

# STATE OF MICHIGAN

## LIQUOR CONTROL COMMISSION

### FINANCIAL REPORT

April 2010



Michigan Department of Energy, Labor & Economic Growth (DELEG)

Jennifer M. Granholm, Governor  
Stanley "Skip" Pruss, Department Director  
Nida R. Samona, Chairperson

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

**MICHIGAN LIQUOR CONTROL COMMISSION**

**APRIL FINANCIAL REPORT**

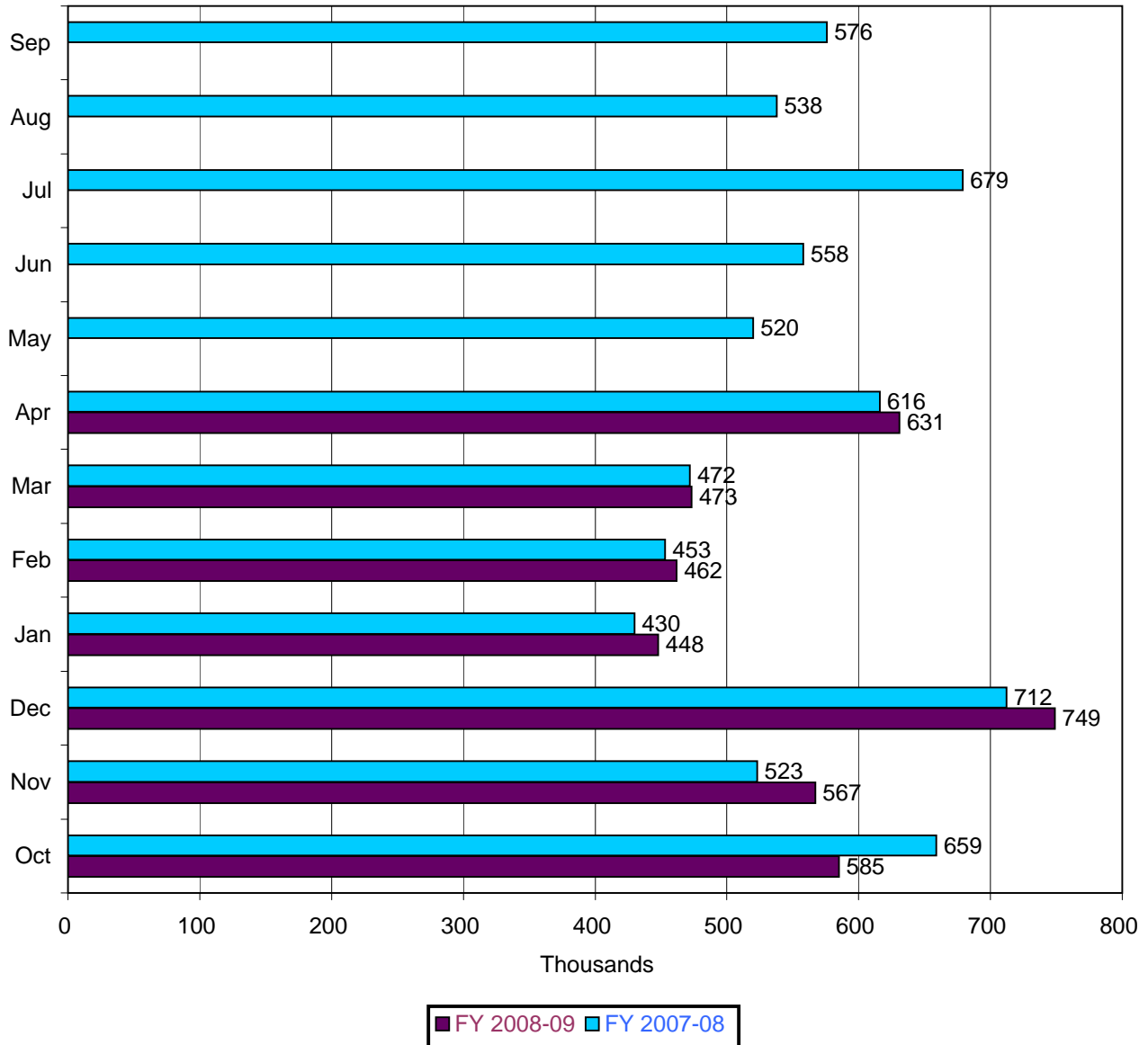
**FISCAL YEAR 09 - 10**

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## CASE SALES



	Fiscal Year to Date 10/09-04/10	Fiscal Year to Date 10/08-04/09	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	3,913,644	3,864,700	48,944	1.27%
Average Price Per Case Sold	\$137.20	\$140.71	(\$3.51)	-2.49%

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

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>55,943,302</u>	<u>62,108,163</u>
Subtotal	\$55,944,002	\$62,108,863
Liquor Inventory - At Current Cost	3,964,826	5,230,286
Prepaid Distribution Costs of Inventory	308,820	387,525
Other Assets		
Accounts Receivable	\$32,521,016	\$32,744,151
Returned Checks	138,538	219,656
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>32,659,554</u>	<u>32,963,807</u>
<b>TOTAL ASSETS</b>	<u><u>\$92,877,202</u></u>	<u><u>\$100,690,481</u></u>
<b>LIABILITIES &amp; RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Warrants Outstanding	\$1,529,168	\$2,845,191
Warrants Authorized/Not Issued	66,942,178	66,727,825
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	\$69,106,344	\$69,892,307
<b>LONG TERM LIABILITIES</b>		
Long Term Compensated Absences	<u>\$492,205</u>	<u>\$837,303</u>
Total Long Term Liabilities	492,205	837,303
<b>RETAINED EARNINGS</b>		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	<u>22,402,914</u>	<u>29,085,132</u>
Current Period Ending Balance	<u>23,278,653</u>	<u>29,960,871</u>
<b>TOTAL LIABILITIES &amp; RETAINED EARNINGS</b>	<u><u>\$92,877,202</u></u>	<u><u>\$100,690,481</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  
SEVEN MONTHS ENDED APRIL 30**

