

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of June 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

JUNE FINANCIAL REPORT

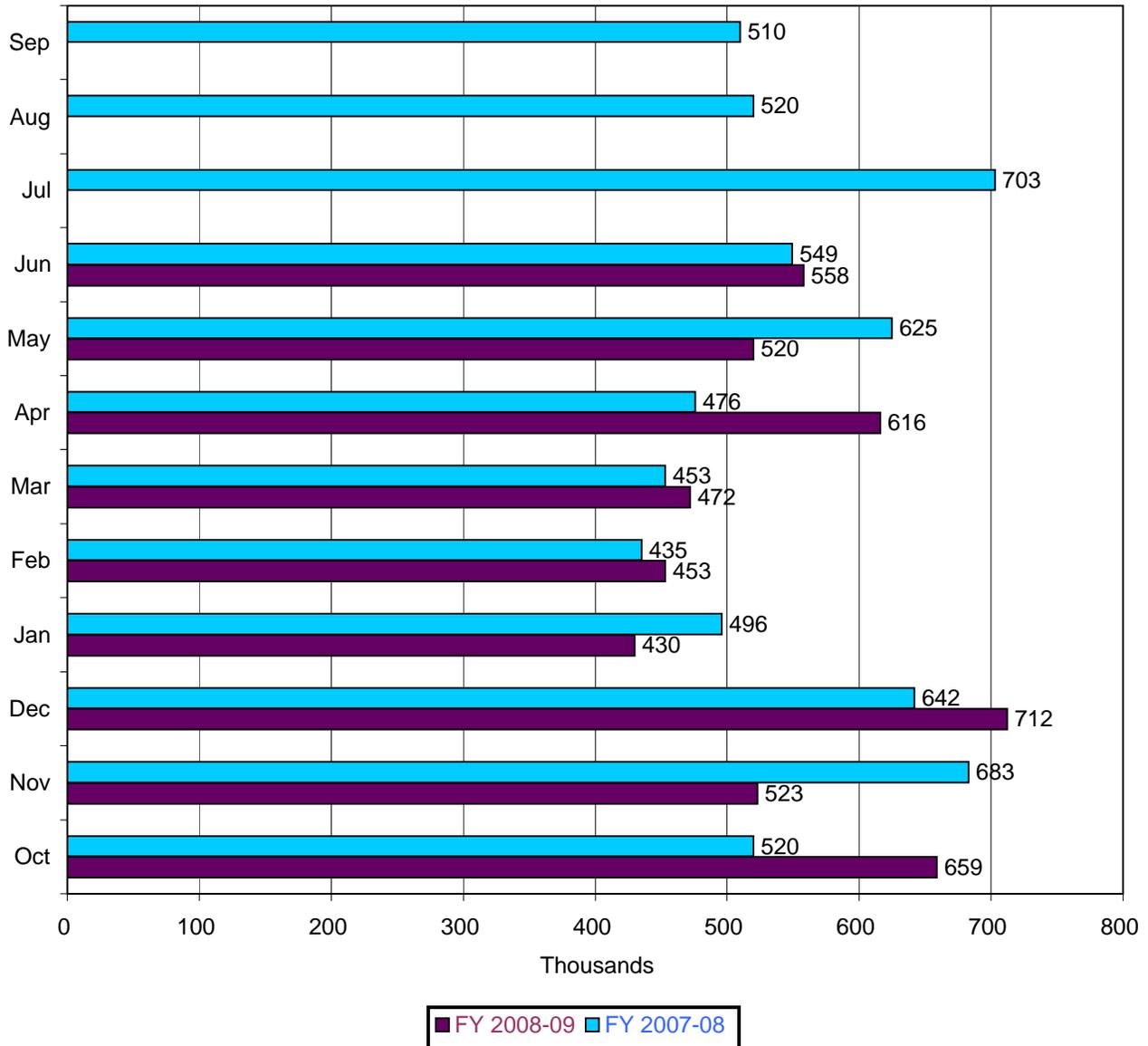
FISCAL YEAR 08 - 09

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CASE SALES



	Fiscal Year to Date 10/08-06/09	Fiscal Year to Date 10/07-06/08	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	4,942,596	4,878,725	63,871	1.31%
Average Price Per Case Sold	\$140.59	\$140.01	\$0.58	0.41%

