



VERMONT
2012 ANNUAL REPORT
Department of Liquor Control

HIGHLIGHTS OF OPERATIONS

REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$	16,332,254.10
Sales Tax Remitted		2,843,835.86
License Fees Remitted		390,654.00
Tobacco Violations Remitted		15,350.00
Liquor Violations Remitted		68,850.00
Violation Late Fees Remitted		851.94
NSF Charges Recovered		240.00
Legislative Transfer to General Fund		<u>880,066.00</u>

TOTAL TO GENERAL FUND: \$ 20,532,101.90

FUNDS GENERATED FROM OPERATIONS:

License Fees \$ 1,848,840.00

State of Vermont
Department of Liquor Control
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Michael J. Hogan, Commissioner

LETTER OF TRANSMITTAL

January 1, 2013

Honorable Peter Shumlin
Governor of Vermont
Montpelier, Vermont

Dear Governor Shumlin:

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-Eighth Annual Report of the Liquor Control Board for the fiscal year July 1, 2011 through June 30, 2012.

Respectfully,

Stephanie M O'Brien, Chair
John P. Cassarino, Member
Thomas Gallagher, Member
Mellissa Mazza, Member
Julian Sbardella, Member

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HIGHLIGHTS OF OPERATIONS

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DEPARTMENT OF LIQUOR CONTROL EMPLOYEE COMPARISON 11

DISTRIBUTION PIE CHART

Annual Comparisons



**HISTORICAL
COMPARISONS OF
FISCAL 2012 TO
PREVIOUS FISCAL
YEARS**

- Annual Comparisons 2012-2011
- Comparison of Cases Sold 2002-2012
- 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, 2012	Year Ended June 30, 2011
Total State Tax Collected	\$ 16,332,254.10	\$ 15,383,787.68
Receipts from Licenses:		
Credited to State Treasurer	390,654.00	378,576.00
Receipts from Licenses Retained	1,241,195.80	1,150,469.00
Legislative Transfer to General Fund	880,066.00	836,516.00
Non-Budget Transfer to General Fund		3,550.00
	<hr/>	<hr/>
Total Receipts to State Treasurer		
Collected by Dept. of Liquor Control	\$ 18,844,169.90	\$ 17,752,898.68
Malt & Vinous Beverage Tax		
Collected by Commissioner of Taxes	<u>5,975,636.86</u>	<u>5,786,558.27</u>
Total Receipts to State Treasurer	\$ 24,819,806.76	\$ 23,539,456.95
Receipts to Cities & Towns from Beer and Wine Licenses Issued	<u>\$ 245,700.00</u>	<u>\$ 186,900.00</u>
Total Revenue to State and Local Governmental Units	<u>\$ 25,065,506.76</u>	<u>\$ 23,726,356.95</u>

