

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

December 2010



Michigan Department of Energy, Labor & Economic Growth (DELEG)

Rick Snyder, Governor
Andrew S. Levin, Acting Department Director
Nida R. Samona, Chairperson

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

MICHIGAN LIQUOR CONTROL COMMISSION

DECEMBER FINANCIAL REPORT

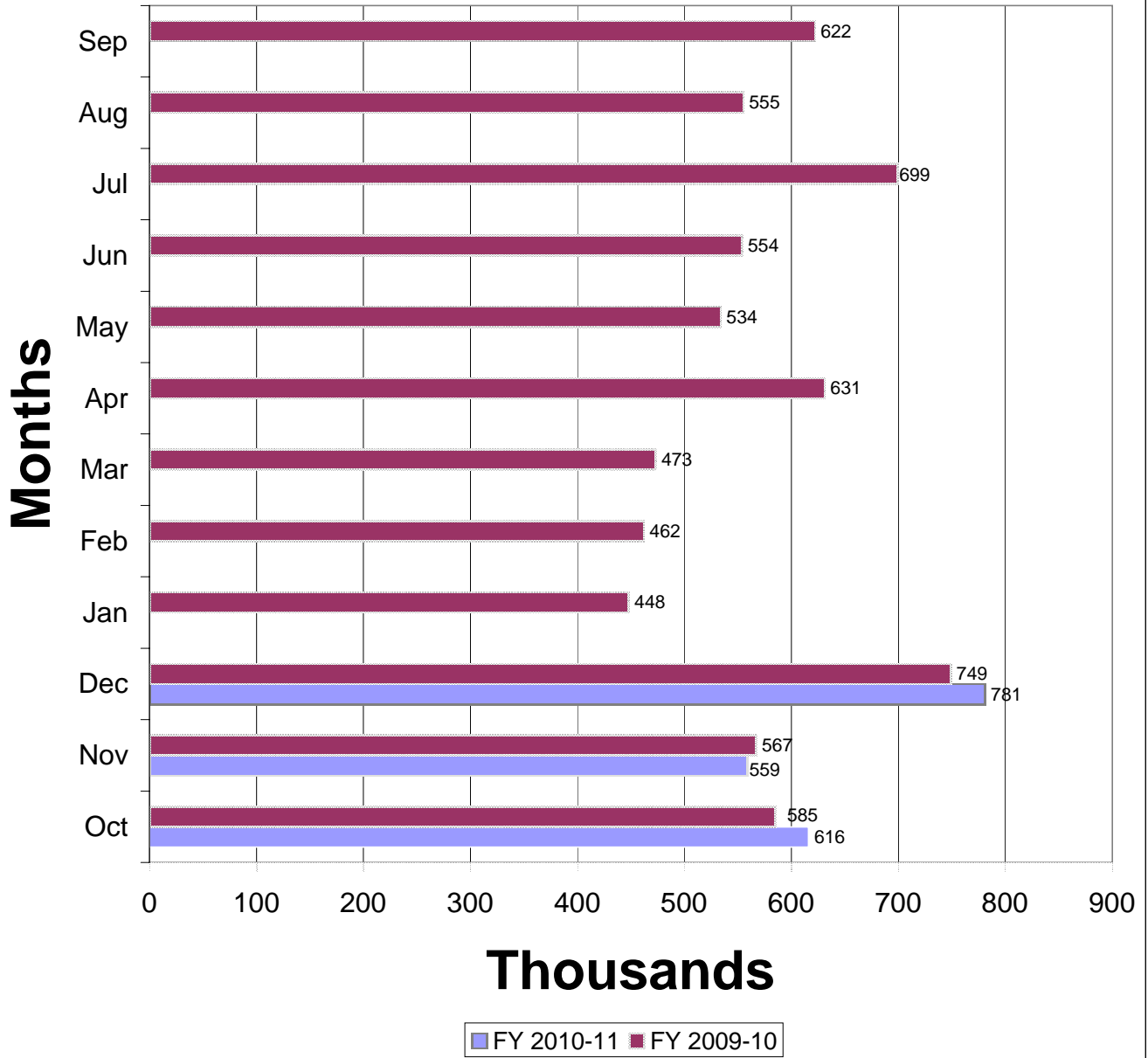
FISCAL YEAR 10 - 11

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Case Sales



	Fiscal Year to Date 10/10-12/10	Fiscal Year to Date 10/09-12/09	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	1,955,813	1,900,452	55,361	2.91%
Average Price Per Case Sold	\$138.12	\$137.64	\$0.48	0.35%

