



Licensing



Retail



Warehousing



Education

 **VERMONT**
2009 ANNUAL REPORT
Department of Liquor Control

HIGHLIGHTS OF OPERATIONS

REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$14,797,260.38
License Fees Remitted	371,448.00
Tobacco Violations Remitted	11,250.00
Liquor Violations Remitted	18,950.00
Legislative Transfer to General Fund	836,519.00
Non-Budget Transfer to General Fund	<u>3,801.00</u>

TOTAL TO GENERAL FUND: \$16,039,228.38

FUNDS GENERATED FROM OPERATIONS:

License Fees \$ 1,063,797.00

State of Vermont
Department of Liquor Control
13 Green Mountain Drive
Montpelier, VT 05620-4501
liquorcontrol.vermont.gov

[phone] 802-828-2345
[fax] 802-828-2803

Michael J. Hogan, Commissioner

LETTER OF TRANSMITTAL

January 1, 2010

Honorable James H. Douglas
Governor of Vermont
Montpelier, Vermont

Dear Governor Douglas:

In compliance with the provisions of Section 109, Title 7, Vermont Statutes Annotated Revision of 1959, we have the honor to submit herewith the Seventy-Fifth Annual Report of the Liquor Control Board for the fiscal year July 1, 2008 through June 30, 2009.

Respectfully,

Walter E. Freed, Chairman
John P. Cassarino, Member
Stephanie M. O'Brien, Member

:bss



Table of Contents

HIGHLIGHTS OF OPERATIONS

LETTER OF TRANSMITTAL

ANNUAL COMPARISONS

Annual Comparisons 2009 - 2008	1
Comparison of Cases Sold and Sales Dollars 1999-2009	2
Bar Chart Comparison Cases Sold & Average Retail Price	3
Vermont Tax on Liquor	4

FINANCIAL STATEMENTS

Comparative Balance Sheet 2009-2008	6
Comparative Statement of Operations 2009-2008	7
Comparison of Sales Revenue & Cases Sold	8
Schedule of Monthly Sales	8
Outlet Sales & Locations	9-10

DEPARTMENT OF LIQUOR CONTROL EMPLOYEE COMPARISON	11
--	----

DISTRIBUTION PIE CHART

Annual Comparisons



Agency 75 - The Beverage Baron in Barre, Vermont

HISTORICAL COMPARISONS OF FISCAL 2009 TO PREVIOUS FISCAL YEARS 2008

- Annual Comparisons 2009 - 2008
- Comparison of Cases Sold 1999-2009
- Bar Chart Comparison Cases Sold & Average Retail Price Per Case
- Average Retail Price per Case
- Vermont Tax on Liquor

