

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

May 2010



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

Jennifer M. Granholm, Governor
Stanley "Skip" Pruss, Department Director
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MICHIGAN LIQUOR CONTROL COMMISSION

MAY FINANCIAL REPORT

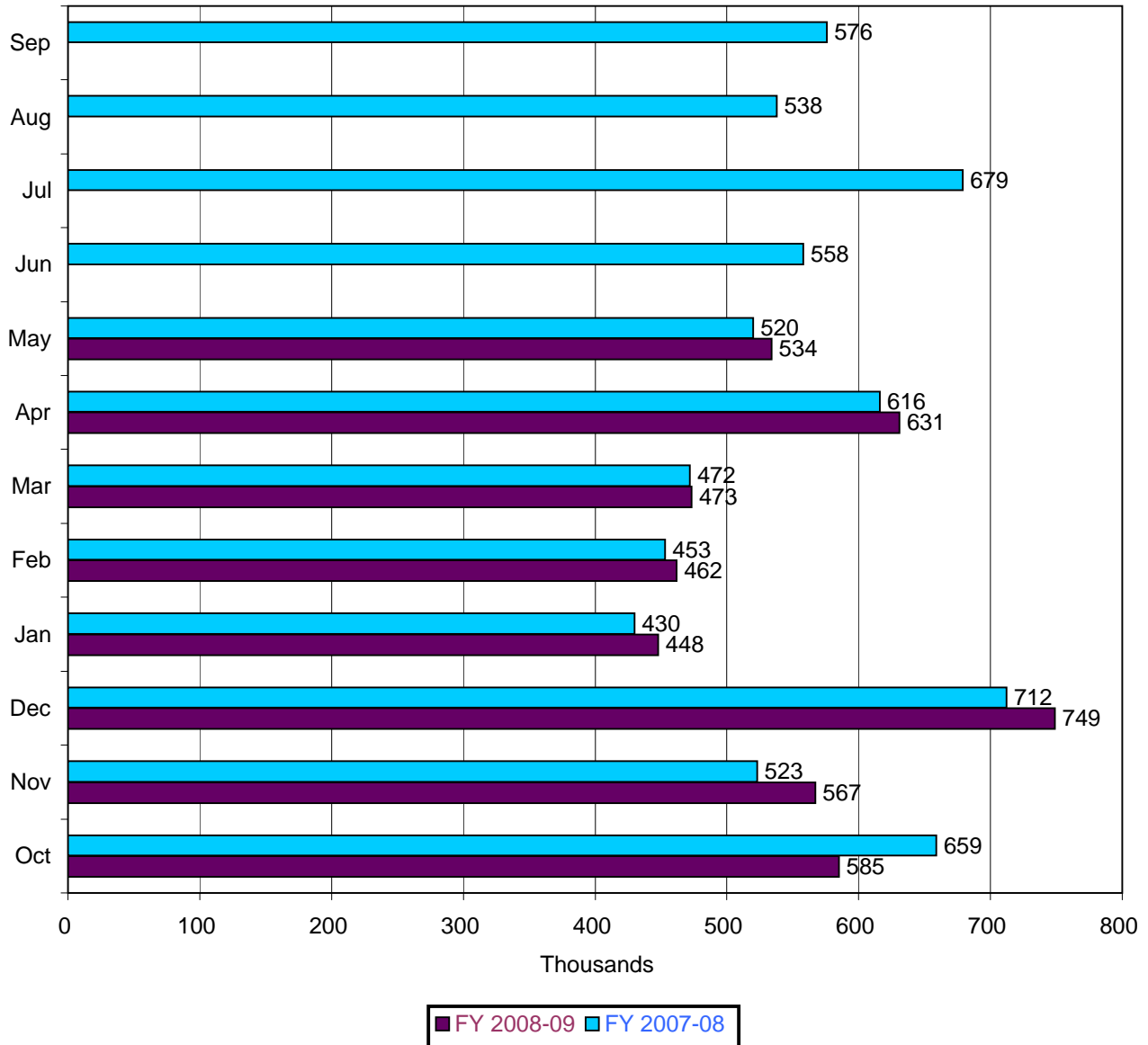
FISCAL YEAR 09 - 10

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CASE SALES



	Fiscal Year to Date 10/09-05/10	Fiscal Year to Date 10/08-05/09	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	4,447,417	4,384,328	63,089	1.44%
Average Price Per Case Sold	\$137.04	\$140.63	(\$3.59)	-2.55%

