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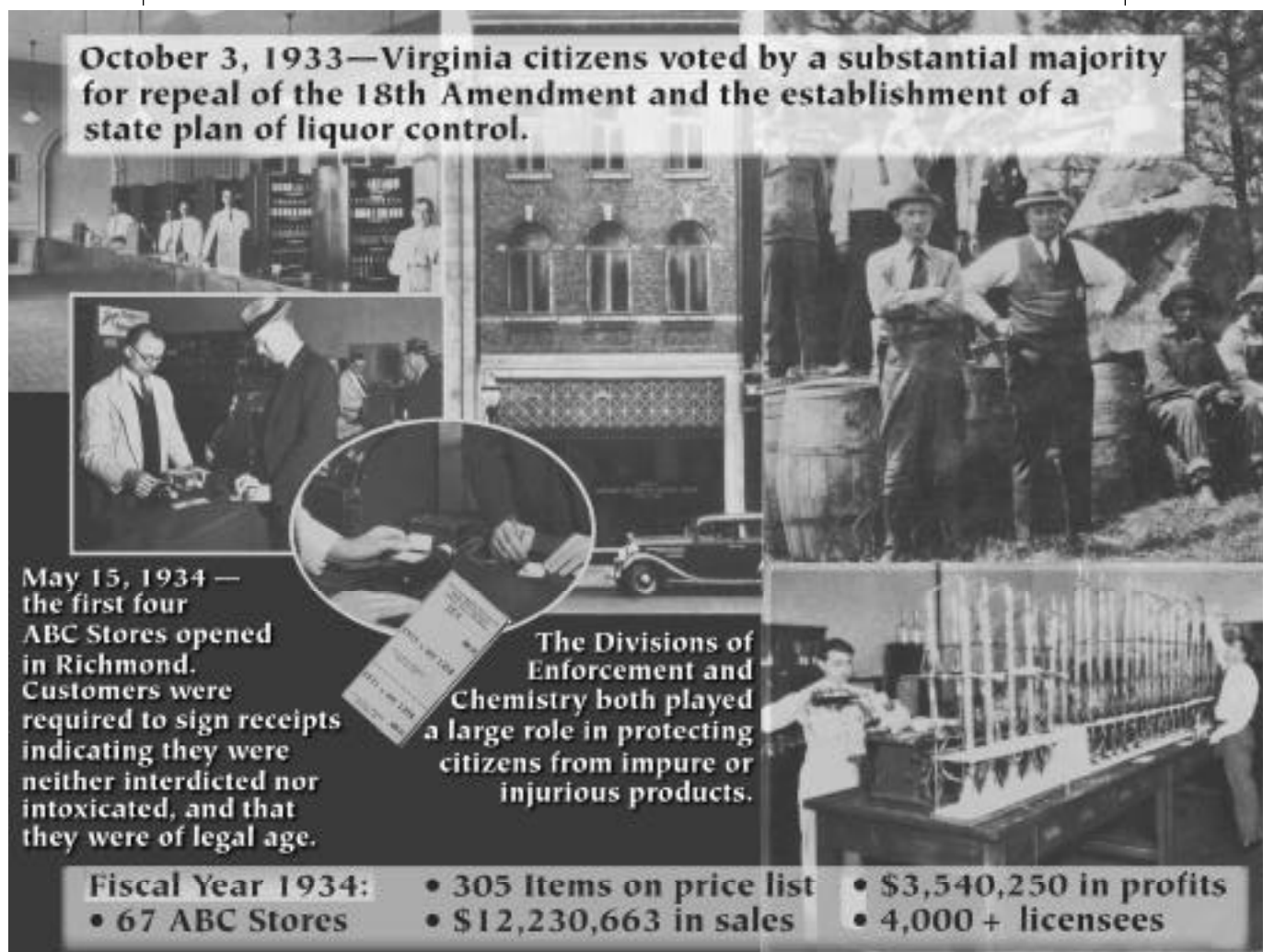
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MISSION STATEMENT

Sixty-five Years of Enforcement, Education and Revenue

The mission of the Department of Alcoholic Beverage Control is to administer ABC laws with an emphasis on excellence in 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.



Poster from State Fair Display



Governor James S. Gilmore, III



Mottinger, Roberts, and Canada

Governor

James S. Gilmore, III



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Chairman

Sandra C. Canada
Member

Clater C. Mottinger
Member

Executive Staff

W. Curtis Coleburn, III
Policy/Judicial/Legislative Director

Ronald K. Layne*
Chief Financial Officer

Division Directors

Virginia A. Adams
Wholesale/Retail Operations

Richard C. Moschler
Information Services

S. Christopher Curtis
Bureau of Law Enforcement

Nancy A. Murphy
Finance & Accounting

Sara M. Gilliam
Board Administration/Hearings

Robert W. Southall
Real Estate

Kathi N. King
Human Resources

J. Craig Vanderland
Management Services

*Joined ABC on 9/10/99.

John W. Wszelaki
Internal Audit

WHOLESALE/RETAIL OPERATIONS

Sixty-five Years of Enforcement, Education and Revenue



The most significant event during FY 1999 was the implementation of Masterpack/Move, the new Product Distribution System (PDS), in August 1998. Every employee in the Division saw some changes in responsibilities. It is a real-time, on-line, client server environment that replaced several 22 year-old in-house and off-site systems. It provides access to information about inventory levels and current and historical sales. Product inventory levels in the warehouse and any store can be viewed on-line by end-users in the Central Office as well as store personnel. Warehouse inventory inquiries will also provide the viewing of ABC-owned and vendor-owned products. PDS provides the ability to extract and import data into other ABC systems as well as produce analytical reports. Because of this ability to interact with other ABC systems, it enabled better communication between the divisions and with distillers.

The system utilizes Electronic Data Interchange to communicate with trading partners electronically, and system automated faxing that benefits the system users as well as the distillers. The warehouse went from complete manual operation into an automated task driven operation with Radio Frequency scanners and fork-lift mounted units. With the latest technology, PDS is the end-user's system to track and monitor virtually all information and functions regarding the products ABC distributes and sells currently and into the year 2000.

Store stocking underwent significant changes as a result of the implementation of PDS. Store replenishment orders are now run within the Wholesale/Retail Division instead of by the Information Services Division. The orders that are produced allow managers to add or delete as they see necessary with a final review by Store Stocking. Experimentation has been done with a variety of forecasting methods to come up with the best combination for each category of products. This process will continue as conditions and needs dictate. There is greater flexibility in the new system so that results may be reviewed before they are finalized and "runs" may be backed out to start over if necessary. Inventory controls have also been enhanced, resulting in better turns and efficiency.

New hourly sales reports received from PDS allowed Wholesale/Retail staff to make more accurate determinations on whether stores needed their hours of operation increased or decreased. The hours of operation were increased for 21 stores resulting in increased sales and customer service.

Category Management made a great deal of progress during FY 1999. Each of Virginia's ABC stores was set with new shelf placement guides, interjecting the first level of merchandising practices into the arrangement of shelves. Data became available from PDS that now makes sales analysis possible. This availability allows for analyses that include the testing of specific shelf sets as well as the evaluation of vendor promotions.

A system for assigning store design and product mix was developed for new and relocating stores. The analysis for evaluating slow moving products began for individual stores. Category Management set up merchandising in 10 stores that were either new, relocating or being renovated.

All store management attended a High Performance Management training workshop, which included an all day meeting with division management to discuss dealing with change, performance evaluations, Category Management, new stores and relocations, media relations, a Q & A session with the Board, and a panel discussion concerning PDS.

The 249 retail stores were responsible for over \$324 million in gross sales and the sale of approximately 2,564,320 cases in distilled spirits, Virginia wines and assorted mixers. The ABC warehouse received 2,514,404 cases and shipped 2,494,122 cases during the fiscal year. The cost of shipping the cases of merchandise to our stores was \$1,484,536, with an average cost of .59 per case. A new hauling contract was awarded to Swift Transportation worth approximately \$1.6 million for the first year of a five-year contract. Approximately 62,662 cases were purchased in advance of price increases for a savings of \$292,318.

At the close of the fiscal year, there were 1,979 items on the price list, 125 more than the previous year. Additionally, 1,607 cases were purchased through use of our Special Order Catalog containing an additional 301 items, resulting in \$223,753 in revenue.

BUREAU OF LAW ENFORCEMENT

Sixty-five Years of Enforcement, Education and Revenue



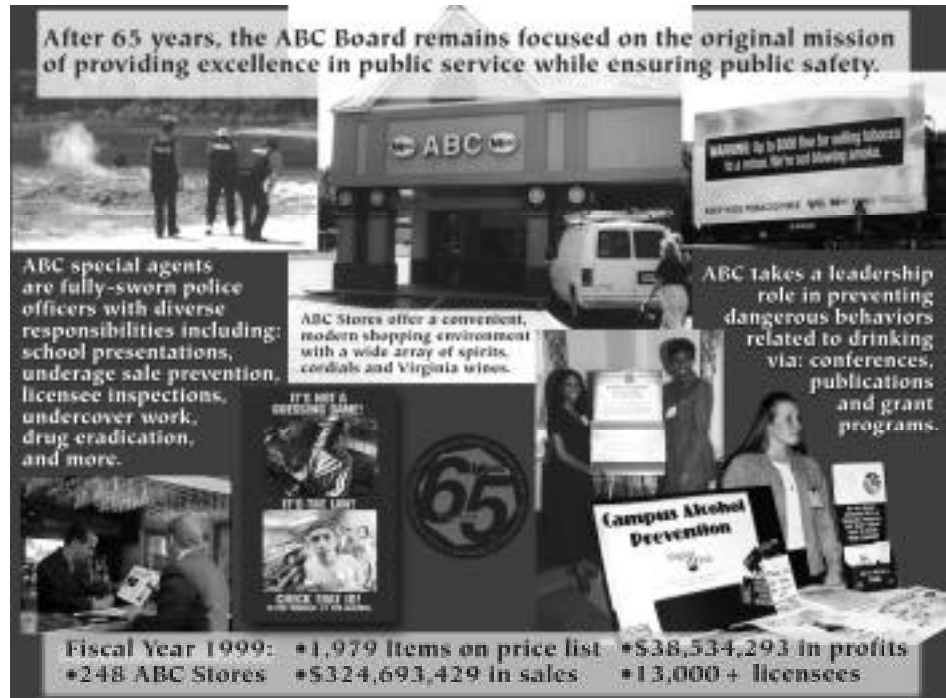
The mission of ABC's Bureau of Law Enforcement is to ensure a safe, orderly and regulated system of manufacture, distribution, sale and consumption of alcoholic

beverages and legal sale and consumption of tobacco products through fair and impartial enforcement of the laws and regulations of the Commonwealth of Virginia.

During FY 1999, special agents and staff of the Bureau of Law Enforcement:

- Issued 10,214 one-day banquet and special event licenses
- Issued 3,447 new retail, wholesale and special permit licenses
- Collected \$67,670,123 in wine and beer taxes and license fees
- Conducted 18,850 investigations
- Made 3,567 arrests
- Conducted 8,948 inspections of licensed establishments
- Issued 3,064 written warnings and violation reports
- Received 992 Hot Line complaints
- Destroyed 24 stills
- Conducted 307 Speakers Bureau presentations

The Bureau renewed the contract with the Food and Drug Administration to continue conducting 400 tobacco compliance checks each month at Virginia retailers to prevent underage access to cigarettes. The



Poster from State Fair Display

renewal extends the contract through August 2000 for a total value of \$1,021,966.

The Bureau's Financial Investigations Section continued the Pilot Tax Program in cooperation with the Department of Taxation to examine ABC and Tax records to identify restaurants which are not reporting or paying proper state sales tax. The program collected \$440,119 in unpaid sales taxes.

The Bureau's Illegal Whiskey Task Force and Financial Investigations Section initiated a joint investigation into the illegal manufacture and transportation of untaxed liquor spanning Virginia, North Carolina and Pennsylvania in cooperation with the federal Bureau of Alcohol, Tobacco and Firearms, the Internal Revenue Service, and the North Carolina Alcohol Law Enforcement Department. Named Operation Lightning Strike, the continuing investigation led to multiple search warrant executions in Virginia in May 1999. This resulted in seizures of \$210,000 in cash, 28 vehicles, and 12 real estate

properties valued at \$820,600. During the investigation, 16 stills, 10,600 gallons of mash, and 800 gallons of untaxed liquor were seized and destroyed from Virginia sites in Pittsylvania, Franklin and Craig counties. The U.S. Attorney in Roanoke will prosecute these cases under federal criminal conspiracy laws and multiple federal indictments are expected.

The Bureau's Training Academy planned and implemented the first tactical in-service training for all special agents at Fort Pickett, Virginia. This advanced training included emergency vehicle operations on several specialized driving courses, moving multiple target shoot-don't shoot firearms training, and hand-to-hand baton defensive tactics training. The training also included the required classroom in-service courses such as legal issues and Bureau policies. This enhanced tactical training was very well received by all special agents and provided the best possible training in critical skills for personal protection and public safety. The Bureau plans to continue this high level tactical in-service training every year.

INFORMATION SERVICES

The Information Services Division works closely with all ABC divisions to provide timely and effective computer support functions, which are designed to improve overall agency operational functioning.

Phase one of the Computerized Organization of Resources for Enforcement (CORE), which supports licensing, renewals, keg booklets and cash management, is working smoothly and continues to be enhanced to provide improved functionality. The field agents now have on-line inquiry capability to access licensing and regulatory information via the ABC Network. The preparation for the roll-out of on-line licensing functions to the Regional Offices is making



The CORE Team. Front row, from left: Waseem Quraishi, Tony Marquez, Karen Taylor. Back row: John Kerns, Ellen Wolf, Teresa DiServio-Graney, Steve Sneed.

progress. Design activities for case management, investigations, hearings and appeals are underway.



Webmaster Julie Byrne is constantly updating and building ABC's Web site.

The ABC Web site on the Internet continues to be expanded and enhanced to provide more comprehensive information to citizens. The ABC site regularly receives citizen commendations for being informative and easy to use. Site visitors often E-mail the Department with suggestions, questions and concerns. Site usage continues to increase and is available seven days a week.

The ABC network is available to most ABC locations, including field

agents and personnel with laptop computer workstations. Thousands of electronic mail/messaging exchanges, document transfers, and data interchanges are passed across the network daily.

ABC Year 2000 (Y2K) preparations reached the final stages of completion. All equipment, systems software and application software systems were tested and verified to be Y2K compliant. ABC expects a very smooth transition for this potentially troublesome date changeover.

Planning has begun for advanced integration of the Point-of-Sale (POS) and Product Distribution System (PDS) application systems. This integration will provide a more responsive application systems environment for these vital agency functions.



HUMAN RESOURCES

During FY 1999, the internal Training and Development section was transferred to the Human Resources Division. The staff trained nearly 900 employees throughout the year on a wide variety of topics. Programs included Retail 101 and On-the-Job training for Wholesale/Retail employees, High Performance Management for more than 500 supervisors, and Sexual Harassment training for Enforcement. Hiring the Best Fit, Performance Planning and Evaluation, New Employee Orientation and Let's Talk programs were all developed during FY 1999 and will be implemented during FY 2000. Human Resources staff also worked with management to create cus-



Kim Ackerman, Training manager, distributes materials during one of Human Resource's High Performance Management sessions.

tomized training sessions to suit their specific needs.

Human Resources staff organized regional Service Awards luncheons and recognized 232 employees for

their service. This type of awards program had not been held since 1997. Staff conducted agency-wide information sessions prior to implementing the Virginia Sickness and Disability Program (VSDP), a new short and long-term disability leave system. The division assisted the enrollment of 256 employees in VSDP and coordinated implementation of the Virginia Law Enforcement Officer Retirement (VALORS) program for sworn employees. The staff initiated an aggressive commitment to workplace safety and plan to implement a formal program during the next fiscal year.

MANAGEMENT SERVICES

The Management Services Division provides a diverse range of services to internal and external customers. It consists of the Research and Planning, Public Affairs, Purchasing and Support Services and Education sections. During this fiscal year, the internal training function was reallocated to Human Resources to give more emphasis to both internal and external education.

Research & Planning



Sally Parrott, Brian Brown and Bonnie Tarabay, of the Research and Planning staff, conducted numerous studies and completed extensive analyses that served as decision support for policy and management issues.

The Research and Planning Section is responsible for the design, management, and outcome of research and analytical projects and activities. In a real estate support capacity, the section conducted extensive market research and analysis in many markets throughout the state, in order to generate the analytical basis for market action recommendations involving the statewide ABC store network. Improved geographic information software and the acquisition of new geo-demographic data, including alcohol purchase profiles, are examples of recent product enhancements. Further real estate support innovations include the continuing development of the Market Location Strategy, updated annually, which serves to identify areas representing the greatest market potential and overall need for ABC store representation.

Additional accomplishments have included strategic planning, sales and profit forecasting, financial and product analysis, and project-based studies of agency and industry condi-

tions, conducted in order to evaluate the effectiveness of business processes, fee structures, and program designs. The section also provided operational information to many internal and external customers through standardized reports, survey responses, and direct inquiries.

Public Affairs

In addition to editing the agency's licensee and employee newsletters, Public Affairs staff designed numerous publications. These included a brochure encouraging teenagers to make responsible decisions and abide by Virginia laws, a poster discouraging underage sale of tobacco and alcohol, and pamphlets to promote the Community Mini-Grant and Operation Undergrad grant programs.

The staff issued 52 news releases, responded to more than 350 inquiries from the media, and answered more than 1,000 questions from the agency's Web site and toll-free line. As part of a plan to provide greater accessibility to the media, the staff conducted media seminars for Wholesale/Retail managers and assistant managers, and organized a media panel for a Bureau of Law Enforcement workshop.

The staff participated in numerous industry trade shows and public safety events including the Virginia Food Dealers Association trade show, the Operation Prom/Graduation Limousine Parade and the Broad Rock Park Bike Rodeo, and helped organize and publicize the None for the Road Campaign and several education conferences.

Education

The Department continues to be very active in alcohol education. On a national level, the agency received funding from the Office of Juvenile Justice and Delinquency Prevention Program (OJJDP) to combat underage drinking. The grant includes funding

for enforcement efforts, a youth forum, community mini-grants, college training, and college grants. The Department also received a \$97,000 grant from Governor Gilmore's Office for Safe and Drug-Free Schools and Communities to administer data collection on alcohol use on college campuses. Regional training was conducted on evaluating, understanding and using the data.

