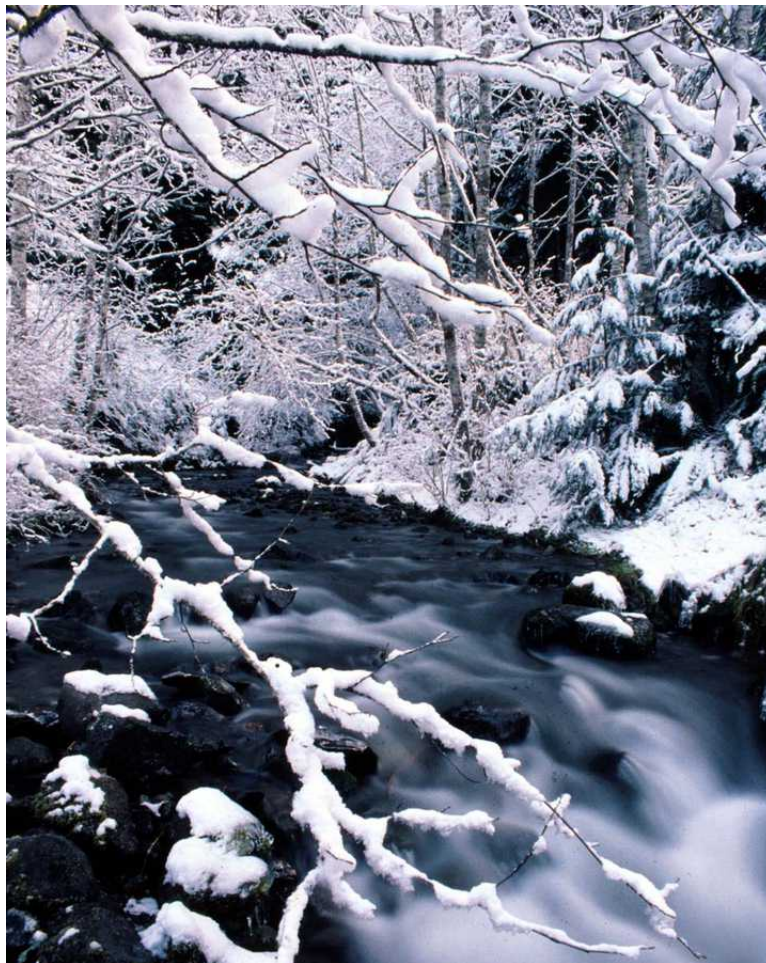


Seventy-First Annual Report Of The
Vermont Department of Liquor Control
Year Ending June 30, 2005





In Memoriam
Lloyd A. "Pete" Kelley, Jr.
April 24, 1930 – March 9, 2005
Vermont Liquor Control Board Member

HIGHLIGHTS OF OPERATIONS FISCAL YEAR ENDING JUNE 30, 2005

REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$12,584,613.15
License Fees Remitted	442,726.96
Tobacco Violations Remitted	12,300.00
Liquor Violations Remitted	9,600.00
Legislative Transfer to General Fund	<u>278,525.00</u>

TOTAL TO GENERAL FUND: \$ 13,327,765.11

FUNDS GENERATED FROM OPERATIONS:

License Fees & Adult ID Cards	\$ 217,138.04
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State of Vermont
Department of Liquor Control
13 Green Mountain Drive, Drawer 20
Montpelier, VT 05620-4501
www.state.vt.us/dlc

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

Michael J. Hogan, Commissioner

LETTER OF TRANSMITTAL

January 1, 2006

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-First Annual Report of the Liquor Control Board for the fiscal year July 1, 2004 through June 30, 2005.

Respectfully,

Daniel J. O'Brien, Chairman
Harry L. Daniels, Member
Walter E. Freed, Member



ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
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ANNUAL COMPARISONS

ANNUAL COMPARISONS

	Year Ended June 30, 2005	Year Ended June 30, 2004
Total State Tax Collected	\$12,584,613.15	\$11,757,556.07
Receipts from Licenses:		
Credited to State Treasurer	442,726.96	460,205.92
Receipts from Licenses Retained	217,128.04	228,777.08
Adult ID Cards	10.00	5.00
Transfer to General Fund	278,525.00	337,051.00
Total Receipts to State Treasurer		
Collected by Dept. of Liquor Control	\$13,523,003.15	\$12,783,595.07
Malt & Vinous Beverage Tax		
Collected by Commissioner of Taxes	5,302,915.42	5,232,814.72
Total Receipts to State Treasurer	18,825,918.57	18,016,409.79
Receipts to Cities & Towns from Beer and Wine Licenses Issued	\$194,950.00 **	\$207,050.00
Total Revenue to State and Local Governmental Units	\$19,020,868.57	\$18,223,459.79

