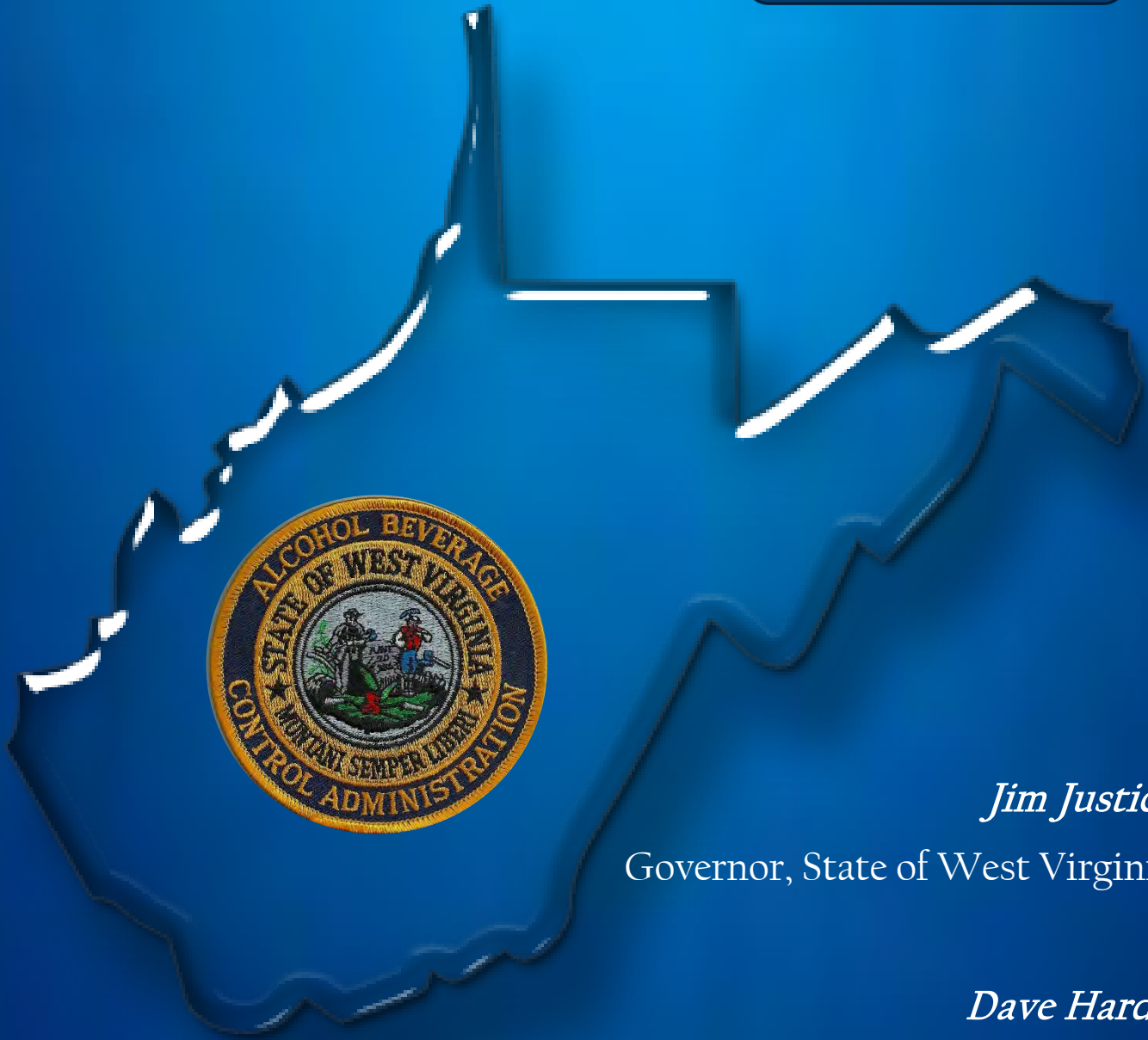


West Virginia Alcohol Beverage Control Administration

ANNUAL REPORT
FY 2017



Jim Justice

Governor, State of West Virginia

Dave Hardy

Secretary, Department of Revenue

Fredric L. Wooton

Commissioner, Alcohol Beverage Control Administration



*T*he West Virginia legislature created the West Virginia Alcohol Beverage Control in 1935. The ABCA was organized to give effect to the mandate of the people expressed in the repeal of the state prohibition amendment, and to assure the greatest degree of personal freedom that is consistent with the health, safety, and good morals, of the people of West Virginia.



**STATE OF WEST VIRGINIA
DEPARTMENT OF REVENUE
ALCOHOL BEVERAGE CONTROL ADMINISTRATION**

900 Pennsylvania Ave., 4th Floor
Charleston, West Virginia 25302

JIM JUSTICE
GOVERNOR

FREDRIC L. WOOTON
COMMISSIONER

DAVE HARDY
CABINET SECRETARY

December 27, 2017

The Honorable Jim Justice, Governor
Building 1, Capitol Complex
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305

Re: WVABCA 2017 Annual Report

Dear Governor Justice:

The West Virginia Alcohol Beverage Control Administration is pleased to submit the Annual Report for Fiscal Year 2017, in compliance with W. Va. Code §60-2-11(9).

Sincerely,

Fredric L. Wooton
Commissioner

cc: Dave Hardy, Secretary of Revenue
Karen Goff, Executive Secretary, Library Commission

FLW/lhp



Message from Fredric L. Wooton, Commissioner

On February 18, 2017, I was appointed by Governor Jim Justice to serve as the West Virginia Alcohol Beverage Control Administration (WVABCA) Commissioner. With over 25 years of WVABCA experience, I was able to hit the ground running with a strong working knowledge of the functions and responsibilities of the entire agency.

The WVABCA has made considerable progress under my administration by building on the past accomplishments, seizing new opportunities and overcoming day to day challenges.

I am committed to working with WVABCA staff to provide excellent customer service and ensure public and patron safety at licensed establishments. By fairly and evenly administering the West Virginia Code and Rules and utilizing operational efficiencies, the WVABCA will continue to generate positive revenue for the State of West Virginia.

2017 Highlights and Accomplishments

Key programs and highlights include:

- 1st major change to the Private Club Act in almost 50 years. In recognition of West Virginia's increased efforts to build up the tourism industry and faced with an ever-changing alcohol industry, SB 637 was passed by the West Virginia Legislature and signed into law by Governor Justice on April 25, 2017. The WVABCA drafted SB 637 to permit certain licensees operating tourist destinations and resort facilities to license the entire resort or multiple areas at the resort under one license. The WVABCA worked with key stakeholders, such as the West Virginia Hospitality & Travel Association, private industry and the Governor's Office, on this bill.
- Reviewed the WVABCA's portfolio of liquor products within the bailment inventory to ensure the agency is meeting consumer demands and current industry trends. By listing numerous new liquor products and delisting certain liquor product codes (and retaining these delisted products as special-order items), the WVABCA is better able to manage liquor inventory, meet or exceed consumer demands and offer a more vibrant portfolio of liquor products throughout the state.

- Re-committed and refocused the WVABCA to expand its partnerships with city, county and state law enforcement agencies. Also, worked to build stronger relationships with existing partners such as the Governor’s Highway Safety Program and the West Virginia State Police.

- Re-emphasized the WVABCA’s NO School Spirits Public Service Announcement (PSA) contest and program by holding three large public press events to recognize the contest winners. The events drew more than 1,500 attendees. A PSA was developed from the winning entry which highlighted the dangers of underage drinking. The PSA aired on television and radio stations across the state during the 2017 prom and graduation season.

- Joined with the West Virginia Higher Education Policy Commission, West Virginia Bureau for Behavioral Health and Health Facilities and the Governor’s Highway Safety Program to hold the Governor’s Summit on Alcohol and Other Drug Use in Higher Education. The event was held at WVU in April 2017.

2018 and Beyond ...

Several key programs are currently underway and several more projects are in the planning phase.

- In 2017, the WVABCA deployed a pilot program for the AgeID app. In 2018, the WVABCA plans to complete the rollout of the AgeID app by Intellicheck to field agents’ iPhones in order to combat underage drinking. The AgeID app allows the agent to scan the barcode on the back of the driver’s license to validate whether the person is of legal drinking age and to make sure it is not a fake ID. Using Intellicheck’s database of known fake IDs, along with their knowledge of specific encryption methods used by each state/territory ID issuer, widespread use of fake IDs will be a thing of the past in West Virginia!
- Realign the enforcement regions to ensure a more equitable distribution of Licensee to agent ratio. In so doing, this will promote operational efficiencies, promote safety and allow for greater flexibility.
- Finalize and unveil the Myers Manual, an intervention and prevention program to address underage alcohol poisoning.
- Secure continued grant funding and look for additional grant funds to allow for the replacement of the DUI Simulator and the purchase of a smaller portable desktop model.

WVABCA MISSION STATEMENT:

The mission of the West Virginia Alcohol Beverage Control Administration is to regulate, enforce, and control the sales and distribution, transportation, storage, and consumption of alcoholic liquors and nonintoxicating beer as mandated by the West Virginia Liquor Control, Private Club and Nonintoxicating Beer Act



Fredric L. Wooton

Commissioner

Terry Greenlee

Deputy Commissioner

Lynn Patrick

Executive Assistant to the Commissioner

EXECUTIVE STAFF

Enforcement

Tim Deems, Director

Licensing & Education

Shawn Smith, Manager

Licensing

Ann Hull, Supervisor

Human Resources

Lisa Wensil, Manager

Accounting

Julia Jones, Comptroller

Procurement

Dana Hoffman, Procurement Officer

Legal

Anoop Bhasin, General Counsel

Spirits & Wine

Kim Hayes, Wine & Spirits Administrator

Nonintoxicating Beer

Cindy Clark, Beer Administrator

Information Services

Randy Haynes, Manager

Public Information Specialist

Gary "Gig" Robinson

Distribution Center

Ed Hart, Manager

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History & Operations



History & Operations

The West Virginia Legislature created the West Virginia Alcohol Beverage Control Commission ("**WVABCC**") in 1935 (See W.Va. Const. Art. IV §46 and W.Va. Code §60-1-1 et seq.) The WVABCC was organized to give effect to the mandate of the people expressed in the repeal of the state prohibition amendment, and to assure the greatest degree of personal freedom that is consistent with the health, safety, and good morals of the people of West Virginia. During the WVABCC's first 56 years of existence, the WVABCC functioned as the exclusive wholesaler and retailer of liquor in West Virginia; non-fortified wines were "privatized" in 1981.

With the repeal of Prohibition, the three-tier system of distribution was established in West Virginia. This distribution format is an effective way to regulate the three tiers: brewer, distributor and licensed retailer. Laws, rules and regulations provide protection for each tier. Fairness and equality are the overriding principles by eliminating connection between the tiers. In 1937, the term nonintoxicating beer was implemented which would allow for the product to be consumed in public. At conception, the authority to regulate beer was the responsibility of the State Tax Commissioner. In 1945, the West Virginia Nonintoxicating Beer Commission was established to regulate and enforce beer laws. The Nonintoxicating Beer Commission was a stand-alone independent agency until it merged with the West Virginia Alcohol Beverage Control Commission in 1990 to form a united West Virginia Alcohol Beverage Control Administration (WVABCA) with a single Commissioner over all aspects of the alcohol industry in West Virginia.

On February 27, 1990, SB 337 discontinued the retail sale of alcoholic liquor by the State. This legislation created the Retail Liquor Licensing Board ("**RLLB**" or "**Board**") to establish market zones and bid retail liquor outlets throughout West Virginia. Currently, the RLLB is comprised of the Chairman of the Board who is the Secretary of Revenue, the Secretary of the Board who is the WVABCA Commissioner and three gubernatorial board appointees. No member of the board may hold a retail license or have any financial interest, directly or indirectly, in any retail licensee. During Fiscal Year 1991, public bids were held in August 1990, January 1991, and May 1991. This resulted in the sale of retail liquor outlet licenses in all 98 market zones offered and the possibility of 214 privately owned liquor stores being opened in West Virginia.

In 2000, the RLLB's license bid process utilized minimum bids which were calculated based on demographics, population and other factors. The bidding generated revenue from all issued licenses which was deposited into the State's General Revenue Fund based on the minimum bids and the Governor's official revenue estimate. The licenses were issued for a ten-year (10) period and expired June 30, 2010.

During the 2000 bid process, a few licenses were never issued, and some licenses were abandoned. In 2006, the RLLB approved an Interim Bid and the splitting of certain licenses. The licenses were rebid on a pro-rated minimum bid basis and two licenses were awarded in 2007 for the remainder of the ten-year period ending June 30, 2010.

In 2009, HB 2719 increased the alcohol by volume (ABV) for nonintoxicating beer from 6% to 12% and created a new beer category of nonintoxicating craft beer.

In 2009, HB 105 passed and created fundamental changes to the Retail Liquor License Bid process by creating Class A freestanding liquor retail outlets and Class B mixed retail liquor outlets (See W.Va. Code of State Rules at 175 CSR 1

History & Operations Continued

and 175 CSR 5). The RLLB and WVABCA were authorized to initiate Purchase Option and License Bid Process (See West Virginia §60-3A- 1, et seq., as amended). In addition, HB 105 changed the closing hours for the 2010 retail liquor outlets Monday through Saturday and were extended from 10:00 p.m. until midnight (12:00 a.m.). No sales continued for Sundays, Christmas and on a statewide Election Day (see Election Day change in 2011).

Class A Retail Licenses are required to be a freestanding liquor retail outlet and sell only liquor, wine, beer, tobacco-related products, and alcohol-related products. Class B Retail Licenses may sell non-alcohol related products, along with liquor, wine and beer.

Results from the various License Rebids:

1990 - Bid Revenue - Total - **\$15,300,000**

2000 - Bid Revenue - Total - **\$22,395,695** *includes subsequent rounds of bidding and later bidding of retail outlets

Total # of Retail Outlets – 168

2010 - Bid Revenue - Total - **\$38,031,478** *includes financed amounts, interest and license fee revenue

Total # of Retail Outlets – 178

Phase I - Purchase Option Process

- 46 Retail Outlets chose the Purchase Option and
- 20 of those chose the Deferred Payment Financing Option
- Revenue - \$9,437,977 * includes financed amounts and \$126,240 interest

Phase II – License Bidding Process

- 119 Retail Outlets were awarded in a robust competitive bidding
- Revenue - \$26,491,060

Phase III – Subsequent License Bidding Process

- 10 Retail Outlets were awarded
- Revenue - \$1,731,480

Extended Phase III

- 1 Retail Outlet was awarded
- Revenue - \$119,121

History & Operations Continued

Continuation of Extended Phase III

- 2 Retail Outlets were awarded
- Revenue - \$125,600

2020 - Projected Bid Revenue - Total - **\$40,000,000 ****

** Based on current W.Va. Code of State Rules 175 CSR 5 §5 and the formula set in the W.Va. Code. The WVABCA estimates the 2020 rebid could generate up to or exceeding the aforementioned revenue.

In 2011, HB 3100 was passed and made effective on June 10, 2011 which permitted Election Day sales of liquor at retail liquor outlets (off-premises).

In 2012, HB 3174 was passed and permitted Class A liquor retail outlets to conduct responsible nonintoxicating beer and liquor sampling events with certain requirements on any day but Sunday. The bill requires that the events be pre-approved by the WVABCA Commissioner, with certain guidelines.

