



VERMONT
2007 ANNUAL REPORT
Department of Liquor Control



HIGHLIGHTS OF OPERATIONS

REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$	13,705,427.20
License Fees Remitted		375,286.04
Tobacco Violations Remitted		200.00
Liquor Violations Remitted		24,300.00
Legislative Transfer to General Fund		<u>663,305.00</u>

TOTAL TO GENERAL FUND: \$ 14,768,518.24

FUNDS GENERATED FROM OPERATIONS:

License Fees \$ 1,035,932.96

State of Vermont
Department of Liquor Control
13 Green Mountain Drive
Montpelier, VT 05620-4501
liquorcontrol.vermont.gov

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

Michael J. Hogan, Commissioner

LETTER OF TRANSMITTAL

January 1, 2008

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-Third Annual Report of the Liquor Control Board for the fiscal year July 1, 2006 through June 30, 2007.

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 2007 TO PREVIOUS FISCAL YEARS

- Annual Comparisons 2007 - 2006
- Comparison of Cases Sold 1997-2007
- Bar Chart Comparison Cases Sold & Average Retail Price Per Case
- Average Retail Price per Case
- Vermont Tax on Liquor

ANNUAL COMPARISONS

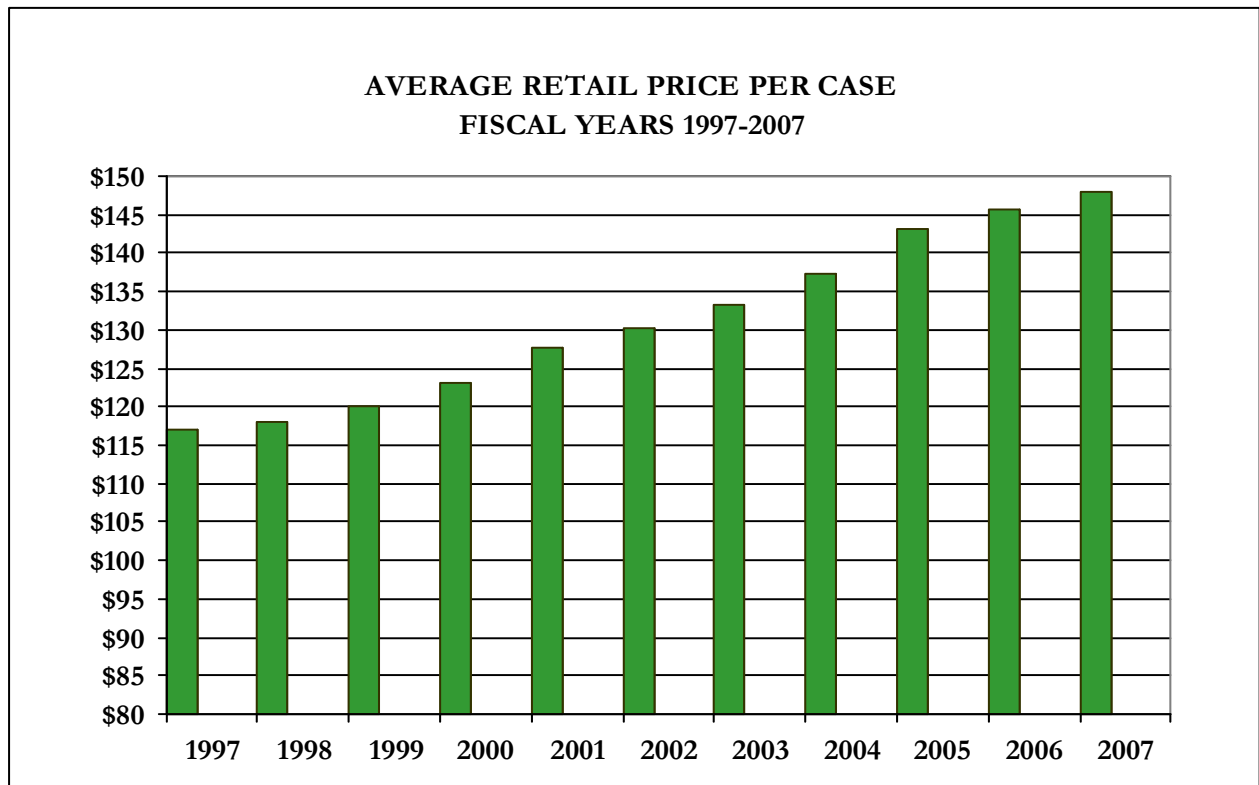
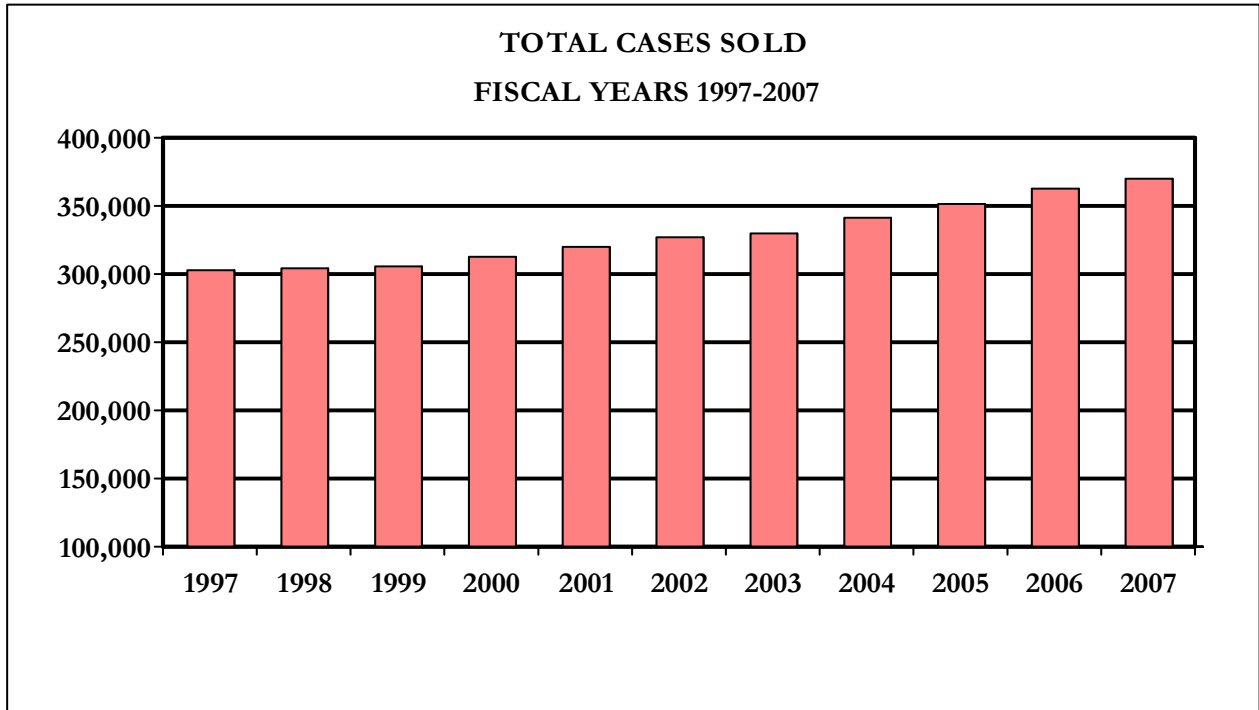
	Year Ended June 30, 2007	Year Ended June 30, 2006
Total State Tax Collected	\$13,705,427.20	\$13,244,297.10
Receipts from Licenses:		
Credited to State Treasurer	375,286.04	427,839.36
Receipts from Licenses Retained	1,035,932.96	227,765.69
Transfer to General Fund	<u>663,305.00</u>	<u>263,305.00</u>
 Total Receipts to State Treasurer Collected by Dept. of Liquor Control	 \$15,779,951.20	 \$14,163,207.15
 Malt & Vinous Beverage Tax Collected by Commissioner of Taxes	 <u>5,517,330.34</u>	 <u>5,456,808.71</u>
 Total Receipts to State Treasurer	 \$21,297,281.54	 \$19,620,015.86
 Receipts to Cities & Towns from Beer and Wine Licenses Issued	 <u>174,750.00</u>	 <u>187,650.00</u>
 Total Revenue to State and Local Governmental Units	 \$21,472,031.54	 \$19,807,665.86

