

Annual Report 2000

VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL



TABLE OF CONTENTS

Mission Statement	2
Department Staff	3
Reorganization	4
Wholesale/Retail Operations	4
Bureau of Law Enforcement	5
Public Affairs	7
Financial Management Services	7
Policy, Analysis and Support Services	8
Information Technology Services	8
Human Resources	9
Adjudication	9
Board Administration	11
Property Management Services	11
Internal Audit	12
Legislation	13
Financial Results in Brief	15
Sales of All Beverages	16
Case Sales Comparison	16
Distribution of Profits & Taxes to Cities	17
Distribution of Profits & Taxes to Counties & Towns	18
Analysis of Store Performance	28
Licenses by Category	40
Auditor's Report – Transmittal Letter	43
Balance Sheet	44
Statement of Revenues, Expenses & Changes in Retained Earnings	45
Statement of Cash Flows	46
Notes to Financial Statements	47
Central Office, Warehouse & Regional Offices	51

MISSION STATEMENT

The mission of the Alcoholic Beverage Control Board is 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.

RECORD YEAR FOR ABC

Fiscal Year 2000 was the most profitable in the Department's history. The Department's stores grossed over \$355 million (+ 9.5%) and produced net profits of over \$41 million while per capita consumption remained relatively constant. In addition, the Department collected \$58 million in excise taxes, \$13 million in sales taxes, \$19 million in wine taxes, and \$41 million in malt beverage taxes for a record total of \$172 million in contributions to the General Fund and the Commonwealth's localities.

DEPARTMENT STAFF



Governor James S. Gilmore, III



Mottinger, Roberts, and Canada

Governor

James S. Gilmore, III

The Board

Clarence W. Roberts
Chairman

Sandra C. Canada
Member

Clater C. Mottinger
Member



Executive Staff

W. Curtis Coleburn, III
Chief Operating Officer/
Secretary to the Board

Ronald K. Layne
Chief Financial Officer

John W. Wszelaki
Internal Audit Director

Division Directors

Virginia A. Adams
Wholesale/Retail
Operations

Kathi N. King
Human Resources

Robert W. Southall
Property Management
Services

S. Christopher Curtis
Bureau of Law Enforcement

Howard Lee
Adjudication

J. Craig Vanderland
Policy, Analysis &
Support Services

Rebecca V. Gettings
Public Affairs

Nancy A. Murphy
Financial Management
Services

Sara M. Gilliam
Board Administration

Chris N. Saneda
Information Technology
Services

REORGANIZATION

Building walls, framing doors – ABC's Central Office has taken on a new look to accommodate the moving of divisions – physically as well as within the organizational structure.

Best Practices recommendations and ABC's strategic plan thrust the agency into a major reorganization during FY00. The idea behind it was to shift responsibilities for day-to-day operations to ABC's professional management staff, in order to allow the Board to focus on policy issues and disciplinary and regulatory matters with licensees.

As part of the reorganization, Internal Audit was re-established in June 1999 with John W. Wszelaki as Director. The division has agency-wide

responsibility for managing risk, ensuring internal controls are in place and functioning and recommending business solutions.

In September 1999, Ronald K. Layne was named Chief Financial Officer. He oversees core services for the agency, including Financial Management, Policy, Analysis & Support, Information Technology and Property Management.

W. Curtis Coleburn, III, was named Chief Operating Officer in December 1999. He oversees all operational components of ABC except for Internal Audit, Adjudication, Board Administration and Public Affairs, which report directly to the Board.

Certain units were relocated in order to facilitate interaction and teamwork. Education joined the Enforcement Bureau, members of the License Records Management staff were centralized and Research and Planning and Purchasing units moved closer to Financial Management.

Funding for Central Office renovations came from savings derived from improved cash management practices implemented by the Division of Financial Management, which resulted in savings of interest expenses paid by the agency.

WHOLESALE/RETAIL OPERATIONS



Fiscal Year 2000 was an exceptional year for

MasterPack portion of PDS and includes the MOVE system. There will be efforts by the MIPS team in FY01 to replace the Point of Sale (POS) system as well.

Wholesale/Retail Operations Division. The stores' gross sales of over \$355 million was a record effort. In opening eight new retail stores, the total was 251 stores statewide strategically located to better serve the citizens of the Commonwealth.

The Management of Inventory and Product Sales (MIPS) system was conceived in the last quarter of 1999. After implementing the Product Distribution System (PDS) in early August of 1998, it became evident that PDS was too customized to maintain and support future development and technologies. Comprised of an enterprise system known as MasterPack and the warehouse system known as MOVE, PDS was analyzed and a decision was made to rewrite in-house the MasterPack portion of the system using state of the art technologies. The MIPS system, a web-enabled system, is the rewrite of the

The MOVE system, or warehouse management system, manages the activity and tracks inventory in the warehouse. It tracks the inventory through a series of activities or tasks from the time that product is received into the warehouse until it is shipped out of the warehouse. One of the key features of the MOVE system is the utilization of radio frequency terminal (RF) communication. This allows the user the mobility and flexibility to enter information and/or scan the information. This feature increases the efficiency of order fulfillment and receipt of product.

The Category Development Manager provided inventory and demographic analysis as well as store layouts and merchandising for eight new stores and six relocated stores. Using the Inventory Management program, slow moving products were removed from

all stores based on individual store sales. A policy and program plan was devised for Phase III of Category Management and implemented in test stores. In Phase III shelf inventory levels are set and maintained based on individual store sales and profit.

The POS section downloaded an updated drink recipe database to the POS systems in our stores. Software modifications were implemented to remotely activate demographics mode on POS to poll this data. Y2K program modifications to POS were successfully downloaded and implemented. A new two-tier tax table was created and downloaded to be applied to non-alcoholic mixers. Eight new stores were opened. Six stores were relocated and two were permanently closed.

The 251 retail stores were responsible for over \$355 million in gross sales and the sales of approximately 2.7 million cases in distilled spirits, Virginia wines, and assorted mixers. The ABC warehouse received 2,716,604 cases and shipped 2,720,286 cases during the fiscal year. The cost of

WHOLESALE/RETAIL OPERATIONS CONTINUED



Warehouse Supervisor Larry Murphy loads store merchandise on a truck.

shipping the cases of merchandise to our stores was \$1,728,072, with an average cost of \$.66 per case. Approximately 42,406 cases were purchased in advance of price increases at a savings of \$414,892 or an average of \$9.78 per case. 2,692,293 cases were purchased for resale at a cost of \$201,921,975.

At the close of the fiscal year, ABC carried 1,941 items on the price list, a decrease of 38 items since last fiscal year. The Special Order Catalog contains an additional 315 items. 1,665 cases were purchased through the use of the Special Order process, resulting in \$426,894 in revenue.

BUREAU OF LAW ENFORCEMENT



The mission of ABC's Bureau of Law Enforcement is to promote the responsible distribution and consumption of alcoholic beverages and voluntary compliance with state tobacco laws.

The Bureau conducts education programs and continuous statewide law enforcement operations to ensure public safety and enforce the laws and regulations of the Commonwealth of Virginia.

During FY00, special agents and staff of the Bureau of Law Enforcement:

- issued 9,595 one-day banquet and special event licenses
- issued 2,467 new retail, wholesale and special permit licenses
- collected \$69,656,777 in wine and beer taxes and license fees
- conducted 10,064 criminal investigations
- made 2,878 arrests
- conducted 10,077 inspections of licensed establishments
- issued 1,863 written warnings and violation reports
- conducted 16 illegal still investigations
- conducted 2,163 public and licensee training presentations

The Bureau is charged with ensuring that the state's alcoholic beverage and youth access to tobacco laws are followed. In FY00, ABC field agents conducted almost 5,000 underage

buyer visits to assess merchant compliance. For both alcohol and tobacco, approximately 77 percent of the merchants refused to sell to an underage person, two points higher than the previous year. Nevertheless, sales to underage persons continues to be one of the most prevalent reasons for disciplinary action. ABC stores were also checked using the same underage buyers and demonstrated significantly better performance. Over 92 percent of state stores refused the sale. The U. S. Supreme Court ruled on March 21, 2000 that the Food and Drug Administration did not have jurisdiction over tobacco enforcement. Therefore, the FDA tobacco enforcement contract with ABC was terminated. At the close of the Fiscal Year, the Bureau was anticipating an agreement with the Virginia Tobacco Settlement Foundation to continue conducting 400 tobacco compliance checks each month at Virginia retailers to prevent minor access to cigarettes. This agreement will provide the Bureau \$500,000 for tobacco enforcement during FY01.

The Bureau's Illegal Whiskey Task Force and Financial Investigations Section concluded a joint investigation into the illegal manufacture and transportation of untaxed liquor spanning Virginia, North Carolina and Pennsylvania. The Federal Bureau of Alcohol, Tobacco and Firearms, the Internal Revenue Ser-

vice, and the North Carolina Alcohol Law Enforcement Department assisted in the investigation. Named Operation Lightning Strike, this investigation led to multiple search warrant executions in Virginia in May 1999, resulting in seizures of \$210,000 in cash, 28 vehicles, and 12 real estate properties valued at \$820,600. During this investigation, 16 stills, 10,600 gallons of mash, and 800 gallons of untaxed liquor were seized and destroyed from sites in Pittsylvania, Franklin and Craig counties in Virginia. In July 2000, the U.S. Attorney in Roanoke obtained a 78 count federal grand jury indictment involving 20 defendants. Two defendants have since been convicted of perjury in grand jury testimony. Trials for the major criminal conspiracy and money laundering crimes will begin next year.

During the past year, the Bureau has significantly upgraded technology support for special agents. The Bureau evaluated newer, smaller and lighter pistols for enhanced concealment and selected the H&K USP40 Compact semi-automatic pistol. Statewide transition training found the new sidearm well received by special agents. The Bureau, with strong support from the Information Technology Services Division, also rolled out its Computerized Organization of Resources for Enforcement (CORE) records system to regional field offices, resulting in a more efficient

BUREAU OF LAW ENFORCEMENT CONTINUED

license records system. All special agents were trained to use CORE from their laptop computers. This distributed records system eliminates many paper records, duplicate data entry and mail delays in processing license applications.

Education Section



The agency's Education section promotes responsible consumption and distribution of alcoholic beverages by licensees to those of age. Education also advocates zero tolerance for underage consumption through the use of various prevention initiatives. This year, Education merged with the Bureau of Law Enforcement to achieve efficiencies and provide quality service to licensees, institutions of higher learning, civic groups and K-12 school systems across the Commonwealth.

The Education section received grant funding from the U.S. Department of

enforcement and other state and regional stakeholders.

The Office of Juvenile Justice and Delinquency Prevention (OJJDP) continues to grant the agency funding to enforce underage drinking laws. The grant includes funding for enforcement efforts, community coalition grants, and social norms marketing efforts. In addition, a brochure was developed for parents of first-year college students. Colleges throughout the Commonwealth distributed it to parents and discussed it during orientation week. Another initiative of the OJJDP grant is to select and develop comprehensive strategies to reduce underage drinking in communities of the following cities: Richmond, Blacksburg, Farmville, and Virginia Beach. Also, the agency received grant funding from the Virginia Department of Motor Vehicles to work with colleges on Driving Under the Influence (DUI) prevention, designated driver programs and occupant protection. Training for Intervention Procedures (TIPS) for sellers and servers of alcohol were offered to licensees throughout the state.

Approximately 300 licensees were TIPS trained and 60 were certified as TIPS Train-the-Trainer instructors. Virginia ABC also partnered with the Virginia Petroleum Marketers and Convenience Stores Association to offer TIPS workshops for more than 100 employees.

The Education section coordinated a Social Norms Marketing Conference that was attended by 23 colleges and universities. Regional training was held on a number of issues including: Prime for Life, a parent training program; evaluation; Statistical Package for Social Sciences; children of alcoholics; and DUI/Designated Driver programs.

The agency's 14th Annual College Conference focused on the development of action plans by campus



Brochure from 1999 College Conference.

teams. The plans were taken back to the college campuses and implemented. Eleven colleges and universities received grant funding to initiate their prevention strategies on campus.

The Department also actively participated in the Youth Alcohol and Drug Abuse Prevention Project (YADAPP), a leadership and peer empowerment conference aimed at Virginia high school youth.

PUBLIC AFFAIRS



Underage sale prevention stickers for licensees.

Public Affairs is charged with disseminating information to the press, to the public and to the public through the press.

Efforts to publicize ABC enforcement activities, prevention programs and retail operations resulted in 43 news releases during FY00. In addition, Public Affairs staff responded to more than 340 inquiries from the media and answered hundreds of questions and requests for materials from

the agency's Web site and toll-free line. Staff participated in numerous special events including promotional events for Drunk and Drugged Driving (3D) Prevention Month, College Conference, annual display at the General Assembly and Youth Alcohol and Drug Abuse Prevention Project (YADAPP).

Public Affairs produces the *Licensee Newsletter*, an excellent tool for educating and informing licensees. The *Inside Spirits* employee newsletter, also produced by Public Affairs, keeps staff updated on the latest agency developments and newest employees.

Public Affairs provided writing, design, photographic and other support services to all agency divisions throughout the year. Staff produced numerous publications including: "A Parent's Guide to College Drinking," the 1999 Annual Report, the Social Norms Marketing Conference brochure, a brochure and collateral materials for College Conference, promotional and collateral materials for

YADAPP, a special agent brochure, and various brochures for educational grants. Staff also contributed graphic design and written material to the agency's Web site.

Public awareness of ABC history, programs and activities increased at the Virginia State Fair, as thousands of citizens visited the nostalgic 65th



ABCs State Fair booth.

Anniversary booth. Public Affairs enlisted employees, representing every department at ABC's Central Office, to ensure the booth was manned for the 11-day fair. The State Fair is a valuable outlet for promoting ABC services and the agency's mission.



Parent Alcohol education booklet

Education to spearhead the Virginia College Consortium project. The purpose of the project is to create a statewide network that brings together the Virginia ABC, drug/alcohol abuse prevention professionals, college and community leaders, law

DIVISION OF FINANCIAL MANAGEMENT SERVICES



The Financial Management Services Division is responsible for all fiscal functions of the agency including payroll, budget, cash receipts, cash disbursements and financial reporting. Our refined cash management efforts during the fiscal year allowed ABC to reduce yearly interest expense by approximately \$400,000. In addition to recording \$315 million in revenue, (excluding state taxes on sales), the division processed \$131 million in taxes for a total of \$446 million in deposits.

The Department of Account's decentralized audit of the Accounts Payable section resulted in a rating of "Exceptional Level of Performance." While paying the agency's bills for goods and

services, the section is responsible for ensuring the agency is in compliance with the Commonwealth's Accounting Policies and Procedures.

Record ABC store sales required the processing of nearly \$200 million in purchases of merchandise for resale. The division also processed \$46 million in payroll expenses and an additional \$22 million in other purchases.

DIVISION OF POLICY, ANALYSIS AND SUPPORT SERVICES

FY00 was a year of transition for this division in light of the agency-wide reorganization. The Education and Public Affairs offices separated from this division, and the new Policy section was added. As a result, the Division was renamed from Management Services to Policy, Analysis and Support Services. Primary business functions now include purchasing and

research and analysis, and legislative analysis.

Purchasing Section

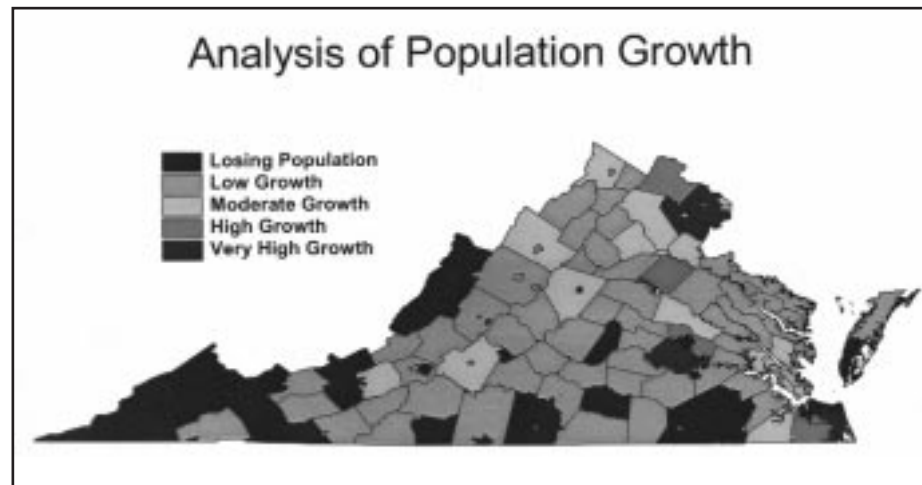
Purchasing staff acquired goods and services vital to agency business, such as the hauling contract, store fixtures, conference facilities, computer hardware and software, and consulting services.

Research and Analysis

Staff developed a statewide market location strategy to identify localities that might benefit from additional ABC service. They performed complex market studies to evaluate new store opportunities in such areas as Loudoun County, Henrico County, Arlington County and the city of Virginia Beach.

The division migrated to Arcview, a sophisticated geographic information system that allows the agency to graphically display demographic information along with store and licensee locations. This proved to be a very useful tool for analyzing store market characteristics. To our knowledge, no other control state is utilizing this capability.

Staff also performed operational studies such as an analysis of the wine label approval process and the half-case packing process, making recommendations for process improvement.



Market studies use state-of-the-art geographic information systems to identify service needs.

DIVISION OF INFORMATION TECHNOLOGY SERVICES



Teamwork in progress in the ITSD.

The mission of the Information Technology Services Division (ITSD) is to plan, implement, and support automated information system technologies that are justified and deployed agency-wide for the purpose of supporting ABC statutory / regulatory / administrative functions, improving operational productivity, and/or enhancing information availability, accuracy and timeliness.

ITSD put a tremendous amount of time, energy and resources into assuring the Year 2000 (Y2K) transition went smoothly. ABC converted, tested and implemented 25 major applications and applied Y2K patches to more than 700 agency workstations in the Central Office, eight regional offices and 245 retail stores prior to the new year. As a result, the Y2K conversion was completed without interruption of services or production operations.

ITSD staff continued to enhance the Computerized Organization of Resources for Enforcement (CORE) application, completing five training classes and implementing CORE in five regional offices. This has brought 60 new field agents on-line with immediate access to enforcement information that results in increased agent productivity and improved customer services.

During FY00, ABC also began the migration to Microsoft Office 2000 for all ABC workstations. The E-mail application, GroupWise, was upgraded for all employees. ITSD staff implemented Performance Accounting 1.4 that offers improved operations and efficiencies of accounting staff members, and meets Y2K requirements. Staff also initiated the Management of Inventory and Product Sales (MIPS) project, to upgrade the product distribution system, improve inventory accountability, and improve customer services.

In response to Governor Gilmore's Executive Order 51, ITSD initiated the collection and conversion of all state agency forms to Web-based formats. All 44 forms will be available to the public on the ABC Web site, www.abc.state.va.us, by December 31, 2000.

HUMAN RESOURCES



During the past fiscal year, 88 new classified employees joined ABC. Human

Resources screened thousands of applications and consulted with hiring managers to expeditiously fill vacancies and further enhance the quality of the organization's workforce. Continued development of a partnership with agency management resulted in significant improvements in employee relations practices in the agency and the successful resolution of related issues.

