

Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board



FINANCIAL STATEMENTS

FISCAL YEAR 2013-2014
Month Ending June 30, 2014

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

For The Period Ending June 30, 2014

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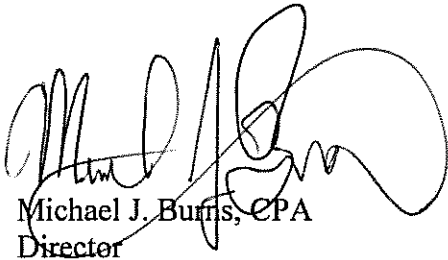
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August 25, 2014

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, 2014 and June 30, 2013, and the balance sheet for the Liquor License Fund as of June 30, 2014 and June 30, 2013, and the related State Stores Fund comparative statements of revenues, expenses, and changes in fund net assets for the period ended June 30, 2014 and June 30, 2013, 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.



Michael J. Burris, CPA
Director

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

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Assets:		
Current Assets:		
Cash	\$ 30,962,295	\$ 18,406,904
Investments-Short Term	210,266,352	160,551,983
Accounts and Claims Receivable (Net)	1,076,297	1,060,825
Inventory - Merchandise	206,547,618	197,826,813
Inventory - Operating Supplies	239,272	799,263
Prepaid Expenses	3,299,358	2,781,873
Total Current Assets	452,391,192	381,427,661
Fixed Assets:		
Land	322,973	322,973
Buildings	19,557,620	19,620,370
Leasehold Improvements	2,478,307	2,911,837
Machinery and Equipment	38,200,697	36,543,314
Computer Software - Internally Generated	52,924,520	62,281,915
Total Fixed Assets	113,484,118	121,680,409
Less: Accumulated Depreciation/Amortization	78,427,700	77,268,156
Net Fixed Assets	35,056,418	44,412,253
Total Assets	\$ 487,447,610	\$ 425,839,914

Liabilities and Fund Equity

Liabilities:		
Trade Accounts Payable	\$ 259,333,270	\$ 239,797,992
Other Accounts Payable	9,985,418	18,807,505
Other Accounts Payable - OPEB (Note 4)	63,629,717	57,378,883
Accrued Payroll-Related Expenses	42,287,324	39,652,481
Workers' Compensation Liability (Note 5)	30,564,708	30,918,369
Due to Other Funds	4,458,138	3,304,571
Total Liabilities	410,258,575	389,859,801
Net Assets:		
Invested in Capital Assets, net of related debt	35,056,418	44,412,253
Unrestricted	42,132,617	(8,432,140)
Total Net Assets	\$ 77,189,035	\$ 35,980,113

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
Liquor License Fund
Balance Sheet
As of June 30, 2014
(Unaudited)**

	<u>June 2014</u>	<u>June 2013</u>
Assets:		
Cash in Transit	\$ 61,900	\$ 69,380
Investments - Short Term	<u>2,351,311</u>	<u>2,292,055</u>
Total Assets	<u>\$ 2,413,211</u>	<u>\$ 2,361,435</u>
Liabilities:		
License Fees due Municipalities	\$ 2,411,161	\$ 2,359,385
Other Liabilities	<u>2,050</u>	<u>2,050</u>
Total Liabilities	<u>\$ 2,413,211</u>	<u>\$ 2,361,435</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, 2014 and June 30, 2013
 (Unaudited)

