

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

January 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

JANUARY FINANCIAL REPORT

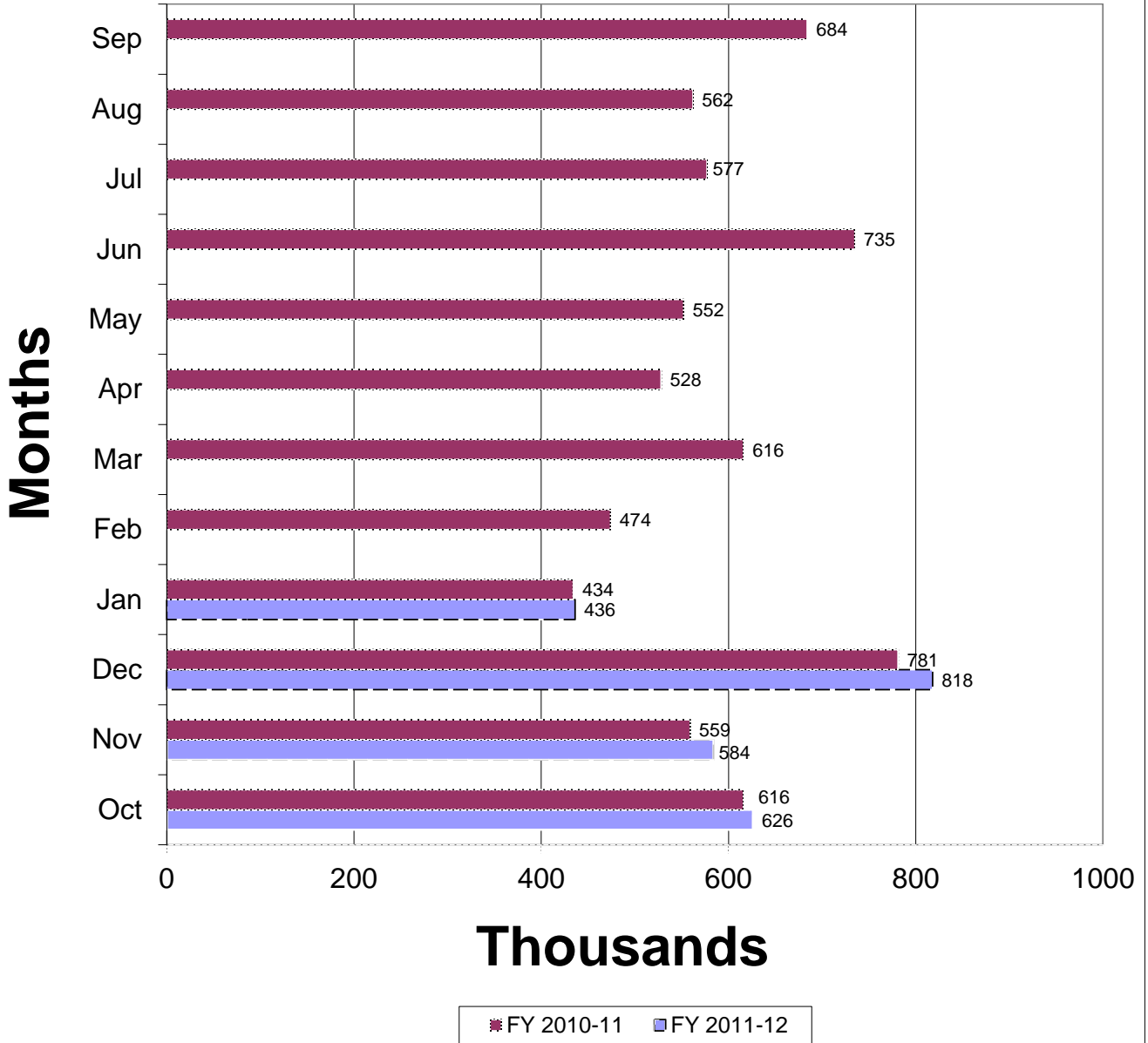
FISCAL YEAR 11 - 12

Table of Contents

	<u>Page</u>
Chart of Case Sales	1
Unaudited Comparative Balance Sheet.....	2
Unaudited Comparative Statement of Revenue, Expenses & Changes in Retained Earnings.....	3
Unaudited Statement of Changes in Equity and Transfers	4
Unaudited Comparative Schedule of Operations.....	5
Unaudited Comparative Schedule of Revenue Collected	6
Unaudited Schedule of Expenses by Type and Account	7