FY00 marked the beginning of the first major change in the Commonwealth's compensation system in more than 40 years. This is a significant departure from the previous system, and considerable training and education have been required to raise employee awareness and gain an

understanding of shared responsibilities. In addition to participating in the design of the state's training program, Human Resources Training staff customized the program for ABC managers and employees. A Salary Administration Plan tailored specifically for ABC was drafted. A toll-free number and E-mail box were established to answer employee questions and provide information. In addition to internal demands from this program, ABC Human Resources staff served on five committees at the state level to ensure that agency concerns were addressed, and to facilitate a smooth transition to the new program.

ABC employees were able to choose from an array of educational opportunities offered on a bi-annual training calendar. More than 450 employees attended professional development, skill development and Human Resources policy workshops conducted internally, and nine new training programs were designed and offered.

Wholesale/Retail training managers provided on-the-job training to 36 newly hired and/or promoted retail management personnel. A new technical training component was added, and Microsoft Office 2000 software training program was designed and implemented. Formal funding for tuition reimbursement was centralized in the Human Resources budget, and all employees seeking undergraduate or other degrees are eligible to participate.

A new retirement program, Virginia Law Enforcement Officer Retirement System (VALORS), was implemented for sworn employees. A Human Resources staff member served on the state Employee Recognition task force and assisted in drafting a new handbook and policy to provide agencies with more flexibility to recognize and reward employees. Service award luncheons, held in the spring, recognized 161 employees, and two employee suggestions, improving the way the agency does business, were adopted.

ADJUDICATION

The Mission of the Adjudication Division is to provide fair and expeditious resolution processes for all contested applications or allegation of violations of law and regulations regarding the manufacture, distribution, sale and consumption of alcoholic beverages in the Commonwealth of Virginia. Unnecessary delays and excessive litigation costs undermine the efforts of the Department to administer the laws fairly, properly and assure compliance.

The Adjudication Division was created as an independent division to establish the primacy of ABC's administrative law procedures as the principle dispute resolution mechanism. Those disputes may rise over the accuracy of a licensee's records, neighborhood concerns for peace, good order, quietude and tranquility

that are affected by licensee's or applicant's operations, and whether there are sales to underage or intoxicated individuals. Where an Administrative Law Judge/Hearing Officer (ALJ/HO) finds that a dispute is valid, there are sanctions and modifications of licensure that can be imposed to correct the situation. Parties that are dissatisfied with the initial result may appeal the decision to the full ABC Board.

Unlike many judicial and quasi-judicial proceedings, parties coming before the Adjudication Division's panels are not required to have counsel. While many licensees or applicants want to avail themselves of counsel, the ALJ/HOs of the division strive to assure that the quality of justice administered by each of them is equally high regardless of whether counsel is



The Hearing Room in ABC's Central Office.

present. Their knowledge of the law, experiences, and willingness to probe for the facts that will reveal the truth is the underpinning that supports fair and impartial application of ABC laws and regulations.

To improve judicial economy, the division has centered most of its statewide docket into ABC's regional offices. That reduces travel time and associated costs, increases the number

ADJUDICATION CONTINUED

of cases that can be heard, and enables the ALJ/HO to make full use of the regional office facilities, personnel and other resources.

Equally important has been the move to establish long range dockets. While cases cannot be set more than a few weeks forward, efforts have been undertaken to advise each office when they can expect cases to be heard in that region several months in advance. Case loads for each region vary and adjustments are often required; but, the system is beginning to take hold.

A more significant change involves the role of the Special Agents in Bureau of Law Enforcement Operations. They, as well as licensees and applicants, have been asked to take a more active role in each case. Agents not only set out the facts, they increasingly ask questions and raise objections, often parrying with licensee's counsel, in an effort to assure that the ALJ/HO has all the facts on which to make a solid deci-

sion. Where a licensee lacks counsel or chooses to proceed *pro se*, the same ALJ/HO makes sure that his rights are fully protected by intervening as appropriate. The greater number of facts and the more fully developed record helps assure the ABC community that any decision has been fully considered, is fair, impartially rendered, and supported.

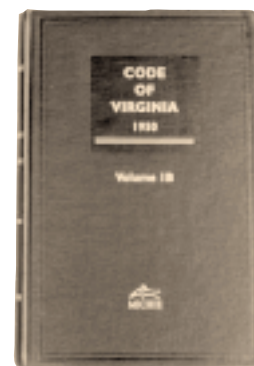
In addition to hearing contested applications and disciplinary proceedings, the Adjudication Division also hears cases involving the franchise rights between manufacturers and wholesalers. These cases, often involving several millions of dollars and the rights to distribute a product, are the most complex and time consuming. Inevitably, they contain the seeds of whether a product will be readily available at a fair price. This year has seen a significant rise in the number of franchise matters. While many are expected to settle, some are likely to remain active for an extended period of time. The number of motions,

exhibits, and the sheer volume of testimony demands careful consideration. Since franchise matters are heard *en banc*, the views of each ALJ/HO must be considered.

The year ahead holds new challenges. To meet the challenges of an ever increasing caseload, the Adjudication Division will examine the use of virtual courtrooms to enable parties to remain at regional locations while continuing to participate. This can help lower the costs of counsel, it can allow for the virtual presence of witnesses otherwise unavailable, and will speed the scheduling of cases in distant locations.

The Adjudication Division is committed to removing impediments that affect the quality of dispute resolution and eliminating the barriers that create adversity in the manufacture, distribution, sale and use of alcoholic beverages. This first year has shown that it can and will be done.

BOARD ADMINISTRATION



Board Administration facilitates all aspects of the appeal process for Board Appeals except for hearing the appeals and making the decisions. Responsibilities include: accepting appeal

notices; requesting transcripts; scheduling the appeals; checking in attendees; calling the cases; recording the appeals; and preparing final orders.

Board Administration also handles offers in compromise, which are plea bargains initiated by licensees. Staff receives the offers, reviews them, contacts ABC Enforcement, and prepares summaries for Board vote. After the vote, the licensee or their

attorney is contacted and a final order is prepared.

Staff responsibilities are similar for requests for modifications, late appeals and reconsiderations. After receiving and reviewing the requests, they are summarized for Board vote, parties are contacted, notices are prepared and/or final orders are issued.

The division is also responsible for regulations (initiating the rulemaking process) and Freedom of Information Act requests. They serve as the liaison between the agency and the Secretary of the Commonwealth on distribution and collection of Statements of Economic Interests.

Board Administration fields numerous phone inquiries about Virginia ABC laws. Many of the inquiries deal with the Wine and Beer Franchise Act. Others are regulatory or policy and

procedure matters. The division receives bankruptcy petitions that list the agency as a creditor. Board Administration is responsible for coordinating with various divisions to confirm that money is owed.

Permits authorizing the sale of alcoholic beverages warranted by particular situations such as foreclosures, bankruptcies and deaths are issued by the division.

When ABC administrative law cases are appealed to the Circuit Court, the division handles the Notice of Appeal and prepares necessary paperwork for the Attorney General. They also track the Circuit Court Cases.

The Board Administration Director is responsible for the official minutes of the ABC Board. The division also serves as a repository of important documents for the agency.

ADJUDICATION SUMMARY

CASES ADJUDICATED FOR FISCAL YEAR 2000

	FY 2000	FY 1999
Contested Applications		
Approved.....	27	45
Refused.....	16	16
SUBTOTAL	43	61
Disciplinary Proceedings		
Revoked.....	26	43
Suspended.....	164	148
Placed on Probation.....	93	80
Complaints Dismissed.....	32	19
Offers In Compromise.....	236	226
Consent Settlements.....	581	864
Wine and Beer Franchise Cases.....	0	1
SUBTOTAL	1,132	1,381
TOTAL	1,175	1,421
Revenues*.....	\$946,375.00	\$946,929.00

* Civil penalties and cost as a result of disciplinary action.

Source: Board Administration

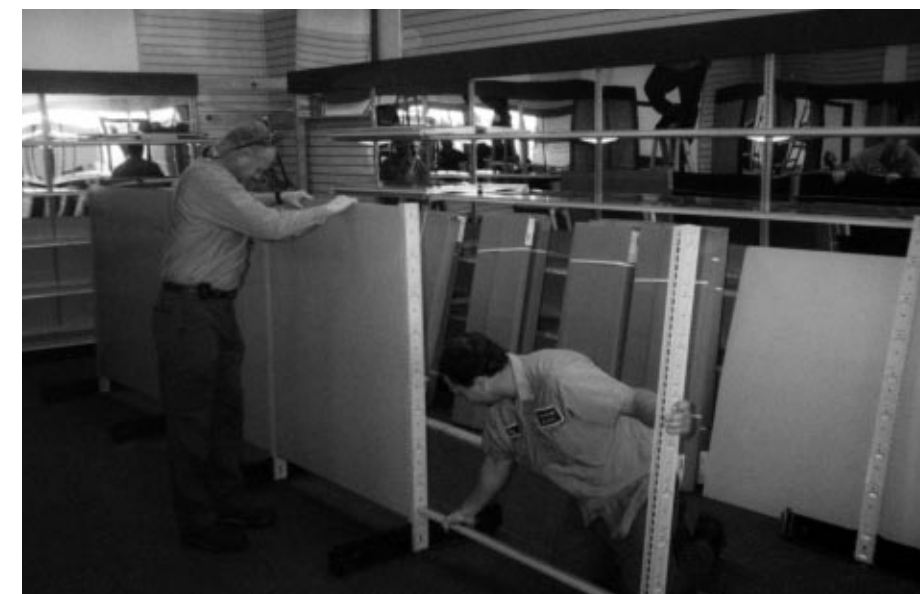
PROPERTY MANAGEMENT SERVICES

During FY00, the Real Estate Division was renamed Property Management Services to better reflect their primary responsibilities. The division maintains rented and owned properties including the Central Office and Warehouse, regional enforcement offices and ABC stores. Property Management Services negotiates and prepares leases for all agency-leased space. The staff also performs renovations, upgrades and repair work. Property Management Services staff was instrumental in the relocation of many offices within the Central Office and completed renovations throughout the building to improve operational efficiency.

A primary focus of the division during the past fiscal year was the opening of new stores and relocation of existing stores. Staff set up eight new stores

(Glen Allen, Stafford, Gainesville, Rosslyn, Ashburn, Daleville and two in Virginia Beach) and relocated six

(Hampton, St. Paul, Centerville, Midlothian, Fairfax and Fredericksburg), bringing the total to 251 stores



Employees install shelving and equipment in a new ABC store.

statewide. There are plans to open and relocate more stores in the next fiscal year.

Property Management Services staff continued work on its extensive maintenance reserve program to update ABC-owned facilities. ABC owns 18 properties: the Central Office, three regional enforcement offices with attached ABC stores and 14 freestanding ABC liquor stores. Property Management Services staff handles structural maintenance on owned properties, while landlords are

responsible for this type of maintenance on leased properties.

Ongoing projects include the modernization of retail stores, relocation of existing stores to improve service, and placement of new stores where demographics dictate. The agency's Real Estate Committee, which routinely meets twice monthly, performs considerable analysis regarding new store openings, relocations and closings. Sales, profitability and demographic reports are studied so that low volume stores can be closed while more

profitable stores are maintained or opened. This results in more profits to the general fund and localities.

Modernization efforts include an emphasis on updating interior store design and customizing fixtures and interior lighting to augment product displays. The division also replaces worn trade fixtures and equipment as needed and addresses Americans with Disabilities Act (ADA) compliance issues when doing renovations.

INTERNAL AUDIT



The internal Audit team pores over boxes of document from an investigation.

The Internal Audit Division has agency-wide responsibility for managing risk, ensuring that a proper internal control environment is in place, and adding value through creative business solutions/recommendations. The division had a successful first year at ABC after being re-established in June 1999.

Internal Audit is somewhat unique in that the responsibilities of the Office of Professional Standards (formerly assigned to the Agency's Law

Enforcement Division) were also assigned to the Internal Audit Division at the time of the division's creation. The basic responsibilities assumed by Internal Audit include conducting all administrative reviews and investigating all state hotline complaints.

The division has had the good fortune of recruiting quality personnel who have added value throughout the organization by identifying issues and providing solid recommendations and solutions. Staff members have worked closely with all divisions at ABC to enhance business processes and partner with line management to develop creative solutions where opportunities exist to mitigate risk. Internal Audit has provided input on major system development projects, compensation reform, and strategic planning efforts for the agency.

The major contribution the division has made to ABC is raising the awareness level of risk and internal

control in all components of ABC operations. The division is recognized in the agency's field offices and at the Central Office as a facilitator of change. The division's focus is to partner with the auditee to identify issues, document internal control deficiencies, and develop creative solutions to enhance business process and mitigate risk. The division was staffed with three full-time employees in FY00 and will expand to five full-time employees in FY01. The division completed more than 60 reviews and investigations this year.

The major challenge faced by the division was gaining acceptance and being perceived as a contributor. Long-term ABC employees have gained a comfort level with the division and recognize the value that a different set of eyes brings to the agency. The division also brings the perspective of partnering with the area being reviewed to develop joint solutions and improve the business process together.



W. Curtis Coleburn, III
Chief Operating Officer

The Virginia General Assembly enacted into law 16 alcohol-related measures during the 2000 session. The privileges of farm winery and amphitheater licensees and the extent local governments may control or tax the sale of alcoholic beverages were popular topics of discussion. The following enactments became effective July 1, 2000.

House Bill 1093 and Senate Bill 771 were identical bills which create two classes of farm wineries. Under the new scheme, farm wineries operating under the current laws will be designated as Class A farm wineries. Class A farm wineries will continue to be required to manufacture their wine using at least 51 percent fruit or other agricultural products grown or produced on the farm where the winery is located, and no more than 25 percent out of state fruit.

Class B wineries, who will pay a higher license tax, will not be required to have a vineyard or orchard of their own, but must have agreements to purchase fruit from Virginia growers. At least 75 percent of the fruit used to manufacture their wine must be grown or produced in the Commonwealth. These bills, as well as another measure, Senate Bill 591, will also for the first time allow farm wineries in

Virginia to produce fortified wine with an alcohol content of up to 18 percent.

Food concessionaires at outdoor performing arts amphitheatres in Prince William County and the City of Virginia Beach, presently limited to beer or wine and beer licenses, will be able to apply for mixed beverage licenses effective July 1. House Bill 795 creates this new license. An unrelated provision of this bill will allow Busch Gardens to operate a facility for the "education of persons in the manufacture of beer," including sampling, at its Williamsburg theme park.

In addition to the Prince William and Virginia Beach amphitheatres, two bills—House Bill 1978 and Senate Bill 769—allow for the issuance of a mixed beverage license to a smaller facility yet to be built in the City of Portsmouth. "Brown-bagging" provisions originally included in all the amphitheater bills were removed at the request of the governor. Issues involving attempts at local control of alcoholic beverages have been common at the General Assembly in recent years, and this year was no exception. House Bill 416 and Senate Bill 346 were identical bills designed to clarify local authority in the area of alcoholic beverage taxation. The new provision spells out that no



county, city or town may adopt any ordinance which imposes a sales or excise tax on alcoholic beverages.

This does not prevent localities from including alcoholic beverage sales in computing local sales or meals taxes, but prevents the imposition of specific alcohol taxes.

The City of Richmond sponsored two measures—one to give it additional authority in dealing with zoning permits where alcoholic beverage retailers are involved, and a second to expand the Board's authority to invoke the "twelve-month rule," which allows the Board to refuse a hearing in certain circumstances. House Bill 1456 gives Richmond the authority to require a review of special use permits issued to alcoholic beverage retailers upon a change of ownership or possession of the business. This provision will only apply to permits issued after July 1. House Bill 1455 allows the Board to refuse to hear an application for the lessening of restrictions on a license within twelve months of the issuance of the restricted license.

Senate Bill 523 repeals the one-year residency requirement prior to the issuance of wholesale beer or wine licenses to give compensation to

employees based upon a percentage of sales, as is currently allowed for wine and beer licensees.

House Bill 747 will allow ABC to accept payment of taxes, penalties or other fees imposed on a licensee through the use of credit or debit cards and assess a service fee on such transactions. This change in the law was sought by ABC to facilitate the possible use of the Internet to process applications for one-day events.

House Bill 991 gives courts the authority to require individuals issued a restricted driver's license as a result of a conviction of unlawful possession of alcoholic beverages to

be monitored by an alcohol safety action program.

Finally, ABC Act definitions of what constitutes a "restaurant" will be studied by a joint subcommittee created by House Joint Resolution 282. This study is designed to determine whether certain types of ABC licensed establishments might be redefined for the purpose of designating to which ones persons holding concealed weapon permits could legally carry their weapons. Presently, concealed weapon permittees are prohibited from carrying a concealed handgun onto the premises of any restaurant holding an ABC on-premises license.



	FY 2000	
	General Fund	Localities
ABC PROFITS	41,435,780	18,615,890
STATE TAXES	58,316,888	
GENERAL SALES TAX	12,962,232	
WINE LITER TAX	19,058,900	9,529,450
MALT BEVERAGE TAX	40,746,268	
	<u>172,520,068</u>	
	144,374,728	28,145,340
	172,520,068	172,520,068

- (1) Profits are reported in accordance with GAAP. Profits include licensing fees and ABC's portion (12%) of the Wine Liter Tax.
- (2) State Taxes (20%) on distilled spirits and (4%) on wine sold in ABC stores.
- (3) General Sales Tax (4.5%).
- (4) The non-ABC portion (88%) of the Wine Liter Tax. (rate= 40¢ per liter)

* Before audit.

SALES OF ALL BEVERAGES - FISCAL YEAR 2000*

State Store Sales	Gallons	Liters	Percent of Total	Gross Sales	Percent of Total
Distilled Spirits	6,837,472	25,882,635	96.1	\$350,958,512	98.7
Wines	41,623	157,559	0.6	1,629,217	0.5
Vermouth	40,326	152,649	0.6	1,001,714	0.3
Alcohol	744	2,815	0.0	37,255	0.0
Non-Alcohol Mixers	191,876	726,329	2.7	1,824,915	0.5
Total	7,112,040	26,921,987	100.0	\$355,451,612	100.0

Direct Sales from Wholesalers	Gallons	Liters	Percent of Total	Gross Revenue	Percent of Total
Wines (\$0.40 Liter)	14,011,611	53,039,692	8.5	\$21,215,877	33.9
Beer (\$7.95 Barrel)	150,672,535	570,357,321	91.5	41,432,322	66.1
Total	164,684,146	623,397,013	100.0	\$62,648,199	100.0

*Breakdown by category is estimated based on total sales.