	2013-14	2012-13
Sales Net of Taxes	\$ 1,786,501,686	\$ 1,731,463,014
Cost of Goods Sold	1,230,666,757	1,192,047,304
Gross Revenue from Sales	555,834,929	539,415,710
Operating Expenses:		
Purchasing, Storage & Transportation	16,227,858	16,286,801
Stores' Operations & Supervision	311,381,039	286,349,013
Central Administrative Support	62,668,851	68,595,789
Comptroller Operations	4,864,094	4,889,463
Commonwealth-Provided Services (Note 2)	12,733,971	11,416,921
Total	407,875,813	387,537,987
Operating Income	147,959,116	151,877,723
Nonoperating Revenues (Expenses):		
Enforcement Fines	1,766,657	1,346,662
Interest Income	419,817	503,060
License Fees	12,050,182	11,901,883
Miscellaneous Income	3,048,474	2,348,475
Administrative Law Judge	(2,314,564)	(2,121,724)
Legal	(3,246,800)	(2,723,331)
Licensing & Investigations	(11,041,736)	(10,782,410)
Total	682,029	472,615
Income Before Operating Transfers	148,641,144	152,350,338
Operating Transfers Out:		
PSP Enforcement (Note 3)	24,958,572	23,984,381
Income After Enforcement/Before Other Transfers	123,682,573	128,365,957
Other Operating Transfers Out:		
General Fund Appropriations (Note 3)	80,000,000	80,000,000
Drug and Alcohol Programs (Note 3)	2,473,651	2,567,319
Total	82,473,651	82,567,319
Change in Net Assets	41,208,921	45,798,638
Total Net Assets - Beginning	35,980,113	(9,818,525)
Total Net Assets - Ending	\$ 77,189,035	\$ 35,980,113

See Accountant's Compilation Report
 The accompanying notes are an integral part of these statements.
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**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, 2014 and June 30 , 2013
(Unaudited)**

	June 2013-14	June 2012-13
Sales Net of Taxes	\$ 139,378,199	\$ 138,754,169
Cost of Goods Sold	96,289,013	95,208,617
Gross Revenue from Sales	43,089,186	43,545,552
Operating Expenses:		
Purchasing, Storage & Transportation	890,684	1,198,328
Stores' Operations & Supervision	23,181,645	25,055,923
Central Administrative Support	5,498,170	6,046,015
Comptroller Operations	374,403	356,935
Commonwealth-Provided Services (Note 2)	1,830,155	940,746
Total	31,775,058	33,597,947
Operating Income	11,314,128	9,947,605
Nonoperating Revenues (Expenses):		
Enforcement Fines	152,217	169,184
Interest Income	26,570	36,468
License Fees	1,034,878	869,085
Miscellaneous Income	(30,514)	256,686
Administrative Law Judge	(202,955)	(163,268)
Legal	(323,693)	(234,054)
Licensing & Investigations	(757,877)	(929,413)
Total	(101,373)	4,688
Income Before Operating Transfers	11,212,755	9,952,293
Operating Transfers Out:		
PSP Enforcement (Note 3)	2,075,473	1,830,929
Income After Enforcement/Before Other Transfers	9,137,282	8,121,364
Other Operating Transfers Out:		
General Fund Appropriations (Note 3)	-	80,000,000
Drug and Alcohol Programs (Note 3)	2,473,651	2,567,319
Total	2,473,651	82,567,319
 Change in Net Assets	 6,663,630	 (74,445,955)
Total Net Assets - Beginning	70,525,405	110,426,068
Total Net Assets - Ending	\$ 77,189,035	\$ 35,980,113

**Commonwealth of Pennsylvania
 Pennsylvania Liquor Control Board
 State Stores Fund
 Statement of Cash Flows
 For the Period July 1, 2013 to June 30, 2014
 (Unaudited)**

Cash Flows From Operating Activities:	
Receipts from customers	\$ 1,803,351,525
Payments to suppliers	(1,630,219,496)
Net Cash Provided by (Used for) Operating Activities	<u>173,132,029</u>
Cash Flows From Noncapital Financing Activities:	
PSP expenses	(24,958,571)
General Fund Transfer	(82,473,651)
Net Cash Used For Noncapital Financing Activities	<u>(107,432,222)</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(3,936,988)
Disposition of capital assets	87,124
Net Cash Used For Capital and Related Financing Activities	<u>(3,849,864)</u>
Cash Flows From Investing Activities:	
Purchase of investments	(1,400,225,075)
Proceeds from sale and maturities of investments	1,350,510,706
Investment income	419,817
Net Cash Used in Investing Activities	<u>(49,294,552)</u>
Net Increase in Cash	12,555,391
Cash - July 1, 2013	18,406,904
Cash - June 30, 2014	<u><u>\$ 30,962,295</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income	148,221,327
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	13,205,698
Increase in Accounts Receivable	(15,472)
Increase in Inventory	(8,160,814)
Increase in Prepaid expenses	(517,485)
Increase in Accounts Payable and accrued liabilities	19,245,207
Increase in Due to other funds	1,153,567
Total Adjustments	<u>24,910,702</u>
Net Cash Provided By (Used For) Operating Activities:	<u><u>\$ 173,132,029</u></u>

