3,222	18,517	(15,296)	11.9
Northern Virginia		2,676,327	231,189,088	38,134,420	193,054,668	112,273,318	80,781,350	29,504,072	51,277,278	12,631,280	38,645,998	33.2
37 15149 Montanus Dr.	Culpeper Co.	27,945	2,026,203	332,060	1,694,143	983,518	710,625	269,777	440,848	110,845	330,002	32.7
51 265 Turkey Sag Trail	Fluvanna Co.	19,288	1,288,204	212,012	1,076,192	627,256	448,936	162,140	286,796	70,414	216,383	33.3
66 11083-E Marsh Rd.	Fauquier Co.	20,123	1,377,254	226,855	1,150,398	669,599	480,799	213,622	267,177	75,269	191,909	30.4
72 5390 A Lyndon Dr.	Orange Co.	27,615	1,824,300	300,795	1,523,515	887,793	635,722	194,807	440,915	99,681	341,233	35.2
88 4199-B Winchester Rd.	Fauquier Co.	15,568	1,129,433	186,500	942,933	548,882	394,051	155,642	238,409	61,695	176,714	32.2
163 583 N. Madison Rd.	Orange Co.	15,980	1,048,549	173,328	875,220	507,599	367,622	153,631	213,991	57,264	156,727	31.5
227 S. Main St.	Orange Co.	9,645	626,023	103,210	522,813	303,384	219,430	79,597	139,832	34,207	105,625	33.4
274 28 Madison Plaza Dr.	Madison Co.	10,585	698,181	115,129	583,053	339,171	243,882	103,098	140,784	38,148	102,636	31.2
303 175 Lee Hwy.	Fauquier Co.	58,048	4,414,424	725,640	3,688,785	2,148,537	1,540,248	450,134	1,090,114	241,352	848,762	35.7
329 185 Southgate Shop Ctr.	Culpeper Co.	24,092	1,673,527	276,135	1,397,392	812,741	584,650	261,831	322,819	91,429	231,390	30.3
Warrenton/Culpeper		228,889	16,106,099	2,651,654	13,454,445	7,828,480	5,625,964	2,044,279	3,581,685	880,304	2,701,381	33.2
46 183 Community St.	Albemarle Co.	23,864	1,897,713	312,679	1,585,034	923,429	661,605	232,982	428,623	103,706	324,916	33.6
50 325 Four Leaf Lane	Albemarle Co.	17,614	1,367,808	225,513	1,142,294	665,547	476,747	189,229	287,518	74,739	212,779	32.0
70 8875 Seminole Trail	Greene Co.	19,553	1,296,721	213,784	1,082,938	629,568	453,369	184,573	268,797	70,855	197,942	31.8
125 304 Pantops Ctr.	Albemarle Co.	41,167	3,034,016	500,149	2,533,867	1,474,616	1,059,251	284,078	775,173	165,787	609,386	36.6
126 2819 Rockfish Valley Hwy.	Nelson Co.	9,380	688,061	111,789	576,272	336,337	239,935	97,616	142,319	67,705	104,614	31.5
138 502 E. Main St.	Louisa Co.	21,533	1,290,054	213,285	1,076,769	625,047	451,721	169,660	282,062	70,451	211,610	32.9
185 502 W. Main St.	Charlottesville City	41,642	3,196,726	528,818	2,667,908	1,548,050	1,119,858	241,585	878,273	174,557	703,716	38.6
189 138 Scottsville Village Sq.	Albemarle Co.	9,966	644,045	106,629	537,416	311,598	225,818	99,043	126,775	35,162	91,612	30.8
202 1902 Emmet St.	Charlottesville City	70,549	5,911,307	965,944	4,945,364	2,863,383	2,081,981	453,216	1,628,766	323,568	1,305,198	38.4
253 1169 Emmet St	Charlottesville City	55,283	4,163,124	686,195	3,476,940	2,021,690	1,455,250	397,967	1,057,283	227,491	829,792	36.4
321 77 Callohill Dr.	Nelson Co.	11,182	733,256	121,369	611,887	355,849	256,038	150,109	105,929	40,035	65,894	25.5
359 1872 Rio Hill Ctr.	Albemarle Co.	24,577	1,795,529	295,739	1,499,789	873,560	626,229	218,085	408,144	98,129	310,015	33.7
Charlottesville		346,310	26,018,361	4,281,884	21,736,477	12,628,675	9,107,802	2,718,142	6,389,660	1,422,185	4,967,475	35.5
117 309 Twelfth St.	Lynchburg City	36,834	2,389,924	396,402	1,993,522	1,154,865	838,657	220,059	618,598	130,433	488,165	37.0
160 1128 E. Lynchburg Salem Tnpk.	Bedford City	25,368	1,582,143	261,812	1,320,332	767,330	553,002	198,578	354,424	86,387	268,036	33.5
176 416 Lusardi Dr.	Campbell Co.	8,987	533,974	88,621	445,353	258,246	187,107	132,470	54,637	29,139	25,498	21.4
262 20401 Timberlake Rd.	Campbell Co.	42,407	2,720,534	450,554	2,269,980	1,318,553	951,427	254,705	696,723	148,521	548,201	36.7
266 2118 Wards Rd.	Lynchburg City	43,213	2,743,705	454,400	2,289,304	1,329,011	960,293	310,711	649,582	149,786	499,796	34.8
279 18013 Forest Rd.	Bedford Co.	39,958	2,676,731	442,822	2,233,909	1,299,779	934,130	260,221	673,909	146,161	527,747	36.3
281 216 Amelton Square Plz.	Amherst Co.	26,610	1,672,674	276,743	1,395,931	810,187	585,744	234,196	351,548	91,334	260,215	32.1
285 199 Ambriar Shopping Ctr.	Amherst Co.	11,171	716,147	118,120	598,027	348,120	249,907	163,294	86,614	39,128	47,486	23.1
287 4925 Boonsboro Rd.	Lynchburg City	26,385	1,915,828	315,880	1,599,948	932,231	667,717	200,264	467,453	104,682	362,770	35.4
347 1301-N. Main St.	Campbell Co.	20,704	1,267,868	209,940	1,057,928	612,938	444,990	186,076	258,914	69,219	189,695	31.5
354 7795 Richmond Hwy.	Appomattox Co.	1,082,110	179,629	902,480	902,480	523,813	378,667	160,989	217,679	59,048	158,631	31.3
Lynchburg		299,638	19,301,637	3,194,923	16,106,714	9,355,072	6,751,642	2,321,562	4,430,079	1,053,838	3,376,241	34.0
132 2777 Greensboro Rd.	Henry Co.	24,928	1,527,810	253,472	1,274,339	739,679	534,660	195,971	338,688	83,378	255,310	33.3
146 639 W. Main St.	Danville City	21,792	1,348,811	223,705	1,125,106	654,073	471,033	203,083	267,950	73,614	194,336	31.0
154 235 N. Union St.	Danville City	11,999	685,215	113,488	571,727	331,614	240,113	111,396	128,717	37,407	91,310	29.9
191 400 Old Franklin Tnpk.	Franklin Co.	34,673	2,138,638	353,408	1,785,230	1,036,051	749,179	242,666	506,513	116,805	389,708	34.7
213 12990 B. T. Washington Hwy.	Franklin Co.	35,872	2,410,172	397,629	2,012,542	1,173,196	839,346	278,237	561,109	131,678	429,431	34.3

