

ANNUAL REPORT 2008

VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL





VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL

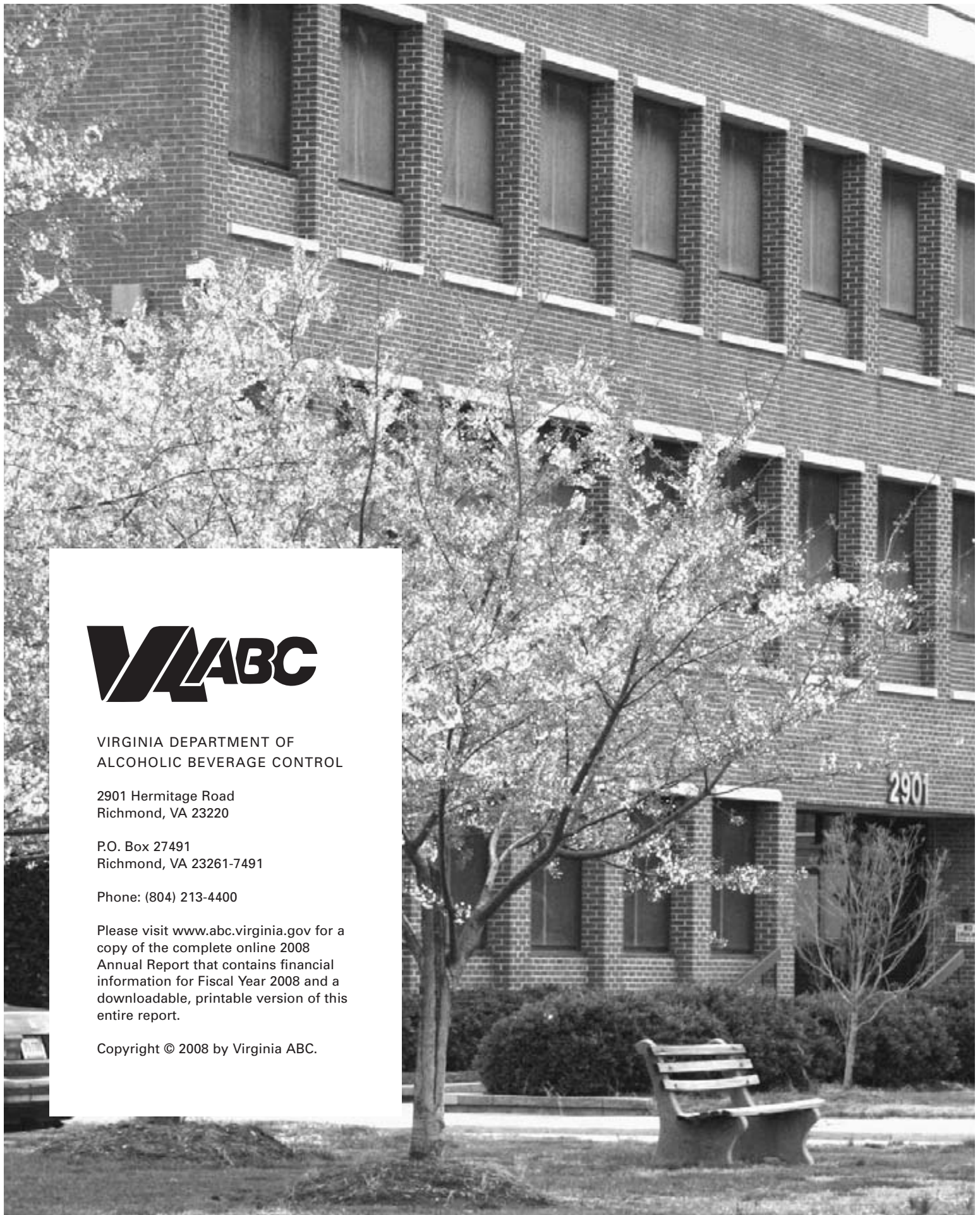
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Please visit www.abc.virginia.gov for a
copy of the complete online 2008
Annual Report that contains financial
information for Fiscal Year 2008 and a
downloadable, printable version of this
entire report.

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LETTER FROM THE CHAIR

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

ABC completed Fiscal Year 2008 with a record \$641.2 million in annual gross sales. Although slightly below forecast, sales increased by 5.3 percent over last year.

The General Assembly passed legislation allowing for the expansion of Sunday sales, adding 36 stores to the 95 stores already open from 1 to 6 p.m. on Sundays. Sunday sales began in 2004 when legislation allowed it in designated areas, based on population. A total of 131 of Virginia's 332 stores are open on Sunday.

New legislation making it an ABC violation for licensees to allow their businesses to become meeting places for gangs enhances the control arm of our agency mission.

Another new law that addresses public safety allows ABC agents to check the national criminal database when conducting background checks for prospective licensees. For the past several years, ABC agents have had access to Virginia-only checks, and many licensee applicants are not natives of Virginia.

Statewide community involvement through the newly established Community Advisory Council has allowed for the exchange of information about services available and community needs. Council meetings, held in all four regions in the state, allow representatives from local public-safety, educational and community organizations to meet with representatives of ABC.

Under the leadership of Governor Tim Kaine, guidelines have been established to ensure fiscal accountability while safeguarding the Commonwealth's assets. To comply with the Agency Risk Management Internal Control Standards, or ARMICS, ABC identified and provided extensive documentation of eight fiscal processes deemed critical to the agency. The Internal Audit Division developed and tested the internal controls over these processes.

Another mandate requiring planning and accountability is the Continuity of Operations Plan, or COOP. ABC completed its annual review and update of its COOP plan for 2008. Significant improvements were made in the orders of succession and communications sections, as well as the addition of a new section addressing a possible pandemic influenza outbreak in the Commonwealth.

ABC continues to enhance its "going green" efforts in response to the administration's Environmental Stewardship initiative. ABC has been recycling 70,000 warehouse pallets each year for the past five years, and shrink-wrap recycling was added more recently. ABC recycles approximately 11 tons of shrink-wrap and 308 tons of cardboard annually. During Fiscal Year 2008, the agency con-



Board Chair Pamela O'Berry Evans

(Inside front cover) The entrance to ABC's Central Office at 2901 Hermitage Road, Richmond, in spring 2008.

"ABC completed Fiscal Year 2008 with a record \$641.2 million in annual gross sales. Although slightly below forecast, sales increased by 5.3 percent over last year."

verted to more eco-friendly bags in its stores. The bags contain a biodegradable additive that significantly reduces decomposition time in landfills.

Education/prevention efforts include two new initiatives. The agency has received state and national awards for implementing its innovative Alcohol and Aging initiative designed to alert older adults and their caregivers about the effects of alcohol on the older population. In addition, partnerships with military bases in the state include efforts to promote alcohol responsibility and education about Virginia ABC laws.

ABC remains committed to balancing control, service and revenue for the citizens of Virginia.

A handwritten signature in black ink that reads "Pamela O. Evans". The signature is fluid and cursive, with the first name "Pamela" being larger and more prominent than the last name "Evans".

Pamela O'Berry Evans, Chair

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(Cover illustration) ABC’s Central Warehouse in Fiscal Year 2008.
Photograph by Elaine Odell.



EXECUTIVE INFORMATION

Governor Timothy M. Kaine

ABC Board, Fiscal Year 2008

Board Chair Pamela O'Berry Evans

Commissioner Susan R. Swecker

Commissioner Esther H. Vassar

Executive Staff

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

Chief Administrative Officer Jeffrey L. Painter*

Chief Financial Officer J. Craig Vanderland

Division Directors

Bureau of Law Enforcement Francis J. Monahan

Financial Management Services Nancy A. Arnold
Barry M. Wenzig**

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

Human Resources Janet L. Lawson

Information Technology Services Charles R. Moore

Internal Audit John W. Wszelaki

Policy, Analysis and Support Services Claiborne Watkins

Property Management Services Robert W. Southall

Public Affairs Rebecca V. Gettings

Wholesale/Retail Operations Virginia A. Adams



Governor Timothy M. Kaine



ABC Board, Fiscal Year 2008 (left to right): Commissioner Susan R. Swecker, Chair Pamela O'Berry Evans and Commissioner Esther H. Vassar.

(Facing page) ABC Board members and directors discuss a current initiative during an executive staff meeting at the Central Office.

* As of June 12, 2008

** As of August 25, 2008



22ND ANNUAL COLLEGE CONFERENCE
ROANOKE, VA / OCTOBER 4-6, 2007

MISSION:

POSSIBLE

Presented by the Virginia Department of Alcoholic Beverage Control (ABC). For more information, please visit www.abc.virginia.gov.

MISSION: POSSIBLE

YOUR MISSION (SHOULD YOU CHOOSE TO ACCEPT IT)

- Attend the 22nd Annual College Conference, October 4-6, 2007, Roanoke, Virginia, Grand Conference Center.

ANNUAL HIGHLIGHTS

Licensees

ABC licensees include 9,524 private or corporate owners of 15,394 establishments, holding 16,181 ABC licenses allowing sales and/or consumption of beer and wine or mixed beverages on- or off-premises. During Fiscal Year 2008, 100 special agents from the agency's Bureau of Law Enforcement monitored these establishments and offered assistance to licensees.

ABC agents conducted 90 Responsible Sellers and Servers: Virginia's Program (RSVP) classes this fiscal year, training 1,472 participants statewide. Also taught by ABC special agents, the Managers' Alcohol Responsibility Training (MART) program generated 13 classes, with 219 participants in Fiscal Year 2008.

Licensing

Performance measures for new retail application processing times indicate an average of 79 days for Fiscal Year 2008, which is an increase over the average of 68 days for Fiscal Year 2007. ABC is working toward a target goal of a 60-day average for processing new retail applications.

Alcohol Education

ABC continues to lead the Commonwealth in alcohol prevention and community education initiatives. Dedicated to decreasing the illegal use of alcohol, ABC promotes responsible distribution of alcoholic beverages by licensees, responsible consumption by those of legal age and zero tolerance for underage consumption.

In Fiscal Year 2008, ABC distributed nearly 300,000 education and prevention pieces to colleges and universities, law enforcement, community groups, youth, parents and other Virginia citizens. In another alcohol-education initiative, the 22nd Annual College Conference, held in Roanoke, Va., 182 participated in seminars and workshops focusing on alcohol prevention.

Over 38,000 *Alcohol and Aging* brochures were disseminated throughout the Commonwealth. There were more than 10 speaking engagements regarding alcohol and the older adult. This initiative was recognized with a National Conference of State Liquor Administrators' Best Practices Award and a Virginia Department of Health 2008 Recognition Award for Innovative Prevention Projects.

There were 10 Community Coalition grantees receiving \$60,230 in Office of Juvenile Justice and Delinquency Prevention (OJJDP) funding, administered by ABC.



Store 95 in Fredericksburg opened on September 13, 2007.

(Facing page) A poster for the 2007 College Conference. The conference theme was Mission: Possible, indicating that, collectively, the prevention community in Virginia can achieve its mission to reduce underage and high-risk drinking, alcohol-related injuries, fatalities and problems on campuses; and improve the quality of life for all campus communities.

“In Fiscal Year 2008, ABC distributed nearly 300,000 education and prevention pieces to colleges and universities, law enforcement, community groups, youth, parents and other Virginia citizens.”

Public Safety

During Fiscal Year 2008, special agents and staff of the ABC Bureau of Law Enforcement:

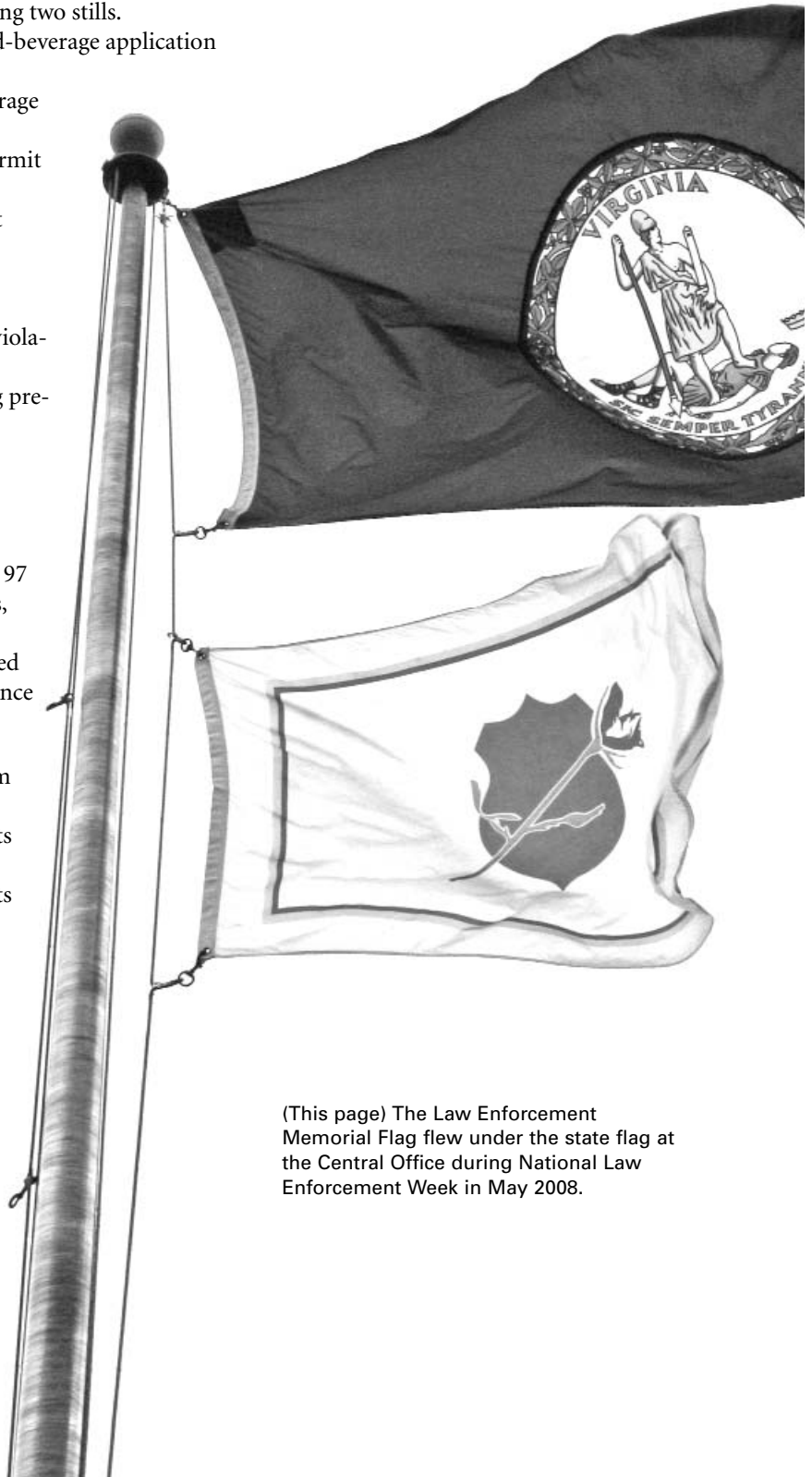
- conducted 13,068 criminal investigations.
- made 2,924 arrests.
- conducted eight illegal still investigations involving two stills.
- collected \$11,555,460.50 in wine, beer and mixed-beverage application and state license fees.
- collected \$149,285,434.08 in wine and malt beverage taxes.
- issued 2,354 new retail, wholesale and special-permit licenses.
- issued 16,717 one-day banquet and special-event licenses.
- conducted 10,332 inspections of licensed establishments.
- issued 1,656 written warning reports and 1,185 violation reports (combined total = 2,841).
- conducted 168 public and 1,671 licensee training presentations (combined total = 1,839).

Compliance Rates

Alcohol compliance rates for Fiscal Year 2008 were 97 percent for ABC stores and 86 percent for licensees, down from last year's rates of 99 percent for ABC stores and 91 percent for licensees. Agents attempted to conduct 5,180 Alcohol Underage Buyer compliance checks during the fiscal year.

Tobacco Synar compliance rates are calculated from May 1 to September 30 of each year. The 2007 figures are 89 percent for tobacco retailers, with agents attempting to conduct 4,550 checks. The 2008 figures are 83 percent for tobacco retailers, with agents attempting to conduct 4,172 checks.

The Synar program is part of a substance abuse prevention and treatment block grant from the federal government to the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services. The ABC Tobacco Underage Buyer Program receives some funding from this grant and from the Virginia Tobacco Settlement Foundation.



(This page) The Law Enforcement Memorial Flag flew under the state flag at the Central Office during National Law Enforcement Week in May 2008.

Hearings and Appeals

As shown in the chart, in Fiscal Year 2008, Hearings, Appeals and Board Administration achieved its goal for the processing average to be under 200 days.

In Fiscal Year 2008, 1,345 cases were received for processing, including 1,290 violation reports, 44 contested applications, 13 contested banquet applications and six franchise rights cases. This was a slight decrease in the total number of cases referred for hearing from 1,386 cases in Fiscal Year 2007.

ABC provided dispositions on 1,085 cases, which included conducting hearings on 358 new administrative violation, application, or franchise cases (involving 578 charges) and completed processing on 154 cases that were in the hearing process at the close of last fiscal year. Some of the completed cases involved multiple violation reports and multiple charges that were combined for more efficient hearings. Staff also oversaw preparation and completion of 64 Board appeal hearings, processed 580 final consent settlement offers, and processed 104 offers-in-compromise to the Board for review and acceptance.

Information Security

Fiscal Year 2008 brought increasing attention to information security and protecting personal information assets and credit card holder information. This includes agency assurance that information entered, processed, stored, generated, transmitted or disseminated must be protected from unauthorized or accidental modification, destruction, or disclosure. The Information Technology Information Management policy has been revised; changes include new guidelines for telephone usage and password requirements.

Cases Referred for Hearings

Case Activity FY 08	Count
Violation/disciplinary reports	1,290
Contested applications	44
Approved	24
Denied	3
Withdrawn before hearing	2
Contested banquet applications	13
Approved	8
Denied	3
Withdrawn before hearing	4
Wine and beer franchise cases	6
Total hearings requested	1,345

Hearings Dispositions

Case Activity FY 08	Count	Percentage of Total Cases Received
Settled by consent settlement offer	580	53.4%
Heard by ABC hearing officer ¹	358	33%
Settled by offer in compromise	104	9.6%
Withdrawn or dismissed prior to hearing ²	43	4%
Total hearings dispositions ³	1,085	

NOTES:

¹ 358 hearings were held on 578 charges filed; licensees with multiple charges had cases combined into one hearing for efficiency.

² These cases were withdrawn or dismissed prior to the hearing because the licenses had been surrendered or the applications were withdrawn.

³ 159 cases were in process at the end of Fiscal Year 2007 and were completed during Fiscal Year 2008; 154 cases were in process at the end of Fiscal Year 2008 to be completed during Fiscal Year 2009.

Average Case Turn-Around Time (in Days)

Activity	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08
Violations	157	146	129	99	120	91
Applications	108	113	105	99	93	106

Case Decisions Appealed

Activity	Count
Initial decision of hearing officer to ABC Board ¹	64 (4.7%)
Final decision of ABC Board to circuit court ²	28 (43.75%)

NOTES:

¹ Percentage of all cases referred

² Percentage of all appealed cases

Civil Penalties Collected

Activity	Count
Civil penalties collected	\$1,468,500
Average civil penalty per case	\$1,921
Average suspension period per case ¹	20.67 days

NOTES:

¹ Most ABC case decisions provide for a civil penalty or suspension period. This average reflects the results of all civil penalties or suspension time levied from all case decisions, consent settlement offers, and offers-in-compromise for Fiscal Year 2008. When allowed by the Board order, licensees may choose which penalty they prefer to accept. Some penalties contain both mandatory suspension periods and civil penalties.

INITIATIVES 2008

GOING GREEN MAKES SENSE

With increased emphasis on going “green,” ABC is being recognized as an example of environmental sustainability, which is reflected on the bottom line. ABC improved its efforts once again in Fiscal Year 2008 and has been a leading state agency for about four decades.

The agency launched its green page, “Greening the Virginia ABC,” detailing some of the efforts being made and how they are paying off. ABC annually recycles 308 tons of cardboard, 11 tons of shrink-wrap and 40 tons of paper. Plus, the agency took in more than \$76,000 in the past year from recycling pallets, which covers packaging supplies for the Central Warehouse.

Energy conservation plans were updated, the process is underway to switch to “green” cleaning products and employee-recycling programs were stepped up.

The increased efforts were featured in media stories statewide, and the agency received its E2 certification as part of the Virginia Environmental Excellence Program from the state Department of Environmental Quality. Now, ABC is examining “green” retail spaces, which reduce harmful runoff and improve energy efficiency.

(This page) ABC recycling is good for the environment and the bottom line: (top) shrink-wrap is baled and ready to be recycled; (bottom) responsibility and recycling poster developed for internal campaign at ABC.



Store Expansion

ABC is committed to providing retail outlets conveniently located throughout the Commonwealth. As shown below in Fiscal Year 2008, the agency opened five new stores and relocated five. ABC's Real Estate Committee, comprised of representatives from Wholesale/Retail, Finance, Policy Analysis and Property Management, makes crucial decisions about the agency's growth based on Market Location Strategy and Rural Location Strategy. One strategy addresses new store market potential and the other, service.

Employee Training

Developing and training agency employees enhances their knowledge and skills and assists them in reaching their full potential in the workplace. In addition to sending employees to outside training workshops and conferences, 478 employees attended in-house training programs offered by the agency in Fiscal Year 2008. In addition, 15 employees participated in the enhanced Tuition Assistance Program (TAP).

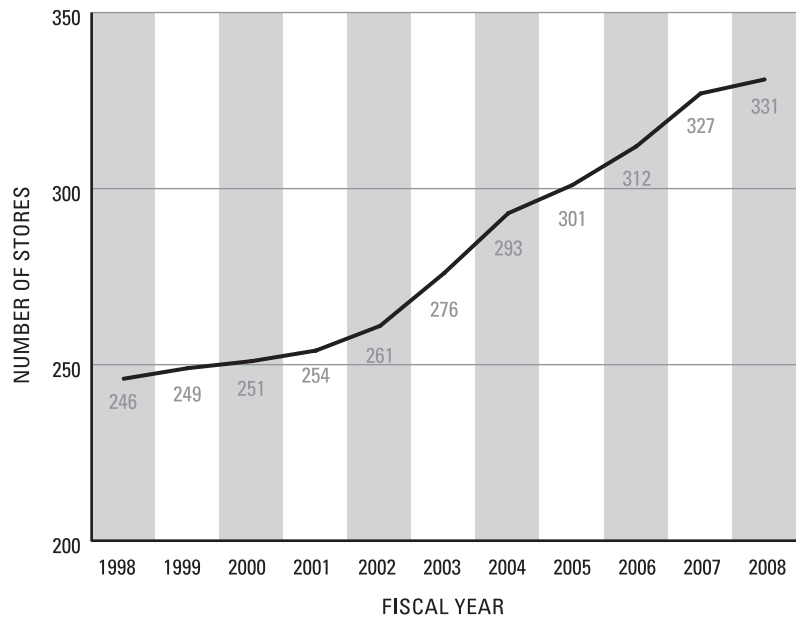
Agency Personnel

Success of an agency depends greatly on the quality of its workforce, and ABC takes great pride in its employees. Thousands of applications are screened every year to fill vacancies that further enhance ABC's workforce. In Fiscal Year 2008, 114 classified and 714 part-time new employees joined ABC.

Store Activities: July 1, 2007 through June 30, 2008

Store No.	Location	Activity	Closed	Opened	Total
231	Vienna	modernization	08-03-07	09-01-07	326
226	Norfolk	relocation		09-11-07	327
095	Massaponax	new self-service		09-13-07	328
270	Henrico	modernization	08-25-07	09-17-07	328
085	Oakton	relocation	09-14-07	09-18-07	328
033	Woodbridge	new self-service		09-24-07	329
233	Gloucester	modernization	09-15-07	10-18-07	329
102	Richmond	modernization	09-25-07	10-08-07	329
147	Monterey	modernization			329
039	Bristow	new self-service		10-22-07	330
269	Roanoke	relocation	11-11-07	11-13-07	330
192	Kilmarnock	modernization	01-05-08	01-21-08	330
038	New Kent	new self-service		02-02-08	331
041	Herndon	new self-service		02-25-08	332
140	Lexington	modernization	02-23-08	03-08-08	332
236	Annandale	modernization	03-14-08	04-04-08	332
159	Victoria	closed	04-16-08		331
336	Virginia Beach	relocation	04-19-08	04-23-08	331
317	Fairfax	relocation	04-25-08	05-05-08	331
329	Culpeper	modernization	05-10-08	05-23-08	331
309	Roanoke	modernization	05-24-08	06-09-08	331

Store Expansion by Fiscal Year, 1998–2008



Success of an agency depends greatly on the quality of its workforce, and ABC takes great pride in its employees.

Compliance Tools

ABC partners with licensees to promote responsible selling and serving of alcohol. Providing compliance tools and materials, in addition to providing training and assistance by special agents, confirms this commitment.

ABC mails “Do Not Sell” age sticker sheets for alcohol and tobacco to every licensee in Virginia free of charge. Sticker sheets contain multiple stickers to be placed near registers and serving areas, and are offered in sheets with alcohol only, tobacco only and combination sheets in English and Spanish. ABC distributed 81,918 “Do Not Sell” sticker sheets to on- and off-premise licensees in Fiscal Year 2008.

The agency also offered free “21 for alcohol” lapel pins to licensees and their employees. There were 1,211 pins requested and sent during the fiscal year.

Product Sales

At the close of Fiscal Year 2008, ABC carried 2,451 active items on its price list. The top 50 brands accounted for almost 60 percent of total sales (see table on facing page). The price list included 78 Virginia wines. There were 213 items de-listed from the regular price list during the fiscal year. De-listed items remain on the price list until all inventory has been depleted.

The Special Order Catalog contains an additional 260 items with a purchase of 3,693 cases, resulting in \$1,051,466 in revenue. There were 7,153 additional special order cases sold through individuals or licensees asking for nonstock items, resulting in revenue of \$1,099,321.

Together, 10,847 cases were sold for catalog and noncatalog special orders, with revenue totaling \$2,150,787.

Moving Product

Moving product in a cost-effective manner is paramount to ABC’s success. Average delivery cost to the stores was 73 cents per case for Fiscal Year 2008. Cases shipped this year totaled 3,649,677, an increase of 20,001 cases over the number of cases shipped in Fiscal Year 2007.