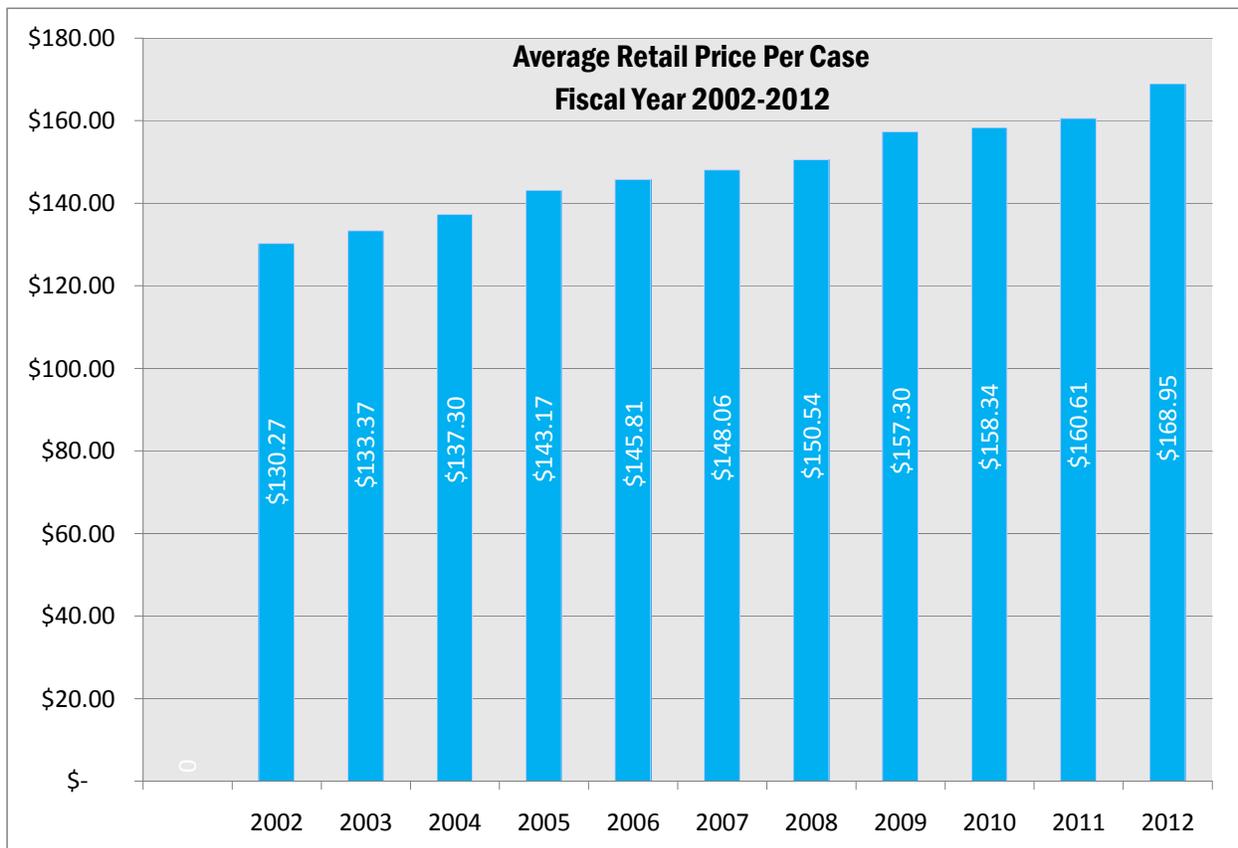
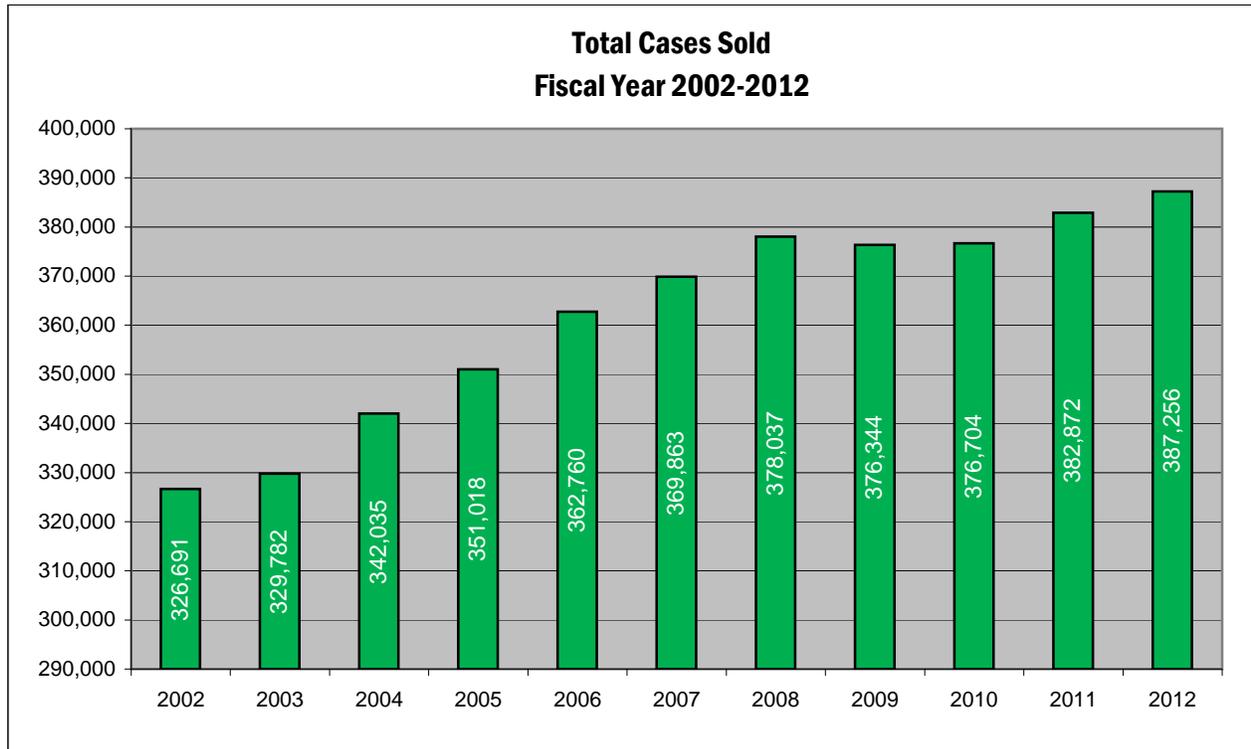
SALES COMPARISONS