(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 2014

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 (4)
276	221 Nor-Dan Dr.	30,010	1,973,028	326,898	1,646,130	953,473	692,656	265,831	426,825	107,704	319,121	32.7
277	985 Fairystone Park Hwy.	20,028	1,144,034	189,652	954,382	553,729	400,653	157,568	243,085	62,444	180,641	32.4
283	Tightsqueeze Plz.	13,218	814,138	134,877	679,261	394,666	284,695	160,208	124,487	44,443	80,044	26.4
291	786 Commonwealth Blvd.	33,500	2,135,625	353,517	1,782,109	1,033,934	748,174	260,258	487,916	116,601	371,316	33.9
324	301 S. Main St.	10,625	660,024	109,597	550,427	319,522	230,905	92,675	138,229	36,014	102,216	32.1
373	3308 Riverside Dr.	29,510	1,972,981	326,957	1,646,024	955,378	690,646	250,705	439,941	107,697	332,244	33.4
	Danville/Martinsville	266,155	16,810,476	2,783,200	14,027,276	8,145,216	5,882,059	2,218,599	3,663,461	917,784	2,745,677	32.9
59	3136 Halifax Rd.	40,823	2,601,994	431,353	2,170,641	1,260,661	909,980	297,129	612,851	142,022	470,830	34.7
143	812 E. Atlantic St.	38,410	2,385,601	395,766	1,989,835	1,155,676	834,159	241,306	592,852	130,192	462,660	36.0
157	302 New Hicks St.	11,182	642,799	106,856	535,943	311,529	224,413	85,420	138,993	35,066	103,927	32.8
172	112 N. Main St.	10,514	593,803	98,785	495,018	286,958	208,060	134,479	73,582	32,388	41,193	23.6
214	608 Virginia Ave.	15,520	957,393	158,708	798,684	464,056	334,628	130,680	203,948	52,257	151,691	32.4
	South Boston	116,449	7,181,589	1,191,468	5,990,121	3,478,880	2,511,241	889,014	1,622,227	391,925	1,230,302	33.7
152	1506 S. Main St.	43,775	2,763,642	458,004	2,305,638	1,339,104	966,535	272,062	694,473	150,884	543,618	36.2
161	501 F. Main St.	9,238	504,410	83,871	420,540	244,265	176,275	113,514	62,760	27,515	35,245	23.6
164	1618 W. Virginia Ave.	10,033	581,251	96,495	484,756	281,583	203,173	140,674	62,500	31,717	30,783	21.9
178	974 Main St.	10,162	629,684	104,515	525,169	304,351	220,818	133,117	87,701	34,361	53,340	25.1
196	4875 Main St.	8,622	513,155	85,072	428,084	248,553	179,531	113,516	66,015	28,009	38,006	24.0
275	1527 S. Main St.	16,787	1,012,013	168,131	843,882	489,668	354,214	174,403	179,811	55,214	124,597	28.9
351	15127 Patrick Henry Hwy.	10,368	632,691	105,082	527,609	305,767	221,842	100,353	121,489	34,521	86,968	30.4
	Farmville	108,985	6,636,847	1,101,169	5,535,678	3,213,290	2,322,388	1,047,640	1,274,748	362,191	912,557	30.3
38	2501 New Kent Hwy.	28,909	1,924,789	317,642	1,607,147	935,871	671,276	231,007	440,269	105,153	335,116	33.9
77	1800 South Creek Dr.	17,691	1,152,721	190,747	961,974	561,485	400,489	146,043	254,447	62,941	191,506	33.2
86	2610 Buford Rd.	31,939	2,412,386	395,145	2,017,240	1,176,037	841,204	263,469	577,735	131,985	445,750	34.9
89	34-A Broad St. Rd.	22,460	1,658,482	273,664	1,384,818	807,679	577,139	121,825	455,315	90,607	364,708	38.5
97	6504 Hull St.	35,322	2,707,601	448,836	2,258,765	1,311,979	946,786	259,903	686,884	147,788	539,096	36.5
101	3100-A W. Broad St.	34,301	2,589,753	427,681	2,162,072	1,257,496	904,576	387,413	517,163	141,461	375,702	31.0
102	1901 W. Main St.	27,974	2,039,944	329,290	1,710,653	988,494	722,160	221,928	500,232	111,926	388,307	35.2
104	7028 Woodlake Commons	39,135	2,786,840	458,202	2,328,639	1,355,062	973,577	335,921	637,655	152,359	485,296	33.9
108	10242 Staples Mill Rd.	26,428	1,911,948	313,477	1,598,471	930,910	667,560	232,807	434,753	104,586	330,168	33.7
116	12629 Jefferson Davis Hwy.	58,560	4,295,377	708,214	3,587,163	2,088,393	1,498,770	429,667	1,069,104	234,703	834,401	35.9
150	6030 Brook Rd.	30,512	2,114,294	349,882	1,764,413	1,025,934	738,479	239,049	499,430	115,443	383,987	34.7
159	201 Stone Bridge Plz. Ave.	9,466	701,225	115,668	585,558	339,381	246,177	137,434	108,743	38,312	70,431	26.5
169	10 N. Thompson St.	73,481	6,107,183	984,355	5,122,829	2,964,266	2,158,562	411,170	1,747,392	335,179	1,412,213	39.2
171	8700 W. Broad St.	37,654	2,922,170	482,437	2,439,733	1,418,437	1,021,296	348,311	672,986	159,628	513,357	34.1
180	2026 E. Main St.	46,966	3,669,792	604,468	3,065,324	1,783,377	1,281,947	280,181	1,001,766	200,560	801,206	38.3
182	1217 W. Broad St.	33,282	2,346,521	388,502	1,958,019	1,138,723	819,295	236,076	583,220	128,110	455,109	36.0
187	2421 Venable St.	20,202	1,202,814	200,190	1,002,623	575,356	427,267	205,317	221,950	65,600	156,350	29.6
190	13113 Rittenhouse Dr.	46,672	3,510,000	576,210	2,933,791	1,706,596	1,227,195	347,619	879,576	191,994	687,622	36.0
204	1592 Anderson Hwy.	5,492	336,940	55,681	281,259	163,388	117,871	97,905	19,965	18,421	1,563	17.0
205	2288 John Rolfe Pkwy.	18,980	1,395,647	229,631	1,166,016	679,844	486,172	192,379	293,793	76,291	217,503	32.0
207	10106 Brook Rd.	31,897	2,518,710	413,708	2,105,002	1,224,204	880,798	291,892	588,906	137,727	451,179	34.3
242	1601 Willow Lawn Dr.	39,054	2,967,441	487,246	2,480,194	1,443,151	1,037,043	320,110	716,933	162,275	554,658	35.1
243	209 N. Washington Hwy.	36,844	2,440,529	402,941	2,037,589	1,188,809	848,310	257,067	591,712	133,316	458,396	35.3
247	9685 W. Broad St.	29,077	2,130,553	351,222	1,779,331	1,033,770	745,561	314,912	430,649	116,419	314,230	31.2
251	2924 North Ave.	13,460	826,024	137,400	688,624	398,418	290,206	135,187	155,019	45,056	109,964	29.9
252	618 W. Southside Plz.	48,894	3,228,960	536,108	2,692,852	1,562,800	1,130,052	372,372	757,680	176,189	581,491	34.6
254	7015 Three Chopt Rd.	25,526	2,007,032	329,610	1,677,422	976,878	700,544	280,487	420,057	109,751	310,306	31.9

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ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2014

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 (4) to Virginia
270 809 E. Parham Rd.	Henrico Co.	34,424	2,354,096	389,407	1,964,689	1,143,106	821,583	317,527	509,056	128,547	380,509	32.7
284 14229 Midlothian Tnkp.	Chesterfield Co.	41,803	3,044,357	502,143	2,542,214	1,481,229	1,060,985	377,806	723,179	166,333	556,846	34.8
292 1521 Parham Rd.	Henrico Co.	28,043	2,086,172	344,321	1,741,850	1,014,494	727,357	288,606	438,751	113,967	324,784	32.1
300 9502 Chamberlayne Rd.	Hanover Co.	28,079	1,925,364	317,801	1,607,563	936,872	670,691	244,428	426,263	105,180	321,082	33.2
304 2734 Fairground Rd.	Goochland Co.	15,866	1,050,534	173,700	876,833	510,730	366,104	164,893	201,210	57,300	143,840	30.2
305 3910 Mechanicsville Tnkp.	Henrico Co.	32,364	2,228,831	370,303	1,858,528	1,077,194	781,334	281,695	499,638	121,601	378,037	33.6
308 11252 Patterson Ave.	Henrico Co.	13,651	1,011,988	166,449	845,539	492,539	352,939	147,337	210,603	55,322	155,280	31.8
314 4320 S. Laburnum Ave.	Henrico Co.	73,056	5,376,201	894,368	4,481,833	2,606,714	1,885,118	437,911	1,447,207	293,894	1,153,313	37.9
315 7048 Commons Plz.	Chesterfield Co.	34,496	2,430,882	402,802	2,028,802	1,179,359	849,443	283,153	566,290	132,742	433,549	34.4
326 2105 Academy Rd.	Powhatan Co.	15,325	994,769	164,797	829,971	484,134	345,838	107,853	237,984	54,304	183,681	35.0
330 5722 Hopkins Rd.	Chesterfield Co.	35,202	2,445,772	405,320	2,040,452	1,185,500	854,952	265,991	588,961	133,504	455,457	35.2
331 3406 Pump Rd.	Henrico Co.	62,651	5,285,384	869,061	4,416,324	2,570,709	1,845,615	456,197	1,389,418	288,953	1,100,464	37.3
332 4018 Glenside Dr.	Henrico Co.	23,044	1,518,467	250,744	1,267,723	738,184	529,539	138,839	390,700	82,945	307,755	36.8
334 7057 Mechanicsville Tnkp.	Hanover Co.	45,572	3,138,543	517,434	2,621,109	1,525,943	1,095,166	296,859	798,307	171,495	626,811	36.5
348 7036 Forest Hill Ave.	Richmond City	42,545	3,160,874	520,702	2,640,171	1,537,944	1,102,227	352,445	749,783	172,742	577,040	34.7
350 11108 Midlothian Tnkp.	Chesterfield Co.	63,878	4,767,248	786,092	3,981,157	2,318,501	1,662,656	389,299	1,273,357	260,481	1,012,875	37.7
360 2901 Hermitage Rd.	Richmond City	68,829	5,300,776	866,827	4,433,950	2,570,114	1,863,836	241,149	1,622,686	290,107	1,332,580	41.5
363 9949 Hull St Rd.	Chesterfield Co.	39,698	2,606,268	431,909	2,174,359	1,266,239	908,119	279,572	628,547	142,265	486,282	35.2
366 1370 Gaskins Rd.	Henrico Co.	29,672	2,355,979	384,512	1,971,467	1,146,588	824,878	339,896	484,983	128,990	355,993	31.4
376 11016 Kentucky Springs Rd.	Louisa Co.	19,141	1,233,631	148,439	1,085,191	632,493	452,698	117,462	335,236	71,002	264,234	33.5
389 11367 Nuckolls Rd.	Henrico Co.	4,244	339,271	55,718	283,553	165,603	117,950	56,442	61,508	18,552	42,955	29.1
Richmond		1,618,760	118,561,082	19,460,295	99,100,797	57,620,985	41,479,812	12,632,811	28,847,001	6,484,018	22,362,983	35.3
35 2757 Jefferson Davis Hwy.	Stafford Co.	27,523	2,108,838	347,866	1,760,972	1,025,340	735,633	238,424	497,209	115,218	381,991	34.6
44 18035 Jefferson Davis Hwy.	Caroline Co.	15,709	1,076,778	178,396	898,382	522,004	376,378	172,374	204,000	58,780	145,224	30.1
62 1416 Carl D. Silver Pkwy.	Fredricksburg City	41,136	3,364,635	551,973	2,812,661	1,632,345	1,180,316	327,996	852,320	184,028	668,291	36.3
64 43 Town & Country Dr.	Stafford Co.	24,950	1,768,724	292,241	1,476,483	859,181	617,302	220,395	396,908	96,604	300,304	33.5
74 10857 Tidewater Trail	Fredricksburg City	14,334	994,136	164,155	829,981	483,757	346,224	205,052	141,172	54,304	86,867	25.3
95 10025 Jefferson Davis Hwy.	Spotsylvania Co.	29,666	2,241,985	369,464	1,872,521	1,088,333	784,188	287,986	496,203	122,516	373,686	33.1
103 6348 Jefferson Davis Hwy.	Spotsylvania Co.	15,200	1,005,977	166,468	839,508	487,469	352,040	174,245	177,795	54,928	122,867	28.8
121 507 William St.	Fredricksburg City	28,309	2,154,859	354,332	1,800,527	1,047,730	752,797	216,447	536,350	117,806	418,544	35.9
183 560 Celebrate Virginia Pkwy.	Stafford Co.	26,204	1,957,398	323,400	1,633,999	949,152	684,846	249,510	435,336	106,910	328,426	33.3
200 356 Garrisonville Rd.	Stafford Co.	48,341	3,891,447	641,573	3,249,875	1,893,077	1,356,798	364,347	992,451	212,634	779,816	36.5
209 5055 Jefferson Davis Hwy.	Spotsylvania Co.	33,366	2,351,280	387,930	1,963,350	1,141,983	821,367	305,243	516,124	128,459	387,665	33.0
221 16424 Consumer Row	King George Co.	14,459	1,049,827	173,788	876,039	509,125	366,914	160,928	205,987	57,318	148,669	30.7
239 320 W. Broadus Ave.	Caroline Co.	7,499	453,889	75,037	378,852	220,919	157,933	109,798	48,135	24,788	23,347	21.7
245 1271 Jefferson Davis Hwy.	Fredricksburg City	21,903	1,592,839	263,092	1,329,748	774,183	555,564	203,581	351,983	87,003	264,980	33.2
313 4185 Plank Rd.	Spotsylvania Co.	41,456	2,933,091	482,662	2,450,429	1,424,414	1,026,015	339,840	687,176	160,328	526,848	34.4
Fredricksburg		390,055	28,945,704	4,772,377	24,173,327	14,059,010	10,114,317	3,575,166	6,539,151	1,581,625	4,957,526	33.6
130 700 McKinley Blvd.	Westmoreland Co.	12,071	744,916	123,485	621,432	361,712	259,720	109,722	149,997	40,659	109,338	31.3
149 East Richmond Rd.	Richmond Co.	9,122	553,322	91,803	461,519	268,626	192,894	97,191	95,702	30,197	65,506	28.4
192 101 S. Main St.	Lancaster Co.	39,807	2,599,077	429,196	2,169,880	1,264,643	905,238	353,434	546,804	141,972	404,832	32.1
220 12722 King's Hwy.	Westmoreland Co.	8,106	504,466	83,281	421,185	244,512	176,673	87,882	88,791	27,558	61,233	28.6
238 Rt. 360 - Callao	Northumberland Co.	14,713	874,735	144,340	730,395	424,431	305,964	149,702	156,262	47,789	108,474	28.9
Northern Neck		83,820	5,276,517	872,105	4,404,412	2,563,923	1,840,488	802,932	1,037,557	288,174	749,383	30.7
32 16273 General Puller Hwy.	Middlesex Co.	14,595	917,841	150,818	767,023	447,533	319,490	130,780	188,710	50,185	138,525	31.5
155 2334 York Crossing Dr.	Gloucester Co.	31,826	2,147,551	354,037	1,793,514	1,042,777	750,737	281,954	468,783	117,347	351,436	32.9
175 416 14th St.	King William Co.	19,769	1,272,749	210,387	1,062,362	617,653	444,709	195,427	249,283	69,509	179,774	30.7