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
STATE STORES AND LIQUOR LICENSE FUNDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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, 2014 and June 30, 2013 was \$24,641,085 and \$24,656,514 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, 2013 to June 30, 2014 are as follows:

Liquor Tax	\$320,911,580
State Sales Tax	124,880,357
Local Sales Tax	<u>8,269,803</u>
Total	\$454,061,740

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:

Auditor General Services	\$ 3,714,329
Consolidated Data Services	4,084,757
Treasury Department Services	224,238
Civil Service Commission Services	950,878
Payroll Operations Services	330,449
Drug and Alcohol Program Expenses	398
OA Office	
Classification & Pay Services	263,171
Strategic Services/SEAP	183,449
IES -Contracted Main services	1,750,426
OA Telecommunication charges	364,053
Dept of General services	
Real Estate & Shared Services Accrual	763,244
Employee Self & Tort Insurance	104,579
	<u>\$ 12,733,971</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, 2014 and 2013 was not fully funded. The PLCB's allocated OPEB liability was \$63.63M as of June 30, 2014 and \$57.38M as of June 30, 2013.

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 \$30.56M as of June 30, 2014 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, 2014, were as follows (expressed in thousands):

<u>Year Ending June</u>	<u>Real Estate</u>
2015	\$36,149
2016	26,157
2017	18,289
2018	13,222
2019	<u>9,311</u>
Total Minimum Lease Payments	<u>\$103,128</u>

Rental expense for all operating leases for the period ending June 30, 2014, amounted to \$43.52M.

State Stores Fund
Comparative Operating Statement
For the Twelve Months Ending June 30, 2014 and June 30, 2013

	<u>YTD</u> <u>2013-14</u>	<u>YTD</u> <u>2012-13</u>
SALES NET OF TAXES	\$ 1,786,501,686.09	\$ 1,731,463,013.70
LESS: COST OF SALES	1,230,666,757.40	1,192,047,303.90
GROSS INCOME FROM SALES	555,834,928.69	539,415,709.80
LESS: OPERATING EXPENSES		
Salaries	129,447,710.42	127,354,528.85
Overtime	4,174,464.13	4,480,398.08
Shift Differential Pay	424,132.95	401,150.51
Higher Classification Pay	814,166.71	697,446.32
Wages	28,906,783.68	26,628,919.24
Office and Subsistence Payments	26,240.50	28,847.50
Wages - Shift Differential	116,166.14	103,093.19
Wages - Higher Class Pay	303,201.54	256,313.06
Employees' Health Benefits - State Share	35,622,988.62	23,807,903.13
Employees' Health & Welfare Fund - State Share	305,855.51	344,766.53
Annuitants' Hospitalization Ins. - State Share	25,020,147.29	21,867,512.87
Other Post Employment Benefits (OPEB)	6,250,834.26	11,232,194.63
Social Security Contributions - State Share	12,380,524.98	12,049,354.92
Retirement Contributions - State Share	23,198,698.39	16,233,375.35
State Workmen's Insurance Premium Payments	4,386,855.67	5,462,029.27
Employees' Group Life Insurance - State Share	318,184.13	315,302.86
Out-Service Training	138,444.94	125,239.35
Unemployment Compensation - State Share	451,751.94	541,200.11
General Pay Increase, Cash Payment	968,379.00	959,599.00
Sick Leave Payout	(149,301.87)	(97,473.02)
Conference Registrations	3,257.00	2,250.00
In-Service Training	14,177.00	7,560.00
Annual Leave Payout	311,521.20	429,386.24
Stipend for Active Duty Military Reservist	(24,589.00)	4,471.90
Employer Leave Payout Assessment	2,764,529.28	2,560,632.24
ER QTB Admin Fee	25.50	1,406.30
Estimated Accrued Operating Expenses	772,522.90	475,201.30
Drug and Alcohol Program Expenses	-	429.08
Auditor General Services	3,714,329.00	2,912,160.00
Civil Service Commission Services	950,878.43	913,700.44
Contract Personnel Services	50,528.13	2,104.00
Contracted Repairs	139,776.69	177,926.69
Classification and Pay Services	263,171.05	256,118.91
Purchasing Services	763,244.11	403,839.02

