



**FISCAL YEAR 2012**

**LIQUOR ENTERPRISE FUND**

**REPORT OF OPERATIONS**



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# Liquor Control Division General Information

## Montana History of Liquor Control

The State Board of Examiners established the Montana Liquor Control Board in 1933. Patterned after the alcohol beverage distribution system in Alberta, Canada, the Board was charged with the responsibility of purchasing, pricing, and vending liquor in the state. By the first quarter of 1935, 115 state-owned retail stores were in operation. In 1937, liquor-by-the-drink became legal. In the mid 1960's emphasis on customer services brought self-service stores to the state. In 1973, the state legislature abolished the Liquor Control Board and transferred its responsibilities to the Department of Revenue, Liquor Control Division. In 1995, the state legislature directed the department to convert all remaining state liquor stores to agent owned liquor stores. All agency liquor stores now own their liquor inventories that they continue to purchase through the state warehouse, but are permitted to set their own retail prices as long as it is at or above the minimum state established price. All liquor license holders purchase liquor through the agency liquor stores at a cost no greater than the states established price.

## The Control Jurisdiction Advantage

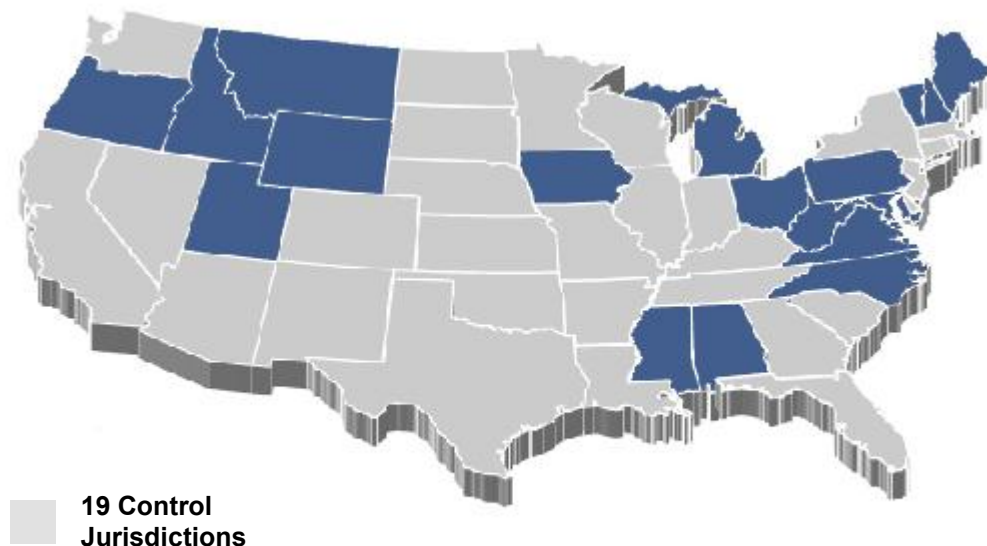
When Prohibition was repealed in 1933, the process of determining the method of regulation of alcohol beverages fell to the citizens of the United States who decided by jurisdiction how they could best balance individual freedom with the social risk and public costs of beverage alcohol consumption. The result is that all U.S. residents experience some type of governmental control over the sales and/or distribution of beverage alcohol.

Over 78 years later, those jurisdictions that chose to operate under the control system continue to do so today. The control system has withstood the test of time because it is fundamentally sound. It is flexible enough to adapt and evolve to meet the changing demands of consumers.

## Liquor Control Division General Information

By participating in the marketplace, the control jurisdictions are able to serve their citizens with a broader and more flexible range of policy options to promote moderation in the consumption of alcohol beverages and reduce alcohol abuse. Another value of the control distribution system is that it operates solely on the revenue derived from beverage alcohol sales in its jurisdiction. No property, state, or other local taxes are used to support control distribution system operations.

Montana is proud to be a control distribution jurisdiction and the Montana Department of Revenue, Liquor Control Division continues to evolve to optimize the benefits of the control jurisdiction, while improving wholesale and customer service to our consumers.



Alabama, Idaho, Iowa, Maine, Michigan, Mississippi, Montana, New Hampshire, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, West Virginia, Wyoming, MD-Montgomery County, and MD-Worcester County

# Liquor Control Division General Information

## Our Mission

To provide effective and efficient administration of the Montana alcoholic beverage code with an emphasis in customer service and public safety by applying uniform and fair regulations while ensuring an orderly system for the convenient distribution and responsible consumption of alcoholic beverages.

Our Liquor Licensing team works to protect the welfare and safety of the public by regulating liquor licensing laws in a uniform and fair manner.

Our Liquor Distribution team works to efficiently maintain a regulated channel of distribution with an emphasis on customer service by fulfilling the public demand of distilled spirits and fortified wine through agency liquor stores.

## Our Function

Montana along with seventeen other states and two counties in Maryland are known as “control jurisdictions.” These jurisdictions control the sale of distilled spirits and, in some cases, beer and wine through government agencies at the wholesale level.

As a control state, Montana believes that moderation can best be achieved by neither promoting nor encouraging the consumption of alcohol but, instead by controlling it. The purpose of control is to make distilled spirits available to those adults who choose to drink responsibly, but not to promote the sale of distilled spirits.

Residents in Montana are in good company – 27 percent of the U.S. population operates under the control distribution system – where policies that support moderate and responsible consumption replace economic incentives, and proceeds from the sale of beverage alcohol go directly to the residents rather than to private sellers. The control jurisdictions represent 27 percent of the nation's population and account for roughly 24 percent of its sales of distilled spirits. Annual statistical data clearly shows that per capita consumption of distilled spirits is approximately 15.4 percent less in control states than in license states.

# Liquor Control Division General Information

## Benefits to Montanans

- ◆ A major source of revenue:

Distilled spirit sales provide a source of revenue to citizens and taxpayers. These revenues help fund state-government operations and to support several government programs.

- ◆ Support of alcohol programs:

Revenues from distilled spirit taxes are distributed to the credit of the Department of Public Health and Human Services for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency.

- ◆ Promote moderation:

Control systems promote moderation in consumption. Annual statistical data clearly shows that per capita consumption of distilled spirits is approximately 18 percent lower in control states than in open states.

- ◆ Improve overall safety through education, regulation and enforcement:

The control state system continues to provide a regulatory environment that is better able to deter the ever-present risks and costs to the individual and the community of alcohol consumption. At one level, the uniform enforcement of applicable laws is made far more effective in a control state, where there are ordinarily fewer sales outlets and more importantly, where the economic incentive to violate those laws is greatly reduced. At another level, the control system itself serves both as a visible symbol of the public commitment to moderation and as a vehicle for the promotion of alcohol education and awareness programs to support that commitment.

# Liquor Control Division General Information

## Liquor Distribution Bureau

Liquor Distribution manages state wholesale liquor operations, including warehouse shipping and receiving, accounts receivable and payable, inventory management, liquor order processing, agency contract management, and customer service. The state maintains agency franchise contracts and supplies liquor to 96 private agency liquor stores. These agency liquor stores are the exclusive retailers of liquor and fortified wine, they sell to the public for off-premise consumption, and to Montana's 1900+ all-beverage licensees. The state Liquor Warehouse held bailed and/or state owned inventories for approximately 1100 regular list products and more than 2000 warehouse supply and special order products.

Fiscal year 2012 generated a combined total of taxes collected and profits earned of \$32.7 million. This is \$1 million more from the previous year.

