



DEPARTMENT OF LIQUOR AND LOTTERY

2022 ANNUAL REPORT

liquorandlottery.vermont.gov



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Message from the Board

January 1, 2023

Honorable Phil Scott
Governor of Vermont
Montpelier, Vermont

Governor Scott:

It is our honor to submit to you the 4th Annual Report for the Vermont Board of Liquor and Lottery for fiscal year 2022, from July 1, 2021, through June 30, 2022, according to Title 7, Section 109 and Title 31, Section 657 of the Vermont Statutes Annotated.

Lottery sales of lottery tickets sales for fiscal year 2022 were \$151,483,632, a 6% decrease from 2021. This drop is due in part to a 35% decline in sales of MegaMillions, a jackpot-driven game. Without a high jackpot this year, MegaMillions sales dropped significantly, unlike Powerball which saw a 15% uptick in sales. Vermont had its first Powerball Jackpot winner this year—\$365 million—which netted the state approximately \$12 million in tax revenue. The Vermont Lottery contributed just over \$31 million to the Education Fund.

We ended the fiscal year with \$100 million in sales revenue from distilled spirits, a sales record for the Department, and a 6.5% increase from fiscal year 2021. The post-pandemic reopening of bars and restaurants in the summer of 2021 certainly drove sales. New product offerings and lower out-of-stock inventory also contributed to another year of strong sales. The Liquor Control Fund contributed \$22.7 million to the General Fund.

Completing the first full year under the capable leadership of Commissioner Knight and Deputy Commissioner Collier, the Department continues to see financial and operational success. They recognize opportunities at every level and have succeeded repeatedly in making our Department more diversified and a fully integrated team that meets the daily challenges head on. The State of Vermont is fortunate to have such a highly dedicated and loyal team operating the Department of Liquor and Lottery.



Respectfully submitted,

A handwritten signature in black ink that reads "Martin Manahan". The signature is written in a cursive, flowing style.

Martin Manahan, Chair
Megan Cicio, Member
Ed Flanagan, Member
Sam Guy, Member
Thomas Lauzon, Member

2022: Year in Review

Fiscal year 2022 was a transitional year for the Department. Our dedicated and competent team successfully managed two new major IT projects that have been years in the making: the lottery gaming systems conversion to a new vendor and an online portal for licensing, education, and enforcement. The new systems will significantly improve customer service, player experience, operations, and reporting for both the Vermont Lottery and the Division of Liquor Control.

In addition, we completed a department reorganization that fully integrates the two divisions into one operational Department of Liquor and Lottery. To further support the functional reorganization, we moved the Division of Liquor Control administrative offices into the same building occupied by Vermont Lottery and created two co-located office spaces for the newly integrated team. We initiated several new marketing and sales initiatives including a Vermont Lottery sponsorship at Thunder Road, the Cocktail Rack Program that highlights Vermont and craft spirits brands at 802Spirits stores, and an On-Premise Sales Program to offer bars and restaurants discounted pricing.

On the legislative and regulatory front, we were successful in passing legislation that creates a new alcohol beverage category for low-ABV ready-to-drink (RTD) spirits and transfers their sale and distribution from the Division of Liquor Control to the private sector. We undertook a major regulatory rewrite process of our alcohol beverage regulations with substantial industry input and submitted the proposed changes to the Interagency Committee on Administrative Rules (ICAR).

We increased our communications and stakeholder outreach significantly this past year. We instituted quarterly meetings with all our stakeholders to share new policies, legislative updates, and departmental news updates, as well as receiving valuable feedback on how we can improve customer service and operational processes. We created a new legislative newsletter to educate legislators about Vermont Lottery and the Division of Liquor Control.

We begin 2023 with a strong operational foundation and a solid team of public servants.



Respectfully submitted,

A handwritten signature in blue ink that reads "Wendy Knight".

Wendy Knight, Commissioner

RETIREMENTS

Mark Leopold was a hybrid member of the Liquor and Lottery & Agency of Digital Services teams for more than eight years. Most recently, he served as the Lead IT System Developer. Mark retired in May 2022.

Linda Vincent was also a hybrid member of the Liquor and Lottery & Agency of Digital Services teams who retired from her role as the Director of IT in July 2022 after more than eight years of service.

We thank both members for their significant contributions to the Department and service to the State of Vermont.

