

Audited Financial Statements with
Other Financial Information

West Virginia Alcohol Beverage Control Administration

(A Component Unit of the State of West Virginia)

Years Ended June 30, 2011 and 2010



Audited Financial Statements
with Other Financial Information

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

(A Component Unit of the State of West Virginia)

Years Ended June 30, 2011 and 2010

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis (Unaudited)	3-6
Basic Financial Statements:	
Balance Sheet	7
Statement of Revenues, Expenses, and Changes in Fund Net Assets	8
Statement of Cash Flows	9
Notes to Financial Statements	10-16
Supplementary Information:	
Combining Balance Sheet	17
Combining Statement of Revenues, Expenses, and Change in Fund Net Assets	18
Form 7 - Deposit Disclosure	19
Form 8a - Deposits and Investments Reconciliation	20
Form 15 – Transfers in/out	21
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22-23
Schedule of Findings and Responses	24

INDEPENDENT AUDITOR'S REPORT

To the Members of the
West Virginia Alcohol Beverage Control Administration
Charleston, West Virginia

We have audited the accompanying balance sheet of the West Virginia Alcohol Beverage Control Administration (the ABCA), a component unit of the State of West Virginia, as of June 30, 2011 and 2010, and the related statement of revenues, expenses, and changes in fund net assets and cash flows for the years then ended. These financial statements are the responsibility of the ABCA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Virginia Alcohol Beverage Control Administration as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2011, on our consideration of the ABCA'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we

obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, on pages 17 through 21 as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of the ABCA. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Jellons ; Kanash, A.C.

September 30, 2011

West Virginia Alcohol Beverage Control Administration
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2011 and 2010

The West Virginia Alcohol Beverage Control Administration (the ABCA) was created by the West Virginia Legislature in 1935 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 first fifty-six (56) years of its existence, the ABCA functioned as the exclusive wholesaler and retailer of liquor in West Virginia. On February 27, 1990, with the passage of senate bill 337, legislative action was taken to discontinue the retail sale of alcoholic beverages by the State of West Virginia. During the fiscal year ended 1991, public bids were held in August 1990, January 1991, and May 1991. The bids resulted in the sale of all 98 zones offered and the possibility of 214 privately owned liquor stores being opened in West Virginia. The sale of State owned liquor stores and the conversion of State owned liquor inventories enabled the ABCA to transfer profits of \$26,500,000 to the West Virginia General Revenue Fund.

On March 13, 1999, House Bill 3023 was passed. All Licenses within the 98 zones were re-bid starting on March 3, 2000. The ABCA sold licenses to 164 stores providing revenues to the state of \$22,227,651. An additional eighteen (18) Class B retail licenses were bid on April 17, 2002. The Retail Liquor Licensing Board ("RLLB") directed the bid, which offered the remaining licenses for eight years ending on June 30, 2010. Five (5) of the remaining licenses were sold, providing revenues of \$215,903.

On June 2, 2009, House Bill 105 was passed. House Bill 105 mandated that the RLLB re-bid all Class A and Class B liquor licenses for an additional ten (10) years beginning July 1, 2010. All Licensees within the 98 zones were given the opportunity to elect the Purchase Option on their existing retail outlet(s) provided they met the requirements to operate a Class A freestanding liquor retail outlet pursuant to the Rules and the Code. During Phase I, 46 stores took the Purchase Option which ended on February 17, 2010. An additional 119 licenses were sold during Phase II, the License Bidding Process, which ended on April 30, 2010. An additional ten (10) licenses were sold during Phase III, the Subsequent License Bidding Process, which ended on June 25, 2010.

Moving forward into fiscal year 2011, an additional license was sold during an extended Phase III License Bidding Process, which ended on August 6, 2010. The three phases provided revenues totaling \$37,660,998 for 175 retail outlets. Two (2) additional licenses were sold during a continuation of extended Phase III License Bidding Process, which ended November 4, 2010. The continuation of extended Phase III provided revenues totaling \$244,681 for the three (3) additional retail outlets added. Three (3) additional retail outlets still remain available for bid at the RLLB's discretion. The RLLB is evaluating the results of a consultant provided statewide analysis and recommendation of "need areas" in the State as the Board considers reallocating the three (3) available licenses.

During the 2011 fiscal year, sales dollars increased 6% and case volume sales increased 5%, primarily due to the addition of 13 new retail stores. The ABCA also made several equipment purchases on behalf of its Distribution Center, located in Nitro, West Virginia, during the year to improve the operations of the liquor warehouse.

As management of the ABCA, we offer readers of the ABCA's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the ABCA's financial statements, which begin on page 7.

