

STATE OF MICHIGAN

LIQUOR CONTROL COMMISSION

FINANCIAL REPORT

January 2011



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

Rick Snyder, Governor
Stephen H. Hilfinger, Department Director
Nida R. Samona, Chairperson

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

MICHIGAN LIQUOR CONTROL COMMISSION

JANUARY FINANCIAL REPORT

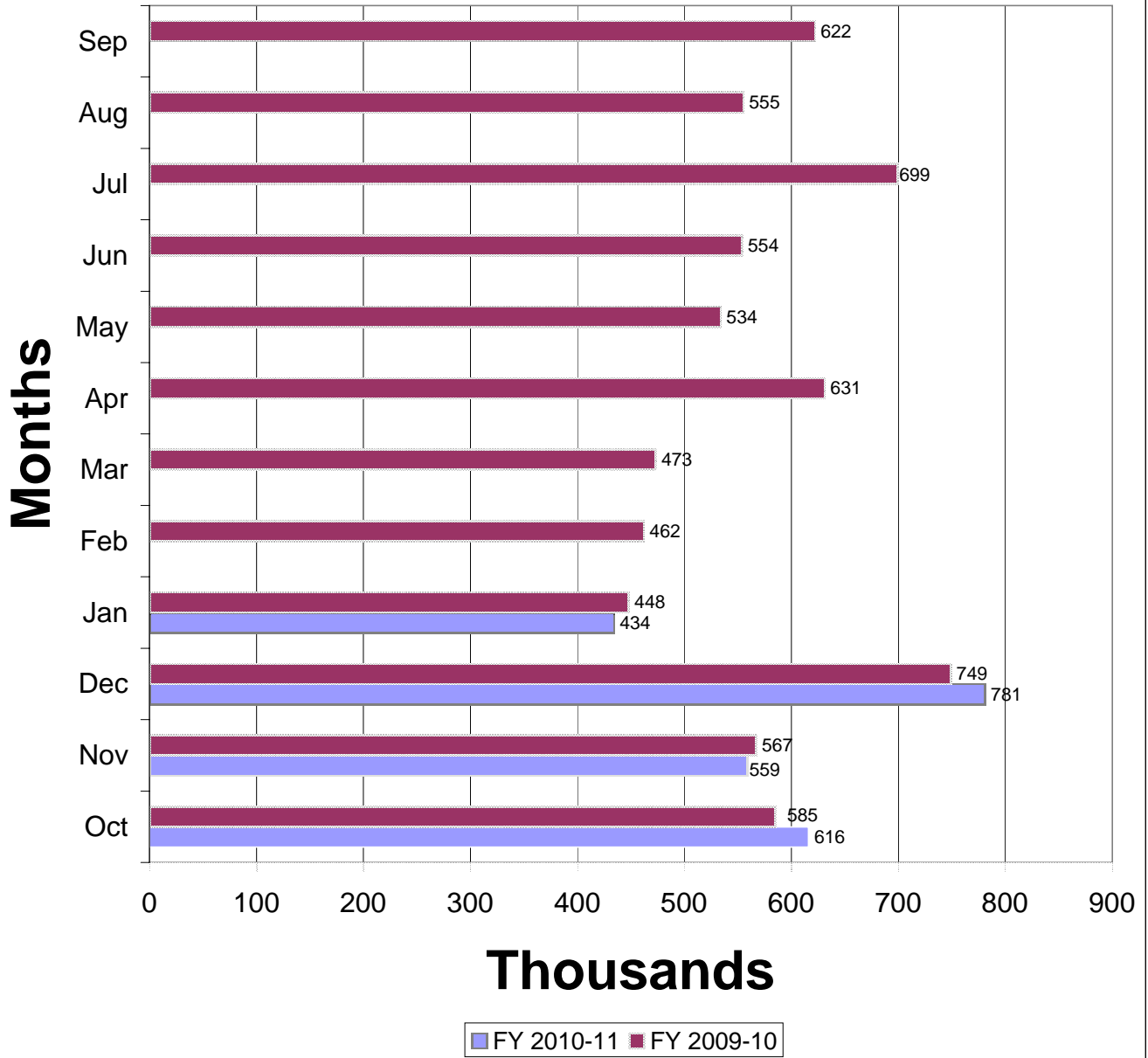
FISCAL YEAR 10 - 11

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 Energy, Labor & Economic Growth 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 10/10-01/11	Fiscal Year to Date 10/09-01/10	# Increase (Decrease)	% Increase -Decrease
Number of Cases Sold	2,389,780	2,348,381	41,399	1.76%
Average Price Per Case Sold	\$137.58	\$135.83	\$1.75	1.29%

