

**Explanation of Entries on Sample "Report of Wine Premises Operations"****PART I, Section A, Bulk Wine Inventory****Line 1 ON HAND BEGINNING OF PERIOD**

These figures were carried forward from Line 31 of the previous report.

**Line 2 PRODUCED BY FERMENTATION**

The Winemaker moved 22,600 total gallons of grape wine from primary fermentation, racked, treated with bentonite, and placed it in storage tanks. The Winemaker also removed 1,200 gallons of hard cider from the fermenters. This wine is declared "Produced." (**Note:** Back of report, Part VII: 18,700 gallons (estimate) is still in fermentation at the end of October. Part IV shows 200 gallons apple concentrate received and used in production.)

**Line 4 PRODUCED BY ADDITION OF WINE SPIRITS**

This winery produced 325 gallons of port (14-21% alcohol) by adding wine spirits. The amount shown as "produced" in Line 4, Column (b) is equal to the amount "used" for wine spirits addition on Line 19, Column (a) and Part III, Line 5, Column (a) on the back of the report (35 gallons of 140 proof wine spirits = 25 wine gallons).

**Line 5 PRODUCED BY BLENDING**

This winery produced 230 gallons of Angelica by blending 115 gallons of dry white wine with 115 gallons of higher alcohol wine. For purposes of the report, "blending" means blending of tax classes. Notice the components equal the whole.

**Line 7 RECEIVED IN BOND**

This winery received a shipment of 600 gallons of wine in bond from another winery, without payment of tax.

**Line 8 BOTTLED WINE DUMPED TO BULK**

The Winemaker discovered that some bottled wine is undergoing secondary fermentation. Some of this wine was returned from the trade as unmerchantable (25 cases) and the balance never left the winery (95 cases). He dumped the entire 120 cases back to bulk. These entries are necessary because the volume of bulk wine is increased, and the volume of cased goods is decreased. ( $120 \text{ cases} \times 2.37753 = 285.3 \text{ gallons}$ )

**Line 12 TOTAL**

This figure is the total of lines 1 through 11, the total quantity to be accounted for in bulk inventory, and it agrees with the figure on line 32.

**Line 13 BOTTLED**

This winery bottled 1,000 cases (750 ml) during the period. The entry is the same for Line 2, Section B.

**Line 19 USED FOR ADDITION OF WINE SPIRITS**

This winery produced 325 gallons of port (14-21% alcohol) by adding wine spirits. The amount shown as "produced" on Line 4, Column (b) is equal to the amount "used" for wine spirits addition on Line 19, Column (a) and Part III, Line 5, Column (a) on the back of the report (35 gallons of 140 proof wine spirits = 25 wine gallons).

**Line 20 USED FOR BLENDING**

This winery produced 230 gallons of Angelica by blending 115 gallons of dry white wine with 115 gallons of higher alcohol wine. For purposes of the report, "blending" means mixing wines of two or more tax classes. Notice the components equal the whole.

**Line 31 ON HAND END OF PERIOD**

This is the 'book' figure obtained by subtracting the total of lines 13 through 30 from line 12.

**Line 32 TOTAL**

This figure is the total of lines 13 through 31, the total quantity accounted for, and it agrees with the figure on line 12.

**Part I, Section B, Bottled Wine Inventory****Line 1 ON HAND BEGINNING OF PERIOD**

These figures were carried forward from Section B, Line 20 of the previous report.

**Line 2 BOTTLED**

This winery bottled 1,000 cases (750 ml) during the period. The entry is the same for Section A, Line 13.

**Line 4 TAXPAID WINE RETURNED TO BOND**

This winery returned 25 cases of wine to bond after it was returned from a wholesaler as unmerchantable because of instability.

**Line 7 TOTAL**

This figure is the total of lines 1 through 6, the total quantity to be accounted for in bottled wine, and it agrees with the figure on line 21.

**Line 8 REMOVED TAXPAID**

This winery taxably removed 500 cases of dry wine for sale; 450 cases went to a wholesaler and 50 cases went to the taxpaid area at the winery. The winery also taxably removed 2 cases of Port. The amounts shown total the amount of bottled wine taxably removed during the period.

**Line 10 DUMPED TO BULK**

The Winemaker discovered that some bottled wine is undergoing secondary fermentation. Some of this wine was returned from the trade as unmerchantable (25 cases) and the balance never left the winery (95 cases). He dumped the entire 120 cases back to bulk. These entries are necessary because the volume of bulk wine is increased, and the volume of cased goods is decreased. *(120 cases X 2.37753 = 285.3 gallons)*

**Line 11 USED FOR TASTING**

This figure represents 3 cases of wine consumed in the tasting room. This wine is not taxable because it was used for tasting on the bonded premises.

**Line 12 REMOVED FOR EXPORT**

This winery exported 50 cases of wine. This figure agrees with Forms 5100.11 for the same period.

**Line 20 ON HAND END OF PERIOD**

This is the 'book' figure obtained by subtracting the total of lines 8 through 19 from Line 7.

**Line 21 TOTAL**

This figure is the total of lines 8 through 20, the total bottled wine accounted for, and agrees with the figure on line 7.

**PART III, Summary of Distilled Spirits**

**Line 5 USED**

The 35 proof gallons shown on Line 5 were used for production by wine spirits addition. The 35 proof gallons of spirits (25 wine gallons) were added to the 300 gallons of table wine shown in Part I, Line 19, Column (a). The resulting 325 gallons of wine is shown in Part I, Line 4, Column (b). (The spirits were 140 proof alcohol; 35 gallons of 140 proof wine spirits—25 wine gallons.)

**PART IV – Summary of Materials Received and Used**

**Line 2 RECEIVED**

This winery received 250 tons of grapes during the month and used them all for wine production. Line 2 shows receipt of 500,000 pounds, and line 5 shows its use in wine production. Note also that Lines 4 and 10 agree. This winery also received 200 gallons of apple concentrate which was used to produce hard cider.

**PART VII - In Fermenters End of Period**

**Line 1 IN FERMENTERS (ESTIMATED QUANTITY OF LIQUID)**

This figure is an estimate of material still fermenting at the end of the period.