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

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	<u>68,621,617</u>	<u>84,326,554</u>
Subtotal	\$68,622,317	\$84,327,254
Liquor Inventory - At Current Cost	4,405,059	4,478,658
Prepaid Distribution Costs of Inventory	345,670	323,443
Other Assets		
Accounts Receivable	\$22,943,553	\$15,139,648
Returned Checks	139,943	283,505
Payroll Correction Clearing	<u>0</u>	<u>0</u>
Subtotal	<u>23,083,496</u>	<u>15,423,153</u>
TOTAL ASSETS	<u><u>\$96,456,542</u></u>	<u><u>\$104,552,508</u></u>
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$1,056,498	\$698,594
Warrants Authorized/Not Issued	71,613,400	70,695,349
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	\$73,304,896	\$71,713,234
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>21,783,702</u>	<u>31,126,232</u>
Current Period Ending Balance	<u>22,659,441</u>	<u>32,001,971</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u><u>\$96,456,542</u></u>	<u><u>\$104,552,508</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
EIGHT MONTHS ENDED MAY 31

	2010	2009
REVENUE		
TOTAL GROSS SALES	\$609,494,644	\$616,566,043
Less: Discounts Allowed	103,676,348	104,893,418
PROCEEDS - SALE OF LIQUOR	\$505,818,296	\$511,672,625
Less: Cost of Goods Sold		
Beginning Inventory	\$7,008,115	\$8,772,511
Add: Purchases	366,879,622	369,249,557
Less: Ending Inventory	4,405,059	4,478,658
Cost of Goods Sold	\$369,482,678	\$373,543,410
GROSS REVENUE FROM SALE OF LIQUOR	\$136,335,618	\$138,129,215
OTHER REVENUE		
Miscellaneous Revenue	(\$34,017)	\$18,134
Non-Operating Revenue	36	0
Interest Revenue	90,211	406,769
TOTAL OTHER REVENUE	\$56,230	\$424,903
TOTAL REVENUE	\$136,391,848	\$138,554,118
EXPENSES AND TRANSFERS		
MLCC Expenses		
Commission	\$277,271	\$235,905
Management Support	1,759,178	1,819,461
Licensing & Enforcement (1)	3,334,385	3,297,998
Distribution Cost Paid to Suppliers	31,035,902	30,548,073
Compensated Absences	0	0
Total MLCC Expenses	\$36,406,736	\$35,901,437
Other Agencies Expenses		
Attorney General	\$458,182	\$412,136
Auditor General	11,300	11,300
Civil Service - Personnel	142,298	0
Management and Budget	0	0
DIT - Information Technology Services	2,312,645	2,616,596
MLCC Rent	705,130	816,441
DELEG - Executive Direction	221,100	466,061
DELEG - Administrative Offices	1,731,774	1,498,789
Total Other Agencies Expenses	\$5,582,429	\$5,821,323
TOTAL EXPENSES AND TRANSFERS	\$41,989,165	\$41,722,760
NET INCOME (Not Including Taxes & Grants)	\$94,402,683	\$96,831,358
Add: Specific Tax, Liquor 1.85%	9,093,584	9,201,910
NET REVENUE (Before Unrelated Expenses)	\$103,496,267	\$106,033,268
DELEG-Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$101,085,767	\$103,622,768
RETAINED EARNINGS		
Transfers to General Fund-Cash	88,000,000	88,000,000
Current Year Increase or (Decrease)	\$13,085,767	\$15,622,768
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$13,961,506	\$16,498,507

Note:

(1) Includes the Revolving Fund Portion only.

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

	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	136,391,848	138,554,118	(2,162,270)
Specific Tax, Liquor 1.85%	<u>9,093,584</u>	<u>9,201,910</u>	<u>(108,326)</u>
Total Equity Available	<u>\$146,361,171</u>	<u>\$148,631,767</u>	<u>(\$2,270,596)</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$88,000,000	\$88,000,000	\$0
MLCC Expenses	36,406,736	35,901,437	505,299
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	5,582,429	5,821,323	(238,894)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$132,399,665</u>	<u>\$132,133,260</u>	<u>\$266,405</u>
Ending Equity	<u>\$13,961,506</u>	<u>\$16,498,507</u>	<u>(\$2,537,001)</u>