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

	2010	2009
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	52,377,277	65,510,223
Subtotal	\$52,377,977	\$65,510,923
Liquor Inventory - At Current Cost	5,523,380	7,827,318
Prepaid Distribution Costs of Inventory	423,804	617,270
Other Assets		
Accounts Receivable	\$56,680,562	\$37,059,978
Returned Checks	104,980	189,766
Payroll Correction Clearing	0	0
Subtotal	56,785,542	37,249,744
TOTAL ASSETS	\$115,110,703	\$111,205,255
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$1,265,618	\$1,747,260
Warrants Authorized/Not Issued	84,420,492	83,845,762
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	0	0
Current Compensated Absences	710,373	634,998
Total Current Liabilities	\$86,396,483	\$86,228,020
LONG TERM LIABILITIES		
Long Term Compensated Absences	\$510,519	\$492,205
Total Long Term Liabilities	510,519	492,205
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	27,327,962	23,609,291
Current Period Ending Balance	28,203,701	24,485,030
TOTAL LIABILITIES & RETAINED EARNINGS	\$115,110,703	\$111,205,255

*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
THREE MONTHS ENDED DECEMBER 31

	2010	2009
REVENUE		
TOTAL GROSS SALES	\$270,141,322	\$261,582,984
Less: Discounts Allowed	45,948,909	44,505,033
PROCEEDS - SALE OF LIQUOR	\$224,192,413	\$217,077,951
Less: Cost of Goods Sold		
Beginning Inventory	\$5,939,664	\$7,008,115
Add: Purchases	162,236,793	159,093,917
Less: Ending Inventory	5,523,380	7,827,318
Cost of Goods Sold	\$162,653,077	\$158,274,714
GROSS REVENUE FROM SALE OF LIQUOR	\$61,539,336	\$58,803,237
OTHER REVENUE		
Miscellaneous Revenue	(\$14,261)	\$25,432
Non-Operating Revenue	0	0
Interest Revenue	0	0
TOTAL OTHER REVENUE	(\$14,261)	\$25,432
TOTAL REVENUE	\$61,525,075	\$58,828,669
EXPENSES AND TRANSFERS		
<u>MLCC Expenses</u>		
Commission	\$85,063	\$94,766
Management Support	583,751	534,653
Licensing & Enforcement (1)	1,077,630	1,110,917
Distribution Cost Paid to Suppliers	13,549,374	13,230,902
Compensated Absences	0	0
Total MLCC Expenses	\$15,295,818	\$14,971,238
<u>Other Agencies Expenses</u>		
Attorney General	\$0	\$0
Auditor General	0	0
Civil Service - Personnel	0	0
Management and Budget	0	0
Information Technology Services	155,656	335,097
MLCC Rent	85,621	278,451
DELEG - Executive Direction	410,418	339,249
DELEG - Administrative Offices	364,545	458,353
Total Other Agencies Expenses		
Excluding Transfers Not Related to MLCC	\$1,016,240	\$1,411,150
TOTAL EXPENSES AND TRANSFERS	\$16,312,058	\$16,382,388
NET INCOME (Not Including Taxes & Grants)	\$45,213,017	\$42,446,281
Add: Specific Tax, Liquor 1.85%	4,186,041	3,999,550
NET REVENUE (Before Unrelated Expenses)	\$49,399,058	\$46,445,831
DELEG - Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$46,988,558	\$44,035,331
RETAINED EARNINGS		
Transfers to General Fund - Cash	33,000,000	33,000,000
Current Year Increase or (Decrease)	\$13,988,558	\$11,035,331
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$14,864,297	\$11,911,070

Note:

(1) Includes the Revolving Fund Portion only.