Gross Liquor Sales (Includes Tax)	\$ 65,428,515	\$ 62,357,092
Total Cases Spirituous Liquor Sold	375,483	369,720
Total Cases Fortified Wines Sold	12,180	13,041
Total Cases Alcohol Sold	148	111
Total Cases Sold	387,811	382,872



**COMPARISON OF CASES SOLD AND SALES DOLLARS IN
FISCAL YEARS 2002-2012**

YEAR	CASES SOLD	AVG. CASE PRICE	SALES DOLLARS
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	\$59,198,937
2010	376,704	\$158.34	\$59,645,891
2011	382,872	\$160.61	\$61,492,807
2012	387,256	\$168.95	\$65,428,515



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>Spirituous 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	
July	1, 2009	6% State Sales Tax	

**STATE OF VERMONT
STATEMENT OF NET ASSETS***

Fiscal Period Ending June 30, 2012

ASSETS**Current Assets:**

Cash and Cash equivalents	2,192,735
Receivables:	
Accounts receivable	1,152,022
Due from other funds	161
	<u>1,152,183</u>
Inventories at cost	<u>5,240,510</u>
Current Assets:	8,585,428

Restricted and Capital Assets:

Imprest Cash	75
Capital Assets (Less Depreciation)	725,011

Total Assets: 9,310,514

LIABILITIES**Current Liabilities:**

Accounts Payable	6,159,891
Treasurer's Cash Advance	75
Total Liabilities	6,159,966

Equity/Net Assets

Net Income	273,156
Equity /Net Assets July 1, 2011	2,877,393
Total Equity/Net Assets	3,150,548

Total Liabilities & Equity 9,310,514

*First comparative statement for Liquor Control Enterprise from the State Financial System (otherwise known as VISION).

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

June 30, 2011

ASSETS**CURRENT ASSETS**

Cash On Hand	\$ 201,245.11
Cash In Transit	2,510,449.14
Petty Cash, Imprest Funds	500.00
Inventory Clearing	3,987.22
Accounts Receivable	488,587.38
Inventories:	
Outlets	5,013,241.79
Warehouse	108,021.02
	\$ 8,326,031.66

FIXED ASSETS: (Less Depreciation)

Equipment: Furniture & Fixtures	<u>\$ 821,570.60</u>
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TOTAL ASSETS \$ 9,147,602.26

LIABILITIES AND RETAINED EARNINGS**CURRENT LIABILITIES**

Accounts Payable:	
Liquor - Unprocessed	\$4,744,613.58
Sundry	\$424,710.52
General Fund Tax Payable	\$481,373.77
Sales Tax Payable	\$236,364.00
Vouchers Payable	114,009.87
Accrued Salaries & Benefits	203,095.17
Act 261 Bottle Fund	5,023.65
State Treasurer-Cash Fund Advance	<u>500.00</u>
	\$6,209,690.56

RETAINED EARNINGS 1,430,511.95

NET INCOME AFTER LEGIS. TR. 1,507,399.75

TOTAL LIABILITIES & RETAINED EARNINGS \$9,147,602.26

*This is the last comparative statement from the DLC financial system.