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(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2014

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 (4) to Virginia
179	231 Virginia St.	11,093	699,417	115,441	583,976	340,489	243,487	103,287	140,199	38,209	101,991	31.1
198	Tappahannock Towne Ctr.	20,905	1,317,630	216,986	1,100,644	639,545	461,099	221,179	239,920	72,013	167,907	29.2
233	6619 Main St.	26,081	1,695,005	279,970	1,415,035	822,843	592,192	189,245	402,947	92,584	310,363	34.8
257	4915 Tappahannock Hwy.	16,473	1,059,824	175,875	883,948	512,702	371,246	159,150	212,096	57,835	154,260	31.2
333	10972 Buckley Hall	14,514	873,921	144,125	729,796	424,705	305,091	149,592	155,499	47,749	107,750	28.8
	West Point/Mathews	155,257	9,983,938	1,647,641	8,336,297	4,848,246	3,488,051	1,430,613	2,057,438	545,432	1,512,006	31.6
60	4330 Westgate Dr.	40,492	2,520,245	418,534	2,101,711	1,223,068	878,642	280,604	598,039	137,512	460,527	34.9
114	4575 Whitehill Blvd.	30,600	2,258,868	372,338	1,886,530	1,097,739	788,792	254,355	534,437	123,433	411,004	34.7
118	18 Washington St. W.	18,586	1,135,288	189,108	946,180	548,319	397,861	129,347	269,514	61,907	207,607	34.9
144	301 Market Dr.	27,858	1,739,602	288,679	1,450,923	843,586	607,337	239,816	367,521	94,932	272,589	32.3
151	210 N. Main St.	20,555	1,255,664	208,259	1,047,405	611,539	435,867	199,119	236,747	68,530	168,217	30.0
232	3107-3 Blvd.	35,510	2,373,311	393,646	1,979,665	1,147,955	831,710	318,757	512,953	129,527	383,426	32.7
240	Rt. 460	11,502	695,189	115,353	579,836	337,759	242,076	96,328	145,748	37,938	107,811	32.1
255	3330 S. Crater Rd.	40,050	2,670,583	442,838	2,227,745	1,296,558	931,187	319,261	611,926	145,758	466,168	34.0
310	5232 Oaklawn Blvd.	31,653	2,174,707	360,672	1,814,035	1,055,480	758,555	204,860	553,695	118,690	435,005	33.6
	Petersburg/Hopewell	256,806	16,823,457	2,789,426	14,034,031	8,162,025	5,872,026	2,041,446	3,830,579	918,226	2,912,354	36.9
43	236 Carmichael Way	19,350	1,306,407	215,167	1,091,241	635,621	455,620	200,635	254,984	71,398	183,586	30.5
53	11409 Windsor Blvd.	12,525	780,694	129,358	651,335	378,513	272,822	100,644	172,178	42,616	129,562	33.2
69	1620 Cedar Rd.	27,556	1,946,136	322,391	1,623,745	943,492	680,253	243,467	436,785	106,239	330,546	33.6
79	1437 Sam's Dr.	39,117	2,806,612	465,274	2,341,338	1,362,802	978,537	341,854	636,682	153,190	483,492	33.8
98	3312 Princess Anne Rd.	31,904	2,363,997	388,931	1,975,067	1,148,290	826,776	277,367	549,409	149,319	400,090	34.2
105	869 Lynnhaven Pkwy.	36,729	2,732,326	450,154	2,282,172	1,324,540	957,631	287,996	669,635	149,319	520,316	35.5
106	2973 Shore Dr.	55,101	4,008,002	659,925	3,348,077	1,952,020	1,396,057	379,230	1,016,827	219,060	797,767	36.4
107	141 W. Virginia Beach Blvd.	70,033	5,508,100	912,961	4,595,138	2,669,477	1,925,661	481,150	1,444,511	300,663	1,143,858	37.3
110	1136 London Blvd.	22,816	1,569,655	260,323	1,309,332	759,668	549,668	153,588	396,080	85,668	310,413	36.4
128	159 W. Ocean View Ave.	44,486	2,978,072	493,203	2,484,869	1,443,628	1,041,241	309,344	732,897	162,581	570,316	35.7
129	1615 General Booth Blvd.	41,592	2,890,368	476,646	2,413,722	1,406,287	1,007,435	337,753	669,682	152,926	511,756	34.2
134	2301 Colley Ave.	60,101	4,440,210	735,878	3,704,332	2,152,885	1,551,447	389,306	1,163,141	242,369	920,772	37.3
165	550 E. Liberty St.	29,308	1,943,632	323,366	1,620,266	941,866	678,400	164,610	513,789	106,012	407,778	37.6
188	4334 Holland Rd.	46,280	3,263,542	539,997	2,723,545	1,581,429	1,142,116	250,552	891,564	178,197	713,366	38.4
216	1100 Armory Dr.	24,985	1,872,504	310,296	1,562,208	907,074	655,134	240,372	414,762	102,213	312,549	33.3
226	7862 Tidewater Dr.	31,828	1,971,638	327,023	1,644,615	955,803	688,812	226,995	461,817	107,605	354,212	34.6
226	3812 George Washington Hwy.	81,069	5,573,911	924,641	4,649,270	2,697,393	1,951,877	480,240	2,092,208	400,338	1,691,870	39.5
246	5020 Ferrell Pkwy.	29,572	2,009,413	334,007	1,675,406	974,368	701,038	260,682	440,356	109,619	330,737	33.1
256	1612 Laskin Rd.	40,301	2,239,247	371,187	1,868,061	1,085,574	782,487	247,307	535,180	122,224	412,956	35.0
263	5900 Virginia Beach Blvd.	64,423	4,740,188	785,638	3,954,550	2,294,088	1,660,462	288,918	648,103	146,584	501,519	35.3
278	3333 Virginia Beach Blvd.	88,148	6,652,089	1,088,389	5,563,699	3,233,830	2,329,870	449,262	1,880,608	364,025	1,516,583	39.2
280	1103 S. Military Hwy.	83,434	6,016,930	995,599	5,021,330	2,918,423	2,102,907	370,110	1,732,797	328,538	1,404,258	39.9
288	5748 Churchland Blvd.	32,196	2,267,287	375,367	1,891,920	1,097,733	794,187	264,980	529,208	123,786	405,422	34.4
298	821 W. Constance Rd.	36,042	2,260,205	375,819	1,884,386	1,096,625	787,761	234,204	553,557	123,293	430,265	35.7
299	1917 S. Church St.	37,991	2,485,541	411,756	2,073,785	1,207,151	866,634	278,203	588,431	135,685	452,747	34.8
306	2085 Lynnhaven Pkwy.	35,877	2,635,654	435,850	2,199,805	1,276,700	923,105	326,859	596,246	143,930	452,316	33.7
307	9657 & 959 Providence Sq. Ctr.	38,681	2,708,726	446,647	2,262,079	1,315,755	946,324	300,418	645,907	148,004	497,902	34.9
311	4020 Victory Blvd.	37,920	2,683,816	445,512	2,238,305	1,299,370	938,935	345,088	593,847	146,449	447,398	33.3
312	2815 G Godwin Blvd.	30,067	2,125,411	351,906	1,773,505	1,031,037	742,468	234,960	507,508	116,038	391,470	35.0
325	22718 Main St.	8,181	461,479	76,649	384,830	223,660	161,170	82,063	79,107	25,179	53,928	28.3

