

City of St. Francis Bottle Shop 2023 Annual Report



City of St. Francis Bottle Shop

Liquor Store Staff

Employee	Position	Date Appointed
Joe Pfeifer	Liquor Store Manager	11/13/2023
Crystal Buskey	Assistant Manager	9/7/2004 (Hired May 22, 2001)
Corrine Lauer	Full-time Cashier	8/3/2021 (Hired February 7, 2014)
Erik Hughes	Part-time Cashier	4/19/2022
Kyler Loud	Part-time Cashier	4/19/2022
Melinda Michels	Part-time Cashier	3/20/2008
Kristi Neubauer	Part-time Cashier	2/14/2019

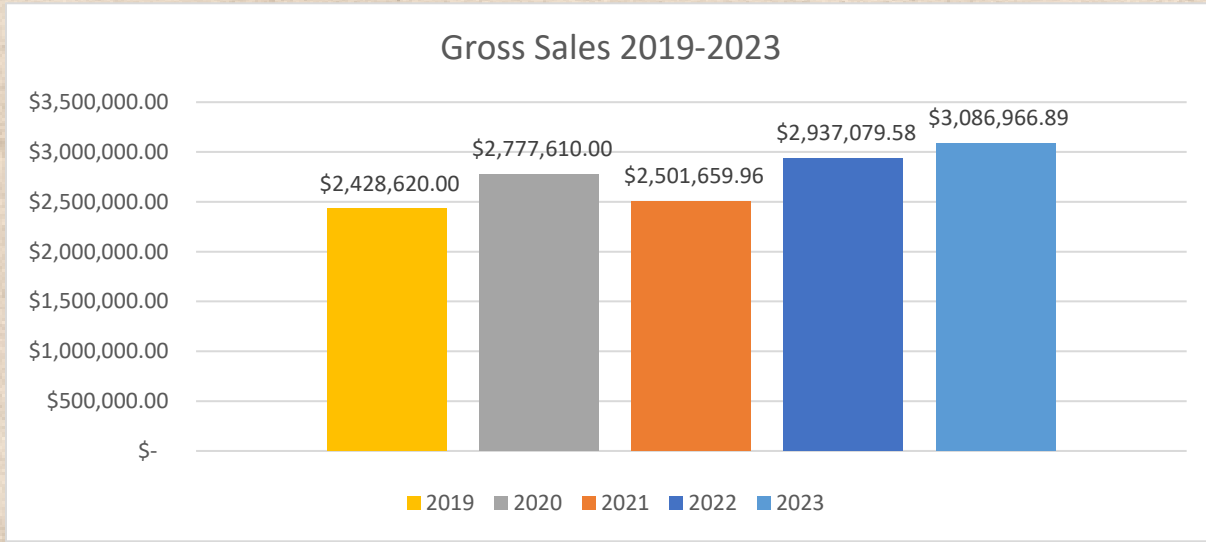
City of St. Francis Bottle Shop

5-Year Comparative Income Statement-2023 Unaudited

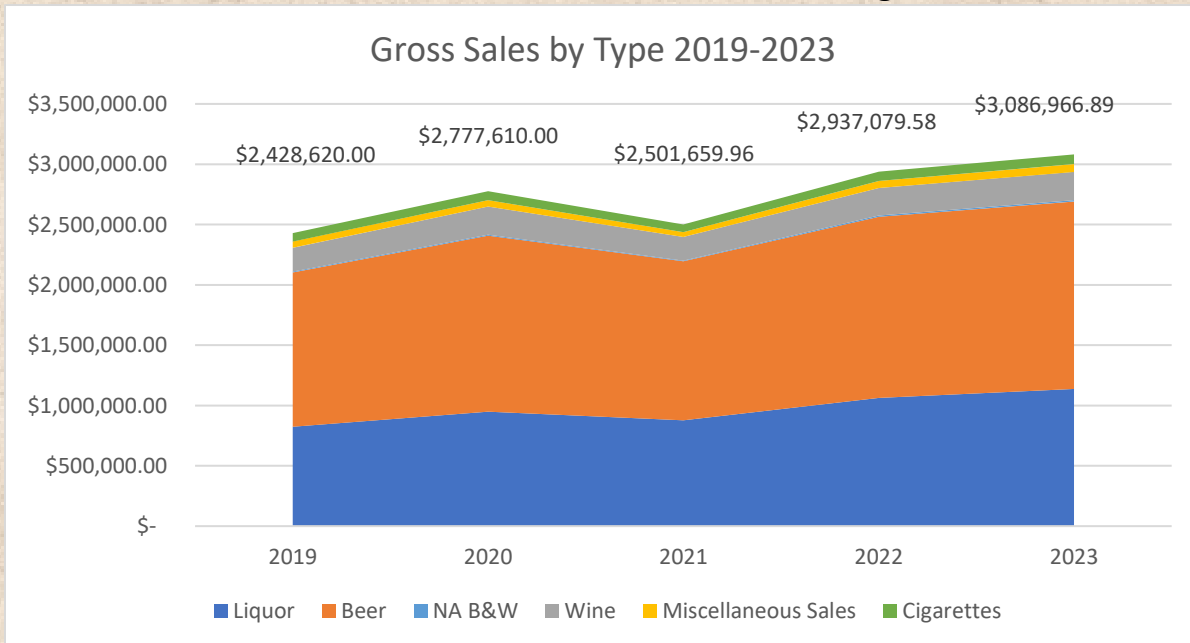
	2019	2020	2021	2022	2023
Liquor	\$ 823,784.52	\$ 950,038.30	\$ 876,981.59	\$ 1,062,937.94	\$ 1,137,220.31
Beer	1,279,629.96	1,457,856.90	1,319,035.77	\$ 1,501,830.05	\$ 1,553,322.12
Wine	197,617.38	233,729.08	195,306.57	\$ 229,183.75	\$ 234,567.08
Miscellaneous Sales	51,133.40	53,571.04	39,379.35	\$ 58,136.64	\$ 64,152.30
NAB&W	6,606.46	6,742.92	5,980.57	\$ 9,142.63	\$ 11,809.14
Cigarettes	69,848.28	75,671.76	64,976.11	\$ 75,848.57	\$ 80,402.35
THC Drinks	-	-	-	\$ -	\$ 5,493.59
Total Gross Sales	\$ 2,428,620.00	\$ 2,777,610.00	\$ 2,501,659.96	\$ 2,937,079.58	\$ 3,086,966.89
COGS	\$ 1,825,275.00	\$ 2,031,338.00	\$ 1,899,042.82	\$ 2,211,211.51	\$ 2,319,873.51