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

	2011	2010
ASSETS		
CURRENT ASSETS		
Imprest Cash	\$700	\$700
Cash-State Treasurer Common Cash Fund*	57,408,315	56,399,348
Subtotal	\$57,409,015	\$56,400,048
Liquor Inventory - At Current Cost	5,066,614	7,864,346
Prepaid Distribution Costs of Inventory	391,240	629,377
Other Assets		
Accounts Receivable	\$28,660,089	\$22,019,429
Returned Checks	122,299	167,720
Payroll Correction Clearing	0	0
Subtotal	28,782,388	22,187,149
TOTAL ASSETS	\$91,649,257	\$87,080,920
LIABILITIES & RETAINED EARNINGS		
CURRENT LIABILITIES		
Warrants Outstanding	\$460,439	\$792,485
Warrants Authorized/Not Issued	71,236,040	69,863,816
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	\$72,406,852	\$71,291,299
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)*	17,856,147	14,421,677
Current Period Ending Balance	18,731,886	15,297,416
TOTAL LIABILITIES & RETAINED EARNINGS	\$91,649,257	\$87,080,920

*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

	2011	2010
REVENUE		
TOTAL GROSS SALES	\$328,783,676	\$318,973,101
Less: Discounts Allowed	55,919,348	54,263,144
PROCEEDS - SALE OF LIQUOR	\$272,864,328	\$264,709,957
Less: Cost of Goods Sold		
Beginning Inventory	\$5,939,664	\$7,008,115
Add: Purchases	198,281,378	195,179,712
Less: Ending Inventory	5,066,614	7,864,346
Cost of Goods Sold	\$199,154,428	\$194,323,481
GROSS REVENUE FROM SALE OF LIQUOR	\$73,709,900	\$70,386,476
OTHER REVENUE		
Miscellaneous Revenue	\$3,256	(\$21,359)
Non-Operating Revenue	0	0
Interest Revenue	34,037	0
TOTAL OTHER REVENUE	\$37,293	(\$21,359)
TOTAL REVENUE	\$73,747,193	\$70,365,117
EXPENSES AND TRANSFERS		
<u>MLCC Expenses</u>		
Commission	\$116,514	\$123,297
Management Support	892,102	752,066
Licensing & Enforcement (1)	1,484,072	1,519,464
Distribution Cost Paid to Suppliers	16,651,958	16,325,771
Compensated Absences	0	0
Total MLCC Expenses	\$19,144,646	\$18,720,598
<u>Other Agencies Expenses</u>		
Attorney General	\$218,611	\$219,070
Auditor General	0	11,300
Civil Service - Personnel	0	0
Management and Budget	0	0
Information Technology Services	1,236,018	1,000,440
MLCC Rent	335,014	363,786
DELEG - Executive Direction	(139,886)	165,424
DELEG - Administrative Offices	781,123	759,152
Total Other Agencies Expenses	\$2,430,880	\$2,519,172
Excluding Transfers Not Related to MLCC		
TOTAL EXPENSES AND TRANSFERS	\$21,575,526	\$21,239,770
NET INCOME (Not Including Taxes & Grants)	\$52,171,667	\$49,125,347
Add: Specific Tax, Liquor 1.85%	5,066,531	4,832,976
NET REVENUE (Before Unrelated Expenses)	\$57,238,198	\$53,958,323
DELEG - Transfers For Grant Not Related to MLCC	2,410,500	2,410,500
NET INCOME	\$54,827,698	\$51,547,823
RETAINED EARNINGS		
Transfers to General Fund - Cash	44,000,000	44,000,000
Current Year Increase or (Decrease)	\$10,827,698	\$7,547,823
Retained Earnings - Beginning	875,739	875,739
RETAINED EARNINGS - ENDING	\$11,703,437	\$8,423,562

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**

	<u>2011</u>	<u>2010</u>	<u>INCREASE (DECREASE)</u>
EQUITY AVAILABLE			
Beginning Equity	\$875,739	\$875,739	\$0
Current Earnings	73,747,193	70,365,117	3,382,076
Specific Tax, Liquor 1.85%	<u>5,066,531</u>	<u>4,832,976</u>	<u>233,555</u>
Total Equity Available	<u>\$79,689,463</u>	<u>\$76,073,832</u>	<u>\$3,615,631</u>
ALLOCATION OF EQUITY			
Transferred to General Fund	\$44,000,000	\$44,000,000	\$0
MLCC Expenses	19,144,646	18,720,598	424,048
Other Agencies Expenses (Excluding Transfer Not Related to MLCC)	2,430,880	2,519,172	(88,292)
DELEG Transfer Not Related to MLCC	<u>2,410,500</u>	<u>2,410,500</u>	<u>0</u>
Total Allocation of Equity	<u>\$67,986,026</u>	<u>\$67,650,270</u>	<u>\$335,756</u>
Ending Equity	<u>\$11,703,437</u>	<u>\$8,423,562</u>	<u>\$3,279,875</u>