West Virginia Alcohol Beverage Control Administration
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2011 and 2010

USING THIS ANNUAL REPORT

This report consists of a series of financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows. These statements provide information about the activities of the ABCA. Following is an additional discussion of the significant financial statement items and the changes in those items from the prior year due to recent events and activities of the ABCA, current economic factors, and other factors affecting the Commission's financial activities.

The Statement of Net Assets represents the difference between the assets and liabilities of the ABCA and includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private – sector companies. Over time, increases or decreases in the ABCA's net assets are one indicator of whether its financial health is improving, stable or deteriorating. The Statement of Revenues, Expenses, and Changes in Fund Net Assets reflects the ABCA's revenues, such as proceeds from the sales of alcoholic beverages as the exclusive wholesaler of liquor in the State, and related fees from licenses, permits and administrative hearing fines, and its expenses, such as costs of sales, general and administrative costs and depreciation. The notes to the financial statements provide information that is essential to the full understanding of the data provided in the financial statements. The financial statements of the ABCA are prepared in conformity with accounting principles generally accepted in the United States of America.

FINANCIAL HIGHLIGHTS

The following is a condensed summary of financial information as of and for the years ended June 30, 2011, 2010 and 2009, respectively.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Balance Sheet:</u>			
Current assets	\$ 8,625,615	\$ 20,236,135	\$ 5,363,006
Capital assets, net	1,967,593	1,915,866	1,930,968
Other noncurrent assets	<u>1,876,035</u>	<u>2,256,640</u>	<u>-</u>
Total assets	<u>\$ 12,469,243</u>	<u>\$ 24,408,641</u>	<u>\$ 7,293,974</u>
Current liabilities	\$ 3,191,048	\$ 16,978,694	\$ 3,416,982
Noncurrent liabilities	<u>1,559,084</u>	<u>1,013,948</u>	<u>505,841</u>
Total liabilities	<u>4,750,132</u>	<u>17,992,642</u>	<u>3,922,823</u>
Invested in capital assets	\$ 1,967,593	\$ 1,915,866	\$ 1,930,968
Restricted by enabling legislation	1,787,638	2,130,400	-
Unrestricted net assets	<u>3,963,880</u>	<u>2,369,733</u>	<u>1,440,183</u>
Total net assets	<u>\$ 7,719,111</u>	<u>\$ 6,415,999</u>	<u>\$ 3,371,151</u>

West Virginia Alcohol Beverage Control Administration
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2011 and 2010

FINANCIAL HIGHLIGHTS (Continued)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Income Statement:</u>			
Sales	\$ 84,268,275	\$ 79,614,304	\$ 80,497,186
Licenses, permits and fees	3,908,343	3,538,404	3,426,902
Administrative hearing fees	<u>59,618</u>	<u>103,969</u>	<u>100,058</u>
Total operating revenues	<u>88,236,236</u>	<u>83,256,677</u>	<u>84,024,146</u>
Cost of sales	65,716,061	61,988,392	62,758,957
General and administrative	5,745,130	6,501,051	6,317,987
Depreciation	<u>155,774</u>	<u>152,301</u>	<u>142,054</u>
Total operating expenses	<u>71,616,965</u>	<u>68,641,744</u>	<u>69,218,998</u>
Operating income	16,619,271	14,614,933	14,805,148
Nonoperating revenues (expenses):			
Retail liquor license renewal	-	37,661,000	-
Interest income	-	126,240	-
Grants	78,238	227,858	149,325
Gain (loss) on disposal of assets	(13,308)	(782)	15,605
Transfers in from primary government	200,000	200,000	200,000
Statutory distributions	<u>(15,581,089)</u>	<u>(49,784,401)</u>	<u>(17,264,592)</u>
	<u>(15,316,159)</u>	<u>(11,570,085)</u>	<u>(16,899,662)</u>
Change in net assets	<u>\$ 1,303,112</u>	<u>\$ 3,044,848</u>	<u>\$ (2,094,514)</u>

BALANCE SHEET

Total assets decreased \$11,939,398 from \$24,408,641 at June 30, 2010, to \$12,469,243 at June 30, 2011, as a result of distributions of cash from the 2010 RLLB re-bid proceeds which had been accrued to the State of West Virginia at June 30, 2010. Total assets increased \$17,114,667 from \$7,293,974 at June 30, 2009, to \$24,408,641 at June 30, 2010, as a result of the fiscal year 2010 RLLB re-bid process. Total liabilities decreased \$13,242,510 from \$17,992,642 at June 30, 2010, to \$4,750,132 at June 30, 2011, as a result of the distribution of accrued statutory distributions from the RLLB re-bid. Total liabilities increased \$14,069,819 from \$3,922,823 at June 30, 2009, to \$17,992,642 at June 30, 2010. As a result of collections of statutory distributions from the RLLB re-bid accrued for distribution at June 30, 2010.

