

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

April 2013



Michigan Department of Licensing and Regulatory Affairs (LARA)

Rick Snyder, Governor
Steve Arwood, Director
Andrew J. Deloney, Chairman

<http://www.michigan.gov/lcc>



MICHIGAN LIQUOR CONTROL COMMISSION

APRIL FINANCIAL REPORT

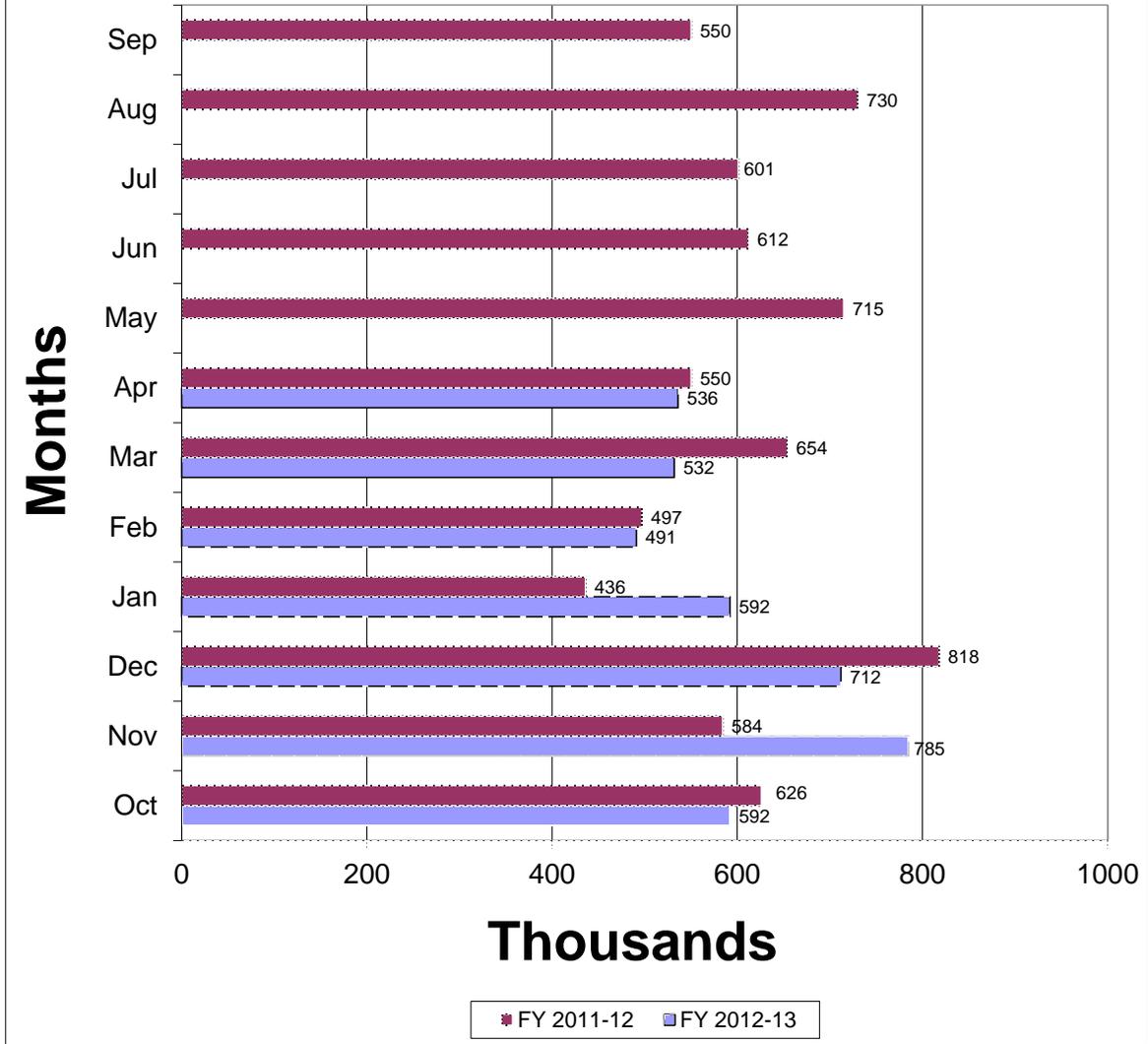
FISCAL YEAR 12 - 13

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Case Sales



	Fiscal Year to Date 10/12-04/13	Fiscal Year to Date 10/11-04/12	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	4,241,670	4,165,156	76,514	1.84%
Average Price Per Case Sold	\$145.08	\$139.73	\$5.35	3.83%

