

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of July 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

JULY FINANCIAL REPORT

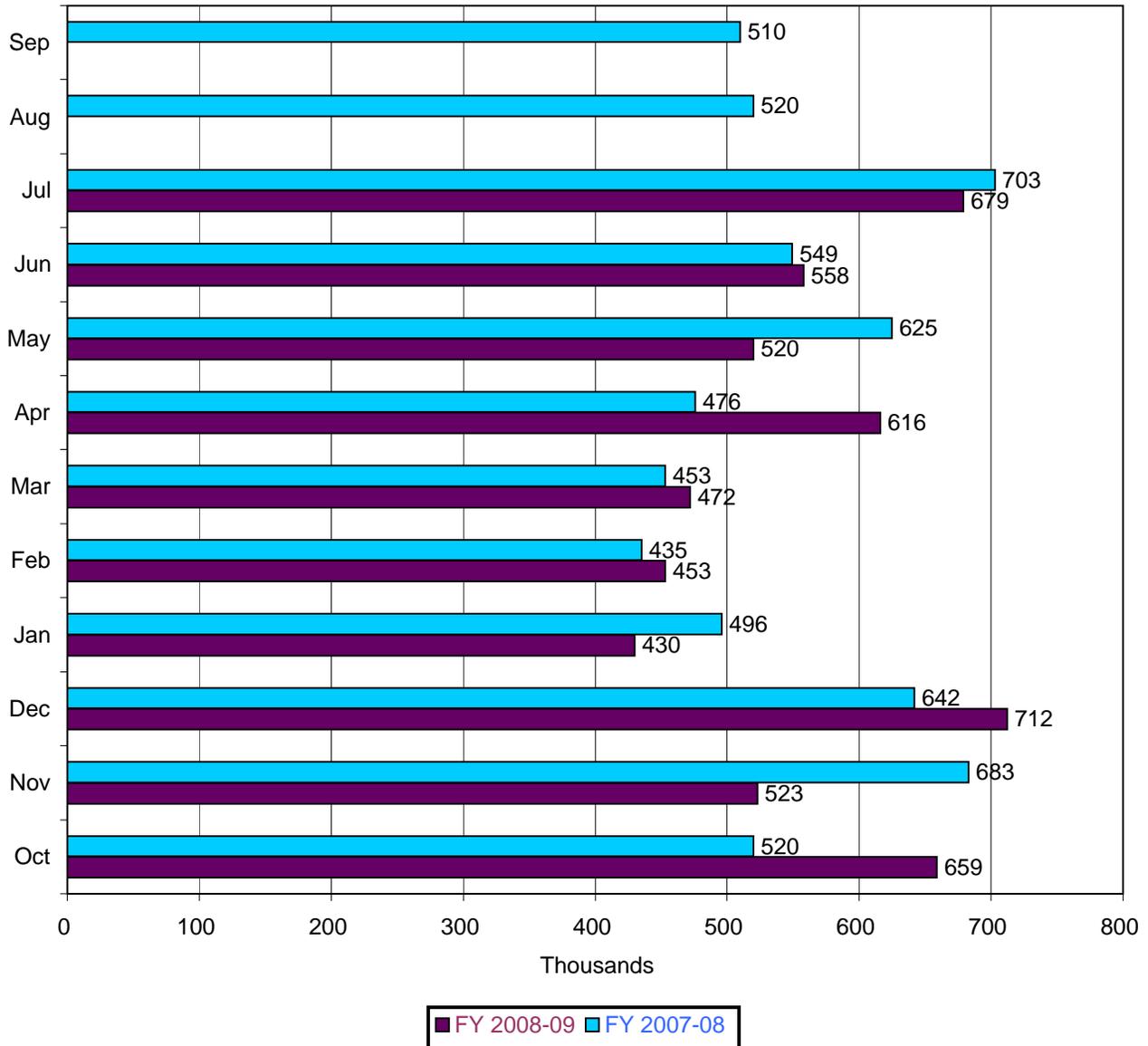
FISCAL YEAR 08 - 09

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CASE SALES



	Fiscal Year to Date 10/08-07/09	Fiscal Year to Date 10/07-07/08	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	5,620,348	5,581,941	38,407	0.69%
Average Price Per Case Sold	\$140.44	\$139.96	\$0.48	0.34%

