

ANNUAL

PENNSYLVANIA LIQUOR

FISCAL

2019
2020

YEAR

REPORT

CONTROL BOARD



pennsylvania
LIQUOR CONTROL BOARD

FINE WINE & GOOD SPIRITS

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's our privilege to present to you the Pennsylvania Liquor Control Board's Fiscal Year 2019-20 Annual Report. This publication details PLCB operations, outlines popular products and sales trends and shares financial results for the period of July 1, 2019, to June 30, 2020. Additionally, given the unique challenges the COVID-19 public health crisis presented for businesses and consumers across the commonwealth, this year's report features a timeline on pages 10-11 and information throughout tracing the agency's activities in relation to the novel coronavirus pandemic and its impact on operations and sales.

While sales in fiscal year 2019-20 totaled \$2.56 billion (including liquor and sales taxes), \$110.9 million less than the prior year, net income for the year totaled a record \$208.7 million, which was \$17.7 million or 9.2% higher than the prior fiscal year and exceeded the PLCB's \$185.1 million contribution to the General Fund by \$23.6 million. The increase in net income was due primarily to decreased operating expenses related to other post-employment benefit (OPEB) costs and pension expenses.

Prior to the advent and escalation of the COVID-19 public health crisis, PLCB sales were on a record pace into the first couple of months of 2020. Sales for January and February were 5.8% and 12.4% higher, respectively, than the same month the prior fiscal year, and fiscal-year-to-date-sales through February were 4.5% ahead of the previous year.

However, by March 17, 2020, all Fine Wine & Good Spirits stores and licensee service centers were closed and e-commerce sales at FineWineAndGoodSpirits.com had ceased in response to Governor Tom Wolf's COVID-19 mitigation efforts promoting public health and safety.

In the second half of March, only sales to licensees with wine expanded permits – grocery stores, convenience stores and mass merchants authorized to sell wine to go – continued. Sales to licensees holding wine expanded permits increased dramatically between March and June, despite the government-mandated closure of on-premises sales and service for bars and restaurants.

On April 1, 2020, limited online sales resumed, temporarily supported by the addition of 120 new locations picking, packing and shipping orders to increase fulfillment capacity. Even with our best efforts to develop new website technology and fulfillment solutions, we simply weren't able to keep up with unprecedented website traffic and demand for online orders. We know that restricting site access and order sizes was frustrating for many customers, but we used those challenges to inform additional improvements as we resumed work on a redesigned FWGS.com, anticipated to be introduced in early 2021.

Beginning April 20, 2020, a new, never-before considered curbside pickup service – admittedly limited by a single phone line into each store – was introduced at 176 FW&GS stores, and expanded to all stores by April 27. Similarly, we listened to the feedback we received and will incorporate those learnings into new in-store phone solutions slated to be introduced starting in late 2020.

Despite online and curbside pickup sales options, the closure of FW&GS stores to traditional traffic hampered sales and tax revenue from March through June, even as some stores began reopening to limited in-store traffic in May 2020. Compounded by limited sales to bars and restaurants due to COVID-19 occupancy limits and business restrictions – as well as the closure of more than three dozen stores, mainly in and around Philadelphia, damaged or destroyed during civil unrest in June – the final months of the fiscal year were a perfect storm of impediments to sales growth.

Beyond adapting to ever-changing coronavirus circumstances and business impacts, key PLCB activities and accomplishments during the fiscal year include:

- The construction of a 465,000-square-foot, state-of-the-art distribution center in Philadelphia to service FW&GS stores and licensees throughout southeastern Pennsylvania beginning in fall 2020. Photos and additional details are available on pages 44-45. PLCB teams also issued requests for proposals during the fiscal year for warehousing and transportation services in western and central Pennsylvania.
- Continued FW&GS store remodels, which resulted in 65% of stores statewide having been renovated as of the close of the fiscal year. For more information on store operations and enhancements, see pages 24-29.
- The introduction of free shipping to home and business addresses in Pennsylvania on orders of \$99 or more placed at FWGS.com. More information about free shipping and the most popular online promotions during the year is available on page 33.
- The awarding of more than \$800,000 in alcohol education grants for programs to reduce underage and dangerous drinking and \$2.2 million in grants in support of Pennsylvania's wine and beer industries. Grant details are available on page 58 and pages 60-63.
- The completion of two restaurant license auctions, resulting in the successful awarding of 35 licenses for potential bid revenue of \$2.8 million. For more auction details, see page 56.

Fiscal year 2019-20 presented unique challenges and opportunities for the PLCB to grow, both from operational and customer service standpoints. The actions and achievements outlined in this report are testament to our ongoing commitment to continual improvement in serving Pennsylvania consumers, licensees, partners in prevention, beverage alcohol industry members and other stakeholders.

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 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.



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.

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 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 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, 2020)

Director of Regulatory Affairs

Tisha Albert

Chief Operating Officer

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

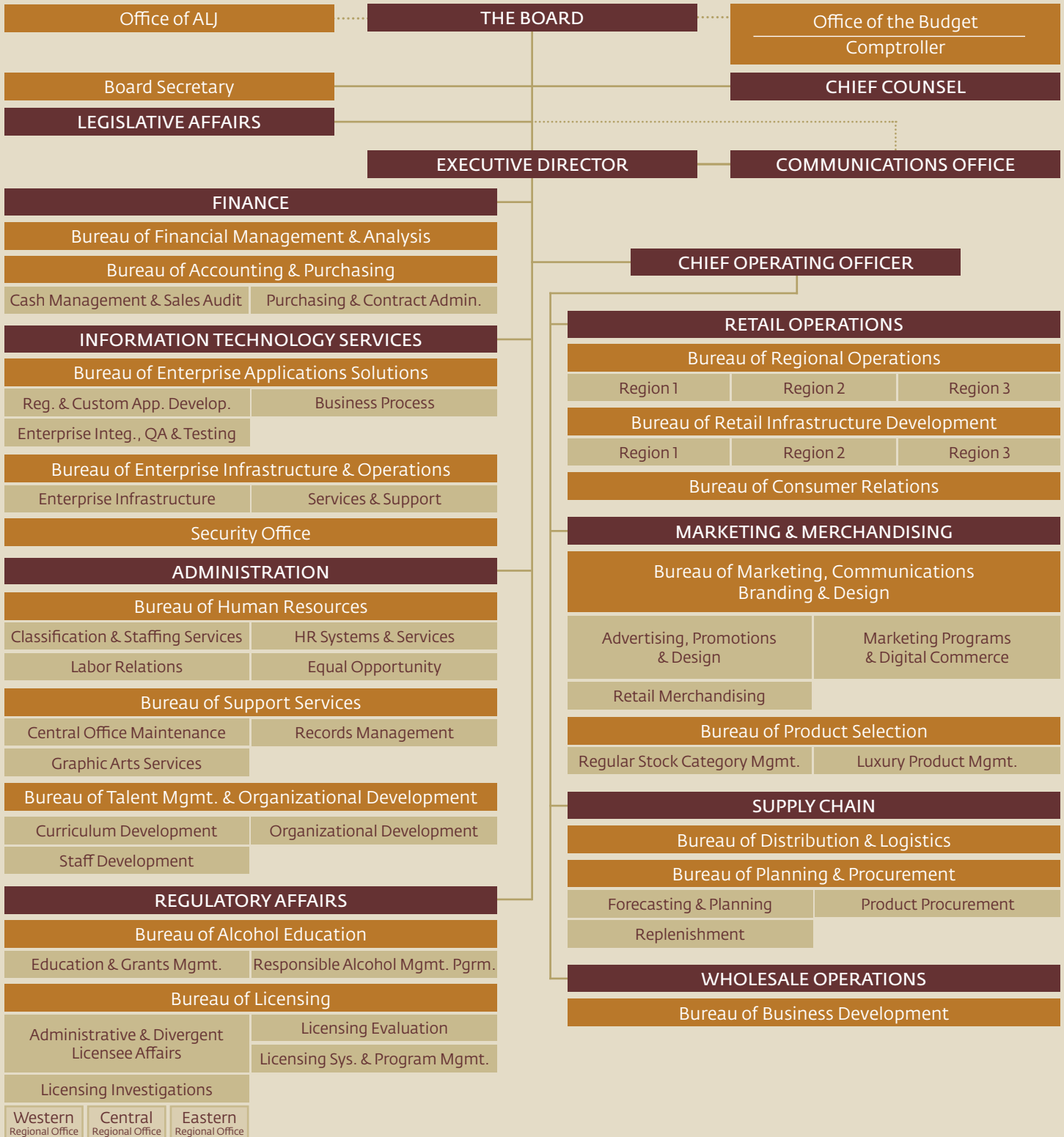
Chief Information Officer (Acting)

Dee Mayer

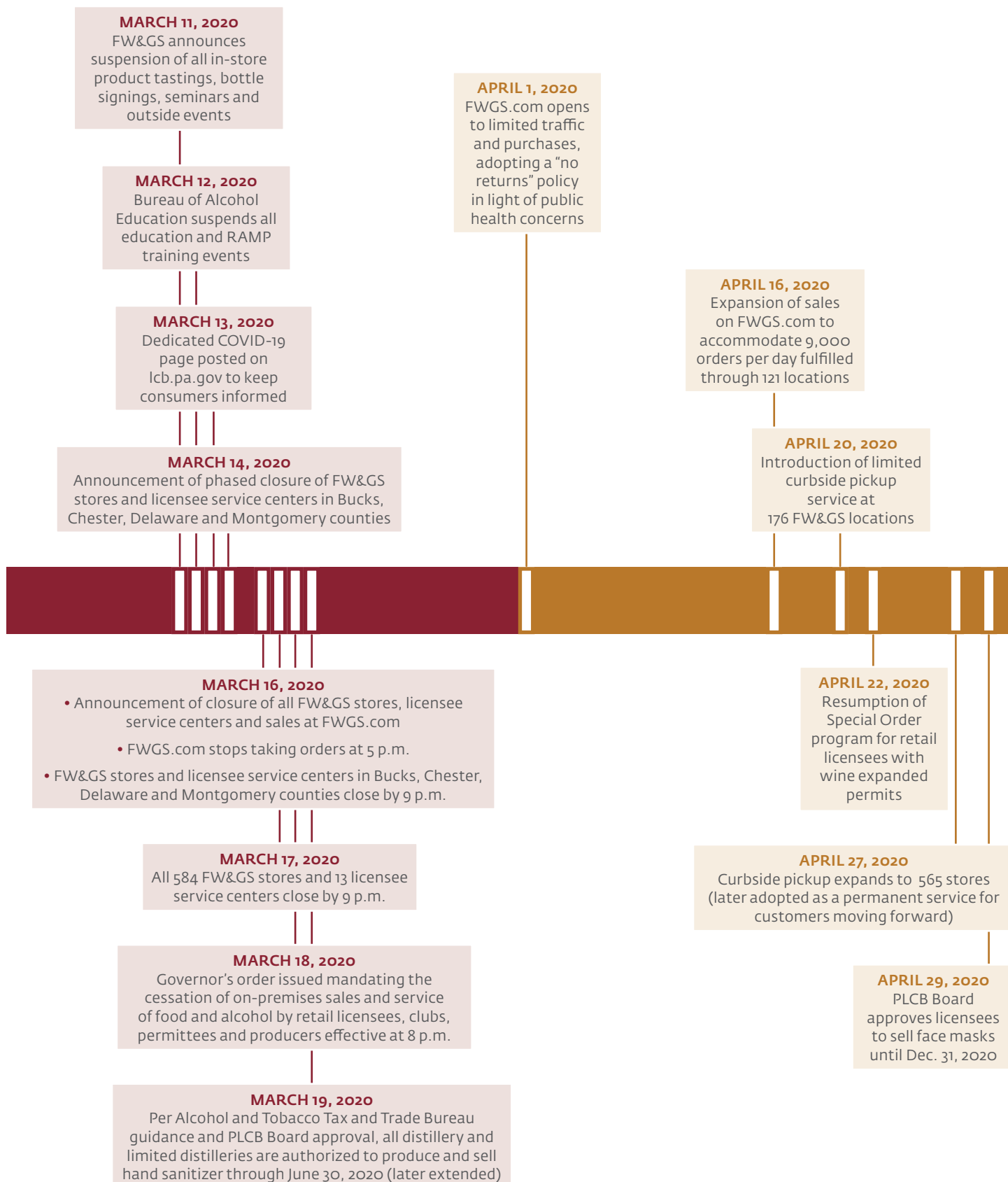
Board Secretary

John Stark

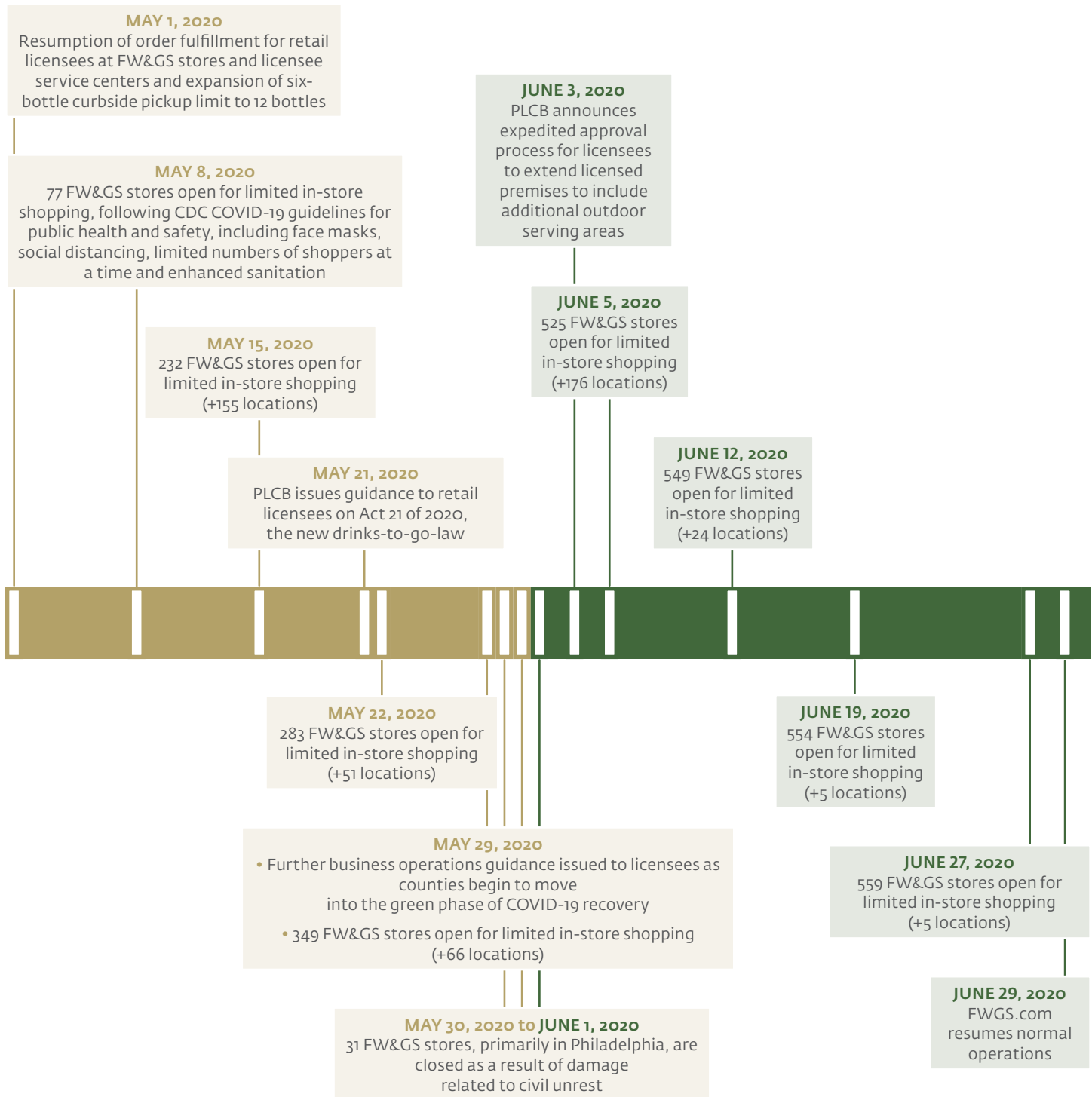
ORGANIZATIONAL STRUCTURE



PLCB COVID-19 TIMELINE: The Impact the Novel Coronavirus



had on PLCB Operations in the Second Half of FY 2019-20



FINANCIAL HIGHLIGHTS

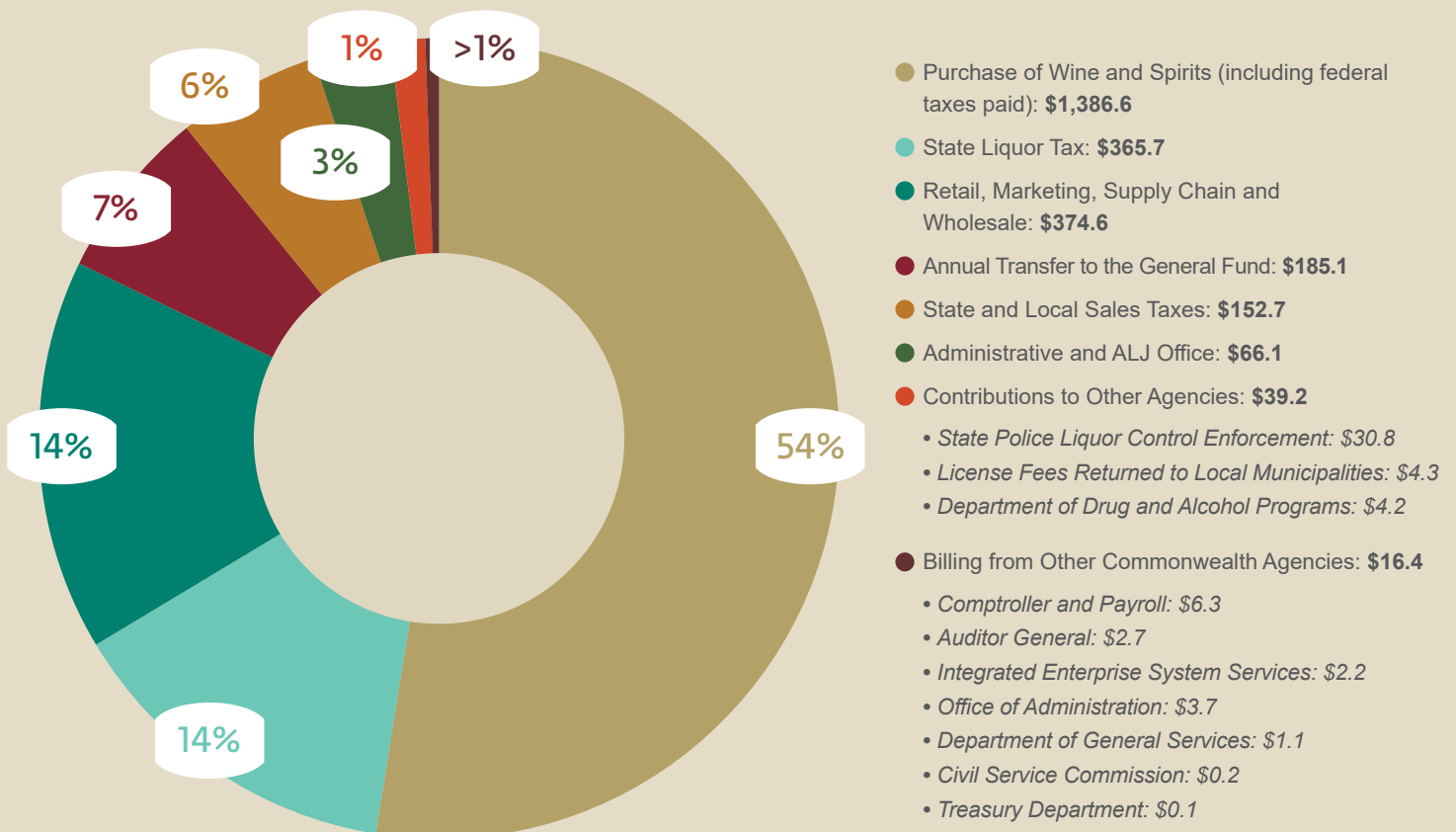
Where The Money Goes

The PLCB generated more than \$2.56 billion in sales and taxes from Fine Wine & Good Spirits stores, direct deliveries to licensees and from its e-commerce website.

Together, **more than \$745.1 million** was returned to the General Fund, state and local government and other beneficiaries in fiscal year 2019-20.

- The PLCB returned \$694.8 million to the General Fund:
 - \$365.7 million in liquor tax
 - \$143.9 million in state sales tax
 - \$185.1 million transferred to the General Fund
- The Pennsylvania State Police received \$30.8 million for the enforcement of liquor laws.

DISTRIBUTION OF PROCEEDS (IN MILLIONS)



- The Department of Drug and Alcohol Programs received \$4.2 million to educate and prevent problem alcohol use.
- Philadelphia and Allegheny counties received \$8.8 million in local sales taxes.
- Local communities received \$4.3 million in returned licensing fees.
- \$16.3 million to the Department of Drug and Alcohol Programs
- \$22.3 million to local municipalities in returned license fees

IN THE LAST FIVE YEARS, THE PLCB HAS PROVIDED:

- \$3.42 billion to the Pennsylvania General Fund
- \$146.8 million to the Pennsylvania State Police
- Authorized \$2.2 million in grants in support of Pennsylvania's wine and beer industries
- Awarded \$0.8 million in alcohol education grants to reduce underage and dangerous drinking

IN FISCAL YEAR 2019–20, THE PLCB:

PLCB SUMMARY FINANCIAL INFORMATION (IN THOUSANDS EXCEPT AS INDICATED)

	FY 2019-20*	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	CAGR **
Sales Net of Taxes	\$2,039,324	\$2,126,928	\$2,066,562	\$2,012,789	\$1,937,885	1.3%
Gross Profit	\$652,764	\$675,155	\$658,030	\$621,907	\$605,599	1.9%
Gross Margin	32.0%	31.7%	31.8%	30.9%	31.3%	0.6%
Operating Expenses	\$457,086	\$501,726	\$522,590	\$525,209	\$494,788	-2.0%
Operating Income	\$195,678	\$173,429	\$135,440	\$96,697	\$110,811	15.3%
Other Revenues	\$43,813	\$48,869	\$53,336	\$36,305	\$19,137	23.0%
Transfers to State Police	\$30,780	\$31,257	\$30,528	\$28,107	\$26,091	4.2%
Net Income	\$208,711	\$191,041	\$158,248	\$104,895	\$103,857	19.1%
Transfers to General Fund	\$185,100	\$185,100	\$185,100	\$216,696	\$100,000	16.6%
Drug & Alcohol Transfers	\$4,174	\$3,821	\$2,500	\$2,500	\$3,328	5.8%
Liquor Tax	\$365,707	\$381,876	\$371,508	\$361,856	\$348,056	1.2%
State Sales Tax	\$143,946	\$150,195	\$146,027	\$142,005	\$135,581	3.0%
Local Sales Tax	\$8,777	\$9,680	\$9,398	\$9,060	\$8,688	0.3%
License Fees for Return ^	\$4,273	\$4,478	\$4,632	\$4,275	\$4,594	-1.8%
Grants	\$2,331	\$3,457	\$2,486	\$965	\$859	28.3%
Operating Exp./Net Sales	22.4%	23.6%	25.3%	26.1%	25.5%	
Contributions/Net Sales ^^	36.5%	36.2%	36.4%	38.0%	32.4%	
Return on Assets	42.3%	34.2%	28.9%	19.9%	17.9%	

*Financial results for fiscal year 2019-20 are unaudited.

**CAGR - Compound Annual Growth Rate.

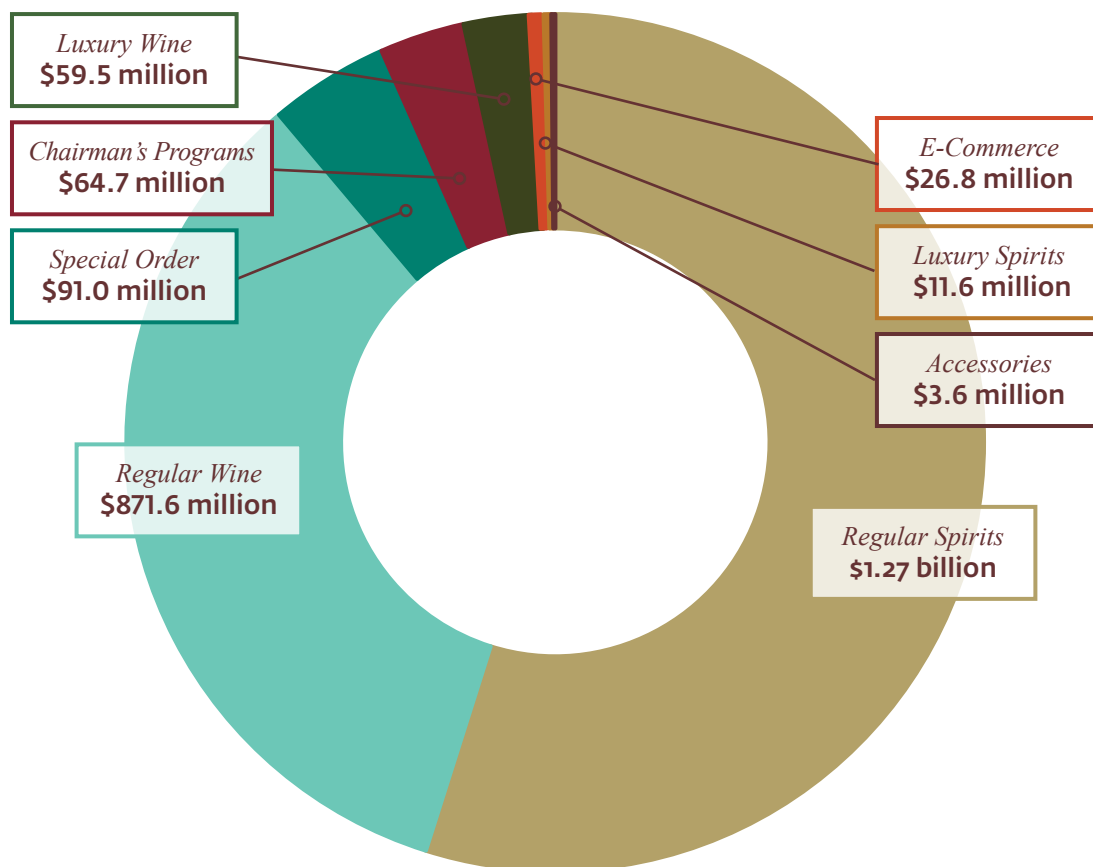
^As provided by statute, a portion of license fees are returned to municipalities. Rates have not changed since 1991.

^^Contributions are transfers, taxes, license fees for return and grants.

FINE WINE & GOOD SPIRITS SALES HIGHLIGHTS

FISCAL YEAR DOLLAR SALES BY DEPARTMENT

Total sales for fiscal year 2019-20* were \$2.40 billion, a decrease of 4% compared to the prior year. The compound annual growth rate (CAGR) between fiscal year 2015-16 and 2019-20 is 1.3%.



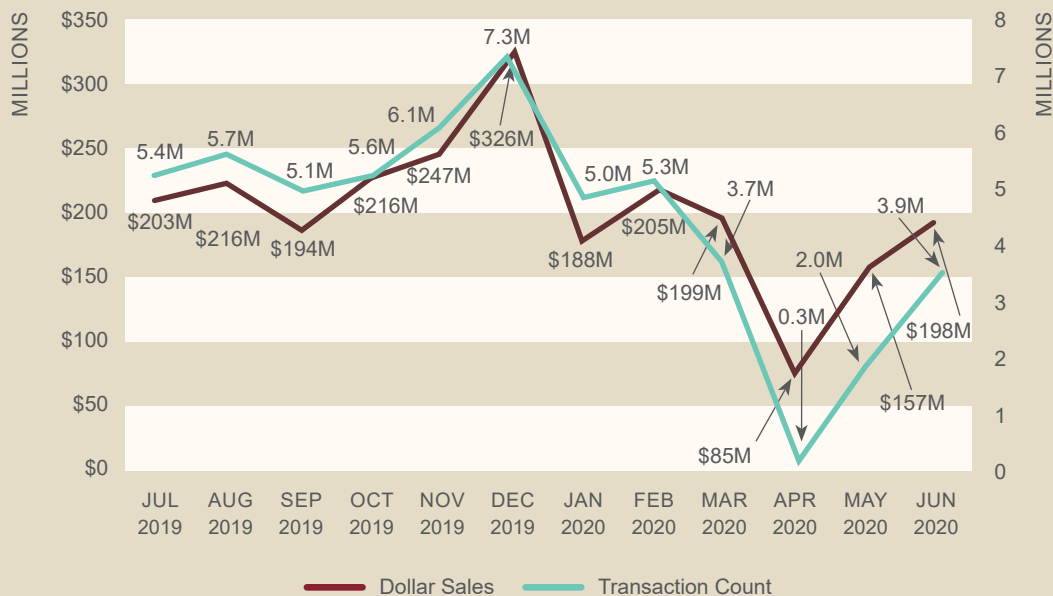
* E-commerce sales were removed from Chairman's programs and Luxury Spirits. Placeholders and fees were removed from all sales. Sales data includes the 18% liquor tax, but excludes state and local sales tax.

FINE WINE &
GOOD SPIRITS
SALES HIGHLIGHTS

DEPARTMENT	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Regular Spirits	\$1.27 billion	\$1.38 billion	\$1.33 billion	\$1.29 billion	\$1.27 billion
Regular Wine	\$871.6 million	\$851.6 million	\$847.5 million	\$823.1 million	\$791.9 million
Special Order	\$91.0 million	\$112.8 million	\$104.6 million	\$103.7 million	\$92.6 million
Chairman's Programs	\$64.7 million	\$75.2 million	\$86.9 million	\$91.2 million	\$70.1 million
Luxury Wine	\$59.5 million	\$66.6 million	\$54.1 million	\$51.8 million	\$55.0 million
E-Commerce	\$26.8 million	\$5.0 million	\$3.0 million	\$2.5 million	\$2.3 million
Luxury Spirits	\$11.6 million	\$13.8 million	\$6.3 million	\$4.6 million	\$1.8 million
Accessories	\$3.6 million	\$3.6 million	\$2.7 million	\$2.7 million	\$2.6 million
TOTAL	\$2.40 billion	\$2.50 billion	\$2.43 billion	\$2.37 billion	\$2.28 billion

CALENDAR MONTH DOLLAR SALES AND TRANSACTION COUNT

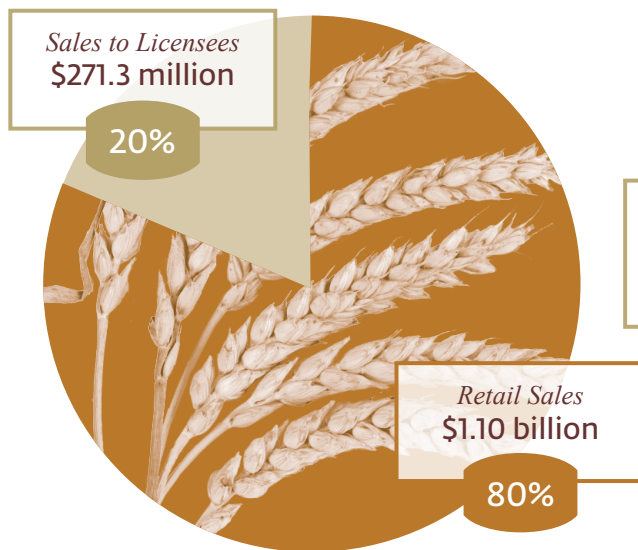
December had 13.4% of yearly sales, followed by November with 10.1%.



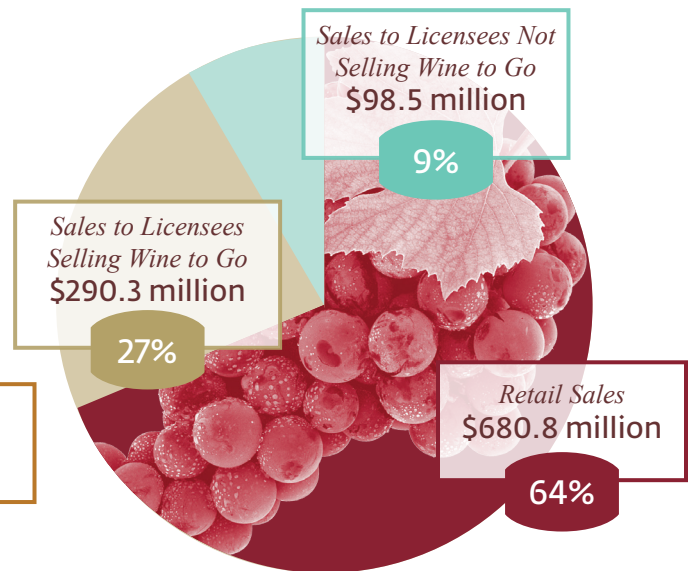
SALES AT RETAIL VERSUS SALES TO LICENSEES

Eighty percent of spirits sales occurred at retail, while 20% of spirits sales were made to licensees. For wine, 64% of sales were retail sales to individual consumers, while 36% of sales were to licensees, including holders of wine expanded permits selling wine to go. The increase in spirits retail sales and the shift toward licensees selling wine to go represent the impact of COVID-19 on different sales channels.

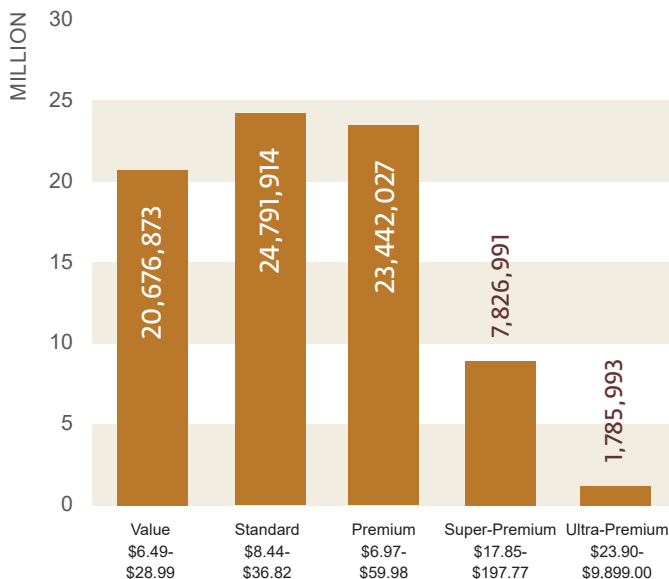
**SPIRITS LICENSEE AND RETAIL
DOLLAR SALES FY 2019-20**



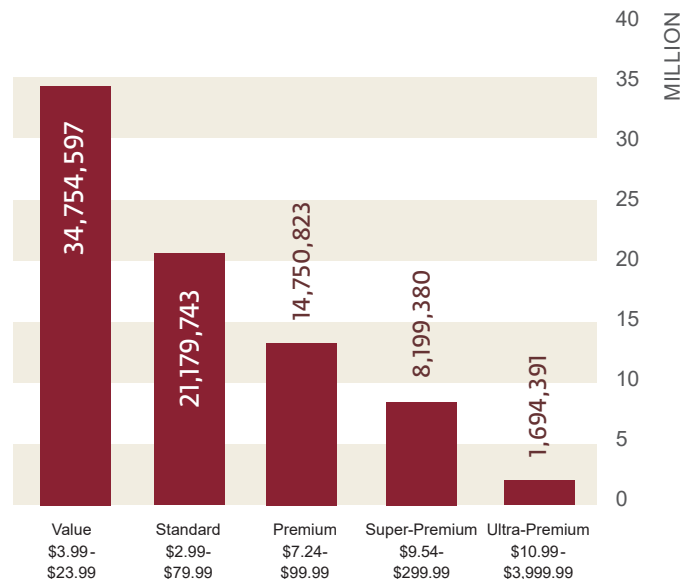
**WINE LICENSEE AND RETAIL
DOLLAR SALES FY 2019-20**



**SPIRITS UNITS SOLD BY PRICE
SEGMENT FY 2019-20**



**WINE UNITS SOLD BY PRICE
SEGMENT FY 2019-20**



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 34.8% of statewide sales. Wyoming (2.4%), Fulton (1.8%) and Montour (1.8%) counties had the largest percentage increases over the prior year. While Allegheny decreased in sales (-5.8%), it increased in county share by 0.75% over the prior year.