Public Information

Providing information to the media and to the public in Fiscal Year 2008, public relations specialists responded to 777 media inquiries and disseminated 44 news releases publicizing ABC programs, initiatives and activities. Of the 205 callers to the public-affairs line who requested information, 44 percent were Virginia citizens, 23 percent were out-of-state citizens and 16 percent were licensees.

Top 50 Brands Sold in Fiscal Year 2008, Based on Dollars

Rank		Brand	Gross Dollars		Change (%)	Actual Change
FY 08	FY 07		FY 08	FY 07		
		Statewide total	\$ 641,258,321	\$ 607,726,643	5.5	\$ 33,531,678
		Top 50	352,513,783	334,554,409	5.4	17,959,373
		All others	288,744,538	273,172,234	5.7	15,572,305
1	1	Jack Daniel's 7 Black Tennessee Whiskey	22,347,667	21,634,289	3.3	713,378
2	3	Grey Goose Vodka—Imported	18,840,490	17,441,858	8.0	1,398,632
3	2	Jim Beam Straight Bourbon	18,271,801	17,628,114	3.7	643,686
4	4	Crown Royal Canadian Whisky	17,963,627	15,815,848	13.6	2,147,779
5	5	Absolut Vodka—Imported	15,581,845	14,838,303	5.0	743,542
6	7	Bacardi Superior Rum—Domestic	14,355,566	13,790,554	4.1	565,011
7	6	Jagermeister Cordials—Imported	14,163,861	13,864,210	2.2	299,651
8	8	Jose Cuervo Especial Tequila—Gold	13,687,124	13,491,159	1.5	195,964
9	10	Aristocrat Vodka Domestic	13,291,224	12,728,517	4.4	562,707
10	11	Captain Morgan's Spiced Rum—Domestic	12,450,150	11,495,585	8.3	954,565
11	9	Hennessy VS Cognac\Armagnac	12,328,839	12,793,697	(3.6)	(464,858)
12	12	Seagram's Extra Dry Gin—Domestic	10,627,089	10,553,554	0.7	73,535
13	13	Smirnoff 80 Vodka—Domestic	9,555,372	8,930,529	7.0	624,843
14	19	Patron Silver Tequila—White	8,902,302	5,872,671	51.6	3,029,631
15	14	Bowman's Virginia Vodka—Domestic	8,158,822	8,246,783	(1.1)	(87,961)
16	15	Tanqueray Gin—Imported	7,076,284	7,055,737	0.3	20,547
17	17	Skyy Vodka—Domestic	6,811,705	6,612,120	3.0	199,586
18	16	Canadian Mist Whisky	6,557,040	6,750,516	(2.9)	(193,476)
19	20	Maker's Mark Straight Bourbon Whiskey	6,331,424	5,656,182	11.9	675,242
20	18	Grand Marnier Cordon Rouge Cordials—Imported	6,307,174	6,376,330	(1.1)	(69,156)
21	22	Dewar's White Label Scotch Whiskey	5,249,964	5,280,746	(0.6)	(30,782)
22	21	Paul Masson Grande Amber VS Brandy—Grape	5,218,784	5,634,964	(7.4)	(416,180)
23	23	Bailey's Original Irish Cream Cordials—Imported	5,205,849	5,144,840	1.2	61,008
24	24	Stolichnaya Vodka—Imported	5,159,694	5,076,872	1.6	82,821
25	25	Early Times Domestic Whiskey	4,840,171	4,805,906	0.7	34,265
26	29	Ketel One Vodka—Imported	4,821,027	4,357,698	10.6	463,329
27	27	E & J VS Brandy—Grape	4,809,215	4,557,199	5.5	252,017
28	26	Southern Comfort Cordials—Domestic	4,617,797	4,563,341	1.2	54,456
29	33	Burnett's Vodka—Domestic	4,377,852	3,847,130	13.8	530,722
30	28	Kahlua Coffee Cordials—Imported	4,253,143	4,398,798	(3.3)	(145,656)
31	30	Wild Turkey 101 Straight Bourbon	4,192,057	4,206,317	(0.3)	(14,260)
32	50	Pinnacle Vodka—Imported	4,172,136	1,118,976	272.9	3,053,160
33	31	Malibu Coconut Rum—Imported	4,167,940	3,923,038	6.2	244,903
34	34	Johnnie Walker Black Scotch Whiskey	4,115,744	3,787,595	8.7	328,149
35	32	Seagram's 7 Crown Blended Whiskey	3,915,640	3,858,982	1.5	56,658
36	36	Bombay Sapphire Gin—Imported	3,765,929	3,663,550	2.8	102,379
37	35	Bacardi Gold Rum—Domestic	3,717,271	3,715,954	0.0	1,318
38	38	Evan Williams Black Straight Bourbon	3,521,866	3,117,815	13.0	404,051
39	37	Courvoisier VS Cognac\Armagnac	3,326,860	3,422,993	(2.8)	(96,133)
40	39	Absolut Citron Vodka—Flavored	2,985,217	2,865,309	4.2	119,909
41	41	Aristocrat White Rum—Domestic	2,744,757	2,593,350	5.8	151,408
42	40	1800 Reposado Tequila—Gold	2,744,247	2,711,379	1.2	32,868
43	44	Jameson Irish Irish Whiskey	2,709,001	2,323,236	16.6	385,764
44	42	Henry McKenna Straight Bourbon	2,629,303	2,428,726	8.3	200,578
45	45	Evan Williams Green Straight Bourbon	2,346,960	2,141,235	9.6	205,725
46	46	Castillo White Rum—Domestic	2,056,296	1,918,669	7.2	137,627
47	43	Hpnotiq Liqueur Cordials—Imported	2,045,140	2,418,674	(15.4)	(373,533)
48	47	Montezuma Gold Tequila—Gold	1,858,074	1,889,109	(1.6)	(31,034)
49	48	Gordon's London Dry Gin—Domestic	1,818,255	1,780,625	2.1	37,630
50	49	Aristocrat Tequila—Gold	1,518,188	1,424,830	6.6	93,358

ABC invites its customers to look through the special order catalog, available on the Virginia ABC Web site.

Virginia Wines Sold in ABC Stores

Wine Name	Vineyard/Winery	Wine Name	Vineyard/Winery
AmRhein Allure Passion	AmRhein Wine Cellars	Ingleside Merlot	Ingleside Plantation Vineyard
AmRhein Sauvignon Blanc	AmRhein Wine Cellars	Ingleside Chardonnay	Ingleside Plantation Vineyard
Autumn Hill Cabernet Franc	Autumn Hill Vineyards	Ingleside Sweet Virginia Rose	Ingleside Plantation Vineyard
Autumn Hill Cabernet Sauvignon	Autumn Hill Vineyards	James River Chardonnay	James River Wine Cellars Inc.
Autumn Hill Chardonnay	Autumn Hill Vineyards	James River Hanover Red	James River Wine Cellars Inc.
Barboursville Brut	Barboursville Winery Inc.	Keswick Norton	Keswick Winery
Barboursville Cabernet Blanc	Barboursville Winery Inc.	Keswick Viognier	Keswick Winery
Barboursville Cabernet Sauvignon	Barboursville Winery Inc.	Lake Anna Spotsylvania Claret	Lake Anna Winery
Barboursville Chardonnay	Barboursville Winery Inc.	Lake Anna Totally White	Lake Anna Winery
Barboursville Chardonnay Riesling	Barboursville Winery Inc.	Lovingston Rotunda Red*	Lovingston Winery
Barboursville Merlot	Barboursville Winery Inc.	Lovingston Merlot*	Lovingston Winery
Barboursville Pinot Grigio	Barboursville Winery Inc.	Prince Michel Barrel Select Chardonnay	Prince Michel Vineyards
Barboursville Riesling	Barboursville Winery Inc.	Prince Michel Cabernet Franc	Prince Michel Vineyards
Barboursville Sauvignon Blanc	Barboursville Winery Inc.	Prince Michel Cabernet Sauvignon	Prince Michel Vineyards
Barboursville Vin Rose	Barboursville Winery Inc.	Prince Michel Chardonnay	Prince Michel Vineyards
Château Morrisette Blushing Dog	Château Morrisette Winery	Prince Michel Merlot	Prince Michel Vineyards
Château Morrisette Red Mt. Laurel	Château Morrisette Winery	Prince Michel Pinot Grigio	Prince Michel Vineyards
Château Morrisette Sweet Mt. Laurel	Château Morrisette Winery	Rapidan River Cabernet Sauvignon	Prince Michel Vineyards
Château Morrisette The Black Dog	Château Morrisette Winery	Rapidan River Chardonnay Unoaked	Prince Michel Vineyards
Château Morrisette Angel Chardonnay	Château Morrisette Winery	Rapidan River Merlot	Prince Michel Vineyards
Château Morrisette Our Dog Blue	Château Morrisette Winery	Rapidan River Riesling Dry	Prince Michel Vineyards
Chesapeake Blue Crab Blanc	Ingleside Plantation Vineyard	Rapidan River Rose	Prince Michel Vineyards
Chesapeake Blue Crab Blush	Ingleside Plantation Vineyard	Rapidan River Shiraz	Prince Michel Vineyards
Chesapeake Blue Crab Red	Ingleside Plantation Vineyard	Rapidan River Sweet Reserve Red	Prince Michel Vineyards
Chesapeake Cabernet Merlot	Ingleside Plantation Vineyard	Rapidan River Sweet Reserve Riesling	Prince Michel Vineyards
Chesapeake Chardonnay	Ingleside Plantation Vineyard	Rapidan River Riesling Semi-Dry	Prince Michel Vineyards
DelFosse 2005 Chardonnay Monticello	DelFosse Vineyards & Winery	Rebec Autumn Glow	Rebec Vineyards Inc.
DelFosse 2005 Deer Rock Farm	DelFosse Vineyards & Winery	Rebec Sweet Sofia	Rebec Vineyards Inc.
Horton Chateau Le Cabin Blackberry	Horton Vineyard	Rockbridge Lex	Rockbridge Vineyard Inc.
Horton Chateau Le Cabin Peach	Horton Vineyard	Valhalla Alicante Bouschet	Valhalla Vineyards
Horton Chateau Le Cabin Raspberry	Horton Vineyard	Valhalla Vestal Virgin	Valhalla Vineyards
Horton Eclipse Red	Horton Vineyard	Vino Curioso	Vino Curioso Wine Factory
Horton Eclipse White	Horton Vineyard	Williamsburg Two Shilling Red	Williamsburg Winery Ltd.
Horton Niagara White	Horton Vineyard	Williamsburg Cabernet Sauvignon	Williamsburg Winery Ltd.
Horton Norton	Horton Vineyard	Williamsburg Plantation Blush	Williamsburg Winery Ltd.
Horton Pear Port (500ml)	Horton Vineyard	Williamsburg Governor's White (1.5L)	Williamsburg Winery Ltd.
Horton Route 33 Red	Horton Vineyard	Williamsburg Governor's White	Williamsburg Winery Ltd.
Horton Vintage Port	Horton Vineyard	Williamsburg John Adlum Chardonnay	Williamsburg Winery Ltd.
Ingleside Cabernet Sauvignon	Ingleside Plantation Vineyard	Williamsburg Merlot	Williamsburg Winery Ltd.

NOTES:

* Special order catalog item

- (1) All bottles are 750ml unless otherwise noted.
- (2) List is current through September 2008 and represents the active price list. Close-out items are excluded.
- (3) Locations for vineyards/wineries are as follows: AmRhein Wine Cellars (Bent Mountain), Autumn Hill Vineyards (Stanardsville), Barboursville Winery Inc. (Barboursville), Château Morrisette Winery (Floyd), Ingleside Plantation Vineyard (Oak Grove), DelFosse Vineyards and Winery (Faber), Horton Vineyard (Gordonsville), James River Wine Cellars Inc. (Glen Allen), Keswick Winery (Keswick), Lake Anna Winery (Spotsylvania), Lovingston Winery (Lovingston), Prince Michel Vineyards (Leon), Rebec Vineyards Inc. (Amherst), Rockbridge Vineyard Inc. (Raphine), Valhalla Vineyards (Roanoke), Vino Curioso Wine Factory (Winchester), and Williamsburg Winery Ltd. (Williamsburg)



VIRGINIA WINE

INITIATIVES 2008

MILITARY OUTREACH

Virginia ABC joined forces with the U.S. Army and Navy to communicate an important message to soldiers on Virginia bases: "Don't let alcohol stand in the way of your future."

Army Strong – Abiding by Virginia's Alcohol Laws, a customized fact sheet outlining Virginia's alcohol laws and penalties, was developed by Virginia ABC and approved by the Army Substance Abuse Program (ASAP) in Fort Eustis, Va. for distribution to soldiers and sailors at the Fort Eustis and Fort Story army bases.

"Abiding by Virginia's alcohol laws is important as you build your career with the Army. Knowledge of the laws and related penalties is a first step in keeping your record clean," is its leading statement.

In an effort to further educate soldiers on the stringent consequences of drinking and driving, five thousand of ABC's *Just the Facts: Drinking and Driving* brochures were distributed to the Fort Story and Fort Eustis army bases and another five thousand to the Naval Station Norfolk.

Identified as an at-risk population by the U.S. Navy, junior sailors and soldiers are a target audience for this program. Virginia ABC remains committed to expanding this educational initiative through its partnership with the U.S. military in Virginia.

(This page) Soldiers bow their heads during the invocation at a deployment ceremony. Photo by Lyna Tucker, courtesy of The Wheel.



CONTROL ♦ SERVICE ♦ REVENUE



LEGISLATIVE SYNOPSIS

From laws dealing with sangria and beer pops to expanded Sunday sales at ABC stores, the 2008 session of Virginia's General Assembly was once again active in addressing alcoholic beverage issues. Forty-two alcohol-related bills or resolutions were introduced in this year's legislative session, with 16 receiving the approval of both houses and the Governor.

A successful agency priority was **House Bill 1117**, which provides ABC Bureau of Law Enforcement with a significant new tool to combat gang activity in the Commonwealth. This bill allows ABC to revoke a license if the licensee has knowingly allowed the premises to become a meeting place or rendezvous for members of a criminal street gang. The bill was a product of Governor Kaine's Interagency Anti-Gang Task Force (see bottom photo, page 18).

Two enactments dealt with issues involving sangria and beer pops. Sangria is a traditional Spanish drink made by infusing wine with fruit. During 2007, it came to light that some Northern Virginia restaurants were making sangria with recipes that included the addition of distilled spirits, usually brandy, to the mix. This violated state law which prohibited the sale of wine to which spirits had been added. At about the same time, another Northern Virginia restaurant decided to offer its patrons frozen confections made by freezing beer, as a summer treat. This ran afoul of statutes requiring beer to be sold in or from its original container. **Senate Bill 635** and **House Bill 1075** contained identical provisions to deal with the "beer pops" situation, providing an exception to the original container requirement for frozen drinks and clarifying the law on the preparation of food items containing alcohol. House Bill 1075 also dealt with the sangria issue, defining sangria and specifically allowing its preparation using distilled spirits.

House Bill 1075 was something of a "catch-all" alcoholic beverage bill, containing several wide-ranging provisions affecting ABC licensees. In addition to the sangria and food item provisions, the bill requires ABC to promulgate regulations providing for alternative methods of record-keeping for licensees, to include off-site and electronic means, and for reduced penalties for some violations, when the licensee can show that it has provided Board-certified seller-server training for its employees.

In 2004, the General Assembly passed legislation allowing ABC stores to operate on Sundays in Northern Virginia and any locality with a population of 200,000 or more (Norfolk and Virginia Beach). **House Bill 908** allows for ABC store Sunday sales in any city with a population of 100,000 or more. This change adds Portsmouth, Hampton, Newport News, Richmond and Chesapeake to the list of localities eligible for Sunday sales.

In 2007, a federal court found fault with various sections of the *Code of Virginia* dealing with lewd, disorderly and noisy conduct at licensed establishments, as well as prohibitions on nudity in mixed beverage establishments. ABC was enjoined from enforcing these laws primarily because certain language was vague and there was no exception for establishments devoted primarily to the



Chief Operating Officer W. Curtis Coleburn

(Facing page) Fruit soaked in red wine and distilled spirits to make sangria. Legislation in 2008 allowed the preparation and sale of sangria in restaurants using distilled spirits.

"Forty-two alcohol-related bills or resolutions were introduced in this year's legislative session, with 16 receiving the approval of both houses and the Governor."



arts or theatrical performances expressing matters of serious literary, artistic, scientific or political expression. **House Bill 1171** addresses these issues, and the injunction has since been lifted by the Fourth Circuit Court of Appeals.

Two bills impact gourmet-shop licensees. **House Bill 694** allows farm wineries, wineries and breweries to participate in tastings held by gourmet-shop licensees, including the pouring of samples to any person to whom alcoholic beverages may be lawfully sold. The prior law only allowed wholesalers to participate in such tastings. This restores to farm wineries rights lost in a 2005 Fourth Circuit Court ruling which took away their wholesale privileges. **House Bill 1239** revises the food inventory and sales requirements for gourmet shops. It requires gourmet shops to maintain an average monthly inventory and sales volume of at least \$1,000 in cheeses and gourmet food. The prior requirement was \$2,000.

Senate Bill 669 was good news for ABC's Bureau of Law Enforcement. Several years ago, the FBI restricted access to the national criminal history database for licensing purposes to fingerprint-based checks. Since that time, ABC has been limited to Virginia-only criminal background checks. Many applicants are not natives of Virginia, so a state check is of limited value. Homeland Security officials advise that many of those on terrorist watch lists are involved in alcohol-related businesses. This bill meets FBI requirements to allow ABC agents to check the national criminal database when conducting background checks on prospective licensees (see top photo, facing page).

House Bill 1132 adds the City of Roanoke to those jurisdictions where wine and beer licenses may be issued to persons operating food concessions at outdoor performing arts amphitheaters. The bill allows for the licensing at facilities having seating for at least 3,500 people. Such license shall authorize the licensee to sell wine and beer during the performance of any event, in paper, plastic or similar disposable containers to patrons within all seating areas, concourses, walkways, concession areas, or similar facilities, for on-premises consumption. Upon authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license.

House Bill 548 allows the holder of a limited mixed beverage restaurant license to sell and serve dessert wine, in addition to the limited number of liqueurs they are currently allowed to sell and serve. ABC will promulgate an emergency regulation defining dessert wine for the purposes of this provision.

House Bill 1562 allows ABC to issue a permit to a bona fide purchaser of a licensed premises, to allow the purchaser to temporarily continue to operate under the former owner's license, under certain conditions. The purchaser must have applied for a license at the location and obtain the consent of the current licensee.

Farm wineries will be allowed more winery-to-winery transfers of wine under the provisions of **House Bill 1399**. This bill removes the previous requirement that such transfers generally be between wineries under common ownership. The bill also amends the definition of "farm" in the farm winery laws to allow non-contiguous lands owned or leased by a farm winery licensee to be considered part of the same farm for purposes of the act. Previously this only applied to cooperatives holding a farm winery license.



Senate Bill 669 gives ABC agents access to the national criminal database containing fingerprints.

(Facing page, top) Gov. Timothy M. Kaine signs Senate Bill 669 into law with Chair Pamela O'Berry Evans (seated left), bill sponsor State Senator Creigh Deeds (seated, right) and (standing, left to right) Special Agents Tony Jimenez, Carter Wells, Marc Haalman, Matt Halphen, Lisa Wright and Allen Slonaker in attendance. The new legislation gives ABC agents access to the national criminal database containing fingerprints.

(Facing page, bottom) Delegate Paula Miller, sponsor of House Bill 1117, is seated (left to right) with U.S. Congressman Robert C. "Bobby" Scott, Gov. Timothy M. Kaine and Secretary of Public Safety John W. Marshall, as Governor Kaine prepares to sign the bill into law. The new legislation makes it an ABC violation for licensees to allow their businesses to become meeting places for members of criminal street gangs. As a member of the Governor's Interagency Anti-Gang Task Force, Chair Pamela O'Berry Evans was key to development of this bill.



FINANCIAL REPORTS

A Message from the Chair and Chief Operating and Financial Officers

We are pleased to present the Fiscal Year 2008 Annual Report for the Virginia Department of Alcoholic Beverage Control (ABC). These facts and figures represent a tenth record-breaking year for retail sales by our agency.

Also in Fiscal Year 2008, ABC operations returned record profits to the Commonwealth of Virginia. The agency has contributed over one billion dollars to the Commonwealth in the last five years.

In addition to Sunday sales, beginning in 2004, additional revenue was generated in Fiscal Year 2008 by the opening of five new stores, along with an increase in markup effective February 1, 2008.

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

To the best of our knowledge, these figures accurately represent the operations of our agency during the fiscal year. The financial statements of the agency are audited annually by the Auditor of Public Accounts as required by the *Code of Virginia*.



Chair Pamela O'Berry Evans (center), with Chief Financial Officer J. Craig Vanderland (left) and Chief Operating Officer W. Curtis Coleburn (right)

(Facing page) One element of the ABC mission is to provide excellent customer service by highly trained and knowledgeable employees. Store associate Sharon O'Toole (left) helps a customer purchase a gift at Store 103 in Thornburg.

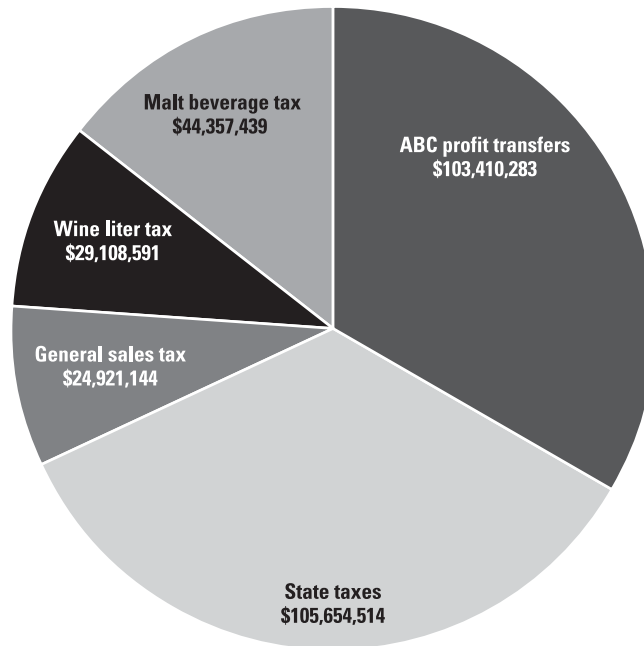
“We stand behind these figures with pride in the accomplishments made possible by the hard working and dedicated employees of ABC.”

Financial Results in Brief, Fiscal Year 2008 (Pre-Audit)

Revenue Source	FY 08
ABC profit transfers (1)	\$103,410,283
State taxes (2)	105,654,514
General sales tax (3)	24,921,144
Wine liter tax (4)	29,108,591
Malt beverage tax (5)	44,357,439
Total	\$307,451,971

NOTES:

- (1) Source: "Statement of Revenues, Expenses and Changes in Net Assets" (p. 53). Profits are reported in accordance with generally accepted accounting principles. Profits include licensing fees and ABC's portion of the wine liter tax. \$4,150,000 of the ABC Profit is transferred to the localities.
- (2) Source: "Notes to Financial Statements 4.B. Receipts" (p. 56). State tax on distilled spirits = 20 percent. State tax on wine sold in ABC stores = 4 percent.
- (3) Source: "Notes to Financial Statements 4.C. Collections" (p. 57). General sales tax rate is 5 percent.
- (4) Source: "Notes to Financial Statements 4.B. Receipts" (p. 56). The non-ABC portion of the wine liter tax = \$.40 per liter. \$4,350,000 of the wine liter tax is transferred to localities. \$9,866,363 of the wine liter tax is transferred to the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services.
- (5) Source: "Notes to Financial Statements 9. Collected" (p. 58).



This pie chart represents the Financial Results in Brief, Fiscal Year 2008, showing the relative proportion of each revenue stream in the agency.

