



 VERMONT  
**2008 ANNUAL REPORT**  
**Department of Liquor Control**

# HIGHLIGHTS OF OPERATIONS

**REVENUE CREDITED TO GENERAL FUND:**

State Liquor Tax	\$14,247,693.05
License Fees Remitted	383,130.00
Tobacco Violations Remitted	10,500.00
Liquor Violations Remitted	6,700.00
Legislative Transfer to General Fund	<u>836,519.00</u>

**TOTAL TO GENERAL FUND:** \$ 15,484,542.05

**FUNDS GENERATED FROM OPERATIONS:**

License Fees \$ 1,085,565.00

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

LETTER OF TRANSMITTAL

January 1, 2009

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-Fourth Annual Report of the Liquor Control Board for the fiscal year July 1, 2007 through June 30, 2008.

Respectfully,

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

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## HIGHLIGHTS OF OPERATIONS

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## DISTRIBUTION PIE CHART

# Annual Comparisons



## **HISTORICAL COMPARISONS OF FISCAL 2008 TO PREVIOUS FISCAL YEARS**

- Annual Comparisons 2008 - 2007
- Comparison of Cases Sold 1998-2008
- Bar Chart Comparison Cases Sold & Average Retail Price Per Case
- Average Retail Price per Case
- Vermont Tax on Liquor

