

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

April 2012



Michigan Department of Licensing and Regulatory Affairs (LARA)

Rick Snyder, Governor
Steven H. Hilfinger, Department Director
Andrew J. Deloney, Chairman

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



MICHIGAN LIQUOR CONTROL COMMISSION

APRIL FINANCIAL REPORT

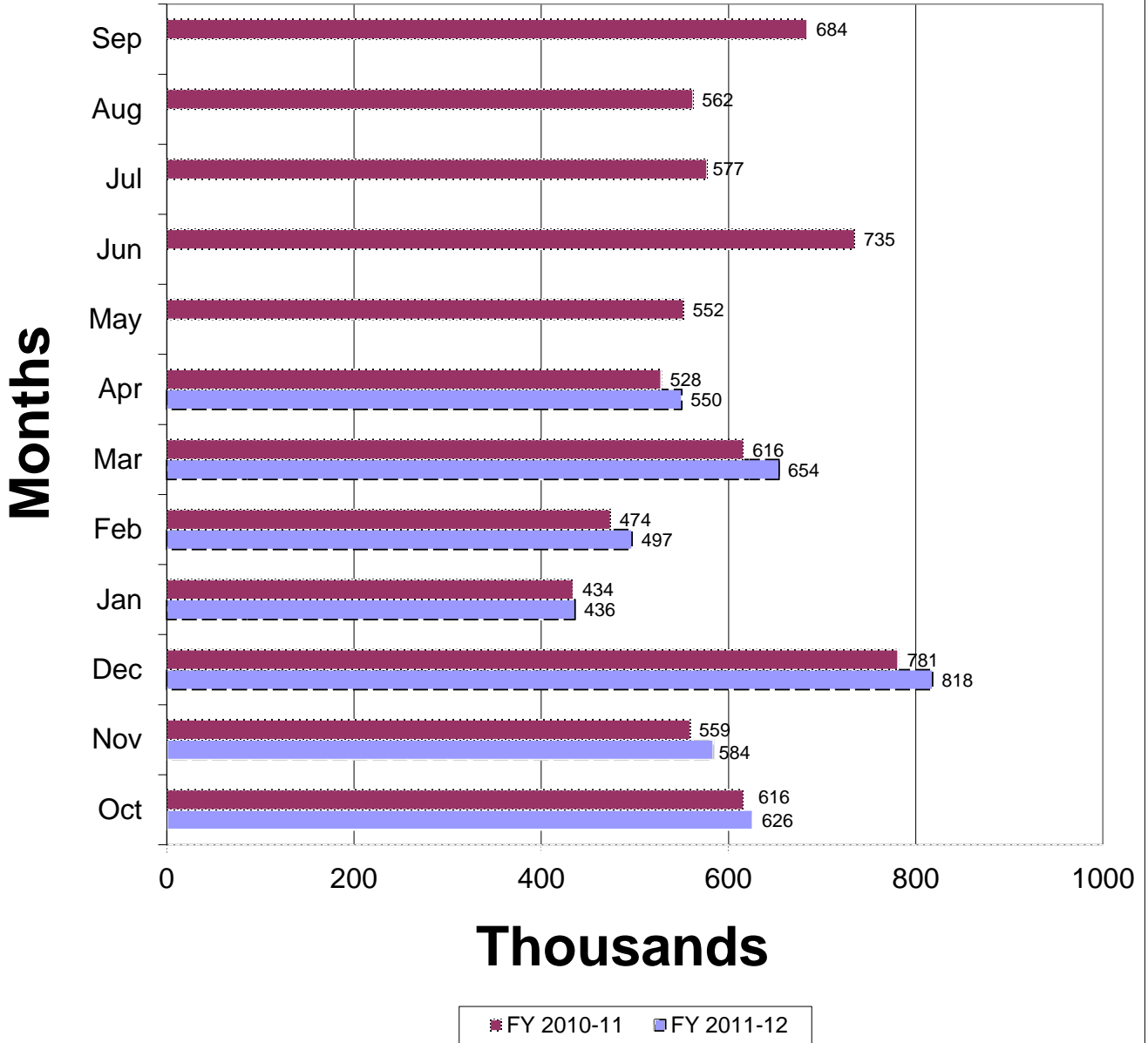
FISCAL YEAR 11 - 12

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Case Sales



	Fiscal Year to Date 10/11-04/12	Fiscal Year to Date 10/10-04/11	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	4,165,156	4,007,541	157,615	3.93%
Average Price Per Case Sold	\$139.73	\$137.36	\$2.37	1.73%

