



State of Vermont
Liquor Control Board

*Sixty-Ninth Annual Report
Of The
Vermont Department of Liquor Control*

Year Ending June 30, 2003



**HIGHLIGHTS OF OPERATIONS
FISCAL YEAR ENDING JUNE 30, 2003**

REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$ 11,012,817.88
License Fees Remitted	454,846.06
Tobacco Violations Remitted	5,850.00
Liquor Violations Remitted	21,800.00
Legislative Transfer to General	286,384.00

TOTAL TO GENERAL FUND: \$ 11,781,697.94

FUNDS GENERATED FROM OPERATIONS:

License Fees & Adult ID Cards	\$ 224,881.94
-------------------------------	---------------

LETTER OF TRANSMITTAL

January 1, 2004

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 Sixty-Ninth Annual Report of the Liquor Control Board for the fiscal year July 1, 2002 through June 30, 2003.

Respectfully,

Daniel J. O'Brien, Chairman
Lloyd A. Kelley, Jr., Member
Harry L. Daniels, Member

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
- TABLE OF CONTENTS -

ANNUAL COMPARISONS:

Annual Comparisons 2003 - 2002	1
Comparison of Cases Sold and Sales Dollars 1993 - 2003	2
Bar Chart Comparison Cases Sold & Average Retail Price Per Case	3
Vermont State Tax on Liquor	4

FINANCIAL STATEMENTS:

Comparative Balance Sheet 2003 - 2002	6
Comparative Statement of Operations 2003 - 2002	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
--	----

ANNUAL COMPARISONS

ANNUAL COMPARISONS

	Year Ended June 30, 2003	Year Ended June 30, 2002
Total State Tax Collected	11,012,817.88	10,658,132.88
Receipts from Licenses:		
Credited to State Treasurer	454,846.06	442,120.64
Receipts from Licenses Retained	224,866.94	168,419.36
Adult ID Cards	15.00	25.00
Transfer to General Fund	286,384.00	250,644.00
Total Receipts to State Treasurer		
Collected by Dept. of Liquor Control	\$11,978,929.88	\$11,519,341.88
Malt & Vinous Beverage Tax		
Collected by Commissioner of Taxes	5,056,134.42	\$4,620,029.60
Total Receipts to State Treasurer	17,035,064.30	\$16,139,371.48
Receipts to Cities & Towns from Beer and Wine Licenses Issued	\$192,350.00	\$200,250.00
Total Revenue to State and Local Governmental Units	\$17,227,414.30	\$16,339,621.48