In 2012, HB 4376 was passed and allows licensed wine sales at certain professional baseball stadiums. The Appalachian Power Park located in Charleston, West Virginia took advantage of this special license and received the wine license in early 2012. In 2015, the Monongalia County Ball Park also took advantage of this wine license for the West Virginia Black Bears baseball team and the West Virginia Mountaineer baseball team.

In 2013, HB 2956 was passed and amended the sections of the Code relating to resident brewers and brewpubs.

In 2014, HB 3145 was passed and removed the limit of nonintoxicating beer that may be sold to an individual for off-premises consumption by a Class B nonintoxicating beer retailer.

In 2014, SB 172 was passed and allows trusts and limited liability companies to be listed as the owner of a beer distributor.

In 2014, SB 470 was passed and permits only licensed farm wineries and wineries to sell wine and wine samples during fairs or festivals and on Sunday mornings for those events. The samples cannot exceed three ounces. Consumption would be allowed on the premises of these fairs and festivals except from 2 a.m. to 10 a.m. on Sundays.

In 2014, SB 450 was passed and allows for the restricted sale of alcoholic liquors in specific outdoor dining areas. It allows outside areas that are adjoining an establishment with a liquor license to allow consumption outside. This bill also allows the WVABCA Commissioner to issue a special license to allow the sale of wine at NCAA Division I college and university sports stadiums at a cost of \$250 per license. West Virginia University has made extensive use of these licenses.

History & Operations Continued

In 2015, SB 273 was passed and permits licensed brewers and resident brewers to conduct nonintoxicating beer sampling on their brewery premises within the state. It allows resident brewers to sell growlers for off-premises consumption from their brewery premises. The bill also removed the bond requirement for a brewpub license.

In 2015, SB 574 was passed to promote the distilling industry in West Virginia. The bill reduced service charges imposed on mini-distillers from 28% to 5% and eliminated the transportation fee of \$2.30 per case, since no service is provided. Mini-distillers may not sell product below the state minimum price, so retail liquor stores are protected from such distillers underpricing. The Market Zone Fee paid to retailers was also reduced from 10% of gross sales at distillery to 2% of gross sales and capped at a total of \$15,000. Mini- distilleries were allowed to produce 50k gallons per year.

In 2016, SB 298 was passed to allow county commissions to conduct a county option election on the question of whether to allow restaurants, private clubs, Class A retailers, wineries and wine serving entities to sell alcoholic liquors, wine and nonintoxicating beer as their licenses permit on Sundays, and distilleries and mini-distilleries to offer alcohol beginning at 10:00 am on Sundays for on-premises consumption only. After the November 8, 2016 statewide election, the following counties have approved on-premises 10:00 am Sunday alcohol sales: Berkeley, Cabell, Greenbrier, Harrison, Jefferson, Marion, Marshall, Monongalia, Morgan, Ohio, Pocahontas, Putnam and Tucker. The following home rule cities have also approved on-premises 10:00 am Sunday alcohol sales: Beckley, Bluefield, Bridgeport, Buckhannon, Charleston, Charles Town, Clarksburg, Elkins, Lewisburg, Martinsburg, Morgantown, Nitro, Oak Hill, Parkersburg, Ranson, Shepherdstown, South Charleston, and Wheeling.

Effective May 1, 2017 the WVABCA Commissioner revised the mark-up for spirits from 28% to 32%. The mark-up had not changed in 14 years. In 1990, at the beginning of bailment, the markup was 25% and remained at that level until 2003 (13 years later) when it changed to 28%. The WVABCA receives no excise tax on the production of spirits. The beer barrel tax and the wine liter tax go directly to the State Tax Commissioner.

In 2017, SB 637 was passed to modify Class A private club licenses which was the first major change to the Private Club Act in almost 50 years. The new license categories were aimed to Licensees operating tourist destinations and resort facilities by permitting the Licensee to obtain one private resort hotel license for the lawful sale and consumption of alcoholic liquors and nonintoxicating beer in designated and approved areas throughout the licensed premises but within the confines of the property. The bill also permitted certain private club Licensees that operate golf or country clubs to obtain a private golf club license for the lawful sale and consumption of alcoholic liquors and nonintoxicating beer on the premises of the facility. Both the “private resort license” and the “private golf club license” established licensing requirements and permits certain other exceptions.



Financial Statements



Financial Statements

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION
MANAGEMENT COMPARISON TO PREVIOUS YEAR ANALYSIS
June 30, 2017 and 2016

STATEMENTS OF NET POSITION

	<u>2017</u>	<u>2016</u>
Current assets	\$13,827,757	\$20,409,689
Capital assets, net	1,796,452	2,073,230
Other noncurrent assets	-	-
Total assets	<u>15,624,209</u>	<u>22,482,919</u>
Deferred outflows of resources from pension amounts	<u>979,931</u>	<u>917,011</u>
Current liabilities	3,596,465	3,565,649
Noncurrent Liabilities	<u>4,395,837</u>	<u>3,714,755</u>
Total liabilities	<u>7,992,302</u>	<u>7,280,404</u>
Deferred inflows of resources from pension amounts	<u>178,549</u>	<u>770,143</u>
Net position, net investment in capital assets	1,796,452	2,073,230
Net position, restricted by enabling legislation	-	-
Net position, unrestricted net position	<u>6,636,837</u>	<u>13,276,153</u>
Total net position	<u>\$8,433,289</u>	<u>\$15,349,383</u>

Financial Statements Continue

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION
MANAGEMENT COMPARISON TO PREVIOUS YEAR ANALYSIS
Years Ended June 30, 2017 and 2016

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2017</u>	<u>2016</u>
Sales	\$93,039,242	\$92,744,686
Licenses, permits and fees	3,793,583	3,678,645
Administrative hearing fines	59,075	73,371
Total operating revenues	<u>96,891,900</u>	<u>96,496,702</u>
Cost of sales	72,197,394	72,212,321
General and administrative	5,162,523	5,402,985
Depreciation	292,769	322,932
Total operating expense	<u>77,652,686</u>	<u>77,938,238</u>
Operating income	19,239,214	18,558,464
Nonoperating revenues (expenses):		
Retail liquor license renewal	-	-
Interest income	-	-
Grants	161,898	129,243
Loss of disposal of assets	-	-
Receipts (Transfers in) from primary government	-	-
Statutory distributions	<u>(26,317,206)</u>	<u>(18,383,364)</u>
	<u>(26,155,308)</u>	<u>(18,254,121)</u>
Change in net position	<u>\$(6,916,094)</u>	<u>\$304,343</u>

Financial Statements Continued

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION
STATEMENT OF CASH FLOWS
Year Ended June 30, 2017

Cash flows from operating activities:

Cash received from customers and users	\$96,830,687
Cash paid to employees	(3,861,864)
Cash paid to suppliers	<u>(73,429,289)</u>
Net cash provided by operating activities	<u>19,539,534</u>

Cash flows from noncapital financing activities:

Receipts on nonoperating grants	161,898
Provided from issuing liquor licenses	-
Receipt from primary government	-
Payments to primary government	<u>(26,317,206)</u>
Net cash used by noncapital financial activities	<u>(26,155,308)</u>

Cash flows from capital and related financing activities:

Purchases of capital assets	<u>(15,991)</u>
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Increase (decrease) in cash and cash equivalents (6,631,765)

Cash and cash equivalents, beginning of year 20,005,574

Cash and cash equivalents, end of year \$13,373,809

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$19,239,214
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	292,769
Pension Expense	244,865
Change in assets and liabilities:	
Increase in accounts receivable	(61,213)
Decrease in inventory	11,380
Increase (decrease) in accounts payable	30,816
Increase in accrued postemployment benefits	100,291
Increase in deferred outflows of resources	(309,777)
Decrease in accrued annual leave	<u>(8,811)</u>
Net cash provided by operating activities	<u>\$19,539,534</u>

Financial Statements Continued

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2017

Operating revenues:	
Sales	\$93,039,242
Licenses, permits and fees	3,793,583
Administrative hearing fines	<u>59,075</u>
	<u>96,891,900</u>
Operating expenses:	
Cost of sales	72,197,394
General and administrative	5,162,523
Depreciation	<u>292,769</u>
	<u>77,652,686</u>
Operating income	19,239,214
Nonoperating revenues (expenses):	
Retail liquor license renewal - financing option	-
Retail liquor license renewal	-
Interest income	-
Grants	161,898
Loss of disposal of assets	-
Transfers from primary government	-
Statutory distributions	<u>(26,317,206)</u>
	<u>(26,155,308)</u>
Change in net position	(6,916,094)
Net position, beginning of year	15,349,383
Net position, end of year	<u>\$8,433,289</u>
Net position, end of year	<u>\$8,433,289</u>

Financial Statements Continued

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2017

	Administrative / Liquor Fund #7352	Enforcement Fund #7356	Wine Fund #7351	Grants / Gift #7357	Total
<u>OPERATING REVENUES</u>					
Sales	\$93,039,242	\$-	\$-	\$-	\$93,039,242
Licenses, permits and fees	3,289,358	-	504,375	(150)	3,793,583
Administrative hearing fines	-	<u>59,075</u>	-	-	<u>59,075</u>
Total revenues	<u>96,328,600</u>	<u>59,075</u>	<u>504,375</u>	<u>(150)</u>	<u>96,891,900</u>
<u>OPERATING EXPENSES</u>					
Cost of sales	72,197,394	-	-	-	72,197,394
General and administrative	5,044,831	28,605	67,913	21,174	5,162,523
Depreciation	<u>163,896</u>	<u>8,967</u>	<u>102,418</u>	<u>17,488</u>	<u>292,769</u>
	<u>77,406,121</u>	<u>37,572</u>	<u>170,331</u>	<u>38,662</u>	<u>77,652,686</u>
<u>OPERATING INCOME</u>	18,922,479	21,503	334,044	(38,812)	19,239,214
<u>NONOPERATING REVENUES (EXPENSES):</u>					
Grants	96,098	-	-	65,800	161,898
Loss of disposal of assets	-	-	-	-	-
Transfers in from primary government	-	-	-	-	-
Statutory distributions	<u>(26,302,499)</u>	<u>(14,707)</u>	-	-	<u>(26,317,206)</u>
	<u>(26,206,401)</u>	<u>(14,707)</u>	-	<u>65,800</u>	<u>(26,155,308)</u>
Change in net position	(7,283,922)	6,796	334,044	26,988	(6,916,094)
Net position, beginning of year	<u>12,609,039</u>	<u>66,510</u>	<u>2,554,679</u>	<u>119,155</u>	<u>15,349,383</u>
Net position, end of year	<u>\$5,325,117</u>	<u>\$73,306</u>	<u>\$2,888,723</u>	<u>\$146,143</u>	<u>\$8,433,289</u>

Financial Statements Continued

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION
 COMBINING STATEMENTS OF NET POSITION
 June 30, 2017

	Administrative / Liquor Fund #7352	Enforcement Fund #7356	Wine Fund #7351	Grants / Gift #7357	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$10,832,166	\$48,826	\$2,400,008	\$92,809	\$13,373,809
Inventory	25,819	-	-	-	\$25,819
Accounts Receivable	428,129	-	-	-	\$428,129
Other	-	-	-	-	\$ -
Total current assets	<u>11,286,114</u>	<u>48,826</u>	<u>2,400,008</u>	<u>92,809</u>	<u>13,827,757</u>
Noncurrent assets:					
Notes receivable	-	-	-	-	-
Accrued interest	-	-	-	-	-
Capital assets, net	<u>1,202,430</u>	<u>24,480</u>	<u>516,208</u>	<u>53,334</u>	<u>1,796,452</u>
Total noncurrent assets	<u>1,202,430</u>	<u>24,480</u>	<u>516,208</u>	<u>53,334</u>	<u>1,796,452</u>
Total assets	<u>12,488,544</u>	<u>73,306</u>	<u>2,916,216</u>	<u>146,143</u>	<u>15,624,209</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows from pension amounts	<u>958,224</u>	<u>-</u>	<u>21,707</u>	<u>-</u>	<u>979,931</u>
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Financial Statements Continued

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

COMBINING STATEMENTS OF NET POSITION (continued)

June 30, 2017

	Administrative / Liquor Fund #7352	Enforcement Fund #7356	Wine Fund #7351	Grants / Gift #7357	Total
LIABILITIES					
Current liabilities:					
Accrued expenses	223,878	-	4,534	-	228,412
Accounts payable	<u>3,363,953</u>	-	<u>4,100</u>	-	<u>3,368,053</u>
Total current liabilities	<u>3,587,831</u>	-	<u>8,634</u>	-	<u>3,596,465</u>
Noncurrent liabilities:					
Other post-employment Benefits	2,509,360	-	-	-	2,509,360
Accrued annual leave	237,756	-	-	-	237,756
Net pension liability	<u>1,612,119</u>	-	<u>36,602</u>	-	<u>1,648,721</u>
Total noncurrent liabilities	<u>4,359,235</u>	-	<u>36,602</u>	-	<u>4,395,837</u>
Total liabilities	<u>7,947,066</u>	-	<u>45,236</u>	-	<u>7,992,302</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pension amounts	<u>174,585</u>	-	<u>3,964</u>	-	<u>178,549</u>
Net position:					
Invested in capital assets	1,202,430	24,480	516,208	53,334	1,796,452
Unrestricted	<u>4,122,687</u>	<u>48,826</u>	<u>2,372,515</u>	<u>92,809</u>	<u>6,636,837</u>
Total net position	<u>\$5,325,117</u>	<u>\$73,306</u>	<u>\$2,888,723</u>	<u>\$146,143</u>	<u>\$8,433,289</u>



Spirits & Wine



Spirits & Wine Division

The WVABCA Spirits & Wine Division works daily with alcohol vendors, state liquor representatives, licensed retail liquor outlets and wine retailers to meet the demands of each request and provide safe and reliable products.

New vendor/company setups, product listings, product integrity, pricing, label registration, 190 form collection and data entry (from private club liquor orders), warehouse inventory audits, various warehouse and inventory fee assessments, special pricing allowances, shipment approvals and scheduling of liquor deliveries are priorities for keeping our liquor bailment portfolio efficient and wine brands fresh and current. Currently, we maintain a database of 856 retail and 995 vendor account users.



Ordering

All 177 licensed retail liquor outlet owners and employees have secure online portal access for placing weekly orders for liquor products 24/7. All retailers order and receive a shipment on a scheduled day each week. This schedule affords them with the ability to build orders at their convenience. Retailers may place will call orders for pick up at the Distribution Center. Liquor and vendor representatives have portal access for all product sales, receipt and reporting. Price changes and special pricing allowances for vendor products can now be entered online.

Bailment Products

- There are 2,355 active bailment products available at the Distribution Center daily

Special Order Products

- There are 1,289 special order products available on a case by case order base daily

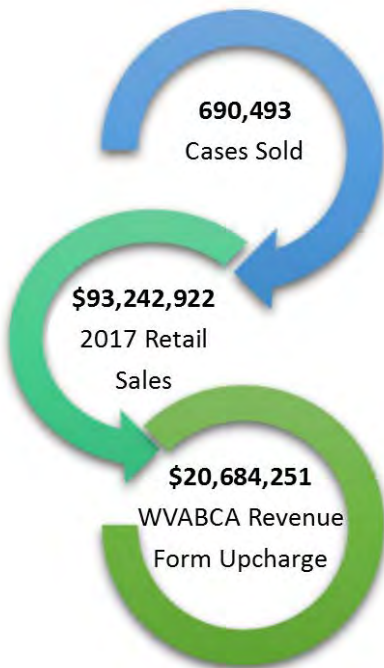
Distribution Center

The West Virginia Alcohol Beverage Control Administration Distribution Center is a 153,000-square foot warehouse. The Distribution Center is responsible for assembling retail orders for delivery to retail liquor outlets. Fiscal Year 2017 Distribution Center employees were responsible for picking **690,493** cases of liquor for West Virginia retail liquor outlets.



