

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

November 2010



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

Rick Snyder, Governor
Andrew S. Levin, Acting Department Director
Nida R. Samona, Chairperson

MICHIGAN LIQUOR CONTROL COMMISSION

NOVEMBER FINANCIAL REPORT

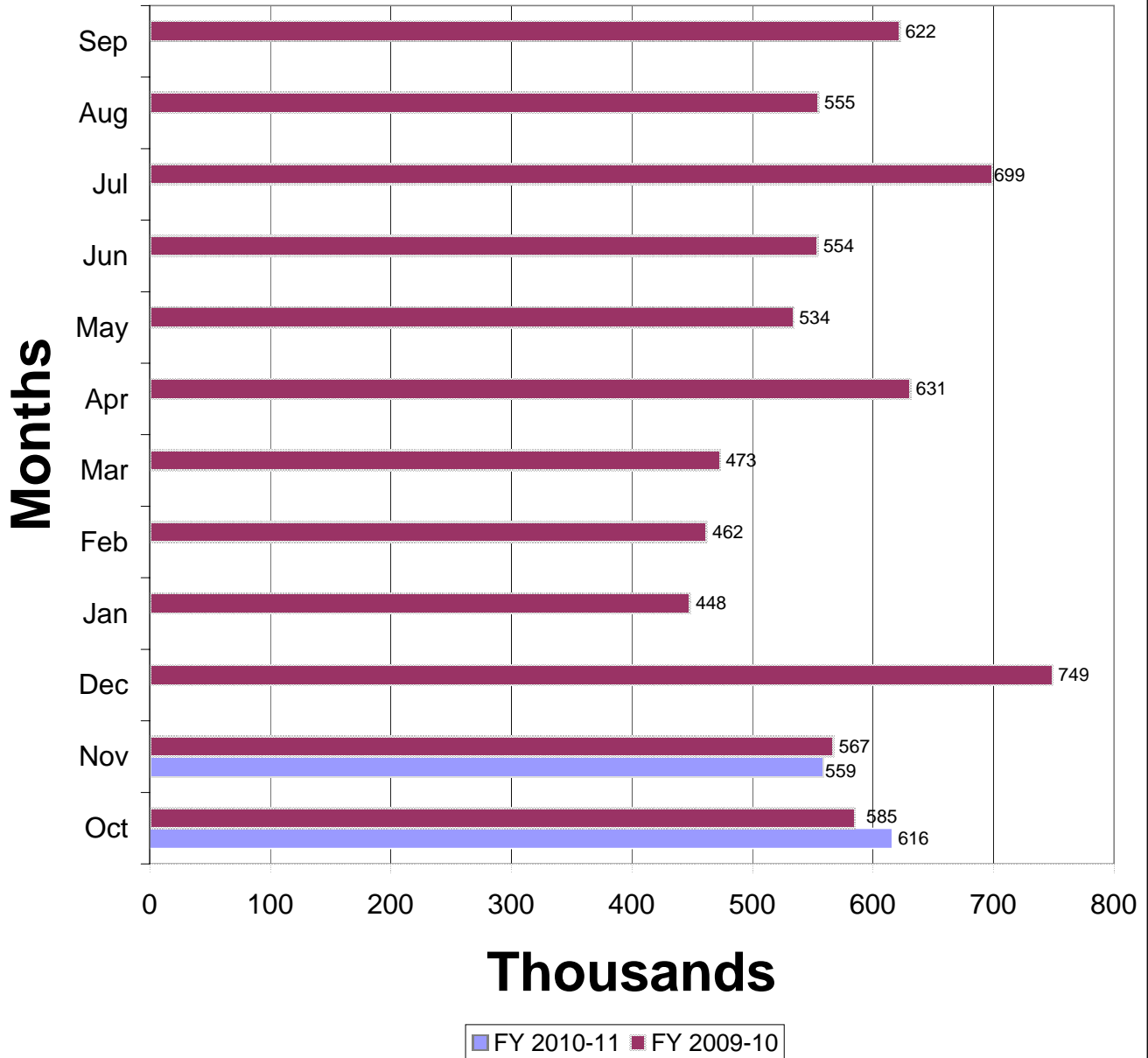
FISCAL YEAR 10 - 11

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Case Sales



	Fiscal Year to Date 10/10-11/10	Fiscal Year to Date 10/09-11/09	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	1,174,548	1,151,523	23,025	2.00%
Average Price Per Case Sold	\$135.23	\$135.98	(\$0.75)	-0.55%

