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*****PRESS RELEASE*****

State Auditor Otto Releases Municipal Liquor Store Report

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ST. PAUL (12/23/2014) – State Auditor Rebecca Otto today released the 2013 Analysis of Municipal Liquor Store Operations. The report provides comparative data on liquor operations owned and operated by Minnesota cities.

Minnesota municipalities were originally authorized to own and operate liquor establishments as a means of controlling the sale of alcohol. For many communities in Greater Minnesota, municipal liquor operations provide access and convenience in areas that might be unable to attract a privately-run establishment. In addition to these functions, profitable municipal liquor operations have provided another source of revenue to supplement traditional tax and fee revenues.

In 2013, 205 Minnesota cities operated 237 municipal liquor stores, with 111 cities operating both on-sale and off-sale liquor establishments and 94 cities restricting their municipally-owned establishments to off-sale liquor stores.

Highlights from the report include:

- During 2013, Minnesota's municipal liquor operations reported an 18th consecutive year of record sales, totaling \$332.8 million. Total sales generated in 2013 increased by \$3.2 million, or 1.0 percent, over 2012. Among individual liquor operations that were in business for all of 2013, total sales ranged from \$125,051 in Round Lake to \$15.4 million in Lakeville.
- The combined net profit of all municipal liquor operations totaled \$26.8 million in 2013. This represents a decrease of \$500,522, or 1.8 percent, from the amount generated in 2012.

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- During 2013, Minnesota's municipal liquor stores transferred \$18.6 million of their profits to other city funds. This represents a decrease of 19.2 percent from the total net transfers made in 2012. Net transfers totaled \$7.0 million among Metro Area establishments, compared to \$11.6 million for Greater Minnesota establishments.
- Municipal liquor operations located within the Metro Area are considerably larger and more profitable than their Greater Minnesota counterparts. Although only 19 of the 205 Minnesota cities (9.3 percent) that own and operate municipal liquor stores are located in the Metro Area, they represent 37.0 percent of the total sales and 36.5 percent of the net profits of municipal liquor operations. Sales by all Metro Area operations averaged \$3.2 million in 2013, compared to average sales of \$1.1 million for all Greater Minnesota municipal liquor operations.
- Over the past five years, net profits have increased 22.5 percent. Among off-sale stores, there was an 18.6 percent increase in net profits, while on-sale stores showed an increase of 56.6 percent.
- Thirty-three Minnesota cities reported net losses for 2013, compared to 25 cities in 2012. All 33 cities with losses are located in Greater Minnesota.

To view the complete report, which includes an Executive Summary, tables, charts, maps, and graphs, go to:

[Link goes here.](#)

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The Office of the State Auditor is a constitutional office that is charged with overseeing more than \$20 billion spent annually by local governments in Minnesota. The Office of the State Auditor does this by performing audits of local government financial statements, and by reviewing documents, data, reports, and complaints reported to the Office. The financial information collected from local governments is analyzed and is the basis of statutory reports issued by the Office of the State Auditor.

Rebecca Otto is Minnesota's 18th State Auditor. A high-resolution official photo is available for download at http://www.auditor.state.mn.us/images/otto_hires.jpg. To learn more about State Auditor Otto, see <http://www.auditor.state.mn.us/default.aspx?page=bio>.