

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of August 2009



Working to Create Michigan's Future Today

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

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MICHIGAN LIQUOR CONTROL COMMISSION

AUGUST FINANCIAL REPORT

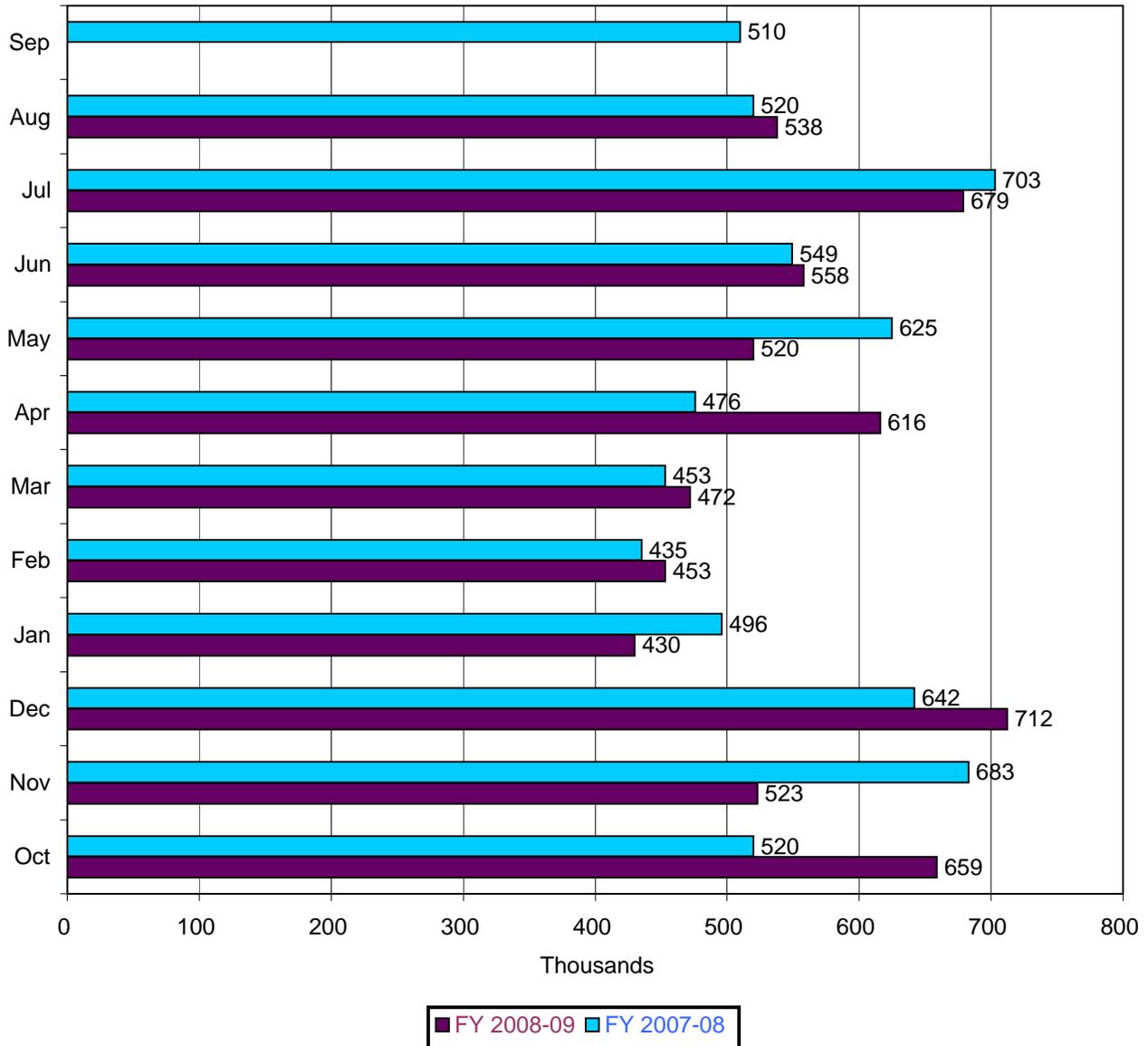
FISCAL YEAR 08 - 09

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CASE SALES



	Fiscal Year to Date 10/08-08/09	Fiscal Year to Date 10/07-08/08	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	6,158,422	6,101,586	56,836	0.93%
Average Price Per Case Sold	\$140.21	\$139.99	\$0.22	0.16%

