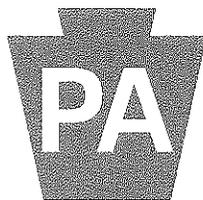


Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board



pennsylvania
LIQUOR CONTROL BOARD

FINANCIAL STATEMENTS

FISCAL YEAR 2011-2012

Month Ending June 30, 2012

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

For The Period Ending June 30, 2012

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, 2011 – June 30, 2012	4
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS – June 30, 2012	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, 2012 and June 30, 2011, and the balance sheet for the Liquor License Fund as of June 30, 2012 and June 30, 2011 and the related State Stores Fund comparative statements of revenues, expenses, and changes in fund net assets for the period ended June 30, 2012 and June 30, 2011, 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. Jaworski CPA

Comptroller

August 8, 2012

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

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Assets:		
Current Assets:		
Cash	\$ 32,024,630	\$ 15,830,679
Investments-Short Term	163,539,020	92,384,363
Accounts and Claims Receivable (Net)	17,543,086	913,266
Inventory - Merchandise	175,902,668	265,816,891
Inventory - Operating Supplies	936,827	323,074
Prepaid Expenses	<u>2,451,971</u>	<u>2,335,668</u>
Total Current Assets	<u>392,398,202</u>	<u>377,603,941</u>
Fixed Assets:		
Land	322,973	322,973
Buildings	19,738,569	19,620,370
Leasehold Improvements	3,096,809	3,140,801
Machinery and Equipment	37,125,675	30,761,991
Computer Software - Internally Generated	<u>57,035,414</u>	<u>60,220,997</u>
	117,319,441	114,067,132
Less: Accumulated Depreciation/Amortization	<u>64,194,397</u>	<u>53,885,270</u>
Total Fixed Assets	<u>53,125,044</u>	<u>60,181,862</u>
Total Assets	<u>\$ 445,523,246</u>	<u>\$ 437,785,803</u>
 <u>Liabilities and Fund Equity</u> 		
Liabilities:		
Trade Accounts Payable	\$ 213,773,579	\$ 242,047,123
Other Accounts Payable	11,646,969	11,099,067
Other Accounts Payable - OPEB (Note 4)	46,146,688	36,024,228
Accrued Payroll-Related Expenses	38,936,392	36,757,182
Workers' Compensation Liability (Note 5)	30,517,411	29,927,798
Due to Other Funds	4,320,732	3,173,574
Advances From the General Fund	<u>110,000,000</u>	<u>110,000,000</u>
Total Liabilities	455,341,771	469,028,972
 Net Assets:		
Invested in Capital Assets, net of related debt	53,125,044	60,181,862
Unrestricted	<u>(62,943,569)</u>	<u>(91,425,031)</u>
Total Net Assets	<u>\$ (9,818,525)</u>	<u>\$ (31,243,169)</u>

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

	June 2012	June 2011
Assets:		
Cash in Transit	\$ 116,775	\$ 82,775
Investments - Short Term	<u>2,265,396</u>	<u>2,570,564</u>
Total Assets	<u>\$ 2,382,171</u>	<u>\$ 2,653,339</u>
 Liabilities:		
License Fees due Municipalities	\$ 2,380,121	\$ 2,651,289
Other Liabilities	<u>2,050</u>	<u>2,050</u>
Total Liabilities	<u>\$ 2,382,171</u>	<u>\$ 2,653,339</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, 2012 and June 30, 2011
(Unaudited)

