

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of January 2010



Working to Create Michigan's Future Today

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

Stanley "Skip" Pruss, Department Director
<http://www.michigan.gov/dleg>

MICHIGAN LIQUOR CONTROL COMMISSION

JANUARY FINANCIAL REPORT

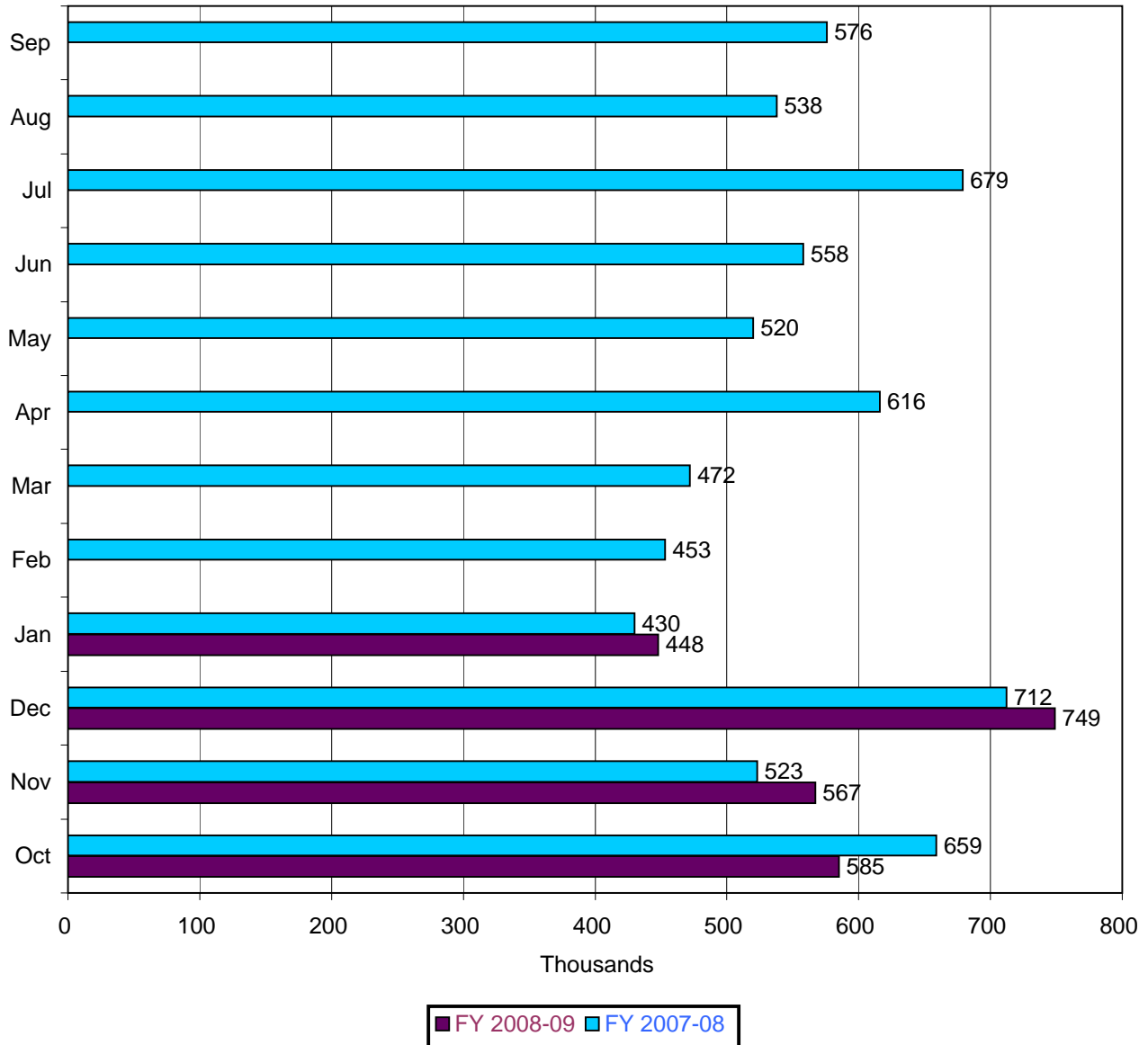
FISCAL YEAR 09 - 10

Table of Contents

	<u>Page</u>
Chart of Case Sales	1
Unaudited Comparative Balance Sheet.....	2
Unaudited Comparative Statement of Revenue, Expenses & Changes in Retained Earnings.....	3
Unaudited Statement of Changes in Equity and Transfers	4
Unaudited Comparative Schedule of Operations.....	5
Unaudited Comparative Schedule of Revenue Collected	6
Unaudited Schedule of Expenses by Type and Account	7

The Department of Energy, Labor & Economic Growth will not discriminate against any individual or group because of sex, religion, age, national origin, color, marital status, disability or political affiliation. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.

