

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of March 2010



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

MARCH FINANCIAL REPORT

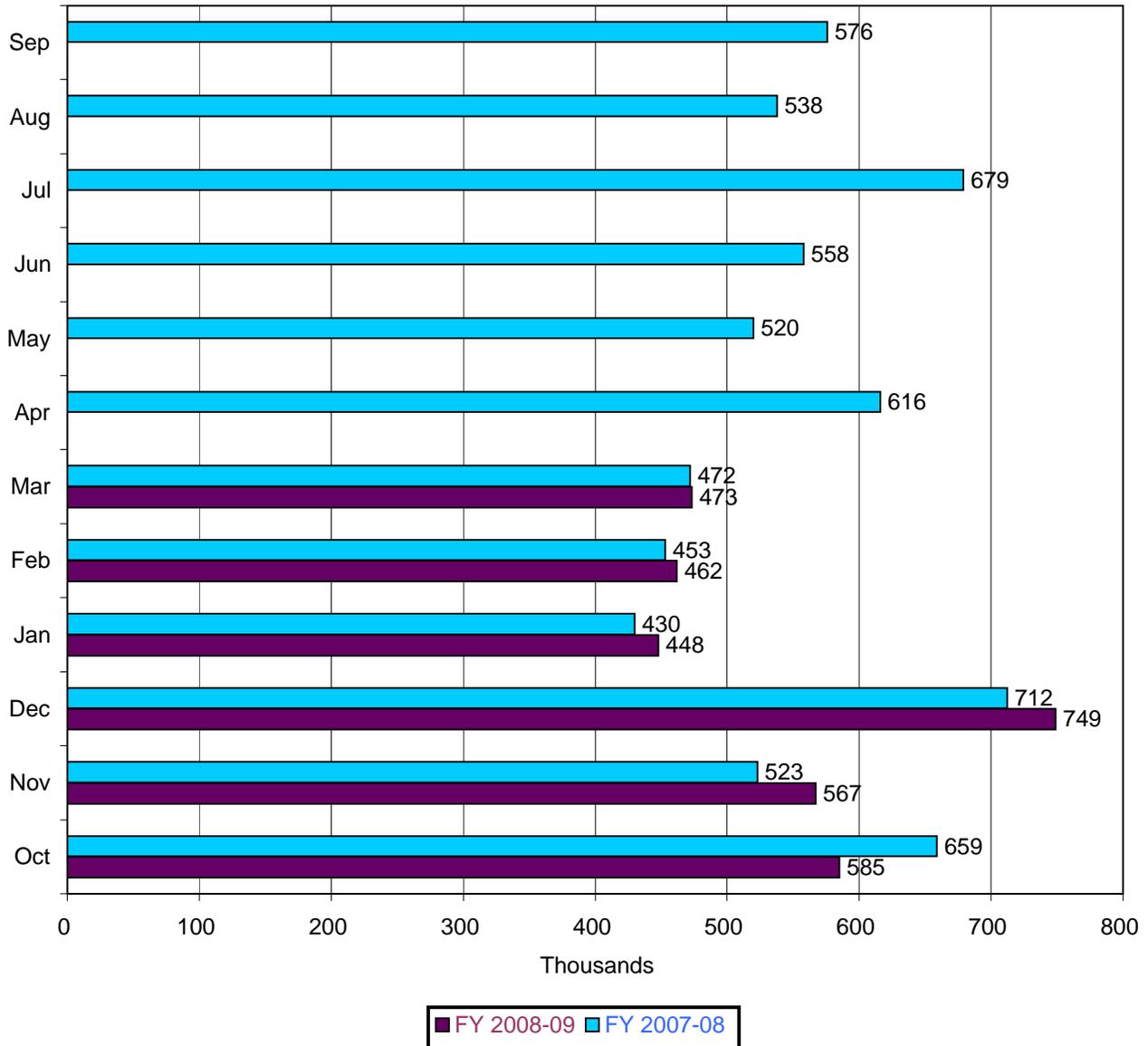
FISCAL YEAR 09 - 10

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CASE SALES



	Fiscal Year to Date 10/09-03/10	Fiscal Year to Date 10/08-03/09	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	3,283,119	3,248,329	34,790	1.07%
Average Price Per Case Sold	\$137.33	\$141.05	(\$3.72)	-2.64%