SALES COMPARISONS

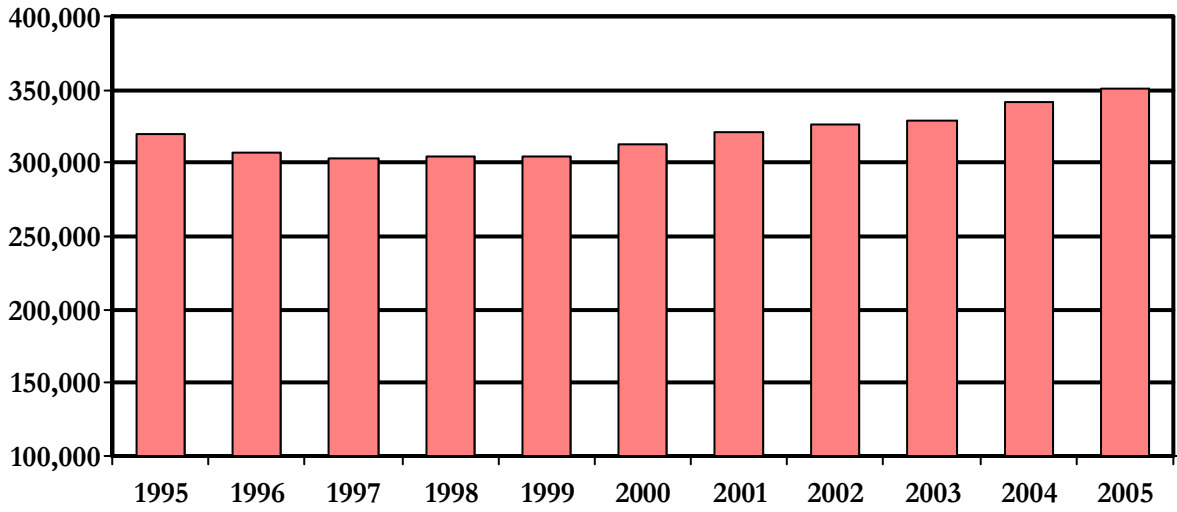
Gross Liquor Sales (Includes Tax)	\$50,343,841.25	\$47,036,541.55
Total Cases Spirituous Liquor Sold	335,261	325,531
Total Cases Fortified Wines Sold	15,714	16,458
Total Cases Alcohol Sold	43	46
Total Cases Sold	351,018	342,035