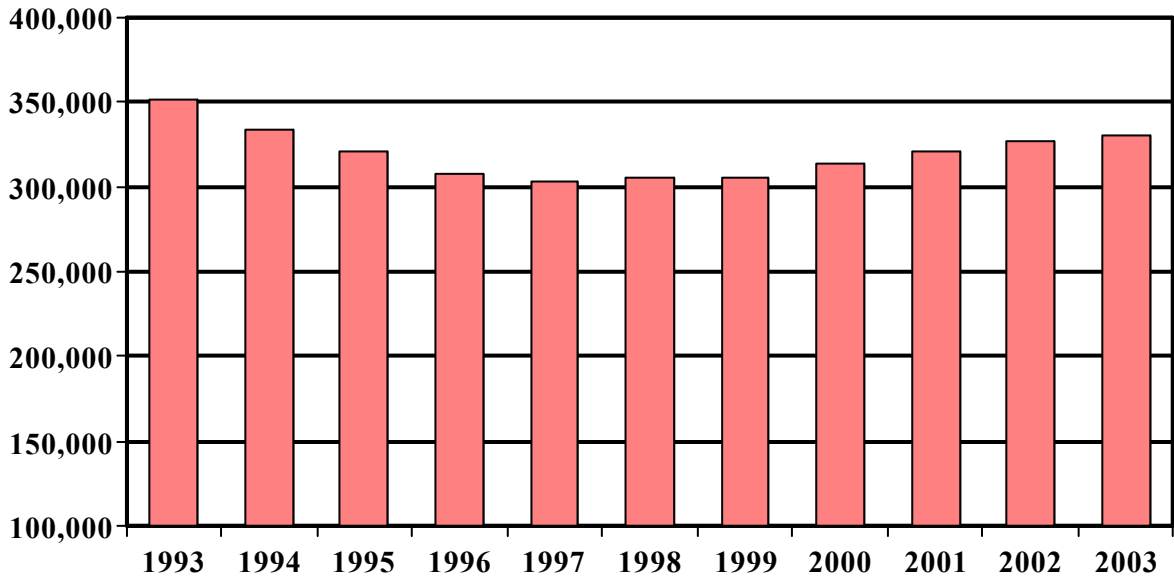
SALES COMPARISONS

Gross Liquor Sales (Includes Tax)	\$44,056,502.34	\$42,637,890.70
Total Cases Spirituous Liquor Sold	313,033	309,426
Total Cases Fortified Wines Sold	16,708	17,222
Total Cases Alcohol Sold	41	43
Total Cases Sold	329,782	326,691

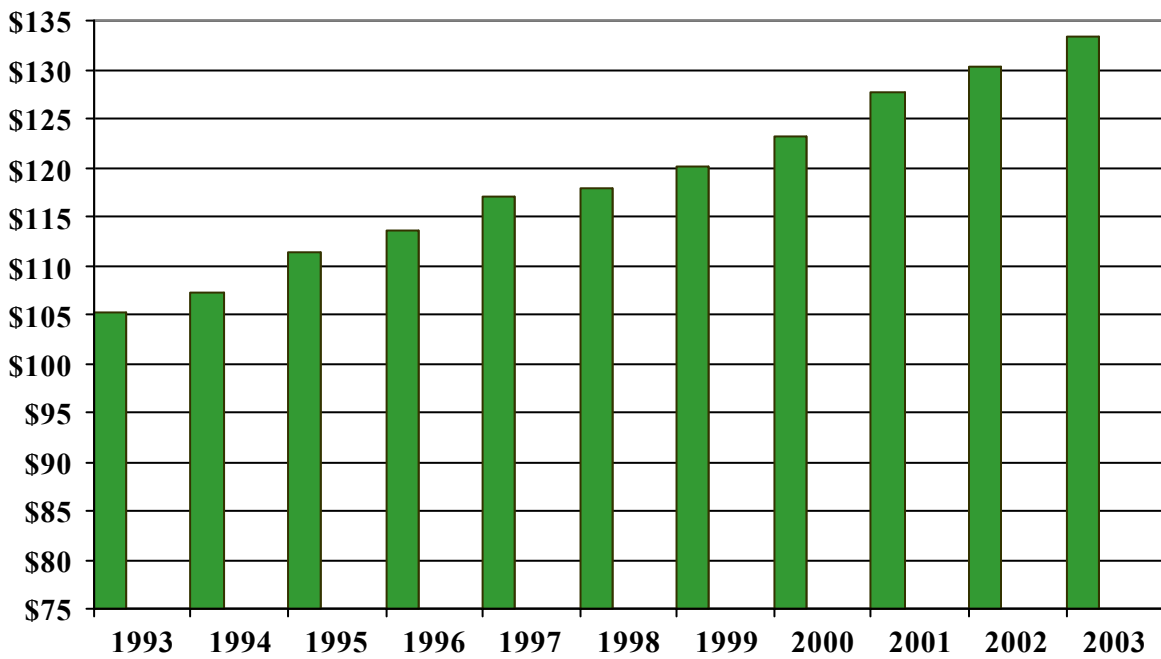
**COMPARISON OF CASES SOLD AND SALES DOLLARS
IN FISCAL YEARS 1993 - 2003**

<u>YEAR</u>	<u>CASES SOLD</u>	<u>AVG. CASE PRICE</u>	<u>SALES DOLLARS</u>
1993	351,344	\$105.26	\$36,983,222
1994	333,087	\$107.26	\$35,727,441
1995	320,084	\$111.41	\$35,659,130
1996	307,523	\$113.59	\$34,931,651
1997	302,593	\$116.96	\$35,390,069
1998	305,031	\$117.95	\$35,979,833
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