Gross Profit	\$ 603,345.00	\$ 746,272.00	\$ 602,617.14	\$ 725,868.07	\$ 767,093.38
Gross Profit Margin	24.8%	26.9%	24.1%	24.7%	24.8%
Personnel	\$ 303,324.00	\$ 257,952.00	\$ 296,862.34	\$ 399,628.93	\$ 352,573.85
Insurance	21,845.00	25,130.00	26,195.62	\$ 22,176.56	\$ 35,979.34
Supplies	8,217.00	5,426.00	19,614.30	\$ 7,465.78	\$ 6,993.24
Professional	117,450.00	131,574.00	137,579.92	\$ 184,321.76	\$ 177,886.88
Repairs	8,907.00	4,162.00	14,595.76	\$ 38,944.69	\$ 6,684.04
Communications	4,303.00	3,501.00	2,331.38	\$ 1,708.78	\$ 1,532.73
Other	6,013.00	11,404.00	8,696.95	\$ 11,415.73	\$ 18,208.46
Utilities	16,641.00	16,331.00	15,050.62	\$ 18,385.80	\$ 19,625.02
Depreciation	32,562.00	22,957.00	19,195.42	\$ 42,219.04	\$ 42,000.00
Total Operating Expenses	\$ 519,262.00	\$ 478,437.00	\$ 540,122.31	\$ 726,267.07	\$ 661,483.56
Net Operating Income	\$ 84,083.00	\$ 267,835.00	\$ 62,494.83	\$ (399.00)	\$ 105,609.82
Other Income	\$ 54,280.00	\$ 39,504.00	\$ (10,519.05)	\$ (24,172.77)	\$ 63,213.89
Income (Loss) Before Transfers	\$ 138,363.00	\$ 307,339.00	\$ 51,975.78	\$ (24,571.77)	\$ 168,823.71
Transfers Out	\$ 285,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Net Income/(Loss)	\$ (146,637.00)	\$ 247,339.00	\$ (8,024.22)	\$ (84,571.77)	\$ 108,823.71
Cash Balance	\$ 1,781,543	\$ 1,982,657	\$ 1,204,211	\$ 1,048,587	\$ 1,149,835

