

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of May 2009



Working to Create Michigan's Future Today

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

Stanley "Skip" Pruss, Department Director
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MICHIGAN LIQUOR CONTROL COMMISSION

MAY FINANCIAL REPORT

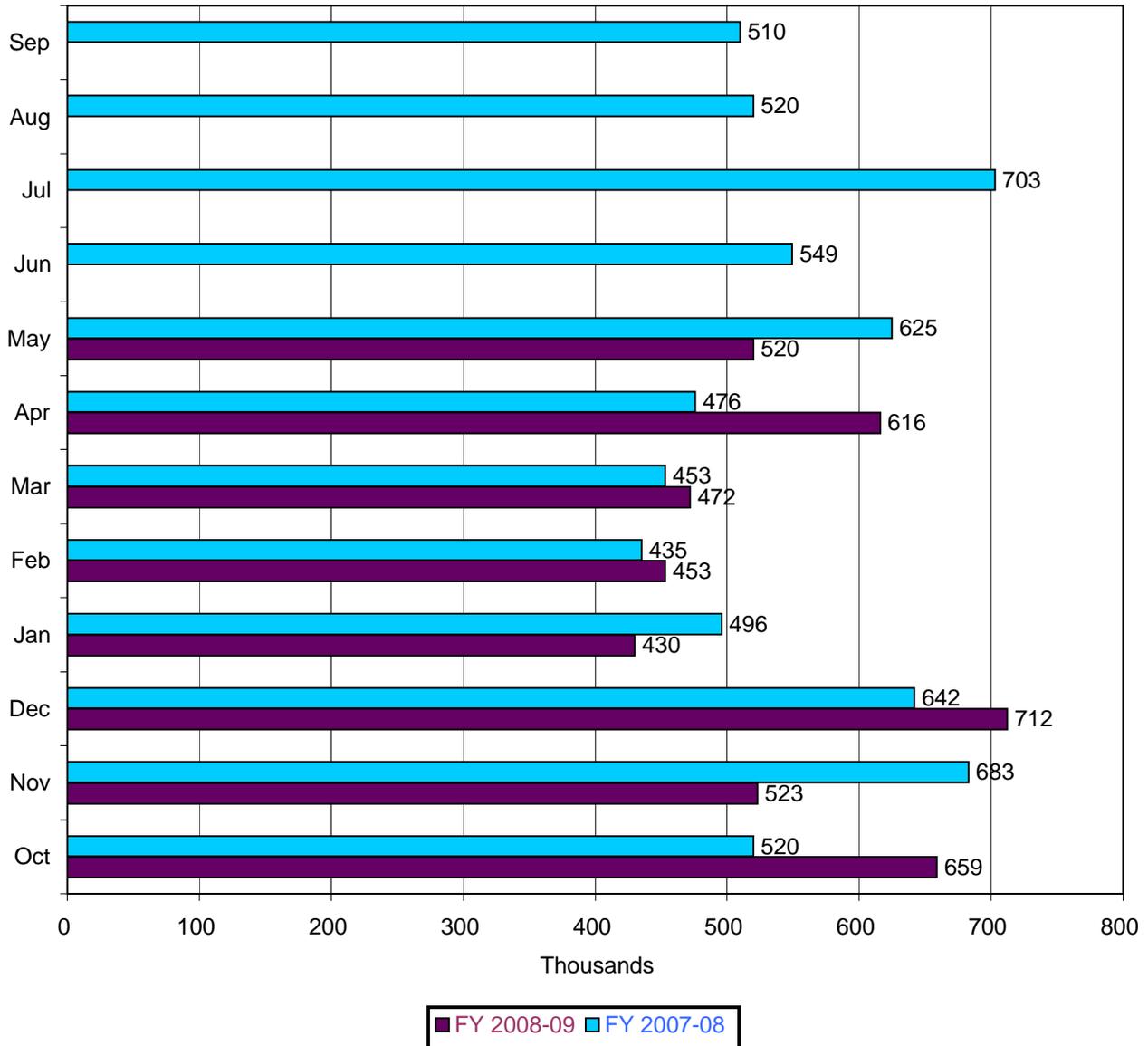
FISCAL YEAR 08 - 09

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CASE SALES



	Fiscal Year to Date 10/08-05/09	Fiscal Year to Date 10/07-05/08	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	4,384,328	4,329,363	54,965	1.27%
Average Price Per Case Sold	\$140.63	\$139.81	\$0.82	0.59%