Source: Policy Analysis & Support Services

CASE SALES COMPARISON - FISCAL YEAR 2000

	FY00	FY99	Difference	% Chg	% of Total Cases Sold
Distilled Spirits					
Straight Bourbon	335,489	336,560	(1,071)	(0.3)	
Canadian Whisky	182,828	183,623	(794)	(0.4)	
Scotch	138,772	136,304	2,468	1.8	
Blended Whiskey	82,229	80,896	1,332	1.6	
Tennessee Whiskey	81,776	77,729	4,047	5.2	
Domestic Whiskey	45,652	45,319	333	0.7	
Irish Whiskey	7,073	6,234	839	13.5	
Corn Whiskey	2,907	2,767	140	5.1	
Bottled in Bond	1,906	2,026	(120)	(5.9)	
Straight Rye Whiskey	604	572	32	5.5	
Subtotal - Distilled Spirits	879,236	872,030	7,206	0.8	32.7
Miscellaneous Distilled Spirits					
Vodka - Domestic	480,514	472,557	7,957	1.7	
Imported	75,185	63,204	11,980	19.0	
Flavored	26,938	21,209	5,729	27.0	
Total	582,637	556,971	25,666	4.6	
Gin - Domestic	225,650	231,464	(5,814)	(2.5)	
Imported	41,589	37,691	3,898	10.3	
Flavored	4,743	3,944	799	20.3	
Sloe Gin	1,536	1,527	9	0.6	
Total	273,518	274,625	(1,107)	(0.4)	
Rum - Domestic	238,066	215,050	23,017	10.7	
Imported	29,871	23,292	6,580	28.2	
Rock & Rye	1,109	1,081	28	2.6	
Total	269,047	239,422	29,624	12.4	
Brandy - Domestic	106,932	92,561	14,372	15.5	
Cognac/Armagnac	45,931	38,481	7,450	19.4	
Flavored	12,131	12,072	59	0.5	
Imported	8,004	8,524	(521)	(6.1)	
Total	172,998	151,638	21,359	14.1	
Cordials - Imported	112,280	100,357	11,924	11.9	
Domestic	110,161	101,116	9,045	8.9	
Total	222,441	201,473	20,968	10.4	
Tequila	103,460	90,403	13,058	14.4	
Cocktails	60,788	54,335	6,452	11.9	
Specialty Bottles	16,917	13,398	3,518	26.3	
Egg Nog	8,089	7,171	918	12.8	
Miscellaneous	7,214	5,930	1,284	21.6	
Alcohol	322	332	(10)	(3.1)	
Subtotal - Misc. Distilled Spirits	1,717,429	1,595,700	121,730	7.6	63.8

CASE SALES COMPARISON

	FY00	FY99	Difference	% Chg	% of Total Cases Sold
Vermouth					
Vermouth - Imported	9,248	8,503	745	8.8	
Domestic	7,298	7,495	(197)	(2.6)	
Subtotal - Vermouth	16,546	15,999	548	3.4	0.6
Subtotal - Virginia Wine	17,749	15,237	2,513	16.5	0.7
Subtotal - Non-Alcohol	61,457	53,567	7,890	14.7	2.3
Grand Total	2,692,418	2,552,532	139,886	5.5	100.0

Source: Wholesale/Retail Operations

DISTRIBUTION OF PROFITS AND WINE TAXES TO CITIES

Cities	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Alexandria	\$334,413.62	\$297,261.20	\$171,185.91	\$159,639.10
Bedford	18,579.20	16,515.11	9,510.66	8,869.15
Bristol	55,466.90	49,277.56	28,393.44	26,466.79
Buena Vista	19,267.99	17,127.38	9,863.27	9,197.96
Charlottesville	121,740.85	108,215.77	62,318.99	58,115.46
Chesapeake	457,132.03	406,345.92	234,005.31	218,221.22
Clifton Forge	14,073.51	12,509.98	7,204.21	6,718.28
Colonial Heights	48,317.36	42,949.43	24,733.60	23,065.27
Covington	21,650.17	19,244.90	11,082.69	10,335.15
Danville	159,582.04	141,852.91	81,689.84	76,179.72
Emporia	16,479.76	14,648.91	8,435.97	7,866.95
Fairfax	59,837.24	53,189.48	30,630.60	28,564.52
Falls Church	28,640.31	25,458.44	14,660.95	13,672.04
Franklin	25,048.98	22,266.11	12,822.55	11,957.64
Fredericksburg	57,229.47	50,871.44	29,295.69	27,319.65
Galax	20,149.28	17,910.74	10,314.40	9,618.66
Hampton	402,477.22	357,763.11	206,027.58	192,130.64
Harrisonburg	92,360.63	82,099.62	47,279.29	44,090.22
Hopewell	69,483.28	61,763.87	35,568.40	33,169.25
Lexington	20,931.31	18,605.90	10,714.71	9,991.98
Lynchburg	198,662.43	176,591.59	101,695.04	94,835.52
Manassas	82,630.39	73,450.39	42,298.38	39,445.29
Manassas Park	20,254.55	18,004.33	10,368.27	9,668.92
Martinsville	48,612.12	43,211.45	24,884.48	23,205.99
Newport News	515,654.86	458,367.03	263,963.07	246,158.27
Norfolk	785,788.72	698,489.76	402,244.25	375,112.13
Norton	12,774.14	11,354.96	6,539.07	6,097.99
Petersburg	111,369.95	98,997.05	57,010.13	53,164.70
Poquoson	33,100.88	29,423.46	16,944.30	15,801.37
Portsmouth	312,540.89	277,818.45	159,989.28	149,197.71
Radford	47,944.40	42,617.89	24,542.67	22,887.22
Richmond	609,976.57	542,209.86	312,246.23	291,184.66
Roanoke	290,280.13	258,030.80	148,594.02	138,571.09
Salem	71,576.70	63,624.73	36,640.04	34,168.58
Staunton	73,573.89	65,400.03	37,662.38	35,121.98
Suffolk	156,835.91	139,411.87	80,284.11	74,868.79
Virginia Beach	1,182,334.55	1,050,980.44	605,235.55	564,411.31
Waynesboro	55,791.74	49,593.44	28,559.73	26,633.32
Williamsburg	34,316.03	30,503.62	17,566.33	16,381.45
Winchester	66,012.27	58,678.50	33,791.59	31,512.30
TOTAL	\$6,752,892.27	\$6,002,637.43	\$3,456,796.98	\$3,223,618.24

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Accomack	\$65,137.00	\$57,900.46	\$33,343.54	\$31,094.46
Accomac	1,401.63	1,245.92	717.50	669.10
Belle Haven	1,582.10	1,406.33	809.88	755.25
Bloxom	1,073.78	954.49	549.68	512.60
Chincoteague	10,743.87	9,550.27	5,499.79	5,128.80
Hallwood	685.78	609.59	351.05	327.37
Keller	706.83	628.31	361.83	337.42
Melfa	1,287.33	1,144.32	659.00	614.54
Onancock	4,313.20	3,834.01	2,207.91	2,058.99
Onley	1,600.15	1,422.38	819.11	763.86
Painter	779.02	692.48	398.78	371.88
Parksley	2,343.08	2,082.76	1,199.42	1,118.51
Saxis	1,103.86	981.23	565.07	526.95
Tangier	1,982.15	1,761.93	1,014.66	946.21
Wachapreague	875.27	778.04	448.05	417.83
Subtotal	95,615.05	84,992.52	48,945.27	45,643.77
Albemarle	203,538.07	180,925.56	104,190.88	97,163.02
Scottsville	1,567.06	1,392.97	802.17	748.08
Subtotal	205,105.13	182,318.53	104,993.05	97,911.10
Alleghany	37,753.95	33,559.59	19,326.20	18,022.61
Iron Gate	1,254.25	1,114.92	642.05	598.74
Subtotal	39,008.20	34,674.51	19,968.25	18,621.35
Amelia	26,429.57	23,493.32	13,529.26	12,616.69
Subtotal	26,429.57	23,493.32	13,529.26	12,616.69
Amherst	79,935.38	71,054.79	40,918.83	38,158.77
Amherst	6,021.62	5,352.63	3,082.45	2,874.54
Subtotal	85,957.00	76,407.42	44,001.28	41,033.31
Appomattox	31,308.22	27,829.96	16,026.65	14,945.61
Appomattox	5,134.32	4,563.91	2,628.26	2,450.97
Pamplin City	625.62	556.12	320.25	298.66
Subtotal	37,068.16	32,949.99	18,975.16	17,695.24
Arlington	514,024.63	456,917.90	263,128.56	245,380.04
Subtotal	514,024.63	456,917.90	263,128.56	245,380.04
Augusta	161,973.24	143,978.46	82,913.90	77,321.20
Craigsville	2,442.34	2,171.00	1,250.23	1,165.89
Subtotal	164,415.58	146,149.46	84,164.13	78,487.09
Bath	14,434.45	12,830.82	7,388.98	6,890.57
Subtotal	14,434.45	12,830.82	7,388.98	6,890.57
Bedford	137,011.48	121,789.89	70,136.00	65,405.19
Subtotal	137,011.48	121,789.89	70,136.00	65,405.19

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Bland	19,592.78	17,416.12	10,029.55	9,353.04
Subtotal	19,592.78	17,416.12	10,029.55	9,353.04
Botetourt	69,417.10	61,705.05	35,534.53	33,137.65
Buchanan	3,675.54	3,267.19	1,881.50	1,754.58
Fincastle	709.84	630.98	363.38	338.86
Troutville	1,368.55	1,216.50	700.56	653.31
Subtotal	75,171.03	66,819.72	38,479.97	35,884.40
Brunswick	41,640.03	37,013.94	21,315.48	19,877.71
Alberta	1,013.63	901.02	518.88	483.87
Brodnax	1,167.03	1,037.37	597.40	557.11
Lawrenceville	4,469.60	3,973.04	2,287.99	2,133.65
Subtotal	48,290.29	42,925.37	24,719.75	23,052.34
Buchanan	90,318.33	80,284.20	46,233.84	43,115.29
Grundy	3,925.18	3,489.11	2,009.30	1,873.76
Subtotal	94,243.51	83,773.31	48,243.14	44,989.05
Buckingham	37,341.87	33,193.31	19,115.27	17,825.91
Dillwyn	1,377.57	1,224.53	705.18	657.61
Subtotal	38,719.44	34,417.84	19,820.45	18,483.52
Campbell	127,957.98	113,742.20	65,501.53	61,083.34
Altavista	11,086.77	9,855.05	5,675.30	5,292.49
Brookneal	4,042.49	3,593.37	2,069.34	1,929.77
Subtotal	143,087.24	127,190.62	73,246.17	68,305.60
Caroline	54,290.86	48,259.29	27,791.42	25,916.83
Bowling Green	2,896.52	2,574.72	1,482.71	1,382.71
Port Royal	613.59	545.42	314.10	292.90
Subtotal	57,800.97	51,379.43	29,588.23	27,592.44
Carroll	72,572.29	64,509.71	37,149.66	34,643.85
Hillsville	7,330.02	6,515.67	3,752.22	3,499.12
Subtotal	79,902.31	71,025.38	40,901.88	38,142.97
Charles City	18,895.02	16,795.83	9,672.35	9,019.92
Subtotal	18,895.02	16,795.83	9,672.35	9,019.92
Charlotte	29,058.39	25,830.09	14,874.96	13,871.60
Charlotte Court House	1,597.14	1,419.70	817.57	762.43
Drakes Branch	1,699.41	1,510.61	869.92	811.25
Keysville	2,018.24	1,794.02	1,033.13	963.45
Phenix	782.02	695.16	400.32	373.32
Subtotal	35,155.20	31,249.58	17,995.90	16,782.05
Chesterfield	630,327.37	560,299.74	322,663.78	300,899.51
Subtotal	630,327.37	560,299.74	322,663.78	300,899.51

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Clarke	25,027.49	22,252.75	12,810.52	11,950.46
Berryville	9,805.88	8,710.73	5,020.64	4,677.95
Boyce	1,564.06	1,390.29	800.63	746.63
Subtotal	36,397.43	32,353.77	18,631.79	17,375.04
Craig	12,692.94	11,282.78	6,497.49	6,059.23
New Castle	457.18	406.39	234.04	218.25
Subtotal	13,150.12	11,689.17	6,731.53	6,277.48
Culpeper	57,779.91	51,360.73	29,577.46	27,582.42
Culpeper	25,809.96	22,942.54	13,212.09	12,320.92
Subtotal	83,589.87	74,303.27	42,789.55	39,903.34
Cumberland	22,305.88	19,827.76	11,418.34	10,648.16
Subtotal	22,305.88	19,827.76	11,418.34	10,648.16
Dickenson	44,629.78	39,671.55	22,845.93	21,304.94
Clinchco	3,061.94	2,721.77	1,567.41	1,461.68
Clintwood	4,638.03	4,122.76	2,374.20	2,214.05
Haysi	667.73	593.55	341.82	318.75
Subtotal	52,997.48	47,109.63	27,129.36	25,299.42
Dinwiddie	65,970.17	58,641.05	33,770.04	31,492.18
McKenney	1,161.01	1,032.02	594.33	554.23
Subtotal	67,131.18	59,673.07	34,364.37	32,046.41
Essex	21,235.10	18,875.94	10,870.22	10,137.00
Tappahannock	4,899.72	4,355.37	2,508.15	2,338.98
Subtotal	26,134.82	23,231.31	13,378.37	12,475.98
Fairfax	2,367,716.03	2,104,669.28	1,212,030.82	1,130,277.11
Clifton	529.38	470.56	270.98	252.70
Herndon	48,542.94	43,149.96	24,849.07	23,172.94
Vienna	44,671.89	39,708.97	22,867.49	21,325.04
Subtotal	2,461,460.24	2,187,998.77	1,260,018.36	1,175,027.79
Fauquier	129,934.12	115,498.79	66,513.10	62,026.67
Remington	1,383.59	1,229.87	708.26	660.49
The Plains	658.71	585.52	337.19	314.45
Warrenton	14,984.88	13,320.10	7,670.74	7,153.34
Subtotal	146,961.30	130,634.28	75,229.29	70,154.95
Floyd	34,797.29	30,931.41	17,812.67	16,611.19
Floyd	1,191.10	1,058.76	609.72	568.60
Subtotal	35,988.39	31,990.17	18,422.39	17,179.79
Fluvanna	37,152.39	33,024.86	19,018.26	17,735.44
Columbia	174.45	155.07	89.30	83.28
Subtotal	37,326.84	33,179.93	19,107.56	17,818.72

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Franklin	105,910.78	94,144.39	54,215.60	50,558.65
Boones Mill	718.86	639.01	367.98	343.17
Rocky Mount	12,325.97	10,956.59	6,309.65	5,884.06
Subtotal	118,955.61	105,739.99	60,893.23	56,785.88
Frederick	130,767.30	116,239.40	66,939.61	62,424.40
Middletown	3,191.27	2,836.74	1,633.61	1,523.43
Stephens City	3,567.25	3,170.94	1,826.07	1,702.90
Subtotal	137,525.82	122,247.08	70,399.29	65,650.73
Giles	29,362.18	26,100.12	15,030.47	14,016.63
Glen Lyn	511.32	454.52	261.74	244.10
Narrows	6,262.24	5,566.52	3,205.63	2,989.41
Pearisburg	7,874.43	6,999.60	4,030.91	3,759.02
Pembroke	3,200.31	2,844.75	1,638.23	1,527.73
Rich Creek	2,015.23	1,791.35	1,031.59	962.01
Subtotal	49,225.71	43,756.86	25,198.57	23,498.90
Gloucester	90,628.14	80,559.60	46,392.42	43,263.17
Subtotal	90,628.14	80,559.60	46,392.42	43,263.17
Goochland	42,599.52	37,866.83	21,806.64	20,335.74
Subtotal	42,599.52	37,866.83	21,806.64	20,335.74
Grayson	43,324.40	38,511.19	22,177.70	20,681.78
Fries	2,075.38	1,844.81	1,062.40	990.73
Independence	2,971.72	2,641.56	1,521.21	1,418.61
Troutdale	589.54	524.03	301.79	281.43
Subtotal	48,961.04	43,521.59	25,063.10	23,372.55
Greene	30,198.36	26,843.40	15,458.49	14,415.79
Stanardsville	773.00	687.13	395.70	369.01
Subtotal	30,971.36	27,530.53	15,854.19	14,784.80
Greensville	24,688.05	21,945.29	12,637.78	11,785.34
Subtotal	24,688.05	21,945.29	12,637.78	11,785.34
Halifax	76,137.22	67,710.06	38,897.13	36,362.54
Clover	139.02	529.38	70.57	284.30
Halifax	2,561.31	1,839.46	1,389.14	987.85
Scottsburg	457.18	406.39	234.04	218.25
South Boston	28,592.18	25,415.67	14,636.30	13,649.05
Virgilina	484.26	430.46	247.89	231.17
Subtotal	108,371.17	96,331.42	55,475.07	51,733.16
Hanover	172,043.36	152,929.82	88,068.78	82,128.37
Ashland	18,368.66	16,327.95	9,402.89	8,768.66
Subtotal	190,412.02	169,257.77	97,471.67	90,897.03

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Henrico	655,247.03	582,450.88	335,420.13	312,795.41
Subtotal	655,247.03	582,450.88	335,420.13	312,795.41
Henry	169,008.48	150,232.11	86,515.23	80,679.61
Ridgeway	2,261.87	2,010.57	1,157.85	1,079.75
Subtotal	171,270.35	152,242.68	87,673.08	81,759.36
Highland	7,257.83	6,451.50	3,715.28	3,464.68
Monterey	667.73	593.55	341.82	318.75
Subtotal	7,925.56	7,045.05	4,057.10	3,783.43
Isle of Wight	57,118.18	50,772.53	29,238.73	27,266.52
Smithfield	15,153.31	13,469.82	7,756.96	7,233.75
Windsor	3,083.00	2,740.49	1,578.18	1,471.74
Subtotal	75,354.49	66,982.84	38,573.87	35,972.01
James City	105,182.90	93,497.36	53,842.98	50,211.18
Subtotal	105,182.90	93,497.36	53,842.98	50,211.18
King and Queen	18,916.07	16,814.56	9,683.12	9,029.97
Subtotal	18,916.07	16,814.56	9,683.12	9,029.97
King George	40,686.57	36,166.39	20,827.41	19,422.55
Subtotal	40,686.57	36,166.39	20,827.41	19,422.55
King William	23,987.23	21,322.31	12,279.05	11,450.79
West Point	8,836.93	7,855.17	4,523.62	4,218.49
Subtotal	32,824.16	29,177.48	16,802.67	15,669.28
Lancaster	26,995.03	23,995.97	13,818.73	12,886.62
Irvington	1,491.87	1,326.14	763.69	712.18
Kilmarnock	3,335.65	2,965.07	1,707.52	1,592.34
White Stone	1,118.90	994.59	572.77	534.13
Subtotal	32,941.45	29,281.77	16,862.71	15,725.27
Lee	64,490.32	57,325.62	33,012.51	30,785.76
Jonesville	2,788.24	2,478.47	1,427.28	1,331.01
Pennington Gap	5,781.00	5,138.76	2,959.28	2,759.68
Saint Charles	619.60	550.77	317.18	295.79
Subtotal	73,679.16	65,493.62	37,716.25	35,172.24
Loudoun	197,287.86	175,369.72	100,991.40	94,179.34
Hamilton	2,105.47	1,871.55	1,077.78	1,005.09
Hillsboro	216.56	192.51	110.86	103.38
Leesburg	48,732.44	43,318.40	24,946.07	23,263.42
Lovettsville	2,252.85	2,002.56	1,153.24	1,075.45
Middleburg	1,651.28	1,467.82	845.30	788.28
Purcellville	5,266.66	4,681.55	2,696.00	2,514.15
Round Hill	1,546.02	1,374.25	791.40	738.01
Subtotal	259,059.14	230,278.36	132,612.05	123,667.12