Gross Sales

The liquor store has seen an increase in gross sales over the last 5 years for the most part. 2020 covid shut downs generated \$348,900 more in gross sales than 2019 sales. The drop in 2021 was due to the building remodel and being shut down for a few weeks. Unaudited 2023 gross sales finally broke the \$3,000,000 mark.

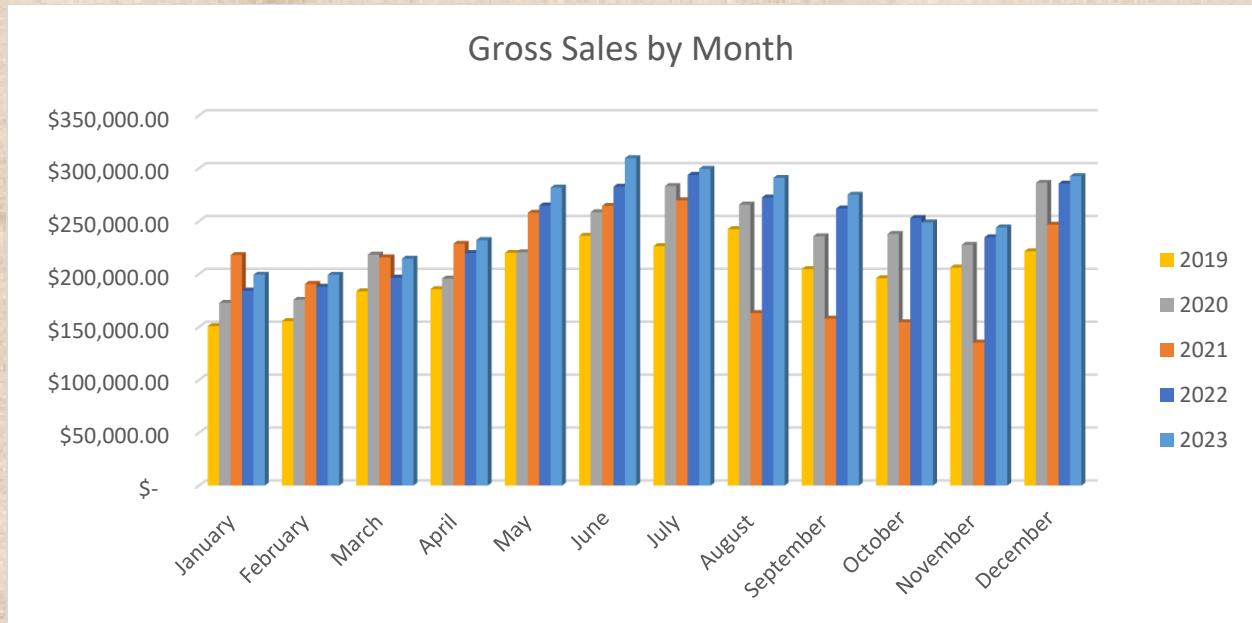


This graph shows the breakdown of the gross sales by type of purchase: Liquor, Wine, Beer, Miscellaneous, NA B & W, and Cigarettes.