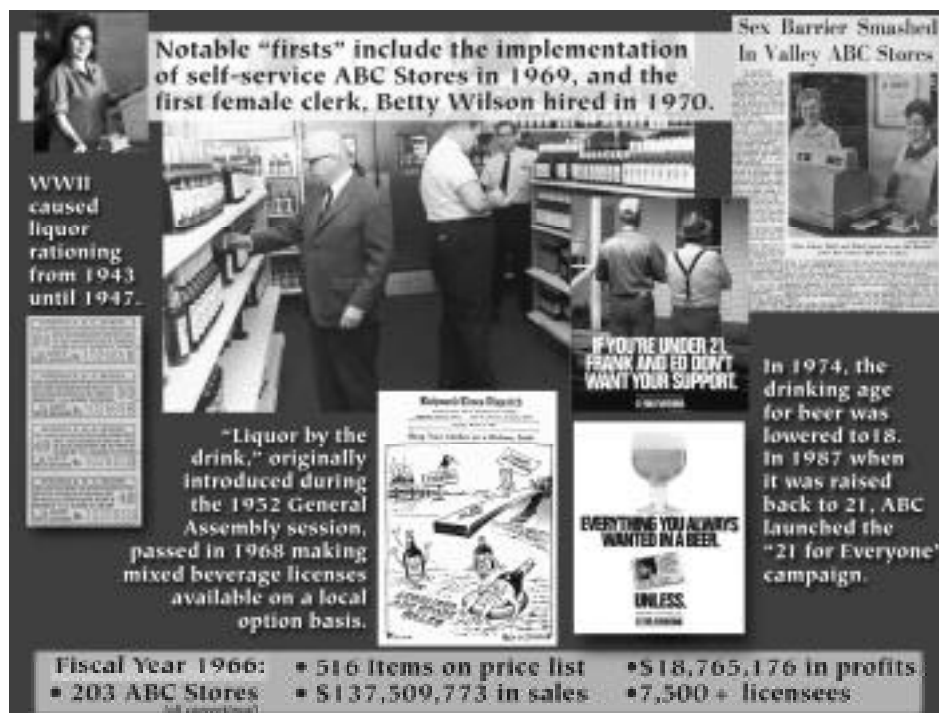
The Department hosted the 13th Annual College Conference in Norfolk, Virginia. As a result of college participation, the agency awarded mini-grants to 11 colleges and universities and five grants for social marketing campaigns, for a total of \$30,000. The Department also actively participated in the Youth Alcohol and Drug Abuse Prevention Project, a leadership and peer empowerment conference aimed at Virginia high school youth.

Purchasing and Support Services

The Purchasing and Support Services section includes staffs from Purchasing, the Supply and Equipment Warehouse and the Mail Center. The Purchasing staff is charged with procuring high quality goods and services at a reasonable cost while ensuring agency compliance with the Commonwealth's Public Procurement Act. During the fiscal year, staff processed requisitions for such items as store fixtures, bags for ABC stores, a trucking contract for shipping merchandise to ABC stores, ammunition for special agents, computer hardware and software, and a public service announcement that promotes checking identification. In all, the section processed over 1,500 requisitions totaling over \$10 million. The Purchasing and the Supply and Equipment Warehouse staff worked together to successfully implement the Purchasing Module of the KPMG Financial System. This module includes purchasing and receiving functions. The mail center staff processed 121,866 pieces of mail this year.

FINANCE & ACCOUNTING

The Finance and Accounting Division manages all fiscal functions of the agency including payroll, budget, cash receipts, cash disbursements and financial reporting. Fiscal Year 1999 was the first year that ABC recorded deposits exceeding \$400 million. A new challenge for the payroll area was the Virginia Sickness and Disability Program (VSDP). This program became effective in early 1999, providing income protection for employees during periods of short and long-term disabilities.



Poster from State Fair Display

REAL ESTATE



The Real Estate Division continued work on its extensive maintenance reserve program to update ABC-owned facilities. All budgeted work is scheduled for completion by the end of FY 2000.

Ongoing projects include the modernization of retail stores, relocation of existing stores to improve service, and placement of new stores where demographics dictate. Modernization

efforts include an emphasis on updating interior store design and customizing fixtures and interior lighting to augment product category management efforts made by the Wholesale/Retail Division. The Real Estate Division also replaces worn trade fixtures and equipment as needed and addresses Americans with Disabilities Act compliance issues when doing renovations. During FY 1999, the agency opened

a new store in Montclair, Hampton and Midlothian. Six stores were relocated in Williamsburg, Richmond, Harrisonburg, Springfield, Lynchburg and Exmore. Two stores in Hampton and Boydton were permanently closed. There are plans to open or relocate 12 stores in high growth areas during FY 2000.

LEGISLATION



W. Curtis Coleburn, III
Policy/Judicial/Legislative Director

The Department of Alcoholic Beverage Control did not propose any agency legislation during the 1999 General Assembly session, but several bills were passed that affect ABC licensees. Eleven ABC-related bills were signed into law by Governor Gilmore, creating new license categories, changing some ABC procedures, and requiring the adoption by ABC of new or amended regulations. Unless the legislation contained emergency provisions, each of the following measures became effective July 1, 1999.

Section 4.1-230 of the *Code of Virginia* requires that the Board conduct a background investigation, including a criminal history records search, for each license applicant. Criminal histories are obtained on each owner, officer, director, or major stockholder of an applicant. ABC was formerly able to run these checks directly, getting an immediate response over the Virginia Criminal Information Network (VCIN). A few years ago, the State Police notified the agency that ABC could no longer use this system, and would have to pay \$15 for each records check. ABC was forced to require applicants to submit a form and fee to State Police requesting that the results of the check be sent to ABC. This process sometimes took months to complete, and delayed the

approval of license applications. With the passage of House Bill 1631, ABC should once again be able to process applications in a timely manner. Under the new law, ABC will collect \$15 for each criminal history records search required, along with the license application fee. ABC will then use a new computer-based system to obtain the record information from the State Police. While not instantaneous, the new system should return the results to ABC within a few days, rather than several weeks.

Two identical bills, House Bill 1596 and Senate Bill 872, amended the definition of "member of a club" to allow members of auxiliary organizations of American Legion and Veterans of Foreign Wars posts to enjoy the privileges of membership under the posts' club licenses. Previously, auxiliary members could only use licensed club facilities while accompanied by a member of the post. Effective July 1, members of auxiliaries or squadrons composed of direct lineal descendants of post members will have the same privileges as members of the post on the licensed premises.

House Bill 1891 also amends a definition in the Alcoholic Beverage Control Act, that of a "resort complex." Resort complexes are large combination hotel/recreation facilities that

may obtain a single license allowing the privileges to be exercised throughout the complex. This single license eliminates the need for the complex to obtain several separate licenses for its various hotel and dining facilities. The new law expanded the definition to include facilities owned by non-stock, membership corporations that make available recreational facilities to their members and the general public. A resort complex currently must have a minimum of 150 private guest rooms to qualify for this license. The amendment reduced this to 140 guest rooms or dwelling units. This bill was designed to bring Wintergreen and Massanutten resorts within the definition. This bill contained an emergency clause and was effective March 15.

Last year's General Assembly created a new license allowing non-profit museums to serve alcoholic beverages to their members and guests, and allow consumption of lawfully acquired alcoholic beverages by museum members and guests on the museum premises. This year, House Bill 2684 exempts applicants for museum licenses from the posting and publishing and background investigation requirements of the application process.

Each year seems to bring at least one new license category, and the 1999



LEGISLATION



session was no exception. This year's new license is for equine sporting events. Organizations holding equestrian, hunt, and steeplechase events may be issued this license, which will allow "brown-bagging" by patrons during the event. The privileges of this license are limited to the premises used for the horse events, and may be exercised no more than four calendar days per year.

Banquet licensees who hire promoters to organize, conduct, or operate public events where alcoholic beverages are sold will be required to report to the Board the income and expenses related to the events, under the provisions of Senate Bill 1229. This bill requires the Board to adopt regulations requiring such reporting by July 1, 2000.

The Board adopted emergency regulations effective July 1, 1999, that put into effect provisions required by previous General Assemblies, under the provisions of House Bill 2248. These emergency regulations established a schedule of penalties for certain violations of the ABC Act and regulations, allowing for a pre-determined penalty for first offenses within three years, and extended the current ten-day period for

appeals from initial hearing officer decisions to 30 days.

While not directly involving alcoholic beverages, another piece of legislation effective July 1 will impact many licensees, as well as ABC's Enforcement Division. House Bill 2611 amends the section of the *Code* prohibiting the sale of tobacco products to, and possession of, such products by minors. The new law encourages tobacco retailers to train employees about the tobacco sale laws, providing both a break for employers that have trained all employees and increased penalties for those who do not provide training. A retail establishment charged with an illegal tobacco sale which proves that it has trained all its employees concerning the law is entitled to have all penalties against it suspended. On the other hand, if a court finds that a retail establishment has not provided such training, the court may impose a civil penalty of up to \$1,000, twice the maximum penalty otherwise allowed under the statute. Courts are also allowed by the new law to prescribe community service in lieu of a monetary penalty for a minor found to have purchased or to be in possession of tobacco products.

FINANCIAL RESULTS IN BRIEF*

Source	FY1999	FY1998
ABC Profits(1)	\$38,534,293	\$31,790,981
State Taxes(2)	53,232,248	50,616,001
General Sales Tax(3)	11,973,117	11,414,286
Wine Liter Tax(4)	17,773,342	16,836,976
Malt Beverage Tax	39,945,570	38,974,214
TOTAL	\$161,458,570	\$149,632,458

Distribution of Profits and Taxes for Fiscal Year 1999

Source	General Fund	Localities
ABC Profits(1)	\$21,986,578	\$16,547,715
State Taxes(2)	53,232,248	
General Sales Tax(3)	11,973,117	
Wine Liter Tax(4)	8,886,671	8,886,671
Malt Beverage Tax	39,945,570	
TOTAL	\$136,024,184	\$25,434,386

(1) Profits are reported in accordance with GAAP. Profits include licensing fees and ABC's portion (12 %) of the Wine Liter Tax.

(2) State Taxes (20 %) on distilled spirits and (4 %) on wine sold in ABC stores.

(3) General Sales Tax (4.5 %).

(4) The non-ABC portion (88 %) of the Wine Liter Tax. (rate = 40¢ per liter)

* Before audit.

SALES OF ALL BEVERAGES

State Store Sales	Gallons	Liters	Percent of total	Gross Sales	Percent of Total
Distilled Spirits ⁽¹⁾	6,478,992	24,525,640	96.4	319,739,210	98.8
Wines	35,279	133,544	0.5	1,360,820	0.4
Vermouth	39,050	147,819	0.6	955,409	0.3
Alcohol	111	420	0.0	7,721	0.0
Non-Alcohol Mixers	166,128	628,863	2.5	1,544,941	0.5
Total	6,719,559	25,436,286	100.0	\$323,608,102	100.0

(1) Includes 1,033,143 gallons (3,910,869 liters) sold to Mixed Beverage Licensees; and 5,902 gallons (22,342 liters) sold through Mixed Beverage Special Orders and Distilled Spirits Mail Orders to Individuals.

Direct Sales from Wholesalers	Gallons	Liters	Percent of total	Gross Revenue (Taxes)	Percent of Total
Wines (\$0.40 Liter Tax)	13,303,972	50,360,988	8.3	\$20,144,395	33.5
Beer (\$7.95 Barrel Tax)	146,781,230	555,627,136	91.7	39,979,166	66.5
Total	160,085,202	605,988,124	100.0	\$60,123,562	100.0

Source: Wholesale/Retail Operations

CASE SALES COMPARISON

	* Increase FY99 vs FY98	FY99	FY98	Difference	%Chg	% of Total Cases Sold
Distilled Spirits Retail Class						
Straight Bourbon		336,465	340,135	(3,669)	-1.1%	
Canadian Whisky		184,033	190,878	(6,845)	-3.6%	
Scotch		136,677	138,167	(1,490)	-1.1%	
Blended Whiskey		80,894	84,641	(3,746)	-4.4%	
Tennessee Whiskey		79,578	77,093	2,485	3.2%	
Domestic Whiskey		45,412	50,306	(4,893)	-9.7%	
Irish Whiskey		6,463	6,727	(264)	-3.9%	
Corn Whiskey		2,309	2,748	(439)	-16.0%	
Bottled in Bond	*	2,591	2,007	584	29.1%	
Straight Rye Whiskey	*	562	507	55	10.8%	
Subtotal - Distilled Spirits		874,985	893,208	(18,222)	-2.0%	34.1%
Miscellaneous Distilled Spirits Retail Class						
Vodka - Domestic		472,429	488,112	(15,683)	-3.2%	
Imported		58,092	64,763	(6,670)	-10.3%	
Flavored	*	27,413	10,799	16,614	153.8%	
Total		557,935	563,673	(5,739)	-1.0%	
Gin - Domestic		231,925	243,571	(11,646)	-4.8%	
Imported	*	37,690	34,480	3,209	9.3%	
Flavored	*	3,674	2,905	769	26.5%	
Sloe Gin	*	1,524	1,522	2	0.1%	
Total		274,813	282,479	(7,666)	-2.7%	
Rum - Domestic	*	215,189	201,335	13,854	6.9%	
Imported		12,679	16,416	(3,737)	-22.8%	
Flavored		822				
Rock & Rye	*	1,081	1,029	52	5.0%	
Total	*	229,771	218,780	10,991	5.0%	
Cordials - Domestic	*	103,055	99,595	3,459	3.5%	
Imported	*	114,820	91,663	23,158	25.3%	
Total	*	217,875	191,258	26,617	13.9%	
Brandy - Armagnac/Cognac	*	38,269	31,077	7,192	23.1%	
Domestic	*	94,165	81,046	13,119	16.2%	
Imported		8,674	9,086	(412)	-4.5%	
Flavored	*	10,506	10,372	134	1.3%	
Total	*	151,614	131,582	20,032	15.2%	
Tequila	*	90,752	81,354	9,398	11.6%	
Cocktails	*	61,980	54,331	7,649	14.1%	
Specialty Bottles		N/A	12,654			
Egg Nog		N/A	6,023			
Miscellaneous		5,427	6,020	(593)	-9.8%	
Alcohol		42	237	(195)	-82.2%	
Special Promotion		N/A	212			
Subtotal - Misc. Distilled Spirits	*	1,590,210	1,548,602	41,607	2.7%	62.0%

CASE SALES COMPARISON

	* Increase FY99 vs FY98	FY99	FY98	Difference	%Chg	% of Total Cases Sold
Vermouth Retail Class						
Vermouth - Domestic		7,491	7,249	241	3.3%	
Imported		8,496	8,462	34	0.4%	
Subtotal - Vermouth	*	15,987	15,712	276	1.8%	0.6%
Subtotal - Virginia Wine Retail Class						
	*	30,951	15,217	15,734	103.4%	1.2%
Subtotal - Non-Alcohol Retail Class						
	*	53,562	47,724	5,839	12.2%	2.1%
Grand Total	*	2,565,696	2,520,465	45,231	1.8%	100.0%

Source: Wholesale/Retail Operations

DISTRIBUTION OF PROFITS AND TAXES TO CITIES

Cities	Total Profits FY1999	Total Profits FY1998	Wine Tax FY1999	Wine Tax FY 1998
Alexandria	\$297,261.20	\$229,720	\$159,639.10	\$151,229
Bedford	16,515.11	12,763	8,869.15	8,402
Bristol	49,277.56	38,071	26,466.79	25,063
Buena Vista	17,127.38	13,236	9,197.96	8,713
Charlottesville	108,215.77	83,628	58,115.46	55,054
Chesapeake	406,345.92	314,020	218,221.22	206,725
Clifton Forge	12,509.98	9,668	6,718.28	6,364
Colonial Heights	42,949.43	33,191	23,065.27	21,850
Covington	19,244.90	14,872	10,335.15	9,791
Danville	141,852.91	109,622	76,179.72	72,166
Emporia	14,648.91	11,321	7,866.95	7,452
Fairfax	53,189.48	41,104	28,564.52	27,060
Falls Church	25,458.44	19,674	13,672.04	12,952
Franklin	22,266.11	17,207	11,957.64	11,328
Fredericksburg	50,871.44	39,313	27,319.65	25,880
Galax	17,910.74	13,841	9,618.66	9,112
Hampton	357,763.11	276,475	192,130.64	182,008
Harrisonburg	82,099.62	63,446	44,090.22	41,767
Hopewell	61,763.87	47,730	33,169.25	31,422
Lexington	18,605.90	14,378	9,991.98	9,466
Lynchburg	176,591.59	136,468	94,835.52	89,839
Manassas	73,450.39	57,288	39,445.29	37,689
Manassas Park	18,004.33	13,914	9,668.92	9,160
Martinsville	43,211.45	33,393	23,205.99	21,983
Newport News	458,367.03	354,221	246,158.27	233,190
Norfolk	698,489.76	539,785	375,112.13	355,350
Norton	11,354.96	8,775	6,097.99	5,777
Petersburg	98,997.05	76,504	53,164.70	50,364
Poquoson	29,423.46	22,738	15,801.37	14,969
Portsmouth	277,818.45	214,695	149,197.71	141,337
Radford	42,617.89	32,935	22,887.22	21,681
Richmond	542,209.86	419,014	291,184.66	275,844
Roanoke	258,030.80	199,403	138,571.09	131,271
Salem	63,624.73	49,169	34,168.58	32,368
Staunton	65,400.03	50,540	35,121.98	33,272
Suffolk	139,411.87	107,736	74,868.79	70,924
Virginia Beach	1,050,980.44	812,186	564,411.31	534,676
Waynesboro	49,593.44	38,325	26,633.32	25,230
Williamsburg	30,503.62	23,573	16,381.45	15,518
Winchester	58,678.50	45,346	31,512.30	29,852
TOTAL	\$6,002,637.43	\$4,639,290	\$3,223,618.24	\$3,054,097

