

ANNUAL

PENNSYLVANIA
LIQUOR

FISCAL
2022
2023
YEAR

CONTROL
BOARD

REPORT

FINE WINE & GOOD SPIRITS



pennsylvania
LIQUOR CONTROL BOARD

OUR MISSION

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

| | |
|---|----------------|
| Introduction | 04-11 |
| Message from the Board | 04-05 |
| Board Biographies | 06-08 |
| Executive Director Biography | 08 |
| Executive Team | 09 |
| Organizational Structure | 10-11 |
| Financial Highlights | 12-13 |
| Fine Wine & Good Spirits Sales Highlights | 14-19 |
| Legislative Synopsis | 20-21 |
| Operations | 22-25 |
| Store Operations | 22-24 |
| Distribution & Logistics | 24-25 |
| Communications | 26-31 |
| Marketing | 26-28 |
| Consumer Relations | 28 |
| E-Commerce | 29-31 |
| Merchandising | 32-40 |
| Retail Merchandising | 32-37 |
| Wholesale Operations | 38-40 |
| Information Technology Services..... | 41 |
| Regulatory Affairs | 42-51 |
| Pennsylvania Producers | 52-54 |
| Administration..... | 55-56 |
| Financial Statements/PLCB Management's Discussion and Analysis | 57-105 |
| Appendix: Stores Ranked by Total Dollar Sales, FY 2022-23 | 106-120 |
| Research Notes | 121 |

MESSAGE FROM THE BOARD

Dear Fellow Pennsylvanians:

We are pleased to present you with the Pennsylvania Liquor Control Board's (PLCB) Fiscal Year 2022-23 Annual Report. This publication outlines PLCB operations, highlights popular products and sales trends and shares financial results for the period of July 1, 2022, to June 30, 2023.

In fiscal year 2022-23, the PLCB achieved total sales of \$3.15 billion (including liquor and sales taxes), reflecting a \$136.3 million or 4.5% increase over the prior year. Net income for the year totaled \$260.8 million, a decrease of \$70.1 million or 21.2% as compared to fiscal year 2021-22. Increases to PLCB's pension and workers' compensation obligations were the biggest contributing factors to the decrease in net income. Contributions to the General Fund, which finances Pennsylvania's schools, health and human services programs, law enforcement and public safety initiatives, among other important public services, totaled \$813.4 million. An outline of revenues and contributions is available on pages 12-13, while detailed financial reports are available beginning on page 57.

During fiscal year 2022-23, the PLCB focused on the second phase of Project New Horizon – a multi-year effort to modernize and transform the agency's technology infrastructure – while also pursuing measures to offset increased operating costs and right-size product portfolios in line with volume and demand.

In preparation for Release 2 of Project New Horizon – targeted for go-live the beginning of fiscal year 2023-24 – the PLCB's Information Technology Services team, in tandem with PLCB business units and project consultants, worked long hours on testing and cutover planning throughout the year. The core of the PLCB's technology transformation, Release 2 implements new systems that separate wholesale and retail lines of business and change how the agency conducts business with wine and spirits suppliers, replenishes Fine Wine & Good Spirits (FW&GS) stores and manages inventory and accounting. An overview of the project and the PLCB's activities is available on page 41.

In January 2023, the PLCB announced a 4% price increase on 3,554 products sold at FW&GS stores to offset pandemic- and inflation-related cost increases. The increase – the first since 2019 – was instituted to generate revenues needed to offset annual 8% increases in operating costs over the last four years, as well as projected cost increases related to personnel, distribution, leases and credit card fees, among other business areas.

In October 2022, the PLCB adopted a new policy prohibiting its employees and their family members and household members from participating in Limited-Release Lotteries. The change was adopted to ensure the integrity of lottery processes and fair and impartial distribution of our most sought-after products.

Expanding upon the success of READY, a new customer service model for FW&GS retail employees introduced in 2021-22, the PLCB launched a third program phase targeted to store leadership in fiscal year 2022-23. The goal of READY – which stands for Responsibility and Results, Engagement, Available, Drive units to basket and why is the customer leaving without a purchase? – is to provide FW&GS

customers with an exceptional in-store shopping experience and staff interaction. The third program phase addresses the role of general and assistant managers as it relates to building positive store teams and shopping environments for FW&GS customers. An overview of this and other FW&GS employee initiatives is available on pages 22-24.

Additional fiscal year highlights and accomplishments by the PLCB include:

- In October 2022, the PLCB welcomed former state senator and state representative Randy Vulakovich as a new board member. For an introduction, see page 7.
- FW&GS employees hosted nearly 8,000 in-store tastings and explored ways to continue to build and enhance customers in-store tasting experiences through participation in a dedicated survey of wine specialists and general managers. See page 24 for details.
- Within its first full year, Special Order (SO) direct delivery accounted for 36.7% of total SO transactions with licensees. Read more on page 38.
- The release of the PLCB's biennial Report on Underage and High-Risk Drinking provided insight on current trends and rates of consumption for underage and college students in Pennsylvania and details statewide education and prevention initiatives to address alcohol-related issues. The report is available under the Education section of lcb.pa.gov.
- October marked the return of the PLCB Bureau of Alcohol Education's annual conference following a two-year, pandemic-induced hiatus. The free, one-day event – "Broadening Our Awareness" – took place in Harrisburg with more than 100 educators, counselors, law enforcement professionals and others in attendance. Event highlights are available on page 42.
- The completion of its 11th restaurant license auction resulted in the successful awarding of 20 licenses for potential bid revenue of \$3.2 million. For more auction details, see page 48.
- Nearly \$1.7 million in alcohol education grants to support the development of programs to reduce underage and dangerous drinking was awarded to 97 organizations across Pennsylvania, while \$1.8 million in grants in support of Pennsylvania's wine and beer industries was authorized. A detail of alcohol education grants is available on page 50, and an outline of wine and beer grants is available on pages 52-54.

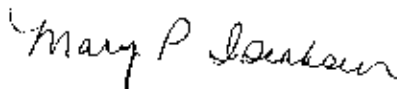
The accomplishments and initiatives detailed within this report speak to the PLCB's ongoing commitment to continue to build and enhance our service to Pennsylvania consumers, licensees, prevention stakeholders, beverage alcohol industry members and other stakeholders.

Thank you for the opportunity to share this information.

Sincerely,



Tim Holden
Chairman



Mary Isenhour
Member



Randy Vulakovich
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 was nominated to serve a third term by Governor Wolf on May 21, 2020, and was unanimously confirmed by the state Senate on Oct. 21, 2020.

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.

MARY ISENHOUR BOARD MEMBER

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

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

As Secretary of Legislative Affairs and Chief of Staff to Governor Tom Wolf, Mary played a key role in the passage of Act 39 of 2016, the most comprehensive modernization of the beverage alcohol landscape in Pennsylvania since Prohibition. She was also responsible for advancing other important policy items for Governor Wolf such as increased education funding, the legalization of medical marijuana and finding efficiencies in state agencies to achieve savings of more than \$1 billion.



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

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

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

RANDY VULAKOVICH BOARD MEMBER

Randy Vulakovich was nominated to the Pennsylvania Liquor Control Board by Governor Tom Wolf on Oct. 14, 2022, and was confirmed to a four-year term by the state Senate on Oct. 26, 2022.

A lifelong resident of Allegheny County, Randy retired after a 27-year career in law enforcement (where he was known as Officer V and spent five years as a D.A.R.E. instructor), then was elected to the Pennsylvania House of Representatives in 2006. During his three terms, he served on the Aging and Older Adult Services, Finance, Environmental Resources and Energy, Gaming Oversight, Veterans Affairs and Emergency Preparedness committees. Randy won a special election to the Pennsylvania Senate in August 2012. As a state senator, he served as Chairman of the Veterans Affairs & Emergency Preparedness Committee, the Aging & Youth Committee and the Communications and Technology Committee. In addition, he was a member of the Appropriations (including the Subcommittee



on Public Safety), Community Economic and Recreational Development, Judiciary, Senate Majority Policy and Transportation committees.

Randy serves as a board member of the Allegheny County Airport Authority and the 3 Rivers Wet Weather Board of Directors. Other boards and authorities on which he served include the Pennsylvania Commission

on Crime and Delinquency, the Advisory Board of the Southwestern Pennsylvania Veterans Center, the Port of Pittsburgh Commission, the Carnegie Library Board of Trustees, the Pittsburgh Ballet Theater Board of Trustees and the University of Pittsburgh's Institute of Politics Board of Fellows (where he served as co-chair of the Public Safety and Emergency Preparedness Committee).

Randy's earned numerous awards during his career, including the Pittsburgh Coalition Against Rape's Ambassador for Social Change Award, for his legislative

continued on next page

work to prevent sexual violence and protect victims; the ACHIEVA Excellence in Legislation Award, for his efforts to promote legislation supporting children and adults with intellectual disabilities and their families; the ACTION-Housing Inc. Legislator of the Year award, for his efforts to defeat Pay-Day Lending legislation; the Pennsylvania Fire & Emergency Services Institute (PFESI) Legislator of the Year Award in 2018, for his unwavering commitment to first responders; and the Pennsylvania

Meritorious Service Medal by the Adjutant General of the Pennsylvania National Guard, on behalf of Governor Wolf, for his commitment to servicemen and -women and all veterans.

Randy lives in Shaler Township with his wife, Bobbie. They have been married for 49 years and have two children, Stacy and Randy Jr. He is the proud grandfather to Tyler, Emmy and Drew.

EXECUTIVE DIRECTOR BIOGRAPHY

MICHAEL G. DEMKO

As Executive Director, Michael Demko is responsible for directing the administrative and business operations of the PLCB and managing the executive team. In this role, he provides leadership, strategic planning and recommendations for agency initiatives to the Board.

Prior to his appointment in August 2020, Michael served as PLCB Chief Operating Officer and Director of Finance. Michael brought more than 30 years of professional retail, licensing and wholesale experience in accounting, finance and operations to the PLCB. Before joining the agency in October 2018, he served as vice president/controller of Nine West Holdings, Inc. (formerly the Jones Group), an American designer, marketer and wholesaler of women's wear. Prior to that,



he worked as a manager and controller in the restaurant industry. He brought to the agency a solid background focused on financial controllership, strategic planning, forecasting, budgeting and financial analysis. Michael's primary goal is to implement initiatives that streamline overall PLCB operations.

Michael holds a Bachelor of Science degree in accounting from King's College and an associate degree in Hotel and Restaurant Management from Luzerne County Community College. He also serves as an appointed trustee for his local church.

Michael lives in Mountaintop, Luzerne County, with his wife, Jacqueline. They have two adult daughters.

EXECUTIVE TEAM

(AS OF JUNE 30, 2023)



ROW ONE, left to right

**Chief Merchandising
Officer**
Deborah Rivera

**Director of
Regulatory Affairs**
Tisha Albert

**Deputy
Executive Director**
Elizabeth Brassell

ROW TWO, left to right

**Director of Legislative &
Governmental Affairs/
Board Secretary**
Michael Vigoda

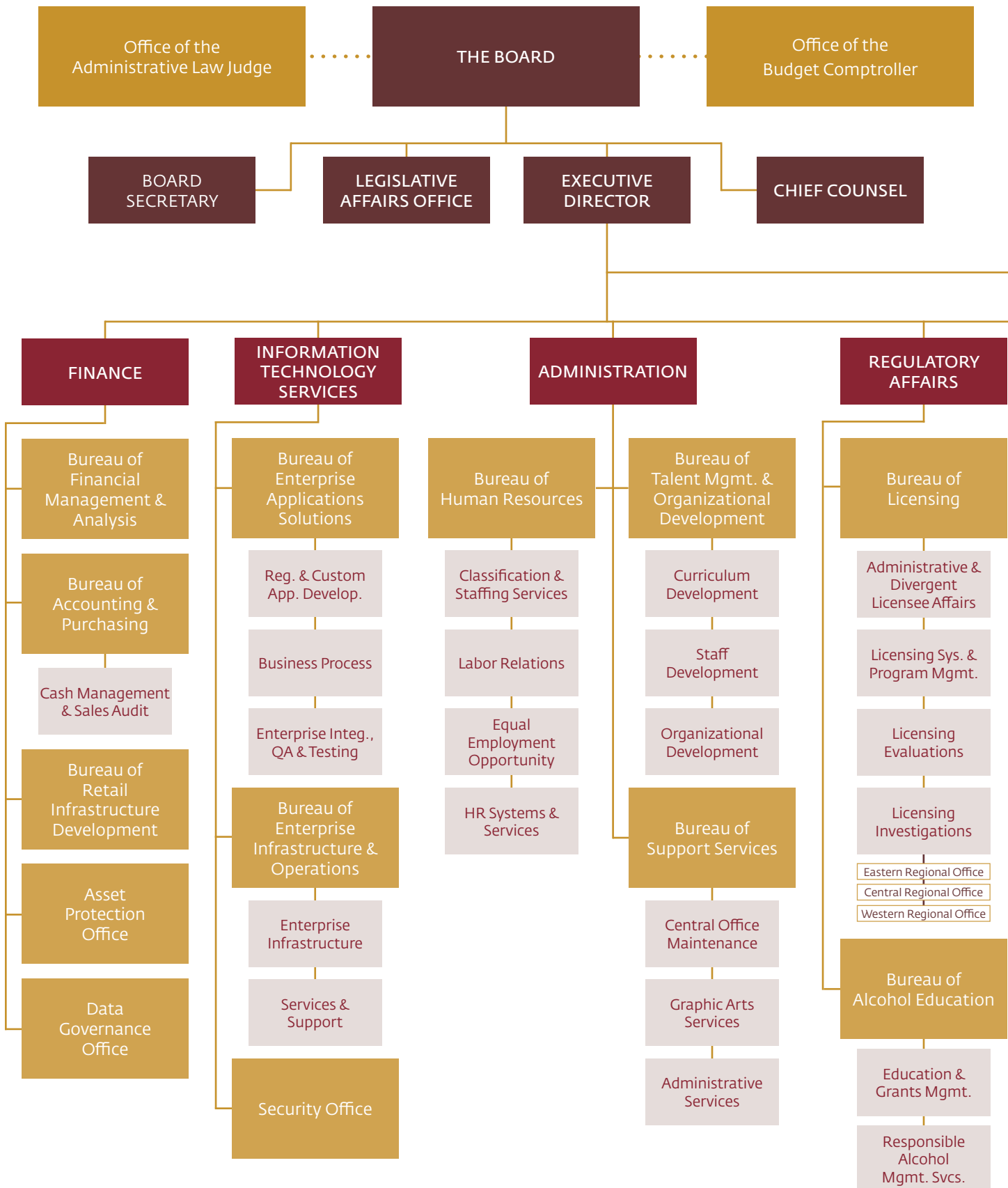
**Chief Operating
Officer**
Andrew Collins

**Director of
Administration**
Jason P. Lutcavage

**Chief Information
Officer**
Rob McCabe

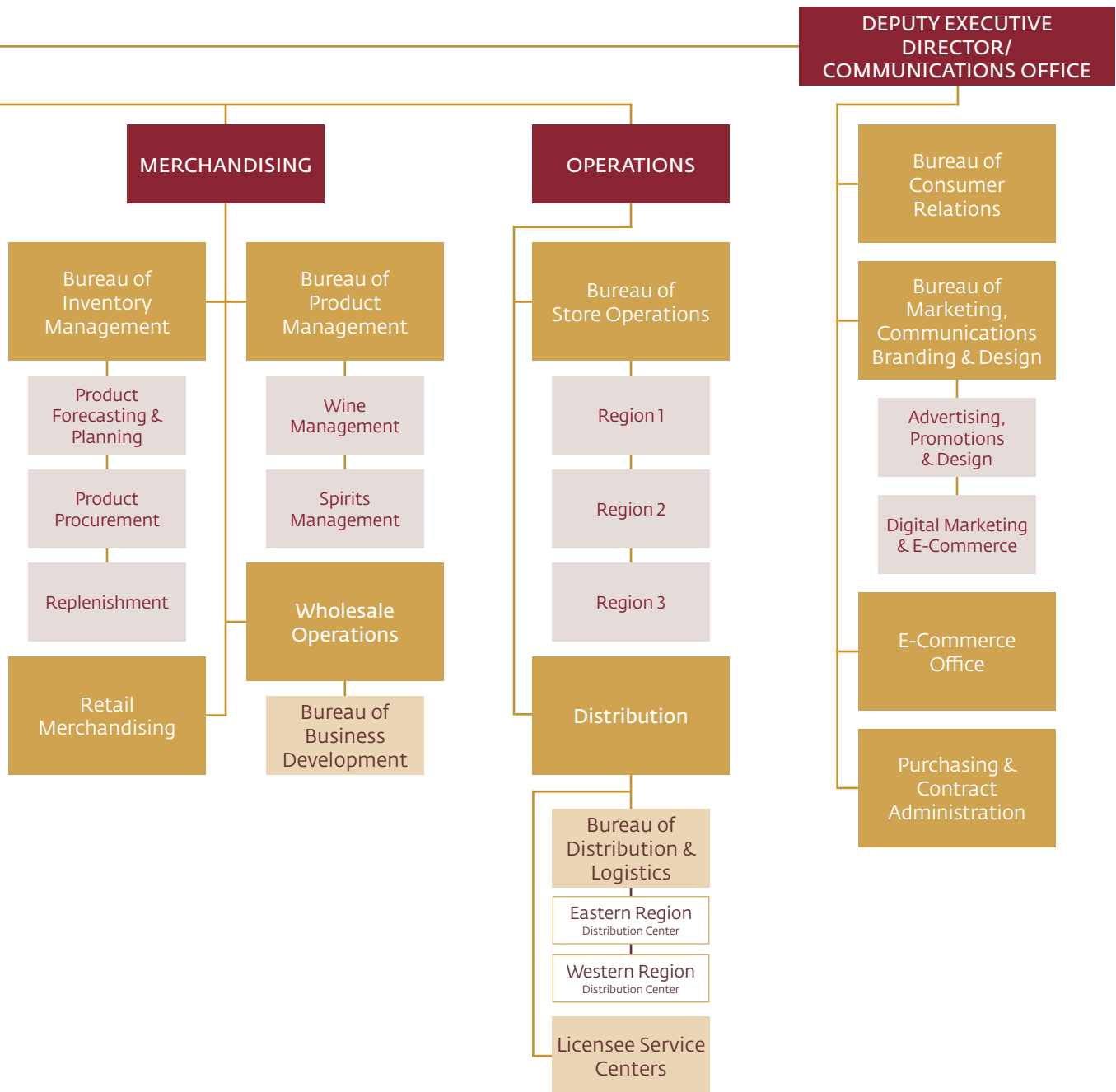
**Chief Financial
Officer**
Angela Blecher

**Chief
Counsel**
Rodrigo Diaz



ORGANIZATIONAL STRUCTURE

(as of June 30, 2023)



FINANCIAL HIGHLIGHTS

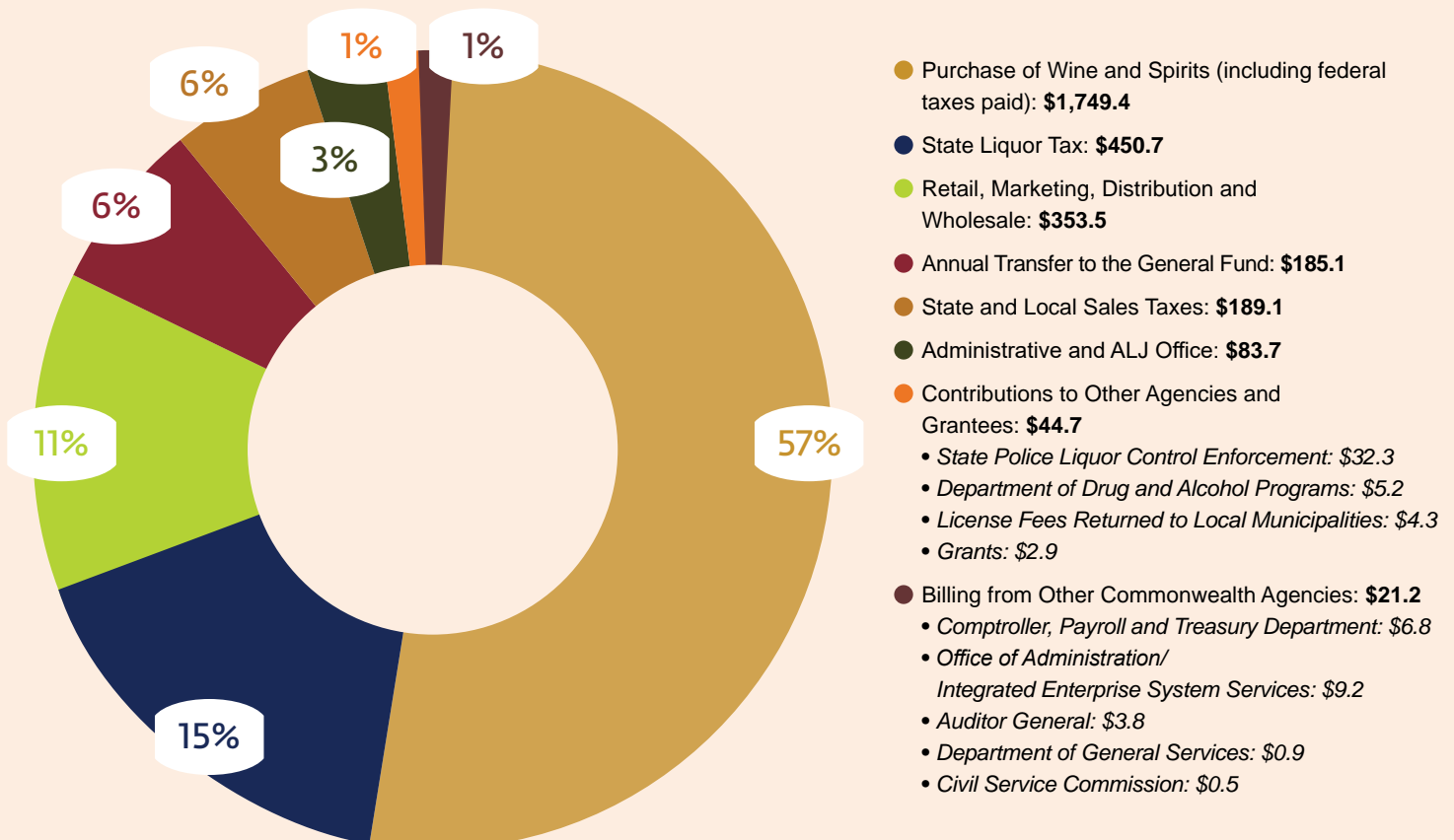
Where The Money Goes

The PLCB generated more than \$3.15 billion in sales and taxes from Fine Wine & Good Spirits stores, direct deliveries to licensees and from its e-commerce website.

Together, **more than \$869.7 million** was returned to the General Fund, state and local government and other beneficiaries in fiscal year 2022-23.

- The PLCB returned more than \$813.4 million to the General Fund:
 - \$450.7 million in liquor tax
 - \$177.6 million in state sales tax
 - \$185.1 million transferred to the General Fund
- The Pennsylvania State Police received \$32.3 million for the enforcement of liquor laws.

DISTRIBUTION OF PROCEEDS (IN MILLIONS)



- The Department of Drug and Alcohol Programs received \$5.2 million to educate and prevent problem alcohol use.
- Philadelphia and Allegheny counties received \$11.5 million in local sales taxes.
- Local communities received \$4.3 million in returned licensing fees.

IN FISCAL YEAR 2022-23, THE PLCB:

- Authorized \$1.8 million in grants in support of Pennsylvania's wine and beer industries
- Awarded nearly \$1.7 million in alcohol education grants to reduce underage and dangerous drinking

IN THE LAST FIVE YEARS, THE PLCB HAS PROVIDED:

- \$3.78 billion to the Pennsylvania General Fund
- \$154.3 million to the Pennsylvania State Police
- \$25.1 million to the Department of Drug and Alcohol Programs
- \$17.5 million to local municipalities in returned license fees

PLCB SUMMARY FINANCIAL INFORMATION (IN THOUSANDS EXCEPT AS INDICATED)

| | FY 2022-23* | FY 2021-22 | FY 2020-21 | FY 2019-20 | FY 2018-19 | CAGR ** |
|----------------------------|-------------|-------------|-------------|-------------|-------------|---------|
| Sales Net of Taxes | \$2,513,588 | \$2,405,547 | \$2,317,842 | \$2,039,324 | \$2,126,928 | 4.3% |
| Gross Profit | \$764,198 | \$752,013 | \$743,476 | \$652,764 | \$675,155 | 3.1% |
| Gross Margin | 30.4% | 31.3% | 32.1% | 32.0% | 31.7% | -1.1% |
| Operating Expenses | \$514,967 | \$419,853 | \$469,467 | \$457,086 | \$501,726 | 0.7% |
| Operating Income | \$249,231 | \$332,160 | \$274,009 | \$195,678 | \$173,429 | 9.5% |
| Other Revenues | \$43,860 | \$29,425 | \$20,085 | \$43,813 | \$48,869 | -2.7% |
| Transfers to State Police | \$32,320 | \$30,734 | \$29,236 | \$30,780 | \$31,257 | 0.8% |
| Net Income | \$260,771 | \$330,851 | \$264,858 | \$208,711 | \$191,041 | 8.1% |
| Transfers to General Fund | \$185,100 | \$185,100 | \$185,100 | \$185,100 | \$185,100 | 0.0% |
| Drug & Alcohol Transfers | \$5,215 | \$6,617 | \$5,297 | \$4,174 | \$3,821 | 8.1% |
| Liquor Tax | \$450,755 | \$431,264 | \$415,839 | \$365,707 | \$381,876 | 4.2% |
| State Sales Tax | \$177,567 | \$169,651 | \$163,878 | \$143,946 | \$150,195 | 4.3% |
| Local Sales Tax | \$11,534 | \$10,669 | \$9,643 | \$8,777 | \$9,680 | 4.5% |
| License Fees for Return ^ | \$4,261 | \$2,697 | \$1,812 | \$4,273 | \$4,478 | -1.2% |
| Grants | \$2,934 | \$2,606 | \$2,643 | \$2,331 | \$3,457 | -4.0% |
| Operating Exp./Net Sales | 20.5% | 17.5% | 20.3% | 22.4% | 23.6% | |
| Contributions/Net Sales ^^ | 34.6% | 34.9% | 35.1% | 36.5% | 36.2% | |
| Return on Assets | 28.8% | 44.1% | 30.8% | 42.3% | 34.2% | |

*Financial results for fiscal year 2022-23 are audited.

**CAGR - Compound Annual Growth Rate.

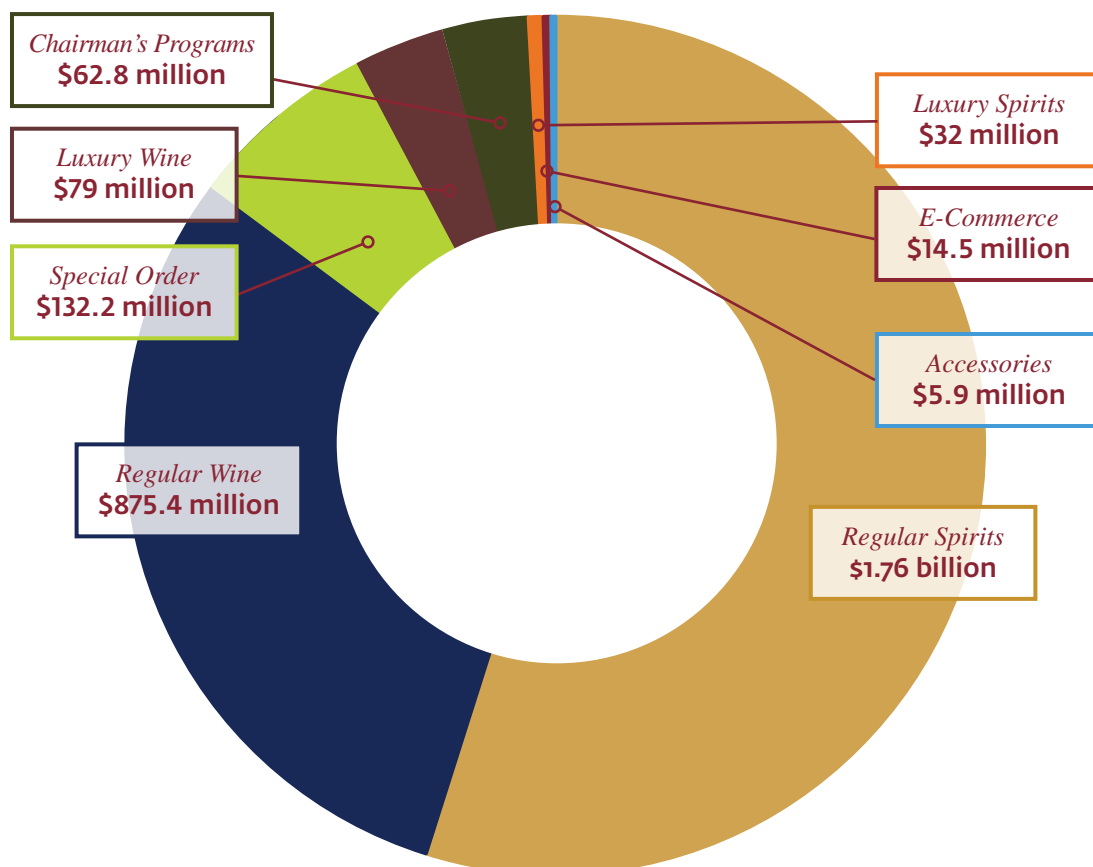
^As provided by statute, a portion of license fees are returned to municipalities. Rates have not changed since 1991, but some license renewal fees were waived in calendar 2021.

^^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 2022-23* were \$2.96 billion, an increase of 4.5% over the prior year. The compound annual growth rate (CAGR) between fiscal year 2018-19 and fiscal year 2022-23 is 4.3%.



*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. Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation. Differences between Finance and Merchandising report data are inconsequential.

FINE WINE &
GOOD SPIRITS
SALES HIGHLIGHTS

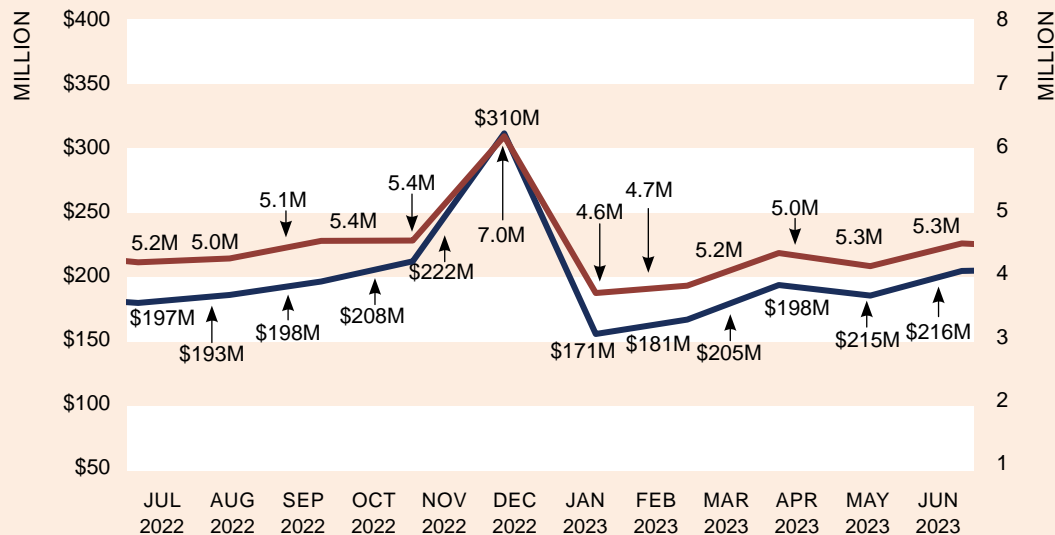
FISCAL YEAR DOLLAR SALES BY DEPARTMENT (IN MILLIONS)

| DEPARTMENT | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 | FY 2018-19 |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Regular Spirits | \$1,756.60 | \$1,663.54 | \$1,577.98 | \$1,273.46 | \$1,375.57 |
| Regular Wine | \$875.4 | \$870.3 | \$901.9 | \$871.6 | \$851.6 |
| Special Order | \$132.2 | \$116.2 | \$67.2 | \$91 | \$112.8 |
| Luxury Wine | \$79 | \$81.7 | \$74.6 | \$62.9 | \$70.7 |
| Chairman's Programs | \$62.8 | \$57.5 | \$68.7 | \$61.3 | \$71 |
| Luxury Spirits | \$32 | \$23.8 | \$18.6 | \$11.6 | \$13.8 |
| E-Commerce | \$14.5 | \$13.5 | \$16.8 | \$26.8 | \$5 |
| Accessories | \$5.9 | \$5.5 | \$4.6 | \$3.6 | \$3.6 |
| TOTAL | \$2,958.50 | \$2,832.12 | \$2,730.36 | \$2,402.33 | \$2,504.11 |

*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. Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation. Differences between Finance and Merchandising report data are inconsequential.

CALENDAR MONTH DOLLAR SALES AND TRANSACTION COUNT*

December had 12.3% of yearly dollar sales, followed by November with 8.8%.



*Sales data excludes 18% liquor tax and sales tax.

SALES AT RETAIL VERSUS SALES TO LICENSEES

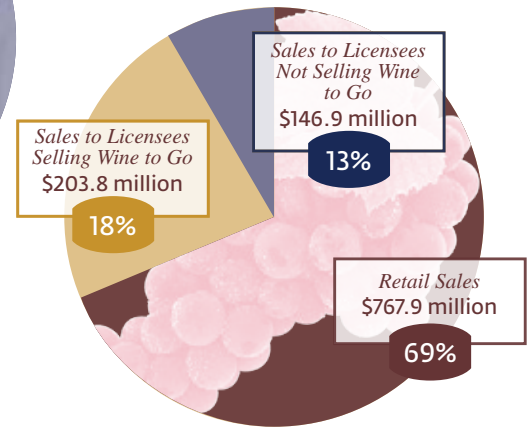
Of total sales, 74% occurred at retail, while 26% were made to licensees. For spirits, 78% of sales were retail sales to individual consumers, while 22% of sales were to licensees. Sixty-nine percent of wine sales were retail sales, while 31% of sales were to licensees, including those selling wine to go.

TOTAL LICENSEE AND RETAIL DOLLAR SALES FY 2022-23

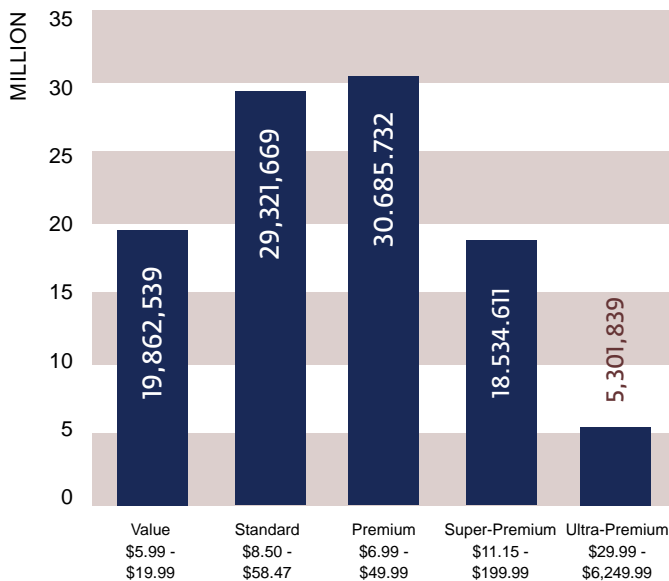
SPIRITS LICENSEE AND RETAIL DOLLAR SALES FY 2022-23



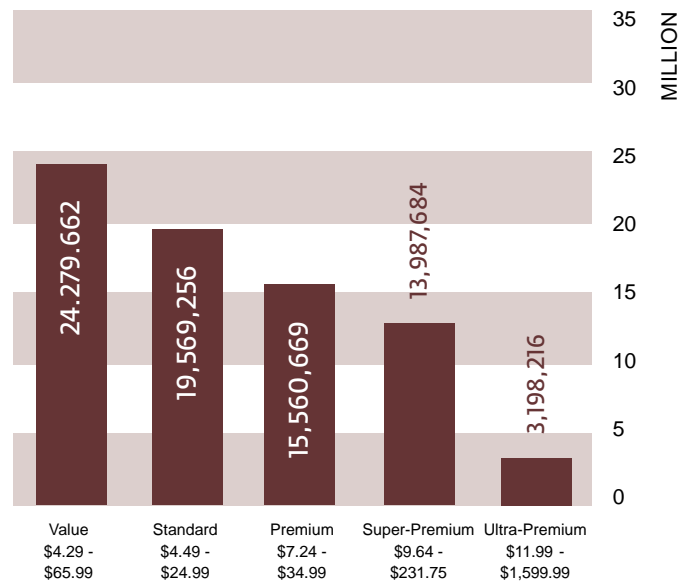
WINE LICENSEE AND RETAIL DOLLAR SALES FY 2022-23



SPIRITS UNITS SOLD BY PRICE SEGMENT FY 2022-23



WINE UNITS SOLD BY PRICE SEGMENT FY 2022-23



COUNTY SHARES AND PERCENTAGE CHANGE BASED ON DOLLAR SALES*

The top three counties – Allegheny, Philadelphia and Montgomery – accounted for 35% of statewide sales. Clinton (11.4%), Juniata (9.8%) and McKean (9.4%) counties had the largest percentage increases over the prior year.

| RANK | COUNTY | FY 2022-23 Dollar Sales | FY 2021-22 Dollar Sales | FY 2022-23 County Share | % Change | RANK | COUNTY | FY 2022-23 Dollar Sales | FY 2021-22 Dollar Sales | FY 2022-23 County Share | % Change |
|------|--------------|----------------------------|----------------------------|----------------------------|-------------|------|---------------------|----------------------------|----------------------------|----------------------------|-------------|
| 1 | Allegheny | \$352,297,559 | \$348,946,310 | 13.91% | 0.96% | 35 | Indiana | \$9,699,654 | \$9,298,047 | 0.38% | 4.32% |
| 2 | Philadelphia | \$282,855,156 | \$267,531,996 | 11.16% | 5.73% | 36 | Columbia | \$9,687,369 | \$9,453,426 | 0.38% | 2.47% |
| 3 | Montgomery | \$250,917,109 | \$239,981,301 | 9.90% | 4.56% | 37 | Pike | \$8,798,596 | \$8,819,788 | 0.35% | -0.24% |
| 4 | Bucks | \$173,351,871 | \$168,085,413 | 6.84% | 3.13% | 38 | Adams | \$7,880,912 | \$7,427,396 | 0.31% | 6.11% |
| 5 | Chester | \$128,664,808 | \$123,876,646 | 5.08% | 3.87% | 39 | Union | \$7,414,284 | \$7,229,848 | 0.29% | 2.55% |
| 6 | Delaware | \$102,543,212 | \$96,567,670 | 4.05% | 6.19% | 40 | Northumber- land | \$7,353,475 | \$7,125,961 | 0.29% | 3.19% |
| 7 | Lehigh | \$92,309,029 | \$89,641,340 | 3.64% | 2.98% | 41 | Carbon | \$6,705,718 | \$6,487,177 | 0.26% | 3.37% |
| 8 | Lancaster | \$81,411,066 | \$78,404,238 | 3.21% | 3.84% | 42 | Bradford | \$6,649,067 | \$6,211,628 | 0.26% | 7.04% |
| 9 | Westmoreland | \$73,697,167 | \$72,398,897 | 2.91% | 1.79% | 43 | Somerset | \$6,186,578 | \$5,940,814 | 0.24% | 4.14% |
| 10 | York | \$73,414,449 | \$70,638,452 | 2.90% | 3.93% | 44 | Venango | \$5,532,504 | \$5,370,828 | 0.22% | 3.01% |
| 11 | Berks | \$69,285,871 | \$66,675,320 | 2.73% | 3.92% | 45 | McKean | \$5,287,273 | \$4,834,421 | 0.21% | 9.37% |
| 12 | Luzerne | \$61,056,437 | \$59,089,914 | 2.41% | 3.33% | 46 | Armstrong | \$5,036,627 | \$4,776,175 | 0.20% | 5.45% |
| 13 | Cumberland | \$58,005,101 | \$56,077,270 | 2.29% | 3.44% | 47 | Snyder | \$4,803,562 | \$4,612,077 | 0.19% | 4.15% |
| 14 | Erie | \$57,233,958 | \$55,653,242 | 2.26% | 2.84% | 48 | Tioga | \$4,542,994 | \$4,291,265 | 0.18% | 5.87% |
| 15 | Dauphin | \$57,222,135 | \$55,901,926 | 2.26% | 2.36% | 49 | Bedford | \$4,499,568 | \$4,360,856 | 0.18% | 3.18% |
| 16 | Northampton | \$53,146,353 | \$50,941,906 | 2.10% | 4.33% | 50 | Clarion | \$4,475,719 | \$4,222,154 | 0.18% | 6.01% |
| 17 | Lackawanna | \$49,960,520 | \$48,187,100 | 1.97% | 3.68% | 51 | Warren | \$4,406,609 | \$4,264,384 | 0.17% | 3.34% |
| 18 | Butler | \$46,107,054 | \$43,870,006 | 1.82% | 5.10% | 52 | Mifflin | \$4,137,783 | \$3,922,852 | 0.16% | 5.48% |
| 19 | Monroe | \$43,909,706 | \$42,490,562 | 1.73% | 3.34% | 53 | Clinton | \$3,947,322 | \$3,544,657 | 0.16% | 11.36% |
| 20 | Washington | \$34,361,587 | \$33,051,366 | 1.36% | 3.96% | 54 | Huntingdon | \$3,723,626 | \$3,508,525 | 0.15% | 6.13% |
| 21 | Centre | \$30,576,525 | \$30,315,521 | 1.21% | 0.86% | 55 | Montour | \$3,686,833 | \$3,572,495 | 0.15% | 3.20% |
| 22 | Beaver | \$25,508,515 | \$24,760,634 | 1.01% | 3.02% | 56 | Wyoming | \$3,504,778 | \$3,444,321 | 0.14% | 1.76% |
| 23 | Lycoming | \$20,108,435 | \$19,663,930 | 0.79% | 2.26% | 57 | Elk | \$3,216,528 | \$3,047,530 | 0.13% | 5.55% |
| 24 | Blair | \$18,164,845 | \$17,592,382 | 0.72% | 3.25% | 58 | Susquehanna | \$3,153,735 | \$2,980,843 | 0.12% | 5.80% |
| 25 | Mercer | \$18,105,807 | \$17,769,704 | 0.71% | 1.89% | 59 | Greene | \$3,091,681 | \$2,912,005 | 0.12% | 6.17% |
| 26 | Cambria | \$17,944,033 | \$17,481,296 | 0.71% | 2.65% | 60 | Jefferson | \$3,053,906 | \$2,993,507 | 0.12% | 2.02% |
| 27 | Lebanon | \$16,760,106 | \$16,079,376 | 0.66% | 4.23% | 61 | Perry | \$2,621,524 | \$2,448,356 | 0.10% | 7.07% |
| 28 | Franklin | \$16,625,124 | \$15,632,375 | 0.66% | 6.35% | 62 | Juniata | \$1,380,336 | \$1,257,289 | 0.05% | 9.79% |
| 29 | Wayne | \$16,087,775 | \$15,686,228 | 0.63% | 2.56% | 63 | Forest | \$1,153,904 | \$1,095,358 | 0.05% | 5.34% |
| 30 | Schuylkill | \$15,934,323 | \$15,332,715 | 0.63% | 3.92% | 64 | Fulton | \$805,714 | \$799,118 | 0.03% | 0.83% |
| 31 | Fayette | \$15,029,686 | \$14,457,193 | 0.59% | 3.96% | 65 | Sullivan | \$662,049 | \$635,773 | 0.03% | 4.13% |
| 32 | Lawrence | \$11,882,926 | \$11,551,591 | 0.47% | 2.87% | 66 | Cameron | \$545,991 | \$507,662 | 0.02% | 7.55% |
| 33 | Crawford | \$11,034,064 | \$10,769,178 | 0.44% | 2.46% | 67 | Potter | \$531,094 | \$1,148,209 | 0.02% | -53.75% |
| 34 | Clearfield | \$9,875,100 | \$9,517,704 | 0.39% | 3.76% | | | | | | |