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

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>94,318,783</u>	<u>66,390,884</u>
Subtotal	\$94,319,483	\$66,391,584
Liquor Inventory - At Current Cost	5,821,355	6,280,700
Prepaid Distribution Costs of Inventory	415,754	488,402
Other Assets		
Accounts Receivable	\$19,556,467	\$42,796,101
Returned Checks	189,235	86,462
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>19,745,702</u>	<u>42,882,563</u>
TOTAL ASSETS	<u><u>\$120,302,294</u></u>	<u><u>\$116,043,249</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$2,631,366	\$3,053,179
Warrants Authorized/Not Issued	76,189,415	75,422,168
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	\$79,140,072	\$78,566,118
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>39,449,180</u>	<u>35,589,685</u>
Current Period Ending Balance	<u>40,324,919</u>	<u>36,465,424</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$120,302,294</u></u>	<u><u>\$116,043,249</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
TEN MONTHS ENDED JULY 31

	2009	2008
REVENUE		
TOTAL GROSS SALES	\$789,319,989	\$781,254,934
Less: Discounts Allowed	134,282,854	133,023,320
PROCEEDS - SALE OF LIQUOR	\$655,037,135	\$648,231,614
Less: Cost of Goods Sold		
Beginning Inventory	\$8,772,511	\$4,411,770
Add: Purchases	474,659,937	474,822,002
Less: Ending Inventory	5,821,355	6,280,700
Cost of Goods Sold	\$477,611,093	\$472,953,072
GROSS REVENUE FROM SALE OF LIQUOR	\$177,426,042	\$175,278,542
OTHER REVENUE		
Miscellaneous Revenue	\$31,533	\$143,907
Non-Operating Revenue	0	0
Interest Revenue	555,433	1,519,979
TOTAL OTHER REVENUE	\$586,966	\$1,663,886
TOTAL REVENUE	\$178,013,008	\$176,942,428
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$279,790	\$375,303
Management Support	2,238,389	2,105,580
Licensing & Enforcement (1)	4,135,232	4,022,967
Distribution Cost Paid to Suppliers	39,101,513	38,829,391
Compensated Absences	0	0
Total MLCC Expenses	\$45,754,924	\$45,333,241
Other Agencies Expenses		
Attorney General	\$667,354	\$501,471
Auditor General	11,300	11,300
Civil Service - Personnel	139,237	78,631
Management and Budget	0	0
DIT - Information Technology Services	2,884,517	2,793,394
MLCC Rent	1,022,334	773,267
DELEG - Executive Direction	(26,692)	708,959
DELEG - Administrative Offices	2,016,581	2,042,959
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$6,714,631	\$6,909,981
TOTAL EXPENSES AND TRANSFERS	\$52,469,555	\$52,243,222
NET INCOME (Not Including Taxes & Grants)	\$125,543,453	\$124,699,206
Add: Specific Tax, Liquor 1.85%	11,801,431	11,534,834
NET REVENUE (Before Unrelated Expenses)	\$137,344,884	\$136,234,040
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$134,934,384	\$133,823,540
RETAINED EARNINGS		
Transfers to General Fund-Cash	110,000,000	110,000,000
Current Year Increase or (Decrease)	\$24,934,384	\$23,823,540
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$25,810,123	\$24,699,279

Note:

(1) Includes the Revolving Fund Portion only.

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

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	178,013,008	176,942,428	1,070,580
Specific Tax, Liquor 1.85%	<u>11,801,431</u>	<u>11,534,834</u>	<u>266,597</u>
Total Equity Available	<u>\$190,690,178</u>	<u>\$189,353,001</u>	<u>\$1,337,177</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$110,000,000	\$110,000,000	\$0
MLCC Expenses	45,754,924	45,333,241	421,683
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	6,714,631	6,909,981	(195,350)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$164,880,055</u>	<u>\$164,653,722</u>	<u>\$226,333</u>
Ending Equity	<u>\$25,810,123</u>	<u>\$24,699,279</u>	<u>\$1,110,844</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
TEN MONTHS ENDED JULY 31**