CASE SALES



	Fiscal Year to Date 10/09-01/10	Fiscal Year to Date 10/08-01/09	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	2,348,381	2,324,056	24,325	1.05%
Average Price Per Case Sold	\$135.83	\$141.41	(\$5.58)	-3.95%

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

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>56,399,348</u>	<u>63,727,354</u>
Subtotal	\$56,400,048	\$63,728,054
Liquor Inventory - At Current Cost	7,864,346	6,544,290
Prepaid Distribution Costs of Inventory	629,377	491,720
Other Assets		
Accounts Receivable	\$22,019,429	\$20,759,785
Returned Checks	167,720	197,291
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>22,187,149</u>	<u>20,957,076</u>
TOTAL ASSETS	<u><u>\$87,080,920</u></u>	<u><u>\$91,721,140</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$792,485	\$2,614,965
Warrants Authorized/Not Issued	69,863,816	63,922,984
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	\$71,291,299	\$66,857,240
LONG TERM LIABILITIES		
Long Term Compensated Absences	<u>\$492,205</u>	<u>\$837,303</u>
Total Long Term Liabilities	492,205	837,303
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	<u>14,421,677</u>	<u>23,150,858</u>
Current Period Ending Balance	<u>15,297,416</u>	<u>24,026,597</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$87,080,920</u></u>	<u><u>\$91,721,140</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
FOUR MONTHS ENDED JANUARY 31

	2010	2009
REVENUE		
TOTAL GROSS SALES	\$318,973,101	\$328,637,543
Less: Discounts Allowed	54,263,144	55,918,853
PROCEEDS - SALE OF LIQUOR	\$264,709,957	\$272,718,690
Less: Cost of Goods Sold		
Beginning Inventory	\$7,008,115	\$8,772,511
Add: Purchases	195,179,712	195,501,504
Less: Ending Inventory	7,864,346	6,544,290
Cost of Goods Sold	\$194,323,481	\$197,729,725
GROSS REVENUE FROM SALE OF LIQUOR	\$70,386,476	\$74,988,965
OTHER REVENUE		
Miscellaneous Revenue	(\$21,359)	\$463
Non-Operating Revenue	0	0
Interest Revenue	0	252,961
TOTAL OTHER REVENUE	(\$21,359)	\$253,424
TOTAL REVENUE	\$70,365,117	\$75,242,389
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$123,297	\$104,305
Management Support	752,066	818,262
Licensing & Enforcement (1)	1,519,464	1,460,812
Distribution Cost Paid to Suppliers	16,325,771	16,095,148
Compensated Absences	0	0
Total MLCC Expenses	\$18,720,598	\$18,478,527
Other Agencies Expenses		
Attorney General	\$219,070	\$197,678
Auditor General	11,300	11,300
Civil Service - Personnel	0	0
Management and Budget	0	0
DIT - Information Technology Services	1,000,440	1,018,689
MLCC Rent	363,786	336,735
DELEG - Executive Direction	165,424	336,788
DELEG - Administrative Offices	759,152	805,011
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$2,519,172	\$2,706,201
TOTAL EXPENSES AND TRANSFERS	\$21,239,770	\$21,184,728
NET INCOME (Not Including Taxes & Grants)	\$49,125,347	\$54,057,661
Add: Specific Tax, Liquor 1.85%	4,832,976	4,986,513
NET REVENUE (Before Unrelated Expenses)	\$53,958,323	\$59,044,174
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$51,547,823	\$56,633,674
RETAINED EARNINGS		
Transfers to General Fund-Cash	44,000,000	44,000,000
Current Year Increase or (Decrease)	\$7,547,823	\$12,633,674
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$8,423,562	\$13,509,413

Note:

(1) Includes the Revolving Fund Portion only.