	June YTD 2011-12	June YTD 2010-11
Sales Net of Taxes	\$ 1,657,205,175	\$ 1,571,222,784
Cost of Goods Sold	<u>1,145,466,732</u>	<u>1,080,960,596</u>
Gross Revenue from Sales	511,738,444	490,262,188
Operating Expenses:		
Purchasing, Storage & Transportation	17,125,296	18,341,363
Stores' Operations & Supervision	284,111,215	283,919,494
Central Administrative Support	69,366,143	68,137,911
Comptroller Operations	5,318,143	5,217,381
Commonwealth-Provided Services (Note 2)	<u>11,144,337</u>	<u>10,470,658</u>
Total	<u>387,065,134</u>	<u>386,086,807</u>
Operating Income	124,673,309	104,175,381
Nonoperating Revenues (Expenses):		
Enforcement Fines	1,492,458	1,839,629
Interest Income	249,489	258,869
License Fees	11,528,776	11,694,225
Miscellaneous Income	2,800,855	1,637,463
Administrative Law Judge	(2,086,323)	(2,225,995)
Legal	(2,948,360)	(3,079,195)
Licensing & Investigations	<u>(10,478,384)</u>	<u>(10,287,739)</u>
Total	<u>558,511</u>	<u>(162,743)</u>
Income Before Operating Transfers	125,231,821	104,012,638
Operating Transfers Out:		
PSP Enforcement (Note 3)	<u>21,737,286</u>	<u>20,308,316</u>
Income After Enforcement/Before Other Transfers	103,494,535	83,704,322
Other Operating Transfers Out:		
General Fund Appropriations (Note 3)	80,000,000	105,000,000
Drug and Alcohol Programs (Note 3)	2,069,891	<u>1,674,086</u>
Total	<u>82,069,891</u>	<u>106,674,086</u>
Change in Net Assets	21,424,644	(22,969,764)
Total Net Assets - Beginning	<u>(31,243,169)</u>	<u>(8,273,405)</u>
Total Net Assets - Ending	<u>\$ (9,818,525)</u>	<u>\$ (31,243,169)</u>

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, 2012 and June 30, 2011
(Unaudited)

	June 2011-12	June 2010-11
Sales Net of Taxes	\$ 140,110,032	\$ 126,719,176
Cost of Goods Sold	<u>97,596,911</u>	<u>87,190,068</u>
Gross Revenue from Sales	42,513,121	39,529,108
 Operating Expenses:		
Purchasing, Storage & Transportation	569,467	973,045
Stores' Operations & Supervision	15,529,653	21,681,764
Central Administrative Support	6,359,022	8,438,504
Comptroller Operations	843,443	239,993
Commonwealth-Provided Services (Note 2)	<u>860,036</u>	<u>777,822</u>
Total	<u>24,161,620</u>	<u>32,111,128</u>
Operating Income	18,351,501	7,417,980
 Nonoperating Revenues (Expenses):		
Enforcement Fines	99,785	146,304
Interest Income	38,639	31,775
License Fees	854,024	1,037,567
Miscellaneous Income	324,557	251,383
Administrative Law Judge	(194,317)	(167,859)
Legal	(228,674)	(255,757)
Licensing & Investigations	<u>(860,440)</u>	<u>(821,355)</u>
Total	<u>33,574</u>	<u>222,058</u>
Income Before Operating Transfers	18,385,075	7,640,038
 Operating Transfers Out:		
PSP Enforcement (Note 3)	<u>1,613,343</u>	<u>1,458,190</u>
Income After Enforcement/Before Other Transfers	16,771,732	6,181,848
 Other Operating Transfers Out:		
General Fund Appropriations (Note 3)	40,000,000	105,000,000
Drug and Alcohol Programs (Note 3)	2,069,891	1,674,086
Total	<u>42,069,891</u>	<u>106,674,086</u>
Change in Net Assets	(25,298,159)	(100,492,238)
Total Net Assets - Beginning	<u>15,479,634</u>	<u>69,249,069</u>
Total Net Assets - Ending	<u>\$ (9,818,525)</u>	<u>\$ (31,243,169)</u>

Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Statement of Cash Flows
For the Period July 1, 2011 to June 30, 2012
(Unaudited)