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Louisa	56,444.45	50,173.61	28,893.85	26,944.89
Louisa	3,272.49	2,908.93	1,675.18	1,562.19
Mineral	1,416.68	1,259.29	725.19	676.28
Subtotal	61,133.62	54,341.83	31,294.22	29,183.36
Lunenburg	25,039.97	22,258.10	12,817.92	11,953.34
Kenbridge	3,801.88	3,379.49	1,946.18	1,814.90
Victoria	5,504.28	4,892.77	2,817.62	2,627.57
Subtotal	34,346.13	30,530.36	17,581.72	16,395.81
Madison	35,016.84	31,126.58	17,925.08	16,716.00
Madison	923.40	820.81	472.69	440.80
Subtotal	35,940.24	31,947.39	18,397.77	17,156.80
Mathews	25,109.14	22,319.58	12,853.35	11,986.36
Subtotal	25,109.14	22,319.58	12,853.35	11,986.36
Mecklenburg	60,965.17	54,192.10	31,208.00	29,102.95
Boydton	1,362.53	1,211.15	697.48	650.44
Chase City	7,345.06	6,529.04	3,759.93	3,506.31
Clarksville	3,738.69	3,323.34	1,913.84	1,784.74
LaCrosse	1,651.28	1,467.82	845.30	788.28
South Hill	12,683.91	11,274.75	6,492.88	6,054.92
Subtotal	87,746.64	77,998.20	44,917.43	41,887.64
Middlesex	24,435.41	21,720.69	12,508.45	11,664.74
Urbanna	1,591.13	1,414.35	814.50	759.56
Subtotal	26,026.54	23,135.04	13,322.95	12,424.30
Montgomery	72,864.05	64,769.04	37,299.01	34,783.12
Blacksburg	104,322.66	92,732.71	53,402.64	49,800.53
Christiansburg	45,129.09	40,115.37	23,101.52	21,543.27
Subtotal	222,315.80	197,617.12	113,803.17	106,126.92
Nelson	38,433.72	34,163.82	19,674.18	18,347.12
Subtotal	38,433.72	34,163.82	19,674.18	18,347.12
New Kent	31,416.51	27,926.22	16,082.07	14,997.32
Subtotal	31,416.51	27,926.22	16,082.07	14,997.32
Northampton	27,617.65	24,549.41	14,137.45	13,183.84
Cape Charles	4,222.97	3,753.80	2,161.73	2,015.91
Cheriton	1,579.10	1,403.66	808.35	753.81
Eastville	556.44	494.63	284.85	265.63
Exmore	3,353.70	2,981.11	1,716.76	1,600.95
Nassawadox	1,696.40	1,507.93	868.38	809.81
Subtotal	39,026.26	34,690.54	19,977.52	18,629.95
Northumberland	31,485.69	27,987.71	16,117.49	15,030.33
Subtotal	31,485.69	27,987.71	16,117.49	15,030.33

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Nottoway	25,003.87	22,226.02	12,799.45	11,936.11
Blackstone	11,637.20	10,344.34	5,957.07	5,555.26
Burkeville	1,609.17	1,430.40	823.73	768.16
Crewe	6,845.76	6,085.23	3,504.34	3,267.96
Subtotal	45,096.00	40,085.99	23,084.59	21,527.49
Orange	49,601.69	44,091.09	25,391.04	23,678.37
Gordonsville	4,063.54	3,612.09	2,080.11	1,939.81
Orange	10,764.93	9,568.98	5,510.56	5,138.86
Subtotal	64,430.16	57,272.16	32,981.71	30,757.04
Page	41,218.94	36,639.64	21,099.93	19,676.69
Luray	13,796.80	12,264.01	7,062.56	6,586.18
Shenandoah	6,656.27	5,916.78	3,407.33	3,177.51
Stanley	3,567.25	3,170.94	1,826.07	1,702.90
Subtotal	65,239.26	57,991.37	33,395.89	31,143.28
Patrick	49,652.83	44,136.54	25,417.23	23,702.78
Stuart	2,902.52	2,580.07	1,485.80	1,385.58
Subtotal	52,555.35	46,716.61	26,903.03	25,088.36
Pittsylvania	155,175.61	137,936.03	79,434.20	74,076.21
Chatham	4,072.57	3,620.12	2,084.74	1,944.12
Gretna	4,310.19	3,831.34	2,206.38	2,057.56
Hurt	3,892.10	3,459.69	1,992.37	1,857.97
Subtotal	167,450.47	148,847.18	85,717.69	79,935.86
Powhatan	46,103.61	40,981.62	23,600.39	22,008.49
Subtotal	46,103.61	40,981.62	23,600.39	22,008.49
Prince Edward	33,660.34	29,920.76	17,230.69	16,068.45
Farmville	19,586.82	17,410.77	10,026.48	9,350.16
Subtotal	53,247.16	47,331.53	27,257.17	25,418.61
Prince George	82,395.78	73,241.84	42,178.29	39,333.28
Subtotal	82,395.78	73,241.84	42,178.29	39,333.28
Prince William	632,769.71	562,470.74	323,914.02	302,065.42
Dumfries	12,879.42	11,448.55	6,592.95	6,148.25
Haymarket	1,452.76	1,291.37	743.67	693.52
Occoquan	1,055.74	938.44	540.43	503.98
Quantico	2,015.23	1,791.35	1,031.59	962.01
Subtotal	650,172.86	577,940.45	332,822.66	310,373.18
Pulaski	67,672.57	60,154.34	34,641.50	32,304.88
Dublin	6,051.70	5,379.37	3,097.85	2,888.89
Pulaski	30,032.92	26,696.35	15,373.82	14,336.83
Subtotal	103,757.19	92,230.06	53,113.17	49,530.60

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Rappahannock	19,322.14	17,175.50	9,890.97	9,223.80
Washington	595.54	529.38	304.86	284.30
Subtotal	19,917.68	17,704.88	10,195.83	9,508.10
Richmond	18,898.03	16,850.95	9,673.88	9,043.52
Warsaw	2,977.72	2,594.46	1,524.30	1,399.31
Subtotal	21,875.75	19,445.41	11,198.18	10,442.83
Roanoke	215,512.14	191,569.34	110,320.39	102,879.07
Vinton	22,988.67	20,434.67	11,767.86	10,974.10
Subtotal	238,500.81	212,004.01	122,088.25	113,853.17
Rockbridge	50,663.45	45,034.88	25,934.54	24,185.21
Glasgow	3,428.89	3,047.96	1,755.26	1,636.86
Goshen	1,100.86	978.56	563.53	525.51
Subtotal	55,193.20	49,061.40	28,253.33	26,347.58
Rockingham	136,500.16	121,335.36	69,874.26	65,161.10
Bridgewater	11,790.59	10,480.68	6,035.59	5,628.48
Broadway	5,597.53	4,975.66	2,865.36	2,672.09
Dayton	3,365.74	2,991.81	1,722.91	1,606.70
Elkton	5,820.10	5,173.50	2,979.30	2,778.34
Grottoes	4,376.35	3,890.15	2,240.26	2,089.13
Mount Crawford	685.78	609.59	351.05	327.37
Timberville	4,800.46	4,267.14	2,457.35	2,291.59
Subtotal	172,936.71	153,723.89	88,526.08	82,554.80
Russell	71,958.69	63,964.28	36,835.56	34,350.95
Castlewood	0.00	0.00	0.00	0.00
Cleveland	643.68	572.16	329.50	307.27
Honaker	2,857.41	2,539.97	1,462.71	1,364.04
Lebanon	10,223.52	9,087.73	5,233.41	4,880.40
Subtotal	85,683.30	76,164.14	43,861.18	40,902.66
Scott	56,077.50	49,847.43	28,706.01	26,769.73
Clinchport	201.52	179.13	103.15	96.20
Duffield	162.43	144.38	83.15	77.54
Dungannon	751.95	668.41	384.92	358.95
Gate City	6,659.27	5,919.45	3,408.87	3,178.94
Nickelsville	1,236.21	1,098.86	632.81	590.13
Weber City	4,704.21	4,181.59	2,408.08	2,245.64
Subtotal	69,793.09	62,039.25	35,726.99	33,317.13
Shenandoah	61,801.34	54,935.38	31,636.03	29,502.12
Edinburg	2,586.71	2,299.33	1,324.14	1,234.82
Mount Jackson	4,761.35	4,232.38	2,437.34	2,272.93
New Market	4,316.19	3,836.69	2,209.46	2,060.43
Strasburg	11,315.36	10,058.25	5,792.32	5,401.62
Toms Brook	682.77	606.91	349.50	325.93
Woodstock	9,691.15	8,614.49	4,960.88	4,626.26
Subtotal	95,154.87	84,583.43	48,709.67	45,424.11

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Smyth	65,347.53	58,087.60	33,451.32	31,194.98
Chilhowie	5,928.39	5,269.76	3,034.73	2,830.03
Marion	19,941.74	17,726.26	10,208.15	9,519.60
Saltville	6,917.95	6,149.38	3,541.29	3,302.43
Subtotal	98,135.61	87,233.00	50,235.49	46,847.04
Southampton	43,543.97	38,706.36	22,290.11	20,786.60
Boykins	1,979.13	1,759.25	1,013.13	944.77
Branchville	165.43	147.05	84.69	78.98
Capron	433.13	385.00	221.71	206.76
Courtland	3,281.51	2,916.95	1,679.80	1,566.50
Ivor	974.52	866.26	498.86	465.22
Newsoms	1,013.63	901.02	518.88	483.87
Subtotal	51,391.32	45,681.89	26,307.18	24,532.70
Spotsylvania	172,656.96	153,475.25	88,382.87	82,421.29
Subtotal	172,656.96	153,475.25	88,382.87	82,421.29
Stafford	184,185.87	163,723.32	94,284.51	87,924.85
Subtotal	184,185.87	163,723.32	94,284.51	87,924.85
Surry	15,911.28	14,143.58	8,144.96	7,595.57
Claremont	1,076.80	957.17	551.21	514.03
Dendron	917.38	815.46	469.61	437.92
Surry	577.49	513.34	295.62	275.68
Subtotal	18,482.95	16,429.55	9,461.40	8,823.20
Sussex	19,701.12	17,512.38	10,084.97	9,404.72
Jarratt	1,672.35	1,486.55	856.07	798.32
Stony Creek	815.11	724.55	417.25	389.10
Wakefield	3,218.35	2,860.80	1,647.48	1,536.35
Waverly	6,686.34	5,943.51	3,422.74	3,191.87
Subtotal	32,093.27	28,527.79	16,428.51	15,320.36
Tazewell	90,721.38	80,642.48	46,440.15	43,307.67
Bluefield	16,130.85	14,338.76	8,257.36	7,700.39
Ceder Bluff	3,880.07	3,448.99	1,986.20	1,852.23
Pocahontas	1,543.00	1,371.58	789.86	736.59
Richlands	13,402.77	11,913.76	6,860.86	6,398.08
Tazewell	12,560.59	11,165.15	6,429.76	5,996.05
Subtotal	138,238.66	122,880.72	70,764.19	65,991.01
Warren	42,930.38	38,160.94	21,976.01	20,493.68
Front Royal	35,699.62	31,733.49	18,274.59	17,041.94
Subtotal	78,630.00	69,894.43	40,250.60	37,535.62
Washington	109,059.95	96,970.82	55,827.65	52,073.44
Abingdon	21,063.64	18,723.54	10,782.45	10,055.16
Damascus	2,761.16	2,454.41	1,413.44	1,318.09
Glade Spring	4,316.19	3,836.69	2,209.46	2,060.43

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 2000	Total Profits FY 1999	Wine Tax FY 2000	Wine Tax FY 1999
Subtotal	137,200.94	121,985.46	70,233.00	65,507.12
Westmoreland	36,060.56	32,054.33	18,459.36	17,214.23
Colonial Beach	9,420.44	8,373.85	4,822.31	4,497.03
Montross	1,079.81	959.84	552.74	515.47
Subtotal	46,560.81	41,388.02	23,834.41	22,226.73
Wise	77,153.18	68,581.66	39,494.61	36,830.62
Appalachia	5,997.57	5,331.24	3,070.14	2,863.06
Big Stone Gap	14,281.06	12,694.47	7,310.45	6,817.35
Coeburn	6,511.90	5,788.44	3,333.43	3,108.58
Pound	2,992.76	2,660.27	1,531.99	1,428.66
Saint Paul	3,028.86	2,692.35	1,550.47	1,445.88
Wise	9,603.91	8,536.95	4,916.23	4,584.63
Subtotal	119,569.24	106,285.38	61,207.32	57,078.78
Wythe	49,214.99	44,016.21	25,145.12	23,638.16
Rural Retreat	3,226.07	2,598.79	1,699.39	1,395.64
Wytheville	24,170.71	21,485.41	12,372.95	11,538.38
Subtotal	76,611.77	68,100.41	39,217.46	36,572.18
York	126,688.70	112,613.93	64,851.77	60,477.41
Yorktown	944.45	839.53	483.47	450.85
Subtotal	127,633.15	113,453.46	65,335.24	60,928.26
Total	\$11,862,997.37	\$10,545,078.09	\$6,072,653.50	\$5,663,053.01

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District	City/County	Gallons Sold	Gross Sales Inc. Tax (1)	Less State Tax (2)	Net Sales
137 692 Highway 58 East	Norton City	14,516	\$708,462	\$117,272	\$591,191
R 194 16427-E Wise St. (Saint Paul)	Wise County	6,495	306,371	50,997	255,374
205 Main St (Pound)	Wise County	8,019	355,270	58,910	296,360
206 18 East 4th St, N (Big Stone Gap)	Wise County	11,456	519,104	86,166	432,938
218 Main St, Route 23 S (Gate City)	Scott County	12,017	533,172	88,357	444,815
Planning District 1 - - Far Southwest		52,502	\$2,422,379	\$401,702	\$2,020,677
174 South Main St, Route 460 (Grundy)	Buchanan County	6,684	\$318,531	\$52,746	\$265,785
197 2004 Second St (Richlands)	Tazewell County	12,998	602,309	100,083	502,227
230 722 East Riverside	Tazewell County	10,325	481,984	79,995	401,989
319 Main St (Haysi) (conv)	Dickenson County	3,380	149,427	24,853	124,574
Planning District 2 - - Southwest		33,387	\$1,552,251	\$257,677	\$1,294,574
135 220 Broad St (Marion)	Smyth County	22,929	\$1,014,018	\$167,805	\$846,213
141 441 W Stuart Dr (Hillsville)	Carroll County	25,104	1,087,091	179,642	907,449
153 325 West Main St (Wytheville)	Wythe County	21,175	987,410	163,476	823,934
201 545 West Main St (Abingdon)	Washington County	39,397	1,881,133	310,587	1,570,545
343 2123 Euclid Ave	Bristol City	36,395	1,690,258	279,428	1,410,830
Planning District 3 - - Wytheville/Hillsville		145,000	\$6,659,910	\$1,100,939	\$5,558,971
195 100 North Franklin St (Christiansburg)	Montgomery County	29,576	\$1,385,240	\$228,653	\$1,156,587
199 3745 Virginia Ave (Pearisburg)	Giles County	13,748	605,997	100,395	505,602
327 1300 South Main St (Blacksburg)	Montgomery County	67,554	3,251,571	535,527	2,716,044
345 1072 Memorial Square Drive	Pulaski County	20,729	911,705	150,998	760,708
356 97 Walker St	Radford City	30,033	1,347,784	222,905	1,124,879
Planning District 4 - - Radford/Blacksburg		161,640	\$7,502,296	\$1,238,478	\$6,263,818
114 415 Jefferson St, S	Roanoke City	4,869	\$209,041	\$34,707	\$174,334
115 1423 Williamson Road, NE	Roanoke City	58,225	2,944,211	488,334	2,455,877
123 531 Main St	Clifton Forge City	6,991	322,232	53,380	268,851
124 123 West Main St	Covington City	14,054	636,552	105,752	530,801
186 1483 West Main St	Salem City	35,844	1,650,992	272,596	1,378,396
229 3434 Orange Ave, NE	Roanoke City	14,091	633,825	105,060	528,766
259 1507 Hershberger Road, NW	Roanoke City	48,087	2,219,504	366,065	1,853,439
269 602 Brandon Ave, SW	Roanoke City	57,478	2,790,277	460,168	2,330,109
289 3341 Melrose Ave, NW	Roanoke City	29,591	1,435,366	238,080	1,197,286
300 19758 Main St (Buchanan) (conv)	Botetourt County	3,788	157,652	26,062	131,589
309 3901 Brambleton Ave, SW	Roanoke County	41,765	1,896,944	312,629	1,584,315
337 1113 Vinyard Road (Vinton)	Roanoke County	22,186	957,261	158,542	798,718
NS 364 56 Kingston Dr (Daleville)	Botetourt County	71	3,521	572	2,949
Planning District 5 - - Roanoke		337,041	\$15,857,377	\$2,621,948	\$13,235,429
113 39 1/2 East Main St (Hot Springs)	Bath County	7,926	\$494,273	\$80,524	\$413,749
122 201 State St	Staunton City	21,247	977,463	161,440	816,022
140 445 East Nelson St	Lexington City	28,060	1,318,678	216,207	1,102,471
145 398 North Main St	Harrisonburg City	33,075	1,525,187	251,710	1,273,477
147 Water St, PO Box 111 (Monterey)	Highland County	2,027	89,636	14,570	75,066
162 2066 Magnolia Ave	Buena Vista City	5,932	254,750	42,112	212,638
184 2035 East Market St	Rockingham County	52,469	2,529,475	415,383	2,114,093
302 1331 Greenville Ave	Staunton City	27,925	1,297,808	213,749	1,084,059
338 801-B West Broad St	Waynesboro City	37,902	1,701,999	280,489	1,421,510
339 Augusta Plaza, Rt 612 (Verona)	Augusta County	12,009	543,326	89,938	453,388
Planning District 6 - - Staunton/Waynesboro		228,571	\$10,732,593	\$1,766,121	\$8,966,472

Store #	Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Profit on Sales	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
137	\$383,232	\$207,959	\$133,587	\$74,372	\$47,369	\$27,003	20.36
194	162,889	92,486	77,782	14,704	20,462	(5,758)	14.77
205	192,557	103,803	76,711	27,092	23,746	3,346	17.52
206	281,134	151,804	79,770	72,034	34,689	37,345	23.79
218	290,496	154,319	94,088	60,231	35,641	24,591	21.18
PD 1	\$1,310,307	\$710,370	\$461,938	\$248,433	\$161,906	\$86,527	20.15
174	\$172,418	\$93,367	\$99,297	\$(5,930)	\$21,296	\$(27,225)	8.01
197	326,041	176,186	100,973	75,214	40,241	34,973	22.42
230	261,080	140,909	111,788	29,121	32,209	(3,088)	15.96
319	80,711	43,863	69,785	(25,921)	9,981	(35,903)	(7.39)
PD 2	\$840,248	\$454,326	\$381,842	\$72,483	\$103,727	\$(31,244)	14.59
135	\$536,227	\$309,986	\$115,894	\$194,092	\$67,803	\$126,290	29.00
141	592,593	314,856	141,677	173,179	72,709	100,470	25.77
153	535,921	288,013	113,684	174,329	66,017	108,311	27.53
201	1,023,998	546,547	159,715	386,832	125,839	260,992	30.38
343	919,892	490,938	160,878	330,060	113,042	217,017	29.37
PD 3	\$3,608,631	\$1,950,340	\$691,849	\$1,258,492	\$445,411	\$813,081	28.74
195	\$749,666	\$406,921	\$108,161	\$298,760	\$92,671	\$206,089	31.38
199	329,728	175,874	92,163	83,710	40,511	43,199	23.70
327	1,763,163	952,880	236,621	716,259	217,622	498,637	31.81
345	493,485	267,223	187,138	80,085	60,951	19,134	18.66
356	731,272	393,607	154,403	239,203	90,131	149,073	27.60
PD 4	\$4,067,315	\$2,196,504	\$778,486	\$1,418,017	\$501,886	\$916,131	28.72
114	\$113,167	\$61,166	\$47,629	\$13,537	\$13,968	\$(431)	16.40
115	1,584,878	870,999	242,013	628,985	196,776	432,209	31.27
123	174,822	94,029	73,810	20,219	21,542	(1,323)	16.16
124	345,384	185,417	78,806	106,611	42,530	64,081	26.68
186	893,425	484,970	180,225	304,745	110,443	194,302	28.28
229	344,125	184,641	83,053	101,588	42,367	59,221	25.92
259	1,206,111	647,328	210,465	436,863	148,506	288,357	29.49
269	1,518,844	811,266	286,140	525,126	186,699	338,427	28.62
289	774,837	422,448	153,321	269,128	95,932	173,196	28.65
300	85,335	46,254	45,447	806	10,544	(9,737)	10.36
309	1,036,244	548,071	176,123	371,948	126,943	245,005	29.40
337	519,883	278,836	126,203	152,633	63,997	88,636	25.82
364	1,940	1,008	12,285	(11,276)	236	(11,513)	(310.71)
PD 5	\$8,598,996	\$4,636,433	\$1,715,519	\$2,920,914	\$1,060,484	\$1,860,429	28.27
113	\$270,001	\$143,748	\$79,766	\$63,982	\$33,151	\$30,831	22.53
122	530,947	285,075	106,707	178,368	65,384	112,985	28.08
140	717,865	384,606	127,490	257,116	88,335	168,781	29.19
145	828,068	445,409	126,054	319,355	102,037	217,318	30.75
147	49,135	25,932	20,312	5,619	6,015	(395)	15.81
162	138,315	74,322	47,898	26,425	17,038	9,387	20.22
184	1,377,460	736,632	210,925	525,707	169,391	356,316	30.51
302	706,309	377,750	153,834	223,916	86,860	137,056	27.03
338	924,475	497,035	192,288	304,747	113,898	190,849	27.69
339	295,115	158,273	83,625	74,648	36,328	38,321	23.61
PD 6	\$5,837,690	\$3,128,782	\$1,148,899	\$1,979,884	\$718,436	\$1,261,448	28.21

- (1) Does not include General Sales Tax (4.5%).
- (2) State taxes on distilled spirits (20%) and wine (4%) sold in ABC Stores.
- (3) Store expenses include miscellaneous revenue and net cash overages.
- (4) General and Administrative Expenses are offset by 'Other ABC Revenue.'
- (5) Rate of return is calculated by adding Adjusted Net Profits and State taxes then dividing result by Gross Sales.