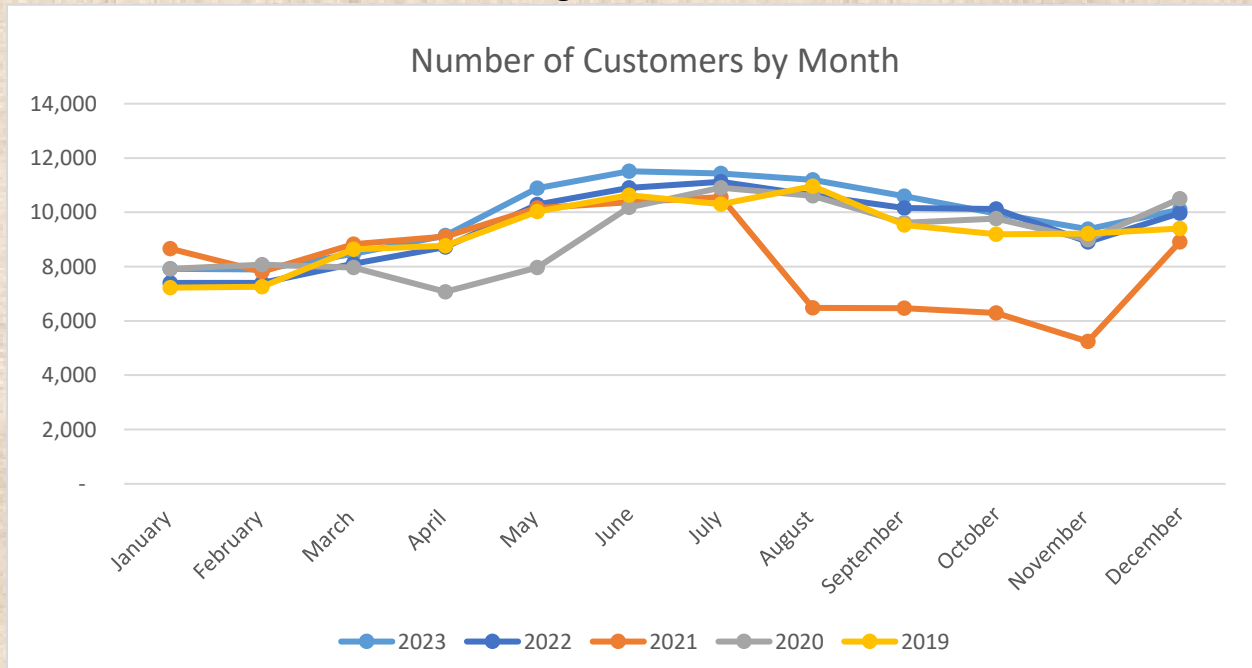


Gross Sales by Month

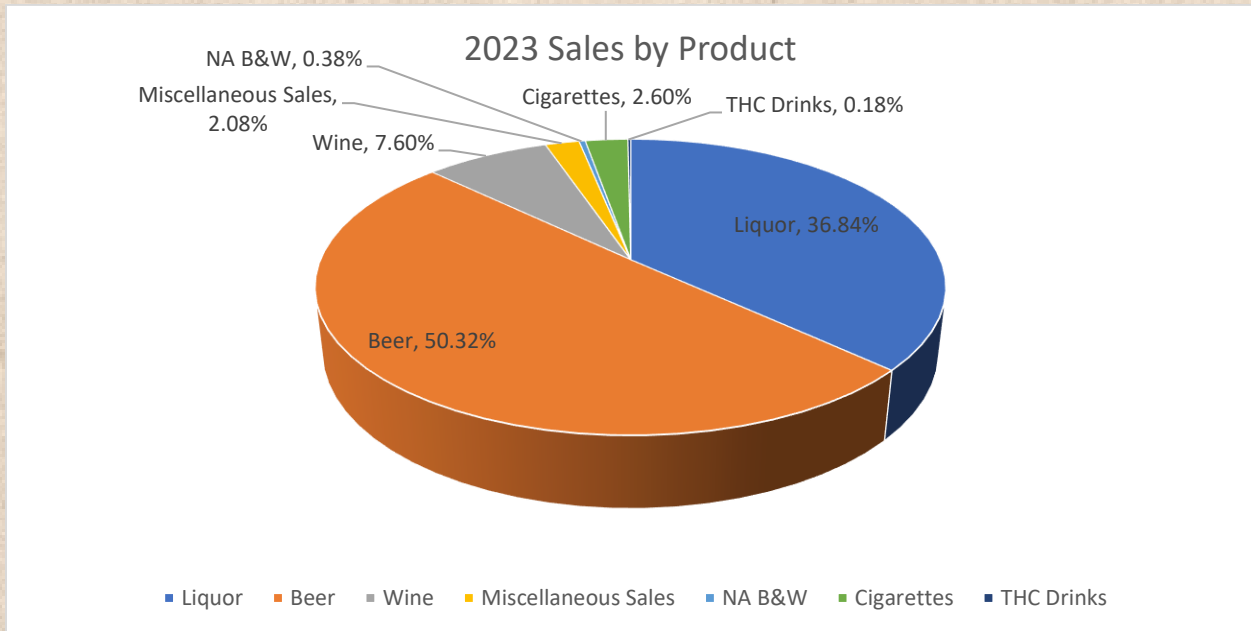
Traditionally, the store is slower in the early months of the year and picks up during the summer. School slows and then a solid December. 