

# State of Maine



Department of Administrative and Financial Services

## Annual Report of the Bureau of Alcoholic Beverages and Lottery Operations

As required by 8 M.R.S. §372, sub-§2, ¶K and 28-A M.R.S. §84, sub-§7

February 15, 2023

Kirsten LC Figueroa, Commissioner  
Gregory R. Mineo, Director

**Section 1.A.** Per 28-A M.R.S. §84, sub-§7, ¶A, the following is a complete statement of the revenues and expenses for the Bureau for calendar year 2022:

**Bureau Revenue**

Lottery Ticket Sales	\$ 405,113,923
Lottery Miscellaneous Revenue	3,095,946
Spirits Sales	251,320,562
Licensing and Enforcement Revenue	<u>21,887,364</u>
<b>Total Bureau Revenue</b>	<b>\$ 681,417,796</b>

**Bureau Expenses**

Lottery Expenses	\$ 333,553,798
Spirits Expenses	185,147,963
Spirits Receivables and Adjustments	550,637
Licensing and Enforcement Expenses	<u>1,345,623</u>
<b>Total Bureau Expenses</b>	<b>\$ 520,598,022</b>

**Bureau Profit**

Lottery Profit <sup>1</sup>	\$ 74,656,071
Spirits Profit <sup>2</sup>	65,621,962
Licensing and Enforcement Profit <sup>3</sup>	<u>20,541,741</u>
<b>Total Bureau Profit Generated</b>	<b><u>\$ 160,819,774</u></b>

**Section 1.B.** Change recommendations:

- Per 8 M.R.S. §372, sub-§2, ¶K, sub-¶(7), any recommendations for changes to this chapter:
  - The Bureau recommends this annual report be submitted using fiscal year data rather than calendar year in keeping with other state accounting practices.
  - The Bureau recommends the requirements of 8 M.R.S. §372, sub-§2, ¶K, sub-¶(5) and 8 M.R.S. §372, sub-§2, ¶K, sub-¶(6) be combined. The requirements are reflected in sections 6 and 7 of this report.
- Per 28-A M.R.S. §84, sub-§7, ¶E, any recommendations for changes to this Title:
  - The Bureau recommends this annual report be submitted using fiscal year data rather than calendar year in keeping with other state accounting practices.

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<sup>1</sup> Lottery Profit represents the amount transferred to the General and Outdoor Heritage Funds.

<sup>2</sup> Spirits Profit represents the amount transferred to the Maine Municipal Bond Bank for the Liquor Revenue Bonds.

<sup>3</sup> Licensing and Enforcement Profit represents the amount deposited directly into the General Fund.

## **Lottery Operations**

**Section 2.** Per 8 M.R.S. §372, sub-§2, ¶K, sub-¶(1), a list of the decisions made by the commission and resulting actions for the preceding calendar year relevant to lottery operations.

### **January 11, 2022:**

Deputy Director Boardman presented three (3) new games for approval.

- (\$5) - Big Money Multiplier
- (\$10) - \$50 or \$100
- (\$25) - \$100 or \$250

Motions and roll were not recorded for these three games.

### **February 8, 2022:**

There were no new games presented for approval and no items requiring Commission vote or decision.

### **March 8, 2022:**

Deputy Director Boardman submitted the Lucky 4 Life and Power Ball rule making process for approval.

A motion was made by Commissioner Sheehan to move forward with the process as presented. Motion seconded by Commissioner Schneck. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

Deputy Director Boardman presented the CY21 Annual Report to the Legislature on Lottery Operations for the Commission's review and approval of the entire report.

A motion was made by Commissioner Schneck to approve the CY21 Annual Report to the Legislature. Motion was seconded by Commissioner Fitts. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

### **April 12, 2022:**

Deputy Director Boardman submitted one (1) new game for approval.

- (\$3) CASH LINES

A motion was made by Commissioner Schneck to accept all games as presented. Motion seconded by Commissioner Fitts. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

### **May 10, 2022:**

Deputy Director Boardman submitted the Lotto America game rule adoption for approval.

A motion was made by Commissioner Fitts to accept the basic statement of the game rules as presented; the motion was seconded by Commissioner Sheehan. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

A motion was made by Commissioner Fitts to accept the adoption of games rules as presented; the motion was seconded by Commissioner Monaghan. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

**June 14, 2022:**

Lottery Marketing Specialist Lisa Rodrigue submitted two (2) new games for approval.