(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 2014

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 (4) to Virginia
328	836 Eden Way N.	43,041	3,341,027	551,618	1,622,192	1,167,217	283,307	883,910	182,507	701,403	37.5	
336	1067 Independence Blvd.	65,017	4,579,224	756,304	3,822,920	2,225,207	1,597,713	467,180	1,130,533	880,405	35.7	
349	237 South Battlefield Blvd.	39,361	2,760,508	456,297	2,304,211	1,342,753	961,458	319,135	643,323	492,562	34.4	
355	4300 Portsmouth Blvd.	40,174	2,868,220	473,578	2,394,642	1,392,154	1,002,488	300,364	702,124	545,446	35.5	
361	812 Airline Blvd.	47,401	3,383,602	560,873	2,822,729	1,639,648	1,183,081	394,078	789,003	604,316	34.4	
370	2181 Upton Dr.	50,140	3,531,601	580,873	2,950,728	1,721,666	1,229,062	295,702	933,360	740,298	37.4	
377	3575 Bridge Rd.	22,852	1,761,763	291,118	1,470,645	855,640	615,005	209,670	405,135	308,913	34.1	
379	5832 Northampton Blvd.	33,164	2,439,318	403,241	2,036,077	1,183,073	853,004	241,697	611,306	478,089	36.1	
	Virginia Beach/Norfolk	1,823,116	130,535,885	21,567,767	108,968,118	63,335,488	45,632,630	12,611,765	33,020,865	7,129,622	25,891,243	36.4
48	6610-I Mooretown Rd.	35,965	2,417,662	399,413	2,018,248	1,173,777	844,472	229,814	614,658	132,051	482,607	36.5
92	227 Fox Hill Rd.	20,678	1,459,501	241,505	1,217,996	707,738	510,259	191,057	319,201	79,692	239,509	33.0
112	61 North Mallory St.	31,871	2,343,190	388,627	1,954,563	1,134,786	819,778	301,572	518,205	127,884	390,321	33.2
148	4640-3 Monticello Ave.	59,583	4,521,473	742,692	3,778,781	2,198,300	1,580,481	497,031	1,083,450	247,240	836,210	34.9
158	3214 Jefferson Ave.	25,321	1,659,827	276,301	1,383,526	797,058	586,468	284,316	302,152	90,522	211,630	29.4
217	619 Pilot House Dr.	40,151	3,162,160	523,902	2,638,258	1,534,390	1,103,868	284,971	818,897	172,617	646,280	37.0
222	209 Village Ave.	36,179	2,819,453	462,602	2,356,852	1,371,660	985,192	347,030	302,337	227,935	483,957	33.6
244	4909 West Mercury Blvd.	58,813	4,175,259	691,533	3,483,726	2,021,374	1,462,352	307,337	1,160,014	227,935	932,079	38.9
250	2078 Nickerson Blvd.	22,579	1,518,062	251,644	1,266,418	737,057	529,361	261,342	268,019	82,860	185,160	28.8
258	3831 Kecoughtan Rd.	31,689	2,187,212	362,818	1,824,394	1,058,351	766,043	245,756	520,287	119,367	400,919	34.9
265	20 Towne Center Way	25,227	1,906,800	315,622	1,591,178	923,933	667,244	293,584	373,660	104,108	269,552	30.7
272	55 Hidenwood Shop. Ctr.	26,097	1,876,126	310,586	1,565,540	909,842	655,698	200,851	454,847	102,431	352,416	35.3
282	2400 Cunningham Dr.	71,833	5,964,447	984,973	4,979,474	2,887,861	2,091,614	492,060	1,599,554	325,800	1,273,754	37.9
290	5226 Geo. Washington Hwy.	29,277	2,009,769	332,247	1,677,522	975,825	701,697	259,172	442,526	109,758	332,768	33.1
320	1246 Richmond Rd.	36,064	2,597,220	426,803	2,170,417	1,259,697	910,720	412,806	497,915	142,007	355,908	30.1
335	801 F Merrimac Trail	30,217	2,252,493	371,700	1,880,793	1,092,952	787,840	270,441	517,399	123,057	394,341	34.0
340	309-A Oyster Point Rd.	40,662	3,074,322	508,675	2,565,647	1,491,807	1,073,840	252,013	821,828	167,866	653,961	37.8
341	621 Stoney Creek Lane	68,734	5,149,720	850,110	4,299,610	2,493,803	1,805,807	471,277	1,334,530	281,317	1,053,213	37.0
342	10872 Warwick Blvd.	21,867	1,567,852	259,718	1,308,133	759,788	548,346	212,072	336,273	85,589	250,684	32.6
381	1480-3C Quarter Path Rd.	13,689	1,034,157	170,444	863,714	502,799	360,915	139,627	222,288	56,512	165,777	32.5
382	475 Wythe Creek Plz.	17,792	1,210,688	199,283	1,011,405	588,567	422,839	159,658	263,180	66,175	197,005	32.7
	Newport News/Hampton	741,288	54,907,392	9,071,197	45,836,195	26,621,362	19,214,833	6,107,786	13,107,047	2,998,994	10,108,053	34.9
156	22485 Lankford Hwy.	16,445	1,091,660	180,449	911,211	530,821	380,390	145,286	235,104	59,619	175,485	32.6
162	7017 Lankford Hwy.	11,551	763,345	125,850	637,495	370,613	266,882	139,253	127,629	41,710	85,918	27.7
177	4371 Pension St.	10,888	729,707	119,989	609,718	356,654	253,063	93,313	159,751	39,893	119,858	32.9
223	4090-B Lankford Hwy.	15,498	909,123	150,258	758,865	442,945	315,920	160,418	155,502	49,651	105,850	28.2
344	Four Corners Plaza Shp. Ctr.	23,278	1,500,050	248,163	1,251,887	727,369	524,518	187,957	336,561	81,909	254,651	33.5
	Eastern Shore	77,660	4,993,884	824,709	4,169,175	2,428,402	1,740,774	726,228	1,014,546	272,783	741,763	31.4
30	Copper Fox Distillery Store	0	317,026	73,424	243,602	178,056	65,546	0	65,546	15,938	49,607	38.8
31	Mount Vernon Distillery	0	458,595	101,447	357,148	238,794	118,354	0	118,354	23,368	94,987	42.8
34	Belmont Farms Distillery	0	85,715	19,822	65,893	49,196	16,696	0	16,696	4,311	12,385	37.6
65	Catoctin Creek Distillery	0	279,718	64,948	214,770	157,014	57,757	0	57,757	14,052	43,705	38.8
91	Bowman's Distillery	0	194,071	44,936	149,135	112,279	36,856	0	36,856	9,758	27,098	37.1
	Distilleries	0	1,335,125	304,577	1,030,548	735,339	295,209	0	295,209	67,427	227,782	39.9
	Statewide Totals	10,774,035	\$800,494,890	\$132,115,802	\$668,379,088	\$388,711,658	\$279,667,430	\$92,697,156	\$186,970,274	\$43,731,050	\$143,239,224	34.4

(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

Regulations Change for Promotion of Happy Hour

Effective January 29, 2014, Virginia restaurants were allowed to promote their happy hours following then-Governor Bob McDonnell's approval of changes to Virginia ABC regulations. As a result, restaurants could publicize happy hour and the time span of their drink specials in any medium.

This regulation opened opportunities for licensees to advertise via television, radio, newspapers as well as with flyers, posters, the web and through social media, with the latter being the most popular option. Restaurants can now say "Happy hour: 4 to 7 p.m. daily" or "Join us for happy hour drink specials," on any of these media.

Although the new regulations opened up many new advertising venues for restaurants and bars, owners of these businesses are still limited on what they can say. The new regulations continue to restrict the promotion of specific drink types, prices and discounts. For example, restaurants may not post on Facebook that they are offering \$4 margaritas or run a radio commercial saying they give a \$2 discount on highball drinks.

Prior to the regulation changes, restaurants only could advertise happy hour within the establishment. In March 2013 regulation changes allowed businesses to also post happy hour times on a 17-by-22-inch sign attached to the outside of their building. The 2014 change marked the first time since Virginia ABC's creation in 1934 that restaurants were able to promote happy hour beyond their premises.

The Communications Division, with assistance from special agents in the Bureau of Law Enforcement's Compliance Section, developed guidelines for licensees advising them on language they can use when advertising that will ensure they abide by the new regulations. These guidelines were published on the agency's website.