*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 2022-23

In all 67 counties, whiskey ranked as the top share of sales. Vodka had the second-highest share of sales in 63 counties, while red table wine ranked as the second-highest share of sales in Bucks, Chester and Montgomery counties. Tequila ranked second-highest in Philadelphia.

| | BEVERAGE WINE | BOX WINE | BRANDY/ COGNAC | GIN | LIQUEUR/ CORDIALS | READY-TO-DRINK | RED TABLE WINE |
|----------------|------------------|--------------|-------------------|-------------|----------------------|----------------|----------------|
| Adams | \$62,306 | \$343,625 | \$116,384 | \$179,321 | \$530,582 | \$207,967 | \$927,423 |
| Allegheny | \$3,549,795 | \$14,469,848 | \$13,337,209 | \$7,494,996 | \$16,030,752 | \$9,980,583 | \$49,821,351 |
| Armstrong | \$103,352 | \$214,118 | \$54,541 | \$81,680 | \$354,837 | \$136,589 | \$309,638 |
| Beaver | \$343,149 | \$1,095,868 | \$930,278 | \$412,439 | \$1,299,782 | \$660,859 | \$2,041,265 |
| Bedford | \$81,809 | \$192,782 | \$75,309 | \$80,603 | \$334,200 | \$112,521 | \$421,258 |
| Berks | \$905,279 | \$3,036,111 | \$3,230,030 | \$1,421,631 | \$4,093,928 | \$2,090,220 | \$6,487,827 |
| Blair | \$284,725 | \$729,762 | \$418,954 | \$321,743 | \$1,473,709 | \$443,234 | \$1,574,389 |
| Bradford | \$113,002 | \$397,384 | \$129,994 | \$143,562 | \$530,674 | \$187,920 | \$481,489 |
| Bucks | \$1,375,237 | \$7,340,682 | \$3,650,951 | \$3,637,783 | \$7,914,275 | \$8,112,095 | \$27,542,859 |
| Butler | \$437,993 | \$2,094,727 | \$463,461 | \$865,119 | \$2,507,592 | \$1,430,566 | \$6,437,986 |
| Cambria | \$394,556 | \$814,828 | \$623,954 | \$293,545 | \$1,312,205 | \$456,148 | \$1,270,220 |
| Cameron | \$9,327 | \$16,588 | \$10,632 | \$9,128 | \$49,624 | \$11,544 | \$48,785 |
| Carbon | \$93,244 | \$325,985 | \$181,614 | \$122,758 | \$539,184 | \$182,148 | \$508,609 |
| Centre | \$225,479 | \$1,346,669 | \$491,317 | \$867,594 | \$1,847,643 | \$1,054,812 | \$3,792,683 |
| Chester | \$718,768 | \$5,465,522 | \$2,369,996 | \$2,929,759 | \$5,038,781 | \$6,484,001 | \$21,883,312 |
| Clarion | \$80,385 | \$173,779 | \$93,427 | \$73,297 | \$355,074 | \$137,179 | \$348,764 |
| Clearfield | \$178,554 | \$431,947 | \$249,454 | \$171,966 | \$797,620 | \$256,584 | \$796,161 |
| Clinton | \$69,199 | \$143,820 | \$95,509 | \$72,841 | \$352,572 | \$112,416 | \$206,363 |
| Columbia | \$158,141 | \$430,554 | \$225,221 | \$196,340 | \$697,980 | \$297,703 | \$780,404 |
| Crawford | \$162,791 | \$514,099 | \$251,008 | \$235,208 | \$725,778 | \$247,832 | \$884,220 |
| Cumberland | \$565,068 | \$2,551,133 | \$1,553,722 | \$1,263,565 | \$3,295,736 | \$1,531,869 | \$6,838,170 |
| Dauphin | \$749,763 | \$2,167,733 | \$4,880,705 | \$1,191,616 | \$3,142,440 | \$1,389,308 | \$5,245,388 |
| Delaware | \$1,132,407 | \$3,604,907 | \$6,497,399 | \$2,059,917 | \$3,919,994 | \$5,476,488 | \$14,182,760 |
| Elk | \$65,628 | \$130,281 | \$63,457 | \$61,808 | \$288,947 | \$112,701 | \$225,932 |
| Erie | \$708,780 | \$2,455,889 | \$2,764,048 | \$1,073,999 | \$3,158,039 | \$1,398,598 | \$4,907,869 |
| Fayette | \$317,443 | \$487,120 | \$537,496 | \$234,031 | \$909,009 | \$332,165 | \$1,262,941 |
| Forest | \$16,406 | \$42,124 | \$15,962 | \$16,817 | \$75,762 | \$23,552 | \$60,401 |
| Franklin | \$220,786 | \$724,540 | \$574,124 | \$299,203 | \$1,189,425 | \$426,253 | \$1,406,326 |
| Fulton | \$13,082 | \$40,543 | \$24,513 | \$18,583 | \$75,721 | \$17,010 | \$40,759 |
| Greene | \$62,930 | \$113,128 | \$51,801 | \$31,201 | \$202,637 | \$88,113 | \$171,136 |
| Huntingdon | \$63,551 | \$157,674 | \$101,094 | \$76,737 | \$264,323 | \$98,384 | \$196,125 |
| Indiana | \$210,348 | \$399,610 | \$182,952 | \$148,530 | \$639,923 | \$232,870 | \$929,407 |
| Jefferson | \$55,015 | \$125,978 | \$63,300 | \$45,869 | \$270,026 | \$75,104 | \$210,588 |
| Juniata | \$18,262 | \$65,638 | \$37,660 | \$22,388 | \$122,349 | \$30,453 | \$82,139 |
| Lackawanna | \$705,524 | \$2,468,872 | \$2,026,813 | \$992,212 | \$3,075,156 | \$1,847,005 | \$5,839,222 |
| Lancaster | \$879,567 | \$4,248,222 | \$3,131,691 | \$1,976,841 | \$4,748,153 | \$2,718,132 | \$8,573,718 |
| Lawrence | \$200,718 | \$404,466 | \$502,066 | \$166,854 | \$659,570 | \$347,100 | \$1,003,371 |
| Lebanon | \$237,784 | \$847,555 | \$734,915 | \$355,555 | \$1,137,385 | \$477,661 | \$1,251,843 |
| Lehigh | \$929,151 | \$3,671,991 | \$5,133,946 | \$2,015,344 | \$4,809,785 | \$2,545,367 | \$11,230,688 |
| Luzerne | \$1,069,169 | \$2,912,680 | \$3,190,091 | \$1,011,949 | \$3,726,280 | \$1,843,249 | \$5,771,735 |
| Lycoming | \$274,730 | \$857,479 | \$713,161 | \$432,340 | \$1,451,114 | \$439,247 | \$1,463,299 |
| McKean | \$92,613 | \$241,894 | \$103,273 | \$78,392 | \$429,639 | \$148,057 | \$405,808 |
| Mercer | \$283,614 | \$686,855 | \$719,269 | \$349,392 | \$1,141,852 | \$397,324 | \$1,386,810 |
| Mifflin | \$52,592 | \$187,582 | \$105,515 | \$78,851 | \$474,834 | \$100,529 | \$190,021 |
| Monroe | \$576,103 | \$1,948,588 | \$2,410,722 | \$754,984 | \$2,427,215 | \$1,483,319 | \$4,962,303 |
| Montgomery | \$2,092,702 | \$9,415,367 | \$9,693,049 | \$5,565,317 | \$10,316,299 | \$11,766,691 | \$37,369,326 |
| Montour | \$45,265 | \$196,295 | \$56,860 | \$93,876 | \$243,820 | \$95,758 | \$344,044 |
| Northampton | \$628,431 | \$2,705,387 | \$1,957,458 | \$1,135,243 | \$3,010,092 | \$1,831,503 | \$6,238,386 |
| Northumberland | \$176,734 | \$347,461 | \$296,219 | \$132,062 | \$619,295 | \$198,624 | \$352,699 |
| Perry | \$33,113 | \$137,136 | \$54,738 | \$49,060 | \$227,006 | \$64,048 | \$125,660 |
| Philadelphia | \$4,860,161 | \$7,425,952 | \$39,176,673 | \$5,810,635 | \$10,833,352 | \$10,456,464 | \$25,004,967 |
| Pike | \$81,772 | \$485,877 | \$170,401 | \$184,392 | \$472,347 | \$257,449 | \$1,277,740 |
| Potter | \$11,439 | \$19,674 | \$8,079 | \$13,643 | \$42,019 | \$10,089 | \$42,207 |
| Schuylkill | \$324,079 | \$870,163 | \$499,412 | \$317,874 | \$1,187,014 | \$518,980 | \$1,264,573 |
| Snyder | \$76,427 | \$170,640 | \$92,966 | \$118,553 | \$386,298 | \$159,148 | \$417,327 |
| Somerset | \$128,900 | \$273,260 | \$93,100 | \$93,209 | \$460,272 | \$148,744 | \$507,458 |
| Sullivan | \$11,776 | \$40,718 | \$19,691 | \$13,621 | \$47,797 | \$15,437 | \$62,235 |
| Susquehanna | \$57,639 | \$207,963 | \$64,372 | \$61,959 | \$224,744 | \$88,182 | \$313,326 |
| Tioga | \$85,227 | \$255,477 | \$70,198 | \$117,742 | \$347,918 | \$138,918 | \$352,550 |
| Union | \$78,035 | \$322,279 | \$125,617 | \$193,272 | \$469,729 | \$265,853 | \$759,708 |
| Venango | \$105,542 | \$268,456 | \$106,964 | \$103,855 | \$402,525 | \$153,745 | \$372,430 |
| Warren | \$65,422 | \$249,676 | \$71,510 | \$96,300 | \$304,040 | \$97,356 | \$293,902 |
| Washington | \$380,470 | \$1,508,190 | \$745,509 | \$551,671 | \$1,757,656 | \$983,548 | \$4,188,594 |
| Wayne | \$181,404 | \$920,502 | \$233,723 | \$365,922 | \$979,996 | \$568,201 | \$2,259,782 |
| Westmoreland | \$1,146,450 | \$3,527,883 | \$1,265,780 | \$1,308,637 | \$4,170,911 | \$1,973,663 | \$8,169,173 |
| Wyoming | \$61,066 | \$217,999 | \$61,161 | \$83,456 | \$281,099 | \$115,766 | \$332,338 |
| York | \$856,971 | \$3,094,993 | \$3,324,567 | \$1,443,349 | \$4,796,946 | \$1,920,382 | \$6,204,281 |

FINE WINE &
GOOD SPIRITS
SALES HIGHLIGHTS

| ROSÉ/BLUSH | RUM | SPARKLING | TEQUILA | VODKA | WHISKEY | WHITE TABLE WINE |
|-------------|--------------|--------------|--------------|--------------|--------------|---------------------|
| \$109,391 | \$497,262 | \$233,428 | \$396,644 | \$1,118,068 | \$2,193,424 | \$801,255 |
| \$5,537,983 | \$14,889,494 | \$14,660,489 | \$32,602,952 | \$51,050,941 | \$76,257,452 | \$34,892,725 |
| \$57,157 | \$469,544 | \$102,934 | \$179,063 | \$906,692 | \$1,669,043 | \$297,332 |
| \$271,009 | \$1,651,799 | \$551,744 | \$2,152,163 | \$4,628,290 | \$7,587,888 | \$1,463,752 |
| \$63,326 | \$380,760 | \$138,913 | \$137,562 | \$619,973 | \$1,452,583 | \$308,789 |
| \$981,940 | \$4,914,505 | \$2,094,014 | \$5,245,687 | \$11,119,899 | \$17,197,419 | \$4,990,711 |
| \$264,572 | \$1,574,499 | \$454,757 | \$786,393 | \$3,043,210 | \$5,256,236 | \$1,164,584 |
| \$74,207 | \$658,400 | \$101,543 | \$187,157 | \$1,057,131 | \$1,996,677 | \$471,926 |
| \$3,107,430 | \$6,219,851 | \$7,682,737 | \$9,990,308 | \$26,984,577 | \$34,490,665 | \$21,857,423 |
| \$618,737 | \$2,589,565 | \$1,672,062 | \$2,397,595 | \$7,282,143 | \$12,157,838 | \$4,291,446 |
| \$261,304 | \$1,580,872 | \$400,925 | \$766,488 | \$3,109,568 | \$5,203,721 | \$1,039,309 |
| \$5,855 | \$65,640 | \$7,646 | \$15,444 | \$76,612 | \$181,683 | \$25,532 |
| \$96,045 | \$517,944 | \$155,107 | \$245,597 | \$1,347,751 | \$1,753,637 | \$490,024 |
| \$435,708 | \$1,831,092 | \$1,271,193 | \$1,748,186 | \$4,811,944 | \$7,152,157 | \$2,946,089 |
| \$2,529,133 | \$4,006,475 | \$6,205,881 | \$7,471,211 | \$18,424,739 | \$24,499,669 | \$18,090,789 |
| \$55,737 | \$470,728 | \$86,706 | \$147,878 | \$704,499 | \$1,388,878 | \$249,311 |
| \$126,939 | \$891,312 | \$212,068 | \$281,969 | \$1,580,058 | \$3,092,418 | \$569,349 |
| \$39,709 | \$443,873 | \$71,899 | \$138,642 | \$712,329 | \$1,220,402 | \$192,231 |
| \$134,331 | \$881,764 | \$233,311 | \$406,255 | \$1,753,837 | \$2,565,047 | \$721,297 |
| \$146,890 | \$964,429 | \$199,133 | \$411,282 | \$1,851,059 | \$3,483,488 | \$741,211 |
| \$849,667 | \$3,372,019 | \$1,990,379 | \$3,127,600 | \$9,311,709 | \$15,113,003 | \$5,434,546 |
| \$748,109 | \$3,389,684 | \$1,682,989 | \$4,179,571 | \$9,237,306 | \$13,748,382 | \$4,109,459 |
| \$2,078,192 | \$3,641,631 | \$4,264,952 | \$8,494,940 | \$15,567,584 | \$17,576,561 | \$11,585,335 |
| \$44,223 | \$355,859 | \$79,439 | \$96,039 | \$472,695 | \$982,644 | \$163,666 |
| \$874,889 | \$4,030,965 | \$1,483,876 | \$5,078,559 | \$9,746,241 | \$14,345,510 | \$4,085,299 |
| \$191,903 | \$1,008,299 | \$504,999 | \$919,536 | \$2,617,685 | \$4,402,739 | \$1,005,468 |
| \$9,338 | \$115,787 | \$12,094 | \$28,518 | \$192,614 | \$472,179 | \$52,216 |
| \$215,120 | \$1,369,386 | \$354,679 | \$909,998 | \$2,602,767 | \$4,841,291 | \$1,130,621 |
| \$7,152 | \$90,177 | \$11,212 | \$23,999 | \$126,157 | \$265,562 | \$36,609 |
| \$32,747 | \$253,828 | \$43,259 | \$107,251 | \$558,039 | \$1,189,206 | \$140,457 |
| \$40,276 | \$409,022 | \$55,534 | \$91,168 | \$689,574 | \$1,203,157 | \$203,356 |
| \$121,910 | \$842,412 | \$249,127 | \$449,724 | \$1,569,262 | \$2,903,371 | \$616,861 |
| \$33,281 | \$315,906 | \$46,166 | \$80,456 | \$544,613 | \$996,524 | \$128,433 |
| \$16,954 | \$131,586 | \$20,331 | \$44,077 | \$233,295 | \$460,219 | \$64,828 |
| \$729,147 | \$2,307,730 | \$1,624,454 | \$2,676,762 | \$8,905,277 | \$10,938,191 | \$4,656,175 |
| \$1,227,297 | \$5,184,801 | \$2,674,862 | \$4,149,580 | \$13,072,858 | \$20,183,856 | \$6,962,669 |
| \$140,102 | \$750,051 | \$284,609 | \$940,128 | \$2,114,042 | \$3,552,284 | \$611,363 |
| \$223,569 | \$1,460,533 | \$394,625 | \$881,249 | \$2,728,533 | \$4,603,543 | \$1,096,843 |
| \$1,455,482 | \$4,828,371 | \$3,393,249 | \$7,016,199 | \$13,963,662 | \$21,198,366 | \$8,203,296 |
| \$973,546 | \$3,161,393 | \$1,800,759 | \$4,013,509 | \$10,286,675 | \$15,341,067 | \$4,511,530 |
| \$212,618 | \$1,829,107 | \$494,027 | \$931,568 | \$3,550,353 | \$5,770,275 | \$1,344,676 |
| \$63,950 | \$515,550 | \$98,535 | \$169,554 | \$855,711 | \$1,642,780 | \$346,128 |
| \$214,475 | \$1,261,107 | \$416,809 | \$1,501,988 | \$3,026,674 | \$5,243,149 | \$1,120,159 |
| \$43,882 | \$467,530 | \$66,688 | \$120,898 | \$650,149 | \$1,327,951 | \$192,794 |
| \$704,762 | \$2,371,693 | \$1,650,549 | \$3,528,499 | \$7,474,884 | \$9,086,019 | \$3,521,399 |
| \$4,811,321 | \$8,777,515 | \$11,718,312 | \$20,096,533 | \$36,500,740 | \$47,311,007 | \$29,750,542 |
| \$51,563 | \$292,916 | \$109,285 | \$124,848 | \$582,536 | \$1,065,531 | \$308,286 |
| \$798,804 | \$2,942,537 | \$1,635,099 | \$2,924,246 | \$9,448,977 | \$12,306,100 | \$4,536,332 |
| \$97,612 | \$912,380 | \$114,994 | \$224,743 | \$1,296,306 | \$2,048,455 | \$360,735 |
| \$27,545 | \$299,061 | \$41,419 | \$59,307 | \$473,948 | \$865,527 | \$113,044 |
| \$4,981,763 | \$11,758,883 | \$12,350,684 | \$41,250,990 | \$37,348,178 | \$44,197,402 | \$17,878,004 |
| \$171,531 | \$397,196 | \$305,711 | \$461,077 | \$1,473,733 | \$1,918,247 | \$956,072 |
| \$9,375 | \$47,097 | \$6,630 | \$10,979 | \$76,348 | \$185,489 | \$33,261 |
| \$259,734 | \$1,362,388 | \$399,348 | \$605,288 | \$2,691,483 | \$4,078,784 | \$1,142,389 |
| \$61,459 | \$473,673 | \$130,750 | \$202,204 | \$769,700 | \$1,288,247 | \$356,904 |
| \$98,230 | \$582,465 | \$126,367 | \$180,707 | \$1,020,618 | \$1,955,206 | \$384,511 |
| \$7,878 | \$44,678 | \$12,303 | \$12,168 | \$99,402 | \$212,732 | \$49,506 |
| \$52,265 | \$197,964 | \$68,669 | \$131,715 | \$518,006 | \$834,435 | \$271,121 |
| \$62,162 | \$412,758 | \$73,466 | \$99,475 | \$667,498 | \$1,458,832 | \$317,509 |
| \$118,560 | \$498,698 | \$291,599 | \$325,282 | \$1,147,269 | \$1,881,657 | \$755,465 |
| \$78,261 | \$522,962 | \$97,052 | \$179,283 | \$917,959 | \$1,768,011 | \$351,400 |
| \$48,179 | \$478,051 | \$68,201 | \$100,615 | \$773,908 | \$1,428,105 | \$258,975 |
| \$470,511 | \$2,026,124 | \$1,133,669 | \$1,726,392 | \$5,764,626 | \$9,502,378 | \$3,033,157 |
| \$266,973 | \$769,080 | \$500,773 | \$701,374 | \$2,670,125 | \$3,506,620 | \$1,835,810 |
| \$1,085,031 | \$4,676,991 | \$2,231,335 | \$3,849,550 | \$12,524,609 | \$20,352,751 | \$6,053,596 |
| \$47,306 | \$237,718 | \$78,747 | \$113,826 | \$583,393 | \$969,949 | \$245,203 |
| \$922,442 | \$5,917,429 | \$1,968,694 | \$4,077,519 | \$12,526,085 | \$19,860,313 | \$4,932,726 |

LEGISLATIVE SYNOPSIS

In fiscal year 2022-23, one new law impacting the Liquor Code was enacted.

Act 67 of 2022. Signed by Governor Tom Wolf on July 11, 2022, Act 67 made changes regarding contract brewing and alternating proprietorship arrangements and expanded an exception to the amplified sound restrictions in the Liquor Code.

Act 67 continues to allow malt or brewed beverages produced by a brewery at the brewery's location in Pennsylvania, or under a contract brewing or alternating proprietorship arrangement with an in-state manufacturer in Pennsylvania, to be sold by the brewery to non-licensees for on-premises or off-premises consumption and to licensees who can resell such products. However, malt or brewed beverages produced for a brewery under a contract brewing or alternating proprietorship arrangement with an out-of-state manufacturer may only be distributed through the three-tier system (manufacturers, wholesalers and retailers). An exception was created that allows a brewery with a contract brewing agreement with an out-of-state manufacturer that was effective prior to July 11, 2022, to continue to sell malt or brewed beverages produced under the agreement to non-licensees

for on-premises and off-premises consumption at its primary location and brewery storage locations. If a brewery that has a contract brewing agreement with an out-of-state manufacturer adds a new brewery storage location after July 11, 2022, then it may only distribute the malt or brewed beverages produced out of state through the three-tier system.

Act 67 also expands the amplified sound exception in the Liquor Code to allow the holders of any license in Class 2A through Class 8 counties (all counties except Philadelphia and Allegheny), rather than just limited winery licensees, to use amplified sound at the establishment so long as the sound does not exceed 75 decibels beyond the licensee's property line. This exception only applies from 10 a.m. to 9 p.m. on Sundays through Thursdays, and from 10 a.m. to midnight on Fridays and Saturdays. Additionally, Act 67 reduced the minimum number of adjudicated noise citations that could form the sole basis for an objection to a licensee's renewal application from six to three.

Complete summaries of the legislative changes enacted in fiscal year 2022-23 and prior fiscal years can be accessed at lcb.pa.gov by selecting "Legislative Updates" under the "Legal" menu.

The following regulations were promulgated during fiscal year 2022-23:

Limited Wineries

Effective July 23, 2022
40 Pa. Code §§ 5.401-5.409

The PLCB amended its regulations for limited wineries by consolidating regulations from three different chapters to a single subchapter. In addition, these regulations were updated to be consistent with various legislative changes that have been made over the past several years.

Among other things, the regulations provide direction for limited wineries that are selling alcoholic cider, fermented fruit beverages and mead, which are defined as "malt or brewed beverages" under section 102 of the Liquor Code. In the Liquor Code, malt or brewed beverages are treated differently than wine.

The regulations alert limited wineries to the fact that malt or brewed beverages are subject to the brand registration requirements and distribution provisions set forth in the Liquor Code. The regulations advise that a limited winery can sell malt or brewed beverages to importing distributors, distributors

or other licensees authorized to sell, possess or store malt or brewed beverages, but the limited winery cannot sell wine or wine coolers to those same types of entities.

If the limited winery licensee sells malt or brewed beverages through a draft beer system, it must comply with regulations pertaining to the cleaning of malt or brewed beverage systems. In addition, if a limited winery chooses to sell wine or wine coolers through a wine dispensing system, it must comply with regulations relating to dispensing system sanitation.

Limited winery licensees must obtain a direct wine shipping license before shipping wine to consumers in the commonwealth. The regulations clarify that the delivery of alcoholic cider, fermented fruit beverages or mead, however, does not require a direct wine shipping license.

Promotion with Licensees

Effective Jan. 21, 2023
40 Pa. Code §§ 13.81 and 13.231

The PLCB amended its regulations regarding the practices of vendors and their agents when promoting a product with licensees, as well as the proper use of samples.

The regulations clarify that product used by vendors for promotion with licensees shall be purchased through the Board at the retail price plus any required taxes. The regulations state that vendors may only use product to give tastings and may not leave any bottle of product, whether opened or unopened, with a licensee. The regulations require the vendor's agent to affix onto each bottle of product a label reading: "For tastings only. Not to be sold. Possession of this bottle by licensee unlawful." This label must be affixed to the bottle before the agent may

promote the product with a licensee. Sample bottles may only be provided to unlicensed consumers.

The regulations also revise or eliminate out-of-date practices. The regulations no longer require a separate order to be placed for each agent or require a vendor to provide, upon request, information regarding the vendor's supervisor, territories or names of all agents under their supervision. Vendors are no longer required to keep a permanent stock ledger but shall keep records in hard copy or electronic media consistent with generally accepted accounting procedures for a period of at least two years.

OPERATIONS

Operations manages the day-to-day business and long-term planning for Fine Wine & Good Spirits (FW&GS) retail stores, licensee service centers (LSCs) and contracted third-party logistics providers.

The Bureau of Store Operations locates, leases, manages, staffs and maintains 572 FW&GS retail stores,¹³ LSCs, an e-commerce fulfillment center and related facilities across Pennsylvania. The Bureau of Distribution & Logistics manages the receipt, storage and distribution of products from a global supply chain through contracted distribution centers to PLCB facilities and licensees.

Store Operations

In fiscal year 2022-23, the PLCB's Bureau of Store Operations focused on initiatives to promote employee development and engagement, and to assess consumer satisfaction in line with the resumption of in-store tastings.

Totaling \$2.2 billion for fiscal year 2022-23, retail dollar sales increased 3.5% over the prior year, while unit sales increased 2.8% – from

138,342,938 in 2021-22 to 142,192,530 in 2022-23.

Expanding upon the success of READY, a new customer service model for FW&GS retail employees introduced in 2021-22, the PLCB launched a third program phase targeted to store leadership in fiscal year 2022-23. The goal of READY – which stands for Responsibility and Results, Engagement, Available, Drive units to basket and why is

the customer leaving without a purchase? – is to provide FW&GS customers with an exceptional in-store shopping experience and staff interaction.



AS OF JUNE 30, 2023, THE AGENCY OPERATED 586 SALES FACILITIES

| | |
|---------------------------------------|---|
| 460 <i>Standard Stores</i> | 112 <i>Premium Collection Stores</i> |
| 13 <i>Licensee Service Centers</i> | 1 <i>E-Commerce Fulfillment Center</i> |

PLCB RETAIL OPERATIONS FIVE-YEAR SUMMARY

| | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 | FY 2018-19 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Units Sold* | 175.3 million | 169.9 million | 161.5 million | 143.8 million | 164.6 million |
| Average Retail Price per item** | \$15.81 | \$15.58 | \$15.67 | \$14.90 | \$14.51 |
| Wage % of Net Sales*** | 8.0% | 7.2% | 7.3% | 8.2% | 7.2% |

* 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 2022-23, see pages 106-120.

While the initial two program phases focused on fostering a customer-centric mindset and store culture through the provision of mandatory training and management techniques for employees and store managers, the third phase addresses the role of general and assistant managers as it relates to building positive store teams and shopping environments for FW&GS customers.

With a focus on floor supervision, coaching in the moment and zoning, phase three emphasizes the role of store leadership as it relates to employee development and operating a successful store by stressing the importance of planning and awareness in relation to talent development, operations and merchandising -

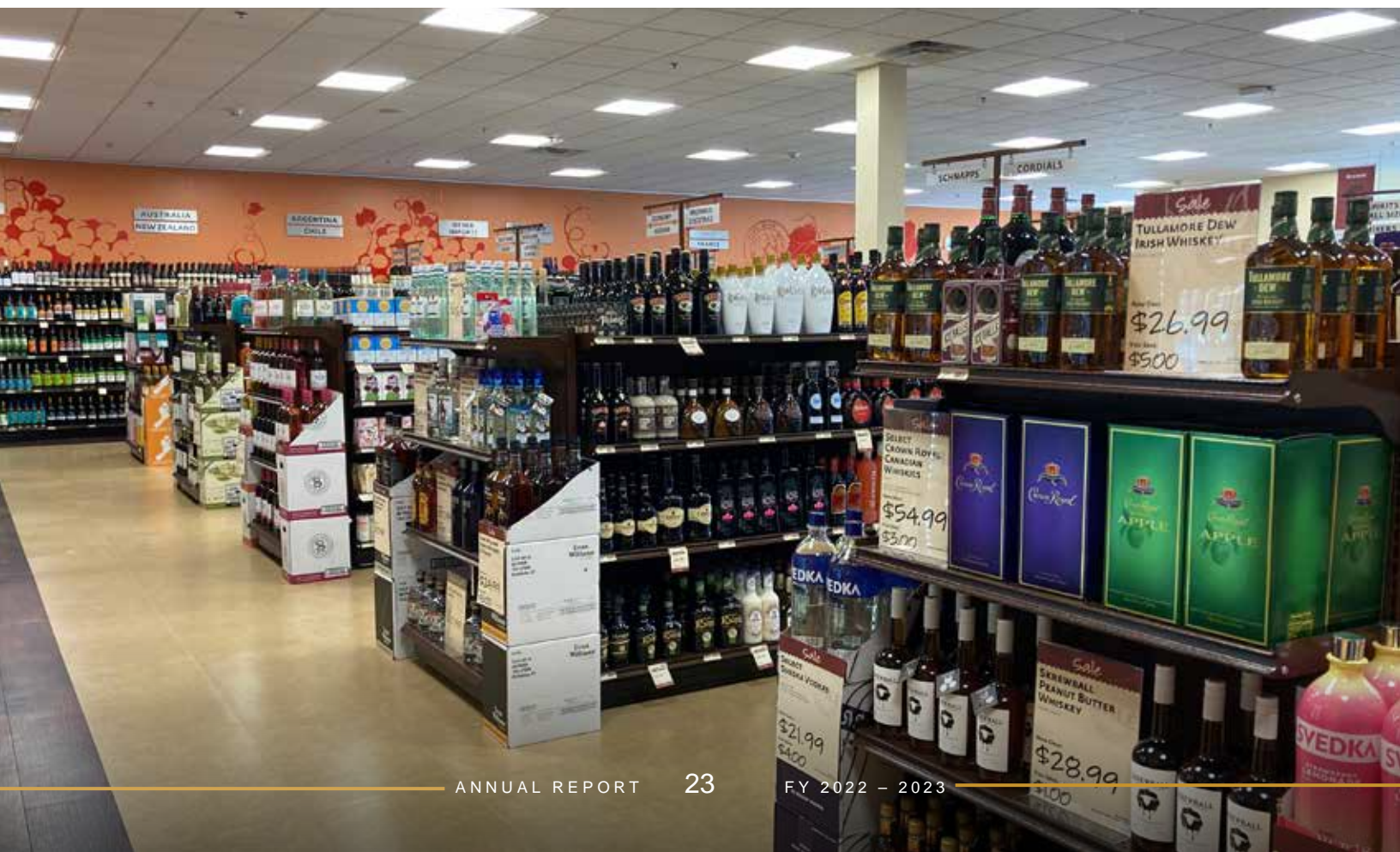
the three key areas of responsibility required for leaders to achieve this goal. In line with instruction on these key elements, participants are provided with targeted training on operational best practices, as well as leadership principles on how to conduct business with internal and external customers.

A collaboration between store operations and the Office of Talent Management and Organizational Development (TMOD) resulted in the introduction of Corked!, a new quarterly, interactive newsletter for retail employees. The publication engages employees in fun and meaningful ways through the provision of inspirational messaging, product information and tips.

Each issue features a themed message from the Director of Stores, along with sections on product

recommendations for FW&GS customers, product category highlights and a pronunciation clinic detailing key wine and spirits terminology for use in interacting with customers. To foster team interaction, Corked! includes a product question-and-answer game at the end of every issue for store teams to work together to solve.

In fiscal year 2022-23, Operations completed 35 projects: 32 store refreshes, and 3 remodeling/relocation projects.





New for 2022-23, an annual employee appreciation program was developed by store operations to recognize the hard work of FW&GS store teams. In early November, prior to the start of the busy holiday season, district managers delivered drinks and snacks to workers on the front lines to celebrate teamwork among employees and express their thanks.

To further support its retail workforce, the PLCB invested in upgraded breakrooms for all FW&GS stores, LSCs and the e-commerce fulfillment center in fiscal year 2022-23. The project, initiated to boost employee morale, well-being and productivity, provided new tables, chairs and microwaves for use during meals and breaks. Refreshed spaces also included the installation of lockers for employees to securely store personal belongings during shifts, as well as the addition of new corkboards in a centralized location for employees to easily access and view store announcements.

In 2022-23, the first full year of in-store wine and spirits tasting events since the COVID-19 pandemic, FW&GS employees hosted nearly 8,000 in-store tastings. In-store tastings by vendors for fiscal year 2022-23 totaled almost 14,000.

With the goal of optimizing in-store tasting events for customers, the PLCB conducted a survey of 140 FW&GS wine specialists and general managers to gauge their perception of the current level of consumer engagement and satisfaction with in-store tastings conducted by FW&GS employees.

The survey solicited feedback on the number of customers subscribed to receive email communication on upcoming in-store tastings, average event participation and overall satisfaction with the frequency of in-store tastings and the selection and number of wines being tasted.

While results indicated lower attendance of tastings by customers as compared to pre-pandemic

numbers, interest and attendance is continuing to increase, with feedback from consumers indicating that the tasting events have been positively received.

Distribution & Logistics

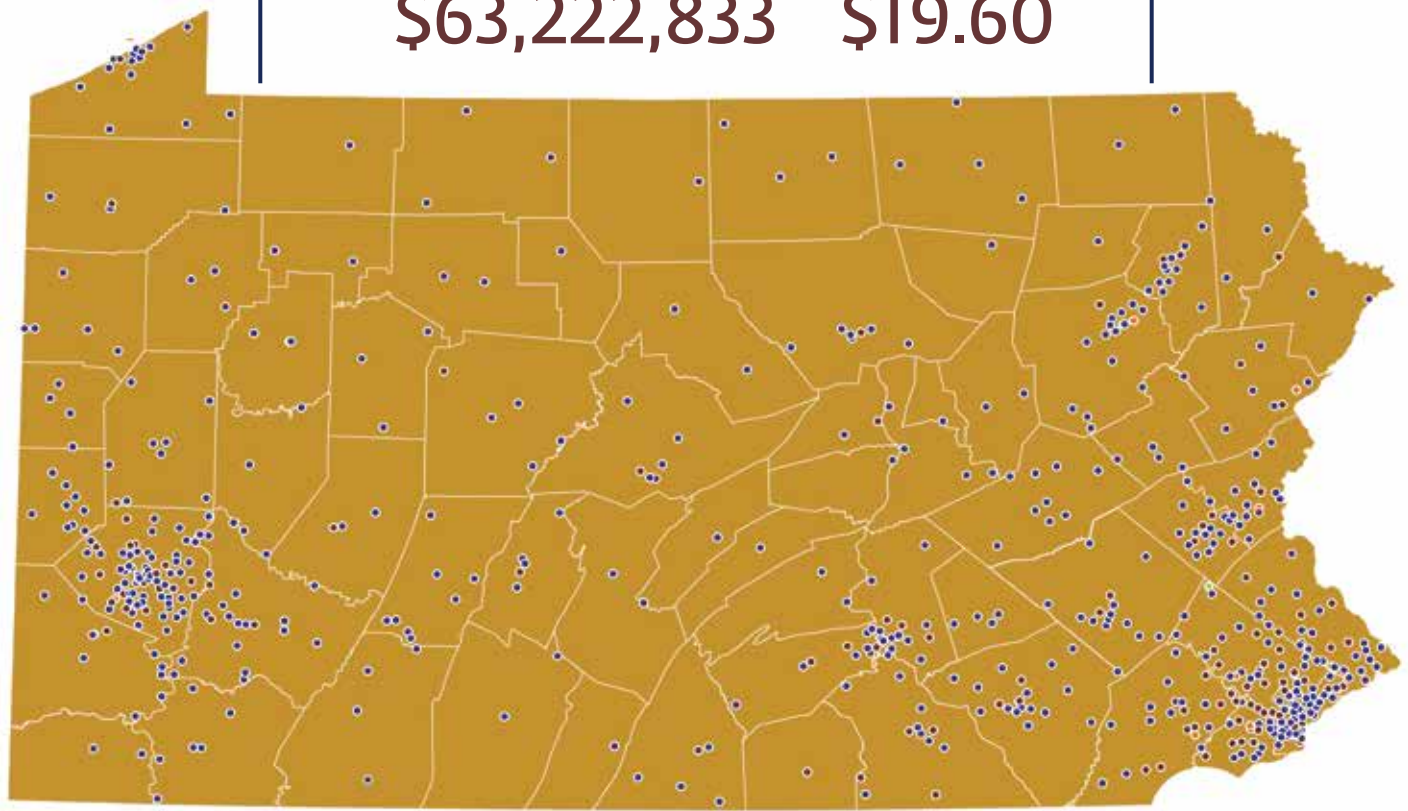
The PLCB's Bureau of Distribution & Logistics is responsible for keeping FW&GS stores and licensees in the Licensee Delivery Program (LDP) supplied with wine and spirits products.

In fiscal year 2022-23, the PLCB purchased \$1.75 billion of wine and spirits from more than 350 domestic and foreign suppliers – ranging from the largest producers to the smallest vineyards and distilleries – to support its product catalog of nearly 4,300 regularly listed items and 5,100 one-time buys. On average, the PLCB's two distribution facilities – located in Philadelphia and Pittsburgh – house more than 2.2 million cases of wine and spirits at any one time.

In fiscal year 2022-23, the PLCB's two distribution facilities shipped nearly 55,000 orders and 18.7 million cases of wine and spirits to nearly 600 FW&GS stores and LSCs, an e-commerce fulfillment center and 698 licensees enrolled in the LDP.

FINE WINE & GOOD SPIRITS STORE AND LICENSEE SERVICE CENTER LOCATIONS

| | | |
|-------------------------|-------------------------------|----------------------------------|
| <i>Statewide Stores</i> | <i>Square Feet</i> | <i>Avg. Store Size (sq. ft.)</i> |
| 586 | 3,226,158 | 5,505 |
| <i>Annual Rent*</i> | <i>Avg. Price Per Sq. Ft.</i> | |
| \$63,222,833 | \$19.60 | |



● Standard Stores — 460 ● Premium Collection Stores — 112 ● Licensee Service Centers — 13 ● E-Commerce Fulfillment Center — 1

REGION III

*Western Region
212 stores*

| | |
|---------------------------|--------------|
| Total Square Feet | 958,645 |
| Average Store Size | 4,522 |
| Annual Rent Paid | \$15,916,258 |
| Average Price per Sq. Ft. | \$16.60 |

REGION II

*Central Region
213 stores*

| | |
|---------------------------|--------------|
| Total Square Feet | 1,091,002 |
| Average Store Size | 5,122 |
| Annual Rent Paid | \$17,899,214 |
| Average Price per Sq. Ft. | \$16.41 |

REGION I

*Eastern Region
161 stores*

| | |
|---------------------------|--------------|
| Total Square Feet | 1,176,511 |
| Average Store Size | 7,308 |
| Annual Rent Paid | \$29,407,361 |
| Average Price per Sq. Ft. | \$25.00 |

*Annual rent is calculated using agreements as of June 30, 2023.

COMMUNICATIONS

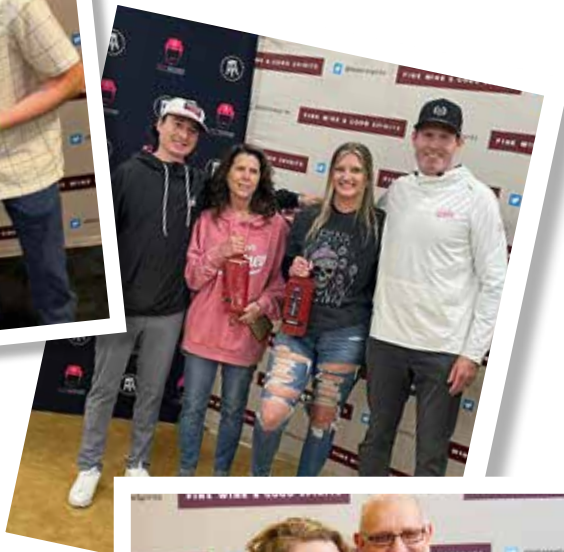
The Communications Office is responsible for media and public relations, Fine Wine & Good Spirits (FW&GS) retail marketing, events, customer service and FWGS.com. Marketing strives to build relationships with consumers through in-store communications, advertising, email marketing and social media, while the coordination and execution of a wide range of in-store and off-site events advance the FW&GS brand. Customer service handles questions and comments from FW&GS customers and PLCB stakeholders through a variety of methods, including telephone, email and chat.

Connecting with Customers

The PLCB hosted and participated in a variety of events throughout 2022-23. While events resumed on a limited basis in 2021-22, fiscal year 2022-23 marked the first full year of FW&GS events since the COVID-19 pandemic in 2020.



(Left) Award-winning actor Kurt Russell met fans and signed bottles of his GoGi Wines at TASTE! Philadelphia Festival of Food, Wine & Spirits at the Valley Forge Casino Resort in King of Prussia.



(Right) Barstool Sports producer Mike Grinnell (far left) and Ryan Whitney (far right), former pro hockey player and host 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 in Homestead.



World-class chef and fitness authority Robert Irvine welcomed fans and signed bottles of his Irvine Spirits gin and vodka at a Pittsburgh Premium Collection.