RANK	COUNTY	FY 2019-20 Dollar Sales	FY 2018-19 Dollar Sales	FY 2019-20 County Share	% Change	RANK	COUNTY	FY 2019-20 Dollar Sales	FY 2018-19 Dollar Sales	FY 2019-20 County Share	% Change
1	Allegheny	\$288,160,194	\$305,932,112	14.62%	-5.8%	35	Clearfield	\$7,916,225	\$8,188,161	0.40%	-3.3%
2	Philadelphia	\$210,375,885	\$253,930,335	10.67%	-17.2%	36	Columbia	\$7,827,496	\$8,487,097	0.40%	-7.8%
3	Montgomery	\$188,428,136	\$219,221,702	9.56%	-14.0%	37	Pike	\$7,511,604	\$8,322,980	0.38%	-9.7%
4	Bucks	\$131,276,789	\$150,152,164	6.66%	-12.6%	38	Northumberland	\$6,027,406	\$6,495,877	0.31%	-7.2%
5	Chester	\$97,095,737	\$114,841,290	4.92%	-15.5%	39	Union	\$5,850,830	\$6,070,293	0.30%	-3.6%
6	Delaware	\$74,601,803	\$87,434,006	3.78%	-14.7%	40	Adams	\$5,593,167	\$6,275,542	0.28%	-10.9%
7	Lehigh	\$70,120,537	\$78,682,064	3.56%	-10.9%	41	Carbon	\$5,276,242	\$5,577,796	0.27%	-5.4%
8	Lancaster	\$62,365,416	\$69,897,992	3.16%	-10.8%	42	Bradford	\$5,151,853	\$5,441,056	0.26%	-5.3%
9	Westmoreland	\$61,412,446	\$64,971,010	3.11%	-5.5%	43	Somerset	\$4,875,761	\$5,163,103	0.25%	-5.6%
10	York	\$57,068,433	\$63,340,794	2.89%	-9.9%	44	Venango	\$4,564,188	\$4,809,706	0.23%	-5.1%
11	Berks	\$52,882,666	\$59,127,604	2.68%	-10.6%	45	McKean	\$4,141,138	\$4,487,218	0.21%	-7.7%
12	Luzerne	\$47,506,563	\$52,664,379	2.41%	-9.8%	46	Armstrong	\$4,020,676	\$4,231,315	0.20%	-5.0%
13	Erie	\$46,122,884	\$49,432,388	2.34%	-6.7%	47	Snyder	\$3,903,084	\$3,911,065	0.20%	-0.2%
14	Cumberland	\$44,633,637	\$48,996,101	2.26%	-8.9%	48	Tioga	\$3,777,276	\$4,032,888	0.19%	-6.3%
15	Dauphin	\$44,245,033	\$50,121,598	2.24%	-11.7%	49	Warren	\$3,750,064	\$3,964,682	0.19%	-5.4%
16	Northampton	\$40,926,699	\$47,308,323	2.08%	-13.5%	50	Clarion	\$3,706,729	\$3,975,353	0.19%	-6.8%
17	Lackawanna	\$39,310,153	\$43,420,792	1.99%	-9.5%	51	Bedford	\$3,702,660	\$3,911,991	0.19%	-5.4%
18	Butler	\$37,117,979	\$38,464,201	1.88%	-3.5%	52	Montour	\$3,331,522	\$3,273,945	0.17%	1.8%
19	Monroe	\$33,642,414	\$36,469,996	1.71%	-7.8%	53	Mifflin	\$3,195,301	\$3,612,109	0.16%	-11.5%
20	Washington	\$27,189,704	\$32,974,731	1.38%	-17.5%	54	Wyoming	\$3,085,184	\$3,014,267	0.16%	2.4%
21	Centre	\$25,682,981	\$28,784,820	1.30%	-10.8%	55	Huntingdon	\$3,070,605	\$3,446,650	0.16%	-10.9%
22	Beaver	\$21,356,555	\$22,503,978	1.08%	-5.1%	56	Clinton	\$2,976,175	\$3,111,057	0.15%	-4.3%
23	Lycoming	\$16,678,599	\$17,719,347	0.85%	-5.9%	57	Jefferson	\$2,806,735	\$2,926,417	0.14%	-4.1%
24	Cambria	\$14,757,686	\$15,790,209	0.75%	-6.5%	58	Elk	\$2,634,531	\$2,794,203	0.13%	-5.7%
25	Blair	\$14,618,006	\$15,544,261	0.74%	-6.0%	59	Greene	\$2,550,653	\$2,656,957	0.13%	-4.0%
26	Mercer	\$14,486,710	\$15,149,690	0.73%	-4.4%	60	Susquehanna	\$2,537,327	\$2,793,104	0.13%	-9.2%
27	Lebanon	\$12,733,477	\$13,991,980	0.65%	-9.0%	61	Perry	\$2,103,343	\$2,093,993	0.11%	0.4%
28	Wayne	\$12,496,215	\$13,221,334	0.63%	-5.5%	62	Potter	\$1,320,713	\$1,429,506	0.07%	-7.6%
29	Schuylkill	\$12,363,693	\$13,297,356	0.63%	-7.0%	63	Juniata	\$1,146,784	\$1,167,710	0.06%	-1.8%
30	Franklin	\$12,286,042	\$14,095,833	0.62%	-12.8%	64	Forest	\$912,942	\$902,132	0.05%	1.2%
31	Fayette	\$11,980,614	\$13,048,221	0.61%	-8.2%	65	Fulton	\$718,053	\$705,237	0.04%	1.8%
32	Lawrence	\$9,754,270	\$9,823,365	0.49%	-0.7%	66	Sullivan	\$566,890	\$662,710	0.03%	-14.5%
33	Crawford	\$9,107,677	\$9,550,033	0.46%	-4.6%	67	Cameron	\$417,796	\$467,635	0.02%	-10.7%
34	Indiana	\$7,917,428	\$8,790,698	0.40%	-9.9%						

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

FINE WINE &
GOOD SPIRITS
SALES HIGHLIGHTS

SALES BY COUNTY AND CATEGORY IN DOLLARS FY 2019–20

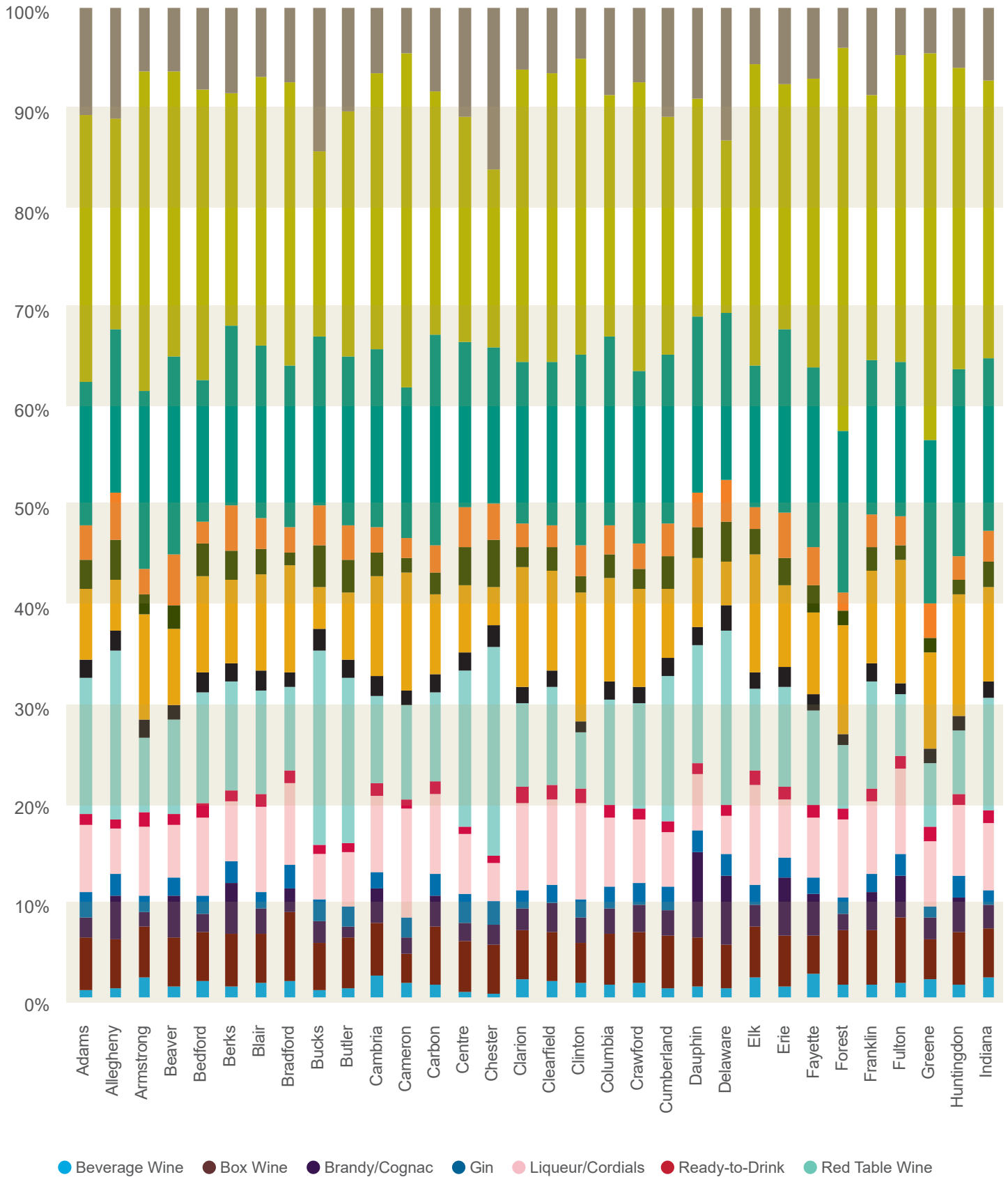
Of the following product categories, whiskey had the highest share of sales in 63 of 67 counties. Red table wine had the highest share of sales in four counties — Montgomery, Bucks, Chester and Delaware.

	BEVERAGE WINE	BOX WINE	BRANDY/COGNAC	GIN	LIQUEUR/CORDIALS	READY-TO-DRINK	RED TABLE WINE
Adams	\$43,457	\$293,541	\$107,868	\$138,869	\$375,283	\$57,420	\$756,113
Allegheny	\$2,732,064	\$13,942,147	\$12,597,143	\$6,363,422	\$12,906,610	\$2,644,083	\$47,907,413
Armstrong	\$83,920	\$199,088	\$59,077	\$64,520	\$280,963	\$54,657	\$299,141
Beaver	\$255,874	\$1,055,318	\$861,514	\$382,514	\$1,147,672	\$234,061	\$1,990,937
Bedford	\$65,698	\$175,552	\$68,134	\$68,705	\$283,974	\$51,596	\$405,245
Berks	\$641,564	\$2,722,211	\$2,690,101	\$1,136,269	\$3,164,084	\$558,787	\$5,687,602
Blair	\$231,788	\$693,659	\$364,907	\$259,976	\$1,225,211	\$187,514	\$1,503,952
Bradford	\$89,984	\$356,421	\$120,749	\$117,794	\$416,909	\$63,807	\$430,561
Bucks	\$987,005	\$6,262,344	\$2,832,970	\$2,790,148	\$5,822,175	\$1,270,648	\$25,289,931
Butler	\$340,821	\$1,911,944	\$423,804	\$707,972	\$1,995,017	\$365,210	\$6,068,804
Cambria	\$332,174	\$774,542	\$494,016	\$238,400	\$1,100,639	\$204,918	\$1,258,790
Cameron	\$6,356	\$12,000	\$6,996	\$8,159	\$45,233	\$4,109	\$39,246
Carbon	\$70,920	\$308,323	\$160,138	\$106,451	\$424,551	\$65,866	\$457,700
Centre	\$157,138	\$1,283,134	\$491,257	\$722,616	\$1,536,140	\$187,900	\$3,935,197
Chester	\$449,414	\$4,756,020	\$1,918,865	\$2,330,632	\$3,507,874	\$809,126	\$20,153,613
Clarion	\$70,343	\$180,145	\$76,961	\$68,360	\$320,369	\$56,556	\$307,363
Clearfield	\$139,631	\$376,282	\$222,870	\$144,413	\$666,982	\$116,197	\$763,806
Clinton	\$43,689	\$120,540	\$74,834	\$55,633	\$282,311	\$42,580	\$168,805
Columbia	\$112,371	\$382,216	\$201,160	\$166,734	\$541,925	\$91,538	\$821,282
Crawford	\$141,270	\$464,726	\$237,469	\$189,877	\$589,070	\$96,437	\$937,022
Cumberland	\$403,661	\$2,347,562	\$1,130,278	\$1,026,515	\$2,483,118	\$408,967	\$6,455,332
Dauphin	\$518,698	\$2,153,141	\$3,705,430	\$1,016,593	\$2,441,975	\$458,206	\$5,179,418
Delaware	\$754,965	\$3,199,321	\$5,023,790	\$1,594,250	\$2,828,370	\$911,700	\$12,837,700
Elk	\$54,598	\$133,846	\$54,625	\$51,934	\$261,120	\$36,096	\$216,565
Erie	\$567,626	\$2,286,987	\$2,647,196	\$938,530	\$2,718,112	\$512,473	\$4,615,729
Fayette	\$282,436	\$463,727	\$496,881	\$192,734	\$716,701	\$149,884	\$1,122,392
Forest	\$11,808	\$49,905	\$14,993	\$15,028	\$70,861	\$10,216	\$58,127
Franklin	\$157,295	\$670,594	\$463,865	\$230,723	\$863,145	\$157,361	\$1,320,381
Fulton	\$10,910	\$47,185	\$29,222	\$15,591	\$60,691	\$8,923	\$44,746
Greene	\$46,888	\$104,539	\$55,398	\$26,119	\$165,758	\$35,422	\$161,959
Huntingdon	\$43,460	\$157,893	\$103,136	\$70,832	\$211,304	\$35,821	\$192,101
Indiana	\$167,562	\$383,188	\$178,302	\$125,033	\$521,815	\$98,190	\$878,485
Jefferson	\$54,493	\$129,507	\$66,093	\$49,368	\$248,880	\$40,770	\$213,388
Juniata	\$16,657	\$61,435	\$41,150	\$17,033	\$111,403	\$17,911	\$69,507
Lackawanna	\$589,950	\$2,233,479	\$1,550,144	\$769,574	\$2,455,894	\$385,198	\$5,549,930
Lancaster	\$657,052	\$3,868,868	\$2,324,528	\$1,518,557	\$3,716,266	\$636,775	\$7,760,964
Lawrence	\$180,104	\$379,521	\$471,905	\$144,474	\$557,001	\$132,212	\$973,350
Lebanon	\$181,442	\$765,474	\$561,625	\$275,927	\$873,296	\$160,569	\$1,181,360
Lehigh	\$710,836	\$3,398,672	\$4,391,857	\$1,535,460	\$3,563,388	\$682,578	\$10,242,039
Luzerne	\$814,505	\$2,486,871	\$3,078,551	\$833,443	\$3,035,997	\$536,809	\$5,129,222
Lycoming	\$208,348	\$819,225	\$664,297	\$407,175	\$1,193,079	\$179,914	\$1,476,797
McKean	\$77,958	\$214,367	\$89,960	\$61,646	\$334,471	\$52,631	\$373,588
Mercer	\$214,364	\$610,799	\$682,182	\$278,243	\$945,855	\$151,052	\$1,302,455
Mifflin	\$35,248	\$170,796	\$82,574	\$64,103	\$376,942	\$41,351	\$176,427
Monroe	\$406,603	\$1,770,766	\$2,249,794	\$598,376	\$1,905,137	\$430,570	\$4,210,800
Montgomery	\$1,399,949	\$8,212,253	\$7,528,635	\$4,442,650	\$7,351,445	\$1,895,042	\$34,895,108
Montour	\$36,698	\$187,350	\$57,684	\$95,163	\$208,137	\$35,882	\$393,405
Northampton	\$480,909	\$2,426,138	\$1,638,466	\$899,076	\$2,342,638	\$437,791	\$5,688,313
Northumberland	\$145,924	\$317,656	\$226,444	\$108,657	\$508,673	\$75,018	\$367,085
Perry	\$25,366	\$125,838	\$50,896	\$42,217	\$184,808	\$28,254	\$125,552
Philadelphia	\$3,513,876	\$7,228,366	\$29,893,020	\$4,911,793	\$7,559,844	\$3,281,049	\$26,631,321
Pike	\$75,960	\$470,223	\$159,026	\$134,186	\$389,379	\$80,882	\$1,338,573
Potter	\$23,029	\$85,316	\$26,307	\$30,509	\$110,758	\$18,153	\$119,793
Schuylkill	\$257,075	\$777,957	\$389,874	\$273,085	\$945,382	\$177,538	\$1,119,051
Snyder	\$56,905	\$169,079	\$85,109	\$103,574	\$302,536	\$56,600	\$398,015
Somerset	\$103,843	\$262,124	\$91,569	\$78,134	\$382,256	\$65,997	\$436,533
Sullivan	\$12,531	\$34,529	\$17,873	\$11,179	\$34,796	\$8,084	\$58,283
Susquehanna	\$48,914	\$189,833	\$56,282	\$45,334	\$186,117	\$23,931	\$261,254
Tioga	\$78,285	\$236,849	\$69,151	\$81,832	\$294,811	\$54,473	\$349,590
Union	\$59,746	\$296,710	\$116,108	\$154,500	\$349,467	\$60,821	\$764,720
Venango	\$80,505	\$274,710	\$100,019	\$81,978	\$370,160	\$77,114	\$367,818
Warren	\$61,795	\$236,731	\$64,539	\$85,610	\$286,339	\$40,122	\$296,438
Washington	\$319,124	\$1,329,319	\$583,113	\$454,870	\$1,424,468	\$284,320	\$3,450,329
Wayne	\$128,980	\$810,739	\$218,328	\$286,352	\$756,872	\$116,047	\$1,996,719
Westmoreland	\$1,034,414	\$3,220,715	\$1,235,175	\$1,094,395	\$3,428,969	\$681,105	\$8,291,469
Wyoming	\$46,411	\$227,213	\$70,438	\$77,698	\$228,572	\$38,173	\$330,109
York	\$638,639	\$2,973,649	\$2,438,767	\$1,132,443	\$3,840,119	\$596,528	\$5,905,414

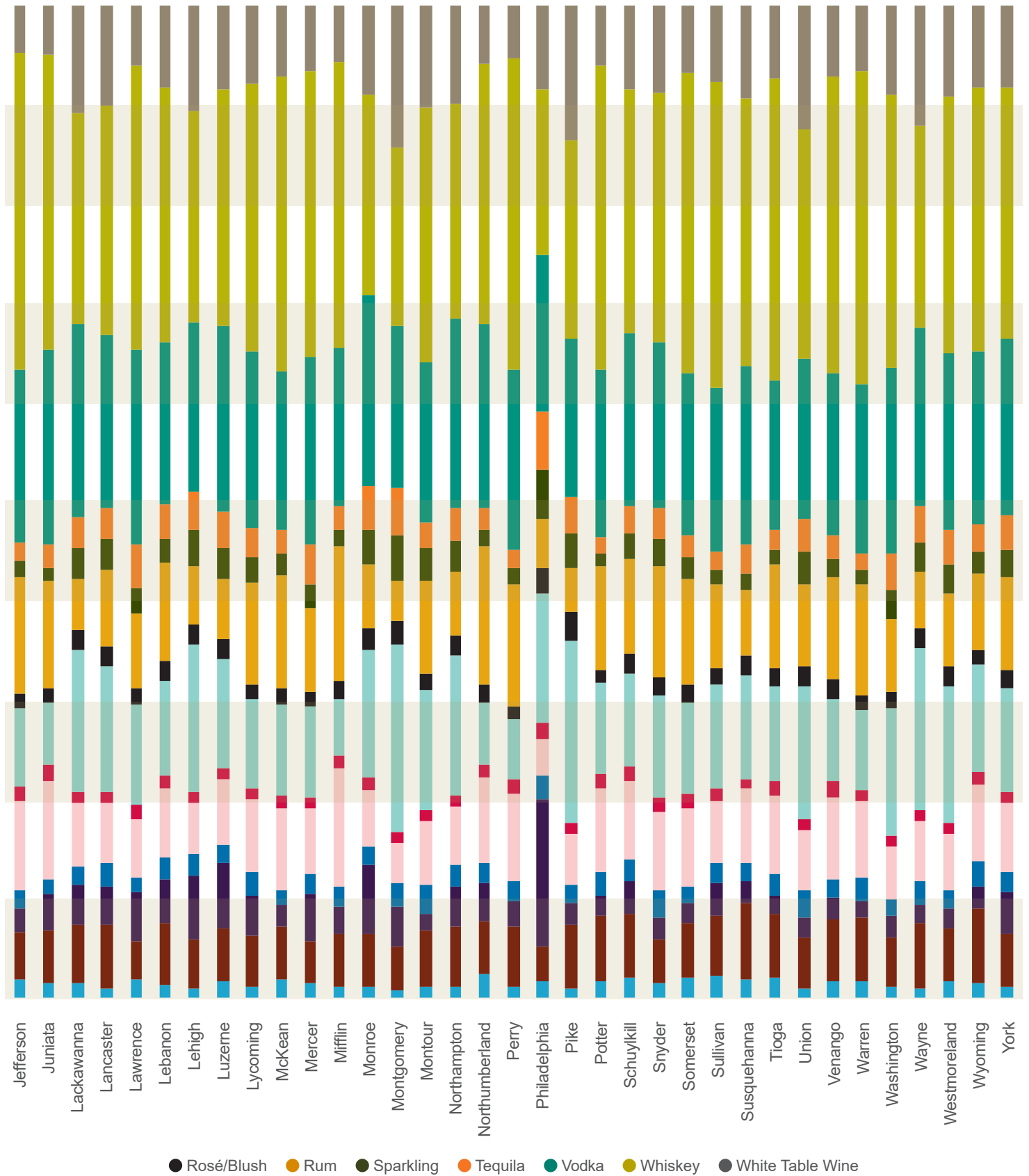
FINE WINE &
GOOD SPIRITS
SALES HIGHLIGHTS

ROSÉ/BLUSH	RUM	SPARKLING	TEQUILA	VODKA	WHISKEY	WHITE TABLE WINE
\$99,401	\$394,087	\$162,101	\$191,829	\$790,126	\$1,472,067	\$592,510
\$5,786,165	\$14,463,905	\$11,583,057	\$13,630,960	\$46,572,615	\$59,915,030	\$31,413,382
\$69,583	\$417,447	\$81,541	\$102,368	\$707,064	\$1,276,015	\$251,260
\$326,071	\$1,617,160	\$469,579	\$1,108,543	\$4,195,537	\$6,076,296	\$1,323,089
\$77,276	\$346,955	\$123,729	\$80,047	\$516,359	\$1,064,821	\$296,672
\$976,113	\$4,356,460	\$1,477,903	\$2,425,417	\$9,393,776	\$12,213,169	\$4,408,395
\$279,569	\$1,404,144	\$367,088	\$453,153	\$2,501,608	\$3,885,424	\$988,750
\$78,193	\$541,607	\$74,191	\$130,120	\$828,980	\$1,446,651	\$379,085
\$2,922,447	\$5,403,870	\$5,565,265	\$4,986,381	\$22,010,343	\$24,300,009	\$18,541,817
\$674,978	\$2,503,513	\$1,189,248	\$1,285,462	\$6,177,080	\$9,102,214	\$3,756,789
\$297,803	\$1,454,486	\$350,570	\$363,709	\$2,588,511	\$4,009,177	\$952,091
\$5,755	\$48,951	\$6,240	\$8,313	\$62,305	\$138,786	\$18,677
\$99,078	\$418,797	\$109,706	\$139,895	\$1,101,153	\$1,277,662	\$428,900
\$470,799	\$1,698,530	\$972,828	\$1,011,744	\$4,220,959	\$5,694,550	\$2,763,419
\$2,098,496	\$3,587,538	\$4,569,510	\$3,556,605	\$15,055,314	\$17,176,732	\$15,501,904
\$62,814	\$441,642	\$68,966	\$88,099	\$593,925	\$1,068,517	\$225,042
\$133,905	\$783,842	\$179,383	\$173,655	\$1,279,428	\$2,253,651	\$504,137
\$31,556	\$380,641	\$50,578	\$87,420	\$566,358	\$873,092	\$150,465
\$138,733	\$805,946	\$182,224	\$227,097	\$1,454,020	\$1,884,000	\$665,230
\$161,006	\$871,478	\$183,650	\$238,487	\$1,546,922	\$2,609,703	\$667,858
\$847,947	\$3,016,894	\$1,475,838	\$1,392,999	\$7,549,334	\$10,484,143	\$4,800,783
\$786,229	\$3,031,536	\$1,327,575	\$1,549,557	\$7,686,323	\$9,591,822	\$3,904,563
\$1,817,558	\$3,152,914	\$3,054,212	\$2,993,033	\$12,386,527	\$12,602,296	\$9,765,618
\$41,172	\$306,813	\$65,316	\$56,210	\$368,453	\$688,997	\$142,781
\$876,649	\$3,821,267	\$1,173,675	\$2,089,530	\$8,445,345	\$11,201,491	\$3,491,102
\$198,376	\$959,005	\$336,239	\$446,592	\$2,145,736	\$3,438,807	\$825,620
\$9,296	\$99,487	\$12,164	\$17,593	\$146,097	\$348,215	\$35,355
\$221,178	\$1,112,545	\$282,731	\$410,787	\$1,877,791	\$3,207,118	\$1,060,553
\$7,940	\$87,794	\$10,081	\$20,399	\$110,661	\$218,571	\$33,685
\$39,292	\$245,245	\$37,032	\$83,502	\$415,549	\$986,650	\$111,045
\$47,300	\$368,866	\$46,387	\$67,517	\$571,110	\$920,553	\$178,249
\$135,426	\$732,177	\$198,996	\$249,010	\$1,354,756	\$2,178,225	\$561,520
\$43,758	\$321,405	\$48,317	\$48,173	\$479,874	\$876,433	\$130,581
\$16,981	\$122,665	\$15,153	\$26,690	\$219,900	\$334,894	\$55,553
\$775,444	\$1,933,133	\$1,228,401	\$1,166,060	\$7,471,147	\$8,165,218	\$4,155,098
\$1,282,874	\$4,710,232	\$1,923,180	\$1,863,223	\$10,609,474	\$14,255,752	\$6,073,393
\$168,385	\$708,861	\$242,731	\$428,926	\$1,885,676	\$2,741,383	\$574,672
\$251,934	\$1,239,833	\$307,333	\$422,063	\$2,052,086	\$3,209,417	\$1,027,573
\$1,406,891	\$4,004,824	\$2,517,733	\$2,717,984	\$11,726,042	\$14,553,143	\$7,317,912
\$928,183	\$2,815,132	\$1,407,396	\$1,768,400	\$8,689,306	\$11,081,800	\$3,865,724
\$244,102	\$1,678,296	\$429,712	\$470,702	\$2,926,999	\$4,444,377	\$1,273,650
\$69,001	\$466,656	\$85,289	\$96,127	\$653,738	\$1,207,485	\$290,901
\$227,332	\$1,179,147	\$345,724	\$593,126	\$2,675,669	\$4,105,254	\$927,586
\$56,493	\$430,386	\$50,844	\$72,231	\$501,844	\$904,294	\$177,567
\$714,621	\$2,171,140	\$1,095,047	\$1,495,379	\$6,314,970	\$6,655,192	\$2,957,150
\$4,284,823	\$7,663,747	\$8,432,995	\$8,736,872	\$30,006,510	\$33,337,927	\$26,131,579
\$59,500	\$305,824	\$104,435	\$84,355	\$529,772	\$836,804	\$336,324
\$819,139	\$2,546,540	\$1,246,656	\$1,366,875	\$7,686,471	\$8,703,871	\$3,919,328
\$110,572	\$823,026	\$99,058	\$129,034	\$1,082,228	\$1,551,680	\$336,332
\$28,155	\$254,853	\$33,948	\$38,512	\$375,624	\$649,283	\$107,992
\$5,044,043	\$10,216,018	\$9,858,996	\$12,211,499	\$31,785,782	\$34,115,905	\$16,921,493
\$216,195	\$326,537	\$255,555	\$275,270	\$1,172,032	\$1,471,537	\$995,414
\$17,376	\$135,824	\$16,326	\$22,355	\$219,212	\$398,265	\$76,734
\$260,179	\$1,149,620	\$308,186	\$320,903	\$2,101,639	\$2,974,336	\$1,001,778
\$69,227	\$428,989	\$99,061	\$123,182	\$635,786	\$963,447	\$334,205
\$93,714	\$504,636	\$103,950	\$105,703	\$782,383	\$1,445,196	\$321,482
\$9,385	\$47,321	\$7,665	\$9,989	\$93,149	\$172,718	\$42,240
\$50,723	\$163,515	\$42,599	\$71,816	\$451,098	\$670,541	\$232,571
\$72,311	\$387,929	\$55,924	\$73,260	\$555,373	\$1,133,404	\$268,494
\$121,245	\$465,951	\$197,318	\$179,603	\$935,150	\$1,323,364	\$708,131
\$89,670	\$466,359	\$78,213	\$105,001	\$735,015	\$1,339,344	\$320,125
\$53,989	\$409,399	\$58,175	\$61,735	\$627,649	\$1,160,347	\$240,974
\$452,289	\$1,963,287	\$753,875	\$1,000,802	\$4,997,412	\$7,401,838	\$2,383,716
\$266,779	\$677,996	\$377,491	\$437,772	\$2,196,370	\$2,513,577	\$1,462,330
\$1,208,599	\$4,506,292	\$1,782,460	\$2,040,426	\$10,752,161	\$15,671,010	\$5,466,834
\$46,426	\$229,725	\$68,054	\$82,969	\$526,624	\$806,829	\$246,760
\$1,025,121	\$5,222,031	\$1,537,179	\$1,901,851	\$9,975,813	\$14,252,777	\$4,524,673

PERCENT OF DOLLAR SALES BY COUNTY FY 2019–20



FINE WINE &
GOOD SPIRITS
SALES HIGHLIGHTS



LEGISLATIVE SYNOPSIS

In fiscal year 2019-20, the General Assembly and the Governor enacted seven bills that impacted the PLCB and licensees.

Act 45 of 2019. Signed by Governor Wolf on July 2, 2019, Act 45 made several changes to the Liquor Code, amending the definition of alcoholic cider and creating a new category of alcoholic beverage called “fermented fruit beverages.” Act 45 requires alcoholic cider to be primarily derived from apples, apple concentrate and water, pears or pear concentrate and water, while requiring fermented fruit beverages to be produced through the alcoholic fermentation of fruit, fruit juice or fruit juice concentrate and water, with or without flavorings. The legislation allows licensees previously permitted to sell alcoholic cider to also sell fermented fruit beverages.

Act 45 also introduced a change to the recordkeeping requirements for limited wineries; created an amplified sound exception during certain hours for limited wineries in Class 2A through Class 8 counties; regulated the importation of nonalcoholic malt or brewed beverages; and expanded the entities allowed to donate wine or spirits to a wine and spirits auction permit holder.

Act 48 of 2019. Signed into law on July 2, 2019, Act 48 amended the local option provisions of the Liquor Code. Most notably, Act 48 added certain alcohol manufacturing licenses to the list of ballot questions that can be voted on by the electorate to allow or prohibit the operation of these licenses within a particular municipality. The new ballot questions include brewery, brewery storage, limited distillery, limited winery and limited distillery and limited winery satellite locations license types; the change, however, does not impact licenses granted prior to Aug. 31, 2019.

Act 57 of 2019. Signed into law on July 2, 2019, Act 57 created a process for a tourist development project to apply for the transfer of up to 75 restaurant liquor licenses from the pool of expired licenses available for auction by the PLCB. As defined by Act 57, a tourist development project is a planned development situated on at least 90 acres of land, constructed since Jan. 1, 2019, that is dedicated primarily to tourism with at least 500,000 square feet of actual or proposed development, with mix of entertainment and retail uses.

Act 86 of 2019. Signed by Governor Wolf on Nov. 21, 2019, Act 86 expanded hours of operation for brewery, limited distillery, distillery and performing arts facility licenses. The changes allow for breweries

to sell malt and brewed beverages and certain alcohol for on-premises consumption from 9 a.m. to midnight Monday through Saturday and from 9 a.m. to 11 p.m. on Sundays; and for distilleries and limited distilleries to sell liquor produced on the licensed premises to the PLCB, licensees and the public from 9 a.m. to midnight Monday through Saturday and 9 a.m. to 11 p.m. on Sundays. It also changed the hours performing arts facilities may sell liquor and malt or brewed beverages on Sundays to 10 a.m. to 10 p.m.

Act 86 also created a process for a commercial and mixed-use overlay project to apply for the transfer of no more than 20 restaurant licenses from the pool of expired licenses available for auction by the PLCB. Under Act 86, a commercial and mixed-use overlay project is defined as a planned development situated on at least 25 acres, constructed since Jan. 1, 2019, with at least 275,000 square feet of actual or proposed development, with a mix of commercial and residential uses, and adjacent to an existing hotel property with at least 90 rooms. Act 23 of 2020, which primarily amended the Fiscal Code, changed the definition of a commercial and mixed-use overlay project by clarifying that the project shall include an existing or proposed hotel with at least 90 rooms.

Act 116 of 2019. Signed by Governor Wolf on Dec. 27, 2019, Act 116 amended provisions governing special occasion permits by increasing the number of days an eligible entity may use a special occasion permit from six to nine consecutive or nonconsecutive days, and allowing for an additional 10 consecutive days of use. Act 116 also added two categories of organizations to the list of entities eligible to obtain a special occasion permit – select nationally recognized community-based volunteer health organizations committed to fighting cancer and 501(c)(3) nonprofits dedicated to improving the quality of life for individuals with developmental disabilities – while broadening the existing category of community development corporations.

In addition to amending the provisions governing special occasion permits, Act 116 added two categories of organizations – certain 501(c)(3) nonprofits focused on fighting cancer and select community-based volunteer organizations that enrich the lives of young people with disabilities and chronic illnesses – to the list of those

eligible to obtain a wine and spirits auction permit.

Act 21 of 2020. Signed into law May 21, 2020, Act 21 made two temporary changes to the Liquor Code to permit hotel and restaurant licensees to sell 4- to 64-ounce prepared beverages and mixed drinks in a sealed container to go if the licensee has lost at least 25% of its average monthly sales as a result of the limitations required by the COVID-19 emergency declaration and offers meals to go. Further, Act 21 allows a restaurant or hotel licensee that is authorized to sell prepared beverages and mixed drinks for off-premises consumption to sell liquor to other licensees that are also allowed to sell prepared beverages and mixed drinks to go. As enacted, both changes are limited to the duration of the COVID-19 emergency declaration and the mitigation period after the termination of the disaster emergency in which a licensee is operating at less than 60% capacity.

Act 29 of 2020. Signed into law on June 5, 2020, Act 29 exempted certain licenses held by volunteer fire companies or national veterans'

or affiliated organizations from the license surcharge authorized by Act 39 of 2016. Act 29 also eliminated the prohibition on licensing areas where liquid fuel or oil is sold. Additionally, the act created an exception for restaurant and eating place license holders to sell malt or brewed beverages, and wine expanded permit holders to sell wine, for off-premises consumption at one or more cash registers off the licensed premises under certain conditions. The exception requires license holders to have an interior connection to another business it operates, the building must be 11,000 square feet or less, registers must be located within the same building as the licensed premises and the registers must comply with certain signage, staffing, training, carding, scanning and prohibition of data sharing requirements.

Complete summaries of the legislative changes enacted in fiscal year 2019-20 can be accessed on the PLCB website by selecting "Legislative Updates" under the "Legal" menu.



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.

For the Office of Retail Operations, fiscal year 2019-20 was defined by the ability to adapt to ever-changing challenges to serve Fine Wine & Good Spirits customers through new programs and ways of doing business.

In mid-March 2020, in the interest of public health and safety at the start of the COVID-19 pandemic, all FW&GS stores, licensee service centers and e-commerce sales on [FineWineAndGoodSpirits.com](https://www.finewineandgoodsprits.com) were closed for the first time ever.

From the March 18 to March 31 shutdown through the gradual and phased reopening of retail stores beginning May 8, Operations flexed creatively to continue to serve and protect customers in an entirely new business landscape.

To facilitate e-commerce order fulfillment, Premium Collection stores and licensee service centers were adapted to serve as additional fulfillment hubs. From April 1, when limited online sales resumed, through the end of the fiscal year on June 30, 2020, 245,429 transactions totaling \$21.5 million in dollar sales – an increase of 2,794.6% in transactions and 1,919% in dollar sales over the same time period the prior year – were received and processed. E-commerce sales for the full fiscal year 2019-20 totaled \$26.8 million for 1.3 million units, a 436.9% increase in dollar sales and an 851.9% increase



in unit sales over the prior year's \$5 million and 135,776 units.

