



PENNSYLVANIA LIQUOR

— FISCAL —

**2017
2018**

— YEAR —

CONTROL BOARD

ANNUAL REPORT



OUR MISSION

The Pennsylvania Liquor Control Board serves as the commonwealth's responsible seller of wines and spirits, regulates Pennsylvania's beverage alcohol industry and promotes social responsibility and alcohol education, while maximizing financial returns for the benefit of all Pennsylvanians.

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MESSAGE FROM THE BOARD

Dear Fellow Pennsylvanians:

We are pleased to present to you the Pennsylvania Liquor Control Board's (PLCB) Fiscal Year 2017–18 Annual Report, which for the first time incorporates retail sales trends in a single, comprehensive publication detailing PLCB operations, popular products and financial results for the fiscal year July 1, 2017, to June 30, 2018.

True to its commitment to provide the best in service and value and to maximize financial returns for the benefit of Pennsylvania consumers, the agency undertook several initiatives in fiscal year 2017–18 to improve operations, grow customer engagement, educate stakeholders and increase revenue.

- Implementation of a new warehouse management system at the Kane distribution center in northeast Pennsylvania increased supply chain efficiencies and allows the PLCB to better distribute wine and spirits to both licensees and Fine Wine & Good Spirits stores. See page 38 for more details on this transition.
- Enhancements to the Special Order program were implemented in October 2017, improving accountability and accuracy of Special Orders, providing better customer service and streamlining order processing. For more information on this initiative, see page 40.
- The Licensee Compliance Program was borne out of Act 44 of 2017, which authorized the PLCB to conduct onsite inspections of establishments and immediately suspend a licensee's ability to sell and serve alcohol when it doesn't meet license requirements. The program, which was named the 2018 Control States Best Practices Award-winner for Best Trade/Licensee Education Program by *StateWays* magazine, is detailed on page 42.
- The agency launched *Know When. Know How.SM*, a statewide education and prevention effort that arms parents of children as young as 8 to 12 years of age with the information, tools and confidence they need to begin having meaningful and effective conversations about alcohol with their kids before trial or use of alcohol begins. To learn more about this award-winning campaign, see page 52.

- Three restaurant license auctions took place in the fiscal year, yielding \$16.3 million in revenue. More auction details are available on page 48.
- The PLCB approved \$1.8 million in grants in support of Pennsylvania's wine and beer industries (as authorized by Act 39 of 2016) and awarded another \$1.2 million in alcohol education grants to reduce underage and dangerous drinking. See more information about grants on pages 49–51.
- Committed to ensuring the safety of its 5,300 employees — without whose dedication and hard work the agency's accomplishments would not be possible — the PLCB introduced new safety procedures in fiscal year 2017–18. To read more about the safety improvements and the resultant 17 percent decrease in workplace injuries, see page 57.
- In fiscal year 2017–18, the PLCB reached record sales of \$2.59 billion (including liquor and sales taxes), a \$67.8 million or 2.7 percent increase over the prior year and previous record. Not only has the PLCB achieved year-over-year sales growth each year for at least the past two decades, but fiscal year 2017–18 also saw record net income of \$158.2 million, \$53.4 million or 50.9 percent higher than the prior fiscal year. Due to the PLCB's ability to negotiate product acquisition costs and retail prices with suppliers, it achieved nine-tenths of a point growth in margin, or profitability — from 30.9 percent in fiscal year 2016–17 to 31.8 percent in 2017–18 — while maintaining fair and competitive prices for consumers. A snapshot of revenues and contributions is available on pages 10–11, while detailed financial reports are available beginning on page 61.

This report highlights operational achievements and wine and spirits sales trends that contributed to such success and concludes with the agency's financials. Thank you for the opportunity to share this information with you, our stakeholders. As evidenced by this report, we strive for continual improvement to better serve our customers and meet the demands of an ever-evolving beverage alcohol marketplace.

Sincerely,



Tim Holden
Chairman



Mike Negra
Member



Michael Newsome
Member

BOARD BIOGRAPHIES

The Pennsylvania Liquor Control Board was created by state law on Nov. 29, 1933. The agency is governed by a board whose three members are appointed by the Governor and confirmed by two-thirds of the state Senate.

TIM HOLDEN CHAIRMAN

Tim Holden was first nominated to the Pennsylvania Liquor Control Board by Governor Tom Corbett on June 14, 2013, and was unanimously confirmed by the state Senate on Nov. 13, 2013.

Tim was named chairman of the PLCB by Governor Tom Wolf on Feb. 17, 2015. He was nominated to a second term by Governor Wolf on May 18, 2016, and was unanimously confirmed by the state Senate on June 29, 2016.

He is a native of St. Clair, Schuylkill County. After attending St. Mary's Elementary School and St. Clair Area High School, Tim received an athletic scholarship to Fork Union Military Academy, completing one year of college prep. He earned a football scholarship to the University of Richmond, but an illness cut short his football career. Tim completed his education at Bloomsburg University, receiving a Bachelor of Arts degree in sociology.

In 1980, Tim earned his license as an insurance broker and real estate agent. He went on to work as a probation officer, was sergeant-at-arms for the Pennsylvania House



of Representatives and served as sheriff of Schuylkill County from 1985 to 1992.

Tim was a member of Congress for 10 terms, representing the Sixth District from 1993 to 2002 and the 17th District from 2003 to 2012. The Sixth District was comprised of Schuylkill and Berks counties, as well as parts of Northumberland and Montgomery counties. The 17th District was comprised of Schuylkill, Dauphin and Lebanon counties, as well as parts of Perry and Berks counties.

Tim was a member of the House Agriculture Committee, and served as vice chairman of that committee in the 110th and 111th Congresses. He was named chairman of the committee's Subcommittee on Conservation, Credit, Energy and Research during the 110th and 111th Congresses, and he served on the Livestock, Dairy and Poultry subcommittee. In the 105th Congress, Tim was appointed to the Transportation and Infrastructure committee.

He and his wife, Gwen, live in St. Clair.

MIKE NEGRA BOARD MEMBER

Mike Negra, a resident of Potter Township, Centre County, was first nominated to the Pennsylvania Liquor Control Board by Governor Tom Corbett on Sept. 10, 2014, and was unanimously confirmed to a four-year term by the state Senate on Oct. 16, 2014. He was re-nominated by Governor Wolf for a second term on June 11, 2018.



View Farm, a working farm in Centre Hall.

A radio, TV and film graduate of the University of Maryland, Negra served on the executive board of the Centre County Chamber of Business and Industry and has been active in numerous charity organizations in that county. For more than 20 years, he has collected, cellared and sampled

wines, studied the wine industry and has visited numerous wineries in the U.S. and abroad. In addition, he has consulted with a number of local restaurants on their wine lists.

Mike is a partner in Negra-Graham Theatrical Advisors, which was formed in 2010 to help emerging theaters handle historic renovation projects. Previously, he served as the board president, construction manager and executive director of the non-profit, community performing arts center State Theatre in State College. In 1984, he founded Mike's Video, a video rental/ music software/ TV and appliance sales and service chain. Negra also has extensive experience in the entertainment industry, acting as road manager or production manager for various artists.

Mike served as regional vice president of an appliance and electronics volume buyers group and has negotiated product placement and pricing with national and international vendors. Negra was the chief retail spokesman for the Recording Industry Association of America (RIAA) during its fight against copyright infringement, and he testified before the U.S. Senate on the issue.

He is a partner in MWA Land Management, a real estate holding company. In addition, he helps manage South

He lives in Centre Hall with his wife, Wanda White.

MICHAEL NEWSOME BOARD MEMBER

Michael Newsome was nominated to the Pennsylvania Liquor Control Board by Governor Tom Wolf on Dec. 11, 2015. He was unanimously confirmed by the state Senate on April 13, 2016, to serve a four-year term.



Having spent nearly four decades in business — including accounting, finance and management — Michael served in a variety of roles across the private sector in Pennsylvania.

After earning a bachelor's degree in mathematics from Lafayette College in Easton, Newsome managed information and administrative systems for Armstrong World Industries, Inc., in Lancaster for more than 15 years. Following that, from 1992 until 2004, he served as Controller at the *York Daily Record*, where he oversaw union contract negotiations and participated in the sale and transfer of newspaper ownership.

Before coming to the PLCB, Michael was a senior executive in the retail and wholesale distribution industry, serving as Executive Vice President and Chief Financial Officer of the Wolf Organization. He was named a 2013 finalist for CFO of The Year by *Central Penn Business Journal* and played a key role in transitioning the company from a traditional two-step distributor to a national sourcing company of kitchen and bath cabinets, decking and other building products.

Newsome has served in past and present roles on the boards of the York County Community Foundation, Memorial Health Systems Foundation, Crispus Attucks Charter School, York County Industrial Development Authority and York County Heritage Trust, among other organizations.

He and his wife live in West Manchester Township, York County.

EXECUTIVE DIRECTOR BIOGRAPHY

CHARLIE MOONEY

As Executive Director, Charlie Mooney is responsible for directing the business operations of the PLCB. He provides leadership and strategic planning recommendations for agency initiatives, manages the executive team and is a conduit to the three-member board.



served as Director of Retail Operations, then most recently as Chief Operating Officer.

He has coached basketball in the Central Dauphin School District and serves on various volunteer boards associated with Linglestown youth sports.

Having started with the PLCB as a store clerk in college, Charlie brings more than three decades of retail and marketing experience to his leadership role. Prior to his appointment as Executive Director, Charlie

A native of Pennsylvania, Charlie graduated with a Bachelor of Science degree in accounting from The University of Scranton. He and his wife, Mary Ann, live in Linglestown and have two adult children.

EXECUTIVE TEAM

(AS OF JUNE 30, 2018)

Director of Regulatory Affairs

Tisha Albert

Director of Finance

Oren Bachman

Director of Policy & Communications

Elizabeth Brassell

Chief Counsel

Rodrigo Diaz

Director of Legislative & Governmental Affairs

Christopher L. Herrington

Director of Wholesale Operations

Doug Hitz

Director of Marketing & Merchandising

Dale Horst

Director of Retail Operations

Carl Jolly

Director of Administration

Jason P. Lutcavage

Director of Supply Chain

Cliff McFarland

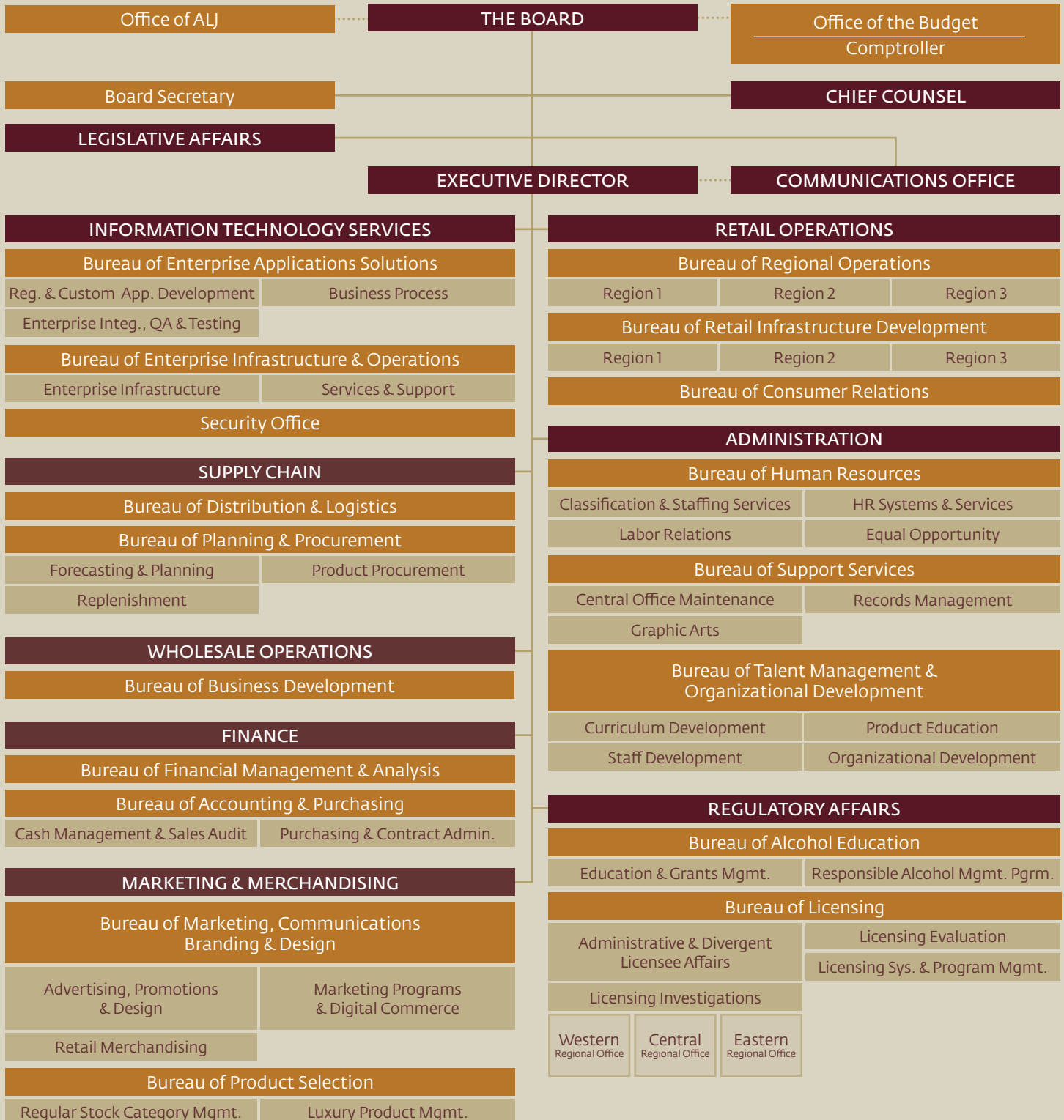
Chief Information Officer

Nicholas Melnick, Jr.

Board Secretary

John Stark

ORGANIZATIONAL STRUCTURE



FINANCIAL HIGHLIGHTS

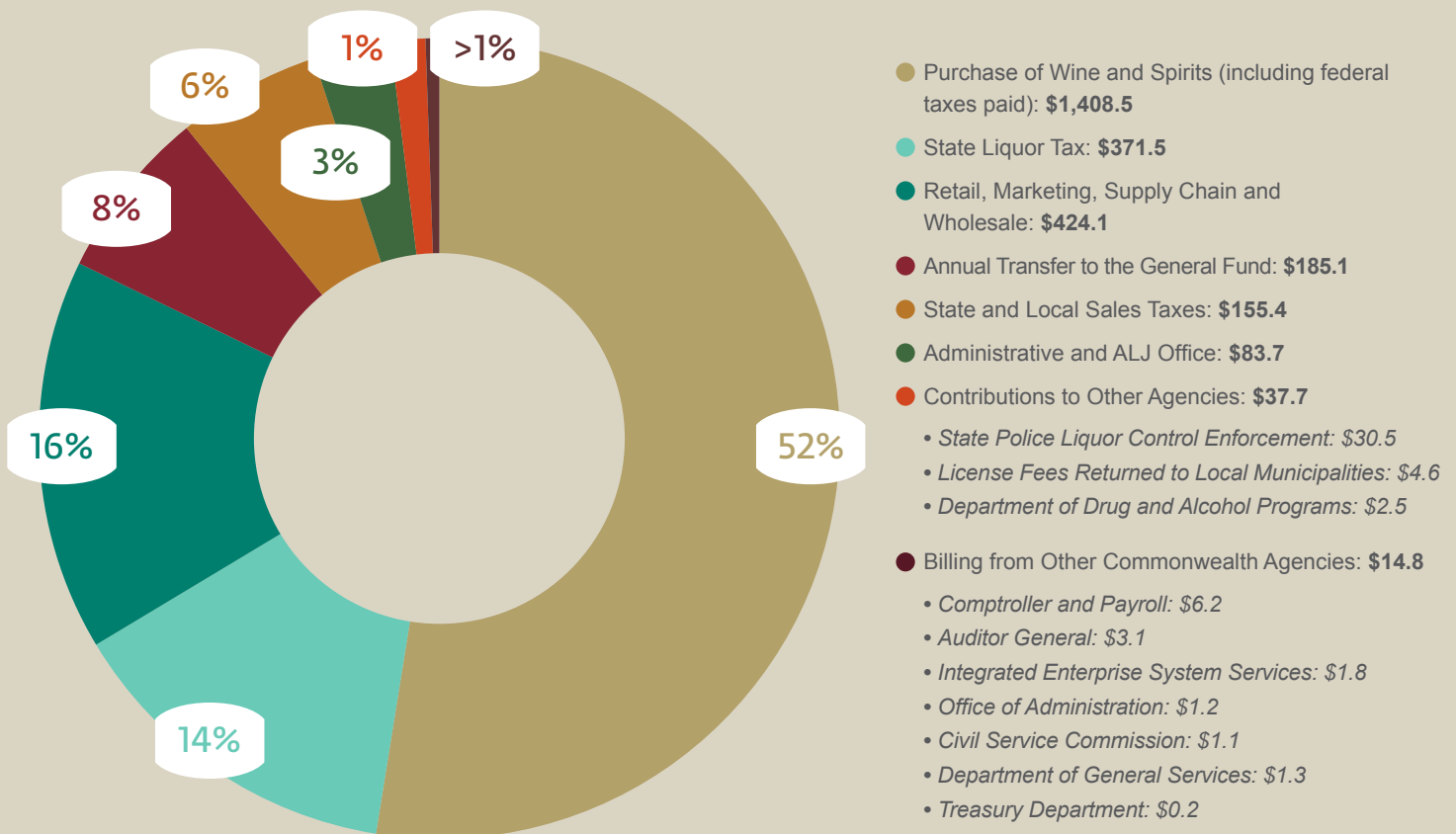
Where The Money Goes

The PLCB generated more than \$2.59 billion in sales and taxes from Fine Wine & Good Spirits stores, direct deliveries to licensees and from its e-commerce website.

Together, **more than \$749.6 million** was returned to the General Fund and state and local government beneficiaries in fiscal year 2017–18.

- The PLCB returned \$702.6 million to the General Fund:
 - \$371.5 million in liquor tax
 - \$146 million in state sales tax
 - \$185.1 million transferred to the General Fund
- The Pennsylvania State Police received \$30.5 million for the enforcement of liquor laws.

DISTRIBUTION OF PROCEEDS (IN MILLIONS)



- The Department of Drug and Alcohol Programs received \$2.5 million to educate and prevent problem alcohol use.
- Philadelphia and Allegheny counties received \$9.4 million in local sales taxes.
- Local communities received \$4.6 million in returned licensing fees.
- \$12.5 million to the Department of Drug and Alcohol Programs
- \$22.5 million to local communities

IN FISCAL YEAR 2017-18, THE PLCB:

IN THE LAST FIVE YEARS, THE PLCB HAS PROVIDED:

- \$3.08 billion to the Pennsylvania General Fund
- \$135.4 million to the Pennsylvania State Police
- Authorized \$1.8 million in grants in support of Pennsylvania's wine and beer industries
- Awarded \$1.2 million in alcohol education grants to reduce underage and dangerous drinking

PLCB SUMMARY FINANCIAL INFORMATION (IN THOUSANDS EXCEPT AS INDICATED)

	FY 2017-18*	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	CAGR**
Sales Net of Taxes	\$2,066,562	\$2,012,789	\$1,937,885	\$1,862,270	\$1,786,502	3.7%
Gross Profit	\$658,030	\$621,907	\$605,599	\$581,130	\$555,835	4.3%
Gross Margin	31.8%	30.9%	31.3%	31.2%	31.1%	
Operating Expenses	\$522,590	\$525,209	\$494,788	\$490,221	\$424,479	5.3%
Operating Income	\$135,440	\$96,697	\$110,811	\$90,909	\$131,356	0.8%
Other Revenues	\$53,336	\$36,305	\$19,137	\$18,415	\$17,285	32.5%
Transfers to State Police	\$30,528	\$28,107	\$26,091	\$25,726	\$24,959	5.2%
Net Income	\$158,248	\$104,895	\$103,857	\$83,598	\$123,683	6.4%
Transfers to General Fund	\$185,100	\$216,696	\$100,000	\$80,000	\$80,000	23.3%
Drug & Alcohol Transfers	\$2,500	\$2,500	\$3,328	\$1,672	\$2,474	0.3%
Liquor Tax	\$371,508	\$361,856	\$348,056	\$334,414	\$320,912	3.7%
State Sales Tax	\$146,027	\$142,005	\$135,581	\$130,193	\$124,880	4.0%
Local Sales Tax	\$9,398	\$9,060	\$8,688	\$8,493	\$8,270	3.2%
License Fees Returned ^	\$4,632	\$4,275	\$4,594	\$4,466	\$4,522	0.6%
Operating Exp./Net Sales	25.3%	26.1%	25.5%	26.3%	23.8%	
Contributions/Net Sales	36.4%	38.0%	32.4%	31.5%	31.7%	
Return on Assets	30.5%	21.4%	19.2%	16.8%	27.3%	

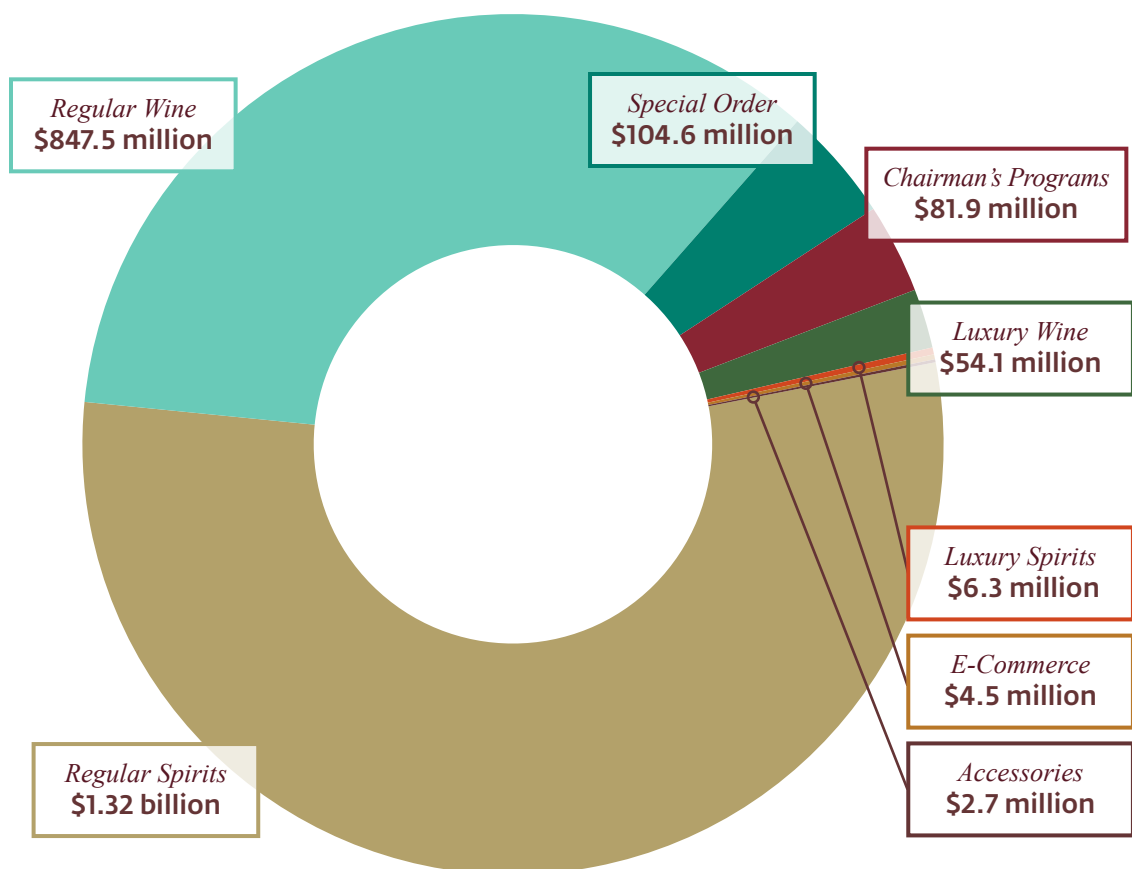
*Financial results for fiscal year 2017-18 are unaudited
 **CAGR - Compound Annual Growth Rate

^As provided by statute, a portion of license fees are returned to municipalities. Rates have not increased since 1991.

STATEWIDE FINE WINE & GOOD SPIRITS SALES HIGHLIGHTS

FISCAL YEAR DOLLAR SALES BY DEPARTMENT

Total sales for fiscal year 2017–18 were \$2.42 billion*, an increase of 2.6 percent over the prior year. The compound annual growth rate (CAGR) over the past five years was 3.6 percent.



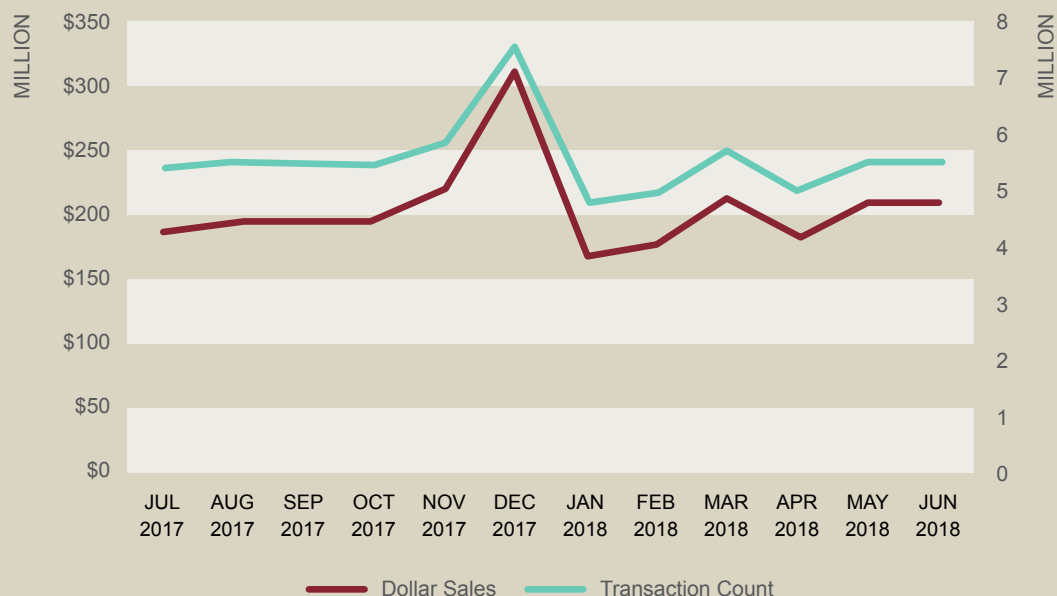
* E-commerce sales are excluded from the Chairman's programs and Luxury Spirits. Fees are removed from Accessories. Sales data includes 18 percent liquor tax.

STATEWIDE FINE WINE
& GOOD SPIRITS SALES
HIGHLIGHTS

DEPARTMENT	FY 2017–18	FY 2016–17	FY 2015–16	FY 2014–15	FY 2013–14
Regular Spirits	\$1.32 billion	\$1.29 billion	\$1.26 billion	\$1.21 billion	\$1.17 billion
Regular Wine	\$847.5 million	\$823.1 million	\$791.9 million	\$765.8 million	\$741.0 million
Special Order	\$104.6 million	\$103.7 million	\$92.6 million	\$86.7 million	\$79.7 million
Chairman's Programs	\$81.9 million	\$86.4 million	\$69.8 million	\$68.7 million	\$63.2 million
Luxury Wine	\$54.1 million	\$51.9 million	\$55.2 million	\$48.9 million	\$44.5 million
Luxury Spirits	\$6.3 million	\$4.8 million	\$2.0 million	\$500,000	\$200,000
E-Commerce	\$4.5 million	\$2.7 million	\$2.5 million	\$2.4 million	\$2.0 million
Accessories	\$2.7 million	\$2.7 million	\$2.6 million	\$2.4 million	\$2.3 million
TOTAL	\$2.42 billion	\$2.36 billion	\$2.28 billion	\$2.19 billion	\$2.10 billion

CALENDAR MONTH DOLLAR SALES AND TRANSACTION COUNT

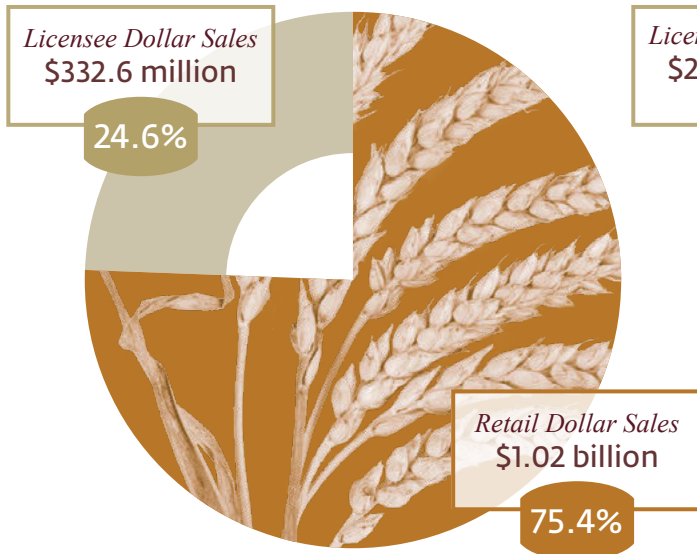
December had the highest dollars and transactions, followed by November.



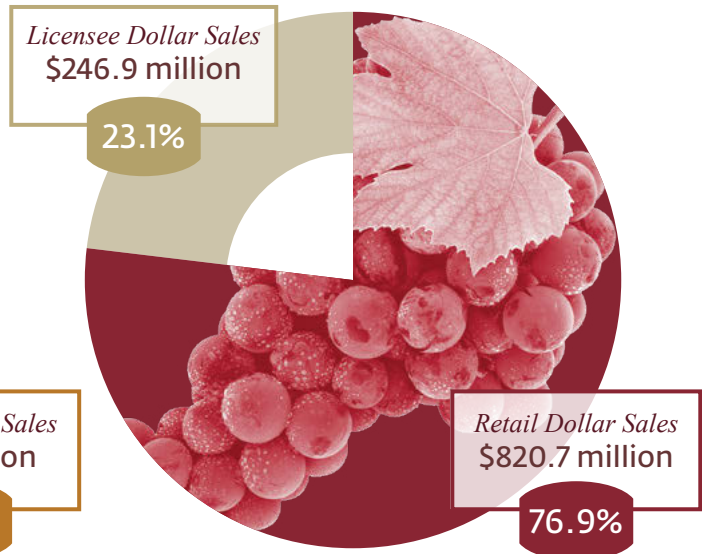
STATEWIDE FINE WINE
& GOOD SPIRITS SALES
HIGHLIGHTS

In fiscal year 2017–18, sales to licensees accounted for \$579.5 million, or 23.9 percent, of total PLCB sales.

**SPIRITS LICENSEE AND RETAIL
DOLLAR SALES FY 2017–18**

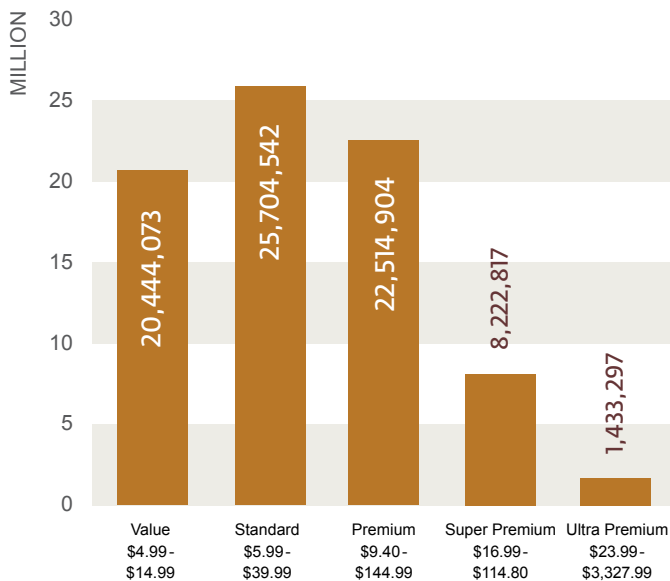


**WINE LICENSEE AND RETAIL
DOLLAR SALES FY 2017–18**

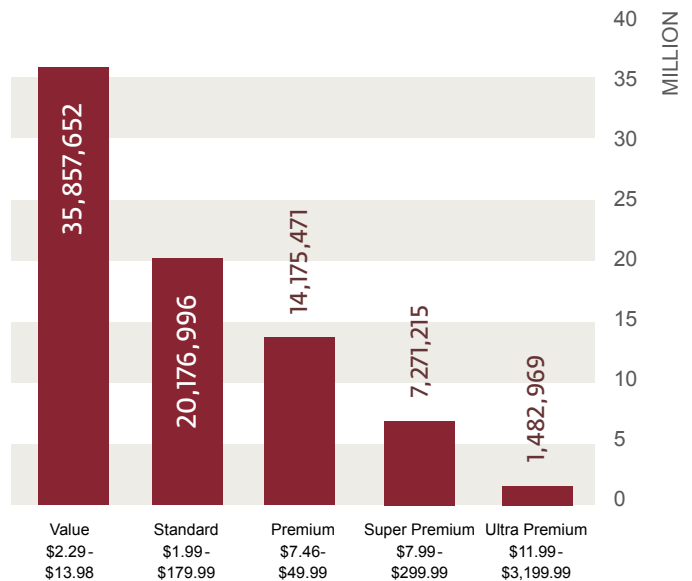


Dollar sales to licensees holding wine expanded permits accounted for 42.9 percent of total wine sales to licensees and 18.3 percent of total sales to licensees, including wine and spirits.

**SPIRITS UNITS SOLD BY PRICE
SEGMENT FY 2017–18**



**WINE UNITS SOLD BY PRICE
SEGMENT FY 2017–18**



STATEWIDE FINE WINE
& GOOD SPIRITS SALES
HIGHLIGHTS

COUNTY SHARES AND PERCENTAGE CHANGE BASED ON DOLLAR SALES

The top three counties — Allegheny, Philadelphia and Montgomery — combined for 34.9 percent of statewide sales. Perry (30.9 percent), Wyoming (12.4 percent) and Bedford (5.65 percent) counties had the largest percentage increases over the prior fiscal year.