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

	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	61,525,075	58,828,669	2,696,406
Specific Tax, Liquor 1.85%	4,186,041	3,999,550	186,491
Total Equity Available	<u>\$66,586,855</u>	<u>\$63,703,958</u>	<u>\$2,882,897</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$33,000,000	\$33,000,000	\$0
MLCC Expenses	15,295,818	14,971,238	324,580
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	1,016,240	1,411,150	(394,910)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$51,722,558</u>	<u>\$51,792,888</u>	<u>(\$70,330)</u>
Ending Equity	<u>\$14,864,297</u>	<u>\$11,911,070</u>	<u>\$2,953,227</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
THREE MONTHS ENDED DECEMBER 31**

	<u>2010 MONTH</u>	<u>YTD</u>	<u>2009 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$94,647,926	\$226,515,468	\$87,945,049	\$216,150,592	\$10,364,876
On Premise	16,608,106	43,443,572	16,991,118	45,276,576	(1,833,004)
Other	56,426	182,282	61,391	155,816	26,466
TOTAL GROSS SALES	<u>\$111,312,458</u>	<u>\$270,141,322</u>	<u>\$104,997,558</u>	<u>\$261,582,984</u>	<u>\$8,558,338</u>
Less: Discounts Allowed	18,929,050	45,948,909	17,860,834	44,505,033	1,443,876
PROCEEDS-SALE OF LIQUOR	<u>\$92,383,408</u>	<u>\$224,192,413</u>	<u>\$87,136,724</u>	<u>\$217,077,951</u>	<u>\$7,114,462</u>
Less: Cost of Goods Sold	66,382,963	162,653,077	63,635,463	158,274,714	4,378,363
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$26,000,445</u>	<u>\$61,539,336</u>	<u>\$23,501,261</u>	<u>\$58,803,237</u>	<u>\$2,736,099</u>
OTHER REVENUE					
Miscellaneous Revenue	\$1,707	(\$14,261)	\$28,205	\$25,432	(\$39,693)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	0	0	0	0
TOTAL OTHER REVENUE	<u>\$1,707</u>	<u>(\$14,261)</u>	<u>\$28,205</u>	<u>\$25,432</u>	<u>(\$39,693)</u>
TOTAL REVENUE	<u>\$26,002,152</u>	<u>\$61,525,075</u>	<u>\$23,529,466</u>	<u>\$58,828,669</u>	<u>\$2,696,406</u>
Less: Distribution Cost Paid to Suppliers	5,361,805	13,549,374	5,233,456	13,230,902	318,472
INCOME FROM LIQUOR MERCHANDISING	<u>\$20,640,347</u>	<u>\$47,975,701</u>	<u>\$18,296,010</u>	<u>\$45,597,767</u>	<u>\$2,377,934</u>
MANAGEMENT EXPENSES					
Commission	\$33,331	\$85,063	\$36,475	\$94,766	(\$9,703)
Management Support(1)	225,095	594,642	240,126	598,630	(3,988)
Licensing & Enforcement(1)	864,660	2,402,726	1,024,439	2,614,379	(211,653)
DELEG Services	2,576,509	3,185,463	2,991,571	3,208,102	(22,639)
Information Service Technology	133,183	155,656	154,261	335,097	(179,441)
Attorney General	0	0	0	0	0
Auditor General	0	0	0	0	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)	2,410,500	2,410,500	2,410,500	2,410,500	0
Total Management Expenses	<u>\$1,422,278</u>	<u>\$4,013,050</u>	<u>\$2,036,372</u>	<u>\$4,440,474</u>	<u>(\$427,424)</u>
INCOME FROM OPERATIONS	<u>\$19,218,069</u>	<u>\$43,962,651</u>	<u>\$16,259,638</u>	<u>\$41,157,293</u>	<u>\$2,805,358</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,742,446	4,186,041	1,628,308	3,999,550	186,491
Revenue Collected for Other Funds	17,924,130	44,375,450	16,785,047	43,264,127	1,111,323
TOTAL CURRENT EARNINGS & REVENUE	<u>\$38,884,645</u>	<u>\$92,524,142</u>	<u>\$34,672,993</u>	<u>\$88,420,970</u>	<u>\$4,103,172</u>
Number of Cases Sold	781,265	1,955,813	748,929	1,900,452	55,361
Number of Sales Days	25	66	25	67	(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
THREE MONTHS ENDED DECEMBER 31**

