



VERMONT

**2013 ANNUAL REPORT**  
**Department of Liquor Control**

# HIGHLIGHTS OF OPERATIONS

## REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$	16,986,610.02
Sales Tax Remitted		3,263,790.62
License Fees Remitted		376,398.00
VT Manufacturer's Tax Remitted		39,690.13
Tobacco Violations Remitted		17,200.00
Liquor Violations Remitted		37,080.00
Violation Late Fees Remitted		280.00
NSF Charges Recovered		30.00
Legislative Transfer to General Fund		<u>1,095,816.70</u>

**TOTAL TO GENERAL FUND:** \$ 21,816,895.47

## FUNDS GENERATED FROM OPERATIONS:

License Fees	\$	1,188,055.00
Online Classroom Training		49,967.50
		<hr/>
	\$	1,238,022.50

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

LETTER OF TRANSMITTAL

January 1, 2014

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-Ninth Annual Report of the Liquor Control Board for the fiscal year July 1, 2012 through June 30, 2013.

Respectfully,

Stephanie M O'Brien, Chair  
John P. Cassarino, Member  
Thomas Gallagher, Member  
Mellissa Mazza-Paquette, Member  
Julian Sbardella, Member

:hmd



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## DEPARTMENT OF LIQUOR CONTROL EMPLOYEE COMPARISON 11

## DISTRIBUTION PIE CHART

# Annual Comparisons



**HISTORICAL  
COMPARISONS OF  
FISCAL 2013 TO  
PREVIOUS FISCAL  
YEARS**

- Annual Comparisons 2013-2012
- Comparison of Cases Sold 2003-2013
- Bar Chart Comparison Cases Sold & Average Retail Price Per Case
- Average Retail Price per Case
- Vermont Tax on Liquor

## ANNUAL COMPARISONS

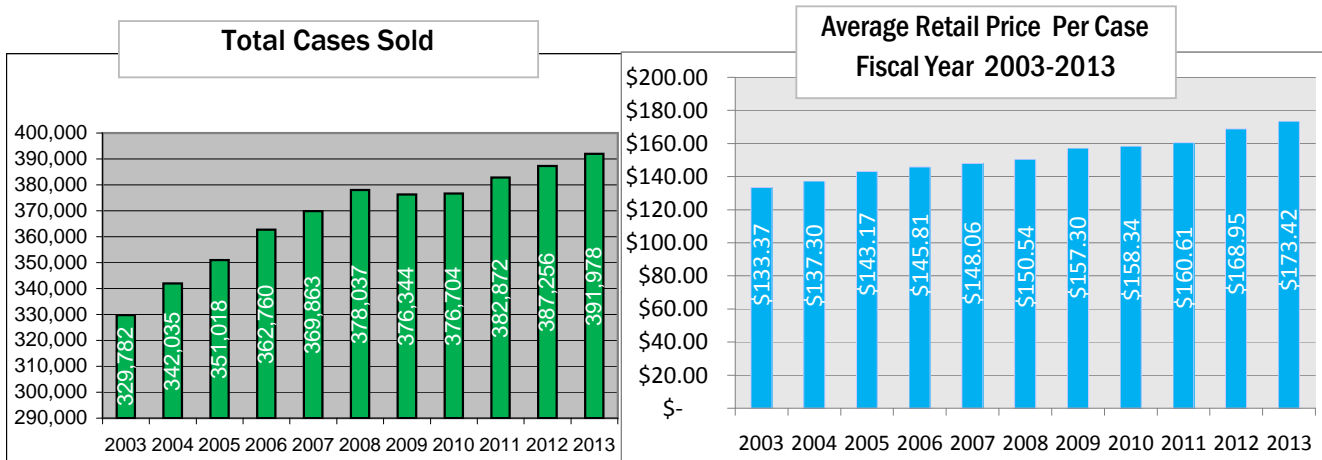
	Year Ended June 30, 2013	Year Ended June 30, 2012
Total State Tax Collected	\$ 17,026,300.15	\$ 16,332,254.10
Receipts from Licenses:		
Credited to State Treasurer	376,398.00	390,654.00
Receipts from Licenses Retained	1,188,055.00	1,241,195.80
Legislative Transfer to General Fund	1,095,816.70	880,066.00
Non-Budget Transfer to General Fund		
	<hr/>	<hr/>
Total Receipts to State Treasurer		
Collected by Dept. of Liquor Control	\$ 19,686,569.85	\$ 18,844,169.90
Malt & Vinous Beverage Tax		
Collected by Commissioner of Taxes	<u>6,172,231.39</u>	<u>5,975,636.86</u>
Total Receipts to State Treasurer	\$ 25,858,801.24	\$ 24,819,806.76
Receipts to Cities & Towns from Beer and Wine Licenses Issued	<u>\$ 187,450.00</u>	<u>\$ 245,700.00</u>
Total Revenue to State and Local Governmental Units	<u>\$ 26,046,251.24</u>	<u>\$ 25,065,506.76</u>