STATE OF VERMONT
LIQUOR CONTROL FUND
OPERATING STATEMENT(SUMMARY)
For the Fiscal Year through June 30, 2012

VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF OPERATIONS*
June 30, 2011

	F/Y 2012	F/Y 2011	%
Operating Revenue*	\$ 51,700,444 ¹	\$ 62,357,091.78	100.00
Cost of Goods	<u>\$ 44,513,141 ²</u>	<u>15,383,787.68</u>	24.67
Net Operating Revenue	<u>\$ 7,137,072</u>	<u>\$ 46,973,304.10</u>	75.33
Operating Expenses:			
Personal Services	4,737,563	\$ 5,975,152.64	9.58
Operating Expenses	<u>1,296,139</u>	1,443,700.07	2.32
Total Operating Expense	<u>\$ 6,033,702</u>	<u>1,686,840.38</u>	2.71
Operating Income	\$ 1,103,370	\$ 9,105,693.09	14.60
Non-Operating Revenue:			
Insurance Recoveries	50,231	\$ 837.61	0.00
Late Interest Charge	<u>(379)</u>	11,929.00	0.02
	<u>\$ 49,852</u>	1,529,045.00	2.45
		10,770.00	0.02
		54,330.00	0.09
		130.00	0.00
		134,001.00	0.21
		<u>2,051,276.20</u>	3.29
		<u>\$ 3,792,318.81</u>	6.08
		\$ 26,294.64	0.04
		437.19	0.00
		<u>\$ 26,731.83</u>	0.00
		\$ 4,703,395.17	7.54
		\$ 1,912,123.42	3.07
		378,576.00	0.61
		10,770.00	0.02
		54,330.00	0.09
		130.00	0.00
		<u>\$ 2,355,929.42</u>	3.78
Income Before Operating			
Transfer	1,153,222	\$ 2,347,465.75	3.76
Legislative Transfer	<u>(880,066)</u>	\$ 836,516.00	1.34
Profit for Period	273,156	3,550.00	0.00
		<u>0.00</u>	0.00
		<u>\$ 1,507,399.75</u>	2.42

*Figures above do not include \$16,332,254 General Fund tax, \$390,654 General Fund License, or \$2,843,836 for Sales Tax Remittances.

1. Operating Revenue includes Special Purchase Allowance and License Income.

2. Cost of Goods includes Liquor Purchase, Agency Commissions, Bottle Redemption Expenses, and Breakage/Over/Short Expenses.

*Last Statement from the DLC's in-house Financial System.

**COMPARISON OF SALES REVENUE AND CASES SOLD
YEARLY COMPARISON
JUNE 30, 2011 & JUNE 30, 2012**

	<u>2012</u>	<u>2011</u>	<u>INC/DEC</u>	<u>% INC/DEC</u>
Total Sales	\$65,328,878	\$62,357,092	\$2,971,786	4.77%
State Tax	\$16,332,254	\$15,383,788	\$948,466	6.17%
Malt & Vinous Tax	\$5,975,636	\$5,786,558	\$189,078	3.27%
Cases Sold:				
Liquor	\$375,483	\$369,831	5,652	1.53%
Wines/Vermouth	\$12,180	\$13,041	-861	-6.60%
Total Cases	<u>\$387,663</u>	<u>\$382,872</u>	<u>4,791</u>	<u>1.25%</u>
Alcohol	148	111	37	33.33%

**SCHEDULE SHOWING TOTAL MONTHLY SALES
FISCAL YEAR 2012**

<u>2011</u>	<u>\$ VALUE</u>	<u>CASES</u>
JULY	5,865,014	35,217
AUGUST	5,432,914	32,389
SEPTEMBER	5,198,603	31,126
OCTOBER	5,127,206	30,976
NOVEMBER	4,990,204	30,073
DECEMBER	7,843,729	44,291
 <u>2012</u>		
JANUARY	4,855,372	28,695
FEBRUARY	5,269,690	30,477
MARCH	5,358,388	31,601
APRIL	4,478,939	27,082
MAY	5,470,322	32,522
JUNE	5,538,134	32,808