Sales of All Beverages, Fiscal Year 2008 (Pre-Audit)

State Store Sales

Product	Gallons (1)	Liters	Percentage of Total Gallons	Gross Dollars	Percentage of Gross Sales
Distilled spirits	8,913,151	33,739,931	95.6%	\$634,158,462	98.9%
Virginia wine	26,870	101,713	0.3%	\$1,396,407	0.2%
Vermouth	39,434	149,274	0.4%	\$1,350,053	0.2%
Miscellaneous mixers	3,904	14,780	0.0%	\$82,456	0.0%
Alcohol	121	459	0.0%	\$9,388	0.0%
Nonalcoholic mixers	340,030	1,287,153	3.6%	\$4,209,831	0.7%
Total	9,323,510	35,293,310	100.0%	\$641,206,597	100.0%

Direct Sales from Wholesalers

Product	Gallons (1)	Liters	Percentage of Total Gallons	Gross Tax	Percentage of Gross Tax
Wines (\$0.40 liter) (2)	20,280,871	76,771,410	11.5%	\$29,108,591	39.6%
Beer (\$7.95 barrel) (3)	156,254,555	591,487,555	88.5%	\$44,357,439	60.4%
Total	176,535,426	668,258,965	100.0%	\$73,466,030	100.0%

NOTES:

- (1) Excludes miscellaneous records, nonbeverage and confiscated items.
- (2) Gross liter tax for wines after 12 percent allocated to ABC revenue
- (3) Malt beverage gallons are estimated. Gross tax is taken from the malt beverage tax listed in "Financial Results in Brief, Fiscal Year 2008" (p. 22).
- Source: Policy Analysis and Support Services (PASS)

Comparison of Products Sold / Market Share, Fiscal Year 2008 vs. Fiscal Year 2007

Products	Cases Sold		Market Share (%)		Change (%)
	FY 08	FY 07	FY 08	FY 07	
Vodka	1,033,044	966,393	28.0	26.8	6.9%
Domestic	625,268	611,207	16.9	16.9	2.3%
Imported	270,893	236,843	7.3	6.6	14.4%
Flavored	136,882	118,343	3.7	3.3	15.7%
Rum	401,562	397,826	10.9	11.0	0.9%
Domestic	347,137	345,427	9.4	9.6	0.5%
Imported	54,425	52,398	1.5	1.5	3.9%
Cordials	381,258	383,833	10.3	10.6	(0.7%)
Imported	215,497	215,448	5.8	6.0	0.0%
Domestic	165,761	168,385	4.5	4.7	(1.6%)
Straight bourbon whiskey	362,398	354,298	9.8	9.8	2.3%
Gin	255,925	255,097	6.9	7.1	0.3%
Domestic	187,319	188,317	5.1	5.2	(0.5%)
Imported	57,531	56,327	1.6	1.6	2.1%
Flavored	10,153	9,519	0.3	0.3	6.7%
Sloe	922	934	0.0	0.0	(1.3%)
Tequila	174,118	167,567	4.7	4.6	3.9%
Canadian whisky	172,532	172,181	4.7	4.8	0.2%
Brandy	145,749	151,642	3.9	4.2	(3.9%)
Grape	125,822	130,912	3.4	3.6	(3.9%)
Imported	9,424	9,813	0.3	0.3	(4.0%)
Blackberry	3,145	2,710	0.1	0.1	16.0%
Apricot	2,457	2,514	0.1	0.1	(2.3%)
Peach	2,338	2,440	0.1	0.1	(4.2%)
Apple	1,042	1,082	0.0	0.0	(3.7%)
Flavored	852	995	0.0	0.0	(14.4%)
Cherry	668	1,176	0.0	0.0	(43.2%)
Scotch whiskey	139,768	144,002	3.8	4.0	(2.9%)
Tennessee whiskey	97,448	97,602	2.6	2.7	(0.2%)
Cognac \ Armagnac	81,258	77,455	2.2	2.1	4.9%
Cocktails	79,238	79,443	2.1	2.2	(0.3%)
Domestic	72,871	71,368	2.0	2.0	2.1%
Imported	6,367	8,075	0.2	0.2	(21.2%)
Blended whiskey	75,380	76,573	2.0	2.1	(1.6%)
Specialty bottles	59,873	64,251	1.6	1.8	(6.8%)
Imported	48,719	49,970	1.3	1.4	(2.5%)
Domestic	11,154	14,280	0.3	0.4	(21.9%)
Domestic whiskey	37,726	40,279	1.0	1.1	(6.3%)
Irish whiskey	15,094	14,030	0.4	0.4	7.6%
Egg nog	12,538	10,970	0.3	0.3	14.3%
Corn whiskey	4,155	3,212	0.1	0.1	29.4%
Bottled in bond	1,950	1,581	0.1	0.0	23.3%
Miscellaneous mixers	1,482	1,401	0.0	0.0	5.8%
Rock & rye	1,375	1,341	0.0	0.0	2.5%
Straight rye whiskey	1,001	695	0.0	0.0	43.9%
Alcohol	49	52	0.0	0.0	(6.1%)
Vermouth	16,134	16,765	0.4	0.5	(3.8%)
Imported	9,045	9,936	0.2	0.3	(9.0%)
Domestic	7,089	6,828	0.2	0.2	3.8%
Virginia wine	11,344	5,561	0.3	0.2	104.0%
Nonalcoholic mixers	116,113	111,552	3.1	3.1	4.1%
Nonbeverage item	11,572	10,847	0.3	0.3	6.7%
Statewide totals*	3,690,648	3,606,462	100.0	100.0	2.3%

NOTES:

* Excludes miscellaneous records and confiscated items.

Source: Wholesale/Retail Operations

Distribution of Profits and Wine Taxes to Cities, Fiscal Year 2008

Cities	Total Profits	Wine Tax
Alexandria	\$ 75,204.43	\$ 78,828.74
Bedford	3,692.72	3,870.68
Bristol	10,181.20	10,671.86
Buena Vista	3,722.03	3,901.40
Charlottesville	23,507.58	24,640.47
Chesapeake	116,769.33	122,396.77
Colonial Heights	9,905.67	10,383.05
Covington	3,695.06	3,873.14
Danville	28,380.39	29,748.12
Emporia	3,321.04	3,481.09
Fairfax	12,602.96	13,210.33
Falls Church	6,083.40	6,376.57
Franklin	4,892.75	5,128.54
Fredericksburg	11,302.09	11,846.77
Galax	4,008.11	4,201.27
Hampton	85,847.01	89,984.21
Harrisonburg	23,715.11	24,858.00
Hopewell	13,059.64	13,689.02
Lexington	4,025.70	4,219.71
Lynchburg	38,263.20	40,107.21
Manassas	20,597.49	21,590.14
Manassas Park	6,032.39	6,323.11
Martinsville	9,037.45	9,472.99
Newport News	105,931.54	111,036.67
Norfolk	137,416.06	144,038.53
Norton	2,288.68	2,398.97
Petersburg	19,779.69	20,732.93
Poquoson	6,780.43	7,107.20
Portsmouth	58,955.07	61,796.28
Radford	9,297.16	9,745.21
Richmond	115,952.11	121,540.17
Roanoke	55,640.48	58,321.95
Salem	14,507.64	15,206.81
Staunton	13,983.55	14,657.45
Suffolk	37,329.91	39,128.94
Virginia Beach	249,302.03	261,316.59
Waynesboro	11,443.38	11,994.86
Williamsburg	7,033.69	7,372.66
Winchester	13,826.44	14,492.77
Total	\$ 1,377,314.61	\$ 1,443,691.18

Distribution of Profits and Wine Taxes to Counties and Towns, Fiscal Year 2008

Counties	Total Profits	Wine Tax
Accomack	\$ 16,025.42	\$ 16,797.73
Accomac	320.67	336.13
Belle Haven	281.39	294.96
Bloxom	236.25	247.64
Chincoteague	2,530.79	2,652.76
Hallwood	170.01	178.20
Keller	101.42	106.31
Melfa	263.81	276.52
Onancock	894.01	937.10
Onley	290.77	304.79
Painter	144.21	151.16
Parksley	490.68	514.33
Saxis	197.56	207.08
Tangier	405.09	424.61
Wachapreague	138.35	145.02
Subtotal	22,490.43	23,574.34
Albemarle	49,042.37	51,405.86
Scottsville	325.36	341.04
Subtotal	49,367.73	51,746.90
Alleghany	7,340.88	7,694.66
Clifton Forge	2,514.38	2,635.55
Iron Gate	236.84	248.25
Subtotal	10,092.10	10,578.46
Amelia	6,683.12	7,005.20
Subtotal	6,683.12	7,005.20
Amherst	17,377.87	18,215.36
Amherst	1,319.62	1,383.22
Subtotal	18,697.49	19,598.58
Appomattox	6,889.47	7,221.50
Appomattox	1,032.37	1,082.12
Pamplin City	116.66	122.28
Subtotal	8,038.50	8,425.90
Arlington	111,064.64	116,417.16
Subtotal	111,064.64	116,417.16
Augusta	37,889.77	39,715.78
Craigsville	573.93	601.59
Subtotal	38,463.70	40,317.37
Bath	2,959.33	3,101.95
Subtotal	2,959.33	3,101.95
Bedford	35,391.80	37,097.43
Subtotal	35,391.80	37,097.43
Bland	4,028.04	4,222.17
Subtotal	4,028.04	4,222.17
Botetourt	16,691.38	17,495.79
Buchanan	722.83	757.67
Fincastle	210.46	220.60
Troutville	253.26	265.46
Subtotal	17,877.93	18,739.52
Brunswick	9,711.63	10,179.66
Alberta	179.39	188.03
Brodnax	185.84	194.79
Lawrenceville	747.45	783.48
Subtotal	10,824.31	11,345.96
Buchanan	15,167.75	15,898.72
Grundy	647.79	679.01
Subtotal	15,815.54	16,577.73
Buckingham	8,896.76	9,325.51
Dillwyn	262.05	274.68
Subtotal	9,158.81	9,600.19
Campbell	27,197.95	28,508.69
Altavista	2,007.87	2,104.63
Brookneal	738.07	773.64
Subtotal	29,943.89	31,386.96

Distribution of Profits and Wine Taxes to Counties and Towns, Fiscal Year 2008 (cont.)

Counties	Total Profits	Wine Tax
Caroline	\$ 12,319.80	\$ 12,913.53
Bowling Green	548.72	575.16
Port Royal	99.66	104.46
Subtotal	12,968.18	13,593.15
Carroll	15,474.35	16,220.10
Hillsville	1,670.19	1,750.68
Subtotal	17,144.54	17,970.78
Charles City	4,060.29	4,255.96
Subtotal	4,060.29	4,255.96
Charlotte	6,147.88	6,444.17
Charlotte Court House	271.43	284.51
Drakes Branch	295.46	309.70
Keysville	478.96	502.04
Phenix	117.25	122.90
Subtotal	7,310.98	7,663.32
Chesterfield	152,365.14	159,708.05
Subtotal	152,365.14	159,708.05
Clarke	5,425.05	5,686.50
Berryville	1,742.30	1,826.27
Boyce	249.74	261.77
Subtotal	7,417.09	7,774.54
Craig	2,879.60	3,018.38
New Castle	104.94	109.99
Subtotal	2,984.54	3,128.37
Culpeper	14,420.29	15,115.25
Culpeper	5,665.41	5,938.44
Subtotal	20,085.70	21,053.69
Cumberland	5,006.48	5,247.75
Subtotal	5,006.48	5,247.75
Dickenson	8,345.69	8,747.89
Clinchco	248.57	260.54
Clintwood	908.08	951.85
Haysi	109.04	114.30
Subtotal	9,611.38	10,074.58
Dinwiddie	14,099.62	14,779.12
McKenney	282.57	296.18
Subtotal	14,382.19	15,075.30
Essex	4,602.56	4,824.37
Tappahannock	1,253.38	1,313.78
Subtotal	5,855.94	6,138.15
Fairfax	547,227.85	573,600.28
Clifton	108.45	113.68
Herndon	12,694.99	13,306.80
Vienna	8,472.91	8,881.24
Subtotal	568,504.20	595,902.00
Fauquier	27,892.64	29,236.87
Remington	365.81	383.44
The Plains	155.94	163.45
Warrenton	3,910.21	4,098.65
Subtotal	32,324.60	33,882.41
Floyd	7,880.22	8,259.99
Floyd	253.26	265.46
Subtotal	8,133.48	8,525.45
Fluvanna	11,708.94	12,273.23
Columbia	28.73	30.11
Subtotal	11,737.67	12,303.34
Franklin	25,170.15	26,383.17
Boones Mill	167.08	175.13
Rocky Mount	2,383.65	2,498.52
Subtotal	27,720.88	29,056.82
Frederick	33,343.49	34,950.40
Middletown	595.03	623.71
Stephens City	772.08	809.28
Subtotal	34,710.60	36,383.39

Distribution of Profits and Wine Taxes to Counties and Towns, Fiscal Year 2008 (cont.)

Counties	Total Profits	Wine Tax
Giles	\$ 5,784.42	\$ 6,063.18
Glen Lyn	88.52	92.79
Narrows	1,237.55	1,297.19
Pearisburg	1,599.84	1,676.95
Pembroke	664.79	696.83
Rich Creek	389.85	408.64
Subtotal	9,764.97	10,235.58
Gloucester	20,389.38	21,372.00
Subtotal	20,389.38	21,372.00
Goochland	9,885.74	10,362.16
Subtotal	9,885.74	10,362.16
Grayson	8,853.37	9,280.04
Fries	359.95	377.30
Independence	569.24	596.67
Troutdale	113.73	119.21
Subtotal	9,896.29	10,373.22
Greene	8,657.57	9,074.80
Stanardsville	279.05	292.50
Subtotal	8,936.62	9,367.30
Greensville	6,531.87	6,846.66
Subtotal	6,531.87	6,846.66
Halifax	15,919.89	16,687.12
Halifax	814.29	853.53
Scottsburg	90.87	95.25
South Boston	4,977.75	5,217.64
Virgilina	93.21	97.70
Subtotal	21,896.01	22,951.24
Hanover	46,723.79	48,975.54
Ashland	3,880.31	4,067.32
Subtotal	50,604.10	53,042.86
Henrico	153,770.36	161,180.98
Subtotal	153,770.36	161,180.98
Henry	33,477.15	35,090.51
Ridgeway	483.65	506.96
Subtotal	33,960.80	35,597.47
Highland	1,394.08	1,461.26
Monterey	92.63	97.09
Subtotal	1,486.71	1,558.35
Isle of Wight	12,344.42	12,939.34
Smithfield	3,707.37	3,886.04
Windsor	1,375.90	1,442.21
Subtotal	17,427.69	18,267.59
James City	28,199.24	29,558.24
Subtotal	28,199.24	29,558.24
King and Queen	3,886.76	4,074.08
Subtotal	3,886.76	4,074.08
King George	9,850.57	10,325.29
Subtotal	9,850.57	10,325.29
King William	6,026.53	6,316.97
West Point	1,680.16	1,761.13
Subtotal	7,706.69	8,078.10
Lancaster	5,475.47	5,739.35
Irvington	394.54	413.55
Kilmarnock	729.28	764.43
White Stone	209.87	219.99
Subtotal	6,809.16	7,137.32
Lee	12,108.17	12,691.70
Jonesville	583.31	611.42
Pennington Gap	1,044.09	1,094.41
Saint Charles	93.21	97.70
Subtotal	13,828.78	14,495.23
Loudoun	79,159.78	82,974.72
Hamilton	329.47	345.34
Hillsboro	56.28	58.99

(continued)

Distribution of Profits and Wine Taxes to Counties and Towns, Fiscal Year 2008 (cont.)

Counties	Total Profits	Wine Tax
Leesburg	\$ 16,597.00	\$ 17,396.85
Lovettsville	500.06	524.16
Middleburg	370.50	388.36
Purcellville	2,101.08	2,202.34
Round Hill	311.29	326.29
Subtotal	99,425.46	104,217.05
Louisa	13,947.20	14,619.35
Louisa	821.32	860.90
Mineral	248.57	260.54
Subtotal	15,017.09	15,740.79
Lunenburg	5,830.73	6,111.73
Kenbridge	808.42	847.38
Victoria	1,067.54	1,118.99
Subtotal	7,706.69	8,078.10
Madison	7,216.60	7,564.38
Madison	123.11	129.04
Subtotal	7,339.71	7,693.42
Mathews	5,397.50	5,657.62
Subtotal	5,397.50	5,657.62
Mecklenburg	13,513.38	14,164.63
Boydton	279.64	293.11
Chase City	1,440.39	1,509.80
Clarksville	779.11	816.66
LaCrosse	362.30	379.76
South Hill	2,581.21	2,705.60
Subtotal	18,956.03	19,869.56
Middlesex	5,504.19	5,769.46
Urbanna	318.33	333.67
Subtotal	5,822.52	6,103.13
Montgomery	15,891.17	16,657.01
Blacksburg	23,200.39	24,318.48
Christiansburg	9,934.98	10,413.78
Subtotal	49,026.54	51,389.27
Nelson	8,468.22	8,876.32
Subtotal	8,468.22	8,876.32
New Kent	7,891.94	8,272.28
Subtotal	7,891.94	8,272.28
Northampton	5,563.40	5,831.52
Cape Charles	664.79	696.83
Cheriton	292.53	306.63
Eastville	119.01	124.74
Exmore	665.97	698.06
Nassawadox	335.33	351.49
Subtotal	7,641.03	8,009.27
Northumberland	7,158.56	7,503.55
Subtotal	7,158.56	7,503.55
Nottoway	5,383.43	5,642.87
Blackstone	2,154.43	2,258.25
Burkeville	286.67	300.49
Crewe	1,394.08	1,461.26
Subtotal	9,218.61	9,662.87
Orange	11,883.64	12,456.35
Gordonsville	878.19	920.51
Orange	2,417.06	2,533.55
Subtotal	15,178.89	15,910.41
Page	8,585.46	8,999.22
Luray	2,855.57	2,993.19
Shenandoah	1,368.87	1,434.84
Stanley	777.35	814.82
Subtotal	13,587.25	14,242.07
Patrick	10,813.76	11,334.90
Stuart	563.38	590.53
Subtotal	11,377.14	11,925.43
Pittsylvania	33,927.97	35,563.05
Chatham	784.39	822.19

Distribution of Profits and Wine Taxes to Counties and Towns, Fiscal Year 2008 (cont.)

Counties	Total Profits	Wine Tax
Gretna	\$ 736.90	\$ 772.42
Hurt	748.04	784.09
Subtotal	36,197.30	37,941.75
Powhatan	13,118.26	13,750.46
Subtotal	13,118.26	13,750.46
Prince Edward	7,823.35	8,200.38
Farmville	4,012.80	4,206.19
Subtotal	11,836.15	12,406.57
Prince George	19,418.56	20,354.40
Subtotal	19,418.56	20,354.40
Prince William	160,439.99	168,172.04
Dumfries	2,894.26	3,033.74
Haymarket	515.30	540.14
Occoquan	444.96	466.40
Quantico	328.88	344.73
Subtotal	164,623.39	172,557.05
Pulaski	13,698.05	14,358.20
Dublin	1,341.31	1,405.96
Pulaski	5,553.44	5,821.07
Subtotal	20,592.80	21,585.23
Rappahannock	3,986.42	4,178.54
Washington	107.28	112.45
Subtotal	4,093.70	4,290.99
Richmond	4,358.10	4,568.13
Warsaw	806.08	844.93
Subtotal	5,164.18	5,413.06
Roanoke	45,724.26	47,927.84
Vinton	4,562.11	4,781.97
Subtotal	50,286.37	52,709.81
Rockbridge	11,347.23	11,894.09
Glasgow	613.21	642.76
Goshen	238.01	249.48
Subtotal	12,198.45	12,786.33
Rockingham	30,914.11	32,403.95
Bridgewater	3,050.20	3,197.20
Broadway	1,323.14	1,386.91
Dayton	787.90	825.88
Elkton	1,197.10	1,254.79
Grottoes	1,239.31	1,299.03
Mount Crawford	167.66	175.74
Timberville	1,019.47	1,068.60
Subtotal	39,698.89	41,612.10
Russell	14,466.02	15,163.18
Castlewood	0.00	0.00
Cleveland	86.76	90.94
Honaker	554.00	580.69
Lebanon	1,918.76	2,011.23
Subtotal	17,025.54	17,846.04
Scott	11,142.64	11,679.63
Clinchport	45.14	47.32
Duffield	36.35	38.10
Dungannon	185.84	194.79
Gate City	1,265.69	1,326.69
Nickelsville	262.63	275.29
Weber City	781.46	819.12
Subtotal	13,719.75	14,380.94
Shenandoah	13,233.16	13,870.90
Edinburg	476.61	499.58
Mount Jackson	975.50	1,022.51
New Market	1,015.37	1,064.30
Strasburg	2,365.47	2,479.47
Toms Brook	149.49	156.70
Woodstock	2,346.71	2,459.81
Subtotal	20,562.31	21,553.27

Distribution of Profits and Wine Taxes to Counties and Towns, Fiscal Year 2008 (cont.)

Counties	Total Profits	Wine Tax
Smyth	\$ 13,463.55	\$ 14,112.40
Chilhowie	1,071.06	1,122.67
Marion	3,722.03	3,901.40
Saltville	1,292.07	1,354.34
Subtotal	19,548.71	20,490.81
Southampton	8,610.67	9,025.64
Boykins	363.47	380.98
Branchville	72.11	75.58
Capron	101.42	106.31
Courtland	744.52	780.40
Ivor	187.60	196.64
Newsoms	168.84	176.97
Subtotal	10,248.63	10,742.52
Spotsylvania	52,993.03	55,546.91
Subtotal	52,993.03	55,546.91
Stafford	54,195.40	56,807.23
Subtotal	54,195.40	56,807.23
Surry	3,474.64	3,642.09
Claremont	201.08	210.77
Dendron	174.11	182.50
Surry	153.59	161.00
Subtotal	4,003.42	4,196.36
Sussex	5,149.52	5,397.69
Jarratt	345.29	361.94
Stony Creek	118.42	124.13
Wakefield	608.52	637.84
Waverly	1,353.62	1,418.86
Subtotal	7,575.37	7,940.46
Tazewell	16,370.71	17,159.66
Bluefield	3,108.24	3,258.03
Ceder Bluff	636.07	666.72
Pocahontas	258.53	270.99
Richlands	3,305.80	3,465.11
Tazewell	2,465.72	2,584.55
Subtotal	26,145.07	27,405.06
Warren	10,549.36	11,057.76
Front Royal	7,966.39	8,350.32
Subtotal	18,515.75	19,408.08
Washington	23,861.67	25,011.63
Abingdon	4,560.94	4,780.74
Damascus	575.10	602.82
Glade Spring	805.49	844.31
Subtotal	29,803.20	31,239.50
Westmoreland	7,723.69	8,095.92
Colonial Beach	1,892.38	1,983.58
Montross	184.67	193.56
Subtotal	9,800.74	10,273.06
Wise	16,027.76	16,800.18
Appalachia	1,078.09	1,130.05
Big Stone Gap	3,462.32	3,629.18
Coeburn	1,170.13	1,226.52
Pound	638.41	669.18
Saint Paul	586.24	614.49
Wise	1,908.21	2,000.17
Subtotal	24,871.16	26,069.77
Wythe	10,813.17	11,334.29
Rural Retreat	791.42	829.56
Wytheville	4,575.01	4,795.49
Subtotal	16,179.60	16,959.34
York	33,003.47	34,594.00
Yorktown	0.00	0.00
Subtotal	33,003.47	34,594.00
Total	\$ 2,772,685.36	\$ 2,906,308.78



VIRGINIA ABC

OVER \$1.25 BILLION FROM ABC TO VIRGINIA IN THE LAST FIVE YEARS

Analysis of Store Performance, Fiscal Year 2008

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
Statewide Total		9,322,365	\$641,189,067	\$105,754,882	\$535,434,186
137 692 Hwy. 58, E	Norton City	20,365	\$1,318,115	\$217,724	\$1,100,391
194 16427-E Wise St.	Wise Co.	8,135	\$499,763	\$82,879	\$416,884
206 18 East 4th St., N	Wise Co.	11,467	\$668,565	\$110,783	\$557,782
218 Main St., Rt. 23, S	Scott Co.	8,897	\$487,233	\$80,534	\$406,699
Far Southwest		48,865	\$2,973,675	\$491,920	\$2,481,755
87 4027 College Ave.	Tazewell Co.	14,435	\$952,744	\$157,481	\$795,263
174 One Plaza Dr.	Buchanan Co.	8,464	\$546,213	\$90,378	\$455,835
197 12686 Gov. G. C. Perry Hwy.	Tazewell Co.	17,741	\$1,058,922	\$174,563	\$884,359
230 722 East Riverside	Tazewell Co.	8,519	\$518,768	\$85,712	\$433,056
365 Food City Shp. Ctr.	Dickenson Co.	6,742	\$411,564	\$68,130	\$343,434
Southwest		55,900	\$3,488,210	\$576,263	\$2,911,947
58 3002 Lee Hwy.	Bristol City	25,043	\$1,680,824	\$277,508	\$1,403,316
96 974 East Stuart Dr.	Galax City	20,932	\$1,170,318	\$192,671	\$977,647
135 1173 North Main St.	Smyth Co.	23,798	\$1,361,512	\$225,086	\$1,136,426
141 441 West Stuart Dr.	Carroll Co.	15,305	\$824,468	\$135,197	\$689,270
153 325 West Main St.	Wythe Co.	23,601	\$1,451,435	\$238,785	\$1,212,651
201 545 West Main St.	Washington Co.	36,090	\$2,271,397	\$374,863	\$1,896,534
343 2123 Euclid Ave.	Bristol City	22,796	\$1,353,215	\$222,856	\$1,130,359
Wytheville/Hillsville		167,565	\$10,113,169	\$1,666,966	\$8,446,202
67 290 Peppers Ferry Rd.	Montgomery Co.	27,757	\$1,828,681	\$301,256	\$1,527,426
195 100 North Franklin St.	Montgomery Co.	25,224	\$1,481,439	\$244,917	\$1,236,523
199 3745 Virginia Ave.	Giles Co.	14,146	\$759,154	\$125,339	\$633,815
327 1300 South Main St.	Montgomery Co.	78,536	\$5,043,013	\$833,576	\$4,209,436
345 1072 Memorial Square Dr.	Pulaski Co.	19,824	\$1,090,980	\$180,635	\$910,345
356 97 Walker St.	Radford City	39,080	\$2,258,960	\$373,193	\$1,885,767
Radford/Blacksburg		204,567	\$12,462,228	\$2,058,915	\$10,403,312
115 1423 Williamson Rd., NE	Roanoke City	58,514	\$4,061,992	\$670,826	\$3,391,166
123 531 Main St.	Clifton Forge City	6,639	\$381,945	\$63,055	\$318,890
124 123 West Main St.	Covington City	13,337	\$799,832	\$132,598	\$667,235
186 1483 West Main St.	Salem City	43,812	\$2,592,678	\$427,806	\$2,164,872
229 3434 Orange Ave., NE	Roanoke City	15,731	\$932,508	\$154,372	\$778,136
259 1398 Towne Square Blvd.	Roanoke City	42,747	\$2,689,077	\$442,135	\$2,246,942
269 602 Brandon Ave., SW	Roanoke City	60,930	\$3,897,361	\$641,319	\$3,256,042
289 3341 Melrose Ave., NW	Roanoke City	30,664	\$2,015,280	\$334,457	\$1,680,823
309 3901 Brambleton Ave., SW	Roanoke Co.	53,646	\$3,267,808	\$537,598	\$2,730,209
337 1113 Vinyard Rd.	Roanoke Co.	30,456	\$1,726,154	\$284,761	\$1,441,393
364 56 Kingston Dr.	Botetourt Co.	22,727	\$1,401,695	\$230,342	\$1,171,353
Roanoke		379,202	\$23,766,329	\$3,919,268	\$19,847,062
57 1028 Richmond Ave.	Staunton City	15,161	\$991,396	\$163,677	\$827,718
68 1739 South High St.	Harrisonburg City	26,555	\$1,592,224	\$262,529	\$1,329,695
113 39 1/2 East Main St.	Bath Co.	7,426	\$589,739	\$97,169	\$492,571
122 201 State St.	Staunton City	21,746	\$1,397,025	\$230,709	\$1,166,316
140 445 East Nelson St.	Lexington City	38,570	\$2,344,219	\$385,886	\$1,958,333
145 398 North Main St.	Harrisonburg City	28,891	\$1,753,498	\$290,341	\$1,463,156
147 111 Water St.	Highland Co.	2,401	\$134,719	\$21,635	\$113,083
184 2035 East Market St.	Rockingham Co.	65,240	\$4,252,711	\$699,434	\$3,553,277
302 132 Lee Jackson Hwy.	Staunton City	24,426	\$1,480,094	\$242,980	\$1,237,115
338 125 Lucy Ln.	Waynesboro City	48,291	\$2,981,120	\$490,607	\$2,490,512
339 Augusta Plz., Rt. 612	Augusta Co.	15,157	\$912,999	\$151,112	\$761,886
Staunton/Waynesboro		293,863	\$18,429,743	\$3,036,080	\$15,393,663
47 380 Gateway Dr.	Winchester City	16,723	\$1,129,051	\$185,872	\$943,179
52 786 Shopping Center Rd.	Shenandoah Co.	13,885	\$858,957	\$141,780	\$717,177
56 182 Delco Plz.	Frederick Co.	23,888	\$1,636,947	\$270,383	\$1,366,564
75 226 Elizabeth Dr.	Stephens City	17,268	\$1,121,664	\$185,445	\$936,220
139 235 Sunnyside Cir.	Frederick Co.	32,272	\$2,097,257	\$345,937	\$1,751,320
142 411-F South St.	Warren Co.	41,488	\$2,669,549	\$440,121	\$2,229,428

