



# Staying on Course:

*a Journey to Success*





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# Moving Forward



## Letter from the Chairman

*Vernon M. Danielsen*

ABC continues to move forward, meeting our objectives to serve the citizens of the Commonwealth. We celebrate our fifth record year: in effective enforcement, retail sales, profits and contributions to the Commonwealth.

Total contributions from ABC to the Commonwealth of Virginia exceeded \$207 million for Fiscal Year 2003. Transfers to other state agencies include funding for the treatment of alcoholics, Breathalyzer training for police officers, processing of lab analysis of alcoholic beverages, funding for the marketing of Virginia wine, and central state agency services such as fees to the Attorney General's Office and Department of Accounts. After these statutory adjustment transfers, two-thirds of ABC profits are distributed to localities based on population and the remaining one-third goes to the state's General Fund.

An aggressive plan to open new stores for customer convenience resulted in 18 new store openings in Fiscal Year 2003, bringing the total to 276 ABC stores. This is the largest number of store openings in any single year since the agency was formed in 1934. Two years ago, our plan was to have 325 stores conveniently located throughout the Commonwealth by the end of Fiscal Year 2006. We expect to beat that schedule significantly.

Public safety, achieved by enforcing ABC laws and combating purchase of alcoholic beverages by underage persons, is an equally important aspect of our service to the Commonwealth. Compliance rates for sales of alcohol to underage buyers had remained level at 76 to 77 percent for the last three years. Through the implementation of aggressive new programs, the agency recently closed out Fiscal Year 2003 with a record compliance rate of 85 percent. Breaking through the ceiling and raising the rate almost ten percent was accomplished by efforts from the entire industry, working together through cooperative programs and initiatives. We pledge to continue to work on this important mission.

As we move forward with successes in each area of the agency, our vision is to enhance the quality of life for Virginia's citizens by balancing control, service, and revenue in the manufacture, distribution, sale and consumption of alcoholic beverages. Effective public safety, excellent customer service and a reliable source of revenue say it all.

A handwritten signature in black ink that reads "Vernon M. Danielsen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Vernon M. Danielsen, Chairman  
Virginia Department of Alcoholic Beverage Control





# 2003 Annual Report



## Executive Information

### Governor

Mark R. Warner

### ABC Board Fiscal Year 2003

Vernon M. Daniels, *Chairman*

Esther H. Vassar, *Member*

Warren E. Barry, *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*



### ABC Board

Pictured above are **Vernon M. Daniels**, Chairman (left), **Esther H. Vassar**, Member (seated) and **Warren E. Barry**, Member.

### Division Directors

Virginia A. Adams  
*Wholesale/Retail Operations*

Chris N. Saneda  
*Information Technology Services*

S. Christopher Curtis  
*Bureau of Law Enforcement*

Nancy A. Murphy  
*Financial Management Services*

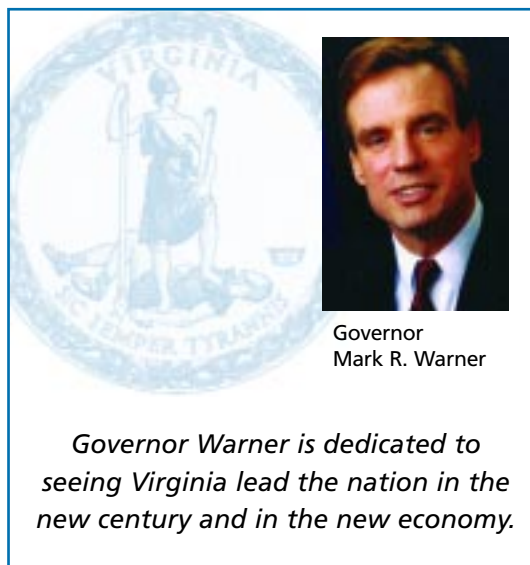
Robert S. O'Neal  
*Hearings, Appeals and Board  
Administration*

Janet L. Lawson  
*Human Resources*

J. Craig Vanderland  
*Policy, Analysis & Support  
Services*

Robert W. Southall  
*Property Management Services*

Rebecca V. Gettings  
*Public Affairs*



Governor  
Mark R. Warner

*Governor Warner is dedicated to  
seeing Virginia lead the nation in the  
new century and in the new economy.*

# En Route with ABC



## A Review of Mission, Goals and Agency Operations

Moving along the path to success and a fifth record-breaking year in Fiscal Year 2003, employees of Virginia ABC continued to dedicate themselves to furthering the vision of the agency while carrying out its mission.

The mission of ABC 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.

As one of 18 control states across the United States, Virginia shares a common goal of safely and responsibly administering the sale and distribution of alcoholic beverages. This is achieved through regulation of a three-tier system involving wholesalers, distributors and retailers. ABC serves as the wholesaler and retailer of distilled spirits in Virginia. Goods are purchased from domestic and international vendors and shipped from all over the world to a seven-acre central warehouse facility in Richmond.

Retail outlets include 276 state-operated ABC stores that sell packaged distilled spirits and Virginia wines to the public and to 3,754 mixed beverage licensees for sale/consumption in their restaurants throughout the state. Licensees (also considered retailers) include over 14,000 private or corporate owners of establishments, holding approximately 18,000 ABC licenses allowing sales and/or consumption of beer and wine or mixed beverages on or off-premise. Licensees, as well as ABC store employees, are required to comply with ABC laws.

In Fiscal Year 2003, 276 ABC stores were responsible for over \$439 million in gross sales and the sale of approximately three million cases of distilled spirits, Virginia wines and assorted mixers in Fiscal Year 2003.

Considerable effort is expended to support the agency's goal to expand the retail store network to improve customer convenience. Market plans,



management reports, operational studies, real estate location studies and a wide array of data come into play in the decision-making process to ensure optimum customer service and profitability for the Commonwealth. ABC opened 18 new stores in Fiscal Year 2003. This is the largest number of new store openings in one year since the agency was formed in 1934.

Product merchandising and category development also require constant review in order to stay on top of the latest industry trends in merchandising and shelf management.

Implementation of a new Point of Sale (POS) system for all retail stores and testing for the implementation of a Management of Inventory and Product Sales (MIPS) began in Fiscal Year 2002 and continued with enhancements in Fiscal Year 2003. Both are Web-enabled systems that increase the efficiency of ABC's business activities and provide a platform for well-informed decision making and improved customer service.

A major source of revenue for Virginia state agencies, the General Fund and localities, ABC provided \$207 million in contributions to the Commonwealth for Fiscal Year 2003.

The agency is dedicated to ensuring that legal-aged adults who choose to responsibly consume alcohol can do so in a safe environment – one that is compliant with the laws and regulations of the Commonwealth. ABC's Bureau of Law Enforcement has eight regional offices and 131 special agents and supervisors located throughout Virginia.

*Continued on page 11*



## Spotlight: Award-Winning Enforcement Bureau Boasts Record Compliance Rates

Fiscal Year 2003 showed a noticeable improvement in the compliance rates. ABC closed the year with an alcohol compliance rate of 85 percent, up from a rate of 76 to 77 percent that had remained steady for several years. The current tobacco compliance rate of 90 percent is also up from 88 percent last year.


Virginia has come a long way since the Under Age Buyer program compliance checks began in January 1998, when the rate was a disappointing 60 percent for alcohol and 69 percent for tobacco. ABC's Bureau of Law Enforcement conducts approximately 400 alcohol and 400 tobacco Under Age Buyer compliance checks each month.

ABC Enforcement was named ***National Agency of the Year*** by the National Liquor Law Enforcement Association for excellence in enforcement and for the actions of the Bureau at the Pentagon on Sept. 11, 2001, and subsequent to that date for continuing support to the emergency services recovery efforts.

The Enforcement Bureau has had to adjust to several significant events including an approximate 20 percent budget cut in two years. The Bureau is striving to not

let it affect service to citizens and licensees. Two regional offices were slated for closing and relocating on a smaller scale to ABC stores in the vicinity. The regional office in Abingdon moved to the ABC store at 545 West Main Street in early September, and the Roanoke regional office will relocate in early December to the store at 1423 Williamson, Road, N.E.

In addition, the Bureau lost nine valuable enforcement personnel. "We tried to avoid personnel cuts, but our budget is nearly 90 percent personnel related expenses. Unfortunately, making cuts to personnel was impossible to avoid," said Director S. Christopher Curtis.

Also, of major interest to ABC is the possibility of merging its Enforcement Bureau into the Virginia State Police. Language in the budget bill for the 2003 General Assembly instructs the Secretary of Public Safety to develop a plan for such a merger, including any proposed legislation, to be presented to the Governor and the Chairmen of various legislative committees in the fall of 2003. The decision-making process should be completed by the end of the 2004 General Assembly session. 

During Fiscal Year 2003, special agents and staff of the Bureau of Law Enforcement:

- issued 11,004 one-day banquet and special event licenses
- issued 3,255 new retail, wholesale and special permit licenses
- collected \$72,588,704 in wine and beer taxes and license fees
- conducted 13,696 criminal investigations
- made 2,479 arrests
- conducted 10,905 inspections of licensed establishments
- issued 1,629 written warnings and violation reports
- conducted 10 illegal still investigations
- conducted 6,488 public and licensee training presentations

During fiscal year 2003, the Bureau had a significant drop in the statewide non-compliance rates for both underage sales of alcohol by ABC licensees and minor sales of tobacco by tobacco retailers. The random sample surveys from 2002 found ABC

licensees sold alcohol to underage buyers 23% of the time and tobacco retailers sold tobacco to minor buyers 12% of the time. The new random sample surveys from 2003 found ABC licensees only sold alcohol to underage buyers 15% of the time and tobacco retailers only sold tobacco to minor buyers 10% of the time.

This was the first year that the alcohol random sample was broken down into on-premise and off-premise sub-samples to determine if there was any difference between the two basic types of ABC licensees in compliance with underage sales laws. The survey found no difference in the on-premise and off-premise ABC licensees. Both types sold alcohol to underage buyers 15% of the time.

This was also the first year that the alcohol random sample had a statistical sample of ABC stores included. ABC stores sold alcohol to underage buyers only 7% of the time, the very best compliance of all during Fiscal Year 2003.

ABC special agents have full police powers with a diverse range of duties – from investigating license applicants, to detecting illegal distilleries, to enforcing criminal and ABC laws in more than 14,000 licensed establishments. Criminal activities ranging from drugs and vice, to money laundering and tax evasion are investigated and prosecuted through the state court system. ABC special agents also participate in federal task forces investigating illegal liquor manufacture and distribution and cigarette smuggling.

Illegal activities in licensed establishments may lead to criminal charges and/or to administrative charges against the license(s). ABC violations investigated by ABC Enforcement are reported to the Hearings, Appeals and Board Administration Division to be placed on the docket for an administrative hearing. Opposing sides introduce evidence in support of their case before an administrative law judge or hearing officer who weighs the evidence presented and issues a decision a short time later. Administrative hearings can result in dismissal, fines, suspension or revocation of a license.



Once the decision is issued, either party has 30 days to appeal the case to the ABC Board. In an appeal hearing, arguments are presented summarizing each side of the case, but no new evidence is introduced. The Board may uphold the hearing officer's decision, alter it or dismiss it. The Board issues a final order and again each party has 30 days to appeal, this time to the Circuit Court in the locality where the licensed establishment is located.

Some of the most common violations include selling to an intoxicated person, allowing disorderly or lewd conduct, allowing distribution and/or use of illegal narcotics on the premises and selling to an underage person.

Committed to preventing sales of alcoholic beverages and tobacco to underage persons, ABC special agents conduct continuous alcohol and tobacco enforcement operations. Underage buyers are utilized to conduct checks on retail licensees that sell alcohol, including ABC stores, and on retail establishments that sell tobacco products.

Compliance rates for sales of alcohol to underage buyers had remained level at 76 to 77 percent for the last three years and the agency closed out Fiscal Year 2003 with a record rate of 85 percent. Breaking the plateau by raising the rate almost ten percent required effort from many industry professionals and participation in ABC training programs.

ABC continues to lead the Commonwealth in alcohol prevention and community education initiatives. ABC Enforcement's Education Section provides training to local law enforcement agencies on the alcohol laws of Virginia and provides compliance training for licensees. In addition, the agency provides thousands of dollars in grant funding to enhance community prevention coalitions, produces prevention materials and hosts training sessions and conferences for communities, colleges and universities throughout Virginia.

ABC Enforcement's Tax Management section audits and collects the wholesale wine and malt beverage taxes for all wine and beer sold in the Commonwealth, amounting to \$66,052,476 this year.

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## Spotlight: Information Technology Services Makes Strides with Impressive Year

ABC's Information Technology Services Division (ITSD) can be proud of the Fiscal Year 2003 accomplishments that have kept the agency on course with industry trends. In fact, the division's efforts were recognized in August 2002 with the prestigious *CIO Magazine* Technology Award. Thanks to ITSD's efforts, the agency was included in the publication's exclusive list of 100 companies that exemplified integrated enterprises, which are defined by the ability to move and use data from any point within the technology system, providing an efficient information distribution process.

Other award recipients included Amazon.com, Inc., City of Houston, American Airlines, Inc., FedEx Corporation, General Electric Company and Cisco Systems. *CIO Magazine* has an international circulation of nearly 150,000 readers, encompassing those from Global 2000 companies and within federal, state and local agencies.

To continue on the course of innovation and success, ITSD installed a new Point of Sale (POS) system in each ABC store by August 2002. This useful, customer-friendly tool provides the stores with touch screens at each register and signature capture devices for credit card sales. The POS system assists store managers with completing management tasks, including opening stores and registers, receiving shipments and performing other inventory responsibilities.

Currently, all of the store transactions are disseminated to the Central Office to be incorporated into various databases. In the near future, the Central Office will receive these transactions as they occur, using a process known as "trickle." This will allow the agency to have near "real time" sales and inventory data, resulting in efficient, accurate operations. The next feature to be installed will enable stores to scan merchandise for managing inventory, checking shipments and verifying licensee orders.


ITSD also initiated the Incident Based Reporting System (IBR) that assists special agents with tracking

criminal arrest, tobacco and alcohol violations. ABC agents are required by law to report arrest information to the Virginia State Police, and this data is easily stored in a central database using IBR. Once stored, the records are available for the agents to use for investigating future cases.

For alcohol-related incidents, the system identifies establishments to investigate and records information identifying locations where criminal or administrative violations occurred. The Department of Mental Health sends ABC a list of establishments to check for tobacco violations, and the system organizes this information and reports the findings back to the Department.

To continue providing excellent customer service, ABC also updated its website, [www.abc.state.va.us](http://www.abc.state.va.us), to allow citizens to apply for a banquet license over the Internet, which eliminates the need to mail or drop off an application. ABC introduced the E-Licensing Application on May 30 with an overwhelming positive response from the public. Users can register on the secured site by completing a few small steps and ending the transaction with a credit card payment. An ABC agent reviews the application, and if it's approved, the applicants can print their licenses via the Internet connection.

Finally, ITSD developed a convenient, user-friendly system for ABC employees called MY ABC. This Web-based application enables employees to access their personal information, view training available, register for training and link to other sights such as Payline and Department of Human Resource Management. Managers can view and update employee information as well as send Human Resources recruitment requests through the online system.

ITSD has been paving the way to success through innovation and dedication, as evidenced by the impressive accomplishments in 2003. The division's Fiscal Year 2004 goals have the agency on track for another progressive year with enhanced productivity and foresight to meet industry trends. 

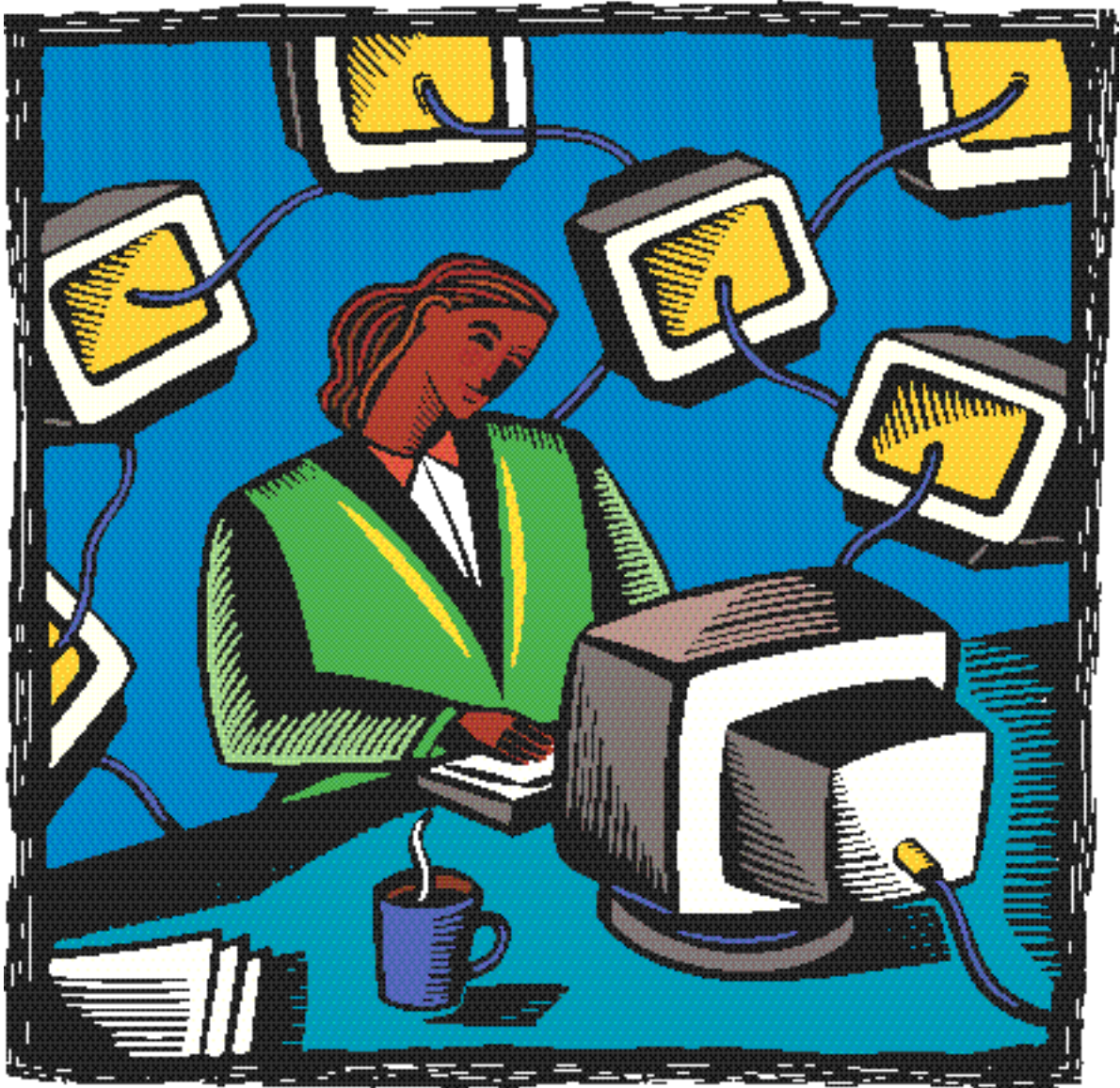


ABC is a multi-faceted agency requiring much business support as it carries out its mission. Many employees offer their expertise through a variety of support divisions.

The Division of Policy, Analysis and Support Services provides program and decision support services to internal and external customers. Staff manages the procurement of goods and coordinates the analysis, development and maintenance of agency policies. The division also leads the agency in developing, updating and reviewing its strategic plan.

The Division of Information Technology Services offers support to all agency divisions by providing sound technology solutions. The division has revamped its development environment and has taken the lead in preparing the agency for Internet-based transactions through implementation of major new computer-based systems.

*Continued on page 15*



## Spotlight: Real Estate Committee Works to Expand Store Network

Look around our Commonwealth of Virginia, and you may see a new ABC store opening. Virginia ABC has opened 18 new stores this fiscal year as part of an aggressive plan to remodel, relocate and open new stores, bringing the total to 276 stores. The Real Estate Committee (REC), comprised of representatives from Wholesale/Retail, Finance, Property Management and Planning, meets every two weeks to assume the task of managing this expansion plan. Specifically, voting members are Virginia Adams, Ron Layne, Bob Southall and Craig Vanderland along with support staff Wilson Jones, Susan Johnson and Eddie Wirt.

In existence for more than 20 years and officially chartered in the mid-90s, the REC makes crucial decisions affecting the agency's growth. "The committee focuses on two segments of ABC's strategic plan: improving customer service and increasing revenue for the state," said Chief Financial Officer Ron Layne. "The planning process concentrates on providing our customers with modern, safe and conveniently-located stores throughout the Commonwealth."

The REC's primary responsibility is to provide objective and valid recommendations to the ABC Board concerning the optimal location of its retail stores. Topics of interest are: potential site identification, market research and analysis pertaining to site selection, long range location planning, business plan development for new stores, financial impact analyses, negotiation of lease terms and conditions and ensuring compliance with the requirements of the Office of the Attorney General and the Department of General Services.

Two important market development plans to assist in the expansion endeavors are the Market Location Strategy (MLS) and Rural Location Strategy (RLS). MLS considers characteristics of each locality that are most vital to the success of a retail liquor store and prioritizes localities on the basis of service conditions and new store market potential.

RLS is used to provide superior customer service to the Commonwealth and provides statistics that assist



*Members of the ABC Real Estate Committee make crucial decisions about the agency's growth. Pictured are (left to right, back row): Ron Layne, Eddie Wirt, Wilson Jones and Craig Vanderland and (left to right, front row): Virginia Adams, Bob Southall and Susan Johnson.*

in planning for and operating rural ABC stores. The agency has many profitable stores operating in towns with limited market population, proving RLS is a good tool for increasing revenue through targeting rural untapped markets.

The original plan was to have 300 ABC stores located throughout the state by the end of Fiscal Year 2006. According to REC Chairman Bob Southall, "The agency will beat this schedule significantly, and the new goal is to have 325 stores by the end of that fiscal year." Southall also stated, "ABC is aggressively pursuing this goal as evidenced by the expansion in Fiscal Year 03. The opening of a record 18 new stores allowed the Department to increase customer convenience while generating profits for the Commonwealth."

Southall attributes this impressive growth partly due to the team efforts of Policy, Analysis and Support Services, Wholesale/Retail Division and the Store Design Team. Statistics, utilizing MLS and RLS, have increased in sophistication through the years, providing valuable information for store location decisions and highlighting areas in critical need of service. The Store Design Team has developed innovative modern designs that are helping to redefine the image of the typical ABC store, and Wholesale/Retail has done a tremendous job staffing and preparing the new stores for prompt openings.

The next assignment for the REC: evaluating the profitability and performance of the new stores over the coming fiscal year. **WABC**

The Financial Management Services Division is responsible for all fiscal functions of the agency including payroll, budgeting, cash receipts, cash disbursements and financial reporting. The division processed payments of \$233.6 million in purchases of merchandise for resale in Fiscal Year 2003, and it also processed receipts of \$387 million in revenues and an additional \$151 million in taxes for a total of \$538 million in deposits.

Property Management Services Division maintains rented and owned properties including the Central Office, Warehouse, Regional Enforcement offices and ABC stores. Staff performs renovations, upgrades and repairs for these properties. The division negotiates leases for all agency-leased space and takes the lead in preparing contracts for work that is outsourced.


The Human Resources Division screens thousands of applications and consults with managers who are hiring staff to fill vacancies that further enhance the agency's work force. During the fiscal year, 86 classified and 730 part-time new employees joined ABC. The division's Training section offers new and existing employees professional development and hands-on training in areas such as retail management and technology.

In Fiscal Year 2003, the Hearings, Appeals and Board Administration Division received and processed 1,198 cases resulting in \$2,036,309 in penalties and fines. In addition to administrative violations, the division docketed contested license applications referred for hearing. In most cases, the hearing officer and court reporter travel to the community where the licensee is located to conduct the hearing. The division processes all consent settlements offers and offers in compromise – two methods of resolving hearings issues before the case goes to trial.

The division processes modifications to administrative hearings decisions, late appeals, reconsiderations and all decisions on appeals, known as board orders. Staff is also responsible for processing Freedom of Information Act (FOIA) requests from citizens.

The Internal Audit Division has agency-wide responsibility for identifying risk, assisting management in developing a proper internal control environment and offering recommendations for creative business solutions to enhance agency business practices and policies. The division is also responsible for conducting agency administrative reviews and investigating all state hotline complaints.

The Public Affairs Division is charged with disseminating information to the news media and to the public. Publicizing agency programs and activities resulted in 74 news releases and staff responded to 1,220 media inquiries in Fiscal Year 2003. The division also provides writing, graphics, marketing and photographic support to all agency divisions, striving for a unified message.

Throughout the Commonwealth, ABC employees are partnering in moving forward on a journey to success. By staying on course throughout the year and through development of visionary strategic planning, all divisions at ABC have itineraries guiding them on a course for continued excellence. 



# Strategic 2003-2006 Planning



*ABC has long been aware that planning is imperative to staying on course for the journey to success. The agency has mapped its course by outlining its plan for the next three years.*

## An Itinerary for the Journey to Success

**The Vision:** Enhance the quality of life for Virginia's citizens by balancing service, revenue, and control in the distribution, sale, and consumption of alcoholic beverages.

**The Mission:** The mission of the Virginia Department of Alcoholic Beverage Control 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.

■ **Goal 1: Effective Public Safety** – *Improve public safety through increased compliance and responsible consumption.*

### Strategic Issues:

- Increase the rate in voluntary compliance by businesses and ABC retail stores with relevant alcohol and tobacco laws regarding underage sales.
- Develop initiatives and programs that promote zero tolerance for underage consumption and responsible consumption by adults.

■ **Goal 2: Excellent Customer Service** – *Enhance services provided to agency customers and stakeholders.*

### Strategic Issues:

- Maintain high quality customer service levels in ABC Stores.
- Reduce administrative processing time for ABC license issuance while balancing citizen and community interests.
- Increase efficiency in the adjudication process while preserving the licensee's right to due process by minimizing the time between a licensee violation or objection to the hearings decision and conclusion.



- Improve process to handle customer inquiries providing timely and accurate responses.

■ **Goal 3: Reliable Source of Revenue Growth** – *Generate increasing revenues while promoting sound business practices.*

#### Strategic Issues:

- Increase total annual sales, profits and taxes generated by the department.
- Create and maintain sound and efficient business practices resulting in compliance with obligations and responsibilities in areas such as, budget management, prompt payment, procurement and travel as measured by annual reviews conducted by external entities.

■ **Goal 4: Employee Management and Development** – *Build and maintain a work environment and an employee support climate conducive to performance excellence, full participation and organizational growth.*

#### Strategic Issues:

- Promote a diverse workforce that is reflective of the diversity of the Commonwealth.
- Increase the opportunities for employees to expand their knowledge, skills, abilities and core competencies.
- Develop ways to motivate, reward and recognize the positive contributions of the Department's workforce through formal and informal rewards and recognition initiatives.
- Define and address retention and longevity issues with the Department's workforce resulting in reduced costly and continual recruitment, hiring and training for new employees.
- Promote and improve workplace health and safety for all employees.