## Liquor Licensing Bureau

Licensing is charged with all licensing and regulatory responsibilities for all entities intending to produce, import, distribute or sell alcoholic beverages in Montana. Liquor licensing processes applications, renewals, transfers and registrations, as applicable, for retail, wholesale and manufacturing alcoholic beverage licenses and permits. Liquor licensing is responsible for compliance of existing licenses and permit holders and for providing information and explanation about licensing activity or related law, rule, policy and procedures.

The bureau issued a total of 5,240 licenses for fiscal year 2012 including license renewals for retail sale of distilled spirits, beer or wine, vendor permits, winery registrations, distributors, breweries, special beer and wine permits and connoisseurs licenses.

License fee revenues generated in fiscal year 2012 were \$2.2 million which includes revenues collected for registrations, processing, seating fees and late payments on renewals. Liquor license violations were down from 442 in fiscal year 2011 to 310 in fiscal year 2012. Revenues generated in fiscal year 2012 for these fines were \$137 thousand.

# Liquor Control Division General Information

## Liquor Education

Liquor Education is responsible for educating and informing sellers, distributors, manufacturers, law enforcement and the general public, on topics addressing responsible sales and consumption of alcoholic beverages. This is accomplished through a variety of educational presentations and training materials.

In fiscal year 2012 Liquor Education spent most efforts implementing the Responsible Alcohol Sales and Service Act passed by the legislature in the 2011 session. This act requires anyone who sells or serves alcoholic beverages, their immediate supervisor and the licensee, if they sell or serve, to receive responsible alcohol server training from a state approved program within 60 days of hire and every three years thereafter.

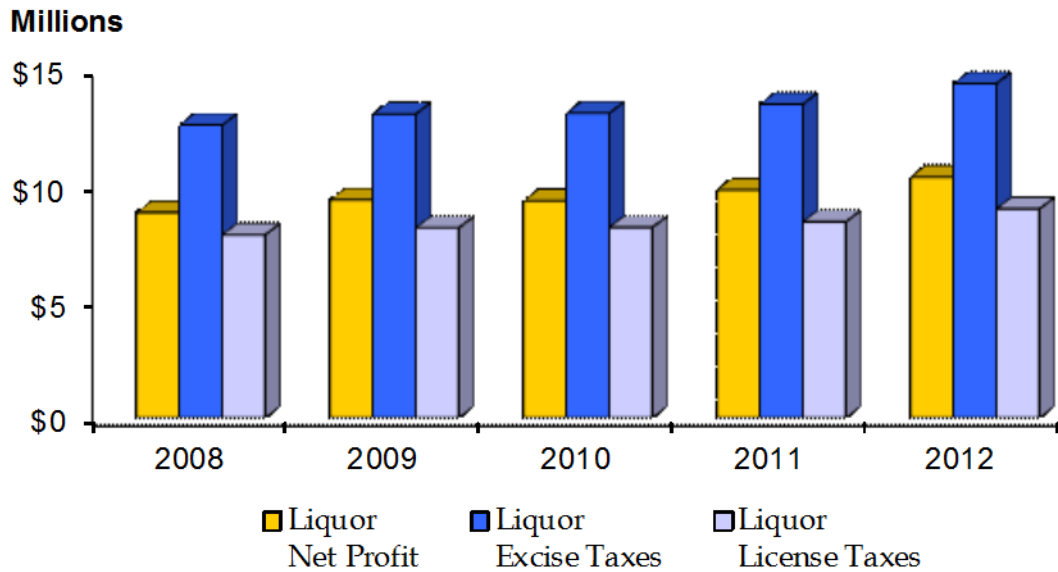
Liquor Education reviewed and approved 12 outside server training programs for use in the state in addition to the state's program called Let's Control It. This allows licensees a wide availability and variety of classroom and on-line training programs to choose from.

Fiscal year 2012 proved to be a busy time of year for server training. With the passage of the Responsible Alcohol Sales and Service Act, training requests for the state's program skyrocketed. In FY 2012 approximately 18,865 people were trained through the states program. That's a 204 percent increase over the last fiscal year at 3,855 trained.

Liquor Education continues to provide presentations at community events, DUI Task Force meetings and specialized law enforcement trainings, as well as, train-the-trainer sessions for the Let's Control It program. Educational mailings and materials are continually developed to provide information and outline responsible practices.



## Five Year History of Liquor Taxes and Profit



| Fiscal Year | Liquor Net Profit | Liquor Excise Taxes | Liquor License Taxes | Total Revenue |
|-------------|-------------------|---------------------|----------------------|---------------|
| 2008        | \$ 8,775,806      | \$ 12,512,800       | \$ 7,820,500         | \$ 29,109,106 |
| 2009        | \$ 9,314,687      | 12,989,225          | 8,118,270            | 30,422,182    |
| 2010        | \$ 9,271,707      | 13,020,876          | 8,138,240            | 30,430,823    |
| 2011        | \$ 9,770,839      | 13,411,139          | 8,381,042            | 31,563,020    |
| 2012        | \$ 10,291,714     | 14,291,424          | 8,931,713            | 33,514,851    |

In 2012, \$26.9 million from liquor operations were distributed to the State **General Fund** and \$5.9 million to the **Special Revenue Fund**. The Department of Public Health and Human Services uses special revenue funds to treat, rehabilitate, and prevent alcohol and chemical dependency.

### Statutory Distributions:

◆ Taxes

Excise Tax (16% of Wholesale Price) \*

- Distributed to State General Fund

License Tax (10% of Wholesale Price) \*

- 65.5% Distributed to State Special Revenue Fund for the  
Department of Public Health and Human Services

- 34.5% Distributed to State General Fund

◆ Liquor Profit

Distributed to State General Fund

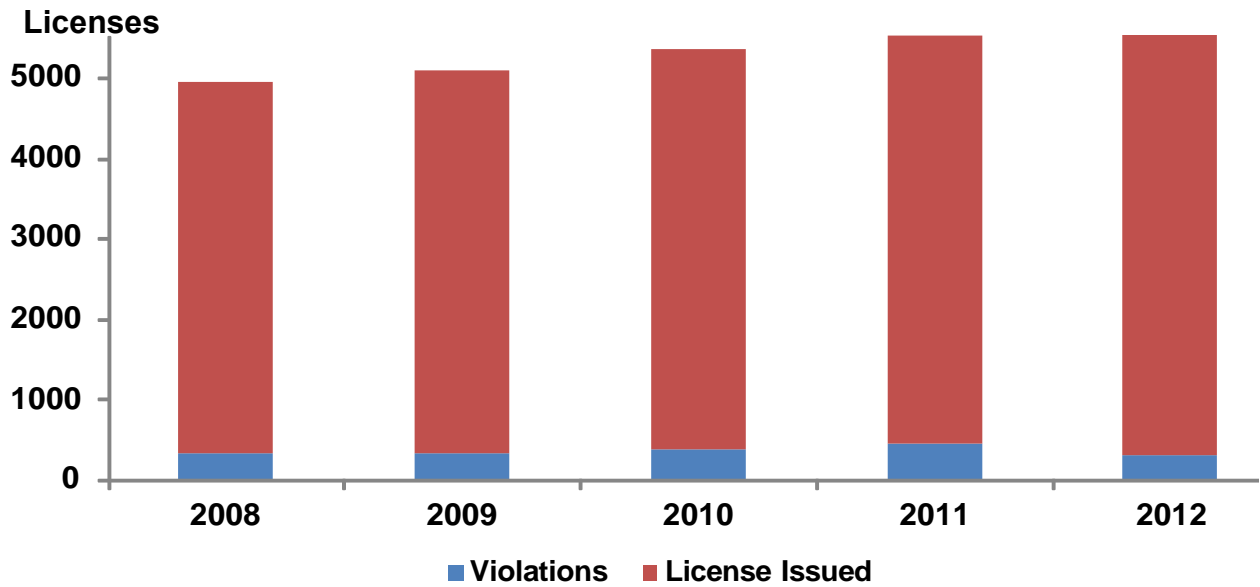
\*Taxes vary based on production levels. The majority of suppliers are assessed tax at this rate.