## ANNUAL COMPARISONS

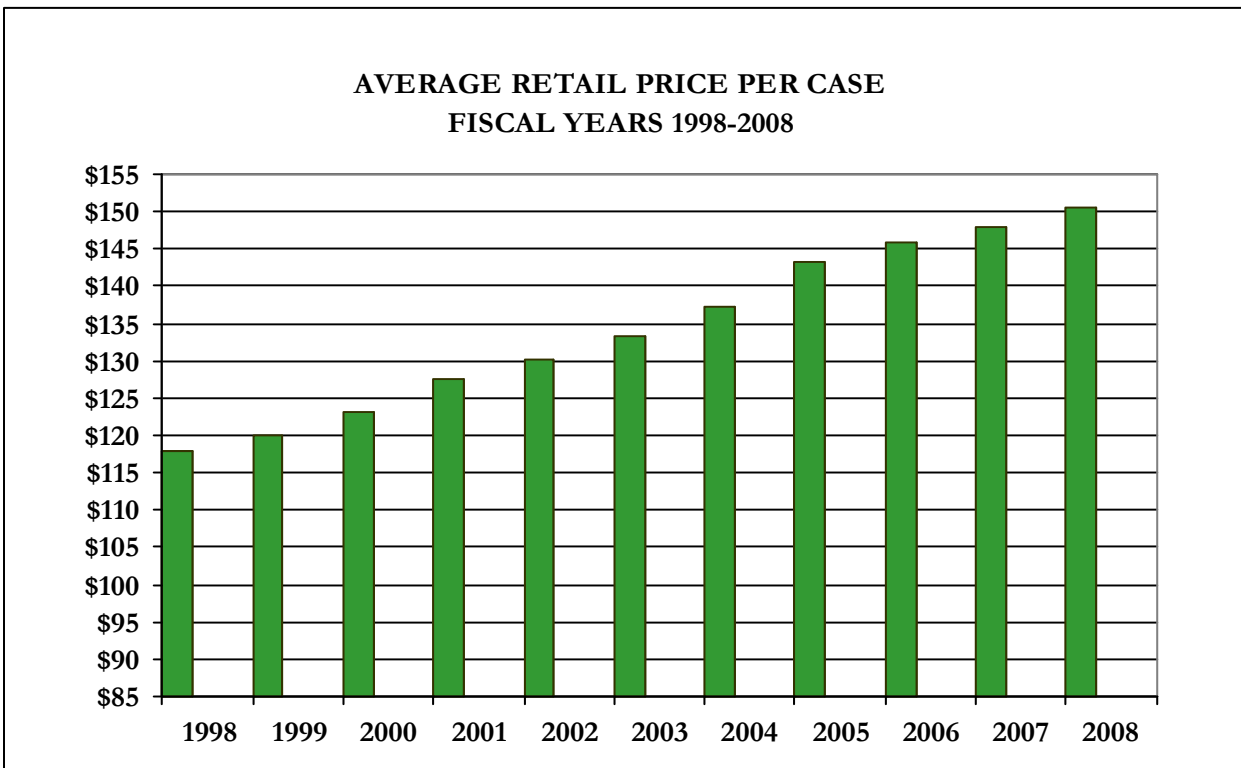
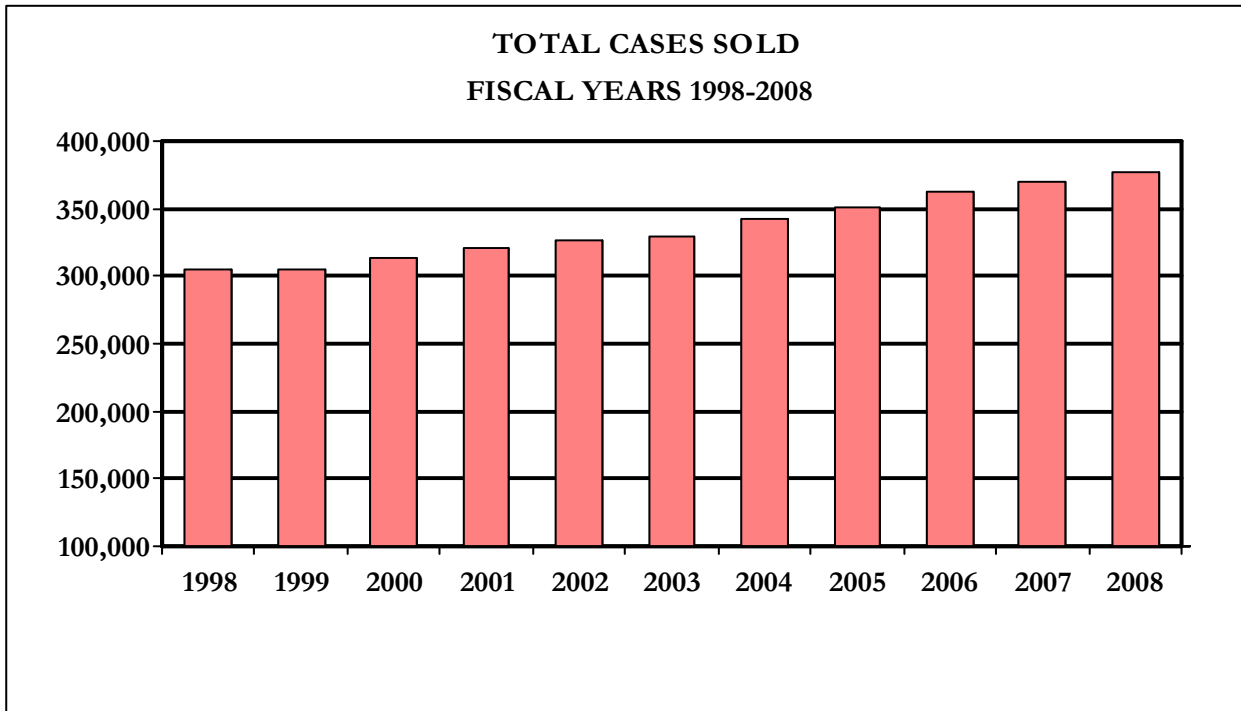
	Year Ended June 30, 2008	Year Ended June 30, 2007
Total State Tax Collected	\$14,247,693.05	\$13,705,427.20
Receipts from Licenses:		
Credited to State Treasurer	383,130.00	375,286.04
Receipts from Licenses Retained	1,085,565.00	1,035,932.96
Transfer to General Fund	<u>836,519.00</u>	<u>663,305.00</u>
 Total Receipts to State Treasurer Collected by Dept. of Liquor Control	 \$16,552,907.05	 \$15,779,951.20
 Malt & Vinous Beverage Tax Collected by Commissioner of Taxes	 <u>5,620,161.89</u>	 <u>5,517,330.34</u>
 Total Receipts to State Treasurer	 \$22,173,068.94	 \$21,297,281.54
 Receipts to Cities & Towns from Beer and Wine Licenses Issued	 <u>134,400.00</u>	 <u>174,750.00</u>
 Total Revenue to State and Local Governmental Units	 \$22,307,468.94	 \$21,472,031.54

