

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

For the Month of February 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

FEBRUARY FINANCIAL REPORT

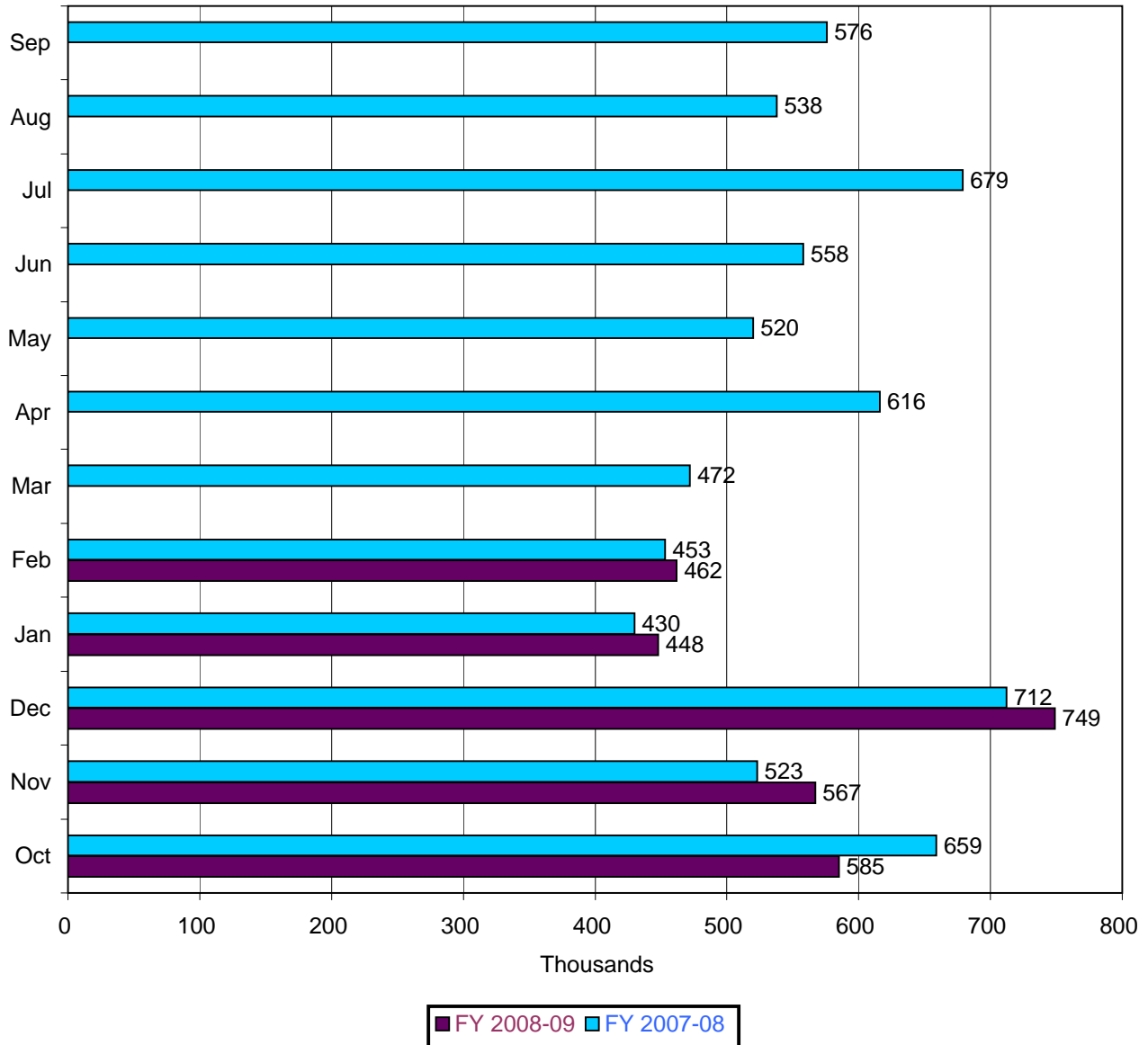
FISCAL YEAR 09 - 10

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CASE SALES



	Fiscal Year to Date 10/09-02/10	Fiscal Year to Date 10/08-02/09	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	2,810,155	2,776,746	33,409	1.20%
Average Price Per Case Sold	\$137.10	\$141.07	(\$3.97)	-2.81%