2014 Establishments by License Category—Cities

Cities (1)	All Others (2)	Bed and Breakfasts	Beer/Wine Importers	Beer/Wine Wholesalers	Breweries	Carrier Licensees	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distilleries	Drug Stores	Gourmet/Gourmet Brew Shops	Grocery/Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Alexandria	7	0	9	7	3	1	4	6	30	3	0	13	28	16	13	133	186	2	461
Bedford	0	0	0	0	0	0	0	0	2	0	0	0	0	5	1	4	8	1	21
Bristol	0	0	0	1	0	0	2	0	15	1	0	3	5	5	2	13	23	0	70
Buena Vista	0	0	0	0	0	0	0	0	2	0	0	1	2	5	0	1	8	0	19
Charlottesville	7	1	5	6	1	0	8	6	21	1	0	5	21	16	3	94	139	1	335
Chesapeake	6	0	6	9	0	0	2	10	79	1	1	16	29	45	3	122	173	2	504
Colonial Heights	0	0	0	0	0	0	0	2	9	0	0	5	3	6	2	19	28	0	74
Covington	0	0	0	0	0	0	0	0	4	0	0	1	1	3	0	1	6	0	16
Danville	2	1	0	1	0	0	2	7	46	0	0	4	2	27	2	22	40	0	156
Emporia	0	0	0	0	0	0	0	0	10	0	0	2	0	4	0	2	2	0	20
Fairfax	1	0	1	0	0	0	1	3	4	0	0	7	9	10	0	34	53	0	123
Falls Church	0	0	0	0	1	0	0	2	5	0	0	3	2	9	0	23	51	0	96
Franklin	1	0	0	0	0	0	0	1	6	0	0	1	1	4	0	6	9	0	29
Fredericksburg	2	1	0	0	0	1	2	1	20	0	0	1	8	6	4	57	82	0	185
Galax	0	0	0	0	0	0	0	1	3	0	0	1	2	4	0	5	11	0	27
Hampton	12	1	2	2	2	1	2	19	52	0	0	11	13	33	8	60	97	0	315
Harrisonburg	1	1	1	1	1	0	1	6	22	0	0	5	8	14	3	36	67	0	167
Hopewell	1	0	0	0	0	0	0	6	15	0	0	2	2	8	0	12	19	0	65
Lexington	2	1	0	0	0	0	3	0	0	0	0	1	4	1	0	10	16	0	38
Lynchburg	8	2	1	7	1	0	4	8	29	1	0	6	9	25	6	48	75	0	230
Manassas	0	1	0	0	0	1	1	3	8	0	0	4	8	16	0	27	41	0	110
Manassas Park	0	0	0	0	0	0	0	0	2	0	0	0	0	7	0	3	10	0	22
Martinsville	3	0	0	0	0	0	0	2	8	0	0	0	2	5	0	10	12	0	42
Newport News	7	0	2	2	0	1	5	12	68	1	0	12	16	53	8	95	156	0	438
Norfolk	17	1	0	2	1	3	9	28	58	0	0	14	23	70	9	166	220	0	621
Norton	0	0	0	2	0	0	0	0	4	1	0	1	0	2	2	2	2	0	16
Petersburg	2	0	1	3	0	0	1	8	32	0	0	3	3	18	1	18	34	0	124
Poquoson	0	0	0	0	0	0	0	1	2	0	0	1	2	2	0	4	11	0	23
Portsmouth	6	0	0	2	0	2	0	14	36	0	0	8	7	28	0	41	56	0	200
Radford	1	0	0	0	0	0	1	0	5	1	0	1	0	6	0	11	13	0	39
Richmond	18	5	6	6	1		12	23	142	6	1	18	21	58	7	255	333	0	912
Roanoke	5	0	0	3	2	2	5	11	81	0	0	5	10	30	5	84	120	0	363
Salem	4	0	2	3	0	0	1	6	22	0	0	3	3	6	1	13	29	0	93
Staunton	2	2	0	0	2	0	2	4	11	1	0	3	6	10	2	15	25	2	87
Suffolk	5	0	0	0	0	0	0	5	27	2	0	5	10	20	4	33	43	0	154
Virginia Beach	24	2	2	4	1	2	9	14	117	2	1	37	58	87	19	428	571	1	1379
Waynesboro	0	0	0	0	0	0	0	2	7	0	0	3	5	13	0	13	23	0	66
Williamsburg	6	9	0	0	0	0	3	0	9	0	0	3	7	2	7	46	62	0	154
Winchester	4	1	4	2	1	0	1	5	7	0	0	5	6	15	3	36	59	0	149
Grand Total	154	29	42	63	17	14	81	216	1,020	21	3	214	336	694	115	2,002	2,913	9	7,943

(1) All cities are "wet" (approved for liquor by the drink). Ten counties are "dry" (see pages 24–25); 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 2014

2014 Establishments by License Category—Counties

Counties (1)	All Others (2)	Bed and Breakfasts	Beer/Wine Importers	Beer/Wine Wholesalers	Breweries	Carrier Licensees	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distilleries	Drug Stores	Gourmet/Gourmet Brew Shops	Grocery/Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Accomack (wet)	6	4	2	2	0	0	0	3	29	1	0	2	5	16	3	24	41	1	139
Albemarle (wet)	19	5	2	12	3	0	5	10	28	2	1	3	26	21	6	39	76	22	280
Alleghany (wet)	0	0	0	0	0	0	0	5	8	0	0	1	1	11	0	6	16	0	48
Amelia (wet)	0	0	0	0	0	0	0	1	13	0	0	1	0	4	0	2	5	0	26
Amherst (wet)	2	0	0	1	0	0	1	2	12	0	0	2	1	14	0	7	14	3	59
Appomattox (wet)	0	0	0	0	0	0	0	2	5	0	0	0	1	12	0	2	5	0	27
Arlington (wet)	4	0	1	0	2	6	3	6	44	1	0	20	22	39	25	200	290	0	663
Augusta (wet)	1	1	1	5	0	0	0	3	23	0	0	2	4	25	1	11	22	1	100
Bath (wet)	2	1	0	0	0	0	0	0	7	0	0	0	1	4	2	5	10	0	32
Bedford (wet)	9	1	0	4	0	1	1	6	24	0	0	4	5	18	1	21	40	4	139
Bland (dry)	0	0	0	0	0	0	0	0	2	0	0	0	0	5	0	0	1	0	8
Botetourt (wet)	2	0	0	5	0	0	0	1	14	1	0	1	2	11	0	3	16	3	59
Brunswick (wet)	2	0	0	1	0	0	0	0	15	0	0	1	0	6	1	4	8	0	38
Buchanan (dry)	0	0	0	0	0	0	0	1	16	0	0	2	1	9	0	0	2	0	31
Buckingham (wet)	1	0	0	0	0	0	0	0	8	0	0	0	0	14	0	3	4	0	30
Campbell (wet)	1	0	0	1	0	0	0	3	32	0	0	4	2	25	1	10	23	2	104
Caroline (wet)	1	1	0	0	0	0	0	3	24	0	0	1	2	5	0	4	14	0	55
Carroll (wet)	3	0	0	2	0	0	0	1	18	0	0	1	1	10	1	3	6	2	48
Charles City (wet)	0	2	0	0	0	0	0	0	2	0	0	0	0	3	0	3	5	0	15
Charlotte (dry)	0	1	0	0	0	0	0	1	12	0	0	1	0	13	1	0	3	1	33
Chesterfield (wet)	9	0	2	1	1	0	6	6	96	1	0	29	33	58	4	144	205	1	596
Clarke (wet)	4	1	0	2	0	0	0	3	9	0	0	0	3	4	0	5	11	2	44
Craig (dry)	0	0	0	0	0	0	0	0	4	0	0	0	0	2	0	0	0	0	6
Culpeper (wet)	4	1	2	5	0	0	1	5	16	0	1	4	3	28	2	19	33	2	126
Cumberland (wet)	0	0	0	0	0	0	0	0	6	0	0	0	0	3	0	0	3	0	12
Dickenson (wet)	1	0	0	0	0	0	0	1	8	1	0	1	0	6	0	0	3	0	21
Dinwiddie (wet)	2	0	0	0	0	0	0	1	18	0	0	2	1	9	0	3	7	0	43
Essex (wet)	1	1	0	0	0	0	0	1	9	0	0	0	1	7	0	7	12	1	40
Fairfax (wet)	33	0	41	36	3	0	22	27	79	4	2	61	123	123	42	568	855	1	2020
Fauquier (wet)	15	2	3	17	0	0	3	4	29	1	0	5	13	15	4	32	53	25	221
Floyd (dry)	1	1	0	1	3	0	0	2	5	0	1	0	2	3	1	1	9	2	32
Fluvanna (wet)	0	0	0	0	0	0	0	0	6	0	0	1	4	1	0	4	12	0	28
Franklin (wet)	3	0	0	1	0	0	0	2	25	0	1	3	5	18	0	18	33	2	111
Frederick (wet)	5	2	2	6	0	0	2	5	25	1	0	4	12	26	3	24	33	1	151
Giles (wet)	1	1	0	0	0	0	0	4	11	3	0	2	0	11	1	2	8	0	44
Gloucester (wet)	1	0	0	0	0	0	0	4	19	1	0	2	4	9	0	16	27	0	83
Goochland (wet)	2	1	2	2	0	0	0	3	10	0	0	0	3	7	0	10	18	3	61
Grayson (dry)	1	0	0	0	0	0	0	0	5	2	0	0	00	5	0	1	5	0	19
Greene (wet)	2	1	0	1	0	0	0	1	9	0	0	1	2	5	0	5	9	2	38
Greensville (wet)	0	0	0	0	0	0	0	1	15	0	0	0	0	0	0	1	1	0	18
Halifax (wet)	4	0	0	5	0	0	0	3	16	0	0	2	0	34	1	7	23	4	99
Hanover (wet)	5	0	5	5	0	0	2	7	38	1	0	6	11	25	0	45	85	1	236
Henrico (wet)	14	1	14	19	0	0	10	17	124	1	0	31	43	53	24	184	263	0	798
Henry (wet)	3	0	0	0	0	0	1	8	35	0	0	4	1	30	2	3	19	3	109
Highland (dry)	0	0	0	0	0	0	0	0	1	0	0	0	0	6	1	0	1	0	9
Isle of Wight (wet)	1	1	0	0	0	0	0	4	18	0	0	2	8	7	1	7	15	0	64
James City (wet)	2	0	1	2	1	0	3	3	13	2	1	4	11	8	3	50	67	3	174
King & Queen (wet)	0	0	0	0	0	0	0	0	3	1	0	0	0	4	0	1	2	0	11
King George (wet)	1	0	1	2	0	0	0	0	11	0	0	0	2	4	0	5	15	1	42
King William (wet)	0	0	0	0	0	0	0	3	7	0	0	1	2	5	0	5	11	0	34
Lancaster (wet)	4	1	0	1	0	1	0	4	5	0	0	2	2	10	3	22	30	2	87
Lee (dry)	0	0	0	0	0	0	0	4	20	0	0	1	0	7	0	0	4	0	36
Loudoun (wet)	25	2	9	25	2	15	11	8	39	3	1	20	45	51	12	150	270	27	715
Louisa (wet)	4	0	0	1	0	0	0	2	12	0	0	2	0	19	2	8	13	2	65
Lunenburg (wet)	1	0	0	0	0	0	0	4	8	0	0	0	0	9	0	0	2	0	24
Madison (wet)	2	3	0	2	0	0	0	0	6	0	0	0	1	5	1	3	7	8	38
Mathews (wet)	1	1	0	0	0	0	0	2	6	0	0	0	3	1	0	4	8	0	26
Mecklenburg (wet)	1	1	0	2	0	0	0	10	34	0	0	2	0	20	0	13	19	1	103
Middlesex (wet)	7	1	0	0	0	0	0	1	6	0	0	0	4	4	0	11	13	0	47
Montgomery (wet)	0	2	0	0	1	0	5	2	32	1	0	4	7	26	4	46	74	0	204
Nelson (wet)	11	3	1	6	2	0	1	2	10	1	0	0	1	13	2	3	9	10	75
New Kent (wet)	1	0	0	1	0	0	0	0	11	0	0	2	3	6	0	9	16	1	50
Northampton (wet)	4	1	1	5	0	1	1	2	13	0	0	1	1	5	1	13	19	2	70
Northumberland (wet)	4	0	0	1	0	0	0	2	7	0	0	1	1	6	0	6	10	1	39
Nottoway (wet)	0	0	1	3	0	0	0	4	13	0	0	0	0	6	0	6	14	0	47
Orange (wet)	5	5	0	1	0	0	0	3	16	0	0	3	3	5	0	10	23	3	77
Page (wet)	5	3	0	1	0	0	0	5	12	1	0	0	1	12	2	8	19	2	71
Patrick (dry)	1	2	0	0	0	0	0	1	13	0	0	1	0	13	0	3	7	1	42

