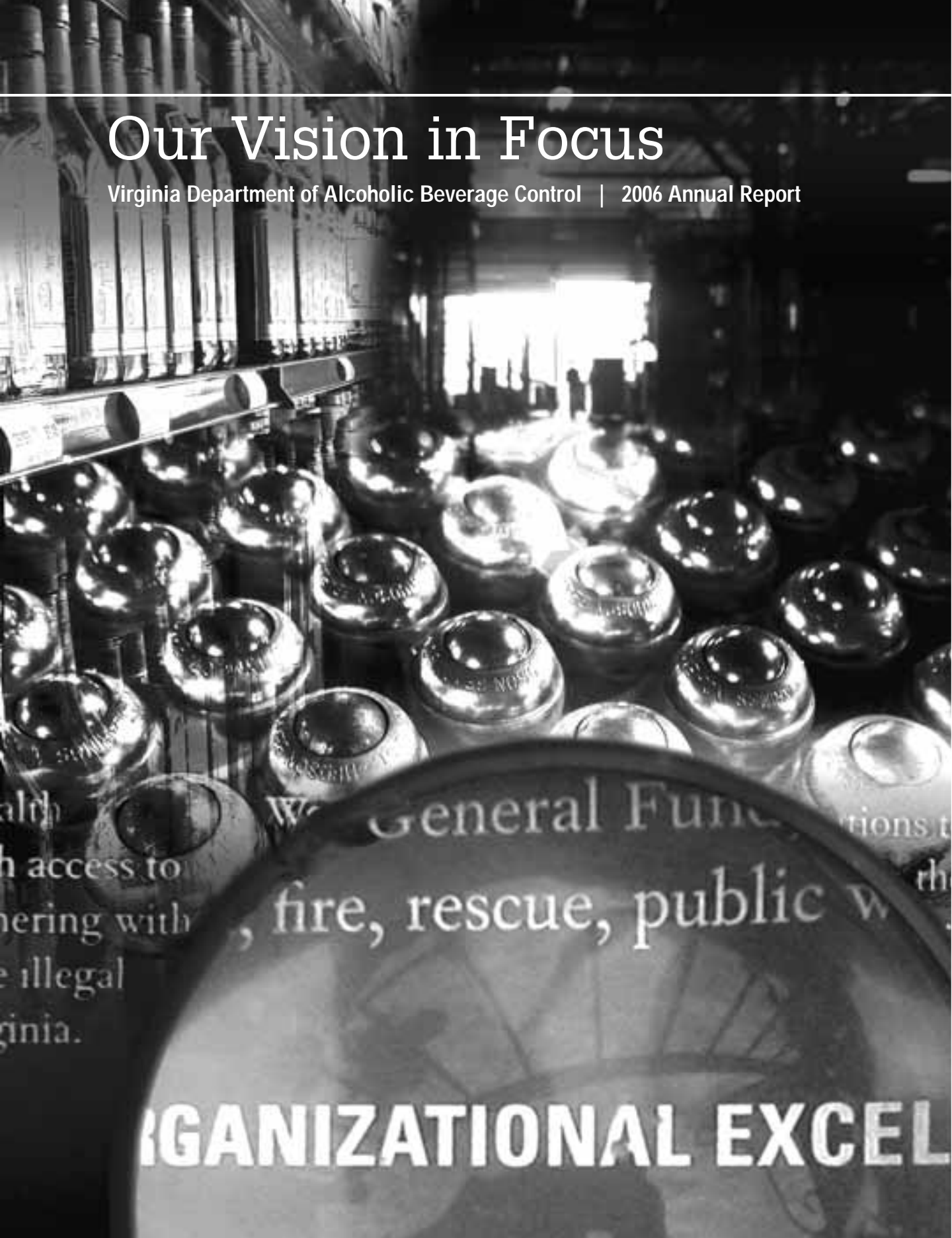


# Our Vision in Focus

Virginia Department of Alcoholic Beverage Control | 2006 Annual Report



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## ORGANIZATIONAL EXCEL

# OUR VISION

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# IN FOCUS

## LETTER FROM THE CHAIR

ABC had a remarkable eighth record-breaking year in Fiscal Year 2006 by reaching \$572 million in annual gross sales. Customers surveyed this year indicate that 91 percent are very satisfied with overall customer service, 95 percent say the service is prompt and 93 percent describe ABC stores as clean and attractive.



Efficiency increased with the completion of a major multi-million dollar warehouse automation project. The new system provides for the efficient flow of items from arrival at the warehouse to delivery in the stores. The system is capable of processing 20,000 cases in a day. This enhancement will meet the demands of an ever-growing network. At the end of Fiscal Year 2006, the agency had 312 stores in operation.

Like many other states, Virginia remains involved with litigation and legislation on issues related to the interstate distribution and sale of alcoholic beverages. One of the issues receiving recent attention involves the sale of Virginia wine in state ABC stores. About 25 years ago, the Virginia General Assembly decided to eliminate wine sales in state stores, since wine was also sold by private sector retailers. However, in an attempt to support the state's fledgling wine industry, ABC was allowed to continue selling wines produced by Virginia farm wineries.

In April 2005, a federal judge ruled that the statute limiting ABC stores to Virginia wines to the exclusion of those from other states was unconstitutional and Virginia ABC stopped purchasing Virginia wines at that time. Farm winery interests this year unsuccessfully attempted to get legislation passed opening Virginia's state stores to wines from other states. In September 2006 the U.S. Court of Appeals for the Fourth Circuit reversed the ruling, and plans began for selling Virginia wines in our stores again.

While enforcing criminal and ABC laws in more than 14,000 licensed establishments, ABC's Bureau of Law Enforcement takes an active role in promoting compliance for licensees. Statistics reflect that the number of written warnings and violation reports issued by our special agents are very close to the number of training sessions offered to citizens and licensees.

ABC continues to lead the Commonwealth in alcohol prevention and community education initiatives and to provide thousands of dollars in grant funding to enhance community and university coalitions. Highlights of Fiscal Year 2006 include the awarding of rural law enforcement community grants, a first for us in providing this type of grant to rural communities. Another ABC accomplishment is the nationwide distribution of *Solving the Puzzle of Underage Drinking*, a booklet that compiles "Best Practices" in alcohol education.

For Fiscal Year 2006 and beyond, we remain committed to balancing control, service and revenue to benefit the citizens of Virginia.

A handwritten signature in cursive script that reads "Esther H. Vassar".

Esther H. Vassar, Chair

# OUR VISION

## ABC Executive Information

### GOVERNOR

Timothy M. Kaine

### ABC BOARD FISCAL YEAR 2006

Esther H. Vassar, Chair

Susan R. Swecker, Member

Pamela O'Berry Evans, Member

### EXECUTIVE STAFF

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

J. Craig Vanderland, Chief Financial Officer

### DIVISION DIRECTORS

Virginia A. Adams, Wholesale/Retail Operations

Francis J. Monahan, Bureau of Law Enforcement

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

John W. Wszelaki, Internal Audit

J. Craig Vanderland, Policy, Analysis and Support  
Services

Charles R. Moore, Information Technology Services

Nancy A. Arnold, Financial Management Services

Janet L. Lawson, Human Resources

Robert W. Southall, Property Management Services

Rebecca V. Gettings, Public Affairs



# IN FOCUS

## 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.



**Facing page:** (Far left) Governor Timothy M. Kaine. (Middle) ABC Board, left to right: Susan R. Swecker, member; Esther H. Vassar, chair; and Pamela O'Berry Evans, member. (Near left, top to bottom) Store 256 in Virginia Beach; Security Officer William Fuller verifies visitor information at the Central Office front desk; ABC prevention brochure published in Fiscal Year 2006.

**This page:** (Above left) Store 358 Manager Amanuel Mehari totals orders from licensee customers. (Above right) ABC Board members at the "Preventing Underage Drinking" town hall meeting, Monday, March 20, 2006, shown here with Colonel Jeff Levy, Virginia College Parents, second from left, and industry representatives.



# OUR VISION

## The Virginia Department



**This page:** (Left, top) Chair Esther H. Vassar, middle, cuts the ribbon to dedicate the opening of Store 215 in Arlington. Standing, left to right, Manager Sudip Tiwari, Assistant Director of Wholesale/Retail Wilson Jones, Regional Manager Norman Lodato and Employee K.C. Dumbar assist with the ceremony. (Left, bottom) Paul Cardona, employee in Store 256 in Virginia Beach, straightens products. (Right) This new device, added to the renovated Central Warehouse during Fiscal Year 2006, works like an elevator and moves cases between levels in a spiral motion.

**Facing page:** (Left) A wide range of products stock the shelves of ABC stores. (Right) Standard ABC logo signs increase public awareness about store locations.

# IN FOCUS

## t of Alcoholic Beverage Control

### **ABC is an efficient retail business.**

Opening new stores to better serve a growing population, expanding by 58 stores in four years to 312 stores today. ABC carrying over 2,000 items on the active price list and offering additional products through special orders. Maintaining excellent product service levels is a priority. Completion of the multi-million dollar warehouse automation project increases efficiency; the system has the capability of processing 20,000 cases a day.

### **ABC is a major source of revenue for the Commonwealth.**

Fiscal Year 2006 gross sales of 572 million dollars resulted in an eighth record-breaking year for ABC; contributing over one billion dollars to the Commonwealth in the last five years.



## ABC: Celebrating Excellence in the Commonwealth Since 1934

The Virginia Department of Alcoholic Beverage Control (ABC) was created under the provisions of the Alcoholic Beverage Control Act, Chapter 94 of Acts of Assembly, Session of 1934 and subject to amendments thereto. The first ABC store was opened in 1934. In 1936, the General Assembly granted full police powers to the agency's designated agents so that they might take more responsibility for enforcing the laws against bootlegging and moonshining.





**ABC is a public safety agency with law enforcement responsibilities.**

ABC special agents based out of eight regions across the state enforce criminal and ABC laws in more than 14,000 licensed establishments. Criminal activities range from drugs and vice to money laundering and embezzlement are investigated and prosecuted through the state court system.

**ABC is an administrative hearing agency.**

ABC violations investigated by ABC special agents are placed on the docket for administrative hearings. A hearing officer hears the case in the area where the licensee is located and issues the initial decision. Administrative hearings can result in dismissal, fines, suspension or revocation of a license. The initial decision can be appealed to the ABC Board within 30 days.


**ABC is a provider of educational and prevention programs.**

ABC leads the Commonwealth in alcohol prevention and community education initiatives. The agency provides thousands of dollars in grant funding to enhance prevention coalitions and provides training to licensees and other groups to promote compliance with ABC laws.

**Facing page:** (Far left) Three images from the photographic archives of Virginia ABC, showing employess and store front, circa 1960; the first women ABC store employees in Roanoke, circa 1970; and onlookers gather around moonshine supplies confiscated from an illegal distillery, circa 1950. (Near left, top to bottom) ABC special agents at firing range in 2006; Court Reporter Donna Tuten takes a word-for-word transcription of testimony given at an initial ABC hearing; RSVP logo and RSVP class being conducted by Special Agent Dan Durrette in 2006.



**This page:** High school students gather at the Youth Alcohol and Drug Abuse Prevention Project (YADAPP) summer conference. Virginia ABC provides planning, administrative, financial and staffing support to this popular, statewide prevention effort.



Controlling the distribution of alcoholic beverages and enforcing the laws of the Commonwealth pertaining to alcoholic beverages and youth access to tobacco products is a major focus of ABC's vision and mission. For ABC, providing public safety does not end with controlling distribution and enforcing alcohol laws.

We are committed to partnering with licensees, working toward improved compliance by offering training in selling and serving responsibly. We are also committed to working with coalitions, communities, universities and others in providing grants, conferences, brochures and other alcohol education / prevention materials to control the illegal and/or irresponsible use of alcohol in Virginia.

# FOCUS ON Control

Control Highlights for Fiscal Year 2006 >>



## Enforcement

During Fiscal Year 2006, special agents and staff of the ABC Bureau of Law Enforcement:

- Conducted 12,245 criminal investigations
- Made 2,468 arrests
- Conducted 13 illegal still investigations involving 50 stills
- Collected \$10,554,034 in wine and beer taxes and license fees
- Issued 1,961 new retail, wholesale and special permit licenses
- Issued 14,824 one-day banquet and special event licenses
- Conducted 8,163 inspections of licensed establishments
- Issued 1,053 written warnings and 1,144 violation reports (combined total = 2,197)
- Conducted 252 public and 1,890 licensee training presentations (combined total = 2,142)
- 1,050 off-site training sessions or conferences were provided to enforcement agents.

## Licensees

ABC licensees include 10,649 private or corporate owners of 14,715 establishments, holding 13,516 ABC licenses allowing sales and/or consumption of beer and wine or mixed beverage on- or off-premise. During Fiscal Year 2006, 106 special agents from the agency's Bureau of Law Enforcement monitored these establishments and serviced licensees. ABC agents conducted 106 Responsible Sellers and Servers: Virginia's Program (RSVP) classes this fiscal year, training 1,782 participants statewide. Also taught by ABC special agents, the Managers' Alcohol Responsibility Training (MART) program generated eight classes, with 125 participants.

## Hearings and Appeals

In Fiscal Year 2006, 1,317 cases were received in Hearings, Appeals and Board Administration for processing, including: 1,215 violation reports, 74 contested license applications, 13 contested banquet applications and 10 franchise rights cases. The division provided dispositions on 1,418 cases, which included conducting hearings on 430 new administrative violation cases and completing 93 cases that were in process at the close of Fiscal Year 2005. The division prepared 65 Board appeal hearings, and processed 865 consent settlements or offers-in-compromise for the Board.

## Cases Referred for Hearings

Case Activity	Count
Violation / disciplinary reports	1,224
Contested applications	74
Approved	57
Denied	9
Withdrawn before hearing	8
Banquet applications	18
Approved	11
Denied	4
Withdrawn before hearing	2
Wine and beer franchise cases	10
<b>Total hearings requested in FY06</b>	<b>1,317</b>

## Hearings Dispositions

Case Activity	Count
Settled by consent settlement offer	746 (52.6%) <sup>1</sup>
Heard by ABC hearing officer <sup>2</sup>	523 (36.9%) <sup>1</sup>
Settled by offer in compromise	119 (8.4%) <sup>1</sup>
Withdrawn or dismissed prior to hearing	30 (2.2%) <sup>1</sup>
<b>Total hearings dispositions in FY06</b>	<b>1,418<sup>3</sup></b>

<sup>1</sup> Percentage of total cases received.

<sup>2</sup> 523 hearings were held on 799 charges filed for hearings; licensees with multiple charges had hearings combined for efficiency.

<sup>3</sup> 101 cases were in process at the end of FY05 and were completed during FY06.

## Average Case Turn-Around Time

Activity	Average Case Turn-Around Time			
	FY03	FY04	FY05	FY06
Violations	157 days	146 days	129 days	130 days
Applications	108 days	113 days	105 days	99 days

## Case Decisions Appealed

Activity	Count
Initial decision of hearing officer to ABC Board	65 (4.93%) <sup>1</sup>
Final decision of ABC Board to circuit court	16 (24.6%) <sup>2</sup>

<sup>1</sup> Percentage of all cases referred

<sup>2</sup> Percentage of all appealed cases

## Civil Penalties Collected

Activity	Count
Civil penalties collected	\$1,812,458
Average civil penalty per case <sup>1</sup>	\$2,099
Average suspension period per case <sup>1</sup>	21.6 days

<sup>1</sup> Most ABC case decisions provide for a civil penalty *or* suspension period. This average reflects the results of all civil penalties collected or suspension time *levied* from all case decisions, consent settlement offers, and offers-in-compromise for Fiscal Year 2006. When allowed by the Board order, licensees may choose which penalty they prefer to accept. Some penalties contain both mandatory suspension periods and civil penalties.

## Community

ABC conducts citizen and stakeholder surveys every two years to evaluate customer needs, services desired and perceptions of the agency. Virginia citizens surveyed in 2006 clearly indicated that the most important issue for the agency to address with its programs and services is the prevention of underage drinking. The ABC stakeholders' survey of law enforcement agencies indicated the two most important services offered by ABC are the investigation of criminal activity in ABC licensed establishments (83 percent) and investigation into underage drinking (83 percent). Each of these services was highly rated for the quality of services provided by special agents and the agency. In the same survey, 87 percent of law enforcement chiefs and sheriffs indicated that overall, the enforcement services provided by ABC are beneficial. Law enforcement professionals indicated that the most important services regarding education and prevention are publications for parents and teens about alcohol laws (84 percent). The ABC Education section distributed almost 300,000 items of educational material in Fiscal Year 2006. Community law enforcement agencies received almost half of these prevention materials for distribution to Virginia parents, youth and community groups.

## Alcohol Education

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

In Fiscal Year 2006, ABC distributed 297,569 education and prevention pieces for use by licensees and various agencies and communities across the state. In another alcohol education initiative, the 20th Annual College Conference, 143 participated and 30 external law enforcement officers and 18 community groups received specialized training sessions.

## Compliance Rates

During Fiscal Year 2006, ABC agents conducted 5,891 alcohol compliance checks of licensees and 319 checks of ABC stores. Alcohol compliance rates for retail establishments were 87 percent. ABC found that in 56.2 percent of the violations the retail licensee's employee checked the underage buyer's valid ID and completed the sale.

Alcohol compliance rates for ABC stores were 97 percent. ABC found that in 37.5 percent of the violations the ABC store's employee checked the underage buyer's valid ID and completed the sale.

During Fiscal Year 2006, ABC special agents conducted 4,685 tobacco compliance checks. Tobacco Synar compliance rates are calculated from May 1 to September 30 of each year, and tobacco retailers had a compliance rate of 90 percent in 2006. The Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services is the recipient of a federal substance abuse prevention and treatment block grant. Synar compliance is a federal mandate for continuation of this grant. Additionally, the Virginia Tobacco Settlement Foundation provides some funding for ABC's Tobacco Underage Buyer Program.



**This page:** (Background) In 2006, ABC celebrated 20 years of collaboration in preventing underage drinking at the 20th Annual College Conference in Virginia Beach. (Right) ABC publications and programs promoting prevention messages.

CELEBRATING 20 YEARS OF COLLABORATION



# Core Partnerships Strengthen Prevention Efforts

Partnerships are the heart of the prevention program at ABC. Working with those who share our vision for responsibility, substance abuse education is the way to make a difference. ABC is committed to working with its partners to make each year stronger than the last.

## Rural Law Enforcement

Committed to providing underage drinking prevention messages and initiatives to all communities, ABC announced new partnerships in Fiscal Year 2006 with five grant awards in the amount of \$5,000 and one in the amount of \$7,000 given to rural law enforcement communities in Virginia. This is the first year that ABC was able to offer this grant to rural law enforcement communities to assist them in addressing the issues associated with underage drinking. These grants are funded through the Office of Juvenile Justice Delinquency and Prevention, Enforcing Underage Drinking Laws grant program and display ABC's efforts of promoting zero tolerance for underage consumption.

## Foxfield Races

ABC developed an enforcement partnership with the Virginia State Police and the Albemarle County Police Department for the Foxfield Races in Charlottesville. Together, the law enforcement agencies are working with Foxfield owners to create a safe environment for all patrons. ABC became involved with Foxfield because of rising concern about dangerous and disorderly conduct at previous races and a commitment to improving public safety throughout the Commonwealth. ABC special agents assist at Foxfield to increase security, monitor patrons under a zero tolerance policy for alcohol and other violations and observe for underage persons illegally carrying/possessing alcohol in vehicles. Multiple educational materials informing students of the increased level of alcohol enforcement at Foxfield were sent to Virginia colleges and universities. As a result of effective use of grant money given by ABC in Fiscal Year

2006, the Albemarle County Police Department and the Foxfield Coalition received the 2006 John W. Britt Community Service Award from the National Liquor Law Enforcement Association.

## Community Coalition

Seven was the number of Community Coalition Grants ABC handed to Virginia organizations that applied for funding during Fiscal Year 2006. With grant money totaling \$38,555, the seven recipients used the capital to reduce underage drinking and promote a more prominent presence for alcohol education and enforcement initiatives.

## Operation Undergrad

Six Virginia colleges were awarded grants from ABC's Operation Undergrad program. The program's objective is to foster partnerships among the campus law enforcement departments, local ABC Bureau of Law Enforcement offices, local law enforcement departments and collegiate substance abuse coordinators in an effort to combat consumption issues.

## Government

ABC partners with other government entities whose programs and initiatives share the vision of responsibility and youth prevention education. ABC provides planning, administrative, financial and staffing support for the annual Youth Alcohol and Drug Abuse Prevention Project (YADAAP) conferences held each summer. The Virginia Center for School Safety of the Virginia Department of Criminal Justice Services coordinates the YADAAP conferences. ABC also provides graphics and print funding for certain brochures and prevention items for the Governor's Prevention First initiative, the Motorcycle Virginia campaign and the Governor's Office for Substance Abuse Prevention (GOSAP) initiative.

# Rural Law Enforcement Grants

In 2006, the ABC Bureau of Law Enforcement made it a priority to provide grant assistance to rural law enforcement agencies fighting underage distribution, drinking and possession of alcoholic beverages. A total of \$32,000 has been provided to sheriffs' offices in rural counties in Virginia.

Commonwealth of Virginia  
Department of Alcoholic  
Beverage Control

42845469

Date: 6/1/2006

Wise County Sheriff's Office

\$ 5,000

Five Thousand and 00/00

Dollars

Rural Law Enforcement Grant



Commonwealth of Virginia  
Department of Alcoholic  
Beverage Control

Pay to the  
Order of Wise County Sheriff's Office

Five Thousand and 00/00

For: Rural Law Enforcement Grant

Commonwealth of Virginia  
Department of Alcoholic  
Beverage Control

42845469

Date: 6/1/2006

Wythe County Sheriff's Office

\$ 5,000

Five Thousand and 00/00

Dollars

Rural Law Enforcement Grant



Commonwealth of Virginia  
Department of Alcoholic  
Beverage Control

Pay to the  
Order of Wythe County Sheriff's Office

Five Thousand and 00/00

For: Rural Law Enforcement Grant



**This page:** Virginia ABC stores, like Store 101 in Richmond (shown here), currently carry 2,281 active items on their price list and many more items can be obtained through special orders.





Excellent customer service is paramount in the ABC vision and mission. It means listening to our customers and stakeholders, providing what they need and working diligently to exceed their expectations. We are committed to operating efficient, conveniently located retail outlets with pleasant shopping environments. We maintain excellent product service levels in our stores and handle requests for additional products in a timely manner. Customer service excellence is achieved as we continue to reduce the time it takes to process new ABC licenses and other deliverables and services provided by the agency.

**Service Highlights for Fiscal Year 2006 >>**

## Stores

ABC customers surveyed this year indicate that 91 percent are very satisfied with overall customer service, 95 percent say the service is prompt and 93 percent describe the ABC store as clean and attractive.

## Licensing

Performance measures for new retail application processing times indicate an average of 72 days for Fiscal Year 2006, improving upon an 84-day average for Fiscal Year 2005. ABC is working toward its target goal of a 60-day average for processing new retail applications.

## Key Contacts

Employees serving on one of ABC's process improvement teams have been studying ways to identify key contact persons within the agency who can answer questions in specific areas of expertise. The goal is to educate agency personnel on accurate phone transfers to provide excellent customer service to external customers who inquire by phone. Key contact lists are being published and posted on the ABC Intranet for this purpose.

## Web Resources

Feedback from licensees has resulted in additions and updates to the Licensee Resources section of the ABC Web site, which debuted last year. This section is a clearinghouse of information for one of our major customer groups. Before, information needed by licensees was scattered throughout the site, and now it's all in one area. ABC Agents Services is a featured resource that licensees say is helpful.

## Public Information

Public Affairs responded to 791 media inquiries in Fiscal Year 2006, and 57 news releases were issued publicizing agency programs, initiatives and activities. The division fielded 372 calls on the public affairs phone line. Of these calls, 50 percent were Virginia citizens requesting information. The next largest percentage was licensees, making up 17.5 percent of the fiscal year callers. Licensees requested compliance or education information or materials.

## Locations

ABC opened 12 new stores in Fiscal Year 2006. Careful planning, which includes consideration of profitability, customer service and more, goes into each new store location. Two important market development plans are the Market Location Strategy (MLS) and the Rural Location Strategy (RLS). MLS considers characteristics of each locality that are most vital to the success of a retail liquor store and prioritizes localities on the basis of service conditions and new store market potential. RLS is used to provide superior customer service to the Commonwealth and provides statistics that assist in planning for and operation of rural ABC stores.

discover  
VIRGINIA A

**This page:** (Right) Manager Gary Robertson helps a customer select a product at Store 360 in Richmond. (Background) Masthead for *Discover ABC*, the agency's quarterly newsletter that educates employees about products.





# ABC Warehouse Improves With Age

As ABC approaches its 74th year of servicing the customers of the Commonwealth, its warehouse has certainly improved with age. Directed by the Wholesale/Retail Division, a multi-million dollar warehouse project that enhanced warehouse operations was completed during Fiscal Year 2006. ABC's new system can stock 2,500 full case and 1,100 special order items. The new system is capable of processing up to 20,000 cases in an eight-hour day.

The initial design for the conveyor system began over two years ago and was put into production in Fiscal Year 2006. There were five stages: Moving bulk inventory into a satellite warehouse; renovating and upgrading the old bulk storage area and installing conveyor racks; enclosing the dock areas, renovating the old picking area and returning the bulk storage to the Central Office warehouse.

In May 2006, the bulk inventory and warehouse employees returned to the Central Office warehouse after relocating to a satellite warehouse for over 15 months that was about 11 miles away. The new system was commissioned and put into full production in the middle of August 2005.

The benefits associated with the updated system are numerous: It meets current and forecasted demands and inventory requirements of new stores, reduces the cost of shipped cases, reduces operator fatigue through ergonomic design and utilizes additional space to expand products for future sales and profits.

Other warehouse improvements include upgraded fire protection, ventilation, electrical and lighting systems, the enclosure of loading docks to improve safety and interior wall removal to store ABC's expanding inventory.

With age, ABC's new automated warehouse has increased efficiency and has pivoted the agency's service role focus towards the future.



**This page:** (Top) Cases travel down the new pick module that was put into production during Fiscal Year 2006. (Bottom) The roller ball transfer was added to ensure cases glide over the steel balls effortlessly.



**This page:** Bottles of the top five brands of spirits sold in Virginia ABC stores during Fiscal Year 2006. A complete listing of the top 50 brands is provided on page 21.

Commitment to providing a reliable source of revenue for the Commonwealth is evident as the agency reports an eighth record-breaking year in gross sales and contributions. We all benefit from ABC contributions to Virginia, totaling over \$1 billion in the last five years. ABC revenue sources include: sales from ABC stores; taxes collected on alcoholic beverages; violation penalties; and license fees. ABC funds are distributed to: the Department of Mental Health, Mental Retardation and Substance Abuse Services and other state agencies; Virginia's General Fund; and localities for education, police, fire, rescue, public works and other projects.

# FOCUS ON Revenue

Revenue Highlights for Fiscal Year 2006 >>

## Product Sales

At the close of Fiscal Year 2006, ABC carried 2,281 active items on its price list. The top 50 brands accounted for almost 60 percent of total sales (see table on facing page). There were 403 items de-listed from the regular price list during the fiscal year. De-listed items remain on the price list until all inventory has been depleted. The Special Order Catalog contains 241 additional items with a purchase of 2,454 cases, resulting in \$668,871 in revenue. There were 6,345 additional special order cases sold through individuals or licensees asking for non-stock items, resulting in revenue of \$912,180. Together, 8,700 cases were sold for catalog and non-catalog special orders with revenue totaling \$1,581,051.

## Contributions

ABC has contributed more than one billion dollars to the Commonwealth of Virginia in the last five years.

## Record Year

ABC celebrated Fiscal Year 2006 as its eighth record-breaking year with gross sales of \$572 million and net profits of \$93.3 million. Virginia ABC provided \$280.9 million in contributions to Virginia state agencies, the General Fund and localities.

## Moving Product

ABC's Traffic Department was able to reduce the average cost per case to stores from 71-cents in Fiscal Year 2005 to 67-cents in Fiscal Year 2006. Cases shipped this year totaled 3,626,907, an increase of 442,641 cases over last year.

## Store Expansion

Fiscal Year 2006 brought 12 new stores, four store modernizations, six relocations and two closings for a total of 312 stores at the end of the fiscal year.