	<u>YTD</u> <u>2013-14</u>	<u>YTD</u> <u>2012-13</u>
Specialized Services	583,825.43	550,271.62
OA Temporary Clerical Pool Charges	14,465.79	2,871.38
Payroll Services - Commonwealth Provided	330,449.71	339,300.45
Liquor Storage and Handling	765,880.32	576,887.97
Liquor Reconditioning	241,195.34	269,303.45
Professional Fees	43,993.55	242,887.05
Bank Service Charges	693,787.54	631,212.71
Armored Collection Service	406,852.60	407,240.80
Counterfeits	14,312.73	8,928.01
Security Guard Service	2,163,904.47	1,848,740.34
Credit/Debit Card Services	22,879,176.41	21,453,693.92
Public Relations	207,277.12	184,115.11
Treasury Department Services	224,238.00	216,180.00
Legal Fees	837,109.93	756,240.92
Clinic Services, Medical, Mental, and Dental	1,900.00	2,664.00
Conference Expenses	73,046.59	67,110.27
Printing Purchased Outside	132,028.24	62,781.76
Advertising	5,337,227.50	6,687,079.40
Telecommunications Toll Free Inbound Services	45,354.40	39,040.58
Interest/Utility Late Charge Penalties	35,087.33	15,790.38
Postage	210,412.57	149,381.77
Postage Issued from Inventory	147,917.60	158,496.37
Freight - Liquor Into Warehouses	3,204.64	10,626.21
Freight - Miscellaneous	246,514.22	251,517.45
Telecommunications Recurring Fixed Charges	2,913,365.16	2,902,710.64
Telecommunications Usage Charges	118,650.46	39,092.73
Telecommunications Nonrecurring Charges	284,025.31	157,349.64
Telecom-Voice-Services	27,378.63	22,140.14
Travel	663,100.60	655,819.85
Water and Sewerage	250,548.49	242,320.22
Electricity	4,169,411.69	4,421,308.39
Heating Fuel	1,396,905.48	1,106,706.48
Consulting Services - EDP	8,197,789.42	8,664,787.30
EDP Contractual Services - Vendor Provided	10,014,319.43	11,138,474.36
Hardware Maintenance	1,654,275.10	2,849,138.37
Subscriptions	93,112.21	80,227.55
Membership Dues	5,770.50	3,569.00
Insurance, Surety and Fidelity Bonds	126,002.30	124,307.00
Motorized Equipment Supplies	2,841.17	3,723.69
Gasoline	465,978.65	509,783.30
Motorized Equipment Supplies - Miscellaneous	326,929.71	330,312.61