	<u>2009 MONTH</u>	<u>YTD</u>	<u>2008 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$76,609,341	\$636,823,021	\$79,842,146	\$622,366,552	\$14,456,469
On Premise	17,763,587	152,106,779	18,307,395	158,119,310	(6,012,531)
Other	47,672	390,189	54,461	769,072	(378,883)
TOTAL GROSS SALES	<u>\$94,420,600</u>	<u>\$789,319,989</u>	<u>\$98,204,002</u>	<u>\$781,254,934</u>	<u>\$8,065,055</u>
Less: Discounts Allowed	16,063,245	134,282,854	16,704,052	133,023,320	1,259,534
PROCEEDS-SALE OF LIQUOR	<u>\$78,357,355</u>	<u>\$655,037,135</u>	<u>\$81,499,950</u>	<u>\$648,231,614</u>	<u>\$6,805,521</u>
Less: Cost of Goods Sold	56,570,304	477,611,093	58,862,023	472,953,072	4,658,021
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$21,787,051</u>	<u>\$177,426,042</u>	<u>\$22,637,927</u>	<u>\$175,278,542</u>	<u>\$2,147,500</u>
OTHER REVENUE					
Miscellaneous Revenue	(\$12,123)	\$31,533	\$3,461	\$143,907	(\$112,374)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	148,664	555,433	352,769	1,519,979	(964,546)
TOTAL OTHER REVENUE	<u>\$136,541</u>	<u>\$586,966</u>	<u>\$356,230</u>	<u>\$1,663,886</u>	<u>(\$1,076,920)</u>
TOTAL REVENUE	<u>\$21,923,592</u>	<u>\$178,013,008</u>	<u>\$22,994,157</u>	<u>\$176,942,428</u>	<u>\$1,070,580</u>
Less: Distribution Cost Paid to Suppliers	4,669,470	39,101,513	4,819,228	38,829,391	272,122
INCOME FROM LIQUOR MERCHANDISING	<u>\$17,254,122</u>	<u>\$138,911,495</u>	<u>\$18,174,929</u>	<u>\$138,113,037</u>	<u>\$798,458</u>
MANAGEMENT EXPENSES					
Commission	\$22,762	\$279,790	\$31,649	\$375,303	(\$95,513)
Management Support(1)	196,956	2,407,301	230,000	2,279,019	128,282
Licensing & Enforcement(1)	976,322	9,763,524	869,124	9,255,865	507,659
DELEG Services	45,738	4,400,389	136,439	5,162,418	(762,029)
DIT - Information Technology Services	217,610	2,884,517	211,694	2,793,394	91,123
Attorney General	255,218	667,354	0	501,471	165,883
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>\$1,714,606</u>	<u>\$18,142,912</u>	<u>\$1,478,906</u>	<u>\$18,046,901</u>	<u>\$96,011</u>
INCOME FROM OPERATIONS	<u>\$15,539,516</u>	<u>\$120,768,583</u>	<u>\$16,696,023</u>	<u>\$120,066,136</u>	<u>\$702,447</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,416,609	11,801,431	1,479,604	11,534,834	266,597
Revenue Collected for Other Funds	16,743,265	151,306,425	16,861,301	149,923,540	1,382,885
TOTAL CURRENT EARNINGS & REVENUE	<u>\$33,699,390</u>	<u>\$283,876,439</u>	<u>\$35,036,928</u>	<u>\$281,524,510</u>	<u>\$2,351,929</u>
Number of Cases Sold	678,752	5,620,348	703,216	5,581,941	38,407
Number of Sales Days	25	218	25	220	(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
TEN MONTHS ENDED JULY 31**