SALES COMPARISONS

Gross Liquor Sales (Includes Tax)	\$54,828,743.32	\$52,983,696.20
 Total Cases Spirituous Liquor Sold	 354,362	 347,361
Total Cases Fortified Wines Sold	15,447	15,349
Total Cases Alcohol Sold	54	50
Total Cases Sold	369,863	362,760

**COMPARISON OF CASES SOLD AND SALES DOLLARS IN
FISCAL YEARS 1997 - 2007**

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



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



Taft Corners Agency, Williston

FINANCIAL COMPARISONS OF FISCAL 2007 TO FISCAL 2006

- Comparative Balance Sheet 2007-2006
- Comparative Statement of Operations 2007-2006
- 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, 2007</u>	<u>June 30, 2006</u>
CURRENT ASSETS		
Cash On Hand	\$1,121,364.38	\$207,600.83
Cash In Transit	1,219,653.90	947,261.47
Petty Cash, Imprest Funds	6,300.00	5,700.00
Inventory Clearing	3,759.46	3,772.63
Accounts Receivable	139,700.80	111,621.43
Inventories:		
Outlets	4,027,576.64	4,151,889.46
Warehouse	320,852.50	212,104.26
	<u>\$6,839,207.68</u>	<u>\$5,639,950.08</u>
FIXED ASSETS: (Less Depreciation)		
Equipment: Furniture & Fixtures	<u>317,977.32</u>	<u>256,630.88</u>
TOTAL ASSETS	<u><u>\$7,157,185.00</u></u>	<u><u>\$5,896,580.96</u></u>

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES		
Accounts Payable:		
Liquor - Unprocessed	\$4,766,938.95	\$3,783,031.50
Sundry	339,390.01	276,198.08
General Fund Tax Payable	275,040.38	255,528.43
Vouchers Payable	183,361.10	178,279.79
Accrued Salaries & Benefits	203,265.34	209,895.37
State Treasurer-Cash Fund Advance	6,300.00	5,700.00
	<u>\$5,774,295.78</u>	<u>\$4,708,633.17</u>
RETAINED EARNINGS	1,187,947.79	475,674.62
NET INCOME AFTER LEGIS. TRANSFER	<u>194,941.43</u>	<u>712,273.17</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$7,157,185.00</u></u>	<u><u>\$5,896,580.96</u></u>

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

	F/Y 2007	%	F/Y 2006	%
Gross Sales:	\$54,828,743.32	100.00	\$52,983,696.20	100.00
Tax	<u>13,705,427.20</u>	<u>25.00</u>	<u>13,244,297.10</u>	<u>25.00</u>
Net Sales	\$41,123,316.12	75.00	\$39,739,399.10	75.00
Cost of Goods Sold	\$33,524,794.67	61.14	\$32,180,958.67	60.74
Gross Income on Sales	\$7,598,521.45	13.86	\$7,558,440.43	14.27
Operating Expenses:				
Outlet Operations	\$5,127,564.69	9.35	\$4,266,326.97	8.05
Warehouse & Distribution	1,246,963.25	2.27	1,091,681.13	2.06
General Administration	<u>1,526,844.71</u>	<u>2.78</u>	<u>1,465,332.24</u>	<u>2.77</u>
Total Operating Expenses	\$7,901,372.65	14.40	\$6,823,340.34	12.88
Gross Operating Income	-\$302,851.20	-0.55	\$735,100.09	1.39
Other Income:				
Miscellaneous	\$617.25	0.00	\$478.55	0.00
Gain/Loss Disposal Equip.	8,648.34	0.02	8,385.73	0.02
License Fees Collected	1,411,219.00	2.57	655,605.05	0.01
Tobacco Violations Collected	200.00	0.00	3,250.00	1.24
Liquor Violations Collected	24,300.00	0.04	10,700.00	0.02
Non Refunded Bottle Fund	150,838.50	0.28	141,760.65	0.27
Special Purchase Allowance	1,670,634.70	3.05	1,361,428.38	2.57
Penalties/Refund Labels	<u>12,784.50</u>	<u>0.02</u>	<u>9,464.50</u>	<u>0.02</u>
Total Other Income	\$3,279,242.29	5.98	\$2,191,072.86	4.14
Other Expenses:				
Casualty Loss	\$1,060.32	0.00	\$1,146.64	0.00
Uncollected Checks	<u>-543.77</u>	<u>0.00</u>	<u>(1,289.98)</u>	<u>0.00</u>
Total Other Expenses	\$516.55		(\$143.34)	0.00
Net Operating Income	\$2,975,874.54	5.43	\$2,926,316.29	5.52
Non-Operating Deductions:				
Education, Licensing & Enf.	\$1,717,842.07	3.13	\$1,508,948.76	2.85
Lic Fees Remitted St. Treas.	375,286.04	0.68	427,839.36	0.81
Tobacco Violations Remitted	200.00	0.00	3,250.00	0.01
Liquor Violations Remitted	<u>24,300.00</u>	<u>0.04</u>	<u>10,700.00</u>	<u>0.02</u>
Net Non-Operating Ded.	\$2,117,628.11	3.86	\$1,950,738.12	3.68
Net Department Income	\$858,246.43	1.57	\$975,578.17	1.84
Less: Transfer to Gen. Fund	\$663,305.00	1.21	\$263,305.00	0.50
Profit/Loss for Period	<u>\$194,941.43</u>	<u>0.36</u>	<u>\$712,273.17</u>	<u>1.34</u>

