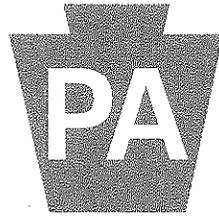


**Commonwealth of Pennsylvania**

**Pennsylvania Liquor Control Board**



**pennsylvania**  
LIQUOR CONTROL BOARD

**FINANCIAL STATEMENTS**

**FISCAL YEAR 2012-2013**

**Month Ending June 30, 2013**

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

For The Period Ending June 30, 2013

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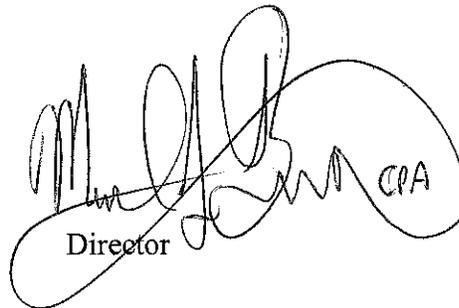


COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE BUDGET  
COMPTROLLER OPERATIONS  
555 Walnut Street, 9<sup>th</sup> Floor  
Harrisburg, PA 17101-1925

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, 2013 and June 30, 2012, and the balance sheet for the Liquor License Fund as of June 30, 2013 and June 30, 2012 and the related State Stores Fund comparative statements of revenues, expenses, and changes in fund net assets for the period ended June 30, 2013 and June 30, 2012, 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.



Director CPA

July 24, 2013

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

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<b>Assets:</b>		
Current Assets:		
Cash	\$ 18,406,904	\$ 32,024,630
Investments-Short Term	160,551,983	163,539,020
Accounts and Claims Receivable (Net)	1,060,825	17,543,086
Inventory - Merchandise	197,826,813	175,902,668
Inventory - Operating Supplies	799,263	936,827
Prepaid Expenses	<u>2,781,873</u>	<u>2,451,971</u>
Total Current Assets	<u>381,427,661</u>	<u>392,398,202</u>
Fixed Assets:		
Land	322,973	322,973
Buildings	19,620,370	19,738,569
Leasehold Improvements	2,911,837	3,096,809
Machinery and Equipment	36,543,314	37,125,676
Computer Software - Internally Generated	<u>62,281,915</u>	<u>57,035,414</u>
	121,680,409	117,319,441
Less: Accumulated Depreciation/Amortization	<u>77,268,156</u>	<u>64,194,397</u>
Total Fixed Assets	<u>44,412,253</u>	<u>53,125,044</u>
Total Assets	<u>\$ 425,839,914</u>	<u>\$ 445,523,246</u>
 <b><u>Liabilities and Fund Equity</u></b>  		
<b>Liabilities:</b>		
Trade Accounts Payable	\$ 239,797,992	\$ 213,773,579
Other Accounts Payable	18,807,505	11,646,969
Other Accounts Payable - OPEB (Note 4)	57,378,883	46,146,688
Accrued Payroll-Related Expenses	39,652,481	38,936,392
Workers' Compensation Liability (Note 5)	30,918,369	30,517,411
Due to Other Funds	3,304,571	4,320,732
Advances From the General Fund	<u>-</u>	<u>110,000,000</u>
Total Liabilities	389,859,801	455,341,771
 <b>Net Assets:</b>		
Invested in Capital Assets, net of related debt	44,412,253	53,125,044
Unrestricted	<u>(8,432,140)</u>	<u>(62,943,569)</u>
<b>Total Net Assets</b>	<u>\$ 35,980,113</u>	<u>\$ (9,818,525)</u>

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

---

	<u>June 2013</u>	<u>June 2012</u>
<b>Assets:</b>		
Cash in Transit	\$ 69,380	116,775
Investments - Short Term	<u>2,292,055</u>	<u>2,265,396</u>
Total Assets	<u>\$ 2,361,435</u>	<u>\$ 2,382,171</u>
<b>Liabilities:</b>		
License Fees due Municipalities	\$ 2,359,385	\$ 2,380,121
Other Liabilities	<u>2,050</u>	<u>2,050</u>
Total Liabilities	<u>\$ 2,361,435</u>	<u>\$ 2,382,171</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, 2013 and June 30, 2012  
(Unaudited)**

