



State of Vermont
Liquor Control Board

*Seventieth Annual Report
Of The
Vermont Department of Liquor Control*

Year Ending June 30, 2004



**HIGHLIGHTS OF OPERATIONS
FISCAL YEAR ENDING JUNE 30, 2004**

REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$ 11,757,556.07
License Fees Remitted	460,205.92
Tobacco Violations Remitted	4,950.00
Liquor Violations Remitted	21,300.00
Legislative Transfer to General Fund	337,051.00

TOTAL TO GENERAL FUND: \$ 12,581,062.99

FUNDS GENERATED FROM OPERATIONS:

License Fees & Adult ID Cards	\$ 228,782.08
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LETTER OF TRANSMITTAL

January 1, 2005

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 Seventieth Annual Report of the Liquor Control Board for the fiscal year July 1, 2003 through June 30, 2004.

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, 2004
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ANNUAL COMPARISONS

ANNUAL COMPARISONS

	Year Ended June 30, 2004	Year Ended June 30, 2003
Total State Tax Collected	\$11,757,556.07	\$11,012,817.88
Receipts from Licenses:		
Credited to State Treasurer	460,205.92	454,846.06
Receipts from Licenses Retained	228,777.08	224,866.94
Adult ID Cards	5.00	15.00
Transfer to General Fund	337,051.00	286,384.00
Total Receipts to State Treasurer		
Collected by Dept. of Liquor Control	\$12,783,595.07	\$11,978,929.88
Malt & Vinous Beverage Tax		
Collected by Commissioner of Taxes	5,232,814.72	5,056,134.42
Total Receipts to State Treasurer	18,016,409.79	17,035,064.30
Receipts to Cities & Towns from Beer and Wine Licenses Issued	\$207,050.00	\$192,350.00
Total Revenue to State and Local Governmental Units	\$18,223,459.79	\$17,227,414.30

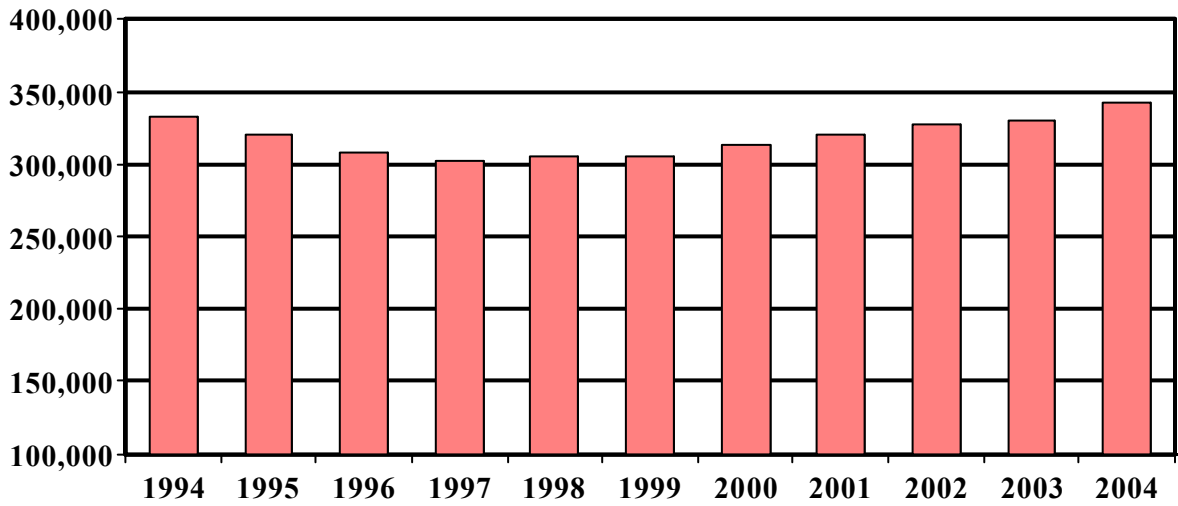
SALES COMPARISONS

Gross Liquor Sales (Includes Tax)	\$47,036,541.55	\$44,056,502.34
Total Cases Spirituous Liquor Sold	325,531	313,033
Total Cases Fortified Wines Sold	16,458	16,708
Total Cases Alcohol Sold	46	41
Total Cases Sold	342,035	329,782