(continued)

2014 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	Grocer/Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Pittsylvania (wet)	2	1	1	4	0	0	0	4	37	0	0	1	0	29	0	2	14	3	98
Powhatan (wet)	1	0	0	0	0	0	1	1	15	1	0	0	1	2	0	11	14	1	48
Prince Edward (wet)	1	0	0	0	0	0	2	2	13	0	0	2	1	10	0	15	23	1	70
Prince George (wet)	1	0	0	0	0	0	0	2	12	0	0	2	1	7	0	7	13	0	45
Prince William (wet)	11	0	9	11	0	1	4	12	47	2	0	19	40	95	6	167	246	1	671
Pulaski (wet)	4	0	1	2	1	0	1	6	12	2	0	5	1	26	0	5	11	1	78
Rappahannock (wet)	8	6	0	5	0	0	1	0	3	0	1	0	0	5	0	4	6	7	46
Richmond (wet)	1	0	0	5	0	0	1	0	2	0	0	1	1	6	0	0	6	2	25
Roanoke (wet)	1	0	5	7	0	0	2	3	34	1	0	5	7	15	0	38	61	2	181
Rockbridge (wet)	3	4	0	1	0	0	2	3	14	0	0	0	0	14	4	4	11	2	62
Rockingham (wet)	1	1	0	1	2	0	0	5	34	0	0	2	3	12	0	10	26	3	100
Russell (dry)	0	0	0	1	0	0	0	2	17	0	0	1	1	5	0	2	6	2	37
Scott (wet)	0	1	0	0	0	0	0	0	12	0	0	1	1	14	0	1	4	0	34
Shenandoah (wet)	4	2	0	4	0	0	0	9	14	0	0	3	6	29	3	14	37	8	133
Smyth (wet)	1	2	2	5	0	0	0	2	20	1	0	2	0	13	1	3	15	2	69
Southampton (wet)	0	0	0	0	0	0	0	2	13	0	0	1	1	10	0	3	4	0	34
Spotsylvania (wet)	6	0	2	4	3	0	0	7	54	1	1	12	14	23	1	49	78	2	257
Stafford (wet)	8	0	4	6	0	0	2	6	44	1	0	9	8	17	0	44	64	2	215
Surry (wet)	0	0	0	0	0	0	0	0	7	0	0	0	0	2	0	1	4	0	14
Sussex (wet)	1	0	1	0	0	0	1	1	14	0	0	0	1	11	0	0	6	0	36
Tazewell (wet)	2	0	1	0	0	0	0	3	21	1	0	2	4	27	0	7	20	0	88
Warren (wet)	1	2	0	1	0	0	0	5	20	0	0	2	4	13	1	21	37	2	109
Washington (wet)	3	5	1	4	3	0	0	2	35	2	0	3	6	11	2	11	26	2	116
Westmoreland (wet)	5	1	0	1	0	0	0	7	10	0	0	2	3	12	0	14	20	5	80
Wise (wet)	1	0	0	1	0	0	0	1	30	1	0	5	2	5	0	6	16	1	69
Wythe (wet)	2	0	0	2	0	0	0	3	17	2	0	1	1	20	0	10	14	2	74
York (wet)	7	0	0	1	2	0	0	2	29	0	0	6	11	10	4	32	62	2	168
Grand Total	319	79	118	253	29	25	95	309	1,849	45	10	337	551	1,442	180	2,310	3,840	206	11,997

(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 2014

FINANCIAL STATEMENTS

Fiscal year 2014 also marked Virginia ABC's 16th consecutive record breaking year in sales and profits. Total gross sales were \$801 million, \$32 million higher than last year. Profits were \$140 million, an increase of \$6 million from the previous fiscal year. Retail sales ended the year up 4.7 percent and sales to mixed beverage licensees were up 1.6 percent.

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Below: The agency took its education and prevention message on the road to higher education venues with its "Different Kind of Buzz" College Tour Conference. The one-day, free event featured lectures by nationally recognized speakers and workshops focused on reducing underage and high-risk drinking on college campuses. The tour made stops at community college campuses in Norfolk (in March) and in Annandale (in April). Pictured is David Jernigan from Johns Hopkins Bloomberg School of Public Health's Center on Alcohol Marketing and Youth.





COMMONWEALTH of VIRGINIA

Department of Alcoholic Beverage Control

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Management's Discussion and Analysis

(UNAUDITED)

This discussion and analysis of the Virginia Department of Alcoholic Beverage Control's (ABC) financial performance provides a brief overview of financial activities for the fiscal year ended June 30, 2014.

FINANCIAL HIGHLIGHTS

- The Department's operating revenues increased 4.1% in Fiscal Year 2014.
- ABC operations returned record profits to the Commonwealth in Fiscal Year 2014 of \$139.9 million and excise taxes of \$132.1 million. The increase in profits for Fiscal Year 2014 is primarily due to the opening of seven new stores and an increase in sales throughout all stores.
- Seven new stores opened in Fiscal Year 2014 generating \$2.9M in additional sales. Three stores were relocated to improved market areas, two of which featured a new premier store design concept that is both visually appealing as well as cognizant of encouraging upselling and increasing sales. Eleven stores were remodeled.
- During the 2012 legislation session, the General Assembly passed a new law (HB 896) which allowed the Board to open any Virginia ABC retail location on Sunday. As a result, additional stores have been opened, in phases, over the last several years. Fiscal Year 2014 ended with all stores open on Sundays, with the exception of three primarily licensee stores. While the rapid increase in sales has begun to stabilize, total Sunday sales did increase by \$2.8M, or 6.7%, from Fiscal Year 2013 to Fiscal Year 2014. It is anticipated that going forward Sunday sales will increase in line with the overall sales growth.
- The Department's operating expenses increased 4.1% in Fiscal Year 2014. The cost of goods sold for alcohol increased \$14.8 million from Fiscal Year 2013, due to the increased sales volume. Personal Service costs increased by 5.3% from Fiscal Year 2013. The increase in Personal Services costs is attributed to an increase in health care costs for all classified employees within state agencies as well as additional staff for the new stores. Continuous charges increased by \$1.0 million primarily due to an increase in building rentals due to standard contractual increases in rent as well as the addition of new stores. In addition, Contractual Services increased by \$0.8 million primarily due to an increase in credit card fees.

OVERVIEW OF FINANCIAL STATEMENTS

The audited annual report consists of a series of proprietary fund financial statements. The Statement of Net Position provides information about the Department's assets and liabilities and reflects the financial position as of June 30, 2014. The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenue activity and the expenses related to such activity for the twelve-month period ended June 30, 2014. 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 2014 with a total of \$66.1 million in current assets including \$58.1 million in inventory of alcohol merchandise for resale, a \$4.7 million increase. The increase in inventory is a result of the Advance Buy of inventory. ABC does not purchase the alcohol in our warehouse until it is being shipped to one of our stores. At periodic times throughout the year, vendors offer ABC an opportunity to purchase the inventory that ABC has in our warehouse, prior to the vendor implementing a price increase, called an Advance Buy. At the end of June (Fiscal Year 2014), ABC purchased an additional \$7.0 million of alcohol that was in our warehouse using the Advance Buy. This results in significant savings to the agency, increased profits for the Commonwealth, and a higher inventory value at year-end.
- Current and other assets increased \$1.9 million from last fiscal year, primarily due to a \$4.7 million increase of inventory from the Advance Buy. This was partially offset by reduced accounts receivables for credit cards. The increase in Net Capital Assets from Fiscal Year 2013 is largely due to the Point-of-Sale system upgrade, updating the Verifones to ensure compliance with credit card encryption. It was also due to the purchase and implementation of Business Intelligence software, which is software that helps to bring together data from multiple systems and make it meaningful.
- In total, assets increased from \$73.4 million in Fiscal Year 2013 to \$77.0 million in Fiscal Year 2014, largely due to the Advance Buy.

Net Position	Fiscal Year 2014	Fiscal Year 2013	Change
Current and other assets	\$66,090,029	\$64,179,968	\$1,910,061
Capital assets, net	10,917,072	9,254,140	1,662,932
Total assets	77,007,101	73,434,108	3,572,994
Current liabilities	72,623,981	68,667,938	3,956,044
Noncurrent liabilities	2,637,737	2,962,712	(324,976)
Total liabilities	75,261,718	71,630,650	3,631,068
Net position:			
Net Investment in capital assets	10,917,072	9,254,140	1,662,932
Unrestricted	(9,171,689)	(7,450,682)	(1,721,007)
Total net position	\$1,745,383	\$1,803,458	(\$58,074)

- Total liabilities owed by the Department increased \$3.6 million from last fiscal year, with current liabilities increasing \$4.0 million and noncurrent liabilities declining by \$0.3 million. The current liability amount is largely represented in accounts payable due to the Advance Buy and the undistributed balance of profits and taxes payable (see Note 4), partially offset by payments due to the Commonwealth for the line of credit repayment.
- The Department lacks working capital (current assets in excess of current liabilities) to fund all business needs at year-end including accelerated payments of taxes and profits before June 30. Given this periodic lack of necessary working capital, the Department depends on a \$60.0 million line of credit with the State Comptroller to meet day-to-day operations. At June 30, 2014, the amount borrowed was \$26,563,070. (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 349 state-run stores located throughout the state. Gross sales including state tax on sales in Fiscal Year 2014 reached an all time high of \$800.5 million, up \$31.7 million over Fiscal Year 2013. The gross revenue after state tax on sales of alcohol increased from \$642.0 million to \$668.6 million or 4.1%. License and permit fees increased from \$12.1 million to \$12.6 million or 4.0%. Wine wholesalers tax increased over last year and there was a decrease in sales of lottery tickets, mixed beverage taxes on common carriers, and federal grants and contracts.

