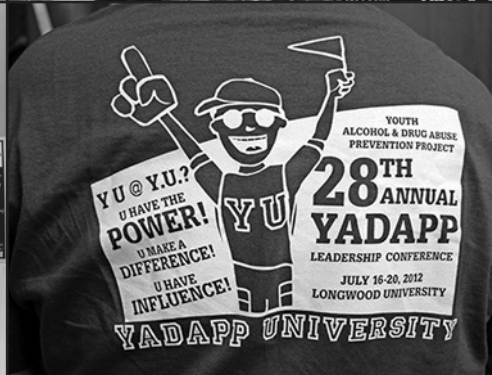




VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL MISSION IN REVIEW 2013

VABC
CONTROL
SERVICE
REVENUE

CONTROL
SERVICE
REVENUE

LETTER FROM THE CHAIRMAN

Fiscal Year 2013 marked another record year for the Virginia Department of Alcoholic Beverage Control (ABC)'s Retail Operations Division. Total gross sales for the fiscal year were \$769 million, \$35 million higher than last year and \$11 million higher than the projected \$758 million target. Profits were \$134 million, an increase of \$2 million from the previous fiscal year. Retail sales ended the year up 5.5 percent and mixed beverage licensee sales were up 1.5 percent. Six stores opened this year, generating a total of \$2.5 million in sales.

In addition to opening stores, ABC relocated eight stores and modernized nine. Store grand openings are now community events that include local officials and media representatives, as well as ABC executive staff. The agency is piloting a new store design that redirects customer flow to enhance the shopping experience. Specialized ceilings and floors, energy-efficient lighting and enhanced trade fixtures are featured. The new design will debut in Williamsburg in 2013 and in Leesburg in 2014.

Beginning July 1, 2012 all ABC retail locations not previously open on Sunday opened from 1 to 6 p.m. Total Sunday sales for Fiscal Year 2013 were \$43 million. In addition to Sunday sales expansion, 30 ABC stores increased hours of operation on other days to enhance the level of service in those locations.

A new quality control program monitors order-filling accuracy of warehouse personnel along with store-reporting accuracy when orders are received at the location. In addition, the agency implemented an incentive program rewarding warehouse order pickers who perform at a 99.9 percent accuracy rate.

After taking a close look at current operations and identifying best practices in other control states, ABC created a new division to direct the agency's product placement and marketing efforts. ABC hired a director of marketing to develop and manage agency-wide marketing and promotions functions, including promotions planning and analysis, store branding and product planning and performance.

The new licensing unit in ABC's Central Office continues to improve citizens' application process experience. Licensing centralization has established consistency in requirements and continues to decrease processing times.

To better equip ABC agents to enforce the commonwealth's alcohol laws, the bureau purchased a Field Support Vehicle (FSV) with \$750,000 of asset forfeiture funds. Virginia is home to hundreds of events and festivals each year, the majority of which involve adult beverages. The FSV functions as a centralized command post for ABC coordinating with local law enforcement and other public safety entities at these events and serves as an onsite police base for citizens in need of assistance.

Education initiatives this year included the Youth Alcohol and Drug Abuse Prevention Project (YADAPP), which hosted nearly 500 students and adult educators. ABC also began coordinating the Governor's Office for Substance Abuse Prevention (GOSAP) program. The Substance Abuse Awareness Vital for Virginia Youth (SAVVY) initiative hosted three successful Expos in Central, Northern and Eastern Virginia to provide prevention resources and networking to help combat youth substance abuse. The Alcohol and Aging Awareness Group (AAAG) continues to provide solutions to substance misuse problems facing older Americans.

ABC remains committed to the public safety of Virginia's citizens by providing alcohol education for people of all ages, excellent customer service at each retail location and a consistent source of revenue for some of the commonwealth's most important programs.



ABC Board Chairman J. Neal Insley



VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL

2901 Hermitage Road, Richmond, VA 23220

ABC VISION

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

ABC MISSION

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

Cover photos (clockwise, from top left): ABC's new field support vehicle opens for tours at the May 2013 news conference. Warehouse Superintendent Retha McCargo packs a special order in the half-case area; she is one of five women who work in the warehouse. In preparation for the expansion of Sunday sales, Store Manager Stanley Poore checks products in Store 190. Commissioner Sandra Canada reviews Virginia wine products with Dual Operations Manager Chanel Sroczynski at Store 148. A youth participant dons the YADAPP (Youth Alcohol Drug Abuse Prevention Project) T-shirt during the 28th annual conference. ABC special agents investigate an ABC violation; special agents conducted more than 9,800 criminal investigations and made 2,200 arrests during Fiscal Year 2013.

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EXECUTIVE INFORMATION

Governor Robert F. McDonnell
 Secretary of Public Safety Marla Graff Decker

ABC Board

Board Chairman.....J. Neal Insley
 Commissioner..... Sandra C. Canada
 Commissioner..... Bryan M. Rhode*

Executive Staff

Chief Operating Officer, Secretary to the BoardW. Curtis Coleburn, III
 Chief Financial OfficerJ. Craig Vanderland
 Deputy Secretary to the Board..... S. Christopher Curtis

Division Directors

Bureau of Law Enforcement Operations..... Shawn P. Walker
 Financial Management Services.....Barry M. Wenzig
 Hearings, Appeals and Judicial Services..... Margaret W. Reed*
 Human Resources J. Wayne Jenkins
 Information Technology Services Stephen L. Fox
 Internal Audit John W. Wszelaki
 Logistics..... Ronald L. Dew
 Marketing John L. Shiffer*
 Policy, Planning and Education W. Eddie Wirt
 Public Affairs..... Rebecca V. Gettings
 Retail Operations C. Wilson Jones

* All Board members and division directors served throughout the fiscal year with the exception of the following: Commissioner Bryan M. Rhode was promoted to Deputy Secretary of Public Safety on Jan. 14, 2013. John L. Shiffer began as Director of Marketing on March 25, 2013. Margaret W. Reed began as Director of Judicial and Legislative Affairs on July 10, 2013.



Governor Robert F. McDonnell



Secretary of Public Safety
 Marla Graff Decker

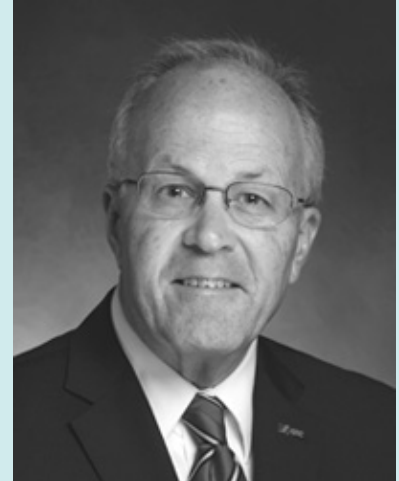


ABC Board (left to right): Commissioner Bryan M. Rhode, Commissioner Sandra C. Canada and Chairman J. Neal Insley. Commissioner Rhode left the ABC Board to serve as Deputy Secretary of Public Safety on Jan. 14, 2013. Subsequent to the fiscal year, on Nov. 1, 2013, Rhode was appointed Secretary of Public Safety by Gov. Bob McDonnell.

The 2013 session of the Virginia General Assembly did not display the controversy and clamor often associated with alcoholic beverage legislative efforts. Despite the lack of fierce legislative battles, there were 27 alcohol-related measures introduced, a number just below the average of recent years. Sixteen of these passed both houses of the legislature and became law July 1, 2013.

Mixed Beverages on Interstate 81

If there was a theme to the legislation this year, it might have been mixed beverage sales along the Interstate 81 corridor. When Virginia allowed the sale of liquor by the drink in 1968, it required a local referendum before cocktail service would be legalized. Several Southwest Virginia counties have never passed such a vote, although towns within the counties may have opted to authorize mixed drinks. Five bills were introduced and passed this session to exempt certain properties near I-81 from the referendum requirement. House Bill 1449 and Senate Bill 849 were duplicate pieces of legislation authorizing mixed beverage sales on property at Exit 109 and near Exit 128, in Montgomery County. House Bill 1667 approves liquor by the drink along three stretches along I-81 in Smyth County. House Bill 2288 provides for a referendum exemption for a stretch of property within 1,500 feet of the interstate along 11 miles in Wythe County. Finally, Senate Bill 1070 legalizes the issuance of mixed beverage licenses on property within the Town of Glade Spring, adjacent to the intersection of Interstate 81 and Route 91.



Chief Operating Officer W. Curtis Coleburn

Craft Distilleries

Craft distillers are popping up across the country, and Virginia is no exception. Two measures adopted by the General Assembly this year are designed to assist them. House Bill 2300 adds distilleries to an exception to the “tied-house” restrictions on cross-ownership of manufacturing and retailing establishments. Ordinarily, manufacturers may not own or control retail licensed businesses. However, wineries and breweries have long had an exemption that allows them to have a retail license on or immediately adjacent to the winery or brewery premises. This has allowed the establishment of brewpubs, as well as restaurants associated with winery licensees. The new legislation will authorize the same exemption for distilleries.

ABC has entered into contracts with six Virginia distillers, allowing them to operate an ABC store on the licensed premises for the retail sale of the spirits produced at the contracting distillery. Since the sales operation at the distillery is an ABC store, the distiller may conduct limited product tastings. However, prior to July 1, the distiller had to give away the samples and could not charge for tasting events. Senate Bill 1235 allows distillers operating ABC stores at their distillery to make a charge to consumers to participate in a tasting event.

Farm Wineries

Farm wineries also received attention at this year’s session. House Bill 1849 and Senate Bill 1127 were identical measures allowing for the first time contract winemaking in Virginia. This legislation will allow a winery or farm winery to enter into an agreement with a farm winery whereby a farm winery provides grapes, fruits, or other agricultural products, and the other party crushes, processes, ferments, bottles, or any combination of such services. The resulting wine is considered the wine of the farm winery which provides the fruit.

(continued)

Mulled wine and sangria have become popular products at some of Virginia's wine festivals, but it was discovered that the law did not allow the premixing of wine prior to a consumer's order. House Bill 2268 allows the premixing of wine to be served and sold for on-premises consumption at a farm winery and its remote retail locations.

Breweries and Beer Wholesalers

The Virginia ABC Board is given jurisdiction under the law to enforce the provisions of the Virginia Beer Franchise Act, which regulates the relationships between breweries and beer wholesalers. Prior law did not expressly provide an avenue for parties to bring complaints against threatened actions; the Board could just react after the provisions of the act were violated. House Bill 1587 provides that a wholesaler or brewery may file a petition against its trading partner, if it is alleged that a "contemplated action" by a brewery or wholesaler would constitute a violation of the act if carried out. Prior to filing a petition, the petitioner is required to attempt a good faith resolution of the issue in question.

Legislation Related to Licensing

Almost every year brings the creation of a new category of alcoholic beverage license. This year saw the birth of the annual mixed beverage performing arts facility license. This license is designed to cover some ownership issues involving facilities in the City of Richmond. It authorizes the sale of mixed beverages at performing arts facilities (1) owned by a governmental entity, (2) leased by a for-profit entity, and (3) rehabilitated in accordance with historic preservation standards.

As previously noted, unless there is an exception in the law, manufacturers cannot obtain retail licenses. In addition to the exception about retailers on or adjacent to the winery or brewery, there is another one which allows persons to own an interest in both an alcoholic beverage manufacturer and a licensed retailer if the manufacturer does not sell anything, directly or indirectly, to the retailer. Thus, a hotel chain could be owned by a brewery, so long as the hotel doesn't sell its parent company's beer. House Bill 1671 makes a small exception to this prohibition. It applies to a situation where a single out-of-state winery, not under common control or ownership with any other winery, may have one Virginia restaurant under common control. In this situation, the Virginia restaurant may sell wine produced by the out-of-state winery under common control, as long as the wine is obtained from a Virginia wine wholesaler.

Two bills provide stricter rules for licensed establishments or their employees. Senate Bill 1349 makes the suspension or revocation of a license mandatory if the licensee has been found to defraud or attempt to defraud the Board or other government agency, by making or filing a false document required by law, with intent to deceive. House Bill 1720 creates a new Class 3 misdemeanor for any person who sells alcoholic beverages to anyone less than the legal age without requiring bona fide evidence of legal age.

Licensees who fail to pay a renewal fee on time will get an additional grace period under Senate Bill 1193, although they will have to pay for the privilege. Under prior law, a licensee could renew with penalty within 30 days after the due date, with a penalty of \$25 or 10 percent of the fee. The new law continues that grace period, but also allows payment for 45 more days, with a penalty of \$100 or 25 percent of the fee.

Substance Abuse Awareness Vital for Virginia Youth (SAVVY)



ABC helped launch Governor McDonnell's new prevention initiative designed to enhance awareness about the dangers of substance abuse among youth. Substance Abuse Awareness Vital for Virginia Youth (SAVVY) featured a Facebook page, regional networking expos and a statewide recognition program for school divisions and community partners.

Each SAVVY Expo included 20 to 30 exhibitors representing local, state and federal agencies, law enforcement, community coalitions, PTAs and other youth-serving organizations. Parents, students, school counselors, nurses and administrators were among the participants. Secretary of Public Safety Marla Decker hosted and shared insights about substance abuse trends and prevention practices.

The SAVVY Schools and Communities Recognition Program culminated on June 3, 2013 when Governor McDonnell honored 14 Virginia school divisions and their community partners (photo featured on page 42). The Recognition Program acknowledged prevention activities informed by science, driven by local partnerships, and tuned to the specific needs of the community. Model Program honorees were Portsmouth and Roanoke County Public Schools.

Photos, above: At each SAVVY Expo, Secretary of Public Safety Marla Graff Decker hosted and shared insights about substance abuse trends and prevention practices. She thanked attendees for their community engagement and encouraged parents to talk to their children about drugs and avoidance strategies.

Below (clockwise from upper left): Wayne Frith, executive director for Chesterfield Substance Abuse Free Environment, Inc., spoke about building prevention partnerships through community coalitions; ABC Education Coordinator Robert Jackson and Hampton Special Agent in Charge Bob Brooks; Va. State Police Senior Trooper Gene Ayers shared the Drug Abuse Resistance Education curriculum with parents; and Virginia Beach Police Officer David Nieves with members of the Heritage H.S. SADD Club.



STATISTICAL HIGHLIGHTS: LICENSING

Licenses and Licensing

ABC retail licenses (1)	17,687
New retail, wholesale and special-permit licenses	1,799
Licensed retail establishments	16,496
Private or corporate owners	12,934
Alcohol compliance rates for retail licensees (%) (2)	85.7
Average processing time for new retail applications (in days) (3)	78
One-day banquet and special-event licenses	18,330

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

(2) FY 12 rate: 87 percent

(3) FY 12: 80 days. ABC targets a 60-day average.

STATISTICAL HIGHLIGHTS: EDUCATION & PREVENTION

Publications and Conferences

"Do Not Sell" stickers packets distributed to licensees	18,682
Licensee newsletters distributed	70,000
YADAPP 2012 adult and student participants (1)	455
AAAG PSA campaign reach (2)	3 million
Educational brochures disbursed	78,451
SAVVY Expos (3)	3
SAVVY Expo attendees	395
SAVVY Schools & Communities Recognition Program awardees (4)	14
VaCALC professionals trained (5)	108
Miss Virginia School Tour stops (6)	13
Miss Virginia School Tour student participants	3,278

(1) Youth Alcohol & Drug Abuse Prevention Project (YADAPP) annual summer conference held at Longwood Univ., July 16–20, 2012. Eighty-five youth teams represented schools and communities across Virginia.

(2) Alcohol & Aging Awareness Group (AAAG)–sponsored "Is This the Memory?"

30-second PSA aired in the Richmond and Roanoke markets May–early June 2013. Production costs funded by the Virginia Beer Wholesalers Association.

(3) "Substance Abuse Awareness Vital for Virginia Youth" (SAVVY) expos were held Nov. 14 and 29, 2012, at James River H.S. (Midlothian) and the Va. Dept. of Forensic Science (Manassas), and April 27, 2013, at Christopher Newport Univ.

(4) "Model" programs: Portsmouth and Roanoke Co. "Effective" programs: Albemarle Co., Loudoun Co., Orange Co. "Promising" programs: Bristol, Charlottesville, Chesterfield Co., Henrico Co., Montgomery Co., Roanoke City. "Honorable Mention": Arlington, Newport News, Pittsylvania Co. Awardees were recognized at an event hosted by Gov. McDonnell at the Governor's Mansion on June 3, 2013.

(5) The Virginia College Alcohol Leadership Council (VaCALC) trains professionals through their biannual Drive-in Workshops and annual summer retreat.

(6) Miss Virginia 2012, Rosemary Willis, toured elementary and middle schools across the Commonwealth with her prevention message.

Licensee Training

Responsible Sellers & Servers: Virginia's Program (RSVP) classes	80
RSVP participants (statewide)	1,543
Managers' Alcohol Responsibility Training (MART) classes	22
MART participants (statewide)	342

Grants

Operation Undergrad grants presented (1)	6
Operation Undergrad disbursements	\$53,900
Community Coalition grants presented (2)	8
Community Coalition disbursements	\$68,000
YADAPP 2012 grants presented (3)	22
YADAPP 2012 grants disbursements	\$5,500

(1) Funded by the Office of Juvenile Justice and Delinquency Prevention (OJJDP) and administered by ABC. Operation Undergrad grant awardees were George Mason Univ., Hampton-Sydney College, Longwood Univ., Hampton Univ., Va. Polytechnic Institute and State Univ., and Virginia Commonwealth Univ.

(2) Funded by the OJJDP and administered by ABC. Community Coalition grant awardees were Albemarle Co. Public Schools, Safe Schools/Healthy Students Project; HIPE Coalition, Central Va. Community Services; City of Waynesboro; HEY! Coalition, Piedmont Community Services; Prevention Council of Roanoke Co.; Rockbridge Area Community Services; Substance Abuse Taskforce in Rural Appalachia (SATIRA); and Unified Prevention Coalition of Fairfax Co.

(3) These include both YADAPP minigrants and the Wheeler Award. Wheeler Award winners (\$500 each) were Heritage H.S. (Newport News) and Virginia Beach Mayor's Youth Leaders in Action.

STATISTICAL HIGHLIGHTS: LAW ENFORCEMENT

Law Enforcement Activity

Criminal investigations	9,832
Arrests	2,201
Illegal still investigations	38
Inspections of licensed establishments	9,050
Underage Buyer (UAB) compliance checks	3,804
ABC special agents	103
Written warning reports	1,224
Written violation reports	739
Wine, beer and mixed-beverage application and state license fees collected	\$12,444,253.74

Tobacco Compliance

Synar compliance rate, May 1–September 30, 2012 (%) (1)	86.50
Total tobacco checks by ABC agents (2)	1,069

(1) FY 12: 87.20 percent. Part of a substance abuse prevention and treatment block grant from the federal government to the Virginia Department of Behavioral Health and Developmental Services.

