

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

<u>ASSETS</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Current assets:		
Cash	\$ 54,183,489	\$ 40,011,403
Investments - short term	204,076,201	189,402,604
Accounts and claims receivable, net	747,207	2,134,707
Due from other funds - Note 8	833,117	2,143
Merchandise inventories, net	257,979,226	254,916,713
Operating supplies	845,551	358,595
Prepaid expenses	72,680	3,082,918
Total current assets	518,737,471	489,909,083
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	20,809,269	19,816,479
Leasehold improvements	612,301	582,597
Machinery and equipment	47,904,598	47,112,135
Intangibles - internally generated software	25,990,043	29,508,013
Less: accumulated depreciation	66,662,710	61,236,089
Net depreciable capital assets	28,653,501	35,783,135
Total non-current capital assets	28,976,474	36,106,108
Total assets	\$ 547,713,945	\$ 526,015,191
Total deferred outflows of resources - Note 4	\$ 88,630,800	\$ 105,861,773
 <u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 277,831,858	\$ 269,948,690
Other accounts payable	27,288,341	19,279,117
Accrued expenses	14,332,279	14,695,432
OPEB - Note 5	11,976,000	-
Self-insurance, workers' compensation - Note 6	7,637,029	6,739,857
Due to other funds - Note 8	3,166,485	5,933,219
Due to fiduciary funds - Note 8	1,908,698	1,628,252
Due to other governments - Note 8	516,090	492,484
Total current liabilities	344,656,780	318,717,051
Non-current liabilities:		
OPEB - Note 5	781,379,000	107,216,012
Self-insurance, workers' compensation - Note 6	47,949,448	42,256,546
Net pension liability - Note 4	440,677,473	477,443,490
Compensated absences - Note 1	20,809,984	18,904,788
Total non-current liabilities	1,290,815,905	645,820,836
Total liabilities	\$ 1,635,472,685	\$ 964,537,887
Total deferred inflows of resources - Note 4	\$ 108,178,959	\$ 19,817,976
 <u>NET POSITION</u>		
Net investment in capital assets	\$ 28,976,474	\$ 36,106,108
Deficit***	(1,136,283,373)	(388,585,007)
Total net position	\$ (1,107,306,899)	\$ (352,478,899)

***Effective July 1, 2017, the PLCB implemented the Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). This standard established new standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to OPEB. The State Stores Fund Net Position changed by a total of \$(725,475,988) as a result of implementing GASB 75.

Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending June 30, 2018 and June 30, 2017
(Unaudited)

	<u>June 2017-18</u>	<u>June 2016-17</u>
Sales net of taxes	\$ 173,385,808	\$ 167,000,860
Cost of goods sold	<u>(118,468,025)</u>	<u>(117,966,982)</u>
Gross profit from sales	54,917,783	49,033,878
Operating (expenses):		
Retail operations	(36,417,252)	(34,201,432)
Marketing & merchandising	(689,574)	(838,447)
Supply chain	(59,013)	(1,196,590)
Wholesale operations	(186,410)	(124,910)
Information technology services	(2,989,706)	(1,362,868)
Regulatory affairs	(1,978,943)	(1,561,924)
Administration	(1,334,980)	(1,258,545)
Finance	(345,706)	(294,887)
Board & secretary	(426,411)	(449,262)
Legal	(318,170)	(264,461)
Commonwealth provided services - Note 2	<u>(2,063,810)</u>	<u>(1,111,059)</u>
Total	<u>(46,809,975)</u>	<u>(42,664,385)</u>
Operating profit	8,107,808	6,369,493
Other operating revenues (expenses):		
Enforcement fines	142,885	139,491
License fees	3,266,917	3,521,151
Miscellaneous income	(476,236)	193,148
Administrative law judge	<u>(224,447)</u>	<u>(220,814)</u>
Total	<u>2,709,119</u>	<u>3,632,976</u>
Total operating income	10,816,927	10,002,469
Non-operating revenues (expenses):		
Interest income	372,306	191,158
Other	<u>-</u>	<u>(4,297)</u>
Total	<u>372,306</u>	<u>186,861</u>
Income before operating transfers	11,189,233	10,189,330
Operating transfers out:		
PSP enforcement - Note 3	(3,114,228)	(2,971,608)
Income after enforcement/before other transfers	<u>8,075,005</u>	<u>7,217,722</u>
Other operating transfers out:		
General fund - Note 3	-	(25,000,000)
Drug and alcohol programs - Note 3	<u>(2,500,000)</u>	<u>(2,500,000)</u>
Total	<u>(2,500,000)</u>	<u>(27,500,000)</u>
Change in net position	5,575,005	(20,282,278)
Total net position, beginning 2017-18 restated - Note 9	<u>(1,112,881,904)</u>	<u>(332,196,621)</u>
Total net position - ending	<u>\$ (1,107,306,899)</u>	<u>\$ (352,478,899)</u>
Liquor tax	31,199,285	29,698,438
State Sales Tax	12,249,972	11,670,070
Local Tax	771,220	745,146
Taxes remitted to Dept.of Revenue PTD	<u>\$ 44,220,477</u>	<u>\$ 42,113,654</u>