## SALES COMPARISONS

Gross Liquor Sales (Includes Tax)	\$57,001,522.65	\$54,828,743.32
 Total Cases Spirituous Liquor Sold	 365,196	 354,362
Total Cases Fortified Wines Sold	12,760	15,447
Total Cases Alcohol Sold	81	54
Total Cases Sold	378,037	369,863

**COMPARISON OF CASES SOLD AND SALES DOLLARS IN  
FISCAL YEARS 1998 - 2008**

<u>YEAR</u>	<u>CASES SOLD</u>	<u>AVG. CASE PRICE</u>	<u>SALES DOLLARS</u>
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
2006	362,760	\$145.81	\$52,895,612
2007	369,863	\$148.06	\$54,760,115
2008	378,037	\$150.54	\$56,907,846





## 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.

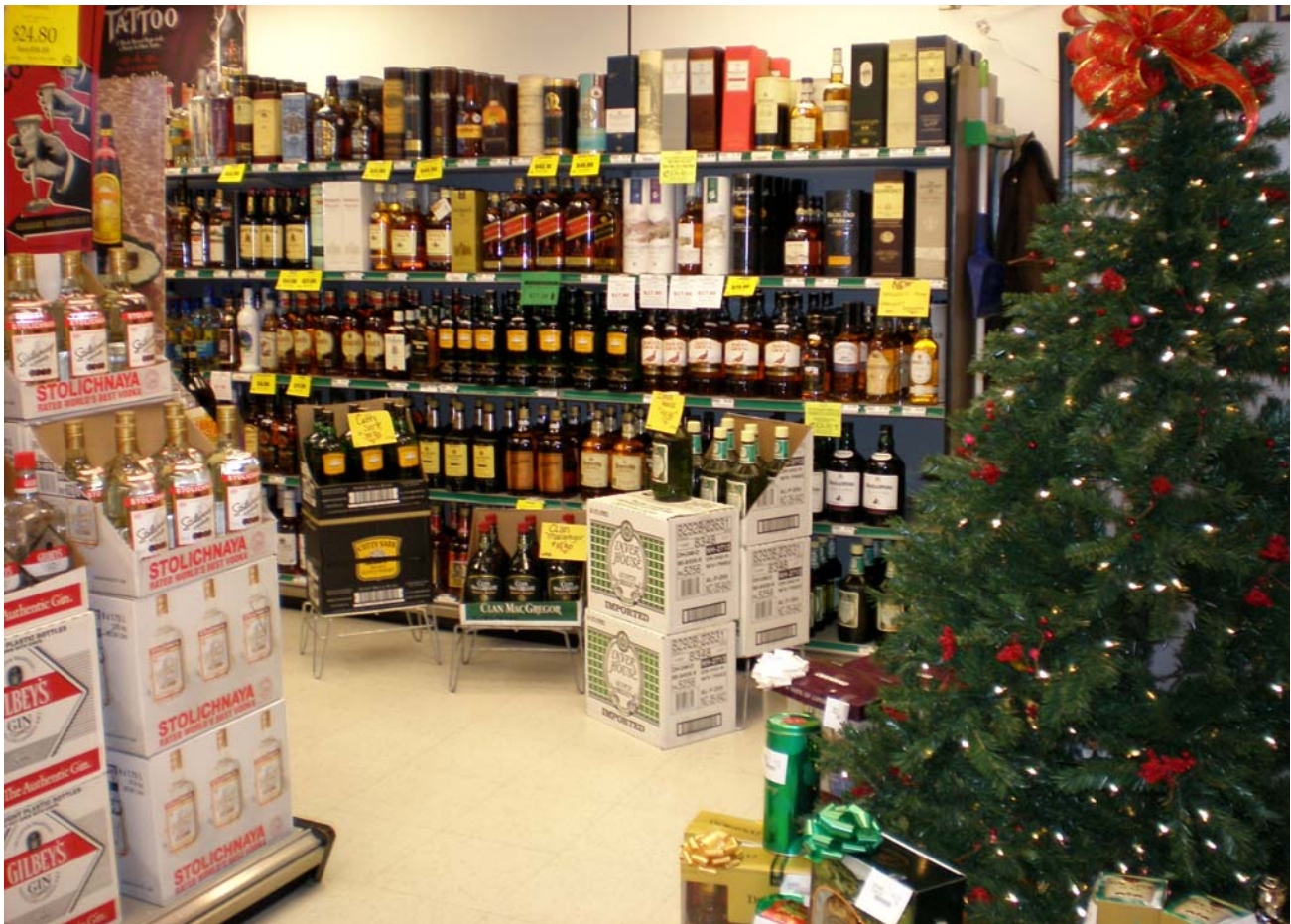
Effective May 1, 1933, the original tax was \$1.00 per 31-gallon barrel which approximates \$0.0323 per gallon. Since that time, the rate of tax has changed as follows:

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



## FINANCIAL COMPARISONS OF FISCAL 2008 TO FISCAL 2007

- Comparative Balance Sheet 2008-2007
- Comparative Statement of Operations 2008-2007
- 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, 2008</u>	<u>June 30, 2007</u>
CURRENT ASSETS		
Cash On Hand	\$527,356.56	\$1,121,364.38
Cash In Transit	1,429,413.80	1,219,653.90
Petty Cash, Imprest Funds	6,300.00	6,300.00
Inventory Clearing	5,199.00	3,759.46
Accounts Receivable	160,586.45	139,700.80
Inventories:		
Outlets	3,886,153.67	4,027,576.64
Warehouse	396,566.46	320,852.50
	<u>\$6,411,575.94</u>	<u>\$6,839,207.68</u>
FIXED ASSETS: (Less Depreciation)		
Equipment: Furniture & Fixtures	<u>515,570.94</u>	<u>317,977.32</u>
TOTAL ASSETS	<u><u>\$6,927,146.88</u></u>	<u><u>\$7,157,185.00</u></u>

**LIABILITIES AND RETAINED EARNINGS**

CURRENT LIABILITIES		
Accounts Payable:		
Liquor - Unprocessed	\$4,686,830.03	\$4,766,938.95
Sundry	247,880.93	339,390.01
General Fund Tax Payable	326,771.93	275,040.38
Vouchers Payable	242,963.34	183,361.10
Accrued Salaries & Benefits	226,535.60	203,265.34
State Treasurer-Cash Fund Advance	6,300.00	6,300.00
	<u>\$5,737,281.83</u>	<u>\$5,774,295.78</u>
RETAINED EARNINGS	1,189,865.05	1,187,947.79
NET INCOME AFTER LEGIS. TRANSFER		<u>194,941.43</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$6,927,146.88</u></u>	<u><u>\$7,157,185.00</u></u>