## SALES COMPARISONS

Gross Liquor Sales (Includes Tax)	\$ 67,975,782	\$ 65,428,515
Total Cases Spirituous Liquor Sold	379,870	375,483
Total Cases Fortified Wines Sold	11,954	12,180
Total Cases Alcohol Sold	154	148
Total Cases Sold	391,978	387,811

## COMPARISON OF CASES SOLD AND SALES DOLLARS IN FISCAL YEARS 2003-2013

YEAR	CASES SOLD	AVG. CASE PRICE	SALES DOLLARS
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
2012	387,256	\$168.95	\$65,428,515
2013	391,978	\$173.42	\$67,975,782



## 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	



# Financial Statements



A46 Burlington Bay

**HISTORICAL  
COMPARISONS OF  
FISCAL 2013 TO  
PREVIOUS FISCAL  
YEARS**

- Comparative Balance Sheet 2013-2012
- Comparison Statement of Operations 2013-2012
- Comparison of Sales Revenue and Cases Sold
- Schedule of Monthly Sales
- Outler Sales and Location

**STATE OF VERMONT**  
**STATEMENT OF NET ASSETS**  
**Liquor Control Fund**  
**Fiscal Period Ending June 30,**

<b><u>ASSETS</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	% chg
<b>Current Assets:</b>			
Cash and Cash equivalents	1,360,294	2,192,735	(0.61)
Receivables:			
Accounts recievable	1,519,674	1,152,022	0.24
Due from other funds	11,054	161	0.99
	<u>1,530,728</u>	<u>1,152,183</u>	0.25
Inventories at cost	<u>5,405,955</u>	<u>5,240,510</u>	0.03
Current Assets:	<u>8,296,976</u>	<u>8,585,428</u>	(0.03)
<b>Restricted and Capitol Assets:</b>			
Imprest Cash	75	75	-
Capitol Assets (Less Depreciation)	670,827	725,011	(0.08)
<b>Total Assets:</b>	<u><u>8,967,879</u></u>	<u><u>9,310,514</u></u>	(0.04)
<b><u>LIABILITIES AND RETAINED EARNINGS</u></b>			
<b>Current Liabilities:</b>			
Accounts Payable - Vendor	1,513,529	523,113	0.65
Empl Exp Reimburse Payable	2,172		
Accrued Salaries and Benefits	162,586	148,198	0.09
Due to Other Funds	260,217	406,476	(0.56)
DLC Unissued License Fee	1,550	1,650	(0.06)
Liquor Payable	2,062,422	4,833,323	(1.34)
Compensated Absences - Current	223,519	207,204	0.07
Imprest Cash Advance Liability	75	75	-
Other Liability		39,927	-
<b>Total Liabilities</b>	<u>4,226,070</u>	<u>6,159,966</u>	(0.46)
<b>Equity/Net Assets</b>			
Net Income (Loss)	1,591,262	273,176	0.83
Invested in Capitol Assets	670,827	725,011	(0.08)
Unrestricted	<u>2,479,721</u>	<u>2,152,361</u>	0.13
<b>Total Equity/Net Assets</b>	<u>4,741,810</u>	<u>3,150,548</u>	0.34
<b>Total Liabilites &amp; Equity</b>	<u><u>8,967,879</u></u>	<u><u>9,310,514</u></u>	(0.04)

**State of Vermont**  
**State of Revenues, Expenses, and**  
**Changes in Fund Net Assets**  
**Liquor Control Fund**  
**For the Period Ending June 30,**