19

Celebrity bottle signings
High-profile stars, musicians
and athletes

5

Special tastings
Seasoned experts in wine
and spirits

9

Off-site events
Community events, festivals
and shows

Social Media July 1, 2022 – June 30, 2023



FACEBOOK



TWITTER



YOUTUBE



PINTEREST



INSTAGRAM

Total Page Likes
312,782

Total Followers
31,663

Total Subscribers
2,852

Total Followers
5,881

Total Followers
13,669

| | | | | | | | | | |
|--|-----------|--------------------|---------|-----------------|--------|--------------------------|------------|---|--------|
| New followers | 2,835 | New followers | -1,258* | New subscribers | 252 | New followers | 161 | New followers | 1,345 |
| Impressions | 4,985,182 | Tweets sent | 380 | Views | 33,339 | Total Impressions | 18,172,570 | Total post likes | 10,136 |
| Avg. daily impressions | 13,658 | Retweets | 216 | New videos | 21 | Avg. monthly impressions | 1,514,380 | Avg. likes per post | 67 |
| Avg. daily engagements (likes, comments, shares) | 142 | Impressions (est.) | 623,923 | | | | | Total engagement (likes, comments, shares, saves) | 14,048 |
| Total engagements | 51,870 | Total mentions | 2,325 | | | | | | |

* The number of new followers as compared to prior years was potentially influenced by transitions within the Twitter platform during fiscal year 2022-23.

Limited-Release Lotteries

In fiscal year 2022-23, FW&GS conducted three Limited-Release Lotteries comprised of 16 separate product drawings. Open exclusively to Pennsylvania residents and licensees, the lotteries offer the opportunity to enter for a chance to purchase limited-availability, high-demand products. Conducted in November 2022 and February and May of 2023, combined dollar sales for the three lotteries totaled \$543,592 for 6,310 bottles and garnered nearly 800,000 eligible entries.



10% Cyber Monday Sale on FWGS.com

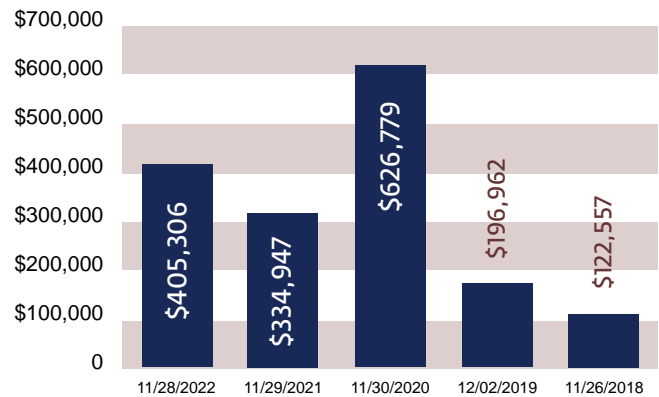
In celebration of Cyber Monday, one of the busiest online shopping days of the year, FWGS.com offered a 10% discount to customers on online orders placed Monday, Nov. 28.

The annual promotion resulted in dollar sales growth of 21% over the equivalent Monday – Nov. 29, 2021 – the prior year, with the average number of transactions increasing 16.4%, from 1,818 in 2021 to 2,116 in 2022, and the average transaction value increasing 5.5%, from \$181.55 in 2021 to \$191.54 in 2022.

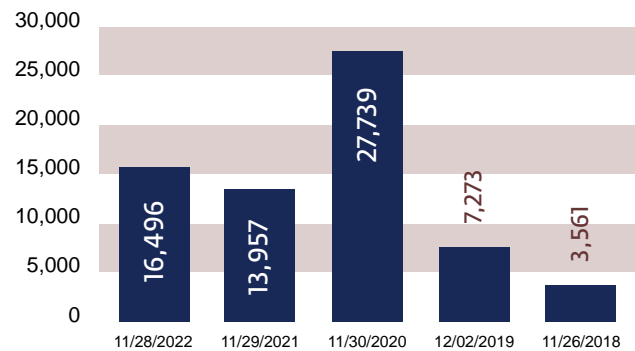
Driven by the trend toward premiumization and customers spending more dollars on higher-priced products, the top 10 Cyber Monday items sold for 2022 – a 50-50 split between spirits and wine – fell into the premium, super-premium and ultra-premium price segments, with Garrison Brothers Cowboy Bourbon (750 mL) as the top-selling spirit and Château Margaux Margaux 2018 (750 mL) as the top-selling wine.

Notwithstanding the unprecedented sales spikes in 2020 attributable to COVID-19 and increased online purchasing, year-over-year Cyber Monday dollar sales increased 230.7% from 2018 to 2022 and unit sales increased 363.2%.

**CYBER MONDAY DOLLAR SALES
5-YEAR SUMMARY**



**CYBER MONDAY UNIT SALES
5-YEAR SUMMARY**



Assisting Customers

The PLCB's Bureau of Consumer Relations is tasked with providing the highest level of service to FW&GS customers and PLCB stakeholders. On an ongoing basis, the bureau's Customer Service call center engages with citizens, civic groups, legislative liaisons, licensees and others on a variety of questions concerning FWGS.com orders, product returns, store experiences, regulatory or policy changes and other topics.

With the goal of optimizing customer interaction, a new customer service platform – ServiceNow – was implemented by the bureau in fiscal year 2022-23.

The new platform enables streamlined service to customers through new functionality that allows the customer service team to:

- Quickly categorize customers based on the reason for their contact;
- Rank inquiries according to the most common reasons for customer contact;
- Mitigate and reduce the number of most common inquiries based on reporting; and
- Identify issues in real time to develop remediation plans more quickly.

Since implementation in October 2022 through June 2023, the customer service team responded to more than 15,000 calls, emails and chats.

FW&GS E-COMMERCE SALES INSIGHTS AT A GLANCE*

In fiscal year 2022-23, FWGS.com experienced a 6.8% increase in dollar sales compared to the prior year. Though transactions decreased marginally by 0.4%, the average transaction value increased 7.1% over fiscal year 2021-22 and the average price per item increased 7.8%.

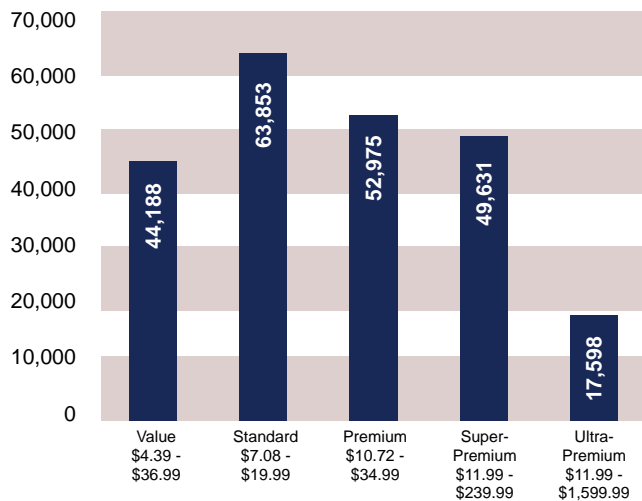
While FWGS.com experienced unprecedented growth in conjunction with COVID-19 in fiscal year 2019-20, e-commerce dollar sales for 2022-23 represent a 190.5% increase over pre-pandemic dollar sales in 2018-19.

| FISCAL YEAR | TOTAL FWGS.COM SALES | TOTAL FWGS.COM TRANSACTIONS | YEAR-OVER-YEAR REVENUE GROWTH | AVERAGE TRANSACTION VALUE |
|-------------|----------------------|-----------------------------|-------------------------------|---------------------------|
| FY 2022-23 | \$14,475,885 | 101,292 | 6.76% | \$142.81 |
| FY 2021-22 | \$13,549,420 | 101,653 | -19.23% | \$133.29 |
| FY 2020-21 | \$16,775,996 | 150,360 | -37.31% | \$111.57 |

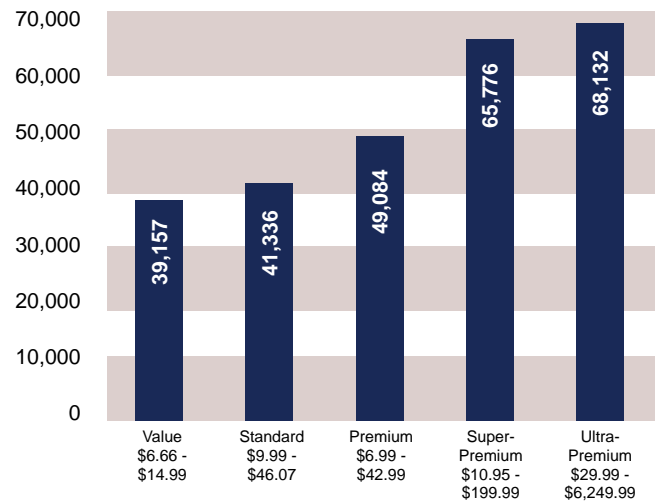
*Sales data includes Accessories.

E-COMMERCE SALES PRICE SEGMENTS

E-COMMERCE WINE UNITS SOLD BY PRICE SEGMENT FY 2022-23



E-COMMERCE SPIRITS UNITS SOLD BY PRICE SEGMENT FY 2022-23*



*Spirits include sales from Limited-Release Lotteries.

TOP 25 E-COMMERCE WINE ITEMS BY UNITS

The wines that exhibited the most unit sales growth during fiscal year 2022-23 included Hook or Crook Cellars Reserve Chardonnay Lodi 2021 (750 mL) (12,844.4%), André California Champagne Brut (750 mL) (106.3%) and Franzia Chardonnay (5 L) (53.5%).

| RANK | PRODUCT | SIZE | DOLLAR SALES | UNIT SALES | UNIT SALES — LY | % CHANGE |
|------|--|--------|--------------|------------|-----------------|------------|
| 1 | La Marca Prosecco | 750 mL | \$41,753 | 2,469 | 1,963 | 25.78% |
| 2 | Woodbridge by Robert Mondavi Chardonnay | 1.5 L | \$31,901 | 2,305 | 2,493 | -7.54% |
| 3 | Cavit Pinot Grigio | 1.5 L | \$25,302 | 1,780 | 1,596 | 11.53% |
| 4 | Josh Cellars Chardonnay | 750 mL | \$20,095 | 1,427 | 1,082 | 31.89% |
| 5 | Josh Cellars Cabernet Sauvignon | 750 mL | \$21,271 | 1,345 | 1,291 | 4.18% |
| 6 | André California Champagne Brut | 750 mL | \$10,744 | 1,219 | 591 | 106.26% |
| 7 | Kim Crawford Sauvignon Blanc Marlborough | 750 mL | \$20,745 | 1,202 | 1,032 | 16.47% |
| 8 | Woodbridge by Robert Mondavi Cabernet Sauvignon | 1.5 L | \$16,079 | 1,175 | 774 | 51.81% |
| 9 | Hook or Crook Cellars Reserve Chardonnay Lodi 2021 | 750 mL | \$11,638 | 1,165 | 9 | 12,844.44% |
| 10 | Kendall-Jackson Vintner's Reserve Chardonnay | 750 mL | \$15,608 | 914 | 1,141 | -19.89% |
| 11 | Starborough Sauvignon Blanc Marlborough | 750 mL | \$11,656 | 901 | 852 | 5.75% |
| 12 | Josh Cellars Sauvignon Blanc North Coast | 750 mL | \$11,052 | 795 | 741 | 7.29% |
| 13 | Santa Margherita Pinot Grigio | 750 mL | \$17,676 | 764 | 670 | 14.03% |
| 14 | Apothic Red Winemaker's Blend | 750 mL | \$8,791 | 758 | 858 | -11.66% |
| 15 | Mark West Pinot Noir | 750 mL | \$8,374 | 708 | 640 | 10.63% |
| 16 | Jam Cellars Butter Chardonnay | 750 mL | \$11,711 | 703 | 469 | 49.89% |
| 17 | Tenuta di Burchino Il Burchino Toscana 2016 | 750 mL | \$9,028 | 695 | - | - |
| 18 | Franzia Chardonnay | 5 L | \$14,199 | 694 | 452 | 53.54% |
| 19 | Robert Mondavi Winery Cabernet Sauvignon Monterey County Aged in Bourbon Barrels | 750 mL | \$9,319 | 669 | 977 | -31.53% |
| 20 | Ecco Domani Pinot Grigio delle Venezie | 750 mL | \$8,743 | 667 | 492 | 35.57% |
| 21 | Bodegas Ego El Goru Gold Red Blend Jumilla 2018 | 750 mL | \$6,563 | 657 | - | - |
| 22 | Meiomi Pinot Noir | 750 mL | \$14,503 | 656 | 499 | 31.46% |
| 23 | Santa Ema Reserva Cabernet Sauvignon Maipo Valley 2019 | 750 mL | \$6,470 | 649 | - | - |
| 24 | Whitehaven Sauvignon Blanc Marlborough | 750 mL | \$11,229 | 644 | 655 | -1.68% |
| 25 | Dark Horse Sauvignon Blanc | 750 mL | \$5,895 | 615 | 558 | 10.22% |

TOP 25 E-COMMERCE SPIRITS ITEMS BY UNITS

The spirits that exhibited the most unit growth during fiscal year 2022-23 included Eagle Rare Single Barrel Straight Bourbon FWGS Exclusive Barrel (750 mL) (523.3%), Weller Straight Bourbon 12 Year Old (750 mL) (368.6%) and Buffalo Trace Single Barrel Straight Bourbon FWGS Exclusive Barrel (375 mL) (207%).

| RANK | PRODUCT | SIZE | DOLLAR SALES | UNIT SALES | UNIT SALES — LY | % CHANGE |
|------|--|--------|--------------|------------|-----------------|----------|
| 1 | Blanton's Single Barrel Straight Bourbon | 50 mL | \$77,243 | 11,153 | 7,072 | 57.71% |
| 2 | Buffalo Trace Straight Bourbon | 750 mL | \$150,698 | 5,318 | 3,544 | 50.06% |
| 3 | Crown Russe Vodka | 1.75 L | \$44,964 | 4,663 | 4,087 | 14.09% |
| 4 | Buffalo Trace Single Barrel Straight Bourbon FWGS Exclusive Barrel | 375 mL | \$72,921 | 4,169 | 1,358 | 207.00% |
| 5 | Weller Special Reserve Straight Bourbon | 750 mL | \$116,991 | 4,128 | 2,824 | 46.18% |
| 6 | John E. Fitzgerald Larceny Straight Bourbon Barrel Proof | 750 mL | \$207,146 | 4,006 | 2,981 | 34.38% |
| 7 | Tito's Handmade Vodka | 1.75 L | \$133,516 | 3,691 | 4,039 | -8.62% |
| 8 | Blanton's Single Barrel Straight Bourbon | 750 mL | \$218,748 | 3,436 | 2,599 | 32.20% |
| 9 | Henry McKenna Single Barrel Straight Bourbon Bottled in Bond 10 Year Old | 750 mL | \$215,440 | 3,184 | 4,260 | -25.26% |
| 10 | Buffalo Trace Single Barrel Straight Bourbon FWGS Exclusive Barrel | 750 mL | \$102,324 | 3,119 | 1,115 | 179.73% |
| 11 | Bacardi Superior Rum | 1.75 L | \$51,416 | 2,137 | 1,846 | 15.76% |
| 12 | Stagg Straight Bourbon Barrel Proof | 750 mL | \$111,388 | 2,026 | 1,678 | 20.74% |
| 13 | Nikolai Vodka | 1.75 L | \$23,108 | 1,938 | 1,530 | 26.67% |
| 14 | Blanton's Single Barrel Straight Bourbon FWGS Exclusive Barrel | 750 mL | \$123,378 | 1,740 | 751 | 131.69% |
| 15 | Weller Straight Bourbon 12 Year Old | 750 mL | \$84,328 | 1,687 | 360 | 368.61% |
| 16 | Tito's Handmade Vodka | 750 mL | \$30,539 | 1,620 | 1,620 | 0.00% |
| 17 | Pinnacle Vodka | 1.75 L | \$30,036 | 1,561 | 1,466 | 6.48% |
| 18 | Eagle Rare Single Barrel Straight Bourbon 10 Year Old | 750 mL | \$50,454 | 1,541 | 1,145 | 34.59% |
| 19 | Captain Morgan Original Spiced Rum | 1.75 L | \$41,481 | 1,521 | 1,894 | -19.69% |
| 20 | Platinum 7X Vodka | 1.75 L | \$25,937 | 1,505 | 1,350 | 11.48% |
| 21 | Willett Pot Still Reserve Small Batch Straight Bourbon | 50 mL | \$15,774 | 1,374 | 2,586 | -46.87% |
| 22 | Burnett's Vodka | 1.75 L | \$19,385 | 1,356 | 1,283 | 5.69% |
| 23 | Eagle Rare Single Barrel Straight Bourbon FWGS Exclusive Barrel | 750 mL | \$47,452 | 1,309 | 210 | 523.33% |
| 24 | Michter's US 1 Sour Mash Whiskey | 750 mL | \$63,077 | 1,266 | - | - |
| 25 | Jack Daniel's Old No. 7 Black Label Tennessee Whiskey | 1.75 L | \$61,659 | 1,246 | 1,319 | -5.53% |

MERCHANDISING

Within Merchandising, Product Management works with vendors to identify local, regional and national trends and acquire a broad range of wines, spirits and accessories – in various price ranges – to meet the demands and interests of the consuming public and the licensee community.

Wholesale Operations works with licensees and holders of wine expanded permits – grocery stores, convenience stores and similar “bulk buyers” that sell wine to go – to meet their needs for selling wine and spirits for on-premises and off-premises consumption. Inventory Management executes purchase orders for wine and spirits, forecasts replenishment demands for Fine Wine & Good Spirits (FW&GS) stores and tracks inventory, while Retail Merchandising works with stores to optimize product placement and display. Marketing Analytics studies sales numbers to report trends and anticipate impacts of various initiatives.

TOP PRODUCT CATEGORIES

For fiscal year 2022-23, tequila (+\$33,106,712), ready-to-drink beverages (+\$26,977,251) and whiskey (+\$22,078,334) comprised the categories with the largest dollar gains year over year.

Tequila

Sales in the ultra-premium, super-premium and premium price segments accounted for 85.2% of total category dollar sales for tequila in fiscal year 2022-23. Benefitting from the trend toward premiumization, sales in the super-premium price segment experienced the largest growth, with an increase of 29.7% (+\$12,592,297) over the prior fiscal year, while sales of items in the premium price segment increased 16.2% (+\$7,120,048), followed by an ultra-premium sales increase of 15.6% (+\$9,923,570).



Ready-to-Drink Beverages

While combined sales of items in the standard and value price segments accounted for 99.8% of total 2022-23 fiscal year dollar sales for ready-to-drink (RTD) wine and spirits, items in the premium price segment experienced the greatest growth, with an increase of 53.4% (+\$70,392) over the prior fiscal year, followed by sales increases of 43.4% in both the standard (+\$21,236,296) and value (+\$5,687,163) price segments.



Whiskey

Within the whiskey category, dollar sales of items in the super-premium price segment increased 7.9% (+\$14,938,500) over the prior year, followed by a sales increase of 4.9% (+\$7,666,068) in the ultra-premium price segment and a 2.5% (+\$3,213,555) premium price segment increase. These top three price segments comprised 82.1% of total whiskey category dollar sales for fiscal year 2022-23.



TOP 10 PRODUCT CATEGORIES BY DOLLAR SALES

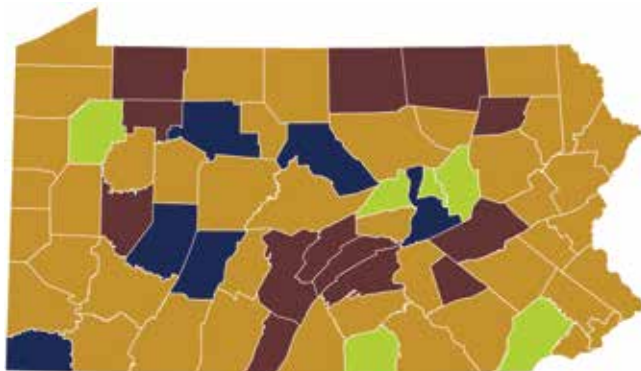
Ready to drink (43.4%), tequila, silver or blanco (14.9%), and cognac (7.8%) saw the largest growth over the prior fiscal year.

| CATEGORY | FY 2022-23 DOLLAR SALES | FY 2021-22 DOLLAR SALES | FY 2020-21 DOLLAR SALES | FY 2019-20 DOLLAR SALES |
|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Unflavored Vodka | \$335,839,030 | \$323,887,781 | \$307,602,839 | \$276,645,135 |
| American Whiskey (bourbon) | \$284,911,963 | \$265,576,360 | \$250,799,563 | \$203,641,720 |
| Tequila, Silver or Blanco | \$110,573,327 | \$96,274,382 | \$79,138,415 | \$50,773,496 |
| California Cabernet Sauvignon | \$95,418,781 | \$94,254,064 | \$94,408,596 | \$91,500,056 |
| Flavored Whiskey | \$92,502,872 | \$91,358,189 | \$82,702,388 | \$62,322,958 |
| Ready to Drink | \$89,150,186 | \$62,172,935 | \$37,960,009 | \$22,182,919 |
| Flavored Vodka | \$83,935,086 | \$89,455,566 | \$95,229,974 | \$77,550,919 |
| Scotch | \$81,043,832 | \$83,768,320 | \$81,997,318 | \$67,383,264 |
| Cognac | \$80,929,560 | \$75,049,834 | \$100,607,802 | \$60,023,269 |
| California Chardonnay | \$78,932,313 | \$77,030,083 | \$77,473,548 | \$79,244,935 |

TOP-SELLING PRODUCT CATEGORIES BY COUNTY

TOP-SELLING WINE IN EACH COUNTY

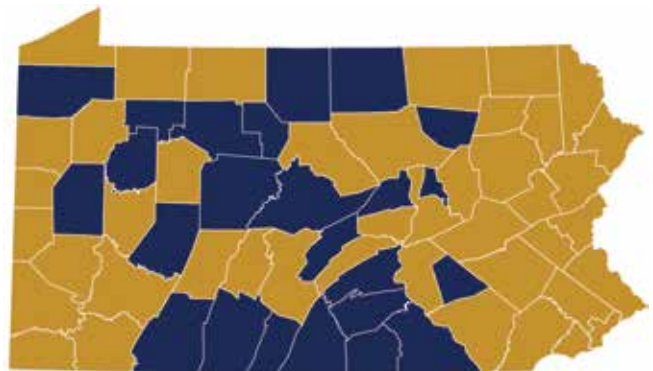
California cabernet sauvignon was the top-selling wine category in 42 counties. Box red (13), followed by California chardonnay (6) and beverage wine (6) were the highest in the remaining counties.



- Beverage Wine — 6
- Box Red — 13
- California Chardonnay — 6
- California Cabernet Sauvignon — 42

TOP-SELLING SPIRIT IN EACH COUNTY

Unflavored vodka was the top spirits category in 43 counties, while American whiskey was the top category in the remaining 24 counties.



- American Whiskey — 24
- Unflavored Vodka — 43

TOP PENNSYLVANIA WINES BY DOLLAR SALES*

Below are the top 10 Pennsylvania wines sold by FW&GS in fiscal year 2022-23.

| RANK | PRODUCT | SIZE | UNIT SALES | DOLLAR SALES |
|------|--|--------|------------|--------------|
| 1 | The Winery at Wilcox Clarion River Red | 1.5 L | 31,399 | \$526,602 |
| 2 | Clover Hill Vineyards & Winery Concord Lehigh Valley | 750 mL | 43,202 | \$481,777 |
| 3 | Franklin Hill Vineyards Sir Walter's Red | 750 mL | 25,908 | \$326,213 |
| 4 | Mazza Vineyards Concord | 1.5 L | 24,556 | \$252,023 |
| 5 | Daily's Strawberry Daiquiri Frozen Cocktail Pouch | 296 mL | 104,591 | \$249,053 |
| 6 | Daily's Jamaican Smile Frozen Cocktail Pouch | 296 mL | 112,502 | \$245,280 |
| 7 | Daily's Bahama Mama Frozen Cocktail Pouch | 296 mL | 100,107 | \$232,593 |
| 8 | Daily's Fireworks Frozen Cocktail Pouch | 296 mL | 102,047 | \$225,092 |
| 9 | Daily's Wild Berry Margarita Frozen Cocktail Pouch | 296 mL | 98,490 | \$217,860 |
| 10 | Daily's Pina Colada Frozen Cocktail Pouch | 296 mL | 92,808 | \$212,598 |

TOP PENNSYLVANIA SPIRITS BY DOLLAR SALES*

Below are the top 10 Pennsylvania spirits sold by FW&GS in fiscal year 2022-23.

| RANK | PRODUCT | SIZE | UNIT SALES | DOLLAR SALES |
|------|--|--------|------------|--------------|
| 1 | Stateside Vodka Soda Variety Pack (8x355 mL) | 2.84 L | 268,281 | \$5,184,525 |
| 2 | Stateside Surfside Iced Tea and Vodka (4x355 mL) | 1.42 L | 455,166 | \$4,385,197 |
| 3 | Jacquin's Vodka | 1.75 L | 153,601 | \$2,557,389 |
| 4 | Pennsylvania Dutch Egg Nog | 1.75 L | 119,905 | \$2,005,142 |
| 5 | Stateside Urbancraft Vodka | 1.75 L | 40,115 | \$1,708,068 |
| 6 | Pennsylvania Dutch Egg Nog | 750 mL | 179,262 | \$1,596,360 |
| 7 | Bluecoat Dry Gin | 750 mL | 55,019 | \$1,536,627 |
| 8 | Stateside Urbancraft Vodka | 750 mL | 57,135 | \$1,514,802 |
| 9 | Jacquin's White Rum | 1.75 L | 87,426 | \$1,512,776 |
| 10 | Jacquin's Ginger Flavored Brandy | 1.75 L | 68,570 | \$1,496,171 |

*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

The wines that exhibited the most unit sales growth during fiscal year 2022-23 included Taylor Port (750 mL) (33.9%)*, Josh Cellars Chardonnay (750 mL) (25.5%)** and Taylor Port (1.5 L) (23.9%***)

| RANK | PRODUCT | SIZE | DOLLAR SALES | UNIT SALES | UNIT SALES — LY | % CHANGE |
|------|---|--------|--------------|------------|-----------------|----------|
| 1 | La Marca Prosecco | 750 mL | \$13,936,810 | 855,820 | 778,073 | 9.99% |
| 2 | Cavit Pinot Grigio | 1.5 L | \$7,783,131 | 571,219 | 536,975 | 6.38% |
| 3 | Josh Cellars Cabernet Sauvignon | 750 mL | \$6,441,514 | 421,115 | 363,725 | 15.78% |
| 4 | Kendall-Jackson Vintner's Reserve Chardonnay | 750 mL | \$6,604,893 | 403,530 | 518,625 | -22.19% |
| 5 | Woodbridge by Robert Mondavi Chardonnay | 1.5 L | \$5,134,265 | 389,417 | 434,038 | -10.28% |
| 6 | Josh Cellars Chardonnay | 750 mL | \$5,084,401 | 377,575 | 300,931 | 25.47% |
| 7 | Apothic Red Winemaker's Blend | 750 mL | \$4,325,933 | 376,872 | 458,493 | -17.80% |
| 8 | Roscato Rosso Dolce | 750 mL | \$3,915,069 | 352,911 | 419,065 | -15.79% |
| 9 | Kim Crawford Sauvignon Blanc Marlborough | 750 mL | \$5,398,475 | 324,210 | 265,681 | 22.03% |
| 10 | Barefoot Pinot Grigio | 1.5 L | \$3,816,422 | 310,983 | 334,689 | -7.08% |
| 11 | Cavit Pinot Grigio | 750 mL | \$2,541,689 | 307,991 | 383,102 | -19.61% |
| 12 | Barefoot Pink Moscato | 750 mL | \$2,219,672 | 306,772 | 382,846 | -19.87% |
| 13 | Barefoot Moscato | 750 mL | \$2,162,452 | 300,306 | 335,276 | -10.43% |
| 14 | Woodbridge by Robert Mondavi Cabernet Sauvignon | 1.5 L | \$3,907,361 | 298,918 | 313,181 | -4.55% |
| 15 | Barefoot Moscato | 1.5 L | \$3,574,468 | 291,612 | 301,812 | -3.38% |
| 16 | Starborough Sauvignon Blanc Marlborough | 750 mL | \$3,702,207 | 289,906 | 293,029 | -1.07% |
| 17 | Sutter Home White Zinfandel | 1.5mL | \$3,460,912 | 280,928 | 310,474 | -9.52% |
| 18 | Martini & Rossi Asti | 750 mL | \$3,829,849 | 278,367 | 278,117 | 0.09% |
| 19 | Sutter Home Chardonnay (4x187 mL) | 748 mL | \$2,017,160 | 277,460 | 267,454 | 3.74% |
| 20 | Nobilo Sauvignon Blanc Marlborough | 750 mL | \$3,650,422 | 273,328 | 304,439 | -10.22% |
| 21 | Ecco Domani Pinot Grigio Delle Venezie | 750 mL | \$3,477,277 | 272,490 | 250,524 | 8.77% |
| 22 | Korbel Brut California Champagne | 750 mL | \$4,377,126 | 264,967 | 320,263 | -17.27% |
| 23 | Taylor Port | 1.5 L | \$3,079,517 | 261,874 | 211,413 | 23.87% |
| 24 | Josh Cellars Sauvignon Blanc North Coast | 750 mL | \$3,564,059 | 260,271 | 224,929 | 15.71% |
| 25 | Taylor Port | 750 mL | \$1,841,496 | 259,014 | 193,397 | 33.93% |

*Taylor Port (750 mL) increased by 65,617 units over the year prior (retail and licensee sales) and retail sales saw the greatest unit growth, 45.9% over the prior year.

**Retail and licensee sales of Josh Cellars Chardonnay (750 mL) increased by 76,644 units over the year prior, and licensee sales saw the largest growth, 40% over the prior year.

***Taylor Port (1.5 L) increased by 50,461 units over the year prior (retail and licensee sales) with licensee sales seeing the most growth, 31% over the prior year.

TOP 25 SPIRITS ITEMS BY UNITS

The spirits that exhibited the most unit sales growth during fiscal year 2022-23 included New Amsterdam Vodka (50 mL) (46.6%)*, New Amsterdam Pineapple Vodka (50 mL) (45.1%)** and Yukon Jack Liqueur (50 mL) (43.1%***).

| RANK | PRODUCT | SIZE | DOLLAR SALES | UNIT SALES | UNIT SALES — LY | % CHANGE |
|------|---|--------|--------------|------------|-----------------|----------|
| 1 | Fireball Cinnamon Whisky | 50 mL | \$4,105,401 | 4,083,124 | 4,634,009 | -11.89% |
| 2 | New Amsterdam Vodka | 50 mL | \$2,331,878 | 2,384,465 | 1,626,188 | 46.63% |
| 3 | Tito's Handmade Vodka | 1 L | \$38,804,403 | 1,564,805 | 1,366,255 | 14.53% |
| 4 | Tito's Handmade Vodka | 1.75 L | \$53,611,071 | 1,492,170 | 1,444,580 | 3.29% |
| 5 | Tito's Handmade Vodka | 750 mL | \$27,541,117 | 1,473,049 | 1,325,975 | 11.09% |
| 6 | New Amsterdam Pink Whitney Pink Lemonade Vodka | 50 mL | \$1,371,378 | 1,379,795 | 1,059,103 | 30.28% |
| 7 | 99 Long Island Iced Tea Schnapps | 50 mL | \$1,044,376 | 1,068,952 | 777,301 | 37.52% |
| 8 | 99 Peaches Schnapps | 50 mL | \$946,192 | 967,469 | 752,764 | 28.52% |
| 9 | Crown Russe Vodka | 1.75 L | \$9,020,079 | 935,536 | 873,026 | 7.16% |
| 10 | Yukon Jack Liqueur | 50 mL | \$882,012 | 902,598 | 630,580 | 43.14% |
| 11 | 99 Bananas Schnapps | 50 mL | \$834,428 | 849,491 | 700,466 | 21.28% |
| 12 | E&J Apple Brandy | 50 mL | \$800,825 | 821,069 | 703,614 | 16.69% |
| 13 | Jack Daniel's Old No. 7 Black Label Tennessee Whiskey | 750 mL | \$19,668,619 | 809,294 | 834,249 | -2.99% |
| 14 | Hennessy Cognac VS | 750 mL | \$34,549,568 | 787,911 | 690,076 | 14.18% |
| 15 | Tito's Handmade Vodka | 50 mL | \$1,537,068 | 770,593 | 540,133 | 42.67% |
| 16 | 99 Apples Schnapps | 50 mL | \$739,873 | 755,336 | 631,733 | 19.57% |
| 17 | New Amsterdam Pineapple Vodka | 50 mL | \$729,354 | 749,571 | 516,722 | 45.06% |
| 18 | New Amsterdam Peach Vodka | 50 mL | \$710,700 | 729,795 | 604,935 | 20.64% |
| 19 | Nikolai Vodka | 375 mL | \$2,678,830 | 663,762 | 653,281 | 1.60% |
| 20 | Captain Morgan Original Spiced Rum | 1.75 L | \$17,364,564 | 641,790 | 744,498 | -13.80% |
| 21 | Goldschlager Cinnamon Schnapps | 50 mL | \$597,590 | 618,861 | 509,402 | 21.49% |
| 22 | Jameson Irish Whiskey | 750 mL | \$18,613,328 | 600,545 | 628,814 | -4.50% |
| 23 | New Amsterdam Apple Vodka | 50 mL | \$573,848 | 591,374 | 520,357 | 13.65% |
| 24 | Captain Morgan Spiced Rum | 750 mL | \$9,461,436 | 562,535 | 584,199 | -3.71% |
| 25 | High Noon Vodka Hard Seltzer Variety Pack (8x355 mL) | 2.84 L | \$10,427,088 | 544,412 | 448,443 | 21.40% |

*New Amsterdam Vodka (50 mL) increased by 758,277 units over the year prior (retail and licensee sales) and retail sales saw the greatest unit growth, 46.6% over the prior year.

**New Amsterdam Pineapple Vodka (50 mL) increased by 232,849 units over the year prior (retail and licensee sales) and retail sales saw the greatest unit growth, 45.1% over the prior year.

***Yukon Jack Liqueur (50 mL) increased by 272,018 units over the year prior (retail and licensee sales) with retail sales seeing the most growth, 43.1% over the prior year.

Wholesale Operations

In fiscal year 2022-23, statewide dollar sales to licensees increased 7.1% over the prior fiscal year – from \$704.2 million to \$754.5 million – while unit sales increased 1.4%, from 48.2 million to 48.9 million.

Dollar sales to wine-to-go retailers experienced a 0.8% increase – from \$202.2 million in fiscal year 2021-22 to \$203.8 million in fiscal year 2022-23.

Dollar sales to on-premises retailers such as bars, restaurants and hotels increased 9.5% – from \$502.1 million in fiscal year 2021-22 to \$550 million in fiscal year 2022-23.

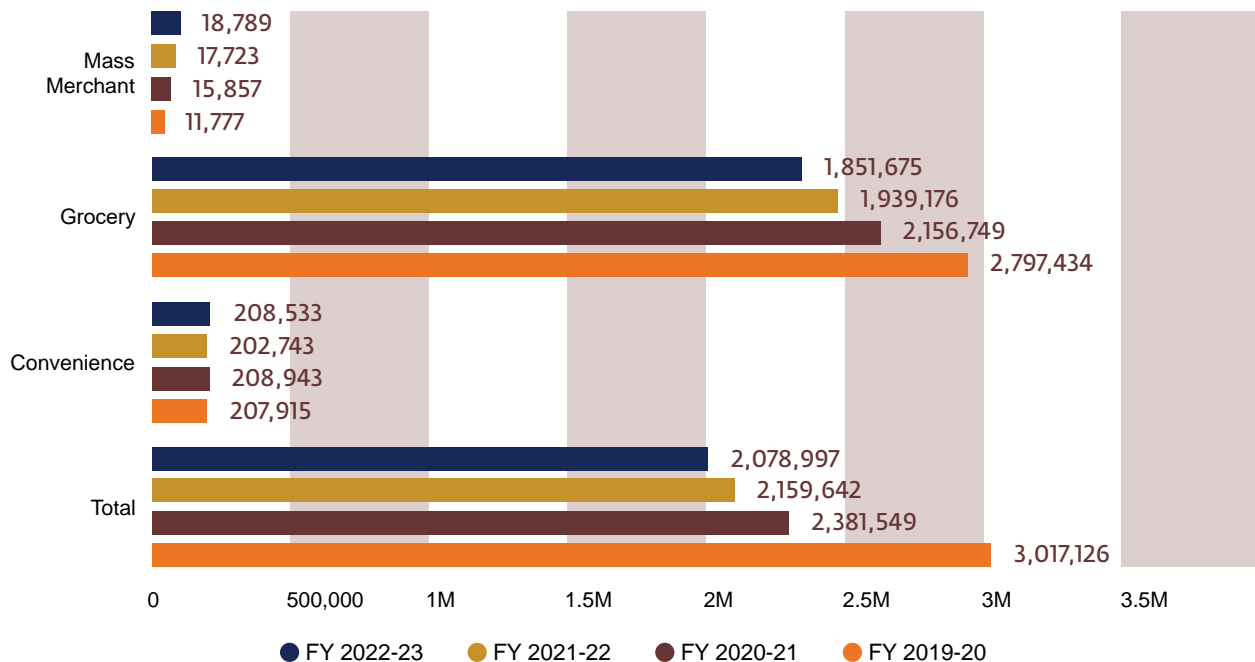
Within its first full year, Special Order (SO) direct delivery accounted for 36.7% of total SO transactions with licensees; 30.1% of total SO dollar sales to licensees, and 35.1% of total SO unit sales to licensees.

Introduced by the PLCB at the close of fiscal year 2021-22, SO direct delivery allows suppliers to propose direct deliveries of SOs to a licensee's place of business rather than delivery to a FW&GS store or licensee service center (LSC). While suppliers may opt to impose a delivery fee for direct-delivered SOs, store-delivered SOs have no delivery fee but instead feature a PLCB handling fee known

as the logistics, transportation and merchandising factor (LTMF).

The number of enrollees in the PLCB's Licensee Delivery Program (LDP), which provides direct delivery of wine and spirits to high-volume licensees, increased 7.1% over the prior fiscal year. In fiscal year 2022-23, nearly 1.8 million cases were shipped to licensees via the LDP, with a weekly average of just over 34,000 cases.

**PURCHASES BY HOLDERS OF WINE EXPANDED PERMITS,
BY RETAILER TYPE (IN 9L CASES)**



TOP 10 WINES SOLD (BY 9L CASE) TO HIGH-VOLUME WINE-TO-GO RETAILERS*

| RANK | PRODUCT | SIZE | TOTAL DOLLARS | TOTAL 9L CASES |
|------|---|--------|---------------|----------------|
| 1 | Cavit Pinot Grigio | 1.5 L | \$2,679,616 | 35,720 |
| 2 | Black Box Cabernet Sauvignon | 3 L | \$1,824,410 | 30,961 |
| 3 | Black Box Pinot Grigio | 3 L | \$1,479,927 | 25,094 |
| 4 | Black Box Chardonnay | 3 L | \$1,277,806 | 21,677 |
| 5 | Barefoot Pink Moscato | 1.5 L | \$1,421,784 | 20,483 |
| 6 | La Marca Prosecco | 750 mL | \$3,642,288 | 20,208 |
| 7 | Barefoot Pinot Grigio | 1.5 L | \$1,299,015 | 18,790 |
| 8 | Bota Box Pinot Grigio | 3 L | \$1,047,465 | 18,268 |
| 9 | Barefoot Moscato | 1.5 L | \$1,257,392 | 18,164 |
| 10 | Woodbridge by Robert Mondavi Chardonnay | 1.5 L | \$1,282,545 | 17,476 |

*Mass merchants, grocery and convenience stores

TOP 10 WINES SOLD (BY 9L CASE) TO TRADITIONAL ON-PREMISES RETAILERS*

| RANK | PRODUCT | SIZE | TOTAL DOLLARS | TOTAL 9L CASES |
|------|---|--------|---------------|----------------|
| 1 | Wycliff Brut | 750 mL | \$952,319 | 19,011 |
| 2 | Franzia Chablis | 5 L | \$556,325 | 16,397 |
| 3 | Woodbridge by Robert Mondavi Cabernet Sauvignon | 1.5 L | \$992,481 | 13,111 |
| 4 | Woodbridge by Robert Mondavi Chardonnay | 1.5 L | \$968,484 | 12,763 |
| 5 | Woodbridge by Robert Mondavi Pinot Grigio | 1.5 L | \$794,342 | 10,469 |
| 6 | Franzia Chardonnay | 5 L | \$337,620 | 10,108 |
| 7 | Peter Vella Chablis | 5 L | \$326,241 | 10,042 |
| 8 | Sutter Home White Zinfandel | 1.5 L | \$623,229 | 8,759 |
| 9 | Carlo Rossi Chablis | 4 L | \$309,967 | 8,703 |
| 10 | Barefoot Moscato | 1.5 L | \$616,962 | 8,621 |

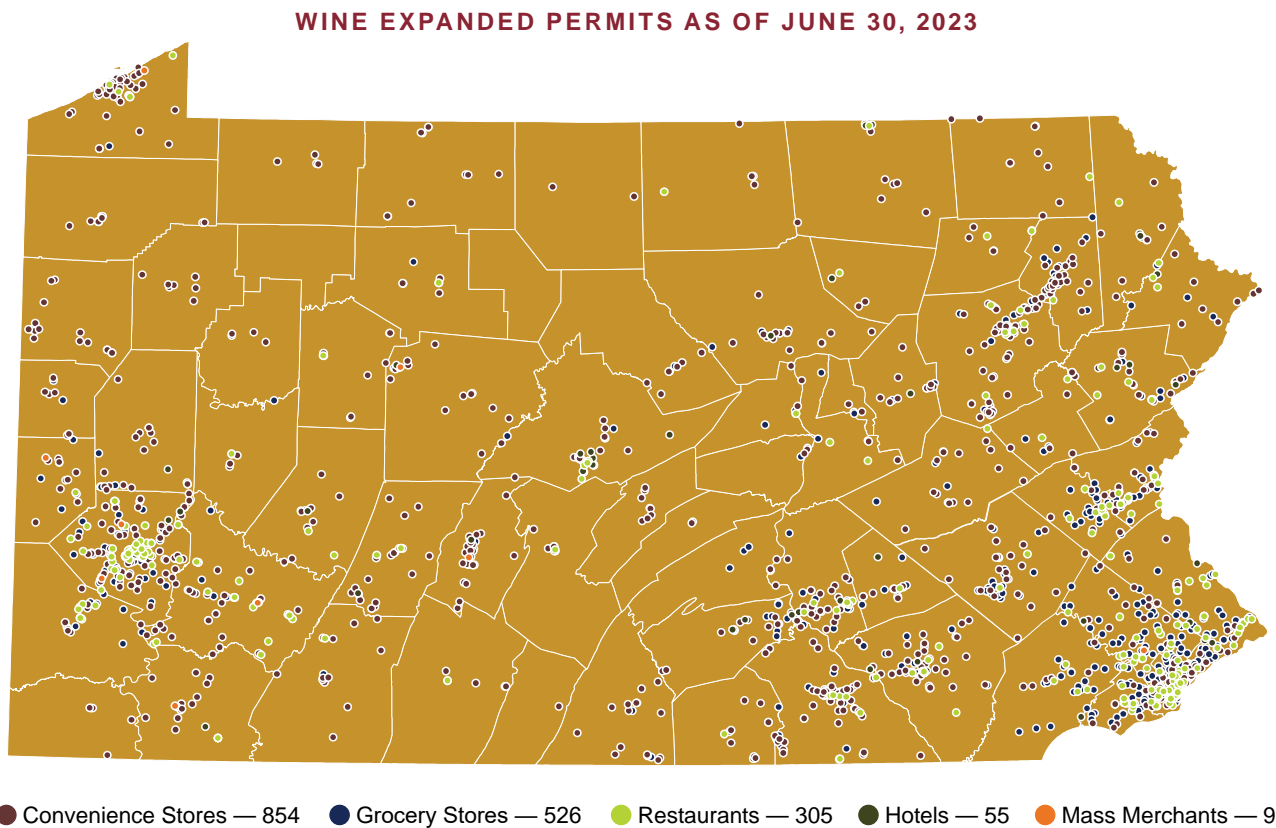
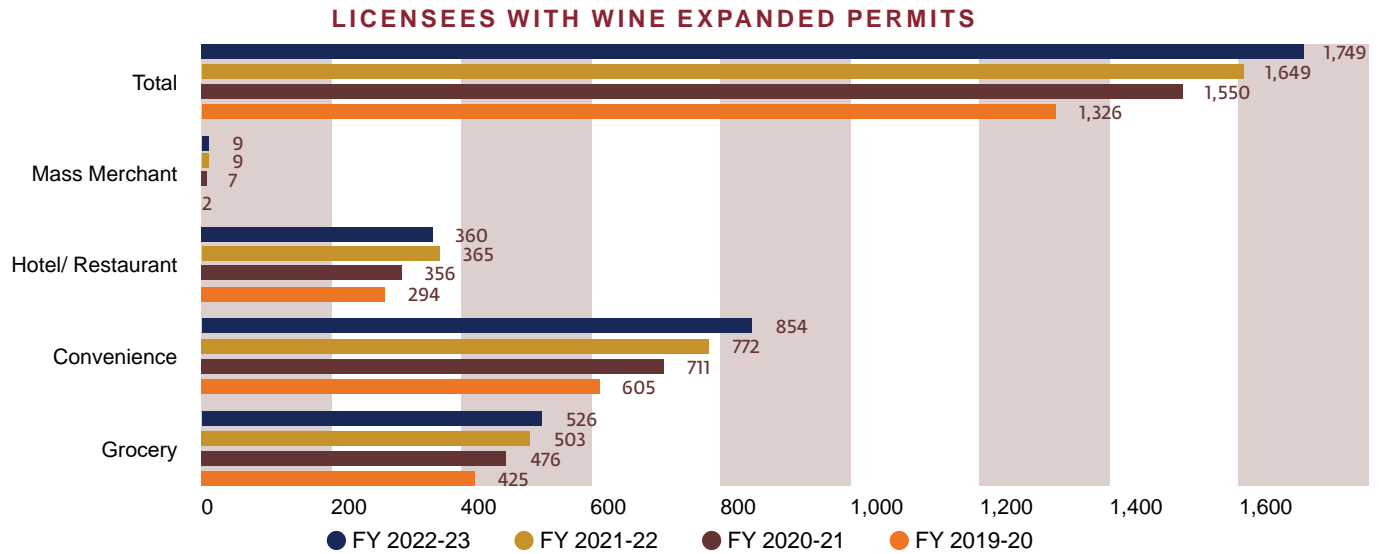
*Bars and restaurants

TOP 10 SPIRITS SOLD (BY 9L CASE) TO TRADITIONAL ON-PREMISES RETAILERS*

| RANK | PRODUCT | SIZE | TOTAL DOLLARS | TOTAL 9L CASES |
|------|---|--------|---------------|----------------|
| 1 | Tito's Handmade Vodka | 1 L | \$23,312,078 | 108,760 |
| 2 | Tito's Handmade Vodka | 1.75 L | \$6,607,754 | 39,115 |
| 3 | Tito's Handmade Vodka | 750 mL | \$8,199,210 | 39,112 |
| 4 | Captain Morgan Original Spiced Rum | 1.75 L | \$3,944,904 | 30,409 |
| 5 | High Noon Cocktail Variety Pack (12x355 mL) | 4.26 L | \$1,105,390 | 29,921 |
| 6 | Captain Morgan Original Spiced Rum | 1 L | \$5,168,031 | 28,468 |
| 7 | Jack Daniel's Old No. 7 Black Label Tennessee Whiskey | 750 mL | \$7,565,308 | 27,533 |
| 8 | Captain Morgan Spiced Rum | 750 mL | \$5,349,864 | 27,415 |
| 9 | Jameson Irish Whiskey | 750 mL | \$8,169,045 | 23,249 |
| 10 | Jameson Irish Whiskey | 1 L | \$6,391,258 | 21,532 |

*Bars and restaurants

At the close of fiscal year 2022-23, the number of licensees holding wine expanded permits totaled 1,749, an increase of 6.1% over fiscal year 2021-22. Grocery and convenience stores added 105 new locations for a total of 1,380 and an 8.2% increase over fiscal year 2021-22, accounting for the majority of wine expanded permits.



