

# ANNUAL

PENNSYLVANIA  
LIQUOR

FISCAL  
2022  
2023  
YEAR

CONTROL  
BOARD

# REPORT

FINE WINE & GOOD SPIRITS

**LCB** 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.

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# 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](http://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.

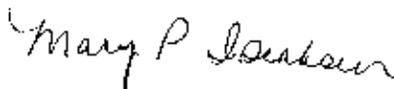
The accomplishments and initiatives detailed within this report speak to the PLCB's ongoing commitment to continue to build and enhance our service to Pennsylvania consumers, licensees, prevention stakeholders, beverage alcohol industry members and other stakeholders.

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

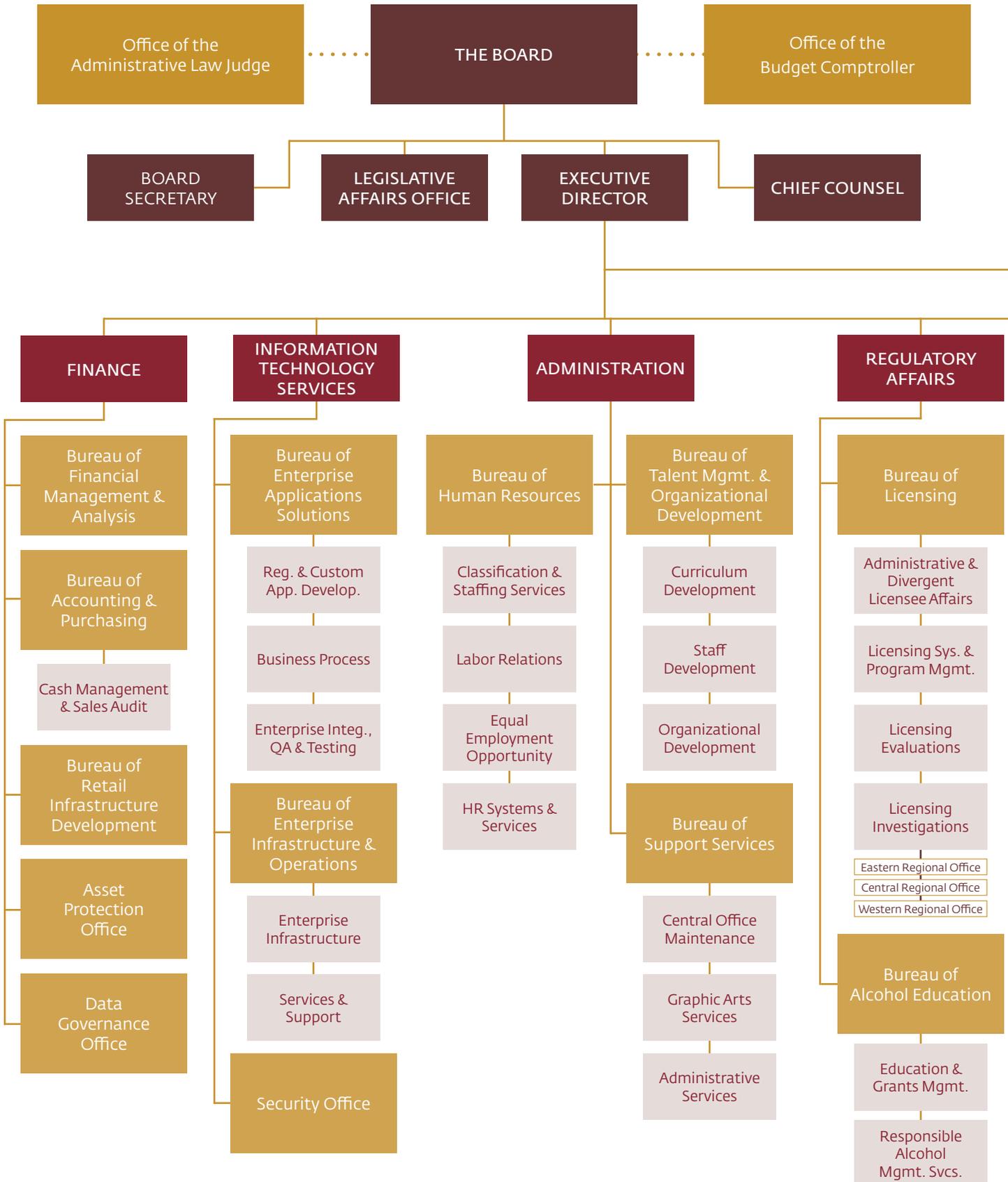
**Chief Operating  
Officer**  
Andrew Collins

**Director of  
Administration**  
Jason P. Lutcavage

**Chief Information  
Officer**  
Rob McCabe

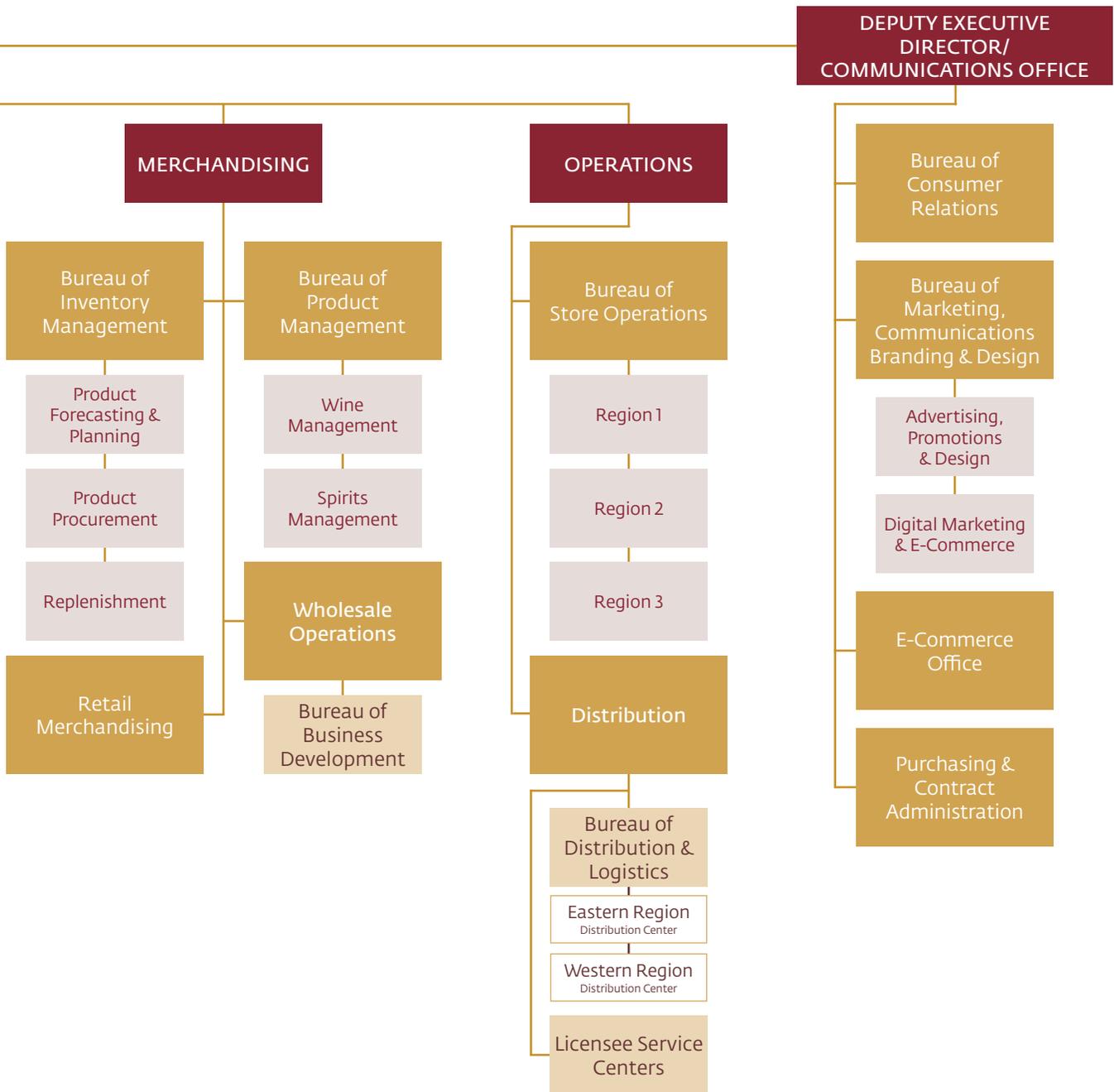
**Chief Financial  
Officer**  
Angela Blecher

**Chief  
Counsel**  
Rodrigo Diaz



# ORGANIZATIONAL STRUCTURE

(as of June 30, 2023)