**COMPARISON OF SALES REVENUE AND CASES SOLD
YEARLY COMPARISON
JUNE 30, 2007 & JUNE 30, 2006**

	<u>2007</u>	<u>2006</u>	<u>INC/DEC</u>	<u>% INC/DEC</u>
Total Sales	\$54,828,743.32	\$52,983,696.20	\$1,845,047.12	3.48%
State Tax	\$13,705,427.20	\$13,244,297.10	\$461,130.10	3.48%
Malt & Vinous Tax	\$5,517,330.34	\$5,456,808.71	\$60,521.63	1.11%
Cases Sold:				
Liquor	354,362	347,361	7,001	2.02%
Wines/Vermouth	15,447	15,349	98	0.64%
Total Cases	<u>369,809</u>	<u>362,710</u>	<u>7,099</u>	<u>1.96%</u>
Alcohol	54	50	4	8.00%

**SCHEDULE SHOWING TOTAL MONTHLY SALES
FISCAL YEAR 2007**

<u>2006</u>	<u>\$ VALUE</u>	<u>CASES</u>
JULY	4,769,768.60	32,798
AUGUST	4,694,406.70	32,068
SEPTEMBER	4,484,508.35	30,153
OCTOBER	4,380,689.80	29,702
NOVEMBER	4,305,225.20	29,265
DECEMBER	6,614,680.60	42,898
<u>2007</u>		
JANUARY	3,913,475.22	26,296
FEBRUARY	4,303,441.30	28,417
MARCH	4,466,733.35	29,853
APRIL	3,727,344.75	25,642
MAY	4,426,987.10	30,208
JUNE	4,672,850.30	32,046