	<b>June 2012-13</b>	<b>June 2011-12</b>
Sales Net of Taxes	\$ 1,731,463,014	\$ 1,657,205,175
Cost of Goods Sold	1,192,047,304	1,145,466,732
<b>Gross Revenue from Sales</b>	<b>539,415,710</b>	<b>511,738,443</b>
<b>Operating Expenses:</b>		
Purchasing, Storage & Transportation	16,286,801	17,125,296
Stores' Operations & Supervision (Note 7)	286,349,013	284,111,215
Central Administrative Support	68,595,789	69,366,143
Comptroller Operations	4,889,463	5,318,143
Commonwealth-Provided Services (Note 2)	11,416,921	11,144,337
Total	387,537,987	387,065,134
<b>Operating Income</b>	<b>151,877,723</b>	<b>124,673,309</b>
<b>Nonoperating Revenues (Expenses):</b>		
Enforcement Fines	1,346,662	1,492,458
Interest Income	503,060	249,489
License Fees	11,901,883	11,528,776
Miscellaneous Income	2,348,475	2,800,855
Administrative Law Judge	(2,121,724)	(2,086,323)
Legal	(2,723,331)	(2,948,360)
Licensing & Investigations	(10,782,410)	(10,478,384)
Total	472,615	558,511
<b>Income Before Operating Transfers</b>	<b>152,350,338</b>	<b>125,231,821</b>
<b>Operating Transfers Out:</b>		
PSP Enforcement (Note 3)	23,984,381	21,737,286
<b>Income After Enforcement/Before Other Transfers</b>	<b>128,365,957</b>	<b>103,494,535</b>
<b>Other Operating Transfers Out:</b>		
General Fund Appropriations (Note 3)	80,000,000	80,000,000
Drug and Alcohol Programs (Note 3)	2,567,319	2,069,891
Total	82,567,319	82,069,891
<b>Change in Net Assets</b>	<b>45,798,638</b>	<b>21,424,644</b>
Total Net Assets - Beginning	(9,818,525)	(31,243,169)
Total Net Assets - Ending	<b>\$ 35,980,113</b>	<b>\$ (9,818,525)</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 2013 and June 30, 2012**  
 (Unaudited)

	June 2012-13	June 2011-12
Sales Net of Taxes	\$ 138,754,169	\$ 140,110,032
Cost of Goods Sold	95,208,617	97,596,911
<b>Gross Revenue from Sales</b>	<b>43,545,552</b>	<b>42,513,121</b>
Operating Expenses:		
Purchasing, Storage & Transportation	1,198,328	569,467
Stores' Operations & Supervision (Note 7)	25,055,923	15,529,653
Central Administrative Support	6,046,015	6,359,022
Comptroller Operations	356,935	843,443
Commonwealth-Provided Services (Note 2)	940,746	860,036
Total	33,597,947	24,161,620
<b>Operating Income</b>	<b>9,947,605</b>	<b>18,351,501</b>
Nonoperating Revenues (Expenses):		
Enforcement Fines	169,184	99,785
Interest Income	36,468	38,639
License Fees	869,085	854,024
Miscellaneous Income	256,686	324,557
Administrative Law Judge	(163,268)	(194,317)
Legal	(234,054)	(228,674)
Licensing & Investigations	(929,413)	(860,440)
Total	4,688	33,574
<b>Income Before Operating Transfers</b>	<b>9,952,293</b>	<b>18,385,075</b>
Operating Transfers Out:		
PSP Enforcement (Note 3)	1,830,929	1,613,343
<b>Income After Enforcement/Before Other Transfers</b>	<b>8,121,364</b>	<b>16,771,732</b>
Other Operating Transfers Out:		
General Fund Appropriations (Note 3)	80,000,000	40,000,000
Drug and Alcohol Programs (Note 3)	2,567,319	2,069,891
Total	82,567,319	42,069,891
<b>Change in Net Assets</b>	<b>(74,445,955)</b>	<b>(25,298,159)</b>
Total Net Assets - Beginning	110,426,068	15,479,634
Total Net Assets - Ending	<b>\$ 35,980,113</b>	<b>\$ (9,818,525)</b>

Commonwealth of Pennsylvania  
 Pennsylvania Liquor Control Board  
 State Stores Fund  
 Statement of Cash Flows  
 For the Period July 1, 2012 to June 30, 2013  
 (Unaudited)