Reconciliation of net income to net cash		
provided by operating activities:		
Net Income		\$ 103,494,535
Adjustments To Reconcile Operating Income to Net		
Cash Provided By Operating Activities:		
Depreciation	\$ 14,927,599	
Increase In Receivables (Net Of Allowance)	(16,629,820)	
Decrease In Inventory	89,300,470	
Increase In Other Assets	(116,303)	
Decrease In Accounts Payable and Accrued Liabilities	(14,834,359)	
Increase In Due to Other Funds	<u>1,147,158</u>	
Total Adjustments		<u>73,794,745</u>
Net Cash Provided By Operating Activities		177,289,280
Cash Flows From NonCapital Financing Activities:		
Operating Transfers Out	<u>(82,069,891)</u>	
Net Cash Used by Noncapital Financing Activities		(82,069,891)
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(7,878,668)	
Disposition of Capital Assets	<u>7,886</u>	
Net Cash used by Capital and related financing activities		(7,870,782)
Cash Flows From Investing Activities		
Purchase of Investments	(1,234,738,461)	
Proceeds From Sale and Maturities of Investments	<u>1,163,583,805</u>	
Net Cash Used For Investing Activities		<u>(71,154,656)</u>
Net Increase in Cash		16,193,951
Cash - June 30, 2011		<u>15,830,679</u>
Cash - June 30, 2012		<u>\$ 32,024,630</u>

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES AND LIQUOR LICENSE FUNDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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, 2012 and June 30, 2011 was \$24,383,400 and \$24,005,660 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, 2011 to June 30, 2012 are as follows:

Liquor Tax	\$298,144,199
State Sales Tax	116,033,064
Local Sales Tax	<u>7,835,495</u>
Total	\$422,012,758

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	\$3,848,272
Department of the Auditor General	3,085,401
Department of General Services	769,592
State Civil Service Commission	892,374
Office of Administration:	
Bureau of Personnel	251,940
Integrated Enterprise System	1,621,533
Other	169,035
Office of the Budget:	
Payroll	280,005
Treasury Department	<u>226,185</u>
	<u>\$11,144,337</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, 2012 and 2011 was not fully funded. The PLCB's allocated OPEB liability was \$46.15M as of June 30, 2012 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 \$30.52M as of June 30, 2012 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, 2012, were as follows (expressed in thousands):

<u>Year Ending June</u>	<u>Real Estate</u>
2012	\$30,858
2013	22,535
2014	16,982
2015	10,167
2016	<u>4,878</u>
Total Minimum Lease Payments	<u>\$85,420</u>

Rental expense for all operating leases for the period ending June 30, 2012, amounted to \$40.10M.

State Stores Fund
Comparative Operating Statement
For the Twelve Months Ending June 30, 2012 and June 30, 2011

	<u>YTD</u> <u>2011-12</u>	<u>YTD</u> <u>2010-11</u>
SALES NET OF TAXES	\$ 1,657,205,175.43	\$ 1,571,222,784.04
LESS: COST OF SALES	1,145,466,731.83	1,080,960,596.22
GROSS INCOME FROM SALES	511,738,443.60	490,262,187.82
LESS: OPERATING EXPENSES		
Salaries	126,657,783.54	128,517,726.05
Overtime	5,906,529.61	6,944,216.18
Shift Differential Pay	363,919.11	379,736.51
Higher Classification Pay	787,026.34	857,499.17
Wages	25,876,061.80	26,825,899.40
Office and Subsistence Payments	25,905.00	26,251.50
Wages - Shift Differential	93,012.11	96,622.81
Wages - Higher Class Pay	260,046.99	233,197.86
Employees' Health Benefits - State Share	32,784,660.88	39,375,651.28
Employees' Health & Welfare Fund - State Share	395,051.15	498,904.58
Annuitants' Hospitalization Ins. - State Share	19,735,740.89	16,634,777.98
Other Post Employment Benefits (OPEB)	10,122,460.67	11,010,940.00
Social Security Contributions - State Share	11,969,592.44	12,017,736.60
Retirement Contributions - State Share	10,998,355.21	6,991,818.07
State Workmen's Insurance Premium Payments	5,295,287.65	7,099,843.05
Employees' Group Life Insurance - State Share	330,052.66	307,072.70
Out-Service Training	100,359.60	192,080.00
Unemployment Compensation - State Share	758,038.91	921,405.88
General Pay Increase, Cash Payment	1,095.00	806,090.00
Sick Leave Payout	5,424.14	(1,093,196.60)
Conference Registrations	28,125.66	-
In-Service Training	5,109.95	94,485.00
Annual Leave Payout	436,595.75	(288,893.23)
Stipend for Active Duty Military Reservist	(30,285.88)	34,465.70
Employer Leave Payout Assessment	2,240,069.17	2,946,456.29
ER QTB Admin Fee	2,109.60	1,668.16
Estimated Accrued Operating Expenses	870,855.57	299,032.02
Auditor General Services	3,085,401.00	2,877,826.00
Civil Service Commission Services	892,373.65	860,120.83
Contract Personnel Services	75.00	2,250.00
Contracted Repairs	155,637.19	121,040.57
Classification and Pay Services	251,940.48	205,958.61
Purchasing Services	691,158.84	364,291.64