The ABCA's net assets totaled \$7,719,111, \$6,415,999, and \$3,371,151 at June 30, 2011, 2010, and 2009, respectively. Net assets represented 62%, 26%, and 46% of the ABCA's total assets for each of the years ended June 30, 2011, 2010, and 2009, respectively.

West Virginia Alcohol Beverage Control Administration
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2011 and 2010

OPERATING RESULTS

The ABCA had operating income for the year ended June 30, 2011 of \$16,619,271 which was an increase of 13.7% over the year ended June 30, 2010 which was \$14,614,933. Operating income from the year ended June 30, 2010 decreased by \$190,215, or 1.3% from the year ended June 30, 2009 which was \$14,805,148. Additionally, unit quantities of sales measured in cases were 669,469, 636,244, 641,969, for the years ended June 30, 2011, 2010, and 2009, respectively. Operating income fluctuates in response to sales dollars and quantities on an annual basis.

NONOPERATING RESULTS

The ABCA's non-operating expense, net for the years ended June 30, 2011, 2010, and 2009 were \$15,316,159, \$11,570,085, and \$16,899,662, respectively. The fluctuations noted in non-operating expense are predominately due to the amount of statutory distributions and revenue earned from the RLLB re-bid process during fiscal year 2010. Statutory distributions related to ongoing liquor sales are determined by the West Virginia Department of Administration each year to the extent that funds are available. The statutory distributions are transfers to the State of West Virginia's General Revenue Fund.

CHANGES IN OPERATIONS

During the years ended June 30, 2011 and 2010, no major changes were made in the ABCA's operations.

CONTACTING THE ABCA'S FINANCIAL MANAGEMENT

The above financial highlights are designed to provide a general overview of the ABCA's operations and insight into the following financial statements. Questions about this report or requests for additional information should be directed to the ABCA's central office located at 322 70th Street SE, Charleston, West Virginia, (304) 558-2481

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

BALANCE SHEET

June 30, 2011 and 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents	\$ 8,546,779	\$ 20,009,993
Inventory	6,829	18,432
Accounts receivable	72,007	207,210
Other	-	500
Total current assets	<u>8,625,615</u>	<u>20,236,135</u>
Noncurrent assets:		
Notes receivable	1,787,638	2,130,400
Accrued interest	88,397	126,240
Capital assets, net	<u>1,967,593</u>	<u>1,915,866</u>
Total noncurrent assets	<u>3,843,628</u>	<u>4,172,506</u>
 Total assets	 <u>\$ 12,469,243</u>	 <u>\$ 24,408,641</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 3,191,048	\$ 2,992,208
Accrued statutory transfer	-	13,986,486
Total current liabilities	<u>3,191,048</u>	<u>16,978,694</u>
Noncurrent liabilities:		
Accrued annual leave	243,156	269,235
Other post employment benefits	<u>1,315,928</u>	<u>744,713</u>
Total noncurrent liabilities	<u>1,559,084</u>	<u>1,013,948</u>
 Total liabilities	 <u>4,750,132</u>	 <u>17,992,642</u>
Net assets:		
Invested in capital assets	1,967,593	1,915,866
Restricted by enabling legislation	1,787,638	2,130,400
Unrestricted	<u>3,963,880</u>	<u>2,369,733</u>
Total net assets	<u>7,719,111</u>	<u>6,415,999</u>
Total net assets and liabilities	<u>\$ 12,469,243</u>	<u>\$ 24,408,641</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Sales	\$ 84,268,275	\$ 79,614,304
Licenses, permits and fees	3,908,343	3,538,404
Administrative hearing fines	<u>59,618</u>	<u>103,969</u>
	<u>88,236,236</u>	<u>83,256,677</u>
Operating expenses:		
Cost of sales	65,716,061	61,988,392
General and administrative	5,745,130	6,501,051
Depreciation	<u>155,774</u>	<u>152,301</u>
	<u>71,616,965</u>	<u>68,641,744</u>
Operating income	16,619,271	14,614,933
Nonoperating revenues (expenses):		
Retail liquor license renewal - financing option	-	2,130,400
Retail liquor license renewal	-	35,530,600
Interest income	-	126,240
Grants	78,238	227,858
Loss of disposal of assets	(13,308)	(782)
Transfers from primary government	200,000	200,000
Statutory distributions	<u>(15,581,089)</u>	<u>(49,784,401)</u>
	<u>(15,316,159)</u>	<u>(11,570,085)</u>
Change in net assets	1,303,112	3,044,848
Net assets, beginning of year	<u>6,415,999</u>	<u>3,371,151</u>
Net assets, end of year	<u>\$ 7,719,111</u>	<u>\$ 6,415,999</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