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2012**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A 1 Poultney	East Poultney General Store, 11 On the Green	129,493.98
A 2 Barton	Barton Village Corner Store, 155 Main St.	10,119.46
A 3 Island Pond	Kingdom Market, 12 Railroad St.	163,401.04
A 4 Winooski	Beverage Warehouse, 1 East St.	3,502,215.19
A 5 Londonderry	Jelley's Mobil, Rte. 11 & 100	371,798.97
A 6 Randolph	M & M Beverage of Randolph, 6 Salisbury St.	599,805.68
A 7 Hardwick	D & L Beverage, Woodbury Rd.	486,478.89
A 8 Alburgh	Alburgh Beverage Mart, 136 Main St.	293,861.85
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	330,724.17
A10 Jeffersonville	Jeffersonville Country Store, Jct. Church & Main St.	715,626.69
A11 Canaan	Maurice Motel, 125 Gale Street	60,585.69
A12 Richford	Wetherby's Quick Stop, 75 Main St.	157,592.92
A13 Norwich	Norwich Wine & Spirits, Elm St.	385,288.04
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	1,265,122.77
A15 Wilmington	McBreairty's Marketplace, 34 West Main St.	381,940.88
A16 Bethel	McCullough's Quik Stop, Rte. 107	314,367.91
A17 Waitsfield	Mehuron's Market, Village Square	1,007,387.77
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shore Dr.	802,754.62
A19 Orleans	Lanoué's General Store, 72 Main St.	409,993.60
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St.	611,084.59
A21 Waterbury	Crossroads Beverage & Deli, 52 No. Main St.	950,122.08
A22 Swanton	Swanton Beverage, 75 First St.	570,269.37
A23 Enosburg Falls	Beverage Gallery, Main St.	453,191.60
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	1,160,195.88
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	661,369.17
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,020,358.88
A27 Richmond	Richmond Market & Beverage, Railroad St.	512,109.77
A28 Springfield	Joe's Discount Beverage, 335 River St.	777,571.25
A29 Rochester	Mac's Market, 67 North Main St.	145,392.46
A30 Montgomery Ctr.	Sylvester's Market, Main Street	258,924.94
A31 Milton	Middle Road Market, 69 Middle Rd.	802,374.53
A32 Brandon	Dr. Lightning's Wine & Spirits, 34 Conant Sq.	487,631.78
A33 Bradford	Bradford Bottle Shoppe, 82 Main St.	563,080.50
A34 Stamford	Billmont's Country Store, 544 Main Rd.	246,302.28
A35 Vergennes	Vergennes Wine & Beverage, 211 Main St.	769,916.59
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,656,267.15
A37 Windsor	Windsor Wine & Spirits, 54 Main St., Windsor House	290,727.68
A38 Bristol	Champlain Farms, 3 West St.	554,109.70
A39 Shelburne	Route 7 Liquor & Deli, 2659 Shelburne Rd.	1,577,687.57