On April 20, a new curbside pickup program was introduced, enabling customers to place orders by phone for pickup at FW&GS stores. Starting with pick up from 176 locations, the

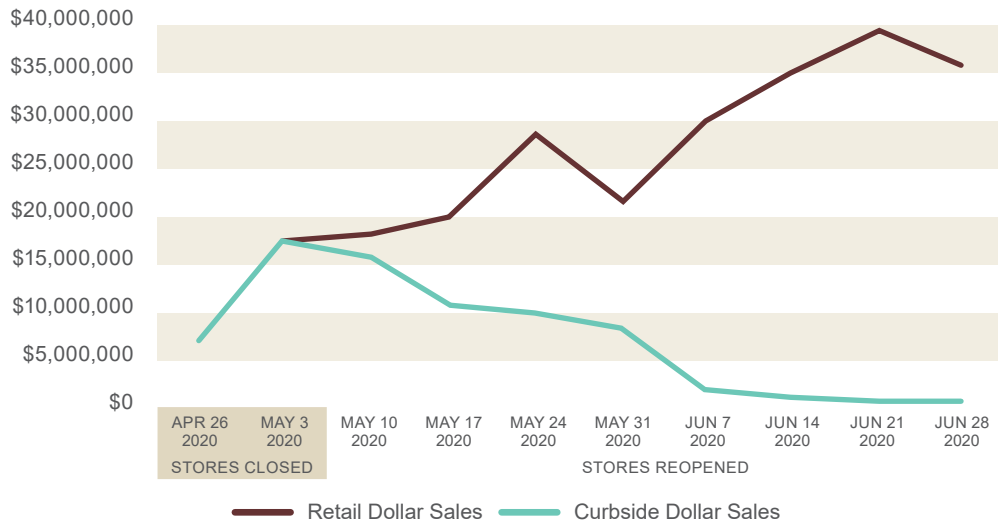


program quickly expanded to offer curbside pickup from all stores.

From April 20 through May 7, prior to phased reopening of FW&GS stores to limited in-store customers, statewide curbside pickup comprised 100% of retail sales, with 456,677 transactions totaling \$34.4 million. As stores began to reopen, the curbside sales began to gradually decrease from 50% of total retail sales in mid-May to 1% by the close of the fiscal year. Curbside pickup sales from the April 20 start of the program through the close of the 2019-20 fiscal year on June 30, 2020 totaled \$75.7 million.



RETAIL AND CURBSIDE DOLLAR SALES



On May 8, FW&GS stores began a phased re-opening as Governor Wolf and the Pennsylvania Department of Health began moving counties from red and yellow COVID-19 statuses to green. By the end of the fiscal year, 559 FW&GS stores and all 13 licensee service centers were open to limited in-store public access, incorporating new social distancing and public health practices into operations.

Although FW&GS had planned to reopen all stores across Pennsylvania by June 5, civil unrest in late May and early June, primarily in Philadelphia, resulted in extensive store damage, requiring the shutdown of 31 stores for repair and replenishment.

Throughout all phases of shutdown and reopening, Retail Operations adapted standard operating procedures to protect employees and the public by incorporating new best practices for health and safety in accordance with federal and state guidance on COVID-19 mitigation requirements for businesses.



In fiscal year 2019–20, Retail Operations completed 63 projects: 46 store refreshes, and 17 remodeling/relocation projects. Additionally, Taste & Learn Centers were added at three FW&GS Premium Collection locations.

Prior to reopening to the public, each FW&GS store was professionally sanitized, and Plexiglas was installed at registers to provide a physical barrier between employees and customers at checkout. Additionally, stores were outfitted with signage to guide customers in regard to new masking requirements, rules for social distancing, revised traffic patterns and product interaction. In addition to being provided with masks, sanitizer and gloves and frequent opportunities to wash hands, FW&GS employees protected themselves and the general public by adjusting store hours to allow for extra time for cleaning each day.

The PLCB remained committed to providing customers with a unique and exciting retail shopping experience by continuing work on the rebranding and redesign of FW&GS stores despite the challenges created by COVID-19. As of the June 30, 2020 close of the fiscal year, nearly 65% of stores statewide had been remodeled.

In addition to freshly renovated stores, FW&GS focused on the addition of more wine specialists at Premium Collection stores to actively educate, guide and assist customers with their selections from the broad variety of products available.

For the second year in a row, the PLCB was recognized as a "Top 100 Retailer of the Year" in 2020 by Beverage Dynamics, a national beverage alcohol trade magazine. The award honors excellence and creativity within the beverage alcohol industry in terms of advertising, promotion, merchandising and customer service.



Customer and employee safety is our top priority.

Public health guidelines require that all individuals wear a face mask while shopping in our store.

Thank you.



Please refrain from handling merchandise unless you're purchasing it.

Thank you.



AS OF JUNE 30, 2020, THE AGENCY OPERATED 598 RETAIL FACILITIES

476 <i>Standard Stores</i>	108 <i>Premium Collection Stores</i>
13 <i>Licensee Service Centers</i>	1 <i>E-Commerce Fulfillment Center</i>

BY THE END OF THE FISCAL YEAR, 335 FW&GS STORES WERE OPEN ON SUNDAYS

PLCB RETAIL OPERATIONS FIVE-YEAR SUMMARY

	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Total Units Sold*	143.8 million	164.6 million	159.9 million	161.1 million	158.8 million
Average Retail Price per Item**	\$14.90	\$14.51	\$14.64	\$14.43	\$14.35
Wage % of Net Sales***	8.2%	7.2%	7.1%	7.0%	6.9%

*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 the 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 2019-20, see pages 90-105.

FINE WINE & GOOD SPIRITS STORE AND LICENSEE SERVICE CENTER LOCATIONS

Statewide Stores

598

Square Feet

3,168,420

Avg. Store Size (sq. ft.)

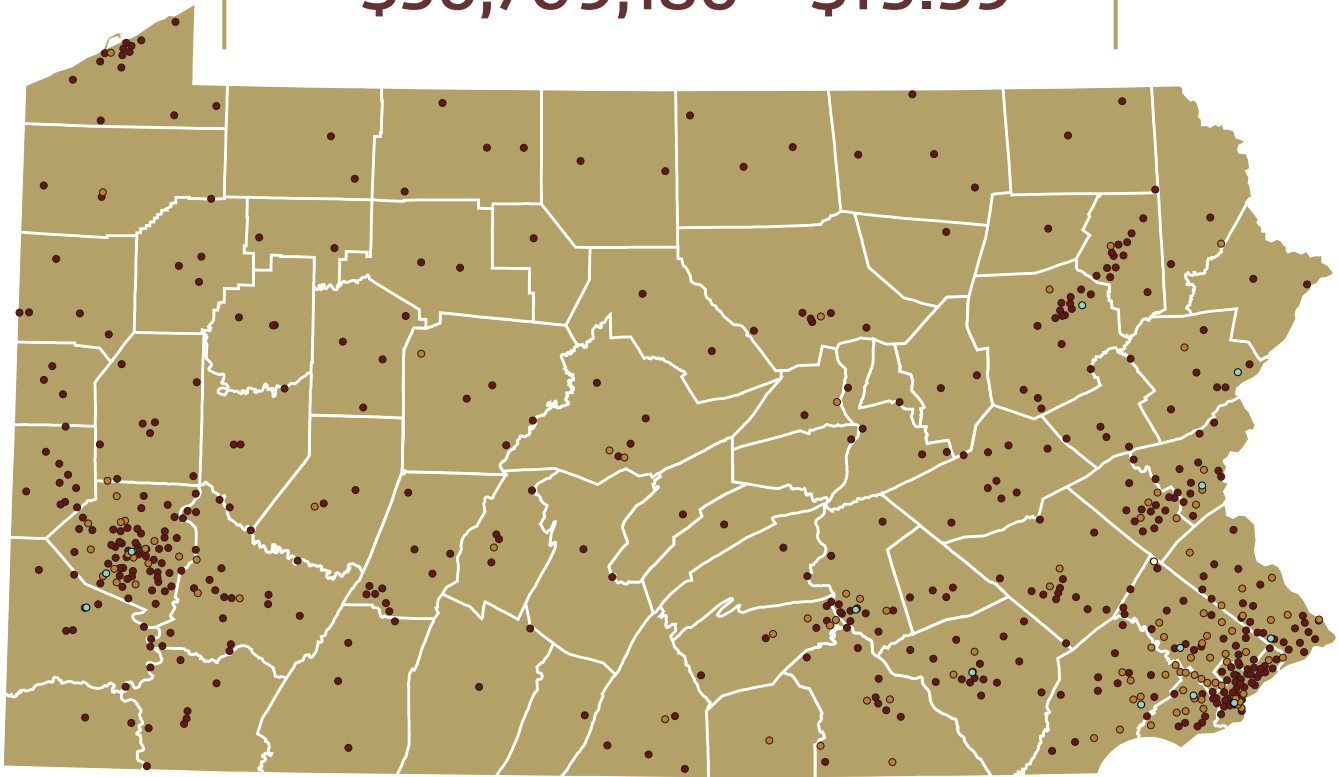
5,298

Annual Rent

\$56,709,186

Avg. Price Per Sq. Ft.

\$15.59



● Standard Stores — 476 ● Premium Collection Stores — 108 ● Licensee Service Centers — 13 ● E-Commerce Fulfillment Center — 1

REGION III

Western Region
221 stores

Total Square Feet	955,556
Average Store Size	4,324
Annual Rent Paid	\$14,000,060
Average Price per Sq. Ft.	\$12.26

REGION II

Central Region
214 stores

Total Square Feet	1,065,401
Average Store Size	4,979
Annual Rent Paid	\$15,905,825
Average Price per Sq. Ft.	\$13.64

REGION I

Eastern Region
163 stores

Total Square Feet	1,147,463
Average Store Size	7,040
Annual Rent Paid	\$26,269,913
Average Price per Sq. Ft.	\$22.37

ENGAGING CONSUMERS THROUGHOUT PA

The PLCB hosted and participated in a variety of events in fiscal year 2019-20.

19

Celebrity bottle signings

High-profile stars, musicians and athletes

Bottle Signings & Events 2019-2020

Country music group Little Big Town poses with fans at a signing and tasting event for Day Drinking wine spritzers.



Members Drew Taggart (left) and Alex Pall (right) of the Grammy award-winning duo The Chainsmokers meet with fans and sign bottles of their JAJA Tequila at a Pittsburgh Premium Collection.



Event-goers sample a wide variety of spirits at Pittsburgh Magazine's Whiskey & Fine Spirits Festival.



FW&GS special guest former Philadelphia Eagles running back Brian Westbrook (right) spends time with fans and signs bottles of Crown Royal Canadian Whisky at the annual TASTE! Philadelphia Festival of Food, Wine & Spirits.



Country music star John Rich, of the award-winning duo Big & Rich, greets fans and signs bottles of Redneck Riviera Whiskey at a bottle signing and tasting in Selinsgrove.



Paul Bissonnette (far left) and Ryan Whitney (far right), former pro hockey players and hosts of the popular hockey podcast Spittin' Chiclets, pose with fans at a bottle signing and tasting event for New Amsterdam Pink Whitney Pink Lemonade Vodka.

26

Special tastings

Seasoned experts in wine and spirits

9

Off-site events

Community events, festivals and shows

Excited fans lined up for the opportunity to meet legendary actor and blues musician Dan Aykroyd at a Lancaster Premium Collection bottle signing for Crystal Head Vodka.



Fans waited in line for the chance to meet former Philadelphia Flyer Kimmo Timonen (right) and get his signature on their cans of The Finnish Long Drink Cocktail.



Attendees of the Lehigh Valley Style Whiskey & Fine Spirits Festival shop from the wide selection of products available at the onsite FW&GS.



Attendees sample a wide range of whiskeys and other spirits at the Central PA Whiskey & Fine Spirits Festival at the Hollywood Casino in Grantville.



World-class chef and fitness authority Robert Irvine welcomed fans and signed bottles of his Boardroom Spirits vodkas at the onsite FW&GS at the Philadelphia Flower Show.



'Mayor of Flavortown' restaurateur and television personality Guy Fieri (right) spends time with fans and signs bottles of Santo Fino Tequila Blanco at a Philadelphia bottle signing and tasting event.

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, 2019 – June 30, 2020



FACEBOOK

Total Page Likes
305,480

New followers	9,546
Impressions	6,138,391
Avg. daily impressions	16,772
Avg. daily engagements (likes, comments, shares)	337
Total engagements	113,332



TWITTER

Total Followers
28,101

New followers	1,552
Tweets sent	669
Retweets	322
Impressions (est.)	1,390,960
Total mentions	4,494



YOUTUBE

Total Subscribers
2,172

New subscribers	249
Views	1,231,580
New videos	20



PINTEREST

Total Followers
5,100

New followers	386
Pin reach (unique users viewing board pins)	3,548,081
Avg. monthly impressions	295,673



INSTAGRAM

Total Followers
10,273

New followers	2,256
Total post likes	7,048
Avg. likes per post	50
Total engagement (likes, comments, shares, saves)	8,660

Web & Accounts July 1, 2019 – June 30, 2020

FWGS.COM

FWGS.COM NEW ACCOUNTS

Visits
19,245,543

Avg. Monthly Clicks
49,795

Total New Accounts
122,695

Engaging Customers: Promotions, Programs & Special Events

Making customers aware of the variety of products available for purchase at Fine Wine & Good Spirits stores and at FineWineAndGoodSpirits.com was a major focus for 2019-20. Throughout the fiscal year, a series of promotions and special programs – both in-store and online – provided customers with unique opportunities for savings and resulted in significant sales growth across featured product categories and store locations.

Popular promotions and programs for 2019-20 included:

10% Off Grand Opening Events

As a way to celebrate store openings and reopenings and generate excitement about store renovations, FW&GS offered 17



grand opening sales in the fiscal year, where customers enjoyed 10% off in-store purchases of wines, spirits and accessories for a full day. The top five grand openings, by total sales, are identified below. Grand opening sales for these top five stores increased same-day sales

133.5% over the prior year, while unit sales increased an average of 141.2%. Four of the top five openings, by dollars, took place in December. During the top five grand opening sales, Tito's Handmade Vodka (1.75 L) was the top-selling product.

STORE	SALE DATE	DAY	GRAND TOTAL
Fine Wine & Good Spirits Premium Collection at Village Square Mall, 5000 Oxford Drive, Bethel Park	12/19/2019	Thursday	\$141,252
Fine Wine & Good Spirits Premium Collection, 521 Beaver Street, Sewickley	12/20/2019	Friday	\$120,505
Fine Wine & Good Spirits Premium Collection at Robinson Town Centre, 1106 Park Manor Boulevard, Pittsburgh	10/3/2019	Thursday	\$101,231
Fine Wine & Good Spirits Premium Collection at Wharton Square, 1955 Wharton Street, Pittsburgh	12/19/2019	Thursday	\$94,601
Fine Wine & Good Spirits Premium Collection, 5070 Jonestown Road, Harrisburg	12/5/2019	Thursday	\$90,882

12 Days of Deals

FW&GS's 12 Days of Deals promotion provided customers with a different deal each day Dec. 13-24, allowing them to stock up on select wine and spirits at the lowest prices of the season. Dollar sales for the 12 products featured increased by an average of 476.1% over the same day the prior year and by an average of 30.9% over monthly sales in December the prior year. The items that experienced the most sales growth included Z. Alexander Brown Uncaged Cabernet



Sauvignon (750 mL) (1,090.1%), Il Conte Stella Rosa Moscato d'Asti (750 mL) (738.7%) and Josh Cellars Pinot Noir Central Coast (750 mL) (708.5%).

Bourbon Barrel Exclusives and Bourbon Gallery Stores

Bourbon Gallery stores, introduced in October 2019 and expanded to six locations across Pennsylvania by fiscal year-end, stock the most expansive selection of bourbons, including select FW&GS bourbon barrel exclusives, which are special barrels selected by FW&GS and sold only in Pennsylvania. Compared to the prior year, sales from bourbon barrel exclusives increased from \$312,728 to \$528,048, or 69%. In fiscal year 2019-20, the introduction of Bourbon Gallery stores shifted a higher percentage of these sales to those bourbon-centric locations. These stores also became a natural place to display and sell many of the 15 used bourbon barrels FW&GS sold during the fiscal year.

TOP FIVE EXCLUSIVE BOURBON BARREL BOTTLES BY UNIT SALES, ALL STORES AND FWGS.COM

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Maker's Mark Private Select Straight Bourbon FW&GS Exclusive Barrel	750 mL	2,475	\$172,931
2	Koval Single Barrel Bourbon FW&GS Exclusive	750 mL	1,917	\$102,720
3	WhistlePig Single Barrel Straight Rye Whiskey 10 Year Old FW&GS	750 mL	340	\$30,432
4	Blanton's Single Barrel Straight Bourbon FW&GS Exclusive Barrel 045	750 mL	244	\$16,590
5	Buffalo Trace Single Barrel Straight Bourbon FW&GS Exclusive Barrel 128	750 mL	236	\$7,078

FW&GS New Email Subscribers

In fiscal year 2019-20, new email subscribers for FWGS.com increased from 215,942 to 445,594 – a growth of 106.4% over the prior year. As a result of the COVID-19-associated store closures and shopping limitations beginning in March, customers were driven to shift their shopping to our e-commerce site. Due to increased site traffic and consumers' desire to keep informed regarding the latest store openings/closings, 63% of the net new subscribers for the year occurred between March 13 and June 30, 2020.

Leap Day Sale

To celebrate Leap Day – Saturday, Feb. 29, 2020 – FW&GS held a statewide, one-day-only flash sale offering customers at least \$4 or 40% off a selection of well-known products. In addition, customers enjoyed a 10% discount off all wines, spirits and accessories at all FW&GS stores and on FWGS.com. The popular promotion resulted in increased total dollar sales of 46% over the preceding Saturday, and an increase of 39.7%

over the equivalent Saturday – March 2, 2019 – the prior year.

Top-selling items with the largest increase over the previous week included rosé table wine (86.3%), whiskey (75.4%) and red table wine (69.4%), while whiskey (73.1%), rosé table wine (72.4%) and tequila (59.4%) increased the most compared to the prior year.

Tomorrow is our
LEGENDARY LEAP DAY SALE!

Don't miss your chance to **save 10% on EVERYTHING**, including flash sale products.

[LEARN MORE](#)

Evolving to Meet the Demands of Online Shoppers: The Rapid Rise of E-Commerce

Increasing awareness on the variety of products available at FWGS.com and continuing to grow online sales were a primary focus for 2019-20. A number of new incentives and special promotions were introduced during the year, resulting in increased e-commerce transactions and new user accounts on FWGS.com.

Free Shipping

Free shipping to home and business addresses in Pennsylvania on online orders over \$99 was introduced

Jan. 1, 2020. From Jan. 1 to the end of the fiscal year on June 30, 2020, 50% of orders placed on FWGS.com received free shipping because they met the \$99 minimum order requirement.

Top-selling Promotions

Each month, FWGS.com features a different online promotion with the chance for customers to experience new products and take advantage of special discounts. Prior to the start of COVID-19 and the discontinuation of monthly promotions March through June 2020, the top online promotions included bourbon (+\$33,872) and clearance items (+\$10,683), with the most dollars gained as compared to the same time period in the previous weeks.

TOP ONLINE PROMOTIONS, JULY 2019 TO FEBRUARY 2020

PROMOTION	# OF DAYS	UNIT SALES	DOLLAR SALES	% CHANGE	DOLLAR DIFFERENCE
Savings on Bourbon Purchases of \$100 or More	5	1,304	\$43,507	351.55%	\$33,872
Extra 10% Off Clearance Items	8	971	\$13,166	430.36%	\$10,683
Wine Mystery Box	8	277	\$9,092	N/A*	\$9,092
Savings on PA Spirits Purchases of \$100 or More	7	79	\$3,233	160.69%	\$1,993
\$10 Gift Card with Sparkling Wine Purchases of \$75 or More	6	333	\$8,709	21.99%	\$1,570

*The Wine Mystery Box promotion was new for 2019-20.



Celebrate National Bourbon Heritage Month

RAISE YOUR BOURBON BAR

Shop our online exclusive bourbons and **save \$5** on orders of \$100 or **\$10** on orders of \$200* and up.

BUY NOW



THIS. IS. BIG.

Now enjoy
FREE SHIPPING EVERY DAY
right to your door on orders over \$99.*

*Restrictions apply. See website for details.

FINE WINE & GOOD SPIRITS

Shopping & Transactions

As e-commerce sales have grown over the last few years, the average number of units per transaction has increased, while the average unit price has declined, due in part to an expanded catalog of everyday items and value brands at FWGS.com beginning in late 2018. These trends indicate consumers are purchasing more products every time they click, but often in the standard and premium segments versus the super-premium and ultra-premium categories.

From July 1, 2019, to March 16, 2020, prior to the temporary suspension of e-commerce sales due to COVID-19, customers were purchasing an average of 3.92 units per e-commerce transaction and spending an average of \$121.25 per transaction. From April 1, 2020, the day online sales resumed, to the end of the fiscal year, the number of units per transaction increased to 4.58 and dollars per transaction decreased to \$87.76.

FISCAL YEAR	AVERAGE UNITS PER TRANSACTION	AVERAGE UNIT PRICE PER TRANSACTION
FY 2019-20	4.49	\$20.70
FY 2018-19	3.48	\$36.69
FY 2017-18	2.98	\$41.74
FY 2016-17	2.60	\$46.92

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 2019-20	\$26,759,295	288,239	436.9%	\$92.84
FY 2018-19	\$4,983,939	39,042	64.1%	\$127.66
FY 2017-18	\$3,037,589	24,383	21.4%	\$124.58

*Sales data includes Accessories.

From July 1, 2019, to March 16, 2020, an ever-expanding online product catalog and new promotions put e-commerce on pace for a successful year in terms of sales growth and new customers.

As a result of the COVID-19 pandemic that hit in March and the temporary closure of FW&GS stores, e-commerce experienced additional, unprecedented growth as customers turned to online shopping to fill the gap.

Although temporarily closed from March 17 to March 31 due to COVID-19 mitigation, FWGS.com reopened to limited sales April 1 and continued expanding fulfillment capacity through the end of the fiscal year.

Year-over-year e-commerce growth delivered a 436.9% increase in dollar sales and a 638% increase in the number of transactions on FWGS.com as compared to fiscal year 2018-19.

TOP E-COMMERCE ITEMS

The top e-commerce items for fiscal year 2019-20 were influenced by the temporary closure of FW&GS stores. Approximately 58% of fiscal year e-commerce dollar sales took place over eight weeks between mid-March and early May 2020, while 19% of dollar sales for the fiscal year occurred in the 37 weeks prior; the last eight weeks of the fiscal year accounted for 23% of dollar sales for the year. Top e-commerce items for the year are listed below, with breakouts showing the top wine and spirits items both pre- and post-store shutdowns.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Tito's Handmade Vodka	1 L	51,858	\$1,347,680
2	Jack Daniel's Old No. 7 Tennessee Whiskey	750 mL	17,023	\$400,123
3	Jameson Irish Whiskey	750 mL	12,944	\$374,961
4	Tito's Handmade Vodka	750 mL	18,671	\$350,566
5	Maker's Mark Straight Bourbon	750 mL	9,873	\$277,573
6	Woodford Reserve Distiller's Select Straight Bourbon	750 mL	7,170	\$253,055
7	Tanqueray London Dry Gin	750 mL	9,636	\$250,418
8	Captain Morgan Spiced Rum	750 mL	13,804	\$246,928
9	Grey Goose Vodka	750 mL	7,411	\$242,864
10	Fireball Cinnamon Whisky	750 mL	11,210	\$206,777

TOP 10 E-COMMERCE SPIRITS, 7/1/19 TO 3/16/20

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Blanton's Single Barrel Straight Bourbon	750 mL	2,745	\$164,217
2	George T. Stagg Straight Bourbon Barrel Proof	750 mL	1,175	\$129,238
3	Weller Special Reserve Straight Bourbon	750 mL	3,653	\$98,404
4	Van Winkle Special Reserve Straight Bourbon 12 Year Old	750 mL	977	\$97,690
5	High West A Midwinter Night's Dram Straight Rye Whiskey	750 mL	874	\$86,271
6	Crown Royal Peach Canadian Whisky	750 mL	2,468	\$69,191
7	Elijah Craig Single Barrel Straight Bourbon 18 Year Old	750 mL	311	\$61,957
8	Van Winkle Straight Whiskey 3x750 mL Library Set	2250 mL	48	\$47,800
9	Elmer T. Lee Single Barrel Straight Bourbon	750 mL	1,145	\$45,733
10	OFC Bourbon 1993	750 mL	16	\$40,000

TOP 10 E-COMMERCE SPIRITS, 3/17/2020 TO 6/30/2020

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Tito's Handmade Vodka	1 L	51,729	\$1,344,413
2	Jack Daniel's Old No. 7 Tennessee Whiskey	750 mL	16,909	\$397,480
3	Jameson Irish Whiskey	750 mL	12,807	\$371,093
4	Tito's Handmade Vodka	750 mL	18,520	\$347,735
5	Maker's Mark Straight Bourbon	750 mL	9,762	\$274,421
6	Woodford Reserve Distiller's Select Straight Bourbon	750 mL	7,099	\$250,619
7	Tanqueray London Dry Gin	750 mL	9,579	\$248,953
8	Captain Morgan Spiced Rum	750 mL	13,755	\$246,086
9	Grey Goose Vodka	750 mL	7,301	\$239,461
10	Fireball Cinnamon Whisky	750 mL	11,170	\$206,046

**TOP 10 E-COMMERCE WINES,
7/1/19 TO 3/16/20**

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Cafaggio Basilica Solatio Chianti Classico Riserva 2012	750 mL	2,237	\$44,718
2	Northstar Cabernet Sauvignon Columbia Valley 2014	750 mL	1,567	\$36,109
3	Catena Malbec Appellation Paraje Altamira Mendoza 2017	750 mL	1,674	\$25,051
4	Dutton Estate Winery Karmen Isabella Pinot Noir Dutton Ranch Russian River Valley 2016	750 mL	913	\$22,894
5	Domaine de la Romanée-Conti La Tâche Vosne Romanée Grand Cru 2014	750 mL	4	\$12,000
6	Dom Pérignon Champagne Brut	750 mL	65	\$10,540
7	Dom Pérignon Blanc 2008 Lenny Kravitz Limited Edition	750 mL	55	\$8,839
8	Veuve Clicquot Yellow Label Champagne Brut	750 mL	149	\$7,579
9	Domaine de la Romanée-Conti Richebourg Vosne Romanée Grand Cru 2014	750 mL	3	\$7,500
10	Tenuta San Guido Sassicaia 2016	750 mL	24	\$5,800

**TOP 10 E-COMMERCE WINES,
3/17/2020 TO 6/30/2020**

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	La Marca Prosecco	750 mL	4,613	\$74,721
2	Decoy Cabernet Sauvignon Sonoma County	750 mL	2,244	\$50,879
3	Mionetto Prosecco Treviso Brut	750 mL	3,390	\$48,704
4	Robert Mondavi Private Selection Cabernet Sauvignon Monterey County Bourbon Barrel-Aged	750 mL	3,269	\$47,291
5	Moët & Chandon Impérial Champagne Brut	750 mL	1,074	\$44,947
6	Santa Margherita Pinot Grigio Valdadige	750 mL	1,788	\$42,529
7	Kim Crawford Sauvignon Blanc Marlborough	750 mL	2,530	\$42,198
8	Martini & Rossi Rosso Vermouth	1 L	4,175	\$41,707
9	Kendall-Jackson Vintner's Reserve Chardonnay	750 mL	2,788	\$40,215
10	The Palm by Whispering Angel Rosé	750 mL	2,571	\$39,376

TOP PRODUCTS IN FY 2019-20





Expanding Options for Customers: Small Sizes & Alternative Packaging

Consumers' desire for wine and spirits in smaller-sized containers and alternative packaging formats remains a significant area of growth for FW&GS.

Throughout fiscal year 2019-20, FW&GS added small size sets featuring 50-mL-sized spirits at the majority of checkout counters in newly renovated stores. Although dollar sales for 50-mL-sized spirits declined (-10.9%) due to the impact of COVID-19 on fourth quarter sales, when these three months are removed from total dollar sales for 2018-19, sales increased (9.8%) as compared to the same time the prior year.

Box wines (186 mL to 5 L) continued to demonstrate year-over-year sales growth, with total dollar sales in fiscal year 2019-20 unaffected by the pandemic, largely because holders of wine expanded permits continued to buy box wines from the PLCB (and subsequently sell at retail) while FW&GS stores were closed. Box wine dollar sales in 2019-20 of \$128.4 million grew \$4.5 million or 3.6% over 2018-19. Within the box wine category, the 3 L package size experienced the most sales growth over the prior year, with an increase of 21.1%, from \$60.2 million to \$72.9 million. Similarly, dollar sales of alternative-packaged wine (186 mL to 2.1 L sizes including multipacks, pouches, aluminum bottles and small and single-serve containers) increased

by 64.6% over the prior fiscal year. Within the alternative-packaged wine category, aluminum bottles experienced the most growth over the prior year, with an increase in total sales of 85.3% from \$166,474 to \$308,498.

Regardless of the pandemic, sales of canned wine and canned spirits (180.4 mL to 9 L) continued to experience high growth with an increase of 179% in dollar sales for both canned wine and canned spirits for fiscal year 2019-20. Canned wine sold \$3.6 million, an increase of 117% over the prior year, while canned spirits sold \$2 million, an increase of 455%.

FISCAL YEAR	50 ML SPIRITS	BOX WINE LESS THAN 3 L	BOX WINE 3 L AND 5 L	ALTERNATIVE-PACKAGED WINE	WINE CANS	SPIRIT CANS
FY 2019-20	\$20,972,167	\$6,180,102	\$122,202,817	\$500,628	\$3,566,959	\$2,034,870
FY 2018-19	\$23,528,121	\$5,655,654	\$118,261,702	\$304,170	\$1,642,521	\$366,906
FY 2017-18	\$17,948,682	\$4,163,793	\$116,023,634	\$52,689	\$968,431	\$126,469

In terms of the number of items, alternative-packaged wine expanded from 16 to 32 items, an increase of 100% over the prior fiscal year, and the number of canned wine and spirits items increased from 81 to 134, or 65.4% over the prior year.

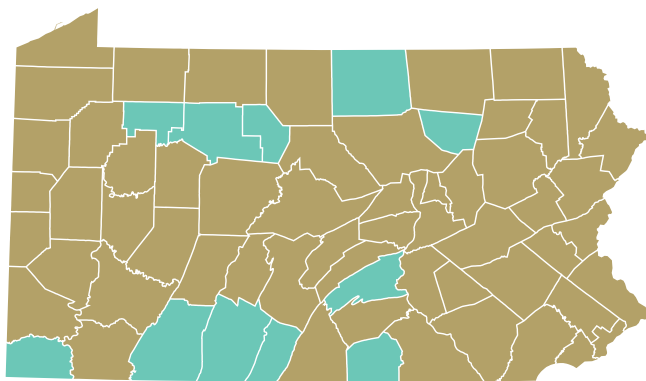
TOP 10 PRODUCT CATEGORIES

Flavored whiskey (37.2%), spiced rum (24.7%) and cognac (18.9%) saw the largest growth over the prior fiscal year.

CATEGORY	FY 2019-20 DOLLAR SALES	FY 2018-19 DOLLAR SALES	FY 2017-18 DOLLAR SALES	FY 2016-17 DOLLAR SALES
Unflavored Vodka	\$276,645,135	\$302,419,921	\$291,565,342	\$277,483,964
Bourbon	\$203,641,737	\$213,169,537	\$198,364,866	\$185,682,747
California Cabernet Sauvignon	\$91,500,056	\$87,039,373	\$87,617,438	\$81,145,503
California Chardonnay	\$79,244,935	\$78,598,501	\$80,747,542	\$80,503,482
Flavored Vodka	\$77,550,919	\$85,623,465	\$87,744,994	\$93,884,003
Scotch	\$67,383,264	\$72,514,440	\$69,825,540	\$67,188,238
Canadian Whisky	\$64,813,850	\$75,116,018	\$75,282,208	\$79,905,317
Flavored Whiskey	\$62,323,007	\$45,422,935	\$40,354,464	\$29,372,866
Cognac	\$60,023,405	\$50,480,417	\$32,150,421	\$29,158,399
Spiced Rum	\$59,161,905	\$47,430,568	\$24,137,685	\$24,261,983

TOP-SELLING SPIRIT IN EACH COUNTY

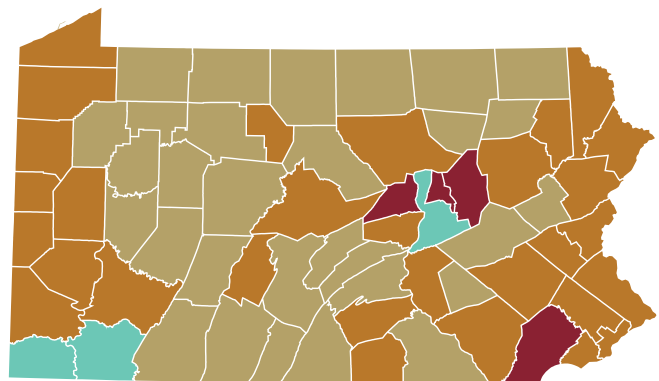
Fifty-six counties had unflavored vodka as their top spirits category; American whiskey led in 11 counties.



- American Whiskey — 11
- Unflavored Vodka — 56

TOP-SELLING WINE IN EACH COUNTY

Thirty counties had California cabernet sauvignon as their top-selling wine category, while another 30 had box red wine. California chardonnay (4) and beverage wine (3) were the highest in the remaining counties.



- Beverage Wine — 3
- Box Red — 30
- California Cabernet Sauvignon — 30
- California Chardonnay — 4

TOP PENNSYLVANIA WINES*

Below are the top 10 Pennsylvania wines sold by Fine Wine & Good Spirits in fiscal year 2019-20.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Clover Hill Vineyards & Winery Concord	750 mL	52,645	\$569,494
2	The Winery at Wilcox Clarion River Red	1.5 L	32,963	\$493,487
3	Mazza Vineyards Concord	1.5 L	26,502	\$256,988
4	Franklin Hill Vineyards Sir Walter's Red	750 mL	17,897	\$222,489
5	Franklin Hill Vineyards Carnival White	750 mL	15,131	\$188,122
6	Clover Hill Vineyards & Winery Catawba	750 mL	16,922	\$183,733
7	Adams County Winery Rebel Red	750 mL	11,253	\$166,206
8	Nissley Grapeful Red	750 mL	11,154	\$153,786
9	Mazza Vineyards Niagara	1.5 L	11,838	\$153,260
10	Sand Castle Winery Alpine Spice	750 mL	8,724	\$147,872

TOP PENNSYLVANIA SPIRITS*

Below are the top 10 Pennsylvania spirits sold by Fine Wine & Good Spirits in fiscal year 2019-20.

RANK	PRODUCT	SIZE	UNIT SALES	DOLLAR SALES
1	Bluecoat Gin	750 mL	48,233	\$1,275,415
2	Stateside Urbancraft Vodka	750 mL	42,339	\$1,116,648
3	Pennsylvania Dutch Egg Nog	750 mL	110,720	\$993,049
4	Faber Vodka	750 mL	32,491	\$491,082
5	Dad's Hat Rye Whiskey	750 mL	13,147	\$488,202
6	Faber Gin	750 mL	25,334	\$377,304
7	Original Bartenders I'm Bananas Over You Cocktail	1.75 L	25,074	\$317,662
8	Boyd & Blair Vodka	750 mL	12,815	\$303,479
9	Wigle Rye Whiskey Small Cask Series	750 mL	6,692	\$275,190
10	Off the Rail Vodka	1 L	37,299	\$260,716

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

TOP 25 WINE ITEMS BY UNITS

Below are the top 25 wine items by unit sales for fiscal year 2019-20. The items that exhibited the most growth in unit sales during fiscal year 2019-20 included Josh Cellars Chardonnay (750 mL) (56.7%)*, Josh Cellars Cabernet Sauvignon (750 mL) (54.6%)* and Cavit Pinot Grigio (750 mL) (45%)*.