**MICHIGAN LIQUOR CONTROL COMMISSION
ALL FUNDS
UNAUDITED COMPARATIVE SCHEDULE OF OPERATIONS
EIGHT MONTHS ENDED MAY 31**

	<u>2010 MONTH</u>	<u>YTD</u>	<u>2009 MONTH</u>	<u>YTD</u>	<u>YTD INCR./(DECR.)</u>
LIQUOR SALES					
Off Premise	\$58,364,514	\$491,090,408	\$58,557,616	\$496,407,017	(\$5,316,609)
On Premise	14,151,342	118,115,426	14,183,037	119,853,641	(1,738,215)
Other	33,772	288,810	37,241	305,385	(16,575)
TOTAL GROSS SALES	<u>\$72,549,628</u>	<u>\$609,494,644</u>	<u>\$72,777,894</u>	<u>\$616,566,043</u>	<u>(\$7,071,399)</u>
Less: Discounts Allowed	12,332,906	103,676,348	12,375,325	104,893,418	(1,217,070)
PROCEEDS-SALE OF LIQUOR	<u>\$60,216,722</u>	<u>\$505,818,296</u>	<u>\$60,402,569</u>	<u>\$511,672,625</u>	<u>(\$5,854,329)</u>
Less: Cost of Goods Sold	44,044,468	369,482,678	44,520,322	373,543,410	(4,060,732)
GROSS REVENUE FROM SALE OF LIQUOR	<u>\$16,172,254</u>	<u>\$136,335,618</u>	<u>\$15,882,247</u>	<u>\$138,129,215</u>	<u>(\$1,793,597)</u>
OTHER REVENUE					
Miscellaneous Revenue	(\$1,937)	(\$34,017)	\$21,738	\$18,134	(\$52,151)
Non-Operating Revenue	36	36	0	0	36
Interest Revenue	0	90,211	0	406,769	(316,558)
TOTAL OTHER REVENUE	<u>(\$1,901)</u>	<u>\$56,230</u>	<u>\$21,738</u>	<u>\$424,903</u>	<u>(\$368,673)</u>
TOTAL REVENUE	<u>\$16,170,353</u>	<u>\$136,391,848</u>	<u>\$15,903,985</u>	<u>\$138,554,118</u>	<u>(\$2,162,270)</u>
Less: Distribution Cost Paid to Suppliers	3,726,909	31,035,902	3,656,139	30,548,073	487,829
INCOME FROM LIQUOR MERCHANDISING	<u>\$12,443,444</u>	<u>\$105,355,946</u>	<u>\$12,247,846</u>	<u>\$108,006,045</u>	<u>(\$2,650,099)</u>
MANAGEMENT EXPENSES					
Commission	\$36,232	\$277,271	\$36,476	\$235,905	\$41,366
Management Support(1)	288,810	1,924,925	320,861	1,954,427	(29,502)
Licensing & Enforcement(1)	915,407	7,742,660	953,473	7,806,110	(63,450)
DELEG Services	563,259	4,363,374	479,404	4,375,350	(11,976)
DIT - Information Technology Services	168,105	2,312,645	799,435	2,616,596	(303,951)
Attorney General	0	458,182	214,458	412,136	46,046
Auditor General	0	11,300	0	11,300	0
Civil Service - Personnel	0	142,298	0	0	142,298
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>\$1,971,813</u>	<u>\$14,822,155</u>	<u>\$2,804,107</u>	<u>\$15,001,324</u>	<u>(\$179,169)</u>
INCOME FROM OPERATIONS	<u>\$10,471,631</u>	<u>\$90,533,791</u>	<u>\$9,443,739</u>	<u>\$93,004,721</u>	<u>(\$2,470,930)</u>
Specific Tax, Liquor 1.85%(Off Premise)	1,080,798	9,093,584	835,892	9,201,910	(108,326)
Revenue Collected for Other Funds	13,848,009	118,640,157	14,448,595	119,747,426	(1,107,269)
TOTAL CURRENT EARNINGS & REVENUE	<u>\$25,400,438</u>	<u>\$218,267,532</u>	<u>\$24,728,226</u>	<u>\$221,954,057</u>	<u>(\$3,686,525)</u>
Number of Cases Sold	533,773	4,447,417	519,628	4,384,328	63,089
Number of Sales Days	20	172	20	173	(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
EIGHT MONTHS ENDED MAY 31**

