

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of December 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

DECEMBER FINANCIAL REPORT

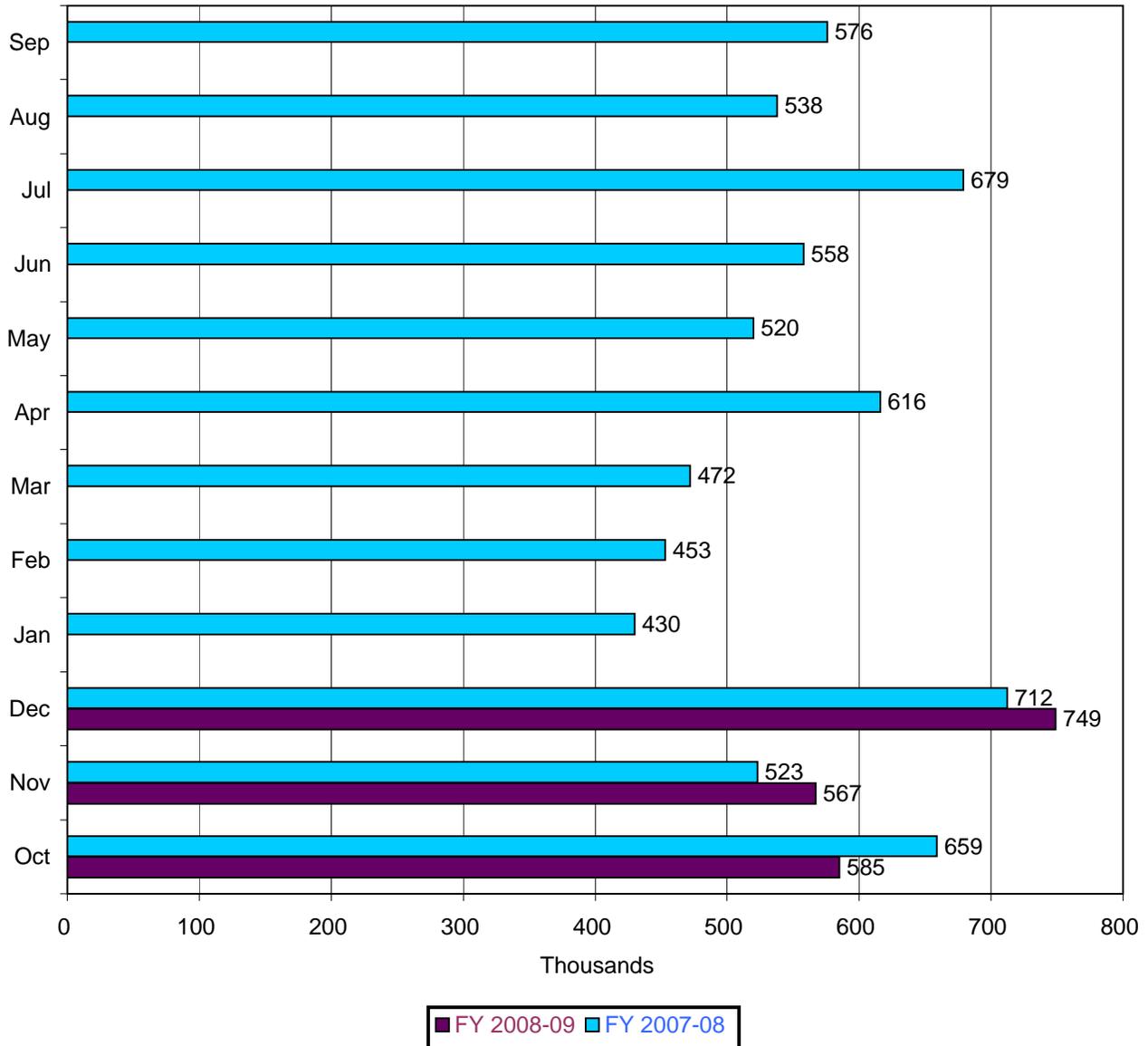
FISCAL YEAR 09 - 10

Table of Contents

	<u>Page</u>
Chart of Case Sales	1
Unaudited Comparative Balance Sheet.....	2
Unaudited Comparative Statement of Revenue, Expenses & Changes in Retained Earnings.....	3
Unaudited Statement of Changes in Equity and Transfers	4
Unaudited Comparative Schedule of Operations.....	5
Unaudited Comparative Schedule of Revenue Collected	6
Unaudited Schedule of Expenses by Type and Account	7

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CASE SALES



	Fiscal Year to Date 10/09-12/09	Fiscal Year to Date 10/08-12/08	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	1,900,452	1,893,947	6,505	0.34%
Average Price Per Case Sold	\$137.64	\$141.21	(\$3.57)	-2.53%