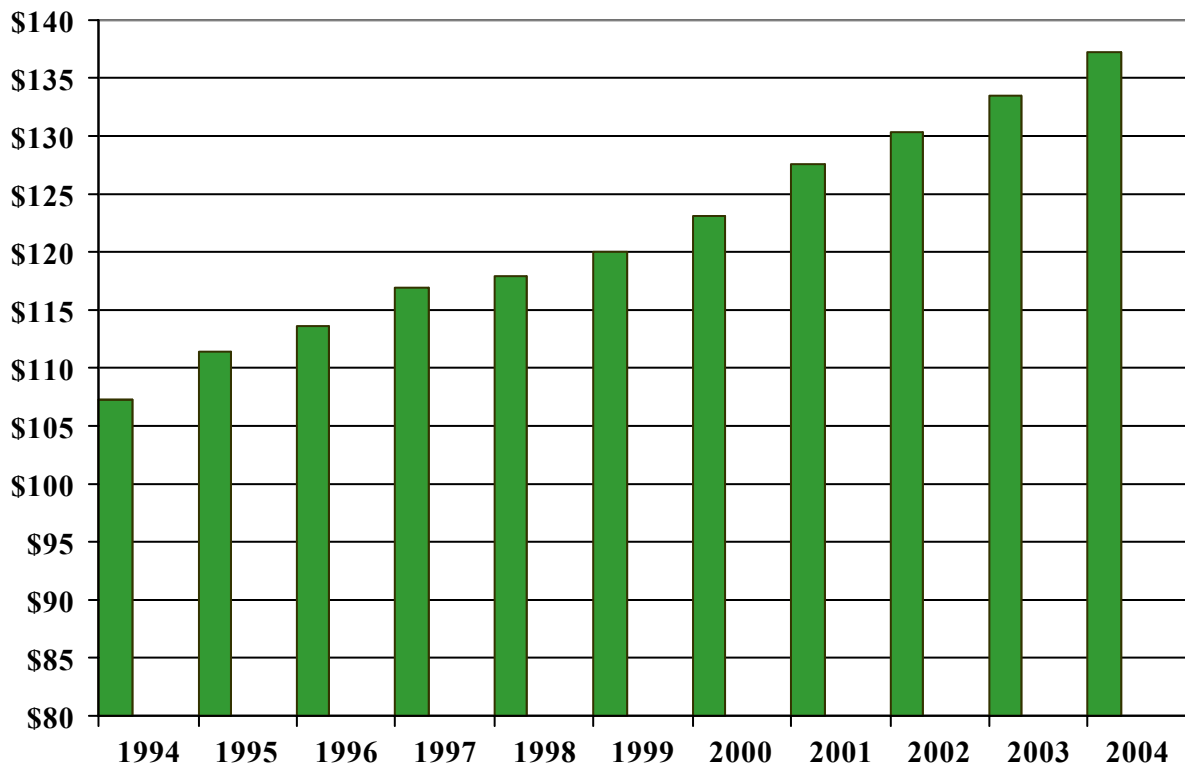
**COMPARISON OF CASES SOLD AND SALES DOLLARS
IN FISCAL YEARS 1994 - 2004**

<u>YEAR</u>	<u>CASES SOLD</u>	<u>AVG. CASE PRICE</u>	<u>SALES DOLLARS</u>
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
2004	342,035	\$137.30	\$46,962,360

TOTAL CASES SOLD
FISCAL YEARS 1994-2004



AVERAGE RETAIL PRICE PER CASE
FISCAL YEARS 1994-2004



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

	June 30, 2004	June 30, 2003
CURRENT ASSETS		
Cash On Hand	\$920,993.81	\$909,064.56
Cash In Transit	1,938,831.35	1,141,456.89
Petty Cash, Imprest Funds	5,700.00	5,700.00
Inventory Clearing	4,519.45	4,156.27
Accounts Receivable	185,799.96	230,384.44
Inventories:		
Outlets	3,725,595.85	3,253,629.49
Warehouse	148,841.94	81,440.32
	\$6,930,282.36	\$5,625,831.97
 FIXED ASSETS: (Less Depreciation)		
Equipment: Furniture & Fixtures	403,956.88	445,569.56
 TOTAL ASSETS	 \$7,334,239.24	 \$6,071,401.53

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES		
Accounts Payable:		
Liquor - Processed	\$0.00	\$9,052.20
Liquor - Unprocessed	6,629,453.33	5,598,009.03
Sundry	204,985.77	172,227.31
General Fund Tax Payable	342,906.84	286,121.69
Vouchers Payable	145,758.63	0.00
Accrued Salaries & Benefits	196,191.79	180,064.97
State Treasurer-Cash Fund Advance	5,700.00	5,700.00
	\$7,524,996.36	\$6,251,175.20
 RETAINED EARNINGS	 (179,773.67)	 \$177,180.50
NET INCOME AFTER LEGIS. TRANSFER	(10,983.45)	(356,954.17)
 TOTAL LIABILITIES & RETAINED EARNINGS	 \$7,334,239.24	 \$6,071,401.53

VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF OPERATIONS
EXHIBIT B

	F/Y 2004	%	F/Y 2003	%
Gross Sales:	\$47,036,541.55	100.00	\$44,056,502.34	100.00
Tax	11,757,556.07	25.00	11,012,817.88	25.00
Net Sales	<u>\$35,278,985.48</u>	<u>75.00</u>	<u>\$33,043,684.46</u>	<u>75.00</u>
Cost of Goods Sold	\$28,722,753.35	61.06	\$27,019,386.39	61.33
Gross Income on Sales	\$6,556,232.13	13.94	\$6,024,298.07	13.67
Operating Expenses:				
Outlet Operations	\$3,795,373.32	8.07	\$3,598,086.90	8.17
Warehouse & Distribution	955,504.00	2.03	966,705.35	2.19
General Administration	1,408,289.85	2.99	1,350,224.18	3.06
Total Operating Expenses	<u>\$6,159,167.17</u>	<u>13.09</u>	<u>\$5,915,016.43</u>	<u>13.42</u>
Gross Operating Income	\$397,064.96	0.84	\$109,281.64	0.25
Other Income:				
Miscellaneous	\$809.07	0.00	\$157.20	0.00
Gain/Loss Disposal Equip.	15,821.46	0.03	2,348.01	0.01
License Fees Collected	688,983.00	1.46	679,713.00	1.54
Tobacco Violations Collected	4,950.00	0.01	5,850.00	0.01
Liquor Violations Collected	21,300.00	0.05	21,800.00	0.05
Adult ID Cards	5.00	0.00	15.00	0.00
Interest	656.40	0.00	0.00	0.00
Non Refunded Bottle Fund	129,198.75	0.27	124,667.85	0.28
Special Purchase Allowance	1,021,415.31	2.17	853,737.11	1.94
Penalties/Refund Labels	6,357.00	0.01	7,019.00	0.02
Total Other Income	<u>\$1,889,495.99</u>	<u>4.02</u>	<u>\$1,695,307.17</u>	<u>3.85</u>
Other Expenses:				
Casualty Loss	250.85	0.00	16.01	0.00
Uncollected Checks	5,527.31	0.01	2,136.91	0.00
Total Other Expenses	<u>\$5,778.16</u>	<u>0.01</u>	<u>\$2,152.92</u>	<u>0.00</u>
Net Operating Income	\$2,280,782.79	4.85	\$1,802,435.89	4.09
Non-Operating Deductions:				
Education, Licensing & Enf.	\$1,468,259.32	3.12	\$1,390,510.00	3.16
Lic Fees Remitted St. Treas.	460,205.92	0.98	454,846.06	1.03
Tobacco Violations Remitted	4,950.00	0.01	5,850.00	0.01
Liquor Violations Remitted	21,300.00	0.05	21,800.00	0.05
Net Non-Operating Ded.	<u>\$1,954,715.24</u>	<u>4.16</u>	<u>\$1,873,006.06</u>	<u>4.25</u>
Net Department Income	\$326,067.55	0.69	(\$70,570.17)	(0.16)
Less: Transfer to Gen. Fund	\$337,051.00	0.72	\$286,384.00	0.65
Profit/Loss for Period	<u>(\$10,983.45)</u>	<u>(0.02)</u>	<u>(\$356,954.17)</u>	<u>(0.81)</u>

COMPARISON OF SALES, REVENUE AND CASES SOLD
YEARLY COMPARISON
YEAR TO DATE
JUNE 30, 2003 & JUNE 30, 2004

	<u>2004</u>	<u>2003</u>	<u>INC/DEC</u>	<u>%INC/DEC</u>
Total Sales	\$47,036,541.55	\$44,056,502.34	\$2,980,039.21	6.76%
State Tax	\$11,757,556.07	\$11,012,817.88	\$744,738.19	6.76%
Malt & Vinous Tax	\$5,232,814.72	\$5,056,134.42	\$176,680.30	3.49%
Cases Sold:				
Liquor	325,531	313,033	12,498	3.99%
Wines/Vermouth	16,458	16,708	-250	-1.50%
Total Cases	341,989	329,741	12,248	3.71%
Alcohol	46	41	5	12.20%