- (\$1) - 9's IN A LINE
- (\$20) - MONEY MAKER

A motion was made by Commissioner Schneck to accept all games as presented; the motion was seconded by Commissioner Fitts. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

**July 12, 2022:**

Deputy Director Boardman submitted two (2) new games for approval.

- (\$5) - PATRIOTS
- (\$10) - THE PRICE IS RIGHT

A motion was made by Commissioner Sheehan to accept all games as presented; the motion was seconded by Commissioner Schneck. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

**August 9, 2022:**

Deputy Director Boardman submitted two (2) new games for approval.

- (\$3) - LUCKY STARS
- (\$25) - \$100 OR \$250

A motion was made by Commissioner Sheehan to accept all games as presented; the motion was seconded by Commissioner Schneck. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

**September 9, 2022:**

Deputy Director Boardman submitted nine (9) new games for approval.

- (\$1) - HOLIDAY \$100s
- (\$1) - 5X THE CASH
- (\$2) - HOLIDAY \$200s
- (\$2) - 10X THE CASH
- (\$5) - HOLIDAY \$500s
- (\$5) - 20X THE CASH
- (\$5) - LIVING LUCKY WITH LUKE COMBS
- (\$10) - 25X THE CASH
- (\$20) - 50X THE CASH

A motion was made by Commissioner Sheehan to accept all games as presented; the motion was seconded by Commissioner Fitts. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

**October 11, 2022**

There were no new games presented for approval and no items requiring Commission vote or decision.

**November 8, 2022:**

Lottery Marketing Specialist Lisa Rodrigue presented two (2) new games for approval.

- (\$5) - CASH BACK
- (\$5) - \$60,000 CASHWORD

A motion was made by Commissioner Schneck to accept all games as presented; the motion was seconded by Commissioner Sheehan. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously. (

**December 13, 2022:**

Lottery Marketing Specialist Lisa Rodrigue presented five (5) new games for approval.

- (\$1) TIC TAC TOAD
- (\$2) KING OF CASH
- (\$2) PAYDAY MULTIPLIER
- (\$5) SHOW ME 100,000
- (\$10) \$250,000 CASH STACKS

A motion was made by Commissioner Fitts to accept all games as presented; the motion was seconded by Commissioner Sheehan. The roll was called, and all Commissioners voted in the affirmative; the motion passed unanimously.

**Section 3.** Per 8 M.R.S. §372, sub-§2, ¶K, sub-¶(2), a complete statement of lottery revenues, prize disbursements and expenses and appropriations from the General Fund, if any, for the preceding calendar year.

Summary Table for calendar year 2022:

<b>Revenue</b>	
Ticket Sales	\$ 405,113,923
Miscellaneous Revenue	<u>3,095,946</u>
<b>Total Revenue</b>	<b>\$ 408,209,869</b>
<b>Expenses</b>	
Personnel	\$ 1,726,115
Operating	2,944,219
Agent Commissions/Bonuses	28,716,175
Vendor Fees	14,267,997
Tri-State	2,811,058
Prizes	<u>283,088,234</u>
<b>Total Expenses</b>	<b><u>\$ 333,553,798</u></b>
<b>Profit</b>	
<b>Total Profit</b>	<b><u>\$ 74,656,071</u></b>
<b>Profit Distribution</b>	
General Fund Transfer	\$ 73,767,640
Heritage Transfer	\$ 888,431

No General Fund appropriation is provided to the Bureau for the operation of the Maine Lottery.

**Section 4.** Per 8 M.R.S. §372, sub-§2, ¶K, sub-¶(3), a 5-year history of the account used to manage lottery operations, which must include the amount of revenues deposited into the State Lottery Fund and the amounts transferred to the General Fund.