## Schedule of Licenses Issued

For the fiscal year ending June 30, 2012

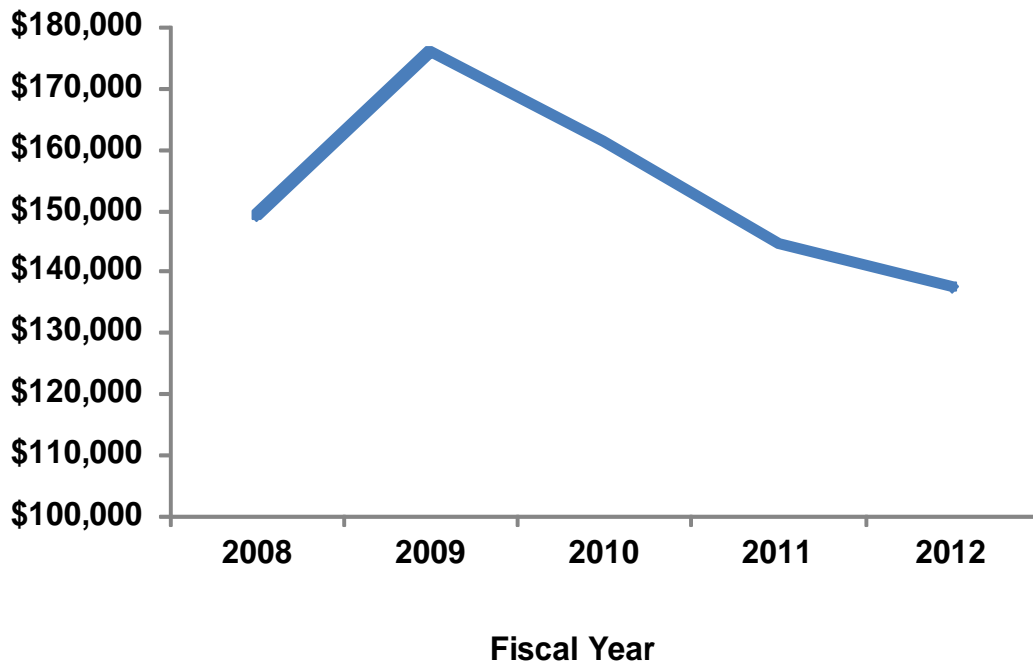
| <b>Retail Outlets</b>                     | <b>All-<br/>Beverage</b>        | <b>Beer</b> | <b>Wine</b> | <b>Beer/<br/>Wine</b>    | <b>RBW*</b> | <b>Total</b> |
|---|---------------------------------|-------------|-------------|--------------------------|-------------|--------------|
| On Premise                                | 870                             | 70          |             | 374                      | 171         | 1,485        |
| On Premise With Catering                  | 563                             | 1           |             | 55                       | 67          | 686          |
| Off Premise                               |                                 | 90          | 9           | 782                      |             | 881          |
| Sacramental Wine                          |                                 |             | 1           |                          |             | 1            |
| Veteran's Organizations                   | 48                              |             |             |                          |             | 48           |
| Fraternal                                 | 61                              |             |             |                          |             | 61           |
| Airport                                   | 7                               |             |             | 1                        |             | 8            |
| Resort                                    | 23                              |             |             |                          |             | 23           |
| Floaters                                  | 13                              |             |             |                          |             | 13           |
| Enlisted Officer's Club                   | 2                               |             |             |                          |             | 2            |
| Public Golf Course                        |                                 |             |             | 17                       |             | 17           |
| Non-Profit Arts                           |                                 |             |             | 10                       |             | 10           |
| Carrier - Airline                         | 6                               |             |             |                          |             | 6            |
| Carrier - Railroad                        | 1                               |             |             |                          |             | 1            |
| <b>Total Retail Outlets</b>               | <b>1,594</b>                    | <b>161</b>  | <b>10</b>   | <b>1,239</b>             | <b>238</b>  | <b>3,242</b> |
|   | *RBW = Restaurant Beer and Wine |             |             |                          |             |              |
| <b>Wholesalers and Distributors</b>       | <b>Beer</b>                     | <b>Wine</b> |             | <b>Beer/Wine</b>         |             | <b>Total</b> |
| Wholesalers and Distributors              | 2                               | 9           |             | 19                       |             | 30           |
| Sub-Warehouse                             |                                 | 1           |             | 10                       |             | 11           |
| <b>Total Wholesalers and Distributors</b> | <b>2</b>                        | <b>10</b>   |             | <b>29</b>                |             | <b>41</b>    |
| <b>Manufacturers</b>                      | <b>Beer</b>                     | <b>Wine</b> |             | <b>Distilled Spirits</b> |             | <b>Total</b> |
| Domestic Brewery                          | 38                              |             |             |                          |             | 38           |
| Domestic Brewery Storage Depot            | 1                               |             |             |                          |             | 1            |
| Domestic Winery                           |                                 | 15          |             |                          |             | 15           |
| Foreign Brewery                           | 152                             |             |             |                          |             | 152          |
| Foreign Winery                            |                                 | 975         |             |                          |             | 975          |
| Domestic Distiller License                |                                 |             |             | 11                       |             | 11           |
|   | <b>191</b>                      | <b>990</b>  |             | <b>11</b>                |             | <b>1,192</b> |
| <b>Other</b>                              | <b>All-Bev</b>                  | <b>Beer</b> | <b>Wine</b> | <b>Beer/Wine</b>         |             | <b>Total</b> |
| Special Permits                           | 8                               |             |             | 447                      |             | 455          |
| Connoisseur License                       |                                 | 1           | 181         | 9                        |             | 191          |
| Vendor Representative                     | 119                             |             |             |                          |             | 119          |
| <b>Total Other</b>                        | <b>127</b>                      | <b>1</b>    | <b>181</b>  | <b>456</b>               |             | <b>765</b>   |

## Five year History of Licenses and Violations Issued



The Number of violations in fiscal year 2012 was 310. This makes up for almost 6 percent of the total licenses issued. Violations include late payments and late renewals and the associated penalties and interest that go along with them and code violations.