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of General & Admin. Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
\$316,161,249	\$219,272,937	\$76,869,261	\$142,403,675	\$38,213,327	\$104,190,349	32.7%
\$648,941	\$451,450	\$174,964	\$276,486	\$78,534	\$197,952	31.5%
\$245,096	\$171,788	\$73,142	\$98,646	\$29,753	\$68,894	30.4%
\$329,184	\$228,598	\$99,370	\$129,228	\$39,808	\$89,420	29.9%
\$239,614	\$167,085	\$101,270	\$65,815	\$29,026	\$36,789	24.1%
\$1,462,834	\$1,018,921	\$448,746	\$570,175	\$177,120	\$393,055	29.8%
\$470,151	\$325,113	\$182,332	\$142,781	\$56,757	\$86,023	25.6%
\$269,504	\$186,331	\$120,681	\$65,650	\$32,532	\$33,118	22.6%
\$521,362	\$362,996	\$136,697	\$226,299	\$63,116	\$163,183	31.9%
\$255,685	\$177,371	\$91,531	\$85,839	\$30,907	\$54,933	27.1%
\$201,801	\$141,633	\$127,912	\$13,721	\$24,511	(\$10,790)	13.9%
\$1,718,504	\$1,193,444	\$659,154	\$534,290	\$207,822	\$326,468	25.9%
\$828,281	\$575,035	\$203,285	\$371,749	\$100,153	\$271,596	32.7%
\$577,493	\$400,154	\$135,101	\$265,053	\$69,774	\$195,280	33.1%
\$671,830	\$464,596	\$161,680	\$302,916	\$81,105	\$221,810	32.8%
\$407,187	\$282,083	\$114,180	\$167,903	\$49,192	\$118,711	30.8%
\$716,248	\$496,403	\$119,395	\$377,008	\$86,545	\$290,463	36.5%
\$1,120,543	\$775,991	\$223,816	\$552,175	\$135,353	\$416,821	34.9%
\$668,507	\$461,852	\$170,339	\$291,513	\$80,672	\$210,841	32.0%
\$4,990,089	\$3,456,114	\$1,127,796	\$2,328,318	\$602,796	\$1,725,522	33.5%
\$902,199	\$625,226	\$228,012	\$397,214	\$109,011	\$288,203	32.2%
\$730,759	\$505,764	\$172,986	\$332,777	\$88,249	\$244,528	33.0%
\$374,257	\$259,559	\$115,899	\$143,660	\$45,235	\$98,425	29.5%
\$2,487,697	\$1,721,740	\$319,766	\$1,401,974	\$300,423	\$1,101,551	38.4%
\$536,392	\$373,953	\$186,552	\$187,401	\$64,970	\$122,431	27.8%
\$1,112,864	\$772,903	\$224,833	\$548,070	\$134,585	\$413,485	34.8%
\$6,144,168	\$4,259,144	\$1,248,048	\$3,011,096	\$742,473	\$2,268,623	34.7%
\$1,999,274	\$1,391,892	\$268,588	\$1,123,304	\$242,024	\$881,280	38.2%
\$188,126	\$130,764	\$104,998	\$25,766	\$22,759	\$3,007	17.3%
\$393,526	\$273,709	\$127,029	\$146,680	\$47,620	\$99,060	29.0%
\$1,278,534	\$886,338	\$262,832	\$623,506	\$154,504	\$469,001	34.6%
\$460,118	\$318,018	\$134,429	\$183,589	\$55,535	\$128,054	30.3%
\$1,327,676	\$919,266	\$253,708	\$665,557	\$160,362	\$505,196	35.2%
\$1,925,968	\$1,330,074	\$450,087	\$879,986	\$232,380	\$647,606	33.1%
\$988,081	\$692,742	\$203,094	\$489,648	\$119,958	\$369,690	34.9%
\$1,615,779	\$1,114,430	\$295,566	\$818,865	\$194,852	\$624,013	35.5%
\$851,155	\$590,238	\$170,471	\$419,767	\$102,871	\$316,896	34.9%
\$692,591	\$478,762	\$192,456	\$286,306	\$83,598	\$202,708	30.9%
\$11,720,829	\$8,126,233	\$2,463,259	\$5,662,974	\$1,416,462	\$4,246,512	34.4%
\$488,261	\$339,457	\$240,727	\$98,730	\$59,073	\$39,657	20.5%
\$785,315	\$544,380	\$174,307	\$370,072	\$94,899	\$275,173	33.8%
\$290,563	\$202,007	\$115,776	\$86,231	\$35,154	\$51,077	25.1%
\$689,411	\$476,905	\$163,489	\$313,416	\$83,239	\$230,178	33.0%
\$1,158,514	\$799,819	\$279,433	\$520,386	\$139,764	\$380,622	32.7%
\$864,319	\$598,837	\$205,336	\$393,501	\$104,424	\$289,077	33.0%
\$67,128	\$45,955	\$48,415	(\$2,460)	\$8,071	(\$10,531)	8.2%
\$2,101,161	\$1,452,116	\$359,845	\$1,092,271	\$253,593	\$838,678	36.2%
\$730,425	\$506,690	\$228,167	\$278,522	\$88,291	\$190,231	29.3%
\$1,470,449	\$1,020,063	\$300,169	\$719,894	\$177,745	\$542,149	34.6%
\$449,368	\$312,518	\$131,029	\$181,489	\$54,375	\$127,114	30.5%
\$9,094,916	\$6,298,747	\$2,246,694	\$4,052,054	\$1,098,628	\$2,953,425	32.5%
\$556,159	\$387,020	\$203,983	\$183,037	\$67,314	\$115,724	26.7%
\$423,075	\$294,102	\$119,768	\$174,333	\$51,184	\$123,149	30.8%
\$807,516	\$559,048	\$188,841	\$370,208	\$97,530	\$272,678	33.2%
\$551,295	\$384,924	\$174,486	\$210,438	\$66,817	\$143,621	29.3%
\$1,035,105	\$716,215	\$197,579	\$518,636	\$124,990	\$393,646	35.3%
\$1,317,964	\$911,464	\$324,159	\$587,305	\$159,112	\$428,193	32.5%

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

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

(continued)

Analysis of Store Performance, Fiscal Year 2008 (cont.)

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
167 21 Crowe St.	Clarke Co.	12,029	\$787,908	\$130,222	\$657,686
173 14817 Spotswood Trl.	Page Co.	14,000	\$854,184	\$140,783	\$713,402
193 1412 West 211 Bypass	Page Co.	18,032	\$1,064,484	\$175,411	\$889,073
261 2218 Valley Ave.	Winchester City	35,246	\$2,401,357	\$396,086	\$2,005,271
293 5814 Main St.	Shenandoah Co.	12,633	\$746,919	\$123,417	\$623,502
318 462 North Main St.	Shenandoah Co.	14,951	\$861,841	\$142,120	\$719,720
Winchester/Front Royal		252,417	\$16,230,120	\$2,677,578	\$13,552,542
33 12631 Galveston Court	Prince William Co.	9,662	\$733,599	\$120,955	\$612,644
39 10410 Bristow Center Dr.	Prince William Co.	11,866	\$877,145	\$143,935	\$733,210
41 2315 Woodland Crossing	Fairfax Co.	2,312	\$194,545	\$31,975	\$162,570
42 7702 Richmond Hwy.	Alexandria City	21,856	\$1,618,908	\$267,011	\$1,351,897
45 8428 Old Keene Mill Rd.	Fairfax Co.	15,117	\$1,074,663	\$177,080	\$897,583
49 881 North Quincy St.	Arlington Co.	23,843	\$1,859,919	\$306,473	\$1,553,446
54 42015 Village Center Plz.	Loudoun Co.	17,622	\$1,464,782	\$241,540	\$1,223,242
55 9528 Liberia Ave.	Manassas City	30,409	\$2,228,375	\$366,737	\$1,861,638
61 22330 Sterling Blvd.	Loudoun Co.	23,760	\$1,790,387	\$295,194	\$1,495,194
63 8951 Ox Rd.	Fairfax Co.	14,598	\$1,088,985	\$179,241	\$909,744
73 43150 Broadlands Shp. Ctr. Plz.	Loudoun Co.	24,316	\$1,982,180	\$324,255	\$1,657,925
76 1212 West Broad St.	Falls Church City	22,107	\$1,716,372	\$282,047	\$1,434,325
78 5331 Merchants View Square	Fairfax Co.	14,878	\$1,127,772	\$185,301	\$942,471
80 6206 Little River Tnpk.	Alexandria City	26,054	\$2,032,590	\$333,366	\$1,699,223
81 6230-J North Kings Hwy.	Alexandria City	25,568	\$1,901,028	\$312,080	\$1,588,949
82 46930 Cedar Lakes Plz.	Fairfax Co.	42,225	\$3,324,006	\$546,290	\$2,777,716
83 7263 Arlington Blvd.	Fairfax Co.	13,773	\$1,041,372	\$170,617	\$870,755
84 13053 East Jackson Hwy.	Fairfax Co.	21,745	\$1,667,828	\$274,962	\$1,392,867
85 2928 Chain Bridge Rd.	Fairfax Co.	24,602	\$1,885,591	\$309,453	\$1,576,138
90 12965 Fair Lakes Shp. Ctr.	Fairfax Co.	27,828	\$2,243,981	\$365,593	\$1,878,388
93 6124 Rose Hill Dr.	Fairfax Co.	14,181	\$1,017,590	\$167,563	\$850,027
99 601 Post Dr.	Herndon City	26,890	\$2,115,058	\$349,201	\$1,765,857
109 1731 Wilson Blvd.	Arlington Co.	23,828	\$1,942,135	\$316,926	\$1,625,209
111 5722 Union Mill Rd.	Fairfax Co.	24,368	\$1,929,574	\$317,391	\$1,612,182
119 901 North Saint Asaph St.	Alexandria City	48,268	\$3,997,665	\$659,417	\$3,338,248
120 5926 Kingstowne Ctr.	Fairfax Co.	37,825	\$3,133,277	\$515,100	\$2,618,177
127 13300 Franklin Farm Rd.	Fairfax Co.	14,471	\$1,085,199	\$178,627	\$906,572
131 Bradlick Shp. Ctr.	Fairfax Co.	15,675	\$1,134,376	\$187,150	\$947,226
133 9130 Mathis Ave.	Manassas City	35,743	\$2,569,259	\$424,092	\$2,145,166
136 18 Fairfax St., SE	Loudoun Co.	33,413	\$2,446,998	\$403,027	\$2,043,970
166 210 Fort Evans Rd.	Loudoun Co.	37,256	\$2,926,911	\$481,250	\$2,445,661
168 1001 North Fillmore St.	Arlington Co.	23,026	\$1,831,618	\$299,878	\$1,531,740
170 1238 Elden St.	Fairfax Co.	33,692	\$2,669,582	\$441,100	\$2,228,483
181 106 Washington St.	Loudoun Co.	8,623	\$684,094	\$112,213	\$571,880
203 3678 King St.	Alexandria City	30,264	\$2,359,182	\$388,811	\$1,970,371
208 44110 Ashburn Village Shp. Ctr.	Loudoun Co.	23,352	\$1,863,879	\$306,879	\$1,557,000
210 11160 South Lakes Dr.	Fairfax Co.	18,659	\$1,513,204	\$248,248	\$1,264,956
212 167 Hillwood Ave.	Falls Church City	13,095	\$898,460	\$147,538	\$750,923
215 320 23rd St., S	Arlington Co.	15,624	\$1,322,685	\$217,501	\$1,105,184
219 8338 Leesburg Pike	Fairfax Co.	90,758	\$8,955,070	\$1,482,575	\$7,472,496
224 13944 Lee Jackson Hwy.	Fairfax Co.	41,098	\$3,267,205	\$538,162	\$2,729,044
228 1524 Belle View Blvd.	Fairfax Co.	30,136	\$2,269,656	\$368,355	\$1,901,301
231 436 East Maple Ave.	Fairfax Co.	30,855	\$2,330,857	\$381,021	\$1,949,837
234 9574 Old Keene Mill Rd.	Fairfax Co.	22,191	\$1,582,331	\$260,598	\$1,321,733
235 8628 Richmond Hwy.	Fairfax Co.	32,065	\$2,500,706	\$412,814	\$2,087,891
236 7200 Little River Tnpk., E	Fairfax Co.	34,869	\$2,470,836	\$408,424	\$2,062,412
241 11260 James Swart Cir.	Fairfax City	45,802	\$3,601,141	\$593,531	\$3,007,610
248 4709 Lee Hwy.	Arlington Co.	28,192	\$2,032,237	\$332,147	\$1,700,089
260 6198 Arlington Blvd.	Fairfax Co.	21,514	\$1,616,782	\$266,039	\$1,350,743
264 16661 Rivers Ridge Blvd.	Prince William Co.	24,506	\$1,832,157	\$302,527	\$1,529,630
267 1446 Chain Bridge Rd.	Fairfax Co.	45,061	\$3,720,764	\$609,281	\$3,111,483
268 6400 Springfield Plz.	Fairfax Co.	46,294	\$3,468,869	\$572,159	\$2,896,710
271 13586 Jefferson Davis Hwy.	Prince William Co.	47,168	\$3,587,084	\$592,713	\$2,994,371
273 9421 Lorton Market St.	Fairfax Co.	17,936	\$1,351,080	\$222,502	\$1,128,578
286 7555 New Linton Hall Rd.	Prince William Co.	41,901	\$3,133,739	\$514,933	\$2,618,806
294 3556-E South Jefferson St.	Fairfax Co.	43,890	\$3,427,852	\$563,585	\$2,864,267

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of General & Admin. Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
\$387,669	\$270,018	\$135,649	\$134,368	\$46,938	\$87,430	27.6%
\$421,286	\$292,116	\$117,894	\$174,222	\$50,915	\$123,307	30.9%
\$525,526	\$363,547	\$134,931	\$228,616	\$63,452	\$165,164	32.0%
\$1,187,075	\$818,196	\$221,579	\$596,617	\$143,114	\$453,504	35.4%
\$368,061	\$255,441	\$32,590	\$222,851	\$44,499	\$178,353	40.4%
\$425,233	\$294,487	\$116,166	\$178,321	\$51,366	\$126,955	31.2%
\$8,005,964	\$5,546,578	\$1,967,626	\$3,578,953	\$967,229	\$2,611,723	32.6%
\$359,188	\$253,456	\$203,302	\$50,154	\$43,724	\$6,430	17.4%
\$429,362	\$303,847	\$224,275	\$79,573	\$52,328	\$27,244	19.5%
\$93,891	\$68,679	\$123,961	(\$55,282)	\$11,602	(\$66,885)	(17.9%)
\$795,290	\$556,607	\$275,709	\$280,898	\$96,483	\$184,414	27.9%
\$529,033	\$368,550	\$207,421	\$161,129	\$64,060	\$97,070	25.5%
\$915,691	\$637,755	\$306,372	\$331,383	\$110,868	\$220,516	28.3%
\$724,080	\$499,161	\$263,261	\$235,901	\$87,301	\$148,599	26.6%
\$1,100,438	\$761,200	\$285,602	\$475,598	\$132,863	\$342,735	31.8%
\$882,492	\$612,702	\$276,606	\$336,096	\$106,710	\$229,386	29.3%
\$537,810	\$371,934	\$243,988	\$127,946	\$64,927	\$63,018	22.2%
\$981,389	\$676,536	\$275,186	\$401,349	\$118,324	\$283,025	30.6%
\$848,305	\$586,020	\$329,271	\$256,748	\$102,366	\$154,382	25.4%
\$556,591	\$385,881	\$240,221	\$145,660	\$67,263	\$78,397	23.4%
\$999,110	\$700,113	\$295,972	\$404,142	\$121,272	\$282,870	30.3%
\$934,819	\$654,130	\$214,821	\$439,309	\$113,401	\$325,908	33.6%
\$1,643,276	\$1,134,440	\$317,473	\$816,967	\$198,242	\$618,724	35.0%
\$515,005	\$355,750	\$264,325	\$91,426	\$62,145	\$29,281	19.2%
\$824,343	\$568,523	\$263,335	\$305,188	\$99,407	\$205,781	28.8%
\$931,320	\$644,818	\$316,095	\$328,723	\$112,487	\$216,235	27.9%
\$1,107,244	\$771,144	\$324,610	\$446,534	\$134,058	\$312,476	30.2%
\$501,521	\$348,505	\$207,396	\$141,109	\$60,665	\$80,444	24.4%
\$1,043,110	\$722,746	\$315,148	\$407,598	\$126,027	\$281,571	29.8%
\$962,539	\$662,669	\$308,935	\$353,734	\$115,989	\$237,745	28.6%
\$950,627	\$661,555	\$282,738	\$378,817	\$115,060	\$263,757	30.1%
\$1,971,903	\$1,366,345	\$331,209	\$1,035,136	\$238,247	\$796,889	36.4%
\$1,550,489	\$1,067,687	\$333,418	\$734,270	\$186,856	\$547,413	33.9%
\$536,289	\$370,283	\$243,737	\$126,545	\$64,701	\$61,844	22.2%
\$556,397	\$390,829	\$247,215	\$143,614	\$67,602	\$76,012	23.2%
\$1,267,788	\$877,378	\$347,579	\$529,799	\$153,098	\$376,701	31.2%
\$1,208,597	\$835,373	\$302,558	\$532,815	\$145,876	\$386,940	32.3%
\$1,448,534	\$997,127	\$294,695	\$702,432	\$174,544	\$527,888	34.5%
\$904,443	\$627,297	\$283,493	\$343,804	\$109,319	\$234,486	29.2%
\$1,315,990	\$912,493	\$350,806	\$561,687	\$159,044	\$402,643	31.6%
\$338,381	\$233,499	\$84,953	\$148,546	\$40,814	\$107,732	32.2%
\$1,163,225	\$807,146	\$356,935	\$450,211	\$140,623	\$309,588	29.6%
\$922,615	\$634,385	\$282,443	\$351,942	\$111,121	\$240,820	29.4%
\$746,023	\$518,934	\$256,168	\$262,766	\$90,278	\$172,487	27.8%
\$443,777	\$307,146	\$253,854	\$53,291	\$53,592	(\$301)	16.4%
\$650,940	\$454,245	\$258,155	\$196,089	\$78,876	\$117,213	25.3%
\$4,418,669	\$3,053,827	\$1,184,789	\$1,869,038	\$533,303	\$1,335,735	31.5%
\$1,615,990	\$1,113,054	\$411,870	\$701,183	\$194,769	\$506,414	32.0%
\$1,123,006	\$778,295	\$305,796	\$472,499	\$135,694	\$336,805	31.1%
\$1,154,891	\$794,946	\$446,274	\$348,673	\$139,158	\$209,515	25.3%
\$781,984	\$539,748	\$318,253	\$221,495	\$94,331	\$127,164	24.5%
\$1,233,640	\$854,252	\$427,258	\$426,994	\$149,010	\$277,984	27.6%
\$1,211,915	\$850,498	\$258,292	\$592,206	\$147,192	\$445,014	34.5%
\$1,777,274	\$1,230,336	\$389,933	\$840,403	\$214,650	\$625,753	33.9%
\$1,005,112	\$694,978	\$289,867	\$405,110	\$121,333	\$283,777	30.3%
\$796,779	\$553,964	\$282,623	\$271,342	\$96,401	\$174,941	27.3%
\$900,737	\$628,893	\$252,245	\$376,647	\$109,168	\$267,479	31.1%
\$1,842,631	\$1,268,852	\$397,610	\$871,242	\$222,063	\$649,179	33.8%
\$1,713,424	\$1,183,286	\$380,082	\$803,203	\$206,735	\$596,468	33.7%
\$1,766,967	\$1,227,404	\$372,273	\$855,131	\$213,705	\$641,426	34.4%
\$665,041	\$463,536	\$234,791	\$228,745	\$80,545	\$148,200	27.4%
\$1,551,095	\$1,067,711	\$305,090	\$762,620	\$186,901	\$575,719	34.8%
\$1,689,139	\$1,175,128	\$478,869	\$696,259	\$204,419	\$491,839	30.8%

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

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

(continued)

Analysis of Store Performance, Fiscal Year 2008 (cont.)

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
295	8095 Sudley Rd.	Prince William Co.	59,297	\$4,412,033	\$3,684,099
296	8966 Burke Lake Rd.	Fairfax Co.	24,542	\$1,685,920	\$1,408,138
297	4607 Duke St.	Alexandria City	23,881	\$1,865,284	\$1,557,496
301	4292 Merchants Plz.	Prince William Co.	45,826	\$3,395,266	\$2,836,592
316	4108 Fortuna Village Ctr.	Prince William Co.	24,663	\$1,834,647	\$1,532,593
317	9512 Main St.	Fairfax City	32,341	\$2,364,684	\$1,974,384
319	2435 North Hamilton St.	Arlington Co.	20,031	\$1,541,549	\$1,288,074
322	14151 Germain Dr.	Fairfax Co.	49,904	\$3,787,513	\$3,162,120
323	609-O East Main St.	Loudoun Co.	25,788	\$1,923,921	\$1,607,099
346	8105 Lee Hwy.	Fairfax Co.	34,003	\$2,537,630	\$2,122,115
352	2555 John Milton Dr.	Fairfax Co.	22,459	\$1,656,447	\$1,383,673
353	4255 Cheshire Plz.	Prince William Co.	53,086	\$3,980,946	\$3,324,464
357	1454 North Point Village Shp. Ctr.	Fairfax Co.	39,142	\$3,289,046	\$2,748,805
358	2201 North Pershing Dr.	Arlington Co.	107,222	\$9,372,158	\$7,816,567
362	100 Edds Ln.	Loudoun Co.	32,382	\$2,508,122	\$2,096,905
367	20070 Ashbrook Commons Plz.	Loudoun Co.	15,509	\$1,266,426	\$1,057,555
368	10308 Willard Way	Fairfax Co.	27,110	\$1,921,603	\$1,604,464
369	6343-A Columbia Pike	Falls Church City	22,702	\$1,639,999	\$1,369,179
371	5739 Burke Centre Pkwy.	Fairfax Co.	27,122	\$1,942,779	\$1,623,341
372	3161 Duke St.	Alexandria City	22,298	\$1,784,841	\$1,489,851
374	2955-A South Glebe Rd.	Arlington Co.	38,623	\$2,947,562	\$2,461,548
Northern Virginia		2,284,565	\$178,101,516	\$29,326,699	\$148,774,817
37	15149 Montanus Dr.	Culpeper Co.	18,276	\$1,271,621	\$1,062,019
51	265 Turkey Sag Trl.	Fluvanna Co.	15,761	\$982,439	\$821,365
66	11083-E Marsh Rd.	Fauquier Co.	18,188	\$1,193,790	\$996,699
72	5309-A Lyndon Dr.	Orange Co.	24,092	\$1,513,978	\$1,265,266
88	4199-B Winchester Rd.	Fauquier Co.	13,675	\$923,788	\$771,402
163	583 North Madison Rd.	Orange Co.	14,745	\$897,620	\$749,030
227	South Main St.	Orange Co.	8,300	\$498,731	\$416,389
274	28 Madison Plaza Dr.	Madison Co.	10,297	\$627,168	\$523,871
303	175 Lee Hwy.	Fauquier Co.	56,300	\$3,928,307	\$3,281,071
329	185 Southgate Shp. Ctr.	Culpeper Co.	28,267	\$1,839,381	\$1,536,180
Warrenton/Culpeper		207,901	\$13,676,822	\$2,253,531	\$11,423,292
46	183 Community St.	Charlottesville City	15,959	\$1,174,735	\$981,056
70	8875 Seminole Trl.	Greene Co.	13,022	\$800,348	\$668,583
125	304 Pantops Ctr.	Albemarle Co.	36,780	\$2,431,302	\$2,030,680
126	Rt. 151	Nelson Co.	8,990	\$620,023	\$519,825
138	Rts. 22 & 23	Louisa Co.	23,429	\$1,338,503	\$1,117,973
185	500 West Main St.	Charlottesville City	37,789	\$2,722,763	\$2,272,589
189	Scottsville Shp. Ctr.	Albemarle Co.	8,505	\$514,642	\$429,615
202	1902 Emmet St.	Charlottesville City	54,772	\$4,203,368	\$3,507,372
253	1147 Emmet St.	Charlottesville City	52,683	\$3,611,013	\$3,016,980
321	85 Calloway Dr.	Nelson Co.	9,925	\$586,807	\$489,761
359	1653 Seminole Trl.	Albemarle Co.	31,978	\$2,143,497	\$1,790,658
Charlottesville		293,832	\$20,147,001	\$3,321,909	\$16,825,093
117	309 Twelfth St.	Lynchburg City	39,275	\$2,405,787	\$2,007,180
160	1128 East Lynchburg Salem Tnpk.	Bedford City	23,956	\$1,399,594	\$1,168,550
176	Hwys. 501 & 40, S	Campbell Co.	7,853	\$439,649	\$366,642
262	20401 Timberlake Rd.	Campbell Co.	36,151	\$2,200,296	\$1,837,124
266	2118 Wards Rd.	Lynchburg City	35,239	\$2,227,807	\$1,859,499
279	18013 Forest Rd.	Bedford Co.	35,950	\$2,323,640	\$1,941,235
281	4049 South Amherst Hwy.	Amherst Co.	23,547	\$1,372,088	\$1,145,217
285	Ambriar Shp. Ctr.	Amherst Co.	10,795	\$632,990	\$528,445
287	Boonsboro Shp. Ctr.	Lynchburg City	20,982	\$1,375,742	\$1,149,673
347	1301-I North Main St.	Campbell Co.	19,086	\$1,120,224	\$935,086
354	U.S. Rt. 460, W	Appomattox Co.	15,743	\$895,429	\$747,009
Lynchburg		268,575	\$16,393,246	\$2,707,586	\$13,685,660
132	4960 Greenboro Rd.	Henry Co.	17,200	\$995,780	\$830,889
146	639 West Main St.	Danville City	20,427	\$1,199,573	\$1,001,179
154	235 North Union St.	Danville City	11,658	\$639,460	\$533,647