■ **Goal 5: Technology** – *Effectively use information technology assets to streamline critical business processes, expand access to accurate information, and improve service delivery to customers.*

#### Strategic Issues:

- Enhance legacy systems to ensure reliability and continuity in agency operations in support of the agency's strategic direction.
- Provide and maintain reliable and accurate data related to the functions of the agency.
- Increase the use of Web-based applications and e-commerce opportunities for agency operations for the purpose of increased customer service and profitability.

■ **Goal 6: Process Management** – *Ensure that all internal support processes are value added and linked to the strategic initiatives of the agency.*

#### Strategic Issue:

- Increase the knowledge and utilization of process management skills by process owners to support the agency's Senate Productivity and Quality Award initiatives. 

## Spotlight: Award-Winning Alcohol Education/Prevention Initiatives

Virginia ABC Bureau of Law Enforcement and Education Section were given the *Innovative Law Enforcement Program of the Year* award by the National Liquor Law Enforcement Association (NLLEA) for their “environmental” approach to enforcement and prevention programs for combating underage drinking. The key concept for the award-winning program is its comprehensive nature.

In the fall of the past year, the Office of Juvenile Justice and Delinquency Prevention (OJJDP) awarded Virginia ABC a total of \$360,000 in federal grant funds to decrease underage drinking in the Commonwealth of Virginia through the focus of alcohol prevention education and enforcement of availability and regulation of alcohol. Through the OJJDP grant program, ABC awarded over \$156,000 in grant funding to communities in Virginia for this purpose.

Also through the OJJDP funding, ABC was able to offer over 21 different training opportunities providing training to over 679 community and college prevention and law enforcement personnel in Virginia.

ABC introduced the newest underage drinking prevention youth project in December 2002, Project Sticker Shock. The Sticker Shock program is a community-based prevention initiative designed to reach those persons 21 years of age or older who might illegally purchase alcohol and provide it to minors.

Additionally, education materials were developed specifically for parents. *The Parental Guide to Hosting Responsible Teen Parties* was newly developed and speaks to parents about responsible alcohol-free teen party hosting and the Virginia college parent focused brochure, *Virginia's Guide for Parents of First Year College Students*, was updated and reprinted.

In addition to the federal funding received from the Office of Juvenile Justice and Delinquency Prevention, ABC received a \$150,000 grant from the Virginia Department of Motor Vehicles (National Highway Traffic Safety Administration) to fund Virginia's


*None for the Road* campaign. The campaign is implemented to discourage drinking and driving during the holidays and throughout the year. Prevention packets were sent to over 4,000 local and state organizations.

2002 brought us into ABC's 17th Annual College Conference. The conference was held at the Chesapeake Conference Center, in Chesapeake, Virginia for two and a half days. There were over 130 participants in attendance, representing 23 higher education institutions in Virginia, two out of state higher education institutions and more than 20 community representatives.

The agency held a Fake ID Summit in March of 2003, which was attended by 68 participants including licensees, law enforcement, ABC Special Agents and other state and federal officials.

In addition to the summit, ABC created its own manager's training for the ABC licensees titled Managers' Alcohol Responsibility Training (MART). A team of Special Agents across the state conducted ten MART sessions for 402 licensee managers from April to June. The four-hour sessions were held in Alexandria, Chesapeake, Hampton, Lynchburg, Richmond, Roanoke and Verona.

Training for Intervention ProcedureS (TIPS) trainings were offered in 2002 and 2003 for ABC licensees. There were 22 on-premise classes and 10 off-premise classes held. A total of 652 participants were trained, 447 for on-premise TIPS and 205 for off-premise TIPS.

To augment the offered TIPS and MART training, ABC Special Agents hand delivered and introduced a prevention and education video entitled “Prevent Underage Sales: Virginia's Alcohol Laws” to over 13,000 licensees across Virginia. The video and information packet is designed to help licensee managers conduct in-house training for their sellers and servers to ensure that alcohol is sold within the law. Special agents continue to introduce the packets to new licensees. Restaurants, convenience stores and grocery stores have integrated the “Prevent Underage Sales” into their own in-house orientation and training programs. 

## Spotlight: Legislation – 2003 General Assembly



W. Curtis Coleburn

Although budget issues dominated discussions at the 2003 General Assembly, legislators considered 20 bills affecting alcoholic beverage regulation and law enforcement. Twelve of these measures were ultimately passed and signed into law by Governor Mark Warner.

Virginia's growing wine industry received the lion's share of General Assembly attention, as six of the 12 new or amended laws directly impacted this segment.

By far the most noted and controversial action taken by the legislature was contained in two identical bills, House Bill 1652 and Senate Bill 1117, which for the first time created a scheme allowing out-of-state wineries, breweries and retailers to ship beer and wine products directly to Virginia consumers. Under the new law, out-of-state shippers may obtain licenses to ship into Virginia. They must collect and remit Virginia taxes on each sale, and may ship no more than two cases of beer or wine per month to any one consumer. Virginia farm wineries hope that this legislation will open up other states' markets, allowing Virginia wineries to ship directly to consumers outside Virginia.

The other four winery-related bills dealt with how these licensees produce, store and market their products:

- Senate Bill 798 authorizes permits allowing wineries or farm wineries to store wine on which taxes have not yet been paid at bonded warehouses away from the winery premises.
- Senate Bill 1200 increases from two to five the number of remote retail locations which may be operated by a farm winery at any one time.
- Senate Bill 1201 allows wineries or farm wineries to sell wine in bulk to another winery or farm winery to be used for blending purposes.
- Senate Bill 1202 allows ABC to grant a waiver of the requirement that 51% of the fruit used by a farm winery be grown on its farm, if unusually severe

weather or disease conditions cause a significant reduction in the farm winery's expected fruit production.

Two other new laws affect prosecutions for alcohol-law violations. House Bill 1918 removes the requirement that the certificate of a forensic scientist who analyzes alcohol be sworn to in criminal or other court proceedings arising under the alcoholic beverage laws. House Bill 2000 allows for the prosecution of a person for underage alcohol possession in either the jurisdiction where the alcohol was illegally consumed, or in the jurisdiction where the defendant exhibited evidence of prior consumption.

House Bill 1775 clarifies the circumstances under which the Board may suspend or revoke a license when illegal drugs are being used or distributed on the premises. A Richmond Circuit Court ruling in 2002, since affirmed by a panel of the Virginia Court of Appeals, held that the language in the code allowing the Board to suspend or revoke a license when the licensed premises has become a "meeting place or rendezvous" for illegal drug traffickers required the Board to find that drug dealers had made some advance arrangements to meet and transact their business at the licensed establishment. The bill amends this provision to make it clear that the Board may suspend or revoke the license of an establishment upon proof that it has become "a place where illegal drugs are regularly used or distributed," without proof of any prior plan or arrangement that the drug transaction take place on the licensed premises.

Charlottesville will be added to the list of jurisdictions within which licenses may be issued for performing arts amphitheaters, under the provisions of House Bill 1601. ABC will once again be able to issue licenses to sight-seeing boats under the provisions of House Bill 2540. This legislation removes obsolete references to Division of Motor Vehicles certificates for such boats, which were discontinued by the General Assembly in the 2002 session.

Finally, hotel or other retail licensees with conference, convention, or trade show facilities will be allowed, under House Bill 2652, to make gifts of alcoholic beverages to planners of such events held or to be held at the licensee's place of business. **WABC**

# Teamwork and Pride 2003

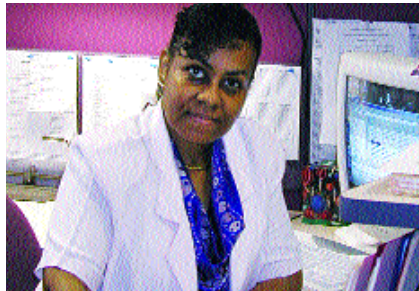
## A Tribute to the ABC Team



**Jay Stargardt:** *"I have experienced such friendly, inviting and supportive attitudes from those around me."*



**Ernestine Mack:** *"I love to work with figures, and in Tax Management, I get to deal with all sorts of calculations. Collecting the wine & beer tax for the agency is an important part of my job."*



**Gloria Moore:** *"The best part about working at ABC is the teamwork of the Hearings and Appeals Division, of which I am a part."*



**Beverly Burrow:** *"The people I have worked with directly on a daily basis over the years, nearly 32 years in fact, has been the best part of working for ABC."*



**Ra Shel Cromwell:** *"I receive satisfaction knowing that our Education Section's efforts towards under-age prevention and responsible consumption are enhancing the public's awareness, leading to a safer community."*



**Edna McAbee:** *"I have been with ABC for 11 years, and I enjoy working in the Accounting Department. We all work together as a team. I'm past retirement age, but I am not ready to retire because I enjoy working here."*



It takes teamwork to accomplish excellence. Throughout the Commonwealth, each and every member of the team is partnering in charting the course for the agency. Without the hard work and dedication of our employees, ABC could not have achieved a fifth record year. Featured is a small sampling of employees representing the team, in a tribute to all those who enhance the agency through fine performance.



**Bernard Bottoms:** *"I enjoy working with the store employees and customers and building effective relationships with people at the Central Office and other stores."*



**Whitney Miller:** *"I enjoy informing the public about ABC's positive efforts in the community. It's a great organization to promote."*



**Diane Washington:** *"I love being able to interact with so many wonderful people, internal and external."*



**John Wilhelm:** *"We face many different challenges daily, and by having the right team in place, we step up to any challenges presented to us."*



**Tiffany Mills:** *"By working in Training and Organizational Development, I have an opportunity to meet a majority of the agency's staff. I look forward to the opportunity to greet new diverse people everyday. I have gained a lot of close friendships through my experiences here. I consider them as an extended family."*



**Donna Carter:** *"The best part of working for ABC is the dedication of the employees and the contribution the Department makes to the Commonwealth with respect to revenue, education and public safety."*

# Teamwork and Pride 2003

## A Tribute to the ABC Team



**Sarah Dawkins:** *"I enjoy working with the people."*



**Linda Wallace:** *"Everyday is a new learning experience."*



**Bijender Singh:** *"I take pride in serving the people of Virginia. It brings me satisfaction knowing that our humble contribution towards public safety and education makes the lives of Virginians better."*



**Nina Leaming:** *"I have been extremely happy working for ABC. I especially love the people in Hearings and Appeals, and we work so well together in order to accomplish ABC's mission."*



**Arlissa Grooms-Washington:** *"The tremendous opportunities to train and learn as well as the good fortune to work with staff in other departments throughout the agency are the best parts of my job."*



**Julie Bryne:** *"There is a strong team environment here, and everyone in my department is encouraged to be a part of that team. Another good thing about working at ABC is the day-to-day challenges. Everyday I learn something new, and the job is never boring!"*





**Bob Butler:** *"The people at ABC make my job so enjoyable."*



**Neilann Brown:** *"I have the good fortune to work with so many different groups of people, which keeps my job interesting and challenging, not to mention it has provided me with some wonderful friendships."*



**Ronnie Young:** *"The best part of working in Property Management Services is the ever changing challenges of designing and opening new stores, as well as renovating current ones, and seeing the end result of our efforts. The camaraderie within this division fosters a pleasant atmosphere for creative problem solving."*


## Staying on Course

Fiscal Year 2003 marked a fifth record-breaking year for Virginia ABC, and has resulted in over \$207 million in contributions to the Commonwealth's General Fund, state agencies and localities. With a focus on innovation, strategic planning and a sense of teamwork, ABC has been charting the right course for growth and a strong and healthy future. Employees in all areas of the agency worked hard to deliver this record performance and are working hard to beat the record again next year. There is something growing at ABC. It's a pursuit of what is possible, determination to succeed in difficult times and a pride in what we do for the Commonwealth.



## Spotlight: Record Sales and Store Activities

The 276 ABC retail stores were responsible for over \$439 million in gross sales and the sale of 3,038,395 cases of distilled spirits, Virginia wines and assorted mixers. The ABC warehouse received 2,829,516 cases and shipped 2,837,613 cases during the fiscal year. The freight cost for shipping the cases of merchandise to our stores was \$1,903,665.84, with an average cost of 66 cents per case.

At the close of the fiscal year, ABC carried 1,918 items on our price list. Our Special Order Catalog contains an additional 307 items. 3,098 cases were purchased through the use of our special order process, resulting in \$685,281 in revenue. 

### Store Activity FY2003

7/01/02 through 6/30/03

STORE #	LOCATION	ACTIVITY	CLOSED	OPENED	TOTAL
353	DALE CITY	RELOCATION		07-15-02	261
052	STRASBURG	NEW SELF-SERVICE		07-24-02	262
061	STERLING	NEW SELF-SERVICE		07-31-02	263
261	WINCHESTER	REMODELED		08-17-02	263
062	FREDERICKSBURG	NEW SELF-SERVICE		09-12-02	264
213	HARDY	RELOCATION		09-12-02	264
321	LOVINGSTON	RELOCATION		09-30-02	264
079	CHESAPEAKE	NEW SELF-SERVICE		10-21-02	265
069	CHESAPEAKE	NEW SELF-SERVICE		10-31-02	266
353	DALE CITY	RELOCATION		11-17-02	266
349	CHESAPEAKE	RELOCATION		11-22-02	266
070	RUCKERSVILLE	NEW SELF-SERVICE		11-26-02	267
182	RICHMOND	REMODELED		12-18-02	267
086	BON AIR	NEW SELF-SERVICE		01-07-03	268
087	BLUEFIELD	NEW SELF-SERVICE		01-22-03	269
288	PORTSMOUTH	RELOCATION		01-28-03	269
211	SUFFOLK	NEW SELF-SERVICE		02-07-03	270
127	HERNDON	NEW SELF-SERVICE		03-10-03	271
359	CHARLOTTESVILLE	REMODELED		03-20-03	271
089	GOOCHLAND	NEW SELF-SERVICE		04-14-03	272
068	HARRISONBURG	NEW SELF-SERVICE		04-16-03	273
131	SOUTH BOSTON	PERMANENTLY CLOSED	04-26-03		272
059	SOUTH BOSTON	NEW SELF-SERVICE (CONSOLIDATION)		04-30-03	273
083	FAIRFAX	NEW SELF-SERVICE		05-01-03	274
210	HALIFAX	PERMANENTLY CLOSED	05-12-03		273
368	FAIRFAX	NEW SELF-SERVICE		05-19-03	274
080	ALEXANDRIA	NEW SELF-SERVICE		05-23-03	275
085	FAIRFAX	NEW SELF-SERVICE		06-02-03	276
204	VIRGINIA BEACH	NEW SELF-SERVICE		06-20-03	277
105	RICHMOND	PERMANENTLY CLOSED	06-21-03		276
063	LORTON	NEW SELF-SERVICE		06-26-03	277
300	BUCHANAN	PERMANENTLY CLOSED	06-28-03		276
274	MADISON	RELOCATION		06-30-03	276



## Spotlight: Hearings and Appeals Activity

7/01/02 through 6/30/03

ACTIVITY*	COUNT
<b>Cases Referred for Hearings</b>	
■ Violation / Disciplinary Reports	1,198
■ Contested Applications (Approved: 53; Denied: 21)	74
■ Banquet Applications (Approved: 8; Denied: 8)	16
■ Franchise Hearings	6
<b>Total Hearings Requested</b>	1,294
<b>Hearings Dispositions</b>	
■ Cases Settled by Consent Settlement Offer	601 (46.4% of cases received)
■ Cases Heard by ABC Hearing Officer	497 (38.4% of cases received)
■ Cases Settled by Offer In Compromise	150 (11.5% of cases received)
■ Cases Withdrawn or Dismissed Prior to Hearing	46 (3.5% of cases received)
<b>Total Hearings Dispositions</b>	1,294
<b>Case Decisions Appealed</b>	
■ Initial Decision of Hearing Officer To ABC Board	61
■ Final Decision of ABC Board to Circuit Court	24
<b>Transcripts</b>	
■ Transcripts Prepared	124
■ Transcript Pages Prepared (total)	8,185
<b>Civil Penalties Collected</b>	\$2,036,309
<b>Average Civil Penalty Per Case**</b>	\$1,631
<b>Average Suspension Period Per Case**</b>	15.6 days

\* Beginning in late 2004, the new Incident Based Reporting System (IBR) will provide electronic reports of ABC case activities.

\*\* Most ABC case decisions provide for a civil penalty or suspension period. This average reflects the results of all civil penalties collected or suspension time levied from all case decisions, consent settlement offers and offers-in-compromise for Fiscal Year 2003.

# A Message from the Chairman, Chief Operating Officer and Chief Financial Officer

We are pleased to present the Fiscal Year 2003 annual report for the Virginia Department of Alcoholic Beverage Control. These facts and figures represent a fifth record-breaking year for retail sales by our agency. We stand behind these figures with pride in the accomplishments made possible by the hard working and dedicated employees of ABC. To the best of our knowledge, these figures accurately represent the operations of our agency during the fiscal year. The financial statements of the agency are audited annually by the Auditor of Public Accounts as required by the Code of Virginia.



*Chairman Vern Danielsen, center, confers with Chief Financial Officer Ron Layne, left, and Chief Operating Officer Curtis Coleburn.*

# Discovery and Excellence



Fiscal Year 2003 was the most profitable in the history of ABC. ABC stores grossed over \$439 million and produced net profits of over \$55 million. In addition, Virginia ABC collected \$72.1 million in excise taxes, \$21.7 million in wine taxes \$15.7 million in sales taxes and \$41.7 million in malt beverage taxes for a record total of \$207 million in contributions to Virginia state agencies, the General Fund and localities.

## 2003 Financial Highlights

### Results in Brief

*Pre Audit.*

#### FY 2003

ABC PROFITS	\$55,750,494
STATE TAXES	72,127,625
GENERAL SALES TAX	15,670,734
WINE LITER TAX	21,731,698
MALT BEVERAGE TAX	41,756,146

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\$207,036,697

	General Fund	Localities	MHMRSAS*
ABC PROFITS	\$12,465,236	\$8,420,070	\$34,865,188
STATE TAXES	72,127,625		
GENERAL SALES TAX	15,670,734		
WINE LITER TAX	10,865,849	5,922,667	4,943,182
MALT BEVERAGE TAX	41,756,146		
	\$152,885,590	\$14,342,737	\$39,808,370

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\$207,036,697

(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)

\* MHMRSAS = The Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services.

# 2003 Fiscal Year

## Complete Financials and Statistics

*For a downloadable,  
printable version of  
Virginia ABC's 2003  
Annual Report with  
complete financials,  
please visit our user-  
friendly Web site at  
[www.abc.state.va.us](http://www.abc.state.va.us)*





## Sales of All Beverages – Fiscal Year 2003\*

Pre Audit.

State Store Sales	Gallons	Liters	Percent of Total Gallons	Gross Sales	Percent of Total
Distilled Spirits	7,297,746	27,624,959	95.6%	\$433,366,866	98.7%
Virginia Wines	48,279	182,757	0.6%	2,208,555	0.5%
Vermouth	41,218	156,025	0.5%	1,173,252	0.3%
Alcohol	102	386	0.0%	7,825	0.0%
Non-Alcohol Mixers	247,658	937,488	3.2%	2,278,346	0.5%
Non-Beverage Items	--	--	--	39,995	0.0%
<b>Total</b>	<b>7,635,003</b>	<b>28,901,616</b>	<b>100.0%</b>	<b>\$439,074,840</b>	<b>100.0%</b>

Direct Sales from Wholesalers <sup>1</sup>	Gallons	Liters	Percent of Total	Gross Tax	Percent of Total
Wine (\$0.40 Liter)*	15,990,530	60,530,712	9.6%	\$21,731,698	34.2%
Beer (\$7.95 Barrel)	149,771,464	566,946,398	90.4%	\$41,756,146	65.8%
<b>Total</b>	<b>165,761,994</b>	<b>627,477,109</b>	<b>100.0%</b>	<b>\$63,487,844</b>	<b>100.0%</b>

\* Gross Liter Tax for Wines after 12% allocated to ABC Revenue.

<sup>1</sup> Pre Audit gross tax figures for Wine and Beer

Source: Policy Analysis & Support Services

## Comparison of Cases Sold – Fiscal Year 2003 v Fiscal Year 2002

	FY 2003	FY 2002	Difference	% Chg	2003 % of Total Cases Sold
<b>Distilled Spirits</b>					
Straight Bourbon Whiskey	333,182	331,294	1,888	0.6%	11.0%
Canadian Whisky	173,071	176,227	(3,156)	(1.8%)	5.7%
Scotch Whiskey	143,253	140,819	2,434	1.7%	4.7%
Tennessee Whiskey	87,851	85,611	2,240	2.6%	2.9%
Blended Whiskey	81,384	79,878	1,506	1.9%	2.7%
Domestic Whiskey	43,289	46,202	(2,913)	(6.3%)	1.4%
Irish Whiskey	8,871	8,012	859	10.7%	0.3%
Corn Whiskey	2,994	3,051	(57)	(1.9%)	0.1%
Bottled in Bond	1,867	1,807	60	3.3%	0.1%
Straight Rye Whiskey	522	545	(23)	(4.1%)	0.0%
Samples-Spirits	279	90	189	210.0%	0.0%
<b>Vodka - Dom</b>	<b>525,623</b>	<b>516,490</b>			
<b>Vodka - Imp</b>	<b>127,284</b>	<b>106,750</b>			
<b>Vodka - Flavored</b>	<b>54,245</b>	<b>42,378</b>			
<b>Vodka Total</b>	<b>707,152</b>	<b>665,618</b>	<b>41,534</b>	<b>6.2%</b>	<b>23.3%</b>
<b>Cordials - Imp</b>	<b>163,570</b>	<b>132,964</b>			
<b>Cordials - Dom</b>	<b>134,018</b>	<b>126,502</b>			
<b>Cordials Total</b>	<b>297,588</b>	<b>259,466</b>	<b>38,122</b>	<b>14.7%</b>	<b>9.8%</b>
<b>Rum - Dom</b>	<b>280,044</b>	<b>269,752</b>			
<b>Rum - Imp</b>	<b>34,862</b>	<b>33,590</b>			
<b>Rum Total</b>	<b>314,906</b>	<b>303,342</b>	<b>11,564</b>	<b>3.8%</b>	<b>10.4%</b>
<b>Cognac/Armagnac</b>	<b>68,477</b>	<b>60,267</b>			
<b>Brandy - Grape</b>	<b>137,175</b>	<b>132,561</b>			
<b>Brandy - Imp</b>	<b>8,661</b>	<b>8,257</b>			
<b>Brandy - Flavored</b>	<b>11,317</b>	<b>10,912</b>			
<b>Cognac/Armagnac &amp; Brandy Total</b>	<b>225,630</b>	<b>211,997</b>	<b>13,633</b>	<b>6.4%</b>	<b>7.4%</b>

## Comparison of Cases Sold – Fiscal Year 2003 v Fiscal Year 2002 (continued)

	FY 2003	FY 2002	Difference	% Chg	2003 % of Total Cases Sold
<b>Distilled Spirits</b>					
Gin - Dom	200,478	206,816			
Gin - Imp	48,916	47,240			
Gin - Flavored	5,422	4,925			
Gin - Sloe	1,184	1,273			
<b>Gin Total</b>	<b>256,000</b>	<b>260,255</b>	<b>(4,255)</b>	<b>(1.6%)</b>	<b>8.4%</b>
Cocktails - Dom	54,023	58,100			
Cocktails - Imp	13,716	13,792			
<b>Cocktails Total</b>	<b>67,739</b>	<b>71,892</b>	<b>(4,153)</b>	<b>(5.8%)</b>	<b>2.2%</b>
Specialty Bottles - Imp	18,211	10,542			
Specialty Bottles - Dom	24,834	11,569			
<b>Specialty Bottles Total</b>	<b>43,045</b>	<b>22,111</b>	<b>20,934</b>	<b>94.7%</b>	<b>1.4%</b>
Tequila	109,071	103,067	6,004	5.8%	3.6%
Rock & Rye	1,249	1,150	99	8.6%	0.0%
Miscellaneous Mixers	9,603	9,316	287	3.1%	0.3%
Egg Nog	8,870	8,634	236	2.7%	0.3%
Alcohol	39	43	(4)	(9.1%)	0.0%
<b>Distilled Spirit Total</b>	<b>2,917,455</b>	<b>2,790,425</b>	<b>127,030</b>	<b>4.6%</b>	<b>96.0%</b>
Vermouth - Imp	10,188	9,812			
Vermouth - Dom	7,200	6,921			
<b>Vermouth Total</b>	<b>17,388</b>	<b>16,732</b>	<b>656</b>	<b>3.9%</b>	<b>0.6%</b>
<b>Virginia Wine</b>	<b>21,250</b>	<b>20,944</b>	<b>306</b>	<b>1.5%</b>	<b>0.7%</b>
<b>Non-Alcoholic Mixers</b>	<b>82,302</b>	<b>76,365</b>	<b>5,937</b>	<b>7.8%</b>	<b>2.7%</b>
<b>Total Cases Sold</b>	<b>3,038,395</b>	<b>2,904,466</b>	<b>133,929</b>	<b>4.6%</b>	<b>100.0%</b>

Source: Wholesale/Retail Operations

## Distribution of Profits and Wine Taxes to Cities

Cities	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Alexandria	\$152,596.21	\$340,551.92	\$107,335.96	\$181,073.65
Bedford	7,492.84	16,721.91	5,270.45	8,891.15
Bristol	20,658.53	46,104.05	14,531.19	24,513.82
Buena Vista	7,552.32	16,854.65	5,312.29	8,961.73
Charlottesville	49,610.16	119,591.24	35,268.54	63,587.44
Chesapeake	236,934.92	528,772.27	166,659.71	281,151.62
Colonial Heights	20,099.46	44,856.33	14,137.93	23,850.41
Covington	7,497.59	16,732.54	5,273.79	8,896.79
Danville	57,586.24	128,516.33	40,506.08	68,332.96
Emporia	6,738.67	15,038.83	4,739.98	7,996.25
Fairfax	25,572.47	57,070.58	17,987.65	30,344.79
Falls Church	12,343.74	27,547.75	8,682.56	14,647.31
Franklin	9,927.80	22,156.06	6,983.20	11,780.52
Fredericksburg	22,932.91	51,179.81	16,130.98	27,212.64
Galax	8,132.80	18,150.14	5,720.61	9,650.54
Hampton	174,190.90	388,745.20	122,525.64	206,698.33
Harrisonburg	48,119.97	107,424.02	33,847.53	57,116.50

## Distribution of Profits and Wine Taxes to Cities

(continued)

