



VERMONT

2011 ANNUAL REPORT

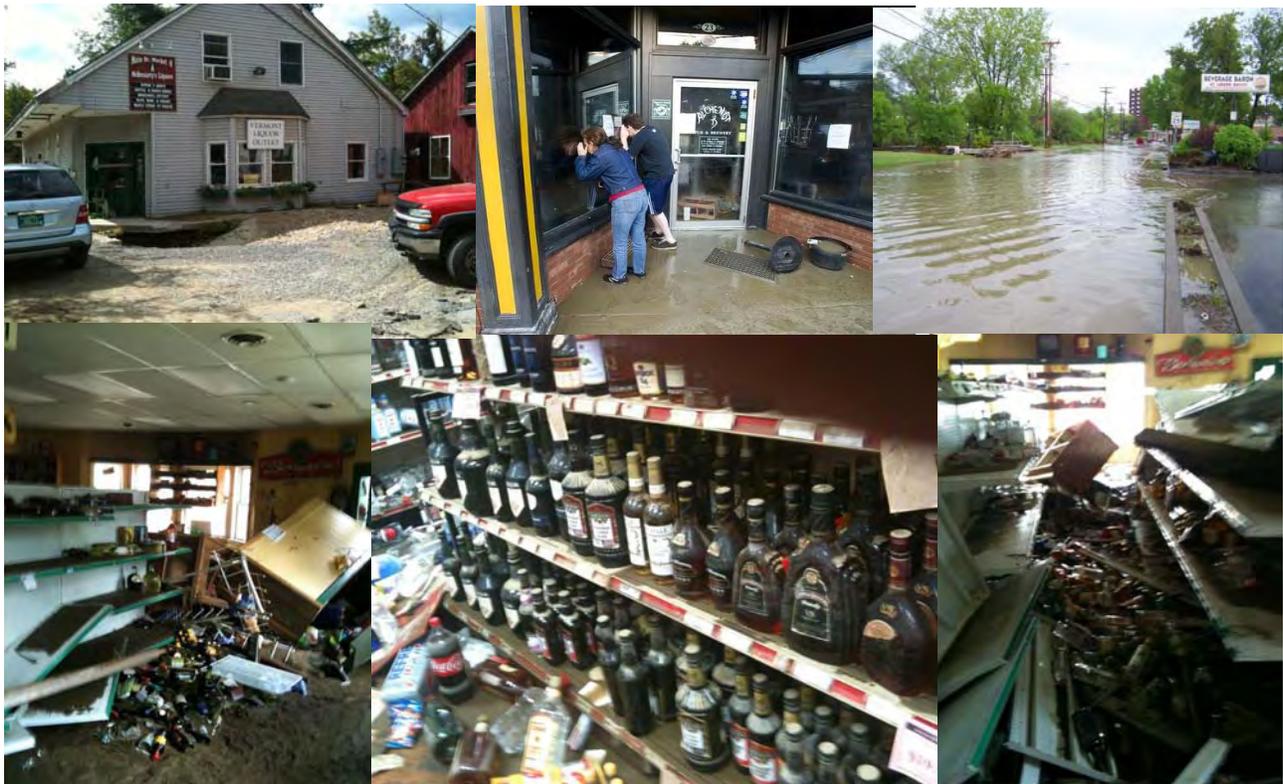
Department of Liquor Control





Our annual report numbers show Liquor Control had a very good year. What the numbers don't show is they happened despite not one but two floods and a fire. Liquor Control had eight agencies that were affected by flooding, two in May and six in August. When the main roads were unpassable, our drivers went out of their way to find their way in. The final agency, in Wilmington, reopened in November thanks to a Herculean effort on the part of the agents and their town, and DLC coordinators, warehouse, and IT staff.

Several of the DLC staff went above and beyond what is expected when the basement flooded in May and again in August, helping to move furniture and records out of the rising waters. Some of our co-workers were personally displaced during the May flooding, and one lost his home in August. And still they came to work. I think that alone speaks volumes about the dedication and resilience of DLC employees, and it is the hallmark of State workers in general.



