

PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES
LISTEN TO THE RECORDING
WEDNESDAY, OCTOBER 27, 2021
NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA
TELEPHONE CONFERENCE MEETING

Tim Holden, Chairman
Mike Negra, Board Member
Mary Isenhour, Board Member
Michael Demko, Executive Director
John Stark, Board Secretary

[Office of Chief Counsel](#)
[Bureau of Licensing](#)
[Bureau of Human Resources](#)
[Bureau of Accounting & Purchasing](#)

[Office of Retail Operations](#)
[Bureau of Product Selection](#)
[Financial Report](#)
[Other Issues](#)

PUBLIC MEETING – 11:00 A.M

CALL TO ORDER *Chairman Holden*

Pledge of Allegiance to the Flag

Board Secretary John K. Stark indicated that a quorum of the Board was present and Chairman Holden called the meeting to order.

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve previous Board Meeting Minutes of the October 6, 2021 meeting.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve previous Board Minutes.

PUBLIC COMMENT ON AGENDA ITEMS

There were no public comments or questions on the printed agenda items.

Note: Board Minutes are not officially approved until all required signatures are affixed.

NEW BUSINESS

From the Office of Chief CounselRodrigo Diaz, Chief Counsel

(1) **JJE Murphy, LLC** Request for Rescission of Conditional
347 Slocum Street Licensing Agreement
Swoyersville, Kingston, Pennsylvania 18704
Restaurant Liquor License No. R-15110
LID 57426

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve request for rescission of conditional licensing agreement.

*From the Bureau of LicensingTisha Albert, Director of Regulatory Affairs
Barbara Peifer, Director, Bureau of Licensing*

(1) **Feelin Cockey LLC** New & Request for Interior
(LID No. 107657) Connections with Another
1649 Broadway, Unit 25 Business – Limited Distillery
Penn Township
Hanover, York County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve new license and request for interior connections with another business.

(2) **Giant Eagle, Inc.** Place-to-Place Transfer &
R-18477 (LID No. 84140) Requests for Interior
104 East Wylie Avenue Connections with Another
Washington, Washington County Business & to Sell Other
Items on the Licensed Premises –
Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve transfer and requests for interior connections with another business and to sell other items on the licensed premises.

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- (3) **Hari Om Danville, Inc.** New & Request for Interior
(LID No. 105629) Connections with Another
614 East Market Street Business - Distributor
Danville, Montour County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to approve new license and request for interior connections with another business.
-
- (4) **Niam Partners, LLC** New & Request to Sell Other
t/a Holiday Inn Express Hotel and Items on the Licensed Premises –
Suites Harrisburg West Hotel
(LID No. 106584)
2055 Technology Parkway
Hampden Township
Mechanicsburg, Cumberland County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to approve new hotel license and request to sell other items on the licensed premises.
-
- (5) **Quick-E Beer, LLC** Double Transfer & Request for
t/a Quick-E Beer Interior Connections with
D-3899 (LID No. 106045) Another Business - Distributor
111 Faulkner Drive
Tionesta, Forest County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to approve transfer and request for interior connections with another business.
-
- (6) **Robert Mazza, Inc.** New & Request for Interior
t/a Five & 20 Brewing Connections with Other
(LID No. 107323) Businesses - Brewery
1120 Freeport Road
North East, Erie County

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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve new brewery license and request for interior connections with other businesses.

- (7) **Vegas Enterprises, LLC** New & Request to Conduct
t/a Manor Valley Country Club Another Business on the
(LID No. 98955) Case No. 21-9022 Licensed Premises – Privately-
2095 Denmark Manor Road Owned Public Golf Course
Penn Township
Export, Westmoreland County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve new application license and request to conduct another business on the licensed premises.

