

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

November 2011



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

NOVEMBER FINANCIAL REPORT

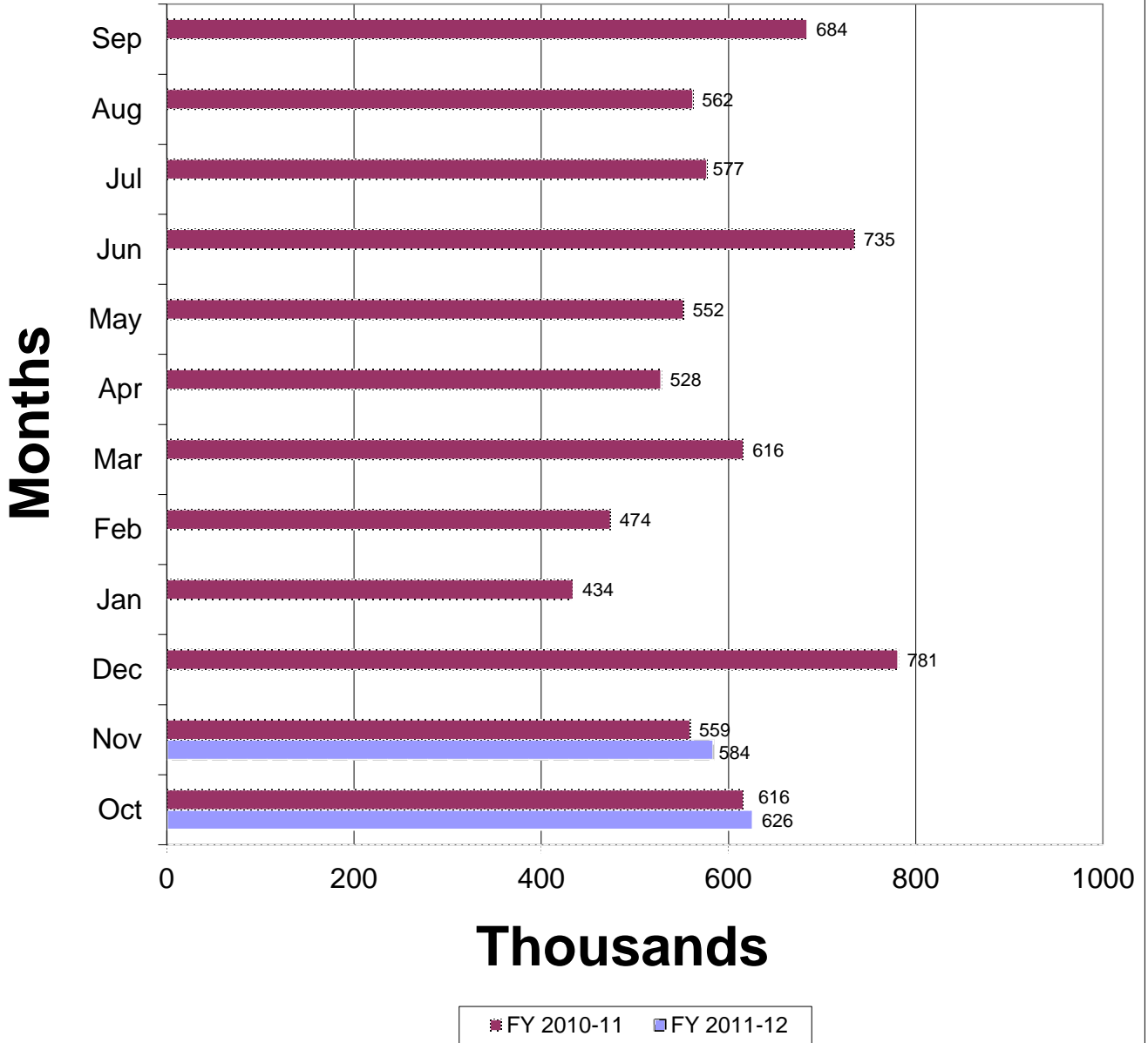
FISCAL YEAR 11 - 12

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

The Department of Licensing and Regulatory Affairs will not discriminate against any individual or group because of sex, religion, age, national origin, color, marital status, disability or political affiliation. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.