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

LETTER OF TRANSMITTAL

January 1, 2011

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-Seventh Annual Report of the Liquor Control Board for the fiscal year July 1, 2010 through June 30, 2011.

Respectfully,

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

:hmd



HIGHLIGHTS OF OPERATIONS

REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$	15,383,787.68
Sales Tax Remitted		2,910,642.00
License Fees Remitted		378,576.00
Tobacco Violations Remitted		10,770.00
Liquor Violations Remitted		54,330.00
Violation Late Fees Remitted		130.00
Legislative Transfer to General Fund		<u>840,066.00</u>

TOTAL TO GENERAL FUND: \$ 19,578,301.68

FUNDS GENERATED FROM OPERATIONS:

License Fees \$ 1,150,469.00

Table of Contents

DEDICATION

LETTER OF TRANSMITTAL

HIGHLIGHTS OF OPERATIONS

ANNUAL COMPARISONS

Annual Comparisons 2011-2010	1
Comparison of Cases Sold and Sales Dollars 2001-2011	2
Bar Chart Comparison Cases Sold & Average Retail Price	3
Vermont Tax on Liquor	4

FINANCIAL STATEMENTS

Comparative Balance Sheet 2011-2010	6
Comparative Statement of Operations 2001-2011	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
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DISTRIBUTION PIE CHART

Annual Comparisons



A5-Londonderry

HISTORICAL COMPARISONS OF FISCAL 2011 TO PREVIOUS FISCAL YEARS

- Annual Comparisons 2011-2010
- Comparison of Cases Sold 2001-2011
- Bar Chart Comparison Cases Sold & Average Retail Price Per Case
- Average Retail Price per Case
- Vermont Tax on Liquor