ANNUAL COMPARISONS

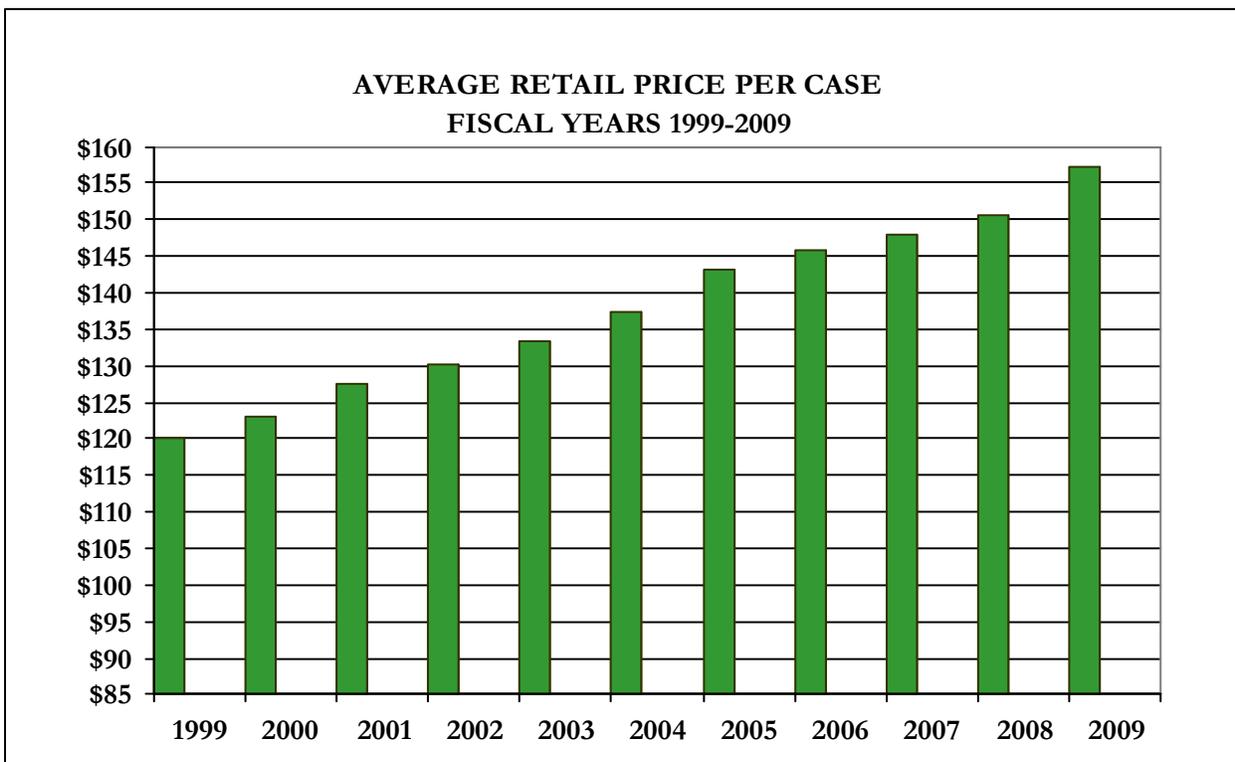
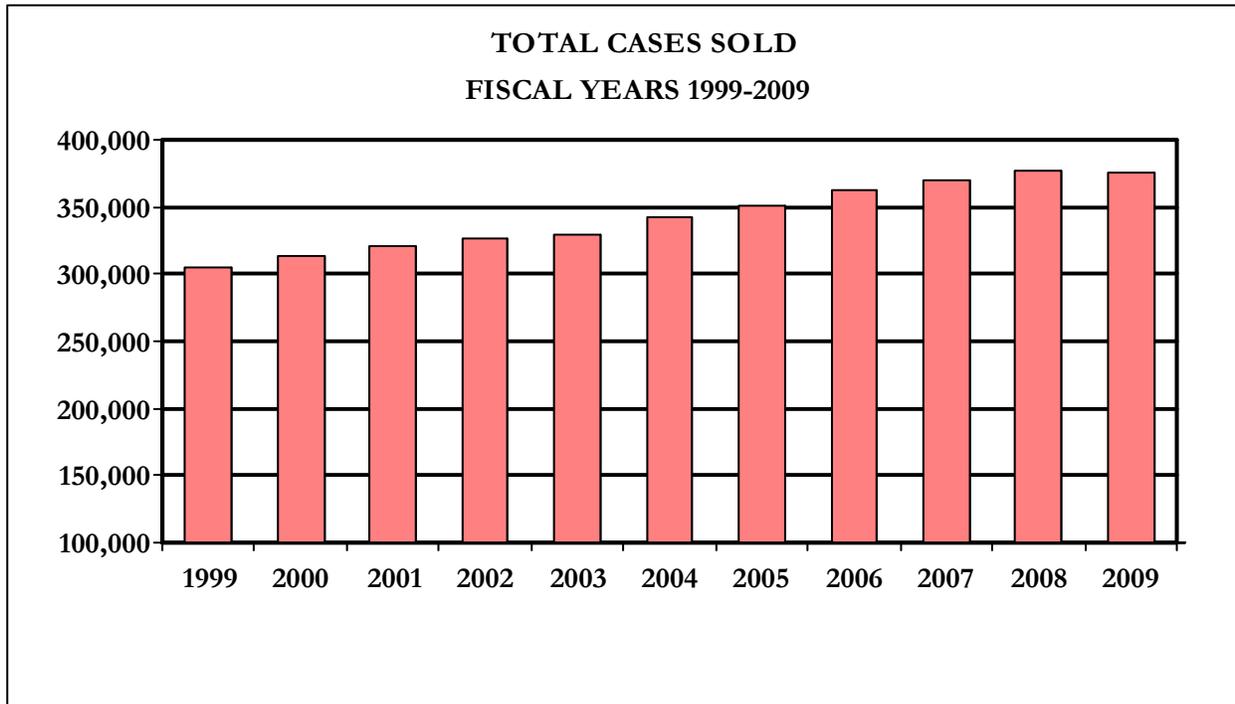
	Year Ended June 30, 2009	Year Ended June 30, 2008
Total State Tax Collected	\$ 14,797,260.38	\$14,247,693.05
Receipts from Licenses:		
Credited to State Treasurer	371,448.00	383,130.00
Receipts from Licenses Retained	1,063,797.00	1,085,565.00
Legislative Transfer to General Fund	836,519.00	836,519.00
Non-Budget Transfer to General Fund	3,801.00	0.00
	<hr/>	<hr/>
Total Receipts to State Treasurer		
Collected by Dept. of Liquor Control	17,072,825.38	\$16,552,907.05
Malt & Vinous Beverage Tax		
Collected by Commissioner of Taxes	5,666,220.05	5,620,161.89
	<hr/>	<hr/>
Total Receipts to State Treasurer	22,739,045.43	\$22,173,068.94
Receipts to Cities & Towns from Beer and Wine Licenses Issued	192,300.00	134,400.00
	<hr/>	<hr/>
Total Revenue to State and Local Governmental Units	22,931,345.43	\$22,307,468.94