# FINANCIAL HIGHLIGHTS

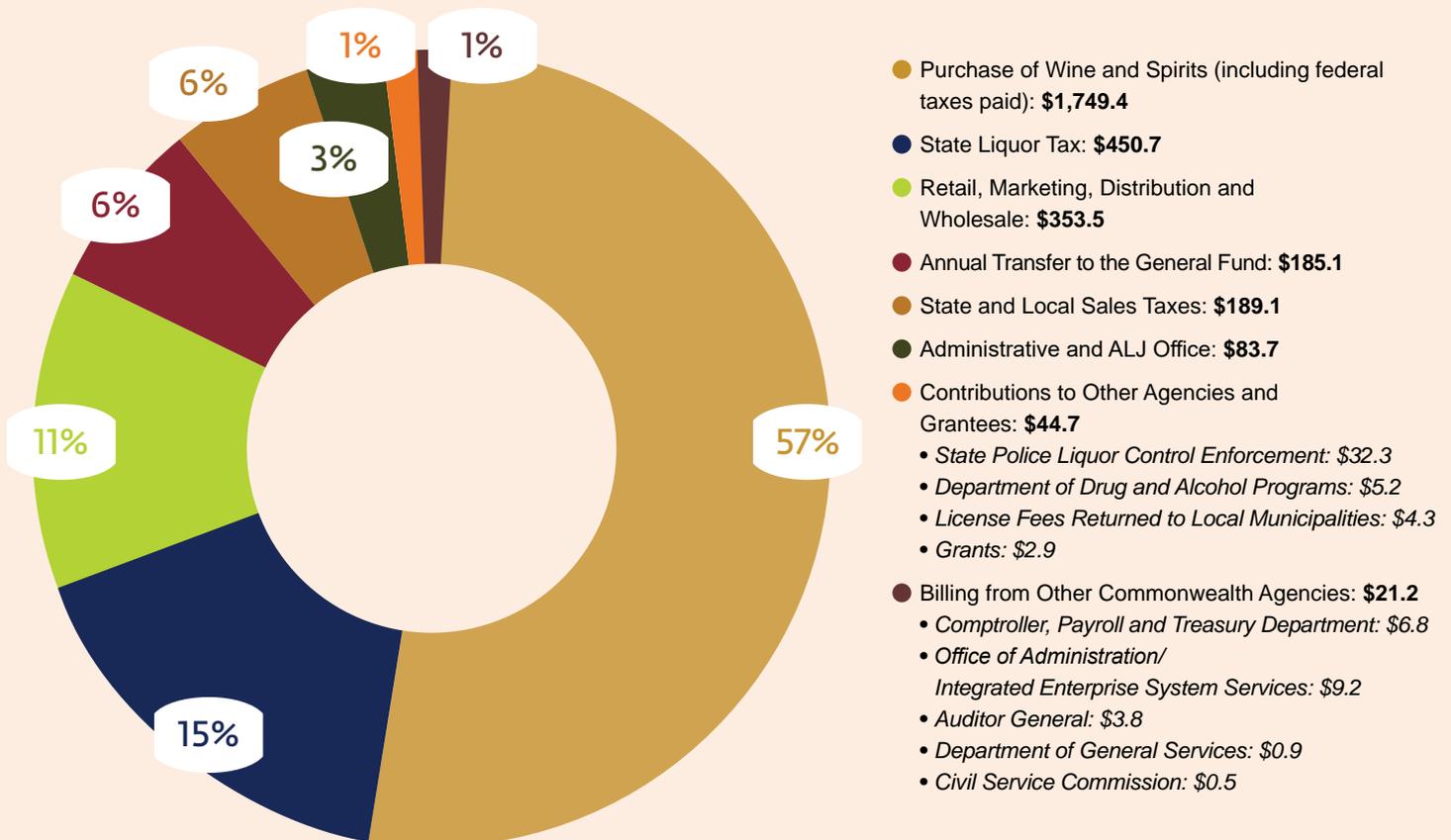
## Where The Money Goes

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.

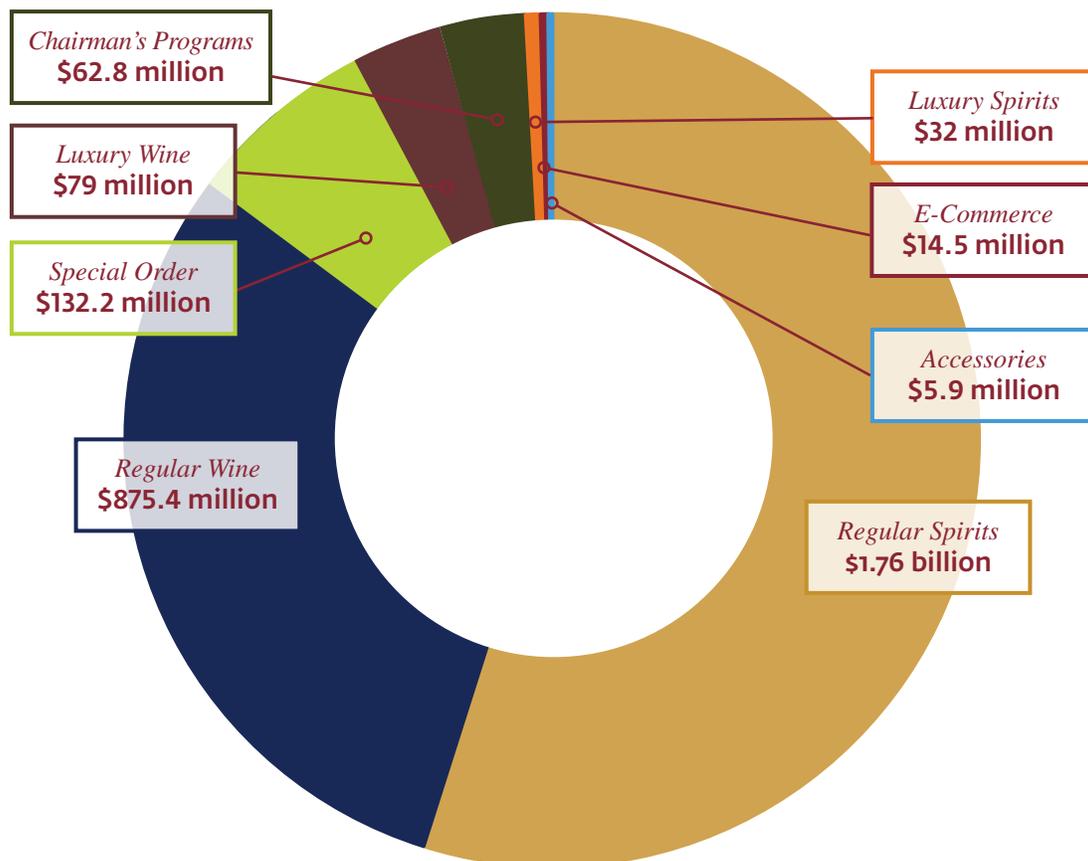
^As provided by statute, a portion of license fees are returned to municipalities. Rates have not changed since 1991, but some license renewal fees were waived in calendar 2021.

^^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

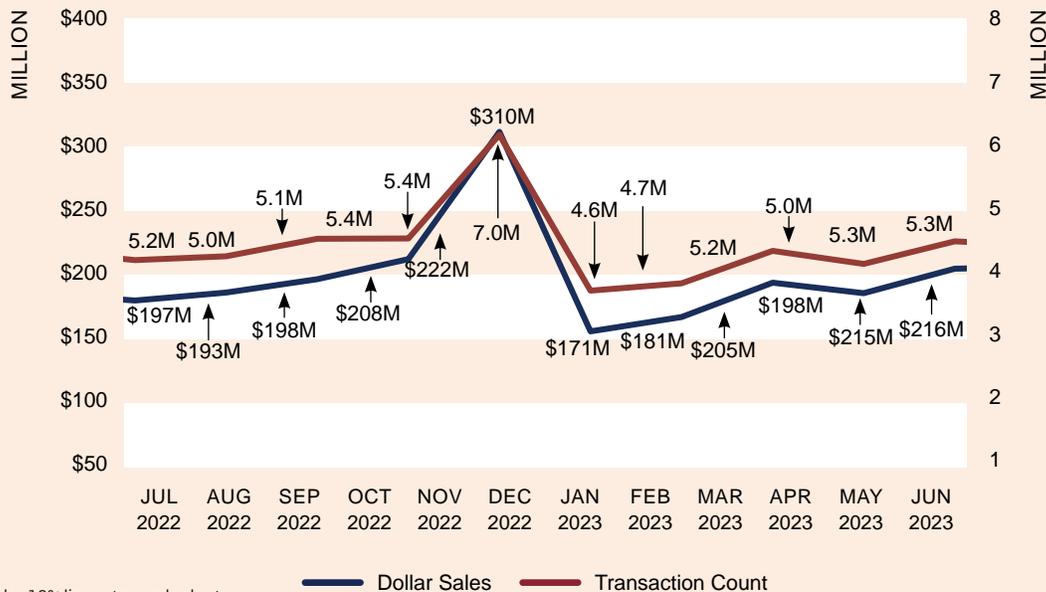
FISCAL YEAR DOLLAR SALES BY DEPARTMENT (IN MILLIONS)