SCHEDULE SHOWING TOTAL MONTHLY SALES
FISCAL YEAR 2004

<u>2003</u>	<u>VALUE</u>	<u>CASES</u>
JULY	\$4,046,028.65	30,691
AUGUST	4,193,075.15	31,151
SEPTEMBER	3,501,232.45	26,297
OCTOBER	3,869,601.75	28,537
NOVEMBER	3,668,546.40	26,962
DECEMBER	5,649,160.65	39,274
<u>2004</u>		
JANUARY	\$3,770,949.35	27,469
FEBRUARY	3,760,212.50	26,590
MARCH	3,578,128.75	25,255
APRIL	3,358,741.10	24,583
MAY	3,781,887.35	27,731
JUNE	3,784,796.00	27,492

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2004**

Agency	Location	Total Sales \$
A 1 Poultney	Preseau's Place, 216 Main St.	263,243
A 2 Barton	Barton Village Corner Store, 155 Main St.	182,254
A 3 Island Pond	John's Market, Main St.	111,654
A 4 Winooski	Beverage Warehouse, 1 East St.	2,175,574
A 5 Londonderry	Jelley's Auto Care Ctr., Simonsville Rd.	459,882
A 6 Randolph	M & M Beverage, 6 Salisbury St.	449,780
A 7 Hardwick	D & L Beverage, Woodbury Rd.	351,280
A 8 Alburg	Alburg Beverage Mart, 136 Main St.	211,541
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	317,653
A10 Jeffersonville	Hanley's Market, 30 Main St.	362,217
A11 Canaan	Pure Country Motel & Cabins, 4555 VT Rte. 114	74,046
A12 Richford	Wetherby's, Inc., 75 Main St.	112,980
A13 Norwich	Norwich Wine & Spirits, Elm St.	402,548
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	850,410
A15 Wilmington	McBreairty's Marketplace, 34 West Main St.	537,097
A16 Bethel	McCullough's Quik Stop, Rte. 107	244,419
A17 Waitsfield	Mehuron's Market, Village Square	824,415
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shote Dr.	612,448
A19 Orleans	Orleans General Store, 72 Main St.	173,351
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St.	397,156
A21 Waterbury	Waterbury Beverage, 46 So. Main St.	578,644
A22 Swanton	Wood's Beverage Outlet, 75 First St.	368,048
A23 Enosburg Falls	Beverage Gallery, Main St.	328,550
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	855,562
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	510,682
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,142,426
A27 Richmond	Richmond Beverage, Bridge St.	314,267
A28 Springfield	Joe's Discount Beverage, 335 River St.	768,785
A30 Montgomery Ctr.	Sylvester's Market, 1012 Mountain Rd.	151,647
A31 Milton	Middle Road Market, 69 Middle Rd.	484,524
A32 Brandon	Dr. Lightning's Wine & Spirits, 34 Conant Sq.	385,779
A33 Bradford	Bradford Bottle Shoppe, 82 Main St., Rte. 5 West Side	429,797
A34 Stamford	Billmont's Country Store, 544 Main Rd.	202,509
A35 Vergennes	Vergennes Wine & Beverage, 209 Main St.	635,829
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,172,758
A37 Windsor	Village Emporium, 2757 US Rte. 5 N	281,443

