

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statement of Net Position
(Unaudited)**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 64,713,902	\$ 46,272,735
Investments - short term	240,010,109	341,784,005
Accounts and claims receivable, net	1,589,459	5,387,863
Due from other funds - Note 9	-	-
Merchandise inventories, net	217,628,296	211,931,972
Operating supplies	704,424	895,851
Prepaid expenses	2,223,090	1,982,027
	<u>526,869,280</u>	<u>608,254,453</u>
Total current assets		
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,837,326	10,923,350
Leasehold improvements	209,134	209,134
Machinery and equipment	45,084,347	56,166,544
Intangible - internally generated software	82,252,936	70,232,259
Intangible - right to use leases - Note 10	452,422,066	394,613,531
Intangible - right to use IT subscriptions - Note 11	20,835,288	16,554,170
Less: accumulated depreciation or amortization	<u>(317,920,756)</u>	<u>252,882,651</u>
Net depreciable or amortizable capital assets	<u>293,720,340</u>	<u>295,816,337</u>
Total non-current capital assets	<u>294,043,313</u>	<u>296,139,310</u>
	<u>520,912,593</u>	<u>604,393,763</u>
Total assets		
	<u>\$ 820,912,593</u>	<u>\$ 904,393,763</u>
Total deferred outflows of resources - Notes 5, 6		
	\$ 193,316,974	\$ 261,084,528
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 322,484,332	\$ 332,284,725
Other accounts payable	27,487,035	25,232,465
Accrued expenses	26,739,483	24,292,565
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	4,767,807	4,795,551
Due to other funds - Note 9	6,019,139	66,854,774
Due to fiduciary funds - Note 9	4,023,696	3,648,404
Due to other governments - Note 9	1,183,798	1,038,014
Right to use liabilities - Note 10	63,474,715	61,080,481
Total current liabilities	<u>456,180,005</u>	<u>519,226,979</u>
Non-current liabilities:		
OPEB - Note 6	317,406,000	416,014,000
Self-insurance, workers' compensation - Note 7	42,229,790	43,295,622
Net pension liability - Note 5	537,784,715	569,164,330
Compensated absences - Note 1	26,266,236	24,484,695
Right to use liabilities - Note 10	176,885,959	180,470,683
Total non-current liabilities	<u>1,100,572,700</u>	<u>1,233,429,330</u>
	<u>1,556,752,705</u>	<u>1,752,656,309</u>
Total liabilities		
	<u>\$ 1,556,752,705</u>	<u>\$ 1,752,656,309</u>
Total deferred inflows of resources - Notes 5, 6		
	\$ 206,690,667	\$ 214,179,426
<u>NET POSITION</u>		
Net investment in capital assets	\$ 53,682,639	\$ 54,588,146
Deficit	<u>(802,896,444)</u>	<u>(855,945,590)</u>
Total net position - Note 12	<u>\$ (749,213,805)</u>	<u>\$ (801,357,444)</u>

Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending June 30, 2024 and June 30, 2023
(Unaudited)

	2023-24	2022-23
Sales net of taxes	\$ 205,416,542	\$ 216,047,561
Cost of goods sold	<u>(136,851,035)</u>	<u>(144,734,001)</u>
Gross profit from sales	68,565,507	71,313,560
Operating (expenses):		
Wholesale	(799,038)	(3,368,504)
Retail	(31,472,057)	(49,207,218)
E-Commerce	(91,750)	(337,216)
Regulatory	26,646	(2,017,390)
Enterprise	(8,233,086)	(14,174,381)
Commonwealth provided services - Note 2	<u>(2,213,784)</u>	<u>(2,070,115)</u>
Total	(42,783,069)	(71,174,824)
Operating profit/(loss)	25,782,438	138,736
Other operating revenues (expenses):		
Enforcement fines	341,871	165
License fees	2,422,379	2,431,549
Miscellaneous income	<u>166,726</u>	<u>1,201,027</u>
Total	2,930,976	3,632,741
Total operating income/(loss)	28,713,414	3,771,477
Miscellaneous revenues (expenses):		
Interest income (expense)	624,593	909,759
Other	<u>14,780</u>	<u>(887)</u>
Total	639,373	908,872
Income/(Loss) before operating transfers	29,352,787	4,680,349
Operating transfers out:		
PSP enforcement - Note 3	(2,372,458) <u>(2,372,458)</u>	(2,414,175) <u>(2,414,175)</u>
Net Income/(Loss) from operations	26,980,329	2,266,174
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	(4,841,707)	(5,215,423)
Total	<u>(4,841,707)</u>	<u>(5,215,423)</u>
Change in net position	22,138,622	(2,949,249)
**Total net position - beginning - Note 12	(771,352,427)	(798,408,195)
Total net position - ending	<u>\$ (749,213,805)</u>	<u>\$ (801,357,444)</u>

Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Twelve Months Ending June 30, 2024 and June 30, 2023
(Unaudited)