	<u>2013</u>	<u>2012</u>	% chg
<b>Operating Revenues</b>			
Charges for sales and services	51,170,922	48,274,581	0.06
License fees	1,188,055	1,241,196	(0.04)
Other operating revenues	2,421,706	2,184,668	0.10
<b>Total operating revenues</b>	<u>54,780,683</u>	<u>51,700,444</u>	0.06
<b>Operating Expenses</b>			
Cost of sales and services	40,350,846	38,822,523	0.04
DLC agent commissions and bottle redemption/:	5,881,929	5,690,618	0.03
Salaries and benefits	3,781,392	3,738,554	0.01
Insurance premium expense	19,694	15,977	0.19
Contractual services	738,722	999,009	(0.35)
Repairs and maintenance	19,451	59,940	(2.08)
Depreciation	300,343	299,597	0.00
Rental expense	92,014	52,210	0.43
Utilities and property management	321,687	325,230	(0.01)
Non-capital equipment purchased	90,402	74,416	0.18
Promotions and advertising	68,589	69,056	(0.01)
Administrative expenses	58,474	62,544	(0.07)
Supplies and parts	283,177	265,127	0.06
Travel	36,006	30,106	0.16
Other operating expenses	26,927	1,074	0.96
<b>Total operating expenses</b>	<u>52,111,670</u>	<u>50,547,223</u>	0.03
<b>Operating income (loss)</b>	<u>2,669,013</u>	<u>1,153,222</u>	0.57
<b>Non-Operating Revenues</b>			
Gain on disposal of capital assets	18,066	-	1.00
<b>Total non-operating revenues</b>	<u>18,066</u>	<u>-</u>	
<b>Income (loss) before contributic</b>	2,687,078	1,153,222	0.57
<b>Other Financial Sources (Uses):</b>			
Transfers In	-	-	
Transfers Out	(1,095,817)	(880,066)	0.20
<b>Changes in net assets</b>	<u>1,591,262</u>	<u>273,156</u>	
<b>Total net assets, July 1</b>	<u>3,150,548</u>	<u>2,877,393</u>	0.09
<b>Total net assets, June 30</b>	<u>4,741,810</u>	<u>3,150,548</u>	0.34

**COMPARISON OF SALES REVENUE AND CASES SOLD  
YEARLY COMPARISON  
JUNE 30, 2012 & JUNE 30, 2013**

	<u>2013</u>	<u>2012</u>	<u>INC/DEC</u>	<u>% INC/DEC</u>
Total Sales	\$67,975,782	\$65,328,878	\$2,646,904	4.05%
State Tax	\$17,026,300	\$16,332,254	\$694,046	4.25%
Malt & Vinous Tax	\$6,172,231	\$5,975,636	\$196,595	3.29%
Cases Sold:				
Liquor	379,870	375,483	4,387	1.17%
Wines/Vermouth	11,954	12,180	-226	-1.86%
Total Cases	<u>\$391,824</u>	<u>\$387,663</u>	<u>4,161</u>	<u>1.07%</u>
Alcohol	154	148	6	4.05%

**SCHEDULE SHOWING TOTAL MONTHLY SALES  
FISCAL YEAR 2013**

<u>2012</u>	<u>\$ VALUE</u>	<u>CASES</u>
JULY	5,807,043	34,101
AUGUST	5,934,031	34,274
SEPTEMBER	5,248,398	30,685
OCTOBER	5,312,604	31,410
NOVEMBER	5,466,363	32,076
DECEMBER	7,901,821	43,776
 <u>2013</u>		
JANUARY	5,193,782	29,866
FEBRUARY	5,460,587	30,718
MARCH	5,753,866	32,661
APRIL	4,750,488	27,729
MAY	5,681,056	33,210
JUNE	5,465,742	31,471