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Case Sales



	Fiscal Year to Date 10/11-01/12	Fiscal Year to Date 10/10-01/11	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	2,463,756	2,389,780	73,976	3.10%
Average Price Per Case Sold	\$139.94	\$137.58	\$2.36	1.72%

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

	2012	2011
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	58,083,497	57,408,315
Subtotal	\$58,084,197	\$57,409,015
Liquor Inventory - At Current Cost	4,909,661	5,066,614
Prepaid Distribution Costs of Inventory	359,938	391,240
Other Assets		
Accounts Receivable	\$19,465,682	\$28,660,089
Returned Checks	106,831	122,299
Payroll Correction Clearing	0	0
Subtotal	19,572,513	28,782,388
TOTAL ASSETS	\$82,926,309	\$91,649,257
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$2,795,618	\$460,439
Warrants Authorized/Not Issued	55,368,970	71,236,040
Accounts Payable	0	0
Deferred Revenue	0	0
Amount Due to Other Funds	92,632	0
Current Compensated Absences	464,996	710,373
Total Current Liabilities	\$58,722,216	\$72,406,852
LONG TERM LIABILITIES		
Amount Due to Other Funds	\$302,635	\$0
Long Term Compensated Absences	106,562	510,519
Total Long Term Liabilities	409,197	510,519
RETAINED EARNINGS		
Beginning Balance October 1	\$875,739	\$875,739
Current Year Increase or (Decrease)*	22,919,157	17,856,147
Current Period Ending Balance	23,794,896	18,731,886
TOTAL LIABILITIES & RETAINED EARNINGS	\$82,926,309	\$91,649,257

*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
FOUR MONTHS ENDED JANUARY 31

	2012	2011
REVENUE		
TOTAL GROSS SALES	\$344,784,437	\$328,783,676
Less: Discounts Allowed	58,620,128	55,919,348
PROCEEDS - SALE OF LIQUOR	\$286,164,309	\$272,864,328
Less: Cost of Goods Sold		
Beginning Inventory	\$5,903,676	\$5,939,664
Add: Purchases	207,929,538	198,281,378
Less: Ending Inventory	4,909,661	5,066,614
Cost of Goods Sold	\$208,923,553	\$199,154,428
GROSS REVENUE FROM SALE OF LIQUOR	\$77,240,756	\$73,709,900
OTHER REVENUE		
Miscellaneous Revenue	(\$6,749)	\$3,256
Non-Operating Revenue	0	0
Interest Revenue	16,391	34,037
TOTAL OTHER REVENUE	\$9,642	\$37,293
TOTAL REVENUE	\$77,250,398	\$73,747,193
EXPENSES AND TRANSFERS		
<u>MLCC Expenses</u>		
Commission	\$116,011	\$116,514
Management Support	871,530	892,102
Licensing & Enforcement (1)	1,663,466	1,484,072
Distribution Cost Paid to Suppliers	17,172,774	16,651,958
Compensated Absences	0	0
Total MLCC Expenses	\$19,823,781	\$19,144,646
<u>Other Agencies Expenses</u>		
Attorney General	\$200,046	\$218,611
Auditor General	0	0
Bureau of Fire Services	788,123	0
Civil Service - Personnel	0	0
Administrative Hearings & Rules	0	0
Information Technology Services	1,186,797	1,236,018
MLCC Rent	105,296	335,014
LARA - Executive Direction	448,299	(139,886)
LARA - Administrative Offices	317,617	781,123
Total Other Agencies Expenses	\$3,046,178	\$2,430,880
Excluding Transfers Not Related to MLCC	\$3,046,178	\$2,430,880
TOTAL EXPENSES AND TRANSFERS	\$22,869,959	\$21,575,526
NET INCOME (Not Including Taxes & Grants)	\$54,380,439	\$52,171,667
Add: Specific Tax, Liquor 1.85%	5,320,293	5,066,531
NET REVENUE (Before Unrelated Expenses)	\$59,700,732	\$57,238,198
LARA - Transfers For Grant Not Related to MLCC	773,900	2,410,500
NET INCOME	\$58,926,832	\$54,827,698
RETAINED EARNINGS		
Transfers to General Fund - Cash	44,000,000	44,000,000
Current Year Increase or (Decrease)	\$14,926,832	\$10,827,698
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$15,802,571	\$11,703,437

Note:

(1) Includes the Revolving Fund Portion only.