ANNUAL COMPARISONS

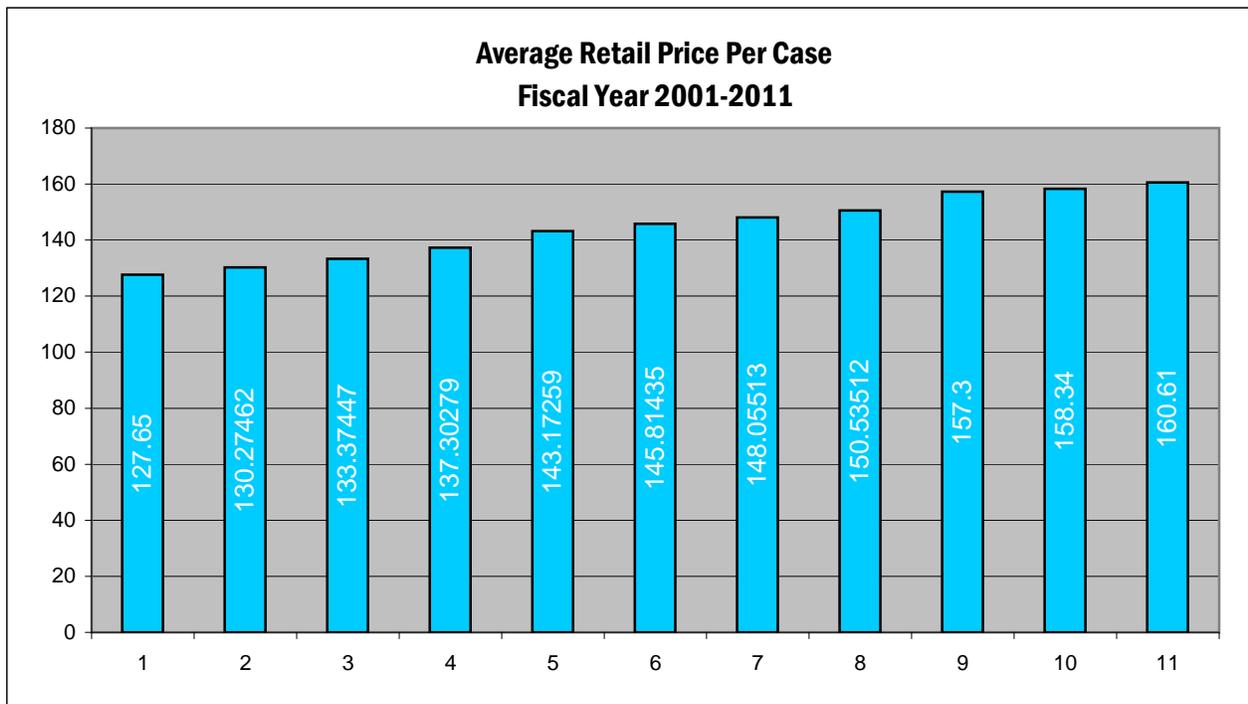
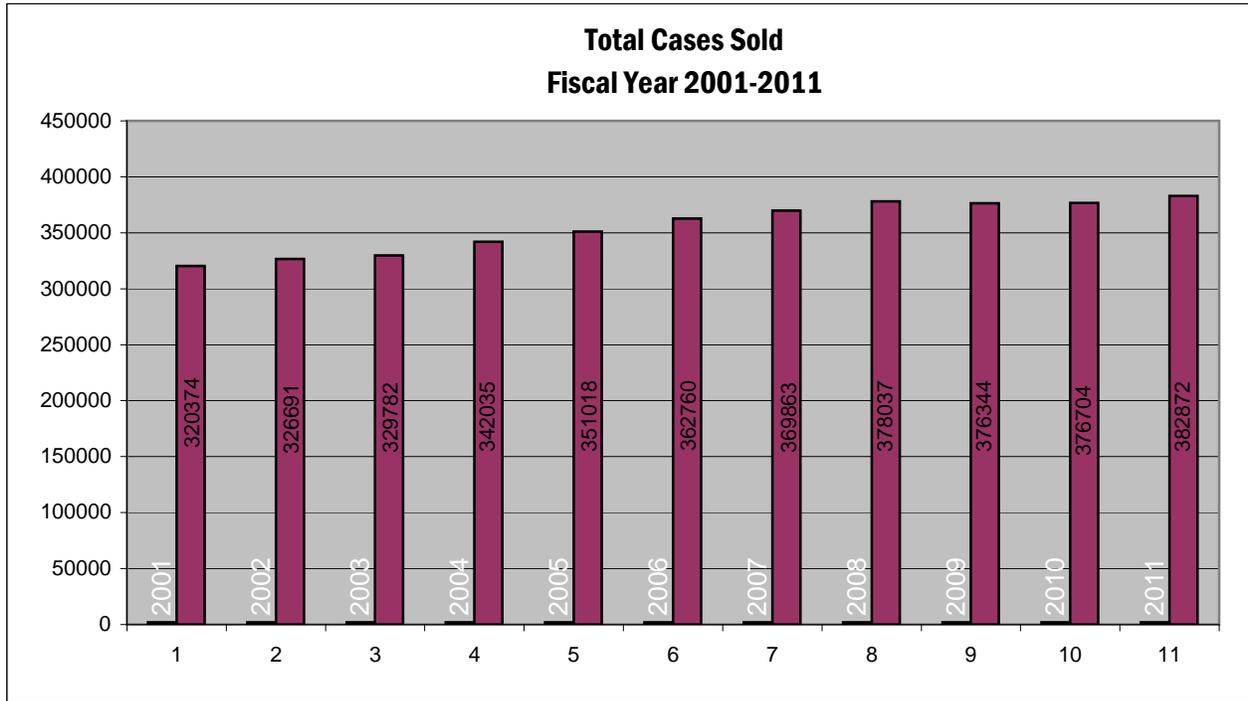
	Year Ended June 30, 2011	Year Ended June 30, 2010
Total State Tax Collected	\$ 15,383,787.68	\$ 14,920,681.15
Receipts from Licenses:		
Credited to State Treasurer	378,576.00	380,556.00
Receipts from Licenses Retained	1,150,469.00	1,498,870.00
Legislative Transfer to General Fund	836,516.00	1,036,516.00
Non-Budget Transfer to General Fund	3,550.00	279,818.00
Transfer In	-	99,999.00
	<hr/>	<hr/>
Total Receipts to State Treasurer		
Collected by Dept. of Liquor Control	\$ 17,752,898.68	\$ 18,016,442.15
Malt & Vinous Beverage Tax		
Collected by Commissioner of Taxes	<u>\$ 5,786,558.27</u>	<u>\$ 5,661,607.24</u>
Total Receipts to State Treasurer	\$ 23,539,456.95	\$ 23,678,049.39
Receipts to Cities & Towns from Beer and Wine Licenses Issued	<u>\$ 186,900.00</u>	<u>\$ 190,750.00</u>
Total Revenue to State and Local Governmental Units	<u><u>\$ 23,726,356.95</u></u>	<u><u>\$ 23,868,799.39</u></u>

