



pennsylvania  
LIQUOR CONTROL BOARD

FINE WINE & GOOD SPIRITS

ANNUAL

PENNSYLVANIA LIQUOR

— FISCAL —

2018  
2019

— YEAR —

CONTROL BOARD

REPORT



# OUR MISSION

The mission of the Pennsylvania Liquor Control Board  
is to responsibly sell wine and spirits as  
a retailer and wholesaler,  
regulate Pennsylvania's alcohol industry,  
promote alcohol education and social responsibility  
and maximize financial returns for the benefit of all Pennsylvanians.

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# MESSAGE FROM THE BOARD

Dear Fellow Pennsylvanians:

It is our pleasure to present to you the Pennsylvania Liquor Control Board's Fiscal Year 2018-19 Annual Report. This publication outlines the PLCB's operations, highlights popular products and retail sales trends and shares financial results for the period of July 1, 2018, to June 30, 2019.

In fiscal year 2018-19, the PLCB achieved record retail sales and record net income. Sales of \$2.67 billion (including liquor and sales taxes) reflect a \$75.2 million or 2.9% increase over the prior year and previous sales record, with the PLCB achieving year-over-year sales growth for at least the past two decades. Net income for the year totaled \$191.0 million, \$32.8 million or 20.7% higher than 2017-18 and exceeding the PLCB's \$185.1 million cash contribution to the General Fund by nearly \$6.0 million. Additionally, year-end cash and investments increased \$20.3 million or 7.9% to \$278.6 million. Increased gross profit from sales and reduced operating expenses related to workers compensation and post-employment benefits are largely accountable for the substantial increase. An outline of revenues and contributions is available on pages 10-11, while detailed financial reports are available beginning on page 65.

Other highlights and key achievements during the fiscal year include the following:

- A new, larger e-commerce fulfillment center opened in October 2018, allowing FineWineAndGoodSpirits.com to quadruple its online product offerings. To learn more about the new facility and its impact on consumers and product sales, see page 20.
- The first Taste & Learn Centers debuted in two Fine Wine & Good Spirits Premium Collection stores, establishing dedicated education spaces for the public to experience tastings and learn about wine and spirits during special events held in small, intimate settings. Photos and additional details are available on page 20.
- Enhanced in-store merchandising of small-size products – cans, Tetra Paks, single serves and trial sizes growing in consumer popularity – expanded to 35 more stores in 2018-19, increasing the access and shopability of these products in nearly 100 stores across Pennsylvania. To learn more about the growth of this product segment, see page 28.
- Fine Wine & Good Spirits store renovation efforts surpassed the halfway mark in 2018-19, with 308 stores that have been redesigned or refreshed, including 67 remodels and three new stores completed in the fiscal year. For more information on store operations, see pages 21 - 23.

- Continued wholesale business growth saw the addition of nearly 250 new grocery and convenience stores selling wine to go over the year, plus Target's debut as the first mass merchant retailer to sell wine to go in Pennsylvania. Read more about this activity on pages 42-44.
- The release of the PLCB's biennial Report on Underage and Dangerous Drinking provided a snapshot of underage and dangerous drinking statistics in Pennsylvania and an outline of alcohol education programming and prevention initiatives throughout the state. The report is available under the Education section of [lcb.pa.gov](http://lcb.pa.gov).
- Grants totaling \$1.8 million were approved by the PLCB in support of Pennsylvania's wine and beer industries, and another \$1.1 million in grant funding was awarded to support alcohol education initiatives to reduce underage and dangerous drinking. See more information about grants on pages 53 - 58.
- Three restaurant license auctions were held, resulting in the successful award of 67 licenses for a total bid amount of \$5.8 million. More auction details are available on page 52.
- Dedicated to investing in the success of its employees, the PLCB launched LEAD – a new professional development program imparting fundamental leadership knowledge and skills. For more on the program, see page 61.
- In June 2019, the PLCB welcomed Mary Isenhour – the first female Board member in the agency's 86-year history. For an introduction, see page 7.
- The PLCB was recognized as a "Top 100 Retailer of the Year" for 2019 by *Beverage Dynamics*, a national beverage alcohol trade magazine, for its dedication to customer service and a superior retail shopping experience for Pennsylvania consumers.

During fiscal year 2018-19, no laws were enacted amending the Pennsylvania Liquor Code, nor were any regulations amended.

Our commitment to continually improve how we serve Pennsylvania consumers, licensees, partners in prevention, beverage alcohol industry members and other stakeholders is illustrated through the accomplishments detailed in this report.

We thank you for the opportunity to share this information with you.

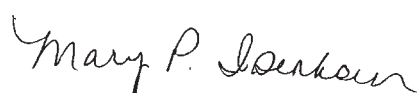
Sincerely,



Tim Holden  
Chairman



Mike Negra  
Member



Mary Isenhour  
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 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 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.

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.

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.

**MARY ISENHOUR BOARD MEMBER**

Mary Isenhour was nominated to the Pennsylvania Liquor Control Board by Governor Tom Wolf on Feb. 15, 2019, and was confirmed to a four-year term by the state Senate on June 19, 2019. Mary is the first female Board member in the history of the PLCB.



A Kansas native, Mary has more than 30 years of experience working with officials at every level and branch of government.

As Secretary of Legislative Affairs and Chief of Staff to Governor Tom Wolf, Mary played a key role in the passage of Act 39 of 2016, the most comprehensive modernization of the beverage alcohol landscape in Pennsylvania since Prohibition. She was also responsible for advancing other important policy items for Governor Wolf such as increased education funding, the legalization of medical marijuana and finding efficiencies in state agencies to achieve savings of more than \$1.0 billion.

Mary's career in public service began in the late 1980s with the Kansas House of Representatives, serving as Communications Director and then Chief of Staff to the House Majority Leader. In 1995, she was named the national political director at the Democratic Legislative Campaign Committee in Washington, D.C., and in 1999 she relocated to Harrisburg as the executive director of the Pennsylvania House Democratic Campaign Committee. She served as the Executive Director of the Pennsylvania Democratic Party, a senior advisor to Governor Ed Rendell and in 2013 she joined Tom Wolf's campaign for governor as a senior advisor.

Mary is a partner with the Rooney Novak Isenhour Group, a Harrisburg business development and strategic consulting firm.

Mary and her husband, Bill Patton, live in suburban Harrisburg.

# 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, 2019)

### Director of Regulatory Affairs

Tisha Albert

### Director of Finance

Michael G. Demko

### Director of Policy & Communications

Elizabeth Brassell

### Chief Counsel

Rodrigo Diaz

### Director of Legislative & Governmental Affairs

Michael Vigoda

### 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

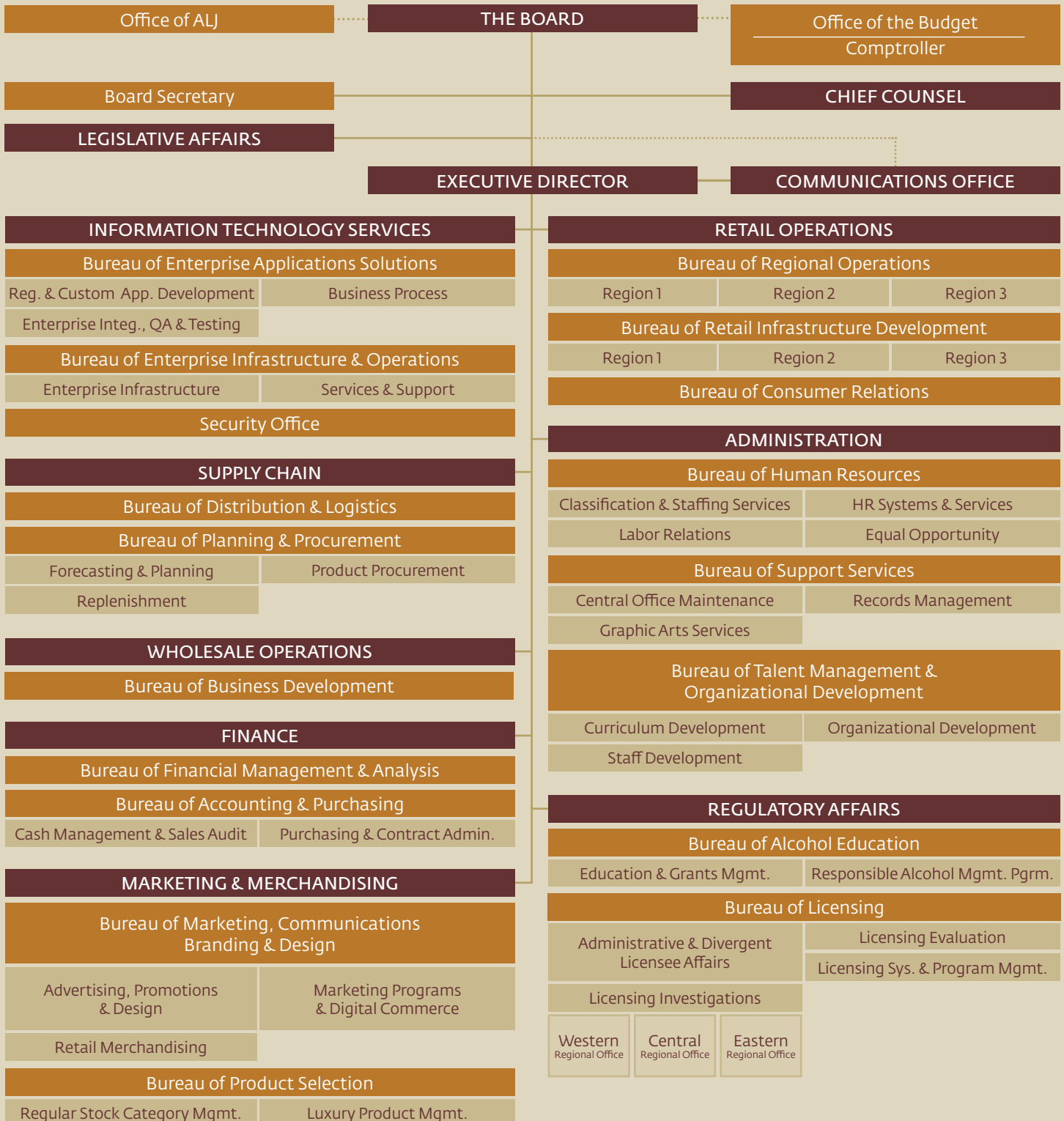
Nicholas Melnick, Jr.

### Board Secretary

John Stark



# ORGANIZATIONAL STRUCTURE



# FINANCIAL HIGHLIGHTS

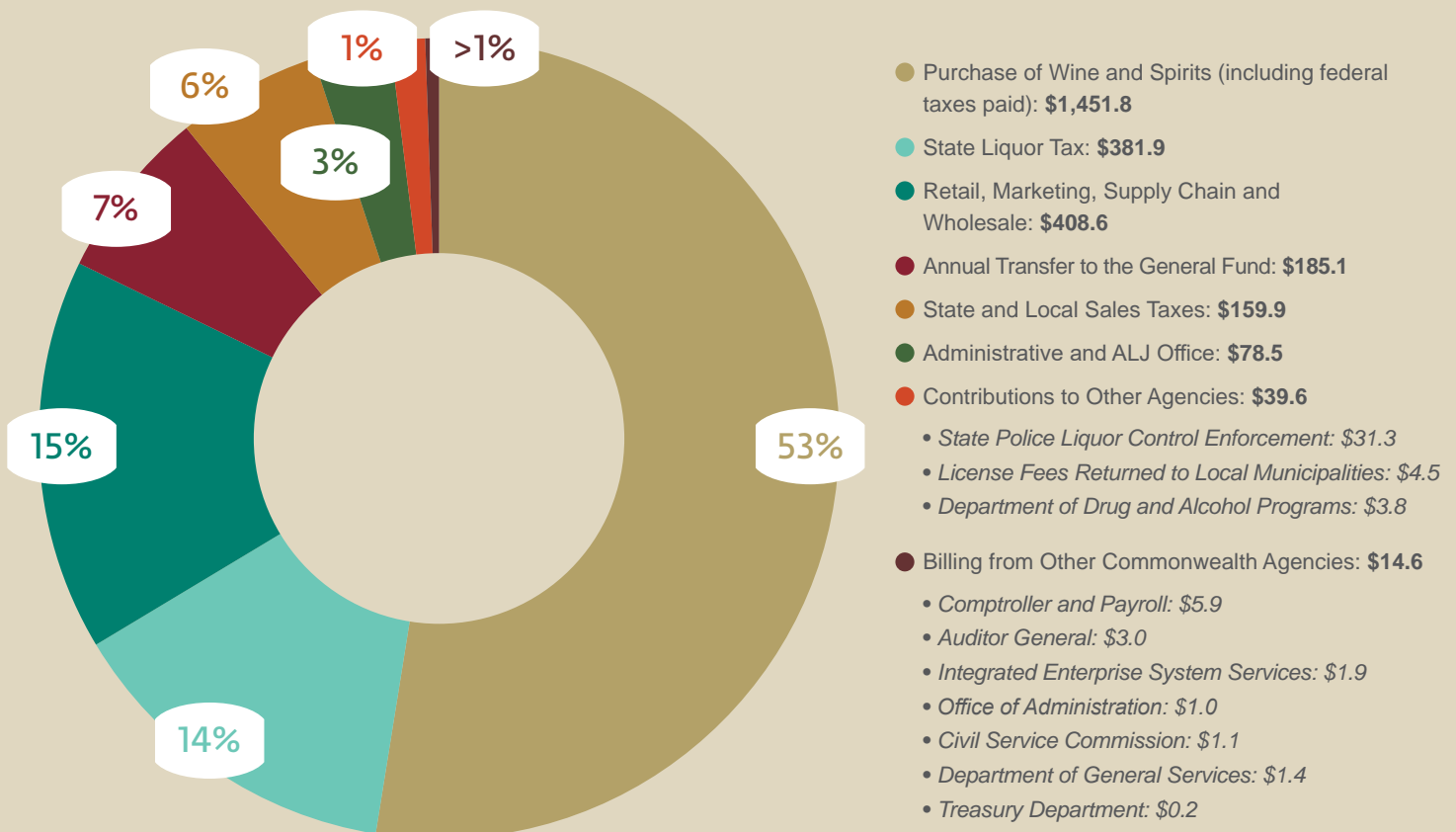
## Where The Money Goes

The PLCB generated more than \$2.67 billion in sales and taxes from Fine Wine & Good Spirits stores, direct deliveries to licensees and from its e-commerce website.

Together, **more than \$769.9 million** was returned to the General Fund, state and local government and other beneficiaries in fiscal year 2018–19.

- The PLCB returned \$717.2 million to the General Fund:
  - \$381.9 million in liquor tax
  - \$150.2 million in state sales tax
  - \$185.1 million transferred to the General Fund
- The Pennsylvania State Police received \$31.3 million for the enforcement of liquor laws.

DISTRIBUTION OF PROCEEDS (IN MILLIONS)



- The Department of Drug and Alcohol Programs received \$3.8 million to educate and prevent problem alcohol use.
- Philadelphia and Allegheny counties received \$9.7 million in local sales taxes.
- Local communities received \$4.5 million in returned licensing fees.
- \$13.8 million to the Department of Drug and Alcohol Programs
- \$22.4 million to local municipalities in returned license fees

#### IN THE LAST FIVE YEARS, THE PLCB HAS PROVIDED:

- \$3.27 billion to the Pennsylvania General Fund
- \$141.7 million to the Pennsylvania State Police
- Authorized \$1.8 million in grants in support of Pennsylvania's wine and beer industries
- Awarded \$1.1 million in alcohol education grants to reduce underage and dangerous drinking

#### IN FISCAL YEAR 2018–19, THE PLCB:

#### PLCB SUMMARY FINANCIAL INFORMATION (IN THOUSANDS EXCEPT AS INDICATED)

	FY 2018–19*	FY 2017–18	FY 2016–17	FY 2015–16	FY 2014–15	CAGR**
Sales Net of Taxes	\$2,126,928	\$2,066,562	\$2,012,789	\$1,937,885	\$1,862,270	3.4%
Gross Profit	\$675,155	\$658,030	\$621,907	\$605,599	\$581,130	3.8%
Gross Margin	31.7%	31.8%	30.9%	31.3%	31.2%	0.4%
Operating Expenses	\$501,726	\$522,590	\$525,209	\$494,788	\$490,221	0.6%
Operating Income	\$173,429	\$135,440	\$96,697	\$110,811	\$90,909	17.5%
Other Revenues	\$48,869	\$53,336	\$36,305	\$19,137	\$18,415	27.6%
Transfers to State Police	\$31,257	\$30,528	\$28,107	\$26,091	\$25,726	5.0%
Net Income	\$191,041	\$158,248	\$104,895	\$103,857	\$83,598	23.0%
Transfers to General Fund	\$185,100	\$185,100	\$216,696	\$100,000	\$80,000	23.3%
Drug & Alcohol Transfers	\$3,821	\$2,500	\$2,500	\$3,328	\$1,672	23.0%
Liquor Tax	\$381,876	\$371,508	\$361,856	\$348,056	\$334,414	3.4%
State Sales Tax	\$150,195	\$146,027	\$142,005	\$135,581	\$130,193	3.6%
Local Sales Tax	\$9,680	\$9,398	\$9,060	\$8,688	\$8,493	3.3%
License Fees Returned ^	\$4,478	\$4,632	\$4,275	\$4,594	\$4,466	0.1%
Grants	\$3,457	\$2,486	\$965	\$859	\$1,027	35.5%
Operating Exp./Net Sales	23.6%	25.3%	26.1%	25.5%	26.3%	
Contributions/Net Sales ^^	36.2%	36.4%	38.0%	32.4%	31.5%	
Return on Assets	34.2%	28.9%	19.9%	17.9%	15.6%	

\*Financial results for fiscal year 2018-19 are unaudited

\*\*CAGR - Compound Annual Growth Rate

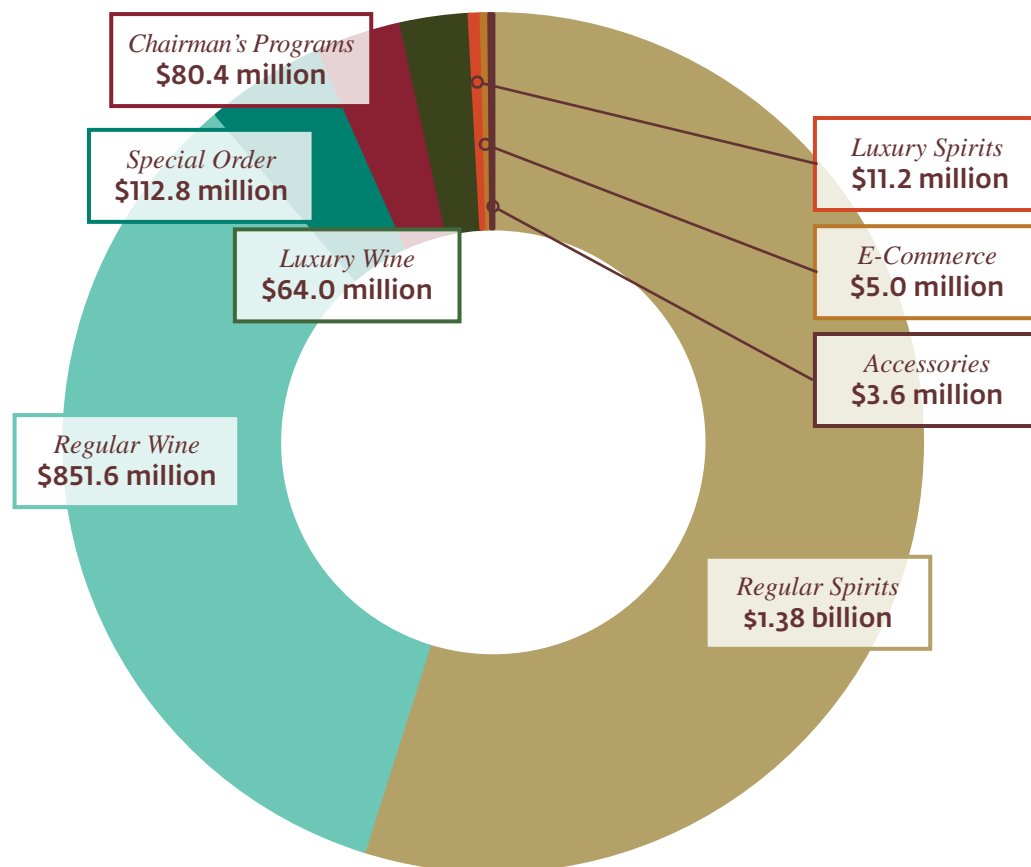
^As provided by statute, a portion of license fees are returned to municipalities. Rates have not changed since 1991.

^^Contributions are transfers, taxes, license fees returned and grants.

# FINE WINE & GOOD SPIRITS SALES HIGHLIGHTS

## FISCAL YEAR DOLLAR SALES BY DEPARTMENT

Total sales for fiscal year 2018-19\* were \$2.50 billion, up 3% over the prior year. The compound annual growth rate (CAGR) between fiscal year 2014-15 and 2018-19 is 3.4%.



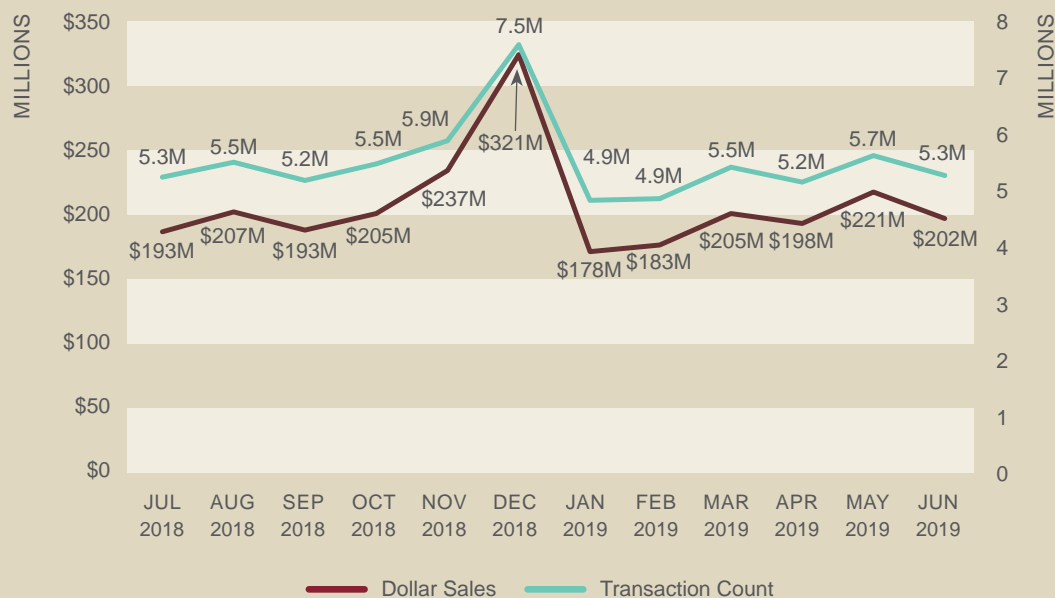
\* E-commerce sales were removed from Chairman's programs and Luxury Spirits. Placeholders and fees were removed from all sales. Sales data includes the 18% liquor tax. Sales data excludes state and local sales tax.

FINE WINE &  
GOOD SPIRITS  
SALES HIGHLIGHTS

DEPARTMENT	FY 2018–19	FY 2017–18	FY 2016–17	FY 2015–16	FY 2014–15
Regular Spirits	\$1.38 billion	\$1.32 billion	\$1.29 billion	\$1.26 billion	\$1.21 billion
Regular Wine	\$851.6 million	\$847.5 million	\$823.1 million	\$791.9 million	\$765.8 million
Special Order	\$112.8 million	\$104.6 million	\$103.7 million	\$92.6 million	\$86.7 million
Chairman's Programs	\$80.4 million	\$81.9 million	\$86.4 million	\$69.8 million	\$68.7 million
Luxury Wine	\$64.0 million	\$54.1 million	\$51.9 million	\$55.2 million	\$48.9 million
Luxury Spirits	\$11.2 million	\$6.3 million	\$4.8 million	\$2.0 million	\$500,000
E-Commerce	\$5.0 million	\$3.0 million	\$2.7 million	\$2.5 million	\$2.4 million
Accessories	\$3.6 million	\$2.7 million	\$2.7 million	\$2.6 million	\$2.4 million
<b>TOTAL</b>	<b>\$2.50 billion</b>	<b>\$2.43 billion</b>	<b>\$2.36 billion</b>	<b>\$2.28 billion</b>	<b>\$2.19 billion</b>

### CALENDAR MONTH DOLLAR SALES AND TRANSACTION COUNT

December had 12.6% of yearly sales, followed by November with 9.3%.

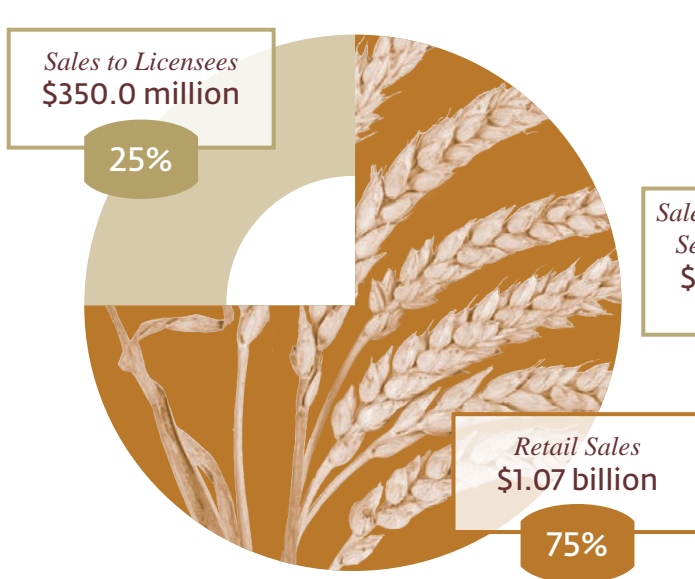




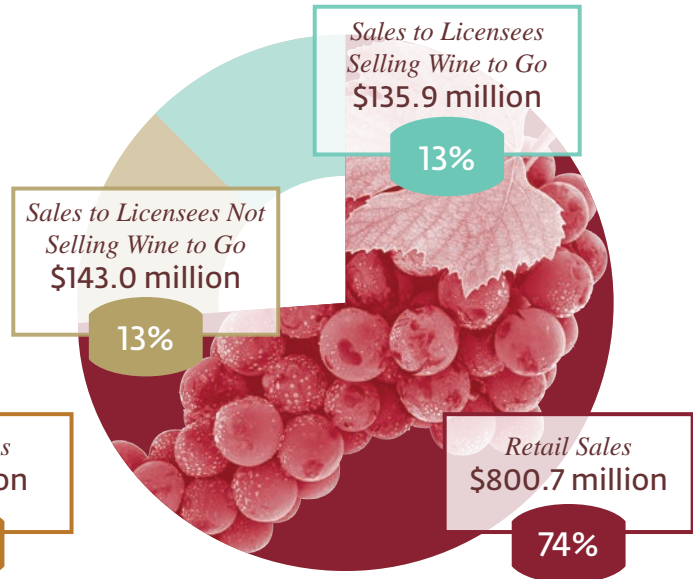
### SALES AT RETAIL VERSUS SALES TO LICENSEES

Seventy-five percent of spirits sales occurred at retail, while 25% of spirits sales were made to licensees. For wine, 74% of sales were retail sales to individual consumers, while 26% of sales were to licensees, including holders of wine expanded permits selling wine to go.

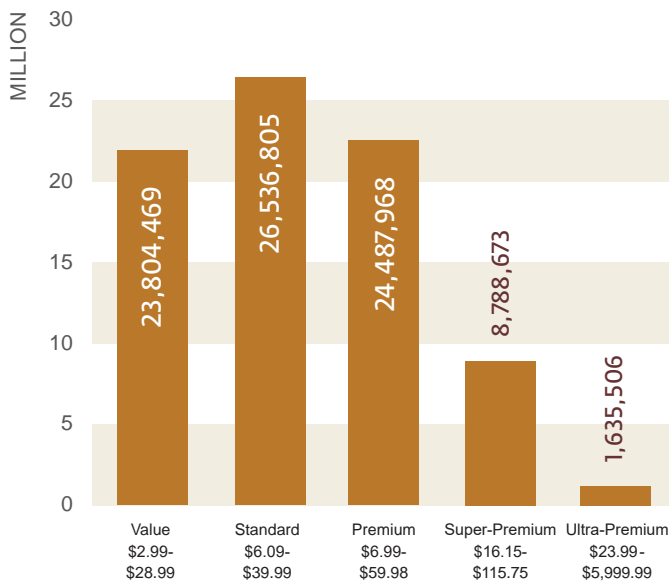
**SPIRITS LICENSEE AND RETAIL  
DOLLAR SALES FY 2018–19**



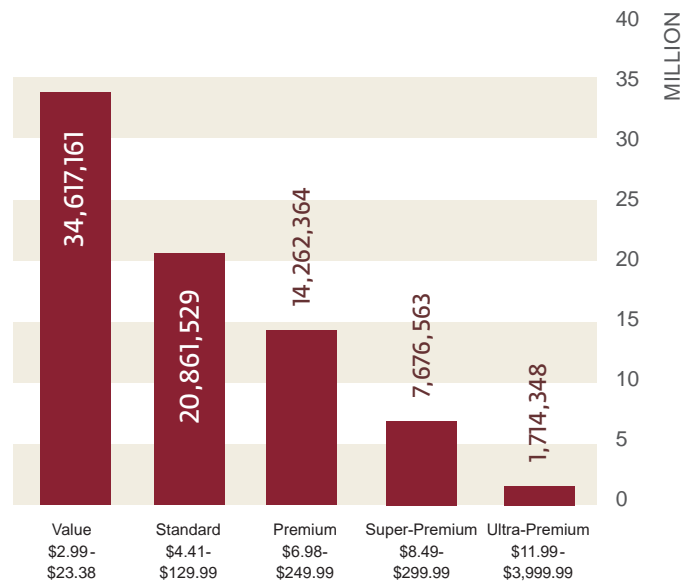
**WINE LICENSEE AND RETAIL  
DOLLAR SALES FY 2018–19**



**SPIRITS UNITS SOLD BY PRICE  
SEGMENT FY 2018–19**



**WINE UNITS SOLD BY PRICE  
SEGMENT FY 2018–19**



FINE WINE &  
GOOD SPIRITS  
SALES HIGHLIGHTS

**COUNTY SHARES AND PERCENTAGE CHANGE BASED ON DOLLAR SALES\***

The top three counties — Allegheny, Philadelphia and Montgomery — accounted for 35.4% of statewide sales. Fulton (9.6%), Carbon (7.9%) and Beaver (6.1%) counties had the largest percentage increases over the prior year.

RANK	COUNTY	FY 2018–19 Dollar Sales	FY 2017–18 Dollar Sales	FY 2018–19 County Share	% Change	RANK	COUNTY	FY 2018–19 Dollar Sales	FY 2017–18 Dollar Sales	FY 2018–19 County Share	% Change
1	Allegheny	\$309,592,819	\$300,779,127	13.88%	2.93%	35	Columbia	\$8,542,098	\$9,014,563	0.38%	-5.24%
2	Philadelphia	\$256,390,611	\$253,019,623	11.50%	1.33%	36	Pike	\$8,369,409	\$8,107,229	0.38%	3.23%
3	Montgomery	\$222,612,635	\$220,029,212	9.98%	1.17%	37	Clearfield	\$8,218,898	\$8,074,580	0.37%	1.79%
4	Bucks	\$151,932,397	\$149,377,419	6.81%	1.71%	38	Northumberland	\$6,527,425	\$6,495,335	0.29%	0.49%
5	Chester	\$116,033,502	\$115,086,918	5.20%	0.82%	39	Adams	\$6,359,809	\$6,238,945	0.29%	1.94%
6	Delaware	\$88,114,171	\$85,020,586	3.95%	3.64%	40	Union	\$6,096,031	\$5,962,830	0.27%	2.23%
7	Lehigh	\$79,570,054	\$79,015,862	3.57%	0.70%	41	Carbon	\$5,630,282	\$5,217,753	0.25%	7.91%
8	Lancaster	\$70,275,893	\$69,919,963	3.15%	0.51%	42	Bradford	\$5,453,061	\$5,369,526	0.24%	1.56%
9	Westmoreland	\$65,691,078	\$65,265,591	2.95%	0.65%	43	Somerset	\$5,195,214	\$5,099,845	0.23%	1.87%
10	York	\$63,961,675	\$63,316,981	2.87%	1.02%	44	Venango	\$4,825,014	\$4,874,706	0.22%	-1.02%
11	Berks	\$59,750,130	\$58,780,226	2.68%	1.65%	45	McKean	\$4,502,767	\$4,591,196	0.20%	-1.93%
12	Luzerne	\$53,162,890	\$52,071,555	2.38%	2.10%	46	Armstrong	\$4,264,172	\$4,276,002	0.19%	-0.28%
13	Dauphin	\$50,962,544	\$50,813,311	2.29%	0.29%	47	Tioga	\$4,040,450	\$3,981,947	0.18%	1.47%
14	Erie	\$49,860,454	\$49,304,384	2.24%	1.13%	48	Clarion	\$3,988,114	\$4,002,161	0.18%	-0.35%
15	Cumberland	\$49,463,079	\$48,681,506	2.22%	1.61%	49	Warren	\$3,976,619	\$3,981,261	0.18%	-0.12%
16	Northampton	\$47,654,771	\$47,391,325	2.14%	0.56%	50	Bedford	\$3,973,579	\$4,001,631	0.18%	-0.70%
17	Lackawanna	\$43,980,981	\$43,662,634	1.97%	0.73%	51	Snyder	\$3,941,006	\$4,040,245	0.18%	-2.46%
18	Butler	\$38,980,038	\$38,134,247	1.75%	2.22%	52	Mifflin	\$3,623,237	\$3,568,067	0.16%	1.55%
19	Monroe	\$36,689,435	\$36,203,014	1.65%	1.34%	53	Huntingdon	\$3,457,314	\$3,562,765	0.16%	-2.96%
20	Washington	\$33,351,984	\$32,824,709	1.50%	1.61%	54	Montour	\$3,305,082	\$3,274,866	0.15%	0.92%
21	Centre	\$29,131,783	\$29,287,523	1.31%	-0.53%	55	Clinton	\$3,124,233	\$3,027,246	0.14%	3.20%
22	Beaver	\$22,627,906	\$21,334,870	1.01%	6.06%	56	Wyoming	\$3,028,722	\$3,132,734	0.14%	-3.32%
23	Lycoming	\$17,835,934	\$17,251,198	0.80%	3.39%	57	Jefferson	\$2,935,045	\$2,952,879	0.13%	-0.60%
24	Cambria	\$15,899,361	\$15,626,401	0.71%	1.75%	58	Elk	\$2,807,881	\$2,830,483	0.13%	-0.80%
25	Blair	\$15,646,952	\$15,827,213	0.70%	-1.14%	59	Susquehanna	\$2,799,481	\$2,829,965	0.13%	-1.08%
26	Mercer	\$15,228,963	\$14,784,639	0.68%	3.01%	60	Greene	\$2,661,920	\$2,547,789	0.12%	4.48%
27	Franklin	\$14,173,729	\$13,906,143	0.64%	1.92%	61	Perry	\$2,101,778	\$2,221,327	0.09%	-5.38%
28	Lebanon	\$14,092,019	\$14,165,991	0.63%	-0.52%	62	Potter	\$1,432,663	\$1,364,994	0.06%	4.96%
29	Schuylkill	\$13,407,972	\$13,315,626	0.60%	0.69%	63	Juniata	\$1,171,651	\$1,193,705	0.05%	-1.85%
30	Wayne	\$13,377,980	\$13,111,936	0.60%	2.03%	64	Forest	\$903,975	\$906,731	0.04%	-0.30%
31	Fayette	\$13,241,615	\$12,706,946	0.59%	4.21%	65	Fulton	\$706,454	\$644,809	0.03%	9.56%
32	Lawrence	\$9,879,665	\$9,586,959	0.44%	3.05%	66	Sullivan	\$666,134	\$699,416	0.03%	-4.76%
33	Crawford	\$9,604,482	\$9,546,126	0.43%	0.61%	67	Cameron	\$468,723	\$444,984	0.02%	5.33%
34	Indiana	\$8,861,427	\$9,068,199	0.40%	-2.28%						

\* Sales data includes 18% liquor tax, but excludes state and local sales tax.