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
<b>TOTAL</b>	<b>\$2,958.50</b>	<b>\$2,832.12</b>	<b>\$2,730.36</b>	<b>\$2,402.33</b>	<b>\$2,504.11</b>

\*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**

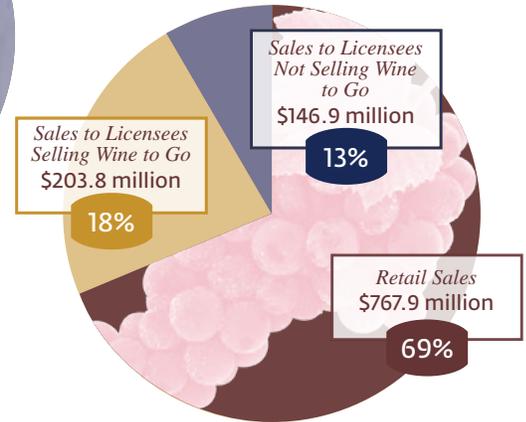
Of total sales, 74% occurred at retail, while 26% were made to licensees. For spirits, 78% of sales were retail sales to individual consumers, while 22% of sales were to licensees. Sixty-nine percent of wine sales were retail sales, while 31% of sales were to licensees, including those selling wine to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

**TOTAL LICENSEE AND RETAIL  
DOLLAR SALES FY 2022-23**

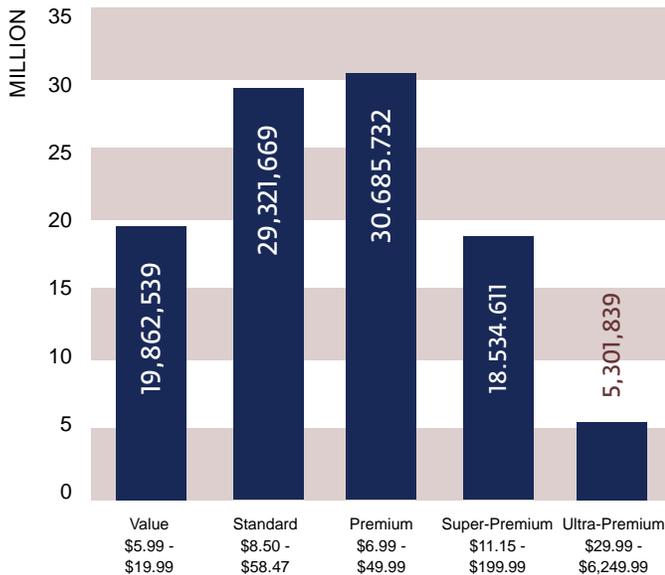
**SPIRITS LICENSEE AND RETAIL  
DOLLAR SALES FY 2022-23**



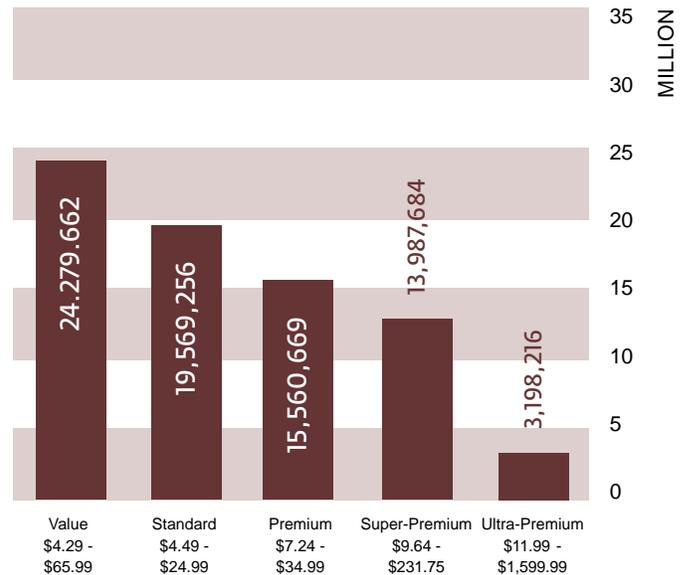
**WINE LICENSEE AND RETAIL  
DOLLAR SALES FY 2022-23**



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



**WINE UNITS SOLD BY PRICE  
SEGMENT FY 2022-23**



FINE WINE &  
GOOD SPIRITS  
SALES HIGHLIGHTS

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

The top three counties – Allegheny, Philadelphia and Montgomery – accounted for 35% 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	Northumberland	\$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	\$97,100	\$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](http://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.

Totalling \$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

<b>460</b> <i>Standard Stores</i>	<b>112</b> <i>Premium Collection Stores</i>
<b>13</b> <i>Licensee Service Centers</i>	<b>1</b> <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 -

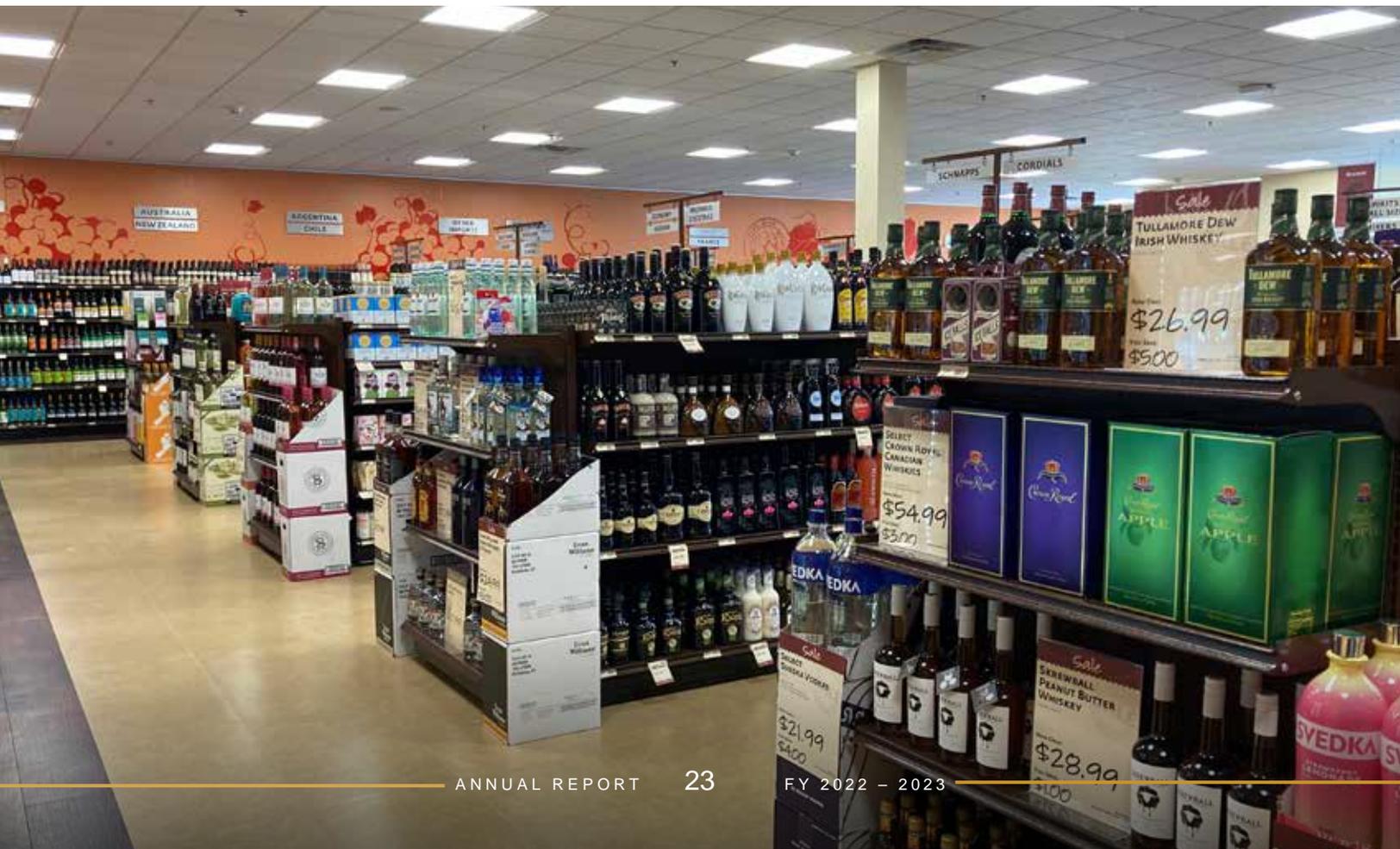
the three key areas of responsibility required for leaders to achieve this goal. In line with instruction on these key elements, participants are provided with targeted training on operational best practices, as well as leadership principles on how to conduct business with internal and external customers.