**Summary Table for Calendar Years 2018 through 2022**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Revenue</b>					
Ticket Sales	\$ 298,648,087	\$ 299,433,229	\$ 343,301,429	\$ 408,750,293	\$ 405,113,923
Miscellaneous Revenue	<u>5,080,368</u>	<u>4,898,386</u>	<u>4,929,117</u>	<u>4,972,666</u>	<u>3,095,946</u>
<b>Total Revenue</b>	<b>\$ 303,728,455</b>	<b>\$ 304,331,615</b>	<b>\$ 348,230,547</b>	<b>\$ 413,722,959</b>	<b>\$ 408,209,869</b>
<b>Expenses</b>					
Personnel	\$ 1,690,621	\$ 1,762,785	\$ 1,812,924	\$ 2,214,305	\$ 1,726,115
Operating	2,864,496	4,110,946	2,555,380	3,369,424	2,944,219
Agent Commissions/Bonuses	21,420,743	20,961,016	24,540,286	32,552,961	28,716,175
Vendor Fees	10,516,032	10,543,111	12,089,089	14,387,522	14,267,997
Tri-State	3,503,742	2,989,490	2,790,611	2,965,164	2,811,058
Prizes	<u>199,910,266</u>	<u>202,625,013</u>	<u>236,974,559</u>	<u>285,332,840</u>	<u>283,088,234</u>
<b>Total Expenses</b>	<b><u>\$ 239,905,899</u></b>	<b><u>\$ 242,992,361</u></b>	<b><u>\$ 280,762,849</u></b>	<b><u>\$ 340,822,217</u></b>	<b><u>\$ 333,553,798</u></b>
<b>Profit</b>					
<b>Total Profit</b>	<b><u>\$ 63,822,556</u></b>	<b><u>\$ 61,339,254</u></b>	<b><u>\$ 67,467,698</u></b>	<b><u>\$ 72,900,742</u></b>	<b><u>\$ 74,656,071</u></b>
<b>Profit Distribution</b>					
General Fund Transfer	\$ 63,235,463	\$ 60,803,422	\$ 66,906,126	\$ 72,216,516	\$ 73,767,640
Heritage Transfer	\$ 587,093	\$ 535,832	\$ 561,572	\$ 684,226	\$ 888,431

**Section 5.** Per 8 M.R.S. §372, sub-§2, ¶K, sub-¶(4), expenditures made to promote lottery sales through marketing, advertising and recruitment of agents for the preceding calendar year (2022):

Total spending by category (includes net media and production costs)

Television	\$998,522.35
Radio	\$484,352.11
Digital	\$122,110.80
POS/Collateral	\$58,544.49
Sales Promotion/Promotional Items	\$50,000.00
Sponsorships & Other	\$33,000.00

**Section 6.** Per 8 M.R.S. §372, sub-§2, ¶K, sub-¶(5), a description of Lottery marketing and advertising activities for the preceding calendar year (2022). The description must identify each radio station and television station, if any, that broadcast or distributed advertising.

Marketing and advertising activity promoting the Maine Lottery during calendar 2022 included statewide Broadcast (Television and Radio), Digital, POS (Point of Sale) /Collateral, Sales Promotion/Promotional Items, and Sponsorships & Other. Advertising schedules were executed to generate visibility across Maine for messaging promoting selected instant games, draw games and Fast Play games.

Television stations utilized:

Market	Station
Bangor	5704 SPECTRUM, Bangor, ME-Cable
Bangor	WABI-TV
Bangor	WVFX-TV
Bangor	WLBZ-TV
Bangor	WVII-TV
Portland, ME	0181 SPECTRUM, Portland, ME-Cable
Portland, ME	8448 NEW ENGLAND SPORTS NETWORK, NESN/Portland, ME-Cable
Portland, ME	5705 SPECTRUM, Lewiston, ME
Portland, ME	5914 SPECTRUM, So. York County, ME
Portland, ME	6013 SPECTRUM, Augusta, ME
Portland, ME	8980 COMCAST/SPECTRUM, Brunswick, ME
Portland, ME	NESN-TV
Portland, ME	WCSH-TV
Portland, ME	WGME-TV
Portland, ME	WMTW-TV
Portland, ME	WPFO-TV
Presque Isle	2477 SPECTRUM, Presque Isle, ME-Cable
Presque Isle	WAGM-TV
Presque Isle	WWPI-TV

Radio stations utilized:

Market	Station
Augusta-Waterville, ME	WEBB-FM
Augusta-Waterville, ME	WFMX-FM
Augusta-Waterville, ME	WMME-FM
Augusta-Waterville, ME	WTOS-FM
Augusta-Waterville, ME	WABK-FM
Augusta-Waterville, ME	WCTB-FM
Bangor	WBFB-FM



