



New Hampshire Liquor Commission

Ways & Means Revenue Update

November 23, 2020



Year-to-date Revenue

FY 2021 Year-to-date as of October 31, 2021

Revenue Plan:				\$42.2 M
Revenue Liquor Transfer to General Fund:				\$46.6 M
Actual Liquor revenue versus revenue plan	10.4%		or	\$4.4 M

Versus Prior Year

<u>Revenue Breakdown</u>		over last year		
Total Revenue from Liquor Operations	18.3%		\$9.0	\$58.1 M
Transfer to Alcohol Abuse Prevention Fund	360.0%		\$9.0	(\$11.5) M
Transfer to General Fund:	0.0%		\$0.0	\$46.6 M

FY 2020 Year-to-date as of October 31, 2020

Prior Year Revenue from Liquor Operations	\$49.1 M
Transfer to Alcohol Abuse Prevention Fund	(\$2.5) M
Prior Year Total Revenue Transfer to the General Fund:	\$46.6 M



Year-to-date Sales

Year to Date through November 15, 2020:

(Over Prior Year)

Total Sales over last year	2.9%		or	\$9.0 M
Total Gross Profit from sales over last year	4.1%		or	\$3.8 M

Breakdown by Category:

% of Total Business

Retail (Outlet Sales)	3.7%		or	\$8.8 M	76.9%
On-Premise (Restaurants)	-19.0%		or	-\$6.0 M	8.0%
Off-Premise (Grocery Stores)	13.2%		or	\$5.4 M	14.6%
Miscellaneous (Accessories)	68.2%		or	\$0.7 M	0.6%



Income Statements FY2019 – FY2021



	A		B		C		D	
	FY 2019 Expenses	FY 2020 Expenses	FY 2021 Adj Authorized	FY21 vs FY20 \$	FY21 vs FY20 %			
1 Total Sales	729,135,749	765,633,479	789,429,562	23,796,083	3.1%			
2 Discounts, CC Fees, Etc	(23,058,452)	(26,042,365)	(15,910,299)	(10,132,066)	-38.9%			
3 Net Sales	706,077,297	739,591,113	773,519,262	33,928,149	4.6%			
4 Total Goods For Resale	(505,591,309)	(532,540,974)	(555,061,275)	22,520,301	4.2%			
5 Gross Profit from Sales	200,485,988	207,050,139	218,457,988	11,407,849	5.5%			
6 Gross Profit %	28.4%	28.0%	28.2%					
7 Other Revenue	6,191,426	5,781,542	6,118,806	337,264	5.8%			
8 Expenses	(65,798,954)	(70,838,157)	(77,695,064)	6,856,907	9.7%			
9 Net Liquor Profit	140,878,459	141,993,524	146,881,730	4,888,206	3.4%			
10 Net Profit %	20.0%	19.2%	19.0%					
Transfer to Granite Advantage @								
11 5% of Prior year GP	(8,412,850)	(10,041,792)	(10,024,299)	(17,492)	-0.2%			
General Fund Transfer after 5%								
12 of GP to Granite Advantage	132,465,609	131,951,733	136,857,431	4,905,698	3.7%			
13 Revenue Plan		132,800,000	133,800,000					
14 Original Plan vs. Current Plan		(848,267)	3,057,431					
15 Additional transfer			(8,500,000)	(8,500,000)				
16 Liquor Transfer to General Fund	132,465,610	131,951,733	128,357,431	(3,594,302)	-2.7%			
17 Beer Tax	12,840,196	12,892,190	13,100,000	207,810	1.6%			
18 Total Transfer to General Fund	145,305,806	144,843,923	141,457,431	(3,386,493)	-2.3%			
19 Expense to Net Sales Ratio	9%	10%	10%					
Difference transfer to General fund versus Plan		4	(5,442,569)					



Notes to Income Statement

1. Sales Impact

FY21 current year to date sales growth is strong at 3% or \$9M, remainder of the year is projected based on current trends and assumption for potential impact of Covid-19 and seasonal home owners staying in state; Total annual growth estimate of 3% or \$23.8M

2. Gross Profit:

FY21 increase is a result of not running promotional card programs (spend \$150 get \$25 a promo card)

3. Net Liquor Profit:

FY21 increase is abnormally high at \$5.1M or 3.6% due to the gross profit increase noted above.

4. Transfer to the General Fund Factors:

FY21 Plan included the Transfer to Granite advantage based on RSA 176:16, III requires that 5% of the previous fiscal year gross profits derived by the commission from the sale of liquor shall be deposited into the alcohol abuse prevention and treatment fund established by RSA 176-A:1 to benefit the New Hampshire granite advantage health care trust fund, which equates to approximately \$10.0M.

FY21 transfer estimates factor in RSA 126-AA:3, VI which allows for an additional transfer from the Liquor Fund in the event of a shortfall in the granite advantage health care trust fund. HHS is currently estimating the need for an additional \$8.5M

FY21 current revenue estimates versus plan would have resulted in an additional \$3.1M transfer to the General Fund. However, with the additional transfer to Granite Advantage, the transfer to the General Fund will be \$5.4M less than originally planned.