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

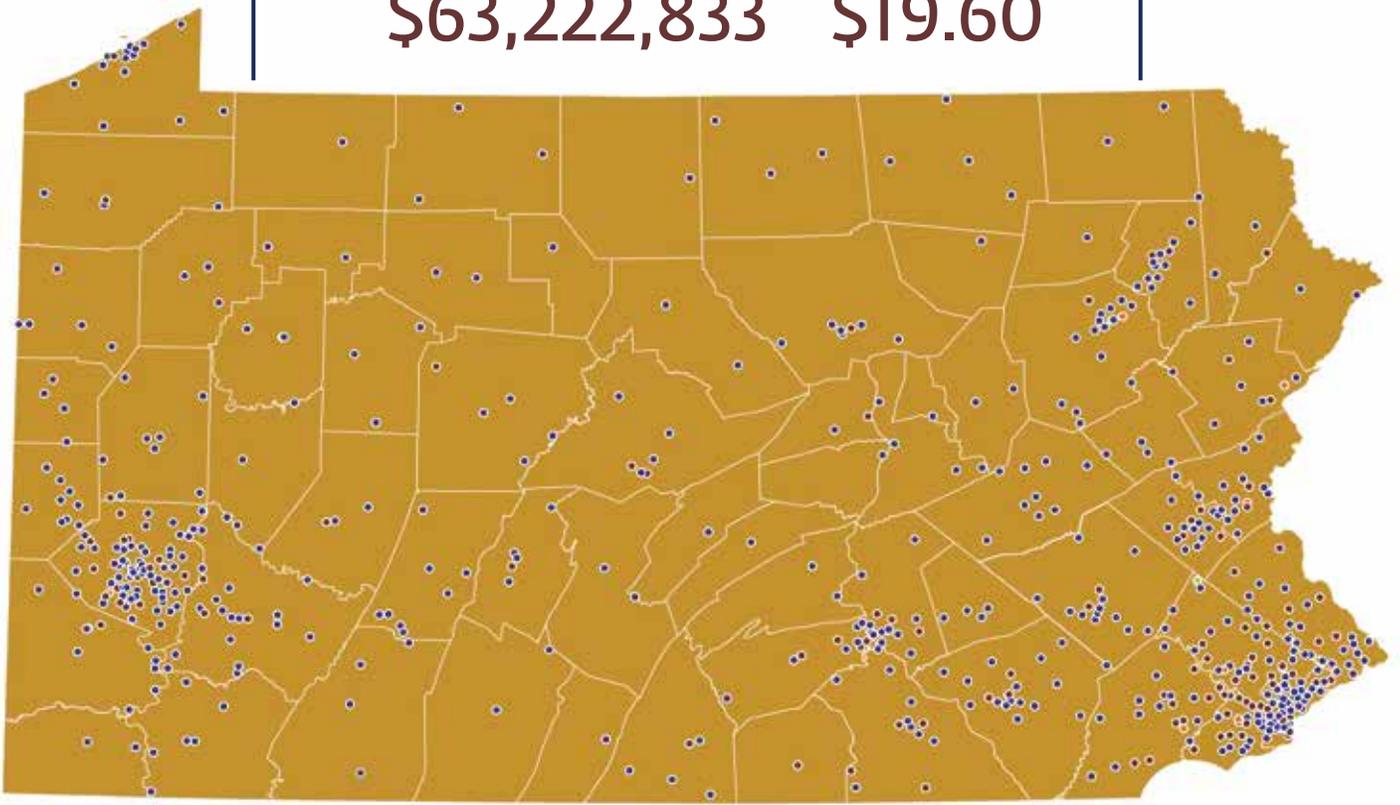
The PLCB's Bureau of Distribution & Logistics is responsible for keeping FW&GS stores and licensees in the Licensee Delivery Program (LDP) supplied with wine and spirits products.

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>
<b>586</b>	<b>3,226,158</b>	<b>5,505</b>
<i>Annual Rent*</i>	<i>Avg. Price Per Sq. Ft.</i>	
<b>\$63,222,833</b>	<b>\$19.60</b>	



● 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

<i>Total Page Likes</i> <b>312,782</b>	<i>Total Followers</i> <b>31,663</b>	<i>Total Subscribers</i> <b>2,852</b>	<i>Total Followers</i> <b>5,881</b>	<i>Total Followers</i> <b>13,669</b>
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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

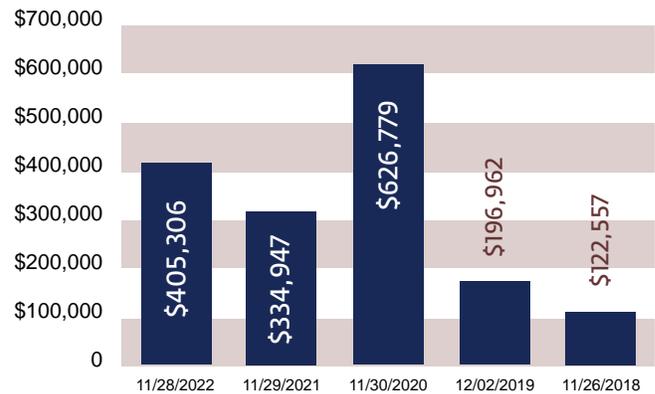
In celebration of Cyber Monday, one of the busiest online shopping days of the year, FWGS.com offered a 10% discount to customers on online orders placed Monday, Nov. 28.

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.

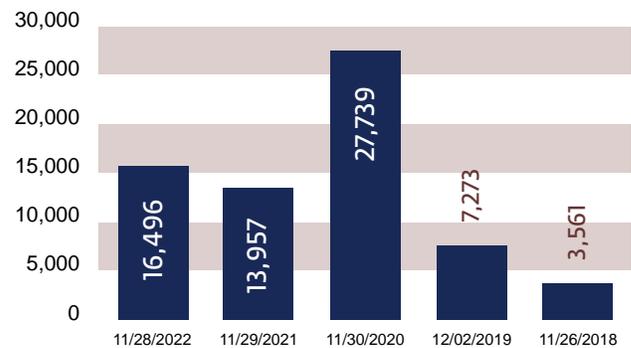
Driven by the trend toward premiumization and customers spending more dollars on higher-priced products, the top 10 Cyber Monday items sold for 2022 – a 50-50 split between spirits and wine – fell into the premium, super-premium and ultra-premium price segments, with Garrison Brothers Cowboy Bourbon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

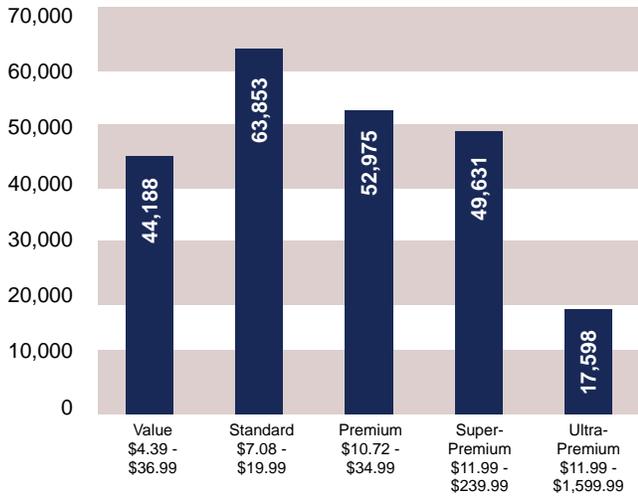
While FWGS.com experienced unprecedented growth in conjunction with COVID-19 in fiscal year 2019-20, e-commerce dollar sales for 2022-23 represent a 190.5% increase over pre-pandemic dollar sales in 2018-19.

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

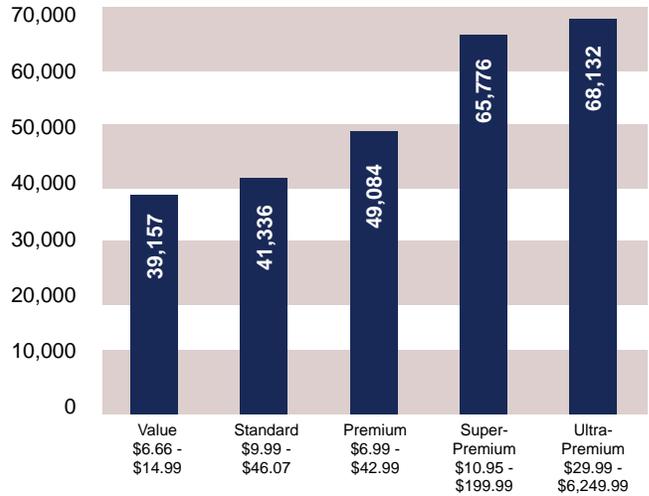
\*Sales data includes Accessories.