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

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>80,961,346</u>	<u>54,114,512</u>
Subtotal	\$80,962,046	\$54,115,212
Liquor Inventory - At Current Cost	5,276,172	5,547,986
Prepaid Distribution Costs of Inventory	373,766	427,247
Other Assets		
Accounts Receivable	\$17,270,999	\$44,099,475
Returned Checks	159,453	79,128
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>17,430,452</u>	<u>44,178,603</u>
TOTAL ASSETS	<u><u>\$104,042,436</u></u>	<u><u>\$104,269,048</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$4,410,736	\$238,280
Warrants Authorized/Not Issued	63,599,899	76,523,177
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	\$68,329,926	\$76,852,228
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>33,999,468</u>	<u>25,529,374</u>
Current Period Ending Balance	<u>34,875,207</u>	<u>26,405,113</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$104,042,436</u></u>	<u><u>\$104,269,048</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
NINE MONTHS ENDED JUNE 30

	2009	2008
REVENUE		
TOTAL GROSS SALES	\$694,899,389	\$683,050,932
Less: Discounts Allowed	118,219,609	116,319,268
PROCEEDS - SALE OF LIQUOR	\$576,679,780	\$566,731,664
Less: Cost of Goods Sold		
Beginning Inventory	\$8,772,511	\$4,411,770
Add: Purchases	417,544,450	415,227,265
Less: Ending Inventory	5,276,172	5,547,986
Cost of Goods Sold	\$421,040,789	\$414,091,049
GROSS REVENUE FROM SALE OF LIQUOR	\$155,638,991	\$152,640,615
OTHER REVENUE		
Miscellaneous Revenue	\$43,656	\$140,446
Non-Operating Revenue	0	0
Interest Revenue	406,769	1,167,210
TOTAL OTHER REVENUE	\$450,425	\$1,307,656
TOTAL REVENUE	\$156,089,416	\$153,948,271
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$257,028	\$343,654
Management Support	2,058,872	1,892,545
Licensing & Enforcement (1)	3,725,649	3,647,284
Distribution Cost Paid to Suppliers	34,432,043	34,010,163
Compensated Absences	0	0
Total MLCC Expenses	\$40,473,592	\$39,893,646
Other Agencies Expenses		
Attorney General	\$412,136	\$501,471
Auditor General	11,300	11,300
Civil Service - Personnel	139,237	78,631
Management and Budget	0	0
DIT - Information Technology Services	2,666,907	2,581,700
MLCC Rent	913,393	698,761
DELEG - Executive Direction	331,831	744,661
DELEG - Administrative Offices	1,612,320	1,870,818
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$6,087,124	\$6,487,342
TOTAL EXPENSES AND TRANSFERS	\$46,560,716	\$46,380,988
NET INCOME (Not Including Taxes & Grants)	\$109,528,700	\$107,567,283
Add: Specific Tax, Liquor 1.85%	10,384,822	10,055,230
NET REVENUE (Before Unrelated Expenses)	\$119,913,522	\$117,622,513
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$117,503,022	\$115,212,013
RETAINED EARNINGS		
Transfers to General Fund-Cash	99,000,000	99,000,000
Current Year Increase or (Decrease)	\$18,503,022	\$16,212,013
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$19,378,761	\$17,087,752

Note:

(1) Includes the Revolving Fund Portion only.

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

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	156,089,416	153,948,271	2,141,145
Specific Tax, Liquor 1.85%	<u>10,384,822</u>	<u>10,055,230</u>	<u>329,592</u>
Total Equity Available	<u>\$167,349,977</u>	<u>\$164,879,240</u>	<u>\$2,470,737</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$99,000,000	\$99,000,000	\$0
MLCC Expenses	40,473,592	39,893,646	579,946
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	6,087,124	6,487,342	(400,218)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$147,971,216</u>	<u>\$147,791,488</u>	<u>\$179,728</u>
Ending Equity	<u>\$19,378,761</u>	<u>\$17,087,752</u>	<u>\$2,291,009</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
NINE MONTHS ENDED JUNE 30**