TOTAL CASES SOLD
FISCAL YEARS 1993-2003



AVERAGE RETAIL PRICE PER CASE
FISCAL YEARS 1993-2003



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	

FINANCIAL STATEMENTS

VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE BALANCE SHEET
EXHIBIT A

ASSETS

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
CURRENT ASSETS		
Cash On Hand	\$909,064.56	\$1,141,039.45
Cash In Transit	1,141,456.89	1,183,743.13
Petty Cash, Imprest Funds	5,700.00	5,700.00
Inventory Clearing	4,156.27	3,055.17
Accounts Receivable	230,384.44	155,868.58
Inventories		
Outlets	3,253,629.49	3,257,839.15
Warehouse	81,440.32	257,605.52
	\$5,625,831.97	\$6,004,851.00
FIXED ASSETS: (Less Depreciation)		
Equipment: Furniture & Fixtures	445,569.56	378,638.36
	\$445,569.56	\$378,638.36
TOTAL ASSETS	\$6,071,401.53	\$6,383,489.36

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES		
Accounts Payable:		
Liquor - Processed	\$9,052.20	\$0.00
Liquor - Unprocessed	\$5,598,009.03	5,603,836.10
Sundry	172,227.31	180,727.97
General Fund Tax Payable	286,121.69	245,660.59
Accrued Salaries & Benefits	180,064.97	170,384.20
State Treasurer-Cash Fund Advance	5,700.00	5,700.00
	\$6,251,175.20	\$6,206,308.86
RETAINED EARNINGS	\$177,180.50	\$455,590.79
NET INCOME AFTER LEGIS. TRANSFER	(356,954.17)	(278,410.29)
TOTAL LIABILITIES & RETAINED EARNINGS	\$6,071,401.53	\$6,383,489.36

VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF OPERATIONS
EXHIBIT B

	F/Y 2003	%	F/Y 2002	%
Gross Sales:	\$44,056,502.34	100.00	\$42,637,890.70	100.00
Tax	11,012,817.88	25.00	10,658,132.88	25.00
Net Sales	<u>\$33,043,684.46</u>	<u>75.00</u>	<u>\$31,979,757.82</u>	<u>75.00</u>
 Cost of Goods Sold	 \$27,019,386.39	 61.33	 \$26,154,903.13	 61.34
 Gross Income on Sales	 \$6,024,298.07	 13.67	 \$5,824,854.69	 13.66
Operating Expenses:				
Outlet Operations	\$3,598,086.90	8.17	\$3,517,336.24	8.25
Warehouse & Distribution	966,705.35	2.19	860,758.73	2.02
General Administration	1,350,224.18	3.06	1,310,011.61	3.07
Total Operating Expenses	<u>\$5,915,016.43</u>	<u>13.42</u>	<u>\$5,688,106.58</u>	<u>13.34</u>
 Gross Operating Income	 \$109,281.64	 0.25	 \$136,748.11	 0.32
Other Income:				
Miscellaneous	\$157.20	0.00	\$150.58	0.00
Gain/Loss Disposal Equip.	2,348.01	0.01	294.56	0.00
License Fees Collected	679,713.00	1.54	610,540.00	1.43
Tobacco Violations Collected	5,850.00	0.01	24,650.00	0.06
Liquor Violations Collected	21,800.00	0.05	50,200.00	0.12
Adult ID Cards	15.00	0.00	25.00	0.00
Non Refunded Bottle Fund	124,667.85	0.28	129,867.15	0.30
Special Purchase Allowance	853,737.11	1.94	827,649.47	1.94
Penalties/Refund Labels	7,019.00	0.02	12,695.00	0.03
Total Other Income	<u>\$1,695,307.17</u>	<u>3.85</u>	<u>\$1,656,071.76</u>	<u>3.88</u>
Other Expenses:				
Casualty Loss	16.01	0.00	11,837.61	0.03
Uncollected Checks	2,136.91	0.00	0.00	0.00
Total Other Expenses	<u>\$2,152.92</u>	<u>0.00</u>	<u>\$11,837.61</u>	<u>0.03</u>
 Net Operating Income	 \$1,802,435.89	 4.09	 \$1,780,982.26	 4.18
Non-Operating Deductions:				
Education, Licensing & Enf.	\$1,390,510.00	3.16	\$1,291,777.91	3.03
Lic Fees Remitted St. Treas.	454,846.06	1.03	442,120.64	1.04
Tobacco Violations Remitted	5,850.00	0.01	24,650.00	0.06
Liquor Violations Remitted	21,800.00	0.05	50,200.00	0.12
Net Non-Operating Ded.	<u>\$1,873,006.06</u>	<u>4.25</u>	<u>\$1,808,748.55</u>	<u>4.24</u>
 Net Department Income	 (\$70,570.17)	 (0.16)	 (\$27,766.29)	 (0.07)
Less: Transfer to Gen. Fund	\$286,384.00	0.65	\$250,644.00	0.59
Profit/Loss for Period	<u>(\$356,954.17)</u>	<u>(0.81)</u>	<u>(\$278,410.29)</u>	<u>(0.65)</u>