(2) FY 12: 933 checks. This includes attempted checks visited but found not suitable for an underage buyer check. Enacted nearly four years ago, the Family Smoking Prevention and Tobacco Control Act, authorizes the Food and Drug Administration (FDA) to contract with states and U.S. territories to assist the FDA in enforcing the Tobacco Control Act and its implementing regulations. The ABC Bureau of Law Enforcement began conducting tobacco retail compliance check inspections for the FDA in 2012. The Bureau's 58 FDA-commissioned inspectors have conducted more than 2,700 tobacco retailer inspections.

STATISTICAL HIGHLIGHTS: HEARINGS & APPEALS

Cases Referred for Hearings

Case Activity	Count
Violation/disciplinary reports	744
Contested applications	38
• Approved	13
• Denied	9
• Withdrawn before hearing	16
Contested banquet applications	3
• Approved	1
• Denied	1
• Withdrawn before hearing	1
Wine and beer franchise cases	1
Total hearings requested	786

Hearings Dispositions

Case Activity	Count	Percentage of Total Cases Received (%)
Settled by consent settlement offer	357	50.07
Heard by ABC hearing officer (1)	213	29.87
Settled by offer in compromise	77	10.80
Heard by ABC board on appeal	41	5.76
Withdrawn or dismissed prior to hearing (2)	25	3.50
Total hearings dispositions (3)	713	100

- (1) 213 hearings were held on 314 charges/objections filed. Single cases with multiple charges are heard in one hearing. 41 of these were appealed to the ABC Board for a second hearing.
- (2) Cases may be withdrawn or dismissed prior to a hearing, but after docketing for a variety of reasons (e.g., license surrendered, application withdrawn, settlement through mediation).
- (3) 144 cases were in process at the end of FY 12 and completed during FY 13.

Average Case Turnaround Time (in Days)

Activity	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 13*
Violations	91	178	158	118.6	62.45	58.73	80.52
Applications	106	135	131	93.8	95.9	109.66	121.69

Unless otherwise noted, turnaround times do not include continuances.

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

Case Decisions Appealed

Activity	Count	Percentage of Total (%)
Initial decision of hearing officer to ABC Board (1)	41	5.21
Final decision of ABC Board to circuit court (2)	6	14.63

(1) Percentage of all cases referred

(2) Percentage of all cases appealed to the Board

Civil Penalties Collected

Activity	Count
Civil penalties collected (dollars)	984,950.00
Average civil penalty per case (dollars)	1,800.64
Average suspension period per case (days) (1)	17.21

- (1) Most ABC cases result in the imposition of a civil penalty and/or suspension period. This average reflects the results of all civil penalties or suspension periods from all case decisions, consent settlement offers, and offers-in-compromise for FY 12. The Board may allow licensees to choose between a civil penalty or suspension period. Some penalties, however, contain not only civil penalties but also mandatory suspension periods.

STATISTICAL HIGHLIGHTS: PERSONNEL

Employees and Hiring

Total employees (as of June 30, 2013)	3,107
Total classified employees	1,046
Total part-time employees	2,061
Classified employees hired in FY 13	142
Part-time employees hired in FY 13	1,170

ABC employs a diverse workforce, with approximately 1,046 classified employees, 2,061 wage employees, and 22 contractors. These 3,107 agency employees work throughout the commonwealth operating 343 retail stores and eight regional offices. Approximately 416 employees are located in Richmond at the central office and warehouse facility.

Employee Demographics

Average age (years) (1)	46.9
Average years of service, classified employees (2)	11.1
Gender: male (%) (3)	58.1
Gender: female (%) (3)	41.9
Minority (%) (4)	29.9

The demographics of ABC's workforce are generally consistent with the overall state workforce. Nearly 71 percent of state classified employees are over the age of 40, 54.1 percent are female and 34.8 percent are minorities. The average age of an ABC classified employee is 46.9 years, with an average length of service of 11.1 years. ABC has a high number of retirement-eligible classified employees: 148 employees (14.5 percent of FTE positions) are eligible to retire currently, an additional 59 employees (5.8 percent FTE positions) within the next five years, and an additional 84 employees (8.2 percent FTE positions) eligible within 10 years.

- (1) Average age (all state employees): 46.7 years
 (2) Average years of service (all state employees): 12.1 years
 (3) Gender (all state employees): male, 45.9 percent; female, 54.1 percent
 (4) Minority (all state employees): 34.8 percent

Tuition and Training Assistance

Description of Training	Course Types	Units (1)
Tuition Assistance Program (TAP)	14	14
Non-agency-sponsored coursework (2)	229	436
Instructor-led (other)	4	128
Instructor-led (LAMP)	12	194
New hire orientation	13	97
Agency/state mandates (online)		
Retail/warehouse employees	34	16,383
Non-retail/warehouse employees (2)	57	2,522
Emergency management	6	4,559
HPM supervisor (online)	36	1,002
Retail (online) and others (3)	6	16,252
Safety	14	6,086

- (1) Units completed. These represent the units (modules) of training deployed to ABC employees by the Training Department. One employee may account for more than one unit of participation.
- (2) New types/categories added (via training request and COVKC).
- (3) Retail information security (IS) training (15 units / 1 module type).

STATISTICAL HIGHLIGHTS: STORES & PRODUCTS

ABC Stores

Alcohol compliance rate for ABC stores (%) (1)	98
Average delivery cost to ABC stores (dollars per case)	\$0.82
Total shipments to ABC stores (cases)	4,256,493
Total shipments to ABC stores (weight, in lbs)	133,728,159

(1) FY 12 rate: 99 percent

ABC Products

Price list

Active items on price list	2,600
Virginia wines on price list	59
Vermouths on price list	13
Items de-listed from price list (1)	252

Special orders

Active items on special order catalog	213
Active items on special order noncatalog	983
Total special order purchases (cases) (2)	18,729
Total special order revenue (dollars) (2)	\$3,805,302
• Catalog purchases (cases)	7,021
• Catalog revenue (dollars)	\$1,740,664
• Noncatalog purchases (cases) (3)	11,708
• Noncatalog revenue (dollars)	\$2,064,638

(1) De-listed items remain on the price list until all inventory has been depleted.

(2) These totals include both catalog and noncatalog special orders.

(3) Noncatalog special orders are for those items not included in the special order catalog. They must be purchased by the case and must be obtainable from a source within the continental United States.

Store Activities: July 1, 2012–June 30, 2013

Store	Location	Activity	Closed	Opened	Total
106	Virginia Beach	modernization (1)	06-09-12	07-02-12	337
119	Alexandria	modernization	07-07-12	07-20-12	337
042	Mount Vernon	closed	07-31-12	(see below)	336
381	Williamsburg	new store	(n/a)	08-16-12	337
141	Hillsville	modernization	08-23-12	08-24-12	337
079	Chesapeake	relocation	08-04-12	09-12-12	337
339	Verona	modernization	09-10-12	09-21-12	337
129	Virginia Beach	relocation	10-28-12	11-02-12	337
266	Lynchburg	flooring	10-01-12	10-05-12	337
070	Ruckersville	relocation	10-01-12	10-04-12	337
348	Richmond	flooring	10-06-12	10-13-12	337
185	Charlottesville	modernization	10-13-12	10-26-12	337
382	Poquoson	new store	(n/a)	11-15-12	338
094	Ashburn	new store	(n/a)	02-05-13	339
345	Pulaski	relocation	02-11-13	02-15-13	339
241	Fairfax	modernization	01-28-13	02-13-13	339
061	Sterling	relocation	03-03-13	03-08-13	339
204	Cumberland	new store	(n/a)	03-23-13	340
042	Mount Vernon	relocation	07-31-12	04-03-13	341
370	Virginia Beach	relocation	03-30-13	04-05-13	341
245	Fredericksburg	relocation	04-06-13	04-12-13	341
375	Lake Ridge	new store	(n/a)	04-17-13	342
379	Virginia Beach	new store	(n/a)	04-24-13	343
169	Richmond	floor/mini	04-15-13	04-26-13	343
109	Rosslyn	closed	04-30-13	(n/a)	342
182	Richmond	modernization	04-22-13	05-12-13	342
232	Colonial Heights	modernization	05-13-13	05-25-13	342
217	Newport News	modernization (1)	06-01-13	06-26-13	342

(1) These modernizations include store expansion.

Below: Virginia ABC presents nearly 250 tasting events each month at store locations across the state, allowing customers to sample select products before making a purchase. Pictured here, a vendor representative hosts a tasting event at Richmond's Laburnum Avenue store.



STATISTICAL HIGHLIGHTS: STORES & PRODUCTS

Top 50 Brands Sold in Fiscal Year 2013

Rank		Brand	Product Category	Gross Dollars		Change (%)	Actual Change (\$)
FY 13	FY 12			FY 13 (\$)	FY 12 (\$)		
		Statewide		\$768,107,697	\$733,514,554	4.7	34,593,143
		Top 50		379,746,715	364,730,424	4.1	15,016,290
		All others		388,360,982	368,784,129	5.3	19,576,853
1	1	Jack Daniel's 7 Black	Tennessee whiskey	25,018,476	23,714,063	5.5	1,304,413
2	2	Smirnoff 80	domestic vodka	19,532,760	19,801,223	(1.4)	(268,463)
3	4	Jim Beam Straight	bourbon whiskey	17,593,209	16,892,320	4.1	700,890
4	3	Grey Goose	imported vodka	16,944,481	17,829,724	(5.0)	(885,243)
5	5	Crown Royal	Canadian whiskey	16,022,401	15,814,294	1.3	208,106
6	6	Absolut	imported vodka	15,334,309	14,654,796	4.6	679,513
7	8	Aristocrat	domestic vodka	13,170,079	13,208,871	(0.3)	(38,792)
8	7	Captain Morgan's Spiced	imported rum	12,683,404	13,243,037	(4.2)	(559,633)
9	11	Hennessy VS (1)	Cognac\Armagnac	12,658,311	11,784,936	7.4	873,375
10	9	Bacardi Superior	domestic rum	12,585,587	13,046,298	(3.5)	(460,711)
11	12	Patron Silver	tequila	11,551,097	11,269,028	2.5	282,070
12	10	Jagermeister	cordials	11,492,692	12,376,918	(7.1)	(884,226)
13	14	Maker's Mark Straight	bourbon whiskey	10,695,845	9,399,156	13.8	1,296,690
14	13	Jose Cuervo Especial Gold	tequila	9,736,982	10,700,497	(9.0)	(963,515)
15	15	Pinnacle	imported vodka	9,028,706	9,004,252	0.3	24,454
16	16	Seagram's Extra Dry	domestic gin	7,932,539	8,306,548	(4.5)	(374,008)
17	—	Fireball Cinnamon	imported cordials	7,870,381	2,646,086	197.4	5,224,295
18	22	Jameson	Irish whiskey	7,380,834	6,020,432	22.6	1,360,402
19	17	Bowman's Virginia	domestic vodka	6,960,903	6,865,871	1.4	95,032
20	18	Sky	domestic vodka	6,711,207	6,770,794	(0.9)	(59,587)
21	21	Ketel One	imported vodka	6,386,509	6,124,133	4.3	262,376
22	19	Burnett's	domestic vodka	6,344,029	6,176,759	2.7	167,270
23	20	Tanqueray	imported gin	6,223,720	6,134,476	1.5	89,244
24	24	Canadian Mist	Canadian whisky	5,320,833	5,371,945	(1.0)	(51,112)
25	23	Grand Marnier Cordon Rouge (1)	cordials	5,301,615	5,423,495	(2.2)	(121,880)
26	25	Bailey's Original Irish Cream	cordials	5,281,651	5,123,671	3.1	157,980
27	36	Ciroc Peach	flavored vodka	5,244,251	3,820,522	37.3	1,423,729
28	26	Johnnie Walker Black	Scotch whiskey	5,011,245	4,777,034	4.9	234,211
29	27	Dewar's White Label	Scotch whiskey	4,925,549	4,673,830	5.4	251,719
30	33	Bombay Sapphire	imported gin	4,478,941	4,100,625	9.2	378,317
31	28	Stolichnaya	imported vodka	4,477,720	4,528,357	(1.1)	(50,637)
32	31	Svedka	imported vodka	4,469,916	4,214,873	6.1	255,043
33	32	E & J VS	brandy	4,343,284	4,153,003	4.6	190,281
34	29	Early Times	domestic whiskey	4,325,697	4,276,439	1.2	49,258
35	34	Paul Masson Grande Amber VS	brandy	4,278,339	4,092,301	4.5	186,038
36	35	Wild Turkey 101 Straight	bourbon whiskey	4,203,587	3,952,412	6.4	251,175
37	30	Malibu Coconut	imported rum	4,180,237	4,241,205	(1.4)	(60,968)
38	38	Evan Williams Green Straight	bourbon whiskey	4,027,141	3,658,569	10.1	368,572
39	39	Bacardi Gold	domestic rum	3,754,370	3,629,039	3.5	125,332
40	—	Tito's Handmade	domestic vodka	3,745,692	2,242,586	67.0	1,503,106
41	41	Kahlua Coffee	cordials	3,485,675	3,469,145	0.5	16,530
42	46	Buffalo Trace Straight	bourbon whiskey	3,458,997	3,095,324	11.7	363,673
43	40	Southern Comfort	cordials	3,394,180	3,510,808	(3.3)	(116,628)
44	42	Seagram's 7 Crown	blended whiskey	3,376,197	3,431,067	(1.6)	(54,870)
45	—	Belvedere	imported vodka	3,282,885	2,983,565	10.0	299,320
46	49	Courvoisier VS	Cognac\Armagnac	3,184,353	2,888,948	10.2	295,405
47	—	1800 Reposado	tequila	3,155,945	2,575,170	22.6	580,775
48	—	Nikolai	domestic vodka	3,100,983	2,798,658	10.8	302,325
49	37	Ciroc Red Berry	flavored vodka	3,050,986	3,745,946	(18.6)	(694,960)
50	—	1800 Silver	tequila	3,027,981	2,167,377	39.7	860,604

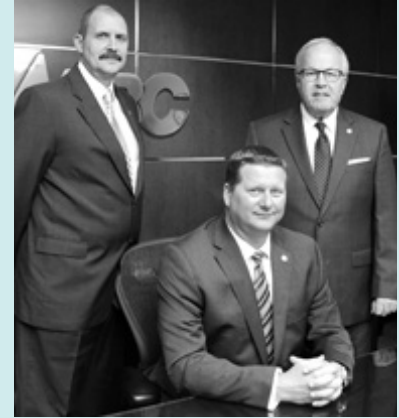
This table is based on FY 13 dollars and previous years' sales for these items. A dash (—) indicates items not included in the "Top 50 Brands" last year.

(1) Corrections were made to FY 12 figures for Hennessy (\$11,003,889) and Grand Marnier (\$4,559,556). All sizes within each brand are now included.

A Message from the Chairman and Chief Operating & Financial Officers

We are pleased to present the Fiscal Year 2013 Annual Report for the Virginia Department of Alcoholic Beverage Control (ABC). These facts and figures represent a fifteenth consecutive record-breaking year for retail sales by our agency. In Fiscal Year 2013, we opened six new stores, relocated eight, modernized seven and expanded and modernized two. ABC operations returned record profits of \$134 million to the Commonwealth of Virginia. The agency has contributed more than \$1.7 billion dollars to the commonwealth in the last five years.

We stand behind these figures with pride in the accomplishments made possible by the hard working and dedicated employees of ABC. To the best of our knowledge, these figures accurately represent the operations of our agency during the fiscal year. The financial statements of the agency are audited annually by the Auditor of Public Accounts as required by the Code of Virginia.



Chairman J. Neal Insley (center) with Chief Financial Officer J. Craig Vanderland (left) and Chief Operating Officer W. Curtis Coleburn

Financial Results in Brief, Fiscal Year 2013

Revenue Source	FY 13	FY 12	FY 11	FY 10	FY 09
ABC profit transfers (1)	\$ 134,576,751	\$ 132,021,784	\$ 121,013,600	\$ 120,509,682	\$ 111,822,139
State taxes (2)	126,802,220	120,988,748	114,201,593	111,293,220	109,642,969
General sales tax (3)	31,263,867	29,617,739	27,889,207	26,906,495	26,224,280
Wine liter tax (4)	34,400,161	33,457,628	32,171,151	30,580,004	30,050,875
Malt beverage tax (5)	42,846,308	43,660,370	43,915,010	44,454,535	44,582,722
Total	\$ 369,889,307	\$ 359,746,269	\$ 339,190,561	\$ 333,743,936	\$ 322,322,985

(1) Source: "Statement of Revenues, Expenses and Changes in Net Position." Profits are reported in accordance with generally accepted accounting principles. Profits include licensing fees and ABC's portion of the wine liter tax.

(2) Source: "Notes to Financial Statements 4.B. General Fund." State tax on distilled spirits = 20 percent. State tax on wine sold in ABC stores = 4 percent.

(3) Source: "Notes to Financial Statements 4.C. Department of Taxation-Sales Tax." General sales tax rate is 5 percent.

(4) Source: "Notes to Financial Statements 4.B. General Fund." The non-ABC portion of the wine liter tax = \$.40 per liter.

\$9,141,363 of the wine liter tax is transferred to the Virginia Department of Behavioral Health and Developmental Services.

(5) Source: "Notes to Financial Statements 8. Collections of Malt Beverage Tax."

Sales of All Beverages, Fiscal Year 2013

Product	Gallons (1)	Liters	Total Gallons (%)	Gross Dollars	Gross Sales (%)
STATE STORE SALES					
Distilled spirits	10,252,308	38,809,188	96.7	\$ 760,756,852	99.1
Virginia wine	28,399	107,503	0.3	1,620,473	0.2
Vermouth	38,747	146,674	0.4	1,351,988	0.2
Alcohol	132	500	0.0	9,613	0.0
Nonalcoholic mixers	287,558	1,088,525	2.6	4,302,202	0.5
Total	10,607,144	40,152,390	100.0	\$ 768,041,128	100.0
DIRECT SALES FROM WHOLESALERS					
Wines (\$0.40 liter) (2)	24,479,999	92,666,832	13.8	\$ 37,069,639	46.4
Beer (\$7.95 barrel) (3)	153,320,665	580,381,578	86.2	42,811,904	53.6
Total	177,800,664	673,048,410	100.0	\$ 79,881,543	100.0

(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 2013" (this page).