	<u>YTD</u> <u>2011-12</u>	<u>YTD</u> <u>2010-11</u>
Specialized Services	499,380.15	1,221,752.49
OA Temporary Clerical Pool Charges	62,129.07	26,084.51
Payroll Services - Commonwealth Provided	280,005.23	352,993.24
Liquor Storage and Handling	537,660.88	735,821.39
Liquor Reconditioning	429,952.16	399,972.20
Liquor Miscellaneous	342.90	1,874.24
Professional Fees	452,408.63	(45,751.93)
Bank Service Charges	629,528.92	593,183.92
Armored Collection Service	429,374.40	419,015.22
Counterfeits	12,738.44	9,704.55
Security Guard Service	1,601,830.49	1,956,354.64
Credit/Debit Card Services	21,194,213.84	21,386,220.54
Public Relations	236,454.82	151,075.97
Treasury Department Services	226,184.91	180,021.67
Legal Fees	696,107.81	827,295.74
Clinic Services, Medical, Mental, and Dental	3,295.10	2,988.06
Conference Expenses	87,650.97	72,887.60
Printing Purchased Outside	84,450.91	35,805.94
Advertising	6,501,763.86	5,799,737.61
Telecommunications Toll Free Inbound Services	43,434.74	45,446.53
Interest/Utility Late Charge Penalties	6,904.91	10,515.71
Postage	199,608.08	276,749.03
Postage Issued from Inventory	159,835.48	177,003.10
Freight - Liquor Into Warehouses	10,237.73	3,395.95
Freight - Miscellaneous	320,090.42	169,810.24
Freight - Liquor Direct to Stores	2,151.24	14,367.70
Telecommunications Recurring Fixed Charges	3,055,431.96	3,131,770.96
Telecomm. Recurring Fixed Charges - Credit Card Line	40.90	2.47
Telecommunications Usage Charges	90,655.30	122,353.80
Telecommunications Nonrecurring Charges	74,237.05	57,461.48
Telecomm. Nonrecurring Charges - Credit Card Line	-	86.12
Telecom-Voice-Services	11,402.84	-
Travel	803,569.08	719,366.76
Water and Sewerage	241,658.81	230,308.50
Electricity	4,863,802.13	5,424,111.89
Heating Fuel	925,560.46	1,309,317.52
Consulting Services - EDP	9,366,778.83	1,419,328.71
EDP Contractual Services - Vendor Provided	12,161,620.21	21,108,362.91
EDP Software - Vendor Provided	-	7,200.00
Hardware Maintenance	676,535.86	-
Subscriptions	122,064.50	34,091.95
Membership Dues	7,731.00	10,200.00
Insurance, Surety and Fidelity Bonds	109,186.00	142,953.00
Motorized Equipment Supplies	6,506.62	570.00
Gasoline	557,162.18	481,251.20
Motorized Equipment Supplies - Miscellaneous	182,340.73	111,707.47

