

# STATE OF MICHIGAN

## LIQUOR CONTROL COMMISSION

### FINANCIAL REPORT

November 2015



Michigan Department of Licensing and Regulatory Affairs (LARA)

Rick Snyder, Governor  
Mike Zimmer, Director  
Andrew J. Deloney, Chairman

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



**MICHIGAN LIQUOR CONTROL COMMISSION**

**NOVEMBER FINANCIAL REPORT**

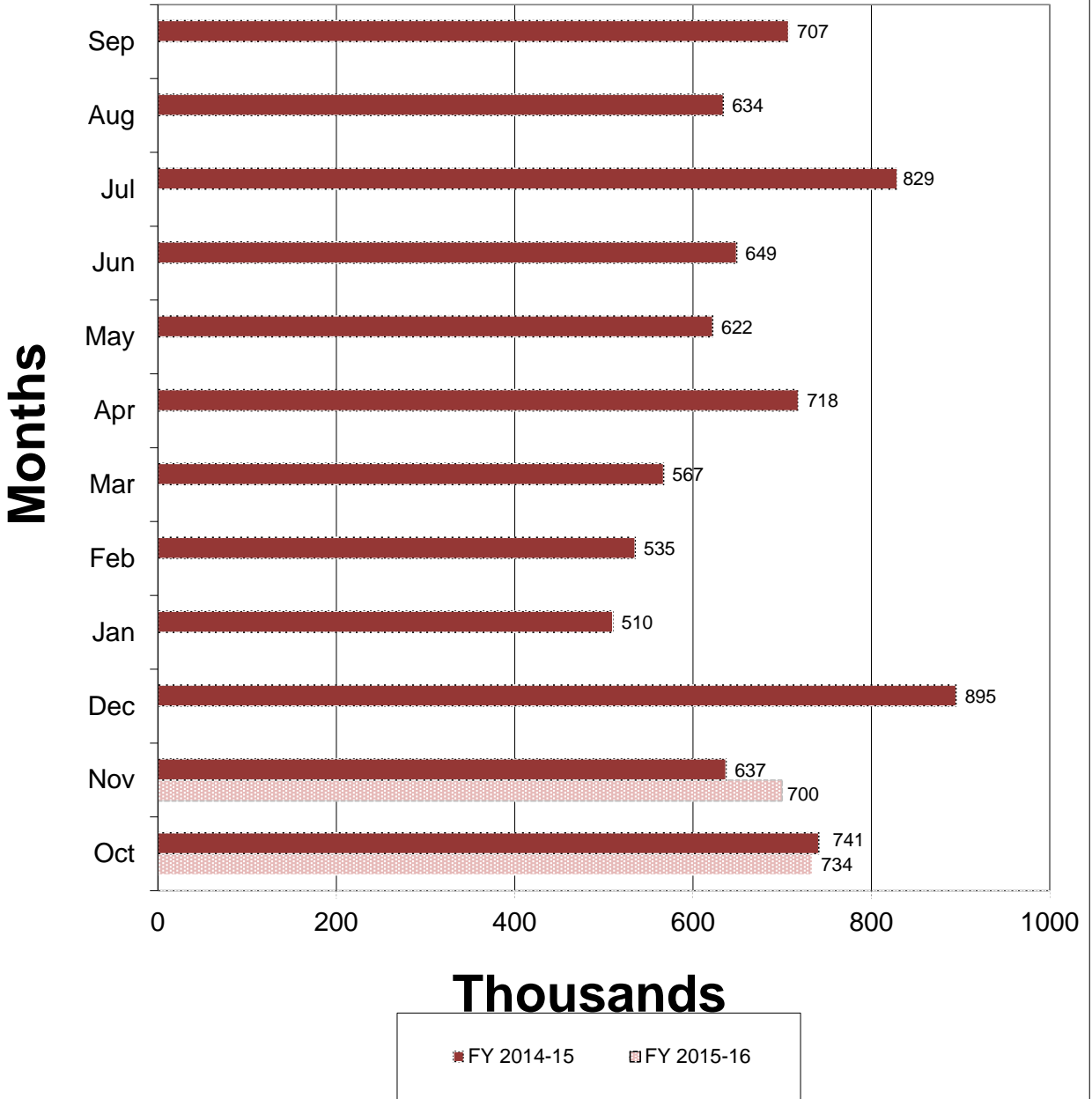
**FISCAL YEAR 15 - 16**

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# Case Sales



	Fiscal Year to Date 10/15-11/15	Fiscal Year to Date 10/14-11/14	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	1,434,189	1,378,591	55,598	4.03%
Average Price Per Case Sold	\$152.84	\$150.78	\$2.06	1.37%

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

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Imprest Cash	\$400	\$400
Cash-State Treasurer		
Common Cash Fund*	110,866,658	85,650,407
Subtotal	\$110,867,058	\$85,650,807
Liquor Inventory - At Current Cost	5,651,444	11,990,904
Prepaid Distribution Costs of Inventory	398,100	915,615
Other Assets		
Accounts Receivable	\$19,769,633	\$32,609,995
Returned Checks	189,269	411,838
Payroll Correction Clearing	0	0
Subtotal	19,958,902	33,021,833
<b>TOTAL ASSETS</b>	<b>\$136,875,504</b>	<b>\$131,579,159</b>
<b>LIABILITIES &amp; RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Warrants Outstanding	\$3,765,270	\$2,960,553
Warrants Authorized/Not Issued	106,229,054	101,149,691
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	24,738	92,632
Current Compensated Absences	672,660	661,478
Total Current Liabilities	\$110,691,722	\$104,864,354
<b>LONG TERM LIABILITIES</b>		
Amount Due to Other Funds	\$0	\$24,738
Long Term Compensated Absences	422,224	372,619
Total Long Term Liabilities	422,224	397,357
<b>RETAINED EARNINGS</b>		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	24,885,819	25,441,709
Current Period Ending Balance	25,761,558	26,317,448
<b>TOTAL LIABILITIES &amp; RETAINED EARNINGS</b>	<b>\$136,875,504</b>	<b>\$131,579,159</b>