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

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>84,326,554</u>	<u>64,209,124</u>
Subtotal	\$84,327,254	\$64,209,824
Liquor Inventory - At Current Cost	4,478,658	6,173,085
Prepaid Distribution Costs of Inventory	323,443	459,637
Other Assets		
Accounts Receivable	\$15,139,648	\$26,274,851
Returned Checks	283,505	88,436
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>15,423,153</u>	<u>26,363,287</u>
TOTAL ASSETS	<u><u>\$104,552,508</u></u>	<u><u>\$97,205,833</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$698,594	\$273,004
Warrants Authorized/Not Issued	70,695,349	70,385,186
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	\$71,713,234	\$70,748,961
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>31,126,232</u>	<u>24,569,426</u>
Current Period Ending Balance	<u>32,001,971</u>	<u>25,445,165</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$104,552,508</u></u>	<u><u>\$97,205,833</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
EIGHT MONTHS ENDED MAY 31**

	2009	2008
REVENUE		
TOTAL GROSS SALES	\$616,566,043	\$605,276,838
Less: Discounts Allowed	104,893,418	103,096,438
PROCEEDS - SALE OF LIQUOR	\$511,672,625	\$502,180,400
Less: Cost of Goods Sold		
Beginning Inventory	\$8,772,511	\$4,411,770
Add: Purchases	369,249,557	368,723,318
Less: Ending Inventory	4,478,658	6,173,085
Cost of Goods Sold	\$373,543,410	\$366,962,003
GROSS REVENUE FROM SALE OF LIQUOR	\$138,129,215	\$135,218,397
OTHER REVENUE		
Miscellaneous Revenue	\$18,134	\$124,653
Non-Operating Revenue	0	0
Interest Revenue	406,769	1,167,210
TOTAL OTHER REVENUE	\$424,903	\$1,291,863
TOTAL REVENUE	\$138,554,118	\$136,510,260
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$235,905	\$305,455
Management Support	1,819,461	1,696,822
Licensing & Enforcement (1)	3,297,998	3,273,207
Distribution Cost Paid to Suppliers	30,548,073	30,181,110
Compensated Absences	0	0
Total MLCC Expenses	\$35,901,437	\$35,456,594
Other Agencies Expenses		
Attorney General	\$412,136	\$262,079
Auditor General	11,300	11,300
Civil Service - Personnel	0	78,631
Management and Budget	0	0
DIT - Information Technology Services	2,616,596	2,236,622
MLCC Rent	816,441	624,256
DELEG - Executive Direction	466,061	594,520
DELEG - Administrative Offices	1,498,789	1,607,763
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$5,821,323	\$5,415,171
TOTAL EXPENSES AND TRANSFERS	\$41,722,760	\$40,871,765
NET INCOME (Not Including Taxes & Grants)	\$96,831,358	\$95,638,495
Add: Specific Tax, Liquor 1.85%	9,201,910	8,901,884
NET REVENUE (Before Unrelated Expenses)	\$106,033,268	\$104,540,379
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$103,622,768	\$102,129,879
RETAINED EARNINGS		
Transfers to General Fund-Cash	88,000,000	88,000,000
Current Year Increase or (Decrease)	\$15,622,768	\$14,129,879
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$16,498,507	\$15,005,618

Note:

(1) Includes the Revolving Fund Portion only.

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

	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	138,554,118	136,510,260	2,043,858
Specific Tax, Liquor 1.85%	<u>9,201,910</u>	<u>8,901,884</u>	<u>300,026</u>
Total Equity Available	<u>\$148,631,767</u>	<u>\$146,287,883</u>	<u>\$2,343,884</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$88,000,000	\$88,000,000	\$0
MLCC Expenses	35,901,437	35,456,594	444,843
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	5,821,323	5,415,171	406,152
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$132,133,260</u>	<u>\$131,282,265</u>	<u>\$850,995</u>
Ending Equity	<u>\$16,498,507</u>	<u>\$15,005,618</u>	<u>\$1,492,889</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
EIGHT MONTHS ENDED MAY 31**

