

EXAMINATION REPORT

Pennsylvania Liquor Control Board Fine Wine and Good Spirits Store 2518

140 Washington Towne Boulevard
Edinboro, Pennsylvania 16412

For the Period
May 15, 2024 to June 15, 2025

August 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Darrell Clarke, Chairman
Pennsylvania Liquor Control Board
518 Northwest Office Building
Harrisburg, PA 17124

Dear Chairman Clarke:

We have performed an examination of Fine Wine and Good Spirits Store 2518, Erie County, District 3-06, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period May 15, 2024 to June 15, 2025.

This report presents the results of the Department of the Auditor General's examination of store operations under the jurisdiction of the Pennsylvania Liquor Control Board (PLCB). The examination was conducted under statutory authority provided under 47 P.S. § 3-306 of the Pennsylvania Liquor Code.

This examination was conducted only to the extent that we considered necessary to determine if the wine and spirits store operated in compliance with PLCB operating procedures. The examination was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards.

Our examination included:

- Conducting a physical inventory count for a selection of liquor codes and comparing our results to the store's perpetual inventory records to determine whether inventory differences in excess of \$200 in value exists for these codes;
- Reviewing deposits, consisting of cash and checks deposited manually and credit and debit card receipts deposited electronically, to determine whether deposits were appropriately accounted for and agreed with PLCB financial records;
- Reviewing Clerk Performance Reports, Ad Hoc Reports, Shipment Invoices, and Transfer Reports to determine the store's compliance with PLCB internal controls;

- Performing a count of all cash on hand to determine whether the store's cash on hand agrees with supporting store documents and bank records, and verifying whether the total store operating fund charged to the store agrees with the amount provided by the PLCB;
- Performing tests of Licensee Sales, Tax-Exempt Sales, Minor Challenges, System Prices, Register Voids, Register Deposits, and Breakage/Adjustment Controls to determine whether store operations were in compliance with PLCB operating procedures;
- Selecting liquor codes and verifying that the sales price in the store system agrees to the PLCB's approved price list; and,
- Locating and verifying that all PLCB capital assets are present at the store and comparing our results to the PLCB fiscal year asset equipment list for accuracy.

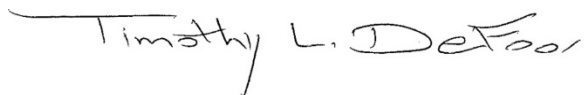
The results of our examination found that Fine Wine and Good Spirits Store 2518 operated in compliance with all PLCB operating procedures falling within the scope of our examination, except as noted in the following finding and discussed later in this report. This matter was discussed with appropriate personnel and is intended to assist you in improving internal controls.

Finding – Tax-Exempt Sales – Improper Documentation

We would like to thank store management for their cooperation extended to us during the conduct of the examination.

If you have any questions concerning this report, please contact the Bureau of Liquor Control Audits at (717) 783-1236.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive, flowing style.

Timothy L. DeFoor
Auditor General
August 15, 2025

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BACKGROUND

The Pennsylvania Liquor Control Board (PLCB) operates a diverse network of retail and wholesale distribution facilities across the Commonwealth, including Premium Collection Stores, One-Stop/Supermarket Stores, Taste & Learn Stores, Lottery Locations, Wholesale Stores/Licensee Service Centers (LSCs) and an online E-Commerce Store. Each of these store types serves a distinct function – ranging from public retail and licensee fulfillment to education, special product releases, and bulk distribution.

The Department of the Auditor General’s authority to examine PLCB store operations is derived from Section 306 of the Pennsylvania Liquor Code (47 P.S. § 3-306).

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 2518
FINDING AND RECOMMENDATION**

Finding – Tax-Exempt Sales - Improper Documentation

Condition

Our examination of the store's tax-exempt sales disclosed it was not in compliance with PLCB Tax-Exempt Sales procedures regarding required documentation. We examined four invoices for tax-exempt sales and found the following documentation discrepancies, as illustrated in the table below:

<u>Date</u>	<u>Invoice Number</u>	<u>Total Price</u>	<u>Discrepancy</u>
09/19/24	02518002308720240919	\$135.94	REV-1220 was missing.
09/19/24	02518002299820240919	\$565.26	REV-1715 had vendor declaration information left blank.
03/28/25	02518001413120250328	\$142.86	REV-1220 was not dated at the time of purchase and seller information was not filled out.

Criteria

Tax Exempt Sales Policy, BRO-0052 and BRO-0052.1, effective January 18, 2021, states that a purchaser must present a valid Tax-Exempt certificate, REV-1220, for **each** purchase, the certificate must be signed and dated by the purchaser at the time of purchase, and the completed certificate must be attached to the store copy of the invoice and filed accordingly.

Also, for purchases exceeding \$200 or more, purchasers claiming exemption from sales tax shall complete REV-1715 Declaration of Sales Tax Exemption. A copy of the signed, original REV-1220 and REV-1715 is to be retained for a period of three (3) years from the date of the purchase.

Cause

Store management failed to establish adequate internal control procedures to ensure that the store clerks followed the PLCB Tax-Exempt sales procedures.

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FINE WINE AND GOOD SPIRITS STORE 2518
FINDING AND RECOMMENDATION**

Finding – (Continued)

Effect

As a result of the store not complying with PLCB tax-exempt sales procedures, there is a lack of adequate internal controls over the store's monetary receipts and supporting documentation involving tax-exempt sales.

Recommendation

We recommend that PLCB monitors the store to ensure compliance with tax-exempt sales procedures as referenced in BRO-0052 and BRO-0052.1.

Management Response

The manager agreed the tax-exempt form was not attached to one invoice, one invoice had the REV-1715 form improperly completed and one invoice had the REV-1220 form improperly completed. The manager will review tax-exempt procedures with store employees.

Examiner's Conclusion

Compliance along with any subsequent corrective action taken will be subject to verification in the subsequent examination.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 2518
REPORT DISTRIBUTION LIST**

This report was initially distributed to the following:

The Honorable Darrell Clarke
Chairman
Pennsylvania Liquor Control Board

Faith Deitrich
Assistant Director
PLCB Audit Services Division/Bureau of Audits
Pennsylvania Office of the Budget

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