### Store Activities: July 1, 2005 through June 30, 2006

Store No.	Location	Activity	Opened	Closed	Total
297	Alexandria	Relocation	07-01-05		302
300	Hanover	New self-service	08-18-05		303
103	Thornburg	Modernization	08-15-05		303
111	Clifton	New self-service	09-06-05		304
367	Ashbrook	New self-service	10-26-05		304
316	Montclair	Relocation	11-01-05		304
319	Arlington	New self-service	12-09-05		305
314	Richmond	Relocation	01-26-06		305
098	Virginia Beach	New self-service	01-27-06		306
259	Roanoke	Temporarily closed		02-25-06	305
186	Salem	Modernization	03-03-06		305
215	Arlington	New self-service	03-09-06		306
272	Newport News	Modernization	03-18-06	03-13-06	306
266	Lynchburg	Relocation	03-20-06		307
104	Woodlake	Relocation	03-27-06		307
099	Herndon	New self-service	04-10-06		308
105	Virginia Beach	New self-service	04-12-06		309
204	Virginia Beach	Closed		04-29-06	308
253	Charlottesville	Relocation	05-15-06		308
202	Charlottesville	New self-service	06-01-06		309
045	Springfield	New self-service	06-01-06		310
262	Lynchburg	Modernization	06-12-06	06-03-06	310
044	Ladysmith	New self-service	06-08-06		311
049	Ballston	New self-service	06-12-06		312



**This page:** A Swift Transportation truck backs into a loading dock at an ABC store.



## Top 50 Brands Sold in Fiscal Year 2006, Based on Dollars

Rank		Brand	Gross Dollars	FY06	FY05	% Change	Actual Change
FY06	FY05						
Statewide Totals			\$572,084,529	\$532,853,110	7.4%	\$39,231,418	
Top 50			\$329,600,718	\$306,554,540	7.5%	\$23,046,178	
All others			\$242,483,810	\$226,298,570	7.2%	\$16,185,241	
1	1	Jack Daniel's 7 Black Tennessee Whiskey	\$20,638,473	\$19,305,025	6.9%	\$1,333,448	
2	2	Jim Beam Straight Bourbon	\$17,682,158	\$17,225,551	2.7%	\$456,607	
3	3	Seagram's Crown Royal Canadian Whisky	\$15,234,439	\$14,500,564	5.1%	\$733,876	
4	4	Absolut Vodka Imported	\$14,159,331	\$13,037,296	8.6%	\$1,122,035	
5	13	Grey Goose Vodka Imported	\$13,445,540	\$9,640,025	39.5%	\$3,805,516	
6	6	Bacardi Silver Rum Domestic	\$13,145,290	\$12,137,200	8.3%	\$1,008,090	
7	7	Jose Cuervo Especial Gold Tequila	\$12,849,026	\$11,903,391	7.9%	\$945,635	
8	9	Smirnoff 80 Vodka Domestic	\$12,714,580	\$10,958,174	16.0%	\$1,756,406	
9	11	Jagermeister Cordials Imported	\$12,712,307	\$10,116,704	25.7%	\$2,595,604	
10	8	Aristocrat Vodka Domestic	\$12,532,400	\$11,859,818	5.7%	\$672,582	
11	5	Hennessy V.S. Cognac\Armagnac	\$12,413,994	\$12,455,121	(0.3%)	(\$41,127)	
12	12	Captain Morgan's Spiced Rum Domestic	\$11,342,357	\$9,821,852	15.5%	\$1,520,506	
13	10	Seagram's Extra Dry Gin Domestic	\$10,645,246	\$10,751,846	(1.0%)	(\$106,600)	
14	14	Bowman's Virginia Vodka Domestic	\$8,432,017	\$8,684,974	(2.9%)	(\$252,957)	
15	15	Canadian Mist Canadian Whisky	\$6,942,591	\$7,014,186	(1.0%)	(\$71,595)	
16	17	Tanqueray Gin Imported	\$6,878,651	\$6,214,558	10.7%	\$664,093	
17	18	Grand Marnier Cordon Rouge Cordials Imported	\$6,404,346	\$6,095,610	5.1%	\$308,736	
18	16	Paul Masson Grand Amber Brandy Grape	\$5,856,447	\$6,274,730	(6.7%)	(\$418,284)	
19	22	Sky Vodka Domestic	\$5,732,093	\$4,834,681	18.6%	\$897,412	
20	19	Dewar's White Scotch Whiskey	\$5,475,929	\$5,496,897	(0.4%)	(\$20,968)	
21	20	Bailey's Orig. Irish Crème Cordials Imported	\$5,199,321	\$5,038,963	3.2%	\$160,358	
22	26	Maker's Mark Straight Bourbon	\$4,986,558	\$4,336,735	15.0%	\$649,824	
23	24	Stolichnaya Vodka Imported	\$4,971,781	\$4,607,750	7.9%	\$364,031	
24	21	Early Times Domestic Whiskey	\$4,854,950	\$4,938,881	(1.7%)	(\$83,931)	
25	23	Kahlua Coffee Cordials Imported	\$4,604,091	\$4,730,096	(2.7%)	(\$126,004)	
26	25	E & J V.S. Brandy Grape	\$4,406,864	\$4,574,442	(3.7%)	(\$167,578)	
27	27	Wild Turkey 101 Straight Bourbon	\$4,224,986	\$4,122,663	2.5%	\$102,323	
28	28	Seagram's 7 Crown Blended Whiskey	\$3,990,329	\$4,076,216	(2.1%)	(\$85,886)	
29	32	Southern Comfort Cordials Domestic	\$3,930,352	\$3,277,075	19.9%	\$653,277	
30	36	Ketel One Vodka Imported	\$3,790,504	\$3,218,394	17.8%	\$572,110	
31	29	Bacardi Gold Rum Domestic	\$3,781,676	\$3,758,257	0.6%	\$23,419	
32	33	Malibu Rum Imported	\$3,747,908	\$3,268,538	14.7%	\$479,371	
33	31	Bombay Sapphire Gin Imported	\$3,597,988	\$3,365,731	6.9%	\$232,257	
34	34	Johnnie Walker Black Scotch Whiskey	\$3,511,480	\$3,263,439	7.6%	\$248,041	
35	37	Burnett's Vodka Domestic	\$3,404,576	\$3,211,853	6.0%	\$192,723	
36	38	Courvoisier V.S. Cognac\Armagnac	\$3,347,838	\$3,133,350	6.8%	\$214,488	
37	30	E & J Superior Reserve VSOP Brandy Grape	\$3,341,134	\$3,379,066	(1.1%)	(\$37,931)	
38	35	Evan Williams Black Straight Bourbon	\$3,301,374	\$3,249,330	1.6%	\$52,044	
39	39	Hpnotiq Liqueur Cordials Imported	\$2,881,221	\$3,063,011	(5.9%)	(\$181,790)	
40	44	Belvedere Vodka Imported	\$2,850,678	\$2,585,199	10.3%	\$265,479	
41	40	Johnnie Walker Red Scotch Whiskey	\$2,848,063	\$2,647,845	7.6%	\$200,218	
42	42	Absolut Citron Vodka Flavored	\$2,718,392	\$2,603,062	4.4%	\$115,330	
43	45	Jose Cuervo 1800 Gold Tequila	\$2,671,758	\$2,396,848	11.5%	\$274,909	
44	89	Patron Silver Tequila	\$2,625,498	\$1,135,184	131.3%	\$1,490,313	
45	41	Chivas Regal Scotch Whiskey	\$2,601,009	\$2,613,351	(0.5%)	(\$12,342)	
46	43	Remy Martin VSOP Cognac\Armagnac	\$2,575,443	\$2,589,826	(0.6%)	(\$14,383)	
47	47	Aristocrat White Rum	\$2,548,816	\$2,310,477	10.3%	\$238,339	
48	46	Beefeater Gin Imported	\$2,416,071	\$2,356,965	2.5%	\$59,106	
49	48	Henry McKenna Straight Bourbon	\$2,358,648	\$2,265,567	4.1%	\$93,081	
50	49	Smirnoff 100 Vodka Domestic	\$2,274,193	\$2,108,223	7.9%	\$165,971	





ABC values its employees. The agency is committed to maintaining a highly qualified and motivated workforce as the means of achieving organizational excellence. **This page:** Central Office employees, left to right: Beth Lane, John Wilhelm and Kristy Smith.

Standards for organizational excellence are imperative in balancing ABC's multifaceted control/service/revenue vision and mission.

Maintaining this balance requires high-level planning that actively involves the leadership team and employees throughout the agency. The current strategic plan embraces the four strategic goals that advocate excellence in carrying out the mission.

A Senate Productivity Quality Award (SPQA) certificate winner, ABC values the SPQA model and is working to advance the depth of deployment of organizational excellence.

# FOCUS ON Organizational Excellence

Organizational Excellence Highlights for Fiscal Year 2006 >>

## Strategic Plan

The purpose of this year's strategic planning is to consolidate strategic, technology and workforce issues into a plan that is closely linked with state budget and performance measures. In compliance with the Department of Planning and Budget (DPB), ABC developed its plan for 2006 through 2008 and posted it on the agency Web site. The link is under News and Updates on the homepage. In addition, the ABC leadership team is working with the Policy Analysis and Support Services Division to build on this two-year plan and develop a five-year strategic plan for the agency. Strategic interviews are taking place in preparation for this plan. Four strategic goals addressed by ABC are effective public safety, excellent customer service, reliable source of revenue growth and employee management and development.

## Performance Measures

ABC is committed to its goal of creating a culture of "management by fact" where key business results are collected and analyzed to enhance the accuracy of management decision-making. Performance measurement is a valuable tool in measuring the progress of agency-wide programs and processes in achieving its strategic goals. In Fiscal Year 2005, monthly, quarterly and annual reporting of trend and baseline data was instituted agency-wide. In Fiscal Year 2006, ABC continued to refine its performance reporting system.

## Employee Training

Over 1,000 registrations were approved for full-time ABC employees to attend 376 training seminars and conferences. In addition, 515 employees attended in-house training programs and 965 Wholesale/Retail employees completed the Retail 101 e-learning course. Also during the fiscal year, 18 employees participated in the tuition assistance program.

## Technology

Fiscal Year 2006 was a year of technical advancements and service expansion for the Information Technology Services Division (ITSD). The agency's use of technology at ABC continues to increase each year. This year, ITSD worked with the Public Affairs graphic designer and debuted a new ABC Web site design and navigation system that conforms to the Virginia Information Tech-

nologies Agency (VITA) standards. The objective was to make the Web site user's experience as pleasant and trouble-free as possible by putting government services and content where citizens can easily find them, and in a format that is easily accessible. The new Web site will broaden the agency's potential audience.

The major initiatives of ITSD this year include the rollout of the agency's new Applicant Tracking system, enhancing the Point of Sale (POS) system and the improved warehouse automation.

Being one of the first state agencies to offer an online applicant tracking system, ITSD and the Human Resources Division worked together to rollout Applicant Tracking in June 2006. This system allows applicants to be able to search and apply for multiple jobs online and they are able to review the status of the position(s) they have applied for. As of June 2006, paper applications are no longer accepted by the agency.

ABC recognizes the need to constantly review current retail processes and the functions that support them. Desired features, such as gift cards, debit cards, and more are not available through our current POS system. Addressing these issues, in Fiscal Year 2006, ABC formed an agency-wide team to focus on the upcoming upgrades to the system. Work is continuing well into the next fiscal year.

The modern automation in the ABC warehouse has allowed the agency to modify store and inventory systems for enhanced product control. Taking advantage of the new labeling capabilities, IT systems were improved to allow tracking of individual cases of product from the warehouse to the store receiving operation. This new tracking procedure allows ABC to advance delivery and forecasting activity.

## Agency Personnel

The Human Resources Division screens thousands of applications and consults with managers who are hiring staff to fill vacancies that further enhance the agency's workforce. During the fiscal year, 144 classified and 878 part-time new employees joined ABC. In addition to managing the recruitment process, the Human Resources Division manages the compensation and performance evaluation processes, administers statewide benefit programs, oversees the Safety Program and Workers' Compensation, coordinates service awards and recognition programs and partners with employees and managers to ensure a positive working environment.

# Legislative Synopsis of the 2006 General Assembly



The 2006 session of the Virginia General Assembly addressed a number of alcoholic beverage-related issues, ranging from approval of new sampling and other promotional opportunities for manufacturers, wholesalers, and retailers, to prohibition of alcohol-vaporizing

machines. In addition, as in most years, they created a few new varieties of licenses that ABC may issue. All of the changes were effective July 1, 2006.

Of major interest to industry members was the Senate Bill 685 and House Bill 512, each of which deal with promotions at on-premise establishments. House Bill 512, supported by Virginia's farm wineries, addressed tastings of wine and beer on the premises of licensees holding on- or on- and off- premises wine and beer privileges. Prior law restricted tasting events at which samples of beer and wine could be given away and manufacturers' participation in such events to gourmet shop licensees. Under the new law, retailers with on- or on- and off-premises wine and beer licenses may conduct tasting events, at which samples of wine and beer may be given or sold to consumers. Sample sizes are limited to 2 ounces of wine or 4 ounces of beer. Wineries, farm wineries and breweries may participate at such tasting events, to include pouring of the samples.

Senate Bill 685 enacted a wider range of promotional opportunities. It provided that on-premise beer, beer and wine or mixed beverage licensees may give samples of products that they may legally sell to consumers. Samples are limited to: two ounces of wine, four ounces of beer and one-half ounce of spirits. Customers may be given no more than two samples per visit. In addition, manufacturers and wholesalers may conduct tasting events on the premises of such retail licensees. To conduct such an event, employees of the manufacturer or wholesaler, or their authorized representatives, must be present, and an authorized representative who is not an employee of the manufacturer or wholesaler must obtain an annual per-

mit from ABC. During such an event, up to 12 ounces of beer, 5 ounces of wine, or 1 1/2 ounces of spirits may be purchased by the sponsoring manufacturer or wholesaler from the retailer for each participating consumer. Spirits samples may not exceed one-half ounce each, and no more than three such samples may be given to any one customer. A manufacturer or wholesaler may spend no more than \$100 per 24-hour period at any one licensee for such events. All alcoholic beverages served under this section must be purchased from the retail licensee, and must be served by the retailer's employees.

Other provisions of Senate Bill 685 allow manufacturers to sell brand-identified service items, such as glassware to retailers, and allow manufacturers and wholesalers to give novelty and specialty items that have a wholesale value of not more than \$10, such as caps and t-shirts, to retail employees. The manufacturer or wholesaler may give one item per employee present at the time the novelties are delivered, and the items may thereafter be displayed on the premises. A final feature of the bill clarifies that the popular practice of serving a "flight" of wines or beers, an assortment of not more than five samples, does not violate "happy hour" rules.

House Bill 1208 and Senate Bill 396 were two identical pieces of legislation which cleared up an ambiguity in the law related to service of alcohol to those under the legal drinking age in a private home. The new law clarifies that a person in his/her own home may provide alcoholic beverages to his/her family members under 21, but guests provided with alcohol must be of legal age, unless they are accompanied by their parent, guardian, or spouse 21 or older.

House Bills 113 and 1210 strengthened punishments for underage drinking and for providing alcohol to those under 21. House Bill 1210 provided a mandatory driver's license suspension of at least six months for any 18-, 19-, or 20-year-old convicted of underage consumption or possession of alcohol and House Bill 113 provided a mandatory driver's license suspension of up to one year for anyone convicted of providing alcohol to an underage person.

House Bill 601 started out as a bill to create a new, lower-cost, license for small wine wholesalers, but was

amended to also address several Virginia statutes which were held unconstitutional by a federal judge last year. The new wholesale license provision provides a license tax break for wine wholesalers selling up to 30,000 gallons of wine per year. The lowest license tax under the former law was \$930 annually, but the new law allows small wine wholesalers to pay \$185 per year. In addition, the bill as passed removed the privilege of retailers and farm wineries to deliver product to consumers, as well as the privilege of farm wineries and breweries to sell their products directly to retailers. Another amendment removed a provision of the direct shipment law passed in 2003 that created a presumption that Virginia retailers had permission from brand owners to ship wine or beer to consumers. Now all retailers desiring to ship beer or wine to Virginia consumers will have to provide ABC the brand owner's consent to such shipments.

Senate Bill 100 dealt with a controversial new method of alcoholic beverage consumption—the use of vaporizing devices. Inventors have designed devices which turn alcoholic beverages into vapor, which can be inhaled instead of ingested. The theory is that the alcohol may be absorbed into the bloodstream quicker. The new law prohibits the sale or use of such devices in Virginia.

Virginia's only "farm distillery" is now home to a state ABC store, thanks to the provisions of House Bill

648. This legislation authorized ABC to establish a state store on the premises of a distillery licensee and enter into an agreement with the distiller to allow the distiller to operate the store on behalf of ABC. The law limits this arrangement to distillers who produce at least 51 percent of the agricultural products used in the manufacture of its alcoholic beverages on their farm.

Several other bills dealt with either new license categories or the privileges of existing ones. House Bill 321 allowed the issuance of on-premises wine and beer licenses to "limited service" hotels, meaning hotels that may not have full-service restaurants on the premises, but serve at least one meal per day. Senate Bill 386 created a new "motor car sporting event" license, similar to the current equine sporting event license. This license allows attendees at car racetracks to bring their own lawfully acquired alcoholic beverages to the track, but the track itself will not be authorized to sell alcohol. House Bill 1448 allows residents at "continuing care communities" to bring their own alcohol into the licensed restaurants located at such facilities. Previously, residents could not bring alcohol into the licensed premises. Finally, Senate Bill 327 codified current practice, clarifying that "other designated areas" (usually outside dining patios) of restaurants do not have to be directly contiguous to the licensed establishment.



**This page:** (Above left) Legislation passed in 2006 allows ABC to establish state stores on the premises of a distillery licensee. There is currently one such store, the Belmont Farm Distillery, shown here. (Above right) Legislation passed in 2006 also allows a wider range of promotional opportunities, including tasting events like the one shown here.



# *Focusing on Cutting-Edge Research*

Current neurological research indicates that the brain continues to develop well into the early- to mid-20s. Prevention brochures distributed in Fiscal Year 2006 to college students publicized current neurological research and emphasized the harm that teens and young adults could cause to their brains from heavy drinking.



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Visit [www.abc.virginia.gov](http://www.abc.virginia.gov) for a copy of the complete online 2006 annual report that contains financial information for Fiscal Year 2006 and a downloadable, printable version of this entire report.

**Facing page:** (Inset) Chair Esther H. Vassar, seated, meets with Chief Financial Officer J. Craig Vanderland, left, and Chief Operating Officer W. Curtis Coleburn. **This page:** (Background) A customer browses at Store 101 in Richmond.

## ***A MESSAGE FROM THE CHAIR AND CHIEF OPERATING AND FINANCIAL OFFICERS***

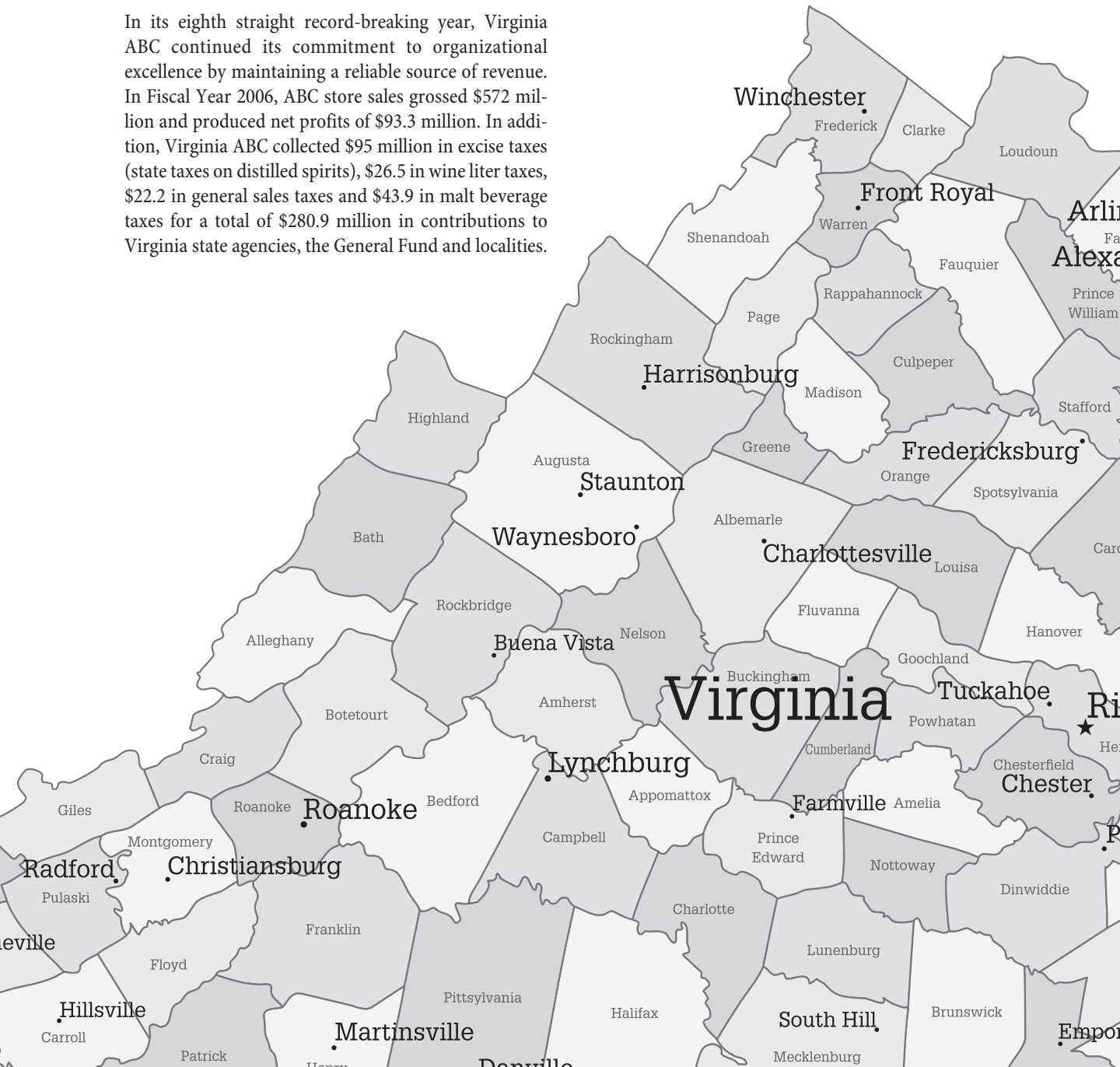
We are pleased to present the Fiscal Year 2006 annual report for the Virginia Department of Alcoholic Beverage Control. These facts and figures represent an eighth record-breaking year for retail sales by our agency. We stand behind these figures with pride in the accomplishments made possible by the hard working and dedicated employees of ABC. To the best of our knowledge, these figures accurately represent the operations of our agency during the fiscal year. The financial statements of the agency are audited annually by the Auditor of Public Accounts as required by the Code of Virginia.



Fiscal Year 2006 Business Statistics >>

# 2006 Financial Highlights: Eighth Record-Breaking Year of Reliable Revenue for the Commonwealth

In its eighth straight record-breaking year, Virginia ABC continued its commitment to organizational excellence by maintaining a reliable source of revenue. In Fiscal Year 2006, ABC store sales grossed \$572 million and produced net profits of \$93.3 million. In addition, Virginia ABC collected \$95 million in excise taxes (state taxes on distilled spirits), \$26.5 in wine liter taxes, \$22.2 in general sales taxes and \$43.9 in malt beverage taxes for a total of \$280.9 million in contributions to Virginia state agencies, the General Fund and localities.



## Results in Brief – Fiscal Year 2006

Revenue Source	FY 2006	Source – Financial Statements (see pages 71–78)
ABC profit transfers (1)	\$ 93,287,355	Statement of Revenues, Expenses and Changes in Net Assets
State tax on distilled spirits (2)	95,019,371	Notes to Financial Statements 4.B. Receipts
Wine liter tax (3)	26,455,065	Notes to Financial Statements 4.B. Receipts
General sales tax (4)	22,170,129	Notes to Financial Statements 4.C. Collections
Malt beverage tax	43,948,973	Notes to Financial Statements 9. Collected
<b>Total</b>	<b>\$280,880,893</b>	

### NOTES:

- (1) Profits are reported in accordance with generally accepted accounting principles.  
Profits include licensing fees and ABC's portion of the wine liter tax.  
\$4,150,000 of ABC profit is transferred to localities.
- (2) State tax on distilled spirits = 20 percent and 4 percent on wine sold in ABC stores
- (3) The non-ABC portion of the wine liter tax = \$.40 per liter.  
\$4,350,000 of the wine liter tax is transferred to localities.  
\$9,866,363 of the wine liter tax is transferred to the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services.
- (4) General sales tax rate is 5 percent.

## Sales of All Beverages – Fiscal Year 2006 (pre-audit)

### State Store Sales

Product	Gallons*	Liters	Percent of Total Gallons	Gross Dollars	Percent of Gross Sales
Distilled Spirits	8,450,657	31,989,202	96.0%	\$566,525,960	99.1%
Virginia Wine	9,920	37,550	0.1%	\$508,390	0.1%
Vermouth	41,950	158,800	0.5%	\$1,339,248	0.2%
Miscellaneous Mixers	4,062	15,377	0.0%	\$57,462	0.0%
Alcohol	162	612	0.0%	\$11,470	0.0%
Non-Alcoholic Mixers	299,099	1,132,212	3.4%	\$3,451,869	0.6%
<b>Total</b>	<b>8,805,850</b>	<b>33,333,752</b>	<b>100.0%</b>	<b>\$571,894,399</b>	<b>100.0%</b>

### Direct Sales from Wholesalers

Product	Gallons*	Liters	Percent of Total Gallons	Gross Tax	Percent of Gross Tax
Wines (\$0.40 Liter) (1)	18,670,783	70,676,570	10.6%	\$28,270,628	39.1%
Beer (\$7.95 Barrell)	157,707,191	596,986,378	89.4%	\$43,948,973	60.9%
<b>Total</b>	<b>176,377,974</b>	<b>667,662,948</b>	<b>100.0%</b>	<b>\$72,219,601</b>	<b>100.0%</b>

### NOTES:

- \* excludes miscellaneous records, non-beverage and confiscated items.  
(1) Gross Liter Tax for Wines after 12 percent allocated to ABC Revenue

SOURCE: Policy Analysis and Support Services (PASS)



## Comparison of Products Sold / Market Share

Products	Cases Sold		Market Share		FY06 v FY05 % Chg
	2006	2005	2006	2005	
Total Vodka	897,700	824,082	25.9%	24.9%	8.9%
Domestic	595,507	567,536	17.2%	17.1%	4.9%
Imported	200,844	167,541	5.8%	5.1%	19.9%
Flavored	101,349	89,004	2.9%	2.7%	13.9%
Total Rum	385,822	360,351	11.1%	10.9%	7.1%
Domestic	336,753	317,317	9.7%	9.6%	6.1%
Imported	49,069	43,034	1.4%	1.3%	14.0%
Straight Bourbon Whiskey	355,232	350,578	10.3%	10.6%	1.3%
Total Cordials	374,885	349,120	10.8%	10.5%	7.4%
Imported	209,010	192,380	6.0%	5.8%	8.6%
Domestic	165,875	156,740	4.8%	4.7%	5.8%
Total Gin	253,378	251,286	7.3%	7.6%	0.8%
Domestic	189,575	191,417	5.5%	5.8%	(1.0%)
Imported	54,245	51,023	1.6%	1.5%	6.3%
Flavored	8,572	7,802	0.2%	0.2%	9.9%
Sloe	986	1,044	0.0%	0.0%	(5.6%)
Canadian Whisky	173,846	175,774	5.0%	5.3%	(1.1%)
Brandy	154,155	160,004	4.4%	4.8%	(3.7%)
Grape	133,358	138,623	3.8%	4.2%	(3.8%)
Imported	9,896	10,074	0.3%	0.3%	(1.8%)
Blackberry	2,895	2,969	0.1%	0.1%	(2.5%)
Apricot	2,556	2,641	0.1%	0.1%	(3.2%)
Peach	2,511	2,681	0.1%	0.1%	(6.4%)
Apple	1,093	1,110	0.0%	0.0%	(1.6%)
Cherry	1,095	1,086	0.0%	0.0%	0.8%
Flavored	752	821	0.0%	0.0%	(8.4%)
Cognac\Armagnac	71,424	68,549	2.1%	2.1%	4.2%
Scotch Whiskey	142,206	142,732	4.1%	4.3%	(0.4%)
Total Cocktails	76,640	72,744	2.2%	2.2%	5.4%
Domestic	61,787	58,126	1.8%	1.8%	6.3%
Imported	14,854	14,619	0.4%	0.4%	1.6%
Tequila	151,843	134,699	4.4%	4.1%	12.7%
Tennessee Whiskey	95,890	93,585	2.8%	2.8%	2.5%
Blended Whiskey	78,681	80,836	2.3%	2.4%	(2.7%)
Domestic Whiskey	40,898	41,408	1.2%	1.3%	(1.2%)
Specialty Bottles	43,447	30,545	1.3%	0.9%	42.2%
Imported	37,236	25,013	1.1%	0.8%	48.9%
Domestic	6,211	5,532	0.2%	0.2%	12.3%
Miscellaneous Mixers	1,921	10,730	0.1%	0.3%	(82.1%)
Irish Whiskey	11,848	10,840	0.3%	0.3%	9.3%
Egg Nog	10,507	8,876	0.3%	0.3%	18.4%
Corn Whiskey	2,798	2,848	0.1%	0.1%	(1.8%)
Rock & Rye	1,363	1,411	0.0%	0.0%	(3.4%)
Bottled in Bond	1,472	1,458	0.0%	0.0%	0.9%
Straight Rye Whiskey	529	529	0.0%	0.0%	(0.1%)
Alcohol	60	58	0.0%	0.0%	3.3%
Vermouth	17,114	17,432	0.5%	0.5%	(1.8%)
Imported	9,902	10,056	0.3%	0.3%	(1.5%)
Domestic	7,212	7,377	0.2%	0.2%	(2.2%)
Virginia Wine	4,270	19,980	0.1%	0.6%	(78.6%)
Non-Alcoholic Mixers	105,661	90,167	3.0%	2.7%	17.2%
Non Beverage Item	10,957	10,539	0.3%	0.3%	4.0%
<b>Statewide Total*</b>	<b>3,464,546</b>	<b>3,311,162</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.6%</b>

### NOTES:

\* Excludes miscellaneous records and confiscated items.