Case Sales



	Fiscal Year to Date 10/11-11/11	Fiscal Year to Date 10/10-11/10	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	1,209,733	1,174,548	35,185	3.00%
Average Price Per Case Sold	\$137.80	\$135.23	\$2.57	1.90%

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

	2011	2010
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	64,408,484	49,109,634
Subtotal	\$64,409,184	\$49,110,334
Liquor Inventory - At Current Cost	6,115,056	4,282,102
Prepaid Distribution Costs of Inventory	454,179	317,874
Other Assets		
Accounts Receivable	\$20,453,582	\$30,900,841
Returned Checks	100,698	86,669
Payroll Correction Clearing	0	0
Subtotal	20,554,280	30,987,510
TOTAL ASSETS	\$91,532,699	\$84,697,820
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$2,598,928	\$2,675,385
Warrants Authorized/Not Issued	69,961,870	64,772,835
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	\$73,118,426	\$68,158,593
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)*	17,129,337	15,152,969
Current Period Ending Balance	18,005,076	16,028,708
TOTAL LIABILITIES & RETAINED EARNINGS	\$91,532,699	\$84,697,820

*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**

	2011	2010
REVENUE		
TOTAL GROSS SALES	\$166,701,261	\$158,828,864
Less: Discounts Allowed	28,344,250	27,019,859
PROCEEDS - SALE OF LIQUOR	\$138,357,011	\$131,809,005
Less: Cost of Goods Sold		
Beginning Inventory	\$5,903,676	\$5,939,664
Add: Purchases	101,200,720	94,612,552
Less: Ending Inventory	6,115,056	4,282,102
Cost of Goods Sold	\$100,989,340	\$96,270,114
GROSS REVENUE FROM SALE OF LIQUOR	\$37,367,671	\$35,538,891
OTHER REVENUE		
Miscellaneous Revenue	(\$8,681)	(\$15,968)
Non-Operating Revenue	0	0
Interest Revenue	0	0
TOTAL OTHER REVENUE	(\$8,681)	(\$15,968)
TOTAL REVENUE	\$37,358,990	\$35,522,923
EXPENSES AND TRANSFERS		
<u>MLCC Expenses</u>		
Commission	\$50,133	\$51,732
Management Support	376,341	361,316
Licensing & Enforcement (1)	733,279	685,896
Distribution Cost Paid to Suppliers	8,432,320	8,187,569
Compensated Absences	0	0
Total MLCC Expenses	\$9,592,073	\$9,286,513
<u>Other Agencies Expenses</u>		
Attorney General	\$0	\$0
Auditor General	0	0
Bureau of Fire Services	344,249	0
Civil Service - Personnel	0	0
Administrative Hearings & Rules	0	0
Information Technology Services	16,826	22,473
MLCC Rent	63,178	64,562
LARA - Executive Direction	313,053	419,370
LARA - Administrative Offices	195,163	189,584
Total Other Agencies Expenses	\$932,469	\$695,989
Excluding Transfers Not Related to MLCC		
TOTAL EXPENSES AND TRANSFERS	\$10,524,542	\$9,982,502
NET INCOME (Not Including Taxes & Grants)	\$26,834,448	\$25,540,421
Add: Specific Tax, Liquor 1.85%	2,580,639	2,443,595
NET REVENUE (Before Unrelated Expenses)	\$29,415,087	\$27,984,016
LARA - Transfers For Grant Not Related to MLCC	0	0
NET INCOME	\$29,415,087	\$27,984,016
RETAINED EARNINGS		
Transfers to General Fund - Cash	22,000,000	22,000,000
Current Year Increase or (Decrease)	\$7,415,087	\$5,984,016
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$8,290,826	\$6,859,755