## Five year History of Violation Fees



## Comparative Statement of Revenues and Expenses

For the fiscal years ending June 30, 2012 and June 30, 2011

|  | 2012                     | 2011                     |
|--|--------------------------|--------------------------|
| <b>Gross Liquor Sales</b>                                      | <b>\$ 113,383,054</b>    | <b>\$ 106,086,733</b>    |
| Discounts Granted  | 2,122,867                | 2,000,102                |
| Commissions Granted  | 10,797,350               | 10,088,977               |
| Sales Volume Discount Granted                                  | 1,092,643                | 1,023,054                |
| <br><b>Adjust Gross Liquor Sales</b>                           | <br><b>\$ 99,370,194</b> | <br><b>\$ 92,974,601</b> |
| Cost of Goods  | 63,923,790               | 59,761,421               |
| <br><b>Gross Income from Liquor Sales</b>                      | <br><b>\$ 35,446,405</b> | <br><b>\$ 33,213,180</b> |
| Non Operating Income<br>(License Fee Revenue and Other Income) | 2,210,701                | 2,289,747                |
| <br><b>Total Income</b>  | <br><b>\$ 37,657,106</b> | <br><b>\$ 35,502,927</b> |
| <br><b>Total Operating Expenses</b>                            | <br><b>\$ 2,753,595</b>  | <br><b>\$ 2,425,388</b>  |
| <br><b>Operating Income</b>                                    | <br><b>\$ 34,903,511</b> | <br><b>\$ 33,077,539</b> |
| Transfers Out:   |                          |                          |
| Liquor License Fees to:  |                          |                          |
| General Fund   | 59,079                   | 363,108                  |
| Department of Justice  | 1,320,908                | 1,144,684                |
| <b>Total Liquor License Fees</b>                               | <b>\$ 1,379,987</b>      | <b>\$ 1,507,792</b>      |
| Carrier Excise Tax to General Fund                             | 8,673                    | 6,726                    |
| Liquor Excise Tax to General Fund                              | 14,291,424               | 13,411,139               |
| Liquor License Tax to:   |                          |                          |
| General Fund   | 3,081,441                | 2,891,459                |
| Special Fund   | 5,850,272                | 5,489,583                |
| <b>Total License Tax</b>                                       | <b>\$ 8,931,713</b>      | <b>\$ 8,381,042</b>      |
| <br><b>Total Transfers</b>                                     | <br><b>\$ 24,611,797</b> | <br><b>\$ 23,306,699</b> |
| <br><b>Net Income From Operations</b>                          | <br><b>\$ 10,291,714</b> | <br><b>\$ 9,770,839</b>  |
| Transfer to General Fund                                       | 9,500,000                | 9,000,000                |
| <br><b>Change in Net Assets</b>                                | <br><b>\$ 791,714</b>    | <br><b>\$ 770,839</b>    |

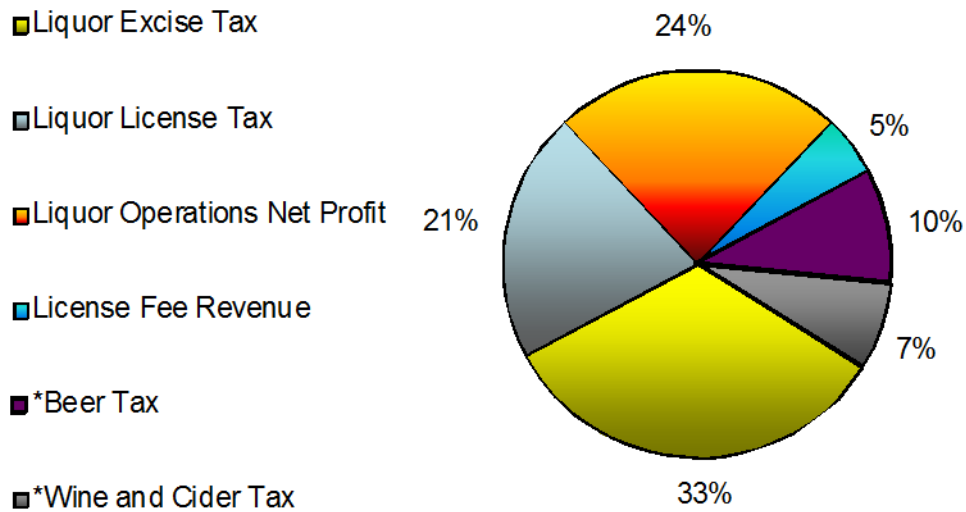
## Comparative Report of Alcohol Revenues

For the fiscal years ending June 30, 2012 and June 30, 2011

|   | 2012                 | 2011                 |
|---|----------------------|----------------------|
| Liquor Excise Tax                       | \$ 14,291,424        | \$ 13,411,139        |
| Liquor License Tax                      | 8,931,713            | 8,381,042            |
| Liquor Operations Net Profit            | 10,291,714           | 9,770,839            |
| License Fee Revenue                     | 2,210,701            | 2,289,747            |
| *Beer Tax                               | 4,050,779            | 3,964,264            |
| *Wine and Cider Tax                     | 3,122,989            | 3,002,803            |
| *Carrier Tax                            | 8,673                | 6,729                |
| <b>Total Revenue from Alcohol Sales</b> | <b>\$ 42,899,320</b> | <b>\$ 40,819,834</b> |

\*Beer, cider, wine and common carrier tax collected from distributors and manufacturer are deposited directly to the accounting entities for which they are collected and do not pass through the Liquor Enterprise Account.

### Percent of Total Alcohol Revenues for 2012



## Operating Expenses

For the fiscal year ending June 30, 2012

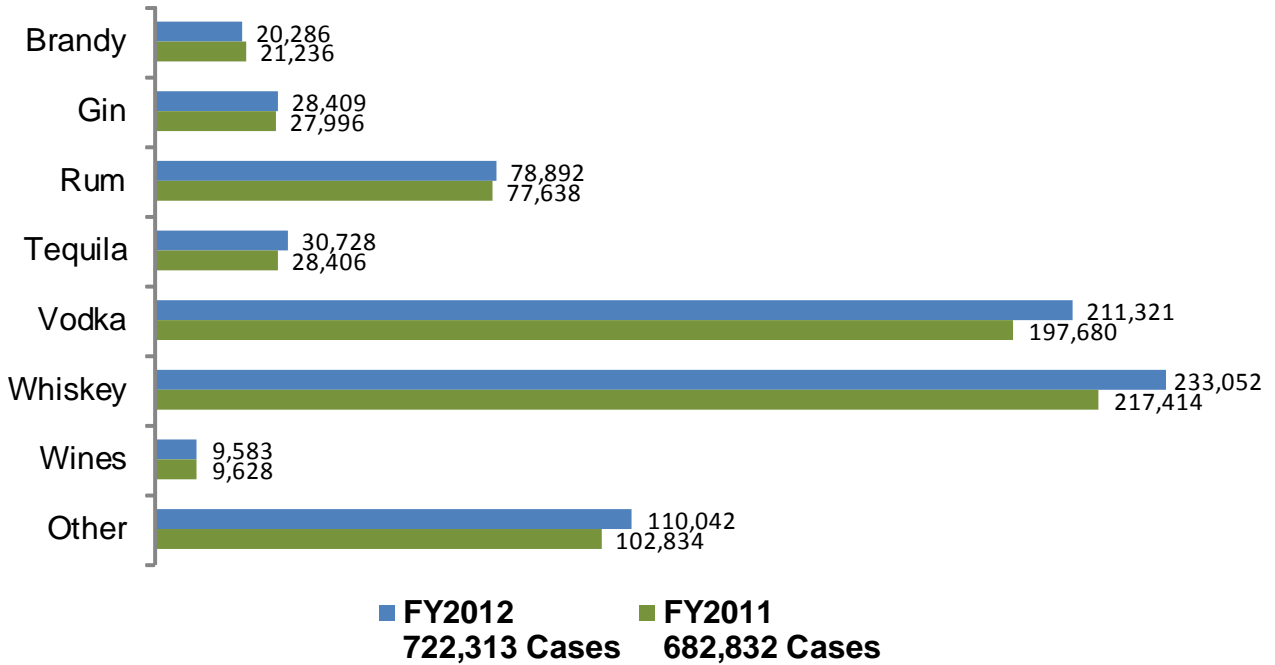
|                                 | Liquor<br>Distribution | Liquor<br>Licensing | Liquor<br>Total     |
|---------------------------------|------------------------|---------------------|---------------------|
| Salaries                        | \$ 727,733             | \$ 494,436          | \$1,222,169         |
| Employee Benefits, Payroll Tax  | 261,571                | 181,389             | 442,960             |
| Indirect Administrative Costs   | 146,961                | 146,960             | 293,921             |
| Contracted Services             | 258,186                | 77,160              | 335,346             |
| Supplies & Materials            | 77,958                 | 6,652               | 84,610              |
| Communications                  | 31,930                 | 22,493              | 54,423              |
| Travel                          | 964                    | 6,757               | 7,721               |
| Rent                            | 197                    | -                   | 197                 |
| Utilities                       | 55,802                 | -                   | 55,802              |
| Repairs & Maintenance           | 70,569                 | 1,431               | 72,000              |
| Other Expenses                  | 50,601                 | 40,396              | 90,997              |
| Depreciation                    | 93,450                 | -                   | 93,450              |
| <b>Total Operating Expenses</b> | <b>\$ 1,775,921</b>    | <b>\$ 977,674</b>   | <b>\$ 2,753,595</b> |