Conv = Conventional Store; C = Closed; R = Relocation; NS = New Store

Closed: 188 (6/29/00); 257 (7/24/99) Relocated: 104 (2/2/00); 194 (8/9/99); 241 (11/15/99); 245 (2/22/00); 250 (7/8/99); 322 (11/1/99) New Store: 109 (5/22/00); 183 (9/9/99); 188 (2/1/00); 208 (5/30/00); 246 (11/12/99); 247 (8/9/99); 286 (9/24/99); 364 (6/30/00)

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District	City/County	Gallons Sold	Gross Sales Inc. Tax (1)	Less State Tax (2)	Net Sales
139 235 Sunnyside Circle	Frederick County	27,939	\$1,345,153	\$222,437	\$1,122,716
142 411-F South St (Front Royal)	Warren County	31,956	1,496,138	247,704	1,248,434
167 21 Crowe St (Berryville)	Clarke County	11,676	540,992	89,111	451,881
173 611 South 3rd St (Shenandoah)	Page County	6,242	275,920	45,423	230,497
193 1412 West 211 Bypass (Luray)	Page County	13,318	586,510	97,253	489,256
261 2218 Valley Ave	Winchester City	51,996	2,498,208	410,670	2,087,539
293 5814 Main St (Mount Jackson)	Shenandoah County	10,835	465,865	77,279	388,586
318 462 North Main St (Woodstock)	Shenandoah County	16,389	719,541	119,133	600,409
Planning District 7 - - Winchester/Front Royal		170,350	\$7,928,327	\$1,309,010	\$6,619,317
C 108 2189 Crystal Plaza Arcade	Arlington County	9,845	\$520,959	\$85,417	\$435,542
NS 109 1731 Wilson Blvd	Arlington County	879	51,059	8,164	42,895
119 901 North St. Asaph St	Alexandria City	35,255	1,892,612	310,747	1,581,865
120 7590 Telegraph Road	Fairfax County	29,275	1,502,285	246,588	1,255,697
133 9130 Mathis Ave	Manassas City	47,807	2,486,910	410,855	2,076,055
136 18 Fairfax St SE (Leesburg)	Loudoun County	44,568	2,412,396	397,889	2,014,506
168 1039 N Highland St	Arlington County	20,927	1,114,374	183,281	931,093
170 1238 Elden St (Herndon)	Fairfax County	42,952	2,322,546	382,686	1,939,861
181 106 Washington St (Middleburg)	Loudoun County	11,381	613,006	101,529	511,477
203 3678 King St	Alexandria City	33,977	1,841,461	303,555	1,537,906
NS 208 4410 Ashburn Village SC Unit 154	Loudoun County	1,085	56,764	9,587	47,177
212 167 Hillwood Ave	Falls Church City	23,881	1,171,547	192,894	978,653
219 8520 Tyco Road (Vienna) (conv)	Fairfax County	115,511	8,008,533	1,327,187	6,681,345
224 13944 Lee Jackson Highway	Fairfax County	46,216	2,460,784	403,169	2,057,614
228 1524 Belle View Boulevard	Fairfax County	33,350	1,681,824	277,466	1,404,357
231 436 East Maple Ave (Vienna)	Fairfax County	50,053	2,628,929	430,139	2,198,790
234 9574 Old Keene Mill Road	Fairfax County	35,338	1,818,793	298,148	1,520,645
235 8628 Richmond Highway	Fairfax County	57,616	3,234,598	535,524	2,699,074
236 7200 Little River Tnpk., East	Fairfax County	46,172	2,441,681	401,906	2,039,775
R 241 11260 James Swart Circle	Fairfax City	47,081	2,481,427	407,441	2,073,986
248 4709 Lee Highway	Arlington County	40,926	2,155,282	351,831	1,803,451
260 6198 Arlington Boulevard	Fairfax County	24,064	1,267,427	208,626	1,058,802
264 16661 Rivers Ridge Blvd (Dumfries)	Prince William County	19,713	1,024,849	169,806	855,043
267 1446 Chain Bridge Road	Fairfax County	48,115	2,740,529	449,724	2,290,804
268 6400 Springfield Plaza	Fairfax County	39,702	2,079,262	342,271	1,736,992
271 13586 Jefferson Davis Hwy	Prince William County	41,512	2,234,042	369,683	1,864,359
273 7778 Gunston Plaza	Fairfax County	14,654	766,630	126,182	640,448
NS 286 7555 New Linton Hall Road, Gateway S C	Prince William County	13,321	694,451	113,533	580,919
294 3556-E S. Jefferson St.	Fairfax County	42,080	2,270,451	372,706	1,897,745
295 8095 Sudley Road	Prince William County	72,508	3,954,275	653,100	3,301,175
296 8966 Burke Lake Road	Fairfax County	26,722	1,320,872	218,195	1,102,676
297 4647 Duke St	Alexandria City	35,084	1,862,503	306,796	1,555,707
301 12381 Dillingham Square	Prince William County	25,570	1,319,938	217,022	1,102,916
316 5123 Waterway Drive	Prince William County	9,589	492,466	80,781	411,685
317 9512 Main St	Fairfax City	33,810	1,704,048	280,084	1,423,965
R 322 14151 Germain Drive	Fairfax County	42,118	2,259,371	370,845	1,888,526
323 609 O E. Main St (Purcellville)	Loudoun County	12,350	626,487	103,264	523,223
346 8105 Lee Highway	Fairfax County	29,678	1,595,811	261,913	1,333,898
352 2555 John Milton Drive (Herndon)	Fairfax County	29,400	1,567,472	257,536	1,309,936
353 4112 Dale Boulevard	Prince William County	47,852	2,499,367	413,386	2,085,981
357 1454 N Point Village Shop Ctr.	Fairfax County	37,580	2,148,981	353,279	1,795,701
358 2201 North Pershing Drive (conv)	Arlington County	112,447	7,392,756	1,226,044	6,166,713
362 100 Edds Lane	Loudoun County	62,195	3,475,800	567,983	2,907,817
Planning District 8 - - Northern Virginia		1,594,159	\$88,195,560	\$14,528,765	\$73,666,795

Store #	Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Profit on Sales	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
139	\$730,712	\$392,004	\$131,534	\$260,470	\$89,957	\$170,513	29.21
142	810,282	438,152	208,476	229,675	100,030	129,645	25.22
167	294,560	157,320	87,637	69,684	36,207	33,477	22.66
173	148,344	82,152	68,669	13,483	18,468	(4,985)	14.66
193	318,174	171,082	77,798	93,284	39,202	54,083	25.80
261	1,358,462	729,077	160,640	568,436	167,263	401,173	32.50
293	254,295	134,292	30,739	103,552	31,135	72,417	32.13
318	391,017	209,392	81,732	127,660	48,108	79,552	27.61
PD 7	\$4,305,846	\$2,313,471	\$847,226	\$1,466,245	\$530,371	\$935,875	28.31
108	\$283,818	\$151,724	\$136,214	\$15,510	\$34,898	\$(19,388)	12.67
109	27,889	15,006	38,152	(23,146)	3,437	(26,583)	(36.07)
119	1,027,148	554,716	172,676	382,040	126,746	255,294	29.91
120	820,634	435,064	198,883	236,180	100,612	135,568	25.44
133	1,349,763	726,292	166,708	559,583	166,343	393,240	32.33
136	1,310,953	703,553	196,489	507,065	161,412	345,653	30.82
168	606,782	324,311	170,658	153,652	74,603	79,049	23.54
170	1,260,437	679,424	178,560	500,864	155,431	345,433	31.35
181	332,998	178,479	90,344	88,135	40,982	47,153	24.25
203	1,005,198	532,708	247,817	284,892	123,224	161,667	25.26
208	30,929	16,248	23,613	(7,365)	3,780	(11,145)	(2.75)
212	638,881	339,772	191,089	148,683	78,414	70,268	22.46
219	4,401,077	2,280,268	364,374	1,915,894	535,341	1,380,553	33.81
224	1,341,050	716,565	270,234	446,331	164,866	281,465	27.82
228	944,734	459,623	175,508	284,116	112,524	171,592	26.70
231	1,440,605	758,185	324,104	434,081	176,177	257,904	26.17
234	995,538	525,107	210,819	314,289	121,841	192,448	26.97
235	1,744,865	954,209	334,242	619,967	216,262	403,705	29.04
236	1,329,058	710,716	194,300	516,417	163,436	352,980	30.92
241	1,351,185	722,800	214,179	508,621	166,177	342,444	30.22
248	1,177,159	626,292	251,660	374,632	144,501	230,131	27.00
260	688,457	370,345	210,043	160,302	84,836	75,466	22.41
264	553,821	301,222	163,718	137,504	68,510	68,994	23.30
267	1,500,370	790,435	201,132	589,303	183,550	405,753	31.22
268	1,133,212	603,780	238,235	365,545	139,176	226,369	27.35
271	1,205,835	658,524	240,236	418,288	149,381	268,907	28.58
273	416,665	223,783	170,904	52,878	51,316	1,563	16.66
286	380,165	200,753	138,029	62,724	46,546	16,178	18.68
294	1,236,447	661,298	300,772	360,526	152,056	208,470	25.60
295	2,139,987	1,161,189	312,952	848,237	264,506	583,731	31.28
296	719,306	383,370	201,765	181,605	88,352	93,254	23.58
297	1,011,993	543,714	252,783	290,932	124,651	166,281	25.40
301	718,077	384,839	189,926	194,913	88,371	106,543	24.51
316	268,111	143,574	139,407	4,167	32,986	(28,819)	10.55
317	930,142	493,823	245,677	248,146	114,095	134,052	24.30
322	1,224,788	663,738	232,600	431,137	151,318	279,820	28.80
323	340,929	182,294	114,779	67,515	41,923	25,592	20.57
346	870,645	463,253	219,855	243,397	106,878	136,519	24.97
352	853,407	456,529	196,543	259,986	104,958	155,028	26.32
353	1,351,469	734,512	267,350	467,163	167,139	300,024	28.54
357	1,173,979	621,722	200,090	421,633	143,880	277,753	29.36
358	3,971,028	2,195,685	394,751	1,800,934	494,106	1,306,828	34.26
362	1,877,750	1,030,067	284,409	745,658	232,988	512,670	31.09
PD 8	\$47,987,285	\$25,679,511	\$9,066,579	\$16,612,931	\$5,902,527	\$10,710,404	28.62

- (1) Does not include General Sales Tax (4.5%).
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ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District	City/County	Gallons Sold	Gross Sales Inc. Tax (1)	Less State Tax (2)	Net Sales
163 583 N. Madison Road	Orange County	15,554	\$719,874	\$119,154	\$600,720
227 South Main St (Gordonsville)	Orange County	9,604	433,246	71,494	361,753
274 Route 29 North	Madison County	9,777	437,269	71,754	365,514
303 175 Lee Highway (Warrenton)	Fauquier County	54,085	2,669,687	438,668	2,231,019
329 185 Southgate Shop Ctr	Culpeper County	34,003	1,630,282	269,441	1,360,841
Planning District 9 - - Warrenton/Culpeper		123,023	\$5,890,358	\$970,511	\$4,919,847
125 304 Pantops Center	Albemarle County	38,572	\$1,849,112	\$305,032	\$1,544,080
126 Valley Shopping Ctr, Rt 151 (Nellysford)	Nelson County	8,245	415,693	67,383	348,310
138 Triangle Plaza, Rts 22&23	Louisa County	19,286	843,540	139,733	703,807
185 500 West Main St	Charlottesville City	20,341	1,006,706	166,521	840,185
189 Scottsville Shopping Center (Scottsville)	Albemarle County	9,145	410,603	68,073	342,530
253 1147 Emmet St	Charlottesville City	92,125	4,976,529	822,219	4,154,311
321 US Route 29 (Lovingston)	Nelson County	7,420	339,152	56,291	282,861
359 1653 Seminole Trail	Albemarle County	43,342	2,075,049	341,007	1,734,042
Planning District 10 - - Charlottesville		238,476	\$11,916,384	\$1,966,259	\$9,950,125
117 309 Twelfth St	Lynchburg City	29,683	\$1,451,878	\$241,857	\$1,210,021
160 106 East Main St	Bedford City	17,776	771,178	127,791	643,387
176 Highways 501 & 40 South (Brookneal)	Campbell County	8,506	374,756	62,318	312,438
262 8437 Timberlake Road	Campbell County	38,637	1,776,427	293,815	1,482,612
266 3 The Plaza	Lynchburg City	41,333	1,962,217	325,115	1,637,101
279 18013 Forest Road	Bedford County	22,042	1,054,408	173,878	880,530
281 4049 S Amherst Hwy (Madison Heights)	Amherst County	16,419	747,243	123,837	623,406
285 Ambriar Shopping Center	Amherst County	11,079	516,596	85,426	431,170
287 Boonsboro Shopping Center	Lynchburg City	19,303	973,098	160,417	812,682
354 US Rt 460 West	Appomattox County	13,480	593,957	98,689	495,269
Planning District 11 - - Lynchburg		218,257	\$10,221,758	\$1,693,143	\$8,528,615
132 4960 Greensboro Road (Ridgeway)	Henry County	22,939	\$1,061,166	\$175,533	\$885,633
146 649 West Main St	Danville City	28,487	1,351,692	223,934	1,127,758
154 235 North Union St	Danville City	17,098	768,462	127,701	640,762
191 942 Tanyard Road (Rocky Mount)	Franklin County	23,390	1,056,973	175,258	881,715
213 13307 B T Washington Hwy (Hardy)	Franklin County	24,968	1,168,178	192,003	976,175
276 221 Nor-Dan Drive	Danville City	31,354	1,541,535	255,162	1,286,373
277 985 Fairystone Park Highway (Bassett)	Henry County	26,035	1,165,890	193,115	972,774
283 Tightsqueeze Plaza (Chatham)	Pittsylvania County	10,274	445,246	73,696	371,550
291 243 W. Commonwealth Blvd	Martinsville City	39,038	1,869,378	309,339	1,560,039
324 301 S. Main St. (Stuart)	Patrick County	9,679	437,108	72,380	364,728
347 Staunton Plaza, PO Box 356 (Hurt)	Pittsylvania County	16,112	730,249	121,135	609,114
Planning District 12 - - Danville/Martinsville		249,374	\$11,595,876	\$1,919,254	\$9,676,623
131 309 Main St (South Boston)	Halifax County	23,794	\$1,076,749	\$179,027	\$897,722
143 812 East Atlantic St (South Hill)	Mecklenburg County	33,491	1,522,018	252,254	1,269,765
157 302 New Hicks St (Lawrenceville)	Brunswick County	11,609	518,754	85,941	432,813
172 112 North Main St (Chase City)	Mecklenburg County	12,140	536,469	89,332	447,137
210 60 S. Main St	Halifax County	10,674	468,715	77,949	390,766
211	0	-	-	-	-
214 608 Virginia Ave (Clarksville)	Mecklenburg County	12,988	588,193	97,415	490,778
217 First Ave (Alberta)	Brunswick County	4,344	200,771	33,364	167,406
Planning District 13 - - South Boston		109,039	\$4,911,669	\$815,282	\$4,096,386