RANK	PRODUCT	SIZE	DOLLAR SALES	UNIT SALES	UNIT SALES — LY	% CHANGE
1	Apothic Red Winemaker's Blend	750 mL	\$6,670,292	627,101	504,325	24.34%
2	Kendall-Jackson Vintner's Reserve Chardonnay	750 mL	\$7,562,200	561,263	487,189	15.20%
3	La Marca Prosecco	750 mL	\$8,279,711	557,856	452,926	23.17%
4	Barefoot Pinot Grigio	1.5 L	\$5,733,309	511,713	446,276	14.66%
5	Cavit Pinot Grigio delle Venezie	1.5 L	\$6,228,098	484,128	424,872	13.95%
6	Barefoot Moscato	1.5 L	\$5,411,036	480,097	441,994	8.62%
7	Woodbridge by Robert Mondavi Chardonnay	1.5 L	\$5,985,359	474,522	398,595	19.05%
8	Barefoot Pink Moscato	750 mL	\$3,214,243	458,738	369,940	24.00%
9	Barefoot Pink Moscato	1.5 L	\$4,967,651	441,080	370,207	19.14%
10	Barefoot Moscato	750 mL	\$2,938,879	420,706	332,353	26.58%
11	Roscato Rosso Dolce	750 mL	\$3,901,677	395,066	329,729	19.82%
12	Cavit Pinot Grigio delle Venezie	750 mL	\$2,604,697	358,729	247,437	44.98%
13	Barefoot Chardonnay	1.5 L	\$3,907,571	349,546	299,690	16.64%
14	Woodbridge by Robert Mondavi Cabernet Sauvignon	1.5 L	\$4,342,618	348,754	267,560	30.35%
15	Josh Cellars Cabernet Sauvignon	750 mL	\$4,817,764	321,033	207,620	54.63%
16	Sutter Home Family Vineyards White Zinfandel	1.5 L	\$3,532,479	320,586	320,748	-0.05%
17	Nobilo Sauvignon Blanc Marlborough	750 mL	\$3,464,440	295,674	281,166	5.16%
18	Josh Cellars Chardonnay	750 mL	\$3,670,599	284,514	181,602	56.67%
19	Sutter Home Family Vineyards Chardonnay Family Vineyards (4x187 mL)	748 mL	\$1,966,183	271,419	319,084	-14.94%
20	Barefoot Riesling	1.5 L	\$3,054,446	270,318	234,806	15.12%
21	Ecco Domani Pinot Grigio delle Venezie	750 mL	\$3,133,487	269,139	269,706	-0.21%
22	Kim Crawford Sauvignon Blanc Marlborough	750 mL	\$4,344,268	268,702	226,901	18.42%
23	Starborough Sauvignon Blanc Marlborough	750 mL	\$3,200,605	266,991	241,816	10.41%
24	Woodbridge by Robert Mondavi Pinot Grigio	1.5 L	\$3,228,955	260,285	212,002	22.77%
25	Chateau Ste. Michelle Riesling Columbia Valley	750 mL	\$2,735,659	260,034	270,132	-3.74%

*Josh Cellars Chardonnay (750 mL) increased by 101,136 units and Josh Cellars Cabernet Sauvignon (750 mL) increased by 112,062 units over the prior year. The increase for both products came from a deep discount in January 2020 and a significant increase in licensee sales over the prior year.

**Cavit Pinot Grigio (750 mL) increased by 109,932 units over the year prior. Licensee sales account for the increase (128,492 units) while retail sales decreased (18,560 units) over the prior year.

TOP 25 SPIRITS ITEMS BY UNITS

Below are the top 25 spirits items by unit sales for fiscal year 2019-20. The items that exhibited the most growth in unit sales during fiscal year 2019-20 included New Amsterdam Vodka (50 mL) (408.2%)*, 99 Peaches Schnapps (50 mL) (189.4%) and 99 Bananas Schnapps (50 mL) (185.9%)**.

RANK	PRODUCT	SIZE	DOLLAR SALES	UNIT SALES	UNIT SALES — LY	% CHANGE
1	Fireball Cinnamon Whisky	50 mL	\$4,626,289	4,679,193	5,545,851	-15.63%
2	Tito's Handmade Vodka	1.75 L	\$35,872,180	1,059,156	929,164	13.99%
3	Tito's Handmade Vodka	1 L	\$23,598,604	965,077	941,280	2.53%
4	Tito's Handmade Vodka	750 mL	\$17,292,947	932,568	1,014,823	-8.11%
5	Crown Russe Vodka	1.75 L	\$7,729,510	787,171	714,885	10.11%
6	Jack Daniel's Old No. 7 Tennessee Whiskey	750 mL	\$16,642,963	732,522	819,008	-10.56%
7	Nikolai Vodka	375 mL	\$2,913,213	730,393	1,016,213	-28.13%
8	Hennessy Cognac VS	750 mL	\$22,883,659	626,918	559,671	12.02%
9	New Amsterdam Vodka	50 mL	\$599,109	620,984	122,206	408.15%
10	Captain Morgan Spiced Rum	750 mL	\$9,900,512	618,314	720,424	-14.17%
11	Captain Morgan Spiced Rum	1.75 L	\$16,020,283	616,982	670,742	-8.02%
12	Fireball Cinnamon Whisky	750 mL	\$10,187,252	568,478	736,027	-22.76%
13	Jameson Irish Whiskey	750 mL	\$15,087,249	527,051	596,953	-11.71%
14	Tito's Handmade Vodka	50 mL	\$936,726	479,750	623,831	-23.10%
15	Bacardi Superior Rum	1.75 L	\$10,207,259	478,031	485,434	-1.53%
16	99 Peaches Schnapps	50 mL	\$457,439	476,844	164,801	189.35%
17	99 Bananas Schnapps	50 mL	\$449,581	465,605	162,856	185.90%
18	Jacquin's Vodka	375 mL	\$2,058,427	439,058	638,629	-31.25%
19	Crown Royal Regal Apple Canadian Whisky	750 mL	\$11,310,887	427,557	453,544	-5.73%
20	99 Apples Schnapps	50 mL	\$393,506	409,516	148,827	175.16%
21	New Amsterdam Peach Vodka	50 mL	\$388,251	401,270	306,888	30.75%
22	E&J Apple Brandy	50 mL	\$373,436	387,925	275,429	40.84%
23	Platinum 7X Vodka	1.75 L	\$6,672,782	387,007	418,613	-7.55%
24	Bacardi Superior Rum	750 mL	\$5,543,530	386,503	422,344	-8.49%
25	Absolut Vodka	750 mL	\$6,917,912	385,738	468,981	-17.75%

*New Amsterdam Vodka (50 mL) was introduced in March 2019. This is the product's first full year of sales.

**99 Peaches Schnapps (50 mL) and 99 Bananas Schnapps (50 mL) sales increased due to a full year of sales with most stores having the small size sets out from behind the registers.

Trends

TOP SALES DAYS

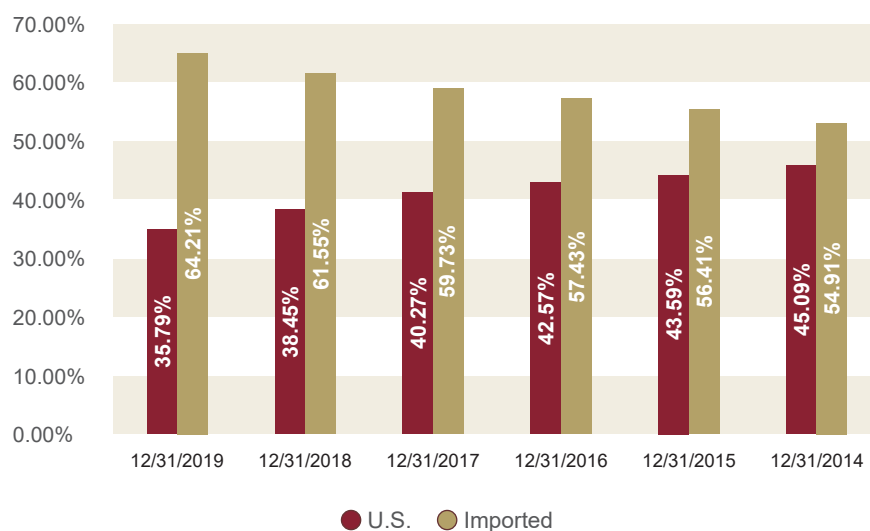
Four of the top 10 sales days in fiscal year 2019-20 occurred following the announcement of impending store closures due to COVID-19. The highest sales day – Monday, March 16, 2020 – marked \$29.9 million in total dollar sales. Of the remaining top six sales day, all occurred between Thanksgiving and New Year's Eve.

RANK	RETAIL DATE	DAY	ASSOCIATED EVENT	UNIT SALES	DOLLAR SALES
1	3/16/2020	Monday	COVID-19	1,810,128	\$29,878,404
2	11/27/2019	Wednesday	Thanksgiving	1,497,364	\$23,104,897
3	12/23/2019	Monday	Christmas	1,454,883	\$21,900,755
4	12/31/2019	Tuesday	New Year's Eve	1,385,864	\$21,263,630
5	3/17/2020	Tuesday	COVID-19	1,324,807	\$20,396,815
6	12/24/2019	Tuesday	Christmas	1,234,452	\$19,361,921
7	12/20/2019	Friday	Christmas	1,250,235	\$18,832,945
8	3/13/2020	Friday	COVID-19	1,113,002	\$17,460,646
9	12/21/2019	Saturday	Christmas	1,113,865	\$17,170,148
10	3/15/2020	Sunday	COVID-19	969,744	\$15,556,359

SPARKLING FOR NEW YEAR'S EVE

Pennsylvanians continue to buy more imported sparkling wine each New Year's Eve, with U.S. bubbly decreasing year-over-year as a percentage of total sparkling wine sales. Consistently outpacing domestic sparkling wine each Dec. 31 for the past six years, imported varieties have increased their share of the sparkling category by 9.3%, while domestic varieties have decreased by 9.3%.

PERCENT RETAIL SALES, U.S. VS IMPORTED SPARKLING WINE, NEW YEAR'S EVE





(1.75 L)



(1 L)



(750 mL)

TOP
SALES
DAYS
5
Top
Products

NEW
YEAR'S
EVE

5
Top
Imported
Sparkling
Wines



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 3,700 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 transports and warehouses wines and spirits.

During fiscal year 2019-20, the PLCB shipped more than 53,000 orders and 16.8 million cases of wine and spirits to nearly 600 Fine Wine & Good Spirits stores and Licensee Service Centers (LSCs) and 548 licensees in the Licensee Delivery Program (LDP).

Three distribution centers, run by third-party logistics contractors located in the Southwest, Northeast and Southeast regions of Pennsylvania, receive products from more than 280 suppliers from six continents.

Prior to the onset of COVID-19, work began in 2019 on a new distribution center in Philadelphia. The new distribution center (pictured below) will replace the existing distribution center and serve southeastern Pennsylvania with a larger facility, modern, secure and



efficient operations and a location more optimal for receiving and delivering goods. Slated to begin receiving and distributing in fall 2020, the new facility will serve 164 FW&GS locations and 75 licensees participating in the LDP.

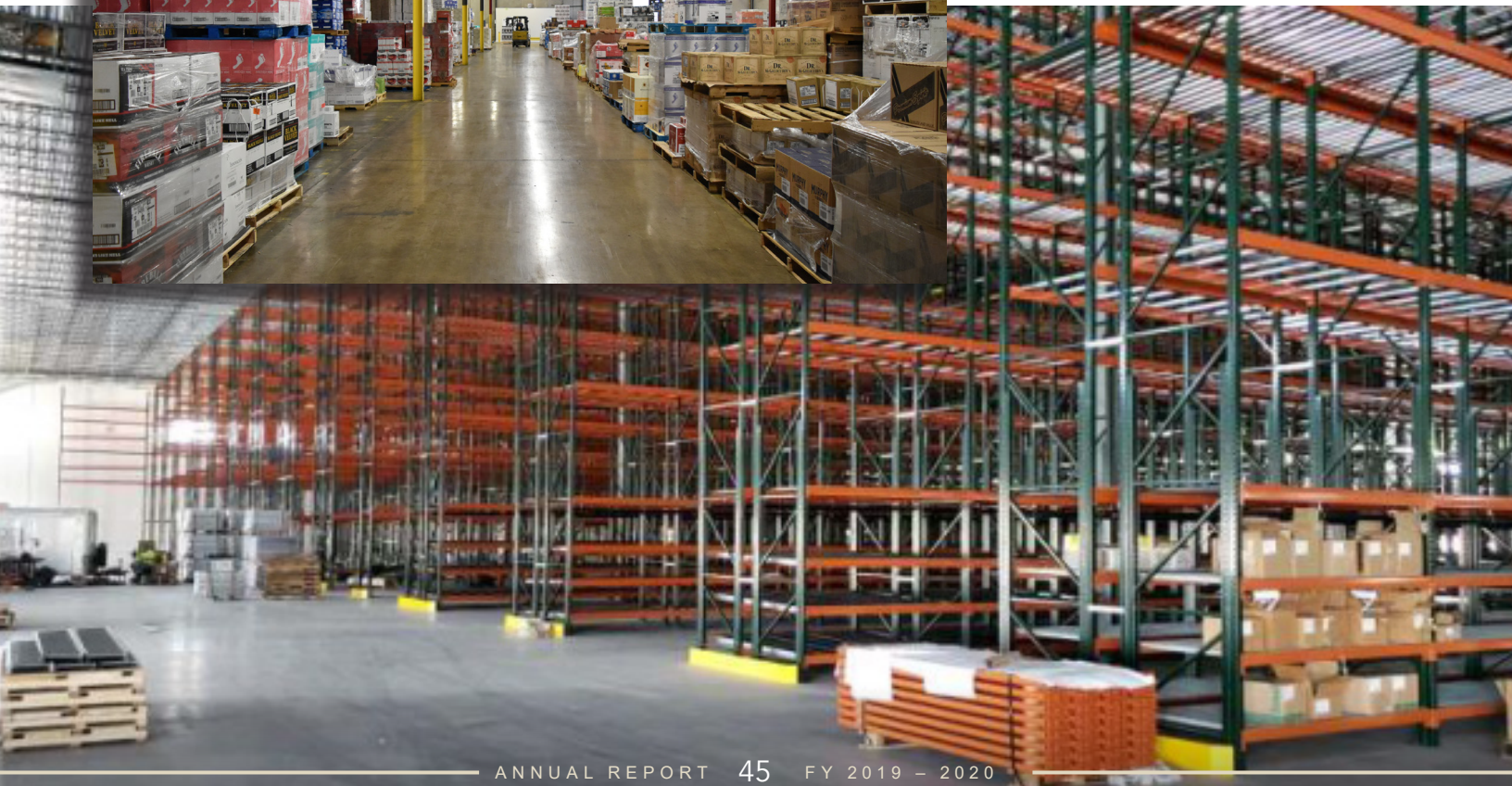
As a result of the COVID-19 outbreak, Supply Chain worked tirelessly to flex and adapt operations to address unique fulfillment challenges, support rapidly changing warehousing and distribution needs and satisfy evolving demand for products from consumers and licensees.

Following the announcement of the impending closure of all FW&GS stores and LSCs in March 2020, all stores experienced a surge in purchases, while demand for products from grocery and convenience store chains simultaneously spiked.

When retail locations closed, Supply Chain focused on the immediate expansion of e-commerce fulfillment capabilities to address the increase in online orders when sales resumed at FWGS.com. The creation of an additional fulfillment center at one of the agency's contracted distribution centers, in addition to the use of Premium

Collection stores and LSCs, enabled the PLCB to process and fill record numbers of online orders – up to 9,000 per day using 121 fulfillment locations – until FW&GS stores began reopening through the end of June.

Supply constraints stemming from the pandemic – due primarily to shifts in customers' demand patterns and suppliers' struggles to procure raw materials domestically and abroad – resulted in limited supply and the shortage of certain products. By maintaining communications with suppliers, as well as with FW&GS stores and licensees, the Supply Chain team was able to effectively monitor progress and prioritize Pennsylvania for the receipt of products once they became available.



WHOLESALE OPERATIONS

The Office of Wholesale Operations continues to evolve to anticipate and meet the needs of licensees selling alcohol for on-premises and off-premises consumption.

Driven by increasing numbers of retailers selling wine to go and continued growth of the PLCB's Licensee Delivery Program (LDP), statewide sales to licensees for fiscal year 2019-20 increased over the prior fiscal year in terms of both dollar sales, from \$628.3 million to \$659.7 million (5% growth), and unit sales, from 43.7 million to 49.3 million (12.8% growth).

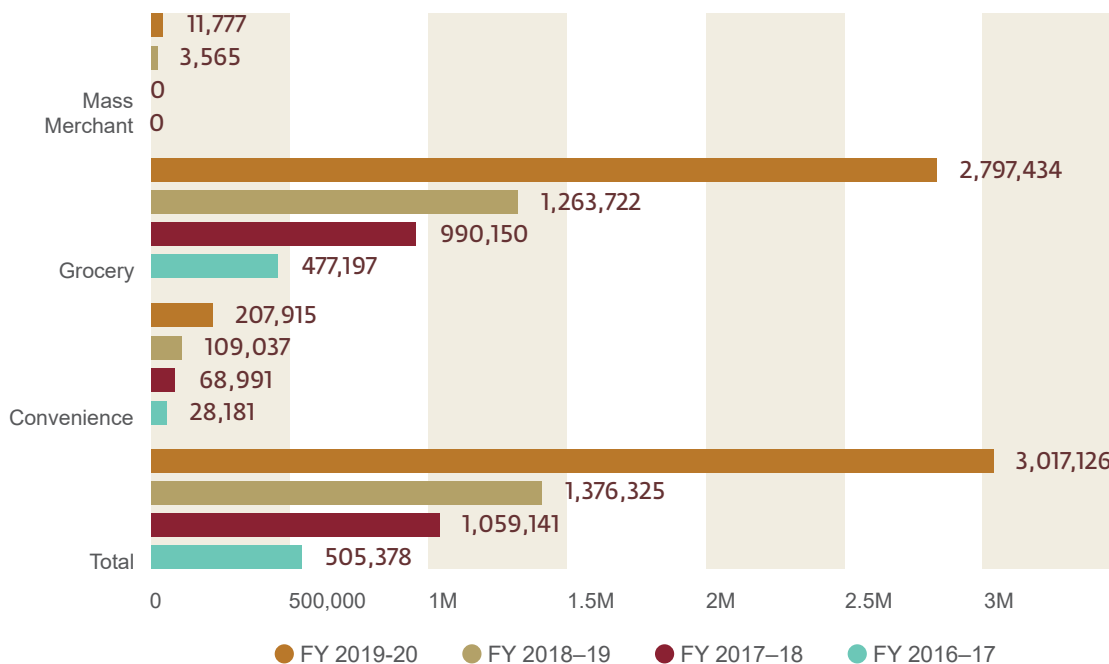
The COVID-19 pandemic that began in March 2020 impacted

the two major licensee segments in very different ways. Spurred by temporary closings and operational restrictions imposed on on-premises licensees like bars and restaurants, sales to grocery, convenience and mass merchant wine-to-go retailers surged, with dollar sales to this segment increasing by 117.8%, from \$124.7 million in fiscal year 2018-19 to \$271.6 million in fiscal year 2019-20. Conversely, sales of wine and spirits to on-premises licensees fell from

\$503.6 million to \$388.1 million, or -22.9%.

The LDP, which provides direct delivery of wine and spirits to high-volume licensees, experienced a surge in both order and case volume, resulting in the program's best year to date, growing from \$112.6 million to \$256.9 million, an increase of 128.2% over the prior fiscal year.

GROWTH OF PURCHASES BY HOLDERS OF WINE EXPANDED PERMITS, BY LICENSE CATEGORY (IN 9L CASES)



TOP 10 WINES SOLD TO HIGH-VOLUME WINE-TO-GO RETAILERS*

RANK	PRODUCT	SIZE	TOTAL DOLLARS	TOTAL 9L CASES
1	Apothic Red Winemaker's Blend	750 mL	\$3,326,723	26,912
2	La Marca Prosecco	750 mL	\$3,072,827	18,421
3	Kendall-Jackson Vintner's Reserve Chardonnay	750 mL	\$2,359,558	15,852
4	Barefoot Pinot Grigio	1.5 L	\$2,294,175	35,337
5	Barefoot Pink Moscato	1.5 L	\$2,157,800	33,291
6	Cavit Pinot Grigio	1.5 L	\$2,124,299	29,555
7	Black Box Cabernet Sauvignon	3 L	\$2,109,673	33,870
8	Barefoot Moscato	1.5 L	\$2,086,818	32,059
9	Josh Cellars Cabernet Sauvignon	750 mL	\$2,043,261	11,844
10	Barefoot Pink Moscato	750 mL	\$2,039,826	25,263

*Mass merchants, grocery and convenience stores

TOP 10 WINES SOLD TO TRADITIONAL ON-PREMISES RETAILERS*

RANK	PRODUCT	SIZE	TOTAL DOLLARS	TOTAL 9L CASES
1	Kendall-Jackson Vintner's Reserve Chardonnay	750 mL	\$997,255	6,317
2	Woodbridge by Robert Mondavi Cabernet Sauvignon	1.5 L	\$703,666	9,778
3	Woodbridge by Robert Mondavi Chardonnay	1.5 L	\$684,313	9,533
4	Wycliff Brut	750 mL	\$673,786	13,401
5	Woodbridge by Robert Mondavi Pinot Grigio	1.5 L	\$620,556	8,609
6	Ecco Domani Pinot Grigio	750 mL	\$594,552	4,276
7	Cavit Pinot Grigio	1.5 L	\$460,819	6,207
8	Sutter Home White Zinfandel	1.5 L	\$454,009	6,871
9	Franzia Chablis	5 L	\$451,145	14,141
10	Barefoot Moscato	1.5 L	\$427,856	6,685

*Bars and restaurants

TOP 10 SPIRITS SOLD TO TRADITIONAL ON-PREMISES RETAILERS*

RANK	PRODUCT	SIZE	TOTAL DOLLARS	TOTAL 9L CASES
1	Tito's Handmade Vodka 80 Proof	1 L	\$12,329,950	58,567
2	Patron Tequila Silver 80 Proof	750 mL	\$5,969,318	10,569
3	Jack Daniel's Old No. 7 Black Label Tennessee Whiskey 80 Proof	750 mL	\$5,865,168	22,986
4	Jameson Irish Whiskey 80 Proof	750 mL	\$5,745,435	17,491
5	Tito's Handmade Vodka 80 Proof	750 mL	\$5,216,702	24,960
6	Jameson Irish Whiskey 80 Proof	1 L	\$4,909,919	16,842
7	Captain Morgan Original Spiced Rum 70 Proof	750 mL	\$4,698,162	25,580
8	Crown Royal Regal Apple Canadian Whisky 70 Proof	750 mL	\$4,056,182	13,486
9	Hennessy Cognac VS 80 Proof	750 mL	\$3,671,230	9,180
10	Maker's Mark Straight Bourbon 90 Proof	750 mL	\$3,542,521	11,420

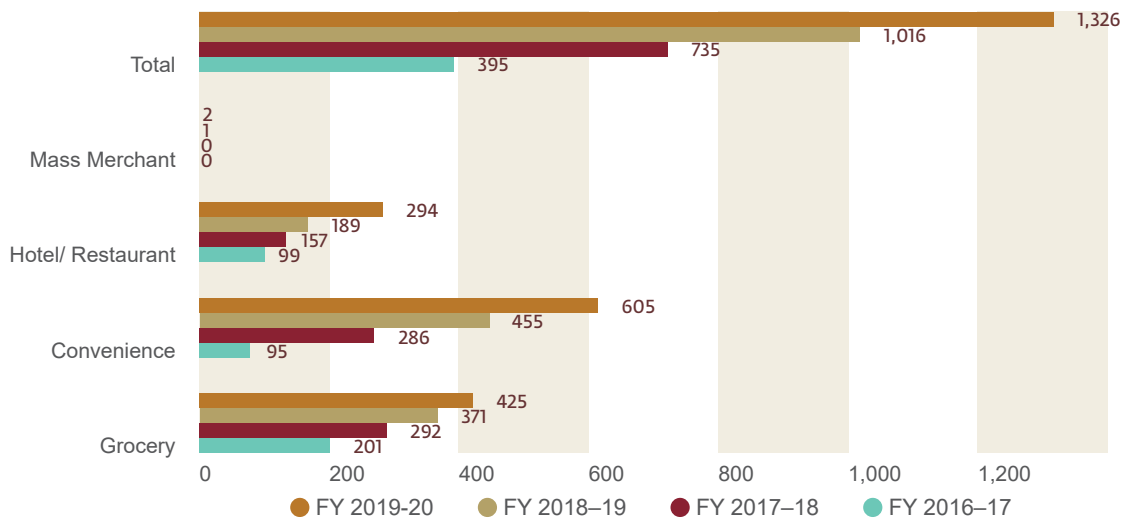
*Bars and restaurants

Committed to meeting the business needs of a variety of licensees, Wholesale Operations continued to broaden its network of partnerships with product suppliers, increasing the catalog of products available to licensees through the PLCB's 13 Licensee Service Centers by 31.7 percent, including specific sizes, package types, brands and price points requested by licensees.

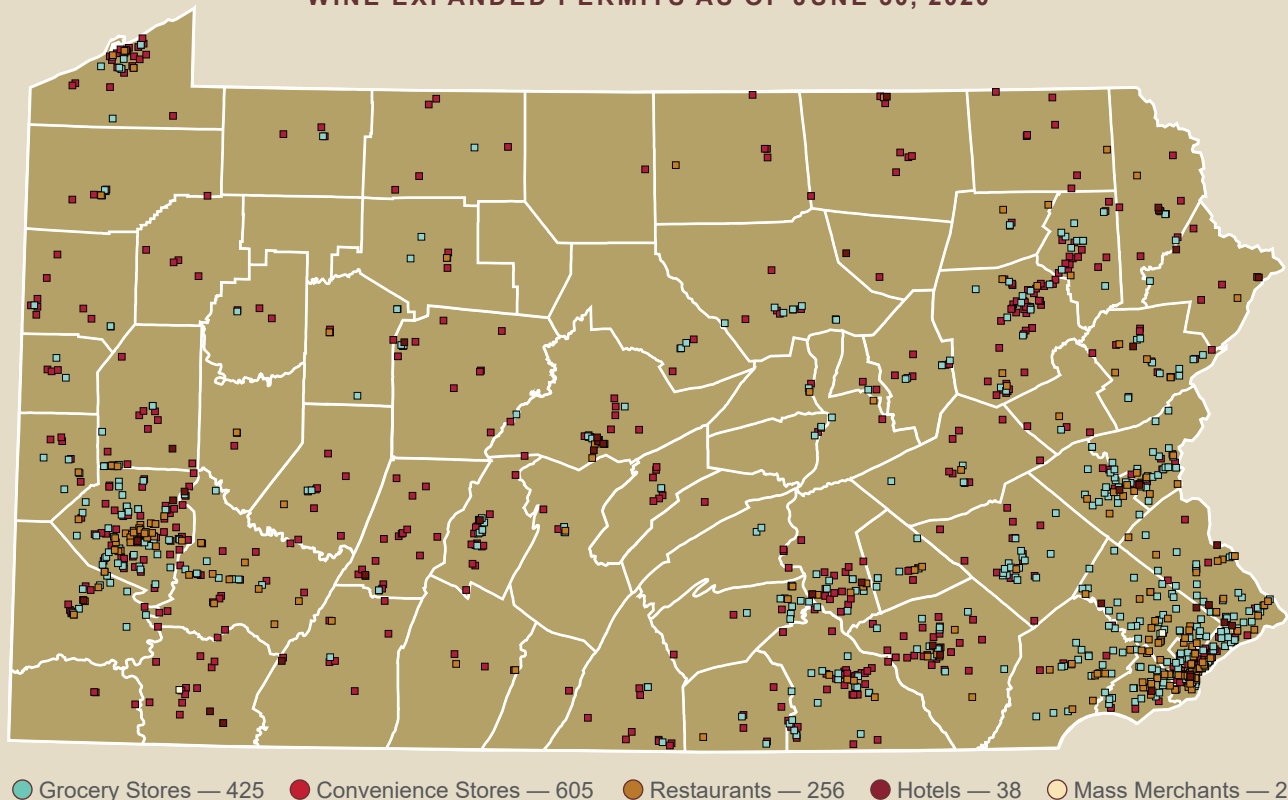
In fiscal year 2019-20, Wholesale Operations fielded more than 5,400 inquiries from licensees. In spring 2020, as sales to wine-to-go retailers increased as a result of COVID-19, the service team was instrumental in transitioning almost 200 licensees to the LDP to streamline service and product delivery.

At the close of fiscal year 2019-20, the number of licensees holding wine expanded permits was 1,326, a 30.5% increase over the 1,016 permits existing at the end of the prior fiscal year. With a total of 1,030 permits and the addition of 204 new locations approved in fiscal year 2019-20, grocery and convenience stores continue to hold the majority of wine expanded permits. Toward the close of 2019, Walmart became the second mass merchant retailer to sell wine to go in Pennsylvania.

LICENSEES WITH WINE EXPANDED PERMITS



WINE EXPANDED PERMITS AS OF JUNE 30, 2020



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 nearly 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.

Throughout fiscal year 2019-20, ITS continued its mission of modernizing systems and capabilities to support the agency while increasing efficiencies and reducing costs. Efforts focused on enhancements to deliver a positive shopping experience for customers on FineWineAndGoodSpirits.com, implementation of improved networking and forecasting solutions to support store operations, the introduction of a telephone auto-attendant for retail stores and embracing the technology changes necessitated by the COVID-19 pandemic.

Modernization of the PLCB's network infrastructure earned the PLCB Network Team a Governor's Award for Excellence in Technology. The design and deployment of a new software-defined wide-area network solution resulted in increased bandwidth and diversion of traffic from commonwealth networks, better responsiveness at the store level and opportunities for the deployment of future solutions to further enhance store operations capabilities.

In the interest of adopting more sustainable, cloud-based solutions, the PLCB implemented a new Oracle Retail Demand Forecasting solution, which allows for increased configuration options and less customization within the scope of a secure, cloud-based environment.

The introduction of a telephone auto-attendant explored options for increased efficiencies at retail stores. Two pilots designed to test the service capabilities of multiple platforms explored enhanced call-in experiences for customers through prompts that quickly connect callers with the appropriate resource, thereby providing additional efficiencies for store staff. The auto-attendant platform presents opportunities to improve communication among customers and stores, as well as improve store staff productivity.

ITS also expended considerable effort to adapt and deliver technology solutions to meet changing information

technology needs resulting from the COVID-19 pandemic and the changes it brought to workplaces around the commonwealth. Network and infrastructure teams provided employees with additional equipment and network access to work remotely and connect with critical resources. Implemented late 2019, a Skype for Business voice-over-IP solution provided PLCB employees with expanded telephone, voice and video conferencing capabilities that became critical for use by all business areas working remotely through the pandemic.

Unprecedented e-commerce growth in the spring of 2020 resulting from COVID-19 mitigation efforts amplified the need for interim solutions to accommodate increased traffic and purchases on FWGS.com. ITS developed and implemented a series of technical solutions to support record e-comm sales volumes and ensure ease of access and checkout for online shoppers. Additionally, using existing software, ITS created new order distribution models to support hundreds of new e-commerce fulfillment centers the PLCB deployed in April 2020 to pick, pack and ship online orders.

The introduction of curbside pickup at Fine Wine & Good Spirits stores in late April 2020 necessitated ITS development of a new payment, order processing and pickup solution to sustain order and sales fulfillment through Pennsylvania's re-opening phases.

While the pandemic temporarily interrupted work on a new and improved FWGS.com, eventually development resumed on the completely redesigned website, anticipated to launch in early 2021. The new, mobile-friendly site will feature a fully upgraded e-commerce platform and content management system and provide an elevated user experience delivered through modern cloud-based architecture.

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.

Supporting Licensees in Challenging Times

In fiscal year 2019-20, the Office of Regulatory Affairs Bureau of Licensing expended considerable effort in support of all categories of licensees impacted by the onset of COVID-19 and resultant mitigation efforts.

Following the suspension of all food and alcohol sales for on-premises consumption in mid-March, through bars' and restaurants' phased reopening and resumption of limited service, the PLCB was steadfast in its commitment to regularly communicate with licensees to help them navigate the rapidly changing environment and new parameters for doing business. To facilitate the needs of licensees, the PLCB:

- Adopted allowances within its authority to permit the continued sales of beer and wine to go while on-premises sales and consumption were prohibited;
- Suspended fees and deadlines for license renewals and validations;

- Eased requirements associated with the safekeeping of licenses;
- Provided expedited certification for licensees through the Responsible Alcohol Management Program – a requirement for licensees selling wine to go;
- Issued refunds for event permits that were unable to be used as a result of the COVID-19 pandemic;
- Permitted distilleries to shift operations to produce and sell hand sanitizer and authorized retail licensees and distributors to sell facemasks and hand sanitizer;
- Relaxed certain beer line cleaning requirements for establishments not using their dispensing systems; and
- Expedited the approval process for licensees wishing to temporarily extend their licensed premises to include additional outdoor areas.

As the commonwealth transitioned through the phased reopening process, the PLCB published and updated several additional guidance documents for licensees to supplement the policies released by the Department of Health and the Governor's Office. The PLCB also provided guidance to licensees on new policies and laws passed to ease the burden of limited operations and allow them to take advantage of new opportunities for doing business, such as the new authority to sell prepared beverages and mixed drinks to go.

To assist licensees, the Bureau of Licensing ramped up administrative operations to answer questions received throughout the state via phone, email and social media regarding how licensees could continue to operate during the public health crisis and what special allowances the PLCB is making, in addition to regular inquiries about license maintenance and applications.