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

	2010	2009
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	49,109,634	73,014,162
Subtotal	\$49,110,334	\$73,014,862
Liquor Inventory - At Current Cost	4,282,102	4,969,989
Prepaid Distribution Costs of Inventory	317,874	391,393
Other Assets		
Accounts Receivable	\$30,900,841	\$14,487,084
Returned Checks	86,669	167,109
Payroll Correction Clearing	0	0
Subtotal	30,987,510	14,654,193
TOTAL ASSETS	\$84,697,820	\$93,030,437
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$2,675,385	\$711,457
Warrants Authorized/Not Issued	64,772,835	75,034,010
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	0	0
Current Compensated Absences	710,373	634,998
Total Current Liabilities	\$68,158,593	\$76,380,465
LONG TERM LIABILITIES		
Long Term Compensated Absences	\$510,519	\$492,205
Total Long Term Liabilities	510,519	492,205
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	15,152,969	15,282,028
Current Period Ending Balance	16,028,708	16,157,767
TOTAL LIABILITIES & RETAINED EARNINGS	\$84,697,820	\$93,030,437

*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
TWO MONTHS ENDED NOVEMBER 30

	2010	2009
REVENUE		
TOTAL GROSS SALES	\$158,828,864	\$156,585,426
Less: Discounts Allowed	27,019,859	26,644,199
PROCEEDS - SALE OF LIQUOR	\$131,809,005	\$129,941,227
Less: Cost of Goods Sold		
Beginning Inventory	\$5,939,664	\$7,008,115
Add: Purchases	94,612,552	92,601,125
Less: Ending Inventory	4,282,102	4,969,989
Cost of Goods Sold	\$96,270,114	\$94,639,251
GROSS REVENUE FROM SALE OF LIQUOR	\$35,538,891	\$35,301,976
OTHER REVENUE		
Miscellaneous Revenue	(\$15,968)	(\$2,773)
Non-Operating Revenue	0	0
Interest Revenue	0	0
TOTAL OTHER REVENUE	(\$15,968)	(\$2,773)
TOTAL REVENUE	\$35,522,923	\$35,299,203
EXPENSES AND TRANSFERS		
<u>MLCC Expenses</u>		
Commission	\$51,732	\$58,291
Management Support	361,316	349,765
Licensing & Enforcement (1)	685,896	708,863
Distribution Cost Paid to Suppliers	8,187,569	7,997,446
Compensated Absences	0	0
Total MLCC Expenses	\$9,286,513	\$9,114,365
<u>Other Agencies Expenses</u>		
Attorney General	\$0	\$0
Auditor General	0	0
Civil Service - Personnel	0	0
Management and Budget	0	0
Information Technology Services	22,473	180,836
MLCC Rent	64,562	67,330
DELEG - Executive Direction	419,370	64,869
DELEG - Administrative Offices	189,584	151,662
Total Other Agencies Expenses	\$695,989	\$464,697
TOTAL EXPENSES AND TRANSFERS	\$9,982,502	\$9,579,062
NET INCOME (Not Including Taxes & Grants)	\$25,540,421	\$25,720,141
Add: Specific Tax, Liquor 1.85%	2,443,595	2,371,242
NET REVENUE (Before Unrelated Expenses)	\$27,984,016	\$28,091,383
DELEG - Transfers For Grant Not Related to MLCC	0	0
NET INCOME	\$27,984,016	\$28,091,383
RETAINED EARNINGS		
Transfers to General Fund - Cash	22,000,000	22,000,000
Current Year Increase or (Decrease)	\$5,984,016	\$6,091,383
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$6,859,755	\$6,967,122

Notes:

(1) Includes the Revolving Fund Portion only.