	<u>CURRENT MONTH</u>	<u>2010</u>	<u>2009</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax, Beer	\$3,681,303	\$23,981,114	\$24,392,345	(\$411,231)
Specific Tax, Liquor 4%	2,899,364	24,340,693	24,616,040	(275,347)
Excise Tax, Wine	429,250	4,992,780	5,280,264	(287,484)
Excise Tax, Mixed Spirit Drink	24,337	202,521	147,731	54,790
Fines & Costs	66,727	580,620	646,420	(65,800)
Miscellaneous Revenue	18,806	114,041	45,498	68,543
TOTAL GENERAL FUND - GENERAL PURPOSE	<u>\$7,119,787</u>	<u>\$54,211,769</u>	<u>\$55,128,298</u>	<u>(\$916,529)</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$342,834	\$7,849,444	\$7,632,456	\$216,988
41.5% To Licensing & Enforcement	259,777	4,695,144	4,594,086	101,058
3.5% To Alcoholism Prevention Programs	21,817	393,574	385,063	8,511
Additional Resort License Fees	19,650	19,650	75,850	(56,200)
Direct Shipper License Fees	5,900	48,381	69,828	(21,447)
License Transfer Fees	43,284	393,712	459,813	(66,101)
Sunday Sales Fees	81,086	1,459,604	1,441,980	17,624
Non-Retail License Fees-Wine Industry Council	33,945	502,865	471,650	31,215
Liquor Control Act Sales	335	2,420	2,580	(160)
Inspection Fees	117,032	308,717	178,607	130,110
Specific Tax, Liquor 4%-Tourism & Conv. Facility	2,899,364	24,373,374	24,654,605	(281,231)
Miscellaneous Revenue	3,834	40,810	36,570	4,240
TOTAL GENERAL FUND-RESTRICTED	<u>\$3,828,858</u>	<u>\$40,087,695</u>	<u>\$40,003,088</u>	<u>\$84,607</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$2,899,364	\$24,340,693	\$24,616,040	(\$275,347)
TOTAL SCHOOL AID FUND	<u>\$2,899,364</u>	<u>\$24,340,693</u>	<u>\$24,616,040</u>	<u>(\$275,347)</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$13,848,009</u>	<u>\$118,640,157</u>	<u>\$119,747,426</u>	<u>(\$1,107,269)</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$1,080,798	\$9,093,584	\$9,201,910	(\$108,326)
Income From Operations (Excluding Taxes & Grants)(1)	10,471,631	90,533,791	93,004,721	(2,470,930)
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$11,552,429</u>	<u>\$99,627,375</u>	<u>\$102,206,631</u>	<u>(\$2,579,256)</u>
TOTAL REVENUE COLLECTED	<u>\$25,400,438</u>	<u>\$218,267,532</u>	<u>\$221,954,057</u>	<u>(\$3,686,525)</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
EIGHT MONTHS ENDED MAY 31**

	COMMISSION (1)		MANAGEMENT SUPPORT		LICENSING & ENFORCEMENT		TOTAL 2010	TOTAL 2009
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
	MLCC APPROPRIATED EXPENSES							
Salaries & Wages	\$36,232	\$277,271	\$109,385	\$851,503	\$476,623	\$4,111,729	\$5,240,503	\$5,178,360
Longevity & Insurance	0	0	33,589	297,217	115,781	1,100,011	1,397,228	1,346,908
Retirement & FICA	0	0	50,002	394,459	177,243	1,532,738	1,927,197	1,813,242
Subtotal	\$36,232	\$277,271	\$192,976	\$1,543,179	\$769,647	\$6,744,478	\$8,564,928	\$8,338,510
Communications	\$0	\$0	\$4,881	\$22,161	\$10,570	\$65,945	\$88,106	\$96,147
Travel	0	0	2,649	24,436	20,091	136,958	161,394	175,600
Utilities	0	0	1,518	11,227	281	2,027	13,254	8,988
Contractual Services	0	0	59,059	85,329	8,866	106,971	192,300	305,565
Supplies & Materials	0	0	6,005	58,071	34,372	119,843	177,914	179,307
Equipment Replacement, Additions & Rentals	0	0	1,370	10,818	2,986	23,445	34,263	67,215
Miscellaneous	0	0	0	3,956	3,612	3,612	7,568	8,669
Subtotal	\$0	\$0	\$75,482	\$215,998	\$80,778	\$458,801	\$674,799	\$841,491
TOTAL MLCC APPROPRIATED EXPENSES	\$36,232	\$277,271	\$268,458	\$1,759,177	\$850,425	\$7,203,279	\$9,239,727	\$9,180,001
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$20,354	\$165,748	\$64,981	\$539,381	\$705,129	\$816,441
Other Operating Transfers Out(3)	0	0	0	0	0	0	7,287,799	7,415,382
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$20,354	\$165,748	\$64,981	\$539,381	\$7,992,928	\$8,231,823
GRAND TOTAL	\$36,232	\$277,271	\$288,812	\$1,924,925	\$915,406	\$7,742,660	\$17,232,655	\$17,411,824

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.