Cities	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Hopewell	26,528.85	59,342.99	18,666.15	31,553.06
Lexington	8,168.49	18,229.79	5,745.70	9,692.89
Lynchburg	77,639.29	173,269.13	54,611.37	92,128.31
Manassas	41,794.06	93,272.63	29,397.89	49,593.65
Manassas Park	12,240.24	27,316.79	8,609.78	14,524.51
Martinsville	18,337.77	40,924.73	12,898.76	21,759.94
Newport News	214,293.45	478,242.85	150,733.72	254,284.80
Norfolk	278,828.90	622,267.89	196,127.88	330,863.85
Norton	4,643.92	10,363.92	3,266.53	5,510.56
Petersburg	40,134.67	89,569.32	28,230.67	47,624.58
Poquoson	13,758.08	30,704.17	9,677.41	16,325.60
Portsmouth	119,624.88	266,969.15	84,143.97	141,949.22
Radford	18,864.72	42,100.78	13,269.42	22,385.25
Richmond	235,276.72	525,071.63	165,493.32	279,183.96
Roanoke	112,899.28	251,959.51	79,413.20	133,968.49
Salem	29,437.24	65,695.67	20,706.12	34,930.82
Staunton	28,373.81	63,322.39	19,958.10	33,668.92
Suffolk	75,745.57	169,042.86	53,279.33	89,881.17
Virginia Beach	505,855.06	1,128,926.57	355,817.76	600,257.53
Waynesboro	23,219.58	51,819.60	16,332.63	27,552.82
Williamsburg	14,271.96	31,851.01	10,038.88	16,935.38
Winchester	28,055.02	62,610.92	19,733.86	33,290.63
<b>TOTAL</b>	<b>\$2,795,979.09</b>	<b>\$6,248,887.93</b>	<b>\$1,967,066.54</b>	<b>\$3,322,572.39</b>

## Distribution of Profits and Taxes to Counties & Towns

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Accomack	\$32,593.32	\$72,820.87	\$22,948.54	\$38,719.33
Accomac	650.67	1,452.12	457.68	772.10
Belle Haven	570.98	1,274.26	401.63	677.53
Bloxom	472.95	1,048.60	330.78	557.55
Chincoteague	5,135.20	11,460.30	3,612.08	6,093.52
Hallwood	344.96	769.86	242.64	409.34
Keller	205.79	459.26	144.76	244.19
Melfa	535.29	1,194.61	376.52	635.17
Onancock	1,814.03	4,048.40	1,275.98	2,152.57
Onley	590.01	1,316.72	415.01	700.11
Painter	292.62	653.06	205.83	347.23
Parksley	995.64	2,221.98	700.33	1,181.44
Saxis	400.87	894.64	281.97	475.68
Tangier	752.01	1,603.44	508.41	852.56
Wachapreague	280.72	626.52	197.47	333.12
<b>Subtotal</b>	<b>45,635.06</b>	<b>101,844.64</b>	<b>32,099.63</b>	<b>54,151.44</b>
Albermarle	97,599.87	208,940.23	68,278.80	111,094.87
Scottsville	660.19	1,473.36	464.38	783.39
<b>Subtotal</b>	<b>98,260.06</b>	<b>210,413.59</b>	<b>68,743.18</b>	<b>111,878.26</b>

## Distribution of Profits and Taxes to Counties & Towns

(continued)

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Alleghany	14,895.28	33,242.06	10,477.31	17,675.01
Clifton Forge	5,101.89	11,385.97	3,588.66	6,054.01
Iron Gate	480.57	1,072.50	338.03	570.25
<b>Subtotal</b>	<b>20,477.74</b>	<b>45,700.53</b>	<b>14,404.00</b>	<b>24,299.27</b>
Amelia	13,560.62	30,263.50	9,538.52	16,091.30
<b>Subtotal</b>	<b>13,560.62</b>	<b>30,263.50</b>	<b>9,538.52</b>	<b>16,091.30</b>
Amherst	35,261.17	78,693.05	24,802.67	41,841.60
Amherst	2,677.63	5,975.71	1,883.44	3,177.33
<b>Subtotal</b>	<b>37,938.80</b>	<b>84,668.76</b>	<b>26,686.11</b>	<b>45,018.93</b>
Appomattox	13,979.34	31,197.94	9,833.04	16,588.14
Appomattox	2,094.75	4,674.92	1,473.45	2,485.68
Pamplin City	236.72	528.29	166.51	280.90
<b>Subtotal</b>	<b>16,310.81</b>	<b>36,401.15</b>	<b>11,473.00</b>	<b>19,354.72</b>
Arlington	225,359.63	502,939.45	158,517.65	267,416.15
<b>Subtotal</b>	<b>225,359.63</b>	<b>502,939.45</b>	<b>158,517.65</b>	<b>267,416.15</b>
Augusta	76,881.57	171,578.08	54,078.39	91,229.17
Craigsville	1,164.55	2,598.94	819.14	1,381.88
<b>Subtotal</b>	<b>78,046.12</b>	<b>174,177.02</b>	<b>54,897.53</b>	<b>92,611.05</b>
Bath	6,004.74	13,400.89	4,223.72	7,125.34
<b>Subtotal</b>	<b>6,004.74</b>	<b>13,400.89</b>	<b>4,223.72</b>	<b>7,125.34</b>
Bedford	71,812.99	160,266.43	50,513.16	85,214.70
<b>Subtotal</b>	<b>71,812.99</b>	<b>160,266.43</b>	<b>50,513.16</b>	<b>85,214.70</b>
Bland	8,173.25	18,240.40	5,749.05	9,698.53
<b>Subtotal</b>	<b>8,173.25</b>	<b>18,240.40</b>	<b>5,749.05</b>	<b>9,698.53</b>
Botetourt	33,868.24	75,584.41	23,822.87	40,188.71
Buchanan	1,466.68	3,273.24	1,031.67	1,740.40
Fincastle	427.04	953.03	300.38	506.73
Troutville	513.88	1,146.83	361.46	609.78
<b>Subtotal</b>	<b>36,275.84</b>	<b>80,957.51</b>	<b>25,516.38</b>	<b>43,045.62</b>
Brunswick	19,705.72	43,977.63	13,860.97	23,383.19
Alberta	363.99	812.33	256.03	431.93
Brodnax	377.08	841.54	265.24	447.45
Lawrenceville	1,516.65	3,384.73	1,066.81	1,799.68
<b>Subtotal</b>	<b>21,963.44</b>	<b>49,016.23</b>	<b>15,449.05</b>	<b>26,062.25</b>
Buchanan	30,776.65	68,684.86	21,648.26	36,520.18
Grundy	1,314.43	2,933.44	924.57	1,559.72
<b>Subtotal</b>	<b>32,091.08</b>	<b>71,618.30</b>	<b>22,572.83</b>	<b>38,079.90</b>
Buckingham	18,052.27	40,287.62	12,697.94	21,421.18
Dillwyn	531.71	1,186.65	374.01	630.95
<b>Subtotal</b>	<b>18,583.98</b>	<b>41,474.27</b>	<b>13,071.95</b>	<b>22,052.13</b>



## Distribution of Profits and Taxes to Counties & Towns

(continued)

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Campbell	55,186.96	123,161.81	38,818.43	65,485.93
Altavista	4,074.14	9,092.32	2,865.74	4,834.44
Brookneal	1,497.61	3,342.26	1,053.42	1,777.10
<b>Subtotal</b>	<b>60,758.71</b>	<b>135,596.39</b>	<b>42,737.59</b>	<b>72,097.47</b>
Caroline	24,997.93	55,788.36	17,583.51	29,663.04
Bowling Green	1,113.40	2,484.79	783.16	1,321.18
Port Royal	202.22	451.30	142.23	239.96
<b>Subtotal</b>	<b>26,313.55</b>	<b>58,724.45</b>	<b>18,508.90</b>	<b>31,224.18</b>
Carroll	31,398.78	70,233.70	22,085.85	37,338.21
Hillsville	3,388.97	7,402.77	2,383.80	3,941.60
<b>Subtotal</b>	<b>34,787.75</b>	<b>77,636.47</b>	<b>24,469.65</b>	<b>41,279.81</b>
Charles City	8,238.68	18,386.41	5,795.07	9,776.16
<b>Subtotal</b>	<b>8,238.68</b>	<b>18,386.41</b>	<b>5,795.07</b>	<b>9,776.16</b>
Charlotte	12,474.58	27,974.69	8,774.60	14,868.16
Charlotte Court House	550.75	1,096.45	387.40	589.05
Drakes Branch	599.52	1,337.96	421.70	711.40
Keysville	971.85	2,168.89	683.60	1,153.21
Phenix	237.91	530.94	167.34	282.31
<b>Subtotal</b>	<b>14,834.61</b>	<b>33,108.93</b>	<b>10,434.64</b>	<b>17,604.13</b>
Chesterfield	309,161.86	689,962.54	217,464.03	366,857.53
<b>Subtotal</b>	<b>309,161.86</b>	<b>689,962.54</b>	<b>217,464.03</b>	<b>366,857.53</b>
Clarke	11,010.30	24,574.49	7,745.34	13,066.41
Berryville	3,532.86	7,881.78	2,484.30	4,190.79
Boyce	506.75	1,130.89	356.44	601.32
<b>Subtotal</b>	<b>15,049.91</b>	<b>33,587.16</b>	<b>10,586.08</b>	<b>17,858.52</b>
Craig	5,842.96	13,039.85	4,109.92	6,933.38
New Castle	212.92	475.20	149.78	252.66
<b>Subtotal</b>	<b>6,055.88</b>	<b>13,515.05</b>	<b>4,259.70</b>	<b>7,186.04</b>
Culpeper	29,260.01	65,300.12	20,581.45	34,720.50
Culpeper	11,495.59	25,654.95	8,085.98	13,640.91
<b>Subtotal</b>	<b>40,755.60</b>	<b>90,955.07</b>	<b>28,667.43</b>	<b>48,361.41</b>
Cumberland	10,158.57	22,671.07	7,145.52	12,054.35
<b>Subtotal</b>	<b>10,158.57</b>	<b>22,671.07</b>	<b>7,145.52</b>	<b>12,054.35</b>
Dickenson	16,934.12	37,792.19	11,911.43	20,094.36
Clinchco	504.35	1,125.59	354.77	598.48
Clintwood	1,842.58	4,112.11	1,296.06	2,186.43
Haysi	221.25	493.78	155.63	262.55
<b>Subtotal</b>	<b>19,502.30</b>	<b>43,523.67</b>	<b>13,717.89</b>	<b>23,141.82</b>
Dinwiddie	28,625.16	63,956.85	20,137.99	34,006.26
McKenney	557.52	1,170.72	389.08	622.47
<b>Subtotal</b>	<b>29,182.68</b>	<b>65,127.57</b>	<b>20,527.07</b>	<b>34,628.73</b>

## Distribution of Profits and Taxes to Counties & Towns

(continued)

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Essex	9,395.27	21,027.82	6,625.16	11,180.62
Tappahannock	2,486.92	5,489.91	1,732.76	2,919.02
<b>Subtotal</b>	<b>11,882.19</b>	<b>26,517.73</b>	<b>8,357.92</b>	<b>14,099.64</b>
Fairfax	1,110,371.96	2,478,038.64	781,034.12	1,317,589.10
Clifton	220.07	491.12	154.80	261.13
Herndon	25,759.23	57,487.37	18,119.01	30,566.40
Vienna	17,192.25	38,368.27	12,093.00	20,400.65
<b>Subtotal</b>	<b>1,153,543.51</b>	<b>2,574,385.40</b>	<b>811,400.93</b>	<b>1,368,817.28</b>
Fauquier	56,596.56	126,307.61	39,809.93	67,158.58
Remington	742.27	1,656.53	522.10	880.78
The Plains	316.42	706.16	222.57	375.46
Warrenton	7,934.16	17,706.80	5,580.87	9,414.82
<b>Subtotal</b>	<b>65,589.41</b>	<b>146,377.10</b>	<b>46,135.47</b>	<b>77,829.64</b>
Floyd	15,989.63	35,684.38	11,247.09	18,973.62
Floyd	513.88	1,146.83	361.46	609.78
<b>Subtotal</b>	<b>16,503.51</b>	<b>36,831.21</b>	<b>11,608.55</b>	<b>19,583.40</b>
Fluvanna	23,758.44	53,022.17	16,711.65	28,192.23
Columbia	58.29	130.09	41.00	69.16
<b>Subtotal</b>	<b>23,816.73</b>	<b>53,152.26</b>	<b>16,752.65</b>	<b>28,261.39</b>
Franklin	51,072.38	113,979.23	35,924.24	60,603.48
Boones Mill	339.01	756.58	238.47	402.29
Rocky Mount	4,836.62	10,793.99	3,402.07	5,739.22
<b>Subtotal</b>	<b>56,248.01</b>	<b>125,529.80</b>	<b>39,564.78</b>	<b>66,744.99</b>
Frederick	67,860.19	151,444.90	47,732.76	80,524.22
Middletown	1,207.37	2,694.51	849.26	1,432.69
Stephens City	1,363.20	3,042.28	958.87	1,617.59
<b>Subtotal</b>	<b>70,430.76</b>	<b>157,181.69</b>	<b>49,540.89</b>	<b>83,574.50</b>
Giles	11,737.07	26,193.85	8,255.84	13,927.44
Glen Lyn	179.61	400.85	126.34	213.15
Narrows	2,511.09	5,604.06	1,766.30	2,979.71
Pearisburg	3,246.21	7,244.65	2,283.39	3,852.04
Pembroke	1,348.92	3,010.43	948.83	1,600.66
Rich Creek	791.03	1,765.38	556.42	938.66
<b>Subtotal</b>	<b>19,813.93</b>	<b>44,219.22</b>	<b>13,937.12</b>	<b>23,511.66</b>
Gloucester	41,371.78	92,330.20	29,100.86	49,092.55
<b>Subtotal</b>	<b>41,371.78</b>	<b>92,330.20</b>	<b>29,100.86</b>	<b>49,092.55</b>
Goochland	20,059.01	44,766.07	14,109.48	23,802.42
<b>Subtotal</b>	<b>20,059.01</b>	<b>44,766.07</b>	<b>14,109.48</b>	<b>23,802.42</b>
Grayson	17,964.25	40,091.16	12,636.03	21,316.73
Fries	730.38	1,629.99	513.74	866.67
Independence	1,155.03	2,577.71	812.44	1,370.59
Troutdale	230.77	2,844.74	162.32	1,406.11
<b>Subtotal</b>	<b>20,080.43</b>	<b>47,143.60</b>	<b>14,124.53</b>	<b>24,960.10</b>

## Distribution of Profits and Taxes to Counties & Towns

(continued)

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Greene	17,566.94	39,204.49	12,356.57	20,845.27
Stanardsville	566.22	1,263.63	398.28	671.89
<b>Subtotal</b>	<b>18,133.16</b>	<b>40,468.12</b>	<b>12,754.85</b>	<b>21,517.16</b>
Greensville	13,253.71	29,578.59	9,322.65	15,727.12
<b>Subtotal</b>	<b>13,253.71</b>	<b>29,578.59</b>	<b>9,322.65</b>	<b>15,727.12</b>
Halifax	32,314.88	72,130.65	22,733.79	38,352.33
Halifax	1,652.26	3,687.38	1,162.20	1,960.60
Scottsburg	176.34	384.93	121.67	204.68
South Boston	10,100.28	22,540.98	7,104.52	11,985.18
Virgilina	189.13	422.09	133.04	224.44
<b>Subtotal</b>	<b>44,432.89</b>	<b>99,166.03</b>	<b>31,255.22</b>	<b>52,727.23</b>
Hanover	94,806.56	211,581.65	66,686.81	112,499.32
Ashland	7,873.49	17,571.41	5,538.20	9,342.83
<b>Subtotal</b>	<b>102,680.05</b>	<b>229,153.06</b>	<b>72,225.01</b>	<b>121,842.15</b>
Henrico	312,013.16	696,325.84	219,469.64	370,240.93
<b>Subtotal</b>	<b>312,013.16</b>	<b>696,325.84</b>	<b>219,469.64</b>	<b>370,240.93</b>
Henry	67,968.20	151,728.96	47,820.54	80,675.26
Ridgeway	941.15	2,057.38	650.20	1,093.93
<b>Subtotal</b>	<b>68,909.35</b>	<b>153,786.34</b>	<b>48,470.74</b>	<b>81,769.19</b>
Highland	2,828.71	6,312.85	1,989.70	3,356.58
Monterey	187.95	419.44	132.20	223.02
<b>Subtotal</b>	<b>3,016.66</b>	<b>6,732.29</b>	<b>2,121.90</b>	<b>3,579.60</b>
Isle of Wight	25,047.89	56,848.60	17,618.65	30,194.24
Smithfield	7,522.58	16,788.28	5,291.36	8,926.43
Windsor	2,791.83	5,281.82	1,963.77	2,840.91
<b>Subtotal</b>	<b>35,362.30</b>	<b>78,918.70</b>	<b>24,873.78</b>	<b>41,961.58</b>
James City	57,218.68	127,696.03	40,247.53	67,896.79
<b>Subtotal</b>	<b>57,218.68</b>	<b>127,696.03</b>	<b>40,247.53</b>	<b>67,896.79</b>
King and Queen	7,886.58	17,600.61	5,547.40	9,358.36
<b>Subtotal</b>	<b>7,886.58</b>	<b>17,600.61</b>	<b>5,547.40</b>	<b>9,358.36</b>
King George	19,987.64	44,606.80	14,059.28	23,717.72
<b>Subtotal</b>	<b>19,987.64</b>	<b>44,606.80</b>	<b>14,059.28</b>	<b>23,717.72</b>
King William	12,228.35	27,290.25	8,601.41	14,510.40
West Point	3,409.19	7,608.34	2,398.01	4,045.40
<b>Subtotal</b>	<b>15,637.54</b>	<b>34,898.59</b>	<b>10,999.42</b>	<b>18,555.80</b>
Lancaster	11,110.19	24,794.83	7,814.89	13,183.58
Irvington	800.56	1,786.61	563.10	949.95
Kilmarnock	1,479.77	3,302.43	1,040.87	1,755.92
White Stone	425.86	950.38	299.54	505.31
<b>Subtotal</b>	<b>13,816.38</b>	<b>30,834.25</b>	<b>9,718.40</b>	<b>16,394.76</b>

## Distribution of Profits and Taxes to Counties & Towns

(continued)

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Lee	24,568.51	54,830.02	17,281.46	29,153.47
Jonesville	1,183.59	2,641.42	832.53	1,404.46
Pennington Gap	2,118.54	4,728.01	1,490.19	2,513.92
Saint Charles	189.13	422.09	133.04	224.44
<b>Subtotal</b>	<b>28,059.77</b>	<b>62,621.54</b>	<b>19,737.22</b>	<b>33,296.29</b>
Loudoun	160,658.82	358,545.43	113,007.20	190,640.91
Hamilton	668.51	1,491.94	470.23	793.28
Hillsboro	114.20	254.85	80.32	135.50
Leesburg	33,676.73	75,157.00	23,688.16	39,961.46
Lovettsville	1,014.67	2,264.45	713.72	1,204.02
Middleburg	751.79	1,677.76	528.80	892.08
Purcellville	4,263.26	9,514.41	2,998.78	5,058.88
Round Hill	594.77	1,327.35	418.36	705.76
<b>Subtotal</b>	<b>201,742.75</b>	<b>450,233.19</b>	<b>141,905.57</b>	<b>239,391.89</b>
Louisa	28,300.06	63,157.79	19,906.22	33,581.41
Louisa	1,666.53	3,719.23	1,172.24	1,977.53
Mineral	504.35	1,125.59	354.77	598.48
<b>Subtotal</b>	<b>30,470.94</b>	<b>68,002.61</b>	<b>21,433.23</b>	<b>36,157.42</b>
Lunenburg	11,831.04	26,621.99	8,321.94	14,132.41
Kenbridge	1,640.37	3,442.40	1,153.83	1,853.03
Victoria	2,166.13	4,834.19	1,523.65	2,570.37
<b>Subtotal</b>	<b>15,637.54</b>	<b>34,898.58</b>	<b>10,999.42</b>	<b>18,555.81</b>
Madison	14,643.09	32,679.26	10,299.92	17,375.77
Madison	249.79	557.48	175.71	296.41
<b>Subtotal</b>	<b>14,892.88</b>	<b>33,236.74</b>	<b>10,475.63</b>	<b>17,672.18</b>
Mathews	10,951.99	24,441.76	7,703.61	12,995.82
<b>Subtotal</b>	<b>10,951.99</b>	<b>24,441.76</b>	<b>7,703.61</b>	<b>12,995.82</b>
Mecklenburg	27,419.81	61,245.05	19,287.06	32,562.02
Boydton	567.40	1,214.56	399.11	648.16
Chase City	2,922.68	6,522.58	2,055.81	3,468.09
Clarksville	1,580.88	3,528.09	1,111.99	1,875.90
LaCrosse	735.13	1,640.60	517.08	872.32
South Hill	5,237.49	11,688.60	3,684.05	6,214.90
<b>Subtotal</b>	<b>38,463.39</b>	<b>85,839.48</b>	<b>27,055.10</b>	<b>45,641.39</b>
Middlesex	11,168.48	24,924.90	7,855.89	13,252.74
Urbanna	645.91	1,441.50	454.33	766.45
<b>Subtotal</b>	<b>11,814.39</b>	<b>26,366.40</b>	<b>8,310.22</b>	<b>14,019.19</b>
Montgomery	32,246.91	71,966.06	22,682.43	38,264.81
Blacksburg	47,073.19	105,054.15	33,111.22	55,857.97
Christiansburg	20,158.93	44,989.07	14,179.76	23,920.98
<b>Subtotal</b>	<b>99,479.03</b>	<b>222,009.28</b>	<b>69,973.41</b>	<b>118,043.76</b>
Nelson	17,182.73	38,347.03	12,086.32	20,389.37
<b>Subtotal</b>	<b>17,182.73</b>	<b>38,347.03</b>	<b>12,086.32</b>	<b>20,389.37</b>



## Distribution of Profits and Taxes to Counties & Towns

(continued)

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
New Kent	16,013.43	35,737.48	11,263.82	19,001.85
<b>Subtotal</b>	<b>16,013.43</b>	<b>35,737.48</b>	<b>11,263.82</b>	<b>19,001.85</b>
Northampton	11,288.62	25,193.03	7,940.40	13,395.29
Cape Charles	1,348.92	3,010.43	948.83	1,600.66
Cheriton	593.57	1,324.70	417.52	704.35
Eastville	241.47	538.90	169.85	286.54
Exmore	1,351.30	3,015.74	950.50	1,603.48
Nassawadox	680.41	1,518.49	478.60	807.39
<b>Subtotal</b>	<b>15,504.29</b>	<b>34,601.29</b>	<b>10,905.70</b>	<b>18,397.71</b>
Northumberland	14,525.33	32,416.44	10,217.09	17,236.03
<b>Subtotal</b>	<b>14,525.33</b>	<b>32,416.44</b>	<b>10,217.09</b>	<b>17,236.03</b>
Nottoway	10,923.44	24,378.03	7,683.53	12,961.97
Blackstone	4,371.52	9,755.99	3,074.91	5,187.32
Burkeville	581.68	1,298.14	409.15	690.23
Crewe	2,828.71	6,312.85	1,989.70	3,356.58
<b>Subtotal</b>	<b>18,705.35</b>	<b>41,745.01</b>	<b>13,157.29</b>	<b>22,196.10</b>
Orange	24,112.93	53,813.27	16,961.00	28,612.86
Gordonsville	1,781.91	3,976.73	1,253.39	2,114.46
Orange	4,904.42	10,945.30	3,449.76	5,819.68
<b>Subtotal</b>	<b>30,799.26</b>	<b>68,735.30</b>	<b>21,664.15</b>	<b>36,547.00</b>
Page	17,964.25	40,091.16	12,636.03	21,316.73
Luray	5,794.20	12,931.01	4,075.62	6,875.50
Shenandoah	2,233.94	4,985.51	1,571.35	2,650.83
Stanley	1,577.32	3,520.12	1,109.48	1,871.68
<b>Subtotal</b>	<b>27,569.71</b>	<b>61,527.80</b>	<b>19,392.48</b>	<b>32,714.74</b>
Patrick	21,942.03	48,968.47	15,434.00	26,036.84
Stuart	1,143.13	2,551.16	804.08	1,356.47
<b>Subtotal</b>	<b>23,085.16</b>	<b>51,519.63</b>	<b>16,238.08</b>	<b>27,393.31</b>
Pittsylvania	68,842.74	153,637.67	48,423.89	81,690.15
Chatham	1,591.58	3,551.97	1,119.53	1,888.61
Gretna	1,495.23	3,336.94	1,051.75	1,774.28
Hurt	1,517.85	3,387.39	1,067.65	1,801.09
<b>Subtotal</b>	<b>73,447.40</b>	<b>163,913.97</b>	<b>51,662.82</b>	<b>87,154.13</b>
Powhatan	26,618.06	59,404.05	18,723.11	31,585.52
<b>Subtotal</b>	<b>26,618.06</b>	<b>59,404.05</b>	<b>18,723.11</b>	<b>31,585.52</b>
Prince Edward	15,874.25	35,426.87	11,165.93	18,836.69
Farmville	8,142.32	18,171.37	5,727.29	9,661.84
<b>Subtotal</b>	<b>24,016.57</b>	<b>53,598.24</b>	<b>16,893.22</b>	<b>28,498.53</b>
Prince George	39,372.19	87,729.61	27,688.55	46,646.41
<b>Subtotal</b>	<b>39,372.19</b>	<b>87,729.61</b>	<b>27,688.55</b>	<b>46,646.41</b>

## Distribution of Profits and Taxes to Counties & Towns

(continued)

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Prince William	325,546.43	726,528.28	228,988.91	386,299.77
Dumfries	5,872.70	13,106.22	4,130.86	6,968.66
Haymarket	1,045.60	2,333.48	735.46	1,240.72
Occoquan	902.85	2,014.91	635.06	1,071.34
Quantico	667.32	1,489.28	469.40	791.86
<b>Subtotal</b>	<b>334,034.90</b>	<b>745,472.17</b>	<b>234,959.69</b>	<b>396,372.35</b>
Pulaski	27,794.51	62,029.55	19,550.61	32,981.51
Dublin	2,721.65	6,073.94	1,914.40	3,229.55
Pulaski	11,268.40	25,147.90	7,926.18	13,371.30
<b>Subtotal</b>	<b>41,784.56</b>	<b>93,251.39</b>	<b>29,391.19</b>	<b>49,582.36</b>
Rappahannock	8,088.78	18,051.90	5,689.64	9,598.32
Washington	217.68	485.81	153.12	258.31
<b>Subtotal</b>	<b>8,306.46</b>	<b>18,537.71</b>	<b>5,842.76</b>	<b>9,856.63</b>
Richmond	8,842.95	19,734.98	6,220.12	10,493.22
Warsaw	1,635.60	3,650.19	1,150.48	1,940.84
<b>Subtotal</b>	<b>10,478.55</b>	<b>23,385.17</b>	<b>7,370.60</b>	<b>12,434.06</b>
Roanoke	92,778.41	207,055.39	65,260.21	110,092.68
Vinton	9,256.90	20,658.81	6,511.30	10,984.43
<b>Subtotal</b>	<b>102,035.31</b>	<b>227,714.20</b>	<b>71,771.51</b>	<b>121,077.11</b>
Rockbridge	23,024.50	51,384.22	16,195.40	27,321.32
Glasgow	1,244.25	2,776.81	875.20	1,476.44
Goshen	482.95	1,077.80	339.71	573.08
<b>Subtotal</b>	<b>24,751.70</b>	<b>55,238.83</b>	<b>17,410.31</b>	<b>29,370.84</b>
Rockingham	62,845.43	140,276.60	44,211.77	74,585.98
Bridgewater	6,189.12	13,812.37	4,353.41	7,344.13
Broadway	2,617.85	5,819.09	1,835.02	3,094.04
Dayton	1,598.73	3,567.91	1,124.55	1,897.08
Elkton	2,429.02	5,420.88	1,708.57	2,882.33
Grottoes	2,514.66	5,612.02	1,768.81	2,983.95
Mount Crawford	302.14	674.29	212.53	358.52
Timberville	2,068.59	4,616.51	1,455.04	2,454.63
<b>Subtotal</b>	<b>80,565.54</b>	<b>179,799.67</b>	<b>56,669.70</b>	<b>95,600.66</b>
Russell	29,352.79	67,868.41	20,646.71	35,978.18
Cleveland	176.05	392.90	123.83	208.90
Honaker	1,124.11	2,508.69	790.70	1,333.89
Lebanon	3,893.32	8,688.81	2,738.56	4,619.90
<b>Subtotal</b>	<b>34,546.27</b>	<b>79,458.81</b>	<b>24,299.80</b>	<b>42,140.87</b>
Scott	22,609.36	50,457.75	15,903.39	26,828.70
Clinchport	91.59	204.41	64.43	108.68
Duffield	73.75	164.60	51.87	87.52
Dungannon	377.08	841.54	265.24	447.45
Gate City	2,568.20	5,731.48	1,806.46	3,047.46
Nickelsville	532.91	1,189.30	374.85	632.36
Weber City	1,585.64	3,538.70	1,115.33	1,881.55
<b>Subtotal</b>	<b>27,838.53</b>	<b>62,127.78</b>	<b>19,581.57</b>	<b>33,033.72</b>