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2007**

<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A 1 Poultney	Poultney Market & Spirits, 206 Main St.	281,681
A 2 Barton	Barton Village Corner Store, 155 Main St.	224,438
A 3 Island Pond	Mike's Market, 12 Railroad St.	151,268
A 4 Winooski	Beverage Warehouse, 1 East St.	2,567,851
A 5 Londonderry	Jelley's Mobil, Rte. 11 & 100	490,363
A 6 Randolph	M & M Beverage, 6 Salisbury St.	476,424
A 7 Hardwick	D & L Beverage, Woodbury Rd.	388,666
A 8 Alburg	Alburg Beverage Mart, 136 Main St.	234,043
A 9 Arlington	Paulin Inc. of Arlington, Route 7A	332,004
A10 Jeffersonville	Jeffersonville Country Store, Jct. Church & Main St.	504,441
A11 Canaan	Pure Country Motel & Cabins, 4555 VT Rte. 114	67,465
A12 Richford	Wetherby's Quick Stop, 75 Main St.	143,558
A13 Norwich	Norwich Wine & Spirits, Elm St.	376,167
A14 Morrisville	Tomlinson's Store, Inc., 81 Bridge St.	1,056,545
A15 Wilmington	McBreairty's Marketplace, 34 West Main St.	554,552
A16 Bethel	McCullough's Quik Stop, Rte. 107	276,774
A17 Waitsfield	Mehuron's Market, Village Square	895,273
A18 Colchester	Dick Mazza's General Store, 777 W. Lake Shore Dr.	614,627
A19 Orleans	Orleans General Store, 72 Main St.	173,579
A20 Northfield	Convenience Plus Redemption & Deli, 438 No. Main St.	483,241
A21 Waterbury	Crossroads Beverage & Deli, 52 No. Main St.	714,198
A22 Swanton	Swanton Beverage, 75 First St.	431,320
A23 Enosburg Falls	Beverage Gallery, Main St.	299,473
A24 Lyndonville	Lyndonville Redemption, 406 Broad St.	970,772
A25 So. Hero	Keeler's Bay Variety, 500 Rte. 2	571,386
A26 Killington	Cordially Yours, Routes 4 & 100 N	1,200,256
A27 Richmond	Richmond Beverage, Bridge St.	413,954
A28 Springfield	Joe's Discount Beverage, 335 River St.	808,701
A29 Rochester	Mac's Market, 67 North Main St.	123,795
A30 Montgomery Ctr.	Sylvester's Market, 1012 Mountain Rd.	192,660
A31 Milton	Middle Road Market, 69 Middle Rd.	590,871
A32 Brandon	Dr. Lightning's Wine & Spirits, 34 Conant Sq.	436,810
A33 Bradford	Bradford Bottle Shoppe, 82 Main St.	522,699
A34 Stamford	Billmont's Country Store, 544 Main Rd.	244,905
A35 Vergennes	Vergennes Wine & Beverage, 209 Main St.	819,785
A36 So. Burlington	Simon's Store, 974 Shelburne Rd.	1,518,794
A37 Windsor	Windsor Wine & Spirits, 54 Main St., Windsor House	232,715

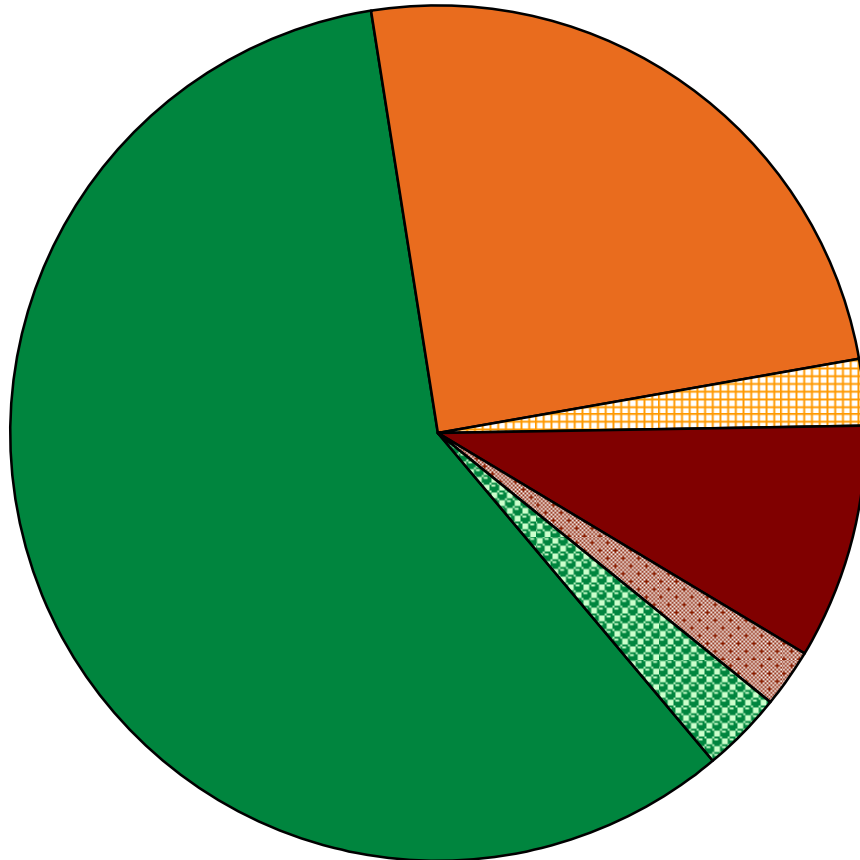
**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2007**