**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

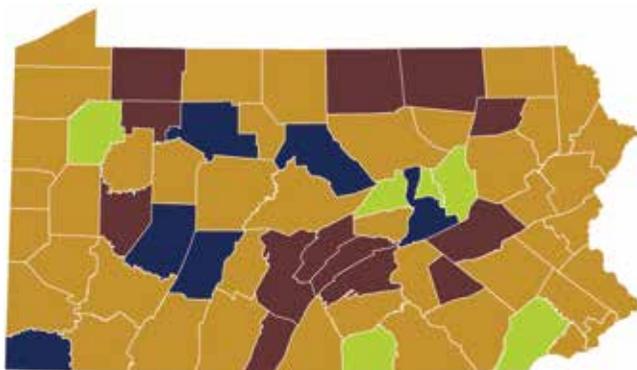
**TOP-SELLING PRODUCT CATEGORIES BY COUNTY**

**TOP-SELLING WINE IN EACH COUNTY**

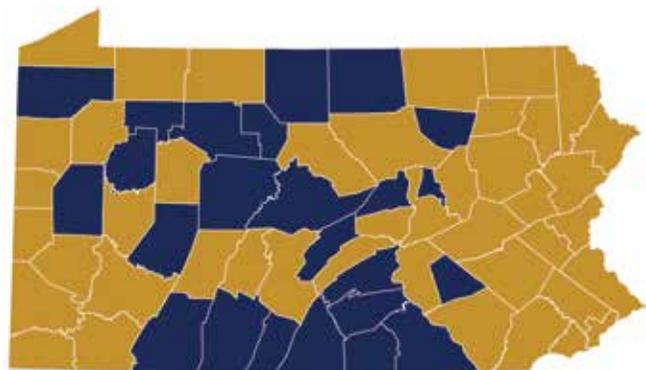
California cabernet sauvignon was the top-selling wine category in 42 counties. Box red (13), followed by California chardonnay (6) and beverage wine (6) were the highest in the remaining counties.

**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.



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



- 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.

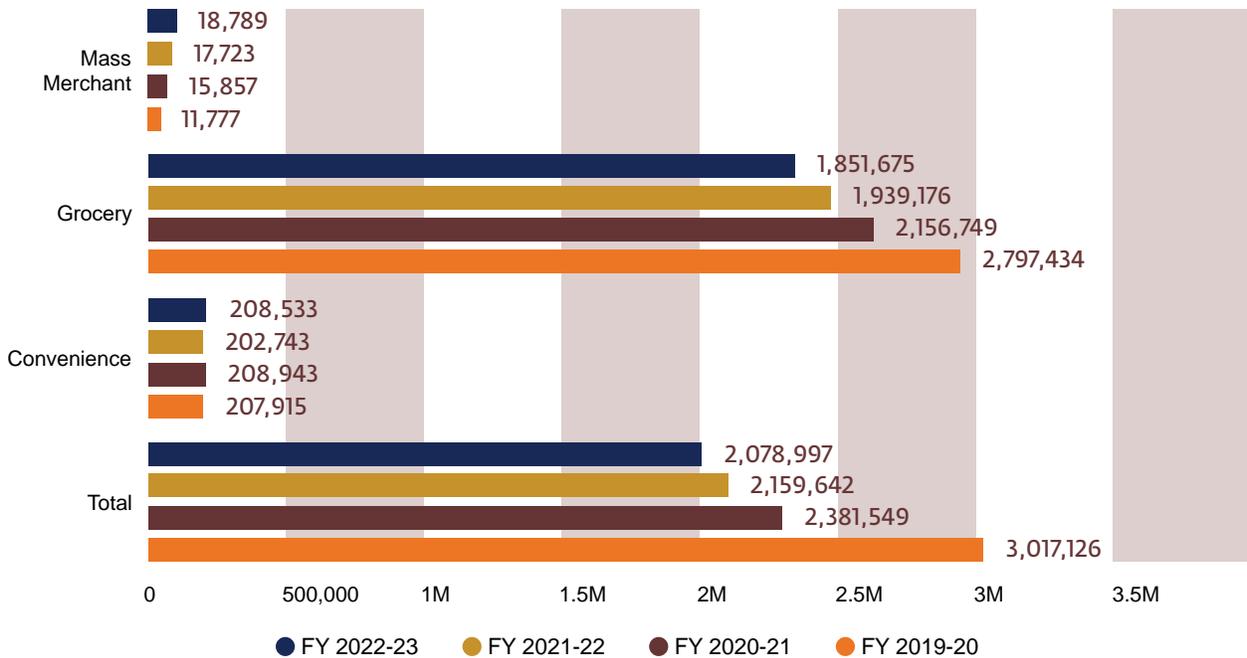
Within its first full year, Special Order (SO) direct delivery accounted for 36.7% of total SO transactions with licensees; 30.1% of total SO dollar sales to licensees, and 35.1% of total SO unit sales to licensees.