Source: Policy, Planning and Analysis (PPA)

Comparison of Products Sold / Market Share, Fiscal Year 2013 vs. Fiscal Year 2012

Products	Cases Sold		Market Share (%)		Change (%)
	FY 13	FY 12	FY 13	FY 12	
Vodka	1,396,567	1,383,752	32.5	33.0	0.9
domestic	720,810	708,694			1.7
delisting	345,758	343,277			0.7
flavored (1)	329,999	331,780			(0.5)
Cordials	450,782	413,783	10.5	9.9	8.9
Straight bourbon whiskey	429,988	400,583	10.0	9.6	7.3
Rum	424,539	427,484	9.9	10.2	(0.2)
domestic	283,094	282,606			0.2
imported	141,445	144,878			(2.4)
Gin	244,341	246,382	5.7	5.9	(0.8)
domestic	172,552	178,540			(3.4)
imported	60,108	56,337			6.7
flavored	11,025	10,829			1.8
sloe	656	675			(2.8)
Tequila	219,623	208,781	5.1	5.0	5.2
Canadian whisky	173,679	167,154	4.0	4.0	3.9
Scotch whiskey	143,184	137,849	3.3	3.3	3.9
Brandy	134,537	138,537	3.1	3.3	(2.9)
Tennessee whiskey	101,214	100,077	2.4	2.4	1.1
Blended whiskey	96,777	96,719	2.3	2.3	0.1
Cognac\Armagnac	86,930	82,973	2.0	2.0	4.8
Cocktails	71,662	82,462	1.7	2.0	(13.1)
Specialty bottles	46,262	47,723	1.1	1.1	(3.1)
Domestic whiskey	39,881	39,224	0.9	0.9	1.7
Irish whiskey	32,013	27,610	0.7	0.7	15.9
Corn whiskey (2)	24,643	11,861	0.6	0.3	107.8
Egg nog	12,881	10,930	0.3	0.3	17.9
Straight rye whiskey	6,647	4,447	0.2	0.1	49.5
Rock & rye	1,419	1,296	0.0	0.0	9.5
Bottled in bond whiskey	584	378	0.0	0.0	54.7
Alcohol	49	43	0.0	0.0	12.1
Vermouth	15,821	15,693	0.4	0.4	0.8
Virginia wine	12,087	11,180	0.3	0.3	8.1
Nonalcoholic mixers	106,037	114,158	2.5	2.7	(7.1)
Nonbeverage items	20,978	19,975	0.5	0.3	5.0
Statewide totals (3)	4,293,125	4,191,052	100.0	100.0	2.4

The "Comparison of Products Sold / Market Share" table includes updated figures for FY 12 and FY 13 and properly accounts for sales of products by their respective spirits category.

(1) If information is needed about a specific type of flavored vodka, ABC can provide this information.

(2) Corn whiskey increase attributed to increased sales of licensed moonshine products.

(3) Excludes miscellaneous records and confiscated items.

Source: Wholesale/Retail Operations

Analysis of Store Performance, Fiscal Year 2013

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return (4)
Statewide totals		10,607,144	\$768,826,283	\$126,903,758	\$641,922,525	\$373,885,842	\$268,036,684	\$87,523,072	\$180,507,612	\$42,672,690	\$137,834,922	34.43
137 674 Hwy. 58, E.	Norton City	23,198	1,542,712	255,204	1,287,508	748,957	538,551	192,491	346,060	85,589	260,471	33.43
194 16427-E Wise St.	Wise Co.	8,464	553,954	91,884	462,070	268,280	193,789	110,678	83,111	30,717	52,395	26.05
206 18 E. 4th St., S.	Wise Co.	12,507	778,948	128,998	649,950	378,083	271,867	108,294	163,572	43,206	120,366	32.01
218 3982 Hwy. 23, N.	Scott Co.	9,776	575,144	95,131	480,014	279,294	200,719	96,128	104,591	31,910	72,682	29.18
Far Southwest		53,945	3,450,758	571,127	2,879,541	1,674,615	1,204,926	507,591	697,335	191,422	505,914	31.21
87 4027 College Ave.	Tazewell Co.	19,456	1,321,609	218,255	1,103,354	641,791	461,562	194,283	267,280	73,347	193,933	31.19
174 One Plaza Dr.	Buchanan Co.	9,284	643,836	106,623	537,214	313,747	223,466	92,569	130,897	35,712	95,185	31.34
197 149 Clay Dr.	Tazewell Co.	19,823	1,264,242	208,805	1,055,437	614,303	441,134	148,859	292,275	70,162	222,114	34.09
230 722 E. Riverside	Tazewell Co.	8,206	517,058	85,480	431,578	250,929	180,649	87,854	92,795	28,690	64,106	28.93
365 340 Chase St.	Dickenson Co.	7,447	470,674	77,959	392,714	227,660	165,054	102,817	62,237	26,106	36,131	24.24
Southwest		64,216	4,217,418	697,121	3,520,297	2,048,431	1,471,866	626,381	845,485	234,017	611,468	31.03
58 3002 Lee Hwy.	Bristol City	26,052	1,812,009	299,228	1,512,781	880,148	632,633	223,113	409,520	100,564	308,955	33.56
96 974 E. Stuart Dr.	Galax City	22,747	1,295,838	213,719	1,082,119	629,345	452,775	165,717	287,057	71,935	215,122	33.09
135 1173 N. Main St.	Smyth Co.	24,510	1,511,416	250,298	1,261,118	734,323	526,795	180,476	346,318	83,835	262,484	33.93
141 441 W. Stuart Dr.	Carroll Co.	16,316	928,234	153,769	774,464	452,923	321,541	125,530	196,011	51,484	144,528	32.14
153 325 W. Main St.	Wythe Co.	24,574	1,558,246	256,251	1,301,996	756,326	545,670	143,891	401,778	86,552	315,226	36.67
201 545 W. Main St.	Washington Co.	39,644	2,640,549	436,501	2,204,048	1,284,358	919,690	178,740	740,950	146,517	594,433	39.04
343 2123 Euclid Ave.	Bristol City	24,275	1,460,927	241,537	1,219,391	710,316	509,075	172,120	336,955	81,061	255,894	34.05
Wytheville/Hillsville		178,119	11,207,219	1,851,302	9,355,917	5,447,740	3,908,178	1,189,588	2,718,590	621,948	2,096,642	35.23
67 290 Peppers Ferry Rd.	Montgomery Co.	33,280	2,288,749	378,165	1,910,584	1,113,363	797,221	286,340	510,882	127,009	383,873	33.29
195 100 N. Franklin St.	Montgomery Co.	29,318	1,744,102	288,843	1,455,259	847,893	607,366	213,380	393,986	96,740	297,246	33.60
199 140 Kinter Way	Giles Co.	14,483	811,597	134,336	677,262	394,680	282,581	99,743	182,839	45,022	137,817	33.53
327 1332 S. Main St.	Montgomery Co.	88,693	5,799,671	960,024	4,839,647	2,819,082	2,020,565	409,695	1,610,870	321,722	1,289,148	38.78
345 1072 Memorial Square Dr.	Pulaski Co.	21,755	1,314,563	218,011	1,096,552	637,979	458,574	190,587	267,986	72,895	195,091	31.43
356 97 Walker St.	Radford City	44,294	2,691,426	446,127	2,245,299	1,307,241	938,058	244,588	693,470	149,259	544,211	36.80
Radford/Blacksburg		230,823	14,650,109	2,425,505	12,224,603	7,120,238	5,104,365	1,444,332	3,660,033	812,647	2,847,385	35.99
115 1423 Williamson Rd., N.E.	Roanoke City	58,532	4,144,088	684,751	3,459,337	2,012,143	1,447,194	307,743	1,139,450	229,964	909,486	38.47
123 531 Main St.	Clifton Forge City	7,453	484,917	76,929	387,988	225,888	162,100	83,586	78,513	25,792	52,721	27.89
124 123 W. Main St.	Covington City	15,473	1,023,914	169,943	853,971	497,878	356,093	140,508	215,585	56,769	158,816	32.11
186 1483 W. Main St.	Salem City	48,171	3,011,539	497,673	2,513,866	1,463,051	1,050,815	273,567	777,248	167,113	610,136	36.79
239 3940 Valley Gateway Blvd.	Roanoke City	22,774	1,469,331	243,288	1,226,043	714,377	511,666	181,563	330,104	81,503	248,601	33.48
259 5050-C Rutgers St.	Roanoke City	49,936	3,304,680	546,074	2,758,606	1,608,203	1,150,403	315,768	834,635	183,382	651,253	36.23
269 646 Brandon Ave.	Roanoke City	65,729	4,470,323	736,577	3,733,746	2,177,261	1,556,485	477,373	1,079,112	248,206	830,906	35.06
299 3341 Melrose Ave., N.W.	Roanoke City	35,160	2,458,904	408,636	2,050,268	1,189,084	861,184	237,226	623,958	136,294	487,663	36.45
309 3901 Brambleton Ave., S.W.	Roanoke Co.	59,683	3,872,565	638,605	3,233,959	1,886,466	1,347,493	350,209	997,285	214,982	782,303	36.69
337 1113 Vinyard Rd.	Roanoke Co.	32,791	2,005,662	331,988	1,673,673	975,558	698,115	208,053	490,062	111,260	378,802	35.44
364 56 Kingston Dr.	Botetourt Co.	24,090	1,575,182	259,859	1,315,323	766,274	549,049	190,687	358,361	87,438	270,923	33.70
Roanoke		418,794	27,801,104	4,594,324	23,206,780	13,516,183	9,690,597	2,766,283	6,924,314	1,542,703	5,381,611	35.88
57 1028 Richmond Ave.	Staunton City	16,737	1,137,273	186,984	950,289	553,912	396,376	239,090	157,286	63,172	94,114	24.72
68 2196 John Wayland Hwy.	Harrisonburg City	28,813	1,802,660	297,712	1,504,948	876,927	628,021	204,218	423,803	100,044	323,760	34.48
113 2827 Main St.	Bath Co.	7,649	609,687	100,430	509,257	296,946	212,312	130,732	81,580	33,854	47,726	24.30
122 201 State St.	Staunton City	25,767	1,723,832	284,817	1,439,015	838,446	600,570	184,456	416,113	95,661	320,453	35.11
140 445 E. Nelson St.	Lexington City	41,300	2,692,013	443,587	2,248,426	1,309,989	938,437	266,943	669,494	149,467	520,027	35.80

(1) Includes state taxes, but does not include 5 percent sales tax.
 (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.
 (3) Store expenses include miscellaneous revenue and net cash overages.
 (4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2013

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return (4)
145 398 N. Main St.	Harrisonburg City	40,101	2,615,804	431,886	2,183,918	1,269,985	913,933	205,789	708,144	145,179	562,965	38.03
147 58 Water St.	Highland Co.	2,389	148,347	23,740	124,607	73,362	51,245	56,187	(4,942)	8,293	(13,226)	7.09
173 14817 Spotswood Trail	Rockingham Co.	13,930	883,594	13,719	737,719	428,811	308,908	135,293	169,614	49,041	120,574	30.16
194 2035 E. Market St.	Rockingham Co.	74,785	5,055,957	834,619	4,221,338	2,454,958	1,766,380	423,183	1,343,197	280,619	1,062,578	37.52
302 132 Lee Jackson Hwy.	Staunton City	23,775	1,512,947	248,556	1,264,390	736,634	527,757	210,585	337,641	84,052	233,120	31.84
338 125 Lucy Lane	Waynesboro City	49,325	3,224,591	531,864	2,692,727	1,568,334	1,124,393	308,153	816,240	179,003	637,238	36.26
339 Augusta Plz., Rt. 612	Augusta Co.	16,134	1,001,614	165,674	835,940	487,294	348,646	163,124	185,522	55,570	129,951	29.51
Staunton/Waynesboro		340,705	22,408,320	3,695,745	18,712,575	10,895,597	7,816,978	2,533,754	5,283,224	1,243,944	4,039,279	34.52
47 380 Gateway Dr.	Winchester City	28,122	1,948,210	321,386	1,626,824	947,434	679,390	259,121	420,270	108,145	312,124	32.52
52 786 Shopping Center Rd.	Shenandoah Co.	15,094	954,373	158,040	796,333	462,208	334,125	133,485	200,640	52,937	147,703	32.04
56 182 Delco Plz.	Frederick Co.	24,753	1,733,246	286,523	1,446,723	844,881	601,842	217,685	384,156	96,173	287,983	33.15
75 226 Elizabeth Dr.	Frederick Co.	22,132	1,510,131	249,731	1,260,401	733,596	526,804	189,163	337,641	83,787	253,854	33.35
139 160 Rivendell Ct.	Frederick Co.	38,627	2,654,544	436,330	2,218,215	1,293,318	924,897	243,782	681,115	147,459	533,657	36.54
142 411-F South St.	Warren Co.	49,244	3,379,934	555,204	2,824,730	1,642,598	1,182,132	295,978	886,155	187,778	698,377	37.09
167 21 Crow St.	Clarke Co.	13,700	924,305	152,280	772,025	450,036	321,989	143,665	178,324	51,321	127,002	30.22
193 1412 W. 211 Bypass	Page Co.	19,272	1,189,083	196,319	992,764	578,651	414,113	155,963	258,149	65,995	192,154	32.67
261 2218 Valley Ave.	Winchester City	34,879	2,396,161	395,495	2,000,666	1,165,537	835,129	229,474	605,655	132,997	472,658	36.23
293 5814 Main St.	Shenandoah Co.	12,587	757,727	125,319	632,409	368,757	263,652	114,292	149,360	42,040	107,320	30.70
318 1015 S. Main St.	Shenandoah Co.	19,066	1,185,138	195,941	989,197	575,143	414,054	172,719	241,334	65,758	175,576	31.35
Winchester/Front Royal		277,475	18,632,853	3,072,566	15,560,286	9,062,159	6,498,127	2,155,328	4,342,799	1,034,392	3,308,408	34.25
33 12631 Galveston Ct.	Prince William Co.	23,253	1,839,413	304,595	1,534,818	895,038	639,780	313,634	326,146	102,029	224,117	28.74
36 8038 Crescent Park Dr.	Prince William Co.	21,995	1,748,150	288,113	1,460,037	852,432	607,605	277,255	330,350	97,058	233,292	29.83
39 10410 Bristow Center Dr.	Prince William Co.	28,280	2,188,656	360,423	1,828,233	1,067,318	760,916	346,883	414,032	121,534	292,498	29.83
40 22000 Dulles Retail Plz.	Loudoun Co.	19,826	1,857,820	305,651	1,552,170	904,724	647,446	320,936	326,509	103,183	223,327	28.47
41 12950 Highland Crossing Dr.	Fairfax Co.	16,151	1,534,627	253,578	1,281,049	747,165	533,884	320,104	213,780	85,160	128,620	24.90
42 7469 Richmond Hwy.	Alexandria City	5,430	403,445	66,418	337,027	196,517	140,510	144,367	(3,856)	22,404	(26,261)	9.95
45 8428 Old Keene Mill Rd.	Fairfax Co.	30,145	2,365,327	389,362	1,975,965	1,151,109	824,856	338,480	486,376	131,355	355,021	31.47
49 881 N. Quincy St.	Arlington Co.	50,765	4,478,518	737,762	3,740,755	2,176,699	1,564,056	446,649	1,117,407	248,672	868,735	35.87
54 42015 Village Center Plz.	Loudoun Co.	29,187	2,529,236	416,830	2,112,406	1,231,486	880,920	330,673	550,247	140,425	409,822	32.68
55 9528 Liberia Ave.	Manassas City	35,456	2,801,653	463,377	2,338,276	1,361,236	977,040	308,545	668,494	155,440	513,054	34.85
61 22360 S. Sterling Blvd.	Loudoun Co.	25,596	2,014,952	333,925	1,681,027	979,337	701,690	321,314	380,376	111,749	268,628	29.90
63 8951 Ox Rd.	Fairfax Co.	18,863	1,490,278	245,682	1,244,596	726,830	517,765	274,777	242,989	82,736	160,252	27.24
73 43150 Broadlands Shp. Ctr. Plz.	Loudoun Co.	31,103	2,610,139	430,175	2,179,963	1,271,538	908,425	327,258	581,168	144,916	436,251	33.19
76 1212 West Broad St.	Falls Church City	25,653	2,208,267	362,608	1,845,659	1,074,244	771,415	391,802	379,614	122,693	256,921	28.05
78 5331 Merchants View Sq	Prince William Co.	21,958	1,777,929	292,260	1,485,670	867,584	618,086	295,758	322,328	98,762	223,566	29.01
80 6206 Little River Tnpk.	Alexandria City	26,627	2,267,198	375,033	1,892,165	1,099,475	792,690	348,511	444,179	125,784	318,394	30.59
81 6230-J.N. Kings Hwy.	Alexandria City	35,095	2,799,881	461,462	2,338,419	1,359,869	978,550	323,759	654,792	155,450	499,342	34.32
82 46930 Cedar Lakes Plz.	Fairfax Co.	44,788	3,800,801	624,668	3,176,133	1,854,392	1,321,741	394,609	927,132	211,138	715,994	35.27
83 7263 Arlington Blvd.	Fairfax Co.	18,227	1,589,399	262,243	1,327,155	775,057	552,098	273,695	278,403	88,224	190,179	28.47
84 13053 E. Lee Jackson Hwy.	Fairfax Co.	23,536	1,993,672	329,002	1,664,670	969,647	695,023	281,703	413,321	110,661	302,659	31.68
85 2930 Chain Bridge Rd.	Fairfax Co.	28,832	2,389,275	393,284	1,995,991	1,163,928	832,064	352,448	479,615	132,686	346,929	30.98
90 12965 Fair Lakes Shp. Ctr.	Fairfax Co.	37,441	3,200,671	525,104	2,675,567	1,556,795	1,118,772	380,905	737,867	177,862	560,005	33.90
93 6124 Rose Hill Dr.	Fairfax Co.	19,921	1,570,947	259,090	1,311,857	765,167	546,690	230,728	315,963	87,208	228,755	31.05
94 42385, Ryan Rd., No. 106	Loudoun Co.	5,686	519,424	85,571	433,853	252,647	181,207	130,625	50,582	28,841	21,741	20.66
99 601 Post Dr.	Fairfax Co.	35,282	3,166,334	522,363	2,643,971	1,539,546	1,104,405	387,655	716,750	175,760	540,990	33.58
109 1731 Wilson Blvd.	Arlington Co.	24,267	2,172,960	356,141	1,816,820	1,058,998	757,921	308,460	449,461	120,776	328,685	31.52
111 5722 Union Mill Rd.	Fairfax Co.	36,167	2,976,222	492,266	2,483,955	1,444,803	1,039,153	408,612	630,540	165,124	465,416	32.18
119 901 N. St. Asaph St.	Alexandria City	50,639	4,651,942	765,733	3,886,209	2,261,437	1,624,772	351,977	1,272,795	258,341	1,014,454	38.27

(1) Includes state taxes, but does not include 5 percent sales tax.