SALES COMPARISONS

Gross Liquor Sales (Includes Tax)	\$59,202,280.00	\$57,001,522.65
Total Cases Spirituous Liquor Sold	362,210	365,196
Total Cases Fortified Wines Sold	14,035	12,760
Total Cases Alcohol Sold	99	81
Total Cases Sold	376,344	378,037

**COMPARISON OF CASES SOLD AND SALES DOLLARS IN
FISCAL YEARS 1999 - 2009**

<u>YEAR</u>	<u>CASES SOLD</u>	<u>AVG. CASE PRICE</u>	<u>SALES DOLLARS</u>
1999	305,125	\$120.05	\$36,630,780
2000	313,274	\$123.11	\$38,567,203
2001	320,374	\$127.65	\$40,896,816
2002	326,691	\$130.27	\$42,559,547
2003	329,782	\$133.37	\$43,984,500
2004	342,035	\$137.30	\$46,962,360
2005	351,018	\$143.17	\$50,256,155
2006	362,760	\$145.81	\$52,895,612
2007	369,863	\$148.06	\$54,760,115
2008	378,037	\$150.54	\$56,907,846
2009	376,344	\$157.30	\$59,198,927



VERMONT STATE TAX ON LIQUOR, MALT AND VINOUS BEVERAGES

On all sales of MALT BEVERAGES, the alcoholic content of which is not more than six percent by volume at sixty degrees Fahrenheit, a tax of twenty-six and one half cents per gallon or its equivalent is paid to the Commissioner of Taxes by Wholesale Dealers and Bottlers.

On all sales of VINOUS BEVERAGES the alcoholic content of which is not more than sixteen percent by volume at sixty degrees Fahrenheit, a tax of fifty-five cents per gallon or its equivalent is paid to the Commissioner of Taxes by Wholesale Dealers and Bottlers.

Effective May 1, 1933, the original tax was \$1.00 per 31-gallon barrel which approximates \$0.0323 per gallon. Since that time, the rate of tax has changed as follows:

June	1, 1934	\$.0325 per gallon
January	1, 1936	.05 per gallon
May	1, 1937	.10 per gallon
May	12, 1949	.15 per gallon
August	1, 1957	.20 per gallon
June	1, 1968	.25 per gallon
May	1, 1976	.50 per gallon
July	1, 1981	.55 per gallon

The history of changes in the tax rate on SPIRITUOUS LIQUORS and FORTIFIED WINES as of May 1, 1935 is as follows:

		<u>Spirituuous Liquors</u>	<u>Fortified Wines</u>
(Original Tax)		\$.10 per pt.	\$.10 per pt.
May	1, 1937	.23 per pt.	.12 1/2 pt.
May	1, 1939	.25 per pt.	No Change
May	1, 1945	.35 per pt.	No Change
May	1, 1947	.45 per pt.	No Change
August	1, 1957	5.10 per gal.	1.20 per gal.
June	1, 1969	5.60 per gal.	1.40 per gal.
February	12, 1974	24% on Retail Sales	
July	1, 1981	25% on Retail Sales	