<b>Cash Flows From Operating Activities:</b>	
Receipts from customers	\$ 1,763,542,295
Payments to suppliers	(1,667,385,627)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>96,156,668</u>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Operating transfers out	(106,551,700)
<b>Net Cash Used For Noncapital Financing Activities</b>	<u>(106,551,700)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	(6,715,470)
Disposition of capital assets	2,679
<b>Net Cash Used For Capital and Related Financing Activities</b>	<u>(6,712,791)</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of investments	(1,381,077,925)
Proceeds from sale and maturities of investments	1,384,064,962
Investment income	503,060
<b>Net Cash Used in Investing Activities</b>	<u>3,490,097</u>
<b>Net Decrease in Cash</b>	<b>(13,617,726)</b>
Cash - July 1, 2012	32,024,630
<b>Cash - June 30, 2013</b>	<b><u>\$ 18,406,904</u></b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>	
<b>Operating Income</b>	<b>151,847,278</b>
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation (depr exp)	15,425,582
Accounts Receivable	16,482,261
Inventory	(21,786,581)
Other op. net assets	(329,902)
Accounts Payable and accrued liabilities	(64,465,809)
Due to other funds	(1,016,161)
<b>Total Adjustments</b>	<b><u>(55,690,610)</u></b>
<b>Net Cash Provided By (Used For) Operating Activities:</b>	<b><u>\$ 96,156,668</u></b>

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

June 30, 2013

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, 2013 and June 30, 2012 was \$24,656,514 and \$24,383,400 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, 2012 to June 30, 2013 are as follows:

Liquor Tax	\$311,247,792
State Sales Tax	121,092,901
Local Sales Tax	<u>8,142,691</u>
Total	\$440,483,384

## 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	\$4,093,771
Department of the Auditor General	2,912,160
Department of General Services	504,021
State Civil Service Commission	913,700
Office of Administration:	
Bureau of Personnel	256,119
Integrated Enterprise System	1,703,884
Other	477,786
Office of the Budget:	
Payroll	339,300
Treasury Department	<u>216,180</u>
	<u>\$11,416,921</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 Drug and Alcohol for administering 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, 2013 and 2012 was not fully funded. The PLCB's allocated OPEB liability was \$57.38M as of June 30, 2013 and \$46.15M as of June 30, 2012.

## 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 \$30.92M as of June 30, 2013 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, 2013, were as follows (expressed in thousands):

<u>Year Ending June</u>	<u>Real Estate</u>
2014	\$32,862
2015	24,770
2016	16,710
2017	9,648
2018	<u>5,370</u>
Total Minimum Lease Payments	<u>\$89,360</u>

Rental expense for all operating leases for the period ending June 30, 2013, amounted to \$41.77M.

**State Stores Fund**  
**Comparative Operating Statement**  
**For the Twelve Months Ending June 30, 2013 and June 30, 2012**

	<u>YTD</u> <u>2012-13</u>	<u>YTD</u> <u>2011-12</u>
SALES NET OF TAXES	\$ 1,731,463,013.70	\$ 1,657,205,175.43
LESS: COST OF SALES	1,192,047,303.90	1,145,466,731.83
GROSS INCOME FROM SALES	539,415,709.80	511,738,443.60
<b>LESS: OPERATING EXPENSES</b>		
Salaries	127,354,528.85	126,657,783.54
Overtime	4,480,398.08	5,906,529.61
Shift Differential Pay	401,150.51	363,919.11
Higher Classification Pay	697,446.32	787,026.34
Wages	26,628,919.24	25,876,061.80
Office and Subsistence Payments	28,847.50	25,905.00
Wages - Shift Differential	103,093.19	93,012.11
Wages - Higher Class Pay	256,313.06	260,046.99
Employees' Health Benefits - State Share	23,807,903.13	32,784,660.88
Employees' Health & Welfare Fund - State Share	344,766.53	395,051.15
Annuitants' Hospitalization Ins. - State Share	21,867,512.87	19,735,740.89
Other Post Employment Benefits (OPEB)	11,232,194.63	10,122,460.67
Social Security Contributions - State Share	12,049,354.92	11,969,592.44
Retirement Contributions - State Share	16,233,375.35	10,998,355.21
State Workmen's Insurance Premium Payments	5,462,029.27	5,295,287.65
Employees' Group Life Insurance - State Share	315,302.86	330,052.66
Out-Service Training	125,239.35	100,359.60
Unemployment Compensation - State Share	541,200.11	758,038.91
General Pay Increase, Cash Payment	959,599.00	1,095.00
Sick Leave Payout	(97,473.02)	5,424.14
Conference Registrations	2,250.00	28,125.66
In-Service Training	7,560.00	5,109.95
Annual Leave Payout	429,386.24	436,595.75
Stipend for Active Duty Military Reservist	4,471.90	(30,285.88)
Employer Leave Payout Assessment	2,560,632.24	2,240,069.17
ER QTB Admin Fee	1,406.30	2,109.60
Estimated Accrued Operating Expenses	475,201.30	870,855.57
Drug and Alcohol Program Expenses	429.08	-
Auditor General Services	2,912,160.00	3,085,401.00
Civil Service Commission Services	913,700.44	892,373.65
Contract Personnel Services	2,104.00	75.00
Contracted Repairs	177,926.69	155,637.19
Classification and Pay Services	256,118.91	251,940.48
Purchasing Services	403,839.02	691,158.84