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

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>51,845,572</u>	<u>53,064,950</u>
Subtotal	\$51,846,272	\$53,065,650
Liquor Inventory - At Current Cost	4,345,885	4,868,345
Prepaid Distribution Costs of Inventory	338,965	364,231
Other Assets		
Accounts Receivable	\$13,150,235	\$22,714,810
Returned Checks	184,004	209,013
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>13,334,239</u>	<u>22,923,823</u>
TOTAL ASSETS	<u><u>\$69,865,361</u></u>	<u><u>\$81,222,049</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$2,124,418	\$3,185,111
Warrants Authorized/Not Issued	50,826,629	53,941,571
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	\$53,586,045	\$57,445,973
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>14,911,372</u>	<u>22,063,034</u>
Current Period Ending Balance	<u>15,787,111</u>	<u>22,938,773</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$69,865,361</u></u>	<u><u>\$81,222,049</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
SIX MONTHS ENDED MARCH 31**

	2010	2009
REVENUE		
TOTAL GROSS SALES	\$450,858,910	\$458,169,185
Less: Discounts Allowed	76,694,621	77,951,371
PROCEEDS - SALE OF LIQUOR	\$374,164,289	\$380,217,814
Less: Cost of Goods Sold		
Beginning Inventory	\$7,008,115	\$8,772,511
Add: Purchases	270,547,185	273,645,190
Less: Ending Inventory	4,345,885	4,868,345
Cost of Goods Sold	\$273,209,415	\$277,549,356
GROSS REVENUE FROM SALE OF LIQUOR	\$100,954,874	\$102,668,458
OTHER REVENUE		
Miscellaneous Revenue	(\$46,152)	\$12,680
Non-Operating Revenue	0	0
Interest Revenue	58,576	252,961
TOTAL OTHER REVENUE	\$12,424	\$265,641
TOTAL REVENUE	\$100,967,298	\$102,934,099
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$196,127	\$174,589
Management Support	1,182,102	1,226,825
Licensing & Enforcement (1)	2,376,892	2,261,080
Distribution Cost Paid to Suppliers	22,906,887	22,629,598
Compensated Absences	0	0
Total MLCC Expenses	\$26,662,008	\$26,292,092
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	3,424,849	1,730,215
MLCC Rent	534,458	622,536
DELEG - Executive Direction	319,655	518,094
DELEG - Administrative Offices	1,085,124	1,102,351
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$5,594,456	\$4,182,174
TOTAL EXPENSES AND TRANSFERS	\$32,256,464	\$30,474,266
NET INCOME (Not Including Taxes & Grants)	\$68,710,834	\$72,459,833
Add: Specific Tax, Liquor 1.85%	6,742,141	6,857,841
NET REVENUE (Before Unrelated Expenses)	\$75,452,975	\$79,317,674
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$73,042,475	\$76,907,174
RETAINED EARNINGS		
Transfers to General Fund-Cash	66,000,000	66,000,000
Current Year Increase or (Decrease)	\$7,042,475	\$10,907,174
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$7,918,214	\$11,782,913

Note:

(1) Includes the Revolving Fund Portion only.

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

	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	100,967,298	102,934,099	(1,966,801)
Specific Tax, Liquor 1.85%	<u>6,742,141</u>	<u>6,857,841</u>	<u>(115,700)</u>
Total Equity Available	<u>\$108,585,178</u>	<u>\$110,667,679</u>	<u>(\$2,082,501)</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$66,000,000	\$66,000,000	\$0
MLCC Expenses	26,662,008	26,292,092	369,916
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	5,594,456	4,182,174	1,412,282
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$100,666,964</u>	<u>\$98,884,766</u>	<u>\$1,782,198</u>
Ending Equity	<u>\$7,918,214</u>	<u>\$11,782,913</u>	<u>(\$3,864,699)</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
SIX MONTHS ENDED MARCH 31**