\*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**

	2015	2014
<b>REVENUE</b>		
<b>TOTAL GROSS SALES</b>	\$219,200,794	\$207,866,409
Less: Discounts Allowed	37,236,540	35,317,750
<b>PROCEEDS - SALE OF LIQUOR</b>	\$181,964,254	\$172,548,659
Less: Cost of Goods Sold		
Beginning Inventory	\$4,816,213	\$7,938,850
Add: Purchases	133,790,142	130,364,592
Less: Ending Inventory	5,651,444	11,990,904
Cost of Goods Sold	\$132,954,911	\$126,312,538
<b>GROSS REVENUE FROM SALE OF LIQUOR</b>	\$49,009,343	\$46,236,121
<b>OTHER REVENUE</b>		
Miscellaneous Revenue	(\$2,538)	\$173,841
Non-Operating Revenue	0	0
Interest Revenue	0	0
<b>TOTAL OTHER REVENUE</b>	(\$2,538)	\$173,841
<b>TOTAL REVENUE</b>	\$49,006,805	\$46,409,962
<b>EXPENSES AND TRANSFERS</b>		
<b>MLCC Expenses</b>		
Commission	\$47,095	\$49,136
Management Support	437,787	480,217
Licensing & Enforcement (1)	725,046	816,167
Distribution Cost Paid to Suppliers	10,748,462	10,362,600
Compensated Absences	0	0
Total MLCC Expenses	\$11,958,390	\$11,708,120
<b>Other Agencies Expenses</b>		
Attorney General	\$0	\$0
Auditor General	0	0
Bureau of Fire Services	444	280,217
Civil Service - Personnel	0	0
Administrative Hearings & Rules	309,795	9,429
Information Technology Services	65,405	637,872
MLCC Rent	0	0
LARA - Executive Direction	374,528	312,817
LARA - Administrative Offices	314,848	36,319
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$1,065,020	\$1,276,654
<b>TOTAL EXPENSES AND TRANSFERS</b>	\$13,023,410	\$12,984,774
<b>NET INCOME (Not Including Taxes &amp; Grants)</b>	\$35,983,395	\$33,425,188
Add: Specific Tax, Liquor 1.85%	0	0
<b>NET REVENUE (Before Unrelated Expenses)</b>	\$35,983,395	\$33,425,188
LARA - Transfers For Grant Not Related to MLCC	0	0
<b>NET INCOME</b>	\$35,983,395	\$33,425,188
<b>RETAINED EARNINGS</b>		
Transfers to General Fund - Cash	24,000,000	24,000,000
Current Year Increase or (Decrease)	\$11,983,395	\$9,425,188
Retained Earnings - Beginning	875,739	875,739
<b>RETAINED EARNINGS - ENDING</b>	\$12,859,134	\$10,300,927