## Distribution of Profits and Taxes to Counties & Towns

(continued)

Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Shenandoah	27,009.68	60,359.75	19,021.01	32,093.66
Edinburg	967.08	2,158.25	680.25	1,147.56
Mount Jackson	1,979.38	4,417.41	1,392.29	2,348.76
New Market	1,983.87	4,345.73	1,373.01	2,310.65
Strasburg	4,778.34	10,663.90	3,361.07	5,670.07
Toms Brook	303.33	676.95	213.36	359.93
Woodstock	4,701.01	10,491.34	3,306.68	5,578.31
<b>Subtotal</b>	<b>41,722.69</b>	<b>93,113.33</b>	<b>29,347.67</b>	<b>49,508.94</b>
Smyth	27,318.70	60,967.66	19,215.93	32,416.90
Chilhowie	2,173.27	4,850.13	1,528.67	2,578.84
Marion	7,552.32	16,854.65	5,312.29	8,961.73
Saltville	2,621.72	5,850.94	1,844.12	3,110.99
<b>Subtotal</b>	<b>39,666.01</b>	<b>88,523.38</b>	<b>27,901.01</b>	<b>47,068.46</b>
Southampton	17,471.79	39,019.11	12,289.63	20,745.48
Boykins	737.50	1,645.90	518.75	875.13
Branchville	146.31	326.54	102.91	173.62
Capron	205.79	445.77	144.76	237.64
Courtland	1,510.70	3,371.46	1,062.63	1,792.63
Ivor	380.65	849.51	267.75	451.68
Newsoms	342.59	751.06	240.97	399.96
<b>Subtotal</b>	<b>20,795.33</b>	<b>46,409.35</b>	<b>14,627.40</b>	<b>24,676.14</b>
Spotsylvania	107,527.38	239,970.92	75,634.62	127,594.08
<b>Subtotal</b>	<b>107,527.38</b>	<b>239,970.92</b>	<b>75,634.62</b>	<b>127,594.08</b>
Stafford	109,967.09	245,415.71	77,350.70	130,489.11
<b>Subtotal</b>	<b>109,967.09</b>	<b>245,415.71</b>	<b>77,350.70</b>	<b>130,489.11</b>
Surry	7,050.33	15,734.36	4,959.20	8,366.06
Claremont	408.01	910.56	286.99	484.16
Dendron	353.29	788.45	248.50	419.23
Surry	311.65	695.52	219.22	369.81
<b>Subtotal</b>	<b>8,123.28</b>	<b>18,128.89</b>	<b>5,713.91</b>	<b>9,639.26</b>
Sussex	10,448.82	23,318.82	7,349.69	12,398.77
Jarratt	700.63	1,563.61	492.82	831.39
Stony Creek	240.29	536.25	169.02	285.13
Wakefield	1,234.73	2,755.57	868.50	1,465.15
Waverly	2,746.61	6,129.68	1,931.97	3,259.20
<b>Subtotal</b>	<b>15,371.08</b>	<b>34,303.93</b>	<b>10,812.00</b>	<b>18,239.64</b>
Tazewell	35,262.37	78,695.71	24,803.50	41,843.00
Bluefield	6,040.42	13,480.52	4,248.83	7,167.68
Ceder Bluff	1,290.64	2,880.35	907.83	1,531.50
Pocahantas	524.59	1,170.72	368.99	622.47
Richlands	4,929.41	11,001.04	3,467.34	5,849.33
Tazewell	5,003.15	11,165.64	3,519.21	5,936.84
<b>Subtotal</b>	<b>53,050.58</b>	<b>118,393.98</b>	<b>37,315.70</b>	<b>62,950.82</b>
Warren	21,405.56	47,771.19	15,056.64	25,400.25
Front Royal	16,164.50	36,074.62	11,370.09	19,181.11
<b>Subtotal</b>	<b>37,570.06</b>	<b>83,845.81</b>	<b>26,426.73</b>	<b>44,581.36</b>

## Distribution of Profits and Taxes to Counties & Towns

(continued)

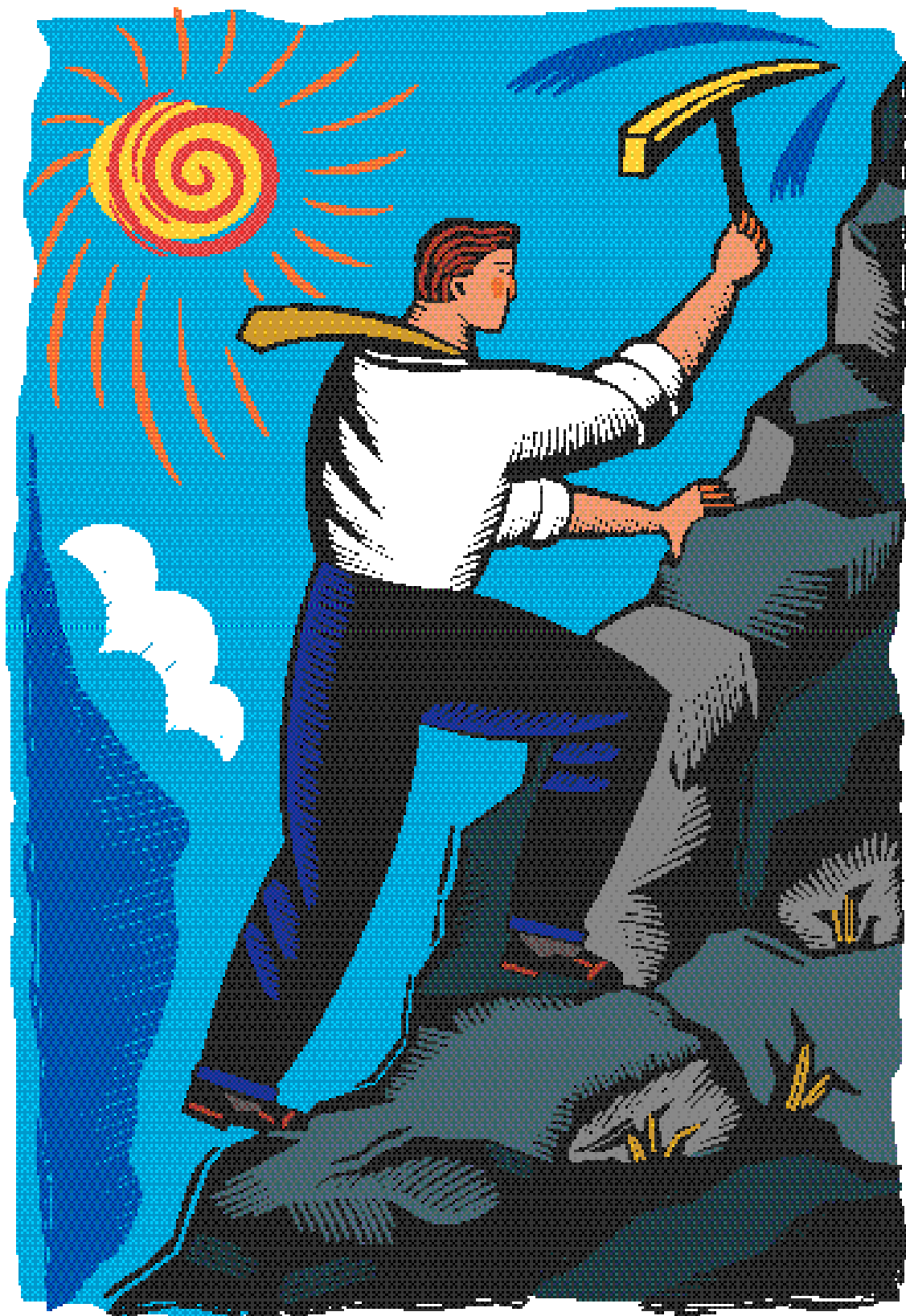
Counties/ Towns	Total Profits FY 2003	Total Profits FY 2002	Wine Tax FY 2003	Wine Tax FY 2002
Washington	48,417.36	108,053.95	34,056.70	57,452.97
Abingdon	9,254.53	20,653.50	6,509.62	10,981.61
Damascus	1,166.92	2,604.26	820.81	1,384.71
Glade Spring	1,634.41	3,647.55	1,149.64	1,939.42
<b>Subtotal</b>	<b>60,473.22</b>	<b>134,959.26</b>	<b>42,536.77</b>	<b>71,758.71</b>
Westmoreland	15,672.03	34,975.57	11,023.68	18,596.74
Colonial Beach	3,839.80	8,569.35	2,700.91	4,556.38
Montross	374.70	836.23	263.57	444.63
<b>Subtotal</b>	<b>19,886.53</b>	<b>44,381.15</b>	<b>13,988.16</b>	<b>23,597.75</b>
Wise	32,521.69	70,249.56	22,875.71	37,458.60
Appalachia	2,187.55	4,881.98	1,538.71	2,595.78
Big Stone Gap	7,025.35	13,317.40	4,941.62	7,188.84
Coeburn	2,374.30	5,298.77	1,670.07	2,817.39
Pound	1,295.40	2,890.96	911.18	1,537.13
Saint Paul	1,189.54	2,654.68	836.71	1,411.51
Wise	3,871.91	8,641.03	2,723.49	4,594.49
<b>Subtotal</b>	<b>50,465.74</b>	<b>107,934.38</b>	<b>35,497.49</b>	<b>57,603.74</b>
Wythe	21,940.84	48,965.81	15,433.16	26,035.43
Rural Retreat	1,605.87	3,583.83	1,129.56	1,905.54
Wytheville	9,283.08	20,717.22	6,529.71	11,015.47
<b>Subtotal</b>	<b>32,829.79</b>	<b>73,266.86</b>	<b>23,092.43</b>	<b>38,956.44</b>
York	66,725.38	148,912.32	46,934.54	79,177.64
Yorktown	241.47	538.90	169.85	286.54
<b>Subtotal</b>	<b>66,966.85</b>	<b>149,451.22</b>	<b>47,104.39</b>	<b>79,464.18</b>
<b>Total</b>	<b>\$5,624,091.24</b>	<b>\$12,542,386.31</b>	<b>\$3,955,600.48</b>	<b>\$6,668,867.39</b>



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# Analysis of Store Performance – Fiscal Year 2003

Pre Audit.

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Less State Tax (2)	Net Dollars
137 692 Highway 58 East	Norton City	16,574	\$896,710	\$148,700	\$748,011
218 Main St, Route 23 S (Gate City)	Scott County	12,990	\$633,091	\$105,370	\$527,721
194 16427-E Wise St. (Saint Paul)	Wise County	6,942	\$374,650	\$62,129	\$312,521
206 18 East 4th St, N (Big Stone Gap)	Wise County	10,961	\$553,379	\$91,983	\$461,395
<b>Planning District 1 - - Far Southwest</b>		<b>47,467</b>	<b>\$2,457,830</b>	<b>\$408,182</b>	<b>\$2,049,648</b>
174 South Main St, Route 460 (Grundy)	Buchanan County	7,223	\$387,662	\$63,883	\$323,779
365 Food City Shp. Cntr.	Dickenson County	6,469	\$321,005	\$53,231	\$267,775
<b>NS</b> 87 4027 College Avenue (Bluefield)	Tazewell County	4,008	\$227,170	\$37,746	\$189,424
197 2004 Second St (Richlands)	Tazewell County	14,259	\$711,941	\$118,380	\$593,562
230 722 East Riverside	Tazewell County	9,505	\$500,191	\$83,177	\$417,014
<b>Planning District 2 - - Southwest</b>		<b>41,463</b>	<b>\$1,760,308</b>	<b>\$356,417</b>	<b>\$1,791,553</b>
343 2123 Euclid Ave	Bristol City	41,148	\$2,162,622	\$357,928	\$1,804,695
141 441 W Stuart Dr (Hillsville)	Carroll County	23,501	\$1,121,031	\$185,513	\$935,518
135 1173 N Main St (Marion)	Smyth County	21,200	\$1,043,116	\$172,806	\$870,310
201 545 West Main St (Abingdon)	Washington County	39,228	\$2,084,078	\$344,571	\$1,739,507
153 325 West Main St (Wytheville)	Wythe County	19,969	\$1,053,259	\$174,960	\$878,299
<b>Planning District 3 - - Wytheville/Hillsville</b>		<b>145,045</b>	<b>\$7,464,106</b>	<b>\$1,235,777</b>	<b>\$6,228,329</b>
199 3745 Virginia Ave (Pearisburg)	Giles County	13,049	\$620,044	\$102,738	\$517,306
195 100 North Franklin St (Christiansburg)	Montgomery County	32,781	\$1,727,525	\$286,031	\$1,441,494
327 1300 South Main St (Blacksburg)	Montgomery County	70,288	\$3,903,745	\$644,044	\$3,259,701
345 1072 Memorial Square Drive	Pulaski County	18,693	\$895,810	\$148,535	\$747,276
356 97 Walker St	Radford City	32,457	\$1,644,577	\$272,562	\$1,372,015
<b>Planning District 4 - - Radford/Blacksburg</b>		<b>167,267</b>	<b>\$8,791,701</b>	<b>\$1,453,909</b>	<b>\$7,337,792</b>
<b>C</b> 300 19758 Main St (Buchanan) (conv)	Botetourt County	2,621	\$124,831	\$20,613	\$104,218
364 56 Kingston Dr (Daleville)	Botetourt County	15,068	\$786,337	\$129,748	\$656,589
123 531 Main St	Clifton Forge City	6,415	\$323,947	\$53,806	\$270,140
124 123 West Main St	Covington City	13,281	\$664,659	\$110,538	\$554,121
115 1423 Williamson Road NE	Roanoke City	55,372	\$3,252,460	\$540,050	\$2,712,410
229 3434 Orange Ave, NE	Roanoke City	11,806	\$584,758	\$97,102	\$487,655
259 1507 Hershberger Road, NW	Roanoke City	39,831	\$2,059,197	\$340,005	\$1,719,192
269 602 Brandon Ave, SW	Roanoke City	58,404	\$3,213,288	\$527,863	\$2,685,424
289 3341 Melrose Ave, NW	Roanoke City	29,002	\$1,607,193	\$264,332	\$1,342,860
309 3901 Brambleton Ave, SW	Roanoke County	45,430	\$2,318,523	\$382,743	\$1,935,780
337 1113 Vinyard Road (Vinton)	Roanoke County	25,449	\$1,219,099	\$201,121	\$1,017,977
186 1483 West Main St	Salem City	36,991	\$1,884,952	\$312,443	\$1,572,509
<b>Planning District 5 - - Roanoke</b>		<b>339,670</b>	<b>\$18,039,243</b>	<b>\$2,980,366</b>	<b>\$15,058,877</b>
339 Augusta Plaza, Rt 612 (Verona)	Augusta County	11,793	\$585,038	\$96,815	\$488,223
113 39 1/2 East Main St (Hot Springs)	Bath County	7,069	\$489,395	\$80,019	\$409,375
<b>NS</b> 68 1739 S High Street (Rockingham Sq)	Harrisonburg City	2,462	\$129,384	\$21,287	\$108,098
145 398 North Main St	Harrisonburg City	34,141	\$1,793,247	\$296,966	\$1,496,281
147 Water St, PO Box 111 (Monterey)	Highland County	2,346	\$114,249	\$18,511	\$95,738
140 445 East Nelson St	Lexington City	34,630	\$1,799,512	\$297,422	\$1,502,091
184 2035 East Market St	Rockingham County	57,579	\$3,177,599	\$521,875	\$2,655,724

(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) Rate of return is calculated by adding Adjusted Net Profits and State taxes then dividing result by Gross Sales.

NS = New Store; R = Relocation;

C = Closed; CONV = Conventional Store

\* Consolidation

NEW STORES:		RELOCATED:		CLOSED:	
Date	Store	Date	Store	Date	Store
7/24/02	52	7/15/02	353	4/26/03	131
8/5/02	61	9/12/02	213	5/10/03	210
9/12/02	62	10/1/02	321	6/21/03	105
10/21/02	79	11/17/02	353	6/27/03	300
11/4/02	69	11/22/02	349		
11/26/02	70	1/28/03	288		
1/7/03	86	6/30/03	274		
1/24/03	87				
2/17/03	211				
3/10/03	127				
4/14/03	89				
4/16/03	68				
4/30/03	59*				
5/1/03	83				
5/19/03	368				
5/22/03	80				
6/2/03	85				
6/20/03	63				
6/20/03	204				
<b>Totals</b>	<b>18</b>		<b>7</b>		<b>4</b>

Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Store Profit	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
\$480,638	\$267,372	\$145,448	\$121,924	\$45,658	\$76,267	25.09%
\$341,340	\$186,381	\$103,728	\$82,652	\$32,212	\$50,441	24.61%
\$200,103	\$112,418	\$79,844	\$32,574	\$19,076	\$13,498	20.19%
\$296,170	\$165,226	\$82,364	\$82,861	\$28,163	\$54,698	26.51%
<b>\$1,318,251</b>	<b>\$731,397</b>	<b>\$411,385</b>	<b>\$320,012</b>	<b>\$125,108</b>	<b>\$194,904</b>	<b>24.54%</b>
\$207,599	\$116,180	\$104,579	\$11,601	\$19,763	(\$8,162)	14.37%
\$171,935	\$95,839	\$121,020	(\$25,180)	\$16,345	(\$41,525)	3.65%
\$118,916	\$70,508	\$59,766	\$10,742	\$11,562	(\$820)	16.25%
\$382,095	\$211,467	\$116,574	\$94,893	\$36,230	\$58,662	24.87%
\$268,966	\$148,048	\$121,882	\$26,166	\$25,454	\$712	16.77%
<b>\$1,149,511</b>	<b>\$642,042</b>	<b>\$523,821</b>	<b>\$118,221</b>	<b>\$109,354</b>	<b>\$8,867</b>	<b>20.75%</b>
\$1,163,266	\$641,429	\$183,126	\$458,303	\$110,157	\$348,146	32.65%
\$604,361	\$331,157	\$115,847	\$215,310	\$57,103	\$158,207	30.66%
\$560,104	\$310,207	\$135,623	\$174,584	\$53,123	\$121,461	28.21%
\$1,121,126	\$618,381	\$185,864	\$432,518	\$106,178	\$326,340	32.19%
\$566,396	\$311,903	\$111,166	\$200,736	\$53,610	\$147,126	30.58%
<b>\$4,015,253</b>	<b>\$2,213,077</b>	<b>\$731,626</b>	<b>\$1,481,450</b>	<b>\$380,170</b>	<b>\$1,101,280</b>	<b>31.31%</b>
\$333,143	\$184,163	\$100,297	\$83,865	\$31,576	\$52,290	25.00%
\$928,066	\$513,428	\$178,944	\$334,485	\$87,987	\$246,497	30.83%
\$2,090,062	\$1,169,639	\$291,681	\$877,958	\$198,969	\$678,989	33.89%
\$479,855	\$267,421	\$170,556	\$96,865	\$45,613	\$51,252	22.30%
\$881,851	\$490,164	\$157,851	\$332,313	\$83,746	\$248,567	31.69%
<b>\$4,712,977</b>	<b>\$2,624,814</b>	<b>\$899,329</b>	<b>\$1,725,486</b>	<b>\$447,891</b>	<b>\$1,277,595</b>	<b>31.07%</b>
\$66,871	\$37,347	\$49,444	(\$12,097)	\$6,361	(\$18,458)	1.73%
\$424,255	\$232,334	\$121,318	\$111,016	\$40,077	\$70,939	25.52%
\$174,104	\$96,037	\$72,302	\$23,734	\$16,489	\$7,245	18.85%
\$357,363	\$196,758	\$89,917	\$106,841	\$33,823	\$73,018	27.62%
\$1,731,592	\$980,818	\$241,817	\$739,001	\$165,563	\$573,439	34.24%
\$314,795	\$172,860	\$82,991	\$89,870	\$29,766	\$60,104	26.88%
\$1,107,198	\$611,994	\$249,367	\$362,627	\$104,938	\$257,689	29.03%
\$1,732,039	\$953,385	\$296,260	\$657,125	\$163,915	\$493,210	31.78%
\$851,770	\$491,090	\$156,999	\$334,091	\$81,967	\$252,124	32.13%
\$1,255,026	\$680,754	\$197,421	\$483,333	\$118,158	\$365,175	32.26%
\$654,712	\$363,266	\$159,328	\$203,937	\$62,136	\$141,801	28.13%
\$1,013,430	\$559,078	\$197,213	\$361,865	\$95,984	\$265,881	30.68%
<b>\$9,683,156</b>	<b>\$5,375,721</b>	<b>\$1,914,377</b>	<b>\$3,461,344</b>	<b>\$919,177</b>	<b>\$2,542,167</b>	<b>30.61%</b>
\$314,552	\$173,671	\$99,978	\$73,694	\$29,801	\$43,893	24.05%
\$264,410	\$144,965	\$88,800	\$56,165	\$24,988	\$31,177	22.72%
\$66,919	\$41,179	\$33,137	\$8,042	\$6,598	\$1,444	17.57%
\$964,029	\$532,251	\$219,626	\$312,626	\$91,331	\$221,294	28.90%
\$54,691	\$41,047	\$34,423	\$6,624	\$5,844	\$780	16.89%
\$968,167	\$533,924	\$206,106	\$327,818	\$91,686	\$236,132	29.65%
\$1,711,272	\$944,451	\$253,568	\$690,883	\$162,102	\$528,780	33.06%

# Analysis of Store Performance – Fiscal Year 2003

(continued)

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Less State Tax (2)	Net Dollars
122 201 State St	Staunton City	21,128	\$1,096,112	\$181,161	\$914,952
302 1331 Greenville Ave	Staunton City	30,181	\$1,568,079	\$258,666	\$1,309,413
338 801-B West Broad St	Waynesboro City	37,813	\$1,914,483	\$315,909	\$1,598,575
<b>Planning District 6 - - Staunton/Waynesboro</b>		<b>239,141</b>	<b>\$12,667,098</b>	<b>\$2,088,630</b>	<b>\$10,578,469</b>
167 21 Crowe St (Berryville)	Clarke County	11,806	\$621,119	\$102,802	\$518,317
56 182 Delco Plaza	Frederick County	17,520	\$979,901	\$161,579	\$818,322
139 235 Sunnyside Circle	Frederick County	29,269	\$1,560,001	\$256,863	\$1,303,138
173 14817 Spotswood Trail (Elkton)	Page County	6,180	\$288,780	\$47,820	\$240,960
193 1412 West 211 Bypass (Luray)	Page County	14,279	\$699,792	\$115,652	\$584,140
NS52 786 Shopping Center Rd	Shenandoah County	8,712	\$465,871	\$77,320	\$388,550
293 5814 Main St (Mount Jackson)	Shenandoah County	10,675	\$526,307	\$87,267	\$439,040
318 462 North Main St (Woodstock)	Shenandoah County	13,842	\$679,438	\$112,421	\$567,017
142 411-F South St (Front Royal)	Warren County	36,051	\$1,926,490	\$319,064	\$1,607,426
261 2218 Valley Ave	Winchester City	41,988	\$2,331,322	\$384,121	\$1,947,200
<b>Planning District 7 - - Winchester/Front Royal</b>		<b>190,321</b>	<b>\$10,079,019</b>	<b>\$1,664,909</b>	<b>\$8,414,110</b>
NS80 6206 Little River Turnpike	Alexandria City	1,143	\$75,807	\$12,424	\$63,383
119 901 North St. Asaph St	Alexandria City	41,612	\$2,722,060	\$448,945	\$2,273,114
203 3678 King St	Alexandria City	29,157	\$1,822,461	\$300,222	\$1,522,240
297 4647 Duke St	Alexandria City	31,027	\$1,915,551	\$316,153	\$1,599,398
372 3161 Duke Street	Alexandria City	14,964	\$983,187	\$161,899	\$821,287
109 1731 Wilson Blvd	Arlington County	21,886	\$1,453,950	\$236,522	\$1,217,427
168 1001 N Fillmore Street	Arlington County	20,576	\$1,250,040	\$205,921	\$1,044,119
248 4709 Lee Highway	Arlington County	40,786	\$2,450,605	\$402,116	\$2,048,489
358 2201 North Pershing Drive (conv)	Arlington County	119,949	\$8,711,299	\$1,443,944	\$7,267,355
374 2955-A South Glebe Road	Arlington County	26,628	\$1,630,154	\$268,826	\$1,361,329
241 11260 James Swart Circle	Fairfax City	57,709	\$3,617,722	\$597,805	\$3,019,917
317 9512 Main St	Fairfax City	36,787	\$2,179,709	\$359,431	\$1,820,278
NS83 7263 Arlington Blvd	Fairfax County	1,256	\$83,318	\$13,618	\$69,700
NS85 2928 Chain Bridge Road	Fairfax County	1,006	\$64,262	\$10,484	\$53,778
120 5926 Kingstowne Center	Fairfax County	39,633	\$2,541,710	\$418,273	\$2,123,436
NS127 13300 Franklin Farm Road (Herndon)	Fairfax County	3,897	\$245,049	\$40,140	\$204,909
170 1238 Elden St (Herndon)	Fairfax County	45,475	\$2,941,960	\$486,208	\$2,455,753
219 8520 Tyco Road (Vienna) (conv)	Fairfax County	93,230	\$7,612,546	\$1,263,521	\$6,349,025
224 13944 Lee Jackson Highway	Fairfax County	53,526	\$3,341,019	\$550,548	\$2,790,471
228 1524 Belle View Boulevard	Fairfax County	35,377	\$2,073,786	\$340,799	\$1,732,987
231 436 East Maple Ave (Vienna)	Fairfax County	47,601	\$2,884,970	\$473,365	\$2,411,605
234 9574 Old Keene Mill Road	Fairfax County	29,292	\$1,773,680	\$292,215	\$1,481,465
235 8628 Richmond Highway	Fairfax County	49,969	\$3,226,636	\$534,318	\$2,692,318
236 7200 Little River Tnpk., East	Fairfax County	40,411	\$2,466,360	\$407,894	\$2,058,467
260 6198 Arlington Boulevard	Fairfax County	26,126	\$1,591,564	\$262,087	\$1,329,476
267 1446 Chain Bridge Road	Fairfax County	49,673	\$3,277,889	\$540,167	\$2,737,722
268 6400 Springfield Plaza	Fairfax County	43,707	\$2,699,522	\$446,268	\$2,253,254
273 7778 Gunston Plaza	Fairfax County	16,580	\$988,012	\$163,153	\$824,859
294 3556-E S. Jefferson St.	Fairfax County	40,087	\$2,525,831	\$415,610	\$2,110,221
296 8966 Burke Lake Road	Fairfax County	27,913	\$1,588,288	\$262,226	\$1,326,063
322 14151 Germain Drive	Fairfax County	53,196	\$3,449,672	\$569,164	\$2,880,507
346 8105 Lee Highway	Fairfax County	32,237	\$2,023,522	\$332,735	\$1,690,787

(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) Rate of return is calculated by adding Adjusted Net Profits and State taxes then dividing result by Gross Sales.