	<u>YTD</u> <u>2013-14</u>	<u>YTD</u> <u>2012-13</u>
Motorized Equipment Repairs	253,861.83	111,265.02
Contracted Maint. Services - Data Processing	1,750,425.49	1,703,883.83
Contracted Maint. Services - Telephone Equip.	-	244.75
Contracted Maint. Services - Bldgs & Grounds	726,336.24	584,157.55
Contracted Maint. Services - Office Equipment	92,994.41	121,281.03
Contracted Maint. Services - Other	1,585,349.85	1,622,541.67
Rent of Real Estate	272,397.00	260,250.00
Store Rent	42,034,434.37	40,373,099.43
District Office Rent	1,215,273.12	1,133,548.20
Real Estate Taxes on Leased Property	903,570.45	941,543.66
Motorized Equipment Rentals	545,360.82	347,893.26
Other Equipment Rentals	(200.00)	(1,497.45)
Medical Supplies Issued from Inventory	21.19	-
Wearing Apparel	2,214.70	49,547.70
Food	50,574.11	50,160.40
Housekeeping Supplies Issued from Inventory	2,677,657.85	2,295,661.87
Housekeeping Supplies	293,506.48	183,574.91
Printed Forms	242.79	164.66
Office Supplies Issued from Inventory	225,940.98	115,441.97
Office Supplies	1,802,392.38	1,737,295.28
EDP Software	68,568.24	261,960.78
Other IT Equipment	1,443,323.44	2,539,946.17
Educational Supplies	6,314.32	10,773.25
Agricultural Supplies & services	776.68	-
Agricultural Supplies	1,050.00	15,010.00
Maintenance Supplies Issued from Inventory	10,988.86	4,129.17
Maintenance Supplies	1,308,309.07	1,068,910.64
Store Water/Fire Damage	37,254.74	15,446.52
Over/Short Store Expense Account	62,974.56	370,619.82
Store Breakage Expenses	537,975.24	597,139.15
Transfers - Lab or Wine Tasting	248,701.51	169,638.75
Other Inventory Adjustments	2,582,712.59	402,449.56
Other Services and Supplies	357,378.04	558,096.51
State Pmts. to Inst. of Higher Ed. - State Owned	78,405.01	53,306.22
State Payments to Governmental Subrecipients	431,017.46	453,761.14
State Payments to Nonprofit Institutions	405,743.93	466,795.07
Amortization of Leasehold Improvements	162,920.12	176,523.39
Amortization of Computer Software - Internally Generated	8,454,265.55	10,579,177.51
Depreciation of Machinery and Equipment	667,454.31	505,433.01
Depreciation of Buildings	894,828.93	881,837.33

	<u>YTD</u> <u>2013-14</u>	<u>YTD</u> <u>2012-13</u>
Depreciation of Computers and Peripherals	3,026,229.46	3,281,418.27
Other Budgetary Expenses	80,202.42	-
TOTAL OPERATING EXPENSES	<u>424,478,915.10</u>	<u>403,165,451.06</u>
MERCHANDISING INCOME	<u>\$ 131,356,013.59</u>	<u>\$ 136,250,258.74</u>
ADD: OTHER INCOME		
Miscellaneous	2,034,326.36	1,873,709.49
Misc Revenues- Bailment Penalties	1,014,147.22	474,765.50
Interest	419,817.47	503,059.99
Licensing:		
License Fees	4,521,545.00	4,436,478.75
Application Fees	2,142,075.50	2,054,096.00
Transfer Fees	589,750.00	651,020.00
Permit Fees	6,883,442.00	6,773,006.25
Entertainment Fees	686,265.00	692,098.00
Bond Forfeitures	-	(280.00)
Administrative Fees	1,748,649.51	1,731,942.56
LESS: Fees Returnable to Municipalities	<u>(4,521,545.00)</u>	<u>(4,436,478.75)</u>
TOTAL OTHER INCOME	<u>15,518,473.06</u>	<u>14,753,417.79</u>
NET INCOME BEFORE PSP ENFORCEMENT	<u>146,874,486.65</u>	<u>151,003,676.53</u>
PSP ENFORCEMENT:		
Income	1,766,656.67	1,346,662.22
LESS: Expenses	<u>24,958,570.50</u>	<u>23,984,381.01</u>
Net PSP Enforcement	<u>(23,191,913.83)</u>	<u>(22,637,718.79)</u>
NET INCOME	<u>\$ 123,682,572.82</u>	<u>\$ 128,365,957.74</u>

State Stores Fund
Comparative Operating Statement
For the Month Ending June 30, 2014 and June 30, 2013