Financial Statements



Mobile Command Unit purchased in 2008 with a grant from the Governor's Highway Safety Program

FINANCIAL COMPARISONS OF FISCAL 2009 TO FISCAL 2008

- Comparative Balance Sheet 2009-2008
- Comparative Statement of Operations 2009-2008
- Comparison of Sales Revenue & Cases Sold
- Schedule of Monthly Sales
- Outlet Sales & Locations

**VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE BALANCE SHEET**

ASSETS

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
CURRENT ASSETS		
Cash On Hand	\$1,827,690.56	\$527,356.56
Cash In Transit	1,196,319.07	1,429,413.80
Petty Cash, Imprest Funds	6,800.00	6,300.00
Inventory Clearing	2,582.02	5,199.00
Accounts Receivable	104,562.96	160,586.45
Inventories:		
Outlets	3,980,994.75	3,886,153.67
Warehouse	297,666.05	396,566.46
	<u>\$7,416,615.41</u>	<u>\$6,411,575.94</u>
FIXED ASSETS: (Less Depreciation)		
Equipment, Furniture & Fixtures	<u>472,658.84</u>	<u>515,570.94</u>
TOTAL ASSETS	<u><u>\$7,889,274.25</u></u>	<u><u>\$6,927,146.88</u></u>

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES		
Accounts Payable:		
Liquor - Unprocessed	\$5,464,815.41	\$4,686,830.03
Sundry	249,988.00	247,880.93
General Fund Tax Payable	359,744.36	326,771.93
Vouchers Payable	240,447.11	242,963.34
Accrued Salaries & Benefits	232,826.09	226,535.60
State Treasurer-Cash Fund Advance	6,800.00	6,300.00
	<u>\$6,554,620.97</u>	<u>\$5,737,281.83</u>
RETAINED EARNINGS	1,189,865.05	1,189,865.05
NET INCOME AFTER 2 GF TRANSFERS	<u>144,788.23</u>	<u>0.00</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$7,889,274.25</u></u>	<u><u>\$6,927,146.88</u></u>

**VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF OPERATIONS**

	F/Y 2009	%	F/Y 2008	%
Gross Sales:	\$59,202,280.00	100.00	\$57,001,522.65	100.00
Tax	14,797,260.38	24.99	14,247,693.05	25.00
Net Sales	<u>\$44,405,019.62</u>	<u>75.01</u>	<u>\$42,753,829.60</u>	<u>75.00</u>
Cost of Goods Sold	\$35,888,112.45	60.62	\$35,173,957.09	61.71
Gross Income on Sales	\$8,516,907.17	14.39	\$7,579,872.51	13.30
Operating Expenses:				
Outlet Operations	\$5,657,620.25	9.56	\$5,359,322.79	9.40
Warehouse & Distribution	1,479,382.03	2.50	1,237,720.41	2.17
General Administration	1,726,831.26	2.92	1,684,089.65	2.95
Total Operating Expenses	<u>\$8,863,833.54</u>	<u>14.97</u>	<u>\$8,281,132.85</u>	<u>14.52</u>
Gross Operating Income	(\$346,926.37)	(0.59)	(\$701,260.34)	(1.23)
Other Income:				
Miscellaneous	\$678.13	0.00	\$276.50	0.00
Gain/Loss Disposal Equip.	8,658.64	0.01	10,528.64	0.02
License Fees Collected	1,435,245.00	2.42	1,468,695.00	2.58
Tobacco Violations Collected	11,250.00	0.02	10,500.00	0.02
Liquor Violations Collected	18,950.00	0.03	6,700.00	0.01
Non Refunded Bottle Fund	147,590.70	0.25	151,145.55	0.27
Special Purchase Allowance	2,016,401.57	3.41	1,936,183.75	3.40
Penalties/Refund Labels	6,252.00	0.01	7,312.38	0.01
Total Other Income	<u>\$3,645,026.04</u>	<u>6.16</u>	<u>\$3,591,341.82</u>	<u>6.30</u>
Other Expenses:				
Casualty Loss	\$1,036.33	0.00	\$454.40	0.00
Uncollected Checks	\$762.13	0.00	\$3,036.03	0.01
Total Other Expenses	<u>\$1,798.46</u>	<u>0.00</u>	<u>\$3,490.43</u>	<u>0.01</u>
Net Operating Income	\$3,296,301.21	5.57	\$2,886,591.05	5.06
Non-Operating Deductions:				
Education, Licensing & Enf.	\$1,909,544.98	3.23	\$1,842,766.22	3.23
Lic Fees Remitted St. Treas.	371,448.00	0.63	383,130.00	0.67
Tobacco Violations Remitted	11,250.00	0.02	10,500.00	0.02
Liquor Violations Remitted	18,950.00	0.03	6,700.00	0.01
Net Non-Operating Ded.	<u>\$2,311,192.98</u>	<u>3.91</u>	<u>\$2,243,096.22</u>	<u>3.94</u>
Net Department Income	985,108.23	1.66	\$643,494.83	1.13
Less: Transfer to Gen. Fund	836,519.00	1.41	\$836,519.00	1.47
Less: Non Bud. TR. To General Fund	3,801.00	0.01	0	0
Profit/Loss for Period	<u>144,788.23</u>	<u>0.24</u>	<u>(\$193,024.17)</u>	<u>(0.34)</u>