	<u>2009 MONTH</u>	<u>YTD</u>	<u>2008 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$58,557,616	\$496,407,017	\$68,557,068	\$480,297,347	\$16,109,670
On Premise	14,183,037	119,853,641	18,581,087	124,313,139	(4,459,498)
Other	37,241	305,385	79,027	666,352	(360,967)
TOTAL GROSS SALES	<u>\$72,777,894</u>	<u>\$616,566,043</u>	<u>\$87,217,182</u>	<u>\$605,276,838</u>	<u>\$11,289,205</u>
Less: Discounts Allowed	12,375,325	104,893,418	14,943,543	103,096,438	1,796,980
PROCEEDS-SALE OF LIQUOR	<u>\$60,402,569</u>	<u>\$511,672,625</u>	<u>\$72,273,639</u>	<u>\$502,180,400</u>	<u>\$9,492,225</u>
Less: Cost of Goods Sold	44,520,322	373,543,410	52,842,238	366,962,003	6,581,407
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$15,882,247</u>	<u>\$138,129,215</u>	<u>\$19,431,401</u>	<u>\$135,218,397</u>	<u>\$2,910,818</u>
OTHER REVENUE					
Miscellaneous Revenue	\$21,738	\$18,134	(\$8,663)	\$124,653	(\$106,519)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	406,769	0	1,167,210	(760,441)
TOTAL OTHER REVENUE	<u>\$21,738</u>	<u>\$424,903</u>	<u>(\$8,663)</u>	<u>\$1,291,863</u>	<u>(\$866,960)</u>
TOTAL REVENUE	<u>\$15,903,985</u>	<u>\$138,554,118</u>	<u>\$19,422,738</u>	<u>\$136,510,260</u>	<u>\$2,043,858</u>
Less: Distribution Cost Paid to Suppliers	3,656,139	30,548,073	4,358,714	30,181,110	366,963
INCOME FROM LIQUOR MERCHANDISING	<u>\$12,247,846</u>	<u>\$108,006,045</u>	<u>\$15,064,024</u>	<u>\$106,329,150</u>	<u>\$1,676,895</u>
MANAGEMENT EXPENSES					
Commission	\$36,476	\$235,905	\$57,744	\$305,455	(\$69,550)
Management Support(1)	320,861	1,954,427	305,415	1,836,331	118,096
Licensing & Enforcement(1)	953,473	7,806,110	1,292,404	7,521,086	285,024
DELEG Services	479,404	4,375,350	471,444	4,612,783	(237,433)
DIT - Information Technology Services	799,435	2,616,596	467,056	2,236,622	379,974
Attorney General	214,458	412,136	0	262,079	150,057
Auditor General	0	11,300	0	11,300	0
Civil Service - Personnel	0	0	0	78,631	(78,631)
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>\$2,804,107</u>	<u>\$15,001,324</u>	<u>\$2,594,063</u>	<u>\$14,453,787</u>	<u>\$547,537</u>
INCOME FROM OPERATIONS	<u>\$9,443,739</u>	<u>\$93,004,721</u>	<u>\$12,469,961</u>	<u>\$91,875,363</u>	<u>\$1,129,358</u>
Specific Tax, Liquor 1.85%(Off Premise)	835,892	9,201,910	1,271,014	8,901,884	300,026
Revenue Collected for Other Funds	14,448,595	119,747,426	15,904,229	118,397,621	1,349,805
TOTAL CURRENT EARNINGS & REVENUE	<u>\$24,728,226</u>	<u>\$221,954,057</u>	<u>\$29,645,204</u>	<u>\$219,174,868</u>	<u>\$2,779,189</u>
Number of Cases Sold	519,628	4,384,328	625,085	4,329,363	54,965
Number of Sales Days	20	173	25	175	(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
EIGHT MONTHS ENDED MAY 31**