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

EQUITY AVAILABLE	<u>2012</u>	<u>2011</u>	<u>INCREASE (DECREASE)</u>
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	77,250,398	73,747,193	3,503,205
Specific Tax, Liquor 1.85%	<u>5,320,293</u>	<u>5,066,531</u>	<u>253,762</u>
Total Equity Available	<u>\$83,446,430</u>	<u>\$79,689,463</u>	<u>\$3,756,967</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$44,000,000	\$44,000,000	\$0
MLCC Expenses	19,823,781	19,144,646	679,135
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	3,046,178	2,430,880	615,298
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>\$67,643,859</u>	<u>\$67,986,026</u>	<u>(\$342,167)</u>
Ending Equity	<u>\$15,802,571</u>	<u>\$11,703,437</u>	<u>\$4,099,134</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
FOUR MONTHS ENDED JANUARY 31**

	2012 MONTH	YTD	2011 MONTH	YTD	YTD INCR./(DECR.)
LIQUOR SALES					
Off Premise	\$47,881,112	\$287,385,382	\$46,998,176	\$273,513,644	\$13,871,738
On Premise	12,256,484	57,228,053	11,617,990	55,061,562	2,166,491
Other	20,186	171,002	26,188	208,470	(37,468)
TOTAL GROSS SALES	\$60,157,782	\$344,784,437	\$58,642,354	\$328,783,676	\$16,000,761
Less: Discounts Allowed	10,228,276	58,620,128	9,970,439	55,919,348	2,700,780
PROCEEDS-SALE OF LIQUOR	\$49,929,506	\$286,164,309	\$48,671,915	\$272,864,328	\$13,299,981
Less: Cost of Goods Sold	38,573,792	208,923,553	36,501,351	199,154,428	9,769,125
GROSS REVENUE FROM SALE OF LIQUOR	\$11,355,714	\$77,240,756	\$12,170,564	\$73,709,900	\$3,530,856
OTHER REVENUE					
Miscellaneous Revenue	(\$7,715)	(\$6,749)	\$17,517	\$3,256	(\$10,005)
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	16,391	16,391	34,037	34,037	(17,646)
TOTAL OTHER REVENUE	\$8,676	\$9,642	\$51,554	\$37,293	(\$27,651)
TOTAL REVENUE	\$11,364,390	\$77,250,398	\$12,222,118	\$73,747,193	\$3,503,205
Less: Distribution Cost Paid to Suppliers	3,208,797	17,172,774	3,102,584	16,651,958	520,816
INCOME FROM LIQUOR MERCHANDISING	\$8,155,593	\$60,077,624	\$9,119,534	\$57,095,235	\$2,982,389
MANAGEMENT EXPENSES					
Commission	\$32,817	\$116,011	\$31,451	\$116,514	(\$503)
Management Support(1)	260,484	884,828	374,435	969,077	(84,249)
Licensing & Enforcement(1)	1,052,929	3,685,574	1,061,344	3,464,070	221,504
LARA Services	951,930	1,539,816	(133,726)	3,051,737	(1,511,921)
Information Technology Services	854,607	1,186,797	1,080,362	1,236,018	(49,221)
Attorney General	200,046	200,046	218,611	218,611	(18,565)
Auditor General	0	0	0	0	0
Bureau of Fire Services	220,135	788,123	0	0	788,123
Civil Service - Personnel	0	0	0	0	0
Administrative Hearings & Rules	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Less: Transfer not related to MLCC Operations (2)	773,900	773,900	0	2,410,500	(1,636,600)
Total Management Expenses	\$2,799,048	\$7,627,295	\$2,632,477	\$6,645,527	\$981,768
INCOME FROM OPERATIONS	\$5,356,545	\$52,450,329	\$6,487,057	\$50,449,708	\$2,000,621
Specific Tax, Liquor 1.85%(Off Premise)	888,452	5,320,293	880,490	5,066,531	253,762
Revenue Collected for Other Funds	11,260,137	60,327,688	10,847,854	55,223,304	5,104,384
TOTAL CURRENT EARNINGS & REVENUE	\$17,505,134	\$118,098,310	\$18,215,401	\$110,739,543	\$7,358,767
Number of Cases Sold	436,412	2,463,756	433,967	2,389,780	73,976
Number of Sales Days	20	85	20	86	(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
FOUR MONTHS ENDED JANUARY 31**