Source: Wholesale/Retail Operations

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Accomack	57,900.46	\$44,744.85	31,094.46	\$29,456.28
Accomac	1,245.92	962.83	669.10	633.85
Belle Haven	1,406.33	1,086.80	755.25	715.46
Bloxom	954.49	737.62	512.60	485.59
Chincoteague	9,550.27	7,380.34	5,128.80	4,858.60
Hallwood	609.59	471.08	327.37	310.13
Keller	628.31	485.55	337.42	319.65
Melfa	1,144.32	884.31	614.54	582.15
Onancock	3,834.01	2,962.88	2,058.99	1,950.52
Onley	1,422.38	1,099.20	763.86	723.62
Painter	692.48	535.14	371.88	352.29
Parksley	2,082.76	1,609.54	1,118.51	1,059.59
Saxis	981.23	758.28	526.95	499.18
Tangier	1,761.93	1,361.60	946.21	896.36
Wachapreague	778.04	601.25	417.83	395.81
Subtotal	84,992.52	65,681.27	45,643.77	43,239.08
Albemarle	180,925.56	139,817.33	97,163.02	92,044.10
Scottsville	1,392.97	1,076.47	748.08	708.66
Subtotal	182,318.53	140,893.80	97,911.10	92,752.76
Alleghany	33,559.59	25,934.50	18,022.61	17,073.11
Iron Gate	1,114.92	861.58	598.74	567.20
Subtotal	34,674.51	26,796.08	18,621.35	17,640.31
Amelia	23,493.32	18,155.38	12,616.69	11,951.99
Subtotal	23,493.32	18,155.38	12,616.69	11,951.99
Amherst	71,054.79	54,910.38	38,158.77	36,148.44
Amherst	5,352.63	4,136.46	2,874.54	2,723.11
Subtotal	76,407.42	59,046.84	41,033.31	38,871.55
Appomattox	27,829.96	21,506.70	14,945.61	14,158.22
Appomattox	4,563.91	3,526.95	2,450.97	2,321.84
Pamplin City	556.12	429.76	298.66	282.91
Subtotal	32,949.99	25,463.41	17,695.24	16,762.97
Arlington	456,917.90	353,101.24	245,380.04	232,452.52
Subtotal	456,917.90	353,101.24	245,380.04	232,452.52
Augusta	143,978.46	111,265.01	77,321.20	73,247.63
Craigsville	2,171.00	1,677.73	1,165.89	1,104.47
Subtotal	146,149.46	112,942.74	78,487.09	74,352.10
Bath	12,830.82	9,915.52	6,890.57	6,527.56
Subtotal	12,830.82	9,915.52	6,890.57	6,527.56
Bedford	121,789.89	94,117.90	65,405.19	61,959.41
Subtotal	121,789.89	94,117.90	65,405.19	61,959.41

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Bland	17,416.12	13,459.00	9,353.04	8,860.28
Subtotal	17,416.12	13,459.00	9,353.04	8,860.28
Botetourt	61,705.05	47,684.99	33,137.65	31,391.84
Buchanan	3,267.19	2,524.84	1,754.58	1,662.16
Fincastle	630.98	487.61	338.86	321.00
Troutville	1,216.50	940.11	653.31	618.89
Subtotal	66,819.72	51,637.55	35,884.40	33,993.89
Brunswick	37,013.94	28,603.99	19,877.71	18,830.47
Alberta	901.02	696.29	483.87	458.39
Brodnax	1,037.37	801.67	557.11	527.75
Lawrenceville	3,973.04	3,070.32	2,133.65	2,021.24
Subtotal	42,925.37	33,172.27	23,052.34	21,837.85
Buchanan	80,284.20	62,042.78	43,115.29	40,843.81
Grundy	3,489.11	2,696.35	1,873.76	1,775.05
Subtotal	83,773.31	64,739.13	44,989.05	42,618.86
Buckingham	33,193.31	25,651.42	17,825.91	16,886.77
Dillwyn	1,224.53	946.30	657.61	622.97
Subtotal	34,417.84	26,597.72	18,483.52	17,509.74
Campbell	113,742.20	87,898.75	61,083.34	57,865.23
Altavista	9,855.05	7,615.88	5,292.49	5,013.66
Brookneal	3,593.37	2,776.92	1,929.77	1,828.10
Subtotal	127,190.62	98,291.55	68,305.60	64,706.99
Caroline	48,259.29	37,550.57	25,916.83	24,707.92
Bowling Green	2,574.72	1,733.42	1,382.71	1,153.38
Port Royal	545.42	421.49	292.90	277.47
Subtotal	51,379.43	39,705.48	27,592.44	26,138.77
Carroll	64,509.71	49,852.40	34,643.85	32,818.69
Hillsville	6,515.67	5,035.25	3,499.12	3,314.79
Subtotal	71,025.38	54,887.65	38,142.97	36,133.48
Charles City	16,795.83	12,979.64	9,019.92	8,544.72
Subtotal	16,795.83	12,979.64	9,019.92	8,544.72
Charlotte	25,830.09	19,961.21	13,871.60	13,140.80
Charlotte Court House	1,419.70	1,097.14	762.43	722.26
Drakes Branch	1,510.61	1,167.39	811.25	768.51
Keysville	1,794.02	1,386.40	963.45	912.69
Phenix	695.16	537.20	373.32	353.64
Subtotal	31,249.58	24,149.34	16,782.05	15,897.90
Chesterfield	560,299.74	432,993.62	300,899.51	285,047.00
Subtotal	560,299.74	432,993.62	300,899.51	285,047.00

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Clarke	22,252.75	17,208.64	11,950.46	11,328.17
Berryville	8,710.73	6,719.62	4,677.95	4,424.21
Boyce	1,390.29	1,074.41	746.63	707.30
Subtotal	32,353.77	25,002.67	17,375.04	16,459.68
Craig	11,282.78	8,719.21	6,059.23	5,740.01
New Castle	406.39	314.05	218.25	206.74
Subtotal	11,689.17	9,033.26	6,277.48	5,946.75
Culpeper	51,360.73	39,691.02	27,582.42	26,129.26
Culpeper	22,942.54	17,729.76	12,320.92	11,671.80
Subtotal	74,303.27	57,420.78	39,903.34	37,801.06
Cumberland	19,827.76	15,322.67	10,648.16	10,087.16
Subtotal	19,827.76	15,322.67	10,648.16	10,087.16
Dickenson	39,671.55	30,657.75	21,304.94	20,182.51
Clinchco	2,721.77	2,103.35	1,461.68	1,384.67
Clintwood	4,122.76	3,186.03	2,214.05	2,097.41
Haysi	593.55	458.69	318.75	301.96
Subtotal	47,109.63	36,405.82	25,299.42	23,966.55
Dinwiddie	58,641.05	45,317.18	31,492.18	29,833.07
McKenney	1,032.02	797.54	554.23	525.04
Subtotal	59,673.07	46,114.72	32,046.41	30,358.11
Essex	18,875.94	14,587.12	10,137.00	9,602.94
Tappahannock	4,355.37	3,365.78	2,338.98	2,215.75
Subtotal	23,231.31	17,952.90	12,475.98	11,818.69
Fairfax	2,104,669.28	1,626,465.77	1,130,277.11	1,070,729.88
Clifton	470.56	363.64	252.70	239.39
Herndon	43,149.96	33,345.83	23,172.94	21,952.12
Vienna	39,708.97	30,686.67	21,325.04	20,201.55
Subtotal	2,187,998.77	1,690,861.91	1,175,027.79	1,113,122.94
Fauquier	115,498.79	89,256.22	62,026.67	58,758.88
Remington	1,229.87	950.44	660.49	625.68
The Plains	585.52	452.49	314.45	297.89
Warrenton	13,320.10	10,293.62	7,153.34	6,776.47
Subtotal	130,634.28	100,952.77	70,154.95	66,458.92
Floyd	30,931.41	23,903.46	16,611.19	15,736.05
Floyd	1,058.76	818.19	568.60	538.64
Subtotal	31,990.17	24,721.65	17,179.79	16,274.69
Fluvanna	33,024.86	25,521.27	17,735.44	16,801.07
Columbia	155.07	119.84	83.28	78.90
Subtotal	33,179.93	25,641.11	17,818.72	16,879.97

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Franklin	94,144.39	72,753.77	50,558.65	47,895.04
Boones Mill	639.01	493.80	343.17	325.08
Rocky Mount	10,956.59	8,467.14	5,884.06	5,574.06
Subtotal	105,739.99	81,714.71	56,785.88	53,794.18
Frederick	116,239.40	89,828.54	62,424.40	59,135.64
Middletown	2,836.74	2,192.21	1,523.43	1,443.16
Stephens City	3,170.94	2,450.47	1,702.90	1,613.18
Subtotal	122,247.08	94,471.22	65,650.73	62,191.98
Giles	26,100.12	20,771.53	14,016.63	13,645.52
Glen Lyn	454.52	351.25	244.10	231.23
Narrows	5,566.52	4,301.75	2,989.41	2,831.92
Pearisburg	6,999.60	4,807.57	3,759.02	3,193.65
Pembroke	2,844.75	2,198.40	1,527.73	1,447.25
Rich Creek	1,791.35	1,384.33	962.01	911.33
Subtotal	43,756.86	33,814.83	23,498.90	22,260.90
Gloucester	80,559.60	62,255.60	43,263.17	40,983.90
Subtotal	80,559.60	62,255.60	43,263.17	40,983.90
Goochland	37,866.83	29,263.08	20,335.74	19,264.38
Subtotal	37,866.83	29,263.08	20,335.74	19,264.38
Grayson	38,511.19	29,761.02	20,681.78	19,592.20
Fries	1,844.81	1,425.65	990.73	938.53
Independence	2,641.56	2,041.37	1,418.61	1,343.87
Troutdale	524.03	404.97	281.43	266.60
Subtotal	43,521.59	33,633.01	23,372.55	22,141.20
Greene	26,843.40	20,744.29	14,415.79	13,656.32
Stanardsville	687.13	531.00	369.01	349.58
Subtotal	27,530.53	21,275.29	14,784.80	14,005.90
Greensville	21,945.29	16,959.07	11,785.34	11,164.44
Subtotal	21,945.29	16,959.07	11,785.34	11,164.44
Halifax	67,710.06	55,050.41	36,362.54	36,110.44
Clover	529.38	409.10	284.30	269.32
Halifax	1,839.46	1,421.52	987.85	935.81
Scottsburg	406.39	314.05	218.25	206.74
South Boston	25,415.67	16,916.16	13,649.05	11,266.38
Virgilina	430.46	332.66	231.17	218.99
Subtotal	96,331.42	74,443.90	51,733.16	49,007.68
Hanover	152,929.82	118,182.52	82,128.37	77,801.55
Ashland	16,327.95	12,618.06	8,768.66	8,306.69
Subtotal	169,257.77	130,800.58	90,897.03	86,108.24

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Henrico	582,450.88	450,111.78	312,795.41	296,316.19
Subtotal	582,450.88	450,111.78	312,795.41	296,316.19
Henry	150,232.11	116,097.76	80,679.61	76,429.12
Ridgeway	2,010.57	1,553.76	1,079.75	1,022.86
Subtotal	152,242.68	117,651.52	81,759.36	77,451.98
Highland	6,451.50	4,985.66	3,464.68	3,282.15
Monterey	593.55	458.69	318.75	301.96
Subtotal	7,045.05	5,444.35	3,783.43	3,584.11
Isle of Wight	50,772.53	39,618.74	27,266.52	26,063.42
Smithfield	13,469.82	10,027.06	7,233.75	6,619.24
Windsor	2,740.49	2,117.82	1,471.74	1,394.19
Subtotal	66,982.84	51,763.62	35,972.01	34,076.85
James City	93,497.36	68,536.13	50,211.18	47,565.87
Subtotal	93,497.36	68,536.13	50,211.18	47,565.87
King and Queen	16,814.56	12,994.11	9,029.97	8,554.25
Subtotal	16,814.56	12,994.11	9,029.97	8,554.25
King George	36,166.39	27,949.01	19,422.55	18,399.30
Subtotal	36,166.39	27,949.01	19,422.55	18,399.30
King William	21,322.31	16,477.65	11,450.79	10,847.52
West Point	7,855.17	6,070.39	4,218.49	3,996.24
Subtotal	29,177.48	22,548.04	15,669.28	14,843.76
Lancaster	23,995.97	18,543.81	12,886.62	12,207.72
Irvington	1,326.14	1,024.81	712.18	674.66
Kilmarnock	2,965.07	2,291.38	1,592.34	1,508.46
White Stone	994.59	768.60	534.13	505.99
Subtotal	29,281.77	22,628.60	15,725.27	14,896.83
Lee	57,325.62	44,300.63	30,785.76	29,163.84
Jonesville	2,478.47	1,915.33	1,331.01	1,260.90
Pennington Gap	5,138.76	3,971.17	2,759.68	2,614.28
Saint Charles	550.77	425.64	295.79	280.20
Subtotal	65,493.62	50,612.77	35,172.24	33,319.22
Loudoun	175,369.72	135,524.75	94,179.34	89,218.47
Hamilton	1,871.55	1,446.32	1,005.09	952.14
Hillsboro	192.51	148.76	103.38	97.93
Leesburg	43,318.40	33,475.99	23,263.42	22,037.80
Lovettsville	2,002.56	1,547.56	1,075.45	1,018.77
Middleburg	1,467.82	1,134.32	788.28	746.75
Purcellville	4,681.55	3,616.94	2,514.15	2,380.86
Round Hill	1,374.25	1,062.01	738.01	699.14
Subtotal	230,278.36	177,956.65	123,667.12	117,151.86

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Louisa	50,173.61	38,773.63	26,944.89	25,525.34
Louisa	2,908.93	2,247.99	1,562.19	1,479.88
Mineral	1,259.29	973.17	676.28	640.66
Subtotal	54,341.83	41,994.79	29,183.36	27,645.88
Lunenburg	22,258.10	17,200.81	11,953.34	11,323.58
Kenbridge	3,379.49	2,611.63	1,814.90	1,719.28
Victoria	4,892.77	3,781.08	2,627.57	2,489.15
Subtotal	30,530.36	23,593.52	16,395.81	15,532.01
Madison	31,126.58	24,054.29	16,716.00	15,835.34
Madison	820.81	634.30	440.80	417.58
Subtotal	31,947.39	24,688.59	17,156.80	16,252.92
Mathews	22,319.58	17,248.34	11,986.36	11,354.87
Subtotal	22,319.58	17,248.34	11,986.36	11,354.87
Mecklenburg	54,192.10	41,879.09	29,102.95	27,569.71
Boydton	1,211.15	935.97	650.44	616.17
Chase City	6,529.04	5,045.56	3,506.31	3,321.58
Clarksville	3,323.34	2,568.24	1,784.74	1,690.72
LaCrosse	1,467.82	1,134.32	788.28	746.75
South Hill	11,274.75	8,713.01	6,054.92	5,735.93
Subtotal	77,998.20	60,276.19	41,887.64	39,680.86
Middlesex	21,720.69	16,785.51	11,664.74	11,050.18
Urbanna	1,414.35	1,093.00	759.56	719.53
Subtotal	23,135.04	17,878.51	12,424.30	11,769.71
Montgomery	64,769.04	50,247.04	34,783.12	33,078.48
Blacksburg	92,732.71	71,468.62	49,800.53	47,048.99
Christiansburg	40,115.37	31,000.73	21,543.27	20,408.31
Subtotal	197,617.12	152,716.39	106,126.92	100,535.78
Nelson	34,163.82	26,401.44	18,347.12	17,380.52
Subtotal	34,163.82	26,401.44	18,347.12	17,380.52
New Kent	27,926.22	21,581.09	14,997.32	14,207.20
Subtotal	27,926.22	21,581.09	14,997.32	14,207.20
Northampton	24,549.41	18,982.38	13,183.84	12,495.90
Cape Charles	3,753.80	2,900.90	2,015.91	1,909.71
Cheriton	1,403.66	1,073.87	753.81	707.46
Eastville	494.63	382.24	265.63	251.64
Exmore	2,981.11	2,303.77	1,600.95	1,516.60
Nassawadox	1,507.93	1,165.31	809.81	767.16
Subtotal	34,690.54	26,808.47	18,629.95	17,648.47
Northumberland	27,987.71	21,628.61	15,030.33	14,238.48
Subtotal	27,987.71	21,628.61	15,030.33	14,238.48

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Nottoway	22,226.02	17,176.02	11,936.11	11,307.27
Blackstone	10,344.34	7,993.99	5,555.26	5,262.58
Burkeville	1,430.40	1,105.41	768.16	727.71
Crewe	6,085.23	4,702.59	3,267.96	3,095.79
Subtotal	40,085.99	30,978.01	21,527.49	20,393.35
Orange	44,091.09	34,073.10	23,678.37	22,430.91
Gordonsville	3,612.09	2,791.39	1,939.81	1,837.61
Orange	9,568.98	7,394.80	5,138.86	4,868.12
Subtotal	57,272.16	44,259.29	30,757.04	29,136.64
Page	36,639.64	28,314.71	19,676.69	18,640.06
Luray	12,264.01	9,477.49	6,586.18	6,239.19
Shenandoah	5,916.78	4,572.42	3,177.51	3,010.10
Stanley	3,170.94	2,450.47	1,702.90	1,613.18
Subtotal	57,991.37	44,815.09	31,143.28	29,502.53
Patrick	44,136.54	34,108.24	23,702.78	22,454.03
Stuart	2,580.07	1,993.85	1,385.58	1,312.59
Subtotal	46,716.61	36,102.09	25,088.36	23,766.62
Pittsylvania	137,936.03	106,595.48	74,076.21	70,173.59
Chatham	3,620.12	2,797.59	1,944.12	1,841.70
Gretna	3,831.34	2,960.81	2,057.56	1,949.16
Hurt	3,459.69	2,673.62	1,857.97	1,760.09
Subtotal	148,847.18	115,027.50	79,935.86	75,724.54
Powhatan	40,981.62	31,670.16	22,008.49	20,849.01
Subtotal	40,981.62	31,670.16	22,008.49	20,849.01
Prince Edward	29,920.76	23,122.44	16,068.45	15,221.89
Farmville	17,410.77	13,454.85	9,350.16	8,857.56
Subtotal	47,331.53	36,577.29	25,418.61	24,079.45
Prince George	73,241.84	56,600.49	39,333.28	37,261.06
Subtotal	73,241.84	56,600.49	39,333.28	37,261.06
Prince William	562,470.74	434,144.63	302,065.42	285,829.89
Dumfries	11,448.55	8,847.32	6,148.25	5,824.34
Haymarket	1,291.37	997.97	693.52	656.97
Occoquan	938.44	725.23	503.98	477.43
Quantico	1,791.35	1,384.33	962.01	911.33
Subtotal	577,940.45	446,099.48	310,373.18	293,699.96
Pulaski	60,154.34	46,486.63	32,304.88	30,602.93
Dublin	5,379.37	4,157.12	2,888.89	2,736.69
Pulaski	26,696.35	20,630.65	14,336.83	13,581.50
Subtotal	92,230.06	71,274.40	49,530.60	46,921.12