Made in Vermont

Vermont is home to a thriving spirits industry offering a wide variety of products from maple liqueurs to rums, gins and rye whiskey. Many of the products are winning national acclaim and international awards. Many distilleries have their own tasting rooms where their products may be sampled and purchased.

Appalachian Gap Distillery

88 Mainelli Road, Suite #1, Middlebury, VT 05753
(802) 989-7362, www.appalachiangap.com
Items sold through the DLC: Mythic Gin, Papilio Agave & Maple Spirits, Ridgeline Whiskey, Kaffeavan Coffee Liqueur, Snowfall White Whiskey, Aqua Vodka, Peregrine and Fractal Vodka. Special order: Appalachian Gap Morning Sunshine and Appalachian Gap Drumlin Rye

Black Flannel Distilling

21 Essex Way #201, Essex Junction, VT 05452
(802) 857-5629, www.blackflannel.com
Special order only: Black Flannel Distilling Heavy Base Malt Whiskey, Black Flannel Distilling Crow's Nest Rum, Black Flannel Agave Dream, Black Flannel Dutch Soul Gin, Black Flannel Distilling Crow's Nest Barreled Rum

Boyden Valley Spirits

64 Vermont Route 104, Cambridge, VT 05444
(802) 644-8151, www.boydenvalley.com
Items sold through the DLC: Vermont Ice Maple Crème

Caledonia Spirits

116 Gin Lane, Montpelier, VT 05602
(802) 472-8000, www.caledoniaspirits.com
Items sold through the DLC: Barr Hill Vodka, Barr Hill Gin, Barr Hill Reserve Tom Cat. Special order: Barr Hill Tom Cat 100 Barrel Select

Elm Brook Farms

250 Elm Brook Road, East Fairfield, VT 05448
(802) 782-5999, www.elmbrookfarm.com
Special order only: Literary Dog Vodka

Flag Hill Farm

135 Ewing Road, Vershire, VT 05079
(802) 685-7724, www.flaghillfarm.com
Items sold through special order through the DLC: Pomme De Vie Vermont Apple, Stairs Pear Brandy

Green Mountain Distillers

171 Whiskey Run, Morristown, VT 05661
(802) 253-0064, www.greenmountaindistillers.com
Items sold through the DLC: Green Mountain Organic Vodka — Lemon and Orange, Cranberry, Blueberry; Green Mountain Organic Gin; Vermont Organic Maple Liquor. Special order: Green Mountain Organic Vanilla

Hooker Mountain Farm Distiller

1193 Lovely Road, Cabot, VT 05647
(802) 426-2052, www.hookermountainfarm.com
Items sold through the DLC: Hooker Mountain Farm Spruce Gin, Hooker Mountain Farm Spirited Cider, Hooker Mountain Farm Woke Milk & Coffee, Poor Farm Rum

Killington Distillery

47 Old Mill Road, Killington VT 05751
(802)422-8200, killingtondistillery.com
Items sold through the DLL: 4241 Blended Whiskey, Killington Distillery Maple Cask Bourbon, Killington Distillery Woodland Gin, VTQuila, Killington Distillery Vodka

Mad River Distillers

137 St. Paul Street, Burlington, VT 05401
(802) 489-5501, www.madriverdistillers.com
Items sold through the DLC: Mad River Vanilla Rum, Mad River First Run Rum, Mad River Maple Cask Rum, Mad River Bourbon, Mad River Rye Whiskey, Mad Apple. Special order: Mad River Corn Whiskey, Mad River Burnt Rock Bourbon, Mad River PX Rum

Putney Mountain Winery

8 Bellows Falls Road, Putney, VT 05346
(802) 387-592, www.putneywine.com
Items sold through the DLC: Simply Ginger, Vermont Cassis, Simply Maple, Simply Chocolate

Saxton's River Distillery

485 West River Road, Brattleboro, VT 05301
(802) 246-1128, www.saplingliqueur.com
Items sold through the DLC: Sapling Vermont Maple Bourbon, Sapling Liqueur, Perc Coffee Liqueur, Sapling Vermont Maple Rye Whiskey, Snowdrop Gin

Shelburne Orchards

216 Orchard Road, Shelburne, VT 05482
(802) 985-2753, www.shelburneorchards.com
Special order only: Dead Bird Brandy

Silo Distillery

3 Artisans Way, Windsor, VT 05089
(802) 674-4220, www.silodistillery.com
Items sold through the DLC: Silo Reserve Gin, Silo Lavender Vodka, Silo Cucumber Vodka, Silo Moonshine, Silo Gin, Silo Vodka, Silo Whiskey, Silo Maple Whiskey, Silo Bourbon. Special order: Silo White Whiskey, Silo Lemon Vodka