FINE WINE &  
GOOD SPIRITS  
SALES HIGHLIGHTS

**SALES BY COUNTY AND CATEGORY IN DOLLARS FY 2018–19**

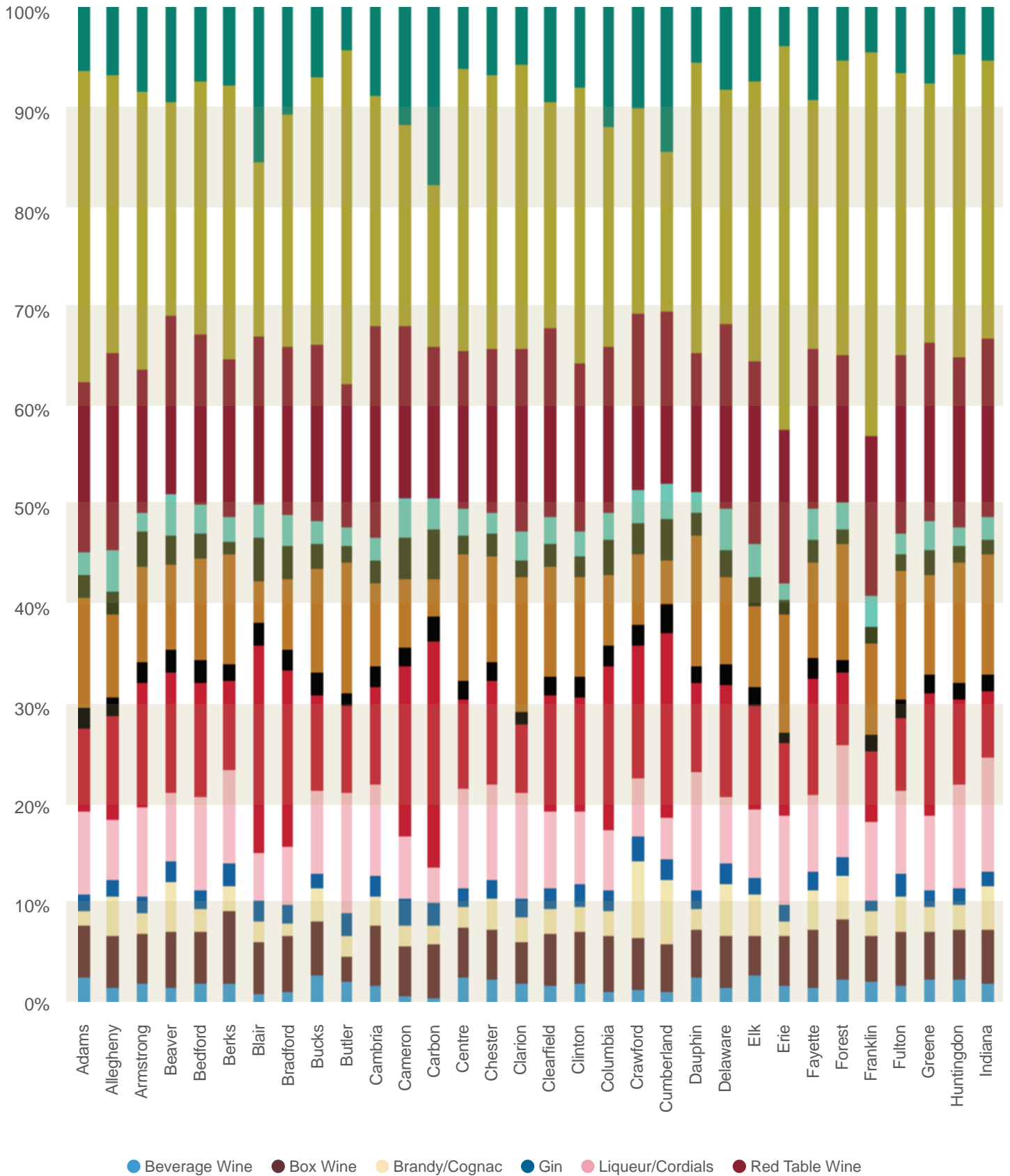
Of the following product categories, whiskey had the highest share of sales in 62 of 67 counties. Red table wine had the highest share of sales in four counties — Chester, Bucks, Montgomery and Delaware — while vodka had the highest share in Carbon county.

	BEVERAGE WINE	BOX WINE	BRANDY/COGNAC	GIN	LIQUEUR/CORDIALS	RED TABLE WINE
Adams	\$50,585	\$324,495	\$125,081	\$158,413	\$449,622	\$859,545
Allegheny	\$3,184,432	\$15,126,120	\$12,354,680	\$6,597,838	\$14,338,351	\$54,388,890
Armstrong	\$104,529	\$210,870	\$62,424	\$66,134	\$341,055	\$341,387
Beaver	\$322,288	\$1,148,122	\$845,476	\$401,117	\$1,314,193	\$2,290,987
Bedford	\$75,229	\$182,660	\$78,802	\$64,309	\$336,247	\$472,126
Berks	\$821,803	\$3,242,551	\$2,887,632	\$1,240,587	\$3,839,596	\$7,016,811
Blair	\$291,511	\$778,978	\$356,751	\$268,347	\$1,415,438	\$1,733,183
Bradford	\$98,597	\$391,765	\$129,090	\$116,150	\$506,612	\$473,721
Bucks	\$1,279,705	\$7,607,310	\$3,112,518	\$3,066,254	\$6,838,382	\$30,412,725
Butler	\$408,201	\$2,089,983	\$446,622	\$704,855	\$2,226,301	\$6,668,088
Cambria	\$405,897	\$831,694	\$497,145	\$250,670	\$1,270,311	\$1,455,887
Cameron	\$9,526	\$11,827	\$9,331	\$9,973	\$55,118	\$39,287
Carbon	\$86,326	\$332,642	\$160,824	\$111,587	\$493,806	\$528,437
Centre	\$182,538	\$1,431,962	\$546,171	\$764,522	\$1,728,544	\$4,792,544
Chester	\$595,307	\$5,936,638	\$2,097,980	\$2,568,536	\$4,063,045	\$25,552,292
Clarion	\$98,926	\$190,573	\$83,308	\$66,072	\$384,730	\$344,972
Clearfield	\$178,566	\$397,728	\$246,538	\$143,314	\$753,723	\$821,849
Clinton	\$54,981	\$125,684	\$77,097	\$55,115	\$323,168	\$207,817
Columbia	\$141,970	\$417,884	\$210,889	\$167,066	\$643,040	\$959,930
Crawford	\$181,416	\$476,658	\$235,921	\$203,078	\$692,845	\$1,064,074
Cumberland	\$493,978	\$2,695,754	\$1,173,164	\$1,055,380	\$2,810,485	\$7,838,988
Dauphin	\$653,750	\$2,503,118	\$3,767,854	\$1,156,530	\$2,920,923	\$6,438,883
Delaware	\$944,994	\$3,970,180	\$5,478,421	\$1,824,681	\$3,448,092	\$15,789,229
Elk	\$68,506	\$130,283	\$56,897	\$49,508	\$317,295	\$243,338
Erie	\$667,479	\$2,507,788	\$2,563,488	\$1,000,159	\$3,197,250	\$5,434,090
Fayette	\$336,429	\$500,159	\$532,467	\$208,827	\$873,085	\$1,331,270
Forest	\$15,214	\$42,959	\$12,652	\$15,701	\$77,228	\$64,845
Franklin	\$203,675	\$789,962	\$539,459	\$264,564	\$1,046,091	\$1,601,482
Fulton	\$15,434	\$42,037	\$30,251	\$12,518	\$76,313	\$50,396
Greene	\$56,026	\$119,136	\$62,625	\$28,365	\$200,450	\$182,636
Huntingdon	\$56,347	\$182,000	\$116,131	\$76,059	\$283,424	\$242,114
Indiana	\$200,356	\$410,524	\$208,139	\$145,446	\$628,748	\$1,057,884
Jefferson	\$66,971	\$136,690	\$74,755	\$47,540	\$291,107	\$241,129
Juniata	\$21,838	\$60,989	\$47,952	\$17,927	\$128,541	\$74,632
Lackawanna	\$736,123	\$2,583,559	\$1,561,324	\$827,483	\$2,932,444	\$6,711,560
Lancaster	\$825,791	\$4,562,195	\$2,383,052	\$1,634,817	\$4,412,371	\$9,312,718
Lawrence	\$207,202	\$391,746	\$508,511	\$153,589	\$573,297	\$1,061,554
Lebanon	\$240,180	\$889,784	\$568,643	\$295,662	\$997,974	\$1,466,252
Lehigh	\$882,902	\$4,025,756	\$4,590,227	\$1,645,553	\$4,102,170	\$12,583,852
Luzerne	\$1,033,218	\$2,875,829	\$3,110,820	\$898,920	\$3,581,617	\$6,461,111
Lycoming	\$242,842	\$883,203	\$609,628	\$402,994	\$1,393,556	\$1,725,835
McKean	\$88,216	\$240,954	\$92,366	\$70,268	\$405,601	\$414,152
Mercer	\$246,831	\$652,087	\$656,054	\$296,225	\$1,063,817	\$1,480,602
Mifflin	\$56,129	\$199,548	\$93,619	\$75,325	\$476,464	\$219,959
Monroe	\$487,310	\$2,050,731	\$2,273,761	\$616,058	\$2,159,927	\$4,976,384
Montgomery	\$1,713,335	\$9,828,601	\$7,608,922	\$4,986,618	\$8,867,080	\$43,902,633
Montour	\$42,895	\$184,631	\$56,309	\$85,914	\$221,087	\$422,595
Northampton	\$633,413	\$2,919,690	\$1,786,009	\$983,956	\$2,842,812	\$7,310,203
Northumberland	\$177,106	\$353,136	\$220,972	\$119,341	\$621,272	\$442,356
Perry	\$32,367	\$123,377	\$49,604	\$44,262	\$189,570	\$135,253
Philadelphia	\$4,382,383	\$8,991,802	\$33,667,553	\$6,072,659	\$9,699,707	\$32,967,689
Pike	\$91,984	\$534,847	\$185,563	\$147,693	\$457,380	\$1,535,180
Potter	\$28,018	\$92,107	\$32,775	\$29,383	\$136,018	\$132,627
Schuylkill	\$315,363	\$866,784	\$394,966	\$282,587	\$1,124,850	\$1,351,607
Snyder	\$66,013	\$183,389	\$80,950	\$95,174	\$326,722	\$458,052
Somerset	\$124,888	\$264,335	\$97,978	\$83,146	\$438,916	\$496,213
Sullivan	\$14,039	\$44,594	\$18,325	\$14,102	\$48,422	\$67,471
Susquehanna	\$57,387	\$210,118	\$63,975	\$51,318	\$225,847	\$307,570
Tioga	\$79,255	\$246,474	\$79,724	\$94,410	\$360,256	\$394,330
Union	\$67,735	\$307,305	\$102,219	\$147,891	\$376,236	\$886,324
Venango	\$107,837	\$283,122	\$111,546	\$86,197	\$435,029	\$429,893
Warren	\$72,185	\$250,079	\$63,151	\$89,679	\$341,610	\$330,073
Washington	\$391,658	\$1,503,323	\$652,249	\$567,831	\$1,945,201	\$4,326,677
Wayne	\$148,777	\$873,933	\$238,860	\$289,021	\$873,609	\$2,258,760
Westmoreland	\$1,223,045	\$3,437,398	\$1,230,179	\$1,151,385	\$3,945,234	\$9,316,260
Wyoming	\$50,149	\$238,742	\$72,745	\$68,362	\$225,418	\$364,890
York	\$801,639	\$3,519,138	\$2,462,852	\$1,219,596	\$4,671,344	\$7,283,514

FINE WINE &  
GOOD SPIRITS  
SALES HIGHLIGHTS

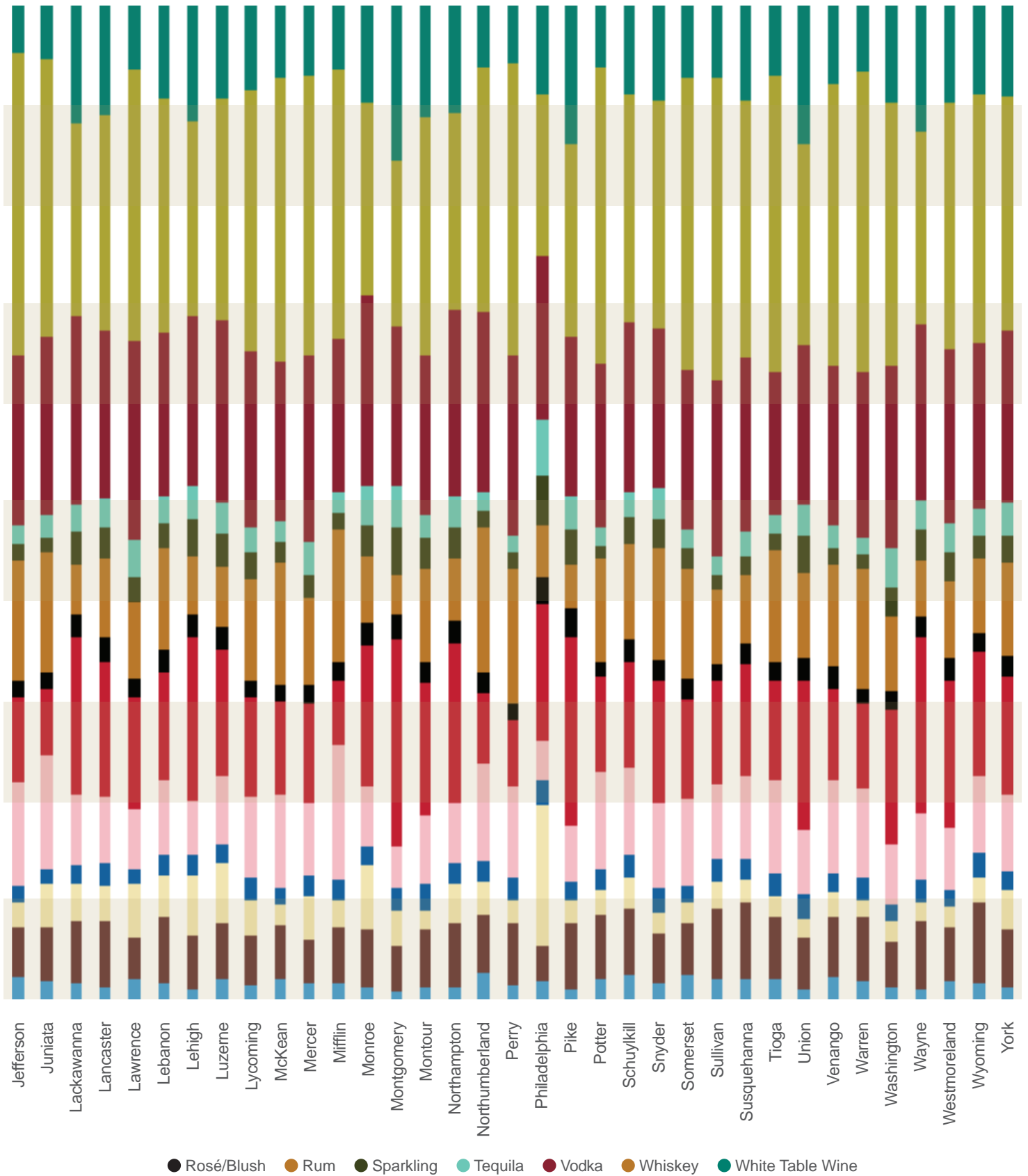
ROSÉ/BLUSH	RUM	SPARKLING	TEQUILA	VODKA	WHISKEY	WHITE TABLE WINE
\$127,054	\$466,968	\$194,660	\$207,300	\$919,860	\$1,515,892	\$687,644
\$6,664,925	\$15,709,502	\$12,304,472	\$12,157,989	\$49,059,595	\$59,878,591	\$35,796,832
\$86,041	\$451,840	\$91,407	\$97,386	\$702,402	\$1,274,628	\$269,901
\$396,797	\$1,815,214	\$495,756	\$921,748	\$4,343,087	\$6,125,030	\$1,509,732
\$79,809	\$365,338	\$127,480	\$77,243	\$536,286	\$1,054,076	\$328,011
\$1,232,439	\$4,910,415	\$1,699,378	\$2,421,353	\$10,204,764	\$12,342,819	\$5,524,389
\$330,810	\$1,548,856	\$377,533	\$451,441	\$2,575,771	\$3,817,494	\$1,150,745
\$84,238	\$579,721	\$73,815	\$130,244	\$841,456	\$1,454,210	\$419,440
\$3,618,630	\$6,027,378	\$6,338,843	\$4,996,260	\$24,621,132	\$25,623,115	\$22,864,200
\$758,434	\$2,663,802	\$1,202,157	\$1,210,522	\$6,311,915	\$8,736,193	\$4,109,333
\$328,092	\$1,597,090	\$372,105	\$360,062	\$2,697,688	\$4,098,586	\$1,084,444
\$5,763	\$59,519	\$7,731	\$8,348	\$66,070	\$151,820	\$20,267
\$109,488	\$450,543	\$122,382	\$130,577	\$1,146,180	\$1,251,923	\$485,262
\$546,263	\$1,934,126	\$1,176,099	\$1,083,932	\$4,884,703	\$5,672,906	\$3,321,716
\$2,770,098	\$4,168,456	\$5,642,700	\$3,535,568	\$16,935,133	\$18,267,573	\$20,172,379
\$72,323	\$484,818	\$70,956	\$104,512	\$612,089	\$1,083,849	\$244,116
\$149,397	\$851,043	\$174,825	\$161,005	\$1,297,042	\$2,170,308	\$549,932
\$41,338	\$405,113	\$54,710	\$88,021	\$551,583	\$864,253	\$176,021
\$159,139	\$894,187	\$201,537	\$217,610	\$1,552,181	\$1,866,108	\$802,516
\$190,187	\$918,014	\$191,932	\$241,858	\$1,564,651	\$2,575,040	\$752,014
\$1,056,812	\$3,317,467	\$1,684,156	\$1,286,129	\$7,949,264	\$10,533,796	\$5,828,977
\$988,282	\$3,501,015	\$1,525,624	\$1,574,830	\$8,621,924	\$10,090,729	\$4,958,676
\$2,293,551	\$3,765,189	\$3,606,808	\$2,989,628	\$14,512,055	\$13,588,385	\$12,399,063
\$48,757	\$350,413	\$63,729	\$56,397	\$373,871	\$791,395	\$151,883
\$994,316	\$4,232,341	\$1,281,476	\$1,961,738	\$9,015,888	\$11,246,115	\$4,082,094
\$223,641	\$1,037,270	\$368,099	\$439,089	\$2,312,114	\$3,556,515	\$969,029
\$8,929	\$103,337	\$13,921	\$14,498	\$134,437	\$336,733	\$35,503
\$269,986	\$1,315,891	\$299,180	\$444,393	\$2,174,049	\$3,397,472	\$1,299,647
\$8,763	\$80,055	\$10,154	\$17,862	\$100,788	\$203,510	\$36,939
\$44,550	\$239,037	\$39,566	\$83,533	\$411,482	\$998,261	\$118,605
\$61,650	\$432,222	\$54,579	\$68,956	\$600,412	\$951,789	\$223,630
\$159,223	\$839,975	\$214,018	\$246,269	\$1,530,791	\$2,207,981	\$666,597
\$47,252	\$336,532	\$49,637	\$49,708	\$481,831	\$857,021	\$138,214
\$19,682	\$135,721	\$17,669	\$23,529	\$202,236	\$314,304	\$62,816
\$966,537	\$2,119,791	\$1,392,976	\$1,109,863	\$7,956,267	\$8,118,444	\$5,041,374
\$1,644,757	\$5,344,261	\$2,181,684	\$1,869,484	\$11,486,235	\$14,765,520	\$7,500,969
\$183,739	\$746,108	\$227,084	\$359,252	\$1,905,438	\$2,610,034	\$616,181
\$319,312	\$1,382,187	\$339,759	\$376,990	\$2,216,478	\$3,206,576	\$1,268,076
\$1,781,104	\$4,494,707	\$2,844,614	\$2,621,742	\$13,038,971	\$14,911,185	\$8,974,904
\$1,161,460	\$3,077,740	\$1,647,121	\$1,629,550	\$9,366,203	\$11,278,188	\$4,820,687
\$284,910	\$1,775,310	\$455,502	\$450,211	\$3,033,370	\$4,522,871	\$1,504,541
\$72,559	\$532,289	\$93,493	\$91,201	\$702,204	\$1,243,583	\$322,674
\$262,320	\$1,294,589	\$334,070	\$502,337	\$2,758,902	\$4,145,198	\$1,061,663
\$72,168	\$462,877	\$62,153	\$70,981	\$540,119	\$942,265	\$231,801
\$848,899	\$2,317,114	\$1,143,572	\$1,404,216	\$6,752,565	\$6,801,329	\$3,517,372
\$5,490,269	\$8,635,915	\$9,979,200	\$9,007,630	\$33,867,119	\$35,573,711	\$33,316,109
\$68,071	\$297,559	\$101,762	\$71,159	\$507,599	\$763,632	\$362,155
\$1,084,182	\$2,866,201	\$1,454,357	\$1,406,823	\$8,633,397	\$9,107,624	\$5,028,776
\$130,553	\$907,475	\$109,594	\$120,235	\$1,122,570	\$1,538,486	\$400,470
\$33,169	\$274,788	\$33,721	\$34,098	\$367,658	\$598,756	\$119,981
\$6,627,114	\$12,857,811	\$12,108,531	\$13,261,533	\$39,822,388	\$38,979,369	\$21,866,987
\$231,204	\$360,476	\$273,436	\$276,497	\$1,295,357	\$1,559,155	\$1,138,813
\$20,156	\$145,523	\$17,225	\$25,064	\$229,594	\$414,758	\$86,548
\$296,526	\$1,237,032	\$344,603	\$313,661	\$2,171,978	\$2,942,238	\$1,140,921
\$81,839	\$424,948	\$108,013	\$121,885	\$605,471	\$869,301	\$362,244
\$108,023	\$546,078	\$104,041	\$99,652	\$798,191	\$1,458,955	\$372,296
\$10,736	\$47,871	\$9,138	\$12,598	\$113,268	\$195,638	\$47,933
\$54,029	\$192,083	\$45,387	\$68,088	\$475,977	\$703,437	\$260,526
\$77,114	\$436,645	\$60,645	\$80,253	\$554,938	\$1,169,981	\$276,727
\$141,141	\$492,667	\$218,828	\$186,346	\$940,918	\$1,197,731	\$821,742
\$104,665	\$471,115	\$82,244	\$100,189	\$744,701	\$1,318,706	\$369,145
\$58,682	\$465,519	\$57,633	\$63,038	\$639,502	\$1,163,806	\$262,650
\$585,303	\$2,416,758	\$941,594	\$1,308,208	\$5,908,018	\$8,528,428	\$3,144,172
\$283,046	\$714,825	\$392,796	\$388,005	\$2,262,536	\$2,489,760	\$1,647,782
\$1,411,845	\$4,853,641	\$1,857,671	\$1,849,412	\$11,166,227	\$15,644,028	\$6,199,967
\$55,274	\$220,224	\$69,158	\$74,771	\$485,336	\$729,407	\$265,915
\$1,277,989	\$5,844,748	\$1,681,129	\$1,955,987	\$10,713,530	\$14,399,775	\$5,690,652

PERCENT OF DOLLAR SALES BY COUNTY FY 2018–19





FINE WINE &  
GOOD SPIRITS  
SALES HIGHLIGHTS



# RETAIL OPERATIONS

The Office of Retail Operations staffs and manages the day-to-day operations at 600 Fine Wine & Good Spirits stores throughout the commonwealth. Retail Operations is also responsible for providing excellent customer service and a positive store shopping experience for consumers.

Aspiring to continually improve the shopping experience for Fine Wine & Good Spirits customers, in fiscal year 2018-19 Retail Operations focused on developing new learning experiences, renovating stores and expanding product selection in many locations, all to better serve Pennsylvania consumers.

The opening of a new e-commerce fulfillment center in October 2018 allowed visitors to FineWineAndGoodSpirits.com to shop a dramatically expanded portfolio of products online. The new center – relocated from a 4,000 square foot facility in the Lehigh Valley to a nearly 30,000 square foot facility in East Greenville, Montgomery County – has allowed FWGS.com to increase its online inventory from 1,500 to more than 6,000 items, including the most popular items found in stores across Pennsylvania, as well as hundreds of new luxury and Chairman's Selection® items.

Since the opening of the new fulfillment center through the end of the fiscal year, e-commerce monthly unit sales increased between 52% and 123% over the same month of the prior year, and dollar sales grew between 21% and 131% each month. Dollar sales of \$4.4 million between

October 2018 and June 2019 reflect 54% growth over the same period the prior year.

Before the new fulfillment center opened, the number of orders placed each day on FWGS.com averaged 72, for average daily sales of \$11,413. As of June 2019, the averages have grown to 134 orders per day (an 86% increase) and daily sales of \$18,134 (a 59% increase).

Anticipating a 2020 launch of a completely redesigned, mobile-optimized FWGS.com – featuring new functionality and an enhanced consumer experience – the new fulfillment center will continue to support growing e-commerce orders and sales moving forward.

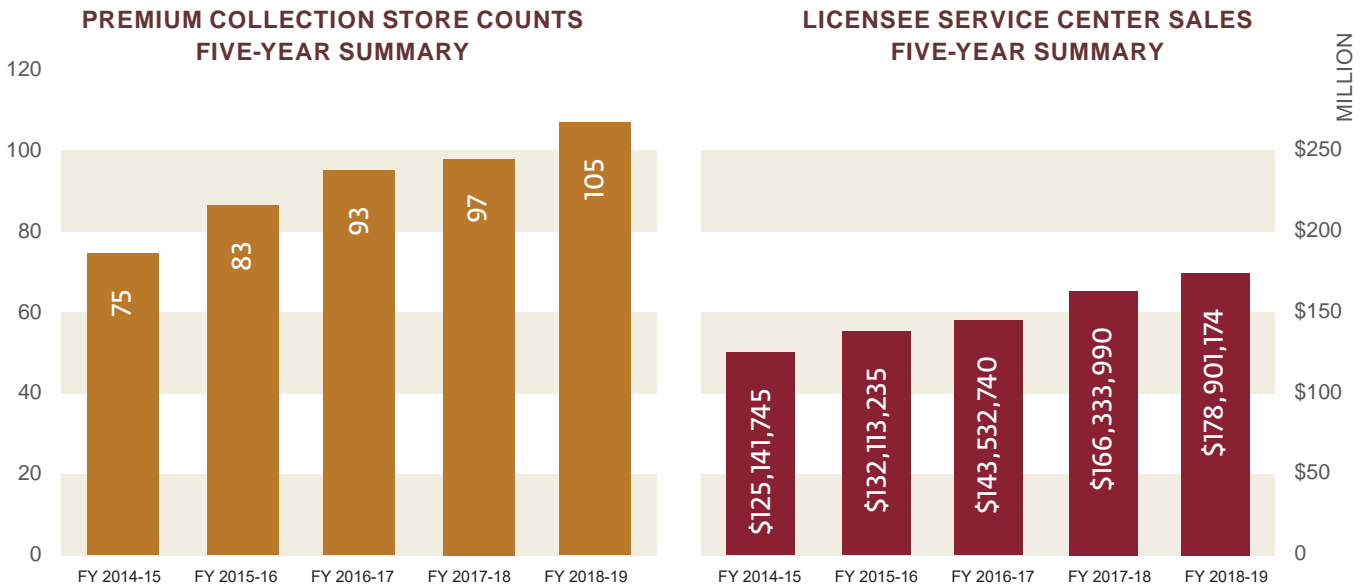
New for 2018-19, the PLCB introduced Taste & Learn Centers at two FW&GS Premium Collection stores in Butler and Delaware counties, with more planned to open in the future. These centers provide a dedicated education space for the public to experience tastings and learn about wine and spirits in a small, intimate

setting conducive to learning. Taste & Learn Center events will include in-depth information sessions, product samplings and food pairings featuring winemakers and master distillers, professional chefs and product ambassadors.



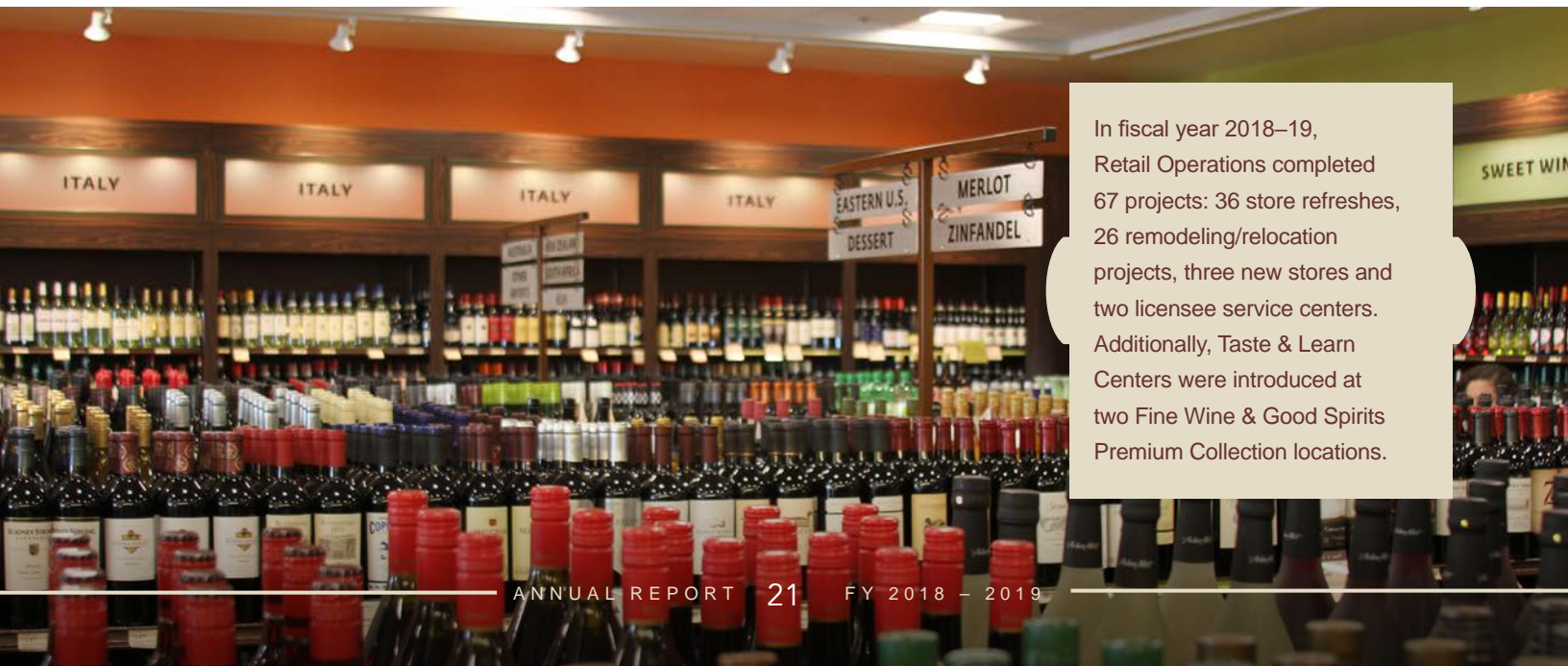
FW&GS continues to renovate and redesign stores to make them warm and welcoming environments that encourage consumers to spend time exploring products. By the end of June 2019, 308 stores – more than half of all locations in Pennsylvania – had been remodeled.

Over the last few years FW&GS has also grown the number of Premium Collection stores in Pennsylvania by 40%. These stores offer expanded product selections, including higher-end Premium Collection items, and totaled 105 locations in 28 counties by the end of June 2019.



Licensee Service Centers (LSCs), which are specifically designed to support the needs of licensees like restaurants and bars in terms of product access and order fulfillment, have also seen steady growth over the last five years. Two new LSCs opened in 2018-19, contributing to 6% growth in unit sales and 8% in dollar sales across all LSCs.

As testament to the Retail Operations team's dedication to improving customer service and its commitment to provide consumers with new and exciting ways to experience FW&GS, the PLCB was recognized as a "Top 100 Retailer of the Year" for 2019 by *Beverage Dynamics*, a national beverage alcohol trade magazine.





AS OF JUNE 30, 2019, THE AGENCY  
OPERATED 603 RETAIL FACILITIES

**484**

*Standard Stores*

**105**

*Premium  
Collection Stores*

**13**

*Licensee  
Service Centers*

**1**

*E-Commerce  
Fulfillment Center*

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

### PLCB RETAIL OPERATIONS FIVE-YEAR SUMMARY

	FY 2018–19	FY 2017–18	FY 2016–17	FY 2015–16	FY 2014–15
Total Units Sold*	164.6 million	159.9 million	161.1 million	158.8 million	153.5 million
Average Retail Price per Item**	\$14.51	\$14.64	\$14.43	\$14.35	\$14.27
Wage % of Gross Sales***	7.2%	7.1%	7.0%	6.9%	7.3%

\* Total Units Sold includes wine and spirits products sold by Fine Wine & Good Spirits, Licensee Service Centers and E-Commerce. (Excludes Accessories).

\*\* Average retail selling price for wine and spirits products (including 18% liquor tax).

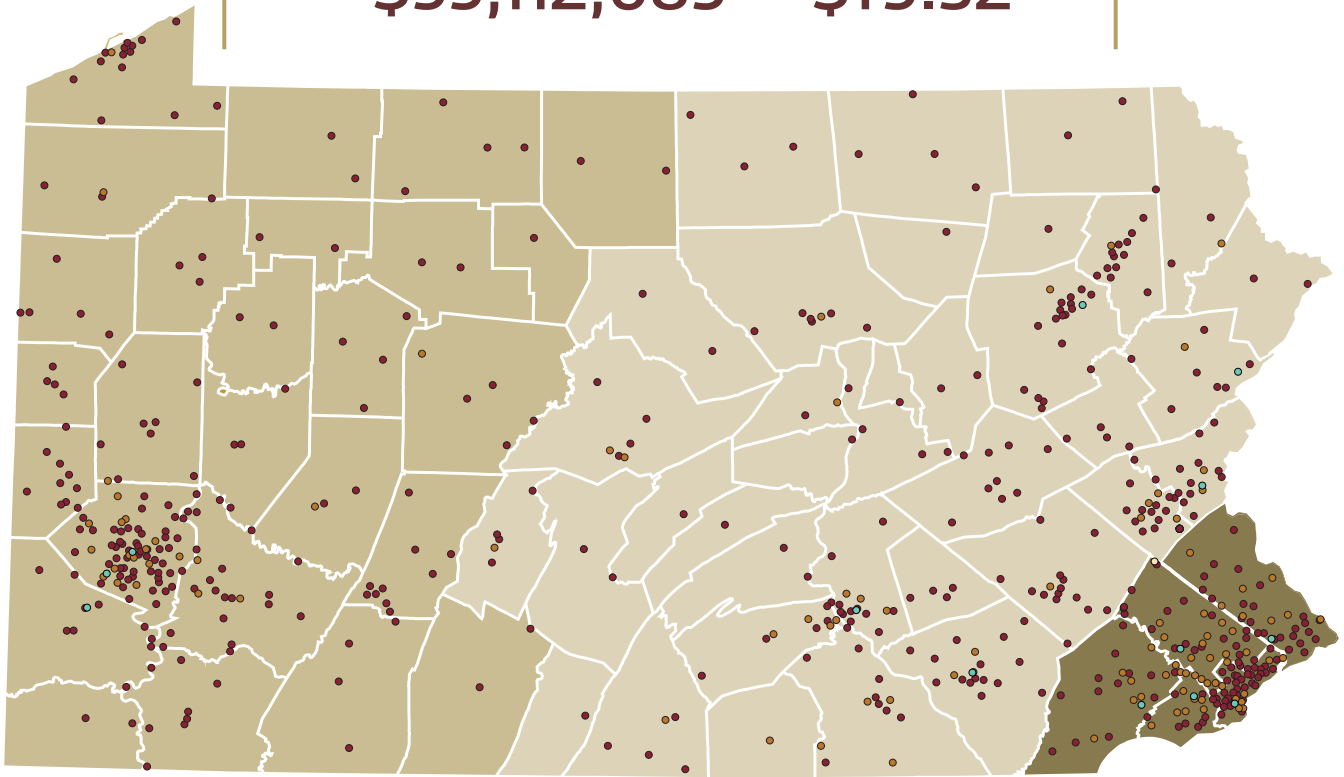
\*\*\* Wage % of Net Sales includes salary, wages and overtime paid to regional, district and store staff.

For a list of stores ranked by dollar sales for fiscal year 2018–19, see pages 87-102.



FINE WINE & GOOD SPIRITS STORE LOCATIONS

<i>Statewide Stores</i>	<i>Square Feet</i>	<i>Avg. Store Size (sq. ft.)</i>
603	3,158,369	5,238
<i>Annual Rent</i>	<i>Avg. Price Per Sq. Ft.</i>	
\$55,112,685	\$15.32	



● Standard Stores — 484 ● Premium Collection Stores — 105 ● Licensee Service Centers — 13 ● E-Commerce Fulfillment Center — 1

**REGION III**

*Western Region  
216 stores*

Total Square Feet	917,858
Average Store Size	4,249
Annual Rent Paid	\$12,823,675
Average Price per Sq. Ft.	\$12.02

**REGION II**

*Central Region  
222 stores*

Total Square Feet	1,092,668
Average Store Size	4,922
Annual Rent Paid	\$16,282,898
Average Price per Sq. Ft.	\$13.53

**REGION I**

*Eastern Region  
165 stores*

Total Square Feet	1,147,843
Average Store Size	6,957
Annual Rent Paid	\$26,006,112
Average Price per Sq. Ft.	\$22.03



## ENGAGING CONSUMERS THROUGHOUT PA

The PLCB hosted and participated in a record number of events in fiscal year 2018–19.