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

	2012	2011
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	81,864,041	62,308,124
Subtotal	\$81,864,741	\$62,308,824
Liquor Inventory - At Current Cost	5,318,658	5,282,867
Prepaid Distribution Costs of Inventory	387,427	405,814
Other Assets		
Accounts Receivable	\$18,802,864	\$28,210,313
Returned Checks	134,412	94,447
Payroll Correction Clearing	0	0
Subtotal	18,937,276	28,304,760
TOTAL ASSETS	\$106,508,102	\$96,302,265
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$667,336	\$1,143,482
Warrants Authorized/Not Issued	73,638,075	69,542,142
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	0	0
Current Compensated Absences	464,996	710,373
Total Current Liabilities	\$74,770,407	\$71,395,997
LONG TERM LIABILITIES		
Amount Due to Other Funds	\$0	\$0
Long Term Compensated Absences	106,562	510,519
Total Long Term Liabilities	106,562	510,519
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	30,755,394	23,520,010
Current Period Ending Balance	31,631,133	24,395,749
TOTAL LIABILITIES & RETAINED EARNINGS	\$106,508,102	\$96,302,265

*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**

	2012	2011
REVENUE		
TOTAL GROSS SALES	\$581,979,601	\$550,480,071
Less: Discounts Allowed	98,947,334	93,619,624
PROCEEDS - SALE OF LIQUOR	\$483,032,267	\$456,860,447
Less: Cost of Goods Sold		
Beginning Inventory	\$5,903,676	\$5,939,664
Add: Purchases	351,769,940	332,862,993
Less: Ending Inventory	5,318,658	5,282,867
Cost of Goods Sold	\$352,354,958	\$333,519,790
GROSS REVENUE FROM SALE OF LIQUOR	\$130,677,309	\$123,340,657
OTHER REVENUE		
Miscellaneous Revenue	\$14,914	(\$62,586)
Non-Operating Revenue	0	0
Interest Revenue	33,245	65,440
TOTAL OTHER REVENUE	\$48,159	\$2,854
TOTAL REVENUE	\$130,725,468	\$123,343,511
EXPENSES AND TRANSFERS		
<u>MLCC Expenses</u>		
Commission	\$229,606	\$258,174
Management Support	1,684,702	1,555,385
Licensing & Enforcement (1)	3,240,564	2,897,273
Distribution Cost Paid to Suppliers	29,032,311	27,935,411
Compensated Absences	0	0
Total MLCC Expenses	\$34,187,183	\$32,646,243
<u>Other Agencies Expenses</u>		
Attorney General	\$467,716	\$510,768
Auditor General	0	11,300
Bureau of Fire Services	1,523,842	0
Civil Service - Personnel	170,116	158,059
Administrative Hearings & Rules	0	0
Information Technology Services	2,532,863	2,618,728
MLCC Rent	489,648	564,984
LARA - Executive Direction	(151,558)	37,252
LARA - Administrative Offices	1,058,681	898,092
Total Other Agencies Expenses	\$6,091,308	\$4,799,183
Excluding Transfers Not Related to MLCC		
TOTAL EXPENSES AND TRANSFERS	\$40,278,491	\$37,445,426
NET INCOME (Not Including Taxes & Grants)	\$90,446,977	\$85,898,085
Add: Specific Tax, Liquor 1.85%	8,863,738	8,361,226
NET REVENUE (Before Unrelated Expenses)	\$99,310,715	\$94,259,311
LARA - Transfers For Grant Not Related to MLCC	773,900	2,410,500
NET INCOME	\$98,536,815	\$91,848,811
RETAINED EARNINGS		
Transfers to General Fund - Cash	77,000,000	77,000,000
Current Year Increase or (Decrease)	\$21,536,815	\$14,848,811
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$22,412,554	\$15,724,550

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>2012</u>	<u>2011</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	130,725,468	123,343,511	7,381,957
Specific Tax, Liquor 1.85%	<u>8,863,738</u>	<u>8,361,226</u>	<u>502,512</u>
Total Equity Available	<u>\$140,464,945</u>	<u>\$132,580,476</u>	<u>\$7,884,469</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$77,000,000	\$77,000,000	\$0
MLCC Expenses	34,187,183	32,646,243	1,540,940
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	6,091,308	4,799,183	1,292,125
LARA Transfer Not Related to MLCC	<u>773,900</u>	<u>2,410,500</u>	<u>(1,636,600)</u>
Total Allocation of Equity	<u>\$118,052,391</u>	<u>\$116,855,926</u>	<u>\$1,196,465</u>
Ending Equity	<u>\$22,412,554</u>	<u>\$15,724,550</u>	<u>\$6,688,004</u>