Operating Revenues	Fiscal Year 2014	Fiscal Year 2013	Change
Sales of alcohol	\$668,568,655	\$641,997,839	\$26,570,816
Sales of lottery tickets	2,476,712	2,604,381	(127,669)
License and permit fees	12,606,895	12,122,130	484,766
Wine wholesalers tax	3,958,111	3,760,195	197,917
Penalties	1,020,717	1,018,368	2,349
Federal grants and contracts	306,285	361,936	(55,651)
Mixed beverage tax on common carriers	24,475	27,035	(2,560)
Miscellaneous	549,169	541,177	7,992
Net operating revenues	\$689,511,021	\$662,433,062	\$27,077,959

EXPENSES: In Fiscal Year 2014 operating expenses (not including cost of sales, alcohol and lottery) increased from \$151.3 million to \$158.2 million, an increase of 4.5%. Approximately 70.8% of the Department's total expenses are for the cost of sales of distilled spirits and mixers sold through ABC stores and less than 1.0% for lottery cost of sales. Following cost of merchandise is personal services, which accounts for 17.5% of total expenses. The remaining 11.3% is made up of contractual services (e.g. store rents), continuous charges (utilities) and other miscellaneous charges. Personal service costs increased primarily due to the increase in health care costs as well as the increase in staff for new stores. Continuous charges increased due to an increase in building expenses which can be attributed to contractual escalation clauses as well as the addition of new stores. The increased cost of contractual services is due to the increase in credit card fees.

Operating Expenses	Fiscal Year 2014	% Expenses FY14	Fiscal Year 2013	Difference
Cost of sales, alcohol	\$389,204,362	70.8%	\$374,356,481	\$14,847,881
Cost of sales, lottery	2,339,885	0.4%	2,424,746	(84,862)
	391,544,247	71.2%	376,781,227	14,763,020
Personal services	96,016,888	17.5%	91,151,356	4,865,532
Continuous charges	26,238,093	4.8%	25,209,421	1,028,672
Contractual services	27,263,123	5.0%	26,498,703	764,419
Supplies and materials	3,401,478	0.6%	3,437,872	(36,394)
Depreciation	2,573,170	0.5%	2,101,808	471,362
Expendable equipment	2,209,117	0.4%	2,066,725	142,392
Other	500,030	0.1%	860,993	(360,963)
	158,201,900	28.8%	151,326,878	6,875,021
Net operating expenses	\$549,746,146	100.0%	\$528,108,106	\$21,638,041

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 2014, approximately \$67.1 million of the agency's \$139.9 million in net profits were transferred to other state agencies. The majority, \$65.4 million, transfers to the Department of Behavioral Health and Developmental Services incurred for care, treatment, study and rehabilitation of alcoholics. The remaining \$72.9 million was distributed to the General Fund in accordance with the Code of Virginia.

Revenues, Expenses and Change in Net Position	Fiscal Year 2014	Fiscal Year 2013	Change
Net operating revenues	\$689,511,021	\$662,433,062	\$27,077,959
Total operating expenses	549,746,146	528,108,106	21,638,041
Non-operating revenues / (expenses)	164,396	(603,087)	767,483
Net profit before transfers	139,929,270	133,721,869	6,207,402
Transfers of profit to the General Fund of the Commonwealth	(72,851,385)	(67,437,563)	(5,413,823)
Appropriation Act transfers	(67,135,959)	(67,139,188)	3,229
Total transfers	(139,987,344)	(134,576,751)	(5,410,594)
Net decrease after transfers	(58,074)	(854,882)	796,808
Total net position - beginning	1,803,458	2,658,340	(854,882)
Total net position - ending	\$1,745,383	\$1,803,458	(\$58,074)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- During Fiscal Year 2015, the Department expects to see a slight increase in the retail sales sector, and will continue to monitor mixed beverage licensee sales. ABC is currently forecasting gross sales of \$837.0 million, a 4.6% increase over Fiscal Year 2014.
- ABC expects expenses to continue to increase in Fiscal Year 2015. Expenses such as store rents will increase because of contractual escalation clauses. Health insurance for salaried employees will also increase personal service cost by 1.0% or \$1.0 million. ABC also expects an increase in logistics related expenses, such as additional staff and freight charges, due to the continued expansion of stores and increasing sales volume. The expectation for significant and continued investment in information technology continues as the Department advances existing and future systems and associated infrastructure.
- Appropriation Act profit transfer requirements for Fiscal Year 2015 are \$141.9 million. Due to the sluggish Virginia economy, in order to meet this transfer requirement, the Department has implemented a variety of prudent business practices, cost reductions, and delayed infrastructure investments. Risks include economic declines and weather fluctuations, particularly during the holiday season, unforeseen increases in expenses, an aging information technology infrastructure and related audit points, and the central office and warehouse facility reaching capacity.

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.



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 24, 2014

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable John C. Watkins
Chairman, Joint Legislative Audit
And Review Commission

Alcoholic Beverage Control Board
Department of Alcoholic Beverage Control

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of the Department of Alcoholic Beverage Control as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

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, 2014, and the changes in its financial position and its cash flows for the year ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1A, the basic financial statements of the Department of Alcoholic Beverage Control are intended to present the financial position, the changes in financial position and cash flows of only that portion of the business-type activities and the aggregate remaining fund information 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, 2014, 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. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 27 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited

procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department of Alcoholic Beverage Control's basic financial statements. The statistical highlights and financial reports sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The statistical highlights and financial reports sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 24, 2014, on our consideration of the Department of Alcoholic Beverage Control's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Department's internal control over financial reporting and compliance.


AUDITOR OF PUBLIC ACCOUNTS

EMS/alh

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
STATEMENT OF NET POSITION
As of June 30, 2014

ASSETS

Current assets:	
Cash and cash equivalents (Note 2 and 7)	\$ 1,275,357
Petty cash	200,000
Receivables	3,949,884
Inventory - Alcohol (Note 1)	58,147,971
Inventory - Lottery tickets	100,521
Prepaid insurance expenses	1,615,837
Prepaid other expenses	796,383
Investments held by Treasurer of Virginia (Note 7)	<u>4,076</u>
Total current assets	<u>66,090,029</u>
Noncurrent assets:	
Nondepreciable capital assets (Note 3)	1,827,702
Depreciable capital assets, net (Note 3)	6,144,155
Construction-in-progress (Note 3)	<u>2,945,215</u>
Total noncurrent assets	<u>10,917,072</u>
Total assets	<u>77,007,101</u>

LIABILITIES

Current liabilities:	
Accounts payable	31,756,040
Unearned revenue	275,188
Due to Commonwealth of Virginia (Note 4)	37,586,906
Obligations under securities lending (Note 7)	129,978
Compensated absences payable (Note 6)	<u>2,875,870</u>
Total current liabilities	<u>72,623,981</u>
Noncurrent liabilities:	
Compensated absences payable (Note 6)	<u>2,637,737</u>
Total noncurrent liabilities	<u>2,637,737</u>
Total liabilities	<u>75,261,718</u>

NET POSITION

Net Investment in Capital Assets	10,917,072
Unrestricted net position	<u>(9,171,689)</u>
Total net position	<u>\$ 1,745,383</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 POSITION
For the Year Ended June 30, 2014

Operating revenues:	
Sales of alcohol	\$ 668,568,655
Sales of lottery tickets	2,476,712
License and permit fees	12,606,895
Wine wholesalers tax	3,958,111
Penalties	1,020,717
Federal grants and contracts	306,285
Mixed beverage tax on common carriers	24,475
Miscellaneous	549,169
	<hr/>
Total operating revenues	689,511,021
Operating expenses:	
Cost of sales of alcohol	389,204,362
Cost of sales of lottery tickets	2,339,885
Personal services	96,016,888
Continuous charges	26,238,093
Contractual charges	27,263,123
Supplies and materials	3,401,478
Depreciation and amortization	2,573,170
Expendable equipment	2,209,117
Other	500,030
	<hr/>
Total operating expenses	549,746,146
Operating income	139,764,874
Nonoperating revenues (expenses):	
Rents	225,074
Income from security lending transactions (Note 7)	157
Expenses from security lending transactions (Note 7)	(157)
Seized assets	(60,678)
	<hr/>
Total nonoperating revenues (expenses)	164,396
Net profit before transfers	139,929,270
Transfers out:	
Transfers of profits to the General Fund of the Commonwealth	(72,851,385)
Appropriation Act transfers	(67,135,959)
	<hr/>
Total transfers	(139,987,344)
Net decrease after transfers	(58,074)
Total net position - July 1, 2013	1,803,458
Total net position - June 30, 2014	\$ 1,745,383