SALES COMPARISONS

Gross Liquor Sales (Includes Tax)	\$ 62,357,092	\$ 59,693,927
Total Cases Spirituous Liquor Sold	369,720	363,119
Total Cases Fortified Wines Sold	13,041	13,508
Total Cases Alcohol Sold	111	77
Total Cases Sold	382,872	376,704

**COMPARISON OF CASES SOLD AND SALES DOLLARS IN
FISCAL YEARS 2001-2011**

YEAR	CASES SOLD	AVG. CASE PRICE	SALES DOLLARS
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
2009	376,344	\$157.30	\$59,198,937
2010	376,704	\$158.34	\$59,645,891
2011	382,872	\$160.61	\$61,492,807



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	

Annual Comparisons



A15-Wilmington

**HISTORICAL
COMPARISONS OF
FISCAL 2011 TO
PREVIOUS FISCAL
YEARS**

- Comparative Balance Sheet 2011-2010
- Comparison Statement of Operations 2001-2011
- Comparison of sales Revenue and Cases Sold
- Schedule of Monthly Sales
- Outler Sales and Location

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

	<u>ASSETS</u>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>
CURRENT ASSETS		
Cash On Hand	\$ 201,245.11	\$ 455,711.40
Cash In Transit	2,510,449.14	1,385,421.19
Petty Cash, Imprest Funds	500.00	6,800.00
Inventory Clearing	3,987.22	4,193.51
Accounts Receivable	488,587.38	440,382.48
Inventories:		
Outlets	5,013,241.79	\$ 4,715,448.19
Warehouse	108,021.02	510,270.92
	<u>\$ 8,326,031.66</u>	<u>\$ 7,518,227.69</u>
FIXED ASSETS: (Less Depreciation)		
Equipment: Furniture & Fixtures	<u>\$ 821,570.60</u>	<u>\$ 899,460.08</u>
TOTAL ASSETS	<u><u>\$ 9,147,602.26</u></u>	<u><u>\$ 8,417,687.77</u></u>
<u>LIABILITIES AND RETAINED EARNINGS</u>		
CURRENT LIABILITIES		
Accounts Payable:		
Liquor - Unprocessed	\$4,744,613.58	\$ 5,549,450.17
Sundry	\$424,710.52	357,615.47
General Fund Tax Payable	\$481,373.77	405,045.52
Sales Tax Payable	\$236,364.00	222,716.89
Vouchers Payable	114,009.87	237,692.00
Accrued Salaries & Benefits	203,095.17	207,855.77
Act 261 Bottle Fund	5,023.65	0.00
State Treasurer-Cash Fund Advance	500.00	6,800.00
	<u>\$6,209,690.56</u>	<u>\$6,987,175.82</u>
RETAINED EARNINGS	1,430,511.95	\$ 1,334,153.28
NET INCOME AFTER LEGIS. TRANSFER	<u>1,507,399.75</u>	<u>96,358.67</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$9,147,602.26</u></u>	<u><u>\$8,417,687.77</u></u>