NS = New Store; R = Relocation;

C = Closed; CONV = Conventional Store

\* Consolidation

NEW STORES:		RELOCATED:		CLOSED:	
Date	Store	Date	Store	Date	Store
7/24/02	52	7/15/02	353	4/26/03	131
8/5/02	61	9/12/02	213	5/10/03	210
9/12/02	62	10/1/02	321	6/21/03	105
10/21/02	79	11/17/02	353	6/27/03	300
11/4/02	69	11/22/02	349		
11/26/02	70	1/28/03	288		
1/7/03	86	6/30/03	274		
1/24/03	87				
2/17/03	211				
3/10/03	127				
4/14/03	89				
4/16/03	68				
4/30/03	59*				
5/1/03	83				
5/19/03	368				
5/22/03	80				
6/2/03	85				
6/20/03	63				
6/20/03	204				
<b>Totals</b>		<b>18</b>	<b>7</b>		<b>4</b>

Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Store Profit	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
\$589,100	\$325,852	\$112,034	\$213,818	\$55,848	\$157,970	30.94%
\$844,387	\$465,026	\$175,873	\$289,153	\$79,925	\$209,228	29.84%
\$1,028,279	\$570,296	\$210,159	\$360,137	\$97,575	\$262,562	30.22%
<b>\$6,805,806</b>	<b>\$3,772,662</b>	<b>\$1,433,704</b>	<b>\$2,338,959</b>	<b>\$645,698</b>	<b>\$1,693,261</b>	<b>29.86%</b>
\$333,360	\$184,957	\$99,086	\$85,871	\$31,637	\$54,234	25.28%
\$525,068	\$293,254	\$118,284	\$174,970	\$49,949	\$125,021	29.25%
\$840,749	\$462,388	\$168,231	\$294,157	\$79,542	\$214,615	30.22%
\$117,665	\$123,295	\$68,078	\$55,217	\$14,708	\$40,509	30.59%
\$377,929	\$206,212	\$95,335	\$110,877	\$35,655	\$75,222	27.28%
\$250,240	\$138,310	\$86,262	\$52,049	\$23,717	\$28,332	22.68%
\$283,753	\$155,286	\$23,316	\$131,971	\$26,799	\$105,172	36.56%
\$365,321	\$201,696	\$96,851	\$104,845	\$34,610	\$70,235	26.88%
\$1,035,425	\$572,001	\$247,209	\$324,792	\$98,115	\$226,676	28.33%
\$1,253,858	\$693,342	\$227,383	\$465,959	\$118,855	\$347,104	31.37%
<b>\$5,383,368</b>	<b>\$3,030,742</b>	<b>\$1,230,035</b>	<b>\$1,800,707</b>	<b>\$513,588</b>	<b>\$1,287,119</b>	<b>29.29%</b>
\$39,404	\$23,979	\$29,067	(\$5,088)	\$3,869	(\$8,957)	4.57%
\$1,459,334	\$813,780	\$213,848	\$599,932	\$138,748	\$461,183	33.44%
\$985,559	\$536,681	\$303,844	\$232,837	\$92,916	\$139,921	24.15%
\$1,027,203	\$572,195	\$310,987	\$261,207	\$97,625	\$163,582	25.04%
\$528,079	\$293,209	\$198,577	\$94,632	\$50,130	\$44,502	20.99%
\$786,067	\$431,361	\$232,555	\$198,806	\$74,310	\$124,495	24.83%
\$673,653	\$370,467	\$230,537	\$139,930	\$63,732	\$76,198	22.57%
\$1,324,077	\$724,412	\$285,500	\$438,913	\$125,038	\$313,875	29.22%
\$4,644,807	\$2,622,548	\$410,283	\$2,212,265	\$443,591	\$1,768,674	36.88%
\$873,289	\$488,040	\$225,355	\$262,684	\$83,094	\$179,590	27.51%
\$1,947,928	\$1,071,989	\$309,870	\$762,119	\$184,332	\$577,786	32.50%
\$1,174,245	\$646,033	\$291,066	\$354,966	\$111,108	\$243,859	27.68%
\$43,481	\$26,219	\$36,683	(\$10,464)	\$4,254	(\$14,718)	(1.32%)
\$33,539	\$20,239	\$32,418	(\$12,179)	\$3,283	(\$15,461)	(7.75%)
\$1,367,404	\$756,032	\$280,034	\$475,998	\$129,612	\$346,386	30.08%
\$127,910	\$76,999	\$54,335	\$22,664	\$12,507	\$10,157	20.53%
\$1,581,832	\$873,921	\$274,154	\$599,767	\$149,896	\$449,871	31.82%
\$4,052,231	\$2,296,793	\$467,020	\$1,829,774	\$387,537	\$1,442,236	35.54%
\$1,804,043	\$986,428	\$336,540	\$649,888	\$170,327	\$479,560	30.83%
\$1,118,028	\$614,959	\$236,235	\$378,725	\$105,780	\$272,945	29.60%
\$1,559,482	\$852,123	\$308,840	\$543,283	\$147,202	\$396,081	30.14%
\$958,561	\$522,904	\$243,585	\$279,318	\$90,427	\$188,891	27.12%
\$1,718,528	\$973,790	\$408,376	\$565,415	\$164,336	\$401,078	28.99%
\$1,325,466	\$733,001	\$214,465	\$518,536	\$125,647	\$392,890	32.47%
\$873,623	\$455,853	\$224,680	\$231,173	\$81,150	\$150,024	25.89%
\$1,774,957	\$962,765	\$316,436	\$646,328	\$167,108	\$479,221	31.10%
\$1,455,845	\$797,408	\$296,002	\$501,406	\$137,536	\$363,870	30.01%
\$530,947	\$293,911	\$183,009	\$110,902	\$50,348	\$60,554	22.64%
\$1,358,451	\$751,770	\$386,799	\$364,970	\$128,806	\$236,165	25.80%
\$855,547	\$470,515	\$251,832	\$218,683	\$80,941	\$137,741	25.18%
\$1,854,532	\$1,025,976	\$347,426	\$678,550	\$175,823	\$502,727	31.07%
\$1,087,564	\$603,223	\$265,581	\$337,642	\$103,204	\$234,438	28.03%



# Analysis of Store Performance – Fiscal Year 2003

(continued)

ABC Stores by Planning District			Locality	Gallons Sold	Gross Sales (1)	Less State Tax (2)	Net Dollars
	352	2555 John Milton Drive (Herndon)	Fairfax County	30,674	\$1,906,781	\$314,535	\$1,592,246
	357	1454 N Point Village SC (Reston)	Fairfax County	44,227	\$2,954,114	\$486,987	\$2,467,127
<b>NS</b>	368	10308 Willard Way	Fairfax County	1,091	\$65,523	\$10,744	\$54,778
	371	5739 Burke Centre Parkway	Fairfax County	20,247	\$1,213,777	\$200,226	\$1,013,552
	212	167 Hillwood Ave	Falls Church City	22,935	\$1,298,236	\$213,932	\$1,084,304
	369	Barcroft Plaza Shop Cntr	Falls Church City	18,393	\$1,127,524	\$186,236	\$941,288
<b>NS</b>	63	8951 Ox Road	Lorton	59	\$5,893	\$950	\$4,943
<b>NS</b>	61	22330 Sterling Blvd (Sterling)	Loudoun County	20,004	\$1,223,752	\$202,356	\$1,021,396
	136	18 Fairfax St SE (Leesburg)	Loudoun County	32,780	\$2,038,741	\$337,121	\$1,701,620
	166	210 Fort Evans Rd (Leesburg)	Loudoun County	25,505	\$1,604,856	\$263,472	\$1,341,384
	181	106 Washington St (Middleburg)	Loudoun County	11,030	\$678,494	\$112,104	\$566,390
	208	44110 Ashburn Village SC Unit 154	Loudoun County	25,808	\$1,730,823	\$284,903	\$1,445,920
	323	609 O E. Main St (Purcellville)	Loudoun County	16,222	\$961,510	\$158,357	\$803,153
	362	100 Edds Lane	Loudoun County	54,715	\$3,577,829	\$588,975	\$2,988,853
	133	9130 Mathis Ave	Manassas City	51,425	\$3,161,088	\$523,403	\$2,637,686
	264	16661 Rivers Ridge Blvd (Dumfries)	Prince William County	24,441	\$1,501,358	\$249,061	\$1,252,297
	271	13586 Jefferson Davis Hwy	Prince William County	46,474	\$2,911,364	\$482,705	\$2,428,659
	286	7555 New Linton Hall Road, Gateway SC	Prince William County	29,780	\$1,805,814	\$296,176	\$1,509,638
	295	8095 Sudley Road	Prince William County	65,975	\$4,095,125	\$677,789	\$3,417,336
	301	4220 Merchants Plaza	Prince William County	36,519	\$2,238,637	\$365,516	\$1,873,121
	316	5123 Waterway Drive	Prince William County	12,189	\$724,902	\$119,068	\$605,835
	353	4255 Cheshire Plaza	Prince William County	48,724	\$3,009,502	\$497,473	\$2,512,030
<b>Planning District 8 - - Northern Virginia</b>				<b>1,811,630</b>	<b>\$116,047,783</b>	<b>\$19,149,091</b>	<b>\$96,898,692</b>
	329	185 Southgate Shop Ctr	Culpeper County	38,652	\$2,109,376	\$349,116	\$1,760,260
	303	175 Lee Highway (Warrenton)	Fauquier County	61,307	\$3,490,394	\$574,585	\$2,915,809
<b>R</b>	274	28 Madison Plaza Dr	Madison County	9,464	\$478,702	\$78,628	\$400,074
	163	583 N. Madison Road	Orange County	15,298	\$801,332	\$132,686	\$668,646
	227	South Main St (Gordonsville)	Orange County	9,096	\$460,250	\$76,083	\$384,168
<b>Planning District 9 - - Warrenton/Culpeper</b>				<b>133,816</b>	<b>\$7,340,054</b>	<b>\$1,211,097</b>	<b>\$6,128,956</b>
	125	304 Pantops Center	Albemarle County	41,879	\$2,289,296	\$378,378	\$1,910,918
	189	Scottsville Shopping Center (Scottsville)	Albemarle County	8,853	\$447,541	\$74,166	\$373,375
	359	1653 Seminole Trail	Albemarle County	44,266	\$2,432,861	\$400,366	\$2,032,495
	185	500 West Main St	Charlottesville City	23,469	\$1,358,599	\$225,046	\$1,133,553
	253	1147 Emmet St	Charlottesville City	94,383	\$5,918,097	\$977,710	\$4,940,388
<b>NS</b>	70	8875 Seminole Trail	Greene County	6,722	\$352,119	\$58,093	\$294,026
	138	Rts 22&23	Louisa County	20,299	\$986,783	\$163,432	\$823,351
	126	Rt 151 (Nellysford)	Nelson County	8,943	\$503,716	\$80,922	\$422,793
<b>R</b>	321	85 Calloway Drive (Lovingston)	Nelson County	7,611	\$384,519	\$63,835	\$320,684
<b>Planning District 10 - - Charlottesville</b>				<b>256,425</b>	<b>\$14,673,531</b>	<b>\$2,421,947</b>	<b>\$12,251,583</b>
	281	4049 S Amherst Hwy (Madison Heights)	Amherst County	17,463	\$883,834	\$146,567	\$737,267
	285	Ambriar Shopping Center	Amherst County	11,138	\$565,786	\$93,747	\$472,039
	354	US Rt 460 West	Appomattox County	13,094	\$645,243	\$107,241	\$538,002
	160	1128 E Lynchburg Salem Tnpk.	Bedford City	16,929	\$821,066	\$136,157	\$684,909
	279	18013 Forest Road	Bedford County	26,251	\$1,435,159	\$236,974	\$1,198,185
	176	Highways 501 & 40 South (Brookneal)	Campbell County	8,616	\$431,237	\$71,838	\$359,399
	262	20401 Timberlake Road	Campbell County	38,041	\$1,972,580	\$326,777	\$1,645,803

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\* Consolidation

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3/10/03	127				
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4/16/03	68				
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6/20/03	63				
6/20/03	204				
<b>Totals</b>		<b>18</b>	<b>7</b>	<b>4</b>	

Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Store Profit	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
\$1,030,322	\$561,923	\$240,160	\$321,763	\$97,189	\$224,574	28.27%
\$1,590,599	\$876,528	\$283,448	\$593,081	\$150,591	\$442,490	31.46%
\$144,116	(\$89,338)	\$52,778	(\$142,115)	\$3,344	(\$145,459)	(205.60%)
\$654,257	\$359,295	\$170,427	\$188,868	\$61,866	\$127,001	26.96%
\$713,372	\$370,932	\$238,951	\$131,981	\$66,185	\$65,796	21.55%
\$615,619	\$325,669	\$191,636	\$134,033	\$57,455	\$76,578	23.31%
\$3,027	\$1,915	\$7,961	(\$6,046)	\$302	(\$6,348)	(91.60%)
\$657,906	\$363,489	\$182,115	\$181,375	\$62,345	\$119,030	26.26%
\$1,095,732	\$605,888	\$233,081	\$372,807	\$103,865	\$268,942	29.73%
\$863,688	\$477,696	\$229,369	\$248,327	\$81,877	\$166,450	26.79%
\$364,785	\$201,606	\$85,027	\$116,579	\$34,572	\$82,007	28.61%
\$931,825	\$514,095	\$228,021	\$286,074	\$88,257	\$197,816	27.89%
\$516,938	\$286,215	\$128,091	\$158,124	\$49,024	\$109,101	27.82%
\$1,922,602	\$1,066,251	\$300,608	\$765,643	\$182,436	\$583,206	32.76%
\$1,694,018	\$943,668	\$211,168	\$732,500	\$161,001	\$571,498	34.64%
\$796,666	\$455,631	\$184,390	\$271,241	\$76,439	\$194,802	29.56%
\$1,556,648	\$872,012	\$311,324	\$560,687	\$148,243	\$412,445	30.75%
\$974,112	\$535,526	\$198,274	\$337,252	\$92,147	\$245,105	29.97%
\$2,196,804	\$1,220,531	\$329,880	\$890,652	\$208,590	\$682,061	33.21%
\$1,191,069	\$682,051	\$296,263	\$385,789	\$114,333	\$271,455	28.45%
\$389,511	\$216,324	\$157,324	\$58,999	\$36,979	\$22,020	19.46%
\$1,613,488	\$898,541	\$388,778	\$509,764	\$153,332	\$356,432	28.37%
<b>\$62,462,722</b>	<b>\$34,435,970</b>	<b>\$12,855,013</b>	<b>\$21,580,957</b>	<b>\$5,914,590</b>	<b>\$15,666,367</b>	<b>30.00%</b>
\$1,132,275	\$627,985	\$182,194	\$445,791	\$107,444	\$338,347	32.59%
\$1,880,091	\$1,035,718	\$237,752	\$797,965	\$177,978	\$619,988	34.22%
\$258,858	\$141,216	\$90,664	\$50,552	\$24,420	\$26,132	21.88%
\$429,747	\$238,899	\$105,847	\$133,052	\$40,813	\$92,239	28.07%
\$248,263	\$135,905	\$72,398	\$63,507	\$23,449	\$40,058	25.23%
<b>\$3,949,234</b>	<b>\$2,179,722</b>	<b>\$688,856</b>	<b>\$1,490,867</b>	<b>\$374,105</b>	<b>\$1,116,762</b>	<b>31.71%</b>
\$1,239,850	\$671,068	\$167,175	\$503,892	\$116,640	\$387,252	33.44%
\$241,916	\$131,459	\$79,927	\$51,532	\$22,790	\$28,742	22.99%
\$1,313,663	\$718,832	\$258,472	\$460,360	\$124,061	\$336,298	30.28%
\$724,549	\$409,004	\$170,694	\$238,310	\$69,191	\$169,119	29.01%
\$3,170,873	\$1,769,514	\$481,125	\$1,288,389	\$301,556	\$986,834	33.20%
\$187,174	\$106,852	\$64,431	\$42,420	\$17,947	\$24,473	23.45%
\$530,064	\$293,288	\$86,860	\$206,427	\$50,256	\$156,171	32.39%
\$273,421	\$149,373	\$96,458	\$52,914	\$25,807	\$27,107	21.45%
\$205,951	\$114,733	\$89,669	\$25,065	\$19,574	\$5,490	18.03%
<b>\$7,887,461</b>	<b>\$4,364,123</b>	<b>\$1,494,813</b>	<b>\$2,869,310</b>	<b>\$747,823</b>	<b>\$2,121,487</b>	<b>30.96%</b>
\$482,972	\$254,295	\$134,027	\$120,268	\$45,002	\$75,266	25.10%
\$303,447	\$168,592	\$99,270	\$69,322	\$28,813	\$40,509	23.73%
\$344,583	\$193,419	\$121,917	\$71,503	\$32,839	\$38,663	22.61%
\$440,858	\$244,051	\$110,135	\$133,916	\$41,806	\$92,110	27.80%
\$772,061	\$426,124	\$165,159	\$260,966	\$73,136	\$187,830	29.60%
\$219,564	\$139,835	\$94,978	\$44,856	\$21,937	\$22,919	21.97%
\$1,057,775	\$588,028	\$188,312	\$399,716	\$100,458	\$299,258	31.74%

# Analysis of Store Performance – Fiscal Year 2003

(continued)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Less State Tax (2)	Net Dollars
117	309 Twelfth St	Lynchburg City	27,194	\$1,464,925	\$243,802	\$1,221,123
266	2323 Memorial Dr, 3 The Plaza	Lynchburg City	39,822	\$2,080,973	\$345,776	\$1,735,196
287	Boonsboro Shopping Center	Lynchburg City	18,938	\$1,046,574	\$172,111	\$874,464
<b>Planning District 11 - - Lynchburg</b>			<b>217,487</b>	<b>\$11,347,377</b>	<b>\$1,880,990</b>	<b>\$9,466,387</b>
347	1301-I N Main Street (Altavista)	Campbell County	15,754	\$817,174	\$135,675	\$681,499
146	639 West Main St	Danville City	23,382	\$1,241,948	\$205,242	\$1,036,706
154	235 North Union St	Danville City	12,104	\$579,867	\$96,562	\$483,305
276	221 Nor-Dan Drive	Danville City	27,082	\$1,494,913	\$247,727	\$1,247,186
373	3308 Riverside Drive	Danville City	16,903	\$953,788	\$157,949	\$795,839
191	942 Tanyard Road (Rocky Mount)	Franklin County	24,918	\$1,226,505	\$203,596	\$1,022,908
R 213	12990 B T Washington Hwy (Hardy)	Franklin County	26,743	\$1,420,030	\$232,741	\$1,187,288
132	4960 Greenboro Road (Ridgeway)	Henry County	20,363	\$1,037,300	\$172,057	\$865,243
277	985 Fairystone Park Highway (Bassett)	Henry County	22,331	\$1,063,911	\$176,038	\$887,874
291	243 W. Commonwealth Blvd	Martinsville City	38,497	\$2,040,334	\$336,994	\$1,703,340
324	301 S. Main St. (Stuart)	Patrick County	8,724	\$423,160	\$70,219	\$352,940
283	Tightsqueeze Plaza (Chatham)	Pittsylvania County	11,900	\$581,511	\$96,475	\$485,037
<b>Planning District 12 - - Danville/Martinsville</b>			<b>248,700</b>	<b>\$12,880,440</b>	<b>\$2,131,275</b>	<b>\$10,749,165</b>
157	302 New Hicks St (Lawrenceville)	Brunswick County	12,345	\$613,609	\$102,202	\$511,407
NS 59	3136 Halifax Road	Halifax County	5,256	\$279,259	\$46,370	\$232,888
C 131	309 Main St (South Boston)	Halifax County	20,159	\$1,046,424	\$174,302	\$872,123
C 120	60 S. Main St	Halifax County	8,386	\$406,483	\$67,605	\$338,879
143	812 East Atlantic St (South Hill)	Mecklenburg County	32,960	\$1,673,574	\$277,976	\$1,395,598
172	112 North Main St (Chase City)	Mecklenburg County	11,780	\$562,775	\$93,866	\$468,909
214	608 Virginia Ave (Clarksville)	Mecklenburg County	12,872	\$648,001	\$107,470	\$540,531
<b>Planning District 13 - - South Boston</b>			<b>103,758</b>	<b>\$5,230,125</b>	<b>\$869,790</b>	<b>\$4,360,335</b>
351	15127 Patrick Henry Hwy	Amelia County	8,638	\$428,557	\$71,455	\$357,103
178	Main St, PO Box 264 (Dillwyn)	Buckingham County	9,766	\$486,592	\$81,120	\$405,472
196	Main St (Drakes Branch)	Charlotte County	6,892	\$330,164	\$54,907	\$275,257
159	1805 Main St (Victoria) (conv)	Lunenburg County	6,555	\$315,163	\$52,509	\$262,654
161	501 F Main St (Kenbridge)	Lunenburg County	5,402	\$262,765	\$43,818	\$218,947
164	107 East Carolina Ave (Crewe)	Nottoway County	8,150	\$415,032	\$69,247	\$345,785
275	1527 S. Main St (Blackstone)	Nottoway County	14,154	\$718,471	\$119,780	\$598,691
152	110 South Main St (Farmville)	Prince Edward County	34,913	\$1,798,881	\$298,749	\$1,500,132
<b>Planning District 14 - - Farmville</b>			<b>94,470</b>	<b>\$4,755,626</b>	<b>\$791,586</b>	<b>\$3,964,040</b>
104	6645 Lake Harbour Dr (Midlothian)	Chesterfield County	38,971	\$2,180,649	\$359,614	\$1,821,035
116	12635 Jefferson Davis Hwy (Chester)	Chesterfield County	41,698	\$2,314,766	\$382,239	\$1,932,527
284	13214 Midlothian Turnpike (Midlothian)	Chesterfield County	27,559	\$1,466,796	\$241,458	\$1,225,338
315	7048 Commons Plaza (Chester)	Chesterfield County	21,338	\$1,171,144	\$193,318	\$977,826
330	5722 Hopkins Road	Chesterfield County	35,339	\$1,956,330	\$323,172	\$1,633,158
350	11108 Midlothian Tnpk.	Chesterfield County	72,285	\$4,338,901	\$714,911	\$3,623,990
363	9949 Hull St	Chesterfield County	40,753	\$2,202,316	\$363,761	\$1,838,555
NS 89	34-A Broad Street Rd	Goochland County	2,164	\$124,586	\$20,459	\$104,127
304	2922 River Road West	Goochland County	9,886	\$491,281	\$81,393	\$409,888
243	209 North Washington Hwy (Ashland)	Hanover County	35,693	\$1,852,175	\$305,471	\$1,546,705
334	7057 Mechanicsville Tnpk (Mechanicsville)	Hanover County	34,258	\$1,829,148	\$301,992	\$1,527,156

(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) Rate of return is calculated by adding Adjusted Net Profits and State taxes then dividing result by Gross Sales.