TOTAL LICENSE APPLICATIONS AND PERMITS RECEIVED AND PROCESSED JULY 1, 2019, THROUGH JUNE 30, 2020

Renewals/Validations 19,309
Catering Permits 583
Transfers 947
Criminal Record Checks 6,642
Tavern Gaming Licenses 47
New Licenses 891
Other Applications 8,477
Brand Registration 16,321
Special Occasion Permits 2,127
AP-SS-EHF Permits* 22,268
Wine Expanded Permits 1,293
TOTAL APPLICATIONS — 78,905

* Amusement Permit-Sunday Sales-Extended Hours Food

2019 LICENSE COMPLIANCE PROGRAM INSPECTIONS

Licensee Compliance	101
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INVESTIGATIONS PROCESSED

TYPE OF INVESTIGATION	2019	2018	2017	2016
New License	324	356	409	297
Renewal	22	39	36	35
Transfer – Place	84	84	75	69
Transfer – Person	572	587	571	629
Double Transfer Person-Place	447	484	535	392
Correction	20	30	20	39
Extension	933	978	975	922
Manager Change	1,775	1,582	1,377	1,239
Reinvestigation	2,082	2,034	2,444	2,049
Officer Change	573	517	512	633
Reissue Safekeeping	706	678	571	478
Special Occasion Permit	1	2	9	47
Limited Winery	17	24	118	91
Non-Compliance	12	22	9	14
Miscellaneous	273	244	232	298
Nuisance Bars	186	151	212	221
Management Company	127	84	82	32
License Conversions (E to R, D to ID, C to CC, etc.)	23	23	27	34
Manufacturer Additional Location (BAL-GS)	180	147	---	---
TOTAL	8,357	8,066	8,214	7,519

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

2019 91	2017 64
2018 133	2016 160

RETAIL LICENSES IN EFFECT AS OF DECEMBER 31, 2019

County	2010 Population	Area in Square Miles	RETAIL LIQUOR										RETAIL MALT BEVERAGE					NUMBER OF LICENSES		
			Restaurant	Hotel	Club	OWR	Airport Restaurant	GOLF COURSE			Continuing Care Retirement	Economic Dev. R	Performance Arts	Public Venue	Eating Place	Economic Dev. E	Hotel	Club	GOLF COURSE	
																			Private Eat.	
																			Municipal	
STATE TOTAL	12,702,379	44,740	10,245	1,246	2,743	9	45	35	232	40	42	26	74	104	395	2	1	23	4	4
ADAMS	101,407	519	57	17	16	0	0	0	6	0	0	0	0	1	4	0	0	1	0	0
ALLEGHENY	1,223,348	730	1,495	103	275	1	12	3	9	1	5	0	11	18	18	0	0	2	0	0
ARMSTRONG	68,941	653	64	7	27	0	0	0	6	0	0	0	1	0	1	0	0	0	0	1
BEAVER	170,539	435	149	14	62	0	0	0	5	1	0	0	1	0	0	0	0	0	0	0
BEDFORD	49,762	1,012	24	7	13	0	0	0	2	0	0	0	0	0	1	0	0	0	0	0
BERKS	411,442	857	281	45	110	0	1	1	5	1	3	0	3	3	5	0	0	2	0	0
BLAIR	127,089	526	98	18	31	0	0	0	3	1	0	0	1	3	8	0	0	0	0	0
BRADFORD	62,622	1,147	37	17	22	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0
BUCKS	625,249	604	345	61	45	0	0	4	7	1	4	3	3	0	8	0	0	0	0	0
BUTLER	183,862	789	108	18	26	0	1	1	7	0	1	1	1	1	2	0	0	0	0	0
CAMBRIA	143,679	688	145	21	99	0	0	0	2	0	0	0	1	3	2	0	0	0	0	0
CAMERON	5,085	396	9	0	5	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
CARBON	65,249	381	74	16	30	0	0	0	4	0	0	0	1	0	2	0	0	0	0	0
CENTRE	153,990	1,110	74	25	26	0	1	0	2	0	1	0	1	4	1	0	0	2	0	0
CHESTER	498,886	751	205	42	44	0	0	1	12	9	1	8	3	0	4	0	0	0	1	0
CLARION	39,988	601	39	8	11	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0
CLEARFIELD	81,642	1,145	76	8	37	0	0	0	2	0	0	0	0	0	1	0	0	1	0	0
CLINTON	39,238	888	31	8	15	0	0	1	1	0	0	0	1	1	6	0	0	0	0	0
COLUMBIA	67,295	483	51	9	23	0	0	0	3	0	0	0	1	0	0	0	0	0	0	0
CRAWFORD	88,765	1,012	74	6	30	0	0	0	4	0	0	1	0	0	0	0	0	0	0	0
CUMBERLAND	235,406	545	87	23	30	0	0	1	5	0	2	2	1	0	1	1	0	0	0	0
DAUPHIN	288,100	525	219	38	62	0	1	2	5	0	0	0	3	8	7	0	0	0	0	1
DELAWARE	558,979	184	340	28	53	0	2	2	0	2	4	0	3	4	19	0	0	0	0	0
ELK	31,946	827	30	11	23	0	1	1	1	0	0	0	0	0	5	0	0	2	0	0
ERIE	280,566	799	255	16	68	0	1	2	8	0	1	0	2	5	8	0	0	1	1	0
FAYETTE	136,606	790	161	15	69	0	0	0	3	0	0	0	0	0	3	0	0	0	0	0
FOREST	7,716	427	9	2	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
FRANKLIN	149,618	772	48	11	23	0	0	0	2	1	0	0	1	0	2	0	0	0	0	0
FULTON	14,845	438	3	3	3	0	0	0	0	0	0	0	0	0	2	0	0	0	0	1

GREENE	38,686	576	23	6	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47	3.64	0.08
HUNTINGDON	45,913	875	19	6	12	0	0	0	0	1	0	0	0	0	4	0	0	2	0	0	0	44	2.88	0.05	
INDIANA	88,880	827	70	8	21	0	0	0	2	0	0	0	0	1	0	0	0	0	0	0	0	102	3.44	0.12	
JEFFERSON	45,200	652	38	5	18	0	1	0	4	0	0	0	0	0	5	0	0	0	0	0	0	71	4.71	0.11	
JUNIATA	24,636	391	6	1	3	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	11	1.34	0.03	
LACKAWANNA	214,437	459	356	26	51	1	0	0	6	1	0	0	2	4	20	0	0	0	0	0	0	467	6.53	1.02	
LANCASTER	519,445	944	227	52	60	1	1	2	5	2	5	0	2	2	6	0	0	0	0	0	0	365	2.11	0.39	
LAWRENCE	91,108	358	60	2	22	0	0	1	2	2	0	0	0	0	5	0	0	0	0	0	0	94	3.10	0.26	
LEBANON	133,588	362	65	8	34	0	0	0	4	0	0	1	0	0	3	0	0	1	0	0	0	116	2.61	0.32	
LEHIGH	349,497	345	191	50	59	1	1	1	4	2	1	4	2	4	19	0	0	1	0	0	0	340	2.92	0.99	
LUZERNE	320,918	890	528	18	91	0	2	1	4	1	0	0	2	3	17	0	0	0	0	0	0	667	6.24	0.75	
LYCOMING	116,111	1,229	108	20	30	0	0	1	0	0	1	1	1	1	6	0	0	0	0	0	0	168	4.34	0.14	
MCKEAN	43,450	979	47	12	17	0	1	0	3	0	0	0	0	0	3	0	0	0	0	0	0	83	5.73	0.08	
MERCER	116,638	673	99	12	36	0	0	0	7	1	0	0	1	0	0	0	0	0	0	0	0	156	4.01	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	46	2.96	0.11	
MONROE	169,842	608	128	45	17	1	0	2	3	2	0	0	1	0	10	0	0	0	0	0	0	209	3.69	0.34	
MONTGOMERY	799,874	483	432	78	97	1	0	3	26	3	7	2	2	2	16	0	0	0	0	0	0	669	2.51	1.39	
MONTOUR	18,267	130	14	1	8	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0	0	26	4.27	0.20	
NORTHAMPTON	297,735	370	201	37	80	0	0	1	8	1	2	0	2	4	6	0	0	0	0	0	0	342	3.45	0.92	
NORTHUMBERLAND	94,528	458	85	5	62	0	0	0	0	0	0	0	0	0	3	0	0	2	0	0	0	157	4.98	0.34	
PERRY	45,969	551	24	2	11	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	1,541	58	143	2	16	2	1	0	3	0	13	28	126	0	0	0	2	0	0	1,935	3.80	14.44	
PIKE	57,369	545	53	14	7	0	0	0	1	0	0	0	0	0	3	0	0	0	0	0	0	78	4.08	0.14	
POTTER	17,457	1,081	18	5	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30	5.16	0.03	
SCHUYLKILL	148,289	779	208	14	85	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	309	6.25	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	34	2.57	0.10	
SOMERSET	77,742	1,074	67	17	35	0	0	0	2	0	0	0	0	0	2	0	0	0	0	0	1	124	4.79	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	20	9.33	0.04	
SUSQUEHANNA	43,356	823	43	9	7	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	61	4.22	0.07	
TIOGA	41,981	1,134	30	10	14	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	57	4.07	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	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	53	2.89	0.08	
WARREN	41,815	884	35	6	13	0	0	0	0	0	1	1	1	0	2	0	0	1	0	0	0	60	4.30	0.07	
WASHINGTON	207,820	857	217	23	108	0	0	0	5	2	0	0	1	2	0	0	0	0	0	0	0	358	5.17	0.42	
WAYNE	52,822	726	62	16	6	0	0	0	2	1	0	0	0	0	1	0	0	0	0	0	0	88	5.00	0.12	
WESTMORELAND	365,169	1,028	353	31	193	0	2	1	13	1	0	0	2	0	11	0	0	0	0	0	0	607	4.99	0.59	
WYOMING	28,276	397	28	6	3	0	0	0	1	0	0	0	0	0	2	0	0	0	0	0	0	40	4.24	0.10	
YORK	434,972	904	175	29	52	1	0	0	14	1	1	0	2	2	7	1	0	1	0	0	0	286	1.97	0.32	

WHOLESALE LICENSES IN EFFECT AS OF DECEMBER 31, 2019

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
STATE TOTAL	12,702,379	44,740	1,086	145	1,231	2.91	0.03
ADAMS	101,407	519	6	0	6	1.78	0.01
ALLEGHENY	1,223,348	730	125	14	139	3.41	0.19
ARMSTRONG	68,941	653	7	1	8	3.48	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	35	6	41	2.99	0.05
BLAIR	127,089	526	11	3	14	3.30	0.03
BRADFORD	62,622	1,147	5	1	6	2.87	0.01
BUCKS	625,249	604	29	1	30	1.44	0.05
BUTLER	183,862	789	22	1	23	3.75	0.03
CAMBRIA	143,679	688	21	6	27	5.64	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	7	2	9	4.01	0.02
CRAWFORD	88,765	1,012	13	1	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	53	1	54	2.90	0.29
ELK	31,946	827	4	2	6	5.63	0.01
ERIE	280,566	799	37	4	41	4.38	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	8	0	8	1.60	0.01
FULTON	14,845	438	1	1	2	4.04	0.00
GREENE	38,686	576	5	0	5	3.88	0.01

HUNTINGDON	45,913	875	4	3	7	4.57	0.01
INDIANA	88,880	827	5	2	7	2.36	0.01
JEFFERSON	45,200	652	6	1	7	4.65	0.01
JUNIATA	24,636	391	5	0	5	6.09	0.01
LACKAWANNA	214,437	459	22	6	28	3.92	0.06
LANCASTER	519,445	944	29	5	34	1.96	0.04
LAWRENCE	91,108	358	7	1	8	2.63	0.02
LEBANON	133,568	362	12	0	12	2.70	0.03
LEHIGH	349,497	345	29	7	36	3.09	0.10
LUZERNE	320,918	890	34	5	39	3.65	0.04
LYCOMING	116,111	1,229	11	1	12	3.10	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	55	2	57	2.14	0.12
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	110	10	120	2.36	0.90
PIKE	57,369	545	5	0	5	2.61	0.01
POTTER	17,457	1,081	5	0	5	8.59	0.00
SCHUYLKILL	148,289	779	29	1	30	6.07	0.04
SNYDER	39,702	329	5	0	5	3.78	0.02
SOMERSET	77,742	1,074	7	1	8	3.09	0.01
SULLIVAN	6,428	450	3	0	3	14.00	0.01
SUSQUEHANNA	43,356	823	5	0	5	3.46	0.01
TIOGA	41,981	1,134	3	2	5	3.57	0.00
UNION	44,947	316	5	0	5	3.34	0.02
VENANGO	54,984	674	3	2	5	2.73	0.01
WARREN	41,815	884	5	0	5	3.59	0.01
WASHINGTON	207,820	857	20	2	22	3.18	0.03
WAYNE	52,822	726	5	1	6	3.41	0.01
WESTMORELAND	365,169	1,028	44	7	51	4.19	0.05
WYOMING	28,276	397	5	0	5	5.30	0.01
YORK	434,972	904	26	4	30	2.07	0.03

Restaurant License Auctions

As authorized by Act 39 of 2016, the auction of expired restaurant licenses creates opportunities for businesses seeking retail licenses allowing for the sale of alcohol – for both on-premises consumption and in limited quantities for beer and wine to go – in Pennsylvania.

Each highest responsive bidder for each license 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 2019-20, two auctions resulted in the successful award of 35 licenses for a total bid amount of \$2.8 million. Combined auction revenue from fiscal year 2016-17 through fiscal year 2019-20 totaled \$30.3 million for 242 awarded licenses, while another \$2.7 million remained in escrow pending license approvals.

LICENSE AUCTION SUMMARY THROUGH JUNE 30, 2020

	License Bids		Licenses Issued		Bids Refunded		Licenses Pending	
	Potential Revenue	Count	Revenue	Count	Amount	Count	Amount	Count
Auction 10	\$1,250,761	15	-	-	-	0	\$1,250,761	15
Auction 9	\$1,565,149	20	\$498,319	7	\$172,446	2	\$894,384	11
Auction 8	\$2,095,606	22	\$1,756,649	19		0	\$338,957	3
Auction 7	\$1,847,869	25	\$1,388,067	21	\$251,102	2	\$208,700	2
Auction 6	\$1,892,189	20	\$1,751,838	17	\$140,351	3	-	0
Auction 5	\$2,911,495	25	\$2,561,495	24	\$350,000	1	-	0
Auction 4	\$4,928,130	41	\$4,258,308	34	\$669,822	7	-	0
Auction 3	\$5,991,166	45	\$5,884,542	43	\$106,624	2	-	0
Auction 2	\$5,011,213	42	\$5,011,213	42		0	-	0
Auction 1	\$7,792,555	37	\$7,215,055	35	\$577,500	2	-	0
TOTAL	\$35,286,133	292	\$30,325,486	242	\$2,267,845	19	\$2,692,802	31

Education & Grants Management Division

In fiscal year 2019-20, the Education & Grants Management Division reached citizens in nearly every Pennsylvania county.

The Bureau of Alcohol Education:

- **Attended 32 events** throughout the commonwealth prior to the March 2020 COVID-19 public health crisis.
- **Distributed nearly 237,566 educational materials.**
- **Conducted 23 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 13 communities.**

Additionally, the Bureau of Alcohol Education increased the number of likes to its Facebook page by 15.4% and the number of followers by 19%. The page shares prevention information regarding underage and dangerous drinking, features community events the bureau participates in and highlights grantee activities.

Presented by the National Liquor Law Enforcement Association, the John Britt Community Service award was presented to the PLCB's Bureau of Alcohol Education in late 2019.

The award was bestowed in recognition of the bureau's partnership with the Pennsylvania State Police Bureau of Liquor Control Enforcement as exemplary of programming and partnerships to ensure alcohol licensing compliance, education, training and certification to promote safe communities.

KNOW WHEN. KNOW HOW.SM

Fiscal year 2019-20 marked the third year for *Know When. Know How.SM*, the Bureau of Alcohol Education's statewide education and prevention campaign aimed at encouraging Pennsylvania parents of children ages 8 through 12 to engage in early conversations about the dangers of alcohol with their kids before trial or use of alcohol begins.

Designed to facilitate meaningful discussions about alcohol, KnowWhenKnowHow.org, the campaign's website, educates parents of elementary- to middle-school-aged kids on the facts surrounding underage drinking and provides them with the tools, resources and confidence required to initiate talks with their kids.

In addition to featuring conversation starters and video

tips to guide parents' discussions, KnowWhenKnowHow.org also emphasizes the effectiveness of ongoing, age-appropriate conversations that stem from everyday experiences and mature with the child, as opposed to a single intimidating "talk." KnowWhenKnowHow.org also features a section with suggestions for community partners in prevention to help promote the campaign in addition to resources for parents.

From its January 2018 launch through June 30, 2020, the advertising campaign totaled 69.5 million digital impressions, resulting in more than 156,784 link clicks and 107,716 Pennsylvania-based visitors to the *Know When. Know How.SM* website. In addition to a heavy emphasis on digital and social video, expanded television and radio placement in

fiscal year 2019-20 drove audience campaign reach to nearly 90%. The advertising campaign has also won 32 national and international awards.



When should you start talking with your child about alcohol?



How do you keep alcohol out of your child's hands?



How do you make the most of moments with your child?



TALK WITH YOUR KIDS ABOUT ALCOHOL



GRANTS

Alcohol Education grants for reducing underage and dangerous drinking awarded for the 2019-20 grant cycle totaled \$816,630 distributed to 50 grantees.

Of the grants that were awarded:

- Eighteen were used to fund community law-enforcement efforts for targeted underage patrols, training and equipment, in addition to educational programming outlining Pennsylvania's Liquor Laws and effective enforcement.
- Ten community grants were awarded to address alcohol-related issues across broader audiences and geographic areas through the use of billboards, radio ads and the distribution of print materials.

- Three went to primary and secondary schools to fund programs aimed at motivating youth through seminars and speakers to understand the consequences of underage and dangerous drinking and to make good decisions.

- Nineteen college and university grants were used to help schools develop strategies to reduce underage and dangerous alcohol use through survey and assessment methods, the development of student leader and peer educator programs and the creation of alcohol-free events and activities as alternatives for students.

At the completion of the funding cycle, grantees made a total of 7,139,624 contacts with the public.

Responsible Alcohol Management Program



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.

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% of the licensee's alcohol service staff must be trained as part of certification. This includes anyone

SOME OF THE WAYS PEOPLE WERE REACHED

764

Police & Campus Patrols

49,493

Public Service Announcements Aired

106

Published Newspaper Ads

51

Billboard Displays

5,740

Assessments Completed Online

314

Peer Educators

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 the penalties for serving minors and VIPs, acceptable forms of ID, carding practices and preventing criminal activity on the premises.

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

Request for RAMP

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

85,958

TOTAL TRAINED IN SERVER/SELLER
AND OWNER/MANAGER TRAININGS
FY2019-20

1,713 LICENSED ESTABLISHMENTS BECAME
RAMP-CERTIFIED IN FISCAL YEAR 2019-20

80,025

SERVER/SELLER

Classroom Training
14,869

Online Training
65,156

Classroom Training
929

Online Training
5,004

5,933

OWNER/MANAGER

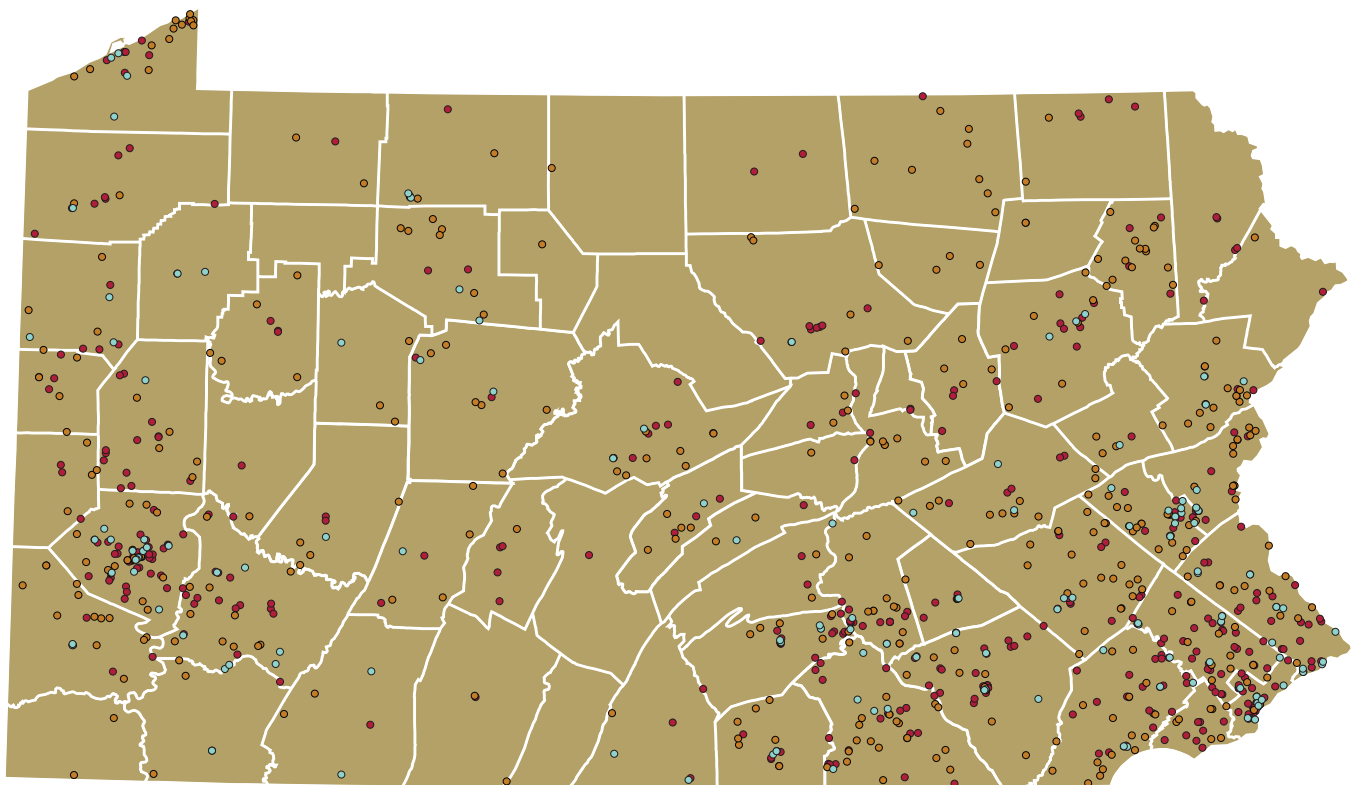
PENNSYLVANIA PRODUCERS

As a proud tradition, Pennsylvania has a long-standing history of producing beverage alcohol with more than 1,000 locations statewide – wineries and limited wineries, breweries and brew pubs, distilleries and limited distilleries – with producer licenses.

In support of Pennsylvania producers, Act 39 of 2016 expanded the Pennsylvania Wine Marketing and Research Board and authorized the PLCB to approve up to \$1 million annually for wine promotion. It also created the Pennsylvania Malt and Brewed Beverages Industry Promotion Board and authorized the PLCB to approve up to \$1 million annually for development and marketing of the Pennsylvania beer industry.

Each year, grant proposals that focus on research, marketing and education initiatives are presented to the PLCB by the Pennsylvania Wine Marketing and Research Board and the Pennsylvania Malt and Brewed Beverages Industry Promotion Board. Through fiscal year 2019-20, the PLCB has awarded nearly \$4 million in wine grants and more than \$2.7 million in beer grants.

PENNSYLVANIA PRODUCERS HAVING VALID LICENSES AS OF JUNE 30, 2020



● Wineries/Limited Wineries — 394 ● Breweries/Brew Pubs — 487 ● Distilleries/Limited Distilleries — 140

Wine and Beer Grants

In fiscal year 2019-20, \$1 million was awarded to nine projects to support the Pennsylvania wine industry, and \$1.2 million – an increased amount due to the use of unallocated grant funds leftover from prior rounds – was authorized for 18 projects supporting Pennsylvania-made malt and brewed beverages.

2019–20 Wine Grant Recipients — \$1,000,000

Pennsylvania Wine Land Statewide Marketing & Promotions, \$422,082

Pennsylvania Winery Association

Continue marketing and new investment in the Pennsylvania Wine Land consumer marketing campaign, development of a new PA Wines Guide and sustained investment in Pennsylvania Wine Trails grants.

Defining Regional Typicity of

Grüner Veltliner Wines, \$124,849

Penn State College of Agricultural Sciences

Continue a multi-year project aiming to characterize the environmental, viticultural and sensory factors that define signature characteristics of Grüner Veltliner wines and develop marketing strategies to appeal to current and potential Grüner Veltliner drinkers, extending field and wine evaluations to the 2019 vintage.

Improving Tannin Extraction in Wines Made from Red Interspecific Hybrid Grapes, \$89,782

Penn State College of Agricultural Sciences

Proof of concept trials and winemaking exploring enzyme concentrations and combinations, as well as pre-fermentation maceration conditions, in order to enhance the tannin structure of wines made from red hybrid grapes and improve the quality and stability of such wines.

Consumer Attitudes and Purchasing Behaviors Toward Pennsylvania Wines, Wineries and Retail Wine Marketing Programs, \$89,110

Saint Joseph's University

Comprehensive, four-step consumer market research study blending a review of secondary data, focus groups, graduate study taste comparisons between Pennsylvania wines and wines from elsewhere and an online survey of hundreds of Pennsylvania residents to analyze and understand the characteristics and motivations of Pennsylvania wine consumers.

Boosting Polyfunctional Thiols and Other Aroma Compounds in White Hybrid Wines through Foliar Nitrogen and Sulfur Application, \$80,828

Penn State College of Agricultural Sciences

Continue a multi-year study evaluating the impact of

foliar nitrogen and sulfur spraying as potentially low-cost viticultural practices to improve the quality and profitability of white hybrid cultivar Traminette.

What do Consumers Look for in PA Wines? A Mixed- Methods Approach to Study the Importance of Regionality and Hybrid Grapes, \$63,286

Penn State College of Agricultural Sciences

A study of consumer perception of Pennsylvania-grown wines, with a focus on the importance of regionality and attitudes toward hybrid wines, utilizing consumer focus groups and a product categorization exercise among Pennsylvania wine consumers.

Survey for Grapevine Leafroll Viruses in Pennsylvania, \$46,801

Penn State College of Agricultural Sciences

Expand research into viruses infecting grapevines and negatively impacting fruit and wine quality from two vineyards to six vineyards, continuing to explore how the viruses spread and what impacts the viruses have on grapevine productivity and fruit quality under different seasonal weather conditions.

Does Delaying Bud Burst Reduce the Risk of Frost Damage While Maintaining Grape and Wine Quality?, \$42,152

Penn State College of Agricultural Sciences

Year three research comparing the effectiveness of two frost avoidance strategies – the application of amigo oil versus delayed winter pruning – on delaying the onset of budburst in order to avoid crop losses and delays in fruit ripening caused by post-budburst.

Evaluating the Impact of Under-Trellis Groundcover Practices on Winegrape Production Profitability and Sustainability, \$41,110

Penn State College of Agricultural Sciences

Continue research into a sustainable weed suppression alternative to herbicides exploring if alternative practices are sustainable, which strategies lead to the highest-quality grapes and whether consumers are receptive to higher prices for wine produced using environmentally friendly practices.

2019-20 Beer Grant Recipients — \$1,214,255.20*

Beer Tourism Grant for the Craft Beer Trail of Greater Philadelphia, \$150,000

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 top destinations for craft beer; generate positive economic impact by driving visitation to Pennsylvania breweries; increase the number of breweries people visit; and increase the amount of money people spend at regional breweries.

Increasing the Participation of the Black Community in PA Craft Beer, \$130,350

Black Brew Culture

Increase the awareness, knowledge and experience of black people in craft beer and support and promote the Pennsylvania beer industry by offering educational opportunities (workshops, site visits, trainings) to drinkers, hop growers and potential brewers in black communities in the greater Pittsburgh area.

Poured in Pennsylvania, The Series, \$120,000

GK Visual, LLC

This series will follow the same themes, stories and creative approach as the documentary *Poured in Pennsylvania*, funded through a previous grant cycle. The series – featuring 16 to 20 episodes, each 30 to 45 minutes in length and digitally distributed via Amazon Prime – will explore the state's craft beer industry, including its impact in agriculture, tourism and the economy, in order to both educate viewers and spur beer tourism throughout Pennsylvania.

Development of a Quality Testing Program to Support Pennsylvania Raw Materials and Malt Beverages, \$97,299

*University of the Sciences in Philadelphia
Brewing Science Program*

Create the first analytical lab dedicated solely to malt beverages in Pennsylvania, which will improve accessibility to affordable testing for farmers and brewers, provide assistance and education in quality production for farmers and manufacturers and empower businesses to respond to quality concerns and build their own quality programs.

Grain Drying Proposal to Increase Quality and Production of Pennsylvania Malting Barley, \$88,640

CNC Malting Co.

Develop an economical, carbon-neutral drying process to support increased production of Pennsylvania

malting barley, prevent malting-quality barley from being rejected due to moisture levels and increase the amount of Pennsylvania-grown malting barley available to Pennsylvania malt houses, all without impacting premiums paid to Pennsylvania farmers.

Use of Wheat and Rye Middlings (Four Milling Byproducts) in Beer Brewing, \$83,790

Penn State College of Agricultural Sciences

Middlings, a byproduct of polished flour production typically sold as animal feed, present a potential low-cost solution for brewers to preserve grain flavors in lower-ABV beers. This research initiative will explore best practices for utilizing these grain byproducts during the brewing process, including full-scale testing with local brewpubs.

Use of β -Glucosidase Enzymes to Improve Flavor and Aroma Yield from Hops, \$82,840

Penn State College of Agricultural Sciences

Evaluate the use of glucosidases to increase flavor and aroma extraction from hops during several stages in the brewing process. As consumer interest in heavily hopped beers grows, this research has the potential to provide the Pennsylvania brewing industry with a novel way to reduce hop costs while maintaining hop flavor and aroma quality and intensity.

Pittsburgh Brewers Guild Update and Expansion, \$75,000

Pittsburgh Brewers Guild

Expand upon the 30+-member Pennsylvania Brewers Guild's foundation and increase industry awareness and beer tourism across the Pittsburgh region by updating the Pittsburgh Brewery Guide and website and re-launching Pittsburgh Craft Beer Week.

Allegheny County Craft Brewery Tourism Campaign, \$75,000

Visit Pittsburgh

A public relations and marketing campaign to increase awareness of Pittsburgh's craft brewery scene in out-of-market audiences and attract new visitors to the 30+ breweries in the Allegheny County region. Tactics will include participation in an out-of-market craft beer event to promote the Pittsburgh brewery scene, development of a library of photo and video assets showcasing Pittsburgh's brewing industry, a craft brewery tourism press tour and digital and social media advertising.

Pennsylvania Brewing Symposium, \$71,000

Brewers of Pennsylvania

Expand the one-day Brewing Symposium hosted by Brewers of Pennsylvania for the last five years to a two-day professional development event, inviting presenters and attendees to share research and experiences, gain insight, discuss the science and business of brewing and network. Past grant recipients will be invited to deliver updates on their research and findings to the Pennsylvania brewing industry.

Craft Beer Value Chain Development: Expanding Hops Processing in Western Pennsylvania, \$56,258

Penn State College of Agricultural Sciences

A first-of-its-kind-in-Pennsylvania research and development/outreach and education project aiming to increase the market share of local hops in Pennsylvania's craft brewing industry by increasing the shelf life of locally sourced hops through improved processing and storage methods, increasing brewers' access to local hops and expanding local hop growing.

Gluten-Free Beer Production in Pennsylvania Using Unmalted Grains, \$53,514

Penn State College of Agricultural Sciences

Evaluate the use of unmalted grains and enzyme supplementation for several non-barley/wheat gluten-free grains in order to develop best practices for producing sufficient levels of fermentable sugars and free amino nitrogen for gluten-free beers.

Education and Marketing of Grain/Malt Produced for Commonwealth Brewed Beverages, \$47,561

Deer Creek Malthouse

Strengthen the grain and malt value chain in Pennsylvania through enhancement of two events that continue to grow each year: the Philadelphia Grain & Malt Symposium, a technical conference and networking event showcasing Pennsylvania brews using local grains and malts, and the Malt-A-Palooza field day, an education and marketing event celebrating local agriculture and featuring malter demonstrations, brewer expositions, farmer education and entertainment.

Cumberland Valley Beer Trail Marketing & Visitation Increase, \$35,000

Cumberland Area Economic Development Corporation

Enhance promotion of the 29-location Cumberland Valley Beer Trail through eye-catching advertising wraps on 20 full-time rideshare vehicles for three months (mid-June through mid-September), in Washington, D.C. and Philadelphia, in order to increase the sale of malt and brewed beverages produced in Cumberland County and the surrounding region and increase sales and visitation to other businesses in the area through beer tourism.

Meeting of the Malts: The Growler Awards, \$25,000

Brewers of Pennsylvania

Expand The Meeting of the Malts, the signature annual event of the Brewers of Pennsylvania, transforming the traditional panel discussion, beer pairing dinner and beer festival into an industry awards event including all beer entities within the commonwealth and serving as the primary meeting place to celebrate the successes of the Pennsylvania craft beer industry and discuss industry challenges and trends.

Educating Agricultural Producers on Legal Considerations Associated with Hops Production on Leased Land, \$13,998

Penn State Center for Agricultural and Shale Law

Create educational materials to address commodity-specific legal issues, including lease preparation, of concern to agricultural producers considering undertaking or continuing cultivation of hops, thereby increasing hops cultivated in Pennsylvania and increasing agricultural and beer industry economic development.

Cultivation of Two Unique Pennsylvania Varieties of Hops on Sonco Pipe Trellis System, \$5,184.20

Hop Stop Farm

Purchase of the Sonco Pipe trellis system to compare its cost-effectiveness and durability for hop growing to conventional Larch poles, along with propagation of two unique Pennsylvania hop varieties.

Construction of an Economical and Efficient Hop Dryer, \$3,821

Hop Stop Farm

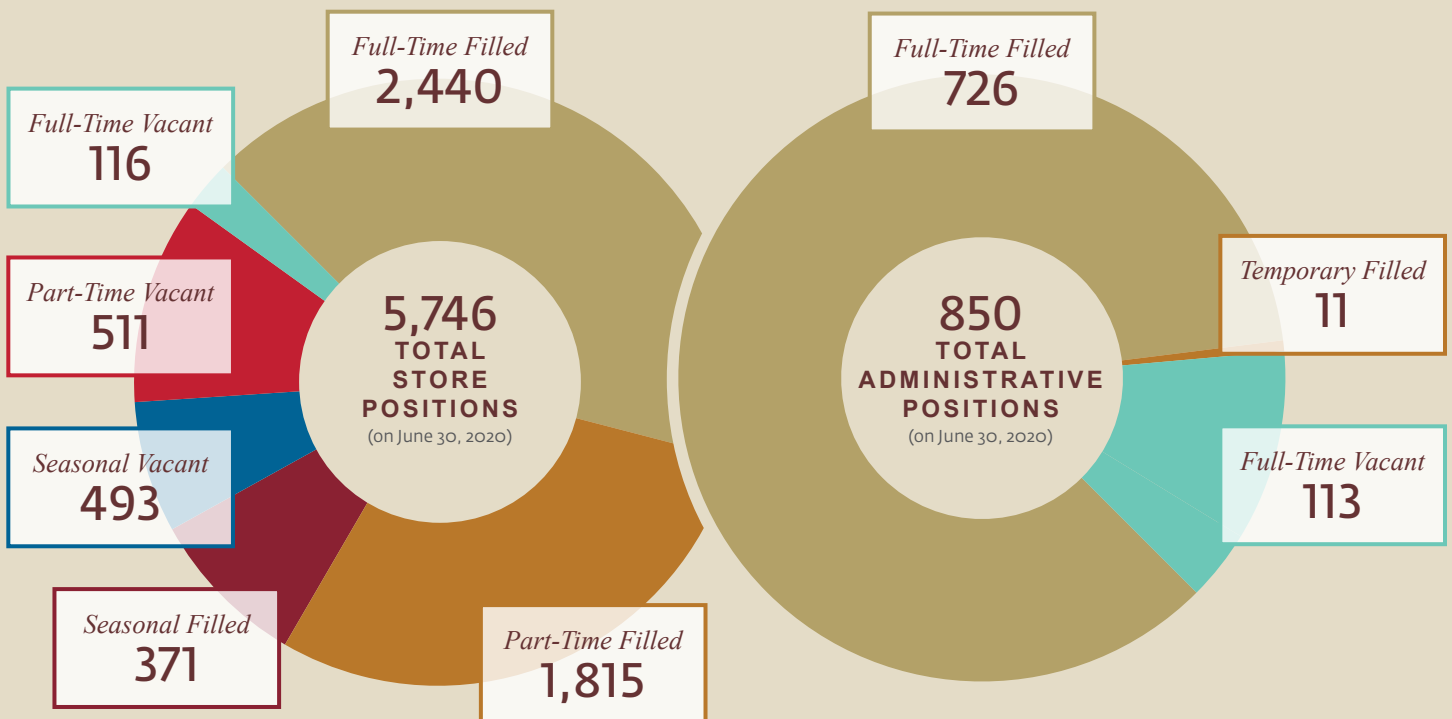
Build an efficient and inexpensive hop dryer capable of handling 700 to 800 pounds of wet hops every 12 hours. Assuming the project is successful, mass production of this affordable dryer would allow growers with 2 to 3 acres of hops to avoid significant start-up costs associated with commercially available dryers.

*The Pennsylvania Fiscal Code allows for unallocated grant funds to be made available in subsequent years, and since the first two rounds of beer grants (\$704,985 in 2017 and \$816,412 in 2018) awarded less than \$1 million each, the Pennsylvania Malt and Brewed Beverages Industry Promotion Board recommended utilizing some of the unallocated grant funds from prior rounds for this round of projects.

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



The unique challenges presented in fiscal year 2019-20 as a result of the COVID-19 public health crisis inspired a renewed emphasis on customer and employee safety by the PLCB's Bureau of Support Services.

Comprised of three divisions – Graphics Arts Services, Records Management and Maintenance – Support Services' efforts were critical to implementing new processes to support safe operations and to protect the health of employees.

The Graphic Arts Services division is responsible for professional design and printing services for Fine Wine & Good Spirits stores, as well as creating and producing publications for the agency. In addition to its regular production output, in fiscal year 2019-20 the Graphic Arts Services team played an important role in designing and printing critical public health and safety materials required for the reopening of stores and the safe return of employees to office locations.

FY 2019-20 Graphic Arts Production

Traditional Offset Press Printing –
4.2 million pieces
(10.5% growth over FY 2018-19)

Xerox Digital Copier Color Printing –
6.6 million pieces (3.1% growth over FY 2018-19)

Xerox Digital Copier Black and White Printing –
7.2 million pieces (4.3% growth over FY 2018-19)



FY 2019-20 Records Management Outgoing Mail

Presort Mail – 23,431 pieces
First Class Mail – 25,978 pieces
Certified Mail – 2,904 pieces
UPS Packages – 17,734 packages

In terms of distribution, the Records Management division handles mail services for the agency and ensures the timely delivery of all promotional and other materials to FW&GS stores and PLCB offices. During COVID-19, the mailroom received more than 7,000 masks that were then distributed to stores, field offices and the agency's central office building. This division also delivered all signage produced by Graphics. In addition to mail services, records management is responsible for vehicle and parking management and Right-To-Know record processing and retention.