	<u>2010 MONTH</u>	<u>YTD</u>	<u>2009 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$51,033,006	\$364,150,503	\$51,570,006	\$369,927,286	(\$5,776,783)
On Premise	14,540,105	86,489,397	14,853,618	88,014,926	(1,525,529)
Other	26,603	219,010	26,563	226,973	(7,963)
TOTAL GROSS SALES	<u>\$65,599,714</u>	<u>\$450,858,910</u>	<u>\$66,450,187</u>	<u>\$458,169,185</u>	<u>(\$7,310,275)</u>
Less: Discounts Allowed	11,159,971	76,694,621	11,302,713	77,951,371	(1,256,750)
PROCEEDS-SALE OF LIQUOR	<u>\$54,439,743</u>	<u>\$374,164,289</u>	<u>\$55,147,474</u>	<u>\$380,217,814</u>	<u>(\$6,053,525)</u>
Less: Cost of Goods Sold	39,757,665	273,209,415	40,302,571	277,549,356	(4,339,941)
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$14,682,078</u>	<u>\$100,954,874</u>	<u>\$14,844,903</u>	<u>\$102,668,458</u>	<u>(\$1,713,584)</u>
OTHER REVENUE					
Miscellaneous Revenue	(\$43,782)	(\$46,152)	(\$37,982)	\$12,680	(\$58,832)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	58,576	0	252,961	(194,385)
TOTAL OTHER REVENUE	<u>(\$43,782)</u>	<u>\$12,424</u>	<u>(\$37,982)</u>	<u>\$265,641</u>	<u>(\$253,217)</u>
TOTAL REVENUE	<u>\$14,638,296</u>	<u>\$100,967,298</u>	<u>\$14,806,921</u>	<u>\$102,934,099</u>	<u>(\$1,966,801)</u>
Less: Distribution Cost Paid to Suppliers	3,296,607	22,906,887	3,286,994	22,629,598	277,289
INCOME FROM LIQUOR MERCHANDISING	<u>\$11,341,689</u>	<u>\$78,060,411</u>	<u>\$11,519,927</u>	<u>\$80,304,501</u>	<u>(\$2,244,090)</u>
MANAGEMENT EXPENSES					
Commission	\$36,354	\$196,127	\$36,468	\$174,589	\$21,538
Management Support(1)	246,811	1,307,141	215,422	1,328,776	(21,635)
Licensing & Enforcement(1)	1,064,405	5,544,199	1,038,558	5,405,176	139,023
DELEG Services	249,827	3,815,279	28,247	4,030,945	(215,666)
DIT - Information Technology Services	2,221,327	3,424,849	413,398	1,730,215	1,694,634
Attorney General	0	219,070	0	197,678	21,392
Auditor General	0	11,300	0	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>\$3,818,724</u>	<u>\$12,107,465</u>	<u>\$1,732,093</u>	<u>\$10,468,179</u>	<u>\$1,639,286</u>
INCOME FROM OPERATIONS	<u>\$7,522,965</u>	<u>\$65,952,946</u>	<u>\$9,787,834</u>	<u>\$69,836,322</u>	<u>(\$3,883,376)</u>
Specific Tax, Liquor 1.85%(Off Premise)	945,448	6,742,141	957,545	6,857,841	(115,700)
Revenue Collected for Other Funds	17,479,463	83,030,484	17,742,869	84,257,087	(1,226,603)
TOTAL CURRENT EARNINGS & REVENUE	<u>\$25,947,876</u>	<u>\$155,725,571</u>	<u>\$28,488,248</u>	<u>\$160,951,250</u>	<u>(\$5,225,679)</u>
Number of Cases Sold	472,964	3,283,119	471,583	3,248,329	34,790
Number of Sales Days	20	127	20	128	(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
SIX MONTHS ENDED MARCH 31**