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

	2013	2012
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	74,571,322	81,864,041
Subtotal	\$74,572,022	\$81,864,741
Liquor Inventory - At Current Cost	4,102,573	5,318,658
Prepaid Distribution Costs of Inventory	299,513	387,427
Other Assets		
Accounts Receivable	\$11,589,455	\$18,802,864
Returned Checks	151,651	134,412
Payroll Correction Clearing	0	0
Subtotal	11,741,106	18,937,276
TOTAL ASSETS	\$90,715,214	\$106,508,102
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$2,371,482	\$667,336
Warrants Authorized/Not Issued	61,700,238	73,638,075
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	0	0
Current Compensated Absences	503,159	464,996
Total Current Liabilities	\$64,574,879	\$74,770,407
LONG TERM LIABILITIES		
Amount Due to Other Funds	\$0	\$0
Long Term Compensated Absences	141,606	106,562
Total Long Term Liabilities	141,606	106,562
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	25,122,990	30,755,394
Current Period Ending Balance	25,998,729	31,631,133
TOTAL LIABILITIES & RETAINED EARNINGS	\$90,715,214	\$106,508,102

*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

	2013	2012
REVENUE		
TOTAL GROSS SALES	\$615,364,959	\$581,979,601
Less: Discounts Allowed	104,596,295	98,947,334
PROCEEDS - SALE OF LIQUOR	\$510,768,664	\$483,032,267
Less: Cost of Goods Sold		
Beginning Inventory	\$5,550,617	\$5,903,676
Add: Purchases	371,446,369	351,769,940
Less: Ending Inventory	4,102,573	5,318,658
Cost of Goods Sold	\$372,894,413	\$352,354,958
GROSS REVENUE FROM SALE OF LIQUOR	\$137,874,251	\$130,677,309
OTHER REVENUE		
Miscellaneous Revenue	\$3,392	\$14,914
Non-Operating Revenue	0	0
Interest Revenue	39,367	33,245
TOTAL OTHER REVENUE	\$42,759	\$48,159
TOTAL REVENUE	\$137,917,010	\$130,725,468
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$250,803	\$229,606
Management Support	1,698,712	1,684,702
Licensing & Enforcement (1)	3,240,767	3,240,564
Distribution Cost Paid to Suppliers	30,682,581	29,032,311
Compensated Absences	0	0
Total MLCC Expenses	\$35,872,863	\$34,187,183
Other Agencies Expenses		
Attorney General	\$568,005	\$467,716
Auditor General	0	0
Bureau of Fire Services	1,629,188	1,523,842
Civil Service - Personnel	0	170,116
Administrative Hearings & Rules	0	0
Information Technology Services	4,484,297	2,532,863
MLCC Rent	501,476	489,648
LARA - Executive Direction	13,670	(151,558)
LARA - Administrative Offices	1,249,320	1,058,681
Total Other Agencies Expenses	1,249,320	1,058,681
Excluding Transfers Not Related to MLCC	\$8,445,956	\$6,091,308
TOTAL EXPENSES AND TRANSFERS	\$44,318,819	\$40,278,491
NET INCOME (Not Including Taxes & Grants)	\$93,598,191	\$90,446,977
Add: Specific Tax, Liquor 1.85%	0	8,863,738
NET REVENUE (Before Unrelated Expenses)	\$93,598,191	\$99,310,715
LARA - Transfers For Grant Not Related to MLCC	773,900	773,900
NET INCOME	\$92,824,291	\$98,536,815
RETAINED EARNINGS		
Transfers to General Fund - Cash	77,000,000	77,000,000
Current Year Increase or (Decrease)	\$15,824,291	\$21,536,815
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$16,700,030	\$22,412,554

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**

EQUITY AVAILABLE	<u>2013</u>	<u>2012</u>	<u>INCREASE (DECREASE)</u>
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	137,917,010	130,725,468	7,191,542
Specific Tax, Liquor 1.85%	<u>0</u>	<u>8,863,738</u>	<u>(8,863,738)</u>
Total Equity Available	<u>\$138,792,749</u>	<u>\$140,464,945</u>	<u>(\$1,672,196)</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$77,000,000	\$77,000,000	\$0
MLCC Expenses	35,872,863	34,187,183	1,685,680
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	8,445,956	6,091,308	2,354,648
LARA Transfer Not Related to MLCC	<u>773,900</u>	<u>773,900</u>	<u>0</u>
Total Allocation of Equity	<u>\$122,092,719</u>	<u>\$118,052,391</u>	<u>\$4,040,328</u>
Ending Equity	<u>\$16,700,030</u>	<u>\$22,412,554</u>	<u>(\$5,712,524)</u>