	<u>CURRENT MONTH</u>	<u>YTD 2012</u>	<u>YTD 2011</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$2,754,964	\$12,564,741	\$10,463,916	\$2,100,825
Specific Tax, Liquor 4%	2,403,984	13,780,551	13,137,476	643,075
Excise Tax, Wine	786,428	3,144,328	1,750,884	1,393,444
Excise Tax, Mixed Spirit Drink	20,115	101,507	67,366	34,141
Sunday Sales Fees (7am-12pm)	25,500	69,720	604,763	(535,043)
Fines & Costs	39,493	165,881	251,248	(85,367)
Miscellaneous Revenue	<u>2,208</u>	<u>15,871</u>	<u>46,151</u>	<u>(30,280)</u>
TOTAL GENERAL FUND - GENERAL PURPOSE:	<u>\$6,032,692</u>	<u>\$29,842,599</u>	<u>\$26,321,804</u>	<u>\$3,520,795</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$79,172	\$2,056,235	\$2,054,972	\$1,263
41.5% To Licensing & Enforcement	59,739	139,745	154,520	(14,775)
3.5% To Alcoholism Prevention Programs	5,038	11,786	12,900	(1,114)
Additional Resort License Fees	(19,300)	57,850	19,400	38,450
Direct Shipper License Fees	589	3,089	2,261	828
License Transfer Fees	208,209	404,386	178,814	225,572
Sunday Sales Fees	38,658	77,813	52,587	25,226
Non-Retail License Fees-Wine Industry Council	12,285	46,441	36,660	9,781
Liquor Control Act Sales	300	1,175	661	514
Inspection Fees	27,700	104,938	91,545	13,393
Specific Tax, Liquor 4%-Tourism & Conv. Facility	2,409,296	13,794,285	13,149,608	644,677
Miscellaneous Revenue	<u>1,775</u>	<u>6,795</u>	<u>10,096</u>	<u>(3,301)</u>
TOTAL GENERAL FUND - RESTRICTED	<u>\$2,823,461</u>	<u>\$16,704,538</u>	<u>\$15,764,024</u>	<u>\$940,514</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	<u>\$2,403,984</u>	<u>\$13,780,551</u>	<u>\$13,137,476</u>	<u>\$643,075</u>
TOTAL SCHOOL AID FUND	<u>\$2,403,984</u>	<u>\$13,780,551</u>	<u>\$13,137,476</u>	<u>\$643,075</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$11,260,137</u>	<u>\$60,327,688</u>	<u>\$55,223,304</u>	<u>\$5,104,384</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$888,452	\$5,320,293	\$5,066,531	\$253,762
Income From Operations(Excluding Taxes & Grants)(1)	<u>5,356,545</u>	<u>52,450,329</u>	<u>50,449,708</u>	<u>2,000,621</u>
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$6,244,997</u>	<u>\$57,770,622</u>	<u>\$55,516,239</u>	<u>\$2,254,383</u>
TOTAL REVENUE COLLECTED	<u><u>\$17,505,134</u></u>	<u><u>\$118,098,310</u></u>	<u><u>\$110,739,543</u></u>	<u><u>\$7,358,767</u></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
FOUR MONTHS ENDED JANUARY 31**

	COMMISSION		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL	TOTAL
	(1)						2012	2011
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$32,827	\$116,011	\$102,780	\$367,967	\$524,064	\$1,784,792	\$2,268,770	\$2,286,956
Longevity & Insurance	0	0	38,200	167,780	124,859	549,689	717,469	716,454
Retirement & FICA	0	0	76,900	266,368	305,775	1,052,488	1,318,856	884,516
Subtotal	\$32,827	\$116,011	\$217,880	\$802,115	\$954,698	\$3,386,969	\$4,305,095	\$3,887,926
Communications	\$0	\$0	\$3,966	\$8,905	\$13,799	\$32,447	\$41,352	\$92,980
Travel	0	0	3,107	7,703	13,900	63,227	70,930	58,718
Utilities	0	0	953	3,234	235	762	3,996	7,053
Contractual Services	0	0	2,109	6,133	31,359	48,295	54,428	32,241
Supplies & Materials	0	0	15,868	26,715	16,874	51,556	78,271	64,167
Equipment Replacement, Additions & Rentals	0	0	13,941	16,726	3,665	10,319	27,045	71,562
Miscellaneous	0	0	0	0	0	0	0	0
Subtotal	\$0	\$0	\$39,944	\$69,416	\$79,832	\$206,606	\$276,022	\$326,721
TOTAL MLCC APPROPRIATED EXPENSES	\$32,827	\$116,011	\$257,824	\$871,531	\$1,034,530	\$3,593,575	\$4,581,117	\$4,214,647
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$2,660	\$13,297	\$18,399	\$91,999	\$105,296	\$335,014
Other Operating Transfers Out(3)	0	0	0	0	0	0	3,714,782	4,506,366
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$2,660	\$13,297	\$18,399	\$91,999	\$3,820,078	\$4,841,380
GRAND TOTAL	\$32,827	\$116,011	\$260,484	\$884,828	\$1,052,929	\$3,685,574	\$8,401,195	\$9,056,027

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.