RANK	COUNTY	FY 2017–18 Dollar Sales	FY 2016–17 Dollar Sales	FY 2017–18 County Share	% Change	RANK	COUNTY	FY 2017–18 Dollar Sales	FY 2016–17 Dollar Sales	FY 2017–18 County Share	% Change
1	Allegheny	\$300,779,127	\$300,167,811	13.60%	0.20%	35	Columbia	\$9,014,563	\$8,924,309	0.40%	1.01%
2	Philadelphia	\$253,019,623	\$248,368,904	11.26%	1.87%	36	Pike	\$8,107,229	\$7,852,769	0.36%	3.24%
3	Montgomery	\$220,029,212	\$222,293,222	10.07%	-1.02%	37	Clearfield	\$8,074,580	\$7,922,397	0.36%	1.92%
4	Bucks	\$149,377,419	\$150,121,813	6.80%	-0.50%	38	Northumberland	\$6,495,335	\$6,477,071	0.29%	0.28%
5	Chester	\$115,086,918	\$134,082,506	6.08%	-14.17%	39	Adams	\$6,238,945	\$6,423,569	0.29%	-2.87%
6	Delaware	\$85,020,586	\$86,720,814	3.93%	-1.96%	40	Union	\$5,962,830	\$5,873,837	0.27%	1.52%
7	Lehigh	\$79,015,862	\$80,412,846	3.64%	-1.74%	41	Bradford	\$5,369,526	\$5,167,788	0.23%	3.90%
8	Lancaster	\$69,919,963	\$68,732,903	3.11%	1.73%	42	Carbon	\$5,217,753	\$5,232,179	0.24%	-0.28%
9	Westmoreland	\$65,265,591	\$63,390,418	2.87%	2.96%	43	Somerset	\$5,099,845	\$5,105,295	0.23%	-0.11%
10	York	\$63,316,981	\$62,874,044	2.85%	0.70%	44	Venango	\$4,874,706	\$4,841,983	0.22%	0.68%
11	Berks	\$58,780,226	\$58,375,503	2.65%	0.69%	45	McKean	\$4,591,196	\$4,434,634	0.20%	3.53%
12	Luzerne	\$52,071,555	\$51,581,838	2.34%	0.95%	46	Armstrong	\$4,276,002	\$4,661,284	0.21%	-8.27%
13	Dauphin	\$50,813,311	\$51,608,240	2.34%	-1.54%	47	Snyder	\$4,040,245	\$3,898,248	0.18%	3.64%
14	Erie	\$49,304,384	\$49,416,945	2.24%	-0.23%	48	Clarion	\$4,002,161	\$3,976,429	0.18%	0.65%
15	Cumberland	\$48,681,506	\$47,971,374	2.17%	1.48%	49	Bedford	\$4,001,631	\$3,787,533	0.17%	5.65%
16	Northampton	\$47,391,325	\$46,878,497	2.12%	1.09%	50	Tioga	\$3,981,947	\$3,920,342	0.18%	1.57%
17	Lackawanna	\$43,662,634	\$42,922,632	1.95%	1.72%	51	Warren	\$3,981,261	\$4,025,334	0.18%	-1.09%
18	Butler	\$38,134,247	\$37,280,253	1.69%	2.29%	52	Mifflin	\$3,568,067	\$3,504,791	0.16%	1.81%
19	Monroe	\$36,203,014	\$35,818,050	1.62%	1.07%	53	Huntingdon	\$3,562,765	\$3,427,649	0.16%	3.94%
20	Washington	\$32,824,709	\$32,881,556	1.49%	-0.17%	54	Montour	\$3,274,866	\$3,313,157	0.15%	-1.16%
21	Centre	\$29,287,523	\$30,407,219	1.38%	-3.68%	55	Wyoming	\$3,132,734	\$2,787,245	0.13%	12.40%
22	Beaver	\$21,334,870	\$20,798,392	0.94%	2.58%	56	Clinton	\$3,027,246	\$3,335,217	0.15%	-9.23%
23	Lycoming	\$17,251,198	\$17,302,290	0.78%	-0.30%	57	Jefferson	\$2,952,879	\$2,986,546	0.14%	-1.13%
24	Blair	\$15,827,213	\$15,613,815	0.71%	1.37%	58	Elk	\$2,830,483	\$2,798,137	0.13%	1.16%
25	Cambria	\$15,626,401	\$15,485,694	0.70%	0.91%	59	Susquehanna	\$2,829,965	\$2,716,438	0.12%	4.18%
26	Mercer	\$14,784,639	\$14,469,685	0.66%	2.18%	60	Greene	\$2,547,789	\$2,459,809	0.11%	3.58%
27	Lebanon	\$14,165,991	\$13,924,755	0.63%	1.73%	61	Perry	\$2,221,327	\$1,696,990	0.08%	30.90%
28	Franklin	\$13,906,143	\$13,752,145	0.62%	1.12%	62	Potter	\$1,364,994	\$1,340,260	0.06%	1.85%
29	Schuylkill	\$13,315,626	\$13,144,373	0.60%	1.30%	63	Juniata	\$1,193,705	\$1,238,284	0.06%	-3.60%
30	Wayne	\$13,111,936	\$12,905,763	0.58%	1.60%	64	Forest	\$906,731	\$882,404	0.04%	2.76%
31	Fayette	\$12,706,946	\$12,376,780	0.56%	2.67%	65	Sullivan	\$699,416	\$742,019	0.03%	-5.74%
32	Lawrence	\$9,586,959	\$9,298,849	0.42%	3.10%	66	Fulton	\$644,809	\$640,516	0.03%	0.67%
33	Crawford	\$9,546,126	\$9,502,789	0.43%	0.46%	67	Cameron	\$444,984	\$449,623	0.02%	-1.03%
34	Indiana	\$9,068,199	\$8,977,681	0.41%	1.01%						

STATEWIDE FINE WINE
& GOOD SPIRITS SALES
HIGHLIGHTS

SALES BY COUNTY AND CATEGORY IN DOLLARS FY 2017–18

Whiskey was the top category in 60 of 67 (89.5 percent) counties. Red Table Wine was the top category in Bucks, Chester, Delaware, Montgomery and Pike counties. Monroe and Philadelphia counties both had the top category of Vodka.

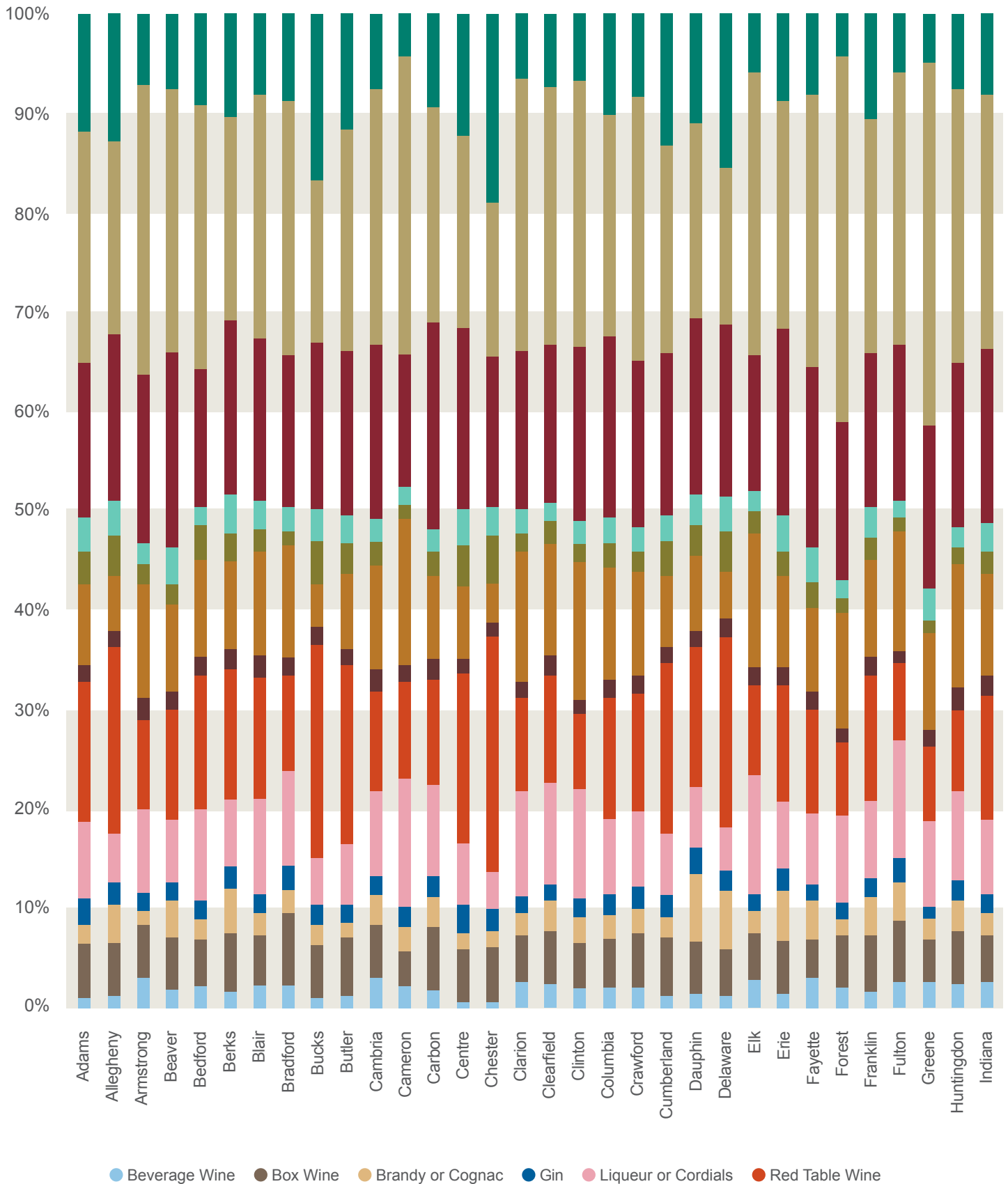
	BEVERAGE WINE	BOX WINE	BRANDY OR COGNAC	GIN	LIQUEUR OR CORDIALS	RED TABLE WINE
Adams	\$60,373	\$331,120	\$113,892	\$159,381	\$456,249	\$841,628
Allegheny	\$3,504,210	\$15,098,799	\$11,440,578	\$6,478,792	\$14,117,516	\$54,046,580
Armstrong	\$127,988	\$215,865	\$64,611	\$68,394	\$349,225	\$372,097
Beaver	\$364,533	\$1,125,651	\$765,218	\$375,390	\$1,277,394	\$2,278,560
Bedford	\$83,402	\$180,740	\$80,720	\$67,598	\$344,233	\$513,502
Berks	\$965,037	\$3,351,844	\$2,499,640	\$1,211,008	\$3,861,230	\$7,309,902
Blair	\$341,399	\$784,195	\$325,290	\$283,345	\$1,458,554	\$1,880,088
Bradford	\$113,738	\$386,868	\$121,752	\$122,694	\$501,039	\$500,458
Bucks	\$1,437,012	\$7,731,771	\$2,903,165	\$2,924,579	\$6,824,954	\$30,592,520
Butler	\$473,342	\$2,153,271	\$501,279	\$708,699	\$2,198,143	\$6,588,852
Cambria	\$453,775	\$811,498	\$458,049	\$253,716	\$1,285,691	\$1,496,916
Cameron	\$10,125	\$14,407	\$10,869	\$8,204	\$55,633	\$42,415
Carbon	\$90,924	\$321,167	\$153,517	\$98,313	\$464,157	\$521,624
Centre	\$197,229	\$1,452,580	\$508,960	\$758,057	\$1,751,222	\$4,831,118
Chester	\$673,702	\$6,054,970	\$1,960,568	\$2,482,375	\$4,051,829	\$26,027,048
Clarion	\$100,908	\$187,303	\$84,682	\$65,545	\$404,764	\$361,275
Clearfield	\$198,044	\$400,259	\$244,809	\$131,074	\$786,116	\$834,272
Clinton	\$61,256	\$133,704	\$72,966	\$55,114	\$325,369	\$221,582
Columbia	\$172,073	\$430,362	\$220,055	\$170,865	\$663,022	\$1,049,138
Crawford	\$198,429	\$493,513	\$237,618	\$200,098	\$698,918	\$1,092,298
Cumberland	\$574,094	\$2,739,853	\$1,034,176	\$1,021,631	\$2,822,944	\$8,005,361
Dauphin	\$741,011	\$2,543,370	\$3,293,354	\$1,186,677	\$2,984,544	\$6,848,297
Delaware	\$996,320	\$3,866,424	\$4,706,689	\$1,770,011	\$3,404,655	\$15,555,638
Elk	\$76,508	\$131,577	\$58,495	\$45,968	\$323,649	\$244,338
Erie	\$736,019	\$2,478,884	\$2,457,204	\$1,009,592	\$3,249,764	\$5,479,443
Fayette	\$365,445	\$483,582	\$470,897	\$191,214	\$864,328	\$1,272,746
Forest	\$18,515	\$46,384	\$13,993	\$15,554	\$76,743	\$65,795
Franklin	\$229,802	\$764,394	\$503,904	\$241,991	\$1,050,945	\$1,664,509
Fulton	\$16,328	\$38,439	\$24,560	\$14,925	\$74,028	\$48,245
Greene	\$66,407	\$105,751	\$51,766	\$28,542	\$210,631	\$186,306
Huntingdon	\$81,977	\$184,338	\$109,968	\$71,401	\$310,574	\$282,323
Indiana	\$225,673	\$426,852	\$194,413	\$149,182	\$667,964	\$1,091,649
Jefferson	\$75,774	\$136,796	\$72,824	\$43,312	\$301,860	\$259,026
Juniata	\$26,152	\$65,924	\$40,999	\$19,549	\$137,109	\$77,137
Lackawanna	\$831,584	\$2,580,232	\$1,437,732	\$817,993	\$3,001,705	\$6,939,023
Lancaster	\$935,292	\$4,689,400	\$2,216,714	\$1,540,450	\$4,483,921	\$9,816,947
Lawrence	\$219,819	\$359,865	\$487,470	\$146,128	\$551,226	\$1,083,887
Lebanon	\$282,207	\$890,809	\$511,329	\$288,479	\$1,013,977	\$1,547,538
Lehigh	\$1,044,255	\$4,215,328	\$3,976,650	\$1,632,058	\$4,128,420	\$13,018,294
Luzerne	\$1,141,826	\$2,893,428	\$2,696,820	\$905,644	\$3,606,886	\$6,794,252
Lycoming	\$278,539	\$880,400	\$527,105	\$384,344	\$1,397,320	\$1,766,758
McKean	\$108,144	\$243,045	\$99,833	\$76,719	\$427,526	\$447,001
Mercer	\$280,618	\$627,584	\$587,695	\$308,260	\$1,064,102	\$1,535,973
Mifflin	\$66,283	\$193,172	\$90,861	\$74,888	\$475,791	\$227,754
Monroe	\$550,173	\$2,099,240	\$2,031,809	\$624,720	\$2,156,305	\$5,182,842
Montgomery	\$1,847,242	\$9,881,296	\$6,628,317	\$4,810,292	\$8,785,233	\$45,497,625
Montour	\$46,584	\$191,522	\$58,241	\$75,406	\$227,432	\$450,353
Northampton	\$728,911	\$3,026,953	\$1,693,374	\$966,551	\$2,854,328	\$7,561,345
Northumberland	\$193,364	\$334,049	\$208,142	\$124,900	\$646,299	\$473,068
Perry	\$45,848	\$137,827	\$50,740	\$37,536	\$208,259	\$156,265
Philadelphia	\$4,548,305	\$9,170,435	\$29,476,778	\$6,159,305	\$9,809,645	\$34,003,185
Pike	\$94,487	\$530,075	\$189,178	\$135,743	\$469,953	\$1,507,658
Potter	\$32,205	\$89,077	\$28,128	\$27,232	\$129,528	\$134,581
Schuylkill	\$358,435	\$826,526	\$402,806	\$275,125	\$1,155,846	\$1,427,750
Snyder	\$73,398	\$205,106	\$73,882	\$97,854	\$321,707	\$484,371
Somerset	\$139,318	\$279,770	\$93,895	\$81,667	\$423,066	\$508,404
Sullivan	\$16,977	\$48,518	\$16,098	\$15,308	\$49,458	\$74,948
Susquehanna	\$56,523	\$187,580	\$72,518	\$49,903	\$260,459	\$296,892
Tioga	\$84,812	\$242,362	\$70,495	\$91,181	\$377,906	\$397,206
Union	\$70,451	\$307,056	\$98,419	\$151,094	\$378,059	\$885,269
Venango	\$121,341	\$284,063	\$110,946	\$84,489	\$449,968	\$457,169
Warren	\$84,887	\$251,359	\$71,669	\$88,445	\$370,026	\$328,452
Washington	\$448,650	\$1,478,597	\$640,247	\$574,898	\$1,923,900	\$4,446,025
Wayne	\$157,312	\$834,670	\$241,062	\$284,320	\$857,920	\$2,293,859
Westmoreland	\$1,378,989	\$3,472,469	\$1,209,683	\$1,146,916	\$3,981,270	\$9,560,126
Wyoming	\$64,289	\$233,402	\$71,649	\$71,481	\$242,075	\$399,474
York	\$937,524	\$3,626,548	\$2,246,779	\$1,190,550	\$4,676,676	\$7,706,669

STATEWIDE FINE WINE
& GOOD SPIRITS SALES
HIGHLIGHTS

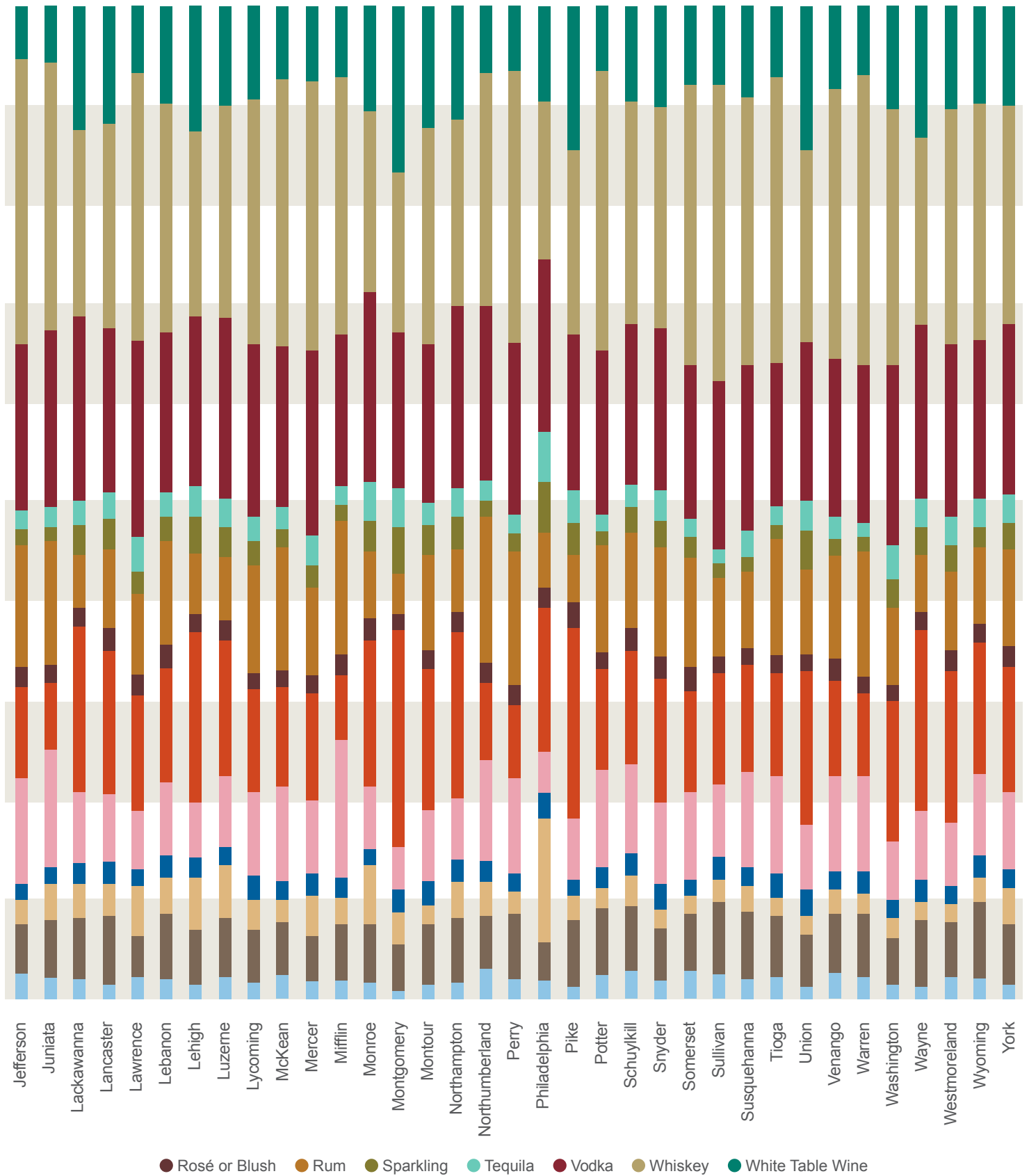
ROSÉ OR BLUSH	RUM	SPARKLING	TEQUILA	VODKA	WHISKEY	WHITE TABLE WINE
\$104,979	\$477,814	\$195,034	\$210,038	\$935,002	\$1,378,942	\$710,197
\$4,662,975	\$15,975,054	\$11,307,151	\$10,383,749	\$47,810,714	\$55,942,727	\$36,677,600
\$92,457	\$470,126	\$79,373	\$87,826	\$699,190	\$1,198,740	\$293,897
\$397,172	\$1,812,413	\$432,593	\$763,738	\$4,028,181	\$5,490,402	\$1,550,906
\$68,645	\$370,140	\$131,901	\$76,821	\$521,110	\$1,010,183	\$345,124
\$1,140,611	\$4,937,837	\$1,648,976	\$2,195,163	\$9,897,375	\$11,431,202	\$5,847,285
\$347,513	\$1,568,341	\$358,382	\$421,301	\$2,475,602	\$3,731,834	\$1,247,999
\$88,622	\$587,217	\$69,991	\$128,238	\$804,197	\$1,326,951	\$449,994
\$2,697,501	\$6,137,131	\$6,113,667	\$4,575,334	\$24,042,988	\$23,545,263	\$23,792,221
\$625,368	\$2,733,234	\$1,107,747	\$1,053,706	\$6,029,986	\$8,129,116	\$4,276,045
\$334,240	\$1,575,684	\$351,838	\$335,420	\$2,647,088	\$3,836,928	\$1,130,246
\$6,474	\$63,773	\$6,366	\$7,323	\$56,983	\$129,379	\$8,417
\$108,132	\$422,283	\$114,412	\$114,621	\$1,038,759	\$1,089,507	\$463,129
\$381,261	\$2,058,068	\$1,133,866	\$1,040,056	\$5,095,140	\$5,506,207	\$3,403,987
\$1,647,199	\$4,324,009	\$5,373,206	\$3,259,542	\$16,582,645	\$17,270,290	\$20,879,452
\$65,229	\$502,372	\$71,535	\$97,397	\$612,224	\$1,061,408	\$248,926
\$160,105	\$870,417	\$170,487	\$145,044	\$1,234,168	\$2,015,012	\$569,489
\$43,396	\$406,873	\$53,369	\$65,357	\$514,816	\$782,881	\$196,674
\$161,803	\$980,056	\$221,693	\$226,107	\$1,574,372	\$1,925,352	\$887,444
\$169,771	\$954,555	\$187,705	\$223,506	\$1,550,040	\$2,449,635	\$759,438
\$806,890	\$3,364,040	\$1,623,787	\$1,148,309	\$7,702,252	\$9,734,335	\$6,142,054
\$817,043	\$3,602,227	\$1,451,294	\$1,488,355	\$8,595,950	\$9,511,284	\$5,317,284
\$1,500,281	\$3,900,377	\$3,358,311	\$2,663,384	\$14,173,531	\$12,699,244	\$12,617,537
\$51,816	\$365,094	\$60,485	\$55,040	\$377,016	\$768,672	\$159,925
\$869,096	\$4,387,997	\$1,234,445	\$1,722,659	\$8,912,557	\$10,865,360	\$4,174,589
\$217,259	\$1,022,259	\$342,137	\$417,987	\$2,196,750	\$3,331,831	\$991,536
\$10,844	\$103,386	\$13,009	\$15,236	\$140,846	\$323,882	\$37,969
\$257,903	\$1,314,459	\$283,824	\$400,672	\$2,092,376	\$3,124,558	\$1,403,477
\$8,838	\$75,019	\$8,367	\$10,470	\$98,000	\$171,371	\$36,715
\$42,905	\$239,637	\$32,988	\$77,322	\$404,808	\$901,754	\$118,556
\$74,466	\$426,997	\$58,727	\$69,413	\$570,502	\$951,962	\$262,942
\$162,953	\$897,673	\$204,312	\$247,367	\$1,534,438	\$2,223,268	\$712,369
\$59,329	\$350,117	\$45,851	\$48,290	\$473,507	\$816,264	\$150,600
\$19,630	\$143,207	\$16,737	\$22,769	\$204,841	\$310,114	\$65,062
\$812,578	\$2,161,457	\$1,302,758	\$1,029,245	\$7,742,177	\$7,819,648	\$5,152,996
\$1,475,170	\$5,450,578	\$2,091,989	\$1,669,071	\$11,145,697	\$13,919,967	\$7,991,033
\$180,484	\$765,021	\$205,979	\$321,006	\$1,834,118	\$2,490,939	\$624,848
\$327,208	\$1,428,181	\$327,643	\$343,556	\$2,176,336	\$3,142,487	\$1,339,449
\$1,391,450	\$4,630,961	\$2,752,268	\$2,337,481	\$12,963,223	\$14,006,954	\$9,539,914
\$1,023,011	\$3,080,707	\$1,590,583	\$1,418,016	\$9,031,862	\$10,678,583	\$4,958,100
\$254,344	\$1,795,387	\$431,860	\$409,544	\$2,901,979	\$4,099,720	\$1,567,159
\$72,611	\$551,444	\$90,152	\$92,436	\$720,731	\$1,198,756	\$329,756
\$269,508	\$1,272,368	\$303,295	\$451,122	\$2,661,663	\$3,873,972	\$1,082,959
\$74,483	\$463,379	\$58,866	\$61,481	\$526,494	\$895,859	\$247,342
\$776,645	\$2,349,725	\$1,066,201	\$1,311,350	\$6,715,278	\$6,357,546	\$3,659,252
\$3,374,141	\$8,684,440	\$9,546,246	\$8,143,579	\$33,029,468	\$33,353,662	\$35,018,496
\$58,159	\$299,278	\$96,429	\$71,975	\$502,320	\$685,610	\$383,444
\$955,337	\$2,947,368	\$1,407,042	\$1,339,125	\$8,440,268	\$8,539,739	\$5,186,882
\$128,821	\$914,467	\$107,918	\$122,636	\$1,094,275	\$1,465,682	\$412,609
\$42,335	\$292,801	\$35,500	\$39,935	\$374,434	\$588,051	\$138,881
\$4,818,466	\$13,304,308	\$11,944,325	\$12,150,577	\$41,343,740	\$37,267,424	\$22,821,860
\$200,731	\$367,563	\$257,411	\$246,972	\$1,234,297	\$1,444,889	\$1,136,397
\$19,873	\$143,972	\$17,884	\$22,185	\$217,641	\$373,236	\$85,836
\$303,305	\$1,216,861	\$333,037	\$282,156	\$2,055,624	\$2,832,862	\$1,218,522
\$79,674	\$428,474	\$104,473	\$118,204	\$635,908	\$862,140	\$395,811
\$113,000	\$546,220	\$98,047	\$90,794	\$763,725	\$1,372,739	\$391,879
\$10,876	\$53,380	\$10,102	\$9,675	\$114,333	\$200,617	\$53,088
\$48,931	\$214,573	\$39,428	\$69,974	\$462,128	\$736,587	\$253,849
\$74,769	\$448,937	\$53,875	\$71,919	\$557,393	\$1,106,772	\$275,273
\$98,654	\$487,638	\$225,300	\$171,432	\$921,037	\$1,104,182	\$829,366
\$98,827	\$496,820	\$76,170	\$102,095	\$744,929	\$1,271,020	\$394,827
\$61,895	\$491,234	\$54,284	\$55,585	\$613,939	\$1,127,855	\$269,569
\$503,567	\$2,472,211	\$857,716	\$1,152,543	\$5,740,781	\$8,078,236	\$3,307,114
\$220,600	\$727,827	\$363,888	\$353,176	\$2,199,293	\$2,350,174	\$1,663,159
\$1,276,831	\$4,966,809	\$1,738,383	\$1,745,905	\$10,839,165	\$14,919,897	\$6,453,074
\$56,624	\$232,774	\$67,099	\$80,887	\$484,394	\$718,867	\$294,952
\$1,193,662	\$5,936,886	\$1,588,304	\$1,819,714	\$10,369,986	\$13,320,344	\$6,089,218

STATEWIDE FINE WINE
& GOOD SPIRITS SALES
HIGHLIGHTS

PERCENT OF SALES BY COUNTY, BASED ON DOLLAR SALES FY 2017-18



STATEWIDE FINE WINE
& GOOD SPIRITS SALES
HIGHLIGHTS



LEGISLATIVE SYNOPSIS

During fiscal year 2017–18, the General Assembly and the Governor enacted two notable pieces of legislation that impacted the PLCB and licensees through amendments to the Liquor Code and the Fiscal Code.

On Oct. 30, 2017, Governor Tom Wolf signed House Bill 674 into law as Act 44 of 2017, and the provisions related to the PLCB and licensees became effective immediately. Act 44 principally amended the Fiscal Code, but also contained sections affecting licensees and the regulatory operations of the PLCB. The most significant changes included:

- **Permitting the PLCB to suspend a licensee's authority to sell alcohol if the Bureau of Licensing determines that the premises no longer meets the statutory or regulatory requirements for the type of license held, including square footage, seating, food, health license or room requirements.** The PLCB must give written notice to the licensee of the exact deficiency, and the suspension will remain in effect

until the licensee can establish that the deficiency has been corrected. The suspension is administrative in nature and is in addition to any other penalty provided by law. If the PLCB refuses to lift the suspension, the suspended licensee can request a hearing before Commonwealth Court solely on the issue of whether the licensee's operating privileges should be reinstated. The hearing must be held within 10 days of the filing of the request.

As a result of this new law, the PLCB created the Licensee Compliance Program, further detailed on page 42.

- **Establishing a yearly limit for certain sales by distilleries and limited distilleries.** A distillery or limited distillery may continue to sell the liquor it produces to other PLCB licensees and permit holders, but it is now subject to an aggregate (calendar) yearly cap of 50,000 gallons to such entities. A distillery or limited distillery may continue to sell to the PLCB and

non-licensees without limitation. Sales above this annual limit may still be purchased by licensees and permit holders through the PLCB, if the product is made available by the distillery to the PLCB.

On Dec. 22, 2017, Governor Wolf signed House Bill 1902 into law as Act 75 of 2017, which became effective immediately. Act 75 made several changes to the Liquor Code, including:

- **Reauthorizing the Pennsylvania State Police Bureau of Liquor Control Enforcement (BLCE) to use individuals who are 18 to 20 years old to conduct underage customer compliance checks at licensed establishments,** under certain conditions. BLCE has conducted minor compliance checks since 2002, when such checks were first authorized under the Crimes Code. The provision expires on Dec. 31, 2022.
- **Requiring that malt or brewed beverages produced for the holder of a brewery license**

under a contract brewing agreement with an out-of-state brewery be distributed to licensees through the three-tier distribution system.

- **Amending interlocking business prohibitions by allowing the holder of a retail license (restaurant, hotel or club)**

and/or its officers, directors and stockholders to lease land or buildings to the holder of a manufacturer license. Additionally, the act permits a person with an interest in a limited winery to be employed by an entity that holds a retail license, as long as the individual is not employed as a manager or to serve alcohol.

Complete summaries of the legislative changes enacted in fiscal year 2017–18 can be accessed on the PLCB website. Select “[Legislative Updates](#)” from the “Legal” menu.

THE FOLLOWING REGULATIONS WERE AMENDED DURING FISCAL YEAR 2017–18:

Intermunicipal Transfer of Retail Licenses

Effective Sept. 9, 2017 ■ 40 Pa. Code §§ 7.61 – 7.65

The regulations were amended to be consistent with prior legislative changes made to section 461(b.3) of the Liquor Code, 47 P.S. § 4-461(b.3), which modified the quota threshold for when approval by the receiving municipality is needed for intermunicipal transfers of retail licenses; removed the standard that the receiving municipality must grant approval of an intermunicipal transfer absent finding that doing so would adversely affect the welfare, health, peace and morals of the municipality or its residents; and eliminated the right to appeal the receiving municipality’s decision to refuse an intermunicipal transfer under the Liquor Code.

Disposition of Liquor and Malt or Brewed Beverages Under Certain Conditions

Effective Aug. 4, 2018 ■ 40 Pa. Code §§ 9.11 – 9.115

The regulations were amended to clarify what options exist for disposing of liquor and malt or brewed beverages held by bankruptcy estates, legal process or licensees who have discontinued business, as well as the applicable procedures that must be followed. The regulations were also amended to remove any references to decedent’s estates and executors and administrators of decedent’s estates, since section 491(1) of the Liquor Code, 47 P.S. § 4-491(1), already sets forth options for disposing of alcohol forming part of a decedent’s estate.

Identification of Vehicles

Effective Oct. 28, 2017 ■ 40 Pa. Code § 9.22

The regulation was amended to be consistent with prior legislative changes made to sections 491(12) and 492(9) of the Liquor Code, 47 P.S. §§ 4-491(12), 4-492(9), which reduced the minimum size requirement for lettering that must appear on vehicles used to transport liquor or malt or brewed beverages from four inches to two inches.