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

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>72,281,627</u>	<u>70,845,300</u>
Subtotal	\$72,282,327	\$70,846,000
Liquor Inventory - At Current Cost	5,628,197	6,809,051
Prepaid Distribution Costs of Inventory	443,480	517,697
Other Assets		
Accounts Receivable	\$35,014,256	\$34,040,348
Returned Checks	180,248	113,035
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>35,194,504</u>	<u>34,153,383</u>
TOTAL ASSETS	<u><u>\$113,548,508</u></u>	<u><u>\$112,326,131</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$860,762	\$2,691,993
Warrants Authorized/Not Issued	73,029,110	74,738,667
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	0	0
Current Compensated Absences	<u>319,291</u>	<u>90,771</u>
Total Current Liabilities	\$74,209,163	\$77,521,431
LONG TERM LIABILITIES		
Long Term Compensated Absences	<u>\$837,303</u>	<u>\$1,011,707</u>
Total Long Term Liabilities	837,303	1,011,707
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	<u>37,626,303</u>	<u>32,917,254</u>
Current Period Ending Balance	<u>38,502,042</u>	<u>33,792,993</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$113,548,508</u></u>	<u><u>\$112,326,131</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
ELEVEN MONTHS ENDED AUGUST 31**

	2009	2008
REVENUE		
TOTAL GROSS SALES	\$863,471,388	\$854,175,654
Less: Discounts Allowed	146,891,086	145,424,694
PROCEEDS - SALE OF LIQUOR	\$716,580,302	\$708,750,960
Less: Cost of Goods Sold		
Beginning Inventory	\$8,772,511	\$4,411,770
Add: Purchases	520,113,374	520,100,599
Less: Ending Inventory	5,628,197	6,809,051
Cost of Goods Sold	\$523,257,688	\$517,703,318
GROSS REVENUE FROM SALE OF LIQUOR	\$193,322,614	\$191,047,642
OTHER REVENUE		
Miscellaneous Revenue	\$28,612	\$148,391
Non-Operating Revenue	0	0
Interest Revenue	555,433	1,519,979
TOTAL OTHER REVENUE	\$584,045	\$1,668,370
TOTAL REVENUE	\$193,906,659	\$192,716,012
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$311,588	\$408,991
Management Support	2,422,634	2,315,772
Licensing & Enforcement (1)	4,517,413	4,465,976
Distribution Cost Paid to Suppliers	42,907,826	42,538,724
Compensated Absences	0	0
Total MLCC Expenses	\$50,159,461	\$49,729,463
Other Agencies Expenses		
Attorney General	\$667,354	\$798,288
Auditor General	11,300	11,300
Civil Service - Personnel	139,237	78,631
Management and Budget	0	0
DIT - Information Technology Services	3,358,537	3,259,155
MLCC Rent	1,119,286	847,772
DELEG - Executive Direction	223,572	758,624
DELEG - Administrative Offices	2,184,958	2,247,207
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$7,704,244	\$8,000,977
TOTAL EXPENSES AND TRANSFERS	\$57,863,705	\$57,730,440
NET INCOME (Not Including Taxes & Grants)	\$136,042,954	\$134,985,572
Add: Specific Tax, Liquor 1.85%	12,915,713	12,609,264
NET REVENUE (Before Unrelated Expenses)	\$148,958,667	\$147,594,836
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$146,548,167	\$145,184,336
RETAINED EARNINGS		
Transfers to General Fund-Cash	121,000,000	121,000,000
Current Year Increase or (Decrease)	\$25,548,167	\$24,184,336
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$26,423,906	\$25,060,075

Note:

(1) Includes the Revolving Fund Portion only.

