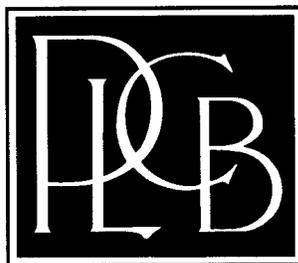


**Commonwealth of Pennsylvania**  
**Pennsylvania Liquor Control Board**



IN THE PUBLIC INTEREST

**FINANCIAL STATEMENTS**

**FISCAL YEAR 2010-2011**

**Month Ending June 30, 2011**

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
STATE STORES AND LIQUOR LICENSE FUNDS  
FINANCIAL STATEMENTS**

**For The Period Ending June 30, 2011**

**TABLE OF CONTENTS**

	<u>Page</u>
ACCOUNTANT'S COMPILATION REPORT	1
STATEMENT OF NET ASSETS STATE STORES FUND	2
BALANCE SHEET LIQUOR LICENSE FUND	3
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - July 1, 2010 – June 30, 2011	4
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - June 30, 2011	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE BUDGET  
COMPTROLLER OPERATIONS

COMPTROLLER OFFICE  
LIQUOR CONTROL BOARD  
Harrisburg, PA 17124  
Telephone (717) 787-5417

Members of the  
Pennsylvania Liquor Control Board  
Harrisburg, Pennsylvania

We have compiled the accompanying comparative statement of net assets for the State Stores Fund as of June 30, 2011 and June 30, 2010, and the balance sheet for the Liquor License Fund as of June 30, 2011 and June 30, 2010 and the related State Stores Fund comparative statements of revenues, expenses, and changes in fund net assets for the period ended June 30, 2011 and June 30, 2010, in accordance with standards established by the American Institute of Certified Public Accountants.

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

*Joseph A. Laurich CPA*  
Comptroller

August 22, 2011

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
<b>Assets:</b>		
Current Assets:		
Cash	\$ 15,830,679	\$ 11,084,399
Investments-Short Term	92,384,363	45,190,224
Accounts and Claims Receivable (Net)	913,266	3,236,950
Inventory - Merchandise	265,816,891	304,256,150
Inventory - Operating Supplies	323,074	269,319
Prepaid Expenses	2,335,668	4,429,960
Total Current Assets	377,603,941	368,467,002
Fixed Assets:		
Land	\$ 322,973	\$ 322,973
Buildings	19,620,370	19,597,964
Leasehold Improvements	3,140,801	2,568,353
Machinery and Equipment	30,761,991	18,484,126
Computer Software - Internally Generated	60,220,997	55,132,342
	114,067,132	96,105,758
Less: Accumulated Depreciation/Amortization	53,885,270	43,798,362
Total Fixed Assets	60,181,862	52,307,396
Total Assets	\$ 437,785,803	\$ 420,774,398

**Liabilities and Fund Equity**

<b>Liabilities:</b>		
Trade Accounts Payable	\$ 242,047,123	\$ 204,703,465
Other Accounts Payable	11,099,067	22,651,153
Other Accounts Payable - OPEB (Note 4)	36,024,228	25,013,287
Accrued Payroll-Related Expenses	36,757,182	38,271,531
Workers' Compensation Liability (Note 5)	29,927,798	26,488,300
Due to Other Funds	3,173,574	1,920,067
Advances From the General Fund	110,000,000	110,000,000
Total Liabilities	469,028,972	429,047,803
<b>Net Assets:</b>		
Invested in Capital Assets, net of related debt	60,181,862	52,307,396
Unrestricted	(91,425,031)	(60,580,801)
<b>Total Net Assets</b>	<b>\$ (31,243,169)</b>	<b>\$ (8,273,405)</b>

**Commonwealth of Pennsylvania  
Pennsylvania Liquor Control Board  
Liquor License Fund  
Balance Sheet  
(Unaudited)**

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	<u>June 30, 2011</u>	<u>June 30, 2010</u>
<b>Assets:</b>		
Cash in Transit	\$ 82,775	\$ 125,610
Investments - Short Term	2,570,564	2,392,089
Accrued Interest	<u>538</u>	<u>538</u>
Total Assets	<u>\$ 2,653,339</u>	<u>\$ 2,518,237</u>
 <b>Liabilities:</b>		
License Fees due Municipalities	\$ 2,651,289	\$ 2,515,167
Other Liabilities	<u>2,050</u>	<u>3,070</u>
Total Liabilities	<u>\$ 2,653,339</u>	<u>\$ 2,518,237</u>