	YTD <u>2012-13</u>	YTD <u>2011-12</u>
Specialized Services	550,271.62	499,380.15
OA Temporary Clerical Pool Charges	2,871.38	62,129.07
Payroll Services - Commonwealth Provided	339,300.45	280,005.23
Liquor Storage and Handling	576,887.97	537,660.88
Liquor Reconditioning	269,303.45	429,952.16
Liquor Miscellaneous	-	342.90
Professional Fees	242,887.05	452,408.63
Bank Service Charges	631,212.71	629,528.92
Armored Collection Service	407,240.80	429,374.40
Counterfeits	8,928.01	12,738.44
Security Guard Service	1,848,740.34	1,601,830.49
Credit/Debit Card Services	21,453,693.92	21,194,213.84
Public Relations	184,115.11	236,454.82
Treasury Department Services	216,180.00	226,184.91
Legal Fees	756,240.92	696,107.81
Clinic Services, Medical, Mental, and Dental	2,664.00	3,295.10
Conference Expenses	67,110.27	87,650.97
Printing Purchased Outside	62,781.76	84,450.91
Advertising	6,687,079.40	6,501,763.86
Telecommunications Toll Free Inbound Services	39,040.58	43,434.74
Interest/Utility Late Charge Penalties	15,790.38	6,904.91
Postage	149,381.77	199,608.08
Postage Issued from Inventory	158,496.37	159,835.48
Freight - Liquor Into Warehouses	10,626.21	10,237.73
Freight - Miscellaneous	251,517.45	320,090.42
Freight - Liquor Direct to Stores	-	2,151.24
Telecommunications Recurring Fixed Charges	2,902,710.64	3,055,431.96
Telecomm. Recurring Fixed Charges - Credit Card Line	-	40.90
Telecommunications Usage Charges	39,092.73	90,655.30
Telecommunications Nonrecurring Charges	157,349.64	74,237.05
Telecom-Voice-Services	22,140.14	11,402.84
Travel	655,819.85	803,569.08
Water and Sewerage	242,320.22	241,658.81
Electricity	4,421,308.39	4,863,802.13
Heating Fuel	1,106,706.48	925,560.46
Consulting Services - EDP	8,664,787.30	9,366,778.83
EDP Contractual Services - Vendor Provided	11,138,474.36	12,161,620.21
Hardware Maintenance	2,849,138.37	676,535.86
Subscriptions	80,227.55	122,064.50
Membership Dues	3,569.00	7,731.00
Insurance, Surety and Fidelity Bonds	124,307.00	109,186.00
Motorized Equipment Supplies	3,723.69	6,506.62
Gasoline	509,783.30	557,162.18
Motorized Equipment Supplies - Miscellaneous	330,312.61	182,340.73