Smugglers' Notch Distillery

276 Main Street, Jeffersonville, VT 05464
(802) 309-3077, www.smugglersnotchdistillery.com
Items sold through the DLC: Smugglers' Notch Bourbon, Smugglers' Notch Gin, Smugglers' Notch Vodka, Smugglers' Notch Rum, Smugglers' Notch Hopped Gin, Litigation by Smugglers', Smugglers' Notch Organic Gluten-Free Vodka, Smugglers' Notch Maple Bourbon

St. Johnsbury Distillery

1350 Main Street, St. Johnsbury, VT 05819
(802) 751-8813, www.stjdistillery.com
Items sold through the DLC: St. Johnsbury Dunc's Elderflower Rum, St. Johnsbury Dunc's Maple Rum, Dunc's Backwoods Reserve Rum, Pirate Dan's Vermont Rum

Stonecutter Spirits

1197 Exchange Street, Middlebury, VT 05753
(802) 388-8000, www.stonecutterspirits.com
Items sold through the DLC: Single Barrel Gin, Stonecutter Heritage Cask Whiskey

Vermont Distillers

7627 Vermont Route 9, West Marlboro, VT 05363
(802) 464-2003, www.vermontdistillers.com
Items sold through the DLC: Metcalfe's Maple Cream Liqueur, Metcalfe's Vermont Maple Liqueur, Metcalfe's Raspberry Liqueur, Metcalfe's Blueberry Liqueur, Catamount Vodka

The Vermont Hard Cider Co.

1321 Exchange Street, Middlebury, VT 05753
(802)388-0700, www.vtciderco.com

Vermont Spirits Distilling Company

5573 Woodstock Road, Quechee, VT 05001
(802) 281-6398, www.vermontspirits.com
Items sold through the DLC: Coppers Gin, Vermont Spirits White Vodka, Vermont Spirits, Gold Vodka, No. 14 Maple Spirit, No. 14 Bourbon. Special order: Coopers Barrel Gin, Coppers Sugarwood Gin, Vermont Crimson Vodka

Vermont Vermouth

22 Browne Court, Brattleboro, VT 05301
(802) 275-0227, www.vermontvermouth.com
Items sold through the DLC: Vermont Vermouth Zephyr Dry Vermouth, Vermont Vermouth Boreas Sweet Vermouth, Vermont Vermouth Harvest Apple Wine Specialty

Village Garage Distillery

107 Depot Street, Bennington, VT 05201
(802)447-7663, www.villagegarage.com
Items sold through the DLC: Village Garage Bourbon, Village Garage Vodka

WhistlePig Farm

1030 Palmer Road, Shoreham, VT 05770
(802) 897-7708, www.whistlepigwhiskey.com
Items sold through the DLC: WhistlePig Whiskey, WhistlePig Old World, WhistlePig Boss Hog

Wild Hart Distillery

26 Sage Court, Shelburne, VT 05482
(802) 489-5067, www.wildhartdistillery.com
Items sold through the DLC: Wild Hart Gin, Wild Hart Vermont Classic Gin

DEPARTMENT HIGHLIGHTS

PURCHASING

The Legislature passed Act 177, creating a separate category for low-alcohol ready-to-drink spirits beverages (RTDs), which moved them out of Division of Liquor Control distribution and into the private sector. Subsequently, the Department welcomed several new RTD products with higher ABVs and larger containers in their place. These new products are still sold within 802Spirits stores. The transition also freed up more shelf space for Tequila, Mezcal, and American Whiskey.

Highlights:

- **The top 3 selling Vermont-made products in order by retail dollar sales were Barr Hill Gin 750 ML, WhistlePig Whiskey 750ML, and Barr Hill Reserve Tom Cat Gin 750ML.**
- **FY22 ended with \$100,793,050.10 in liquor sales, \$1,764,477 in special orders, and \$709,620 in allocated products.**
- **In FY22 the Department brought in 200 new products, including 28 Vermont-made products.**

SKUs breakdown

R1-High volume	990
R2-Medium volume	95
R3-Low volume	69
New	97
Allocated	165
Holiday items	171
Discontinued/Delisted/Inactive	1,192
Special order/auto replenishment	1,539

DEPARTMENT HIGHLIGHTS

GAMING OPERATIONS

The team began working on the gaming conversion in 2018. After numerous delays, the contract process with Scientific Games, our newly selected vendor, began in June 2021. In September, we started discovery and requirement gathering meetings. Each unit of the lottery operations team (including finance, sales, marketing, customer service, security, product development, IT, and warehouse staff) played a part in the success of this project.