**Commonwealth of Pennsylvania  
 Pennsylvania Liquor Control Board  
 State Stores Fund  
 Comparative Statements of Revenues, Expenses, and Changes in Net Assets  
 For The Twelve Months Ending June 30, 2011 and June 30, 2010  
 (Unaudited)**

	June YTD 2010-11	June YTD 2009-10
Sales Net of Taxes	\$ 1,571,222,784	\$ 1,511,390,409
Cost of Goods Sold	1,080,960,596	1,058,769,004
<b>Gross Revenue from Sales</b>	<b>490,262,188</b>	<b>452,621,405</b>
Operating Expenses:		
Purchasing, Logistics & Marketing	18,341,363	18,520,535
Stores' Operations & Supervision	283,919,494	281,207,551
Central Administrative Support	68,137,911	66,816,185
Comptroller Operations	5,217,381	5,485,365
Commonwealth-Provided Services (Note 2)	10,470,658	9,932,823
Total	386,086,807	381,962,459
<b>Operating Income</b>	<b>104,175,381</b>	<b>70,658,946</b>
Nonoperating Revenues (Expenses):		
Enforcement Fines	1,839,629	1,887,644
Interest Income	258,869	369,462
License Fees	11,694,225	11,466,852
Miscellaneous Income	1,637,463	3,253,307
Administrative Law Judge	(2,225,995)	(1,984,855)
Legal	(3,079,195)	(2,840,371)
Licensing & Investigations	(10,287,739)	(10,247,494)
Total	(162,743)	1,904,545
<b>Income Before Operating Transfers</b>	<b>104,012,638</b>	<b>72,563,491</b>
Operating Transfers Out:		
PSP Enforcement (Note 3)	20,308,316	20,084,928
<b>Income After Enforcement/Before Other Transfers</b>	<b>83,704,322</b>	<b>52,478,563</b>
Other Operating Transfers Out:		
General Fund Appropriations (Note 3)	105,000,000	105,000,000
Drug and Alcohol Programs (Note 3)	1,674,086	1,049,571
Total	106,674,086	106,049,571
<b>Change in Net Assets</b>	<b>(22,969,764)</b>	<b>(53,571,008)</b>
Total Net Assets - Beginning	(8,273,405)	45,297,603
Total Net Assets - Ending	<b>\$ (31,243,169)</b>	<b>\$ (8,273,405)</b>

**Commonwealth of Pennsylvania  
 Pennsylvania Liquor Control Board  
 State Stores Fund  
 Comparative Statements of Revenues, Expenses, and Changes in Net Assets  
 For The Month Ending June 30, 2011 and June 30, 2010  
 (Unaudited)**

	June 2010-11	June 2009-10
Sales Net of Taxes	\$ 126,719,176	\$ 118,486,346
Cost of Goods Sold	87,190,068	84,574,183
<b>Gross Revenue from Sales</b>	<b>39,529,108</b>	<b>33,912,163</b>
 Operating Expenses:		
Purchasing, Logistics & Marketing	973,045	1,303,316
Stores' Operations & Supervision	21,681,764	28,925,243
Central Administrative Support	8,438,504	6,971,829
Comptroller Operations	239,993	385,740
Commonwealth-Provided Services (Note 2)	777,822	624,108
Total	32,111,128	38,210,236
<b>Operating Income</b>	<b>7,417,980</b>	<b>(4,298,073)</b>
 Nonoperating Revenues (Expenses):		
Enforcement Fines	146,304	160,858
Interest Income	31,775	32,933
License Fees	1,037,567	1,108,215
Miscellaneous Income	251,383	374,765
Administrative Law Judge	(167,859)	(179,854)
Legal	(255,757)	(229,480)
Licensing & Investigations	(821,355)	(1,131,370)
Total	222,058	136,067
<b>Income Before Operating Transfers</b>	<b>7,640,038</b>	<b>(4,162,006)</b>
 Operating Transfers Out:		
PSP Enforcement (Note 3)	1,458,190	1,428,404
<b>Income After Enforcement/Before Other Transfers</b>	<b>6,181,848</b>	<b>(5,590,410)</b>
 Other Operating Transfers Out:		
General Fund Appropriations (Note 3)	105,000,000	105,000,000
Drug and Alcohol Programs (Note 3)	1,674,086	1,049,571
Total	106,674,086	106,049,571
<b>Change in Net Assets</b>	<b>(100,492,238)</b>	<b>(111,639,981)</b>
Total Net Assets - Beginning	69,249,069	103,366,576
Total Net Assets - Ending	<b>\$ (31,243,169)</b>	<b>\$ (8,273,405)</b>