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 (FW&GS) e-commerce site, mobile apps, human resources platforms, warehouse management systems and a variety of other general-use applications.

In fiscal year 2022-23, planning and implementation of Project New Horizon – a multi-year effort to modernize and transform the PLCB's technology and organizational infrastructure – was the primary focus of ITS.

Project New Horizon enables the agency to manage and support its separate lines of business with greater efficiency through the delivery of a new enterprise resource planning (ERP) platform and integrated cloud-based systems.

Release 1 of the project went live in fiscal year 2021-22, providing the PLCB with upgraded cloud-based finance and indirect procurement systems. Release 2 – targeted for go-live the beginning of fiscal year 2023-24 – transforms the PLCB's business model from a traditional retail model to a wholesale, distribution, e-commerce and retail-focused business.

Release 2 implements new systems that separate wholesale and retail lines of business and changes how

PROJECT NEW HORIZON



the agency conducts business with wine and spirits suppliers, replenishes FW&GS stores and manages inventory and accounting. This release also introduces a new and improved FWGS.com e-commerce retail platform and a new Licensee Online Order Portal (LOOP) with enhanced order management features and responsive design.

In anticipation of a July 2023 launch, ITS worked long hours in tandem with PLCB business units and project consultants on testing and cutover planning for Release 2. Four rounds of system integration testing were followed by 18 weeks of user acceptance testing, and two mock cutovers and multiple mock data migrations uncovered and allowed teams to address outstanding technical and operational issues in advance of deployment to the new systems. Additionally, nearly 1,100 pre-cutover tasks were completed throughout fiscal year 2022-23 in preparation for migration to the new platforms.

REGULATORY AFFAIRS

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

Underage and Dangerous Drinking – Trends and Prevention Initiatives

In June 2023, the PLCB released its biennial Report on Underage and High-Risk Drinking. The publication details current trends and rates of consumption for underage and college students and outlines education and prevention initiatives by organizations throughout the commonwealth to address alcohol-related issues.

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

According to the report:

- Excessive alcohol use was responsible for an estimated one in eight deaths among adults between 20 and 64 years old.
- Approximately 4.2 million (11.1%) of 12- to 20-year-olds reported binge drinking at least once in the past month.
- In 2022, 58% of underage buyers were carded for alcohol and still served during Pennsylvania State Police Bureau of Liquor Control

Enforcement age compliance checks at liquor licensed establishments.

The report also references the Pennsylvania Youth Survey (PAYS), which measures the need for prevention services among youth in grades six, eight, 10 and 12, highlights current alcohol-related consumption trends, details alcohol-related crash statistics and fatalities for Pennsylvania and provides information on *Know When. Know How.SM*, the PLCB's statewide alcohol awareness campaign designed to prompt parents to spark early conversations about the dangers of alcohol with their kids.

As noted by PLCB Chairman Tim Holden, "This report always provides a fascinating look into alcohol use patterns and trends among young people across Pennsylvania. It also helps provide a road map of how parents, guardians, teachers and other community stakeholders can begin to address challenges presented by underage and dangerous drinking."

The 2023 Report on Underage and High-Risk Drinking and more information about the PLCB's alcohol education efforts can be accessed under the "Education" menu at lcb.pa.gov.

Networking for Alcohol Education Professionals

Fiscal year 2022-23 marked the return of the PLCB Bureau of Alcohol Education's annual conference after a two-year hiatus due to the COVID-19 pandemic.

The free, one-day event – "Broadening Our Awareness" – took place on Oct. 12, 2022, in Harrisburg with more than 100 educators, counselors, law enforcement professionals and others in attendance.

The conference showcased experts in alcohol education who shared their experience and knowledge through presentations on the latest alcohol statistics and trends; successful strategies to lower underage and dangerous alcohol consumption; and best practices for the prevention of underage and dangerous drinking in communities, schools and on campuses.

Fifteen exhibitors were also on site throughout the event to share information on programs and services of interest to attendees.

**TOTAL LICENSE APPLICATIONS
AND PERMITS RECEIVED AND
PROCESSED JULY 1, 2022,
THROUGH JUNE 30, 2023**

| |
|--|
| Renewals/Validations 20,890 |
| Catering Permits 876 |
| Transfers 1,082 |
| Criminal Record Checks 8,214 |
| Tavern Gaming Licenses 41 |
| New Licenses 1,160 |
| Other Applications 8,176 |
| Brand Registration 19,319 |
| Special Occasion Permits 3,404 |
| AP-SS-EHF Permits* 22,822 |
| Wine Expanded Permits 1,714 |
| TOTAL APPLICATIONS 87,698 |

* Amusement Permit-Sunday Sales-Extended Hours Food

**2022 LICENSE COMPLIANCE
PROGRAM INSPECTIONS**

Licensee Compliance **59**

INVESTIGATIONS PROCESSED

| TYPE OF INVESTIGATION | 2022 | 2021 | 2020 | 2019 |
|---|--------------|--------------|--------------|--------------|
| New License | 306 | 284 | 234 | 324 |
| Renewal | 34 | 39 | 26 | 22 |
| Transfer – Place | 70 | 90 | 82 | 84 |
| Transfer – Person | 582 | 626 | 478 | 572 |
| Double Transfer – Person-Place | 370 | 399 | 322 | 447 |
| Correction | 33 | 42 | 33 | 20 |
| Extension | 842 | 1,584 | 833 | 933 |
| Manager Change | 1,887 | 1,725 | 1,331 | 1,775 |
| Reinvestigation | 2,433 | 2,557 | 1,647 | 2,082 |
| Officer Change | 538 | 552 | 453 | 573 |
| Reissue Safekeeping | 536 | 605 | 477 | 706 |
| Special Occasion Permit | 3 | 1 | 0 | 1 |
| Limited Winery | 36 | 32 | 40 | 17 |
| Non-Compliance | 1 | 0 | 2 | 12 |
| Miscellaneous | 356 | 391 | 281 | 273 |
| Nuisance Bars | 164 | 98 | 101 | 186 |
| Management Company | 140 | 89 | 92 | 127 |
| License Conversions (E to R, D to ID, C to CC, etc.) | 29 | 28 | 23 | 23 |
| Additional Location (BAL) | 130 | 101 | 167 | 180 |
| TOTAL | 8,490 | 9,243 | 6,622 | 8,357 |

NUISANCE BARS — Under the provisions of the Liquor Code, the PLCB maintains a Nuisance Bar Program to review the operational history of licensed establishments. If substantial evidence is received to support non-renewal, a notice of objection is issued.

2022 Nuisance Bars
150

BOARD CASES — There are numerous situations that a decision of a case or request may not be handled administratively. Therefore, cases are presented at public meetings for the Board to vote in an open forum.

2022 Board Cases
144

RETAIL LICENSES IN EFFECT AS OF DECEMBER 31, 2022

| 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 | | | | | | | | |
| | | | | | | | | Municipal | R | C | | | | | | | | | Municipal | Private Eat. | | | | | | | |
| STATE TOTAL | 12,702,379 | 44,740 | 10,066 | 1,167 | 2,657 | 5 | 40 | 35 | 233 | 38 | 47 | 35 | 78 | 110 | 338 | 2 | 3 | 18 | 2 | 4 | 14,878 | 3.51 | 0.33 | | | | |
| ADAMS | 101,407 | 519 | 57 | 15 | 16 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 1 | 3 | 0 | 0 | 1 | 0 | 0 | 99 | 2.93 | 0.19 | | | | |
| ALLEGHENY | 1,223,348 | 730 | 1,487 | 105 | 265 | 0 | 10 | 3 | 9 | 1 | 5 | 0 | 11 | 20 | 12 | 0 | 0 | 1 | 0 | 0 | 1,929 | 4.73 | 2.64 | | | | |
| ARMSTRONG | 68,941 | 653 | 61 | 7 | 27 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 102 | 4.44 | 0.16 | | | | |
| BEAVER | 170,539 | 435 | 144 | 12 | 60 | 0 | 0 | 0 | 5 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 223 | 3.92 | 0.51 | | | | |
| BEDFORD | 49,762 | 1,012 | 25 | 8 | 13 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 49 | 2.95 | 0.05 | | | | |
| BERKS | 411,442 | 857 | 280 | 45 | 110 | 0 | 1 | 1 | 6 | 1 | 2 | 0 | 3 | 2 | 5 | 0 | 0 | 2 | 0 | 0 | 458 | 3.34 | 0.53 | | | | |
| BLAIR | 127,089 | 526 | 102 | 16 | 31 | 0 | 1 | 0 | 3 | 1 | 0 | 0 | 1 | 3 | 7 | 0 | 0 | 0 | 0 | 0 | 165 | 3.89 | 0.31 | | | | |
| BRADFORD | 62,622 | 1,147 | 37 | 17 | 20 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 77 | 3.69 | 0.07 | | | | |
| BUCKS | 625,249 | 604 | 351 | 56 | 44 | 0 | 0 | 4 | 7 | 1 | 5 | 3 | 4 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 479 | 2.30 | 0.79 | | | | |
| BUTLER | 183,862 | 789 | 108 | 17 | 25 | 0 | 1 | 1 | 7 | 0 | 1 | 1 | 2 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 166 | 2.71 | 0.21 | | | | |
| CAMBRIA | 143,679 | 688 | 141 | 19 | 96 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 263 | 5.49 | 0.38 | | | | |
| CAMERON | 5,085 | 396 | 9 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 15 | 8.85 | 0.04 | | | | |
| CARBON | 65,249 | 381 | 71 | 13 | 30 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 120 | 5.52 | 0.31 | | | | |
| CENTRE | 153,990 | 1,110 | 73 | 25 | 26 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 1 | 4 | 1 | 0 | 0 | 1 | 0 | 0 | 134 | 2.61 | 0.12 | | | | |
| CHESTER | 498,886 | 751 | 208 | 41 | 44 | 0 | 0 | 0 | 1 | 12 | 9 | 1 | 10 | 3 | 4 | 0 | 0 | 0 | 1 | 0 | 334 | 2.01 | 0.44 | | | | |
| CLARION | 39,988 | 601 | 38 | 7 | 11 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 58 | 4.35 | 0.10 | | | | |
| CLEARFIELD | 81,642 | 1,145 | 79 | 7 | 36 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 0 | 0 | 127 | 4.67 | 0.11 | | | | |
| CLINTON | 39,238 | 888 | 32 | 6 | 14 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 60 | 4.59 | 0.07 | | | | |
| COLUMBIA | 67,295 | 483 | 49 | 9 | 22 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 84 | 3.74 | 0.17 | | | | |
| CRAWFORD | 88,765 | 1,012 | 75 | 4 | 29 | 0 | 0 | 0 | 5 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 114 | 3.85 | 0.11 | | | | |
| CUMBERLAND | 235,406 | 545 | 87 | 21 | 30 | 0 | 0 | 1 | 5 | 0 | 2 | 2 | 2 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 152 | 1.94 | 0.28 | | | | |
| DAUPHIN | 268,100 | 525 | 213 | 40 | 60 | 0 | 1 | 2 | 5 | 0 | 0 | 0 | 3 | 8 | 7 | 0 | 0 | 0 | 0 | 1 | 340 | 3.80 | 0.65 | | | | |
| DELAWARE | 558,979 | 184 | 336 | 27 | 49 | 0 | 3 | 2 | 0 | 2 | 5 | 0 | 3 | 3 | 16 | 0 | 0 | 0 | 0 | 0 | 446 | 2.39 | 2.42 | | | | |
| ELK | 31,946 | 827 | 30 | 10 | 23 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 1 | 0 | 0 | 72 | 6.76 | 0.09 | | | | |
| ERIE | 280,566 | 799 | 260 | 18 | 70 | 0 | 1 | 2 | 8 | 0 | 1 | 0 | 2 | 6 | 3 | 0 | 0 | 1 | 1 | 0 | 373 | 3.99 | 0.47 | | | | |
| FAYETTE | 136,606 | 790 | 147 | 13 | 65 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 229 | 5.03 | 0.29 | | | | |
| FOREST | 7,716 | 427 | 8 | 2 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 4.67 | 0.03 | | | | |
| FRANKLIN | 149,618 | 772 | 52 | 11 | 22 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 89 | 1.78 | 0.12 | | | | |
| FULTON | 14,845 | 438 | 3 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 1 | 12 | 2.43 | 0.03 | | | | |

[illegible]

WHOLESALE LICENSES IN EFFECT AS OF DECEMBER 31, 2022

| 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 | 1,077 | 145 | 1,222 | 2.89 | 0.03 |
| ADAMS | 101,407 | 519 | 6 | 0 | 6 | 1.78 | 0.01 |
| ALLEGHENY | 1,223,348 | 730 | 129 | 13 | 142 | 3.48 | 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 | 5 | 40 | 2.92 | 0.05 |
| BLAIR | 127,089 | 526 | 12 | 3 | 15 | 3.54 | 0.03 |
| BRADFORD | 62,622 | 1,147 | 4 | 2 | 6 | 2.87 | 0.01 |
| BUCKS | 625,249 | 604 | 28 | 1 | 29 | 1.39 | 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 | 9 | 2 | 11 | 5.06 | 0.03 |
| CENTRE | 153,990 | 1,110 | 4 | 3 | 7 | 1.36 | 0.01 |
| CHESTER | 498,886 | 751 | 21 | 1 | 22 | 1.32 | 0.03 |
| CLARION | 39,988 | 601 | 4 | 1 | 5 | 3.75 | 0.01 |
| CLEARFIELD | 81,642 | 1,145 | 10 | 3 | 13 | 4.78 | 0.01 |
| CLINTON | 39,238 | 888 | 4 | 1 | 5 | 3.82 | 0.01 |
| COLUMBIA | 67,295 | 483 | 7 | 2 | 9 | 4.01 | 0.02 |
| CRAWFORD | 88,765 | 1,012 | 13 | 2 | 15 | 5.07 | 0.01 |
| CUMBERLAND | 235,406 | 545 | 10 | 3 | 13 | 1.66 | 0.02 |
| DAUPHIN | 268,100 | 525 | 16 | 6 | 22 | 2.46 | 0.04 |
| DELAWARE | 558,979 | 184 | 53 | 1 | 54 | 2.90 | 0.29 |
| ELK | 31,946 | 827 | 4 | 2 | 6 | 5.63 | 0.01 |
| ERIE | 280,566 | 799 | 37 | 5 | 42 | 4.49 | 0.05 |
| FAYETTE | 136,606 | 790 | 17 | 2 | 19 | 4.17 | 0.02 |
| FOREST | 7,716 | 427 | 3 | 1 | 4 | 15.55 | 0.01 |
| FRANKLIN | 149,618 | 772 | 7 | 1 | 8 | 1.60 | 0.01 |
| FULTON | 14,845 | 438 | 2 | 1 | 3 | 6.06 | 0.01 |
| GREENE | 38,686 | 576 | 5 | 0 | 5 | 3.88 | 0.01 |

| | | | | | | | |
|----------------|-----------|-------|-----|----|-----|-------|------|
| HUNTINGDON | 45,913 | 875 | 4 | 3 | 7 | 4.57 | 0.01 |
| INDIANA | 88,880 | 827 | 5 | 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 | 7 | 29 | 4.06 | 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 | 11 | 1 | 12 | 2.70 | 0.03 |
| LEHIGH | 349,497 | 345 | 30 | 6 | 36 | 3.09 | 0.10 |
| LUZERNE | 320,918 | 890 | 32 | 4 | 36 | 3.37 | 0.04 |
| LYCOMING | 116,111 | 1,229 | 12 | 1 | 13 | 3.36 | 0.01 |
| MCKEAN | 43,450 | 979 | 6 | 2 | 8 | 5.52 | 0.01 |
| MERCER | 116,638 | 673 | 13 | 1 | 14 | 3.60 | 0.02 |
| MIFFLIN | 46,682 | 411 | 3 | 2 | 5 | 3.21 | 0.01 |
| MONROE | 169,842 | 608 | 7 | 2 | 9 | 1.59 | 0.01 |
| MONTGOMERY | 799,874 | 483 | 52 | 2 | 54 | 2.03 | 0.11 |
| MONTOUR | 18,267 | 130 | 4 | 0 | 4 | 6.57 | 0.03 |
| NORTHAMPTON | 297,735 | 370 | 23 | 2 | 25 | 2.52 | 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 | 106 | 12 | 118 | 2.32 | 0.88 |
| PIKE | 57,369 | 545 | 5 | 0 | 5 | 2.61 | 0.01 |
| POTTER | 17,457 | 1,081 | 5 | 0 | 5 | 8.59 | 0.00 |
| SCHULYKILL | 148,289 | 779 | 26 | 2 | 28 | 5.66 | 0.04 |
| SNYDER | 39,702 | 329 | 4 | 0 | 4 | 3.02 | 0.01 |
| 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 | 5 | 49 | 4.03 | 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

In fiscal year 2022-23, the PLCB conducted its 11th restaurant license auction – the first auction since the COVID-19 pandemic paused the practice in June 2020 – resulting in the successful award of 20 licenses.

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.

Auction revenue to date from all previous auctions totals \$34.4 million for 280 awarded licenses, while another \$1.8 million remains in escrow, pending license approvals.

LICENSE AUCTION SUMMARY THROUGH JUNE 30, 2023

| | License Bids | | Licenses Issued | | Bids Refunded | | Licenses Pending | |
|--------------|---------------------|------------|---------------------|------------|--------------------|-----------|--------------------|-----------|
| | Potential Revenue | Count | Revenue | Count | Amount | Count | Amount | Count |
| Auction 11 | \$3,227,588 | 20 | \$1,520,910 | 11 | \$33,331 | 1 | \$1,673,347 | 8 |
| Auction 10 | \$1,250,761 | 15 | \$1,118,534 | 12 | \$82,227 | 2 | \$50,000 | 1 |
| Auction 9 | \$1,565,149 | 20 | \$1,353,502 | 17 | \$172,446 | 2 | \$39,201 | 1 |
| Auction 8 | \$2,095,606 | 22 | \$2,095,606 | 22 | - | 0 | - | 0 |
| Auction 7 | \$1,847,869 | 25 | \$1,596,767 | 23 | \$251,102 | 2 | - | 0 |
| 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 | \$38,513,721 | 312 | \$34,367,770 | 280 | \$2,383,403 | 22 | \$1,762,548 | 10 |

Education & Grants Management Division

In fiscal year 2022-23, the Education & Grants Management Division reached citizens in nearly every Pennsylvania county. The Bureau of Alcohol Education:

- **Attended 106 in-person and virtually-led trainings, conferences and webinars.**
- **Distributed more than 190,000 educational materials.**

- **Conducted 12 “Alcohol Awareness for Student Leaders and Influencers” trainings** to prepare college and university student leaders with the resources and knowledge to educate and influence their peers to abstain from underage drinking and inform responsible consumption for those over 21.

- **Conducted 14 “Understanding the Liquor Laws and Alcohol Related Offenses” trainings.**

The Bureau of Alcohol Education's Facebook page also shares statistics and prevention information regarding underage and dangerous drinking, features community events the bureau participates in and highlights grantee activities.

KNOW WHEN. KNOW HOW.SM

Know When. Know How.SM, the PLCB's statewide education campaign to prevent underage drinking, targets Pennsylvania parents of children ages 8 through 12 to encourage them to engage in early conversations about

the dangers of alcohol with their kids before the trial or use of alcohol begins.

The campaign's

website, KnowWhenKnowHow.org, focuses on the effectiveness of ongoing, age-appropriate conversations that stem from everyday experiences and mature with children over time – as opposed to a single intimidating “talk” – and provides parents with the tools, resources and confidence needed to initiate meaningful discussions about alcohol with their children from an early age.

KnowWhenKnowHow.org educates parents of elementary- to middle-school-aged kids on the facts and statistics surrounding underage drinking and features conversation starters and video tips for parents as a guide. The website also features an informational campaign video for use by parents and educators, as well as a dedicated resource section with ideas and suggestions for like-minded partners in prevention to help promote the campaign.

From its launch in January 2018 through June 30, 2023, the advertising campaign has totaled 246.2 million digital impressions, resulting in more than 378,299 link clicks and 240,215 Pennsylvania-based visitors to the *Know When. Know How.* website. The campaign also boasts more than 40 national and international awards.



GRANTS

Alcohol Education grants for reducing underage and dangerous drinking are awarded on a two-year cycle. The amount awarded for the first year of funding in the 2022-24 grant cycle was \$1,698,301, which went to 97 grantees.

Of the grants that were awarded:

- Twenty-nine were used to fund community law-enforcement efforts for targeted underage patrols, community outreach and equipment and educational programming, including training on Pennsylvania's liquor laws and effective enforcement.
- Twenty-eight grants were awarded to support community and nonprofit organizations through funding of initiatives including MADD's Power of Parents® and Parents Who Host Lose the Most®,

Project Northland, public service announcements and related enforcement efforts.

- Four went to primary and secondary schools to fund programs aimed at educating students on the dangers of underage drinking and encouraging positive decision-making skills through the employment of guest speakers and impaired driving simulation activities, and through targeted social norms media campaigns.
- Thirty-four college and university grants were used to help schools develop strategies to reduce underage and dangerous alcohol use through survey and assessments, enforcement efforts, attendance at alcohol education conferences, training for resident assistants, peer education programs and evidence-informed programs like EVERFI Alcohol Edu® and SafeColleges.

- One went to a for-profit organization to fund a public service announcement contest featuring local middle- and high-school students that aired on radio and social media, as well as a mock car crash as an educational and prevention tool for students.
- One went to a post-secondary education center to fund programs for students to include a virtual driving simulation, alcohol-related DVDs and prevention-focused curriculums.

At the completion of the first year of funding, grantees made a total of 13,237,135 contacts with the public.



SOME OF THE WAYS PEOPLE WERE REACHED

911

Police & Campus Patrols

2,793

Grantees Attended Conferences and Training

55,712

Printed Materials

622

Peer Educators

7,054

Online Assessments Completed

RESPONSIBLE ALCOHOL MANAGEMENT PROGRAM

The PLCB's Responsible Alcohol Management Program (RAMP) was established as a voluntary program in 2001 to provide licensees with the tools they need to serve alcohol responsibly. 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. Effective Aug. 28, 2021, mandatory classroom training for first-time Owner/Manager Training enrollees is required as a condition of eligibility to satisfy mandatory training requirements and to apply for RAMP certification.*

Server/Seller Training – At least 50% of the licensee's alcohol service

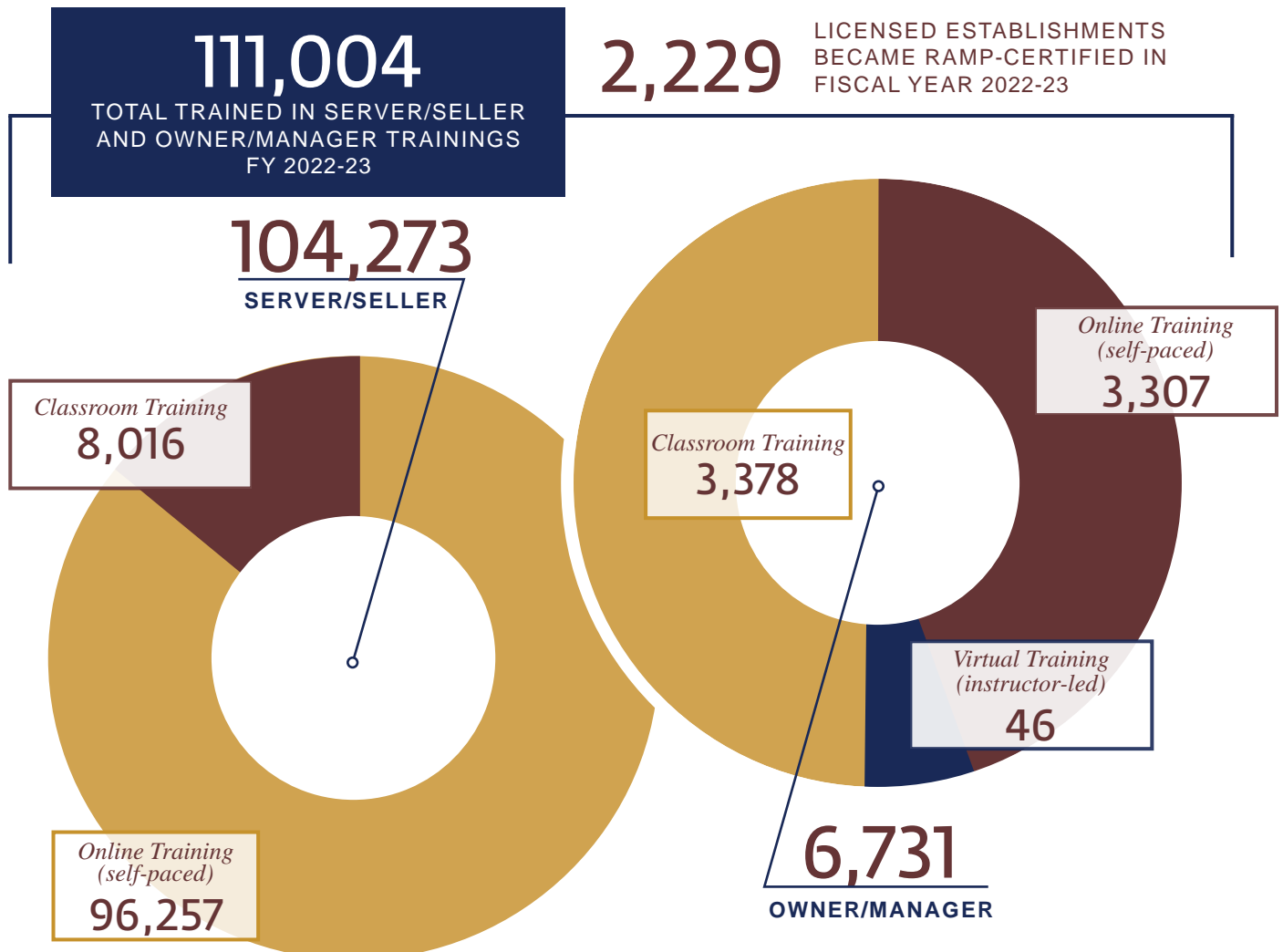
staff must be trained as part of certification. This includes anyone who serves alcohol and/or checks IDs. Training includes tips on carding and spotting fake IDs, how to spot and deal with VIPs and how to slow down or stop service. *This training is required within six months of hire for anyone hired 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.



PENNSYLVANIA PRODUCERS

Pennsylvania has a long-standing history of producing beverage alcohol, with more than 1,300 locations statewide – wineries and limited wineries, breweries and brew pubs, distilleries and limited distilleries – with producer licenses.

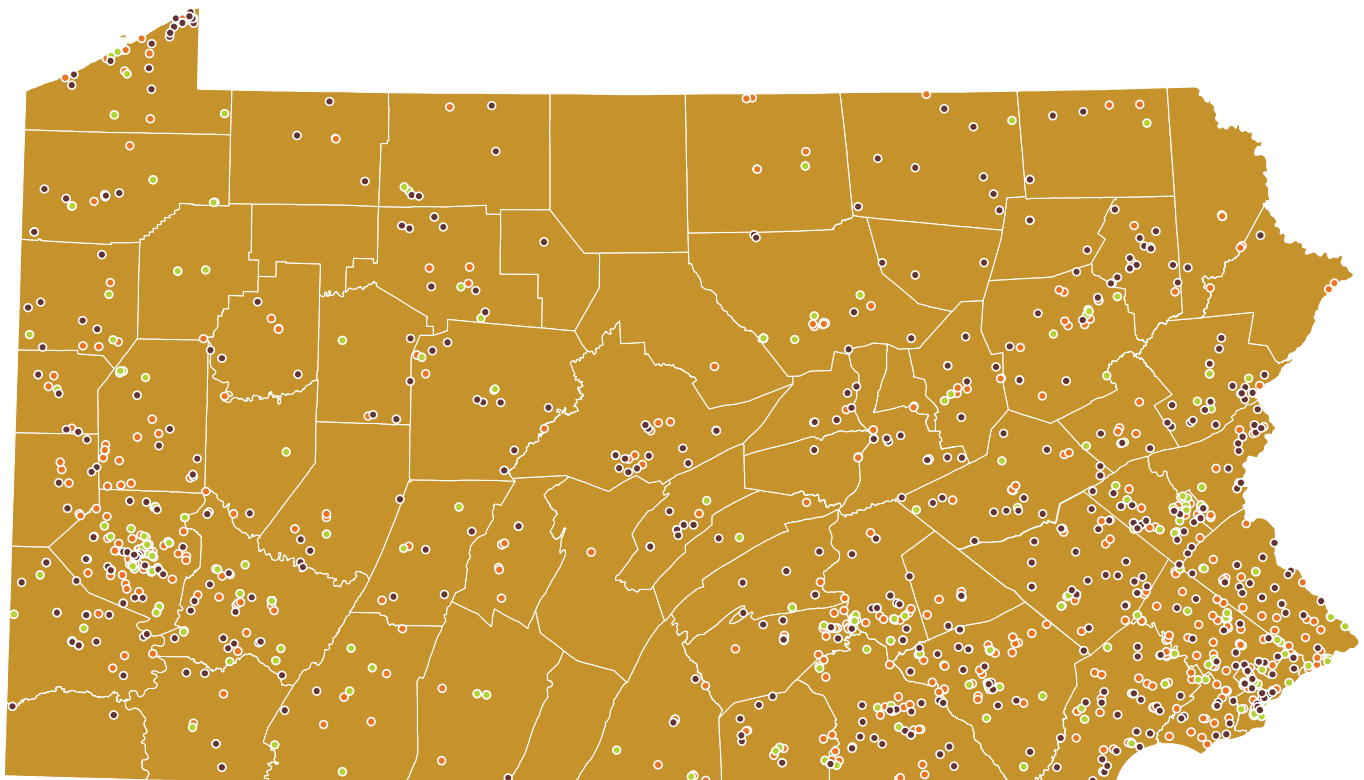
Each year, the PLCB approves up to \$1 million in grants for projects that support the Pennsylvania wine industry and increase production of Pennsylvania-made wines, and another \$1 million in grants for the development and promotion of the Pennsylvania beer industry.

The Pennsylvania Wine Marketing and Research Board and the Pennsylvania Malt and Brewed Beverages Industry Promotion Board present grant proposals to

the PLCB that focus on research, marketing and education initiatives. In fiscal year 2022-23, \$990,662 was awarded to nine projects to support the Pennsylvania wine industry, and \$798,262 was authorized for 12 projects supporting Pennsylvania-made malt and brewed beverages.

From 2017 through fiscal year 2022-23, the PLCB has awarded nearly \$7 million in wine grants and more than \$5.5 million in beer grants.

PENNSYLVANIA PRODUCERS HAVING VALID LICENSES AS OF JUNE 30, 2023



● Breweries/Brew Pubs — 626 ● Wineries/Limited Wineries — 463 ● Distilleries/Limited Distilleries — 228

2022-23 Wine Grant Recipients – \$990,662

Pennsylvania Wines Statewide Marketing, \$341,133 *Pennsylvania Winery Association*

The Pennsylvania Winery Association will promote and market to wine enthusiasts through various marketing strategies (digital, print, video, etc.) to educate consumers about the diversity of the Pennsylvania wine industry.

Understanding Pennsylvania Wine Consumers and Their Wine Purchasing Behaviors Post-COVID-19, \$116,600 *The Pennsylvania State University*

The COVID-19 pandemic has changed consumer behaviors; however, it is unclear how wine consumers behaviors and attitudes towards Pennsylvania wines have shifted. This project will identify consumer behavior and attitude shifts and develop recommendations for the Pennsylvania wine industry to target new consumer needs more effectively.

Assessment of Economic Decision Levels for Spotted Lanternfly in *Vitis Vinifera*, \$108,524 *The Pennsylvania State University*

A study of spotted lanternfly economic thresholds and impacts on cabernet franc will measure how insect density and number of yearly infestations impact yield losses, plant decline and vine death and inform the usage of insect-suppressing techniques in relation to the management of spotted lanternflies.

Regional Variability in Tannin Extractability from Red Hybrid Grapes, \$97,796 *The Pennsylvania State University*

The tannin content of red wine is an important aspect of its quality; however, for various reasons, interspecific hybrid wines, which account for a large portion of Pennsylvania wine production, are low in final tannin content. This study will examine regional variability in both total tannin content and factors impacting extractability and persistence, so producers can more predictably make higher tannin wines from available fruit.

Increasing Desirable Aroma Compounds in Pennsylvania Wines by Treating Post-Harvest Grapes with Elemental Sulfur, \$83,242 *The Pennsylvania State University*

Varietal thiols are potent aroma active molecules that

contribute highly desirable flavors to aromatic white wines but are often difficult to coax out of wine grapes. This project will evaluate simple and cost-effective ways of increasing the levels of these compounds in wines made from Pennsylvania-grown grapes.

Determining Fungicide Resistance in Grapevine Downy Mildew to Identify and Develop More Sustainable and Effective Disease Control, \$79,370 *University of Maryland*

Downy mildew has been a major disease driving fungicide spraying in Mid-Atlantic vineyards. This proposal will determine frequency of resistance to commonly used fungicides and characterize resistance mechanisms in downy mildew populations, minimizing ineffective sprays.

Evaluation of Herbicide Toxicity and Persistence in Popular Grapevine Cultivars Grown in Pennsylvania, \$71,811 *The Pennsylvania State University*

The project will explore the scope of vineyard herbicide drift issues and the nuances of chemistry-specific herbicide damage threat to grapevines, thereby raising awareness about herbicide drift and stewardship regarding Pennsylvania vineyards.

Building Cluster Counting into My Efficient Vineyard to Aid Yield Prediction, \$54,107 *Cornell University*

Most yield prediction techniques are manual and/or destructive, involving counting clusters and assessing average cluster weight. This project will program a previously developed, inexpensive, easy-to-use smartphone cluster counting method for vertically shoot-positioned vines into the myEV tool available at efficientvineyard.com.

Evaluating Insecticide Resistance in Pest Populations across the Commonwealth of Pennsylvania, \$38,079 *The Pennsylvania State University*

Through a collaborative partnership with Pennsylvania growers, this project will identify and verify the presence of insect pest populations that exhibit resistance to agrochemicals. A series of in-vitro assays will be performed to diagnose the physiological mechanism(s) of resistance and provide information to assist with the development of effective, site-specific pest management plans.

2022-23 Beer Grant Recipients — \$798,262

Building the Commonwealth Grain Brand: An Agricultural Marketing Campaign for Pennsylvania Malt and Brewed Beverages, \$149,951 *Deer Creek Malthouse*

This project will build the Commonwealth grain brand through education, networking and direct-to-consumer

marketing. Specific objectives include quarterly releases of the statewide collaboration "PA Pride," grain demonstrations at Pennsylvania farmers' markets, the annual "Philly Grain & Malt Symposium" convening event and a series of videos, articles and resources promoting Pennsylvania breweries using local grain.

2022-23 Beer Grant Recipients *(Continued)*

"What's Brewing," \$113,960

CCI Communications Inc.

"What's Brewing" is a television series promoting all aspects of Pennsylvania's evolving craft brewing industry. Recorded at brewery sites throughout the state, the program is also designed to promote tourism. Grant funding will provide for 36 new shows.

An Economic Impact Analysis of Pennsylvania's Beer Industry, \$98,126

West Chester University

This study will measure the direct, indirect and induced impacts of the three tiers of Pennsylvania's beer industry – production, wholesale and retail – as well as estimate the effects of Act 39 of 2016 and COVID-19 on the industry.

Enhanced Marketing for the Bucks County Ale Trail, \$75,000

Visit Bucks County

Visit Bucks County, Bucks County's officially designated tourism marketing agency, will use grant funding for new and enhanced marketing for the 26 breweries on the Bucks County Ale Trail in 2023. New content and increased advertising, including static and digital billboards and digital promotions, will drive traffic and increase sales by offering new and additional reasons to visit Bucks County breweries.

Use of Exogenous Sulfur-Carbon Lyases to Increase Desirable Hop Derived Thiol Concentrations in Pennsylvania Beers, \$66,409

The Pennsylvania State University

Hops, a key brewing ingredient, contain polyfunctional thiols – extremely potent aroma active compounds – that are highly desirable because they contribute pleasant flavors (e.g., "tropical," "passionfruit," "grapefruit") to beer. This project will explore the use of enzyme additives, commonly used in the wine industry, as a technique for increasing the concentrations of desirable polyfunctional thiols in beer.

Allegheny County 2023 Craft Brewery Tourism Campaign, \$65,000

VisitPITTSBURGH

VisitPITTSBURGH will use awarded grant funds to continue to position Pittsburgh as a craft beer destination, driving visitor traffic and new business to area breweries. The campaign will be anchored by two major goals: to promote Pittsburgh as a unique, must-see craft brewery destination and boost awareness of the diverse and quality products being developed in and by Pittsburgh breweries.

Launching Allegheny Mountain Malt, \$55,900

Food21

Food21's Farm to Tap program seeks to increase the use of Pennsylvania-grown barley in the state's craft beer industry

by demonstrating the value to growers, processors and brewers. Food21 will also establish Allegheny Mountain Malt, a new line of locally raised and sustainably grown malt.

Increasing the Efficiency, Quantity and Quality of Hops Harvested in Northwestern Pennsylvania by Introducing a Wolf Harvester, \$43,000

Hop Stop Farm

The presence of a Wolf hop harvester in Western Pennsylvania will provide current and future hop growers with an efficient and cost-effective machine for picking hops that will increase the quantity and quality of hops made available for craft breweries to use in making beverages from locally sourced ingredients.

Cumberland Valley Beer Trail Marketing Enhancements, \$40,000

Cumberland Area Economic Development Corporation

Grant funds will be used to increase awareness of the Cumberland Valley Beer Trail through marketing efforts, including vinyl wraps on 12 full-time rideshare vehicles in out-of-state target markets, and to conduct a photo/video shoot highlighting participating locations for future marketing use across all marketing media.

Beer Analysis Lab Services and Brewing Science Program Expansion, \$39,113

Point Park University

Point Park University will expand its Brewing Science Academy offerings by providing scholarships to minorities and underrepresented groups to attend its introductory Brewing Science course, develop a new Advanced Topics brewing course and establish a beer analysis lab to serve local breweries free of charge.