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

	2011 MONTH	YTD	2010 MONTH	YTD	YTD INCR./(DECR.)
LIQUOR SALES					
Off Premise	\$46,998,176	\$273,513,644	\$44,502,459	\$260,653,051	\$12,860,593
On Premise	11,617,990	55,061,562	12,873,451	58,150,027	(3,088,465)
Other	26,188	208,470	14,207	170,023	38,447
TOTAL GROSS SALES	\$58,642,354	\$328,783,676	\$57,390,117	\$318,973,101	\$9,810,575
Less: Discounts Allowed	9,970,439	55,919,348	9,758,111	54,263,144	1,656,204
PROCEEDS-SALE OF LIQUOR	\$48,671,915	\$272,864,328	\$47,632,006	\$264,709,957	\$8,154,371
Less: Cost of Goods Sold	36,501,351	199,154,428	36,048,767	194,323,481	4,830,947
GROSS REVENUE FROM SALE OF LIQUOR	\$12,170,564	\$73,709,900	\$11,583,239	\$70,386,476	\$3,323,424
OTHER REVENUE					
Miscellaneous Revenue	\$17,517	\$3,256	(\$46,791)	(\$21,359)	\$24,615
Non-Operating Revenue	0	0	0	0	0
Interest Revenue	34,037	34,037	0	0	34,037
TOTAL OTHER REVENUE	\$51,554	\$37,293	(\$46,791)	(\$21,359)	\$58,652
TOTAL REVENUE	\$12,222,118	\$73,747,193	\$11,536,448	\$70,365,117	\$3,382,076
Less: Distribution Cost Paid to Suppliers	3,102,584	16,651,958	3,094,869	16,325,771	326,187
INCOME FROM LIQUOR MERCHANDISING	\$9,119,534	\$57,095,235	\$8,441,579	\$54,039,346	\$3,055,889
MANAGEMENT EXPENSES					
Commission	\$31,451	\$116,514	\$28,531	\$123,297	(\$6,783)
Management Support(1)	374,435	969,077	237,765	836,395	132,682
Licensing & Enforcement(1)	1,061,344	3,464,070	947,562	3,561,941	(97,871)
DELEG Services	(133,726)	3,051,737	126,974	3,335,076	(283,339)
Information Service Technology	1,080,362	1,236,018	665,343	1,000,440	235,578
Attorney General	218,611	218,611	219,070	219,070	(459)
Auditor General	0	0	11,300	11,300	(11,300)
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	\$2,632,477	\$6,645,527	\$2,236,545	\$6,677,019	(\$31,492)
INCOME FROM OPERATIONS	\$6,487,057	\$50,449,708	\$6,205,034	\$47,362,327	\$3,087,381
Specific Tax, Liquor 1.85%(Off Premise)	880,490	5,066,531	833,426	4,832,976	233,555
Revenue Collected for Other Funds	10,847,854	55,223,304	10,700,945	53,965,072	1,258,232
TOTAL CURRENT EARNINGS & REVENUE	\$18,215,401	\$110,739,543	\$17,739,405	\$106,160,375	\$4,579,168
Number of Cases Sold	433,967	2,389,780	447,929	2,348,381	41,399
Number of Sales Days	20	86	20	87	(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 2011</u>	<u>YTD 2010</u>	<u>INCREASE (DECREASE)</u>
GENERAL FUND - GENERAL PURPOSE				
Excise Tax Beer	\$2,888,910	\$10,463,916	\$10,870,077	(\$406,161)
Specific Tax, Liquor 4%	2,340,485	13,137,476	12,733,651	403,825
Excise Tax, Wine	516,573	1,750,884	2,173,863	(422,979)
Excise Tax, Mixed Spirit Drink	22,163	67,366	142,333	(74,967)
Fines & Costs	100,187	251,248	274,946	(23,698)
Miscellaneous Revenue	(777)	46,151	10,170	35,981
TOTAL GENERAL FUND - GENERAL PURPOSE:	<u>\$5,867,541</u>	<u>\$25,717,041</u>	<u>\$26,205,040</u>	<u>(\$487,999)</u>
GENERAL FUND - RESTRICTED				
RETAIL LICENSE FEES:				
55% To Local Governments	\$34,236	\$2,054,972	\$1,797,185	\$257,787
41.5% To Licensing & Enforcement	27,412	154,520	97,148	57,372