- (8) **W & Z, Inc.** Request for Hearing –
t/a China Star *Nunc Pro Tunc* – Validations,
R-3782 (LID No. 56721) Case No. 21-9019 Renewals & Extension of
7900 McKnight Road Safekeeping - Restaurant
100 McIntyre Square Shopping Center
Ross Township
Pittsburgh, Allegheny County

Board Member Negra requested that Chief Counsel Rodrigo Diaz provide background information regarding this agenda item. Chief Counsel Diaz explained that the matter originated in 2016 and involves a series of *nunc pro tunc* applications to renew and validate a license. He indicated that the applicant's deceased husband owned a corporation associated with a license which was being used illegitimately to operate a separate business and that the applicant had attempted to rectify issues affecting the license so that it would be available to her as an asset.

Ultimately, the applicant reached out to the PLCB in 2020 in an effort to renew the license, but since licenses must be validated and renewed sixty days before they are due, the applications were considered years late in reference to their deadlines. Though the Liquor Code allows for *nunc pro tunc* relief and the acceptance of an application filed beyond a deadline when the appropriate fee is paid, the period of time during which such relief could have been granted in this case expired in 2019. Chief Counsel Diaz stated that the Board's authority was limited with regard to this matter in light of the amount of time which had elapsed since the applications would have been considered timely filed but that the applicant could take an appeal to the Court of Common Pleas where the situation might be evaluated differently.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to refuse request for hearing.

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- (9) **Willow Valley Communities**
(LID No. 102919) Case No. 21-9029
100 South Queen Street
Lancaster, Lancaster County
- New & Requests for Interior Connections with Other Businesses & to Conduct Other Businesses on the Licensed Premises – Economic Development Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve new economic development license and requests for interior connections with other businesses and to conduct other businesses on the licensed premises.

- (10) **The Winery at Wyndridge Farm, LLC**
(LID No. 108088)
398 Harrisburg Avenue
Lancaster, Lancaster County
- New & Request for an Interior Connection with Another Business – Brewery Storage

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve new brewery storage license and request for an interior connection with another business.

- (11) **42-46 N 10THSTR, LLC**
H-585 (LID No. 70785) Case No. 2020-70785
42-46 North 10th Street
Allentown, Lehigh County
- Renewal – District 4
- HOLD

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for amended conditional licensing agreement.

- (12) **2856 Yan Corp.**
R-832 (LID No. 71791) Case No. 2020-71791
2854-56 North 22nd Street
Philadelphia, Philadelphia County
- Renewal – District 10
- HOLD – 9/1/21 SESSION**

Note: Board Minutes are not officially approved until all required signatures are affixed.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chairman Holden asked if there was anyone on the line from 2856 Yan Corp. There was no response.

Board Decision: Unanimously agreed (3-0 vote) to refuse renewal.

(13) **GDF Mulberry St., LLC** Renewal – District 9
R-3052 (LID No. 53557) Case No. 2019-53557
326-328 North Webster Avenue
1214 Mulberry Street, Rear HOLD
Scranton, Lackawanna County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for conditional licensing agreement with offer-in-compromise conditions.

(14) **High Tides Investors, LLC** Renewal – District 11
R-10275 (LID No. 67829) Case No. 2019-67829
1067 & 1031 Totem Road
Bensalem Township HOLD
Bensalem, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for amended conditional licensing agreement with offer-in-compromise conditions.

(15) **Mamma Ventura Restaurant & Lounge, LLC** Renewal – District 2
t/a Mamma Ventura
R-20389 (LID No. 54230) Case No. 2020-54230 **HOLD – 8/4/21 SESSION**
13 Chambersburg Street
Gettysburg, Adams County HOLD

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold

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(16) Nickels Tavern, Inc. Renewal – District 10
t/a Nickels Tavern
R-4583 (LID No. 28462) Case No. 2020-28462
2653-55 South 2nd Street HOLD
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for amended conditional licensing agreement.

(17) Pramukh Krup 91, Inc. Renewal – District 8
R-1768 (LID No. 67681) Case No. 2020-67681
700 Front Street **HOLD – 7/14/21 SESSION**
Freeland, Luzerne County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chairman Holden asked if there was anyone on the line from Pramukh Krup 91, Inc. There was no response.