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

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

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

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2013

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return (4)
120 5926 Kingstowne Ctr.	Fairfax Co.	37,013	3,344,682	549,001	2,795,680	1,628,599	1,167,082	375,272	791,809	185,847	605,962	34.53
127 13300 Franklin Farm Rd.	Fairfax Co.	15,868	1,319,385	217,629	1,101,757	640,883	460,873	226,487	234,387	73,241	161,146	28.71
131 6920-E Braddock Shp. Ctr.	Fairfax Co.	26,343	2,122,083	350,681	1,771,403	1,029,921	741,482	342,134	399,348	117,756	281,592	29.79
133 9130 Mathis Ave.	Manassas City	38,607	2,946,586	486,477	2,460,109	1,432,702	1,027,407	327,675	699,732	163,539	536,193	34.71
136 18 Fairfax St., S.E.	Loudoun Co.	42,705	3,473,550	573,540	2,900,010	1,691,362	1,208,648	292,752	915,896	121,828	794,068	37.33
166 210 Fort Evans Rd., N.E.	Loudoun Co.	45,603	3,852,138	635,542	3,216,596	1,876,932	1,339,664	345,466	994,198	213,828	780,370	36.76
168 1001 N. Fillmore St.	Arlington Co.	25,537	2,258,751	369,759	1,888,992	1,099,756	789,236	304,576	484,661	125,573	359,087	32.27
170 1238 Elden St.	Fairfax Co.	32,452	2,764,796	456,958	2,307,839	1,344,871	962,968	345,689	617,278	153,417	463,862	33.31
181 106 Washington St.	Loudoun Co.	7,886	709,181	115,567	593,614	346,159	247,455	87,593	159,862	39,461	120,401	33.27
203 3678 King St.	Alexandria City	33,489	2,895,383	477,478	2,417,905	1,408,018	1,009,887	280,179	622,579	160,734	461,846	32.44
208 44110 Ashburn Village Blvd.	Loudoun Co.	27,142	2,240,266	368,451	1,871,814	1,093,406	778,409	397,308	488,230	124,431	363,799	32.69
210 11160 South Lakes Dr.	Fairfax Co.	27,982	2,506,522	413,202	2,093,320	1,219,576	873,744	323,330	550,413	139,156	411,257	32.89
212 167 Hillwood Ave.	Falls Church City	16,783	1,318,340	216,629	1,101,711	642,390	459,320	265,025	194,296	73,238	121,058	25.61
215 320 23rd St., S.	Arlington Co.	27,439	2,498,619	408,569	2,090,050	1,217,737	872,312	339,232	533,080	138,939	394,141	32.13
219 8338 Leesburg Pike	Fairfax Co.	59,911	6,167,351	1,010,688	5,156,663	3,016,891	2,139,772	1,104,122	1,035,650	342,796	692,853	27.62
224 13944 Lee Jackson Hwy.	Fairfax Co.	40,107	3,327,796	548,467	2,779,329	1,624,387	1,154,942	373,444	781,498	184,760	596,738	34.41
228 1524 Belle View Blvd.	Fairfax Co.	43,888	3,767,891	613,692	3,154,199	1,835,257	1,318,941	361,911	957,030	209,680	747,350	36.12
231 436 E. Maple Ave.	Fairfax Co.	40,727	3,463,487	562,012	2,901,476	1,692,230	1,209,246	469,024	740,222	192,880	547,342	32.03
234 9574 Old Keene Mill Rd.	Fairfax Co.	28,044	2,182,325	360,630	1,821,695	1,062,028	759,667	317,424	442,244	121,100	321,144	32.03
235 8628 Richmond Hwy.	Fairfax Co.	38,688	2,839,539	467,427	2,372,112	1,383,328	988,784	363,427	625,358	157,689	467,668	32.93
236 7200 Little River Tnpk.	Fairfax Co.	33,941	2,591,798	428,196	2,163,603	1,254,376	909,227	260,711	648,515	143,828	504,687	35.99
241 11260 James Swart Circle	Fairfax Co.	40,792	3,528,892	582,937	2,945,956	1,716,131	1,229,824	358,509	871,315	195,836	675,478	35.66
248 4709 Lee Hwy.	Arlington Co.	40,142	3,310,786	543,874	2,766,912	1,612,646	1,154,267	457,150	697,117	183,934	513,182	31.93
260 6284 Arlington Blvd.	Fairfax Co.	20,211	1,674,193	275,496	1,398,697	814,424	584,273	290,906	293,367	92,980	200,387	28.42
264 16661 River Ridge Blvd.	Prince William Co.	31,482	2,581,411	426,642	2,154,769	1,252,364	902,405	348,653	553,752	143,241	410,510	32.43
267 1446 Spring Bridge Rd.	Fairfax Co.	48,798	4,470,657	726,537	3,734,120	2,176,768	1,557,352	475,381	1,081,970	248,231	833,739	35.12
268 6400 Springfield Plz.	Fairfax Co.	52,553	4,283,056	707,593	3,575,463	2,086,203	1,489,260	480,609	1,008,651	237,684	770,967	34.52
271 13991 Jefferson Davis Hwy.	Prince William Co.	50,027	4,181,058	691,233	3,489,826	2,032,352	1,457,473	458,948	1,000,525	231,991	768,534	34.91
273 9421 Lorton Market St.	Fairfax Co.	26,824	2,167,486	358,359	1,809,127	1,052,975	756,152	307,000	449,152	120,254	328,888	31.71
286 7555 Linton Hall Rd.	Prince William Co.	37,964	3,050,342	502,382	2,547,960	1,485,636	1,062,324	314,620	747,704	169,379	578,325	35.43
294 3556-E S. Jefferson St.	Fairfax Co.	52,541	4,669,866	767,546	3,902,319	2,272,542	1,629,868	605,769	1,024,099	259,412	764,687	32.81
295 8095 Sudley Rd.	Prince William Co.	59,514	4,694,162	773,195	3,920,977	2,290,743	1,630,234	558,487	1,071,748	260,652	811,095	33.75
297 4607 Duke St.	Alexandria City	29,148	2,538,406	419,014	2,119,392	1,232,037	887,355	327,178	560,177	140,890	419,287	33.02
301 4292 Merchants Plz.	Prince William Co.	49,846	4,031,896	665,610	3,366,286	1,959,807	1,406,479	423,182	983,297	223,779	759,519	35.35
316 4108 Fortuna Center Plz.	Prince William Co.	30,790	2,470,094	407,637	2,062,456	1,201,300	861,156	324,311	536,845	137,105	399,741	32.69
317 9600 E. Main St.	Fairfax City	35,121	2,739,334	452,044	2,287,289	1,331,985	955,304	358,420	596,884	152,051	444,833	32.74
319 2435 N. Harrison St.	Arlington Co.	26,312	2,308,280	376,432	1,931,848	1,116,879	814,969	369,270	445,699	128,422	317,277	30.05
322 14151 St. Germain Dr.	Fairfax Co.	47,571	3,763,723	621,259	3,142,464	1,826,690	1,315,774	452,726	863,048	208,900	654,148	33.89
323 609-O E. Main St.	Loudoun Co.	30,927	2,448,550	403,856	2,044,694	1,192,990	851,704	328,167	613,537	135,924	477,613	36.00
346 8105 Lee Hwy.	Fairfax Co.	36,245	3,021,538	495,909	2,525,630	1,472,886	1,052,944	338,994	715,950	167,895	548,055	34.55
352 2555 John Milton Dr.	Fairfax Co.	23,239	1,936,168	319,162	1,617,006	942,034	674,972	306,852	368,120	107,493	260,627	29.95
353 4255 Cheshire Plz.	Prince William Co.	63,504	5,151,211	848,845	4,302,366	2,503,235	1,799,131	516,933	1,282,198	286,006	996,192	35.82
357 1454 N. Point Village Shp. Ctr.	Fairfax Co.	43,472	3,995,696	659,413	3,336,283	1,943,918	1,392,365	387,273	1,005,092	221,784	783,308	36.11
358 4312 Wheeler Ave.	Arlington Co.	61,677	5,509,073	912,590	4,596,483	2,685,540	1,910,943	343,804	1,567,139	305,558	1,261,581	39.47
362 100 Edds Lane	Loudoun Co.	38,445	3,120,838	513,600	2,607,238	1,520,639	1,086,599	342,942	743,657	173,320	570,337	34.73
367 20070 Ashbrook Commons Plz.	Loudoun Co.	19,976	1,597,566	263,615	1,333,951	779,812	554,138	277,228	276,910	88,676	188,234	28.28
368 10308 Willard Way	Fairfax Co.	31,317	2,340,647	385,942	1,954,705	1,139,938	814,767	340,164	474,603	129,942	344,661	31.21
369 6343-A Columbia Pike	Falls Church City	28,214	2,248,650	371,870	1,876,780	1,085,780	791,000	290,240	500,760	124,762	375,998	33.26
371 5739 Burke Centre Pkwy.	Fairfax Co.	32,701	2,609,967	429,014	2,180,953	1,271,156	909,797	291,113	618,684	144,982	473,702	34.59
372 3161 Duke St.	Alexandria City	24,487	2,123,131	350,759	1,772,372	1,031,833	740,540	306,690	433,849	117,821	316,028	31.41

(1) Includes state taxes, but does not include 5 percent sales tax.

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

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

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

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2013

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return (4)
374 2955-A S. Giebe Rd. 375 2225 Old Bridge Rd. 378 2940 Columbia Pike Northern Virginia	Arlington Co. Prince William Co. Arlington Co.	59,266 2,223 17,901 2,650,555	5,056,005 169,536 1,567,046 222,896,872	838,783 27,858 257,264 36,719,594	4,217,222 141,678 1,309,782 186,177,279	2,456,985 82,721 763,527 108,479,943	1,760,238 58,957 546,225 77,697,335	448,087 59,543 265,668 28,095,720	1,312,151 (586) 280,557 49,601,615	280,645 9,418 87,070 12,376,682	1,031,506 (10,004) 193,488 37,224,923	36.99 10.53 28.76 33.17
37 15149 Montanus Dr. 51 265 Turkey Sag Trail 66 11083-E Marsh Rd. 72 5390-A Lyndon Dr 88 4199-B Winchester Rd. 163 583 N. Madison Rd. 227 S. Main St. 374 28 Madison Plz. Dr 303 175 Lee Hwy. 329 185 Southgate Shp. Ctr. Warrenton/Culpeper	Culpeper Co. Fluvanna Co. Fauquier Co. Orange Co. Fauquier Co. Orange Co. Orange Co. Madison Co. Fauquier Co. Culpeper Co.	26,658 18,673 20,050 26,762 15,355 15,757 9,205 10,780 57,153 24,570 224,963	1,872,407 1,220,357 1,346,460 1,712,173 1,076,939 1,005,638 583,637 686,153 4,205,453 1,667,409 15,376,626	307,274 200,914 221,740 281,820 177,961 166,602 96,049 112,953 690,517 274,945 2,530,776	1,565,133 1,019,443 1,124,720 1,430,353 898,978 839,036 487,588 573,200 3,514,936 1,392,464 12,845,850	910,462 594,207 656,800 834,816 524,201 486,903 283,242 333,967 2,053,007 810,510 7,488,113	654,671 425,236 467,920 595,537 374,778 352,133 204,346 239,234 1,461,929 581,954 5,357,737	260,604 142,968 207,579 205,481 146,576 167,667 97,637 135,815 436,575 243,918 2,044,819	394,067 282,268 260,342 390,056 228,202 184,466 106,709 103,418 1,025,354 338,036 3,312,918	104,044 67,769 74,767 95,085 59,761 55,776 32,413 38,104 233,660 92,566 853,946	290,023 214,499 185,574 294,972 168,441 128,690 74,296 65,314 791,694 245,470 2,458,972	31.90 34.04 30.25 33.69 32.17 29.36 29.19 25.98 35.24 31.21 32.45
46 183 Community St. 50 325 Four Leaf Lane 70 8875 Seminole Trail 125 304 Pentops Ctr. 126 2819 Rockfish Valley Hwy. 138 Rts. 22 & 23, 502 E. Main St. 195 502 W. Main St. 189 138 Scottsville Village Sq. 202 1902 Emmet St. 253 1169 Emmet St. 321 77 Callohill Dr. 359 1872 Rio Hill Ctr. Charlottesville	Charlottesville City Albemarle Co. Greene Co. Albemarle Co. Nelson Co. Louisa Co. Charlottesville City Albemarle Co. Charlottesville City Charlottesville City Nelson Co. Albemarle Co.	23,782 16,366 18,320 40,759 9,077 21,410 37,353 10,095 70,597 56,316 11,102 23,397 339,572	1,826,924 1,223,078 1,186,795 2,892,360 648,548 1,259,214 2,787,791 636,105 5,739,738 4,089,897 695,415 1,640,181 24,626,046	300,432 201,315 195,593 476,325 105,295 207,871 461,335 105,391 941,025 673,270 115,118 270,410 4,053,370	1,526,492 1,021,764 991,202 2,416,035 543,263 1,051,343 2,326,456 530,714 4,798,713 3,416,627 580,297 1,369,771 20,572,676	890,545 596,093 576,383 1,407,240 317,542 612,017 1,349,165 308,568 2,794,342 1,990,790 337,889 800,538 11,981,111	635,946 425,671 414,819 1,008,794 225,721 439,326 977,290 222,146 2,004,371 1,425,837 242,409 569,233 8,591,564	224,470 163,781 214,742 292,995 97,465 156,524 233,988 99,062 449,000 377,157 136,776 220,150 2,666,110	411,476 261,891 200,078 715,799 128,256 282,802 743,302 123,084 1,555,371 1,048,679 105,633 349,083 5,925,454	101,476 67,923 65,892 160,609 66,114 69,889 154,654 35,280 319,001 227,125 38,576 91,057 1,367,597	310,001 193,967 134,186 555,190 92,142 212,913 588,648 87,804 1,236,370 821,554 67,057 258,025 4,557,857	33.41 32.32 27.79 35.66 30.44 33.42 37.66 30.37 37.94 36.55 26.20 32.22 34.97
117 309 Twelfth St. 160 1128 E. Lynchburg Salem Tnpk. 176 Hwy. 501, 416 Lusardi Dr. 262 20401 Timberlake Rd. 266 2118 Wards Rd. 279 18013 Forest Rd. 281 216 Amelon Sq. Plz. 285 199 Ambriar Shp. Ctr. 287 4925 Boonsboro Rd. 347 1301-I N. Main St. 354 7795 Richmond Hwy. Lynchburg	Lynchburg City Bedford City Campbell Co. Campbell Co. Lynchburg City Bedford Co. Amherst Co. Amherst Co. Lynchburg City Campbell Co. Appomattox Co.	37,552 25,004 9,202 41,881 42,131 39,361 26,485 11,096 25,284 20,190 17,336 293,522	2,394,306 1,540,411 534,775 2,666,109 2,623,931 2,577,981 1,627,293 691,780 1,796,787 1,239,055 1,023,976 18,706,403	395,921 255,031 88,755 441,152 434,296 426,063 269,160 113,785 294,589 205,072 169,876 3,093,699	1,988,385 1,285,381 446,020 2,224,958 2,189,634 2,151,918 1,358,133 577,995 1,502,198 1,033,982 854,100 15,612,704	1,151,919 747,238 258,953 1,294,213 1,272,300 1,252,331 789,000 336,968 870,944 599,448 495,963 9,069,277	836,466 538,142 187,067 930,745 917,334 899,587 569,134 241,027 631,254 434,534 358,137 6,543,427	223,676 182,061 139,777 244,389 262,899 255,686 211,426 154,581 181,519 167,407 159,559 2,182,979	612,790 356,081 47,290 686,356 654,435 643,901 357,708 86,446 449,735 267,127 198,579 4,360,448	132,181 85,447 29,650 19,907 145,559 143,052 90,284 38,423 99,861 68,735 56,777 1,037,876	480,610 270,634 17,640 538,449 508,876 500,849 267,424 48,023 349,874 198,391 141,801 3,322,572	36.76 34.12 19.90 36.74 35.95 35.95 32.97 23.39 35.87 32.56 30.44 34.30
132 2777 Greensboro Rd. 146 639 W. Main St. 154 235 N. Union St. 191 400 Old Franklin Tnpk. 213 12990 B. T. Washington Hwy. 276 221 Nor-Dan Dr.	Henry Co. Danville City Danville City Franklin Co. Franklin Co. Danville City	24,742 21,769 12,585 34,458 35,441 30,761	1,494,638 1,316,407 696,449 2,068,438 2,335,200 2,013,416	247,645 217,975 115,437 342,166 384,761 333,665	1,246,992 1,098,432 581,012 1,726,272 1,950,438 1,679,751	724,218 636,485 337,006 1,008,370 1,139,015 973,520	522,774 461,947 244,006 717,902 811,423 706,231	184,219 213,551 135,649 223,850 293,542 195,698	338,555 248,395 108,357 494,052 517,881 510,533	82,896 73,020 38,624 114,756 129,658 111,664	255,659 175,376 69,733 379,295 388,223 398,870	33.67 29.88 26.59 34.88 33.10 36.38

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

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

(1) Includes state taxes, but does not include 5 percent sales tax.