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

	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	35,522,923	35,299,203	223,720
Specific Tax, Liquor 1.85%	<u>2,443,595</u>	<u>2,371,242</u>	<u>72,353</u>
Total Equity Available	<u>\$38,842,257</u>	<u>\$38,546,184</u>	<u>\$296,073</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$22,000,000	\$22,000,000	\$0
MLCC Expenses	9,286,513	9,114,365	172,148
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	695,989	464,697	231,292
DELEG Transfer Not Related to MLCC	<u>0</u>	<u>0</u>	<u>0</u>
Total Allocation of Equity	<u>\$31,982,502</u>	<u>\$31,579,062</u>	<u>\$403,440</u>
Ending Equity	<u>\$6,859,755</u>	<u>\$6,967,122</u>	<u>(\$107,367)</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
TWO MONTHS ENDED NOVEMBER 30**

	2010 MONTH	YTD	2009 MONTH	YTD	YTD INCR./(DECR.)
LIQUOR SALES					
Off Premise	\$63,679,641	\$131,867,542	\$69,963,006	\$128,205,543	\$3,661,999
On Premise	12,984,325	26,835,466	13,078,350	28,285,458	(1,449,992)
Other	66,666	125,856	46,160	94,425	31,431
TOTAL GROSS SALES	\$76,730,632	\$158,828,864	\$83,087,516	\$156,585,426	\$2,243,438
Less: Discounts Allowed	13,051,103	27,019,859	13,060,320	26,644,199	375,660
PROCEEDS-SALE OF LIQUOR	\$63,679,529	\$131,809,005	\$70,027,196	\$129,941,227	\$1,867,778
Less: Cost of Goods Sold	45,905,654	96,270,114	47,971,760	94,639,251	1,630,863
GROSS REVENUE FROM SALE OF LIQUOR	\$17,773,875	\$35,538,891	\$22,055,436	\$35,301,976	\$236,915
OTHER REVENUE					
Miscellaneous Revenue	(\$27,902)	(\$15,968)	\$47,482	(\$2,773)	(\$13,195)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	0	0	0	0
TOTAL OTHER REVENUE	(\$27,902)	(\$15,968)	\$47,482	(\$2,773)	(\$13,195)
TOTAL REVENUE	\$17,745,973	\$35,522,923	\$22,102,918	\$35,299,203	\$223,720
Less: Distribution Cost Paid to Suppliers	3,891,449	8,187,569	4,072,116	7,997,446	190,123
INCOME FROM LIQUOR MERCHANDISING	\$13,854,524	\$27,335,354	\$18,030,802	\$27,301,757	\$33,597
MANAGEMENT EXPENSES					
Commission	\$33,252	\$51,732	\$36,476	\$58,291	(\$6,559)
Management Support(1)	211,633	369,547	199,797	358,504	11,043
Licensing & Enforcement(1)	890,387	1,538,066	771,432	1,589,940	(51,874)
DELEG Services	333,171	608,954	(36,661)	216,531	392,423
Information Service Technology	22,473	22,473	159,068	180,836	(158,363)
Attorney General	0	0	0	0	0
Auditor General	0	0	0	0	0
Civil Service - Personnel	0	0	0	0	0
Management and Budget	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Less: Transfer not related to MLCC Operations (2)	0	0	0	0	0
Total Management Expenses	\$1,490,916	\$2,590,772	\$1,130,112	\$2,404,102	\$186,670
INCOME FROM OPERATIONS	\$12,363,608	\$24,744,582	\$16,900,690	\$24,897,655	(\$153,073)
Specific Tax, Liquor 1.85%(Off Premise)	1,182,141	2,443,595	1,176,682	2,371,242	72,353
Revenue Collected for Other Funds	11,744,311	26,451,320	11,205,072	26,479,080	(27,760)
TOTAL CURRENT EARNINGS & REVENUE	\$25,290,060	\$53,639,497	\$29,282,444	\$53,747,977	(\$108,480)
Number of Cases Sold	558,506	1,174,548	566,768	1,151,523	23,025
Number of Sales Days	20	41	20	42	(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
TWO MONTHS ENDED NOVEMBER 30**