	<u>YTD</u> <u>2011-12</u>	<u>YTD</u> <u>2010-11</u>
Motorized Equipment Repairs	208,707.72	251,353.12
Contracted Maint. Services - Data Processing	1,621,702.36	1,535,885.02
Contracted Maint. Services - Bldgs & Grounds	845,130.31	729,843.71
Contracted Maint. Services - Office Equipment	341,905.78	803,224.54
Contracted Maint. Services - Other	1,648,027.88	1,559,312.52
Rent of Real Estate	263,757.00	419,901.00
Store Rent	38,704,435.79	37,790,308.99
District Office Rent	1,135,290.50	1,172,645.79
Real Estate Taxes on Leased Property	847,671.91	821,656.98
Motorized Equipment Rentals	363,151.60	421,293.15
Other Equipment Rentals	2,534.23	616.60
Price Variance - Non Merchandise	(2.93)	(811.77)
Wearing Apparel	24,297.35	4,264.70
Food	53,880.29	4,734.15
Housekeeping Supplies Issued from Inventory	2,197,432.78	2,231,893.07
Housekeeping Supplies	128,584.21	218,078.66
Printed Forms	218.14	399.52
Office Supplies Issued from Inventory	25,324.90	35,078.16
Office Supplies	2,112,057.25	1,212,122.58
EDP Software	563,393.09	530,954.34
Other IT Equipment	1,012,461.70	640,696.60
Educational Supplies	9,800.65	564.29
Agricultural Supplies & services	139.24	-
Agricultural Supplies	6,375.00	170.85
Recreational Supplies and Services	969.32	-
Maintenance Supplies Issued from Inventory	4,663.99	8,838.42
Maintenance Supplies	1,130,270.88	655,584.35
Store Water/Fire Damage	802.71	(43.07)
Over/Short Store Expense Account	(15,081.19)	(169,546.28)
Store Breakage Expenses	549,608.86	569,895.47
Transfers - Lab or Wine Tasting	82,659.11	70,003.02
Other Inventory Adjustments	4,594,626.12	1,949,106.72
Other Services and Supplies	(761,847.12)	187,612.38
State Pmts. to Inst. of Higher Ed. - State Owned	47,497.48	37,759.29
State Payments to Governmental Subrecipients	358,550.81	240,944.87
State Payments to Nonprofit Institutions	481,017.57	306,289.32
Amortization of Leasehold Improvements	195,455.70	202,738.06
Amortization of Computer Software - Internally Generated	10,375,855.19	9,566,256.54
Depreciation of Machinery and Equipment	395,829.68	383,672.27
Depreciation of Buildings	909,128.54	962,378.27

	<u>YTD</u> <u>2011-12</u>	<u>YTD</u> <u>2010-11</u>
Depreciation of Computers and Peripherals	3,051,330.15	1,019,918.99
Other Budgetary Expenses	995.86	-
Warehouse/Bottle Area Damaged Merchandise	-	6,394.87
TOTAL OPERATING EXPENSES	<u>402,578,200.64</u>	<u>401,679,735.27</u>
MERCHANDISING INCOME	<u>\$ 109,160,242.96</u>	<u>\$ 88,582,452.55</u>
ADD: <u>OTHER INCOME</u>		
Miscellaneous	2,800,854.57	1,637,463.34
Interest	249,489.25	258,868.57
Licensing:		
License Fees	4,468,852.50	4,522,165.00
Application Fees	1,993,602.00	2,002,420.22
Transfer Fees	612,910.00	570,275.00
Permit Fees	6,541,520.77	6,669,219.32
Entertainment Fees	681,887.00	703,633.00
Bond Forfeitures	(200.00)	(630.00)
Administrative Fees	1,699,055.94	1,749,307.43
LESS: Fees Returnable to Municipalities	<u>(4,468,852.50)</u>	<u>(4,522,165.00)</u>
TOTAL OTHER INCOME	<u>14,579,119.53</u>	<u>13,590,556.88</u>
NET INCOME BEFORE PSP ENFORCEMENT	<u>123,739,362.49</u>	<u>102,173,009.43</u>
PSP ENFORCEMENT:		
Income	1,492,458.19	1,839,629.09
LESS: Expenses	<u>21,737,286.18</u>	<u>20,308,315.83</u>
Net PSP Enforcement	<u>(20,244,827.99)</u>	<u>(18,468,686.74)</u>
NET INCOME	<u>\$ 103,494,534.50</u>	<u>\$ 83,704,322.69</u>

State Stores Fund
Comparative Operating Statement
For the Month Ending June 30, 2012 and June 30, 2011