# 33

### *Celebrity bottle signings*

High-profile stars, musicians and athletes

### Bottle Signings & Events 2018-2019

Jackyl lead singer Jesse James Dupree poses with fans at a bottle signing for Jesse James America's Outlaw Whiskey.



Fans gather to meet pro golfer Ben Curtis and try samples of Cuvée Ben Curtis Red Blend at the grand reopening of the FW&GS Premium Collection in Drexel Hill.



NBA Hall-of-Famer Isiah Thomas greets fans at a bottle signing and tasting event for Cheurlin Champagne.



“Slumerican” rapper and musician Yelawolf spends time with fans at a bottle signing event for Creek Water Whiskey.



Country star Jake Owen signs bottles of Beach Whiskey for fans at a Mount Pocono Premium Collection.



Fans waited in line for the opportunity to meet actress/comedian Jenny McCarthy and get her signature on their bottles of Blondie's Lemonade.



42

## Special tastings

Seasoned experts in wine and spirits

13

## Off-site events

Community events, festivals and shows

Black Eyed Peas singer Fergie poses with fans and signs bottles of her signature wine Fergalicious at *Philadelphia* magazine's Wine Festival.



Jesse Bongiovi, son of Rock-n-Roll Hall-of-Famer Jon Bon Jovi, signs bottles of his Hampton Water Rosé during the grand opening of a new FW&GS Premium Collection in Williamsport.



"Mr. Wonderful" Kevin O'Leary from TV's "Shark Tank" greets fans and signs bottles of Kevin O'Leary Fine Wines at a bottle signing event in Ardmore.



Guests sample a wide variety of wines at the Pittsburgh Wine Festival at Heinz Field.



Visual artist and musician Laolu Senbanjo attends the Belvedere Vodka Lounge at the Philadelphia Whiskey Festival for a body painting demonstration and to sign limited edition bottles inspired by his designs.



Attendees of the Pittsburgh Whiskey Festival shop the wide variety of products available at the onsite FW&GS.

# 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, 2018 – June 30, 2019



### FACEBOOK

*Total Page Likes*  
**295,934**

New followers	1,842
Impressions	11,600,965
Avg. daily impressions	31,783
Avg. daily engagements	503
Total engagements (likes, comments, shares)	183,531



### TWITTER

*Total Followers*  
**26,549**

New followers	725
Tweets sent	579
Retweets	528
Impressions (est.)	4,432,643
Total mentions	1,398



### YOUTUBE

*Total Subscribers*  
**1,923**

Views	5,422,879
New videos	24



### PINTEREST

*Total Followers*  
**4,714**

New followers	312
Pin reach (unique users viewing board pins)	25,929,768
Avg. monthly impressions	2,160,814



### INSTAGRAM

*Total Followers*  
**8,017**

Total post likes	7,030
Avg. likes per post	57
Total engagement (likes, comments, shares, saves)	8,489

## Web & Mobile July 1, 2018 – June 30, 2019

### FWGS.COM

*Visits*  
**23,162,193**

*Avg. Monthly Clicks*  
**63,458**

### FW&GS MOBILE APP

*Total App Downloads*  
**25,102**

*Android*  
**12,363**

*iPhone*  
**12,739**





## Facebook



## Twitter



## Instagram





## Merchandising to Meet Demand: Small Sizes and Alternative Packaging

With consumers' desire to try new things, the sale of wine and spirits in smaller-sized containers and alternative packaging presents a major opportunity for growth for Fine Wine & Good Spirits.

Smaller-sized and alternative-packaging formats – 50-mL to 375-mL bottles, cans and multipacks for spirits, as well as cans, multipacks, Tetra Paks and other formats up to 651 mL for wine – afford customers the chance to try premium products at a lower price point, allow for increased portability and offer convenience in the form of single-use containers.

In fiscal year 2018-19, FW&GS focused on adding variety within the category of 50-mL-sized spirits and to the shelf placement of those small sizes. The focus was warranted.

Dollar sales of small-sized spirits for 2018-19 totaled \$112.1 million, a 16% increase over 2017-18, while unit sales increased 38.7%.

In line with consumers' desire for small-size wine products in an array of alternative-packaging formats, FW&GS also focused on the expansion of existing shelving displays in stores from 4-foot up to 12-foot sections – as permitted by space – to allow for an increased selection of small-size wine products including cans, multipacks and Tetra Paks. Unit sales of smaller wine packages (less than 651 mL, plus multipacks including those sizes) grew 14.7% in fiscal year 2018–19, and dollar sales grew 15.6%.

Of the alternative packaging available across categories, cans have shown the highest growth. In 2018-19, the PLCB tripled the number of spirits it carried in cans and grew its wine can offerings by 119%, resulting in a 63.2% increase in wine and spirits can sales from

fiscal year 2017-18 to 2018-19, and a 59.7% increase in unit sales, with continued growth expected in the coming years.

As of June 30, 2019, 96 stores featured some sort of shoppable small-size set, and FW&GS plans for continued expansion of small-size and alternative-packaging offerings.





## Increased Selection and Availability: The Growth of E-Commerce

For 2018-19, raising awareness of the availability of products for sale at FineWineAndGoodSpirits.com became a major focus, as did continuing to grow online sales. A variety of promotions aimed at informing consumers of increased product selection, savings and the convenience of online shopping and delivery resulted in significant sales growth across product categories.

Promotions for 2018-19 included:

**Monthly Incentives.** Each month, FWGS.com provides customers with exciting and unique opportunities to try new products and save money.

Examples of online-only promotions enjoyed by customers included:

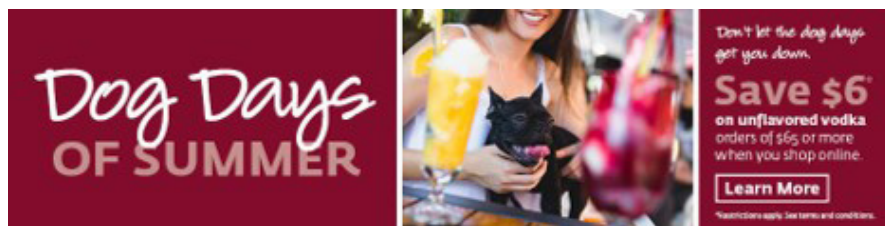
- Spend \$50, receive a \$10 gift card
- Receive 10% off all online purchases on Cyber Monday
- Free holiday shipping
- Save 10% on purchases of 12 or more bottles of Chairman's products (Selection, Advantage and Spirits)
- Free shipping on purchases of alternatively packaged products over \$49
- Discount of 10% off rosé in celebration of National Rosé Day

## Third Wednesday Releases.

Beginning in January 2019, on the third Wednesday of every month, a handful of high-demand products with limited inventory were released on FWGS.com, drawing a significant increase in traffic and sales. Each release included four to 15 products, and product quantities ranged from four bottles to more than 900 per item. Retail prices varied from \$19.99 to more than \$500 per bottle, with most products in the \$40 to \$80 range.

Of the top 10 items sold online in fiscal year 2018-19, five, noted below by an asterisk, were sold through third Wednesday releases.

Third Wednesday releases are announced via email to subscribers of FWGS.com and often sell out within minutes, accounting for monthly sales ranging from \$33,000 to more than \$250,000.



## TOP E-COMMERCE ITEMS

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Blanton's Single Barrel Bourbon	750 mL	2,459	\$144,907
2	Weller Special Reserve Straight Bourbon*	750 mL	4,879	\$102,143
3	George T. Stagg Straight Bourbon	750 mL	893	\$98,166
4	Booker's Straight Bourbon 30th Anniversary*	750 mL	481	\$95,815
5	High West A Midwinter Nights Dram Straight Rye Whiskey	750 mL	923	\$91,671
6	Van Winkle Special Reserve Straight Bourbon 12 Year Old	750 mL	858	\$85,551
7	Colonel E. H. Taylor Jr. Single Barrel Straight Bourbon*	750 mL	1,145	\$79,551
8	Old Fitzgerald Bottled-in-Bond Straight Bourbon Spring 2019 13 Year Old*	750 mL	499	\$64,605
9	Michter's Single Barrel Bourbon 10 Year Old*	750 mL	450	\$58,067
10	Elijah Craig Single Barrel Straight Bourbon 18 Year Old	750 mL	258	\$50,957

\*Third Wednesday release.



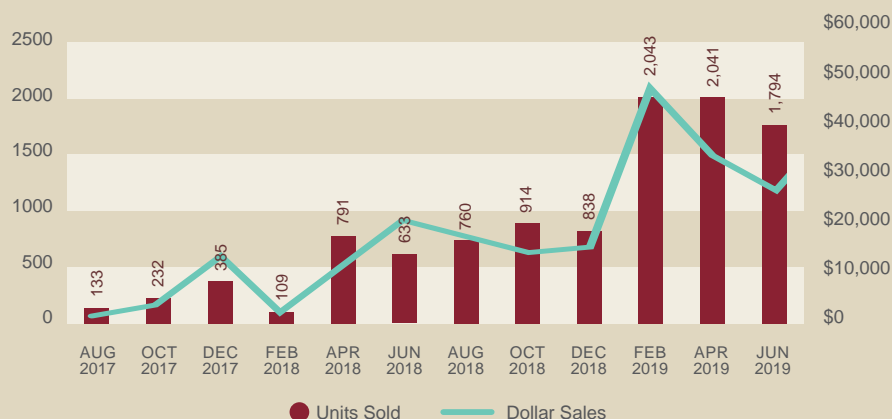
### Barrel Releases.

Each year FW&GS spirits buyers travel to Kentucky to taste brown spirits straight from the barrels, then purchase single-barrel blends of aging whiskey to be bottled and released to the PLCB for sale as FW&GS exclusives. In 2018-19, the PLCB released 23 single barrels sold through FWGS.com and one product exclusive to FW&GS stores.



**Chairman's First Taste.** To capitalize on the popularity of the Chairman's Selection® program, FWGS.com continued its Chairman's First Taste program, which launched in August 2017. First Taste gives consumers 24 hours to buy a Chairman's Selection wine at a discount online, weeks before it reaches brick-and-mortar stores (although several First Taste products have sold out online). The promotion, which takes place every other month, grew remarkably over the fiscal year, experiencing a 267.5% increase in unit sales (from 2,283 to 8,390) from 2017-18 to 2018-19.

### FIRST TASTE E-COMMERCE SALES HISTORY\*



\* Sales data for June 2019 reflects a product sellout of all stock.

World-renowned producer Robert Mondavi delivers with this rich, fruit-forward wine layered with a delicious blend of smokiness and spices.

As a valued member of our online community, you'll save an additional \$5 off the already outstanding Chairman's Selection pricing for the next 24 hours. That's less than half the quoted price! Hurry, this sale ends 10 a.m. tomorrow, June 5.

**SAVE \$37.01!**

**Robert Mondavi Winery Pinot Noir**  
**Carmos Napa Valley Reserve**  
**2014**

Product Code: 78877

Quoted at: **\$67.00**  
Our Price: **\$34.99**  
24-hr Sale Price: **\$29.99**

*That's a 55% discount!*

A gracious, mid-weight wine to drink now and over the next few years. Bright red cherry, cinnamon, white flowers and mint, along with a dollop of aromatic high tones from the whole clusters, give the Reserve much of its personality, while the 100% new oak is impeccably balanced.

\* FREE SHIPPING TO STORES \*

- 93 points *Vinous Media*, Dec 2016  
- 90 points *Wine Spectator*, Dec 2016

[Buy Online](#)

All these promotions, in addition to organic e-commerce growth, resulted in a very successful year for e-commerce. From 2017-18 to 2018-19, unique visits to FWGS.com increased by 4.5% and account registrations increased by 34.5%, from 26,064 to 35,051. FWGS.com experienced a 63.9% increase in dollar sales and a 60% increase in transactions comparing fiscal year 2018-19 to the previous year.

#### 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 2018-19	\$4,983,939	39,042	64.1%	\$127.66
FY 2017-18	\$3,037,589	24,383	21.4%	\$124.58
FY 2016-17	\$2,501,168	20,466	10.7%	\$122.21

\* Sales data includes Accessories.

## WINE FUTURES

In 2018-19, the PLCB launched wine futures to consumers through FWGS.com. Wine futures offer consumers the opportunity to purchase new vintage wines from Bordeaux châteaux before they're bottled and released to market. Bordeaux futures begin to ship about two to three years following the vintage year. The

retail price of these pre-release wines could potentially be better, as compared to when the wines are bottled and reviewed and, in some cases, the wines from these châteaux are produced in such small amounts that they're only available online as futures purchases.



TOP PRODUCTS IN FY 2018-19

no. 1

UNFLAVORED  
VODKA



no. 1

FLAVORED  
VODKA



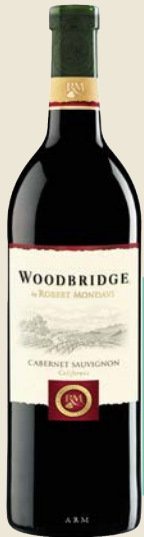
no. 1

CANADIAN  
WHISKY



no. 1

CALIFORNIA  
CABERNET  
SAUVIGNON



no. 1

UNFLAVORED  
GIN



no. 1

AMERICAN  
WHISKEY



no. 1

CALIFORNIA  
CHARDONNAY



no. 1

COGNAC



no. 1

SCOTCH



no. 1

BOX RED



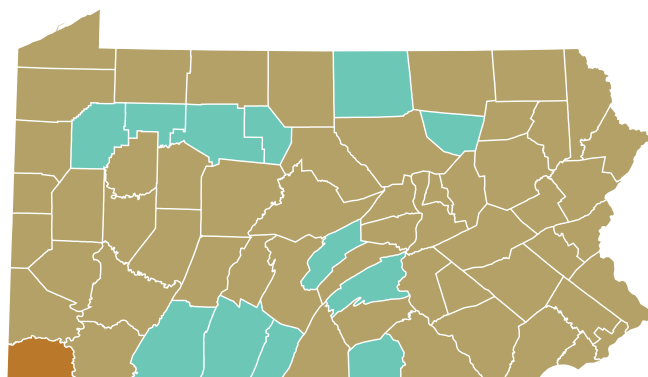
## TOP 10 PRODUCT CATEGORIES

Cognac (57.0%), bourbon (7.5%) and scotch (3.9%) saw the largest growth over the prior fiscal year.

CATEGORY	FY 2018–19 DOLLAR SALES	FY 2017–18 DOLLAR SALES	FY 2016–17 DOLLAR SALES	FY 2015–16 DOLLAR SALES
Unflavored Vodka	\$302,419,921	\$291,565,342	\$277,483,964	\$272,154,983
American Whiskey (bourbon)	\$213,169,537	\$198,364,866	\$185,682,747	\$176,131,742
California Cabernet Sauvignon	\$87,039,373	\$87,617,438	\$81,145,503	\$77,469,086
Flavored Vodka	\$85,623,465	\$87,744,994	\$93,884,003	\$100,724,411
California Chardonnay	\$78,598,501	\$80,747,542	\$80,503,482	\$79,230,193
Canadian Whisky	\$75,116,018	\$75,282,208	\$79,905,317	\$84,433,111
Scotch	\$72,514,440	\$69,825,540	\$67,188,238	\$66,805,541
Box Red	\$54,269,522	\$55,824,199	\$55,654,330	\$54,857,066
Unflavored Gin	\$50,632,663	\$49,724,497	\$49,621,688	\$49,335,684
Cognac	\$50,480,417	\$32,150,421	\$29,158,399	\$24,538,001

## TOP-SELLING SPIRIT IN EACH COUNTY

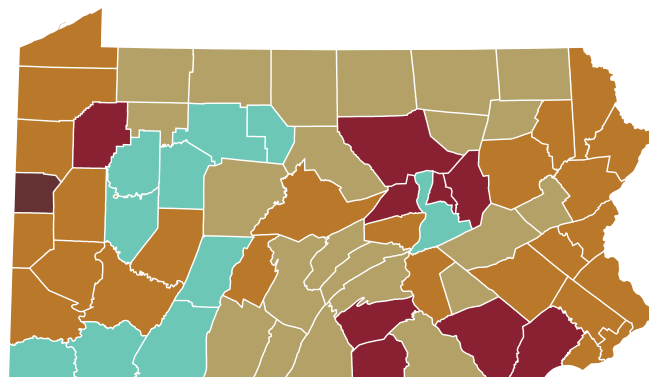
A total of 54 counties had unflavored vodka as their top spirits category. American whiskey followed with 12 counties. Canadian whisky was the top category in Greene County.



- American Whiskey — 12
- Canadian Whisky — 1
- Unflavored Vodka — 54

## TOP-SELLING WINE IN EACH COUNTY

California cabernet sauvignon was the top wine category in 25 counties. Box red was a close second with 22 counties. The remainder was split between beverage wine (10), California chardonnay (9) and California red blend (1).



- Beverage Wine — 10
- Box Red — 22
- California Cabernet Sauvignon — 25
- California Chardonnay — 9
- California Red Blend — 1



## TOP 25 WINE ITEMS BY UNITS

Below are the top 25 wine items by unit sales for fiscal year 2018-19. The items that exhibited the most growth in unit sales during fiscal year 2018-19 included La Marca Prosecco (750 mL) (28.9%\*), Starborough Sauvignon Blanc Marlborough (750 mL) (15.6%) and Wycliff Brut (750 mL) (15.1%).

RANK	PRODUCT	SIZE	DOLLAR SALES	UNIT SALES	UNIT SALES — LY	% CHANGE
1	Apothic Red Winemaker's Blend	750 mL	\$5,455,033	504,325	473,984	6.40%
2	Kendall-Jackson Vintner's Reserve Chardonnay	750 mL	\$6,844,845	487,189	538,895	-9.59%
3	La Marca Prosecco	750 mL	\$6,723,131	452,926	351,316	28.92%
4	Barefoot Pinot Grigio	1.5 L	\$5,046,140	446,276	421,655	5.84%
5	Barefoot Moscato	1.5 L	\$5,029,952	441,994	442,445	-0.10%
6	Cavit Pinot Grigio delle Venezie	1.5 L	\$5,571,357	424,872	439,514	-3.33%
7	Woodbridge by Robert Mondavi Chardonnay	1.5 L	\$5,007,449	398,595	385,589	3.37%
8	Barefoot Pink Moscato	1.5 L	\$4,233,122	370,207	332,247	11.43%
9	Barefoot Pink Moscato	750 mL	\$2,653,972	369,940	333,096	11.06%
10	Barefoot Moscato	750 mL	\$2,380,393	332,353	308,245	7.82%
11	Cavit Roscato Rosso Dolce	750 mL	\$3,382,055	329,729	315,668	4.45%
12	Sutter Home Family Vineyards White Zinfandel	1.5 L	\$3,634,997	320,748	347,764	-7.77%
13	Sutter Home Family Vineyards Chardonnay (4x187 mL)	748 mL	\$2,130,023	319,084	290,520	9.83%
14	Barefoot Chardonnay	1.5 L	\$3,382,465	299,690	279,525	7.21%
15	Nobilo Sauvignon Blanc Marlborough	750 mL	\$3,355,602	281,166	269,558	4.31%
16	Chateau Ste. Michelle Riesling Columbia Valley	750 mL	\$2,777,183	270,132	282,138	-4.26%
17	Ecco Domani Pinot Grigio delle Venezie	750 mL	\$3,035,743	269,706	281,002	-4.02%
18	Woodbridge by Robert Mondavi Cabernet Sauvignon	1.5 L	\$3,288,051	267,560	251,894	6.22%
19	Cavit Pinot Grigio delle Venezie	750 mL	\$1,853,147	247,437	252,947	-2.18%
20	Wycliff Brut	750 mL	\$1,029,856	245,789	213,591	15.07%
21	Mark West Pinot Noir	750 mL	\$2,504,409	244,403	232,483	5.13%
22	Starborough Sauvignon Blanc Marlborough	750 mL	\$2,910,140	241,816	209,213	15.58%
23	Franzia Chardonnay	5 L	\$4,551,356	240,458	243,274	-1.16%
24	Sutter Home Family Vineyards White Zinfandel (4x187 mL)	748 mL	\$1,600,258	240,290	238,280	0.84%
25	Barefoot Riesling	1.5 L	\$2,689,536	234,806	222,975	5.31%

\* La Marca Prosecco increased by 101,610 units over the prior year. Of the increase, nearly half came from sales increases during November and December 2018. The promotional discount for November 2018 was deeper than in November 2017. Retail shoppers purchased an additional 23,911 more units in December than the previous year.

## TOP 25 SPIRITS ITEMS BY UNITS

Below are the top 25 spirit items by unit sales for fiscal year 2018-19. The items that exhibited the most growth in unit sales during fiscal year 2018-19 included Fireball Cinnamon Whisky (50 mL) (272.8%\*), Tito's Handmade Vodka (1 L) (48.1%\*\*) and Tito's Handmade Vodka (1.75 L) (28.2%).

RANK	PRODUCT	SIZE	DOLLAR SALES	UNIT SALES	UNIT SALES — LY	% CHANGE
1	Fireball Cinnamon Whisky	50 mL	\$5,486,378	5,545,851	1,487,731	272.77%
2	Nikolai Vodka	375 mL	\$4,054,627	1,016,213	1,004,060	1.21%
3	Tito's Handmade Vodka	750 mL	\$18,644,150	1,014,823	870,374	16.60%
4	Tito's Handmade Vodka	1 L	\$22,838,432	941,280	635,541	48.11%
5	Tito's Handmade Vodka	1.75 L	\$31,056,538	929,164	724,850	28.19%
6	Jack Daniel's Old No. 7 Tennessee Whiskey	750 mL	\$19,455,691	819,008	843,754	-2.93%
7	Fireball Cinnamon Whisky	750 mL	\$13,189,300	736,027	790,227	-6.86%
8	Captain Morgan Spiced Rum	750 mL	\$11,517,655	720,424	830,957	-13.30%
9	Crown Russe Vodka	1.75 L	\$7,284,174	714,885	669,686	6.75%
10	Captain Morgan Spiced Rum	1.75 L	\$17,327,154	670,742	575,167	16.62%
11	Jacquin's Vodka	375 mL	\$2,995,141	638,629	719,712	-11.27%
12	Tito's Handmade Vodka	50 mL	\$1,237,314	623,831	493,273	26.47%
13	Jameson Irish Whiskey	750 mL	\$16,392,041	596,953	573,139	4.16%
14	Hennessy Cognac VS	750 mL	\$20,188,696	559,671	465,324	20.28%
15	Bacardi Rum	1.75 L	\$10,057,965	485,434	401,648	20.86%
16	Absolut Vodka	750 mL	\$8,390,254	468,981	543,342	-13.69%
17	Crown Royal Regal Apple Canadian Whisky	750 mL	\$11,906,259	453,544	395,783	14.59%
18	Vladimir Vodka	1.75 L	\$5,202,128	436,073	520,650	-16.24%
19	Bacardi Rum	750 mL	\$5,996,625	422,344	441,151	-4.26%
20	Platinum 7X Vodka	1.75 L	\$7,160,310	418,613	366,302	14.28%
21	Rumple Minze Peppermint Schnapps	50 mL	\$929,678	405,998	449,159	-9.61%
22	Crown Royal Canadian Whisky	750 mL	\$10,282,960	392,071	400,949	-2.21%
23	Jim Beam Straight Bourbon	750 mL	\$6,355,779	380,108	380,413	-0.08%
24	Smirnoff Vodka	750 mL	\$4,364,851	376,969	391,912	-3.81%
25	Maker's Mark Straight Bourbon	750 mL	\$10,105,439	369,664	335,351	10.23%

\* Fireball (50 mL) had a price decrease in February 2018. The decrease in price coincided with an increase in sales. This is the product's first full year at the lower price.

\*\* Tito's Handmade Vodka (1 L) increased steadily through FY 2017-18 and FY 2018-19. August 2018 had a noticeable increase in licensee sales. Licensee sales increased by 39,143 units in August 2018 compared to August 2017. December 2018 added 29,850 units over December 2017. These increases took place despite a price increase in late FY 2017-18.



### TOP PENNSYLVANIA WINES\*

Below are the top 10 Pennsylvania wines sold by Fine Wine & Good Spirits, by dollar sales for fiscal year 2018-19.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Clover Hill Vineyards & Winery Concord	750 mL	63,318	\$688,373
2	The Winery at Wilcox Clarion River Red	1.5 L	36,330	\$543,066
3	Mazza Vineyards Concord	1.5 L	32,051	\$289,566
4	Clover Hill Vineyards & Winery Catawba	750 mL	20,217	\$219,906
5	Franklin Hill Vineyards Sir Walter's Red	750 mL	16,908	\$210,885
6	Nissley Grapeful Red	750 mL	14,261	\$195,187
7	Mazza Vineyards Niagara	1.5 L	15,130	\$182,960
8	Adams County Winery Rebel Red	750 mL	12,453	\$182,389
9	Franklin Hill Vineyards Carnival White	750 mL	14,258	\$177,813
10	Nissley Fantasy Rosé	750 mL	12,928	\$177,774

### TOP PA PREFERRED WINES\*

Below are the top 10 Pennsylvania Preferred® wines sold by Fine Wine & Good Spirits, by dollar sales for fiscal year 2018-19. PA Preferred is a public-private partnership between the Pennsylvania Department of Agriculture and many companies throughout the commonwealth to support and promote Pennsylvania products.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Clover Hill Vineyards & Winery Concord	750 mL	63,318	\$688,373
2	The Winery at Wilcox Clarion River Red	1.5 L	36,330	\$543,066
3	Clover Hill Vineyards & Winery Catawba	750 mL	20,217	\$219,906
4	Franklin Hill Vineyards Sir Walter's Red	750 mL	16,908	\$210,885
5	Nissley Grapeful Red	750 mL	14,261	\$195,187
6	Mazza Vineyards Niagara	1.5 L	15,130	\$182,960
7	Adams County Winery Rebel Red	750 mL	12,453	\$182,389
8	Franklin Hill Vineyards Carnival White	750 mL	14,258	\$177,813
9	Sand Castle Winery Alpine Spice	750 mL	10,087	\$166,410
10	Chaddsford Niagara	1.5 L	7,609	\$128,863

\* 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 2018-19.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Bluecoat Gin	750 mL	52,085	\$1,355,940
2	Stateside Urbancraft Vodka	750 mL	47,716	\$1,240,510
3	Pennsylvania Dutch Egg Nog	750 mL	107,319	\$962,161
4	Leroux Jeżynówka Blackberry Flavored Brandy	1.75 L (PET)	48,318	\$928,339
5	Faber Vodka	750 mL	46,980	\$692,994
6	Dad's Hat Pennsylvania Rye Whiskey	750 mL	15,842	\$587,834
7	Faber Gin	750 mL	25,924	\$393,049
8	Boyd & Blair Vodka	750 mL	14,470	\$350,252
9	Original Bartenders I'm Bananas Over You Cocktail	1.75 L	27,551	\$348,605
10	Wigle Organic Pennsylvania Rye Whiskey	750 mL	7,157	\$303,570

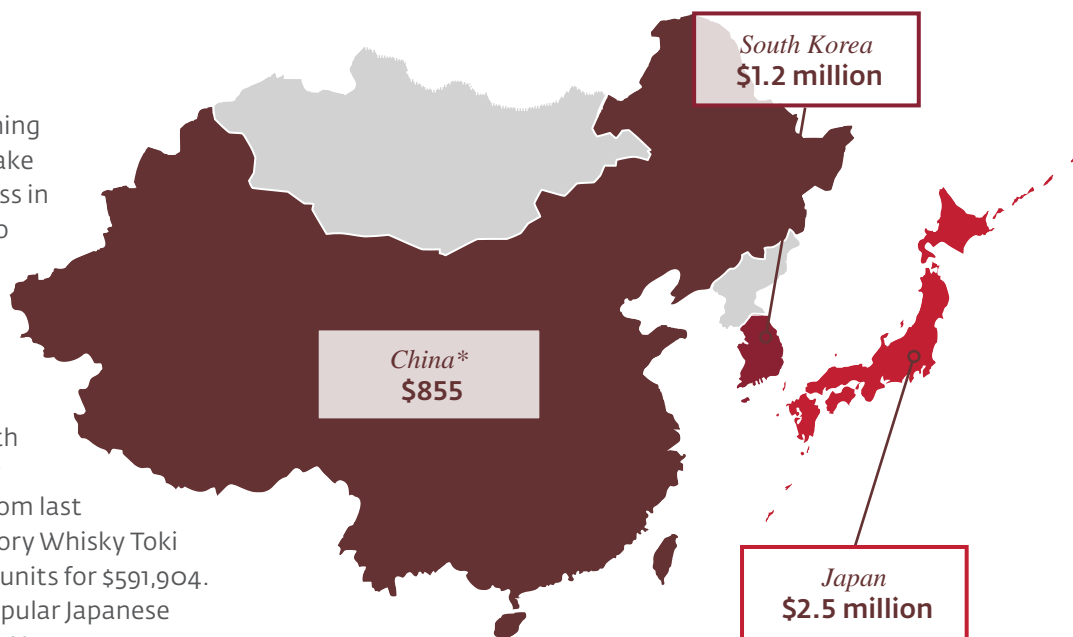
\* PA product sales reflect only sales made by Fine Wine & Good Spirits and do not include sales from wineries and distilleries directly to consumers.



## Products from Asia

Beverages from Asia have been gaining popularity in Pennsylvania. While sake has increased by 4.6%, it is selling less in unit volume (65,073) as compared to soju (234,628). Soju has increased by 45.6% in the past year. Of the dollar sales on soju, 93% is on products from South Korea.

Japanese whisky is gaining sales with over \$1 million in sales for fiscal year 2018-19, a 39% increase on dollars from last year. The most popular item is Suntory Whisky Toki Japanese Whisky, which sold 15,639 units for \$591,904. In comparison, the second-most popular Japanese whisky was Hibiki Suntory Japanese Harmony Blended Whisky at 3,448 units and \$233,443.



Confucius Wisdom Baijiu in both 200 mL and 750 mL sizes, from China, are new to Fine Wine & Good Spirits stores in the past fiscal year.

\* Sales for two products introduced late FY 2018-19.

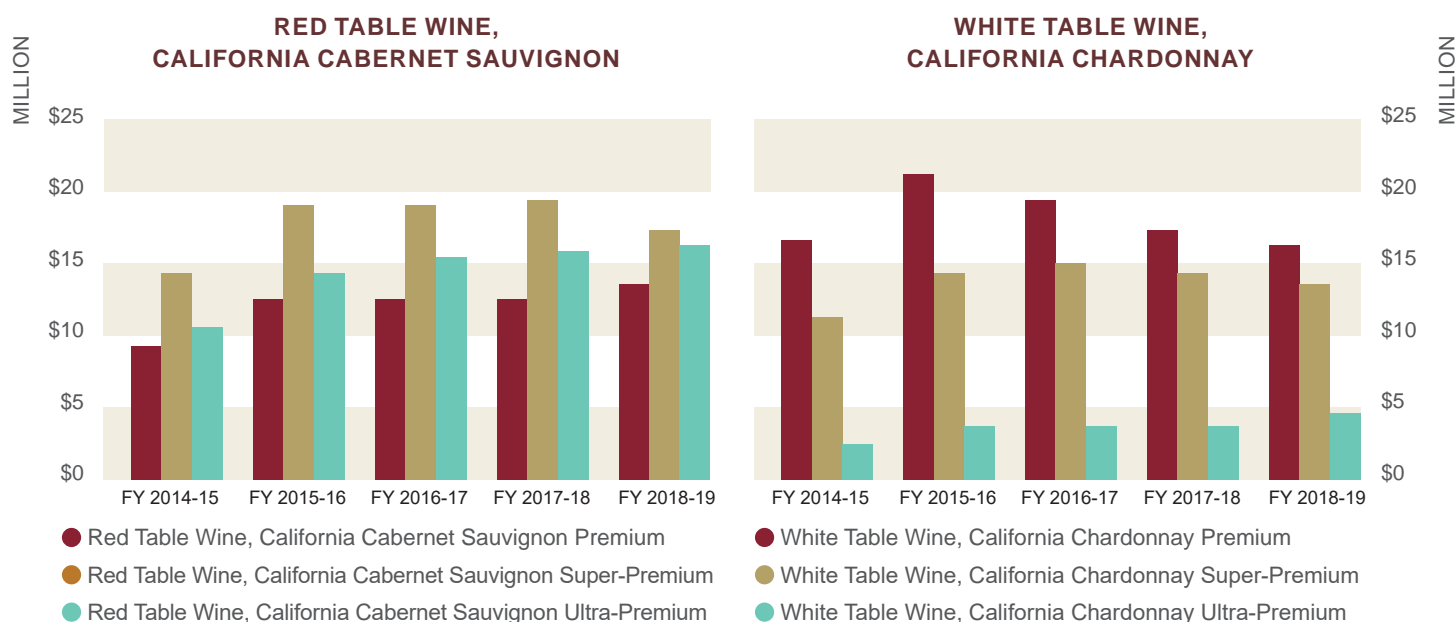
## Bourbon

Within the whiskey category, American whiskey is the largest subclass, making up 46.8% of dollar sales in the past fiscal year. Scotch (17.4%) and Canadian (16%) whiskeys were a distant second and third in market share. American whiskey has gained the most dollars from last year, adding \$12,794,829 in sales. Jack Daniel's, Jim Beam and Maker's Mark products are the top sellers in American whiskey. Flavored (14.1%) and Irish (12.5%) whiskeys had the highest percentage change. Crown Royal Regal Apple Canadian Whisky was the top-selling flavored item, and Jameson Irish Whiskey was the top-selling Irish item.

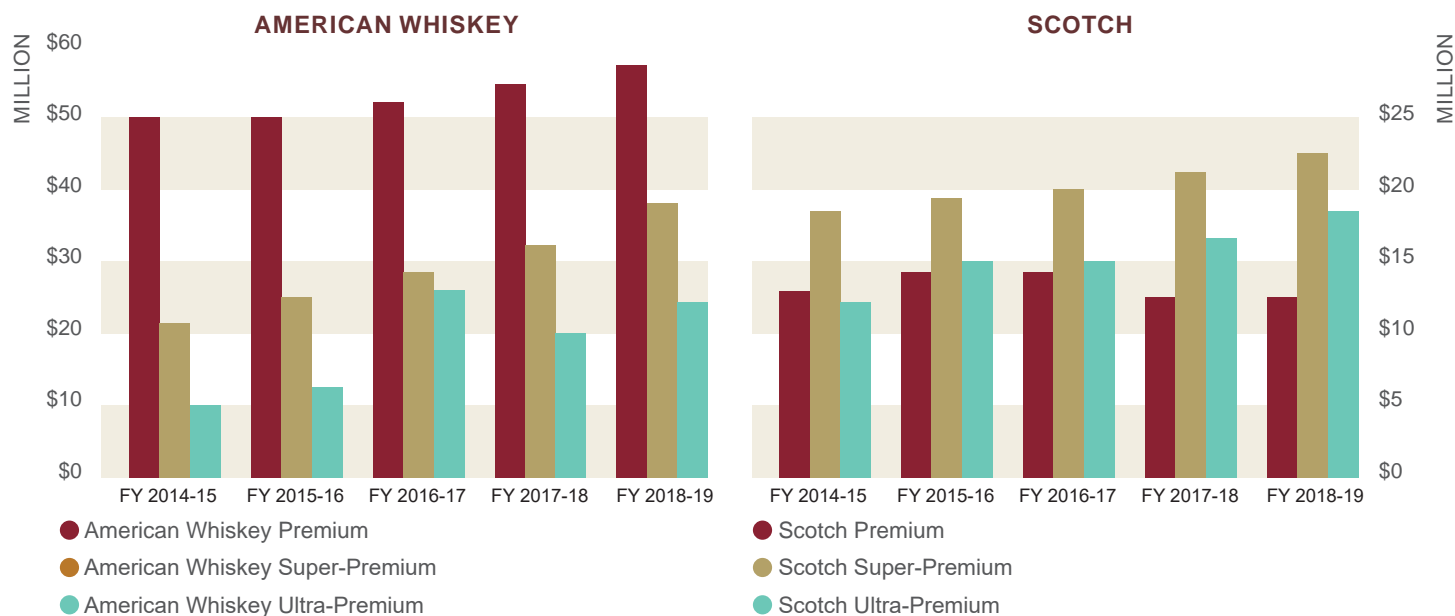
WHISKEY SUBCLASS	FY 2016-17 DOLLAR SALES	FY 2017-18 DOLLAR SALES	FY 2018-19 DOLLAR SALES	DIFFERENCE	% CHANGE	% OF DOLLARS
American	\$141,498,306	\$152,043,059	\$164,837,889	\$12,794,829	8.42%	46.82%
Scotch	\$55,852,915	\$58,555,916	\$61,077,015	\$2,521,099	4.31%	17.35%
Canadian	\$57,783,644	\$56,093,631	\$56,332,349	\$238,718	0.43%	16.00%
Flavored	\$20,924,653	\$28,330,040	\$32,324,630	\$3,994,589	14.10%	9.18%
Irish	\$23,969,257	\$27,292,616	\$30,716,161	\$3,423,545	12.54%	8.73%
Others	\$5,929,501	\$6,441,017	\$6,750,711	\$309,694	4.81%	1.92%

## Premiumization

In the highest volume categories, such as American whiskey, scotch, California cabernet sauvignon and California chardonnay, growth has been due, in part, to additional sales of products in the ultra-premium segment. The category of California cabernet sauvignon has the highest CAGR in ultra-premium (10.6%). Super-premium, in comparison to other premium segments, has the highest volume in the category. California chardonnay has the highest volume in the premium segment. Ultra-premium has been showing the most growth (13.7%), while super-premium remains a close second to premium in volume.