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

	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	70,365,117	75,242,389	(4,877,272)
Specific Tax, Liquor 1.85%	<u>4,832,976</u>	<u>4,986,513</u>	<u>(153,537)</u>
Total Equity Available	<u>\$76,073,832</u>	<u>\$81,104,641</u>	<u>(\$5,030,809)</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$44,000,000	\$44,000,000	\$0
MLCC Expenses	18,720,598	18,478,527	242,071
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	2,519,172	2,706,201	(187,029)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$67,650,270</u>	<u>\$67,595,228</u>	<u>\$55,042</u>
Ending Equity	<u>\$8,423,562</u>	<u>\$13,509,413</u>	<u>(\$5,085,851)</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
FOUR MONTHS ENDED JANUARY 31**

	<u>2010 MONTH</u>	<u>YTD</u>	<u>2009 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$44,502,459	\$260,653,051	\$48,361,993	\$269,142,412	(\$8,489,361)
On Premise	12,873,451	58,150,027	12,797,812	59,319,040	(1,169,013)
Other	14,207	170,023	25,357	176,091	(6,068)
TOTAL GROSS SALES	<u>\$57,390,117</u>	<u>\$318,973,101</u>	<u>\$61,185,162</u>	<u>\$328,637,543</u>	<u>(\$9,664,442)</u>
Less: Discounts Allowed	9,758,111	54,263,144	10,409,589	55,918,853	(1,655,709)
PROCEEDS-SALE OF LIQUOR	<u>\$47,632,006</u>	<u>\$264,709,957</u>	<u>\$50,775,573</u>	<u>\$272,718,690</u>	<u>(\$8,008,733)</u>
Less: Cost of Goods Sold	36,048,767	194,323,481	30,515,659	197,729,725	(3,406,244)
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$11,583,239</u>	<u>\$70,386,476</u>	<u>\$20,259,914</u>	<u>\$74,988,965</u>	<u>(\$4,602,489)</u>
OTHER REVENUE					
Miscellaneous Revenue	(\$46,791)	(\$21,359)	\$4,427	\$463	(\$21,822)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	0	252,961	252,961	(252,961)
TOTAL OTHER REVENUE	<u>(\$46,791)</u>	<u>(\$21,359)</u>	<u>\$257,388</u>	<u>\$253,424</u>	<u>(\$274,783)</u>
TOTAL REVENUE	<u>\$11,536,448</u>	<u>\$70,365,117</u>	<u>\$20,517,302</u>	<u>\$75,242,389</u>	<u>(\$4,877,272)</u>
Less: Distribution Cost Paid to Suppliers	3,094,869	16,325,771	2,557,996	16,095,148	230,623
INCOME FROM LIQUOR MERCHANDISING	<u>\$8,441,579</u>	<u>\$54,039,346</u>	<u>\$17,959,306</u>	<u>\$59,147,241</u>	<u>(\$5,107,895)</u>
MANAGEMENT EXPENSES					
Commission	\$28,531	\$123,297	\$23,550	\$104,305	\$18,992
Management Support(1)	237,765	836,395	200,681	887,202	(50,807)
Licensing & Enforcement(1)	947,562	3,561,941	888,742	3,423,577	138,364
DELEG Services	126,974	3,335,076	26,724	3,552,299	(217,223)
DIT - Information Technology Services	665,343	1,000,440	644,939	1,018,689	(18,249)
Attorney General	219,070	219,070	197,678	197,678	21,392
Auditor General	11,300	11,300	11,300	11,300	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	2,410,500	0	2,410,500	0
Total Management Expenses	<u>\$2,236,545</u>	<u>\$6,677,019</u>	<u>\$1,993,614</u>	<u>\$6,784,550</u>	<u>(\$107,531)</u>
INCOME FROM OPERATIONS	<u>\$6,205,034</u>	<u>\$47,362,327</u>	<u>\$15,965,692</u>	<u>\$52,362,691</u>	<u>(\$5,000,364)</u>
Specific Tax, Liquor 1.85%(Off Premise)	833,426	4,832,976	892,505	4,986,513	(153,537)
Revenue Collected for Other Funds	10,700,945	53,965,072	11,334,788	55,319,687	(1,354,615)
TOTAL CURRENT EARNINGS & REVENUE	<u>\$17,739,405</u>	<u>\$106,160,375</u>	<u>\$28,192,985</u>	<u>\$112,668,891</u>	<u>(\$6,508,516)</u>
Number of Cases Sold	447,929	2,348,381	430,109	2,324,056	24,325
Number of Sales Days	20	87	20	88	(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
FOUR MONTHS ENDED JANUARY 31**