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Rappahannock	17,175.50	13,273.04	9,223.80	8,737.87
Washington	529.38	409.10	284.30	269.32
Subtotal	17,704.88	13,682.14	9,508.10	9,007.19
Richmond	16,850.95	13,041.63	9,043.52	8,585.52
Warsaw	2,594.46	1,985.58	1,399.31	1,307.14
Subtotal	19,445.41	15,027.21	10,442.83	9,892.66
Roanoke	191,569.34	148,042.72	102,879.07	97,459.02
Vinton	20,434.67	15,791.69	10,974.10	10,395.94
Subtotal	212,004.01	163,834.41	113,853.17	107,854.96
Rockbridge	45,034.88	34,802.47	24,185.21	22,911.04
Glasgow	3,047.96	2,355.43	1,636.86	1,550.63
Goshen	978.56	756.22	525.51	497.83
Subtotal	49,061.40	37,914.12	26,347.58	24,959.50
Rockingham	121,335.36	93,766.65	65,161.10	61,728.18
Bridgewater	10,480.68	8,099.36	5,628.48	5,331.96
Broadway	4,975.66	3,845.13	2,672.09	2,531.32
Dayton	2,991.81	2,312.04	1,606.70	1,522.05
Elkton	5,173.50	3,998.03	2,778.34	2,631.97
Grottoes	3,890.15	3,006.27	2,089.13	1,979.07
Mount Crawford	609.59	471.08	327.37	310.13
Timberville	4,267.14	3,297.59	2,291.59	2,170.87
Subtotal	153,723.89	118,796.15	82,554.80	78,205.55
Russell	63,964.28	45,802.20	34,350.95	29,464.19
Castlewood	0.00	3,628.71	0.00	3,077.00
Cleveland	572.16	442.17	307.27	291.09
Honaker	2,539.97	1,962.85	1,364.04	1,292.17
Lebanon	9,087.73	7,022.89	4,880.40	4,623.29
Subtotal	76,164.14	58,858.82	40,902.66	38,747.74
Scott	49,847.43	38,521.57	26,769.73	25,359.40
Clinchport	179.13	138.44	96.20	91.12
Duffield	144.38	111.57	77.54	73.45
Dungannon	668.41	516.54	358.95	340.04
Gate City	5,919.45	4,574.49	3,178.94	3,011.47
Nickelsville	1,098.86	849.20	590.13	559.04
Weber City	4,181.59	3,231.48	2,245.64	2,127.35
Subtotal	62,039.25	47,943.29	33,317.13	31,561.87
Shenandoah	54,935.38	42,453.47	29,502.12	27,947.84
Edinburg	2,299.33	1,776.91	1,234.82	1,169.76
Mount Jackson	4,232.38	3,270.75	2,272.93	2,153.19
New Market	3,836.69	2,964.94	2,060.43	1,951.87
Strasburg	10,058.25	7,772.91	5,401.62	5,117.04
Toms Brook	606.91	469.01	325.93	308.77
Woodstock	8,614.49	6,657.18	4,626.26	4,382.54
Subtotal	84,583.43	65,365.17	45,424.11	43,031.01

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Smyth	58,087.60	44,889.48	31,194.98	29,551.50
Chillhowie	5,269.76	4,072.42	2,830.03	2,680.94
Marion	17,726.26	13,698.67	9,519.60	9,018.06
Saltville	6,149.38	4,752.18	3,302.43	3,128.44
Subtotal	87,233.00	67,412.75	46,847.04	44,378.94
Southampton	38,706.36	29,911.85	20,786.60	19,691.47
Boykins	1,759.25	1,359.54	944.77	895.01
Branchville	147.05	113.66	78.98	74.81
Capron	385.00	297.53	206.76	195.87
Courtland	2,916.95	2,254.19	1,566.50	1,483.96
Ivor	866.26	669.44	465.22	440.70
Newsoms	901.02	696.29	483.87	458.39
Subtotal	45,681.89	35,302.50	24,532.70	23,240.21
Spotsylvania	153,475.25	118,604.03	82,421.29	78,078.83
Subtotal	153,475.25	118,604.03	82,421.29	78,078.83
Stafford	163,723.32	126,523.62	87,924.85	83,292.64
Subtotal	163,723.32	126,523.62	87,924.85	83,292.64
Surry	14,143.58	10,930.01	7,595.57	7,195.41
Claremont	957.17	739.69	514.03	486.95
Dendron	815.46	630.19	437.92	414.85
Surry	513.34	396.70	275.68	261.15
Subtotal	16,429.55	12,696.59	8,823.20	8,358.36
Sussex	17,512.38	13,533.38	9,404.72	8,909.45
Jarratt	1,486.55	1,148.78	798.32	756.27
Stony Creek	724.55	559.93	389.10	368.62
Wakefield	2,860.80	2,210.79	1,536.35	1,455.40
Waverly	5,943.51	4,593.08	3,191.87	3,023.71
Subtotal	28,527.79	22,045.96	15,320.36	14,513.45
Tazewell	80,642.48	62,319.64	43,307.67	41,026.08
Bluefield	14,338.76	11,080.83	7,700.39	7,294.71
Cedar Bluff	3,448.99	2,665.35	1,852.23	1,754.64
Pocahontas	1,371.58	1,059.95	736.59	697.77
Richlands	11,913.76	9,206.83	6,398.08	6,061.02
Tazewell	11,165.15	8,628.29	5,996.05	5,680.16
Subtotal	122,880.72	94,960.89	65,991.01	62,514.38
Warren	38,160.94	29,491.45	20,493.68	19,414.67
Front Royal	31,733.49	24,522.22	17,041.94	16,143.45
Subtotal	69,894.43	54,013.67	37,535.62	35,558.12
Washington	96,970.82	74,948.03	52,073.44	49,339.56
Abingdon	18,723.54	14,469.34	10,055.16	9,525.42
Damascus	2,454.41	1,896.74	1,318.09	1,248.65
Glade Spring	3,836.69	2,964.94	2,060.43	1,951.87
Subtotal	121,985.46	94,279.05	65,507.12	62,065.50

DISTRIBUTION OF PROFITS AND TAXES TO COUNTIES & TOWNS

Counties Towns	Total Profits FY 1999	Total Profits FY 1998	Wine Tax FY 1999	Wine Tax FY 1998
Westmoreland	32,054.33	24,771.25	17,214.23	16,307.33
Colonial Beach	8,373.85	6,471.23	4,497.03	4,260.12
Montross	959.84	741.76	515.47	488.30
Subtotal	41,388.02	31,984.24	22,226.73	21,055.75
Wise	68,581.66	52,999.18	36,830.62	34,890.25
Appalachia	5,331.24	4,119.93	2,863.06	2,712.23
Big Stone Gap	12,694.47	9,810.14	6,817.35	6,458.19
Coeburn	5,788.44	4,473.24	3,108.58	2,944.81
Pound	2,660.27	2,055.83	1,428.66	1,353.39
Saint Paul	2,692.35	2,080.62	1,445.88	1,369.72
Wise	8,536.95	6,597.26	4,584.63	4,343.10
Subtotal	106,285.38	82,136.20	57,078.78	54,071.69
Wythe	44,016.21	34,015.26	23,638.16	22,392.83
Rural Retreat	2,598.79	2,008.31	1,395.64	1,322.11
Wytheville	21,485.41	16,603.70	11,538.38	10,930.49
Subtotal	68,100.41	52,627.27	36,572.18	34,645.43
York	112,613.93	87,026.82	60,477.41	57,291.23
Yorktown	839.53	648.77	450.85	427.10
Subtotal	113,453.46	87,675.59	60,928.26	57,718.33
Total	\$10,545,078.09	\$7,942,509.95	\$5,663,053.01	\$5,250,753.41

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District		Locality (City/County)	Gallons Sold	Gross Sales Including Taxes(1)	Less State Tax(2)	Net Sales	Cost of Goods Sold
137	692 Highway 58 East	Norton City	13,654	\$654,039	\$107,877	\$546,163	\$355,295
194	Fourth Avenue (Saint Paul)	Wise County	6,229	286,659	47,828	238,831	155,685
205	Main Street (Pound)	Wise County	7,774	341,882	56,771	285,111	186,368
206	18 East 4th Street, N (Big Stone Gap)	Wise County	11,069	496,765	82,506	414,259	269,960
218	Main Street, Route 23 S. (Gate City)	Scott County	12,355	539,476	89,565	449,911	295,076
Planning District 1 -- Far Southwest			51,082	2,318,821	384,547	1,934,274	1,262,385
174	South Main Street, Route 460 (Grundy)	Buchanan County	6,852	326,857	54,170	272,687	177,741
197	2004 Second Street (Richlands)	Tazewell County	13,227	608,559	100,658	507,901	329,918
230	722 East Riverside	Tazewell County	10,607	481,170	80,163	401,008	262,690
319	Main Street (Haysi) (conv)	Dickenson County	3,346	147,293	24,524	122,768	80,120
Planning District 2 -- Southwest			34,032	1,563,879	259,515	1,304,364	850,469
135	220 Broad Street (Marion)	Smyth County	22,338	973,367	161,345	812,022	531,764
141	West Stuart Dr, PO Box 808 (Hillsville)	Carroll County	25,254	1,074,351	177,820	896,531	588,320
153	325 West Main Street (Wytheville)	Wythe County	20,377	927,434	154,275	773,159	508,011
201	545 West Main Street (Abingdon)	Washington County	38,481	1,804,523	298,065	1,506,458	986,698
343	2123 Euclid Avenue	Bristol City	36,222	1,646,075	271,633	1,374,442	896,849
Planning District 3 -- Wytheville/Hillsville			142,672	6,425,749	1,063,139	5,362,611	3,511,642
195	100 North Franklin Street (Christiansburg)	Montgomery County	28,892	1,304,978	216,140	1,088,838	712,638
199	Thriftway Shopping Center (Pearisburg)	Giles County	13,690	584,824	97,109	487,715	319,276
327	1300 South Main Street (Blacksburg)	Montgomery County	62,754	2,888,291	470,746	2,417,545	1,578,952
345	1072 Memorial Square Drive	Pulaski County	20,598	879,447	145,449	733,998	477,385
356	97 Walker Street	Radford City	27,591	1,197,392	198,093	999,299	653,737
Planning District 4 -- Radford/Blacksburg			153,525	6,854,932	1,127,537	5,727,395	3,741,988
114	415 Jefferson Street, S	Roanoke City	8,058	334,879	55,834	279,045	181,825
115	1423 Williamson Road, NE	Roanoke City	56,101	2,748,908	454,746	2,294,162	1,488,935
123	531 Main Street	Clifton Forge City	6,875	310,073	51,431	258,642	168,655
124	123 West Main Street	Covington City	13,860	610,364	101,509	508,855	332,645
186	1483 West Main Street	Salem City	34,116	1,495,095	247,789	1,247,306	816,722
229	3434 Orange Avenue, NE	Roanoke City	13,436	580,613	96,210	484,403	316,523
259	1507 Hershberger Road, NW	Roanoke City	43,738	1,941,319	320,709	1,620,610	1,063,467
269	602 Brandon Avenue, SW	Roanoke City	54,585	2,538,817	419,393	2,119,424	1,395,492
289	3341 Melrose Avenue, NW	Roanoke City	27,537	1,300,178	216,080	1,084,098	705,534
300	19758 Main Street (Buchanan) (conv)	Botetourt County	3,635	149,088	24,755	124,334	81,412
309	3901 Brambleton Avenue, SW	Roanoke County	40,628	1,770,317	292,930	1,477,387	974,883
337	1113 Vinyard Road (Vinton)	Roanoke County	21,398	889,878	147,500	742,378	485,531
Planning District 5 -- Roanoke			323,967	14,669,528	2,428,885	12,240,643	8,011,623
113	39 1/2 East Main Street (Hot Springs)	Bath County	7,308	435,625	70,961	364,664	239,123
122	201 State Street	Staunton City	21,031	942,692	155,288	787,404	512,289
140	445 East Nelson Street	Lexington City	26,135	1,196,375	198,207	998,168	655,772
145	398 North Main Street	Harrisonburg City	29,246	1,307,191	216,269	1,090,923	713,487
147	Water Street, PO Box 111 (Monterey)	Highland County	1,936	85,750	13,940	71,809	47,132
162	2066 Magnolia Avenue	Buena Vista City	5,660	234,292	38,909	195,384	127,845
184 R	2035 East Market Street	Rockingham County	51,178	2,384,910	391,940	1,992,970	1,301,958
302	1331 Greenville Avenue	Staunton City	27,173	1,220,748	201,045	1,019,703	667,880
338	801-B West Broad Street	Waynesboro City	36,911	1,609,029	264,620	1,344,409	873,910
339	Augusta Plaza, Rt 612 (Verona)	Augusta County	11,469	496,998	82,436	414,563	271,621
Planning District 6 -- Staunton/Waynesboro			218,046	9,913,611	1,633,614	8,279,997	5,411,017

(1) Does not include General Sales Tax (4.5 %).

(2) State taxes on distilled spirits (20 %) and wine (4 %) sold in ABC Stores.

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

(4) General and Administrative Expenses are offset by 'Other ABC Revenue.'

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

N = New Store R = Relocation C = Closed CONV = Conventional Store

Store #	Gross Profit on Sales	Store Expenses(3)	Net Profit On Sales	Alloc. Of Gen.&Admin. Expenses(4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth(5)
137	\$190,867	\$104,465	\$86,402	\$37,396	\$49,006	23.99
194	83,146	53,868	29,278	16,353	12,925	21.19
205	98,743	85,077	13,666	19,522	-5,855	14.89
206	144,298	109,783	34,515	28,364	6,151	17.85
218	154,835	88,560	66,275	30,805	35,469	23.18
PD 1	671,889	441,754	230,135	132,440	97,696	20.80
174	94,946	91,712	3,235	18,671	-15,436	11.85
197	177,983	99,825	78,158	34,776	43,382	23.67
230	138,317	102,972	35,346	27,457	7,889	18.30
319	42,648	64,638	-21,990	8,406	-30,396	-3.99
PD 2	453,895	359,147	94,748	89,310	5,438	16.94
135	280,258	104,493	175,765	55,599	120,166	28.92
141	308,211	132,111	176,099	61,385	114,714	27.23
153	265,147	109,436	155,711	52,938	102,773	27.72
201	519,760	152,318	367,442	103,147	264,295	31.16
343	477,593	155,613	321,979	94,108	227,871	30.35
PD 3	1,850,968	653,972	1,196,997	367,178	829,819	29.46
195	376,200	100,587	275,613	74,553	201,060	31.97
199	168,440	86,634	81,805	33,394	48,411	24.88
327	838,593	217,016	621,577	165,529	456,047	32.09
345	256,612	176,459	80,154	50,257	29,897	19.94
356	345,562	135,432	210,130	68,422	141,708	28.38
PD 4	1,985,407	716,128	1,269,278	392,155	877,124	29.24
114	97,220	105,600	-8,380	19,106	-27,486	8.47
115	805,228	226,793	578,435	157,081	421,354	31.87
123	89,987	69,131	20,856	17,709	3,147	17.60
124	176,210	74,510	101,700	34,841	66,858	27.58
186	430,583	162,749	267,834	85,403	182,431	28.78
229	167,880	80,328	87,552	33,167	54,385	25.94
259	557,143	208,291	348,853	110,963	237,889	28.77
269	723,932	241,370	482,562	145,117	337,445	29.81
289	378,564	148,650	229,914	74,228	155,686	28.59
300	42,922	39,639	3,283	8,513	-5,230	13.10
309	502,504	174,960	327,544	101,157	226,388	29.33
337	256,847	121,022	135,824	50,831	84,994	26.13
PD 5	4,229,020	1,653,041	2,575,978	838,117	1,737,861	28.40
113	125,541	74,724	50,817	24,969	25,848	22.22
122	275,115	211,906	63,210	53,914	9,296	17.46
140	342,396	122,279	220,117	68,345	151,772	29.25
145	377,436	116,817	260,619	74,695	185,923	30.77
147	24,677	20,200	4,477	4,917	-440	15.74
162	67,538	45,519	22,019	13,378	8,641	20.30
184	691,012	191,716	499,295	136,459	362,837	31.65
302	351,823	156,683	195,140	69,819	125,321	26.73
338	470,499	185,887	284,612	92,052	192,560	28.41
339	142,942	78,956	63,986	28,385	35,601	23.75
PD 6	2,868,980	1,204,688	1,664,292	566,932	1,097,360	27.55

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District		Locality (City/County)	Gallons Sold	Gross Sales Including Taxes(1)	Less State Tax(2)	Net Sales	Cost of Goods Sold
139	235 Sunnyside Circle	Frederick County	26,276	1,215,887	201,984	1,013,903	665,662
142	411-F South Street (Front Royal)	Warren County	30,923	1,391,722	230,556	1,161,166	760,680
167	21 Crowe Street (Berryville)	Clarke County	11,052	505,148	83,375	421,773	275,489
173	611 South 3rd Street (Shenandoah)	Page County	6,590	273,167	44,151	229,016	145,006
193	1412 West 211 Bypass (Luray)	Page County	12,670	537,239	89,319	447,920	293,205
261	2218 Valley Avenue	Winchester City	49,087	2,273,030	375,500	1,897,530	1,246,152
293	5814 Main Street (Mount Jackson)	Shenandoah County	10,215	429,383	71,209	358,174	234,879
318	462 North Main Street (Woodstock)	Shenandoah County	15,251	648,518	107,516	541,003	354,492
Planning District 7 - - Winchester/Front Royal			162,065	7,274,095	1,203,610	6,070,485	3,975,564
108	2189 Crystal Plaza Arcade	Arlington County	11,152	579,382	94,604	484,778	316,442
119	901 North St. Asaph Street	Alexandria City	33,643	1,724,650	282,897	1,441,753	941,155
120	7590 Telegraph Road	Fairfax County	27,234	1,328,660	217,803	1,110,857	727,353
133	9130 Mathis Avenue	Manassas City	44,387	2,219,941	365,357	1,854,583	1,205,808
136	18 Fairfax St., SE (Leesburg)	Loudoun County	39,993	2,056,328	339,903	1,716,425	1,125,383
168	1039 N Highland Street	Arlington County	19,749	978,334	161,192	817,142	536,094
170	1238 Elden Street (Herndon)	Fairfax County	37,298	1,925,631	317,712	1,607,919	1,053,068
181	106 Washington Street (Middleburg)	Loudoun County	11,402	578,181	95,769	482,411	316,469
203	3678 King Street	Alexandria City	32,759	1,682,523	272,944	1,409,579	909,878
212	167 Hillwood Avenue	Falls Church City	23,316	1,095,318	180,398	914,920	600,439
219	8520 Tyco Road (Vienna) (conv)	Fairfax County	108,755	7,151,299	1,174,325	5,976,974	3,897,766
224	13944 Lee Jackson Highway	Fairfax County	40,276	2,033,600	334,071	1,699,529	1,117,599
228	1524 Belle View Boulevard	Fairfax County	30,787	1,475,949	243,119	1,232,830	810,470
231	436 East Maple Avenue (Vienna)	Fairfax County	49,473	2,454,443	401,930	2,052,513	1,354,521
234	9574 Old Keene Mill Road	Fairfax County	34,182	1,733,972	275,599	1,458,373	925,837
235	8628 Richmond Highway	Fairfax County	52,227	2,818,220	465,610	2,352,609	1,534,960
236	7200 Little River Tnpk., East	Fairfax County	43,303	2,183,779	358,546	1,825,233	1,195,058
241	11216 James Swart Circle	Fairfax City	39,957	1,989,670	324,531	1,665,139	1,087,858
248	4709 Lee Highway	Arlington County	40,206	2,019,260	330,336	1,688,923	1,111,955
260	6198 Arlington Boulevard	Fairfax County	22,892	1,152,192	189,860	962,332	629,591
264	16661 Rivers Ridge Blvd (Dumfries)	Prince William County	17,170	876,982	145,347	731,635	477,001
267	1446 Chain Bridge Road	Fairfax County	46,372	2,511,422	412,833	2,098,589	1,385,681
268	R 6400 Springfield Plaza	Fairfax County	37,474	1,868,704	308,057	1,560,647	1,026,252
271	13586 Jefferson Davis Hwy.	Prince William County	40,354	2,097,243	347,472	1,749,771	1,141,353
273	7778 Gunston Plaza	Fairfax County	13,654	676,498	111,658	564,840	369,597
294	3556-E S. Jefferson St.	Fairfax County	39,175	2,015,356	330,776	1,684,580	1,103,699
295	8095 Sudley Road	Prince William County	74,717	3,931,925	640,509	3,291,416	2,138,622
296	8966 Burke Lake Road	Fairfax County	22,777	1,051,177	173,752	877,425	577,177
297	4647 Duke Street	Alexandria City	33,079	1,677,087	276,695	1,400,393	917,806
301	12381 Dillingham Square	Prince William County	23,050	1,136,690	187,079	949,611	621,796
316	NS 5123 Waterway Drive	Prince William County	5,482	281,646	46,124	235,522	153,639
317	9512 Main Street	Fairfax City	32,726	1,563,024	257,201	1,305,823	860,737
322	14102 Lee Highway	Fairfax County	40,116	2,005,831	329,781	1,676,050	1,101,374
323	609 O E. Main Street (Purcellville)	Loudoun County	11,388	546,964	90,624	456,340	299,848
346	8105 Lee Highway	Fairfax County	29,005	1,480,601	243,187	1,237,414	812,569
352	2555 John Milton Drive (Herndon)	Fairfax County	27,559	1,411,058	232,521	1,178,537	775,556
353	4112 Dale Boulevard	Prince William County	45,153	2,264,097	377,301	1,886,796	1,244,259
357	1454 N Point Village Shop Ctr.	Fairfax County	34,292	1,883,560	308,742	1,574,819	1,032,707
358	2201 North Pershing Drive (conv)	Arlington County	106,441	6,699,215	1,092,768	5,606,447	3,660,192
362	100 Edds Lane	Loudoun County	51,791	2,707,533	445,446	2,262,087	1,487,027
Planning District 8 - - Northern Virginia			1,474,767	77,867,946	12,784,382	65,083,565	42,584,594
163	583 N. Madison Road	Orange County	14,907	660,657	109,416	551,241	360,292
227	South Main Street (Gordonsville)	Orange County	9,606	416,897	68,932	347,965	227,250
274	Route 29 North	Madison County	9,356	410,433	67,552	342,881	224,535
303	175 Lee Highway (Warrenton)	Fauquier County	52,939	2,507,900	412,989	2,094,911	1,374,403
329	185 Southgate Shop Ctr	Culpeper County	31,709	1,474,108	243,583	1,230,525	804,050
Planning District 9 - - Warrenton/Culpeper			118,517	5,469,995	902,472	4,567,522	2,990,531