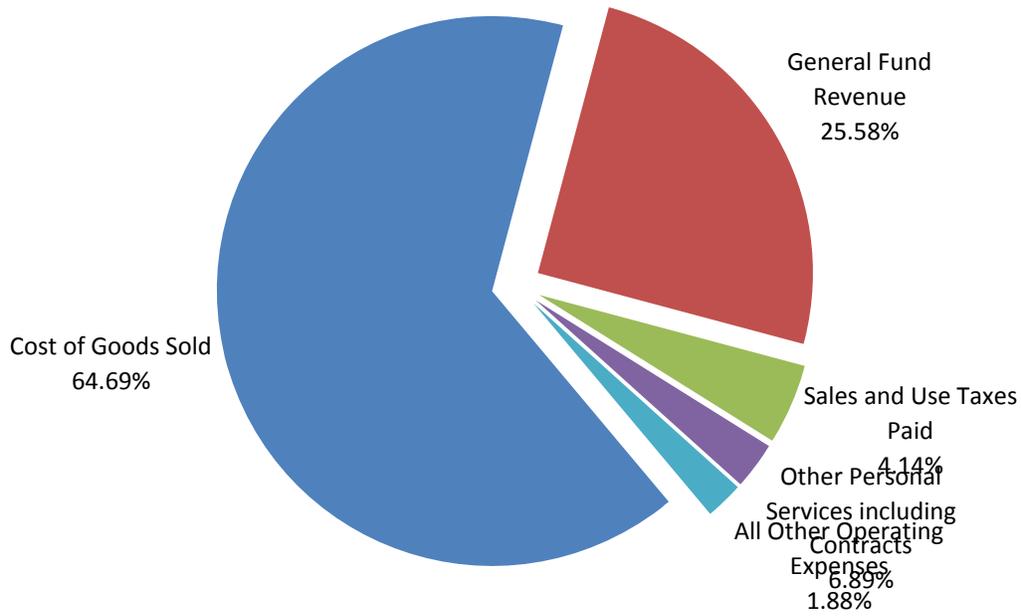
**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2012**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A40 Bellows Falls	Fleming Food Mart, 97 Westminster St.	427,524.04
A41 West Dover	7-Eleven Store, Route 100	825,493.06
A42 Derby Ctr.	Derby Village Store, Main St.	451,294.00
A43 North Troy	Main Street Grocery, Main St.	306,601.35
A44 Fairfax	Minor's Country Store, 874 Main St.	373,520.14
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	257,351.59
A46 Burlington	Burlington Bay Market & Café, 125 Battery Street	1,127,565.94
A47 Fair Haven	Liberty Market, 7 Liberty St.	1,041,475.53
A48 Pownal	Next Door Beer & Wine, Rte. 7	834,550.72
A49 St. Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	691,643.19
A50 Woodstock	Woodstock Discount Beverage, Rte. 4E	877,778.94
A51 Burlington	Merola's Market, 1563 North Ave.	954,783.18
A52 Newfane	Newfane Market, 596 Rte. 30	143,477.58
A53 Essex Ctr.	Essex Discount Beverage, 76 Center Rd.	1,212,925.88
A54 Chelsea	Flanders Market, Main Street	111,462.79
A55 W. Brattleboro	Brattlebor Discount Beverage, 157 Marlboro Rd.	1,027,588.59
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	218,707.52
A57 Proctorsville	Singleton's Store, 356 Main St.	758,150.81
A58 W. Rutland	Rite Aid, 124 Main St.	473,229.58
A59 Middlebury	Hannaford's Food & Pharmacy ,Rt 7S	1,557,488.42
A60 Williston	Hannaford's Food & Pharmacy, Taft Corners	1,171,449.71
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	2,907,403.04
A62 Essex Jct.	Five Corners Discount Beverage, 39 Park St.	961,024.38
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,750,548.70
A64 Danville	Diamond Hill Store, Rte. 2, 11 East	165,687.53
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	2,087,632.42
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	330,451.37
A67 Montpelier	Yankee Wine & Spirits, 126 Main St.	1,421,034.29
A68 St. Albans City	Beverage Mart, 211 Lake St.	1,286,935.99
A69 St. Albans Town	Colonial Mart, 191 Swanton Rd.	759,303.80
A70 Newport	Azur's Mini-Mart, 33 Railroad Sq.	850,866.99
A71 Manchester	Manchester Discount Beverage & Deli, Rtes. 11 & 30	2,087,550.77
A72 Rutland City	Grand Union Market, 12 North Main St.	1,945,913.43
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	2,424,717.95
A74 Rutland Town	Hannaford Food & Pharmacy, 318 Rte. 7	1,678,483.18
A75 Barre	Beverage Baron, 411 North Main St.	2,359,117.56
A76 Bondville	7-Eleven, Rte. 30	447,986.31
A77 Chester	Chester Sunoco, 60 Main St.	272,674.07
A78 Hinesburg	116 Wine & Spirits, 22 Commerce St, #4	409,830.15
A79 White River Jct	Jake's Market & Deli, 521 North Hartland Rd	140,901.34

Employee Comparison - Number of Positions

	6/30/2012	6/30/2011
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	2	2
Systems Developer I	1	1
Personnel Administrator B	1	1
Financial Specialist III	1	1
Financial Specialist I	1	1
Help Desk Analyst	0	0
Program Services Clerk	1	1
Administrative Assistant B	1	1
Youth Safety Program Coordinator	1	1
	<hr/> 17	<hr/> 17
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	0	0
Liquor Investigators	15	15
Administrative Assistant A	1	1
	<hr/> 21	<hr/> 21
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	10	10
	<hr/> 14	<hr/> 14
TOTAL NUMBER OF POSITIONS:	52	52

Distribution of Sales Revenue and Expenses Fiscal Year Ending June 30, 2012



■ Cost of Goods Sold	64.69%
■ General Fund Revenue	25.58%
■ Sales and Use Taxes Paid	4.14%
■ Other Personal Services including Contracts	6.89%
■ All Other Operating Expenses	1.88%