**MICHIGAN LIQUOR CONTROL COMMISSION
LIQUOR PURCHASE REVOLVING FUND
UNAUDITED COMPARATIVE BALANCE SHEET
FEBRUARY 28**

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>49,858,115</u>	<u>55,886,419</u>
Subtotal	\$49,858,815	\$55,887,119
Liquor Inventory - At Current Cost	7,377,793	5,202,633
Prepaid Distribution Costs of Inventory	578,127	393,122
Other Assets		
Accounts Receivable	\$24,512,059	\$21,458,727
Returned Checks	155,286	175,922
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>24,667,345</u>	<u>21,634,649</u>
TOTAL ASSETS	<u><u>\$82,482,080</u></u>	<u><u>\$83,117,523</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$818,004	\$1,649,165
Warrants Authorized/Not Issued	62,784,220	58,041,121
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	\$64,237,222	\$60,009,577
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>16,876,914</u>	<u>21,394,904</u>
Current Period Ending Balance	<u>17,752,653</u>	<u>22,270,643</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$82,482,080</u></u>	<u><u>\$83,117,523</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
FIVE MONTHS ENDED FEBRUARY 28**

	2010	2009
REVENUE		
TOTAL GROSS SALES	\$385,259,196	\$391,718,998
Less: Discounts Allowed	65,534,650	66,648,658
PROCEEDS - SALE OF LIQUOR	\$319,724,546	\$325,070,340
Less: Cost of Goods Sold		
Beginning Inventory	\$7,008,115	\$8,772,511
Add: Purchases	233,821,428	233,676,907
Less: Ending Inventory	7,377,793	5,202,633
Cost of Goods Sold	\$233,451,750	\$237,246,785
GROSS REVENUE FROM SALE OF LIQUOR	\$86,272,796	\$87,823,555
OTHER REVENUE		
Miscellaneous Revenue	(\$2,370)	\$50,662
Non-Operating Revenue	0	0
Interest Revenue	58,576	252,961
TOTAL OTHER REVENUE	\$56,206	\$303,623
TOTAL REVENUE	\$86,329,002	\$88,127,178
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$159,773	\$138,121
Management Support	955,646	1,027,908
Licensing & Enforcement (1)	1,914,258	1,868,616
Distribution Cost Paid to Suppliers	19,610,280	19,342,604
Compensated Absences	0	0
Total MLCC Expenses	\$22,639,957	\$22,377,249
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	1,203,522	1,316,817
MLCC Rent	449,122	415,308
DELEG - Executive Direction	239,962	630,736
DELEG - Administrative Offices	914,990	961,462
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$3,037,966	\$3,533,301
TOTAL EXPENSES AND TRANSFERS	\$25,677,923	\$25,910,550
NET INCOME (Not Including Taxes & Grants)	\$60,651,079	\$62,216,628
Add: Specific Tax, Liquor 1.85%	5,796,693	5,900,296
NET REVENUE (Before Unrelated Expenses)	\$66,447,772	\$68,116,924
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$64,037,272	\$65,706,424
RETAINED EARNINGS		
Transfers to General Fund-Cash	55,000,000	55,000,000
Current Year Increase or (Decrease)	\$9,037,272	\$10,706,424
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$9,913,011	\$11,582,163

Note:

(1) Includes the Revolving Fund Portion only.

**MICHIGAN LIQUOR CONTROL COMMISSION
LIQUOR PURCHASE REVOLVING FUND
UNAUDITED STATEMENT OF CHANGES IN EQUITY AND TRANSFERS
FEBRUARY 28**

	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	86,329,002	88,127,178	(1,798,176)
Specific Tax, Liquor 1.85%	<u>5,796,693</u>	<u>5,900,296</u>	<u>(103,603)</u>
Total Equity Available	<u>\$93,001,434</u>	<u>\$94,903,213</u>	<u>(\$1,901,779)</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$55,000,000	\$55,000,000	\$0
MLCC Expenses	22,639,957	22,377,249	262,708
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	3,037,966	3,533,301	(495,335)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$83,088,423</u>	<u>\$83,321,050</u>	<u>(\$232,627)</u>
Ending Equity	<u>\$9,913,011</u>	<u>\$11,582,163</u>	<u>(\$1,669,152)</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
FIVE MONTHS ENDED FEBRUARY 28**