	<u>CURRENT MONTH</u>	<u>YTD 2010</u>	<u>YTD 2009</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax Beer	\$3,068,341	\$7,575,006	\$8,246,436	(\$671,430)
Specific Tax, Liquor 4%	4,447,806	10,796,991	10,441,261	355,730
Excise Tax, Wine	724,064	1,234,311	1,261,587	(27,276)
Excise Tax, Mixed Spirit Drink	23,308	45,203	102,920	(57,717)
Fines & Costs	104,942	151,061	174,728	(23,667)
Miscellaneous Revenue	3,694	46,928	7,679	39,249
TOTAL GENERAL FUND - GENERAL PURPOSE:	<u>\$8,372,155</u>	<u>\$19,849,500</u>	<u>\$20,234,611</u>	<u>(\$385,111)</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$55,674	\$2,020,736	\$1,776,140	\$244,596
41.5% To Licensing & Enforcement	41,973	127,108	81,268	45,840
3.5% To Alcoholism Prevention Programs	3,541	10,721	6,854	3,867
Additional Resort License Fees	0	19,400	0	19,400
Direct Shipper License Fees	300	1,700	2,300	(600)
License Transfer Fees	43,448	137,857	137,087	770
Sunday Sales Fees	473,536	505,689	35,833	469,856
Non-Retail License Fees-Wine Industry Council	12,300	32,410	18,110	14,300
Liquor Control Act Sales	125	546	1,275	(729)
Inspection Fees	23,025	67,535	66,428	1,107
Specific Tax, Liquor 4%-Tourism & Conv. Facility	4,447,806	10,796,991	10,454,640	342,351
Miscellaneous Revenue	2,441	8,266	8,320	(54)
TOTAL GENERAL FUND - RESTRICTED	<u>\$5,104,169</u>	<u>\$13,728,959</u>	<u>\$12,588,255</u>	<u>\$1,140,704</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$4,447,806	\$10,796,991	\$10,441,261	\$355,730
TOTAL SCHOool AID FUND	<u>\$4,447,806</u>	<u>\$10,796,991</u>	<u>\$10,441,261</u>	<u>\$355,730</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$17,924,130</u>	<u>\$44,375,450</u>	<u>\$43,264,127</u>	<u>\$1,111,323</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,742,446	\$4,186,041	\$3,999,550	\$186,491
Income From Operations(Excluding Taxes & Grants)(1)	19,218,069	43,962,651	41,157,293	2,805,358
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$20,960,515</u>	<u>\$48,148,692</u>	<u>\$45,156,843</u>	<u>\$2,991,849</u>
TOTAL REVENUE COLLECTED	<u>\$38,884,645</u>	<u>\$92,524,142</u>	<u>\$88,420,970</u>	<u>\$4,103,172</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
THREE MONTHS ENDED DECEMBER 31**

	COMMISSION		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL	TOTAL
	(1)						2010	2009
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$33,331	\$85,063	\$109,579	\$278,146	\$486,437	\$1,267,175	\$1,630,384	\$1,676,598
Longevity & Insurance	0	0	34,705	126,623	124,183	441,054	567,677	560,964
Retirement & FICA	0	0	50,208	135,121	189,392	516,126	651,247	641,260
Subtotal	\$33,331	\$85,063	\$194,492	\$539,890	\$800,012	\$2,224,355	\$2,849,308	\$2,878,822
Communications	\$0	\$0	\$1,584	\$3,781	\$3,841	\$12,306	\$16,087	\$26,450
Travel	0	0	2,505	5,431	16,040	35,378	40,809	45,729
Utilities	0	0	2,722	4,020	261	754	4,774	4,701
Contractual Services	0	0	6,716	8,970	8,540	15,439	24,409	20,003
Supplies & Materials	0	0	7,160	13,105	10,772	29,443	42,548	40,523
Equipment Replacement, Additions & Rentals	0	0	7,256	8,554	6,794	10,321	18,875	13,097
Miscellaneous	0	0	0	0	0	0	0	0
Subtotal	\$0	\$0	\$27,943	\$43,861	\$46,248	\$103,641	\$147,502	\$150,503
TOTAL MLCC APPROPRIATED EXPENSES	\$33,331	\$85,063	\$222,435	\$583,751	\$846,260	\$2,327,996	\$2,996,810	\$3,029,325
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$2,660	\$10,891	\$18,400	\$74,730	\$85,621	\$278,450
Other Operating Transfers Out(3)	0	0	0	0	0	0	3,341,119	3,543,199
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$2,660	\$10,891	\$18,400	\$74,730	\$3,426,740	\$3,821,649
GRAND TOTAL	\$33,331	\$85,063	\$225,095	\$594,642	\$864,660	\$2,402,726	\$6,423,550	\$6,850,974

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 totals.