## Operating Expenses

For the fiscal year ending June 30, 2011

|                                 | Liquor<br>Distribution | Liquor<br>Licensing | Liquor<br>Total     |
|---------------------------------|------------------------|---------------------|---------------------|
| Salaries                        | \$ 715,344             | \$ 500,839          | \$ 1,216,183        |
| Employee Benefits, Payroll Tax  | 259,916                | 179,180             | 439,096             |
| Indirect Administrative Costs   | 108,561                | 108,561             | 217,122             |
| Contracted Services             | 119,838                | 24,263              | 144,101             |
| Supplies & Materials            | 63,763                 | 11,425              | 75,188              |
| Communications                  | 29,965                 | 16,221              | 46,186              |
| Travel                          | 3,719                  | 3,251               | 6,970               |
| Rent                            | 1,247                  | -                   | 1,247               |
| Utilities                       | 65,017                 | 429                 | 65,446              |
| Repairs & Maintenance           | 87,011                 | 5,075               | 92,086              |
| Other Expenses                  | 17,205                 | 2,609               | 19,814              |
| Depreciation                    | 101,949                | -                   | 101,949             |
| <b>Total Operating Expenses</b> | <b>\$ 1,573,535</b>    | <b>\$ 851,853</b>   | <b>\$ 2,425,388</b> |

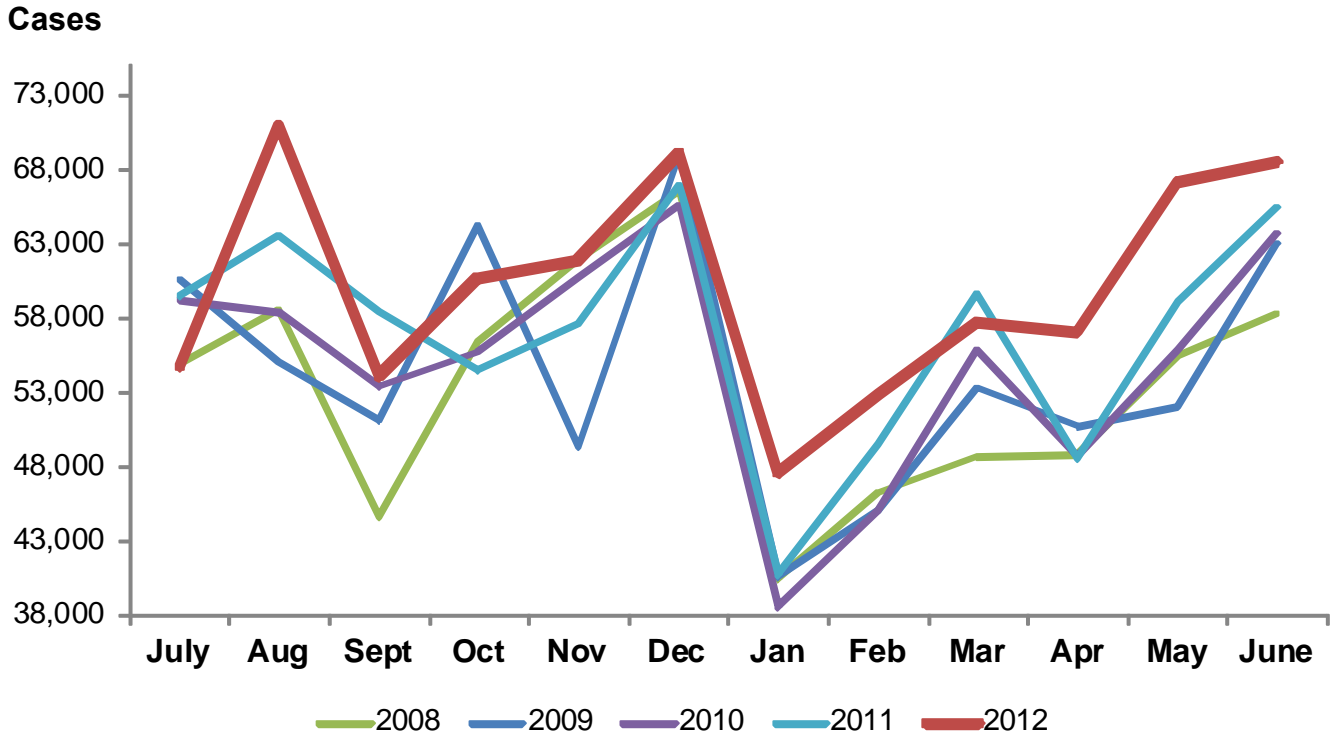
## Case Comparison by Class for Fiscal Years 2012 and 2011



| Class        | FY2012 Cases   | Percent of Total | FY2011 Cases   | Percent of Total | Percent Change |
|--------------|----------------|------------------|----------------|------------------|----------------|
| Brandy       | 20,286         | 2.81%            | 21,236         | 3.11%            | -4.47%         |
| Gin          | 28,409         | 3.93%            | 27,996         | 4.10%            | 1.48%          |
| Rum          | 78,892         | 10.92%           | 77,638         | 11.37%           | 1.62%          |
| Tequila      | 30,728         | 4.25%            | 28,406         | 4.16%            | 8.17%          |
| Vodka        | 211,321        | 29.26%           | 197,680        | 28.95%           | 6.90%          |
| Whiskey      | 233,052        | 32.26%           | 217,414        | 31.84%           | 7.19%          |
| Wines        | 9,583          | 1.33%            | 9,628          | 1.41%            | -0.47%         |
| Other        | 110,042        | 15.23%           | 102,834        | 15.06%           | 7.01%          |
| <b>Total</b> | <b>722,313</b> | <b>100.00%</b>   | <b>682,832</b> | <b>100.00%</b>   | <b>5.78%</b>   |