	<b>YTD 2012-13</b>	<b>YTD 2011-12</b>
Motorized Equipment Repairs	111,265.02	208,707.72
Contracted Maint. Services - Data Processing	1,703,883.83	1,621,702.36
Contracted Maint. Services - Telephone Equip.	244.75	-
Contracted Maint. Services - Bldgs & Grounds	584,157.55	845,130.31
Contracted Maint. Services - Office Equipment	121,281.03	341,905.78
Contracted Maint. Services - Other	1,622,541.67	1,648,027.88
Rent of Real Estate	260,250.00	263,757.00
Store Rent	40,373,099.43	38,704,435.79
District Office Rent	1,133,548.20	1,135,290.50
Real Estate Taxes on Leased Property	941,543.66	847,671.91
Motorized Equipment Rentals	347,893.26	363,151.60
Other Equipment Rentals	(1,497.45)	2,534.23
Price Variance - Non Merchandise	-	(2.93)
Wearing Apparel	49,547.70	24,297.35
Food	50,160.40	53,880.29
Housekeeping Supplies Issued from Inventory	2,295,661.87	2,197,432.78
Housekeeping Supplies	183,574.91	128,584.21
Printed Forms	164.66	218.14
Office Supplies Issued from Inventory	115,441.97	25,324.90
Office Supplies	1,737,295.28	2,112,057.25
EDP Software	261,960.78	563,393.09
Other IT Equipment	2,539,946.17	1,012,461.70
Educational Supplies	10,773.25	9,800.65
Agricultural Supplies & services	-	139.24
Agricultural Supplies	15,010.00	6,375.00
Recreational Supplies and Services	-	969.32
Maintenance Supplies Issued from Inventory	4,129.17	4,663.99
Maintenance Supplies	1,068,910.64	1,130,270.88
Store Water/Fire Damage	15,446.52	802.71
Over/Short Store Expense Account	370,619.82	(15,081.19)
Store Breakage Expenses	597,139.15	549,608.86
Transfers - Lab or Wine Tasting	169,638.75	82,659.11
Other Inventory Adjustments	402,449.56	4,594,626.12
Other Services and Supplies	558,096.51	(761,847.12)
State Pmts. to Inst. of Higher Ed. - State Owned	53,306.22	47,497.48
State Payments to Governmental Subrecipients	453,761.14	358,550.81
State Payments to Nonprofit Institutions	466,795.07	481,017.57
Amortization of Leasehold Improvements	176,523.39	195,455.70
Amortization of Computer Software - Internally Generated	10,579,177.51	10,375,855.19
Depreciation of Machinery and Equipment	505,433.01	395,829.68
Depreciation of Buildings	881,837.33	909,128.54

	<u>YTD</u> <u>2012-13</u>	<u>YTD</u> <u>2011-12</u>
Depreciation of Computers and Peripherals	3,281,418.27	3,051,330.15
Other Budgetary Expenses	-	995.86
<b>TOTAL OPERATING EXPENSES</b>	<u>403,165,451.06</u>	<u>402,578,200.64</u>
<b>MERCHANDISING INCOME</b>	<u>\$ 136,250,258.74</u>	<u>\$ 109,160,242.96</u>
<b>ADD: <u>OTHER INCOME</u></b>		
Miscellaneous	1,873,709.49	2,800,854.57
Misc Revenues- Bailment Penalties	474,765.50	-
Interest	503,059.99	249,489.25
Licensing:		
License Fees	4,436,478.75	4,468,852.50
Application Fees	2,054,096.00	1,993,602.00
Transfer Fees	651,020.00	612,910.00
Permit Fees	6,773,006.25	6,541,520.77
Entertainment Fees	692,098.00	681,887.00
Bond Forfeitures	(280.00)	(200.00)
Administrative Fees	1,731,942.56	1,699,055.94
LESS: Fees Returnable to Municipalities	<u>(4,436,478.75)</u>	<u>(4,468,852.50)</u>
<b>TOTAL OTHER INCOME</b>	<u>14,753,417.79</u>	<u>14,579,119.53</u>
<b>NET INCOME BEFORE PSP ENFORCEMENT</b>	<u>151,003,676.53</u>	<u>123,739,362.49</u>
<b>PSP ENFORCEMENT:</b>		
Income	1,346,662.22	1,492,458.19
LESS: Expenses	<u>23,984,381.01</u>	<u>21,737,286.18</u>
Net PSP Enforcement	<u>(22,637,718.79)</u>	<u>(20,244,827.99)</u>
<b>NET INCOME</b>	<u>\$ 128,365,957.74</u>	<u>\$ 103,494,534.50</u>