American whiskey has the largest growth in the ultra-premium segment. The dollar volume still favors premium, however, the CAGR for ultra- (25%) and super-premium (15.3%) products is moving rapidly. Scotch also has the most growth in ultra-premium (10%). Super-premium is the highest volume, while premium has been declining in recent years.



# SUPPLY CHAIN

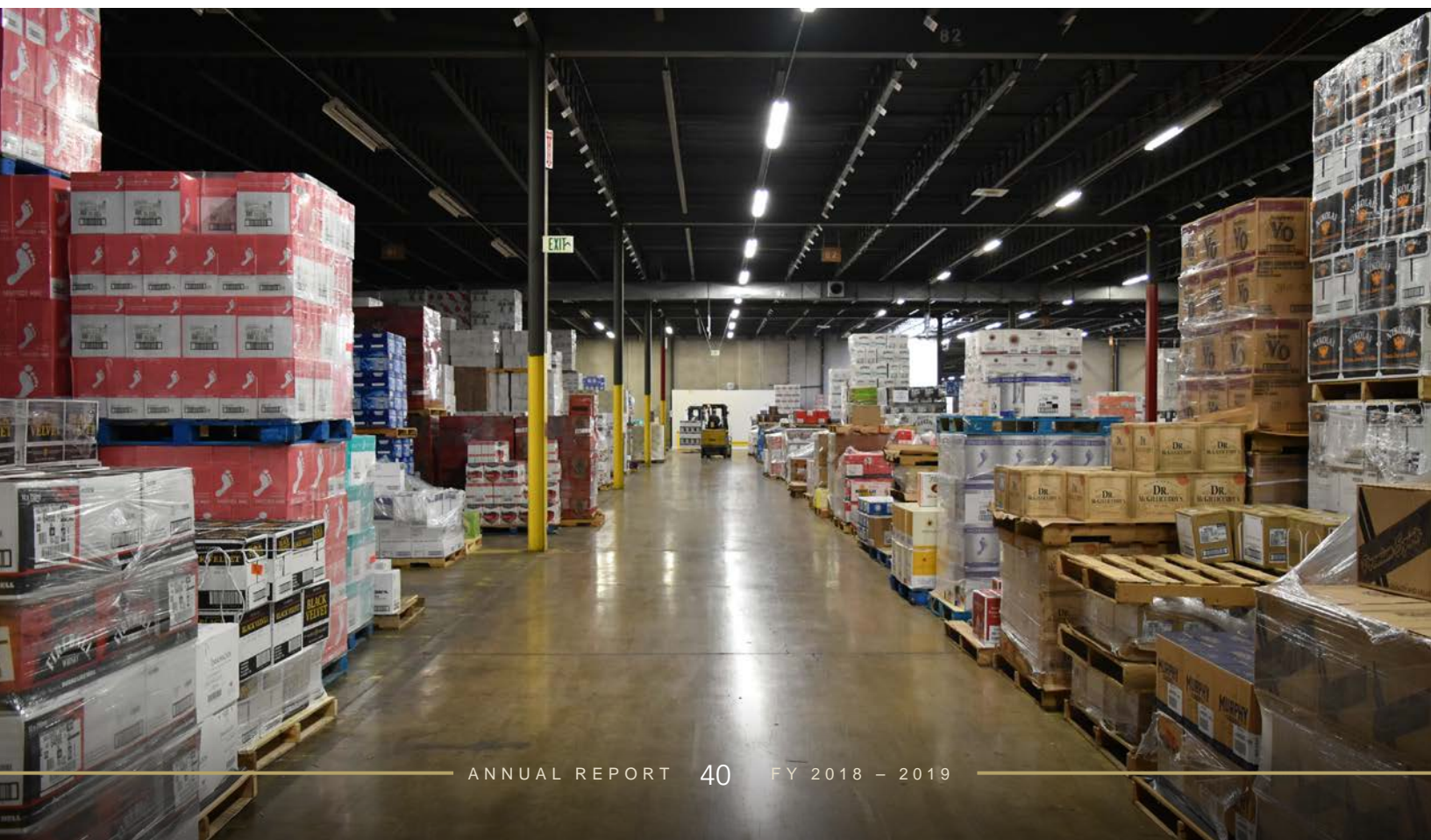
The Office of Supply Chain ensures the right product gets to the right store at the right time. Planning and Procurement buys approximately 3,500 regular wine and spirits products from domestic and foreign suppliers. In addition to buying responsibilities, Supply Chain handles product importation, ensures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

Tasked with keeping 600 Fine Wine & Good Spirits stores and nearly 450 licensees in the Licensee Delivery Program (LDP) supplied with wine and spirits products, the Office of Supply Chain directed its efforts for 2018-19 toward the expansion

of programs to increase logistics efficiencies and achieve cost savings.

This year saw the most significant expansion of the Bailment Program since its 2012 introduction, with the

addition of 14 vendors to the vendor-managed inventory management system. True to the Bailment Program's goals of reducing PLCB inventory and associated costs, the expansion resulted in a working capital reduction of \$8.0 million for the PLCB in 2018-19.





The LDP also experienced significant growth in 2018-19, with a 32% increase in program enrollees to nearly 450 licensees. Launched in 2014, this program offers direct delivery of wine and spirits to higher-volume licensees.

The Trailer Drop Program, which allows high-volume licensees to leave empty trailers at PLCB distribution centers for order fulfillment and subsequent pickup,

also experienced an upsurge in participation during the year. The PLCB shipped nearly 1.2 million cases of product through the LDP in fiscal year 2018-19, 860,000 of which were wine shipped through the Trailer Drop Program. The Trailer Drop Program allows licensees like grocery store chains to incorporate wine distribution into their supply chains more efficiently, often enabling fulfillment of many individual store orders through

a single trailer and allowing the licensee to self-distribute to its own locations.

From July 1, 2018, through June 30, 2019, the PLCB shipped more than 57,000 orders and 17.5 million cases of products to Fine Wine & Good Spirits stores and licensees. More than 280 suppliers from six continents ship wine and spirits into three distribution centers in Philadelphia, Scranton and Pittsburgh, which are run by third-party logistics contractors. From there, products are transported to Fine Wine & Good Spirits stores, licensee service centers and an e-commerce fulfillment center, as well as to licensees throughout the commonwealth.





# 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.

Created following the passage of Act 39 of 2016 to service a new category of licensees selling wine to go, the Office of Wholesale Operations continues to grow to better serve both on-premises and off-premises licensees.

In fiscal year 2018-19, PLCB sales to licensees increased more than 8% over the previous fiscal year – in terms of both units and dollar sales

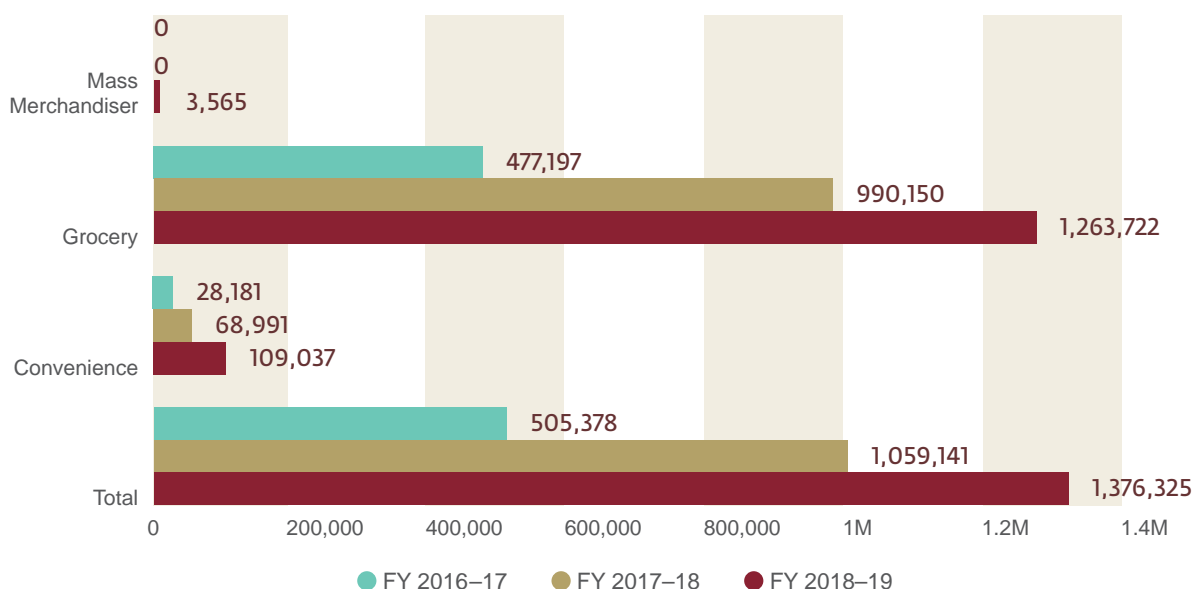
– from \$578.2 to \$628.3 million in dollar sales and 40.1 to 43.7 million in unit sales. This strong growth was driven primarily by the growing number of wine-to-go retailers, but also by growth in the Licensee Delivery Program, through which high-volume licensees receive direct delivery of wines and spirits.

During fiscal year 2018-19, Wholesale Operations worked to

establish new relationships with medium and large restaurant chains, stadiums and event venues, while strengthening existing relationships with high-volume licensees such as casinos, grocery stores and convenience stores.

With a focus on expanding services to meet the needs of licensees, Wholesale Operations also continued its work with product

**GROWTH OF WEP PURCHASES BY CATEGORY 9L CASES**



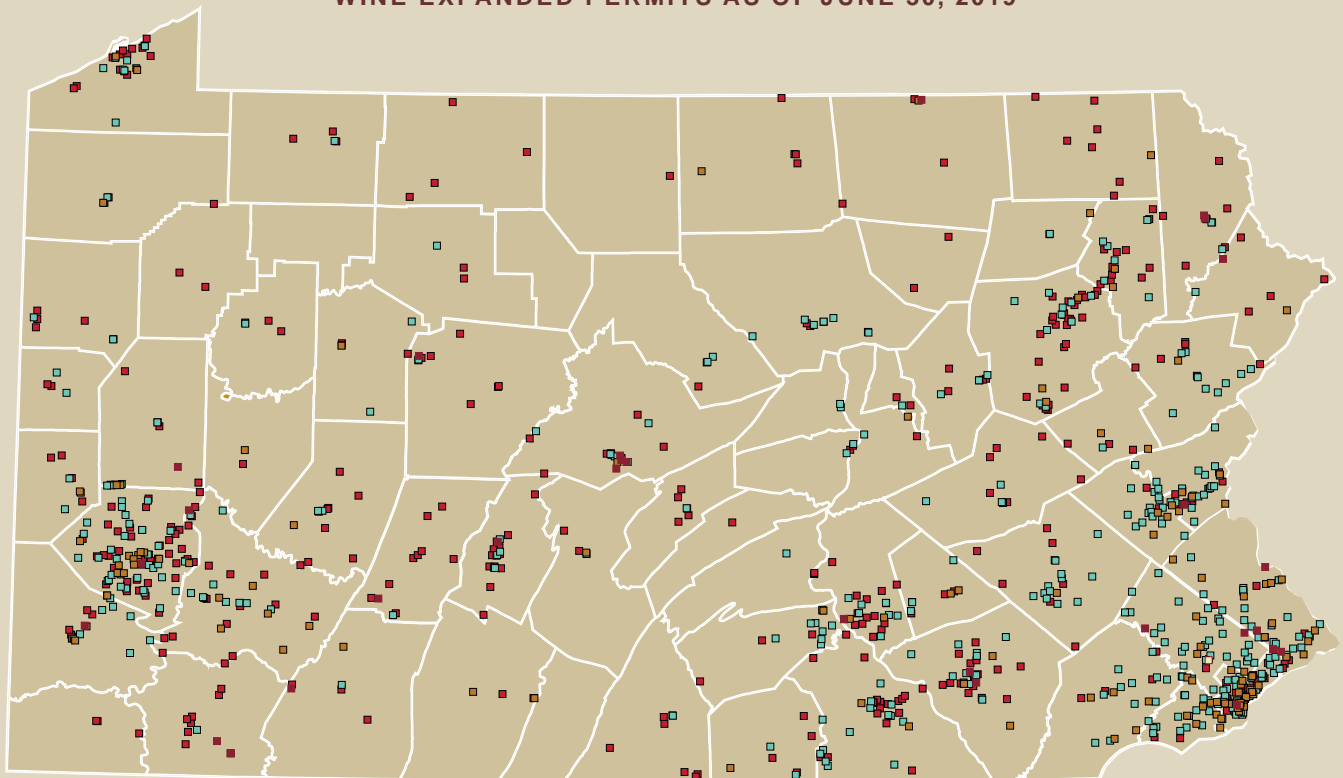
suppliers to expand a catalog of items designed specifically to meet the unique needs and requests of licensees, which is available at 13 Licensee Service Centers across Pennsylvania. This custom-developed catalog of more than 200 items is ever-growing as on-premises and off-premises licensees request certain sizes, packaging and

price points to suit specific business purposes.

A Wholesale Operations customer service team dedicated to licensees fielded more than 4,000 inquiries in fiscal year 2018-19, with 80% of contacts from on-premises licensees (bars, restaurants, taverns, etc.).

Support for private retailers selling wine to go continues to be a key responsibility for Wholesale Operations, as 1,016 licensees had wine expanded permits in Pennsylvania at the close of fiscal year 2018-19. As evidenced by the chart on page 42, grocery and convenience store sales of 9-liter cases have grown steadily over the last three years.

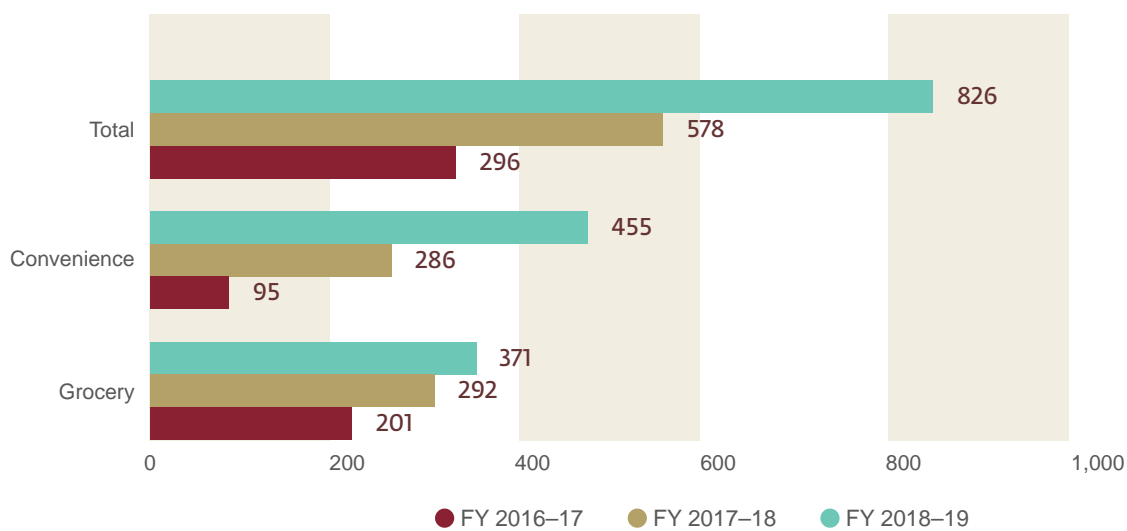
WINE EXPANDED PERMITS AS OF JUNE 30, 2019



● Grocery Stores — 371   
 ● Convenience Stores — 455   
 ● Restaurants — 159  
● Hotels — 30   
 ● Mass Merchandisers — 1

Grocery and convenience stores continue to hold the majority of wine expanded permits, with 248 new grocery and convenience store locations added last year, a 43% increase. Also in fiscal year 2018-19, Target became the first mass merchant retailer to begin selling wine to go in Pennsylvania, and 32 additional restaurants and hotels obtained wine expanded permits (a 20% increase). By the end of the fiscal year, Walmart had submitted the highest bid for a license in Fayette County and indicated plans to begin selling wine and beer in the second half of 2019.

#### ACTIVE GROCERY & CONVENIENCE LOCATIONS SELLING WINE TO GO



# 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-sale 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.

In fiscal year 2018-19, ITS focused on initiatives including extensive behind-the-scenes work to enable a platform shift and redesign for e-commerce website FineWineAndGoodSpirits.com, implementation of a new payment processing system and network infrastructure modernization efforts to better support business operations.

To improve the customer experience at FWGS.com – which has experienced significant and steady sales growth since the October 2018 opening of a new and expanded e-commerce fulfillment center – ITS explored and tested technical solutions that would enhance the website. Improved site accessibility and mobile optimization, enhanced design, new functionality, improved search and inventory views, dynamic site maintenance and streamlined checkout were key priorities that informed decisions to upgrade the website's commerce engine, integrate a content management system and redesign the look and feel of FWGS.com. Slated for launch in 2020,

the new and improved FWGS.com will deliver a high-end user experience through the implementation of new systems and upgrades delivered within the context of an integrated, cloud-based environment.

To facilitate faster in-store checkout experiences for customers, enhance data privacy protections, streamline financial reconciliations and enable real-time electronic funds transfers, ITS worked to transition the PLCB to a new payment processor in 2018-19. The ITS team converted nearly 1,600 in-store register PIN pads within 60 days, avoiding store closures or disruptions to business operations throughout the transition.

An additional focus for ITS in the fiscal year was developing a solution to upgrade the PLCB's network infrastructure in stores.

Through the installation of broadband circuits with cellular network backups in all stores, even those in remote locations, bandwidth increased fiftyfold, while the PLCB decreased annual circuit costs and greatly improved service.



# 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.

## Underage and Dangerous Drinking – Trends and Prevention Initiatives

In May 2019, the PLCB released its biennial Report on Underage and High-Risk Drinking. The report details current trends and rates of consumption for underage and college students and outlines statewide education and prevention programming by various organizations to address alcohol-related issues.

Required by Act 85 of 2006, the report is produced by the PLCB in cooperation with multiple state agencies and partners in alcohol education and is presented to the General Assembly to increase awareness of alcohol issues of public health concern.

Key statistics from the Pennsylvania Youth Survey (PAYS) and national sources included in the 2019 report show that:

- Pennsylvania reported more than a 10% reduction in the

number of crashes involving a drinking driver age 16 to 20 from the 2015 PAYS to the 2017 PAYS.

- More than 80% of Pennsylvania students in grades six, eight, 10 and 12 think their parents would disapprove of their using alcohol.
- Pennsylvania students whose families have clear rules about the use of alcohol drank 40% less than students whose families do not have clear rules on alcohol use.
- Of the Pennsylvania students in grades six, eight, 10 and 12 who used alcohol, nearly 1 in 4 obtained it from a parent, and 1 in 5 obtained it from a friend's parent.

As characterized by Board Chairman Tim Holden, "What's clear from the report statistics is that parents' attitudes towards alcohol have a significant impact on children's decisions to try or not try alcohol. And more often than not, the kids who are drinking are getting the

alcohol from their own home or that of a friend. Beginning ongoing conversations about the dangers of alcohol with kids early and securing alcohol in the home are positive actions parents can take to discourage alcohol use."

Through its Bureau of Alcohol Education, the PLCB works to reduce underage and dangerous drinking through a variety of efforts, including a statewide alcohol awareness campaign – *Know When. Know How.*<sup>SM</sup> – that prompts parents to spark early conversations about the dangers of alcohol with their kids.

More information about *Know When. Know How.* and other PLCB efforts to combat underage drinking is available on pages 56-59.

The PLCB's 2019 Report on Underage and High-Risk Drinking is available under the Education section of [lcb.pa.gov](http://lcb.pa.gov).

### TOTAL LICENSE APPLICATIONS AND PERMITS RECEIVED AND PROCESSED JULY 1, 2018, THROUGH JUNE 30, 2019

Renewals/Validations <b>19,538</b>
Catering Permits <b>525</b>
Transfers <b>1,070</b>
Criminal Record Checks <b>7,877</b>
Tavern Gaming Licenses <b>45</b>
New Licenses <b>857</b>
Other Applications <b>8,010</b>
Brand Registration <b>14,839</b>
Special Occasion Permits <b>2,898</b>
AP-SS-EHF Permits* <b>22,535</b>
Wine Expanded Permits <b>1,011</b>
<b>TOTAL APPLICATIONS — 79,205</b>

\* Amusement Permit-Sunday Sales-Extended Hours Food

### 2018 LICENSE COMPLIANCE PROGRAM INSPECTIONS

Licensee Compliance	<b>137</b>
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### INVESTIGATIONS PROCESSED

TYPE OF INVESTIGATION	2018	2017	2016	2015
New License	356	409	297	297
Renewal	39	36	35	44
Transfer – Place	84	75	69	76
Transfer – Person	587	571	629	665
Double Transfer Person-Place	484	535	392	358
Correction	30	20	39	39
Extension	978	975	922	897
Manager Change	1,582	1,377	1,239	1,188
Reinvestigation	2,034	2,444	2,049	2,060
Officer Change	517	512	633	636
Reissue Safekeeping	678	571	478	464
Special Occasion Permit	2	9	47	61
Limited Winery	24	118	91	85
Non-Compliance	22	9	14	17
Miscellaneous	244	232	298	442
Nuisance Bars	151	212	221	214
Management Company	84	82	32	---
License Conversions (E to R, D to ID, C to CC, etc.)	23	27	34	---
Manufacturer Additional Location (BAL-GS)	147	---	---	---
<b>TOTAL</b>	<b>8,066</b>	<b>8,214</b>	<b>7,519</b>	<b>7,543</b>

### 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

2018 <b>133</b>	2016 <b>160</b>
2017 <b>64</b>	2015 <b>133</b>



## RETAIL LICENSES IN EFFECT AS OF DECEMBER 31, 2018

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.		
STATE TOTAL	12,702,379	44,740	10,198	1,241	2,775	9	44	34	233	39	39	24	70	102	408	1	1	24	5	4	15,251	3.60	0.34
ADAMS	101,407	519	57	18	16	0	0	0	6	0	0	0	0	1	4	0	0	1	0	0	103	3.05	0.20
ALLEGHENY	1,223,348	730	1,518	102	281	1	12	3	9	1	5	0	11	18	22	0	0	2	0	0	1,985	4.87	2.72
ARMSTRONG	68,941	653	65	7	27	0	0	0	6	0	0	0	1	0	1	0	0	0	0	1	108	4.70	0.17
BEAVER	170,539	435	147	13	62	0	0	0	5	1	0	0	1	0	0	0	0	0	0	0	229	4.03	0.53
BEDFORD	49,762	1,012	25	9	13	0	0	0	2	0	0	0	0	0	1	0	0	0	0	0	50	3.01	0.05
BERKS	411,442	857	277	44	114	0	1	1	6	1	3	0	3	3	5	0	0	2	0	0	460	3.35	0.54
BLAIR	127,089	526	94	17	31	0	0	0	4	1	0	0	1	3	11	0	0	1	0	0	163	3.85	0.31
BRADFORD	62,622	1,147	37	17	22	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	78	3.74	0.07
BUCKS	625,249	604	343	64	46	0	0	4	6	1	3	3	3	0	7	0	0	0	0	0	480	2.30	0.79
BUTLER	183,862	789	108	18	26	0	1	1	6	0	1	1	1	1	2	0	0	0	0	0	166	2.71	0.21
CAMBRIA	143,679	688	148	20	103	0	0	0	2	0	0	0	1	3	2	0	0	0	0	0	279	5.83	0.41
CAMERON	5,085	396	9	0	5	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	15	8.85	0.04
CARBON	65,249	381	76	17	29	0	0	0	5	0	0	0	1	0	2	0	0	0	0	0	130	5.98	0.34
CENTRE	153,990	1,110	73	23	26	0	1	0	2	0	1	0	1	4	1	0	0	2	0	0	134	2.61	0.12
CHESTER	498,886	751	202	40	44	0	0	1	12	9	1	8	3	0	6	0	0	0	1	0	327	1.97	0.44
CLARION	39,988	601	39	8	11	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	60	4.50	0.10
CLEARFIELD	81,642	1,145	77	9	37	0	0	0	3	0	0	0	0	0	1	0	0	1	0	0	128	4.70	0.11
CLINTON	39,238	888	29	10	15	0	0	1	1	0	0	0	1	1	6	0	0	0	0	0	64	4.89	0.07
COLUMBIA	67,295	483	49	9	23	0	0	0	3	0	0	0	1	0	0	0	0	0	0	0	85	3.79	0.18
CRAWFORD	88,765	1,012	80	5	30	0	0	0	5	0	0	1	0	0	0	0	0	0	0	0	121	4.09	0.12
CUMBERLAND	235,406	545	87	22	30	0	0	1	5	0	2	2	1	0	1	0	1	0	0	0	152	1.94	0.28
DAUPHIN	268,100	525	218	32	62	0	1	2	5	0	0	0	2	9	7	0	0	0	0	1	339	3.79	0.65
DELAWARE	558,979	184	332	27	52	1	2	2	0	2	4	0	3	3	19	0	0	0	0	0	447	2.40	2.43
ELK	31,946	827	28	11	23	0	1	1	1	0	0	0	0	0	5	0	0	2	0	0	72	6.76	0.09
ERIE	280,566	799	254	17	69	0	1	2	8	0	1	0	2	5	9	0	0	1	1	0	370	3.96	0.46
FAYETTE	136,606	790	165	14	69	0	0	0	3	0	0	0	0	0	3	0	0	0	0	0	254	5.58	0.32
FOREST	7,716	427	9	2	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	13	5.05	0.03
FRANKLIN	149,618	772	48	10	24	0	0	0	1	1	0	0	1	0	2	0	0	0	0	0	87	1.74	0.11
FULTON	14,845	438	2	3	3	0	0	0	0	0	0	0	0	0	2	0	0	0	0	1	11	2.22	0.03

GREENE	38,686	576	23	6	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	48	3.72	0.08
HUNTINGDON	45,913	875	18	6	12	0	0	0	0	1	0	0	0	0	4	0	0	2	0	0	0	0	0	0	43	2.81	0.05
INDIANA	88,880	827	68	10	22	0	0	0	2	0	0	0	0	1	0	0	0	0	0	0	0	0	0	103	3.48	0.12	
JEFFERSON	45,200	652	36	5	18	0	1	0	4	0	0	0	0	0	6	0	0	0	0	0	0	0	0	70	4.65	0.11	
JUNIATA	24,636	391	7	1	3	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	1.46	0.03	
LACKAWANNA	214,437	459	354	24	51	0	0	0	6	1	0	0	2	4	20	0	0	0	0	0	0	0	0	462	6.46	1.01	
LANCASTER	519,445	944	228	46	62	1	1	2	5	2	4	0	2	2	7	0	0	0	0	0	0	0	0	362	2.09	0.38	
LAWRENCE	91,108	358	60	2	22	0	0	0	2	1	0	0	0	0	6	0	0	0	0	0	0	0	0	93	3.06	0.26	
LEBANON	133,568	362	63	8	35	0	0	0	4	0	0	0	0	0	3	0	0	1	0	0	0	0	0	114	2.56	0.31	
LEHIGH	349,497	345	191	51	60	1	1	1	4	2	1	4	2	4	18	0	0	1	0	0	0	0	0	341	2.93	0.99	
LUZERNE	320,918	890	527	19	90	0	2	1	4	1	0	0	2	2	18	0	0	0	0	0	0	0	0	666	6.23	0.75	
LYCOMING	116,111	1,229	105	19	30	0	0	1	0	0	0	1	1	1	6	0	0	0	0	0	0	0	0	164	4.24	0.13	
MCKEAN	43,450	979	46	11	17	0	1	0	3	0	0	0	0	0	3	0	0	0	0	0	0	0	0	81	5.59	0.08	
MERCER	116,638	673	96	12	36	0	0	0	7	1	0	0	0	0	0	0	0	0	0	0	0	0	0	152	3.91	0.23	
MIFFLIN	46,682	411	29	3	11	0	0	0	0	0	0	0	0	0	2	0	0	1	0	0	0	0	0	46	2.96	0.11	
MONROE	169,842	608	128	47	16	1	0	2	3	2	0	0	1	0	10	0	0	0	0	0	0	0	0	210	3.71	0.35	
MONTGOMERY	799,874	483	427	78	101	1	0	3	25	3	7	1	2	2	16	0	0	0	0	0	0	0	0	666	2.50	1.38	
MONTOUR	18,267	130	14	1	8	0	0	0	1	0	0	0	0	0	0	0	0	2	0	0	0	0	0	26	4.27	0.20	
NORTHAMPTON	297,735	370	197	40	81	0	0	1	8	1	2	0	2	4	6	0	0	0	0	0	0	0	0	342	3.45	0.92	
NORTHUMBERLAND	94,528	458	87	5	64	0	0	0	0	0	0	0	0	0	3	0	0	2	0	0	0	0	0	161	5.11	0.35	
PERRY	45,969	551	24	2	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37	2.41	0.07	
PHILADELPHIA	1,526,006	134	1,521	55	142	2	15	2	1	0	2	0	12	27	125	0	0	0	3	0	0	0	0	1,907	3.75	14.23	
PIKE	57,369	545	51	15	7	0	0	0	1	0	0	0	0	0	4	0	0	0	0	0	0	0	0	78	4.08	0.14	
POTTER	17,457	1,081	19	5	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31	5.33	0.03	
SCHUYLKILL	148,289	779	209	14	85	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	310	6.27	0.40	
SNYDER	39,702	329	20	2	10	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	34	2.57	0.10	
SOMERSET	77,742	1,074	68	18	35	0	0	0	2	0	0	0	0	0	2	0	0	0	0	0	0	1	126	4.86	0.12		
SULLIVAN	6,428	450	10	6	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	9.33	0.04		
SUSQUEHANNA	43,356	823	41	10	7	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	60	4.15	0.07	
TIOGA	41,981	1,134	29	10	14	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	56	4.00	0.05	
UNION	44,947	316	14	5	7	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	27	1.80	0.09	
VENANGO	54,984	674	33	1	12	0	1	0	3	0	0	0	1	0	2	0	0	0	0	0	0	0	0	53	2.89	0.08	
WARREN	41,815	884	36	6	13	0	0	0	0	0	1	1	0	0	2	0	0	1	0	0	0	0	0	60	4.30	0.07	
WASHINGTON	207,820	857	213	23	111	0	0	0	6	2	0	0	1	2	0	0	0	0	0	0	0	0	0	358	5.17	0.42	
WAYNE	52,822	726	58	17	6	0	0	0	2	1	0	0	0	0	2	0	0	0	0	0	0	0	0	86	4.88	0.12	
WESTMORELAND	365,169	1,028	352	34	197	0	2	1	13	1	0	0	2	0	11	0	0	0	0	0	0	0	0	613	5.04	0.60	
WYOMING	28,276	397	27	6	3	0	0	0	1	0	0	0	0	0	2	0	0	0	0	0	0	0	0	39	4.14	0.10	
YORK	434,972	904	173	30	52	1	0	0	13	1	1	0	2	2	7	1	0	1	0	0	0	0	0	284	1.96	0.31	

# WHOLESALE LICENSES IN EFFECT AS OF DECEMBER 31, 2018

County	2010 Population	Area in Square Miles	WHOLESALE LICENSES		Total Wholesale Licenses	NUMBER OF LICENSES	
			Distributor	Importing Distributor		Per 30,000 Population	Per Square Mile
<b>STATE TOTAL</b>	<b>12,702,379</b>	<b>44,740</b>	<b>1,078</b>	<b>154</b>	<b>1,232</b>	<b>2.91</b>	<b>0.03</b>
ADAMS	101,407	519	6	0	6	1.78	0.01
ALLEGHENY	1,223,348	730	124	16	140	3.43	0.19
ARMSTRONG	68,941	653	8	1	9	3.92	0.01
BEAVER	170,539	435	17	1	18	3.17	0.04
BEDFORD	49,762	1,012	5	0	5	3.01	0.00
BERKS	411,442	857	36	5	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	22	6	28	5.85	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	5	1	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	6	2	8	3.57	0.02
CRAWFORD	88,765	1,012	12	2	14	4.73	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	51	1	52	2.79	0.28
ELK	31,946	827	5	2	7	6.57	0.01
ERIE	280,566	799	38	4	42	4.49	0.05
FAYETTE	136,606	790	18	2	20	4.39	0.03
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	4	3	7	2.36	0.01
JEFFERSON	45,200	652	6	1	7	4.65	0.01
JUNIATA	24,636	391	4	0	4	4.87	0.01
LACKAWANNA	214,437	459	22	6	28	3.92	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	27	7	34	2.92	0.10
LUZERNE	320,918	890	34	5	39	3.65	0.04
LYCOMING	116,111	1,229	10	1	11	2.84	0.01
MCKEAN	43,450	979	6	2	8	5.52	0.01
MERCER	116,638	673	12	1	13	3.34	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	25	2	27	2.72	0.07
NORTHUMBERLAND	94,528	458	11	2	13	4.13	0.03
PERRY	45,969	551	5	0	5	3.26	0.01
PHILADELPHIA	1,526,006	134	111	10	121	2.38	0.90
PIKE	57,369	545	5	0	5	2.61	0.01
POTTER	17,457	1,081	4	0	4	6.87	0.00
SCHUYLKILL	148,289	779	30	2	32	6.47	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	43	8	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

Since the passage of Act 39 of 2016 and through fiscal year 2018-19, the auction of expired restaurant licenses remains a popular avenue for businesses seeking retail licenses authorizing the sale of alcohol for on-premises consumption and allowing the sale of limited quantities of beer and wine to go.

Each auction winner has six months to file a license application with the PLCB, and bids are held in escrow by the PLCB pending approval of the license application.

In fiscal year 2018-19, three auctions resulted in the successful award of 67 licenses for a total bid amount of \$5.8 million. Combined auction revenue from fiscal year 2016-17 through fiscal year 2018-19 totaled \$27.2 million for 204 awarded licenses, while another \$3.1 million remained in escrow pending license approvals.