Commonwealth of Pennsylvania  
 Pennsylvania Liquor Control Board  
 State Stores Fund  
 Statement of Cash Flows  
 For the Period July 1, 2010 to June 30, 2011  
 (Unaudited)

<b>Reconciliation of net income to net cash provided by operating activities:</b>		<b>\$ 83,704,322</b>
<b>Net Income</b>		<b>83,704,322</b>
Adjustments To Reconcile Operating Income to Net Cash Provided By Operating Activities:		
Depreciation	\$ 12,134,964	
Decrease In Receivables (Net Of Allowance)	2,323,684	
Decrease In Inventory	38,385,503	
Decrease In Other Assets	2,094,292	
Increase In Accounts Payable and Accrued Liabilities	38,727,663	
Increase In Due to Other Funds	<u>1,253,507</u>	
<b>Total Adjustments</b>		<u><b>94,919,613</b></u>
<b>Net Cash Provided By Operating Activities</b>		<b>178,623,935</b>
Cash Flows From NonCapital Financing Activities:		
Operating Transfers Out	<u>(106,674,086)</u>	
<b>Net Cash Used by Noncapital Financing Activities</b>		<b>(106,674,086)</b>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(20,013,855)	
Disposition of Capital Assets	<u>4,425</u>	
<b>Net Cash used by Capital and related financing activities</b>		<b>(20,009,430)</b>
Cash Flows From Investing Activities		
Purchase of Investments	(1,070,989,691)	
Proceeds From Sale and Maturities of Investments	<u>1,023,795,552</u>	
<b>Net Cash Used For Investing Activities</b>		<u><b>(47,194,139)</b></u>
<b>Net Increase in Cash</b>		<b>4,746,280</b>
Cash - June 30, 2010		<u>11,084,399</u>
<b>Cash - June 30, 2011</b>		<u><b>\$ 15,830,679</b></u>

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
STATE STORES AND LIQUOR LICENSE FUNDS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Accounting Period: The State Stores Fund and the Liquor License Fund is accounted for on a fiscal year basis, comprised of twelve (12) calendar months.

Basis of Accounting: The financial statements of the State Stores Fund are presented on the accrual basis of accounting according to Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Accrual basis accounting requires recognition of revenue when earned and recognition of expenses when incurred. The Liquor License Fund is normally presented on the modified accrual basis of accounting for recognizing assets and liabilities. However, year-end reporting is on the full accrual basis according to GASB 34 requirements.

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

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

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

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

Compensated Absences: Employees accumulate annual leave based on 2.7% to 10% of regular hours paid to a maximum of 45 days. Employees are paid for accumulated annual leave upon termination or retirement.

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

The accumulated annual and sick leave and related payroll benefits reported for fiscal years ended June 30, 2011 and June 30, 2010 was \$24,005,660 and \$25,817,080 respectively.

Sales: All taxes are excluded from Sales reported on the Statement of Revenues, Expenses, and Changes in Fund Net Assets. The 18% state liquor excise taxes (emergency tax), the 6% state sales taxes and the local sales taxes are collected and remitted monthly to the Department of Revenue for the General Fund. Taxes collected for the Period July 1, 2010 to June 30, 2011 are as follows:

Liquor Tax	\$281,746,084
State Sales Tax	109,652,313
Local Sales Tax	<u>7,386,137</u>
Total	\$398,784,534

## 2. COMMONWEALTH-PROVIDED SERVICES

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

Consolidated Data Center Charges	\$3,967,896
Department of the Auditor General	2,877,826
Department of General Services	474,588
State Civil Service Commission	860,121
Office of Administration:	
Bureau of Personnel	205,959
Integrated Enterprise System	1,406,186
Other	145,068
Office of the Budget:	
Payroll	352,993
Treasury Department	<u>180,021</u>
	<u>\$10,470,658</u>

## 3. OPERATING TRANSFERS OUT

These amounts represent operating transfers as follows:

### PSP Enforcement

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

### General Fund

Funds transferred to the General Fund to be used for general appropriation purposes.