COMPARISON OF SALES, REVENUE AND CASES SOLD
YEARLY COMPARISON
YEAR TO DATE
JUNE 30, 2002 & JUNE 30, 2003

	<u>2003</u>	<u>2002</u>	<u>INC/DEC</u>	<u>%INC/DEC</u>
Total Sales	\$44,056,502.34	\$42,637,890.70	\$1,418,611.64	3.33%
State Tax	\$11,012,817.88	\$10,658,132.88	\$354,685.00	3.33%
Malt & Vinous Tax	\$5,056,134.42	\$4,620,029.60	\$436,104.82	9.44%
Cases Sold:				
Liquor	313,033	309,426	3,607	1.17%
Wines/Vermouth	16,708	17,222	-514	-2.98%
Total Cases	329,741	326,648	3,093	0.95%
Alcohol	41	43	-2	-4.65%

SCHEDULE SHOWING TOTAL MONTHLY SALES
FISCAL YEAR 2003

<u>2002</u>	<u>VALUE</u>	<u>CASES</u>
JULY	\$3,813,502.55	29,656
AUGUST	3,971,388.55	29,985
SEPTEMBER	3,301,778.05	25,112
OCTOBER	3,532,435.66	26,786
NOVEMBER	3,686,989.60	27,665
DECEMBER	5,218,517.45	37,155
<u>2003</u>		
JANUARY	\$3,542,074.23	26,342
FEBRUARY	3,410,254.80	25,027
MARCH	3,328,454.55	24,852
APRIL	2,983,648.75	22,620
MAY	3,662,349.70	27,825
JUNE	3,533,106.55	26,757

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2003**

Agency	Location	Total Sales \$
A40 Rockingham	Dayton Sunoco & Mini Mart, 809 Rockingham Rd.	270,881
A41 West Dover	7-Eleven Store, Route 100	697,838
A42 Derby Ctr.	Derby Village Store, Main St.	321,705
A43 North Troy	B & D Super Market, Main St.	138,934
A44 Fairfax	Minor's Country Store, 874 Main St.	225,104
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	167,346
A47 Fair Haven	Liberty Discount, 7 Liberty St.	756,839
A48 Pownal	Next Door Beer & Wine, Rte. 7	692,051
A49 St Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	590,102
A50 Woodstock	Woodstock Discount Beverage, Rte. 4 E	684,868
A51 Burlington	Merola's Market, 1563 North Ave.	671,815
A52 Townshend	River Bend Farm Market, Rte. 30, North of Townshend	164,974
A53 Essex Ctr	Essex Discount Beverage, 76 Center Rd.	776,491
A54 Chelsea	Upham's Store, Main St.	84,720
A55 W. Brattleboro	Discount Beverage, 157 Marlboro Rd.	850,118
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	348,402
A57 Proctorsville	Singleton's Store, 356 Main St.	566,033
A58 W. Rutland	Rite Aid Pharmacy, 124 Main St.	375,975
A59 Middlebury	Middlebury Wine Company, 198 Court St., Rte. 7 S	1,062,995
A60 Williston	Hannaford Superstore, Taft Corners, 78 Marshall Ave.	750,858
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	1,828,988
A62 Essex Jct	Five Corners Discount Beverage, 39 Park St.	621,413
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,181,920
A64 Jay	Jay Country Store, Rte.242	1,769
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	1,590,068
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	265,907
A67 Montpelier	Yankee Spirits, 126 Main St.	890,143
A68 St Albans City	Beverage Mart, 211 Lake St.	659,819
A69 St Albans Town	Colonial Mart, 191 Swanton Rd.	600,694
A70 Newport	Azur's, Inc., 33 Railroad Sq.	500,093
A71 Manchester	Manchester Discount Beverage & Deli, Routes 11 & 30	1,666,342
A72 Rutland City	GU Market, 12 North Main St.	1,531,276
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	1,356,018
A74 Rutland Town	P & C, Rte. 7 S, Green Mountain Plaza	720,031
A75 Barre	Beverage Baron, 411 North Main St.	1,607,847
A76 Bondville	7-Eleven, Rte. 30	282,076