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of General & Admin. Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
\$2,176,837	\$1,507,262	\$558,385	\$948,877	\$262,930	\$685,947	32.0%
\$831,092	\$577,046	\$324,358	\$252,688	\$100,497	\$152,191	25.5%
\$917,338	\$640,159	\$322,181	\$317,978	\$111,157	\$206,821	27.6%
\$1,676,161	\$1,160,431	\$389,847	\$770,584	\$202,444	\$568,140	33.2%
\$905,973	\$626,620	\$309,506	\$317,114	\$109,379	\$207,735	27.8%
\$1,167,640	\$806,744	\$379,459	\$427,285	\$140,910	\$286,375	28.6%
\$758,758	\$529,315	\$293,104	\$236,211	\$91,928	\$144,283	25.8%
\$1,864,562	\$1,297,559	\$470,502	\$827,056	\$225,677	\$601,379	32.4%
\$949,926	\$657,172	\$291,024	\$366,149	\$114,697	\$251,452	29.5%
\$1,252,029	\$870,086	\$311,022	\$559,064	\$151,453	\$407,611	32.4%
\$817,593	\$566,081	\$275,093	\$290,987	\$98,751	\$192,236	28.1%
\$1,964,272	\$1,360,192	\$520,463	\$839,729	\$237,263	\$602,466	31.6%
\$1,627,882	\$1,120,923	\$345,233	\$775,690	\$196,179	\$579,511	34.0%
\$4,614,177	\$3,202,389	\$466,789	\$2,735,600	\$557,859	\$2,177,741	39.8%
\$1,241,477	\$855,428	\$309,878	\$545,549	\$149,654	\$395,895	32.2%
\$624,246	\$433,309	\$291,718	\$141,592	\$75,476	\$66,115	21.7%
\$950,904	\$653,560	\$276,303	\$377,256	\$114,509	\$262,748	30.2%
\$804,115	\$565,065	\$261,092	\$303,973	\$97,717	\$206,256	29.1%
\$960,094	\$663,247	\$235,610	\$427,637	\$115,856	\$311,781	32.5%
\$879,524	\$610,328	\$262,476	\$347,852	\$106,329	\$241,523	30.1%
\$1,453,140	\$1,008,408	\$334,427	\$673,981	\$175,678	\$498,303	33.4%
\$87,877,900	\$60,896,917	\$24,557,627	\$36,339,290	\$10,617,889	\$25,721,401	30.9%
\$626,292	\$435,727	\$202,210	\$233,517	\$75,795	\$157,721	28.9%
\$485,751	\$335,614	\$132,512	\$203,102	\$58,620	\$144,482	31.1%
\$590,310	\$406,388	\$198,944	\$207,444	\$71,133	\$136,311	27.9%
\$748,094	\$517,172	\$182,513	\$334,659	\$90,301	\$244,358	32.6%
\$455,778	\$315,623	\$130,503	\$185,120	\$55,054	\$130,066	30.6%
\$441,182	\$307,848	\$135,631	\$172,217	\$53,457	\$118,760	29.8%
\$245,593	\$170,796	\$95,944	\$74,852	\$29,717	\$45,135	25.6%
\$309,296	\$214,575	\$132,840	\$81,735	\$37,388	\$44,347	23.5%
\$1,944,667	\$1,336,405	\$366,760	\$969,645	\$234,166	\$735,479	35.2%
\$909,228	\$626,951	\$261,440	\$365,511	\$109,635	\$255,875	30.4%
\$6,756,192	\$4,667,099	\$1,839,297	\$2,827,803	\$815,267	\$2,012,535	31.2%
\$578,407	\$402,649	\$161,878	\$240,771	\$70,017	\$170,754	31.0%
\$394,442	\$274,141	\$148,163	\$125,978	\$47,716	\$78,262	26.2%
\$1,198,667	\$832,013	\$242,277	\$589,736	\$144,927	\$444,809	34.8%
\$308,719	\$211,106	\$122,700	\$88,405	\$37,099	\$51,306	24.4%
\$659,916	\$458,058	\$141,684	\$316,374	\$79,788	\$236,585	34.2%
\$1,337,511	\$935,078	\$262,155	\$672,923	\$162,192	\$510,731	35.3%
\$253,038	\$176,578	\$104,259	\$72,319	\$30,661	\$41,658	24.6%
\$2,069,515	\$1,437,857	\$408,154	\$1,029,703	\$250,317	\$779,385	35.1%
\$1,784,889	\$1,232,091	\$362,923	\$869,167	\$215,318	\$653,849	34.6%
\$288,908	\$200,853	\$114,060	\$86,793	\$34,954	\$51,839	25.4%
\$1,058,963	\$731,694	\$312,646	\$419,048	\$127,797	\$291,251	30.0%
\$9,932,976	\$6,892,116	\$2,380,900	\$4,511,216	\$1,200,788	\$3,310,429	32.9%
\$1,181,042	\$826,139	\$204,618	\$621,521	\$143,250	\$478,271	36.4%
\$689,352	\$479,198	\$171,999	\$307,199	\$83,398	\$223,801	32.5%
\$215,141	\$151,501	\$119,944	\$31,556	\$26,167	\$5,389	17.8%
\$1,085,175	\$751,949	\$234,352	\$517,597	\$131,113	\$386,484	34.1%
\$1,096,523	\$762,976	\$256,396	\$506,580	\$132,710	\$373,870	33.3%
\$1,145,493	\$795,742	\$222,243	\$573,499	\$138,544	\$434,955	35.2%
\$674,592	\$470,625	\$202,873	\$267,752	\$81,733	\$186,020	30.1%
\$312,150	\$216,295	\$123,113	\$93,182	\$37,715	\$55,467	25.3%
\$681,400	\$468,273	\$182,776	\$285,496	\$82,051	\$203,446	31.2%
\$550,607	\$384,479	\$146,227	\$238,251	\$66,736	\$171,515	31.8%
\$439,958	\$307,051	\$151,548	\$155,502	\$53,313	\$102,189	28.0%
\$8,071,434	\$5,614,226	\$2,016,089	\$3,598,137	\$976,730	\$2,621,407	32.5%
\$489,897	\$340,992	\$158,764	\$182,228	\$59,300	\$122,929	28.9%
\$590,417	\$410,761	\$219,893	\$190,869	\$71,453	\$119,416	26.5%
\$314,874	\$218,773	\$110,417	\$108,356	\$38,086	\$70,270	27.5%

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

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

(continued)

Analysis of Store Performance, Fiscal Year 2008 (cont.)

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
191 942 Tanyard Rd.	Franklin Co.	31,412	\$1,789,846	\$295,880	\$1,493,965
213 12990 B. T. Washington Hwy.	Franklin Co.	32,580	\$2,049,443	\$337,492	\$1,711,951
276 221 Nor-Dan Dr.	Danville City	26,807	\$1,679,424	\$277,710	\$1,401,714
277 985 Fairystone Park Hwy.	Henry Co.	21,559	\$1,175,854	\$194,327	\$981,527
283 Tightsqueeze Plz.	Pittsylvania Co.	11,864	\$672,798	\$111,266	\$561,531
291 243 West Commonwealth Blvd.	Martinsville City	38,541	\$2,318,213	\$382,698	\$1,935,514
324 301 South Main St.	Patrick Co.	9,460	\$527,337	\$87,361	\$439,976
373 3308 Riverside Dr.	Danville City	25,116	\$1,599,636	\$263,861	\$1,335,775
59 3136 Halifax Rd.	South Boston	37,135	\$2,167,298	\$358,842	\$1,808,456
143 812 East Atlantic St.	Mecklenburg Co.	34,665	\$2,056,901	\$340,805	\$1,716,096
157 302 New Hicks St.	Brunswick Co.	10,861	\$600,164	\$99,759	\$500,405
172 112 North Main St.	Mecklenburg Co.	10,262	\$527,558	\$87,713	\$439,845
214 608 Virginia Ave.	Mecklenburg Co.	12,866	\$745,382	\$123,360	\$622,023
South Boston		352,412	\$20,744,665	\$3,430,171	\$17,314,494
152 1506 South Main St.	Prince Edward Co.	42,575	\$2,539,801	\$419,966	\$2,119,834
159 921 Main St.	Lunenburg Co.	5,398	\$292,906	\$48,675	\$244,230
161 501-F Main St.	Lunenburg Co.	5,694	\$304,729	\$50,680	\$254,049
164 107 East Carolina Ave.	Nottoway Co.	7,937	\$456,014	\$75,823	\$380,191
178 Main St., P.O. Box 264	Buckingham Co.	9,759	\$541,520	\$89,923	\$451,597
196 Main St.	Charlotte Co.	5,894	\$311,319	\$51,527	\$259,791
275 1527 South Main St.	Nottoway Co.	15,409	\$903,560	\$150,084	\$753,476
351 15127 Patrick Henry Hwy.	Amelia Co.	10,102	\$586,129	\$97,229	\$488,900
Farmville		102,769	\$5,935,977	\$983,907	\$4,952,070
38 New Kent Crossing Shp. Ctr.	New Kent Co.	8,459	\$540,180	\$88,662	\$451,517
44 18035 Jefferson Davis Hwy.	Hanover Co.	13,801	\$867,268	\$142,990	\$724,277
77 1800 South Creek Dr.	Powhatan Co.	12,737	\$804,210	\$133,174	\$671,036
86 2610 Buford Rd.	Richmond City	27,428	\$1,883,128	\$309,251	\$1,573,877
89 34-A Broad Street Rd.	Goochland Co.	19,143	\$1,289,337	\$212,518	\$1,076,819
97 6504 Hull St.	Richmond City	30,290	\$2,176,461	\$359,790	\$1,816,671
101 3100-A West Broad St.	Richmond City	32,573	\$2,260,141	\$373,599	\$1,886,542
102 1901 West Main St.	Richmond City	10,450	\$630,034	\$104,173	\$525,861
104 7028 Woodlake Commons	Chesterfield Co.	28,737	\$1,942,795	\$318,719	\$1,624,075
108 10242 Staples Mill Rd.	Henrico Co.	21,698	\$1,409,568	\$230,205	\$1,179,363
116 12635 Jefferson Davis Hwy.	Chesterfield Co.	53,868	\$3,535,810	\$579,855	\$2,955,955
150 5654 Brook Rd.	Henrico Co.	30,237	\$1,999,730	\$329,936	\$1,669,794
169 10 North Thompson St.	Richmond City	63,960	\$4,878,162	\$802,329	\$4,075,833
171 8700 West Broad St.	Henrico Co.	39,667	\$2,910,590	\$481,183	\$2,429,407
180 500 Goddin St.	Henrico Co.	7,466	\$455,653	\$75,780	\$379,873
182 1217 West Broad St.	Richmond City	18,293	\$1,119,504	\$185,240	\$934,264
187 2421 Venable St.	Richmond City	20,651	\$1,252,250	\$208,423	\$1,043,827
190 13121 Rittenhouse Dr.	Chesterfield Co.	41,349	\$2,879,577	\$472,227	\$2,407,350
205 2288 John Rolfe Pkwy.	Henrico Co.	15,152	\$1,021,844	\$168,146	\$853,698
207 10106 Brook Rd.	Henrico Co.	35,356	\$2,610,770	\$425,854	\$2,184,916
242 1601 Willow Lawn Dr.	Henrico Co.	31,767	\$2,164,739	\$356,410	\$1,808,329
243 209 North Washington Hwy.	Hanover Co.	35,006	\$2,129,340	\$350,829	\$1,778,511
247 9685 West Broad St.	Henrico Co.	24,790	\$1,719,766	\$282,585	\$1,437,181
251 2924 North Ave.	Richmond City	11,261	\$666,249	\$110,786	\$555,463
252 618 West Southside Plz.	Richmond City	43,279	\$2,913,431	\$483,683	\$2,429,749
254 7015 Three Chopt Rd.	Henrico Co.	24,858	\$1,704,249	\$279,569	\$1,424,680
270 809 East Parham Rd.	Henrico Co.	31,014	\$1,975,569	\$325,927	\$1,649,642
284 13214 Midlothian Tnpk.	Chesterfield Co.	33,757	\$2,195,787	\$361,722	\$1,834,065
292 1521 Parham Rd.	Henrico Co.	29,910	\$2,009,889	\$331,124	\$1,678,765
300 9502 Chamberlayne Rd.	Hanover Co.	19,875	\$1,228,097	\$202,240	\$1,025,857
304 2734 Fairground Rd.	Goochland Co.	14,016	\$870,020	\$143,826	\$726,195
305 3910 Mechanicsville Tnpk.	Henrico Co.	31,159	\$2,059,878	\$341,879	\$1,717,999
308 11252 Patterson Ave.	Henrico Co.	12,210	\$801,232	\$132,077	\$669,154
314 4338 South Laburnum Ave.	Henrico Co.	64,000	\$4,336,266	\$711,757	\$3,624,509
315 7048 Commons Plz.	Chesterfield Co.	29,904	\$1,966,230	\$324,759	\$1,641,471
326 2105 Academy Rd.	Powhatan Co.	14,630	\$906,141	\$149,867	\$756,274
330 5722 Hopkins Rd.	Chesterfield Co.	35,738	\$2,324,714	\$384,069	\$1,940,644
331 3406 Pump Rd.	Henrico Co.	50,644	\$3,877,220	\$634,520	\$3,242,699
332 4018 Glenside Dr.	Henrico Co.	18,648	\$1,089,174	\$179,849	\$909,325

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of General & Admin. Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
\$882,035	\$611,931	\$167,519	\$444,412	\$106,623	\$337,789	35.4%
\$1,014,952	\$696,999	\$224,941	\$472,058	\$122,180	\$349,878	33.5%
\$824,603	\$577,111	\$197,806	\$379,306	\$100,039	\$279,267	33.2%
\$578,999	\$402,528	\$169,680	\$232,848	\$70,050	\$162,797	30.4%
\$330,942	\$230,590	\$135,749	\$94,841	\$40,076	\$54,765	24.7%
\$1,142,261	\$793,254	\$249,278	\$543,976	\$138,135	\$405,841	34.0%
\$259,560	\$180,416	\$73,163	\$107,253	\$31,401	\$75,853	31.0%
\$788,149	\$547,626	\$223,439	\$324,187	\$95,333	\$228,854	30.8%
\$1,067,140	\$741,315	\$313,050	\$428,265	\$129,067	\$299,197	30.4%
\$1,014,349	\$701,746	\$182,986	\$518,760	\$122,476	\$396,285	35.8%
\$295,119	\$205,286	\$134,513	\$70,773	\$35,713	\$35,060	22.5%
\$258,475	\$181,370	\$134,933	\$46,437	\$31,391	\$15,046	19.5%
\$366,873	\$255,149	\$97,978	\$157,171	\$44,393	\$112,778	31.7%
\$10,218,645	\$7,095,849	\$2,794,108	\$4,301,741	\$1,235,716	\$3,066,025	31.3%
\$1,248,965	\$870,869	\$237,419	\$633,450	\$151,290	\$482,160	35.5%
\$145,454	\$98,776	\$78,415	\$20,361	\$17,430	\$2,930	17.6%
\$148,975	\$105,074	\$80,686	\$24,388	\$18,131	\$6,257	18.7%
\$223,609	\$156,582	\$102,434	\$54,148	\$27,134	\$27,014	22.6%
\$265,609	\$185,988	\$102,715	\$83,273	\$32,230	\$51,043	26.0%
\$152,874	\$106,917	\$113,309	(\$6,391)	\$18,541	(\$24,932)	8.5%
\$444,641	\$308,836	\$163,470	\$145,365	\$53,775	\$91,591	26.7%
\$288,373	\$200,527	\$136,366	\$64,161	\$34,892	\$29,269	21.6%
\$2,918,500	\$2,033,570	\$1,014,815	\$1,018,755	\$353,424	\$665,331	27.8%
\$261,476	\$190,042	\$87,958	\$102,084	\$32,224	\$69,859	29.3%
\$426,292	\$297,985	\$135,559	\$162,426	\$51,691	\$110,735	29.3%
\$397,122	\$273,914	\$115,781	\$158,133	\$47,891	\$110,242	30.3%
\$931,440	\$642,437	\$217,260	\$425,178	\$112,326	\$312,852	33.0%
\$637,726	\$439,093	\$156,111	\$282,982	\$76,851	\$206,131	32.5%
\$1,073,465	\$743,205	\$236,077	\$507,129	\$129,654	\$377,475	33.9%
\$1,119,039	\$767,503	\$305,743	\$461,760	\$134,640	\$327,119	31.0%
\$310,164	\$215,697	\$205,895	\$9,802	\$37,530	(\$27,728)	12.1%
\$959,137	\$664,938	\$258,523	\$406,415	\$115,908	\$290,507	31.4%
\$698,422	\$480,942	\$189,737	\$291,204	\$84,170	\$207,034	31.0%
\$1,743,706	\$1,212,249	\$301,435	\$910,814	\$210,963	\$699,851	36.2%
\$984,280	\$685,514	\$272,492	\$413,021	\$119,171	\$293,850	31.2%
\$2,405,872	\$1,669,960	\$324,377	\$1,345,584	\$290,888	\$1,054,696	38.1%
\$1,435,257	\$994,149	\$277,221	\$716,928	\$173,384	\$543,544	35.2%
\$224,157	\$155,716	\$95,294	\$60,422	\$27,111	\$33,311	23.9%
\$551,453	\$382,811	\$170,080	\$212,731	\$66,677	\$146,053	29.6%
\$610,813	\$433,014	\$153,293	\$279,721	\$74,497	\$205,224	33.0%
\$1,420,989	\$986,361	\$289,813	\$696,548	\$171,810	\$524,738	34.6%
\$505,376	\$348,323	\$157,478	\$190,845	\$60,927	\$129,918	29.2%
\$1,288,867	\$896,050	\$241,865	\$654,184	\$155,935	\$498,249	35.4%
\$1,068,356	\$739,974	\$275,073	\$464,901	\$129,058	\$335,843	32.0%
\$1,050,406	\$728,105	\$214,298	\$513,807	\$126,930	\$386,877	34.6%
\$849,320	\$587,861	\$261,276	\$326,585	\$102,570	\$224,015	29.5%
\$325,277	\$230,186	\$140,322	\$89,864	\$39,643	\$50,221	24.2%
\$1,427,999	\$1,001,750	\$220,202	\$781,548	\$173,408	\$608,139	37.5%
\$844,371	\$580,309	\$229,702	\$350,607	\$101,678	\$248,929	31.0%
\$972,486	\$677,156	\$269,388	\$407,768	\$117,733	\$290,035	31.2%
\$1,085,739	\$748,326	\$231,728	\$516,598	\$130,895	\$385,703	34.0%
\$991,363	\$687,402	\$227,662	\$459,740	\$119,812	\$339,928	33.4%
\$605,692	\$420,164	\$206,689	\$213,475	\$73,214	\$140,261	27.9%
\$429,141	\$297,054	\$134,561	\$162,493	\$51,828	\$110,665	29.3%
\$1,009,444	\$708,555	\$270,878	\$437,677	\$122,612	\$315,066	31.9%
\$396,625	\$272,529	\$117,654	\$154,876	\$47,757	\$107,119	29.9%
\$2,137,896	\$1,486,613	\$385,913	\$1,100,700	\$258,677	\$842,023	35.8%
\$968,620	\$672,851	\$231,411	\$441,439	\$117,150	\$324,289	33.0%
\$446,917	\$309,357	\$130,550	\$178,807	\$53,974	\$124,833	30.3%
\$1,145,634	\$795,011	\$243,347	\$551,664	\$138,502	\$413,162	34.3%
\$1,919,706	\$1,322,993	\$362,273	\$960,720	\$231,428	\$729,292	35.2%
\$537,046	\$372,279	\$152,086	\$220,193	\$64,897	\$155,295	30.8%

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

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

(continued)

Analysis of Store Performance, Fiscal Year 2008 (cont.)

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
334 7057 Mechanicsville Tnpk.	Hanover Co.	41,385	\$2,640,186	\$435,634	\$2,204,551
348 7036 Forest Hill Ave.	Richmond City	41,844	\$2,831,700	\$466,133	\$2,365,567
350 11108 Midlothian Tnpk.	Chesterfield Co.	65,977	\$4,693,777	\$774,604	\$3,919,174
360 2901 Hermitage Rd.	Richmond City	97,387	\$7,726,384	\$1,284,721	\$6,441,663
363 9949 Hull St.	Chesterfield Co.	39,273	\$2,526,122	\$416,545	\$2,109,577
366 1370 Gaskins Rd.	Henrico Co.	28,699	\$2,010,656	\$328,277	\$1,682,379
Richmond		1,402,346	\$95,833,824	\$15,795,445	\$80,038,379
62 1416 Carl D. Silver Pkwy.	Fredericksburg City	34,487	\$2,638,829	\$435,528	\$2,203,301
64 43 Town and Country Dr.	Stafford Co.	21,080	\$1,381,671	\$227,358	\$1,154,313
74 10857 Tidewater Trl.	Fredericksburg City	12,817	\$828,376	\$136,658	\$691,719
95 Cosner's Corner Shp. Ctr.	Fredericksburg City	13,764	\$978,525	\$160,983	\$817,541
103 6348 Jefferson Davis Hwy.	Spotsylvania Co.	16,493	\$1,020,611	\$167,911	\$852,700
121 507 William St.	Fredericksburg City	23,311	\$1,575,910	\$260,249	\$1,315,661
183 560 Celebrate Virginia Pwky	Stafford Co.	19,731	\$1,362,078	\$224,162	\$1,137,916
200 356 Garrisonville Rd.	Stafford Co.	55,269	\$4,019,302	\$662,522	\$3,356,780
209 5055 Jefferson Davis Hwy.	Spotsylvania Co.	38,118	\$2,587,629	\$426,621	\$2,161,009
221 15423 Dahlgren Rd.	King George Co.	7,460	\$484,002	\$80,127	\$403,875
239 320 West Broadus Ave.	Caroline Co.	7,266	\$417,210	\$68,907	\$348,303
245 1271 Jefferson Davis Hwy.	Fredericksburg City	20,548	\$1,375,510	\$227,404	\$1,148,106
313 4189 Plank Rd.	Spotsylvania Co.	37,512	\$2,492,942	\$410,358	\$2,082,585
Fredericksburg		307,856	\$21,162,596	\$3,488,787	\$17,673,809
130 Beachgate Shp. Ctr.	Westmoreland Co.	8,503	\$506,448	\$83,686	\$422,763
149 Times Square Shp. Ctr.	Richmond Co.	9,079	\$512,631	\$85,035	\$427,596
192 101 South Main St.	Lancaster Co.	38,291	\$2,310,819	\$381,464	\$1,929,355
220 109 East End Place	Westmoreland Co.	7,261	\$416,616	\$68,783	\$347,832
238 Rt. 360	Northumberland Co.	14,693	\$811,908	\$133,497	\$678,411
Northern Neck		77,827	\$4,558,422	\$752,465	\$3,805,956
32 16273 General Puller Hwy.	Middlesex Co.	14,259	\$805,321	\$132,573	\$672,748
155 York River Shp. Ctr.	Gloucester Co.	31,168	\$1,963,730	\$324,672	\$1,639,058
175 416 14th St.	King William Co.	19,067	\$1,143,381	\$188,213	\$955,168
179 Virginia St., P.O. Box 238	Middlesex Co.	10,632	\$612,113	\$101,007	\$511,106
198 Rappahannock Shp. Ctr.	Essex Co.	18,511	\$1,095,618	\$180,981	\$914,636
233 Main St.	Gloucester Co.	20,526	\$1,271,030	\$209,855	\$1,061,175
257 4915 Tappahannock Hwy.	King William Co.	14,778	\$874,699	\$144,270	\$730,428
333 10972 Buckley Hall	Mathews Co.	13,538	\$759,613	\$125,154	\$634,459
West Point/Mathews		142,479	\$8,525,505	\$1,406,726	\$7,118,778
60 4330 Westgate Dr.	Dinwiddie Co.	33,150	\$2,051,842	\$340,367	\$1,711,474
118 18 Washington St., W	Petersburg City	17,573	\$1,162,251	\$193,455	\$968,795
144 301 Market Dr., Suite H	Emporia City	25,004	\$1,507,580	\$250,157	\$1,257,423
151 210 North Main St.	Hopewell City	18,746	\$1,066,591	\$176,845	\$889,746
232 3107-3 Boulevard	Colonial Heights City	41,181	\$2,566,120	\$421,900	\$2,144,221
240 Rt. 460	Sussex Co.	10,533	\$595,347	\$98,582	\$496,765
255 3330 South Crater Rd.	Petersburg City	36,825	\$2,383,235	\$394,542	\$1,988,693
310 5232 Oaklawn Blvd.	Prince George Co.	37,478	\$2,528,845	\$419,272	\$2,109,573
Petersburg/Hopewell		220,490	\$13,861,810	\$2,295,119	\$11,566,690
43 235 Carmichael Way	Chesapeake City	10,510	\$678,801	\$111,549	\$567,252
53 11409 Windsor Blvd.	Isle of Wight Co.	9,638	\$560,022	\$92,620	\$467,401
69 1620 Cedar Rd.	Chesapeake City	25,639	\$1,711,063	\$282,074	\$1,428,989
71 213 Virginia Beach Blvd.	Virginia Beach City	7,011	\$442,142	\$72,939	\$369,204
79 1437 Sam's Dr.	Chesapeake City	32,113	\$2,305,195	\$380,951	\$1,924,244
98 2476 Nimmo Pkwy.	Virginia Beach City	10,885	\$719,314	\$118,317	\$600,997
105 869 Lynnhaven Pkwy.	Virginia Beach City	31,460	\$2,223,312	\$366,747	\$1,856,566
106 2973 Shore Dr.	Virginia Beach City	42,517	\$2,861,140	\$470,210	\$2,390,930
107 434 St. Paul's Blvd.	Norfolk City	65,471	\$5,067,666	\$841,722	\$4,225,944
110 1136 London Blvd.	Portsmouth City	14,290	\$959,616	\$159,562	\$800,054
128 159 West Ocean View Dr.	Norfolk City	43,772	\$2,767,949	\$458,032	\$2,309,918
129 1615 General Booth Blvd.	Virginia Beach City	32,125	\$2,170,279	\$357,727	\$1,812,552
134 2301 Colley Ave.	Norfolk City	62,358	\$4,449,148	\$736,636	\$3,712,512
165 550 East Liberty St.	Chesapeake City	22,185	\$1,441,427	\$239,566	\$1,201,860