### Drug & Alcohol Programs

Funds transferred to the Department of Health for administering drug and alcohol rehabilitation programs.

## 4. OTHER POST EMPLOYMENT BENEFITS FOR EMPLOYEES (OPEB)

Employees of the PLCB participate in the Retired Employees Health Program (REHP), which is sponsored by the Commonwealth of PA and administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF). PLCB's allocated share of the Commonwealth's REHP annual required contribution is established by the Office of Administration and the Governor's Budget Office. The REHP annual required contribution for the fiscal years ended June 30, 2010 and 2011 was not fully funded. The PLCB's allocated OPEB liability was \$25.01M as of June 30, 2010 and \$36.02M as of June 30, 2011.

## 5. SELF INSURANCE LIABILITY

The Commonwealth of Pennsylvania is self-insured for statutory workers' compensation, which includes indemnity and medical benefits (employee disability) for employees injured on the job. The Self Insurance liability is calculated actuarially on an annual basis and is included in the financial statements. In addition to the amounts paid during the fiscal year, the State Stores Fund is liable for \$29.93M as of June 30, 2011 for PLCB employee disability due to business-type activities.

## 6. LITIGATION

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

## 7. OPERATING LEASE COMMITMENTS

The PLCB has commitments to lease certain buildings. Future minimum rental commitments for noncancellable operating leases as of June 30, 2011, were as follows (expressed in thousands):

<u>Year Ending June</u>	<u>Real Estate</u>
2012	\$31,010
2013	21,793
2014	16,284
2015	11,542
2016	<u>5,304</u>
Total Minimum Lease Payments	<u>\$85,933</u>

Rental expense for all operating leases for the period ending June 30, 2011, amounted to \$39.38M.

**State Stores Fund**  
**Comparative Operating Statement**  
**For the Twelve Months Ending June 30, 2011 and June 30, 2010**

	<u>YTD</u> <u>2010-11</u>	<u>YTD</u> <u>2009-10</u>
SALES NET OF TAXES	\$ 1,571,222,784.04	\$ 1,511,390,409.15
LESS: COST OF SALES	1,080,960,596.22	1,058,769,003.53
GROSS INCOME FROM SALES	490,262,187.82	452,621,405.62
<u>LESS: OPERATING EXPENSES</u>		
Salaries	128,517,726.05	124,976,248.04
Overtime	6,944,216.18	7,540,366.12
Shift Differential Pay	379,736.51	359,302.42
Higher Classification Pay	857,499.17	931,187.31
Wages	26,825,899.40	26,495,354.73
Office and Subsistence Payments	26,251.50	27,098.50
Wages - Shift Differential	96,622.81	84,169.18
Wages - Higher Class Pay	233,197.86	237,302.10
Employees' Health Benefits - State Share	39,375,651.28	30,455,551.62
Employees' Health & Welfare Fund - State Share	498,904.58	515,479.53
Annuitants' Hospitalization Ins. - State Share	16,634,777.98	19,604,436.51
Other Post Employment Benefits (OPEB)	11,010,940.00	12,732,514.97
Social Security Contributions - State Share	12,017,736.60	12,176,441.73
Retirement Contributions - State Share	6,991,818.07	5,152,546.43
State Workmen's Insurance Premium Payments	7,099,843.05	10,177,434.15
Employees' Group Life Insurance - State Share	307,072.70	301,325.86
Out-Service Training	192,080.00	243,888.71
Unemployment Compensation - State Share	921,405.88	856,155.89
General Pay Increase, Cash Payment	806,090.00	1,108,820.00
Sick Leave Payout	(1,093,196.60)	(169,766.04)
Conference Registrations	-	635.00
In-Service Training	94,485.00	163,032.20
Annual Leave Payout	(288,893.23)	415,816.10
Stipend for Active Duty Military Reservist	34,465.70	1,305.06
Litigation/Arbitration Payouts	-	(4,782.89)
Employer Leave Payout Assessment	2,946,456.29	3,032,705.62
ER QTB Admin Fee	1,668.16	1,605.04
Estimated Accrued Operating Expenses	299,032.02	410,337.30
Auditor General Services	2,877,826.00	2,899,992.00
Civil Service Commission Services	860,120.83	906,015.66
Contract Personnel Services	2,250.00	-
Contracted Repairs	121,040.57	221,157.41
Classification and Pay Services	205,958.61	241,660.00
Purchasing Services	364,291.64	296,028.00