SOURCE: Wholesale/Retail Operations

## Distribution of Profits and Wine Taxes to Cities

Cities	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Alexandria	\$75,204.43	\$75,204.43	\$78,828.75	\$78,828.75
Bedford	3,692.72	3,692.72	3,870.68	3,870.68
Bristol	10,181.20	10,181.20	10,671.86	10,671.86
Buena Vista	3,722.03	3,722.03	3,901.40	3,901.40
Charlottesville	23,507.58	23,507.58	24,640.47	24,640.47
Chesapeake	116,769.33	116,769.33	122,396.77	122,396.77
Colonial Heights	9,905.67	9,905.67	10,383.05	10,383.05
Covington	3,695.06	3,695.06	3,873.14	3,873.14
Danville	28,380.39	28,380.39	29,748.12	29,748.12
Emporia	3,321.04	3,321.04	3,481.09	3,481.09
Fairfax	12,602.96	12,602.96	13,210.33	13,210.33
Falls Church	6,083.40	6,083.40	6,376.57	6,376.57
Franklin	4,892.75	4,892.75	5,128.54	5,128.54
Fredericksburg	11,302.09	11,302.09	11,846.77	11,846.77
Galax	4,008.11	4,008.11	4,201.27	4,201.27
Hampton	85,847.01	85,847.01	89,984.21	89,984.21
Harrisonburg	23,715.11	23,715.11	24,858.00	24,858.00
Hopewell	13,059.64	13,059.64	13,689.02	13,689.02
Lexington	4,025.70	4,025.70	4,219.71	4,219.71
Lynchburg	38,263.20	38,263.20	40,107.21	40,107.21
Manassas	20,597.49	20,597.49	21,590.14	21,590.14
Manassas Park	6,032.39	6,032.39	6,323.11	6,323.11
Martinsville	9,037.45	9,037.45	9,472.99	9,472.99
Newport News	105,931.54	105,931.54	111,036.67	111,036.67
Norfolk	137,416.06	137,416.07	144,038.53	144,038.53
Norton	2,288.68	2,288.68	2,398.97	2,398.97
Petersburg	19,779.69	19,779.69	20,732.93	20,732.93
Poquoson	6,780.43	6,780.43	7,107.20	7,107.20
Portsmouth	58,955.07	58,955.08	61,796.28	61,796.28
Radford	9,297.16	9,297.16	9,745.21	9,745.21
Richmond	115,952.11	115,952.11	121,540.17	121,540.17
Roanoke	55,640.48	55,640.48	58,321.95	58,321.95
Salem	14,507.64	14,507.64	15,206.81	15,206.81
Staunton	13,983.55	13,983.55	14,657.45	14,657.45
Suffolk	37,329.91	37,329.91	39,128.94	39,128.94
Virginia Beach	249,302.03	249,302.03	261,316.59	261,316.59
Waynesboro	11,443.38	11,443.38	11,994.86	11,994.86
Williamsburg	7,033.69	7,033.69	7,372.66	7,372.66
Winchester	13,826.44	13,826.44	14,492.77	14,492.77
<b>Total</b>	<b>\$1,377,314.61</b>	<b>\$1,377,314.63</b>	<b>\$1,443,691.19</b>	<b>\$1,443,691.19</b>

## Distribution of Profits and Wine Taxes to Counties and Towns

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Accomack	\$16,025.42	\$16,025.42	\$16,797.73	\$16,797.73
Accomac	320.67	320.67	336.13	336.13
Belle Haven	281.39	281.39	294.96	294.96
Bloxom	236.25	236.25	247.64	247.64
Chincoteague	2,530.79	2,530.79	2,652.76	2,652.76
Hallwood	170.01	170.01	178.20	178.20
Keller	101.42	101.42	106.31	106.31
Melfa	263.81	263.81	276.52	276.52
Onancock	894.01	894.01	937.10	937.10
Onley	290.77	290.77	304.79	304.79
Painter	144.21	144.21	151.16	151.16
Parksley	490.68	490.68	514.33	514.33
Saxis	197.56	197.56	207.08	207.08
Tangier	405.09	405.09	424.61	424.61
Wachapreague	138.35	138.35	145.02	145.02
<b>Subtotal</b>	<b>22,490.43</b>	<b>22,490.43</b>	<b>23,574.34</b>	<b>23,574.34</b>
Albermarle	49,042.37	49,042.37	51,405.86	51,405.86
Scottsville	325.36	325.36	341.04	341.04
<b>Subtotal</b>	<b>49,367.73</b>	<b>49,367.73</b>	<b>51,746.90</b>	<b>51,746.90</b>
Alleghany	7,340.88	7,340.88	7,694.66	7,694.66
Clifton Forge	2,514.38	2,514.38	2,635.55	2,635.55
Iron Gate	236.84	236.84	248.25	248.25
<b>Subtotal</b>	<b>10,092.10</b>	<b>10,092.10</b>	<b>10,578.46</b>	<b>10,578.46</b>
Amelia	6,683.12	6,683.12	7,005.20	7,005.20
<b>Subtotal</b>	<b>6,683.12</b>	<b>6,683.12</b>	<b>7,005.20</b>	<b>7,005.20</b>
Amherst	17,377.87	17,377.87	18,215.36	18,215.36
Amherst	1,319.62	1,319.62	1,383.22	1,383.22
<b>Subtotal</b>	<b>18,697.49</b>	<b>18,697.49</b>	<b>19,598.58</b>	<b>19,598.58</b>
Appomattox	6,889.47	6,889.47	7,221.50	7,221.50
Appomattox	1,032.37	1,032.37	1,082.12	1,082.12
Pamplin City	116.66	116.66	122.28	122.28
<b>Subtotal</b>	<b>8,038.50</b>	<b>8,038.50</b>	<b>8,425.90</b>	<b>8,425.90</b>
Arlington	111,064.64	111,064.64	116,417.16	116,417.16
<b>Subtotal</b>	<b>111,064.64</b>	<b>111,064.64</b>	<b>116,417.16</b>	<b>116,417.16</b>
Augusta	37,889.77	37,889.77	39,715.78	39,715.78
Craigsville	573.93	573.93	601.59	601.59
<b>Subtotal</b>	<b>38,463.70</b>	<b>38,463.70</b>	<b>40,317.37</b>	<b>40,317.37</b>
Bath	2,959.33	2,959.33	3,101.95	3,101.95
<b>Subtotal</b>	<b>2,959.33</b>	<b>2,959.33</b>	<b>3,101.95</b>	<b>3,101.95</b>
Bedford	35,391.80	35,391.80	37,097.43	37,097.43
<b>Subtotal</b>	<b>35,391.80</b>	<b>35,391.80</b>	<b>37,097.43</b>	<b>37,097.43</b>
Bland	4,028.04	4,028.04	4,222.17	4,222.17
<b>Subtotal</b>	<b>4,028.04</b>	<b>4,028.04</b>	<b>4,222.17</b>	<b>4,222.17</b>
Botetourt	16,691.38	16,691.38	17,495.79	17,495.79
Buchanan	722.83	722.83	757.67	757.67
Fincastle	210.46	210.46	220.60	220.60
Troutville	253.26	253.25	265.46	265.46
<b>Subtotal</b>	<b>17,877.93</b>	<b>17,877.92</b>	<b>18,739.52</b>	<b>18,739.52</b>

## Distribution of Profits and Wine Taxes to Counties and Towns (continued)

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Brunswick	9,711.63	9,711.63	10,179.66	10,179.66
Alberta	179.39	179.39	188.03	188.03
Brodnax	185.84	185.84	194.79	194.79
Lawrenceville	747.45	747.45	783.48	783.48
<b>Subtotal</b>	<b>10,824.31</b>	<b>10,824.31</b>	<b>11,345.96</b>	<b>11,345.96</b>
Buchanan	15,167.75	15,167.75	15,898.73	15,898.72
Grundy	647.79	647.79	679.01	679.01
<b>Subtotal</b>	<b>15,815.54</b>	<b>15,815.54</b>	<b>16,577.74</b>	<b>16,577.73</b>
Buckingham	8,896.76	8,896.76	9,325.52	9,325.52
Dillwyn	262.05	262.05	274.68	274.68
<b>Subtotal</b>	<b>9,158.81</b>	<b>9,158.81</b>	<b>9,600.20</b>	<b>9,600.20</b>
Campbell	27,197.95	27,197.95	28,508.69	28,508.69
Altavista	2,007.87	2,007.87	2,104.63	2,104.63
Brookneal	738.07	738.07	773.64	773.64
<b>Subtotal</b>	<b>29,943.89</b>	<b>29,943.89</b>	<b>31,386.96</b>	<b>31,386.96</b>
Caroline	12,319.80	12,319.80	12,913.53	12,913.53
Bowling Green	548.72	548.72	575.16	575.16
Port Royal	99.66	99.66	104.46	104.46
<b>Subtotal</b>	<b>12,968.18</b>	<b>12,968.18</b>	<b>13,593.15</b>	<b>13,593.15</b>
Carroll	15,474.35	15,474.35	16,220.10	16,220.10
Hillsville	1,670.19	1,670.19	1,750.68	1,750.68
<b>Subtotal</b>	<b>17,144.54</b>	<b>17,144.54</b>	<b>17,970.78</b>	<b>17,970.78</b>
Charles City	4,060.29	4,060.29	4,255.96	4,255.96
<b>Subtotal</b>	<b>4,060.29</b>	<b>4,060.29</b>	<b>4,255.96</b>	<b>4,255.96</b>
Charlotte	6,147.88	6,147.88	6,444.17	6,444.17
Charlotte Court House	271.43	271.43	284.51	284.51
Drakes Branch	295.46	295.46	309.70	309.70
Keysville	478.96	478.96	502.04	502.04
Phenix	117.25	117.25	122.90	122.90
<b>Subtotal</b>	<b>7,310.98</b>	<b>7,310.98</b>	<b>7,663.32</b>	<b>7,663.32</b>
Chesterfield	152,365.14	152,365.15	159,708.05	159,708.05
<b>Subtotal</b>	<b>152,365.14</b>	<b>152,365.15</b>	<b>159,708.05</b>	<b>159,708.05</b>
Clarke	5,425.05	5,425.05	5,686.50	5,686.50
Berryville	1,742.30	1,742.30	1,826.27	1,826.27
Boyce	249.74	249.74	261.77	261.77
<b>Subtotal</b>	<b>7,417.09</b>	<b>7,417.09</b>	<b>7,774.54</b>	<b>7,774.54</b>
Craig	2,879.60	2,879.60	3,018.38	3,018.38
New Castle	104.94	104.94	109.99	109.99
<b>Subtotal</b>	<b>2,984.54</b>	<b>2,984.54</b>	<b>3,128.37</b>	<b>3,128.37</b>
Culpeper	14,420.29	14,420.29	15,115.25	15,115.25
Culpeper	5,665.41	5,665.41	5,938.44	5,938.44
<b>Subtotal</b>	<b>20,085.70</b>	<b>20,085.70</b>	<b>21,053.69</b>	<b>21,053.69</b>
Cumberland	5,006.48	5,006.48	5,247.75	5,247.75
<b>Subtotal</b>	<b>5,006.48</b>	<b>5,006.48</b>	<b>5,247.75</b>	<b>5,247.75</b>

## Distribution of Profits and Wine Taxes to Counties and Towns (continued)

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Dickenson	8,345.69	8,345.69	8,747.89	8,747.89
Clinchco	248.57	248.57	260.54	260.54
Clintwood	908.08	908.08	951.85	951.85
Haysi	109.04	109.04	114.30	114.30
<b>Subtotal</b>	<b>9,611.38</b>	<b>9,611.38</b>	<b>10,074.58</b>	<b>10,074.58</b>
Dinwiddie	14,099.62	14,099.62	14,779.12	14,779.12
McKenney	282.57	282.57	296.18	296.18
<b>Subtotal</b>	<b>14,382.19</b>	<b>14,382.19</b>	<b>15,075.30</b>	<b>15,075.30</b>
Essex	4,602.56	4,602.56	4,824.37	4,824.37
Tappahannock	1,253.38	1,253.38	1,313.78	1,313.78
<b>Subtotal</b>	<b>5,855.94</b>	<b>5,855.94</b>	<b>6,138.15</b>	<b>6,138.15</b>
Fairfax	547,227.85	547,227.85	573,600.28	573,600.28
Clifton	108.45	108.45	113.68	113.68
Herndon	12,694.99	12,694.99	13,306.80	13,306.80
Vienna	8,472.91	8,472.91	8,881.24	8,881.24
<b>Subtotal</b>	<b>568,504.20</b>	<b>568,504.20</b>	<b>595,902.00</b>	<b>595,902.00</b>
Fauquier	27,892.64	27,892.64	29,236.87	29,236.87
Remington	365.81	365.81	383.44	383.44
The Plains	155.94	155.94	163.45	163.45
Warrenton	3,910.21	3,910.21	4,098.65	4,098.65
<b>Subtotal</b>	<b>32,324.60</b>	<b>32,324.60</b>	<b>33,882.41</b>	<b>33,882.41</b>
Floyd	7,880.22	7,880.22	8,259.99	8,259.99
Floyd	253.26	253.25	265.46	265.46
<b>Subtotal</b>	<b>8,133.48</b>	<b>8,133.47</b>	<b>8,525.45</b>	<b>8,525.45</b>
Fluvanna	11,708.94	11,708.94	12,273.23	12,273.23
Columbia	28.73	28.73	30.11	30.11
<b>Subtotal</b>	<b>11,737.67</b>	<b>11,737.67</b>	<b>12,303.34</b>	<b>12,303.34</b>
Franklin	25,170.15	25,170.15	26,383.17	26,383.17
Boones Mill	167.08	167.08	175.13	175.13
Rocky Mount	2,383.65	2,383.65	2,498.52	2,498.52
<b>Subtotal</b>	<b>27,720.88</b>	<b>27,720.88</b>	<b>29,056.82</b>	<b>29,056.82</b>
Frederick	33,343.49	33,443.73	34,950.40	35,055.48
Middletown	595.03	595.03	623.71	623.71
Stephens City	772.08	671.83	809.28	704.21
<b>Subtotal</b>	<b>34,710.60</b>	<b>34,710.59</b>	<b>36,383.39</b>	<b>36,383.40</b>
Giles	5,784.42	5,784.42	6,063.18	6,063.18
Glen Lyn	88.52	88.52	92.79	92.79
Narrows	1,237.55	1,237.55	1,297.19	1,297.19
Pearisburg	1,599.84	1,599.84	1,676.95	1,676.95
Pembroke	664.79	664.79	696.83	696.83
Rich Creek	389.85	389.85	408.64	408.64
<b>Subtotal</b>	<b>9,764.97</b>	<b>9,764.97</b>	<b>10,235.58</b>	<b>10,235.58</b>
Gloucester	20,389.38	20,389.38	21,372.00	21,372.00
<b>Subtotal</b>	<b>20,389.38</b>	<b>20,389.38</b>	<b>21,372.00</b>	<b>21,372.00</b>
Goochland	9,885.74	9,885.74	10,362.16	10,362.16
<b>Subtotal</b>	<b>9,885.74</b>	<b>9,885.74</b>	<b>10,362.16</b>	<b>10,362.16</b>



## Distribution of Profits and Wine Taxes to Counties and Towns (continued)

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Grayson	8,853.37	8,853.37	9,280.04	9,280.04
Fries	359.95	359.95	377.30	377.30
Independence	569.24	569.24	596.67	596.67
Troutdale	113.73	113.73	119.21	119.21
<b>Subtotal</b>	<b>9,896.29</b>	<b>9,896.29</b>	<b>10,373.22</b>	<b>10,373.22</b>
Greene	8,657.57	8,657.57	9,074.80	9,074.80
Stanardsville	279.05	279.05	292.50	292.50
<b>Subtotal</b>	<b>8,936.62</b>	<b>8,936.62</b>	<b>9,367.30</b>	<b>9,367.30</b>
Greensville	6,531.87	6,531.87	6,846.66	6,846.66
<b>Subtotal</b>	<b>6,531.87</b>	<b>6,531.87</b>	<b>6,846.66</b>	<b>6,846.66</b>
Halifax	15,919.89	15,919.89	16,687.12	16,687.12
Halifax	814.29	814.29	853.53	853.53
Scottsburg	90.87	90.87	95.25	95.25
South Boston	4,977.75	4,977.75	5,217.64	5,217.64
Virgilina	93.21	93.21	97.70	97.70
<b>Subtotal</b>	<b>21,896.01</b>	<b>21,896.01</b>	<b>22,951.24</b>	<b>22,951.24</b>
Hanover	46,723.79	46,723.80	48,975.54	48,975.54
Ashland	3,880.31	3,880.31	4,067.32	4,067.32
<b>Subtotal</b>	<b>50,604.10</b>	<b>50,604.11</b>	<b>53,042.86</b>	<b>53,042.86</b>
Henrico	153,770.36	153,770.36	161,180.98	161,180.98
<b>Subtotal</b>	<b>153,770.36</b>	<b>153,770.36</b>	<b>161,180.98</b>	<b>161,180.98</b>
Henry	33,477.15	33,477.15	35,090.51	35,090.51
Ridgeway	483.65	483.65	506.96	506.96
<b>Subtotal</b>	<b>33,960.80</b>	<b>33,960.80</b>	<b>35,597.47</b>	<b>35,597.47</b>
Highland	1,394.08	1,394.08	1,461.26	1,461.26
Monterey	92.63	92.63	97.09	97.09
<b>Subtotal</b>	<b>1,486.71</b>	<b>1,486.71</b>	<b>1,558.35</b>	<b>1,558.35</b>
Isle of Wight	12,344.42	12,344.42	12,939.34	12,939.34
Smithfield	3,707.37	3,707.37	3,886.04	3,886.04
Windsor	1,375.90	1,375.90	1,442.21	1,442.21
<b>Subtotal</b>	<b>17,427.69</b>	<b>17,427.69</b>	<b>18,267.59</b>	<b>18,267.59</b>
James City	28,199.24	28,199.24	29,558.24	29,558.24
<b>Subtotal</b>	<b>28,199.24</b>	<b>28,199.24</b>	<b>29,558.24</b>	<b>29,558.24</b>
King and Queen	3,886.76	3,886.76	4,074.08	4,074.08
<b>Subtotal</b>	<b>3,886.76</b>	<b>3,886.76</b>	<b>4,074.08</b>	<b>4,074.08</b>
King George	9,850.57	9,850.57	10,325.29	10,325.29
<b>Subtotal</b>	<b>9,850.57</b>	<b>9,850.57</b>	<b>10,325.29</b>	<b>10,325.29</b>
King William	6,026.53	6,026.53	6,316.97	6,316.97
West Point	1,680.16	1,680.16	1,761.13	1,761.13
<b>Subtotal</b>	<b>7,706.69</b>	<b>7,706.69</b>	<b>8,078.10</b>	<b>8,078.10</b>
Lancaster	5,475.47	5,475.47	5,739.35	5,739.35
Irvington	394.54	394.54	413.55	413.55
Kilmarnock	729.28	729.28	764.43	764.43
White Stone	209.87	209.87	219.99	219.99
<b>Subtotal</b>	<b>6,809.16</b>	<b>6,809.16</b>	<b>7,137.32</b>	<b>7,137.32</b>

## Distribution of Profits and Wine Taxes to Counties and Towns (continued)

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Lee	12,108.17	12,108.17	12,691.70	12,691.70
Jonesville	583.31	583.31	611.42	611.42
Pennington Gap	1,044.09	1,044.09	1,094.41	1,094.41
Saint Charles	93.21	93.21	97.70	97.70
<b>Subtotal</b>	<b>13,828.78</b>	<b>13,828.78</b>	<b>14,495.23</b>	<b>14,495.23</b>
Loudoun	79,159.78	79,159.79	82,974.72	82,974.72
Hamilton	329.47	329.47	345.34	345.34
Hillsboro	56.28	56.28	58.99	58.99
Leesburg	16,597.00	16,597.00	17,396.85	17,396.85
Lovettsville	500.06	500.06	524.16	524.16
Middleburg	370.50	370.50	388.36	388.36
Purcellville	2,101.08	2,101.08	2,202.34	2,202.34
Round Hill	311.29	311.29	326.29	326.29
<b>Subtotal</b>	<b>99,425.46</b>	<b>99,425.47</b>	<b>104,217.05</b>	<b>104,217.05</b>
Louisa	13,947.20	13,947.20	14,619.35	14,619.35
Louisa	821.32	821.32	860.90	860.90
Mineral	248.57	248.57	260.54	260.54
<b>Subtotal</b>	<b>15,017.09</b>	<b>15,017.09</b>	<b>15,740.79</b>	<b>15,740.79</b>
Lunenburg	5,830.73	5,830.73	6,111.73	6,111.73
Kenbridge	808.42	808.42	847.38	847.38
Victoria	1,067.54	1,067.54	1,118.99	1,118.99
<b>Subtotal</b>	<b>7,706.69</b>	<b>7,706.69</b>	<b>8,078.10</b>	<b>8,078.10</b>
Madison	7,216.60	7,216.60	7,564.38	7,564.38
Madison	123.11	123.11	129.04	129.04
<b>Subtotal</b>	<b>7,339.71</b>	<b>7,339.71</b>	<b>7,693.42</b>	<b>7,693.42</b>
Mathews	5,397.50	5,397.50	5,657.62	5,657.62
<b>Subtotal</b>	<b>5,397.50</b>	<b>5,397.50</b>	<b>5,657.62</b>	<b>5,657.62</b>
Mecklenburg	13,513.38	13,513.38	14,164.63	14,164.63
Boydton	279.64	279.64	293.11	293.11
Chase City	1,440.39	1,440.39	1,509.80	1,509.80
Clarksville	779.11	779.11	816.66	816.66
LaCrosse	362.30	362.30	379.76	379.76
South Hill	2,581.21	2,581.21	2,705.60	2,705.60
<b>Subtotal</b>	<b>18,956.03</b>	<b>18,956.03</b>	<b>19,869.56</b>	<b>19,869.56</b>
Middlesex	5,504.19	5,504.19	5,769.46	5,769.46
Urbanna	318.33	318.33	333.67	333.67
<b>Subtotal</b>	<b>5,822.52</b>	<b>5,822.52</b>	<b>6,103.13</b>	<b>6,103.13</b>
Montgomery	15,891.17	15,891.17	16,657.01	16,657.01
Blacksburg	23,200.39	23,200.39	24,318.48	24,318.48
Christiansburg	9,934.98	9,934.98	10,413.78	10,413.78
<b>Subtotal</b>	<b>49,026.54</b>	<b>49,026.54</b>	<b>51,389.27</b>	<b>51,389.27</b>
Nelson	8,468.22	8,468.22	8,876.32	8,876.32
<b>Subtotal</b>	<b>8,468.22</b>	<b>8,468.22</b>	<b>8,876.32</b>	<b>8,876.32</b>
New Kent	7,891.94	7,891.94	8,272.28	8,272.28
<b>Subtotal</b>	<b>7,891.94</b>	<b>7,891.94</b>	<b>8,272.28</b>	<b>8,272.28</b>

## Distribution of Profits and Wine Taxes to Counties and Towns (continued)

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Northampton	5,563.40	5,563.40	5,831.52	5,831.52
Cape Charles	664.79	664.79	696.83	696.83
Cheriton	292.53	292.53	306.63	306.63
Eastville	119.01	119.01	124.74	124.74
Exmore	665.97	665.97	698.06	698.06
Nassawadox	335.33	335.33	351.49	351.49
<b>Subtotal</b>	<b>7,641.03</b>	<b>7,641.03</b>	<b>8,009.27</b>	<b>8,009.27</b>
Northumberland	7,158.56	7,158.56	7,503.55	7,503.55
<b>Subtotal</b>	<b>7,158.56</b>	<b>7,158.56</b>	<b>7,503.55</b>	<b>7,503.55</b>
Nottoway	5,383.43	5,383.43	5,642.87	5,642.87
Blackstone	2,154.43	2,154.43	2,258.25	2,258.25
Burkeville	286.67	286.67	300.49	300.49
Crewe	1,394.08	1,394.08	1,461.26	1,461.26
<b>Subtotal</b>	<b>9,218.61</b>	<b>9,218.61</b>	<b>9,662.87</b>	<b>9,662.87</b>
Orange	11,883.64	11,883.64	12,456.35	12,456.35
Gordonsville	878.19	878.19	920.51	920.51
Orange	2,417.06	2,417.06	2,533.55	2,533.55
<b>Subtotal</b>	<b>15,178.89</b>	<b>15,178.89</b>	<b>15,910.41</b>	<b>15,910.41</b>
Page	8,853.37	8,853.37	9,280.04	9,280.04
Luray	2,855.57	2,855.57	2,993.19	2,993.19
Shenandoah	1,100.96	1,100.96	1,154.01	1,154.01
Stanley	777.35	777.35	814.82	814.82
<b>Subtotal</b>	<b>13,587.25</b>	<b>13,587.25</b>	<b>14,242.06</b>	<b>14,242.06</b>
Patrick	10,813.76	10,813.76	11,334.90	11,334.90
Stuart	563.38	563.38	590.53	590.53
<b>Subtotal</b>	<b>11,377.14</b>	<b>11,377.14</b>	<b>11,925.43</b>	<b>11,925.43</b>
Pittsylvania	33,927.97	33,927.97	35,563.05	35,563.05
Chatham	784.39	784.39	822.19	822.19
Gretna	736.90	736.90	772.42	772.42
Hurt	748.04	748.04	784.09	784.09
<b>Subtotal</b>	<b>36,197.30</b>	<b>36,197.30</b>	<b>37,941.75</b>	<b>37,941.75</b>
Powhatan	13,118.26	13,118.26	13,750.46	13,750.46
<b>Subtotal</b>	<b>13,118.26</b>	<b>13,118.26</b>	<b>13,750.46</b>	<b>13,750.46</b>
Prince Edward	7,823.35	7,823.35	8,200.38	8,200.38
Farmville	4,012.80	4,012.80	4,206.19	4,206.19
<b>Subtotal</b>	<b>11,836.15</b>	<b>11,836.15</b>	<b>12,406.57</b>	<b>12,406.57</b>
Prince George	19,418.56	19,418.56	20,354.40	20,354.40
<b>Subtotal</b>	<b>19,418.56</b>	<b>19,418.56</b>	<b>20,354.40</b>	<b>20,354.40</b>
Prince William	160,439.99	160,440.00	168,172.04	168,172.04
Dumfries	2,894.26	2,894.26	3,033.74	3,033.74
Haymarket	515.30	515.30	540.14	540.14
Occoquan	444.96	444.95	466.40	466.40
Quantico	328.88	328.88	344.73	344.73
<b>Subtotal</b>	<b>164,623.39</b>	<b>164,623.39</b>	<b>172,557.05</b>	<b>172,557.05</b>
Pulaski	13,698.05	13,698.05	14,358.20	14,358.20
Dublin	1,341.31	1,341.31	1,405.96	1,405.96
Pulaski	5,553.44	5,553.44	5,821.07	5,821.07
<b>Subtotal</b>	<b>20,592.80</b>	<b>20,592.80</b>	<b>21,585.23</b>	<b>21,585.23</b>