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

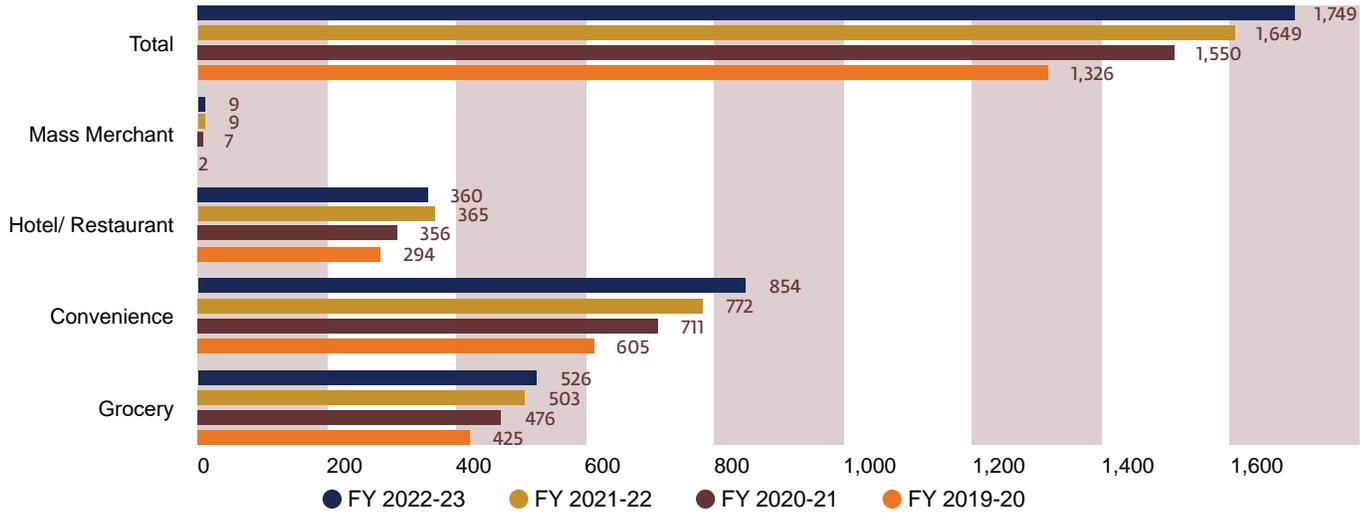
**TOP 10 SPIRITS SOLD (BY 9L CASE) TO TRADITIONAL ON-PREMISES RETAILERS\***

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

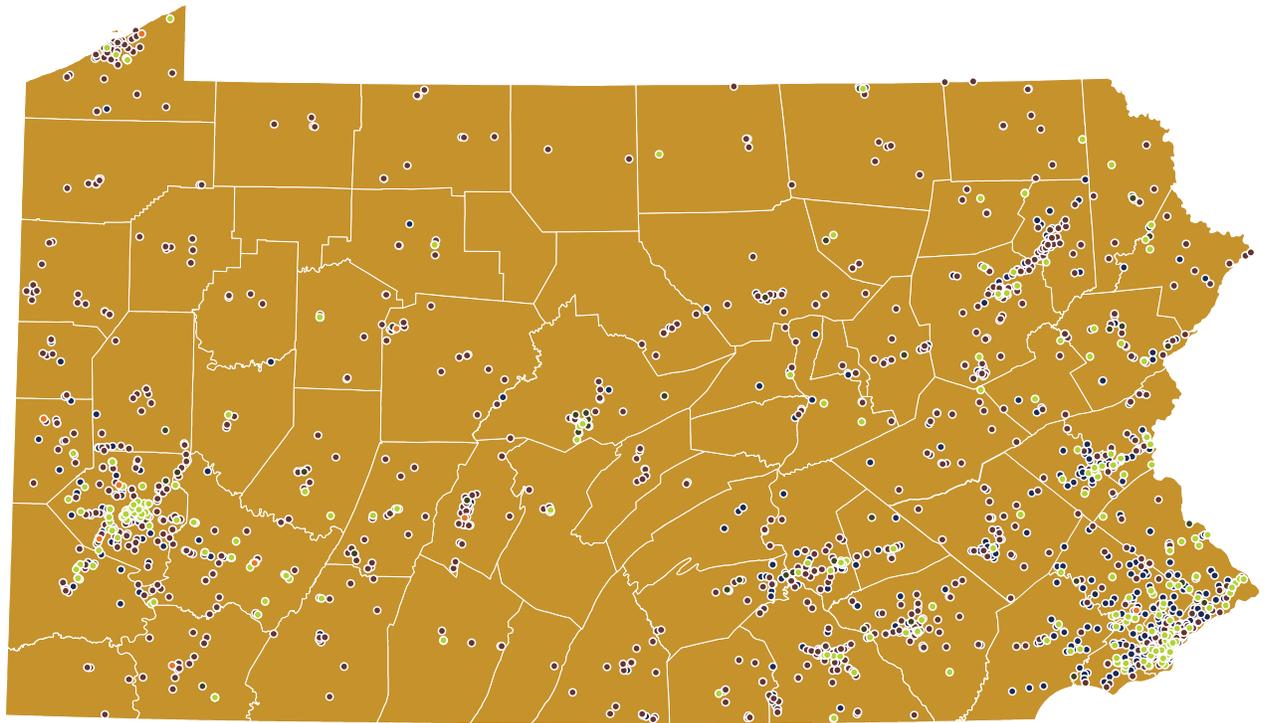
\*Bars and restaurants

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.

**LICENSEES WITH WINE EXPANDED PERMITS**



**WINE EXPANDED PERMITS AS OF JUNE 30, 2023**



● Convenience Stores — 854 ● Grocery Stores — 526 ● Restaurants — 305 ● Hotels — 55 ● Mass Merchants — 9

# 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.*<sup>SM</sup>, 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](http://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 <b>20,890</b>
Catering Permits <b>876</b>
Transfers <b>1,082</b>
Criminal Record Checks <b>8,214</b>
Tavern Gaming Licenses <b>41</b>
New Licenses <b>1,160</b>
Other Applications <b>8,176</b>
Brand Registration <b>19,319</b>
Special Occasion Permits <b>3,404</b>
AP-SS-EHF Permits* <b>22,822</b>
Wine Expanded Permits <b>1,714</b>
<b>TOTAL APPLICATIONS</b> <b>87,698</b>

\* 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
<b>TOTAL</b>	<b>8,490</b>	<b>9,243</b>	<b>6,622</b>	<b>8,357</b>

**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	Municipal	Private R	Private C	Continuing Care Retirement	Economic Dev. R	Performance Arts	Public Venue	Eating Place	Economic Dev. E	Hotel	Club	Municipal	Private Eat.	Total Retail Licenses	Per 3,000 Pop.	Per Square Mile
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	1	12	9	1	10	3	0	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	1	0	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	1	0	12	2.43	0.03



# 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
<b>STATE TOTAL</b>	<b>12,702,379</b>	<b>44,740</b>	<b>1,077</b>	<b>145</b>	<b>1,222</b>	<b>2.89</b>	<b>0.03</b>
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
<b>TOTAL</b>	<b>\$38,513,721</b>	<b>312</b>	<b>\$34,367,770</b>	<b>280</b>	<b>\$2,383,403</b>	<b>22</b>	<b>\$1,762,548</b>	<b>10</b>

## 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.<sup>SM</sup>

*Know When. Know How.*<sup>SM</sup>, 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.

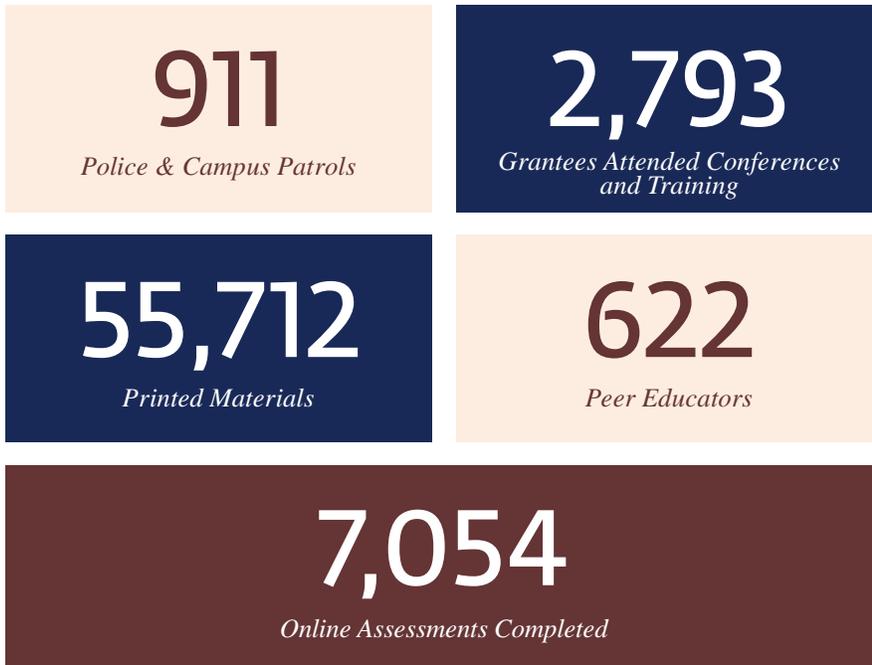
- Four went to primary and secondary schools to fund programs aimed at educating students on the dangers of underage drinking and encouraging positive decision-making skills through the employment of guest speakers and impaired driving simulation activities, and through targeted social norms media campaigns.
- 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**



**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

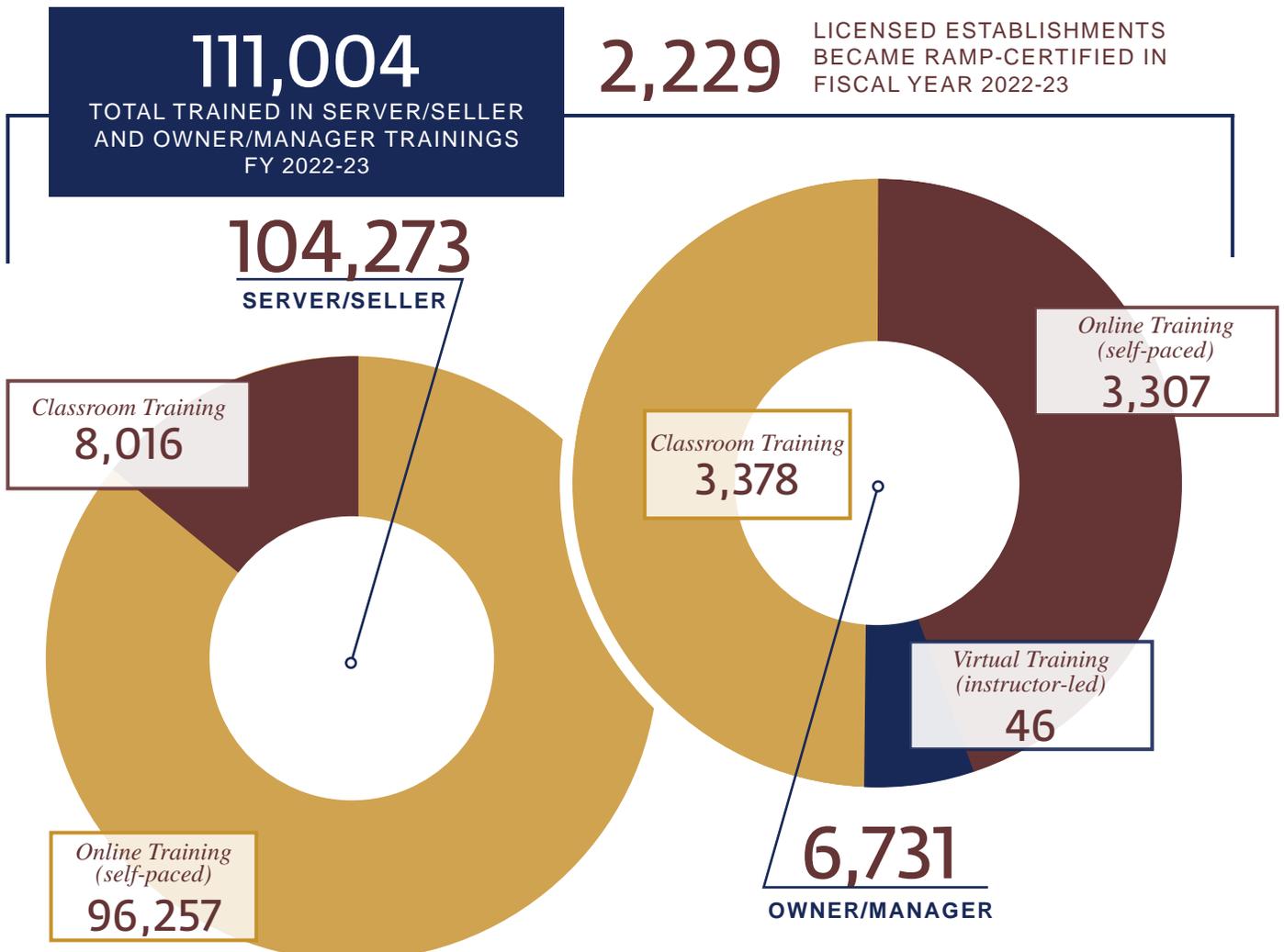
staff must be trained as part of certification. This includes anyone who serves alcohol and/or checks IDs. Training includes tips on carding and spotting fake IDs, how to spot and deal with VIPs and how to slow down or stop service. *This training is required within six months of hire for anyone hired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