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

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2013

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return (4)
277 985 Fairystone Park Hwy. 283 Tightsqueeze Plz. 291 786 Commonwealth Blvd. 324 301 S. Main St. 373 3308 Riverside Dr. Danville/Martinsville	Henry Co. Pittsylvania Co. Martinsville City Patrick Co. Danville City	20,918 13,293 34,225 11,329 27,307 266,828	1,151,581 803,618 2,117,628 683,134 1,802,679 16,483,187	190,748 133,060 350,824 113,348 298,883 2,728,513	960,833 670,558 1,766,804 569,787 1,503,796 13,754,674	556,946 389,869 1,026,053 331,087 874,639 7,997,208	403,887 280,689 740,751 238,700 629,157 5,757,466	154,326 152,855 236,814 88,498 243,470 2,122,473	249,561 127,834 503,937 150,202 385,687 3,634,994	63,873 44,576 117,451 37,877 99,967 914,361	185,688 83,258 386,486 112,324 285,720 2,720,633	32.69 26.92 34.82 33.03 32.43 33.06
59 3136 Halifax Rd. 143 812 E. Atlantic St. 157 302 New Hicks St. 172 112 N. Main St. 214 608 Virginia Ave. South Boston	South Boston Mecklenburg Co. Brunswick Co. Mecklenburg Co. Mecklenburg Co.	40,822 37,480 11,246 10,913 14,223 114,685	2,551,676 2,313,195 631,534 608,101 864,219 6,968,724	422,816 383,651 104,993 101,079 143,268 1,155,807	2,128,860 1,929,544 526,541 507,022 720,950 5,812,917	1,236,263 1,121,585 305,969 293,577 419,095 3,376,488	892,597 807,959 220,541 213,446 301,855 2,436,429	296,062 205,196 94,144 131,909 117,416 844,727	596,536 602,763 126,429 81,536 184,439 1,591,702	141,519 128,269 35,003 33,705 47,926 386,422	455,017 474,493 91,426 47,831 136,513 1,205,281	34.40 37.10 31.10 24.49 32.37 33.88
152 1506 S. Main St. 161 501 F Main St. 164 1618 W. Virginia Ave. 178 974 Main St. 196 4875 Main St. 275 1527 S. Main St. 351 15127 Patrick Henry Hwy. Farmville	Prince Edward Co. Lunenburg Co. Nottoway Co. Buckingham Co. Charlotte Co. Nottoway Co. Amelia Co.	44,636 9,495 10,345 10,436 5,909 16,919 10,313 108,052	2,758,550 518,054 587,756 621,561 327,189 1,002,485 605,204 6,420,798	457,194 86,127 97,583 103,137 54,300 166,590 100,543 1,065,474	2,301,355 431,927 490,172 518,425 272,889 835,895 504,660 5,355,324	1,336,737 250,718 284,072 300,284 158,123 485,649 292,520 3,108,538	964,618 181,209 205,665 218,141 114,767 350,246 212,140 2,246,786	257,126 127,303 133,671 121,010 93,223 176,297 86,136 994,767	707,492 53,906 71,994 97,130 21,543 173,949 126,004 1,252,019	152,986 28,713 32,585 34,463 18,141 55,567 33,548 356,003	554,506 25,193 39,409 62,667 3,403 118,382 92,456 896,017	36.68 21.49 23.31 26.68 17.64 28.43 31.89 30.55
38 2501 New Kent Hwy. 77 1800 S. Creek Dr. 86 2610 Buford Rd. 89 34-A Broad St. Rd. 97 6504 Hull St. 101 3100-A W. Broad St. 102 1901 W. Main St. 104 7028 Woodlake Commons 108 10242 Staples Mill Rd. 116 12629 Jefferson Davis Hwy. 150 6030 Brook Rd. 169 10 N. Thompson St. 171 8700 W. Broad St. 180 2026 E. Main St. 182 1217 W. Broad St. 187 2421 Venable St. 190 13113 Rittenhouse Dr. 204 1582 Anderson Hwy. 205 2288 John Rolfe Pkwy. 207 10106 Brook Rd. 242 1601 Willow Lawn Dr. 243 209 N. Washington Hwy. 247 9685 W. Broad St. 251 2924 North Ave. 252 618 W. Southside Plz. 254 7015 Three Chopt Rd. 270 809 E. Parham Rd.	New Kent Co. Powhatan Co. Richmond City Goochland Co. Richmond City Richmond City Richmond City Chesterfield Co. Henrico Co. Chesterfield Co. Henrico Co. Richmond City Henrico Co. Richmond City Richmond City Chesterfield Co. Cumberland Henrico Co. Henrico Co. Henrico Co. Hanover Co. Henrico Co. Richmond City Richmond City Richmond City	26,942 16,441 30,500 21,623 36,072 42,344 26,565 38,862 25,503 57,842 29,616 74,674 39,214 39,862 23,517 21,071 47,787 1,429 18,250 31,411 39,097 36,533 27,957 13,062 46,049 25,809 34,092	1,768,538 1,072,292 2,211,745 1,558,977 2,654,336 3,083,413 1,812,316 2,718,332 1,802,656 4,114,167 2,012,551 5,904,685 3,000,829 3,062,110 1,577,719 1,225,601 3,504,192 86,624 1,295,803 2,446,229 2,849,178 2,383,743 2,009,180 789,115 3,150,019 1,915,605 2,272,301	290,411 177,430 363,321 256,885 439,675 509,539 297,417 446,861 295,129 678,485 332,847 959,069 496,099 503,908 260,983 203,865 573,950 14,294 213,037 401,740 468,405 393,361 330,900 131,228 523,001 314,814 375,874	1,478,127 894,862 1,848,424 1,302,092 2,214,661 2,573,874 1,514,899 2,271,471 1,507,527 3,435,682 1,679,704 4,945,616 2,504,731 2,558,202 1,316,736 1,021,736 2,930,241 72,329 1,082,766 2,044,489 2,380,773 1,990,382 1,678,280 657,887 2,627,018 1,600,791 1,896,427	857,822 522,681 768,774 759,930 1,288,501 1,498,711 879,558 1,323,602 880,004 2,001,272 978,151 2,880,866 1,459,549 1,489,886 764,742 586,318 1,707,693 42,112 631,150 1,189,056 1,387,626 1,161,670 976,359 379,981 1,523,741 933,635 1,105,334	620,305 372,181 768,774 542,162 926,160 1,075,163 635,341 947,869 627,524 1,434,410 701,553 2,064,750 1,045,182 1,068,316 551,994 435,419 1,222,548 30,217 451,616 855,433 983,146 828,711 701,921 277,907 1,103,278 667,157 791,092	215,228 136,826 259,369 170,959 316,193 398,878 179,949 397,780 228,107 392,072 226,211 354,697 307,911 261,077 165,539 164,424 323,518 50,147 180,007 282,766 310,008 231,134 259,094 128,887 361,727 276,089 274,336	405,076 235,356 509,405 371,203 609,967 676,285 455,392 640,089 1,042,338 475,343 1,710,053 1,045,505 807,238 386,455 270,995 899,030 19,930 271,609 572,667 683,139 597,577 442,827 149,019 741,550 391,067 516,756	98,261 59,487 122,877 286,528 34,740 462,744 171,102 100,705 100,905 100,215 228,392 328,767 166,505 170,060 87,532 67,921 194,792 4,808 71,978 135,910 158,265 132,313 111,566 43,734 174,635 106,415 126,068	306,816 175,868 386,528 284,645 482,744 505,183 354,687 489,090 813,946 299,201 813,946 1,381,286 570,765 637,178 298,923 203,073 704,238 (24,738) 199,631 436,757 524,874 465,264 331,261 105,285 566,916 284,652 390,689	33.77 32.95 33.90 33.74 34.00 32.91 35.98 34.43 36.28 34.61 39.64 35.55 37.26 35.49 33.20 36.48 (12.06) 31.85 34.28 34.86 36.02 32.96 29.97 34.60 31.29 33.74

(1) Includes state taxes, but does not include 5 percent sales tax.
(2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.
(3) Store expenses include miscellaneous revenue and net cash overages.
(4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2013

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return (4)
284 14229 Midlothian Tnkp.	Chesterfield Co.	39,090	2,795,387	461,108	2,334,279	1,361,460	972,819	311,569	661,250	155,174	506,076	34.60
292 1521 Parham Rd.	Henrico Co.	28,740	2,094,211	345,433	1,748,779	1,019,393	729,386	253,185	476,201	116,252	359,948	33.68
300 9502 Chamberlayne Rd.	Hanover Co.	27,792	1,857,196	306,555	1,550,641	904,841	646,160	226,766	419,394	103,081	316,313	33.54
304 2734 Fairground Rd.	Goochland Co.	15,452	1,006,618	166,373	840,245	489,788	350,456	150,983	199,473	55,856	143,617	30.80
305 3910 Mechanicsville Tnkp.	Henrico Co.	32,155	2,198,832	365,621	1,833,211	1,063,365	769,846	275,651	494,195	121,865	372,330	33.56
308 11252 Patterson Ave.	Henrico Co.	12,952	945,829	155,963	789,866	461,409	328,457	165,837	162,620	52,507	110,113	28.13
314 4320 S. Laburnum Ave.	Henrico Co.	70,644	5,108,242	841,596	4,266,646	2,482,546	1,784,005	428,613	1,355,392	283,631	1,071,761	37.46
315 7048 Commons Plz.	Chesterfield Co.	32,312	2,254,363	373,122	1,881,241	1,094,857	786,384	270,047	516,336	125,058	391,278	33.91
326 2105 Academy Rd.	Powhatan Co.	15,779	1,008,197	166,873	841,324	491,510	349,814	140,552	209,262	55,928	153,334	31.76
330 5722 Hopkins Rd.	Chesterfield Co.	35,386	2,423,686	401,643	2,022,043	1,177,521	844,522	236,834	607,688	134,418	473,269	36.10
331 3406 Pump Rd.	Henrico Co.	62,784	5,102,892	838,406	4,264,485	2,485,747	1,778,738	415,333	1,363,405	283,488	1,079,918	37.59
332 4018 Glenside Dr.	Henrico Co.	21,191	1,333,203	219,757	1,113,447	648,384	465,063	169,148	295,915	74,018	221,897	33.13
334 7057 Mechanicsville Tnkp.	Hanover Co.	45,023	3,043,904	499,210	2,544,694	1,477,338	1,067,356	270,583	796,773	169,162	627,611	37.02
348 7036 Forest Hill Ave.	Richmond City	43,094	3,142,398	517,443	2,624,956	1,531,070	1,093,886	330,609	763,277	174,498	588,779	35.20
350 11108 Midlothian Tnkp.	Chesterfield Co.	70,109	5,086,520	837,730	4,248,790	2,476,414	1,772,377	362,830	1,409,546	282,444	1,127,102	38.63
360 2901 Hermitage Rd.	Richmond City	72,498	5,547,743	909,691	4,638,052	2,692,429	1,945,623	234,286	1,711,337	308,321	1,403,016	41.69
363 9949 Hull St Rd.	Chesterfield Co.	38,485	2,537,071	420,171	2,116,900	1,233,271	883,628	260,156	623,472	140,724	482,748	35.59
366 1370 Gaskins Rd.	Henrico Co.	29,971	2,256,782	369,481	1,887,302	1,100,324	786,977	302,959	484,019	125,461	358,558	32.26
376 11016 Kentucky Springs Rd.	Louisa Co.	17,463	1,156,364	185,018	971,346	563,973	407,373	132,152	275,221	64,272	210,949	34.24
Richmond		1,583,043	113,181,695	18,633,723	94,547,973	55,044,974	39,502,998	11,701,027	27,801,971	6,284,908	21,517,063	35.47
35 2757 Jefferson Davis Hwy.	Stafford Co.	26,536	1,988,058	327,719	1,660,339	967,470	692,868	238,153	454,715	110,373	344,342	33.80
44 18035 Jefferson Davis Hwy.	Caroline Co.	16,140	1,067,175	176,579	890,596	517,898	372,698	168,145	204,552	59,204	145,349	30.17
62 1416 Carl D. Silver Pkwy.	Fredericksburg City	40,851	3,259,806	535,334	2,724,472	1,585,307	1,139,165	305,797	833,367	181,113	652,254	36.43
64 43 Town and Country Dr.	Stafford Co.	23,637	1,653,830	272,995	1,380,836	804,237	576,599	206,519	370,080	91,793	278,287	33.33
74 10857 Tidewater Trail	Fredericksburg City	13,284	905,202	149,353	755,848	441,105	314,743	192,415	122,328	50,246	72,082	24.46
95 10025 Jefferson Davis Hwy.	Fredericksburg City	28,470	2,109,429	347,132	1,762,297	1,026,836	735,462	267,989	467,471	117,151	350,321	33.06
103 6348 Jefferson Davis Hwy.	Spotsylvania Co.	14,952	970,034	160,265	809,770	470,917	338,852	170,860	167,992	53,831	114,162	28.29
121 507 William St.	Fredericksburg City	29,071	2,139,634	352,308	1,787,327	1,042,561	744,766	173,493	571,272	118,815	452,457	37.61
183 560 Celebrate Virginia Pkwy.	Stafford Co.	25,627	1,880,687	310,575	1,570,111	914,068	656,044	242,793	413,250	104,375	308,875	32.94
200 356 Garrisonville Rd.	Stafford Co.	46,879	3,684,225	606,739	3,077,486	1,789,950	1,287,536	342,084	945,452	204,580	740,872	36.58
209 5055 Jefferson Davis Hwy.	Spotsylvania Co.	33,055	2,267,928	374,239	1,893,689	1,102,677	791,012	288,180	502,833	125,886	376,947	33.12
221 16424 Consumer Row	King George Co.	13,484	956,579	158,378	798,201	464,378	333,823	150,472	183,351	53,062	130,289	30.18
239 320 W. Broadus Ave.	Caroline Co.	7,764	451,534	74,614	376,920	219,119	157,801	102,528	55,273	25,056	30,217	23.22
245 1271 Jefferson Davis Hwy.	Fredericksburg City	21,381	1,517,505	250,042	1,267,463	737,171	530,292	204,746	325,546	84,256	241,290	32.38
313 4185 Plank Rd.	Spotsylvania Co.	39,163	2,752,276	452,682	2,299,594	1,338,411	961,183	305,589	655,594	152,869	502,725	34.71
Fredericksburg		380,294	27,603,902	4,548,953	23,054,949	13,422,106	9,632,843	3,359,763	6,273,080	1,532,610	4,740,470	33.65
130 700 McKinley Blvd.	Westmoreland Co.	11,291	704,017	116,711	587,306	342,548	244,758	103,486	141,272	39,042	102,230	31.10
149 E. Richmond Rd.	Richmond Co.	8,690	514,568	85,228	429,339	249,958	179,381	97,948	81,433	28,541	52,892	26.84
192 101 S. Main St.	Lancaster Co.	39,665	2,515,176	415,320	2,099,856	1,224,320	875,160	356,594	518,565	139,591	378,974	31.58
200 17272 King's Hwy.	Westmoreland Co.	7,770	469,312	77,373	391,939	228,593	163,346	81,170	82,176	26,055	56,122	28.44
238 Rt. 360—Callao	Northumberland Co.	14,519	832,507	137,208	695,298	404,385	290,913	125,054	165,859	46,221	119,638	30.85
Northern Neck		81,936	5,035,580	831,841	4,203,739	2,450,181	1,753,558	764,253	989,305	279,449	709,856	30.62
32 16273 General Puller Hwy.	Middlesex Co.	15,367	912,406	149,528	762,878	445,133	317,745	116,429	201,316	50,713	150,603	32.89
155 2334 York Crossing Dr.	Gloucester Co.	30,886	2,040,541	336,483	1,704,058	992,051	712,007	256,059	455,949	113,280	342,669	33.28
175 416 14th St.	King William Co.	19,446	1,223,096	201,827	1,021,269	595,389	425,881	188,872	237,009	67,890	169,118	30.33
179 231 Virginia St.	Middlesex Co.	10,539	630,985	104,294	526,692	308,736	217,956	96,773	121,183	35,013	86,170	30.19
198 Tappahannock Towne Ctr.	Essex Co.	21,081	1,308,239	215,799	1,092,450	636,034	456,416	188,833	267,583	72,622	194,961	31.40

(1) Includes state taxes, but does not include 5 percent sales tax.
(2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.
(3) Store expenses include miscellaneous revenue and net cash overages.
(4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2013

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return to Virginia (4)
233 6619 Main St.	Gloucester Co.	25,519	1,614,847	266,078	1,348,769	785,356	563,413	182,975	380,438	89,661	290,777	34.48
257 4915 Tappahannock Hwy.	King William Co.	16,369	1,029,844	170,642	859,203	499,422	359,781	132,592	227,189	57,117	170,072	33.08
333 10972 Buckley Hall	Mathews Co.	14,325	837,340	138,049	699,291	407,601	291,690	142,683	149,007	46,486	102,521	28.73
West Point/Mathews		153,533	9,597,298	1,582,689	8,014,609	4,669,720	3,344,889	1,305,215	2,039,674	532,782	1,506,892	32.19
60 4330 Westgate Dr.	Dinwiddie Co.	40,165	2,460,232	408,582	2,051,649	1,194,253	857,397	249,636	607,760	136,386	471,374	35.77
114 4575 Whitehill Blvd.	Prince George	29,630	2,172,497	355,776	1,816,721	1,056,375	760,346	254,979	505,367	120,769	384,598	34.08
118 18 Washington St., W.	Petersburg City	15,932	951,603	158,514	793,089	458,654	334,436	163,021	171,415	52,722	118,693	29.13
144 301 Market Dr.	Emporia City	27,742	1,688,800	280,436	1,408,364	817,955	590,410	223,186	367,223	93,623	273,600	32.81
151 210 N. Main St.	Hopewell City	20,223	1,221,240	202,357	1,018,884	594,475	424,409	160,291	264,118	67,732	196,386	32.65
232 3107-3 Boulevard	Colonial Heights City	34,857	2,296,030	380,337	1,915,692	1,112,516	803,176	285,035	517,142	127,348	389,794	33.54
240 Rt. 460	Sussex Co.	11,114	665,664	110,425	555,239	323,287	231,952	95,996	135,956	36,910	99,046	31.47
255 3330 S. Crater Rd.	Petersburg City	41,428	2,735,423	453,747	2,281,676	1,328,656	953,020	300,526	652,494	151,678	500,816	34.90
310 5232 Oaklawn Blvd.	Prince George Co.	30,654	2,063,668	342,103	1,721,564	1,002,183	719,382	218,162	501,219	114,443	386,776	35.32
Petersburg/Hopewell		251,745	16,255,157	2,692,277	13,562,880	7,888,354	5,674,526	1,951,832	3,722,694	901,611	2,821,083	33.92
43 236 Carmichael Way	Chesapeake City	18,803	1,259,528	207,404	1,052,124	613,443	438,682	186,140	252,542	69,941	182,600	30.96
53 11409 Windsor Blvd.	Isle of Wight Co.	12,445	757,577	125,456	632,121	367,375	264,746	96,317	168,429	42,021	126,408	33.25
69 1620 Cedar Rd.	Chesapeake City	29,370	2,025,199	335,451	1,689,747	984,436	705,311	235,216	470,095	112,328	357,767	34.23
79 1437 Sam's Dr.	Chesapeake City	36,979	2,630,783	435,757	2,195,025	1,277,221	917,805	339,460	578,345	145,917	432,427	33.00
98 3312 Princess Anne Rd.	Virginia Beach City	26,483	1,947,784	319,406	1,628,378	945,556	682,822	241,552	441,270	108,249	333,022	33.50
105 869 Lynnhaven Pkwy.	Virginia Beach City	35,675	2,568,725	422,295	2,146,431	1,247,296	899,134	207,393	691,741	142,687	549,054	37.81
106 2973 Shore Dr.	Virginia Beach City	54,399	3,878,433	639,260	3,239,173	1,891,374	1,347,799	359,427	988,372	215,329	773,043	36.41
107 141 W. Virginia Beach Blvd.	Norfolk City	69,651	5,384,081	892,867	4,491,213	2,613,453	1,877,760	482,707	1,395,054	298,560	1,096,494	36.95
110 1136 London Blvd.	Portsmouth City	21,708	1,459,547	242,111	1,217,436	705,699	511,736	173,115	338,622	80,931	257,691	34.24
128 159 W. Ocean View Ave.	Norfolk City	45,823	2,964,121	490,870	2,473,250	1,437,621	1,035,629	284,801	750,828	164,413	586,416	36.34
129 1615 General Booth Blvd.	Virginia Beach City	40,606	2,786,422	459,785	2,326,637	1,357,084	969,553	331,341	638,212	154,666	483,545	33.85
134 2301 Colley Ave.	Norfolk City	62,074	4,452,649	737,706	3,714,943	2,158,369	1,556,574	365,389	1,191,185	246,956	944,229	37.77
165 550 E. Liberty St.	Chesapeake City	28,026	1,818,233	302,471	1,515,761	879,227	636,534	157,185	479,349	100,762	378,587	37.46
188 4334 Holland Rd.	Virginia Beach City	44,710	3,055,411	505,352	2,550,059	1,484,674	1,065,386	232,376	833,010	169,519	663,491	38.25
211 6550 Hampton Roads Pkwy.	Suffolk City	22,614	1,667,305	275,445	1,391,860	809,145	582,715	243,101	339,614	92,526	247,088	31.34
216 1100 Armory Dr.	Franklin City	31,123	1,887,886	312,977	1,574,909	916,192	658,717	215,677	443,040	104,694	338,346	34.50
225 405 30th St.	Virginia Beach City	103,022	7,001,529	1,153,698	5,847,831	3,410,108	2,437,723	496,774	1,940,948	388,743	1,552,206	38.65
226 7862 Tidewater Dr.	Norfolk City	80,234	5,418,955	898,447	4,520,508	2,624,097	1,896,412	480,500	1,415,912	300,507	1,115,405	37.16
237 3812 Geo. Washington Hwy.	Portsmouth City	28,819	1,926,432	320,060	1,606,372	934,184	672,188	254,262	417,927	106,786	311,141	32.77
246 5020 Ferrell Pkwy.	Virginia Beach City	28,355	2,015,025	333,810	1,681,215	978,601	702,614	235,253	467,361	111,761	355,600	34.21
249 2350 E. Little Creek Rd.	Norfolk City	43,942	2,874,409	476,436	2,397,973	1,396,393	1,001,579	266,490	735,089	159,409	575,681	36.60
256 1612 Laskin Rd.	Virginia Beach City	116,068	8,487,325	1,402,047	7,085,278	4,134,087	2,951,191	596,320	2,354,872	471,004	1,883,868	38.72
263 5900 Virginia Beach Blvd.	Norfolk City	67,013	4,861,955	806,023	4,055,932	2,355,982	1,699,950	443,110	1,256,840	269,624	987,216	36.88
278 3333 Virginia Beach Blvd.	Virginia Beach City	87,511	6,440,523	1,054,888	5,385,635	3,140,168	2,245,467	426,448	1,819,019	358,018	1,461,001	39.06
280 1103 S. Military Hwy.	Chesapeake City	80,912	5,738,341	947,111	4,791,230	2,793,848	1,997,381	394,968	1,602,413	318,504	1,283,909	38.88
288 5748 Churchland Blvd.	Portsmouth City	33,366	2,304,381	381,376	1,923,005	1,117,750	805,254	261,153	544,102	127,834	416,267	34.61
298 821 W. Constance Rd.	Suffolk City	37,519	2,266,486	376,805	1,889,681	1,101,366	788,315	205,983	582,332	125,619	456,712	36.78
299 1917 S. Church St.	Isle of Wight Co.	37,408	2,382,894	394,503	1,988,391	1,157,330	831,060	271,194	559,867	132,181	427,686	34.50
306 2085 Lynnhaven Pkwy.	Virginia Beach City	41,622	2,975,962	491,746	2,484,217	1,442,571	1,041,645	308,896	732,749	165,142	567,608	35.60
307 957 & 959 Providence Sq. Ctr.	Virginia Beach City	36,984	2,538,378	419,157	2,119,221	1,234,989	884,232	296,336	587,897	140,878	447,018	34.51
311 4020 Victory Blvd.	Portsmouth City	36,894	2,599,667	431,334	2,168,333	1,259,161	909,172	325,232	583,940	144,143	439,797	33.12
312 2815 Gov. Godwin Blvd.	Suffolk City	30,152	2,066,177	341,920	1,724,257	1,003,327	720,931	247,432	473,499	114,622	358,876	33.92
325 22718 Main St.	Southampton Co.	7,821	424,429	70,502	353,927	205,716	148,211	75,459	72,752	23,528	49,225	28.21
328 836 Eden Way, N.	Chesapeake City	41,438	3,147,114	520,872	2,626,243	1,530,165	1,096,078	279,249	816,829	174,583	642,246	36.96