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

	<u>2012 MONTH</u>	<u>YTD</u>	<u>2011 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$62,952,943	\$478,988,930	\$58,501,478	\$451,243,068	\$27,745,862
On Premise	13,892,685	102,700,437	13,774,046	98,892,971	3,807,466
Other	34,610	290,234	42,552	344,032	(53,798)
TOTAL GROSS SALES	<u>\$76,880,238</u>	<u>\$581,979,601</u>	<u>\$72,318,076</u>	<u>\$550,480,071</u>	<u>\$31,499,530</u>
Less: Discounts Allowed	13,072,123	98,947,334	12,302,448	93,619,624	5,327,710
PROCEEDS-SALE OF LIQUOR	<u>\$63,808,115</u>	<u>\$483,032,267</u>	<u>\$60,015,628</u>	<u>\$456,860,447</u>	<u>\$26,171,820</u>
Less: Cost of Goods Sold	46,304,807	352,354,958	43,813,632	333,519,790	18,835,168
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$17,503,308</u>	<u>\$130,677,309</u>	<u>\$16,201,996</u>	<u>\$123,340,657</u>	<u>\$7,336,652</u>
OTHER REVENUE					
Miscellaneous Revenue	(\$8,608)	\$14,914	(\$43,822)	(\$62,586)	\$77,500
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	16,854	33,245	31,403	65,440	(32,195)
TOTAL OTHER REVENUE	<u>\$8,246</u>	<u>\$48,159</u>	<u>(\$12,419)</u>	<u>\$2,854</u>	<u>\$45,305</u>
TOTAL REVENUE	<u>\$17,511,554</u>	<u>\$130,725,468</u>	<u>\$16,189,577</u>	<u>\$123,343,511</u>	<u>\$7,381,957</u>
Less: Distribution Cost Paid to Suppliers	3,831,752	29,032,311	3,676,026	27,935,411	1,096,900
INCOME FROM LIQUOR MERCHANDISING	<u>\$13,679,802</u>	<u>\$101,693,157</u>	<u>\$12,513,551</u>	<u>\$95,408,100</u>	<u>\$6,285,057</u>
MANAGEMENT EXPENSES					
Commission	\$31,741	\$229,606	\$62,908	\$258,174	(\$28,568)
Management Support(1)	124,631	1,777,349	234,126	1,687,235	90,114
Licensing & Enforcement(1)	1,043,950	7,497,120	1,020,462	6,692,093	805,027
LARA Services	(461,045)	1,681,023	(147,312)	3,345,844	(1,664,821)
Information Technology Services	(446,544)	2,532,863	64,352	2,618,728	(85,865)
Attorney General	267,670	467,716	292,157	510,768	(43,052)
Auditor General	0	0	0	11,300	(11,300)
Bureau of Fire Services	235,840	1,523,842	0	0	1,523,842
Civil Service - Personnel	0	170,116	158,059	158,059	12,057
Administrative Hearings & Rules	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Less: Transfer not related to MLCC Operations (2)	0	773,900	0	2,410,500	(1,636,600)
Total Management Expenses	<u>\$796,243</u>	<u>\$15,105,735</u>	<u>\$1,684,752</u>	<u>\$12,871,701</u>	<u>\$2,234,034</u>
INCOME FROM OPERATIONS	<u>\$12,883,559</u>	<u>\$86,587,422</u>	<u>\$10,828,799</u>	<u>\$82,536,399</u>	<u>\$4,051,023</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,160,089	8,863,738	1,085,014	8,361,226	502,512
Revenue Collected for Other Funds	22,096,908	111,924,530	19,600,075	107,181,445	4,743,085
TOTAL CURRENT EARNINGS & REVENUE	<u>\$36,140,556</u>	<u>\$207,375,690</u>	<u>\$31,513,888</u>	<u>\$198,079,070</u>	<u>\$9,296,620</u>
Number of Cases Sold	549,760	4,165,156	527,596	4,007,541	157,615
Number of Sales Days	20	150	20	151	(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>YTD 2012</u>	<u>YTD 2011</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$3,908,496	\$19,706,956	\$19,322,764	\$384,192
Specific Tax, Liquor 4%	3,071,239	23,254,472	21,989,142	1,265,330
Excise Tax, Wine	681,247	4,877,768	4,579,492	298,276
Excise Tax, Mixed Spirit Drink	52,109	142,749	134,556	8,193
Sunday Sales Fees (7am-12pm)	531,068	1,090,391	1,492,683	(402,292)
Fines & Costs	61,715	375,663	441,084	(65,421)
Miscellaneous Revenue	8,277	29,363	59,634	(30,271)
TOTAL GENERAL FUND - GENERAL PURPOSE:	<u>\$8,314,151</u>	<u>\$49,477,362</u>	<u>\$48,019,355</u>	<u>\$1,458,007</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$3,484,294	\$7,906,977	\$7,689,432	\$217,545
41.5% To Licensing & Enforcement	2,630,826	4,557,571	4,415,731	141,840
3.5% To Alcoholism Prevention Programs	221,852	384,377	371,456	12,921
Additional Resort License Fees	0	57,850	38,800	19,050
Direct Shipper License Fees	42,189	74,395	71,571	2,824
License Transfer Fees	77,424	676,630	322,923	353,707
Sunday Sales Fees	821,780	1,461,363	1,372,192	89,171
Non-Retail License Fees-Wine Industry Council	316,628	551,099	639,575	(88,476)
Liquor Control Act Sales	320	2,155	1,061	1,094
Inspection Fees	26,670	204,533	196,200	8,333
Specific Tax, Liquor 4%-Tourism & Conv. Facility	3,076,494	23,282,373	22,016,231	1,266,142
Miscellaneous Revenue	13,041	33,373	37,776	(4,403)
TOTAL GENERAL FUND - RESTRICTED	<u>\$10,711,518</u>	<u>\$39,192,696</u>	<u>\$37,172,948</u>	<u>\$2,019,748</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$3,071,239	\$23,254,472	\$21,989,142	\$1,265,330
TOTAL SCHOOL AID FUND	<u>\$3,071,239</u>	<u>\$23,254,472</u>	<u>\$21,989,142</u>	<u>\$1,265,330</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$22,096,908</u>	<u>\$111,924,530</u>	<u>\$107,181,445</u>	<u>\$4,743,085</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,160,089	\$8,863,738	\$8,361,226	\$502,512
Income From Operations(Excluding Taxes & Grants)(1)	12,883,559	86,587,422	82,536,399	4,051,023
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$14,043,648</u>	<u>\$95,451,160</u>	<u>\$90,897,625</u>	<u>\$4,553,535</u>
TOTAL REVENUE COLLECTED	<u>\$36,140,556</u>	<u>\$207,375,690</u>	<u>\$198,079,070</u>	<u>\$9,296,620</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
SEVEN MONTHS ENDED APRIL 30**