	2010	2009
<b>REVENUE</b>		
<b>TOTAL GROSS SALES</b>	\$536,945,016	\$543,788,149
Less: Discounts Allowed	91,343,442	92,518,093
<b>PROCEEDS - SALE OF LIQUOR</b>	\$445,601,574	\$451,270,056
Less: Cost of Goods Sold		
Beginning Inventory	\$7,008,115	\$8,772,511
Add: Purchases	322,394,921	325,480,863
Less: Ending Inventory	3,964,826	5,230,286
Cost of Goods Sold	\$325,438,210	\$329,023,088
<b>GROSS REVENUE FROM SALE OF LIQUOR</b>	\$120,163,364	\$122,246,968
<b>OTHER REVENUE</b>		
Miscellaneous Revenue	(\$32,080)	(\$3,604)
Non-Operating Revenue	0	0
Interest Revenue	90,211	406,769
<b>TOTAL OTHER REVENUE</b>	\$58,131	\$403,165
<b>TOTAL REVENUE</b>	\$120,221,495	\$122,650,133
<b>EXPENSES AND TRANSFERS</b>		
<b>MLCC Expenses</b>		
Commission	\$241,039	\$199,429
Management Support	1,490,720	1,515,105
Licensing & Enforcement (1)	2,940,724	2,893,872
Distribution Cost Paid to Suppliers	27,308,993	26,891,934
Compensated Absences	0	0
<b>Total MLCC Expenses</b>	\$31,981,476	\$31,500,340
<b>Other Agencies Expenses</b>		
Attorney General	\$458,182	\$197,678
Auditor General	11,300	11,300
Civil Service - Personnel	142,298	0
Management and Budget	0	0
DIT - Information Technology Services	2,144,540	1,817,161
MLCC Rent	619,794	719,489
DELEG - Executive Direction	(25,146)	138,979
DELEG - Administrative Offices	1,414,761	1,346,467
<b>Total Other Agencies Expenses</b>		
Excluding Transfers Not Related to MLCC	\$4,765,729	\$4,231,074
<b>TOTAL EXPENSES AND TRANSFERS</b>	\$36,747,205	\$35,731,414
<b>NET INCOME (Not Including Taxes &amp; Grants)</b>	\$83,474,290	\$86,918,719
Add: Specific Tax, Liquor 1.85%	8,012,786	8,366,018
<b>NET REVENUE (Before Unrelated Expenses)</b>	\$91,487,076	\$95,284,737
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
<b>NET INCOME</b>	\$89,076,576	\$92,874,237
<b>RETAINED EARNINGS</b>		
Transfers to General Fund-Cash	77,000,000	77,000,000
Current Year Increase or (Decrease)	\$12,076,576	\$15,874,237
Retained Earnings - Beginning	875,739	875,739
<b>RETAINED EARNINGS - ENDING</b>	\$12,952,315	\$16,749,976