Store #	Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Profit on Sales	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
163	\$390,565	\$210,155	\$92,965	\$117,190	\$48,132	\$69,057	26.15
227	235,544	126,209	72,863	53,346	28,985	24,361	22.12
274	238,603	126,911	96,612	30,299	29,287	1,012	16.64
303	1,455,082	775,937	180,648	595,289	178,760	416,529	32.03
329	885,583	475,258	166,546	308,712	109,037	199,675	28.78
PD 9	\$3,205,377	\$1,714,470	\$609,635	\$1,104,835	\$394,201	\$710,634	28.54
125	\$1,005,459	\$538,621	\$175,728	\$362,893	\$123,719	\$239,174	29.43
126	230,080	118,230	84,865	33,364	27,908	5,456	17.52
138	457,222	246,585	96,922	149,663	56,392	93,270	27.62
185	543,279	296,906	147,194	149,712	67,320	82,392	24.73
189	222,845	119,685	74,089	45,596	27,445	18,151	21.00
253	2,699,096	1,455,215	361,751	1,093,464	332,863	760,601	31.81
321	183,635	99,225	69,238	29,987	22,664	7,323	18.76
359	1,132,129	601,913	203,999	397,914	138,940	258,974	28.91
PD 10	\$6,473,746	\$3,476,379	\$1,213,786	\$2,262,592	\$797,250	\$1,465,342	28.80
117	\$782,141	\$427,880	\$130,827	\$297,053	\$96,952	\$200,101	30.44
160	419,031	224,356	101,207	123,149	51,551	71,598	25.86
176	201,611	110,827	82,272	28,555	25,034	3,521	17.57
262	964,576	518,036	172,383	345,653	118,794	226,859	29.31
266	1,058,721	578,380	185,752	392,628	131,172	261,455	29.89
279	573,350	307,180	142,229	164,951	70,552	94,398	25.44
281	404,354	219,052	119,864	99,188	49,950	49,238	23.16
285	280,591	150,578	85,820	64,758	34,547	30,211	22.38
287	533,233	279,448	126,808	152,640	65,116	87,524	25.48
354	321,449	173,819	111,110	62,709	39,683	23,026	20.49
PD 11	\$5,539,058	\$2,989,556	\$1,258,273	\$1,731,283	\$683,352	\$1,047,931	26.82
132	\$574,820	\$310,813	\$146,531	\$164,281	\$70,961	\$93,320	25.34
146	733,403	394,356	160,851	233,505	90,361	143,143	27.16
154	414,800	225,961	135,702	90,259	51,341	38,919	21.68
191	573,006	308,709	104,867	203,842	70,647	133,195	29.18
213	638,506	337,669	70,430	267,239	78,216	189,023	32.62
276	833,249	453,124	141,204	311,921	103,070	208,850	30.10
277	624,438	348,336	162,790	185,547	77,943	107,604	25.79
283	241,008	130,542	93,054	37,489	29,770	7,719	18.29
291	1,012,574	547,465	191,123	356,342	124,998	231,344	28.92
324	237,144	127,584	90,769	36,815	29,224	7,592	18.30
347	394,587	214,527	95,941	118,586	48,805	69,781	26.14
PD 12	\$6,277,536	\$3,399,087	\$1,393,260	\$2,005,826	\$775,336	\$1,230,490	27.16
131	\$582,714	\$315,008	\$132,525	\$182,483	\$71,930	\$110,554	26.89
143	813,338	456,427	141,087	315,340	101,739	213,600	30.61
157	279,603	153,209	105,078	48,131	34,679	13,452	19.16
172	288,820	158,317	102,172	56,145	35,827	20,318	20.44
210	253,995	136,771	95,854	40,917	31,310	9,607	18.68
211	(93)	93	3,154	(3,061)	-	(3,061)	-
214	318,669	172,109	67,928	104,181	39,323	64,858	27.59
217	109,051	58,355	51,094	7,261	13,413	(6,152)	13.55
PD 13	\$2,646,096	\$1,450,290	\$698,893	\$751,397	\$328,222	\$423,176	25.21

- (1) Does not include General Sales Tax (4.5%).
 - (2) State taxes on distilled spirits (20%) and wine (4%) sold in ABC Stores.
 - (3) Store expenses include miscellaneous revenue and net cash overages.
 - (4) General and Administrative Expenses are offset by 'Other ABC Revenue.'
 - (5) Rate of return is calculated by adding Adjusted Net Profits and State taxes then dividing result by Gross Sales.
- Conv** = Conventional Store; **C** = Closed; **R** = Relocation; **NS** = New Store

Closed: 188 (6/29/00); 257 (7/24/99) Relocated: 104 (2/2/00); 194 (8/9/99); 241 (11/15/99); 245 (2/22/00); 250 (7/8/99); 322 (11/1/99) New Store: 109 (5/22/00); 183 (9/9/99); 188 (2/1/00); 208 (5/30/00); 246 (11/12/99); 247 (8/9/99); 286 (9/24/99); 364 (6/30/00)

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District	City/County	Gallons Sold	Gross Sales Inc. Tax (1)	Less State Tax (2)	Net Sales	
152	110 South Main St (Farmville)	Prince Edward County	36,013	\$1,665,254	\$276,442	\$1,388,812
159	1805 Main St (Victoria)	Lunenburg County	6,202	271,308	45,060	226,248
161	501 F Main St (Kenbridge) (conv)	Lunenburg County	6,022	271,090	44,997	226,093
164	107 East Carolina Ave (Crews)	Nottoway County	8,907	402,121	66,893	335,228
178	Main St, PO Box 264 (Dillwyn)	Buckingham County	10,269	457,871	76,233	381,638
196	Main St (Drakes Branch)	Charlotte County	7,574	331,095	54,950	276,145
275	1527 S. Main St (Blackstone)	Nottoway County	14,568	652,449	108,501	543,949
351	15127 Patrick Henry Hwy	Amelia County	8,994	398,893	66,290	332,603
Planning District 14 - - Farmville			98,549	\$4,450,081	\$739,366	\$3,710,715
101	3100-A West Broad St	Richmond City	29,268	\$1,517,008	\$249,062	\$1,267,946
102	1901 West Main St	Richmond City	9,841	440,078	72,857	367,221
R 104	6645 Lake Harbour Dr (Midlothian)	Chesterfield County	31,973	1,537,438	250,699	1,286,739
105	2005 Hull St (conv)	Richmond City	10,830	507,635	84,560	423,075
116	12635 Jefferson Davis Hwy (Chester)	Chesterfield County	36,539	1,765,637	290,839	1,474,797
150	5208 Chamberlayne Rd	Henrico County	36,968	1,894,628	313,027	1,581,601
169	10 North Thompson St	Richmond City	37,522	2,042,153	331,905	1,710,248
171	8700 West Broad St	Henrico County	44,222	2,227,071	366,194	1,860,877
180	500 Goddin St	Henrico County	11,471	552,401	91,736	460,665
182	1217 West Broad St (conv)	Richmond City	9,950	444,396	73,963	370,433
187	2421 Venable St (conv)	Richmond City	26,225	1,264,394	210,716	1,053,677
190	212 North Fourth St	Richmond City	12,753	572,704	94,893	477,812
242	1601 Willow Lawn Drive	Henrico County	27,241	1,346,352	220,948	1,125,404
243	209 North Washington Hwy (Ashland)	Hanover County	38,762	1,801,685	296,274	1,505,411
NS 247	9685 West Broad St	Henrico County	11,650	600,214	97,793	502,421
251	2924 North Ave (conv)	Richmond City	10,621	520,637	86,694	433,943
252	618 W. Southside Plaza	Richmond City	45,730	2,464,024	409,420	2,054,604
254	7015 Three Chopt Road	Henrico County	25,467	1,248,948	204,022	1,044,927
270	809 East Parham Road	Henrico County	44,287	2,139,719	351,408	1,788,311
284	13214 Midlothian Turnpike (Midlothian)	Chesterfield County	17,822	836,718	137,226	699,492
292	1521 Parham Road	Henrico County	33,311	1,552,799	254,104	1,298,696
304	2922 River Road West	Goochland County	10,250	469,169	77,588	391,581
305	3910 Mechanicsville Tnpk	Henrico County	32,095	1,643,977	272,914	1,371,063
308	11268 Patterson Ave	Henrico County	22,969	1,050,497	171,986	878,510
314	4338 S. Laburnum Ave	Henrico County	55,362	2,776,259	457,703	2,318,555
315	10336 Iron Bridge Road (Chester)	Chesterfield County	20,611	988,468	162,871	825,597
326	2105 Academy Rd	Powhatan County	15,028	706,082	116,882	589,200
330	5722 Hopkins Road	Chesterfield County	35,475	1,724,147	285,576	1,438,571
331	3404 Pump Road (Short Pump)	Henrico County	40,549	2,069,933	336,965	1,732,968
332	4018 Glenside Drive	Henrico County	19,646	855,858	141,570	714,288
334	7057 Mechanicsville Tnpk (Mechanicsville)	Hanover County	35,345	1,642,075	270,380	1,371,695
348	7036 Forest Hill Ave	Richmond City	46,748	2,236,917	367,190	1,869,728
350	11108 Midlothian Tnpk.	Chesterfield County	77,698	4,100,852	676,101	3,424,751
360	2901 Hermitage Road (conv)	Richmond City	118,627	7,036,088	1,170,569	5,865,519
363	9949 Hull St	Chesterfield County	35,989	1,702,961	279,371	1,423,590
Planning District 15 - - Richmond			1,118,846	\$56,279,918	\$9,276,004	\$47,003,915

Store #	Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Profit on Sales	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
152	\$900,793	\$488,019	\$162,555	\$325,464	\$111,278	\$214,186	29.46
159	146,251	79,996	87,859	(7,863)	18,128	(25,991)	7.03
161	147,173	78,920	52,775	26,145	18,116	8,030	19.56
164	221,187	114,042	80,279	33,763	26,860	6,903	18.35
178	247,522	134,116	103,680	30,437	30,579	(142)	16.62
196	179,145	97,000	85,460	11,540	22,126	(10,586)	13.40
275	353,705	190,243	126,763	63,480	43,584	19,897	19.68
351	216,027	116,576	92,604	23,972	26,650	(2,678)	15.95
PD 14	\$2,411,803	\$1,298,912	\$791,974	\$506,938	\$297,320	\$209,618	21.33
101	\$822,841	\$445,105	\$215,948	\$229,157	\$101,594	\$127,564	24.83
102	237,290	129,931	100,547	29,384	29,423	(39)	16.55
104	836,727	450,012	175,694	274,318	103,100	171,218	27.44
105	271,730	151,345	130,960	20,385	33,899	(13,514)	14.00
116	973,210	501,587	188,479	313,108	118,168	194,941	27.51
150	1,023,546	558,055	200,526	357,529	126,725	230,804	28.70
169	1,120,596	589,652	211,925	377,727	137,033	240,694	28.04
171	1,211,462	649,415	235,582	413,833	149,102	264,731	28.33
180	298,704	161,961	90,000	71,961	36,911	35,050	22.95
182	239,572	130,861	80,454	50,407	29,681	20,726	21.31
187	678,670	375,007	205,236	169,771	84,426	85,346	23.42
190	307,329	170,482	138,331	32,152	38,284	(6,133)	15.50
242	735,066	390,338	210,289	180,049	90,173	89,876	23.09
243	978,873	526,538	161,359	365,180	120,621	244,559	30.02
247	328,815	173,606	133,168	40,439	40,256	182	16.32
251	278,699	155,244	73,551	81,693	34,770	46,923	25.66
252	1,323,822	730,782	199,066	531,716	164,624	367,091	31.51
254	685,003	359,923	151,173	208,751	83,724	125,026	26.35
270	1,165,841	622,470	212,698	409,772	143,288	266,484	28.88
284	456,916	242,575	109,258	133,317	56,047	77,271	25.64
292	848,112	450,584	181,662	268,921	104,058	164,864	26.98
304	254,989	136,592	74,242	62,350	31,375	30,975	23.14
305	885,558	485,505	192,641	292,864	109,856	183,008	27.73
308	577,177	301,333	92,865	208,468	70,390	138,078	29.52
314	1,507,807	810,749	222,936	587,813	185,773	402,039	30.97
315	537,229	288,368	156,789	131,580	66,151	65,429	23.10
326	383,014	206,186	107,092	99,094	47,209	51,884	23.90
330	934,639	503,932	184,470	319,462	115,265	204,197	28.41
331	1,135,750	597,217	170,914	426,303	138,853	287,450	30.17
332	453,027	261,260	114,583	146,677	57,232	89,445	26.99
334	894,286	477,409	164,166	313,243	109,907	203,336	28.85
348	1,221,783	647,944	182,414	465,530	149,811	315,719	30.53
350	2,225,052	1,199,699	224,129	975,570	274,407	701,163	33.58
360	3,781,713	2,083,807	237,824	1,845,983	469,973	1,376,010	36.19
363	926,367	497,223	178,812	318,411	114,065	204,347	28.40
PD 15	\$30,541,214	\$16,462,700	\$5,709,781	\$10,752,919	\$3,766,173	\$6,986,746	28.90

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- (3) Store expenses include miscellaneous revenue and net cash overages.
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ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District	City/County	Gallons Sold	Gross Sales Inc. Tax (1)	Less State Tax (2)	Net Sales
121 507 William St	Fredericksburg City	32,421	\$1,571,803	\$259,238	\$1,312,565
NS 183 736 Warrenton Road, Suite 114	Stafford County	11,183	561,474	92,132	469,342
200 315 Garrisonville Road	Stafford County	36,170	1,793,592	296,055	1,497,537
209 5055 Jefferson Davis Hwy	Spotsylvania County	41,276	1,976,550	325,557	1,650,993
221 15423 Dahlgren Road (Dahlgren)	King George County	6,047	278,195	46,008	232,187
239 Caroline Square (Bowling Green)	Caroline County	10,721	494,578	81,972	412,606
R 245 1271 Jefferson Davis Hwy	Fredericksburg City	30,856	1,478,757	244,135	1,234,622
313 4189 Plank Road (Fredericksburg)	Spotsylvania County	44,168	2,084,481	342,571	1,741,910
Planning District 16 - - Fredericksburg		212,841	\$10,239,429	\$1,687,668	\$8,551,762
130 Beachgate Shopping Ct (Colonial Beach)	Westmoreland County	6,924	\$304,881	\$50,270	\$254,611
149 Times Square Shopping Ctr (Warsaw)	Richmond County	10,739	462,708	76,750	385,957
192 101 South Main St (Kilmarnock)	Lancaster County	34,110	1,521,389	251,331	1,270,058
220 109 East End Place (Montross)	Westmoreland County	5,959	276,743	45,670	231,073
238 Rt 360 (Callao)	Northumberland County	13,989	604,235	99,473	504,762
Planning District 17 - - Northern Neck		71,722	\$3,169,955	\$523,493	\$2,646,462
155 York River Shop Ctr, PO Box 303 (Hayes)	Gloucester County	22,179	\$1,029,617	\$170,491	\$859,126
175 14th & Kirby St (West Point)	King William County	20,611	927,268	152,888	774,379
179 Virginia St, PO Box 238 (Urbanna)	Middlesex County	12,946	593,321	98,184	495,137
198 Rappahannock Shp Ctr. (Tappahannock)	Essex County	16,491	709,876	117,807	592,068
233 Main St	Gloucester County	14,732	658,004	108,982	549,022
333 Route 198 (Gloucester Point)	Mathews County	12,628	541,607	89,219	452,388
Planning District 18 - - West Point/Mathews		99,587	\$4,459,693	\$737,572	\$3,722,121
118 18 Washington St W (conv)	Petersburg City	37,205	\$1,939,176	\$322,516	\$1,616,660
144 540 North Main St	Emporia City	25,639	1,164,055	193,205	970,850
151 210 North Main St	Hopewell City	17,939	791,011	131,198	659,813
232 3107-3 Boulevard	Colonial Heights City	31,073	1,419,420	234,487	1,184,934
240 Route 460 (Waverly)	Sussex County	12,451	532,033	88,459	443,574
255 3330 South Crater Road	Petersburg City	34,060	1,631,213	269,299	1,361,914
310 5232 Oaklawn Boulevard	Prince George County	27,934	1,383,884	229,595	1,154,289
311 Main St (Stony Creek) (conv)	Sussex County	3,504	154,908	25,745	129,163
Planning District 19 - - Petersburg/Hopewell		189,805	\$9,015,699	\$1,494,502	\$7,521,197
106 2973 Shore Drive	Virginia Beach City	28,236	\$1,384,229	\$227,320	\$1,156,909
107 434 St. Paul's Boulevard	Norfolk City	38,882	1,991,158	330,526	1,660,632
110 1136 London Boulevard (conv)	Portsmouth City	14,782	723,226	120,200	603,026
128 159 West Ocean View Drive	Norfolk City	33,881	1,587,801	262,907	1,324,894
129 1615 General Booth Blvd	Virginia Beach City	34,045	1,625,505	267,056	1,358,449
134 2301 Colley Ave	Norfolk City	40,654	2,005,486	332,010	1,673,476
165 550 East Liberty St	Chesapeake City	20,195	952,086	158,213	793,872
NS 188 4334 Holland Road	Virginia Beach City	8,345	404,892	66,462	338,430
202 154 East Little Creek Rd	Norfolk City	23,752	1,195,496	197,859	997,637
204 1226 White Marsh Road (conv)	Suffolk City	8,870	351,159	58,519	292,640
216 1100 Armory Drive	Franklin City	29,300	1,295,953	215,720	1,080,233
225 405 30th St	Virginia Beach City	68,459	3,567,509	588,702	2,978,807
226 7525 Tidewater Drive	Norfolk City	30,492	1,496,401	248,664	1,247,737
237 3812 George Washington Hwy	Portsmouth City	34,222	1,666,316	276,002	1,390,314
NS 246 5020 Ferrell Parkway	Virginia Beach City	8,155	419,971	70,167	349,803
249 2350 East Little Creek Road	Norfolk City	39,906	1,892,236	313,693	1,578,543
256 1800 Republic Drive	Virginia Beach City	118,767	6,326,197	1,052,623	5,273,574

Store #	Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Profit on Sales	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
121	\$839,654	\$472,912	\$137,491	\$335,420	\$105,169	\$230,251	31.14
183	305,242	164,099	103,588	60,511	37,606	22,905	20.49
200	971,954	525,583	155,757	369,825	119,990	249,836	30.44
209	1,072,685	578,309	229,025	349,284	132,285	216,999	27.45
221	151,177	81,009	57,097	23,912	18,604	5,309	18.45
239	267,562	145,044	81,070	63,974	33,060	30,914	22.82
245	798,945	435,677	187,956	247,721	98,924	148,797	26.57
313	1,132,050	609,860	184,165	425,695	139,570	286,125	30.16
PD 16	\$5,539,269	\$3,012,492	\$1,136,148	\$1,876,344	\$685,207	\$1,191,137	28.11
130	\$164,947	\$89,664	\$77,615	\$12,049	\$20,401	\$(8,351)	13.75
149	250,841	135,117	98,004	37,113	30,925	6,188	17.92
192	830,026	440,032	184,572	255,460	101,763	153,697	26.62
220	149,743	81,330	53,561	27,769	18,515	9,255	19.85
238	329,307	175,455	96,760	78,695	40,444	38,251	22.79
PD 17	\$1,724,864	\$921,599	\$510,512	\$411,087	\$212,047	\$199,040	22.79
155	\$558,879	\$300,247	\$119,866	\$180,381	\$68,837	\$111,544	27.39
175	505,588	268,792	157,620	111,172	62,047	49,125	21.79
179	322,636	172,501	88,221	84,280	39,673	44,607	24.07
198	384,960	207,109	122,114	84,995	47,439	37,556	21.89
233	357,834	191,188	60,894	130,294	43,990	86,303	29.68
333	295,940	156,447	108,105	48,342	36,247	12,095	18.71
PD 18	\$2,425,838	\$1,296,284	\$656,820	\$639,464	\$298,234	\$341,230	24.19
118	\$1,046,202	\$570,458	\$153,481	\$416,978	\$129,534	\$287,443	31.45
144	632,068	338,782	159,503	179,279	77,789	101,490	25.32
151	435,792	224,021	70,253	153,769	52,867	100,901	29.34
232	771,711	413,223	179,793	233,430	94,942	138,487	26.28
240	290,067	153,506	89,102	64,405	35,541	28,863	22.05
255	872,038	489,876	191,856	298,021	109,123	188,898	28.09
310	749,838	404,452	223,517	180,935	92,487	88,448	22.98
311	84,263	44,901	37,380	7,520	10,349	(2,829)	14.79
PD 19	\$4,881,979	\$2,639,218	\$1,104,883	\$1,534,335	\$602,633	\$931,702	26.91
106	\$756,385	\$400,525	\$154,506	\$246,018	\$92,697	\$153,321	27.50
107	1,076,257	584,376	265,242	319,133	133,058	186,076	25.94
110	389,423	213,603	157,947	55,656	48,317	7,339	17.63
128	855,392	469,502	183,487	286,015	106,157	179,858	27.89
129	885,601	472,848	158,081	314,768	108,845	205,923	29.10
134	1,085,301	588,175	233,420	354,755	134,087	220,668	27.56
165	514,459	279,414	105,908	173,505	63,609	109,897	28.16
188	219,107	119,323	62,785	56,537	27,117	29,421	23.68
202	646,385	351,251	107,551	243,701	79,935	163,765	30.25
204	191,062	101,579	105,931	(4,353)	23,448	(27,800)	8.75
216	707,407	372,826	182,067	190,759	86,553	104,206	24.69
225	1,934,481	1,044,325	217,875	826,450	238,676	587,774	32.98
226	806,506	441,232	202,083	239,148	99,975	139,174	25.92
237	898,686	491,629	198,505	293,123	111,398	181,725	27.47
246	227,777	122,026	79,674	42,352	28,028	14,324	20.12
249	1,021,300	557,243	204,627	352,615	126,480	226,135	28.53
256	3,405,863	1,867,711	366,347	1,501,363	422,543	1,078,820	33.69