Craft Beverage Trail Expansion, Marketing, Sales, Engagement, \$26,403

Explore Schuylkill

Through development of an interactive online trail guide and new app, Explore Schuylkill will further develop, expand and enhance marketing and promotion of the existing Craft Beverage Trail, which showcases America's Oldest Brewery within the growing craft beer industry.

The Who Behind the Brew, \$25,400

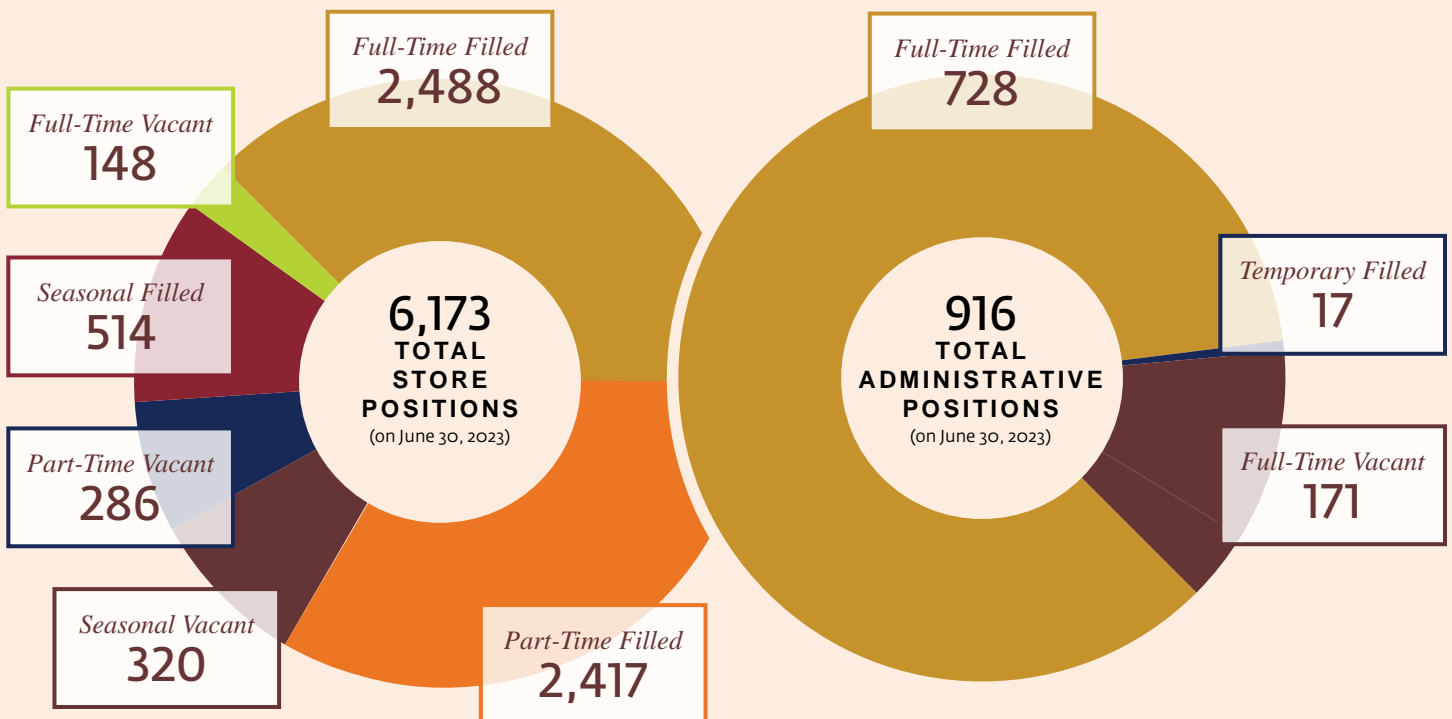
PA Eats

Expanding upon its established beer-focused column, PA Eats will publish The Who Behind the Brew features each month that focus on people working in all aspects of the beer industry, including grain and hops farmers. PA Eats believes an imperative part of the longevity and resilience of PA's craft brewing community is telling the stories of the people working within it and aims to continue building a community of engaged, passionate, locally focused beer fans.

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



Under the purview of the PLCB's Office of Administration, the Office of Talent Management and Organizational Development (TMOD) is responsible for agency-wide training and professional development.

On an annual basis, TMOD fosters advanced education and learning for PLCB employees through the development and delivery of key leadership initiatives and training on a wide range of topics.

In fiscal year 2022-23, TMOD directed its training focus toward the development of learning resources in support of Project New Horizon, the agency's new enterprise resource planning (ERP) platform.

To facilitate the transition to new business systems in line with Release 2 of the project – targeted for go-live the beginning of fiscal year 2023-24 – TMOD worked collaboratively with PLCB business units and project consultants to produce learning solutions for internal and external stakeholders. Activity included:

- Train-the-trainer sessions – 69 in all – to prepare business leaders tasked with educating PLCB stakeholders on the use of the agency's new platforms;
- The delivery of more than 100 facilitator-led end-user training sessions to PLCB stakeholders, providing step-

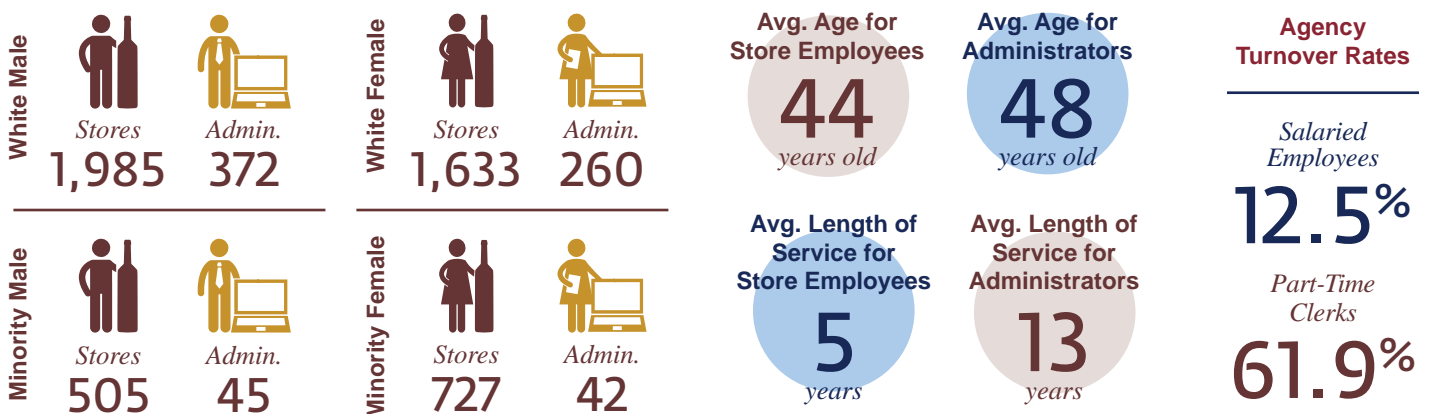
by-step walk-throughs of new processes and systems in advance of Release 2 go-live;

- Overview videos for licensees and suppliers, apprising each group of key impacts and execution timelines; and
- The production of detailed training materials for licensees and suppliers to enable them to familiarize themselves with the new systems in advance of the anticipated Release 2 launch. In all, 24 quick reference guides and 50 eLearning videos were developed and shared.

EMPLOYMENT ACTIONS FY 2022-23



EMPLOYMENT STATISTICS FY 2022-23



FINANCIAL AUDIT

Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Liquor Control Board State Stores Fund - Liquor License Fund Audit Report

For the Years Ended June 30, 2023 and June 30, 2022

December 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

TABLE OF CONTENTS

| | |
|---|----|
| Background..... | 1 |
| Independent Auditor’s Report..... | 4 |
| Management’s Discussion and Analysis | 8 |
| State Stores Fund – Statements of Net Position..... | 13 |
| State Stores Fund – Statements of Revenues, Expenses, and Changes in Net Position | 15 |
| State Stores Fund – Statements of Cash Flows..... | 16 |
| Liquor License Fund – Balance Sheets..... | 17 |
| Liquor License Fund – Statements of Revenues, Expenditures, and Changes in Fund Balance..... | 18 |
| Notes to the Financial Statements..... | 19 |
| Required Supplementary Information..... | 41 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 45 |
| Distribution List..... | 47 |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Background

Introduction

The Pennsylvania Liquor Control Board (PLCB) is an entity of the Commonwealth of Pennsylvania (Commonwealth) authorized by law to regulate the sale and distribution of alcoholic beverages in the Commonwealth.

The mission of the PLCB 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.

History and Agency Overview

With the end of Prohibition in 1933, various laws regarding alcohol regulation were passed by the Pennsylvania General Assembly, including the Liquor Control Act and the Beverage License Law, which created the PLCB. The statutory authority for the PLCB is Act 21 of 1951, P.L. 90, as reenacted by Act 14 of 1987, P.L. 32.

Act 39 of 2016 liquor reforms changed more than 35 sections of the Liquor Code and added a number of new sections – the most sweeping changes to liquor laws in Pennsylvania since the end of Prohibition in 1933. Act 39 reforms allowed for the sale of wine to go by restaurant license holders, including grocery and convenience stores; eliminated proportional pricing according to a standard markup formula and authorized flexible pricing; sanctioned a customer relationship management program; eliminated restrictions on Sunday hours for Fine Wine & Good Spirits (FW&GS) stores; enabled the PLCB to auction expired restaurant licenses; authorized Pennsylvania Lottery sales in FW&GS stores; and expanded direct wine and beer shipment options for Pennsylvania residents. It also established grant programs for developing and promoting Pennsylvania’s wine and beer industries.

The PLCB is an independent administrative board governed by a board whose three members are appointed to staggered four-year terms by the Governor and confirmed by two-thirds of the state Senate.

The PLCB regulates the manufacture, importation, sale, distribution, and disposition of liquor, alcohol, and malt or brewed beverages in the Commonwealth. Key functions of the PLCB include:

- The operation of about 575 FW&GS stores across Pennsylvania, including 112 Premium Collection stores, 13 Licensee Service Centers, and an e-commerce fulfillment center.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Background (Continued)

- Licensure and regulation of about 16,000 retail and wholesale licensees and 1,100 wineries, breweries, and distilleries in the Commonwealth, which requires annual processing of more than 87,000 applications for various license and permit authorities.
- Wholesale sales and distribution of wine and spirits to licensees for resale at retail, including distribution of wine to more than 1,700 licensees authorized to sell wine to go.
- Public education efforts regarding alcohol focusing on three key pillars: delivering no-use and zero-tolerance messages to those under the age of 21, encouraging responsible consumption for those over 21, and promoting responsible alcohol service and practices among licensees.

While enforcement of the Liquor Code is not the PLCB's responsibility, the PLCB funds the operations of the Pennsylvania State Police, Bureau of Liquor Control Enforcement, which is responsible for enforcing liquor laws and regulations throughout the Commonwealth.

The PLCB is primarily responsible for the accounting and reporting of the Liquor License Fund and the State Stores Fund. The Liquor License Fund is a special revenue fund that serves as a pass-through account for fees for hotel, restaurant, and club liquor and beer licenses. These fees are returned semi-annually to the municipalities in which the licenses are located, while interest earned on fund deposits is credited to the Commonwealth's General Fund.

The State Stores Fund is an enterprise fund that serves as the general operating fund for the PLCB. This fund receives revenues from the sale of goods, primarily through FW&GS stores and sales to licensees, as well as various other operating revenues including fees not credited to the Liquor License Fund. The State Stores Fund also covers the costs and expenses associated with operation and administration of all PLCB functions.

The 18% liquor tax and 6% state sales tax collected by the PLCB are transferred monthly to the General Fund. Local sales taxes collected are remitted timely and in full to Philadelphia and Allegheny Counties.

The PLCB achieved gross annual sales of \$3.2 billion for fiscal year 2022-2023, an increase of 4.5% over the previous fiscal year. As a result, PLCB operations generated \$450.8 million in liquor tax and \$177.6 million in state sales tax and provided for additional transfers to the General Fund totaling \$185.1 million for the year. The PLCB also returned \$11.5 million in local sales taxes to Philadelphia and Allegheny counties. Additionally, the PLCB provided \$32.3 million to fund liquor control enforcement efforts, obligated \$5.2 million to support the Pennsylvania Department of Drug & Alcohol Programs, awarded \$1.9 million in grants supporting Pennsylvania's wine and beer industries, awarded alcohol education grants of \$1 million, and collected \$4.3 million in liquor license application fees for return to local municipalities.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Background (Continued)

Key Facts

- State and local sales taxes applicable to PLCB sales are collected by the PLCB and fully remitted to the General Fund.
- The state liquor tax of 18% is included in the retail price of each item, excluding accessory items and non-alcoholic consumables, and is remitted by the PLCB to the General Fund.
- All revenues remaining after the payment of PLCB operating expenses and after the required appropriations are made to other entities and Commonwealth agencies are made available to be transferred to the General Fund.



Commonwealth of Pennsylvania
 Department of the Auditor General
 Harrisburg, PA 17120-0018
 Facebook: Pennsylvania Auditor General
 Twitter: @PAAuditorGen
 www.PaAuditor.gov

TIMOTHY L. DEFOOR
 AUDITOR GENERAL

Independent Auditor's Report

The Honorable Joshua D. Shapiro
 Governor
 Commonwealth of Pennsylvania
 Harrisburg, PA 17120

The Honorable Tim Holden
 Chairman
 Pennsylvania Liquor Control Board
 Harrisburg, PA 17124

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Pennsylvania Liquor Control Board (PLCB) – State Stores Fund, which comprise the Statements of Net Position as of June 30, 2023 and 2022, and the related Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows for the years then ended, and the related notes to the financial statements; and the PLCB – Liquor License Fund, which comprise the Balance Sheets as of June 30, 2023 and 2022, and the related Statements of Revenues, Expenditures, and Changes in Fund Balance for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the PLCB – State Stores Fund and Liquor License Fund as of June 30, 2023 and 2022, and the results of the State Stores Fund's operations and its cash flows for the fiscal years then ended, and the Liquor License Fund's revenue and expenditure activity for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government*

Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the PLCB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note A, the financial statements present only the PLCB and do not purport to, and do not, present fairly the financial position of the Commonwealth of Pennsylvania as of June 30, 2023 and 2022, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note N to the financial statements, during the fiscal year ended June 30, 2023, the PLCB adopted GASB Statement No. 96, *Subscription Based Information Technology (IT) Arrangements*. As a result of the implementation of this standard, the July 1, 2022 net position is restated for the change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PLCB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8-12; and the schedules of pension amounts – PLCB's schedule of contributions and PLCB's schedule of proportionate share of the net pension liability, and schedules of postemployment benefits other than pensions (OPEB) amounts – PLCB's schedule of contributions and PLCB's schedule of allocated share of the net OPEB liability on pages 41-44 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

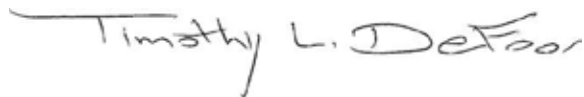
Management is responsible for the other information included in the report. The other information comprises the Background section but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated.

If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of PLCB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PLCB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PLCB's internal control over financial reporting and compliance.



Timothy L. DeFoor
Auditor General
December 11, 2023

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

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 U.S. 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, 2023 and 2022; State Stores Fund Comparative Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2023 and 2022; State Stores Fund Comparative Statements of Cash Flows for the fiscal years ended June 30, 2023 and 2022; the Liquor License Fund Balance Sheets as of June 30, 2023 and 2022; and the Liquor License Fund Statements of Revenues, Expenditures, and Changes in Fund Balance for the fiscal years ended June 30, 2023 and 2022.

The State Stores Fund Comparative Statements of Net Position provide information about assets and liabilities and reflect the net financial position of the State Stores Fund at the end of each fiscal year. The Comparative Statements of Revenues, Expenses, and Changes in Net Position report the operating revenue activity, expenses related to such activity, and operating transfers out for each fiscal year. The Comparative Statements of Cash Flows outline the cash inflows and outflows relating to the operations for each fiscal year. The Liquor License Fund Balance Sheets provide information about assets and liabilities that reflect the position of the Liquor License Fund at the end of each fiscal year. The Liquor License Fund Statements of Revenues, Expenditures, and Changes in Fund Balance illustrate the revenue and expenditure activity for each 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.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Management's Discussion and Analysis (Continued)

Executive Summary & Highlights

In 2020, the PLCB embarked on Project New Horizon, a multi-year effort to upgrade and replace its enterprise resource planning (ERP) platform. In January 2022, the PLCB implemented the first of four phases (Release 1) of its new cloud-based solution, which replaced its on premises Oracle financials platform (EBS) with Oracle cloud financials (CFIN). In July 2023, the PLCB completed the implementation of Release 2 which established a wholesale and retail infrastructure on the Oracle Cloud solution, added functionality to the Licensee Online Order Portal (LOOP) and improved Ecommerce functionality.

In fiscal year 2022-23, the PLCB achieved record sales net of taxes of \$2.5 billion. This was an increase of \$108 million, or 4.5% over fiscal year 2021-22. The PLCB's net income for fiscal year 2022-23 was \$260.8 million, a \$70.1 million or 21.2% decrease over the prior year. The decrease in net income was substantially due to increased operating expenses related to workers compensation and pension.

Other financial highlights include:

- Gross profit from sales of \$764.2 million increased \$12.2 million, or 1.6%. The gross profit percentage was 30.4%, down 0.9% from the prior fiscal year.
- Operating income decreased \$77.3 million, or 21.1%, to \$288.6 million.
- Net cash flow from operating activities generated \$459.7 million (an increase of \$259.2 million from the prior year), which was the primary source used to fund the \$185.1 million cash transfer to the General Fund, \$32.3 million to fund the Pennsylvania State Police's Liquor Code enforcement efforts and \$5 million (\$3.9 million from the fiscal year 2021-22 obligation and \$1.1 million from the fiscal year 2022-23 obligation) in transfers to the Department of Drug & Alcohol Programs.
- The \$90.3 million for capital and related financing expenditures includes cash outflows of \$65.7 million for reduction of right to use (RTU) liabilities and interest as required under Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*, and GASB No. 96, *Subscription-Based Information Technology Arrangements* and \$24.6 million for acquisition and construction of capital assets.
- Year-end cash and investments increased \$156 million (67.2%) to \$388.1 million.
- Trade accounts payable increased \$114.2 million (52.4%) to \$332.3 million.
- Net position improved \$70.8 million (8.1%), primarily due to increases in cash and investments, offset by increases in the non-current liabilities for pension and workers compensation.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Management's Discussion and Analysis (Continued)

Revenues and Costs

Sales

Sales and tax revenue in fiscal year 2022-23 totaled \$3.2 billion, an increase of \$136.3 million or 4.5% over fiscal year 2021-22. Excluding liquor and sales taxes, net sales of \$2.5 billion were up \$108 million or 4.5% over the prior year. By product category, spirit sales increased 6.3% and wine sales increased 1.6%. Overall unit sales increased 2.8%, with spirit unit sales increasing 5.3% and wine unit sales decreasing 1% from prior year.

The PLCB's saw it's mix of retail and licensee sales slightly shift versus prior year, with retail sales comprising 74.4% of spirit/wine sales and sales to licensees comprising 25.6%. In 2021-22, these amounts were 75.1% for retail and 24.9% for licensee sales.

The PLCB's 2022-23 gross profit margin decreased 0.9% to 30.4%, as compared to 31.3% in the prior year. During January 2023, the PLCB increased retail prices by about 4%, however, higher product costs, inventory adjustments, the aforementioned increase in the proportion of licensee sales (with a statutory 10% discount in retail prices) and product liquidations negatively impacted gross margin.

Operating Income & Expense

Operating income for the fiscal year ended June 30, 2023, was \$288.6 million, a decrease of \$77.3 million or 21.1% from prior year. The decrease was primarily attributable to a \$95.1 million increase in total operating expenses. Increases in gross profit from sales (\$12.2 million) and other operating revenues (\$5.6 million) offset a portion of the increase in operating expenses.

The increase in operating expenses was primarily due to increases in long term liabilities for pension and workers compensation as well as an increase in personnel costs. Valuation adjustments in long term pension and workers compensation liabilities resulted in a \$50.2 million increase in pension (\$32.7 million), workers compensation (\$18.5 million), partially offset by lower other post-employment benefits (OPEB) expense (\$1 million). Personnel costs also increased by \$20.6 million or 10.1%. The increases included contractual pay raises, which resulted in increases in employee compensation for salaries, wages and overtime, a one-time payout of annual leave for excess leave accumulated during the pandemic and expedited scheduled pay increases.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Management's Discussion and Analysis (Continued)

Total other operational expenses/services, including depreciation, increased \$21.4 million or 10.5% over the prior year. This is primarily due to Project New Horizon related expenses increasing \$11.9 million over the prior year, attributed to an increase in IT subscriptions amortization due to the implementation of GASB 96 (\$5.5 million), updated R2 facilitator guides and training materials (\$4 million), other IT equipment such as Zebra scanning machines (\$2.5 million), and data governance consulting services (\$1 million), partially offset by reduced hardware and software maintenance costs (\$1.1 million). Security guard service costs increased \$3.2 million due to a new comprehensive arrangement. Debit and credit cards services increased \$3.2 million or 8.2% over the prior year due to increased sales and card usage. Charges for Commonwealth provided services increased \$2.6 million or 13.9%, primarily due to increases in human resources shared services (\$1.9 million), Auditor General services (\$1.1 million), payroll services (\$0.3 million), Integrated Enterprise System services (\$0.2 million), Comptroller services (\$0.2 million) and other services (\$0.3 million). These increases were partially offset by a \$0.8 million decrease in information technology shared services, and a \$0.6 million decrease in real estate shared services. There were also increases in various areas for non-IT contracted maintenance and repair costs (\$0.7 million) and leased property costs (\$0.4 million).

Other operating revenues increased \$5.6 million or 16.5% primarily due to:

- A net increase of \$5.8 million for license fees, as the PLCB's waiver of most license renewal fees for calendar 2021 ended. Surcharge fees (\$2.9 million), wine expanded permits (\$1.6 million), administrative fees (\$0.5 million), license auction fees (\$0.5 million), and application fees (\$0.3 million) increased.

Non-operating revenues (and expenses) increased \$8.9 million or 204.7% primarily due to:

- Interest income from Pennsylvania Treasury Department Pool 99 investments increased \$8.7 million due to a higher Treasury Pool 99 investment yield in fiscal year 2022-23.

Transfers Out

The Bureau of Liquor Control Enforcement within the Pennsylvania State Police received \$32.3 million in funding in fiscal year 2022-23, an increase of \$1.6 million (5.2%) over the previous year. A \$5.2 million Department of Drug & Alcohol Programs liability was accrued in June 2023 for the fiscal year 2022-23 statutory obligation [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 2022-23 generated by the PLCB's operations – but not reflected as revenues, expenses, or cash flows in the State Stores Fund's financial statements – included \$450.8 million in liquor tax and \$177.6 million in state sales tax, and \$11.5 million in local sales taxes, an overall 4.6% increase.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Management's Discussion and Analysis (Continued)

License fees returnable to local municipalities from the Liquor License Fund totaled \$4.3 million for fiscal year 2022-23, compared to \$2.7 million in the prior year. The \$1.6 million increase was due to the waiving of many license fees for calendar 2021.

**PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND
COMPARATIVE STATEMENTS OF NET POSITION
(AMOUNTS IN THOUSANDS)**

| <u>ASSETS</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|---|-----------------------------|-----------------------------|
| Current assets: | | |
| Cash | \$ 46,273 | \$ 33,709 |
| Temporary investments | 341,784 | 198,354 |
| Accounts and claims receivable, net | 5,360 | 8,428 |
| Due from other funds | 28 | 3 |
| Merchandise inventories | 211,932 | 209,229 |
| Operating supplies | 896 | 417 |
| Prepaid expenses | 1,982 | 969 |
| Total current assets | <u>\$ 608,255</u> | <u>\$ 451,109</u> |
| Noncurrent assets: | | |
| Non-depreciable capital assets: | | |
| Land | 323 | 323 |
| Depreciable capital assets: | | |
| Building | 10,923 | 10,763 |
| Leasehold improvements | 209 | 209 |
| Machinery and equipment | 56,167 | 48,581 |
| Intangible – internally generated software | 70,232 | 54,994 |
| Intangible – right to use leases | 394,614 | 363,584 |
| Intangible – right to use IT subscriptions | 16,554 | 0 |
| Less: accumulated depreciation | (252,883) | (179,360) |
| Net depreciable capital assets | <u>\$ 295,816</u> | <u>\$ 298,771</u> |
| Total noncurrent capital assets – Note E | <u>\$ 296,139</u> | <u>\$ 299,094</u> |
| Total assets | <u>\$ 904,394</u> | <u>\$ 750,203</u> |
| Total deferred outflows of resources – Notes C, D | \$ 261,085 | \$ 184,355 |
| <u>LIABILITIES</u> | | |
| Current liabilities: | | |
| Trade accounts payable | \$ 332,285 | \$ 218,092 |
| Miscellaneous accounts payable | 16,301 | 13,858 |
| Accrued expenses | 24,542 | 24,047 |
| Self-Insurance – Note M | 4,796 | 5,039 |
| Due to other funds – Note F | 75,786 | 18,911 |
| Due to fiduciary funds – Note C | 3,458 | 3,134 |
| Due to other governments | 979 | 916 |
| Right to use liabilities – Note G | 61,080 | 55,609 |
| Total current liabilities | <u>\$ 519,227</u> | <u>\$ 339,606</u> |

~ The notes to the financial statements are an integral part of this statement. ~

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND
COMPARATIVE STATEMENTS OF NET POSITION (Continued)
(AMOUNTS IN THOUSANDS)

| | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|--|----------------------|----------------------|
| Noncurrent liabilities: | | |
| OPEB – Note D | 416,014 | 432,155 |
| Self-Insurance – Note M | 43,296 | 42,346 |
| Net pension liability – Note C | 569,164 | 369,046 |
| Compensated absences | 24,485 | 26,866 |
| Right to use liabilities – Note G | 180,471 | 199,900 |
| Total noncurrent liabilities | <u>\$ 1,233,430</u> | <u>\$ 1,070,313</u> |
| Total liabilities | <u>\$ 1,752,657</u> | <u>\$ 1,409,919</u> |
| Total deferred inflows of resources – Note C, D | \$ 214,179 | \$ 396,793 |
| <u>NET POSITION</u> | | |
| Investment in capital assets, Net of related debt | \$ 54,588 | \$ 43,585 |
| Deficit | <u>(855,945)</u> | <u>(915,739)</u> |
| Total net position | <u>\$ (801,357)</u> | <u>\$ (872,154)</u> |

~ The notes to the financial statements are an integral part of this statement. ~

**PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
(AMOUNTS IN THOUSANDS)**

| | <u>Fiscal Year Ended</u> <u>June 30, 2023</u> | <u>Fiscal Year Ended</u> <u>June 30, 2022</u> |
|--|--|--|
| Sales net of taxes | \$ 2,513,588 | \$ 2,405,547 |
| Cost of goods sold | <u>(1,749,390)</u> | <u>(1,653,534)</u> |
| Gross profit from sales | \$ 764,198 | \$ 752,013 |
| Operating (expenses): | | |
| Wholesale | (22,861) | (21,414) |
| Retail | (363,807) | (293,264) |
| E-commerce | (3,268) | (3,334) |
| Regulatory | (11,418) | (7,697) |
| Enterprise | (92,394) | (75,520) |
| Commonwealth-provided services | (21,219) | (18,624) |
| Total | <u>\$ (514,967)</u> | <u>\$ (419,853)</u> |
| Operating profit | \$ 249,231 | \$ 332,160 |
| Other operating revenues (expenses): | | |
| Enforcement fines | 1,557 | 1,927 |
| License fees | 31,918 | 26,128 |
| Miscellaneous income | 5,856 | 5,697 |
| Total | <u>\$ 39,331</u> | <u>\$ 33,752</u> |
| Total operating income | \$ 288,562 | \$ 365,912 |
| Non-operating revenues (expenses): | | |
| Interest income | 4,479 | (4,376) |
| Other | 50 | 49 |
| Total | <u>\$ 4,529</u> | <u>\$ (4,327)</u> |
| Income before operating transfers | \$ 293,091 | \$ 361,585 |
| Operating transfers out: | | |
| PSP enforcement – Note J | <u>(32,320)</u> | <u>(30,734)</u> |
| Income after enforcement/before other transfers | \$ 260,771 | \$ 330,851 |
| Other operating transfers: | | |
| Transfers out: | | |
| General Fund – Note H | (185,100) | (185,100) |
| Drug and alcohol programs – Note I | (5,215) | (6,617) |
| Total | <u>\$ (190,315)</u> | <u>\$ (191,717)</u> |
| Change in net position | \$ 70,456 | \$ 139,134 |
| Total net position – beginning (restated) – Note N | \$ (871,813) | \$ (1,011,288) |
| Total net position – ending | <u>\$ (801,357)</u> | <u>\$ (872,154)</u> |

~ The notes to the financial statements are an integral part of this statement. ~

**PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
(AMOUNTS IN THOUSANDS)**

| | <u>Fiscal Year Ended</u> <u>June 30, 2023</u> | <u>Fiscal Year Ended</u> <u>June 30, 2022</u> |
|---|--|--|
| Cash flows from operating activities | | |
| Receipts from customers | \$ 2,555,962 | \$ 2,437,500 |
| Payments to suppliers | (2,096,292) | (2,237,003) |
| Net cash provided by (used for) operating activities | \$ 459,670 | \$ 200,497 |
| Cash flows from noncapital financing activities: | | |
| Operating transfers out | (222,444) | (219,767) |
| Net cash used for noncapital financing activities | \$ (222,444) | \$ (219,767) |
| Cash flows from capital and related financing activities: | | |
| Acquisition and construction of capital assets | (24,611) | (34,926) |
| Proceeds from capital assets | 46 | 0 |
| Right to use lease principal | (61,147) | (55,921) |
| Right to use lease interest | (4,582) | (4,729) |
| Net cash used for capital and related financing activities | \$ (90,294) | \$ (95,576) |
| Cash flows from investing activities: | | |
| Purchase of investments | (1,791,624) | (1,641,742) |
| Proceeds from sale and maturities of investments | 1,648,194 | 1,761,735 |
| Investment income | 9,061 | 352 |
| Net cash used in investing activities | \$ (134,369) | \$ 120,345 |
| Net increase in cash | \$ 12,563 | \$ 5,499 |
| Cash – beginning of year | 33,709 | 28,210 |
| Cash – end of year | \$ 46,272 | \$ 33,709 |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | |
| Operating income | \$ 288,562 | \$ 365,912 |
| Depreciation | 75,792 | 67,164 |
| Change in assets and liabilities: | | |
| Accounts receivable | 3,071 | (1,799) |
| Inventory | (3,181) | 6,867 |
| Due from other funds | (28) | (1) |
| Other operating net assets | (1,013) | (877) |
| Deferred outflows – pension related | (76,730) | 26,064 |
| Accounts payable and accrued liabilities | 109,300 | (120,933) |
| Due to other funds | 64,138 | 7,723 |
| Due to pension trust funds | 88 | 356 |
| Net pension liability | 200,118 | (93,573) |
| Due to other governments | (17) | 129 |
| Other postemployment benefit obligations | (16,141) | (80,216) |
| Self-insurance liabilities | 706 | (17,815) |
| Compensated absences | (2,381) | 870 |
| Deferred inflows – pension related | (182,614) | 40,626 |
| Total adjustments | \$ 171,108 | \$ (165,415) |
| Net cash provided (used for) operating activities | \$ 459,670 | \$ 200,497 |

~ The notes to the financial statements are an integral part of this statement. ~

PENNSYLVANIA LIQUOR CONTROL BOARD
LIQUOR LICENSE FUND
BALANCE SHEETS
(AMOUNTS IN THOUSANDS)

| <u>ASSETS</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|--|-----------------------------|-----------------------------|
| Current assets: | | |
| Cash in transit | \$ 402 | \$ 85 |
| Investments – short term | <u>1,842</u> | <u>2,141</u> |
| Total assets | <u>\$ 2,244</u> | <u>\$ 2,226</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Current liabilities: | | |
| License fees due to municipalities | \$ 2,244 | \$ 2,226 |
| Total current liabilities | <u>2,244</u> | <u>2,226</u> |
| Fund balance: | | |
| Restricted | 0 | 0 |
| Total fund balance | <u>0</u> | <u>0</u> |
| Total liabilities and fund balance | <u>\$ 2,244</u> | <u>\$ 2,226</u> |

~ The notes to the financial statements are an integral part of this statement. ~

**PENNSYLVANIA LIQUOR CONTROL BOARD
LIQUOR LICENSE FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(AMOUNTS IN THOUSANDS)**

| | Balance June 30, 2023 | Balance June 30, 2022 |
|---|----------------------------------|----------------------------------|
| <u>REVENUES</u> | | |
| Liquor license application fees collected, net of refunds | \$ 4,261 | \$ 2,697 |
| Total revenues | <u>\$ 4,261</u> | <u>\$ 2,697</u> |
| <u>EXPENDITURES</u> | | |
| Liquor license fees for return to municipalities | \$ 4,261 | \$ 2,697 |
| Total expenditures | <u>\$ 4,261</u> | <u>\$ 2,697</u> |
| Net change in fund balance | \$ 0 | \$ 0 |
| Fund balance – July 1 | <u>\$ 0</u> | <u>\$ 0</u> |
| Fund balance – June 30 | <u>\$ 0</u> | <u>\$ 0</u> |

~ The notes to the financial statements are an integral part of this statement. ~

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Notes to the Financial Statements (Dollar amounts in thousands)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies employed by the Pennsylvania Liquor Control Board (PLCB) in the preparation of the accompanying financial statements are as follows:

Fund Accounting: The PLCB is primarily responsible for the accounting and reporting of the State Stores Fund and the Liquor License Fund. The State Stores Fund is an enterprise fund primarily used to account for wine and spirit 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting: The State Stores Fund is reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of this fund are included in the State Stores Fund Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the fiscal year earned and expenses are recognized in the fiscal year incurred. There may be rounding differences between amounts reported in the basic financial statements section and amounts reported in other sections of this report. Also, all dollar amounts in the financial statements and notes are stated in thousands unless otherwise indicated.

The Liquor License Fund, a special revenue fund, uses the modified accrual basis of accounting to report assets and liabilities.

Cash: Cash includes PLCB funds held by the State Treasurer, imprest balances held at financial institutions, and change used at the Fine Wine and Good Spirits (FW&GS) stores.

Temporary Investments: The PLCB participates in the Treasury Department's Commonwealth Investment Program (CIP) with other Commonwealth agencies. Practically all individual funds which are part of the Commonwealth are participants in the CIP. The Treasury Department accounts for each participating fund's equity (considered "shares") in the CIP on a daily basis. "Share" balances of participating funds fluctuate considerably during the fiscal year, based on the timing of cash receipts and disbursements in the participating fund, and are reported as temporary investments. The CIP is considered an internal investment pool. Temporary investments are reported at fair value.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash Equivalents: No investments which could be defined as cash equivalents have been treated as such on the State Stores Fund Statement of Cash Flows. Therefore, only net changes in cash are displayed.

Inventories: Inventories are stated at weighted average cost. The PLCB utilizes a bailment inventory management program. PLCB enters into bailment agreements with certain suppliers that require the suppliers to continue to hold title to stock at PLCB warehouse facilities until it is withdrawn from bailment for shipment to FW&GS stores. 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.

The allowance for obsolete inventory was \$100 at June 30, 2023, and June 30, 2022. Management will regularly review, at least once annually, inventory quantities on hand and increase/decrease 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.

PLCB established an allowance for inventory shrinkage beginning fiscal year ended June 30, 2020. This reserve is based primarily on a sample of actual shrinkage results from previous physical inventories. Beginning fiscal year ended June 30, 2023, the PLCB established a budgeted shrink calculation. Changes in the estimated shrinkage reserve may be necessary based on the results of physical inventories. The allowance for inventory shrinkage was \$0 and \$1,700 at June 30, 2023, and June 30, 2022, respectively.

Capital Assets: Capital assets (excluding intangible - right to use leases) are reported at cost in the State Stores Fund Statement of Net Position. Intangible – right to use leases are reported based on the present value of future lease payments over the contracted term of the lease. The cost of land is reported; for other types of capital assets, the following minimum per item dollar reporting thresholds are used (amounts in whole dollars):

| | |
|--|-----------|
| Building | \$5,000 |
| Leasehold improvements | \$5,000 |
| Machinery and equipment | \$5,000 |
| Intangible – internally generated software | \$5,000 |
| Intangible – right to use leases | \$100,000 |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets (excluding land) are depreciated or amortized over the useful lives using the straight-line method. The following useful lives are being used:

| | |
|--|-------------|
| Building | 10-20 years |
| Leasehold improvements | 3-15 years |
| Machinery and equipment | 5-10 years |
| Intangible – internally generated software | 5-10 years |
| Intangible – right to use leases | Lease Term |

Leases: The PLCB routinely enters into transactions that include lease contracts related to stores, land, buildings, and machinery and equipment. For leases with a maximum possible term of 12 months or less at commencement, the PLCB recognizes expense based on the provisions of the lease contract. For all other leases, the PLCB recognizes a right to use lease liability and an intangible right to use lease asset. The lease term includes the non-cancellable period of the lease, plus any additional periods covered by either an option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Right to use lease assets are reported with capital assets, and the associated right to use lease liabilities are reported with current and non-current liabilities in the Statement of Net Position. The lease liability is measured at the present value of the lease payments using the Commonwealth of PA's incremental borrowing rate. The Commonwealth's incremental borrowing rate is based on the general obligation bonds' weighted-average interest rate for a given year. If amendments or other certain circumstances occur that are expected to significantly affect the amount of the lease, the present value is re-measured and corresponding adjustments made.

Taxes: An 18 percent state liquor excise tax and a 6 percent state sales tax are collected and remitted monthly to the Department of Revenue for the General Fund. The PLCB also collects and remits a 1 percent local sales tax for Allegheny County and a 2 percent local sales tax for Philadelphia County. Taxes collected for the fiscal years ended June 30, 2023, and June 30, 2022, are as follows:

| | Fiscal Year Ended <u>June 30, 2023</u> | Fiscal Year Ended <u>June 30, 2022</u> |
|-----------------|---|---|
| Liquor Tax | \$ 450,755 | \$ 431,264 |
| State Sales Tax | 177,567 | 169,651 |
| Local Sales Tax | 11,534 | 10,669 |
| Total | <u>\$ 639,856</u> | <u>\$ 611,584</u> |

Sales are reported net of these collected and remitted taxes in the financial statements.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences: Most employees earn annual leave, depending on length of credited service, from between 4.24 to 11.55 percent of regular hours paid. Generally, a maximum of 45 days may be carried forward at the end of each leave calendar year. Employees are paid for accumulated annual leave upon termination or retirement.

Employees earn sick leave based on an agreed upon percentage of regular hours paid. Generally, a maximum of 300 days may be carried forward at the end of each leave calendar year. Most retiring employees that meet service, age, or disability requirements are paid in accordance with the following schedule:

| Days Available at Retirement | Percentage Payment | Maximum Days Paid |
|---------------------------------------|---------------------------|--------------------------|
| 0-100 | 30% | 30 |
| 101-200 | 40% | 80 |
| 201-300 | 50% | 150 |
| Over 300 (in last year of employment) | 100% of days over 300 | 13 |

The accumulated annual and sick leave and related payroll benefits payable reported for the fiscal years ended June 30, 2023, and June 30, 2022, were \$30,228 (\$5,743 current and \$24,485 non-current) and \$33,167 (\$6,301 current and \$26,866 non-current). It is the PLCB's policy to record the cost of annual and sick leave in accordance with Governmental Accounting Standards Board (GASB) Statement No. 16. The expense and corresponding liability are reflected in the financial statements.

The following summary provides aggregated information reported for fiscal years ended June 30, 2023, and June 30, 2022, of the compensated absences liabilities to include the additions and reductions during the fiscal year then ended:

| Fiscal Year Ended | Liability - Beginning Balance | Additions | Deductions | Liability - Ending Balance |
|--------------------------|--------------------------------------|------------------|-------------------|-----------------------------------|
| June 30, 2023 | \$ 33,167 | \$ 20,518 | \$ 23,457 | \$ 30,228 |
| June 30, 2022 | \$ 31,320 | \$ 21,296 | \$ 19,449 | \$ 33,167 |

Pension Costs and Liability: The PLCB participates in the State Employees' Retirement System (SERS) cost-sharing, multiple-employer defined-benefit pension plan. The Commonwealth's policy is to fund employer contributions to the SERS as required by the SERS Board, through statutory authority, or as required based on other applicable statutory requirements. As prescribed by GASB Statement No. 68, an actuarial valuation was prepared to value the SERS pension liability, deferred outflows of resources, and deferred inflows of resources at the actuarial present value of projected benefit payments related to periods of employee service.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the State Stores Fund Statement of Net Position, the PLCB reports its share of the net pension liability, deferred outflow of resources, and deferred inflow of resources. The changes in the net pension liability will be recognized in pension expense. Balances projected for the deferred outflow of resources and deferred inflow of resources will be amortized over a closed period matching the expected remaining service life of all employees or a closed period of five years.

Other Postemployment Benefit (OPEB) Costs and Liability: The PLCB participates in the Commonwealth’s single-employer defined benefit OPEB plan, the Retired Employees Health Program (REHP). The Commonwealth’s policy is to fund employer contributions to the REHP under contribution policies established by the Office of Administration and the Office of the Budget. As prescribed by GASB Statement No. 75, an actuarial valuation was prepared to value the OPEB liability, deferred outflow of resources, and deferred inflow of resources for the REHP at the actuarial present value of projected benefit payments related to periods of employee service.

In the State Stores Fund Statement of Net Position, the PLCB reports its share of the net OPEB liability, deferred outflow of resources, and deferred inflow of resources. The changes in the net OPEB liability will be recognized in OPEB expense. Balances projected for the deferred outflow of resources and deferred inflow of resources will be amortized over a closed period matching the expected remaining service life of all employees or a closed period of five years.

New Accounting Pronouncement – Adopted: The PLCB adopted GASB Statement No. 96, *Subscription-Based Information Technology (IT) Arrangements*. Under GASB Statement No. 96, certain right-to-use IT subscriptions previously expensed are now reported as assets with associated liabilities for future subscription payments. See Note N for restatement information due to change in accounting principle.