### LICENSE AUCTION SUMMARY THROUGH JUNE 30, 2019

	License Bids		Licenses Issued		Bids Refunded		Licenses Pending	
	Potential Revenue	Count	Revenue	Count	Amount	Count	Amount	Count
Auction 8 (March 2019)	\$2,095,606	22	\$191,000	2	-	0	\$1,904,606	20
Auction 7 (November 2018)	\$1,847,869	25	\$916,316	12	\$251,102	2	\$680,451	11
Auction 6 (August 2018)	\$1,892,189	20	\$1,552,337	15	\$140,351	3	\$199,501	2
Auction 5 (April 2018)	\$2,911,495	25	\$2,208,945	21	\$350,000	1	\$352,550	3
Auction 4 (November 2017)	\$4,928,130	41	\$4,258,308	34	\$669,822	7	-	0
Auction 3 (July 2017)	\$5,991,166	45	\$5,884,542	43	\$106,624	2	-	0
Auction 2 (March 2017)	\$5,011,213	42	\$5,011,213	42	-	0	-	0
Auction 1 (November 2016)	\$7,792,555	37	\$7,215,055	35	\$577,500	2	-	0
<b>TOTAL</b>	<b>\$32,470,223</b>	<b>257</b>	<b>\$27,237,716</b>	<b>204</b>	<b>\$2,095,399</b>	<b>17</b>	<b>\$3,137,108</b>	<b>36</b>

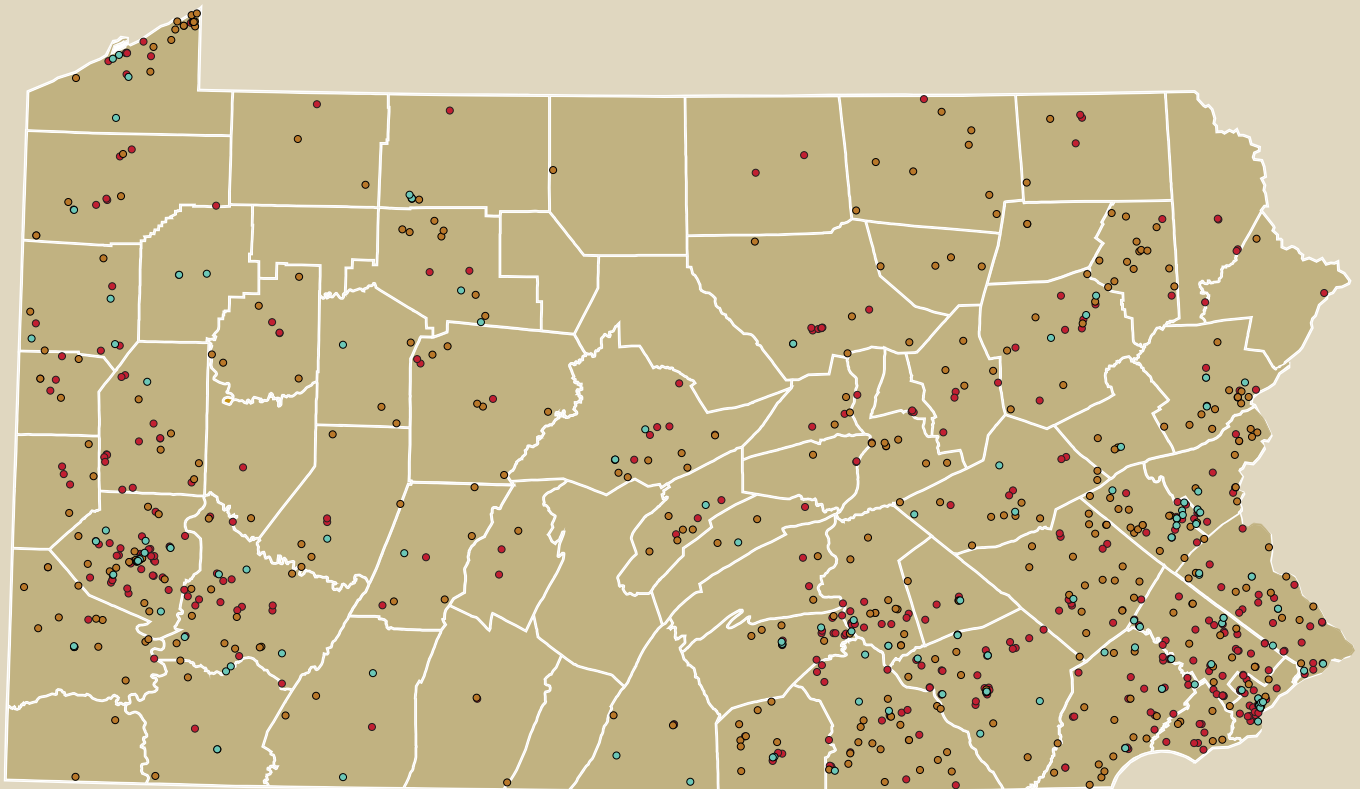
## Wine and Beer Grants

The PLCB approves up to \$1.0 million in grants annually for projects that support the Pennsylvania wine industry and increase production of Pennsylvania-made wines, and another \$1.0 million in grants for the development and promotion of the Pennsylvania beer industry.

Presented to the PLCB by the Pennsylvania Wine Marketing and Research Board and the Pennsylvania Malt and Brewed Beverages Industry Promotion Board, grant proposals focus on research, marketing and educational initiatives.

In fiscal year 2018-19, \$1.0 million was approved for nine projects to support the Pennsylvania wine industry, and \$816,412 for 12 projects supporting Pennsylvania-made malt and brewed beverages.

### PENNSYLVANIA PRODUCERS HAVING VALID LICENSES AS OF JUNE 30, 2019



● Wineries/Limited Wineries — 370 ● Breweries/Brew Pubs — 494 ● Distilleries/Limited Distilleries — 120

## 2018–19 Wine Grant Recipients — \$1,000,000

### **Pennsylvania Wine Land Statewide Marketing & Promotions, \$544,350**

*Pennsylvania Winery Association*

Continue the Pennsylvania Wine Land consumer marketing campaign, further expansion of Pennsylvania Wine Month promotion in October 2019 with a PA Wines 2020 video and new regional marketing partnerships, specifically in the Lehigh Valley and the five-county Philadelphia metropolitan area.

### **Continued Investigation of Novel Maceration Techniques to Improve Pennsylvania Wine Quality and Yield, \$112,037**

*The Pennsylvania State University*

Continue research illustrating potential for cryogenic maceration to produce wines with increased resistance to in-bottle oxidation. A more in-depth investigation of this technique will explore and evaluate cost-effective and scalable cryogenic production methods.

### **Do Pennsylvania Riesling and Vidal Blanc Wines Differ in their Sensory Properties Across Different Regions?, \$89,520**

*The Pennsylvania State University*

Extend initial research into regional differences in Riesling and Vidal Blanc wines across Pennsylvania that will include more wines from different wineries and validate first-year results.

### **Does Delaying Bud Burst Reduce the Risk of Frost Damage While Maintaining Grape and Wine Quality?, \$82,065**

*The Pennsylvania State University*

Continue research into comparing the effectiveness of pruning time and amigo oil application to avoid crop losses and delays in fruit ripening caused by post-budburst freeze damage.

### **Exploring the Impact of Native or “Wild” Yeast Biodiversity on Wine Quality of a Red Hybrid Variety, Chambourcin, \$65,169**

*The Pennsylvania State University*

Through a pilot study, explore differences in fermentation kinetics and flavor profiles of inoculated and noninoculated fermentations of Chambourcin and isolate native yeast populations on Chambourcin grapes.

### **Impact of Spotted Lanternfly on Quality of PA Wines, \$49,999**

*The Pennsylvania State University*

Study this invasive pest to determine its impacts on wine toxicity, quality and palatability. Research will result in recommendations to winegrowers regarding production of wine impacted by the spotted lanternfly.

### **Survey for Grapevine Leafroll Viruses in Pennsylvania, \$38,402**

*The Pennsylvania State University*

Continue research into viruses infecting grapevines and negatively impacting fruit and wine quality. This study will explore how the viruses spread, what impact the viruses have on grapevines and fruit quality and how best to manage the viruses to minimize their impact.

### **Residual Decline and Efficacy of Commonly Used Insecticides Against Spotted Wing Drosophila in Pennsylvania Wine Grapes, \$11,105**

*The Pennsylvania State University*

Continue research into common insecticides used to combat this invasive vinegar fly, one of the most serious pest threats to thin-skinned fruits like grapes.

### **Analysis of Invasive Insect Pests in the Lake Erie Region to Characterize Abundance and Seasonal Emergence Patterns, \$7,353**

*The Pennsylvania State University*

Continue studying invasive insects that threaten the grape-growing industry to allow growers to make more informed pest-management decisions.

## 2018–19 Beer Grant Recipients — \$816,412

### **Beer Tourism Grant for the Craft Beer Trail of Greater Philadelphia, \$125,000**

*Visit Philadelphia*

Allow Visit Philadelphia to market and promote greater Philadelphia's craft beer and breweries in order to boost Philadelphia and Pennsylvania's image as one of the country's best places for craft beer; drive visitation to the five-county Philadelphia area and its roughly 100 breweries; encourage more people to visit breweries during their time in the area; increase the number of breweries people visit; and boost sales at breweries in the region.

### **Pennsylvania Craft Brew Festival, \$105,000**

*Somerset County Chamber of Commerce*

Model the successful Pennsylvania Wine Fest held each year at Seven Springs Mountain Resort to create the first Pennsylvania Craft Brew Festival, which is expected to attract 5,000 to 7,500 people and 30 producers to take advantage of tastings and brewer education workshops. Economic impact of the 2019 event is estimated at \$1.2 million for the Laurel Highlands Tourism Region.

### **Improving the Agricultural Value Chain for the Craft Fermented Beverage Industry, \$98,702**

*Penn State College of Agricultural Sciences*

Explore brewer demand for agricultural inputs for beer production and inform growers about increasing market opportunities, demand for ingredients and costs for producing crops for the beer industry. The project will facilitate agricultural literacy among brewers, who need to better understand crops' seasonality and production costs, and farmers, who need to better understand how to work with and supply local brewers.

### **Establishing and Maintaining a Research and Educational Hop Yard in Southwest Pennsylvania, \$72,500**

*California University of Pennsylvania*

Establish a hop yard in Washington County to be an educational hub focused on sustainable production of hops, disease management and growing conditions that will increase hop yield and growing success. The project will integrate local high school students and university students in the design of the hop yard and development of marketing and business plans for hops as a local commodity and crop.

### **Educational Outreach for the Brewing Industry, \$71,701**

*Shippensburg University*

Develop education, training and technical assistance to build a skilled workforce for the brewed beverage industry. Educational short courses, professional training and laboratory work aims to develop a strong foundation of educational and apprenticeship-type experiences to benefit current employees and train a future workforce.

### **Pennsylvania's Brewer's Yeast Library, \$71,060**

*Edinboro University*

Improve the knowledge, processes and opportunities for small breweries in northwest Pennsylvania through development of a Brewer's Yeast Library, which will offer training and short courses and use of Edinboro University facilities to propagate yeast. Brewers will gain the knowledge and skills to grow and care for their own yeasts, which could save brewers money and avoid contamination and flavor issues.

### **The Story of Beer in Pennsylvania, \$59,700**

*National Beer Museum Development Group*

Create a standalone, permanent exhibit in Pittsburgh informing consumers about Pennsylvania breweries and beers. Compelling stories about the legacy and vibrancy of beer in Pennsylvania will be presented in interactive, interesting and entertaining ways, encouraging consumers to learn more about Pennsylvania's brewing heritage and explore Pennsylvania breweries and beers.

### **Critical Success Factors for Advancing Beer Tourism in Pennsylvania, \$47,276**

*Penn State College of Agricultural Sciences*

Identify, through surveys and interviews of owners of craft breweries in Pennsylvania, current barriers and success factors of craft brewery businesses, discuss with local tourism bureaus selection and promotion of beer tourism activities and present research outcomes through outreach materials and a handbook.

### **Cumberland Valley Beer Trail Marketing and Visitation Increase, \$50,000**

*Cumberland Area Economic Development Corporation*

Enhance promotion of the existing Cumberland Valley Beer Trail through new photography and videography and expanded marketing campaigns to new outlets and target markets. Marketing efforts aim to increase the sale of malt and brewed beverages produced in Cumberland County and the surrounding region, as well as increase sales and visitation to other area attractions, lodging, dining and shops through beer tourism.

### **Measuring Amylase Activity in Non-Barley Malts for Gluten-Free Beer, \$46,766**

*Penn State College of Agricultural Sciences*

Explore the use of gluten-free alternatives to barley in brewing to identify optimal mashing conditions and complementary combinations of gluten-free grains to achieve fermentable sugars comparable to those derived in barley and wheat worts. Effort will benefit Pennsylvania brewers who are brewing or wish to develop gluten-free beers.

### **Educating Hops Growers to Enhance and Promote the Pennsylvania Microbrewing Industry, \$35,175**

*Penn State College of Agricultural Sciences*

Develop research-based recommendations for current and prospective hops growers of practices to start or improve their hop yard to produce high-quality products for the microbrewing industry. Grant will sustain an existing research hop yard, provide for hop growing schools in eastern and western Pennsylvania to promote and educate growers on best practices and create an online hops database.

### **Malting Barley Extension and Outreach, \$33,532**

*Penn State College of Agricultural Sciences*

Raise awareness among farmers, mills and distillers about quality standards for malting barley, which may lead to increased local production, improved grain quality and availability of grain meeting quality standards. Roundtable discussions and listening sessions with brewed beverage industry members will inform development of educational materials and field days for growers, buyers and brewers.



## Education & Grants Management Division

In fiscal year 2018-19, the Education & Grants Management Division reached citizens in nearly every Pennsylvania county. The Bureau of Alcohol Education:

- **Attended 52 events** throughout the commonwealth.
- **Distributed nearly 404,600 educational materials.**
- **Held the 27th annual Alcohol Education Poster Contest,** which received nearly 420

entries. Forty-three 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 12 communities.**
- **Sponsored the 2019 International Town & Gown Association's City and University Relations conference in State College.**

Additionally, the Bureau of Alcohol Education's Facebook page gained nearly 1,900 likes and more than 2,000 follows during the year.

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.<sup>SM</sup>**

In its second year, *Know When. Know How.<sup>SM</sup>* – a statewide education campaign introduced by the PLCB to prevent underage drinking – continued to target Pennsylvania parents of children ages 8 through 12, encouraging them to initiate early conversations on the dangers of alcohol with their kids before trial or use of alcohol begins.

Aiming to arm parents with the information, tools and confidence they need to begin having meaningful and effective conversations about alcohol with their children from an



Each year, students from across the state participate in the Bureau of Alcohol Education's annual Alcohol Awareness Poster Contest by submitting posters conveying positive messages about the benefits of being alcohol-free and choosing healthy alternatives to drinking, such as hobbies and extracurricular activities. As part of Alcohol Awareness Month in April, 43 young artists were recognized for their winning poster designs in a ceremony at The State Museum of Pennsylvania. Since the poster contest began in 1992, nearly 35,500 entries have been submitted and thousands of students have participated through projects in school classrooms.

early age, campaign website KnowWhenKnowHow.org provides resources wrapped around five key tenets for parents to guide and inform these discussions:

- **Learn the facts.** The more parents know about alcohol and the harm it can cause, the more effective conversations with their children will be.
- **Use your influence.** Eighty percent of teens say their parents are the biggest factor in whether or not they decide to drink.
- **Talk early. And talk often.** Children are most receptive to their parent's views on alcohol between the ages of 8 and 11. Reach them early before they encounter alcohol.
- **Stay involved.** Know where your children go, what they're doing and who their friends are – and get to know their friends' parents, too.
- **Secure your alcohol.** Kids can't drink alcohol if they don't have access to it. Make sure the adult beverages in your home are kept safely out of kids' reach.

*Know When. Know How.* also stresses to parents the fact that underage drinking doesn't have to be one big, intimidating "talk," but instead, that a series of brief, age-appropriate conversations that spring out of everyday experiences and grow as children mature over time are more effective.

Since research commissioned for the campaign by the PLCB showed that most Pennsylvania parents



are not familiar with the facts surrounding underage drinking, the long-term effects alcohol can have on kids, the penalties for underage drinking or when children start drinking, the PLCB's *Know When. Know How.* campaign fills an important gap by providing a comprehensive prevention resource for parents on how to address the topic of alcohol with their children.

From its January 2018 launch through June 30, 2019, the primarily digital advertising campaign totaled 36.7 million digital impressions, resulting in more than 77,400 link clicks and 70,671 Pennsylvania-based visitors to the *Know When. Know How.* website. The advertising campaign has also won 30 national and international awards.



## GRANTS

Alcohol Education grants for reducing underage and dangerous drinking are awarded on a two-year cycle. The amount awarded for the second year of funding in the 2017-19 grant cycle was \$1,134,701, 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.
- Seventeen 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®.
- Twenty-two 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 the two-year funding cycle, grantees made a total

of 3,314,777 contacts with the public – 1,320,734 in year one and 1,994,043 in year two.

#### **RESPONSIBLE ALCOHOL MANAGEMENT PROGRAM**

The purpose of the Responsible Alcohol Management Program (RAMP) is to give licensees the tools they need to serve alcohol 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). RAMP may also be required as part of a conditional licensing agreement. Additionally, wine expanded permit holders must comply with all aspects of RAMP.

### **Responsible Alcohol Management Program**



The following five steps must be completed for certification of the premises to be granted:

**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. *This training is required for newly approved managers of certain license types.*

**Server/Seller Training** – At least 50 percent of a 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. *This training is required within six months of hire for anyone hired on or after Aug. 8, 2016, who serves or sells alcoholic beverages and/or checks IDs, unless the person successfully completed the training within the previous two years.*

**New Employee Orientation** – An 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

#### **SOME OF THE WAYS PEOPLE WERE REACHED**

**1,189**

*Police & Campus Patrols*

**30**

*Public Service Announcements*

**17**

*Newspapers*

**9**

*Billboards*

**14**

*Online Assessments*

**17**

*Peer Educators*

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 a licensed establishment.

#### **Request for RAMP Certification –**

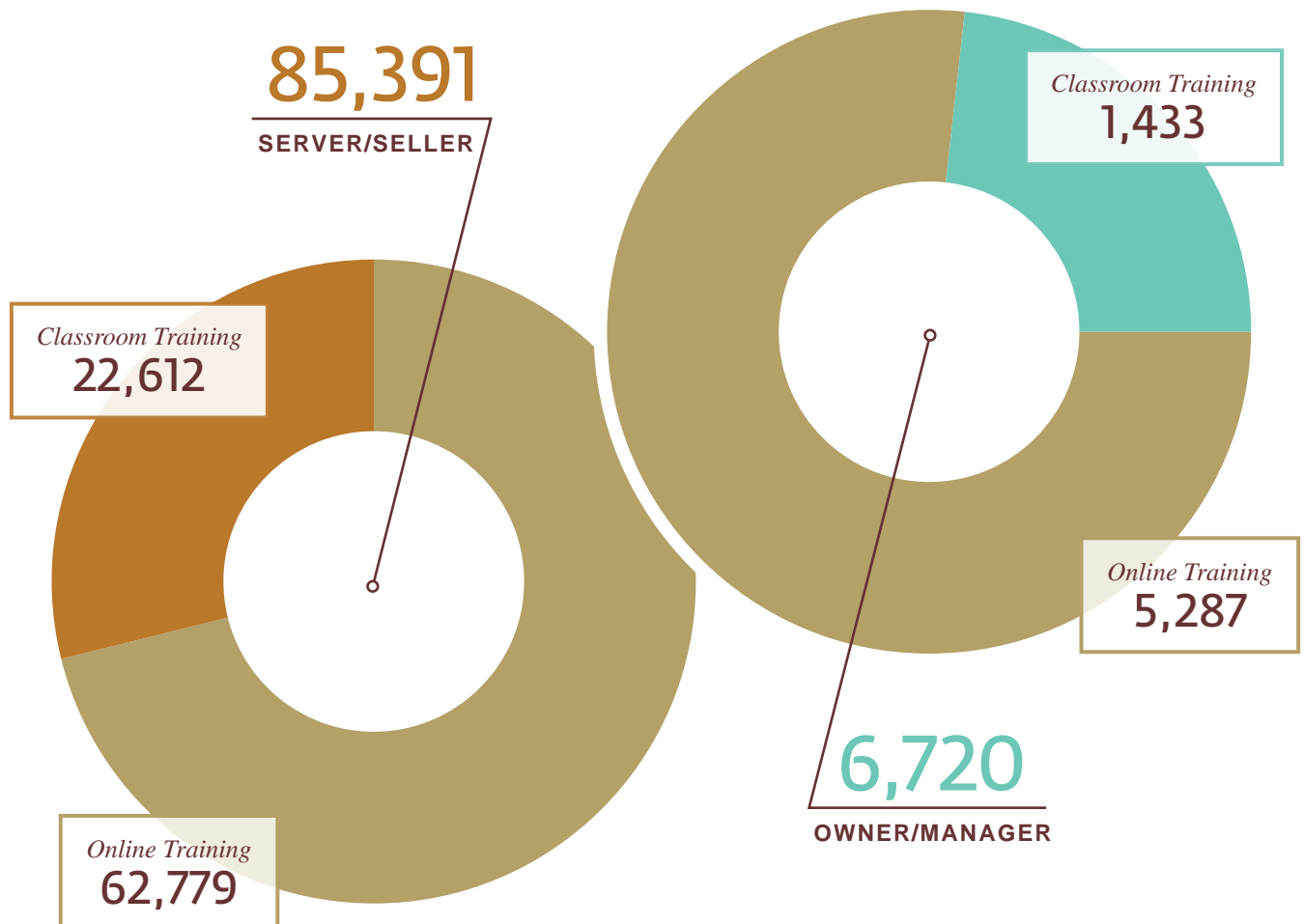
Upon completion of the previous requirements, a licensee must submit an application request for certification in PLCB+. If all requirements are met, the licensee will receive certification valid for two years.

# 92,111

TOTAL TRAINED IN SERVER/SELLER  
AND OWNER/MANAGER TRAININGS  
FY2018-19

# 1,946

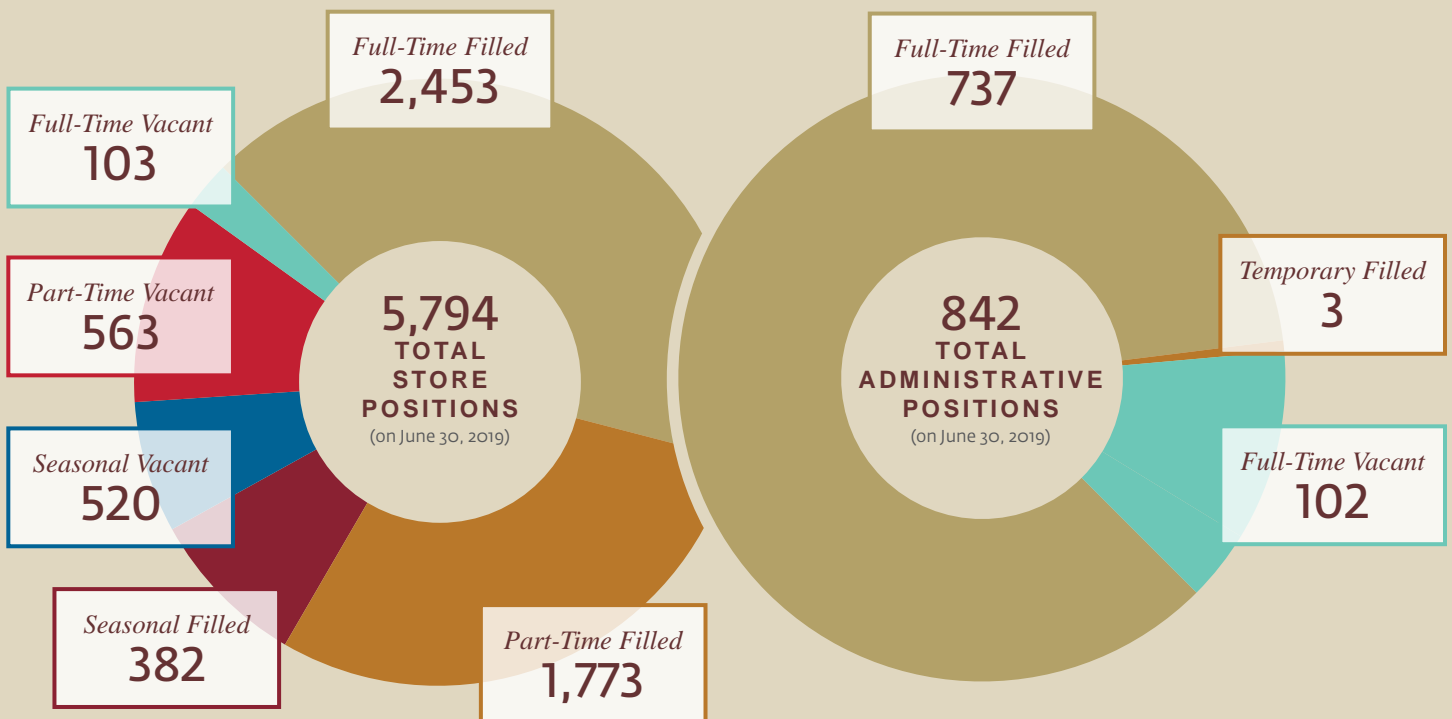
LICENSED ESTABLISHMENTS BECAME  
RAMP-CERTIFIED IN FISCAL YEAR 2018-19



# 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





## Leadership Initiatives

A priority for the PLCB's Office of Administration is investing in the professional development and success of employees across all areas of the agency.

Each year, the Bureau of Talent Management and Organizational Development (TMOD) develops and delivers training programs addressing a broad range of topics that foster advanced education and learning for PLCB employees.

In 2018-19, TMOD created and launched LEAD – a leadership education and development

program designed to shape future agency leaders through training on fundamental leadership and management skills required for professional and organizational advancement.

Participants in LEAD's inaugural class were chosen from a pool of candidates identified by upper management as individuals with demonstrated leadership capabilities yet limited or no formal experience in a supervisory management or leadership role.

Throughout the five-month program, participants and their direct supervisors completed a

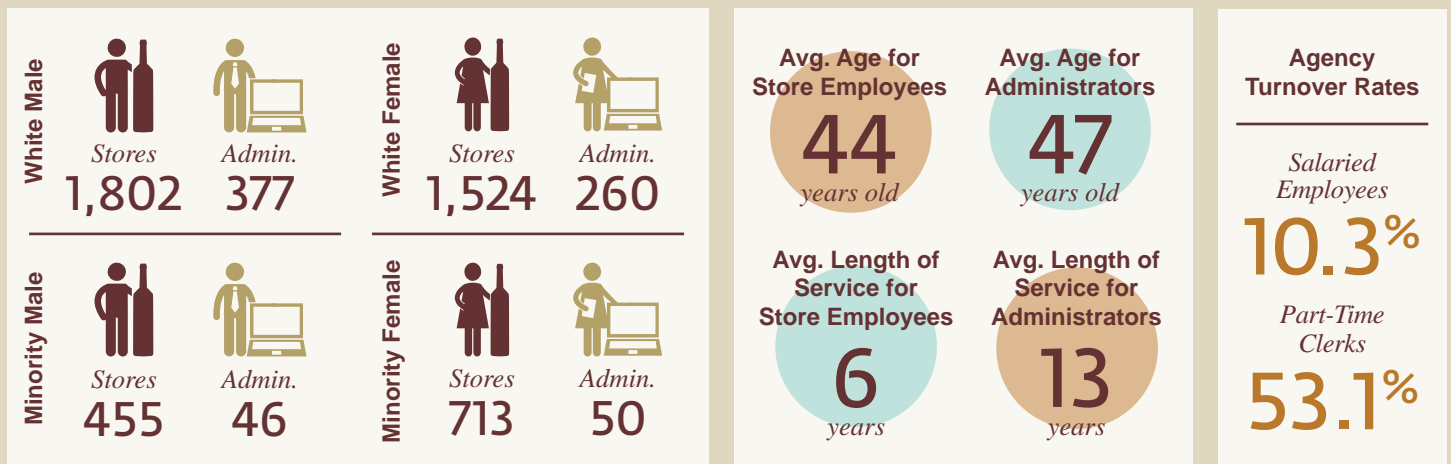
series of targeted learning activities including regular education sessions, a DiSC workplace assessment, the creation of individual development plans, individual and group projects, panel discussions with managerial and executive staff and educational field trips.

Eight participants from multiple business areas graduated from the well-received LEAD program during the year, with a number of applicants from different business units and varying backgrounds excited to participate in the program's next round.

## EMPLOYMENT ACTIONS FY 2018-19



## EMPLOYMENT STATISTICS FY 2018-19



# 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 audit report are the State Stores Fund Comparative Statement of Net Position as of June 30, 2019 and 2018; State Stores Fund Comparative Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2019 and 2018; State Stores Fund Comparative Statement of Cash Flows for the fiscal years ended June 30, 2019 and 2018; the Liquor License Fund Statement of Fiduciary Net Position for the fiscal years ended June 30, 2019 and 2018; and the Liquor License Fund Statement of Changes in Fiduciary Net Position for the fiscal years ended June 30, 2019 and June 30, 2018.

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 Fund 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 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 2018-19 sales grew 2.9% over the prior year. PLCB fiscal year 2018-19 net income of \$191.0 million was \$32.8 million, or 20.7%, greater than last year. The substantial increase is due mainly to increased gross profits from sales and reduced operating expenses related to [other] post-employment benefits (OPEB) and workers compensation.

Other financial highlights include:

- The gross profit percentage was 31.7%, down 0.1% from June 2018. Management established a \$2.9 million allowance for inventory shrink beginning in fiscal year end June 30, 2019. Excluding the increase in cost of goods sold associated with this, the gross profit percentage would be 31.9%, a 0.1% increase.
- Higher operating income of \$217.1 million, representing an increase of \$31.4 million or 16.9%.
- Net cash flow from operating activities of \$242.5 million, (down

\$6.5 million from the prior year), funded a \$185.1 million cash transfer to the General Fund, \$31.3 million to fund the Pennsylvania State Police's liquor control enforcement efforts, \$2.5 million in transfers to the Department of Drug & Alcohol Programs and \$9.3 million for capital expenditures.

- Year-end cash and investments increased \$20.3 million or 7.9% to \$278.6 million, due to positive net cash flow from operations.
- Total liabilities decreased by \$90.5 million to \$1.5 billion, due primarily to a \$189.4 million reduction in the net OPEB liability for retiree health benefits, mostly due to the Retired Employees Health Program's (REHP) actuarial valuation results. This was partially offset by an \$89.6 million increase in net pension liability due to lower actual investment earnings versus projected earnings.

## Revenues & Costs

### SALES

Sales and tax revenue in fiscal year 2018-19 totaled \$2.67 billion, an increase of \$75.2 million or 2.9% over fiscal year 2017-18. Excluding liquor and sales taxes, net sales of \$2.13 billion were up \$60.4 million, also 2.9% over the prior year. By product category, sales growth was higher for spirits at 4.3%, with wine sales growing 1.1%. Overall unit sales grew 4.3%, due largely to growing

popularity among consumers of smaller sized products.

Wholesale business continued to grow in fiscal year 2018-19, with sales to licensees up 8.6% overall, due in large part to increasing numbers of wine expanded permit holders (primarily grocery and convenience stores) buying wine from the PLCB for retail resale. At the end of fiscal year 2018-19, there were 826 active grocery and convenience stores selling wine to consumers, 248 more than the prior year. As a result, Fine Wine & Good Spirits retail wine sales decreased 2.4%, while wine sold to licensees (at a 10% discount off retail prices) increased 13.0%. Retail spirit sales increased 4.1%, with spirit sales to licensees increasing 5.2%.

### OPERATING INCOME & EXPENSE

Operating income for the year ended June 30, 2019, was \$217.1 million, up \$31.4 million, or 16.9% from the \$185.8 million reported last year. The increase was mostly attributable to a \$17.1 million increase in gross profit from sales and a \$21.0 million decrease in operating expenses. These were offset by a decrease in other operating revenues of \$6.7 million, primarily due to a \$7.9 million decrease in license fees.

The reduction in operating expenses was driven primarily by a \$29.0 million reduction in OPEB retiree health benefit costs, mostly due to the REHP's actuarial valuation results. Operating expense was also

favorably impacted by a \$9.6 million decrease in workers compensation costs and a \$1.8 million decrease in depreciation expense.

Partially offsetting these decreases were expense increases in several areas. Salary, wages and overtime increased by \$4.9 million or 2.8% due to Commonwealth-negotiated rate increases. Rate increases also impacted pension expenses, which increased by \$3.7 million or 5.1%. Store rents increased by \$2.9 million or 5.6% due to Fine Wine & Good Spirits store remodeling efforts and the transformation of a number of standard stores into larger Premium Collection stores. Credit/debit card services increased by \$2.8 million or 8.9% due to consumers' increased usage of credit and debit payment methods versus cash. Advertising expenses increased by \$1.5 million for product marketing and support of

alcohol education programs. Finally, grant expenses increased by \$1.0 million, with grants awarded and paid to the Pennsylvania wine and beer industries totaling \$2.5 million and with \$1.0 million distributed in alcohol education grants.

The decrease in license fees was the result of a \$9.4 million decline in license auction proceeds offset by increases in license renewal fees and wine expanded permit fees of \$0.7 million and \$1.0 million, respectively.

#### **TRANSFERS OUT**

The Bureau of Liquor Control Enforcement within the Pennsylvania State Police received \$31.3 million in funding in fiscal year 2018-19, an increase of \$0.7 million or 2.4% over the previous year. The Department of Drug & Alcohol Programs will receive \$3.8 million, [2% of net income as mandated by

47 P.S. §8-802(c)], 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.

Other contributions to the General Fund during fiscal year 2018-19 – generated by the PLCB's operations, but not reflected as revenues, expenses or cash flows in the State Stores Funds financial statements – included \$381.9 million in liquor tax and \$150.2 million in state sales tax, an overall 2.8% increase. Additionally, the PLCB remitted \$9.7 million in local sales taxes to Philadelphia and Allegheny counties.

Licensing fees returnable to local municipalities from the Liquor License Fund were \$4.5 million for fiscal year 2018-19, compared to \$4.6 million in the prior year.