STATEMENT OF CASH FLOWS

Years Ended June 30, 2011 and 2010

Cash flows from operating activities:	<u>2011</u>	<u>2010</u>
Cash received from customers and users	\$ 88,371,439	\$ 83,553,816
Cash paid to employees	(3,858,084)	(4,379,653)
Cash paid to suppliers	<u>(66,847,028)</u>	<u>(64,011,502)</u>
Net cash provided by operating activities	<u>17,666,327</u>	<u>15,162,661</u>
Cash flows from noncapital financing activities		
Receipts on nonoperating grants	78,238	227,858
Provided from issuing liquor licenses	380,605	35,530,600
Receipt from primary government	200,000	200,000
Payments to primary government	<u>(29,567,575)</u>	<u>(35,797,915)</u>
Net cash provided by (used in) noncapital financial activities	<u>(28,908,732)</u>	<u>160,543</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(220,809)</u>	<u>(137,981)</u>
Increase (decrease) in cash and cash equivalents	(11,463,214)	15,185,223
Cash and cash equivalents, beginning of year	<u>20,009,993</u>	<u>4,824,770</u>
Cash and cash equivalents, end of year	<u>\$ 8,546,779</u>	<u>\$ 20,009,993</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 16,619,271	\$ 14,614,933
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	155,774	152,301
Change in assets and liabilities:		
Decrease in accounts receivable	135,203	297,139
Decrease in inventory	11,603	14,955
Decrease in other assets	500	-
Increase (decrease) in accounts payable	198,840	(424,774)
Increase in accrued postemployment benefits	571,215	597,872
Decrease in accrued annual leave	<u>(26,079)</u>	<u>(89,765)</u>
Net cash provided by operating activities	<u>\$ 17,666,327</u>	<u>\$ 15,162,661</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

1 - FINANCIAL REPORTING ENTITY

The West Virginia Alcohol Beverage Control Administration (the ABCA) is a component unit and governmental instrumentality of the State of West Virginia (the State), created under the provisions of Chapter 60, Article 1 of the West Virginia Code, as amended.

The ABCA's mission is to give effect to the mandate of 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. This is accomplished by issuing licenses in accordance with Senate Bill 337 and acting as the wholesaler of liquor to retailers in the State.

The ABCA's financial statements are included in the State's Comprehensive Annual Financial Report as a blended component unit.

2 - SIGNIFICANT ACCOUNTING POLICIESBasis of Accounting

The ABCA is accounted for as a special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting, using the flow of economic resources measurement focus. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. As permitted by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the ABCA has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, unless the GASB specifically adopts such FASB statements or interpretations.

Cash Equivalents

Cash and cash equivalents consist primarily of cash on deposit with the State Treasurer's Office and cash on hand. The State Treasurer has statutory responsibility for the daily cash management activities of the State's agencies, departments, boards and commissions in accordance with West Virginia Code. The carrying value of cash and cash equivalents approximates fair value and all deposits are available with overnight notice.

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS
(Continued)**2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**Notes Receivable

Notes receivable consists of amounts due from licensees that elected to finance up to 50% of the ten-year license fee as permitted by West Virginia Code. The principal and interest on these notes are due in either monthly or quarterly installments as elected by the licensee over 60 months and bear interest at an annual rate of 2.25%. The notes are secured by potential revocation of the licensee's Class A retail license.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market.

Capital Assets

Capital assets are reported at historical cost. Capital assets are defined by the ABCA as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the following estimated economic useful lives of the assets; buildings (31- 40 years) and equipment (3-10 years).

Employee Benefits

Employees fully vest in all earned but unused vacation and the ABCA accrues for obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. To the extent that accumulated sick leave is expected to be converted to benefits on retirement, the benefits are funded by the ABCA's participation in The West Virginia Retiree Health Benefit Trust Fund.