NOTE B – DEPOSITS AND INVESTMENTS

The Treasury Department has the authority to manage, invest, and reinvest the moneys of all funds which are not legally authorized to be invested by a board, commission, or State officer. The Treasury Department manages and invests moneys of the Commonwealth through the Commonwealth Investment Program (CIP). The PLCB participates in the CIP’s Pool 99 investment pool. Pool 99 is designed to provide a high degree of liquidity and safety. Pool 99 is organized similarly to a money market fund, with an expectation of a stable net asset value per share. Treasury accounts for each participating fund’s equity, or shares, in the pool on a daily basis. Share balances of participating funds vary considerably during the fiscal year, based on the timing of cash receipts and disbursements. PLCB has reported the fair value of its shares as of June 30, 2023, and 2022, the fund’s fiscal years end. Shares in Pool 99 are reported as temporary investments.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

The CIP pools are considered internal investment pools of the Commonwealth of Pennsylvania and are subject to the requirements of GASB Statement No. 40. GASB Statement No. 40 requires state and local governments to make certain disclosures relating to investment risk, consisting of credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk, in addition to custodial credit risk and foreign currency risk on deposits. The Treasury Department has formally adopted written investment policies to address these investment risks and has disclosed those risks associated with its total pooled deposits and investments in the Commonwealth of Pennsylvania's June 30, 2023 basic financial statements.

PLCB's total deposit balance of \$46,675 and \$33,794 at fiscal years ended June 30, 2023, and June 30, 2022, respectively, was not exposed to either custodial credit risk or foreign currency risk.

As a participant in Treasury's CIP Pool 99, PLCB's investments are exposed to credit risk and interest rate risk mentioned above. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies (or NRSRAs) such as Moody's Investors Service. Treasury's CIP investment pools are not rated by an NRSRA. Interest rate risk is the risk that an investment's value will change, advantageously or adversely, due to a change in the absolute value of interest rates. The Treasury Department measures interest rate risk using option adjusted duration. Duration is a measure of an investment's sensitivity to changes in interest rates. The higher the duration, the greater the changes in fair value when interest rates change. The average option adjusted duration of Treasury's CIP Pool 99 at fiscal year end June 30, 2023, is approximately 0.0795 years.

NOTE C – PENSION

General Information about the Pension Plan

Plan Description: To provide pension benefits for employees of state government and certain other organizations, the SERS administers a cost-sharing multiple-employer defined benefit retirement plan. The plan, covering substantially all Commonwealth employees, is a contributory defined benefit pension plan as established by Commonwealth laws. Membership in the SERS is mandatory for most PLCB (and other state) employees. Article II of the Commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly.

The SERS issues stand-alone, audited financial statements which are publicly available at www.sers.pa.gov. Written requests for financial statements should be directed to the following address:

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

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE C – PENSION (continued)

Benefits Provided: Under the plan, for most employees hired prior to January 1, 2011, retirement benefits vest after 5 years of credited service. Generally, employees who retire at age 60 or, if under age 60, with 35 years of service are entitled to a normal (unreduced) annual retirement benefit. The general annual benefit is 2 percent of a Class A member's highest three-year average salary multiplied by years of service. This annual benefit is 2.5 percent for Class AA members. Act 120 of 2010 (Act 120), which preserved all benefits in place for then current members, mandated a number of benefit reductions for new members effective January 1, 2011. The benefit reduction included a new class of membership that accrues benefits at 2 percent of their final average salary instead of the previous 2.5 percent. The new vesting period changed from 5 to 10 years of credited service, and the option to withdraw lump sum accumulated employee contributions was eliminated. The new normal retirement age is 65 for most employees. Act 120 created a new A-3 class of service and an optional A-4 class for most employees that entered SERS membership for the first time on or after January 1, 2011. The general annual benefit for Class A-3 members is 2 percent of the member's highest three-year average salary times years of service while the Class A-4 benefit accrual rate is 2.5 percent.

Contributions: Section 5507 of the State Employees Retirement Code (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. Act 2019-105, signed into law in November 2019, allows eligible employers to enter into an agreement with the SERS Board to make a one-time lump sum payment of 75% to 100% of their respective unfunded accrued liability under the most recent funding valuation in effect at the time of agreement. Agreements under this act must be entered into by December 31, 2024, and the lump sum payments must be made by May 1, 2025. SERS records these lump sum payments as employer contributions when they are received, and they become part of the Defined Benefit Plan's general assets that are not segregated or invested separately for the account or benefit of the contributing employer. The PLCB's contributions to the SERS were \$58,477 and \$54,323 for the fiscal years ended June 30, 2023 and 2022, respectively.

Summary of Significant Accounting Policies: The SERS financial statements are prepared on the accrual basis of accounting. Investment purchases and sales are recorded as of the related trade date. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE C – PENSION (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PLCB reported a liability of \$569,164 and \$369,046 for its proportionate share of the SERS net pension liability as of June 30, 2023 and 2022, respectively. The net pension liability attributed to participation in the SERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

PLCB's proportion of the SERS net pension liability was based on a projection of the Commonwealth's long-term share of contributions to the pension plan relative to the projected contributions of all participating SERS employers, actuarially determined. At December 31, 2022, PLCB's reported proportionate share of the SERS net pension liability was 2.71 percent which was a decrease of 0.19 percent from its proportion measured as of December 31, 2021.

For the fiscal years ended June 30, 2023 and 2022, PLCB recognized pension expense of \$63,651 and \$26,807, respectively, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Fiscal Year Ending June 30, 2023

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|---|---|--|
| Differences between expected and actual experience..... | \$ 8,271 | \$ 1,580 |
| Change in assumptions..... | 38,387 | - |
| Differences between projected and actual investment earnings | 77,310 | - |
| Change in proportion..... | 16,816 | 10,062 |
| Differences in employer contributions and proportionate share | 918 | 1,039 |
| Contributions subsequent to measurement date..... | 28,865 | - |
| Total | <u>\$ 170,567</u> | <u>\$ 12,681</u> |

Fiscal Year Ending June 30, 2022

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|---|---|--|
| Differences between expected and actual experience..... | \$ 2,437 | \$ 2,124 |
| Change in assumptions..... | 37,982 | - |
| Differences between projected and actual investment earnings | - | 106,775 |
| Change in proportion..... | 19,525 | 12,412 |
| Differences in employer contributions and proportionate share | 1,024 | 1,011 |
| Contributions subsequent to measurement date..... | 24,298 | - |
| Total | <u>\$ 85,266</u> | <u>\$ 122,322</u> |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE C – PENSION (continued)

For the fiscal year ended June 30, 2023, the \$28,865 reported as deferred outflows of resources related to pensions resulting from PLCB's contributions to the SERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal years ended | | Pension Expense |
|---------------------------|----|------------------------|
| June 30 | | |
| 2024 | \$ | 18,753 |
| 2025 | | 32,772 |
| 2026 | | 31,470 |
| 2027 | | 45,490 |
| 2028 | | 536 |

Actuarial Assumptions: Every five years, the SERS is required to conduct an actuarial experience study to determine whether the assumptions used in its annual actuarial valuations remain accurate based on current and anticipated demographic trends and economic conditions. The 19th *Investigation of Actuarial Experience* study covering the period 2015-2019 was released in July 2020. The actuary, under oversight of the SERS Board, reviewed economic assumptions (such as the assumed future investment returns and salary increases) as well as demographic assumptions (such as employee turnover, retirement, disability, and death rates). The assumptions from this study were effective with the December 31, 2020 valuation going forward unless changed by the SERS board. In June 2022, the SERS board approved decreasing the investment rate of return to 6.875 percent for 2022 from 7.00 percent.

The SERS Board adopted the actuarial assumptions set forth in the 19th *Investigation of Actuarial Experience* at its July 2020 meeting. The study can be viewed at www.sers.pa.gov.

The actuary and SERS Board review the investment rate of return annually, in addition to the normal five-year experience study cycle, in recognition of changing market environments to ensure this assumption remains reasonable with each actuarial valuation.

The following methods and assumptions were used in the actuarial valuation for the December 31, 2022, measurement date:

| | |
|----------------------------|---|
| Actuarial cost method | Entry age |
| Investment rate of return | 6.875% net of expenses including inflation |
| Projected salary increases | Average of 4.55% with range of 3.30% to 6.95% including inflation |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE C – PENSION (continued)

| | |
|----------------------------|--|
| Asset valuation method | Fair (market) value |
| Inflation | 2.50% |
| Mortality rate | Projected PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement |
| Cost of living adjustments | None (ad hoc) |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset class | Target allocation | Long-term real rate of return |
|--|-------------------|-------------------------------|
| Private equity | 16.00 % | 5.75 % |
| Real estate | 7.00 | 5.12 |
| U.S. equity | 31.00 | 4.35 |
| International developed markets equity | 14.00 | 4.25 |
| Emerging markets equity | 5.00 | 4.65 |
| Fixed income | 22.00 | (0.50) |
| Inflation protection (TIPS) | 3.00 | (1.00) |
| Cash | 2.00 | (1.05) |
| Total | 100.00 % | |

Discount Rate: The SERS discount rate used to measure the total pension liability was reduced to 6.875 percent for 2022 from 7.00 percent for 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on those assumptions, the SERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active SERS members. Therefore, the long-term expected rate of return on the SERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE C – PENSION (Continued)

Sensitivity of the PLCB's proportionate share of the net pension liability to change in the discount rate: The following table presents the PLCB's proportionate share of the SERS net pension liability using the discount rate of 6.875 percent, as well as what the PLCB's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.875 percent) or 1 percentage point higher (7.875 percent) than the current rate.

| | <u>1% Decrease to 5.875%</u> | <u>Current discount rate 6.875%</u> | <u>1% Increase to 7.875%</u> |
|--|----------------------------------|---|----------------------------------|
| PLCB's proportionate share of SERS net pension liability as of the 12/31/22 measurement date | \$ 729,583 | \$ 569,164 | \$ 433,680 |

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued SERS financial report.

Payables to the pension plan: At June 30, 2023, the PLCB reported an accounts payable for the employers' share of retirement contributions to the SERS in the amount of \$3,648.

Additional pertinent information regarding the SERS, outside the scope of PLCB reporting, is published each year as part of the Commonwealth of Pennsylvania's Basic Financial Statements included in its Annual Comprehensive Financial Report (ACFR).

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE D – OTHER POSTEMPLOYMENT BENEFITS

General Information about the Retired Employees Health Program Plan

Plan Description: The Commonwealth established and sponsors a Retired Employees Health Program (REHP) plan which provides postemployment benefits other than pensions (OPEB). This plan is administered by the Pennsylvania Employee Benefits Trust Fund, which acts as a third-party administrator and administers the REHP under an administrative agreement with the Commonwealth. The plan is a single employer defined benefit OPEB plan. The PLCB participates in the REHP, which provides a variety of healthcare benefits to eligible retirees. The REHP is provided as part of collective bargaining agreements with most Commonwealth labor unions. All policy decisions and types and levels of benefits for the REHP fall under the purview of the Commonwealth's Executive Board and Secretary of Administration. The REHP plan does not have a governing board. The REHP plan does not issue a stand-alone financial report nor is it included in the financial statements of a public employee retirement system.

Benefits Provided: Benefit provisions included in the REHP plan are established and may be amended by the establishing sponsor. The REHP plan provides postemployment healthcare benefits to eligible employees. Employees who retire from the Commonwealth 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 age 60 for all other employees (age 55 or 65 for employees subject to Act 120 of 2010); or
- Disability retirement – requires five years of service (no service requirements for enforcement officers).

Contributions: The REHP contribution requirements are contractually required and established by the Office of Administration and the Office of the Budget. The contribution rates are established as a set amount per current active REHP eligible employee per biweekly pay in order to fund the REHP plan.

During the fiscal year ended June 30, 2023, the contractually required contribution rate for the PLCB was \$120 for each current REHP eligible active employee per biweekly pay period. For employees who retired after June 30, 2005 and before July 1, 2007 the retiree contribution is set at 1% of employee's final annual salary. PLCB employees who retired on or after July 1, 2007 but before July 1, 2011 are currently required to pay retiree contributions of 3% of either their final annual salary or final average salary, whichever is less. PLCB employees who retired on or after July 1, 2011 are currently required to pay retiree contributions of 3% of their final average salary. Upon enrollment in Medicare, PLCB employees who are currently paying 3% will pay retiree contributions of 1.5% of either their final annual salary or final average salary, whichever applies.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE D – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The REHP funding rate needed to fund current year annuitant health care costs are established as part of the Commonwealth's annual budgeting process. Any additional contributions to advance fund annuitant health care liabilities are determined annually by the Commonwealth. During the fiscal year ended June 30, 2022, advance funding of \$50,000 for REHP was contributed to the Other Postemployment Benefits Investment Pool, a pension (and other employee benefit) trust fund. The PLCB's contribution to the REHP trust was \$23,003 and \$19,381 for the fiscal years ended June 30, 2023 and 2022.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB: At June 30, 2023 and 2022, the PLCB reported a liability of \$416,014 and \$432,115, respectively, for its proportionate share of the REHP's net OPEB liability. The net OPEB liability for the REHP was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The PLCB's allocation of the net OPEB liability was based on PLCB contributions to the plan relative to the total contributions to the plan over the measurement period. At June 30, 2022, the PLCB's proportionate share was 4.22 percent.

For the fiscal years ended June 30, 2023 and 2022, the PLCB recognized OPEB expense of (\$69,776) and (\$68,574), respectively, and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Fiscal year ended June 30, 2023:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience... | \$ 15,839 | \$ 124,151 |
| Change in assumptions..... | 37,706 | 76,671 |
| Differences between projected and actual investment earnings..... | 1,718 | - |
| Change in allocation and differences between employer contributions and allocated share..... | 16,252 | 677 |
| Contributions subsequent to measurement date..... | 19,002 | - |
| Total | <u>\$ 90,517</u> | <u>\$ 201,499</u> |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE D – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Fiscal year ended June 30, 2022:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience... | \$ 356 | \$ 209,683 |
| Change in assumptions..... | 52,636 | 60,612 |
| Differences between projected and actual investment earnings..... | - | 4,176 |
| Change in allocation and differences between employer contributions and allocated share..... | 26,094 | - |
| Contributions subsequent to measurement date..... | 20,003 | - |
| Total | <u>\$ 99,089</u> | <u>\$ 274,471</u> |

The deferred outflow of contributions subsequent to the measurement date of \$19,002 will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

| <u>Fiscal Years Ending June 30</u> | <u>OPEB Expense</u> |
|--|---------------------|
| 2024 | \$ 68,684 |
| 2025 | 31,662 |
| 2026 | 10,049 |
| 2027 | 15,217 |
| 2028 | 4,372 |
| Thereafter | - |

Actuarial Assumptions: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

| | |
|---------------------------|------------------|
| Actuarial cost method | Entry age normal |
| Asset valuation method | Market value |
| Investment rate of return | 6.75% |
| Inflation | 2.50% |
| Salary increases | 2.80% |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE D – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Healthcare cost trend rates:

| | |
|----------------------|---|
| Medicare retiree | 6.3% for 2022 decreasing to an ultimate rate of 3.9% for 2075 and later years |
| Non-Medicare retiree | 7.3% for 2022 decreasing to an ultimate rate of 3.9% for 2075 and later years |

Mortality rates were based on Pub-2010 General Healthy Retiree Headcount Weighted Mortality Tables, with rates set forward one year for females, and adjusted for mortality improvements using projection scale MP-2021. Disabled participants mortality rates were based on Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Tables, with rates set forward two years for males and females and adjusted for mortality improvements using projection scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the SERS experience study that covered the years 2015 through 2019. The approved recommendations from that study were used to determine the assumptions for this valuation, where applicable. The inflation assumption was selected by the SERS Board during a July 2020 meeting based on a review of actual plan experience and the prevalent economic outlook. Consistent with prior valuations, these demographic assumptions assume beginning of year decrements (retirement, withdrawal, death, disability, etc.). Cost of living adjustments (COLA) may be granted on an ad hoc basis; there were no COLAs granted during the measurement period.

The long-term expected rate of return on OPEB plan investments is determined using a risk premium review. This review compares the current relationship between fixed income and equity and their relationship over long periods of time to come up with an expected rate of return. Other variables considered in the expected rates of return are a reversion to the mean for each asset class. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023, are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Rate of Return |
|---------------------------|--------------------------|--|
| Domestic equity | 40.0% | 5.1% |
| International equity | 27.0% | 5.5% |
| Fixed income | 23.0% | 1.6% |
| Real estate | 8.0% | 4.7% |
| Cash and Cash Equivalents | 1.5% | 0.0% |
| Private Equity | 0.5% | 8.3% |
| Total | 100.0% | |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE D – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate: The discount rate used for the total OPEB liability reported at June 30, 2023 was 4.67 percent. This single discount rate was based on the 20-year Bond Buyer General Obligation Index municipal bond rate as of the measurement date of June 30, 2022. Since the REHP has insufficient assets to meet next year's projected benefit payments, the municipal bond rate was applied to all periods of the projected benefit payments to determine the total OPEB liability. The projection of cash flows used to determine the single discount rate for each fiscal year end assumed that employer contributions will be made based on the current funding policy for future years.

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the PLCB, as well as what the PLCB's net OPEB liability would be if it were calculated using discount rate that are one percentage point lower (3.67 percent) or one percentage point higher (5.67percent) than the current discount rate.

| | 1% Decrease 3.67% | Current discount rate 4.67% | 1% Increase 5.67% |
|--|------------------------------|--|------------------------------|
| PLCB's proportionate share of REHP net OPEB liability as of the 6/30/2022 measurement date | \$ 471,523 | \$ 416,014 | \$ 369,287 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the PLCB, as well as what the PLCB's net OPEB liability would be if it were calculated using healthcare cost trend rates (Non-Medicare Benefits/Medicare Benefits) that are one percentage point lower (6.3 percent / 5.3 percent decreasing to 2.9 percent) or one percentage point higher (8.3 percent / 7.3 percent decreasing to 4.9 percent) than the current healthcare cost trend rates.

| | 1% Decrease 6.3% / 5.3% Decreasing to 2.9% | Current Health Trend Rate 7.3% / 6.3% Decreasing to 3.9% | 1% Increase 8.3% / 7.3% Decreasing to 4.9% |
|--|---|---|---|
| PLCB's proportionate share of REHP net OPEB liability as of the June 30, 2022 measurement date | \$ 359,376 | \$ 416,014 | \$ 485,510 |

OPEB plan fiduciary net position: Detailed information about the REHP OPEB plan's fiduciary net position is available in the separately issued Commonwealth of Pennsylvania's Annual Comprehensive Financial Report.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE D – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Payable to the OPEB plan: At June 30, 2023, the PLCB reported an accounts payable for the employer's share of the retirees' health contributions to the Office of Administration in the amount of \$1,452.

NOTE E – CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2023, and 2022 are as follows:

| | Balance June 30, 2022 | Additions | Retirements | Balance June 30, 2023 |
|--|----------------------------------|------------------|--------------------|----------------------------------|
| Non-depreciable capital assets: | | | | |
| Land | \$ 323 | \$ - | \$ - | \$ 323 |
| Depreciable capital assets: | | | | |
| Building | 10,763 | 160 | - | 10,923 |
| Leasehold improvements | 209 | - | - | 209 |
| Machinery and equipment | 48,581 | 8,680 | 1,094 | 56,167 |
| Intangibles – internally generated software | 54,994 | 15,770 | 532 | 70,232 |
| Intangibles – right to use leases | 363,584 | 61,022 | 13,438 | 411,168 |
| Total capital assets | <u>\$ 478,454</u> | <u>\$ 85,632</u> | <u>\$ 15,064</u> | <u>\$ 549,022</u> |
| Total capital assets, net excluding lease assets | <u>\$ 114,870</u> | <u>\$ 24,610</u> | <u>\$ 1,626</u> | <u>\$ 137,854</u> |
| | Balance June 30, 2021 | Additions | Retirements | Balance June 30, 2022 |
| Non-depreciable capital assets: | | | | |
| Land | \$ 323 | \$ - | \$ - | \$ 323 |
| Depreciable capital assets: | | | | |
| Building | 10,584 | 179 | - | 10,763 |
| Leasehold improvements | 209 | - | - | 209 |
| Machinery and equipment | 47,338 | 1,454 | 211 | 48,581 |
| Intangibles – internally generated software | 22,331 | 33,293 | 630 | 54,994 |
| Intangibles – right to use leases | 322,266 | 42,181 | 863 | 363,584 |
| Total capital assets | <u>\$ 403,051</u> | <u>\$ 77,107</u> | <u>\$ 1,704</u> | <u>\$ 478,454</u> |
| Total capital assets, net excluding lease assets | <u>\$ 80,785</u> | <u>\$ 34,926</u> | <u>\$ 841</u> | <u>\$ 114,870</u> |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE E – CAPITAL ASSETS (continued)

Changes in capital assets accumulated depreciation for the fiscal year ended June 30, 2023, and 2022, are as follows:

| | Balance June 30, 2022 | Additions | Retirements | Balance June 30, 2023 |
|---|----------------------------------|------------------|--------------------|----------------------------------|
| Building | \$ 8,962 | \$ 540 | \$ - | \$ 9,502 |
| Leasehold improvements | 151 | 26 | - | 177 |
| Machinery and equipment | 39,236 | 2,430 | 1,095 | 40,571 |
| Intangibles – internally generated software | 16,573 | 7,576 | 532 | 23,617 |
| Intangibles – right to use leases | 114,438 | 66,201 | 1,623 | 179,016 |
| Total accumulated depreciation | <u>\$ 179,360</u> | <u>\$ 76,773</u> | <u>\$ 3,250</u> | <u>\$ 252,883</u> |
| Total accumulated depreciation, net excluding lease assets | <u>\$ 64,922</u> | <u>\$ 10,572</u> | <u>\$ 1,627</u> | <u>\$ 73,867</u> |

| | Balance June 30, 2021 | Additions | Retirements | Balance June 30, 2022 |
|---|----------------------------------|------------------|--------------------|----------------------------------|
| Building | \$ 8,605 | \$ 357 | \$ - | \$ 8,962 |
| Leasehold improvements | 124 | 27 | - | 151 |
| Machinery and equipment | 37,046 | 2,401 | 211 | 39,236 |
| Intangibles – internally generated software | 11,531 | 5,672 | 630 | 16,573 |
| Intangibles – right to use leases | 56,218 | 58,707 | 487 | 114,438 |
| Total accumulated depreciation | <u>\$ 113,524</u> | <u>\$ 67,164</u> | <u>\$ 1,328</u> | <u>\$ 179,360</u> |
| Total accumulated depreciation, net excluding lease assets | <u>\$ 57,306</u> | <u>\$ 8,457</u> | <u>\$ 841</u> | <u>\$ 64,922</u> |

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE E – CAPITAL ASSETS (Continued)

Changes in lease assets for the fiscal year ended June 30, 2023, and 2022, are as follows:

| | Balance June 30, 2022 | Additions | Retirements | Balance June 30, 2023 |
|--|----------------------------------|------------------|--------------------|----------------------------------|
| Lease assets: | | | | |
| RTU Buildings and Improvement | \$ 363,213 | \$ 31,946 | \$ 916 | \$ 394,243 |
| RTU Machinery and Equipment | 371 | - | - | 371 |
| RTU IT Subscriptions | - | 29,076 | 12,522 | 16,554 |
| Lease assets, net | \$ 363,584 | \$ 61,022 | \$ 13,438 | \$ 411,168 |
| Less accumulated amortization for: | | | | |
| RTU Buildings and Improvements | \$ 114,333 | 59,321 | 660 | 172,994 |
| RTU Machinery and Equipment | 105 | 74 | - | 179 |
| RTU IT Subscriptions | - | 6,806 | 963 | 5,843 |
| Lease assets accumulated depreciation, net | \$ 114,438 | \$ 66,201 | \$ 1,623 | \$ 179,016 |
| Total lease assets, net | \$ 249,146 | \$ (5,179) | \$ 11,815 | \$ 232,152 |

| | Balance June 30, 2021 | Additions | Retirements | Balance June 30, 2022 |
|---|----------------------------------|------------------|--------------------|----------------------------------|
| Lease assets: | | | | |
| RTU Buildings and Improvements | \$ 321,895 | \$ 42,181 | \$ 863 | \$ 363,213 |
| RTU Machinery and Equipment | 371 | - | - | 371 |
| RTU IT Subscriptions | - | - | - | - |
| Lease assets, net | \$ 322,266 | \$ 42,181 | \$ 863 | \$ 363,584 |
| Less accumulated amortization for: | | | | |
| RTU Buildings and Improvements | \$ 56,187 | \$ 58,633 | \$ 487 | \$ 114,333 |
| RTU Machinery and Equipment | 31 | 74 | - | 105 |
| RTU IT Subscriptions | - | - | - | - |
| -Lease assets accumulated depreciation, net | \$ 56,218 | \$ 58,707 | \$ 487 | \$ 114,438 |
| Total lease assets, net | \$ 266,048 | \$ (16,526) | \$ 376 | \$ 249,146 |

NOTE F – DUE TO OTHER FUNDS

At June 30, 2023 and 2022, a total of \$75,786 and \$18,911, respectively, was due to other funds. These totals were due to various funds.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE G – LEASE COMMITMENTS

As of June 30, 2023, the right to use lease liabilities principal and interest requirements to maturity are as follows:

| <u>Fiscal year ending June 30:</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|-------------------|------------------|-------------------|
| 2024 | \$ 57,628 | \$ 4,135 | \$ 61,763 |
| 2025 | 51,896 | 3,087 | 54,983 |
| 2026 | 42,549 | 2,171 | 44,720 |
| 2027 | 32,026 | 1,441 | 33,467 |
| 2028 | 24,250 | 878 | 25,128 |
| 2029 - 2033 | 34,154 | 984 | 35,138 |
| Total lease obligations | <u>\$ 242,503</u> | <u>\$ 12,696</u> | <u>\$ 255,199</u> |

NOTE H – OPERATING TRANSFERS TO GENERAL FUND

The PLCB is subject to profit transfer requirements pursuant to Pennsylvania Statute Title 47, §8-802(f), determined annually by the Governor's Office, whereby stipulated funds are transferred to help finance the General Fund.

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.

The required transfer to the General Fund totaled \$185,100 in each of the fiscal years ended June 30, 2023 and 2022.

NOTE I – OPERATING TRANSFER FOR DRUG AND ALCOHOL PROGRAMS

Per Act 14 of 1987, two percent of the PLCB's profits from the sale of alcohol shall be transferred to the Department of Drug and Alcohol Programs (DDAP) for drug and alcohol rehabilitation programs. The PLCB establishes a liability for the amount due to the DDAP and transfers the payment in the subsequent fiscal year.

The amount of the liabilities payable to the DDAP were \$5,215 and \$6,617 for the fiscal years ended June 30, 2023, and 2022, respectively.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE J – OPERATING TRANSFER FOR LIQUOR CONTROL ENFORCEMENT

The PLCB provides the funding for the Pennsylvania State Police, Bureau of Liquor Control Enforcement, which is responsible for enforcing the laws and regulations governing the trafficking of alcoholic beverages throughout the Commonwealth. The transfers were \$32,320 and \$30,734 for the fiscal years ended June 30, 2023 and 2022, respectively.

NOTE K – CONTINGENCIES-LITIGATION

The PLCB is a defendant in various legal proceedings pertaining to matters normally incidental to routine operations. Based on the current status of these legal proceedings, it is the opinion of the PLCB's management and counsel that they will not have a material effect on the PLCB's financial position.

NOTE L – BALANCE SHEET – LIQUOR LICENSE FUND

The Balance Sheet illustrates the net assets and liabilities at each fiscal year end for the Liquor License Fund activity as authorized by PA Statute Title 47, Article VIII, §801.

Deposits and investments include cash received from license application fees not received by the Treasury Department at the balance sheet date, and net short-term investments resulting from the purchase and sale of Treasury Department securities (see Note A, Temporary Investments).

Liabilities and fund balance include moneys received from license application fees not returned to municipalities at the balance sheet date.

NOTE M – SELF-INSURANCE LIABILITIES

The Commonwealth is self-insured for statutory workers' compensation, which includes indemnity and medical payments (employee disability) for its employees injured on the job. The Commonwealth is also self-insured for annuitant medical/hospital claims and for tort liability claims. Major tort risks include automobile, employee, and general torts. For property losses, the Commonwealth has a \$1 million retention with excess commercial insurance coverage up to \$1 billion per occurrence. There was no reduction in commercial insurance coverage during the fiscal year ended June 30, 2023. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The Commonwealth has established various administrative policies, which are intended to avoid or limit the aforementioned risks.

PLCB participates in each Commonwealth self-insurance program and pays prescribed program amounts or rates throughout its fiscal year. These amounts, reported as current fiscal year expenses, finance a portion of cumulative, estimated self-insurance liabilities incurred, in amounts sufficient

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

NOTE M – SELF-INSURANCE LIABILITIES (continued)

to fund ongoing program needs. These amounts do not finance all cumulative, estimated self-insurance liabilities incurred. Therefore, accrued liabilities for employee disability and annuitant medical/hospital claims are established based on reserves computed from the Commonwealth's claim experience. Such claims are not discounted and do not include non-incremental claims adjustment expenses.

At June 30, 2023 and 2022, respectively, the State Stores Fund reported a \$48,092 liability (\$4,796 as current and \$43,296 as non-current) and \$47,385 liability (\$5,039 as current and \$42,346 as non-current) for employee disability claims.

The following summary provides aggregated information for the fiscal years ending June 30, 2023 and 2022, of the reported self-insurance liabilities to include the incurred claims and payments during the fiscal years then ended:

| <u>Fiscal Year Ended</u> | <u>Liability – Beginning Balance</u> | <u>Incurred Claims</u> | <u>Payments</u> | <u>Liability – Ending Balance</u> |
|------------------------------|--|----------------------------|-----------------|---------------------------------------|
| June 30, 2023 | \$ 47,385 | \$ 6,033 | \$ 5,326 | \$ 48,092 |
| June 30, 2022 | \$ 65,200 | \$ (12,726) | \$ 5,089 | \$ 47,385 |

NOTE N – RESTATEMENT

Restatement Due to Change in Accounting Principle:

Presented below are the changes to the State Store Fund's Statement of Net Position as a result of implementing GASB 96. The State Stores Fund Net Position changed by a total of \$341,239.

| | <u>State Stores Fund</u> |
|---|--------------------------|
| Net Position, as previously reported, at June 30, 2022..... | \$ (872,154) |
| Implementation of GASB 96: | |
| Intangible – right to use IT subscriptions..... | 20,301 |
| Right to use liabilities..... | (19,960) |
| Total Prior Period Adjustment..... | 341 |
| Net Position, as restated, at July 1, 2022..... | \$ (871,813) |

Fiscal year ending June 30, 2021, amounts are not restated because the required historical data was not collected in prior periods, and it is impracticable to recreate the information.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Required Supplementary Information

Pension Schedules

Schedule of PLCB's Contributions (Dollar amounts in thousands)

| Last Ten Fiscal Years Ended June 30 ¹ | Contractually Required Contribution ² | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | PLCB's Covered- Employee Payroll | Contributions as a Percentage of Covered- Employee Payroll |
|--|--|--|--|---|--|
| | | | | | |
| 2023 | 55,248 | 55,248 | - | 203,053 | 27.21% |
| 2022 | 53,910 | 53,910 | - | 183,586 | 29.36% |
| 2021 | 53,577 | 53,577 | - | 185,755 | 28.84% |
| 2020 | 52,986 | 52,986 | - | 180,355 | 29.38% |
| 2019 | 52,235 | 52,235 | - | 174,048 | 30.01% |
| 2018 | 48,227 | 48,227 | - | 171,016 | 28.20% |
| 2017 | 40,348 | 40,348 | - | 162,310 | 24.86% |
| 2016 | 33,752 | 33,752 | - | 166,701 | 20.25% |
| 2015 | 27,044 | 27,044 | - | 162,037 | 16.69% |

~ The notes to required supplementary information are an integral part of this schedule. ~

¹ PLCB adopted GASB 68 on a prospective basis for the fiscal year ended June 30, 2015; therefore, only nine years are presented in the above schedule. The amounts presented for each fiscal year were determined as of 12/31.

² The contractually required contribution disclosed above is based on minimum floor rates or suppressed rates resulting from collars that are required based on statutory law. These rates are determined by SERS actuary during the annual funding valuation and include an adjustment to the "preliminary employer contribution rate" calculated before the minimum floor or collars are applied. These "final employer contribution rates" fall within the realm of an appropriate actuarially determined contribution calculation under actuarial standards of practice and temporarily defer a portion of the payments that work towards fully funding the plan.

**PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022**

Required Supplementary Information (continued)

Pension Schedules

Schedule of PLCB's Proportionate Share of the Net Pension Liability (Dollar amounts in thousands)

| Last Ten Fiscal Years Ended June 30 ¹ | PLCB's proportion of the net pension liability | PLCB's proportionate share of the net pension liability | PLCB's covered- employee payroll | PLCB's proportionate share of the net pension liability as a percentage of its covered- employee payroll | Plan fiduciary net position as a percentage of the total pension liability |
|--|---|--|---|--|---|
| | | | | | |
| 2023 | 2.71% | 569,164 | 203,053 | 280.30% | 61.53% |
| 2022 | 2.90% | 369,046 | 183,586 | 201.02% | 76.00% |
| 2021 ² | 2.69% | 462,619 | 185,755 | 249.05% | 67.03% |
| 2020 | 2.52% | 458,686 | 180,355 | 254.32% | 63.11% |
| 2019 | 2.55% | 530,291 | 174,048 | 304.68% | 56.39% |
| 2018 | 2.55% | 440,677 | 171,016 | 257.68% | 62.97% |
| 2017 | 2.48% | 477,444 | 162,310 | 294.16% | 57.80% |
| 2016 | 2.47% | 449,176 | 166,701 | 269.45% | 58.90% |
| 2015 | 2.44% | 362,685 | 162,037 | 223.83% | 64.80% |

~ The notes to required supplementary information are an integral part of this schedule. ~

¹ PLCB adopted GASB 68 on a prospective basis for the fiscal year ended June 30, 2015; therefore, only nine years are presented in the above schedule. The amounts presented for each fiscal year were determined as of 12/31.

² Every five years, SERS is required to conduct an actuarial experience study to determine whether the assumptions used in its annual actuarial valuations remain accurate based on current and anticipated demographic trends and economic conditions. The 19th Investigation of Actuarial Experience study for the period 2015 – 2019 was released in July 2020 and can be viewed at www.sers.pa.gov. The actuary, under oversight of the SERS Board, reviewed economic assumptions (such as the assumed future investment returns and salary increases) as well as demographic assumptions (such as employee turnover, retirement, disability, and death rates).

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Required Supplementary Information (continued)

OPEB Schedules

Schedule of PLCB's Contributions (Dollar amounts in thousands)

| Last Ten Fiscal Years Ended June 30 ⁽¹⁾ | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|----------|---------|---------|---------|---------|
| Contractually required contribution ⁽²⁾ | 9,961 | 11,691 | 19,402 | 20,615 | 29,490 |
| Contributions in relation to the contractually required contribution | 20,003 | 19,381 | 19,648 | 23,376 | 24,623 |
| Contribution deficiency (excess) | (10,042) | (7,690) | (246) | 1,239 | (4,133) |
| PLCB's employee covered payroll | 136,972 | 133,256 | 131,262 | 129,950 | 126,621 |
| Contribution as a percentage of employee covered payroll | 14.60% | 14.54% | 14.97% | 17.99% | 19.45% |

~ The notes to required supplementary information are an integral part of this schedule. ~

¹ PLCB adopted GASB 75 on a prospective basis for the fiscal year ended June 30, 2018; therefore, only five years are presented in the above schedule. The amounts presented were measured as of June 30th of the prior year.

² Contribution requirements for the REHP are determined annually by the Commonwealth based on projected cash flow requirements and a projected contribution toward pre-funding future cash outlays.

PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES FUND – JUNE 30, 2023 and 2022
LIQUOR LICENSE FUND – JUNE 30, 2023 and 2022

Required Supplementary Information (continued)

Schedule of PLCB's Allocated Share of the Net OPEB Liability (Dollar amounts in thousands)

| Last Ten Fiscal Years Ended June 30 ⁽¹⁾ | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------|---------|---------|---------|---------|
| PLCB's allocation of the net liability | 4.22% | 4.22% | 4.16% | 4.12% | 4.11% |
| PLCB's allocated share of the net OPEB liability | 416,014 | 432,155 | 512,371 | 429,569 | 603,955 |
| PLCB's employee covered payroll | 136,972 | 133,256 | 131,262 | 129,950 | 126,621 |
| PLCB's allocated share of the net OPEB liability as a percentage of its employee covered payroll | 303.72% | 324.30% | 390.34% | 330.57% | 476.98% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 5.92% | 6.12% | 3.67% | 3.74% | 2.22% |

~ The notes to required supplementary information are an integral part of this schedule. ~

¹ PLCB adopted GASB 75 on a prospective basis for the fiscal year ended June 30, 2018; therefore, only five years are presented in the above schedule. The amounts presented were measured as of June 30th of the prior year.



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

TIMOTHY L. DEFOOR
AUDITOR GENERAL

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Tim Holden
Chairman
Pennsylvania Liquor Control Board
Harrisburg, PA 17124

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows for the State Stores Fund, and the Balance Sheets and the Statements of Revenues, Expenditures, and Changes in Fund Balance for the Liquor License Fund of the Pennsylvania Liquor Control Board (PLCB), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated December 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PLCB's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PLCB's internal control. Accordingly, we do not express an opinion on the effectiveness of PLCB's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the PLCB's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

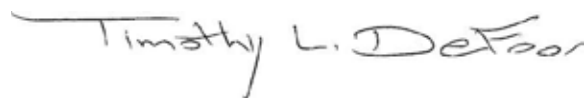
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PLCB's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PLCB's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PLCB's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Timothy L. DeFoor
Auditor General
December 11, 2023

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
JUNE 30, 2023 and 2022
DISTRIBUTION LIST**

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

The Honorable Tim Holden
Chairman
Pennsylvania Liquor Control Board

The Honorable Uri Monson
Secretary of the Budget
Commonwealth of Pennsylvania

The Honorable Stacy Garrity
State Treasurer
Commonwealth of Pennsylvania

The Honorable Michelle Henry
Attorney General
Commonwealth of Pennsylvania

Mr. William Canfield
Director, Bureau of Audits
Office of the Budget

Mr. Rodrigo J. Diaz
Acting Executive Director
Pennsylvania Liquor Control Board

Mr. Jason Lutcavage
Director of Administration
Pennsylvania Liquor Control Board

Angela B. Blecher
Chief Financial Officer
Pennsylvania Liquor Control Board

The Honorable Randy Vulakovich
Member
Pennsylvania Liquor Control Board

Mr. Brian T. Lyman
Chief Accounting Officer
Office of Comptroller Operations
Commonwealth of Pennsylvania

Mr. Michael J. Burns
Director
Bureau of Accounting & Financial Management
Office of the Budget

The Honorable Mike Regan
Chair
Senate Law and Justice Committee

The Honorable James R. Brewster
Minority Chair
Senate Law and Justice Committee

The Honorable Mindy Fee
Minority Chair
House Liquor Control Committee

The Honorable Daniel J. Deasy
Chair
House Liquor Control Committee

Patrick Frownfelter
State Library of Pennsylvania
Collections/Cataloging

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about this report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: News@PaAuditor.gov.