**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**

	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
<b>EQUITY AVAILABLE</b>			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	120,221,495	122,650,133	(2,428,638)
Specific Tax, Liquor 1.85%	<u>8,012,786</u>	<u>8,366,018</u>	<u>(353,232)</u>
Total Equity Available	<u>\$129,110,020</u>	<u>\$131,891,890</u>	<u>(\$2,781,870)</u>
<b>ALLOCATION OF EQUITY</b>			
Transferred to General Fund	\$77,000,000	\$77,000,000	\$0
MLCC Expenses	31,981,476	31,500,340	481,136
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	4,765,729	4,231,074	534,655
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$116,157,705</u>	<u>\$115,141,914</u>	<u>\$1,015,791</u>
Ending Equity	<u>\$12,952,315</u>	<u>\$16,749,976</u>	<u>(\$3,797,661)</u>

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

	<u>2010 MONTH</u>	<u>YTD</u>	<u>2009 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
<b>LIQUOR SALES</b>					
Off Premise	\$68,575,391	\$432,725,894	\$67,922,115	\$437,849,401	(\$5,123,507)
On Premise	17,474,687	103,964,084	17,655,678	105,670,604	(1,706,520)
Other	36,028	255,038	41,171	268,144	(13,106)
<b>TOTAL GROSS SALES</b>	<u>\$86,086,106</u>	<u>\$536,945,016</u>	<u>\$85,618,964</u>	<u>\$543,788,149</u>	<u>(\$6,843,133)</u>
Less: Discounts Allowed	14,648,821	91,343,442	14,566,722	92,518,093	(1,174,651)
<b>PROCEEDS-SALE OF LIQUOR</b>	<u>\$71,437,285</u>	<u>\$445,601,574</u>	<u>\$71,052,242</u>	<u>\$451,270,056</u>	<u>(\$5,668,482)</u>
Less: Cost of Goods Sold	52,228,795	325,438,210	51,473,732	329,023,088	(3,584,878)
<b>GROSS REVENUE FROM SALE OF LIQUOR</b>	<u>\$19,208,490</u>	<u>\$120,163,364</u>	<u>\$19,578,510</u>	<u>\$122,246,968</u>	<u>(\$2,083,604)</u>
<b>OTHER REVENUE</b>					
Miscellaneous Revenue	\$14,072	(\$32,080)	(\$16,284)	(\$3,604)	(\$28,476)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	31,635	90,211	153,808	406,769	(316,558)
<b>TOTAL OTHER REVENUE</b>	<u>\$45,707</u>	<u>\$58,131</u>	<u>\$137,524</u>	<u>\$403,165</u>	<u>(\$345,034)</u>
<b>TOTAL REVENUE</b>	<u>\$19,254,197</u>	<u>\$120,221,495</u>	<u>\$19,716,034</u>	<u>\$122,650,133</u>	<u>(\$2,428,638)</u>
Less: Distribution Cost Paid to Suppliers	4,402,106	27,308,993	4,262,336	26,891,934	417,059
<b>INCOME FROM LIQUOR MERCHANDISING</b>	<u>\$14,852,091</u>	<u>\$92,912,502</u>	<u>\$15,453,698</u>	<u>\$95,758,199</u>	<u>(\$2,845,697)</u>
<b>MANAGEMENT EXPENSES</b>					
Commission	\$44,912	\$241,039	\$24,840	\$199,429	\$41,610
Management Support(1)	328,974	1,636,115	304,790	1,633,566	2,549
Licensing & Enforcement(1)	1,283,054	6,827,253	1,447,461	6,852,637	(25,384)
DELEG Services	(15,164)	3,800,115	(134,999)	3,895,946	(95,831)
DIT - Information Technology Services	(1,280,309)	2,144,540	86,946	1,817,161	327,379
Attorney General	239,112	458,182	0	197,678	260,504
Auditor General	0	11,300	0	11,300	0
Civil Service - Personnel	142,298	142,298	0	0	142,298
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>\$742,877</u>	<u>\$12,850,342</u>	<u>\$1,729,038</u>	<u>\$12,197,217</u>	<u>\$653,125</u>
<b>INCOME FROM OPERATIONS</b>	<u>\$14,109,214</u>	<u>\$80,062,160</u>	<u>\$13,724,660</u>	<u>\$83,560,982</u>	<u>(\$3,498,822)</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,270,645	8,012,786	1,508,177	8,366,018	(353,232)
Revenue Collected for Other Funds	21,761,664	104,792,148	21,041,744	105,298,831	(506,683)
<b>TOTAL CURRENT EARNINGS &amp; REVENUE</b>	<u>\$37,141,523</u>	<u>\$192,867,094</u>	<u>\$36,274,581</u>	<u>\$197,225,831</u>	<u>(\$4,358,737)</u>
Number of Cases Sold	630,525	3,913,644	616,371	3,864,700	48,944
Number of Sales Days	25	152	25	153	(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  
SEVEN MONTHS ENDED APRIL 30**