**MICHIGAN LIQUOR CONTROL COMMISSION
LIQUOR PURCHASE REVOLVING FUND
UNAUDITED COMPARATIVE BALANCE SHEET
DECEMBER 31**

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>65,510,223</u>	<u>65,836,425</u>
Subtotal	\$65,510,923	\$65,837,125
Liquor Inventory - At Current Cost	7,827,318	5,281,622
Prepaid Distribution Costs of Inventory	617,270	396,893
Other Assets		
Accounts Receivable	\$37,059,978	\$36,418,750
Returned Checks	189,766	121,047
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>37,249,744</u>	<u>36,539,797</u>
TOTAL ASSETS	<u><u>\$111,205,255</u></u>	<u><u>\$108,055,437</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$1,747,260	\$3,685,607
Warrants Authorized/Not Issued	83,845,762	80,668,241
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	0	0
Current Compensated Absences	<u>634,998</u>	<u>319,291</u>
Total Current Liabilities	\$86,228,020	\$84,673,139
LONG TERM LIABILITIES		
Long Term Compensated Absences	<u>\$492,205</u>	<u>\$837,303</u>
Total Long Term Liabilities	492,205	837,303
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	<u>23,609,291</u>	<u>21,669,256</u>
Current Period Ending Balance	<u>24,485,030</u>	<u>22,544,995</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$111,205,255</u></u>	<u><u>\$108,055,437</u></u>

*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
THREE MONTHS ENDED DECEMBER 31

	2009	2008
REVENUE		
TOTAL GROSS SALES	\$261,582,984	\$267,452,381
Less: Discounts Allowed	44,505,033	45,509,264
PROCEEDS - SALE OF LIQUOR	\$217,077,951	\$221,943,117
Less: Cost of Goods Sold		
Beginning Inventory	\$7,008,115	\$8,772,511
Add: Purchases	159,093,917	163,723,177
Less: Ending Inventory	7,827,318	5,281,622
Cost of Goods Sold	\$158,274,714	\$167,214,066
GROSS REVENUE FROM SALE OF LIQUOR	\$58,803,237	\$54,729,051
OTHER REVENUE		
Miscellaneous Revenue	\$25,432	(\$3,964)
Non-Operating Revenue	0	0
Interest Revenue	0	0
TOTAL OTHER REVENUE	\$25,432	(\$3,964)
TOTAL REVENUE	\$58,828,669	\$54,725,087
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$94,766	\$80,755
Management Support	534,653	634,087
Licensing & Enforcement (1)	1,110,917	1,078,143
Distribution Cost Paid to Suppliers	13,230,902	13,537,152
Compensated Absences	0	0
Total MLCC Expenses	\$14,971,238	\$15,330,137
Other Agencies Expenses		
Attorney General	\$0	\$0
Auditor General	0	0
Civil Service - Personnel	0	0
Management and Budget	0	0
DIT - Information Technology Services	335,097	373,750
MLCC Rent	278,451	258,162
DELEG - Executive Direction	339,249	588,805
DELEG - Administrative Offices	458,353	526,270
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$1,411,150	\$1,746,987
TOTAL EXPENSES AND TRANSFERS	\$16,382,388	\$17,077,124
NET INCOME (Not Including Taxes & Grants)	\$42,446,281	\$37,647,963
Add: Specific Tax, Liquor 1.85%	3,999,550	4,094,008
NET REVENUE (Before Unrelated Expenses)	\$46,445,831	\$41,741,971
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$44,035,331	\$39,331,471
RETAINED EARNINGS		
Transfers to General Fund-Cash	33,000,000	33,000,000
Current Year Increase or (Decrease)	\$11,035,331	\$6,331,471
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$11,911,070	\$7,207,210

Note:

(1) Includes the Revolving Fund Portion only.

**MICHIGAN LIQUOR CONTROL COMMISSION
LIQUOR PURCHASE REVOLVING FUND
UNAUDITED STATEMENT OF CHANGES IN EQUITY AND TRANSFERS
DECEMBER 31**

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	58,828,669	54,725,087	4,103,582
Specific Tax, Liquor 1.85%	<u>3,999,550</u>	<u>4,094,008</u>	<u>(94,458)</u>
Total Equity Available	<u>\$63,703,958</u>	<u>\$59,694,834</u>	<u>\$4,009,124</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$33,000,000	\$33,000,000	\$0
MLCC Expenses	14,971,238	15,330,137	(358,899)
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	1,411,150	1,746,987	(335,837)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$51,792,888</u>	<u>\$52,487,624</u>	<u>(\$694,736)</u>
Ending Equity	<u>\$11,911,070</u>	<u>\$7,207,210</u>	<u>\$4,703,860</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
THREE MONTHS ENDED DECEMBER 31**