COMPARISON OF SALES REVENUE AND CASES SOLD
YEARLY COMPARISON
JUNE 30, 2009 & JUNE 30, 2008

	<u>2009</u>	<u>2008</u>	<u>INC/DEC</u>	<u>% INC/DEC</u>
Total Sales	\$59,202,280.00	\$57,001,522.65	\$2,200,757.35	3.86%
State Tax	\$14,797,260.38	\$14,247,693.05	\$549,567.33	3.86%
Malt & Vinous Tax	\$5,666,220.05	\$5,620,161.89	\$46,058.16	0.82%
Cases Sold:				
Liquor	362,210	365,196	-2,986	-0.82%
Wines/Vermouth	14,035	12,760	1,275	9.99%
Total Cases	<u>376,245</u>	<u>377,956</u>	<u>-1,711</u>	<u>-0.45%</u>
Alcohol	99	81	18	22.22%

SCHEDULE SHOWING TOTAL MONTHLY SALES
FISCAL YEAR 2009

<u>2008</u>	<u>\$ VALUE</u>	<u>CASES</u>
JULY	5,372,360.40	34,866
AUGUST	5,376,265.60	34,196
SEPTEMBER	4,518,992.30	29,051
OCTOBER	4,900,991.00	31,510
NOVEMBER	4,658,838.60	30,616
DECEMBER	7,017,301.40	41,616
 <u>2009</u>		
JANUARY	4,754,165.30	30,346
FEBRUARY	4,547,007.90	28,042
MARCH	4,322,594.70	27,774
APRIL	4,139,776.40	26,723
MAY	4,860,718.70	31,230
JUNE	4,666,648.90	29,960