3.5% To Alcoholism Prevention Programs	2,179	12,900	8,193	4,707
Additional Resort License Fees	0	19,400	0	19,400
Direct Shipper License Fees	561	2,261	2,800	(539)
License Transfer Fees	40,957	178,814	201,006	(22,192)
Sunday Sales Fees	151,661	657,350	44,495	612,855
Non-Retail License Fees-Wine Industry Council	4,250	36,660	22,585	14,075
Liquor Control Act Sales	115	661	1,495	(834)
Inspection Fees	24,010	91,545	93,063	(1,518)
Specific Tax, Liquor 4%-Tourism & Conv. Facility	2,352,617	13,149,608	12,747,031	402,577
Miscellaneous Revenue	1,830	10,096	11,380	(1,284)
TOTAL GENERAL FUND - RESTRICTED	<u>\$2,639,828</u>	<u>\$16,368,787</u>	<u>\$15,026,381</u>	<u>\$1,342,406</u>
SCHOOL AID FUND				
Specific Tax, Liquor 4%	\$2,340,485	\$13,137,476	\$12,733,651	\$403,825
TOTAL SCHOOL AID FUND	<u>\$2,340,485</u>	<u>\$13,137,476</u>	<u>\$12,733,651</u>	<u>\$403,825</u>
REVENUE COLLECTED FOR OTHER FUNDS	<u>\$10,847,854</u>	<u>\$55,223,304</u>	<u>\$53,965,072</u>	<u>\$1,258,232</u>
LIQUOR PURCHASE REVOLVING FUND				
Specific Tax, Liquor 1.85%	\$880,490	\$5,066,531	\$4,832,976	\$233,555
Income From Operations(Excluding Taxes & Grants)(1)	6,487,057	50,449,708	47,362,327	3,087,381
LIQUOR PURCHASE REVOLVING FUND REVENUE	<u>\$7,367,547</u>	<u>\$55,516,239</u>	<u>\$52,195,303</u>	<u>\$3,320,936</u>
TOTAL REVENUE COLLECTED	<u>\$18,215,401</u>	<u>\$110,739,543</u>	<u>\$106,160,375</u>	<u>\$4,579,168</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)						2011	2010
	Current Month	YTD	Current Month	YTD	Current Month	YTD		
MLCC APPROPRIATED EXPENSES								
Salaries & Wages	\$31,451	\$116,514	\$129,750	\$407,896	\$495,371	\$1,762,546	\$2,286,956	\$2,309,909
Longevity & Insurance	0	0	31,568	158,191	117,209	558,263	716,454	715,389
Retirement & FICA	0	0	46,028	181,149	187,241	703,367	884,516	874,448
Subtotal	\$31,451	\$116,514	\$207,346	\$747,236	\$799,821	\$3,024,176	\$3,887,926	\$3,899,746
Communications	\$0	\$0	\$65,948	\$69,729	\$10,945	\$23,251	\$92,980	\$34,331
Travel	0	0	1,826	7,257	16,083	51,461	58,718	67,841
Utilities	0	0	2,065	6,085	214	968	7,053	6,643
Contractual Services	0	0	2,342	11,312	5,490	20,929	32,241	65,544
Supplies & Materials	0	0	3,593	16,698	18,026	47,469	64,167	61,293
Equipment Replacement, Additions & Rentals	0	0	25,231	33,785	27,456	37,777	71,562	18,492
Miscellaneous	0	0	0	0	0	0	0	3,956
Subtotal	\$0	\$0	\$101,005	\$144,866	\$78,214	\$181,855	\$326,721	\$258,100
TOTAL MLCC APPROPRIATED EXPENSES	\$31,451	\$116,514	\$308,351	\$892,102	\$878,035	\$3,206,031	\$4,214,647	\$4,157,846
OPERATING TRANSFERS OUT & OTHER EXPENSES								
Rent and Building Occupancy(2)	\$0	\$0	\$66,084	\$76,975	\$183,309	\$258,039	\$335,014	\$363,787
Other Operating Transfers Out(3)	0	0	0	0	0	0	4,506,366	4,565,886
TOTAL OPERATING TRANSFERS OUT & OTHER EXPENSES	\$0	\$0	\$66,084	\$76,975	\$183,309	\$258,039	\$4,841,380	\$4,929,673
GRAND TOTAL	\$31,451	\$116,514	\$374,435	\$969,077	\$1,061,344	\$3,464,070	\$9,056,027	\$9,087,519

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.