Board Decision: Unanimously agreed (3-0 vote) to refuse renewal.

*From the Bureau of Human Resources Jason Lutcavage, Director of Administration
Jennifer Haas, Director, Bureau of Human Resources*

Personnel Actions

There were 19 personnel actions presented for consideration.

- (1) Alyssa Baker – Affirm Removal
- (2) Mark Bell – Removal
- (3) Shawn Brooks – Removal
- (4) Crystal Campbell – Removal
- (5) Gregory Carr – Removal
- (6) Leah Diaz – Affirm Removal
- (7) LaShawn Epperson – Affirm Removal
- (8) Christopher Freeman – Removal

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- (9) **Tiffani Gaines – Affirm Removal**
- (10) **Declan Grimes – Affirm Removal**
- (11) **Robert Harper - Removal**
- (12) **David Herndon – Removal**
- (13) **Ulisa Holmes – Affirm Removal**
- (14) **Gregg Horton – Removal**
- (15) **Mykell Nelson – Removal**
- (16) **Josephine Olah – Affirm Removal**
- (17) **Paige Smith – Affirm Removal**
- (18) **Ian Urquhart – Affirm Removal**
- (19) **Miranda Wolownik - Removal**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve all Personnel Actions.

*From the Bureau of Accounting & PurchasingMichael Demko, Executive Director
Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing
Mike Freeman, Director, Bureau of Financial Management & Analysis*

Procurement Actions:

- (1) **WebSphere Commerce Software Support Renewal** - WebSphere is used for the Fine Wine and Good Spirits E-Commerce site. This includes both the standard and cloud options. This package is vital to our current operations. Without this software, the Agency would not be able to maintain an E-Commerce presence.

Procured via DGS Contract #4400020751 – VENDOR: **Insight Public Sector** – TERM: 11/1/2021 through 10/31/2022 - **\$220,573.88** which represents a 4% increase over last year’s cost of \$212,028.00.

- (2) **Ingenico iSC250 Touchpad PIN Pads with Stands** – The pin pads are needed for the Store Support Coordinators in the field for a quick replacement of a bad pin pad.

Procured via DGS Contract #4400016084 – VENDOR: **First Data Merchant Services LLC** - **\$125,000.00 estimated cost** (250 @ \$500.00).

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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve all Procurement Actions.

Inter-Agency Charges:

None

From the Office of Retail OperationsMichael Demko, Executive Director

- (1) **#0931 – 341 Dublin Pike, Perkasio Amendment**
- (2) **#1705 – Clearfield Mall, 1824 Daisy Street, Clearfield Amendment**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve all Retail Operations actions.

From the Bureau of Product SelectionTom Bowman, Director of Product Selection

Various
Various

- 1. Regular Recommended Delist
- 2. Regular Recommended Delist Revision

1. Regular Recommended Delist

BRAND NAME AND SIZE

CODE

Blue Ridge Winery LLC

Blue Ridge Estate Vineyard and Winery Inspiration 750 mL	98469
Blue Ridge Estate Vineyard and Winery Peach Inspiration 750 mL	98470
Blue Ridge Estate Vineyard and Winery Raspberry Inspiration 750 mL	98473
Blue Ridge Estate Vineyard and Winery Tiffany 750 mL	98477

Capital Wine and Spirits

Smoked by Dona Paula Red Blend 750 mL	97005
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Disaronno International BV

Corvo Rosso Red Blend 750 mL 6087

Douglas P Mankovich

Shadow Vineyard and Winery Catawba 750 mL 98023

Shadow Vineyard and Winery Concord 750 mL 2321

Shadow Vineyard and Winery Noiret 750 mL 2322

Shadow Vineyard and Winery Orange Cat 750 mL 98843

Shadow Vineyard and Winery Red Gate 750 mL 98844

Shadow Vineyard and Winery Simple Pleasure 750 mL 98181

Shadow Vineyard and Winery Whistle Pig Mist 750 mL 98022

Palm Bay Imports Inc

Williams and Humbert Canasta Cream Sherry 750 mL 98998

Pernod Ricard USA

Lillet Rosé 750 mL 98985

EFFECTIVE DATE: The transference to closeout will become effective November 26, 2021

