STATEMENT OF OPERATION

FY 2005 FY 2004

Operating Revenue:
Retail Sales 178,658,045 166,448,645
Military Sales 1,098,635 1,820,619
Total Sales $179,756,680 $188,269,264

Cost of Goods Sold 94,406,374 87,157,312

Gross Profit $85,350,306 $81,111,952

Permits, Licenses & Fees 1,713,279 1,752,693
Misc. Other Income 27,251 30,385
Total Other Income 1,740,530 1,783,078

Total Revenue $87,090,836 $82,895,030

Operating Expenses:
Salaries, Wages & Benefits 11,589,421 10,827,325
Depreciation 1,870,761 1,323,331
Maint. & Repairs/Oper. Supplies 1,801,105 1,902,130
Rentals & Leases (Note B) 1,753,811 1,775,367
P.A. Contracts 1,464,666 1,493,893
Data Processing 652,108 761,540
Professional & Tech. Services 414,250 385,191
Postage, Printing & Supplies 390,388 293,337
Utilities 205,821 202,286
Misc. Other Expenses 146,597 128,552
Telephone 126,049 143,108
Insurance & Bonds 46,583 79,184
Travel Expense 35,943 25,201
Cash Over & Short 19,424 19,424

Total Operating Expenses $20,524,266 $19,346,813

Net Profit $38,067,036 $37,126,766

Average Consumption Per Capita in Utah For Fiscal Year 2005 and Fiscal Year 2004

Average Consumption Per Capita in Utah for Wine: 1.974 1.917
Average Consumption Per Capita in Utah for Spirits: 0.738 0.738
Average Consumption Per Capita in Utah for Heavy Beer: 0.313 0.314

NOTE A: ACCOUNTING POLICIES: The Utah Department of Alcoholic Beverage Control has been designated as an enterprise fund by the Division of State Finance. The administrative operating budget is subject to legislative controls. The transfer of profits to the general fund is subject to the department’s internal accounting system, which is on an accrual basis in accordance with generally accepted accounting principles. The current markup, effective May 5, 2003, is as follows: distilled spirits, wine, champgne 64.5%, and beer 75%. Beginning with the fiscal year ended June 30, 1978, the department has reported its sales at the gross amount based on published prices, which includes school lunch, sales, and transit taxes.

NOTE B: RENTALS AND LEASES: Leases are the result of competitive bids or negotiations with providers of services. The more recent leases now provide for payment of taxes and sometimes insurance when they exceed those of a base period. None of the current leases contain provisions for minimum payment in case of cancellation by the state, but they all contain a provision in case of a change in the law that might have an impact on the operation of the department. Also included is the interest expense on the annual bookings payments for the state owned liquor stores.

NOTE C: CASH: All cash receipts are deposited in bank accounts to the credit of the State Treasurer; then, depending on the particular account, these funds are transferred, generally on a daily basis, to the Liquor Control Fund.

NOTE D: INVENTORIES: Inventories are valued at FIFO and consist of advance payments for incoming freight, operating costs, and the purchase of capital assets.

NOTE E: PREPAID EXPENSES: Prepaid expenses consist of advance payments that have been made in connection with the transfer of the State Treasurer's funds to and from the 37 stores. It also includes general supplies and liquor bags at the warehouse.

NOTE F: PROPERTY AND EQUIPMENT: Property and equipment are stated at the balance sheet date. Accretion is calculated on the straight-line method over the estimated service lives of the assets.

NOTE G: ACCOUNTS PAYABLE: Accounts payable represent the current liabilities incurred for incoming freight, operating costs, and the purchase of merchandise.

NOTE H: FINANCING OF FIXED ASSETS/DUE TO GENERAL FUND: During the fiscal year, $515,000 in fixed assets were purchased; therefore, that amount was withheld from the transfer to the General Fund and adjusted to the long term debt due to the General Fund. An amount equal to the depreciation reduces that debt.
The brain goes through dynamic change during adolescence and damage from alcohol at this time can be long term and irreversible."

The American Medical Association

Our Role in Alcohol Education

The State of Utah is committed to being a leader in the nationwide effort to reduce underage alcohol consumption and promote increased awareness and strategies to fight other forms of alcohol abuse. The Legislature and the Utah Department of Alcoholic Beverage Control Commission have directed the DABC to pursue this goal through partnerships in education.

Reduce Underage Drinking

Youth and Alcohol Don’t Mix

Alcohol use by those under the age of 21 negatively affects their health and well-being. New research shows alcohol affects a teen brain differently than a mature adult brain. Yet few parents or youth realize that alcohol can damage and interfere with critical brain development during teen years – development that is critical to becoming a mature and responsible adult.

The Numbers

According to Utah statistics:

The number 1 drug problem for youth is alcohol.

12 The typical age when the first use of alcohol begins, and many start younger.

Youth who drink alcohol before age 15, are 4 times more likely to become alcohol dependent than those who put off drinking until the legal age of 21.

A Continuing Commitment to Responsible Moderation

The Utah DABC pursues the goal of a healthy and safe society in which alcohol is sold to adults only and is consumed without harm. Through sound policies, restricting alcohol access to minors and vigorously ensuring the observance of the alcoholic beverage control laws, we’re working to do our part to promote the safety and well-being of all those in our community.