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of General & Admin. Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
\$1,304,031	\$900,521	\$228,317	\$672,204	\$157,336	\$514,868	36.0%
\$1,399,057	\$966,510	\$275,022	\$691,488	\$168,828	\$522,661	34.9%
\$2,318,606	\$1,600,568	\$321,328	\$1,279,240	\$279,707	\$999,533	37.8%
\$3,805,944	\$2,635,719	\$269,828	\$2,365,891	\$459,734	\$1,906,157	41.3%
\$1,246,008	\$863,569	\$301,080	\$562,490	\$150,558	\$411,932	32.8%
\$996,258	\$686,121	\$303,205	\$382,917	\$120,069	\$262,847	29.4%
\$47,266,994	\$32,771,385	\$10,195,782	\$22,575,603	\$5,712,248	\$16,863,355	34.1%
\$1,301,905	\$901,396	\$262,104	\$639,292	\$157,247	\$482,045	34.8%
\$682,049	\$472,264	\$185,236	\$287,028	\$82,382	\$204,646	31.3%
\$408,272	\$283,447	\$155,239	\$128,207	\$49,367	\$78,840	26.0%
\$479,576	\$337,965	\$198,006	\$139,959	\$58,347	\$81,612	24.8%
\$504,192	\$348,508	\$173,397	\$175,112	\$60,856	\$114,255	27.6%
\$776,824	\$538,837	\$178,820	\$360,018	\$93,897	\$266,120	33.4%
\$672,153	\$465,763	\$223,068	\$242,695	\$81,212	\$161,483	28.3%
\$1,982,616	\$1,374,164	\$349,224	\$1,024,940	\$239,570	\$785,370	36.0%
\$1,278,626	\$882,382	\$268,858	\$613,524	\$154,229	\$459,295	34.2%
\$239,334	\$164,541	\$80,128	\$84,413	\$28,824	\$55,589	28.0%
\$205,054	\$143,250	\$88,841	\$54,409	\$24,858	\$29,551	23.6%
\$679,065	\$469,041	\$217,245	\$251,796	\$81,939	\$169,857	28.9%
\$1,230,938	\$851,647	\$281,853	\$569,794	\$148,632	\$421,162	33.4%
\$10,440,604	\$7,233,205	\$2,662,018	\$4,571,187	\$1,261,360	\$3,309,828	32.1%
\$249,337	\$173,426	\$114,289	\$59,136	\$30,172	\$28,964	22.2%
\$252,686	\$174,910	\$136,349	\$38,561	\$30,517	\$8,044	18.2%
\$1,141,246	\$788,109	\$293,606	\$494,503	\$137,696	\$356,807	31.9%
\$205,157	\$142,676	\$65,899	\$76,777	\$24,824	\$51,953	29.0%
\$401,356	\$277,056	\$110,493	\$166,562	\$48,417	\$118,145	31.0%
\$2,249,781	\$1,556,176	\$720,636	\$835,540	\$271,627	\$563,913	28.9%
\$398,301	\$274,447	\$81,987	\$192,460	\$48,013	\$144,447	34.4%
\$968,943	\$670,115	\$213,461	\$456,654	\$116,978	\$339,677	33.8%
\$565,597	\$389,570	\$192,557	\$197,013	\$68,169	\$128,844	27.7%
\$303,361	\$207,745	\$121,161	\$86,584	\$36,477	\$50,107	24.7%
\$540,189	\$374,447	\$161,638	\$212,810	\$65,277	\$147,533	30.0%
\$626,019	\$435,156	\$196,343	\$238,813	\$75,735	\$163,078	29.3%
\$430,842	\$299,586	\$126,700	\$172,886	\$52,130	\$120,756	30.3%
\$375,649	\$258,810	\$134,810	\$124,000	\$45,281	\$78,719	26.8%
\$4,208,902	\$2,909,877	\$1,228,656	\$1,681,220	\$508,059	\$1,173,161	30.3%
\$1,009,444	\$702,031	\$216,343	\$485,688	\$122,146	\$363,542	34.3%
\$569,370	\$399,426	\$173,924	\$225,502	\$69,142	\$156,360	30.1%
\$741,206	\$516,216	\$213,901	\$302,315	\$89,741	\$212,575	30.7%
\$525,559	\$364,187	\$143,076	\$221,111	\$63,500	\$157,611	31.4%
\$1,264,409	\$879,812	\$258,215	\$621,596	\$153,031	\$468,566	34.7%
\$293,970	\$202,795	\$103,305	\$99,490	\$35,454	\$64,036	27.3%
\$1,172,848	\$815,846	\$304,234	\$511,612	\$141,931	\$369,681	32.1%
\$1,244,391	\$865,182	\$210,734	\$654,447	\$150,558	\$503,889	36.5%
\$6,821,196	\$4,745,495	\$1,623,733	\$3,121,762	\$825,501	\$2,296,260	33.1%
\$335,627	\$231,625	\$218,086	\$13,539	\$40,484	(\$26,945)	12.5%
\$276,024	\$191,377	\$85,109	\$106,269	\$33,358	\$72,911	29.6%
\$844,145	\$584,844	\$222,897	\$361,946	\$101,985	\$259,961	31.7%
\$217,454	\$151,750	\$104,811	\$46,939	\$26,350	\$20,589	21.2%
\$1,134,613	\$789,631	\$250,630	\$539,002	\$137,331	\$401,671	34.0%
\$355,737	\$245,260	\$192,245	\$53,014	\$42,892	\$10,122	17.9%
\$1,093,293	\$763,273	\$162,193	\$601,080	\$132,501	\$468,579	37.6%
\$1,417,416	\$973,514	\$261,195	\$712,320	\$170,638	\$541,682	35.4%
\$2,491,067	\$1,734,877	\$358,650	\$1,376,227	\$301,601	\$1,074,626	37.8%
\$469,617	\$330,437	\$147,722	\$182,715	\$57,099	\$125,616	29.7%
\$1,361,899	\$948,019	\$254,361	\$693,658	\$164,856	\$528,802	35.7%
\$1,071,484	\$741,069	\$229,334	\$511,735	\$129,360	\$382,375	34.1%
\$2,187,910	\$1,524,602	\$369,187	\$1,155,416	\$264,958	\$890,458	36.6%
\$707,361	\$494,499	\$135,543	\$358,956	\$85,775	\$273,180	35.6%

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

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

(continued)

Analysis of Store Performance, Fiscal Year 2008 (cont.)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
188	4334 Holland Rd.	Virginia Beach City	37,965	\$2,537,446	\$418,291	\$2,119,155
211	6550 Town Point Rd.	Suffolk City	21,085	\$1,501,123	\$247,798	\$1,253,325
216	1100 Armory Dr.	Franklin City	28,547	\$1,736,665	\$287,961	\$1,448,704
225	405 30th St.	Virginia Beach City	72,899	\$4,966,930	\$818,498	\$4,148,433
226	7525 Tidewater Dr.	Norfolk City	65,663	\$4,404,429	\$730,078	\$3,674,351
237	3812 George Washington Hwy.	Portsmouth City	26,175	\$1,723,951	\$286,156	\$1,437,795
246	5020 Ferrell Pkwy.	Virginia Beach City	22,647	\$1,561,656	\$257,881	\$1,303,776
249	2350 East Little Creek Rd.	Norfolk City	39,770	\$2,555,234	\$423,119	\$2,132,115
256	1612 Laskin Rd.	Virginia Beach City	133,962	\$10,062,126	\$1,662,784	\$8,399,342
263	5900 Virginia Beach Blvd.	Norfolk City	54,948	\$3,842,515	\$635,803	\$3,206,712
278	3333 Virginia Beach Blvd.	Virginia Beach City	86,685	\$6,259,454	\$1,033,627	\$5,225,827
280	1103 South Military Hwy.	Chesapeake City	87,384	\$6,414,858	\$1,060,330	\$5,354,528
288	5748 Churchland Blvd.	Portsmouth City	32,610	\$2,187,084	\$361,273	\$1,825,811
298	821 West Constance Rd.	Suffolk City	35,333	\$2,036,743	\$338,344	\$1,698,399
299	1917 S. Church St.	Isle of Wight Co.	34,399	\$2,129,600	\$352,174	\$1,777,425
306	2085 Lynnhaven Pkwy.	Virginia Beach City	40,754	\$2,834,932	\$467,127	\$2,367,805
307	Fairfield Shp. Ctr.	Virginia Beach City	37,830	\$2,529,326	\$417,217	\$2,112,109
311	4020 Victory Blvd.	Portsmouth City	30,717	\$2,095,115	\$346,957	\$1,748,158
312	2815-G Godwin Blvd.	Suffolk City	26,357	\$1,741,760	\$287,494	\$1,454,266
325	22718 Main St.	Southampton Co.	7,461	\$409,190	\$67,965	\$341,225
328	836 Eden Way Ln.	Chesapeake City	31,631	\$2,260,489	\$373,158	\$1,887,331
336	1079 Independence Blvd.	Virginia Beach City	58,865	\$3,850,257	\$635,121	\$3,215,136
349	237 South Battlefield Blvd.	Chesapeake City	35,680	\$2,420,854	\$399,648	\$2,021,206
355	4300 Portsmouth Blvd.	Chesapeake City	36,035	\$2,454,005	\$404,492	\$2,049,513
361	812 Airline Blvd.	Portsmouth City	39,838	\$2,727,639	\$451,910	\$2,275,729
370	1169 Nimmo Pkwy.	Virginia Beach City	39,237	\$2,622,217	\$430,774	\$2,191,443
Norfolk/Virginia Beach			1,574,451	\$108,222,671	\$17,884,630	\$90,338,041
48	6610-I Mooretown Rd.	Williamsburg City	32,202	\$2,031,603	\$334,752	\$1,696,850
92	227 Fox Hill Rd.	Hampton City	15,070	\$971,740	\$160,228	\$811,512
112	199 West Queen's Way	Hampton City	25,788	\$1,760,089	\$291,173	\$1,468,916
148	4640-3 Monticello Ave.	James City Co.	55,896	\$4,015,217	\$658,275	\$3,356,941
158	3214 Jefferson Ave.	Newport News City	24,226	\$1,628,411	\$270,956	\$1,357,456
217	619 Pilot House Dr.	Newport News City	31,644	\$2,325,359	\$385,230	\$1,940,129
222	209 Village Ave.	York Co.	39,259	\$2,754,246	\$452,334	\$2,301,912
244	4909 West Mercury Blvd.	Hampton City	45,244	\$3,045,269	\$504,568	\$2,540,700
250	2078 Nickerson Blvd.	Hampton City	24,210	\$1,564,503	\$258,210	\$1,306,292
258	3831 Kecoughtan Rd.	Hampton City	20,419	\$1,314,261	\$217,620	\$1,096,640
265	20 Towne Centre Way	Hampton City	18,898	\$1,295,924	\$214,250	\$1,081,673
272	55 Hidenwood Shop. Ctr.	Newport News City	19,140	\$1,247,320	\$205,991	\$1,041,329
282	1118-A & -B West Mercury Blvd.	Hampton City	60,512	\$4,583,883	\$756,197	\$3,827,686
290	5226 George Washington Hwy.	York Co.	29,241	\$1,863,384	\$307,460	\$1,555,924
320	1246 Richmond Rd.	Williamsburg City	29,850	\$1,936,376	\$315,514	\$1,620,862
335	801 F Merrimac Trl.	York Co.	37,017	\$2,551,869	\$420,487	\$2,131,382
340	13002-A & -B Warwick Blvd.	Newport News City	40,002	\$2,791,197	\$460,588	\$2,330,608
341	621 Stoney Creek Ln.	Newport News City	47,119	\$3,354,278	\$553,509	\$2,800,770
342	10872 Warwick Blvd.	Newport News City	22,428	\$1,498,152	\$247,605	\$1,250,546
Newport News/Hampton			618,166	\$42,533,078	\$7,014,948	\$35,518,130
156	22485 Lankford Hwy.	Northampton Co.	14,685	\$895,054	\$147,763	\$747,291
162	7107 Lankford Hwy.	Accomack Co.	8,580	\$541,079	\$89,297	\$451,782
177	6371 Pension St.	Accomack Co.	10,128	\$619,109	\$100,949	\$518,160
223	4090-B Lankford Hwy.	Northampton Co.	14,279	\$785,209	\$129,800	\$655,409
344	Four Corners Plaza Shp. Ctr	Accomack Co.	18,644	\$1,138,666	\$188,610	\$950,056
Eastern Shore			66,317	\$3,979,116	\$656,418	\$3,322,698
34	Belmont Farms Distillery			\$49,344	\$9,550	\$39,794
Statewide total			9,322,365	\$641,189,067	\$105,754,882	\$535,434,186

NOTES: (1) Includes state taxes, but does not include 5 percent sales tax. (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of General & Admin. Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
\$1,253,832	\$865,323	\$234,334	\$630,989	\$151,242	\$479,747	35.4%
\$738,742	\$514,583	\$222,174	\$292,409	\$89,448	\$202,961	30.0%
\$855,181	\$593,523	\$208,840	\$384,683	\$103,392	\$281,290	32.8%
\$2,450,696	\$1,697,736	\$420,059	\$1,277,678	\$296,069	\$981,609	36.2%
\$2,164,224	\$1,510,127	\$442,244	\$1,067,883	\$262,234	\$805,649	34.9%
\$846,329	\$591,467	\$247,053	\$344,414	\$102,614	\$241,800	30.6%
\$768,048	\$535,728	\$206,480	\$329,248	\$93,049	\$236,199	31.6%
\$1,257,682	\$874,433	\$240,170	\$634,263	\$152,167	\$482,096	35.4%
\$4,961,684	\$3,437,658	\$558,786	\$2,878,872	\$599,451	\$2,279,420	39.2%
\$1,889,603	\$1,317,110	\$376,910	\$940,200	\$228,859	\$711,341	35.1%
\$3,090,249	\$2,135,578	\$403,392	\$1,732,186	\$372,961	\$1,359,225	38.2%
\$3,155,513	\$2,199,016	\$345,250	\$1,853,765	\$382,147	\$1,471,619	39.5%
\$1,075,825	\$749,986	\$247,381	\$502,606	\$130,306	\$372,300	33.5%
\$1,001,598	\$696,802	\$191,626	\$505,176	\$121,213	\$383,963	35.5%
\$1,050,804	\$726,621	\$204,662	\$521,959	\$126,853	\$395,107	35.1%
\$1,398,350	\$969,456	\$277,624	\$691,832	\$168,988	\$522,844	34.9%
\$1,248,008	\$864,101	\$238,694	\$625,406	\$150,739	\$474,668	35.3%
\$1,028,299	\$719,859	\$295,955	\$423,904	\$124,764	\$299,140	30.8%
\$858,264	\$596,002	\$256,575	\$339,427	\$103,789	\$235,638	30.0%
\$201,537	\$139,688	\$65,457	\$74,231	\$24,353	\$49,878	28.8%
\$1,114,122	\$773,209	\$258,126	\$515,084	\$134,697	\$380,387	33.3%
\$1,901,751	\$1,313,385	\$367,838	\$945,547	\$229,461	\$716,086	35.1%
\$1,196,586	\$824,620	\$272,342	\$552,278	\$144,251	\$408,027	33.4%
\$1,210,560	\$838,953	\$271,534	\$567,419	\$146,271	\$421,147	33.6%
\$1,340,928	\$934,801	\$273,145	\$661,656	\$162,416	\$499,240	34.9%
\$1,297,593	\$893,850	\$244,359	\$649,491	\$156,401	\$493,090	35.2%
\$53,319,650	\$37,018,391	\$10,362,971	\$26,655,420	\$6,447,323	\$20,208,097	35.2%
\$1,002,612	\$694,239	\$208,666	\$485,572	\$121,102	\$364,470	34.4%
\$478,497	\$333,015	\$168,532	\$164,484	\$57,917	\$106,567	27.5%
\$865,548	\$603,368	\$269,217	\$334,151	\$104,835	\$229,316	29.6%
\$1,985,476	\$1,371,465	\$364,970	\$1,006,494	\$239,581	\$766,913	35.5%
\$792,182	\$565,274	\$229,491	\$335,783	\$96,880	\$238,903	31.3%
\$1,145,343	\$794,786	\$226,855	\$567,931	\$138,465	\$429,466	35.0%
\$1,360,820	\$941,091	\$237,894	\$703,197	\$164,285	\$538,913	36.0%
\$1,494,679	\$1,046,022	\$209,651	\$836,371	\$181,327	\$655,044	38.1%
\$770,452	\$535,840	\$211,311	\$324,529	\$93,229	\$231,301	31.3%
\$646,225	\$450,415	\$202,936	\$247,479	\$78,266	\$169,213	29.4%
\$638,182	\$443,492	\$162,542	\$280,950	\$77,198	\$203,752	32.3%
\$614,755	\$426,574	\$197,726	\$228,848	\$74,318	\$154,529	28.9%
\$2,253,429	\$1,574,258	\$379,943	\$1,194,315	\$273,178	\$921,137	36.6%
\$920,227	\$635,698	\$208,966	\$426,731	\$111,045	\$315,687	33.4%
\$958,111	\$662,750	\$232,140	\$430,610	\$115,679	\$314,931	32.6%
\$1,259,750	\$871,631	\$231,304	\$640,328	\$152,114	\$488,213	35.6%
\$1,374,081	\$956,527	\$238,596	\$717,931	\$166,333	\$551,598	36.3%
\$1,651,608	\$1,149,162	\$359,558	\$789,604	\$199,888	\$589,716	34.1%
\$737,361	\$513,185	\$247,876	\$265,309	\$89,250	\$176,059	28.3%
\$20,949,338	\$14,568,791	\$4,588,174	\$9,980,617	\$2,534,888	\$7,445,729	34.0%
\$442,568	\$304,723	\$125,341	\$179,382	\$53,333	\$126,049	30.6%
\$266,000	\$185,783	\$127,891	\$57,892	\$32,243	\$25,649	21.2%
\$306,987	\$211,173	\$133,866	\$77,307	\$36,980	\$40,327	22.8%
\$387,485	\$267,924	\$148,832	\$119,092	\$46,776	\$72,317	25.7%
\$559,991	\$390,066	\$153,569	\$236,496	\$67,804	\$168,692	31.4%
\$1,963,030	\$1,359,669	\$689,498	\$670,171	\$237,137	\$433,033	27.4%
\$28,804	\$10,990	\$21	\$10,969	\$2,840	\$8,129	35.8%
\$316,161,249	\$219,272,937	\$76,869,261	\$142,403,675	\$38,213,327	\$104,190,349	32.7%

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

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

2008 Establishments by License Category—Cities

Cities	Liquor by the Drink (1)	Bed and Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (2)	Restaurants (Beer and Wine)	Winery	All Others (3)	Grand Total (4)
Alexandria	wet	0	7	7	3	1	4	6	34	1	0	12	29	14	12	129	176	2	4	441
Bedford	wet	0	0	0	0	0	0	0	2	0	0	0	1	5	1	3	6	1	1	20
Bristol	wet	0	0	1	0	0	1	0	12	0	0	2	4	10	1	17	24	0	0	72
Buena Vista	wet	0	0	0	0	0	0	0	2	0	0	1	0	5	0	1	6	0	0	15
Charles County	wet	2	0	0	0	0	0	0	2	0	0	0	0	3	0	2	4	0	0	13
Charlottesville	wet	1	5	6	1	0	7	7	22	3	0	4	23	18	3	90	129	1	5	325
Chesapeake	wet	0	4	7	0	0	1	10	69	1	0	11	29	49	2	106	154	2	5	450
Colonial Heights	wet	0	0	0	0	0	0	2	9	0	0	3	0	8	1	18	28	0	0	69
Covington	wet	0	0	0	0	0	0	0	4	0	0	1	0	3	0	1	4	0	0	13
Danville	wet	1	0	1	0	0	1	6	33	0	0	4	2	37	2	20	40	0	2	149
Emporia	wet	0	0	0	0	0	0	0	10	0	0	2	0	4	0	3	4	0	1	24
Fairfax	wet	0	0	0	0	0	1	3	5	0	0	5	9	9	0	35	54	0	2	123
Falls Church	wet	0	0	0	0	0	0	1	4	0	0	2	1	4	0	14	36	0	0	62
Franklin	wet	0	0	0	0	0	0	2	5	0	0	0	1	4	0	4	8	0	0	24
Fredericksburg	wet	0	0	0	0	0	2	2	19	0	0	2	8	8	3	54	84	0	2	184
Galax	wet	0	0	0	0	0	0	1	3	0	0	1	2	4	0	7	10	0	0	28
Hampton	wet	2	0	4	2	1	1	19	43	0	0	7	13	40	8	50	94	0	8	292
Harrisonburg	wet	1	0	0	1	0	2	6	22	0	0	5	8	14	3	37	58	0	1	158
Hopewell	wet	0	0	0	0	0	0	6	15	0	0	1	1	9	0	13	19	0	1	65
James County	wet	0	1	1	1	0	4	2	13	2	1	4	9	10	2	44	60	2	2	158
Lexington	wet	1	0	0	0	0	2	0	0	0	0	1	4	1	0	8	15	0	2	34
Lynchburg	wet	1	0	6	1	0	4	7	25	0	0	4	7	26	5	47	74	0	3	210
Manassas	wet	1	0	0	0	1	1	2	9	0	0	2	4	10	0	20	31	0	0	81
Manassas Park	wet	0	0	0	0	0	0	0	6	0	0	0	0	4	0	5	10	0	0	25
Martinsville	wet	0	0	0	0	0	0	2	10	0	0	0	3	5	0	7	11	0	1	39
Newport News	wet	0	3	3	0	1	3	13	69	1	0	5	14	61	6	92	157	0	7	435
Norfolk	wet	2	0	3	0	3	6	30	51	0	0	10	26	74	10	172	230	0	13	630
Norton	wet	0	0	2	0	0	0	0	4	1	0	1	0	2	2	1	3	0	0	16
Petersburg	wet	0	2	4	0	0	1	9	33	0	0	2	2	19	1	12	29	0	1	115
Poquoson	wet	0	0	0	0	0	0	1	0	0	0	1	2	3	0	4	10	0	0	21
Portsmouth	wet	0	0	0	0	2	1	14	29	0	0	6	6	34	1	43	60	0	4	200
Radford	wet	0	0	0	0	0	1	1	5	2	0	1	1	8	0	10	11	0	1	41
Richmond	wet	3	10	10	2	1	10	24	130	5	1	16	19	66	7	238	308	0	15	865
Roanoke	wet	0	0	2	0	2	3	10	73	0	0	3	10	35	4	80	121	0	2	345
Salem	wet	0	2	2	0	0	1	5	21	0	0	3	3	7	1	14	33	0	4	96
Staunton	wet	2	0	0	2	0	2	3	10	1	0	2	5	10	4	12	23	2	1	79
Suffolk	wet	0	0	0	0	0	0	5	29	2	0	3	9	24	2	29	44	0	3	150
Virginia Beach	wet	2	3	3	1	4	6	15	92	3	1	25	60	109	15	409	543	0	20	1,311
Waynesboro	wet	0	0	0	0	0	0	2	8	0	0	4	4	13	0	10	20	0	0	61
Williamsburg	wet	9	0	0	0	0	4	0	6	0	0	2	4	4	8	43	60	0	5	145
Winchester	wet	1	4	2	2	0	1	6	8	1	0	4	8	16	2	35	55	0	3	148
Grand total		29	41	64	16	16	70	222	946	23	3	162	331	789	106	1,939	2,846	10	119	7,732

NOTES:

- (1) "Liquor by the Drink": "Dry"—not approved for liquor by the drink; "Wet"—approved for liquor by the drink.
- (2) "Restaurants (Mixed Beverage)" represents the total number of wine and beer establishments also having mixed beverage licenses. These licenses are included in the grand total column.

- (3) "All Others" includes hospitals, fire departments, rescue squads, performing arts facilities, gift shops, food concessions, etc. It does not include banquets.
- (4) Report includes in-state shipper's licenses, but excludes 524 out-of-state shipper's licenses.

Source: CORE, July 2007

INITIATIVES 2008

ALCOHOL AND THE AGING

To address the growing problem of substance abuse among older adults, ABC partnered with more than 25 public, private and nonprofit organizations to create the Alcohol and Aging Awareness Group (AAAG). The group launched a public information campaign to educate older adults, their family members and service providers about alcohol misuse and possible interactions between alcohol and medications.

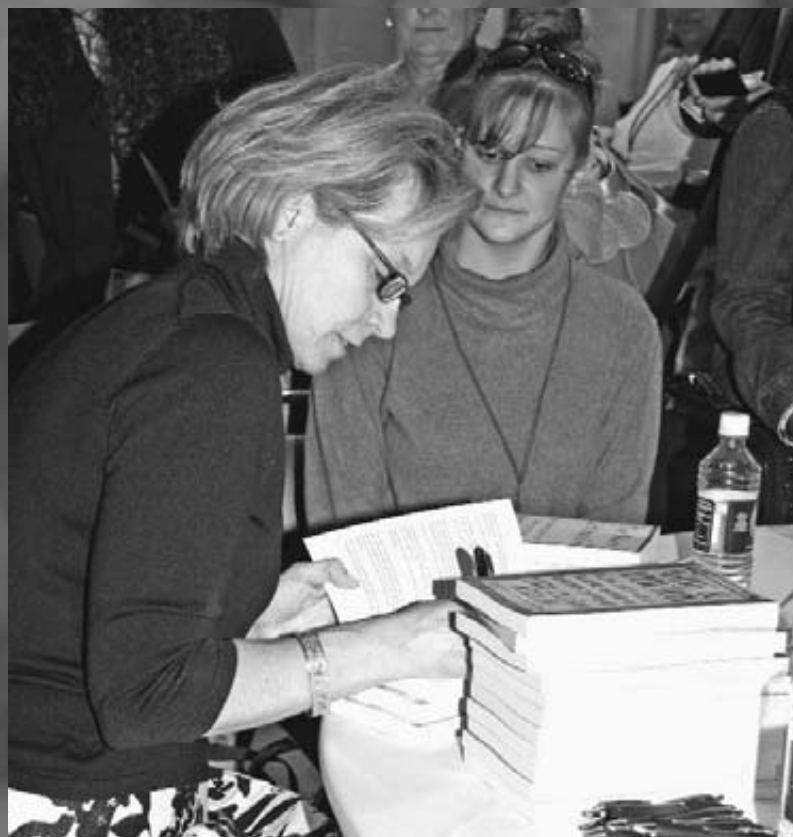
In addition to creating a brochure, Web site and speaker's bureau, ABC and the AAAG assembled 20 experts in addiction medicine, intervention, gerontology and pharmacotherapy to present a one-day conference, "The Hidden Epidemic: Alcohol, Medication, and the Older Adult." Held at Virginia Commonwealth University on April 29, 2008, the Hidden Epidemic conference was the first of its kind in Virginia to specifically address this important public health topic. The audience included 220 health and social workers, older adults and their caregivers.