<u>Agency</u>	<u>Location</u>	<u>Total Sales \$</u>
A38 Bristol	Champlain Farms, 3 West St.	483,940
A39 Shelburne	Shelburne Discount Beverage, 2572 Shelburne Rd.	1,140,515
A40 Bellows Falls	Fleming Food Mart, 97 Westminster St.	349,903
A41 West Dover	7-Eleven Store, Route 100	680,342
A42 Derby Ctr.	Derby Village Store, Main St.	422,067
A43 North Troy	B & D Super Market, Main St.	148,252
A44 Fairfax	Minor's Country Store, 874 Main St.	288,777
A45 Sharon	Sharon Trading Post, Rte. 14, Main St.	224,976
A47 Fair Haven	Liberty Discount, 7 Liberty St.	820,632
A48 Pownal	Next Door Beer & Wine, Rte. 7	752,295
A49 St. Johnsbury	Price Chopper, Jct. Rte. 5 & I-91	622,984
A50 Woodstock	Woodstock Discount Beverage, Rte. 4E	879,262
A51 Burlington	Merola's Market, 1563 North Ave.	856,476
A52 Newfane	Newfane Market, 596 Rte. 30	131,939
A53 Essex Ctr.	Essex Discount Beverage, 76 Center Rd.	1,045,108
A54 Chelsea	Flanders Market, 357 Rte. 110	124,739
A55 W. Brattleboro	Discount Beverage, 157 Marlboro Rd.	1,150,745
A56 Wallingford	Wallingford Country Store & Deli, 19 Main St.	374,171
A57 Proctorsville	Singleton's Store, 356 Main St.	734,672
A58 W. Rutland	Rite Aid, 124 Main St.	453,141
A59 Middlebury	Hannaford's Food & Drug, 260 Court St.	1,225,698
A60 Williston	Hannaford Superstore, Taft Corners, 78 Marshall Ave.	1,086,184
A61 Burlington	Pearl Street Beverage, 240 Pearl St.	2,711,121
A62 Essex Jct.	Five Corners Discount Beverage, 39 Park St.	786,592
A63 Stowe	Stowe Beverage, 1880 Mountain Rd.	1,546,425
A64 Danville	Diamond Hill Store, Rte. 2, 11 East	144,450
A65 Bennington	Bennington Beverage Outlet, 125 Northside Dr.	1,943,069
A66 Brattleboro	Rite Aid, Putney Road, Rte. 5	266,021
A67 Montpelier	Yankee Spirits, 126 Main St.	1,213,320
A68 St. Albans City	Beverage Mart, 211 Lake St.	929,799
A69 St. Albans Town	Colonial Mart, 191 Swanton Rd.	621,491
A70 Newport	Azur's Mini-Mart, 33 Railroad Sq.	604,565
A71 Manchester	Manchester Discount Beverage & Deli, Rtes. 11 & 30	1,978,527
A72 Rutland City	Grand Union Market, 12 North Main St.	1,799,113
A73 So. Burlington	Gracey's, 26 Hinesburg Rd., Unit #1	2,179,343
A74 Rutland Town	Hannaford Food & Drug, 241 South Main St.	1,162,147
A75 Barre	Beverage Baron, 411 North Main St.	1,998,183
A76 Bondville	7-Eleven, Rte. 30	348,969

Employee Comparison - Number of Positions

	06-30-2007	06-30-2006
ADMINISTRATIVE & GENERAL:		
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	1
District Coordinators	3	3
Systems Developer I	1	1
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	0	1
	<hr/> 18	<hr/> 19
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	2	2
Liquor Investigators	15	15
Clerk C	0	1
Administrative Assistant A	1	1
	<hr/> 23	<hr/> 24
WAREHOUSE:		
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/> 14	<hr/> 14
TOTAL NUMBER OF POSITIONS:	55	57

**Distribution of Sales Revenue and Expenses
Fiscal Year Ending June 30, 2007**



 Cost of Goods Sold	61.1%
 General Fund Revenue	25.7%
 Administrative Expenses	2.8%
 Retail Outlet Expenses	9.4%
 Warehouse & Distribution Expenses	2.3%
 Education, Licensing & Enforcement Expenses	3.1%