	<u>2009 MONTH</u>	<u>YTD</u>	<u>2008 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$63,806,663	\$560,213,680	\$62,227,059	\$542,524,406	\$17,689,274
On Premise	14,489,551	134,343,192	15,498,776	139,811,915	(5,468,723)
Other	37,132	342,517	48,259	714,611	(372,094)
TOTAL GROSS SALES	<u>\$78,333,346</u>	<u>\$694,899,389</u>	<u>\$77,774,094</u>	<u>\$683,050,932</u>	<u>\$11,848,457</u>
Less: Discounts Allowed	13,326,191	118,219,609	13,222,830	116,319,268	1,900,341
PROCEEDS-SALE OF LIQUOR	<u>\$65,007,155</u>	<u>\$576,679,780</u>	<u>\$64,551,264</u>	<u>\$566,731,664</u>	<u>\$9,948,116</u>
Less: Cost of Goods Sold	47,497,379	421,040,789	47,129,046	414,091,049	6,949,740
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$17,509,776</u>	<u>\$155,638,991</u>	<u>\$17,422,218</u>	<u>\$152,640,615</u>	<u>\$2,998,376</u>
OTHER REVENUE					
Miscellaneous Revenue	\$25,522	\$43,656	\$15,793	\$140,446	(\$96,790)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	406,769	0	1,167,210	(760,441)
TOTAL OTHER REVENUE	<u>\$25,522</u>	<u>\$450,425</u>	<u>\$15,793</u>	<u>\$1,307,656</u>	<u>(\$857,231)</u>
TOTAL REVENUE	<u>\$17,535,298</u>	<u>\$156,089,416</u>	<u>\$17,438,011</u>	<u>\$153,948,271</u>	<u>\$2,141,145</u>
Less: Distribution Cost Paid to Suppliers	3,883,970	34,432,043	3,829,053	34,010,163	421,880
INCOME FROM LIQUOR MERCHANDISING	<u>\$13,651,328</u>	<u>\$121,657,373</u>	<u>\$13,608,958</u>	<u>\$119,938,108</u>	<u>\$1,719,265</u>
MANAGEMENT EXPENSES					
Commission	\$21,123	\$257,028	\$38,199	\$343,654	(\$86,626)
Management Support(1)	255,918	2,210,345	212,688	2,049,019	161,326
Licensing & Enforcement(1)	981,092	8,787,202	865,655	8,386,741	400,461
DELEG Services	(20,699)	4,354,651	413,196	5,025,979	(671,328)
DIT - Information Technology Services	50,311	2,666,907	345,078	2,581,700	85,207
Attorney General	0	412,136	239,392	501,471	(89,335)
Auditor General	0	11,300	0	11,300	0
Civil Service - Personnel	139,237	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>\$1,426,982</u>	<u>\$16,428,306</u>	<u>\$2,114,208</u>	<u>\$16,567,995</u>	<u>(\$139,689)</u>
INCOME FROM OPERATIONS	<u>\$12,224,346</u>	<u>\$105,229,067</u>	<u>\$11,494,750</u>	<u>\$103,370,113</u>	<u>\$1,858,954</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,182,912	10,384,822	1,153,346	10,055,230	329,592
Revenue Collected for Other Funds	14,815,734	134,563,160	14,664,618	133,062,239	1,500,921
TOTAL CURRENT EARNINGS & REVENUE	<u>\$28,222,992</u>	<u>\$250,177,049</u>	<u>\$27,312,714</u>	<u>\$246,487,582</u>	<u>\$3,689,467</u>
Number of Cases Sold	558,268	4,942,596	549,362	4,878,725	63,871
Number of Sales Days	20	193	20	195	(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
NINE MONTHS ENDED JUNE 30**