	<u>CURRENT MONTH</u>	<u>YTD 2010</u>	<u>YTD 2009</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax Beer	\$706,281	\$4,506,665	\$5,139,092	(\$632,427)
Specific Tax, Liquor 4%	3,068,151	6,349,185	6,252,697	96,488
Excise Tax, Wine	(176,399)	510,247	513,050	(2,803)
Excise Tax, Mixed Spirit Drink	11,118	21,895	31,034	(9,139)
Fines & Costs	(30,355)	46,119	66,576	(20,457)
Miscellaneous Revenue	3,326	43,234	4,017	39,217
TOTAL GENERAL FUND - GENERAL PURPOSE:	<u>\$3,582,122</u>	<u>\$11,477,345</u>	<u>\$12,006,466</u>	<u>(\$529,121)</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$1,891,523	\$1,965,062	\$1,734,193	\$230,869
41.5% To Licensing & Enforcement	29,646	85,135	49,617	35,518
3.5% To Alcoholism Prevention Programs	2,500	7,180	4,184	2,996
Additional Resort License Fees	0	19,400	0	19,400
Direct Shipper License Fees	600	1,400	1,800	(400)
License Transfer Fees	51,543	94,409	84,892	9,517
Sunday Sales Fees	12,404	32,153	24,119	8,034
Non-Retail License Fees-Wine Industry Council	11,975	20,110	11,745	8,365
Liquor Control Act Sales	91	421	1,070	(649)
Inspection Fees	22,900	44,510	44,208	302
Specific Tax, Liquor 4%-Tourism & Conv. Facility	3,068,151	6,349,185	6,259,109	90,076
Miscellaneous Revenue	2,705	5,825	4,980	845
TOTAL GENERAL FUND - RESTRICTED	<u>\$5,094,038</u>	<u>\$8,624,790</u>	<u>\$8,219,917</u>	<u>\$404,873</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$3,068,151	\$6,349,185	\$6,252,697	\$96,488
TOTAL SCHOool AID FUND	<u>\$3,068,151</u>	<u>\$6,349,185</u>	<u>\$6,252,697</u>	<u>\$96,488</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$11,744,311</u>	<u>\$26,451,320</u>	<u>\$26,479,080</u>	<u>(\$27,760)</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,182,141	\$2,443,595	\$2,371,242	\$72,353
Income From Operations(Excluding Taxes & Grants)(1)	12,363,608	24,744,582	24,897,655	(153,073)
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$13,545,749</u>	<u>\$27,188,177</u>	<u>\$27,268,897</u>	<u>(\$80,720)</u>
TOTAL REVENUE COLLECTED	<u>\$25,290,060</u>	<u>\$53,639,497</u>	<u>\$53,747,977</u>	<u>(\$108,480)</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
TWO MONTHS ENDED NOVEMBER 30**

	COMMISSION		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL	TOTAL
	(1)						2010	2009
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$33,252	\$51,732	\$110,493	\$168,567	\$510,470	\$780,738	\$1,001,037	\$1,031,764
Longevity & Insurance	0	0	35,269	91,918	122,704	316,871	408,789	406,521
Retirement & FICA	0	0	49,274	84,913	195,501	326,734	411,647	406,482
Subtotal	\$33,252	\$51,732	\$195,036	\$345,398	\$828,675	\$1,424,343	\$1,821,473	\$1,844,767
Communications	\$0	\$0	\$2,197	\$2,197	\$7,813	\$8,465	\$10,662	\$14,224
Travel	0	0	2,815	2,926	10,874	19,338	22,264	25,077
Utilities	0	0	1,255	1,298	234	493	1,791	3,506
Contractual Services	0	0	929	2,254	4,099	6,899	9,153	15,280
Supplies & Materials	0	0	6,231	5,945	19,038	18,671	24,616	28,130
Equipment Replacement, Additions & Rentals	0	0	511	1,298	1,254	3,527	4,825	8,421
Miscellaneous	0	0	0	0	0	0	0	0
Subtotal	\$0	\$0	\$13,938	\$15,918	\$43,312	\$57,393	\$73,311	\$94,638
TOTAL MLCC APPROPRIATED EXPENSES	\$33,252	\$51,732	\$208,974	\$361,316	\$871,987	\$1,481,736	\$1,894,784	\$1,939,405
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$2,659	\$8,231	\$18,400	\$56,330	\$64,561	\$67,330
Other Operating Transfers Out(3)	0	0	0	0	0	0	631,427	397,367
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$2,659	\$8,231	\$18,400	\$56,330	\$695,988	\$464,697
GRAND TOTAL	\$33,252	\$51,732	\$211,633	\$369,547	\$890,387	\$1,538,066	\$2,590,772	\$2,404,102

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 totals.