In June 2022 members of the team began User Acceptance Testing. Both Vermont Lottery and Scientific Games debugged thousands of test cases for approximately 18 weeks. Thanks to ample overtime by dedicated employees, the new gaming system successfully launched in October 2022.

All 590 Vermont Lottery agents have successfully migrated to the Scientific Games machinery and software. Additionally, the online lottery subscription system is live.



DEPARTMENT HIGHLIGHTS

LICENSING + CUSTOMER SERVICE

The primary responsibility of the Licensing and Customer Service teams is to process and issue all applications presented to the Department. With a small but mighty team of six staff members, DLL successfully ended the use of paper applications with the introduction of a fully online licensing portal. Since its introduction, DLL licensing technicians successfully processed 153 licenses and 887 permits. In addition to licensing services, the portal offers Board meeting minutes, education tools, and compliance information. The goals of the online system are to improve efficiency, reduce paper waste, and allow online payments.

As businesses attempt to re-emerge after the pandemic, catering requests increased by almost 100% from 545 to 1,016. In 2018-2019 the annual catering events topped 3,200. The trend continues and is anticipated to exceed 2,000 in FY23.

We saw an increase in liquor applications after 18 months of declining applicant numbers. Bars and restaurants slowly started to return to pre-pandemic conditions and restrictions, but outdoor events and catered events in larger outside areas remain the preferred social model. In 2022 catering requests increased by almost 100% from 545 to 1,016. Pre-pandemic (2018-2019), the annual catering events topped 3,200. The trend continues and we anticipate 2,000 catering events in the coming year. By taking advantage of new changes, licensees can now hold multiple class licenses in the same location. This allows licensees to diversify and expand their client base and revenue through customer convenience.

We issued 28 lottery licenses in FY22. This includes new stores and change of ownerships.

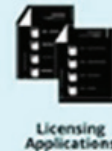
From July 1, 2021- June 30, 2022, Lottery customer service representatives processed 13,031 claims that resulted in a gross payout of \$30,992,517.54. There were several staffing changes, but the team worked diligently to process claims, answer phone calls, service walk-in customers, and help agents in a timely manner.

A New Licensing Portal.

New features include: online payments, applications/renewals, training records, enforcement/compliance inquiries, and online access to the DLL board meetings.



Licensing + Permitting



Education



Compliance + Enforcement



DLL Board



DEPARTMENT HIGHLIGHTS

SALES + MARKETING

We introduced several new sales and marketing initiatives for 802Spirits, including the [Cocktail Rack Program](#), [On-Premise Sales Program](#), and the [Warehouse Collection](#). Vermont Lottery sponsored several marketing events including the Thunder Road Governor's Cup, UVM Athletics games, Lottery Night at the Lake Monsters, and Lottery Night at the Mountaineers. The goals are to broaden awareness of our two brands—802Spirits and Vermont Lottery—and help drive liquor and lottery sales, respectively.

To help modernize Vermont Lottery operations, the Department made a concerted effort to find more lottery agents who are willing to accept debit card purchases. Over 261 agents now accept debit cards for lottery games.

Lottery-Sponsored Events

All Vermont Lottery sponsored events included on-site ticket sales, giveaways, and on-field placement of the lottery logo.



Thunder Road Governor's Cup



Thunder Road Governor's Cup



Mountaineers Baseball Game



Lake Monsters Baseball Game



Educate and Innovate

Our collaboration with the Agency of Education to facilitate Educate and Innovate Initiative is in its 7th year. We awarded \$15,000 in tech equipment to Swanton Elementary and Winooski Middle/High School for Science, Technology, Engineering, Art, and Math (STEAM) programs. Showcase events took place on 11/14/22 & 11/15/22. Each school exhibited their new equipment and was featured in local media.

Cocktail Rack Program

The goals of the Cocktail Rack Program are to raise brand awareness, boost sales for participating distillers, and increase revenue for 802Spirits stores. The pilot program featured Mad River Distillery. From April-June, we saw average growth of 72% across the 10 participating locations. Next, we featured St. Johnsbury Distillery from July through September. Over three months, St. Johnsbury Distillery saw 57% growth. Boyden Valley is on display through the month of December 2022. Distiller interest is off the charts, and racks are booked through 2023. If interest continues at this rate, the Department will seek ways to expand the program.