	<u>2013-14</u>	<u>2012-13</u>
SALES NET OF TAXES	\$ 139,378,199.10	\$ 138,754,168.55
LESS: COST OF SALES	96,289,013.17	95,208,616.96
GROSS INCOME FROM SALES	\$ 43,089,185.93	\$ 43,545,551.59
LESS: OPERATING EXPENSES		
Salaries	10,377,143.62	10,314,889.67
Overtime	178,112.10	219,567.75
Shift Differential Pay	33,918.76	31,131.51
Higher Classification Pay	68,798.23	58,877.92
Wages	2,598,805.70	2,389,705.51
Negotiated Office and Subsistence Payments	2,288.00	4,537.50
Wages - Shift Differential	9,876.06	8,624.28
Wages - Higher Class Pay	31,670.73	27,824.13
Employees' Health Benefits - State Share	2,961,187.22	2,767,641.68
Employees' Health & Welfare Fund - State Share	23,859.79	27,100.11
Annuitants' Hospitalization Ins. - State Share	2,103,812.36	1,920,291.82
Other Post Employment Benefits (OPEB)	(2,173,167.46)	1,882,194.63
Social Security Contributions - State Share	1,015,902.91	982,418.28
Retirement Contributions - State Share	2,215,396.09	1,635,785.73
State Workmen's Insurance Premium Payments	(308,143.38)	227,388.29
Employees' Group Life Insurance - State Share	25,727.98	25,162.24
Out-Service Training	2,530.00	2,085.00
Unemployment Compensation - State Share	126,064.63	109,643.24
General Pay Increase, Cash Payment	1,993.00	1,371.00
Sick Leave Payout	(115,936.23)	(85,585.65)
Conference Registrations	715.00	-
In-Service Training	63.00	-
Annual Leave Payout	349,757.03	412,022.09
Stipend for Active Duty Military Reservist	(32,077.85)	(4,722.37)
Employer Leave Payout Assessment	203,941.30	213,277.51
Estimated Accrued Operating Expenses	45,607.78	41,730.54
Auditor General Services	1,000,000.00	226,000.00
Civil Service Commission Services	73,641.76	73,548.26
Contracted Personnel Services	3,153.90	2,104.00
Contracted Repairs	16,061.53	30,432.16
Classification and Pay Services	22,126.23	21,691.48
Purchasing Services	137,174.87	4,762.12
Specialized Services	39,941.70	43,726.05
OA Temporary Clerical Pool Charges	1,970.30	-
Payroll Services - Commonwealth Provided	23,849.86	43,095.15
Liquor Storage and Handling	44,544.82	33,589.00
Liquor Reconditioning	(5,919.42)	140,691.02

	<u>2013-14</u>	<u>2012-13</u>
Professional Fees	377.50	1,900.44
Bank Service Charges	58,196.44	38,999.74
Armored Collection Service	34,068.23	35,258.13
Counterfeits	770.00	450.00
Security Guard Service	170,816.45	188,432.09
Credit/Debit Card Services	2,027,318.36	1,861,316.51
Public Relations	14,740.00	42,350.00
Treasury Department Services	24,096.00	17,950.00
Legal Fees	112,935.22	63,070.17
Conference Expenses	(580.80)	10,535.88
Printing Purchased Outside	14,869.61	8,251.70
Advertising	56,067.79	162,707.80
Telecommunications Toll Free Inbound Services	3,488.80	3,488.80
Interest/Utility Late Charge Penalties	322.64	1,069.26
Postage	22,947.27	16,993.11
Postage Issued from Inventory	10,350.64	16,521.30
Freight - Liquor Into Warehouses	286.84	-
Freight - Miscellaneous	15,898.14	23,477.64
Telecommunications Recurring Fixed Charges	236,220.44	249,293.80
Telecommunications Usage Charges	13,343.83	3,072.75
Telecommunications Nonrecurring Charges	3,857.96	8,313.48
Telecom-Voice-Data Service	569.61	1,177.81
Travel	50,524.06	76,166.40
Water and Sewerage	20,817.52	15,972.55
Electricity	358,076.33	405,505.70
Heating Fuel	33,477.72	20,621.03
Consultant Services - EDP/Non-EDP	837,797.93	969,448.26
EDP Contractual Services - Vendor Provided	1,488,238.44	690,104.63
Hardware Maintenance	147,562.82	77,623.25
Subscriptions	11,130.44	6,560.20
Membership Dues	1,281.50	830.00
Insurance, Surety and Fidelity Bonds	8,783.50	8,513.27
Motorized Equipment Supplies	248.29	-
Gasoline	38,666.02	143,190.27
Motorized Equipment Supplies - Miscellaneous	71,559.78	21,777.86
Motorized Equipment Repairs	16,862.98	-
Contracted Maint. Services - Data Processing	149,747.59	145,421.47
Contracted Maint. Services - Bldgs & Grounds	44,409.78	38,976.83
Contracted Maint. Services - Office Equipment	1,323.34	89,733.66
Contracted Maint. Services - Other	127,891.30	120,902.35
Rent of Real Estate	23,007.00	21,714.00
Store Rent	3,581,055.38	3,423,504.93
District Office Rent	100,009.79	90,464.79
Real Estate Taxes on Leased Property	68,118.60	53,375.71
Motorized Equipment Rentals	47,506.00	44,458.81
Other Equipment Rentals	-	8.95
Wearing Apparel	46.95	-