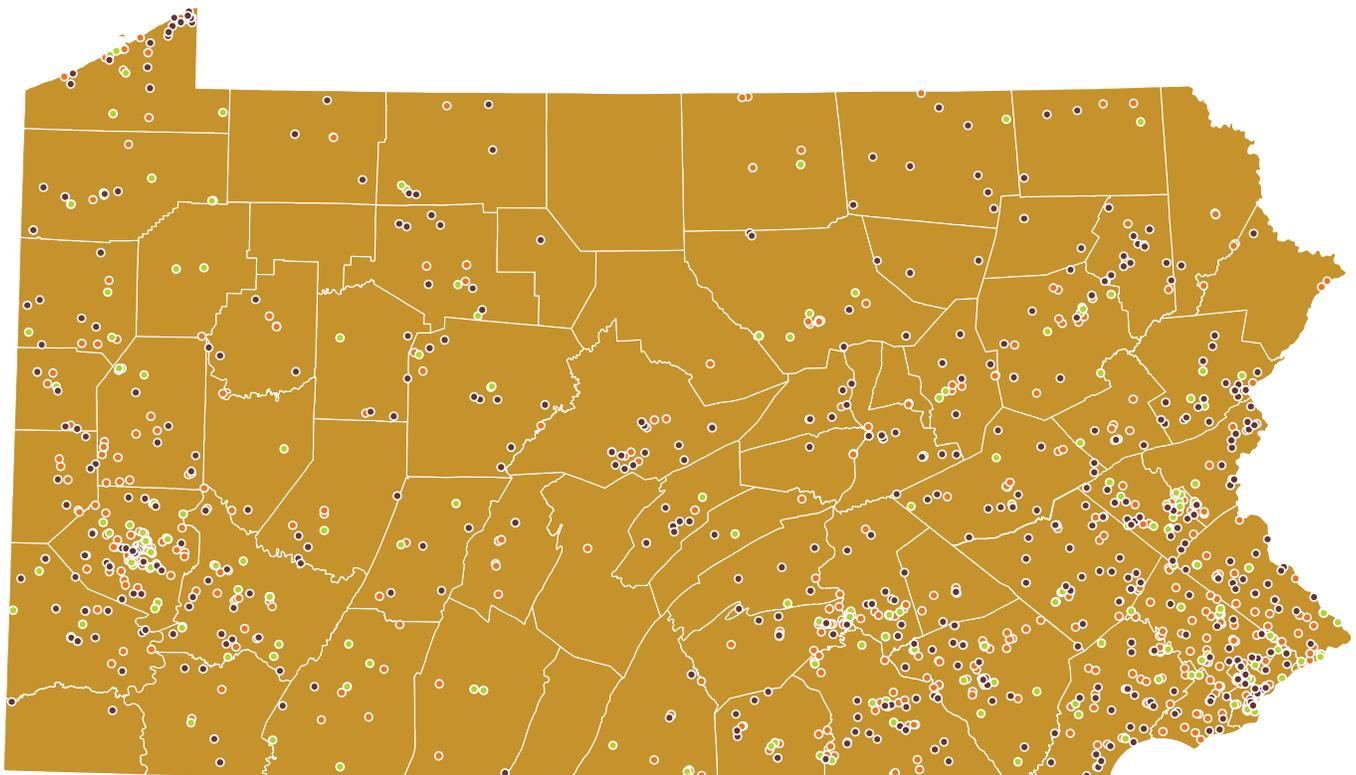
Each year, the PLCB approves up to \$1 million in grants for projects that support the Pennsylvania wine industry and increase production of Pennsylvania-made wines, and another \$1 million in grants for the development and promotion of the Pennsylvania beer industry.

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](http://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