2. Regular Recommended Delist Revision

BRAND NAME AND SIZE

CODE

RESCIND

Southern Glazers Wine and Spirits of PA

Gekkeikan Plum Wine 750 mL 98654

NOTE: This was sent to Board 9-22-2021

RECOMMENDED ACTION: We recommend the Board approve this action

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve all Product Selection actions.

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FINANCIAL REPORT Michael J. Burns, Comptroller Operations, Office of Budget

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

ASSETS	July 31, 2021	July 31, 2020*
Current assets:		
Cash	\$ 49,599,392	\$ 39,101,227
Investments - short term	318,067,877	219,490,280
Accounts and claims receivable, net	6,812,654	7,190,718
Due from other funds - Note 9	2,048	2,124
Merchandise inventories, net	202,676,413	224,293,038
Operating supplies	400,739	585,112
Prepaid expenses	1,559,111	1,638,862
Total current assets	579,118,234	492,301,361
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	10,646,706	20,875,220
Leasehold improvements	209,134	197,771
Machinery and equipment	47,397,048	49,252,503
Intangible - internally generated software	22,479,466	22,987,312
Intangible - right to use leases - Note 10	329,560,381	264,235,829
Less: accumulated depreciation	118,781,277	69,792,655
Net depreciable capital assets	291,511,458	287,755,980
Total non-current capital assets	291,834,431	288,078,953
Total assets	\$ 870,952,665	\$ 780,380,314
Total deferred outflows of resources - Notes 5, 6	\$ 208,094,447	\$ 122,061,369
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 320,479,681	\$ 263,514,004
Other accounts payable	25,992,893	24,979,465
Accrued expenses	21,361,214	19,528,366
OPEB - Note 6	-	18,874,000
Self-insurance, workers' compensation - Note 7	6,798,715	6,095,210
Due to other funds - Note 9	6,288,419	7,266,649
Due to fiduciary funds - Note 9	3,254,984	2,907,285
Due to other governments - Note 9	890,199	790,864
Right to use liabilities - Note 10	52,835,345	52,019,163
Total current liabilities	437,901,450	395,975,006
Non-current liabilities:		
OPEB - Note 6	505,686,000	417,542,000
Self-insurance, workers' compensation - Note 7	58,900,982	47,995,269
Net pension liability - Note 5	463,959,328	461,552,820
Compensated absences - Note 1	25,995,401	24,809,043
Right to use liabilities - Note 10	219,745,084	208,010,391
Total non-current liabilities	1,274,286,795	1,159,909,523
Total liabilities	\$ 1,712,188,245	\$ 1,555,884,529
Total deferred inflows of resources - Notes 5, 6	\$ 351,582,964	\$ 412,518,437
NET POSITION		
Net investment in capital assets	\$ 19,254,002	\$ 28,049,399
Deficit	(1,003,978,099)	(1,094,010,682)
Total net position	\$ (984,724,097)	\$ (1,065,961,283)

* The prior fiscal year (FY) 2020-21 comparative Net investment in capital assets and Deficit amounts are adjusted to include the Right to use liabilities associated with Intangibles - right to use leases as part of Net investment in capital assets, and excluding them from Deficit. The adjustments did not affect Total net position.