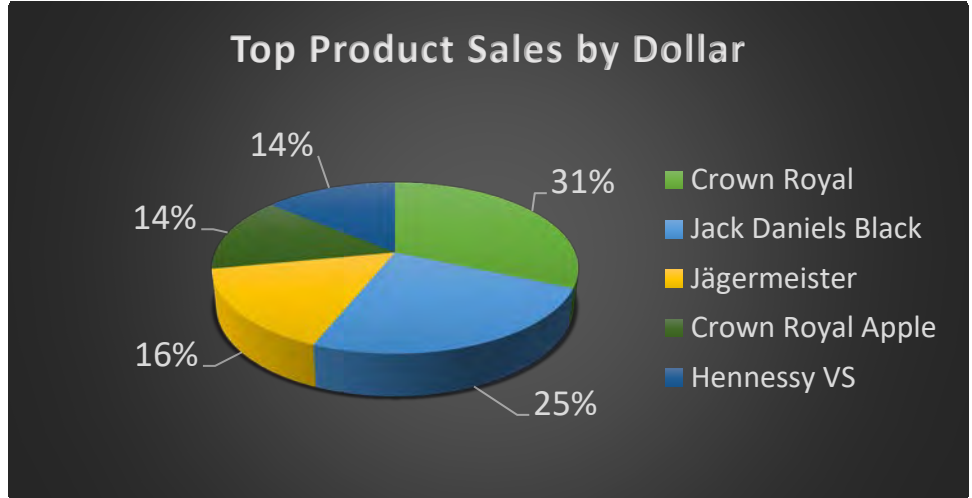
Fiscal Year 2017 Sales

This Fiscal Year has once again seen profit growth for both retail sales of more than .43% and WVABCA revenue of more than 2.26% in growth.



Top Brands by Revenue

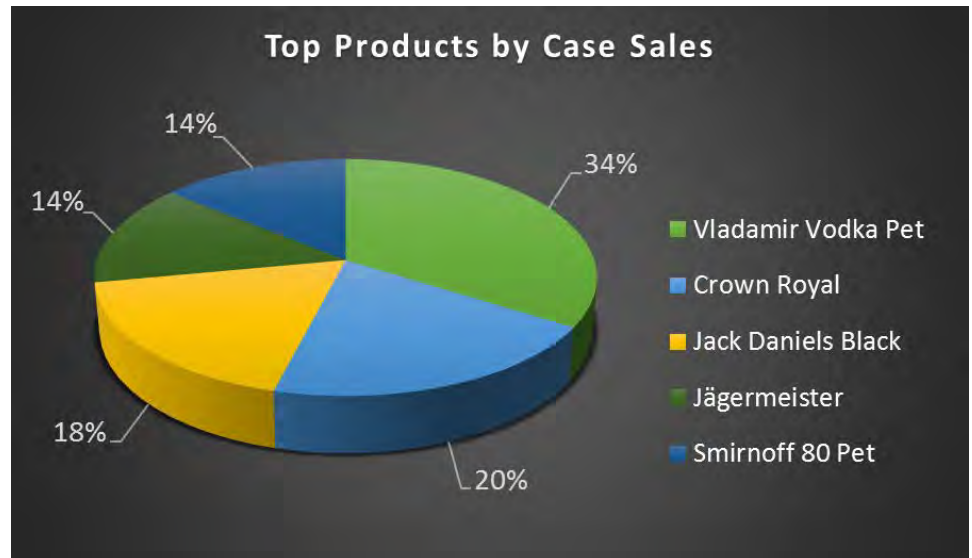
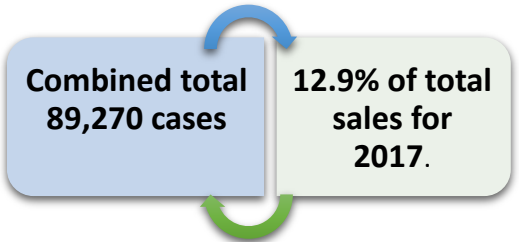
The top five brands product retail sales total over \$12,490,000 in revenue. These brands are ranked in descending order: Crown Royal, Jack Daniels Black, Jägermeister, Crown Royal Apple, and Hennessy VS. The retail sales per brand and case sales are represented in the graphs below.



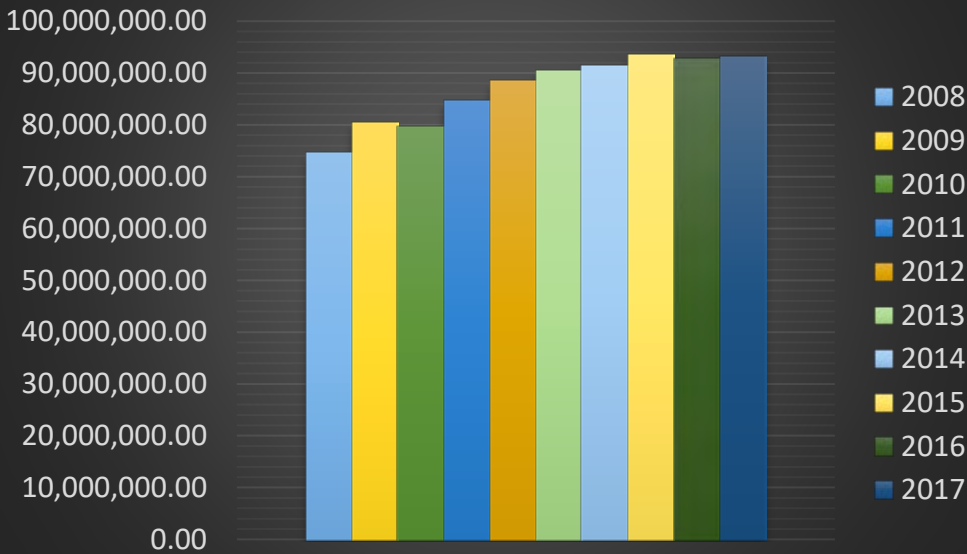
Top Brands by Case Sales

The top five brands in descending case sales order.

Vladimir Vodka Pet	30,139
Crown Royal	18,305
Jack Daniels Black	15,741
Jägermeister	12,730
Smirnoff 80 Pet	12,355



Fiscal Year Retail Sales 2008 - 2017



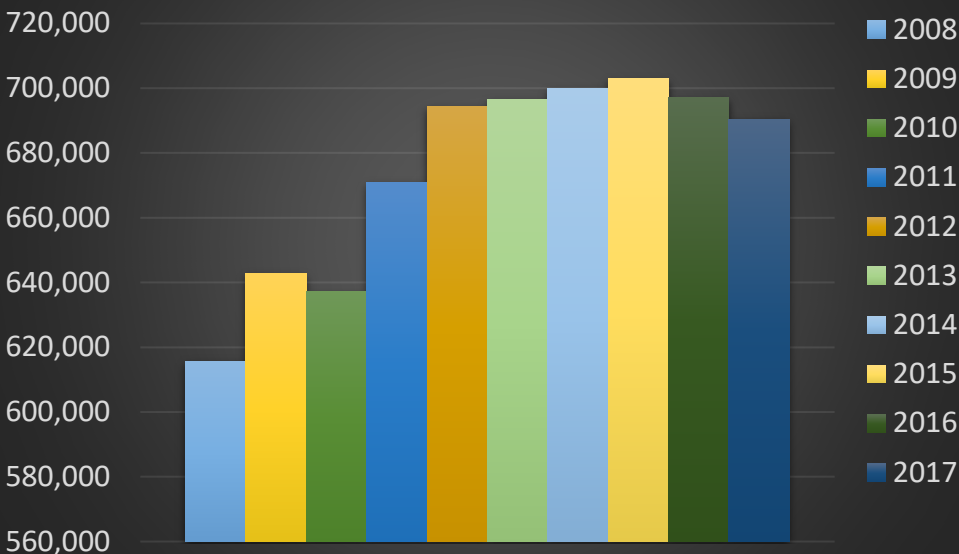
Fiscal Year 2008-2017 Sales

The two graphs on the left represent the timeline of Fiscal Year sales from 2008 to 2017.

The top graph represents the Fiscal Year revenue sales during this period.

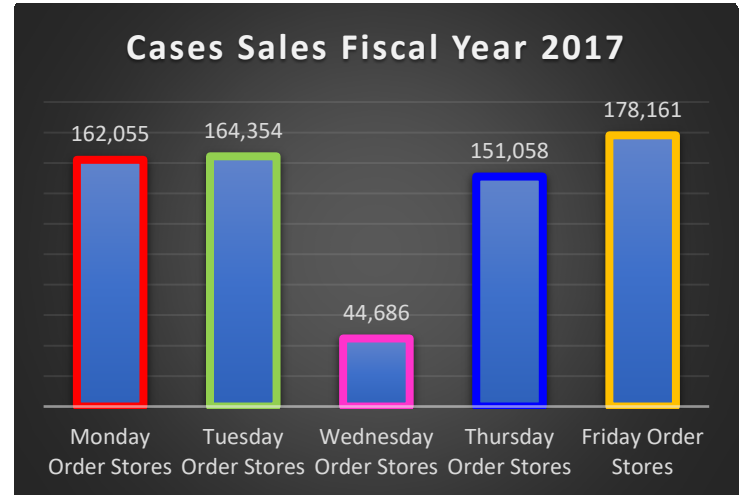
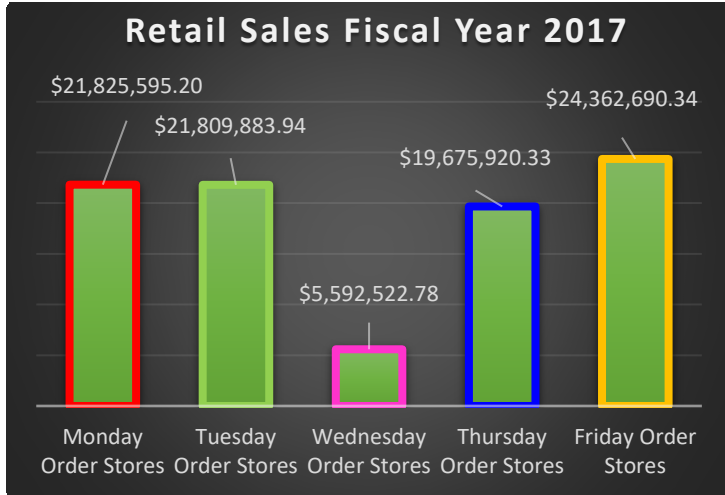
The bottom graph represents the Fiscal Year sales by cases during this period.

Fiscal Year Cases 2008-2017

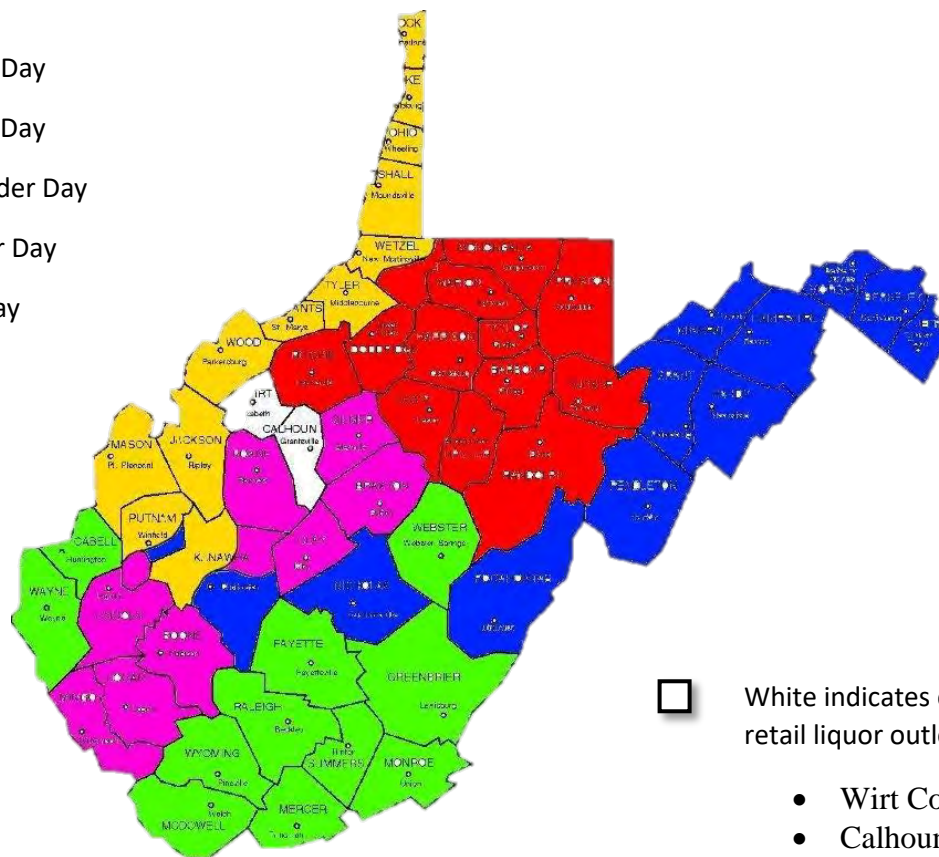


Sales Snapshot Continued

The map below represents each order area for retail liquor outlets. All order stores are represented by Fiscal Year in the graphs below.