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2003**

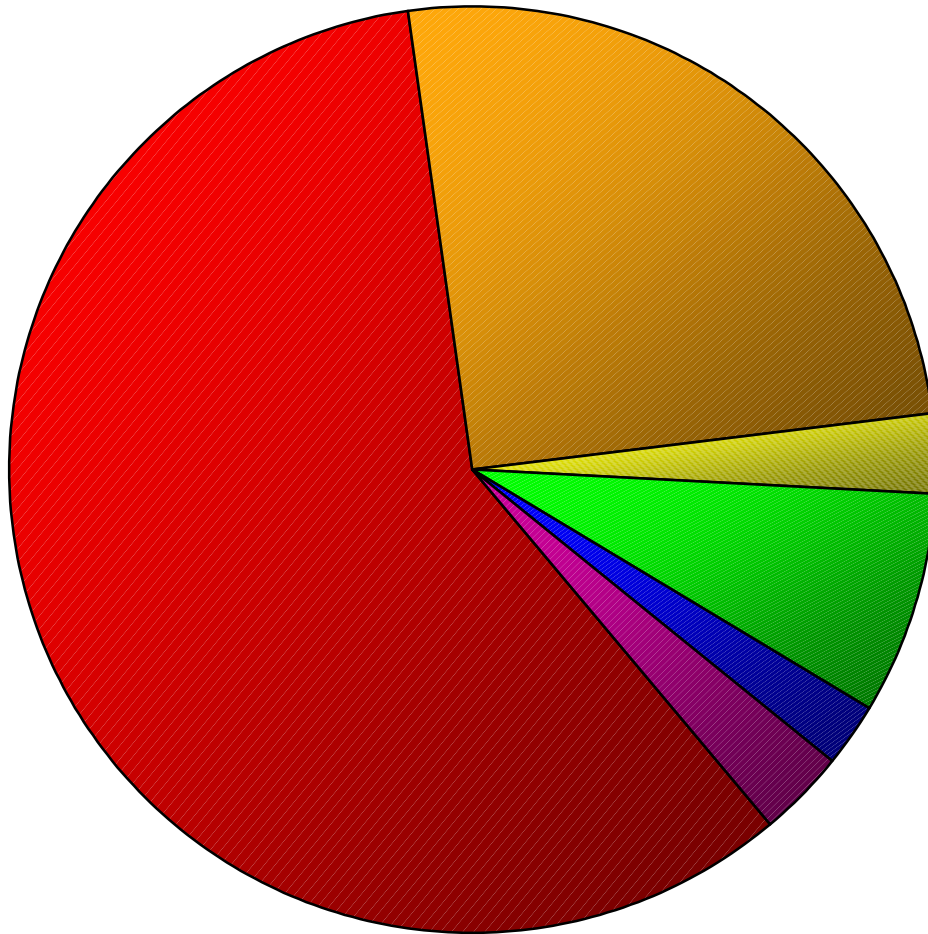
Agency	Location	Total Sales \$
A 1 Poultney	Preseau's Place, 216 Main St.	243,436
A 2 Barton	Barton Village Corner Store, 155 Main St.	169,954
A 3 Island Pond	John's Market, Main St.	114,358
A 4 Winooski	Beverage Warehouse, 1 East St.	2,267,554
A 5 Londonderry	Jelley's Auto Care Ctr., Simonsville Rd.	449,589
A 6 Randolph	M & M Beverage, 6 Salisbury St.	413,728
A 7 Hardwick	D & L Beverage, Woodbury Rd.	326,429
A 8 Alburg	Alburg Beverage Mart, 136 Main St.	217,834
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	306,455
A10 Jeffersonville	Hanley's Market, 30 Main St.	360,471
A11 Canaan	Pure Country Motel & Cabins, 4555 VT Rte. 114	77,575
A12 Richford	Wetherby's, Inc., 75 Main St.	120,557
A13 Norwich	Norwich Wine & Spirits, Elm St.	394,279
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	816,366
A15 Wilmington	McBreairty's Marketplace, Routes 9 & 100	499,175
A16 Bethel	McCullough's Quik Stop, Rte. 107	229,450
A17 Waitsfield	Mehuron's Market, Village Square	782,056
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shote Dr.	559,733
A19 Orleans	Orleans General Store, 72 Main St.	167,227
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St.	362,686
A21 Waterbury	Waterbury Beverage, 46 So. Main St.	543,247
A22 Swanton	Wood's Beverage Outlet, 75 First St.	376,396
A23 Enosburg Falls	Beverage Gallery, Main St.	302,573
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	768,872
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	452,967
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,127,506
A27 Richmond	Richmond Beverage, Bridge St.	282,320
A28 Springfield	Joe's Discount Beverage, 335 River St.	729,200
A30 Montgomery Ctr.	Sylvester's Market, 1012 Mountain Rd.	129,302
A31 Milton	Middle Road Market, 69 Middle Rd.	468,280
A32 Brandon	Dr. Lightning's Wine & Spirits, 9 1/2 Conanct Sq.	372,522
A33 Bradford	Bradford Bottle Shoppe, 82 Main St., Rte. 5 West Side	399,148
A34 Stamford	Billmont's Country Store, 544 Main Rd.	198,070
A35 Vergennes	Vergennes Wine & Beverage, 209 Main St.	600,609
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,140,133
A37 Windsor	Village Emporium, 2757 US Rte. 5 N	287,514
A38 Bristol	Champlain Farms, 3 West St.	363,323
A39 Shelburne	Shelburne Discount Beverage, 2659 Shelburne Rd.	1,103,023