2023 was no exception and most months of the year were slightly better than 2022.



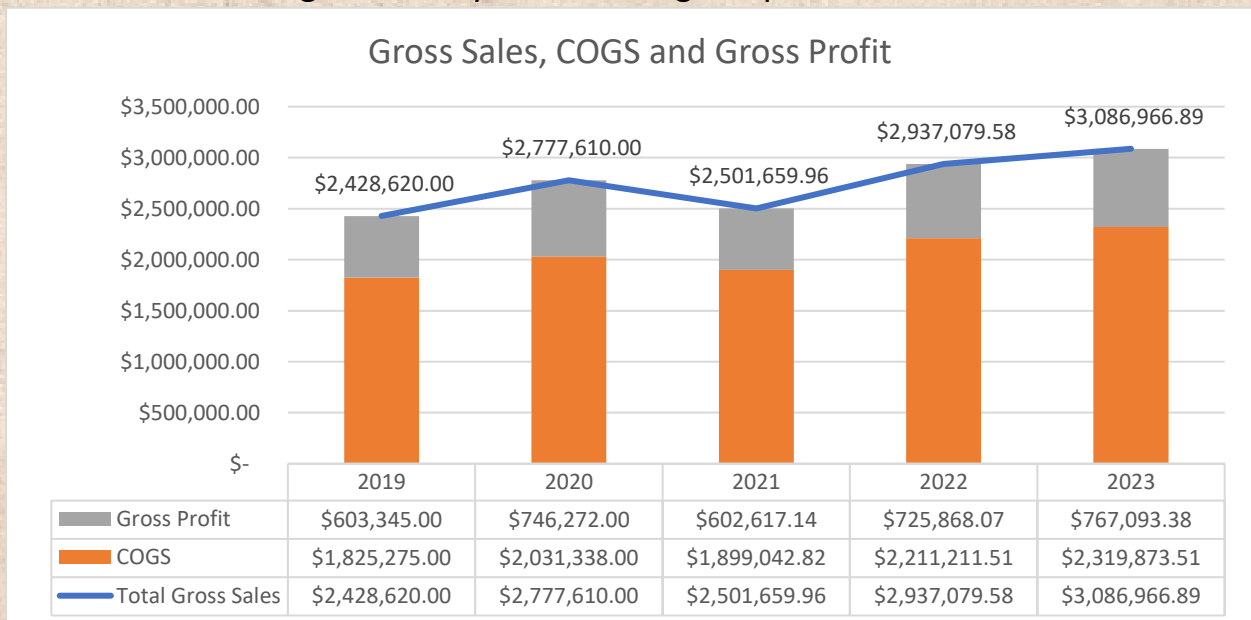
Here are the number of customers by month for the last 5 years. Again 2021 line shows the decline for the remodeling. 2023 showed an overall increase vs. 2022.