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Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending July 31, 2021 and July 31, 2020
(Unaudited)

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 201,824,115	\$ 181,154,919
Cost of goods sold	<u>(139,004,843)</u>	<u>(122,601,998)</u>
Gross profit from sales	62,819,272	58,552,921
Operating (expenses):		
Retail operations	(28,552,242)	(30,877,896)
Marketing & merchandising	(478,407)	(517,772)
Supply chain	(351,423)	(449,208)
Wholesale operations	(106,062)	(141,590)
Information technology services	(1,808,106)	(2,727,909)
Regulatory affairs	(1,090,434)	(1,534,800)
Administration	(756,340)	(844,402)
Finance	(173,493)	(434,998)
Board & secretary	(349,194)	(249,044)
Legal	(369,352)	(298,984)
Commonwealth provided services - Note 2	<u>(1,180,942)</u>	<u>(1,068,449)</u>
Total	<u>(35,215,995)</u>	<u>(39,145,052)</u>
Operating profit/(loss)	27,603,277	19,407,869
Other operating revenues (expenses):		
Enforcement fines	102,875	64,304
License fees	1,104,939	3,040,293
Miscellaneous income	814,873	266,083
Administrative law judge	<u>(240,335)</u>	<u>(211,503)</u>
Total	<u>1,782,352</u>	<u>3,159,177</u>
Total operating income/(loss)	29,385,629	22,567,046
Miscellaneous revenues (expenses):		
Interest income (expense)	(388,116)	(312,100)
Other	<u>1,179</u>	<u>-</u>
Total	<u>(386,937)</u>	<u>(312,100)</u>
Income/(Loss) before operating transfers	28,998,692	22,254,946
Operating transfers out:		
PSP enforcement - Note 3	(2,434,451)	(2,466,772)
Net Income/(Loss) from operations	<u>26,564,241</u>	<u>19,788,174</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	26,564,241	19,788,174
Total net position - beginning	(1,011,288,338)	(1,085,749,457)
Total net position - ending	<u>\$ (984,724,097)</u>	<u>\$ (1,065,961,283)</u>
Liquor tax	36,191,390	32,451,851
State Sales Tax	14,236,369	12,789,276
Local Tax	859,843	688,715
Taxes remitted to Dept.of Revenue PTD	<u>\$ 51,287,602</u>	<u>\$ 45,929,842</u>

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

<u>ASSETS</u>	<u>August 31, 2021</u>	<u>August 31, 2020*</u>
Current assets:		
Cash	\$ 46,019,400	\$ 46,278,623
Investments - short term	333,354,508	249,101,858
Accounts and claims receivable, net	7,083,554	7,361,622
Due from other funds - Note 9	-	-
Merchandise inventories, net	214,935,382	226,010,302
Operating supplies	313,650	484,468
Prepaid expenses	1,543,027	1,596,751
Total current assets	<u>603,249,521</u>	<u>530,833,624</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	10,691,986	20,875,220
Leasehold improvements	209,134	197,771
Machinery and equipment	47,489,523	49,422,554
Intangible - internally generated software	31,883,392	22,326,045
Intangible - right to use leases - Note 10	331,220,298	276,580,728
Less: accumulated depreciation	<u>124,107,493</u>	<u>74,112,988</u>
Net depreciable capital assets	<u>297,386,840</u>	<u>295,289,330</u>
Total non-current capital assets	<u>297,709,813</u>	<u>295,612,303</u>
Total assets	<u>\$ 900,959,334</u>	<u>\$ 826,445,927</u>
Total deferred outflows of resources - Notes 5, 6	\$ 205,770,047	\$ 126,600,269
 <u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 334,343,323	\$ 282,737,334
Other accounts payable	28,671,769	25,921,595
Accrued expenses	23,521,436	21,529,193
OPEB - Note 6	-	18,874,000
Self-insurance, workers' compensation - Note 7	6,298,715	6,595,210
Due to other funds - Note 9	6,778,804	6,109,793
Due to fiduciary funds - Note 9	3,626,825	3,275,661
Due to other governments - Note 9	987,075	876,276
Right to use liabilities - Note 10	52,835,345	47,418,330
Total current liabilities	<u>457,063,292</u>	<u>413,337,392</u>
Non-current liabilities:		
OPEB - Note 6	499,001,000	424,389,000
Self-insurance, workers' compensation - Note 7	59,900,983	47,995,269
Net pension liability - Note 5	465,300,028	464,419,520
Compensated absences - Note 1	25,995,401	24,809,043
Right to use liabilities - Note 10	216,865,336	220,744,798
Total non-current liabilities	<u>1,267,062,748</u>	<u>1,182,357,630</u>
Total liabilities	<u>\$ 1,724,126,040</u>	<u>\$ 1,595,695,022</u>
Total deferred inflows of resources - Notes 5, 6	\$ 346,998,264	\$ 402,009,738
 <u>NET POSITION</u>		
Net investment in capital assets	\$ 28,009,132	\$ 27,449,175
Deficit	<u>(992,404,055)</u>	<u>(1,072,107,739)</u>
Total net position	<u>\$ (964,394,923)</u>	<u>\$ (1,044,658,564)</u>