## Distribution of Profits and Wine Taxes to Counties and Towns (continued)

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Rappahannock	3,986.42	3,986.42	4,178.54	4,178.54
Washington	107.28	107.28	112.45	112.45
<b>Subtotal</b>	<b>4,093.70</b>	<b>4,093.70</b>	<b>4,290.99</b>	<b>4,290.99</b>
Richmond	4,358.10	4,358.10	4,568.13	4,568.13
Warsaw	806.08	806.08	844.93	844.93
<b>Subtotal</b>	<b>5,164.18</b>	<b>5,164.18</b>	<b>5,413.06</b>	<b>5,413.06</b>
Roanoke	45,724.26	45,724.26	47,927.84	47,927.84
Vinton	4,562.11	4,562.11	4,781.97	4,781.97
<b>Subtotal</b>	<b>50,286.37</b>	<b>50,286.37</b>	<b>52,709.81</b>	<b>52,709.81</b>
Rockbridge	11,347.23	11,347.23	11,894.09	11,894.09
Glasgow	613.21	613.21	642.76	642.76
Goshen	238.01	238.01	249.48	249.48
<b>Subtotal</b>	<b>12,198.45</b>	<b>12,198.45</b>	<b>12,786.33</b>	<b>12,786.33</b>
Rockingham	30,914.11	30,914.12	32,403.95	32,403.95
Bridgewater	3,050.20	3,050.20	3,197.20	3,197.20
Broadway	1,323.14	1,323.14	1,386.91	1,386.91
Dayton	787.90	787.90	825.88	825.88
Elkton	1,197.10	1,197.10	1,254.79	1,254.79
Grottoes	1,239.31	1,239.31	1,299.03	1,299.03
Mount Crawford	167.66	167.66	175.74	175.74
Timberville	1,019.47	1,019.47	1,068.60	1,068.60
<b>Subtotal</b>	<b>39,698.89</b>	<b>39,698.90</b>	<b>41,612.10</b>	<b>41,612.10</b>
Russell	14,466.02	14,466.02	15,163.18	15,163.18
Castlewood	0.00	0.00	0.00	0.00
Cleveland	86.76	86.76	90.94	90.94
Honaker	554.00	554.00	580.69	580.69
Lebanon	1,918.76	1,918.76	2,011.23	2,011.23
<b>Subtotal</b>	<b>17,025.54</b>	<b>17,025.54</b>	<b>17,846.04</b>	<b>17,846.04</b>
Scott	11,142.64	11,142.64	11,679.63	11,679.63
Clinchport	45.14	45.14	47.32	47.32
Duffield	36.35	36.35	38.10	38.10
Dungannon	185.84	185.84	194.79	194.79
Gate City	1,265.69	1,265.69	1,326.69	1,326.69
Nickelsville	262.63	262.63	275.29	275.29
Weber City	781.46	781.46	819.12	819.12
<b>Subtotal</b>	<b>13,719.75</b>	<b>13,719.75</b>	<b>14,380.94</b>	<b>14,380.94</b>
Shenandoah	13,233.16	13,233.16	13,870.90	13,870.90
Edinburg	476.61	476.61	499.58	499.58
Mount Jackson	975.50	975.50	1,022.51	1,022.51
New Market	1,015.37	1,015.36	1,064.30	1,064.30
Strasburg	2,365.47	2,365.47	2,479.47	2,479.47
Toms Brook	149.49	149.49	156.70	156.70
Woodstock	2,346.71	2,346.71	2,459.81	2,459.81
<b>Subtotal</b>	<b>20,562.31</b>	<b>20,562.30</b>	<b>21,553.27</b>	<b>21,553.27</b>
Smyth	13,463.55	13,463.55	14,112.40	14,112.40
Chilhowie	1,071.06	1,071.06	1,122.68	1,122.67
Marion	3,722.03	3,722.03	3,901.40	3,901.40
Saltville	1,292.07	1,292.07	1,354.34	1,354.34
<b>Subtotal</b>	<b>19,548.71</b>	<b>19,548.71</b>	<b>20,490.82</b>	<b>20,490.81</b>

## Distribution of Profits and Wine Taxes to Counties and Towns (continued)

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Southampton	8,610.67	8,610.67	9,025.64	9,025.64
Boykins	363.47	363.47	380.98	380.98
Branchville	72.11	72.11	75.58	75.58
Capron	101.42	101.42	106.31	106.31
Courtland	744.52	744.52	780.40	780.40
Ivor	187.60	187.60	196.64	196.64
Newsoms	168.84	168.84	176.97	176.97
<b>Subtotal</b>	<b>10,248.63</b>	<b>10,248.63</b>	<b>10,742.52</b>	<b>10,742.52</b>
Spotsylvania	52,993.03	52,993.03	55,546.91	55,546.91
<b>Subtotal</b>	<b>52,993.03</b>	<b>52,993.03</b>	<b>55,546.91</b>	<b>55,546.91</b>
Stafford	54,195.40	54,195.41	56,807.23	56,807.23
<b>Subtotal</b>	<b>54,195.40</b>	<b>54,195.41</b>	<b>56,807.23</b>	<b>56,807.23</b>
Surry	3,474.64	3,474.64	3,642.09	3,642.09
Claremont	201.08	201.08	210.77	210.77
Dendron	174.11	174.11	182.50	182.50
Surry	153.59	153.59	161.00	161.00
<b>Subtotal</b>	<b>4,003.42</b>	<b>4,003.42</b>	<b>4,196.36</b>	<b>4,196.36</b>
Sussex	5,149.52	5,149.52	5,397.69	5,397.69
Jarratt	345.29	345.29	361.94	361.94
Stony Creek	118.42	118.42	124.13	124.13
Wakefield	608.52	608.52	637.84	637.84
Waverly	1,353.62	1,353.62	1,418.86	1,418.86
<b>Subtotal</b>	<b>7,575.37</b>	<b>7,575.37</b>	<b>7,940.46</b>	<b>7,940.46</b>
Tazewell	16,370.71	17,378.45	17,159.66	18,215.97
Bluefield	3,108.24	2,976.92	3,258.03	3,120.39
Ceder Bluff	636.07	636.07	666.72	666.72
Pocahontas	258.53	258.53	270.99	270.99
Richlands	3,305.80	2,429.37	3,465.11	2,546.45
Tazewell	2,465.72	2,465.72	2,584.55	2,584.55
<b>Subtotal</b>	<b>26,145.07</b>	<b>26,145.06</b>	<b>27,405.06</b>	<b>27,405.07</b>
Warren	10,549.36	10,549.36	11,057.77	11,057.77
Front Royal	7,966.39	7,966.40	8,350.32	8,350.32
<b>Subtotal</b>	<b>18,515.75</b>	<b>18,515.76</b>	<b>19,408.09</b>	<b>19,408.09</b>
Washington	23,861.67	23,861.67	25,011.63	25,011.63
Abingdon	4,560.94	4,560.94	4,780.74	4,780.74
Damascus	575.10	575.10	602.82	602.82
Glade Spring	805.49	805.49	844.31	844.31
<b>Subtotal</b>	<b>29,803.20</b>	<b>29,803.20</b>	<b>31,239.50</b>	<b>31,239.50</b>
Westmoreland	7,723.69	7,723.69	8,095.92	8,095.92
Colonial Beach	1,892.38	1,892.38	1,983.58	1,983.58
Montross	184.67	184.67	193.56	193.56
<b>Subtotal</b>	<b>9,800.74</b>	<b>9,800.74</b>	<b>10,273.06</b>	<b>10,273.06</b>
Wise	16,027.76	16,027.76	16,800.18	16,800.18
Appalachia	1,078.09	1,078.09	1,130.05	1,130.05
Big Stone Gap	3,462.32	3,462.32	3,629.18	3,629.18
Coeburn	1,170.13	1,170.13	1,226.52	1,226.52
Pound	638.41	638.41	669.18	669.18
Saint Paul	586.24	586.24	614.49	614.49
Wise	1,908.21	1,908.21	2,000.17	2,000.17
<b>Subtotal</b>	<b>24,871.16</b>	<b>24,871.16</b>	<b>26,069.77</b>	<b>26,069.77</b>



## Distribution of Profits and Wine Taxes to Counties and Towns (continued)

Counties	Total Profits FY2006	Total Profits FY2005	Wine Tax FY2006	Wine Tax FY2005
Wythe	10,813.17	10,813.17	11,334.29	11,334.29
Rural Retreat	791.42	791.42	829.56	829.56
Wytheville	4,575.01	4,575.01	4,795.49	4,795.49
<b>Subtotal</b>	<b>16,179.60</b>	<b>16,179.60</b>	<b>16,959.34</b>	<b>16,959.34</b>
York	33,003.47	33,003.47	34,594.00	34,594.00
Yorktown	0.00	0.00	0.00	0.00
<b>Subtotal</b>	<b>33,003.47</b>	<b>33,003.47</b>	<b>34,594.00</b>	<b>34,594.00</b>
<b>Total</b>	<b>\$2,772,685.36</b>	<b>\$2,772,685.37</b>	<b>\$2,906,308.81</b>	<b>\$2,906,308.81</b>



# Cooking with *spirits*

In November 2005, Virginia ABC brought its customers a booklet featuring this Rum Cranberry Bread recipe in a cooking collection of delicious dishes and desserts made with distilled spirits.

## Rum Cranberry Bread

2 cups flour  
3/4 cup sugar  
1 1/2 tsp. baking powder  
1 tsp. salt  
1/2 tsp. soda  
1 egg

2 tsp. grated orange peel  
1/2 cup orange juice  
1/4 cup gold rum  
2 tsp. oil  
1 cup cranberries  
1/2 cup chopped walnuts

Sift together dry ingredients, except orange peel. Beat egg, orange peel, orange juice, rum and oil together. Fold cranberries and walnuts into batter, and pour into a greased and floured loaf pan. Bake at 350° for 1 hour, or until toothpick inserted into bread comes out clean.

## Analysis of Store Performance – Fiscal Year 2006 (pre-audit)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
<b>Statewide Totals</b>			<b>8,805,902</b>	<b>\$571,936,858</b>	<b>\$94,445,884</b>	<b>\$477,490,974</b>
137	692 Hwy 58, E	Norton City	18,575	\$1,142,514	\$188,662	\$953,852
194	16427-E Wise St.	Wise County	7,759	\$449,195	\$74,580	\$374,616
206	18 East 4th St., N	Wise County	10,960	\$598,122	\$98,885	\$499,237
218	Main St.	Scott County	9,466	\$492,930	\$81,531	\$411,399
<b>Far Southwest</b>			<b>46,759</b>	<b>\$2,682,761</b>	<b>\$443,657</b>	<b>\$2,239,104</b>
87	4027 College Ave.	Tazewell County	13,268	\$826,633	\$136,435	\$690,197
174	One Plaza Dr.	Buchanan County	8,068	\$472,817	\$78,101	\$394,716
197	2004 Second St.	Tazewell County	16,011	\$890,103	\$146,807	\$743,296
230	722 East Riverside	Tazewell County	8,275	\$482,644	\$79,701	\$402,942
365	Food City Shp. Ctr.	Dickenson County	7,031	\$383,149	\$63,239	\$319,911
<b>Southwest</b>			<b>52,653</b>	<b>\$3,055,345</b>	<b>\$504,283</b>	<b>\$2,551,062</b>
58	3002 Lee Hwy	Bristol City	22,702	\$1,445,540	\$238,772	\$1,206,767
96	974 East Stuart Dr.	Galax City	18,679	\$1,001,213	\$165,130	\$836,083
135	1173 N Main St.	Smyth County	22,831	\$1,243,464	\$205,606	\$1,037,859
141	441 W Stuart Dr.	Carroll County	14,069	\$719,315	\$118,607	\$600,707
153	325 West Main St.	Wythe County	21,792	\$1,272,357	\$209,778	\$1,062,580
201	545 West Main St.	Washington County	34,905	\$2,058,995	\$340,190	\$1,718,805
343	2123 Euclid Ave.	Bristol City	23,048	\$1,283,451	\$211,815	\$1,071,636
<b>Wytheville/Hillsville</b>			<b>158,027</b>	<b>\$9,024,336</b>	<b>\$1,489,899</b>	<b>\$7,534,438</b>
67	290 Peppers Ferry Rd.	Montgomery County	25,133	\$1,547,167	\$254,618	\$1,292,549
195	100 North Franklin St.	Montgomery County	24,316	\$1,363,949	\$225,783	\$1,138,167
199	3745 Virginia Ave.	Giles County	12,940	\$668,497	\$110,735	\$557,762
327	1300 South Main St.	Montgomery County	73,521	\$4,542,944	\$751,445	\$3,791,499
345	1072 Memorial Square Dr.	Pulaski County	18,467	\$964,743	\$159,656	\$805,087
356	97 Walker St.	Radford City	36,704	\$2,078,193	\$343,616	\$1,734,576
<b>Radford/Blacksburg</b>			<b>191,081</b>	<b>\$11,165,493</b>	<b>\$1,845,852</b>	<b>\$9,319,641</b>
115	1423 Williamson Rd., NE	Roanoke City	64,253	\$4,139,133	\$684,107	\$3,455,026
123	531 Main St.	Clifton Forge City	6,088	\$332,751	\$55,099	\$277,651
124	123 West Main St.	Covington City	14,177	\$801,727	\$132,985	\$668,742
186	1483 West Main St.	Salem City	39,868	\$2,257,388	\$372,636	\$1,884,752
229	3434 Orange Ave., NE	Roanoke City	14,809	\$833,042	\$137,832	\$695,209
259	1507 Hershberger Rd., NW	Roanoke City	29,042	\$1,690,706	\$278,996	\$1,411,710
269	602 Brandon Ave., SW	Roanoke City	61,677	\$3,774,608	\$622,365	\$3,152,243
289	3341 Melrose Ave., NW	Roanoke City	30,260	\$1,852,300	\$307,368	\$1,544,932
309	3901 Brambleton Ave., SW	Roanoke County	51,108	\$2,949,513	\$485,148	\$2,464,365
337	1113 Vinyard Rd.	Roanoke County	29,299	\$1,561,191	\$257,617	\$1,303,574
364	56 Kingston Dr.	Botetourt County	21,952	\$1,255,805	\$207,158	\$1,048,647
<b>Roanoke</b>			<b>362,534</b>	<b>\$21,448,162</b>	<b>\$3,541,311</b>	<b>\$17,906,851</b>
57	Harner Center Shp. Ctr	Staunton City	14,545	\$892,260	\$147,312	\$744,948
68	1739 S High St.	Harrisonburg City	24,059	\$1,379,492	\$227,344	\$1,152,147
113	39 1/2 East Main St.	Bath County	7,699	\$598,424	\$98,911	\$499,513
122	201 State St.	Staunton City	20,440	\$1,202,458	\$198,842	\$1,003,616
140	445 East Nelson St.	Lexington City	38,923	\$2,228,922	\$367,638	\$1,861,284
145	398 North Main St.	Harrisonburg City	28,009	\$1,588,820	\$263,040	\$1,325,779
147	Water St.	Highland County	2,467	\$126,609	\$20,708	\$105,901

### NOTES:

- (1) Includes state taxes, but does not include general sales tax (4.5 percent).
- (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of Gen. and Admin. Expenses (4)	Adj. Net Store Profit	Rate of Return to Va.
<b>\$288,162,742</b>	<b>\$189,328,233</b>	<b>\$64,908,211</b>	<b>\$124,420,022</b>	<b>\$27,606,150</b>	<b>\$96,813,872</b>	<b>33.4%</b>
\$575,327	\$378,525	\$159,908	\$218,617	\$55,147	\$163,470	30.8%
\$224,885	\$149,731	\$89,337	\$60,393	\$21,658	\$38,735	25.2%
\$301,319	\$197,918	\$146,552	\$51,366	\$28,863	\$22,503	20.3%
\$248,694	\$162,705	\$92,397	\$70,308	\$23,785	\$46,523	26.0%
<b>\$1,350,225</b>	<b>\$888,879</b>	<b>\$488,195</b>	<b>\$400,685</b>	<b>\$129,454</b>	<b>\$271,231</b>	<b>26.6%</b>
\$416,863	\$273,335	\$153,683	\$119,651	\$39,904	\$79,748	26.2%
\$238,466	\$156,250	\$110,014	\$46,236	\$22,821	\$23,415	21.5%
\$448,580	\$294,716	\$136,899	\$157,817	\$42,974	\$114,843	29.4%
\$242,811	\$160,131	\$111,671	\$48,460	\$23,296	\$25,164	21.7%
\$192,292	\$127,618	\$103,576	\$24,043	\$18,496	\$5,547	18.0%
<b>\$1,539,012</b>	<b>\$1,012,050</b>	<b>\$615,844</b>	<b>\$396,206</b>	<b>\$147,490</b>	<b>\$248,717</b>	<b>24.6%</b>
\$728,031	\$478,736	\$184,122	\$294,614	\$69,769	\$224,845	32.1%
\$505,150	\$330,933	\$112,843	\$218,090	\$48,338	\$169,752	33.4%
\$626,651	\$411,208	\$144,572	\$266,635	\$60,004	\$206,632	33.2%
\$363,294	\$237,414	\$103,684	\$133,730	\$34,730	\$99,000	30.3%
\$640,969	\$421,611	\$107,510	\$314,101	\$61,433	\$252,668	36.3%
\$1,038,534	\$680,271	\$193,781	\$486,490	\$99,373	\$387,117	35.3%
\$647,435	\$424,202	\$155,322	\$268,880	\$61,957	\$206,923	32.6%
<b>\$4,550,063</b>	<b>\$2,984,374</b>	<b>\$1,001,834</b>	<b>\$1,982,540</b>	<b>\$435,604</b>	<b>\$1,546,937</b>	<b>33.7%</b>
\$781,053	\$511,497	\$205,979	\$305,518	\$74,729	\$230,789	31.4%
\$687,441	\$450,726	\$203,546	\$247,180	\$65,803	\$181,376	29.9%
\$337,208	\$220,555	\$109,473	\$111,081	\$32,247	\$78,834	28.4%
\$2,288,962	\$1,502,537	\$296,754	\$1,205,783	\$219,206	\$986,578	38.3%
\$485,434	\$319,653	\$170,770	\$148,883	\$46,546	\$102,337	27.2%
\$1,045,743	\$688,834	\$177,480	\$511,353	\$100,285	\$411,069	36.3%
<b>\$5,625,840</b>	<b>\$3,693,801</b>	<b>\$1,164,003</b>	<b>\$2,529,798</b>	<b>\$538,815</b>	<b>\$1,990,983</b>	<b>34.4%</b>
\$2,075,454	\$1,379,572	\$243,909	\$1,135,663	\$199,752	\$935,910	39.1%
\$167,865	\$109,786	\$103,895	\$5,891	\$16,052	(\$10,161)	13.5%
\$404,073	\$264,669	\$120,593	\$144,076	\$38,663	\$105,412	29.7%
\$1,138,218	\$746,534	\$239,129	\$507,404	\$108,967	\$398,437	34.2%
\$420,491	\$274,719	\$109,571	\$165,147	\$40,194	\$124,954	31.5%
\$854,220	\$557,490	\$195,508	\$361,982	\$81,618	\$280,364	33.1%
\$1,905,081	\$1,247,161	\$386,401	\$860,760	\$182,247	\$678,513	34.5%
\$927,763	\$617,169	\$212,741	\$404,428	\$89,320	\$315,108	33.6%
\$1,492,376	\$971,989	\$266,324	\$705,665	\$142,477	\$563,188	35.5%
\$787,588	\$515,986	\$157,875	\$358,111	\$75,366	\$282,744	34.6%
\$635,795	\$412,852	\$157,646	\$255,206	\$60,628	\$194,579	32.0%
<b>\$10,808,925</b>	<b>\$7,097,926</b>	<b>\$2,193,593</b>	<b>\$4,904,333</b>	<b>\$1,035,285</b>	<b>\$3,869,048</b>	<b>34.6%</b>
\$449,630	\$295,318	\$206,438	\$88,880	\$43,069	\$45,811	21.6%
\$695,603	\$456,544	\$161,180	\$295,364	\$66,611	\$228,753	33.1%
\$301,214	\$198,298	\$105,485	\$92,813	\$28,879	\$63,934	27.2%
\$605,789	\$397,827	\$127,029	\$270,798	\$58,024	\$212,774	34.2%
\$1,125,163	\$736,121	\$232,009	\$504,113	\$107,610	\$396,503	34.3%
\$800,304	\$525,475	\$198,183	\$327,293	\$76,650	\$250,643	32.3%
\$64,321	\$41,580	\$43,484	(\$1,904)	\$6,123	(\$8,027)	10.0%

**NOTES:**

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

(4) Rate of return is calculated by adding adjusted net profits and state taxes, dividing result by gross sales.

(5) NS = New Store; R = Relocation. There were a total of 12 new stores opened in Fiscal Year 2006, 6 relocations and 4 modernizations. One store was closed. For details of store activity, see page 20.

## Analysis of Store Performance – Fiscal Year 2006 (continued)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
184	2035 East Market St.	Rockingham County	59,044	\$3,663,780	\$603,495	\$3,060,285
302	1331 Greenville Ave.	Staunton City	22,809	\$1,318,681	\$216,853	\$1,101,828
338	801-B West Broad St.	Waynesboro City	43,813	\$2,530,431	\$417,255	\$2,113,177
339	Augusta Plaza	Augusta County	12,094	\$681,511	\$112,841	\$568,670
<b>Staunton/Waynesboro</b>			<b>273,902</b>	<b>\$16,211,387</b>	<b>\$2,674,240</b>	<b>\$13,537,148</b>
52	786 Shopping Center Rd.	Shenandoah County	13,188	\$774,838	\$128,266	\$646,572
56	182 Delco Plaza	Frederick County	31,098	\$1,986,730	\$328,093	\$1,658,637
139	235 Sunnyside Circle	Frederick County	31,938	\$1,963,454	\$323,667	\$1,639,786
142	411-F South St.	Warren County	40,833	\$2,461,462	\$406,768	\$2,054,695
167	21 Crowe St.	Clarke County	12,681	\$765,537	\$126,594	\$638,943
173	14817 Spotswood Trail	Page County	12,261	\$707,411	\$116,844	\$590,567
193	1412 West 211 Bypass	Page County	16,693	\$930,689	\$153,598	\$777,092
261	2218 Valley Ave.	Winchester City	46,749	\$3,015,247	\$496,059	\$2,519,189
293	5814 Main St.	Shenandoah County	12,599	\$700,874	\$115,895	\$584,979
318	462 North Main St.	Shenandoah County	14,628	\$818,372	\$135,080	\$683,292
<b>Winchester/Front Royal</b>			<b>232,667</b>	<b>\$14,124,615</b>	<b>\$2,330,863</b>	<b>\$11,793,751</b>
45	8428 Old Keene Mill Rd.	Fairfax County	637	\$43,732	\$7,187	\$36,545
49	881 North Quincy St.	Arlington County	244	\$18,528	\$3,036	\$15,492
55	9528 Liberia Ave.	Manassas City	29,220	\$2,037,352	\$335,261	\$1,702,091
61	22330 Sterling Blvd.	Loudoun County	23,297	\$1,668,191	\$275,092	\$1,393,099
63	8951 Ox Rd.	Fairfax County	14,009	\$1,001,199	\$164,829	\$836,370
73	43150 Broadlands Shp. Ctr. Plaza	Loudoun County	20,094	\$1,541,220	\$253,028	\$1,288,193
76	1212 West Broad St.	Falls Church City	20,964	\$1,484,444	\$244,167	\$1,240,277
80	6206 Little River Tnpk.	Alexandria City	27,138	\$2,045,078	\$336,932	\$1,708,147
81	6230 J North Kings Hwy	Alexandria City	29,970	\$2,063,378	\$340,836	\$1,722,542
82	46930 Cedar Lakes Plaza	Fairfax County	44,883	\$3,354,731	\$552,137	\$2,802,594
83	7263 Arlington Blvd.	Fairfax County	14,122	\$1,031,018	\$169,937	\$861,081
84	13053 E Jackson Hwy	Fairfax County	21,260	\$1,539,070	\$253,279	\$1,285,791
85	2928 Chain Bridge Rd.	Fairfax County	23,630	\$1,707,965	\$281,506	\$1,426,458
90	12965 Fair Lakes Shp. Ctr.	Fairfax County	18,446	\$1,412,748	\$230,038	\$1,182,710
99	601 Post Dr.	Herndon City	3,413	\$239,807	\$39,465	\$200,342
109	1731 Wilson Blvd.	Arlington County	24,902	\$1,890,041	\$310,508	\$1,579,533
111	5722 Union Mill Rd.	Fairfax County	11,955	\$900,659	\$148,590	\$752,069
119	901 North Saint Asaph St.	Alexandria City	47,465	\$3,586,711	\$593,164	\$2,993,547
120	5926 Kingstowne Ctr.	Fairfax County	46,433	\$3,482,478	\$574,362	\$2,908,116
127	13300 Franklin Farm Rd.	Fairfax County	15,360	\$1,097,590	\$180,669	\$916,920
133	9130 Mathis Ave.	Manassas City	42,542	\$2,981,983	\$493,030	\$2,488,952
136	18 Fairfax St., SE	Loudoun County	34,345	\$2,388,372	\$394,093	\$1,994,279
166	210 Fort Evans Rd.	Loudoun County	34,961	\$2,562,523	\$421,542	\$2,140,981
168	1001 North Fillmore St.	Arlington County	29,506	\$2,155,334	\$353,968	\$1,801,366
170	1238 Elden St. (Herndon)	Fairfax County	46,292	\$3,431,407	\$566,809	\$2,864,598
181	106 Washington St.	Loudoun County	9,776	\$712,604	\$117,470	\$595,135
203	3678 King St.	Alexandria City	32,088	\$2,253,019	\$370,914	\$1,882,105
208	44110 Ashburn Village Shp. Ctr.	Loudoun County	25,253	\$1,953,853	\$322,134	\$1,631,719
212	167 Hillwood Ave.	Falls Church City	13,958	\$907,322	\$148,836	\$758,486
215	320 23rd St., S	Arlington County	3,043	\$249,442	\$40,888	\$208,554
219	8520 Tyco Rd.	Fairfax County	88,878	\$8,244,461	\$1,362,461	\$6,882,000
224	13944 Lee Jackson Hwy	Fairfax County	45,299	\$3,412,904	\$562,827	\$2,850,077
228	1524 Belle View Blvd.	Fairfax County	29,021	\$1,956,546	\$321,638	\$1,634,908
231	436 East Maple Ave.	Fairfax County	39,307	\$2,794,491	\$459,186	\$2,335,305

### NOTES:

- (1) Includes state taxes, but does not include general sales tax (4.5 percent).
- (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.



Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of Gen. and Admin. Expenses (4)	Adj. Net Store Profit	Rate of Return to Va.
\$1,848,473	\$1,211,812	\$287,226	\$924,586	\$176,930	\$747,655	36.9%
\$665,242	\$436,586	\$203,578	\$233,009	\$63,702	\$169,306	29.3%
\$1,276,085	\$837,092	\$255,097	\$581,995	\$122,173	\$459,821	34.7%
\$343,537	\$225,133	\$96,598	\$128,535	\$32,878	\$95,657	30.6%
<b>\$8,175,360</b>	<b>\$5,361,787</b>	<b>\$1,916,307</b>	<b>\$3,445,481</b>	<b>\$782,650</b>	<b>\$2,662,831</b>	<b>32.9%</b>
\$390,043	\$256,529	\$93,845	\$162,684	\$37,382	\$125,302	32.7%
\$1,000,924	\$657,713	\$165,031	\$492,682	\$95,894	\$396,788	36.5%
\$990,762	\$649,024	\$181,981	\$467,043	\$94,804	\$372,238	35.4%
\$1,243,451	\$811,244	\$304,542	\$506,702	\$118,792	\$387,910	32.3%
\$386,140	\$252,803	\$125,222	\$127,582	\$36,940	\$90,641	28.4%
\$356,678	\$233,889	\$97,765	\$136,124	\$34,144	\$101,980	30.9%
\$469,295	\$307,796	\$121,099	\$186,697	\$44,928	\$141,770	31.7%
\$1,519,541	\$999,648	\$253,048	\$746,599	\$145,647	\$600,952	36.4%
\$353,805	\$231,174	\$44,491	\$186,683	\$33,821	\$152,863	38.3%
\$413,221	\$270,072	\$106,240	\$163,832	\$39,505	\$124,327	31.7%
<b>\$7,123,859</b>	<b>\$4,669,892</b>	<b>\$1,493,264</b>	<b>\$3,176,628</b>	<b>\$681,856</b>	<b>\$2,494,772</b>	<b>34.2%</b>
\$22,064	\$14,480	\$35,067	(\$20,586)	\$2,113	(\$22,699)	(35.5%)
\$9,315	\$6,177	\$45,845	(\$39,668)	\$896	(\$40,564)	(202.5%)
\$1,028,475	\$673,616	\$248,090	\$425,526	\$98,406	\$327,120	32.5%
\$846,831	\$546,268	\$227,443	\$318,825	\$80,542	\$238,283	30.8%
\$507,069	\$329,301	\$223,349	\$105,951	\$48,355	\$57,597	22.2%
\$779,659	\$508,534	\$258,879	\$249,655	\$74,477	\$175,178	27.8%
\$751,901	\$488,376	\$293,383	\$194,992	\$71,707	\$123,286	24.8%
\$1,029,901	\$678,246	\$288,280	\$389,966	\$98,757	\$291,209	30.7%
\$1,037,073	\$685,469	\$257,572	\$427,897	\$99,589	\$328,308	32.4%
\$1,694,734	\$1,107,860	\$365,117	\$742,743	\$162,032	\$580,711	33.8%
\$520,112	\$340,969	\$237,315	\$103,654	\$49,783	\$53,871	21.7%
\$776,492	\$509,298	\$244,496	\$264,803	\$74,338	\$190,464	28.8%
\$864,176	\$562,283	\$306,888	\$255,395	\$82,471	\$172,924	26.6%
\$713,852	\$468,858	\$259,309	\$209,548	\$68,378	\$141,170	26.3%
\$120,831	\$79,511	\$78,692	\$819	\$11,583	(\$10,764)	12.0%
\$955,440	\$624,093	\$261,696	\$362,397	\$91,321	\$271,077	30.8%
\$454,573	\$297,496	\$185,613	\$111,884	\$43,481	\$68,403	24.1%
\$1,802,993	\$1,190,553	\$274,742	\$915,811	\$173,072	\$742,739	37.2%
\$1,756,725	\$1,151,391	\$305,642	\$845,749	\$168,133	\$677,617	36.0%
\$555,391	\$361,529	\$185,368	\$176,161	\$53,012	\$123,149	27.7%
\$1,503,395	\$985,557	\$274,552	\$711,005	\$143,899	\$567,106	35.6%
\$1,206,527	\$787,752	\$263,992	\$523,759	\$115,299	\$408,460	33.6%
\$1,295,816	\$845,165	\$272,841	\$572,323	\$123,781	\$448,543	34.0%
\$1,090,185	\$711,181	\$263,992	\$447,189	\$104,146	\$343,043	32.3%
\$1,727,383	\$1,137,216	\$323,794	\$813,422	\$165,617	\$647,805	35.4%
\$360,074	\$235,061	\$101,415	\$133,646	\$34,408	\$99,238	30.4%
\$1,137,351	\$744,754	\$330,242	\$414,512	\$108,814	\$305,698	30.0%
\$987,948	\$643,771	\$252,075	\$391,695	\$94,338	\$297,357	31.7%
\$459,462	\$299,024	\$224,183	\$74,841	\$43,852	\$30,990	19.8%
\$125,315	\$83,239	\$74,958	\$8,281	\$12,058	(\$3,777)	14.9%
\$4,136,606	\$2,745,394	\$540,133	\$2,205,261	\$397,883	\$1,807,378	38.4%
\$1,729,270	\$1,120,806	\$333,866	\$786,941	\$164,777	\$622,163	34.7%
\$990,434	\$644,475	\$314,794	\$329,680	\$94,522	\$235,158	28.5%
\$1,417,716	\$917,589	\$370,762	\$546,827	\$135,016	\$411,812	31.2%

**NOTES:**

- (3) Store expenses include miscellaneous revenue and net cash overages.
- (4) Rate of return is calculated by adding adjusted net profits and state taxes, dividing result by gross sales.
- (5) NS = New Store; R = Relocation. There were a total of 12 new stores opened in Fiscal Year 2006, 6 relocations and 4 modernizations. One store was closed. For details of store activity, see page 20.