The next chart shows the 2023 Sales by product. Beer is #1 at 50.32% with Liquor coming in at 36.84%.

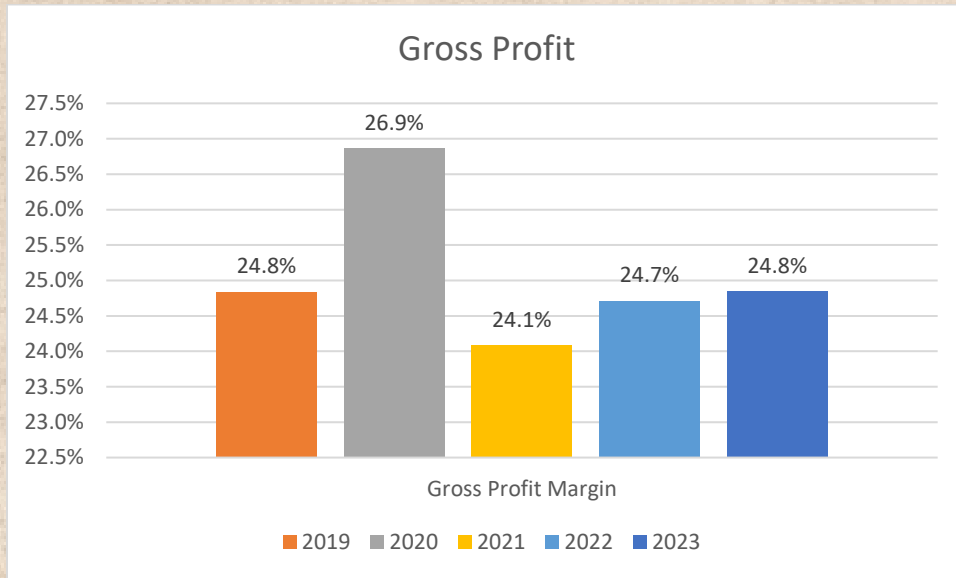


After gross sales, this next graph shows the relationship gross sales to cost of goods sold (COGS) and the gross profit that is created. Cost of goods sold is what the Bottle Shop pays for the liquor, beer, wine and miscellaneous. Once that is deducted from the gross sales you have the gross profit amount.



Gross Profit Margin

The Bottle Shop shoots to have a gross profit margin of 25%. As you can see, it has hovered there for the last 5 years. This is generated by taking the Gross Profit and dividing it by the Gross Sales.