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

	F/Y 2011	%	F/Y 2010	%
Gross Sales:	\$ 62,357,091.78	100.00	\$ 59,693,927.40	100.00
Tax	15,383,787.68	24.67	14,920,681.15	25.00
Net Sales	<u>\$ 46,973,304.10</u>	<u>75.33</u>	<u>\$ 44,773,246.25</u>	<u>75.00</u>
Cost of Goods Sold	\$ 36,929,802.82	59.22	\$ 36,085,779.05	60.45
Gross Income on Sales	<u>\$ 10,043,501.28</u>	<u>16.11</u>	<u>\$ 8,687,467.20</u>	<u>14.55</u>
Operating Expenses:				
Outlet Operations	\$ 5,975,152.64	9.58	\$ 5,806,468.36	9.73
Warehouse & Distribution	1,443,700.07	2.32	1,540,800.21	2.58
General Administration	1,686,840.38	2.71	1,266,667.62	2.12
Total Operating Expenses	<u>\$ 9,105,693.09</u>	<u>14.60</u>	<u>\$ 8,613,936.19</u>	<u>14.43</u>
Gross Operating Income	\$ 937,808.19	1.50	\$ 73,531.01	0.12
Other Income:				
Miscellaneous	\$ 837.61	0.00	\$ 211.28	0.00
Gain/Loss Disposal Equip.	11,929.00	0.02	10,026.31	0.02
License Fees Collected	1,529,045.00	2.45	1,498,870.00	2.51
Tobacco Violations Collected	10,770.00	0.02	6,110.00	0.01
Liquor Violations Collected	54,330.00	0.09	29,900.00	0.05
Violation Late Fees Collected	130.00	0.00	0.00	0.00
Non Refunded Bottle Fund	134,001.00	0.21	141,142.95	0.24
Special Purchase Allowance	2,051,276.20	3.29	1,952,886.43	3.27
Total Other Income	<u>\$ 3,792,318.81</u>	<u>6.08</u>	<u>\$ 3,639,146.97</u>	<u>6.10</u>
Other Expenses:				
Casualty Loss	\$ 26,294.64	0.04	\$ 2,924.43	0.00
Uncollected Checks	437.19	0.00	-	0.00
Total Other Expenses	<u>\$ 26,731.83</u>	<u>0.00</u>	<u>\$ 2,924.43</u>	<u>0.00</u>
Net Operating Income	<u>\$ 4,703,395.17</u>	<u>7.54</u>	<u>\$ 3,709,753.55</u>	<u>6.21</u>
Non-Operating Deductions:				
Education, Licensing & Enf.	\$ 1,912,123.42	3.07	\$ 1,980,493.88	3.32
Lic Fees Remitted St. Treas.	378,576.00	0.61	380,556.00	0.64
Tobacco Violations Remitted	10,770.00	0.02	6,110.00	0.01
Liquor Violations Remitted	54,330.00	0.09	29,900.00	0.05
Violation Late Fees Remitted	130.00	0.00	0.00	0.00
Net Non-Operating Ded.	<u>\$ 2,355,929.42</u>	<u>3.78</u>	<u>\$ 2,397,059.88</u>	<u>4.02</u>
Net Department Income	\$ 2,347,465.75	3.76	\$ 1,312,693.67	2.20
Less: Transfer to Gen. Fund	\$ 836,516.00	1.34	\$ 1,036,516.00	1.74
Less: Non-budget Transfer to GF	3,550.00	0.00	279,818.00	0.47
Plus: Transfers in from other dept	0.00	0.00	99,999.00	0.17
Profit/Loss for Period	<u>\$ 1,507,399.75</u>	<u>2.42</u>	<u>\$ 96,358.67</u>	<u>0.16</u>