Market	Station
Bangor	WBZN-FM
Bangor	WHOU-FM
Bangor	WKIT-FM
Bangor	WKSQ-FM
Bangor	WNSX-FM
Bangor	WQCB-FM
Bangor	WVOM-FM
Bangor	WWMJ-FM
Bangor	WEZQ-FM
Calais, ME (u)	WCRQ-FM
Calais, ME (u)	WQDY-FM
Farmington, ME (u)	WKTJ-FM
Portland, ME	WBLM-FM
Portland, ME	WCLZ-FM
Portland, ME	WCYY-FM
Portland, ME	WFNK-FM
Portland, ME	WHOM-FM
Portland, ME	WJBQ-FM
Portland, ME	WJJB-FM
Portland, ME	WMGX-FM
Portland, ME	WPEI-FM
Portland, ME	WPOR-FM
Portland, ME	WTHT-FM
Portland, ME	WYNZ-FM
Portland, ME	WHXR-FM
Portland, ME	WBQX-FM
Portland, ME	WOXO-FM
Presque Isle (u)	WBPW-FM
Presque Isle (u)	WCXU-FM
Presque Isle (u)	WOZI-FM
Presque Isle (u)	WQHR-FM

Digital networks or channels utilized:

Digital Network or Channel
AdTheorent
Blis
Katz Digital Group
Q1 Media

Undertone
WMTW/Hearst Digital

**Section 7.** Per 8 M.R.S. §372, sub-§2, ¶K, sub-¶(6), for each radio station and television station identified pursuant to subparagraph (5), the format of advertising activity and amount of expenditures for the preceding calendar year (2022) associated with each station.

The format of Maine Lottery advertising on television is a mix of 30-second spots and 15-second spots equally across all stations, according to campaign messaging. On radio, the Maine Lottery uses exclusively 30-second spots across all stations.

For Digital advertising, the Maine Lottery uses a variety of formats according to each digital buy. Typical formats include animated banners such as 728x90, 250x300, and 250x600. Rich media formats are sometimes used allowing the Maine Lottery to take advantage of the newest capabilities of the medium. These have included expandable ads, video pre-roll and other rich media formats.

Point of Sale is most often executed as 11x17 posters, 8.5 x 11 mini-posters, 8x10 counter cards, with occasional window clings and other formats.

Total expenditures by station (net media cost):

**Television**

Market	Station	Total 2022
Bangor	5704 SPECTRUM, Bangor, ME - Cable	\$8,924.82
Bangor	WABI-TV	\$107,800.00
Bangor	WFXV-TV	\$6,621.50
Bangor	WLBZ-TV	\$46,687.50
Bangor	WVII-TV	\$14,090.45
Portland	0181 SPECTRUM, Portland, ME - Cable	\$113,713.55
Portland	5705 SPECTRUM, Lewiston, ME	\$3,797.90
Portland	5914 SPECTRUM, So York County, ME	\$3,825.98
Portland	6013 SPECTRUM, Augusta, ME	\$7,606.28
Portland	7646 SPECTRUM, Portland Auburn IC	\$17,486.20
Portland	8448 NEW ENGLAND SPORTS NETWORK	\$106,857.75
Portland	8980 COMCAST/SPECTRUM BrunswickME	\$2,922.02
Portland	WCSH-TV	\$102,947.75
Portland	WGME-TV	\$120,759.82
Portland	WMTW-TV	\$122,314.58
Portland	WPFO-TV	\$29,044.51
Presque Isle	2477 SPECTRUM, Presque Isle, ME - Cable	\$3,171.09
Presque Isle	WWPI-TV	\$7,917.75
Presque Isle	EAGM-TV	\$2,316.25
Presque Isle	WAGM-TV	\$76,691.25

## Radio

Market	Station	Total 2022
Augusta/Waterville	WABK-FM	\$6,911.35
Augusta/Waterville	WCTB-FM	\$4,467.60
Augusta/Waterville	WEBB-FM	\$9,554.85
Augusta/Waterville	WFMX-FM	\$11,339.00
Augusta/Waterville	WMME-FM	\$11,389.15
Augusta/Waterville	WTOS-FM	\$11,738.50
Bangor	WBFB-FM	\$6,895.20
Bangor	WBZN-FM	\$15,215.85
Bangor	WEZQ-FM	\$3,266.55
Bangor	WHOU-FM	\$8,522.10
Bangor	WKIT-FM	\$14,497.60
Bangor	WKSQ-FM	\$6,171.00
Bangor	WNSX-FM	\$6,343.55
Bangor	WQCB-FM	\$21,417.96
Bangor	WVOM-FM	\$5,440.00
Bangor	WWMJ-FM	\$8,402.25
Bangor	WSYY-FM	\$2,427.60
Calais	WCRQ-FM	\$9,302.40
Calais	WQDY-FM	\$9,302.40
Farmington	WKTJ-FM	\$13,464.00
Portland	WBLM-FM	\$26,065.25
Portland	WBXQ-FM	\$7,905.00
Portland	WCLZ-FM	\$9,775.00
Portland	WCYY-FM	\$10,770.35
Portland	WFNK-FM	\$24,390.75
Portland	WHOM-FM	\$12,945.50
Portland	WHXR-FM	\$11,186.00
Portland	WJBQ-FM	\$23,407.30
Portland	WJJB-FM	\$13,669.70
Portland	WGMX-FM	\$25,792.40
Portland	WPOR-FM	\$24,123.85
Portland	WTHT-FM	\$23,817.00
Portland	WYNZ-FM	\$10,291.80
Portland	WOXO-FM	6,897.75
Presque Isle	WBPW-FM	\$14,174.60
Presque Isle	WCXU-FM	\$13,490.35
Presque Isle	WOZI-FM	\$13,700.30