(1) Includes state taxes, but does not include 5 percent sales tax.
(2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.
(3) Store expenses include miscellaneous revenue and net cash overages.
(4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

(continued)

ANALYSIS OF STORE PERFORMANCE, FISCAL YEAR 2013

ABC Stores by Planning District	Locality	Gallons Sold	Gross Sales (1)	Spirits & Wine Taxes (2)	Net Sales	Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Allocation of General & Administrative Expenses	Adjusted Net Profit	Rate of Return (4)
336 1067 Independence Blvd.	Virginia Beach City	73,406	5,121,298	846,273	4,275,026	2,496,517	1,778,509	448,379	1,330,129	284,188	1,045,941	36.95
349 237 S. Battlefield Blvd.	Chesapeake City	39,685	2,674,223	441,558	2,232,665	1,300,506	932,158	295,986	636,172	148,419	487,753	34.75
355 4300 Portsmouth Blvd.	Chesapeake City	40,028	2,791,768	461,164	2,330,604	1,356,502	974,102	281,817	692,785	154,930	537,854	35.21
361 812 Airline Blvd.	Portsmouth City	48,442	3,447,197	571,665	2,875,533	1,670,555	1,204,978	371,761	833,217	191,155	642,062	35.21
370 2181 Upton Dr.	Virginia Beach City	50,762	3,479,710	572,359	2,907,351	1,695,300	1,212,052	292,721	919,331	193,270	726,060	37.31
377 3575 Bridge Rd.	Suffolk City	20,292	1,513,891	250,370	1,263,521	736,570	526,951	185,719	341,232	83,994	257,237	33.53
379 5832 Northampton Blvd.	Virginia Beach City	3,829	280,382	46,240	234,142	136,626	97,516	50,679	46,838	15,565	31,273	27.65
Virginia Beach/Norfolk		1,795,010	125,322,136	20,714,978	104,607,158	60,900,583	43,706,574	11,943,318	31,763,257	6,953,906	24,809,351	36.33
48 6610-I Mooretown Rd.	York Co.	35,035	2,296,006	379,402	1,916,604	1,116,052	800,553	244,426	556,127	127,409	428,718	35.20
92 227 Fox Hill Rd.	Hampton City	19,543	1,358,716	224,349	1,134,367	659,463	474,904	204,420	270,484	75,409	195,076	30.87
112 61 N. Mallory St.	Hampton City	30,331	2,174,921	360,964	1,813,958	1,058,116	755,851	271,125	484,726	120,586	364,140	33.34
148 4640-3 Monticello Ave.	James City Co.	60,543	4,536,110	741,993	3,794,117	2,210,584	1,583,533	451,345	1,132,187	252,219	879,968	35.76
158 3214 Jefferson Ave.	Newport News City	25,804	1,628,539	271,014	1,357,524	781,789	575,735	262,434	313,301	90,243	223,058	30.34
217 619 Pilot House Dr.	Newport News City	35,663	2,714,996	450,070	2,264,926	1,319,451	945,475	263,410	682,065	150,564	531,501	36.15
222 209 Village Ave.	York Co.	38,252	2,854,455	469,379	2,385,077	1,392,340	992,737	359,599	634,138	158,551	475,586	33.10
244 4909 W. Mercury Blvd.	Hampton City	53,499	3,851,809	638,745	3,213,064	1,866,584	1,346,480	274,792	1,071,688	213,593	858,095	38.86
250 2078 Nickerson Blvd.	Hampton City	22,006	1,455,135	240,896	1,214,239	707,399	506,839	225,512	281,327	80,718	200,609	30.34
258 3831 Kecoughtan Rd.	Hampton City	31,262	2,101,971	348,500	1,753,471	1,017,520	735,950	254,900	481,050	116,564	364,486	33.92
265 20 Towne Center Way	Hampton City	27,305	2,009,383	332,512	1,676,871	977,371	699,500	247,798	451,703	111,472	340,230	33.48
272 55 Hidenwood Shp. Ctr.	Newport News City	24,301	1,707,423	282,520	1,424,903	829,752	595,151	187,488	407,663	94,722	312,941	34.87
282 2400 Cunningham Dr.	Hampton City	73,107	5,934,201	979,517	4,954,683	2,878,345	2,076,338	486,366	1,589,972	329,369	1,260,602	37.75
290 5226 Geo. Washington Hwy.	York Co.	29,468	1,976,678	326,794	1,649,884	961,566	688,318	243,596	444,722	109,678	335,044	33.48
320 1246 Richmond Rd.	Williamsburg City	34,457	2,394,742	394,016	2,000,726	1,163,152	837,574	259,937	578,638	133,001	445,637	35.06
335 801-F Merrimac Trail	York Co.	32,050	2,324,583	384,893	1,939,690	1,129,968	809,722	269,814	539,908	128,944	410,965	34.24
340 309-A Oyster Point Rd.	Newport News City	40,127	2,967,065	490,216	2,476,849	1,442,115	1,034,734	268,545	766,189	164,652	601,537	36.80
341 621 Stoney Creek Lane	Newport News City	66,013	4,891,630	808,059	4,083,571	2,373,865	1,709,706	438,273	1,271,433	271,461	999,972	36.96
342 10872 Warwick Blvd.	Newport News City	22,186	1,557,022	257,638	1,299,384	757,135	542,249	187,348	354,901	86,378	268,522	33.79
381 1480-3C Quarter Path Rd.	Williamsburg City	9,863	741,221	122,014	619,207	360,487	258,721	134,230	124,491	41,163	83,328	27.70
382 475 Wythe Creek Plz.	Poquoson	10,365	709,476	116,643	592,833	344,919	247,914	109,951	138,963	39,409	99,554	30.47
Newport News/Hampton		721,179	52,186,083	8,620,123	43,565,960	25,347,974	18,217,985	5,642,309	12,575,677	2,896,108	9,679,569	35.07
156 22485 Lankford Hwy.	Northampton Co.	15,868	1,022,588	169,264	853,324	497,502	355,821	138,281	217,540	56,726	160,815	32.28
162 7017 Lankford Hwy.	Accomack Co.	11,133	720,923	118,347	602,576	350,389	252,187	135,400	116,787	40,057	76,730	27.06
177 4371 Pension St.	Accomack Co.	11,249	733,379	120,138	613,241	357,652	255,589	92,800	162,788	40,766	122,022	33.02
223 4090-B Lankford Hwy.	Northampton Co.	15,295	877,191	145,046	732,145	427,096	305,049	151,978	153,071	48,670	104,400	28.44
344 Four Corners Plz. Shp. Ctr.	Accomack Co.	23,606	1,485,233	245,887	1,239,346	721,436	517,910	155,126	362,784	82,387	280,396	35.43
Eastern Shore		77,150	4,839,313	798,682	4,040,631	2,354,075	1,686,556	673,586	1,012,970	268,607	744,364	31.89
30 Copper Fox Distillery Store			288,928	67,983	220,945	163,772	57,173	0	57,173	14,688	42,486	38.23
31 Mount Vernon Distillery			269,622	63,347	206,275	148,568	57,706	0	57,706	13,712	43,994	39.81
34 Belmont Farms Distillery			85,230	20,054	65,176	48,983	16,193	0	16,193	4,333	11,860	37.44
65 Catoctin Creek Distillery			183,649	43,212	140,438	104,060	36,378	0	36,378	9,336	27,042	38.25
91 Bowman's Distillery			131,254	30,883	100,371	76,849	23,522	0	23,522	6,672	16,850	36.37
Distilleries			958,683	225,479	733,204	542,231	190,972	0	190,972	48,741	142,232	38.36
Statewide totals		10,607,144	\$768,826,283	\$126,903,758	\$641,922,525	\$373,885,842	\$268,036,684	\$87,529,072	\$180,507,612	\$42,672,690	\$137,834,922	34.43

(1) Includes state taxes, but does not include 5 percent sales tax.

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

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

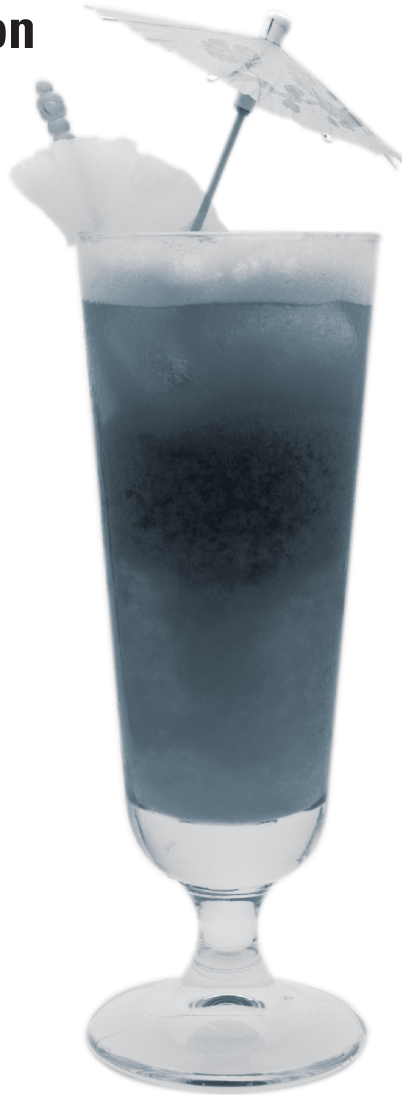
(4) "Rate of return" = (adjusted net profit + state taxes) ÷ gross sales

ABC Marketing Division

ABC established a marketing division to develop and manage agency marketing and promotions functions in areas that include promotions planning and analysis, store branding, and product planning and performance. The division will provide vital support for the agency's revenue growth objectives as well as its service improvement strategies.

Director of Marketing John Shiffer chairs the Product Management Committee, which continues to enhance the agency's abilities to identify and react to rapid changes in the marketplace. The committee is performing process evaluations of listings, delistings, slow movers, item expansion and discounts.

The decision to create a marketing division to lead the agency's product placement and marketing efforts brings Virginia ABC in line with best practices in other control states. ABC's marketing efforts include building relationships with industry partners and better serving retail customers with innovative products and services.



Photos, top: Director of Marketing John Shiffer. **Middle:** The Marketing Division team discusses new products approved for inclusion on the ABC price list. The team includes (left to right) Marketing Analyst Maria Jeter, Marketing Analyst Russell Cross, Director John Shiffer and Marketing Manager Joy Reeves. **Bottom:** Cross presents at a quarterly supplier meeting in Richmond.



2013 Establishments by License Category—Cities

Cities (1)	All Others (2)	Bed and Breakfasts	Beer/Wine Importers	Beer/Wine Wholesalers	Breweries	Carrier Licensees	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distilleries	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Alexandria	8	0	2	1	3	1	5	6	20	4	0	12	25	23	14	141	197	0	462
Bedford	0	0	0	0	0	0	0	0	3	0	0	0	0	5	1	3	4	1	17
Bristol	0	0	2	2	0	0	2	0	20	1	0	3	4	3	2	13	24	0	76
Buena Vista	0	0	0	0	0	0	0	0	1	0	0	1	1	5	0	1	5	0	14
Charlottesville	6	1	5	5	2	0	16	5	26	1	0	5	19	13	3	97	155	0	359
Chesapeake	9	0	5	10	0	0	1	10	91	1	0	18	26	37	4	118	167	0	497
Colonial Heights	0	0	0	0	0	0	0	2	10	0	0	5	3	7	2	19	27	0	75
Covington	1	0	0	0	0	0	0	0	6	0	0	1	0	3	0	1	4	0	16
Danville	1	1	1	2	0	0	0	7	47	0	0	6	5	26	1	24	37	0	158
Emporia	0	0	0	0	0	0	0	0	10	0	0	2	0	4	0	2	4	0	22
Fairfax	1	0	1	0	0	0	0	3	2	0	0	6	8	9	0	37	63	0	130
Falls Church	1	0	0	0	1	0	0	2	2	0	0	3	4	10	0	26	51	0	100
Franklin	1	0	0	0	0	0	0	1	8	0	0	1	1	4	0	6	7	0	29
Fredericksburg	2	1	0	0	0	1	3	1	19	0	0	1	6	8	4	56	85	0	187
Galax	0	0	0	1	0	0	0	1	3	0	0	2	3	4	0	8	12	1	35
Hampton	11	1	2	2	2	1	1	17	76	0	0	13	13	20	5	64	98	0	326
Harrisonburg	3	2	2	2	1	0	2	6	20	0	0	5	8	14	3	42	74	0	184
Hopewell	1	0	0	0	0	0	0	6	17	0	0	2	2	7	0	14	22	0	71
Lexington	2	2	0	0	2	0	3	0	1	0	0	1	3	1	0	11	20	0	46
Lynchburg	9	1	2	5	1	0	4	6	35	0	0	7	12	17	5	56	83	0	243
Manassas	0	1	1	1	1	0	1	3	5	0	0	6	6	23	0	25	39	0	112
Manassas Park	0	0	0	0	0	0	0	0	2	0	0	0	0	5	0	4	8	0	19
Martinsville	3	0	0	0	0	0	0	2	12	0	0	1	2	4	0	10	13	0	47
Newport News	9	0	3	3	1	1	4	12	81	1	0	12	17	39	7	92	146	0	428
Norfolk	19	2	0	1	3	3	9	27	86	0	1	19	24	48	8	163	227	1	641
Norton	0	0	0	0	0	0	0	0	4	2	0	0	0	2	2	2	3	0	15
Petersburg	5	0	1	3	0	0	0	6	34	0	0	3	2	17	0	21	34	0	126
Poquoson	1	0	0	0	0	0	0	1	4	0	0	1	2	2	0	5	11	0	27
Portsmouth	6	0	0	0	0	2	0	13	48	0	0	10	8	20	1	41	54	0	203
Radford	1	0	0	0	0	0	1	1	6	0	0	1	0	6	0	9	12	0	37
Richmond	21	6	6	6	3	0	17	23	163	4	2	18	25	45	7	270	348	1	965
Roanoke	5	2	0	3	1	1	6	9	81	0	0	8	10	26	6	84	128	0	370
Salem	5	0	4	5	1	0	1	6	16	0	0	4	3	7	1	16	32	0	101
Staunton	2	1	0	0	2	0	3	4	11	1	0	4	7	10	1	14	28	2	90
Suffolk	8	1	0	0	0	0	0	5	33	2	0	5	11	14	3	34	45	0	161
Virginia Beach	31	2	3	4	3	5	8	14	150	1	1	42	60	55	21	420	555	1	1,376
Waynesboro	1	0	0	0	0	0	0	2	9	0	0	3	5	11	0	11	22	0	64
Williamsburg	7	9	0	0	0	0	3	0	8	0	0	3	6	0	5	44	57	0	142
Winchester	1	1	2	2	2	0	1	4	11	0	0	6	6	14	3	42	67	0	162
Grand total	181	34	42	58	29	15	91	205	1,181	18	4	240	337	568	109	2,046	2,968	7	8,133

(1) All cities are "wet" (approved for liquor by the drink). Ten counties are "dry" (see pages 24–25); however, beer and wine may be served. Referendums may allow for mixed beverages in certain towns located within dry counties.

(2) "All Others" includes hospitals, fire departments, rescue squads, performing arts facilities, gift shops, food concessions, etc. It does not include banquets.

(3) "Restaurants (Mixed Beverage)" represents the total number of wine and beer establishments also having mixed beverage licenses. These licenses are included in the grand total column.

