

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of April 2009



Working to Create Michigan's Future Today

Michigan Department of Energy, Labor & Economic Growth (DELEG)
Jennifer M. Granholm, Governor

Stanley "Skip" Pruss , Department Director
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MICHIGAN LIQUOR CONTROL COMMISSION

APRIL FINANCIAL REPORT

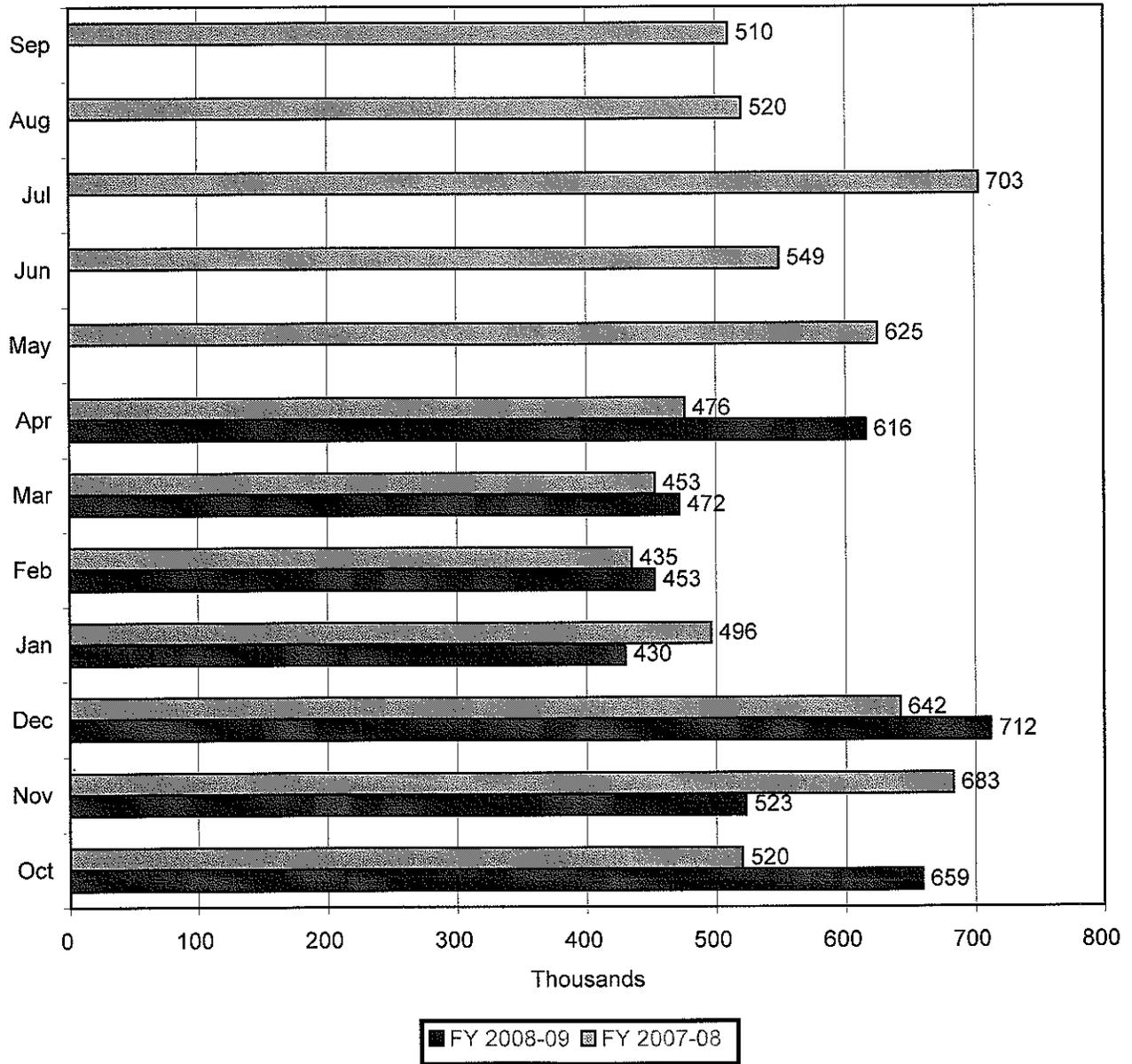
FISCAL YEAR 08 - 09

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CASE SALES



	Fiscal Year to Date 10/08-04/09	Fiscal Year to Date 10/07-04/08	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	3,864,700	3,704,278	160,422	4.33%
Average Price Per Case Sold	\$140.71	\$139.85	\$0.86	0.61%