## Analysis of Store Performance – Fiscal Year 2006 (continued)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
234	9574 Old Keene Mill Rd.	Fairfax County	27,595	\$1,870,966	\$308,623	\$1,562,343
235	8628 Richmond Hwy	Fairfax County	46,151	\$3,364,214	\$556,225	\$2,807,989
236	7200 Little River Tnpk., E	Fairfax County	40,642	\$2,791,396	\$461,719	\$2,329,678
241	11260 James Swart Circle	Fairfax City	51,643	\$3,910,510	\$646,561	\$3,263,949
248	4709 Lee Hwy	Arlington County	34,590	\$2,362,139	\$387,991	\$1,974,148
260	6198 Arlington Blvd.	Fairfax County	24,515	\$1,740,311	\$286,996	\$1,453,315
264	16661 Rivers Ridge Blvd.	Prince William County	26,107	\$1,865,255	\$308,596	\$1,556,659
267	1446 Chain Bridge Rd.	Fairfax County	48,230	\$3,670,339	\$603,793	\$3,066,547
268	6400 Springfield Plaza	Fairfax County	54,478	\$3,837,299	\$634,096	\$3,203,203
271	13586 Jefferson Davis Hwy	Prince William County	47,700	\$3,450,982	\$571,215	\$2,879,766
286	7555 New Linton Hall Rd.	Prince William County	48,728	\$3,482,475	\$572,898	\$2,909,576
294	3556-E S. Jefferson St.	Fairfax County	40,212	\$2,842,509	\$465,876	\$2,376,632
295	8095 Sudley Rd.	Prince William County	68,201	\$4,832,772	\$797,783	\$4,034,989
296	8966 Burke Lake Rd.	Fairfax County	28,120	\$1,837,309	\$303,086	\$1,534,223
297	4647 Duke St.	Alexandria City	11,168	\$781,639	\$128,887	\$652,752
301	4220 Merchants Plaza	Prince William County	46,557	\$3,259,769	\$537,087	\$2,722,681
316	4108 Fortuna Village Ctr.	Prince William County	16,517	\$1,149,306	\$189,189	\$960,117
317	9512 Main St.	Fairfax City	35,978	\$2,529,702	\$417,847	\$2,111,855
319	2435 North Hamilton St.	Arlington County	8,353	\$608,383	\$99,999	\$508,384
322	14151 Germain Dr.	Fairfax County	53,319	\$3,941,186	\$651,006	\$3,290,181
323	609 O East Main St.	Loudoun County	24,534	\$1,715,281	\$282,857	\$1,432,423
346	8105 Lee Hwy	Fairfax County	32,338	\$2,271,385	\$373,333	\$1,898,052
352	2555 John Milton Dr.	Fairfax County	27,513	\$1,933,849	\$318,989	\$1,614,860
353	4255 Cheshire Plaza	Prince William County	58,616	\$4,148,755	\$684,478	\$3,464,277
357	1454 North Point Village Shp. Ctr.	Fairfax County	47,493	\$3,700,993	\$609,445	\$3,091,547
358	2201 North Pershing Dr.	Arlington County	121,961	\$9,919,947	\$1,644,781	\$8,275,166
362	100 Edds Lane	Loudoun County	33,886	\$2,480,777	\$407,488	\$2,073,289
367	20070 Ashbrook Commons Pl	Loudoun County	7,046	\$537,404	\$88,502	\$448,902
368	10308 Willard Way	Fairfax County	18,966	\$1,278,900	\$210,888	\$1,068,012
369	Barcroft Plaza Shp. Ctr.	Falls Church City	18,776	\$1,316,459	\$217,293	\$1,099,166
371	5739 Burke Centre Pkwy	Fairfax County	26,603	\$1,794,998	\$296,100	\$1,498,898
372	3161 Duke St.	Alexandria City	22,883	\$1,669,779	\$275,529	\$1,394,250
374	2955-A South Glebe Rd.	Arlington County	35,681	\$2,528,233	\$417,478	\$2,110,755
<b>Northern Virginia</b>			<b>2,146,809</b>	<b>\$157,575,422</b>	<b>\$25,986,457</b>	<b>\$131,588,965</b>
51	265 Turkey Sag Trail	Fluvanna County	15,089	\$868,351	\$142,902	\$725,449
66	11083-E Marsh Rd.	Fauquier County	16,857	\$1,044,511	\$172,287	\$872,224
72	5309 A Lyndon Dr.	Orange County	21,376	\$1,255,272	\$206,603	\$1,048,668
88	4199-B Winchester Rd.	Fauquier County	12,080	\$769,810	\$127,120	\$642,690
163	583 N. Madison Rd.	Orange County	14,366	\$823,009	\$136,355	\$686,654
227	South Main St.	Orange County	8,088	\$463,687	\$76,855	\$386,832
274	28 Madison Plaza Dr.	Madison County	10,184	\$592,009	\$97,623	\$494,386
303	175 Lee Hwy	Fauquier County	59,190	\$3,893,629	\$642,968	\$3,250,661
329	185 Southgate Shp. Ctr.	Culpeper County	42,021	\$2,626,218	\$434,742	\$2,191,476
<b>Warrenton/Culpeper</b>			<b>199,251</b>	<b>\$12,336,496</b>	<b>\$2,037,455</b>	<b>\$10,299,041</b>
70	8875 Seminole Trail	Greene County	13,465	\$780,930	\$128,731	\$652,198
125	304 Pantops Ctr.	Albemarle County	38,700	\$2,382,145	\$393,091	\$1,989,054
126	Route 151 (Nellysford)	Nelson County	8,865	\$576,253	\$94,497	\$481,756
138	Routes 22 & 23	Louisa County	22,441	\$1,208,964	\$199,953	\$1,009,011
185	500 West Main St.	Charlottesville City	35,403	\$2,350,499	\$389,642	\$1,960,857

### NOTES:

(1) Includes state taxes, but does not include general sales tax (4.5 percent).

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

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of Gen. and Admin. Expenses (4)	Adj. Net Store Profit	Rate of Return to Va.
\$945,330	\$617,013	\$255,715	\$361,298	\$90,327	\$270,972	31.0%
\$1,695,699	\$1,112,290	\$407,870	\$704,419	\$162,344	\$542,075	32.6%
\$1,401,743	\$927,935	\$242,052	\$685,883	\$134,690	\$551,193	36.3%
\$1,971,301	\$1,292,648	\$312,515	\$980,133	\$188,705	\$791,428	36.8%
\$1,196,021	\$778,127	\$307,428	\$470,699	\$114,135	\$356,564	31.5%
\$879,764	\$573,551	\$276,378	\$297,173	\$84,023	\$213,150	28.7%
\$937,356	\$619,303	\$244,047	\$375,256	\$89,998	\$285,258	31.8%
\$1,862,736	\$1,203,811	\$367,564	\$836,247	\$177,292	\$658,954	34.4%
\$1,939,526	\$1,263,678	\$382,330	\$881,348	\$185,193	\$696,154	34.7%
\$1,738,237	\$1,141,529	\$371,509	\$770,020	\$166,494	\$603,527	34.0%
\$1,759,854	\$1,149,722	\$302,319	\$847,404	\$168,217	\$679,186	36.0%
\$1,432,446	\$944,186	\$437,229	\$506,957	\$137,405	\$369,552	29.4%
\$2,435,258	\$1,599,731	\$473,965	\$1,125,765	\$233,283	\$892,483	35.0%
\$928,973	\$605,249	\$283,780	\$321,469	\$88,701	\$232,768	29.2%
\$394,251	\$258,501	\$299,217	(\$40,717)	\$37,739	(\$78,455)	6.5%
\$1,645,289	\$1,077,392	\$349,628	\$727,764	\$157,412	\$570,352	34.0%
\$579,567	\$380,550	\$230,590	\$149,960	\$55,509	\$94,451	24.7%
\$1,276,307	\$835,548	\$327,463	\$508,086	\$122,097	\$385,989	31.8%
\$307,042	\$201,342	\$171,947	\$29,395	\$29,392	\$3	16.4%
\$1,985,298	\$1,304,883	\$433,069	\$871,814	\$190,222	\$681,592	33.8%
\$866,980	\$565,443	\$216,865	\$348,578	\$82,816	\$265,762	32.0%
\$1,147,434	\$750,618	\$279,309	\$471,309	\$109,736	\$361,573	32.4%
\$979,652	\$635,208	\$278,787	\$356,420	\$93,363	\$263,057	30.1%
\$2,090,982	\$1,373,295	\$532,827	\$840,468	\$200,287	\$640,180	31.9%
\$1,870,573	\$1,220,974	\$372,172	\$848,802	\$178,738	\$670,064	34.6%
\$4,975,862	\$3,299,304	\$494,951	\$2,804,353	\$478,429	\$2,325,924	40.0%
\$1,254,652	\$818,637	\$290,043	\$528,593	\$119,867	\$408,726	32.9%
\$271,281	\$177,621	\$200,968	(\$23,347)	\$25,953	(\$49,301)	7.3%
\$647,249	\$420,763	\$225,180	\$195,582	\$61,747	\$133,835	27.0%
\$664,594	\$434,572	\$223,838	\$210,733	\$63,548	\$147,185	27.7%
\$910,795	\$588,103	\$183,957	\$404,146	\$86,659	\$317,487	34.2%
\$842,829	\$551,420	\$262,565	\$288,855	\$80,609	\$208,247	29.0%
\$1,273,377	\$837,378	\$314,491	\$522,887	\$122,033	\$400,853	32.4%
<b>\$79,503,349</b>	<b>\$52,085,616</b>	<b>\$18,876,959</b>	<b>\$33,208,657</b>	<b>\$7,607,819</b>	<b>\$25,600,839</b>	<b>32.7%</b>
\$438,994	\$286,456	\$127,135	\$159,320	\$41,942	\$117,378	30.0%
\$527,510	\$344,714	\$180,502	\$164,213	\$50,428	\$113,785	27.4%
\$634,899	\$413,769	\$143,908	\$269,861	\$60,629	\$209,232	33.1%
\$389,230	\$253,460	\$102,485	\$150,976	\$37,157	\$113,818	31.3%
\$413,530	\$273,124	\$120,883	\$152,241	\$39,699	\$112,542	30.2%
\$233,194	\$153,638	\$87,755	\$65,882	\$22,365	\$43,518	26.0%
\$298,497	\$195,889	\$117,178	\$78,711	\$28,583	\$50,128	25.0%
\$1,967,666	\$1,282,995	\$314,278	\$968,717	\$187,937	\$780,780	36.6%
\$1,322,802	\$868,674	\$274,307	\$594,368	\$126,700	\$467,667	34.4%
<b>\$6,226,321</b>	<b>\$4,072,720</b>	<b>\$1,468,431</b>	<b>\$2,604,289</b>	<b>\$595,439</b>	<b>\$2,008,849</b>	<b>32.8%</b>
\$393,820	\$258,378	\$114,707	\$143,672	\$37,707	\$105,965	30.1%
\$1,203,599	\$785,455	\$226,463	\$558,993	\$114,997	\$443,995	35.1%
\$291,066	\$190,690	\$114,867	\$75,823	\$27,853	\$47,970	24.7%
\$608,785	\$400,226	\$134,046	\$266,180	\$58,336	\$207,844	33.7%
\$1,176,185	\$784,672	\$250,624	\$534,049	\$113,367	\$420,682	34.5%

**NOTES:**

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

(4) Rate of return is calculated by adding adjusted net profits and state taxes, dividing result by gross sales.

(5) NS = New Store; R = Relocation. There were a total of 12 new stores opened in Fiscal Year 2006, 6 relocations and 4 modernizations. One store was closed. For details of store activity, see page 20.

## Analysis of Store Performance – Fiscal Year 2006 (continued)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
189	Scottsville Shp. Ctr.	Albemarle County	8,427	\$474,159	\$78,358	\$395,801
202	1902 Emmet St.	Charlottesville City	4,442	\$336,856	\$55,740	\$281,115
253	1147 Emmet St	Charlottesville City	90,806	\$6,247,324	\$1,032,355	\$5,214,969
321	85 Calloway Dr.	Nelson County	8,749	\$492,431	\$81,473	\$410,958
359	1653 Seminole Trail	Albemarle County	46,934	\$2,985,586	\$492,033	\$2,493,553
Charlottesville			278,233	\$17,835,146	\$2,945,873	\$14,889,273
117	309 Twelfth St.	Lynchburg City	43,891	\$2,627,018	\$435,605	\$2,191,413
160	1128 E Lynchburg Salem Tnpk.	Bedford City	23,938	\$1,326,968	\$219,149	\$1,107,819
176	Hwys 501 & 40, S	Campbell County	8,142	\$434,858	\$72,202	\$362,656
262	20401 Timberlake Rd.	Campbell County	39,717	\$2,271,773	\$375,514	\$1,896,259
266	2118 Wards Rd.	Lynchburg City	14,013	\$817,950	\$135,396	\$682,554
279	18013 Forest Rd.	Bedford County	34,445	\$2,063,958	\$340,864	\$1,723,094
281	4049 S Amherst Hwy	Amherst County	21,679	\$1,191,507	\$197,195	\$994,312
285	Ambriar Shp. Ctr.	Amherst County	10,728	\$604,370	\$99,995	\$504,376
287	Boonsboro Shp. Ctr.	Lynchburg City	20,802	\$1,263,067	\$207,949	\$1,055,118
347	1301-I N Main St.	Campbell County	17,584	\$984,702	\$162,864	\$821,837
354	U.S. Route 460, W	Appomattox County	14,625	\$774,222	\$128,344	\$645,879
Lynchburg			249,565	\$14,360,393	\$2,375,077	\$11,985,316
132	4960 Greenboro Rd.	Henry County	18,082	\$1,010,042	\$167,266	\$842,776
146	639 West Main St.	Danville City	20,945	\$1,189,442	\$196,843	\$992,599
154	235 North Union St.	Danville City	10,244	\$513,990	\$85,322	\$428,668
191	942 Tanyard Rd.	Franklin County	29,161	\$1,591,220	\$262,668	\$1,328,552
213	12990 B.T. Washington Hwy	Franklin County	31,441	\$1,865,313	\$306,752	\$1,558,562
276	221 Nor-Dan Dr.	Danville City	26,354	\$1,581,629	\$261,514	\$1,320,115
277	985 Fairystone Park Hwy	Henry County	21,664	\$1,116,274	\$184,919	\$931,355
283	Tightsqueeze Plaza	Pittsylvania County	12,006	\$635,784	\$105,146	\$530,638
291	243 W. Commonwealth Blvd.	Martinsville City	39,189	\$2,253,647	\$372,284	\$1,881,363
324	301 S. Main St.	Patrick County	8,767	\$458,725	\$75,993	\$382,732
373	3308 Riverside Dr.	Danville City	23,071	\$1,392,946	\$229,299	\$1,163,647
Danville/Martinsville			240,923	\$13,609,012	\$2,248,005	\$11,361,006
59	3136 Halifax Rd.	South Boston	34,987	\$1,947,290	\$322,098	\$1,625,192
143	812 East Atlantic St.	Mecklenburg County	34,824	\$1,935,680	\$321,000	\$1,614,679
157	302 New Hicks St.	Brunswick County	11,166	\$602,004	\$100,062	\$501,942
172	112 North Main St.	Mecklenburg County	10,316	\$514,729	\$85,572	\$429,157
214	608 Virginia Ave.	Mecklenburg County	12,618	\$679,235	\$112,462	\$566,772
South Boston			103,912	\$5,678,937	\$941,195	\$4,737,743
152	1506 S. Main St.	Prince Edward County	38,397	\$2,177,630	\$360,144	\$1,817,486
159	1805 Main St.	Lunenburg County	6,893	\$346,358	\$57,587	\$288,771
161	501 F Main St.	Lunenburg County	4,824	\$245,330	\$40,832	\$204,498
164	107 East Carolina Ave.	Nottoway County	8,114	\$439,293	\$72,998	\$366,295
178	Main St.	Buckingham County	9,296	\$493,827	\$82,089	\$411,738
196	Main St.	Charlotte County	6,386	\$323,312	\$53,523	\$269,789
275	1527 S. Main St.	Nottoway County	14,677	\$821,768	\$136,524	\$685,243
351	15127 Patrick Henry Hwy	Amelia County	9,454	\$506,828	\$84,194	\$422,634
Farmville			98,042	\$5,354,345	\$887,889	\$4,466,455
44	18035 Jefferson Davis Hwy	Hanover County	780	\$47,308	\$7,797	\$39,512
77	1800 South Creek Dr.	Powhatan County	10,622	\$632,948	\$104,580	\$528,368

### NOTES:

(1) Includes state taxes, but does not include general sales tax (4.5 percent).

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

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of Gen. and Admin. Expenses (4)	Adj. Net Store Profit	Rate of Return to Va.
\$238,662	\$157,140	\$92,753	\$64,387	\$22,883	\$41,503	25.3%
\$164,136	\$116,980	\$59,065	\$57,915	\$16,253	\$41,662	28.9%
\$3,150,670	\$2,064,299	\$531,907	\$1,532,393	\$301,504	\$1,230,889	36.2%
\$248,039	\$162,919	\$102,684	\$60,235	\$23,760	\$36,476	24.0%
\$1,509,672	\$983,881	\$291,606	\$692,275	\$144,165	\$548,110	34.8%
<b>\$8,984,633</b>	<b>\$5,904,640</b>	<b>\$1,918,721</b>	<b>\$3,985,919</b>	<b>\$860,824</b>	<b>\$3,125,095</b>	<b>34.0%</b>
\$1,315,550	\$875,863	\$235,968	\$639,895	\$126,697	\$513,199	36.1%
\$669,558	\$438,261	\$168,475	\$269,786	\$64,049	\$205,737	32.0%
\$217,641	\$145,015	\$108,577	\$36,438	\$20,967	\$15,471	20.2%
\$1,143,837	\$752,422	\$221,614	\$530,808	\$109,632	\$421,176	35.1%
\$410,524	\$272,031	\$151,047	\$120,984	\$39,462	\$81,522	26.5%
\$1,041,048	\$682,046	\$198,640	\$483,406	\$99,621	\$383,785	35.1%
\$599,430	\$394,882	\$194,264	\$200,619	\$57,486	\$143,132	28.6%
\$304,350	\$200,026	\$103,187	\$96,839	\$29,160	\$67,679	27.7%
\$640,401	\$414,717	\$181,908	\$232,809	\$61,002	\$171,807	30.1%
\$494,241	\$327,597	\$147,504	\$180,092	\$47,515	\$132,578	30.0%
\$389,237	\$256,641	\$128,162	\$128,479	\$37,341	\$91,137	28.3%
<b>\$7,225,815</b>	<b>\$4,759,501</b>	<b>\$1,839,345</b>	<b>\$2,920,156</b>	<b>\$692,931</b>	<b>\$2,227,224</b>	<b>32.0%</b>
\$507,759	\$335,017	\$175,949	\$159,068	\$48,725	\$110,343	27.5%
\$598,713	\$393,886	\$206,221	\$187,665	\$57,387	\$130,278	27.5%
\$258,046	\$170,622	\$90,525	\$80,097	\$24,783	\$55,314	27.4%
\$801,008	\$527,543	\$171,039	\$356,504	\$76,810	\$279,694	34.1%
\$944,350	\$614,212	\$199,457	\$414,755	\$90,108	\$324,646	33.8%
\$793,484	\$526,631	\$175,790	\$350,841	\$76,322	\$274,518	33.9%
\$561,329	\$370,027	\$155,411	\$214,615	\$53,846	\$160,769	31.0%
\$319,736	\$210,902	\$121,612	\$89,290	\$30,679	\$58,611	25.8%
\$1,132,715	\$748,648	\$246,408	\$502,240	\$108,771	\$393,469	34.0%
\$231,176	\$151,557	\$71,813	\$79,744	\$22,128	\$57,616	29.1%
\$700,856	\$462,791	\$192,335	\$270,455	\$67,276	\$203,179	31.0%
<b>\$6,849,172</b>	<b>\$4,511,835</b>	<b>\$1,806,561</b>	<b>\$2,705,274</b>	<b>\$656,837</b>	<b>\$2,048,437</b>	<b>31.6%</b>
\$979,170	\$646,022	\$246,108	\$399,914	\$93,961	\$305,954	32.3%
\$975,507	\$639,172	\$171,169	\$468,004	\$93,353	\$374,651	35.9%
\$302,886	\$199,056	\$124,604	\$74,452	\$29,020	\$45,432	24.2%
\$257,706	\$171,451	\$134,126	\$37,325	\$24,812	\$12,514	19.1%
\$342,032	\$224,740	\$91,183	\$133,557	\$32,768	\$100,789	31.4%
<b>\$2,857,302</b>	<b>\$1,880,441</b>	<b>\$767,189</b>	<b>\$1,113,252</b>	<b>\$273,913</b>	<b>\$839,339</b>	<b>31.4%</b>
\$1,094,961	\$722,526	\$238,998	\$483,527	\$105,078	\$378,449	33.9%
\$173,768	\$115,003	\$86,128	\$28,875	\$16,695	\$12,180	20.1%
\$123,321	\$81,176	\$66,500	\$14,676	\$11,823	\$2,853	17.8%
\$220,222	\$146,073	\$96,594	\$49,479	\$21,177	\$28,302	23.1%
\$247,760	\$163,978	\$107,191	\$56,787	\$23,805	\$32,982	23.3%
\$162,124	\$107,665	\$100,300	\$7,365	\$15,598	(\$8,233)	14.0%
\$413,390	\$271,854	\$138,407	\$133,447	\$39,617	\$93,829	28.0%
\$254,696	\$167,939	\$111,520	\$56,419	\$24,435	\$31,984	22.9%
<b>\$2,690,242</b>	<b>\$1,776,213</b>	<b>\$945,638</b>	<b>\$830,576</b>	<b>\$258,228</b>	<b>\$572,347</b>	<b>27.3%</b>
\$23,786	\$15,726	\$28,253	(\$12,527)	\$2,284	(\$14,811)	(14.8%)
\$320,420	\$207,949	\$107,013	\$100,936	\$30,548	\$70,389	27.6%

**NOTES:**

- (3) Store expenses include miscellaneous revenue and net cash overages.
- (4) Rate of return is calculated by adding adjusted net profits and state taxes, dividing result by gross sales.
- (5) NS = New Store; R = Relocation. There were a total of 12 new stores opened in Fiscal Year 2006, 6 relocations and 4 modernizations. One store was closed. For details of store activity, see page 20.

## Analysis of Store Performance – Fiscal Year 2006 (continued)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
86	2610 Buford Rd.	Richmond City	27,424	\$1,762,231	\$290,421	\$1,471,810
89	34-A Broad Street Rd.	Goochland County	17,263	\$1,107,743	\$182,833	\$924,910
97	6504 Hull St.	Richmond City	25,063	\$1,684,047	\$278,898	\$1,405,148
101	3100-A West Broad St.	Richmond City	30,320	\$1,975,780	\$326,647	\$1,649,133
102	1901 West Main St.	Richmond City	10,063	\$570,601	\$94,542	\$476,059
104	7028 Woodlake Commons	Chesterfield County	29,632	\$1,870,966	\$306,453	\$1,564,513
108	10242 Staples Mill Rd.	Henrico County	17,958	\$1,118,353	\$184,050	\$934,303
116	12635 Jefferson Davis Hwy	Chesterfield County	48,337	\$3,000,784	\$491,712	\$2,509,072
150	5654 Brook Rd.	Henrico County	27,202	\$1,711,612	\$283,014	\$1,428,598
169	10 North Thompson St.	Richmond City	46,394	\$3,360,458	\$552,243	\$2,808,214
171	8700 West Broad St.	Henrico County	38,035	\$2,600,665	\$430,065	\$2,170,601
180	500 Goddin St.	Henrico County	7,416	\$433,319	\$72,032	\$361,287
182	1217 West Broad St.	Richmond City	19,924	\$1,183,657	\$195,875	\$987,782
187	2421 Venable St.	Richmond City	21,251	\$1,256,945	\$209,382	\$1,047,563
190	13121 Rittenhouse Dr.	Chesterfield County	36,022	\$2,389,777	\$394,396	\$1,995,381
205	2288 John Rolfe Pkwy	Henrico County	13,284	\$853,777	\$140,554	\$713,223
207	10106 Brook Rd.	Henrico County	32,725	\$2,269,694	\$372,184	\$1,897,511
242	1601 Willow Lawn Dr.	Henrico County	28,993	\$1,829,697	\$300,881	\$1,528,816
243	209 North Washington Hwy	Hanover County	37,894	\$2,188,020	\$361,223	\$1,826,797
247	9685 West Broad St.	Henrico County	26,350	\$1,746,598	\$287,592	\$1,459,006
251	2924 North Ave.	Richmond City	12,022	\$705,797	\$117,448	\$588,349
252	618 W. Southside Plaza	Richmond City	42,155	\$2,731,343	\$453,601	\$2,277,742
254	7015 Three Chopt Rd.	Henrico County	25,834	\$1,635,451	\$269,044	\$1,366,407
270	809 East Parham Rd.	Henrico County	33,841	\$1,999,148	\$330,532	\$1,668,616
284	13214 Midlothian Tnpk.	Chesterfield County	31,019	\$1,864,402	\$306,918	\$1,557,484
292	1521 Parham Rd.	Henrico County	25,055	\$1,500,561	\$247,177	\$1,253,384
300	9502 Chamberlayne Rd.	Hanover County	13,665	\$804,815	\$132,796	\$672,019
304	2734 Fairground Rd.	Goochland County	13,347	\$772,966	\$127,650	\$645,316
305	3910 Mechanicsville Tnpk.	Henrico County	30,968	\$1,953,379	\$324,309	\$1,629,070
308	11252 Patterson Ave.	Henrico County	11,459	\$695,593	\$114,646	\$580,947
314	4338 S. Laburnum Ave.	Henrico County	59,603	\$3,736,541	\$615,803	\$3,120,737
315	7048 Commons Plaza	Chesterfield County	27,434	\$1,669,542	\$275,549	\$1,393,994
326	2105 Academy Rd.	Powhatan County	13,993	\$824,751	\$136,402	\$688,349
330	5722 Hopkins Rd.	Chesterfield County	34,577	\$2,135,680	\$353,397	\$1,782,284
331	3406 Pump Rd.	Henrico County	46,926	\$3,438,843	\$567,131	\$2,871,712
332	4018 Glenside Dr.	Henrico County	18,375	\$1,005,436	\$166,103	\$839,334
334	7057 Mechanicsville Tnpk.	Hanover County	39,075	\$2,317,764	\$382,703	\$1,935,061
348	7036 Forest Hill Ave.	Richmond City	37,936	\$2,412,722	\$397,326	\$2,015,396
350	11108 Midlothian Tnpk.	Chesterfield County	69,032	\$4,603,938	\$759,963	\$3,843,975
360	2901 Hermitage Rd.	Richmond City	111,331	\$8,362,040	\$1,388,124	\$6,973,916
363	9949 Hull St.	Chesterfield County	37,794	\$2,280,455	\$376,956	\$1,903,500
366	1370 Gaskins Rd.	Henrico County	28,716	\$1,838,709	\$301,911	\$1,536,798
<b>Richmond</b>			<b>1,317,111</b>	<b>\$84,884,857</b>	<b>\$14,012,860</b>	<b>\$70,871,996</b>
62	1416 Carl D. Silver Pkwy	Fredericksburg City	36,412	\$2,634,229	\$434,417	\$2,199,811
64	43 Town & Country Dr.	Stafford County	18,896	\$1,169,599	\$192,639	\$976,959
74	10857 & 10859 Tidewater Trail	Fredericksburg City	12,787	\$810,765	\$133,594	\$677,171
103	6348 Jefferson Davis Hwy	Spotsylvania County	21,315	\$1,270,543	\$209,379	\$1,061,164
121	507 William St.	Fredericksburg City	27,320	\$1,811,147	\$299,527	\$1,511,620
183	736 Warrenton Rd.	Stafford County	21,998	\$1,432,560	\$235,444	\$1,197,116
200	356 Garrisonville Rd.	Stafford County	54,947	\$3,724,920	\$614,814	\$3,110,106
209	5055 Jefferson Davis Hwy	Spotsylvania County	40,952	\$2,635,076	\$434,501	\$2,200,575

### NOTES:

- (1) Includes state taxes, but does not include general sales tax (4.5 percent).
- (2) State taxes on distilled spirits (20 percent) and wine (4 percent) sold in ABC stores.



Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of Gen. and Admin. Expenses (4)	Adj. Net Store Profit	Rate of Return to Va.
\$891,151	\$580,659	\$184,524	\$396,135	\$85,093	\$311,042	34.1%
\$560,439	\$364,471	\$140,254	\$224,217	\$53,474	\$170,743	31.9%
\$844,843	\$560,306	\$198,504	\$361,802	\$81,239	\$280,563	33.2%
\$993,677	\$655,457	\$281,522	\$373,935	\$95,345	\$278,590	30.6%
\$288,437	\$187,622	\$175,933	\$11,689	\$27,523	(\$15,834)	13.8%
\$944,917	\$619,596	\$250,228	\$369,368	\$90,452	\$278,916	31.3%
\$566,506	\$367,797	\$160,769	\$207,028	\$54,017	\$153,011	30.1%
\$1,512,865	\$996,207	\$269,455	\$726,752	\$145,062	\$581,690	35.8%
\$860,552	\$568,045	\$256,659	\$311,386	\$82,594	\$228,792	29.9%
\$1,695,989	\$1,112,225	\$252,264	\$859,961	\$162,357	\$697,604	37.2%
\$1,309,879	\$860,722	\$238,911	\$621,811	\$125,493	\$496,318	35.6%
\$216,977	\$144,310	\$143,225	\$1,085	\$20,888	(\$19,803)	12.1%
\$592,626	\$395,157	\$153,090	\$242,067	\$57,109	\$184,958	32.2%
\$625,889	\$421,674	\$133,555	\$288,118	\$60,565	\$227,553	34.8%
\$1,206,206	\$789,176	\$242,284	\$546,892	\$115,363	\$431,529	34.6%
\$432,059	\$281,165	\$154,277	\$126,888	\$41,235	\$85,653	26.5%
\$1,144,738	\$752,773	\$229,654	\$523,119	\$109,705	\$413,414	34.6%
\$925,003	\$603,813	\$275,096	\$328,717	\$88,389	\$240,328	29.6%
\$1,104,402	\$722,395	\$198,687	\$523,708	\$105,616	\$418,092	35.6%
\$881,767	\$577,239	\$204,973	\$372,265	\$84,352	\$287,913	33.0%
\$352,358	\$235,991	\$126,376	\$109,615	\$34,015	\$75,599	27.4%
\$1,364,461	\$913,281	\$168,605	\$744,675	\$131,688	\$612,988	39.0%
\$828,821	\$537,587	\$209,236	\$328,350	\$78,999	\$249,351	31.7%
\$1,009,490	\$659,126	\$258,493	\$400,633	\$96,471	\$304,162	31.7%
\$944,263	\$613,221	\$205,523	\$407,697	\$90,046	\$317,651	33.5%
\$758,168	\$495,216	\$202,141	\$293,076	\$72,464	\$220,611	31.2%
\$406,377	\$265,642	\$179,875	\$85,768	\$38,853	\$46,915	22.3%
\$390,178	\$255,138	\$118,231	\$136,908	\$37,309	\$99,599	29.4%
\$977,046	\$652,023	\$236,976	\$415,047	\$94,185	\$320,862	33.0%
\$352,499	\$228,448	\$113,713	\$114,735	\$33,587	\$81,147	28.1%
\$1,882,770	\$1,237,968	\$392,408	\$845,559	\$180,425	\$665,134	34.3%
\$843,159	\$550,835	\$212,879	\$337,956	\$80,594	\$257,362	31.9%
\$416,931	\$271,418	\$136,911	\$134,507	\$39,797	\$94,710	28.0%
\$1,075,395	\$706,888	\$233,014	\$473,874	\$103,043	\$370,832	33.9%
\$1,736,851	\$1,134,861	\$321,253	\$813,608	\$166,028	\$647,580	35.3%
\$507,177	\$332,157	\$144,653	\$187,504	\$48,526	\$138,977	30.3%
\$1,171,226	\$763,835	\$199,778	\$564,058	\$111,876	\$452,182	36.0%
\$1,218,418	\$796,978	\$213,688	\$583,290	\$116,520	\$466,770	35.8%
\$2,322,586	\$1,521,389	\$294,861	\$1,226,528	\$222,239	\$1,004,289	38.3%
\$4,182,238	\$2,791,678	\$272,000	\$2,519,677	\$403,197	\$2,116,480	41.9%
\$1,150,402	\$753,098	\$259,904	\$493,194	\$110,051	\$383,143	33.3%
\$930,535	\$606,263	\$283,889	\$322,373	\$88,850	\$233,523	29.1%
<b>\$42,764,474</b>	<b>\$28,107,522</b>	<b>\$9,063,538</b>	<b>\$19,043,984</b>	<b>\$4,097,466</b>	<b>\$14,946,518</b>	<b>34.1%</b>
\$1,324,124	\$875,687	\$254,184	\$621,504	\$127,182	\$494,321	35.3%
\$590,050	\$386,909	\$171,381	\$215,528	\$56,483	\$159,045	30.1%
\$406,874	\$270,297	\$149,506	\$120,791	\$39,151	\$81,640	26.5%
\$639,942	\$421,222	\$189,785	\$231,437	\$61,351	\$170,086	29.9%
\$911,474	\$600,146	\$180,321	\$419,825	\$87,394	\$332,430	34.9%
\$723,074	\$474,042	\$185,862	\$288,180	\$69,211	\$218,969	31.7%
\$1,877,608	\$1,232,498	\$301,682	\$930,816	\$179,811	\$751,005	36.7%
\$1,327,567	\$873,008	\$243,898	\$629,110	\$127,226	\$501,884	35.5%

**NOTES:**

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

(4) Rate of return is calculated by adding adjusted net profits and state taxes, dividing result by gross sales.

(5) NS = New Store; R = Relocation. There were a total of 12 new stores opened in Fiscal Year 2006, 6 relocations and 4 modernizations. One store was closed. For details of store activity, see page 20.

## Analysis of Store Performance – Fiscal Year 2006 (continued)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
221	15423 Dahlgren Rd.	King George County	7,105	\$427,823	\$70,777	\$357,046
239	320 W Broadus Ave.	Caroline County	8,125	\$454,164	\$75,249	\$378,915
245	1271 Jefferson Davis Hwy	Fredericksburg City	19,260	\$1,210,619	\$199,892	\$1,010,727
313	4189 Plank Rd.	Spotsylvania County	37,909	\$2,389,067	\$393,734	\$1,995,333
<b>Fredericksburg</b>			<b>307,026</b>	<b>\$19,970,512</b>	<b>\$3,293,969</b>	<b>\$16,676,544</b>
130	Beachgate Shp. Ctr.	Westmoreland County	10,283	\$597,499	\$98,631	\$498,868
149	Times Square Shp. Ctr.	Richmond County	8,982	\$487,770	\$80,802	\$406,968
192	101 South Main St.	Lancaster County	37,735	\$2,095,068	\$345,895	\$1,749,173
220	109 East End Place	Westmoreland County	7,608	\$432,508	\$71,575	\$360,933
238	Route 360	Northumberland County	15,030	\$820,756	\$135,534	\$685,222
<b>Northern Neck</b>			<b>79,638</b>	<b>\$4,433,601</b>	<b>\$732,437</b>	<b>\$3,701,164</b>
155	York River Shp. Ctr.	Gloucester County	27,745	\$1,658,221	\$273,999	\$1,384,222
175	14th & Kirby St.	King William County	19,845	\$1,097,015	\$180,620	\$916,395
179	Virginia St.	Middlesex County	15,204	\$834,597	\$138,077	\$696,520
198	Rappahannock Shp. Ctr.	Essex County	18,177	\$1,027,376	\$169,574	\$857,802
233	Main St.	Gloucester County	22,805	\$1,329,260	\$219,435	\$1,109,826
257	4915 Tappahannock Hwy	King William County	12,346	\$675,698	\$111,707	\$563,991
333	Route 198	Mathews County	13,435	\$717,011	\$118,269	\$598,742
<b>West Point/Mathews</b>			<b>129,557</b>	<b>\$7,339,178</b>	<b>\$1,211,681</b>	<b>\$6,127,497</b>
60	4330 Westgate Dr.	Dinwiddie County	28,450	\$1,653,838	\$274,208	\$1,379,631
118	18 Washington St., W	Petersburg City	21,696	\$1,368,574	\$227,843	\$1,140,731
144	301 Market Dr., Suite H	Emporia City	25,913	\$1,494,383	\$247,679	\$1,246,704
151	210 North Main St.	Hopewell City	18,179	\$978,537	\$162,012	\$816,525
232	3107-3 Blvd.	Colonial Heights City	36,288	\$2,149,720	\$354,098	\$1,795,622
240	Route 460	Sussex County	11,652	\$623,883	\$103,217	\$520,666
255	3330 South Crater Rd.	Petersburg City	34,337	\$2,068,277	\$342,823	\$1,725,454
310	5232 Oaklawn Blvd.	Prince George County	33,936	\$2,107,351	\$349,514	\$1,757,837
<b>Petersburg/Hopewell</b>			<b>210,452</b>	<b>\$12,444,564</b>	<b>\$2,061,392</b>	<b>\$10,383,171</b>
53	11409 Windsor Blvd.	Isle of Wight County	8,401	\$466,394	\$77,261	\$389,133
69	1620 Cedar Rd.	Chesapeake City	22,091	\$1,389,372	\$229,555	\$1,159,818
71	213 Virginia Beach Blvd.	Virginia Beach City	5,651	\$337,637	\$55,692	\$281,945
79	1437 Sam's Dr.	Chesapeake City	31,469	\$2,129,453	\$351,621	\$1,777,832
98	2476 Nimmo Pkwy	Virginia Beach City	2,544	\$161,321	\$26,611	\$134,709
105	869 Lynnhaven Pkwy	Virginia Beach City	2,983	\$194,389	\$31,993	\$162,396
106	2973 Shore Dr.	Virginia Beach City	38,142	\$2,495,856	\$411,997	\$2,083,859
107	434 St. Paul's Blvd.	Norfolk City	69,521	\$5,128,313	\$852,102	\$4,276,211
110	1136 London Blvd.	Portsmouth City	14,014	\$887,639	\$147,654	\$739,985
128	159 West Ocean View Dr.	Norfolk City	43,111	\$2,668,112	\$441,654	\$2,226,458
129	1615 General Booth Blvd.	Virginia Beach City	28,241	\$1,817,236	\$299,261	\$1,517,975
134	2301 Colley Ave.	Norfolk City	50,080	\$3,335,716	\$552,431	\$2,783,285
165	550 East Liberty St.	Chesapeake City	20,065	\$1,237,193	\$205,694	\$1,031,498
188	4334 Holland Rd.	Virginia Beach City	38,094	\$2,409,841	\$397,276	\$2,012,564
204	2420 Atlantic Ave.	Virginia Beach City	2,806	\$199,278	\$32,669	\$166,609
211	6550 Town Point Rd.	Suffolk City	17,508	\$1,151,804	\$189,926	\$961,877
216	1100 Armory Dr.	Franklin City	28,280	\$1,619,631	\$268,603	\$1,351,028
225	405 30th St.	Virginia Beach City	72,381	\$4,819,632	\$797,489	\$4,022,143
226	7525 Tidewater Dr.	Norfolk City	61,493	\$3,871,013	\$641,679	\$3,229,334
237	3812 George Washington Hwy	Portsmouth City	23,272	\$1,439,267	\$238,450	\$1,200,816

### NOTES:

(1) Includes state taxes, but does not include general sales tax (4.5 percent).

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

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of Gen. and Admin. Expenses (4)	Adj. Net Store Profit	Rate of Return to Va.
\$215,954	\$141,092	\$75,720	\$65,373	\$20,643	\$44,730	27.0%
\$227,925	\$150,990	\$105,808	\$45,182	\$21,907	\$23,275	21.7%
\$609,671	\$401,057	\$195,595	\$205,461	\$58,435	\$147,026	28.7%
\$1,203,970	\$791,363	\$216,122	\$575,241	\$115,360	\$459,881	35.7%
<b>\$10,058,233</b>	<b>\$6,618,310</b>	<b>\$2,269,864</b>	<b>\$4,348,447</b>	<b>\$964,155</b>	<b>\$3,384,292</b>	<b>33.4%</b>
\$300,488	\$198,379	\$110,306	\$88,074	\$28,842	\$59,232	26.4%
\$245,413	\$161,555	\$125,175	\$36,380	\$23,529	\$12,852	19.2%
\$1,060,240	\$688,933	\$259,096	\$429,838	\$101,128	\$328,709	32.2%
\$217,595	\$143,338	\$64,332	\$79,006	\$20,867	\$58,138	30.0%
\$414,372	\$270,850	\$105,266	\$165,584	\$39,616	\$125,968	31.9%
<b>\$2,238,108</b>	<b>\$1,463,056</b>	<b>\$664,174</b>	<b>\$798,882</b>	<b>\$213,983</b>	<b>\$584,899</b>	<b>29.7%</b>
\$836,299	\$547,923	\$180,091	\$367,832	\$80,029	\$287,803	33.9%
\$554,647	\$361,748	\$184,254	\$177,495	\$52,981	\$124,513	27.8%
\$421,677	\$274,843	\$118,386	\$156,457	\$40,269	\$116,188	30.5%
\$517,341	\$340,461	\$180,508	\$159,952	\$49,594	\$110,359	27.2%
\$670,635	\$439,191	\$154,471	\$284,720	\$64,165	\$220,555	33.1%
\$340,613	\$223,378	\$82,410	\$140,968	\$32,607	\$108,361	32.6%
\$363,053	\$235,688	\$124,251	\$111,438	\$34,616	\$76,821	27.2%
<b>\$3,704,265</b>	<b>\$2,423,232</b>	<b>\$1,024,371</b>	<b>\$1,398,861</b>	<b>\$354,261</b>	<b>\$1,044,600</b>	<b>30.7%</b>
\$833,498	\$546,132	\$193,212	\$352,920	\$79,763	\$273,157	33.1%
\$685,703	\$455,029	\$187,747	\$267,282	\$65,951	\$201,331	31.4%
\$753,844	\$492,860	\$200,537	\$292,322	\$72,078	\$220,244	31.3%
\$493,147	\$323,379	\$110,515	\$212,863	\$47,207	\$165,656	33.5%
\$1,076,375	\$719,247	\$250,499	\$468,748	\$103,814	\$364,934	33.4%
\$315,305	\$205,361	\$107,905	\$97,455	\$30,102	\$67,353	27.3%
\$1,040,421	\$685,033	\$277,791	\$407,242	\$99,757	\$307,485	31.4%
\$1,061,835	\$696,002	\$224,257	\$471,745	\$101,629	\$370,115	34.1%
<b>\$6,260,129</b>	<b>\$4,123,042</b>	<b>\$1,552,464</b>	<b>\$2,570,578</b>	<b>\$600,303</b>	<b>\$1,970,275</b>	<b>32.4%</b>
\$235,380	\$153,753	\$82,573	\$71,180	\$22,498	\$48,683	27.0%
\$700,845	\$458,973	\$193,427	\$265,546	\$67,055	\$198,492	30.8%
\$169,538	\$112,407	\$90,548	\$21,859	\$16,301	\$5,558	18.1%
\$1,072,295	\$705,537	\$217,452	\$488,085	\$102,785	\$385,299	34.6%
\$81,643	\$53,066	\$90,844	(\$37,778)	\$7,788	(\$45,566)	(11.7%)
\$97,617	\$64,780	\$49,142	\$15,637	\$9,389	\$6,248	19.7%
\$1,262,743	\$821,116	\$238,781	\$582,334	\$120,478	\$461,856	35.0%
\$2,569,133	\$1,707,078	\$377,785	\$1,329,292	\$247,229	\$1,082,063	37.7%
\$444,183	\$295,802	\$166,724	\$129,079	\$42,782	\$86,296	26.4%
\$1,343,192	\$883,266	\$258,874	\$624,392	\$128,723	\$495,669	35.1%
\$916,127	\$601,848	\$213,814	\$388,034	\$87,762	\$300,272	33.0%
\$1,678,879	\$1,104,406	\$293,274	\$811,133	\$160,916	\$650,217	36.1%
\$621,300	\$410,199	\$152,562	\$257,637	\$59,636	\$198,001	32.6%
\$1,212,380	\$800,184	\$238,291	\$561,892	\$116,356	\$445,536	35.0%
\$100,921	\$65,688	\$97,105	(\$31,417)	\$9,632	(\$41,050)	(4.2%)
\$579,703	\$382,174	\$187,496	\$194,677	\$55,611	\$139,067	28.6%
\$816,805	\$534,223	\$189,828	\$344,395	\$78,110	\$266,285	33.0%
\$2,427,258	\$1,594,886	\$339,941	\$1,254,945	\$232,540	\$1,022,405	37.8%
\$1,941,168	\$1,288,166	\$329,843	\$958,323	\$186,704	\$771,619	36.5%
\$721,535	\$479,282	\$230,536	\$248,746	\$69,425	\$179,321	29.0%

**NOTES:**

- (3) Store expenses include miscellaneous revenue and net cash overages.
- (4) Rate of return is calculated by adding adjusted net profits and state taxes, dividing result by gross sales.
- (5) NS = New Store; R = Relocation. There were a total of 12 new stores opened in Fiscal Year 2006, 6 relocations and 4 modernizations. One store was closed. For details of store activity, see page 20.

## Analysis of Store Performance – Fiscal Year 2006 (continued)

ABC Stores by Planning District		Locality	Gallons Sold	Gross Sales (1)	Spirit and Wine (2)	Net Sales
246	5020 Ferrell Pkwy	Virginia Beach City	20,744	\$1,367,646	\$226,094	\$1,141,553
249	2350 East Little Creek Rd.	Norfolk City	39,687	\$2,397,034	\$397,280	\$1,999,753
256	774 A Hilltop North Shp. Ctr.	Virginia Beach City	145,339	\$10,417,382	\$1,722,509	\$8,694,873
263	5900 Virginia Beach Blvd.	Norfolk City	51,851	\$3,470,756	\$574,834	\$2,895,922
278	3333 Virginia Beach Blvd.	Virginia Beach City	89,078	\$5,955,691	\$982,929	\$4,972,762
280	1103 South Military Hwy	Chesapeake City	92,202	\$6,344,983	\$1,050,068	\$5,294,915
288	5700 Churchland Blvd.	Portsmouth City	33,295	\$2,114,650	\$349,302	\$1,765,348
298	821 West Constance Rd.	Suffolk City	34,557	\$1,911,615	\$317,690	\$1,593,926
299	1917 S. Church St.	Isle of Wight County	32,566	\$1,886,266	\$312,178	\$1,574,088
306	2085 Lynnhaven Pkwy	Virginia Beach City	41,746	\$2,753,774	\$454,392	\$2,299,382
307	Fairfield Shp. Ctr.	Virginia Beach City	35,752	\$2,269,313	\$374,564	\$1,894,749
311	4020 Victory Blvd.	Portsmouth City	29,774	\$1,894,383	\$314,133	\$1,580,250
312	2815-G Godwin Blvd.	Suffolk City	24,858	\$1,518,058	\$250,535	\$1,267,523
325	22718 Main St.	Southampton County	7,385	\$370,900	\$61,593	\$309,307
328	836 Eden Way Lane	Chesapeake City	28,592	\$1,920,972	\$317,138	\$1,603,834
336	1079 Independence Blvd.	Virginia Beach City	57,764	\$3,582,489	\$592,480	\$2,990,009
349	237 South Battlefield Blvd.	Chesapeake City	35,411	\$2,274,544	\$375,580	\$1,898,964
355	4300 Portsmouth Blvd.	Chesapeake City	34,572	\$2,242,326	\$369,601	\$1,872,725
361	812 Airline Blvd.	Portsmouth City	36,563	\$2,348,393	\$389,157	\$1,959,236
370	1169 Nimmo Pkwy	Virginia Beach City	35,903	\$2,267,871	\$373,018	\$1,894,853
<b>Norfolk/Virginia Beach</b>			<b>1,487,787</b>	<b>\$97,068,142</b>	<b>\$16,054,695</b>	<b>\$81,013,447</b>
92	227 Fox Hill Rd.	Hampton City	13,041	\$799,182	\$132,177	\$667,005
112	199 West Queen's Way	Hampton City	22,960	\$1,489,938	\$247,265	\$1,242,673
148	4640-3 Monticello Ave.	James City County	63,650	\$4,223,848	\$695,545	\$3,528,303
158	3214 Jefferson Ave.	Newport News City	24,368	\$1,564,077	\$260,054	\$1,304,022
217	619 Pilot House Dr.	Newport News City	24,801	\$1,705,802	\$282,609	\$1,423,193
222	209 Village Ave.	York County	34,933	\$2,309,041	\$380,135	\$1,928,906
244	4909 West Mercury Blvd.	Hampton City	45,195	\$2,885,522	\$478,773	\$2,406,749
250	2078 Nickerson Blvd.	Hampton City	22,665	\$1,400,828	\$231,598	\$1,169,231
258	3831 Kecoughtan Rd.	Hampton City	19,165	\$1,195,651	\$197,998	\$997,654
265	20 Towne Centre Way	Hampton City	16,871	\$1,083,329	\$179,351	\$903,978
272	55 Hidenwood Shp. Ctr.	Newport News City	18,441	\$1,136,429	\$187,216	\$949,213
282	1118 A&B W. Mercury Blvd.	Hampton City	57,314	\$4,151,570	\$685,548	\$3,466,022
290	5226 George Washington Hwy	York County	28,571	\$1,723,391	\$284,534	\$1,438,857
320	1246 Richmond Rd.	Williamsburg City	35,130	\$2,181,790	\$357,720	\$1,824,071
335	801-F Merrimac Trail	York County	40,307	\$2,617,688	\$432,220	\$2,185,467
340	13002 Warwick Blvd., Ste. A&B	Newport News City	34,737	\$2,325,388	\$383,948	\$1,941,440
341	12725 Jefferson Ave.	Newport News City	51,784	\$3,547,728	\$585,639	\$2,962,088
342	10872 Warwick Blvd.	Newport News City	22,032	\$1,385,400	\$229,070	\$1,156,331
<b>Newport News/Hampton</b>			<b>575,966</b>	<b>\$37,726,601</b>	<b>\$6,231,399</b>	<b>\$31,495,202</b>
156	22485 Lankford Hwy	Northampton County	13,670	\$780,691	\$128,850	\$651,841
162	7107 Lankford Hwy	Accomack County	7,541	\$450,402	\$74,321	\$376,081
177	6371 Pension St.	Accomack County	10,517	\$615,001	\$100,944	\$514,056
223	4090-B Lankford Hwy	Northampton County	14,305	\$733,744	\$121,099	\$612,645
344	Four Corners Plaza Shp. Ctr.	Accomack County	17,974	\$1,027,716	\$170,183	\$857,533
<b>Eastern Shore</b>			<b>64,007</b>	<b>\$3,607,554</b>	<b>\$595,397</b>	<b>\$3,012,157</b>
<b>Statewide Totals</b>			<b>8,805,902</b>	<b>\$571,936,858</b>	<b>\$94,445,884</b>	<b>\$477,490,974</b>

### NOTES:

(1) Includes state taxes, but does not include general sales tax (4.5 percent).

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

Cost of Goods Sold	Gross Profit	Store Expenses (3)	Net Store Profit	Alloc. of Gen. and Admin. Expenses (4)	Adj. Net Store Profit	Rate of Return to Va.
\$688,693	\$452,859	\$176,592	\$276,267	\$65,999	\$210,269	31.9%
\$1,206,343	\$793,411	\$224,190	\$569,221	\$115,616	\$453,605	35.5%
\$5,231,653	\$3,463,221	\$505,304	\$2,957,917	\$502,694	\$2,455,222	40.1%
\$1,745,159	\$1,150,763	\$330,269	\$820,494	\$167,428	\$653,066	35.4%
\$2,997,217	\$1,975,544	\$433,474	\$1,542,070	\$287,500	\$1,254,570	37.6%
\$3,188,760	\$2,106,155	\$327,548	\$1,778,607	\$306,126	\$1,472,482	39.8%
\$1,063,225	\$702,123	\$215,327	\$486,796	\$102,064	\$384,732	34.7%
\$959,867	\$634,058	\$172,858	\$461,200	\$92,153	\$369,047	35.9%
\$951,699	\$622,389	\$193,950	\$428,440	\$91,006	\$337,434	34.4%
\$1,386,977	\$912,405	\$270,435	\$641,970	\$132,939	\$509,031	35.0%
\$1,145,434	\$749,315	\$208,839	\$540,476	\$109,545	\$430,931	35.5%
\$950,612	\$629,638	\$260,563	\$369,075	\$91,362	\$277,713	31.2%
\$765,067	\$502,456	\$207,951	\$294,505	\$73,282	\$221,223	31.1%
\$187,430	\$121,877	\$57,655	\$64,222	\$17,883	\$46,339	29.1%
\$968,151	\$635,683	\$228,533	\$407,150	\$92,726	\$314,424	32.9%
\$1,804,985	\$1,185,024	\$274,239	\$910,784	\$172,867	\$737,917	37.1%
\$1,148,017	\$750,947	\$258,704	\$492,243	\$109,789	\$382,454	33.3%
\$1,131,621	\$741,105	\$209,284	\$531,821	\$108,272	\$423,549	35.4%
\$1,177,704	\$781,532	\$282,146	\$499,386	\$113,273	\$386,113	33.0%
\$1,146,608	\$748,245	\$211,696	\$536,549	\$109,551	\$426,998	35.3%
<b>\$48,837,864</b>	<b>\$32,175,583</b>	<b>\$9,088,397</b>	<b>\$23,087,186</b>	<b>\$4,683,794</b>	<b>\$18,403,392</b>	<b>35.5%</b>
\$403,084	\$263,921	\$153,385	\$110,536	\$38,563	\$71,973	25.5%
\$746,778	\$495,895	\$228,768	\$267,127	\$71,845	\$195,282	29.7%
\$2,137,837	\$1,390,465	\$350,573	\$1,039,892	\$203,989	\$835,903	36.3%
\$778,920	\$525,102	\$208,888	\$316,214	\$75,392	\$240,821	32.0%
\$857,881	\$565,312	\$184,622	\$380,690	\$82,282	\$298,408	34.1%
\$1,166,004	\$762,902	\$216,807	\$546,095	\$111,520	\$434,575	35.3%
\$1,446,064	\$960,686	\$202,358	\$758,327	\$139,146	\$619,181	38.1%
\$704,366	\$464,865	\$190,954	\$273,911	\$67,599	\$206,312	31.3%
\$599,969	\$397,685	\$182,876	\$214,809	\$57,679	\$157,129	29.7%
\$545,966	\$358,012	\$151,798	\$206,214	\$52,263	\$153,951	30.8%
\$573,907	\$375,306	\$190,516	\$184,790	\$54,879	\$129,912	27.9%
\$2,082,889	\$1,383,133	\$343,742	\$1,039,391	\$200,388	\$839,003	36.7%
\$870,347	\$568,510	\$201,476	\$367,034	\$83,188	\$283,846	33.0%
\$1,102,752	\$721,319	\$209,486	\$511,833	\$105,459	\$406,374	35.0%
\$1,319,069	\$866,398	\$260,189	\$606,209	\$126,353	\$479,856	34.8%
\$1,169,359	\$772,081	\$228,248	\$543,833	\$112,244	\$431,589	35.1%
\$1,780,686	\$1,181,402	\$303,994	\$877,408	\$171,253	\$706,155	36.4%
\$696,945	\$459,386	\$259,647	\$199,739	\$66,853	\$132,886	26.1%
<b>\$18,982,823</b>	<b>\$12,512,380</b>	<b>\$4,068,327</b>	<b>\$8,444,053</b>	<b>\$1,820,896</b>	<b>\$6,623,157</b>	<b>34.1%</b>
\$393,229	\$258,612	\$113,100	\$145,512	\$37,686	\$107,826	30.3%
\$215,153	\$160,928	\$123,110	\$37,818	\$21,743	\$16,075	20.1%
\$309,393	\$204,663	\$125,898	\$78,765	\$29,720	\$49,045	24.4%
\$370,744	\$241,901	\$111,165	\$130,736	\$35,420	\$95,316	29.5%
\$518,207	\$339,326	\$151,610	\$187,717	\$49,578	\$138,138	30.0%
<b>\$1,806,726</b>	<b>\$1,205,431</b>	<b>\$624,883</b>	<b>\$580,548</b>	<b>\$174,148</b>	<b>\$406,400</b>	<b>27.8%</b>
<b>\$288,162,742</b>	<b>\$189,328,233</b>	<b>\$64,908,211</b>	<b>\$124,420,022</b>	<b>\$27,606,150</b>	<b>\$96,813,872</b>	<b>33.4%</b>

NOTES:

- (3) Store expenses include miscellaneous revenue and net cash overages.
- (4) Rate of return is calculated by adding adjusted net profits and state taxes, dividing result by gross sales.
- (5) NS = New Store; R = Relocation. There were a total of 12 new stores opened in Fiscal Year 2006, 6 relocations and 4 modernizations. One store was closed. For details of store activity, see page 20.