**DETAIL OF OUTLET OPERATIONS  
FOR FISCAL YEAR ENDING JUNE 30, 2013**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A 1 Poultney	East Poultney General Store, 11 On the Green	127,785.85
A 2 Barton	Barton Village Corner Store, 155 Main St.	0.00
A 3 Island Pond	Kingdom Market, 12 Railroad St.	177,423.32
A 4 Winooski	Beverage Warehouse, 1 East St.	3,689,222.48
A 5 Londonderry	Jelley's Mobil, Rte. 11 & 100	493,444.96
A 6 Randolph	M & M Beverage of Randolph, 6 Salisbury St.	591,574.09
A 7 Hardwick	D & L Beverage, Woodbury Rd.	506,555.98
A 8 Alburgh	Alburgh Beverage Mart, 136 Main St.	267,637.37
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	346,339.43
A10 Jeffersonville	Jeffersonville Country Store, Jct. Church & Main St.	778,306.56
A11 Canaan	Maurice Motel, 125 Gale Street	58,385.77
A12 Richford	Wetherby's Quick Stop, 75 Main St.	158,860.23
A13 Norwich	Norwich Wine & Spirits, Elm St.	354,196.25
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	1,317,210.47
A15 Wilmington	McBreairty's Marketplace, 34 West Main St.	543,180.01
A16 Bethel	McCullough's Quik Stop, Rte. 107	331,462.54
A17 Waitsfield	Mehuron's Market, Village Square	1,108,986.02
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shore Dr.	880,020.81
A19 Orleans	Lanoué's General Store, 72 Main St.	427,955.58
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St	631,009.80
A21 Waterbury	Crossroads Beverage & Deli, 52 No. Main St.	982,540.05
A22 Swanton	Swanton Beverage, 75 First St.	615,842.56
A23 Enosburg Falls	Beverage Gallery, Main St.	488,016.99
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	1,213,316.81
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	683,955.36
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,338,157.43
A27 Richmond	Richmond Market & Beverage, Railroad St.	531,752.77
A28 Springfield	Joe's Discount Beverage, 335 River St.	767,798.53
A29 Rochester	Mac's Market, 67 North Main St.	147,574.50
A30 Montgomery Ctr.	Sylvester's Market, Main Street	292,114.52
A31 Milton	Middle Road Market, 69 Middle Rd.	826,958.14
A32 Brandon	Dr. Lightning's Wine & Spirits, 34 Conant Sq.	501,501.52
A33 Bradford	Bradford Bottle Shoppe, 82 Main St.	525,773.18
A34 Stamford	Billmont's Country Store, 544 Main Rd.	215,587.00
A35 Vergennes	Vergennes Wine & Beverage, 211 Main St.	795,136.76
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,701,723.35
A37 Windsor	Windsor Wine & Spirits, 54 Main St., Windsor House	288,463.79
A38 Bristol	Champlain Farms, 3 West St.	572,278.93
A39 Shelburne	Route 7 Liquor & Deli, 2659 Shelburne Rd.	1,832,047.13