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2009**

<u>Agency</u>	<u>Location</u>	Total <u>Sales \$</u>
A 1 Poultney	East Poultney General Store, 11 on the Green	205,668
A 2 Barton	Barton Village Corner Store, 155 Main St.	255,514
A 3 Island Pond	Kingdom Market, 12 Railroad St.	75,184
A 4 Winooski	Beverage Warehouse, 1 East St.	2,905,495
A 5 Londonderry	Jelley's Mobil, Rte. 11 & 100	500,933
A 6 Randolph	M & M Beverage, 6 Salisbury St.	514,709
A 7 Hardwick	D & L Beverage, Woodbury Rd.	461,766
A 8 Alburgh	Alburgh Beverage Mart, 136 Main St.	266,982
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	330,081
A10 Jeffersonville	Jeffersonville Country Store, Jct. Church & Main St.	576,473
A11 Canaan	Maurice Motel, 125 Gale St.	57,307
A12 Richford	Wetherby's Quick Stop, 75 Main St.	150,054
A13 Norwich	Norwich Wine & Spirits, Elm St.	398,953
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	1,140,696
A15 Wilmington	McBreairty's Marketplace, 34 West Main St.	617,665
A16 Bethel	McCullough's Quik Stop, Rte. 107	302,380
A17 Waitsfield	Mehuron's Market, Village Square	952,193
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shore Dr.	689,835
A19 Orleans	Lanoué's General Store, 72 Main St.	202,965
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St.	531,106
A21 Waterbury	Crossroads Beverage & Deli, 52 No. Main St.	858,946
A22 Swanton	Swanton Beverage, 75 First St.	485,961
A23 Enosburg Falls	Beverage Gallery, Main St.	338,802
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	1,104,971
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	626,454
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,101,828
A27 Richmond	Richmond Beverage, Bridge St.	408,039
A28 Springfield	Joe's Discount Beverage, 335 River St.	885,950
A29 Rochester	Mac's Market, 67 North Main St.	140,556
A30 Montgomery Ctr.	Sylvester's Market, Main St.	239,806
A31 Milton	Middle Road Market, 69 Middle Rd.	692,889
A32 Brandon	Dr. Lightning's Wine & Spirits, 34 Conant Sq.	473,822
A33 Bradford	Bradford Bottle Shoppe, 82 Main St.	576,185
A34 Stamford	Billmont's Country Store, 544 Main Rd.	261,841
A35 Vergennes	Vergennes Wine & Beverage, 209 Main St.	812,621
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,686,076
A37 Windsor	Windsor Wine & Spirits, 54 Main St., Windsor House	289,534

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2009**

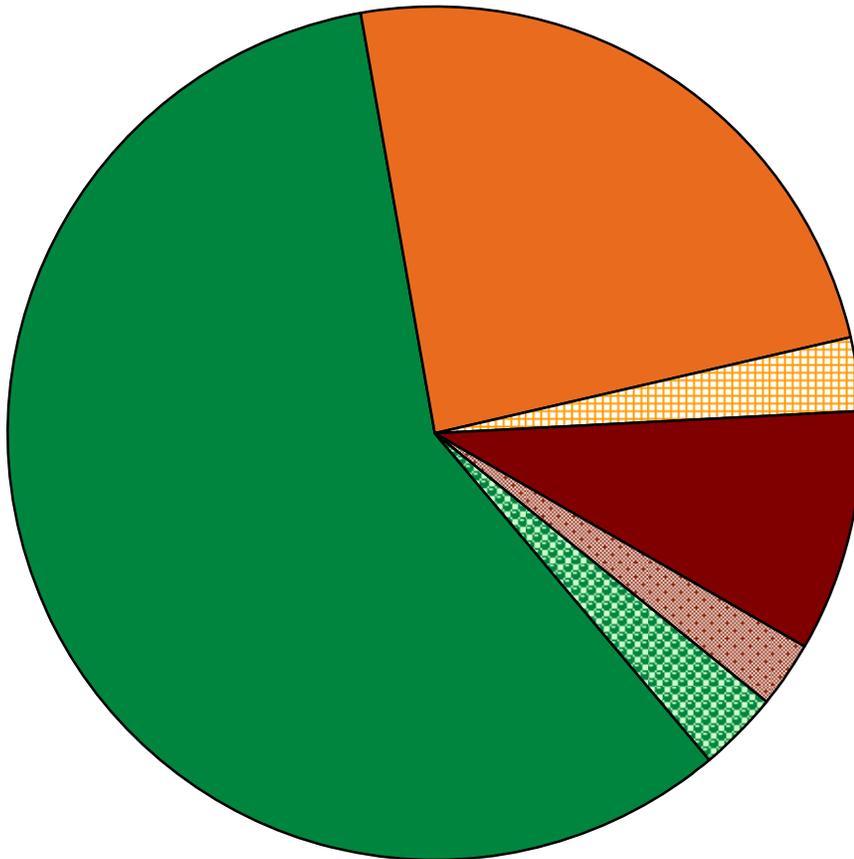
<u>Agency</u>	<u>Location</u>	Total Sales \$
A38 Bristol	Champlain Farms, 3 West St.	530,499
A39 Shelburne	Champlain Bev & Deli, 2659 Shelburne Rd.	1,288,700
A40 Bellows Falls	Fleming Food Mart, 97 Westminster St.	426,225
A41 West Dover	7-Eleven Store, Route 100	627,406
A42 Derby Ctr.	Derby Village Store, Main St.	478,754
A43 North Troy	Main Street Grocery, Main St.	162,047
A44 Fairfax	Minor's Country Store, 874 Main St.	334,085
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	253,216
A47 Fair Haven	Liberty Market, 7 Liberty St.	921,117
A48 Pownal	Next Door Beer & Wine, Rte. 7	877,377
A49 St. Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	680,418
A50 Woodstock	Woodstock Discount Beverage, Route 4 East	911,866
A51 Burlington	Merola's Market, 1563 North Ave.	894,094
A52 Newfane	Newfane Market, 596 VT Rte. 30	129,542
A53 Essex Ctr.	Essex Discount Beverage, 76 Center Rd.	1,153,599
A54 Chelsea	Flanders Market, Main Street	133,235
A55 W. Brattleboro	Brattleboro Discount Beverage, 157 Marlboro Rd.	1,131,657
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	282,094
A57 Proctorsville	Singleton's Store, 356 Main St.	763,788
A58 W. Rutland	Rite Aid, 294 Main Street	448,744
A59 Middlebury	Hannaford's Food & Pharmacy, Hannaford Shopping Plaza Rte. 7S	1,346,294
A60 Williston	Hannaford Superstore, Taft Corners, 78 Marshall Ave.	1,202,443
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	2,865,985
A62 Essex Jct.	Five Corners Variety, 39 Park St.	818,795
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,576,973
A64 Danville	Diamond Hill Store, Rte. 2, across from the Green	159,149
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	2,227,166
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	302,260
A67 Montpelier	Yankee Wine & Spirits, 126 Main St.	1,321,462
A68 St. Albans City	Beverage Mart, 211 Lake St.	1,049,240
A69 St. Albans Town	Colonial Mart, 191 Swanton Rd.	677,121
A70 Newport	Azur's Mini-Mart & Little G's Deli, 33 Railroad Sq.	747,227
A71 Manchester	Manchester Discount Beverage, Rtes. 11 & 30	2,004,498
A72 Rutland City	Grand Union, 12 North Main St.	1,912,612
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	2,357,177
A74 Rutland Town	Hannaford's Food & Pharmacy, 318 Rte. 7 South	1,375,813
A75 Barre	Beverage Baron, 411 North Main St.	2,228,970
A76 Bondville	7-Eleven, Rte. 30	403,374