	<u>2013-14</u>	<u>2012-13</u>
Food	5,278.21	6,708.82
Housekeeping Supplies Issued from Inventory	435,570.27	192,241.47
Housekeeping Supplies	15,373.41	9,691.95
Printed Forms	78.62	59.97
Office Supplies Issued from Inventory	18,702.43	13,492.57
Office Supplies	(17,440.19)	104,163.22
EDP Software	12,335.00	93,217.77
Other IT Equipment	90,787.21	250,830.18
Educational Supplies	566.01	7,123.33
Agricultural Supplies and Services	477.64	-
Agricultural Supplies	1,050.00	-
Recreational Supplies and Services	(176.29)	-
Maintenance Supplies Issued from Inventory	903.27	56.00
Maintenance Supplies	103,052.25	125,290.44
Store Water/Fire Damage	241.98	56.13
Over/Short Store Expense Account	(47,717.95)	(345,292.59)
Store Breakage Expenses	39,450.96	45,868.78
Transfers-Lab or Wine Tasting	23,233.58	19,790.71
Other Inventory Adjustments	254,548.35	(195,152.09)
Other Services and Supplies	46,285.47	7,717.81
State Payments to Governmental Subrecipients	-	2,496.00
State Payments to Non-State Institutions of Higher Ed. and Non-F	24.07	-
Amortization of Leasehold Improvements	7,369.47	14,218.29
Amortization of Computer Software - Internally Generated	408,335.69	1,102,107.58
Depreciation of Machinery & Equipment	76,593.29	46,892.79
Depreciation of Buildings	70,467.07	73,315.04
Depreciation of Computers and Peripherals	280,696.80	297,679.22
Other Budgetary Expenses	80,000.00	-
TOTAL OPERATING EXPENSES	<u>33,059,582.57</u>	<u>34,924,680.37</u>
MERCHANDISING INCOME	<u>\$ 10,029,603.36</u>	<u>\$ 8,620,871.22</u>

	<u>2013-14</u>	<u>2012-13</u>
ADD: <u>OTHER INCOME</u>		
Miscellaneous	(77,972.82)	93,524.72
Misc Rev - Bailment Penalties	47,459.00	163,161.00
Interest	26,569.81	36,467.70
Licensing:		
License Fees	373,790.00	294,160.00
Application Fees	261,101.75	147,710.00
Transfer Fees	59,870.00	50,420.00
Permit Fees	512,862.00	476,908.75
Entertainment Fees	52,270.00	49,780.00
Bond Forfeitures		-
Administrative Fees	148,774.50	144,266.00
LESS: Fees Returnable to Municipalities	(373,790.00)	(294,160.00)
	<u>1,030,934.24</u>	<u>1,162,238.17</u>
TOTAL OTHER INCOME		
	<u>11,060,537.60</u>	<u>9,783,109.39</u>
NET INCOME BEFORE PSP ENFORCEMENT		
	<u>11,060,537.60</u>	<u>9,783,109.39</u>
PSP ENFORCEMENT:		
Income	152,217.44	169,184.00
LESS: Expenses	2,075,473.35	1,830,929.01
Net PSP Enforcement	(1,923,255.91)	(1,661,745.01)
	<u>152,217.44</u>	<u>169,184.00</u>
	<u>(1,923,255.91)</u>	<u>(1,661,745.01)</u>
NET INCOME	<u>\$ 9,137,281.69</u>	<u>\$ 8,121,364.38</u>