	<u>2010 MONTH</u>	<u>YTD</u>	<u>2009 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$52,464,446	\$313,117,497	\$49,214,868	\$318,357,280	(\$5,239,783)
On Premise	13,799,265	71,949,292	13,842,268	73,161,308	(1,212,016)
Other	22,384	192,407	24,319	200,410	(8,003)
TOTAL GROSS SALES	<u>\$66,286,095</u>	<u>\$385,259,196</u>	<u>\$63,081,455</u>	<u>\$391,718,998</u>	<u>(\$6,459,802)</u>
Less: Discounts Allowed	11,271,506	65,534,650	10,729,805	66,648,658	(1,114,008)
PROCEEDS-SALE OF LIQUOR	<u>\$55,014,589</u>	<u>\$319,724,546</u>	<u>\$52,351,650</u>	<u>\$325,070,340</u>	<u>(\$5,345,794)</u>
Less: Cost of Goods Sold	39,128,269	233,451,750	39,517,060	237,246,785	(3,795,035)
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$15,886,320</u>	<u>\$86,272,796</u>	<u>\$12,834,590</u>	<u>\$87,823,555</u>	<u>(\$1,550,759)</u>
OTHER REVENUE					
Miscellaneous Revenue	\$18,989	(\$2,370)	\$50,199	\$50,662	(\$53,032)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	58,576	58,576	0	252,961	(194,385)
TOTAL OTHER REVENUE	<u>\$77,565</u>	<u>\$56,206</u>	<u>\$50,199</u>	<u>\$303,623</u>	<u>(\$247,417)</u>
TOTAL REVENUE	<u>\$15,963,885</u>	<u>\$86,329,002</u>	<u>\$12,884,789</u>	<u>\$88,127,178</u>	<u>(\$1,798,176)</u>
Less: Distribution Cost Paid to Suppliers	3,284,509	19,610,280	3,247,456	19,342,604	267,676
INCOME FROM LIQUOR MERCHANDISING	<u>\$12,679,376</u>	<u>\$66,718,722</u>	<u>\$9,637,333</u>	<u>\$68,784,574</u>	<u>(\$2,065,852)</u>
MANAGEMENT EXPENSES					
Commission	\$36,476	\$159,773	\$33,816	\$138,121	\$21,652
Management Support(1)	223,935	1,060,330	226,152	1,113,354	(53,024)
Licensing & Enforcement(1)	917,853	4,479,794	943,041	4,366,618	113,176
DELEG Services	230,376	3,565,452	450,399	4,002,698	(437,246)
DIT - Information Technology Services	203,082	1,203,522	298,128	1,316,817	(113,295)
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>\$1,611,722</u>	<u>\$8,288,741</u>	<u>\$1,951,536</u>	<u>\$8,736,086</u>	<u>(\$447,345)</u>
INCOME FROM OPERATIONS	<u>\$11,067,654</u>	<u>\$58,429,981</u>	<u>\$7,685,797</u>	<u>\$60,048,488</u>	<u>(\$1,618,507)</u>
Specific Tax, Liquor 1.85%(Off Premise)	963,717	5,796,693	913,783	5,900,296	(103,603)
Revenue Collected for Other Funds	11,585,949	65,551,021	11,194,531	66,514,218	(963,197)
TOTAL CURRENT EARNINGS & REVENUE	<u>\$23,617,320</u>	<u>\$129,777,695</u>	<u>\$19,794,111</u>	<u>\$132,463,002</u>	<u>(\$2,685,307)</u>
Number of Cases Sold	461,774	2,810,155	452,690	2,776,746	33,409
Number of Sales Days	20	107	20	108	(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
FIVE MONTHS ENDED FEBRUARY 28**