Presque Isle	WQHR-FM	\$14,380.30
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**Digital**

Market	Channel/Network	Total 2022
Maine	AdTheorent	\$35,000.00
Maine	Blis	\$25,000.01
Maine	Katz Digital Group	\$15,000.00
Maine	Tremor	\$22,500.00
Maine	Undertone	\$10,000.00
Maine	WMTW	\$14,610.79

**Section 8.** Per 8 M.R.S. §372, sub-§2, ¶K, sub-¶(7), any recommendations for changes to this chapter.

The Bureau recommends this annual report be submitted using fiscal year data rather than calendar year in keeping with other state accounting practices.

The Bureau recommends Sections 6 and 7 be combined.

## **Liquor Operations**

**Section 9.** Per 28-A M.R.S. §84, sub-§7, ¶B, the information required by 28-A M.R.S. §83-B, sub-§11, a complete statement of expenses and revenues collected in accordance with the licensing and enforcement functions of the Bureau including a statement of the revenues collected under chapter 65 for calendar year 2022.

<b><u>Revenue Sources/Description</u></b>	<b><u>Total</u></b>
0411 - Excise Tax Beer	\$ 8,224,384
0412 - Ex Tax Tbl Wine Me Prdts	117,915
0413 - Ex Tax Tbl Wine Out State	2,532,140
0414 - Ex Tax Sparkling Wines	651,671
0451 - Malt Premium	1,869,147
0452 - Table Wine Premium	8,959
0453 - Sparkling Wine Premium	31,105
0454 - Liquor Premium	3,115,332
0455 - Low Alcohol Spirits Tax	113,305
0460 - Fmb Excise Tax	635,810
0461 - Fmb Premium Tax	19,338
0462 - Fmb Mfg Tax	166,754
1101 - Class I	1,081,960
1103 - Small Distillery	2,800
1104 - Distillery	1,900
1105 - Class A Restaurant/Lounge	531,700
1106 - Bed & Breakfast Liq Lic	22,775
1107 - Civic Organizations	9,000
1108 - Agency Liq. Store Full Time	120,200
1109 - Agency Liq.Store Resale	6,450
1110 - Class I-A	119,200
1113 - Small Brewery	8,385
1114 - Brewery	16,000
1115 - Class X	215,760
1116 - Auxiliary License	1,700
1117 - Winery	3,250
1121 - Dual Liquor License	1,200
1122 - Minibar License Hotel	780
1123 - Minibar License Other	150
1124 - Minibar Room Fee Hotel	1,235
1125 - Minibar Room Fee Other	250
1126 - Wine Direct Shipper License	14,000
1127 - Wine Direct Shipper Registration Fee	7,000
1128 - Direct Shipper Renewal	30,700
1129 - B.Y.O.B. - Function Permit	2,270

1130 - Bottle Club Registration	850
1131 - Spec Cater Off Prem S & V	10,780
1132 - Class III	95,290

<b><u>Revenue Sources/Description (continued)</u></b>	<b><u>Total</u></b>
1138 - Class IV	106,090
1140 - Class V	17,820
1150 - Class VIII	336,700
1151 - Certf Of Approval-Spirit	38,600
1152 - Liq Fees-Golf Carts	5,300
1153 - Wholesaler Table Wine	12,600
1154 - Wholesale Wine Only Spec	1,790
1155 - Class VI	284,520
1156 - Class VI P-T	200
1157 - Class VI - 2 Mos Exten	1,200
1158 - Malt Liq Cert Of Approval	180,840
1159 - Wine Cert Of Approval	450,960
1161 - Wholesaler Malt Liquor	12,300
1162 - Wholesale Special	9,000
1164 - Cert Of Wine 120	14,570
1165 - Class VI-A P-T	25,400
1176 - Class VII	287,240
1181 - Farmer's Market Permit	900
1182 - Self Sponsored Event Permit	10,600
1431 - Renl Occ/Pro Licenses 5	41,000
1475 - Manufacturers Lic/Permits	1,000
1960 - Certification Fee	10,385
2631 - Registration Fees	124,494
2632 - Filing Fees	65,470
2686 - Misc-Income (License Related)	<u>1,650</u>
<b>Total Revenue</b>	<b>21,832,075</b>