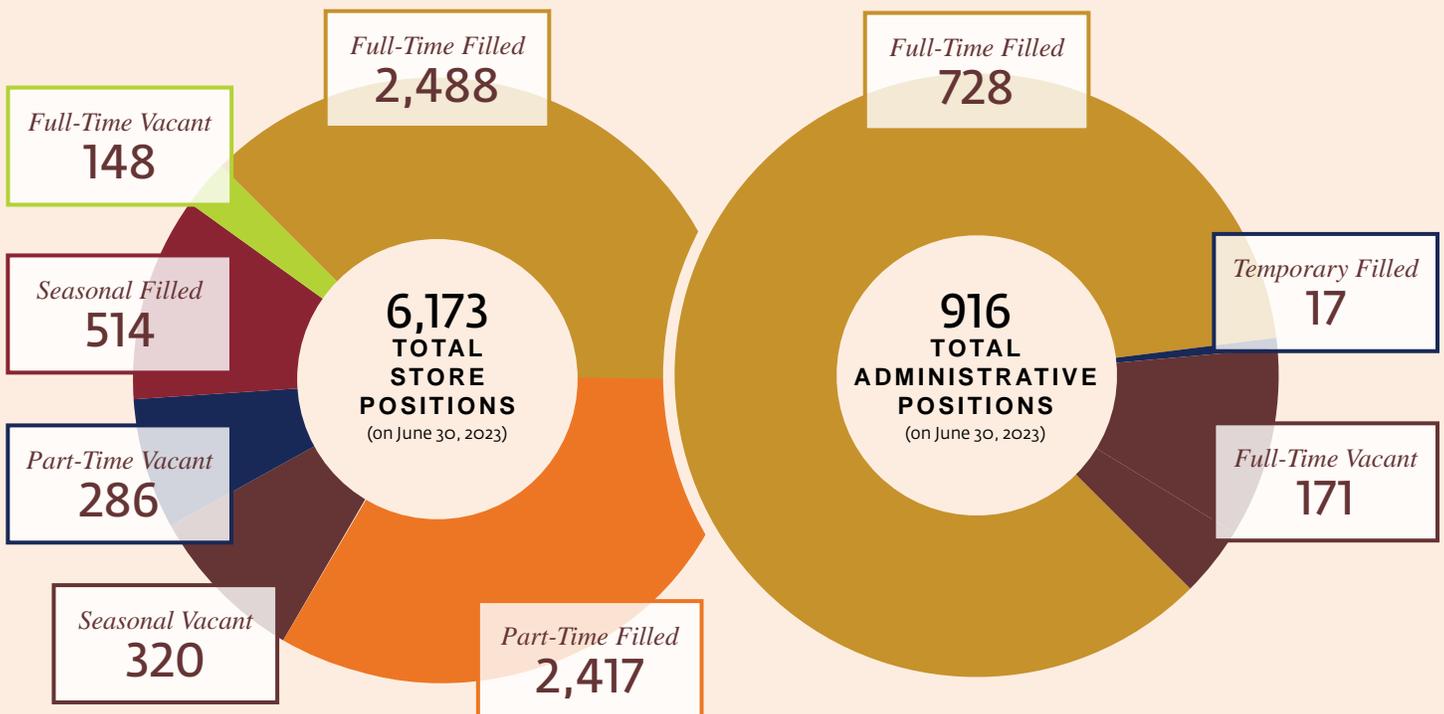
*PA Eats*

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-

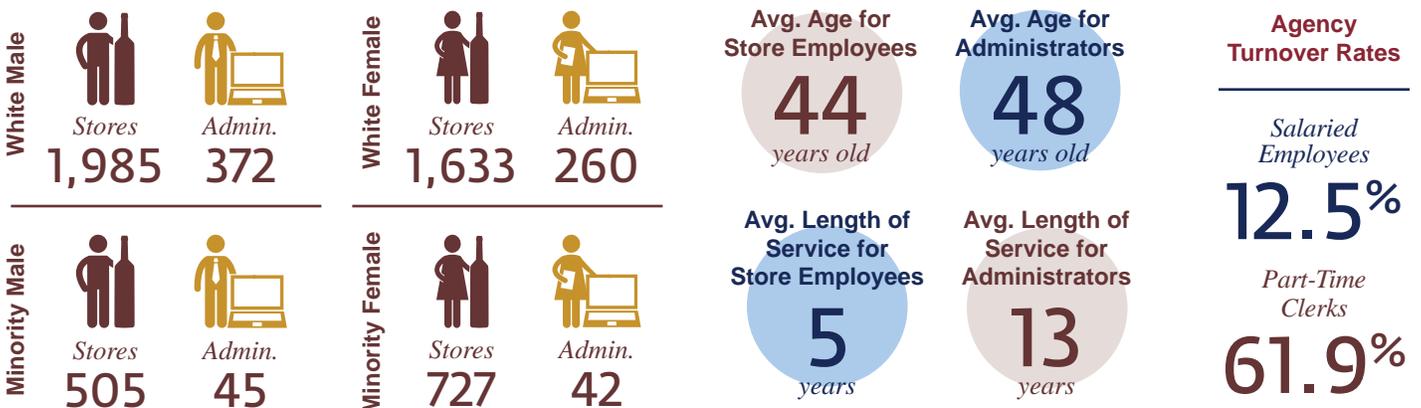
by-step walk-throughs of new processes and systems in advance of Release 2 go-live;

- 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**

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

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**Background**

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**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.

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

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**Background (Continued)**

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**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.



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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***

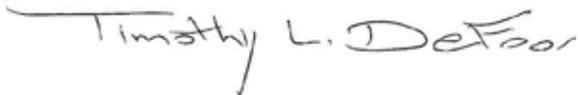
Management is responsible for the other information included in the report. The other information comprises the Background section but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not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

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

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**Management’s Discussion and Analysis**

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**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.

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

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**Management’s Discussion and Analysis (Continued)**

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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
<b><u>NET POSITION</u></b>		
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	<u>\$ 764,198</u>	<u>\$ 752,013</u>
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	<u>\$ 249,231</u>	<u>\$ 332,160</u>
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	<u>\$ 288,562</u>	<u>\$ 365,912</u>
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	<u>\$ 293,091</u>	<u>\$ 361,585</u>
Operating transfers out:		
PSP enforcement – Note J	<u>(32,320)</u>	<u>(30,734)</u>
Income after enforcement/before other transfers	<u>\$ 260,771</u>	<u>\$ 330,851</u>
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	<u>\$ 70,456</u>	<u>\$ 139,134</u>
Total net position – beginning (restated) – Note N	<u>\$ (871,813)</u>	<u>\$ (1,011,288)</u>
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>
<b>Cash flows from operating activities</b>		
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	<u>\$ 459,670</u>	<u>\$ 200,497</u>
<b>Cash flows from noncapital financing activities:</b>		
Operating transfers out	(222,444)	(219,767)
Net cash used for noncapital financing activities	<u>\$ (222,444)</u>	<u>\$ (219,767)</u>
<b>Cash flows from capital and related financing activities:</b>		
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	<u>\$ (90,294)</u>	<u>\$ (95,576)</u>
<b>Cash flows from investing activities:</b>		
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	<u>\$ (134,369)</u>	<u>\$ 120,345</u>
Net increase in cash	\$ 12,563	\$ 5,499
Cash – beginning of year	33,709	28,210
Cash – end of year	<u>\$ 46,272</u>	<u>\$ 33,709</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income	\$ 288,562	\$ 365,912
Depreciation	75,792	67,164
<b>Change in assets and liabilities:</b>		
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	<u>\$ 171,108</u>	<u>\$ (165,415)</u>
Net cash provided (used for) operating activities	<u>\$ 459,670</u>	<u>\$ 200,497</u>

~ 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>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>		
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)**

	<b>Balance <u>June 30, 2023</u></b>	<b>Balance <u>June 30, 2022</u></b>
<b><u>REVENUES</u></b>		
Liquor license application fees collected, net of refunds	\$ 4,261	\$ 2,697
Total revenues	<u>\$ 4,261</u>	<u>\$ 2,697</u>
<b><u>EXPENDITURES</u></b>		
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. ~

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

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**Notes to the Financial Statements (Dollar amounts in thousands)**

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**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:

	<b>Fiscal Year Ended <u>June 30, 2023</u></b>	<b>Fiscal Year Ended <u>June 30, 2022</u></b>
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:

<u>Days Available at Retirement</u>	<u>Percentage Payment</u>	<u>Maximum Days Paid</u>
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:

<u>Fiscal Year Ended</u>	<u>Liability - Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Liability - Ending Balance</u>
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.

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

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**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.

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

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**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](http://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

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

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**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**

	<b><u>Deferred Outflows Of Resources</u></b>	<b><u>Deferred Inflows Of Resources</u></b>
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**

	<b><u>Deferred Outflows Of Resources</u></b>	<b><u>Deferred Inflows Of Resources</u></b>
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 June 30	Pension Expense
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 19<sup>th</sup> *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 19<sup>th</sup> *Investigation of Actuarial Experience* at its July 2020 meeting. The study can be viewed at [www.sers.pa.gov](http://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**  
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**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).

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**PENNSYLVANIA LIQUOR CONTROL BOARD**  
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**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:**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
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**  
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**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**  
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**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.

	<u>1% Decrease 3.67%</u>	<u>Current discount rate 4.67%</u>	<u>1% Increase 5.67%</u>
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.

	<u>1% Decrease 6.3% / 5.3% Decreasing to 2.9%</u>	<u>Current Health Trend Rate 7.3% / 6.3% Decreasing to 3.9%</u>	<u>1% Increase 8.3% / 7.3% Decreasing to 4.9%</u>
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**  
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**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:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
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>
	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2022</u>
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:

	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2023</b>
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>
	<b>Balance June 30, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2022</b>
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:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
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	<u>\$ 363,584</u>	<u>\$ 61,022</u>	<u>\$ 13,438</u>	<u>\$ 411,168</u>
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	<u>\$ 114,438</u>	<u>\$ 66,201</u>	<u>\$ 1,623</u>	<u>\$ 179,016</u>
Total lease assets, net	<u>\$ 249,146</u>	<u>\$ (5,179)</u>	<u>\$ 11,815</u>	<u>\$ 232,152</u>
	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2022</u>
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	<u>\$ 322,266</u>	<u>\$ 42,181</u>	<u>\$ 863</u>	<u>\$ 363,584</u>
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	<u>\$ 56,218</u>	<u>\$ 58,707</u>	<u>\$ 487</u>	<u>\$ 114,438</u>
Total lease assets, net	<u>\$ 266,048</u>	<u>\$ (16,526)</u>	<u>\$ 376</u>	<u>\$ 249,146</u>

**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.

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

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**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:

<b>Fiscal Year Ended</b>	<b>Liability – Beginning Balance</b>	<b>Incurred Claims</b>	<b>Payments</b>	<b>Liability – Ending Balance</b>
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 <sup>1</sup>	Contractually Required Contribution <sup>2</sup>	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. ~

<sup>1</sup> 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.

<sup>2</sup> 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 <sup>1</sup>	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 <sup>2</sup>	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. ~

<sup>1</sup> 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.

<sup>2</sup> 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](http://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 <sup>(1)</sup>	2023	2022	2021	2020	2019
Contractually required contribution <sup>(2)</sup>	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. ~

<sup>1</sup> 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.

<sup>2</sup> 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)**

	2023	2022	2021	2020	2019
Last Ten Fiscal Years Ended June 30 <sup>(1)</sup>					
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. ~

<sup>1</sup> 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.



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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.

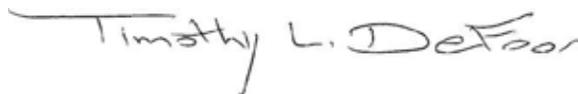
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

APPENDIX

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

APPENDIX

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

APPENDIX

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	Brodheads ville	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 Fourth 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

APPENDIX

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

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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

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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	Trexletown	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

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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 Township	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

APPENDIX

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

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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

APPENDIX

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

APPENDIX

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

APPENDIX

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.

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