	<u>CURRENT MONTH</u>	<u>2009</u>	<u>2008</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$3,647,282	\$24,392,345	\$24,470,526	(\$78,181)
Specific Tax, Liquor 4%	2,987,218	24,616,040	24,135,995	480,045
Excise Tax, Wine	909,210	5,280,264	5,195,253	85,011
Excise Tax, Mixed Spirit Drink	9,544	147,731	168,150	(20,419)
Fines & Costs	89,329	646,420	555,712	90,708
Miscellaneous Revenue	3,952	45,498	35,803	9,695
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$7,646,535</u>	<u>\$55,128,298</u>	<u>\$54,561,439</u>	<u>\$566,859</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$330,725	\$7,632,456	\$7,602,554	\$29,902
41.5% To Licensing & Enforcement	277,887	4,594,086	4,649,542	(55,456)
3.5% To Alcoholism Prevention Programs	21,047	385,063	389,601	(4,538)
Additional Resort License Fees	0	75,850	56,342	19,508
Direct Shipper License Fees	4,100	69,828	59,249	10,579
License Transfer Fees	50,028	459,813	410,755	49,058
Sunday Sales Fees	73,695	1,441,980	1,432,311	9,669
Non-Retail License Fees-Wine Industry Council	39,250	471,650	662,760	(191,110)
Liquor Control Act Sales	170	2,580	2,765	(185)
Inspection Fees	20,199	178,607	201,800	(23,193)
Specific Tax, Liquor 4%-Tourism & Conv. Facility	2,993,487	24,654,605	24,186,482	468,123
Miscellaneous Revenue	4,254	36,570	46,026	(9,456)
TOTAL GENERAL FUND-RESTRICTED	<u>\$3,814,842</u>	<u>\$40,003,088</u>	<u>\$39,700,187</u>	<u>\$302,901</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$2,987,218	\$24,616,040	\$24,135,995	\$480,045
TOTAL SCHOOL AID FUND	<u>\$2,987,218</u>	<u>\$24,616,040</u>	<u>\$24,135,995</u>	<u>\$480,045</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$14,448,595</u>	<u>\$119,747,426</u>	<u>\$118,397,621</u>	<u>\$1,349,805</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$835,892	\$9,201,910	\$8,901,884	\$300,026
Income From Operations (Excluding Taxes & Grants)(1)	9,443,739	93,004,721	91,875,363	1,129,358
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$10,279,631</u>	<u>\$102,206,631</u>	<u>\$100,777,247</u>	<u>\$1,429,384</u>
TOTAL REVENUE COLLECTED	<u>\$24,728,226</u>	<u>\$221,954,057</u>	<u>\$219,174,868</u>	<u>\$2,779,189</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
EIGHT MONTHS ENDED MAY 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	\$36,476	\$235,905	\$97,378	\$890,396	\$505,908	\$4,052,059	\$5,178,360	\$5,138,182
Longevity & Insurance	0	0	30,579	285,096	117,096	1,061,812	1,346,908	1,410,100
Retirement & FICA	0	0	42,411	357,054	177,011	1,456,188	1,813,242	1,762,325
Subtotal	\$36,476	\$235,905	\$170,368	\$1,532,546	\$800,015	\$6,570,059	\$8,338,510	\$8,310,607
Communications	\$0	\$0	\$1,765	\$18,113	\$8,387	\$78,034	\$96,147	\$68,520
Travel	0	0	2,913	21,439	21,570	154,161	175,600	169,525
Utilities	0	0	2,145	7,104	258	1,884	8,988	10,079
Contractual Services	0	0	121,550	160,731	5,385	144,834	305,565	213,262
Supplies & Materials	0	0	4,155	57,584	28,638	121,723	179,307	198,137
Equipment Replacement, Additions & Rentals	0	0	1,459	19,066	2,985	48,149	67,215	66,315
Miscellaneous	0	0	0	2,877	5,792	5,792	8,669	2,172
Subtotal	\$0	\$0	\$133,987	\$286,914	\$73,015	\$554,577	\$841,491	\$728,010
TOTAL MLCC APPROPRIATED EXPENSES	\$36,476	\$235,905	\$304,355	\$1,819,460	\$873,030	\$7,124,636	\$9,180,001	\$9,038,617
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$16,507	\$134,967	\$80,446	\$681,474	\$816,441	\$624,255
Other Operating Transfers Out(3)	0	0	0	0	0	0	7,415,382	7,201,415
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$16,507	\$134,967	\$80,446	\$681,474	\$8,231,823	\$7,825,670
GRAND TOTAL	\$36,476	\$235,905	\$320,862	\$1,954,427	\$953,476	\$7,806,110	\$17,411,824	\$16,864,287

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.