- (1) Does not include General Sales Tax (4.5%).
 - (2) State taxes on distilled spirits (20%) and wine (4%) sold in ABC Stores.
 - (3) Store expenses include miscellaneous revenue and net cash overages.
 - (4) General and Administrative Expenses are offset by 'Other ABC Revenue.'
 - (5) Rate of return is calculated by adding Adjusted Net Profits and State taxes then dividing result by Gross Sales.
- Conv** = Conventional Store; **C** = Closed; **R** = Relocation; **NS** = New Store

Closed: 188 (6/29/00); 257 (7/24/99) Relocated: 104 (2/2/00); 194 (8/9/99); 241 (11/15/99); 245 (2/22/00); 250 (7/8/99); 322 (11/1/99) New Store: 109 (5/22/00); 183 (9/9/99); 188 (2/1/00); 208 (5/30/00); 246 (11/12/99); 247 (8/9/99); 286 (9/24/99); 364 (6/30/00)

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District	City/County	Gallons Sold	Gross Sales Inc. Tax (1)	Less State Tax (2)	Net Sales
C 257 1500 East Brambleton Ave (conv)	Norfolk City	1,134	63,603	10,612	52,991
263 5900 Virginia Beach Blvd	Norfolk City	39,295	2,040,175	337,385	1,702,790
278 3333 Virginia Beach Blvd	Virginia Beach City	67,785	3,338,558	550,944	2,787,614
280 1103 South Military Highway	Chesapeake City	117,456	6,266,611	1,040,936	5,225,675
288 5760 Churchland Blvd.	Portsmouth City	37,168	1,787,432	295,077	1,492,356
298 821 West Constance Road	Suffolk City	23,894	1,050,507	174,650	875,857
299 1917 S. Church St (Smithfield)	Isle of Wight County	25,731	1,203,024	199,624	1,003,399
306 3809 Princess Ann Road	Virginia Beach City	28,558	1,407,910	231,912	1,175,998
307 Fairfield Shopping Center	Virginia Beach City	34,174	1,651,965	272,538	1,379,427
312 2815 G Godwin Boulevard	Suffolk City	23,363	1,091,544	180,644	910,901
325 22718 Main St (Courtland)	Southampton County	7,850	324,532	53,908	270,623
328 836 Eden Way Lane	Chesapeake City	28,992	1,461,640	240,978	1,220,662
336 1079 Independence Blvd.	Virginia Beach City	42,934	2,058,364	339,745	1,718,619
349 324 South Battlefield Blvd.	Chesapeake City	37,707	1,774,636	291,770	1,482,865
355 4300 Portsmouth Boulevard	Chesapeake City	26,171	1,285,435	211,763	1,073,672
361 812 Airline Boulevard	Portsmouth City	41,763	1,999,793	331,028	1,668,765
Planning District 20 - - Norfolk/Virginia Beach		1,164,921	\$57,691,346	\$9,550,156	\$48,141,191
112 199 West Queen's Way	Hampton City	16,101	\$790,182	\$130,909	\$659,273
148 4640-3 Monticello Ave	James City County	60,575	3,090,096	506,958	2,583,138
158 3214 Jefferson Ave (conv)	Newport News City	26,185	1,328,485	221,242	1,107,243
244 4909 West Mercury Blvd	Hampton City	34,059	1,678,117	278,803	1,399,314
R 250 2078 Nickerson Boulevard	Hampton City	27,330	1,307,269	215,787	1,091,482
258 3831 Kecoughtan Road	Hampton City	20,254	1,029,926	170,194	859,732
265 20 Towne Centre Way	Hampton City	13,614	704,150	116,224	587,926
272 55 Hidenwood Shop. Ctr.	Newport News City	19,087	922,378	152,602	769,776
282 1118 A&B W. Mercury Blvd	Hampton City	50,778	2,742,675	452,900	2,289,774
290 5226 Geo. Washington Hwy (Grafton)	York County	26,798	1,245,749	205,324	1,040,426
335 801 F Merrimac Trail	York County	44,854	2,353,614	390,294	1,963,320
340 13002 Ste. A&B Warwick Blvd	Newport News City	27,956	1,431,153	236,496	1,194,658
341 12725 Jefferson Ave	Newport News City	44,726	2,319,124	383,181	1,935,943
342 416 Warwick Village Shp. Ctr.	Newport News City	31,533	1,553,973	257,524	1,296,449
Planning District 21 - - Newport News/Hampton		443,849	\$22,496,890	\$3,718,436	\$18,778,454
156 107 Mason Ave (Cape Charles)	Northampton County	8,990	\$381,805	\$63,102	\$318,702
177 6371 Pension St (Chincoteague)	Accomack County	9,732	460,239	75,894	384,345
223 4090-B Lankford Highway (Exmore)	Northampton County	14,396	610,658	101,539	509,119
344 Four Corners Plaza Shp. Ctr. (Onley)	Accomack County	17,983	809,161	134,015	675,146
Planning District 22 - - Eastern Shore		51,101	\$2,261,862	\$374,550	\$1,887,312
127	0	-	-	-	-
320	0	-	-	-	-
Grand Total		7,112,040	\$355,451,612	\$58,690,834	\$296,760,779

Store #	Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Profit on Sales	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
257	32,831	20,161	35,313	(15,152)	4,246	(19,398)	(13.81)
263	1,104,522	598,268	236,240	362,028	136,435	225,593	27.59
278	1,809,050	978,564	258,567	719,997	223,357	496,640	31.38
280	3,377,460	1,848,215	296,169	1,552,046	418,705	1,133,340	34.70
288	968,796	523,560	228,956	294,604	119,575	175,029	26.30
298	570,016	305,841	119,277	186,564	70,178	116,386	27.70
299	653,685	349,714	177,851	171,864	80,397	91,467	24.20
306	762,363	413,635	161,674	251,961	94,226	157,734	27.68
307	896,839	482,588	189,396	293,192	110,526	182,665	27.56
312	593,104	317,796	146,773	171,023	72,986	98,038	25.53
325	176,321	94,303	60,442	33,860	21,684	12,177	20.36
328	793,762	426,900	168,250	258,649	97,805	160,844	27.49
336	1,121,233	597,386	167,529	429,857	137,704	292,153	30.70
349	966,065	516,800	168,760	348,040	118,814	229,226	29.36
355	699,303	374,369	173,731	200,638	86,028	114,610	25.39
361	1,083,503	585,262	221,435	363,827	133,709	230,118	28.06
PD 20	\$31,230,245	\$16,910,945	\$5,796,403	\$11,114,543	\$3,857,297	\$7,257,246	29.13
112	\$427,001	\$232,272	\$123,768	\$108,503	\$52,824	\$55,679	23.61
148	1,685,854	897,284	205,839	691,445	206,973	484,471	32.08
158	713,940	393,303	221,905	171,398	88,717	82,681	22.88
244	905,782	493,532	125,025	368,507	112,120	256,387	31.89
250	708,782	382,700	173,164	209,536	87,455	122,082	25.85
258	555,952	303,781	160,751	143,030	68,886	74,144	23.72
265	382,277	205,649	130,999	74,651	47,107	27,543	20.42
272	501,637	268,139	151,591	116,549	61,678	54,871	22.49
282	1,484,549	805,225	197,859	607,366	183,467	423,899	31.97
290	676,312	364,114	152,318	211,796	83,364	128,432	26.79
335	1,277,955	685,365	251,770	433,595	157,310	276,285	28.32
340	774,383	420,275	144,545	275,730	95,722	180,009	29.10
341	1,254,147	681,796	206,956	474,840	155,117	319,724	30.31
342	839,664	456,785	181,465	275,320	103,878	171,443	27.60
PD 21	\$12,188,234	\$6,590,220	\$2,427,954	\$4,162,267	\$1,504,617	\$2,657,649	28.34
156	\$206,324	\$112,378	\$76,534	\$35,844	\$25,536	\$10,308	19.23
177	250,380	133,965	73,288	60,678	30,796	29,882	22.98
223	333,415	175,703	100,535	75,168	40,793	34,375	22.26
344	437,487	237,659	133,860	103,799	54,096	49,703	22.70
PD 22	\$1,227,606	\$659,706	\$384,217	\$275,489	\$151,220	\$124,268	22.05
127	(178)	178	2,737	(2,560)	-	(2,560)	
320	-	-	50,460	(50,460)	-	(50,460)	
	\$192,869,006	\$103,891,773	\$38,838,074	\$65,053,699	\$23,777,857	\$41,275,842	28.12

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LICENSES BY CATEGORY

COUNTIES	Liquor by the drink (1)	Bed & Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establs.	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet/Grocery	Gourmet Brew Shops	Grocery/Gourmet Stores	Hotels/Resorts	Restaurants (Beer & Wine)	Restaurants (Mixed Beverage) (2)	Restaurant-Combo (3)	Winery	All Other (4)	Total Licenses (excluding Mixed Beverage)	
Accomack	Wet	1	1	2	0	0	0	5	28	0	2	1	23	0	49	24	1	0	1	114			
Albemarle	Wet	4	0	2	0	0	2	7	15	0	1	9	50	7	60	32	1	7	6	172			
Alleghany	Wet	1	0	0	0	0	0	2	6	0	0	1	10	2	10	4	0	0	0	32			
Amelia	Wet	0	0	0	0	0	0	1	12	0	0	0	6	0	3	0	0	0	0	23			
Amherst	Wet	1	0	0	0	0	0	2	19	0	0	3	19	0	13	6	1	1	0	60			
Appomattox	Dry	0	0	0	0	0	0	2	3	0	0	0	15	1	3	0	0	1	0	26			
Arlington	Wet	0	2	1	2	2	3	6	30	1	0	20	10	65	21	227	141	9	0	1	400		
Augusta	Wet	2	0	2	0	0	0	3	11	0	0	2	4	39	1	16	7	0	0	0	80		
Bath	Wet	1	0	0	0	0	0	0	5	0	0	0	1	12	2	9	6	0	0	2	32		
Bedford	Wet	1	0	0	0	2	0	6	15	0	0	3	2	30	1	24	14	1	1	5	91		
Bland	Dry	0	0	0	0	0	0	0	2	2	0	0	0	8	0	1	0	0	0	0	13		
Botetourt	Dry	0	2	3	0	0	0	1	10	0	0	1	1	24	0	14	3	0	0	0	56		
Brunswick	Wet	1	0	1	0	0	0	1	16	0	0	1	0	15	1	11	6	1	0	1	49		
Buchanan	Dry	0	0	0	0	0	0	1	25	0	0	2	1	20	0	2	0	0	0	1	52		
Buckingham	Wet	0	0	0	0	0	0	1	7	1	0	0	0	17	0	2	1	2	0	1	31		
Campbell	Dry	0	0	0	0	0	0	3	26	0	0	3	1	42	1	17	6	0	0	1	94		
Caroline	Wet	0	0	0	0	0	0	1	15	1	0	1	0	19	0	14	2	0	0	1	52		
Carroll	Dry	0	0	0	0	0	0	1	18	0	0	0	0	14	0	9	1	0	0	0	42		
Charles City	Wet	2	0	1	0	0	1	0	3	0	0	0	3	5	0	4	2	0	0	0	19		
Charlotte	Dry	0	0	0	0	0	0	1	12	0	0	1	1	25	2	5	0	1	0	0	48		
Chesterfield	Wet	0	0	0	0	0	2	7	58	3	0	22	7	93	3	144	79	6	0	4	349		
Clarke	Wet	0	0	0	0	0	0	3	4	0	0	0	0	13	0	9	6	0	0	3	32		
Craig	Dry	0	0	0	0	0	0	0	4	0	0	0	0	3	0	1	0	0	0	0	8		
Culpeper	Wet	1	0	1	0	0	0	5	6	0	1	2	1	30	1	20	9	0	2	0	70		
Cumberland	Wet	0	0	0	0	0	0	0	4	0	0	0	0	6	0	3	1	0	0	0	13		
Dickenson	Dry	0	0	0	0	0	0	1	10	3	0	0	0	13	0	4	0	0	0	0	31		
Dinwiddie	Wet	0	0	0	0	0	0	1	17	0	0	1	0	17	0	6	0	0	0	1	43		
Essex	Wet	1	0	0	0	0	0	1	1	0	0	1	0	13	0	11	3	0	0	0	28		
Fairfax	Wet	0	45	33	3	0	9	33	76	10	0	55	38	194	26	700	483	2	0	22	1246		
Fauquier	Wet	1	1	1	0	0	0	4	8	1	0	4	4	43	4	31	17	0	5	2	109		
Floyd	Dry	0	0	0	0	0	0	2	3	0	0	0	1	6	0	6	3	0	2	0	20		
Fluvanna	Wet	1	0	0	0	0	0	0	5	0	0	0	0	10	0	8	4	0	0	0	24		
Franklin	Dry	1	1	0	0	0	1	2	21	0	0	2	2	34	0	26	17	1	0	5	96		
Frederick	Wet	1	1	4	0	0	1	4	16	0	0	1	1	47	2	27	13	0	1	2	108		
Giles	Dry	0	0	0	0	0	0	4	9	3	0	2	0	21	1	6	1	0	0	1	47		
Gloucester	Wet	0	1	0	0	1	0	4	14	0	0	3	1	20	0	20	10	1	0	2	67		
Goochland	Wet	0	0	0	0	0	0	2	5	0	0	0	0	11	0	15	9	0	1	0	34		
Grayson	Dry	0	0	0	0	0	0	0	7	0	0	0	1	4	0	1	0	0	0	0	13		
Greene	Dry	0	0	0	0	0	0	2	2	0	0	0	0	12	0	5	3	1	2	0	24		
Greensville	Wet	0	0	0	0	0	0	1	13	0	0	0	0	4	0	3	2	0	0	0	21		
Halifax	Dry	0	0	2	0	0	0	3	13	0	0	0	1	47	1	20	5	0	0	1	88		
Hanover	Wet	0	3	2	1	0	4	6	17	1	0	6	3	57	2	54	25	1	1	0	158		
Henrico	Wet	0	8	10	3	0	5	18	77	2	0	28	11	92	9	199	131	6	0	7	475		
Henry	Dry	0	0	0	0	0	0	9	41	0	0	1	1	35	2	22	3	1	0	1	113		
Highland	Dry	0	0	0	0	0	0	0	3	0	0	0	0	7	1	1	0	0	0	0	12		
Isle of Wight	Wet	1	0	0	0	0	0	5	12	0	0	2	2	24	1	13	6	0	0	0	60		
James City	Wet	0	1	1	1	0	1	2	6	0	1	2	6	20	3	50	27	1	2	3	100		
King & Queen	Wet	0	0	0	0	0	0	0	1	0	0	0	0	10	0	1	1	0	1	0	13		
King George	Wet	0	0	0	0	0	0	0	5	0	0	0	0	11	0	11	2	0	0	1	28		
King William	Dry	0	0	0	0	0	0	2	2	1	0	1	0	13	0	4	1	0	0	0	23		
Lancaster	Wet	0	0	0	0	0	0	4	3	0	0	0	1	18	3	16	10	0	0	2	47		
Lee	Dry	0	0	0	0	0	0	3	18	2	0	1	0	14	0	5	0	0	0	0	43		
Loudoun	Wet	1	5	4	1	10	4	8	41	2	0	10	7	52	5	119	71	0	7	8	284		
Louisa	Dry	0	2	2	0	0	0	3	5	0	0	0	0	29	2	6	1	0	1	2	52		
Lunenburg	Dry	0	0	0	0	0	0	3	7	0	0	0	0	12	0	5	0	1	0	0	28		
Madison	Wet	1	1	1	0	0	0	0	2	0	0	0	1	12	2	4	1	0	4	0	28		
Mathews	Wet	1	0	0	0	0	0	2	7	0	0	0	0	4	1	5	3	1	0	1	22		
Subtotal - Counties		57	90	112	19	18	47	322	1,407	69	4	254	162	2,409	141	2,877	1,848	53	66	143	8250		

LICENSES BY CATEGORY

COUNTIES	Liquor by the drink (1)	Bed & Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establs.	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet/Grocery	Gourmet Brew Shops	Grocery/Gourmet Stores	Hotels/Resorts	Restaurants (Beer & Wine)	Restaurants (Mixed Beverage) (2)	Restaurant-Combo (3)	Winery	All Other (4)	Total Licenses (excluding Mixed Beverage)	
Mecklenburg	Dry	1	0	2	0	0	0	11	34	0	0	1	0	33	0	16	7	0	0	0	98		
Middlesex	Wet	0	0	0	0	0	0	0	1	3	1	0	0	12	1	12	9	0	0	5	35		
Montgomery	Dry	1	0	0	0	0	3	3	22	1	0	1	4	42	3	61	36	1	0	0	142		
Nelson	Wet	2	0	0	0	0	0	2	7	0	0	1	2	21	2	7	2	1	4	3	52		
New Kent	Wet	0	0	0	0	0	1	1	3	0	0	2	0	10	0	13	7	0	0	0	30		
Northampton	Wet	1	2	4	0	0	0	3	13	0	0	2	0	10	1	13	5	1	0	0	50		
Northumberland	Wet	0	0	0	0	2	0	3	3	1	0	0	0	13	0	10	7	0	0	1	33		
Nottoway	Wet	0	0	2	0	0	0	4	12	0	0	1	0	11	1	11	4	0	0	0	42		
Orange	Wet	3	0	1	0	0	0	3	10	0	0	1	1	16	0	16	8	2	3	0	56		
Page	Wet	2	0	0	0	0	0	5	4	0	0	1	0	24	2	16	6	1	1	1	57		
Patrick	Dry	2	0	0	0	0	0	1	11	0	0	1	0	14	1	6	0	0	1	0	37		
Pittsylvania	Dry	0	1	4	0	0	0	4	28	0	0	1	0	57	0	10	0	1	1	2	109		
Powhatan	Wet	0	0	0	0	0	0	1	11	0	0	0	1	8	0	5	2	0	0	0	26		
Prince Edward	Wet	0	0	0	0	0	2	2	8	0	0	1	1	17	0	18	12	1	1	1	52		
Prince George	Wet	0	0	1	0	0	0	3	8	0	0	2	0	14	1	10	6	0	0	1	40		
Prince William	Wet	0	3	1	0	0	2	13	77	3	0	9	4	79	3	175	107	0	0	5	374		
Pulaski	Dry	0	0	1	0	0	0	4	12	3	0	3	2	27	0	9	1	0	0	1	62		
Rappahannock	Wet	4	0	0	2	0	0	0	2	1	0	0	1	11	0	10	5	0	4	2	37		
Richmond	Wet	0	0	6	0	0	1	0	1	0	0	1	0	10	0	4	175	0	0	1	24		
Roanoke	Wet	0	4	4	0	0	0																