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

	F/Y 2008	%	F/Y 2007	%
Gross Sales:	\$57,001,522.65	100.00	\$54,828,743.32	100.00
Tax	14,247,693.05	25.00	13,705,427.20	25.00
Net Sales	<u>\$42,753,829.60</u>	<u>75.00</u>	<u>\$41,123,316.12</u>	<u>75.00</u>
Cost of Goods Sold	\$35,173,957.09	61.71	\$33,524,794.67	61.14
Gross Income on Sales	\$7,579,872.51	13.30	\$7,598,521.45	13.86
Operating Expenses:				
Outlet Operations	\$5,359,322.79	9.40	\$5,127,564.69	9.35
Warehouse & Distribution	1,237,720.41	2.17	1,246,963.25	2.27
General Administration	1,684,089.65	2.95	1,526,844.71	2.78
Total Operating Expenses	<u>\$8,281,132.85</u>	<u>14.52</u>	<u>\$7,901,372.65</u>	<u>14.40</u>
Gross Operating Income	(\$701,260.34)	(1.23)	(\$302,851.20)	(0.55)
Other Income:				
Miscellaneous	\$276.50	0.00	\$617.25	0.00
Gain/Loss Disposal Equip.	10,528.64	0.02	8,648.34	0.02
License Fees Collected	1,468,695.00	2.58	1,411,219.00	2.57
Tobacco Violations Collected	10,500.00	0.02	200.00	0.00
Liquor Violations Collected	6,700.00	0.01	24,300.00	0.04
Non Refunded Bottle Fund	151,145.55	0.27	150,838.50	0.28
Special Purchase Allowance	1,936,183.75	3.40	1,670,634.70	3.05
Penalties/Refund Labels	7,312.38	0.01	12,784.50	0.02
Total Other Income	<u>\$3,591,341.82</u>	<u>6.30</u>	<u>\$3,279,242.29</u>	<u>4.14</u>
Other Expenses:				
Casualty Loss	\$454.40	0.00	\$1,060.32	0.00
Uncollected Checks	\$3,036.03	0.01	(\$543.77)	0.00
Total Other Expenses	<u>\$3,490.43</u>	<u>0.01</u>	<u>\$516.55</u>	<u>0.00</u>
Net Operating Income	\$2,886,591.05	5.06	\$2,975,874.54	5.43
Non-Operating Deductions:				
Education, Licensing & Enf.	\$1,842,766.22	3.23	\$1,717,842.07	3.13
Lic Fees Remitted St. Treas.	383,130.00	0.67	375,286.04	0.68
Tobacco Violations Remitted	10,500.00	0.02	200.00	0.00
Liquor Violations Remitted	6,700.00	0.01	24,300.00	0.04
Net Non-Operating Ded.	<u>\$2,243,096.22</u>	<u>3.94</u>	<u>\$2,117,628.11</u>	<u>3.86</u>
Net Department Income	\$643,494.83	1.13	\$858,246.43	1.57
Less: Transfer to Gen. Fund	\$836,519.00	1.47	\$663,305.00	1.21
Profit/Loss for Period	<u><u>(\$193,024.17)</u></u>	<u><u>(0.34)</u></u>	<u><u>\$194,941.43</u></u>	<u><u>0.36</u></u>

**COMPARISON OF SALES REVENUE AND CASES SOLD  
YEARLY COMPARISON  
JUNE 30, 2008 & JUNE 30, 2007**

	<u>2008</u>	<u>2007</u>	<u>INC/DEC</u>	<u>% INC/DEC</u>
Total Sales	\$57,001,522.65	\$54,828,743.32	\$2,172,779.33	3.96%
State Tax	\$14,247,693.05	\$13,705,427.20	\$542,265.85	3.96%
Malt & Vinous Tax	\$5,620,161.89	\$5,517,330.34	\$102,831.55	1.86%
Cases Sold:				
Liquor	365,196	354,362	10,834	3.06%
Wines/Vermouth	12,760	15,447	-2,687	-17.39%
Total Cases	<u>377,956</u>	<u>369,809</u>	<u>8,147</u>	<u>2.20%</u>
Alcohol	81	54	27	50.00%

**SCHEDULE SHOWING TOTAL MONTHLY SALES  
FISCAL YEAR 2008**

<u>2007</u>	<u>\$ VALUE</u>	<u>CASES</u>
JULY	4,898,510.90	33,071
AUGUST	5,072,730.20	34,092
SEPTEMBER	4,439,504.10	29,855
OCTOBER	4,446,691.20	30,032
NOVEMBER	4,591,948.00	30,819
DECEMBER	6,813,998.00	43,652
 <u>2008</u>		
JANUARY	4,216,686.10	27,865
FEBRUARY	4,617,323.80	30,702
MARCH	4,272,237.00	28,383
APRIL	4,022,326.10	26,937
MAY	4,854,043.50	32,570
JUNE	4,661,846.80	30,060