STORES RANKED BY TOTAL DOLLAR SALES FY 2022-23

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|---------|---|------------------|----------|-------------------|--------------------------|--------------|
| 1 | 5103* | 2238 Washington Avenue | Philadelphia | 19146 | 26,848 | \$1,429.83 | \$38,388,153 |
| 2 | 0940* | 855B Pennsylvania Boulevard | Feasterville | 19053 | 16,432 | \$1,683.11 | \$27,656,782 |
| 3 | 0247**† | 5956 Centre Avenue | Pittsburgh | 15206 | 395,541 | \$58.17 | \$23,009,212 |
| 4 | 0215* | 1601 Liberty Avenue | Pittsburgh | 15222 | 14,762 | \$1,436.51 | \$21,205,741 |
| 5 | 2301* | Lawrence Park Industrial Center, 629 Parkway Drive | Broomall | 19008 | 11,135 | \$1,729.43 | \$19,257,162 |
| 6 | 1007**† | Cranberry Mall, 20111 Route 19 | Cranberry Twp. | 16066 | 255,587 | \$69.71 | \$17,818,135 |
| 7 | 0934**† | 132 Veterans Lane | Doylestown | 18901 | 269,927 | \$65.55 | \$17,694,624 |
| 8 | 5185**† | 180 West Girard Avenue | Philadelphia | 19123 | 332,094 | \$53.25 | \$17,683,156 |
| 9 | 1532* | 100 Willowbrook Lane | West Chester | 19382 | 12,976 | \$1,332.36 | \$17,288,747 |
| 10 | 4650^ | East Greenville Business Center, 668 Gravel Pike | East Greenville | 18041 | 116,740 | \$141.90 | \$16,565,092 |
| 11 | 3616* | 1190 Dillerville Road | Lancaster | 17601 | 15,198 | \$1,068.43 | \$16,237,953 |
| 12 | 9211**† | Village Square, 5000 Oxford Drive | Bethel Park | 15102 | 237,480 | \$66.62 | \$15,821,784 |
| 13 | 0621**† | Berkshire West, 1101 Woodland Road | Wyomissing | 19610 | 240,680 | \$63.17 | \$15,202,854 |
| 14 | 9208**† | 125 Towne Centre Drive | Wexford | 15090 | 206,877 | \$73.32 | \$15,168,118 |
| 15 | 0231**† | Robinson Plaza Town Center, 1106 Park Manor Blvd. | Pittsburgh | 15205 | 244,151 | \$61.26 | \$14,956,544 |
| 16 | 4623**† | 1440 Bethlehem Pike | Flourtown | 19031 | 214,017 | \$69.01 | \$14,769,434 |
| 17 | 0214† | The Waterworks, 974 Freeport Road | Pittsburgh | 15238 | 204,396 | \$69.07 | \$14,116,993 |
| 18 | 4646**† | Ardmore Shopping Center, 62 Greenfield Avenue | Ardmore | 19003 | 193,790 | \$72.62 | \$14,072,395 |
| 19 | 4655* | 900 Forge Avenue | Norristown | 19403 | 9,331 | \$1,457.55 | \$13,600,390 |
| 20 | 0222* | 98 Vanadium Road | Bridgeville | 15017 | 9,327 | \$1,455.90 | \$13,579,152 |
| 21 | 0943**† | 212 South State Street | Newtown | 18940 | 204,347 | \$65.37 | \$13,358,081 |
| 22 | 6717**† | York Marketplace, 2547 East Market Street | York | 17402 | 256,466 | \$51.99 | \$13,333,951 |
| 23 | 3627**† | Shoppes at Belmont, 1565 Fruitville Pike | Lancaster | 17601 | 253,173 | \$52.05 | \$13,177,154 |
| 24 | 4657**† | Metroplex Mall, 2426 Chemical Road | Plymouth Meeting | 19462 | 244,967 | \$53.49 | \$13,103,408 |
| 25 | 5104**† | Columbus Commons, 1940 S. Christopher Columbus Blvd | Philadelphia | 19148 | 220,236 | \$57.21 | \$12,600,162 |
| 26 | 2211**† | 1158 Mae Street | Hummelstown | 17036 | 178,062 | \$69.57 | \$12,387,644 |
| 27 | 3901† | Crest Plaza, 1516 North Cedar Crest Boulevard | Allentown | 18104 | 186,507 | \$66.28 | \$12,362,542 |
| 28 | 2210**† | 5070 Jonestown Road | Harrisburg | 17112 | 244,281 | \$50.25 | \$12,275,495 |
| 29 | 6317** | Trinity Point Shopping Center, 50 Trinity Point Drive | Washington | 15301 | 261,635 | \$46.16 | \$12,077,409 |
| 30 | 4624**† | 125 West Dekalb Pike | King of Prussia | 19406 | 232,246 | \$51.67 | \$12,000,652 |
| 31 | 4641**† | 1839 East Ridge Pike | Royersford | 19468 | 235,917 | \$50.30 | \$11,865,479 |
| 32 | 1405† | 1682 North Atherton Street | State College | 16803 | 200,276 | \$58.42 | \$11,700,614 |
| 33 | 3516† | 222 Northern Boulevard | Clarks Summit | 18411 | 172,320 | \$67.70 | \$11,665,710 |
| 34 | 2102**† | West Shore Plaza, 1200 Market Street | Lemoine | 17043 | 225,098 | \$51.64 | \$11,624,332 |
| 35 | 0260**† | 1955 Wharton Street | Pittsburgh | 15203 | 236,589 | \$49.12 | \$11,621,678 |
| 36 | 2514**† | Yorktown Centre, 2501 West 12th Street | Erie | 16505 | 172,430 | \$66.15 | \$11,405,827 |
| 37 | 6315**† | Donaldson's Crossroads Shopping Ctr., 3929 Washington Rd. | McMurray | 15317 | 203,783 | \$55.55 | \$11,321,031 |
| 38 | 0227**† | 3845 Northern Pike | Monroeville | 15146 | 236,094 | \$47.26 | \$11,156,767 |
| 39 | 4817* | 3084 Emrick Boulevard | Bethlehem | 18020 | 9,038 | \$1,215.09 | \$10,982,010 |
| 40 | 4658**† | Ralphs Corner Shopping Center, 2333 Welsh Road | Lansdale | 19446 | 219,956 | \$49.13 | \$10,806,469 |
| 41 | 5154**† | 1112 Chestnut Street | Philadelphia | 19107 | 260,443 | \$41.36 | \$10,770,980 |

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

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|---------|--|----------------|----------|-------------------|--------------------------|--------------|
| 42 | 4632**† | Gwynedd Crossing, 1210 Bethlehem Pike | North Wales | 19454 | 183,786 | \$57.71 | \$10,607,067 |
| 43 | 4659**† | The Promenade at Upper Dublin, 204 Concourse Blvd. | Dresher | 19025 | 187,850 | \$56.17 | \$10,552,469 |
| 44 | 6716**† | West Manchester Town Center, 880 Town Center Drive | York | 17408 | 242,580 | \$43.26 | \$10,493,821 |
| 45 | 9101**† | 2040 Market Street | Philadelphia | 19103 | 264,515 | \$39.54 | \$10,459,310 |
| 46 | 0245**† | 330 East Waterfront Drive | Homestead | 15120 | 231,074 | \$44.41 | \$10,261,450 |
| 47 | 0232**† | McIntyre Square, 3080 McIntyre Square Drive | Pittsburgh | 15237 | 195,290 | \$51.88 | \$10,132,508 |
| 48 | 4613**† | 935 Old York Road | Jenkintown | 19046 | 188,126 | \$53.80 | \$10,121,250 |
| 49 | 0284**† | Bill Green's Shopping Center, 10 Old Clairton Road | Pittsburgh | 15236 | 214,469 | \$47.12 | \$10,106,170 |
| 50 | 5146** | 3903 Aramingo Avenue | Philadelphia | 19137 | 278,374 | \$36.30 | \$10,105,049 |
| 51 | 0625**† | Town Square Plaza, 4110 North Fifth Street Highway | Temple | 19560 | 187,261 | \$53.54 | \$10,025,393 |
| 52 | 1501**† | 132 Woodcutter Street | Exton | 19341 | 186,227 | \$53.34 | \$9,934,250 |
| 53 | 6518**† | Norwin Hills Shopping Center, 8775 Norwin Avenue | Irwin | 15642 | 208,246 | \$47.65 | \$9,921,931 |
| 54 | 4653**† | Centre Square Commons, 984 Dekalb Pike | Blue Bell | 19422 | 149,510 | \$65.67 | \$9,818,955 |
| 55 | 1529**† | Shoppes at Longwood Village, 855 East Baltimore Pike | Kennett Square | 19348 | 161,091 | \$59.41 | \$9,570,326 |
| 56 | 6711**† | Hanover Crossing, 431 Eisenhower Drive | Hanover | 17331 | 194,076 | \$49.07 | \$9,523,352 |
| 57 | 2324** | MacDade Plaza, 2143 MacDade Boulevard | Holmes | 19043 | 255,518 | \$37.09 | \$9,478,004 |
| 58 | 1533**† | Phoenixville Plaza, 700 Nutt Road | Phoenixville | 19460 | 207,009 | \$45.54 | \$9,427,237 |
| 59 | 3925**† | 2560 MacArthur Road | Whitehall | 18052 | 204,875 | \$44.83 | \$9,185,292 |
| 60 | 9205† | 1602 Cochran Road | Pittsburgh | 15220 | 177,333 | \$51.36 | \$9,107,261 |
| 61 | 0929**† | 4275 County Line Road | Chalfont | 18914 | 190,710 | \$47.64 | \$9,084,840 |
| 62 | 3622**† | Shoppes at Kissel Village, 1036 Lititz Pike | Lititz | 17543 | 181,113 | \$49.93 | \$9,042,730 |
| 63 | 5174** | Baker's Centre, 3413 Fox Street | Philadelphia | 19129 | 270,789 | \$33.20 | \$8,991,109 |
| 64 | 4502† | Pocono Village Mall, 3430 Route 940 | Mount Pocono | 18344 | 225,315 | \$39.72 | \$8,950,383 |
| 65 | 3918† | Promenade Shops at Saucon Valley, 3060 Ctr. Valley Parkway | Center Valley | 18034 | 131,159 | \$68.02 | \$8,921,011 |
| 66 | 4614**† | 119 West City Avenue | Bala Cynwyd | 19004 | 213,237 | \$41.39 | \$8,826,385 |
| 67 | 2101**† | Carlisle Marketplace, 281 South Spring Garden Street | Carlisle | 17013 | 214,130 | \$41.12 | \$8,805,003 |
| 68 | 4647** | 237 Harleysville Pike, Route 113 | Harleysville | 19438 | 186,499 | \$46.98 | \$8,762,174 |
| 69 | 1528**† | Paoli Shopping Center, 17-19 Leopard Road | Paoli | 19301 | 152,756 | \$57.16 | \$8,731,859 |
| 70 | 6517† | Westmoreland Mall, 5280 Route 30 | Greensburg | 15601 | 151,530 | \$57.55 | \$8,720,426 |
| 71 | 1516† | 933 Paoli Pike | West Chester | 19380 | 214,429 | \$40.66 | \$8,718,897 |
| 72 | 4654**† | 15 West Germantown Pike | Norristown | 19401 | 184,310 | \$47.22 | \$8,703,266 |
| 73 | 4306** | Hermitage Towne Plaza, 2321 East State Street | Hermitage | 16148 | 185,313 | \$46.92 | \$8,695,351 |
| 74 | 4814† | Northampton Crossings, 3718 Easton-Nazareth Hwy. | Easton | 18045 | 174,679 | \$49.43 | \$8,633,873 |
| 75 | 0912**† | Logan Square, 6542-J Lower York Road | New Hope | 18938 | 102,343 | \$84.22 | \$8,619,298 |
| 76 | 1527**† | 821 West Lancaster Avenue | Wayne | 19087 | 132,337 | \$64.10 | \$8,482,791 |
| 77 | 3924**† | 750 North Krocks Road | Allentown | 18106 | 156,203 | \$54.20 | \$8,466,688 |
| 78 | 4819**† | Madison Farms Retail Ctr., 4817 Freemansburg Ave. | Easton | 18045 | 181,190 | \$46.53 | \$8,430,319 |
| 79 | 0945**† | Addisville Commons, 890 Second Street Pike | Richboro | 18954 | 167,021 | \$50.41 | \$8,419,663 |
| 80 | 9118** | Ivyridge Shopping Center, 7146 Ridge Avenue | Philadelphia | 19128 | 211,539 | \$39.46 | \$8,347,172 |
| 81 | 2341**† | 3735 West Chester Pike | Newtown Square | 19073 | 139,354 | \$59.66 | \$8,313,414 |
| 82 | 5170**† | The Granary, 411 North 20th Street | Philadelphia | 19130 | 206,386 | \$40.25 | \$8,306,785 |

** Remodeled † Premium Collection

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|---------|---|------------------|----------|-------------------|--------------------------|--------------|
| 83 | 4648**† | 160 Market Street | Collegeville | 19426 | 147,011 | \$56.38 | \$8,287,785 |
| 84 | 4652** | Upland Square, 260 Upland Square Drive | Pottstown | 19464 | 226,842 | \$36.40 | \$8,257,782 |
| 85 | 0286**† | Pines Plaza 1130 Perry Highway | Pittsburgh | 15237 | 137,815 | \$59.01 | \$8,133,055 |
| 86 | 5133**† | 401 Franklin Mills Circle | Philadelphia | 19154 | 218,047 | \$37.20 | \$8,112,404 |
| 87 | 4501**† | Pocono Plaza, 310 Lincoln Avenue | East Stroudsburg | 18301 | 207,283 | \$39.06 | \$8,097,468 |
| 88 | 4110**† | Loyal Plaza, 1939 East Third Street | Williamsport | 17701 | 163,939 | \$49.37 | \$8,093,342 |
| 89 | 1514**† | 161 East Swedesford Road | Wayne | 19087 | 174,869 | \$46.16 | \$8,071,167 |
| 90 | 0604** | 4721 Perkiomen Avenue | Reading | 19606 | 182,737 | \$44.06 | \$8,051,833 |
| 91 | 2801† | Wayne Plaza, 987 Wayne Avenue | Chambersburg | 17201 | 190,683 | \$42.19 | \$8,044,286 |
| 92 | 2344**† | Springfield Square N. Shopping Ctr., 1014 Baltimore Pike | Springfield | 19064 | 191,894 | \$41.88 | \$8,037,180 |
| 93 | 2106**† | 6560 Carlisle Pike | Mechanicsburg | 17050 | 166,455 | \$48.03 | \$7,994,898 |
| 94 | 0101**† | Marshalls Plaza, 1275 York Road | Gettysburg | 17325 | 155,016 | \$51.35 | \$7,960,481 |
| 95 | 0709**† | Pleasant Valley Shopping Ctr., 3415 Pleasant Valley Blvd. | Altoona | 16602 | 169,403 | \$46.90 | \$7,945,847 |
| 96 | 3625**† | Centerville Square, 558 Centerville Road | Lancaster | 17601 | 184,910 | \$42.76 | \$7,906,900 |
| 97 | 4001** | Wilkes-Barre Township Marketplace, 2136 Wilkes-Barre Boulevard | Wilkes-Barre | 18702 | 176,898 | \$44.41 | \$7,856,037 |
| 98 | 5112**† | 2550 Grant Avenue | Philadelphia | 19114 | 207,503 | \$37.74 | \$7,830,401 |
| 99 | 0298**† | Chartiers Valley Shopping Ctr., 1025 Washington Pike | Bridgeville | 15017 | 161,320 | \$47.82 | \$7,714,615 |
| 100 | 5161**† | 1515 Locust Street | Philadelphia | 19102 | 231,734 | \$33.24 | \$7,701,693 |
| 101 | 1010** | 206 Seven Fields Boulevard | Seven Fields | 16046 | 153,022 | \$49.70 | \$7,605,003 |
| 102 | 3922** | Lehigh Shopping Center, 2154 West Union Boulevard | Bethlehem | 18018 | 182,578 | \$41.64 | \$7,601,785 |
| 103 | 0211** | 354 North Towne Square, 5600 Route 8 | Gibsonia | 15044 | 160,676 | \$46.70 | \$7,503,148 |
| 104 | 5160** | Hendrix Center, 11685 Bustleton Avenue | Philadelphia | 19116 | 210,920 | \$35.55 | \$7,498,869 |
| 105 | 2516** | Liberty Plaza, 3702 Liberty Street | Erie | 16508 | 205,813 | \$36.38 | \$7,487,283 |
| 106 | 0941** | 532 South Oxford Valley Road | Fairless Hills | 19030 | 203,746 | \$36.65 | \$7,466,934 |
| 107 | 1530**† | Bradford Plaza, 692 Downingtown Pike | West Chester | 19380 | 177,473 | \$42.02 | \$7,457,310 |
| 108 | 2612** | New Hope Commons, 99 Matthew Drive | Uniontown | 15401 | 139,560 | \$52.91 | \$7,384,645 |
| 109 | 4003**† | 2161 Memorial Highway | Dallas | 18612 | 133,866 | \$54.20 | \$7,255,302 |
| 110 | 5137** | 5159 Lancaster Avenue | Philadelphia | 19131 | 284,166 | \$25.45 | \$7,231,841 |
| 111 | 2115**† | 3725 Capital City Mall Drive | Camp Hill | 17011 | 140,693 | \$51.14 | \$7,195,342 |
| 112 | 1510** | Barley Station, 2715 East Lincoln Highway | Coatesville | 19320 | 214,435 | \$33.40 | \$7,162,174 |
| 113 | 1903** | 1005 Scott Town Center | Bloomsburg | 17815 | 152,442 | \$46.05 | \$7,020,071 |
| 114 | 2320** | 1305 West Chester Pike | Havertown | 19083 | 165,542 | \$42.08 | \$6,966,054 |
| 115 | 0266**† | 521 Beaver Street | Sewickley | 15143 | 108,217 | \$64.34 | \$6,962,412 |
| 116 | 6714† | Shrewsbury Commons Shopping Center, 802 Shrewsbury Commons Avenue | Shrewsbury | 17361 | 145,003 | \$47.45 | \$6,879,924 |
| 117 | 0910** | Hilltown Plaza, 766 Route 113 | Souderton | 18964 | 167,816 | \$40.84 | \$6,853,820 |
| 118 | 5157**† | 1237 South 11th Street | Philadelphia | 19147 | 168,571 | \$40.62 | \$6,847,390 |
| 119 | 3801** | 102 North Eighth Avenue | Lebanon | 17046 | 176,757 | \$38.71 | \$6,842,201 |
| 120 | 6401† | 74 Welwood Avenue | Hawley | 18428 | 114,084 | \$59.95 | \$6,838,984 |
| 121 | 2305**† | 315 West Baltimore Avenue | Media | 19063 | 144,010 | \$47.48 | \$6,837,321 |
| 122 | 1525**† | Lionville Shopping Center, 162 Eagleview Boulevard | Exton | 19341 | 158,556 | \$42.82 | \$6,789,257 |

** Remodeled † Premium Collection

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|---------|--|----------------|----------|-------------------|--------------------------|--------------|
| 123 | 2334**† | Brandywine Mills, 1751 Wilmington Pike | Glen Mills | 19342 | 115,890 | \$58.56 | \$6,786,129 |
| 124 | 6705** | Queensgate Towne Center, 2075 Springwood Road | York | 17403 | 168,664 | \$40.11 | \$6,765,427 |
| 125 | 2343**† | 127 West Lancaster Avenue | Wayne | 19087 | 105,792 | \$63.84 | \$6,753,531 |
| 126 | 5168** | 2201 Cottman Avenue | Philadelphia | 19149 | 192,309 | \$34.90 | \$6,712,009 |
| 127 | 2215** | The Point Shopping Center, 4227 Union Deposit Road | Harrisburg | 17111 | 196,819 | \$34.02 | \$6,696,518 |
| 128 | 4639** | Gilbertsville Shopping Ctr., 1050 East Philadelphia Ave. | Gilbertsville | 19525 | 152,772 | \$43.80 | \$6,691,271 |
| 129 | 6526**† | 109 Blue Spruce Way | Murrysville | 15668 | 114,918 | \$57.62 | \$6,622,014 |
| 130 | 3206**† | Townfair Plaza, 475 Ben Franklin South | Indiana | 15701 | 149,199 | \$44.34 | \$6,615,528 |
| 131 | 5193** | Penrose Plaza, 2900 Island Avenue | Philadelphia | 19153 | 214,974 | \$30.55 | \$6,567,196 |
| 132 | 4511** | Kinsley Plaza, 107 Kinsley Drive | Brodheadsville | 18322 | 178,832 | \$36.66 | \$6,555,430 |
| 133 | 0920**† | Quakertown Plaza, 1465 West Broad Street | Quakertown | 18951 | 150,592 | \$42.92 | \$6,462,672 |
| 134 | 4638** | 123 South Easton Road | Glenside | 19038 | 160,391 | \$39.97 | \$6,410,054 |
| 135 | 0919** | 2223 Galloway Road | Bensalem | 19020 | 163,142 | \$39.01 | \$6,364,011 |
| 136 | 2501** | Summit Towne Center, 7200 Peach Street | Erie | 16509 | 131,139 | \$48.34 | \$6,339,543 |
| 137 | 0267** | Moon Plaza, 5990 University Boulevard | Coraopolis | 15108 | 150,691 | \$42.07 | \$6,339,272 |
| 138 | 5167** | Lincoln Square, 1403 Washington Avenue | Philadelphia | 19146 | 193,546 | \$32.72 | \$6,332,392 |
| 139 | 4622** | 404 Huntingdon Pike | Rockledge | 19046 | 161,097 | \$39.22 | \$6,318,608 |
| 140 | 5201** | 106 West Harford Street | Milford | 18337 | 141,070 | \$44.74 | \$6,312,171 |
| 141 | 2221* | 990 Briarsdale Road | Harrisburg | 17109 | 5,407 | \$1,159.24 | \$6,268,002 |
| 142 | 3522** | 210 Meadow Avenue | Scranton | 18505 | 173,257 | \$35.92 | \$6,223,890 |
| 143 | 1404** | Hamilton Sq. Shopping Ctr., 230 West Hamilton Ave. | State College | 16801 | 101,204 | \$61.32 | \$6,205,437 |
| 144 | 1003** | 608 Moraine Pointe Plaza | Butler | 16001 | 151,500 | \$40.88 | \$6,193,153 |
| 145 | 0939** | 306 Easton Road | Warrington | 18976 | 144,885 | \$42.56 | \$6,165,883 |
| 146 | 0237**† | 339 Fifth Avenue | Pittsburgh | 15222 | 207,632 | \$29.68 | \$6,162,370 |
| 147 | 4033** | Church Hill Mall, 1089 North Church Street | Hazleton | 18201 | 137,313 | \$44.74 | \$6,143,731 |
| 148 | 3914** | Mountainville Plaza, 1620 South Fouth Street | Allentown | 18103 | 169,537 | \$36.00 | \$6,102,696 |
| 149 | 5191** | 2401 Vare Avenue | Philadelphia | 19145 | 199,807 | \$30.51 | \$6,096,804 |
| 150 | 5116** | 101 East Olney Avenue | Philadelphia | 19120 | 212,760 | \$28.65 | \$6,096,317 |
| 151 | 0299** | Penn Hills Center, 11685 Penn Hills Drive | Pittsburgh | 15235 | 182,791 | \$33.32 | \$6,091,385 |
| 152 | 1506** | Ashbridge Square, 861 East Lancaster Avenue | Downingtown | 19335 | 138,554 | \$43.90 | \$6,082,017 |
| 153 | 2220**† | Blue Mountain Commons, 2310 Linglestown Road | Harrisburg | 17110 | 154,492 | \$39.26 | \$6,065,872 |
| 154 | 0914** | Lower Southampton Village, 162 East Street Road | Feasterville | 19053 | 154,684 | \$39.20 | \$6,063,502 |
| 155 | 4804** | Stefko Center, 1844A Stefko Boulevard | Bethlehem | 18017 | 176,924 | \$34.06 | \$6,025,167 |
| 156 | 0932**† | 1115 North Main Street | Warrington | 18976 | 105,167 | \$57.28 | \$6,024,483 |
| 157 | 0915** | 3920 New Falls Road | Bristol | 19007 | 190,501 | \$31.54 | \$6,007,709 |
| 158 | 0928** | The Shoppes at Flowers Mill, 118 North Flowers Mill Rd. | Langhorne | 19047 | 151,953 | \$39.35 | \$5,979,163 |
| 159 | 1412**† | 127 Southridge Plaza | State College | 16801 | 122,219 | \$48.89 | \$5,975,639 |
| 160 | 6003**† | Penn House Commons, 310 North 10th Street | Lewisburg | 17837 | 130,996 | \$45.56 | \$5,968,207 |
| 161 | 0415** | Rochester Plaza, 730 Ohio River Boulevard | Rochester | 15074 | 138,371 | \$42.86 | \$5,930,293 |
| 162 | 5156** | 4233 Chestnut Street | Philadelphia | 19104 | 194,668 | \$29.84 | \$5,809,431 |
| 163 | 0228** | Edgewood Towne Centre, 1749 South Braddock Avenue | Pittsburgh | 15218 | 188,596 | \$30.71 | \$5,791,777 |

* Licensee Service Center ** Remodeled † Premium Collection

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|---------|---|-------------------|----------|-------------------|--------------------------|--------------|
| 164 | 3615** | Bridgeport Shopping Ctr., 1622 Lincoln Highway East | Lancaster | 17602 | 166,837 | \$34.60 | \$5,772,847 |
| 165 | 5126** | The Shops at Brewerytown, 3101 West Girard Avenue | Philadelphia | 19130 | 196,621 | \$29.35 | \$5,771,378 |
| 166 | 6523** | 1038 Latrobe 30 Plaza | Latrobe | 15650 | 136,156 | \$42.06 | \$5,726,398 |
| 167 | 5119**† | 724 South Street | Philadelphia | 19147 | 144,012 | \$39.51 | \$5,689,307 |
| 168 | 5134** | 32 South Second Street | Philadelphia | 19106 | 115,567 | \$49.22 | \$5,687,840 |
| 169 | 5132** | 4229 North Broad Street | Philadelphia | 19140 | 243,746 | \$23.17 | \$5,647,547 |
| 170 | 4627** | Hillcrest Shopping Center, 644 East Main Street | Lansdale | 19446 | 165,706 | \$33.76 | \$5,594,282 |
| 171 | 4626** | 2501 Main Street | Norristown | 19403 | 153,259 | \$36.44 | \$5,585,441 |
| 172 | 0290** | Noble Manor Shopping Center, 2350 Noblestown Road | Pittsburgh | 15205 | 161,872 | \$34.46 | \$5,577,379 |
| 173 | 5111** | 3720 Main Street | Philadelphia | 19127 | 134,270 | \$41.04 | \$5,510,752 |
| 174 | 5190** | 7161 Ogontz Avenue | Philadelphia | 19138 | 206,675 | \$26.53 | \$5,483,843 |
| 175 | 0938** | Center Point Plaza, 748 West Street Road | Warminster | 18974 | 151,808 | \$36.02 | \$5,468,329 |
| 176 | 0235**† | 2001 Smallman Street | Pittsburgh | 15222 | 82,545 | \$66.13 | \$5,458,917 |
| 177 | 2331**† | 5035 Township Line Road | Drexel Hill | 19026 | 141,470 | \$38.45 | \$5,439,608 |
| 178 | 5141** | 4906-4908 Baltimore Avenue | Philadelphia | 19143 | 214,458 | \$25.15 | \$5,394,068 |
| 179 | 4636† | 1 Station Circle | Narberth | 19072 | 108,687 | \$49.51 | \$5,381,491 |
| 180 | 0296** | 5249 Library Road | Bethel Park | 15102 | 142,787 | \$37.62 | \$5,371,428 |
| 181 | 4607** | 132 East Butler Avenue | Ambler | 19002 | 121,101 | \$44.22 | \$5,355,179 |
| 182 | 6404** | 1199 Texas Palmyra Highway | Honesdale | 18431 | 122,804 | \$43.42 | \$5,332,433 |
| 183 | 4642** | The Marketplace at Huntingdon Valley, 2080 County Line Road | Huntingdon Valley | 19006 | 131,501 | \$40.52 | \$5,328,255 |
| 184 | 5173** | Woodland Village Plaza, 6036 Woodland Avenue | Philadelphia | 19142 | 230,043 | \$23.04 | \$5,299,934 |
| 185 | 5142** | Plaza Americana, 2717 North American Street | Philadelphia | 19133 | 200,022 | \$26.39 | \$5,279,356 |
| 186 | 2110** | Stonehedge Square, 950 Walnut Bottom Road | Carlisle | 17015 | 126,601 | \$41.64 | \$5,272,178 |
| 187 | 1702**† | 5720 Shaffer Road | Dubois | 15801 | 115,434 | \$45.28 | \$5,226,321 |
| 188 | 1512** | Lincoln Court, 215 Lancaster Avenue | Malvern | 19355 | 124,660 | \$41.91 | \$5,224,024 |
| 189 | 2342**† | 1083 West Baltimore Pike | Media | 19063 | 126,517 | \$41.13 | \$5,203,301 |
| 190 | 4004* | 1492 Highway 315 | Wilkes-Barre | 18702 | 3,766 | \$1,370.88 | \$5,162,745 |
| 191 | 6524** | 321 Tri-County Lane | Belle Vernon | 15012 | 149,257 | \$34.57 | \$5,159,252 |
| 192 | 0409** | Chippewa Center, 2580 Constitution Boulevard | Beaver Falls | 15010 | 120,764 | \$42.67 | \$5,152,755 |
| 193 | 2327† | 789 East Lancaster Avenue | Villanova | 19085 | 87,067 | \$58.61 | \$5,103,020 |
| 194 | 2332† | Lawrence Park, 1991 Sproul Road | Broomall | 19008 | 126,450 | \$40.20 | \$5,083,015 |
| 195 | 4507 | Blakeslee Plaza, 248 Route 940 | Blakeslee | 18610 | 108,783 | \$46.34 | \$5,040,582 |
| 196 | 4508* | Jay Park Plaza, Route 209 288 Dartmouth Drive | Marshalls Creek | 18335 | 3,447 | \$1,455.93 | \$5,018,606 |
| 197 | 0292** | North Hills Village Mall, 4801 McKnight Road | Pittsburgh | 15237 | 137,266 | \$36.52 | \$5,012,796 |
| 198 | 4637** | Audubon Village Shopping Ctr., 2860 Audubon Vill Dr. | Audubon | 19403 | 133,523 | \$37.48 | \$5,004,758 |
| 199 | 0249** | 519 Towne Square Way | Pittsburgh | 15227 | 139,940 | \$35.70 | \$4,996,463 |
| 200 | 2302 | 128 South 69th Street | Upper Darby | 19082 | 206,628 | \$24.18 | \$4,995,430 |
| 201 | 4509** | Tannersville Plaza, 2838 Route 611 | Tannersville | 18372 | 131,201 | \$37.65 | \$4,939,319 |
| 202 | 4635** | Regency Square, 1029 North Easton Road | Willow Grove | 19090 | 132,297 | \$37.24 | \$4,926,141 |
| 203 | 6519** | Crossroads Plaza, 2501 Leechburg Road | Lower Burrell | 15068 | 126,235 | \$38.98 | \$4,920,979 |

* Licensee Service Center ** Remodeled † Premium Collection

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|---------|--|------------------|----------|-------------------|--------------------------|--------------|
| 204 | 2329** | Eddystone Crossings, 1562 Chester Pike | Eddystone | 19022 | 176,983 | \$27.70 | \$4,902,175 |
| 205 | 4605** | Melrose Shopping Center, 103 West Cheltenham Avenue | Cheltenham | 19012 | 164,987 | \$29.66 | \$4,893,707 |
| 206 | 2001**† | Downtown Mall, 900 Water Street | Meadville | 16335 | 125,543 | \$38.87 | \$4,880,445 |
| 207 | 2339** | 4934 Edgmont Avenue | Brookhaven | 19015 | 164,228 | \$29.60 | \$4,860,353 |
| 208 | 6710** | Windsor Commons, 3159 Cape Horn Road | Red Lion | 17356 | 144,259 | \$33.55 | \$4,839,790 |
| 209 | 5502** | 244 Marketplace Boulevard | Selinsgrove | 17870 | 109,479 | \$44.16 | \$4,834,305 |
| 210 | 2105** | Mechanicsburg Plaza, 5301 Simpson Ferry Road | Mechanicsburg | 17050 | 138,966 | \$34.62 | \$4,811,142 |
| 211 | 4608† | 922 West Lancaster Avenue | Bryn Mawr | 19010 | 98,806 | \$48.63 | \$4,804,598 |
| 212 | 4656** | Pennsburg Square Shopping Ctr., 456 Pottstown Ave. | Pennsburg | 18073 | 122,192 | \$39.28 | \$4,799,319 |
| 213 | 0274** | Lebanon Shops, 300 Mount Lebanon Boulevard | Pittsburgh | 15234 | 126,058 | \$37.96 | \$4,785,249 |
| 214 | 1508** | West Sadsbury Commons, 324 Commons Drive | Parkesburg | 19365 | 135,063 | \$35.34 | \$4,773,777 |
| 215 | 0615** | Douglassville Shopping Center, 180 Old Swede Road | Douglassville | 19518 | 125,855 | \$37.91 | \$4,771,652 |
| 216 | 4640** | 8156 Ogontz Avenue | Wyncote | 19095 | 180,564 | \$26.12 | \$4,716,242 |
| 217 | 5121**† | Top of The Hill Plaza, 8705 Germantown Avenue | Philadelphia | 19118 | 104,642 | \$45.05 | \$4,714,335 |
| 218 | 2503** | Asbury Square, 2421 Asbury Road | Erie | 16506 | 126,428 | \$37.23 | \$4,707,170 |
| 219 | 0226** | 132 Ben Avon Heights Road | Pittsburgh | 15237 | 128,056 | \$36.50 | \$4,674,443 |
| 220 | 3904** | 3300 Lehigh Street | Allentown | 18103 | 120,538 | \$38.61 | \$4,654,126 |
| 221 | 4506** | 1060 North Ninth Street | Stroudsburg | 18360 | 130,802 | \$35.50 | \$4,643,644 |
| 222 | 4611** | Park Towne Plaza Shopping Ctr., 301 North Lewis Rd. | Royersford | 19468 | 147,615 | \$31.45 | \$4,642,534 |
| 223 | 2333** | Barclay Square, 1500 Garrett Road | Upper Darby | 19082 | 154,677 | \$29.91 | \$4,626,399 |
| 224 | 0906** | Pennsbury Plaza Shopping Center, 229 Plaza Blvd. | Morrisville | 19067 | 147,216 | \$31.37 | \$4,617,980 |
| 225 | 0937** | Oxford Oaks Shopping Center, 1601 Big Oak Road | Yardley | 19067 | 128,475 | \$35.88 | \$4,609,452 |
| 226 | 2519** | Giant Eagle Plaza, 4058 Buffalo Road | Erie | 16510 | 124,158 | \$36.89 | \$4,580,551 |
| 227 | 0703** | 202 Hollidaysburg Plaza | Duncansville | 16635 | 107,633 | \$42.53 | \$4,577,118 |
| 228 | 0607** | 1772 Tilden Ridge Drive | Hamburg | 19526 | 102,879 | \$44.43 | \$4,570,763 |
| 229 | 6527** | Hollywood Square, 6750 Hollywood Boulevard | Delmont | 15626 | 118,928 | \$38.29 | \$4,553,762 |
| 230 | 0602** | Rockland Plaza, 1100 Rockland Street | Reading | 19604 | 135,072 | \$33.59 | \$4,537,080 |
| 231 | 3903 | 1918 West Allen Street | Allentown | 18104 | 137,612 | \$32.86 | \$4,521,767 |
| 232 | 6709** | The Crossroads, 351 Loucks Road | York | 17404 | 122,422 | \$36.87 | \$4,513,124 |
| 233 | 0942** | Levittown Town Center, 179B Levittown Parkway | Levittown | 19055 | 138,812 | \$32.47 | \$4,506,549 |
| 234 | 3619** | 2600 Willow Street Pike North | Willow Street | 17584 | 123,733 | \$36.25 | \$4,485,846 |
| 235 | 5195** | 7702 City Avenue | Philadelphia | 19151 | 152,314 | \$29.40 | \$4,478,073 |
| 236 | 3923** | 7801 Glenlivet West Drive | Fogelsville | 18051 | 96,795 | \$46.09 | \$4,460,934 |
| 237 | 5163** | Gray's Ferry Shopping Center, 3007 Gray's Ferry Ave. | Philadelphia | 19146 | 150,600 | \$29.58 | \$4,455,451 |
| 238 | 0280** | 2800 Robinson Boulevard | Pittsburgh | 15235 | 158,413 | \$28.11 | \$4,452,602 |
| 239 | 3508** | 70 Keystone Industrial Park Road | Dunmore | 18512 | 120,350 | \$36.82 | \$4,430,902 |
| 240 | 6201 | 44 Market Street | Warren | 16365 | 113,500 | \$38.96 | \$4,421,400 |
| 241 | 4510 | Fox Run Plaza, 232 Fox Run Lane | East Stroudsburg | 18302 | 127,162 | \$34.48 | \$4,384,028 |
| 242 | 4629** | Fairway Shopping Center, 1825 Limekiln Pike | Dresher | 19025 | 112,483 | \$38.88 | \$4,373,763 |
| 243 | 4027** | Pittston Crossing, 320 Route 315 Highway | Pittston | 18640 | 121,179 | \$36.03 | \$4,366,515 |
| 244 | 2103** | 109 South Conestoga Drive | Shippensburg | 17257 | 124,418 | \$35.03 | \$4,358,131 |

** Remodeled † Premium Collection

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|---------|---|----------------|----------|-------------------|--------------------------|--------------|
| 245 | 1002** | Northgate Plaza, 115 Perry Highway | Harmony | 16037 | 106,706 | \$40.57 | \$4,328,939 |
| 246 | 5101** | 135 West Cheltenham Avenue | Philadelphia | 19144 | 214,872 | \$20.14 | \$4,328,263 |
| 247 | 6720** | 406 North US 15 | Dillsburg | 17019 | 102,011 | \$42.42 | \$4,327,361 |
| 248 | 1118** | Geistown Shopping Center, 2230 Bedford Street | Johnstown | 15904 | 112,444 | \$38.39 | \$4,316,627 |
| 249 | 5114** | 8844 Frankford Avenue | Philadelphia | 19136 | 152,070 | \$28.28 | \$4,299,780 |
| 250 | 3608** | Manor Shopping Center, 1234 Millersville Pike | Lancaster | 17603 | 150,008 | \$28.57 | \$4,284,997 |
| 251 | 3915 | Westgate Mall, 2359 Schoenersville Road | Bethlehem | 18017 | 111,887 | \$37.95 | \$4,245,692 |
| 252 | 5602** | Somerset Commons, 1534 North Center Avenue | Somerset | 15501 | 96,706 | \$43.55 | \$4,211,393 |
| 253 | 0272** | 233 Shiloh Street | Pittsburgh | 15211 | 100,178 | \$42.03 | \$4,210,555 |
| 254 | 9111** | Roosevelt Plaza, 6577 Roosevelt Boulevard | Philadelphia | 19149 | 145,794 | \$28.78 | \$4,196,448 |
| 255 | 6715** | Newberry Pointe, 180 Newberry Parkway | Etters | 17319 | 114,851 | \$36.49 | \$4,190,369 |
| 256 | 3520** | Green Ridge Plaza, 1610 Nay Aug Avenue | Scranton | 18509 | 126,615 | \$33.04 | \$4,183,777 |
| 257 | 4807** | Creekside Market Place, 1848 Leithsville Road | Hellertown | 18055 | 108,609 | \$38.45 | \$4,175,964 |
| 258 | 0503** | 9613 Lincoln Highway | Bedford | 15522 | 86,977 | \$47.91 | \$4,166,867 |
| 259 | 0608** | Springtown Shopping Center, 2671 Shillington Road | Sinking Spring | 19608 | 107,938 | \$38.56 | \$4,161,936 |
| 260 | 4006** | Luzerne Shopping Center, 472 Union Street | Luzerne | 18709 | 115,395 | \$36.01 | \$4,155,417 |
| 261 | 4401** | 129 South Main Street | Lewistown | 17044 | 118,412 | \$35.05 | \$4,150,735 |
| 262 | 3711** | Union Square Shopping Center, 2507 West State St. | New Castle | 16101 | 106,100 | \$39.08 | \$4,146,808 |
| 263 | 4651** | Village Mall, 200 Blair Mill Road | Horsham | 19044 | 136,034 | \$30.44 | \$4,141,387 |
| 264 | 6308* | 102 Four Coins Drive | Canonsburg | 15317 | 4,218 | \$975.26 | \$4,113,662 |
| 265 | 3803** | Palmyra Shopping Center, 901 East Main Street | Palmyra | 17078 | 107,974 | \$37.98 | \$4,101,106 |
| 266 | 1523** | Shoppes at Dilworthtown Crossing, 1363 Dilworthtown Rd. | West Chester | 19382 | 83,577 | \$48.89 | \$4,086,485 |
| 267 | 0256** | 1020 Village Center Drive | Tarentum | 15084 | 101,623 | \$40.21 | \$4,086,256 |
| 268 | 3916** | The Shoppes at Trexler, 6900 Hamilton Boulevard | Trexlerstown | 18087 | 107,302 | \$38.07 | \$4,084,564 |
| 269 | 6403** | Hamlin Shopping Plaza, 569 Route 590 | Hamlin | 18427 | 105,251 | \$38.55 | \$4,057,083 |
| 270 | 0414** | 1476 Old Brodhead Road | Monaca | 15061 | 95,851 | \$42.16 | \$4,040,764 |
| 271 | 1120** | 1910 Minno Drive | Johnstown | 15905 | 100,598 | \$39.83 | \$4,007,037 |
| 272 | 5153** | 2115 North 22nd Street | Philadelphia | 19121 | 184,638 | \$21.70 | \$4,007,030 |
| 273 | 1518** | Marketplace at Westtown, 1502 West Chester Pike | West Chester | 19382 | 109,279 | \$36.59 | \$3,998,684 |
| 274 | 3611** | 1575 South Market Street | Elizabethtown | 17022 | 115,014 | \$34.38 | \$3,953,740 |
| 275 | 2107 | 3760 Market Street | Camp Hill | 17011 | 84,187 | \$46.86 | \$3,944,610 |
| 276 | 0605** | Village Square Plaza, 45 Constitution Boulevard | Kutztown | 19530 | 99,498 | \$39.57 | \$3,937,205 |
| 277 | 4032** | 12 Diana Lane | West Hazleton | 18202 | 84,161 | \$46.31 | \$3,897,484 |
| 278 | 0944**† | Buttonwood Park Place, 7 Buttonwood Drive | Yardley | 19067 | 76,556 | \$50.45 | \$3,862,092 |
| 279 | 0282** | Oak Park Mall, 2001 Lincoln Way | White Oak | 15131 | 107,871 | \$35.71 | \$3,851,706 |
| 280 | 2511** | 737 East 38th Street | Erie | 16504 | 122,497 | \$31.30 | \$3,834,757 |
| 281 | 1522** | Suburbia Shopping Center, 76 Glocker Way | Pottstown | 19465 | 92,081 | \$41.63 | \$3,833,399 |
| 282 | 0202** | River Town Shops, 90 Allegheny River Boulevard | Verona | 15147 | 84,894 | \$45.05 | \$3,824,511 |
| 283 | 0410** | Aliquippa Shopping Center, 2719 Brodhead Road | Aliquippa | 15001 | 99,124 | \$38.40 | \$3,806,519 |
| 284 | 5158** | McKeown'S Plaza, 6824 Rising Sun Avenue | Philadelphia | 19111 | 143,139 | \$26.58 | \$3,805,061 |
| 285 | 1108** | 300 Walmart Drive | Ebensburg | 15931 | 92,066 | \$41.05 | \$3,779,025 |

* Licensee Service Center ** Remodeled † Premium Collection

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|--------|--|--------------|----------|-------------------|--------------------------|--------------|
| 286 | 4035** | 223 South Mountain Boulevard | Mountain Top | 18707 | 84,351 | \$44.17 | \$3,725,525 |
| 287 | 3802** | 1737 Quentin Road | Lebanon | 17042 | 87,896 | \$42.24 | \$3,712,517 |
| 288 | 4701** | 144 Continental Boulevard | Danville | 17821 | 89,952 | \$41.26 | \$3,711,728 |
| 289 | 2201** | Kline Plaza, 29 Kline Village | Harrisburg | 17104 | 149,352 | \$24.81 | \$3,705,743 |
| 290 | 0946** | Marketplace at Neshaminy, 680 Rockhill Drive | Bensalem | 19020 | 109,833 | \$33.59 | \$3,689,002 |
| 291 | 2606** | 140 Walnut Hill Road | Uniontown | 15401 | 102,169 | \$35.94 | \$3,672,309 |
| 292 | 3503** | 1520 South Main Avenue | Scranton | 18504 | 116,848 | \$31.41 | \$3,670,419 |
| 293 | 1521** | Brandywine Village, 1239 Horseshoe Pike Route 322 | Downingtown | 19335 | 91,872 | \$39.88 | \$3,663,747 |
| 294 | 1804** | Clinton Plaza, 120 East Walnut Street | Lock Haven | 17745 | 81,824 | \$44.77 | \$3,663,322 |
| 295 | 3926** | Airport Point Shopping Center, 934 Airport Center Road | Allentown | 18109 | 86,080 | \$42.54 | \$3,662,049 |
| 296 | 9213** | 2356 Golden Mile Highway | Pittsburgh | 15239 | 108,115 | \$33.85 | \$3,659,294 |
| 297 | 4815** | Forks Town Center, 341 Town Center Boulevard | Easton | 18040 | 111,678 | \$32.75 | \$3,657,030 |
| 298 | 2502** | 105 West 18th Street | Erie | 16501 | 108,517 | \$33.67 | \$3,654,208 |
| 299 | 3610** | Muddy Creek Shoppes, 2350 North Reading Road | Denver | 17517 | 85,236 | \$42.53 | \$3,624,674 |
| 300 | 5145** | 5235 Frankford Avenue | Philadelphia | 19124 | 207,531 | \$17.38 | \$3,605,887 |
| 301 | 2217** | Swatara Square, 6301 Grayson Road | Harrisburg | 17111 | 107,416 | \$33.32 | \$3,579,305 |
| 302 | 6525** | 6041 Route 30 | Greensburg | 15601 | 100,324 | \$35.63 | \$3,574,809 |
| 303 | 3620** | Main Street Center, 763 East Main Street | Mount Joy | 17552 | 94,743 | \$37.73 | \$3,574,640 |
| 304 | 4308** | 41 Pine Grove Square Drive | Grove City | 16127 | 91,228 | \$39.11 | \$3,568,196 |
| 305 | 0203** | Braddock Hills Shopping Center, 230 Yost Boulevard | Pittsburgh | 15221 | 122,801 | \$29.00 | \$3,560,890 |
| 306 | 3710** | 3326 Wilmington Road | New Castle | 16105 | 96,369 | \$36.92 | \$3,558,223 |
| 307 | 0224** | 1824 Murray Avenue | Pittsburgh | 15217 | 107,599 | \$32.95 | \$3,545,243 |
| 308 | 0623** | 100 Kenhorst Plaza, 1895 New Holland Road | Reading | 19607 | 88,247 | \$40.16 | \$3,544,044 |
| 309 | 4036** | West Side Mall, 160 West Side Mall | Edwardsville | 18704 | 114,683 | \$30.87 | \$3,540,736 |
| 310 | 0285 | Hampton Home Center, 4706 William Flynn Highway | Allison Park | 15101 | 79,720 | \$44.38 | \$3,537,648 |
| 311 | 0264** | Shaler Plaza, 880 Butler Street | Pittsburgh | 15223 | 94,836 | \$37.22 | \$3,529,554 |
| 312 | 6601** | 600 Hunter Highway | Tunkhannock | 18657 | 91,993 | \$38.33 | \$3,525,792 |
| 313 | 0263** | 418 East Ohio Street | Pittsburgh | 15212 | 139,159 | \$25.25 | \$3,513,637 |
| 314 | 0917** | 500 South Second Street Pike | Southampton | 18966 | 91,482 | \$38.39 | \$3,512,344 |
| 315 | 2518** | Washington Towne Plaza, 140 Washington Towne Blvd. | Edinboro | 16412 | 90,588 | \$38.75 | \$3,510,324 |
| 316 | 1509** | Shoppes at Jenners Village, 853 West Baltimore Pike | West Grove | 19390 | 96,486 | \$35.97 | \$3,470,504 |
| 317 | 3510** | Plaza 1500, 1531 Main Street | Peckville | 18452 | 90,014 | \$38.47 | \$3,463,176 |
| 318 | 0927** | Plumstead Square, 5837 Easton Road | Pipersville | 18947 | 92,884 | \$37.28 | \$3,462,500 |
| 319 | 3920** | East Penn Plaza, 1325 Chestnut Street | Emmaus | 18049 | 85,563 | \$40.32 | \$3,449,968 |
| 320 | 0288** | Caste Village Shopping Center, 5301 Grove Road | Pittsburgh | 15236 | 93,114 | \$36.96 | \$3,441,728 |
| 321 | 0278** | 4065 Butler Street | Pittsburgh | 15201 | 90,295 | \$38.11 | \$3,441,271 |
| 322 | 1407** | Weis Market Shopping Center, 178 Buckaroo Lane | Bellefonte | 16823 | 82,706 | \$41.43 | \$3,426,319 |
| 323 | 2312** | 920 East Baltimore Avenue | Lansdowne | 19050 | 126,484 | \$26.93 | \$3,406,433 |
| 324 | 3617** | Wheatland Center, 1761A Columbia Avenue | Lancaster | 17603 | 101,735 | \$33.44 | \$3,402,102 |
| 325 | 2006** | 19017 Park Avenue Plaza | Meadville | 16335 | 67,073 | \$50.67 | \$3,398,777 |
| 326 | 2206** | Mid-Town Plaza, 430 East Main Street | Middletown | 17057 | 112,762 | \$29.95 | \$3,377,717 |