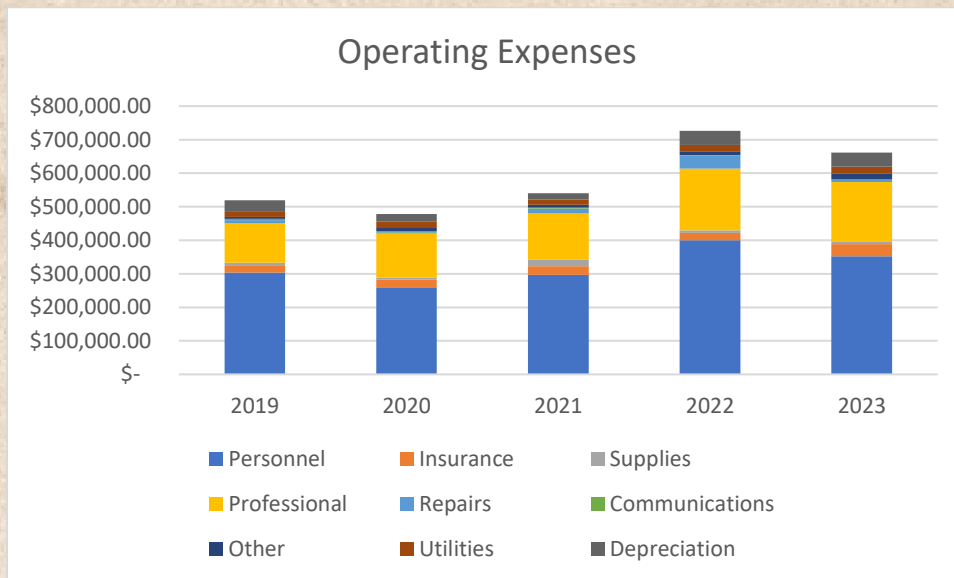


Operating Expenses

The costs for running the liquor store operations is broken down into the following categories: Personnel, insurance, supplies, profesional services, repairs and maintenance, communications, other, utilities and depreciation.

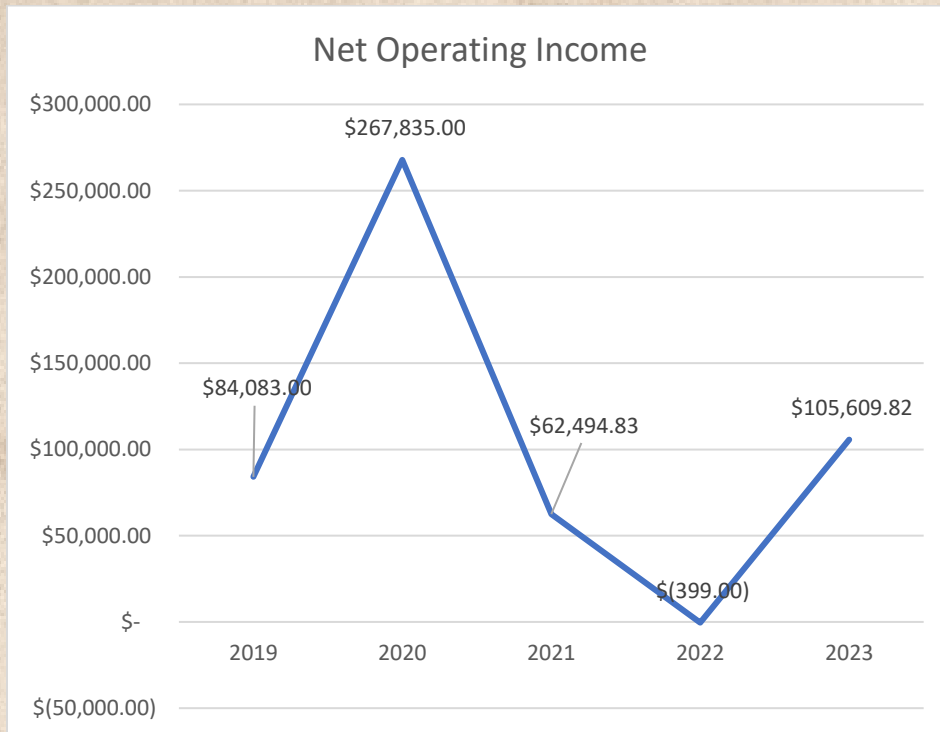
The biggest line item is the personnel line. The shop employees three full-time staff. The manager, the assistant manager and a full-time clerk. The full-time clerk was added 2021. During 2022, the hourly rates of the part-time employees was looked at and council decided to adjust the wage up to be comparable to other jobs in the area. Labor is lower in 2023 due to the change in management, as well as the absence of a store manager for a few months.