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

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	193,906,659	192,716,012	1,190,647
Specific Tax, Liquor 1.85%	<u>12,915,713</u>	<u>12,609,264</u>	<u>306,449</u>
Total Equity Available	<u>\$207,698,111</u>	<u>\$206,201,015</u>	<u>\$1,497,096</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$121,000,000	\$121,000,000	\$0
MLCC Expenses	50,159,461	49,729,463	429,998
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	7,704,244	8,000,977	(296,733)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$181,274,205</u>	<u>\$181,140,940</u>	<u>\$133,265</u>
Ending Equity	<u>\$26,423,906</u>	<u>\$25,060,075</u>	<u>\$1,363,831</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
ELEVEN MONTHS ENDED AUGUST 31**

	<u>2009 MONTH</u>	<u>YTD</u>	<u>2008 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$60,099,786	\$696,922,807	\$58,058,183	\$680,424,735	\$16,498,072
On Premise	14,017,396	166,124,175	14,813,205	172,932,515	(6,808,340)
Other	34,217	424,406	49,332	818,404	(393,998)
TOTAL GROSS SALES	<u>\$74,151,399</u>	<u>\$863,471,388</u>	<u>\$72,920,720</u>	<u>\$854,175,654</u>	<u>\$9,295,734</u>
Less: Discounts Allowed	12,608,232	146,891,086	12,401,374	145,424,694	1,466,392
PROCEEDS-SALE OF LIQUOR	<u>\$61,543,167</u>	<u>\$716,580,302</u>	<u>\$60,519,346</u>	<u>\$708,750,960</u>	<u>\$7,829,342</u>
Less: Cost of Goods Sold	45,646,595	523,257,688	44,750,246	517,703,318	5,554,370
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$15,896,572</u>	<u>\$193,322,614</u>	<u>\$15,769,100</u>	<u>\$191,047,642</u>	<u>\$2,274,972</u>
OTHER REVENUE					
Miscellaneous Revenue	(\$2,921)	\$28,612	\$4,484	\$148,391	(\$119,779)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	555,433	0	1,519,979	(964,546)
TOTAL OTHER REVENUE	<u>(\$2,921)</u>	<u>\$584,045</u>	<u>\$4,484</u>	<u>\$1,668,370</u>	<u>(\$1,084,325)</u>
TOTAL REVENUE	<u>\$15,893,651</u>	<u>\$193,906,659</u>	<u>\$15,773,584</u>	<u>\$192,716,012</u>	<u>\$1,190,647</u>
Less: Distribution Cost Paid to Suppliers	3,806,313	42,907,826	3,709,333	42,538,724	369,102
INCOME FROM LIQUOR MERCHANDISING	<u>\$12,087,338</u>	<u>\$150,998,833</u>	<u>\$12,064,251</u>	<u>\$150,177,288</u>	<u>\$821,545</u>
MANAGEMENT EXPENSES					
Commission	\$31,798	\$311,588	\$33,688	\$408,991	(\$97,403)
Management Support(1)	200,751	2,608,052	227,156	2,506,175	101,877
Licensing & Enforcement(1)	906,067	10,669,591	991,365	10,247,230	422,361
DELEG Services	418,641	4,819,030	253,913	5,416,331	(597,301)
DIT - Information Technology Services	474,020	3,358,537	465,761	3,259,155	99,382
Attorney General	0	667,354	296,817	798,288	(130,934)
Auditor General	0	11,300	0	11,300	0
Civil Service - Personnel	0	139,237	0	78,631	60,606
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>\$2,031,277</u>	<u>\$20,174,189</u>	<u>\$2,268,700</u>	<u>\$20,315,601</u>	<u>(\$141,412)</u>
INCOME FROM OPERATIONS	<u>\$10,056,061</u>	<u>\$130,824,644</u>	<u>\$9,795,551</u>	<u>\$129,861,687</u>	<u>\$962,957</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,114,282	12,915,713	1,074,430	12,609,264	306,449
Revenue Collected for Other Funds	13,961,229	165,267,654	13,943,040	163,866,580	1,401,074
TOTAL CURRENT EARNINGS & REVENUE	<u>\$25,131,572</u>	<u>\$309,008,011</u>	<u>\$24,813,021</u>	<u>\$306,337,531</u>	<u>\$2,670,480</u>
Number of Cases Sold	538,074	6,158,422	519,645	6,101,586	56,836
Number of Sales Days	20	238	20	240	(2)

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
ELEVEN MONTHS ENDED AUGUST 31**

