

	FY 1998	FY 1997
Current Liabilities:		
Accounts Payable-(Note F)	7,182,387	5,582,749
Bonds	270,000	190,000
Capital Leases	136,779	158,882
Accrued Payroll	430,450	364,060
Accrued Annual Leave Payable	1,202	1,990
Taxes Payable	(1,008)	(1,279)
Deposit In Lieu of Bond	64,000	72,000
Deferred Revenue	0	221,250
Total Current Liabilities	8,083,811	6,589,652
Long Term Debt:		
Due To General Fund (Note G)	11,102,578	9,739,818
Bonds	1,286,955	1,259,345
Capital Leases	9,345,000	5,465,000
Total Long Term Debt	21,734,533	16,464,163
Fund Balance:		
Investment in Fixed Assets	1,619,547	1,619,547
Current Year Earning	(26,297,330)	(24,311,961)
Working Capital	201,000	201,000
Current Profit	26,297,330	24,311,961
Total Advances & Retained		
Earnings	1,820,547	1,820,547
Total Liabilities, Advances & Retained Earnings	31,638,891	24,874,362

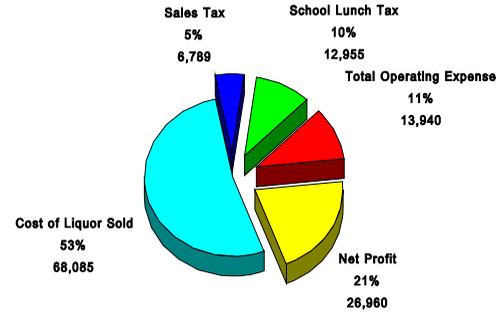
Liquor Outlets in Operation

State Liquor Stores	36
Package Agencies	86

Case Sales

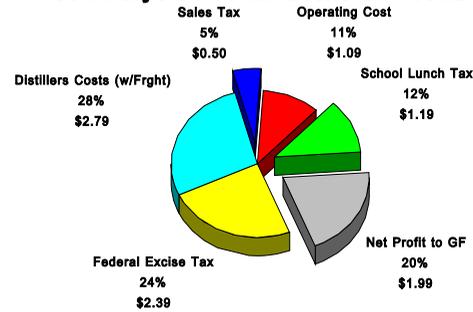
Total case sales in all categories of spirituous liquor amounted to 1,297,991 cases in fiscal year 1998, an increase of 50,675 cases from fiscal year 1997:

Distribution of dollars for FY 1999



Net Profit, School Lunch Tax and Sales Tax are State Revenue. Percentages based on gross sales and fees of 121,581. (Values shown in rounded thousands of \$)

Price Analysis 750 ml bottle of Vodka



Exploded segments represent spendable State revenue based on Smirnoff Vodka, 80 proof retail price of \$9.95.

NOTE A: ACCOUNTING POLICIES: The Utah Department of Alcoholic Beverage Control has been designated as an enterprise fund by Section 51-5-5 of the Utah Code Annotated (1953), as amended. The administrative operating budget is subject to legislative controls. The transfer of profits to the general fund is determined by the department's internal accounting system, which is on an accrual basis in accordance with generally accepted accounting principles. The current markup, effective October 1, 1985, is as follows: distilled spirits, wine, champagne 61%, 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: 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 C: INVENTORIES: Inventories are valued at FIFO and consist of merchandise stored in our warehouse and each of the outlets (36 stores and 86 package agencies). It also includes general supplies and liquor bags at the warehouse.

NOTE D: PREPAID EXPENSES: Prepaid expenses consist of advance payments that have been made for insurance, dues, maintenance agreements, and postage that will be expended during subsequent periods.

NOTE E: PROPERTY AND EQUIPMENT: Property and equipment are stated on the balance sheet at cost and are depreciated on the straight-line method over the estimated service lives of the assets.

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

NOTE G: FINANCING OF FIXED ASSETS/DUE TO GENERAL FUND: During the fiscal year \$220,119 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.

NOTE H: RENTALS AND LEASES: Leases are the result of competitive bids or negotiations. A standard lease agreement has been developed. 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 upon the operation of the department.

NOTE I: CASH OVER AND SHORT: The department uses a "forced sales" system to determine the sales. If an item is not in the inventory, it is assumed that it has been sold. Delays in reporting shipments, errors in inventories, and other items that are not reported correctly, can create a cash shortage or an overage. This is usually offset from one month to the next.

Utah Department of Alcoholic Beverage Control Commission

- Commissioners**
 Nicholas E. Hales, Chairman
 Carl S. Hawkins
 Vickie McCall
 Larry V. Lunt
 Ted D. Lewis

Commission Meetings: Held monthly at the Department's office in Salt Lake City.

Executive Administration

- Kenneth F. Wynn, Director
 Dennis R. Kellen, Operations Manager
 Richard W. Pearson, Administrative Manager
 Earl F. Dorius, Compliance & Licensing Manager

Personnel

(Positions filled as of June 30, 1999)

Administrative Office	49
Warehouse	28
Stores:	
Full Time Employees	136
Part Time Employees	175
Total Store Employees.....	311
Total Employees.....	388

The Utah Department of Alcoholic Beverage Control would be happy to provide additional information on our activities. Please contact our office as listed on the front cover.



63rd ANNUAL REPORT Summary of Operations

Utah Department of Alcoholic Beverage Control

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Telephone - (801) 977-6800**