	<u>YTD</u> <u>2010-11</u>	<u>YTD</u> <u>2009-10</u>
Specialized Services	1,221,752.49	2,338,252.28
OA Temporary Clerical Pool Charges	26,084.51	77,032.41
Payroll Services - Commonwealth Provided	352,993.24	351,482.62
Liquor Storage and Handling	735,821.39	427,173.22
Liquor Reconditioning	399,972.20	379,359.79
Liquor Miscellaneous	1,874.24	1,064.87
Professional Fees	(45,751.93)	2,019,152.10
Bank Service Charges	593,183.92	477,439.99
Armored Collection Service	419,015.22	535,038.68
Counterfeits	9,704.55	14,627.56
Security Guard Service	1,956,354.64	1,674,652.63
Credit/Debit Card Services	21,386,220.54	18,908,525.11
Public Relations	151,075.97	255,795.57
Treasury Department Services	180,021.67	190,030.94
Legal Fees	827,295.74	755,447.22
Clinic Services, Medical, Mental, and Dental	2,988.06	-
Conference Expenses	72,887.60	121,171.40
Printing Purchased Outside	35,805.94	118,261.86
Advertising	5,799,737.61	5,779,978.66
Telecommunications Toll Free Inbound Services	45,446.53	45,354.76
Interest/Utility Late Charge Penalties	10,515.71	13,865.68
Postage	276,749.03	304,679.12
Postage Issued from Inventory	177,003.10	178,531.05
Freight - Liquor Into Warehouses	3,395.95	14,123.60
Freight - Miscellaneous	169,810.24	281,397.46
Freight - Liquor Direct to Stores	14,367.70	-
Telecommunications Recurring Fixed Charges	3,131,770.96	2,165,183.65
Telecomm. Recurring Fixed Charges - Credit Card Line	2.47	79.27
Telecommunications Usage Charges	122,353.80	75,239.07
Telecommunications Nonrecurring Charges	57,461.48	60,396.68
Telecomm. Nonrecurring Charges - Credit Card Line	86.12	-
Travel	719,366.76	652,503.53
Water and Sewerage	230,308.50	272,505.99
Electricity	5,424,111.89	5,292,383.57
Heating Fuel	1,309,317.52	1,225,895.63
Consulting Services - EDP	1,419,328.71	536,213.19
Purchasing Card Purchases	-	280.15
EDP Contractual Services - Vendor Provided	21,108,362.91	18,891,403.07
EDP Software - Vendor Provided	7,200.00	180,502.57
Subscriptions	34,091.95	70,032.76
Membership Dues	10,200.00	4,483.46
Insurance, Surety and Fidelity Bonds	142,953.00	201,957.50
Motorized Equipment Supplies	570.00	840.00
Gasoline	481,251.20	396,422.66
Motorized Equipment Supplies - Miscellaneous	111,707.47	87,526.74