## Five Year History of Cases Shipped by Month



| Month        | 2008           | 2009           | 2010           | 2011           | 2012           |
|--------------|----------------|----------------|----------------|----------------|----------------|
| July         | 54,879         | 60,561         | 59,206         | 59,415         | 54,717         |
| August       | 58,549         | 55,005         | 58,352         | 63,485         | 70,912         |
| September    | 44,634         | 51,052         | 53,402         | 58,330         | 54,031         |
| October      | 56,381         | 64,143         | 55,713         | 54,406         | 60,717         |
| November     | 61,942         | 49,284         | 60,647         | 57,532         | 61,901         |
| December     | 66,524         | 68,904         | 65,495         | 66,833         | 69,054         |
| January      | 40,463         | 40,598         | 38,578         | 40,725         | 47,622         |
| February     | 46,292         | 45,015         | 45,064         | 49,442         | 52,917         |
| March        | 48,674         | 53,263         | 55,813         | 59,664         | 57,699         |
| April        | 48,758         | 50,621         | 48,610         | 48,504         | 57,050         |
| May          | 55,400         | 51,987         | 55,754         | 59,051         | 67,174         |
| June         | <u>58,312</u>  | <u>63,038</u>  | <u>63,596</u>  | <u>65,445</u>  | <u>68,519</u>  |
| <b>Total</b> | <b>640,808</b> | <b>653,471</b> | <b>660,230</b> | <b>682,832</b> | <b>722,313</b> |

**Comparative Report of Sales to Agency Stores**  
**For fiscal years ending June 30, 2012 and June 30, 2011**

| <b>Location</b>    | <b>2012<br/>By Volume</b> | <b>2012 Sales</b> | <b>2011<br/>By Volume</b> | <b>2011 Sales</b> |
|--------------------|---------------------------|-------------------|---------------------------|-------------------|
| Absarokee #167     | 41                        | \$ 652,161        | 49                        | \$ 503,594        |
| Alberton #138      | 93                        | 65,529            | 95                        | 66,655            |
| Anaconda #14       | 34                        | 887,016           | 31                        | 918,815           |
| Augusta #81        | 90                        | 80,878            | 91                        | 71,182            |
| Baker #42          | 25                        | 1,469,286         | 21                        | 1,467,556         |
| Belgrade #76       | 2                         | 6,661,719         | 2                         | 6,184,163         |
| Big Fork #179      | 29                        | 1,186,503         | 29                        | 1,052,793         |
| Big Sky #190       | 35                        | 876,104           | 37                        | 763,882           |
| Big Timber #17     | 69                        | 308,918           | 65                        | 331,329           |
| Billings #3        | 4                         | 5,494,543         | 3                         | 5,612,686         |
| Billings #4        | 16                        | 2,229,474         | 15                        | 2,447,392         |
| Billings #196      | 6                         | 4,368,835         | 6                         | 3,830,139         |
| Boulder #56        | 84                        | 117,763           | 80                        | 149,468           |
| Bozeman #9         | 10                        | 3,280,920         | 9                         | 2,899,139         |
| Bozeman #193       | 11                        | 3,324,024         | 11                        | 3,288,555         |
| Bridger #91        | 47                        | 556,718           | 48                        | 506,609           |
| Butte #2           | 23                        | 1,510,518         | 22                        | 1,461,647         |
| Butte #116         | 15                        | 2,257,925         | 17                        | 2,281,634         |
| Chester #35        | 88                        | 84,348            | 90                        | 80,427            |
| Chinook #28        | 72                        | 243,123           | 74                        | 208,970           |
| Choteau #34        | 81                        | 140,833           | 84                        | 121,809           |
| Circle #47         | 89                        | 80,880            | 93                        | 69,694            |
| Columbia Falls #73 | 24                        | 1,489,851         | 24                        | 1,379,252         |
| Columbus #16       | 63                        | 364,044           | 68                        | 297,304           |
| Conrad #33         | 68                        | 324,434           | 67                        | 302,231           |

**Comparative Report of Sales to Agency Stores**  
**For fiscal years ending June 30, 2012 and June 30, 2011**

| <b>Location</b>  | <b>2012<br/>By Volume</b> | <b>2012 Sales</b> | <b>2011<br/>By Volume</b> | <b>2011 Sales</b> |
|------------------|---------------------------|-------------------|---------------------------|-------------------|
| Cut Bank #45     | 27                        | \$ 1,404,798      | 25                        | \$ 1,324,934      |
| Darby #85        | 61                        | 428,939           | 59                        | 392,608           |
| Deer Lodge #11   | 56                        | 516,451           | 56                        | 474,543           |
| Dillon #32       | 31                        | 958,325           | 34                        | 858,598           |
| East Helena #83  | 14                        | 2,707,108         | 14                        | 2,521,805         |
| Ennis #60        | 53                        | 535,152           | 47                        | 514,194           |
| Eureka #69       | 43                        | 622,343           | 43                        | 558,220           |
| Evergreen #67    | 12                        | 3,157,866         | 12                        | 2,870,563         |
| Fairfield #130   | 92                        | 69,885            | 92                        | 70,214            |
| Forsyth #23      | 59                        | 464,146           | 58                        | 462,602           |
| Fort Benton #31  | 75                        | 183,699           | 77                        | 161,724           |
| Gardiner #58     | 62                        | 365,439           | 64                        | 331,726           |
| Glasgow #24      | 46                        | 563,000           | 55                        | 475,129           |
| Glendive #21     | 42                        | 641,943           | 52                        | 487,163           |
| Great Falls #139 | 8                         | 4,031,275         | 7                         | 3,692,229         |
| Great Falls #140 | 5                         | 4,438,593         | 5                         | 4,089,947         |
| Great Falls #141 | 45                        | 564,279           | 42                        | 595,054           |
| Hamilton #18     | 28                        | 1,220,494         | 26                        | 1,232,296         |
| Hardin #37       | 51                        | 543,914           | 45                        | 553,829           |
| Harlowton #38    | 78                        | 168,005           | 81                        | 148,653           |
| Havre #26        | 21                        | 1,542,455         | 20                        | 1,494,960         |
| Helena #1        | 9                         | 3,692,788         | 8                         | 3,580,129         |
| Helena #5        | 32                        | 948,022           | 33                        | 877,560           |
| Hot Springs #61  | 74                        | 201,667           | 72                        | 215,970           |
| Hungry Horse #62 | 50                        | 546,042           | 50                        | 501,688           |
| Kalispell #12    | 18                        | 2,091,809         | 16                        | 2,366,805         |