** Corrected figure

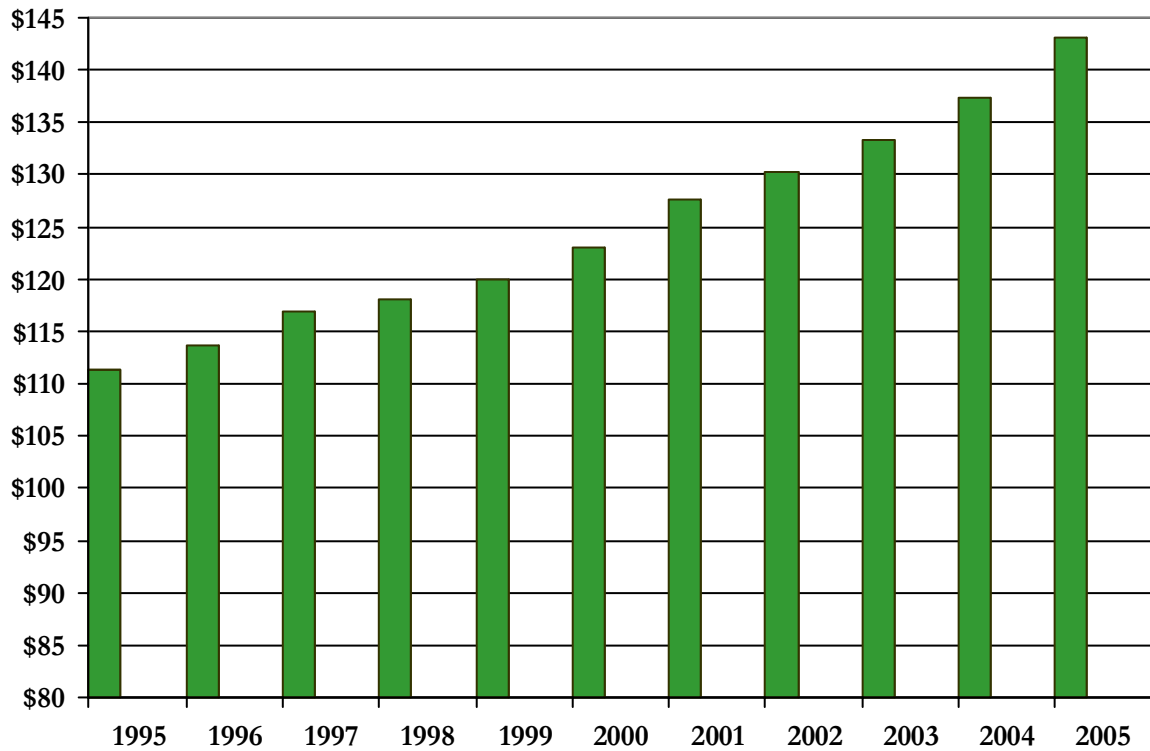
**COMPARISON OF CASES SOLD AND SALES DOLLARS
IN FISCAL YEARS 1995 - 2005**

<u>YEAR</u>	<u>CASES SOLD</u>	<u>AVG. CASE PRICE</u>	<u>SALES DOLLARS</u>
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
2005	351,018	\$143.17	\$50,256,155

TOTAL CASES SOLD
FISCAL YEARS 1995-2005



AVERAGE RETAIL PRICE PER CASE
FISCAL YEARS 1995-2005



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

VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE BALANCE SHEET
EXHIBIT A

	<u>ASSETS</u>	
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
CURRENT ASSETS		
Cash On Hand	\$578,242.12	\$920,993.81
Cash In Transit	1,454,048.93	1,938,831.35
Petty Cash, Imprest Funds	5,700.00	5,700.00
Inventory Clearing	4,333.51	4,519.45
Accounts Receivable	105,204.83	185,799.96
Inventories:		
Outlets	3,915,275.78	3,725,595.85
Warehouse	180,330.25	148,841.94
	<u>\$6,243,135.42</u>	<u>\$6,930,282.36</u>
 FIXED ASSETS: (Less Depreciation)		
Equipment: Furniture & Fixtures	<u>340,797.76</u>	<u>403,956.88</u>
 TOTAL ASSETS	<u><u>\$6,583,933.18</u></u>	<u><u>\$7,334,239.24</u></u>

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES		
Accounts Payable:		
Liquor - Unprocessed	5,057,690.57	6,629,453.33
Sundry	257,940.37	204,985.77
General Fund Tax Payable	427,804.46	342,906.84
Vouchers Payable	158,753.29	145,758.63
Accrued Salaries & Benefits	200,369.87	196,191.79
State Treasurer-Cash Fund Advance	5,700.00	5,700.00
	<u>6,108,258.56</u>	<u>7,524,996.36</u>
 RETAINED EARNINGS	(190,757.12)	(179,773.67)
NET INCOME AFTER LEGIS. TRANSFER	<u>666,431.74</u>	<u>(10,983.45)</u>
 TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>6,583,933.18</u></u>	<u><u>7,334,239.24</u></u>

VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF OPERATIONS
EXHIBIT B

	F/Y 2005	%	F/Y 2004	%
Gross Sales:	\$50,343,841.25	100.00	\$47,036,541.55	100.00
Tax	12,584,613.15	25.00	11,757,556.07	25.00
Net Sales	<u>\$37,759,228.10</u>	<u>75.00</u>	<u>\$35,278,985.48</u>	<u>75.00</u>
Cost of Goods Sold	\$30,314,679.89	60.22	\$28,722,753.35	61.06
Gross Income on Sales	\$7,444,548.21	14.79	\$6,556,232.13	13.94
Operating Expenses:				
Outlet Operations	\$4,012,990.17	7.97	\$3,795,373.32	8.07
Warehouse & Distribution	995,119.07	1.98	955,504.00	2.03
General Administration	1,499,309.83	2.98	1,408,289.85	2.99
Total Operating Expenses	<u>\$6,507,419.07</u>	<u>12.93</u>	<u>\$6,159,167.17</u>	<u>13.09</u>
Gross Operating Income	\$937,129.14	1.86	\$397,064.96	0.84
Other Income:				
Miscellaneous	\$750.27	0.00	\$809.07	0.00
Gain/Loss Disposal Equip.	(9,677.29)	(0.02)	15,821.46	0.03
License Fees Collected	659,855.00	1.31	688,983.00	1.46
Tobacco Violations Collected	12,300.00	0.02	4,950.00	0.01
Liquor Violations Collected	9,600.00	0.02	21,300.00	0.05
Adult ID Cards	10.00	0.00	5.00	0.00
Interest	0.00	0.00	656.40	0.00
Non Refunded Bottle Fund	133,354.35	0.26	129,198.75	0.27
Special Purchase Allowance	1,090,972.65	2.17	1,021,415.31	2.17
Penalties/Refund Labels	8,175.00	0.02	6,357.00	0.01
Total Other Income	<u>\$1,905,339.98</u>	<u>3.78</u>	<u>\$1,889,495.99</u>	<u>4.02</u>
Other Expenses:				
Casualty Loss	\$267.55	0.00	\$250.85	0.00
Uncollected Checks	(688.85)	0.00	5,527.31	0.01
Total Other Expenses	<u>(\$421.30)</u>	<u>0.00</u>	<u>\$5,778.16</u>	<u>0.01</u>
Net Operating Income	\$2,842,890.42	5.65	\$2,280,782.79	4.85
Non-Operating Deductions:				
Education, Licensing & Enf.	\$1,433,306.72	2.85	\$1,468,259.32	3.12
Lic Fees Remitted St. Treas.	442,726.96	0.88	460,205.92	0.98
Tobacco Violations Remitted	12,300.00	0.02	4,950.00	0.01
Liquor Violations Remitted	9,600.00	0.02	21,300.00	0.05
Net Non-Operating Ded.	<u>\$1,897,933.68</u>	<u>3.77</u>	<u>\$1,954,715.24</u>	<u>4.16</u>
Net Department Income	\$944,956.74	1.88	\$326,067.55	0.69
Less: Transfer to Gen. Fund	\$278,525.00	0.55	\$337,051.00	0.72
Profit/Loss for Period	<u>\$666,431.74</u>	<u>1.32</u>	<u>(\$10,983.45)</u>	<u>(0.02)</u>

COMPARISON OF SALES, REVENUE AND CASES SOLD

YEARLY COMPARISON

YEAR TO DATE

JUNE 30, 2004 & JUNE 30, 2005

	<u>2005</u>	<u>2004</u>	<u>INC/DEC</u>	<u>%INC/DEC</u>
Total Sales	\$50,343,841.25	\$47,036,541.55	\$3,307,299.70	7.03%
State Tax	\$12,584,613.15	\$11,757,556.07	\$827,057.08	7.03%
Malt & Vinous Tax	\$5,302,915.42	\$5,232,814.72	\$70,100.70	1.34%
Cases Sold:				
Liquor	335,261	325,531	9,730	2.99%
Wines/Vermouth	15,714	16,458	(744)	-4.52%
Total Cases	350,975	341,989	8,986	2.63%
Alcohol	43	46	(3)	-6.52%

SCHEDULE SHOWING TOTAL MONTHLY SALES

FISCAL YEAR 2005

<u>2004</u>	<u>\$ VALUE</u>	<u>CASES</u>
JULY	4,598,651.65	33,153
AUGUST	4,219,860.25	30,090
SEPTEMBER	3,881,601.50	27,802
OCTOBER	4,048,329.05	28,672
NOVEMBER	3,958,067.20	27,814
DECEMBER	6,224,150.55	41,548
<u>2005</u>		
JANUARY	3,677,675.00	25,156
FEBRUARY	4,025,945.80	27,412
MARCH	3,977,043.55	27,377
APRIL	3,571,072.10	25,297
MAY	3,864,714.35	27,558
JUNE	4,209,043.60	29,095