Net Assets

Net assets are the difference between assets and liabilities and are presented as restricted, unrestricted or invested in capital assets. Net assets invested in capital assets consist of all capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets restricted by enabling legislation consists of notes receivable on re-bid licenses in which all collections by the ABCA are required by West Virginia Code to be distributed to the State of West Virginia. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS
(Continued)**2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**Operating Revenues and Expenses

Operating revenues and expenses for enterprise funds such as the ABCA are revenues and expenses that result from providing services and producing and delivering goods and/or services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3 - CAPITAL ASSETS

A summary of capital assets as of and for the year ended June 30, 2011 and 2010, follows:

<u>June 30, 2011</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 611,381	\$ -	\$ -	\$ 611,381
Capital assets, being depreciated:				
Buildings	1,660,934	-	-	1,660,934
Equipment	1,217,123	220,809	(255,353)	1,182,579
Total capital assets, being depreciated	<u>2,878,057</u>	<u>220,809</u>	<u>(255,353)</u>	<u>2,843,513</u>
Less accumulated depreciation for:				
Buildings	(751,171)	(52,019)	-	(803,190)
Equipment	(822,401)	(103,755)	242,045	(684,111)
Total accumulated depreciation	<u>(1,573,572)</u>	<u>(155,774)</u>	<u>242,045</u>	<u>(1,487,301)</u>
Total capital assets, being depreciated, net	<u>1,304,485</u>	<u>65,035</u>	<u>(13,308)</u>	<u>1,356,212</u>
Total capital assets, net	<u>\$ 1,915,866</u>	<u>\$ 65,035</u>	<u>\$ (13,308)</u>	<u>\$ 1,967,593</u>

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS
(Continued)**3 - CAPITAL ASSETS (Continued)**

<u>June 30, 2010</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 611,381	\$ -	\$ -	\$ 611,381
Capital assets, being depreciated:				
Buildings	1,660,934	-	-	1,660,934
Equipment	<u>1,111,711</u>	<u>137,981</u>	<u>(32,569)</u>	<u>1,217,123</u>
Total capital assets, being depreciated	<u>2,772,645</u>	<u>137,981</u>	<u>(32,569)</u>	<u>2,878,057</u>
Less accumulated depreciation for:				
Buildings	(699,265)	(51,906)	-	(751,171)
Equipment	<u>(753,793)</u>	<u>(100,395)</u>	<u>31,787</u>	<u>(822,401)</u>
Total accumulated depreciation	<u>(1,453,058)</u>	<u>(152,301)</u>	<u>31,787</u>	<u>(1,573,572)</u>
Total capital assets, being depreciated, net	<u>1,319,587</u>	<u>(14,320)</u>	<u>(782)</u>	<u>1,304,485</u>
Total capital assets, net	<u>\$ 1,930,968</u>	<u>\$ (14,320)</u>	<u>\$ (782)</u>	<u>\$ 1,915,866</u>

4 - OPERATING LEASE

The ABCA rents its administrative office space through an operating lease agreement which expires in March 2013. Rent expense for the year ended June 30, 2011 was \$172,238. The lease contains a clause that allows the ABCA to cancel the lease with 30 days written notice to the Lessor. The following is a schedule of expected future minimum lease rental payments with terms in excess of one year:

<u>Year Ending June 30</u>	
2012	\$ 174,825
2013	<u>132,638</u>
	<u>\$ 307,463</u>

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS
(Continued)**5 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**Plan Description

The ABCA participates in the West Virginia Other Postemployment Benefit Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employees Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit plans to the WVPEIA Board of Trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th Street, S.E., Suite 2, Charleston, West Virginia, 25304-2345, or by calling 1-888-680-7342.

Funding Policy

The Code requires the OPEB Plan to bill the participating employers 100% of the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The ABCA's ARC was \$705,672, \$725,130, and \$252,875 and the ABCA paid premiums of \$134,457, \$127,258, and \$155,444, which represented 19.1%, 17.5%, and 61.5% of the ARC, respectively, for the years ending June 30, 2011, 2010, and 2009. As of June 30, 2011 and 2010 the ABCA has recorded an OPEB liability of \$1,315,928 and \$744,713, respectively.

6 - PENSION PLAN

All full-time employees of the ABCA are eligible and required to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement Board (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements for each retirement system it administers, which can be obtained from Consolidated Public Retirement Board, 4101 MacCorkle Avenue S.E., Charleston, West Virginia 25304-1636 or by calling 1-800-654-4406.

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS
(Continued)**6 - PENSION PLAN (Continued)**

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's final average salary, multiplied by the number of years of the employee's credited service at the time of retirement.

Covered employees are required to contribute 4.5% of their salary to the PERS. The ABCA is required to contribute 12.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The ABCA and employee contributions, which equaled the required contributions for the three years ended June 2011, 2010, and 2009, were as follows (in thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
ABCA contributions	\$ 333,375	\$ 342,261	\$ 347,151
Employee contributions	<u>124,363</u>	<u>148,555</u>	<u>148,717</u>
Total contributions	<u>\$ 457,738</u>	<u>\$ 490,816</u>	<u>\$ 495,868</u>

7 - RISK MANAGEMENTPublic Employees' Insurance Agency (PEIA)

The ABCA is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABCA participates in several risk management programs administered by the State of West Virginia and other providers. Each of these risk pools have issued separate audited financial reports on their operations. Those reports include the required supplementary information regarding the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider, and has transferred the risks of the life insurance coverage to a third party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 205,000 individuals, including participants and dependents.