	<u>CURRENT MONTH</u>	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$2,604,513	\$13,474,590	\$13,665,615	(\$191,025)
Specific Tax, Liquor 4%	2,643,302	15,376,953	15,638,183	(261,230)
Excise Tax, Wine	713,525	2,887,388	2,995,348	(107,960)
Excise Tax, Mixed Spirit Drink	4,927	147,260	93,475	53,785
Fines & Costs	86,337	361,283	378,922	(17,639)
Miscellaneous Revenue	4,243	14,413	29,186	(14,773)
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$6,056,847</u>	<u>\$32,261,887</u>	<u>\$32,800,729</u>	<u>(\$538,842)</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$69,301	\$1,866,486	\$1,724,828	\$141,658
41.5% To Licensing & Enforcement	52,291	149,439	108,173	41,266
3.5% To Alcoholism Prevention Programs	4,410	12,603	9,123	3,480
Additional Resort License Fees	0	0	38,100	(38,100)
Direct Shipper License Fees	811	3,611	6,656	(3,045)
License Transfer Fees	43,156	244,162	303,936	(59,774)
Sunday Sales Fees	18,608	63,103	69,893	(6,790)
Non-Retail License Fees-Wine Industry Council	10,130	32,715	33,090	(375)
Liquor Control Act Sales	175	1,670	1,880	(210)
Inspection Fees	25,175	118,238	103,653	14,585
Specific Tax, Liquor 4%-Tourism & Conv. Facility	2,658,713	15,405,744	15,662,514	(256,770)
Miscellaneous Revenue	3,030	14,410	13,460	950
TOTAL GENERAL FUND-RESTRICTED	<u>\$2,885,800</u>	<u>\$17,912,181</u>	<u>\$18,075,306</u>	<u>(\$163,125)</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$2,643,302	\$15,376,953	\$15,638,183	(\$261,230)
TOTAL SCHOOL AID FUND	<u>\$2,643,302</u>	<u>\$15,376,953</u>	<u>\$15,638,183</u>	<u>(\$261,230)</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$11,585,949</u>	<u>\$65,551,021</u>	<u>\$66,514,218</u>	<u>(\$963,197)</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$963,717	\$5,796,693	\$5,900,296	(\$103,603)
Income From Operations (Excluding Taxes & Grants)(1)	11,067,654	58,429,981	60,048,488	(1,618,507)
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$12,031,371</u>	<u>\$64,226,674</u>	<u>\$65,948,784</u>	<u>(\$1,722,110)</u>
TOTAL REVENUE COLLECTED	<u>\$23,617,320</u>	<u>\$129,777,695</u>	<u>\$132,463,002</u>	<u>(\$2,685,307)</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
FIVE MONTHS ENDED FEBRUARY 28**

	COMMISSION		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL	TOTAL
	(1)						2010	2009
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$36,476	\$159,773	\$110,176	\$468,145	\$485,958	\$2,314,603	\$2,942,521	\$2,944,025
Longevity & Insurance	0	0	32,993	179,161	121,590	690,812	869,973	830,051
Retirement & FICA	0	0	49,496	219,341	182,408	887,011	1,106,352	1,042,113
Subtotal	\$36,476	\$159,773	\$192,665	\$866,647	\$789,956	\$3,892,426	\$4,918,846	\$4,816,189
Communications	\$0	\$0	\$2,520	\$10,763	\$11,240	\$37,328	\$48,091	\$55,508
Travel	0	0	3,235	13,280	18,974	76,769	90,049	97,085
Utilities	0	0	0	5,675	211	1,179	6,854	4,549
Contractual Services	0	0	46	20,168	11,277	56,699	76,867	101,091
Supplies & Materials	0	0	3,815	28,580	19,197	55,725	84,305	86,476
Equipment Replacement, Additions & Rentals	0	0	1,300	6,576	2,015	15,231	21,807	39,010
Miscellaneous	0	0	0	3,956	0	0	3,956	2,877
Subtotal	\$0	\$0	\$10,916	\$88,998	\$62,914	\$242,931	\$331,929	\$386,596
TOTAL MLCC APPROPRIATED EXPENSES	\$36,476	\$159,773	\$203,581	\$955,645	\$852,870	\$4,135,357	\$5,250,775	\$5,202,785
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$20,354	\$104,685	\$64,981	\$344,437	\$449,122	\$415,308
Other Operating Transfers Out(3)	0	0	0	0	0	0	4,999,344	5,528,493
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$20,354	\$104,685	\$64,981	\$344,437	\$5,448,466	\$5,943,801
GRAND TOTAL	\$36,476	\$159,773	\$223,935	\$1,060,330	\$917,851	\$4,479,794	\$10,699,241	\$11,146,586

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.