802Spirits-Sponsored Events

We organized seven Engraving Van events at 802Spirits stores across Vermont in 2022, including locations in Winooski, Burlington, Manchester, Woodstock, Derby, Morrisville, and St. Albans. These events give customers the ability to purchase a featured bottle of spirits, and have it engraved onsite. Personalized bottles are popular for gifts and to memorialize special occasions. Additionally, manufacturers and brokers host in-store tastings at 802Spirits stores to introduce their brands and products to customers. A calendar of tasting events is available for the public at <https://802spirits.com/calendar>.

On-Premise Sales Program

The On-Premise Sales Program lists spirit products that suppliers offer on sale each month specifically for bars and restaurants. It is modeled after the Department's regular sales program for licensees and walk-in customers, which has not changed or been replaced. From July through October, we saw retail sales of over \$500K for on-premise sales.



DEPARTMENT HIGHLIGHTS

SALES

Liquor

Retail liquor sales exceeded \$100M in FY22, a milestone for the Department. We ended FY22 with \$100,583,326 in liquor sales, a 6.5% increase over FY21. Since July 1, 2022, we have seen significant growth in White Tequila, American Whiskey, and Mezcal. The top selling category in FY22 was Whiskey, with \$33,847,306 in sales, representing 31% of total retail sales.

Liquor Agents

In FY22, there were 80 Vermont Liquor agents. Total, 802Spirits agent commissions in FY22 were \$8.7 million, an increase of 6.8% over FY21.

Profit and General Fund Contribution

FY22 net profit from operations was \$22,208,293. This is 9.1% over FY21. The transfer from the Liquor Control Enterprise Fund to the General Fund was \$22,758,356, which does not include sales tax. Total contribution to the General Fund was \$33.3 million.

Lottery

The Department observed a decrease in lottery sales. Workforce shortages at agency stores and an uncertain economy likely contributed to this decline. We continue to encourage stores to accept debit cards for lottery purchases. In 2022, more than 250 have agencies signed on to accept debit cards. The goal is to modernize lottery operations to increase revenue. Additionally, there is a concerted effort to sign chain stores as lottery agents.

Cost of Sales

Prizes paid to VT Lottery players totaled \$100,687,913. Commissions and bonuses paid to agents totaled \$9,113,091.

In addition to prizes and commission, other costs dependent on Lottery sales included Lottery tickets, courier services, agent network, and facilities management fees to our gaming vendor.

Tri-State operating expenses, totaled \$1,095,315, an increase of \$42,696, or 4.1% as compared to FY21.

Lottery Agents

In FY22, there were almost 600 Vermont Lottery agents selling both online games and Instant Tickets. Agents received commissions of 6.0% on their Powerball, Mega Millions and Lucky For Life sales and 5.75% on all other VT Lottery product sales. Additionally, agents received a 1.0% bonus for selling winning tickets of at least \$500, subject to a cap of \$30,000. Total commissions and bonuses paid to agents totaled \$9.1 million.

The total of these demand-driven costs was \$117,293,529, a decrease of \$9,007,361, or 7.2% as compared to FY21.

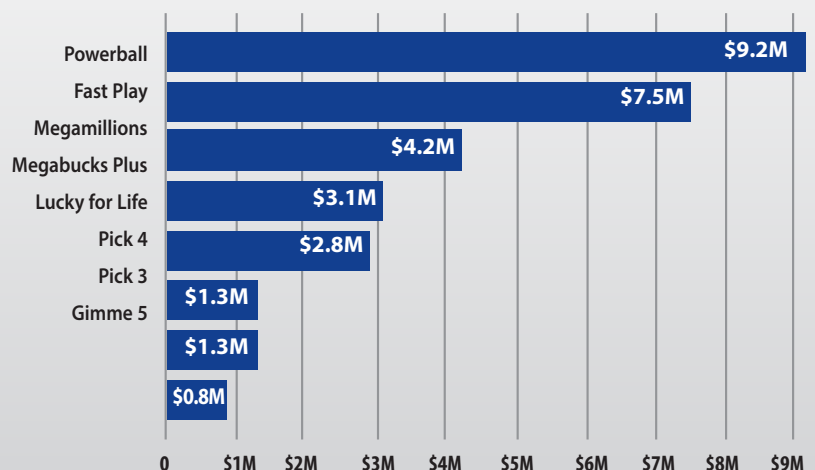
Profit and Education Fund Contribution

Total revenue was \$151,525,657. Total net profit contributed to the state's Education Fund was \$31,073,856.