NS = New Store; R = Relocation;

C = Closed; CONV = Conventional Store

\* Consolidation

NEW STORES:		RELOCATED:		CLOSED:	
Date	Store	Date	Store	Date	Store
7/24/02	52	7/15/02	353	4/26/03	131
8/5/02	61	9/12/02	213	5/10/03	210
9/12/02	62	10/1/02	321	6/21/03	105
10/21/02	79	11/17/02	353	6/27/03	300
11/4/02	69	11/22/02	349		
11/26/02	70	1/28/03	288		
1/7/03	86	6/30/03	274		
1/24/03	87				
2/17/03	211				
3/10/03	127				
4/14/03	89				
4/16/03	68				
4/30/03	59*				
5/1/03	83				
5/19/03	368				
5/22/03	80				
6/2/03	85				
6/20/03	63				
6/20/03	204				
<b>Totals</b>		<b>18</b>	<b>7</b>	<b>4</b>	

Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Store Profit	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
\$779,948	\$441,174	\$143,858	\$297,317	\$74,536	\$222,781	31.85%
\$1,113,449	\$621,748	\$217,037	\$404,710	\$105,914	\$298,796	30.97%
\$568,599	\$305,865	\$154,005	\$151,860	\$53,376	\$98,484	25.86%
<b>\$6,083,256</b>	<b>\$3,383,131</b>	<b>\$1,428,698</b>	<b>\$1,954,434</b>	<b>\$577,818</b>	<b>\$1,376,616</b>	<b>28.71%</b>
\$436,206	\$245,293	\$106,245	\$139,048	\$41,598	\$97,450	28.53%
\$665,511	\$371,195	\$211,221	\$159,974	\$63,279	\$96,694	24.31%
\$310,282	\$173,023	\$125,557	\$47,466	\$29,500	\$17,965	19.75%
\$798,904	\$448,282	\$161,136	\$287,146	\$76,127	\$211,019	30.69%
\$511,502	\$284,337	\$158,074	\$126,263	\$48,577	\$77,686	24.71%
\$657,422	\$365,486	\$144,965	\$220,521	\$62,437	\$158,084	29.49%
\$767,803	\$419,486	\$182,478	\$237,008	\$72,471	\$164,537	27.98%
\$555,785	\$309,458	\$157,699	\$151,759	\$52,813	\$98,945	26.13%
\$570,642	\$317,232	\$134,368	\$182,864	\$54,195	\$128,669	28.64%
\$1,094,891	\$608,450	\$208,640	\$399,809	\$103,970	\$295,839	31.02%
\$227,081	\$125,859	\$94,171	\$31,688	\$21,543	\$10,145	18.99%
\$310,994	\$174,042	\$114,490	\$59,552	\$29,606	\$29,946	21.74%
<b>\$6,907,022</b>	<b>\$3,842,143</b>	<b>\$1,799,046</b>	<b>\$2,043,097</b>	<b>\$656,117</b>	<b>\$1,386,980</b>	<b>27.31%</b>
\$328,199	\$183,207	\$114,481	\$68,726	\$31,216	\$37,511	22.77%
\$144,222	\$88,666	\$32,437	\$56,229	\$14,215	\$42,014	31.65%
\$563,467	\$308,656	\$136,262	\$172,394	\$53,233	\$119,160	28.04%
\$219,349	\$119,530	\$90,496	\$29,034	\$20,685	\$8,349	18.69%
\$897,889	\$497,709	\$165,138	\$332,571	\$85,186	\$247,386	31.39%
\$298,846	\$170,063	\$115,624	\$54,439	\$28,622	\$25,817	21.27%
\$347,378	\$193,153	\$79,430	\$113,722	\$32,993	\$80,729	29.04%
<b>\$2,799,351</b>	<b>\$1,560,984</b>	<b>\$733,869</b>	<b>\$827,115</b>	<b>\$266,150</b>	<b>\$560,965</b>	<b>27.36%</b>
\$229,659	\$127,444	\$97,079	\$30,365	\$21,797	\$8,568	18.67%
\$259,461	\$146,011	\$115,268	\$30,743	\$24,750	\$5,994	17.90%
\$176,156	\$99,101	\$91,436	\$7,665	\$16,801	(\$9,136)	13.86%
\$168,076	\$94,578	\$80,166	\$14,411	\$16,032	(\$1,621)	16.15%
\$140,447	\$78,501	\$58,443	\$20,058	\$13,364	\$6,694	19.22%
\$221,115	\$124,671	\$89,064	\$35,606	\$21,106	\$14,500	20.18%
\$384,090	\$214,601	\$132,828	\$81,772	\$36,543	\$45,229	22.97%
\$959,810	\$540,322	\$198,804	\$341,517	\$91,566	\$249,951	30.50%
<b>\$2,538,814</b>	<b>\$1,425,227</b>	<b>\$863,088</b>	<b>\$562,138</b>	<b>\$241,961</b>	<b>\$320,178</b>	<b>23.38%</b>
\$1,173,251	\$647,784	\$205,051	\$442,733	\$111,154	\$331,579	31.70%
\$1,243,647	\$688,880	\$212,526	\$476,354	\$117,959	\$358,395	32.00%
\$792,574	\$432,764	\$152,217	\$280,547	\$74,793	\$205,753	30.49%
\$631,507	\$346,319	\$169,955	\$176,364	\$59,685	\$116,678	26.47%
\$1,044,564	\$588,594	\$199,185	\$389,410	\$99,686	\$289,724	31.33%
\$2,340,710	\$1,283,280	\$261,800	\$1,021,480	\$221,204	\$800,276	34.92%
\$1,183,786	\$654,769	\$228,518	\$426,251	\$112,223	\$314,027	30.78%
\$74,860	\$29,267	\$38,122	(\$8,855)	\$6,356	(\$15,211)	4.21%
\$264,528	\$145,361	\$84,414	\$60,947	\$25,019	\$35,927	23.88%
\$996,211	\$550,494	\$189,620	\$360,874	\$94,409	\$266,465	30.88%
\$983,477	\$543,680	\$190,648	\$353,032	\$93,216	\$259,816	30.71%

# Analysis of Store Performance – Fiscal Year 2003

(continued)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Less State Tax (2)	Net Dollars
150	5654 Brook Rd	Henrico County	27,506	\$1,582,267	\$261,200	\$1,321,067
171	8700 West Broad St	Henrico County	40,679	\$2,457,670	\$406,561	\$2,051,109
180	500 Goddin St	Henrico County	11,213	\$602,000	\$100,162	\$501,837
207	10106 Brook Road (Glen Allen)	Henrico County	26,381	\$1,613,328	\$264,139	\$1,349,189
242	1601 Willow Lawn Drive	Henrico County	28,443	\$1,602,336	\$263,748	\$1,338,587
247	9685 West Broad St	Henrico County	23,329	\$1,365,035	\$224,361	\$1,140,674
254	7015 Three Chopt Road	Henrico County	23,597	\$1,333,256	\$218,063	\$1,115,193
270	809 East Parham Road	Henrico County	38,379	\$2,071,703	\$342,311	\$1,729,392
292	1521 Parham Road	Henrico County	24,707	\$1,303,292	\$213,956	\$1,089,336
305	3910 Mechanicsville Tnpk	Henrico County	32,714	\$1,880,534	\$312,928	\$1,567,606
308	11268 Patterson Ave	Henrico County	12,849	\$672,266	\$110,314	\$561,952
314	4338 S. Laburnum Ave	Henrico County	53,778	\$3,047,314	\$503,938	\$2,543,376
331	3406 Pump Road (Short Pump)	Henrico County	47,551	\$2,957,635	\$483,234	\$2,474,401
332	4018 Glenside Drive	Henrico County	20,063	\$993,410	\$164,399	\$829,011
366	1370 Gaskins Road, Gayton Crossing SC	Henrico County	28,638	\$1,656,326	\$269,342	\$1,386,984
326	2105 Academy Rd	Powhatan County	15,186	\$799,108	\$132,441	\$666,666
NS 86	2610 Buford Road	Richmond City	8,477	\$477,664	\$78,320	\$399,344
101	3100-A West Broad St	Richmond City	29,611	\$1,791,289	\$295,969	\$1,495,320
102	1901 West Main St	Richmond City	11,000	\$587,250	\$97,436	\$489,814
C 105	2005 Hull St (conv)	Richmond City	8,913	\$470,264	\$77,959	\$392,304
169	10 North Thompson St	Richmond City	37,498	\$2,344,873	\$383,182	\$1,961,692
182	1217 West Broad St	Richmond City	13,243	\$654,838	\$108,903	\$545,935
187	2421 Venable St (conv)	Richmond City	23,576	\$1,267,956	\$211,484	\$1,056,472
251	2924 North Ave (conv)	Richmond City	13,157	\$709,661	\$118,297	\$591,364
252	618 W. Southside Plaza	Richmond City	45,160	\$2,826,501	\$470,452	\$2,356,049
348	7036 Forest Hill Ave	Richmond City	44,348	\$2,444,621	\$402,722	\$2,041,900
360	2901 Hermitage Road (conv)	Richmond City	107,545	\$7,176,582	\$1,195,607	\$5,980,975
<b>Planning District 15 - - Richmond</b>			<b>1,157,484</b>	<b>\$66,617,072</b>	<b>\$10,999,216</b>	<b>\$55,617,856</b>
239	Caroline Square (Bowling Green)	Caroline County	8,514	\$432,456	\$71,512	\$360,944
NS 62	1416 Carl D. Silver Prkwy	Fredericksburg City	19,743	\$1,240,111	\$205,580	\$1,034,531
121	507 William St	Fredericksburg City	35,809	\$1,988,579	\$328,562	\$1,660,017
245	1271 Jefferson Davis Hwy	Fredericksburg City	23,983	\$1,326,456	\$218,958	\$1,107,497
221	15423 Dahlgren Road (Dahlgren)	King George County	6,559	\$353,489	\$58,386	\$295,103
103	6348 Jefferson Davis Highway	Spotsylvania County	18,204	\$970,236	\$160,047	\$810,189
209	5055 Jefferson Davis Hwy	Spotsylvania County	35,851	\$1,945,350	\$321,249	\$1,624,101
313	4189 Plank Road (Fredericksburg)	Spotsylvania County	44,797	\$2,418,574	\$398,886	\$2,019,688
183	736 Warrenton Road, Suite 114	Stafford County	19,319	\$1,082,146	\$178,435	\$903,711
200	356 Garrisonville Rd, (Doc Stone Commons)	Stafford County	42,368	\$2,442,415	\$402,896	\$2,039,519
<b>Planning District 16 - - Fredericksburg</b>			<b>255,146</b>	<b>\$14,199,812</b>	<b>\$2,344,512</b>	<b>\$11,855,300</b>
192	101 South Main St (Kilmarnock)	Lancaster County	35,460	\$1,781,706	\$294,433	\$1,487,272
238	Rt 360 (Callao)	Northumberland County	13,718	\$669,923	\$110,240	\$559,683
149	Times Square Shopping Ctr (Warsaw)	Richmond County	9,434	\$467,372	\$77,567	\$389,805
130	Beachgate Shopping Ct (Col. Beach)	Westmoreland County	7,028	\$354,545	\$58,525	\$296,020
220	109 East End Place (Montross)	Westmoreland County	6,713	\$351,898	\$58,111	\$293,787
<b>Planning District 17 - - Northern Neck</b>			<b>72,354</b>	<b>\$3,625,444</b>	<b>\$598,876</b>	<b>\$3,026,568</b>

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9/12/02	62	10/1/02	321	6/21/03	105
10/21/02	79	11/17/02	353	6/27/03	300
11/4/02	69	11/22/02	349		
11/26/02	70	1/28/03	288		
1/7/03	86	6/30/03	274		
1/24/03	87				
2/17/03	211				
3/10/03	127				
4/14/03	89				
4/16/03	68				
4/30/03	59*				
5/1/03	83				
5/19/03	368				
5/22/03	80				
6/2/03	85				
6/20/03	63				
6/20/03	204				
<b>Totals</b>		<b>18</b>	<b>7</b>	<b>4</b>	



Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Store Profit	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
\$847,934	\$473,133	\$198,096	\$275,037	\$80,637	\$194,401	28.79%
\$1,321,597	\$729,512	\$240,629	\$488,882	\$125,197	\$363,685	31.34%
\$320,940	\$180,898	\$106,270	\$74,627	\$30,632	\$43,996	23.95%
\$870,410	\$478,779	\$185,720	\$293,058	\$82,353	\$210,705	29.43%
\$865,156	\$473,431	\$244,937	\$228,494	\$81,706	\$146,788	25.62%
\$733,807	\$406,867	\$173,357	\$233,510	\$69,625	\$163,885	28.44%
\$723,348	\$391,845	\$170,236	\$221,609	\$68,070	\$153,539	27.87%
\$1,114,585	\$614,808	\$242,706	\$372,102	\$105,560	\$266,541	29.39%
\$705,396	\$383,940	\$210,988	\$172,951	\$66,492	\$106,459	24.59%
\$1,002,461	\$565,145	\$220,180	\$344,965	\$95,685	\$249,280	29.90%
\$364,668	\$197,284	\$115,027	\$82,257	\$34,301	\$47,956	23.54%
\$1,640,630	\$902,746	\$259,966	\$642,781	\$155,245	\$487,536	32.54%
\$1,602,802	\$871,599	\$282,567	\$589,032	\$151,035	\$437,997	31.15%
\$533,448	\$295,563	\$137,471	\$158,092	\$50,602	\$107,490	27.37%
\$899,195	\$487,789	\$248,344	\$239,445	\$84,660	\$154,785	25.61%
\$427,659	\$239,007	\$121,520	\$117,487	\$40,693	\$76,794	26.18%
\$252,368	\$146,976	\$84,549	\$62,427	\$24,376	\$38,052	24.36%
\$960,848	\$534,472	\$255,634	\$278,838	\$91,273	\$187,565	26.99%
\$314,166	\$175,648	\$113,145	\$62,503	\$29,898	\$32,605	22.14%
\$247,197	\$145,107	\$115,344	\$29,763	\$23,946	\$5,817	17.81%
\$1,273,495	\$688,197	\$232,128	\$456,070	\$119,740	\$336,330	30.68%
\$351,916	\$194,019	\$133,564	\$60,455	\$33,323	\$27,132	20.77%
\$670,709	\$385,763	\$135,925	\$249,838	\$64,486	\$185,352	31.30%
\$375,726	\$215,638	\$112,027	\$103,611	\$36,096	\$67,515	26.18%
\$1,501,466	\$854,583	\$237,791	\$616,793	\$143,811	\$472,982	33.38%
\$1,323,633	\$718,267	\$227,311	\$490,956	\$124,635	\$366,321	31.46%
\$3,820,220	\$2,160,755	\$235,148	\$1,925,607	\$365,072	\$1,560,535	38.40%
<b>\$35,794,894</b>	<b>\$19,822,962</b>	<b>\$6,972,638</b>	<b>\$12,850,324</b>	<b>\$3,394,853</b>	<b>\$9,455,471</b>	<b>30.70%</b>
\$231,039	\$129,905	\$93,778	\$36,127	\$22,032	\$14,095	19.80%
\$659,269	\$375,262	\$177,899	\$197,363	\$63,147	\$134,216	27.40%
\$1,066,634	\$593,383	\$143,285	\$450,098	\$101,326	\$348,773	34.06%
\$715,087	\$392,410	\$220,639	\$171,771	\$67,600	\$104,171	24.36%
\$190,692	\$104,411	\$60,928	\$43,483	\$18,013	\$25,470	23.72%
\$519,869	\$290,320	\$159,081	\$131,239	\$49,453	\$81,786	24.93%
\$1,042,558	\$581,543	\$251,984	\$329,559	\$99,133	\$230,426	28.36%
\$1,298,933	\$720,755	\$206,512	\$514,243	\$123,280	\$390,963	32.66%
\$580,994	\$322,717	\$165,854	\$156,864	\$55,162	\$101,702	25.89%
\$1,310,944	\$728,574	\$228,326	\$500,249	\$124,490	\$375,759	31.88%
<b>\$7,616,018</b>	<b>\$4,239,282</b>	<b>\$1,708,287</b>	<b>\$2,530,996</b>	<b>\$723,635</b>	<b>\$1,807,361</b>	<b>29.24%</b>
\$957,723	\$529,549	\$217,036	\$312,513	\$90,781	\$221,731	28.97%
\$361,315	\$198,368	\$102,424	\$95,944	\$34,162	\$61,781	25.68%
\$250,470	\$139,335	\$116,392	\$22,943	\$23,793	(\$850)	16.41%
\$189,939	\$106,081	\$83,080	\$23,001	\$18,069	\$4,932	17.90%
\$188,279	\$105,508	\$52,887	\$52,622	\$17,932	\$34,689	26.37%
<b>\$1,947,727</b>	<b>\$1,078,841</b>	<b>\$571,819</b>	<b>\$507,022</b>	<b>\$184,738</b>	<b>\$322,283</b>	<b>25.41%</b>

# Analysis of Store Performance – Fiscal Year 2003

(continued)

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Less State Tax (2)	Net Dollars
198 Rappahannock Shp Ctr. (Tappahannock)	Essex County	15,073	\$748,941	\$124,363	\$624,578
155 York River Shop Ctr, PO Box 303 (Hayes)	Gloucester County	25,109	\$1,327,302	\$219,738	\$1,107,564
233 Main St	Gloucester County	16,870	\$866,037	\$143,576	\$722,461
175 14th & Kirby St (West Point)	King William County	18,985	\$971,720	\$161,099	\$810,620
257 4915 Tappahannock Highway	King William County	10,823	\$557,289	\$92,017	\$465,272
333 Route 198 (Gloucester Point)	Mathews County	13,403	\$645,669	\$106,476	\$539,193
179 Virginia St, PO Box 238 (Urbanna)	Middlesex County	12,699	\$621,846	\$102,843	\$519,002
<b>Planning District 18 - - West Point/Mathews</b>		<b>112,961</b>	<b>\$5,738,803</b>	<b>\$950,111</b>	<b>\$4,788,692</b>
232 3107-3 Boulevard	Colonial Heights City	30,951	\$1,606,892	\$265,686	\$1,341,206
60 4330 Westgate Drive	Dinwiddie County	21,506	\$1,147,740	\$191,138	\$956,602
144 301 Market Drive Suite H	Emporia City	25,523	\$1,337,354	\$222,686	\$1,114,668
151 210 North Main St	Hopewell City	17,284	\$846,895	\$140,869	\$706,026
118 18 Washington St W (conv)	Petersburg City	25,536	\$1,544,225	\$257,533	\$1,286,692
255 3330 South Crater Road	Petersburg City	32,884	\$1,815,475	\$301,021	\$1,514,455
310 5232 Oaklawn Boulevard	Prince George County	29,670	\$1,693,202	\$281,654	\$1,411,548
240 Route 460 (Waverly)	Sussex County	11,666	\$573,841	\$95,522	\$478,319
<b>Planning District 19 - - Petersburg/Hopewell</b>		<b>195,021</b>	<b>\$10,565,624</b>	<b>\$1,756,109</b>	<b>\$8,809,516</b>
<b>NS</b> 69 1620 Cedar Road	Chesapeake City	9,155	\$528,377	\$87,330	\$441,047
<b>NS</b> 79 1437 Sam's Drive	Chesapeake City	14,549	\$872,665	\$144,326	\$728,339
165 550 East Liberty St	Chesapeake City	19,976	\$1,094,376	\$182,359	\$912,017
280 1103 South Military Highway	Chesapeake City	111,050	\$7,036,116	\$1,169,161	\$5,866,956
328 836 Eden Way Lane	Chesapeake City	29,361	\$1,731,542	\$286,392	\$1,445,150
<b>R</b> 349 237 South Battlefield Blvd.	Chesapeake City	30,697	\$1,680,755	\$277,188	\$1,403,567
355 4300 Portsmouth Boulevard	Chesapeake City	31,095	\$1,780,535	\$293,795	\$1,486,739
216 1100 Armory Drive	Franklin City	27,140	\$1,400,356	\$233,371	\$1,166,985
299 1917 S. Church St (Smithfield)	Isle of Wight County	27,960	\$1,479,333	\$245,884	\$1,233,449
107 434 St. Paul's Boulevard	Norfolk City	43,237	\$2,627,305	\$437,263	\$2,190,041
128 159 West Ocean View Drive	Norfolk City	38,202	\$2,037,381	\$337,852	\$1,699,529
134 2301 Colley Ave	Norfolk City	40,615	\$2,314,010	\$384,340	\$1,929,670
202 154 East Little Creek Rd	Norfolk City	0	\$0	\$0	\$0
226 7525 Tidewater Drive	Norfolk City	51,876	\$2,954,975	\$489,879	\$2,465,096
249 2350 East Little Creek Road	Norfolk City	37,835	\$2,028,134	\$336,386	\$1,691,748
263 5900 Virginia Beach Blvd	Norfolk City	45,637	\$2,750,252	\$456,181	\$2,294,071
110 1136 London Boulevard (conv)	Portsmouth City	13,759	\$788,651	\$131,269	\$657,382
237 3812 George Washington Hwy	Portsmouth City	31,552	\$1,790,499	\$297,392	\$1,493,108
<b>R</b> 288 5700 Churchland Blvd.	Portsmouth City	37,379	\$2,098,722	\$347,179	\$1,751,543
361 812 Airline Boulevard	Portsmouth City	47,354	\$2,824,027	\$468,607	\$2,355,420
325 22718 Main St (Courtland)	Southampton County	7,667	\$348,095	\$58,015	\$290,080
<b>NS</b> 211 6550 Town Point Road	Suffolk City	3,134	\$193,026	\$31,851	\$161,175
298 821 West Constance Road	Suffolk City	32,353	\$1,599,716	\$266,439	\$1,333,277
312 2815 G Godwin Boulevard	Suffolk City	23,526	\$1,264,634	\$209,833	\$1,054,801
<b>NS</b> 204 2420 Atlantic Avenue	Virginia Beach	216	\$13,565	\$2,166	\$11,399
71 213 Virginia Beach Blvd	Virginia Beach City	4,733	\$275,007	\$45,281	\$229,725
106 2973 Shore Drive	Virginia Beach City	33,071	\$1,859,400	\$305,636	\$1,553,764
129 1615 General Booth Blvd	Virginia Beach City	24,112	\$1,364,073	\$224,906	\$1,139,167
188 4334 Holland Road	Virginia Beach City	33,923	\$1,881,194	\$311,463	\$1,569,731

(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) Rate of return is calculated by adding Adjusted Net Profits and State taxes then dividing result by Gross Sales.

NS = New Store; R = Relocation;

C = Closed; CONV = Conventional Store

\* Consolidation

NEW STORES:		RELOCATED:		CLOSED:	
Date	Store	Date	Store	Date	Store
7/24/02	52	7/15/02	353	4/26/03	131
8/5/02	61	9/12/02	213	5/10/03	210
9/12/02	62	10/1/02	321	6/21/03	105
10/21/02	79	11/17/02	353	6/27/03	300
11/4/02	69	11/22/02	349		
11/26/02	70	1/28/03	288		
1/7/03	86	6/30/03	274		
1/24/03	87				
2/17/03	211				
3/10/03	127				
4/14/03	89				
4/16/03	68				
4/30/03	59*				
5/1/03	83				
5/19/03	368				
5/22/03	80				
6/2/03	85				
6/20/03	63				
6/20/03	204				
<b>Totals</b>	<b>18</b>		<b>7</b>		<b>4</b>

Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Store Profit	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
\$401,353	\$223,225	\$135,379	\$87,846	\$38,124	\$49,723	23.24%
\$712,971	\$394,593	\$170,778	\$223,815	\$67,604	\$156,210	28.32%
\$465,278	\$257,183	\$73,974	\$183,209	\$44,098	\$139,111	32.64%
\$523,572	\$287,048	\$163,596	\$123,452	\$49,479	\$73,973	24.19%
\$299,659	\$165,613	\$79,398	\$86,215	\$28,400	\$57,815	26.89%
\$349,919	\$189,274	\$101,650	\$87,625	\$32,912	\$54,713	24.96%
\$335,991	\$183,012	\$103,105	\$79,906	\$31,679	\$48,227	24.29%
<b>\$3,088,744</b>	<b>\$1,699,948</b>	<b>\$827,879</b>	<b>\$872,069</b>	<b>\$292,296</b>	<b>\$579,772</b>	<b>26.66%</b>
\$862,911	\$478,295	\$214,019	\$264,276	\$81,866	\$182,411	27.89%
\$621,181	\$335,422	\$117,738	\$217,683	\$58,390	\$159,293	30.53%
\$716,900	\$397,768	\$172,475	\$225,293	\$68,038	\$157,255	28.41%
\$457,280	\$248,746	\$94,422	\$154,324	\$43,095	\$111,229	29.77%
\$821,545	\$465,147	\$202,518	\$262,629	\$78,538	\$184,091	28.60%
\$974,403	\$540,052	\$205,713	\$334,339	\$92,441	\$241,898	29.91%
\$906,218	\$505,330	\$197,839	\$307,491	\$86,159	\$221,332	29.71%
\$308,275	\$170,044	\$97,738	\$72,306	\$29,196	\$43,110	24.16%
<b>\$5,668,713</b>	<b>\$3,140,802</b>	<b>\$1,302,461</b>	<b>\$1,838,342</b>	<b>\$537,723</b>	<b>\$1,300,619</b>	<b>28.93%</b>
\$280,434	\$160,613	\$100,255	\$60,358	\$26,921	\$33,437	22.86%
\$463,864	\$264,475	\$122,343	\$142,132	\$44,457	\$97,675	27.73%
\$583,856	\$328,161	\$111,183	\$216,979	\$55,669	\$161,310	31.40%
\$3,779,754	\$2,087,201	\$323,273	\$1,763,929	\$358,113	\$1,405,816	36.60%
\$933,034	\$512,116	\$199,109	\$313,006	\$88,210	\$224,796	29.52%
\$928,777	\$474,790	\$212,461	\$262,328	\$85,672	\$176,656	27.00%
\$955,491	\$531,248	\$173,590	\$357,659	\$90,749	\$266,910	31.49%
\$751,595	\$415,390	\$189,805	\$225,585	\$71,231	\$154,354	27.69%
\$792,547	\$440,902	\$203,038	\$237,864	\$75,288	\$162,576	27.61%
\$1,396,568	\$793,473	\$260,006	\$533,467	\$133,678	\$399,789	31.86%
\$1,088,720	\$610,809	\$215,196	\$395,614	\$103,737	\$291,876	30.91%
\$1,240,219	\$689,452	\$246,396	\$443,056	\$117,785	\$325,271	30.67%
\$0	\$0	\$17,982	(\$17,982)	\$0	(\$17,982)	0.00%
\$1,576,162	\$888,935	\$251,279	\$637,656	\$150,467	\$487,189	33.07%
\$1,083,280	\$608,468	\$218,369	\$390,099	\$103,262	\$286,836	30.73%
\$1,472,436	\$821,635	\$263,601	\$558,034	\$140,028	\$418,006	31.79%
\$419,279	\$238,104	\$170,282	\$67,821	\$40,126	\$27,695	20.16%
\$953,786	\$539,322	\$223,545	\$315,778	\$91,138	\$224,640	29.16%
\$1,125,496	\$626,047	\$234,623	\$391,424	\$106,912	\$284,512	30.10%
\$1,508,960	\$846,460	\$274,192	\$572,268	\$143,772	\$428,496	31.77%
\$187,014	\$103,067	\$68,508	\$34,559	\$17,706	\$16,853	21.51%
\$100,359	\$60,815	\$71,614	(\$10,799)	\$9,838	(\$20,637)	5.81%
\$853,762	\$479,515	\$147,603	\$331,912	\$81,382	\$250,531	32.32%
\$679,682	\$375,118	\$165,408	\$209,710	\$64,384	\$145,326	28.08%
\$7,029	\$4,370	\$19,212	(\$14,843)	\$696	(\$15,538)	(98.58%)
\$145,813	\$83,912	\$83,401	\$511	\$14,022	(\$13,511)	11.55%
\$1,005,848	\$547,916	\$209,175	\$338,741	\$94,840	\$243,901	29.55%
\$732,903	\$406,264	\$184,684	\$221,580	\$69,533	\$152,047	27.63%
\$1,009,654	\$560,077	\$181,116	\$378,961	\$95,815	\$283,146	31.61%

# Analysis of Store Performance – Fiscal Year 2003

(continued)

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Less State Tax (2)	Net Dollars
225 405 30th St	Virginia Beach City	64,968	\$3,878,738	\$641,374	\$3,237,364
246 5020 Ferrell Parkway	Virginia Beach City	19,366	\$1,133,191	\$187,584	\$945,607
256 774 A Hilltop North SC	Virginia Beach City	122,803	\$7,838,249	\$1,301,011	\$6,537,238
278 3333 Virginia Beach Blvd	Virginia Beach City	70,578	\$4,101,901	\$679,614	\$3,422,287
306 2085 Lynnhaven Parkway	Virginia Beach City	30,513	\$1,767,228	\$291,897	\$1,475,331
307 Fairfield Shopping Center	Virginia Beach City	29,757	\$1,663,649	\$274,471	\$1,389,178
336 1079 Independence Blvd.	Virginia Beach City	47,854	\$2,653,069	\$439,044	\$2,214,026
370 1169 Nimmo Parkway	Virginia Beach City	24,933	\$1,369,056	\$224,771	\$1,144,285
<b>Planning District 20 - - Norfolk/Virginia Beach</b>		<b>1,261,934</b>	<b>\$73,021,802</b>	<b>\$12,101,510</b>	<b>\$60,920,292</b>
112 199 West Queen's Way	Hampton City	19,680	\$1,127,606	\$187,277	\$940,330
244 4909 West Mercury Blvd	Hampton City	38,945	\$2,272,025	\$376,453	\$1,895,572
250 2078 Nickerson Boulevard	Hampton City	27,161	\$1,498,079	\$247,981	\$1,250,097
258 3831 Kecoughtan Road	Hampton City	19,090	\$1,055,565	\$174,907	\$880,659
265 20 Towne Centre Way	Hampton City	13,432	\$792,665	\$131,188	\$661,476
282 1118 A&B W. Mercury Blvd	Hampton City	52,042	\$3,326,446	\$552,163	\$2,774,283
148 4640-3 Monticello Ave	James City County	52,010	\$3,056,629	\$501,935	\$2,554,695
158 3214 Jefferson Ave (conv)	Newport News City	24,696	\$1,472,826	\$245,494	\$1,227,332
272 55 Hidenwood Shop. Ctr.	Newport News City	19,621	\$1,090,191	\$180,712	\$909,479
340 13002 Ste. A&B Warwick Blvd	Newport News City	31,915	\$1,905,771	\$315,689	\$1,590,082
341 12725 Jefferson Ave	Newport News City	44,771	\$2,705,632	\$448,075	\$2,257,558
342 10872 Warwick Blvd	Newport News City	30,306	\$1,724,542	\$285,615	\$1,438,927
320 1246 Richmond Road	Williamsburg City	29,167	\$1,649,329	\$269,932	\$1,379,397
222 209 Village Ave (Yorktown)	York County	25,647	\$1,486,146	\$245,459	\$1,240,687
290 5226 Geo. Washington Hwy (Grafton)	York County	25,098	\$1,346,552	\$222,361	\$1,124,191
335 801 F Merrimac Trail	York County	37,339	\$2,224,260	\$369,012	\$1,855,248
<b>Planning District 21 - - Newport News/Hampton</b>		<b>490,918</b>	<b>\$28,734,265</b>	<b>\$4,754,253</b>	<b>\$23,980,012</b>
177 6371 Pension St (Chincoteague)	Accomack County	9,897	\$537,596	\$88,621	\$448,975
344 Four Corners Plaza Shp. Ctr. (Onley)	Accomack County	17,361	\$905,594	\$150,444	\$755,151
156 22485 Lankford Highway (Cape Charles)	Northampton County	11,821	\$575,322	\$94,788	\$480,534
223 4090-B Lankford Highway (Exmore)	Northampton County	13,445	\$631,605	\$104,473	\$527,132
<b>Planning District 22 - - Eastern Shore</b>		<b>52,524</b>	<b>\$2,650,117</b>	<b>\$438,325</b>	<b>\$2,211,792</b>
72 Orange County - Not open	Orange County	0	\$0	\$0	\$0
76 Falls Church - Not open		0	\$0	\$0	\$0
81 Fairfax - Not open		0	\$0	\$0	\$0
92 Hampton - Not open	Hampton City	0	\$0	\$0	\$0
<b>TOTAL</b>		<b>7,635,003</b>	<b>\$439,074,840</b>	<b>\$72,586,877</b>	<b>\$366,487,963</b>

(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) Rate of return is calculated by adding Adjusted Net Profits and State taxes then dividing result by Gross Sales.