**Note:**

(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**

	2015	2014	INCREASE (DECREASE)
<b>EQUITY AVAILABLE</b>			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	49,006,805	46,409,962	2,596,843
Specific Tax, Liquor 1.85%	0	0	0
Total Equity Available	\$49,882,544	\$47,285,701	\$2,596,843
 <b>ALLOCATION OF EQUITY</b>			
Transferred to General Fund	\$24,000,000	\$24,000,000	\$0
MLCC Expenses	11,958,390	11,708,120	250,270
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	1,065,020	1,276,654	(211,634)
LARA Transfer Not Related to MLCC	0	0	0
Total Allocation of Equity	\$37,023,410	\$36,984,774	\$38,636
Ending Equity	\$12,859,134	\$10,300,927	\$2,558,207

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

	2015 MONTH	YTD	2014 MONTH	YTD	YTD INCR./(DECR.)
<b>LIQUOR SALES</b>					
Off Premise	\$92,666,913	\$186,742,849	\$82,964,408	\$176,550,763	\$10,192,086
On Premise	15,190,713	32,371,908	13,710,789	31,281,525	1,090,383
Other	38,761	86,037	9,504	34,121	51,916
<b>TOTAL GROSS SALES</b>	<b>\$107,896,387</b>	<b>\$219,200,794</b>	<b>\$96,684,701</b>	<b>\$207,866,409</b>	<b>\$11,334,385</b>
Less: Discounts Allowed	18,328,871	37,236,540	16,428,771	35,317,750	1,918,790
<b>PROCEEDS-SALE OF LIQUOR</b>	<b>\$89,567,516</b>	<b>\$181,964,254</b>	<b>\$80,255,930</b>	<b>\$172,548,659</b>	<b>\$9,415,595</b>
Less: Cost of Goods Sold	67,256,013	132,954,911	58,403,891	126,312,538	6,642,373
<b>GROSS REVENUE FROM SALE OF LIQUOR</b>	<b>\$22,311,503</b>	<b>\$49,009,343</b>	<b>\$21,852,039</b>	<b>\$46,236,121</b>	<b>\$2,773,222</b>
<b>OTHER REVENUE</b>					
Miscellaneous Revenue	(\$1,907)	(\$2,538)	\$46,913	\$173,841	(\$176,379)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	0	0	0	0
<b>TOTAL OTHER REVENUE</b>	<b>(\$1,907)</b>	<b>(\$2,538)</b>	<b>\$46,913</b>	<b>\$173,841</b>	<b>(\$176,379)</b>
<b>TOTAL REVENUE</b>	<b>\$22,309,596</b>	<b>\$49,006,805</b>	<b>\$21,898,952</b>	<b>\$46,409,962</b>	<b>\$2,596,843</b>
Less: Distribution Cost Paid to Suppliers	5,416,712	10,748,462	4,754,632	10,362,600	385,862
<b>INCOME FROM LIQUOR MERCHANDISING</b>	<b>\$16,892,884</b>	<b>\$38,258,343</b>	<b>\$17,144,320</b>	<b>\$36,047,362</b>	<b>\$2,210,981</b>
<b>MANAGEMENT EXPENSES</b>					
Commission	\$34,880	\$47,095	\$35,085	\$49,136	(\$2,041)
Management Support(1)	321,654	437,787	353,132	480,216	(42,429)
Licensing & Enforcement(1)	1,042,588	1,464,875	1,151,496	1,629,024	(164,149)
LARA Services	569,647	689,376	249,301	349,136	340,240
Information Technology Services	65,405	65,405	637,872	637,872	(572,467)
Attorney General	0	0	0	0	0
Auditor General	0	0	0	0	0