Conference keynote speaker Debra Jay, a nationally known specialist in older adult intervention, discussed the science of addiction and explained how many people are misdiagnosed because the signs and symptoms of addiction, such as memory loss, shaky hands and frequent napping, often mirror those of the aging process.

Jay also provided specific strategies for conducting interventions and shared the good news that older adults have the highest success rate of any age group in treatment.



In her keynote address, Debra Jay discussed how older adults experience rapidly improved brain function with sobriety.



After delivering her keynote address, Debra Jay, a regular guest on the Oprah Winfrey show, signed copies of her books.

2008 Establishments by License Category—Counties

Countries	Liquor by the Drink (1)	Bed and Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (2)	Restaurants (Beer and Wine)	Winery	All Others (3)	Grand Total (4)
Accomack	wet	8	3	4	0	0	0	5	30	1	0	2	4	15	3	22	42	1	4	144
Albemarle	wet	5	2	6	3	0	5	8	25	1	1	2	27	27	5	38	69	18	18	260
Alleghany	wet	0	0	0	0	0	0	5	10	0	0	1	1	11	0	6	18	0	0	52
Amelia	wet	0	0	0	0	0	0	1	12	0	0	1	0	3	0	1	4	0	0	22
Amherst	wet	0	0	1	0	0	1	2	15	0	0	2	0	17	0	8	16	2	1	65
Appomattox	wet	0	0	0	0	0	0	2	5	0	0	0	1	12	0	2	6	0	0	28
Arlington	wet	0	4	2	2	6	2	6	50	2	0	20	26	36	25	202	279	0	2	664
Augusta	wet	1	0	3	0	0	0	3	25	0	0	3	4	26	1	7	18	1	0	92
Bath	wet	1	0	0	0	0	1	0	7	0	0	0	3	4	2	4	8	0	1	31
Bedford	wet	3	0	3	0	0	1	6	21	0	0	4	3	18	1	19	35	4	8	126
Bland	dry	0	0	0	0	0	0	0	1	0	0	0	0	6	0	0	1	0	0	8
Botetourt	wet	0	0	4	0	0	0	1	15	0	0	1	1	13	0	2	16	3	2	58
Brunswick	wet	0	0	1	0	0	0	0	16	0	0	1	0	7	1	4	10	0	1	41
Buchanan	dry	0	0	0	0	0	0	1	14	2	0	2	1	14	0	0	4	0	0	38
Buckingham	wet	0	0	0	0	0	0	0	6	1	0	0	0	14	0	2	3	0	1	27
Campbell	wet	0	0	1	0	0	0	3	34	0	0	2	1	28	1	7	18	1	0	96
Caroline	wet	1	0	0	0	0	0	2	20	0	0	1	2	9	0	3	14	0	0	52
Carroll	wet	0	0	2	0	0	0	1	18	0	0	1	0	10	1	3	6	2	3	47
Charles City	wet	2	0	0	0	0	0	0	2	0	0	0	0	3	0	2	4	0	0	13
Charlotte	dry	1	0	0	0	0	0	1	8	0	0	1	0	20	1	0	3	0	0	35
Chesterfield	wet	0	2	1	2	0	6	7	91	2	0	21	19	65	4	131	200	1	4	556
Clarke	wet	0	0	1	0	0	0	3	8	0	0	0	3	6	0	7	13	2	5	48
Craig	dry	0	0	0	0	0	0	0	4	0	0	0	0	2	0	0	0	0	0	6
Culpeper	wet	1	0	2	0	0	1	5	15	0	1	3	4	28	2	18	34	2	4	120
Cumberland	wet	0	0	0	0	0	0	0	6	0	0	0	0	3	0	0	4	0	0	13
Dickenson	wet	0	0	0	0	0	0	1	10	0	0	0	0	7	0	0	4	0	0	22
Dinwiddie	wet	0	0	0	0	0	0	1	21	0	0	1	0	14	0	2	6	0	2	47
Essex	wet	1	0	0	0	0	0	1	10	1	0	1	0	8	0	5	10	1	2	40
Fairfax	wet	0	53	40	3	0	13	28	102	10	1	61	125	117	40	568	833	0	19	2,013
Fauquier	wet	2	4	14	0	0	3	4	26	1	0	4	9	20	4	32	49	16	11	199
Floyd	dry	1	0	1	0	0	0	2	6	0	0	0	1	3	0	1	8	2	1	26
Fluvanna	wet	0	0	0	0	0	0	0	8	0	0	1	2	3	0	3	10	0	0	27
Franklin	wet	0	0	0	0	0	0	2	28	0	0	2	6	20	0	20	34	0	3	115
Frederick	wet	2	2	5	0	0	2	4	24	1	0	2	11	30	2	23	32	3	4	147
Giles	wet	1	0	0	0	0	0	4	10	4	0	2	0	12	1	2	6	0	0	42
Gloucester	wet	0	0	0	0	0	0	4	18	1	0	2	5	13	0	16	28	0	2	89
Goochland	wet	1	3	0	0	0	0	3	8	0	0	0	1	9	0	10	18	1	0	54
Grayson	dry	0	0	0	0	0	0	0	5	2	0	0	1	5	0	1	5	0	1	20
Greene	wet	1	1	2	0	0	0	1	6	0	0	0	2	5	0	6	10	2	2	38
Greensville	wet	0	0	0	0	0	0	1	11	0	0	0	0	2	0	2	2	0	0	18
Halifax	wet	0	0	3	0	0	0	3	13	0	0	1	0	36	1	9	25	1	4	96
Hanover	wet	0	2	3	0	0	3	6	41	1	0	6	6	28	1	41	81	1	1	221
Henrico	wet	0	11	15	0	0	7	17	125	1	0	26	30	65	14	173	248	0	10	742
Henry	wet	0	0	0	0	0	1	8	36	0	0	4	1	33	1	4	21	0	2	111
Highland	dry	0	0	0	0	0	0	0	1	0	0	0	0	8	1	0	1	0	0	11
Isle of Wight	wet	1	0	0	0	0	0	3	19	0	0	2	8	8	1	8	18	0	1	69
James City	wet	0	1	1	1	0	4	2	13	2	1	4	9	10	2	44	60	2	2	158
King and Queen	wet	0	0	0	0	0	0	0	4	1	0	0	0	5	0	1	1	0	0	12
King George	wet	0	0	1	0	0	0	0	10	0	0	0	2	4	0	5	13	1	0	36
King William	wet	0	0	0	0	0	0	3	8	0	0	1	1	7	0	4	10	0	0	34
Lancaster	wet	1	0	0	0	1	0	4	5	0	0	1	3	12	3	16	26	2	4	78
Lee	dry	0	0	0	0	0	0	3	22	0	0	1	0	7	0	0	4	0	0	37
Loudoun	wet	2	8	16	4	15	8	8	46	3	0	12	47	46	9	162	258	21	22	687
Louisa	wet	0	2	2	0	0	0	2	13	0	0	1	0	20	2	7	13	2	6	70
Lunenburg	wet	0	0	0	0	0	0	4	10	0	0	0	0	9	0	0	3	0	1	27
Madison	wet	3	0	2	0	0	0	0	6	0	0	0	1	6	1	3	6	8	1	37

2008 Establishments by License Category—Counties (cont.)

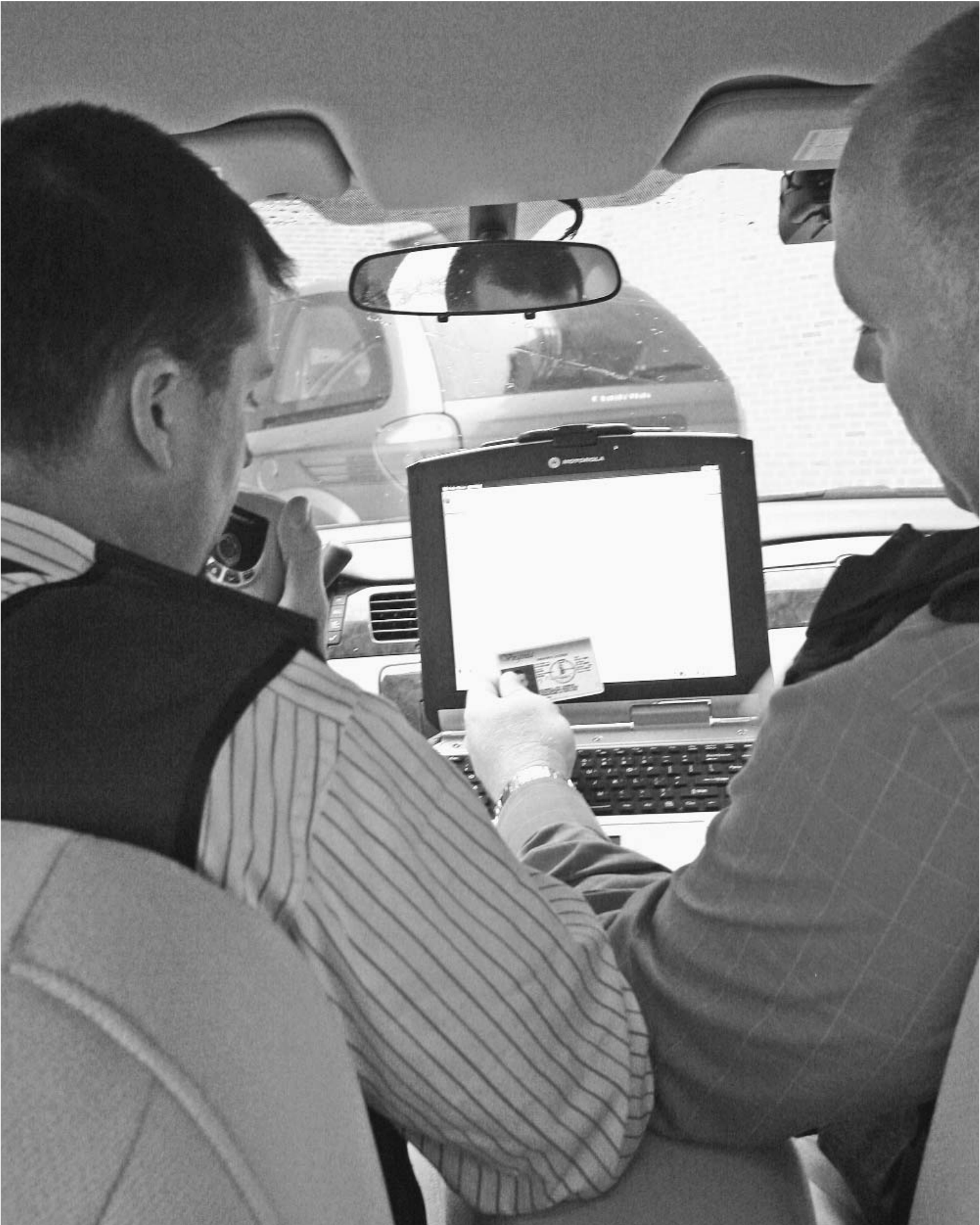
Counties	Liquor by the Drink (1)	Bed and Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (2)	Restaurants (Beer and Wine)	Winery	All Others (3)	Grand Total (4)
Mathews	wet	0	0	0	0	0	0	2	6	0	0	0	2	1	0	3	5	0	0	19
Mecklenburg	wet	1	0	1	0	0	0	11	33	0	0	2	0	23	1	13	21	1	1	108
Middlesex	wet	1	0	0	0	0	0	1	6	0	0	0	4	5	0	10	13	0	4	44
Montgomery	wet	1	0	0	0	0	4	2	25	2	0	3	6	28	2	45	75	0	0	193
Nelson	wet	4	1	5	1	0	0	2	11	1	0	0	1	13	2	3	7	9	10	70
New Kent	wet	0	0	0	0	0	0	0	10	1	0	2	0	8	0	6	13	1	1	42
Northampton	wet	1	1	4	0	1	1	2	13	0	0	1	1	5	2	15	23	2	4	76
Northumberland	wet	0	0	0	0	1	0	2	5	0	0	1	1	8	0	6	12	1	4	41
Nottoway	wet	0	0	3	0	0	0	4	11	0	0	0	0	7	0	3	10	0	0	38
Orange	wet	3	0	1	0	0	0	3	16	0	0	3	3	6	0	10	19	3	3	70
Page	wet	3	0	0	0	0	0	6	11	0	0	0	1	13	2	7	16	1	3	63
Patrick	dry	3	0	0	0	0	0	1	12	0	0	1	0	16	0	0	9	1	1	44
Pittsylvania	wet	1	1	4	0	0	0	5	29	0	0	1	0	38	0	1	15	1	2	98
Powhatan	wet	0	0	0	0	0	1	1	15	0	0	0	1	2	0	9	13	1	0	43
Prince Edward	wet	0	0	0	0	0	2	2	12	0	0	2	1	11	0	12	22	1	1	66
Prince George	wet	0	0	0	0	0	0	2	11	0	0	2	0	10	0	9	13	0	1	48
Prince William	wet	0	6	8	0	1	5	14	69	3	0	16	42	89	6	150	235	1	7	652
Pulaski	wet	0	0	1	0	0	1	6	10	2	0	2	1	32	0	3	13	1	2	74
Rappahannock	wet	6	0	2	0	0	0	0	3	0	1	0	2	5	1	2	6	6	5	39
Richmond	wet	0	0	5	0	0	1	0	1	0	0	1	1	7	0	2	6	1	1	26
Roanoke	wet	0	4	7	0	0	1	4	32	0	0	5	6	14	0	33	58	2	1	167
Rockbridge	wet	4	0	1	0	0	2	3	16	0	0	0	2	13	5	6	14	2	2	70
Rockingham	wet	1	0	1	2	0	0	5	36	0	0	2	4	12	0	7	26	2	3	101
Russell	dry	0	0	0	0	0	0	2	16	0	0	1	1	4	0	2	5	0	0	31
Scott	dry	0	0	0	0	0	0	0	11	1	0	1	1	17	0	0	5	0	0	36
Shenandoah	wet	2	0	3	0	0	0	8	14	0	0	3	1	32	3	11	29	4	5	115
Smyth	wet	1	3	5	0	0	0	2	19	1	0	1	0	16	1	4	16	2	1	72
Southampton	wet	0	0	0	0	0	0	2	15	0	0	1	1	12	0	3	4	0	0	38
Spotsylvania	wet	0	0	3	2	0	0	5	50	1	2	11	15	27	1	50	75	2	6	250
Stafford	wet	0	3	5	0	0	1	6	44	1	0	7	6	21	0	42	74	2	8	220
Surry	wet	0	0	0	0	0	0	0	8	0	0	0	0	2	0	2	5	0	0	17
Sussex	wet	0	1	1	0	0	1	1	18	0	0	0	1	10	0	1	8	0	1	43
Tazewell	wet	0	1	0	0	0	0	3	23	1	0	2	1	31	0	7	21	0	1	91
Warren	wet	2	0	0	0	0	0	6	14	0	0	1	4	22	1	22	33	1	1	107
Washington	wet	6	1	3	0	0	1	3	33	2	0	1	5	17	2	6	18	1	3	102
Westmoreland	wet	1	0	2	0	0	0	7	8	0	0	2	4	13	0	14	21	4	6	82
Wise	wet	0	0	1	0	0	0	1	32	1	0	3	2	7	0	6	16	1	1	71
Wythe	wet	0	1	3	0	0	0	3	17	2	0	1	0	21	0	10	13	2	3	76
York	wet	0	0	1	2	0	0	3	24	0	0	4	10	16	5	30	59	2	9	165
Grand total		80	121	206	22	25	79	311	1,862	56	7	286	502	1,603	164	2,221	3,714	158	256	11,673

NOTES:

- (1) "Liquor by the Drink": "Dry"—not approved for liquor by the drink; "Wet"—approved for liquor by the drink.
- (2) "Restaurants (Mixed Beverage)" represents the total number of wine and beer establishments also having mixed beverage licenses. These licenses are included in the grand total column.

- (3) "All Others" includes hospitals, fire departments, rescue squads, performing arts facilities, gift shops, food concessions, etc. It does not include banquets.
- (4) Report includes in-state shipper's licenses, but excludes 524 out-of-state shipper's licenses.

Source: CORE, July 2007



FINANCIAL STATEMENTS

The financial statements of the agency are audited annually by the Auditor of Public Accounts as required by the Code of Virginia. The Auditor of Public Accounts is part of the legislative branch of Virginia government and reports through the Joint Legislative Audit and Review Commission (JLARC) of the General Assembly. This structure provides independence from the executive and judicial branch agencies they audit. Visit www.abc.virginia.gov for a copy of the complete online 2008 Annual Report that contains financial information for Fiscal Year 2008 and a downloadable, printable version of this entire report.



Management's Discussion and Analysis (Unaudited)

This discussion and analysis of the Virginia Department of Alcoholic Beverage Control's (ABC) financial performance provides a brief overview of financial activities for the fiscal year ended June 30, 2008.

FINANCIAL HIGHLIGHTS

- The Department's operating revenues increased 5.3 percent in Fiscal Year 2008, due in part to the continued expansion of the retail store network and national trends for increased distilled spirit consumption, and the 4.0 percent increase in markup effective February 1, 2008.
- ABC operations returned record profits to the Commonwealth in Fiscal Year 2008 of \$103.4 million.
- Five new stores were opened throughout Fiscal Year 2008 generating \$3.3 million in additional sales. Five stores were relocated to improved market areas and ten were remodeled.
- As a result of House Bill 1314 passed by the 2004 session of the General Assembly, the Board was allowed to operate on Sundays. The 50 Sunday stores reached \$9.7 million in sales in Fiscal Year 2007. Fiscal Year 2008 ended with a total of 95 stores operating on Sundays. The total Sunday sales for Fiscal Year 2008 reached \$12.1 million, an increase of \$2.4 million.

OVERVIEW OF FINANCIAL STATEMENTS

The audited annual report consists of a series of proprietary fund financial statements. The Statement of Net Assets provides information about the Department's assets and liabilities and reflects the financial position as of June 30, 2008. The Statement of Revenues, Expenses, and Changes in Net Assets reports the operating revenue activity and the expenses related to such activity for the 12-month period ended June 30, 2008. The Statement of Cash Flows outlines the cash inflows and outflows relating to the operations for the same 12-month period. The financial statements also include "notes" that provide additional information that is essential to a full understanding of the data provided in the statements. These statements provide current and noncurrent information about the Department's financial position.

Commonwealth of Virginia

Department of
Alcoholic Beverage Control
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Pamela O'Berry Evans, Chair
Susan R. Swecker, Commissioner
Esther H. Vassar, Commissioner

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

(Facing page) Special Agents John O'Connell (left) and Rob Owens use STARS (State Agency Radio System) to run an ID and criminal records check.

FINANCIAL ANALYSIS

- ABC ended Fiscal Year 2008 with a total of \$51.6 million in current assets including \$43.8 million in inventory of alcohol merchandise for resale, a \$1.3 million increase. The increase in inventory is a result of 5 new stores being opened in Fiscal Year 2008 in addition to the 14 opened throughout Fiscal Year 2007. New products being introduced in the market and vendor price increases to ABC also impacts the value of ABC inventory.
- As seen on the Statement of Net Assets, the Department's total invested in noncurrent assets is \$15,252,697 with \$136,591 representing other assets, net of amortization. \$13,381,590 is invested in capital assets, net of related debt of \$1,734,516.
- In total, assets decreased from \$75.1 million in Fiscal Year 2007 to \$66.8 million in Fiscal Year 2008.
- The change in capital assets, net, from Fiscal Year 2008 to Fiscal Year 2007 changed by an additional \$2.2 million due to accelerated depreciation of the Point of Sale equipment for Fiscal Year 2008.

Net Assets	FY 08	FY 07	Change
Current and other assets	\$ 51,706,648	\$ 52,315,526	\$ (608,878)
Capital assets, net	<u>15,116,106</u>	<u>22,772,438</u>	<u>(7,656,332)</u>
Total assets	<u>66,822,754</u>	<u>75,087,964</u>	<u>(8,265,210)</u>
Current liabilities	60,532,870	67,787,507	(7,254,637)
Noncurrent liabilities	<u>3,602,258</u>	<u>4,587,296</u>	<u>(985,038)</u>
Total liabilities	<u>64,135,128</u>	<u>72,374,803</u>	<u>(8,239,675)</u>
<i>Net assets:</i>			
Invested in capital assets	13,381,590	20,162,895	(6,781,305)
Unrestricted	<u>(10,693,964)</u>	<u>(17,449,734)</u>	<u>6,755,770</u>
Total net assets	<u>\$ 2,687,626</u>	<u>\$ 2,713,161</u>	<u>\$ (25,535)</u>

- Total liabilities decreased from last fiscal year end. Current liabilities owed by the Department decreased \$7.3 million from last fiscal year. The liability amount is largely represented in accounts payable as well as payments due to the Commonwealth for line of credit repayment, taxes payable (see Note 4) and the undistributed balance of profits. Noncurrent liabilities netted a slight decrease due to the normal scheduled monthly payments according to the Master Equipment Leasing Program (MELP) through the Department of Treasury used to obtain the point of sale cash registers and software in Fiscal Years 2002 and 2003 plus the \$3.7 million MELP increase in Fiscal Years 2006 and 2007 to finance a portion of the new warehouse racking system. (see Note 6)
- The Department lacks working capital (current assets in excess of current liabilities) to fund all business needs at year-end including accelerated payments of taxes and profits before June 30. Given this periodic lack of necessary working capital, the Department depends on a \$60 million line of credit with the State Comptroller to meet day-to-day operations. At June 30, 2008, the amount borrowed was \$31,493,946. (see Note 4)
- ABC's gross margin (percent of revenue including state tax on sales left after subtracting cost of goods sold and state tax on sales) increased to 34.2 percent in Fiscal Year 2008 from 33.2 percent in Fiscal Year 2007.

Revenue The vast majority of the Department's revenues come from the sale of alcoholic beverages. These revenues are achieved through the 330+ state-run stores located throughout the state. Gross sales including state tax on sales in Fiscal Year 2008 reached an all time high of \$641 million, up \$34 million over

Fiscal Year 2007. The gross revenue after state tax on sales of alcohol increased from \$507.2 million to \$535.5 million or 5.6 percent. License and permit fees increased slightly in Fiscal Year 2008 totaling \$11.3 million from \$11.0 million in Fiscal Year 2007. Federal grants and contracts receipts as well as miscellaneous revenues were up slightly. Other sources of revenue include lottery, wine wholesalers tax, penalties and mixed beverage taxes on common carriers.

Operating Revenues	FY 08	FY 07	Change
Sales of alcohol	\$535,540,716	\$507,153,566	\$28,387,150
Sales of lottery tickets	3,141,190	3,647,414	(506,224)
License and permit fees	11,331,249	11,047,147	284,102
Wine wholesalers tax	2,618,252	2,517,929	100,323
Penalties	1,565,923	1,637,445	(71,522)
Federal grants and contracts	944,567	924,954	19,613
Mixed beverage tax on common carriers	26,177	25,458	719
Miscellaneous	660,746	1,018,827	(358,081)
Net operating revenues	\$555,828,820	\$527,972,740	\$27,856,080

Expenses In Fiscal Year 2008 operating expenses (not including cost of sales, alcohol and lottery) increased from \$123.8 million to \$132.8 million, an increase of 7.3 percent. 70.0 percent of the Department's total expenses are for the cost of sales of distilled spirits and mixers sold through ABC stores and less than 1.0 percent for lottery cost of sales. Following cost of merchandise is personal services, which accounts for 17.3 percent of total expenses. The remaining 12.0 percent is made up of contractual services (e.g. store rents), continuous charges (utilities) and other miscellaneous charges. Expenses for personal services, rents and utilities increased in Fiscal Year 2008 in order to support the growth in ABC's sales and profits. Other drivers of expense increases are depreciation, technology, credit card fees and store communications. These trends are expected to continue as the Department strives to open additional new stores.