**Comparative Report of Sales to Agency Stores**  
**For fiscal years ending June 30, 2012 and June 30, 2011**

| <b>Location</b>   | <b>2012<br/>By Volume</b> | <b>2012 Sales</b> | <b>2011<br/>By Volume</b> | <b>2011 Sales</b> |
|-------------------|---------------------------|-------------------|---------------------------|-------------------|
| Kalispell #195    | 17                        | \$ 2,169,055      | 18                        | \$ 2,002,509      |
| Laurel #65        | 7                         | 4,194,733         | 10                        | 3,014,174         |
| Lewistown #15     | 33                        | 898,151           | 35                        | 820,178           |
| Libby #6          | 44                        | 608,943           | 39                        | 634,345           |
| Lima #82          | 95                        | 52,706            | 96                        | 42,566            |
| Lincoln #112      | 71                        | 244,259           | 71                        | 237,728           |
| Livingston #8     | 22                        | 1,537,075         | 23                        | 1,397,228         |
| Lolo #192         | 36                        | 867,128           | 32                        | 910,839           |
| Malta #22         | 49                        | 551,957           | 44                        | 555,383           |
| Medicine Lake #90 | 38                        | 786,845           | 40                        | 628,119           |
| Miles City #13    | 19                        | 1,712,312         | 19                        | 1,609,865         |
| Missoula #170     | 3                         | 5,567,582         | 4                         | 5,413,285         |
| Missoula #171     | 1                         | 7,576,363         | 1                         | 7,192,941         |
| Nashua #95        | 94                        | 65,443            | 89                        | 89,330            |
| Plains #108       | 65                        | 345,276           | 63                        | 339,347           |
| Plentywood #53    | 54                        | 523,766           | 61                        | 379,708           |
| Polson #54        | 26                        | 1,412,388         | 27                        | 1,134,488         |
| Poplar #100       | 86                        | 92,572            | 82                        | 125,037           |
| Red Lodge #27     | 37                        | 855,857           | 36                        | 808,453           |
| Ronan #101        | 57                        | 512,804           | 51                        | 487,438           |
| Roundup #44       | 70                        | 292,634           | 70                        | 257,873           |
| Scobey #51        | 82                        | 138,766           | 86                        | 115,063           |
| Seeley Lake #122  | 60                        | 430,923           | 60                        | 391,955           |
| Shelby #29        | 52                        | 540,172           | 57                        | 463,650           |
| Sheridan #105     | 73                        | 243,109           | 73                        | 213,742           |
| Sidney #50        | 20                        | 1,642,070         | 28                        | 1,067,240         |

**Comparative Report of Sales to Agency Stores**  
**For fiscal years ending June 30, 2012 and June 30, 2011**

| Location             | 2012<br>By Volume | 2012 Sales                   | 2011<br>By Volume | 2011 Sales                   |
|----------------------|-------------------|------------------------------|-------------------|------------------------------|
| St. Ignatius #74     | 79                | \$ 164,734                   | 79                | \$ 151,490                   |
| St. Regis #185       | 40                | 686,448                      | 41                | 622,100                      |
| Stanford #43         | 83                | 134,657                      | 85                | 116,112                      |
| Stevensville #115    | 55                | 517,355                      | 53                | 486,408                      |
| Stockett #99         |                   | -                            | 78                | 157,793                      |
| Superior #30         | 76                | 177,227                      | 76                | 187,558                      |
| Thompson Falls #7    | 48                | 555,328                      | 46                | 551,338                      |
| Townsend #49         | 64                | 347,010                      | 66                | 316,426                      |
| Troy #70             | 66                | 329,454                      | 62                | 360,810                      |
| Twin Bridges #77     | 85                | 115,589                      | 87                | 110,050                      |
| Valier #78           | 87                | 88,239                       | 94                | 67,353                       |
| Victor #172          | 30                | 990,026                      | 30                | 980,016                      |
| West Yellowstone #59 | 58                | 474,605                      | 54                | 477,178                      |
| White Sulphur #36    | 80                | 144,951                      | 83                | 122,690                      |
| Whitefish #64        | 13                | 2,751,206                    | 13                | 2,673,871                    |
| Whitehall #104       | 67                | 326,083                      | 69                | 264,715                      |
| Wilsall #117         | 77                | 175,434                      | 75                | 188,347                      |
| Winifred #160        | 91                | 77,782                       | 88                | 106,860                      |
| Winnett #39          | 96                | 25,447                       | 97                | 26,252                       |
| Wolf Point #52       | 39                | 773,805                      | 38                | 636,818                      |
| <b>Totals</b>        |                   | <b><u>\$ 113,383,054</u></b> |                   | <b><u>\$ 106,086,733</u></b> |

**Schedule of Liquor Sales by County**  
**For the fiscal year ending June 30, 2012**

| County     | City             | Gross<br>Sales      | Percent of<br>Total Sales |
|------------|------------------|---------------------|---------------------------|
| Beaverhead | Dillon #32       | \$ 958,325          | 0.85%                     |
|            | Lima #82         | <u>52,706</u>       | 0.05%                     |
|            |                  | <u>\$ 1,011,031</u> | <b>0.89%</b>              |
| Bighorn    | Hardin #37       | <u>\$ 543,914</u>   | <b>0.48%</b>              |
| Blaine     | Chinook #28      | <u>\$ 243,123</u>   | <b>0.21%</b>              |
| Broadwater | Townsend #49     | <u>\$ 347,010</u>   | <b>0.31%</b>              |
| Carbon     | Red Lodge #27    | \$ 855,857          | 0.75%                     |
|            | Bridger #91      | <u>556,718</u>      | 0.49%                     |
|            |                  | <u>\$ 1,412,575</u> | <b>1.25%</b>              |
| Cascade    | Great Falls #139 | \$ 4,031,275        | 3.56%                     |
|            | Great Falls #140 | 4,438,593           | 3.91%                     |
|            | Great Falls #141 | <u>564,279</u>      | 0.50%                     |
|            |                  | <u>\$ 9,034,147</u> | <b>7.97%</b>              |
| Chouteau   | Fort Benton #31  | <u>\$ 183,699</u>   | <b>0.16%</b>              |
| Custer     | Miles City #13   | <u>\$ 1,712,312</u> | <b>1.51%</b>              |
| Daniels    | Scobey #51       | <u>\$ 138,766</u>   | <b>0.12%</b>              |
| Dawson     | Glendive #21     | <u>\$ 641,943</u>   | <b>0.57%</b>              |

**Schedule of Liquor Sales by County**  
**For the fiscal year ending June 30, 2012**

| County     | City                 | Gross<br>Sales       | Percent of<br>Total Sales |
|------------|----------------------|----------------------|---------------------------|
| Deer Lodge | Anaconda #14         | <u>\$ 887,016</u>    | <b>0.78%</b>              |
| Fallon     | Baker #42            | <u>\$ 1,469,286</u>  | <b>1.30%</b>              |
| Fergus     | Lewistown #15        | \$ 898,151           | 0.79%                     |
|            | Winifred #160        | <u>77,782</u>        | 0.07%                     |
|            |                      | <u>\$ 975,933</u>    | <b>0.86%</b>              |
| Flathead   | Kalispell #12        | \$ 2,091,809         | 1.84%                     |
|            | Hungry Horse #62     | 546,042              | 0.48%                     |
|            | Whitefish #64        | 2,751,206            | 2.43%                     |
|            | Evergreen #67        | 3,157,866            | 2.79%                     |
|            | Columbia Falls #73   | 1,489,851            | 1.31%                     |
|            | Big Fork #179        | 1,186,503            | 1.05%                     |
|            | Kalispell #195       | <u>2,169,055</u>     | 1.91%                     |
|            |                      | <u>\$ 13,392,332</u> | <b>11.81%</b>             |
| Gallatin   | Bozeman #9           | \$ 3,280,920         | 2.89%                     |
|            | W. Yellowstone #59   | 474,605              | 0.42%                     |
|            | Belgrade #76         | 6,661,719            | 5.88%                     |
|            | Big Sky #190         | 876,104              | 0.77%                     |
|            | Bozeman #193         | <u>3,324,024</u>     | 2.93%                     |
|            | <u>\$ 14,617,372</u> | <b>12.89%</b>        |                           |
| Glacier    | Cut Bank #45         | <u>\$ 1,404,798</u>  | <b>1.24%</b>              |
| Hill       | Havre #26            | <u>\$ 1,542,455</u>  | <b>1.36%</b>              |