Return of Liquor to the PLCB By Licensees or Permit Holders

Effective Aug. 4, 2018 ■ 40 Pa. Code §§ 11.231 – 11.239

New regulations (Chapter 11, Subchapter O) were added to address the circumstances under which the PLCB will accept the return of liquor by licensees and occasional sellers, such as holders of special occasion permits, wine auction permits and spirit auction permits.

RETAIL OPERATIONS

The Office of Retail Operations staffs and manages the day-to-day operations at more than 600 Fine Wine & Good Spirits stores throughout the commonwealth.

Retail Operations is also responsible for providing excellent customer service to ensure a positive store shopping experience for consumers.

AS OF JUNE 30, 2018, THE AGENCY OPERATED 604 RETAIL FACILITIES

495

Standard Stores

97

Premium Collection Stores

11

Licensee Service Centers

1

E-Commerce Fulfillment Center

BY THE END OF THE FISCAL YEAR, 327 FINE WINE & GOOD SPIRITS STORES WERE OPEN ON SUNDAYS

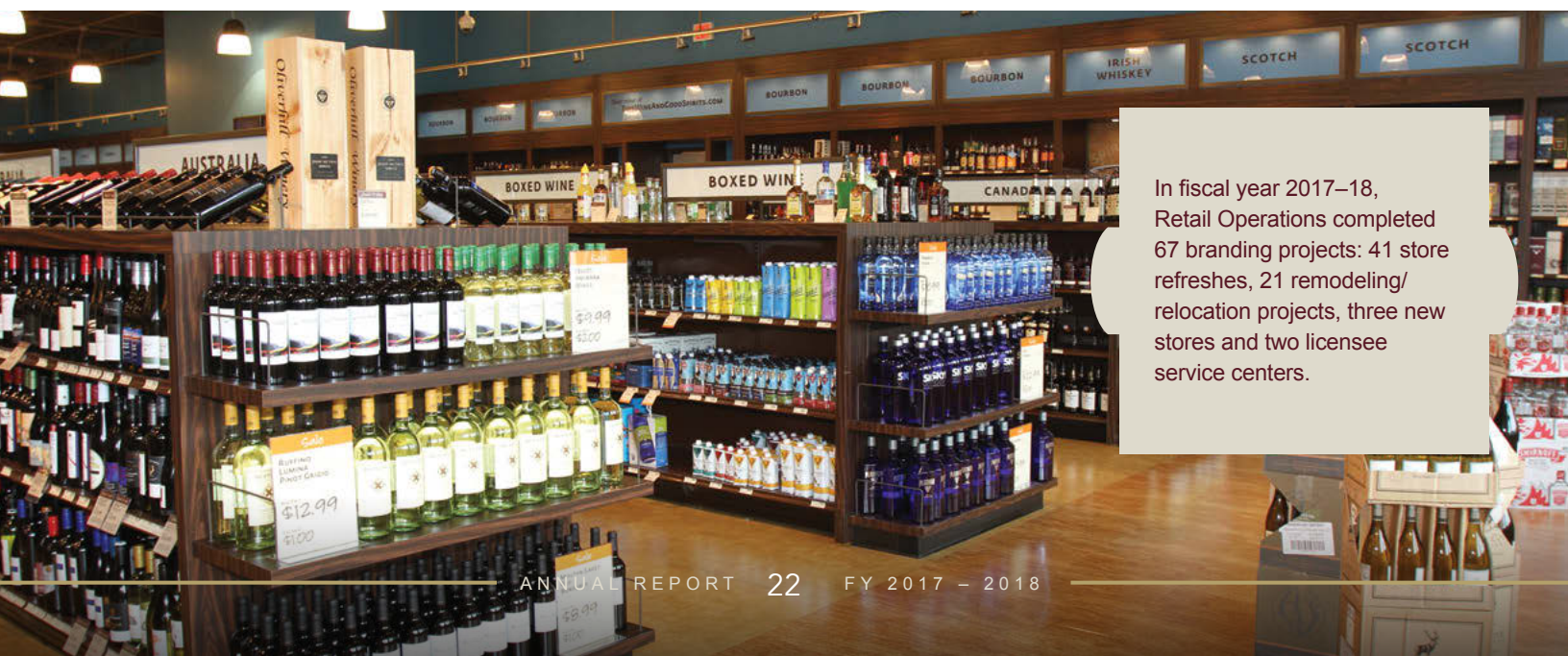
PLCB RETAIL OPERATIONS FIVE-YEAR SUMMARY

	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
Total Units Sold*	178.9 million	165.7 million	159.8 million	154.4 million	151.4 million
Average Retail Price per Item	\$14.39	\$14.33	\$14.30	\$14.23	\$13.92
Wage % of Gross Sales**	7.0%	7.0%	6.8%	7.1%	7.3%

* Total Units Sold includes wine and spirits products, accessories and gift cards.

** Wage % of Gross Sales includes salary, wages and overtime paid to regional, district and store staff.

For a list of stores ranked by total dollar sales for fiscal year 2017-18, see pages 76-90.



In fiscal year 2017-18, Retail Operations completed 67 branding projects: 41 store refreshes, 21 remodeling/relocation projects, three new stores and two licensee service centers.

FINE WINE & GOOD SPIRITS STORE LOCATIONS

Statewide Stores

604

Square Feet

3,057,403

Avg. Store Size (sq. ft.)

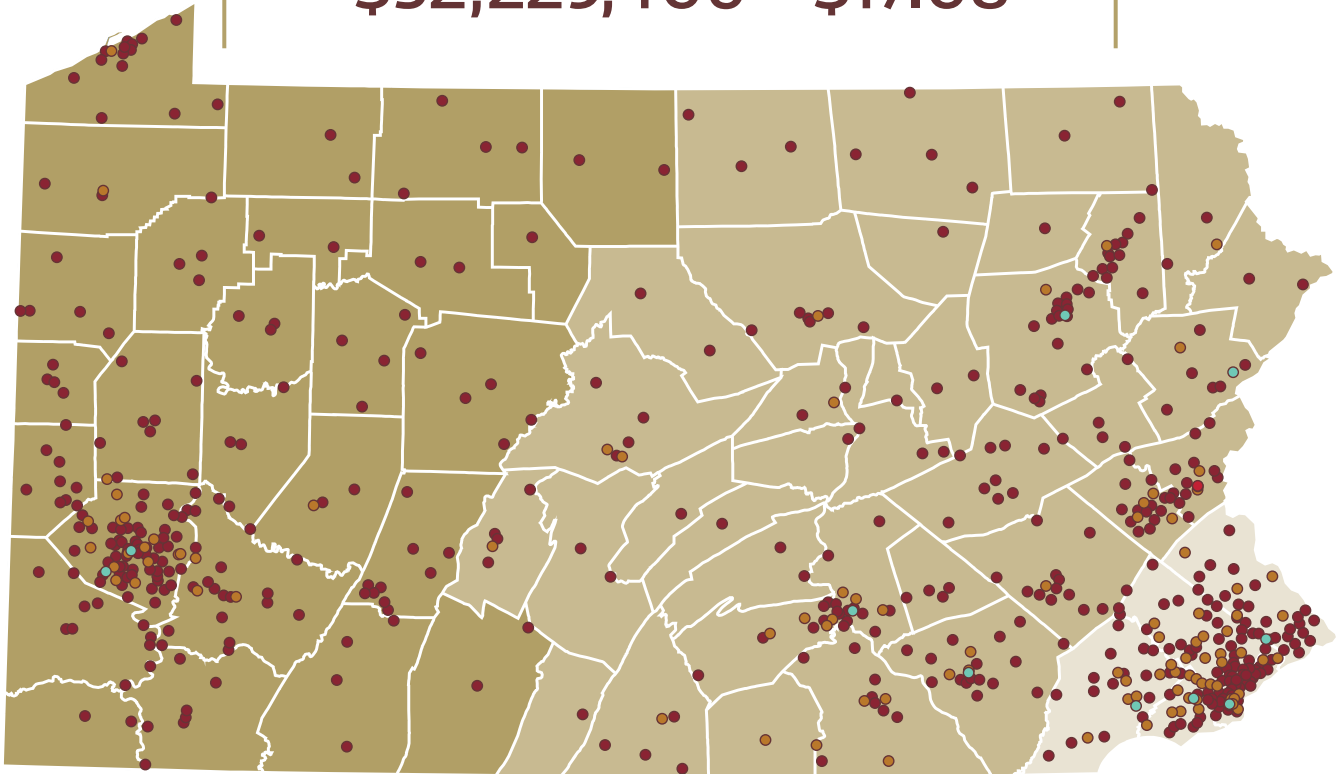
5,062

Annual Rent

\$52,229,406

Avg. Price Per Sq. Ft.

\$17.08



● Standard Stores — 495 ● Premium Collection Stores — 97 ● Licensee Service Centers — 11 ● E-Commerce Fulfillment Center — 1

REGION III

Western Region
214 stores

Total Square Feet	898,970
Average Store Size	4,201
Annual Rent Paid	\$12,320,632
Average Price per Sq. Ft.	\$13.71

REGION II

Central Region
222 stores

Total Square Feet	1,078,872
Average Store Size	4,860
Annual Rent Paid	\$15,591,026
Average Price per Sq. Ft.	\$14.45

REGION I

Eastern Region
168 stores

Total Square Feet	1,079,561
Average Store Size	6,426
Annual Rent Paid	\$24,317,748
Average Price per Sq. Ft.	\$22.53

ENGAGING CONSUMERS THROUGHOUT PA

The PLCB hosted and participated in a record number of events in fiscal year 2017–18.

20

Celebrity bottle signings

High-profile stars,
musicians and athletes

— Bottle Signings & Events 2017-2018 —

Country music artist Zac Brown greets fans at a bottle signing for Z. Alexander Brown Wines.



Customers enjoy tastings of the many wines available at the Pittsburgh Wine Festival held at Heinz Field.



World-class chef and fitness authority Robert Irvine signs bottles of Boardroom Spirits Vodka.



Fans gather to see television personality Kathie Lee Gifford at the grand opening of the Fine Wine & Good Spirits Premium Collection in Camp Hill.



Attendees of the PHS Philadelphia Flower Show shop from the wide variety of products available for purchase at the on-site Fine Wine & Good Spirits.



Vendors offer guests a variety of tastings at the Central PA Whiskey Festival.

27

Special tastings

Seasoned experts in wine and spirits

14

Off-site events

Community events, festivals and shows

Country music and TV star Blake Shelton poses with a fan during a bottle signing for Smithworks® Vodka.



Guests at the Philadelphia Whiskey Festival enjoy the many different spirits available for sampling.



Fans waited in line for an opportunity to meet television star Lisa Vanderpump and get her signature on their bottles of Vanderpump Rosé.



Fans camped overnight for the opportunity to meet Channing Tatum.



Channing Tatum strikes a pose with a fan at his bottle signing for Born and Bred Vodka.



Musician Sammy Hagar pulls a fan in for a photo after signing his bottle of Santo Puro Mezquila.

MARKETING & MERCHANDISING

The Office of Marketing and Merchandising aims to select and present the best wines and spirits at competitive prices, while striving to build relationships with consumers through in-store communications, advertising and social media.

Social Media July 1, 2017 – June 30, 2018



FACEBOOK

Total Page Likes
294,092

New followers	11,134
Impressions	18,181,605
Avg. daily impressions	49,813
Avg. daily engagements	752
Total engagements (likes, comments, shares)	274,590



TWITTER

Total Followers
25,824

New followers	5,159
Tweets sent	798
Retweets	1,100
Impressions (est.)	3,165,000
Total mentions	1,826



YOUTUBE

Total Subscribers
1,704

Views	2,461,704
New videos	24



PINTEREST

Total Followers
4,402

New followers	386
Pin reach	797,738
Avg. monthly impressions	97,131



INSTAGRAM

Total Followers
6,029

Total post likes	7,943
Avg. likes per post	54
Total engagement	8,135

Web & Mobile July 1, 2017 – June 30, 2018

FINEWINEANDGOODSPIRITS.COM

Visits
8,934,644

Avg. Monthly Clicks
744,554

FW&GS MOBILE APP

Total App Downloads
40,172

Android
14,492

iPhone
25,680



Smaller Sizes on the Rise

As shoppers continue to look for new experiences, convenience and portability in beverage alcohol items, smaller sized containers and alternative packaging are becoming more popular.

SPIRITS SMALL-SIZE SHELF SETS

Industry research indicates that smaller package formats for spirits are a major opportunity for growth due to consumers' desire to explore and try new things, so in fiscal year 2017–18, the PLCB tested a spirits "small-size" shelf set in 61 Fine Wine & Good Spirits stores. For the first time, consumers in those stores were provided the opportunity to shop a wide selection of 375 mL and 200 mL spirits that were previously only displayed behind store checkout counters.

The program was incredibly successful. In fiscal year 2017–18, stores where the small-size shelf sets were

in place for six months or more saw a 37.4 percent increase in dollar sales and a 29 percent increase in unit sales.

Small sizes give consumers the opportunity to sample unfamiliar items without committing to purchasing a full-sized bottle, lending toward premiumization, or trading up. Placing small sizes in a self-service aisle promotes visual and tactile engagement and gives consumers a chance to spend more time comparison shopping.

Small-size spirits shelf sets continue to expand to more and more Fine Wine & Good Spirits stores.

WINE SMALLER SIZES

While smaller packages for wine — cans, tetra paks and other formats up to 651 mL — account for less than 1 percent of total Fine Wine & Good Spirits sales, growth within the category is impressive with significant potential for the future.

As compared to the prior year, unit sales of smaller wine packages in fiscal year 2017–18 grew 34.8 percent and dollar sales grew 21.4 percent, or \$1.8 million.

Medium-size items (700 mL to 1.18 L) account for 63 percent of wine items sold and gained 0.15 percent share on dollars from last year. This coincided with percentage increases on units (+6.4 percent, +3.5 million) and dollars (+5.1 percent, +\$33.1 million). The medium-size group includes traditional 750 mL bottles and many four packs.

Sales of large (1.3 L to 3 L) and extra-large (4 L to 20 L) items declined in fiscal year 2017–18. Extra-large items, which accounted for about 7 percent of items sold, declined on units (-3.8 percent, -162,000) and dollars (-1.9 percent, -\$1.4 million). Large items, which accounted for 29 percent of sales, declined on units (-2 percent, -466,000) and dollars (-1.2 percent, -\$3.4 million) in 2017.



NO. 1

E-COMMERCE
PRODUCT



NO. 1

PENNSYLVANIA
SPIRIT



NO. 1

SPIRIT



NO. 1

PA PREFERRED
WINE



NO. 1

WINE



NO. 1

PENNSYLVANIA
WINE

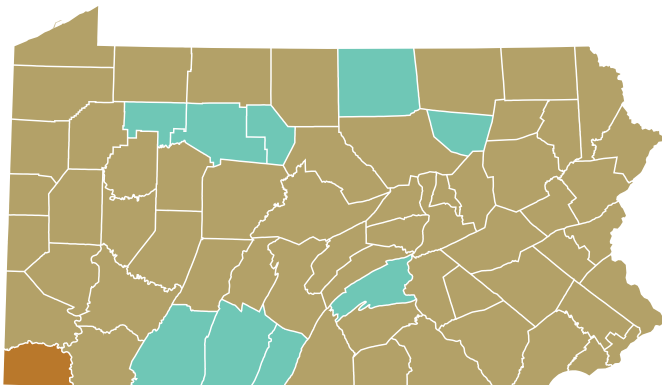
TOP 10 PRODUCT CATEGORIES

Three of the top 10 product categories by dollar sales were wines: California Cabernet Sauvignon, California Chardonnay and Box Red.

CATEGORY	FY 2017–18 DOLLAR SALES	FY 2016–17 DOLLAR SALES	FY 2015–16 DOLLAR SALES	FY 2014–15 DOLLAR SALES
Unflavored Vodka	\$291,565,342	\$277,483,964	\$272,154,983	\$262,845,042
American Whiskey	\$198,364,866	\$185,682,747	\$176,131,742	\$166,155,593
Flavored Vodka	\$87,744,994	\$93,884,003	\$100,724,411	\$105,013,707
California Cabernet Sauvignon	\$87,617,438	\$81,145,503	\$77,469,086	\$63,246,612
California Chardonnay	\$80,747,542	\$80,503,482	\$79,230,193	\$66,578,078
Flavored Rum	\$75,566,286	\$76,575,152	\$76,022,074	\$78,138,445
Canadian Whisky	\$75,282,208	\$79,905,317	\$84,433,111	\$80,650,985
Scotch	\$69,825,540	\$67,188,238	\$66,805,541	\$64,059,790
Box Red	\$55,824,199	\$55,654,330	\$54,857,066	\$45,353,168
Unflavored Gin	\$49,724,497	\$49,621,688	\$49,335,684	\$47,879,836

TOP-SELLING SPIRIT IN EACH COUNTY

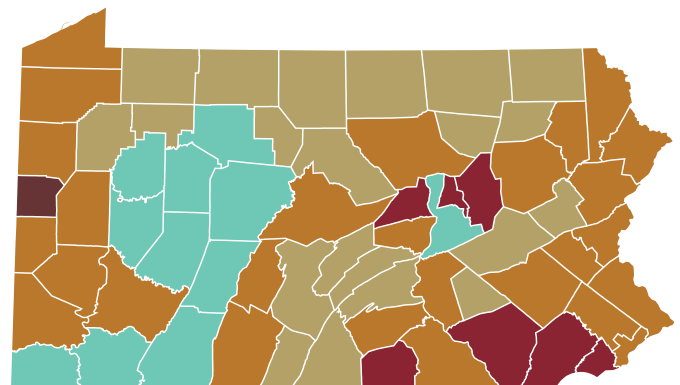
Unflavored Vodka was the top spirits category in 57 counties. American Whiskey was the top seller in nine counties. Greene County had Canadian Whisky as its top seller.



- American Whiskey — 9
- Canadian Whisky — 1
- Unflavored Vodka — 57

TOP-SELLING WINE IN EACH COUNTY

California Cabernet Sauvignon was the top seller in 27 counties. Box Red was next with 21 counties. Beverage Wine (11), California Chardonnay (7) and California Red Blend (1) were other categories with top county sales.



- Beverage Wine — 11
- Box Red — 21
- California Cabernet Sauvignon — 27
- California Chardonnay — 7
- California Red Blend — 1

TOP 25 WINE ITEMS BY UNITS

Below are the top 25 wine items by unit sales for fiscal year 2017–18. The items that exhibited the highest percentage changes in unit sales during fiscal year 2017–18 included La Marca Prosecco (750 mL) (27.6 percent), Barefoot Pink Moscato (750 mL) (25.1 percent) and Barefoot Pink Moscato (1.5 L) (19.9 percent).

RANK	PRODUCT	SIZE	DOLLAR SALES	UNIT SALES	UNIT SALES — LY	% CHANGE
1	Kendall-Jackson Vintner's Reserve Chardonnay	750 mL	\$7,409,983	538,895	573,062	-5.96%
2	Apothic Red	750 mL	\$5,363,171	473,984	495,700	-4.38%
3	Barefoot Moscato	1.5 L	\$5,334,516	442,445	431,821	2.46%
4	Cavit Pinot Grigio delle Venezie	1.5 L	\$5,772,376	439,514	461,737	-4.81%
5	Barefoot Pinot Grigio	1.5 L	\$5,012,714	421,655	401,205	5.10%
6	Woodbridge Chardonnay	1.5 L	\$5,174,024	385,589	438,848	-12.14%
7	La Marca Prosecco	750 mL	\$5,146,848	351,316	275,265	27.63%
8	Sutter Home White Zinfandel	1.5 L	\$3,906,563	347,764	365,964	-4.97%
9	Barefoot Pink Moscato	750 mL	\$2,419,578	333,096	266,295	25.09%
10	Barefoot Pink Moscato	1.5 L	\$4,011,260	332,247	277,002	19.94%
11	Cavit Roscato Rosso Dolce	750 mL	\$3,241,384	315,668	313,553	0.67%
12	Barefoot Moscato	750 mL	\$2,217,824	308,245	296,126	4.09%
13	Sutter Home Chardonnay 4-187 mL	748 mL	\$1,875,585	290,520	250,201	16.11%
14	Chateau Ste. Michelle Riesling Columbia Valley	750 mL	\$2,880,578	282,138	289,461	-2.53%
15	Ecco Domani Pinot Grigio delle Venezie	750 mL	\$2,994,304	281,002	271,158	3.63%
16	Barefoot Chardonnay	1.5 L	\$3,461,830	279,525	300,704	-7.04%
17	Nobilo Sauvignon Blanc Marlborough	750 mL	\$3,216,066	269,558	257,190	4.81%
18	Cavit Pinot Grigio delle Venezie	750 mL	\$1,898,000	252,947	236,958	6.75%
19	Korbel Brut	750 mL	\$3,649,280	251,897	245,721	2.51%
20	Woodbridge Cabernet Sauvignon	1.5 L	\$3,306,249	251,894	258,484	-2.55%
21	Franzia Chardonnay	5 L	\$4,482,955	243,274	247,443	-1.68%
22	Beringer Main & Vine White Zinfandel	1.5 L	\$2,776,502	240,019	247,202	-2.91%
23	Sutter Home White Zinfandel 4-187 mL	748 mL	\$1,533,862	238,280	211,308	12.76%
24	Franzia Sunset Blush	5 L	\$3,811,173	233,921	270,273	-13.45%
25	Mark West Pinot Noir	750 mL	\$2,409,772	232,483	229,023	1.51%

TOP 25 SPIRITS ITEMS BY UNITS

Below are the top 25 spirits items by unit sales for fiscal year 2017–18. The items that exhibited the most growth* in unit sales during fiscal year 2017–18 included Tito's Handmade Vodka (1 L) (40,251.8 percent), Fireball Cinnamon Whisky (50 mL) (104.8 percent) and Tito's Handmade Vodka (50 mL) (51.4 percent).

RANK	PRODUCT	SIZE	DOLLAR SALES	UNIT SALES	UNIT SALES — LY	% CHANGE
1	Fireball Cinnamon Whisky	50 mL	\$1,998,729	1,487,731	726,429	104.80%
2	Nikolai Vodka	375 mL	\$4,006,179	1,004,060	879,859	14.12%
3	Tito's Handmade Vodka	750 mL	\$15,969,163	870,374	915,495	-4.93%
4	Jack Daniel's Old No. 7 Whiskey	750 mL	\$20,222,517	843,754	868,059	-2.80%
5	Captain Morgan Original Spiced Rum	750 mL	\$13,679,464	830,957	893,461	-7.00%
6	Fireball Cinnamon Whisky	750 mL	\$14,073,872	790,227	847,336	-6.74%
7	Tito's Handmade Vodka	1.75 L	\$24,269,432	724,850	549,876	31.82%
8	Jacquin's Vodka	375 mL	\$3,310,985	719,712	816,421	-11.85%
9	Crown Russe Vodka	1.75 L	\$7,328,029	669,686	627,367	6.75%
10	Tito's Handmade Vodka	1 L	\$14,994,226	635,541	1,575	40,251.81%
11	Captain Morgan Original Spiced Rum	1.75 L	\$15,830,798	575,167	543,249	5.88%
12	Jameson Irish Whiskey	750 mL	\$15,593,380	573,139	535,453	7.04%
13	Absolut Vodka	750 mL	\$9,690,334	543,342	568,143	-4.37%
14	Vladimir Vodka	1.75 L	\$6,213,656	520,650	586,190	-11.18%
15	Tito's Handmade Vodka	50 mL	\$978,644	493,273	325,813	51.40%
16	Hennessy Cognac V.S.	750 mL	\$16,633,725	465,324	514,858	-9.62%
17	Rumple Minze Peppermint Schnapps	50 mL	\$1,028,541	449,159	448,866	0.07%
18	Bacardi Superior Rum	750 mL	\$6,172,417	441,151	487,662	-9.54%
19	Bacardi Superior Rum	1.75 L	\$8,342,875	401,648	446,695	-10.08%
20	Crown Royal Canadian Whisky	750 mL	\$10,448,044	400,949	411,523	-2.57%
21	Crown Royal Regal Apple Canadian Whisky	750 mL	\$10,328,409	395,783	393,873	0.48%
22	Smirnoff Vodka	750 mL	\$4,522,186	391,912	333,888	17.38%
23	Nikolai Vodka	1 L	\$3,027,707	391,042	401,647	-2.64%
24	Jim Beam Bourbon	750 mL	\$6,355,529	380,413	376,247	1.11%
25	Grey Goose Vodka	750 mL	\$10,998,369	371,815	412,781	-9.92%

*During fiscal years 2017 and 2018, Tito's Handmade Vodka (1 L) was sold under two different item codes. The code changed when the product moved from Special Order to a regular listed item. The percentage change for this product is calculated using the regular code, which ranked on this year's list. When both codes are combined, unit sales for fiscal year 2017 total 261,701 and 642,198 for fiscal year 2018. Using these totals, the yearly percentage change equals 145.4 percent. In March 2018, the price of Fireball Cinnamon Whisky (50 mL) dropped from \$1.99 to \$0.99, increasing sales. Tito's Handmade Vodka (50 mL) was only sold for 13 weeks during fiscal year 2016–17.

TOP PENNSYLVANIA WINES*

Below are the top 10 Pennsylvania wines, sold by Fine Wine & Good Spirits, by dollar sales for fiscal year 2017–18.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Clover Hill Vineyards & Winery Concord	750 mL	74,257	\$749,473
2	The Winery at Wilcox Clarion River Red	1.5 L	39,154	\$585,560
3	Mazza Vineyards Concord	1.5 L	32,123	\$291,416
4	Daily's Strawberry Daiquiri Frozen Cocktail**	296 mL	97,054	\$288,679
5	Daily's Hurricane Frozen Cocktail**	296 mL	91,038	\$270,878
6	Clover Hill Vineyards & Winery Catawba	750 mL	26,606	\$267,646
7	Nissley Grapeful Red	750 mL	17,545	\$219,300
8	Nissley Fantasy Rosé	750 mL	15,754	\$199,949
9	Mazza Vineyards Niagara	1.5 L	15,783	\$193,417
10	Daily's Peach on the Beach Frozen Cocktail**	296 mL	60,068	\$178,588

**PA wine-based product with sugars and other flavors added. Does not contain spirits.

TOP PA PREFERRED WINES*

Below are the top 10 PA Preferred® wines, sold by Fine Wine & Good Spirits, by dollar sales for fiscal year 2017–18. PA Preferred is a public-private partnership between the Pennsylvania Department of Agriculture and many companies throughout the commonwealth. The program works with thousands of companies and stores to support and promote Pennsylvania products.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Nissley Grapeful Red	750 mL	17,545	\$219,300
2	Adams County Winery Rebel Red	750 mL	12,107	\$177,601
3	Franklin Hill Vineyards Sir Walter's Red	750 mL	12,118	\$151,101
4	Franklin Hill Vineyards Carnival White	750 mL	10,650	\$132,809
5	Allegro Punk Pink	750 mL	11,830	\$124,946
6	Moon Dog Cellars Alexander's Blackberry	750 mL	7,211	\$97,525
7	Adams County Winery Tears of Gettysburg White	750 mL	5,854	\$87,367
8	Moon Dog Cellars Murphy's Blueberry	750 mL	6,114	\$83,061
9	Allegro Fusion Red	750 mL	5,641	\$65,239
10	Antler Ridge Winery Diamond White	750 mL	4,588	\$59,214

*PA product sales reflect only sales made by Fine Wine & Good Spirits and do not include sales from wineries and distilleries directly to consumers.

TOP PENNSYLVANIA SPIRITS*

Below are the top 10 Pennsylvania spirits, sold by Fine Wine & Good Spirits, by dollar sales for fiscal year 2017–18.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Stateside Urbancraft Vodka	750 mL	34,494	\$902,836
2	Dad's Hat Pennsylvania Rye Whiskey	750 mL	14,049	\$526,458
3	Boyd & Blair Potato Vodka	750 mL	15,793	\$378,423
4	Kinsey Rye Whiskey	750 mL	6,069	\$168,704
5	Dad's Hat Vermouth Finished Pennsylvania Rye Whiskey	750 mL	2,939	\$128,183
6	Wigle Organic Pennsylvania Bourbon	750 mL	2,288	\$123,931
7	Kinsey American Whiskey	750 mL	4,090	\$115,671
8	Palmer's Liberty Gin	750 mL	3,256	\$110,250
9	Kinsey Bourbon	750 mL	2,407	\$100,319
10	Faber Pomegranate Vodka	750 mL	6,035	\$87,200

Chairman's Program Summary

Throughout fiscal year 2017–18, the Chairman's programs experienced some "right-sizing" to bring inventories in stores and warehouses in line with sales projections. The Chairman's Selection® program was also re-tooled to focus on main-stream varieties and regions, with heavy emphasis on U.S. wines to meet consumer demand. Although Chairman's programs sales were

down as compared to the prior year, buyers are negotiating even deeper savings on these wines, delivering better prices for consumers and higher returns for state coffers. And, understanding that consumers have come to know Chairman's products as go-to selections that over-deliver on value, quality remains the top priority for all three Chairman's programs.

The First Taste program was introduced in 2017, offering e-commerce

customers a chance to buy select Chairman's Selection wines and Chairman's Spirits® before they were introduced in stores. Six wines and a Canadian Whisky, selected for their tremendous value, were sold in seven separate 24-hour flash sales; in total, 2,283 units were sold for almost \$58,500.

Chairman's Selection®
FIRST TASTE

CHAIRMAN'S PROGRAMS YEARLY SUMMARY (INCLUDING E-COMMERCE SALES)

SALES	FY 2017–18	FY 2016–17	FY 2015–16	FY 2014–15
Chairman's Selection®	\$67,991,344	\$71,449,933	\$66,597,336	\$67,941,006
Chairman's Advantage®	\$8,908,879	\$10,404,251	\$3,447,309	\$1,030,533
Chairman's Spirits®	\$5,203,367	\$4,761,141	-	-
Total Sales	\$82,103,590	\$86,615,325	\$70,044,644	\$68,971,539

*PA product sales reflect only sales made by Fine Wine & Good Spirits and do not include sales from wineries and distilleries directly to consumers.

Fine Wine & Good Spirits continued to expand its e-commerce product portfolio throughout fiscal year 2017–18, offering more and more of its most popular items for sale online and convenient delivery to home or store.

FINE WINE & GOOD SPIRITS E-COMMERCE SALES INSIGHTS AT A GLANCE

FISCAL YEAR	TOTAL SALES	TOTAL TRANSACTIONS	YEAR OVER YEAR REVENUE GROWTH	AVERAGE TRANSACTION VALUE
FY 2017–18	\$3,037,523	24,382	21.5%	\$124.58
FY 2016–17	\$2,500,874	20,463	10.7%	\$122.21
FY 2015–16	\$2,259,869	22,942	4.3%	\$98.50

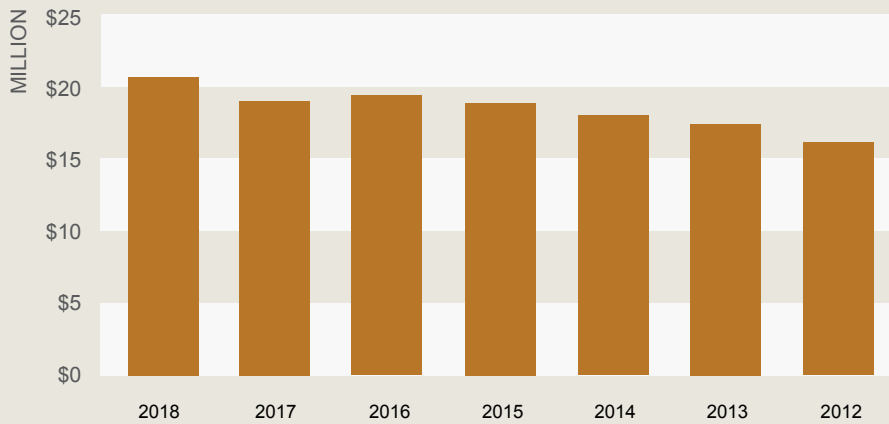
TOP E-COMMERCE ITEMS

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Blanton's Single Barrel Bourbon	750 mL	1,580	\$92,119
2	Elijah Craig Single Barrel Bourbon 18 Year Old	750 mL	401	\$79,536
3	Weller Special Reserve Bourbon	750 mL	3,616	\$71,798
4	Michter's Single Barrel Bourbon 10 Year Old	750 mL	449	\$57,976
5	Old Fitzgerald Bottled in Bond Bourbon Spring 2018 Edition	750 mL	462	\$50,727
6	Jefferson's Presidential Select Bourbon 16 Year Old	750 mL	190	\$37,738
7	Sazerac Rye Whiskey	750 mL	1,052	\$28,707
8	Jefferson's Grand Selection Chateau Suduiraut Sauternes Cask Finish Bourbon	750 mL	210	\$28,177
9	Buffalo Trace Bourbon	1.75 L	557	\$26,727
10	Orphan Barrel Rhetoric Bourbon 23 Year Old	750 mL	213	\$26,408

The “Big Game”

Not only did the Philadelphia Eagles’ Feb. 4, 2018, 41-33 World Championship victory over the New England Patriots make a dream come true for many Pennsylvania sports fans, but it also resulted in record sales of wine and spirits. Retail wine and spirits sales statewide during the “Big Game” weekend ranged between \$16.2 million and \$19.2 million for the previous six years (Friday through Sunday, 2012 through 2017), while sales over that weekend in 2018 increased 8.7 percent over the prior year to \$20.6 million.