	<u>2011-12</u>	<u>2010-11</u>
SALES NET OF TAXES	\$ 140,110,032.24	\$ 126,719,176.14
LESS: COST OF SALES	97,596,911.13	87,190,067.57
GROSS INCOME FROM SALES	42,513,121.11	39,529,108.57
<u>LESS: OPERATING EXPENSES</u>		
Salaries	10,505,119.87	10,298,879.09
Overtime	271,229.00	228,502.64
Shift Differential Pay	31,571.07	30,799.97
Higher Classification Pay	59,760.27	68,450.84
Wages	2,359,196.82	2,183,767.83
Office and Subsistence Payments	2,200.00	2,090.00
Wages - Shift Differential	7,927.29	8,333.86
Wages - Higher Class Pay	29,546.83	25,468.44
Employees' Health Benefits - State Share	(2,163,354.85)	3,095,468.24
Employees' Health & Welfare Fund - State Share	31,045.18	49,748.05
Annuitants' Hospitalization Ins. - State Share	1,750,273.51	1,481,336.38
Other Post Employment Benefits (OPEB)	(1,977,539.33)	(1,089,060.00)
Social Security Contributions - State Share	998,230.61	651,011.77
Retirement Contributions - State Share	1,124,018.15	750,330.39
State Workmen's Insurance Premium Payments	(2,300,618.58)	2,976,030.32
Employees' Group Life Insurance - State Share	26,691.22	26,117.05
Out-Service Training	10,095.00	24,775.00
Unemployment Compensation - State Share	196,945.00	252,151.92
Sick Leave Payout	2,798.02	(1,114,991.83)
Conference Registrations	551.25	-
In-Service Training	63.00	-
Annual Leave Payout	406,638.32	(217,293.16)
Stipend for Active Duty Military Reservist	1,430.00	(1,009.68)
Employer Leave Payout Assessment	200,256.32	217,113.66
ER QTB Admin Fee	176.09	138.12
Estimated Accrued Operating Expenses	414,545.37	(142,643.18)
Auditor General Services	301,411.00	238,257.50
Civil Service Commission Services	70,672.89	69,710.96
Contracted Repairs	(20,629.41)	2,232.34
Classification and Pay Services	23,732.21	15,675.82
Purchasing Services	(13,427.84)	14,700.67
Specialized Services	41,706.18	96,055.42
OA Temporary Clerical Pool Charges	729.68	-
Payroll Services - Commonwealth Provided	11,137.58	29,542.20
Liquor Storage and Handling	32,605.43	12,562.64
Liquor Reconditioning	32,261.29	45,853.06

	<u>2011-12</u>	<u>2010-11</u>
Liquor Miscellaneous	-	34.56
Professional Fees	40,514.85	(198,095.75)
Bank Service Charges	49,640.29	48,121.86
Armored Collection Service	34,404.55	36,160.46
Counterfeits	1,947.50	520.00
Security Guard Service	140,577.92	206,637.67
Credit/Debit Card Services	1,704,899.72	1,705,413.33
Public Relations	-	(10,901.89)
Treasury Department Services	(21,945.12)	(56,385.60)
Legal Fees	59,295.50	49,109.64
Conference Expenses	6,848.74	8,963.30
Printing Purchased Outside	1,136.00	1,905.89
Advertising	73,740.74	45,640.17
Telecommunications Toll Free Inbound Services	3,488.80	3,488.80
Interest/Utility Late Charge Penalties	418.68	483.29
Postage	24,656.04	18,287.64
Postage Issued from Inventory	12,008.03	15,702.86
Freight - Miscellaneous	41,941.09	(1,953.38)
Telecommunications Recurring Fixed Charges	234,696.15	1,027,803.03
Telecommunications Usage Charges	3,763.87	19,742.07
Telecommunications Nonrecurring Charges	4,260.13	2,391.39
Telecom- Voice-Data Service	4,929.32	-
Travel	75,280.79	38,227.09
Water and Sewerage	16,789.55	16,242.08
Electricity	393,146.07	435,148.48
Heating Fuel	17,483.46	30,556.53
Consulting Services - EDP	2,561,052.21	478,571.08
EDP Contractual Services - Vendor Provided	802,041.49	3,825,373.43
Hardware Maintenance	642.24	-
Subscriptions	15,807.24	-
Membership Dues	3,580.00	6,585.00
Insurance, Surety and Fidelity Bonds	6,005.10	7,496.44
Motorized Equipment Supplies	43.98	-
Gasoline	50,267.13	65,311.19
Motorized Equipment Supplies - Miscellaneous	25,247.19	15,631.81
Motorized Equipment Repairs	19,537.46	1,127.85
Contracted Maint. Services - Data Processing	147,946.08	127,555.74
Contracted Maint. Services - Bldgs & Grounds	81,126.63	53,737.97
Contracted Maint. Services - Office Equipment	(30.61)	42,428.88
Contracted Maint. Services - Other	109,989.71	107,887.64
Rent of Real Estate	24,948.00	(176,309.05)
Store Rent	3,437,375.25	3,367,090.06
District Office Rent	97,317.75	88,001.51
Real Estate Taxes on Leased Property	17,320.12	10,981.66
Motorized Equipment Rentals	25,382.39	30,915.87
Other Equipment Rentals	122.95	(11.05)
Price Variance - Non-Merchandise	-	(4.56)