September 12, 2019

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, 2019 and June 30, 2018, and the comparative statement of fiduciary net position for the Liquor License Fund as of June 30, 2019 and June 30, 2018, and the related State Stores Fund comparative statements of revenues, expenses, and changes in fund net position for the period ended June 30, 2019 and June 30, 2018, 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)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 52,270,779	\$ 54,183,489
Investments - short term	226,279,517	204,076,201
Accounts and claims receivable, net	3,617,714	747,207
Due from other funds - Note 8	4,234	833,117
Merchandise inventories, net	246,114,444	257,979,226
Operating supplies	382,643	845,551
Prepaid expenses	522,964	72,680
Total current assets	<u>529,192,295</u>	<u>518,737,471</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	20,875,220	20,809,269
Leasehold improvements	341,826	612,301
Machinery and equipment	49,063,451	47,904,598
Intangibles - internally generated software	22,457,686	25,990,043
Less: accumulated depreciation	<u>63,692,660</u>	<u>66,662,710</u>
Net depreciable capital assets	<u>29,045,523</u>	<u>28,653,501</u>
Total non-current capital assets	<u>29,368,496</u>	<u>28,976,474</u>
Total assets	<u>\$ 558,560,791</u>	<u>\$ 547,713,945</u>
Total deferred outflows of resources - Note 4, 5	\$ 160,428,631	\$ 88,630,800
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Trade accounts payable	\$ 289,656,306	\$ 277,831,858
Other accounts payable	23,001,111	27,288,341
Accrued expenses	15,415,566	14,332,279
OPEB - Note 5	8,994,000	11,976,000
Self-insurance, workers' compensation - Note 6	5,193,938	7,637,029
Due to other funds - Note 8	4,522,983	3,166,485
Due to fiduciary funds - Note 8	1,994,832	1,908,698
Due to other governments - Note 8	548,954	516,090
Total current liabilities	<u>349,327,690</u>	<u>344,656,780</u>
Non-current liabilities:		
OPEB - Note 5	594,961,000	781,379,000
Self-insurance, workers' compensation - Note 6	48,841,124	47,949,448
Net pension liability - Note 4	530,291,336	440,677,473
Compensated absences - Note 1	21,598,132	20,809,984
Total non-current liabilities	<u>1,195,691,592</u>	<u>1,290,815,905</u>
Total liabilities	<u>\$ 1,545,019,282</u>	<u>\$ 1,635,472,685</u>
Total deferred inflows of resources - Note 4, 5	\$ 279,156,836	\$ 108,178,959
<b><u>NET POSITION</u></b>		
Net investment in capital assets	\$ 29,368,496	\$ 28,976,474
Deficit - Note 9	<u>(1,134,555,192)</u>	<u>(1,136,283,373)</u>
Total net position	<u>\$ (1,105,186,696)</u>	<u>\$ (1,107,306,899)</u>

**Commonwealth of Pennsylvania**  
**Pennsylvania Liquor Control Board**  
**Liquor License Fund**  
**Statement of Fiduciary Net Position**  
**As of June 30, 2019**  
**(Unaudited)**

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	<u>June 2019</u>	<u>June 2018</u>
<b>Assets:</b>		
Cash in Transit	\$ 66,600	\$ 89,675
Investments - Short Term	<u>2,204,798</u>	<u>2,507,283</u>
Total Assets	<u>\$ 2,271,398</u>	<u>\$ 2,596,958</u>
<b>Liabilities:</b>		
License Fees due Municipalities	\$ 2,271,398	\$ 2,596,958
Other Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 2,271,398</u>	<u>\$ 2,596,958</u>

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, 2019 and June 30, 2018  
(Unaudited)

	2018-19	2017-18
Sales net of taxes	\$ 2,126,927,971	\$ 2,066,562,034
Cost of goods sold	(1,451,772,607)	(1,408,532,024)
Gross profit from sales	675,155,364	658,030,010
Operating (expenses):		
Retail operations	(384,400,294)	(398,301,097)
Marketing & merchandising	(15,852,818)	(15,052,290)
Supply chain	(6,642,392)	(8,970,204)
Wholesale operations	(1,725,852)	(1,773,887)
Information technology services	(30,234,564)	(31,225,089)
Regulatory affairs	(19,783,080)	(20,802,809)
Administration	(13,487,041)	(14,782,471)
Finance	(3,325,942)	(3,890,566)
Board & secretary	(5,173,990)	(6,660,227)
Legal	(3,713,342)	(3,602,785)
Commonwealth provided services - Note 2	(14,577,356)	(14,819,054)
Total	(498,916,671)	(519,880,479)
Operating profit	176,238,693	138,149,531
Other operating revenues (expenses):		
Enforcement fines	1,845,926	1,522,287
License fees	38,474,199	46,377,715
Miscellaneous income	3,388,634	2,418,403
Administrative law judge	(2,809,282)	(2,709,397)
Total	40,899,477	47,609,008
Total operating income	217,138,170	185,758,539
Miscellaneous revenues (expenses):		
Interest income	5,865,843	2,998,479
Other	(706,242)	18,751
Total	5,159,601	3,017,230
Income before operating transfers	222,297,771	188,775,769
Operating transfers out:		
PSP enforcement - Note 3	(31,256,748)	(30,527,781)
<b>Net income from operations</b>	<b>191,041,023</b>	<b>158,247,988</b>
Statutory Transfers:		
General fund - Note 3	(185,100,000)	(185,100,000)
Drug and alcohol programs - Note 3	(3,820,820)	(2,500,000)
Total	(188,920,820)	(187,600,000)
Change in net position	2,120,203	(29,352,012)
Total net position - beginning, 2017-18 restated - Note 9	(1,107,306,899)	(1,077,954,887)
Total net position - ending	<u>\$ (1,105,186,696)</u>	<u>\$ (1,107,306,899)</u>

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, 2019 and June 30, 2018  
(Unaudited)

	2018-19	2017-18
Sales net of taxes	\$ 169,251,669	\$ 173,385,808
Cost of goods sold	(119,163,020)	(118,468,025)
Gross profit from sales	50,088,649	54,917,783
Operating (expenses):		
Retail operations	(19,417,593)	(36,417,252)
Marketing & merchandising	(833,965)	(689,574)
Supply chain	465,454	(59,013)
Wholesale operations	(14,055)	(186,410)
Information technology services	(1,418,719)	(2,989,706)
Regulatory affairs	(425,644)	(1,978,943)
Administration	(388,055)	(1,334,980)
Finance	12,308	(345,706)
Board & secretary	236,570	(426,411)
Legal	(287,284)	(318,170)
Commonwealth provided services - Note 2	(2,017,787)	(2,063,810)
Total	(24,088,770)	(46,809,975)
Operating profit	25,999,879	8,107,808
Other operating revenues (expenses):		
Enforcement fines	165,155	142,885
License fees	2,785,532	3,266,917
Miscellaneous income	134,417	(476,236)
Administrative law judge	(224,286)	(224,447)
Total	2,860,818	2,709,119
Total operating income	28,860,697	10,816,927
Miscellaneous revenues (expenses):		
Interest income	497,837	372,306
Other	-	-
Total	497,837	372,306
Income before operating transfers	29,358,534	11,189,233
Operating transfers out:		
PSP enforcement - Note 3	(2,171,808)	(3,114,228)
<b>Net income from operations</b>	<b>27,186,726</b>	<b>8,075,005</b>
Statutory Transfers:		
General fund - Note 3	-	-
Drug and alcohol programs - Note 3	(3,820,820)	(2,500,000)
Total	(3,820,820)	(2,500,000)
Change in net position	23,365,906	5,575,005
Total net position - beginning, 2017-18 restated - Note 9	(1,128,552,602)	(1,112,881,904)
Total net position - ending	<u>\$ (1,105,186,696)</u>	<u>\$ (1,107,306,899)</u>

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

FINANCIAL STATEMENTS

**Commonwealth of Pennsylvania**  
**Pennsylvania Liquor Control Board**  
**State Stores Fund**  
**Comparative Statement of Cash Flows**  
**For the Twelve Months Ending June 30, 2019 and June 30, 2018**  
**(Unaudited)**

	FY18	FY17
Cash flows from operating activities:		
Receipts from customers	\$ 2,168,595,106	\$ 2,117,436,965
Payments to suppliers	(1,926,052,781)	(1,868,358,441)
Net cash provided by operating activities	242,542,325	249,078,524
Cash flows from noncapital financing activities:		
PSP expenses	(31,256,748)	(30,527,781)
General fund transfer	(185,100,000)	(185,100,000)
DDAP transfer	(2,500,000)	(4,774,604)
Net cash used for noncapital financing activities	(218,856,748)	(220,402,385)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(9,262,314)	(2,862,046)
Proceeds from capital assets	1,500	33,110
Net cash used for capital and related financing activities	(9,260,814)	(2,828,936)
Cash flows from investing activities:		
Purchase of investments	(1,552,907,890)	(1,471,190,886)
Proceeds from sale and maturities of investments	1,530,704,574	1,456,517,289
Investment income	5,865,843	2,998,479
Net cash provided by (used for) investing activities	(16,337,473)	(11,675,118)
Net increase / (decrease) in cash	(1,912,710)	14,172,086
Cash - July 1	54,183,489	40,011,403
Cash - June 30	<u>\$ 52,270,779</u>	<u>\$ 54,183,489</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income	\$ 217,138,170	\$ 185,758,539
Depreciation	8,162,550	9,977,320
Change in assets and liabilities		
Accounts receivable	(4,588,849)	1,387,500
Inventory	14,046,032	(3,549,469)
Due from other funds	828,883	(830,974)
Other operating net assets	(450,284)	3,010,238
Deferred outflows - pension related	(71,797,831)	43,387,973
Accounts payable and accrued liabilities	8,620,505	15,529,239
Due to other funds	35,678	(492,130)
Due to pension trust funds	86,134	280,446
Net pension liability	89,613,863	(36,766,017)
Due to other governments	32,864	23,606
Other post-employment benefit obligations	(189,400,000)	(65,494,000)
Self-insurance liabilities	(1,551,415)	6,590,074
Compensated Absences	788,148	1,905,196
Deferred inflows - pension related	170,977,877	88,360,983
Total adjustments	25,404,155	63,319,985
Net cash provided by operating activities:	<u>\$ 242,542,325</u>	<u>\$ 249,078,524</u>

Noncash investing, capital and financing activities:

A \$3,820,820 Department of Drugs and Alcohol (DDAP) liability was accrued in June 2019 for the FY 18-19 statutory obligation.

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



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
STATE STORES AND LIQUOR LICENSE FUNDS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019

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 records a provision for obsolete inventory. Stock merchandise may be classified as unsalable for any condition which, at the discretion of management, makes the merchandise unfit for sale. Unsalable does not include loss attributable to theft, burglary, or water and fire damage. 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 \$156,873 as of June 30, 2019 and \$227,000 as of June 30, 2018.

PLCB also established an allowance for inventory shrinkage beginning fiscal year end June 30, 2019. This reserve is based primarily on a sample of actual shrink results from previous physical inventories. Changes in the estimated shrink reserve may be necessary based on the results of physical inventories. The allowance for inventory shrinkage was \$2.9M as of June 30, 2019.

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, 2018 to June 30, 2019 are as follows:

Liquor Tax	\$381,876,154
State Sales Tax	150,194,900
Local Sales Tax	<u>9,679,746</u>
Total	\$541,750,800

## 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	\$ 5,596,189
Auditor General Services	3,018,729
Treasury Department Services	167,885
Civil Service Commission Services	1,073,991
Payroll Operations Services	349,057
<b>OA Office</b>	
HR Shared Services	682,444
Strategic Services/SEAP	196,486
IES -Contracted Main Services	1,938,593
OA Telecommunication Charges	109,354
Commonwealth User Provisioning and Self-Service	51,870
<b>Dept of General Services</b>	
Real Estate & Shared Services Accrual	1,031,657
Employee Self & Tort Insurance	69,927
Capital Complex Services	291,174
	<u><u>\$ 14,577,356</u></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 established a \$3.82M liability for the amount due to DDAP for the FYE June 30, 2019 to be transferred in FYE June 30, 2020.

## 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](http://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 2018-19 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 \$52.3M and \$52.4M for the years ended June 30, 2019 and 2018, 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, 2019 and June 30, 2018, the PLCB recognized pension expense of \$76.7M and \$72.9M, respectively, as follows:

	FYE June 30, 2019	FYE June 30, 2018
A. Employer Contributions	52,306,397	52,426,567
B. Change in Net Pension Liability	89,613,863	(36,766,016)
C. Total Change in Deferred Outflows		
Contributions Subsequent to Measurement Date	138,538	3,967,182
Difference between Projected and Actual Investment Earnings	51,594,221	(40,124,293)
Change in Proportion	(433,967)	786,984
Difference Between Employer Contributions and Proportionate Share	3,779	57,319
Difference between Expected and Actual Experience	506,903	559,144
Difference in Change in Assumptions	(7,934,642)	(7,100,309)
Total Change in Deferred Outflows	43,874,831	(41,853,973)
D. Total Change in Deferred Inflows		
Change in Proportion	(1,225,873)	155,645
Difference Between Employer Contributions and Proportionate Share	(3,001)	51,147
Difference between Expected and Actual Experience	(2,621,150)	(2,314,909)
Difference between Projected and Actual Investment Earnings	(17,521,100)	17,521,100
Total Change in Deferred Inflows	(21,371,123)	15,412,983
<b>Total Pension Expense (A+B-C+D)</b>	<b>76,674,306</b>	<b>72,927,507</b>

## 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 \$300 for the fiscal year ending June 30, 2019, 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 PLCBs 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, 2019, the net OPEB liability, total OPEB deferred outflows of resources, and total OPEB deferred inflows of resources totaled \$604.0M; \$52.5M; and \$265.3M, respectively.

For the years ended June 30, 2019 and June 30, 2018, the PLCB recognized OPEB expense of \$30,578 and \$29,067,673, respectively, as follows:

	FYE June 30, 2019	FYE June 30, 2018
A. Employer Contributions	25,004,578	20,079,673
B. Change in Net OPEB Liability	(189,400,000)	(65,494,000)
C. Total Change in Deferred Outflows		
Contributions Subsequent to Measurement Date	(1,247,000)	(1,534,000)
Change in Allocation and Differences between Employer Contributions and Allocated Share	29,170,000	-
Total Change in Deferred Outflows	27,923,000	(1,534,000)
D. Total Change in Deferred Inflows		
Change of Assumptions	7,111,000	72,285,000
Differences between expected and actual experience	184,978,000	-
Difference Between Projected and Actual Investment Earnings	260,000	663,000
Total Change in Deferred Inflows	192,349,000	72,948,000
<b>Total OPEB Expense (A+B-C+D)</b>	<b>30,578</b>	<b>29,067,673</b>

## 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 \$54.0M as of June 30, 2019 and \$55.6M as of June 30, 2018.

## 7. LITIGATION

The PLCB is a defendant in various legal proceedings pertaining to matters normally incidental to routine operations. The probability of an adverse decision and/or damage assessment for all other litigation matters is indeterminate.

## 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, 2019, were as follows (expressed in thousands):

<u>Year Ending June</u>	<u>Real Estate</u>
2020	\$57,158
2021	50,046
2022	45,331
2023	40,647
2024	<u>34,735</u>
Total Minimum Lease Payments	<u>\$227,917</u>

Rental expense for all operating leases for the period ending June 30, 2019, amounted to \$56.3M.

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

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

**State Stores Fund**  
**Comparative Operating Statement**  
**For the Twelve Months Ending June 30, 2019 and June 30, 2018**

	<u>2018-19</u>	<u>2017-18</u>
SALES NET OF TAXES	\$ 2,126,927,971.00	\$ 2,066,562,033.67
LESS: COST OF SALES	1,451,772,606.87	1,408,532,024.33
GROSS INCOME FROM SALES	675,155,364.13	658,030,009.34
LESS: <u>OPERATING EXPENSES</u>		
Salaries	139,024,521.16	134,853,803.55
Overtime	4,831,124.94	4,641,776.39
Shift Differential Pay	717,220.61	805,613.40
Higher Classification Pay	680,789.19	629,373.45
Wages	35,737,965.83	35,064,237.95
Negotiated Office and Subsistence Payments	27,500.00	28,270.00
Wages - Shift Differential	56,341.19	100,583.67
Wages - Higher Class Pay	374,392.06	369,426.98
Employees' Health Benefits - State Share	40,925,386.26	40,025,262.00
Employees' Health & Welfare Fund - State Share	144,405.57	169,468.04
OPEB Employer Contributions	25,004,577.84	20,079,672.95
OPEB Other Components	(24,974,000.00)	8,988,000.00
Social Security Contributions - State Share	13,626,183.93	13,261,073.38
Pension Employer Contributions	52,306,396.97	52,426,567.37
Pension Other Components	24,367,908.88	20,500,939.39
Workers' Compensation Employer Contributions	6,074,970.74	7,546,831.78
Workers' Compensation Other Components	(1,551,415.63)	6,590,074.95
Employees' Group Life Insurance - State Share	295,647.43	293,542.39
Out-Service Training	104,452.54	39,639.40
Unemployment Compensation - State Share	336,326.42	416,148.96
General Pay Increase - Cash Payment	893,991.00	952,170.37
Sick Leave Payout	24,030.14	(11,977.72)
Conference Registrations	23,072.00	17,672.00
In-Service Training	4,155.00	2,550.00
Management Performance Rewards	-	-
Annual Leave Payout	950,182.95	1,138,942.60
Stipend for Active Duty Military Reservist	65,520.99	(29,621.72)
Litigation/Arbitration Payouts	375.00	-
Employer Leave Payout Assessment	3,129,145.85	3,025,116.39
ER QTB Admin Fee	-	-
Comptroller Operations Services	5,596,189.43	5,925,372.26
Drug and Alcohol Program Expenses	-	-
Auditor General Services	3,018,729.15	3,067,415.88
Civil Service Commission Services	1,073,991.23	1,052,278.26
Contract Personnel Services	-	-
Contracted Repairs	214,834.41	430,715.50
HR Shares Services	682,443.75	307,583.32
Purchasing Services	1,031,657.35	954,129.05
Specialized Services	549,548.84	523,154.39
OA Temporary Clerical Pool Charges	18,624.37	24,663.55
Payroll Services - Commonwealth Provided	349,056.56	300,405.88
Liquor Storage and Handling	727,469.08	800,802.04
Liquor Reconditioning	286,836.76	384,769.17

	<u>2018-19</u>	<u>2017-18</u>
Professional Fees	9,586.87	48,018.04
Bank Service Charges	821,535.43	1,024,317.57
Armored Collection Service	385,320.27	401,015.81
Counterfeits	11,350.00	19,221.00
Uncollectible Claims [Allowance]	-	-
Security Guard Service	3,411,400.35	3,137,747.52
Credit/Debit Card Services	33,563,104.25	30,808,406.72
Public Relations	114,037.96	41,237.08
Treasury Department Services	167,884.70	167,529.84
Legal Fees	321,028.53	1,294,132.68
Clinic Services, Medical, Mental, and Dental	-	-
Conference Expenses	34,848.76	26,610.63
Printing Purchased Outside	234,743.60	190,455.39
Advertising	10,589,327.78	9,097,830.16
Telecommunications Toll Free Inbound Services	-	-
Interest/Utility Late Charge Penalties	4,345.76	2,922.75
Postage	123,063.07	117,291.19
Postage Metered	62,500.14	96,568.86
Freight - Liquor Into Warehouses	1,475.30	12,903.44
Freight - LDP Shipments	-	-
Freight - Miscellaneous	318,032.61	201,648.42
Freight Upcharge	-	-
Telecommunications Recurring Fixed Charges	3,681,432.43	2,960,725.39
Telecomm. Recurring Fixed Charges - Credit Card Line	-	-
Telecommunications Usage Charges	207,532.94	225,935.22
Telecommunications Usage Charges - Credit Card Line	-	-
Telecommunications Nonrecurring Charges	43,843.33	50,076.46
Telecom-Voice-Services	435,961.80	404,413.74
Telecomm. Nonrecurring Charges - Credit Card Line	-	-
Travel	618,826.57	552,615.08
Telecommunications Purchasing Fund Reimbursement	-	-
Water and Sewage	325,687.53	284,364.95
Electricity	4,634,480.82	4,600,172.68
Heating Fuel	1,298,014.89	1,250,288.91
Consultant Services - EDP/Non-EDP	7,342,678.69	7,407,929.53
Purchasing Card Purchases	-	-
EDP Contractual Services - Vendor Provided	6,245,297.79	5,519,253.85
EDP Equipment Rental - Data Circuits and Modems	-	-
EDP Software - Vendor Provided	-	-
Hardware Maintenance	1,126,094.12	1,469,040.44
Subscriptions	120,686.10	102,730.90
Membership Dues	3,266.46	300.00
Insurance, Surety and Fidelity Bonds	85,913.78	178,999.34
Motorized Equipment Supplies	-	-
Gasoline	330,548.47	301,970.89
Motorized Equipment Supplies - Miscellaneous	237,475.70	277,856.83
Motorized Equipment Repairs	156,532.87	112,292.31
Contracted Maint. Services - Data Processing	1,938,592.90	1,775,367.42
Contracted Maint. Services - Telephone Equip.	-	-
Contracted Maint. Services - Bldgs & Grounds	623,378.15	554,601.15
Contracted Maint. Services - Office Equipment	4,093.72	(4,014.80)
Contracted Maint. Services - Other	2,499,973.58	2,147,303.68
Rent of Real Estate	327,006.23	292,339.13
Store Rent	54,580,925.46	51,676,905.58
District Office Rent	1,384,125.34	1,376,416.44



	<u>2018-19</u>	<u>2017-18</u>
Real Estate Taxes on Leased Property	1,622,072.63	1,142,329.30
Motorized Equipment Rentals	535,730.98	512,101.96
Other Equipment Rentals	42,573.30	17,960.55
Price Variance - Non-Merchandise	-	-
Medical Supplies Issued from Inventory	-	128.25
Wearing Apparel	38,269.50	45,451.88
Food	103,227.63	106,501.19
Housekeeping Supplies Issued from Inventory	3,121,189.94	3,079,341.47
Housekeeping Supplies	155,814.36	354,803.18
Printed Forms	-	-
Inside Duplicating	-	-
Office Supplies Issued from Inventory	-	-
Office Supplies	1,773,122.78	1,808,168.94
EDP Software	10,071.10	110,434.18
Other IT Equipment	1,054,024.09	982,384.62
Educational Supplies	-	-
Agricultural Services	-	-
Agricultural Supplies	-	-
Recreational Supplies and Services	-	-
Maintenance Supplies Issued from Inventory	-	-
Maintenance Supplies	1,814,534.87	1,505,171.77
Marketing Promotion Expenses	7,670.00	-
Store Water/Fire Damage	222,914.24	113,996.65
Over/Short Store Expense Account	136,500.19	89,474.17
Store Breakage Expenses	552,772.70	574,126.17
Transfers-Lab or Wine Tasting	544,040.44	504,694.04
Lottery Cash Over/Short Expense	9,712.65	28,706.00
Lottery Till Replenishment Expense	3,864.61	4,706.87
Other Inventory Adjustments	2,858,708.45	1,624,712.20
Other Services and Supplies	391,251.15	575,916.98
Grants and Payments to Individuals	-	-
State Pmts. to Inst. of Higher Ed. - State Owned	70,226.13	11,891.00
State Payments to Governmental Subrecipients	433,669.93	342,414.95
State Payments to Non-State Institutions of Higher Ed. and Non-Profits	475,844.69	297,609.44
State Payments to Wine Marketing and Research Board	1,453,623.62	834,573.25
State Payments to Malt and Brewed Beverage Industry Board	1,024,009.19	1,000,000.00
Amortization of Leasehold Improvements	38,460.95	65,249.96
Amortization of Computer Software-Internally Generated	4,022,001.61	4,416,756.56
Depreciation of Equipment & Machinery	1,746,847.31	1,543,801.35
Depreciation of Buildings	873,523.30	803,489.45
Depreciation-Computers and Peripherals	1,481,717.25	3,148,022.79
Bad Debt Expense - Misc Receivables	(68,542.28)	1,042,766.62
 TOTAL OPERATING EXPENSES	 501,725,952.15	 522,589,875.18
 MERCHANDISING INCOME	 \$ 173,429,411.98	 \$ 135,440,134.16

	<u>2018-19</u>	<u>2017-18</u>
ADD: <u>OTHER INCOME</u>		
Miscellaneous	715,947.29	1,065,916.05
Lottery Gross Commission Proceeds	1,260,784.18	866,140.03
Misc Rev - Bailment Penalties	705,660.45	505,097.75
Interest	5,865,842.82	2,998,479.22
Licensing:		-
License Auction Proceeds	6,963,075.00	16,322,225.00
E to R License Conversion Fees	31,300.00	-
Direct Wine Shipper Fees	25,795.00	196,360.00
Wine Expanded Permit (WEP) Application Fees	642,000.00	554,000.00
Wine Expanded Permit (WEP) Renewal Fees	2,582,948.43	1,699,252.35
Surcharge Fees	12,119,100.00	12,173,000.00
Application Fees	5,927,933.73	4,998,591.50
Transfer Fees	-	-
Permit Fees	8,451,748.00	8,497,696.75
Entertainment Fees	-	-
Administrative Fees	1,730,298.84	1,936,589.62
Liquor License Fund Fees	4,478,115.00	4,632,122.50
LESS: Liquor License Fund Fees Returnable to Municipalities	(4,478,115.00)	(4,632,122.50)
 TOTAL OTHER INCOME	 47,022,433.74	 51,813,348.27
 NET INCOME BEFORE PSP ENFORCEMENT	 220,451,845.72	 187,253,482.43
 PSP ENFORCEMENT:		
Income	1,845,926.00	1,522,286.65
LESS: Expenses	31,256,748.98	30,527,780.75
Net PSP Enforcement	(29,410,822.98)	(29,005,494.10)
 NET INCOME	 \$ 191,041,022.74	 \$ 158,247,988.33

**State Stores Fund**  
**Comparative Operating Statement**  
**For the Month Ending June 30, 2019 and June 30, 2018**

	<u>2018-19</u>	<u>2017-18</u>
SALES NET OF TAXES	\$ 169,251,669.23	\$ 173,385,808.35
LESS: COST OF SALES	119,163,019.90	118,468,024.84
GROSS INCOME FROM SALES	50,088,649.33	54,917,783.51
LESS: <u>OPERATING EXPENSES</u>		
Salaries	11,286,921.55	11,162,063.26
Overtime	372,054.49	360,951.08
Shift Differential Pay	54,518.86	58,750.21
Higher Classification Pay	54,361.45	49,161.11
Wages	3,110,588.01	3,117,169.38
Negotiated Office and Subsistence Payments	2,475.00	4,620.00
Wages - Shift Differential	4,033.03	5,586.40
Wages - Higher Class Pay	34,375.52	37,331.33
Employees' Health Benefits - State Share	3,314,212.22	3,282,284.72
Employees' Health & Welfare Fund - State Share	12,231.83	26,885.22
OPEB Employer Contributions	1,993,915.09	1,271,636.47
OPEB Other Components	(24,974,000.00)	8,988,000.00
Social Security Contributions - State Share	1,117,792.61	1,110,315.98
Pension Employer Contributions	4,116,315.89	4,205,904.94
Pension Other Components	13,257,908.88	(5,129,060.61)
Workers' Compensation Employer Contributions	502,848.29	631,421.51
Workers' Compensation Other Components	(7,051,415.63)	1,090,074.95
Employees' Group Life Insurance - State Share	24,082.98	24,191.35
Out-Service Training	4,515.00	7,881.65
Unemployment Compensation - State Share	105,888.24	124,491.38
General Pay Increase - Cash Payment	(431.00)	893.00
Sick Leave Payout	19,658.41	27,338.35
Conference Registrations	-	1,895.00
In-Service Training	-	-
Management Performance Rewards	-	-
Annual Leave Payout	977,867.28	1,157,553.70
Stipend for Active Duty Military Reservist	951.16	3,368.59
Litigation/Arbitration Payouts	-	-
Employer Leave Payout Assessment	252,701.91	248,697.88
ER QTB Admin Fee	-	-
Comptroller Operations Services	1,039,906.75	1,294,605.70
Drug and Alcohol Program Expenses	-	-
Auditor General Services	265,751.00	187,195.00
Civil Service Commission Services	87,960.28	83,823.25
Contract Personnel Services	-	-
Contracted Repairs	7,413.35	8,310.78
HR Shares Services	56,869.75	30,335.77
Purchasing Services	97,363.54	112,910.64
Specialized Services	136,198.33	69,204.23
OA Temporary Clerical Pool Charges	6,443.22	-
Payroll Services - Commonwealth Provided	37,194.14	16,777.47
Liquor Storage and Handling	124,887.42	(432,968.41)
Liquor Reconditioning	66,350.31	34,998.85

	<u>2018-19</u>	<u>2017-18</u>
Professional Fees	766.24	15,320.49
Bank Service Charges	52,431.74	76,354.15
Armored Collection Service	29,518.12	33,837.88
Counterfeits	1,130.00	1,110.00
Uncollectible Claims [Allowance]	-	-
Security Guard Service	381,991.34	536,261.45
Credit/Debit Card Services	2,656,004.55	2,651,834.41
Public Relations	-	-
Treasury Department Services	13,280.00	13,280.00
Legal Fees	40,558.43	729,422.17
Clinic Services, Medical, Mental, and Dental	-	-
Conference Expenses	24,079.27	150.00
Printing Purchased Outside	6,804.82	9,607.26
Advertising	778,953.71	60,034.77
Telecommunications Toll Free Inbound Services	-	-
Interest/Utility Late Charge Penalties	167.47	225.44
Postage	11,775.23	12,156.09
Postage Metered	-	7,261.30
Freight - Liquor Into Warehouses	226.60	575.00
Freight - LDP Shipments	-	-
Freight - Miscellaneous	21,613.27	16,276.27
Freight Upcharge	-	-
Telecommunications Recurring Fixed Charges	307,584.30	244,272.19
Telecomm. Recurring Fixed Charges - Credit Card Line	-	-
Telecommunications Usage Charges	6,358.00	19,851.16
Telecommunications Usage Charges - Credit Card Line	-	-
Telecommunications Nonrecurring Charges	4,258.06	4,596.34
Telecom-Voice-Services	35,476.68	70,453.45
Telecomm. Nonrecurring Charges - Credit Card Line	-	-
Travel	60,368.46	75,148.55
Telecommunications Purchasing Fund Reimbursement	-	-
Water and Sewage	20,153.33	17,223.99
Electricity	531,015.55	442,235.39
Heating Fuel	28,176.14	23,342.13
Consultant Services - EDP/Non-EDP	(153,920.59)	1,258,315.87
Purchasing Card Purchases	-	-
EDP Contractual Services - Vendor Provided	1,202,373.00	210,986.40
EDP Equipment Rental - Data Circuits and Modems	-	-
EDP Software - Vendor Provided	-	-
Hardware Maintenance	103,777.35	167,326.50
Subscriptions	6,590.00	5,758.00
Membership Dues	925.00	-
Insurance, Surety and Fidelity Bonds	5,613.79	8,139.89
Motorized Equipment Supplies	-	-
Gasoline	30,646.62	31,631.18
Motorized Equipment Supplies - Miscellaneous	17,422.65	30,468.29
Motorized Equipment Repairs	40,403.99	12,722.24
Contracted Maint. Services - Data Processing	229,561.45	176,123.86
Contracted Maint. Services - Telephone Equip.	-	-
Contracted Maint. Services - Bldgs & Grounds	73,045.32	48,970.41
Contracted Maint. Services - Office Equipment	-	-
Contracted Maint. Services - Other	(42,475.29)	(9,380.76)
Rent of Real Estate	26,559.00	26,802.00
Store Rent	5,218,846.07	4,503,468.19
District Office Rent	115,862.33	115,862.33

	<u>2018-19</u>	<u>2017-18</u>
Real Estate Taxes on Leased Property	34,783.00	6,380.07
Motorized Equipment Rentals	49,199.79	42,170.37
Other Equipment Rentals	1,723.82	1,040.56
Price Variance - Non-Merchandise	-	-
Medical Supplies Issued from Inventory	-	-
Wearing Apparel	4,515.00	11,000.00
Food	9,724.23	9,466.16
Housekeeping Supplies Issued from Inventory	228,053.98	245,364.59
Housekeeping Supplies	9,431.03	13,421.89
Printed Forms	-	-
Inside Duplicating	-	-
Office Supplies Issued from Inventory	-	-
Office Supplies	173,785.48	162,510.88
EDP Software	-	737.98
Other IT Equipment	(187,153.36)	(59,376.17)
Educational Supplies	-	-
Agricultural Services	-	-
Agricultural Supplies	-	-
Recreational Supplies and Services	-	-
Maintenance Supplies Issued from Inventory	-	-
Maintenance Supplies	215,003.05	117,559.89
Marketing Promotion Expenses	-	-
Store Water/Fire Damage	2,110.54	324.31
Over/Short Store Expense Account	(2,032.73)	(38,831.40)
Store Breakage Expenses	44,074.48	46,901.91
Transfers-Lab or Wine Tasting	52,044.72	41,722.89
Lottery Cash Over/Short Expense	14,241.29	30,296.44
Lottery Till Replenishment Expense	1,871.50	148,911.21
Other Inventory Adjustments	1,129,782.53	194,384.49
Other Services and Supplies	37,680.41	70,558.88
Grants and Payments to Individuals	-	-
State Pmts. to Inst. of Higher Ed. - State Owned	3,490.83	-
State Payments to Governmental Subrecipients	8,651.14	54,376.10
State Payments to Non-State Institutions of Higher Ed. and Non-Profits	23,802.60	31,523.80
State Payments to Wine Marketing and Research Board	32,736.88	2,573.10
State Payments to Malt and Brewed Beverage Industry Board	92,491.05	83,700.00
Amortization of Leasehold Improvements	3,205.07	5,584.82
Amortization of Computer Software-Internally Generated	336,919.91	308,628.17
Depreciation of Equipment & Machinery	153,718.28	136,339.15
Depreciation of Buildings	72,667.53	72,131.13
Depreciation-Computers and Peripherals	82,903.60	246,293.82
Bad Debt Expense - Misc Receivables	(725,000.00)	126,102.49
<b>TOTAL OPERATING EXPENSES</b>	<b>24,313,056.81</b>	<b>47,034,421.94</b>
<b>MERCHANDISING INCOME</b>	<b>\$ 25,775,592.52</b>	<b>\$ 7,883,361.57</b>



	<u>2018-19</u>	<u>2017-18</u>
ADD: <u>OTHER INCOME</u>		
Miscellaneous	(32,065.87)	(576,653.59)
Lottery Gross Commission Proceeds	159,878.68	69,289.93
Misc Rev - Bailment Penalties	6,604.00	31,128.00
Interest	497,836.57	372,305.53
Licensing:		-
License Auction Proceeds	591,150.00	1,037,696.00
E to R License Conversion Fees	-	-
Direct Wine Shipper Fees	1,000.00	500.00
Wine Expanded Permit (WEP) Application Fees	54,000.00	40,000.00
Wine Expanded Permit (WEP) Renewal Fees	90,927.65	125,551.87
Surcharge Fees	903,700.00	948,800.00
Application Fees	377,250.00	400,560.00
Transfer Fees	-	-
Permit Fees	582,155.00	561,758.75
Entertainment Fees	-	-
Administrative Fees	185,350.00	152,050.00
Liquor License Fund Fees	304,975.00	338,563.76
LESS: Liquor License Fund Fees Returnable to Municipalities	(304,975.00)	(338,563.76)
TOTAL OTHER INCOME	<u>3,417,786.03</u>	<u>3,162,986.49</u>
NET INCOME BEFORE PSP ENFORCEMENT	<u>29,193,378.55</u>	<u>11,046,348.06</u>
PSP ENFORCEMENT:		
Income	165,155.50	142,885.00
LESS: Expenses	<u>2,171,808.62</u>	<u>3,114,228.08</u>
Net PSP Enforcement	<u>(2,006,653.12)</u>	<u>(2,971,343.08)</u>
NET INCOME	<u>\$ 27,186,725.43</u>	<u>\$ 8,075,004.98</u>

## STORES RANKED BY TOTAL DOLLAR SALES FY 2018–19

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
1	5103*	2238 Washington Ave.	Philadelphia	19146	31,741	\$1,369.97	\$43,484,196
2	0940*	855B Pennsylvania Blvd.	Feasterville	19053	18,478	\$1,383.84	\$25,570,636
3	0215*	1601 Liberty Ave.	Pittsburgh	15222	16,575	\$1,372.36	\$22,746,867
4	0247†**	5956 Centre Ave., Ste. 201	Pittsburgh	15206	383,098	\$54.69	\$20,953,153
5	2301*	Lawrence Park Industrial Ctr., 629 Parkway Dr.	Broomall	19008	11,271	\$1,736.85	\$19,576,088
6	1532*	100 Willowbrook Ln., Ste. 108	West Chester	19382	15,799	\$1,162.29	\$18,362,956
7	0934†**	132 Veterans Ln., Bldg. C	Doylestown	18901	281,806	\$53.37	\$15,040,445
8	5185†**	180 W. Girard Ave.	Philadelphia	19123	336,197	\$43.90	\$14,760,442
9	4646†**	Ardmore Shopping Ctr., 62 Greenfield Ave.	Ardmore	19003	208,109	\$66.87	\$13,917,130
10	4624†**	125 W. Dekalb Pike	King of Prussia	19406	257,333	\$53.96	\$13,885,023
11	0621†	Berkshire West, 1101 Woodland Rd.	Wyomissing	19610	262,148	\$52.57	\$13,781,632
12	0214†	The Waterworks, 974 Freeport Rd.	Pittsburgh	15238	243,153	\$56.32	\$13,694,429
13	5154†**	1112 Chestnut St., #28	Philadelphia	19107	343,305	\$39.74	\$13,641,677
14	9211†	Village Sq., 5000 Oxford Dr., Ste. 100	Bethel Park	15102	250,472	\$54.00	\$13,525,636
15	1007†**	Cranberry Mall, 20111 Rte. 19, Rm. #302A	Cranberry Twp.	16066	243,399	\$55.21	\$13,438,317
16	4623†**	1440 Bethlehem Pike	Flourtown	19031	228,991	\$57.42	\$13,149,461
17	3616*	1190 Dillerville Rd.	Lancaster	17601	13,960	\$868.11	\$12,118,861
18	6316	Washington Mall, 301 Oak Spring Rd.	Washington	15301	202,409	\$59.41	\$12,025,632
19	9208†**	125 Towne Centre Dr., Ste. 500	Wexford	15090	210,569	\$57.06	\$12,016,020
20	0943†**	212 S. State St.	Newtown	18940	225,373	\$52.83	\$11,906,950
21	9101†**	2040 Market St.	Philadelphia	19103	344,647	\$34.30	\$11,821,734
22	0231†	Robinson Town Ctr., 1850 Park Manor Blvd.	Pittsburgh	15205	240,881	\$47.35	\$11,405,278
23	5104†**	Columbus Cmns., 1940 S. Christopher Columbus Blvd.	Philadelphia	19148	224,872	\$50.53	\$11,363,631
24	4628†	Whitemarsh Shopping Ctr., 44 Ridge Pike	Conshohocken	19428	273,650	\$41.40	\$11,327,925
25	2102†**	West Shore Plz., 1200 Market St.	Lemoyne	17043	243,118	\$44.81	\$10,893,188
26	6717†**	York Marketplace, 2547 E. Market St.	York	17402	258,410	\$41.79	\$10,798,598
27	4817*	3084 Emrick Blvd.	Bethlehem	18020	10,337	\$1,019.72	\$10,540,863
28	0222*	98 Vanadium Rd., Bldg. D	Bridgeville	15017	7,956	\$1,310.25	\$10,424,330
29	1405†	1682 N. Atherton St.	State College	16803	214,710	\$47.51	\$10,201,894
30	3516†	222 Northern Blvd., Ste. C	Clarks Summit	18411	184,928	\$54.18	\$10,020,214
31	3901†	Crest Plz., 1516 N. Cedar Crest Blvd.	Allentown	18104	188,456	\$51.79	\$9,760,310
32	3627†**	Shoppes at Belmont, 1565 Fruitville Pike	Lancaster	17601	236,814	\$41.00	\$9,710,259
33	2210†	5070 Jonestown Rd.	Harrisburg	17112	230,033	\$41.81	\$9,618,407
34	0260†	1955 Wharton St.	Pittsburgh	15203	237,696	\$40.07	\$9,525,500
35	4613†**	935 Old York Rd.	Jenkintown	19046	213,473	\$43.91	\$9,373,963
36	0920†	Quakertown Plz., 1465 W. Broad St., Ste. 19	Quakertown	18951	274,946	\$33.88	\$9,314,888
37	2211†**	1158 Mae St.	Hummelstown	17036	140,869	\$66.11	\$9,313,403
38	4641†**	1839 East Ridge Pike, Ste. 50	Royersford	19468	220,369	\$42.19	\$9,298,465
39	4814†	Northampton Crossings, 3718 Easton-Nazareth Hwy.	Easton	18045	215,366	\$42.63	\$9,181,232
40	2514†**	Yorktown Centre, 2501 W. 12th St.	Erie	16505	177,024	\$51.26	\$9,075,064
41	2310†	149 Baltimore Pike	Springfield	19064	300,352	\$29.83	\$8,960,529