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**

	<u>2011</u>	<u>2010</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	37,358,990	35,522,923	1,836,067
Specific Tax, Liquor 1.85%	<u>2,580,639</u>	<u>2,443,595</u>	<u>137,044</u>
Total Equity Available	<u>\$40,815,368</u>	<u>\$38,842,257</u>	<u>\$1,973,111</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$22,000,000	\$22,000,000	\$0
MLCC Expenses	9,592,073	9,286,513	305,560
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	932,469	695,989	236,480
LARA Transfer Not Related to MLCC	<u>0</u>	<u>0</u>	<u>0</u>
Total Allocation of Equity	<u>\$32,524,542</u>	<u>\$31,982,502</u>	<u>\$542,040</u>
Ending Equity	<u>\$8,290,826</u>	<u>\$6,859,755</u>	<u>\$1,431,071</u>

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

	2011 MONTH	YTD	2010 MONTH	YTD	YTD INCR./(DECR.)
LIQUOR SALES					
Off Premise	\$67,425,556	\$139,500,956	\$63,679,641	\$131,867,542	\$7,633,414
On Premise	13,501,578	27,095,595	12,984,325	26,835,466	260,129
Other	54,154	104,710	66,666	125,856	(21,146)
TOTAL GROSS SALES	\$80,981,288	\$166,701,261	\$76,730,632	\$158,828,864	\$7,872,397
Less: Discounts Allowed	13,766,423	28,344,250	13,051,103	27,019,859	1,324,391
PROCEEDS-SALE OF LIQUOR	\$67,214,865	\$138,357,011	\$63,679,529	\$131,809,005	\$6,548,006
Less: Cost of Goods Sold	51,206,801	100,989,340	45,905,654	96,270,114	4,719,226
GROSS REVENUE FROM SALE OF LIQUOR	\$16,008,064	\$37,367,671	\$17,773,875	\$35,538,891	\$1,828,780
OTHER REVENUE					
Miscellaneous Revenue	(\$19,456)	(\$8,681)	(\$27,902)	(\$15,968)	\$7,287
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	0	0	0	0	0
TOTAL OTHER REVENUE	(\$19,456)	(\$8,681)	(\$27,902)	(\$15,968)	\$7,287
TOTAL REVENUE	\$15,988,608	\$37,358,990	\$17,745,973	\$35,522,923	\$1,836,067
Less: Distribution Cost Paid to Suppliers	4,257,643	8,432,320	3,891,449	8,187,569	244,751
INCOME FROM LIQUOR MERCHANDISING	\$11,730,965	\$28,926,670	\$13,854,524	\$27,335,354	\$1,591,316
MANAGEMENT EXPENSES					
Commission	\$33,422	\$50,133	\$33,252	\$51,732	(\$1,599)
Management Support(1)	228,140	384,320	211,633	369,547	14,773
Licensing & Enforcement(1)	973,328	1,639,296	890,387	1,538,066	101,230
LARA Services	1,078,931	508,216	333,171	608,954	(100,738)
Information Technology Services	16,826	16,826	22,473	22,473	(5,647)
Attorney General	0	0	0	0	0
Auditor General	0	0	0	0	0
Bureau of Fire Services	213,566	344,249	0	0	344,249
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)	0	0	0	0	0
Total Management Expenses	\$2,544,213	\$2,943,040	\$1,490,916	\$2,590,772	\$352,268
INCOME FROM OPERATIONS	\$9,186,752	\$25,983,630	\$12,363,608	\$24,744,582	\$1,239,048
Specific Tax, Liquor 1.85%(Off Premise)	1,247,300	2,580,639	1,182,141	2,443,595	137,044
Revenue Collected for Other Funds	16,966,527	30,519,345	11,744,311	26,451,320	4,068,025
TOTAL CURRENT EARNINGS & REVENUE	\$27,400,579	\$59,083,614	\$25,290,060	\$53,639,497	\$5,444,117
Number of Cases Sold	584,219	1,209,733	558,506	1,174,548	35,185
Number of Sales Days	20	40	20	41	(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 2011</u>	<u>YTD 2010</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$4,408,975	\$6,698,746	\$4,506,665	\$2,192,081
Specific Tax, Liquor 4%	3,237,050	6,663,934	6,349,185	314,749
Excise Tax, Wine	763,709	1,468,321	510,247	958,074