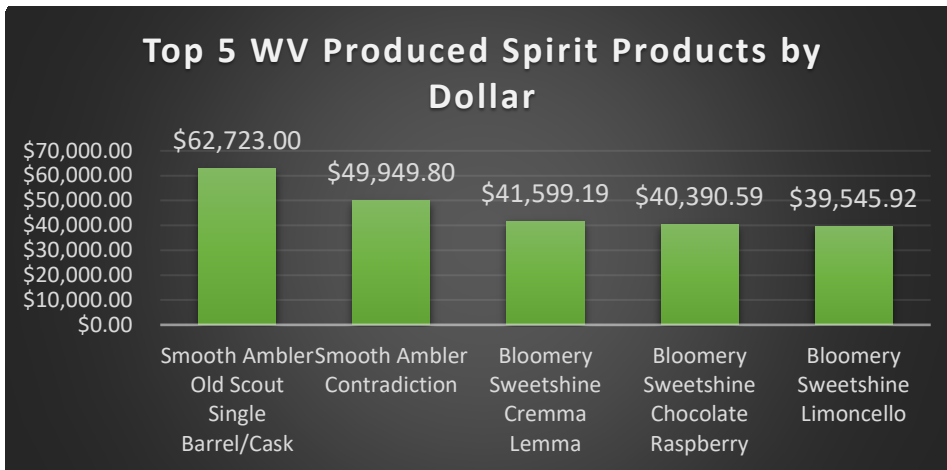
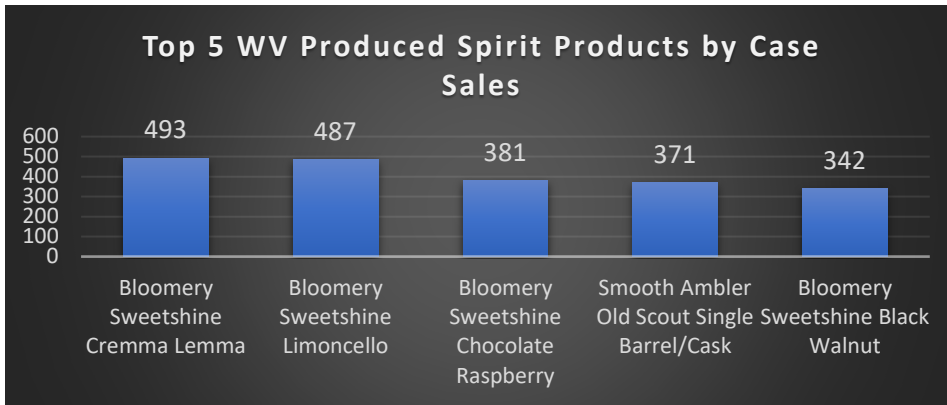
- Monday Order Day
- Tuesday Order Day
- Wednesday Order Day
- Thursday Order Day
- Friday Order Day



- White indicates counties with no retail liquor outlet stores.
- Wirt County
- Calhoun County

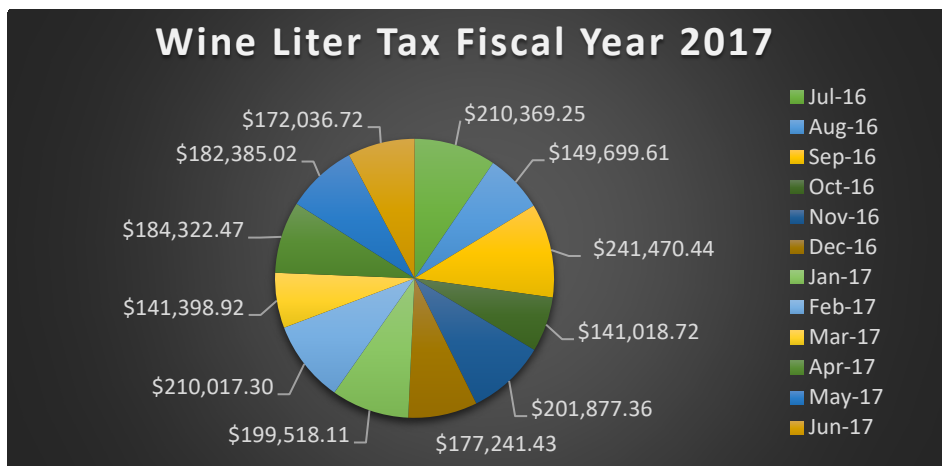
Sales Snapshot Continued

The Spirits & Wine Division also works with products produced in West Virginia which are made, sold and consumed in our state. These products made up a total of 446 cases from the WVABCA Distribution Center and 4,640 cases of on-site sales during Fiscal Year 2017. Some of these products are represented in the graphs below.



Wine Liter Tax

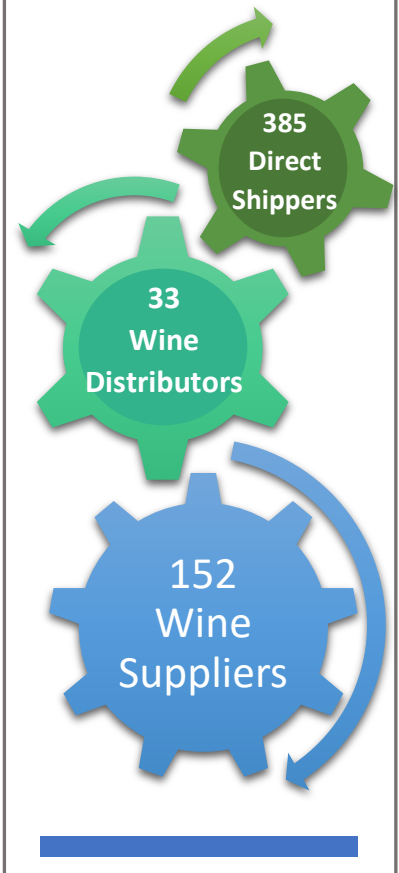
Fiscal Year 2017 the Wine Liter Production Tax are illustrated in the graph below. The Wine Liter Tax was \$2,211,355.35.



Wine Snapshot

The Wine Division at the WVABCA has 152 wine suppliers and 33 wine distributors.

The Wine Division also works with 385 licensed direct shippers and has approved 4,523 brand registrations.



Spirits & Wine Continued

WEST VIRGINIA FARM WINERIES	Location
BATTON HOLLOW WINERY	LOST CREEK
BROKEN TRACTOR WINERY (THE)	BRUCETON MILLS
CASCARELLI'S OLD COUNTRY WINE	SALEM
CHESTNUT RIDGE WINERY	SPENCER
COX FAMILY WINERY	BUNKER HILL
DANIEL VINEYARDS	GLEN VIEW
FALLING SPRINGS VINEYARD	RENICK
FISHER RIDGE WINE CO.	LIBERTY
FORKS OF CHEAT WINERY	MORGANTOWN
HAWK'S KNOB	LEWISBURG
HEALTHBERRY FARM	DRYFORK
HESTON FARM WINERY	FAIRMONT
KENCO FARMS	SUTTON
KIRKWOOD WINERY	SUMMERSVILLE
LAMBERT'S VINTAGE WINES	WESTON
MONTICOLA MEADERY	RONCEVERTE
MONVALLEY WINERY	WHITE HALL
MOUNTAIN DRAGON MAZERY FINE HONEY WINE	FAIRMONT
OLD WORLD WINERY	UNION
OUTCIDER	UNION
POTOMAC HIGHLAND WINERY	KEYSER
ROBERT F. PLISKA & CO., WINERY	PURGITSVILLE
STONE ROAD VINEYARD	ELIZABETH
SWILLED DOG HARD CIDER	FRANKLIN
THE SWEETER SIDE OF THE FEUD WINERY	SPENCER
TOSCANO IN APPALACHIA WINES	LEROY
WATTS ROOST VINEYARD	LEWISBURG
WEST-WHITEHILL WINERY	MOOREFIELD
WINETREE VINEYARDS	VIENNA
WEST VIRGINIA IN STATE WINERY	Location
MOSS FARMS WINERY	WHEELING
WEST VIRGINIA MINI-DISTILLERIES	Location
BLACK DRAFT DISTILLERY	MARTINSBURG
BLOOMERY PLANTATION DISTILLERY	CHARLES TOWN
ELKHORN MOUNTAIN DISTILLERY	MOOREFIELD
FLYING BUCK DISTILLERY	AUGUSTA
FLYING SQUIRREL RANCH	PURGITSVILLE
FORKS OF CHEAT DISTILLERY	MORGANTOWN
ISAIAH MORGAN DISTILLERY	SUMMERSVILLE
STILL HOLLOW	HARMAN
THE SWEETER SIDE OF THE FEUD WINERY	SPENCER
WICKED SPIRITS DISTILLERY	HARRISVILLE

WEST VIRGINIA WINE DISTRIBUTORS	Location
THE COUNTRY VINTNER OF WEST VIRGINIA	LEWISBURG
AMERICAN BEER COMPANY	SMOOT
AMERICAN BEER COMPANY (THE)	PRINCETON
ATOMIC DISTRIBUTING CO.	HUNTINGTON
BEVERAGE DISTRIBUTORS	CLARKSBURG
BLUE RIDGE BEV	MORGANTOWN
CAPITOL BEVERAGE	CHARLESTON
CARENBAUER DISTRIBUTING CORP	WHEELING
GALAXY DISTRIBUTING OF WEST VIRGINIA	MORGANTOWN
GALAXY DISTRIBUTING OF WEST VIRGINIA, INC.	ONA
J. C. MENSORE DISTRIBUTOR	NEW MARTINSVILLE
JEFFERSON DISTRIBUTING	MARTINSBURG
JO'S GLOBE DISTRIBUTING CO.	MORGANTOWN
MARTIN DISTRIBUTING CO.	MARTINSBURG
MCCANN DISTRIBUTING	WHEELING
MERCER WHOLESALE CO	BLUEFIELD
MONA SUPPLY CO	MORGANTOWN
MOUNTAIN STATE BEVERAGE CO.	BEAVER
MOUNTAIN STATE BEVERAGE INC	MORGANTOWN
MOUNTAIN STATE BEVERAGE INC	SUMMERSVILLE
MOUNTAIN STATE BEVERAGE INC	POCA
NORTH CENTRAL DISTRIBUTORS	BRIDGEPORT
NORTH CENTRAL DISTRIBUTORS COMPANY INC.	DUNBAR
NORTHERN EAGLE	ROMNEY
PRESTON SIVLER EAGLE CO.	KINGWOOD
RALPH'S BEER DISTRIBUTOR	MORGANTOWN
REID'S DISTRIBUTOR	MARTINSBURG
RIDGELEY DISTRIBUTORS	RIDGELEY
STANDARD DISTRIBUTING	CHARLESTON
STATE DISTRIBUTING	CLARKSBURG
TYGART VALLEY DISTRIBUTOR	ELKINS
VALLEY DISTRIBUTING COMPANY OF FAIRMONT	FAIRMONT
WALDORF DISTRIBUTING	BEECH BOTTOM
WINE & BEVERAGE MERCHANTS OF WV	WEIRTON
WINE CONNECTION, LLC (THE)	ALDERSON

WEST VIRGINIA DISTILLERIES	Location
APPALACHIAN DISTILLERY	RIPLEY
COUNTRY ROADS DISTILLERY	WHEELING
HATFIELD & MCCOY MOONSHINE	GILBERT
PINCHGUT HOLLOW DISTILLERY	FAIRMONT
SMOOTH AMBLER SPIRITS	MAXWELTON

Store List

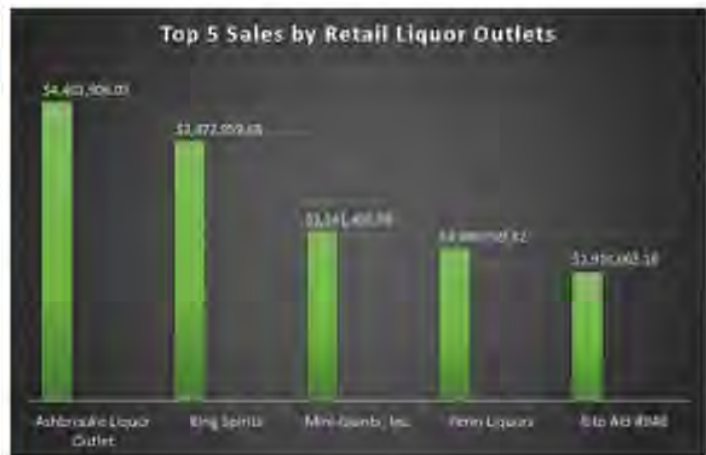
Illustrated below is the list of stores that work with the WVABCA. The information below lists the store name, address, city and zip code.

RETAIL LIQUOR OUTLET	Location	RETAIL LIQUOR OUTLET	Location
1 STOP BEVERAGE MART	BLUEFIELD	CVS/PHARMACY #6277	MOUNDSVILLE
7-ELEVEN #10670B	MARTINSBURG	CVS/PHARMACY #6278	WHEELING
7-ELEVEN #16924H	ROMNEY	CVS/PHARMACY #7604	PARKERSBURG
7-ELEVEN #17109H	KEYSER	D & J RENTALS	MONTGOMERY
7-ELEVEN #20685A	SHEPHERDSTOWN	EAST FAIRMONT SHOP N SAVE	FAIRMONT
7-ELEVEN #25306A	MARTINSBURG	GAS-N-GOODS/CORK-N-BOTTLE DISCOUNT LIQUOR	WILLIAMSTOWN
7-ELEVEN #28303A	BERKELEY SPRINGS	GIANT EAGLE #58	MORGANTOWN
7-ELEVEN #28310B	HEDGESVILLE	GIANT EAGLE MARKET #59	MORGANTOWN
7-ELEVEN #28316A	CHARLES TOWN	GODFATHER SPIRITS	BRADLEY
7-ELEVEN #28317H	WARDENSVILLE	H & H SPIRITS	WILLIAMSON
7-ELEVEN #28326H	FORT ASHBY	J & J'S MOUNTAINEER MART #07	SALEM
7-ELEVEN #34915	PETERSBURG	J & J'S MOUNTAINEER MART #11	TERRA ALTA
7-ELEVEN #35910H	CHARLESTON	J & J'S MOUNTAINEER MART #32	RICHWOOD
7-ELEVEN #35915H	ST. ALBANS	KING CUT RATE TOBACCOS NO. 003	SUMMERSVILLE
7-ELEVEN #35920H	OCEANA	KING CUT RATE TOBACCOS NO. 004	BARBOURSVILLE
7-ELEVEN #35927A	HAMLIN	KING CUT RATE TOBACCOS NO. 005	MARMET
7-ELEVEN #35963H	WEST UNION	KING CUT RATE TOBACCOS NO. 006	MOUNT NEBO
7-ELEVEN 28320B	FALLING WATERS	KING SPIRITS	HUNTINGTON
7-ELEVEN 34688A	RANSON	KO CONVENIENCE CENTER	BLUEFIELD
A & A SPIRITS SHOPPE	MOOREFIELD	KROGER #790	BECKLEY
AGENT - BFS FOODS, INC. # 19	BRIDGEPORT	L & W SPIRIT SHOP	FRANKLIN
AGENT: BFS FOODS INC.	DAVIS	LA LIQUORS & LOTTERY	LOGAN
AGENT: LIQUORS & MORE #6 INC.	PRINCETON	LEWIS COUNTY LIQUOR STORE	WESTON
ASHEBROOKE LIQUOR OUTLET	MORGANTOWN	LEWISBURG SPIRITS AND WINE	LEWISBURG
BELINGTON SHOP N SAVE	BELINGTON	LIQUOR COMPANY AND IWINE	CHARLESTON
BFS FOODS INC # 10	BRUCETON MILLS	LIQUOR SHOPPE (THE)	WHITE SULPHUR SPRING
BFS FOODS INC # 15	MORGANTOWN	LIQUORS & MORE #1	PRINCETON
BFS FOODS INC # 26	MORGANTOWN	LIQUORS & MORE #2	PRINCETON
BFS FOODS INC # 28	FAIRMONT	LIQUORS & MORE #3	MARLINTON
BFS FOODS INC # 30	MORGANTOWN	LITTLE GENERAL STORE #2150	ALDERSON
BFS FOODS INC # 38	MORGANTOWN	LITTLE GENERAL STORE #4095	CHARLESTON
BRIDGE MART LIQUOR PORT	KERMIT	LITTLE GENERAL STORE #4135	ELKVIEW
CELEBRATIONS LIQUOR STORE	WEIRTON	LITTLE GENERAL STORE #5065	BARBOURSVILLE
CJ'S TOBACCO SHOP	BECKLEY	LITTLE GENERAL STORE #5400	BRADSHAW
CJ'S TOBACCO SHOP	SOPHIA	LOFT (THE)	LEWISBURG
CJ'S TOBACCO SHOP	BECKLEY	MARATHON FOOD MART	NEW HAVEN
CLASSIC LIQUORS	HUNTINGTON	MONROE LIQUOR	UNION
CLASSIC LIQUORS	KENOVA	MOUNTAINEER MART	WHITE SULPHUR SPRING
CO MAC #3	OAK HILL	MT. TOP CITGO	THOMAS
CO MAC #4	FAYETTEVILLE	NEW CUMBERLAND LIQUORS	NEW CUMBERLAND
CORNER LIQUOR & WINE	HUNTINGTON	NORTH END MARKET	PARKERSBURG
CROWN SPIRITS	PETERSBURG	OLDE TOWNE LIQUORS	HARPERS FERRY
CRUISE THRU (THE)	ROMNEY	PAR MAR STORE #10	SISTERSVILLE
CVS/ PHARMACY # 7124	HURRICANE	PAR MAR STORE #3	PARKERSBURG
CVS/PHARMACY # 1427	KEYSER	PAR MAR STORE #45	HUTTONSVILLE
CVS/PHARMACY # 6276	PARKERSBURG	RASI'S DISCOUNT LIQUOR & TOBACCO	BEAVER
CVS/PHARMACY # 6307	GASSAWAY	RITE AID DISCOUNT PHARMACY #113	PINEVILLE
CVS/PHARMACY # 6313	BEAVER	RITE AID DISCOUNT PHARMACY #121	RAINELLE
CVS/PHARMACY # 6350	KENOVA	RITE AID DISCOUNT PHARMACY #1277	CLAY
CVS/PHARMACY #4419	HUNTINGTON	RITE AID DISCOUNT PHARMACY #1289	DANVILLE