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2005**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A 1 Poultney	Preseau's Place, 216 Main St.	246,934
A 2 Barton	Barton Village Corner Store, 155 Main St.	221,549
A 3 Island Pond	John's Market, Main St.	123,666
A 4 Winooski	Beverage Warehouse, 1 East St.	2,175,039
A 5 Londonderry	Jelley's Auto Care Ctr., Simonsville Rd.	492,023
A 6 Randolph	M & M Beverage, 6 Salisbury St.	476,277
A 7 Hardwick	D & L Beverage, Woodbury Rd.	396,964
A 8 Alburg	Alburg Beverage Mart, 136 Main St.	230,895
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	320,830
A10 Jeffersonville	Hanley's Market, 30 Main St.	408,364
A11 Canaan	Pure Country Motel & Cabins, 4555 VT Rte. 114	77,407
A12 Richford	Wetherby's, Inc., 75 Main St.	122,689
A13 Norwich	Norwich Wine & Spirits, Elm St.	421,321
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	915,944
A15 Wilmington	McBreairty's Marketplace, 34 West Main St.	552,823
A16 Bethel	McCullough's Quik Stop, Rte. 107	258,412
A17 Waitsfield	Mehuron's Market, Village Square	855,852
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shore Dr.	623,425
A19 Orleans	Orleans General Store, 72 Main St.	158,092
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St.	443,508
A21 Waterbury	Crossroads Beverage & Deli, 52 No. Main St.	574,614
A22 Swanton	Wood's Beverage Outlet, 75 First St.	383,320
A23 Enosburg Falls	Beverage Gallery, Main St.	341,179
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	912,387
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	575,011
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,268,252
A27 Richmond	Richmond Beverage, Bridge St.	348,361
A28 Springfield	Joe's Discount Beverage, 335 River St.	838,456
A29 Rochester	Mac's Market, 67 North Main St. (opened 6/27/05)	1,123
A30 Montgomery Ctr.	Sylvester's Market, 1012 Mountain Rd.	173,988
A31 Milton	Middle Road Market, 69 Middle Rd.	548,237
A32 Brandon	Dr. Lightning's Wine & Spirits, 34 Conant Sq.	437,809
A33 Bradford	Bradford Bottle Shoppe, 82 Main St., Rte. 5 West Side	456,110
A34 Stamford	Billmont's Country Store, 544 Main Rd.	235,088
A35 Vergennes	Vergennes Wine & Beverage, 209 Main St.	707,067
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,365,029
A37 Windsor	Village Emporium, 2757 US Rte. 5 N	312,463