(1) Does not include General Sales Tax (4.5%).

(2) State taxes on distilled spirits (20%) and wine (4%) sold in ABC Stores.

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

(4) General and Administrative Expenses are offset by 'Other ABC Revenue.'

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

N = New Store R = Relocation C = Closed CONV = Conventional Store

Store #	Gross Profit on Sales	Store Expenses(3)	Net Profit On Sales	Alloc. Of Gen.&Admin. Expenses(4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth(5)
139	348,241	131,582	216,659	69,422	147,237	28.72
142	400,486	191,856	208,630	79,505	129,125	25.84
167	146,284	73,396	72,888	28,879	44,009	25.22
173	84,010	65,055	18,955	15,681	3,274	17.36
193	154,716	92,130	62,586	30,669	31,917	22.57
261	651,378	151,443	499,935	129,924	370,011	32.80
293	123,295	33,933	89,362	24,524	64,838	31.68
318	186,511	80,022	106,489	37,042	69,446	27.29
PD 7	2,094,920	819,418	1,275,503	415,646	859,856	28.37
108	168,336	161,329	7,008	33,193	-26,185	11.81
119	500,597	169,877	330,721	98,717	232,004	29.86
120	383,504	185,698	197,806	76,060	121,746	25.56
133	648,775	120,819	527,956	126,983	400,973	34.52
136	591,042	193,766	397,275	117,524	279,752	30.13
168	281,048	152,269	128,778	55,950	72,829	23.92
170	554,851	161,455	393,396	110,094	283,302	31.21
181	165,943	70,774	95,168	33,031	62,138	27.31
203	499,701	223,075	276,626	96,514	180,112	26.93
212	314,481	179,089	135,393	62,645	72,748	23.11
219	2,079,208	375,174	1,704,033	409,243	1,294,790	34.53
224	581,930	261,502	320,429	116,367	204,062	26.46
228	422,359	145,903	276,457	84,412	192,045	29.48
231	697,992	325,057	372,934	140,536	232,399	25.84
234	532,536	200,853	331,683	99,855	231,828	29.26
235	817,649	311,127	506,522	161,083	345,439	28.78
236	630,175	190,043	440,132	124,974	315,159	30.85
241	577,282	206,977	370,304	114,012	256,292	29.19
248	576,968	236,817	340,151	115,641	224,510	27.48
260	332,741	198,789	133,953	65,891	68,062	22.39
264	254,635	148,920	105,715	50,095	55,620	22.92
267	712,908	192,672	520,237	143,690	376,546	31.43
268	534,395	230,118	304,278	106,858	197,420	27.05
271	608,417	227,316	381,102	119,807	261,295	29.03
273	195,243	144,382	50,861	38,675	12,186	18.31
294	580,881	304,980	275,901	115,343	160,558	24.38
295	1,152,794	311,248	841,545	225,363	616,182	31.96
296	300,248	175,640	124,608	60,077	64,531	22.67
297	482,587	244,605	237,982	95,885	142,097	24.97
301	327,815	176,498	151,318	65,020	86,298	24.05
316	81,884	118,676	-36,792	16,126	-52,918	-2.41
317	445,086	237,506	207,580	89,410	118,170	24.02
322	574,676	158,446	416,230	114,759	301,471	31.47
323	156,493	106,330	50,163	31,246	18,917	20.03
346	424,845	232,486	192,359	84,726	107,633	23.69
352	402,982	193,262	209,720	80,694	129,025	25.62
353	642,537	255,850	386,687	129,189	257,498	28.04
357	542,111	190,900	351,212	107,828	243,384	29.31
358	1,946,255	361,587	1,584,668	383,874	1,200,795	34.24
362	775,060	265,016	510,043	154,885	355,158	29.57
PD 8	22,498,970	8,346,829	14,152,142	4,456,273	9,695,869	28.87
163	190,948	90,489	100,459	37,743	62,716	26.05
227	120,715	87,218	33,497	23,825	9,672	18.85
274	118,346	85,364	32,982	23,477	9,505	18.77
303	720,508	174,802	545,705	143,439	402,266	32.51
329	426,475	159,769	266,706	84,254	182,452	28.90
PD 9	1,576,992	597,642	979,350	312,738	666,611	28.69

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District		Locality (City/County)	Gallons Sold	Gross Sales Including Taxes(1)	Less State Tax(2)	Net Sales	Cost of Goods Sold
125	304 Pantops Center	Albemarle County	37,935	1,743,341	287,044	1,456,297	950,946
126	Valley Shopping Ctr, Rt 151 (Nellysford)	Nelson County	7,732	368,843	59,936	308,906	203,938
138	Triangle Plaza, Rts 22&23	Louisa County	18,538	796,116	132,083	664,033	434,071
185	500 West Main Street	Charlottesville City	18,707	850,709	141,260	709,449	461,135
189	Scottsville Shopping Center (Scottsville)	Albemarle County	9,324	402,819	66,834	335,986	219,580
253	1147 Emmet Street	Charlottesville City	87,565	4,536,433	740,534	3,795,899	2,486,981
321	US Route 29 (Lovingston)	Nelson County	6,857	300,630	49,987	250,643	163,777
359	1653 Seminole Trail	Albemarle County	40,433	1,867,261	306,881	1,560,380	1,025,196
Planning District 10 - - Charlottesville			227,091	10,866,151	1,784,559	9,081,593	5,945,622
117	309 Twelfth Street	Lynchburg City	28,965	1,397,736	232,049	1,165,687	756,301
160	106 East Main Street	Bedford City	17,354	727,143	120,656	606,487	397,809
176	Highways 501 & 40 South (Brookneal)	Campbell County	8,115	353,919	58,960	294,958	191,504
262	8437 Timberlake Road	Campbell County	38,128	1,706,158	282,376	1,423,782	933,664
266	3 The Plaza	Lynchburg City	39,320	1,834,624	305,258	1,529,365	997,509
279 R	18013 Forest Road	Bedford County	19,917	886,191	147,067	739,124	483,768
281	Amelon Square, Rt 29 (Madison Heights)	Amherst County	15,390	685,649	113,773	571,876	372,717
285	Ambriar Shopping Center	Amherst County	11,354	507,752	84,315	423,437	276,910
287	Boonsboro Shopping Center	Lynchburg City	19,235	908,206	150,119	758,088	501,571
354	US Rt 460 West	Appomattox County	12,651	520,948	86,675	434,273	283,192
Planning District 11 - - Lynchburg			210,427	9,528,325	1,581,248	7,947,077	5,194,943
132	4960 Greenboro Road (Ridgeway)	Henry County	22,999	1,046,408	173,476	872,932	569,699
146	649 West Main Street	Danville City	27,685	1,276,871	212,004	1,064,866	697,998
154	235 North Union Street	Danville City	16,835	745,599	124,085	621,514	405,722
191	942 Tanyard Road (Rocky Mount)	Franklin County	22,113	988,947	164,414	824,533	539,187
213	13307 B T Washington Hwy (Hardy)	Franklin County	23,126	1,037,313	171,067	866,246	570,864
276	221 Nor-Dan Drive	Danville City	28,938	1,364,669	226,312	1,138,357	742,570
277	985 Fairystone Park Highway (Bassett)	Henry County	25,303	1,110,111	184,183	925,928	603,687
283	Tightsqueeze Plaza (Chatham)	Pittsylvania County	9,390	403,932	66,967	336,965	219,718
291	243 W. Commonwealth Blvd.	Martinsville City	37,811	1,755,488	291,303	1,464,185	957,425
324	301 S. Main St. (Stuart)	Patrick County	9,487	418,745	69,510	349,236	227,916
347	Staunton Plaza, PO Box 356 (Hurt)	Pittsylvania County	14,982	661,258	110,266	550,991	360,554
Planning District 12 - - Danville/Martinsville			238,668	10,809,339	1,793,586	9,015,753	5,895,342
131	309 Main Street (South Boston)	Halifax County	21,766	952,616	158,527	794,089	519,517
143	812 East Atlantic Street (South Hill)	Mecklenburg County	33,074	1,457,439	241,766	1,215,674	795,601
157	302 New Hicks Street (Lawrenceville)	Brunswick County	12,305	537,148	88,885	448,262	290,367
172	112 North Main Street (Chase City)	Mecklenburg County	11,831	510,442	85,249	425,192	276,368
210	60 S. Main Street	Halifax County	10,829	467,775	77,847	389,928	254,605
211 C	105 Madison Avenue (Boydton) (conv)	Mecklenburg County	1,788	75,798	12,637	63,161	41,142
214	608 Virginia Avenue (Clarksville)	Mecklenburg County	12,829	572,643	94,910	477,733	311,680
217	First Avenue (Alberta) (conv)	Brunswick County	4,130	186,600	31,028	155,572	101,336
Planning District 13 - - South Boston			108,552	4,760,461	790,850	3,969,611	2,590,616
152	110 South Main Street (Farmville)	Prince Edward County	33,043	1,471,312	244,592	1,226,719	801,112
159	1805 Main Street (Victoria)	Lunenburg County	6,195	269,632	44,563	225,069	145,182
161	501-F Main St (Kenbridge) (conv)	Lunenburg County	6,329	277,958	46,335	231,623	151,554
164	107 East Carolina Avenue (Crewe)	Nottoway County	9,814	431,228	72,046	359,182	234,419
178	Main Street, PO Box 264 (Dillwyn)	Buckingham County	10,675	464,168	77,302	386,866	252,217
196	Main Street (Drakes Branch)	Charlotte County	7,900	335,816	55,808	280,008	181,968
275	1527 S. Main Street (Blackstone)	Nottoway County	13,502	585,730	97,497	488,233	318,796
351	15127 Patrick Henry Hwy	Amelia County	9,038	391,879	65,186	326,693	212,986
Planning District 14 - - Farmville			96,495	4,227,723	703,329	3,524,394	2,298,234

(1) Does not include General Sales Tax (4.5 %).

(2) State taxes on distilled spirits (20 %) and wine (4 %) sold in ABC Stores.

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

(4) General and Administrative Expenses are offset by 'Other ABC Revenue.'

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

N = New Store R = Relocation C = Closed CONV = Conventional Store

Store #	Gross Profit on Sales	Store Expenses(3)	Net Profit On Sales	Alloc. Of Gen.&Admin. Expenses(4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth(5)
125	505,351	170,110	335,241	99,713	235,528	29.98
126	104,969	81,960	23,009	21,151	1,858	16.75
138	229,963	96,347	133,616	45,466	88,149	27.66
185	248,315	139,896	108,418	48,576	59,842	23.64
189	116,406	70,696	45,710	23,005	22,705	22.23
253	1,308,918	339,949	968,969	259,905	709,064	31.95
321	86,866	64,829	22,037	17,162	4,875	18.25
359	535,184	208,332	326,852	106,839	220,013	28.22
PD 10	3,135,971	1,172,118	1,963,852	621,817	1,342,035	28.77
117	409,386	127,875	281,512	79,815	201,697	31.03
160	208,679	104,713	103,965	41,526	62,439	25.18
176	103,454	87,534	15,921	20,196	-4,275	15.45
262	490,118	169,157	320,961	97,486	223,475	29.65
266	531,857	176,551	355,306	104,716	250,590	30.30
279	255,356	125,319	130,037	50,608	79,429	25.56
281	199,159	130,969	68,191	39,156	29,034	20.83
285	146,527	86,688	59,839	28,993	30,846	22.68
287	256,517	115,388	141,128	51,906	89,222	26.35
354	151,081	80,637	70,444	29,735	40,710	24.45
PD 11	2,752,134	1,204,830	1,547,304	544,137	1,003,167	27.12
132	303,233	170,304	132,929	59,770	73,159	23.57
146	366,868	157,416	209,452	72,911	136,540	27.30
154	215,792	136,513	79,279	42,555	36,724	21.57
191	285,346	103,525	181,821	56,456	125,365	29.30
213	295,382	59,648	235,734	59,312	176,422	33.50
276	395,787	136,090	259,697	77,943	181,753	29.90
277	322,241	154,220	168,021	63,398	104,623	26.02
283	117,247	85,273	31,973	23,072	8,901	18.78
291	506,760	184,119	322,641	100,253	222,389	29.26
324	121,319	85,756	35,564	23,912	11,651	19.38
347	190,437	91,981	98,456	37,726	60,730	25.86
PD 12	3,120,411	1,364,846	1,755,566	617,309	1,138,257	27.12
131	274,572	122,625	151,947	54,371	97,575	26.88
143	420,073	170,477	249,596	83,237	166,359	28.00
157	157,895	91,674	66,222	30,693	35,529	23.16
172	148,824	85,607	63,218	29,113	34,105	23.38
210	135,323	92,249	43,075	26,698	16,377	20.14
211	22,019	22,708	-688	4,325	-5,013	10.06
214	166,053	82,156	83,897	32,710	51,186	25.51
217	54,235	45,927	8,308	10,652	-2,344	15.37
PD 13	1,378,995	713,422	665,573	271,799	393,774	24.88
152	425,607	161,448	264,160	83,994	180,166	28.87
159	79,887	86,423	-6,536	15,410	-21,947	8.39
161	80,068	54,608	25,461	15,859	9,602	20.12
164	124,764	77,639	47,125	24,593	22,532	21.93
178	134,649	98,590	36,059	26,489	9,571	18.72
196	98,040	82,518	15,522	19,172	-3,650	15.53
275	169,437	113,430	56,007	33,429	22,578	20.50
351	113,707	85,290	28,417	22,369	6,049	18.18
PD 14	1,226,160	759,944	466,216	241,315	224,901	21.96