**DETAIL OF OUTLET OPERATIONS  
FOR FISCAL YEAR ENDING JUNE 30, 2008**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A 1 Poultney	Poultney Market & Spirits, 206 Main St.	331,127
A 2 Barton	Barton Village Corner Store, 155 Main St.	224,722
A 3 Island Pond	Mike's Market, 12 Railroad St. (closed 4/19/08)	130,334
A 4 Winooski	Beverage Warehouse, 1 East St.	2,754,920
A 5 Londonderry	Jelley's Mobil, Rte. 11 & 100	506,488
A 6 Randolph	Bob's M & M Beverage of Randolph, 4 Salisbury St.	492,340
A 7 Hardwick	D & L Beverage, Woodbury Rd.	415,350
A 8 Alburgh	Alburgh Beverage Mart, 136 Main St.	263,414
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	322,600
A10 Jeffersonville	Jeffersonville Country Store, Jct. Church & Main St.	559,462
A11 Canaan	Pure Country Motel & Cabins, 4555 VT Rte. 114	63,435
A12 Richford	Wetherby's Quick Stop, 75 Main St.	159,095
A13 Norwich	Norwich Wine & Spirits, Elm St.	411,303
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	1,108,751
A15 Wilmington	McBreairty's Marketplace, 34 West Main St.	580,563
A16 Bethel	McCullough's Quik Stop, Rte. 107	277,446
A17 Waitsfield	Mehuron's Market, Village Square	932,449
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shore Dr.	636,971
A19 Orleans	Orleans General Store, 72 Main St.	174,584
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St.	509,845
A21 Waterbury	Crossroads Beverage & Deli, 52 No. Main St.	768,174
A22 Swanton	Swanton Beverage, 75 First St.	456,703
A23 Enosburg Falls	Beverage Gallery, Main St.	294,538
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	1,029,262
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	602,767
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,166,117
A27 Richmond	Richmond Beverage, Bridge St.	411,785
A28 Springfield	Joe's Discount Beverage, 335 River St.	892,198
A29 Rochester	Mac's Market, 67 North Main St.	139,051
A30 Montgomery Ctr.	Sylvester's Market, 1012 Mountain Rd.	214,469
A31 Milton	Middle Road Market, 69 Middle Rd.	623,835
A32 Brandon	Dr. Lightning's Wine & Spirits, 34 Conant Sq.	456,530
A33 Bradford	Bradford Bottle Shoppe, 82 Main St.	549,578
A34 Stamford	Billmont's Country Store, 544 Main Rd.	233,405
A35 Vergennes	Vergennes Wine & Beverage, 209 Main St.	817,164
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,656,194
A37 Windsor	Windsor Wine & Spirits, 54 Main St., Windsor House	260,545