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS
(Continued)**7 - RISK MANAGEMENT (Continued)**Board of Risk and Insurance Management (BRIM)

The ABCA participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The ABCA pays an annual premium to BRIM for its general insurance coverage. Underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$1 million per property event and purchases excess insurance on losses above that level. Excess coverage through an outside insurer under this program is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

Workers Compensation Insurance

The ABCA carries workers compensation insurance coverage through a commercial carrier. The carrier is paid a monthly premium to provide compensation for injuries sustained in the course of employment.

SUPPLEMENTARY INFORMATION

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

COMBINING BALANCE SHEET

June 30, 2011

	Administrative / Liquor Fund #7352	Enforcement Fund #7356	Wine Fund #7351	Grants / Gift #7357	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,481,452	\$ 23,778	\$ 1,021,549	\$ 20,000	\$ 8,546,779
Inventory	6,829	-	-	-	6,829
Accounts receivable	72,007	-	-	-	72,007
Total current assets	<u>7,560,288</u>	<u>23,778</u>	<u>1,021,549</u>	<u>20,000</u>	<u>8,625,615</u>
Noncurrent assets:					
Notes receivable	1,787,638	-	-	-	1,787,638
Accrued interest	88,397	-	-	-	88,397
Capital assets, net	<u>1,713,730</u>	<u>44,233</u>	<u>124,422</u>	<u>85,208</u>	<u>1,967,593</u>
Total noncurrent assets	<u>3,589,765</u>	<u>44,233</u>	<u>124,422</u>	<u>85,208</u>	<u>3,843,628</u>
Total assets	<u>\$ 11,150,053</u>	<u>\$ 68,011</u>	<u>\$ 1,145,971</u>	<u>\$ 105,208</u>	<u>\$ 12,469,243</u>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 3,191,048	\$ -	\$ -	\$ -	\$ 3,191,048
Noncurrent liabilities:					
Other post employment benefits	1,315,928	-	-	-	1,315,928
Accrued annual leave	243,156	-	-	-	243,156
Total noncurrent liabilities	<u>1,559,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,559,084</u>
Total liabilities	<u>4,750,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,750,132</u>
Net assets:					
Invested in capital assets	1,713,730	44,233	124,422	85,208	1,967,593
Restricted by enabling legislation	1,787,638	-	-	-	1,787,638
Unrestricted	<u>2,898,553</u>	<u>23,778</u>	<u>1,021,549</u>	<u>20,000</u>	<u>3,963,880</u>
Total net assets	<u>6,399,921</u>	<u>68,011</u>	<u>1,145,971</u>	<u>105,208</u>	<u>7,719,111</u>
Total net assets and liabilities	<u>\$ 11,150,053</u>	<u>\$ 68,011</u>	<u>\$ 1,145,971</u>	<u>\$ 105,208</u>	<u>\$ 12,469,243</u>

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

Year Ended June 30, 2011

	Administrative / Liquor Fund #7352	Enforcement Fund #7356	Wine Fund #7351	Grants / Gift #7357	Total
Operating revenues:					
Sales	\$ 84,268,275	\$ -	\$ -	\$ -	\$ 84,268,275
Licenses, permits and fees	3,495,364	-	412,979	-	3,908,343
Administrative hearing fines	-	59,618	-	-	59,618
Total revenues	<u>87,763,639</u>	<u>59,618</u>	<u>412,979</u>	<u>-</u>	<u>88,236,236</u>
Operating expenses:					
Cost of sales	65,716,061	-	-	-	65,716,061
General and administrative	5,498,773	58,518	130,745	57,094	5,745,130
Depreciation	<u>135,717</u>	<u>5,580</u>	<u>3,852</u>	<u>10,625</u>	<u>155,774</u>
	<u>71,350,551</u>	<u>64,098</u>	<u>134,597</u>	<u>67,719</u>	<u>71,616,965</u>
Operating income (loss)	16,413,088	(4,480)	278,382	(67,719)	16,619,271
Nonoperating revenues (expenses):					
Grants	11,144	10,000	-	57,094	78,238
Loss of disposal of assets	(6,324)	(6,984)	-	-	(13,308)
Transfers in from primary government	200,000	-	-	-	200,000
Statutory distributions	<u>(15,575,954)</u>	<u>(5,135)</u>	<u>-</u>	<u>-</u>	<u>(15,581,089)</u>
	<u>(15,371,134)</u>	<u>(2,119)</u>	<u>-</u>	<u>57,094</u>	<u>(15,316,159)</u>
Change in net assets	1,041,954	(6,599)	278,382	(10,625)	1,303,112
Net assets, beginning of year	<u>5,357,967</u>	<u>74,610</u>	<u>867,589</u>	<u>115,833</u>	<u>6,415,999</u>
Net assets, end of year	<u>\$ 6,399,921</u>	<u>\$ 68,011</u>	<u>\$ 1,145,971</u>	<u>\$ 105,208</u>	<u>\$ 7,719,111</u>

See Accompanying Independent Auditor's Report.