	<u>2009 MONTH</u>	<u>YTD</u>	<u>2008 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$87,945,049	\$216,150,592	\$102,165,033	\$220,780,419	(\$4,629,827)
On Premise	16,991,118	45,276,576	16,912,289	46,521,228	(1,244,652)
Other	61,391	155,816	66,936	150,734	5,082
TOTAL GROSS SALES	<u>\$104,997,558</u>	<u>\$261,582,984</u>	<u>\$119,144,258</u>	<u>\$267,452,381</u>	<u>(\$5,869,397)</u>
Less: Discounts Allowed	17,860,834	44,505,033	20,287,517	45,509,264	(1,004,231)
PROCEEDS-SALE OF LIQUOR	<u>\$87,136,724</u>	<u>\$217,077,951</u>	<u>\$98,856,741</u>	<u>\$221,943,117</u>	<u>(\$4,865,166)</u>
Less: Cost of Goods Sold	63,635,463	158,274,714	66,302,941	167,214,066	(8,939,352)
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$23,501,261</u>	<u>\$58,803,237</u>	<u>\$32,553,800</u>	<u>\$54,729,051</u>	<u>\$4,074,186</u>
OTHER REVENUE					
Miscellaneous Revenue	\$28,205	\$25,432	(\$7,650)	(\$3,964)	\$29,396
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	0	0	0	0
TOTAL OTHER REVENUE	<u>\$28,205</u>	<u>\$25,432</u>	<u>(\$7,650)</u>	<u>(\$3,964)</u>	<u>\$29,396</u>
TOTAL REVENUE	<u>\$23,529,466</u>	<u>\$58,828,669</u>	<u>\$32,546,150</u>	<u>\$54,725,087</u>	<u>\$4,103,582</u>
Less: Distribution Cost Paid to Suppliers	5,233,456	13,230,902	5,256,502	13,537,152	(306,250)
INCOME FROM LIQUOR MERCHANDISING	<u>\$18,296,010</u>	<u>\$45,597,767</u>	<u>\$27,289,648</u>	<u>\$41,187,935</u>	<u>\$4,409,832</u>
MANAGEMENT EXPENSES					
Commission	\$36,475	\$94,766	\$30,496	\$80,755	\$14,011
Management Support(1)	240,126	598,630	227,048	686,521	(87,891)
Licensing & Enforcement(1)	1,024,439	2,614,379	987,563	2,534,835	79,544
DELEG Services	2,991,571	3,208,102	304,228	3,525,575	(317,473)
DIT - Information Technology Services	154,261	335,097	160,517	373,750	(38,653)
Attorney General	0	0	0	0	0
Auditor General	0	0	0	0	0
Civil Service - Personnel	0	0	0	0	0
Management and Budget	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Less: Transfer not related to MLCC Operations (2)	2,410,500	2,410,500	0	2,410,500	0
Total Management Expenses	<u>\$2,036,372</u>	<u>\$4,440,474</u>	<u>\$1,709,852</u>	<u>\$4,790,936</u>	<u>(\$350,462)</u>
INCOME FROM OPERATIONS	<u>\$16,259,638</u>	<u>\$41,157,293</u>	<u>\$25,579,796</u>	<u>\$36,396,999</u>	<u>\$4,760,294</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,628,308	3,999,550	1,835,736	4,094,008	(94,458)
Revenue Collected for Other Funds	16,785,047	43,264,127	18,270,105	43,984,899	(720,772)
TOTAL CURRENT EARNINGS & REVENUE	<u>\$34,672,993</u>	<u>\$88,420,970</u>	<u>\$45,685,637</u>	<u>\$84,475,906</u>	<u>\$3,945,064</u>
Number of Cases Sold	748,929	1,900,452	712,437	1,893,947	6,505
Number of Sales Days	25	67	25	68	(1)

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
THREE MONTHS ENDED DECEMBER 31**