	<u>CURRENT MONTH</u>	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
<b>GENERAL FUND - GENERAL PURPOSE</b>				
Excise Tax, Beer	\$3,771,230	\$20,299,811	\$20,745,063	(\$445,252)
Specific Tax, Liquor 4%	3,441,217	21,441,329	21,628,822	(187,493)
Excise Tax, Wine	1,006,892	4,563,530	4,371,054	192,476
Excise Tax, Mixed Spirit Drink	23,685	178,184	138,187	39,997
Fines & Costs	75,690	513,893	557,091	(43,198)
Miscellaneous Revenue	6,129	95,235	41,546	53,689
<b>TOTAL GENERAL FUND - GENERAL PURPOSE</b>	<u>\$8,324,843</u>	<u>\$47,091,982</u>	<u>\$47,481,763</u>	<u>(\$389,781)</u>
<b>GENERAL FUND - RESTRICTED</b>				
RETAIL LICENSE FEES:				
55% To Local Governments	\$3,031,701	\$7,506,610	\$7,301,731	\$204,879
41.5% To Licensing & Enforcement	2,314,463	4,435,367	4,316,199	119,168
3.5% To Alcoholism Prevention Programs	192,856	371,757	364,016	7,741
Additional Resort License Fees	0	0	75,850	(75,850)
Direct Shipper License Fees	20,320	42,481	65,728	(23,247)
License Transfer Fees	52,659	350,428	409,785	(59,357)
Sunday Sales Fees	715,156	1,378,518	1,368,285	10,233
Non-Retail License Fees-Wine Industry Council	177,375	468,920	432,400	36,520
Liquor Control Act Sales	260	2,085	2,410	(325)
Inspection Fees	34,520	191,685	158,408	33,277
Specific Tax, Liquor 4%-Tourism & Conv. Facility	3,445,107	21,474,010	21,661,118	(187,108)
Miscellaneous Revenue	11,187	36,976	32,316	4,660
<b>TOTAL GENERAL FUND-RESTRICTED</b>	<u>\$9,995,604</u>	<u>\$36,258,837</u>	<u>\$36,188,246</u>	<u>\$70,591</u>
<b>SCHOOL AID FUND</b>				
Specific Tax, Liquor 4%	\$3,441,217	\$21,441,329	\$21,628,822	(\$187,493)
<b>TOTAL SCHOOL AID FUND</b>	<u>\$3,441,217</u>	<u>\$21,441,329</u>	<u>\$21,628,822</u>	<u>(\$187,493)</u>
<b>REVENUE COLLECTED FOR OTHER FUNDS</b>	<u>\$21,761,664</u>	<u>\$104,792,148</u>	<u>\$105,298,831</u>	<u>(\$506,683)</u>
<b>LIQUOR PURCHASE REVOLVING FUND</b>				
Specific Tax, Liquor 1.85%	\$1,270,645	\$8,012,786	\$8,366,018	(\$353,232)
Income From Operations (Excluding Taxes & Grants)(1)	14,109,214	80,062,160	83,560,982	(3,498,822)
<b>LIQUOR PURCHASE REVOLVING FUND REVENUE</b>	<u>\$15,379,859</u>	<u>\$88,074,946</u>	<u>\$91,927,000</u>	<u>(\$3,852,054)</u>
<b>TOTAL REVENUE COLLECTED</b>	<u>\$37,141,523</u>	<u>\$192,867,094</u>	<u>\$197,225,831</u>	<u>(\$4,358,737)</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  
SEVEN MONTHS ENDED APRIL 30**