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

	2013 MONTH	YTD	2012 MONTH	YTD	YTD INCR./(DECR.)
LIQUOR SALES					
Off Premise	\$64,813,494	\$509,041,549	\$62,952,943	\$478,988,930	\$30,052,619
On Premise	14,322,306	106,104,574	13,892,685	102,700,437	3,404,137
Other	41,704	218,836	34,610	290,234	(71,398)
TOTAL GROSS SALES	\$79,177,504	\$615,364,959	\$76,880,238	\$581,979,601	\$33,385,358
Less: Discounts Allowed	14,789,318	104,596,295	13,072,123	98,947,334	5,648,961
PROCEEDS-SALE OF LIQUOR	\$64,388,186	\$510,768,664	\$63,808,115	\$483,032,267	\$27,736,397
Less: Cost of Goods Sold	46,974,755	372,894,413	46,304,807	352,354,958	20,539,455
GROSS REVENUE FROM SALE OF LIQUOR	\$17,413,431	\$137,874,251	\$17,503,308	\$130,677,309	\$7,196,942
OTHER REVENUE					
Miscellaneous Revenue	\$5,365	\$3,392	(\$8,608)	\$14,914	(\$11,522)
Non-Operating Revenue	(6,411)	0	0	0	0
Interest Revenue	31,259	39,367	16,854	33,245	6,122
TOTAL OTHER REVENUE	\$30,213	\$42,759	\$8,246	\$48,159	(\$5,400)
TOTAL REVENUE	\$17,443,644	\$137,917,010	\$17,511,554	\$130,725,468	\$7,191,542
Less: Distribution Cost Paid to Suppliers	4,012,484	30,682,581	3,831,752	29,032,311	1,650,270
INCOME FROM LIQUOR MERCHANDISING	\$13,431,160	\$107,234,429	\$13,679,802	\$101,693,157	\$5,541,272
MANAGEMENT EXPENSES					
Commission	\$33,830	\$250,803	\$31,741	\$229,606	\$21,197
Management Support(1)	274,603	1,790,267	124,631	1,777,349	12,918
Licensing & Enforcement(1)	1,136,168	7,487,824	1,043,950	7,497,120	(9,296)
LARA Services	(193,312)	2,036,890	(461,045)	1,681,023	355,867
Information Technology Services	927,020	4,484,297	(446,544)	2,532,863	1,951,434
Attorney General	310,162	568,005	267,670	467,716	100,289
Auditor General	0	0	0	0	0
Bureau of Fire Services	274,853	1,629,188	235,840	1,523,842	105,346
Civil Service - Personnel	0	0	0	170,116	(170,116)
Administrative Hearings & Rules	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Less: Transfer not related to MLCC Operations (2)	0	773,900	0	773,900	0
Total Management Expenses	\$2,763,324	\$17,473,374	\$796,243	\$15,105,735	\$2,367,639
INCOME FROM OPERATIONS	\$10,667,836	\$89,761,055	\$12,883,559	\$86,587,422	\$3,173,633
Specific Tax, Liquor 1.85%(Off Premise)	0	0	1,160,089	8,863,738	(8,863,738)
Revenue Collected for Other Funds	22,263,407	116,432,000	22,096,908	111,924,530	4,507,470
TOTAL CURRENT EARNINGS & REVENUE	\$32,931,243	\$206,193,055	\$36,140,556	\$207,375,690	(\$1,182,635)
Number of Cases Sold	536,433	4,241,670	549,760	4,165,156	76,514
Number of Sales Days	20	150	20	150	0