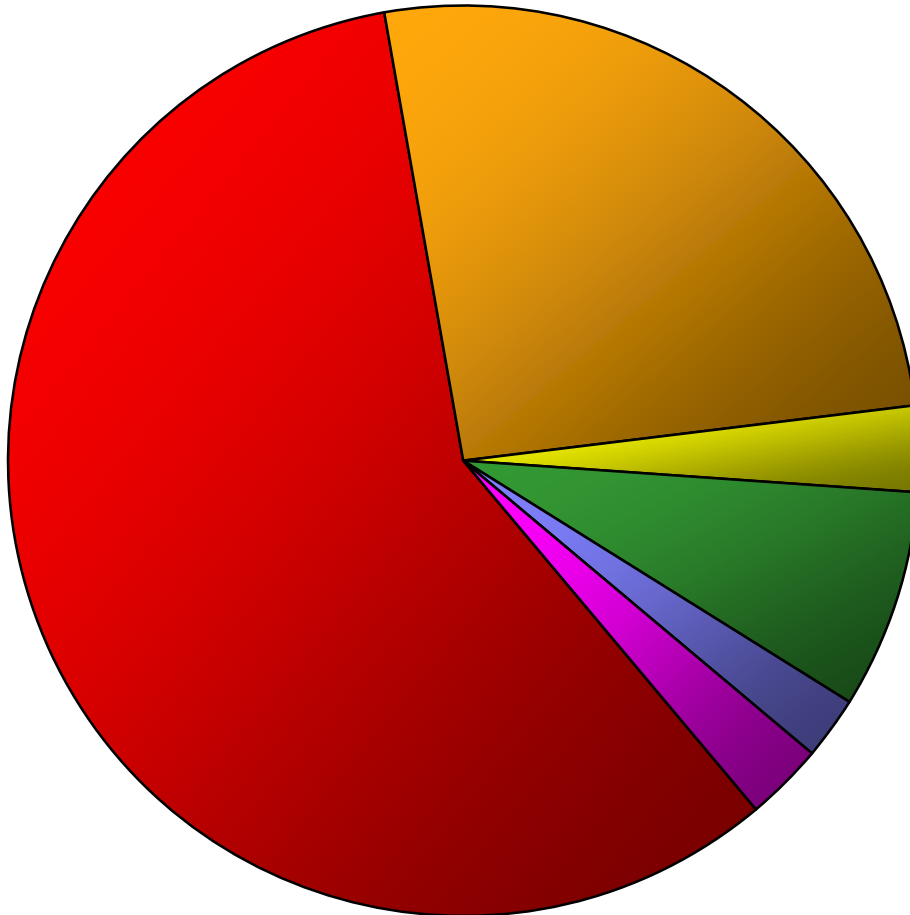
**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2005**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A38 Bristol	Champlain Farms, 3 West St.	403,111
A39 Shelburne	Shelburne Discount Beverage, 2572 Shelburne Rd.	1,119,608
A40 Rockingham	Dayton Sunoco & Mini Mart, 809 Rockingham Rd.	197,769
A41 West Dover	7-Eleven Store, Route 100	687,369
A42 Derby Ctr.	Derby Village Store, Main St.	366,962
A43 North Troy	B & D Super Market, Main St.	157,430
A44 Fairfax	Minor's Country Store, 874 Main St.	258,829
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	177,531
A47 Fair Haven	Liberty Discount, 7 Liberty St.	798,965
A48 Pownal	Next Door Beer & Wine, Rte. 7	689,288
A49 St Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	646,816
A50 Woodstock	Woodstock Discount Beverage, Rte. 4 E	763,581
A51 Burlington	Merola's Market, 1563 North Ave.	707,393
A53 Essex Ctr	Essex Discount Beverage, 76 Center Rd.	891,933
A54 Chelsea	Upham's Store, Main St.	110,577
A55 W. Brattleboro	Discount Beverage, 157 Marlboro Rd.	1,131,816
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	313,060
A57 Proctorsville	Singleton's Store, 356 Main St.	690,113
A58 W. Rutland	Rite Aid Pharmacy, 124 Main St.	447,674
A59 Middlebury	Hannaford's Food & Drug, 260 Court St.	1,222,933
A60 Williston	Hannaford Superstore, Taft Corners, 78 Marshall Ave.	878,507
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	2,276,069
A62 Essex Jct	Five Corners Discount Beverage, 39 Park St.	755,778
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,453,412
A64 Danville	Diamond Hill Store, Rte. 2, 11 East	79,830
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	1,751,946
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	314,880
A67 Montpelier	Yankee Spirits, 126 Main St.	1,054,011
A68 St Albans City	Beverage Mart, 211 Lake St.	877,039
A69 St Albans Town	Colonial Mart, 191 Swanton Rd.	578,623
A70 Newport	Azur's, Inc., 33 Railroad Sq.	574,165
A71 Manchester	Manchester Discount Beverage & Deli, Routes 11 & 30	1,894,119
A72 Rutland City	GU Market, 12 North Main St.	1,696,841
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	2,089,245
A74 Rutland Town	Hannaford Food & Drug, 241 South Main St.	964,978
A75 Barre	Beverage Baron, 411 North Main St.	1,830,786
A76 Bondville	Guest Convenience Store, Rte. 30	334,201

NUMBER OF POSITIONS

<u>TITLES</u>	<u>NUMBER</u>	
	<u>06-30-2005</u>	<u>06-30-2004</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
Network Administrator II	1	0
District Coordinators	3	3
Systems Developer I	1	2
Personnel Administrator B	1	1
Accountant C	1	1
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
Investigator Supervisor	1	1
Liquor Investigators	16	16
Clerk C	1	1
Program Services Clerk	0	1
Administrative Assistant A	1	0
	<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
	<hr/>	<hr/>
	14	14
TOTAL NUMBER OF POSITIONS:	56	56

Distribution of Sales, Revenue, and Fees
Fiscal Year Ending June 30, 2005



■ Cost of Goods Sold	58.2%
■ General Fund Revenue	25.9%
■ Administrative Expenses	3.0%
■ Retail Outlet Expenses	8.0%
■ Warehouse & Distribution Expenses	2.0%
■ Education, Licensing & Enforcement	2.9%