NS = New Store; R = Relocation;

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\* Consolidation

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4/30/03	59*				
5/1/03	83				
5/19/03	368				
5/22/03	80				
6/2/03	85				
6/20/03	63				
6/20/03	204				
<b>Totals</b>	<b>18</b>		<b>7</b>		<b>4</b>

Cost of Goods Sold	Gross Profit on Sales	Store Expenses (3)	Net Store Profit	Alloc. of Gen. & Admin. Expenses (4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth (5)
\$2,081,052	\$1,156,312	\$245,370	\$910,942	\$197,605	\$713,337	34.93%
\$607,505	\$338,102	\$148,655	\$189,448	\$57,719	\$131,729	28.18%
\$4,184,250	\$2,352,988	\$432,449	\$1,920,538	\$399,026	\$1,521,513	36.01%
\$2,199,338	\$1,222,949	\$323,717	\$899,231	\$208,893	\$690,339	33.40%
\$946,896	\$528,435	\$193,598	\$334,836	\$90,053	\$244,784	30.37%
\$893,045	\$496,133	\$204,514	\$291,619	\$84,794	\$206,825	28.93%
\$1,425,617	\$788,409	\$201,114	\$587,295	\$135,142	\$452,153	33.59%
\$740,140	\$404,145	\$156,708	\$247,437	\$69,846	\$177,591	29.39%
<b>\$39,134,166</b>	<b>\$21,786,127</b>	<b>\$7,047,373</b>	<b>\$14,738,754</b>	<b>\$3,718,508</b>	<b>\$11,020,246</b>	<b>31.66%</b>
\$599,345	\$340,985	\$178,833	\$162,152	\$57,397	\$104,755	25.90%
\$1,207,355	\$688,217	\$176,423	\$511,794	\$115,704	\$396,090	34.00%
\$801,929	\$448,168	\$174,744	\$273,424	\$76,305	\$197,120	29.71%
\$563,545	\$317,114	\$160,722	\$156,392	\$53,754	\$102,637	26.29%
\$423,672	\$237,804	\$173,698	\$64,106	\$40,376	\$23,731	19.54%
\$1,783,705	\$990,577	\$229,529	\$761,048	\$169,339	\$591,709	34.39%
\$1,651,179	\$903,516	\$292,256	\$611,260	\$155,936	\$455,324	31.32%
\$779,428	\$447,904	\$194,091	\$253,814	\$74,915	\$178,899	28.81%
\$585,577	\$323,902	\$168,322	\$155,581	\$55,514	\$100,067	25.76%
\$1,021,846	\$568,236	\$182,572	\$385,663	\$97,057	\$288,607	31.71%
\$1,444,492	\$813,065	\$254,124	\$558,942	\$137,799	\$421,143	32.13%
\$922,832	\$516,095	\$191,460	\$324,635	\$87,831	\$236,805	30.29%
\$894,442	\$484,955	\$217,276	\$267,679	\$84,197	\$183,482	27.49%
\$798,244	\$442,443	\$124,799	\$317,644	\$75,730	\$241,914	32.79%
\$725,099	\$399,092	\$136,409	\$262,683	\$68,619	\$194,063	30.93%
\$1,190,982	\$664,266	\$231,335	\$432,931	\$113,242	\$319,689	30.96%
<b>\$15,393,673</b>	<b>\$8,586,339</b>	<b>\$3,086,590</b>	<b>\$5,499,748</b>	<b>\$1,463,714</b>	<b>\$4,036,035</b>	<b>30.59%</b>
\$288,823	\$160,152	\$84,294	\$75,858	\$27,405	\$48,453	25.50%
\$485,176	\$269,975	\$135,815	\$134,160	\$46,094	\$88,066	26.34%
\$308,204	\$172,330	\$99,946	\$72,384	\$29,331	\$43,053	23.96%
\$339,305	\$187,828	\$122,281	\$65,547	\$32,176	\$33,372	21.82%
\$1,421,507	\$790,285	\$442,336	\$347,949	\$135,005	\$212,944	24.58%
\$0	\$0	\$374	(\$374)	\$0	(\$374)	0.00%
\$0	\$0	\$3,837	(\$3,837)	\$0	(\$3,837)	0.00%
\$0	\$0	\$22	(\$22)	\$0	(\$22)	0.00%
\$0	\$0	\$24	(\$24)	\$0	(\$24)	0.00%
<b>\$235,761,623</b>	<b>\$130,726,340</b>	<b>\$48,971,297</b>	<b>\$81,755,043</b>	<b>\$22,370,023</b>	<b>\$59,385,020</b>	<b>30.06%</b>



# Licenses by Category

2003  
CITIES

# Licenses by Category

2003

CITIES

		<div> <div>Liquor by the drink (1)</div> <div>Beer &amp; Breakfast</div> <div>Beer/Wine Importers</div> <div>Beer/Wine Wholesalers</div> <div>Brewery</div> <div>Carrier Licensee</div> <div>Caterer Establs.</div> <div>Clubs</div> <div>Convenience Stores</div> <div>Delicatessans</div> <div>Distillery</div> <div>Drug Stores</div> <div>Gourmet/Gourmet Brew Shops</div> <div>Grocery/Grocery-Gourmet Stores</div> <div>Hotels/Resorts</div> <div>Restaurants</div> <div>Restaurants (Beer &amp; Wine)</div> <div>Restaurants (Mixed Beverage) (2)</div> <div>Restaurant-Combo (3)</div> <div>All Other (4)</div> <div>Total Licenses (excluding Mixed Beverage)</div> </div>																					
Alexandria	Wet	0	11	8	4	1	2	7	19	2	0	12	14	42	12	166	119	0	0	4	304		
Bedford	Wet	0	0	0	0	0	0	0	2	0	0	0	0	7	1	4	1	0	0	1	15		
Bristol	Wet	0	0	1	0	0	1	0	13	0	0	2	3	17	1	20	10	1	0	0	59		
Buena Vista	Wet	0	0	0	0	0	0	0	2	0	0	1	0	5	0	5	24	0	0	0	13		
Charlottesville	Wet	1	4	4	2	0	6	6	12	0	0	2	14	36	3	116	77	0	0	1	207		
Chesapeake	Wet	0	1	4	0	0	1	12	41	0	0	15	21	66	1	110	74	0	0	3	275		
Colonial Heights	Wet	0	0	0	0	0	0	2	6	0	0	2	0	11	0	27	16	0	0	1	49		
Covington	Wet	0	0	0	0	0	0	0	4	0	0	1	0	6	0	5	24	0	0	0	16		
Danville	Wet	0	0	1	0	0	1	8	19	0	0	3	5	45	1	36	19	0	0	1	120		
Emporia	Wet	0	0	0	0	0	0	0	14	0	0	1	0	6	1	5	3	0	0	0	27		
Fairfax	Wet	0	0	0	0	0	1	3	7	0	0	5	2	21	1	53	35	0	0	0	93		
Falls Church	Wet	0	2	2	0	0	0	2	2	0	0	3	0	12	0	36	13	0	0	0	59		
Franklin	Wet	0	0	0	0	0	0	1	5	0	0	1	0	5	0	7	5	0	0	0	19		
Fredericksburg	Wet	0	1	0	0	0	1	3	18	2	0	4	2	13	2	69	49	1	0	0	116		
Galax	Wet	0	0	0	0	0	0	2	2	0	0	1	1	6	0	5	3	0	0	0	17		
Hampton	Wet	1	0	1	2	2	2	18	28	1	0	9	2	60	5	93	52	0	0	6	230		
Harrisonburg	Wet	0	0	0	1	0	1	5	14	1	0	3	5	25	3	47	28	0	0	1	106		
Hopewell	Wet	0	0	0	0	0	0	5	15	0	0	1	0	8	0	16	8	0	0	1	46		
Lexington	Wet	1	0	0	0	0	2	0	0	0	0	1	5	1	1	13	7	0	0	2	26		
Lynchburg	Wet	2	0	4	0	0	4	6	17	2	0	4	1	41	4	64	41	0	1	3	153		
Manassas	Wet	0	0	0	0	1	0	3	11	0	0	2	2	11	0	30	22	0	0	0	60		
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	8	0	0	2	1	12	12	0	0	6	0	2	46		
Newport News	Wet	0	4	5	0	0	3	16	45	1	0	8	5	89	2	127	67	0	0	5	310		
Norfolk	Wet	1	2	5	0	4	9	33	36	1	0	12	9	104	4	212	145	0	0	11	443		
Norton	Wet	0	0	2	0	0	0	0	1	5	0	1	0	1	1	2	24	0	0	0	13		
Petersburg	Wet	0	2	2	0	0	0	11	27	0	0	2	0	22	1	33	13	0	0	0	100		
Poquoson	Wet	0	0	0	0	0	0	1	1	0	0	1	0	6	0	7	2	0	0	1	17		
Portsmouth	Wet	0	0	0	0	1	0	14	21	1	0	8	3	43	1	54	34	0	0	5	151		
Radford	Wet	0	0	0	0	0	1	1	3	2	0	0	2	10	11	0	0	6	0	1	37		
Richmond	Wet	0	9	11	3	1	14	28	84	9	0	16	15	106	9	262	190	0	0	9	576		
Roanoke	Wet	1	0	2	0	2	4	9	67	0	0	6	6	51	4	123	72	0	0	5	280		
Salem	Wet	0	0	0	0	0	1	5	21	0	0	3	0	18	1	15	0	36	0	4	104		
Staunton	Wet	2	0	0	0	0	2	5	3	1	0	3	2	18	2	20	10	0	0	0	58		
Suffolk	Wet	0	0	0	0	0	0	6	18	1	0	4	0	42	1	20	11	0	0	0	92		
Virginia Beach	Wet	0	0	1	1	0	6	17	62	2	0	25	35	149	15	484	339	1	0	12	810		
Waynesboro	Wet	0	0	0	0	0	0	2	6	0	0	1	3	12	0	16	5	0	0	0	40		
Williamsburg	Wet	7	0	0	0	0	3	0	5	0	0	2	3	4	8	51	40	0	0	7	90		
Winchester	Wet	0	4	2	0	0	0	6	6	1	0	1	4	21	1	42	28	0	0	0	88		
Subtotal - Cities		16	40	55	13	12	65	240	670	32	0	168	165	1,154	109	2,399	1,291	51	1	86	5,276		

- (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 2003.

# Licenses by Category

2003  
COUNTIES

2003 COUNTIES		Licenses by Category																													
		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	Restaurants (Beer & Wine)	Restaurants (Mixed Beverage) (2)	Winery	All Other (4)	Total Licenses (excluding Mixed Beverage)									
Accomack	Wet	2	1	2	0	0	2	5	26	0	0	2	3	21	0	45	22	0	0	0	0	109									
Albemarle	Wet	5	1	3	1	0	2	7	18	0	1	1	12	47	6	57	30	0	10	4	175										
Alleghany	Wet	0	0	0	0	0	0	5	8	0	0	1	1	14	2	15	5	0	0	0	46										
Amelia	Wet	0	0	0	0	0	0	1	13	0	0	1	0	4	0	4	1	0	0	0	23										
Amherst	Wet	1	0	0	0	0	1	2	14	0	0	2	1	21	0	14	7	0	1	0	57										
Appomattox	Dry	0	0	0	0	0	0	2	3	0	0	0	1	15	0	4	24	0	1	0	26										
Arlington	Wet	0	2	1	2	5	3	6	33	1	0	20	14	60	21	242	165	3	0	1	414										
Augusta	Wet	0	1	4	0	0	0	3	10	0	0	2	2	42	1	17	9	0	0	0	82										
Bath	Wet	2	0	0	0	0	1	0	5	1	0	0	1	9	2	5	0	10	0	1	37										
Bedford	Wet	2	0	0	0	2	0	6	14	0	0	4	2	26	2	23	11	0	2	7	90										
Bland	Dry	0	0	0	0	0	0	0	0	2	0	0	0	9	0	1	24	0	0	0	12										
Botetourt	Dry	0	2	3	0	0	0	1	15	0	0	1	2	21	0	13	4	0	1	0	59										
Brunswick	Wet	1	0	1	0	0	0	1	16	0	0	1	0	10	1	9	4	0	0	1	41										
Buchanan	Dry	0	0	0	0	0	0	1	13	2	0	2	1	22	0	2	24	0	0	1	44										
Buckingham	Wet	0	0	0	0	0	0	1	4	1	0	0	0	15	0	3	1	0	0	1	25										
Campbell	Dry	0	0	0	0	0	0	3	22	0	0	3	1	40	1	19	6	0	0	0	89										
Caroline	Wet	0	0	0	0	0	0	1	14	0	0	1	0	18	0	14	3	0	0	1	49										
Carroll	Dry	0	0	0	0	0	0	1	14	0	0	0	0	16	1	4	24	0	0	0	36										
Charles City	Wet	2	0	0	0	0	1	0	1	0	0	0	3	6	0	4	2	0	0	0	17										
Charlotte	Dry	0	0	0	0	0	0	1	10	0	0	1	0	30	1	5	24	0	0	0	48										
Chesterfield	Wet	0	1	1	2	0	1	6	71	4	0	20	10	88	2	167	98	0	0	4	377										
Clarke	Wet	0	0	0	0	0	0	3	4	0	0	0	1	13	9	5	0	1	0	3	39										
Craig	Dry	0	0	0	0	0	0	0	3	0	0	0	0	4	0	1	24	0	0	0	8										
Culpeper	Wet	1	0	0	0	0	0	5	5	0	1	2	2	30	0	18	11	0	3	0	67										
Cumberland	Wet	0	0	0	0	0	0	0	5	0	0	0	0	5	0	4	24	0	0	0	14										
Dickenson	Dry	0	0	0	0	0	0	1	5	2	0	0	0	14	0	4	24	0	0	0	26										
Dinwiddie	Wet	0	0	0	0	0	0	1	18	0	0	1	0	16	0	6	24	0	0	2	44										
Essex	Wet	1	0	0	0	0	0	1	4	1	0	1	0	11	0	13	6	0	0	1	33										
Fairfax	Wet	0	46	36	2	0	13	31	70	9	0	54	42	206	29	746	490	0	0	15	1,299										
Fauquier	Wet	2	1	1	0	0	1	4	9	1	0	4	5	41	5	40	25	0	4	1	119										
Floyd	Dry	0	0	0	0	0	0	2	5	0	0	0	1	5	0	6	2	0	3	0	22										
Fluvanna	Wet	1	0	0	0	0	0	0	3	0	0	0	0	9	0	8	4	0	0	0	21										
Franklin	Dry	0	1	1	0	0	1	2	17	0	0	1	2	39	0	30	17	0	0	3	97										
Frederick	Wet	2	1	5	0	0	2	4	16	0	0	1	2	41	2	19	11	0	1	1	97										
Giles	Dry	0	0	0	0	0	0	4	6	2	0	2	0	22	1	6	1	0	0	0	43										
Gloucester	Wet	0	0	0	0	1	0	4	11	0	0	3	1	22	26	0	0	17	0	2	87										
Goochland	Wet	0	0	0	0	0	0	2	6	0	0	0	0	10	0	17	12	0	1	0	36										
Grayson	Dry	0	0	0	0	0	0	0	6	0	0	0	1	5	0	3	24	0	0	1	16										
Greene	Dry	0	0	0	0	0	0	2	1	0	0	0	0	11	0	7	5	0	2	0	24										
Greensville	Wet	0	0	0	0	0	0	1	14	0	0	0	0	4	0	2	1	0	0	0	21										
Halifax	Dry	0	0	2	0	0	0	3	9	0	0	0	1	47	2	5	0	24	0	1	94										
Hanover	Wet	0	0	0	0	0	4	6	23	0	0	6	2	52	2	63	30	0	2	0	160										
Henrico	Wet	0	5	7	3	0	8	18	88	2	0	27	14	89	14	219	149	0	0	5	499										
Henry	Dry	0	0	0	0	0	0	9	27	0	0	1	1	49	2	23	3	1	0	1	114										
Highland	Dry	0	0	0	0	0	0	0	2	0	0	0	0	7	1	1	24	0	0	0	11										
Isle of Wight	Wet	1	1	0	0	0	0	4	13	0	0	2	1	26	1	16	6	0	0	0	65										
James City	Wet	0	2	2	1	0	3	2	8	1	1	3	7	20	3	53	32	0	2	2	110										
King & Queen	Wet	0	0	0	0	0	0	0	2	0	0	0	0	9	0	1	1	0	0	0	12										
King George	Wet	0	0	0	0	0	0	0	6	0	0	0	0	11	0	10	1	0	1	1	29										
King William	Dry	0	0	0	0	0	0	2	2	1	0	1	0	14	0	7	1	0	0	0	27										
Lancaster	Wet	1	0	0	0	0	1	3	2	0	0	0	1	19	3	12	0	17	0	1	60										
Lee	Dry	0	0	0	0	0	0	3	23	1	0	1	0	12	0	5	24	0	0	0	45										
Loudoun	Wet	2	2	2	2	12	5	8	42	2	0	10	10	58	5	142	90	0	10	7	319										
Louisa	Dry	0	2	2	0	0	0	3	6	0	0	0	0	29	2	8	2	0	1	2	55										
Lunenburg	Dry	0	0	0	0	0	0	3	6	0	0	0	0	12	0	4	24	0	0	0	25										
Madison	Wet	2	1	1	0	0	0	0	4	0	0	0	2	10	2	5	3	0	4	0	31										
Mathews	Wet	1	0	0	0	0	0	2	9	0	0	0	0	2	1	3	0	5	0	1	24										
Mecklenburg	Dry	1	0	1	0	0	0	11	25	0	0	1	0	41	0	16	8	0	0	2	98										
Middlesex	Wet	1	0	0	0	0	0	1	3	1	0	0	0	12	0	11	8	0	0	4	33										
Montgomery	Dry	1	0	0	0	0	3	2	17	2	0	1	5	45	3	65	39	0	0	0	144										
Nelson	Wet	2	0	0	0	0	0	2	4	2	0	1	3	25	2	10	6	0	4	3	58										
New Kent	Wet	0	0	0	0	0	0	1	5	0	0	2	0	13	0	12	4	0	0	0	33										

# Licenses by Category

2003 COUNTIES	Liquor by the drink (1)	Beer & Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier License	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)
Northampton	Wet	1	2	4	0	0	0	3	13	0	0	2	0	9	2	17	11	0	0	0	53
Northumberland	Wet	0	0	0	0	1	0	2	4	1	0	0	0	12	0	14	10	0	0	1	35
Nottoway	Wet	0	0	2	0	0	0	4	11	0	0	0	0	10	1	11	4	0	0	0	39
Orange	Wet	5	0	1	0	0	0	3	9	0	0	1	0	15	0	14	7	0	3	1	52
Page	Wet	4	0	0	0	0	0	5	6	0	0	0	1	19	2	15	6	0	1	1	54
Patrick	Dry	2	0	0	0	0	0	1	8	0	0	1	0	16	1	6	24	0	1	1	37
Pittsylvania	Dry	0	1	4	0	0	0	4	20	0	0	0	0	60	0	15	24	0	1	1	106
Powhatan	Wet	1	0	0	0	0	1	1	11	0	0	0	1	5	0	6	3	0	0	0	26
Prince Edward	Wet	0	0	0	0	0	2	2	6	0	0	1	1	19	20	0	0	14	0	1	66
Prince George	Wet	0	0	0	0	0	0	3	9	0	0	2	0	13	0	15	7	0	0	1	43
Prince William	Wet	0	1	1	0	0	3	13	65	2	0	9	9	104	3	189	112	0	0	6	405
Pulaski	Dry	0	0	1	0	0	0	4	7	4	0	2	2	27	0	9	2	0	0	2	58
Rappahannock	Wet	5	0	0	2	0	0	0	1	2	0	0	1	9	1	7	4	0	5	1	34
Richmond	Wet	0	0	6	0	0	1	0	1	0	0	1	1	10	0	7	2	0	0	1	28
Roanoke	Wet	0	4	4	0	0	0	4	28	0	0	3	1	22	3	58	31	0	2	0	129
Rockbridge	Wet	3	0	0	0	0	2	3	11	0	0	0	0	25	3	13	5	0	1	1	62
Rockingham	Wet	1	0	0	2	0	0	5	16	0	0	2	0	28	0	16	6	0	1	1	72
Russell	Dry	0	0	0	0	0	0	2	14	4	0	2	1	10	0	2	24	0	2	1	38
Scott	Dry	0	0	0	0	0	0	0	8	2	0	1	1	21	0	4	1	0	0	0	37
Shenandoah	Wet	2	0	0	0	0	0	9	8	0	0	2	0	44	2	30	10	0	2	2	101
Smyth	Dry	0	3	4	0	0	0	2	23	1	0	1	0	21	0	13	6	0	0	0	68
Southampton	Wet	0	0	0	0	0	0	2	12	0	0	1	0	15	0	4	1	0	0	2	36
Spotsylvania	Wet	1	0	3	2	0	1	6	35	1	1	4	3	43	0	48	30	0	1	4	153
Stafford	Wet	0	2	3	0	0	2	3	34	0	0	6	1	28	0	44	29	0	2	6	131
Surry	Dry	0	0	0	0	0	0	0	4	0	0	0	0	3	0	3	1	0	0	0	10
Sussex	Wet	0	0	0	0	0	1	1	13	0	0	0	1	13	0	11	2	0	0	0	40
Tazewell	Dry	1	1	0	0	0	0	3	18	1	0	2	1	46	0	15	4	0	0	0	88
Warren	Dry	3	1	1	0	0	0	7	11	0	0	1	1	30	0	26	14	0	0	0	81
Washington	Dry	5	1	2	0	0	0	3	23	5	0	1	4	26	2	21	7	0	3	2	98
Westmoreland	Wet	2	0	0	0	0	0	6	6	0	0	1	0	22	0	22	15	0	1	5	65
Wise	Dry	0	0	0	0	0	0	1	18	12	0	3	2	16	0	17	4	0	0	1	70
Wythe	Dry	0	0	0	0	0	0	3	12	1	0	1	0	31	2	13	9	0	0	0	63
York	Wet	0	0	0	2	0	0	4	19	1	0	5	2	27	2	44	24	0	0	4	110
Subtotal - Counties		70	86	111	21	21	65	312	1,342	75	4	242	192	2,443	199	3,022	2,087	92	79	126	8,502
Total - All In State		86	126	166	34	33	130	552	2,012	107	4	410	357	3,597	308	5,421	3,378	143	80	212	13,778
Total - Out of State			209		5	3															217
Grand Total		86	335	166	39	36	130	552	2,012	107	4	410	357	3,597	308	5,421	3,378	143	80	212	13,995

(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 2003.

# Auditor's Report



Walter J. Kucharski, Auditor

## Commonwealth of Virginia

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

SEPTEMBER 29, 2003

THE HONORABLE MARK R. WARNER  
GOVERNOR OF VIRGINIA  
STATE CAPITOL  
RICHMOND, VIRGINIA

THE HONORABLE KEVIN G. MILLER  
CHAIRMAN, JOINT LEGISLATIVE AUDIT  
AND REVIEW COMMISSION  
GENERAL ASSEMBLY BUILDING  
RICHMOND, VIRGINIA

### INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying basic financial statements of the **Department of Alcoholic Beverage Control** as of and for the year ended June 30, 2003. These basic financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

As discussed in Note 1A, the basic financial statements of the Department are intended to present the financial position, and the changes in financial position and cash flows of only that portion of the business-type activities and the aggregate remaining fund information of the Commonwealth of Virginia that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the Commonwealth of Virginia as of June 30, 2003, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2003, and the changes in its financial position and its cash flow for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis on pages 60 through 64 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2003, which includes our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in dark ink, appearing to read "Walter J. Kucharski".

AUDITOR OF PUBLIC ACCOUNTS



# COMMONWEALTH of VIRGINIA

COMMISSIONERS  
VERNON M. DANIELSEN, CHAIRMAN  
WARREN E. BARRY  
ESTHER H. VASSAR

## *Department of Alcoholic Beverage Control*

2901 HERMITAGE ROAD  
P. O. BOX 27491  
RICHMOND, VIRGINIA 23261  
(804) 213-4100  
FAX: (804) 213-4411  
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CHIEF OPERATING OFFICER / SECRETARY TO THE BOARD  
W. CURTIS COLEBURN, III

## Management's Discussion and Analysis

This discussion and analysis of the Virginia Department of Alcoholic Beverage Control's (ABC) financial performance provides a brief overview of financial activities for the fiscal year ended June 30, 2003.

### FINANCIAL HIGHLIGHTS

- ABC operations returned record profits to the Commonwealth in fiscal year 2003. Profits exceeded \$55 million, \$9.5 million or 20% more than the previous fiscal year.
- The Department's operating revenues increased 8% in fiscal year 2003, due in part to the expansion of the retail store network, increased emphasis on shelf management practices, employee education and enhanced customer service.
- The Department imposed two price increases in February and May of fiscal year 2003, which raised the average shelf price of agency products a total of 5% and generated \$4.5 million in additional sales.
- 18 new stores were opened in fiscal year 2003 generating \$6.7 million in additional sales. Six stores were relocated to improved market areas and three were remodeled.
- During fiscal year 2003 the agency implemented budgeted reductions totaling \$371,735 required by the General Assembly and the Governor. These reductions contributed to the increased funds returned to the Commonwealth in the form of transfers and profits.