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Twelve Months Ending June 30, 2018 and June 30, 2017
(Unaudited)**

	<u>2017-18</u>	<u>2016-17</u>
Sales net of taxes	\$ 2,066,562,034	\$ 2,012,789,087
Cost of goods sold	(1,408,532,024)	(1,390,882,364)
Gross profit from sales	<u>658,030,010</u>	<u>621,906,723</u>
Operating (expenses):		
Retail operations	(398,301,097)	(400,020,196)
Marketing & merchandising	(15,052,290)	(14,792,217)
Supply chain	(8,970,204)	(10,418,668)
Wholesale operations	(1,773,887)	(1,193,681)
Information technology services	(31,225,089)	(33,086,472)
Regulatory affairs	(20,802,809)	(22,280,153)
Administration	(14,782,471)	(14,430,335)
Finance	(3,890,566)	(3,716,756)
Board & secretary	(6,660,227)	(6,144,528)
Legal	(3,602,785)	(3,066,932)
Commonwealth provided services - Note 2	(14,819,054)	(13,436,645)
Total	<u>(519,880,479)</u>	<u>(522,586,582)</u>
Operating profit	138,149,531	99,320,141
Other operating revenues (expenses):		
Enforcement fines	1,522,287	1,352,931
License fees	46,377,715	30,812,542
Miscellaneous income	2,418,403	2,020,451
Administrative law judge	(2,709,397)	(2,622,807)
Total	<u>47,609,008</u>	<u>31,563,117</u>
Total operating income	185,758,539	130,883,257
Non-operating revenues (expenses):		
Interest income	2,998,479	2,225,054
Other	18,751	(106,249)
Total	<u>3,017,230</u>	<u>2,118,805</u>
Income before operating transfers	188,775,769	133,002,062
Operating transfers out:		
PSP enforcement - Note 3	(30,527,781)	(28,106,852)
Income after enforcement/before other transfers	<u>158,247,988</u>	<u>104,895,210</u>
Other operating transfers out:		
General fund - Note 3	(185,100,000)	(216,695,746)
Drug and alcohol programs - Note 3	(2,500,000)	(2,500,000)
Total	<u>(187,600,000)</u>	<u>(219,195,746)</u>
Change in net position	(29,352,012)	(114,300,535)
Total net position, beginning 2017-18 restated - Note 9	<u>(1,077,954,887)</u>	<u>(238,178,364)</u>
Total net position - ending	<u>\$ (1,107,306,899)</u>	<u>\$ (352,478,899)</u>
Liquor tax	371,507,515	361,856,317
State Sales Tax	146,027,242	142,005,398
Local Tax	9,398,136	9,060,399
Taxes remitted to Dept.of Revenue YTD	<u>\$ 526,932,893</u>	<u>\$ 512,922,114</u>