	<u>CURRENT MONTH</u>	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$4,113,041	\$32,725,318	\$32,423,668	\$301,650
Specific Tax, Liquor 4%	3,772,336	31,517,421	31,161,522	355,899
Excise Tax, Wine	970,225	6,944,676	6,872,950	71,726
Excise Tax, Mixed Spirit Drink	69,435	292,712	270,045	22,667
Fines & Costs	95,012	838,459	709,392	129,067
Miscellaneous Revenue	4,240	57,743	43,830	13,913
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$9,024,289</u>	<u>\$72,376,329</u>	<u>\$71,481,407</u>	<u>\$894,922</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$39,702	\$7,770,983	\$7,748,064	\$22,919
41.5% To Licensing & Enforcement	29,957	4,699,803	4,759,337	(59,534)
3.5% To Alcoholism Prevention Programs	2,527	393,878	398,860	(4,982)
Additional Resort License Fees	0	94,070	94,442	(372)
Direct Shipper License Fees	1,511	72,739	63,525	9,214
License Transfer Fees	43,526	559,276	513,368	45,908
Sunday Sales Fees	9,265	1,473,805	1,470,257	3,548
Non-Retail License Fees-Wine Industry Council	14,905	503,075	702,720	(199,645)
Liquor Control Act Sales	165	2,945	3,785	(840)
Inspection Fees	25,060	234,520	250,823	(16,303)
Specific Tax, Liquor 4%-Tourism & Conv. Facility	3,777,047	31,564,886	31,222,919	341,967
Miscellaneous Revenue	2,975	42,695	52,511	(9,816)
TOTAL GENERAL FUND-RESTRICTED	<u>\$3,946,640</u>	<u>\$47,412,675</u>	<u>\$47,280,611</u>	<u>\$132,064</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$3,772,336	\$31,517,421	\$31,161,522	\$355,899
TOTAL SCHOOL AID FUND	<u>\$3,772,336</u>	<u>\$31,517,421</u>	<u>\$31,161,522</u>	<u>\$355,899</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$16,743,265</u>	<u>\$151,306,425</u>	<u>\$149,923,540</u>	<u>\$1,382,885</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,416,609	\$11,801,431	\$11,534,834	\$266,597
Income From Operations (Excluding Taxes & Grants)(1)	15,539,516	120,768,583	120,066,136	702,447
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$16,956,125</u>	<u>\$132,570,014</u>	<u>\$131,600,970</u>	<u>\$969,044</u>
TOTAL REVENUE COLLECTED	<u>\$33,699,390</u>	<u>\$283,876,439</u>	<u>\$281,524,510</u>	<u>\$2,351,929</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
TEN MONTHS ENDED JULY 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	\$22,762	\$279,790	\$84,146	\$1,071,920	\$465,669	\$5,053,026	\$6,404,736	\$6,362,688
Longevity & Insurance	0	0	29,842	345,516	121,508	1,302,808	1,648,324	1,709,043
Retirement & FICA	0	0	39,985	439,447	179,761	1,816,580	2,256,027	2,186,632
Subtotal	\$22,762	\$279,790	\$153,973	\$1,856,883	\$766,938	\$8,172,414	\$10,309,087	\$10,258,363
Communications	\$0	\$0	\$2,513	\$22,825	\$9,850	\$93,802	\$116,627	\$83,484
Travel	0	0	5,635	29,405	23,072	198,417	227,822	222,775
Utilities	0	0	2,469	9,597	798	2,713	12,310	13,433
Contractual Services	0	0	9,265	208,385	68,468	219,626	428,011	236,497
Supplies & Materials	0	0	4,208	82,095	11,135	156,283	238,378	238,815
Equipment Replacement, Additions & Rentals	0	0	1,454	26,323	4,559	61,054	87,377	79,223
Miscellaneous	0	0	0	2,877	0	5,792	8,669	4,330
Subtotal	\$0	\$0	\$25,544	\$381,507	\$117,882	\$737,687	\$1,119,194	\$878,557
TOTAL MLCC APPROPRIATED EXPENSES	\$22,762	\$279,790	\$179,517	\$2,238,390	\$884,820	\$8,910,101	\$11,428,281	\$11,136,920
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$17,438	\$168,911	\$91,503	\$853,423	\$1,022,334	\$773,267
Other Operating Transfers Out(3)	0	0	0	0	0	0	8,102,797	8,547,214
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$17,438	\$168,911	\$91,503	\$853,423	\$9,125,131	\$9,320,481
GRAND TOTAL	\$22,762	\$279,790	\$196,955	\$2,407,301	\$976,323	\$9,763,524	\$20,553,412	\$20,457,401

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.