	<u>YTD</u> <u>2010-11</u>	<u>YTD</u> <u>2009-10</u>
Motorized Equipment Repairs	251,353.12	68,589.27
Contracted Maint. Services - Data Processing	1,535,885.02	2,074,745.16
Contracted Maint. Services - Bldgs & Grounds	729,843.71	790,065.62
Contracted Maint. Services - Office Equipment	803,224.54	884,648.61
Contracted Maint. Services - Other	1,559,312.52	1,466,551.86
Rent of Real Estate	419,901.00	528,912.20
Store Rent	37,790,308.99	37,307,483.67
District Office Rent	1,172,645.79	889,760.67
Real Estate Taxes on Leased Property	821,656.98	857,586.44
Motorized Equipment Rentals	421,293.15	392,599.77
Other Equipment Rentals	616.60	4,099.17
Price Variance - Non Merchandise	(811.77)	(209.53)
Medical Supplies Issued from Inventory	-	37.10
Wearing Apparel Issued from Inventory	-	393.03
Wearing Apparel	4,264.70	6,342.18
Food	4,734.15	1,567.81
Housekeeping Supplies Issued from Inventory	2,231,893.07	2,163,621.45
Housekeeping Supplies	218,078.66	118,094.07
Printed Forms	399.52	3,276.21
Office Supplies Issued from Inventory	35,078.16	60,468.00
Office Supplies	1,212,122.58	1,874,900.69
EDP Software	530,954.34	1,172,337.04
Other IT Equipment	640,696.60	1,876,442.05
Educational Supplies	564.29	-
Agricultural Supplies	170.85	-
Maintenance Supplies Issued from Inventory	8,838.42	8,271.06
Maintenance Supplies	655,584.35	1,356,456.62
Store Water/Fire Damage	(43.07)	37,408.52
Over/Short Store Expense Account	(169,546.28)	304,772.14
Store Breakage Expenses	569,895.47	543,557.55
Transfers - Lab or Wine Tasting	70,003.02	48,449.09
Wine Tasting/Education for Employees	-	3,588.47
Other Inventory Adjustments	1,949,106.72	2,542,740.90
Other Services and Supplies	187,612.38	168,451.15
State Pmts. to Inst. of Higher Ed. - State Owned	37,759.29	57,171.96
State Payments to Governmental Subrecipients	240,944.87	308,963.88
State Payments to Nonprofit Institutions	306,289.32	433,288.06
Amortization of Leasehold Improvements	202,738.06	106,149.09
Amortization of Computer Software - Internally Generated	9,566,256.54	8,377,529.26
Depreciation of Machinery and Equipment	383,672.27	414,523.22
Depreciation of Buildings	962,378.27	994,436.33
Depreciation of Computers and Peripherals	1,019,918.99	914,466.06
Other Budgetary Expenses	-	24,645.01
Warehouse/Bottle Area Damaged Merchandise	6,394.87	80,346.01
<b>TOTAL OPERATING EXPENSES</b>	<b>401,679,735.27</b>	<b>397,035,179.25</b>

	<u>YTD</u> <u>2010-11</u>	<u>YTD</u> <u>2009-10</u>
MERCHANDISING INCOME	\$ 88,582,452.55	\$ 55,586,226.37
ADD: <u>OTHER INCOME</u>		
Miscellaneous	1,637,463.34	3,253,306.94
Interest	258,868.57	369,461.99
Licensing:		
License Fees	4,522,165.00	4,500,045.00
Application Fees	2,002,420.22	2,058,780.50
Transfer Fees	570,275.00	402,920.00
Permit Fees	6,669,219.32	6,624,897.06
Entertainment Fees	703,633.00	688,468.00
Bond Forfeitures	(630.00)	(950.00)
Administrative Fees	1,749,307.43	1,692,736.06
LESS: Fees Returnable to Municipalities	<u>(4,522,165.00)</u>	<u>(4,500,045.00)</u>
TOTAL OTHER INCOME	<u>13,590,556.88</u>	<u>15,089,620.55</u>
NET INCOME BEFORE PSP ENFORCEMENT	<u>102,173,009.43</u>	<u>70,675,846.92</u>
PSP ENFORCEMENT:		
Income	1,839,629.09	1,887,644.09
LESS: Expenses	<u>20,308,315.83</u>	<u>20,084,927.59</u>
Net PSP Enforcement	<u>(18,468,686.74)</u>	<u>(18,197,283.50)</u>
NET INCOME	<u>\$ 83,704,322.69</u>	<u>\$ 52,478,563.42</u>