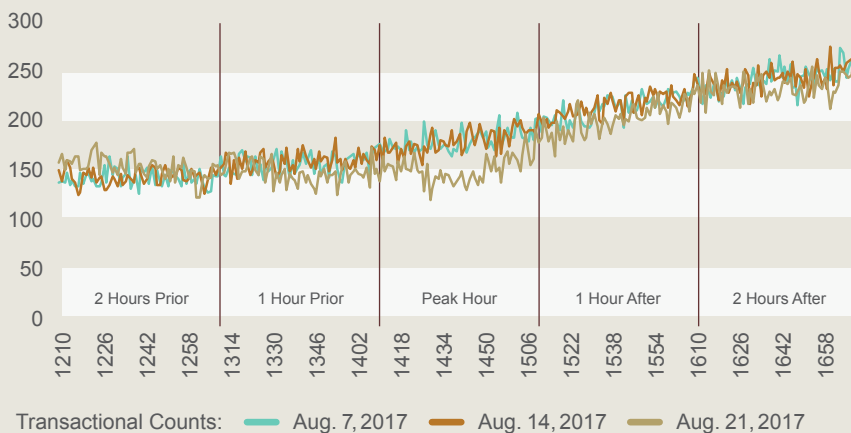
BIG GAME WEEKEND (FRIDAY TO SUNDAY) RETAIL SALES



Solar Eclipse

Sports events and weather can have significant impact on sales in Fine Wine & Good Spirits stores, but so can unique events like the solar eclipse that happened on Monday, Aug. 21, 2017. Two hours before the eclipse, transactions statewide increased 8.2 percent over the average sales of the two prior Mondays. But as the moon obscured the sun, there was a decrease in statewide transactions, which slowed to as low as 17.2 percent below the same time frame on those comparable Mondays.

STATEWIDE RETAIL TRANSACTIONS, 12:10 P.M. TO 5:10 P.M.



WHOLESALE OPERATIONS

The Office of Wholesale Operations is committed to partnering with licensees in building collaborative relationships, developing innovative delivery and product offerings and effectively and efficiently coordinating the acquisition of wines and spirits in ways that meet wholesale customers' needs.

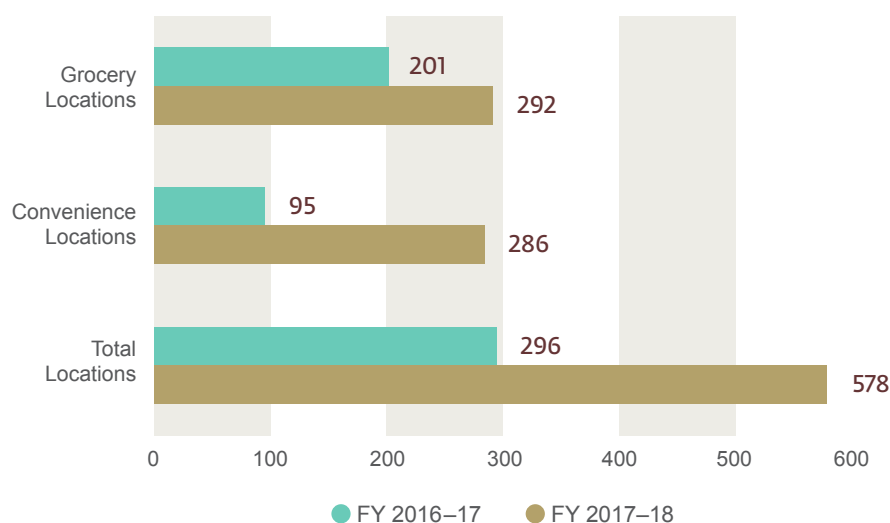
In 2016, the PLCB established an Office of Wholesale Operations to support a growing wholesale business that resulted from private retailers' new ability to sell wine to go. In fiscal year 2017-18, Wholesale Operations expanded to not only support holders of wine expanded

permits, but to serve a broader audience of licensees through effective forecasting, specialized product offerings, efficient product acquisition and customized fulfillment and distribution options. Analyzing what, where and how licensees purchase product from the PLCB

equips Wholesale Operations to further enhance and augment its service to wholesale accounts and licensees in general.

In fiscal year 2017-18, statewide sales to licensees exhibited double-digit growth over the previous fiscal

ACTIVE GROCERY & CONVENIENCE LOCATIONS SELLING WINE TO GO



year in both units (12.3 percent) and dollars (11.3 percent).

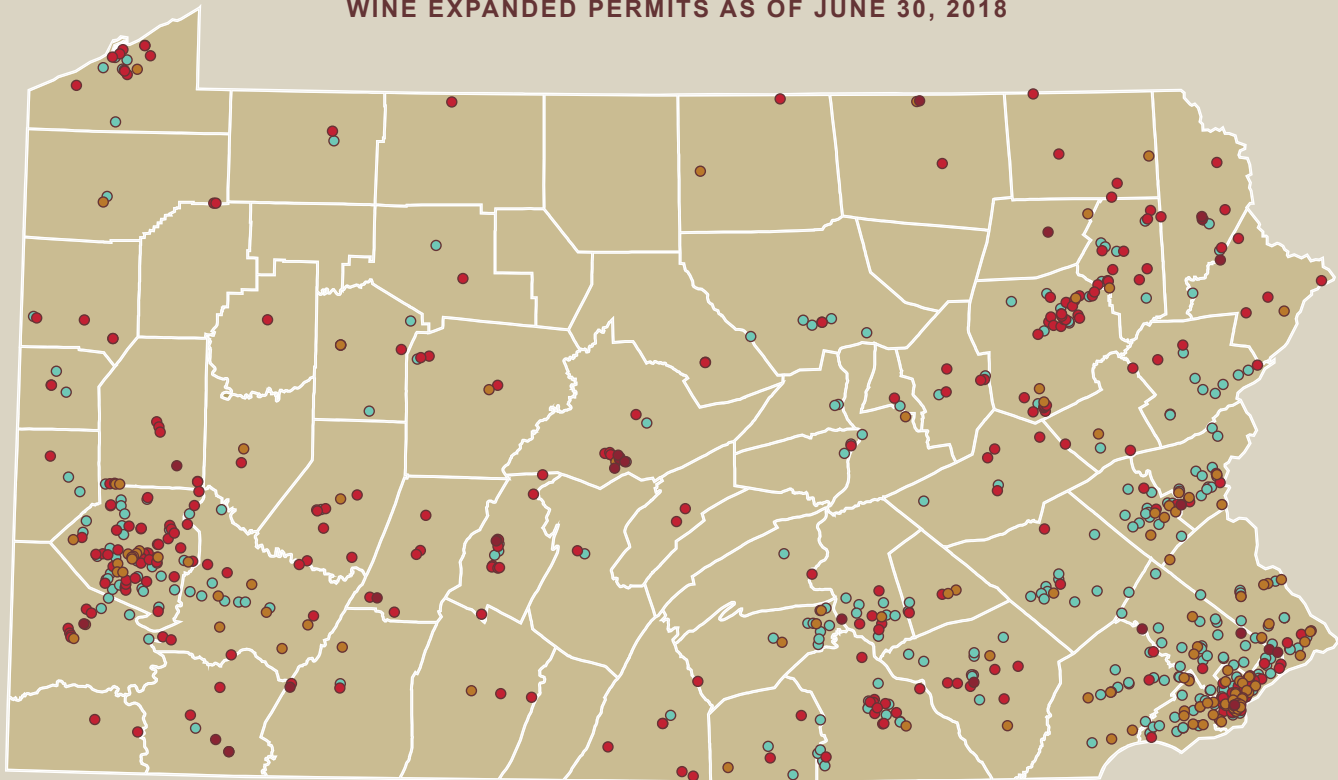
Wholesale Operations continues to expand licensee product acquisition options such as the Licensee Delivery Program (LDP) and encourages licensees to use Licensee Service Centers (LSCs), locations specifically designed to satisfy licensee needs. LDP volume more than doubled over the previous fiscal year, increasing 106 percent in units and 104 percent in dollars. LSCs demonstrated

growth in both units (15.6 percent) and dollars (16 percent) from the prior fiscal year. Encouraging licensees to use LDP and LSCs enabled the PLCB to reduce transportation expenses, offer licensees regular delivery schedules and better meet licensee business needs.

When it comes to wine expanded permits, which allow restaurant and hotel licensees to sell wine for off-premise consumption, 734 were issued as of the end of fiscal year

2017–18. Grocery store locations purchasing wine from the PLCB for retail resale grew by 91 stores during fiscal year 2017–18, totaling 292 active grocery locations (a 45 percent increase) by fiscal year's end. Convenience store locations that purchased wine for resale from the PLCB increased by 191 stores during fiscal year 2017–18, totaling 286 active convenience locations (a 201 percent increase) by year's end.

WINE EXPANDED PERMITS AS OF JUNE 30, 2018



● Grocery Stores — 300 ● Convenience Stores — 273 ● Restaurants — 136 ● Hotels — 25

SUPPLY CHAIN

The Office of Supply Chain ensures the right product gets to the right store at the right time. Planning and Procurement buys approximately 3,500 regular wine and spirits products from domestic and foreign suppliers. In addition to buying responsibilities, Supply Chain handles product importation, processing of all excise taxes and customs duties and warehousing and transportation of wines and spirits.

Keeping 600+ Fine Wine & Good Spirits stores and 325 licensees in the Licensee Delivery Program (LDP) supplied with products is the responsibility of the PLCB's Office of Supply Chain.

More than 275 suppliers from six continents ship wine and spirits into three privately held distribution centers located in Philadelphia, Scranton and Pittsburgh. From there, products are transported

directly to Fine Wine & Good Spirits stores and licensees throughout the commonwealth. From July 1, 2017, through June 30, 2018, the PLCB shipped more than 55,000 orders and 17.3 million cases of products.



To maximize efficiencies in the distribution process, the Office of Supply Chain successfully migrated to a new warehouse management system (WMS) at its Scranton distribution center in fiscal year 2017–18. Working with the PLCB's Office of Information Technology Services and third-party logistics provider Kane Is Able, the owner and operator of the Scranton distribution center, warehouse processes

were migrated from a PLCB-owned Robocom system to a Kane-provided Manhattan Scope system.

This WMS allows for improved management of inventory and resources by enabling the distribution center to receive, store, pick and ship wine and spirits with greater efficiency and accuracy. Increases in case storage space, staging area and dock doors also enabled the facility

to handle more deliveries from vendors and shipments to Fine Wine & Good Spirits stores and licensees that use the LDP. This is crucial at this distribution center, which has seen the largest increase in LDP deliveries over the course of the year.

The new WMS will help the PLCB continue to meet the demands of Fine Wine & Good Spirits stores and licensees, even during the busiest weeks of the year.

The success of the WMS migration in Scranton paved the way for a second, similar migration at PLCB's Pittsburgh distribution center, owned and managed by FedEx/Genco.



INFORMATION TECHNOLOGY SERVICES

Information Technology Services (ITS) supports and enhances multiple complex computer systems the PLCB relies on, including a large-scale Oracle Enterprise Resource Planning (ERP) system with a point-of-service system in more than 600 stores. ITS also warehouses and analyzes data related to financials, inventory, forecasting, replenishment, pricing and product management. Additionally, ITS supports and enhances IT systems including the Fine Wine & Good Spirits e-commerce site, mobile apps, human resources platforms, warehouse management systems and a variety of other general-use applications.

Of primary focus for ITS during fiscal year 2017–18 was the implementation of a series of improvements to the PLCB's Special Order program, which allows licensees and individual consumers to buy wines and spirits not stocked by the PLCB in its Fine Wine & Good Spirits stores directly from suppliers.

In cooperation with Marketing and Store Operations, the following program enhancements were incorporated to allow the PLCB to improve accountability and accuracy of Special Orders, provide better customer service to Special Order customers and streamline Special Order processing:

- Enabling individual consumers and licensees to place Special Orders online through FineWineAndGoodSpirits.com. Previously, orders had to be placed by phone or in a store.
- Empowering licensees to authorize payment for and approve each Special Order placed on their behalves by suppliers. This allows licensees to confirm what they want to purchase, avoids confusion over what a supplier will provide and prevents unwanted or miscommunicated orders from accumulating in Fine Wine & Good Spirits stores.
- Improving customer communication in conjunction with the Special Order process, notifying customers as orders are accepted or rejected by suppliers, when they are prepared for shipment and when they become available for in-store pickup.



- Adoption of a pre-paid program requiring all Special Orders to be paid in full prior to shipment to Fine Wine & Good Spirits stores for pickup. This eliminated a decades-old deposit program and allowed the PLCB to return almost \$784,000 in deposits to licensees.
- Improved workflow in Fine Wine & Good Spirits stores. Packages now arrive in sealed and labelled packages specific to each order, which allows staff to dedicate time previously spent sorting, assembling and validating Special Orders to responding to customers' needs in the store.

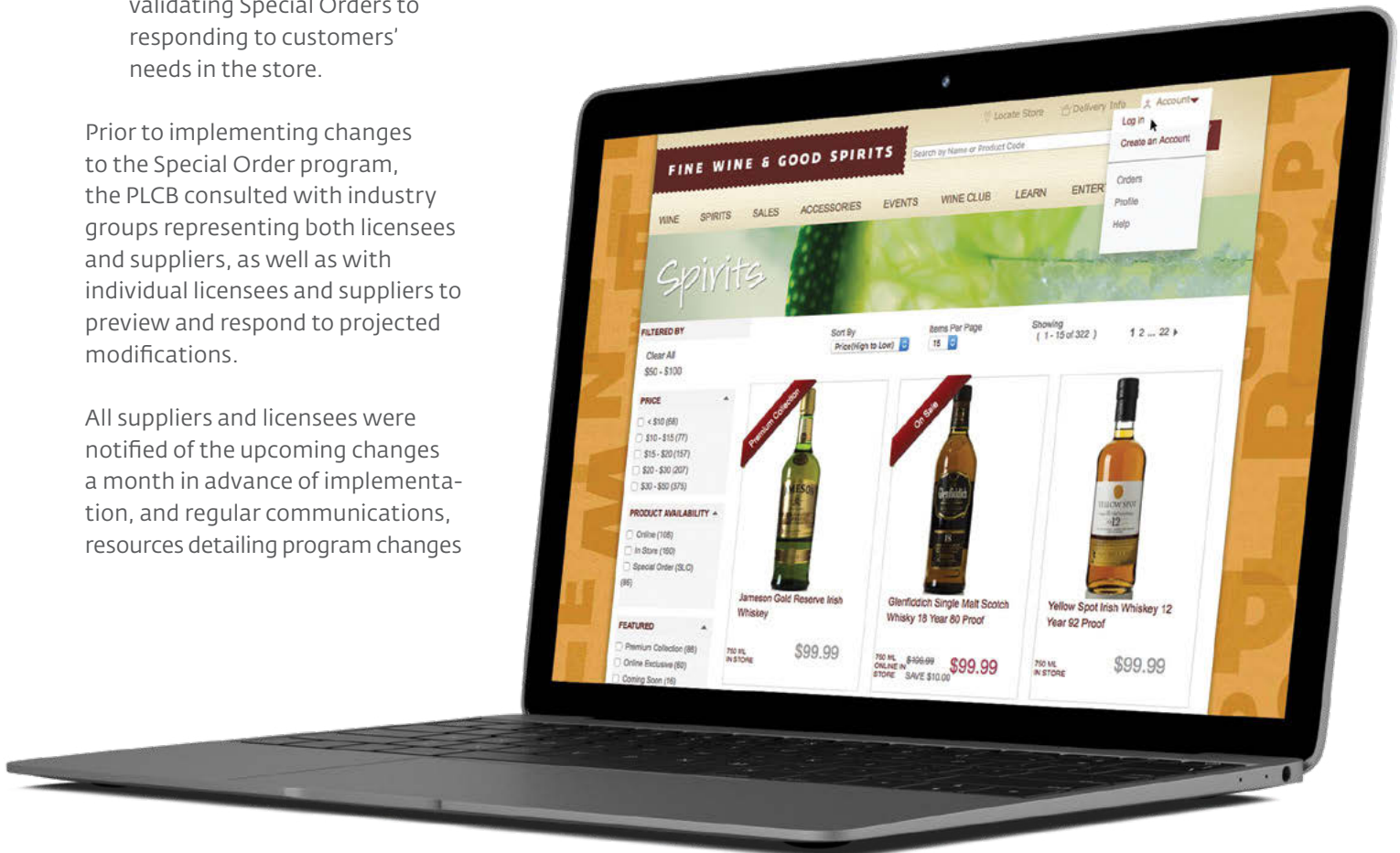
Prior to implementing changes to the Special Order program, the PLCB consulted with industry groups representing both licensees and suppliers, as well as with individual licensees and suppliers to preview and respond to projected modifications.

All suppliers and licensees were notified of the upcoming changes a month in advance of implementation, and regular communications, resources detailing program changes

and training were provided proactively to Special Order suppliers and customers, as well as to PLCB employees.

After an initial period of adjustment, the new Special Order process became business-as-usual for suppliers, licensees, individual consumers and Fine Wine & Good Spirits stores. Between Oct. 1, 2017 (the date the program changes became effective), and June 30, 2018, more than 251,736 Special Orders were processed for unit sales of 7.5 million and dollar sales exceeding \$78 million.

In addition to the successful changes to the Special Order program, in the 2017–18 fiscal year ITS developed an online employee performance review system — the first of its kind in the commonwealth — and played a critical role in migrating the Scranton distribution center to a new warehouse management system. That accomplishment is detailed on pages 38–39.



REGULATORY AFFAIRS

The Office of Regulatory Affairs is responsible for the licensure of the beverage alcohol community, educating the public on the responsible use of alcohol and issuing grants to reduce underage and dangerous drinking.

Licensee Compliance Program

In fiscal year 2017–18, the PLCB introduced a new Licensee Compliance Program (LCP) to educate licensees about basic license requirements and the PLCB's new inspection and license suspension authority.

The program was created in response to Act 44 of 2017, signed into law by Governor Wolf on Oct. 30, 2017. It authorized the PLCB to conduct onsite inspections of establishments and immediately suspend a licensee's ability to sell and serve alcohol when the PLCB finds the licensee fails to meet requirements related to seating, food, square footage, rooms and health license authority. Previously, the PLCB had no enforcement authority and could only object to renewing licenses every other year.

While passage of the act was primarily driven by an interest in addressing so-called "stop-and-gos" in the Philadelphia area, no geographical limits were placed on the scope of the PLCB's inspection and license suspension authority. Within two

months of the law's passage, the PLCB established a statewide program with policies and procedures to be followed uniformly across the commonwealth.

The PLCB developed lcb.pa.gov/licenseecompliance, a web page featuring resources explaining the program to licensees and the public with fact sheets detailing:

- The license compliance issues the PLCB will investigate;
- Requirements for various license types;
- Types and amounts of food that are sufficient for restaurant and eating place licensees;
- The process by which the PLCB will collect complaints, pursue investigations and suspend operating privileges; and
- Licensees' appeal rights.

Direct communication to licensees about the new program and media outreach were conducted in November 2017 to provide licensees time to

understand and comply with the requirements before inspections began in January 2018.

At first, inspections were conducted based on complaints from community members, legislators, law enforcement and other local and state agencies or individuals. Complaints were evaluated, logged and referred either as a compliance inspection or to enforcement authorities, depending on the nature of the complaint. For example, complaints about criminal activity were referred to law enforcement. LCP inspections were coordinated and conducted with the Pennsylvania State Police Bureau of Liquor Control Enforcement.

From Jan. 1 through June 30, 2018, 74 inspections were completed. Most licensees passed inspection, but 15 licenses were suspended because of compliance deficiencies; all 15 have since remedied the deficiencies and passed re-inspection.



**TOTAL LICENSE APPLICATIONS
AND PERMITS RECEIVED AND
PROCESSED JULY 1, 2017,
THROUGH JUNE 30, 2018**

Renewals/Validations 19,632
Catering Permits 502
Transfers 1,150
Criminal Record Checks 7,355
Tavern Gaming Licenses 68
New Licenses 1,214
Other Applications 8,049
Brand Registration 12,519
Special Occasion Permits 2,955
AP-SS-EHF Permits* 21,832
Wine Expanded Permits 721
TOTAL APPLICATIONS — 75,997

PROGRAM INSPECTIONS

Licensee Compliance	101
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* Amusement Permit-Sunday Sales-Extended Hours Food

INVESTIGATIONS PROCESSED

TYPE OF INVESTIGATION	2017	2016	2015	2014
New License	409	297	297	247
Renewal	36	35	44	65
Transfer – Place	75	69	76	68
Transfer – Person	571	629	665	559
Double Transfer Person-Place	535	392	358	343
Correction	20	39	39	46
Extension	975	922	897	766
Manager Change	1,377	1,239	1,188	1,263
Reinvestigation	2,444	2,049	2,060	1,723
Officer Change	512	633	636	664
Reissue Safekeeping	571	478	464	407
Special Occasion Permit	9	47	61	50
Limited Winery	118	91	85	57
Non-Compliance	9	14	17	54
Miscellaneous	232	298	442	415
Nuisance Bars	212	221	214	192
Management Company	82	32	---	---
License Conversions (E to R, D to ID, C to CC, etc.)	27	34	---	---
TOTAL	8,214	7,519	7,543	6,919

NUISANCE BARS

Under the provisions of the Liquor Code, the PLCB maintains a Nuisance Bar Program to review the operational history of any licensed establishment that, by its actions, may have abused license privileges. The Bureau of Licensing seeks information from the community, law enforcement agencies and government entities on any adverse activity associated with the licensed establishment. If substantial evidence is received to support non-renewal, a notice of objection is issued.

Number of Objections

2017 64	2015 133
2016 160	2014 171

RETAIL LICENSES IN EFFECT AS OF DECEMBER 31, 2017

County	2010 Population	Area in Square Miles	RETAIL LIQUOR										RETAIL MALT BEVERAGE					NUMBER OF LICENSES		
			Restaurant	Hotel	Club	Owr	Airport Restaurant	GOLF COURSE			Continuing Care Retirement	Economic Dev. R	Performance Arts	Public Venue	Eating Place	Economic Dev. E	Hotel	Club	GOLF COURSE	
																			Private Eat.	
																			Municipal	
STATE TOTAL	12,702,379	44,740	10,111	1,209	2,805	12	43	32	231	37	35	23	67	100	432	1	0	26	6	6
ADAMS	101,407	519	55	17	16	0	0	0	6	0	0	0	0	1	6	0	0	1	0	0
ALLEGHENY	1,223,348	730	1,514	100	281	1	9	2	9	1	5	0	10	19	23	0	0	2	1	0
ARMSTRONG	68,941	653	67	7	27	0	0	0	6	0	0	0	0	0	1	0	0	0	0	1
BEAVER	170,539	435	148	12	61	0	0	0	5	1	0	0	1	0	0	0	0	0	0	0
BEDFORD	49,762	1,012	23	10	14	0	0	0	2	0	0	0	0	0	1	0	0	0	0	0
BERKS	411,442	857	273	42	116	1	1	2	6	1	3	0	2	3	5	0	0	2	0	0
BLAIR	127,089	526	90	17	31	0	0	0	3	1	0	0	1	3	13	0	0	1	0	0
BRADFORD	62,622	1,147	33	17	22	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0
BUCKS	625,249	604	345	58	42	0	0	3	6	1	3	3	2	0	8	0	0	0	0	1
BUTLER	183,862	789	107	17	26	0	1	1	6	0	1	0	1	1	2	0	0	0	0	1
CAMBRIA	143,679	688	148	21	104	0	0	0	2	0	0	0	1	3	3	0	0	0	0	0
CAMERON	5,085	396	9	0	5	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
CARBON	65,249	381	74	15	30	0	0	0	5	0	0	0	1	0	2	0	0	0	0	0
CENTRE	153,990	1,110	71	20	27	0	1	0	2	0	1	0	1	4	1	0	0	2	0	0
CHESTER	498,886	751	199	36	47	0	1	1	12	9	1	7	3	0	8	0	0	0	1	0
CLARION	39,988	601	38	7	11	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0
CLEARFIELD	81,642	1,145	76	8	37	0	0	0	2	0	0	0	0	0	1	0	0	1	0	0
CLINTON	39,238	888	30	11	15	0	0	1	1	0	0	0	1	1	6	0	0	0	0	0
COLUMBIA	67,295	483	48	10	22	0	0	0	3	0	0	0	2	0	0	0	0	0	0	0
CRAWFORD	88,765	1,012	81	6	30	0	0	0	5	0	0	1	0	0	0	0	0	0	0	0
CUMBERLAND	235,406	545	87	22	30	0	0	1	5	0	1	2	1	0	1	0	0	0	0	0
DAUPHIN	268,100	525	212	33	63	0	1	2	6	0	0	0	2	10	9	0	0	0	0	1
DELAWARE	558,979	184	318	26	48	1	2	2	0	2	4	0	2	2	21	0	0	0	0	0
ELK	31,946	827	28	11	25	0	1	1	1	0	0	0	0	0	4	0	0	2	0	0
ERIE	280,566	799	251	19	70	0	1	1	8	0	1	0	2	5	9	0	0	1	1	0
FAYETTE	136,606	790	166	14	69	0	0	0	3	0	0	0	0	0	3	0	0	0	0	0
FOREST	7,716	427	9	2	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
FRANKLIN	149,618	772	48	8	24	0	0	0	1	1	0	0	1	0	2	0	0	0	0	0
FULTON	14,845	438	2	3	3	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1

WHOLESALE LICENSES IN EFFECT AS OF DECEMBER 31, 2017

County	2010 Population	Area in Square Miles	LICENSE TYPE		Total Wholesale Licenses	NUMBER OF LICENSES	
			Distributor	Importing Distributor		Per 30,000 Population	Per Square Mile
STATE TOTAL	12,702,379	44,740	1,091	152	1,243	2.94	0.03
ADAMS	101,407	519	6	0	6	1.78	0.01
ALLEGHENY	1,223,348	730	124	15	139	3.41	0.19
ARMSTRONG	68,941	653	8	1	9	3.92	0.01
BEAVER	170,539	435	18	1	19	3.34	0.04
BEDFORD	49,762	1,012	5	0	5	3.01	0.00
BERKS	411,442	857	37	4	41	2.99	0.05
BLAIR	127,089	526	12	3	15	3.54	0.03
BRADFORD	62,622	1,147	5	1	6	2.87	0.01
BUCKS	625,249	604	28	2	30	1.44	0.05
BUTLER	183,862	789	21	2	23	3.75	0.03
CAMBRIA	143,679	688	23	6	29	6.06	0.04
CAMERON	5,085	396	1	0	1	5.90	0.00
CARBON	65,249	381	10	2	12	5.52	0.03
CENTRE	153,990	1,110	2	5	7	1.36	0.01
CHESTER	498,886	751	21	1	22	1.32	0.03
CLARION	39,988	601	4	2	6	4.50	0.01
CLEARFIELD	81,642	1,145	9	4	13	4.78	0.01
CLINTON	39,238	888	4	1	5	3.82	0.01
COLUMBIA	67,295	483	7	2	9	4.01	0.02
CRAWFORD	88,765	1,012	13	2	15	5.07	0.01
CUMBERLAND	235,406	545	10	3	13	1.66	0.02
DAUPHIN	268,100	525	16	6	22	2.46	0.04
DELAWARE	558,979	184	53	1	54	2.90	0.29
ELK	31,946	827	5	2	7	6.57	0.01
ERIE	280,566	799	37	4	41	4.38	0.05
FAYETTE	136,606	790	17	2	19	4.17	0.02
FOREST	7,716	427	3	1	4	15.55	0.01
FRANKLIN	149,618	772	7	1	8	1.60	0.01
FULTON	14,845	438	2	1	3	6.06	0.01
GREENE	38,686	576	5	0	5	3.88	0.01

HUNTINGDON	45,913	875	4	3	7	4.57	0.01
INDIANA	88,880	827	5	3	8	2.70	0.01
JEFFERSON	45,200	652	6	1	7	4.65	0.01
JUNIATA	24,636	391	5	0	5	6.09	0.01
LACKAWANNA	214,437	459	23	6	29	4.06	0.06
LANCASTER	519,445	944	29	6	35	2.02	0.04
LAWRENCE	91,108	358	8	1	9	2.96	0.03
LEBANON	133,568	362	12	0	12	2.70	0.03
LEHIGH	349,497	345	28	6	34	2.92	0.10
LUZERNE	320,918	890	35	5	40	3.74	0.04
LYCOMING	116,111	1,229	12	1	13	3.36	0.01
MCKEAN	43,450	979	6	2	8	5.52	0.01
MERCER	116,638	673	13	1	14	3.60	0.02
MIFFLIN	46,682	411	3	2	5	3.21	0.01
MONROE	169,842	608	7	2	9	1.59	0.01
MONTGOMERY	799,874	483	52	2	54	2.03	0.11
MONTOUR	18,267	130	3	0	3	4.93	0.02
NORTHAMPTON	297,735	370	24	2	26	2.62	0.07
NORTHUMBERLAND	94,528	458	13	2	15	4.76	0.03
PERRY	45,969	551	5	0	5	3.26	0.01
PHILADELPHIA	1,526,006	134	110	11	121	2.38	0.90
PIKE	57,369	545	5	0	5	2.61	0.01
POTTER	17,457	1,081	5	0	5	8.59	0.00
SCHULYKILL	148,289	779	29	2	31	6.27	0.04
SNYDER	39,702	329	5	0	5	3.78	0.02
SOMERSET	77,742	1,074	7	1	8	3.09	0.01
SULLIVAN	6,428	450	3	0	3	14.00	0.01
SUSQUEHANNA	43,356	823	5	0	5	3.46	0.01
TIOGA	41,981	1,134	3	2	5	3.57	0.00
UNION	44,947	316	5	0	5	3.34	0.02
VENANGO	54,984	674	3	2	5	2.73	0.01
WARREN	41,815	884	5	0	5	3.59	0.01
WASHINGTON	207,820	857	20	2	22	3.18	0.03
WAYNE	52,822	726	5	1	6	3.41	0.01
WESTMORELAND	365,169	1,028	44	7	51	4.19	0.05
WYOMING	28,276	397	5	0	5	5.30	0.01
YORK	434,972	904	26	4	30	2.07	0.03

Restaurant License Auctions

The auction of expired restaurant licenses by the PLCB — as authorized by Act 39 of 2016 — opens new doors for parties desiring to sell beverage alcohol in Pennsylvania.

The expired licenses, awarded to the highest responsive bidders for each auction, exceed the existing, statutorily imposed quota prohibiting the PLCB from issuing new liquor licenses in most counties throughout the commonwealth.

In fiscal year 2017–18, three auctions resulted in the successful award of 111 licenses for a total bid amount of \$13.8 million. Combined auction revenue from fiscal year 2016–17 and fiscal year 2017–18 totals \$20.3 million for 136 awarded licenses, while another \$5.2 million remains in escrow pending license approvals (as of June 30, 2018).

	Total Licenses Bid		Licenses Issued		Bids Refunded		Licenses Pending	
	Collected	Count	Revenue	Count	Amount	Count	Liability	Count
Auction 5	\$2,911,495	25	-	0	-	0	\$2,911,495	25
Auction 4	\$4,928,130	41	\$2,646,580	20	\$504,795	6	\$1,776,755	15
Auction 3	\$5,991,166	45	\$5,579,542	42	\$106,624	2	\$305,000	1
Auction 2	\$5,011,213	42	\$4,833,058	39	-	0	\$178,155	3
Auction 1	\$7,792,555	37	\$7,215,055	35	\$577,500	2	-	0
TOTAL	\$26,634,559	190	\$20,274,235	136	\$1,188,919	10	\$5,171,405	44

Wine and Beer Grants

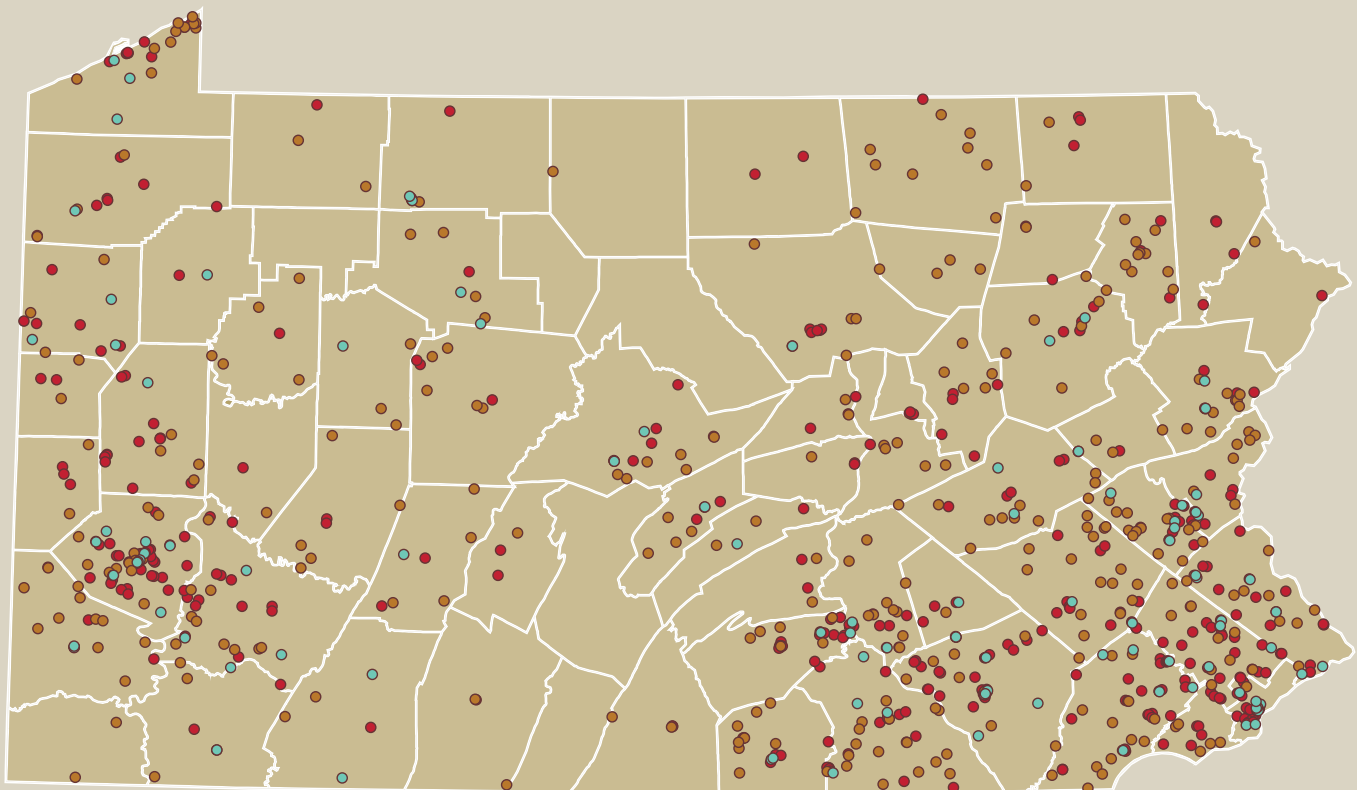
Act 39 of 2016 authorizes the PLCB to approve up to \$1 million in grants annually for projects that promote and enhance the Pennsylvania wine industry, and another \$1 million in grants for the development and marketing of the Pennsylvania beer industry. Combined, these industries contribute \$10.6 billion to the state's economy.