Source: CORE, July 2013

2013 Establishments by License Category—Counties

Counties (1)	All Others (2)	Bed and Breakfasts	Beer/Wine Importers	Beer/Wine Wholesalers	Breweries	Carrier Licensees	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distilleries	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Accomack (wet)	5	7	2	2	0		0	3	30	1	0	2	7	12	2	21	38	1	133
Albemarle (wet)	18	7	3	17	3	0	7	11	30	0	1	3	29	16	8	41	80	35	309
Alleghany (wet)	0	0	0	0	0	0	0	4	7	0	0	1	1	10	0	5	17	0	45
Amelia (wet)	0	0	0	0	0	0	0	1	12	0	0	1	0	3	0	0	4	0	21
Amherst (wet)	0	0	0	3	0	0	1	2	15	0	0	2	2	13	0	11	19	5	73
Appomattox (wet)	1	0	0	0	0	0	0	2	7	0	0	1	1	8	0	3	5	0	28
Arlington (wet)	6	0	0	0	2	6	6	6	40	1	0	22	22	41	26	219	314	0	711
Augusta (wet)	0	3	2	5	0	0	0	3	27	0	0	2	5	23	1	10	24	5	110
Bath (wet)	1	1	0	0	0	0	0	0	6	0	0	0	1	4	3	5	9	0	30
Bedford (wet)	6	1	0	4	1	1	2	6	25	0	0	4	4	14	0	20	42	5	135
Bland (dry)	0	0	0	0	0	0	0	0	3	0	0	0	0	4	0	0	1	0	8
Botetourt (wet)	2	0	2	5	0	0	0	1	14	1	0	1	3	9	0	4	16	3	61
Brunswick (wet)	2	0	0	2	0	0	0	0	15	0	0	1	0	5	1	3	9	0	38
Buchanan (dry)	0	0	0	0	0	0	0	1	21	0	0	2	1	9	0	0	4	0	38
Buckingham (wet)	1	0	0	0	0	0	0	0	10	0	0	0	0	11	0	2	3	0	27
Campbell (wet)	1	0	0	1	0	0	0	3	36	0	0	4	3	20	0	12	20	3	103
Caroline (wet)	0	0	0	0	1	0	0	2	25	0	0	1	2	7	0	5	15	0	58
Carroll (wet)	3	0	0	2	0	0	0	1	17	0	0	1	1	8	1	4	6	2	46
Charles City (wet)	0	2	0	0	0	0	0	0	3	0	0	0	0	2	0	3	5	0	15
Charlotte (dry)	1	1	0	1	0	0	0	1	11	0	0	1	0	13	1	0	3	1	34
Chesterfield (wet)	10	0	1	1	1	0	4	7	107	1	0	30	31	51	5	150	212	2	613
Clarke (wet)	5	1	0	2	0	0	0	3	9	0	0	0	3	3	0	4	10	2	42
Craig (dry)	0	0	0	0	0	0	0	0	2	0	0	0	0	2	0	0	0	0	4
Culpeper (wet)	5	0	2	6	0	0	1	5	14	1	1	3	3	25	3	17	30	4	120
Cumberland (wet)	0	0	0	0	0	0	0	0	6	0	0	0	0	2	0	0	2	0	10
Dickenson (wet)	0	0	0	0	0	0	0	1	11	0	0	1	0	6	0	0	2	0	21
Dinwiddie (wet)	1	0	0	0	0	0	0	1	22	0	0	2	1	7	0	3	4	0	41
Essex (wet)	3	1	0	1	0	0	0	1	9	0	0	1	3	6	0	8	13	2	48
Fairfax (wet)	49	0	54	57	3	0	25	28	48	5	2	66	122	157	44	575	898	2	2,135
Fauquier (wet)	16	1	2	23	0	0	3	4	30	1	0	5	13	13	4	33	52	29	229
Floyd (dry)	1	1	0	1	0	0	0	2	4	0	0	0	2	4	0	2	10	2	29
Fluvanna (wet)	1	0	0	1	0	0	0	0	8	0	0	1	3	1	0	4	11	1	31
Franklin (wet)	2	0	0	2	1	0	0	2	26	1	1	4	5	15	0	21	33	2	115
Frederick (wet)	6	2	3	6	0	0	0	4	30	1	0	6	15	23	3	28	40	3	170
Giles (wet)	1	1	0	0	0	0	0	4	14	3	0	2	0	9	1	3	10	0	48
Gloucester (wet)	1	0	0	0	0	0	0	4	22	1	0	3	5	6	0	17	29	0	88
Goochland (wet)	1	1	2	4	2	0	1	3	10	0	0	0	2	6	0	13	23	4	72
Grayson (dry)	1	0	0	0	0	0	0	0	7	1	0	0	0	4	0	0	2	0	15
Greene (wet)	1	1	0	0	1	0	0	1	7	0	0	1	2	5	0	5	12	3	39
Greensville (wet)	0	1	0	0	0	0	0	1	11	0	0	0	0	1	0	2	2	0	18
Halifax (wet)	3	0	0	7	0	0	1	4	19	0	1	2	0	29	2	8	25	4	105
Hanover (wet)	7	0	8	9	1	0	3	6	43	1	0	8	11	23	0	47	83	1	251
Henrico (wet)	15	1	9	19	1	0	14	17	137	1	0	32	39	44	21	187	278	0	815
Henry (wet)	5	0	0	1	0	0	1	5	32	0	0	6	0	28	2	3	22	3	108
Highland (dry)	0	0	0	0	0	0	0	0	1	0	0	0	0	5	1	0	1	0	8
Isle of Wight (wet)	3	0	0	0	0	0	0	4	23	0	0	2	8	2	1	9	17	0	69
James City (wet)	4	0	2	2	2	0	1	3	19	0	1	4	11	8	5	44	62	2	170
King & Queen (wet)	1	0	0	0	0	0	0	0	3	0	0	0	0	4	0	1	2	0	11
King George (wet)	1	0	1	2	0	0	0	0	9	0	0	1	3	3	0	8	15	1	44
King William (wet)	0	0	0	0	0	0	0	2	9	0	0	1	2	5	0	7	11	0	37
Lancaster (wet)	2	1	0	0	0	1	0	4	8	0	0	2	4	6	3	18	26	3	78
Lee (dry)	0	0	0	0	0	0	0	4	20	0	0	1	0	6	0	0	3	0	34
Loudoun (wet)	32	2	9	32	8	16	13	7	32	2	1	21	49	60	13	178	308	43	826
Louisa (wet)	4	0	0	2	0	0	0	2	16	0	0	2	1	18	2	10	18	2	77
Lunenburg (wet)	1	0	0	0	0	0	0	4	9	0	0	0	1	8	0	0	2	0	25
Madison (wet)	3	2	0	2	0	0	0	0	5	0	0	0	1	5	1	3	7	9	38
Mathews (wet)	1	1	0	0	0	0	0	2	5	0	0	0	1	1	0	3	7	0	21
Mecklenburg (wet)	4	0	0	2	0	0	0	10	35	1	0	2	0	17	0	10	18	2	101
Middlesex (wet)	5	0	0	0	0	0	0	1	6	0	0	0	3	4	0	11	14	0	44
Montgomery (wet)	4	2	0	1	1	0	5	2	35	0	0	5	9	19	4	43	74	3	207
Nelson (wet)	12	3	0	9	5	0	1	1	10	1	2	0	2	10	2	5	10	13	86
New Kent (wet)	1	1	0	1	0	0	0	0	15	0	0	2	3	4	0	9	18	2	56
Northampton (wet)	4	2	1	6	0	0	1	2	14	0	0	1	1	4	2	12	17	2	69
Northumberland (wet)	4	0	0	1	0	0	0	3	7	0	0	1	1	5	0	9	13	2	46
Nottoway (wet)	0	0	1	3	0	0	0	4	15	0	0	0	1	5	0	7	13	0	49
Orange (wet)	4	5	0	2	0	0	2	2	18	0	0	4	4	3	2	12	24	4	86
Page (wet)	5	5	0	1	0	0	0	4	12	1	1	2	1	10	1	7	18	4	72
Patrick (dry)	2	1	0	1	0	0	0	1	10	0	0	1	0	12	0	3	9	2	42

(continued)

2013 ESTABLISHMENTS BY LICENSE CATEGORY—COUNTIES (CONTINUED)

Counties (1)	All Others (2)	Bed and Breakfasts	Beer/Wine Importers	Beer/Wine Wholesalers	Breweries	Carrier Licensees	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distilleries	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (3)	Restaurants (Beer and Wine)	Wineries	Grand Total
Pittsylvania (wet)	3	0	1	6	0	1	0	4	38	0	0	1	0	24	0	4	15	5	102
Powhatan (wet)	2	0	0	0	0	0	1	1	14	0	0	0	3	2	0	14	17	2	56
Prince Edward (wet)	1	0	0	0	0	0	2	2	14	0	0	2	0	7	0	11	19	1	59
Prince George (wet)	1	0	0	0	0	0	0	2	10	0	0	2	2	7	0	8	15	0	47
Prince William (wet)	8	0	11	12	0	1	2	12	39	1	0	25	38	109	7	167	260	1	693
Pulaski (wet)	4	0	0	3	1	0	0	5	15	0	0	5	1	22	0	6	11	1	74
Rappahannock (wet)	7	6	1	7	0	0	0	0	3	0	1	0	1	4	0	5	8	11	54
Richmond (wet)	0	0	0	6	0	0	1	0	4	0	0	1	1	4	0	1	6	2	26
Roanoke (wet)	2	0	5	5	0	0	2	3	32	0	0	4	8	14	0	34	60	3	172
Rockbridge (wet)	2	4	0	3	2	0	2	2	15	0	0	0	0	13	3	6	11	3	66
Rockingham (wet)	2	1	0	3	2	0	0	3	36	0	0	2	3	13	0	11	29	5	110
Russell (dry)	0	0	0	1	0	0	0	2	15	0	0	1	1	4	0	2	5	2	33
Scott (wet)	0	0	0	0	0	0	0	0	13	0	0	1	1	13	0	1	3	0	32
Shenandoah (wet)	5	1	1	6	0	0	0	9	22	0	0	3	6	24	3	12	35	8	135
Smyth (wet)	1	0	2	3	0	0	0	1	16	1	2	3	0	11	1	2	11	2	56
Southampton (wet)	0	0	0	0	0	0	0	2	16	0	0	1	1	3	0	3	5	0	31
Spotsylvania (wet)	4	0	2	5	3	0	0	7	52	1	1	13	12	19	0	53	82	2	256
Stafford (wet)	7	1	2	6	0	0	3	5	52	1	0	8	9	14	0	47	70	2	227
Surry (wet)	0	0	0	0	0	0	0	0	7	0	0	0	0	1	0	2	4	0	14
Sussex (wet)	0	0	1	0	0	0	1	2	14	0	0	0	1	9	0	0	7	0	35
Tazewell (wet)	2	0	1	1	0	0	0	2	24	1	0	2	4	22	0	8	18	1	86
Warren (wet)	1	3	0	2	0	0	0	4	24	0	0	2	3	12	0	19	35	3	108
Washington (wet)	2	5	1	6	3	0	2	2	34	1	0	3	6	11	2	11	29	2	120
Westmoreland (wet)	3	3	0	3	0	0	0	7	9	0	0	2	3	11	1	11	21	6	80
Wise (wet)	1	0	0	1	0	0	0	1	33	0	0	6	2	6	0	5	10	1	66
Wythe (wet)	2	0	0	2	0	0	0	3	17	1	0	2	2	18	0	11	12	2	72
York (wet)	9	1	0	1	2	0	0	2	28	1	0	7	10	11	5	38	63	2	180
Grand total	347	83	132	331	46	26	108	295	1,914	33	15	370	566	1,334	187	2,399	4,005	285	12,476

- (1) All counties are "wet" (approved for liquor by the drink) unless indicated as "dry." Ten counties are "dry" (not approved for liquor by the drink); however, beer and wine may be served. Referendums may allow for mixed beverages in certain towns located within dry counties. Following are the "dry" counties in Virginia: Bland, Buchanan, Charlotte, Craig, Floyd, Grayson, Highland, Lee, Patrick and Russell.
- (2) "All Others" includes hospitals, fire departments, rescue squads, performing arts facilities, gift shops, food concessions, etc. It does not include banquets.

- (3) "Restaurants (Mixed Beverage)" represents the total number of wine and beer establishments also having mixed beverage licenses. These licenses are included in the grand total column.

Source: CORE, July 2013

Below: Cumberland County and ABC officials celebrate the grand opening of ABC's 341st store with a ribbon cutting in March 2013. The store, located at 1592 Anderson Highway, is the county's first ABC store.



FINANCIAL STATEMENTS

Fiscal Year 2013 marked another record year for the Virginia Department of Alcoholic Beverage Control (ABC)'s Retail Operations Division. Total gross sales for the fiscal year were \$769 million, \$35 million higher than last year and \$11 million higher than the projected \$758 million target. Retail sales ended the year up 5.5 percent and mixed beverage licensee sales were up 1.5 percent.

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Below: ABC Enforcement and Board officials pause during the unveiling of the agency's field support vehicle to the community. The 45-foot vehicle is a resource for ABC's municipal and state public safety partners.





COMMONWEALTH of VIRGINIA

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J. NEAL INSLEY, CHAIRMAN
SANDRA C. CANADA

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Management's Discussion and Analysis

(UNAUDITED)

This discussion and analysis of the Virginia Department of Alcoholic Beverage Control's (ABC) financial performance provides a brief overview of financial activities for the fiscal year ended June 30, 2013.

FINANCIAL HIGHLIGHTS

- The Department's operating revenues increased 4.7% in Fiscal Year 2013.
- ABC operations returned record profits to the Commonwealth in Fiscal Year 2013 of \$133.7 million and excise taxes of \$126.9 million. The increase in profits for Fiscal Year 2013 is primarily due to the opening of additional stores on Sunday and an increase in sales throughout all stores.
- Six new stores opened in Fiscal Year 2013 generating \$2.5M in additional sales. Eight stores were relocated to improved market areas and nine were remodeled.
- During the 2012 legislation session, the General Assembly passed a new law (HB 896) which allowed the Board to open any Virginia ABC retail location on Sunday. As a result, an additional 207 localities were added to Sunday sales. Fiscal Year 2013 ended with a total of 340 stores operating on Sundays. The total Sunday sales for Fiscal Year 2013 reached \$43.0 million, an increase of \$21.0 million from Fiscal Year 2012 to Fiscal Year 2013.
- The Department's operating expenses increased 7.2% in Fiscal Year 2013. The cost of goods sold for alcohol increased \$17.0 million from Fiscal Year 2012, due to the increased sales volume. Personal Service costs increased by 9.5% from Fiscal Year 2012. The increase in Personal Services costs is attributed to a one-time 3.0% bonus approved by the Governor for all classified employees within state agencies, new stores and expanded Sunday operations. The agency also continues to increase its focus on enforcement. In addition, contractual service costs increased by \$0.8 million primarily due to the use of skilled services for IT improvement projects and additional VITA costs.

OVERVIEW OF FINANCIAL STATEMENTS

The audited annual report consists of a series of proprietary fund financial statements. The Statement of Net Position provides information about the Department's assets and liabilities and reflects the financial position as of June 30, 2013. The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenue activity and the expenses related to such activity for the twelve-month period ended June 30, 2013. The Statement of Cash Flows outlines the cash inflows and outflows relating to the operations for the same twelve-month period. The financial statements also include "notes" that provide additional information that is essential to a full understanding of the data provided in the statements. These statements provide current and noncurrent information about the Department's financial position.

FINANCIAL ANALYSIS

- ABC ended Fiscal Year 2013 with a total of \$64.1 million in current assets including \$53.4 million in inventory of alcohol merchandise for resale, a \$6.3 million increase. The increase in inventory is a result of the Advance Buy of inventory. ABC does not purchase the alcohol in our warehouse until it is being shipped to one of our stores. At periodic times throughout the year, vendors offer ABC an opportunity to purchase the inventory that ABC has in our warehouse, prior to the vendor implementing a price increase. At the end of June (Fiscal Year 2013), ABC purchased an additional \$7.3 million of alcohol that was in our warehouse. This results in significant savings to the agency, increased profits for the Commonwealth, and a higher inventory value at year-end.
- The change in Net Capital Assets from Fiscal Year 2012 to Fiscal Year 2013 is due to the following: Depreciation expenses being partially offset by costs associated with the implementation of an Online Product Registration System. This new system will be available in Fiscal Year 2014 and it will allow beer, wine importers and suppliers to efficiently submit labels for approval, as well as submit Importer and Franchise information on-line.
- In total, assets increased from \$68.0 million in Fiscal Year 2012 to \$73.4 million in Fiscal Year 2013, largely due to the Advance Buy.

Net Position	Fiscal Year 2013	Fiscal Year 2012	Change
Current and other assets	\$64,179,968	\$57,957,505	\$6,222,463
Capital assets, net	9,254,140	10,076,413	(822,273)
Total assets	73,434,108	68,033,917	5,400,190
Current liabilities	68,667,938	62,944,643	5,723,295
Noncurrent liabilities	2,962,712	2,430,935	531,778
Total liabilities	71,630,650	65,375,577	6,255,073
Net position:			
Invested in capital assets	9,254,140	10,076,413	(822,273)
Unrestricted	(7,450,682)	(7,418,073)	(32,610)
Total net position	\$1,803,458	\$2,658,340	(\$854,882)

- Total liabilities owed by the Department increased \$6.3 million from last fiscal year, with current liabilities representing \$5.7 million of the total amount. The current liability amount is largely represented in accounts payable due to the Advance Buy, 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 increase.
- The Department lacks working capital (current assets in excess of current liabilities) to fund all business needs at year-end including accelerated payments of taxes and profits before June 30. Given this periodic lack of necessary working capital, the Department depends on a \$60.0 million line of credit with the State Comptroller to meet day-to-day operations. At June 30, 2013, the amount borrowed was \$28,264,939. (see Note 4)

REVENUE: The vast majority of the Department's revenues come from the sale of alcoholic beverages. These revenues are achieved through the 340+ state-run stores located throughout the state. Gross sales including state tax on sales in Fiscal Year 2013 reached an all time high of \$768.8 million, up \$35.0 million over Fiscal Year 2012. The gross revenue after state tax on sales of alcohol increased from \$612.9 million to \$642.0 million or 4.8%. License and permit fees had a slight increase in Fiscal Year 2013 totaling \$12.1 million compared to \$12.0 million in Fiscal Year 2012. Miscellaneous revenue and penalties increased over last year and there was a decrease in federal grants and contracts. Other sources of revenue include lottery, wine wholesalers tax and mixed beverage taxes on common carriers.

Operating Revenues	Fiscal Year 2013	Fiscal Year 2012	Changed
Sales of alcohol	\$641,997,839	\$612,861,516	\$29,136,323
Sales of lottery tickets	2,604,381	2,662,214	(57,832)
License and permit fees	12,122,130	12,005,411	116,719
Wine wholesalers tax	3,760,195	3,467,123	293,071
Penalties	1,018,368	973,266	45,102
Federal grants and contracts	361,936	446,546	(84,609)
Mixed beverage tax on common carriers	27,035	30,778	(3,743)
Miscellaneous	541,177	476,720	64,457
Net operating revenues	\$662,433,062	\$632,923,574	\$29,509,488

EXPENSES: In Fiscal Year 2013 operating expenses (not including cost of sales, alcohol and lottery) increased from \$141.2 million to \$151.3 million, an increase of 7.2%. Approximately 70.9% of the Department's total expenses are for the cost of sales of distilled spirits and mixers sold through ABC stores and less than 1.0% for lottery cost of sales. Following cost of merchandise is personal services, which accounts for 17.3% of total expenses. The remaining 11.4% is made up of contractual services (e.g. store rents), continuous charges (utilities) and other miscellaneous charges. Personal service costs increased primarily due to two factors. ABC had increases in salary expense directly correlated to the Governor approved one-time 3.0% bonus for all state agencies, new stores, expanded Sunday operations and an increased focus on licensing and enforcement. The increased cost of contractual services is due to the use of skilled services for IT staff improvement projects and additional VITA costs. Depreciation expense increased due to the capitalization of the Cisco Wireless Security System for the warehouse and stores and new vehicles for ABC Enforcement Officers.