GAAP REPORTING FORM - DEPOSITS DISCLOSURE

Audited Agency West Virginia Alcohol Beverage Control Administration
 June 30, 2011

Per GASB Statement 40 the Institution must disclose its deposit policy. The deposit policy must be formally adopted through legal or contractual provisions. Disclosure of any statutory policies are also required. Please provide in the space below the Institution's deposit policy.

See Note 1 to the financial statements.

	Carrying Amount	Restricted Carrying Amount	Total Carrying Amount	Bank Balance	FDIC Insured Amount	Collateralized Amount	2	3A	3B	3C	Foreign Currency Risk						
							Amount Collateralized with securities held by the pledging financial institution's trust department or agent in the government's name	Amount Uninsured and Uncollateralized	Collateralized with securities held by the pledging financial institution but not in the name of the depositor	Collateralized with securities held by the pledging financial institution trust department or agency but not in the name of the depositor	Currency Type	Maturity	Fair Value				
Balances as of June 30, 2011																	
Cash with Treasurer																	
Per WVFIMS Opening Balance Report	\$ 8,491,762		\$ 8,491,762														
Cash with Municipal Bond Commission																	
Cash on Hand																	
Cash in Transit to WVFIMS	55,017		55,017														
Cash with Board of Trustees																	
Cash in Outside Bank Accounts																	
Cash in Escrow																	
Certificates of Deposits (Non-Negotiable)																	
Other:																	
Total	\$ 8,546,779		\$ 8,546,779														

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
 Financial Accounting and Reporting Section
 2101 Washington Street East
 Building 17, 3rd Floor
 Charleston, WV 25305

Telephone Number (304) 558-4083
 Fax Number (304) 558-4084

STATE OF WEST VIRGINIA
 DEPARTMENT OF ADMINISTRATION - FINANCE DIVISION
 FINANCIAL ACCOUNTING AND REPORTING SECTION

FORM 8A

GAAP REPORTING FORM - DEPOSITS AND INVESTMENTS RECONCILIATION

Audited Agency **West Virginia Alcohol Beverage Control Administration - June 30, 2011**

Reconciliation of cash, cash equivalents and investments as reported in the financial statements to the amounts disclosed in the footnote:

Deposits:	
Cash and cash equivalents as reported on balance sheet	\$ 8,546,779
Less: cash equivalents disclosed as investments	_____
Add: restricted assets disclosed as deposits	_____
Other (describe) _____	_____
_____	_____
_____	_____
Carrying amount of deposits as disclosed on Form 7	<u>\$ 8,546,779</u>
Investments:	
Investments as reported on balance sheet	\$ -
Add: restricted assets disclosed as investments	_____
Add: cash equivalents disclosed as investments	_____
Other (describe) _____	_____
_____	_____
_____	_____
Reported amount of investments as disclosed on Form 8	<u>\$ -</u>

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
 Financial Accounting and Reporting Section
 2101 Washington Street East
 Building 17, 3rd Floor
 Charleston, WV 25305