The next biggest line item is the professional services line. This line includes auditing costs, computer consulting costs, administration charge (this is transferred to the general fund) and the cost of credit card processing.



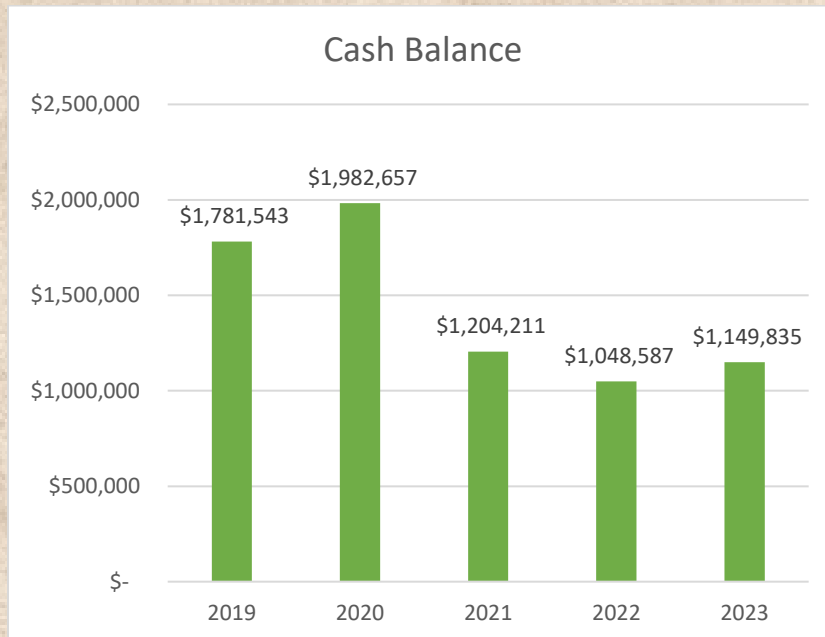
Net Operating Income

Net Operating Income is the amount left over after operating expenses are subtracted from gross profit. The trend is downward right now except for the exceptional year of 2020. Inflation is hitting everyone including city operations. Please note that 2023 amount is unaudited. This is the amount before any transfers that this city makes out of this fund. Even still, it's great to see a positive number for 2023.



Cash

The cash balance has dropped in the last couple of years. The reason for this drop is the remodeling project that occurred in 2021. The overall costs associated with the remodeling amounted to \$920,945. This included the construction contract, architectural fees, and any miscellaneous costs associated with the project. 2023 did make a \$100,000 increase in the cash balance which is about a 9% increase from 2022.



2023 Trends

During the year 2023 the state legalized the sales of THC. We've brought in several brands and although the sales are only incremental, the GP on THC products is around 50%! Still seeing great sales in seltzers, namely White Claw. Also, many new ready to drink cocktails are doing well, including brands like Cutwater and High Noon. These "healthier options" have seen a steady rise in the industry in recent years and span across all drinkers and age groups, but mostly appealing to the younger generation.



Bottle Shop Employees

It truly is all about the experience we provide for our guests. We have many tenured staff here at the bottle shop who know the customers well. While I only started in November, I've been a resident of Saint Francis for over 15 years and know many of the customers as well! I bring with me a lot of experience with liquor store sales and operations as well as great customer service! I'm also beginning to see quite a few regulars from my days at G-Will making the transition to shopping at the Bottle Shop! 2024 is going to be a great year.

Special Events throughout the year

Food Trucks



Giveaways




MMBA Fire Fighter Fundraiser



MMBA Vikings Children's Fund





Bottle Shop
ST. FRANCIS, MN
since 1964