NUMBER OF POSITIONS

<u>TITLES</u>	<u>NUMBER</u>	
	<u>06-30-2003</u>	<u>06-30-2002</u>
<u>ADMINISTRATIVE & GENERAL:</u>		
Commissioner	1	1
Director of Retail Operations	1	1
Business Manager B	1	1
Information Technology Specialist III	1	1
Executive Assistant	1	1
Purchasing & Warehouse Chief	1	1
Systems Developer II	1	1
District Coordinators	3	3
Administrative Assistant B	1	1
Accountant C	1	0
Accountant B	0	1
Systems Developer I	2	2
Accountant A	1	1
Administrative Assistant A	1	1
Help Desk Analyst	1	1
Program Services Clerk	1	1
Account Clerk B	1	1
	<hr/>	<hr/>
	19	19
<u>EDUCATION, LICENSING & ENFORCEMENT</u>		
Director of Enforcement	1	1
Administrative Secretary	1	1
Administrative Assistant B	1	1
Program Technician I	1	1
Secretary B	0	0
Investigator Supervisor	1	1
Liquor Investigators	16	16
Clerk C	1	1
Program Services Clerk	1	1
	<hr/>	<hr/>
	23	23
<u>WAREHOUSE:</u>		
Liquor Warehouse Operations Supervisor	1	1
Liquor Warehouse Supervisor	1	1
Warehouse Maintenance Worker	1	1
Program Services Clerk	1	1
Warehouse Worker I & II	10	10
Redemption Service Aide	0	0
	<hr/>	<hr/>
	14	14
TOTAL NUMBER OF POSITIONS:	56	56

Distribution of Sales, Revenue, and Fees

Fiscal Year Ending June 30, 2003



 Cost of Goods Sold	61.33%
 General Fund Revenue	26.09%
 Administrative Expenses	3.06%
 Retail Outlet Expenses	8.17%
 Warehouse & Distribution Expenses	2.19%
 Education, Licensing & Enforcement	3.16%