	COMMISSION (1)		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL 2010	TOTAL 2009
	Current	YTD	Current Month	YTD	Current Month	YTD		
<b>MLCC APPROPRIATED EXPENSES</b>								
Salaries & Wages	\$44,912	\$241,039	\$162,554	\$742,118	\$698,860	\$3,635,106	\$4,618,263	\$4,538,598
Longevity & Insurance	0	0	51,195	263,628	174,707	984,230	1,247,858	1,199,233
Retirement & FICA	0	0	74,559	344,457	264,740	1,355,494	1,699,951	1,593,821
<b>Subtotal</b>	<b>\$44,912</b>	<b>\$241,039</b>	<b>\$288,308</b>	<b>\$1,350,203</b>	<b>\$1,138,307</b>	<b>\$5,974,830</b>	<b>\$7,566,072</b>	<b>\$7,331,652</b>
Communications	\$0	\$0	\$4,217	\$17,280	\$9,738	\$55,374	\$72,654	\$85,995
Travel	0	0	5,009	21,788	21,022	116,868	138,656	151,116
Utilities	0	0	970	9,710	309	1,747	11,457	6,586
Contractual Services	0	0	413	26,270	37,672	98,105	124,375	178,631
Supplies & Materials	0	0	8,311	52,066	8,566	85,471	137,537	146,514
Equipment Replacement, Additions & Rentals	0	0	1,389	9,448	2,459	20,458	29,906	62,772
Miscellaneous	0	0	0	3,956	0	0	3,956	2,877
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,309</b>	<b>\$140,518</b>	<b>\$79,766</b>	<b>\$378,023</b>	<b>\$518,541</b>	<b>\$634,491</b>
<b>TOTAL MLCC APPROPRIATED EXPENSES</b>	<b>\$44,912</b>	<b>\$241,039</b>	<b>\$308,617</b>	<b>\$1,490,721</b>	<b>\$1,218,073</b>	<b>\$6,352,853</b>	<b>\$8,084,613</b>	<b>\$7,966,143</b>
<b>OPERATING TRANSFERS OUT &amp; OTHER EXPENSES</b>								
Rent and Building Occupancy(2)	\$0	\$0	\$20,354	\$145,394	\$64,981	\$474,400	\$619,794	\$719,489
Other Operating Transfers Out(3)	0	0	0	0	0	0	6,556,435	5,922,085
<b>TOTAL OPERATING TRANSFERS OUT &amp; OTHER EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,354</b>	<b>\$145,394</b>	<b>\$64,981</b>	<b>\$474,400</b>	<b>\$7,176,229</b>	<b>\$6,641,574</b>
<b>GRAND TOTAL</b>	<b>\$44,912</b>	<b>\$241,039</b>	<b>\$328,971</b>	<b>\$1,636,115</b>	<b>\$1,283,054</b>	<b>\$6,827,253</b>	<b>\$15,260,842</b>	<b>\$14,607,717</b>

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.