## Schedule of Liquor Sales by County For the fiscal year ending June 30, 2012

| County        | City                | Gross<br>Sales      | Percent of<br>Total Sales |
|---------------|---------------------|---------------------|---------------------------|
| Jefferson     | Boulder #56         | \$ 117,763          | 0.10%                     |
|               | Whitehall #104      | 326,083             | 0.29%                     |
|               |                     | <u>\$ 443,846</u>   | <b>0.39%</b>              |
| Judith Basin  | Stanford #43        | <u>\$ 134,657</u>   | <b>0.12%</b>              |
| Lake          | Polson #54          | \$ 1,412,388        | 1.25%                     |
|               | St. Ignatius #74    | 164,734             | 0.15%                     |
|               | Ronan #101          | 512,804             | 0.45%                     |
|               |                     | <u>\$ 2,089,926</u> | <b>1.84%</b>              |
| Lewis & Clark | Helena #1           | \$ 3,692,788        | 3.26%                     |
|               | Helena #5           | 948,022             | 0.84%                     |
|               | Augusta #81         | 80,878              | 0.07%                     |
|               | East Helena #83     | 2,707,108           | 2.39%                     |
|               | Lincoln #112        | 244,259             | 0.22%                     |
|               | <u>\$ 7,673,055</u> | <b>6.77%</b>        |                           |
| Liberty       | Chester #35         | <u>\$ 84,348</u>    | <b>0.07%</b>              |
| Lincoln       | Libby #6            | \$ 608,943          | 0.54%                     |
|               | Eureka #69          | 622,343             | 0.55%                     |
|               | Troy #70            | 329,454             | 0.29%                     |
|               | <u>\$ 1,560,740</u> | <b>1.38%</b>        |                           |
| Madison       | Ennis #60           | \$ 535,152          | 0.47%                     |
|               | Twin Bridges #77    | 115,589             | 0.10%                     |
|               | Sheridan #105       | 243,109             | 0.21%                     |
|               | <u>\$ 893,850</u>   | <b>0.79%</b>        |                           |



## Schedule of Liquor Sales by County For the fiscal year ending June 30, 2012

| County      | City              | Gross<br>Sales       | Percent of<br>Total Sales |
|-------------|-------------------|----------------------|---------------------------|
| McCone      | Circle #47        | \$ 80,880            | 0.07%                     |
| Meagher     | White Sulphur #36 | \$ 144,951           | 0.13%                     |
| Mineral     | Superior #30      | \$ 177,227           | 0.16%                     |
|             | Alberton #138     | 65,529               | 0.06%                     |
|             | St. Regis #185    | 686,448              | 0.61%                     |
|             |                   | <u>\$ 929,204</u>    | <b>0.82%</b>              |
| Missoula    | Seeley Lake #122  | \$ 430,923           | 0.38%                     |
|             | Missoula #170     | 5,567,582            | 4.91%                     |
|             | Missoula #171     | 7,576,363            | 6.68%                     |
|             | Lolo #192         | 867,128              | 0.76%                     |
|             |                   | <u>\$ 14,441,996</u> | <b>12.74%</b>             |
| Musselshell | Roundup #44       | \$ 292,634           | 0.26%                     |
| Park        | Livingston #8     | \$ 1,537,075         | 1.36%                     |
|             | Gardiner #58      | 365,439              | 0.32%                     |
|             | Wilsall #117      | 175,434              | 0.15%                     |
|             |                   | <u>\$ 2,077,948</u>  | <b>1.83%</b>              |
| Petroleum   | Winnett #39       | \$ 25,447            | 0.02%                     |
| Phillips    | Malta #22         | \$ 551,957           | 0.49%                     |
| Pondera     | Conrad #33        | \$ 324,434           | 0.29%                     |
|             | Valier #78        | 88,239               | 0.08%                     |
|             |                   | <u>\$ 412,673</u>    | <b>0.36%</b>              |

## Schedule of Liquor Sales by County For the fiscal year ending June 30, 2012

| County     | City              | Gross<br>Sales      | Percent of<br>Total Sales |
|------------|-------------------|---------------------|---------------------------|
| Powell     | Deer Lodge #11    | \$ 516,451          | 0.46%                     |
| Ravalli    | Hamilton #18      | \$ 1,220,494        | 1.08%                     |
|            | Darby #85         | 428,939             | 0.38%                     |
|            | Stevensville #115 | 517,355             | 0.46%                     |
|            | Victor #172       | 990,026             | 0.87%                     |
|            |                   | <u>\$ 3,156,814</u> | <b>2.78%</b>              |
| Richland   | Sidney #50        | \$ 1,642,070        | 1.45%                     |
| Roosevelt  | Wolf Point #52    | \$ 773,805          | 0.68%                     |
|            | Poplar #100       | 92,572              | 0.08%                     |
|            |                   | <u>\$ 866,377</u>   | <b>0.76%</b>              |
| Rosebud    | Forsyth #23       | \$ 464,146          | 0.41%                     |
| Sanders    | Thompson Falls #7 | \$ 555,328          | 0.49%                     |
|            | Hot Springs #61   | 201,667             | 0.18%                     |
|            | Plains #108       | 345,276             | 0.30%                     |
|            |                   | <u>\$ 1,102,271</u> | <b>0.97%</b>              |
| Sheridan   | Plentywood #53    | \$ 523,766          | 0.46%                     |
|            | Medicine Lake #90 | 786,845             | 0.69%                     |
|            |                   | <u>\$ 1,310,611</u> | <b>1.16%</b>              |
| Silver Bow | Butte #2          | \$ 1,510,518        | 1.33%                     |
|            | Butte #116        | 2,257,925           | 1.99%                     |
|            |                   | <u>\$ 3,768,443</u> | <b>3.32%</b>              |

## Schedule of Liquor Sales by County For the fiscal year ending June 30, 2012

| County        | City           | Gross<br>Sales               | Percent of<br>Total Sales |
|---------------|----------------|------------------------------|---------------------------|
| Stillwater    | Columbus #16   | \$ 364,044                   | 0.32%                     |
|               | Absarokee #167 | <u>652,161</u>               | 0.58%                     |
|               |                | <u>\$ 1,016,205</u>          | <b>0.90%</b>              |
| Sweetgrass    | Big Timber #17 | <u>\$ 308,918</u>            | <b>0.27%</b>              |
| Teton         | Choteau #34    | \$ 140,833                   | 0.12%                     |
|               | Fairfield #130 | <u>69,885</u>                | 0.06%                     |
|               |                | <u>\$ 210,718</u>            | <b>0.19%</b>              |
| Toole         | Shelby #29     | <u>\$ 540,172</u>            | <b>0.48%</b>              |
| Valley        | Glasgow #24    | \$ 563,000                   | 0.50%                     |
|               | Nashua #95     | <u>65,443</u>                | 0.06%                     |
|               |                | <u>\$ 628,443</u>            | <b>0.55%</b>              |
| Wheatland     | Harlowton #38  | <u>\$ 168,005</u>            | <b>0.15%</b>              |
| Yellowstone   | Billings #3    | \$ 5,494,543                 | 4.85%                     |
|               | Billings #4    | 2,229,474                    | 1.97%                     |
|               | Laurel #65     | 4,194,733                    | 3.70%                     |
|               | Billings #196  | <u>4,368,835</u>             | 3.85%                     |
|               |                | <u>\$ 16,287,585</u>         | <b>14.37%</b>             |
| <b>Totals</b> |                | <u><b>\$ 113,383,054</b></u> | <u><b>100%</b></u>        |

\*Counties that do not have a liquor store include Carter, Garfield, Golden Valley, Granite, Powder River, Prairie, Treasure and Wibaux.

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