## 2006 Establishments by License Category – Cities

Cities	Liquor by the Drink (1)	Bed and Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (2)	Restaurants (Beer and Wine)	Winery	All Others (3)	Grand Total (2)
Alexandria	wet	0	6	5	3	1	3	6	24	2	0	12	29	23	11	129	175	0	5	305
Bedford	wet	0	0	0	0	0	0	0	3	0	0	0	0	6	1	3	6	1	1	18
Bristol	wet	0	0	1	0	0	0	0	14	0	0	2	4	13	1	17	26	0	0	61
Buena Vista	wet	0	0	0	0	0	0	0	1	0	0	1	0	5	0	1	4	0	0	11
Charles County	wet	2	0	0	0	0	1	0	1	0	0	0	0	4	0	1	3	0	0	11
Charlottesville	wet	1	4	4	1	0	6	7	22	0	0	4	18	22	3	80	127	0	2	221
Chesapeake	wet	0	3	5	0	0	1	10	58	0	0	13	23	58	2	89	135	2	2	312
Colonial Heights	wet	0	0	0	0	0	0	2	9	0	0	4	0	7	1	14	23	0	0	46
Covington	wet	0	0	0	0	0	0	0	5	0	0	1	1	3	0	1	5	0	0	15
Danville	wet	0	0	1	0	0	1	8	29	0	0	3	1	39	2	24	42	0	1	127
Emporia	wet	0	0	0	0	0	0	0	11	0	0	2	0	5	0	4	6	0	1	25
Fairfax	wet	0	0	0	0	0	1	3	5	0	0	5	10	15	0	36	56	0	0	95
Falls Church	wet	0	0	0	0	0	0	1	3	0	0	3	0	11	0	13	29	0	0	47
Franklin	wet	0	0	0	0	0	0	1	4	0	0	1	0	4	0	4	10	0	0	20
Fredericksburg	wet	0	0	0	0	0	2	2	19	0	0	3	10	8	3	61	87	0	2	136
Galax	wet	0	0	0	0	0	0	1	3	0	0	1	1	4	0	7	10	0	0	20
Hampton	wet	1	0	2	2	2	2	19	37	0	0	8	7	47	5	58	99	0	8	239
Harrisonburg	wet	0	0	0	1	0	1	6	21	0	0	4	8	15	3	29	50	0	1	110
Hopewell	wet	0	0	0	0	0	0	6	14	0	0	1	1	10	0	17	23	0	1	56
James County	wet	1	1	1	1	0	3	2	10	1	1	3	10	15	3	38	53	2	1	108
Lexington	wet	1	0	0	0	0	2	0	0	0	0	1	5	1	1	7	13	0	2	26
Lynchburg	wet	1	0	5	0	0	3	7	20	0	0	4	9	28	4	50	76	1	2	160
Manassas	wet	0	0	0	0	1	0	2	10	0	0	2	3	15	0	20	27	0	0	60
Manassas Park	wet	0	0	0	0	0	0	0	4	0	0	0	0	1	0	0	4	0	0	9
Martinsville	wet	0	0	0	0	0	0	3	8	0	0	0	2	7	0	8	13	0	1	34
Newport News	wet	0	3	3	0	0	3	15	64	1	0	6	11	64	5	88	156	0	6	337
Norfolk	wet	2	2	3	0	3	6	32	45	0	0	11	21	80	9	170	242	0	11	467
Norton	wet	0	0	2	0	0	0	0	1	5	0	1	0	2	1	1	3	0	0	15
Petersburg	wet	0	2	4	0	0	1	9	33	0	0	2	0	19	1	10	27	0	1	99
Poquoson	wet	0	0	0	0	0	0	1	1	0	0	1	1	4	0	3	10	0	0	18
Portsmouth	wet	0	0	0	0	1	0	13	27	0	0	8	3	36	1	40	57	0	5	151
Radford	wet	0	0	0	0	0	1	1	4	1	0	1	2	9	0	9	11	0	2	32
Richmond	wet	1	8	9	2	1	10	24	105	7	1	15	20	83	8	217	295	0	8	597
Roanoke	wet	0	0	2	0	2	1	10	73	1	0	4	8	36	4	78	118	0	2	261
Salem	wet	0	0	0	0	0	1	5	24	0	0	3	3	6	1	14	33	0	3	79
Staunton	wet	0	0	0	2	0	2	3	10	1	0	2	4	10	4	11	19	2	0	59
Suffolk	wet	0	0	0	0	0	0	6	21	1	0	4	4	37	1	24	34	0	0	108
Virginia Beach	wet	1	1	2	1	3	4	16	81	2	0	24	59	122	12	388	521	0	14	863
Waynesboro	wet	0	0	0	0	0	0	2	8	0	0	2	3	14	0	12	20	0	0	49
Williamsburg	wet	7	0	0	0	0	4	0	5	0	0	2	5	3	7	40	55	0	3	91
Winchester	wet	1	4	2	1	0	1	5	9	2	0	2	8	16	1	33	50	0	2	104
<b>Grand Total</b>		<b>19</b>	<b>34</b>	<b>51</b>	<b>14</b>	<b>14</b>	<b>60</b>	<b>228</b>	<b>846</b>	<b>24</b>	<b>2</b>	<b>166</b>	<b>294</b>	<b>907</b>	<b>95</b>	<b>1,849</b>	<b>2,753</b>	<b>8</b>	<b>87</b>	<b>5,602</b>

### NOTES:

- (1) "Liquor by the Drink": "Dry" – not approved for liquor by the drink; "Wet" – approved for liquor by the drink.
- (2) Restaurants (Mixed Beverage) represents the total number of wine and beer establishments also having mixed beverage licenses. These licenses are not in the grand total column and should not be counted if you desire the total number of establishments.
- (3) "All Others" includes hospitals, fire departments, rescue squads, performing arts facilities, gift shops, food concessions, etc. Does not include banquets.
- (4) Report excludes 9 day spa and 346 state shipper's licenses.

SOURCE: CORE, July 2006



## 2006 Establishments by License Category – Counties

Counties	Liquor by the Drink (1)	Bed abd Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (2)	Restaurants (Beer and Wine)	Winery	All Others (3)	Grand Total (2)
Accomack	wet	6	1	2	0	0	0	5	30	1	0	2	3	19	2	19	44	1	2	118
Albemarle	wet	6	2	2	2	0	3	7	22	0	1	2	21	33	5	37	68	11	6	191
Alleghany	wet	1	0	0	0	0	0	5	8	0	0	1	1	12	0	7	18	0	0	46
Amelia	wet	0	0	0	0	0	0	1	14	0	0	1	0	4	0	1	4	0	0	24
Amherst	wet	1	0	0	0	0	1	2	12	1	0	3	0	20	0	8	16	1	0	57
Appomattox	wet	0	0	0	0	0	0	2	5	0	0	0	1	13	0	1	6	1	0	28
Arlington	wet	0	3	2	2	5	2	6	44	1	0	20	22	46	26	195	262	0	0	441
Augusta	wet	0	0	3	0	0	0	3	24	0	0	2	2	29	1	6	18	0	0	82
Bath	wet	1	0	0	0	0	0	0	7	0	0	0	3	5	2	4	9	0	1	28
Bedford	wet	3	0	0	0	1	1	6	17	0	0	3	1	23	1	18	34	4	6	100
Bland	dry	0	0	0	0	0	0	0	1	0	0	0	0	8	0	0	1	0	0	10
Botetourt	wet	0	2	3	0	0	0	1	18	0	0	1	2	12	0	3	17	3	0	59
Brunswick	wet	1	0	1	0	0	0	1	13	0	0	1	0	9	1	5	10	0	1	38
Buchanan	dry	0	0	0	0	0	0	1	16	2	0	2	1	14	0	0	4	0	0	40
Buckingham	wet	0	0	0	0	0	0	1	5	2	0	0	0	14	0	1	2	0	1	25
Campbell	wet	0	0	0	0	0	0	3	35	0	0	2	1	30	1	6	17	0	0	89
Caroline	wet	1	0	0	0	0	0	1	22	0	0	1	0	10	0	3	13	0	1	49
Carroll	wet	0	0	0	0	0	0	1	16	0	0	0	0	12	1	2	4	1	0	35
Charles City	wet	2	0	0	0	0	1	0	1	0	0	0	0	4	0	1	3	0	0	11
Charlotte	dry	0	0	0	0	0	0	1	10	0	0	1	0	22	1	0	3	0	0	38
Chesterfield	wet	0	0	0	2	0	4	7	91	3	0	19	17	62	4	113	185	1	3	398
Clarke	wet	0	0	0	0	0	0	3	8	0	0	0	3	6	0	6	12	1	3	36
Craig	dry	0	0	0	0	0	0	0	4	0	0	0	0	2	0	0	0	0	0	6
Culpeper	wet	1	0	0	0	0	0	5	13	0	1	3	2	27	0	17	28	2	2	84
Cumberland	wet	0	0	0	0	0	0	0	5	0	0	0	0	3	0	0	5	0	0	13
Dickenson	wet	0	0	0	0	0	0	1	8	2	0	0	0	10	0	0	3	0	0	24
Dinwiddie	wet	0	0	0	0	0	0	1	19	0	0	1	0	17	0	2	6	0	2	46
Essex	wet	2	0	0	0	0	0	1	7	1	0	1	0	11	0	4	11	0	3	37
Fairfax	wet	0	57	47	3	0	13	30	73	9	0	56	120	129	37	548	812	0	15	1,401
Fauquier	wet	3	2	2	0	0	2	4	21	1	0	4	12	26	5	31	45	13	1	141
Floyd	dry	1	0	0	0	0	0	2	5	0	0	0	1	4	0	2	9	4	0	26
Fluvanna	wet	0	0	0	0	0	0	0	5	0	0	0	1	7	0	4	8	0	0	21
Franklin	wet	0	0	0	0	0	1	2	26	0	0	1	6	26	0	20	33	0	4	99
Frederick	wet	2	2	6	0	0	1	4	20	1	0	2	8	33	2	15	21	2	1	105
Giles	wet	1	0	0	0	0	0	4	9	4	0	2	0	15	1	2	5	0	0	41
Gloucester	wet	0	0	0	0	0	0	4	17	1	0	3	2	14	0	15	24	0	2	67
Goochland	wet	1	2	0	0	0	0	2	7	0	0	0	0	9	0	12	20	1	0	42
Grayson	dry	0	0	0	0	0	0	0	6	1	0	0	1	4	0	0	3	0	1	16
Greene	wet	0	0	0	0	0	0	1	5	0	0	0	1	7	0	4	7	2	0	23
Greensville	wet	0	0	0	0	0	0	1	11	0	0	0	0	4	0	2	2	0	0	18
Halifax	wet	0	0	2	0	0	0	3	14	0	0	1	0	43	2	7	25	1	2	93
Hanover	wet	0	0	0	0	0	3	6	39	1	0	7	6	28	1	37	73	1	2	167
Henrico	wet	0	9	12	0	0	7	17	116	2	0	27	27	68	16	172	245	0	6	552
Henry	wet	0	0	0	0	0	1	8	34	0	0	4	1	40	2	4	27	0	1	118
Highland	dry	0	0	0	0	0	0	0	1	0	0	0	0	8	1	0	2	0	0	12
Isle of Wight	wet	2	0	0	0	0	0	3	18	0	0	2	5	14	1	7	17	0	0	62
James City	wet	1	1	1	1	0	3	2	10	1	1	3	10	15	3	38	53	2	1	108
King & Queen	wet	0	0	0	0	0	0	0	4	1	0	0	0	6	0	1	1	0	0	12
King George	wet	0	0	0	0	0	0	0	9	0	0	0	0	6	0	4	12	1	0	28
King William	wet	0	0	0	0	0	0	2	8	0	0	1	0	8	0	2	5	0	0	24
Lancaster	wet	1	0	0	0	1	0	3	3	0	0	1	1	17	2	11	24	0	2	55
Lee	dry	0	0	0	0	0	0	3	20	1	0	1	0	9	0	0	4	0	0	38

(continued)

## 2006 Establishments by License Category – Counties (continued)

Counties	Liquor by the Drink (1)	Bed and Breakfast	Beer/Wine Importers	Beer/Wine Wholesalers	Brewery	Carrier Licensee	Caterer Establishments	Clubs	Convenience Stores	Delicatessens	Distillery	Drug Stores	Gourmet / Gourmet Brew Shops	Grocery / Grocery-Gourmet Stores	Hotels/Resorts	Restaurants (Mixed Beverage) (2)	Restaurants (Beer and Wine)	Winery	All Others (3)	Grand Total (2)
Loudoun	wet	3	5	5	3	12	6	8	46	1	0	9	40	38	8	119	193	14	8	399
Louisa	wet	0	2	2	0	0	0	2	12	0	0	1	0	22	2	4	11	2	3	59
Lunenburg	wet	0	0	0	0	0	0	3	10	0	0	0	0	12	0	0	4	0	1	30
Madison	wet	2	0	0	0	0	0	0	6	0	0	0	1	7	1	4	7	4	0	28
Mathews	wet	0	0	0	0	0	0	2	8	0	0	0	1	2	0	4	6	0	0	19
Mecklenburg	wet	1	0	1	0	0	0	11	24	0	0	2	0	31	0	14	22	0	1	93
Middlesex	wet	1	0	0	0	0	0	1	2	0	0	0	2	11	0	11	14	0	4	35
Montgomery	wet	0	0	0	0	0	4	2	26	3	0	2	5	32	4	44	71	0	0	149
Nelson	wet	3	0	0	0	0	0	2	9	1	0	1	1	16	3	3	5	7	3	51
New Kent	wet	0	0	0	0	0	0	1	8	1	0	2	0	8	0	7	13	0	0	33
Northampton	wet	1	2	4	0	1	1	2	18	0	0	1	0	6	3	14	19	1	2	61
Northumberland	wet	0	0	0	0	1	0	2	4	0	0	1	0	10	0	8	12	1	2	33
Nottoway	wet	0	0	3	0	0	0	4	11	0	0	0	0	7	1	4	12	0	0	38
Orange	wet	4	0	1	0	0	0	3	15	0	0	2	1	8	0	9	19	3	2	58
Page	wet	4	0	0	0	0	0	6	11	0	0	0	1	13	3	6	15	1	3	57
Patrick	dry	3	0	0	0	0	0	1	11	0	0	1	0	17	0	1	9	1	0	43
Pittsylvania	wet	0	1	3	0	0	0	5	21	0	0	1	0	50	0	2	16	1	1	99
Powhatan	wet	0	0	0	0	0	1	1	13	0	0	0	1	5	0	8	11	0	0	32
Prince Edward	wet	0	0	0	0	0	3	2	11	0	0	1	1	12	0	11	20	1	0	51
Prince George	wet	0	0	0	0	0	0	3	10	0	0	2	0	10	0	7	12	0	1	38
Prince William	wet	0	4	6	0	1	3	13	78	3	0	10	36	78	4	141	228	0	6	470
Pulaski	wet	0	0	1	0	0	0	4	10	2	0	1	1	31	0	0	10	0	2	62
Rappahannock	wet	6	0	0	0	0	0	0	3	0	1	0	2	5	1	5	7	8	2	35
Richmond	wet	0	0	4	0	0	1	0	1	1	0	1	1	9	0	1	5	1	1	25
Roanoke	wet	0	4	4	0	0	0	4	33	0	0	3	8	15	0	33	59	2	0	132
Rockbridge	wet	4	0	0	0	0	2	3	15	0	0	0	0	17	4	5	11	1	1	58
Rockingham	wet	1	0	0	2	0	0	5	29	0	0	2	0	19	0	5	23	0	1	82
Russell	dry	0	0	0	0	0	0	2	10	6	0	1	1	6	0	2	5	1	0	32
Scott	dry	0	0	0	0	0	0	0	9	2	0	1	1	20	0	0	5	0	0	38
Shenandoah	wet	3	0	0	0	0	0	9	11	0	0	2	1	36	2	11	31	3	3	101
Smyth	wet	0	3	4	0	0	0	2	17	2	0	1	0	16	1	4	14	2	0	62
Southampton	wet	0	0	0	0	0	0	2	13	0	0	1	0	12	0	3	4	0	1	33
Spotsylvania	wet	0	0	2	2	0	0	6	47	3	2	6	10	25	1	32	55	1	7	167
Stafford	wet	0	2	3	0	0	3	4	42	1	0	6	5	20	0	43	68	1	6	161
Surry	wet	0	0	0	0	0	0	0	6	0	0	0	0	2	0	1	2	0	0	10
Sussex	wet	0	0	0	0	0	1	1	19	0	0	0	1	12	0	2	9	0	0	43
Tazewell	wet	1	0	0	0	0	0	3	22	1	0	2	1	36	0	7	21	0	1	88
Warren	wet	2	0	0	0	0	0	7	14	0	0	1	3	22	0	15	26	0	0	75
Washington	wet	6	1	2	0	0	0	3	29	5	0	1	4	19	2	8	19	2	1	94
Westmoreland	wet	1	0	0	0	0	0	8	8	0	0	2	0	15	1	17	21	2	5	63
Wise	wet	0	0	0	0	0	0	1	20	9	0	3	2	11	0	6	16	1	1	64
Wythe	wet	0	1	1	0	0	0	3	15	2	0	1	0	24	1	10	13	1	0	62
York	wet	0	0	0	2	0	0	3	23	0	0	5	4	20	4	27	54	0	4	119
<b>Grand Total</b>		<b>83</b>	<b>106</b>	<b>129</b>	<b>19</b>	<b>22</b>	<b>68</b>	<b>310</b>	<b>1,706</b>	<b>79</b>	<b>6</b>	<b>257</b>	<b>417</b>	<b>1,804</b>	<b>164</b>	<b>2,055</b>	<b>3,477</b>	<b>115</b>	<b>142</b>	<b>8,904</b>

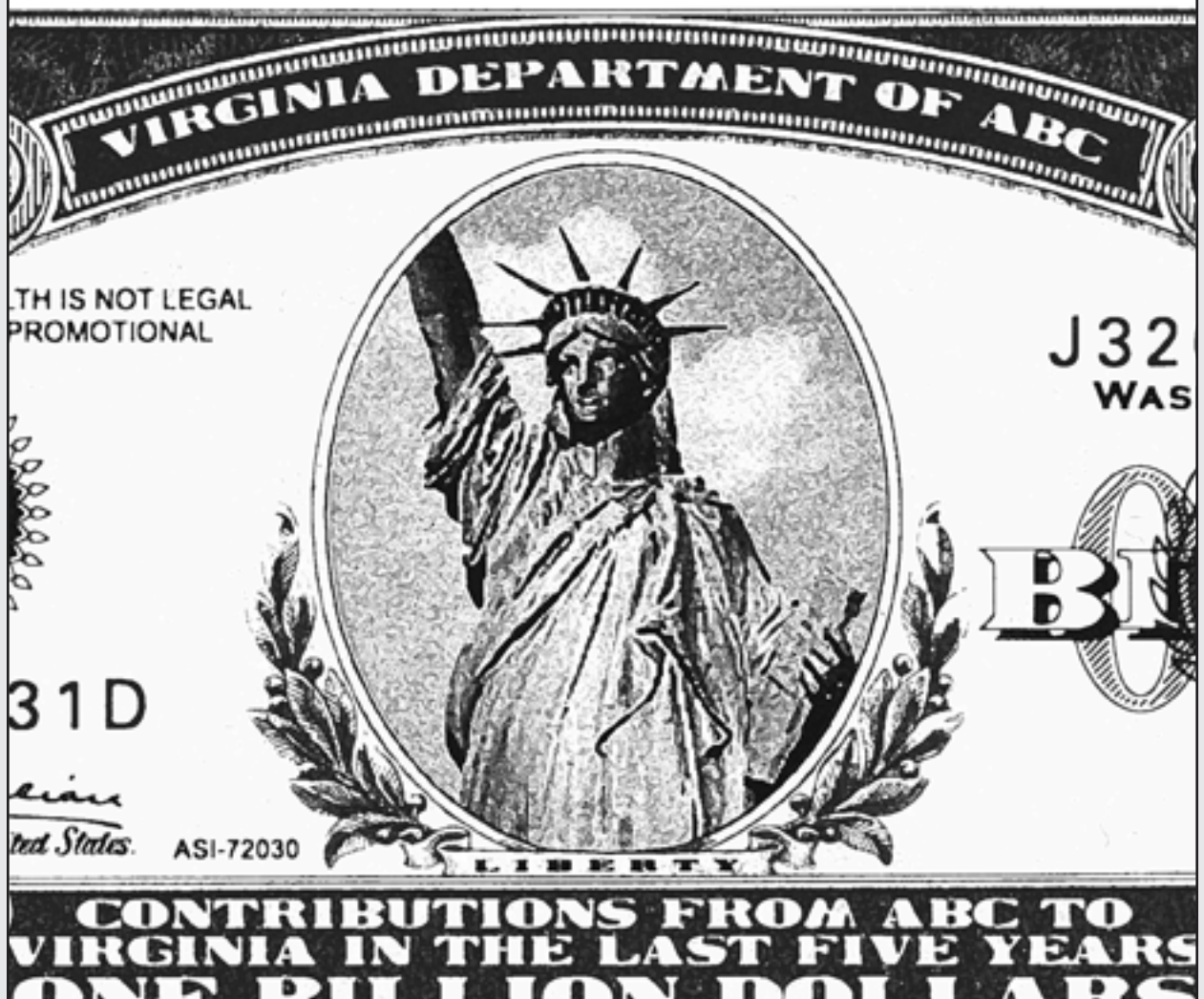
### NOTES:

- (1) "Liquor by the Drink": "Dry" – not approved for liquor by the drink; "Wet" – approved for liquor by the drink.
- (2) Restaurants (Mixed Beverage) represents the total number of wine and beer establishments also having mixed beverage licenses. These licenses are not in the grand total column and should not be counted if you desire the total number of establishments.
- (3) "All Others" includes hospitals, fire departments, rescue squads, performing arts facilities, gift shops, food concessions, etc. Does not include banquets.
- (4) Report excludes 9 day spa and 346 state shipper's licenses.

SOURCE: CORE, July 2006

# *Reliable Revenue*

In the last five years, Virginia ABC has contributed over one billion dollars to the Commonwealth. In addition to controlling the distribution and use of alcoholic beverages and serving our customers, one of our main goals is providing a reliable source of revenue for the Commonwealth.





**This page:** During a delivery to a retail store, a product case travels down the conveyor from a Swift Transportation truck.



## ***FISCAL YEAR 2006 FINANCIAL STATEMENTS***

The financial statements of the agency are audited annually by the Auditor of Public Accounts as required by the Code of Virginia. The Auditor of Public Accounts is part of the legislative branch of Virginia government and reports through the Joint Legislative Audit and Review Commission (JLARC) of the General Assembly. This structure provides independence from the executive and judicial branch agencies they audit.

Visit [www.abc.virginia.gov](http://www.abc.virginia.gov) for a copy of the complete online 2006 annual report that contains financial information for Fiscal Year 2006 and a downloadable, printable version of this entire report.



# *ABC Revenue Sources*

Two principles govern ABC's calculation of earnings – revenue from sales of products and proceeds from taxes and fees. The four sources of revenue include sales from ABC stores, taxes collected on alcoholic beverages, violation penalties and license fees. ABC has contributed over \$1 billion in contributions to the Commonwealth in the last five years.



Sales from ABC Stores



Taxes collected on alcoholic beverages



Violaton penalties



License fees





# Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

October 1, 2006

The Honorable Timothy M. Kaine,  
Governor of Virginia

The Honorable Thomas K. Norment, Jr.,  
Chairman, Joint Legislative Audit and Review Commission

Alcoholic Beverage Control Board,  
Department of Alcoholic Beverage Control

## independent auditor's report on financial statements

We have audited the accompanying basic financial statements of the Department of Alcoholic Beverage Control as of and for the year ended June 30, 2006, as listed in the Table of Contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1A, the basic financial statements of the Department 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, 2006, 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.

(continued)

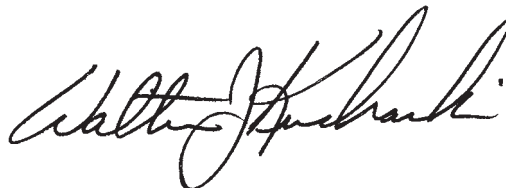
October 1, 2006

Page Two

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, 2006, and the changes in its net assets and its cash flow for the year ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 67 through 70 are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2006 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* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink, appearing to read "Anthony J. Harkins". The signature is fluid and cursive, with a large initial "A" and "J".

auditor of public accounts



## COMMONWEALTH of VIRGINIA

### COMMISSIONERS

ESTHER H. VASSAR, CHAIR  
PAMELA O'BERRY EVANS  
SUSAN R. SWECKER

CHIEF OPERATING OFFICER/ SECRETARY TO THE BOARD  
W. CURTIS COLEBURN, III

### Department of Alcoholic Beverage Control

2901 HERMITAGE ROAD  
P.O. BOX 27491  
RICHMOND, VIRGINIA 23261  
(804) 213-4400  
FAX: (804) 213-4411  
TDD LOCAL (804) 213-4687

## management's discussion & 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, 2006.

### financial highlights

- The Department's operating revenues increased 6.9 percent in Fiscal Year 2006, due in part to the expansion of the retail store network and national trends for increased distilled spirit consumption.
- ABC operations returned record profits to the Commonwealth in Fiscal Year 2006 of \$93 million. Net profits before transfers were up \$2 million or 2.2 percent more than Fiscal Year 2005.
- Twelve new stores were opened throughout Fiscal Year 2006 generating \$4.1 million in additional sales. Six stores were relocated to improved market areas and four were remodeled.
- As a result of HB1314 passed by the 2004 session of the General Assembly, 50 stores were selected (36 in Northern Virginia and 14 in Tidewater) by the Board to operate on Sundays. The 50 stores began Sunday operations on July 4, 2004, reaching sales of \$8.2 million in Fiscal Year 2006.

### overview of financial statements

The audited annual report consists of a series of proprietary fund financial statements. The Statement of Net Assets provides information about the Department's assets and liabilities and reflects the financial position as of June 30, 2006. The Statement of Revenues, Expenses and Changes in Net Assets reports the operating revenue activity and the expenses related to such activity for the 12-month period ended June 30, 2006. The Statement of Cash Flows outlines the cash inflows and outflows relating to the operations for the same twelve-month period. The financial statements also include "notes" that provide additional information that is essential to a full understanding of the data provided in the statements. These statements provide current and long-term information about the Department's financial position.

### financial analysis

- ABC ended Fiscal Year 2006 with a total of \$46.8 million in current assets including \$38.8 million in alcohol merchandise for resale, a \$2 million increase. The increase in inventory is a result of 12 new stores being

(continued)

opened in Fiscal Year 2006 in addition to the 10 opened throughout Fiscal Year 2005, new products being introduced in the market and vendor price increases to ABC.

- The Department's total invested in long-term assets is \$27,631,039 (see Note 3) with a related short and long-term debt balance of \$5,185,066 netting to \$22,445,973 invested in capital assets, net of related debt.
- In total, assets increased from \$66.6 million in fiscal year 2005 to \$74.5 million in 2006 due primarily to the continuation of the \$12 million capital project for a new warehouse racking system. The project was completed in Fiscal Year 2006 resulting in \$6 million in equipment such as conveyors and racking and \$6 million in capital improvements.