**DETAIL OF OUTLET OPERATIONS  
FOR FISCAL YEAR ENDING JUNE 30, 2008**

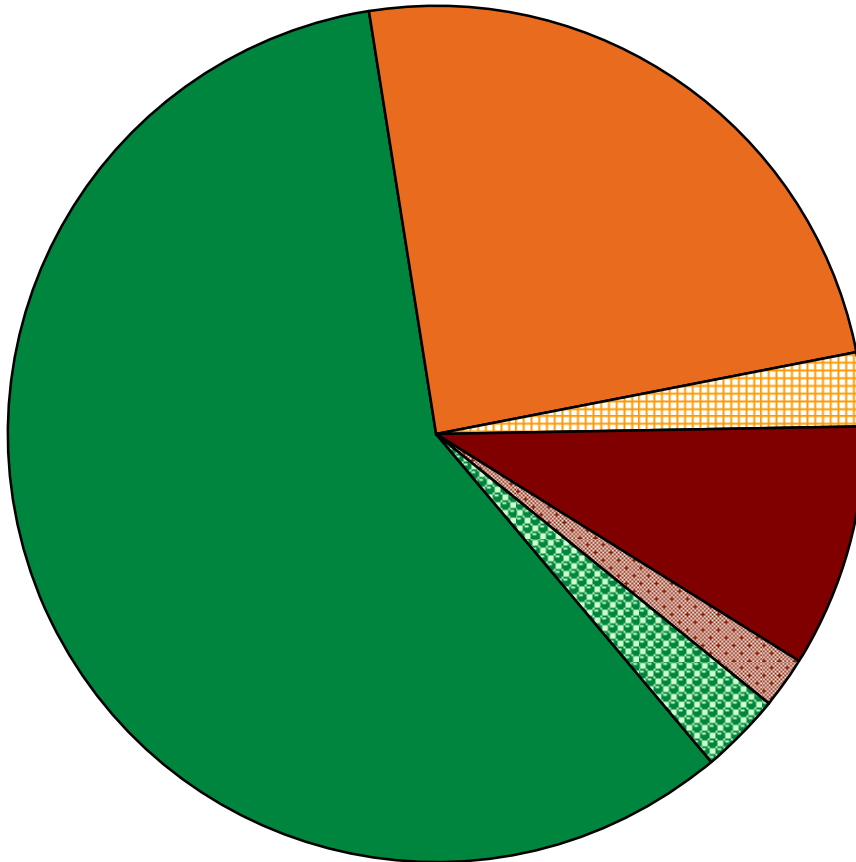
<u>Agency</u>	<u>Location</u>	Total Sales \$
A38 Bristol	Champlain Farms, 3 West St.	490,971
A39 Shelburne	Shelburne Discount Beverage, 2572 Shelburne Rd.	1,211,401
A40 Bellows Falls	Fleming Food Mart, 97 Westminster St.	382,051
A41 West Dover	7-Eleven Store, Route 100	669,341
A42 Derby Ctr.	Derby Village Store, Main St.	439,399
A43 North Troy	B & D Super Market, Main St.	150,387
A44 Fairfax	Minor's Country Store, 874 Main St.	314,789
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	220,981
A47 Fair Haven	Liberty Discount, 7 Liberty St.	821,374
A48 Pownal	Next Door Beer & Wine, Rte. 7	789,680
A49 St. Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	652,916
A50 Woodstock	Woodstock Discount Beverage, Rte. 4E	859,595
A51 Burlington	Merola's Market, 1563 North Ave.	876,312
A52 Newfane	Newfane Market, 596 Rte. 30	125,679
A53 Essex Ctr.	Essex Discount Beverage, 76 Center Rd.	1,086,868
A54 Chelsea	Flanders Market, 357 Rte. 110	126,319
A55 W. Brattleboro	Discount Beverage, 157 Marlboro Rd.	1,180,085
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	308,999
A57 Proctorsville	Singleton's Store, 356 Main St.	786,190
A58 W. Rutland	Rite Aid, 124 Main St.	453,219
A59 Middlebury	Hannaford's Food & Drug, 260 Court St.	1,308,033
A60 Williston	Hannaford Superstore, Taft Corners, 78 Marshall Ave.	1,149,041
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	2,721,132
A62 Essex Jct.	Five Corners Discount Beverage, 39 Park St.	789,046
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,591,900
A64 Danville	Diamond Hill Store, Rte. 2, 11 East	151,007
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	2,037,747
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	280,725
A67 Montpelier	Yankee Spirits, 126 Main St.	1,241,232
A68 St. Albans City	Beverage Mart, 211 Lake St.	959,785
A69 St. Albans Town	Colonial Mart, 191 Swanton Rd.	653,111
A70 Newport	Azur's Mini-Mart, 33 Railroad Sq.	674,528
A71 Manchester	Manchester Discount Beverage & Deli, Rtes. 11 & 30	1,994,888
A72 Rutland City	Grand Union Market, 12 North Main St.	1,865,335
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	2,274,575
A74 Rutland Town	Hannaford Food & Drug, 241 South Main St.	1,291,170
A75 Barre	Beverage Baron, 411 North Main St.	2,129,523
A76 Bondville	7-Eleven, Rte. 30	380,920

# Employee Comparison - Number of Positions

	06-30-2008	06-30-2007
<b>ADMINISTRATIVE &amp; GENERAL:</b>		
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	2	2
Help Desk Analyst	1	1
Program Services Clerk	1	1
Administrative Assistant B	1	0
Youth Safety Program Coordinator	1	0
	<hr/> 20	<hr/> 18
<b>EDUCATION, LICENSING &amp; ENFORCEMENT:</b>		
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	15	15
Administrative Assistant A	1	1
	<hr/> 23	<hr/> 23
<b>WAREHOUSE:</b>		
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	10
	<hr/> 13	<hr/> 14
<b>TOTAL NUMBER OF POSITIONS:</b>	56	55



**Distribution of Sales Revenue and Expenses  
Fiscal Year Ending June 30, 2008**



■ Cost of Goods Sold	61.7%
■ General Fund Revenue	25.7%
■ Administrative Expenses	3.0%
■ Retail Outlet Expenses	9.4%
■ Warehouse & Distribution Expenses	2.2%
■ Education, Licensing & Enforcement Expenses	3.2%