LICENSES BY CATEGORY

CITIES	Liquor by the drink (1)	Beer & Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer	Establs.	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet	Gourmet/Brew Shops	Grocery/Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Beer & Wine)	Restaurants (Mixed Beverage) (2)	Restaurant-Combo (3)	Winery	All Other (4)	Total Licenses (excluding Mixed Beverage)
Alexandria	Wet	0	8	5	4	1	1	7	15	3	0	12	12	39	11	162	108	2	2	4	288		
Bedford	Wet	0	0	0	0	0	0	0	6	0	0	1	0	4	1	4	14	0	0	2	18		
Bristol	Wet	0	0	1	0	0	1	0	7	0	0	2	3	17	1	13	8	0	0	0	45		
Buena Vista	Wet	0	0	0	0	0	0	0	0	0	0	0	0	6	0	6	2	0	0	1	13		
Charlottesville	Wet	1	4	6	4	0	3	6	12	0	0	2	10	37	3	90	60	1	0	4	183		
Chesapeake	Wet	0	2	6	0	0	0	11	40	0	0	17	10	72	1	114	76	0	0	2	275		
Clifton Forge	Wet	0	0	0	0	0	0	3	2	0	0	1	0	3	0	3	1	0	0	0	12		
Colonial Heights	Wet	0	0	0	0	0	0	2	6	0	0	2	0	12	0	25	16	0	0	1	48		
Covington	Wet	0	0	0	0	0	0	0	4	0	0	1	0	7	0	6	0	0	0	0	18		
Danville	Wet	0	0	1	0	0	2	8	23	0	0	5	3	40	1	34	17	1	0	0	118		
Emporia	Wet	0	0	0	0	0	0	0	16	0	0	1	0	6	1	8	4	0	0	0	32		
Fairfax	Wet	0	0	0	0	0	2	2	10	0	0	4	2	18	1	56	483	1	0	1	97		
Falls Church	Wet	0	2	2	0	0	0	1	2	0	0	4	0	12	0	38	16	0	0	0	61		
Franklin	Wet	0	0	0	0	0	0	1	5	0	0	1	0	5	0	7	17	0	0	0	19		
Fredericksburg	Wet	0	0	0	0	0	1	3	18	1	0	4	3	16	1	69	49	1	0	0	117		
Galax	Wet	0	0	0	0	0	0	2	0	0	0	2	1	7	0	4	2	0	0	0	16		
Hampton	Wet	1	0	1	3	3	1	18	23	1	0	9	3	62	4	101	55	1	0	7	238		
Harrisonburg	Wet	0	1	2	1	0	1	4	11	0	0	4	4	28	3	43	25	1	0	1	104		
Hopewell	Wet	0	0	0	0	0	0	4	13	0	0	1	0	11	0	19	9	0	0	1	49		
Lexington	Wet	1	0	0	0	0	2	0	1	0	0	1	2	3	1	12	6	1	0	2	26		
Lynchburg	Wet	0	1	5	0	0	1	7	26	3	0	6	1	35	3	64	40	1	0	4	157		
Manassas	Wet	0	0	0	0	1	0	3	10	1	0	2	1	11	0	29	21	0	0	0	58		
Manassas Park	Wet	0	0	0	0	0	0	0	5	0	0	0	0	2	0	4	2	0	0	0	11		
Martinsville	Wet	0	0	0	0	0	0	3	7	0	0	2	1	12	0	13	5	0	0	1	39		
Newport News	Wet	0	4	6	0	0	1	16	41	0	0	8	5	86	3	131	60	1	0	5	307		
Norfolk	Wet	1	4	5	0	3	6	36	37	1	0	16	11	107	3	225	138	2	0	14	471		
Norton	Wet	0	0	2	0	0	0	0	1	5	0	1	0	1	1	2	0	0	0	1	14		
Petersburg	Wet	0	2	3	0	0	1	11	25	0	0	2	0	22	1	32	9	0	0	0	99		
Poquoson	Wet	0	0	0	0	0	0	1	3	0	0	1	0	3	0	6	1	0	0	0	14		
Portsmouth	Wet	0	0	0	0	1	1	14	16	1	0	9	2	51	1	54	34	0	0	2	152		
Radford	Wet	0	0	0	0	0	1	1	4	2	0	0	1	9	0	14	10	1	0	1	34		
Richmond	Wet	0	8	10	4	1	7	28	85	4	0	18	14	111	8	261	175	2	0	14	575		
Roanoke	Wet	1	0	3	0	2	2	9	62	0	0	11	4	49	4	124	98	1	0	6	278		
Salem	Wet	0	0	0	0	0	1	5	17	1	0	5	0	16	0	32	16	0	0	4	81		
Staunton	Wet	0	0	0	0	0	1	5	4	1	0	4	1	15	2	20	8	0	0	1	54		
Suffolk	Wet	0	0	0	0	0	0	6	20	2	0	4	1	35	1	21	11	1	0	0	91		
Virginia Beach	Wet	0	1	1	1	1	4	14	58	3	0	34	25	145	13	457	313	7	0	12	776		
Waynesboro	Wet	0	0	0	0	0	0	3	4	0	0	1	2	15	0	12	3	1	0	0	38		
Williamsburg	Wet	4	0	0	0	0	3	0	5	0	0	2	3	5	7	50	38	0	0	7	86		
Winchester	Wet	0	4	3	0	0	0	6	5	0	0	1	3	20	1	36	24	0	0	0	79		
Subtotal - Cities		9	41	62	17	13	43	240	649	29	0	201	128	1,155	77	2,401	1,689	26	2	98	5191		
Total - All In State		66	131	174	36	31	90	562	2,056	98	4	455	290	3,564	218	5,278	3,537	79	68	241	13,441		
Total - Out of State		0	206	0	3	5	0	0	1	0	0	0	0	0	0	0	0	0	0	0	215		
Grand Total		66	337	174	39	36	90	562	2,057	98	4	455	290	3,564	218	5,278	3,537	79	68	241	13,656		

- (1) Liquor by the drink: Dry - not approved for liquor by the drink; Wet - approved for liquor by the drink.
- (2) Restaurants - Mixed Beverage: The total number of wine and beer establishments also having a mixed beverage license (not included in Total Licenses column).
- (3) Combination Restaurant includes: Restaurant-Grocery Store; Restaurant-Drug Store; Restaurant-Delicatessen & Restaurant-Gourmet Shop.
- (4) All Other includes: Hospitals, Fire Departments, Rescue Squads, Performing Arts Facilities, Gift Shops, Food Concessions, etc. Does not include Banquets.

Source: CORE, July 2000.

AUDITOR'S REPORT



Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

SEPTEMBER 29, 2000

THE HONORABLE JAMES S. GILMORE, III
GOVERNOR OF VIRGINIA
STATE CAPITOL
RICHMOND, VIRGINIA

THE HONORABLE VINCENT F. CALLAHAN, JR.
CHAIRMAN, JOINT LEGISLATIVE AUDIT
AND REVIEW COMMISSION
GENERAL ASSEMBLY BUILDING
RICHMOND, VIRGINIA

We have audited the balance sheet of the Department of Alcoholic Beverage Control (the Department) as of June 30, 2000, and the related statements of revenues, expenses, and retained earnings, and cash flows for the year then ended.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the balance sheet of the Department of Alcoholic Beverage Control (the Department) as of June 30, 2000, and the related statements of revenues, expenses, and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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, 2000, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2000, which includes our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.


 AUDITOR OF PUBLIC ACCOUNTS

FINANCIAL STATEMENTS

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL BALANCE SHEET

As of June 30, 2000

ASSETS

Current assets:	
Cash (Note 2)	\$ 32,175
Petty cash	130,000
Receivables	2,287,462
Inventory-alcohol	24,371,025
Inventory-lottery tickets	511,993
Prepaid insurance	919,743
Investments held by Treasurer of Virginia	23,942
Total current assets	28,276,340
Long term assets:	
Fixed assets (Net of accumulated depreciation) (Note 3)	14,538,103
Total assets	<u>\$ 42,814,443</u>

LIABILITIES AND FUND EQUITY

Current liabilities:	
Accounts payable	\$ 13,164,573
Deferred revenue	194,060
Due to Commonwealth of Virginia (Note 4)	23,619,562
Obligations under Securities Lending (Note 7)	23,942
Compensated absences payable	51,999
Total current liabilities	37,054,136
Long term liabilities:	
Compensated absences payable	4,931,331
Total liabilities	41,985,467
Fund equity:	
Contributed capital	1,600,000
Retained earnings (Note 5)	(771,024)
Total equity	828,976
Total liabilities and fund equity	<u>\$ 42,814,443</u>

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

FINANCIAL STATEMENTS

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 2000

Operating revenues:	
Sales of alcohol	\$ 296,843,251
Sales of lottery tickets	6,909,288
License and permit fees	7,088,819
Wine wholesalers tax	2,670,498
Penalties	1,002,882
Federal grants and contracts	1,037,840
Mixed beverage tax on common carriers	74,853
Income from Securities Lending Transactions	59,100
Miscellaneous	207,546
Net operating revenues	<u>315,894,077</u>
Operating expenses:	
Cost of sales of alcohol	194,190,059
Cost of sales of lottery tickets	6,685,870
Personal services	47,469,547
Continuous charges	9,902,389
Contractual charges	8,586,644
Supplies and materials	1,336,596
Depreciation	4,854,450
Expendable equipment	1,315,883
Expenses for Securities Lending Transactions	59,100
Other	693,261
Total operating expenses	<u>275,093,799</u>
Operating income	<u>40,800,278</u>
Nonoperating revenues:	
Rents	20,520
Seized assets	39,120
Total nonoperating revenues	<u>59,640</u>
Net profit before transfers	<u>40,859,918</u>
Transfers out:	
Transfers of profits to the General Fund of the Commonwealth	(28,058,853)
Appropriation Act transfers	(12,797,503)
Total transfers	<u>(40,856,356)</u>
Net income after transfers	3,562
Retained Earnings (deficit) - July 1, 1999	<u>(774,586)</u>
Retained Earnings (deficit) - June 30, 2000 (Note 5)	<u>\$ (771,024)</u>

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

FINANCIAL STATEMENTS

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL STATEMENT OF CASH FLOWS

For the year ended June 30, 2000

Cash flows from operating activities:	
Cash received from sales	\$ 303,637,466
Cash received from licenses and fees	7,057,502
Cash received from other revenue	4,820,861
Cash payments for cost of sales	(200,777,908)
Cash payments for personal services	(47,242,004)
Cash payments for other expenses	(21,901,277)
	<u>45,594,640</u>
Net cash provided by operating activities	
Cash flows from noncapital financing activities:	
Net proceeds, notes payable, and other adjustments	(2,037,163)
Cash received from taxes	90,387,677
Transfers of tax collections to the General Fund of the commonwealth	(77,338,172)
Transfers of tax collections to the Department of Taxation	(12,833,816)
Transfers of profit to the General Fund of the Commonwealth	(30,146,320)
Appropriation Act transfers	(12,797,503)
	<u>(44,765,297)</u>
Net cash used for noncapital financing activities	
Cash flows from capital financing activities:	
Acquisition of equipment	(1,001,973)
	<u>(172,630)</u>
Net decrease in cash and cash equivalents	
Cash and cash equivalents - July 1, 1999	<u>334,805</u>
Cash and cash equivalents - June 30, 2000	<u>\$ 162,175</u>
Reconciliation of net profit to net cash provided by operating activities:	
Net profit before transfer	40,859,918
Adjustments to reconcile net profit to net cash provided by operating activities:	
Depreciation	4,854,450
Change in assets and liabilities:	
Increase in accounts receivable	(406,571)
Increase in inventory	(1,975,037)
Increase in compensated absences	227,543
Increase in accounts payable	2,073,057
Increase in prepaid items	(7,404)
Decrease in deferred revenue	(31,316)
	<u>\$ 45,594,640</u>
Net cash provided by operating activities	

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

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2000

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 and its localities.

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. The Department is a component unit of the Commonwealth of Virginia and is included in the general-purpose financial statements of the Commonwealth.

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, be financed or recovered primarily through user charges.

C. Basis of Accounting

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

D. Inventories

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

E. Compensated Absences

Compensated absences reflected in the balance sheet represent the amounts of vacation, sick, and compensatory leave earned by employees of the Department, but not taken at June 30, 2000. 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.

2. CASH WITH THE TREASURER OF VIRGINIA

All state funds of the Department are held by the Treasurer of Virginia, pursuant to [Section 2.1.177, 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" on the balance sheet and is not categorized as to credit risk.

3. FIXED ASSETS

The schedule at the top of the next page shows the breakdown of fixed assets by category at June 30, 2000.

	Total Fixed Assets	Accumulated Depreciation	Net Fixed Assets
Land	\$ 1,577,406	\$ -	\$ 1,577,406
Buildings	9,216,382	8,331,125	885,257
Equipment	24,371,222	12,295,782	12,075,440
Total	<u>\$ 35,165,010</u>	<u>\$ 20,626,907</u>	<u>\$ 14,538,103</u>

The following schedule presents the changes in Fixed Assets by category.

	Balance at June 30, 1999	Acquired	Deleted	Balance at June 30, 2000
Land	\$ 1,586,806	\$ -	\$ (9,400)	\$ 1,577,406
Buildings	9,239,982	-	(23,600)	9,216,382
Equipment	26,693,855	1,001,973	(3,324,606)	24,371,222
Total	<u>\$ 37,520,643</u>	<u>\$ 1,001,973</u>	<u>\$ (3,357,606)</u>	<u>\$ 35,165,010</u>

Property, plant, and equipment are stated at cost and at the time of acquisition are set up in a comprehensive fixed asset system. Depreciation of the cost of property, plant, and equipment is provided on a straight-line basis over their estimated lives of from ten to thirty years on buildings and from three to eight years on equipment.

4. DUE TO THE COMMONWEALTH

A. Note Payable

The Department has a line of credit for \$25,000,000 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, 2000, the Department had outstanding \$21,582,438 of its available line of credit to extinguish a cash overdraft.

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. Twelve percent of the liter tax is retained by the Department and reported as wine wholesalers' tax on the Department's financial statements. The remainder is paid to the General Fund of the Commonwealth quarterly. Of the liter tax paid to the General Fund, the Commonwealth subsequently transfers 50 percent to localities. Collections and transfers of state tax on sales and liter tax are not reported on the Statement of Revenues, Expenses, and Changes in Retained Earnings. Activity relating to the amounts due to the General Fund for the year ended June 30, 2000, is summarized below.

	State Tax On Sales	Liter Tax On Wine	Total
Balance due to the General Fund July 1, 1999	\$ 118,431	\$ 297,853	\$ 416,284
Receipts for fiscal year	58,316,888	19,108,558	77,425,446
Transfers to the General Fund	(58,359,313)	(18,978,859)	(77,338,172)
Balance due to the General Fund June 30, 2000	<u>\$ 76,006</u>	<u>\$ 427,552</u>	<u>\$ 503,558</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 Retained Earnings. Activity relating to the amounts due to the Department of Taxation for the year ended June 30, 2000, is summarized below.

Balance due to the Department of Taxation, July 1, 1999	\$ 943,528
Sales tax collections	12,962,232
Transfers to the Department of Taxation	<u>(12,833,816)</u>
Balance due to the Department of Taxation, June 30, 2000	<u>\$ 1,071,944</u>

D. Earned Surplus

The Appropriation Act, Chapter 935 of the 1999 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 \$461,622 due to the General Fund at June 30, 2000.

5. DEFICIT RETAINED EARNINGS

The Department ended the year with a deficit retained earnings of \$771,024. This is attributable to the difference between the statutory method of calculating transfers to the Commonwealth prior to 1994 and calculating net profit.

6. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for store buildings. Rent expense under operating lease agreements amounted to \$7,748,967 for the year. A summary of future obligations under lease agreements as of June 30, 2000, follows.

2001	\$ 5,441,267
2002	3,832,473
2003	2,473,283
2004	1,508,545
2005	504,303
Later years	<u>169,423</u>
Total obligations	<u>\$ 13,929,294</u>

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.

ABC REGIONAL OFFICES, CENTRAL OFFICE AND WAREHOUSE

8. COLLECTIONS OF MALT BEVERAGE TAX

During the year ended June 30, 2000, the Department collected \$40,746,268 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 a defined benefit plan administered by the Virginia Retirement System (VRS). The VRS also administers life insurance and health related plans for retired employees. Information related to these plans is available on a statewide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report. The Commonwealth, not the Department, has overall responsibility for contributions to these plans.

10. RISK MANAGEMENT AND EMPLOYEE HEALTH CARE PLANS

The Department participates in two self-insurance plans maintained by the Commonwealth of Virginia. The state employee health care plan is administered by the Department of Human Resource Management (formerly the Department of Personnel and Training) and the risk management insurance plans are administered by the Department of General Services, Division of Risk Management. Risk management insurance includes worker's compensation, property, general (tort) liability, and automobile plans. Information relating to the Commonwealth's self-insurance plans is available at the statewide level in the Commonwealth's Comprehensive Annual Financial Report.

11. SURETY BOND

The employees of the Department were covered by a Faithful Performance Duty Bond administered by the Commonwealth of Virginia's Department of General Services, Division of Risk Management with liability limits of \$500,000 for each occurrence. Information relating to the Commonwealth's self-insurance plans is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

12. CONTINGENT LIABILITIES

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.

Richmond Central Office and Warehouse

(804) 213-4400

2901 Hermitage Road
Richmond, VA 23220

P.O. Box 27491
Richmond, VA 23261-7491

ABC Regional Offices

Location	Mailing Address	Phone	Fax
Abingdon (Satellite Office) 102 Abingdon Place Abingdon, VA 24211	PO Box 205 Abingdon, VA 24212-0205	(540) 676-5502	(540) 676-5549
Alexandria 501 Montgomery Street Alexandria, VA 22314-1411	PO Box 25157 Alexandria, VA 22313-5157	(703) 518-8090	(703) 518-8093
Charlottesville (Satellite Office) 900 Natural Resource Dr., Suite 700 Fountaine Research Park 22903	900 Natural Resource Dr., Suite 700 Charlottesville, VA 22903	(804) 977-2974	(804) 977-4772
Chesapeake 1103 S. Military Highway Chesapeake, VA 23320	PO Box 1486 Chesapeake, VA 23327-1486	(757) 424-6700	(757) 424-6744
Hampton 4907 W. Mercury Blvd. Hampton, VA 23666	PO Box 5226 Newport News, VA 23605-0226	(757) 825-7830	(757) 825-7884
Lynchburg 20353 Timberlake Road, Suite A Lynchburg, VA 24502	PO Box 10336 Lynchburg, VA 24506-0336	(804) 582-5136	(804) 582-5140
Richmond North (Central Office) 2901 Hermitage Road Richmond, VA 23220	PO Box 27491 Richmond, VA 23261-7491	(804) 213-4620	(804) 213-4638
Richmond South (Central Office) 2901 Hermitage Road Richmond, VA 23220	P.O. Box 27491 Richmond, VA 23261-7491	(804) 213-4624	(804) 213-4638
Roanoke 3023 Peters Creek Rd. Roanoke, VA 24019	3023 Peters Creek Rd. Roanoke, VA 24019-2738	(540) 562-3535	(540) 562-3540
Staunton 460 Commerce Square Staunton, VA 24401	460 Commerce Square Staunton, VA 24401	(540) 332-7800	(540) 332-7814



Virginia Department of Alcoholic Beverage Control
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ABC Central Office (804) 213-4400

ABC Hotline (800) 552-3200
(To report suspected violations)

Visit our Web site
www.abc.state.va.us