<b>Expenses</b>	
Personnel	\$ 1,024,114
Operating Expenses	321,510
<b>Total Expenses</b>	<b><u>\$ 1,345,623</u></b>

<b>Profit</b>	
<b>Total Profit</b>	<b><u>\$ 20,486,451</u></b>

**Section 10.** Per 28-A M.R.S. §84, sub-§7, ¶C, the information required by 28-A M.R.S. §83-C, sub-§7, a complete statement of revenues from and expenses for the sale of spirits by the Bureau for calendar year 2022.

<b>Revenue</b>		<b>Total</b>
	Gross Sales <sup>4</sup>	<u>\$ 251,320,562</u>
	<b>Total Revenue</b>	<b>\$ 251,320,562</b>
<b>Expenses</b>		
	Cost of Goods Sold	\$ 165,225,151
	Warehousing & Distribution Contract Costs	12,038,079
	Trade Marketing Contract Costs	5,344,418
	Operating Expenses <sup>5</sup>	<u>2,540,316</u>
	<b>Total Expenses</b>	<b><u>\$ 185,147,963</u></b>
<b>Operating Profit</b>		
	Operating Profit	<b>\$ 66,172,599</b>
<b>Adjustments</b>		
	Outstanding Receivables	\$ 550,637
	Other Adjustments <sup>6</sup>	<u>0</u>
	<b>Total Adjustments</b>	<b><u>\$ 550,637</u></b>
<b>Profit</b>		
	<b>Transferred to MMBB</b>	<b><u>\$ 65,621,962</u></b>

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<sup>4</sup> Gross sales include agency liquor store payments for products, depletion allowance payments from brokers for price reduction and suppliers' payments for bailment charges.

<sup>5</sup> Operating expenses include Personal Services, All Other and marketing and advertising expenses.

<sup>6</sup> Other adjustments include unusual revenues and expenses such as initial 50ml bottle size redemption costs, refunds and bad debt write-offs.

**Section 11.** Per 28-A M.R.S. §84, sub-§7, ¶D, the information required by 28-A M.R.S. §83-C, sub-§9, a report on expenditures and investments made by the Bureau, including, but not limited to, reductions in the retail price at which spirits are sold and incentives offered to agency liquor stores. Also included is the impact of those spending initiatives on the number of cases of spirits sold in the State and on sales of spirits generally.

During CY2022, the Bureau participated with spirits suppliers to reduce the retail price of products that are key to the overall success of Maine’s Spirits business.

Investments toward price reductions:

Bureau’s investments	\$ 2,122,567
Suppliers’ investments	\$ 13,819,467
Total investments	\$ 15,942,034
Bureau’s percentage of total investments	13.31%

Impact of investments on sales:

Total increase in case sales from investments <sup>7</sup>	\$ 136,156
Net decrease in case sales for all products <sup>8</sup>	\$ (16,428)

Impact of investments on gross profit:

The Bureau’s investment on price reductions resulted in an increase gross profit to the State of \$3,148,935.

Other expenditures by the Bureau to support Maine’s spirits business

Marketing and advertising expenses <sup>9</sup>	\$ 1,769,646
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**Section 12.** 28-A M.R.S. §84, sub-§7, any recommendations for changes to this Title.

The Bureau recommends this annual report be submitted using fiscal year data rather than calendar year in keeping with other state accounting practices.

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<sup>7</sup> The increase in case sales here are only on products when investments were made to reduce prices by both the Bureau and spirits suppliers.

<sup>8</sup> Net increases include both increases in case sales for products and decreases in case sales for products. This decrease is partly impacted by high case sales during the pandemic.

<sup>9</sup> Marketing and advertising expenses that include, but may not necessarily have a direct impact on price reduction promotions, are ad agency monthly fee, television production costs, television, radio, newspaper ad run costs and social media (Facebook, Instagram, Pinterest) content development and maintenance, mobile app development and maintenance and special taste testing events.