Operating Expenses	Amount FY 08	Amount FY 07	Difference	% Expenses FY 08
Cost of sales, alcohol	\$316,599,864	\$305,975,833	\$10,624,031	70.0%
Cost of sales, lottery	2,977,423	3,448,637	(471,214)	0.7%
	319,577,287	309,424,470	10,152,817	70.7%
Personal services	78,399,498	75,446,941	2,952,557	17.3%
Continuous charges	21,131,537	19,551,506	1,580,031	4.7%
Contractual services	20,413,033	18,119,290	2,293,743	4.5%
Supplies and materials	2,381,444	2,435,516	(54,072)	0.5%
Depreciation	8,340,859	6,104,685	2,236,174	1.8%
Expendable equipment	1,750,627	1,750,193	434	0.4%
Other	401,767	395,819	5,948	0.1%
	132,818,765	123,803,950	9,014,815	29.3%
Total operating expenses	\$452,396,052	\$433,228,420	\$19,167,632	100.0%

Profits Prior to the statutory distribution of quarterly net profits to the General Fund, transfers required in the Appropriation Act for each fiscal year must be executed. In Fiscal Year 2008, approximately \$66.2 million of the agency's \$103.4 million in net profits were transferred to other state agencies. The majority, \$65.4 million, transfers to the Department of Mental Health, Mental Retardation and Substance Abuse Services incurred for care, treatment, study and rehabilitation of alcoholics. The remaining \$37.2 million was distributed to local governments and the General Fund in accordance with the

INITIATIVES 2008

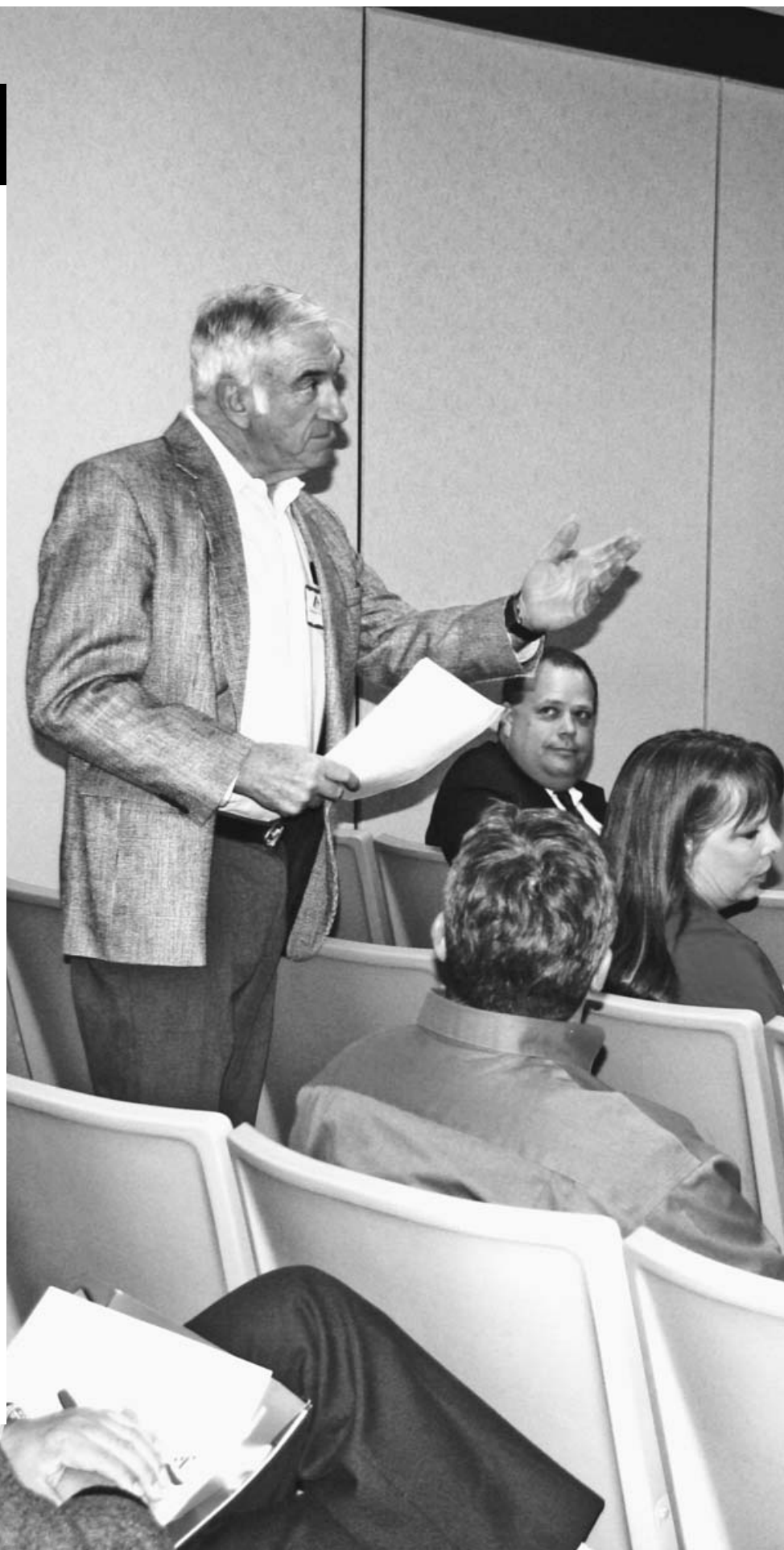
COMMUNITY ADVISORY COUNCIL

Created in 2008, the ABC Community Advisory Council seeks to make Virginia's communities safer places to live and work through increased communication on a variety of issues such as crime prevention, best practices in ABC enforcement, new laws and regulations and general community concerns.

Composed of ABC licensees, members of government and community organizations, the Council serves as a sounding board and source of ideas. It also offers advice on a range of ABC services including the hearings process, education and compliance initiatives, licensing, enforcement at licensed establishments, issues with ABC stores, and more.

With the Council meeting in four regions of the Commonwealth, ABC is taking the basic concept of community policing and expanding it to a statewide level. In most cases, two or more Bureau of Law Enforcement regions partner to form an advisory council region, with each board co-chaired by the regional special agents in charge (SACs). Each Council builds on the efforts of other regional councils by having access to information from all regional meetings in order to collectively work on the issues. The Council in each region meets twice per year with the option of adding meetings based on issues that arise. Meeting dates and times are posted on Virginia ABC's Web site.

(This page) Community Advisory Council (CAC) member Herman Wilkins, a retired SAC, addressed council members during the first South Region CAC meeting held in Richmond on January 26, 2008.



Code of Virginia. In Fiscal Year 2008 the local governments share of ABC profits was capped at \$4,150,000 by the Appropriations Act.

Revenues, Expenses and Changes in Net Assets	FY 08	FY 07	Change
Net operating revenues	\$ 555,828,820	\$ 527,972,740	\$ 27,856,080
Total operating expenses	452,396,052	433,228,420	19,167,632
Nonoperating revenues / (expenses)	(48,020)	(74,034)	26,014
Net profit before transfers	<u>103,384,748</u>	<u>94,670,286</u>	<u>8,714,462</u>
Transfers of profits to the General Fund of the Commonwealth	(37,244,286)	(28,249,305)	(8,994,981)
Appropriation Act transfers	(66,165,997)	(66,165,997)	0
Total transfers	<u>(103,410,283)</u>	<u>(94,415,302)</u>	<u>(8,994,981)</u>
Net increase after transfers	(25,535)	254,984	(280,519)
Total net assets—beginning	2,713,161	2,458,177	254,984
Total net assets—ending	\$ <u>2,687,626</u>	\$ <u>2,713,161</u>	\$ <u>(25,535)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- During Fiscal Year 2009, the Department anticipates a decline in the growth rate in sales, largely because of the soft economy. Presently, the Department anticipates a sales growth rate of approximately 5.0 percent that is slightly below the 7.1 percent seen during the last four fiscal years. Sales growth is highly dependent on consumer behavior during the holiday season, which accounts for over 20 percent of the Department's annual sales.
- ABC's operating expenses continue to grow, largely because of mandated salary and benefit increases, escalating store rents, and increases in the cost of technology. During Fiscal Year 2009, a maximum of five new locations may be opened to ensure the current level of stores keeps pace with population growth.
- In Fiscal Year 2009, several major computer systems will require upgrades that will impact expenses and depreciation charges going forward. Many of these are required to ensure the Department is compliant with requirements of the Payment Card Industry.
- Presently, the Department is optimistic that it will achieve the \$102.8M profit forecast contained in the Fiscal Year 2009 budget. The largest risk to reaching the forecast stems from sluggish sales resulting from a worsening in Virginia's economic conditions.

CONTACTING THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Virginia Department of Alcoholic Beverage Control at 2901 Hermitage Road, Richmond, VA 23220, or visit us on the Web at www.abc.virginia.gov.



September 29, 2008

The Honorable Timothy M. Kaine,
Governor of Virginia

The Honorable M. Kirkland Cox
Chairman, Joint Legislative Audit and Review Commission

Alcoholic Beverage Control Board,
Department of Alcoholic Beverage Control



Independent Auditor's Report on Financial Statements

We have audited the accompanying basic financial statements of the Department of Alcoholic Beverage Control as of and for the year ended June 30, 2008, as listed in the Table of Contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1A, the basic financial statements of the Department are intended to present the financial position and the changes in financial position and cash flows of only that portion of the business-type activities and the aggregate remaining fund information of the Commonwealth of Virginia that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the Commonwealth of Virginia's overall financial position as of June 30, 2008, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department of Alcoholic Beverage Control as of June 30, 2008, and the changes in its financial position and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 45 through 49 are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United

Commonwealth of Virginia

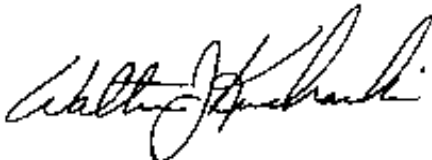
Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

(Facing page) Store 177 in Chincoteague.

States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2008, on our consideration of the Department of Alcoholic Beverage Control's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



AUDITOR OF PUBLIC ACCOUNTS

Statement of Net Assets

As of June 30, 2008

ASSETS

<i>Current assets:</i>	
Cash and cash equivalents (Note 2 and 7)	\$ 2,211,402
Petty cash	160,000
Receivables	3,248,905
Inventory—Alcohol (Note 1)	43,772,614
Inventory—Lottery tickets (Note 1)	107,774
Prepaid insurance expenses	1,613,213
Investments held by Treasurer of Virginia (Note 7)	<u>456,150</u>
Total current assets	<u>51,570,057</u>
<i>Noncurrent assets:</i>	
Nondepreciable capital assets (Note 3)	1,827,702
Depreciable capital assets, net (Note 3)	13,288,404
Other assets, net	<u>136,591</u>
Total noncurrent assets	<u>15,252,697</u>
Total assets	<u>66,822,754</u>

LIABILITIES

<i>Current liabilities:</i>	
Accounts payable	18,482,561
Due to Commonwealth of Virginia (Note 4)	37,948,474
Installment notes payable (Note 6)	770,681
Unearned revenue	130,702
Obligations under securities lending (Note 7)	577,241
Compensated absences payable (Note 8)	<u>2,623,211</u>
Total current liabilities	<u>60,532,870</u>
<i>Noncurrent liabilities:</i>	
Installment notes payable (Note 6)	963,835
Compensated absences payable (Note 8)	<u>2,638,423</u>
Total noncurrent liabilities	<u>3,602,258</u>
Total liabilities	<u>64,135,128</u>

NET ASSETS

Invested in capital assets, net of related debt	13,381,590
Unrestricted net assets	<u>(10,693,964)</u>
Total net assets	<u>\$ 2,687,626</u>

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

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended June 30, 2008

<i>Operating revenues:</i>	
Sales of alcohol	\$ 535,540,716
Sales of lottery tickets	3,141,190
License and permit fees	11,331,249
Wine wholesalers tax	2,618,252
Penalties	1,565,923
Federal grants and contracts	944,567
Mixed beverage tax on common carriers	26,177
Miscellaneous	<u>660,746</u>
Total operating revenues	<u>555,828,820</u>
<i>Operating expenses:</i>	
Cost of sales of alcohol	316,599,864
Cost of sales of lottery tickets	2,977,423
Personal services	78,399,498
Continuous charges	21,131,537
Contractual charges	20,413,033
Supplies and materials	2,381,444
Depreciation and amortization	8,340,859
Expendable equipment	1,750,627
Other	<u>401,767</u>
Total operating expenses	<u>452,396,052</u>
Operating income	<u>103,432,768</u>
<i>Nonoperating revenues (expenses):</i>	
Rents	97,916
Income from security lending transactions (Note 7)	402,873
Expenses from security lending transactions (Note 7)	(402,873)
Interest expense	(148,978)
Seized assets	<u>3,042</u>
Total nonoperating revenues (expenses)	<u>(48,020)</u>
Net profit before transfers	<u>103,384,748</u>
<i>Transfers out:</i>	
Transfers of profits to the General Fund of the Commonwealth	(37,244,286)
Appropriation Act transfers	<u>(66,165,997)</u>
Total transfers	<u>(103,410,283)</u>
Net increase after transfers	<u>(25,535)</u>
Total net assets—July 1, 2007	<u>2,713,161</u>
Total net assets—June 30, 2008	<u>\$ 2,687,626</u>

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

Statement of Cash Flows

For the Year Ended June 30, 2008

<i>Cash flows from operating activities:</i>	
Cash received from sales	\$ 538,720,697
Cash received from licenses and fees	11,250,379
Cash received from other revenue	7,926,371
Cash payments for cost of sales	(330,973,542)
Cash payments for personal services	(78,442,599)
Cash payments for other expenses	<u>(46,421,028)</u>
Net cash provided by operating activities	<u>102,060,278</u>
<i>Cash flows from noncapital financing activities:</i>	
Note payable to the Commonwealth	31,493,946
Due to the Commonwealth repayments	(28,622,894)
Cash received from nonoperating activities	100,958
Cash received from taxes	159,684,249
Transfers of tax collections to the General Fund of the Commonwealth	(135,773,935)
Transfers of tax collections to the Department of Taxation	(25,049,499)
Transfers of profit to the General Fund of the Commonwealth	(36,092,057)
Appropriation Act transfers	<u>(66,165,997)</u>
Net cash used for noncapital financing activities	<u>(100,425,229)</u>
<i>Cash flows from capital and related financing activities:</i>	
Acquisition of equipment	(618,773)
Sale of depreciable assets	10,771
Note payable principal payments	(875,027)
Note payable interest payments	<u>(148,978)</u>
Net cash used for capital financing activities	<u>(1,632,007)</u>
Net increase in cash and cash equivalents	3,042
Cash and cash equivalents—July 1, 2007	<u>2,247,269</u>
Cash and cash equivalents—June 30, 2008	<u>\$ 2,250,311</u>
<i>Reconciliation of cash and cash equivalents</i>	
Cash and cash equivalents	2,211,402
Petty cash	160,000
Securities lending cash equivalent	<u>(121,091)</u>
	<u>\$ 2,250,311</u>
<i>Reconciliation of net profit to net cash provided by operating activities:</i>	
Operating income	103,432,768
<i>Adjustments to reconcile net profit to net cash provided by operating activities:</i>	
Depreciation and amortization	8,340,859
<i>Change in assets and liabilities:</i>	
Decrease in accounts receivable	2,149,496
Increase in inventory	(1,299,905)
Decrease in compensated absences	(63,317)
Decrease in accounts payable	(10,076,133)
Increase in prepaid items	(342,620)
Decrease in unearned revenue	<u>(80,870)</u>
Net cash provided by operating activities	<u>\$ 102,060,278</u>

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

StateWays®

THE BEVERAGE ALCOHOL MERCHANDISING MAGAZINE FOR CONTROL STATES

The Virginia Department of Alcoholic Beverage Control

RUM APPEAL

GIN MIXES IT UP

**EMERGING
WINES**

**NABCA CONFERENCE
ROUNDUP**

From left, Commissioners
Susan Swecker and Esther Vassar,
and Chairperson Pam O'Berry Evans.

Notes to Financial Statements (as of June 30, 2008)

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 or is the recipient of their services and/or benefits. The Department is an agency of the Commonwealth of Virginia and is included in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

B. Fund Accounting

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

C. Basis of Accounting

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

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

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

D. Inventories

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

(Facing page) The July/August 2008 issue of *StateWays*, an industry magazine for control states, highlighted ABC's Fiscal Year 2008 successes in enforcing Virginia's laws, providing exceptional customer service and contributing revenue to the Commonwealth. The nine-page feature included high-quality photos of the Board, executives, ABC stores and the Central Warehouse.

2. CASH WITH THE TREASURER OF VIRGINIA

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

3. CAPITAL ASSETS

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

	Balance at July 1, 2007	Acquired	Deleted	Balance at June 30, 2008
<i>Nondepreciable capital assets:</i>				
Land	\$ 1,827,702	\$ —	\$ —	\$ 1,827,702
Construction in-progress	—	—	—	—
Total nondepreciable capital assets	<u>1,827,702</u>	<u>—</u>	<u>—</u>	<u>1,827,702</u>
<i>Depreciable capital assets:</i>				
Buildings	9,571,382	—	—	9,571,382
Equipment	45,704,557	618,773	(4,473,764)	41,849,566
Total depreciable capital assets	<u>55,275,939</u>	<u>618,773</u>	<u>(4,473,764)</u>	<u>51,420,948</u>
<i>Less accumulated depreciation:</i>				
Building	9,242,071	12,552	—	9,254,623
Equipment	25,089,132	8,251,782	(4,462,993)	28,877,921
Total accumulated depreciation	<u>34,331,203</u>	<u>8,264,334</u>	<u>(4,462,993)</u>	<u>38,132,544</u>
Depreciable capital assets, net	<u>20,944,736</u>	<u>(7,645,561)</u>	<u>(10,771)</u>	<u>13,288,404</u>
Total capital assets, net	<u>\$22,772,438</u>	<u>\$ (7,645,561)</u>	<u>\$ (10,771)</u>	<u>\$15,116,106</u>

The Department capitalizes all property, plant, and equipment that have a cost or value equal to or greater than \$5,000. Property, plant, and equipment are stated at cost and at the time of acquisition are set up in a comprehensive capital asset system. Depreciation of the cost of property, plant, and equipment is provided on a straight-line basis over their estimated lives of from ten to thirty years on buildings and from three to eight years on equipment.

4. DUE TO THE COMMONWEALTH

A. Note Payable

The Department has a line of credit for \$60,000,000 with the Treasurer of Virginia. Repayment is made from revenue collections pursuant to Title 4.1, Chapter 1 of the *Code of Virginia*. As of June 30, 2008, the Department had outstanding \$31,493,946 of its available line of credit to extinguish a cash overdraft.

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

Balance at July 1, 2007	Increase	Decrease	Balance at June 30, 2008
<u>\$28,622,894</u>	<u>\$31,493,946</u>	<u>\$(28,622,894)</u>	<u>\$31,493,946</u>

B. General Fund

The Department collects certain taxes on behalf of the General Fund of the Commonwealth. The state tax on sales is collected from store sales and is paid quarterly to the General Fund of the Commonwealth. The liter tax is collected on wholesalers' direct wine shipments. The 2008 Virginia Acts of Assembly required \$9,886,363 of the gross liter tax to be transferred to the General Fund for expens-

es incurred for care, treatment, study, and rehabilitation of alcoholics by the Department of Mental Health, Mental Retardation and Substance Abuse Services and other state agencies. Of the remaining liter tax, 12 percent is retained by the Department and reported as wine wholesalers' tax on the Department's financial statements. The remaining 88 percent is paid to the General Fund of the Commonwealth quarterly. Of the liter tax paid to the General Fund, the Commonwealth subsequently transfers \$4,350,000 to localities. Collections and transfers of state tax on sales and liter tax are not reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Activity relating to the amounts due to the General Fund for the year ended June 30, 2008, is summarized below.

	State Tax on Sales	Liter Tax on Wine	Total
Balance due to the General Fund, July 1, 2007	\$ 544,412	\$ 933,025	\$ 1,477,437
Receipts for fiscal year	105,654,514	29,108,591	134,763,105
Transfers to the General Fund	(106,167,812)	(29,606,123)	(135,773,935)
Balance due to the General Fund, June 30, 2008	\$ 31,114	\$ 435,493	\$ 466,607

C. Department of Taxation—Sales Tax

The Department collects sales tax on all sales of alcohol and remits collections monthly to the Department of Taxation. Sales tax collections and transfers are not reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Activity relating to the amounts due to the Department of Taxation for the year ended June 30, 2008, is summarized below.

Balance due to the Department of Taxation, July 1, 2007	\$ 2,104,364
Sales tax collections	24,921,144
Transfers to the Department of Taxation	(25,049,498)
Balance due to the Department of Taxation, June 30, 2008	\$ 1,976,010

D. Earned Surplus

The Appropriation Act, Chapter 847 of the 2008 Acts of Assembly, requires the Department to transfer an estimate of its fourth quarter profits in the month of June. In accordance with the Alcoholic Beverage Control Act, Section §4.1-116 of the *Code of Virginia*, the Department transfers any additional net profit to the General Fund of the Commonwealth 50 days after the last day of the quarter. The Department underestimated profit for the fourth quarter resulting in an additional \$4,011,911 due to the General Fund at June 30, 2008.

5. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for retail store buildings. Rent expense under operating lease agreements amounted to \$17,885,044 for the year. A summary of future obligations under lease agreements as of June 30, 2008, follows.

Year Ending June 30,	
2009	\$16,803,035
2010	15,181,135
2011	12,174,756
2012	7,573,517
2013	4,267,722
2014–2018	2,253,257
Total obligations	\$58,253,422

6. INSTALLMENT NOTES PAYABLE

During Fiscal Years 2005 and 2006 the Department entered into an additional five-year installment purchase agreement for the warehouse racking system. The interest rate charges range from 2.7397 percent to 3.5922 percent. Principal and interest payments of this commitment for fiscal years subsequent to June 30, 2008 are as follows.

Fiscal Year	Principal	Interest	Total Obligations
2009	770,681	46,587	817,268
2010	776,891	20,579	797,470
2011	186,944	1,963	188,907
Total	<u>\$1,734,516</u>	<u>\$69,129</u>	<u>\$1,803,645</u>

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

Balance at July 1, 2007	Increase	Decrease	Balance at June 30, 2008
<u>\$2,609,543</u>	<u>\$0</u>	<u>\$(875,027)</u>	<u>\$1,734,516</u>

7. SECURITIES LENDING TRANSACTIONS

Investments held by the Treasurer of Virginia represent the Department's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report. The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

8. COMPENSATED ABSENCES

Compensated absences reflected in the Statement of Net Assets represent the amounts of vacation, sick, and compensatory leave earned by employees of the Department, but not taken at June 30, 2008. The amount reflects all earned vacation, sick, and compensatory leave payable under the Commonwealth of Virginia's leave payout policies. Information on the Commonwealth's leave payout policies is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

Balance at July 1, 2007	Increases	Decreases	Balance at June 30, 2008	Amounts Due within One Year
<u>\$5,324,951</u>	<u>\$2,913,322</u>	<u>\$(2,976,639)</u>	<u>\$5,261,634</u>	<u>\$2,623,211</u>

9. COLLECTIONS OF MALT BEVERAGE TAX

During the year ended June 30, 2008, the Department collected \$44,357,439 in malt beverage taxes. These funds are deposited by the Department directly with the Treasurer of Virginia for credit to the General Fund of the Commonwealth and are not available to the Department to meet current operating needs and are not included in the financial statements.

10. PENSION PLAN AND OTHER POST RETIREMENT BENEFITS

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

11. RISK MANAGEMENT

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

12. CONTINGENT LIABILITIES

Legal Proceedings

The Department is named as a party in several legal proceedings. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the Department in respect to the various proceedings; however, it is believed that any ultimate liability resulting from these suits will not have a material, adverse effect on the financial condition of the Department.

Bailment Inventory

The Department houses and controls bailment inventory in the warehouse and is therefore responsible for the exercise of reasonable care to preserve the inventory until it is purchased by the Department or returned to the supplier. The Department uses the bailment system for payment of merchandise for resale. The Department initiates payments to the vendors based on shipments from the ABC warehouse to the retail stores, rather than receipt of invoice from the vendor. At June 30, 2008, the bailment inventory was valued at \$38,352,876.

ABC Offices and Warehouse Information

Location	Mailing Address	Phone Number	Fax Number
CENTRAL OFFICE AND WAREHOUSE			
Richmond 2901 Hermitage Rd. Richmond, VA 23220	P.O. Box 27491 Richmond, VA 23261-7491	(804) 213-4400	
REGIONAL OFFICES			
Abingdon (Satellite Office) 545 West Main St. Abingdon, VA 24210	P.O. Box 205 Abingdon, VA 24210-0205	(276) 676-5502	(276) 676-5549
Alexandria 6308 Grovedale Dr. Alexandria, VA 22310	6308 Grovedale Dr. Alexandria, VA 22310	(703) 313-4432	(703) 313-4444
Charlottesville (Satellite Office) 900 Natural Resources Dr., Suite 700 Fountaine Research Park 22903	900 Natural Resources Dr., Suite 700 Charlottesville, VA 22903	(434) 977-2974	(434) 977-4772
Chesapeake 1103 South Military Hwy. Chesapeake, VA 23320	1103 South Military Hwy. Chesapeake, VA 23320	(757) 424-6700	(757) 424-6744
Hampton 4907 West Mercury Blvd. Hampton, VA 23666	P.O. Box 5226 Newport News, VA 23605-0226	(757) 825-7830	(757) 825-7884
Lynchburg 20353 Timberlake Rd., Suite A Lynchburg, VA 24502	20353 Timberlake Rd., Suite A Lynchburg, VA 24506-0336	(434) 582-5136	(434) 582-5140
Richmond North (Central Office) 2901 Hermitage Rd. Richmond, VA 23220	P.O. Box 27491 Richmond, VA 23261-7491	(804) 213-4620	(804) 213-4638
Richmond South (Central Office) 2901 Hermitage Rd. Richmond, VA 23220	P.O. Box 27491 Richmond, VA 23261-7491	(804) 213-4624	(804) 213-4638
Roanoke 2943-D Peters Creek Rd. Roanoke, VA 24019	2943-D Peters Creek Rd. Roanoke, VA 24019	(540) 562-3604	(540) 560-3612
Staunton 460 Commerce Square Staunton, VA 24401	460 Commerce Square Staunton, VA 24401-4432	(540) 332-7800	(540) 332-7814

ABC Store Information

ABC stores can be located by street address, county and zip code using the "Store Locator Search" on ABC's Web site. A list of stores and locations, showing hours and telephone numbers, is also available online. Visit www.abc.virginia.gov and click on "Stores and Products" to access the search engine and a complete list of stores and to receive current information about new openings, closings and modernizations.

www.abc.virginia.gov



(This page) A store associate bags a customer's purchase. In 2008, ABC converted to more eco-friendly plastic bags containing a biodegradable additive that significantly reduces decomposition time in a landfill.

CONTROL SERVICE REVENUE



VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL

2901 Hermitage Road
Richmond, VA 23220

Phone: (804) 213-4400

Visit www.abc.virginia.gov for a copy of the complete online 2008 Annual Report that contains financial information for Fiscal Year 2008 and a downloadable, printable version of this entire report.

ABC VISION

To enhance the quality of life for Virginia's citizens by balancing service, revenue and control in the distribution, sale and consumption of alcoholic beverages.

ABC MISSION

To control the distribution of alcoholic beverages; operate efficient, conveniently located retail outlets; enforce the laws of the Commonwealth pertaining to alcoholic beverages and youth access to tobacco products; and provide excellent customer service, a reliable source of revenue, and effective public safety.