Store List Continued

RETAIL LIQUOR OUTLET	Location
RITE AID DISCOUNT PHARMACY #1305	WESTON
RITE AID DISCOUNT PHARMACY #1373	MULLENS
RITE AID DISCOUNT PHARMACY #1382	ST. MARYS
RITE AID DISCOUNT PHARMACY #1408	MANNINGTON
RITE AID DISCOUNT PHARMACY #141	ELEANOR
RITE AID DISCOUNT PHARMACY #1503	BENWOOD
RITE AID DISCOUNT PHARMACY #1562	CHARLESTON
RITE AID DISCOUNT PHARMACY #1687	WEBSTER SPRINGS
RITE AID DISCOUNT PHARMACY #1688	POINT PLEASANT
RITE AID DISCOUNT PHARMACY #1694	BECKLEY
RITE AID DISCOUNT PHARMACY #1914	NUTTERFORT
RITE AID DISCOUNT PHARMACY #1949	FOLLANSBEE
RITE AID DISCOUNT PHARMACY #1982	GRAFTON
RITE AID DISCOUNT PHARMACY #2265	PARSONS
RITE AID DISCOUNT PHARMACY #2460	CHAPMANVILLE
RITE AID DISCOUNT PHARMACY #2571	BIG CHIMNEY
RITE AID DISCOUNT PHARMACY #2605	KINGWOOD
RITE AID DISCOUNT PHARMACY #2736	SMITHERS
RITE AID DISCOUNT PHARMACY #280	RAVENSWOOD
RITE AID DISCOUNT PHARMACY #286	HINTON
RITE AID DISCOUNT PHARMACY #294	SISSONVILLE
RITE AID DISCOUNT PHARMACY #3341	HARRISVILLE
RITE AID DISCOUNT PHARMACY #3388	WELLSBURG
RITE AID DISCOUNT PHARMACY #3702	CROSS LANES
RITE AID DISCOUNT PHARMACY #733	WHEELING
RITE AID DISCOUNT PHARMACY #734	WHEELING
RITE AID DISCOUNT PHARMACY #906	BUCKHANNON
RITE AID DISCOUNT PHARMACY #914	ELKINS
RITE AID DISCOUNT PHARMACY #915	CLARKSBURG
RITE AID DISCOUNT PHARMACY #919	WESTOVER
RITE AID DISCOUNT PHARMACY #934	CHARLESTON
RITE AID DISCOUNT PHARMACY #935	CHARLESTON
RITE AID DISCOUNT PHARMACY #937	DUNBAR
RITE AID DISCOUNT PHARMACY #944	CHARLESTON
RITE AID DISCOUNT PHARMACY #946	ST. ALBANS
RITE AID DISCOUNT PHARMACY #947	SOUTH CHARLESTON
RITE AID DISCOUNT PHARMACY #948	CHARLESTON
RITE AID DISCOUNT PHARMACY #953	WHITESVILLE
RITE AID DISCOUNT PHARMACY #957	BECKLEY
RITE AID DISCOUNT PHARMACY #959	RIPLEY
S & S EXPRESS	BLUEFIELD
SAAD'S WINE & SPIRITS	HUNTINGTON
SAM'S CLUB #6373	VIENNA
SAM'S CLUB #6457	SOUTH CHARLESTON
SHEPHERDSTOWN LIQUORS	SHEPHERDSTOWN
SHINNSTON SHOP N SAVE	SHINNSTON
SMOKER FRIENDLY #42	HURRICANE
SMOKER FRIENDLY BIG APPLE LIQUORS	INWOOD
SMOKER FRIENDLY LIQUOR EXPRESS	INWOOD
SMOKER FRIENDLY PENN LIQUORS	MARTINSBURG

RETAIL LIQUOR OUTLET	Location
SMOKER FRIENDLY'S LIQUOR PLUS #1	PARKERSBURG
SMOKER FRIENDLY'S LIQUOR PLUS #16	DUNBAR
SMOKER FRIENDLY'S LIQUOR PLUS #21	WHEELING
SMOKER FRIENDLY'S LIQUOR PLUS #23	ELKINS
SMOKER FRIENDLY'S LIQUOR PLUS #33	PHILIPPI
SMOKER FRIENDLY'S LIQUOR PLUS #38	POINT PLEASANT
SMOKER FRIENDLY'S LIQUOR PLUS #41	TRIADELPHIA
SMOKER FRIENDLY'S LIQUOR PLUS #43	GLENVILLE
SMOKER FRIENDLY'S LIQUOR PLUS #8	SCOTT DEPOT
SOUTH FAIRMONT SHOP N SAVE	FAIRMONT
SOUTHSIDE SPIRIT	HUNTINGTON
SPENCER SPIRITS	SPENCER
SPIRIT SHOPPE (THE)	NUTTERFORT
STADIUM SPIRITS	HUNTINGTON
THE LIQUOR LAIR	MAN
TOBACCO SPECIALTY SHOP	BRIDGEPORT
TOP SHELF LIQUORS	BERKELEY SPRINGS
TRAIL'S END SOUVENIRS	GILBERT
TRI-STATE DISCOUNT LIQUOR	WEIRTON
TRI-STATE DISCOUNT LIQUOR	CHESTER
TYLER'S HATFIELD-MCCOY LIQUOR	MATEWAN
WAL-MART SUPERCENTER #2036	SOUTH CHARLESTON
WAL-MART SUPERCENTER #2576	CROSS LANES
WAL-MART SUPERCENTER #2684	NEW MARTINSVILLE
WEIRTON SHOP N SAVE	WEIRTON
WELCH BANTAM MARKET	WELCH
WILD VINE AND SPIRITS	SUTTON



Ashbrooke - Morgantown
 King Spirits - Huntington
 Mini-Giant - Parkersburg
 Penn Liquors - Martinsburg
 Rite Aid #948 - Charleston

Upcharge Increase

On May 1, 2017 after remaining at 28% for 14 years, the markup for spirits was revised to 32%. This resulted in revenue changes for the WVABCA. The alcohol comparison is illustrated in the graphic below.



Jim Beam 750ml/12 bottle case

- **Case Retail \$175.37 (WVABCA to Licensed Retailer) at 28%**
- \$14.61 (cost per bottle to licensed retail store)
- \$04.24 (average markup by 29% by licensed retail store)
- \$18.85
- \$02.07 (taxes 6% + 5%=11%)
- \$20.92 per bottle to consumer
- **Case Retail \$180.78 (WVABCA to Licensed Retailer) at 32%**
- \$15.07 (cost per bottle to licensed retail store)
- \$04.82 (average markup by 29% by licensed retail store)
- \$19.89
- \$02.19 (taxes 6% + 5%=11%)
- \$21.98 per bottle to consumer
- Difference \$1.06 per bottle to WV Consumer



Patron Silver 750ml/12 bottle case

- **Case Retail \$424.53 (WVABCA to Licensed Retailer) at 28%**
- \$35.38 (cost per bottle to licensed retail store)
- \$10.26 (average markup by 29% by licensed retail store)
- \$45.64
- \$05.02 (taxes 6% + 5%=11%)
- \$50.66 per bottle to consumer
- **Case Retail \$437.33 (WVABCA to Licensed Retailer) at 32%**
- \$36.48 (cost per bottle to licensed retail store)
- \$10.58 (average markup by 29% by licensed retail store)
- \$47.06
- \$05.18 (taxes 6% + 5%=11%)
- \$52.24 per bottle to consumer
- Difference \$1.58 per bottle to WV Consumer



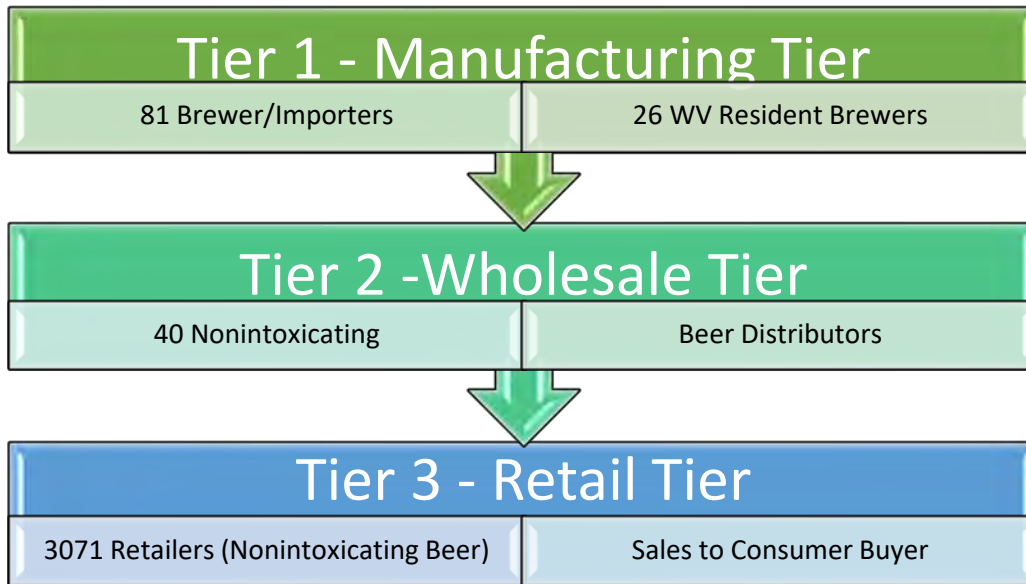
Nonintoxicating Beer



Nonintoxicating Beer

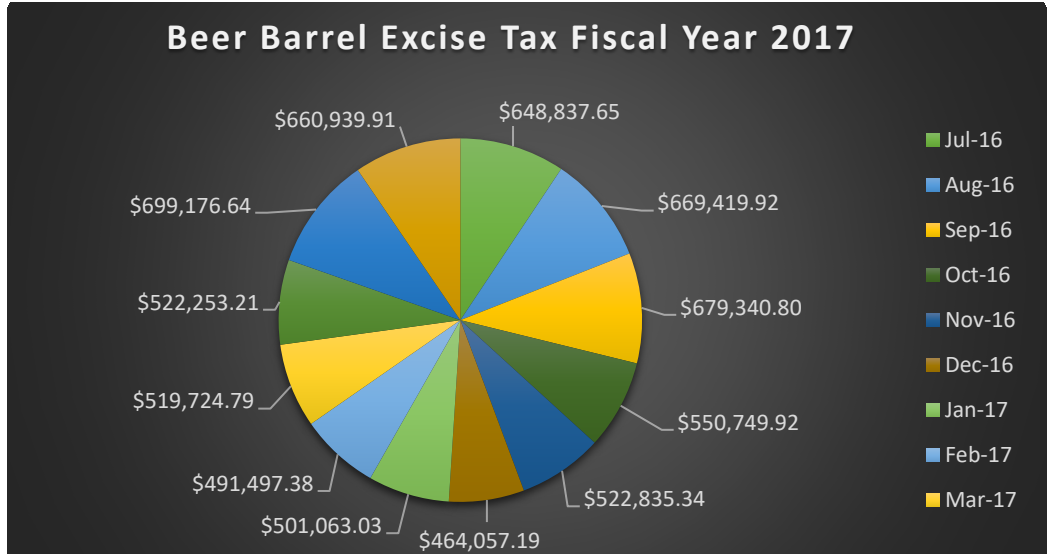
Each of the three tiers must be properly licensed to conduct business in West Virginia. Brewers must appoint distributors and assign exclusive territories through equitable franchise agreements. Approval by the WVABCA allows the agency to enforce the franchise laws with respect to the assignment of brands. The WVABCA is the regulatory agency that maintains the integrity of laws that govern the industry within West Virginia and in no way markets or promotes breweries, distributors or brands.

Current Nonintoxicating Numbers by Tier



Beer Barrel Excise Tax

Fiscal Year 2017 Beer Barrel Excise Tax records are illustrated in the graph to the right. The Beer Barrel Excise Tax is a production tax on Non-intoxicating beer and collected by the State Tax Commissioner. The Beer Barrel Excise Tax totaled to **\$6,929,895.78**.