	<u>CURRENT MONTH</u>	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$2,623,641	\$10,870,077	\$11,221,953	(\$351,876)
Specific Tax, Liquor 4%	2,292,390	12,733,651	13,153,601	(419,950)
Excise Tax, Wine	912,276	2,173,863	2,054,834	119,029
Excise Tax, Mixed Spirit Drink	39,413	142,333	89,037	53,296
Fines & Costs	100,218	274,946	296,040	(21,094)
Miscellaneous Revenue	2,491	10,170	26,988	(16,818)
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$5,970,429</u>	<u>\$26,205,040</u>	<u>\$26,842,453</u>	<u>(\$637,413)</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$21,045	\$1,797,185	\$1,711,218	\$85,967
41.5% To Licensing & Enforcement	15,880	97,148	97,903	(755)
3.5% To Alcoholism Prevention Programs	1,339	8,193	8,257	(64)
Additional Resort License Fees	0	0	38,100	(38,100)
Direct Shipper License Fees	500	2,800	6,056	(3,256)
License Transfer Fees	63,919	201,006	210,349	(9,343)
Sunday Sales Fees	8,662	44,495	58,041	(13,546)
Non-Retail License Fees-Wine Industry Council	4,475	22,585	28,440	(5,855)
Liquor Control Act Sales	220	1,495	1,165	330
Inspection Fees	26,635	93,063	83,915	9,148
Specific Tax, Liquor 4%-Tourism & Conv. Facility	2,292,391	12,747,031	13,069,614	(322,583)
Miscellaneous Revenue	3,060	11,380	10,575	805
TOTAL GENERAL FUND-RESTRICTED	<u>\$2,438,126</u>	<u>\$15,026,381</u>	<u>\$15,323,633</u>	<u>(\$297,252)</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$2,292,390	\$12,733,651	\$13,153,601	(\$419,950)
TOTAL SCHOOL AID FUND	<u>\$2,292,390</u>	<u>\$12,733,651</u>	<u>\$13,153,601</u>	<u>(\$419,950)</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$10,700,945</u>	<u>\$53,965,072</u>	<u>\$55,319,687</u>	<u>(\$1,354,615)</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$833,426	\$4,832,976	\$4,986,513	(\$153,537)
Income From Operations (Excluding Taxes & Grants)(1)	6,205,034	47,362,327	52,362,691	(5,000,364)
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$7,038,460</u>	<u>\$52,195,303</u>	<u>\$57,349,204</u>	<u>(\$5,153,901)</u>
TOTAL REVENUE COLLECTED	<u>\$17,739,405</u>	<u>\$106,160,375</u>	<u>\$112,668,891</u>	<u>(\$6,508,516)</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
FOUR MONTHS ENDED JANUARY 31**

	COMMISSION (1)		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL 2010	TOTAL 2009
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
	MLCC APPROPRIATED EXPENSES							
Salaries & Wages	\$28,531	\$123,297	\$102,575	\$357,968	\$502,205	\$1,828,644	\$2,309,909	\$2,325,506
Longevity & Insurance	0	0	31,997	146,168	122,430	569,221	715,389	685,716
Retirement & FICA	0	0	46,494	169,845	186,694	704,603	874,448	826,446
Subtotal	\$28,531	\$123,297	\$181,066	\$673,981	\$811,329	\$3,102,468	\$3,899,746	\$3,837,668
Communications	\$0	\$0	\$2,279	\$8,243	\$5,602	\$26,088	\$34,331	\$37,829
Travel	0	0	3,246	10,046	18,866	57,795	67,841	71,873
Utilities	0	0	1,728	5,675	216	968	6,643	3,496
Contractual Services	0	0	16,200	20,122	29,341	45,422	65,544	37,846
Supplies & Materials	0	0	7,584	24,765	13,186	36,528	61,293	58,687
Equipment Replacement, Additions & Rentals	0	0	1,353	5,276	4,042	13,216	18,492	30,949
Miscellaneous	0	0	3,956	3,956	0	0	3,956	0
Subtotal	\$0	\$0	\$36,346	\$78,083	\$71,253	\$180,017	\$258,100	\$240,680
TOTAL MLCC APPROPRIATED EXPENSES	\$28,531	\$123,297	\$217,412	\$752,064	\$882,582	\$3,282,485	\$4,157,846	\$4,078,348
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$20,354	\$84,331	\$64,981	\$279,456	\$363,787	\$336,736
Other Operating Transfers Out(3)	0	0	0	0	0	0	4,565,886	4,779,966
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$20,354	\$84,331	\$64,981	\$279,456	\$4,929,673	\$5,116,702
GRAND TOTAL	\$28,531	\$123,297	\$237,766	\$836,395	\$947,563	\$3,561,941	\$9,087,519	\$9,195,050

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.