COMPARISON OF SALES REVENUE AND CASES SOLD
YEARLY COMPARISON
JUNE 30, 2010 & JUNE 30, 2011

	<u>2011</u>	<u>2010</u>	<u>INC/DEC</u>	<u>% INC/DEC</u>
Total Sales	\$62,357,092	\$59,645,891	\$2,711,201	4.55%
State Tax	\$15,383,788	\$14,909,484	\$474,304	3.18%
Malt & Vinous Tax	\$578,558	\$5,620,162	-\$5,041,604	-89.71%
Cases Sold:				
Liquor	369,831	363,119	6,712	1.85%
Wines/Vermouth	13,041	13,508	-467	-3.46%
Total Cases	<u>382,872</u>	<u>376,627</u>	<u>6,245</u>	<u>1.66%</u>
Alcohol	111	77	34	44.16%

SCHEDULE SHOWING TOTAL MONTHLY SALES
FISCAL YEAR 2011

<u>2010</u>	<u>\$ VALUE</u>	<u>CASES</u>
JULY	5,640,389	35,725
AUGUST	5,069,784	32,118
SEPTEMBER	4,746,076	30,129
OCTOBER	5,134,726	32,376
NOVEMBER	4,665,227	30,032
DECEMBER	7,307,538	43,103
 <u>2011</u>		
JANUARY	4,694,947	29,346
FEBRUARY	4,841,344	29,543
MARCH	4,940,094	30,362
APRIL	4,479,353	27,935
MAY	4,936,657	30,635
JUNE	5,031,421	31,300

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2011**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A 1 Poultney	Poultney Market & Spirits, 206 Main St.	137,726.04
A 2 Barton	Barton Village Corner Store, 155 Main St.	263,442.75
A 3 Island Pond	Kingdom Market, 12 Railroad St.	161,681.85
A 4 Winooski	Beverage Warehouse, 1 East St.	3,244,042.56
A 5 Londonderry	Jelley's Mobil, Rte. 11 & 100	467,473.47
A 6 Randolph	M & M Beverage of Randolph, 6 Salisbury St.	544,822.70
A 7 Hardwick	D & L Beverage, Woodbury Rd.	463,913.95
A 8 Alburgh	Alburgh Beverage Mart, 136 Main St.	317,131.49
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	333,991.15
A10 Jeffersonville	Jeffersonville Country Store, Jct. Church & Main St.	607,312.11
A11 Canaan	Maurice Motel, 125 Gale Street	64,415.15
A12 Richford	Wetherby's Quick Stop, 75 Main St.	150,593.22
A13 Norwich	Norwich Wine & Spirits, Elm St.	419,103.51
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	1,170,641.01
A15 Wilmington	McBreairty's Marketplace, 34 West Main St.	590,600.97
A16 Bethel	McCullough's Quik Stop, Rte. 107	291,199.04
A17 Waitsfield	Mehuron's Market, Village Square	987,039.16
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shore Dr.	731,803.40
A19 Orleans	Lanoue's General Store, 72 Main St.	235,597.00
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St.	582,343.48
A21 Waterbury	Crossroads Beverage & Deli, 52 No. Main St.	954,761.19
A22 Swanton	Swanton Beverage, 75 First St.	528,549.34
A23 Enosburg Falls	Beverage Gallery, Main St.	432,614.35
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	1,154,966.95
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	644,011.78
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,062,213.89
A27 Richmond	Richmond Beverage, Railroad St.	489,921.14
A28 Springfield	Joe's Discount Beverage, 335 River St.	730,607.45
A29 Rochester	Mac's Market, 67 North Main St.	152,439.26
A30 Montgomery Ctr.	Sylvester's Market, Main Street	247,526.77
A31 Milton	Middle Road Market, 69 Middle Rd.	784,157.55
A32 Brandon	Dr. Lightning's Wine & Spirits, 34 Conant Sq.	477,863.07
A33 Bradford	Bradford Bottle Shoppe, 82 Main St.	562,961.56
A34 Stamford	Billmont's Country Store, 544 Main Rd.	253,555.35
A35 Vergennes	Vergennes Wine & Beverage, 211 Main St.	777,176.18
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,619,232.33
A37 Windsor	Windsor Wine & Spirits, 54 Main St., Windsor House	280,730.24
A38 Bristol	Champlain Farms, 3 West St.	546,796.43
A39 Shelburne	Route 7 Liquor & Deli, 2659 Shelburne Rd.	1,472,106.11