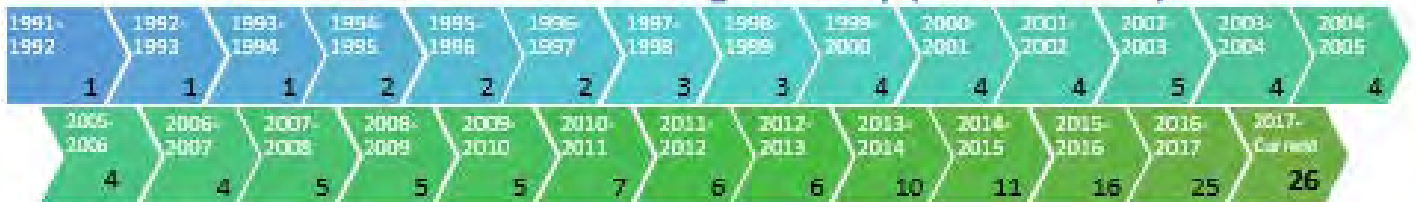


WEST VIRGINIA RESIDENT BREWERS

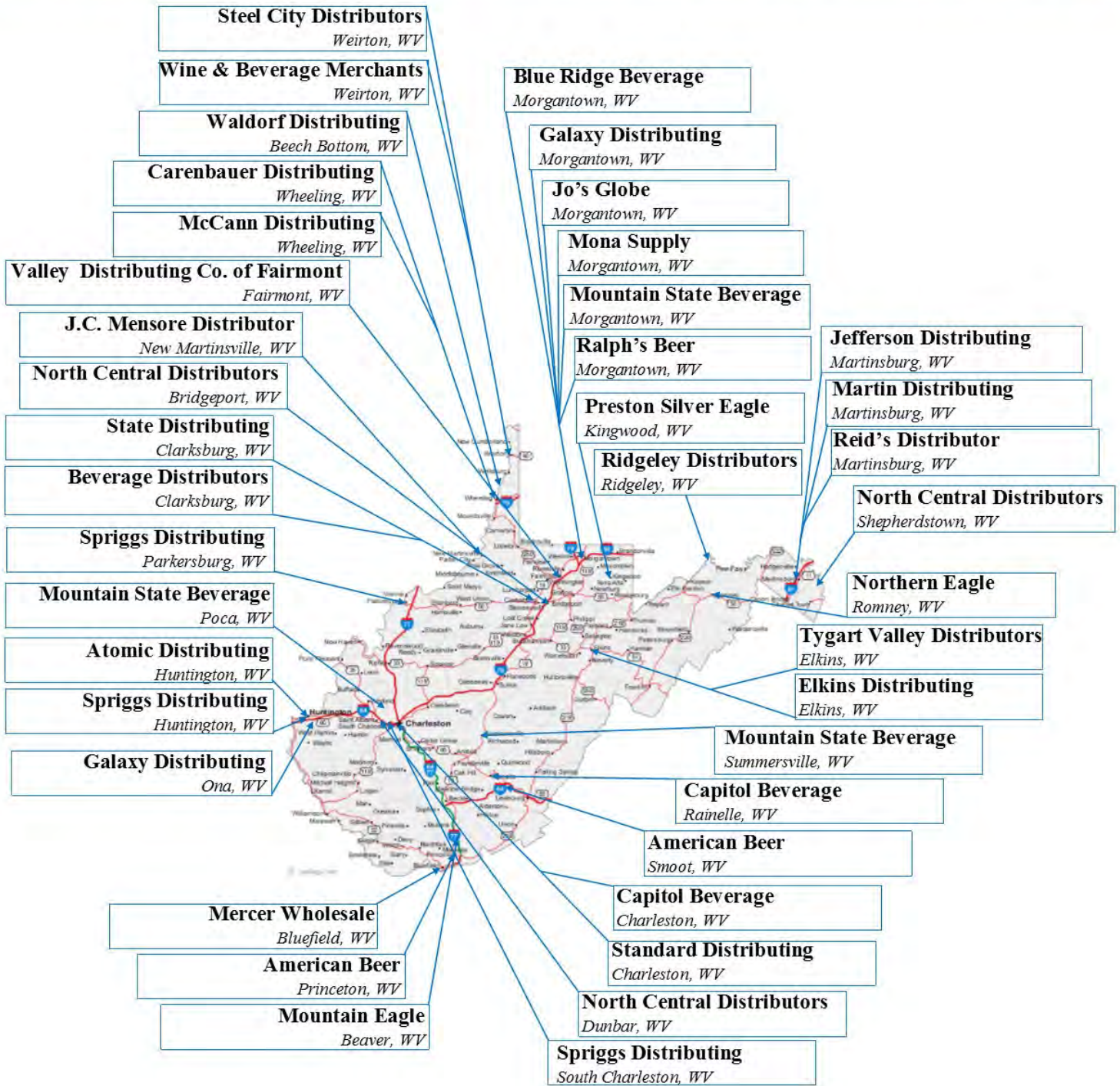
*Denotes Brew Pub



Resident Brewers: Growing Industry (1991 – 2017)



WEST VIRGINIA NONINTOXICATING BEER DISTRIBUTORS





Enforcement



Enforcement

All across the nation and throughout the state, violence is becoming more prevalent. A crucial element of the Enforcement Division is to protect Licensees, patrons, and our communities. The Enforcement Division's personnel live and work in the communities they serve.

Great strides in the use of technology to promote operational efficiencies in the field have occurred with the deployment of iPads, laptop computers and other equipment. Additionally, trainings help to address problems with violence occurring at licensed establishments, underage drinking, compliance issues and other safety measures.

The media and public often focus on the administrative action resulting from unlawful and criminal activities in WVABCA licensed establishments. While this is an integral part of the WVABCA responsibilities, the Enforcement Division also provides educational assistance to new and existing Licensees. The WVABCA's knowledge of the unique challenges that can occur at licensed establishments enables the agency to better protect the public while ensuring Licensees of good morals and reputation remain in business.



Duties and Responsibilities

The Enforcement Division is committed to enforcing state laws pertaining to the sale, purchase, transportation, manufacture, consumption, and possession of alcoholic beverages. Some of the duties of the Enforcement Division are illustrated below. These duties performed by the Enforcement Division are crucial to protect the public, patrons, and Licensees. Licensed locations are visited a minimum of two times per year by the Enforcement Division.

Initial Inspection

- Performs initial inspections for new applicants
 - Special Events
 - Revised Floor Plans

Background Checks

- To identify criminal history of applicant
- To ensure applicant is of good moral character

Inspections

- Performs inspections of Class A and Class B licensed establishments to ensure compliance with rules and regulations

Responding to Complaints

- Allegations received from an individual, group, or entity
- Allegations received from law enforcement

Compliance Checks

- Underage Alcohol Compliance Checks are conducted to help protect the underage public and the public at large

Walk-throughs

- Walk-throughs are a technique carried-out to combat illegal underage drinking and identify other compliance issues

Compliance Sweeps

- Working together with other law enforcement agencies to perform compliance sweeps

Investigations

- Hidden ownership
 - Complaints
 - Trade Practices
- Underage and Overserving
- Source (DUI Death)

Undercover Details

- Undercover operations are conducted to help protect the public by ensuring establishments are following rules and procedures

Training

The Enforcement Division continues to stay up-to-date on the most recent safety methods by conducting rigorous trainings. The 2016 annual training held at Canaan Valley State Park covered: drugs that impair, courtroom testimony, fake ID's, warrantless search for administrative violations, Windows 10 and iPad Training.

Continuous training is a key factor in enforcing W. Va. State Code and Rules while keeping the general public and WVABCA staff safe. Regional meetings and trainings take place on an as needed basis. The WVABCA is able to use grant funding to offset some of the training costs.

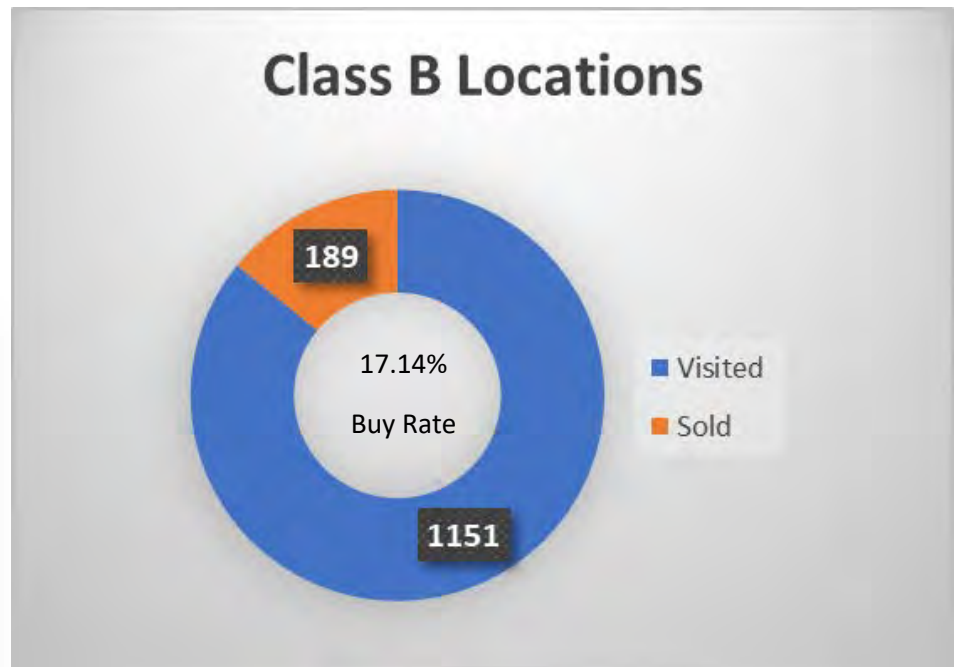
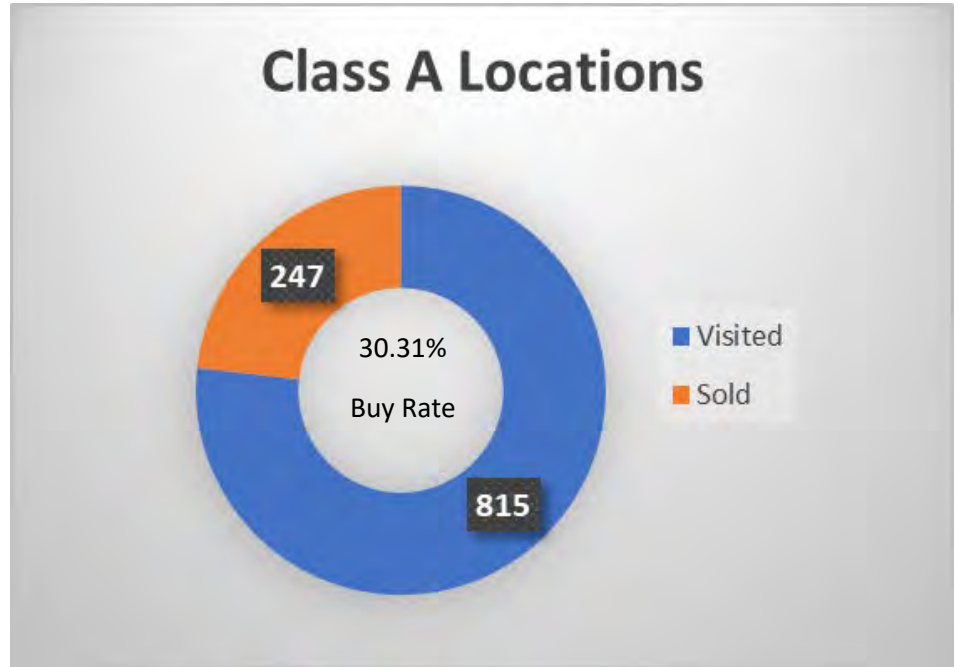
Compliance Checks

Compliance checks are a necessary and valuable approach to address underage access to alcohol. The WVABCA works with the WV State Police, county sheriff's and city police departments across the state to conduct these operations.

The chart to the right illustrates the total number of compliance checks conducted at Class A On Premises Licensees (Restaurants Bars and Taverns).

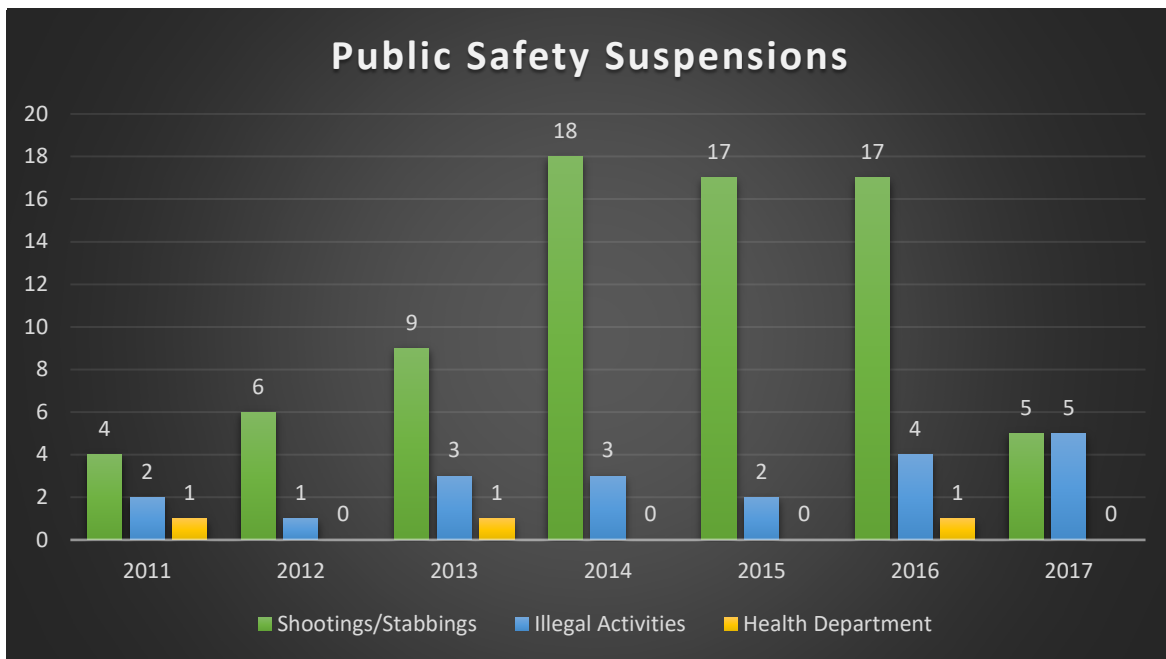
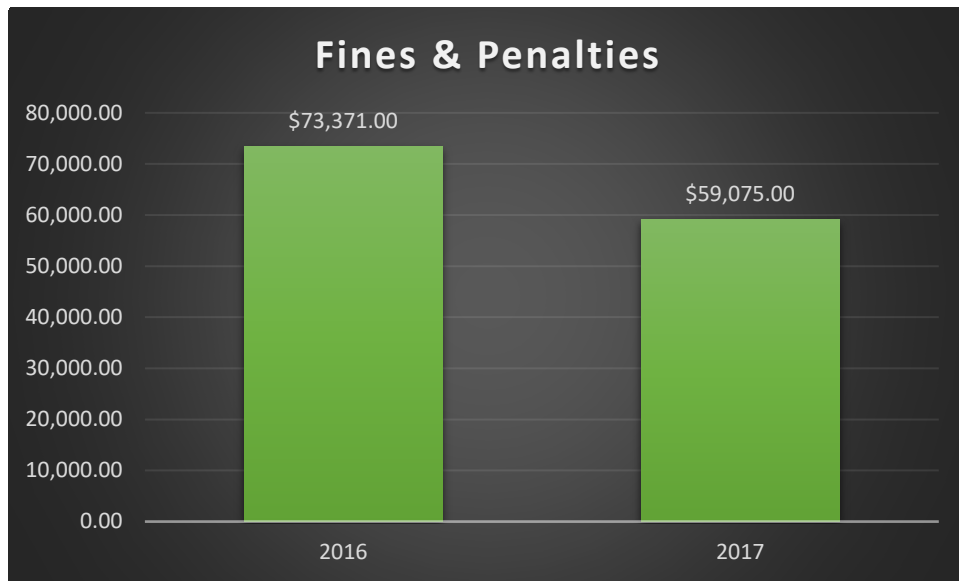
Class B Off Premises Licensees are (Carry Outs, Grocery Store's and Retail Liquor Outlets)

The buy rate indicates the number of Licensees that were not in compliance and in effect sold alcohol to the person under the legal drinking age.



Enforcement Fines & Penalties

The WVABCA makes every effort to ensure compliance; typically, a violation will result in a warning letter with additional educational activities being conducted. However, if a Licensee has multiple violations or continues to violate the rules and regulations, the WVABCA Commissioner has the power, duty, and responsibility to administer fines to achieve compliance. Licensees that are deemed a public safety issue or continue to violate W. Va. State Code may face suspension and/or revocation. These statistics for Fiscal Year 2017 are noted below.





Licensing



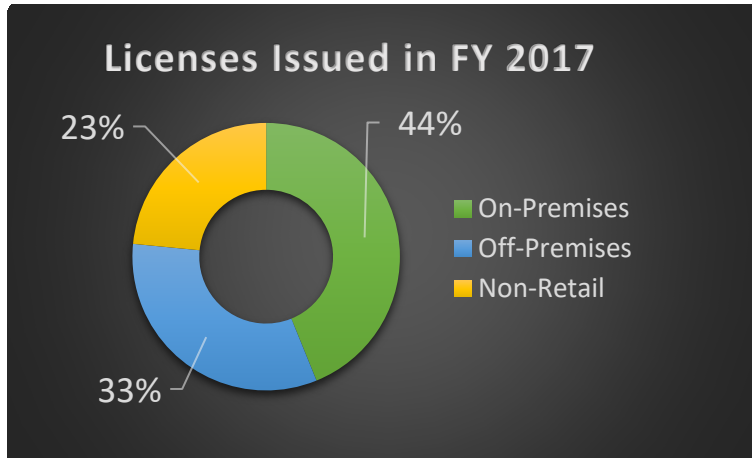
Licensing Division

The WVABCA Licensing Division is responsible for ensuring applicants comply with West Virginia law pertaining to the issuance and maintenance of licenses, encompassing all aspects of handling, serving, and sales of alcoholic beverages. The West Virginia State Code and Rules permit licenses to be issued under specific guidelines and require direct oversight to ensure the safety of customers, businesses and most importantly, the general public.