Bureau of Fire Services	0	444	188,587	280,217	(279,773)
Civil Service - Personnel	0	0	0	0	0
Administrative Hearings & Rules	305,400	309,795	6,346	9,429	300,366
Compensated Absences	0	0	0	0	0
Less: Transfer not related to MLCC Operations (2)	0	0	0	0	0
<b>Total Management Expenses</b>	<b>\$2,339,574</b>	<b>\$3,014,777</b>	<b>\$2,621,819</b>	<b>\$3,435,030</b>	<b>(\$420,253)</b>
<b>INCOME FROM OPERATIONS</b>	<b>\$14,553,310</b>	<b>\$35,243,566</b>	<b>\$14,522,501</b>	<b>\$32,612,332</b>	<b>\$2,631,234</b>
Specific Tax, Liquor 1.85%(Off Premise)	0	0	0	0	0
Revenue Collected for Other Funds	14,768,981	32,987,458	13,779,020	31,615,485	1,371,973
<b>TOTAL CURRENT EARNINGS &amp; REVENUE</b>	<b>\$29,322,291</b>	<b>\$68,231,024</b>	<b>\$28,301,521</b>	<b>\$64,227,817</b>	<b>\$4,003,207</b>
Number of Cases Sold	699,696	1,434,189	637,317	1,378,591	55,598
Number of Sales Days	20	42	20	43	(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 2015</u>	<u>YTD 2014</u>	<u>INCREASE (DECREASE)</u>
<b>GENERAL FUND - GENERAL PURPOSE</b>				
Excise Tax, Beer	(\$362,096)	\$3,204,307	\$5,334,503	(\$2,130,196)
Specific Tax, Liquor 4%	4,306,542	8,742,094	8,289,759	452,335
Excise Tax, Wine	48,179	1,083,560	936,269	147,291
Excise Tax, Mixed Spirit Drink	(5,371)	34,171	18,615	15,556
Sunday Sales Fees (7am-12pm)	15,274	30,584	32,287	(1,703)
Fines & Costs	(105,781)	(39,207)	(16,757)	(22,450)
Miscellaneous Revenue	4,856	(32,521)	10,088	(42,609)
<b>TOTAL GENERAL FUND - GENERAL PURPOSE:</b>	<u>\$3,901,603</u>	<u>\$13,022,988</u>	<u>\$14,604,764</u>	<u>(\$1,581,776)</u>
<b>GENERAL FUND - RESTRICTED</b>				
<b>RETAIL LICENSE FEES:</b>				
55% To Local Governments	\$2,139,317	\$2,186,886	\$51,157	\$2,135,729
41.5% To Licensing & Enforcement	33,038	68,931	39,218	29,713
3.5% To Alcoholism Prevention Programs	2,786	5,813	3,307	2,506
Additional Resort License Fees	0	19,400	78,200	(58,800)
Direct Shipper License Fees	600	2,500	2,835	(335)
License Transfer Fees	38,721	99,213	147,091	(47,878)
Sunday Sales Fees	12,154	26,628	15,893	10,735
License Permit Fees	770	2,540	1,620	920
Non-Retail License Fees-Wine Industry Council	7,763	24,068	21,600	2,468
Liquor Control Act Sales	290	(332)	30	(362)
Inspection Fees	18,986	44,736	43,000	1,736
Specific Tax, Liquor 4%-Tourism & Conv. Facility	4,306,542	8,742,094	8,310,971	431,123
Miscellaneous Revenue	(131)	(101)	6,040	(6,141)
<b>TOTAL GENERAL FUND - RESTRICTED</b>	<u>\$6,560,836</u>	<u>\$11,222,376</u>	<u>\$8,720,962</u>	<u>\$2,501,414</u>
<b>SCHOOL AID FUND</b>				
Specific Tax, Liquor 4%	\$4,306,542	\$8,742,094	\$8,289,759	\$452,335