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>YTD 2013</u>	<u>YTD 2012</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$3,335,355	\$19,922,110	\$19,706,956	\$215,154
Specific Tax, Liquor 4%	3,099,436	24,553,726	23,254,472	1,299,254
Excise Tax, Wine	684,339	5,048,601	4,877,768	170,833
Excise Tax, Mixed Spirit Drink	44,628	180,764	142,749	38,015
Sunday Sales Fees (7am-12pm)	586,555	1,232,999	1,090,391	142,608
Fines & Costs	62,984	306,190	375,663	(69,473)
Miscellaneous Revenue	11,299	39,946	29,363	10,583
TOTAL GENERAL FUND - GENERAL PURPOSE:	<u>\$7,824,596</u>	<u>\$51,284,336</u>	<u>\$49,477,362</u>	<u>\$1,806,974</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$3,764,844	\$8,096,715	\$7,906,977	\$189,738
41.5% To Licensing & Enforcement	2,842,067	4,635,574	4,557,571	78,003
3.5% To Alcoholism Prevention Programs	239,173	390,556	384,377	6,179
Additional Resort License Fees	0	19,400	57,850	(38,450)
Direct Shipper License Fees	42,486	77,633	74,395	3,238
License Transfer Fees	73,955	441,685	676,630	(234,945)
Sunday Sales Fees	894,861	1,475,237	1,461,363	13,874
License Permit Fees	13,900	26,500	0	26,500
Non-Retail License Fees-Wine Industry Council	322,783	584,053	551,099	32,954
Liquor Control Act Sales	240	1,850	2,155	(305)
Inspection Fees	35,811	174,177	204,533	(30,356)
Specific Tax, Liquor 4%-Tourism & Conv. Facility	3,091,482	24,620,317	23,282,373	1,337,944
Miscellaneous Revenue	17,773	50,241	33,373	16,868
TOTAL GENERAL FUND - RESTRICTED	<u>\$11,339,375</u>	<u>\$40,593,938</u>	<u>\$39,192,696</u>	<u>\$1,401,242</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$3,099,436	\$24,553,726	\$23,254,472	\$1,299,254
TOTAL SCHOOL AID FUND	<u>\$3,099,436</u>	<u>\$24,553,726</u>	<u>\$23,254,472</u>	<u>\$1,299,254</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$22,263,407</u>	<u>\$116,432,000</u>	<u>\$111,924,530</u>	<u>\$4,507,470</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$0	\$0	\$8,863,738	(\$8,863,738)
Income From Operations(Excluding Taxes & Grants)(1)	10,667,836	89,761,055	86,587,422	3,173,633
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$10,667,836</u>	<u>\$89,761,055</u>	<u>\$95,451,160</u>	<u>(\$5,690,105)</u>
TOTAL REVENUE COLLECTED	<u>\$32,931,243</u>	<u>\$206,193,055</u>	<u>\$207,375,690</u>	<u>(\$1,182,635)</u>

Note:

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

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED SCHEDULE OF EXPENSES BY TYPE AND ACCOUNT
SEVEN MONTHS ENDED APRIL 30**

	COMMISSION		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL 2013	TOTAL 2012
	(1)							
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$33,830	\$250,803	\$132,073	\$658,798	\$633,944	\$3,620,327	\$4,529,928	\$4,338,589
Longevity & Insurance	0	0	9,059	269,943	19,794	886,414	1,156,357	1,289,615
Retirement & FICA	0	0	76,273	581,003	294,980	2,114,340	2,695,343	2,600,858
Subtotal	\$33,830	\$250,803	\$217,405	\$1,509,744	\$948,718	\$6,621,081	\$8,381,628	\$8,229,062
Communications	\$0	\$0	\$3,776	\$15,190	\$14,640	\$65,381	\$80,571	\$77,633
Travel	0	0	3,842	20,961	20,949	102,319	123,280	144,392
Utilities	0	0	0	3,480	0	948	4,428	7,085
Contractual Services	0	0	10,864	66,261	59,797	124,118	190,379	214,314
Supplies & Materials	0	0	3,307	27,604	33,651	135,572	163,176	203,288
Equipment Replacement, Additions & Rentals	0	0	22,710	55,473	2,505	28,483	83,956	135,033
Miscellaneous	0	0	0	0	0	0	0	3,620
Subtotal	\$0	\$0	\$44,499	\$188,969	\$131,542	\$456,821	\$645,790	\$785,365
TOTAL MLCC APPROPRIATED EXPENSES	\$33,830	\$250,803	\$261,904	\$1,698,713	\$1,080,260	\$7,077,902	\$9,027,418	\$9,014,427
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$12,699	\$91,554	\$55,908	\$409,922	\$501,476	\$489,648
Other Operating Transfers Out(3)	0	0	0	0	0	0	8,718,380	6,375,560
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$12,699	\$91,554	\$55,908	\$409,922	\$9,219,856	\$6,865,208
GRAND TOTAL	\$33,830	\$250,803	\$274,603	\$1,790,267	\$1,136,168	\$7,487,824	\$18,247,274	\$15,879,635

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 Licensing and Regulatory Affairs.
- (3) Transfer amounts are appropriated in other departments and bureaus. They are not allocated to the divisions but are included in totals.