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, 2014**

Cash flows from operating activities:	
Cash received from sales	\$ 670,872,356
Cash received from licenses and fees	12,725,149
Cash received from other revenue	9,447,917
Cash payments for cost of sales	(392,595,922)
Cash payments for personal services	(95,680,914)
Cash payments for other expenses	(60,238,190)
	<u>144,530,397</u>
Net cash provided by operating activities	
Cash flows from noncapital financing activities:	
Note payable to the Commonwealth	26,563,070
Due to the Commonwealth repayments	(28,264,939)
Cash received from nonoperating activities	225,074
Cash disbursed from nonoperating activities	(60,678)
Cash received from taxes	203,531,436
Transfers of tax collections to the General Fund of the Commonwealth	(166,394,812)
Transfers of tax collections to the Department of Taxation	(36,586,119)
Transfers of profit to the General Fund of the Commonwealth	(72,234,542)
Appropriation Act transfers	(67,135,959)
	<u>(140,357,468)</u>
Net cash used for noncapital financing activities	
Cash flows from capital and related financing activities:	
Construction in-progress	(2,343,628)
Acquisition of equipment	(1,896,442)
Sale of depreciable assets	3,968
	<u>(4,236,103)</u>
Net cash used for capital financing activities	
Net decrease in cash and cash equivalents (63,174)	
Cash and cash equivalents - July 1, 2013	<u>1,412,629</u>
Cash and cash equivalents - June 30, 2014	<u>\$ 1,349,455</u>
Reconciliation of cash and cash equivalents	
Cash and cash equivalents	1,275,357
Petty cash	200,000
Securities lending cash equivalent	(125,902)
	<u>\$ 1,349,455</u>
Reconciliation of net profit to net cash provided by operating activities:	
Operating income	139,764,874
Adjustments to reconcile net profit to net cash provided by operating activities:	
Depreciation and amortization	2,573,170
Change in assets and liabilities:	
Decrease in accounts receivable	3,416,149
Increase in inventory	(4,760,001)
Increase in compensated absences	4,637
Increase in accounts payable	4,039,664
Increase in prepaid items	(626,349)
Increase in unearned revenue	118,254
	<u>118,254</u>
Net cash provided by operating activities	<u>\$ 144,530,397</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, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Fund Accounting

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

C. Basis of Accounting

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

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

D. Inventories

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

2. CASH WITH THE TREASURER OF VIRGINIA

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

3. CAPITAL ASSETS

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

	Balance at July 01, 2013	Acquired	Deleted	Balance at June 30, 2014
Nondepreciable capital assets				
Land	\$ 1,827,702	\$ -	\$ -	\$ 1,827,702
Construction in-progress	601,587	3,029,490	(685,862)	2,945,215
Total nondepreciable capital assets	\$ 2,429,289	\$ 3,029,490	\$ (685,862)	\$ 4,772,917
Depreciable capital assets				
Buildings	9,571,382	-	-	9,571,382
Equipment	33,074,553	1,036,808	(475,710)	33,635,650
Other equipment	-	-	-	-
Intangibles	883,243	859,634	-	1,742,877
Total depreciable capital assets	\$ 43,529,178	\$ 1,896,442	\$ (475,710)	\$ 44,949,910
Less accumulated depreciation:				
Buildings	9,317,382	12,552	-	9,329,934
Equipment	26,961,144	2,379,143	(471,742)	28,868,545
Other equipment	-	-	-	-
Intangibles	425,801	181,476	-	607,276
Total accumulated depreciation	\$ 36,704,327	\$ 2,573,170	\$ (471,742)	\$ 38,805,755
Depreciable capital assets, net	\$ 6,824,851	\$ (676,728)	\$ (3,968)	\$ 6,144,155
Total capital assets, net	\$ 9,254,140	\$ 2,352,762	\$ (689,830)	\$ 10,917,072

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

4. DUE TO THE COMMONWEALTH

A. Note Payable

The Department has a line of credit for \$60,000,000 with the Treasurer of Virginia. Repayment is made from revenue collections pursuant to Title 4.1, Chapter 1 of the Code of Virginia. As of June 30, 2014, the Department had outstanding \$26,563,070 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 01, 2013</u>	<u>Acquired</u>	<u>Deleted</u>	<u>Balance at June 30, 2014</u>
\$28,264,939	\$26,563,070	(\$28,264,939)	\$26,563,070

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 2014 Virginia Acts of Assembly required \$9,141,363 of the gross liter tax to be transferred to the General Fund for expenses incurred for care, treatment, study, and rehabilitation of alcoholics by the Department of Behavioral Health and Development Services and other state agencies. Of the remaining liter tax, twelve percent is retained by the Department and reported as wine wholesalers' tax on the Department's financial statements. The remaining eighty-eight percent is paid to the General Fund of the Commonwealth quarterly. Collections and transfers of state tax on sales and liter tax are not reported on the Statement of Revenues, Expenses, and Changes in Net Position. Activity relating to the amounts due to the General Fund for the year ended June 30, 2014, 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, 2013	\$1,815,170	\$1,216,820	\$3,031,990
Receipts for fiscal year	132,043,584	34,608,741	166,652,325
Transfers to the General Fund	(131,703,541)	(34,691,270)	(166,394,812)
Balance due to the General Fund, June 30, 2014	<u>\$2,155,213</u>	<u>\$1,134,290</u>	<u>\$3,289,503</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 Position. Activity relating to the amounts due to the Department of Taxation for the year ended June 30, 2014, is summarized below.

C. Department of Taxation - Sales Tax (Continued)

Balance due to the Department of Taxation, July 1, 2013	\$336,177
Sales Tax Collections	36,879,111
Transfers to the Department of Taxation	(36,586,119)
Balance due to the Department of Taxation, June 30, 2014	<u>\$629,170</u>

D. Earned Surplus

The Appropriation Act, Chapter 806 of the 2013 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 \$7,105,163.15 due to the General Fund at June 30, 2014.

5. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for retail store buildings. Rent expense under operating lease agreements amounted to \$ 22,463,665 for the year. A summary of future obligations under lease agreements as of June 30, 2014, follows.

Year Ending June 30,	
2015	\$20,890,814
2016	17,187,062
2017	12,412,264
2018	8,359,835
2019	4,824,784
2020 - 2023	4,941,528
Total Obligations	<u>\$68,616,286</u>

6. COMPENSATED ABSENCES

Compensated absences reflected in the Statement of Net Position represent the amounts of vacation, sick, and compensatory leave earned by employees of the Department, but not taken at June 30, 2014. 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 01, 2013</u>	<u>Short Term Increase</u>	<u>Long Term Decrease</u>	<u>Balance at June 30, 2014</u>	<u>Amounts due within one year</u>
\$5,508,970	\$329,612	(\$324,976)	\$5,513,607	\$2,875,870

7. 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.

8. COLLECTIONS OF MALT BEVERAGE TAX

During the year ended June 30, 2014, the Department earned \$43,341,595 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.

9. PENSION PLAN AND OTHER POST RETIREMENT BENEFITS

The employees of the Department are employees of the Commonwealth. The employees participate in either a defined benefit plan or a hybrid plan, both 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.

10. 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.

11. CONTINGENT LIABILITIES

A. 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.

B. 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, 2014, the bailment inventory was valued at \$32,789,105.



VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL

80TH ANNIVERSARY

March 7 marked the 80th anniversary of Virginia ABC, and the agency kicked off the milestone year with a celebration. Secretary of Public Safety and Homeland Security Brian Moran joined Virginia ABC officials and employees as they recognized the anniversary in conjunction with the opening of the agency's first premier store, in Williamsburg. Virginia ABC continued to recognize the 80th milestone throughout the year via store posters, a social media campaign and employee events.

ENFORCEMENT MEDIA TRAINING

The Bureau of Law Enforcement and the Communications Division hosted a series of media training sessions for special agents, as well as enforcement personnel from other jurisdictions. Led by Lt. Col. Jim Vance, USMC (Ret.), the training, which highlighted media relations techniques and trends and was designed to prepare sworn personnel to work with the agency's Communications Division on high-interest and newsworthy situations.

WEBSITE REDESIGN

A newly formed website redesign committee worked throughout the year to develop requirements for modernizing the agency's website as part of a larger digital strategy. These requirements became the framework for the request for proposal process for web development vendors. As the fiscal year concluded in June, the committee reviewed submitted proposals and, in August, awarded the project to CapTech, a Richmond-based firm. Phase one of this strategy focuses heavily on eCommerce to help the agency grow revenue, improve processes and significantly enhance customer service.

EDUCATION MINI-GRANTS

In March 2014, the agency awarded five College Alcohol Awareness Mini-Grants for alcohol education and enforcement initiatives on Virginia college and university campuses. The grants, totaling \$4,994, supported campus-based educational efforts of student organizations at the College of William & Mary, Randolph-Macon College, Roanoke College, Tidewater Community College and Virginia Commonwealth University.

FIELD SUPPORT VEHICLE EDUCATION OUTREACH

The Bureau of Law Enforcement expanded the function of its state-of-the-art mobile command center as an education and awareness tool. Special agents traveled with the Field Support Vehicle to communities across the Commonwealth to answer questions about Virginia alcohol laws. In May, special agents represented the bureau at a remote area medical conference in Wise County and in June at a safe driving retreat for high school students held at Sweet Briar College.

NEW PRODUCT TRAINING

The agency partnered with E. & J. Gallo Winery to offer product knowledge training sessions for Virginia ABC store managers and various marketing and retail operations employees. The Wine & Spirits Academy courses, part of Gallo University, taught employees about the history and process of distillation and the differences between spirits in the six major spirits categories. Employees also received training on providing elite customer service.

ALTERNATIVE DISPUTE RESOLUTION

While ABC's hearings and appeals process continues to provide a consistently effective means for the agency to address licensee violations, contested applications for ABC licenses and matters involving the Beer and Wine Franchise Act; a promising new mediation process launched in January 2014. The Hearings and Appeals Division's new alternative dispute resolution process allowed five applicants and licensees to resolve cases with an impartial mediator and avoid formal hearings. The voluntary process expedites the procedure for addressing violations thus saving time and resources.

DATA CENTER RELOCATED

Information Technology Services executed the final phase of the Virginia ABC Data Center Server relocation in September 2013 without a glitch. This was a final step in a year-long effort to move most of the agency's servers to the Commonwealth Enterprise Solutions Center located in Chesterfield County.

Photos (from top): Secretary of Public Safety and Homeland Security Brian Moran and Virginia ABC Regional Manager Shelia Brown cut the agency's 80th birthday cake during the opening of the first premier store; Special Agent Dexter Franklin talks with high school students about Virginia's alcohol laws during a summer event at Sweet Briar College; Senior Configuration Manager Raphael Loney, Lead Technical Writer Cheryl Dunn and Lead in Testing and Quality Control Satya Munnuluri discuss Virginia ABC's website redesign project, which will modernize the agency's online presence; Officials from E. & J. Gallo Winery offer product knowledge during a training session offered for Virginia ABC store managers and other employees; Legal Assistant Pam Boggs hands a document to Hearing Officer Michael Oglesby during an initial hearing, as Melissa Custis takes down the proceedings.