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District			Locality (City/County)	Gallons Sold	Gross Sales Including Taxes(1)	Less State Tax(2)	Net Sales	Cost of Goods Sold
101	3100-A West Broad Street		Richmond City	29,921	1,498,973	244,450	1,254,522	810,456
102	1901 West Main Street		Richmond City	9,636	417,830	69,066	348,764	226,045
104	13993 Raised Antler Cir. (Midlothian)		Chesterfield County	28,942	1,351,919	219,774	1,132,145	736,493
105	2005 Hull Street (conv)		Richmond City	11,826	547,333	90,671	456,663	293,520
116	12635 Jefferson Davis Hwy. (Chester)		Chesterfield County	34,016	1,583,634	260,960	1,322,674	863,469
150	5208 Chamberlayne Rd		Henrico County	36,644	1,798,747	297,673	1,501,075	978,860
169	10 North Thompson Street		Richmond City	37,415	1,932,814	315,533	1,617,281	1,072,414
171	8700 West Broad Street		Henrico County	45,008	2,162,921	355,584	1,807,338	1,184,514
180	500 Goddin Street		Henrico County	11,293	522,686	86,911	435,775	284,199
182	1217 West Broad Street (conv)		Richmond City	9,707	420,258	69,986	350,272	227,918
187	2421 Venable Street (conv)		Richmond City	26,720	1,244,307	207,708	1,036,599	673,806
190	212 North Fourth Street		Richmond City	13,797	602,730	99,845	502,884	325,927
242 R	1601 Willow Lawn Drive		Henrico County	25,508	1,188,224	195,432	992,792	652,962
243	209 North Washington Hwy. (Ashland)		Hanover County	37,896	1,689,954	279,032	1,410,921	924,772
251	2924 North Avenue (conv)		Richmond City	11,094	522,867	87,219	435,648	282,253
252	618 W. Southside Plaza		Richmond City	44,864	2,319,119	385,981	1,933,138	1,254,648
254	7015 Three Chopt Road		Henrico County	25,055	1,168,264	191,349	976,915	646,771
270	809 East Parham Road		Henrico County	41,979	1,954,007	321,100	1,632,907	1,067,621
284 NS	13214 Midlothian Turnpike (Midlothian)		Chesterfield County	2,050	92,275	15,141	77,135	50,701
292	1521 Parham Road		Henrico County	34,447	1,542,123	252,771	1,289,352	848,139
304	2922 River Road West		Goochland County	10,232	440,280	72,869	367,411	239,202
305	3910 Mechanicsville Tnpk.		Henrico County	31,481	1,548,011	257,357	1,290,654	840,578
308	11268 Patterson Avenue		Henrico County	23,354	1,031,261	169,650	861,611	569,685
314	4338 S. Laburnum Avenue		Henrico County	54,094	2,591,039	428,188	2,162,851	1,417,416
315	10336 Iron Bridge Road (Chester)		Chesterfield County	19,603	898,474	147,958	750,516	491,698
326	2105 Academy Rd		Powhatan County	15,108	677,000	111,834	565,166	368,765
330	5722 Hopkins Road		Chesterfield County	34,983	1,642,645	271,981	1,370,664	895,970
331	3404 Pump Road (Short Pump)		Henrico County	37,176	1,840,794	300,921	1,539,873	1,017,536
332	4018 Glenside Drive		Henrico County	19,370	811,546	133,860	677,686	441,203
334	7057 Mechanicsville Tnpk (Mechanicsville)		Hanover County	32,184	1,451,421	229,581	1,221,840	763,442
348	7036 Forest Hill Avenue		Richmond City	44,948	2,069,461	339,591	1,729,870	1,138,123
350	11108 Midlothian Tnpk.		Chesterfield County	82,475	4,115,228	672,232	3,442,996	2,256,617
360	2901 Hermitage Road (conv)		Richmond City	114,211	6,598,474	1,087,128	5,511,346	3,593,543
363	9949 Hull Street		Chesterfield County	35,233	1,602,002	260,501	1,341,501	867,482
Planning District 15 - - Richmond				1,072,270	51,878,621	8,529,837	43,348,784	28,306,747
121	507 William Street		Fredericksburg City	31,015	1,439,405	236,919	1,202,487	782,942
200	315 Garrisonville Road		Stafford County	33,010	1,564,345	258,417	1,305,928	854,125
209	5055 Jefferson Davis Hwy.		Spotsylvania County	38,841	1,769,813	291,604	1,478,209	965,218
221	15423 Dahlgren Road (Dahlgren)		King George County	6,007	266,192	43,979	222,214	145,526
239	Caroline Square (Bowling Green)		Caroline County	10,509	474,222	78,737	395,485	257,524
245	517 Jefferson Davis Hwy.		Fredericksburg City	36,123	1,646,622	272,306	1,374,316	896,123
313	4189 Plank Road (Fredericksburg)		Spotsylvania County	39,765	1,800,840	296,340	1,504,500	984,403
Planning District 16 - - Fredericksburg				195,270	8,961,440	1,478,302	7,483,138	4,885,860
130	Beachgate Shopping Ctr (Colonial Beach)		Westmoreland County	6,918	302,556	49,439	253,117	162,902
149	Times Square Shopping Ctr (Warsaw)		Richmond County	10,656	454,768	75,463	379,304	247,831
192	101 South Main Street (Kilmarnock)		Lancaster County	33,658	1,445,371	239,296	1,206,075	794,458
220	109 East End Place (Montross)		Westmoreland County	5,896	267,602	44,267	223,335	145,185
238	Rt 360 (Callao)		Northumberland County	13,265	557,425	91,914	465,512	305,744
Planning District 17 - - Northern Neck				70,394	3,027,722	500,379	2,527,343	1,656,120
155	York River Shop Ctr, PO Box 303 (Hayes)		Gloucester County	21,161	945,932	157,719	788,213	518,983
175	14th & Kirby Streets (West Point)		King William County	20,208	883,905	146,459	737,446	485,382
179	Virginia Street, PO Box 238 (Urbanna)		Middlesex County	12,694	559,551	92,497	467,054	305,932
198	Rappahannock Shp Ctr. (Tappahannock)		Essex County	16,437	688,326	114,503	573,823	375,918
233	Main Street		Gloucester County	14,561	626,489	103,857	522,632	342,971
333	Route 198 (Gloucester Point)		Mathews County	12,041	488,738	80,604	408,134	269,622
Planning District 18 - - West Point/Mathews				97,101	4,192,941	695,639	3,497,302	2,298,808

(1) Does not include General Sales Tax (4.5 %).

(2) State taxes on distilled spirits (20 %) and wine (4 %) sold in ABC Stores.

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

(4) General and Administrative Expenses are offset by 'Other ABC Revenue.'

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

N = New Store R = Relocation C = Closed CONV = Conventional Store

Store #	Gross Profit on Sales	Store Expenses(3)	Net Profit On Sales	Alloc. Of Gen.&Admin. Expenses(4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth(5)
101	444,066	218,873	225,193	85,897	139,296	25.60
102	122,719	104,372	18,348	23,880	-5,532	15.21
104	395,651	146,172	249,479	77,518	171,961	28.98
105	163,142	143,253	19,890	31,268	-11,378	14.49
116	459,205	158,252	300,952	90,563	210,389	29.76
150	522,215	173,162	349,053	102,779	246,274	30.24
169	544,867	225,277	319,590	110,735	208,855	27.13
171	622,823	238,807	384,017	123,748	260,268	28.47
180	151,575	86,734	64,841	29,838	35,004	23.32
182	122,354	81,466	40,888	23,983	16,904	20.68
187	362,793	152,301	210,492	70,976	139,516	27.91
190	176,958	140,516	36,441	34,433	2,009	16.90
242	339,830	226,045	113,785	67,976	45,809	20.30
243	486,149	152,704	333,445	96,606	236,840	30.53
251	153,395	56,952	96,442	29,829	66,614	29.42
252	678,489	191,471	487,019	132,362	354,657	31.94
254	330,144	124,356	205,788	66,889	138,898	28.27
270	565,286	223,084	342,202	111,805	230,397	28.22
284	26,434	38,182	-11,748	5,281	-17,029	-2.05
292	441,213	165,592	275,621	88,282	187,339	28.54
304	128,209	77,596	50,614	25,157	25,457	22.33
305	450,076	178,187	271,890	88,371	183,519	28.48
308	291,927	96,982	194,945	58,995	135,950	29.63
314	745,435	228,951	516,485	148,090	368,394	30.74
315	258,818	147,765	111,053	51,388	59,665	23.11
326	196,402	96,404	99,997	38,697	61,300	25.57
330	474,693	163,547	311,147	93,849	217,297	29.79
331	522,337	151,973	370,364	105,435	264,929	30.74
332	236,483	125,094	111,389	46,401	64,988	24.50
334	458,398	159,868	298,530	83,659	214,871	30.62
348	591,747	212,260	379,486	118,444	261,042	29.02
350	1,186,379	442,907	743,472	235,742	507,730	28.67
360	1,917,804	238,139	1,679,664	377,362	1,302,302	36.21
363	474,019	161,844	312,175	91,853	220,322	30.01
PD 15	15,042,037	5,529,088	9,512,949	2,968,092	6,544,857	29.06
121	419,544	129,103	290,442	82,334	208,107	30.92
200	451,803	164,832	286,972	89,417	197,555	29.15
209	512,990	211,180	301,810	101,213	200,597	27.81
221	76,688	55,873	20,815	15,215	5,600	18.63
239	137,962	74,413	63,549	27,079	36,470	24.29
245	478,193	202,828	275,365	94,099	181,265	27.55
313	520,097	194,770	325,327	103,013	222,314	28.80
PD 16	2,597,278	1,032,998	1,564,280	512,371	1,051,909	28.23
130	90,215	73,492	16,724	17,331	-607	16.14
149	131,474	99,685	31,789	25,971	5,818	17.87
192	411,617	178,717	232,900	82,580	150,320	26.96
220	78,150	50,691	27,459	15,292	12,167	21.09
238	159,767	90,465	69,302	31,874	37,428	23.20
PD 17	871,223	493,050	378,174	173,047	205,126	23.30
155	269,230	111,497	157,732	53,969	103,763	27.64
175	252,064	163,643	88,420	50,493	37,927	20.86
179	161,122	85,716	75,406	31,979	43,427	24.29
198	197,906	116,821	81,085	39,290	41,795	22.71
233	179,661	57,587	122,073	35,785	86,289	30.35
333	138,512	95,946	42,566	27,945	14,621	19.48
PD 18	1,198,494	631,211	567,283	239,460	327,823	24.41

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District			Locality (City/County)	Gallons Sold	Gross Sales Including Taxes(1)	Less State Tax(2)	Net Sales	Cost of Goods Sold
118	18 Washington Street, W.	(conv)	Petersburg City	37,026	1,892,163	315,425	1,576,738	1,028,126
144	540 North Main Street		Emporia City	26,456	1,165,692	194,279	971,413	637,505
151	210 North Main Street		Hopewell City	18,407	800,041	131,506	668,535	426,904
232	3107-3 Boulevard		Colonial Heights City	30,239	1,341,063	220,965	1,120,098	732,135
240	Route 460	(Waverly)	Sussex County	12,629	533,291	88,267	445,023	290,625
255	3330 South Crater Road		Petersburg City	32,765	1,518,552	251,483	1,267,069	830,463
310	5232 Oaklawn Boulevard		Prince George County	25,457	1,221,023	201,211	1,019,812	661,922
311	Main Street	(Stony Creek) (conv)	Sussex County	4,369	187,904	31,257	156,647	102,304
Planning District 19 - - Petersburg/Hopewell				187,349	8,659,729	1,434,393	7,225,336	4,709,985
106	2973 Shore Drive		Virginia Beach City	25,654	1,208,533	197,033	1,011,500	661,329
107	434 St. Paul's Boulevard		Norfolk City	29,322	1,398,839	230,275	1,168,564	753,918
110	1136 London Boulevard	(conv)	Portsmouth City	14,982	695,255	114,366	580,889	372,569
128	159 West Ocean View Drive		Norfolk City	31,808	1,449,251	239,367	1,209,884	783,116
129	1615 General Booth Blvd.		Virginia Beach City	31,630	1,452,441	238,027	1,214,414	792,426
134	2301 Colley Avenue		Norfolk City	39,344	1,874,290	310,502	1,563,788	1,020,622
165	550 East Liberty Street		Chesapeake City	16,617	739,407	122,972	616,435	401,606
202	154 East Little Creek Rd		Norfolk City	23,605	1,145,214	190,309	954,905	623,458
204	1226 White Marsh Road		Suffolk City	9,668	374,572	62,438	312,134	205,259
216	1100 Armory Drive		Franklin City	29,538	1,284,141	213,724	1,070,417	702,445
225	405 30th Street		Virginia Beach City	62,340	3,113,488	513,365	2,600,123	1,702,482
226	7525 Tidewater Drive		Norfolk City	29,120	1,392,217	231,293	1,160,924	754,698
237	3812 George Washington Hwy		Portsmouth City	34,486	1,591,801	262,976	1,328,826	860,629
249	2350 East Little Creek Road		Norfolk City	39,725	1,816,412	301,644	1,514,768	988,053
256	1800 Republic Drive		Virginia Beach City	110,003	5,671,458	931,957	4,739,501	3,097,080
257	1500 East Brambleton Avenue	(conv)	Norfolk City	20,513	1,114,981	186,587	928,393	604,747
263	5900 Virginia Beach Blvd.		Norfolk City	36,067	1,761,953	292,386	1,469,567	960,647
278	3333 Virginia Beach Blvd.		Virginia Beach City	69,432	3,286,805	543,971	2,742,834	1,798,441
280	1103 South Military Highway		Chesapeake City	111,911	5,695,789	936,472	4,759,318	3,104,006
288	5760 Churchland Blvd.		Portsmouth City	37,201	1,718,971	284,719	1,434,252	940,343
298	821 West Constance Road		Suffolk City	22,880	981,756	163,520	818,236	537,104
299	1917 S. Church Street	(Smithfield)	Isle of Wight County	25,045	1,136,917	188,633	948,284	621,773
306	3809 Princess Ann Road		Virginia Beach City	28,609	1,347,906	222,499	1,125,407	735,219
307	Fairfield Shopping Center		Virginia Beach City	36,251	1,685,053	278,504	1,406,549	924,306
312	2815 G. Goldwin Boulevard		Suffolk City	23,275	1,038,750	172,471	866,279	569,692
325	22718 Main Street	(Courtland)	Southampton County	7,344	295,466	49,206	246,260	161,307
328	836 Eden Way Lane		Chesapeake City	23,055	1,106,586	182,939	923,647	606,413
336	1079 Independence Blvd.		Virginia Beach City	41,045	1,892,491	313,399	1,579,092	1,037,971
349	324 South Battlefield Blvd.		Chesapeake City	33,248	1,493,318	246,084	1,247,235	818,161
355	4300 Portsmouth Boulevard		Chesapeake City	21,828	1,056,026	172,723	883,303	576,184
361	812 Airline Boulevard		Portsmouth City	41,452	1,872,494	310,024	1,562,470	1,020,575
Planning District 20 - - Norfolk/Virginia Beach				1,106,999	52,692,581	8,704,383	43,988,198	28,736,582

(1) Does not include General Sales Tax (4.5%).

(2) State taxes on distilled spirits (20%) and wine (4%) sold in ABC Stores.

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

(4) General and Administrative Expenses are offset by 'Other ABC Revenue.'

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

N = New Store R = Relocation C = Closed CONV = Conventional Store

Store #	Gross Profit on Sales	Store Expenses(3)	Net Profit On Sales	Alloc. Of Gen.&Admin. Expenses(4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth(5)
118	548,612	147,150	401,462	107,959	293,503	32.18
144	333,908	154,882	179,026	66,513	112,513	26.32
151	241,631	59,279	182,352	45,775	136,577	33.51
232	387,962	183,945	204,018	76,693	127,325	25.97
240	154,398	86,641	67,757	30,471	37,286	23.54
255	436,606	190,592	246,014	86,756	159,258	27.05
310	357,891	195,967	161,924	69,827	92,097	24.02
311	54,343	47,718	6,625	10,726	-4,101	14.45
PD 19	2,515,351	1,066,174	1,449,177	494,719	954,458	27.59
106	350,171	147,616	202,555	69,257	133,298	27.33
107	414,646	235,670	178,976	80,012	98,965	23.54
110	208,320	151,059	57,261	39,773	17,487	18.96
128	426,768	162,707	264,061	82,841	181,220	29.02
129	421,987	154,924	267,063	83,151	183,912	29.05
134	543,166	225,082	318,084	107,073	211,011	27.82
165	214,828	92,211	122,617	42,207	80,410	27.51
202	331,447	89,103	242,344	65,382	176,962	32.07
204	106,876	105,467	1,409	21,372	-19,963	11.34
216	367,972	173,911	194,060	73,291	120,769	26.05
225	897,641	200,749	696,892	178,030	518,861	33.15
226	406,226	196,546	209,680	79,488	130,191	25.96
237	468,197	193,488	274,709	90,985	183,724	28.06
249	526,715	185,786	340,929	103,716	237,213	29.67
256	1,642,421	355,051	1,287,370	324,514	962,856	33.41
257	323,646	153,107	170,539	63,567	106,972	26.33
263	508,920	203,104	305,816	100,621	205,195	28.24
278	944,393	243,280	701,113	187,802	513,311	32.17
280	1,655,312	284,811	1,370,500	325,871	1,044,630	34.78
288	493,909	217,300	276,609	98,203	178,406	26.94
298	281,132	105,823	175,309	56,025	119,284	28.81
299	326,511	162,576	163,935	64,929	99,006	25.30
306	390,188	155,399	234,789	77,057	157,732	28.21
307	482,243	200,005	282,238	96,306	185,932	27.56
312	296,587	154,492	142,095	59,314	82,780	24.57
325	84,953	58,970	25,983	16,861	9,122	19.74
328	317,235	125,416	191,819	63,242	128,577	28.15
336	541,121	155,954	385,167	108,120	277,046	31.20
349	429,074	158,496	270,577	85,398	185,179	28.88
355	307,119	174,154	132,965	60,480	72,485	23.22
361	541,895	242,076	299,819	106,982	192,837	26.86
PD 20	15,251,616	5,464,333	9,787,282	3,011,873	6,775,410	29.38

ANALYSIS OF STORE PERFORMANCE

ABC Stores by Planning District			Locality (City/County)	Gallons Sold	Gross Sales Including Taxes(1)	Less State Tax(2)	Net Sales	Cost of Goods Sold
112	199 West Queen's Way		Hampton City	12,866	589,537	97,531	492,006	320,571
127	C 37 East Mellen Street (conv)		Hampton City	3,209	143,941	23,913	120,028	78,258
148	R 4640-3 Monticello Avenue		James City County	56,418	2,744,761	451,122	2,293,639	1,507,176
158	3214 Jefferson Avenue (conv)		Newport News City	28,021	1,377,548	229,185	1,148,363	744,793
244	4909 West Mercury Blvd.		Hampton City	25,840	1,196,359	198,940	997,418	650,220
250	1413 W Pembroke Ave		Hampton City	24,688	1,124,594	186,566	938,028	612,709
258	3831 Kecoughtan Road		Hampton City	18,622	917,352	151,902	765,451	498,242
265	NS 20 Towne Centre Way		Hampton City	7,003	358,639	59,385	299,254	195,344
272	55 Hidenwood Shop. Ctr.		Newport News City	17,751	817,210	135,486	681,724	447,412
282	1118 A&B W. Mercury Blvd.		Hampton City	60,721	3,156,064	516,031	2,640,034	1,721,395
290	5226 Geo. Washington Hwy (Grafton)		York County	25,631	1,156,383	189,455	966,929	628,074
335	801 F Merrimac Trail		York County	42,708	2,175,084	360,546	1,814,538	1,188,637
340	13002 Ste. A&B Warwick Blvd		Newport News City	22,093	1,089,104	180,404	908,700	593,376
341	12725 Jefferson Avenue		Newport News City	44,630	2,203,918	364,330	1,839,589	1,200,635
342	416 Warwick Village Shp. Ctr.		Newport News City	32,522	1,551,523	257,955	1,293,568	847,876
Planning District 21 - - Newport News/Hampton				422,722	20,602,018	3,402,750	17,199,268	11,234,719
156	107 Mason Avenue (Cape Charles)		Northampton County	9,359	380,353	62,879	317,473	207,548
177	6371 Pension Street (Chincoteague)		Accomack County	8,851	408,181	67,262	340,919	223,615
223	4090-B Lankford Highway (Exmore)		Northampton County	13,532	543,480	90,412	453,068	297,414
344	Four Corners Plaza Shp. Ctr. (Onley)		Accomack County	18,236	795,808	132,310	663,498	433,791
Planning District 22 - - Eastern Shore				49,977	2,127,822	352,863	1,774,958	1,162,368
Store 320				0	0	0	0	
Grand Total				6,761,988	\$324,693,429	\$53,539,819	\$271,153,610	\$177,255,761

(1) Does not include General Sales Tax (4.5 %).