Lottery Sales Fiscal Year 2022

Game	FY22 Sales	FY21 Sales
Instants	\$121,324,105	\$131,683,523
Draw Games:		
Powerball	\$9,192,290	\$7,986,128
Mega Millions	\$4,211,317	\$6,457,234
Megabucks Plus	\$3,102,742	\$3,650,816
Pick 3	\$1,283,868	\$1,351,916
Pick 4	\$1,302,913	\$1,283,803
Lucky for Life	\$2,802,214	\$1,871,994
Fast Play	\$7,460,007	\$6,251,509
Gimme 5	\$804,176	\$990,558
Total Sales	\$151,483,632	\$161,527,481

FY21 Ticket Sales Comparison



DEPARTMENT HIGHLIGHTS

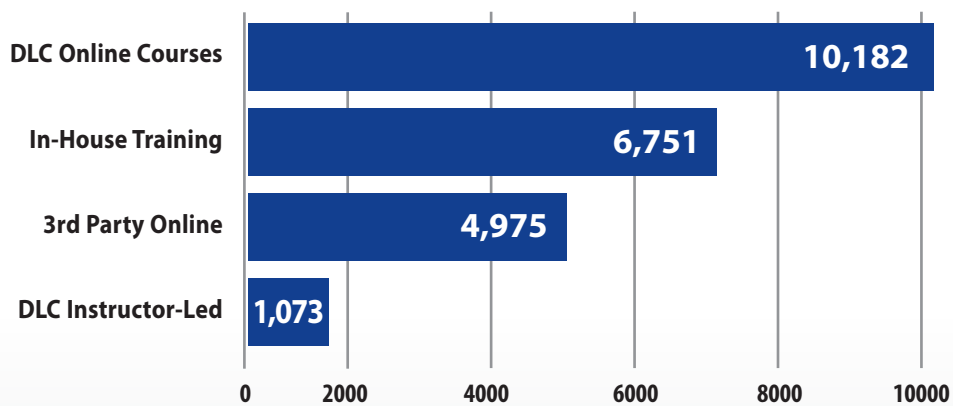
EDUCATION

The Office of Education worked diligently to keep our licensees, municipal clerks, and other business partners informed of the impact of changes related to the passage of Act 70, Act 177, and regulatory clarifications. Efforts include the creation of infographics, posters, and information sessions to explain To-Go Beverages, curbside pickup, Ready-To-Drink (RTD) spirits beverages, food truck requirements, licensing processes and festival permits. The team also created new posters to help reinforce the importance of effective carding techniques to keep alcohol out of the hands of minors.

The Office of Education launched an online youth alcohol quiz, funded through the National Alcohol Beverage Control Association (NABCA) to educate youth and their parents about consequences of underage drinking with over 800 individuals accessing the quiz. Our staff also participated in the National Traffic Safety Institute's (NSTI) Summer Camps, facilitating activities to show the impacts of alcohol impairment.

Lastly, the Education team participated heavily in the testing and development of the Department's new online portal and created procedure documents, training videos, and information sessions to assist portal users during the implementation process.

Number of People Trained by Training Method (FY 2022)