<b>TOTAL SCHOOL AID FUND</b>	<u>\$4,306,542</u>	<u>\$8,742,094</u>	<u>\$8,289,759</u>	<u>\$452,335</u>
<b>REVENUE COLLECTED FOR OTHER FUNDS</b>	<u>\$14,768,981</u>	<u>\$32,987,458</u>	<u>\$31,615,485</u>	<u>\$1,371,973</u>
<b>LIQUOR PURCHASE REVOLVING FUND</b>				
Specific Tax, Liquor 1.85%	\$0	\$0	\$0	\$0
Income From Operations(Excluding Taxes & Grants)(1)	14,553,310	35,243,566	32,612,332	2,631,234
<b>LIQUOR PURCHASE REVOLVING FUND REVENUE</b>	<u>\$14,553,310</u>	<u>\$35,243,566</u>	<u>\$32,612,332</u>	<u>\$2,631,234</u>
<b>TOTAL REVENUE COLLECTED</b>	<u>\$29,322,291</u>	<u>\$68,231,024</u>	<u>\$64,227,817</u>	<u>\$4,003,207</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 2015	TOTAL 2014
	(1)							
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
<b>MLCC APPROPRIATED EXPENSES</b>								
Salaries & Wages	\$34,880	\$47,095	\$144,503	\$194,556	\$501,178	\$680,720	\$922,371	\$1,007,054
Longevity & Insurance	0	0	51,958	80,615	161,873	256,431	337,046	357,964
Retirement & FICA	0	0	108,259	142,572	302,986	403,120	545,692	628,196
Subtotal	\$34,880	\$47,095	\$304,720	\$417,743	\$966,037	\$1,340,271	\$1,805,109	\$1,993,214
Communications	\$0	\$0	\$2,271	\$2,376	\$13,668	\$14,648	\$17,024	\$21,677
Travel	0	0	3,358	3,404	19,979	20,415	23,819	21,569
Utilities	0	0	237	481	0	0	481	422
Contractual Services	0	0	988	2,087	5,106	7,828	9,915	16,941
Supplies & Materials	0	0	8,512	9,028	10,452	9,552	18,580	32,151
Equipment Replacement, Additions & Rentals	0	0	1,100	2,200	4,673	7,036	9,236	8,725
Miscellaneous	0	0	468	468	1,448	1,448	1,916	0
Subtotal	\$0	\$0	\$16,934	\$20,044	\$55,326	\$60,927	\$80,971	\$101,485
<b>TOTAL MLCC APPROPRIATED EXPENSES</b>	<b>\$34,880</b>	<b>\$47,095</b>	<b>\$321,654</b>	<b>\$437,787</b>	<b>\$1,021,363</b>	<b>\$1,401,198</b>	<b>\$1,886,080</b>	<b>\$2,094,699</b>
<b>OPERATING TRANSFERS OUT &amp; OTHER EXPENSES</b>								
Rent and Building Occupancy	\$0	\$0	\$0	\$0	\$21,225	\$63,677	\$63,677	\$63,677
Other Operating Transfers Out(2)	0	0	0	0	0	0	1,065,020	1,276,654
<b>TOTAL OPERATING TRANSFERS OUT &amp; OTHER EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,225</b>	<b>\$63,677</b>	<b>\$1,128,697</b>	<b>\$1,340,331</b>
<b>GRAND TOTAL</b>	<b>\$34,880</b>	<b>\$47,095</b>	<b>\$321,654</b>	<b>\$437,787</b>	<b>\$1,042,588</b>	<b>\$1,464,875</b>	<b>\$3,014,777</b>	<b>\$3,435,030</b>

**Notes:**

- (1) Fringe benefits and other expenses are reported in Management Support as appropriated by the Legislature.  
(2) Transfer amounts are appropriated in other departments and bureaus. They are not allocated to the divisions but are included in totals.