Background
Utah is one of 18 "control" jurisdictions in the nation that controls the sale of alcoholic beverages (there are 18 states and Montgomery County in Maryland). These jurisdictions, which regulate their own retail and/or wholesale distribution of alcoholic beverages, account for nearly one-third of the U.S. population. The results: revenues that would otherwise go to private sellers as profit are instead funneled into state coffers and used to support public goals of moderation and government revenue enhancement.

The Utah Department of Alcoholic Beverage Control is governed by a seven member, part-time commission. The commission employs a full-time executive director to oversee the day-to-day operation of the department. The policy of the department, as set by statute, is to operate as a public business using sound management principles and practices, and function with the intent of servicing the public demand for alcoholic beverages.

The department operates a statewide network of state stores and package agencies that sell all alcoholic beverages except beer containing less than 4% alcohol by volume (which is sold in grocery and convenience stores). The department also administers the liquor laws, alcohol education, and regulates the sale, service, storage, manufacture, distribution, and consumption of alcoholic products.

Utah's liquor control system offers definite advantages to Utah's citizens. Liquor sales provide a significant source of income to the state's general fund which serves to relieve the individual tax burden of Utah citizens. In addition, the school lunch program receives substantial funding from liquor sales.

Annual statistical data clearly shows that per capita consumption of alcoholic beverages is significantly lower in control states.

### Liquor Control States

<table>
<thead>
<tr>
<th>State</th>
<th>Sales Tax (In gallons)</th>
<th>12/31/13</th>
<th>12/31/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>7,550,000</td>
<td>7,250,000</td>
<td>6,850,000</td>
</tr>
<tr>
<td>Mississippi</td>
<td>4,000,000</td>
<td>3,850,000</td>
<td>3,600,000</td>
</tr>
<tr>
<td>Utah</td>
<td>1,000,000</td>
<td>950,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Idaho</td>
<td>2,000,000</td>
<td>1,850,000</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Montana</td>
<td>1,500,000</td>
<td>1,350,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>1,000,000</td>
<td>950,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Virginia</td>
<td>1,000,000</td>
<td>950,000</td>
<td>900,000</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1,000,000</td>
<td>950,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Ohio</td>
<td>1,000,000</td>
<td>950,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Wyoming</td>
<td>1,000,000</td>
<td>950,000</td>
<td>900,000</td>
</tr>
</tbody>
</table>

Average Utah Consumption Per Capita (In gallons) FY 2014: 7.34

Comparative Gallonage for Utah

<table>
<thead>
<tr>
<th>Fiscal Year 2013</th>
<th>Average Comparison Gallonage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>7.34</td>
</tr>
<tr>
<td>FY 2013</td>
<td>7.34</td>
</tr>
</tbody>
</table>

**NOTE A: ACCOUNTING POLICIES:** The Utah Department of Alcoholic Beverage Control has been designated as an enterprise fund by the Division of State Governmental Activities of the Legislative Affairs Department. The transfer of profits to the general fund is determined by the department's accounting system, which is on an accrual basis in accordance with generally accepted accounting principles. The transfer will occur at the end of the fiscal year.

**NOTE B: RESELLERS:** All resellers are reported at published prices and include sales and tax liability taxes which are added at the register.

**NOTE C: RENTALS AND LEASES:** Leases are the result of competitive bids or negotiations. A standard lease agreement has been developed. The department also provides leases now for payment of taxes and 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 tenant, but they all contain a provision in case of a change in the law that might have an impact upon the operation of the department. Also included is the interest expense on the annual bond payments to the state owned liquor stores.

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

**NOTE E: INVENTORIES:** Inventories are valued at FIFO and consist of merchandise stored in our warehouse and at package agencies. These assets are reported at published prices and contain merchandise stored in our warehouse and electronic controls. The value of the assets is determined by the department's accounting system, which is on an accrual basis in accordance with generally accepted accounting principles. The transfer will occur at the end of the fiscal year.

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

**NOTE H: BONDS PAYABLE:** Bonds payable represents 13 issues of twenty year lease revenue bonds issued by the State of Utah. The bonds have maturity dates ranging from 2014 to 2030 and carry interest rates from 2.72% to 5.50%.

## Balance Sheet (unaudited)

<table>
<thead>
<tr>
<th>FY 2014</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong> $120,062,503</td>
<td>$123,422,299</td>
</tr>
</tbody>
</table>

**Notes:**

- **Current Liabilities**: Accounts Payable (Note G) $23,630,261, Accrued Payroll $762,840, Deposits in Bond of $424,840, and Accrued Annual Leave Payable $31,812.
- **Long-Term Debt**: Bonds Payable (Note H) $74,966,907.
- **Total Fund Income** $307,785,943.

**Total Liquidity**: $29,455,679.

**Fund Balance**: Working Capital $14,380,601.

**Total Advances & Retained Earnings** $14,380,601.

**Total Liabilities, Advances & Retained Earnings** $120,062,504.

**Total Funds to State and Local Governments from Liquor Sales**

**School Lunch and Public Safety Transfer** $38,343,822, $38,155,214.

**Bonds Payable** $19,796,251, $19,796,251.

**Net Operating Income** $67,808,496, $81,350,425.
Driving Under the Influence of Alcohol is Unacceptable.

Tragically, it seems like every day in the news we hear of an alcohol-related fatality in Utah. In an instant, these senseless preventable crimes change the lives of families forever. In some instances, crash survivors are left with physical injuries so severe they’ll face lifelong care and restrictions. In the days and years to follow, family and friends try to move forward with their lives, but the emotional injuries will be difficult to overcome and loss of a loved one can never be replaced.

Did you know, in Utah?

- There were 10,901 DUI arrests in fiscal year 2014.
- 81 percent of the arrests were for per se violations where the driver had a .08 or greater blood/breath alcohol concentration, or was impaired by alcohol, drugs, or a combination of the two.
- There were 1,736 crashes, 1,073 injuries, and 23 deaths involving a drunk driver in calendar year 2013.
- Almost 12 percent of arrestees were under the legal drinking age.

Choose to drive sober – it’s the only safe level. Alcohol affects everyone differently. Blood Alcohol Concentration may be affected by age, gender, physical condition, food consumed, medication, and other factors. Also, many alcohol products vary in alcohol content, so it’s important to know how much alcohol has been consumed, not just how many drinks a person has had.

- Blood Alcohol Concentration
- Blood Alcohol Concentration
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- Blood Alcohol Concentration
- Blood Alcohol Concentration