\* Licensee Service Center \*\* Remodeled † Premium Collection

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
42	1516†	933 Paoli Pike	West Chester	19380	259,479	\$33.43	\$8,673,969
43	6315	Donaldson's Crossroads Shopping Ctr., 3929 Washington Rd.	McMurray	15317	196,338	\$43.60	\$8,560,996
44	4633†	Allen Forge, 850 S. Valley Forge Rd.	Lansdale	19446	223,778	\$38.25	\$8,560,408
45	0277†	8090 McIntyre Square Dr.	Pittsburgh	15237	212,163	\$40.32	\$8,555,356
46	9205†	1602 Cochran Rd.	Pittsburgh	15220	203,262	\$41.97	\$8,531,871
47	6716†**	West Manchester Town Ctr., 880 Town Center Dr.	York	17408	252,811	\$33.22	\$8,397,793
48	5161†**	1515 Locust St., #100	Philadelphia	19102	262,330	\$31.54	\$8,273,283
49	0284†**	Bill Green's Shopping Ctr., 10 Old Clairton Rd.	Pittsburgh	15236	210,846	\$37.83	\$7,976,191
50	4606†	Maple Glen Shopping Ctr., 1973 Norristown Rd.	Maple Glen	19002	162,122	\$49.15	\$7,967,640
51	6518†**	Norwin Hills Shopping Ctr., 8775 Norwin Ave., Ste. 36	Irwin	15642	206,068	\$38.20	\$7,870,880
52	6711†	Hanover Crossing, 431 Eisenhower Dr.	Hanover	17331	190,420	\$40.99	\$7,806,036
53	4648†**	160 Market St., #6	Collegeville	19426	154,435	\$50.24	\$7,758,239
54	1527†**	821 W. Lancaster Ave., Ste. 310	Wayne	19087	130,069	\$59.64	\$7,757,524
55	1514†**	161 E. Swedesford Rd.	Wayne	19087	184,399	\$41.99	\$7,742,520
56	4647**	237 Harleysville Pike, Rte. 113	Harleysville	19438	207,557	\$37.26	\$7,733,987
57	1528†**	Paoli Shopping Ctr., 17-19 Leopard Rd., Ste. D1 - D3	Paoli	19301	159,290	\$48.43	\$7,714,328
58	0912†**	Logan Sq., 6542-J Lower York Rd.	New Hope	18938	116,694	\$65.74	\$7,671,925
59	1501†**	132 Woodcutter St.	Exton	19341	166,945	\$45.50	\$7,595,293
60	2101†**	Carlisle Marketplace, 281 S. Spring Garden St.	Carlisle	17013	220,080	\$34.27	\$7,541,452
61	4502†	Pocono Village Mall, 3430 Rte. 940, Ste. 101	Mount Pocono	18344	239,144	\$31.33	\$7,491,228
62	3622†**	Shoppes at Kissel Vlg., 1036 Lititz Pike	Lititz	17543	192,121	\$38.86	\$7,466,593
63	3918†	Promenade Shops at Saucon Valley, 3060 Center Valley Pkwy., Ste. 835	Center Valley	18034	133,892	\$55.57	\$7,440,305
64	0227†**	3845 Northern Pike	Monroeville	15146	177,900	\$41.62	\$7,403,536
65	1404	Hamilton Square Shopping Ctr., 230 W. Hamilton Ave.	State College	16801	125,622	\$58.72	\$7,376,078
66	6517†	Westmoreland Mall, 5280 Rte. 30, Ste. 4	Greensburg	15601	148,252	\$49.69	\$7,366,076
67	5112†**	2550 Grant Ave., Ste. 130	Philadelphia	19114	222,775	\$32.50	\$7,240,432
68	4306**	Hermitage Towne Plz., 2321 E. State St.	Hermitage	16148	187,936	\$38.40	\$7,217,317
69	5133†**	401 Franklin Mills Cir.	Philadelphia	19154	243,879	\$29.55	\$7,206,557
70	3625†**	Centerville Sq., 558 Centerville Rd., Ste. D	Lancaster	17601	210,749	\$34.01	\$7,166,766
71	5174**	Baker's Centre, 3413 Fox St., Ste. 6A	Philadelphia	19129	267,584	\$26.58	\$7,113,500
72	0619**	Penn Plz., 3045 N. 5th Street Hwy., Unit 3, Ste. 2	Reading	19605	216,881	\$32.64	\$7,078,729
73	5146**	3903 Aramingo Ave., Ste. 102	Philadelphia	19137	240,770	\$29.13	\$7,013,388
74	1010	206 Seven Fields Blvd.	Seven Fields	16046	175,236	\$39.91	\$6,994,386
75	0245†**	330 E. Waterfront Dr.	Homestead	15120	198,691	\$35.04	\$6,962,168
76	0604**	4721 Perkiomen Ave.	Reading	19606	186,871	\$36.57	\$6,834,222
77	1530†**	Bradford Plz., 692 Downingtown Pike	West Chester	19380	195,716	\$34.83	\$6,816,566
78	2106†**	6560 Carlisle Pike, Ste. 250	Mechanicsburg	17050	173,410	\$39.22	\$6,801,802
79	2801†	Wayne Plz., 987 Wayne Ave.	Chambersburg	17201	188,536	\$35.97	\$6,781,312
80	0941**	532 S. Oxford Valley Rd.	Fairless Hills	19030	222,878	\$30.42	\$6,779,200
81	0286†**	Pines Plz., 1130 Perry Hwy., #20	Pittsburgh	15237	143,136	\$46.79	\$6,697,002

\*\* Remodeled † Premium Collection

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
82	0266†	521 Beaver St.	Sewickley	15143	111,502	\$59.96	\$6,685,303
83	2324**	MacDade Plz., 2143 MacDade Blvd.	Holmes	19043	237,690	\$27.94	\$6,640,210
84	6714†	Shrewsbury Commons Shopping Ctr., 802 Shrewsbury Commons Ave.	Shrewsbury	17361	153,686	\$43.09	\$6,622,737
85	2305†	315 W. Baltimore Ave.	Media	19063	170,995	\$38.45	\$6,574,808
86	5191**	2401 Vare Ave.	Philadelphia	19145	257,058	\$25.49	\$6,553,499
87	9118**	Ivyridge Shopping Ctr., 7146 Ridge Ave.	Philadelphia	19128	215,997	\$30.22	\$6,526,576
88	2334†**	Brandywine Mills, 1751 Wilmington Pike, Ste. B-6	Glen Mills	19342	128,638	\$50.57	\$6,504,926
89	5150**	4301 Chestnut St.	Philadelphia	19104	245,772	\$26.26	\$6,453,209
90	4614†**	119 West City Ave.	Bala Cynwyd	19004	197,347	\$32.68	\$6,448,739
91	2516	Liberty Plz., 3702 Liberty St.	Erie	16508	214,258	\$30.08	\$6,444,258
92	4110†**	Loyal Plz., 1939 E. 3rd St.	Williamsport	17701	163,207	\$39.45	\$6,438,263
93	3924†**	750 N. Krocks Rd., Ste. 302	Allentown	18106	147,895	\$43.37	\$6,413,904
94	4003†	2161 Memorial Hwy., Ste. 101	Dallas	18612	148,736	\$43.10	\$6,410,608
95	0929†**	4275 County Line Rd.	Chalfont	18914	176,711	\$36.14	\$6,386,007
96	2320**	1305 West Chester Pike, Ste. 44B	Havertown	19083	187,480	\$33.72	\$6,321,158
97	5119†**	724 South St.	Philadelphia	19147	178,646	\$35.17	\$6,282,905
98	0101†**	Peebles Plz., 1275 York Rd., Lot 12	Gettysburg	17325	144,353	\$43.47	\$6,275,542
99	4631†	Swede Sq., 2927 Swede Rd.	Norristown	19401	150,266	\$41.68	\$6,263,281
100	1525†	Lionville Shopping Ctr., 162 Eagleview Blvd.	Exton	19341	174,600	\$35.30	\$6,162,892
101	6705	Queensgate Towne Ctr., 2075 Springwood Rd., Unit 30	York	17403	186,870	\$32.92	\$6,151,524
102	0211**	354 North Towne Sq., 5600 Rte. 8	Gibsonia	15044	166,860	\$36.83	\$6,145,137
103	4632†**	Gwynedd Crossing, 1210 Bethlehem Pike, Ste. A2	North Wales	19454	143,886	\$42.52	\$6,117,350
104	2341†**	3735 West Chester Pike, Ste. 201	Newtown Square	19073	138,700	\$43.99	\$6,101,785
105	1903**	1005 Scott Town Ctr.	Bloomsburg	17815	163,824	\$37.02	\$6,065,113
106	0910**	Hilltown Plz., 766 Rte. 113, Store 4	Souderton	18964	182,357	\$33.11	\$6,037,005
107	5160	Hendrix Ctr., 11685 Bustleton Ave.	Philadelphia	19116	214,255	\$28.12	\$6,025,132
108	5201**	106 W. Harford St.	Milford	18337	163,539	\$36.74	\$6,007,783
109	6526†**	109 Blue Spruce Way	Murrysville	15668	130,429	\$45.95	\$5,993,755
110	4001	Wilkes-Barre Township Marketplace 2136 Wilkes-Barre Blvd.	Wilkes-Barre	18702	173,059	\$34.10	\$5,901,266
111	1506	Ashbridge Sq., 861 E. Lancaster Ave.	Downingtown	19335	157,956	\$37.36	\$5,900,521
112	1510**	Barley Station, 2715 E. Lincoln Hwy.	Coatesville	19320	219,253	\$26.87	\$5,891,535
113	2215	The Point Shopping Ctr., 4227 Union Deposit Rd.	Harrisburg	17111	202,549	\$28.99	\$5,872,673
114	5157**	1237 S. 11th St.	Philadelphia	19147	182,756	\$31.85	\$5,819,918
115	4501**	Pocono Plz., 414 Lincoln Ave.	East Stroudsburg	18301	208,693	\$27.82	\$5,805,197
116	4819†**	4817 Freemansburg Ave., Ste. 101	Easton	18045	164,557	\$35.09	\$5,773,804
117	4804	Stefko Ctr., 1844A Stefko Blvd.	Bethlehem	18017	193,446	\$29.62	\$5,730,437
118	0709†**	Pleasant Valley Shopping Ctr., 3415 Pleasant Valley Blvd., Ste. 82	Altoona	16602	158,986	\$36.04	\$5,729,157
119	4622**	404 Huntingdon Pike	Rockledge	19046	173,910	\$32.83	\$5,709,782
120	0932†	1115 N. Main St.	Warrington	18976	127,020	\$44.76	\$5,685,742
121	3925†**	2560 MacArthur Rd.	Whitehall	18052	159,425	\$35.57	\$5,670,104

\*\* Remodeled † Premium Collection

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
122	5134**	32 S. 2nd St.	Philadelphia	19106	131,508	\$42.89	\$5,640,264
123	3206†**	Townfair Plz., 475 Ben Franklin S., Ste. 5	Indiana	15701	162,568	\$34.53	\$5,612,808
124	2221*	990 Briarsdale Rd., Unit D	Harrisburg	17109	5,615	\$998.24	\$5,605,105
125	2501	Summit Towne Ctr., 7200 Peach St.	Erie	16509	132,835	\$42.04	\$5,584,800
126	4511**	Kinsley Plz., 107 Kinsley Dr., Ste. 104	Brodheadsville	18322	188,916	\$29.10	\$5,498,205
127	4639**	Gilbertsville Shopping Ctr., 1050 E. Philadelphia Ave.	Gilbertsville	19525	154,831	\$35.19	\$5,448,609
128	4636†	1 Station Cir.	Narberth	19072	127,016	\$42.82	\$5,439,297
129	5132	4229 N. Broad St.	Philadelphia	19140	271,471	\$19.92	\$5,406,606
130	6401†	74 Welwood Ave., Ste. 103	Hawley	18428	111,815	\$47.97	\$5,364,075
131	0298†**	Chartiers Valley Shopping Ctr., 1025 Washington Pike, Ste. #E40	Bridgeville	15017	141,122	\$37.93	\$5,352,690
132	3903	1918 W. Allen St.	Allentown	18104	200,281	\$26.55	\$5,318,240
133	0919**	2223 Galloway Rd.	Bensalem	19020	177,694	\$29.75	\$5,285,731
134	5169	1935 Fairmount Ave.	Philadelphia	19130	192,773	\$27.39	\$5,280,127
135	0267**	Moon Plz., 5990 University Blvd., Ste. 24	Coraopolis	15108	152,349	\$34.51	\$5,257,376
136	4608†	922 W. Lancaster Ave.	Bryn Mawr	19010	117,018	\$44.68	\$5,227,829
137	4635**	Regency Sq., 1029 N. Easton Rd.	Willow Grove	19090	161,771	\$32.30	\$5,224,502
138	2220†**	Blue Mountain Cmns., 2310 Linglestown Rd.	Harrisburg	17110	163,402	\$31.90	\$5,211,856
139	0915	3920 New Falls Rd.	Bristol	19007	202,931	\$25.62	\$5,199,347
140	3801**	102 N. 8th Ave.	Lebanon	17046	177,329	\$29.27	\$5,189,553
141	4626	2501 West Ridge Pike	Norristown	19403	172,508	\$30.07	\$5,187,031
142	4638**	123 S. Easton Rd.	Glenside	19038	160,274	\$32.29	\$5,175,366
143	5111**	3720 Main St.	Philadelphia	19127	158,613	\$32.62	\$5,174,011
144	5165	2118 Cottman Ave.	Philadelphia	19149	207,031	\$24.84	\$5,143,203
145	3915	Westgate Mall, 2289 Schoenersville Rd.	Bethlehem	18017	167,770	\$30.59	\$5,132,139
146	1507	New Garden Ctr., 350 Scarlett Rd., Ste. 1-3-5	Kennett Square	19348	113,150	\$45.31	\$5,127,285
147	4621†	Center Square Plz., 1301 Skippack Pike, Ste. 100	Blue Bell	19422	101,722	\$50.35	\$5,121,485
148	5135	5101 Lancaster Ave.	Philadelphia	19131	245,052	\$20.83	\$5,103,940
149	4652**	Upland Sq., 260 Upland Square Dr.	Pottstown	19464	158,383	\$32.14	\$5,089,803
150	1412†**	127 Southridge Plz.	State College	16801	124,357	\$40.91	\$5,087,452
151	0228**	Edgewood Towne Centre, 1749 S. Braddock Ave.	Pittsburgh	15218	197,689	\$25.72	\$5,083,759
152	0299**	Penn Hills Ctr., 11685 Penn Hills Dr.	Pittsburgh	15235	191,969	\$26.42	\$5,071,218
153	2115†**	3725 Capital City Mall Dr.	Camp Hill	17011	136,649	\$36.96	\$5,050,143
154	5121†**	Top of the Hill Plz., 8705 Germantown Ave.	Philadelphia	19118	126,922	\$39.53	\$5,017,248
155	0938**	Center Point Plz., 748 West Street Rd.	Warminster	18974	168,438	\$29.47	\$4,963,834
156	3922**	Lehigh Shopping Ctr., 2154 W Union Blvd.	Bethlehem	18018	163,205	\$30.35	\$4,953,642
157	3615	Bridgeport Shopping Ctr., 1622 Lincoln Hwy. E.	Lancaster	17602	181,433	\$27.23	\$4,941,107
158	5190**	7161 Ogontz Ave.	Philadelphia	19138	242,815	\$20.23	\$4,911,084
159	1003	608 Moraine Pointe Plz.	Butler	16001	148,225	\$32.88	\$4,873,500
160	0290**	Noble Manor Shopping Ctr., 2350 Noblestown Rd.	Pittsburgh	15205	169,108	\$28.65	\$4,844,633

\* Licensee Service Center \*\* Remodeled † Premium Collection



# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
161	6003†**	Penn House Cmns., 310 N. 10th St., Ste. 200	Lewisburg	17837	126,281	\$38.07	\$4,807,104
162	2306	209 W. Lancaster Ave.	Wayne	19087	107,556	\$44.38	\$4,773,479
163	5126**	The Shops at Brewerytown, 3101 W. Girard Ave., Unit B	Philadelphia	19130	195,397	\$24.38	\$4,764,071
164	5116**	101 E. Olney Ave.	Philadelphia	19120	214,779	\$22.11	\$4,748,182
165	6523**	1038 Latrobe 30 Plz., Ste. 311	Latrobe	15650	139,573	\$33.96	\$4,739,768
166	0928	The Shoppes at Flowers Mill, 118 N. Flowers Mill Rd.	Langhorne	19047	147,900	\$31.88	\$4,715,068
167	0939**	306 Easton Rd.	Warrington	18976	137,695	\$33.83	\$4,658,806
168	4642**	The Marketplace at Huntingdon Valley, 2080 County Line Rd.	Huntingdon Valley	19006	140,178	\$32.89	\$4,609,981
169	4508*	Jay Park Plz., Rte. 209, 288 Dartmouth Dr., PO Box 1378	Marshalls Creek	18335	3,057	\$1,505.19	\$4,601,374
170	3914	Mountainville Plz., 1620 S. 4th St.	Allentown	18103	171,313	\$26.77	\$4,585,588
171	0292	North Hills Village Mall, 4801 McKnight Rd., Rm. 9	Pittsburgh	15237	138,574	\$32.72	\$4,534,539
172	2332†	Lawrence Park, 1991 Sproul Rd., Spc. 37	Broomall	19008	147,994	\$30.57	\$4,524,665
173	4004*	1492 Hwy. 315, Ste. 1	Wilkes-Barre	18702	3,382	\$1,332.74	\$4,507,322
174	6404**	1199 Texas Palmyra Hwy., Ste. O	Honesdale	18431	126,625	\$35.56	\$4,502,253
175	3508**	70 Keystone Industrial Park Rd.	Dunmore	18512	148,041	\$30.37	\$4,496,582
176	5141**	4906-4908 Baltimore Ave.	Philadelphia	19143	224,780	\$20.00	\$4,494,896
177	4509	Tannersville Plz., 2838 Rte. 611, Ste. 107, Box 406	Tannersville	18372	151,819	\$29.45	\$4,471,227
178	0409	Chippewa Ctr., 2580 Constitution Blvd., Rms. 5 and 6	Beaver Falls	15010	134,733	\$33.11	\$4,461,533
179	4650^	East Greenville Business Ctr., 668 Gravel Pike, Ste. 500	East Greenville	18041	34,511	\$129.17	\$4,457,671
180	2302	128 S. 69th St.	Upper Darby	19082	217,721	\$20.46	\$4,453,859
181	5193**	Penrose Plz., 2900 Island Ave., Ste. 2910	Philadelphia	19153	199,474	\$22.21	\$4,429,534
182	0226**	132 Ben Avon Heights Rd.	Pittsburgh	15237	143,704	\$30.70	\$4,411,856
183	4627**	Hillcrest Shopping Ctr., 644 E. Main St.	Lansdale	19446	157,705	\$27.86	\$4,393,410
184	2327†	789 E. Lancaster Ave.	Villanova	19085	79,891	\$54.79	\$4,377,260
185	0914**	Lower Southampton Vlg., 162 E. Street Rd.	Feasterville	19053	134,873	\$32.44	\$4,375,861
186	0703**	202 Holidaysburg Plz.	Duncansville	16635	118,936	\$36.71	\$4,366,583
187	4607	132 E. Butler Ave.	Ambler	19002	124,953	\$34.77	\$4,345,048
188	0296**	5249 Library Rd.	Bethel Park	15102	145,028	\$29.95	\$4,342,894
189	0615	Douglassville Shopping Ctr., 180 Old Swede Rd., Ste. 6	Douglassville	19518	131,840	\$32.89	\$4,335,860
190	2610**	Fayette Plaza Shopping Ctr., 619 Pittsburgh Rd.	Uniontown	15401	102,792	\$42.17	\$4,335,193
191	1512	Lincoln Court, 215 Lancaster Ave.	Malvern	19355	130,132	\$33.21	\$4,322,097
192	0274**	Lebanon Shops, 300 Mt. Lebanon Blvd.	Pittsburgh	15234	140,227	\$30.59	\$4,290,103
193	6524	321 Tri-County Ln.	Belle Vernon	15012	155,612	\$27.55	\$4,287,143
194	6519**	Crossroads Plz., 2501 Leechburg Rd., Ste. F	Lower Burrell	15068	129,633	\$32.90	\$4,265,219
195	4611	Park Towne Plaza Shopping Ctr., 301 N. Lewis Rd., Ste. 170	Royersford	19468	156,319	\$27.02	\$4,224,377
196	0207†	One Oxford Centre, 320 Smithfield St.	Pittsburgh	15222	135,148	\$31.14	\$4,208,018
197	5173	Woodland Village Plz., 6036 Woodland Ave.	Philadelphia	19142	231,757	\$18.15	\$4,205,380
198	1523**	Shoppes at Dilworthtown Crossing, 1363 Dilworthtown Rd., Ste. B	West Chester	19382	99,192	\$42.02	\$4,167,732
199	2329**	Eddystone Crossings, 1562 Chester Pike, Unit D6	Eddystone	19022	171,364	\$24.31	\$4,165,163
200	1702†**	5720 Shaffer Rd.	Dubois	15801	117,736	\$35.09	\$4,131,528

\* Licensee Service Center \*\* Remodeled ^ E-Commerce Fulfillment Center † Premium Collection

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
201	5195	7702 City Ave.	Philadelphia	19151	171,550	\$24.00	\$4,117,752
202	4507	Blakeslee Plz., 248 Route 940, Ste. 109, PO Box 640	Blakeslee	18610	112,833	\$36.44	\$4,111,626
203	0249**	519 Towne Square Way	Pittsburgh	15227	148,688	\$27.65	\$4,110,487
204	4506	1060 N. 9th St.	Stroudsburg	18360	135,942	\$30.20	\$4,105,934
205	4637	Audubon Village Shopping Ctr., 2860 Audubon Villiage Dr.	Audubon	19403	120,687	\$33.88	\$4,088,940
206	3608**	Manor Shopping Ctr., 1234 Millersville Pike	Lancaster	17603	168,671	\$24.18	\$4,077,977
207	0607**	1772 Tilden Ridge Dr.	Hamburg	19526	113,302	\$35.81	\$4,056,992
208	2105**	Mechanicsburg Plz., 5301 Simpson Ferry Rd.	Mechanicsburg	17050	138,049	\$29.36	\$4,052,929
209	6709	The Crossroads, 351 Loucks Rd., Ste. F2	York	17404	130,757	\$30.97	\$4,048,988
210	0937	Oxford Oaks Shopping Ctr., 1601 Big Oak Rd.	Yardley	19067	138,345	\$29.21	\$4,040,768
211	0414	1476 Old Brodhead Rd.	Monaca	15061	114,646	\$35.17	\$4,032,050
212	3904**	3300 Lehigh St.	Allentown	18103	121,853	\$32.96	\$4,015,994
213	6720**	406 N. US 15	Dillsburg	17019	116,548	\$34.35	\$4,003,275
214	2339**	4934 Edgmont Ave.	Brookhaven	19015	155,372	\$25.64	\$3,983,660
215	2110**	Stonehedge Sq., 950 Walnut Bottom Rd.	Carlisle	17013	121,043	\$32.91	\$3,983,030
216	4629**	Fairway Shopping Ctr., Store A, 1825 Limekiln Pike, Ste. 1	Dresher	19025	136,403	\$29.10	\$3,969,730
217	4027**	Pittston Crossing, 320 Rte. 315 Hwy., Ste. 130	Pittston	18640	131,797	\$30.03	\$3,958,214
218	0272**	233 Shiloh St.	Pittsburgh	15211	108,331	\$36.48	\$3,951,488
219	2503**	Asbury Sq., 2421 Asbury Rd.	Erie	16506	129,232	\$30.29	\$3,914,920
220	5502**	244 Marketplace Blvd.	Selinsgrove	17870	106,852	\$36.60	\$3,911,065
221	4640	8156 Ogontz Ave.	Wyncote	19095	182,917	\$21.37	\$3,908,033
222	0906**	Pennsbury Plaza Shopping Ctr., 229 Plaza Blvd., Unit 2	Morrisville	19067	152,053	\$25.68	\$3,905,110
223	1508	West Sadsbury Cmns., 324 Commons Dr., Ste. C-6	Parkesburg	19365	136,765	\$28.48	\$3,894,672
224	0608**	Springtown Shopping Ctr., 2671 Shillington Rd.	Sinking Spring	19608	125,228	\$30.76	\$3,852,090
225	0925	Crossroads Plz., 800 Bustleton Pike	Richboro	18954	110,066	\$34.96	\$3,848,247
226	5142	Plaza Americana, 2717 N. American St.	Philadelphia	19133	170,527	\$22.40	\$3,819,685
227	3923**	7801 Glenlivet West Dr., Ste. E	Fogelsville	18051	101,132	\$37.74	\$3,816,324
228	6201	44 Market St.	Warren	16365	111,916	\$33.89	\$3,792,518
229	5105	5 N. 12th St.	Philadelphia	19107	199,624	\$18.98	\$3,789,649
230	0238	Shady Hill Ctr., 6320 Shakespeare St.	Pittsburgh	15206	192,801	\$19.65	\$3,788,602
231	3611	1575 S. Market St., Ste. 109	Elizabethtown	17022	128,521	\$29.31	\$3,767,348
232	2006**	19017 Park Avenue Plz.	Meadville	16335	96,646	\$38.90	\$3,759,362
233	1518**	Marketplace at Westtown, 1502 W. Chester Pike, Ste. 28	West Chester	19382	128,429	\$29.27	\$3,758,930
234	9111**	Roosevelt Plz., 6577 Roosevelt Blvd.	Philadelphia	19149	149,217	\$25.19	\$3,758,529
235	6527**	Hollywood Sq., 6750 Hollywood Blvd.	Delmont	15626	111,729	\$33.60	\$3,753,780
236	6710	Windsor Cmns., 3159 Cape Horn Rd.	Red Lion	17356	139,481	\$26.87	\$3,747,612
237	4807	Creekside Marketplace, 1848 Leithsville Rd.	Hellertown	18055	121,333	\$30.86	\$3,744,196
238	2509	Giant Eagle Plz., 4466 Buffalo Rd.	Erie	16510	127,062	\$29.44	\$3,740,523
239	0280**	2800 Robinson Blvd.	Pittsburgh	15235	157,993	\$23.63	\$3,732,698
240	4510	Fox Run Plz., 232 Fox Run Ln., Ste. 101	East Stroudsburg	18302	133,931	\$27.84	\$3,728,687

\*\* Remodeled

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RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
241	3619**	2600 Willow Street Pike N., Ste. 308	Willow Street	17584	116,181	\$32.07	\$3,726,085
242	4651**	Village Mall, 200 Blair Mill Rd., Ste. 113-115	Horsham	19044	144,552	\$25.50	\$3,685,645
243	3520**	Green Ridge Plz., 1610 Nay Aug Ave., Unit A	Scranton	18509	133,733	\$27.47	\$3,673,208
244	2103**	109 S. Conestoga Dr.	Shippensburg	17257	128,803	\$28.45	\$3,664,345
245	0602**	Rockland Plz., 1100 Rockland St.	Reading	19604	132,076	\$27.68	\$3,655,778
246	5101	135 W. Cheltenham Ave.	Philadelphia	19144	221,454	\$16.47	\$3,646,740
247	3503**	1520 S. Main Ave.	Scranton	18504	136,280	\$26.62	\$3,627,290
248	5143	2429 South St.	Philadelphia	19146	118,457	\$30.59	\$3,623,628
249	4401**	129 S. Main St., Ste. 400	Lewistown	17044	122,679	\$29.44	\$3,612,109
250	0410**	Aliquippa Shopping Ctr., 2719 Brodhead Rd., Ste. 13	Aliquippa	15001	115,561	\$31.14	\$3,598,796
251	0901**	Hilltown Crossings, 1547 Bethlehem Pike	Hatfield	19440	126,943	\$28.33	\$3,596,062
252	3916**	The Shoppes at Trexler, Unit 130, 6900 Hamilton Blvd., PO Box 93	Trexlerstown	18087	119,633	\$30.00	\$3,588,559
253	0605	Village Square Plz., 45 Constitution Blvd.	Kutztown	19530	105,132	\$34.12	\$3,586,674
254	0503**	9613 Lincoln Hwy., Ste. 105	Bedford	15522	92,011	\$38.79	\$3,569,166
255	4031**	Hazleton Shopping Ctr., 534 W. Broad St.	Hazleton	18201	92,845	\$38.44	\$3,568,938
256	4605**	Melrose Shopping Ctr., 103 W. Cheltenham Ave.	Cheltenham	19012	141,570	\$24.86	\$3,518,769
257	1522**	Suburbia Shopping Ctr., 76 Glocker Way	Pottstown	19465	106,648	\$32.94	\$3,513,436
258	2333**	Barclay Sq., 1500 Garrett Rd.	Upper Darby	19082	137,641	\$25.47	\$3,505,607
259	0623**	100 Kenhorst Plz., 1895 New Holland Rd.	Reading	19607	112,185	\$31.10	\$3,489,131
260	3617	Wheatland Ctr., 1761A Columbia Ave.	Lancaster	17603	117,011	\$29.77	\$3,483,057
261	5602**	Somerset Cmns., Ste. 110, 1534 N. Center Ave.	Somerset	15501	97,647	\$35.42	\$3,458,291
262	0224**	1824 Murray Ave.	Pittsburgh	15217	123,494	\$27.88	\$3,443,366
263	5153	2115 N. 22nd St.	Philadelphia	19121	178,735	\$19.23	\$3,437,745
264	0278**	4065 Butler St.	Pittsburgh	15201	102,371	\$33.45	\$3,423,905
265	1502	550 Kimberton Rd.	Phoenixville	19460	94,736	\$36.09	\$3,419,127
266	2001†**	Downtown Mall, 900 Water St.	Meadville	16335	103,331	\$32.93	\$3,402,740
267	3802**	1737 Quentin Rd.	Lebanon	17042	96,420	\$35.11	\$3,385,595
268	0256**	1020 Village Center Dr., Ste. N2B	Tarentum	15084	96,600	\$34.98	\$3,378,669
269	0942**	Levittown Town Ctr., 179B Levittown Pkwy.	Levittown	19055	137,633	\$24.48	\$3,369,692
270	2107	3760 Market St.	Camp Hill	17011	99,913	\$33.70	\$3,366,611
271	0203**	Braddock Hills Shopping Ctr., 230 Yost Blvd.	Pittsburgh	15221	132,440	\$25.42	\$3,366,300
272	0927**	Plumstead Sq., 5837 Easton Rd.	Pipersville	18947	109,044	\$30.87	\$3,365,755
273	6403**	Hamlin Shopping Plz., Rte. 590	Hamlin	18427	99,789	\$33.62	\$3,355,006
274	0907	Edgewood Village Shopping Ctr., 635 Heacock Rd.	Yardley	19067	111,787	\$29.78	\$3,328,650
275	3710**	3326 Wilmington Rd., Unit 4	New Castle	16105	103,948	\$31.89	\$3,315,131
276	4033**	Church Hill Mall, 1089 N. Church St.	Hazleton	18201	99,803	\$33.13	\$3,306,535
277	2502**	105 W. 18th St.	Erie	16501	113,846	\$28.87	\$3,286,837
278	4815	Forks Town Ctr., 341 Town Center Blvd.	Easton	18040	121,412	\$26.97	\$3,274,057
279	4701	144 Continental Blvd.	Danville	17821	97,054	\$33.73	\$3,273,945
280	2342†**	1083 W. Baltimore Pike, Ste. A	Media	19063	93,566	\$34.96	\$3,271,263
281	5158**	McKeown's Plz., 6824 Rising Sun Ave.	Philadelphia	19111	149,779	\$21.75	\$3,258,218

\*\* Remodeled † Premium Collection

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
282	2331†**	5035 Township Line Rd.	Drexel Hill	19026	98,039	\$33.03	\$3,238,179
283	2217	Swatara Sq., 6301 Grayson Rd., Ste. A118	Harrisburg	17111	118,225	\$27.38	\$3,236,803
284	3803**	Palmyra Shopping Ctr., 901 E. Main St., Ste. 12	Palmyra	17078	106,488	\$30.25	\$3,221,024
285	9213**	2356 Golden Mile Hwy.	Pittsburgh	15239	114,618	\$28.02	\$3,211,085
286	3908	199 W. Main St.	Macungie	18062	96,637	\$33.12	\$3,200,883
287	5114**	8844 Frankford Ave.	Philadelphia	19136	136,483	\$23.39	\$3,192,115
288	2511**	737 E. 38th St.	Erie	16504	124,688	\$25.42	\$3,169,549
289	4615**	26 E. Fourth St.	East Greenville	18041	99,606	\$31.79	\$3,166,236
290	1118	Geistown Shopping Ctr., 2451 Bedford St.	Johnstown	15904	100,800	\$31.20	\$3,144,737
291	6302	43 E. Pike St.	Canonsburg	15317	96,654	\$32.51	\$3,142,517
292	9114**	Adams and Tabor Ctr., 730 Adams Ave.	Philadelphia	19124	111,799	\$28.09	\$3,140,475
293	5145	5235 Frankford Ave.	Philadelphia	19124	214,614	\$14.61	\$3,136,145
294	2201	Kline Plz., 29 Kline Village	Harrisburg	17104	157,482	\$19.84	\$3,124,941
295	4006	Luzerne Shopping Ctr., 468 Union St.	Luzerne	18709	103,896	\$29.91	\$3,107,636
296	3510**	Plaza 1500, 1531 Main St.	Peckville	18452	98,411	\$31.57	\$3,106,385
297	1509**	Shoppes at Jenners Vlg., 853 W. Baltimore Pike	West Grove	19390	103,326	\$30.01	\$3,100,568
298	4805	1910 Center St.	Northampton	18067	105,424	\$29.39	\$3,098,855
299	3921	Airport Plz., 1247 Airport Rd.	Allentown	18109	93,643	\$32.87	\$3,077,672
300	0282**	Oak Park Mall, 2001 Lincoln Way	White Oak	15131	101,043	\$30.37	\$3,068,521
301	1120**	1910 Minno Dr., Ste. 280	Johnstown	15905	91,502	\$33.45	\$3,061,173
302	6715**	Newberry Pointe, 180 Newberry Pkwy.	Etters	17319	101,418	\$30.11	\$3,053,846
303	4013**	South Main Plz., 379 S. Main St.	Wilkes-Barre	18701	133,729	\$22.77	\$3,044,423
304	4035**	223 S. Mountain Blvd., Ste. 2	Mountain Top	18707	92,318	\$32.94	\$3,041,040
305	1406**	The Benner Pike Shops, 323 Benner Pike	State College	16801	93,815	\$32.41	\$3,040,779
306	4026	26 Gateway Shopping Ctr., Ste. B	Edwardsville	18704	110,801	\$27.42	\$3,038,373
307	3920	East Penn Plz., 1325 Chestnut St.	Emmaus	18049	91,369	\$33.23	\$3,036,106
308	1002	9 Northgate Plz., Unit 5	Harmony	16037	102,977	\$29.46	\$3,033,513
309	1108**	300 Walmart Dr., Ste. 130	Ebensburg	15931	93,207	\$32.45	\$3,024,469
310	2312	920 E. Baltimore Ave.	Lansdowne	19050	131,084	\$23.04	\$3,020,750
311	6601**	600 Hunter Hwy., Ste. 10	Tunkhannock	18657	93,358	\$32.29	\$3,014,267
312	0308**	Franklin Vlg., 13 Franklin Village Mall	Kittanning	16201	93,315	\$32.17	\$3,001,848
313	1005	110 Bon Aire Plz.	Butler	16001	99,734	\$30.04	\$2,996,063
314	0263**	418 E. Ohio St.	Pittsburgh	15212	148,115	\$20.14	\$2,983,590
315	3610**	Muddy Creek Shoppes, 2350 N. Reading Rd., Store 11	Denver	17517	87,248	\$34.10	\$2,974,813
316	0264	Shaler Plz., 880 Butler St., Ste. 7	Pittsburgh	15223	99,377	\$29.89	\$2,970,019
317	5138	7204 Germantown Ave.	Philadelphia	19119	122,103	\$24.25	\$2,961,575
318	2206	Mid-Town Plz., 430 E. Main St.	Middletown	17057	113,131	\$26.10	\$2,952,738
319	4654†**	15 West Germantown Pike	Norristown	19401	65,200	\$45.28	\$2,952,124
320	0285	Hampton Home Ctr., 4706 William Flynn Hwy., Ste. 8	Allison Park	15101	80,590	\$36.55	\$2,945,948
321	3504	529 Main St.	Childs	18407	86,457	\$34.02	\$2,941,461
322	1533†**	Phoenixville Plz., 700 Nutt Rd., Ste. 710	Phoenixville	19460	81,382	\$36.10	\$2,937,769