	<u>CURRENT MONTH</u>	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$3,814,962	\$36,540,280	\$36,345,756	\$194,524
Specific Tax, Liquor 4%	2,959,727	34,477,148	34,071,034	406,114
Excise Tax, Wine	888,121	7,832,797	7,749,604	83,193
Excise Tax, Mixed Spirit Drink	30,248	322,960	307,224	15,736
Fines & Costs	87,051	925,510	823,431	102,079
Miscellaneous Revenue	2,948	60,691	51,557	9,134
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$7,783,057</u>	<u>\$80,159,386</u>	<u>\$79,348,606</u>	<u>\$810,780</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$84,603	\$7,855,586	\$7,819,866	\$35,720
41.5% To Licensing & Enforcement	66,525	4,766,328	4,783,530	(17,202)
3.5% To Alcoholism Prevention Programs	5,383	399,261	403,429	(4,168)
Additional Resort License Fees	0	94,070	94,442	(372)
Direct Shipper License Fees	1,000	73,739	65,125	8,614
License Transfer Fees	43,684	602,960	580,713	22,247
Sunday Sales Fees	20,804	1,494,609	1,494,267	342
Non-Retail License Fees-Wine Industry Council	5,735	508,810	712,810	(204,000)
Liquor Control Act Sales	225	3,170	4,075	(905)
Inspection Fees	22,360	256,880	292,286	(35,406)
Specific Tax, Liquor 4%-Tourism & Conv. Facility	2,964,551	34,529,437	34,139,255	390,182
Miscellaneous Revenue	3,575	46,270	57,141	(10,871)
TOTAL GENERAL FUND-RESTRICTED	<u>\$3,218,445</u>	<u>\$50,631,120</u>	<u>\$50,446,939</u>	<u>\$184,181</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$2,959,727	\$34,477,148	\$34,071,035	\$406,113
TOTAL SCHOOL AID FUND	<u>\$2,959,727</u>	<u>\$34,477,148</u>	<u>\$34,071,035</u>	<u>\$406,113</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$13,961,229</u>	<u>\$165,267,654</u>	<u>\$163,866,580</u>	<u>\$1,401,074</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,114,282	\$12,915,713	\$12,609,264	\$306,449
Income From Operations (Excluding Taxes & Grants)(1)	10,056,061	130,824,644	129,861,687	962,957
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$11,170,343</u>	<u>\$143,740,357</u>	<u>\$142,470,951</u>	<u>\$1,269,406</u>
TOTAL REVENUE COLLECTED	<u>\$25,131,572</u>	<u>\$309,008,011</u>	<u>\$306,337,531</u>	<u>\$2,670,480</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
ELEVEN MONTHS ENDED AUGUST 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	\$31,798	\$311,588	\$91,701	\$1,163,621	\$469,557	\$5,522,584	\$6,997,793	\$7,011,461
Longevity & Insurance	0	0	31,535	377,051	121,009	1,423,817	1,800,868	1,858,903
Retirement & FICA	0	0	43,089	482,536	177,462	1,994,042	2,476,578	2,402,313
Subtotal	\$31,798	\$311,588	\$166,325	\$2,023,208	\$768,028	\$8,940,443	\$11,275,239	\$11,272,677
Communications	\$0	\$0	\$2,152	\$24,977	\$11,177	\$104,979	\$129,956	\$96,494
Travel	0	0	2,230	31,635	17,951	216,368	248,003	256,084
Utilities	0	0	2,500	12,097	417	3,129	15,226	15,110
Contractual Services	0	0	501	208,885	13,571	233,197	442,082	319,654
Supplies & Materials	0	0	8,837	90,933	11,026	167,310	258,243	264,676
Equipment Replacement, Additions & Rentals	0	0	1,700	28,022	3,451	64,505	92,527	85,599
Miscellaneous	0	0	0	2,877	0	5,792	8,669	4,330
Subtotal	\$0	\$0	\$17,920	\$399,426	\$57,593	\$795,280	\$1,194,706	\$1,041,947
TOTAL MLCC APPROPRIATED EXPENSES	\$31,798	\$311,588	\$184,245	\$2,422,634	\$825,621	\$9,735,723	\$12,469,945	\$12,314,624
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$16,507	\$185,418	\$80,446	\$933,868	\$1,119,286	\$847,772
Other Operating Transfers Out(3)	0	0	0	0	0	0	8,995,458	9,563,705
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$16,507	\$185,418	\$80,446	\$933,868	\$10,114,744	\$10,411,477
GRAND TOTAL	\$31,798	\$311,588	\$200,752	\$2,608,052	\$906,067	\$10,669,591	\$22,584,689	\$22,726,101

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.