**State Stores Fund**  
**Comparative Operating Statement**  
**For the Month Ending June 30, 2011 and June 30, 2010**

	<u>2010-11</u>	<u>2009-10</u>
SALES NET OF TAXES	\$ 126,719,176.14	\$ 118,486,345.53
LESS: COST OF SALES	87,190,067.57	84,574,182.57
GROSS INCOME FROM SALES	39,529,108.57	33,912,162.96
LESS: <u>OPERATING EXPENSES</u>		
Salaries	10,298,879.09	10,494,252.75
Overtime	228,502.64	341,074.59
Shift Differential Pay	30,799.97	29,571.60
Higher Classification Pay	68,450.84	77,890.21
Wages	2,183,767.83	2,404,147.63
Office and Subsistence Payments	2,090.00	2,183.50
Wages - Shift Differential	8,333.86	7,559.17
Wages - Higher Class Pay	25,468.44	24,897.76
Employees' Health Benefits - State Share	3,095,468.24	3,203,888.95
Employees' Health & Welfare Fund - State Share	49,748.05	40,614.11
Annuitants' Hospitalization Ins. - State Share	1,481,336.38	1,479,861.65
Other Post Employment Benefits (OPEB)	(1,089,060.00)	1,072,514.97
Social Security Contributions - State Share	651,011.77	1,001,801.73
Retirement Contributions - State Share	750,330.39	523,685.25
State Workmen's Insurance Premium Payments	2,976,030.32	6,221,023.36
Employees' Group Life Insurance - State Share	26,117.05	25,107.61
Out-Service Training	24,775.00	11,101.60
Unemployment Compensation - State Share	252,151.92	206,320.55
General Pay Increase, Cash Payment	-	744.00
Sick Leave Payout	(1,114,991.83)	(145,737.28)
Annual Leave Payout	(217,293.16)	341,875.82
Stipend for Active Duty Military Reservist	(1,009.68)	3,119.81
Employer Leave Payout Assessment	217,113.66	166,464.09
ER QTB Admin Fee	138.12	142.53
Estimated Accrued Operating Expenses	(142,643.18)	(138,584.89)
Auditor General Services	238,257.50	241,666.00
Civil Service Commission Services	69,710.96	1,392.83
Contracted Repairs	2,232.34	15,256.89
Classification and Pay Services	15,675.82	19,891.38
Purchasing Services	14,700.67	20,268.25
Specialized Services	96,055.42	136,114.53
OA Temporary Clerical Pool Charges	-	14,450.66
Payroll Services - Commonwealth Provided	29,542.20	28,625.06
Liquor Storage and Handling	12,562.64	73,164.59
Liquor Reconditioning	45,853.06	27,668.05
Liquor Miscellaneous	34.56	187.27

	<u>2010-11</u>	<u>2009-10</u>
Professional Fees	(198,095.75)	71,542.75
Bank Service Charges	48,121.86	76,169.30
Armored Collection Service	36,160.46	37,187.75
Counterfeits	520.00	2,000.00
Security Guard Service	206,637.67	167,006.93
Credit/Debit Card Services	1,705,413.33	1,708,887.89
Public Relations	(10,901.89)	55,655.18
Treasury Department Services	(56,385.60)	15,000.00
Legal Fees	49,109.64	36,124.10
Conference Expenses	8,963.30	9,157.34
Printing Purchased Outside	1,905.89	79,815.00
Advertising	45,640.17	34,355.98
Telecommunications Toll Free Inbound Services	3,488.80	8,685.86
Interest/Utility Late Charge Penalties	483.29	561.51
Postage	18,287.64	45,635.27
Postage Issued from Inventory	15,702.86	31,679.45
Freight - Miscellaneous	(1,953.38)	52,429.21
Freight - Liquor Direct to Stores	-	(7,813.40)
Telecommunications Recurring Fixed Charges	1,027,803.03	414,194.29
Telecommunications Usage Charges	19,742.07	14,221.56
Telecommunications Nonrecurring Charges	2,391.39	11,815.45
Travel	38,227.09	72,927.85
Water and Sewerage	16,242.08	59,996.02
Electricity	435,148.48	645,421.41
Heating Fuel	30,556.53	28,965.09
Consulting Services - EDP	478,571.08	92,594.76
EDP Contractual Services - Vendor Provided	3,825,373.43	1,765,083.54
EDP Software - Vendor Provided	-	3,600.00
Subscriptions	-	12,957.43
Membership Dues	6,585.00	50.00
Insurance, Surety and Fidelity Bonds	7,496.44	16,670.60
Gasoline	65,311.19	108,604.48
Motorized Equipment Supplies - Miscellaneous	15,631.81	3,528.88
Motorized Equipment Repairs	1,127.85	19,191.73
Contracted Maint. Services - Data Processing	127,555.74	83,883.45
Contracted Maint. Services - Bldgs & Grounds	53,737.97	(3,542.91)
Contracted Maint. Services - Office Equipment	42,428.88	90,206.30
Contracted Maint. Services - Other	107,887.64	118,794.04
Rent of Real Estate	(176,309.05)	52,092.00
Store Rent	3,367,090.06	3,089,840.08
District Office Rent	88,001.51	73,932.51
Real Estate Taxes on Leased Property	10,981.66	27,736.46
Motorized Equipment Rentals	30,915.87	(8,316.96)
Other Equipment Rentals	(11.05)	448.69
Price Variance - Non-Merchandise	(4.56)	-