Grant proposals are presented to the PLCB by the Pennsylvania Wine Marketing and Research Board and

the Pennsylvania Malt and Brewed Beverages Industry Promotion Board and include research projects, marketing initiatives and educational efforts.

In fiscal year 2017–18, \$999,989 was awarded to seven projects to support the Pennsylvania wine industry and \$704,985 was approved for 13 projects supporting Pennsylvania-made malt and brewed beverages.

PENNSYLVANIA PRODUCERS HAVING VALID LICENSES AS OF JUNE 30, 2018



● Wineries/Limited Wineries — 347 ● Breweries/Brew Pubs — 404 ● Distilleries/Limited Distilleries — 103

2017–18 Wine Grant Recipients — \$999,989

Pennsylvania Wine Land Statewide Marketing & Promotions, \$519,500

Pennsylvania Winery Association

Continuation of the Pennsylvania Wine Land consumer marketing campaign, expansion of Pennsylvania Wine Month promotion in October 2018 and sustained investment in a cooperative wine trails grant program representing more than 100 wineries.

Defining Regional Typicity of Grüner Veltliner Wines, \$195,622

Dr. Michela Centinari, Assistant Professor of Viticulture, The Pennsylvania State University

Characterize the environmental, viticultural and sensory factors that define signature characteristics of Grüner Veltliner wines and develop marketing strategies to appeal to current and potential Grüner Veltliner drinkers.

Boosting Polyfunctional Thiols and Other Aroma Compounds in White Hybrid Wines Through Foliar Nitrogen and Sulfur Application, \$101,543

Dr. Ryan Elias, Associate Professor of Food Science, The Pennsylvania State University

Evaluation of the impact of foliar nitrogen and sulfur spraying as a viticultural practice to improve quality and profitability of white hybrid wines.

Rotundone as a Potential Impact Compound for PA Wines, \$97,321

Dr. John Hayes, Associate Professor of Food Science, The Pennsylvania State University

Exploring what amounts of peppery aromas from rotundone appeal to Pennsylvania drinkers of Noiret and Grüner Veltliner wines.

Evaluating the Impact of Under-Trellis Groundcover Practices on Winegrape Production Profitability and Sustainability, \$51,978

Dr. Michela Centinari, Assistant Professor of Viticulture, The Pennsylvania State University

Research into a sustainable weed suppression alternative to herbicides for Pennsylvania wine growers that will allow growers to improve grape production while maintaining or improving soil health.

Pennsylvania Wine Industry Sponsorship for the 2018 American Society of Enology and Viticulture Eastern Section Conference, \$20,000

Denise Gardner, Wine Consultant, Denise Gardner Winemaking and Dr. Michela Centinari, Assistant Professor of Viticulture, The Pennsylvania State University

Sponsorship of key speakers and Pennsylvania wines poured at the July 2018 national conference in King of Prussia.

Screening Soil Microbial Stimulators for Potential Effectiveness in Northeastern Vineyards, \$14,025

Dr. Justine Vanden Heuvel, Associate Professor of Horticulture, Cornell University

Greenhouse screening of commercially available soil microbial stimulators for efficacy prior to selection of products for a larger field study. Results of this study will be shared with The Pennsylvania State University and Pennsylvania wine growers.

2017–18 Beer Grant Recipients — \$704,985

Pennsylvania Pursue Your Hoppiness, \$127,500

PA Department of Community and Economic Development, Pennsylvania Tourism Office

Identification of 12 beer trails geographically linking breweries based on the state's existing tourism regions, and creation, development and employment of a single, identifiable brand identity for Pennsylvania's malt and brewed beverage industry.

Distributors Training and Development, \$95,000*Malt Beverage Distribution Association*

Three regional marketing workshops across Pennsylvania for beer distributors (D licensees) that will allow industry experts to provide distributors with information and tools to take advantage of recent changes in Pennsylvania law to remain an integral part of the Pennsylvania beer industry.

Design and Development of Improved Drying Technologies for Pennsylvania Hop Growers, \$70,559*The Pennsylvania State University*

Development of research-based recommendations for dehydrating fresh hops with a focus on preserving hop aroma compounds currently in demand by Pennsylvania breweries.

Effect of Fungicides on Pennsylvania Hop Aroma Quality, \$65,595*The Pennsylvania State University*

Evaluation of the effects that fungicides have on the final quality of hops and beer brewed with those hops.

"Poured in Pennsylvania," \$65,000*GK Visual LLC*

A feature-length documentary film that will explore the state's craft beer industry, including its impact on agriculture, tourism and the economy in order to educate viewers and spur beer tourism throughout Pennsylvania.

Beer Tourism: The Digital Ale Trail, \$60,000*Brewers of Pennsylvania*

Development of a new app — a comprehensive, immersive mobile experience for residents and tourists to experience the best of the commonwealth's beer industry at the touch of their fingers — to raise the profile of Pennsylvania breweries.

"What's Brewing," \$50,000*CCI Communications*

A television series promoting all aspects of Pennsylvania's evolving brewing scene to raise the visibility of Pennsylvania's growing craft brewing industry and increase tourism.

Pennsylvania Craft Malt Production and Promotion for Commonwealth Brewed Beverages, \$49,214*Deer Creek Malthouse*

A project to increase production, promotion and research and development of Pennsylvania craft malt while increasing the quality, profitability and sale of commonwealth brewed beverages.

PABrewReview.com, \$39,970*PA Brew Review*

Improvement and expansion of a brewery review website using user-submitted ratings to provide consumers with a consolidated source of information for each brewery in the commonwealth, searchable by location and other categories.

Professional Development and Education Program, \$35,000*Master Brewer's Association of Pennsylvania, District Pittsburgh*

Direct education of individual brewers in western Pennsylvania increasing their knowledge and improving the quality of beer produced through the offering of professional speakers, technical seminars and other professional development opportunities.

Pittsburgh Brewery Guide, \$30,000*Pittsburgh Brewers Guild*

An innovative and interactive online and print guide to breweries across Allegheny County focused on increased knowledge of unique local brewing traditions, tourism and economic impact.

The Hops on Lots Pittsburgh Project, \$10,000*Hops on Lots Pittsburgh*

Development, in conjunction with a local community, of an urban hop farm to supply a local brewer for creation of a truly local beer for the community.

Bringing Brewers and Farmers Together, \$7,147*Montgomery County Planning Commission*

Two "matchmaking events" in 2018 to connect interested farmers with local brewers to strengthen Montgomery County's role in the local brewing economy.

Education & Grants Management Division

In fiscal year 2017–18, the Education & Grants Management Division reached citizens in nearly every Pennsylvania county. The Bureau of Alcohol Education:

- **Attended 109 events** throughout the commonwealth.
- Distributed more than **376,000 educational materials**.

- **Held the 26th annual Alcohol Education Poster Contest**, which received nearly 770 entries. Forty-six winners were recognized in an awards ceremony at The State Museum of Pennsylvania.
- **Conducted eight resident assistant trainings at colleges and universities** to prepare RAs to be role models and to deal with situations involving alcohol that may arise.
- **Participated in National Night Out celebrations in 21 communities.**
- **Hosted a town-gown strategic planning session with 46 participants** from the city of Pittsburgh and multiple institutions of higher education.

Additionally, since its creation in 2014, the Bureau of Alcohol

Education's Facebook page has gained more than 1,600 likes and nearly as many follows. The page shares prevention information regarding underage and dangerous drinking, features community events the bureau participates in and highlights grantee activities. The goal of the page is to interact with stakeholders and make the bureau and its resources more accessible to the public.

KNOW WHEN. KNOW HOW. CAMPAIGN

In fiscal year 2017–18, the PLCB's Bureau of Alcohol Education launched *Know When. Know How.SM*, a statewide education and prevention effort targeting Pennsylvania parents of children ages 8 through 12. The objective of the campaign is to prevent underage drinking by arming parents with the information, tools and confidence they need to begin having meaningful and



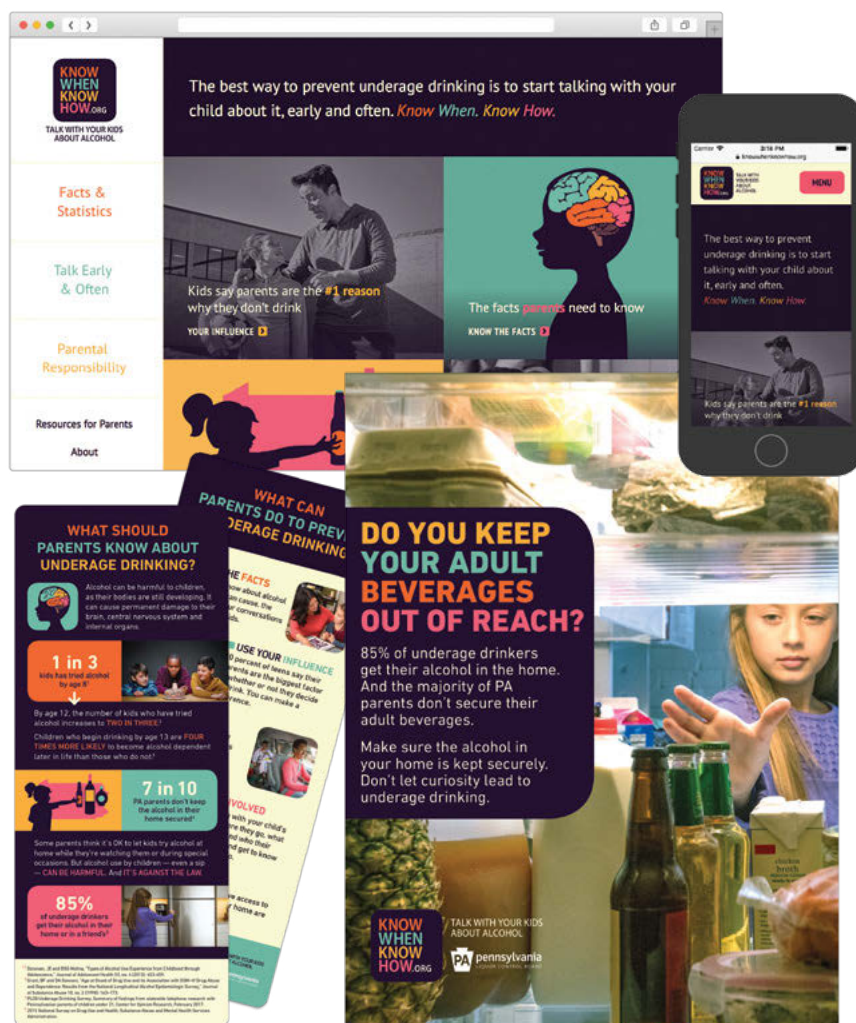
Nearly 770 students from 15 counties across the state participated in the 26th annual Alcohol Awareness Poster Contest. Using crayons, ink, colored pencils, paint and computer-generated imagery to create their posters, young artists conveyed positive messages about the benefits of being alcohol-free and choosing healthy alternatives to drinking, such as hobbies and extracurricular activities. Entries were judged on presentation and message. Since the poster contest began in 1992, more than 35,000 entries have been submitted and thousands more students have participated through projects in school classrooms. Poster contest winners were honored at a special ceremony at The State Museum of Pennsylvania in April as part of Alcohol Awareness Month.

effective conversations about alcohol with their children at an early age, before trial or use of alcohol begins.

Research from the Substance Abuse and Mental Health Services Administration (SAMHSA) shows that 80 percent of children feel their parents play a major role in their decision to drink or not drink. This statistic guided the PLCB to commission Pennsylvania-based research to find out what parents in Pennsylvania think and believe about underage drinking.

From a statewide survey of more than 500 commonwealth parents with children under age 21 and eight focus groups with parents of children between the ages of 5 and 15, 94 percent of parents surveyed believed it is their responsibility to talk to their kids about alcohol, but only a third had heard or seen any information on how to do so. Since most Pennsylvania parents are not familiar with the facts about underage drinking, the long-term effects alcohol can have on kids, the penalties for underage drinking or when children start drinking, the *Know When. Know How.*SM campaign fills an important gap.

With a heavy digital focus, the campaign features advertisements and messages that highlight facts and statistics, emphasize the role of parental responsibility as it relates to prevention, offer tips and resources for parents on how to start the conversation with their kids about



alcohol and drive interested parties to the mobile-friendly campaign website, KnowWhenKnowHow.org. In addition to resources for parents, the website also features a section with suggestions for community partners in prevention to help promote the campaign.

Following a soft launch in November 2017, the campaign was unveiled during a presentation and roundtable discussion among parents, educators, law enforcement, public health officials and PLCB staff at Bear Creek School, an intermediate school for

students grades four through six in Elizabethtown, Lancaster County.

From Nov. 27, 2017, through June 30, 2018, the campaign totaled 26.9 million digital impressions, resulting in more than 47,000 link clicks and 31,332 Pennsylvania-based visitors to the *Know When. Know How.*SM website.

The *Know When. Know How.*SM campaign won six Service Industry and Advertising Awards for 2018, selected from more than 1,600 submissions.

GRANTS

Alcohol Education grants for reducing underage and dangerous drinking are awarded on a two-year cycle. The amount awarded for the first year of funding in the 2017–19 grant cycle was \$1,153,928, which went to 66 grantees.

Of the grants that were awarded, more than 40 were used to fund community law-enforcement efforts for targeted underage patrols, training and equipment; 17 were used to fund initiatives such as Project Alert, Project Northland, the Strengthening Families Program, Project Sticker Shock and enforcement efforts; three went to primary and secondary schools to fund programs aimed at reaching students, such as enforcement during school special events and programs including Alcohol Wise,

MADD's Power of Parents® and Parents Who Host, Lose the Most®; and 22 college and university grants were used to help schools develop strategies to reduce underage and dangerous alcohol use through surveys and assessments, enforcement efforts, attendance at alcohol education conferences, training for resident assistants, peer education programs and evidence-informed programs like CHOICES, Alcohol Edu® and Operation Buzzkill.

At the completion of first-year funding, grantees made 1,320,734 contacts with the public.

RESPONSIBLE ALCOHOL MANAGEMENT PROGRAM

The purpose of the Responsible Alcohol Management Program (RAMP) is to give licensees the tools they need to serve alcohol

Responsible Alcohol Management Program



responsibly. In 2001, RAMP was established as a voluntary program. In 2006, Act 26 mandated RAMP certification for licensees found guilty of sales to minors or visibly intoxicated persons (VIPs). Subsequent state laws also require elements of RAMP training for owners/managers and servers/sellers. RAMP may also be required as part of a conditional licensing agreement. Additionally, wine expanded permit holders must comply with all aspects of RAMP.

The following five steps must be completed for certification:

Owner/Manager Training —

This training is offered free to license owners and PLCB-approved managers and covers topics such as liability, how to develop and implement house policies, responsibilities of licensees and information covered in server/seller training.

Server/Seller Training — At least 50 percent of the licensee's alcohol service staff must be trained as part of certification. This includes anyone who serves alcohol and/or checks IDs. Training includes tips on carding and spotting fake IDs, how to spot and deal with VIPs and how to slow down or stop service.

SOME OF THE WAYS PEOPLE WERE REACHED

1,830

Police & Campus Patrols

18

Public Service Announcements

37

Newspapers

20

Billboards

18

Online Assessments

30

Peer Educators

New Employee Orientation —

The owner or manager is responsible for reviewing the new employee orientation checklist, supplied by the PLCB, with every new employee. The list includes legal information about the penalties for serving minors and VIPs, acceptable forms of ID, carding

practices and preventing criminal activity on the premises.

Signage — Posters or signs about acceptable forms of ID and the refusal of alcohol service to minors and VIPs must be displayed at the licensed establishment.

Affidavit Request for RAMP

Certification — Upon completion of the previous requirements, the licensee submits the affidavit to the PLCB. If all requirements are met, the licensee will receive certification valid for two years.

84,361

TOTAL TRAINED IN SERVER/SELLER
AND OWNER/MANAGER TRAININGS

1,589

LICENSED ESTABLISHMENTS BECAME
RAMP-CERTIFIED IN FISCAL YEAR 2017–18

78,459

SERVER/SELLER

Classroom Training
22,648

Online Training
55,811

Classroom Training
1,371

Online Training
4,531

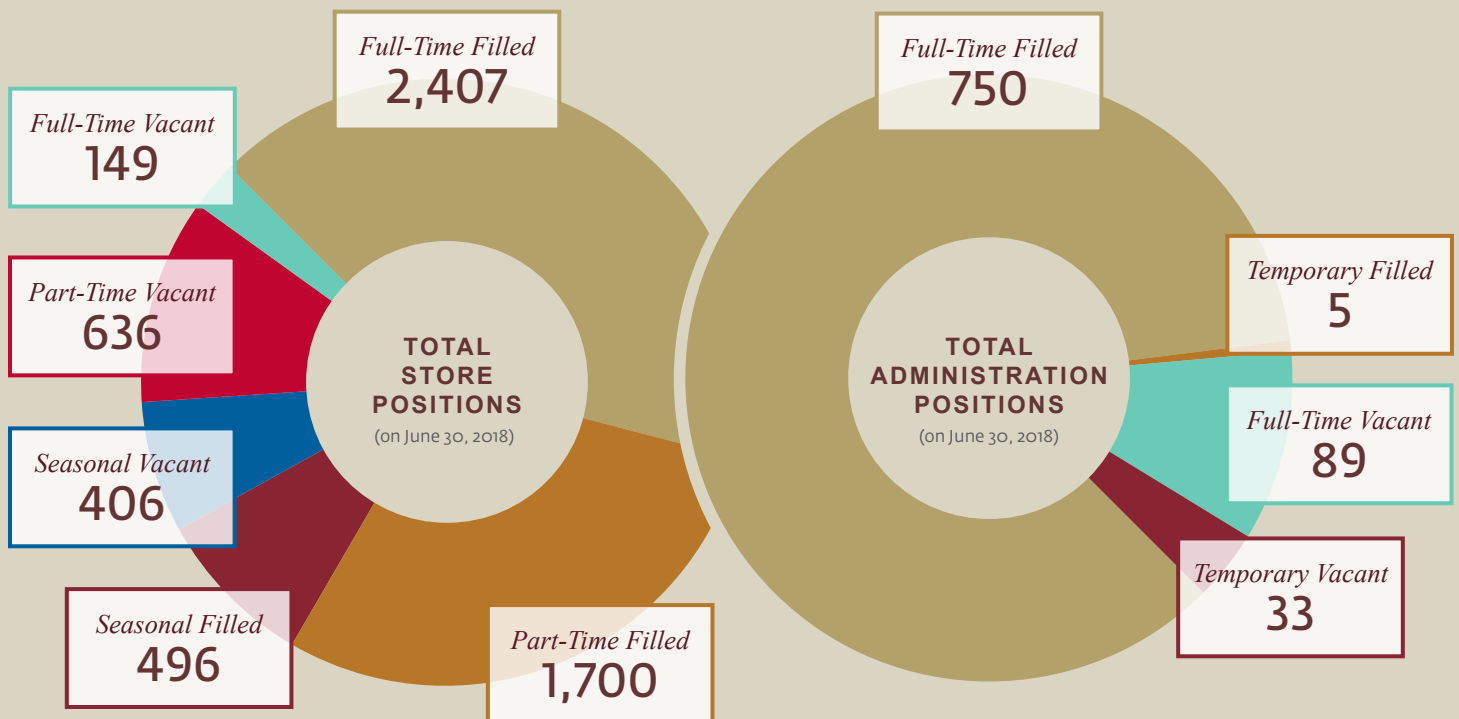
5,902

OWNER/MANAGER

ADMINISTRATION

The Office of Administration provides a broad range of services in support of the PLCB's mission. Responsibilities include the implementation of Board policies, procedures and regulations pertaining to labor relations, performance management, employee benefits and safety, staff training, telecommunications, fleet vehicle management and maintenance services.

EMPLOYMENT DEMOGRAPHICS



Injury Reductions

The PLCB Office of Administration (OA) is charged with maintaining safe work environments for the agency's 5,300 employees. The OA's safety unit develops training, coaching and special initiatives designed to reduce workplace injuries.

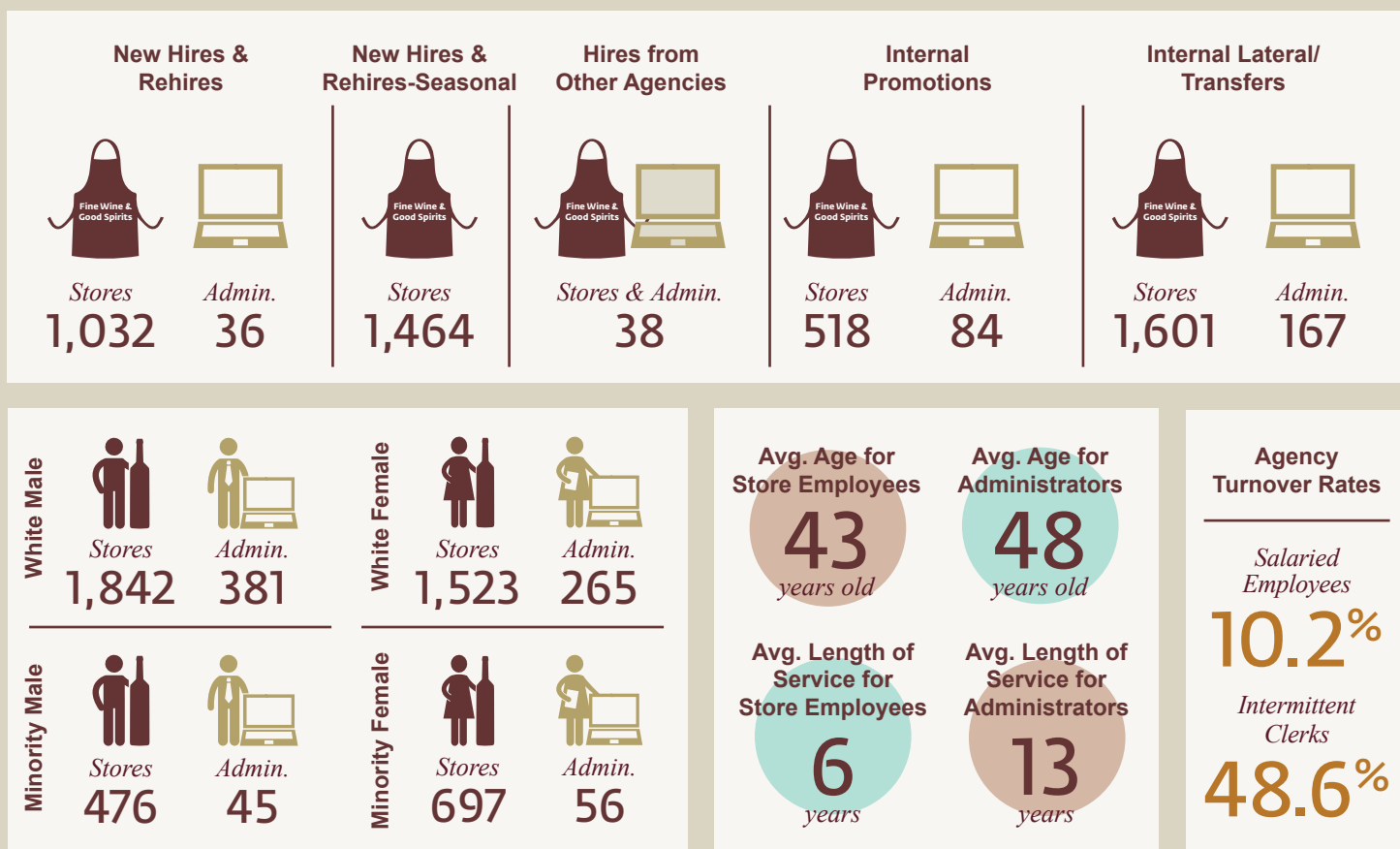
In fiscal year 2017–18, due to the implementation of a series of new safety checklists in conjunction with its Job Safety and New Hire Observation programs, the agency

experienced a 17 percent reduction in workplace injuries when compared with the prior fiscal year.

The observation programs are an opportunity for management to proactively address at-risk behaviors with corrective feedback and reinforce safe behaviors with positive feedback. The completion of Job Safety and New Hire Observation checklists that focus on proper lifting, cutting and housekeeping (slips, trip and falls) — the agency's top three injury trends — promote

continual monitoring and feedback from managers to employees.

Since the rollouts of the Job Safety Observation program in 2016 and the New Hire Observation program in 2017, more than 3,400 observations were submitted by managers. Over the course of the last two years, lifting injuries decreased by 22 percent and slips, trips and falls decreased by 27 percent.



PLCB MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Responsibility for the Financial Statements

PLCB management is primarily responsible for the preparation, integrity and fair presentation of the agency's financial statements. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States and, as such, include amounts based on estimates and judgments by management. The PLCB maintains a system of internal controls designed to provide reasonable assurance that its financial statements are free from material misstatement due to fraud or error.

Discussion of Basic Financial Statements

The accounts of the State Stores Fund and the Liquor License Fund are reported using the accrual basis of

accounting and on a fiscal year basis, comprised of 12 calendar months.

The basic financial statements included in this report are the State Stores Fund Comparative Statement of Net Position as of June 30, 2018 and 2017; the Liquor License Fund Statement of Fiduciary Net Position as of June 30, 2018; the State Stores Fund Comparative Statements of Revenues, Expenses, and Changes in Net Position for the Twelve Months Ending June 30, 2018 and June 30, 2017; the State Stores Fund Comparative Statements of Revenues, Expenses, and Changes in Net Position for the Month Ending June 30, 2018 and June 30, 2017; and the State Stores Fund Comparative Statement of Cash Flows for the Twelve Months Ending June 30, 2018 and June 30, 2017.

The State Stores Fund Comparative Statement of Net Position provides information about assets and

liabilities and reflects the net financial position of the State Stores Fund at the end of each fiscal year. The Comparative Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenue activity, expenses related to such activity and operating transfers out for each fiscal year. The Comparative Statement of Cash Flows outlines the cash inflows and outflows relating to the operations for each fiscal year. The Liquor License Fund Statement of Fiduciary Net Position provides information about assets and liabilities that reflect the position of the Liquor License Fund for each fiscal year end. The Statement of Changes in Fiduciary Net Position illustrates the net asset and net liability activity throughout the fiscal year. The basic financial statements also include Notes to Financial Statements that provide additional information that is essential to a full understanding of the data provided in the statements.

These statements provide current and long-term information about the PLCB's financial position.

Although the liquor tax is incorporated into the retail price of products sold by the PLCB and is discussed herein as part of the sales analysis and transfers out, neither this tax nor the state and local sales taxes are reflected as revenue in the basic financial statements.

Executive Summary & Highlights

Fiscal year 2017–18 sales grew 2.7 percent over the prior year as a result of volume increases of 1.8 percent as well as price adjustments on a broad range of products. PLCB fiscal year 2017–18 net income of \$158.2 million was \$53.4 million, or 50.9 percent, greater than last year. The substantial increase is due mainly to the price adjustments and related gross margin improvement, higher revenues from expired license auctions and a lower assessed contribution rate for the employer share of retiree health benefits.

The Government Accounting Standards Board (GASB) recently issued statement No. 75 which requires the PLCB to record in the State Stores Fund Comparative Statement of Net Position its entire share of the commonwealth obligation for other post-employment benefits (OPEB) — also referred to as retiree health benefits. The GASB accounting

rule changes also specified stricter provisions regarding the interest rate used to discount the future OPEB obligation where the liability is largely unfunded. To implement the accounting change, the PLCB's July 1, 2017, OPEB obligation was restated to \$858.8 million from the previously reported balance of \$107.2 million. The \$751.6 million increase in the OPEB obligation was also recorded as an increase to the deficit in the State Stores Fund Comparative Statement of Net Position.

Other financial highlights include:

- Higher operating income of \$185.8 million, representing an increase of \$54.9 million or 41.9 percent.
- Net cash flow from operating activities of \$249.1 million, up \$64.2 million from the prior year, funded a \$185.1 million cash transfer to the General Fund, \$30.5 million to fund the Pennsylvania State Police's liquor control enforcement efforts, \$2.5 million in transfers to the Department of Drug & Alcohol Programs, \$1.8 million in grants to the Pennsylvania wine and malt or brewed beverage industries and \$2.9 million for the PLCB's capital expenditures.
- Year-end cash and investments increased \$28.9 million to \$258.3 million, due to positive net cash flow from operations.

- Total liabilities increased by \$670.9 million to \$1.64 billion, due primarily to implementing the change in GASB accounting rules related to post-employment benefits for retiree health care costs.
- Due to the change in GASB accounting rules for OPEB retiree health care costs, the PLCB's total net position decreased significantly to a net deficit of \$1.11 billion versus a deficit of \$352.5 million last year.

Revenues & Costs

SALES

Sales and tax revenue in fiscal year 2017–18 totaled \$2.59 billion, an increase of \$67.8 million or 2.7 percent over fiscal year 2016–17. Excluding liquor and sales taxes, net sales of \$2.07 billion were up \$53.8 million, also 2.7 percent over the prior year. By product category, sales growth was higher for spirits at 2.8 percent with wine sales growing at 2.4 percent. Overall unit sales were up 1.8 percent, with the balance of the sales increase attributable to price and product mix changes.

2017–18 was the first full year of activity under broad legislative changes enacted in 2016 that, among other things, allowed for wine expanded permit holders (primarily grocery and convenience stores) to sell wine. At the end of 2017–18, almost 580 grocery and

convenience retailers were selling wine to consumers. As a result, PLCB retail wine sales decreased by 3.3 percent, while wine sold to licensees at a discount — including grocery and convenience stores — increased by 27.5 percent. Retail spirit sales increased by 3.1 percent, with spirit sales to licensees up by 1.7 percent.

OPERATING INCOME & EXPENSE

Operating income for the year ended June 30, 2018, was \$185.8 million, up \$54.9 million, or 41.9 percent from the \$130.9 million reported last year. The increase is partially attributable to an increase in gross profit of \$36.1 million along with an increase in license fees of \$15.6 million. The increase in license fees resulted from higher revenue from expired license auction fees (\$12.4 million), and higher licensee renewal surcharges (\$3.8 million), partially offset by other licensee fee category decreases. Total operating expenses for the year were \$522.6 million versus \$525.2 million last year, a \$2.6 million decrease which also lifted operating income for the year.

The reduction in operating expenses was driven primarily by a \$17.4 million reduction in OPEB retiree health benefit costs due in part to a lower assessed contribution rate and to an increase in the discount rate in fiscal year 2017–18, which lowered the present value of the OPEB liability as of June 30, 2018. Operating expense

was also favorably impacted by a \$4.3 million decrease in information technology consulting and contractual services. Pension expense declined by \$1.3 million, yet still represents more than 41 percent of annual salary and wage expense. Partially offsetting these expense decreases was an increase of \$4.9 million in workers compensation costs arising entirely from an adjustment to the commonwealth's workers compensation liability last year that reduced fiscal year 2016–17 expense. Salary and wages increased by \$3.5 million or 2 percent due to commonwealth-negotiated rate increases, offset by lower overtime and staffing. Store rent increased \$2 million or 4 percent due to premium upgrades and store re-branding efforts. Finally, advertising expenses increased by \$1.5 million for product marketing and support of alcohol education programs.

TRANSFERS OUT

The Bureau of Liquor Control Enforcement within the Pennsylvania State Police received \$30.5 million in funding in fiscal year 2017–18, an increase of \$2.4 million, or 8.6 percent, over the previous year. Department of Drug & Alcohol Programs received \$2.5 million, as mandated by Act 42 of 2018, and \$185.1 million was transferred to the General Fund pursuant to 47 P.S. §8-802(f) and as determined annually by the Governor's Office. Grants awarded and paid to the

Pennsylvania wine and malt beverage industries totaled \$800,000 and \$1 million, respectively.

Other contributions to the General Fund during fiscal year 2017–18 generated by the PLCB's operations, but not reflected as revenues, expenses or cash flows in the State Stores Fund financial statements, included \$371.5 million in liquor tax and \$146 million in state sales tax, an overall 2.7 percent increase. Additionally, the PLCB remitted \$9.4 million in local sales taxes to Philadelphia and Allegheny counties.

Licensing fees returnable to local municipalities from the Liquor License Fund were \$4.6 million for fiscal year 2017–18, compared to \$4.3 million in the prior year.



September 13, 2018

Members of the
Pennsylvania Liquor Control Board
Harrisburg, Pennsylvania

We have compiled the accompanying comparative statement of net position for the State Stores Fund as of June 30, 2018 and June 30, 2017, and the comparative statement of fiduciary net position for the Liquor License Fund as of June 30, 2018 and June 30, 2017, and the related State Stores Fund comparative statements of revenues, expenses, and changes in fund net position for the period ended June 30, 2018 and June 30, 2017, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A handwritten signature in black ink, appearing to read 'Michael J. Burns'.