DEPARTMENT HIGHLIGHTS

ENFORCEMENT + COMPLIANCE

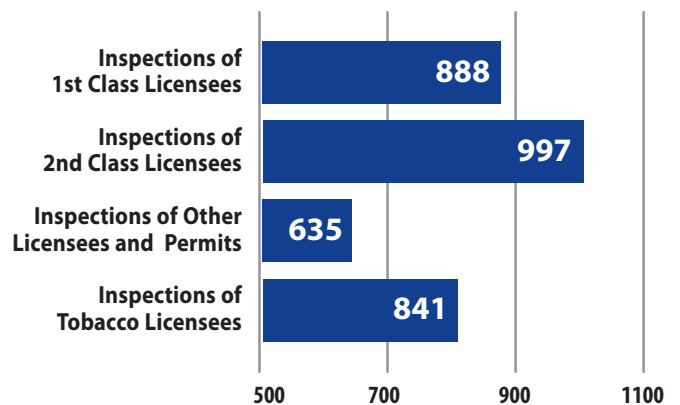
FY22 was a productive and challenging year for the Office of Compliance and Enforcement (OCE) team. There were several key staffing changes, with the retirements of Sgt. Tom Curran and Inv. Mike Davidson. To fill those roles the Department hired Investigator John Stoughton and Investigator Katrina Ducharme, who both bring a wealth of investigative experience to the team. Additionally, Senior Director of Licensee Operations Chief Skyler Genest, Lieutenant Brandon King, and Sargent Mike Welch were all promoted. Skyler has an expanded role within the Department. He now oversees all licensee operations, including licensing, education, lottery security, and OCE. Brandon King was promoted from Sargent to Lieutenant, and now oversees day-to-day operations of the OCE team as the Executive Officer. Mike Welch was promoted from Investigator to Sargent and currently supervises the Zone 1 OCE team.



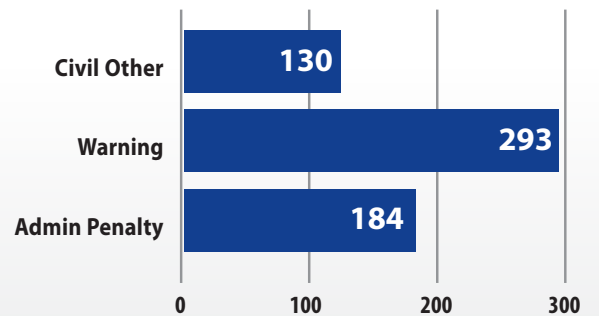
DLL Law Enforcement Team members Chief Genest, Lt. King, Sgt. Gaiotti, Commissioner Knight, Inv. Ducharme, Inv. Czachor, Sgt. Welch and Inv. Elmer.

Between July 1, 2021, and June 30, 2022, the team conducted 3,405 inspections of licensed establishments. 607 violations were noted during that same time. OCE continues to take an education first approach to our enforcement work, and our Investigators worked to educate licensees regardless of the outcome of any investigation.

Total Inspections



Total Violations



OCE continues the Place of Last Drink (POLD) initiative, which began with a pilot in 2019. After expansion, this program is now part of OCE's core mission. To facilitate this initiative, OCE investigators follow up with licensees when a patron who was served beverage alcohol subsequently gets arrested for driving under the influence. We have observed an increase in these complex investigations. In FY21 OCE had 75 POLD referrals. In FY22 we saw a 118% increase to 164 referred cases.

DEPARTMENT HIGHLIGHTS

FINANCE + BUSINESS

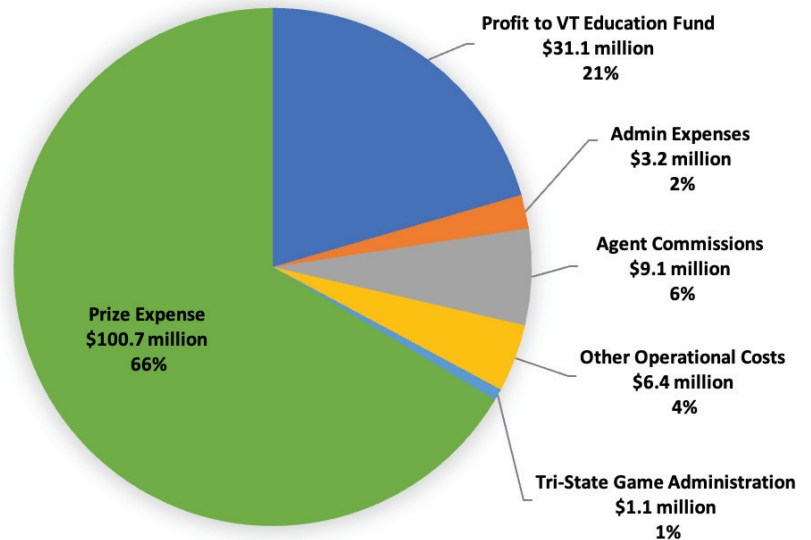
Liquor Revenues

- FY22 revenue from liquor sales totaled \$100,583,326; a 6.5% increase over FY21.
- FY22 revenue from licensing and training totaled \$2,169,906; an increase of less than 1% over FY21.
- FY22 other revenue totaled \$54,152; a 10% decrease over FY21.
- Total FY22 revenue from all sources totaled \$102,807,384; a 6.3% increase over FY21.