Serving the PLCB's Harrisburg headquarters in the Northwest Office Building, the Maintenance division provides maintenance and custodial services, as well

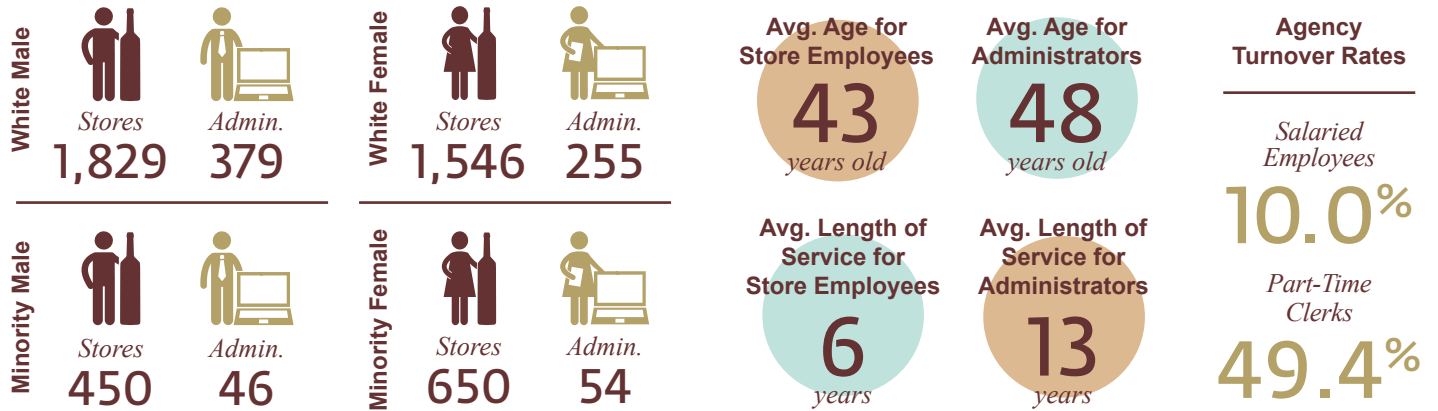
as office space management. In addition to completing major HVAC work and upgrades to the historic building's first floor conference room throughout fiscal year 2019-20, in response to COVID-19, the maintenance team instituted sanitation measures and new protocols to assure the safety of building employees and visitors.



EMPLOYMENT ACTIONS FY 2019-20



EMPLOYMENT STATISTICS FY 2019-20



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 the modified accrual basis of accounting, respectively,

and both are 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 Statements of Net Position as of June 30, 2020 and 2019; State Stores Fund Comparative Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2020 and 2019; State Stores Fund Comparative Statements of Cash Flows for the fiscal years ended June 30, 2020 and 2019; the Liquor License Fund Balance Sheet for the fiscal years ended June 30, 2020 and 2019; and the Liquor License Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the fiscal years ended June 30, 2020 and June 30, 2019.

The State Stores Fund Comparative Statement of Net Position provides information about assets and liabilities and reflects the net financial position of the State Stores

Fund at the end of each fiscal year. The Comparative Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenue activity, expenses related to such activity and operating transfers out for each fiscal year. The Comparative Statement of Cash Flows outlines the cash inflows and outflows relating to the operations for each fiscal year. The Liquor License Fund Balance Sheet provides information about assets and liabilities that reflect the position of the Liquor License Fund for each fiscal year end. The Statement of Revenues, Expenditures, and Changes in Fund Balance illustrates the revenue and expenditure 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 alcohol products sold by the PLCB and is discussed herein as part of the sales analysis and transfers out, neither this tax nor state and local sales taxes are reflected as revenue in the basic financial statements.

Executive Summary & Highlights

Until the COVID-19 public health crisis, the PLCB had achieved year-over-year sales growth for each of the past 26 years. For the first eight months of fiscal year 2019-20, PLCB sales were on a record pace, with year-to-date sales through February 4.5% ahead of the prior year. However, beginning in the middle of March, Fine Wine & Good Spirits (FW&GS) stores and licensee service centers were temporarily closed and e-commerce operations were briefly suspended in response to Governor Tom Wolf's COVID-19 mitigation efforts.

Despite online and curbside pickup sales options available beginning in April, the closure of FW&GS stores to traditional traffic – compounded by limited sales to bars and restaurants due to COVID-19 occupancy limits and business restrictions – hampered sales and tax revenue from March through June, even as some stores began reopening to limited in-store traffic in May 2020. As a result, fiscal year 2019-20 sales decreased 4.1% from the prior year. PLCB fiscal year 2019-20 net income of \$208.7 million was \$17.7 million,

or 9.2%, greater than the prior year, with the increase due primarily to decreased operating expenses related to significant declines in other post-employment benefit (OPEB) costs and pension expenses.

Other financial highlights include:

- The gross profit percentage was 32.0%, up 0.3% from June 2019.
- Operating income increased \$17.4 million (8.0%) to \$234.6 million.
- Net cash flow from operating activities of \$170.3 million, (a decrease of \$72.2 million from the prior year), was the primary source of funding for the \$185.1 million cash transfer to the General Fund, \$30.8 million to fund the Pennsylvania State Police's Liquor Code enforcement efforts, \$2.3 million in transfers to the Department of Drug & Alcohol Programs and \$6.9 million for capital expenditures.
- Year-end cash and investments decreased \$49.8 million (17.9%) to \$228.8 million, which were used as a secondary source of funding for the activities identified above.
- Total liabilities decreased by \$270.9 million to \$1.3 billion, due primarily to a \$174.4 million reduction in the net OPEB liability for retiree health benefits resulting from the Retired Employees Health Program (REHP) actuarial valuation. Also contributing to lower liabilities

was a \$71.6 million decrease in net pension liability due to higher investment earnings versus projections.

Revenues and Costs

SALES

Sales and tax revenue in fiscal year 2019-20 totaled \$2.56 billion, a decrease of \$110.9 million, or 4.1%, from fiscal year 2018-19. Excluding liquor and sales taxes, net sales of \$2.04 billion were down \$87.6 million, a 4.1% decrease from the prior year. By product category, spirit sales shrank by 6.4%, while wine sales shrank by 1.0%. Overall unit sales shrank by 4.4% from fiscal year 2018-19.

PLCB wholesale business (sales to licensees) was significantly impacted by the COVID-19 public health crisis in fiscal year 2019-20, with disparate impacts to different kinds of licensees. Overall, licensee sales were up 5.0% from fiscal year 2018-19. However, PLCB wine sales to holders of wine expanded permits (licensees like grocery stores, convenience stores and mass merchant retailers that continued to sell wine to go through the pandemic) grew by 117.8% in 2019-20. Conversely, sales to other licensees were down 22.9% in 2019-20. Wine sales to all licensees were up 39.6% in 2019-20. Sales of spirits to all licensees were down 22.5% in 2019-20.

The COVID-19 public health crisis had a significant impact on PLCB retail sales in fiscal year 2019-20, with FW&GS stores temporarily closed from the middle of March through late April. Retail sales declined 7.1% for fiscal year 2019-20, with year-to-date sales up 2.8% through February, but down 28.2% for March through June. Retail spirit sales were down 1.2% for the fiscal year, while retail wine sales were down 15.0%. As a result of store closures, PLCB e-commerce sales experienced dramatic increases, up 436.9% for fiscal year 2019-20. Online sales grew by 37.6% through February, and then increased by 1,306.5% for March through June.

OPERATING INCOME & EXPENSE

Operating income for the fiscal year ended June 30, 2020, was \$234.6 million, up \$17.4 million, or 8.0% from the \$217.1 million reported the prior year. The increase was mostly attributable to a \$44.6 million decrease in operating expenses, which offset a \$22.4 million decrease in gross profit from sales and a \$4.8 million decrease in other operating revenues.

The reduction in operating expenses was driven primarily by a \$46.8 million reduction in OPEB retiree health benefit costs, mostly due to REHP's actuarial valuation results, and by a \$15.4 million (16.8%) decrease in total pension expenses. Operating expenses were also

favorably impacted by a \$3.6 million decrease in advertising costs, a \$1.6 million decrease in debit/credit card expenses and a \$1.1 million decrease in grant expense reimbursements.

Partially offsetting these decreases were expense increases in several areas. Paid compensation for salaries, wages, overtime and awards increased by \$7.7 million or 4.2%. Worker compensation costs increased by \$1.8 million, and unemployment compensation costs increased by \$1.5 million. Store rents increased by \$3.5 million (6.5%) due to FW&GS remodeling efforts and the transition of a number of standard stores into larger Premium Collection stores. Banking services increased by \$1.7 million with the implementation of Smart Safes in all stores and licensee service centers, which will deliver longer-term efficiencies and cost savings. Expense increases for store-freight/shipping (\$2.3 million) and office/other supplies (\$1.9 million) were generally related to COVID-19 costs.

The decrease in other operating revenues was primarily due to the \$5.6 million decrease in license fees, which was partially offset by a \$1.2 million increase in miscellaneous income, (mostly from an increase in e-commerce shipping fees collected). The decrease in the licensing fees was the result of a \$3.9 million decline in license auction proceeds and a \$2.3 million decrease in application fees largely attributable to fee deferrals put into

place as a result of the pandemic and its impact on licensees. These decreases were partially offset by increases in wine expanded permit fees of \$0.4 million and other permit fees of \$0.4 million.

TRANSFERS OUT

The Bureau of Liquor Control Enforcement within the Pennsylvania State Police received \$30.8 million in funding in fiscal year 2019-20, a decrease of \$0.5 million (1.5%) from the previous year. The Department of Drug & Alcohol Programs will receive \$4.2 million, [2 percent 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 2019-20 generated by the PLCB's operations – but not reflected as revenues, expenses or cash flows in the State Stores Fund's financial statements – included \$365.7 million in liquor tax and \$143.9 million in state sales tax, an overall 4.2% decrease. Additionally, the PLCB remitted \$8.8 million in local sales taxes to Philadelphia and Allegheny Counties.

Licensing fees returnable to local municipalities from the Liquor License Fund were \$4.3 million for fiscal year 2019-20, compared to \$4.5 million in the prior year.



September 3, 2020

Members of the
Pennsylvania Liquor Control Board
Harrisburg, Pennsylvania

We have prepared, in accordance with generally accepted accounting principles, the accompanying State Stores Fund comparative statements of net position; revenues, expenses, and changes in fund net position; and cash flows; and the accompanying Liquor License Fund balance sheet and statement of revenues, expenditures, and changes in fund balance, for the period ended June 30, 2020.

Information presented in the unaudited financial statements cannot be considered final until receipt of the independent auditors' opinion on the FYE 6-30-20 Pennsylvania Liquor Control Board Financial Statements.

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

Michael J. Burns, CPA
Director, Bureau of Accounting & Financial Management
Office of Comptroller Operations

Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board



FINANCIAL STATEMENTS

FISCAL YEAR 2019-2020

Month Ending June 30, 2020

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES AND LIQUOR LICENSE FUNDS
FINANCIAL STATEMENTS
For the Period Ending June 30, 2020**

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FINANCIAL STATEMENTS

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 46,641,593	\$ 52,270,779
Investments - short term	182,118,221	226,279,517
Accounts and claims receivable, net	7,226,621	3,617,714
Due from other funds - Note 9	388,773	4,234
Merchandise inventories, net	226,514,526	246,114,444
Operating supplies	757,605	382,643
Prepaid expenses	1,390,248	522,964
Total current assets	<u>465,037,587</u>	<u>529,192,295</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	20,875,220	20,875,220
Leasehold improvements	197,771	341,826
Machinery and equipment	49,225,788	49,063,451
Intangibles - internally generated software	23,373,809	22,457,686
Less: accumulated depreciation	<u>65,151,266</u>	<u>63,692,660</u>
Net depreciable capital assets	<u>28,521,322</u>	<u>29,045,523</u>
Total non-current capital assets	<u>28,844,295</u>	<u>29,368,496</u>
Total assets	<u>\$493,881,882</u>	<u>\$558,560,791</u>
Total deferred outflows of resources - Notes 5, 6	\$ 117,522,469	\$ 160,428,631
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 252,136,542	\$ 289,656,306
Other accounts payable	28,021,062	23,001,111
Accrued expenses	17,607,083	15,415,566
OPEB - Note 6	18,874,000	8,994,000
Self-insurance, workers' compensation - Note 7	5,595,210	5,193,938
Due to other funds - Note 9	6,350,515	4,522,983
Due to fiduciary funds - Note 9	2,625,436	1,994,832
Due to other governments - Note 9	731,390	548,954
Total current liabilities	<u>331,941,238</u>	<u>349,327,690</u>
Non-current liabilities:		
OPEB - Note 6	410,695,000	594,961,000
Self-insurance, workers' compensation - Note 7	47,995,269	48,841,124
Net pension liability - Note 5	458,686,120	530,291,336
Compensated absences - Note 1	24,809,043	21,598,132
Total non-current liabilities	<u>942,185,432</u>	<u>1,195,691,592</u>
Total liabilities	<u>\$ 1,274,126,670</u>	<u>\$ 1,545,019,282</u>
Total deferred inflows of resources - Notes 5, 6	\$ 423,027,138	\$ 279,156,836
<u>NET POSITION</u>		
Net investment in capital assets	\$ 28,844,295	\$ 29,368,496
Deficit	<u>(1,114,593,752)</u>	<u>(1,134,555,192)</u>
Total net position	<u>\$ (1,085,749,457)</u>	<u>\$ (1,105,186,696)</u>

The accompanying notes are an integral part of these statements.

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, 2020 and June 30, 2019
(Unaudited)

	2019-20	2018-19
Sales net of taxes	\$ 2,039,324,310	\$ 2,126,927,971
Cost of goods sold	(1,386,560,260)	(1,451,772,607)
Gross profit from sales	652,764,050	675,155,364
Operating (expenses):		
Retail operations	(354,269,905)	(384,400,294)
Marketing & merchandising	(11,540,064)	(15,852,818)
Supply chain	(7,327,063)	(6,642,392)
Wholesale operations	(1,452,891)	(1,725,852)
Information technology services	(27,438,566)	(30,234,564)
Regulatory affairs	(16,005,906)	(19,783,080)
Administration	(11,230,005)	(13,487,041)
Finance	(2,477,214)	(3,325,942)
Board & secretary	(2,671,814)	(5,173,990)
Legal	(3,522,199)	(3,713,342)
Commonwealth provided services - Note 2	(16,353,515)	(14,577,356)
Total	(454,289,142)	(498,916,671)
Operating profit/(loss)	198,474,908	176,238,693
Other operating revenues (expenses):		
Enforcement fines	1,409,664	1,845,926
License fees	32,906,072	38,474,199
Miscellaneous income	4,586,513	3,388,634
Administrative law judge	(2,797,324)	(2,809,282)
Total	36,104,925	40,899,477
Total operating income/(loss)	234,579,833	217,138,170
Miscellaneous revenues (expenses):		
Interest income	4,906,316	5,865,843
Other	4,910	(706,242)
Total	4,911,226	5,159,601
Income/(Loss) before operating transfers	239,491,059	222,297,771
Operating transfers out:		
PSP enforcement - Note 3	(30,779,591)	(31,256,748)
Net Income/(Loss) from operations	208,711,468	191,041,023
Statutory Transfers:		
General fund - Note 4	(185,100,000)	(185,100,000)
Drug and alcohol programs - Note 4	(4,174,229)	(3,820,820)
Total	(189,274,229)	(188,920,820)
Change in net position	19,437,239	2,120,203
Total net position - beginning	(1,105,186,696)	(1,107,306,899)
Total net position - ending	<u>\$ (1,085,749,457)</u>	<u>\$ (1,105,186,696)</u>

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, 2020 and June 30, 2019 (Unaudited)

	FY19	FY18
Cash flows from operating activities:		
Receipts from customers	\$ 2,074,233,113	\$ 2,168,595,106
Payments to suppliers	(1,903,909,126)	(1,926,052,781)
Net cash provided by operating activities	170,323,987	242,542,325
Cash flows from noncapital financing activities:		
PSP expenses	(30,779,591)	(31,256,748)
General fund transfer	(185,100,000)	(185,100,000)
DDAP transfer	(2,268,674)	(2,500,000)
Net cash used for noncapital financing activities	(218,148,265)	(218,856,748)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,877,430)	(9,262,314)
Proceeds from capital assets	4,910	1,500
Net cash used for capital and related financing activities	(6,872,520)	(9,260,814)
Cash flows from investing activities:		
Purchase of investments	(1,534,150,590)	(1,552,907,890)
Proceeds from sale and maturities of investments	1,578,311,886	1,530,704,574
Investment income	4,906,316	5,865,843
Net cash provided by/(used for) investing activities	49,067,612	(16,337,473)
Net increase/(decrease) in cash	(5,629,186)	(1,912,710)
Cash - July 1	52,270,779	54,183,489
Cash - June 30	<u>\$ 46,641,593</u>	<u>\$ 52,270,779</u>
Reconciliation of operating income/(loss) to net cash provided by/(used for) operating activities:		
Operating income/(loss)	\$ 234,579,833	\$ 217,138,170
Depreciation	7,401,631	8,162,550
Change in assets and liabilities		
Accounts receivable	(3,608,907)	(4,588,849)
Inventory	19,224,956	14,046,032
Due from other funds	(384,539)	828,883
Other operating net assets	(867,284)	(450,284)
Deferred outflows - pension and OPEB related	42,906,162	(71,797,831)
Accounts payable and accrued liabilities	(30,308,296)	8,620,505
Due to other funds	(78,023)	35,678
Due to pension trust funds	630,604	86,134
Net pension liability	(71,605,216)	89,613,863
Due to other governments	182,436	32,864
Other post-employment benefit obligations	(174,386,000)	(189,400,000)
Self-insurance liabilities	(444,583)	(1,551,415)
Compensated Absences	3,210,911	788,148
Deferred inflows - pension and OPEB related	143,870,302	170,977,877
Total adjustments	(64,255,846)	25,404,155
Net cash provided by operating activities:	<u>\$ 170,323,987</u>	<u>\$ 242,542,325</u>

Noncash investing, capital and financing activities:

A \$4,174,229 Department of Drug and Alcohol Programs (DDAP) liability was accrued in June 2020 for the FY 19-20 statutory obligation. The remaining balance of \$1,552,146 for FY 18-19 remains to be withdrawn at June 30, 2020.

The accompanying notes are an integral part of these statements.

**PENNSYLVANIA LIQUOR CONTROL BOARD
LIQUOR LICENSE FUND
BALANCE SHEET
UNAUDITED**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
ASSETS		
Deposits and Investments:		
Cash in transit	\$ 146,200	\$ 65,100
Investments - short term	<u>1,929,573</u>	<u>2,204,798</u>
Total assets	<u>\$ 2,075,773</u>	<u>\$ 2,269,898</u>
 LIABILITIES AND FUND BALANCE		
Current liabilities:		
License fees due to municipalities	<u>2,075,773</u>	<u>2,269,898</u>
Total liabilities	<u>\$ 2,075,773</u>	<u>\$ 2,269,898</u>
 FUND BALANCE		
Restricted	<u>-</u>	<u>-</u>
Total Fund Balance - Note 10	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,075,773</u>	<u>\$ 2,269,898</u>

The accompanying notes are an integral part of these statements.

**PENNSYLVANIA LIQUOR CONTROL BOARD
LIQUOR LICENSE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
UNAUDITED
For the Twelve Months Ending June 30, 2020 and June 30, 2019**

	<u>2020</u>	<u>2019</u>
REVENUES		
Liquor license application fees collected, net of refunds	\$ 4,272,875	\$ 4,468,345
TOTAL REVENUES	<u>4,272,875</u>	<u>4,468,345</u>
EXPENDITURES		
Liquor license fees for return to municipalities	4,272,875	4,468,345
TOTAL EXPENDITURES	<u>4,272,875</u>	<u>4,468,345</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE, JULY 1, RESTATED - NOTE 10	<u>-</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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, 2020

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 a special revenue 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 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.

The financial statements of the Liquor License Fund are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this measurement focus, current assets and current liabilities are presented on the balance sheet. The operating statements present increases (i.e. revenues) and decreases (i.e. expenditures) in net current assets. Under the modified accrual basis of accounting, revenues of governmental funds are recognized in the year that they become susceptible to accrual (both measurable and available to pay current fiscal year liabilities).

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 \$99,695 as of June 30, 2020, and \$156,873 as of June 30, 2019.

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 \$1.7M as of June 30, 2020, and \$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 11.55% 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% to 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, 2019 to June 30, 2020 are as follows:

Liquor Tax	\$365,707,467
State Sales Tax	143,946,095
Local Sales Tax	<u>8,776,815</u>
Total	\$518,430,377

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	\$ 6,025,354
Auditor General Services	2,742,460
Treasury Department Services	147,520
Civil Service Commission Services	218,472
Payroll Operations Services	250,208
Office of Performance Through Excellence	46,513
OA Office	
HR Shared Services	1,369,413
Strategic Services	96,147
IES -Contracted Main Services	2,188,066
IT Shared Services	2,130,198
Dept of General Services	
Real Estate & Shared Services Accrual	819,605
Employee Self & Tort Insurance	89,076
Capital Complex Services	230,481
	<u>\$ 16,353,515</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 \$4.17M liability for the amount due to DDAP for the FYE June 30, 2020 to be transferred in FYE June 30, 2021.

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.pa.gov. 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 State Employees Retirement Code (SERC) (71 Pa. C.S. §5507) requires the Commonwealth and other employers whose employees are the 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. The 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 the 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. Act 2017-5 includes a savings "plow-back" provision requiring that the annual savings achieved through SERS' benefit changes flow back into the Defined Benefit Plan through the employer contribution rate rather than to other non-pension obligations. The PLCB's contributions to the SERS were \$54.4M and \$52.3M for the fiscal years ended June 30, 2020 and June 30, 2019, 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.

The PLCB reported a liability of \$458.7M and \$530.3M for its proportionate share of the SERS net pension liability as of June 30, 2020 and 2019, respectively. The net pension liability attributed to participation in the SERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

As of June 30, 2020, PLCB's total Pension deferred outflows of resources, and total Pension deferred inflows of resources totaled \$58.9M, and \$43.3M, respectively.

For the fiscal years ended June 30, 2020, and June 30, 2019, the PLCB recognized pension expense of \$61.3M, and \$76.7M, respectively, as follows:

	FYE June 30, 2020	FYE June 30, 2019
A. Employer Contributions	\$ 54,454,267	\$ 52,306,397
B. Change in Net Pension Liability	(71,605,216)	89,613,863
C. Total Change in Deferred Outflows		
Contributions Subsequent to Measurement Date	473,465	138,538
Difference between Projected and Actual Investment Earnings	(51,594,221)	51,594,221
Change in Proportion	829,943	(433,967)
Difference Between Employer Contributions and Proportionate Share	(46,785)	3,779
Difference between Expected and Actual Experience	(2,238,717)	506,903
Difference in Change in Assumptions	3,547,153	(7,934,642)
Total Change in Deferred Outflows	(49,029,161)	43,874,831
D. Total Change in Deferred Inflows		
Change in Proportion	(618,738)	(1,225,873)
Difference Between Employer Contributions and Proportionate Share	(35,452)	(3,001)
Difference between Expected and Actual Experience	(2,639,477)	(2,621,150)
Difference between Projected and Actual Investment Earnings	32,712,970	(17,521,100)
Total Change in Deferred Inflows	29,419,303	(21,371,123)
Total Pension Expense (A+B-C+D)	\$ 61,297,514	\$ 76,674,306

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);
- 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. During FYE June 30, 2020, the required contribution for the PLCB began the fiscal year at \$288 and was lowered to \$230 after two pay periods 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.

The PLCB reported a liability of \$429.6M and \$604.7M for its proportionate share of the REHP net OPEB liability as of June 30, 2020 and 2019, respectively. The net OPEB liability for the REHP was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

As of June 30, 2020, PLCB's total OPEB deferred outflows of resources, and total OPEB deferred inflows of resources totaled \$58.7M, and \$379.7M, respectively.

For the fiscal years ended June 30, 2020 and June 30, 2019, the PLCB recognized OPEB expense of (\$46.7M), and \$0.03M, respectively, as follows:

	FYE June 30, 2020	FYE June 30, 2019
A. Employer Contributions	\$ 19,310,653	\$ 25,004,578
B. Change in Net OPEB Liability	(174,386,000)	(189,400,000)
C. Total Change in Deferred Outflows		
Contributions Subsequent to Measurement Date	(3,728,000)	(1,247,000)
Change of Assumptions	13,742,000	-
Change in Allocation and Differences between Employer Contributions and Allocated Share	(3,891,000)	29,170,000
Total Change in Deferred Outflows	6,123,000	27,923,000
D. Total Change in Deferred Inflows		
Change of Assumptions	(19,897,000)	7,111,000
Differences between expected and actual experience	134,510,000	184,978,000
Difference Between Projected and Actual Investment Earnings	(162,000)	260,000
Total Change in Deferred Inflows	114,451,000	192,349,000
Total OPEB Expense (A+B-C+D)	\$ (46,747,347)	\$ 30,578

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 \$53.6M as of June 30, 2020 and \$54.0M as of June 30, 2019.

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, 2020, were as follows (expressed in thousands):

<u>Year Ending June</u>	<u>Real Estate</u>
2021	\$58,919
2022	53,784
2023	49,008
2024	42,654
2025	<u>36,783</u>
Total Minimum Lease Payments	<u>\$241,148</u>

Rental expense for all operating leases for the period ending June 30, 2020, amounted to \$59.9M.

10. RESTATEMENT

Restatement Due to Change in Accounting Principle:

Effective July 1, 2019, the Liquor License Fund implemented GASB Statement No. 84, Fiduciary Activities. PLCB previously reported the activity of the Liquor License Fund as an agency (fiduciary) fund. Beginning in FY 2019-2020, such activity has been more appropriately reported as a special revenue fund under GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Accordingly, the newly established special revenue fund reports a restated beginning balance of \$0, which is equal to the restatement of net current assets and current liabilities previously reported in the agency fund Statement of Fiduciary Net Position.

Fiscal year ended June 30, 2019 amounts are restated to conform with the requirements of GASB Statements No. 84 and 54.

State Stores Fund
Comparative Operating Statement
For the Twelve Months Ending June 30, 2020 and June 30, 2019

	<u>2019-20</u>	<u>2018-19</u>
SALES NET OF TAXES	\$ 2,039,324,310.32	\$ 2,126,927,971.00
LESS: COST OF SALES	1,386,560,260.45	1,451,772,606.87
GROSS INCOME FROM SALES	652,764,049.87	675,155,364.13
LESS: OPERATING EXPENSES		
Salaries	143,159,517.77	139,024,521.16
Overtime	4,582,095.73	4,831,124.94
Shift Differential Pay	542,463.40	717,220.61
Higher Classification Pay	534,733.63	680,789.19
Wages	35,949,157.12	35,737,965.83
Negotiated Office and Subsistence Payments	27,225.00	27,500.00
Wages - Shift Differential	33,514.66	56,341.19
Wages - Higher Class Pay	305,556.54	374,392.06
Employees' Health Benefits - State Share	41,396,999.18	40,925,386.26
Employees' Health & Welfare Fund - State Share	127,242.52	144,405.57
OPEB Employer Contributions	19,310,652.85	25,004,577.84
OPEB Other Components	(66,058,000.00)	(24,974,000.00)
Social Security Contributions - State Share	14,225,010.46	13,626,183.93
Pension Employer Contributions	54,454,266.58	52,306,396.97
Pension Other Components	6,843,247.58	24,367,908.88
Workers' Compensation Employer Contributions	6,771,380.33	6,074,970.74
Workers' Compensation Other Components	(444,582.89)	(1,551,415.63)
Employees' Group Life Insurance - State Share	304,857.54	295,647.43
Out-Service Training	57,756.14	104,452.54
Unemployment Compensation - State Share	1,805,919.64	336,326.42
General Pay Increase - Cash Payment	828,131.00	893,991.00
Sick Leave Payout	(265,500.75)	24,030.14
Conference Registrations	16,109.02	23,072.00
In-Service Training	2,210.00	4,155.00
Management Performance Rewards	4,039,566.57	-
Annual Leave Payout	3,269,721.04	950,182.95
Stipend for Active Duty Military Reservist	40,912.44	65,520.99
Litigation/Arbitration Payouts	(10,384.65)	375.00
Employer Leave Payout Assessment	2,356,745.92	3,129,145.85
ER QTB Admin Fee	-	-
Comptroller Operations Services	6,025,354.49	5,596,189.43
Performance Through Excellence	46,513.00	-
Auditor General Services	2,742,459.65	3,018,729.15
Civil Service Commission Services	218,471.60	1,073,991.23
Contract Personnel Services	-	-
Contracted Repairs	154,523.76	214,834.41
HR Shared Services	1,369,413.00	682,443.75
Purchasing Services	819,605.32	1,031,657.35
IT Shared Services	2,127,520.00	51,870.00
Specialized Services	1,624,660.83	490,822.38
OA Temporary Clerical Pool Charges	40,721.01	18,624.37
Payroll Services - Commonwealth Provided	250,207.86	349,056.56
Liquor Storage and Handling	1,014,378.58	727,469.08
Liquor Reconditioning	(157,632.37)	286,836.76
Professional Fees	31,937.23	9,586.87

	2019-20	2018-19
Bank Service Charges	2,564,159.99	821,535.43
Armored Collection Service	245,643.90	385,320.27
Counterfeits	15,847.00	11,350.00
Strategic Services	96,147.49	6,856.46
Security Guard Service	3,715,409.94	3,411,400.35
Credit/Debit Card Services	31,938,260.67	33,563,104.25
Public Relations	58,566.38	114,037.96
Treasury Department Services	147,520.52	167,884.70
Legal Fees	559,059.09	321,028.53
Clinic Services, Medical, Mental, and Dental	-	-
Conference Expenses	42,354.08	34,848.76
Printing Purchased Outside	205,337.30	234,743.60
Advertising	7,508,820.23	10,589,327.78
Telecommunications Toll Free Inbound Services	-	-
Interest/Utility Late Charge Penalties	5,238.25	4,345.76
Postage	3,655.97	123,063.07
Postage Metered	31,440.24	62,500.14
Freight - Liquor Into Warehouses	7,346.30	1,475.30
Freight - LDP Shipments	-	-
Freight - Miscellaneous	2,647,550.83	318,032.61
Freight Upcharge	-	-
Telecommunications Recurring Fixed Charges	2,836,345.01	3,681,432.43
Telecomm. Recurring Fixed Charges - Credit Card Line	-	-
Telecommunications Usage Charges	218,440.84	207,532.94
Telecommunications Usage Charges - Credit Card Line	-	-
Telecommunications Nonrecurring Charges	563,730.96	43,843.33
Telecom-Voice-Services	709,880.99	435,961.80
Telecomm. Nonrecurring Charges - Credit Card Line	-	-
Travel	570,861.04	618,826.57
Telecommunications Purchasing Fund Reimbursement	-	-
Water and Sewage	339,855.25	325,687.53
Electricity	4,296,314.18	4,634,480.82
Heating Fuel	1,125,097.69	1,298,014.89
Consultant Services - EDP/Non-EDP	7,073,304.61	7,342,678.69
Purchasing Card Purchases	-	-
EDP Contractual Services - Vendor Provided	6,555,997.03	6,245,297.79
EDP Equipment Rental - Data Circuits and Modems	-	-
EDP Software - Vendor Provided	-	-
Hardware Maintenance	1,267,675.52	1,126,094.12
Subscriptions	91,354.52	120,686.10
Membership Dues	9,265.00	3,266.46
Insurance, Surety and Fidelity Bonds	105,767.93	85,913.78
Motorized Equipment Supplies	-	-
Gasoline	282,488.72	330,548.47
Motorized Equipment Supplies - Miscellaneous	298,656.74	237,475.70
Motorized Equipment Repairs	129,460.06	156,532.87
Contracted Maint. Services - Data Processing	2,188,066.25	1,938,592.90
Contracted Maint. Services - Telephone Equip.	-	-
Contracted Maint. Services - Bldgs & Grounds	489,826.99	623,378.15
Contracted Maint. Services - Office Equipment	44,390.07	4,093.72
Contracted Maint. Services - Other	2,402,597.78	2,499,973.58
Rent of Real Estate	368,738.00	327,006.23
Store Rent	58,117,777.67	54,580,925.46
District Office Rent	1,421,361.29	1,384,125.34
Real Estate Taxes on Leased Property	1,350,938.60	1,622,072.63

	<u>2019-20</u>	<u>2018-19</u>
Motorized Equipment Rentals	548,508.05	535,730.98
Other Equipment Rentals	60,137.31	42,573.30
Price Variance - Non-Merchandise	-	-
Medical Supplies Issued from Inventory	84,400.60	-
Wearing Apparel	3,083.10	38,269.50
Food	81,857.86	103,227.63
Housekeeping Supplies Issued from Inventory	2,531,216.97	3,121,189.94
Housekeeping Supplies	263,715.22	155,814.36
Printed Forms	-	-
Inside Duplicating	-	-
Office Supplies Issued from Inventory	-	-
Office Supplies	3,291,448.25	1,773,122.78
EDP Software	148,128.04	10,071.10
Other IT Equipment	2,352,342.82	1,054,024.09
Educational Supplies	-	-
Agricultural Services	-	-
Agricultural Supplies	-	-
Recreational Supplies and Services	-	-
Maintenance Supplies Issued from Inventory	-	-
Maintenance Supplies	1,912,008.12	1,814,534.87
Marketing Promotion Expenses	174,907.54	7,670.00
Store Water/Fire Damage	118,250.27	222,914.24
Over/Short Store Expense Account	308,038.41	136,500.19
Store Breakage Expenses	488,243.35	552,772.70
Transfers-Lab or Wine Tasting	476,498.31	544,040.44
Lottery Cash Over/Short Expense	13,649.28	9,712.65
Lottery Till Replenishment Expense	-	3,864.61
Other Inventory Adjustments	273,847.32	2,858,708.45
Other Services and Supplies	986,902.92	391,251.15
Grants and Payments to Individuals	-	-
State Pmts. to Inst. of Higher Ed. - State Owned	52,307.87	70,226.13
State Payments to Governmental Subrecipients	300,448.81	433,669.93
State Payments to Non-State Institutions of Higher Ed. and Non-Profits	266,887.73	475,844.69
State Payments to Wine Marketing and Research Board	735,737.75	1,453,623.62
State Payments to Malt and Brewed Beverage Industry Board	975,990.81	1,024,009.19
Amortization of Leasehold Improvements	36,060.04	38,460.95
Amortization of Computer Software-Internally Generated	3,649,411.99	4,022,001.61
Depreciation of Equipment & Machinery	1,823,423.94	1,746,847.31
Depreciation of Buildings	869,131.98	873,523.30
Depreciation-Computers and Peripherals	1,023,603.11	1,481,717.25
Bad Debt Expense - Misc Receivables	71,068.96	(68,542.28)
TOTAL OPERATING EXPENSES	457,086,465.98	501,725,952.15
MERCHANDISING INCOME	\$ 195,677,583.89	\$ 173,429,411.98

	<u>2019-20</u>	<u>2018-19</u>
ADD: OTHER INCOME/(LOSS)		
Miscellaneous	2,807,792.33	715,947.29
Lottery Gross Commission Proceeds	1,176,755.56	1,260,784.18
Misc Rev - Bailment Penalties	606,874.75	705,660.45
Interest	4,906,316.25	5,865,842.82
Licensing:		
License Auction Proceeds	3,087,770.00	6,963,075.00
E to R License Conversion Fees	890.00	31,300.00
Direct Wine Shipper Fees	261,000.00	25,795.00
Wine Expanded Permit (WEP) Application Fees	590,000.00	642,000.00
Wine Expanded Permit (WEP) Renewal Fees	3,052,087.28	2,582,948.43
Surcharge Fees	11,589,222.00	12,119,100.00
Application Fees	3,774,802.50	5,927,933.73
Transfer Fees	-	-
Permit Fees	8,833,803.00	8,451,748.00
Entertainment Fees	(700.00)	-
Administrative Fees	1,717,197.97	1,730,298.84
	<hr/>	<hr/>
TOTAL OTHER INCOME	42,403,811.64	47,022,433.74
	<hr/>	<hr/>
NET INCOME BEFORE PSP ENFORCEMENT	238,081,395.53	220,451,845.72
	<hr/>	<hr/>
PSP ENFORCEMENT:		
Income	1,409,663.90	1,845,926.00
LESS: Expenses	30,779,591.68	31,256,748.98
Net PSP Enforcement	(29,369,927.78)	(29,410,822.98)
	<hr/>	<hr/>
NET INCOME	<u>\$ 208,711,467.75</u>	<u>\$ 191,041,022.74</u>