\*\* Remodeled † Premium Collection

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
323	3621**	Shoppes at Landis Valley, 2347 Oregon Pike, Ste. 105	Lancaster	17601	86,988	\$33.74	\$2,934,875
324	3609**	Mount Joy Sq., 921 E. Main St.	Mount Joy	17552	99,665	\$29.41	\$2,931,347
325	0201**	3239 Washington Pike	Bridgeville	15017	100,008	\$29.31	\$2,931,075
326	1521	Brandywine Vlg., 1239 Horseshoe Pike Rte. 322	Downingtown	19335	90,493	\$32.37	\$2,928,863
327	0415**	Rochester Plz., 730 Ohio River Blvd.	Rochester	15074	85,762	\$34.14	\$2,928,054
328	1407**	Weis Market Shopping Ctr., 178 Buckaroo Ln.	Bellefonte	16823	86,746	\$33.59	\$2,913,511
329	2518**	Washington Towne Plz., 140 Washington Towne Blvd.	Edinboro	16412	92,532	\$31.47	\$2,912,314
330	0288**	Caste Village Shopping Ctr., 5301 Grove Rd.	Pittsburgh	15236	91,045	\$31.97	\$2,910,955
331	2805**	Lincoln Way East, 1660 Lincoln Way E., Units 8 - 9	Chambersburg	17201	108,382	\$26.65	\$2,888,078
332	6507	613 W. Main St.	Ligonier	15658	58,698	\$49.20	\$2,887,896
333	9108	Pennypack Circle Shopping Ctr., 8204 E. Roosevelt Blvd.	Philadelphia	19152	121,168	\$23.73	\$2,875,783
334	4201**	38 Davis St.	Bradford	16701	91,422	\$31.37	\$2,868,345
335	3604	31 W. Main St.	Ephrata	17522	98,787	\$29.03	\$2,867,855
336	9206**	Kenmawr Plz., 510 Pine Hollow Rd.	McKees Rocks	15136	99,108	\$28.91	\$2,865,559
337	1801	137 E. Main St.	Lock Haven	17745	77,034	\$36.95	\$2,846,357
338	0213**	217 Atwood St.	Pittsburgh	15213	131,323	\$21.64	\$2,841,274
339	2606**	140 Walnut Hill Rd.	Uniontown	15401	87,774	\$32.22	\$2,827,955
340	3902**	5041 Rte. 873	Schnecksville	18078	97,921	\$28.84	\$2,824,082
341	5152**	Erie Plz., 3772 L St.	Philadelphia	19124	122,981	\$22.95	\$2,822,397
342	0917**	500 S. Second Street Pike	Southampton	18966	89,379	\$31.40	\$2,806,064
343	3101**	7657 Lake Raystown Shopping Ctr.	Huntingdon	16652	87,959	\$31.79	\$2,796,314
344	1531†**	London Grove Vlg., 775 Gap Newport Pike, Lot E-1	Avondale	19311	77,647	\$35.78	\$2,778,075
345	0935**	Warwick Sq., 2395 Old York Rd.	Jamison	18929	84,022	\$33.00	\$2,772,930
346	0202**	River Town Shops, 90 Allegheny River Blvd.	Verona	15147	83,041	\$33.19	\$2,756,065
347	4308**	33 Pine Grove Square Dr.	Grove City	16127	87,243	\$31.50	\$2,748,325
348	0250**	56 Highlands Mall	Natrona Heights	15065	92,651	\$29.62	\$2,744,184
349	0801	2323 N. Elmira St.	Sayre	18840	87,928	\$31.13	\$2,736,836
350	6525	6041 Rte. 30, Ste. 55	Greensburg	15601	89,420	\$30.27	\$2,706,415
351	4102	Hepburn Ctr., 449 Hepburn St.	Williamsport	17701	89,023	\$30.32	\$2,699,405
352	5401	530 Pottsville Park Plz., Rte. 61 N.	Pottsville	17901	93,749	\$28.74	\$2,694,111
353	9210	Community Plz., 1103 Milltown Rd.	Verona	15147	97,577	\$27.37	\$2,670,798
354	0933	Buckingham Green, 4950 Old York Rd.	Holicong	18928	59,969	\$44.40	\$2,662,460
355	4813	30 E. 4th St.	Bethlehem	18015	103,769	\$25.16	\$2,610,787
356	2806**	Waynesboro Shopping Ctr., 642 E. Main St.	Waynesboro	17268	80,214	\$32.52	\$2,608,733
357	0242**	Haymaker Village Shops, 4524 Broadway Blvd.	Monroeville	15146	96,626	\$26.89	\$2,597,832
358	5189	2807 S. Front St.	Philadelphia	19148	84,429	\$30.73	\$2,594,596
359	0234	West View Park Shopping Ctr., 1012 West View Park Dr.	Pittsburgh	15229	97,354	\$26.49	\$2,579,059
360	6708**	Fairview Ctr., 128 Old York Rd.	New Cumberland	17070	99,828	\$25.82	\$2,577,379
361	6528**	250 S. Third St., Ste. 1000	Youngwood	15697	91,661	\$28.10	\$2,575,714
362	6703	Grandview, 1446 Baltimore St., Unit G	Hanover	17331	84,199	\$30.49	\$2,567,629
363	3618	Clock Tower Plz., 2846 Main St., Ste. 1	Morgantown	19543	83,797	\$30.45	\$2,551,516

\*\* Remodeled † Premium Collection



# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
364	3521**	921 Drinker Tpke., Ste. 23	Covington Township	18444	82,793	\$30.76	\$2,546,669
365	1520**	Ludwig's Vlg., 2910 Conestoga Rd.	Glenmoore	19343	61,657	\$41.19	\$2,539,358
366	9212**	Penn Lincoln Ctr., 440 Penn Lincoln Dr.	Imperial	15126	75,315	\$33.49	\$2,522,488
367	1515**	Marchwood Ctr., 23 Marchwood Rd.	Exton	19341	77,592	\$32.37	\$2,511,569
368	0603	Sinking Spring Plz., 4880 Penn Ave.	Sinking Spring	19608	75,819	\$33.09	\$2,509,063
369	4032	12 Diana Ln.	West Hazleton	18202	73,363	\$33.90	\$2,487,200
370	2603**	808 Vanderbilt Rd.	Connellsville	15425	74,256	\$33.47	\$2,485,278
371	0931**	341 Dublin Pike	Perkasie	18944	77,089	\$31.87	\$2,456,557
372	5108**	3250 N. Broad St.	Philadelphia	19140	142,108	\$17.28	\$2,455,395
373	0210	The Bavarian Vlg., 2550 Brownsville Rd.	South Park	15129	71,700	\$34.06	\$2,441,820
374	3522**	210 Meadow Ave.	Scranton	18505	85,002	\$28.62	\$2,432,777
375	0218**	2947 W. Liberty Ave.	Pittsburgh	15216	88,171	\$27.58	\$2,431,548
376	3518	Keyser Oak Plz., 1762 N. Keyser Ave., Store 11	Scranton	18508	95,734	\$25.38	\$2,429,439
377	1901**	35 Briar Creek Plz.	Berwick	18603	75,537	\$32.06	\$2,421,984
378	4007**	13 Weis Plz.	Nanticoke	18634	95,203	\$25.24	\$2,402,676
379	4034	1008 Wyoming Ave.	Wyoming	18644	83,276	\$28.82	\$2,399,637
380	4104	1274 E. Penn St.	Muncy	17756	77,441	\$30.95	\$2,397,096
381	0294	Olympia Shopping Ctr., 4313 Walnut St., Ste. 130	McKeesport	15132	89,426	\$26.71	\$2,388,664
382	4810	Bethlehem Sq., 3926 Nazareth Pike, Ste. 11	Bethlehem	18020	86,017	\$27.54	\$2,368,864
383	0220**	624 Allegheny River Blvd.	Oakmont	15139	51,304	\$45.84	\$2,351,547
384	0216**	102 E. Main St.	Carnegie	15106	81,786	\$28.75	\$2,351,009
385	5120	Academy Plz., 3246 Red Lion Rd.	Philadelphia	19114	101,321	\$23.16	\$2,346,459
386	5180	3521 Cottman Ave.	Philadelphia	19149	105,944	\$22.07	\$2,338,172
387	2601**	111 W. Fayette St.	Uniontown	15401	74,002	\$31.54	\$2,333,996
388	0904**	Perkasie Sq., 511 Constitution Ave.	Perkasie	18944	86,466	\$26.82	\$2,318,594
389	5202**	Village Center at Lords Valley, 123 Village Center Dr., Ste. 5	Hawley	18428	80,434	\$28.78	\$2,315,197
390	1009**	240 Buffalo Plz.	Sarver	16055	68,253	\$33.78	\$2,305,819
391	1006	340 Greater Butler Mart	Butler	16001	71,577	\$32.15	\$2,300,913
392	2208**	Uptown Plz., 2943 N. 7th St.	Harrisburg	17110	114,013	\$20.14	\$2,296,231
393	4816**	Wind Gap Plz., 813 Male Rd.	Wind Gap	18091	86,438	\$26.43	\$2,284,379
394	6314	980 Jefferson Ave.	Washington	15301	91,838	\$24.79	\$2,276,673
395	0273**	3202 Brighton Rd.	Pittsburgh	15212	101,933	\$22.17	\$2,259,495
396	0230	529 Liberty Ave.	Pittsburgh	15222	137,853	\$16.39	\$2,258,948
397	1513	552 Lancaster Ave.	Berwyn	19312	54,688	\$41.19	\$2,252,634
398	3524**	Shoppes at Montage, 2571 Shoppes Blvd.	Moosic	18507	49,396	\$45.40	\$2,242,621
399	0918	Trevose Shopping Ctr., 560 Andrews Rd.	Trevose	19053	79,929	\$28.05	\$2,241,609
400	6509	208 Countryside Plz.	Mount Pleasant	15666	77,276	\$28.96	\$2,238,254
401	4303	Greenville Plz., 100 Hadley Rd, Ste. 7	Greenville	16125	65,445	\$34.09	\$2,231,239
402	4902**	The Plaza at Coal Township, 9345 State Rte. 61	Coal Township	17866	70,598	\$31.59	\$2,230,500
403	0617**	Tulpehocken Vlg., 430 N. 3rd St.	Womelsdorf	19567	69,873	\$31.75	\$2,218,672

\*\* Remodeled

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
404	3907	The Shops at Cedar Point, 333 S. Cedar Crest Blvd.	Allentown	18103	76,360	\$29.04	\$2,217,426
405	0916	Bristol Park, 238 Commerce Cir.	Bristol	19007	91,332	\$24.10	\$2,201,528
406	6514	147 Columbia Ave.	Vandergrift	15690	70,282	\$31.28	\$2,198,709
407	2325**	Village Green Shopping Ctr., 3486 Concord Rd., Store 11	Aston	19014	81,955	\$26.82	\$2,197,858
408	3806**	Cleona Sq., 475 W. Penn Ave., 3A	Cleona	17042	69,568	\$31.56	\$2,195,808
409	1304	143 South St.	Lehighton	18235	69,946	\$31.23	\$2,184,443
410	0236**	820 McKeesport Rd.	Elizabeth	15037	68,903	\$31.70	\$2,183,968
411	0705	Chestnut Plz., 220 E. Chestnut Ave	Altoona	16601	85,880	\$25.40	\$2,181,122
412	3502	1512 Scranton Carbondale Hwy.	Dickson City	18508	66,664	\$32.69	\$2,179,443
413	0295**	Great Valley Mart, 355 Lincoln Hwy.	North Versailles	15137	102,683	\$21.17	\$2,173,874
414	2218	731 Cherry Dr.	Hershey	17033	78,583	\$27.54	\$2,164,457
415	3601**	New Holland Shopping Ctr., 681 W. Main St.	New Holland	17557	72,635	\$29.75	\$2,161,161
416	5403**	141 N. Railroad St.	Tamaqua	18252	71,808	\$29.96	\$2,151,234
417	6704**	East Manchester Village Ctr., 205 Glen Dr., Ste. 185-195	Manchester	17345	76,563	\$28.08	\$2,149,964
418	1102	East Hills Plz., 1513 Scalp Ave.	Johnstown	15904	75,833	\$28.34	\$2,148,783
419	3505**	305 S. Main St.	Old Forge	18518	65,022	\$33.00	\$2,145,690
420	3919	Towne Ctr., 4777 Tilghman St.	Allentown	18104	72,045	\$29.54	\$2,127,978
421	0707	Valley View Shopping Ctr., 613 Pleasant Valley Blvd.	Altoona	16602	70,189	\$30.26	\$2,124,214
422	2304	Edgemont Sq., 4839 West Chester Pike	Newtown Square	19073	61,753	\$34.20	\$2,112,217
423	4903	Sunbury Plz., 1135 N. 4th St.	Sunbury	17801	70,823	\$29.75	\$2,107,122
424	6102**	541 Allegheny Blvd.	Franklin	16323	66,194	\$31.70	\$2,098,572
425	2317	12 E. Hinckley Ave.	Ridley Park	19078	82,593	\$25.32	\$2,091,495
426	4025**	Valley Plz., 653 State Rte. 93, Store 3	Conyngham	18219	67,335	\$31.05	\$2,090,696
427	2402**	St Marys Plz., 832 S. St. Marys Rd.	St Marys	15857	62,448	\$33.42	\$2,086,722
428	3702	729 Lawrence Ave.	Ellwood City	16117	69,226	\$30.06	\$2,080,714
429	4803**	1375 Blue Valley Dr.	Pen Argyl	18072	75,993	\$27.35	\$2,078,559
430	3626**	2350 Lincoln Hwy. E., Ste. 550	Lancaster	17602	63,651	\$32.48	\$2,067,248
431	6501	105 Harrison Ave.	Greensburg	15601	59,909	\$34.04	\$2,039,020
432	1008**	Slippery Rock Plz., 223 Grove City Rd., Ste. 2	Slippery Rock	16057	75,018	\$26.98	\$2,024,178
433	0212**	959 Liberty Ave.	Pittsburgh	15222	63,776	\$31.67	\$2,020,084
434	0408	816 3rd Ave.	New Brighton	15066	72,497	\$27.80	\$2,015,507
435	6511**	Willowbrook Plz., 4627 Route 51, Ste. 520	Belle Vernon	15012	61,867	\$32.49	\$2,009,795
436	4028	850 Sans Souci Pkwy.	Wilkes-Barre	18706	70,294	\$28.47	\$2,001,462
437	2520**	Imperial Point, 9135 Ridge Rd.	Girard	16417	68,896	\$28.94	\$1,994,069
438	6506	656 W. Main St.	Mount Pleasant	15666	30,004	\$66.11	\$1,983,681
439	4809**	Bath Shopping Ctr., 362 S. Walnut St.	Bath	18014	66,443	\$29.84	\$1,982,987
440	1603**	78 Clarion Plz.	Clarion	16214	60,429	\$32.81	\$1,982,674
441	3602	252 N. Queen St., 1st Fl.	Lancaster	17603	102,233	\$19.25	\$1,968,405
442	2513**	East Erie Plz., 828 E. 6th St.	Erie	16507	72,593	\$27.06	\$1,964,105
443	5408**	888 Gordon Nagle Trl.	Pottsville	17901	60,696	\$32.29	\$1,960,167

\*\* Remodeled

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
444	1705**	Clearfield Mall, 1824 Daisy St.	Clearfield	16830	67,512	\$29.00	\$1,958,083
445	5167**	Lincoln Sq., 1403 Washington Ave.	Philadelphia	19146	72,801	\$26.67	\$1,941,507
446	0281**	1706 Mount Royal Blvd.	Glenshaw	15116	69,028	\$27.71	\$1,912,630
447	3605	Manheim Shopping Ctr., 97 Doe Run Rd.	Manheim	17545	63,144	\$30.21	\$1,907,823
448	0944†**	Buttonwood Park Place, 7 Buttonwood Dr.	Yardley	19067	43,266	\$44.08	\$1,907,139
449	5903	16 Crafton St.	Wellsboro	16901	59,286	\$32.16	\$1,906,606
450	0217**	1110 4th Ave.	Coraopolis	15108	71,322	\$26.62	\$1,898,652
451	0206**	136 McKees Rocks Plz., 409 Chartiers Ave.	McKees Rocks	15136	92,157	\$20.58	\$1,896,661
452	0261**	2629 Brownsville Rd.	Pittsburgh	15227	79,134	\$23.95	\$1,895,179
453	5802**	16750 State Rte. 706, Ste. 6	Montrose	18801	51,383	\$36.30	\$1,864,983
454	0223**	129 Lincoln Ave.	Pittsburgh	15209	64,804	\$28.68	\$1,858,815
455	3603**	Columbia Shopping Ctr., 36 S. 18th St.	Columbia	17512	72,471	\$25.45	\$1,844,652
456	1526	785 Starr St.	Phoenixville	19460	67,809	\$27.17	\$1,842,139
457	2108	Summerdale Plz., 443 N. Enola Rd.	Enola	17025	64,548	\$28.47	\$1,837,690
458	2504	10720 W. Main St.	North East	16428	59,783	\$30.67	\$1,833,590
459	5198	Freedom Sq., 5113 Germantown Ave.	Philadelphia	19144	104,739	\$17.50	\$1,832,659
460	4106	2067 Lycoming Creek Rd.	Williamsport	17701	66,587	\$27.32	\$1,819,245
461	4107	803 N. Loyalsock Ave.	Montoursville	17754	64,254	\$28.29	\$1,817,681
462	2111	East Penn Ctr., 736 Wertzville Rd.	Enola	17025	61,321	\$29.43	\$1,804,912
463	4806**	34 S. Broad St.	Nazareth	18064	63,460	\$28.36	\$1,799,414
464	0403	999 Merchant St.	Ambridge	15003	64,301	\$27.87	\$1,792,178
465	3001	Widewaters Cmns., 55 Sugar Run Rd., Ste. 105	Waynesburg	15370	60,373	\$29.60	\$1,787,199
466	4653†**	Centre Square Cmns., 984 Dekalb Pike, Ste. 300	Blue Bell	19422	30,284	\$58.98	\$1,786,014
467	3706	4 Cascade Galleria, 100 S. Jefferson St.	New Castle	16101	83,593	\$21.19	\$1,771,064
468	0252	4643 Centre Ave.	Pittsburgh	15213	77,590	\$22.82	\$1,770,945
469	4023	801 Wyoming Ave.	West Pittston	18643	63,334	\$27.91	\$1,767,364
470	4801**	Walnutport Shopping Ctr., 200C S. Best Ave.	Walnutport	18088	55,776	\$30.90	\$1,723,397
471	2517	3412 W. Lake Rd.	Erie	16505	50,808	\$33.92	\$1,723,249
472	6516**	Penn Crossing Shopping Ctr., 2014 Penny Ln.	Jeannette	15644	52,455	\$32.76	\$1,718,669
473	0279	722 Brookline Blvd.	Pittsburgh	15226	74,438	\$22.51	\$1,675,864
474	6510**	Hillcrest Shopping Ct., 3220 Leechburg Rd.	Lower Burrell	15068	53,869	\$31.01	\$1,670,305
475	4802	111 Northampton St.	Easton	18042	67,244	\$24.65	\$1,657,355
476	0297	The Village Shopping Ctr., 1874 Homeville Rd.	West Mifflin	15122	55,436	\$29.90	\$1,657,318
477	5412	515 Dock St.	Schuylkill Haven	17972	55,334	\$29.82	\$1,649,843
478	5905	187 N. Main St.	Mansfield	16933	50,339	\$32.77	\$1,649,735
479	3202	575 Philadelphia St.	Indiana	15701	51,523	\$31.82	\$1,639,402
480	4301	Sharon Center City Shopping Ctr., 120 S. Water Ave.	Sharon	16146	71,966	\$22.55	\$1,622,508
481	5402	9 Gold Star Plz.	Shenandoah	17976	60,624	\$26.70	\$1,618,683
482	4634**	2014 Old Arch Rd., Store 4	Norristown	19401	70,469	\$22.75	\$1,603,335
483	4904	Weis Market Shopping Ctr., 551 Mahoning St.	Milton	17847	60,082	\$26.65	\$1,601,230
484	6304	105 3rd St.	Charleroi	15022	51,669	\$30.87	\$1,594,862

\*\* Remodeled † Premium Collection

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
485	2204**	325 N. Front St.	Steelton	17113	66,797	\$23.76	\$1,587,254
486	2506**	Corry Plz., 350 W. Columbus Ave.	Corry	16407	48,609	\$32.65	\$1,587,098
487	3523**	Hillside Plz., 771 Scranton Carbondale Hwy.	Eynon	18403	49,828	\$31.69	\$1,579,013
488	0219**	Kennywood Shops, 1326 Hoffman Blvd.	West Mifflin	15122	72,068	\$21.88	\$1,576,653
489	0802	Colonial Plz., 85 Reuter Blvd.	Towanda	18848	50,547	\$31.15	\$1,574,714
490	0412	Northern Lights Shoppers City, 1603 State St. W.	Baden	15005	59,064	\$26.60	\$1,571,057
491	1706**	Peebles Plz., 1067 N. Front St., 4A	Philipsburg	16866	56,783	\$27.45	\$1,558,736
492	0402	Green Garden Shopping Ctr., 3113 Green Garden Rd.	Hopewell Township	15001	54,031	\$28.84	\$1,558,197
493	1308**	2 River St., Ste. 2	Jim Thorpe	18229	41,303	\$37.36	\$1,542,920
494	2515**	Perry Plz., 2208 Broad St.	Erie	16503	74,114	\$20.77	\$1,539,421
495	2002**	126 S. Martin St.	Titusville	16354	53,809	\$28.50	\$1,533,591
496	5409**	Federal Sq., 705 W. Market St., Ste. 3	Orwigsburg	17961	38,965	\$39.32	\$1,531,940
497	4002	7 George Ave.	Wilkes-Barre	18705	62,649	\$24.40	\$1,528,788
498	0945†**	Addisville Cmns., 890 2nd Street Pike, Unit 894	Richboro	18954	37,035	\$41.02	\$1,519,124
499	0908	US 1 Plz., 315 W. Lincoln Hwy.	Penndel	19047	63,183	\$24.00	\$1,516,450
500	0205	149 5th Ave.	McKeesport	15132	75,588	\$20.02	\$1,513,528
501	4017	Plains Plz., 217 Plains Plz.	Plains	18705	52,145	\$28.89	\$1,506,214
502	3913†	2503 Mickley Ave.	Whitehall	18052	49,271	\$30.50	\$1,502,807
503	1524**	Oxford Square, 449 N. 3rd St.	Oxford	19363	51,981	\$28.70	\$1,491,889
504	0930	Doylestown Pointe Plz., 1661 Easton Rd.	Warrington	18976	49,453	\$30.08	\$1,487,750
505	3302**	567 W. Mahoning St.	Punxsutawney	15767	47,347	\$31.04	\$1,469,640
506	9203	3 Quaker Village Shopping Ctr.	Leetsdale	15056	47,991	\$30.61	\$1,469,139
507	6311	327 3rd St.	California	15419	49,136	\$29.85	\$1,466,781
508	6306	245 W. Main St.	Monongahela	15063	54,946	\$26.63	\$1,463,430
509	2213**	3775 Peters Mountain Rd.	Halifax	17032	43,986	\$31.88	\$1,402,247
510	6103	17 Kimberly Ln., PO Box 418, Ste. 4	Cranberry	16319	52,466	\$25.85	\$1,356,500
511	6101	Seneca Street Plz., 50 Seneca St.	Oil City	16301	44,116	\$30.71	\$1,354,634
512	3612	Village at Gap, 5360 Lincoln Hwy., Store 14	Gap	17527	51,263	\$26.32	\$1,349,105
513	0624**	528 E. Lancaster Ave.	Reading	19607	50,595	\$26.51	\$1,341,375
514	0601	537 Penn St.	Reading	19601	68,418	\$19.52	\$1,335,826
515	3701	Lawrence Village Plz., 2656 Ellwood Rd.	New Castle	16101	47,578	\$28.07	\$1,335,617
516	4103	354 Allegheny St.	Jersey Shore	17740	44,215	\$30.16	\$1,333,395
517	6505	328 Central City Plz.	New Kensington	15068	65,914	\$20.21	\$1,332,058
518	4304	535 Greenville Rd.	Mercer	16137	41,576	\$32.00	\$1,330,301
519	3707	Westgate Plz., 2034 W. State St.	New Castle	16101	44,800	\$29.48	\$1,320,839
520	2803	Greencastle Marketplace, 512 N. Antrim Way	Greencastle	17225	48,384	\$27.12	\$1,312,077
521	4604	212 E. High St.	Pottstown	19464	74,970	\$17.21	\$1,290,266
522	3201	215 E. Market St.	Blairsville	15717	43,624	\$29.14	\$1,271,413
523	6002**	30 E. Chestnut St.	Mifflinburg	17844	41,603	\$30.36	\$1,263,189
524	1601	800 Center, 845 Main St.	Clarion	16214	36,881	\$34.19	\$1,261,074

\*\* Remodeled † Premium Collection

# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
525	4503	1152 Rte. 390	Cresco	18326	45,301	\$27.77	\$1,257,893
526	5603	1607 Jefferson Ave.	Windber	15963	33,953	\$36.08	\$1,225,125
527	5003**	Crestview Plz., 201 Fickes Ln.	Newport	17074	37,743	\$32.41	\$1,223,077
528	6305**	McDonald Plz., 301 W. Barr St.	McDonald	15057	42,119	\$29.00	\$1,221,388
529	4109**	510 W. Southern Ave.	South Williamsport	17702	45,105	\$26.92	\$1,214,262
530	2219**	333 Market St.	Harrisburg	17101	64,310	\$18.87	\$1,213,543
531	0244	739 Monongahela Ave.	Glassport	15045	48,408	\$24.77	\$1,199,004
532	6504**	114 S. 5th St.	Jeannette	15644	43,348	\$27.65	\$1,198,520
533	3401	4093 William Penn Hwy., PO Box 293	Mifflintown	17059	40,662	\$28.72	\$1,167,710
534	0704	1260 Pennsylvania Ave.	Tyrone	16686	43,033	\$26.57	\$1,143,185
535	0271	3408 Main St.	Munhall	15120	51,640	\$21.51	\$1,110,680
536	4020**	White Haven Shopping Ctr., 501 Main St.	White Haven	18661	37,321	\$29.56	\$1,103,310
537	5413**	16 Tremont Rd.	Pine Grove	17963	32,459	\$33.46	\$1,086,190
538	0936	Town Center Shopping Ctr., 300 Town Ctr.	New Britain	18901	41,215	\$26.29	\$1,083,598
539	5301	151 Route 6 W.	Coudersport	16915	34,690	\$31.08	\$1,078,039
540	1101	426 Main St.	Johnstown	15901	49,759	\$21.50	\$1,069,948
541	2202**	1200 N. 3rd St.	Harrisburg	17102	50,455	\$21.20	\$1,069,471
542	0616**	200 West First St.	Birdsboro	19508	40,308	\$26.09	\$1,051,559
543	5129	1446 Point Breeze Ave.	Philadelphia	19146	68,043	\$15.18	\$1,033,019
544	1104	101 Park Ave.	Cresson	16630	38,118	\$26.08	\$994,169
545	3301	160 Main St.	Brookville	15825	31,847	\$31.01	\$987,443
546	5122	8 Penn Center Plz., 1628 John F. Kennedy Blvd.	Philadelphia	19103	49,179	\$19.66	\$967,064
547	1103**	910 Philadelphia Ave, Ste. 1	Northern Cambria	15714	28,185	\$34.24	\$965,048
548	0903**	8794 Easton Rd., Ste. 1	Ottsville	18942	26,670	\$34.29	\$914,619
549	0265	Deer Lakes Plz., 908 Little Deer Creek Valley Rd., PO Box 295	Russellton	15076	29,445	\$30.92	\$910,402
550	4616	100 Main St.	Schwenksville	19473	33,302	\$27.13	\$903,490
551	4015*	112 Stevens Rd.	Wilkes-Barre	18702	690	\$1,286.34	\$887,575
552	5002	53 S. Main St.	Duncannon	17020	30,200	\$28.84	\$870,916
553	3002	Brodak Cmns., 554 S. 88 Rd.	Carmichaels	15320	32,168	\$27.04	\$869,758
554	2004	211 E. Erie St.	Linesville	16424	23,571	\$36.25	\$854,340
555	6502**	313 Depot St.	Latrobe	15650	24,993	\$32.95	\$823,456
556	4202	124 N. Fraley St.	Kane	16735	22,685	\$35.94	\$815,218
557	2205	529 Market St.	Lykens	17048	23,504	\$33.97	\$798,402
558	0921	Yardley Town Ctr., 25 S. Main St.	Yardley	19067	20,547	\$38.38	\$788,652
559	1303	221 Delaware Ave.	Palmerton	18071	27,685	\$28.06	\$776,943
560	4618	504 W. Marshall St.	Norristown	19401	39,943	\$19.05	\$760,950
561	0257†	Jonnet Plz., 4089 William Penn Hwy.	Monroeville	15146	17,909	\$41.52	\$743,589
562	6721**	One West, 9 W. Market St., Ste. 103-105	York	17401	42,496	\$17.16	\$729,176
563	0270	3643 California Ave.	Pittsburgh	15212	31,430	\$22.73	\$714,462
564	2401	305 N. Broad St.	Ridgway	15853	19,338	\$36.59	\$707,481

\* Licensee Service Center \*\* Remodeled † Premium Collection



# APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
565	2901	Ayr Town Ctr., 362 S. 2nd St.	McConnellsburg	17233	24,314	\$29.01	\$705,237
566	6701	Yorktowne Mall, 131 N. Duke St., Ste. 4	York	17401	35,806	\$19.17	\$686,236
567	0804	41871 Rte. 6	Wyalusing	18853	22,569	\$30.34	\$684,810
568	0302	137 S. Jefferson St.	Kittanning	16201	17,971	\$37.89	\$680,926
569	5701	121 W. Main St.	Dushore	18614	21,950	\$30.19	\$662,710
570	2512	66 N. Main St.	Union City	16438	22,895	\$28.94	\$662,593
571	3102	25 W. Water St.	Mt. Union	17066	26,896	\$24.18	\$650,336
572	6312	524 Front St., PO Box 874	Fredericktown	15333	17,245	\$36.36	\$626,959
573	1111	3670 Portage St., Ste. 3	Portage	15946	18,753	\$32.43	\$608,110
574	6307**	Kwik Stop Plz., 2038 Smith Twp. Rd., Ste. 2	Burgettstown	15021	19,824	\$30.04	\$595,494
575	4619	24 E. 4th St.	Bridgeport	19405	22,500	\$26.22	\$590,038
576	6503	925 Donner Ave.	Monessen	15062	16,571	\$34.84	\$577,342
577	4901	136 S. Oak St.	Mount Carmel	17851	19,249	\$28.94	\$557,025
578	0303	163 3rd St.	Leechburg	15656	15,333	\$35.78	\$548,541
579	0405	508 Midland Ave.	Midland	15059	17,393	\$31.43	\$546,607
580	1301	46 W. Ridge St.	Lansford	18232	23,158	\$23.56	\$545,571
581	2315	643 Conchester Hwy.	Boothwyn	19061	19,657	\$27.29	\$536,379
582	2604	1890 McClellandtown Rd.	Masontown	15461	19,329	\$27.31	\$527,941
583	1302	1215 North St.	Jim Thorpe	18229	14,119	\$37.39	\$527,919
584	4818^	3030 Emrick Blvd.	Bethlehem	18020	4,531	\$116.15	\$526,268
585	2702**	644 Elm St.	Tionesta	16353	14,002	\$36.14	\$505,979
586	2804	9 S. Main St.	Mercersburg	17236	12,531	\$40.35	\$505,634
587	1004	102 Main St.	Petrolia	16050	10,904	\$45.63	\$497,513
588	1115	20th Ward Shopping Ctr., 358 N. Sheridan St.	Johnstown	15906	19,389	\$25.05	\$485,748
589	5904	126 W. Main St.	Westfield	16950	11,851	\$40.21	\$476,546
590	1201	54 E. 4th St.	Emporium	15834	13,783	\$33.93	\$467,635
591	5801	605 Main St.	Forest City	18421	16,276	\$28.61	\$465,609
592	5803	The Shops, 191 Erie Blvd., Ste. A	Susquehanna	18847	15,407	\$30.02	\$462,512
593	6508	310 Main St.	Irwin	15642	12,780	\$35.82	\$457,806
594	0803**	752 Canton St.	Troy	16947	13,512	\$32.91	\$444,697
595	5102	4346 Frankford Ave.	Philadelphia	19124	23,964	\$17.80	\$426,600
596	4204	66 W. Mill St.	Port Allegany	16743	13,738	\$30.84	\$423,728
597	4655*	900 Forge Ave., Ste. B-2	Norristown	19403	408	\$1,029.00	\$419,833
598	2701	121 Chestnut St.	Marienville	16239	11,341	\$34.93	\$396,153
599	4203	433 W. Main St.	Smethport	16749	11,831	\$32.11	\$379,927
600	1602	452 Broad St.	New Bethlehem	16242	11,827	\$32.08	\$379,422
601	2608**	3532 Pittsburgh Rd., Ste. A	Perryopolis	15473	13,009	\$27.72	\$360,567
602	5404	630 Centre St.	Ashland	17921	12,389	\$28.70	\$355,526
603	1604	506 Main St.	Knox	16232	7,985	\$44.11	\$352,183
604	5302	15 West St.	Galeton	16922	10,620	\$33.09	\$351,467
605	0502	600 Main St.	Saxton	16678	9,828	\$34.88	\$342,824

\* Licensee Service Center \*\* Remodeled ^ E-Commerce Fulfillment Center

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RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
606	1703	821 Centennial St	Houtzdale	16651	10,631	\$30.58	\$325,121
607	3303	445 Main St.	Brockway	15824	7,190	\$41.94	\$301,519
608	1107	513 Chestnut St.	Conemaugh	15909	6,806	\$42.32	\$288,024
609	6513	214 5th St., PO Box 38	Avonmore	15618	7,679	\$36.04	\$276,750
610	3203	560 Franklin St.	Clymer	15728	7,523	\$35.50	\$267,074
611	1803**	167 7th St.	Renovo	17764	7,369	\$35.92	\$264,699
612	5406	7 S. Main St.	Mahanoy City	17948	8,342	\$29.93	\$249,662
613	5606	212 Ohio St.	Boswell	15531	7,554	\$31.92	\$241,157
614	2222†	5125 Jonestown Rd., Ste. 355	Harrisburg	17112	5,574	\$42.90	\$239,107
615	5601	686 Market Sq.	Meyersdale	15552	4,585	\$52.02	\$238,530
616	1704	449 State St.	Curwensville	16833	7,503	\$28.61	\$214,693
617	2605	213 Penn St.	Point Marion	15474	5,830	\$30.41	\$177,291
618	6202	212 S. Main St., PO Box 372	Sheffield	16347	5,032	\$34.21	\$172,164
619	3305	410 Main St.	Reynoldsville	15851	5,250	\$31.96	\$167,816
620	1403	15 W. Olive St.	Snow Shoe	16874	4,774	\$34.58	\$165,107
621	2343†**	127 W. Lancaster Ave.	Wayne	19087	1,372	\$57.40	\$78,757
622	6308*	102 Four Coins Dr.	Canonsburg	15317	89	\$691.19	\$61,516
623	2298	Room 218, NWOB	Harrisburg	17124	498	\$40.29	\$20,065

\* Licensee Service Center \*\* Remodeled † Premium Collection

These research notes document the sources and techniques used to create this annual report.

The two main business areas providing data for this report were Finance and Marketing. Oracle EBS, the PLCB's unaudited financial statements and supporting schedules for fiscal year 2018-19 were used for financial reporting. Financial reporting excludes all taxes. Sales data for marketing reports were extracted from Oracle BI. Sales data from Oracle BI includes liquor tax but does not include sales tax. Maps were created using ESRI, ArcGIS software.

In the marketing reports, percentage sales by month data was extracted using calendar months. Chairman's inventory comparisons are based on weekly reporting, and the last week of the fiscal year was used. All other reports are based on the fiscal year end date of June 30, 2019.

County-level reports include only retail stores, not licensee service centers. This creates a representation of the county with only the stores present in the borders being accounted for. During fiscal year 2018-19 the e-commerce fulfillment center changed locations, and the store number changed from 4818 to 4650. Both locations are identified in the list of store sales. All other references to e-commerce sales combine sales from both locations.

The departments regular, luxury and special order are included in all marketing reports with a few exceptions. For reporting efficiency, special order is excluded from the top items list and any top category list. The overall sales exclude Chairman's programs and e-commerce sales, which appear as separate items. Price segment reports exclude special order because special order items are not classified by price segment.

Financial and marketing reports exclude accessories, placeholders and fees when appropriate. Wholesale reporting, when considered in marketing reports, references wine expanded permits active at the end of the fiscal year for the sum totals.

Financial reporting data from EBS was compiled at the end of August 2019, after the Pennsylvania Budget Office's Comptroller Operations completed all accounting entries for the fiscal year. Marketing reports were extracted on Wednesday, August 7, 2019, and follow up queries to verify information and assess data quality were made over the following two days. Data is updated from year to year, and changes to sales data (including product returns accounting and modifications resulting from data reclassification) occur continuously throughout the year. Such updates and changes may result in data changes in subsequent and future extractions.

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

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