	<u>CURRENT MONTH</u>	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$4,219,932	\$28,612,277	\$28,616,294	(\$4,017)
Specific Tax, Liquor 4%	3,129,045	27,745,085	27,240,464	504,621
Excise Tax, Wine	694,187	5,974,451	6,000,507	(26,056)
Excise Tax, Mixed Spirit Drink	75,546	223,277	210,163	13,114
Fines & Costs	97,027	743,447	627,835	115,612
Miscellaneous Revenue	8,005	53,503	38,236	15,267
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$8,223,742</u>	<u>\$63,352,040</u>	<u>\$62,733,499</u>	<u>\$618,541</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$98,825	\$7,731,281	\$7,679,681	\$51,600
41.5% To Licensing & Enforcement	75,760	4,669,846	4,707,738	(37,892)
3.5% To Alcoholism Prevention Programs	6,288	391,351	394,509	(3,158)
Additional Resort License Fees	18,220	94,070	56,342	37,728
Direct Shipper License Fees	1,400	71,228	60,549	10,679
License Transfer Fees	55,937	515,750	465,469	50,281
Sunday Sales Fees	22,560	1,464,540	1,452,976	11,564
Non-Retail License Fees-Wine Industry Council	16,520	488,170	692,010	(203,840)
Liquor Control Act Sales	200	2,780	4,575	(1,795)
Inspection Fees	30,853	209,460	228,268	(18,808)
Specific Tax, Liquor 4%-Tourism & Conv. Facility	3,133,234	27,787,839	27,297,068	490,771
Miscellaneous Revenue	3,150	39,720	49,091	(9,371)
TOTAL GENERAL FUND-RESTRICTED	<u>\$3,462,947</u>	<u>\$43,466,035</u>	<u>\$43,088,276</u>	<u>\$377,759</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$3,129,045	\$27,745,085	\$27,240,464	\$504,621
TOTAL SCHOOL AID FUND	<u>\$3,129,045</u>	<u>\$27,745,085</u>	<u>\$27,240,464</u>	<u>\$504,621</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$14,815,734</u>	<u>\$134,563,160</u>	<u>\$133,062,239</u>	<u>\$1,500,921</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,182,912	\$10,384,822	\$10,055,230	\$329,592
Income From Operations (Excluding Taxes & Grants)(1)	12,224,346	105,229,067	103,370,113	1,858,954
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$13,407,258</u>	<u>\$115,613,889</u>	<u>\$113,425,343</u>	<u>\$2,188,546</u>
TOTAL REVENUE COLLECTED	<u>\$28,222,992</u>	<u>\$250,177,049</u>	<u>\$246,487,582</u>	<u>\$3,689,467</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
NINE MONTHS ENDED JUNE 30**

	COMMISSION		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL	TOTAL
	(1)						2009	2008
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$21,123	\$257,028	\$97,378	\$987,773	\$535,298	\$4,587,357	\$5,832,158	\$5,753,078
Longevity & Insurance	0	0	30,578	315,674	119,488	1,181,300	1,496,974	1,559,233
Retirement & FICA	0	0	42,408	399,462	180,631	1,636,819	2,036,281	1,974,507
Subtotal	\$21,123	\$257,028	\$170,364	\$1,702,909	\$835,417	\$7,405,476	\$9,365,413	\$9,286,818
Communications	\$0	\$0	\$2,199	\$20,312	\$5,918	\$83,952	\$104,264	\$75,757
Travel	0	0	2,331	23,770	21,185	175,345	199,115	193,772
Utilities	0	0	23	7,128	30	1,915	9,043	11,757
Contractual Services	0	0	38,389	199,120	6,323	151,158	350,278	217,963
Supplies & Materials	0	0	20,303	77,887	23,426	145,149	223,036	219,637
Equipment Replacement, Additions & Rentals	0	0	5,803	24,869	8,346	56,495	81,364	72,777
Miscellaneous	0	0	0	2,877	0	5,792	8,669	2,172
Subtotal	\$0	\$0	\$69,048	\$355,963	\$65,228	\$619,806	\$975,769	\$793,835
TOTAL MLCC APPROPRIATED EXPENSES	\$21,123	\$257,028	\$239,412	\$2,058,872	\$900,645	\$8,025,282	\$10,341,182	\$10,080,653
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$16,507	\$151,473	\$80,446	\$761,920	\$913,393	\$698,761
Other Operating Transfers Out(3)	0	0	0	0	0	0	7,584,231	8,199,081
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$16,507	\$151,473	\$80,446	\$761,920	\$8,497,624	\$8,897,842
GRAND TOTAL	\$21,123	\$257,028	\$255,919	\$2,210,345	\$981,091	\$8,787,202	\$18,838,806	\$18,978,495

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.