Issued Licenses

The majority of retail licenses issued in West Virginia can be grouped into two categories; Class A for On-Premises

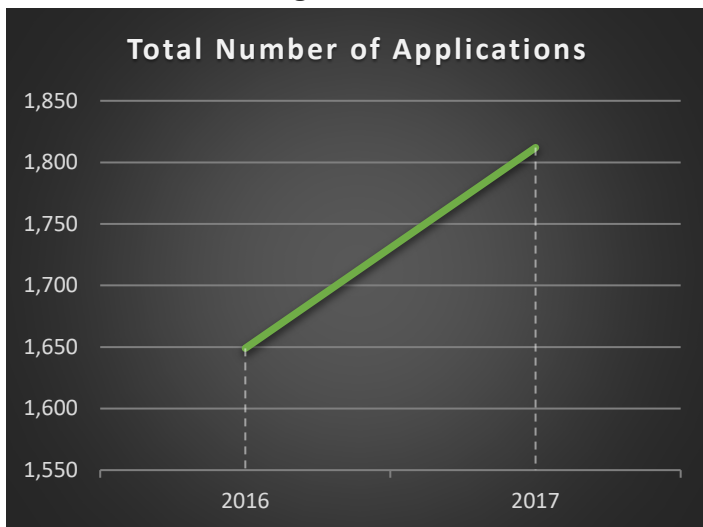
consumption and Class B for Off-Premises consumption. As illustrated in the figure, to the left for 44% of the licenses issued during the Fiscal Year 2017 were On-Premises, whereas 33% of the licenses issued were Off-



Premises. Non-Retail licenses made up twenty-three percent of the issued licenses in 2017. Non-Retail licenses span a variety of categories from Wine Distributors to Transportation.

License Applications

The WVABCA Licensing Division has seen an increase in license applications for Fiscal



Year 2017 as illustrated in the figure to the left. In order to process these applications, the WVABCA Licensing Division sources information from several entities including the West Virginia Secretary of State's Office, Morpho Trust, WV Tax Office and several other sources. Once the application process has been completed and approved the applicant will receive and are required to post their license

in their business location. The Licensee will then need to complete a renewal annually.

Our Staff

The WVABCA Licensing Division is committed to providing fast, accurate, and courteous service while ensuring fair and equitable treatment of all applicants.

The WVABCA licenses are processed by a team comprised of five full-time employees. These employees processed and maintained almost five thousand retail licenses during fiscal year 2017. These licenses span twenty-three distinct categories with their own sets of compliance regulations. The majority of license categories are available on the WVABCA website.



Grants

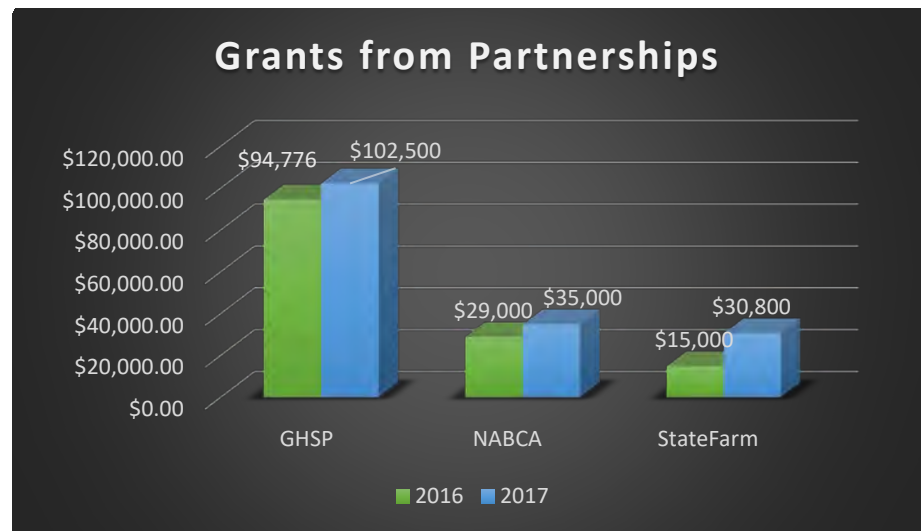


Grants

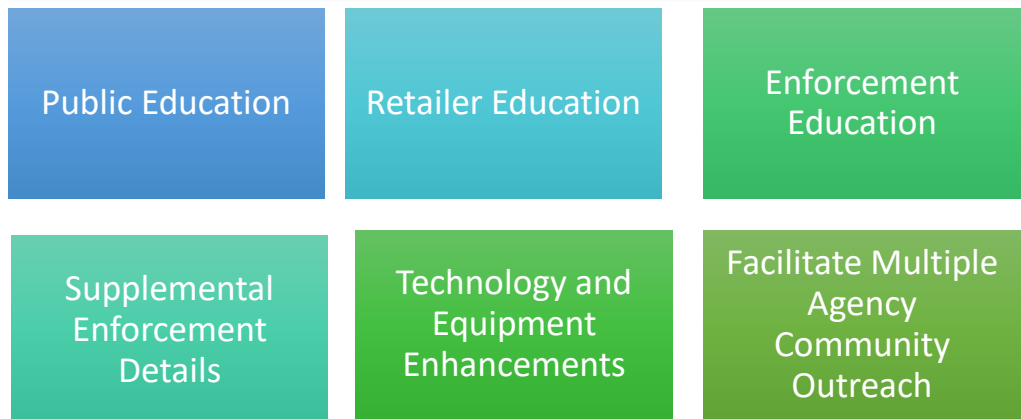
Our Partnerships



The WVABCA has received \$168,300 in grant funding during Fiscal Year 2017. The grants were received from several partners of the WVABCA. The West Virginia Governor's Highway Safety Program receives funding from the National Highway Safety Administration and provided the WVABCA with \$102,500 in grant funding. This grant provided funding for the DUI Simulator program, DUI additional enforcement activities, training, travel and NO School Spirits PSA program. The National Alcohol Beverage Control Association (NABCA) also provided the WVABCA with two grants, (\$10,000 and \$25,000 respectfully). These grants supported the DUI Simulator Program and the NO School Spirits PSA program as did a \$30,800 grant from State Farm®.



Grant Funding Activities





Education



Education



DUI Simulator

The WVABCA DUI Simulator program travels the state and visits high schools, institutions of higher learning and other venues to educate our youth about the harmful effects of drinking and distractive driving. The program provides youth with the opportunity to experience various driving conditions, hazards and scenarios while safely operating a simulation system. The program mimics the difficulties drivers would encounter at various blood alcohol content (BAC) levels. By engaging the youth in this interactive manner, the WVABCA can provide valuable tools to combat underage drinking and distractive driving.

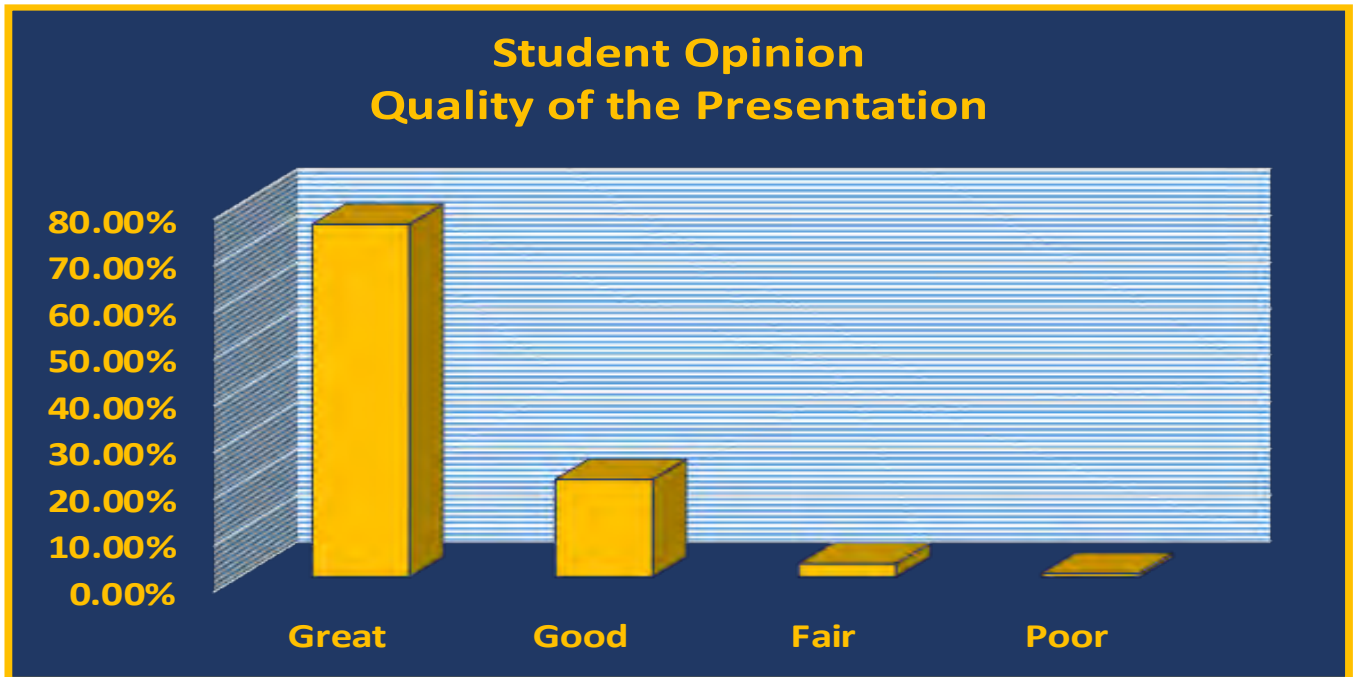
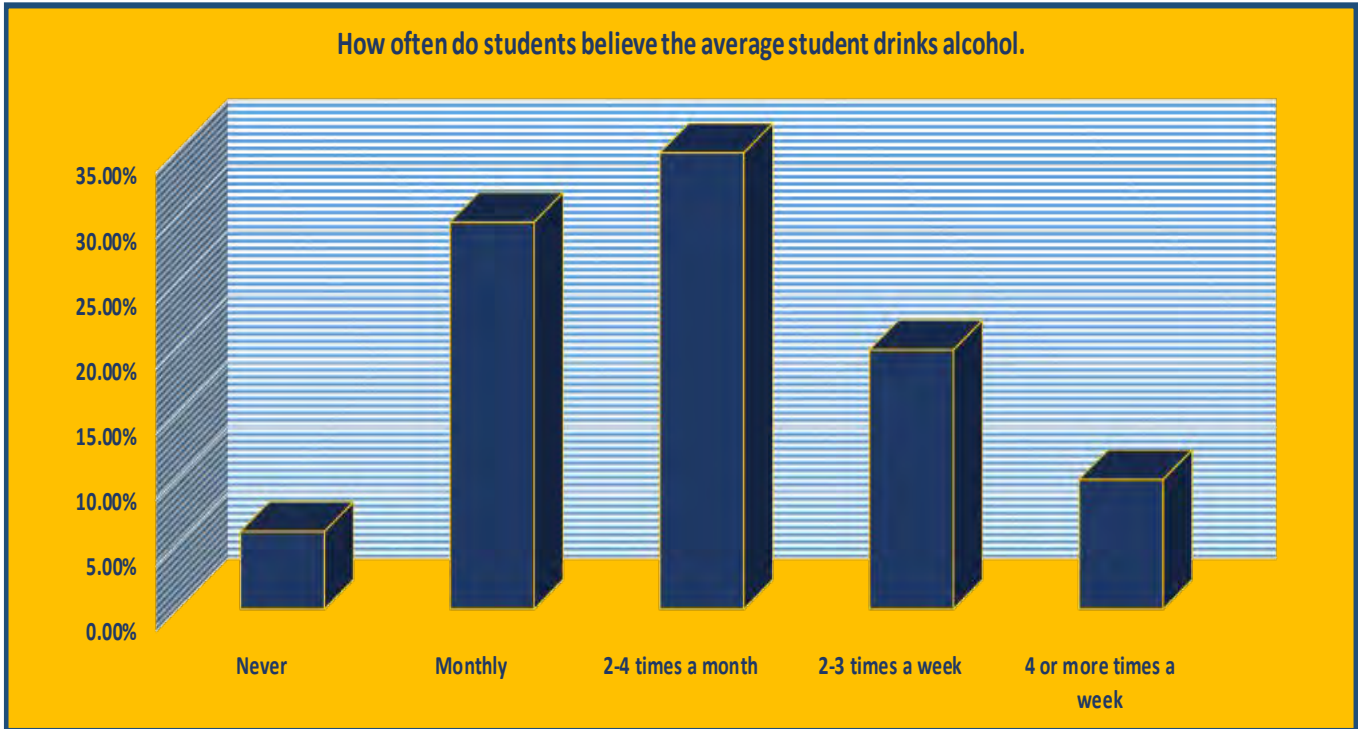
The DUI Simulator Program is sponsored by:



Education Continued

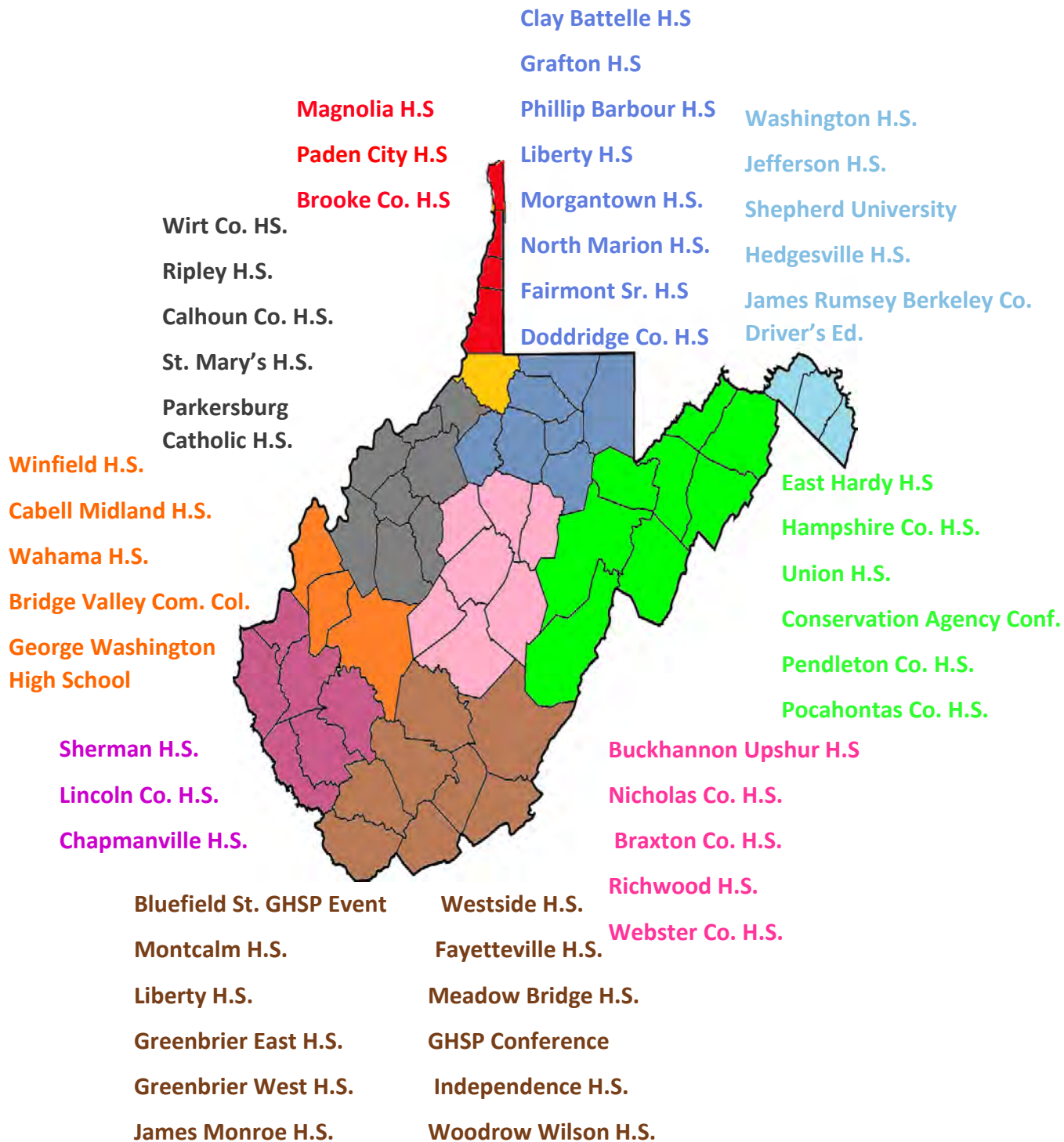
Student Survey Data

The program also includes a classroom lecture and collects relevant statistical information (alcohol use, texting habits, seat belt usage) to aid in prevention programming.