(2) State taxes on distilled spirits (20 %) and wine (4 %) sold in ABC Stores.

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

(4) General and Administrative Expenses are offset by 'Other ABC Revenue.'

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

N = New Store R = Relocation C = Closed CONV = Conventional Store

Store #	Gross Profit on Sales	Store Expenses(3)	Net Profit On Sales	Alloc. Of Gen.&Admin. Expenses(4)	Adj. Net Store Profit	% Rate of Return to the Commonwealth(5)
112	171,434	116,098	55,336	33,688	21,648	20.22
127	41,770	45,103	-3,334	8,218	-11,552	8.59
148	786,464	231,894	554,569	157,046	397,524	30.92
158	403,570	234,228	169,342	78,628	90,714	23.22
244	347,198	113,195	234,003	68,293	165,709	30.48
250	325,319	139,795	185,524	64,227	121,297	27.38
258	267,208	144,513	122,695	52,410	70,285	24.22
265	103,910	84,214	19,696	20,490	-794	16.34
272	234,312	120,212	114,100	46,678	67,423	24.83
282	918,638	263,859	654,779	180,763	474,016	31.37
290	338,855	169,372	169,482	66,206	103,276	25.31
335	625,901	212,604	413,297	124,241	289,056	29.87
340	315,324	129,318	186,006	62,219	123,787	27.93
341	638,954	182,954	456,000	125,957	330,043	31.51
342	445,692	173,011	272,681	88,571	184,110	28.49
PD 21	5,964,549	2,360,371	3,604,177	1,177,634	2,426,543	28.29
156	109,926	69,514	40,412	21,737	18,675	21.44
177	117,304	66,916	50,388	23,343	27,045	23.10
223	155,654	75,535	80,118	31,022	49,097	25.67
344	229,707	129,876	99,831	45,430	54,401	23.46
PD 22	612,590	341,841	270,749	121,531	149,218	23.60
320	0	64,703	-64,703	0	-64,703	0.00
Total	\$93,897,849	\$36,991,548	\$56,906,301	\$18,565,893	\$38,340,408	28.30

LICENSES BY CATEGORY*

LICENSES BY CATEGORY*																					
COUNTIES		Liquor by the drink (1)																			
		Bed & Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establs.	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet/Brew Shops	Grocery/Grocery-Gourmet Stores	Hotels/Resorts	Restaurants	Restaurants (Beer & Wine)	Restaurants (Mixed Beverage) (2)	Restaurant-Combo (3)	Winery	All Other (4)
Accomack	Wet	2	1	2	0	0	1	5	25	0	0	2	1	23	0	50	24	0	0	1	113
Albemarle	Wet	4	0	1	0	0	2	7	11	1	1	1	7	54	6	54	28	1	7	5	162
Alleghany	Wet	1	0	0	0	0	0	2	5	0	0	0	0	11	1	8	3	0	0	0	28
Amelia	Wet	0	0	0	0	0	0	1	8	0	0	1	0	9	0	3	0	0	0	1	23
Amherst	Wet	0	0	0	0	0	0	2	15	0	0	3	1	21	0	15	6	1	1	0	59
Appomattox	Dry	0	0	0	0	0	0	2	2	0	0	0	1	16	1	3	0	0	1	0	26
Arlington	Wet	0	2	1	2	2	3	6	31	1	0	17	9	66	20	226	144	6	0	1	393
Augusta	Wet	0	0	2	0	1	0	3	6	0	0	2	2	46	2	18	7	0	0	0	82
Bath	Wet	1	0	0	0	0	0	0	4	0	0	0	1	15	2	7	5	0	0	1	31
Bedford	Wet	1	0	0	0	1	1	6	14	0	0	2	1	29	1	23	13	1	1	5	86
Bland	Dry	0	0	0	0	0	0	0	2	2	0	0	0	8	0	1	0	0	0	0	13
Botetourt	Dry	0	0	2	0	0	0	1	8	0	0	1	1	23	0	14	3	0	0	0	50
Brunswick	Wet	0	0	1	0	0	0	1	15	0	0	1	0	17	1	9	5	1	0	1	47
Buchanan	Dry	0	0	0	0	0	0	1	25	0	0	2	1	21	0	2	0	0	0	1	53
Buckingham	Wet	0	0	0	0	0	0	1	6	0	0	0	0	21	0	2	1	2	0	1	33
Campbell	Dry	0	0	0	0	0	0	3	24	0	0	3	1	44	1	14	4	0	0	1	91
Caroline	Wet	0	0	0	0	0	0	1	13	1	0	1	0	20	0	16	2	0	0	1	53
Carroll	Dry	0	0	0	0	0	0	1	11	0	0	0	0	16	0	9	1	0	0	0	37
Charles City	Wet	2	0	0	0	0	1	0	3	0	0	0	3	5	0	4	2	0	0	0	18
Charlotte	Dry	0	0	0	0	0	0	1	12	0	0	1	0	26	2	5	0	2	0	0	49
Chesterfield	Wet	0	0	0	0	0	1	8	54	3	0	22	5	90	3	140	82	4	0	8	338
Clarke	Wet	1	0	0	0	0	0	3	4	0	0	0	0	13	0	8	5	0	0	3	32
Craig	Dry	0	0	0	0	0	0	0	4	0	0	0	0	3	0	1	0	0	0	0	8
Culpeper	Wet	1	0	1	0	0	0	5	6	0	1	2	1	30	0	20	8	0	1	0	68
Cumberland	Wet	0	0	0	0	0	0	0	5	0	0	0	0	6	0	3	1	0	0	0	14
Dickenson	Dry	0	0	0	0	0	0	1	10	3	0	0	0	12	0	4	0	0	0	0	30
Dinwiddie	Wet	0	0	0	0	0	0	1	17	0	0	1	0	19	0	6	0	0	0	1	45
Essex	Wet	1	0	0	0	0	0	1	1	0	0	1	0	15	0	11	3	0	0	0	30
Fairfax	Wet	0	41	31	3	0	6	33	77	10	0	56	42	194	27	701	444	2	0	19	1242
Fauquier	Wet	1	1	1	0	0	0	4	7	1	0	4	4	49	4	32	17	0	5	2	115
Floyd	Dry	0	0	0	0	0	0	2	3	0	0	0	1	6	0	5	3	0	2	0	19
Fluvanna	Wet	1	0	0	0	0	0	0	2	0	0	0	0	12	0	6	3	0	0	0	21
Franklin	Dry	1	1	0	0	1	1	2	21	0	0	2	3	39	0	25	13	1	0	4	101
Frederick	Wet	1	0	4	0	0	1	5	13	0	0	1	0	50	2	23	11	0	1	2	103
Giles	Dry	0	0	0	0	0	0	4	6	3	0	2	0	22	1	6	1	0	0	1	45
Gloucester	Wet	0	0	0	0	1	0	4	14	0	0	3	0	20	0	22	11	1	0	2	67
Goochland	Wet	0	0	0	0	0	0	2	5	0	0	0	0	12	0	15	7	0	0	0	34
Grayson	Dry	0	0	0	0	0	0	0	6	0	0	0	0	5	0	2	0	0	0	1	14
Greene	Dry	0	0	0	0	0	0	2	2	0	0	0	0	13	0	6	4	1	2	0	26
Greensville	Wet	0	0	0	0	0	0	1	16	0	0	0	0	4	0	3	2	0	0	0	24
Halifax	Dry	0	0	2	0	0	0	3	10	0	0	0	0	54	0	23	5	0	0	1	93
Hanover	Wet	0	4	2	1	0	3	6	11	1	0	5	2	61	2	50	23	1	1	1	151
Henrico	Wet	0	8	10	2	1	5	19	66	2	0	32	10	103	9	192	128	6	0	7	472
Henry	Dry	0	0	0	0	0	0	9	37	0	0	1	1	36	2	22	3	1	0	1	110
Highland	Dry	0	0	0	0	0	0	0	3	0	0	0	0	8	1	1	0	0	0	0	13
Isle of Wight	Wet	0	0	0	0	0	0	5	13	0	0	2	2	26	1	15	5	0	0	0	64
James City	Wet	0	1	1	1	0	0	2	5	1	1	4	6	21	4	50	29	1	2	3	103
King & Queen	Wet	0	0	0	0	0	0	0	0	0	0	0	0	9	0	1	1	0	0	0	10
King George	Wet	0	0	0	0	0	0	1	4	0	0	0	0	14	0	11	3	0	0	1	31
King William	Dry	0	0	0	0	0	0	2	2	1	0	2	0	14	0	5	1	0	0	0	26
Lancaster	Wet	0	0	0	0	0	0	3	0	0	0	0	1	22	2	17	10	0	0	2	47
Lee	Dry	0	0	0	0	0	0	3	17	2	0	2	0	15	0	4	0	0	0	0	43
Loudoun	Wet	1	2	2	1	11	4	10	39	3	0	10	8	58	6	115	72	0	6	7	283
Louisa	Dry	0	2	2	0	0	0	2	3	0	0	0	0	31	2	9	1	0	1	2	54
Lunenburg	Dry	0	0	0	0	0	0	3	7	0	0	0	0	14	0	4	0	1	0	0	29
Madison	Wet	1	1	1	0	0	0	0	4	0	0	0	1	12	2	4	1	0	3	0	29
Mathews	Wet	1	0	0	0	0	0	2	7	0	0	0	0	4	1	5	3	1	0	1	22

*Data reflects the license category counts on June 30, 1999.

LICENSES BY CATEGORY*

COUNTIES	Liquor by the drink (1)	Beer & Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Estabs.	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)
Mecklenburg	Dry	1	0	2	0	0	0	11	31	0	0	1	0	37	0	18	6	0	0	0	101
Middlesex	Wet	0	0	0	0	0	0	1	3	1	0	0	0	12	1	13	9	0	0	6	37
Montgomery	Dry	0	0	0	0	0	2	4	22	1	0	1	6	42	3	58	35	0	0	0	139
Nelson	Wet	1	0	0	0	0	0	2	4	0	0	1	2	24	3	6	3	0	4	3	50
New Kent	Wet	0	0	0	0	0	1	1	2	0	0	2	0	13	0	11	5	0	0	0	30
Northampton	Wet	1	1	4	0	0	0	4	9	0	0	2	0	14	1	16	8	1	0	0	53
Northumberland	Wet	0	0	0	0	1	0	3	1	1	0	0	0	16	0	8	7	0	0	1	31
Nottoway	Wet	0	0	2	0	0	1	4	9	0	0	1	0	13	1	12	4	0	0	0	43
Orange	Wet	3	0	1	0	0	0	3	7	0	0	1	1	21	0	13	7	2	3	0	55
Page	Wet	3	0	0	0	0	0	5	0	0	0	1	0	27	2	15	6	1	1	1	56
Patrick	Dry	2	0	0	0	0	0	1	11	0	0	1	0	14	1	6	0	0	1	0	37
Pittsylvania	Dry	0	1	4	0	0	0	3	23	0	0	1	0	57	0	8	0	1	1	2	101
Powhatan	Wet	0	0	0	0	0	0	1	10	0	0	0	1	9	0	5	2	0	0	0	26
Prince Edward	Wet	0	0	0	0	0	2	2	8	0	0	1	1	17	0	17	10	1	1	2	52
Prince George	Wet	0	0	1	0	0	0	4	7	0	0	2	0	14	1	9	6	0	0	1	39
Prince William	Wet	0	3	1	0	0	2	13	72	3	0	9	5	86	3	170	107	0	0	5	372
Pulaski	Dry	0	0	1	0	0	0	4	12	3	0	3	2	26	0	8	1	0	0	1	60
Rappahannock	Wet	3	0	0	0	0	0	0	2	1	0	0	0	11	1	10	4	0	3	2	33
Richmond	Wet	0	0	6	0	0	1	0	1	0	0	1	0	10	0	5	1	0	0	1	25
Roanoke	Wet	0	4	4	0	0	0	4	23	0	0	7	1	31	3	56	28	0	1	0	134
Rockbridge	Wet	5	0	0	0	0	1	4	13	0	0	2	0	25	4	12	6	0	1	2	69
Rockingham	Wet	1	0	1	2	0	0	7	16	0	0	2	0	28	0	13	8	3	1	2	76
Russell	Dry	0	0	0	0	0	0	2	7	4	0	3	2	15	0	2	0	0	1	0	36
Scott	Dry	0	0	0	0	0	0	0	4	3	0	1	1	22	1	4	0	0	0	0	36
Shenandoah	Wet	1	0	0	0	0	0	9	6	0	0	3	0	48	3	24	9	1	2	3	100
Smyth	Dry	0	3	4	0	0	0	2	22	1	0	1	2	26	0	8	3	0	0	0	69
Southampton	Wet	0	0	0	0	0	0	2	10	0	0	0	0	20	0	6	2	0	0	1	39
Spotsylvania	Wet	0	0	2	0	0	0	7	34	1	1	4	3	43	0	39	26	0	1	4	139
Stafford	Wet	0	2	4	0	0	1	3	32	0	0	6	1	36	0	45	30	0	2	7	139
Surry	Dry	0	0	0	0	0	0	0	5	0	0	0	0	3	0	3	1	0	0	0	11
Sussex	Wet	0	0	0	0	0	1	1	13	0	0	0	1	15	0	9	2	1	0	1	42
Tazewell	Dry	1	0	1	2	0	0	4	20	2	0	2	3	42	0	15	2	0	0	1	93
Warren	Dry	3	0	0	0	0	0	7	7	0	0	1	1	34	0	24	11	0	0	0	77
Washington	Dry	5	1	2	0	0	0	2	20	1	0	1	4	30	2	19	5	0	0	1	88
Westmoreland	Wet	0	0	0	0	0	1	6	2	1	0	1	0	24	0	24	15	1	1	4	65
Wise	Dry	0	0	0	0	0	0	2	19	10	0	4	3	20	0	17	2	0	0	2	77
Wythe	Dry	0	0	0	0	0	0	3	14	1	0	1	0	29	2	9	7	0	0	0	59
York	Wet	0	0	0	2	1	1	4	16	1	0	4	1	30	4	40	21	1	0	3	108
Subtotal - Counties		51	79	106	16	20	43	327	1,258	70	4	260	157	2,591	142	2,827	1,547	47	58	144	8200

*Data reflects the license category counts on June 30, 1999.

(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 that also have 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: License Records Management

LICENSES BY CATEGORY*

CITIES		Liquor by the drink (1)																			
		Beer & Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establs.	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet/Gourmet Brew Shops	Grocery/Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Beer & Wine)	Restaurants (Mixed Beverage) (2)	Restaurant-Combo (3)	Winery	All Other (4)	Total Licenses (excluding Mixed Beverage)
Alexandria	Wet	0	6	5	4	1	1	8	21	4	0	12	12	38	10	162	107	2	2	3	291
Bedford	Wet	0	0	0	0	0	0	0	5	0	0	1	0	4	1	4	1	0	0	0	15
Bristol	Wet	1	0	1	0	0	1	0	10	0	0	1	2	18	1	13	7	0	0	0	48
Buena Vista	Wet	0	0	0	0	0	0	0	0	0	0	0	0	6	0	5	2	0	0	1	12
Charlottesville	Wet	0	4	6	3	0	3	6	10	0	0	2	8	41	2	87	63	1	0	4	177
Chesapeake	Wet	0	2	8	0	0	0	11	36	0	0	18	7	72	1	117	74	0	0	1	273
Clifton Forge	Wet	0	0	0	0	0	0	3	2	0	0	1	1	4	0	4	1	0	0	0	15
Colonial Heights	Wet	0	0	0	0	0	0	2	5	0	0	2	0	12	0	27	16	0	0	1	49
Covington	Wet	0	0	0	0	0	0	0	4	0	0	1	0	7	0	9	1	0	0	0	21
Danville	Wet	0	0	1	0	0	2	8	25	0	0	5	4	42	1	36	17	0	0	1	125
Emporia	Wet	0	0	0	0	0	0	0	12	0	0	1	0	4	1	8	5	0	0	0	26
Fairfax	Wet	0	0	0	0	0	2	2	9	0	0	4	3	15	1	57	36	1	0	1	95
Falls Church	Wet	0	2	2	0	0	0	1	3	0	0	5	0	10	0	37	16	0	0	0	60
Franklin	Wet	0	0	0	0	0	0	1	5	0	0	2	0	6	0	9	6	0	0	0	23
Fredericksburg	Wet	0	0	0	0	0	1	3	14	1	0	4	4	17	1	57	43	1	0	0	103
Galax	Wet	0	0	0	0	0	0	2	0	0	0	2	1	12	0	4	4	0	0	0	21
Hampton	Wet	1	0	1	1	2	2	18	22	1	0	10	3	62	5	105	58	2	0	6	241
Harrisonburg	Wet	0	1	2	1	0	1	4	11	0	0	4	4	31	2	42	25	1	0	1	105
Hopewell	Wet	0	0	0	0	0	0	4	12	0		2	0	12	0	18	9	0	0	0	48
Lexington	Wet	1	0	0	0	0	1	0	1	0	0	0	2	3	1	13	7	1	0	2	25
Lynchburg	Wet	0	0	4	0	0	1	6	26	2	0	6	1	40	3	68	41	1	0	3	161
Manassas	Wet	0	0	0	0	0	0	3	9	1	0	2	2	10	0	30	22	0	0	0	57
Manassas Park	Wet	0	0	0	0	0	0	0	4	0	0	0	0	2	0	4	2	0	0	0	10
Martinsville	Wet	0	0	0	0	0	0	3	7	0	0	2	0	13	0	13	5	0	0	1	39
Newport News	Wet	0	2	3	0	0	0	16	36	0	0	11	5	96	3	127	61	1	0	4	304
Norfolk	Wet	0	2	3	0	2	4	36	40	1	0	17	10	109	4	218	131	3	0	14	463
Norton	Wet	0	0	2	0	0	0	0	1	5	0	1	0	1	1	2	0	0	0	0	13
Petersburg	Wet	0	2	3	0	0	1	12	22	0	0	3	0	27	0	37	10	0	0	2	109
Poquoson	Wet	0	0	0	0	0	0	1	3	0	0	1	0	4	0	6	1	0	0	0	15
Portsmouth	Wet	0	0	0	0	1	1	14	15	1	0	10	3	52	1	52	30	0	0	2	152
Radford	Wet	0	0	0	0	0	1	1	5	2	0	0	1	9	0	14	10	1	0	1	35
Richmond	Wet	0	9	9	3	1	6	29	87	3	0	21	12	112	9	252	172	2	0	15	570
Roanoke	Wet	1	1	4	0	2	2	8	62	0	0	13	4	51	4	128	71	1	0	5	286
Salem	Wet	0	0	0	0	0	1	5	17	0	0	4	0	18	0	33	17	0	0	4	82
Staunton	Wet	0	0	0	0	0	1	5	3	1	0	4	1	19	2	21	8	1	0	1	59
Suffolk	Wet	0	0	0	0	0	0	6	19	2	0	4	1	44	1	18	12	1	0	0	96
Virginia Beach	Wet	0	2	2	3	0	4	15	50	1	0	42	25	151	12	447	312	6	0	14	774
Waynesboro	Wet	0	0	0	0	0	0	3	2	0	0	1	2	17	0	12	3	1	0	0	38
Williamsburg	Wet	2	0	0	0	0	3	0	5	0	0	1	4	6	6	47	39	0	0	7	81
Winchester	Wet	0	4	3	0	0	0	6	2	0	0	1	3	26	0	36	23	0	0	1	82
Subtotal - Cities		6	37	59	15	9	39	242	622	25	0	221	125	1,223	73	2,379	1,468	27	2	95	5199
Total - All In State		57	116	165	31	29	82	569	1,880	95	4	481	282	3,814	215	5,206	3,015	74	60	239	13,399
Total - Out of State		0	194	0	2	5	0	0	1	0	0	0	0	0	0	0	0	0	0	0	202
Grand Total		57	310	165	33	34	82	569	1,881	95	4	481	282	3,814	215	5,206	3,015	74	60	239	13,601

*Data reflects the license category counts on June 30, 1999.