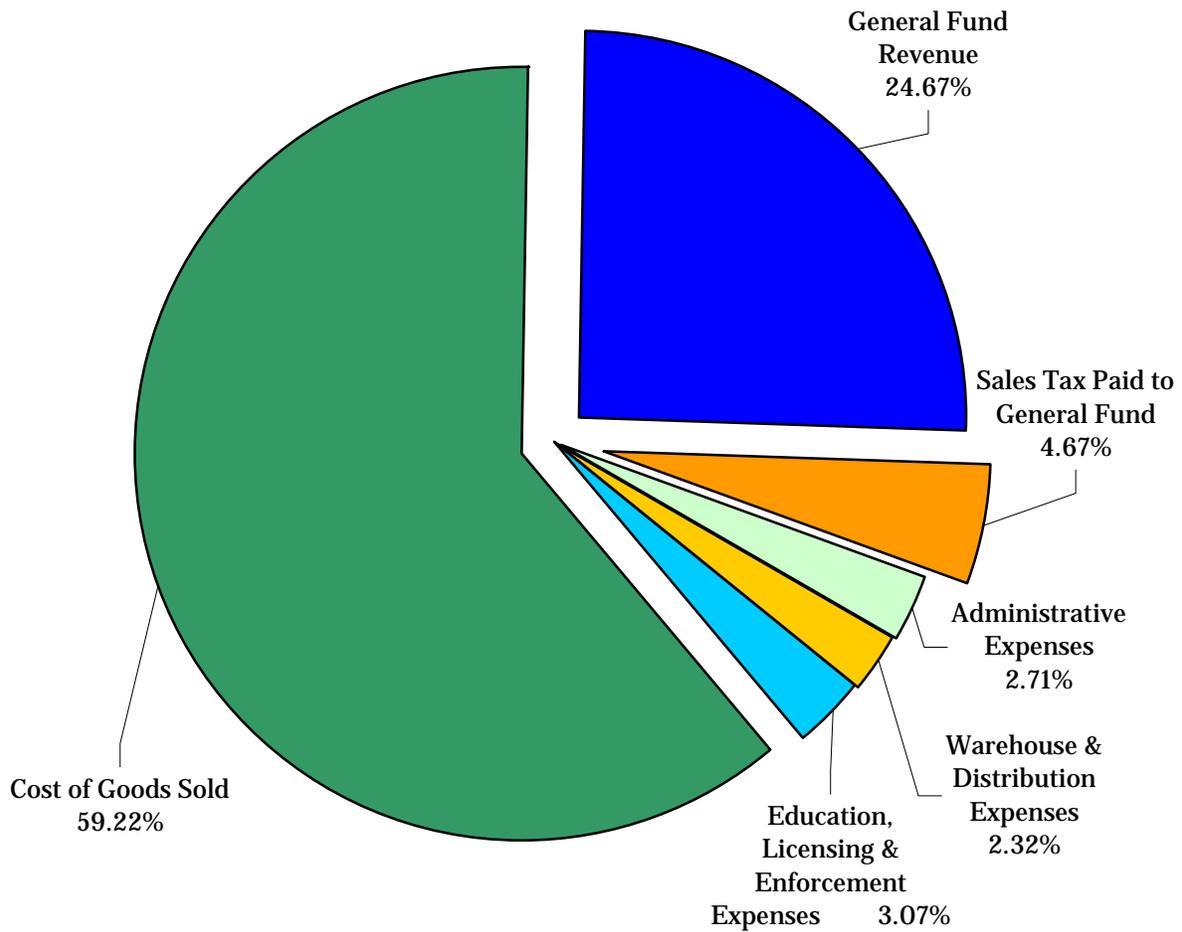
**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2011**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A40 Bellows Falls	Fleming Food Mart, 97 Westminster St.	422,502.36
A41 West Dover	7-Eleven Store, Route 100	717,802.47
A42 Derby Ctr.	Derby Village Store, Main St.	464,700.34
A43 North Troy	Main Street Grocery, Main St.	237,646.25
A44 Fairfax	Minor's Country Store, 874 Main St.	353,315.72
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	252,852.35
A46 Burlington	Burlington Bay Market & Café, 125 Battery Street	553,380.84
A47 Fair Haven	Liberty Market, 7 Liberty St.	1,015,468.19
A48 Pownal	Next Door Beer & Wine, Rte. 7	931,068.17
A49 St. Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	702,668.62
A50 Woodstock	Woodstock Discount Beverage, Rte. 4E	900,118.78
A51 Burlington	Merola's Market, 1563 North Ave.	824,562.64
A52 Newfane	Newfane Market, 596 Rte. 30	150,614.83
A53 Essex Ctr.	Essex Discount Beverage, 76 Center Rd.	1,209,976.44
A54 Chelsea	Flanders Market, Main Street	114,545.39
A55 W. Brattleboro	Brattlebor Discount Beverage, 157 Marlboro Rd.	1,184,990.74
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	255,851.44
A57 Proctorsville	Singleton's Store, 356 Main St.	806,349.80
A58 W. Rutland	Rite Aid, 124 Main St.	451,357.35
A59 Middlebury	Hannaford's Food & Pharmacy ,Rt 7S	1,427,394.25
A60 Williston	Hannaford Superstore, Taft Corners, 78 Marshall Ave.	1,196,412.21
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	2,932,735.05
A62 Essex Jct.	Five Corners Discount Beverage, 39 Park St.	933,538.14
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,672,022.76
A64 Danville	Diamond Hill Store, Rte. 2, 11 East	169,444.84
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	2,062,723.24
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	255,073.89
A67 Montpelier	Yankee Spirits, 126 Main St.	1,354,371.23
A68 St. Albans City	Beverage Mart, 211 Lake St.	1,183,218.14
A69 St. Albans Town	Colonial Mart, 191 Swanton Rd.	716,097.50
A70 Newport	Azur's Mini-Mart, 33 Railroad Sq.	786,871.95
A71 Manchester	Manchester Discount Beverage & Deli, Rtes. 11 & 30	2,024,728.08
A72 Rutland City	Grand Union Market, 12 North Main St.	1,884,315.34
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	2,470,564.91
A74 Rutland Town	Hannaford Food & Drug, 241 South Main St.	1,678,820.56
A75 Barre	Beverage Baron, 411 North Main St.	2,322,472.75
A76 Bondville	7-Eleven, Rte. 30	437,221.47
A77 Chester	Chester Sunoco, 60 Main St.	270,743.50
A78 Hinesburg	116 Wine & Spirits, 22 Commerce St, #4	77.60

Employee Comparison - Number of Positions

	06-30-2011	06-30-2010
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, 2011**



■ Cost of Goods Sold	59.22%
■ General Fund Revenue	24.67%
■ Sales Tax Paid to General Fund	4.67%
■ Administrative Expenses	2.71%
■ Warehouse & Distribution Expenses	2.32%
■ Education, Licensing & Enforcement Expenses	3.07%

All photographs taken by Liquor Control employees with the exception of the photo of the damaged Alchemist shop on dedication page which was borrowed from the online blog buzzfeed.com.