	<u>CURRENT MONTH</u>	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$3,053,991	\$16,528,581	\$17,007,160	(\$478,579)
Specific Tax, Liquor 4%	2,623,159	18,000,112	18,291,212	(291,100)
Excise Tax, Wine	669,250	3,556,638	3,601,668	(45,030)
Excise Tax, Mixed Spirit Drink	7,239	154,499	102,333	52,166
Fines & Costs	76,920	438,203	464,853	(26,650)
Miscellaneous Revenue	74,693	89,106	37,362	51,744
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$6,505,252</u>	<u>\$38,767,139</u>	<u>\$39,504,588</u>	<u>(\$737,449)</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$2,608,423	\$4,474,909	\$4,347,680	\$127,229
41.5% To Licensing & Enforcement	1,971,465	2,120,904	2,087,234	33,670
3.5% To Alcoholism Prevention Programs	166,298	178,901	176,031	2,870
Additional Resort License Fees	0	0	56,450	(56,450)
Direct Shipper License Fees	18,550	22,161	38,474	(16,313)
License Transfer Fees	53,607	297,769	361,320	(63,551)
Sunday Sales Fees	600,259	663,362	673,913	(10,551)
Non-Retail License Fees-Wine Industry Council	258,830	291,545	242,930	48,615
Liquor Control Act Sales	155	1,825	2,090	(265)
Inspection Fees	38,927	157,165	131,008	26,157
Specific Tax, Liquor 4%-Tourism & Conv. Facility	2,623,159	18,028,903	18,318,895	(289,992)
Miscellaneous Revenue	11,379	25,789	25,262	527
TOTAL GENERAL FUND-RESTRICTED	<u>\$8,351,052</u>	<u>\$26,263,233</u>	<u>\$26,461,287</u>	<u>(\$198,054)</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$2,623,159	\$18,000,112	\$18,291,212	(\$291,100)
TOTAL SCHOOL AID FUND	<u>\$2,623,159</u>	<u>\$18,000,112</u>	<u>\$18,291,212</u>	<u>(\$291,100)</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$17,479,463</u>	<u>\$83,030,484</u>	<u>\$84,257,087</u>	<u>(\$1,226,603)</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$945,448	\$6,742,141	\$6,857,841	(\$115,700)
Income From Operations (Excluding Taxes & Grants)(1)	7,522,965	65,952,946	69,836,322	(3,883,376)
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$8,468,413</u>	<u>\$72,695,087</u>	<u>\$76,694,163</u>	<u>(\$3,999,076)</u>
TOTAL REVENUE COLLECTED	<u>\$25,947,876</u>	<u>\$155,725,571</u>	<u>\$160,951,250</u>	<u>(\$5,225,679)</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
SIX MONTHS ENDED MARCH 31**

	COMMISSION (1)		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL 2010	TOTAL 2009
	Current	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$36,354	\$196,127	\$111,420	\$579,564	\$621,644	\$2,936,246	\$3,711,937	\$3,574,373
Longevity & Insurance	0	0	33,272	212,433	118,712	809,523	1,021,956	977,535
Retirement & FICA	0	0	50,557	269,898	203,743	1,090,754	1,360,652	1,260,334
Subtotal	\$36,354	\$196,127	\$195,249	\$1,061,895	\$944,099	\$4,836,523	\$6,094,545	\$5,812,242
Communications	\$0	\$0	\$2,299	\$13,062	\$8,308	\$45,637	\$58,699	\$73,774
Travel	0	0	3,499	16,779	19,077	95,845	112,624	120,294
Utilities	0	0	3,064	8,739	259	1,438	10,177	5,000
Contractual Services	0	0	5,689	25,857	3,734	60,433	86,290	111,055
Supplies & Materials	0	0	15,175	43,754	21,180	76,905	120,659	115,870
Equipment Replacement, Additions & Rentals	0	0	1,483	8,059	2,768	18,000	26,059	44,893
Miscellaneous	0	0	0	3,956	0	0	3,956	2,877
Subtotal	\$0	\$0	\$31,209	\$120,206	\$55,326	\$298,258	\$418,464	\$473,763
TOTAL MLCC APPROPRIATED EXPENSES	\$36,354	\$196,127	\$226,458	\$1,182,101	\$999,425	\$5,134,781	\$6,513,009	\$6,286,005
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$20,354	\$125,040	\$64,981	\$409,418	\$534,458	\$622,536
Other Operating Transfers Out(3)	0	0	0	0	0	0	7,470,498	5,970,138
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$20,354	\$125,040	\$64,981	\$409,418	\$8,004,956	\$6,592,674
GRAND TOTAL	\$36,354	\$196,127	\$246,812	\$1,307,141	\$1,064,406	\$5,544,199	\$14,517,965	\$12,878,679

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.