	<u>2010-11</u>	<u>2009-10</u>
Wearing Apparel	-	2,616.70
Food	146.15	236.37
Housekeeping Supplies Issued from Inventory	189,662.59	183,757.91
Housekeeping Supplies	212.42	(1,015.21)
Printed Forms	71.48	14.25
Office Supplies Issued from Inventory	60.40	2,559.03
Office Supplies	(101,399.87)	296,808.89
EDP Software	103,279.42	34,527.48
Other IT Equipment	177,806.52	286,067.49
Maintenance Supplies Issued from Inventory	568.00	1,465.34
Maintenance Supplies	491.20	165,206.05
Over/Short Store Expense Account	55,971.73	394,648.48
Store Breakage Expenses	43,863.05	42,717.32
Transfers - Lab or Wine Tasting	6,398.51	4,901.59
Other Inventory Adjustments	255,118.67	175,139.01
Other Services and Supplies	9,041.65	5,204.54
State Pmts. to Inst. of Higher Ed. - State Owned	-	5,174.32
State Payments to Governmental Subrecipients	-	13,590.54
State Payments to Nonprofit Institutions	-	20,289.05
Amortization of Leasehold Improvements	16,253.55	8,429.86
Amortization of Computer Software - Internally Generated	860,869.23	719,191.53
Depreciation of Machinery & Equipment	29,699.16	31,484.10
Depreciation of Buildings	75,295.86	82,869.19
Depreciation of Computers and Peripherals	(193,031.61)	80,833.39
Warehouse/Bottle Area Damaged Merchandise	-	1,040.50
<b>TOTAL OPERATING EXPENSES</b>	<u>33,356,099.43</u>	<u>39,750,941.17</u>
<b>MERCHANDISING INCOME</b>	<u>\$ 6,173,009.14</u>	<u>\$ (5,838,778.21)</u>

	<u>2010-11</u>	<u>2009-10</u>
ADD: <u>OTHER INCOME</u>	251,383.76	374,765.21
Miscellaneous	31,775.50	32,933.26
Interest		
Gain or (Loss) on Sale of Securities		
Interest on Deposits		
Licensing:	339,790.00	355,365.00
License Fees	172,926.25	238,724.00
Application Fees	63,065.00	490.00
Transfer Fees	564,665.48	648,141.26
Permit Fees	65,120.00	60,310.00
Entertainment Fees	-	(250.00)
Bond Forfeitures	171,790.00	160,800.00
Administrative Fees	(339,790.00)	(355,365.00)
LESS: Fees Returnable to Municipalities		
	<u>1,320,725.99</u>	<u>1,515,913.73</u>
TOTAL OTHER INCOME		
	<u>7,493,735.13</u>	<u>(4,322,864.48)</u>
NET INCOME BEFORE PSP ENFORCEMENT		
PSP ENFORCEMENT:		
Income	146,303.63	160,858.29
LESS: Expenses	1,458,190.22	1,428,403.94
Net PSP Enforcement	<u>(1,311,886.59)</u>	<u>(1,267,545.65)</u>
NET INCOME	<u>\$ 6,181,848.54</u>	<u>\$ (5,590,410.13)</u>