Michael J. Burns, CPA
Director

FINANCIAL STATEMENTS

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

	June 30, 2018	June 30, 2017
ASSETS		
Current assets		
Cash	\$ 54,183,489	\$ 40,011,403
Investments - short term	204,078,201	189,402,604
Accounts and claims receivable, net	747,207	2,134,707
Due from other funds - Note 8	833,117	2,143
Merchandise inventories, net	257,979,226	254,916,713
Operating supplies	845,551	358,595
Prepaid expenses	72,680	3,082,918
Total current assets	<u>518,737,471</u>	<u>489,909,083</u>
Non-current assets		
Non-depreciable capital assets		
Land	322,973	322,973
Depreciable capital assets		
Building	20,809,269	19,816,479
Leasehold improvements	512,301	502,597
Machinery and equipment	47,904,598	47,112,135
Intangibles - internally generated software	25,990,043	29,508,013
Less accumulated depreciation	<u>66,662,710</u>	<u>61,236,089</u>
Net depreciable capital assets	<u>28,553,501</u>	<u>35,783,135</u>
Total non-current capital assets	<u>28,976,474</u>	<u>36,106,108</u>
Total assets	<u>\$ 547,713,945</u>	<u>\$ 526,015,191</u>
Total deferred outflows of resources - Note 4	\$ 88,630,800	\$ 105,861,773
LIABILITIES		
Current liabilities		
Trade accounts payable	\$ 277,831,858	\$ 269,948,690
Other accounts payable	27,288,341	19,279,117
Accrued expenses	14,332,279	14,895,432
OPEB - Note 5	11,976,000	-
Self-insurance, workers' compensation - Note 6	7,637,029	6,739,857
Due to other funds - Note 8	3,166,485	5,933,219
Due to fiduciary funds - Note 8	1,908,698	1,628,252
Due to other governments - Note 8	516,090	492,484
Total current liabilities	<u>344,656,780</u>	<u>318,717,051</u>
Non-current liabilities		
OPEB - Note 5	781,379,000	107,216,012
Self-insurance, workers' compensation - Note 6	47,949,448	42,256,546
Net pension liability - Note 4	440,677,473	477,443,490
Compensated absences - Note 1	20,809,984	18,904,788
Total non-current liabilities	<u>1,290,815,905</u>	<u>645,820,836</u>
Total liabilities	<u>\$ 1,635,472,685</u>	<u>\$ 964,537,887</u>
Total deferred inflows of resources - Note 4	\$ 108,178,959	\$ 19,817,976
NET POSITION		
Net investment in capital assets	\$ 28,976,474	\$ 36,106,108
Deficit***	<u>(1,136,283,373)</u>	<u>(388,585,007)</u>
Total net position	<u>\$ (1,107,306,899)</u>	<u>\$ (352,478,899)</u>

***Effective July 1, 2017, the PLCB implemented the Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). This standard established new standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to OPEB. The State Stores Fund Net Position changed by a total of \$(725,475,988) as a result of implementing GASB 75.

Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
Liquor License Fund
Statement of Fiduciary Net Position
As of June 30, 2018
(Unaudited)

	<u>June 2018</u>	<u>June 2017</u>
Assets:		
Cash in Transit	\$ 89,675	\$ 86,325
Investments - Short Term	<u>2,507,283</u>	<u>2,389,665</u>
Total Assets	<u>\$ 2,596,958</u>	<u>\$ 2,475,990</u>
Liabilities:		
License Fees due Municipalities	\$ 2,596,958	\$ 2,475,990
Other Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 2,596,958</u>	<u>\$ 2,475,990</u>

See Accountant's Compilation Report
 The accompanying notes are an integral part of these statements
 Page 3

FINANCIAL STATEMENTS

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, 2018 and June 30, 2017
(Unaudited)

	2017-18	2016-17
Sales net of taxes	\$ 2,066,562,034	\$ 2,012,789,087
Cost of goods sold	(1,408,532,024)	(1,390,882,364)
Gross profit from sales	658,030,010	621,906,723
Operating (expenses)		
Retail operations	(398,301,097)	(400,020,196)
Marketing & merchandising	(15,052,290)	(14,792,217)
Supply chain	(8,970,204)	(10,418,668)
Wholesale operations	(1,773,887)	(1,193,681)
Information technology services	(31,225,089)	(33,086,472)
Regulatory affairs	(20,802,809)	(22,280,153)
Administration	(14,782,471)	(14,430,335)
Finance	(3,890,566)	(3,716,756)
Board & secretary	(6,660,227)	(6,144,528)
Legal	(3,602,786)	(3,066,932)
Commonwealth provided services - Note 2	(14,819,054)	(13,436,645)
Total	(519,880,479)	(522,586,582)
Operating profit	138,149,531	99,320,141
Other operating revenues (expenses):		
Enforcement fines	1,522,287	1,352,931
License fees	46,377,715	30,812,542
Miscellaneous income	2,418,403	2,020,451
Administrative law judge	(2,709,397)	(2,622,807)
Total	47,609,008	31,563,117
Total operating income	185,758,539	130,883,257
Non-operating revenues (expenses)		
Interest income	2,998,479	2,225,054
Other	18,751	(106,249)
Total	3,017,230	2,118,805
Income before operating transfers	188,775,769	133,002,062
Operating transfers out		
PSP enforcement - Note 3	(30,527,781)	(28,106,852)
Income after enforcement/before other transfers	158,247,988	104,895,210
Other operating transfers out		
General fund - Note 3	(185,100,000)	(216,895,746)
Drug and alcohol programs - Note 3	(2,500,000)	(2,500,000)
Total	(187,600,000)	(219,395,746)
Change in net position	(29,352,012)	(114,300,535)
Total net position, beginning 2017-18 restated - Note 10	(1,077,954,887)	(238,178,364)
Total net position - ending	\$ (1,107,306,899)	\$ (352,478,899)

See Accountant's Compilation Report
The accompanying notes are an integral part of these statements
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FINANCIAL STATEMENTS

**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, 2018 and June 30, 2017
(Unaudited)

	June 2017-18	June 2016-17
Sales net of taxes	\$ 173,385,808	\$ 187,000,860
Cost of goods sold	<u>(118,468,025)</u>	<u>(117,966,982)</u>
Gross profit from sales	54,917,783	49,033,878
Operating (expenses)		
Retail operations	(36,417,252)	(34,201,432)
Marketing & merchandising	(689,574)	(838,447)
Supply chain	(59,013)	(1,196,590)
Wholesale operations	(186,410)	(124,910)
Information technology services	(2,989,706)	(1,362,868)
Regulatory affairs	(1,978,943)	(1,561,924)
Administration	(1,334,980)	(1,258,545)
Finance	(345,706)	(294,887)
Board & secretary	(426,411)	(449,262)
Legal	(318,170)	(264,461)
Commonwealth provided services - Note 2	<u>(2,063,810)</u>	<u>(1,111,059)</u>
Total	<u>(46,809,975)</u>	<u>(42,664,385)</u>
Operating profit	8,107,808	6,369,493
Other operating revenues (expenses)		
Enforcement fines	142,885	139,491
License fees	3,266,917	3,521,151
Miscellaneous income	(476,236)	193,148
Administrative law judge	<u>(224,447)</u>	<u>(220,814)</u>
Total	<u>2,709,119</u>	<u>3,632,976</u>
Total operating income	10,816,927	10,002,469
Non-operating revenues (expenses)		
Interest income	372,306	191,158
Other	<u>-</u>	<u>(4,297)</u>
Total	<u>372,306</u>	<u>186,861</u>
Income before operating transfers	11,189,233	10,189,330
Operating transfers out		
PSP enforcement - Note 3	<u>(3,114,228)</u>	<u>(2,971,608)</u>
Income after enforcement/before other transfers	8,075,005	7,217,722
Other operating transfers out		
General fund - Note 3	-	(25,000,000)
Drug and alcohol programs - Note 3	<u>(2,500,000)</u>	<u>(2,500,000)</u>
Total	<u>(2,500,000)</u>	<u>(27,500,000)</u>
Change in net position	5,575,005	(20,282,278)
Total net position, beginning 2017-18		
restated - Note 10	<u>(1,112,881,904)</u>	<u>(332,196,621)</u>
Total net position - ending	<u>\$ (1,107,306,899)</u>	<u>\$ (352,478,899)</u>

See Accountant's Compilation Report
The accompanying notes are an integral part of these statements
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FINANCIAL STATEMENTS

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statement of Cash Flows
For the Twelve Months Ending June 30, 2018 and June 30, 2017
(Unaudited)**

	FY17	FY16
Cash flows from operating activities		
Receipts from customers	\$ 2,117,436,865	\$ 2,046,406,099
Payments to suppliers	(1,868,358,441)	(1,861,485,490)
Net cash provided by operating activities	249,078,524	184,920,609
Cash flows from noncapital financing activities		
PSP expenses	(30,527,781)	(28,106,852)
General fund transfer	(185,100,000)	(216,895,746)
DDAP transfer	(1,774,604)	(1,053,439)
Net cash used for noncapital financing activities	(220,402,385)	(245,856,037)
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(2,862,046)	(7,265,514)
Proceeds from capital assets	33,110	31,565
Net cash used for capital and related financing activities	(2,828,936)	(7,233,949)
Cash flows from investing activities		
Purchase of investments	(1,471,190,886)	(1,549,743,449)
Proceeds from sale and maturities of investments	1,458,517,289	1,635,738,307
Investment income	2,998,479	2,225,054
Net cash provided by (used for) investing activities	(11,675,118)	88,217,912
Net increase / (decrease) in cash	14,172,086	20,048,535
Cash - July 1	40,011,403	19,962,868
Cash - June 30	<u>\$ 54,183,489</u>	<u>\$ 40,011,403</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income	\$ 185,758,539	\$ 130,883,257
Depreciation	9,977,320	10,239,483
Change in assets and liabilities		
Accounts receivable	1,387,500	(572,175)
Inventory	(3,549,489)	(10,824,393)
Due from other funds	(830,974)	3,263
Other operating net assets	3,010,238	(3,082,918)
Deferred outflows - pension related	43,387,973	(12,670,324)
Accounts payable and accrued liabilities	15,529,239	10,231,516
Due to other funds	(492,130)	(355,999)
Due to pension trust funds	280,446	34,547
Net pension liability	(36,766,017)	28,267,791
Due to other governments	23,600	11,730
Other post-employment benefit obligations	(65,494,000)	17,037,899
Self-insurance liabilities	6,590,074	1,937,150
Compensated Absences	1,905,196	(602,073)
Deferred inflows - pension related	88,360,963	14,181,855
Total adjustments	63,319,985	54,037,352
Net cash provided by operating activities	<u>\$ 249,078,524</u>	<u>\$ 184,920,609</u>

Noncash investing, capital and financing activities

A \$2.5 million Department of Drugs and Alcohol (DDAP) liability was accrued in June 2016 for the FY 17-18 statutory obligation

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES AND LIQUOR LICENSE FUNDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pennsylvania Liquor Control Board (PLCB), established in 1933 upon the repeal of Prohibition, was mandated the responsibility of protecting the peace and morals of Pennsylvania citizens by regulating the sale of alcoholic beverages. The PLCB's mission remained relatively constant until the passage of *Act 14 in 1987*. As a result, liquor law enforcement authority was transferred to the Pennsylvania State Police, and the Office of the Administrative Law Judge was created to preside over all citation cases and other enforcement hearings.

The significant accounting policies employed by the PLCB in the preparation of the accompanying financial statements are as follows:

Basis of Presentation: The PLCB is primarily responsible for the accounting and reporting of the State Stores Fund and the Liquor License Fund, except for funds appropriated from the State Stores Fund to the Pennsylvania State Police (PSP) for Liquor Code enforcement activities and to the Department of Drug and Alcohol Programs for alcohol rehabilitation programs. The State Stores Fund is an enterprise fund primarily used to account for wine and spirits sales and related operating expenses. The Liquor License Fund is an agency fund used for the collection and subsequent disbursement of certain annual license fees, which are returned to municipalities.

The preparation of financial statements in conformity with generally accepted accounting principles requires the PLCB to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting: The financial statements of the State Stores Fund and Liquor License Fund are presented on the accrual basis of accounting according to Government Accounting Standards Board (GASB). Accrual basis accounting requires recognition of revenue when earned and recognition of expenses when incurred.

Cash: Cash includes PLCB funds held by the State Treasurer, imprest balances held at financial institutions and change funds used at stores.

Investments: The PLCB participates in the Commonwealth Investment Program administered by the Pennsylvania Treasury Department. PLCB's funds in the Commonwealth Investment Program are invested in short-term fixed income investments and cash which provides a high degree of liquidity and security.

Merchandise Inventories: Inventories are stated at weighted average cost. Product warehousing and handling, as well as transportation to store costs, are reported as part of Merchandise Inventories and are charged to Cost of Goods Sold as product is sold.

PLCB established a provision for obsolete inventory beginning fiscal year end June 30, 2015. Management will regularly review, at least once annually, inventory quantities on hand and increase the provision for obsolete inventory as necessary based upon factors that include historical unsalable product write-off, the age of the inventory and forecasts of product demand. The allowance for obsolete inventory was \$227,000 as of June 30, 2018 and \$192,578 as of June 30, 2017.

Capital Assets: Capital assets are reported at cost. Depreciation is calculated for buildings, machinery and equipment; amortization is calculated for Internally-Generated Computer Software. Both depreciation and amortization are calculated on the straight-line basis over the capital assets' estimated useful lives.

Compensated Absences: From July 1, 2016 to the end of the 2016 leave calendar year, employees accumulated annual leave based on 2.7% to 10% of regular hours paid to a maximum of 45 days. Effective with the beginning of the 2017 leave calendar year, employees accumulate annual leave based on 4.24% to 11.93% of regular hours paid to a maximum of 45 days. Employees are paid for accumulated annual leave upon termination or retirement.

Employees accumulate sick leave based on 4.24 - 5% of regular hours paid to a maximum of 300 days. Retiring employees that meet service, age, or disability requirements are paid for 30% to 50% of their accumulated unused sick leave.

Taxes: All taxes are excluded from Sales reported on the Statement of Revenues, Expenses, and Changes in Net Position. The 18% state liquor excise taxes (emergency tax), the 6% state sales taxes and the local sales taxes are collected and remitted monthly to the Department of Revenue for the General Fund. Taxes collected for the Period July 1, 2017 to June 30, 2018 are as follows:

Liquor Tax	\$371,507,515
State Sales Tax	146,027,242
Local Sales Tax	<u>9,398,136</u>
Total	\$526,932,893

Comparative Data and Reclassifications:

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications did not affect Income after enforcement / before other transfers, Change in net position, or Total net position.

2. COMMONWEALTH-PROVIDED SERVICES

Expenses reflected in Commonwealth-Provided Services include year-to-date charges for interagency billings for services provided by the following agencies:

Comptroller	\$ 5,967,878
Auditor General Services	3,067,416
Treasury Department Services	167,530
Civil Service Commission Services	1,052,278
Payroll Operations Services	300,406
OA Office	
Classification & Pay Services	307,583
Strategic Services/SEAP	206,054
IES -Contracted Main Services	1,775,367
OA Telecommunication Charges	633,803
Commonwealth User Provisioning and Self-Service	49,062
Executive Offices Labor Relations	-
Dept of General Services	
Real Estate & Shared Services Accrual	954,129
Employee Self & Tort Insurance	98,098
Capital Complex Services	239,450
	<u>\$ 14,819,054</u>

3. OPERATING TRANSFERS OUT

These amounts represent operating transfers as follows:

PSP Enforcement

Funds provided for operating expenses of the Pennsylvania State Police, Bureau of Liquor Control Enforcement.

General Fund

Per Act 21 of 1951, as reenacted by Act 14 of 1987, the PLCB is subject to transfer moneys to the General Fund for use of the Commonwealth.

Per Act 39 of 2016, any commissions, compensation or any type of incentive award based upon the sale of lottery tickets and games shall be deposited by the PLCB into the General Fund.

Per Act 166 of 2016, all moneys collected from converting an eating place retail dispensing license to a restaurant license, casino license fees, and license auction proceeds shall be transferred from the State Stores Fund to the General Fund.

Drug & Alcohol Programs

Per Act 21 of 1951, as reenacted by Act 14 of 1987, two percent of the PLCB's profits from the sale of alcohol shall be transferred to the Department of Drug and Alcohol Programs (DDAP) for drug and alcohol rehabilitation programs. The PLCB establishes a liability for the amount due to DDAP and transfers the payment in a subsequent fiscal year. Act 42 of 2018 was enacted June 22, 2018 and contains a provision that resulted in a \$2.5M other operating transfer out reported for fiscal year 2017-2018 (to be transferred in fiscal year 2018-2019) for the purposes set forth in Act 21 of 1951, as reenacted by Act 14 of 1987. The \$2.5M has been accrued for the FYE June 30, 2018.

4. PENSION

Commonwealth laws established contributory defined benefit pension plans covering substantially all Commonwealth including the PLCB. PLCB employees are members of the State Employees' Retirement System (SERS). The SERS is the administrator of a cost-sharing multiple-employer defined benefit retirement plan established to provide pension benefits for Commonwealth employees. The SERS issues stand-alone, audited financial statements which are available at www.sers.state.pa.us. Written requests for SERS financial statements should be directed to the following address:

State Employees' Retirement System
30 North Third Street, Suite 150
Harrisburg, PA 17101-1716

Membership in the SERS is mandatory for most PLCB employees. Certain elected or appointed officials are given the option to participate.

SERS provides retirement, death and disability benefits. Article II of the commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly. Member retirement benefits are determined by taking years of credited service, multiplied by final average salary, multiplied by 2%, multiplied by class of service multiplier.

Section 5507 of the SERC (Pa C.S. §5507) requires the Commonwealth, including the PLCB, whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. SERS funding policy, as set by the SERS board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS funding valuation, expressed as a percentage of annual covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. However, Act 2010-120 imposes rate increase collars (limits on annual rate increases) on employer contributions. The collar for Commonwealth fiscal year 2016-17 was 4.5%. For fiscal year 2017-18 the actuarial determined contribution rate increase over the prior year was within the legislative collar of 4.5%, and so the collar is not in effect. The PLCB's contributions to the SERS were \$52.4M and \$45.2M for the years ended June 30, 2018 and 2017, respectively.

The general membership contribution rate for all Class A and Class AA members is 5% and 6.25% of salary, respectively. The general membership contribution rate under Act 2010-120 for A-3 and A-4 members is 6.25% and 9.3%, respectively. All employee contributions are recorded in individually identified accounts that are credited with interest, calculated at 4% per annum, as mandated by statute. Accumulated employee contributions and credited interest vest immediately and are returned to the employee upon termination of service if the employee is not eligible for other benefits.

Effective July 1, 2014, the PLCB implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. GASB 68 established accounting and financial reporting standards for pensions that are provided to employees of state and local governmental employers through pension plans that are administered through trusts. This standard establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB 68 requires all member employers of a cost sharing multiple-employer defined benefit retirement plan to report its proportionate share of the pension liability, deferred outflows and deferred inflows. Deferred Outflows are a balance sheet reporting category similar to an asset, representing outflows of resources that occurred in the current reporting year that are applicable to future years. Deferred Inflows are a balance sheet reporting category similar to a liability. Deferred Inflows represent inflows of resources that occurred in the current reporting year, however, are applicable to future years.

For the years ended June 30, 2018 and June 30, 2017, the PLCB recognized pension expense of \$72.9M and \$75.0M, respectively, as follows:

	FYE June 30, 2018	FYE June 30, 2017
Employer Contributions	52,426,567	45,199,264
Change in Net Pension Liability	(36,766,016)	28,267,790
Total Change in Deferred Outflows		
Contributions Subsequent to Measurement Date	(3,967,182)	(3,383,196)
Difference between Projected and Actual Investment Earnings	40,124,293	5,610,163
Change in Proportion	(786,984)	(1,027,714)
Difference Between Employer Contributions and Proportionate Share	(57,319)	(254,382)
Difference between Expected and Actual Experience	(559,144)	2,203,141
Difference in Change in Assumptions	7,100,309	(15,818,335)
Total Change in Deferred Outflows	41,853,973	(12,670,324)
Total Change in Deferred Inflows		
Change in Proportion	155,645	3,364,312
Difference Between Employer Contributions and Proportionate Share	51,147	135,246
Difference between Expected and Actual Experience	(2,314,909)	10,682,297
Difference between Projected and Actual Investment Earnings	17,521,100	-
Total Change in Deferred Inflows	15,412,983	14,181,855
Total Pension Expense	72,927,507	74,978,586

5. OTHER POST EMPLOYMENT BENEFITS FOR EMPLOYEES (OPEB)

Employees of the PLCB participate in the Retired Employees Health Program (REHP), a single employer defined benefit OPEB plan, that is sponsored by the Commonwealth of PA, and administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF).

Eligible employees who retire from the state and meet one of the following eligibility criteria are eligible to receive REHP benefits:

- 25 or more years of service;
- 20 or more years of service and superannuation age – Age 50 for Park Rangers, Capitol Police and certain enforcement officers or 60 for general employees (age 55 or 65 for employees subject to Act 120 of 2010);
- 15 or more years of service and superannuation age if employee had at least 15 years of service as of June 30, 2008 or 13 years of service and within one year of superannuation age as of June 30, 2008;
- Disability retirement – requires five years of service (no service requirement for enforcement officers).

All employing agencies and certain plan members must contribute specified amounts to the REHP. Employing agency contribution requirements are established by the Office of Administration and the Office of the Budget. PLCB's contribution was \$362 for the fiscal year ending June 30, 2017, \$300 for the periods of July 1, 2017 – December 31, 2017, and \$188 for the remainder of the fiscal year ending June 30, 2018, for each current REHP eligible active employee per biweekly pay period. Active employees are not required to contribute to the REHP. In general, retiree contributions range from 0 to 3% of final average salary, depending on the retiree's retirement date.

Effective July 1, 2017, the PLCB implemented the Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB 75 established new standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to OPEB. Under the requirements of GASB 75, as an employing agency in the REHP, the PLCB will report its allocated share of the net other postemployment benefits liability, deferred outflows of resources, deferred inflows of resources, and expense. The PLCB's allocated share was determined based on their contribution towards the REHP relative to the total population of employing agencies.

Implementing GASB 75 increased PLCB's OPEB liability by \$751.6M as of July 1, 2017 for a total of \$858.8M. Additionally, the total deferred outflows of resources increased \$26.2 M for the OPEB contributions subsequent to measurement date as of July 1, 2017, for a total prior period adjustment of \$725.5M.

As of June 30, 2018, the net OPEB liability, total OPEB deferred outflows of resources, and total OPEB deferred inflows of resources totaled \$793.4M; \$24.6; and \$72.9M, respectively.

Actuarial valuations were not available to report June 30, 2017 under the GASB 75 standards. The year ended June 30, 2017 is presented under the prior OPEB reporting standard of GASB 45, which reports the net OPEB obligations, the cumulative difference between the annual OPEB cost and the contributions to the OPEB plan. The total net OPEB obligation for the year ended June 30, 2017 is \$107.2M.

For the year ended June 30, 2018, the PLCB recognized OPEB expense of \$29.1M under GASB 75. For the year ended June 30, 2017, the PLCB recognized OPEB expense of \$46.9M under the previous OPEB standard of GASB 45.

	GASB 75	GASB 45
	FYE	FYE
	June 30, 2018	June 30, 2017
Employer Contributions	20,079,673	29,881,093
Change in Net OPEB Liability (GASB 75)	(65,494,000)	-
Change in Net OPEB Obligation (GASB 45)	-	17,037,899
Total Change in Deferred Outflows		
Contributions Subsequent to Measurement Date	1,534,000	-
Total Change in Deferred Outflows	1,534,000	-
Total Change in Deferred Inflows		
Change of Assumptions	72,285,000	
Difference Between Projected and Actual Investment Earnings	663,000	
Total Change in Deferred Inflows	72,948,000	
Total OPEB Expense	29,067,673	46,918,992

6. SELF INSURANCE LIABILITY

The Commonwealth of Pennsylvania is self-insured for statutory workers' compensation, which includes indemnity and medical benefits (employee disability) for employees injured on the job. Commonwealth Agencies contribute to a workers' compensation reserve account via a percentage of their payroll. Agency contribution rates are set annually by the Office of Administration in conjunction with the Governor's Budget Office. In addition to the annual contributions paid to the reserve account, Agencies are allocated a portion of the Commonwealth's total workers compensation self-insurance liability, if one exists. The self-insurance liability for workers' compensation is calculated actuarially on an annual basis by the Department of Labor and Industry in conjunction with the Office of Administration and is included in the Commonwealth's financial statements. The PLCB's allocated workers' compensation liability was \$55.6M as of June 30, 2018 and \$49.0M as of June 30, 2017.

7. LITIGATION

The PLCB is a defendant in various legal proceedings pertaining to matters normally incidental to routine operations. For the year ended June 30, 2018 the PLCB reported accrued liabilities of \$750,000 with respect to two litigation cases for which the likelihood of an unfavorable outcome is probable and estimable. The probability of an adverse decision and/or damage assessment for all other litigation matters is indeterminate. For the year ended June 30, 2017, there were no accrued liabilities related to litigation.

8. DUE TO / FROM OTHER FUNDS, FIDUCIARY FUNDS, OTHER GOVERNMENTS

Amounts due from / to other funds are reported for other state agencies' unremitted charges or collections at period end that arise in connection with routine, ordinary operations.

Amounts due to fiduciary funds consist of the PLCB's estimated accrual for employer contribution owed to the SERS.

Amounts due to other governments consist of PLCB's estimated accrual for Social Security and Medicare taxes owed to the United States Treasury.

9. OPERATING LEASE COMMITMENTS

The PLCB has commitments to lease certain buildings. Future minimum rental commitments for noncancellable operating leases as of June 30, 2018, were as follows (expressed in thousands):

<u>Year Ending June</u>	<u>Real Estate</u>
2019	\$54,141
2020	48,392
2021	41,568
2022	36,706
2023	<u>32,294</u>
Total Minimum Lease Payments	<u>\$213,101</u>

Rental expense for all operating leases for the period ending June 30, 2018, amounted to \$53.3M.

10. RESTATEMENT

Restatement Due to Change in Accounting Principle:

Effective July 1, 2017, the State Stores Fund implemented the GASB Statement No. 75, Accounting and Financial reporting for Postemployment Benefits Other Than Pensions. GASB 75, replaces GASB 45 and establishes accounting and financial reporting standards for OPEB that is provided to employees of state and local governmental employers. This standard establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense. The implementation of GASB 75 resulted in the reporting of an OPEB liability and deferred outflow of resources, therefore, the State Stores Fund beginning net position has been restated.

Presented below is the change to the State Stores Fund Statement of Net Position as a result of implementing GASB 75.

	<u>State Stores Fund</u>
Net Position, as previously reported, at June 30, 2017.....	\$ (352,478,899)
Apply GASB 75	
Increase in the net OPEB Liability.....	\$ (751,632,988)
Deferred Outflows.....	\$ 26,157,000
	<u>(725,475,988)</u>
Net Position, as restated, at July 1, 2017.....	<u>\$ (1,077,954,887)</u>

Fiscal year ended June 30, 2017 amounts are not restated because the GASB 75 required actuarial data is not available.

STORES RANKED BY TOTAL DOLLAR SALES FY 2017–18

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
1	5103*	2238 Washington Ave	Philadelphia	19146	27,868	\$1,641.30	\$45,739,824
2	0940*	855B Pennsylvania Blvd	Feasterville	19053	16,314	\$1,542.89	\$25,170,641
3	0215*	1601 Liberty Ave	Pittsburgh	15222	16,517	\$1,459.49	\$24,106,449
4	0247†**	5956 Centre Ave, Ste 201	Pittsburgh	15206	391,129	\$54.46	\$21,299,815
5	2301*	629 Parkway Dr	Broomall	19008	10,736	\$1,955.02	\$20,989,119
6	1532*	100 Willowbrook Lane, Ste 108	West Chester	19382	12,706	\$1,292.33	\$16,420,306
7	4624†**	125 W Dekalb Pike	King of Prussia	19406	254,404	\$59.84	\$15,224,335
8	0621†	Berkshire West, 1101 Woodland Rd	Wyomissing	19610	296,332	\$50.40	\$14,936,547
9	4646†**	Ardmore Shopping Ctr, 62 Greenfield Ave	Ardmore	19003	224,847	\$65.29	\$14,680,880
10	0934†**	132 Veterans Ln, Bldg C	Doylestown	18901	270,354	\$52.86	\$14,289,640
11	5185†**	180 W Girard Ave	Philadelphia	19123	330,806	\$42.50	\$14,060,818
12	5154†**	1112 Chestnut St, #28	Philadelphia	19107	322,716	\$43.22	\$13,947,727
13	0214†	Waterworks Shopping Plz, 974 Freeport Rd	Pittsburgh	15238	252,459	\$54.99	\$13,882,483
14	4623†**	1440 Bethlehem Pike	Flourtown	19031	231,472	\$57.44	\$13,295,855
15	9211†	Village Sq, 5000 Oxford Dr, Ste 100	Bethel Park	15102	251,967	\$52.51	\$13,230,459
16	1007†	Cranberry Mall, 20111 Rte 19, Rm 302A	Cranberry Twp	16066	251,157	\$52.61	\$13,213,071
17	6316	Washington Mall, 301 Oak Spring Rd	Washington	15301	200,800	\$59.97	\$12,042,026
18	4628†	Whitemarsh Shopping Ctr, 44 Ridge Pike	Conshohocken	19428	287,769	\$41.78	\$12,023,942
19	2102†**	West Shore Plz, 1200 Market St	Lemoyne	17043	267,038	\$44.34	\$11,840,383
20	3616*	1190 Dillerville Rd	Lancaster	17601	12,261	\$954.99	\$11,709,130
21	9208†**	125 Towne Centre Dr, Ste 500	Wexford	15090	207,046	\$55.50	\$11,490,980
22	0231†	Robinson Plaza Town Ctr, 1850 Park Manor Blvd	Pittsburgh	15205	238,685	\$46.81	\$11,172,177
23	9101†**	2040 Market St	Philadelphia	19103	316,540	\$34.95	\$11,063,146
24	5104†**	Columbus Cmns, 1940 S Christopher Columbus Blvd	Philadelphia	19148	227,464	\$47.76	\$10,863,620
25	6717†**	York Marketplace, 2547 E Market St	York	17402	256,808	\$41.59	\$10,679,610
26	2210†	5070 Jonestown Rd	Harrisburg	17112	243,675	\$43.18	\$10,522,553
27	4817*	3084 Emrick Blvd	Bethlehem	18020	10,469	\$995.87	\$10,425,735
28	1405†	1682 N Atherton St	State College	16803	224,424	\$46.27	\$10,384,861
29	4613†**	935 Old York Rd	Jenkintown	19046	232,207	\$43.08	\$10,003,530
30	4633†	Allen Forge, 850 S Valley Forge Rd	Lansdale	19446	262,445	\$37.61	\$9,870,518
31	4631†	Swede Sq, 2927 Swede Rd	Norristown	19401	238,014	\$41.39	\$9,850,205
32	3516†	222 Northern Blvd, Ste C	Clarks Summit	18411	181,864	\$54.06	\$9,831,580
33	2211†**	1158 Mae St	Hummelstown	17036	144,650	\$66.50	\$9,619,249
34	0260†	1955 Wharton St	Pittsburgh	15203	270,890	\$35.12	\$9,512,505
35	0920†	Quakertown Plz, 1465 W Broad St, Ste 19	Quakertown	18951	289,635	\$32.72	\$9,478,111
36	1516†	933 Paoli Pike	West Chester	19380	273,040	\$34.65	\$9,460,678
37	4814†	Northampton Crossings, 3718 Easton–Nazareth Hwy	Easton	18045	222,703	\$42.04	\$9,363,307
38	2310†	149 Baltimore Pike	Springfield	19064	310,824	\$29.48	\$9,161,819
39	3901†	Crest Plaza Shopping Ctr, 1516 N Cedar Crest Blvd	Allentown	18104	186,504	\$48.98	\$9,135,281
40	3913†	2503 Mickley Ave	Whitehall	18052	268,332	\$33.04	\$8,864,773
41	0222*	98 Vanadium Rd, Bldg D	Bridgeville	15017	7,009	\$1,260.46	\$8,834,537
42	2514†**	Yorktown Ctr, 2501 W 12th St	Erie	16505	179,226	\$48.80	\$8,746,729

* Licensee Service Center

** Rebranded

^ E-Commerce Fulfillment Center

† Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
43	6315	Donaldson's Crossroads, 3929 Washington Rd	McMurray	15317	200,025	\$43.34	\$8,668,996
44	0277†	8090 McIntyre Square Dr	Pittsburgh	15237	213,911	\$39.33	\$8,412,553
45	9205†	1602 Cochran Rd	Pittsburgh	15220	207,422	\$40.53	\$8,405,903
46	4606†	Maple Glen Shopping Ctr, 1973 Norristown Rd	Maple Glen	19002	167,920	\$49.17	\$8,256,698
47	0245†**	330 E Waterfront Dr	Homestead	15120	227,266	\$35.49	\$8,065,542
48	6716†**	West Manchester Town Ctr, 880 Town Center Dr	York	17408	243,523	\$32.72	\$7,967,723
49	4648†**	160 Market St, #6	Collegeville	19426	159,237	\$50.03	\$7,966,169
50	1404	Hamilton Square Shopping Ctr, 230 W Hamilton Ave	State College	16801	136,954	\$58.12	\$7,959,424
51	6711†	Hanover Crossing, 431 Eisenhower Dr	Hanover	17331	200,299	\$39.24	\$7,860,272
52	1501†	275 Main St	Exton	19341	169,797	\$46.12	\$7,830,625
53	2101†**	Carlisle Marketpl, 281 S Spring Garden St	Carlisle	17013	224,911	\$34.51	\$7,761,800
54	6518†**	Norwin Hills Shopping Ctr, 8775 Norwin Ave, Ste 36	Irwin	15642	208,822	\$36.94	\$7,714,546
55	5161†**	1515 Locust St, #100	Philadelphia	19102	228,727	\$33.72	\$7,711,979
56	0912†**	Logan Sq, 6542-J Lower York Rd	New Hope	18938	116,952	\$65.56	\$7,667,085
57	5133†**	401 Franklin Mills Cir	Philadelphia	19154	259,190	\$29.49	\$7,644,445
58	1528†**	Paoli Shopping Ctr, 17-19 Leopard Rd, Ste D1, D2, D3	Paoli	19301	158,900	\$47.78	\$7,592,802
59	1527†**	821 W Lancaster Ave, Ste 310	Wayne	19087	130,487	\$58.03	\$7,572,304
60	0284†**	Bill Green's Shopping Ctr, 10 Old Clairton Rd	Pittsburgh	15236	202,682	\$37.29	\$7,557,856
61	2305†	315 W Baltimore Ave	Media	19063	194,692	\$38.79	\$7,552,762
62	3918†	Promenade Shops at Saucon Valley, 3060 Center Valley Pkwy, Ste 835	Center Valley	18034	143,188	\$52.66	\$7,540,915
63	4647**	237 Harleysville Pike, Rte 113	Harleysville	19438	202,977	\$36.99	\$7,508,216
64	3622†**	Shoppes at Kissel Vlg, 1036 Lititz Pike	Lititz	17543	192,384	\$38.61	\$7,427,733
65	6517†	Westmoreland Mall, 5280 Rte 30, Ste 4	Greensburg	15601	156,309	\$47.23	\$7,382,198
66	4502	Pocono Village Mall, 3430 Rte 940, Ste 101	Mount Pocono	18344	244,126	\$30.24	\$7,382,030
67	1530†**	Bradford Plz, 692 Downingtown Pike	West Chester	19380	213,233	\$33.97	\$7,243,891
68	0604**	4721 Perkiomen Ave	Reading	19606	199,295	\$36.03	\$7,181,231
69	5112†**	2550 Grant Ave, Ste 130	Philadelphia	19114	225,815	\$31.62	\$7,139,152
70	3625†**	Centerville Sq, 558 Centerville Rd, Ste D	Lancaster	17601	213,566	\$33.20	\$7,090,381
71	4306**	Hermitage Towne Plz, 2321 E State St	Hermitage	16148	186,296	\$37.90	\$7,059,838
72	1010	206 Seven Fields Blvd	Seven Fields	16046	178,713	\$39.42	\$7,044,310
73	0619**	Penn Plz, 3045 N 5th Street Hwy, Unit 3, Ste 2	Reading	19605	221,665	\$31.44	\$6,968,782
74	2801†	Wayne Plz, 987 Wayne Ave	Chambersburg	17201	193,760	\$35.29	\$6,837,341
75	2516	Liberty Plz, 3702 Liberty St	Erie	16508	222,050	\$30.74	\$6,826,257
76	4621	Center Square Plz, 1301 Skippack Pike, Ste 100	Blue Bell	19422	132,764	\$51.06	\$6,778,478
77	0943†**	212 S State St	Newtown	18940	126,554	\$53.50	\$6,770,931
78	9118**	Ivyridge Shopping Ctr, 7146 Ridge Ave	Philadelphia	19128	226,222	\$29.73	\$6,725,347
79	5174**	Bakers Ctr, 3413 Fox St, Ste 6A	Philadelphia	19129	250,364	\$26.66	\$6,675,316
80	0709†	Pleasant Valley Shopping Ctr, 3415 Pleasant Valley Blvd, Ste 82	Altoona	16602	182,756	\$36.48	\$6,666,271
81	0286†**	Pines Plz, 1130 Perry Hwy, #20	Pittsburgh	15237	143,874	\$46.33	\$6,666,094
82	5191**	2401 Vare Ave	Philadelphia	19145	265,039	\$25.13	\$6,661,039