STORES RANKED BY TOTAL DOLLAR SALES FY 2019-20

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
1	5103*	2238 Washington Avenue	Philadelphia	19146	24,042	\$1,426.78	\$34,302,727
2	4650^	East Greenville Business Center, 668 Gravel Pike	East Greenville	18041	288,237	\$92.84	\$26,759,295
3	0940*	855B Pennsylvania Boulevard	Feasterville	19053	14,012	\$1,444.31	\$20,237,680
4	0247**†	5956 Centre Avenue	Pittsburgh	15206	322,848	\$58.44	\$18,867,921
5	0215*	1601 Liberty Avenue	Pittsburgh	15222	13,105	\$1,249.58	\$16,375,788
6	2301*	Lawrence Park Industrial Center, 629 Parkway Drive	Broomall	19008	8,695	\$1,654.19	\$14,383,216
7	1532*	100 Willowbrook Lane	West Chester	19382	11,571	\$1,160.57	\$13,428,984
8	1007**†	Cranberry Mall, 20111 Route 191	Cranberry Township	16066	218,331	\$60.58	\$13,225,729
9	0934**†	132 Veterans Lane	Doylestown	18901	229,686	\$57.53	\$13,213,145
10	0214†	The Waterworks, 974 Freeport Road	Pittsburgh	15238	213,322	\$60.35	\$12,873,470
11	9211**†	Village Square, 5000 Oxford Drive	Bethel Park	15102	215,328	\$59.49	\$12,810,833
12	9208**†	125 Towne Centre Drive	Wexford	15090	190,631	\$63.22	\$12,051,488
13	5185**†	180 West Girard Avenue	Philadelphia	19123	254,510	\$46.91	\$11,937,995
14	0231**†	Robinson Plaza Town Center, 1106 Park Manor Boulevard	Pittsburgh	15205	216,977	\$53.64	\$11,638,393
15	0621**†	Berkshire West, 1101 Woodland Road	Wyomissing	19610	205,771	\$56.24	\$11,572,342
16	4646**†	Ardmore Shopping Center, 62 Greenfield Avenue	Ardmore	19003	161,082	\$69.82	\$11,246,965
17	5154**†	1112 Chestnut Street	Philadelphia	19107	278,598	\$40.30	\$11,228,782
18	4623**†	1440 Bethlehem Pike	Flourtown	19031	182,546	\$61.03	\$11,140,892
19	4624**†	125 West Dekalb Pike	King of Prussia	19406	216,399	\$49.95	\$10,808,924
20	0943**†	212 South State Street	Newtown	18940	179,624	\$58.10	\$10,436,380
21	5104**†	Columbus Commons, 1940 South Christopher Columbus Boulevard	Philadelphia	19148	186,312	\$54.62	\$10,175,651
22	9101**†	2040 Market Street	Philadelphia	19103	272,664	\$36.47	\$9,945,299
23	4817*	3084 Emrick Boulevard	Bethlehem	18020	7,324	\$1,338.33	\$9,801,963
24	6717**†	York Marketplace, 2547 East Market Street	York	17402	219,267	\$44.43	\$9,742,076
25	3616*	1190 Dillerville Road	Lancaster	17601	10,812	\$897.74	\$9,706,322
26	1405†	1682 North Atherton Street	State College	16803	185,560	\$50.49	\$9,369,723
27	2102**†	West Shore Plaza, 1200 Market Street	Lemoine	17043	198,204	\$47.23	\$9,360,913
28	4628†	Whitemarsh Shopping Center, 44 Ridge Pike	Conshohocken	19428	204,989	\$43.91	\$9,001,650
29	3627**†	Shoppes at Belmont, 1565 Fruitville Pike	Lancaster	17601	199,510	\$45.06	\$8,989,553
30	3516†	222 Northern Boulevard	Clarks Summit	18411	152,388	\$58.23	\$8,873,427
31	4641**†	1839 East Ridge Pike	Royersford	19468	188,479	\$45.50	\$8,575,864
32	3901†	Crest Plaza, 1516 North Cedar Crest Boulevard	Allentown	18104	148,863	\$57.50	\$8,559,404
33	0222*	98 Vanadium Road	Bridgeville	15017	6,528	\$1,298.38	\$8,475,804
34	2514**†	Yorktown Centre, 2501 West 12th Street	Erie	16505	160,356	\$52.61	\$8,435,988
35	0227**†	3845 Northern Pike	Monroeville	15146	194,944	\$43.25	\$8,431,843
36	2211**†	1158 Mae Street	Hummelstown	17036	125,321	\$66.61	\$8,347,617
37	6316	Washington Mall, 301 Oak Spring Road	Washington	15301	175,144	\$46.72	\$8,182,414
38	0920†	Quakertown Plaza, 1465 West Broad Street	Quakertown	18951	215,988	\$37.74	\$8,152,134
39	9205†	1602 Cochran Road	Pittsburgh	15220	171,451	\$46.04	\$7,892,825
40	4613**†	935 Old York Road	Jenkintown	19046	162,095	\$48.25	\$7,821,044

* Licensee Service Center ** Remodeled † Premium Collection ^ E-Commerce Fulfillment Center † Taste & Learn Center

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
41	0284**†	Bill Green's Shopping Center, 10 Old Clairton Road	Pittsburgh	15236	189,016	\$41.31	\$7,807,308
42	0245**†	330 East Waterfront Drive	Homestead	15120	201,816	\$38.32	\$7,734,388
43	6716**†	West Manchester Town Center, 880 Town Center Drive	York	17408	211,902	\$36.20	\$7,670,043
44	4814†	Northampton Crossings, 3718 Easton-Nazareth Highway	Easton	18045	169,828	\$45.16	\$7,669,771
45	6518**†	Norwin Hills Shopping Center, 8775 Norwin Avenue	Irwin	15642	182,643	\$41.63	\$7,603,408
46	6315	Donaldson's Crossroads Shopping Center, 3929 Washington Road	McMurray	15317	160,168	\$47.29	\$7,574,959
47	6711**†	Hanover Crossing, 431 Eisenhower Drive	Hanover	17331	160,035	\$44.18	\$7,069,912
48	4633†	Allen Forge Shopping Center, 850 South Valley Forge Road	Lansdale	19446	172,155	\$40.91	\$7,042,793
49	1527**†	821 West Lancaster Avenue	Wayne	19087	114,585	\$61.06	\$6,996,327
50	1528**†	Paoli Shopping Center, 17-19 Leopard Road	Paoli	19301	133,234	\$52.44	\$6,986,249
51	4654**†	15 West Germantown Pike	Norristown	19401	157,273	\$44.41	\$6,985,126
52	2101**†	Carlisle Marketplace, 281 South Spring Garden Street	Carlisle	17013	190,105	\$36.73	\$6,982,639
53	2310†	149 Baltimore Pike	Springfield	19064	216,405	\$32.20	\$6,968,372
54	1501**†	132 Woodcutter Street	Exton	19341	131,981	\$52.42	\$6,918,881
55	4502†	Pocono Village Mall, 3430 Route 940	Mount Pocono	18344	198,049	\$34.75	\$6,883,017
56	3622**†	Shoppes at Kissel Village, 1036 Lititz Pike	Lititz	17543	157,361	\$43.71	\$6,878,937
57	1516†	933 Paoli Pike	West Chester	19380	186,822	\$36.73	\$6,861,547
58	4306**	Hermitage Towne Plaza, 2321 East State Street	Hermitage	16148	170,095	\$40.21	\$6,839,046
59	4653**†	Centre Square Commons, 984 Dekalb Pike	Blue Bell	19422	113,742	\$60.09	\$6,835,115
60	1514**†	161 East Swedesford Road	Wayne	19087	151,152	\$45.10	\$6,817,046
61	6517†	Westmoreland Mall, 5280 Route 30	Greensburg	15601	127,431	\$53.43	\$6,808,320
62	0232**†	McIntyre Square, 3080 McIntyre Square Drive	Pittsburgh	15237	142,828	\$47.27	\$6,751,725
63	4632**†	Gwynedd Crossing, 1210 Bethlehem Pike	North Wales	19454	133,051	\$50.69	\$6,744,035
64	4647**	237 Harleysville Pike, Route 113	Harleysville	19438	162,310	\$41.54	\$6,741,599
65	1010	206 Seven Fields Boulevard	Seven Fields	16046	149,683	\$44.60	\$6,675,704
66	1533**†	Phoenixville Plaza, 700 Nutt Road	Phoenixville	19460	162,710	\$40.96	\$6,664,523
67	0286**†	Pines Plaza, 1130 Perry Highway #20	Pittsburgh	15237	129,774	\$51.30	\$6,657,824
68	0929**†	4275 County Line Road	Chalfont	18914	158,536	\$41.82	\$6,629,640
69	0912**†	Logan Square, 6542-J Lower York Road	New Hope	18938	91,761	\$72.20	\$6,625,184
70	5161**†	1515 Locust Street	Philadelphia	19102	206,334	\$31.90	\$6,582,986
71	4648**†	160 Market Street	Collegeville	19426	123,996	\$52.99	\$6,571,026
72	4606†	Maple Glen Shopping Center, 1973 Norristown Road	Maple Glen	19002	126,159	\$51.75	\$6,528,702
73	3918†	Promenade Shops at Saucon Valley, 3060 Center Valley Parkway	Center Valley	18034	109,034	\$59.30	\$6,466,177
74	4110**†	Loyal Plaza, 1939 East Third Street	Williamsport	17701	152,363	\$41.96	\$6,392,853
75	2106**†	6560 Carlisle Pike	Mechanicsburg	17050	150,004	\$42.18	\$6,327,854
76	3925**†	2560 MacArthur Road	Whitehall	18052	168,410	\$37.51	\$6,317,644
77	5133**†	401 Franklin Mills Circle	Philadelphia	19154	191,111	\$32.48	\$6,207,840
78	5146**	3903 Aramingo Avenue	Philadelphia	19137	196,468	\$31.53	\$6,194,516
79	0604**	4721 Perkiomen Avenue	Reading	19606	155,335	\$39.68	\$6,164,266
80	3924**†	750 North Krocks Road	Allentown	18106	127,471	\$48.28	\$6,153,710

** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
81	0211**	354 North Towne Square, 5600 Route 8	Gibsonia	15044	149,146	\$41.09	\$6,127,992
82	3625**†	Centerville Square, 558 Centerville Road	Lancaster	17601	160,380	\$37.51	\$6,015,820
83	0709**†	Pleasant Valley Shopping Center, 3415 Pleasant Valley Boulevard	Altoona	16602	152,311	\$39.48	\$6,013,877
84	2516**	Liberty Plaza, 3702 Liberty Street	Erie	16508	191,493	\$31.14	\$5,962,414
85	5174**	Baker's Centre, 3413 Fox Street	Philadelphia	19129	209,830	\$28.26	\$5,929,134
86	5112**†	2550 Grant Avenue	Philadelphia	19114	172,785	\$34.22	\$5,912,656
87	2341**†	3735 West Chester Pike	Newtown Square	19073	116,486	\$50.65	\$5,900,258
88	0298**†	Chartiers Valley Shopping Center, 1025 Washington Pike	Bridgeville	15017	131,879	\$44.68	\$5,892,584
89	1530**†	Bradford Plaza, 692 Downingtown Pike	West Chester	19380	151,583	\$38.76	\$5,874,897
90	2801†	Wayne Plaza, 987 Wayne Avenue	Chambersburg	17201	155,870	\$37.26	\$5,808,319
91	4614**†	119 West City Avenue	Bala Cynwyd	19004	165,424	\$34.95	\$5,782,276
92	9118**	Ivyridge Shopping Center, 7146 Ridge Avenue	Philadelphia	19128	170,610	\$33.51	\$5,716,887
93	0941**	532 South Oxford Valley Road	Fairless Hills	19030	176,609	\$32.36	\$5,715,074
94	0260**†	1955 Wharton Street	Pittsburgh	15203	96,616	\$59.11	\$5,711,217
95	1404**	Hamilton Square Shopping Center, 230 West Hamilton Avenue	State College	16801	97,507	\$58.29	\$5,684,146
96	5191**	2401 Vare Avenue	Philadelphia	19145	205,578	\$27.41	\$5,635,264
97	6526**†	109 Blue Spruce Way	Murrysville	15668	111,878	\$50.25	\$5,621,633
98	0101**†	Marshalls Plaza, 1275 York Road	Gettysburg	17325	127,728	\$43.79	\$5,593,167
99	2324**	MacDade Plaza, 2143 MacDade Boulevard	Holmes	19043	190,773	\$29.22	\$5,573,521
100	0945**†	Addisville Commons, 890 Second Street Pike	Richboro	18954	126,490	\$43.95	\$5,559,461
101	1903**	1005 Scott Town Center	Bloomsburg	17815	139,087	\$39.60	\$5,508,377
102	2305**†	315 West Baltimore Avenue	Media	19063	131,440	\$41.88	\$5,505,350
103	6714†	Shrewsbury Commons Shopping Center, 802 Shrewsbury Commons Avenue	Shrewsbury	17361	122,997	\$44.64	\$5,490,364
104	6705	Queensgate Towne Center, 2075 Springwood Road	York	17403	152,794	\$35.92	\$5,488,759
105	2215**	The Point Shopping Center, 4227 Union Deposit Road	Harrisburg	17111	176,948	\$30.87	\$5,462,268
106	4819**†	4817 Freemansburg Avenue	Easton	18045	140,512	\$38.75	\$5,444,720
107	4001	Wilkes-Barre Township Marketplace, 2136 Wilkes-Barre Boulevard	Wilkes-Barre	18702	145,940	\$37.18	\$5,425,795
108	0267**	Moon Plaza, 5990 University Boulevard	Coraopolis	15108	142,261	\$37.73	\$5,367,939
109	5119**†	724 South Street	Philadelphia	19147	141,210	\$37.58	\$5,306,129
110	0910**	Hilltown Plaza, 766 Route 113	Souderton	18964	147,159	\$36.00	\$5,297,685
111	5201**	106 West Harford Street	Milford	18337	134,112	\$39.34	\$5,275,818
112	2334**†	Brandywine Mills, 1751 Wilmington Pike	Glen Mills	19342	98,945	\$53.15	\$5,258,535
113	5167**	Lincoln Square, 1403 Washington Avenue	Philadelphia	19146	181,028	\$28.98	\$5,246,572
114	1510**	Barley Station, 2715 East Lincoln Highway	Coatesville	19320	177,717	\$29.13	\$5,176,823
115	5160	Hendrix Center, 11685 Bustleton Avenue	Philadelphia	19116	168,248	\$30.73	\$5,170,601
116	3206**†	Townfair Plaza, 475 Ben Franklin South	Indiana	15701	137,725	\$37.38	\$5,147,762
117	5150**	4301 Chestnut Street	Philadelphia	19104	189,094	\$27.21	\$5,144,523
118	6401†	74 Welwood Avenue	Hawley	18428	99,530	\$51.43	\$5,118,570
119	2501	Summit Towne Center, 7200 Peach Street	Erie	16509	119,827	\$42.48	\$5,090,183
120	4511**	Kinsley Plaza, 107 Kinsley Drive	Brodheadsville	18322	158,313	\$32.01	\$5,067,231

** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
121	3801**	102 North Eighth Avenue	Lebanon	17046	151,784	\$33.37	\$5,064,513
122	2115**†	3725 Capital City Mall Drive	Camp Hill	17011	119,498	\$41.96	\$5,014,499
123	4501**	Pocono Plaza, 414 Lincoln Avenue	East Stroudsburg	18301	164,053	\$30.50	\$5,003,921
124	2320**	1305 West Chester Pike	Havertown	19083	138,955	\$35.87	\$4,984,897
125	1529**†	Shoppes at Longwood Village, 855 East Baltimore Pike	Kennett Square	19348	90,190	\$54.77	\$4,939,491
126	2220**†	Blue Mountain Commons, 2310 Linglestown Road	Harrisburg	17110	141,490	\$34.74	\$4,915,910
127	4622**	404 Huntingdon Pike	Rockledge	19046	138,254	\$35.52	\$4,910,890
128	1412**†	127 Southridge Plaza	State College	16801	110,275	\$44.48	\$4,905,199
129	2221*	990 Briarsdale Road	Harrisburg	17109	4,582	\$1,065.29	\$4,881,151
130	4639**	Gilbertsville Shopping Center, 1050 East Philadelphia Avenue	Gilbertsville	19525	124,338	\$39.23	\$4,877,187
131	0228**	Edgewood Towne Centre, 1749 South Braddock Avenue	Pittsburgh	15218	168,351	\$28.69	\$4,829,904
132	1506	Ashbridge Square, 861 East Lancaster Avenue	Downingtown	19335	119,631	\$39.80	\$4,761,151
133	4652**	Upland Square, 260 Upland Square Drive	Pottstown	19464	137,316	\$34.54	\$4,742,419
134	0932†	1115 North Main Street	Warrington	18976	96,277	\$49.18	\$4,734,881
135	0299**	Penn Hills Center, 11685 Penn Hills Drive	Pittsburgh	15235	168,843	\$27.86	\$4,704,744
136	3922**	Lehigh Shopping Center, 2154 West Union Boulevard	Bethlehem	18018	142,392	\$32.92	\$4,687,508
137	4638**	123 South Easton Road	Glenside	19038	130,943	\$35.78	\$4,684,643
138	1003	608 Moraine Pointe Plaza	Butler	16001	130,891	\$35.75	\$4,679,815
139	0237**†1	339 Fifth Avenue	Pittsburgh	15222	162,486	\$28.79	\$4,678,403
140	3903	1918 West Allen Street	Allentown	18104	161,573	\$28.81	\$4,655,145
141	6003**†	Penn House Commons, 310 North 10th Street	Lewisburg	17837	114,865	\$40.46	\$4,646,980
142	0290**	Noble Manor Shopping Center, 2350 Noblestown Road	Pittsburgh	15205	148,537	\$31.11	\$4,621,717
143	0915	3920 New Falls Road	Bristol	19007	168,980	\$27.15	\$4,587,408
144	2343**†1	127 West Lancaster Avenue	Wayne	19087	81,814	\$56.07	\$4,587,117
145	2210**†1	5070 Jonestown Road	Harrisburg	17112	96,876	\$46.98	\$4,551,321
146	4635**	Regency Square, 1029 North Easton Road	Willow Grove	19090	128,897	\$35.10	\$4,524,578
147	4608†	922 West Lancaster Avenue	Bryn Mawr	19010	91,357	\$49.52	\$4,523,578
148	5134**	32 South Second Street	Philadelphia	19106	105,336	\$42.84	\$4,512,470
149	0919**	2223 Galloway Road	Bensalem	19020	140,785	\$32.05	\$4,511,507
150	6523**	1038 Latrobe 30 Plaza	Latrobe	15650	121,811	\$36.98	\$4,504,573
151	0928**	The Shoppes at Flowers Mill, 118 North Flowers Mill Road	Langhorne	19047	131,459	\$34.20	\$4,495,403
152	4636†	1 Station Circle	Narberth	19072	96,000	\$46.65	\$4,478,007
153	5169	1935 Fairmount Avenue	Philadelphia	19130	155,536	\$28.34	\$4,407,117
154	4626**	2501 West Ridge Pike	Norristown	19403	133,139	\$33.02	\$4,396,722
155	0296**	5249 Library Road	Bethel Park	15102	130,852	\$33.48	\$4,380,409
156	0939**	306 Easton Road	Warrington	18976	117,842	\$37.06	\$4,367,520
157	0292	North Hills Village Mall, 4801 McKnight Road	Pittsburgh	15237	124,668	\$34.89	\$4,349,310
158	3915	Westgate Mall, 2289 Schoenersville Road	Bethlehem	18017	129,558	\$33.56	\$4,348,287
159	0226**	132 Ben Avon Heights Road	Pittsburgh	15237	125,907	\$34.11	\$4,294,324
160	0914**	Lower Southampton Village, 162 East Street Road	Feasterville	19053	124,994	\$34.16	\$4,269,243

* Licensee Service Center ** Remodeled † Premium Collection 1 Taste & Learn Center

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
161	3615	Bridgeport Shopping Center, 1622 Lincoln Highway East	Lancaster	17602	141,723	\$29.93	\$4,241,471
162	1525†	Lionville Shopping Center, 162 Eagleview Boulevard	Exton	19341	119,332	\$35.41	\$4,225,998
163	6404**	1199 Texas Palmyra Highway	Honesdale	18431	109,117	\$38.70	\$4,223,032
164	0938**	Center Point Plaza, 748 West Street Road	Warminster	18974	130,526	\$32.23	\$4,206,980
165	5121**†	Top of the Hill Plaza, 8705 Germantown Avenue	Philadelphia	19118	96,736	\$43.00	\$4,159,544
166	1702**†	5720 Shaffer Road	Dubois	15801	107,989	\$38.48	\$4,155,669
167	3522**	210 Meadow Avenue	Scranton	18505	134,180	\$30.88	\$4,142,850
168	0249**	519 Towne Square Way	Pittsburgh	15227	134,297	\$30.71	\$4,123,995
169	2001**†	Downtown Mall, 900 Water Street	Meadville	16335	117,145	\$35.15	\$4,117,694
170	0619**	Penn Plaza, 3045 North Fifth Street Highway	Reading	19605	121,568	\$33.80	\$4,109,243
171	5111**	3720 Main Street	Philadelphia	19127	120,055	\$34.22	\$4,108,217
172	5165**	2118 Cottman Avenue	Philadelphia	19149	156,723	\$26.19	\$4,104,584
173	5132	4229 North Broad Street	Philadelphia	19140	198,329	\$20.67	\$4,099,577
174	6524	321 Tri-County Lane	Belle Vernon	15012	136,517	\$30.01	\$4,096,567
175	0409	Chippewa Center, 2580 Constitution Boulevard	Beaver Falls	15010	113,911	\$35.89	\$4,087,875
176	5126**	The Shops at Brewerytown, 3101 West Girard Avenue	Philadelphia	19130	156,329	\$25.98	\$4,061,746
177	6519**	Crossroads Plaza, 2501 Leechburg Road	Lower Burrell	15068	115,708	\$35.07	\$4,057,585
178	4509	Tannersville Plaza, 2838 Route 611	Tannersville	18372	123,886	\$32.69	\$4,050,365
179	3914	Mountainville Plaza, 1620 South Fourth Street	Allentown	18103	140,542	\$28.82	\$4,050,091
180	0274**	Lebanon Shops, 300 Mount Lebanon Boulevard	Pittsburgh	15234	118,038	\$34.24	\$4,042,109
181	4004*	1492 Highway 315	Wilkes-Barre	18702	3,468	\$1,163.36	\$4,034,518
182	4006**	Luzerne Shopping Center, 472 Union Street	Luzerne	18709	108,773	\$36.67	\$3,989,102
183	0272**	233 Shiloh Street	Pittsburgh	15211	106,944	\$37.07	\$3,964,256
184	2610**	Fayette Plaza Shopping Center, 619 Pittsburgh Road	Uniontown	15401	86,866	\$45.35	\$3,939,125
185	4642**	The Marketplace at Huntingdon Valley, 2080 County Line Road	Huntingdon Valley	19006	110,895	\$35.48	\$3,934,396
186	5193**	Penrose Plaza, 2900 Island Avenue	Philadelphia	19153	165,663	\$23.64	\$3,916,865
187	4507	Blakeslee Plaza, 248 Route 940	Blakeslee	18610	98,623	\$39.69	\$3,914,108
188	5502**	244 Marketplace Boulevard	Selinsgrove	17870	98,890	\$39.47	\$3,903,084
189	5135	5101 Lancaster Avenue	Philadelphia	19131	176,125	\$22.12	\$3,895,663
190	4655*	900 Forge Avenue	Norristown	19403	3,458	\$1,122.75	\$3,882,473
191	4506	1060 North Ninth Street	Stroudsburg	18360	117,535	\$32.98	\$3,875,738
192	0615	Douglassville Shopping Center, 180 Old Swede Road	Douglassville	19518	104,839	\$36.76	\$3,854,199
193	4627**	Hillcrest Shopping Center, 644 East Main Street	Lansdale	19446	125,899	\$30.50	\$3,840,400
194	4804	Stefko Center, 1844A Stefko Boulevard	Bethlehem	18017	124,078	\$30.67	\$3,805,637
195	4508*	Jay Park Plaza, Route 209, 288 Dartmouth Drive	Marshalls Creek	18335	2,514	\$1,513.33	\$3,804,521
196	5190**	7161 Ogontz Avenue	Philadelphia	19138	178,017	\$21.22	\$3,777,893
197	2503**	Asbury Square, 2421 Asbury Road	Erie	16506	114,496	\$32.92	\$3,769,137
198	0703**	202 Hollidaysburg Plaza	Duncansville	16635	99,202	\$37.95	\$3,764,626
199	2327†	789 East Lancaster Avenue	Villanova	19085	65,862	\$57.08	\$3,759,333
200	1512	Lincoln Court, 215 Lancaster Avenue	Malvern	19355	103,723	\$36.22	\$3,757,026

* Licensee Service Center ** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
201	4607	132 East Butler Avenue	Ambler	19002	99,767	\$37.59	\$3,750,229
202	3508**	70 Keystone Industrial Park Road	Dunmore	18512	113,186	\$33.12	\$3,748,314
203	2110**	Stonehedge Square, 950 Walnut Bottom Road	Carlisle	17013	105,855	\$35.30	\$3,736,501
204	5116**	101 East Olney Avenue	Philadelphia	19120	161,453	\$23.14	\$3,735,690
205	4003†	2161 Memorial Highway	Dallas	18612	84,915	\$43.97	\$3,733,301
206	5141**	4906-4908 Baltimore Avenue	Philadelphia	19143	174,728	\$21.27	\$3,716,094
207	0415**	Rochester Plaza, 730 Ohio River Boulevard	Rochester	15074	100,133	\$37.10	\$3,714,977
208	4640	8156 Ogontz Avenue	Wyncote	19095	158,829	\$23.29	\$3,698,675
209	3904**	3300 Lehigh Street	Allentown	18103	103,051	\$35.78	\$3,687,317
210	2332†	Lawrence Park, 1991 Sproul Road	Broomall	19008	111,418	\$33.06	\$3,683,933
211	6720**	406 North US 15	Dillsburg	17019	97,481	\$37.67	\$3,672,173
212	2331**†	5035 Township Line Road	Drexel Hill	19026	103,082	\$35.60	\$3,669,745
213	0280**	2800 Robinson Boulevard	Pittsburgh	15235	135,881	\$26.97	\$3,664,254
214	2105**	Mechanicsburg Plaza, 5301 Simpson Ferry Road	Mechanicsburg	17050	114,802	\$31.90	\$3,662,427
215	0607**	1772 Tilden Ridge Drive	Hamburg	19526	93,783	\$38.78	\$3,636,666
216	0414	1476 Old Brodhead Road	Monaca	15061	93,992	\$38.48	\$3,617,137
217	6527**	Hollywood Square, 6750 Hollywood Boulevard	Delmont	15626	99,209	\$36.29	\$3,600,351
218	2342**†	1083 West Baltimore Pike	Media	19063	95,449	\$37.60	\$3,589,028
219	6201	44 Market Street	Warren	16365	100,907	\$35.55	\$3,587,434
220	4637	Audubon Village Shopping Center, 2860 Audubon Village Drive	Audubon	19403	102,703	\$34.80	\$3,574,400
221	6709	The Crossroads, 351 Loucks Road	York	17404	107,553	\$33.18	\$3,568,469
222	4510	Fox Run Plaza, 232 Fox Run Lane	East Stroudsburg	18302	118,153	\$29.88	\$3,530,686
223	1508**	West Sadsbury Commons, 324 Commons Drive	Parkesburg	19365	114,016	\$30.93	\$3,526,501
224	2509	Giant Eagle Plaza, 4466 Buffalo Road	Erie	16510	112,260	\$31.34	\$3,517,863
225	4605**	Melrose Shopping Center, 103 West Cheltenham Avenue	Cheltenham	19012	127,502	\$27.59	\$3,517,664
226	3923**	7801 Glenlivet West Drive	Fogelsville	18051	83,116	\$42.05	\$3,494,704
227	4027**	Pittston Crossing, 320 Route 315 Highway	Pittston	18640	107,475	\$32.49	\$3,492,321
228	0608**	Springtown Shopping Center, 2671 Shillington Road	Sinking Spring	19608	103,561	\$33.54	\$3,473,436
229	6710	Windsor Commons, 3159 Cape Horn Road	Red Lion	17356	120,093	\$28.91	\$3,472,153
230	0937	Oxford Oaks Shopping Center, 1601 Big Oak Road	Yardley	19067	108,530	\$31.92	\$3,463,760
231	4629**	Fairway Shopping Center, 1825 Limekiln Pike	Dresher	19025	107,274	\$32.24	\$3,458,042
232	3608**	Manor Shopping Center, 1234 Millersville Pike	Lancaster	17603	132,365	\$26.02	\$3,444,739
233	2329**	Eddystone Crossings, 1562 Chester Pike	Eddystone	19022	136,965	\$25.01	\$3,426,084
234	2302	128 South 69th Street	Upper Darby	19082	163,033	\$20.98	\$3,420,955
235	0278**	4065 Butler Street	Pittsburgh	15201	91,735	\$37.11	\$3,404,598
236	2339**	4934 Edgmont Avenue	Brookhaven	19015	127,396	\$26.57	\$3,385,504
237	0503**	9613 Lincoln Highway	Bedford	15522	81,185	\$41.47	\$3,366,452
238	0602**	Rockland Plaza, 1100 Rockland Street	Reading	19604	112,915	\$29.70	\$3,353,931
239	4611	Park Towne Plaza Shopping Center, 301 North Lewis Road	Royersford	19468	117,587	\$28.48	\$3,348,744
240	0410**	Aliquippa Shopping Center, 2719 Brodhead Road	Aliquippa	15001	99,964	\$33.49	\$3,347,685

** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
241	5602**	Somerset Commons, 1534 North Center Avenue	Somerset	15501	88,155	\$37.94	\$3,344,449
242	4651**	Village Mall, 200 Blair Mill Road	Horsham	19044	118,922	\$28.04	\$3,335,138
243	4701	144 Continental Boulevard	Danville	17821	89,010	\$37.43	\$3,331,522
244	3611	1575 South Market Street	Elizabethtown	17022	107,151	\$31.06	\$3,328,018
245	4033**	Church Hill Mall, 1089 North Church Street	Hazleton	18201	88,867	\$37.24	\$3,309,681
246	2333**	Barclay Square, 1500 Garrett Road	Upper Darby	19082	120,079	\$27.56	\$3,308,779
247	2511**	737 East 38th Street	Erie	16504	114,017	\$28.95	\$3,300,588
248	4807	Creekside Market Plaza, 1848 Leithsville Road	Hellertown	18055	94,946	\$34.73	\$3,297,163
249	0605**	Village Square Plaza, 45 Constitution Blvd	Kutztown	19530	88,553	\$36.93	\$3,270,208
250	5173	Woodland Village Plaza, 6036 Woodland Avenue	Philadelphia	19142	172,003	\$18.99	\$3,265,746
251	0238	Shady Hill Center, 6320 Shakespeare Street	Pittsburgh	15206	163,015	\$20.02	\$3,263,804
252	5195**	7702 City Avenue	Philadelphia	19151	128,326	\$25.37	\$3,255,239
253	3619**	2600 Willow Street Pike North	Willow Street	17584	95,263	\$34.11	\$3,249,897
254	0256**	1020 Village Center Drive	Tarentum	15084	87,429	\$37.05	\$3,239,090
255	0906**	Pennsbury Plaza Shopping Center, 229 Plaza Boulevard	Morrisville	19067	117,609	\$27.49	\$3,233,389
256	2103**	109 South Conestoga Drive	Shippensburg	17257	105,468	\$30.58	\$3,225,279
257	5105	5 North 12th Street	Philadelphia	19107	164,313	\$19.62	\$3,224,392
258	1523**	Shoppes at Dilworthtown Crossing, 1363 Dilworthtown Road	West Chester	19382	73,367	\$43.80	\$3,213,396
259	2222†	5125 Jonestown Road	Harrisburg	17112	78,915	\$40.71	\$3,212,246
260	0203**	Braddock Hills Shopping Center, 230 Yost Boulevard	Pittsburgh	15221	114,870	\$27.86	\$3,200,732
261	4401**	129 South Main Street	Lewistown	17044	99,801	\$32.02	\$3,195,301
262	0224**	1824 Murray Avenue	Pittsburgh	15217	106,044	\$30.07	\$3,188,871
263	3916**	The Shoppes at Trexler, 6900 Hamilton Boulevard	Trexlerstown	18087	94,223	\$33.57	\$3,163,305
264	5142	Plaza Americana, 2717 North American Street	Philadelphia	19133	138,416	\$22.82	\$3,159,031
265	6403**	Hamlin Shopping Plaza, Route 590	Hamlin	18427	86,451	\$36.49	\$3,154,614
266	3710**	3326 Wilmington Road	New Castle	16105	93,228	\$33.22	\$3,097,267
267	6715**	Newberry Pointe, 180 Newberry Parkway	Etters	17319	97,375	\$31.79	\$3,095,620
268	1518**	Marketplace at Westtown, 1502 West Chester Pike	West Chester	19382	94,690	\$32.62	\$3,088,384
269	6601**	600 Hunter Highway	Tunkhannock	18657	83,548	\$36.93	\$3,085,184
270	3520**	Green Ridge Plaza, 1610 Nay Aug Avenue	Scranton	18509	106,685	\$28.81	\$3,073,642
271	9213**	2356 Golden Mile Highway	Pittsburgh	15239	98,839	\$30.92	\$3,055,942
272	9111**	Roosevelt Plaza, 6577 Roosevelt Boulevard	Philadelphia	19149	112,977	\$26.69	\$3,015,082
273	1002**	9 Northgate Plaza	Harmony	16037	92,628	\$32.40	\$3,001,393
274	1118**	Geistown Shopping Center, 2451 Bedford Street	Johnstown	15904	89,947	\$33.26	\$2,991,904
275	0901**	Hilltown Crossings, 1547 Bethlehem Pike	Hatfield	19440	96,487	\$30.97	\$2,988,395
276	1522**	Suburbia Shopping Center, 76 Glocker Way	Pottstown	19465	83,537	\$35.77	\$2,988,074
277	2502**	105 West 18th Street	Erie	16501	102,977	\$28.97	\$2,983,624
278	0942**	Levittown Town Center, 179B Levittown Pkwy	Levittown	19055	114,954	\$25.94	\$2,982,033
279	3503**	1520 South Main Avenue	Scranton	18504	103,900	\$28.66	\$2,978,095
280	5101**	135 West Cheltenham Avenue	Philadelphia	19144	173,991	\$17.11	\$2,976,991

** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
281	3802**	1737 Quentin Road	Lebanon	17042	75,450	\$39.38	\$2,971,269
282	0282**	Oak Park Mall, 2001 Lincoln Way	White Oak	15131	90,242	\$32.90	\$2,968,705
283	6302**	43 East Pike Street	Canonsburg	15317	86,509	\$34.22	\$2,960,643
284	0263**	418 East Ohio Street	Pittsburgh	15212	130,256	\$22.67	\$2,952,311
285	0927**	Plumstead Square, 5837 Easton Road	Pipersville	18947	88,030	\$33.47	\$2,946,376
286	1120**	1910 Minno Drive	Johnstown	15905	82,845	\$35.54	\$2,944,356
287	1108**	300 Walmart Drive	Ebensburg	15931	83,731	\$34.93	\$2,924,678
288	0623**	100 Kenhorst Plaza, 1895 New Holland Road	Reading	19607	83,163	\$35.07	\$2,916,701
289	5143	2429 South Street	Philadelphia	19146	83,729	\$34.83	\$2,916,248
290	3908	199 West Main Street	Macungie	18062	81,389	\$35.83	\$2,916,111
291	4815	Forks Town Center, 341 Town Center Boulevard	Easton	18040	97,013	\$29.79	\$2,890,497
292	2606**	140 Walnut Hill Road	Uniontown	15401	85,748	\$33.66	\$2,886,262
293	0308**	Franklin Village, 13 Franklin Village Mall	Kittanning	16201	82,796	\$34.84	\$2,884,241
294	3711**	Union Square Shopping Center, 2507 West State Street	New Castle	16101	86,482	\$33.10	\$2,862,670
295	1407**	Weis Market Shopping Center, 178 Buckaroo Lane	Bellefonte	16823	79,788	\$35.84	\$2,859,215
296	4031**	Hazleton Shopping Center, 534 West Broad Street	Hazleton	18201	70,145	\$40.75	\$2,858,442
297	4026	26 Gateway Shopping Center	Edwardsville	18704	94,472	\$30.18	\$2,850,786
298	2107	3760 Market Street	Camp Hill	17011	75,799	\$37.45	\$2,838,995
299	0201**	3239 Washington Pike	Bridgeville	15017	87,416	\$32.45	\$2,836,653
300	2201**	Kline Plaza, 29 Kline Village	Harrisburg	17104	133,418	\$21.24	\$2,834,016
301	5114**	8844 Frankford Avenue	Philadelphia	19136	113,768	\$24.84	\$2,825,841
302	3617	Wheatland Center, 1761A Columbia Avenue	Lancaster	17603	88,884	\$31.77	\$2,823,660
303	4035**	223 South Mountain Boulevard	Mountain Top	18707	74,058	\$38.04	\$2,817,277
304	0266**†	521 Beaver Street	Sewickley	15143	42,592	\$65.87	\$2,805,655
305	0907	Edgewood Village Shopping Center, 635 Heacock Road	Yardley	19067	86,260	\$32.43	\$2,797,234
306	0285	Hampton Home Center, 4706 William Flynn Highway	Allison Park	15101	67,883	\$41.08	\$2,788,635
307	3803**	Palmyra Shopping Center, 901 East Main Street	Palmyra	17078	84,098	\$33.13	\$2,786,270
308	1005**	110 Bon Aire Plaza	Butler	16001	85,157	\$32.48	\$2,765,686
309	9206**	Kenmawr Plaza, 510 Pine Hollow Road	McKees Rocks	15136	88,053	\$31.38	\$2,762,876
310	6507	613 West Main Street	Ligonier	15658	50,585	\$54.54	\$2,758,948
311	0944**†	Buttonwood Park Place, 7 Buttonwood Drive	Yardley	19067	58,619	\$47.00	\$2,755,118
312	3510**	Plaza 1500, 1531 Main Street	Peckville	18452	82,232	\$33.46	\$2,751,513
313	2518**	Washington Towne Plaza, 140 Washington Towne Boulevard	Edinboro	16412	80,910	\$33.99	\$2,750,509
314	0264	Shaler Plaza, 880 Butler Street	Pittsburgh	15223	84,120	\$32.64	\$2,745,312
315	4013**	South Main Plaza, 379 South Main Street	Wilkes-Barre	18701	111,505	\$24.59	\$2,741,443
316	1801	137 East Main Street	Lock Haven	17745	69,535	\$39.40	\$2,739,431
317	6308*	102 Four Coins Drive	Canonsburg	15317	3,077	\$889.90	\$2,738,207
318	2006**	19017 Park Avenue Plaza	Meadville	16335	64,681	\$42.31	\$2,736,401
319	4308**	33 Pine Grove Square Drive	Grove City	16127	78,478	\$34.83	\$2,733,062
320	3610**	Muddy Creek Shoppes, 2350 North Reading Road	Denver	17517	73,624	\$37.10	\$2,731,683

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APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
321	5157**†	1237 South 11th Street	Philadelphia	19147	66,238	\$41.18	\$2,728,010
322	0288**	Caste Village Shopping Center, 5301 Grove Road	Pittsburgh	15236	80,344	\$33.75	\$2,711,717
323	2206	Midtown Plaza, 430 East Main Street	Middletown	17057	97,310	\$27.81	\$2,705,956
324	0250**	56 Highlands Mall	Natrona Heights	15065	82,405	\$32.74	\$2,697,754
325	1521	Brandywine Village, 1239 Horseshoe Pike, Route 322	Downingtown	19335	75,519	\$35.60	\$2,688,306
326	1406**	The Benner Pike Shops, 323 Benner Pike	State College	16801	76,684	\$35.02	\$2,685,341
327	5158**	McKeown's Plaza, 6824 Rising Sun Avenue	Philadelphia	19111	118,431	\$22.65	\$2,683,003
328	3920	East Penn Plaza, 1325 Chestnut Street	Emmaus	18049	75,432	\$35.40	\$2,670,225
329	5153	2115 North 22nd Street	Philadelphia	19121	134,732	\$19.73	\$2,657,772
330	3921	Airport Plaza, 1247 Airport Road	Allentown	18109	77,494	\$34.18	\$2,648,586
331	3504	529 Main Street	Childs	18407	68,865	\$38.39	\$2,643,513
332	5138**	7204 Germantown Avenue	Philadelphia	19119	101,904	\$25.81	\$2,629,773
333	2217**	Swatara Square, 6301 Grayson Road	Harrisburg	17111	88,803	\$29.59	\$2,627,987
334	2312**	920 East Baltimore Avenue	Lansdowne	19050	104,120	\$25.17	\$2,620,533
335	4201**	38 Davis Street	Bradford	16701	78,612	\$33.32	\$2,619,016
336	9114**	Adams and Tabor Center, 730 Adams Avenue	Philadelphia	19124	85,986	\$30.31	\$2,606,550
337	4805	1910 Center Street	Northampton	18067	82,215	\$31.47	\$2,587,107
338	0202**	River Town Shops, 90 Allegheny River Boulevard	Verona	15147	72,266	\$35.72	\$2,581,144
339	2805**	Lincoln Way Shopping Center, 1660 Lincoln Way East	Chambersburg	17201	89,594	\$28.72	\$2,572,794
340	5145	5235 Frankford Avenue	Philadelphia	19124	170,047	\$15.06	\$2,560,313
341	6525	6041 Route 30	Greensburg	15601	79,899	\$32.04	\$2,560,033
342	6528**	250 South Third Street	Youngwood	15697	81,343	\$31.45	\$2,558,456
343	3621**	Shoppes at Landis Valley, 2347 Oregon Pike	Lancaster	17601	68,367	\$37.30	\$2,550,012
344	1509**	Shoppes at Jenners Village, 853 West Baltimore Pike	West Grove	19390	79,225	\$31.99	\$2,534,163
345	0234**	West View Park Shopping Center, 1012 West View Park Drive	Pittsburgh	15229	82,925	\$30.29	\$2,511,615
346	0213**	217 Atwood Street	Pittsburgh	15213	106,775	\$23.42	\$2,501,018
347	3101**	7657 Lake Raystown Shopping Center	Huntingdon	16652	72,238	\$34.53	\$2,494,513
348	5401	530 Pottsville Park Plaza, Route 61 North	Pottsville	17901	79,195	\$31.44	\$2,490,113
349	3902**	5041 Route 873	Schnecksville	18078	78,127	\$31.74	\$2,479,840
350	0801**	2323 North Elmira Street	Sayre	18840	74,345	\$32.99	\$2,452,270
351	0917**	500 South Second Street Pike	Southampton	18966	72,114	\$33.92	\$2,446,137
352	9210	Community Plaza, 1103 Milltown Road	Verona	15147	82,531	\$29.58	\$2,441,483
353	3604	31 West Main Street	Ephrata	17522	78,415	\$31.00	\$2,431,158
354	1520**	Ludwig's Village, 2910 Conestoga Road	Glenmoore	19343	53,056	\$45.47	\$2,412,313
355	9108**	Pennypack Circle Shopping Center, 8204 East Roosevelt Boulevard	Philadelphia	19152	97,266	\$24.77	\$2,409,280
356	4813	30 East Fourth Street	Bethlehem	18015	88,100	\$27.19	\$2,395,731
357	1515**	Marchwood Center, 23 Marchwood Road	Exton	19341	65,438	\$36.55	\$2,391,968
358	3521**	921 Drinker Turnpike	Covington Township	18444	70,309	\$33.92	\$2,384,607
359	1531**†	London Grove Village, 775 Gap Newport Pike	Avondale	19311	62,275	\$38.11	\$2,373,071
360	3618	Clock Tower Plaza, 2846 Main Street	Morgantown	19543	70,287	\$33.76	\$2,372,759

** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
361	9212**	Penn Lincoln Center, 440 Penn Lincoln Drive	Imperial	15126	66,191	\$35.83	\$2,371,905
362	0242**	Haymaker Village Shops, 4524 Broadway Boulevard	Monroeville	15146	81,897	\$28.83	\$2,361,065
363	9203	3 Quaker Village Shopping Center	Leetsdale	15056	63,512	\$36.96	\$2,347,512
364	2806**	Waynesboro Shopping Center, 642 East Main Street	Waynesboro	17268	71,942	\$32.49	\$2,337,183
365	1901**	35 Briar Creek Plaza	Berwick	18603	65,647	\$35.33	\$2,319,119
366	4104	1274 East Penn Street	Muncy	17756	70,828	\$32.71	\$2,316,482
367	0603	Sinking Spring Plaza, 4880 Penn Avenue	Sinking Spring	19608	63,777	\$36.13	\$2,304,260
368	2603**	808 Vanderbilt Road	Connellsville	15425	66,000	\$34.56	\$2,280,778
369	0218**	2947 West Liberty Avenue	Pittsburgh	15216	75,301	\$30.17	\$2,272,122
370	0294	Olympia Shopping Center, 4313 Walnut Street	McKeesport	15132	79,700	\$28.45	\$2,267,094
371	0210	The Bavarian Village, 2550 Brownsville Road	South Park	15129	61,389	\$36.92	\$2,266,692
372	4032	12 Diana Lane	West Hazleton	18202	59,089	\$38.30	\$2,263,349
373	4102	Hepburn Center, 449 Hepburn Street	Williamsport	17701	79,452	\$28.48	\$2,262,437
374	4007**	13 Weis Plaza	Nanticoke	18634	81,391	\$27.59	\$2,245,274
375	0933	Buckingham Green, 4950 Old York Road	Holicon	18928	46,525	\$48.24	\$2,244,597
376	1006	340 Greater Butler Mart	Butler	16001	64,871	\$34.58	\$2,243,349
377	3603**	Columbia Shopping Center, 36 South 18th Street	Columbia	17512	81,384	\$27.52	\$2,239,469
378	5202**	Village Center at Lords Valley, 123 Village Center Drive	Hawley	18428	71,339	\$31.34	\$2,235,786
379	5152**	Erie Plaza, 3772 L Street	Philadelphia	19124	93,829	\$23.79	\$2,231,746
380	1009**	240 Buffalo Plaza	Sarver	16055	60,499	\$36.88	\$2,231,032
381	6703	Grandview, 1446 Baltimore Street	Hanover	17331	69,886	\$31.88	\$2,228,277
382	0220**	624 Allegheny River Boulevard	Oakmont	15139	47,836	\$46.47	\$2,223,177
383	4902**	The Plaza at Coal Township, 9345 State Route 61	Coal Township	17866	65,833	\$33.71	\$2,219,394
384	6708**	Fairview Center, 128 Old York Road	New Cumberland	17070	78,528	\$28.12	\$2,208,565
385	5189**	2807 South Front Street	Philadelphia	19148	64,743	\$33.93	\$2,196,771
386	0273**	3202 Brighton Road	Pittsburgh	15212	88,317	\$24.80	\$2,190,448
387	1308**	2 River Street	Jim Thorpe	18229	55,065	\$39.60	\$2,180,550
388	0216**	102 East Main Street	Carnegie	15106	70,336	\$30.70	\$2,159,340
389	4810	Bethlehem Square, 3926 Nazareth Pike	Bethlehem	18020	70,932	\$30.39	\$2,155,947
390	4801**	Walnutport Shopping Center, 200C South Best Avenue	Walnutport	18088	64,719	\$33.14	\$2,144,886
391	4303	Greenville Plaza, 100 Hadley Road	Greenville	16125	58,604	\$35.91	\$2,104,694
392	0904**	Perkasie Square, 511 Constitution Avenue	Perkasie	18944	70,768	\$29.72	\$2,103,431
393	5403**	141 North Railroad Street	Tamaqua	18252	61,753	\$33.98	\$2,098,473
394	6509	208 Countryside Plaza	Mount Pleasant	15666	67,725	\$30.91	\$2,093,091
395	0946**	Marketplace at Neshaminy, 680 Rockhill Drive	Bensalem	19020	64,205	\$32.59	\$2,092,689
396	4034	1008 Wyoming Avenue	Wyoming	18644	67,274	\$31.06	\$2,089,368
397	2208**	Uptown Plaza, 2943 North Seventh Street	Harrisburg	17110	95,973	\$21.73	\$2,085,156
398	0931**	341 Dublin Pike	Perkasie	18944	58,809	\$35.29	\$2,075,633
399	0625**†	Town Square Plaza, 4110 North Fifth Street Highway	Temple	19560	43,008	\$48.25	\$2,074,959
400	6514	147 Columbia Avenue	Vandergrift	15690	61,978	\$33.35	\$2,066,967
401	6102**	541 Allegheny Boulevard	Franklin	16323	57,999	\$35.32	\$2,048,478

** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
402	4816**	Wind Gap Plaza, 813 Male Road	Wind Gap	18091	70,438	\$29.02	\$2,043,920
403	6704**	East Manchester Village Center, 205 Glen Drive	Manchester	17345	66,763	\$30.61	\$2,043,883
404	0295**	Great Valley Mart, 355 Lincoln Highway	North Versailles	15137	87,744	\$23.29	\$2,043,461
405	4615**	26 East Fourth Street	East Greenville	18041	61,910	\$32.63	\$2,020,095
406	6314	980 Jefferson Avenue	Washington	15301	77,751	\$25.89	\$2,013,295
407	0617**	Tulpehocken Village, 430 North Third Street	Womelsdorf	19567	58,965	\$34.10	\$2,010,796
408	0935**	Warwick Square, 2395 Old York Road	Jamison	18929	54,676	\$36.71	\$2,007,057
409	1102	East Hills Plaza, 1513 Scalp Avenue	Johnstown	15904	64,090	\$31.19	\$1,998,868
410	3907	The Shops at Cedar Point, 333 South Cedar Crest Boulevard	Allentown	18103	61,858	\$32.18	\$1,990,710
411	3702	729 Lawrence Avenue	Ellwood City	16117	60,687	\$32.80	\$1,990,588
412	0217**	1110 Fourth Avenue	Coraopolis	15108	65,858	\$30.22	\$1,990,090
413	5108**	3250 North Broad Street	Philadelphia	19140	112,149	\$17.72	\$1,987,592
414	0236**	820 McKeesport Road	Elizabeth	15037	58,299	\$34.03	\$1,984,136
415	5120**	Academy Plaza, 3246 Red Lion Road	Philadelphia	19114	79,566	\$24.89	\$1,980,698
416	0206**	136 McKees Rocks Plaza, 409 Chartiers Avenue	McKees Rocks	15136	85,926	\$23.01	\$1,976,756
417	0261**	2629 Brownsville Road	Pittsburgh	15227	75,693	\$26.09	\$1,974,808
418	2402**	St. Marys Plaza, 832 South St. Marys Road	St. Marys	15857	54,946	\$35.91	\$1,972,976
419	3518	Keyser Oak Plaza, 1762 North Keyser Avenue	Scranton	18508	71,235	\$27.49	\$1,958,334
420	3601**	New Holland Shopping Center, 681 West Main Street	New Holland	17557	60,803	\$32.12	\$1,952,973
421	1304**	143 South Street	Lehighton	18235	57,384	\$33.90	\$1,945,097
422	0705	Chestnut Plaza, 220 East Chestnut Avenue	Altoona	16601	71,743	\$26.83	\$1,924,735
423	4017**	Plains Plaza, 217 Plains Plaza	Plains	18705	56,764	\$33.83	\$1,920,143
424	6511**	Willowbrook Plaza, 4627 Route 51	Rostraver Township	15012	54,175	\$35.36	\$1,915,751
425	3806**	Cleona Square, 475 West Penn Avenue	Cleona	17042	56,549	\$33.80	\$1,911,425
426	3505**	305 South Main Street	Old Forge	18518	53,483	\$35.71	\$1,910,018
427	3626**	2350 Lincoln Highway East	Lancaster	17602	55,215	\$34.35	\$1,896,730
428	2601**	111 West Fayette Street	Uniontown	15401	61,743	\$30.66	\$1,893,195
429	0916	Bristol Park, 238 Commerce Circle	Bristol	19007	74,813	\$25.06	\$1,875,126
430	0624**	528 East Lancaster Avenue	Reading	19607	62,243	\$30.10	\$1,873,547
431	5903	16 Crafton Street	Wellsboro	16901	55,682	\$33.59	\$1,870,561
432	2520**	Imperial Point, 9135 Ridge Road	Girard	16417	60,097	\$31.07	\$1,867,401
433	4025**	Valley Plaza, 653 State Route 93	Conyngham	18219	52,367	\$35.49	\$1,858,374
434	4903**	Sunbury Plaza, 1135 North Fourth Street	Sunbury	17801	59,489	\$31.16	\$1,853,650
435	1603**	78 Clarion Plaza	Clarion	16214	51,389	\$35.99	\$1,849,726
436	2218	731 Cherry Drive	Hershey	17033	57,966	\$31.86	\$1,846,997
437	0707**	Valley View Shopping Center, 613 Pleasant Valley Boulevard	Altoona	16602	58,247	\$31.63	\$1,842,193
438	0252	4643 Centre Avenue	Pittsburgh	15213	71,786	\$25.56	\$1,835,137
439	3919	Towne Center, 4777 Tilghman Street	Allentown	18104	57,388	\$31.92	\$1,831,773
440	1008**	Slippery Rock Plaza, 223 Grove City Road	Slippery Rock	16057	61,500	\$29.49	\$1,813,778
441	6501	105 Harrison Avenue	Greensburg	15601	50,972	\$35.58	\$1,813,478

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RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
442	4803**	1375 Blue Valley Drive	Pen Argyl	18072	61,694	\$29.37	\$1,811,956
443	1705**	Clearfield Mall, 1824 Daisy Street	Clearfield	16830	58,437	\$30.94	\$1,808,288
444	5408**	888 Gordon Nagle Triangle	Pottsville	17901	51,695	\$34.80	\$1,798,748
445	4028**	850 Sans Souci Parkway	Wilkes-Barre	18706	57,973	\$30.98	\$1,795,745
446	3502	1512 Scranton Carbondale Highway	Dickson City	18508	50,492	\$35.30	\$1,782,291
447	0281**	1706 Mount Royal Boulevard	Glenshaw	15116	58,412	\$30.34	\$1,772,345
448	5180	3521 Cottman Avenue	Philadelphia	19149	77,476	\$22.87	\$1,772,077
449	6506	656 West Main Street	Mount Pleasant	15666	26,929	\$65.77	\$1,771,004
450	0223**	129 Lincoln Avenue	Pittsburgh	15209	56,403	\$31.16	\$1,757,249
451	2108**	Summerdale Plaza, 443 North Enola Road	Enola	17025	57,615	\$30.49	\$1,756,858
452	2317**	12 East Hinckley Avenue	Ridley Park	19078	66,434	\$26.43	\$1,755,969
453	6516**	Penn Crossing Shopping Center, 2014 Penny Lane	Jeannette	15644	48,656	\$35.94	\$1,748,695
454	0212**	959 Liberty Avenue	Pittsburgh	15222	56,311	\$30.98	\$1,744,577
455	3001	Widewaters Commons, 55 Sugar Run Road	Waynesburg	15370	56,335	\$30.92	\$1,742,082
456	2111	East Penn Center, 736 Wertzville Road	Enola	17025	52,271	\$33.05	\$1,727,671
457	3602	252 North Queen Street	Lancaster	17603	81,060	\$21.09	\$1,709,549
458	2504	10720 West Main Street	North East	16428	53,167	\$32.15	\$1,709,262
459	4809**	Bath Shopping Center, 362 South Walnut Street	Bath	18014	53,597	\$31.78	\$1,703,539
460	0408	816 Third Avenue	New Brighton	15066	56,627	\$29.92	\$1,694,486
461	4106	2067 Lycoming Creek Road	Williamsport	17701	60,048	\$28.17	\$1,691,746
462	3701	Lawrence Village Plaza, 2656 Ellwood Road	New Castle	16101	57,908	\$29.19	\$1,690,547
463	5802**	16750 State Route 706	Montrose	18801	43,613	\$38.49	\$1,678,781
464	3620**	Main Street Center, 763 East Main Street	Mount Joy	17552	47,220	\$35.31	\$1,667,114
465	3605	Manheim Shopping Center, 97 Doe Run Road	Manheim	17545	49,601	\$33.43	\$1,658,363
466	4107	803 North Loyalsock Avenue	Montoursville	17754	53,520	\$30.81	\$1,648,884
467	2325**	Village Green Shopping Center, 3486 Concord Road	Aston	19014	56,363	\$29.24	\$1,648,283
468	2513**	East Erie Plaza, 828 East Sixth Street	Erie	16507	66,713	\$24.63	\$1,643,027
469	6510**	Hillcrest Shopping Center, 3220 Leechburg Road	Lower Burrell	15068	49,349	\$33.18	\$1,637,524
470	4806**	34 South Broad Street	Nazareth	18064	52,330	\$31.00	\$1,622,313
471	4023	801 Wyoming Avenue	West Pittston	18643	52,762	\$30.42	\$1,605,236
472	3524**	Shoppes at Montage, 2571 Shoppes Boulevard	Moosic	18507	34,429	\$46.56	\$1,602,861
473	2517	3412 West Lake Road	Erie	16505	44,838	\$35.54	\$1,593,383
474	0279	722 Brookline Boulevard	Pittsburgh	15226	64,575	\$24.53	\$1,583,932
475	2304	Edgemont Square, 4839 West Chester Pike	Newtown Square	19073	41,371	\$37.60	\$1,555,607
476	0403	999 Merchant Street	Ambridge	15003	53,308	\$28.98	\$1,544,643
477	0297	The Village Shopping Center, 1874 Homeville Road	West Mifflin	15122	46,918	\$32.26	\$1,513,783
478	5412	515 Dock Street	Schuylkill Haven	17972	45,841	\$32.94	\$1,510,017
479	5198**	Freedom Square, 5113 Germantown Avenue	Philadelphia	19144	82,618	\$18.22	\$1,505,229
480	5402**	9 Gold Star Plaza	Shenandoah	17976	50,965	\$29.53	\$1,505,214
481	4301	Sharon Center City Shopping Center, 120 South Water Avenue	Sharon	16146	61,953	\$24.18	\$1,498,232
482	5905	187 North Main Street	Mansfield	16933	43,389	\$34.47	\$1,495,594

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APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
483	0402	Green Garden Shopping Center, 3113 Green Garden Road	Hopewell Township	15001	46,959	\$31.35	\$1,472,207
484	0930**	Doylestown Pointe Plaza, 1661 Easton Road	Warrington	18976	43,646	\$33.47	\$1,460,970
485	3523**	Hillside Plaza, 771 Scranton Carbondale Highway	Eynon	18403	42,767	\$34.15	\$1,460,689
486	6304	105 Third Street	Charleroi	15022	43,776	\$33.31	\$1,458,364
487	3302**	567 West Mahoning Street	Punxsutawney	15767	42,653	\$34.11	\$1,454,732
488	2204**	325 North Front Street	Steelton	17113	58,169	\$24.93	\$1,450,394
489	2515**	Perry Plaza, 2208 Broad Street	Erie	16503	64,617	\$22.41	\$1,447,852
490	5409**	Federal Square, 705 West Market Street	Orwigsburg	17961	33,518	\$43.10	\$1,444,589
491	0205	149 Fifth Avenue	McKeesport	15132	66,268	\$21.79	\$1,443,876
492	0802**	Colonial Plaza, 85 Reuter Boulevard	Towanda	18848	43,732	\$32.92	\$1,439,797
493	2506**	Corry Plaza, 350 West Columbus Avenue	Corry	16407	43,174	\$33.31	\$1,438,030
494	1706**	Peebles Plaza, 1067 North Front Street	Philipsburg	16866	47,844	\$29.96	\$1,433,596
495	0219**	Kennywood Shops, 1326 Hoffman Boulevard	West Mifflin	15122	59,552	\$23.91	\$1,424,118
496	2002**	126 South Martin Street	Titusville	16354	46,619	\$30.49	\$1,421,591
497	4002**	7 George Avenue	Wilkes-Barre	18705	53,059	\$26.74	\$1,418,772
498	4634**	2014 Old Arch Road	Norristown	19401	56,261	\$25.21	\$1,418,061
499	4904**	Weis Market Shopping Center, 551 Mahoning Street	Milton	17847	49,409	\$28.70	\$1,417,792
500	3202	575 Philadelphia Street	Indiana	15701	40,843	\$33.90	\$1,384,666
501	6311	327 Third Street	California	15419	41,071	\$33.08	\$1,358,539
502	2213**	3775 Peters Mountain Road	Halifax	17032	38,514	\$35.24	\$1,357,205
503	5003**	Crestview Plaza, 201 Fickes Lane	Newport	17074	36,789	\$36.88	\$1,356,762
504	4802**	111 Northampton Street	Easton	18042	52,213	\$25.92	\$1,353,512
505	0412	Northern Lights Shoppers City, 1603 State Street West	Baden	15005	47,800	\$28.17	\$1,346,519
506	6306	245 West Main Street	Monongahela	15063	45,420	\$29.46	\$1,337,897
507	6103	17 Kimberly Lane	Cranberry	16319	46,377	\$28.68	\$1,329,907
508	6721**	One West, 9 West Market Street	York	17401	67,772	\$19.45	\$1,318,138
509	4503	1152 Route 390	Cresco	18326	41,843	\$31.48	\$1,317,348
510	4304	535 Greenville Road	Mercer	16137	38,803	\$33.80	\$1,311,676
511	4103	354 Allegheny Street	Jersey Shore	17740	40,383	\$31.08	\$1,255,098
512	1524**	Oxford Square, 449 North Third Street	Oxford	19363	42,436	\$29.23	\$1,240,398
513	6505	328 Central City Plaza	New Kensington	15068	53,689	\$22.97	\$1,233,063
514	0601	537 Penn Street	Reading	19601	57,779	\$20.99	\$1,212,515
515	6002**	30 East Chestnut Street	Mifflinburg	17844	37,246	\$32.32	\$1,203,850
516	1601**	800 Center, 845 Main Street	Clarion	16214	33,789	\$35.29	\$1,192,257
517	6101	Seneca Street Plaza, 50 Seneca Street	Oil City	16301	36,539	\$32.45	\$1,185,803
518	0244	739 Monongahela Avenue	Glassport	15045	44,112	\$26.45	\$1,166,803
519	0277†	8090 McIntyre Square Drive	Pittsburgh	15237	30,463	\$38.30	\$1,166,586
520	3201**	215 East Market Street	Blairsville	15717	37,704	\$30.93	\$1,166,213
521	6305**	McDonald Plaza, 301 West Barr Street	McDonald	15057	36,150	\$32.12	\$1,161,109
522	2803	Greencastle Market Plaza, 512 North Antrim Way	Greencastle	17225	39,925	\$28.75	\$1,147,863

** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
523	3401**	4093 William Penn Highway	Mifflintown	17059	35,868	\$31.97	\$1,146,784
524	5603	1607 Jefferson Avenue	Windber	15963	30,377	\$37.55	\$1,140,778
525	3612	Village at Gap, 5360 Lincoln Highway	Gap	17527	39,664	\$28.66	\$1,136,672
526	4109**	510 West Southern Avenue	South Williamsport	17702	38,310	\$29.00	\$1,111,099
527	6504**	114 South Fifth Street	Jeannette	15644	35,754	\$30.75	\$1,099,445
528	4020**	White Haven Shopping Center, 501 Main Street	White Haven	18661	32,728	\$33.37	\$1,092,153
529	4604	212 East High Street	Pottstown	19464	57,190	\$18.80	\$1,075,201
530	0704	1260 Pennsylvania Avenue	Tyrone	16686	36,956	\$29.02	\$1,072,575
531	0616**	200 West First Street	Birdsboro	19508	36,598	\$28.84	\$1,055,598
532	3609**	Mount Joy Square, 921 East Main Street	Mount Joy	17552	36,666	\$28.55	\$1,046,839
533	2219**	333 Market Street	Harrisburg	17101	52,061	\$19.77	\$1,029,330
534	2202**	1200 North Third Street	Harrisburg	17102	42,499	\$23.72	\$1,008,080
535	5301**	151 Route 6 West	Coudersport	16915	29,975	\$33.30	\$998,113
536	5413**	16 Tremont Road	Pine Grove	17963	27,921	\$35.43	\$989,264
537	0271	3408 Main Street	Munhall	15120	41,186	\$23.67	\$974,673
538	5129**	1446 Point Breeze Avenue	Philadelphia	19146	54,410	\$17.61	\$958,206
539	4656**	Pennsburg Square Shopping Center, 456 Pottstown Avenue	Pennsburg	18073	22,226	\$42.87	\$952,894
540	1101	426 Main Street	Johnstown	15901	43,241	\$21.60	\$933,982
541	3301	160 Main Street	Brookville	15825	28,747	\$32.30	\$928,509
542	1104	101 Park Avenue	Cresson	16630	32,473	\$27.22	\$884,072
543	1103**	910 Philadelphia Avenue	Northern Cambria	15714	24,450	\$35.76	\$874,386
544	0265	Deer Lakes Plaza, 908 Little Deer Creek Valley Road	Russellton	15076	26,183	\$32.62	\$854,167
545	4616	100 Main Street	Schwenksville	19473	26,905	\$31.60	\$850,159
546	0903**	8794 Easton Road	Ottsville	18942	22,299	\$37.80	\$842,985
547	2004	211 East Erie Street	Linesville	16424	22,206	\$37.47	\$831,991
548	3002	Brodak Commons, 554 South 88 Road	Carmichaels	15320	28,565	\$28.31	\$808,571
549	2205**	529 Market Street	Lykens	17048	22,436	\$34.90	\$783,051
550	4202	124 North Fraley Street	Kane	16735	20,852	\$36.31	\$757,200
551	5002	53 South Main Street	Duncannon	17020	24,755	\$30.16	\$746,581
552	0804**	41871 Route 6	Wyalusing	18853	23,705	\$31.43	\$744,957
553	2901	Ayr Town Center, 362 South Second Street	McConnellsburg	17233	22,979	\$31.25	\$718,053
554	6502**	313 Depot Street	Latrobe	15650	20,935	\$33.25	\$696,026
555	4618**	504 West Marshall Street	Norristown	19401	34,384	\$20.06	\$689,861
556	2401	305 North Broad Street	Ridgway	15853	17,334	\$38.17	\$661,555
557	0270	3643 California Avenue	Pittsburgh	15212	26,757	\$24.31	\$650,493
558	1507	New Garden Center, 350 Scarlett Road	Kennett Square	19348	14,544	\$44.14	\$642,039
559	1303	221 Delaware Avenue	Palmerton	18071	20,573	\$30.05	\$618,304
560	2512	66 North Main Street	Union City	16438	18,987	\$32.32	\$613,623
561	0302	137 South Jefferson Street	Kittanning	16201	16,040	\$37.89	\$607,721
562	6307**	Kwik Stop Plaza, 2038 Smith Township Road	Burgettstown	15021	18,017	\$32.95	\$593,585
563	0207†	One Oxford Centre, 320 Smithfield Street	Pittsburgh	15222	19,491	\$30.27	\$589,950

** Remodeled † Premium Collection

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
564	3102	25 West Water Street	Mt. Union	17066	23,227	\$24.80	\$576,092
565	5701**	121 West Main Street	Dushore	18614	16,318	\$34.74	\$566,890
566	6503	925 Donner Avenue	Monessen	15062	17,325	\$31.70	\$549,255
567	6312	524 Front Street	Fredericktown	15333	15,123	\$36.30	\$548,898
568	1111	3670 Portage Street	Portage	15946	16,240	\$33.73	\$547,783
569	4901**	136 South Oak Street	Mount Carmel	17851	17,475	\$30.71	\$536,570
570	1301	46 West Ridge Street	Lansford	18232	20,979	\$25.37	\$532,290
571	0405	508 Midland Ave	Midland	15059	15,940	\$33.31	\$531,025
572	0303	163 Third Street	Leechburg	15656	13,825	\$38.24	\$528,714
573	2702**	644 Elm Street	Tionesta	16353	13,819	\$37.94	\$524,354
574	0803**	752 Canton Street	Troy	16947	15,501	\$33.21	\$514,829
575	1004	102 Main Street	Petrolia	16050	9,867	\$48.80	\$481,493
576	5801	605 Main Street	Forest City	18421	14,688	\$31.48	\$462,416
577	2604	1890 McClellandtown Road	Masontown	15461	15,882	\$27.98	\$444,336
578	1115	20th Ward Shopping Center, 358 North Sheridan Street	Johnstown	15906	15,824	\$26.70	\$422,521
579	2804**	9 South Main Street	Mercersburg	17236	10,561	\$39.76	\$419,883
580	1201	54 East Fourth Street	Emporium	15834	11,833	\$35.31	\$417,796
581	5904	126 West Main Street	Westfield	16950	10,518	\$39.09	\$411,121
582	5803	The Shops, 191 Erie Boulevard	Susquehanna	18847	12,926	\$30.65	\$396,130
583	2701**	121 Chestnut Street	Marienville	16239	10,398	\$37.37	\$388,588
584	4204	66 West Mill Street	Port Allegany	16743	12,078	\$31.82	\$384,288
585	4203**	433 West Main Street	Smethport	16749	10,722	\$35.50	\$380,633
586	6508	310 Main Street	Irwin	15642	9,400	\$40.17	\$377,553
587	1602	452 Broad Street	New Bethlehem	16242	10,584	\$34.62	\$366,411
588	2608**	3532 Pittsburgh Road	Perryopolis	15473	11,772	\$30.57	\$359,823
589	0502	600 Main Street	Saxton	16678	9,310	\$36.11	\$336,207
590	0230	529 Liberty Avenue	Pittsburgh	15222	21,253	\$15.28	\$324,814
591	5302	15 West Street	Galeton	16922	9,326	\$34.59	\$322,600
592	1703	821 Centennial Street	Houtzdale	16651	9,786	\$32.21	\$315,240
593	1604	506 Main Street	Knox	16232	6,896	\$43.26	\$298,336
594	5404	630 Centre Street	Ashland	17921	9,905	\$29.84	\$295,613
595	3303	445 Main Street	Brockway	15824	6,415	\$43.85	\$281,318
596	6513	214 Fifth Street	Avonmore	15618	6,451	\$37.31	\$240,719
597	1803**	167 Seventh Street	Renovo	17764	6,728	\$35.19	\$236,744
598	1107	513 Chestnut Street	Conemaugh	15909	5,239	\$44.88	\$235,139
599	5406	7 South Main Street	Mahanoy City	17948	7,256	\$31.93	\$231,663
600	3203	560 Franklin Street	Clymer	15728	6,170	\$35.46	\$218,786
601	5606	212 Ohio Street	Boswell	15531	5,970	\$34.63	\$206,749
602	1704	449 State Street	Curwensville	16833	6,279	\$32.40	\$203,433
603	5601	686 Market Square	Meyersdale	15552	3,770	\$48.75	\$183,786
604	1403**	15 West Olive Street	Snow Shoe	16874	4,949	\$36.24	\$179,356

** Remodeled

APPENDIX

RANK	STORE	ADDRESS	CITY	ZIP CODE	TRANSACTION COUNT	AVG VALUE OF TRANSACTION	DOLLAR SALES
605	2605	213 Penn Street	Point Marion	15474	5,680	\$31.18	\$177,096
606	6202	212 South Main Street	Sheffield	16347	4,876	\$33.35	\$162,631
607	3305	410 Main Street	Reynoldsville	15851	4,216	\$33.72	\$142,176
608	0918	Trevoise Shopping Center, 560 Andrews Road	Trevoise	19053	3,719	\$25.11	\$93,392
609	0908	US 1 Plaza, 315 West Lincoln Highway	Penndel	19047	3,002	\$22.26	\$66,823
610	3706	4 Cascade Galleria, 100 South Jefferson Street	New Castle	16101	3,019	\$21.03	\$63,495
611	3707	Westgate Plaza, 2034 West State Street	New Castle	16101	1,684	\$29.52	\$49,703
612	2298	Room 218, Northwest Office Building	Harrisburg	17124	484	\$56.82	\$27,500
613	1513	552 Lancaster Avenue	Berwyn	19312	541	\$31.73	\$17,166
614	4621†	Center Square Plaza, 1301 Skippack Pike	Blue Bell	19422	1	\$142.47	\$142

† Premium Collection

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

Finance reports were extracted in August 2020 using Oracle EBS, unaudited financial statements and supporting schedules for fiscal year 2019-20. Financial reporting excludes all taxes.

Marketing reports were extracted on July 28, 2020 using Oracle BI, followed by cleaning, coding and calculations to assess and verify data. Sales data from Oracle BI include liquor tax but exclude sales tax.

Maps were created using ESRI ArcGIS software.

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.

Financial and marketing reports use fiscal year calendar and totals unless specified otherwise, and exclude accessories, placeholders and fees as appropriate. Special order items were excluded from price segment reports because they are not classified by price segment. Wholesale reporting included in marketing reports references wine expanded permits active at the end of the fiscal year.

Year-to-year comparisons were used for standard reports, with additional marketing analysis conducted to show the impact of COVID-19. These analyses incorporate records and supplemental data from other systems with specified date ranges, timeframes or events for each analysis. Curbside transaction data included in the report is unaudited with proportions of sales and transactions for curbside applied to data from Oracle BI.

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 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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