**MICHIGAN LIQUOR CONTROL COMMISSION
LIQUOR PURCHASE REVOLVING FUND
UNAUDITED COMPARATIVE BALANCE SHEET
APRIL 30**

	2009	2008
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	62,108,163	56,411,864
Subtotal	\$62,108,863	\$56,412,564
Liquor Inventory - At Current Cost	5,230,286	4,416,721
Prepaid Distribution Costs of Inventory	387,525	327,834
Other Assets		
Accounts Receivable	\$32,744,151	\$17,993,436
Returned Checks	219,656	52,647
Payroll Correction Clearing	0	0
Subtotal	32,963,807	18,046,083
TOTAL ASSETS	\$100,690,481	\$79,203,202
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$2,845,191	\$6,049,490
Warrants Authorized/Not Issued	66,727,825	52,582,965
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	0	0
Current Compensated Absences	319,291	90,771
Total Current Liabilities	\$69,892,307	\$58,723,226
LONG TERM LIABILITIES		
Long Term Compensated Absences	\$837,303	\$1,011,707
Total Long Term Liabilities	837,303	1,011,707
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	29,085,132	18,592,530
Current Period Ending Balance	29,960,871	19,468,269
TOTAL LIABILITIES & RETAINED EARNINGS	\$100,690,481	\$79,203,202

*This amount includes the amounts of money collected from the three 4% specific taxes and the sales tax that have not been transferred out of the Liquor Purchase Revolving Fund.

**MICHIGAN LIQUOR CONTROL COMMISSION
LIQUOR PURCHASE REVOLVING FUND
UNAUDITED COMPARATIVE STATEMENT OF REVENUE, EXPENSES, & CHANGES IN RETAINED EARNINGS
SEVEN MONTHS ENDED APRIL 30**

	2009	2008
REVENUE		
TOTAL GROSS SALES	\$543,788,149	\$518,059,656
Less: Discounts Allowed	92,518,093	88,152,895
PROCEEDS - SALE OF LIQUOR	\$451,270,056	\$429,906,761
Less: Cost of Goods Sold		
Beginning Inventory	\$8,772,511	\$4,411,770
Add: Purchases	325,480,863	314,124,716
Less: Ending Inventory	5,230,286	4,416,721
Cost of Goods Sold	\$329,023,088	\$314,119,765
GROSS REVENUE FROM SALE OF LIQUOR	\$122,246,968	\$115,786,996
OTHER REVENUE		
Miscellaneous Revenue	(\$3,604)	\$133,316
Non-Operating Revenue	0	0
Interest Revenue	406,769	1,167,210
TOTAL OTHER REVENUE	\$403,165	\$1,300,526
TOTAL REVENUE	\$122,650,133	\$117,087,522
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$199,429	\$247,711
Management Support	1,515,105	1,409,249
Licensing & Enforcement (1)	2,893,872	2,703,853
Distribution Cost Paid to Suppliers	26,891,934	25,822,396
Compensated Absences	0	0
Total MLCC Expenses	\$31,500,340	\$30,183,209
Other Agencies Expenses		
Attorney General	\$197,678	\$262,079
Auditor General	11,300	11,300
Civil Service - Personnel	0	78,631
Management and Budget	0	0
DIT - Information Technology Services	1,817,161	1,769,566
MLCC Rent	719,489	543,982
DELEG - Executive Direction	138,979	343,408
DELEG - Administrative Offices	1,346,467	1,387,431
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$4,231,074	\$4,396,397
TOTAL EXPENSES AND TRANSFERS	\$35,731,414	\$34,579,606
NET INCOME (Not Including Taxes & Grants)	\$86,918,719	\$82,507,916
Add: Specific Tax, Liquor 1.85%	8,366,018	7,630,870
NET REVENUE (Before Unrelated Expenses)	\$95,284,737	\$90,138,786
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$92,874,237	\$87,728,286
RETAINED EARNINGS		
Transfers to General Fund-Cash	77,000,000	77,000,000
Current Year Increase or (Decrease)	\$15,874,237	\$10,728,286
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$16,749,976	\$11,604,025

Note:

(1) Includes the Revolving Fund Portion only.