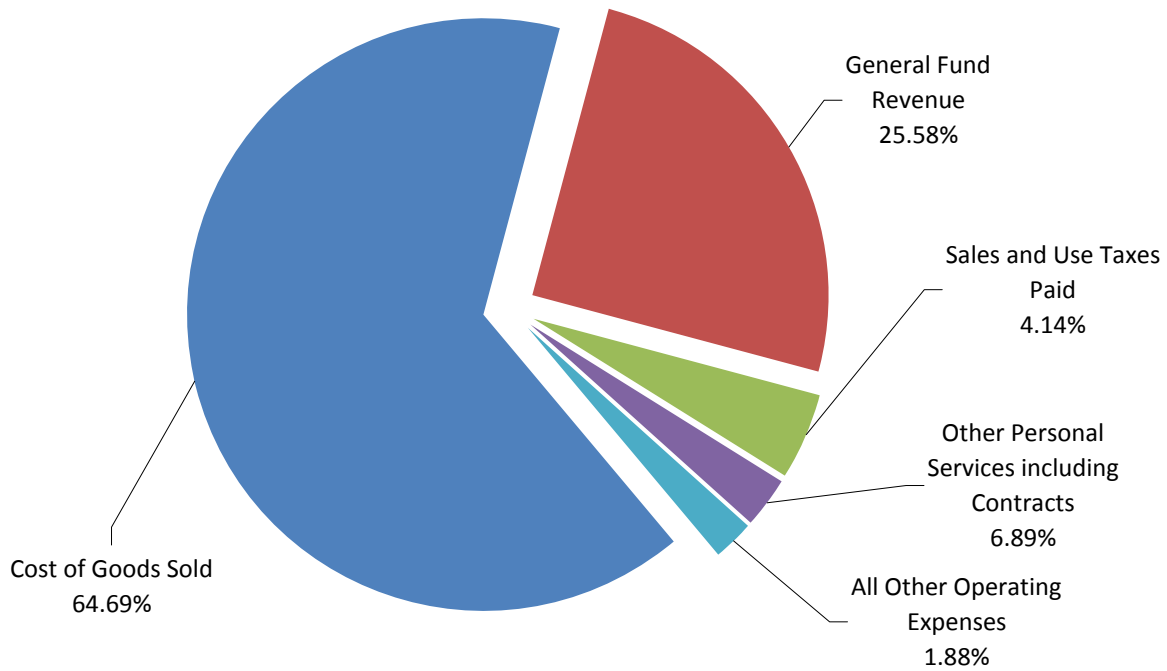
**DETAIL OF OUTLET OPERATIONS  
FOR FISCAL YEAR ENDING JUNE 30, 2013**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A40 Bellows Falls	Fleming Food Mart, 97 Westminster St.	376,550.17
A41 West Dover	7-Eleven Store, Route 100	809,598.78
A42 Derby Ctr.	Derby Village Store, Main St.	492,611.00
A43 North Troy	Main Street Grocery, Main St.	398,107.13
A44 Fairfax	Minor's Country Store, 874 Main St.	395,524.46
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	223,875.14
A46 Burlington	Burlington Bay Market & Café, 125 Battery Street	1,772,560.02
A47 Fair Haven	Liberty Market, 7 Liberty St.	1,092,161.84
A48 Pownal	Next Door Beer & Wine, Rte. 7	851,494.55
A49 St. Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	740,021.85
A50 Woodstock	Woodstock Discount Beverage, Rte. 4E	894,628.62
A51 Burlington	Merola's Market, 1563 North Ave.	976,911.62
A52 Newfane	Newfane Market, 596 Rte. 30	123,789.11
A53 Essex Ctr.	Essex Discount Beverage, 76 Center Rd.	1,320,827.72
A54 Chelsea	Flanders Market, Main Street	109,792.36
A55 W. Brattleboro	Brattlebor Discount Beverage, 157 Marlboro Rd.	1,119,408.75
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	227,563.87
A57 Proctorsville	Singleton's Store, 356 Main St.	883,537.29
A58 W. Rutland	Rite Aid, 124 Main St.	502,263.00
A59 Middlebury	Hannaford's Food & Pharmacy ,Rt 7S	1,653,998.33
A60 Williston	Hannaford's Food & Pharmacy, Taft Corners	1,231,430.92
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	2,860,493.05
A62 Essex Jct.	Five Corners Discount Beverage, 39 Park St.	978,849.80
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,921,275.17
A64 Danville	Diamond Hill Store, Rte. 2, 11 East	170,930.97
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	2,082,988.81
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	305,395.46
A67 Montpelier	Yankee Wine & Spirits, 126 Main St.	1,462,984.45
A68 St. Albans City	Beverage Mart, 211 Lake St.	1,301,909.28
A69 St. Albans Town	Colonial Mart, 191 Swanton Rd.	819,864.83
A70 Newport	Azur's Mini-Mart, 33 Railroad Sq.	822,482.63
A71 Manchester	Manchester Discount Beverage & Deli, Rtes. 11 & 30	2,096,725.76
A72 Rutland City	Grand Union Market, 12 North Main St.	2,017,588.05
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	2,307,975.64
A74 Rutland Town	Hannaford Food & Pharmacy, 318 Rte. 7	1,567,220.56
A75 Barre	Beverage Baron, 411 North Main St.	2,403,893.02
A76 Bondville	7-Eleven, Rte. 30	462,563.87
A77 Chester	Chester Sunoco, 60 Main St.	329,293.61
A78 Hinesburg	116 Wine & Spirits, 22 Commerce St, #4	501,662.24
A79 White River Jct	Jake's Market & Deli, 521 North Hartland Rd	282,523.42

# Employee Comparison - Number of Positions

	6/30/2013	6/30/2012
<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
Principal 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	0	1
Executive Staff Assistant	1	1
Financial Specialist III	1	1
Financial Specialist I	1	1
Help Desk Analyst	1	0
Program Services Clerk	1	1
Administrative Assistant B	0	1
Youth Safety Program Coordinator	0	1
	<hr/> 15	<hr/> 17
<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	5	0
Liquor Investigators	10	15
Administrative Assistant A	1	1
FDA Program Coordinator	0	0
FDA Program Assistant	0	0
	<hr/> 21	<hr/> 21
<b>WAREHOUSE:</b>		
Liquor Whse. Mgmt. System Coord.	1	1
Liquor Warehouse Supervisor	1	1
Warehouse Maintenance Worker	0	1
Program Services Clerk	1	1
Warehouse Worker I & II	11	10
	<hr/> 14	<hr/> 14
<b>TOTAL NUMBER OF POSITIONS:</b>	50	52

## Distribution of Sales Revenue and Expenses Fiscal Year Ending June 30, 2013



■ Cost of Goods Sold	64.69%
■ General Fund Revenue	25.58%
■ Sales and Use Taxes Paid	4.14%
■ Other Personal Services including Contracts	6.89%
■ All Other Operating Expenses	1.88%