Excise Tax, Mixed Spirit Drink	15,890	62,243	21,895	40,348
Sunday Sales Fees (7am-12pm)	16,180	27,310	0	27,310
Fines & Costs	(17,154)	40,257	46,119	(5,862)
Miscellaneous Revenue	3,389	10,025	43,234	(33,209)
TOTAL GENERAL FUND - GENERAL PURPOSE:	<u>\$8,428,039</u>	<u>\$14,970,836</u>	<u>\$11,477,345</u>	<u>\$3,493,491</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$1,901,322	\$1,932,733	\$1,965,062	(\$32,329)
41.5% To Licensing & Enforcement	20,761	44,444	85,135	(40,691)
3.5% To Alcoholism Prevention Programs	1,751	3,749	7,180	(3,431)
Additional Resort License Fees	0	19,400	19,400	0
Direct Shipper License Fees	800	1,700	1,400	300
License Transfer Fees	80,628	115,321	94,409	20,912
Sunday Sales Fees	13,736	22,998	32,153	(9,155)
Non-Retail License Fees-Wine Industry Council	12,905	25,856	20,110	5,746
Liquor Control Act Sales	255	610	421	189
Inspection Fees	25,370	45,525	44,510	1,015
Specific Tax, Liquor 4%-Tourism & Conv. Facility	3,241,955	6,668,839	6,349,185	319,654
Miscellaneous Revenue	1,955	3,400	5,825	(2,425)
TOTAL GENERAL FUND - RESTRICTED	<u>\$5,301,438</u>	<u>\$8,884,575</u>	<u>\$8,624,790</u>	<u>\$259,785</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$3,237,050	\$6,663,934	\$6,349,185	\$314,749
TOTAL SCHOOL AID FUND	<u>\$3,237,050</u>	<u>\$6,663,934</u>	<u>\$6,349,185</u>	<u>\$314,749</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$16,966,527</u>	<u>\$30,519,345</u>	<u>\$26,451,320</u>	<u>\$4,068,025</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,247,300	\$2,580,639	\$2,443,595	\$137,044
Income From Operations(Excluding Taxes & Grants)(1)	9,186,752	25,983,630	24,744,582	1,239,048
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$10,434,052</u>	<u>\$28,564,269</u>	<u>\$27,188,177</u>	<u>\$1,376,092</u>
TOTAL REVENUE COLLECTED	<u>\$27,400,579</u>	<u>\$59,083,614</u>	<u>\$53,639,497</u>	<u>\$5,444,117</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 2011	TOTAL 2010
	(1)							
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$33,422	\$50,133	\$102,151	\$153,227	\$500,718	\$750,254	\$953,614	\$1,001,037
Longevity & Insurance	0	0	38,190	91,390	121,637	303,349	394,739	408,789
Retirement & FICA	0	0	72,016	117,296	285,014	462,823	580,119	411,647
Subtotal	\$33,422	\$50,133	\$212,357	\$361,913	\$907,369	\$1,516,426	\$1,928,472	\$1,821,473
Communications	\$0	\$0	\$2,589	\$2,589	\$9,545	\$9,957	\$12,546	\$10,662
Travel	0	0	2,447	2,494	19,856	29,602	32,096	22,264
Utilities	0	0	1,018	1,018	225	494	1,512	1,791
Contractual Services	0	0	0	216	7,506	10,730	10,946	9,153
Supplies & Materials	0	0	6,150	6,271	8,284	12,600	18,871	24,616
Equipment Replacement, Additions & Rentals	0	0	920	1,841	2,143	4,287	6,128	4,825
Miscellaneous	0	0	0	0	0	0	0	0
Subtotal	\$0	\$0	\$13,124	\$14,429	\$47,559	\$67,670	\$82,099	\$73,311
TOTAL MLCC APPROPRIATED EXPENSES	\$33,422	\$50,133	\$225,481	\$376,342	\$954,928	\$1,584,096	\$2,010,571	\$1,894,784
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$2,659	\$7,978	\$18,400	\$55,200	\$63,178	\$64,561
Other Operating Transfers Out(3)	0	0	0	0	0	0	869,291	631,427
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$2,659	\$7,978	\$18,400	\$55,200	\$932,469	\$695,988
GRAND TOTAL	\$33,422	\$50,133	\$228,140	\$384,320	\$973,328	\$1,639,296	\$2,943,040	\$2,590,772

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.