**MICHIGAN LIQUOR CONTROL COMMISSION
LIQUOR PURCHASE REVOLVING FUND
UNAUDITED STATEMENT OF CHANGES IN EQUITY AND TRANSFERS
APRIL 30**

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	122,650,133	117,087,522	5,562,611
Specific Tax, Liquor 1.85%	<u>8,366,018</u>	<u>7,630,870</u>	<u>735,148</u>
Total Equity Available	<u>\$131,891,890</u>	<u>\$125,594,131</u>	<u>\$6,297,759</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$77,000,000	\$77,000,000	\$0
MLCC Expenses	31,500,340	30,183,209	1,317,131
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	4,231,074	4,396,397	(165,323)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$115,141,914</u>	<u>\$113,990,106</u>	<u>\$1,151,808</u>
Ending Equity	<u>\$16,749,976</u>	<u>\$11,604,025</u>	<u>\$5,145,951</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
SEVEN MONTHS ENDED APRIL 30**

	<u>2009 MONTH</u>	<u>YTD</u>	<u>2008 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$67,922,115	\$437,849,401	\$51,525,262	\$411,740,279	\$26,109,122
On Premise	17,655,678	105,670,604	14,125,267	105,732,052	(61,448)
Other	41,171	268,144	56,535	587,325	(319,181)
TOTAL GROSS SALES	<u>\$85,618,964</u>	<u>\$543,788,149</u>	<u>\$65,707,064</u>	<u>\$518,059,656</u>	<u>\$25,728,493</u>
Less: Discounts Allowed	14,566,722	92,518,093	11,177,044	88,152,895	4,365,198
PROCEEDS-SALE OF LIQUOR	<u>\$71,052,242</u>	<u>\$451,270,056</u>	<u>\$54,530,020</u>	<u>\$429,906,761</u>	<u>\$21,363,295</u>
Less: Cost of Goods Sold	51,473,732	329,023,088	39,838,525	314,119,765	14,903,323
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$19,578,510</u>	<u>\$122,246,968</u>	<u>\$14,691,495</u>	<u>\$115,786,996</u>	<u>\$6,459,972</u>
OTHER REVENUE					
Miscellaneous Revenue	(\$16,284)	(\$3,604)	(\$5,782)	\$133,316	(\$136,920)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	153,808	406,769	499,563	1,167,210	(760,441)
TOTAL OTHER REVENUE	<u>\$137,524</u>	<u>\$403,165</u>	<u>\$493,781</u>	<u>\$1,300,526</u>	<u>(\$897,361)</u>
TOTAL REVENUE	<u>\$19,716,034</u>	<u>\$122,650,133</u>	<u>\$15,185,276</u>	<u>\$117,087,522</u>	<u>\$5,562,611</u>
Less: Distribution Cost Paid to Suppliers	4,262,336	26,891,934	3,319,856	25,822,396	1,069,538
INCOME FROM LIQUOR MERCHANDISING	<u>\$15,453,698</u>	<u>\$95,758,199</u>	<u>\$11,865,420</u>	<u>\$91,265,126</u>	<u>\$4,493,073</u>
MANAGEMENT EXPENSES					
Commission	\$24,840	\$199,429	\$32,150	\$247,711	(\$48,282)
Management Support(1)	304,790	1,633,566	224,667	1,530,916	102,650
Licensing & Enforcement(1)	1,447,461	6,852,637	955,032	6,228,682	623,955
DELEG Services	(134,999)	3,895,946	280,869	4,141,339	(245,393)
DIT - Information Technology Services	86,946	1,817,161	(11,802)	1,769,566	47,595
Attorney General	0	197,678	0	262,079	(64,401)
Auditor General	0	11,300	0	11,300	0
Civil Service - Personnel	0	0	0	78,631	(78,631)
Management and Budget	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Less: Transfer not related to MLCC Operations (2)	0	2,410,500	0	2,410,500	0
Total Management Expenses	<u>\$1,729,038</u>	<u>\$12,197,217</u>	<u>\$1,480,916</u>	<u>\$11,859,724</u>	<u>\$337,493</u>
INCOME FROM OPERATIONS	<u>\$13,724,660</u>	<u>\$83,560,982</u>	<u>\$10,384,504</u>	<u>\$79,405,402</u>	<u>\$4,155,580</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,508,177	8,366,018	955,367	7,630,870	735,148
Revenue Collected for Other Funds	21,041,744	105,298,831	18,586,715	102,493,392	2,805,439
TOTAL CURRENT EARNINGS & REVENUE	<u>\$36,274,581</u>	<u>\$197,225,831</u>	<u>\$29,926,586</u>	<u>\$189,529,664</u>	<u>\$7,696,167</u>
Number of Cases Sold	616,371	3,864,700	476,321	3,704,278	160,422
Number of Sales Days	25	153	20	150	3