Employee Comparison - Number of Positions

	06-30-2009	06-30-2008
ADMINISTRATIVE & GENERAL:		
Commissioner	1	1
Director of Retail Operations	1	1
Financial Administrator II	1	1
Information Technology Specialist III	1	1
Executive Assistant	1	1
Liquor Purchasing Coordinator	1	1
Systems Developer II	1	1
Network Administrator II	1	1
District Coordinators	3	3
Systems Developer I	1	1
Personnel Administrator B	1	1
Financial Specialist III	1	1
Financial Specialist I	1	2
Help Desk Analyst	1	1
Program Services Clerk	1	1
Administrative Assistant B	1	1
Youth Safety Program Coordinator	1	1
	<hr/> 19	<hr/> 20
EDUCATION, LICENSING & ENFORCEMENT:		
Liquor Control Training Specialist	1	1
Director of Enforcement	1	1
Administrative Secretary	1	1
Executive Office Manager	1	1
Program Technician I	1	1
Investigator Supervisor	2	2
Liquor Investigators	14	15
Administrative Assistant A	1	1
	<hr/> 22	<hr/> 23
WAREHOUSE:		
Liquor Whse. Mgmt. System Coord.	1	1
Liquor Warehouse Supervisor	1	1
Warehouse Maintenance Worker	1	1
Program Services Clerk	1	1
Warehouse Worker I & II	9	9
	<hr/> 13	<hr/> 13
TOTAL NUMBER OF POSITIONS:	54	56

Pie Chart

**Distribution of Sales Revenue and Expenses
Fiscal Year Ending June 30, 2009**



■ Cost of Goods Sold	60.6%
■ General Fund Revenue	25%
■ Administrative Expenses	2.9%
■ Retail Outlet Expenses	9.6%
■ Warehouse & Distribution Expenses	2.5%
■ Education, Licensing & Enforcement Expenses	3.2%