Operating Expenses	Amount Fiscal Year 2013	% Expenses Fiscal Year 2013	Amount Fiscal Year 2012	Difference
Cost of sales, alcohol	\$374,356,481	70.9%	\$357,374,917	\$16,981,564
Cost of sales, lottery	2,424,746	0.5%	2,522,930	(98,183)
	376,781,227	71.3%	359,897,846	16,883,381
Personal services	91,151,356	17.3%	83,223,807	7,927,549
Continuous charges	25,209,421	4.8%	24,687,763	521,658
Contractual services	26,498,703	5.0%	25,737,133	761,570
Supplies and materials	3,437,872	0.7%	2,885,166	552,706
Depreciation	2,101,808	0.4%	1,958,032	143,776
Expendable equipment	2,066,725	0.4%	1,869,571	197,153
Other	860,993	0.2%	812,313	48,680
	151,326,878	28.7%	141,173,786	10,153,093
Total Operating Expenses	\$528,108,106	100.0%	\$501,071,632	\$27,036,473

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 2013, approximately \$67.1 million of the agency's \$133.7 million in net profits were transferred to other state agencies. The majority, \$65.4 million, transfers to the Department of Behavioral Health and Developmental Services incurred for care, treatment, study and rehabilitation of alcoholics. The remaining \$66.6 million was distributed to the General Fund in accordance with the Code of Virginia.

Revenues, Expenses and Changes in Net Position	Fiscal Year 2013	Fiscal Year 20112	Change
Net operating revenues	\$662,433,062	\$632,923,574	\$29,509,488
Total operating expenses	528,108,106	501,071,632	27,036,473
Non-operating revenues / (expenses)	(603,087)	246,632	(849,720)
Net profit before transfers	133,721,869	132,098,574	1,623,295
Transfers of profit to the General Fund of the Commonwealth	(67,437,563)	(64,163,784)	(\$3,273,779)
Appropriation Act transfers	(67,139,188)	(67,858,000)	\$718,812
Total transfers	(134,576,751)	(132,021,784)	(2,554,967)
Net increase after transfers	(854,882)	76,790	(931,672)
Total net position – beginning	2,658,340	2,581,550	76,790
Total net position – ending	1,803,458	2,658,340	(854,882)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- During Fiscal Year 2014, the Department expects to see a continuous increase in the retail sales sector, and will continue to monitor mixed beverage licensee sales. ABC is currently forecasting gross sales of \$800.0 million, a 3.9% increase over Fiscal Year 2013.
- ABC expects expenses to continue to increase in Fiscal Year 2014. Expenses such as store rents will increase because of contractual escalation clauses. The Department also foresees increases in non-merchandise expenditures, which includes product shipping to stores and on-going infrastructure improvements in order to comply with data security standards mandated for credit card payments. A 2.0% salary and wage increase will take effect in early Fiscal Year 2014. This will increase personal service costs by an estimated \$1.4M. Health insurance for salaried employees will also increase personal service cost by 16.4%. ABC also expects an increase in technology charges for maintenance of existing operation systems to the VITA/NG partnership as a result of rate changes.
- Appropriation Act profit transfer requirements for Fiscal Year 2014 are \$136.5 million. ABC expects to meet this transfer requirement. Risks included economic declines, particularly during the holiday season and unforeseen increases in expenses.

CONTACTING THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

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



Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

October 1, 2013

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable John M. O'Bannon, III
Chairman, Joint Legislative Audit
And Review Commission

Alcoholic Beverage Control Board
Department of Alcoholic Beverage Control

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of the Department of Alcoholic Beverage Control as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department of Alcoholic Beverage Control as of June 30, 2013, and the changes in its financial position and its cash flows for the year ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1A, the basic financial statements of the Department of Alcoholic Beverage Control are intended to present the financial position 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, 2013, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

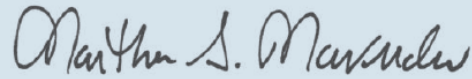
Other Information

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

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

Other Report Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 1, 2013, on our consideration of the Department of Alcoholic Beverage Control's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Departments' internal control over financial reporting and compliance.



AUDITOR OF PUBLIC ACCOUNTS

EMS/alh

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
STATEMENT OF NET POSITION
As of June 30, 2013

ASSETS

Current assets:

Cash and cash equivalents (Note 2 and 7)	\$	1,333,080
Petty cash		200,000
Receivables		7,366,032
Inventory - Alcohol (Note 1)		53,399,698
Inventory - Lottery tickets		88,793
Prepaid insurance expenses		1,578,937
Prepaid other expenses		206,934
Investments held by Treasurer of Virginia (Note 7)		6,494
Total current assets		64,179,968

Noncurrent assets:

Nondepreciable capital assets (Note 3)		1,827,702
Depreciable capital assets, net (Note 3)		6,824,851
Construction-in-progress (Note 3)		601,587
Other assets, net (Note 3)		-
Total noncurrent assets		9,254,140
Total assets		73,434,108

LIABILITIES

Current liabilities:

Accounts payable		27,716,375
Installment notes payable (Note 6)		-
Unearned revenue		156,934
Due to Commonwealth of Virginia (Note 4)		38,121,426
Obligations under securities lending (Note 7)		126,945
Compensated absences payable (Note 6)		2,546,258
Total current liabilities		68,667,938

Noncurrent liabilities:

Installment notes payable (Note 6)		-
Compensated absences payable (Note 6)		2,962,712
Total noncurrent liabilities		2,962,712
Total liabilities		71,630,650

NET POSITION

Net Investment in Capital Assets		9,254,140
Unrestricted net assets		(7,450,682)
Total net position	\$	1,803,458

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

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2013

Operating revenues:	
Sales of alcohol	\$ 641,997,839
Sales of lottery tickets	2,604,381
License and permit fees	12,122,130
Wine wholesalers tax	3,760,195
Penalties	1,018,368
Federal grants and contracts	361,936
Mixed beverage tax on common carriers	27,035
Miscellaneous	541,177
Total operating revenues	662,433,062
Operating expenses:	
Cost of sales of alcohol	374,356,481
Cost of sales of lottery tickets	2,424,746
Personal services	91,151,356
Continuous charges	25,209,421
Contractual charges	26,498,703
Supplies and materials	3,437,872
Depreciation and amortization	2,101,808
Expendable equipment	2,066,725
Other	860,993
Total operating expenses	528,108,106
Operating income	134,324,956
Nonoperating revenues (expenses):	
Rents	195,361
Income from security lending transactions (Note 7)	321
Expenses from security lending transactions (Note 7)	(321)
Interest income (expense)	-
Seized assets	(798,449)
Total nonoperating revenues (expenses)	(603,087)
Net profit before transfers	133,721,869
Transfers out:	
Transfers of profits to the General Fund of the Commonwealth	(67,437,563)
Appropriation Act transfers	(67,139,188)
Total transfers	(134,576,751)
Net decrease after transfers	(854,882)
Total net position - July 1, 2012	2,658,340
Total net position - June 30, 2013	\$ 1,803,458

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

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Cash flows from operating activities:	
Cash received from sales	\$ 644,401,163
Cash received from licenses and fees	12,221,328
Cash received from other revenue	4,907,566
Cash payments for cost of sales	(375,616,607)
Cash payments for personal services	(90,269,658)
Cash payments for other expenses	(58,204,466)
Net cash provided by operating activities	<u>137,439,325</u>
Cash flows from noncapital financing activities:	
Note payable to the Commonwealth	28,264,939
Due to the Commonwealth repayments	(28,488,757)
Cash received from nonoperating activities	230,725
Cash disbursed from nonoperating activities	(833,813)
Cash received from taxes	192,466,248
Transfers of tax collections to the General Fund of the Commonwealth	(161,843,709)
Transfers of tax collections to the Department of Taxation	(31,586,749)
Transfers of profit to the General Fund of the Commonwealth	(68,027,935)
Appropriation Act transfers	(67,139,188)
Net cash used for noncapital financing activities	<u>(136,958,239)</u>
Cash flows from capital and related financing activities:	
Construction in-progress	(247,819)
Acquisition of equipment	(1,031,716)
Sale of depreciable assets	-
Interest Income	-
Note payable principal payments	-
Note payable interest payments	-
Net cash used for capital financing activities	<u>(1,279,535)</u>
Net decrease in cash and cash equivalents	(798,449)
Cash and cash equivalents - July 1, 2012	<u>2,211,077</u>
Cash and cash equivalents - June 30, 2013	<u>\$ 1,412,629</u>
Reconciliation of cash and cash equivalents	
Cash and cash equivalents	1,333,080
Petty cash	200,000
Securities lending cash equivalent	(120,451)
	<u>\$ 1,412,629</u>
Reconciliation of net profit to net cash provided by operating activities:	
Operating income	134,324,956
Adjustments to reconcile net profit to net cash provided by operating activities:	
Depreciation and amortization	2,101,808
Change in assets and liabilities:	
Increase in accounts receivable	(1,002,203)
Increase in inventory	(6,300,593)
Increase in compensated absences	380,039
Increase in accounts payable	7,966,872
Increase in prepaid items	(130,752)
Increase in unearned revenue	99,198
Net cash provided by operating activities	<u>\$ 137,439,325</u>

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

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Fund Accounting

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

C. Basis of Accounting

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

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

D. Inventories

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

2. CASH WITH THE TREASURER OF VIRGINIA

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

3. CAPITAL ASSETS

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

	Balance at July 01, 2012	Acquired	Deleted	Balance at June 30, 2013
Nondepreciable capital assets				
Land	\$ 1,827,702	\$ -	\$ -	\$ 1,827,702
Construction in-progress	\$ 353,768	\$ 247,819	\$ -	\$ 601,587
Total nondepreciable capital assets	\$ 2,181,471	\$ 247,819	\$ -	\$ 2,429,289
Depreciable capital assets				
Buildings	\$ 9,571,382	\$ -	\$ -	\$ 9,571,382
Equipment	\$ 32,217,855	\$ 1,031,716	\$ (175,019)	\$ 33,074,553
Other equipment	\$ -	\$ -	\$ -	\$ -
Intangibles	\$ 883,243	\$ -	\$ -	\$ 883,243
Total depreciable capital assets	\$ 42,672,480	\$ 1,031,716	\$ (175,019)	\$ 43,529,178
Less accumulated depreciation:				
Buildings	\$ 9,304,830	\$ 12,552	\$ -	\$ 9,317,382
Equipment	\$ 25,223,556	\$ 1,912,607	\$ (175,019)	\$ 26,961,144
Other equipment	\$ -	\$ -	\$ -	\$ -
Intangibles	\$ 249,152	\$ 176,649	\$ -	\$ 425,801
Total accumulated depreciation	\$ 34,777,538	\$ 2,101,808	\$ (175,019)	\$ 36,704,327
Depreciable capital assets, net	\$ 7,894,942	\$ (1,070,091)	\$ -	\$ 6,824,851
Total capital assets, net	\$ 10,076,413	\$ (822,273)	\$ -	\$ 9,254,140

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

4. DUE TO THE COMMONWEALTH

A. Note Payable

The Department has a line of credit for \$60,000,000 with the Treasurer of Virginia. Repayment is made from revenue collections pursuant to Title 4.1, Chapter 1 of the Code of Virginia. As of June 30, 2013, the Department had outstanding \$28,264,939 of its available line of credit to extinguish a cash overdraft.

A. Note Payable (Continued)

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

<u>Balance at July 01, 2012</u>	<u>Acquired</u>	<u>Deleted</u>	<u>Balance at June 30, 2013</u>
\$28,488,757	\$28,264,939	(\$28,488,757)	\$28,264,939

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 2013 Virginia Acts of Assembly required \$9,141,363 of the gross liter tax to be transferred to the General Fund for expenses incurred for care, treatment, study, and rehabilitation of alcoholics by the Department of Behavioral Health and Development Services and other state agencies. Of the remaining liter tax, twelve percent is retained by the Department and reported as wine wholesalers' tax on the Department's financial statements. The remaining eighty-eight percent is paid to the General Fund of the Commonwealth quarterly. Collections and transfers of state tax on sales and liter tax are not reported on the Statement of Revenues, Expenses, and Changes in Net Position. Activity relating to the amounts due to the General Fund for the year ended June 30, 2013, is summarized below.

	<u>State Tax on Sales</u>	<u>Liter Tax on Wine</u>	<u>Total</u>
Balance due to the General Fund, July 1, 2012	\$2,569,546	\$1,103,772	\$3,673,319
Receipts for fiscal year	\$126,802,220	\$34,400,161	\$161,202,381
Transfers to the General Fund	(\$127,556,597)	(\$34,287,112)	(\$161,843,709)
Balance due to the General Fund, June 30, 2013	\$1,815,170	\$1,216,820	\$3,031,990

C. Department of Taxation - Sales Tax

The Department collects sales tax on all sales of alcohol and remits collections monthly to the Department of Taxation. Sales tax collections and transfers are not reported on the Statement of Revenues, Expenses, and Changes in Net Position. Activity relating to the amounts due to the Department of Taxation for the year ended June 30, 2013, is summarized below.

Balance due to the Department of Taxation, July 1, 2012	\$659,060
Sales Tax Collections	\$31,263,867
Transfers to the Department of Taxation	(\$31,586,749)
Balance due to the Department of Taxation, June 30, 2013	\$336,177

D. Earned Surplus

The Appropriation Act, Chapter 2 of the 2012 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 \$6,488,319 due to the General Fund at June 30, 2013.

5. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for retail store buildings. Rent expense under operating lease agreements amounted to \$ 21,464,838 for the year. A summary of future obligations under lease agreements as of June 30, 2013, follows.

Year Ending June 30,	
2014	20,001,433
2015	17,166,450
2016	13,643,610
2017	8,909,802
2018	4,870,055
2019 - 2022	4,303,490
Total Obligations	<u>\$68,894,839</u>

6. COMPENSATED ABSENCES

Compensated absences reflected in the Statement of Net Position represent the amounts of vacation, sick, and compensatory leave earned by employees of the Department, but not taken at June 30, 2013. The amount reflects all earned vacation, sick, and compensatory leave payable under the Commonwealth of Virginia's leave payout policies. Information on the Commonwealth's leave payout policies is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

<u>Balance at July 01, 2012</u>	<u>Short Term Decrease</u>	<u>Long Term Increase</u>	<u>Balance at June 30, 2013</u>	<u>Amounts due within one year</u>
\$5,128,931	(\$151,739)	\$531,778	\$5,508,970	\$2,546,258

7. SECURITIES LENDING TRANSACTIONS

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

8. COLLECTIONS OF MALT BEVERAGE TAX

During the year ended June 30, 2013, the Department collected \$42,846,308 in malt beverage taxes. These funds are deposited by the Department directly with the Treasurer of Virginia for credit to the General Fund of the Commonwealth and are not available to the Department to meet current operating needs and are not included in the financial statements.

9. PENSION PLAN AND OTHER POST RETIREMENT BENEFITS

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

10. RISK MANAGEMENT

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

11. CONTINGENT LIABILITIES

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, 2013, the bailment inventory was valued at \$33,157,022.

IMPROVED WAREHOUSE OPERATIONS

Logistics and Internal Audit implemented a store order audit program in March 2013 to measure and account for accuracy before store orders leave the warehouse. ITSD and Logistics developed a program in the inventory system MIPS that verifies warehouse product weights into the warehouse's in-line weight scales. Management launched an incentive payout to pickers who picked at 99.9 percent accuracy. Preliminary results indicated improved accuracy across the board.

NEW MARKETING DIVISION

The agency established a marketing division to develop and manage marketing and promotions functions. The division provides vital support for the agency's revenue growth objectives as well as its service improvement strategies. Director of Marketing John Shiffer began on March 25, 2013 and leads the division.

REALIGNMENT OF ENFORCEMENT REGIONS

To address demographic and population changes, the ABC Bureau of Law Enforcement realigned a number of regional office territories to better serve stakeholders and opened a new Richmond regional office that is located in Chesterfield County more central to the agency's customer base.

IMPROVED LICENSING PROCESS

The agency centralized its retail license application process in March by making the initial phase of the process consistent for all applicants statewide. The newly formed licensing unit, located in Richmond, continues to improve citizen experience with consistency in requirements and decreased processing times.

GROWTH IN RETAIL SALES

Beginning July 1, 2012 the agency expanded Sunday hours at all ABC retail locations that had not previously been open on Sunday. With the exception of three stores, all stores were open from 1–6 p.m. Total Sunday sales for the fiscal year were \$42.9 million. Increases in annual revenue were also seen from the agency's Black Friday sales, where customers received a 10 percent discount for purchases totaling \$50 or more. Total statewide sales for that day rang in at \$5.9 million, an 86 percent increase over the previous year.

REVAMPED GRAND OPENINGS

The agency hosted public celebrations for the grand opening (or reopening) of six stores including Cumberland County's and Poquoson's first stores. Other store events occurred in Virginia Beach (Northampton Boulevard), and in Ashburn, Tackett's Mill and Mount Vernon in the northern Virginia areas. At fiscal year end the agency operated 343 stores. In anticipation of continued growth, the agency redrew the retail region boundaries and increased the number of regional managers by two.

SUBSTANCE ABUSE AWARENESS VITAL FOR VIRGINIA'S YOUTH (SAVVY)

Launched in September in support of the Governor's new prevention initiative, SAVVY informed parents, educators, students and youth advocates about the dangers of substance abuse. At three expos, experts discussed the growing use of synthetic cannabinoids, hallucinogenic bath salts and misused prescription medicine.

YADAPP

Continuing its outreach to high school students, the agency's Education section hosted the 28th Youth Alcohol & Drug Abuse Prevention Program (YADAPP) in Farmville. More than 450 adults and teens from across the commonwealth participated in the week-long July conference.

FIELD SUPPORT VEHICLE

In April 2013 the Bureau of Law Enforcement added a new dimension to its enforcement operations with the acquisition of a state-of-the-art field support vehicle. The vehicle, purchased with \$750,000 of asset forfeiture funds, serves as a centralized command post at large-scale events involving alcohol. The FSV was a game-changer for the bureau in that it enhanced communications, provided more centralized operational efficiency and heightened the visibility of the law enforcement personnel at highly populated events.

DOMESTIC VIOLENCE AWARENESS

In support of the Governor's initiative to educate Virginians about the importance of speaking out against domestic violence, the agency wrote and produced a 60-second public service announcement (PSA) called "Stop the Silence. Stop the Violence." The PSA, which included ABC employees as extras, ran on Richmond networks and was posted on the agency's YouTube site. Links on the agency's, Governor's and Secretary of Public Safety's sites pushed views to more than 2,000.

Photos (from top): Regional Manager Bernie Bottoms assists a Sunday sales shopper in a Midlothian store with his selection of a free gift, supplied by vendors. At YADAPP 2012, Morris and Billie Wheeler are flanked by recipients of the annual Wheeler Awards, which recognize successful youth-led substance abuse prevention projects. Lead Order Processor David Jenkins loads cases onto a conveyor belt in the depalletization area of ABC's 292,285 square-foot warehouse. Governor Bob McDonnell hosts a reception for SAVVY's Schools and Communities Recognition Program; looking on is Secretary of Public Safety Marla Decker. A young L.A. actress portrays an abused woman in a public service announcement (PSA) written by the Public Affairs Division. The agency produced the PSA in support of the Governor's initiative against domestic violence.



**VIRGINIA DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL**