Net Assets	Fiscal Year 2006	Fiscal Year 2005	Change
Current and other assets	\$ 47,152,329	\$ 42,489,642	\$ 4,662,687
Capital assets, net	27,312,732	24,135,208	3,177,524
Total assets	74,465,061	66,624,850	7,840,211
Current liabilities	66,654,437	59,335,994	7,318,443
Long-term liabilities	5,352,447	5,993,046	(640,599)
Total liabilities	72,006,884	65,329,040	6,677,844
Net assets:			
Invested in capital assets	22,445,973	19,640,484	2,805,489
Unrestricted	(19,987,796)	(18,344,674)	(1,643,122)
Total net assets	\$ 2,458,177	\$ 1,295,810	\$ 1,162,367

- Total liabilities were up \$6.7 million from last year. Current liabilities owed by the Department increased \$7.3 million from last fiscal year end. This amount largely represents payments due to the Commonwealth for line of credit repayment, taxes payable (see Note 4) and the undistributed balance of profits. Long-term liabilities netted a slight decrease due to the normal scheduled monthly payments according to the Master Equipment Leasing Program (MELP) with the Department of Treasury used to obtain the point of sale cash registers and software in fiscal years 2002 and 2003 plus the \$3.7 million MELP increase in years 2005 and 2006 to finance a portion of the new warehouse racking system. (see Note 6)
- The Department lacks working capital (current assets in excess of current liabilities) to fund all business needs at year end including accelerated payments of taxes and profits before June 30th. Given this periodic lack of necessary working capital, the Department depends on a \$40 million line of credit with the State Comptroller to meet day-to-day operations. At June 30, 2006, the amount borrowed was \$39,089,784. ABC expects to request an increase to the line of credit to ensure sufficient working capital in fiscal years 2007 and 2008.
- ABC's gross margin (percent of revenue including state tax on sales left after subtracting cost of goods sold) remained steady at 33 percent in Fiscal Year 2006 after rising 2 percent in Fiscal Year 2005.

**Revenue** The vast majority of the Department's revenues come from the sale of alcoholic beverages. These revenues are achieved through the 312+ state-run stores located throughout the state. Gross sales including state tax on sales in Fiscal Year 2006 reached an all time high of \$572 million, up \$39.2 million from 2005. Sales of Virginia wine declined \$1.7 million during Fiscal Year 2006 compared to 2005 due to the removal of the product as a result of litigation. The gross revenue after state tax on sales increased from \$444.9 million to \$477.5 million or 7.3 percent. License and permit fees increased in Fiscal Year 2006 by 3 percent from \$10.3 million to \$10.7 million. Federal grants and contracts receipts were down from \$1.2 million to \$850,995 compared to 2005. Other sources of

revenue include lottery, wine wholesalers tax, penalties, miscellaneous revenue and mixed beverage taxes on common carriers.

Operating Revenues	Fiscal Year 2006	Fiscal Year 2005	Changed
Sales of alcohol	\$ 477,555,117	\$ 444,866,360	\$ 32,688,757
Sales of lottery tickets	4,815,006	5,281,130	(466,124)
License and permit fees	10,695,908	10,352,167	343,741
Wine wholesalers tax	2,248,405	2,182,502	65,903
Penalties	1,895,979	1,862,536	33,443
Federal grants and contracts	850,995	1,190,841	(339,846)
Mixed beverage tax on common carriers	24,136	27,343	(3,207)
Miscellaneous	376,907	728,720	(351,813)
<b>Net operating revenues</b>	<b>\$ 498,462,453</b>	<b>\$ 466,491,599</b>	<b>\$ 31,970,854</b>

**Expenses** 71.1 percent of the Department's total expenses are for the purchase of distilled spirits and mixers sold through ABC stores and 1.1 percent for lottery cost of sales. Following cost of merchandise is personal services, which accounts for 16.9 percent of total expenses. The remaining 10.9 percent is made up of contractual services (e.g. store rents), continuous charges (utilities) and other miscellaneous charges. In order to support the growth in ABC's sales and profits; expenses for merchandise purchased for resale, personnel, rent and utilities increased in fiscal year 2006. These trends are expected to continue as the Department strives to open additional new stores. In 2006 operating expenses (not including merchandise for resale) increased from \$100.7 million to \$112.5 million an increase of 11.7 percent.

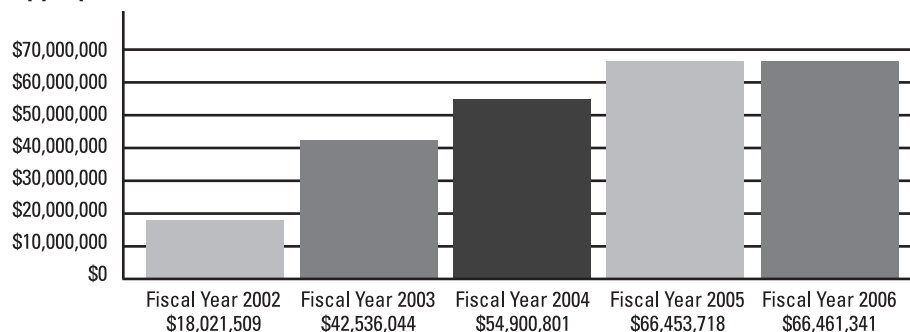
Operating Expenses	Amount Fiscal Year 2006	Amount Fiscal Year 2005	Difference	% Expenses Fiscal Year 06
Cost of sales, alcohol	\$ 288,229,219	\$ 268,815,023	\$ 19,414,196	71.1%
Cost of sales, lottery	4,640,447	4,883,913	(243,466)	1.1%
Personal services	68,466,938	62,765,636	5,701,302	16.9%
Continuous charges	17,368,687	15,753,608	1,615,079	4.3%
Contractual services	18,237,914	14,693,338	3,544,576	4.5%
Supplies and materials	2,451,753	2,170,060	281,693	0.6%
Depreciation	4,059,590	3,831,756	227,834	1.0%
Expendable equipment	1,548,983	1,020,093	528,890	0.4%
Other	389,509	502,737	(113,228)	0.1%
<b>Total operating expenses</b>	<b>\$ 405,393,040</b>	<b>\$ 374,436,164</b>	<b>\$ 30,956,876</b>	<b>100.0%</b>

**Profits** The Code of Virginia governs the distribution of the Department's net profits. Effective July 1, 2004, \$4,150,000 is apportioned by the Comptroller and distributed to the counties, cities, and towns of the Commonwealth on the basis of population. The remaining profit is transferred to the General Fund.

Prior to statutory distribution of quarterly net profits to localities, transfers required in the Appropriation Act for each fiscal year must be executed. In Fiscal Year 2006, approximately \$66.5 million of the agency's \$93 million in net profits, were transferred to other state agencies. The remaining \$26.8 million was distributed to local governments and the General Fund in accordance with the Code of Virginia.

(continued)

### Appropriation Act Transfers



Over the past years, Appropriation Act transfers to other state agencies have increased from \$18 million in fiscal year 2002 to \$66.5 million, an increase of \$48.5 million. The increase is primarily related to the increased amount going to the Department of Mental Health, Mental Retardation and Substance Abuse Services incurred for care, treatment, study and rehabilitation of alcoholics.

Revenues, Expenses and Changes in Net Assets	Fiscal Year 2005	Fiscal Year 2004	Change
Net operating revenues	\$ 498,462,453	\$ 466,491,599	\$ 31,970,854
Total operating expenses	405,393,040	374,436,164	30,956,876
Nonoperating revenue	<u>1,380,309</u>	<u>363,684</u>	<u>1,016,625</u>
Net profit before transfers	<u>94,449,722</u>	<u>92,419,119</u>	<u>2,030,603</u>
Transfers of profits to the General Fund of the Commonwealth	(26,826,014)	(25,536,834)	(1,289,180)
Appropriation Act transfers	<u>(66,461,341)</u>	<u>(66,453,718)</u>	<u>(7,623)</u>
Total transfers	<u>(93,287,355)</u>	<u>(91,990,552)</u>	<u>(1,296,803)</u>
Net increase after transfers	1,162,367	428,567	733,800
Total net assets – beginning	1,295,810	867,243	428,567
Total net assets – ending	<u>\$ 2,458,177</u>	<u>\$ 1,295,810</u>	<u>\$ 1,162,367</u>

### economic factors and next year's budget

- During Fiscal Year 2007, the Department is striving to open approximately 18 new retail outlets that will result in 330 stores in operation. At the same time, ABC anticipates modernizing 10 outlets to improve the shopping environment.
- ABC anticipates another strong year with sales forecasted to reach \$610 million, 6.6 percent higher than 2006.
- ABC expects the budget for merchandise for resale to reach \$310 million, up 7 percent to account for increased sales. Personal services expenditures are budgeted to grow 7 percent, partly due to increased staff for new stores and partly due to the General Assembly mandated raises of 4 percent, effective 11/25/2006.

### 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](http://www.abc.virginia.gov).



# FINANCIAL STATEMENTS

## Virginia Department of Alcoholic Beverage Control Statement of Net Assets

As of June 30, 2006

### ASSETS

#### Current assets:

Cash and cash equivalents (Note 2 and 8)	\$ 2,144,412
Petty cash	160,000
Receivables	4,201,486
Inventory – Alcohol (Note 1)	38,774,837
Inventory – Lottery tickets (Note 1)	97,676
Prepaid expenses	1,152,489
Investments held by Treasurer of Virginia (Note 8)	<u>303,122</u>
Total current assets	<u>46,834,022</u>

#### Noncurrent assets:

Nondepreciable capital assets (Note 3)	1,827,702
Depreciable capital assets, net (Note 3)	25,485,030
Other assets, net	<u>318,307</u>
Total noncurrent assets	<u>27,631,039</u>
Total assets	<u>74,465,061</u>

### LIABILITIES

#### Current liabilities:

Accounts payable	16,025,360
Installment notes payable (Note 6)	2,257,217
Unearned revenue	156,370
Due to Commonwealth of Virginia (Note 4)	45,147,922
Obligations under securities lending (Note 8)	609,425
Compensated absences payable (Note 7)	<u>2,458,143</u>
Total current liabilities	<u>66,654,437</u>

#### Noncurrent liabilities:

Installment notes payable (Note 6)	2,609,542
Compensated absences payable (Note 7)	<u>2,742,905</u>
Total noncurrent liabilities	5,352,447
Total liabilities	<u>72,006,884</u>

### NET ASSETS

Invested in capital assets, net of related debt	22,445,973
Unrestricted net assets	<u>(19,987,796)</u>
Total net assets	<u>\$ 2,458,177</u>

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

# **Virginia Department of Alcoholic Beverage Control** **Statement of Revenues, Expenses, and Changes in Net Assets**

**For the Year Ended June 30, 2006**

Operating revenues:	
Sales of alcohol	\$ 477,555,117
Sales of lottery tickets	4,815,006
License and permit fees	10,695,908
Wine wholesalers tax	2,248,405
Penalties	1,895,979
Federal grants and contracts	850,995
Mixed beverage tax on common carriers	24,136
Miscellaneous	<u>376,907</u>
Total operating revenues	<u>498,462,453</u>
Operating expenses:	
Cost of sales of alcohol	288,229,219
Cost of sales of lottery tickets	4,640,447
Personal services	68,466,938
Continuous charges	17,368,687
Contractual charges	18,237,914
Supplies and materials	2,451,753
Depreciation and amortization	4,059,590
Expendable equipment	1,548,983
Other	<u>389,509</u>
Total operating expenses	<u>405,393,040</u>
Operating income	<u>93,069,413</u>
Nonoperating revenues (expenses):	
Rents	46,033
Income from security lending transactions (Note 8)	320,368
Expenses from security lending transactions (Note 8)	(320,368)
Income from expected insurance recovery	497,038
Interest expense	(272,922)
Seized assets	<u>1,110,160</u>
Total nonoperating revenues (expenses)	<u>1,380,309</u>
Net profit before transfers	<u>94,449,722</u>
Transfers out:	
Transfers of profits to the General Fund of the Commonwealth	(26,826,014)
Appropriation Act transfers	<u>(66,461,341)</u>
Total transfers	<u>(93,287,355)</u>
Net increase after transfers	1,162,367
Total net assets – July 1, 2005	<u>1,295,810</u>
Total net assets – June 30, 2006	<u>\$ 2,458,177</u>

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

# Virginia Department of Alcoholic Beverage Control

## Statement of Cash Flows

For the Year Ended June 30, 2006

Cash flows from operating activities:	
Cash received from sales	\$ 482,530,088
Cash received from licenses and fees	10,675,431
Cash received from other revenue	4,628,491
Cash payments for cost of sales	(294,030,435)
Cash payments for personal services	(69,986,541)
Cash payments for other expenses	<u>(40,210,273)</u>
Net cash provided by operating activities	<u>93,606,761</u>
Cash flows from noncapital financing activities:	
Note payable to the Commonwealth	39,089,784
Due to the Commonwealth repayments	(30,965,288)
Cash received from nonoperating activities	1,156,194
Cash received from taxes	143,644,565
Transfers of tax collections to the General Fund of the Commonwealth	(120,745,072)
Transfers of tax collections to the Department of Taxation	(20,733,932)
Transfers of profit to the General Fund of the Commonwealth	(30,045,963)
Appropriation Act transfers	<u>(66,461,341)</u>
Net cash used for noncapital financing activities	<u>(85,061,053)</u>
Cash flows from capital and related financing activities:	
Acquisition of equipment	(5,371,962)
Sale of depreciable assets	27,698
Note payable principal payments	(2,193,895)
Note payable interest payments	(272,922)
Disposal of amortizable assets	<u>336,171</u>
Net cash used for capital financing activities	<u>(7,474,910)</u>
Net increase in cash and cash equivalents	1,070,798
Cash and cash equivalents – July 1, 2005	<u>927,311</u>
Cash and cash equivalents – June 30, 2006	<u>\$ 1,998,109</u>
Reconciliation of cash and cash equivalents	
Cash and cash equivalents	2,144,412
Cash and travel advances	160,000
Securities lending cash equivalent	(306,303)
	<u>\$ 1,998,109</u>
Reconciliation of net profit to net cash provided by operating activities:	
Operating income	\$ 93,069,413
Adjustments to reconcile net profit to net cash provided by operating activities:	
Depreciation and amortization	4,059,590
Change in assets and liabilities:	
Increase in accounts receivable	(607,966)
Increase in inventory	(2,393,999)
Increase in compensated absences	251,033
Decrease in accounts payable	(537,407)
Increase in prepaid items	(213,426)
Decrease in unearned revenue	<u>(20,477)</u>
Net cash provided by operating activities	<u>\$ 93,606,761</u>
Noncash financing activities:	
The Department entered into an installment purchase agreement to continue construction of a new warehouse racking system and related software in the amount of \$1,726,785.	

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

# Virginia Department of Alcoholic Beverage Control

## Notes to Financial Statements

As of June 30, 2006

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

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

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

#### B. Fund Accounting

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

#### C. Basis of Accounting

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

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

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

#### D. Inventories

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

### 2. CASH WITH THE TREASURER OF VIRGINIA

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

### 3. CAPITAL ASSETS

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

	Balance at July 1, 2005	Acquired	Deleted	Balance at June 30, 2006
Nondepreciable capital assets:				
Land	\$ 1,827,702	\$ —	\$ —	\$ 1,827,702
Construction in-progress	<u>5,892,498</u>	—	<u>(5,892,498)</u>	<u>—</u>
Total nondepreciable capital assets	<u>7,720,200</u>	—	<u>(5,892,498)</u>	<u>1,827,702</u>
Depreciable capital assets:				
Buildings	9,571,382	—	—	9,571,382
Equipment	<u>32,544,665</u>	<u>12,972,644</u>	<u>(832,977)</u>	<u>44,684,332</u>
Total depreciable capital assets	<u>42,116,047</u>	<u>12,972,644</u>	<u>(832,977)</u>	<u>54,255,714</u>
Less accumulated depreciation:				
Building	9,025,191	204,328	—	9,229,519
Equipment	<u>16,675,848</u>	<u>3,670,596</u>	<u>(805,279)</u>	<u>19,541,165</u>
Total accumulated depreciation	<u>25,701,039</u>	<u>3,874,924</u>	<u>(805,279)</u>	<u>28,770,684</u>
Depreciable capital assets, net	<u>16,415,008</u>	<u>9,097,720</u>	<u>(27,698)</u>	<u>25,485,030</u>
Total capital assets, net	<u>\$ 24,135,208</u>	<u>\$ 9,097,720</u>	<u>\$ (5,920,196)</u>	<u>\$ 27,312,732</u>

The Department capitalizes all property, plant, and equipment that have a cost or value equal to or greater than \$5,000. Property, plant, and equipment are stated at cost and at the time of acquisition are set up in a comprehensive capital asset system. Depreciation of the cost of property, plant, and equipment is provided on a straight-line basis over their estimated lives of from ten to thirty years on buildings and from three to eight years on equipment. The July 1, 2005, beginning balance has been decreased by \$839,145 representing the removal of amortizable assets from capital assets.

#### Insurance Recovery

An insurance recovery of \$497,038 has been applied for and is expected to be received in Fiscal Year 2007 resulting from a broken water pipe in the Department's bailment warehouse that occurred in April of 2006 and was immediately repaired.

### 4. DUE TO THE COMMONWEALTH

#### A. Note Payable

The Department has a line of credit for \$40,000,000 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, 2006, the Department had outstanding \$39,089,784 of its available line of credit to extinguish a cash overdraft.

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

Balance at July 1, 2005	Increase	Decrease	Balance at June 30, 2006
<u>\$ 30,965,288</u>	<u>\$ 39,089,784</u>	<u>\$ (30,965,288)</u>	<u>\$ 39,089,784</u>

## B. General Fund

The Department collects certain taxes on behalf of the General Fund of the Commonwealth. The state tax on sales is collected from store sales and is paid quarterly to the General Fund of the Commonwealth. The liter tax is collected on wholesalers' direct wine shipments. The 2006 Virginia Acts of Assembly required \$9,886,363 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 Mental Health, Mental Retardation and Substance Abuse Services and other state agencies. Of the remaining liter tax, twelve percent is retained by the Department and reported as wine wholesalers' tax on the Department's financial statements. The remaining eighty-eight percent is paid to the General Fund of the Commonwealth quarterly. Of the liter tax paid to the General Fund, the Commonwealth subsequently transfers \$4,350,000 to localities. Collections and transfers of state tax on sales and liter tax are not reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Activity relating to the amounts due to the General Fund for the year ended June 30, 2006, is summarized below.

	State Tax on Sales	Liter Tax on Wine	Total
Balance due to the General Fund, July 1, 2005	\$ 536,013	\$ 746,435	\$ 1,282,448
Receipts for fiscal year	95,019,371	26,455,065	121,474,436
Transfers to the General Fund	(94,112,372)	(26,632,700)	(120,745,072)
Balance due to the General Fund, June 30, 2006	\$ <u>1,443,012</u>	\$ <u>568,800</u>	\$ <u>2,011,812</u>

## C. Department of Taxation – Sales Tax

The Department collects sales tax on all sales of alcohol and remits collections monthly to the Department of Taxation. Sales tax collections and transfers are not reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Activity relating to the amounts due to the Department of Taxation for the year ended June 30, 2006, is summarized below.

Balance due to the Department of Taxation, July 1, 2005	\$ 444,777
Sales tax collections	22,170,129
Transfers to the Department of Taxation	(20,733,932)
Balance due to the Department of Taxation, June 30, 2006	\$ <u>1,880,974</u>

## D. Earned Surplus

The Appropriation Act, Chapter 2 of the 2006 Acts of Assembly, requires the Department to transfer an estimate of its fourth quarter profits in the month of June. In accordance with the Alcoholic Beverage Control Act, Section 4.1-116 of the Code of Virginia, the Department transfers any additional net profit to the General Fund of the Commonwealth 50 days after the last day of the quarter. The Department underestimated profit for the fourth quarter resulting in an additional \$2,165,352 due to the General Fund at June 30, 2006.

## 5. LEASE COMMITMENTS

The Department is committed under various operating lease agreements for retail store buildings. Rent expense under operating lease agreements amounted to \$14,541,541 for the year. A summary of future obligations under lease agreements as of June 30, 2006, follows.



Year Ending June 30,	
2007	\$ 11,688,714
2008	9,388,704
2009	7,012,751
2010	4,998,168
2011	2,354,607
2012-2016	<u>1,966,045</u>
Total obligations	\$ <u>37,408,989</u>

## 6. INSTALLMENT NOTES PAYABLE

During fiscal years 2002 and 2003, the Department entered into a five-year installment purchase agreement through the Master Equipment Leasing Program offered by the Department of the Treasury in order to obtain new point of sale cash registers and software. During fiscal year 2005 and 2006 the Department entered into an additional five-year installment purchase agreement for the warehouse racking system. The interest rate charges range from 2.7397 percent to 3.5922 percent. Principal and interest payments of this commitment for fiscal years subsequent to June 30, 2006 are as follows.

Balance at Year Ending June 30,	Principal	Interest	Total Obligations
2007	\$ 2,257,216	\$ 122,181	\$ 2,379,397
2008	875,027	72,473	947,500
2009	770,681	46,587	817,268
2010	776,891	20,579	797,470
2011	<u>186,944</u>	<u>1,963</u>	<u>188,907</u>
Total	\$ <u>4,866,759</u>	\$ <u>263,783</u>	\$ <u>5,130,542</u>

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

Balance at July 1, 2005	Increase	Decrease	Balance at June 30, 2006
\$ <u>5,333,869</u>	\$ <u>1,726,785</u>	\$ <u>(2,193,895)</u>	\$ <u>4,866,759</u>

## 7. COMPENSATED ABSENCES

Compensated absences reflected in the Statement of Net Assets represent the amounts of vacation, sick, and compensatory leave earned by employees of the Department, but not taken at June 30, 2006. The amount reflects all earned vacation, sick and compensatory leave payable under the Commonwealth of Virginia's leave payout policies. Information on the Commonwealth's leave payout policies is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

Balance as of June 30, 2005	Increases	Decreases	Balance as of June 30, 2006	Amount due within one year
\$ <u>4,950,016</u>	\$ <u>2,783,672</u>	\$ <u>(2,532,640)</u>	\$ <u>5,201,048</u>	\$ <u>2,458,143</u>

## 8. SECURITIES LENDING TRANSACTIONS

Investments held by the Treasurer of Virginia represent the Department's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Informa-

tion related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

#### 9. COLLECTIONS OF MALT BEVERAGE TAX

During the year ended June 30, 2006, the Department collected \$43,948,973 in malt beverage taxes. These funds are deposited by the Department directly with the Treasurer of Virginia for credit to the General Fund of the Commonwealth and are not available to the Department to meet current operating needs and are not included in the financial statements.

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

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

#### 11. RISK MANAGEMENT

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

#### 12. CONTINGENT LIABILITIES

##### Legal Proceedings

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

##### Bailment Inventory

The Department houses and controls bailment inventory in the warehouse and is therefore responsible for the exercise of reasonable care to preserve the inventory until it is purchased by the Department or returned to the supplier. The Department uses the bailment system for payment of merchandise for resale. The Department initiates payments to the vendors based on shipments from the ABC warehouse to the retail stores, rather than receipt of invoice from the vendor. At June 30, 2006, the bailment inventory was valued at \$32,736,294.

# Award-Winning Prevention Effort

In spring 2006, Virginia ABC partnered with other state and local law enforcement agencies to ensure public safety for all patrons at the annual Foxfield Spring Race in Charlottesville. Together, these agencies enforced action to reduce alcohol-related and other violations during the race. ABC received recognition for the effort from the National Liquor Law Enforcement Association (NLLEA).

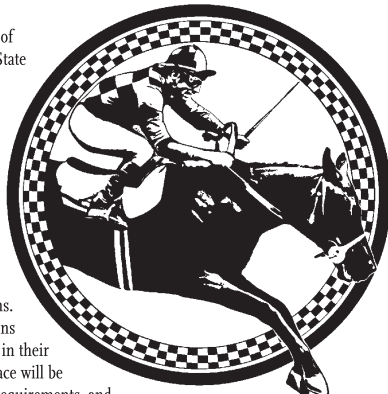
## A New Face at Foxfield This Year

Foxfield Spring Race • Saturday, April 29, 2006 • Charlottesville, Virginia

### Police warn students about zero tolerance enforcement

A joint effort by the Virginia Department of Alcoholic Beverage Control, the Virginia State Police and the Albemarle County Police Department will put a new zero tolerance face at the Foxfield Spring Race this year. All violations of the law will result in enforcement action, which could come in the form of a summons or in certain cases, physical arrest.

The law enforcement agencies are working with the Foxfield Racing Association to create a safe environment for all patrons. Specifically, police will be observing patrons upon their arrival by chartered buses and in their personal vehicles. Patrons entering the race will be monitored for intoxication and legal age requirements, and those found to be violating the law while entering the event will not gain admittance. The zero tolerance policy for alcohol and other violations will also be in effect during the race.



This enforcement partnership was formed as a commitment to improving public safety.

Also contributing to this effort: Albemarle County Sheriff's Office, University of Virginia Police Department and Albemarle-Charlottesville Regional Jail.

(Left) Flier distributed statewide to college and university students before the Foxfield race event, providing information about the new enforcement initiative. (Below) Maryland Attorney General J. Joseph Curran Jr. (second from right) presents an award to Region 3 SAC Roger Stevens, left, Albemarle County Police Department Lt. Shawn Schwertfeger, middle, and ABC Deputy Director of Enforcement Shawn Walker that recognizes the Foxfield prevention partnership from the National Liquor Law Enforcement Association (NLLEA).



## ABC Offices and Warehouse Information

Location	Mailing Address	Phone	Fax
<b>CENTRAL OFFICE AND WAREHOUSE</b>			
<b>Richmond</b> 2901 Hermitage Road Richmond, VA 23220	PO Box 27491 Richmond, VA 23261-7491	(804) 213-4400	
<b>REGIONAL OFFICES</b>			
<b>Abingdon (Satellite Office)</b> 545 West Main Street Abingdon, VA 24210	PO Box 205 Abingdon, VA 24210-0205	(276) 676-5502	(276) 676-5549
<b>Alexandria</b> 6308 Grovedale Drive Alexandria, VA 22310	6308 Grovedale Drive Alexandria, VA 22310	(703) 313-4432	(703) 313-4444
<b>Charlottesville (Satellite Office)</b> 900 Natural Resources Drive, Suite 700 Fountaine Research Park 22903	900 Natural Resources Drive, Suite 700 Charlottesville, VA 22903	(434) 977-2974	(434) 977-4772
<b>Chesapeake</b> 1103 South Military Highway Chesapeake, VA 23320	1103 South Military Highway Chesapeake, VA 23320	(757) 424-6700	(757) 424-6744
<b>Hampton</b> 4907 West Mercury Boulevard Hampton, VA 23666	PO Box 5226 Newport News, VA 23605-0226	(757) 825-7830	(757) 825-7884
<b>Lynchburg</b> 20353 Timberlake Road, Suite A Lynchburg, VA 24502	PO Box 10336 Lynchburg, VA 24506-0336	(434) 582-5136	(434) 582-5140
<b>Richmond North (Central Office)</b> 2901 Hermitage Road Richmond, VA 23220	PO Box 27491 Richmond, VA 23261-7491	(804) 213-4620	(804) 213-4638
<b>Richmond South (Central Office)</b> 2901 Hermitage Road Richmond, VA 23220	PO Box 27491 Richmond, VA 23261-7491	(804) 213-4624	(804) 213-4638
<b>Roanoke</b> 201 Compton Street Roanoke, VA 24012	201 Compton Street Roanoke, VA 24012	(540) 857-6565	(540) 857-6540
<b>Staunton</b> 460 Commerce Square Staunton, VA 24401	460 Commerce Square Staunton, VA 24401-4432	(540) 332-7800	(540) 332-7814



Region 6 ABC Office in Lynchburg



Region 4 ABC Office in Alexandria



Region 7 ABC Office in Hampton

## About the Front Cover

The photo composite on the cover of the 2006 annual report depicts focal points in ABC's vision throughout the past year.

**Central and right in the composite:** Images from ABC's newly automated Central Warehouse (see story on page 17): A loading dock stands open to receive orders; ball-bearing rollers help automate order fulfillment.

**Along the left of the composite:** Shelves in an ABC store are stocked with products. Virginia ABC generated a record \$281 million in revenue for the Commonwealth in 2006.

**Along the bottom of the composite:** ABC is committed to striving for organizational excellence through all aspects of its vision. This annual report depicts activities within the agency's three-fold mission of control, service and revenue.



From automating the Central Warehouse to developing new rural law enforcement initiatives, Virginia ABC focused its vision in many new directions in Fiscal Year 2006. Throughout the year, the agency also continued to maintain a high degree of organizational excellence by building on established initiatives—the Bureau of Law Enforcement developed new compliance training tools; Virginia ABC opened 12 new stores, for a total of 312; and a record \$572 million was generated, with \$281 million in contributions to the Commonwealth.

*Read about these highlights and others in the 2006 annual report.*



Virginia Department of Alcoholic Beverage Control  
2901 Hermitage Road  
P.O. Box 27491  
Richmond, VA 23261-7491  
Phone: (804) 213-4400

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Beverage Control (ABC)

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online 2006 Annual Report that contains financial  
information for Fiscal Year 2006 and a downloadable,  
printable version of this entire report.