** Remodeled

APPENDIX

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|---------|---|---------------------|----------|-------------------|--------------------------|--------------|
| 327 | 1406** | The Benner Pike Shops, 323 Benner Pike | State College | 16801 | 84,422 | \$39.90 | \$3,368,134 |
| 328 | 5105** | 5 North 12th Street | Philadelphia | 19107 | 171,203 | \$19.63 | \$3,360,766 |
| 329 | 4805** | 1910 Center Street | Northampton | 18067 | 96,867 | \$34.33 | \$3,325,913 |
| 330 | 0907** | Edgewood Village Shopping Center, 635 Heacock Rd. | Yardley | 19067 | 100,650 | \$32.96 | \$3,317,706 |
| 331 | 0234** | West View Park Shopping Center, 1012 W. View Park Dr. | Pittsburgh | 15229 | 91,619 | \$36.14 | \$3,311,471 |
| 332 | 3603** | Columbia Shopping Center, 36 South 18th Street | Columbia | 17512 | 105,615 | \$31.32 | \$3,307,786 |
| 333 | 3621** | Shoppes At Landis Valley, 2347 Oregon Pike | Lancaster | 17601 | 81,398 | \$40.11 | \$3,264,739 |
| 334 | 9206** | Kenmawr Plaza, 510 Pine Hollow Road | McKees Rocks | 15136 | 91,153 | \$35.69 | \$3,253,531 |
| 335 | 0250** | 56 Highlands Mall | Natrona Heights | 15065 | 90,454 | \$35.95 | \$3,252,043 |
| 336 | 3902** | 5041 Route 873 | Schnecksville | 18078 | 89,973 | \$36.05 | \$3,243,607 |
| 337 | 2805** | Lincoln Way East, 1660 Lincoln Way East | Chambersburg | 17202 | 99,701 | \$32.53 | \$3,243,173 |
| 338 | 1520** | Ludwig'S Village, 2910 Conestoga Road | Glenmoore | 19343 | 64,522 | \$49.84 | \$3,215,481 |
| 339 | 3908** | 199 West Main Street | Macungie | 18062 | 80,139 | \$40.10 | \$3,213,244 |
| 340 | 6703** | Grandview, 1446 Baltimore Street | Hanover | 17331 | 86,956 | \$36.83 | \$3,202,289 |
| 341 | 3525** | 63 South Main Street | Carbondale | 18407 | 84,656 | \$37.77 | \$3,197,810 |
| 342 | 5401** | 530 Pottsville Park Plaza, Route 61 North | Pottsville | 17901 | 91,256 | \$34.71 | \$3,167,342 |
| 343 | 4201** | 38 Davis Street | Bradford | 16701 | 84,238 | \$37.59 | \$3,166,707 |
| 344 | 5138** | 7204 Germantown Avenue | Philadelphia | 19119 | 108,700 | \$29.12 | \$3,165,078 |
| 345 | 0801** | 2323 North Elmira Street | Sayre | 18840 | 84,329 | \$37.50 | \$3,162,264 |
| 346 | 6302** | 43 East Pike Street | Canonsburg | 15317 | 86,904 | \$36.36 | \$3,159,608 |
| 347 | 1531**† | London Grove Village, 775 Gap Newport Pike | Avondale | 19311 | 79,481 | \$39.54 | \$3,142,513 |
| 348 | 2806** | Waynesboro Shopping Center, 642 East Main Street | Waynesboro | 17268 | 86,517 | \$36.18 | \$3,130,461 |
| 349 | 9108** | Pennypack Circle Shopping Center, 8204 East Roosevelt Boulevard | Philadelphia | 19152 | 112,482 | \$27.74 | \$3,119,817 |
| 350 | 6507** | 613 West Main Street | Ligonier | 15658 | 53,598 | \$58.15 | \$3,116,821 |
| 351 | 9114** | Adams and Tabor Center, 730 Adams Avenue | Philadelphia | 19124 | 100,898 | \$30.86 | \$3,113,889 |
| 352 | 0947**† | 244 North West End Boulevard | Quakertown | 18951 | 77,996 | \$39.92 | \$3,113,804 |
| 353 | 0931** | 341 Dublin Pike | Perkasie | 18944 | 77,483 | \$40.13 | \$3,109,049 |
| 354 | 3521** | 921 Drinker Turnpike | Covington Town-ship | 18444 | 79,507 | \$38.87 | \$3,090,184 |
| 355 | 9210 | Community Plaza, 1103 Milltown Road | Verona | 15147 | 96,573 | \$31.40 | \$3,032,496 |
| 356 | 1005** | 110 Bon Aire Plaza | Butler | 16001 | 79,097 | \$38.29 | \$3,028,851 |
| 357 | 0242** | Haymaker Village Shops, 4524 Broadway Boulevard | Monroeville | 15146 | 90,354 | \$33.51 | \$3,027,428 |
| 358 | 0901** | Hilltown Crossings, 1547 Bethlehem Pike | Hatfield | 19440 | 91,314 | \$33.10 | \$3,022,823 |
| 359 | 5189** | 2807 South Front Street | Philadelphia | 19148 | 78,195 | \$38.45 | \$3,006,634 |
| 360 | 3101** | 7657 Lake Raystown Shopping Center | Huntingdon | 16652 | 77,448 | \$38.64 | \$2,992,888 |
| 361 | 0603** | Sinking Spring Plaza, 4880 Penn Avenue | Sinking Spring | 19608 | 72,987 | \$40.87 | \$2,982,838 |
| 362 | 9212** | Penn Lincoln Center, 440 Penn Lincoln Drive | Imperial | 15126 | 69,654 | \$42.40 | \$2,953,412 |
| 363 | 0624** | 528 East Lancaster Avenue | Reading | 19607 | 87,462 | \$33.69 | \$2,946,517 |
| 364 | 2603** | 808 Vanderbilt Road | Connellsville | 15425 | 76,339 | \$38.30 | \$2,923,506 |
| 365 | 0916 | Bristol Park, 238 Commerce Circle | Bristol | 19007 | 94,750 | \$30.42 | \$2,882,478 |
| 366 | 0904** | Perkasie Square, 511 Constitution Avenue | Perkasie | 18944 | 87,195 | \$33.02 | \$2,879,441 |

** Remodeled † Premium Collection

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|--------|--|------------------|----------|-------------------|--------------------------|--------------|
| 367 | 4007** | 13 Weis Plaza | Nanticoke | 18634 | 96,941 | \$29.60 | \$2,869,452 |
| 368 | 5152** | Erie Plaza, 3772 L Street | Philadelphia | 19124 | 108,747 | \$26.33 | \$2,863,376 |
| 369 | 6509 | 208 Countryside Plaza | Mount Pleasant | 15666 | 81,708 | \$34.95 | \$2,855,462 |
| 370 | 3604** | 31 West Main Street | Ephrata | 17522 | 80,942 | \$34.77 | \$2,814,118 |
| 371 | 0294** | Olympia Shopping Center, 4313 Walnut Street | McKeesport | 15132 | 85,210 | \$32.71 | \$2,787,305 |
| 372 | 1308** | 2 River Street | Jim Thorpe | 18229 | 62,893 | \$44.32 | \$2,787,122 |
| 373 | 4801** | Walnutport Shopping Center, 200C South Best Avenue | Walnutport | 18088 | 80,881 | \$34.37 | \$2,780,254 |
| 374 | 0201** | 3239 Washington Pike | Bridgeville | 15017 | 81,727 | \$34.02 | \$2,780,025 |
| 375 | 4017** | Plains Plaza, 217 Plains Plaza | Plains | 18705 | 73,913 | \$37.21 | \$2,750,465 |
| 376 | 4813** | 30 East Fourth Street | Bethlehem | 18015 | 101,443 | \$27.09 | \$2,747,776 |
| 377 | 4816** | Wind Gap Plaza, 813 Male Road | Wind Gap | 18091 | 82,298 | \$33.33 | \$2,742,704 |
| 378 | 3618 | Clock Tower Plaza, 2846 Main Street | Morgantown | 19543 | 75,046 | \$36.41 | \$2,732,723 |
| 379 | 1901** | 35 Briar Creek Plaza | Berwick | 18603 | 70,614 | \$38.65 | \$2,729,328 |
| 380 | 4902** | The Plaza at Coal Township, 9345 State Route 61 | Coal Township | 17866 | 73,537 | \$37.00 | \$2,720,545 |
| 381 | 4104** | 1274 East Penn Street | Muncy | 17756 | 74,665 | \$36.41 | \$2,718,511 |
| 382 | 3907 | The Shops at Cedar Point, 333 South Cedar Crest Blvd. | Allentown | 18103 | 73,043 | \$36.94 | \$2,698,366 |
| 383 | 0617** | Tulpehocken Village, 430 North Third Street | Womelsdorf | 19567 | 69,118 | \$38.90 | \$2,689,031 |
| 384 | 0210 | The Bavarian Village, 2550 Brownsville Road | South Park | 15129 | 67,205 | \$39.91 | \$2,682,316 |
| 385 | 4028** | 850 Sans Souci Parkway | Wilkes-Barre | 18706 | 84,015 | \$31.69 | \$2,662,384 |
| 386 | 2208** | Uptown Plaza, 2943 North Seventh Street | Harrisburg | 17110 | 111,657 | \$23.71 | \$2,646,977 |
| 387 | 6102** | 541 Allegheny Boulevard | Franklin | 16323 | 67,474 | \$39.21 | \$2,645,433 |
| 388 | 0933** | Buckingham Green, 4950 Old York Road | Holicong | 18928 | 55,451 | \$47.66 | \$2,642,790 |
| 389 | 5108** | 3250 North Broad Street | Philadelphia | 19140 | 134,972 | \$19.57 | \$2,641,332 |
| 390 | 5415** | 210 Cedar Street | Tamaqua | 18252 | 78,075 | \$33.77 | \$2,636,976 |
| 391 | 0935** | Warwick Square, 2395 Old York Road | Jamison | 18929 | 64,157 | \$41.10 | \$2,636,831 |
| 392 | 0295** | Great Valley Mart, 355 Lincoln Highway | North Versailles | 15137 | 98,143 | \$26.86 | \$2,635,728 |
| 393 | 5120** | Academy Plaza, 3246 Red Lion Road | Philadelphia | 19114 | 90,355 | \$29.15 | \$2,634,037 |
| 394 | 0273** | 3202 Brighton Road | Pittsburgh | 15212 | 94,887 | \$27.59 | \$2,617,508 |
| 395 | 6528** | 250 South Third Street | Youngwood | 15697 | 73,990 | \$35.22 | \$2,606,261 |
| 396 | 4303 | Greenville Plaza, 100 Hadley Road | Greenville | 16125 | 61,149 | \$42.52 | \$2,599,935 |
| 397 | 3601** | New Holland Shopping Center, 681 West Main Street | New Holland | 17557 | 74,583 | \$34.71 | \$2,588,810 |
| 398 | 4013** | South Main Plaza, 379 South Main Street | Wilkes-Barre | 18701 | 95,315 | \$26.92 | \$2,565,808 |
| 399 | 3505** | 305 South Main Street | Old Forge | 18518 | 63,051 | \$40.63 | \$2,561,716 |
| 400 | 0218** | 2947 West Liberty Avenue | Pittsburgh | 15216 | 83,807 | \$30.50 | \$2,556,091 |
| 401 | 4810 | Bethlehem Square, 3926 Nazareth Pike | Bethlehem | 18020 | 76,182 | \$33.21 | \$2,530,201 |
| 402 | 4102** | Hepburn Center, 449 Hepburn Street | Williamsport | 17701 | 84,000 | \$30.02 | \$2,522,025 |
| 403 | 5202** | Village Center at Lords Valley, 123 Village Center Drive | Lords Valley | 18428 | 69,481 | \$36.21 | \$2,515,668 |
| 404 | 1009** | 240 Buffalo Plaza | Sarver | 16055 | 59,693 | \$41.69 | \$2,488,731 |
| 405 | 1006** | 340 Greater Butler Mart | Butler | 16001 | 62,842 | \$39.60 | \$2,488,327 |
| 406 | 0216** | 102 East Main Street | Carnegie | 15106 | 75,238 | \$33.05 | \$2,486,659 |
| 407 | 4025** | Valley Plaza, 653 State Route 93 | Conyngham | 18219 | 60,823 | \$40.53 | \$2,465,365 |

** Remodeled

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|--------|--|----------------|----------|-------------------|--------------------------|--------------|
| 408 | 4034** | 1008 Wyoming Avenue | Wyoming | 18644 | 67,363 | \$36.39 | \$2,451,322 |
| 409 | 1304** | 143 South Street | Lehighton | 18235 | 64,117 | \$38.13 | \$2,444,517 |
| 410 | 4809** | Bath Shopping Center, 362 South Walnut Street | Bath | 18014 | 67,646 | \$36.13 | \$2,443,796 |
| 411 | 0236** | 820 McKeesport Road | Elizabeth | 15037 | 64,884 | \$37.66 | \$2,443,728 |
| 412 | 0213** | 217 Atwood Street | Pittsburgh | 15213 | 94,858 | \$25.48 | \$2,416,922 |
| 413 | 3626** | 2350 Lincoln Highway East | Lancaster | 17602 | 64,815 | \$37.27 | \$2,415,845 |
| 414 | 4803** | 1375 Blue Valley Drive | Pen Argyl | 18072 | 71,454 | \$33.57 | \$2,398,726 |
| 415 | 0220** | 624 Allegheny River Boulevard | Oakmont | 15139 | 52,355 | \$45.47 | \$2,380,765 |
| 416 | 6516** | Penn Crossing Shopping Center, 2014 Penny Lane | Jeannette | 15644 | 55,855 | \$42.61 | \$2,380,233 |
| 417 | 2402** | St. Marys Plaza, 832 South St. Marys Road | St. Marys | 15857 | 60,549 | \$39.11 | \$2,368,144 |
| 418 | 6708** | Fairview Center, 128 Old York Road | New Cumberland | 17070 | 70,980 | \$33.24 | \$2,359,722 |
| 419 | 6511** | Willowbrook Plaza, 4627 Route 51 | Rostraver Twp. | 15012 | 62,704 | \$37.61 | \$2,358,195 |
| 420 | 3919** | Towne Center, 4777 Tilghman Street | Allentown | 18104 | 70,042 | \$33.31 | \$2,333,004 |
| 421 | 1603** | 78 Clarion Plaza | Clarion | 16214 | 54,831 | \$41.93 | \$2,299,159 |
| 422 | 2108** | Summerdale Plaza, 443 North Enola Road | Enola | 17025 | 64,654 | \$35.52 | \$2,296,653 |
| 423 | 6704** | East Manchester Village Center, 205 Glen Drive | Manchester | 17345 | 70,749 | \$32.46 | \$2,296,417 |
| 424 | 1515** | Marchwood Center, 23 Marchwood Road | Exton | 19341 | 60,213 | \$38.04 | \$2,290,212 |
| 425 | 1102** | East Hills Plaza, 1513 Scalp Avenue | Johnstown | 15904 | 65,183 | \$35.12 | \$2,289,378 |
| 426 | 4903** | Sunbury Plaza, 1135 North Fourth Street | Sunbury | 17801 | 63,714 | \$35.73 | \$2,276,692 |
| 427 | 1705** | Clearfield Mall, 1824 Daisy Street | Clearfield | 16830 | 64,883 | \$35.07 | \$2,275,635 |
| 428 | 0217** | 1110 Fourth Avenue | Coraopolis | 15108 | 69,592 | \$32.61 | \$2,269,657 |
| 429 | 2325** | Village Green Shopping Center, 3486 Concord Road | Aston | 19014 | 72,705 | \$31.16 | \$2,265,661 |
| 430 | 3701** | Lawrence Village Plaza, 2656 Ellwood Road | New Castle | 16101 | 63,316 | \$35.34 | \$2,237,522 |
| 431 | 2520** | Imperial Point, 9135 Ridge Road | Girard | 16417 | 63,437 | \$35.22 | \$2,234,136 |
| 432 | 0261** | 2629 Brownsville Road | Pittsburgh | 15227 | 80,096 | \$27.86 | \$2,231,194 |
| 433 | 3605** | Manheim Shopping Center, 97 Doe Run Road | Manheim | 17545 | 59,880 | \$37.24 | \$2,229,692 |
| 434 | 3806** | Cleona Square, 475 West Penn Avenue | Cleona | 17042 | 57,195 | \$38.98 | \$2,229,178 |
| 435 | 2317** | 12 East Hinckley Avenue | Ridley Park | 19078 | 74,427 | \$29.90 | \$2,225,617 |
| 436 | 3518** | Keyser Oak Plaza, 1762 North Keyser Avenue | Scranton | 18508 | 70,400 | \$31.50 | \$2,217,462 |
| 437 | 0707** | Valley View Shopping Center, 613 Pleasant Valley Blvd. | Altoona | 16602 | 60,564 | \$36.46 | \$2,207,937 |
| 438 | 5408** | 888 Gordon Nagle Trail | Pottsville | 17901 | 59,232 | \$37.22 | \$2,204,689 |
| 439 | 5903** | 16 Crafton Street | Wellsboro | 16901 | 57,971 | \$37.97 | \$2,200,923 |
| 440 | 0705** | Chestnut Plaza, 220 East Chestnut Avenue | Altoona | 16601 | 77,103 | \$28.50 | \$2,197,203 |
| 441 | 6514** | 147 Columbia Avenue | Vandergrift | 15690 | 59,407 | \$36.96 | \$2,195,920 |
| 442 | 3001** | Widewaters Commons, 55 Sugar Run Road | Waynesburg | 15370 | 64,057 | \$34.02 | \$2,178,977 |
| 443 | 4806** | 34 South Broad Street | Nazareth | 18064 | 59,572 | \$36.37 | \$2,166,419 |
| 444 | 2111** | East Penn Center, 736 Wertzville Road | Enola | 17025 | 60,531 | \$35.44 | \$2,144,934 |
| 445 | 4023** | 801 Wyoming Avenue | West Pittston | 18643 | 60,253 | \$35.37 | \$2,131,352 |
| 446 | 5402** | 9 Gold Star Plaza | Shenandoah | 17976 | 62,052 | \$33.51 | \$2,079,536 |
| 447 | 0308** | Franklin Village, 13 Franklin Village Mall | Kittanning | 16201 | 53,525 | \$38.76 | \$2,074,484 |
| 448 | 0281** | 1706 Mount Royal Boulevard | Glenshaw | 15116 | 65,070 | \$31.70 | \$2,062,538 |

** Remodeled

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|--------|---|-------------------|----------|-------------------|--------------------------|--------------|
| 449 | 4107** | 803 North Loyalsock Avenue | Montoursville | 17754 | 60,945 | \$33.69 | \$2,053,220 |
| 450 | 1008** | Slippery Rock Plaza, 223 Grove City Road | Slippery Rock | 16057 | 60,030 | \$34.00 | \$2,040,982 |
| 451 | 0206** | 136 McKees Rocks Plaza, 409 Chartiers Avenue | McKees Rocks | 15136 | 81,263 | \$25.06 | \$2,036,576 |
| 452 | 3523** | Hillside Plaza, 771 Scranton Carbondale Highway | Eynon | 18403 | 52,283 | \$38.91 | \$2,034,276 |
| 453 | 6510** | Hillcrest Shopping Center, 3220 Leechburg Road | Lower Burrell | 15068 | 54,176 | \$37.51 | \$2,032,145 |
| 454 | 3502 | 1512 Scranton Carbondale Highway | Dickson City | 18508 | 50,679 | \$39.85 | \$2,019,701 |
| 455 | 6506 | 656 West Main Street | Mount Pleasant | 15666 | 24,139 | \$83.46 | \$2,014,643 |
| 456 | 3702** | 729 Lawrence Avenue | Ellwood City | 16117 | 50,625 | \$39.79 | \$2,014,277 |
| 457 | 5409** | Federal Square, 705 West Market Street | Orwigsburg | 17961 | 41,614 | \$48.13 | \$2,002,932 |
| 458 | 2304** | Edgemont Square, 4839 West Chester Pike | Newtown Square | 19073 | 47,225 | \$42.01 | \$1,983,867 |
| 459 | 4106** | 2067 Lycoming Creek Road | Williamsport | 17701 | 68,306 | \$28.68 | \$1,958,907 |
| 460 | 2504** | 10720 West Main Street | North East | 16428 | 53,219 | \$36.68 | \$1,952,199 |
| 461 | 5412** | 515 Dock Street | Schuylkill Haven | 17972 | 52,716 | \$36.96 | \$1,948,349 |
| 462 | 5802** | 16750 State Route 706 | Montrose | 18801 | 46,109 | \$42.25 | \$1,948,314 |
| 463 | 6304** | 105 Third Street | Charleroi | 15022 | 53,812 | \$36.04 | \$1,939,179 |
| 464 | 5198** | Freedom Square, 5113 Germantown Avenue | Philadelphia | 19144 | 90,270 | \$21.23 | \$1,916,006 |
| 465 | 0279 | 722 Brookline Boulevard | Pittsburgh | 15226 | 63,288 | \$30.24 | \$1,913,755 |
| 466 | 2506** | Corry Plaza, 350 West Columbus Avenue | Corry | 16407 | 47,387 | \$40.00 | \$1,895,300 |
| 467 | 2204** | 325 North Front Street | Steelton | 17113 | 73,427 | \$25.71 | \$1,887,985 |
| 468 | 0802** | Colonial Plaza, 85 Reuter Boulevard | Towanda | 18848 | 48,845 | \$38.63 | \$1,886,878 |
| 469 | 3602** | 252 North Queen Street | Lancaster | 17603 | 83,903 | \$22.36 | \$1,876,353 |
| 470 | 0223** | 129 Lincoln Avenue | Pittsburgh | 15209 | 55,887 | \$33.16 | \$1,853,104 |
| 471 | 0930** | Doylestown Pointe Plaza, 1661 Easton Road | Warrington | 18976 | 49,283 | \$37.19 | \$1,832,967 |
| 472 | 1706** | Peebles Plaza, 1067 North Front Street | Philipsburg | 16866 | 53,270 | \$34.31 | \$1,827,712 |
| 473 | 0402** | Green Garden Shopping Center, 3113 Green Garden Rd. | Hopewell Township | 15001 | 54,639 | \$33.18 | \$1,812,816 |
| 474 | 2513** | East Erie Plaza, 828 East Sixth Street | Erie | 16507 | 72,923 | \$24.81 | \$1,809,483 |
| 475 | 2002** | 126 South Martin Street | Titusville | 16354 | 53,046 | \$34.02 | \$1,804,789 |
| 476 | 4301** | Sharon Center City Shopping Ctr., 120 S. Water Ave. | Sharon | 16146 | 69,373 | \$26.01 | \$1,804,475 |
| 477 | 5905 | 187 North Main Street | Mansfield | 16933 | 44,658 | \$40.00 | \$1,786,456 |
| 478 | 4634** | 2014 Old Arch Road | Norristown | 19401 | 60,661 | \$29.28 | \$1,775,983 |
| 479 | 0297** | The Village Shopping Center, 1874 Homeville Road | West Mifflin | 15122 | 49,873 | \$35.32 | \$1,761,399 |
| 480 | 2515** | Perry Plaza, 2208 Broad Street | Erie | 16503 | 69,741 | \$25.10 | \$1,750,669 |
| 481 | 3524** | Shoppes at Montage, 2571 Shoppes Boulevard | Moosic | 18507 | 32,826 | \$53.08 | \$1,742,510 |
| 482 | 2517 | 3412 West Lake Road | Erie | 16505 | 45,997 | \$37.84 | \$1,740,534 |
| 483 | 4904** | Weis Market Shopping Center, 551 Mahoning Street | Milton | 17847 | 53,551 | \$32.39 | \$1,734,281 |
| 484 | 0219** | Kennywood Shops, 1326 Hoffman Boulevard | West Mifflin | 15122 | 72,497 | \$23.71 | \$1,719,061 |
| 485 | 6306 | 245 West Main Street | Monongahela | 15063 | 53,473 | \$31.75 | \$1,697,568 |
| 486 | 2213** | 3775 Peters Mountain Road | Halifax | 17032 | 45,495 | \$37.13 | \$1,689,166 |
| 487 | 2803** | Greencastle Market Place, 512 North Antrim Way | Greencastle | 17225 | 51,005 | \$33.10 | \$1,688,477 |
| 488 | 3302** | 567 West Mahoning Street | Punxsutawney | 15767 | 46,757 | \$35.70 | \$1,669,179 |
| 489 | 0408** | 816 Third Avenue | New Brighton | 15066 | 51,487 | \$32.09 | \$1,651,990 |

** Remodeled

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|--------|---|--------------------|----------|-------------------|--------------------------|--------------|
| 490 | 5003** | Crestview Plaza, 201 Fickes Lane | Newport | 17074 | 40,699 | \$40.55 | \$1,650,204 |
| 491 | 0244** | 739 Monongahela Avenue | Glassport | 15045 | 52,715 | \$31.28 | \$1,648,676 |
| 492 | 1524** | Oxford Square, 449 North Third Street | Oxford | 19363 | 47,899 | \$32.63 | \$1,563,163 |
| 493 | 6103** | 17 Kimberly Lane | Cranberry | 16319 | 47,671 | \$32.64 | \$1,556,103 |
| 494 | 4304** | 535 Greenville Road | Mercer | 16137 | 39,665 | \$38.76 | \$1,537,614 |
| 495 | 9203** | 3 Quaker Village Shopping Center | Leetsdale | 15056 | 40,221 | \$38.01 | \$1,528,982 |
| 496 | 5603** | 1607 Jefferson Avenue | Windber | 15963 | 38,293 | \$39.76 | \$1,522,413 |
| 497 | 4103** | 354 Allegheny Street | Jersey Shore | 17740 | 44,441 | \$34.18 | \$1,519,141 |
| 498 | 6311** | 327 Third Street | California | 15419 | 39,456 | \$38.47 | \$1,517,829 |
| 499 | 0252** | 4643 Centre Avenue | Pittsburgh | 15213 | 56,965 | \$26.64 | \$1,517,311 |
| 500 | 0403** | 999 Merchant Street | Ambridge | 15003 | 47,462 | \$31.82 | \$1,510,348 |
| 501 | 3201** | 215 East Market Street | Blairsville | 15717 | 40,559 | \$36.86 | \$1,494,905 |
| 502 | 4503** | 1152 Route 390 | Cresco | 18326 | 44,351 | \$33.66 | \$1,492,995 |
| 503 | 6002** | 30 East Chestnut Street | Mifflinburg | 17844 | 41,676 | \$35.59 | \$1,483,414 |
| 504 | 0309** | 2 Hilltop Plaza | Kittanning | 16201 | 34,005 | \$43.40 | \$1,475,786 |
| 505 | 5413** | 16 Tremont Road | Pine Grove | 17963 | 36,864 | \$39.68 | \$1,462,933 |
| 506 | 4802** | 111 Northampton Street | Easton | 18042 | 44,060 | \$33.00 | \$1,454,058 |
| 507 | 1601** | 800 Center, 845 Main Street | Clarion | 16214 | 37,751 | \$38.06 | \$1,436,916 |
| 508 | 6305** | McDonald Plaza, 301 West Barr Street | McDonald | 15057 | 42,121 | \$33.89 | \$1,427,406 |
| 509 | 4002** | 7 George Avenue | Wilkes-Barre | 18705 | 50,438 | \$27.96 | \$1,410,009 |
| 510 | 0212** | 959 Liberty Avenue | Pittsburgh | 15222 | 42,219 | \$33.39 | \$1,409,481 |
| 511 | 3202** | 575 Philadelphia Street | Indiana | 15701 | 38,914 | \$35.96 | \$1,399,437 |
| 512 | 6504** | 114 South Fifth Street | Jeannette | 15644 | 38,650 | \$36.21 | \$1,399,364 |
| 513 | 3401** | 4093 William Penn Highway | Mifflintown | 17059 | 41,816 | \$33.13 | \$1,385,261 |
| 514 | 0704** | 1260 Pennsylvania Avenue | Tyrone | 16686 | 40,035 | \$34.16 | \$1,367,567 |
| 515 | 3612** | Village at Gap, 5360 Lincoln Highway | Gap | 17527 | 43,985 | \$30.96 | \$1,361,839 |
| 516 | 6101** | Seneca Street Plaza, 50 Seneca Street | Oil City | 16301 | 37,325 | \$36.41 | \$1,359,087 |
| 517 | 4109** | 510 West Southern Avenue | South Williamsport | 17702 | 42,893 | \$31.30 | \$1,342,754 |
| 518 | 4020** | White Haven Shopping Center, 501 Main Street | White Haven | 18661 | 37,550 | \$35.30 | \$1,325,552 |
| 519 | 0205 | 149 Fifth Avenue | McKeesport | 15132 | 57,244 | \$22.78 | \$1,304,234 |
| 520 | 2202** | 1200 North Third Street | Harrisburg | 17102 | 53,252 | \$24.45 | \$1,302,062 |
| 521 | 6721** | One West, 9 West Market Street | York | 17401 | 56,878 | \$22.49 | \$1,279,151 |
| 522 | 0412 | Northern Lights Shoppers City, 1603 State Street West | Baden | 15005 | 40,545 | \$31.33 | \$1,270,333 |
| 523 | 0616** | 200 West First Street | Birdsboro | 19508 | 41,080 | \$30.70 | \$1,260,972 |
| 524 | 0601** | 537 Penn Street | Reading | 19601 | 60,637 | \$20.68 | \$1,253,888 |
| 525 | 0271 | 3408 Main Street | Munhall | 15120 | 46,365 | \$26.62 | \$1,234,355 |
| 526 | 0903** | 8794 Easton Road | Ottsville | 18942 | 27,013 | \$44.24 | \$1,195,159 |
| 527 | 6505** | 328 Central City Plaza | New Kensington | 15068 | 49,745 | \$23.60 | \$1,174,072 |
| 528 | 4204 | 66 West Mill Street | Port Allegany | 16743 | 27,339 | \$42.50 | \$1,161,872 |
| 529 | 1104** | 101 Park Avenue | Cresson | 16630 | 36,007 | \$31.34 | \$1,128,466 |
| 530 | 3301** | 160 Main Street | Brookville | 15825 | 27,249 | \$38.43 | \$1,047,248 |

** Remodeled

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|--------|---|------------------|----------|-------------------|--------------------------|--------------|
| 531 | 4616** | 100 Main Street | Schwenksville | 19473 | 33,274 | \$31.45 | \$1,046,563 |
| 532 | 1103** | 910 Philadelphia Avenue | Northern Cambria | 15714 | 24,888 | \$41.31 | \$1,028,038 |
| 533 | 2205** | 529 Market Street | Lykens | 17048 | 25,229 | \$40.27 | \$1,016,016 |
| 534 | 2004** | 211 East Erie Street | Linesville | 16424 | 22,705 | \$43.78 | \$993,920 |
| 535 | 5002** | 53 South Main Street | Duncannon | 17020 | 27,190 | \$36.17 | \$983,591 |
| 536 | 0804** | 41871 Route 6 | Wyalusing | 18853 | 28,153 | \$34.81 | \$980,115 |
| 537 | 4202** | 124 North Fraley Street | Kane | 16735 | 24,181 | \$40.31 | \$974,748 |
| 538 | 5129** | 1446 Point Breeze Avenue | Philadelphia | 19146 | 49,768 | \$19.19 | \$955,274 |
| 539 | 1101 | 426 Main Street | Johnstown | 15901 | 38,822 | \$23.90 | \$928,026 |
| 540 | 3002** | Brodak Commons, 554 South 88 Road | Carmichaels | 15320 | 30,674 | \$30.07 | \$922,341 |
| 541 | 0265** | Deer Lakes Plaza, 908 Little Deer Creek Valley Road | Russellton | 15076 | 22,601 | \$40.78 | \$921,582 |
| 542 | 6501** | 105 Harrison Avenue | Greensburg | 15601 | 22,924 | \$39.72 | \$910,620 |
| 543 | 2219** | 333 Market Street | Harrisburg | 17101 | 53,684 | \$16.43 | \$882,029 |
| 544 | 1303 | 221 Delaware Avenue | Palmerton | 18071 | 24,874 | \$35.11 | \$873,392 |
| 545 | 2401** | 305 North Broad Street | Ridgway | 15853 | 20,026 | \$43.24 | \$865,957 |
| 546 | 4618** | 504 West Marshall Street | Norristown | 19401 | 37,364 | \$23.13 | \$864,196 |
| 547 | 2901** | Ayr Town Center, 362 South Second Street | McConnellsburg | 17233 | 23,487 | \$34.40 | \$807,934 |
| 548 | 0302 | 137 South Jefferson Street | Kittanning | 16201 | 15,857 | \$50.14 | \$795,066 |
| 549 | 2512** | 66 North Main Street | Union City | 16438 | 21,234 | \$36.48 | \$774,715 |
| 550 | 6502** | 313 Depot Street | Latrobe | 15650 | 21,422 | \$35.85 | \$768,044 |
| 551 | 6307** | Kwik Stop Plaza, 2038 Smith Township Road | Burgettstown | 15021 | 20,226 | \$36.84 | \$745,025 |
| 552 | 3102** | 25 West Westater Street | Mt. Union | 17066 | 24,909 | \$29.85 | \$743,629 |
| 553 | 0303 | 163 Third Street | Leechburg | 15656 | 18,578 | \$39.41 | \$732,210 |
| 554 | 5801** | 605 Main Street | Forest City | 18421 | 16,984 | \$42.94 | \$729,306 |
| 555 | 6312** | 524 Front Street | Fredericktown | 15333 | 16,782 | \$42.55 | \$714,085 |
| 556 | 0270 | 3643 California Avenue | Pittsburgh | 15212 | 26,460 | \$25.15 | \$665,361 |
| 557 | 5701** | 121 West Main Street | Dushore | 18614 | 17,044 | \$38.94 | \$663,611 |
| 558 | 4901** | 136 South Oak Street | Mount Carmel | 17851 | 19,055 | \$34.78 | \$662,698 |
| 559 | 2702** | 644 Elm Street | Tionesta | 16353 | 15,727 | \$41.74 | \$656,372 |
| 560 | 1301** | 46 West Ridge Street | Lansford | 18232 | 23,135 | \$27.69 | \$640,559 |
| 561 | 0803** | 752 Canton Street | Troy | 16947 | 16,063 | \$39.77 | \$638,814 |
| 562 | 1004** | 102 Main Street | Petrolia | 16050 | 11,473 | \$54.95 | \$630,391 |
| 563 | 2804** | 9 South Main Street | Mercersburg | 17236 | 12,817 | \$46.70 | \$598,553 |
| 564 | 6503** | 925 Donner Avenue | Monessen | 15062 | 19,400 | \$30.69 | \$595,386 |
| 565 | 1111** | 3670 Portage Street | Portage | 15946 | 16,949 | \$34.38 | \$582,715 |
| 566 | 5904** | 126 West Main Street | Westfield | 16950 | 11,284 | \$50.54 | \$570,316 |
| 567 | 1201** | 54 East Fourth Street | Emporium | 15834 | 13,750 | \$39.83 | \$547,618 |
| 568 | 5302 | 15 West Street | Galeton | 16922 | 13,101 | \$40.60 | \$531,838 |
| 569 | 2608** | 3532 Pittsburgh Road | Perryopolis | 15473 | 15,697 | \$33.70 | \$529,023 |
| 570 | 2701** | 121 Chestnut Street | Marienville | 16239 | 11,135 | \$44.88 | \$499,730 |
| 571 | 0405 | 508 Midland Avenue | Midland | 15059 | 14,198 | \$34.56 | \$490,710 |

** Remodeled

APPENDIX

| RANK | STORE | ADDRESS | CITY | ZIP CODE | TRANSACTION COUNT | AVG VALUE OF TRANSACTION | DOLLAR SALES |
|------|--------|--|---------------|----------|-------------------|--------------------------|--------------|
| 572 | 5803** | The Shops, 191 Erie Boulevard | Susquehanna | 18847 | 14,828 | \$32.88 | \$487,607 |
| 573 | 2604** | 1890 McClellandtown Road | Masontown | 15461 | 15,770 | \$30.69 | \$483,946 |
| 574 | 1602** | 452 Broad Street | New Bethlehem | 16242 | 11,430 | \$36.26 | \$414,426 |
| 575 | 6508 | 310 Main Street | Irwin | 15642 | 10,719 | \$37.77 | \$404,878 |
| 576 | 0502** | 600 Main Street | Saxton | 16678 | 8,920 | \$43.84 | \$391,086 |
| 577 | 0238 | Shady Hill Center, 6320 Shakespeare Street | Pittsburgh | 15206 | 16,467 | \$23.16 | \$381,408 |
| 578 | 1703** | 821 Centennial Street | Houtzdale | 16651 | 10,479 | \$35.85 | \$375,723 |
| 579 | 6513 | 214 Fifth Street | Avonmore | 15618 | 8,243 | \$44.51 | \$366,861 |
| 580 | 3303** | 445 Main Street | Brockway | 15824 | 7,960 | \$43.96 | \$349,929 |
| 581 | 1604** | 506 Main Street | Knox | 16232 | 7,869 | \$43.35 | \$341,143 |
| 582 | 5404** | 630 Centre Street | Ashland | 17921 | 9,915 | \$32.29 | \$320,154 |
| 583 | 1803** | 167 Seventh Street | Renovo | 17764 | 8,078 | \$37.76 | \$305,041 |
| 584 | 5606** | 212 Ohio Street | Boswell | 15531 | 6,411 | \$42.96 | \$275,422 |
| 585 | 3203** | 560 Franklin Street | Clymer | 15728 | 6,950 | \$37.67 | \$261,835 |
| 586 | 5406** | 7 South Main Street | Mahanoy City | 17948 | 7,307 | \$35.06 | \$256,176 |
| 587 | 2605 | 213 Penn Street | Point Marion | 15474 | 6,583 | \$35.02 | \$230,553 |
| 588 | 5601** | 686 Market Square | Meyersdale | 15552 | 4,456 | \$50.71 | \$225,949 |
| 589 | 1403** | 15 West Olive Street | Snow Shoe | 16874 | 4,866 | \$43.58 | \$212,057 |
| 590 | 1704** | 449 State Street | Curwensville | 16833 | 6,296 | \$33.55 | \$211,257 |
| 591 | 2223** | Meadows Marketplace, 261 Hershey Road | Hummelstown | 17036 | 4,716 | \$44.71 | \$210,853 |

** Remodeled

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

Finance data was sourced from the PLCB's Oracle Cloud Financials and the PLCB's Annual State Stores Fund – Liquor License Fund Audit Report. Financial reporting excludes 18% liquor tax and sales tax.

Merchandising reports were extracted on July 26, 2023, from the retail data warehouse using MS Power BI, followed by cleaning, coding and calculations to assess and verify data. Sales data from MS Power BI includes 18% liquor tax but excludes sales tax. Additional data was pulled later, during the editing process, with analyses also incorporating records and data from other systems.

Differences between Finance and Merchandising report data are inconsequential.

Mapping was done using ESRI ArcGIS software.

County-level reports include only retail stores, not licensee service centers or the e-commerce fulfillment center. This creates a representation of the county with only the stores present in the borders being accounted for.

Financial and merchandising 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 merchandising reports references wine expanded permits active at the end of the fiscal year. For top Pennsylvania wine and spirits, filters were used to identify items produced in Pennsylvania.

Year-to-year comparisons were used for most reports, with share of sales as the other measure used. Analyses in the Communications and Merchandising sections of the report have customized date ranges and sales parameters with modification as necessary for purposes of presentation. For county sales and shares information, categories with less than 1% share were excluded. Highlighted top product categories – tequila, ready-to-drink beverages and whiskey – were selected according to highest dollar gains.

Appendix sales data includes the 18% liquor tax, but excludes state and local sales tax. Appendix sales data includes Special Order fees, bags and gift cards.

Data is updated from year to year, and changes to sales data (including product returns accounting and modifications resulting from data reclassification) occur continuously throughout the year. Such updates and changes may result in data changes in subsequent and future extractions.

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

GET THE ANNUAL REPORT ONLINE AT

lcb.pa.gov



FINE WINE & GOOD SPIRITS