**State Stores Fund**  
**Comparative Operating Statement**  
**For the Month Ending June 30, 2013 and June 30, 2012**

	<u>2012-13</u>	<u>2011-12</u>
SALES NET OF TAXES	\$ 138,754,168.55	\$ 140,110,032.24
LESS: COST OF SALES	95,208,616.96	97,596,911.13
GROSS INCOME FROM SALES	43,545,551.59	42,513,121.11
LESS: <u>OPERATING EXPENSES</u>		
Salaries	10,314,889.67	10,505,119.87
Overtime	219,567.75	271,229.00
Shift Differential Pay	31,131.51	31,571.07
Higher Classification Pay	58,877.92	59,760.27
Wages	2,389,705.51	2,359,196.82
Office and Subsistence Payments	4,537.50	2,200.00
Wages - Shift Differential	8,624.28	7,927.29
Wages - Higher Class Pay	27,824.13	29,546.83
Employees' Health Benefits - State Share	2,767,641.68	(2,163,354.85)
Employees' Health & Welfare Fund - State Share	27,100.11	31,045.18
Annuitants' Hospitalization Ins. - State Share	1,920,291.82	1,750,273.51
Other Post Employment Benefits (OPEB)	1,882,194.63	(1,977,539.33)
Social Security Contributions - State Share	982,418.28	998,230.61
Retirement Contributions - State Share	1,635,785.73	1,124,018.15
State Workmen's Insurance Premium Payments	227,388.29	(2,300,618.58)
Employees' Group Life Insurance - State Share	25,162.24	26,691.22
Out-Service Training	2,085.00	10,095.00
Unemployment Compensation - State Share	109,643.24	196,945.00
General Pay Increase, Cash Payment	1,371.00	-
Sick Leave Payout	(85,585.65)	2,798.02
Conference Registrations	-	551.25
In-Service Training	-	63.00
Annual Leave Payout	412,022.09	406,638.32
Stipend for Active Duty Military Reservist	(4,722.37)	1,430.00
Employer Leave Payout Assessment	213,277.51	200,256.32
ER QTB Admin Fee	-	176.09
Estimated Accrued Operating Expenses	41,730.54	414,545.37
Auditor General Services	226,000.00	301,411.00
Civil Service Commission Services	73,548.26	70,672.89
Contract Personnel Services	2,104.00	-
Contracted Repairs	30,432.16	(20,629.41)
Classification and Pay Services	21,691.48	23,732.21
Purchasing Services	4,762.12	(13,427.84)
Specialized Services	43,726.05	41,706.18
OA Temporary Clerical Pool Charges	-	729.68
Payroll Services - Commonwealth Provided	43,095.15	11,137.58
Liquor Storage and Handling	33,589.00	32,605.43
Liquor Reconditioning	140,691.02	32,261.29

2012-132011-12

Professional Fees	1,900.44	40,514.85
Bank Service Charges	38,999.74	49,640.29
Armored Collection Service	35,258.13	34,404.55
Counterfeits	450.00	1,947.50
Security Guard Service	188,432.09	140,577.92
Credit/Debit Card Services	1,861,316.51	1,704,899.72
Public Relations	42,350.00	-
Treasury Department Services	17,950.00	(21,945.12)
Legal Fees	63,070.17	59,295.50
Conference Expenses	10,535.88	6,848.74
Printing Purchased Outside	8,251.70	1,136.00
Advertising	162,707.80	73,740.74
Telecommunications Toll Free Inbound Services	3,488.80	3,488.80
Interest/Utility Late Charge Penalties	1,069.26	418.68
Postage	16,993.11	24,656.04
Postage Issued from Inventory	16,521.30	12,008.03
Freight - Miscellaneous	23,477.64	41,941.09
Telecommunications Recurring Fixed Charges	249,293.80	234,696.15
Telecommunications Usage Charges	3,072.75	3,763.87
Telecommunications Nonrecurring Charges	8,313.48	4,260.13
Telecom- Voice-Data Service	1,177.81	4,929.32
Travel	76,166.40	75,280.79
Water and Sewerage	15,972.55	16,789.55
Electricity	405,505.70	393,146.07
Heating Fuel	20,621.03	17,483.46
Consulting Services - EDP	969,448.26	2,561,052.21
EDP Contractual Services - Vendor Provided	690,104.63	802,041.49
Hardware Maintenance	77,623.25	642.24
Subscriptions	6,560.20	15,807.24
Membership Dues	830.00	3,580.00
Insurance, Surety and Fidelity Bonds	8,513.27	6,005.10
Motorized Equipment Supplies	-	43.98
Gasoline	143,190.27	50,267.13
Motorized Equipment Supplies - Miscellaneous	21,777.86	25,247.19
Motorized Equipment Repairs	-	19,537.46
Contracted Maint. Services - Data Processing	145,421.47	147,946.08
Contracted Maint. Services - Bldgs & Grounds	38,976.83	81,126.63
Contracted Maint. Services - Office Equipment	89,733.66	(30.61)
Contracted Maint. Services - Other	120,902.35	109,989.71
Rent of Real Estate	21,714.00	24,948.00
Store Rent	3,423,504.93	3,437,375.25
District Office Rent	90,464.79	97,317.75
Real Estate Taxes on Leased Property	53,375.71	17,320.12
Motorized Equipment Rentals	44,458.81	25,382.39
Other Equipment Rentals	8.95	122.95