(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 that also have 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: License Records Management

ADJUDICATION SUMMARY

Cases Adjudicated for Fiscal Year 1999

	FY1999	FY1998
Contested Applications		
Approved	45	54
Refused	16	25
Subtotal.....	61	79

Disciplinary Proceedings		
Revoked.....	43	75
Suspended.....	148	184
Placed on Probation.....	80	84
Complaints Dismissed	19	21
Offers in Compromise	226	205
Consent Settlements	864	772
Wine and Beer Franchise Cases	1	1
Subtotal	1,381	1,342

Total**1,442**1,421

Revenues*.....**\$946,929.00**\$813,705.00

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

Source: Board Administration and Hearings

AUDITOR'S REPORT**Walter J. Kucharski, Auditor****Commonwealth of Virginia****Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218****September 29, 1999****The Honorable James S. Gilmore, III
Governor of Virginia
State Capitol
Richmond, Virginia****The Honorable Richard J. Holland
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia**

We have audited the accounts and records of the Department of Alcoholic Beverage Control (the Department) as of and for the year ended June 30, 1999, and submit our complete reports on financial statements and compliance and internal controls.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the balance sheet of the Department of Alcoholic Beverage Control as of June 30, 1999, and the related statements of revenues, expenses, and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department of Alcoholic Beverage Control as of June 30, 1999, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements of the Department of Alcoholic Beverage Control as of and for the year ended June 30, 1999, we considered internal controls over financial reporting and tested compliance with certain provisions of laws, regulations, and contracts in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and,

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Department's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the section entitled "Internal Control Findings and Recommendations."

We believe none of these reportable conditions are material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

The Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting is intended solely for the information and use of the Governor, General Assembly of Virginia, and management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

EXIT CONFERENCE

We discussed this report with management on October 1, 1999.



AUDITOR OF PUBLIC ACCOUNTS

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kva:30

INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

Review System Development and Acquisition Methodology

The Board needs to review its methodology and processes for software acquisitions. We have described below several issues that arose during the implementation of ABC's new Product Distribution System (PDS). Many of these issues appear to have originated with inadequate planning and development of the systems requirements. Additionally, during the contract awarding process, staff did not identify significant issues such as training and licensing, which should have affected the terms of the final contract. While ABC complied with the legal requirements for procurement, the process failed to identify and react to significant long-term system management issues. In addition to addressing the specific issues below, management should use this acquisition to re-examine its software acquisition methodology and processes.

Product Distribution System Implementation

ABC should resolve several system implementation and operational issues with its Product Distribution System (PDS). This system accumulates store inventory and sales information, and uses this data to calculate and record financial and forecasting information. In August 1998, ABC implemented PDS to replace the Inventory Management and Control System (IMAC). The original contracts for PDS involve multiple vendors and total approximately \$8.2 million. Of this amount, \$5.6 million is for system development and implementation, and \$2.6 million is for a five-year service contract.

ABC made the final contract payment and accepted the system in June 1999. At that time, ABC still had operational issues to resolve with the vendor, but determined the issues were not significant enough to withhold final contract payment. We identified the following operational and system implementation issues with PDS that ABC needs to address. Management has already acted to address some of the issues and we have included this information below.

- ABC staff do not have a thorough understanding of how PDS processes information and cannot adequately explain the flow of data between other systems. The lack of understanding results from the vendor providing inadequate documentation and the staff receiving inadequate training. The primary vendor had to create system documentation when the sub-vendor would not release their proprietary system documentation. Therefore, the system documentation does not thoroughly document the system's technical design. To address these issues, ABC hired a consultant in August 1999 to explain the complex technical design, structures, and operating conditions and procedures of the PDS MasterPack module. The consultant will also validate and correct critical system data. ABC used an emergency procurement to get the consultant's services at an estimated cost of \$51,000. In addition, staff had little experience with the PDS software language or the database package. Most staff did not receive training in these areas before the PDS implementation. The Department is currently training staff in the PDS software language and database application. We recommend management continue to train staff in the PDS applications.

- ABC has experienced various processing delays since PDS implementation. PDS users routinely experience delays that hinder their ability to efficiently complete their job responsibilities. In addition, the processing time for many routine jobs performed by the Information Systems division is excessive. For example, routine month end jobs each require between 4 and 24 hours to process, and the PDS forecasting report takes 32 hours to process. PDS does not include a restart process for jobs when interrupted during processing. The lack of a restart procedure has contributed to PDS processing delays. Another contributing factor is the increase in the volume of sales transactions. ABC did not anticipate the increase in sales volume during the system development. This increase has affected the system's processing capabilities. Management has addressed these issues by purchasing additional hardware and is evaluating other ways to process jobs.

- After ABC entered this contract, the sub-vendor decided not to make any additional enhancements to the Masterpack module of PDS. The primary vendor has assured management they will honor the current contract; however, it is unclear whether they will continue to support and maintain PDS after the current service contract expires in 2003. Management should discuss and develop alternatives to support and maintain PDS once the current contract expires.

- The PDS test plan did not include all critical processes and did not adequately assess the system's processing capabilities. In addition, ABC did not properly document the test plan results. ABC determined it was not feasible to conduct parallel testing of PDS with IMAC, or pilot test stores on PDS. Therefore, they developed a test plan that detailed their approach for PDS testing. Their test plan did not include a test to determine if inventory information from the stores would properly transfer to PDS. Also, the plan did not include a test of a critical system report that accounting uses to adjust inventory values in the financial system.

- Since system implementation, ABC staff have spent significant resources resolving PDS issues, and performing manual processes to verify and correct PDS data. ABC could have avoided some of these issues with a more detailed system requirement analysis and additional system testing. The Department formed a PDS Workgroup, which has met weekly since implementation to identify and resolve PDS issues. Some of these issues have resulted in modifications to PDS that were not part of the original contract. These modifications are estimated to cost an additional \$1.4 million which includes \$700,000 for store software licenses not identified in the original contract.

Overall, we recommend ABC continue to address and resolve issues from the PDS implementation. In addition, ABC should re-examine their system development and acquisition methodology for future system development and implementation projects. On future projects, ABC should ensure that system testing addresses all critical processes and reports. Management should set minimum standards for system test and documentation of results on future projects.

Complete Risk Assessment

ABC has not updated their risk assessment or documented security safeguards for its information systems. Commonwealth of Virginia Information Technology Resource Management Standard 95-1 (COV ITRM Standard 95-1) states that an agency should identify and document potential areas of risk to its information systems and document logical and physical security measures over the systems. The standard requires "that good management practices be followed to implement information technology security safeguards based on the risk assessment." The Department has complied with some of the requirements of Standard 95-1. The Department has an approved disaster recovery plan and has conducted a business impact analysis; however, the Department should update their risk analysis and document security safeguards to fully comply with Standard 95-1.

BALANCE SHEET As of JUNE 30, 1999

ASSETS

Current assets:

Cash with the Treasurer of Virginia (Note 3)	\$ 204,805
Petty cash	130,000
Accounts receivable	1,880,890
Alcohol inventory	22,365,963
Lottery ticket inventory	542,017
Prepaid insurance	912,340
Investments held by Treasurer of Virginia	<u>21,107</u>

Total current assets	26,057,122
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Fixed assets (Net of accumulated depreciation) (Note 4)	<u>18,490,450</u>
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Total assets	<u><u>\$ 44,547,572</u></u>
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LIABILITIES AND EQUITY

Current liabilities:

Accounts payable	\$ 11,123,243
Deferred revenue	225,376
Compensated absences payable - current portion	20,272
Due to the Commonwealth (Note 6)	27,628,372
Obligations under Securities Lending (Note 7)	<u>21,107</u>

Total current liabilities	39,018,370
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Long-term liabilities:

Compensated absences payable	<u>4,703,788</u>
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Total liabilities	<u>43,722,158</u>
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Equity:

Contributed capital	1,600,000
Retained earnings (deficit) (Note 2)	<u>(774,586)</u>

Total equity	<u>825,414</u>
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Total liabilities and equity	<u><u>\$ 44,547,572</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEAR ENDED JUNE 30, 1999

Operating revenues:	
Sales of alcohol	\$ 271,345,838
Sales of lottery tickets	6,654,342
License and permit fees	7,337,169
Wine wholesalers tax	2,467,472
Penalties	946,929
Federal grants and contracts	453,402
Mixed beverage tax on common carriers	73,246
Income from Securities Lending Transactions	34,227
Miscellaneous	151,712
	<hr/>
Total operating revenues	289,464,337
	<hr/>
Operating expenses:	
Cost of sales of alcohol	177,571,230
Cost of sales of lottery tickets	6,299,022
Personal services	43,693,426
Continuous charges	9,614,894
Contractual services	7,377,508
Supplies and materials	1,159,801
Depreciation	2,570,024
Expendable equipment	805,972
Expenses for Securities Lending Transactions	32,687
Other	1,228,472
	<hr/>
Total operating expenses	250,353,036
	<hr/>
Operating income	39,111,301
	<hr/>
Nonoperating revenues:	
Rents	20,520
Seized assets	97,599
	<hr/>
Total nonoperating revenues	118,119
	<hr/>
Net profit before transfers	39,229,420
	<hr/>
Transfers out:	
Transfers of profits to the General Fund of the Commonwealth	(26,407,281)
Appropriation Act transfers	(12,647,941)
	<hr/>
Total transfers	(39,055,222)
	<hr/>
Net income after transfers	174,198
	<hr/>
Retained Earnings (Deficit) - July 1, 1998	(948,784)
	<hr/>
Retained Earnings (Deficit) - June 30, 1999 (Note 2)	\$ (774,586)
	<hr/>

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

JUNE 30, 1999

Cash flows from operating activities:	
Sales of alcohol and lottery tickets	\$ 278,210,153
Cash received from licenses and fees	7,018,633
Cash received from other revenue	4,012,940
Cash payments for cost of sales	(183,805,936)
Cash payments for personal services	(43,968,001)
Cash payments for other expenses	(20,153,253)
Net cash provided by operating activities	<u>41,314,536</u>
Cash flows from noncapital financing activities:	
Net proceeds on note payable	2,568,696
Cash received from taxes	83,052,031
Transfers of tax collections to the General Fund of the Commonwealth	(71,508,203)
Transfers of tax collections to the Department of Taxation	(11,910,586)
Transfers of profit to the General Fund of the Commonwealth	(25,542,430)
Appropriation Act transfers	(12,647,941)
Net cash used for noncapital financing activities	<u>(35,988,433)</u>
Cash flows from capital financing activities:	
Acquisition of equipment	<u>(5,228,991)</u>
Net increase in cash and cash equivalents	97,112
Cash and cash equivalents - July 1, 1998	<u>237,693</u>
Cash and cash equivalents - June 30, 1999	<u>\$ 334,805</u>
Reconciliation of net profit to net cash provided by operating activities	
Net profit before transfer	\$ 39,229,420
Adjustments to reconcile net profit to net cash provided by operating activities:	
Depreciation	2,570,024
Change in assets and liabilities:	
Increase in accounts receivable	(22,194)
Decrease in inventory	265,680
Decrease in compensated absences	(274,575)
Decrease in accounts payable	(201,364)
Decrease in deferred revenue	(318,536)
Decrease in prepaid items	66,081
Net cash provided by operating activities	<u>\$ 41,314,536</u>

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

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

A separate report is prepared for the Commonwealth of Virginia which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The Department is a component unit of the Commonwealth of Virginia and is included in the general-purpose financial statements of the Commonwealth.

B. Fund Accounting

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

C. Basis of Accounting

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

D. Inventories

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

E. Compensated Absences

Compensated absences reflected in the balance sheet represent the amounts of vacation, sick, and compensatory leave earned by employees of the Department, but not taken at June 30, 1999. The amount reflects all earned vacation, sick, and compensatory leave payable under the Commonwealth of Virginia's leave payout policies. Information on the Commonwealth's leave payout policies is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

2. DEFICIT RETAINED EARNINGS

The Department ended the year with a deficit retained earnings of \$774,586. This is attributable to the difference between the statutory method of calculating transfers to the Commonwealth prior to 1994 and calculating net profit.

3. CASH WITH THE TREASURER OF VIRGINIA

All state funds of the Department are held by the Treasurer of Virginia, pursuant to Section 2.1.177, et. seq., Code of Virginia, who is responsible for the collection, disbursement, custody, and investment of state funds. Each fund's equity in pooled state funds is reported as "Cash with the Treasurer of Virginia" on the balance sheet and is not categorized as to credit risk.

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 1999

4. FIXED ASSETS

The schedule below shows the breakdown of fixed assets by category at June 30, 1999.

	Total Fixed Assets	Accumulated Depreciation	Net Fixed Assets
Land	\$ 1,586,806	\$ -	\$ 1,586,806
Buildings	9,239,982	8,207,246	1,032,736
Equipment	26,693,855	10,822,947	15,870,908
Total	\$ 37,520,643	\$ 19,030,193	\$ 18,490,450

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

	Balance at June 30, 1998	Acquired	Deleted	Balance at June 30, 1999
Land	\$ 1,586,806	\$ -	\$ -	\$ 1,586,806
Buildings	9,239,982	-	-	9,239,982
Equipment	22,210,059	5,228,991	(745,195)	26,693,855
Total	\$ 33,036,847	\$ 5,228,991	\$ (745,195)	\$ 37,520,643

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 four to eight years on equipment.

5. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for store buildings. Rent expense under operating lease agreements amounted to \$7,380,134 for the year. A summary of future obligations under lease agreements as of June 30, 1999, follows.

2000	\$ 5,550,081
2001	4,415,256
2002	2,821,397
2003	1,514,247
2004	658,065
Later years	299,751
Total obligations	\$15,258,797

6. DUE TO THE COMMONWEALTH

A. Note Payable

The Department has a line of credit for \$25,000,000 with the Treasurer of Virginia. Repayment is made from revenue collections pursuant to Title 4.1, Chapter 1 of the Code of Virginia. As of June 30, 1999, the Department had outstanding \$23,719,471 of its available line of credit to extinguish a cash overdraft.

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 1999

B. General Fund

The Department collects certain taxes on behalf of the General Fund of the Commonwealth. The state tax on sales is collected from store sales and is paid quarterly to the General Fund of the Commonwealth. The liter tax is collected on wholesalers' direct wine shipments. Twelve percent of the liter tax is retained by the Department and reported as wine wholesalers' tax on the Department's financial statements. The remainder is paid to the General Fund of the Commonwealth quarterly. Of the liter tax paid to the General Fund, the Commonwealth subsequently transfers 50 percent to localities. Collections and transfers of state tax on sales and liter tax are not reported on the Statement of Revenues, Expenses, and Changes in Retained Earnings. Activity relating to the amounts due to the General Fund for the year ended June 30, 1999, is summarized below.

	State Tax On Sales	Liter Tax On Wine	Total
Balance due to the General Fund			
July 1, 1998	\$ 574,655	\$ 270,918	\$ 845,573
Receipts for fiscal year	53,232,248	17,846,666	71,078,914
Transfers to the General Fund	(53,688,472)	(17,819,731)	(71,508,203)
Balance due to the General Fund			
June 30, 1999	\$ 118,431	\$ 297,853	\$ 416,284

C. Department of Taxation - Sales Tax

The Department collects sales tax on all sales of alcohol and remits collections monthly to the Department of Taxation. Sales tax collections and transfers are not reported on the Statement of Revenues, Expenses, and Changes in Retained Earnings. Activity relating to the amounts due to the Department of Taxation for the year ended June 30, 1999, is summarized below.

Balance due to the Department of Taxation, July 1, 1998	\$ 880,997
Sales tax collections	11,973,117
Transfers to the Department of Taxation	(11,910,586)
Balance due to the Department of Taxation, June 30, 1999	\$ 943,528

D. Earned Surplus

The Appropriation Act, Chapter 924 of the 1998 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 \$2,549,089 due to the General Fund at June 30, 1999.

7. SECURITIES LENDING TRANSACTIONS

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

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 1999

8. COLLECTIONS OF MALT BEVERAGE TAX

During the year ended June 30, 1999, the Department collected \$39,945,570 in malt beverage taxes. These funds are deposited by the Department directly with the Treasurer of Virginia for credit to the General Fund of the Commonwealth and are not available to the Department to meet current operating needs and are not included in the financial statements.

9. PENSION PLAN AND OTHER POST RETIREMENT BENEFITS

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

10. SURETY BOND

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

11. YEAR 2000 READINESS

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Department's operations. To guide the Year 2000 compliance project, the Department completed a management plan that included the following phases:

- Awareness -This phase included establishing a budget and project plan for dealing with the Year 2000 issue.
- Assessment -This phase included identifying the systems and components for which Year 2000 work is needed.
- Remediation -This phase included converting existing systems to be compliant or replacing them with compliant systems.
- Validation/Testing -This phase includes the validation and testing of the changes made during the remediation stage. In June 1999, the Department underwent a Y2K audit performed by consultants in accordance with guidelines set by the Century Date Change Initiative Office (CDCI). The consultants performed reviews on the Department's ability to procure, distribute and sell alcohol as well as enforce laws. The consultants gave the Department a score of 100 % in both areas, indicating very low risk, and had no recommendations.

The Department has followed the guidelines set forth by the Council on Information Management and CDCI in preparing for the Year 2000. As of September 1999, the CDCI rated the Department's compliance effort as 100 % complete. Based on the above, it appears that the Department is ready for the Year 2000 and that it will not experience any significant interruptions caused by Year 2000 in purchasing, distributing or selling alcohol, or in enforcing laws.

However, because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Department is or will be Year 2000 ready, that the Department's remediation efforts will be successful in whole or in part, or that parties with whom the Department does business will be Year 2000 ready.

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