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2004**

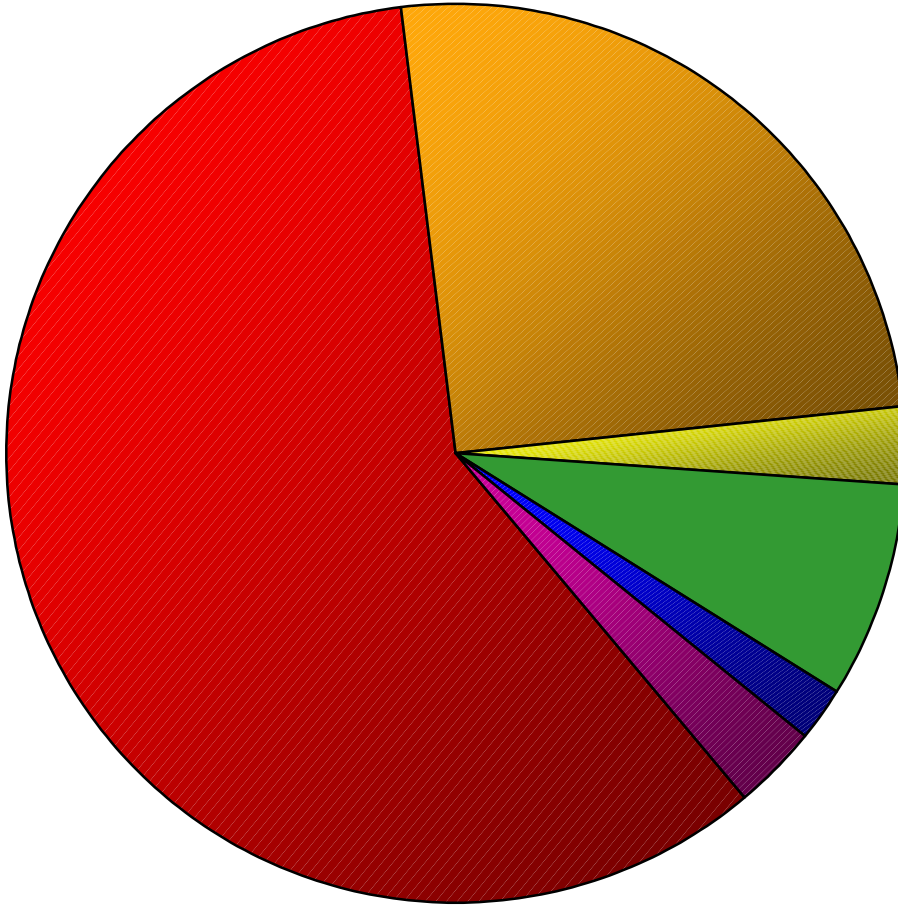
Agency	Location	Total Sales \$
A38 Bristol	Champlain Farms, 3 West St.	376,885
A39 Shelburne	Shelburne Discount Beverage, 2572 Shelburne Rd.	1,184,591
A40 Rockingham	Dayton Sunoco & Mini Mart, 809 Rockingham Rd.	312,761
A41 West Dover	7-Eleven Store, Route 100	711,461
A42 Derby Ctr.	Derby Village Store, Main St.	344,896
A43 North Troy	B & D Super Market, Main St.	144,428
A44 Fairfax	Minor's Country Store, 874 Main St.	238,575
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	174,010
A47 Fair Haven	Liberty Discount, 7 Liberty St.	787,681
A48 Pownal	Next Door Beer & Wine, Rte. 7	706,960
A49 St Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	648,712
A50 Woodstock	Woodstock Discount Beverage, Rte. 4 E	728,408
A51 Burlington	Merola's Market, 1563 North Ave.	700,412
A52 Townshend	River Bend Farm Market, Rte. 30, North of Townshend	99,894
A53 Essex Ctr	Essex Discount Beverage, 76 Center Rd.	826,700
A54 Chelsea	Upham's Store, Main St.	91,850
A55 W. Brattleboro	Discount Beverage, 157 Marlboro Rd.	946,692
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	319,605
A57 Proctorsville	Singleton's Store, 356 Main St.	615,023
A58 W. Rutland	Rite Aid Pharmacy, 124 Main St.	423,202
A59 Middlebury	Middlebury Wine Company, 198 Court St., Rte. 7 S	1,176,863
A60 Williston	Hannaford Superstore, Taft Corners, 78 Marshall Ave.	803,878
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	2,056,433
A62 Essex Jct	Five Corners Discount Beverage, 39 Park St.	640,929
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,287,571
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	1,661,171
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	293,855
A67 Montpelier	Yankee Spirits, 126 Main St.	931,468
A68 St Albans City	Beverage Mart, 211 Lake St.	790,579
A69 St Albans Town	Colonial Mart, 191 Swanton Rd.	555,240
A70 Newport	Azur's, Inc., 33 Railroad Sq.	538,000
A71 Manchester	Manchester Discount Beverage & Deli, Routes 11 & 30	1,776,147
A72 Rutland City	GU Market, 12 North Main St.	1,616,805
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	1,864,244
A74 Rutland Town	Hannaford Food & Drug, 241 South Main St.	762,069
A75 Barre	Beverage Baron, 411 North Main St.	1,767,271
A76 Bondville	Guest Convenience Store, Rte. 30	301,083

NUMBER OF POSITIONS

<u>TITLES</u>	<u>NUMBER</u>	
	<u>06-30-2004</u>	<u>06-30-2003</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
Personnel Administrator B	1	0
Administrative Assistant B	0	1
Accountant C	1	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
	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
	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
	14	14
TOTAL NUMBER OF POSITIONS:	56	56

Distribution of Sales, Revenue, and Fees

Fiscal Year Ending June 30, 2004



■ Cost of Goods Sold	61.06%
■ General Fund Revenue	26.04%
■ Administrative Expenses	2.99%
■ Retail Outlet Expenses	8.07%
■ Warehouse & Distribution Expenses	2.03%
■ Education, Licensing & Enforcement	3.12%