2012-132011-12

Food	6,708.82	8,060.72
Housekeeping Supplies Issued from Inventory	192,241.47	192,119.60
Housekeeping Supplies	9,691.95	13,968.25
Printed Forms	59.97	2.06
Office Supplies Issued from Inventory	13,492.57	-
Office Supplies	104,163.22	215,483.76
EDP Software	93,217.77	350,178.69
Other IT Equipment	250,830.18	104,809.97
Educational Supplies	7,123.33	-
Maintenance Supplies Issued from Inventory	56.00	685.87
Maintenance Supplies	125,290.44	156,779.99
Store Water/Fire Damage	56.13	212.75
Over/Short Store Expense Account	(345,292.59)	28,822.80
Store Breakage Expenses	45,868.78	43,513.86
Transfers - Lab or Wine Tasting	19,790.71	7,664.71
Other Inventory Adjustments	(195,152.09)	176,310.21
Other Services and Supplies	7,717.81	22,019.89
State Payments to Governmental Subrecipients	2,496.00	-
State Payments to Nonprofit Institutions	-	(130.80)
Amortization of Leasehold Improvements	14,218.29	15,492.80
Amortization of Computer Software - Internally Generated	1,102,107.58	858,906.55
Depreciation of Machinery & Equipment	46,892.79	65,174.15
Depreciation of Buildings	73,315.04	80,868.58
Depreciation of Computers and Peripherals	297,679.22	285,467.13
TOTAL OPERATING EXPENSES	<u>34,924,680.37</u>	<u>25,445,050.96</u>
MERCHANDISING INCOME	<u>\$ 8,620,871.22</u>	<u>\$ 17,068,070.15</u>

2012-132011-12ADD: OTHER INCOME

Miscellaneous	93,524.72	324,557.34
Misc Revenues- Bailment Penalties	163,161.00	-
Interest	36,467.70	38,638.59
Licensing:		
License Fees	294,160.00	308,462.50
Application Fees	147,710.00	188,348.75
Transfer Fees	50,420.00	50,520.00
Permit Fees	476,908.75	433,292.50
Entertainment Fees	49,780.00	46,380.00
Bond Forfeitures	-	-
Administrative Fees	144,266.00	135,482.50
LESS: Fees Returnable to Municipalities	<u>(294,160.00)</u>	<u>(308,462.50)</u>
 TOTAL OTHER INCOME	 <u>1,162,238.17</u>	 <u>1,217,219.68</u>
 NET INCOME BEFORE PSP ENFORCEMENT	 <u>9,783,109.39</u>	 <u>18,285,289.83</u>
 PSP ENFORCEMENT:		
Income	169,184.00	99,785.00
LESS: Expenses	<u>1,830,929.01</u>	<u>1,613,343.50</u>
Net PSP Enforcement	<u>(1,661,745.01)</u>	<u>(1,513,558.50)</u>
 NET INCOME	 <u>\$ 8,121,364.38</u>	 <u>\$ 16,771,731.33</u>