* Licensee Service Center

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APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
83	2324**	MacDade Plz, 2143 MacDade Blvd	Holmes	19043	233,692	\$28.45	\$6,649,077
84	6714†	Shrewsbury Commons Shopping Ctr, 802 Shrewsbury Commons Ave	Shrewsbury	17361	157,810	\$41.77	\$6,591,206
85	0266†	521 Beaver St	Sewickley	15143	111,650	\$58.99	\$6,586,400
86	0941**	532 S Oxford Valley Rd	Fairless Hills	19030	219,942	\$29.68	\$6,528,445
87	2320**	1305 West Chester Pike, Ste 44B	Havertown	19083	197,827	\$32.98	\$6,525,051
88	5157**	1237 S 11th St	Philadelphia	19147	218,025	\$29.91	\$6,521,430
89	6526†**	109 Blue Spruce Way	Murrysville	15668	140,698	\$46.32	\$6,516,422
90	2106†**	6560 Carlisle Pike, Ste 250	Mechanicsburg	17050	168,940	\$38.19	\$6,452,425
91	4003†	2161 Memorial Hwy, Ste 101	Dallas	18612	150,956	\$42.71	\$6,447,769
92	2334†**	Brandywine Mills, 1751 Wilmington Pike, Ste B-6	Glen Mills	19342	130,757	\$49.21	\$6,434,108
93	3614†	Hawthorne Ctr, 2076 Fruitville Pike	Lancaster	17601	166,296	\$38.69	\$6,433,162
94	5150**	4301 Chestnut St	Philadelphia	19104	242,874	\$26.35	\$6,400,709
95	0211**	354 North Towne Sq, 5600 Rte 8	Gibsonia	15044	173,749	\$36.64	\$6,365,754
96	1903**	1005 Scott Town Ctr	Bloomsburg	17815	172,262	\$36.74	\$6,329,390
97	4632	Gwynedd Crossing, 1200 Bethlehem Pike, Ste 7	North Wales	19454	157,129	\$40.03	\$6,289,248
98	1525	Lionville Shopping Ctr, 162 Eagleview Blvd	Exton	19341	176,068	\$35.72	\$6,288,872
99	6705	Queensgate Towne Ctr, 2075 Springwood Rd, Unit 30	York	17403	190,232	\$32.40	\$6,164,407
100	4622**	404 Huntingdon Pike	Rockledge	19046	188,642	\$32.58	\$6,146,164
101	1506	Ashbridge Sq, 861 E Lancaster Ave	Downingtown	19335	162,944	\$37.51	\$6,111,418
102	0910**	Hilltown Plz, 766 Rte 113, Store 4	Souderton	18964	186,955	\$32.28	\$6,035,487
103	4636†	1 Station Cir	Narberth	19072	141,508	\$42.51	\$6,015,841
104	0929	4275 County Line Rd	Chalfont	18914	169,431	\$35.50	\$6,013,953
105	0932†	1115 N Main St	Warrington	18976	135,091	\$44.30	\$5,984,492
106	1510**	Barley Station, 2715 E Lincoln Hwy	Coatesville	19320	225,114	\$26.37	\$5,936,297
107	4804	Stefko Ctr, 1844A Stefko Blvd	Bethlehem	18017	200,915	\$29.50	\$5,927,662
108	5201**	106 W Harford St	Milford	18337	160,868	\$36.46	\$5,865,608
109	4001	Wilkes-Barre Township Marketpl, 2136 Wilkes-Barre Blvd	Wilkes-Barre	18702	175,393	\$33.40	\$5,857,817
110	2341†**	3735 West Chester Pike, Ste 201	Newtown Square	19073	136,252	\$42.95	\$5,851,532
111	5160	Hendrix Ctr, 11685 Bustleton Ave	Philadelphia	19116	214,285	\$27.29	\$5,847,539
112	1514†**	161 E Swedesford Rd	Wayne	19087	151,414	\$38.57	\$5,840,565
113	4501**	Pocono Plz, 414 Lincoln Ave	East Stroudsburg	18301	211,613	\$27.26	\$5,768,784
114	3801	102 N 8th Ave	Lebanon	17046	191,970	\$29.97	\$5,752,518
115	1502	550 Kimberton Rd	Phoenixville	19460	160,141	\$35.90	\$5,748,897
116	4110†**	Loyal Plz, 1903 E 3rd St	Williamsport	17701	153,204	\$37.45	\$5,738,195
117	3924†**	750 N Krocks Rd, Ste 302	Allentown	18106	134,803	\$42.33	\$5,706,791
118	4639**	Gilbertsville Shopping Ctr, 1050 E Philadelphia Ave	Gilbertsville	19525	165,595	\$34.23	\$5,668,998
119	2215	The Point Shopping Ctr, 4227 Union Deposit Rd	Harrisburg	17111	200,915	\$27.91	\$5,608,267
120	3206†**	Townfair Plz, 475 Ben Franklin S, Ste 5	Indiana	15701	164,254	\$34.07	\$5,596,516
121	0299**	Penn Hills Ctr, 11685 Penn Hills Dr	Pittsburgh	15235	204,870	\$27.20	\$5,571,589
122	5134**	32 S 2nd St	Philadelphia	19106	120,133	\$46.35	\$5,567,613
123	4635	Regency Sq, 1029 N Easton Rd	Willow Grove	19090	170,562	\$32.46	\$5,536,131
124	0915	3920 New Falls Rd	Bristol	19007	215,562	\$25.66	\$5,530,322

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APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
125	1507	New Garden Ctr, 350 Scarlet Rd, Ste 1–3–5	Kennett Square	19348	122,158	\$44.78	\$5,470,089
126	5119†**	724 South St	Philadelphia	19147	161,296	\$33.88	\$5,464,126
127	5132	4229 N Broad St	Philadelphia	19140	269,774	\$20.20	\$5,450,257
128	5111**	3720 Main St	Philadelphia	19127	169,437	\$32.14	\$5,446,030
129	6401†	74 Welwood Ave, Ste 103	Hawley	18428	111,579	\$48.53	\$5,414,758
130	4608†	922 W Lancaster Ave	Bryn Mawr	19010	118,413	\$45.49	\$5,387,080
131	3915	Westgate Mall, 2289 Schoenersville Rd	Bethlehem	18017	176,741	\$30.44	\$5,380,120
132	4015*	112 Stevens Rd	Wilkes-Barre	18702	4,266	\$1,253.83	\$5,348,826
133	4511**	Kinsley Plz, 107 Kinsley Dr, Ste 104	Brodheads ville	18322	187,221	\$28.55	\$5,345,326
134	5135	5101 Lancaster Ave	Philadelphia	19131	258,337	\$20.54	\$5,306,100
135	0925	Crossroads Plz, 800 Bustleton Pike	Richboro	18954	153,599	\$34.54	\$5,304,934
136	2501	Summit Towne Ctr, 7200 Peach St	Erie	16509	129,530	\$40.93	\$5,301,899
137	4819†**	4817 Freemansburg Ave, Ste 101	Easton	18045	151,723	\$34.46	\$5,228,934
138	4626	2501 West Ridge Pike	Norristown	19403	173,706	\$30.01	\$5,212,438
139	4638**	123 S Easton Rd	Glenside	19038	166,993	\$31.19	\$5,208,262
140	2220†**	Blue Mountain Cmns, 2310 Linglestown Rd	Harrisburg	17110	165,036	\$31.44	\$5,188,932
141	3522	210 Meadow Ave	Scranton	18505	171,901	\$30.07	\$5,169,014
142	0938**	Center Point Plz, 748 W Street Rd	Warminster	18974	175,406	\$29.44	\$5,163,734
143	5169	1935 Fairmount Ave	Philadelphia	19130	185,080	\$27.77	\$5,140,012
144	0267**	Moon Plz, 5990 University Blvd, Ste 24	Coraopolis	15108	150,500	\$33.96	\$5,111,632
145	2306	209 W Lancaster Ave	Wayne	19087	114,776	\$44.45	\$5,102,266
146	5121†**	Top of the Hill Plz, 8705 Germantown Ave	Philadelphia	19118	130,184	\$39.13	\$5,094,358
147	4508*	Jay Park Plz, Rte 209 288 Dartmouth Dr, PO Box 1378	Marshalls Creek	18335	2,967	\$1,711.64	\$5,078,428
148	3903	1918 W Allen St	Allentown	18104	190,618	\$26.57	\$5,064,324
149	3615	Bridgeport Shopping Ctr, 1622 Lincoln Hwy E	Lancaster	17602	188,526	\$26.84	\$5,060,584
150	0298	Chartiers Valley Shopping Ctr, 1025 Washington Pike	Bridgeville	15017	140,425	\$35.95	\$5,047,716
151	5165	2118 Cottman Ave	Philadelphia	19149	203,230	\$24.58	\$4,996,260
152	3922**	Lehigh Shopping Ctr, 2154 W Union Blvd	Bethlehem	18018	165,401	\$29.82	\$4,933,058
153	0228**	Edgewood Towne Ctr, 1749 S Braddock Ave	Pittsburgh	15218	196,281	\$25.10	\$4,925,751
154	5190**	7161 Ogontz Ave	Philadelphia	19138	246,964	\$19.94	\$4,923,847
155	0928	The Shoppes at Flowers Mill, 118 N Flowers Mill Rd	Langhorne	19047	152,736	\$32.20	\$4,918,555
156	1412†**	127 Southridge Plz	State College	16801	122,164	\$40.12	\$4,900,816
157	0414	1476 Old Brodhead Rd	Monaca	15061	137,765	\$35.54	\$4,895,482
158	1003	608 Moraine Pointe Plz	Butler	16001	150,405	\$32.53	\$4,891,973
159	0290**	Noble Manor Shopping Ctr, 2350 Noblestown Rd	Pittsburgh	15205	172,721	\$28.23	\$4,876,661
160	4641†**	1839 East Ridge Pike, Ste 50	Royersford	19468	108,506	\$44.49	\$4,827,257
161	5122	8 Penn Center Plz, 1628 John F Kennedy Blvd	Philadelphia	19103	244,591	\$19.74	\$4,827,246
162	2332†	Lawrence Park, 1991 Sproul Rd, Spc 37	Broomall	19008	158,550	\$30.23	\$4,793,669
163	6523**	1038 Latrobe 30 Plz, Ste 311	Latrobe	15650	142,336	\$33.38	\$4,751,159
164	0914**	Lower Southampton Vlg, 162 E Street Rd	Feasterville	19053	151,150	\$31.43	\$4,750,167
165	6003†**	Penn House Cmns, 310 N 10th St, Ste 200	Lewisburg	17837	125,354	\$37.65	\$4,720,166
166	4642**	The Marketplace at Huntingdon Valley, 2080 County Line Rd	Huntingdon Valley	19006	143,691	\$32.66	\$4,693,328

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167	4611	Park Towne Plaza Shopping Ctr, 301 N Lewis Rd, Ste 170	Royersford	19468	169,764	\$26.79	\$4,548,298
168	1523**	Shoppes at Dilworthtown Crossing, 1363 Dilworthtown Rd, Ste B	West Chester	19382	108,644	\$41.79	\$4,539,821
169	0226	132 Ben Avon Heights Rd	Pittsburgh	15237	149,130	\$30.36	\$4,528,213
170	0909†	10 W Centre Ave	Newtown	18940	100,182	\$45.04	\$4,512,664
171	4818^	3030 Emrick Blvd	Bethlehem	18020	36,234	\$124.47	\$4,509,911
172	5141**	4906–4908 Baltimore Ave	Philadelphia	19143	225,660	\$19.89	\$4,488,762
173	4509	Tannersville Plz, Box 406 2838 Rte 611, Ste 107	Tannersville	18372	153,827	\$29.12	\$4,479,396
174	0409	Chippewa Ctr, 2580 Constitution Blvd, Rms 5 and 6	Beaver Falls	15010	135,939	\$32.86	\$4,466,816
175	0227†**	3845 Northern Pike	Monroeville	15146	114,462	\$38.90	\$4,452,326
176	5126**	The Shops at Brewerytown, 3101 W Girard Ave, Unit B	Philadelphia	19130	184,653	\$24.11	\$4,451,147
177	0615	Douglassville Shopping Ctr, 180 Old Swede Rd, Ste 6	Douglassville	19518	140,268	\$31.71	\$4,448,511
178	2302	128 S 69th St	Upper Darby	19082	224,425	\$19.82	\$4,447,307
179	6519**	Crossroads Plz, 2501 Leechburg Rd, Ste F	Lower Burrell	15068	135,897	\$32.47	\$4,413,243
180	6404**	1199 Texas Palmyra Hwy, Ste O	Honesdale	18431	124,894	\$35.23	\$4,399,663
181	4607	132 E Butler Ave	Ambler	19002	126,340	\$34.76	\$4,391,826
182	5116**	101 E Olney Ave	Philadelphia	19120	209,133	\$20.83	\$4,356,303
183	0292	North Hills Village Mall, 4801 McKnight Rd, Rm 9	Pittsburgh	15237	134,465	\$32.30	\$4,343,141
184	3914	Mountainville Plz, 1620 S 4th St	Allentown	18103	168,414	\$25.69	\$4,325,984
185	2610**	Fayette Plaza Shopping Ctr, 619 Pittsburgh Rd	Uniontown	15401	104,017	\$41.25	\$4,291,114
186	5173	Woodland Village Plz, 6036 Woodland Ave	Philadelphia	19142	230,497	\$18.48	\$4,258,741
187	0207†	One Oxford Ctr, 320 Smithfield St	Pittsburgh	15222	134,863	\$31.54	\$4,253,595
188	0274**	Lebanon Shops, 300 Mt Lebanon Blvd	Pittsburgh	15234	142,935	\$29.66	\$4,239,243
189	6524	321 Tri County Ln	Belle Vernon	15012	151,262	\$27.76	\$4,199,698
190	0939**	306 Easton Rd	Warrington	18976	122,745	\$34.19	\$4,196,335
191	4637	Audubon Village Shopping Ctr, 2860 Audubon Vill Dr	Audubon	19403	120,554	\$34.76	\$4,190,782
192	5195	7702 City Ave	Philadelphia	19151	172,363	\$24.20	\$4,171,368
193	3608**	Manor Shopping Ctr, 1234 Millersville Pike	Lancaster	17603	171,827	\$24.15	\$4,149,475
194	2327	789 E Lancaster Ave	Villanova	19085	79,645	\$52.09	\$4,148,415
195	0937	Oxford Oaks Shopping Ctr, 1601 Big Oak Rd	Yardley	19067	140,376	\$29.54	\$4,146,552
196	0249**	519 Towne Square Way	Pittsburgh	15227	151,689	\$27.25	\$4,133,236
197	2339**	4934 Edgmont Ave	Brookhaven	19015	156,715	\$26.37	\$4,132,334
198	0608**	Springtown Shopping Ctr, 2671 Shillington Rd	Sinking Spring	19608	132,604	\$31.15	\$4,130,683
199	6720	406 N US 15	Dillsburg	17019	120,405	\$34.22	\$4,120,140
200	6709	The Crossroads, 351 Loucks Rd, Ste F2	York	17404	138,209	\$29.76	\$4,112,968
201	2329**	Eddystone Crossings, 1562 Chester Pike, Unit D6	Eddystone	19022	169,480	\$24.16	\$4,095,140
202	0296**	5249 Library Rd	Bethel Park	15102	142,170	\$28.79	\$4,092,557
203	0101†**	Peebles Plz, 1275 York Rd, Lot 12	Gettysburg	17325	95,261	\$42.74	\$4,071,080
204	3904**	3300 Lehigh St	Allentown	18103	126,658	\$32.07	\$4,062,018
205	1702	5730 Shaffer Rd	DuBois	15801	120,204	\$33.76	\$4,057,727
206	4506	1060 N 9th St	Stroudsburg	18360	135,278	\$29.97	\$4,054,271
207	5502**	244 Marketplace Blvd	Selinsgrove	17870	114,924	\$35.16	\$4,040,245
208	3508	70 Keystone Industrial Park Rd	Dunmore	18512	136,581	\$29.53	\$4,033,043

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RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
209	2105**	Mechanicsburg Plz, 5301 Simpson Ferry Rd	Mechanicsburg	17050	142,577	\$28.00	\$3,991,853
210	0607**	1772 Tilden Ridge Dr	Hamburg	19526	110,596	\$36.05	\$3,987,187
211	4507	Blakeslee Plz, 248 Route 940, Ste 109, PO Box 640	Blakeslee	18610	111,665	\$35.64	\$3,980,033
212	0906**	Pennsbury Plaza Shopping Ctr, 229 Plaza Blvd, Unit 2	Morrisville	19067	153,262	\$25.90	\$3,970,179
213	0238	Shady Hill Ctr, 6320 Shakespeare St	Pittsburgh	15206	199,067	\$19.75	\$3,931,322
214	0703**	202 Hollidaysburg Plz	Duncansville	16635	113,425	\$34.42	\$3,903,894
215	4510	Fox Run Plz, 232 Fox Run Ln, Ste 101	East Stroudsburg	18302	139,461	\$27.86	\$3,885,111
216	5142	Plaza Americana, 2717 N American St	Philadelphia	19133	179,276	\$21.55	\$3,863,956
217	2221*	990 Briarsdale Road, Unit D	Harrisburg	17109	4,000	\$965.91	\$3,863,645
218	4629**	Fairway Shopping Ctr, 1825 Limekiln Pike, Store A, Ste 1	Dresher	19025	132,508	\$29.06	\$3,850,728
219	2110**	Stonehedge Sq, 950 Walnut Bottom Rd	Carlisle	17013	117,187	\$32.84	\$3,848,806
220	4807	Creekside Market Pl, 1848 Leithsville Rd	Hellertown	18055	125,935	\$30.56	\$3,848,320
221	1522**	Suburbia Shopping Ctr, 76 Glocker Way	Pottstown	19465	114,773	\$33.51	\$3,846,405
222	1508	West Sadsbury Cmns, 324 Commons Dr, Ste C-6	Parkesburg	19365	135,196	\$28.31	\$3,827,381
223	2503	Asbury Sq, 2421 Asbury Rd	Erie	16506	126,152	\$30.33	\$3,825,999
224	5143	2429 South St	Philadelphia	19146	125,820	\$30.40	\$3,824,928
225	3916	The Shoppes at Trexler, 6900 Hamilton Blvd, Unit 130, PO Box 93	Trexletown	18087	127,338	\$30.03	\$3,823,597
226	6201	44 Market St	Warren	16365	112,559	\$33.77	\$3,800,670
227	0919**	2223 Galloway Rd	Bensalem	19020	128,678	\$29.47	\$3,791,641
228	3611	1575 S Market St, Ste 109	Elizabethtown	17022	127,961	\$29.51	\$3,776,432
229	3617	Wheatland Ctr, 1761A Columbia Ave	Lancaster	17603	123,013	\$30.66	\$3,770,993
230	4614†**	119 W City Ave	Bala Cynwyd	19004	117,438	\$32.10	\$3,769,503
231	3923	7801 Glenlivet West Dr, Ste E	Fogelsville	18051	101,811	\$37.00	\$3,767,413
232	0272**	233 Shiloh St	Pittsburgh	15211	104,424	\$35.91	\$3,749,697
233	4027**	Pittston Crossings, 320 Route 315 Hwy, Ste 130	Pittston	18640	123,435	\$30.28	\$3,738,008
234	2509	Giant Eagle Plz, 4466 Buffalo Rd	Erie	16510	131,128	\$28.34	\$3,715,763
235	1512	Lincoln Court, 215 Lancaster Ave	Malvern	19355	114,285	\$32.47	\$3,711,162
236	6710	Windsor Cmns, 3159 Cape Horn Rd	Red Lion	17356	139,317	\$26.59	\$3,704,685
237	0901**	Hilltown Crossings, 1547 Bethlehem Pike	Hatfield	19440	132,479	\$27.96	\$3,704,282
238	2103**	109 S Conestoga Dr	Shippensburg	17257	130,088	\$28.36	\$3,688,712
239	6527**	Hollywood Sq, 6750 Hollywood Blvd	Delmont	15626	111,433	\$32.96	\$3,672,898
240	5140	2401 E Venango St	Philadelphia	19134	137,348	\$26.73	\$3,671,775
241	0503**	9613 Lincoln Hwy, Ste 105	Bedford	15522	91,365	\$40.16	\$3,669,284
242	3619	2600 Willow Street Pike N, Ste 308	Willow Street	17584	115,577	\$31.44	\$3,634,000
243	9111**	Roosevelt Plz, 6577 Roosevelt Blvd	Philadelphia	19149	146,371	\$24.64	\$3,606,960
244	2001†	Downtown Mall, 900 Water St	Meadville	16335	111,741	\$32.14	\$3,591,021
245	0605	Village Square Plz, 45 Constitution Blvd	Kutztown	19530	106,109	\$33.80	\$3,586,094
246	2107	3760 Market St	Camp Hill	17011	109,083	\$32.87	\$3,586,055
247	4640	8156 Ogontz Ave	Wyncote	19095	168,721	\$21.19	\$3,575,351
248	4401**	129 S Main St, Ste 400	Lewistown	17044	123,178	\$28.97	\$3,568,067
249	0410	Aliquippa Shopping Ctr, 2719 Brodhead Rd, Ste 13	Aliquippa	15001	114,673	\$30.79	\$3,530,205
250	2006	19017 Park Avenue Plz	Meadville	16335	95,298	\$36.97	\$3,523,634

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251	5105	5 N 12th St	Philadelphia	19107	182,432	\$19.27	\$3,514,607
252	0224**	1824 Murray Ave	Pittsburgh	15217	123,559	\$27.98	\$3,456,654
253	4031	Hazleton Shopping Ctr, 534 W Broad St	Hazleton	18201	92,130	\$37.38	\$3,444,106
254	5101	135 W Cheltenham Ave	Philadelphia	19144	206,337	\$16.63	\$3,432,264
255	0907	Edgewood Village Shopping Ctr, 635 Heacock Rd	Yardley	19067	114,223	\$29.91	\$3,416,873
256	2502**	105 W 18th St	Erie	16501	118,812	\$28.74	\$3,414,133
257	0280**	2800 Robinson Blvd	Pittsburgh	15235	158,964	\$21.47	\$3,413,375
258	5602**	Somerset Cmns, 1534 N Center Ave, Ste 110	Somerset	15501	98,957	\$34.46	\$3,410,284
259	5193**	Penrose Plz, 2900 Island Avenue, Suite 2910	Philadelphia	19153	149,832	\$22.52	\$3,374,363
260	5153	2115 N 22nd St	Philadelphia	19121	177,418	\$18.88	\$3,349,896
261	6403**	Hamlin Shopping Plz, Rte 590	Hamlin	18427	101,671	\$32.43	\$3,297,514
262	4605**	Melrose Shopping Ctr, 103 W Cheltenham Ave	Cheltenham	19012	137,693	\$23.87	\$3,286,932
263	4645†	The Shoppes at Limerick, 200 W Ridge Pike	Limerick	19468	80,408	\$40.83	\$3,283,425
264	0203**	Braddock Hills Shopping Ctr, 230 Yost Blvd	Pittsburgh	15221	126,359	\$25.94	\$3,277,748
265	0602**	Rockland Plz, 1100 Rockland St	Reading	19604	123,321	\$26.57	\$3,276,172
266	4701	144 Continental Blvd	Danville	17821	101,022	\$32.42	\$3,274,866
267	2217	Swatara Sq, 6301 Grayson Rd, Ste A118	Harrisburg	17111	121,455	\$26.84	\$3,260,364
268	3908	199 W Main St	Macungie	18062	97,247	\$33.47	\$3,255,177
269	0927**	Plumstead Sq, 5837 Easton Rd	Pipersville	18947	106,722	\$30.47	\$3,251,756
270	9213**	2356 Golden Mile Hwy	Pittsburgh	15239	116,890	\$27.52	\$3,217,308
271	3803**	Palmyra Shopping Ctr, 901 E Main St, Ste 12	Palmyra	17078	110,064	\$29.15	\$3,208,720
272	4033**	Church Hill Mall, 1089 N Church St	Hazleton	18201	96,572	\$33.19	\$3,205,204
273	5114**	8844 Frankford Ave	Philadelphia	19136	138,401	\$23.07	\$3,192,310
274	3503**	1520 S Main Ave	Scranton	18504	118,996	\$26.79	\$3,188,152
275	0942**	Levittown Town Ctr, 179B Levittown Pkwy	Levittown	19055	131,329	\$24.20	\$3,177,595
276	2312	920 E Baltimore Ave	Lansdowne	19050	136,414	\$23.23	\$3,169,528
277	4815	Forks Town Ctr, 341 Town Center Blvd	Easton	18040	120,319	\$26.24	\$3,157,081
278	5158**	McKeown's Plz, 6824 Rising Sun Ave	Philadelphia	19111	147,578	\$21.27	\$3,138,617
279	9114	Adams and Tabor Ctr, 730 Adams Ave	Philadelphia	19124	112,476	\$27.90	\$3,137,543
280	6601**	600 Hunter Hwy, Ste 10	Tunkhannock	18657	98,004	\$31.97	\$3,132,734
281	4615**	26 E 4th St	East Greenville	18041	97,709	\$32.03	\$3,129,526
282	4006	Luzerne Shopping Ctr, 468 Union St	Luzerne	18709	108,916	\$28.72	\$3,128,517
283	3621	Shoppes at Landis Valley, 2347 Oregon Pike, Ste 105	Lancaster	17601	91,787	\$33.99	\$3,120,168
284	2201	Kline Plz, 29 Kline Village	Harrisburg	17104	154,368	\$20.20	\$3,118,967
285	3510**	Plaza 1500, 1531 Main St	Peckville	18452	99,108	\$31.40	\$3,112,446
286	6715	Newberry Pointe, 180 Newberry Pkwy	Etters	17319	103,690	\$30.01	\$3,112,209
287	3802	1737 Quentin Rd	Lebanon	17042	88,812	\$34.90	\$3,099,505
288	1120**	1910 Minno Dr, Ste 280	Johnstown	15905	95,001	\$32.62	\$3,098,490
289	0282**	Oak Park Mall, 2001 Lincoln Way	White Oak	15131	105,879	\$29.19	\$3,090,776
290	1406**	The Benner Pike Shops, 323 Benner Pike	State College	16801	95,129	\$32.43	\$3,085,183
291	6302	43 E Pike St	Canonsburg	15317	95,666	\$32.21	\$3,081,743
292	4035	223 S Mountain Blvd, Ste 2	Mountain Top	18707	94,688	\$32.21	\$3,050,045

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APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
293	3920	East Penn Plz, 1325 Chestnut St	Emmaus	18049	93,406	\$32.62	\$3,047,207
294	4026	26 Gateway Shopping Ctr, Ste B	Edwardsville	18704	111,246	\$27.22	\$3,027,591
295	1518	Marketplace at Westtown, 1502 W Chester Pike, Ste 28	West Chester	19382	106,525	\$28.42	\$3,027,128
296	0288	Caste Village Shopping Ctr, 5301 Grove Rd	Pittsburgh	15236	92,887	\$32.57	\$3,024,936
297	2511**	737 E 38th St	Erie	16504	119,782	\$25.20	\$3,018,518
298	3520**	Green Ridge Plz, 1610 Nay Aug Ave, Unit A	Scranton	18509	112,550	\$26.75	\$3,011,121
299	2115†**	3725 Capital City Mall Dr	Camp Hill	17011	81,324	\$36.95	\$3,005,238
300	4201	38 Davis St	Bradford	16701	95,604	\$31.32	\$2,993,962
301	2206	Mid-Town Plz, 430 E Main St	Middletown	17057	114,740	\$25.94	\$2,976,612
302	4805	1910 Center St	Northampton	18067	103,605	\$28.72	\$2,976,021
303	3504	529 Main St	Childs	18407	86,821	\$34.26	\$2,974,689
304	0201	3239 Washington Pike	Bridgeville	15017	101,180	\$29.35	\$2,969,758
305	0213**	217 Atwood St	Pittsburgh	15213	138,421	\$21.44	\$2,968,416
306	1118	Geistown Shopping Ctr, 2451 Bedford St	Johnstown	15904	93,069	\$31.85	\$2,964,610
307	1005	110 Bon Aire Plaza	Butler	16001	100,425	\$29.49	\$2,961,769
308	0308**	Franklin Vlg, 13 Franklin Village Mall	Kittanning	16201	92,483	\$32.02	\$2,961,114
309	1509	Shoppes at Jenners Vlg, 853 W Baltimore Pike	West Grove	19390	99,144	\$29.78	\$2,952,816
310	2518	Washington Towne Plz, 140 Washington Towne Blvd	Edinboro	16412	96,327	\$30.51	\$2,938,730
311	3921	Airport Plz, 1247 Airport Rd	Allentown	18109	89,763	\$32.73	\$2,937,617
312	0917	500 S 2nd Street Pike	Southampton	18966	95,352	\$30.79	\$2,935,741
313	1108**	300 Walmart Dr, Ste 130	Ebensburg	15931	91,861	\$31.84	\$2,925,275
314	9108	Pennypack Circle Shopping Ctr, 8204 E Roosevelt Blvd	Philadelphia	19152	119,706	\$24.37	\$2,917,443
315	3610	Muddy Creek Shoppes, 2350 N Reading Rd, Store 11	Denver	17517	86,156	\$33.67	\$2,900,728
316	1002	9 Northgate Plaza, Unit 5	Harmony	16037	98,788	\$29.36	\$2,900,413
317	3101	7657 Lake Raystown Shopping Ctr	Huntingdon	16652	93,804	\$30.90	\$2,898,199
318	9206**	Kenmawr Plz, 510 Pine Hollow Rd	McKees Rocks	15136	100,475	\$28.78	\$2,891,589
319	6507	613 W Main St	Ligonier	15658	61,124	\$47.23	\$2,887,146
320	0264	Shaler Plz, 880 Butler St, Ste 7	Pittsburgh	15223	98,104	\$29.35	\$2,879,129
321	4013**	South Main Plz, 379 S Main St	Wilkes-Barre	18701	129,034	\$22.28	\$2,874,795
322	1526	785 Starr St	Phoenixville	19460	105,667	\$27.01	\$2,853,901
323	3604	31 W Main St	Ephrata	17522	98,851	\$28.87	\$2,853,623
324	0263**	418 E Ohio St	Pittsburgh	15212	145,089	\$19.66	\$2,852,682
325	0285	Hampton Home Ctr, 4706 William Flynn Hwy, Ste 8	Allison Park	15101	80,385	\$35.46	\$2,850,104
326	5145	5235 Frankford Ave	Philadelphia	19124	193,056	\$14.69	\$2,835,757
327	6525	6041 Rte 30, Ste 55	Greensburg	15601	91,534	\$30.97	\$2,835,227
328	2805**	Lincoln Way East, 1660 Lincoln Way E, Units 8 and 9	Chambersburg	17201	108,490	\$26.09	\$2,830,932
329	0935	Warwick Sq, 2395 Old York Rd	Jamison	18929	84,887	\$33.26	\$2,823,711
330	3609	Mount Joy Sq, 921 E Main St	Mount Joy	17552	96,921	\$29.06	\$2,816,282
331	5138	7204 Germantown Ave	Philadelphia	19119	115,513	\$24.36	\$2,813,937
332	0933	Buckingham Green, 4950 Old York Rd	Holicong	18928	62,172	\$45.20	\$2,809,970
333	1407	Weis Market Shopping Ctr, 178 Buckaroo Ln	Bellefonte	16823	87,024	\$32.22	\$2,803,654
334	4102	Hepburn Ctr, 449 Hepburn St	Williamsport	17701	84,043	\$33.02	\$2,775,345