	2023-24	2022-23
Sales net of taxes	\$ 2,545,114,055	\$ 2,513,588,329
Cost of goods sold	<u>(1,725,332,882)</u>	<u>(1,749,390,619)</u>
Gross profit from sales	819,781,173	764,197,710
Operating (expenses):		
Wholesale	(29,046,701)	(22,860,718)
Retail	(414,824,412)	(363,806,695)
E-Commerce	(2,285,715)	(3,268,145)
Regulatory	(13,436,505)	(11,417,913)
Enterprise	(113,009,823)	(92,394,628)
Commonwealth provided services - Note 2	<u>(19,541,691)</u>	<u>(21,218,509)</u>
Total	(592,144,847)	(514,966,608)
Operating profit/(loss)	227,636,326	249,231,102
Other operating revenues (expenses):		
Enforcement fines	1,327,067	1,557,182
License fees	32,763,562	31,918,107
Miscellaneous income	<u>2,337,900</u>	<u>5,855,843</u>
Total	36,428,529	39,331,132
Total operating income/(loss)	264,064,855	288,562,234
Miscellaneous revenues (expenses):		
Interest income (expense)	11,023,171	4,478,657
Other	<u>31,788</u>	<u>50,410</u>
Total	11,054,959	4,529,067
Income/(Loss) before operating transfers	275,119,814	293,091,301
Operating transfers out:		
PSP enforcement - Note 3	(33,034,468)	(32,320,143)
Net Income/(Loss) from operations	242,085,346	260,771,158
Statutory Transfers:		
General fund - Note 4	(185,100,000)	(185,100,000)
Drug and alcohol programs - Note 4	(4,841,707)	(5,215,423)
Total	<u>(189,941,707)</u>	<u>(190,315,423)</u>
Change in net position	52,143,639	70,455,735
**Total net position - beginning 2022-23 - Note 12	(801,357,444)	(871,813,179)
Total net position - ending	<u>\$ (749,213,805)</u>	<u>\$ (801,357,444)</u>

Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statement of Cash Flows
For the Twelve Months Ending June 30, 2024 and June 30, 2023
(Unaudited)

	FY23	FY22
Cash flows from operating activities:		
Receipts from customers	\$ 2,585,340,988	\$ 2,555,962,555
Payments to suppliers	<u>(2,369,848,556)</u>	<u>(2,096,292,312)</u>
Net cash provided by operating activities	215,492,432	459,670,243
Cash flows from noncapital financing activities:		
PSP expenses	(33,034,468)	(32,320,143)
General fund transfer	(185,100,000)	(185,100,000)
DDAP transfer	<u>(9,574,016)</u>	<u>(5,023,655)</u>
Net cash used for noncapital financing activities	(227,708,484)	(222,443,798)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(17,299,446)	(24,610,678)
Proceeds from capital assets	14,780	46,070
Right to use lease principal	(64,855,182)	(61,146,487)
Right to use lease interest	<u>(5,199,009)</u>	<u>(4,582,287)</u>
Net cash used for capital and related financing activities	(87,338,857)	(90,293,381)
Cash flows from investing activities:		
Purchase of investments	(1,670,521,425)	(1,791,623,736)
Proceeds from sale and maturities of investments	1,772,295,321	1,648,193,807
Investment income	<u>16,222,180</u>	<u>9,060,944</u>
Net cash provided by/(used for) investing activities	117,996,076	(134,368,985)
Net increase/(decrease) in cash	18,441,167	12,564,079
Cash - July 1	<u>46,272,735</u>	<u>33,708,656</u>
Cash - June 30	<u>\$ 64,713,902</u>	<u>\$ 46,272,735</u>
Reconciliation of operating income/(loss) to net cash provided by/(used for) operating activities:		
Operating income/(loss)	\$ 264,064,855	\$ 288,562,234
Depreciation	83,077,143	75,792,035
Change in assets and liabilities		
Accounts receivable	3,798,404	3,043,094
Inventory	(5,504,897)	(3,181,838)
Due from other funds	-	-
Other operating net assets	(241,063)	(1,013,105)
Deferred outflows - pension and OPEB related	67,767,554	(76,729,523)
Accounts payable and accrued liabilities	(5,098,905)	117,981,828
Due to other funds	(56,103,326)	55,207,009
Due to pension trust funds	375,292	277,999
Net pension liability	(31,379,615)	200,118,367
Due to other governments	145,784	42,039
Other post-employment benefit obligations	(98,608,000)	(16,141,000)
Self-insurance liabilities	(1,093,576)	706,068
Compensated Absences	1,781,541	(2,380,903)
Deferred inflows - pension and OPEB related	<u>(7,488,759)</u>	<u>(182,614,060)</u>
Total adjustments	<u>(48,572,423)</u>	<u>171,108,009</u>
Net cash provided by operating activities:	<u>\$ 215,492,432</u>	<u>\$ 459,670,243</u>

Noncash investing, capital and financing activities:

A \$4,841,707 Department of Drug and Alcohol Programs (DDAP) liability was accrued in June 2024 for the FY 23-24 statutory obligation. In addition, \$1,160,987 of the FY 22-23 obligation remains to be withdrawn at June 30, 2024.