Telephone Number (304) 558-4083
 Fax Number (304) 558-4084

GAAP REPORTING FORM - TRANSFERS IN/OUT

Audited Agency **West Virginia Alcohol Beverage Control Administration**

Indicate amounts transferred from/to your agency as of June 30, 2011

WVFIMS Doc. ID	Agency Transferring From	WVFIMS FUND	Agency Transferring To	WVFIMS FUND	Amount
1	2	3	4	5	6
E 858999	Alcohol Beverage Control Administration	7356	General Fund	490	\$ 5,135
E 862033	Alcohol Beverage Control Administration	7352	General Fund	490	1,000,000
E 862797	Alcohol Beverage Control Administration	7352	General Fund	490	251,850
D 1674489	Alcohol Beverage Control Administration	7352	General Fund	490	21,054
E 865871	Alcohol Beverage Control Administration	7352	General Fund	490	1,250,000
E 866271	Alcohol Beverage Control Administration	7352	General Fund	490	25,750
E 869185	Alcohol Beverage Control Administration	7352	General Fund	490	1,000,000
D 1685374	Alcohol Beverage Control Administration	7352	General Fund	490	21,054
E 869992	Alcohol Beverage Control Administration	7352	General Fund	490	27,746
E 873035	Alcohol Beverage Control Administration	7352	General Fund	490	1,150,000
E 873874	Alcohol Beverage Control Administration	7352	General Fund	490	20,477
D 1696219	Alcohol Beverage Control Administration	7352	General Fund	490	70,724
E 876245	Alcohol Beverage Control Administration	7352	General Fund	490	1,000,000
E 877049	Alcohol Beverage Control Administration	7352	General Fund	490	15,000
E 879471	Alcohol Beverage Control Administration	7352	General Fund	490	750,000
D 1710482	Alcohol Beverage Control Administration	7352	General Fund	490	42,108
E 880645	Alcohol Beverage Control Administration	7352	General Fund	490	13,322
E 883293	Alcohol Beverage Control Administration	7352	General Fund	490	1,250,000
D 1719437	Alcohol Beverage Control Administration	7352	General Fund	490	70,724
E 884299	Alcohol Beverage Control Administration	7352	General Fund	490	9,178
E 887219	Alcohol Beverage Control Administration	7352	General Fund	490	1,250,000
D 1729926	Alcohol Beverage Control Administration	7352	General Fund	490	21,054
E 887831	Alcohol Beverage Control Administration	7352	General Fund	490	11,000
D 1738463	Alcohol Beverage Control Administration	7352	General Fund	490	21,054
E 892489	Alcohol Beverage Control Administration	7352	General Fund	490	1,000,000
E 893384	Alcohol Beverage Control Administration	7352	General Fund	490	15,875
E 896364	Alcohol Beverage Control Administration	7352	General Fund	490	1,300,000
D 1749160	Alcohol Beverage Control Administration	7352	General Fund	490	70,724
E 897374	Alcohol Beverage Control Administration	7352	General Fund	490	128,750
E 900909	Alcohol Beverage Control Administration	7352	General Fund	490	1,050,000
D 1757400	Alcohol Beverage Control Administration	7352	General Fund	490	21,054
E 902143	Alcohol Beverage Control Administration	7352	General Fund	490	935,400
E 905057	Alcohol Beverage Control Administration	7352	General Fund	490	1,000,000
E 905077	Alcohol Beverage Control Administration	7352	General Fund	490	741,002
D 1767626	Alcohol Beverage Control Administration	7352	General Fund	490	21,054
Total					\$ 15,581,089
E 893276	Division of Tobacco Prevention	407	Alcohol Beverage Control Administration	7352	\$ 200,000

*Do not include IGT's, Reimbursements or Expense to Expense transactions

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of the West Virginia Alcohol
Beverage Control Administration
Charleston, West Virginia

We have audited the financial statements of the West Virginia Alcohol Beverage Control Administration (the ABCA) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 30, 2011. 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.

Internal Control over Financial Reporting

Management of the ABCA is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the ABCA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the ABCA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the ABCA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

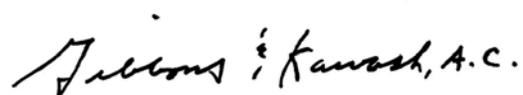
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the ABCA's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2011-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the ABCA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The ABCA's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the ABCA's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Members of the ABCA, the Members of the West Virginia Legislature, and the West Virginia Department of Administration and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Jillions & Kanash, A.C." The signature is written in a cursive, flowing style.

September 30, 2011

WEST VIRGINIA ALCOHOL BEVERAGE CONTROL ADMINISTRATION

SCHEDULE OF FINDINGS AND RESPONSES

2011-1 Financial ReportingCondition:

We noted that material audit journal entries were made during the conduct of the audit in order to reconcile beginning net assets, record capital asset activity, and report liabilities related to other post employment benefits.

Criteria:

All transactions recorded in the general ledger should represent the complete financial position and results of operations of the ABCA.

Context:

The amount of the audit journal entries were material to the ABCA's financial statements.

Effect:

Without effective supervisory review, errors or irregularities in the financial statements may not be detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause:

Although formal procedures requiring supervisory review and approval of general journal entries and internal financial statements have been implemented, this review process did not result in internal financial statements which represented the complete financial position and results of operations of the ABCA for the year ended June 30, 2011.

Recommendation:

Management should continue to improve established procedures to ensure that all significant general journal entries have been posted to the general ledger, reviewed and evaluated to ensure that the ABCA's financial position and results of operation have been fairly presented.

Views of Responsible Officials:

The WVABCA has reinforced the established procedures for journal entries. The general ledger will be reviewed and evaluated to make sure that all transactions are recorded to represent the complete financial position of the WVABCA.