	COMMISSION		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL	TOTAL
	(1)						2012	2011
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$31,741	\$229,606	(\$53,217)	\$571,933	\$448,702	\$3,537,050	\$4,338,589	\$4,433,739
Longevity & Insurance	0	0	38,215	301,509	125,413	988,106	1,289,615	1,232,046
Retirement & FICA	0	0	71,481	520,393	291,409	2,080,465	2,600,858	1,680,342
Subtotal	\$31,741	\$229,606	\$56,479	\$1,393,835	\$865,524	\$6,605,621	\$8,229,062	\$7,346,127
Communications	\$0	\$0	\$3,156	\$16,842	\$9,192	\$60,791	\$77,633	\$134,797
Travel	0	0	2,718	15,888	21,546	128,504	144,392	124,099
Utilities	0	0	0	5,711	222	1,374	7,085	11,850
Contractual Services	0	0	11,677	95,572	57,221	118,742	214,314	162,308
Supplies & Materials	0	0	7,976	61,584	23,611	141,704	203,288	142,371
Equipment Replacement, Additions & Rentals	0	0	29,769	95,269	12,548	39,764	135,033	150,965
Miscellaneous	0	0	0	0	0	3,620	3,620	0
Subtotal	\$0	\$0	\$55,296	\$290,866	\$124,340	\$494,499	\$785,365	\$726,390
TOTAL MLCC APPROPRIATED EXPENSES	\$31,741	\$229,606	\$111,775	\$1,684,701	\$989,864	\$7,100,120	\$9,014,427	\$8,072,517
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$12,856	\$92,648	\$54,086	\$397,000	\$489,648	\$564,985
Other Operating Transfers Out(3)	0	0	0	0	0	0	6,375,560	6,644,699
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$12,856	\$92,648	\$54,086	\$397,000	\$6,865,208	\$7,209,684
GRAND TOTAL	\$31,741	\$229,606	\$124,631	\$1,777,349	\$1,043,950	\$7,497,120	\$15,879,635	\$15,282,201

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 Licensing and Regulatory Affairs.
- (3) Transfer amounts are appropriated in other departments and bureaus. They are not allocated to the divisions but are included in totals.