	<u>CURRENT MONTH</u>	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$3,107,344	\$8,246,436	\$7,982,988	\$263,448
Specific Tax, Liquor 4%	4,188,564	10,441,261	10,676,960	(235,699)
Excise Tax, Wine	748,537	1,261,587	1,543,202	(281,615)
Excise Tax, Mixed Spirit Drink	71,886	102,920	51,313	51,607
Fines & Costs	108,152	174,728	200,263	(25,535)
Miscellaneous Revenue	3,662	7,679	21,056	(13,377)
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$8,228,145</u>	<u>\$20,234,611</u>	<u>\$20,475,782</u>	<u>(\$241,171)</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$41,947	\$1,776,140	\$1,695,855	\$80,285
41.5% To Licensing & Enforcement	31,651	81,268	86,311	(5,043)
3.5% To Alcoholism Prevention Programs	2,670	6,854	7,279	(425)
Additional Resort License Fees	0	0	38,100	(38,100)
Direct Shipper License Fees	500	2,300	3,800	(1,500)
License Transfer Fees	52,195	137,087	172,184	(35,097)
Sunday Sales Fees	11,714	35,833	49,583	(13,750)
Non-Retail License Fees-Wine Industry Council	6,365	18,110	18,770	(660)
Liquor Control Act Sales	205	1,275	910	365
Inspection Fees	22,220	66,428	61,370	5,058
Specific Tax, Liquor 4%-Tourism & Conv. Facility	4,195,531	10,454,640	10,689,310	(234,670)
Miscellaneous Revenue	3,340	8,320	8,685	(365)
TOTAL GENERAL FUND-RESTRICTED	<u>\$4,368,338</u>	<u>\$12,588,255</u>	<u>\$12,832,157</u>	<u>(\$243,902)</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$4,188,564	\$10,441,261	\$10,676,960	(\$235,699)
TOTAL SCHOOL AID FUND	<u>\$4,188,564</u>	<u>\$10,441,261</u>	<u>\$10,676,960</u>	<u>(\$235,699)</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$16,785,047</u>	<u>\$43,264,127</u>	<u>\$43,984,899</u>	<u>(\$720,772)</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,628,308	\$3,999,550	\$4,094,008	(\$94,458)
Income From Operations (Excluding Taxes & Grants)(1)	16,259,638	41,157,293	36,396,999	4,760,294
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$17,887,946</u>	<u>\$45,156,843</u>	<u>\$40,491,007</u>	<u>\$4,665,836</u>
TOTAL REVENUE COLLECTED	<u>\$34,672,993</u>	<u>\$88,420,970</u>	<u>\$84,475,906</u>	<u>\$3,945,064</u>

Note:

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

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED SCHEDULE OF EXPENSES BY TYPE AND ACCOUNT
THREE MONTHS ENDED DECEMBER 31**

	COMMISSION (1)		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL 2009	TOTAL 2008
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
	MLCC APPROPRIATED EXPENSES							
Salaries & Wages	\$36,476	\$94,766	\$98,388	\$255,393	\$509,972	\$1,326,439	\$1,676,598	\$1,720,791
Longevity & Insurance	0	0	31,679	114,172	122,763	446,792	560,964	540,299
Retirement & FICA	0	0	44,825	123,351	189,953	517,909	641,260	614,791
Subtotal	\$36,476	\$94,766	\$174,892	\$492,916	\$822,688	\$2,291,140	\$2,878,822	\$2,875,881
Communications	\$0	\$0	\$1,821	\$5,964	\$10,405	\$20,486	\$26,450	\$22,425
Travel	0	0	3,103	6,800	17,548	38,929	45,729	49,982
Utilities	0	0	949	3,948	244	753	4,701	2,330
Contractual Services	0	0	54	3,922	4,670	16,081	20,003	21,746
Supplies & Materials	0	0	2,694	17,181	9,699	23,342	40,523	46,028
Equipment Replacement, Additions & Rentals	0	0	1,376	3,923	3,300	9,174	13,097	25,557
Miscellaneous	0	0	0	0	0	0	0	0
Subtotal	\$0	\$0	\$9,997	\$41,738	\$45,866	\$108,765	\$150,503	\$168,068
TOTAL MLCC APPROPRIATED EXPENSES	\$36,476	\$94,766	\$184,889	\$534,654	\$868,554	\$2,399,905	\$3,029,325	\$3,043,949
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$55,238	\$63,976	\$155,883	\$214,474	\$278,450	\$258,162
Other Operating Transfers Out(3)	0	0	0	0	0	0	3,543,199	3,899,325
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$55,238	\$63,976	\$155,883	\$214,474	\$3,821,649	\$4,157,487
GRAND TOTAL	\$36,476	\$94,766	\$240,127	\$598,630	\$1,024,437	\$2,614,379	\$6,850,974	\$7,201,436

Notes:

- (1) Fringe benefits and other expenses are reported in Management Support as appropriated by the Legislature.
- (2) Rent and Building Occupancy amounts are appropriated in Management Services, Department of Energy, Labor and Economic Growth.
- (3) Transfer amounts are appropriated in other departments and bureaus. They are not allocated to the divisions but are included in the totals.