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APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
335	1801	137 E Main St	Lock Haven	17745	76,608	\$36.20	\$2,772,994
336	2331†	5035 Township Line Rd	Drexel Hill	19026	89,411	\$31.00	\$2,771,637
337	0242	Haymaker Village Shops, 4524 Broadway Blvd	Monroeville	15146	101,401	\$27.09	\$2,746,723
338	5401	530 Pottsville Park Plaza, Rte 61 N	Pottsville	17901	94,192	\$28.95	\$2,726,688
339	3902	5041 Rte 873	Schnecksville	18078	94,963	\$28.70	\$2,725,839
340	0202	River Town Shops, 90 Allegheny River Blvd	Verona	15147	81,369	\$33.38	\$2,716,479
341	0250**	56 Highlands Mall	Natrona Heights	15065	93,940	\$28.92	\$2,716,379
342	0408	816 3rd Ave	New Brighton	15066	92,501	\$29.25	\$2,705,260
343	2606	140 Walnut Hill Rd	Uniontown	15401	84,677	\$31.95	\$2,705,066
344	4308	33 Pine Grove Square Dr	Grove City	16127	86,342	\$31.19	\$2,693,099
345	4813	30 E 4th St	Bethlehem	18015	104,944	\$25.62	\$2,688,887
346	3618	Clock Tower Plz, 2846 Main St, Ste 1	Morgantown	19543	87,808	\$30.59	\$2,686,111
347	1901	35 Briar Creek Plaza	Berwick	18603	84,395	\$31.82	\$2,685,173
348	5152**	Erie Plz, 3772 L St	Philadelphia	19124	116,861	\$22.96	\$2,682,582
349	9210	Community Plz, 1103 Milltown Rd	Verona	15147	97,575	\$27.37	\$2,670,300
350	5189	2807 S Front St	Philadelphia	19148	91,410	\$29.15	\$2,664,803
351	0610	300 Kenhorst Plz, 1970 New Holland Rd	Kenhorst	19607	101,539	\$26.21	\$2,660,975
352	1531†**	London Grove Vlg, 775 Gap Newport Pike, Lot E1	Avondale	19311	74,238	\$35.69	\$2,649,439
353	5146**	3903 Aramingo Ave, Ste 102	Philadelphia	19137	91,613	\$28.91	\$2,648,212
354	4630	North End Ctr, 1300 N Charlotte St	Pottstown	19464	99,259	\$26.47	\$2,627,056
355	4627**	Hillcrest Shopping Ctr, 644 E Main St	Lansdale	19446	92,781	\$28.31	\$2,626,190
356	3603	Columbia Shopping Ctr, 36 S 18th St	Columbia	17512	102,087	\$25.70	\$2,623,476
357	6703	Grandview, 1446 Baltimore St, Unit G	Hanover	17331	83,854	\$31.17	\$2,613,352
358	6708**	Fairview Ctr, 128 Old York Rd	New Cumberland	17070	100,719	\$25.44	\$2,562,545
359	0603	Sinking Spring Plz, 4880 Penn Ave	Sinking Spring	19608	79,826	\$32.01	\$2,554,897
360	9212	Penn Lincoln Ctr, 440 Penn Lincoln Dr	Imperial	15126	78,904	\$32.30	\$2,548,337
361	4032	12 Diana Ln	West Hazleton	18202	76,811	\$33.12	\$2,544,344
362	0801	2323 N Elmira St	Sayre	18840	83,624	\$30.40	\$2,542,421
363	0218	2947 W Liberty Ave	Pittsburgh	15216	89,111	\$28.51	\$2,540,994
364	0234	West View Park Shopping Ctr, 1012 West View Park Dr	Pittsburgh	15229	98,025	\$25.73	\$2,522,646
365	0918	Trevose Shopping Ctr, 560 Andrews Rd	Trevose	19053	87,230	\$28.89	\$2,520,098
366	1520	Ludwig's Village, 2910 Conestoga Rd	Glenmoore	19343	62,861	\$39.96	\$2,511,837
367	6528**	250 S 3rd St, Ste 1000	Youngwood	15697	88,057	\$28.45	\$2,504,801
368	1521	Brandywine Vlg, 1239 Horseshoe Pike Rte 322	Downingtown	19335	79,992	\$31.21	\$2,496,461
369	5120	Academy Plz, 3246 Red Lion Rd	Philadelphia	19114	105,441	\$23.49	\$2,477,120
370	2806	Waynesboro Shopping Ctr, 642 E Main St	Waynesboro	17268	76,372	\$32.40	\$2,474,406
371	1515	Marchwood Ctr, 23 Marchwood Rd	Exton	19341	74,763	\$33.03	\$2,469,395
372	0216	102 E Main St	Carnegie	15106	88,908	\$27.70	\$2,463,143
373	0230	529 Liberty Ave	Pittsburgh	15222	133,194	\$18.48	\$2,461,715
374	0209	4104 Butler St	Pittsburgh	15201	84,854	\$28.96	\$2,457,580
375	3521**	921 Drinker Tpke, Ste 23	Covington Township	18444	78,974	\$30.92	\$2,442,026
376	4810	Bethlehem Sq, 3926 Nazareth Pike, Ste 11	Bethlehem	18020	89,988	\$27.09	\$2,437,812

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377	2603	808 Vanderbilt Rd	Connellsville	15425	74,436	\$32.54	\$2,422,400
378	0220	624 Allegheny River Blvd	Oakmont	15139	54,204	\$44.63	\$2,419,147
379	0210	The Bavarian Vlg, 2550 Brownsville Rd	South Park	15129	73,312	\$32.93	\$2,414,029
380	0921	Yardley Town Ctr, 25 S Main St	Yardley	19067	60,165	\$40.05	\$2,409,649
381	0294	Olympia Shopping Ctr, 4313 Walnut St, Ste 130	McKeesport	15132	87,770	\$27.39	\$2,404,096
382	2333**	Barclay Sq, 1500 Garrett Rd	Upper Darby	19082	96,309	\$24.86	\$2,394,270
383	4104	1274 E Penn St	Muncy	17756	77,393	\$30.89	\$2,390,843
384	0931	341 Dublin Pike	Perkasie	18944	74,650	\$31.94	\$2,384,067
385	4034	1008 Wyoming Ave	Wyoming	18644	83,690	\$28.45	\$2,381,279
386	2218	731 Cherry Dr	Hershey	17033	87,044	\$27.31	\$2,377,186
387	0904	Perkasie Sq, 511 Constitution Ave	Perkasie	18944	86,236	\$27.26	\$2,350,865
388	5108**	3250 N Broad St	Philadelphia	19140	134,539	\$17.45	\$2,348,304
389	5180	3521 Cottman Ave	Philadelphia	19149	105,686	\$22.09	\$2,334,852
390	2304	Edgemont Sq, 4839 West Chester Pike	Newtown Square	19073	67,912	\$34.26	\$2,326,449
391	0256**	1020 Village Center Dr, Ste N2B	Tarentum	15084	66,527	\$34.64	\$2,304,407
392	4007	13 Weis Plaza	Nanticoke	18634	90,349	\$25.49	\$2,302,861
393	5155†**	Society Hill Shopping Ctr, 326 S 5th St	Philadelphia	19106	69,763	\$32.99	\$2,301,826
394	1009	240 Buffalo Plaza	Sarver	16055	68,606	\$33.34	\$2,287,613
395	3907	The Shops at Cedar Point, 333 S Cedar Crest Blvd	Allentown	18103	77,583	\$29.45	\$2,285,011
396	2325	Village Green Shopping Ctr, 3486 Concord Rd, Store 11	Aston	19014	86,566	\$26.00	\$2,251,062
397	3518	Keyser Oak Plz, 1762 N Keyser Ave, Store 11	Scranton	18508	90,581	\$24.84	\$2,250,278
398	1102	East Hills Plz, 1513 Scalp Ave	Johnstown	15904	81,331	\$27.63	\$2,247,531
399	1006	340 Greater Butler Mart	Butler	16001	71,869	\$31.26	\$2,246,378
400	0295	Great Valley Mart, 355 Lincoln Hwy	North Versailles	15137	110,855	\$20.25	\$2,244,919
401	5202	Village Center at Lords Valley, 123 Village Center Dr, Ste. 5	Hawley	18428	77,198	\$29.04	\$2,241,621
402	0916	Bristol Park, 238 Commerce Cir	Bristol	19007	93,312	\$23.96	\$2,235,574
403	3601	New Holland Shopping Ctr, 681 W Main St	New Holland	17557	76,648	\$29.17	\$2,235,520
404	2601	111 W Fayette St	Uniontown	15401	70,330	\$31.69	\$2,228,766
405	6314	980 Jefferson Ave	Washington	15301	92,726	\$23.97	\$2,222,328
406	0236	820 McKeesport Rd	Elizabeth	15037	67,834	\$32.59	\$2,211,002
407	4902	The Plaza at Coal Township, 9345 State Rte 61	Coal Township	17866	70,828	\$31.04	\$2,198,321
408	2208	Uptown Plz, 2943 N 7th St	Harrisburg	17110	112,426	\$19.44	\$2,185,918
409	4816	Wind Gap Plz, 813 Male Rd	Wind Gap	18091	82,670	\$26.43	\$2,185,120
410	6509	208 Countryside Plaza	Mt Pleasant	15666	76,701	\$28.38	\$2,176,926
411	4303	Greenville Plz, 100 Hadley Rd, Ste 7	Greenville	16125	65,171	\$33.40	\$2,176,885
412	3505**	305 S Main St	Old Forge	18518	67,839	\$31.98	\$2,169,530
413	0102	44 Natural Springs Rd, Unit 4	Gettysburg	17325	50,489	\$42.94	\$2,167,865
414	3919	Towne Ctr, 4777 Tilghman St	Allentown	18104	73,565	\$29.37	\$2,160,739
415	1513	552 Lancaster Ave	Berwyn	19312	59,134	\$36.47	\$2,156,638
416	3602	252 N Queen St, 1st Fl	Lancaster	17603	108,145	\$19.90	\$2,152,060
417	3502	1512 Scranton Carbondale Hwy	Dickson City	18508	65,216	\$32.82	\$2,140,620
418	0273	3202 Brighton Rd	Pittsburgh	15212	100,650	\$21.25	\$2,138,806

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419	6704	East Manchester Village Ctr, 205 Glen Dr, Ste 185-195	Manchester	17345	78,366	\$27.27	\$2,136,962
420	2402**	St Marys Plz, 832 S St Marys Rd	St Marys	15857	65,114	\$32.68	\$2,128,072
421	6102**	541 Allegheny Blvd	Franklin	16323	69,104	\$30.78	\$2,127,033
422	0617	Tulpehocken Vlg, 430 N 3rd St	Womelsdorf	19567	68,057	\$31.22	\$2,124,753
423	4903	Sunbury Plz, 1135 N 4th St	Sunbury	17801	70,300	\$30.16	\$2,120,580
424	6514	147 Columbia Ave	Vandergrift	15690	67,909	\$31.14	\$2,114,943
425	3806	Cleona Sq, 475 W Penn Ave, 3A	Cleona	17042	67,583	\$31.15	\$2,105,247
426	6501	105 Harrison Ave	Greensburg	15601	60,588	\$34.67	\$2,100,363
427	5403	141 N Railroad St	Tamaqua	18252	70,356	\$29.85	\$2,100,230
428	0705	Chestnut Plz, 220 E Chestnut Ave	Altoona	16601	85,362	\$24.55	\$2,095,658
429	1008	Slippery Rock Plz, 223 Grove City Rd, Ste 2	Slippery Rock	16057	80,356	\$26.00	\$2,089,497
430	3702	729 Lawrence Ave	Ellwood City	16117	69,472	\$29.93	\$2,079,301
431	3708	2410 Wilmington Rd	New Castle	16105	68,590	\$30.28	\$2,076,790
432	4025	Valley Plz, 653 State Rte 93, Store 3	Conyngham	18219	68,272	\$30.19	\$2,060,811
433	1304	143 South St	Lehighton	18235	69,337	\$29.64	\$2,055,268
434	2317	12 E Hinckley Ave	Ridley Park	19078	83,548	\$24.48	\$2,044,960
435	2520	Imperial Point, 9135 Ridge Rd	Girard	16417	70,296	\$29.00	\$2,038,641
436	4803	1375 Blue Valley Dr	Pen Argyl	18072	75,414	\$27.01	\$2,036,708
437	0707	Valley View Shopping Ctr, 613 Pleasant Valley Blvd	Altoona	16602	66,080	\$30.71	\$2,029,031
438	2513	East Erie Plz, 828 E 6th St	Erie	16507	76,478	\$26.42	\$2,020,877
439	4801	Walnutport Shopping Ctr, 200C S Best Ave	Walnutport	18088	66,930	\$30.18	\$2,019,853
440	4028	850 Sans Souci Pkwy	Wilkes-Barre	18706	70,051	\$28.62	\$2,004,714
441	6511	Willowbrook Plz, 4627 Route 51, Ste 520	Belle Vernon	15012	64,126	\$31.17	\$1,998,822
442	4809	Bath Shopping Ctr, 362 S Walnut St	Bath	18014	68,923	\$28.82	\$1,986,018
443	5408	888 Gordon Nagle Trl	Pottsville	17901	62,047	\$31.88	\$1,977,885
444	3605	Manheim Shopping Ctr, 97 Doe Run Rd	Manheim	17545	66,618	\$29.49	\$1,964,314
445	0223	126 Grant Ave	Pittsburgh	15209	69,386	\$28.20	\$1,956,569
446	0412	Northern Lights Shoppers City, 1603 W State St	Baden	15005	70,779	\$27.62	\$1,954,896
447	1705	Clearfield Mall, 1824 Daisy St	Clearfield	16830	67,064	\$29.01	\$1,945,280
448	6506	656 W Main St	Mount Pleasant	15666	30,462	\$63.77	\$1,942,638
449	3627†**	Shoppes at Belmont, 1565 Fruitville Pk	Lancaster	17601	47,046	\$41.18	\$1,937,584
450	0281	1706 Mt Royal Blvd	Glenshaw	15116	71,400	\$27.14	\$1,937,466
451	1603**	78 Clarion Plaza	Clarion	16214	61,982	\$31.25	\$1,937,157
452	3626**	2350 Lincoln Hwy E, Ste 550	Lancaster	17602	57,051	\$33.78	\$1,927,262
453	4107	803 N Loyalsock Ave	Montoursville	17754	67,736	\$28.30	\$1,916,604
454	3202	575 Philadelphia St	Indiana	15701	56,025	\$34.01	\$1,905,245
455	1302	1215 North St	Jim Thorpe	18229	49,809	\$37.84	\$1,884,589
456	5903	16 Crafton St	Wellsboro	16901	58,999	\$31.68	\$1,869,249
457	5802**	16750 State Rte 706, Ste 6	Montrose	18801	55,547	\$33.60	\$1,866,638
458	0261	2629 Brownsville Rd	Pittsburgh	15227	78,490	\$23.77	\$1,865,722
459	0217	1110 4th Ave	Coraopolis	15108	71,949	\$25.92	\$1,865,140
460	2111	East Penn Ctr, 736 Wertzville Rd	Enola	17025	63,329	\$29.41	\$1,862,614

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461	4106	2067 Lycoming Creek Rd	Williamsport	17701	67,370	\$27.64	\$1,862,164
462	4644	Village Mall, 200 Blair Mill Rd	Horsham	19044	79,218	\$23.50	\$1,861,599
463	2517	3412 W Lake Rd	Erie	16505	51,980	\$35.64	\$1,852,505
464	0206	136 McKees Rocks Plz, 409 Chartiers Ave	McKees Rocks	15136	90,355	\$20.43	\$1,846,363
465	5198	Freedom Sq, 5113 Germantown Ave	Philadelphia	19144	105,870	\$17.30	\$1,831,793
466	2108	Summerdale Plz, 443 N Enola Rd	Enola	17025	63,486	\$28.64	\$1,818,490
467	2504	10720 W Main St	North East	16428	59,471	\$30.17	\$1,794,438
468	4806	34 S Broad St	Nazareth	18064	63,720	\$28.05	\$1,787,537
469	4023	801 Wyoming Ave	West Pittston	18643	65,607	\$27.21	\$1,785,074
470	0403	999 Merchant St	Ambridge	15003	65,914	\$26.76	\$1,763,961
471	4802	111 Northampton St	Easton	18042	67,515	\$25.89	\$1,748,064
472	3524**	Shoppes at Montage, 2571 Shoppes Blvd	Moosic	18507	42,062	\$41.24	\$1,734,445
473	0252	4643 Centre Ave	Pittsburgh	15213	71,626	\$24.18	\$1,731,851
474	6510	Hillcrest Shopping Ctr, 3220 Leechburg Rd	Lower Burrell	15068	56,848	\$29.94	\$1,701,785
475	0936	Town Center Shopping Ctr, 300 Town Ctr	New Britain	18901	65,656	\$25.91	\$1,701,296
476	6701	Yorktown Mall, 131 N Duke St, Ste 4	York	17401	77,848	\$21.72	\$1,690,901
477	3001	Widewaters Cmns, 55 Sugar Run Rd, Ste 105	Waynesburg	15370	59,228	\$28.23	\$1,672,137
478	0279	722 Brookline Blvd	Pittsburgh	15226	73,995	\$22.41	\$1,657,868
479	5412	515 Dock St	Schuylkill Haven	17972	56,205	\$29.43	\$1,653,982
480	3706	4 Cascade Galleria, 100 S Jefferson St	New Castle	16101	75,617	\$21.80	\$1,648,315
481	0908	US 1 Plz, 315 W Lincoln Hwy	Penndel	19047	67,703	\$24.32	\$1,646,566
482	6516	Penn Crossing Shopping Ctr, 2014 Penny Ln	Jeannette	15644	52,008	\$31.63	\$1,645,153
483	5905	187 N Main St	Mansfield	16933	51,340	\$31.89	\$1,637,020
484	5402	9 Gold Star Plaza	Shenandoah	17976	61,291	\$26.61	\$1,630,845
485	4634	2014 Old Arch Rd, Store 4	Norristown	19401	73,268	\$22.22	\$1,628,181
486	0802	Colonial Plz, 85 Reuter Blvd	Towanda	18848	54,783	\$29.66	\$1,624,813
487	2002	126 S Martin St	Titusville	16354	59,083	\$27.25	\$1,610,022
488	3523**	Hillside Plz, 771 Scranton Carbondale Hwy	Eynon	18403	51,489	\$31.19	\$1,605,691
489	4904	Weis Market Shopping Ctr, 551 Mahoning St	Milton	17847	60,531	\$26.51	\$1,604,801
490	2506	Corry Plz, 350 W Columbus Ave	Corry	16407	51,021	\$31.45	\$1,604,529
491	0930	Doylestown Pointe Plz, 1661 Easton Rd	Warrington	18976	54,635	\$29.22	\$1,596,561
492	6304	105 3rd St	Charleroi	15022	50,270	\$31.27	\$1,572,148
493	4652**	Upland Sq, 260 Upland Square Dr	Pottstown	19464	49,054	\$31.98	\$1,568,782
494	4017	Plains Plz, 21 N River St	Plains	18705	54,057	\$28.81	\$1,557,329
495	0297	The Village Shopping Ctr, 1874 Homeville Rd	West Mifflin	15122	53,306	\$28.95	\$1,543,007
496	4301	Sharon Center City Shopping Ctr, 120 S Water Ave	Sharon	16146	68,590	\$22.49	\$1,542,803
497	2515	Perry Plz, 2208 Broad St	Erie	16503	76,643	\$20.08	\$1,539,082
498	1706	Peebles Plz, 1067 N Front St, 4A	Philipsburg	16866	57,092	\$26.74	\$1,526,566
499	2204	325 N Front St	Steelton	17113	63,675	\$23.97	\$1,526,224
500	4002	7 George Ave	Wilkes-Barre	18705	61,870	\$24.66	\$1,525,556
501	9203	3 Quaker Village Shopping Ctr	Leetsdale	15056	48,393	\$31.52	\$1,525,368
502	2207*	1303 N 7th St	Harrisburg	17102	1,336	\$1,135.34	\$1,516,808

* Licensee Service Center

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† Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
503	5409	Federal Sq, 705 W Market St, Ste 3	Orwigsburg	17961	38,918	\$38.86	\$1,512,301
504	1519	The Shops at Great Valley, 20 Liberty Blvd	Malvern	19355	44,887	\$33.54	\$1,505,535
505	0402	Green Garden Shopping Ctr, 3113 Green Garden Rd	Hopewell Township	15001	54,327	\$27.57	\$1,498,017
506	0219	Kennywood Shops, 1326 Hoffman Blvd	West Mifflin	15122	71,788	\$20.69	\$1,485,078
507	0205	149 5th Ave	McKeesport	15132	76,615	\$19.32	\$1,480,120
508	3302**	567 W Mahoning St	Punxsutawney	15767	49,157	\$30.04	\$1,476,733
509	0601	537 Penn St	Reading	19601	69,052	\$21.27	\$1,468,843
510	1524	Oxford Sq, 449 N 3rd St	Oxford	19363	52,771	\$27.34	\$1,442,561
511	6306	245 W Main St	Monongahela	15063	53,205	\$26.89	\$1,430,779
512	6311	327 3rd St	California	15419	49,403	\$28.85	\$1,425,382
513	2213	3775 Peters Mountain Rd	Halifax	17032	44,338	\$31.44	\$1,394,065
514	6101	Seneca Street Plz, 50 Seneca St	Oil City	16301	44,692	\$30.86	\$1,379,269
515	6103	17 Kimberly Lane, Ste 4, PO Box 418	Cranberry	16319	53,726	\$25.47	\$1,368,404
516	0212	959 Liberty Ave	Pittsburgh	15222	50,150	\$27.15	\$1,361,525
517	3612	Village at Gap, 5360 Lincoln Hwy, Store 14	Gap	17527	49,891	\$27.26	\$1,360,077
518	1601	800 Ctr, 845 Main St	Clarion	16214	39,507	\$34.13	\$1,348,207
519	4103	354 Allegheny St	Jersey Shore	17740	47,376	\$28.44	\$1,347,591
520	3701	Lawrence Village Plz, 2656 Ellwood Rd	New Castle	16101	48,685	\$27.56	\$1,341,792
521	6505	328 Central City Plaza	New Kensington	15068	67,107	\$19.62	\$1,316,747
522	4503	1152 Rte 390	Cresco	18326	44,132	\$29.64	\$1,308,064
523	3201	215 E Market St	Blairsville	15717	43,961	\$29.62	\$1,302,261
524	0257†	Jonnet Plz, 4089 William Penn Hwy	Monroeville	15146	29,416	\$44.21	\$1,300,402
525	4604	212 E High St	Pottstown	19464	72,236	\$17.90	\$1,293,081
526	2803	Greencastle Market Pl, 512 N Antrim Way	Greencastle	17225	48,513	\$26.47	\$1,284,116
527	4304	535 Greenville Rd	Mercer	16137	40,981	\$31.04	\$1,272,203
528	3707	Westgate Plz, 2034 W State St	New Castle	16101	43,979	\$28.65	\$1,260,105
529	6002	30 E Chestnut St	Mifflinburg	17844	40,478	\$30.70	\$1,242,664
530	6504	114 S 5th St	Jeannette	15644	44,446	\$27.50	\$1,222,255
531	4109	510 W Southern Ave	South Williamsport	17702	45,763	\$26.67	\$1,220,455
532	5603	1607 Jefferson Ave	Windber	15963	35,124	\$34.45	\$1,210,126
533	3401	4093 William Penn Hwy, PO Box 293	Mifflintown	17059	42,423	\$28.14	\$1,193,705
534	2219	333 Market St	Harrisburg	17101	57,062	\$20.89	\$1,192,015
535	3710**	3326 Wilmington Rd, Unit 4	New Castle	16105	38,144	\$30.95	\$1,180,658
536	4616	100 Main St	Schwenksville	19473	42,154	\$27.54	\$1,160,795
537	0244	739 Monongahela Ave	Glassport	15045	47,613	\$24.17	\$1,150,852
538	4020	White Haven Shopping Ctr, 501 Main St	White Haven	18661	38,243	\$29.70	\$1,135,736
539	0704	1260 Pennsylvania Ave	Tyrone	16686	43,592	\$25.98	\$1,132,359
540	5002	53 S Main St	Duncannon	17020	40,592	\$27.85	\$1,130,353
541	6305	McDonald Plz, 301 W Barr St	McDonald	15057	40,541	\$27.78	\$1,126,122
542	5413	16 Tremont Rd	Pine Grove	17963	32,968	\$33.57	\$1,106,824
543	5003**	Crestview Plz, 201 Fickes Lane	Newport	17074	33,591	\$32.48	\$1,090,974
544	2315	643 Conchester Hwy	Boothwyn	19061	38,514	\$28.16	\$1,084,379

* Licensee Service Center

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† Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
545	1101	426 Main St	Johnstown	15901	48,167	\$21.54	\$1,037,640
546	5301	151 Route 6 W	Coudersport	16915	33,532	\$30.51	\$1,023,042
547	0271	3408 Main St	Munhall	15120	47,412	\$21.43	\$1,015,804
548	5129	1446 Point Breeze Ave	Philadelphia	19146	68,082	\$14.84	\$1,010,025
549	1104	101 Park Ave	Cresson	16630	39,702	\$25.38	\$1,007,656
550	1103	910 Philadelphia Ave, Ste 1	Northern Cambria	15714	28,725	\$34.49	\$990,843
551	2202	1200 N 3rd St	Harrisburg	17102	47,596	\$20.70	\$985,236
552	3301	160 Main St	Brookville	15825	33,046	\$29.77	\$983,622
553	4651**	Village Mall, 200 Blair Mill Rd, Ste 113-115	Horsham	19044	37,951	\$25.91	\$983,276
554	0265	Deer Lakes Plz, 908 Little Deer Creek Valley Rd, PO Box 295	Russellton	15076	30,903	\$30.87	\$953,829
555	0616**	200 W 1st St	Birdsboro	19508	36,316	\$25.76	\$935,547
556	3002	Brodak Cmns, 554 South 88 Rd	Carmichaels	15320	32,553	\$26.90	\$875,652
557	0903	8794 Easton Rd, Ste 1	Ottsville	18942	26,926	\$31.96	\$860,564
558	5102	4346 Frankford Ave	Philadelphia	19124	50,186	\$16.76	\$841,314
559	2109	3441 Simpson Ferry Rd	Camp Hill	17011	30,173	\$27.35	\$825,131
560	2004	211 E Erie St	Linesville	16424	23,907	\$34.36	\$821,448
561	6502	313 Depot St	Latrobe	15650	24,683	\$33.16	\$818,441
562	4202	124 N Fraley St	Kane	16735	23,818	\$32.30	\$769,422
563	4618	504 W Marshall St	Norristown	19401	37,192	\$20.09	\$747,282
564	4619	24 E 4th St	Bridgeport	19405	25,199	\$29.47	\$742,733
565	0270	3643 California Ave	Pittsburgh	15212	30,024	\$24.56	\$737,347
566	2205	529 Market St	Lykens	17048	20,607	\$35.06	\$722,552
567	1303	221 Delaware Ave	Palmerton	18071	26,305	\$27.16	\$714,335
568	2401	305 N Broad St	Ridgway	15853	19,734	\$35.59	\$702,411
569	5701	121 W Main St	Dushore	18614	24,532	\$28.51	\$699,416
570	2512	66 N Main St	Union City	16438	22,936	\$29.05	\$666,285
571	3102	25 W Water St	Mt Union	17066	27,141	\$24.49	\$664,565
572	6312	524 Front St, PO Box 874	Fredericktown	15333	16,480	\$40.28	\$663,799
573	0302	137 S Jefferson St	Kittanning	16201	17,616	\$37.15	\$654,387
574	2901	Ayr Town Ctr, 362 S 2nd St	McConnellsburg	17233	23,258	\$27.72	\$644,809
575	0804	41871 Rte 6	Wyalusing	18853	20,152	\$30.56	\$615,847
576	6503	925 Donner Ave	Monessen	15062	16,879	\$35.97	\$607,096
577	6307	Kwik Stop Plz, 2038 Smith Twp Rd, Ste 2	Burgettstown	15021	19,660	\$30.08	\$591,385
578	0803	752 Canton St	Troy	16947	17,860	\$32.84	\$586,445
579	0303	163 3rd St	Leechburg	15656	16,019	\$36.07	\$577,790
580	4901	136 S Oak St	Mt Carmel	17851	19,828	\$28.83	\$571,632
581	1111	3670 Portage St, Ste 3	Portage	15946	17,823	\$31.84	\$567,396
582	1301	46 W Ridge St	Lansford	18232	24,431	\$23.07	\$563,561
583	0255	Cheswick Plz, 1302 Pittsburgh St	Cheswick	15024	17,472	\$30.90	\$539,812
584	0405	508 Midland Ave	Midland	15059	18,038	\$28.84	\$520,235
585	0623**	100 Kenhorst Plz, 1895 New Holland Rd	Reading	19607	16,667	\$31.20	\$520,006
586	2702**	644 Elm St	Tionesta	16353	14,557	\$35.03	\$509,995

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587	2604	1890 McClellandtown Rd	Masontown	15461	18,770	\$27.05	\$507,659
588	1004	102 Main St	Petrolia	16050	10,877	\$45.90	\$499,223
589	0902	19 W Court St	Doylestown	18901	16,203	\$30.80	\$499,026
590	6508	310 Main St	Irwin	15642	14,150	\$35.02	\$495,502
591	1115	20th Ward Shopping Ctr, 358 N Sheridan St	Johnstown	15906	19,970	\$24.56	\$490,415
592	5803	The Shops, 191 Erie Blvd, Ste A	Susquehanna	18847	16,251	\$29.90	\$485,951
593	2804	9 S Main St	Mercersburg	17236	11,923	\$40.20	\$479,347
594	5801	605 Main St	Forest City	18421	16,164	\$29.53	\$477,375
595	5904	126 W Main St	Westfield	16950	11,567	\$41.12	\$475,678
596	1201	54 E 4th St	Emporium	15834	13,755	\$32.35	\$444,984
597	4204	66 W Mill St	Port Allegany	16743	13,948	\$30.64	\$427,306
598	4203	433 W Main St	Smethport	16749	12,126	\$33.03	\$400,506
599	2701	121 Chestnut St	Marienville	16239	11,489	\$34.53	\$396,737
600	2608	3532 Pittsburgh Rd, Ste A	Perryopolis	15473	14,041	\$27.46	\$385,611
601	5404	630 Centre St	Ashland	17921	13,344	\$27.46	\$366,391
602	1602	452 Broad St	New Bethlehem	16242	11,703	\$31.06	\$363,523
603	1604	506 Main St	Knox	16232	8,753	\$40.36	\$353,275
604	5302	15 West St	Galeton	16922	10,663	\$32.07	\$341,952
605	1703	821 Centennial St	Houtzdale	16651	10,849	\$30.89	\$335,079
606	0502	600 Main St	Saxton	16678	10,079	\$32.97	\$332,347
607	4612	225 N York Rd	Hatboro	19040	12,908	\$24.39	\$314,860
608	3303	445 Main St	Brockway	15824	7,633	\$39.91	\$304,642
609	1107	513 Chestnut St	Conemaugh	15909	6,999	\$42.37	\$296,543
610	3203	560 Franklin St	Clymer	15728	7,637	\$34.59	\$264,178
611	1803	167 7th St	Renovo	17764	6,846	\$37.14	\$254,252
612	5606	212 Ohio St	Boswell	15531	7,823	\$31.88	\$249,359
613	6513	214 5th St, PO Box 38	Avonmore	15618	7,613	\$32.52	\$247,582
614	5406	7 S Main St	Mahanoy City	17948	7,990	\$30.10	\$240,482
615	5601	686 Market Square	Meyersdale	15552	4,505	\$51.07	\$230,075
616	1704	449 State St	Curwensville	16833	7,628	\$27.52	\$209,927
617	3305	410 Main St	Reynoldsville	15851	5,764	\$32.60	\$187,882
618	6202	212 S Main St, PO Box 372	Sheffield	16347	5,339	\$33.82	\$180,591
619	2605	213 Penn St	Point Marion	15474	5,241	\$31.74	\$166,329
620	1403	15 W Olive St	Snow Shoe	16874	4,317	\$35.58	\$153,586
621	2298	Room 218 NWOB	Harrisburg	17124	1,760	\$76.80	\$135,172
622	0307	206 N Warren Ave	Apollo	15613	2,926	\$28.27	\$82,711
623	2342†**	1083 W Baltimore Pike, Ste A	Media	19063	2,146	\$36.47	\$78,270
624	0278	4065 Butler St	Pittsburgh	15201	1,389	\$33.57	\$46,628
625	4302	837 Sharon New Castle Rd	Farrell	16121	1,796	\$22.17	\$39,812
626	2316	Newtown Square Shopping Ctr, 3590 West Chester Pike	Newtown Square	19073	307	\$21.33	\$6,549

* Licensee Service Center

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† Premium Collection

Product and category sales data was extracted from Oracle BI on July 30, 2018. The calculations performed on the data are the year-to-year percentage change, percentage share and compound annual growth rate. Sales data includes the 18 percent liquor tax but does not include 6 percent Pennsylvania sales tax nor local sales taxes from Philadelphia or Allegheny counties.

All reports, unless specified, are fiscal year. Retail and licensee sales types are included in each report. When required for different views, sales type is separated. Items from the Chairman's programs and Pennsylvania products are broken out; otherwise, regular, luxury and Special Order products are included. Accessories are reclassified for the overall sales report, then filtered from e-commerce reports.

Store formats can change based on the report. Special event stores are not included in the full store list. Self-service stores are the only format used for the share and sales by category reports as well as the county sale maps. The e-commerce store is included unless separated for a closer look. Store 2297, which accounts for Special Orders, is removed from the reports except for the full store report.

Sales to some chain wine-to-go retailers with locations in multiple counties are attributed to a single county where all deliveries for all chain locations are made. This can impact sales for the county where the deliveries are made.

Stores ranked by total dollar sales for fiscal year 2017–18 include all stores, both open and closed.

In order to be fiscally and environmentally responsible, the
Pennsylvania Liquor Control Board limits the printing of this document.

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