Education Continued

DUI Simulator Site Visits 2017 Spring and Fall School Semesters



Education Continued

NO School Spirits PSA Contest

The NO School Spirits PSA program is a contest that seeks essay or video entries from high school students to address underage drinking or drinking and driving. The entries are judged, and the top three winners receive a monetary award that must be used for a school sanctioned event and/or school equipment. The first-place winning entry is developed into a PSA that is aired across the state during prom and graduation season.

1st Place Winners

- 2013-2014 • Capital High School
- 2014-2015 • Sissonville High School
- 2015-2016 • Bridgeport High School
- 2016-2017 • Ripley High School

NO SCHOOL SPIRITS

STOP
GRAND PRIZE \$5,000
2ND PLACE \$2,500
3RD PLACE \$1,000
PRIZES FUNDED BY STATE FARM®

The West Virginia Alcohol Beverage Control Administration (WVABCA) is pleased to announce the 5th Annual NO School Spirits Public Service Announcement (PSA) contest.

High School students are invited to submit an essay or video about the dangers of drinking and driving or underage alcohol use. The winning school will be invited to help develop a PSA which will be broadcast across the state during the 2018 prom and graduation season. The prize money may be used for a school sanctioned event or for school material. All winning schools will be publicly recognized.

SPONSORED BY

WVABCA
West Virginia Alcohol Beverage Control Administration

State Farm

NABCA
NATIONAL ALCOHOL BEVERAGE CONTROL ASSOCIATION

GHSPM
2017-2018 UNDER-21 DRINKING SAFETY PROGRAM

For official rules and submission please visit www.abca.wv.gov/dds or scan the QR code below.

Questions may be emailed to: NoSchoolSpirits@gmail.com

Find Us On

f e youtu

Selection and prize distribution will be determined by the WVABCA.

NO School Spirits PSA Contest Continued

The program is funded by the following sponsors. State Farm® provides funding for the prizes and helps to offset some administrative costs. The program awards first-place \$5,000.00, second-place \$2,500.00 and third-place \$1,000.00. The NABCA provides a grant for \$10,00.00 to place a statewide media buy during prom and graduation season and a smaller grant from the Governor's Highway Safety Program helps to offset other program expenditures.



Ripley High School
2016 -2017 PSA Contest 1st place Winners



Lewis County High School
2016 -2017 PSA Contest 2nd place Winners



Oak Glen High School
2016 -2017 PSA Contest 3rd place Winners



Public Information / Media

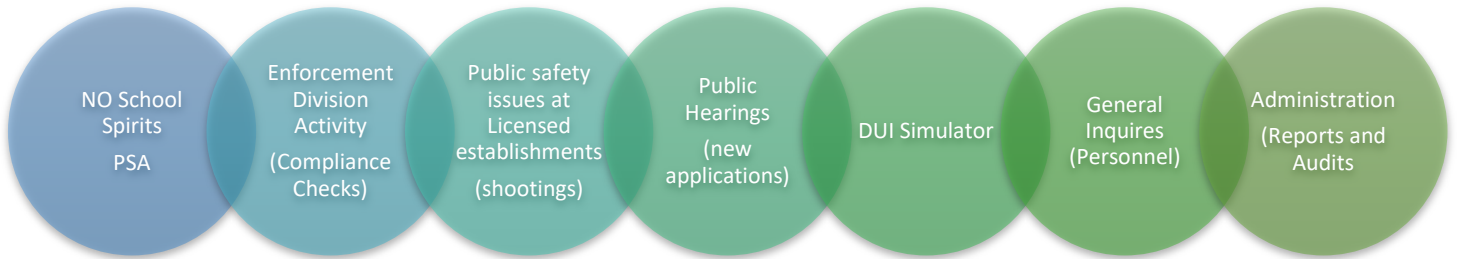


Public Information/Media

The WVABCA interacts with the public across every department. By providing factual, relevant and current information regarding the duties of the WVABCA as it relates to W.Va. State Code and Rules and addressing other factors of the alcohol industry, we can fulfill our mission and better serve the public.

We coordinate, collect and distribute information to individuals and businesses within the private sector. The WVABCA works with units of governments on a local, county, state and federal level.

The media is interested in a variety of topics and activity at the WVABCA. The most common areas of media coverage can be categorized into the following groups:



Below is a sampling of recent headlines





Cabell establishments caught selling alcohol to minors

HUNTINGTON - The West Virginia Alcohol Beverage Control Administration and Cabell County Sheriff's Department conducted 19 underage compliance checks on bars, restaurants and convenience stores in Cabell County throughout the month of August.

Of those establishments visited, eight sold to underage operatives, resulting in a 42 percent buy rate. Citations were issued to all bartenders and salesclerks selling alcohol to minors.



'EXOTIC' ADULT ENTERTAINMENT CLUBS CONTINUED SOURCE OF CONCERN IN BERKELEY COUNTY



One dead in North View shooting

CLARKSBURG, W.Va. (WDTV)-- One woman is dead after a shooting in Clarksburg early Saturday morning.



Public hearing held for Taboo Gentlemen's Club liquor license debate

MARTINSBURG, WVa. - It was standing room only as many came before the WV Alcohol Beverage Control Administration to offer their opinions of whether or not the Taboo Gentlemen's Club should be able to have a liquor license



Ripley High School's emotional video on drunken driving wins statewide contest

RIPLEY, WV (WCHS/WVAH) - A somber video that depicts a mother receiving bad news about her son in a drunken driving incident has earned Ripley High School first place in a statewide contest that warns about the dangers of drunken driving.



DUI Simulator Program to be held at James Rumsey Technical Institute



UPDATE: Three shot inside Huntington bar

UPDATE 12/2/16 @ 6 p.m.
HUNTINGTON, W.Va. (WSAZ) – Three people were shot early Friday morning at a bar near the intersection of 20th Street and 10th Avenue.

The three people injured were taken to the hospital, and they're expected to be OK.

The shooting happened at Gary's Place, and the Alcohol Beverage Control Administration is suspending their liquor license pending a revocation hearing originally set for Dec. 13, but moved to Dec. 15.



The Journal ABCA must focus on laws

In a couple public hearings across a two-day stretch earlier this week, community members voiced both support and concern to the Alcohol Beverage Control Administration about the reopening of two private gentlemen's clubs in Berkeley County.

HUNTINGTONNEWS.NET HUNTINGTON'S PREMIER NEWS SOURCE

HUNTINGTON, WV

Ripley High School wins ABCA NO School Spirits PSA contest

Charleston, W.Va.- More than 900 students and other guests are expected to attend an awards ceremony at Ripley High School on Tuesday, April 18, at 1:15 p.m. Students from the school submitted a video entry addressing the dangers of drinking and driving to the West Virginia Alcohol Beverage Control Administration for the 4th Annual NO School Spirits PSA contest. The students at Ripley High School competed against 22 other high schools across the state and this year a record 240 students participated in the program.



High schoolers navigate DUI simulator

CORE — Juniors and seniors at Clay-Battelle High School got a fun, but serious reminder of the dangers of drinking and driving Sept. 27.

The school was visited by the West Virginia Alcohol Beverage Control Administration's (ABCA), DUI simulator program.

Gig Robinson, ABCA spokesperson, said the DUI simulator was in its seventh year of operation and had touched the lives of more than 42,000 students across the state so far.



Liquor license suspended at Morgantown bar following shooting

MORGANTOWN, W.Va. — The liquor license for the Mainstage Bar in downtown Morgantown has been suspended while the state Alcohol Beverage Control Administration looks into a Friday night shooting.



Berkeley County exotic clubs' license decision could take weeks

MARTINSBURG, W.Va. — The West Virginia Alcohol Beverage Control Administration received comments from 71 people at two public hearings that were held this week concerning the operation of two exotic dance clubs in Berkeley County.



2 arrested in Fayette County nightclub beating death

By Paul Hess, WVVA Internet Director
Posted: Nov 02, 2015 4:19 PM EDT

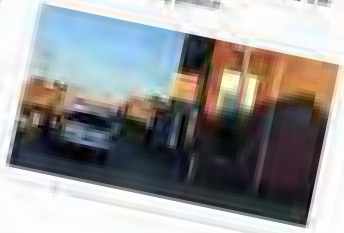
CONNECT

FAYETTE COUNTY (WVVA) - Police in Fayette County have arrested two men in connection with the beating death of man inside a Montgomery nightclub.



ABCA suspends Park Place's license following raid

CHARLESTON, W.Va. — State Alcohol Beverage Control Administration Commissioner Fred Wooten suspended the license of a Charleston bar Wednesday following a Tuesday night raid on the establishment by police. According to investigators, the Park Place bar had been ground zero for several shootings in the city's West Side last summer. ABCA Commissioner Wooten said he expects to take swift action "to ensure that investigation is ongoing and further action may be taken, then ABCA is sending a strong message that illegal activity and other illegal activity will not be tolerated at any ABCA establishment." Wooten said in a statement released by the agency.

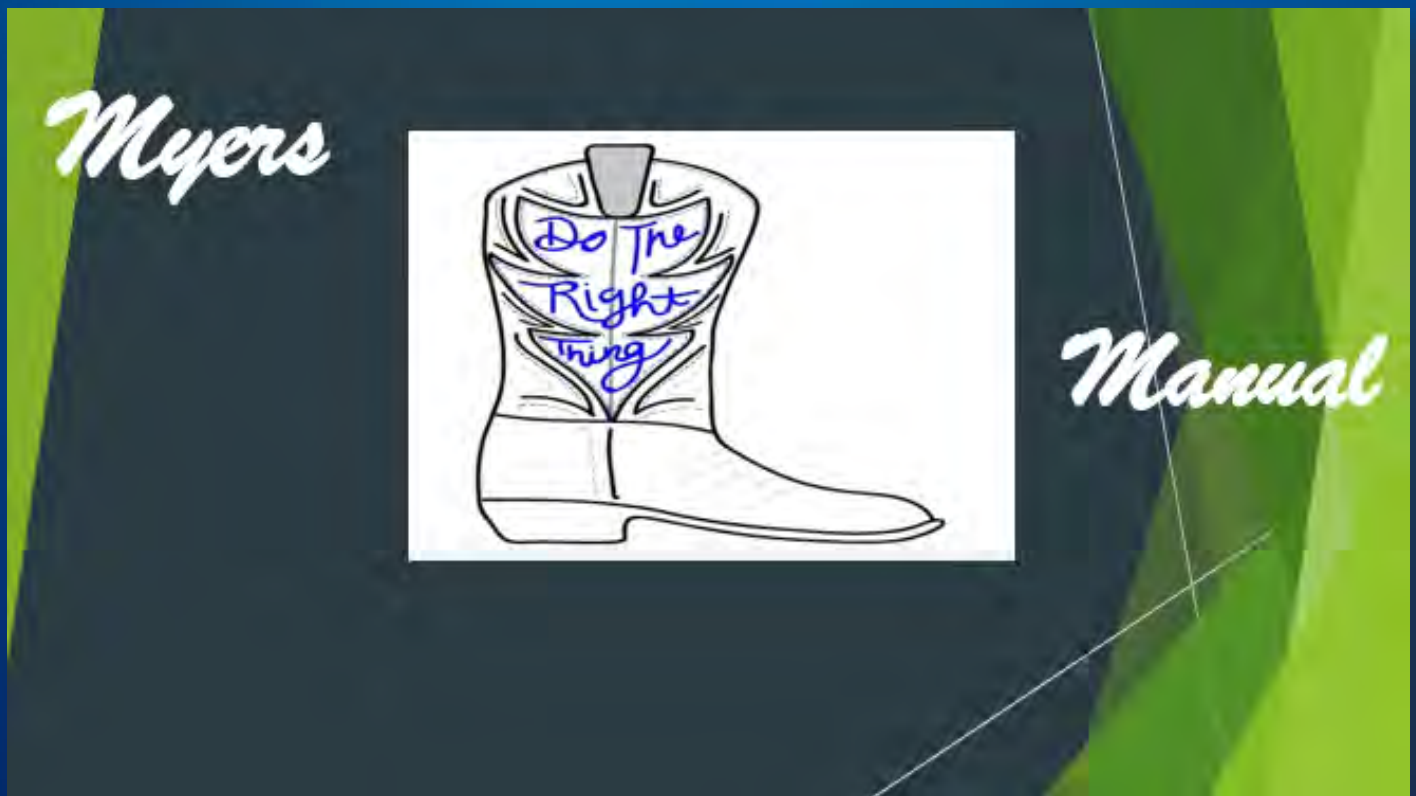


Looking Forward: The Myers Manual

An intervention and prevention program to address underage alcohol poisoning.

The West Virginia Alcohol Beverage Control Administration (WVABCA) created and designed the *Myers Manual* to empower youth with an increased knowledge of the effects of alcohol and to identify the signs of acute alcohol poisoning. The program enables friends and family to better respond to an alcohol poisoning emergency. While the *Myers Manual* is geared to high school students, it may also be used in middle schools and at the collegiate level.

Created in 2017, and scheduled to be released to the public in 2018, the *Myers Manual* is the result of the WVABCA *NO School Spirits PSA Program*. This program seeks essay and video entries from high school students which address underage alcohol use and drinking and driving. Initially, the entries received mainly focused on drinking and driving. As the program grew each year, the themes expanded to highlight additional negative consequences from underage alcohol use. West Virginia's youth voiced their concerns to the WVABCA that they were worried about death from alcohol poisoning. During the *4th annual NO School Spirits PSA contest* an entry from Lewis County High School won second place and brought the issue of alcohol poisoning to the forefront. The Lewis County High School video entry depicted the true-life tragedy of Kurt Myers, who was a 15-year-old student that died from alcohol poisoning in 2012. The *Myers Manual* honors the family of Kurt Myers by sharing his story in life and in death.





WVABCA 2017