Expenses

- Operating expenses for the Division of Liquor Control in FY22 totaled \$10,080,872. This is a 2.6% increase over FY21.
- Expenses associated with the sale of liquor (cost of goods sold, agency commissions, bottle redemption costs and non-operational expenses) totaled \$70,518,219. Totaling a 6.1% increase over FY21.
- Total FY22 expenses from all sources totaled \$80,599,091. This is a 5.6% increase over FY21.

Vermont Lottery Revenue Distribution



DEPARTMENT HIGHLIGHTS

WAREHOUSES + LOGISTICS

Lottery warehouse staff packed and shipped 345,847 instant ticket books with only two team members. 29,403 orders were fulfilled and shipped to lottery agents. The team produced a 100% daily completion rate with less than 1% error rate.

The liquor warehouse picked, loaded, and delivered nearly 500,000 cases of spirits in FY22, all within a 30,000-square-foot space. The volume of cases represents a 4% increase from the previous year.



Operating Budgets

Lottery – Comparative Income Statement

	FY 2022	FY 2021	% CHANGE
TICKET SALES:			
Instant	121,324,105	131,683,523	-7.9%
Powerball	9,192,290	7,986,128	15.1%
Mega Millions	4,211,317	6,457,234	-34.8%
Megabucks Plus	3,102,742	3,650,816	-15.0%
Pick 3	1,283,868	1,351,916	-5.0%
Pick 4	1,302,913	1,283,803	1.5%
Lucky for Life	2,802,214	1,871,994	49.7%
Fast Play	7,460,007	6,251,509	19.3%
Gimme 5	804,176	990,558	-18.8%
TOTAL TICKET SALES	151,483,632	161,527,481	-6.2%
OTHER REVENUE:			
Miscellaneous Revenue	2,328	2,255	3.3%
Interest Income	39,698	66,979	-40%
TOTAL OTHER REVENUE	69,234	42,026	-39.3%

Administrative Expenses

Administrative expenses were \$3,198,271, a decrease of \$248,852, or 7.3%, as compared to FY21. Administrative costs included salaries and benefits, contracted services, equipment, and supplies, all components of the Lottery's annual operating budget appropriation from the Legislature. The annual budget appropriation is funded from Lottery revenues.

Liquor – Changes in Net Position

	FY2021		FY2022		% Change Enterprise Fund
	Liquor Control Enterprise Fund	Direct to General Fund	Liquor Control Enterprise Fund	Direct to General Fund	
OPERATING REVENUES					
6%-7% Sales & Use tax		5,185,525		4,916,749	
5% LQR Excise Tax		4,785,690		5,026,542	
On Prem Direct Sales Tax		124,102		228,723	
Liquor Sales	94,441,049		100,583,326		6.5%
Licensing & Training	2,168,333		2,169,906		0.1%
License App Fees-GF	-	502,090		491,234	
Fees and Fines		10,245			
Violations		29,470		51,590	
Other Operating Revenue	60,183		54,152		-10.0%
TOTAL OPERATING REVENUES	96,669,565	10,637,122	102,807,384	10,714,838	6.3%
OPERATING EXPENSES					
Cost of sales and services	58,125,730		61,578,040		5.9%
Salaries and benefits	4,888,817		3,972,565		-18.7%
Insurance premium expense	59,976		43,764		-27.0%
Contractual services	759,769		556,264		-26.8%
Repairs and maintenance	80,648		177,182		119.7%
Depreciation	564,047		572,884		1.6%
Rental expense	91,656		102,648		12.0%
Utilities and property management	1,382,965		2,487,383		79.9%
Non-capital equipment purchased	175,098		137,562		-21.4%
Promotions and advertising	59,070		60,126		1.8%
Administrative expenses	110,387		164,445		49.0%
Supplies and parts	184,532		208,922		13.2%
Distribution and postage	7,722		17,416		125.5%
Travel	4,011		12,135		202.6%
Other operating expenses	9,823,917		10,507,754		7.0%
TOTAL OPERATING EXPENSES	76,318,347		80,599,091	-	5.6%
OPERATING INCOME (LOSS)	20,351,218	10,637,122	22,208,293	10,714,838	9.1%
Transfers Out to General Fund	(22,763,156)	22,763,156	(22,758,356)	22,758,356	0.0%
REVENUE LESS EXPENSES	(2,411,938)	33,400,278	(550,063)	33,473,194	-77.2%



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