### OVERVIEW OF FINANCIAL STATEMENTS

The audited report consists of a series of proprietary fund financial statements. The Statement of Net Assets provides information about the Department's assets and liabilities and reflects the financial position as of June 30, 2003. The Statement of Revenues, Expenses and Changes in Net Assets reports the operating revenue activity and the expenses related to such activity for the twelve-month period ended June 30, 2003. The Statement of Cash Flows outlines the cash inflows and outflows relating to the operations for the same twelve-month period. The financial statements also include "notes" that provide additional information that is essential to a full understanding of the data provided in the statements. These statements provide current and long-term information about the Department's financial position.

### FINANCIAL ANALYSIS

- ABC invested \$4.8 million in capital assets, which included the acquisition of a Point of Sales System (POS), Management of Inventory and Product Sales Systems (MIPS), fixtures and vehicles. The (POS) and (MIPS) systems are both web-enabled systems that enhance the efficiency of business activities as well as provide a platform for well-informed decision making and improved customer service.
- ABC ended fiscal year 2003 with a total of \$33.5 million in current assets including \$29 million in merchandise for resale.
- The Department's total invested in long term assets is \$20,803,163 (see Note 3) with a related long term debt balance of \$6,450,416 netting to \$14,352,747 invested in capital assets, net of related debt.
- In total, assets increased from \$50.7 million in fiscal year 2002 to \$54.3 million in 2003 due to the net increase in capital equipment of \$1.7 million and the \$1.9 million increase in merchandise for resale held in inventory at June 30th.
- Return on Assets (measures how efficiently profits are generated from assets) trended upwards from 91% to 103% in fiscal year 2003, due to increases in net income.



	Fiscal Year 2003	Fiscal Year 2002	Change
Current assets	\$ 33,459,825	\$ 31,422,144	\$ 2,037,681
Long term assets, Net	20,803,163	19,282,139	1,521,024
Total assets	54,262,988	50,704,283	3,558,705
Current liabilities	45,275,417	42,368,906	2,906,511
Long-term liabilities	8,012,281	7,695,572	316,709
Total liabilities	53,287,698	50,064,478	3,223,220
Net assets:			
Invested in capital assets	14,352,747	13,588,489	764,258
Unrestricted	(13,377,457)	(12,948,684)	(428,773)
Total net assets	\$ 975,290	\$ 639,805	\$ 335,485

- Total liabilities were up \$3.2 million from last year. Current liabilities owed by the Department increased \$3 million from last fiscal year end. Merchandise for resale payable increased \$4.5 million from the June 30, 2002 year end. This amount represents merchandise that has been shipped to the stores by June 30 but has not yet been paid for. Under the bailment agreement with the merchandise vendors merchandise is shipped from the 1st – 15th or the 16th – month end and due 30 days after the period. In addition, the amount due to the Commonwealth for line of credit repayment and taxes payable (see Note 4), also a current liability, was down \$2 million from June 30, 2002.
- The Department lacks the necessary working capital (current assets in excess of current liabilities) to fund business needs because all cash is transferred to the Commonwealth of Virginia's General Fund at the end of the fiscal year. Given this periodic lack of working capital, the Department depends on a \$30 million line of credit with the State Comptroller to meet day-to-day operations.
- ABC's gross margin (% of revenue left after subtracting cost of goods) increased slightly to 29.3% in fiscal year 2003 and is expected to increase in 2004 with the annualized impact of the price increases.

**REVENUE:** The vast majority of the Department's revenues come from the sale of alcoholic beverages and mixers. These revenues are achieved through the 270+ state-run stores located throughout the state. Gross sales in fiscal year 2003 reached an all time high of \$439.1 million (up \$34 million or 8.4% in 2002). Over the past five years, ABC stores have generated \$1.9 billion in sales as a result of continued growth. Approximately 20% of sales are to mixed beverage licensees who are required to purchase all distilled spirits from the Board. As a result of low volume scratch ticket sales; lottery was removed from 114 ABC stores in June 2002, thereby causing a 16% decrease in lottery revenue. The revenue from penalties declined by 27% due in part to the elimination of the administrative hearings case backlog and the leveling off of a one-time penalty fee increase in fiscal year 2002. While the number of active grant projects remained relatively the same in 2003 as 2002, the revenue increased nearly \$400,000. Other sources of revenue include license fees, ABC's portion of the wine liter tax and miscellaneous income.

Operating Revenues	Fiscal Year 2003	Fiscal Year 2002	Change
Sales of alcohol	\$ 366,519,884	\$ 338,745,451	\$ 27,774,433
Sales of lottery tickets	5,917,939	7,079,411	(1,161,472)
License and permit fees	7,469,165	7,202,225	266,940
Wine wholesalers tax	2,371,960	2,780,588	(408,628)
Penalties	2,036,309	2,783,136	(746,827)
Federal grants and contracts	1,763,406	1,421,326	342,080
Mixed beverage tax on common carriers	33,187	40,169	(6,982)
Miscellaneous	1,004,217	605,535	398,682
Net operating revenues	\$ 387,116,067	\$ 360,657,841	\$ 26,458,226

**EXPENSES:** Approximately 71% of the Department's total expenses are for the purchase of distilled spirits, wines and mixers sold through ABC stores (up 7% over the prior fiscal year). Following cost of merchandise is personal services, which accounts for 17% of total expenses. The remaining 12% is made up of contractual services (e.g. store rents), continuous charges (utilities) and other miscellaneous charges. In order to support the growth in ABC's retail store network, sales and profits; expenses for merchandise purchased for resale, personnel, rent and utilities increased in fiscal year 2003. These trends are expected to continue as the Department strives to open additional new stores over the next three years. In the last five years, operating expenses have grown at an average of 8% annually, reaching \$90 million in fiscal year 2003 (not including Merchandise for Resale).

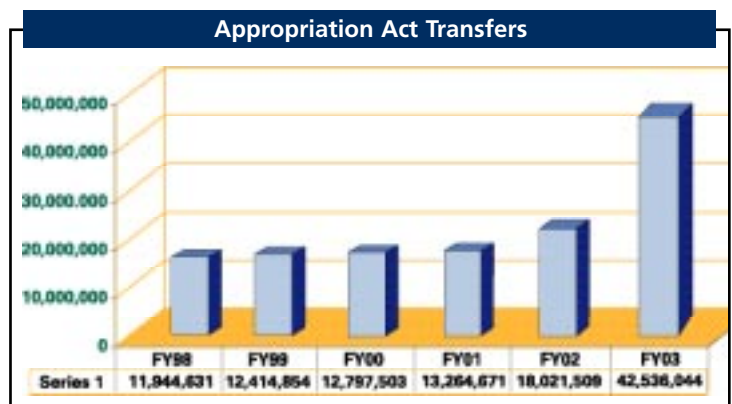
Operating Revenues (in millions of dollars)	Amount Fiscal Year 2003	Amount Fiscal Year 2002	Difference	% Expenses Fiscal Year 2003
Cost of Sales, Alcohol	\$ 236,080,617	\$ 221,641,489	\$ 14,439,128	71
Cost of Sales, Lottery	5,608,563	6,712,076	(1,103,513)	1.7
Personal Services	56,107,941	53,559,927	2,548,014	16.9
Continuous Charges	12,484,831	11,324,063	1,160,768	3.8
Contractual Services	13,736,072	11,688,412	2,047,660	4.1
Supplies and Materials	1,831,721	1,858,930	(27,209)	.6
Depreciation	3,183,590	5,060,311	(1,876,721)	1
Expendable Equipment	1,898,093	1,756,949	141,144	.6
Other	1,070,786	898,439	172,347	.3
<b>Total Operating Expenses</b>	<b>\$ 332,002,214</b>	<b>\$ 314,500,596</b>	<b>\$ 17,501,618</b>	<b>100</b>

**PROFITS:** The Code of Virginia governs the distribution of the Department's net profits. Each quarter 2/3 of all moneys in excess of \$187,500 shall be apportioned by the Comptroller and distributed to the counties, cities and towns of the Commonwealth on the basis of population. The remaining 1/3 is transferred to the General Fund.

Prior to the distribution of quarterly net profits to localities, transfers of agency net profits to other state agencies required in the Appropriation Act for each fiscal year must be executed. In fiscal year 2003, approximately \$42.5 million of the agency's \$55.7 million in net profits, were transferred to other state agencies (up \$24.5 million over FY2002) to meet Appropriation Act requirements.

These funds were not available for distribution to the localities and the General Fund. The remaining \$13.2 million was distributed to local governments and the General Fund in accordance with the Code of Virginia.

Over the past six years, Appropriation Act transfers to other state agencies have increased by 256% or \$31 million. These successive increases have significantly reduced the Department's net profits available for transfer to the local governments.



	Fiscal Year 2003	Fiscal Year 2002	Change
Net operating revenues	\$ 387,721,927	\$ 360,657,841	\$ 27,064,086
Total operating expenses	332,002,214	314,500,596	17,501,618
Nonoperating Revenue	344,420	(76,779)	421,199
Net Profit Before Transfers	56,064,133	46,080,466	9,983,667
Transfers of profits to the General Fund of the Commonwealth	(13,192,604)	(28,215,242)	15,022,638
Appropriation Act transfers	(42,536,044)	(18,021,509)	(24,514,535)
Total transfers	(55,728,648)	(46,236,751)	(9,491,897)
Net Income After Transfers	335,485	(156,285)	491,770
Total Net assets - beginning	639,805	796,090	(156,285)
Total Net assets - ending	\$ 975,290	\$ 639,805	\$ 335,485

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- ABC stores were opened for business on July 4, 2003, as a service to our customers. Sales for that day were almost \$1.4 million and as a result, sales for that week were nearly \$10.3 million (up more than 20% from the same week in 2002).
- Due to limits in warehouse capacity such as storage and throughput, the Department is evaluating a Materials Handling System to efficiently move merchandise as well as create additional capacity to introduce new products from distilled spirits vendors and Virginia wineries for ABC customers.
- In order to provide better service in underserved markets, the Department will strive to open 15-18 new stores in fiscal year 2004. By fiscal year 2006, 325 stores are projected to be in operation generating gross sales in excess of \$500 million.
- Over the next two fiscal years, the Department will strive to modernize 25-30 stores in an effort to create an updated environment for ABC customers.
- During fiscal year 2004 ABC will implement \$1.4 million in budget cuts directed by the General Assembly and the Governor reducing the Department's Enforcement and Regulation program.

### CONTACTING THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

This financial report is designed to provide our citizens, taxpayers and customers with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Virginia Department of Alcoholic Beverage Control at 2901 Hermitage Road, Richmond, Virginia 23261 or visit us on the web at [www.abc.state.va.us](http://www.abc.state.va.us).



# Financial Statements

## VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

### STATEMENT OF NET ASSETS

As of June 30, 2003

#### ASSETS

##### Current assets:

Cash (Note 2)	\$624,980
Petty cash	130,000
Receivables	2,850,088
Inventory - Alcohol	28,970,784
Inventory - Lottery tickets	179,346
Prepaid expenses	659,119
Investments held by Treasurer of Virginia (Note 8)	45,508
Total current assets	<u>33,459,825</u>

##### Long term assets (Note 3):

Land	1,532,702
Building, Net	442,825
Equipment, Net	18,827,636
Total long term assets	<u>20,803,163</u>
Total assets	<u>54,262,988</u>

#### LIABILITIES

##### Current liabilities:

Accounts payable	15,429,266
Installment notes payable (Note 6)	1,529,319
Deferred revenue	47,285
Due to Commonwealth of Virginia (Note 4)	26,094,238
Obligations under securities lending (Note 8)	45,508
Compensated absences payable (Note 7)	2,129,801
Total current liabilities	<u>45,275,417</u>

##### Long term liabilities:

Installment notes payable (Note 6)	4,921,097
Compensated absences payable (Note 7)	3,091,184
Total long term liabilities	<u>8,012,281</u>
Total liabilities	<u>53,287,698</u>

#### NET ASSETS

Invested in capital assets, net of related debt	14,352,747
Unrestricted net assets	<u>(13,377,457)</u>
Total net assets	<u>\$975,290</u>

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

# Financial Statements

## VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2003

Operating revenues:	
Sales of alcohol	\$366,519,884
Sales of lottery tickets	5,917,939
License and permit fees	7,469,165
Wine wholesalers tax	2,371,960
Penalties	2,036,309
Federal grants and contracts	1,763,406
Mixed beverage tax on common carriers	33,187
Miscellaneous	1,004,217
Total operating revenues	<u>387,116,067</u>
Operating expenses:	
Cost of sales of alcohol	236,080,617
Cost of sales of lottery tickets	5,608,563
Personal services	56,107,941
Continuous charges	12,484,831
Contractual charges	13,736,072
Supplies and materials	1,831,721
Depreciation	3,183,590
Expendable equipment	1,898,093
Other	1,070,786
Total operating expenses	<u>332,002,214</u>
Operating income	<u>55,113,853</u>
Nonoperating revenues (expenses):	
Rents	20,520
Seized assets	323,900
Total nonoperating revenues (expenses)	<u>344,420</u>
Net profit before transfers	<u>55,458,273</u>
Transfers out:	
Transfers of profits to the General Fund of the Commonwealth	(12,586,744)
Appropriation Act transfers	(42,536,044)
Total transfers	<u>(55,122,788)</u>
Net income after transfers	335,485
Total net assets - July 1, 2002	<u>639,805</u>
Total net assets - June 30, 2003	<u><u>\$975,290</u></u>

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



# Financial Statements

## VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

### STATEMENT OF CASH FLOWS

As of June 30, 2003

Cash flows from operating activities:	
Cash received from sales	\$372,216,050
Cash received from licenses and fees	7,426,564
Cash received from other revenue	8,021,850
Cash payments for cost of sales	(239,044,099)
Cash payments for personal services	(56,214,320)
Cash payments for other expenses	(30,971,216)
Net cash provided by operating activities	<u>61,434,829</u>
Cash flows from noncapital financing activities:	
Due to the Commonwealth repayments	(1,084,129)
Cash received from taxes	110,152,187
Transfers of tax collections to the General Fund of the Commonwealth	(93,367,192)
Transfers of tax collections to the Department of Taxation	(16,639,772)
Transfers of profit to the General Fund of the Commonwealth	(13,604,264)
Appropriation Act transfers	(42,536,044)
Net cash used for noncapital financing activities	<u>(57,079,214)</u>
Cash flows from capital financing activities:	
Acquisitions of capital assets	(2,645,007)
Note payable payments	(1,358,609)
Net cash used for capital financing activities	<u>(4,003,616)</u>
Net increase in cash and cash equivalents	351,999
Cash and cash equivalents - July 1, 2002	<u>402,981</u>
Cash and cash equivalents - June 30, 2003	<u><u>\$754,980</u></u>
Reconciliation of net profit to net cash provided by operating activities:	
Net profit before transfer	\$55,458,273
Adjustments to reconcile net profit to net cash provided by operating activities:	
Depreciation	3,183,590
Change in assets and liabilities:	
Decrease in accounts receivable	246,579
Increase in inventory	(1,957,888)
Increase in compensated absences	(106,381)
Increase in accounts payable	4,602,969
Decrease in prepaid items	50,288
Increase in deferred revenue	(42,601)
Net cash provided by operating activities	<u><u>\$61,434,829</u></u>

#### Noncash financing activities:

The Department entered into an installment purchase agreement to purchase new point of sale cash registers and related software costing \$2,115,375

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

# Notes to Financial Statements as of June 30, 2003

## 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 an agency of the Commonwealth of Virginia and is included in the basic 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.

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

### D. Inventories

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

## 2. CASH WITH THE TREASURER OF VIRGINIA

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

## 3. FIXED ASSETS

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

	Balance at July 1, 2002	Acquired	Deleted	Balance at June 30, 2003
Land	\$ 1,577,406	\$ -	\$ (44,704)	\$ 1,532,702
Buildings	9,216,382	-	-	9,216,382
Equipment	31,378,047	4,760,382	(5,842,760)	30,295,669
Total at historical cost	42,171,835	4,760,382	(5,887,464)	41,044,753
Less accumulated depreciation:				
Building	8,626,080	147,478	-	8,773,558
Equipment	14,263,616	3,036,112	(5,831,696)	11,468,032
Capital assets, net	\$19,282,139	\$1,576,792	\$ (55,768)	\$20,803,163

## Notes to Financial Statements (continued)

The Department capitalizes all property, plant and equipment that have a cost or value equal to or greater than \$5,000. 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 \$30,000,000 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, 2003, the Department had outstanding \$22,299,782 of its available line of credit to extinguish a cash overdraft.

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

Balance at July 1, 2002	Increase	Decrease	Balance at June 30, 2003
\$23,439,680	\$22,299,782	\$23,439,680	\$22,299,782

#### B. General Fund

The Department collects certain taxes on behalf of the General Fund of the Commonwealth. The state tax on sales is collected from store sales and is paid quarterly to the General Fund of the Commonwealth. The liter tax is collected on wholesalers' direct wine shipments. The 2003 Virginia Acts of Assembly required \$4,943,182 of the gross liter tax to be transferred to the General Fund for expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Mental Health, Mental Retardation and Substance Abuse Services and other state agencies. Of the remaining liter tax, twelve percent is retained by the Department and reported as wine wholesalers' tax on the Department's financial statements. The remaining 88 percent 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 Net Assets. Activity relating to the amounts due to the General Fund for the year ended June 30, 2003, is summarized below.

	State Tax on Sales	Liter Tax on Wine	Total
Balance due to the General Fund, July 1, 2002	\$ (104,539)	\$ 295,309	\$ 190,770
Receipts for fiscal year	72,127,625	22,353,828	94,481,453
Transfers to the General Fund	(71,397,292)	(21,969,900)	(93,367,192)
Balance due to the General Fund, June 30, 2003	\$ 625,794	\$ 679,237	\$ 1,305,031

## Notes to Financial Statements (continued)

### C. Department of Taxation - Sales Tax

The Department collects sales tax on all sales of alcohol and remits collections monthly to the Department of Taxation. Sales tax collections and transfers are not reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Activity relating to the amounts due to the Department of Taxation for the year ended June 30, 2003, is summarized below.

Balance due to the Department of Taxation, July 1, 2002	\$ 1,178,507
Sales tax collections	15,670,734
Transfers to the Department of Taxation	<u>(16,639,772)</u>
Balance due to the Department of Taxation, June 30, 2003	<u>\$ 209,469</u>

### D. Earned Surplus

The Appropriation Act, Chapter 1042 of the 2003 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 \$2,279,956 due to the General Fund at June 30, 2003.

## 5. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for store buildings. Rent expense under operating lease agreements amounted to \$10,350,027 for the year. A summary of future obligations under lease agreements as of June 30, 2003, follows.

Year Ending June 30,	
2004	\$ 8,399,402
2005	7,084,901
2006	5,510,981
2007	3,249,494
2008	1,263,430
2009	539,553
Total obligations	<u>\$26,047,761</u>

## Notes to Financial Statements (continued)

### 6. INSTALLMENT PURCHASES

During fiscal years 2002 and 2003, the Department entered into a five-year installment purchase agreement through the Master Equipment Leasing Program offered by the Department of the Treasury in order to obtain new point of sale cash registers and software. The interest rate charges range from 2.7397 percent to 4.4192 percent. Principal and interest payments of this commitment for fiscal years subsequent to June 30, 2003 are as follows.

Year Ending June 30,	Principal	Interest	Total Obligations
2004	\$ 1,529,319	\$ 221,510	\$ 1,750,829
2005	1,589,737	161,092	1,750,829
2006	1,652,614	98,216	1,750,830
2007	1,549,195	33,000	1,582,195
2008	129,551	681	130,232
Total	\$ 6,450,416	\$ 514,499	\$ 6,964,915

The following schedule presents the changes in long term debt.

Balance at July 1, 2002	Increase	Decrease	Balance at June 30, 2003
\$5,693,650	\$2,115,375	\$1,358,609	\$6,450,416

### 7. COMPENSATED ABSENCES

Compensated absences reflected in the Statement of Net Assets represent the amounts of vacation, sick and compensatory leave earned by employees of the Department, but not taken at June 30, 2003. 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.

Balance as of June 30, 2002	Increases	Decreases	Balance as of June 30, 2003	Amounts due within one year
\$5,327,363	\$2,526,818	\$2,633,196	\$5,220,985	\$2,129,801

### 8. SECURITIES LENDING TRANSACTIONS

Investments held by the Treasurer of Virginia represent the Department's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

## **9. COLLECTIONS OF MALT BEVERAGE TAX**

During the year ended June 30, 2003, the Department collected \$41,756,146 in malt beverage taxes. These funds are deposited by the Department directly with the Treasurer of Virginia for credit to the General Fund of the Commonwealth and are not available to the Department to meet current operating needs and are not included in the financial statements.

## **10. PENSION PLAN AND OTHER POST RETIREMENT BENEFITS**

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

## **11. RISK MANAGEMENT**

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

## **12. CONTINGENT LIABILITIES**

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.



# ABC Central Office, Warehouse and Regional Office Information

## Richmond Central Office and Warehouse

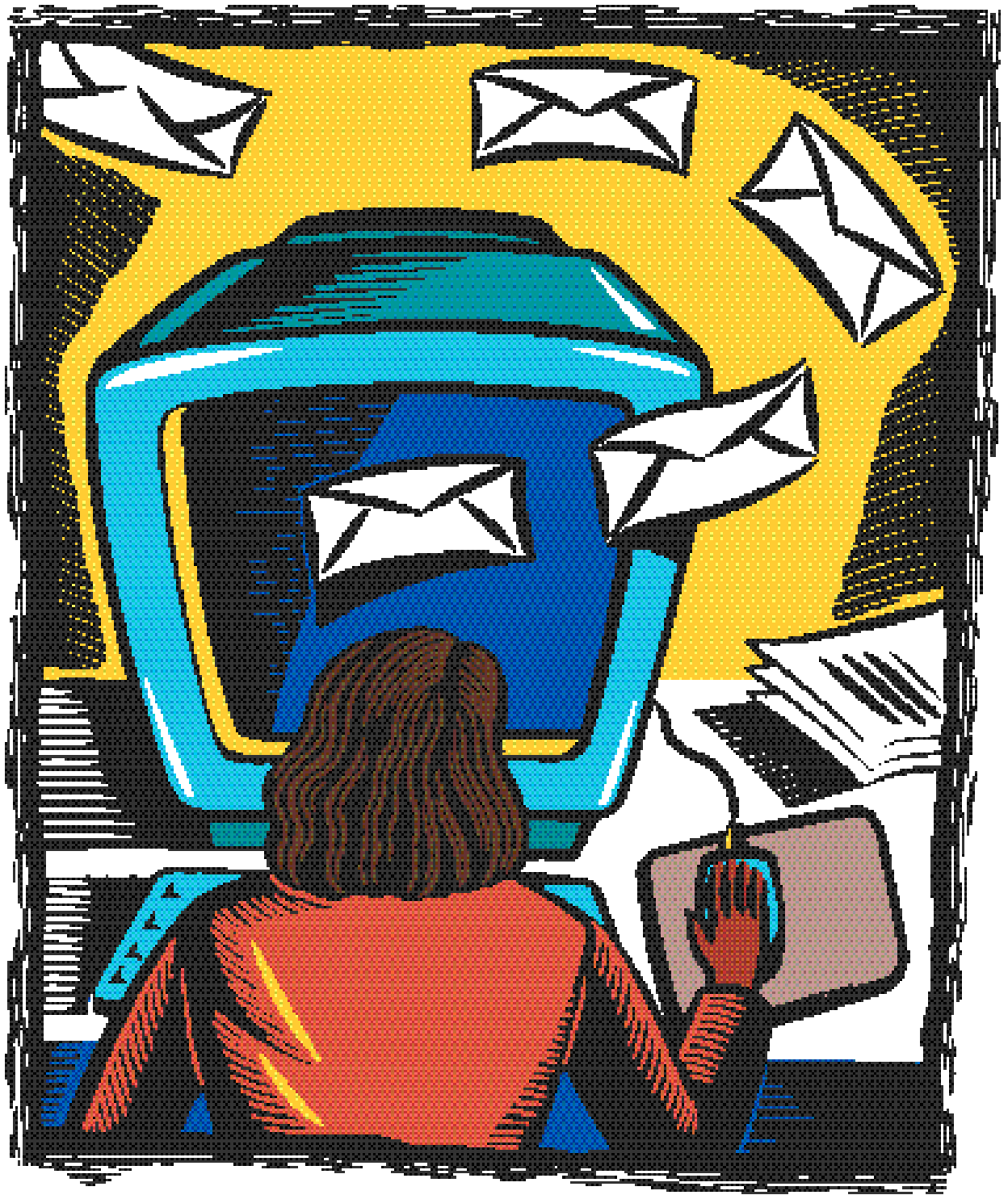
2901 Hermitage Road  
Richmond, VA 23220

(804) 213-4400

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

## ABC Regional Offices

LOCATION	MAILING ADDRESS	PHONE	FAX
<b>Abingdon (Satellite Office)</b> 545 W. Main Street Abingdon, VA 24210	PO Box 205 Abingdon, VA 24210-0205	(276) 676-5502	(276) 676-5549
<b>Alexandria</b> 501 Montgomery Street Alexandria, VA 22314-1411	PO Box 25157 Alexandria, VA 22313-5157	(703) 518-8090	(703) 518-8093
<b>Charlottesville (Satellite Office)</b> 900 Natural Resources Dr., Suite 700 Fountaine Research Park 22903	900 Natural Resources Dr., Suite 700 Charlottesville, VA 22903	(434) 977-2974	(434) 977-4772
<b>Chesapeake</b> 1103 S. Military Highway Chesapeake, VA 23320	PO Box 1486 Chesapeake, VA 23327-1486	(757) 424-6700	(757) 424-6744
<b>Hampton</b> 4907 W. Mercury Blvd. Hampton, VA 23666	PO Box 5226 Newport News, VA 23605-0226	(757) 825-7830	(757) 825-7884
<b>Lynchburg</b> 20353 Timberlake Road, Suite A Lynchburg, VA 24502	PO Box 10336 Lynchburg, VA 24506-0336	(434) 582-5136	(434) 582-5140
<b>Richmond North (Central Office)</b> 2901 Hermitage Road Richmond, VA 23220	PO Box 27491 Richmond, VA 23261-7491	(804) 213-4620	(804) 213-4638
<b>Richmond South (Central Office)</b> 2901 Hermitage Road Richmond, VA 23220	PO Box 27491 Richmond, VA 23261-7491	(804) 213-4624	(804) 213-4638
<b>Roanoke</b> 3023 Peters Creek Road Roanoke, VA 24019	1423 Williamson Road Roanoke, VA 24012	(540) 562-3535	(540) 562-3540
<b>Staunton</b> 460 Commerce Square Staunton, VA 24401	460 Commerce Square Staunton, VA 24401-4432	(540) 332-7800	(540) 332-7814



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