Notes:

- (1) Total expenses per page 7 less any equipment purchases.
(2) Grants to Cities - Fire Protection.

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF REVENUE COLLECTED
SEVEN MONTHS ENDED APRIL 30**

	<u>CURRENT MONTH</u>	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$3,737,903	\$20,745,063	\$20,750,002	(\$4,939)
Specific Tax, Liquor 4%	3,337,610	21,628,822	20,657,078	971,744
Excise Tax, Wine	769,386	4,371,054	4,407,302	(36,248)
Excise Tax, Mixed Spirit Drink	35,854	138,187	135,874	2,313
Fines & Costs	92,238	557,091	479,189	77,902
Miscellaneous Revenue	4,184	41,546	32,852	8,694
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$7,977,175</u>	<u>\$47,481,763</u>	<u>\$46,462,297</u>	<u>\$1,019,466</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$2,954,051	\$7,301,731	\$7,296,682	\$5,049
41.5% To Licensing & Enforcement	2,228,965	4,316,199	4,388,764	(72,565)
3.5% To Alcoholism Prevention Programs	187,985	364,016	370,136	(6,120)
Additional Resort License Fees	19,400	75,850	37,292	38,558
Direct Shipper License Fees	27,254	65,728	54,649	11,079
License Transfer Fees	48,465	409,785	360,353	49,432
Sunday Sales Fees	694,372	1,368,285	1,359,714	8,571
Non-Retail License Fees-Wine Industry Council	189,470	432,400	587,515	(155,115)
Liquor Control Act Sales	320	2,410	1,920	490
Inspection Fees	27,400	158,408	173,445	(15,037)
Specific Tax, Liquor 4%-Tourism & Conv. Facility	3,342,223	21,661,118	20,700,771	960,347
Miscellaneous Revenue	7,054	32,316	42,776	(10,460)
TOTAL GENERAL FUND-RESTRICTED	<u>\$9,726,959</u>	<u>\$36,188,246</u>	<u>\$35,374,017</u>	<u>\$814,229</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$3,337,610	\$21,628,822	\$20,657,078	\$971,744
TOTAL SCHOOL AID FUND	<u>\$3,337,610</u>	<u>\$21,628,822</u>	<u>\$20,657,078</u>	<u>\$971,744</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$21,041,744</u>	<u>\$105,298,831</u>	<u>\$102,493,392</u>	<u>\$2,805,439</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,508,177	\$8,366,018	\$7,630,870	\$735,148
Income From Operations (Excluding Taxes & Grants)(1)	13,724,660	83,560,982	79,405,402	4,155,580
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$15,232,837</u>	<u>\$91,927,000</u>	<u>\$87,036,272</u>	<u>\$4,890,728</u>
TOTAL REVENUE COLLECTED	<u>\$36,274,581</u>	<u>\$197,225,831</u>	<u>\$189,529,664</u>	<u>\$7,696,167</u>

Note:

(1) Income From Operations after all operating expenses including General Fund portion of Licensing and Enforcement.