	<u>2011-12</u>	<u>2010-11</u>
Food	8,060.72	146.15
Housekeeping Supplies Issued from Inventory	192,119.60	189,662.59
Housekeeping Supplies	13,968.25	212.42
Printed Forms	2.06	71.48
Office Supplies Issued from Inventory	-	60.40
Office Supplies	215,483.76	(101,399.87)
EDP Software	350,178.69	103,279.42
Other IT Equipment	104,809.97	177,806.52
Maintenance Supplies Issued from Inventory	685.87	568.00
Maintenance Supplies	156,779.99	491.20
Store Water/Fire Damage	212.75	-
Over/Short Store Expense Account	28,822.80	55,971.73
Store Breakage Expenses	43,513.86	43,863.05
Transfers - Lab or Wine Tasting	7,664.71	6,398.51
Other Inventory Adjustments	176,310.21	255,118.67
Other Services and Supplies	22,019.89	9,041.65
State Payments to Nonprofit Institutions	(130.80)	-
Amortization of Leasehold Improvements	15,492.80	16,253.55
Amortization of Computer Software - Internally Generated	858,906.55	860,869.23
Depreciation of Machinery & Equipment	65,174.15	29,699.16
Depreciation of Buildings	80,868.58	75,295.86
Depreciation of Computers and Peripherals	285,467.13	(193,031.61)
TOTAL OPERATING EXPENSES	<u>25,445,050.96</u>	<u>33,356,099.43</u>
MERCHANDISING INCOME	<u>\$ 17,068,070.15</u>	<u>\$ 6,173,009.14</u>

	<u>2011-12</u>	<u>2010-11</u>
ADD: OTHER INCOME		
Miscellaneous	324,557.34	251,383.76
Interest	38,638.59	31,775.50
Licensing:		
License Fees	308,462.50	339,790.00
Application Fees	188,348.75	172,926.25
Transfer Fees	50,520.00	63,065.00
Permit Fees	433,292.50	564,665.48
Entertainment Fees	46,380.00	65,120.00
Administrative Fees	135,482.50	171,790.00
LESS: Fees Returnable to Municipalities	<u>(308,462.50)</u>	<u>(339,790.00)</u>
TOTAL OTHER INCOME	<u>1,217,219.68</u>	<u>1,320,725.99</u>
NET INCOME BEFORE PSP ENFORCEMENT	<u>18,285,289.83</u>	<u>7,493,735.13</u>
PSP ENFORCEMENT:		
Income	99,785.00	146,303.63
LESS: Expenses	1,613,343.50	1,458,190.22
Net PSP Enforcement	<u>(1,513,558.50)</u>	<u>(1,311,886.59)</u>
NET INCOME	<u>\$ 16,771,731.33</u>	<u>\$ 6,181,848.54</u>