* The prior fiscal year (FY) 2020-21 comparative Net investment in capital assets and Deficit amounts are adjusted to include the Right to use liabilities associated with Intangibles - right to use leases as part of Net investment in capital assets, and excluding them from Deficit. The adjustments did not affect Total net position.

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Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending August 31, 2021 and August 31, 2020
(Unaudited)

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 187,371,728	\$ 177,480,114
Cost of goods sold	<u>(129,991,855)</u>	<u>(120,426,005)</u>
Gross profit from sales	57,379,873	57,054,109
Operating (expenses):		
Retail operations	(28,302,774)	(29,807,512)
Marketing & merchandising	(417,166)	(502,813)
Supply chain	(341,057)	(910,799)
Wholesale operations	(114,080)	(122,677)
Information technology services	(1,888,451)	(1,079,570)
Regulatory affairs	(1,351,371)	(1,535,006)
Administration	(734,849)	(696,478)
Finance	(179,089)	(178,661)
Board & secretary	(898,559)	(254,024)
Legal	(320,161)	(352,659)
Commonwealth provided services - Note 2	<u>(1,143,164)</u>	<u>(1,173,977)</u>
Total	<u>(35,690,721)</u>	<u>(36,614,176)</u>
Operating profit/(loss)	21,689,152	20,439,933
Other operating revenues (expenses):		
Enforcement fines	6,491	89,071
License fees	1,162,094	3,345,916
Miscellaneous income	164,842	92,021
Administrative law judge	<u>(235,894)</u>	<u>(212,315)</u>
Total	<u>1,097,533</u>	<u>3,314,693</u>
Total operating income/(loss)	22,786,685	23,754,626
Miscellaneous revenues (expenses):		
Interest income (expense)	(382,629)	(314,671)
Other	<u>45,241</u>	<u>-</u>
Total	<u>(337,388)</u>	<u>(314,671)</u>
Income/(Loss) before operating transfers	22,449,297	23,439,955
Operating transfers out:		
PSP enforcement - Note 3	(2,120,123)	(2,137,236)
Net Income/(Loss) from operations	20,329,174	21,302,719
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	20,329,174	21,302,719
Total net position - beginning	<u>(984,724,097)</u>	<u>(1,065,961,283)</u>
Total net position - ending	<u>\$ (964,394,923)</u>	<u>\$ (1,044,658,564)</u>
Liquor tax	33,498,657	31,923,707
State Sales Tax	13,179,607	12,651,326
Local Tax	814,867	740,019
Taxes remitted to Dept.of Revenue PTD	<u>\$ 47,493,131</u>	<u>\$ 45,315,052</u>

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**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Two Months Ending August 31, 2021 and August 31, 2020
(Unaudited)**

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 389,195,843	\$ 358,635,033
Cost of goods sold	<u>(268,996,698)</u>	<u>(243,028,004)</u>
Gross profit from sales	120,199,145	115,607,029
Operating (expenses):		
Retail operations	(56,855,016)	(60,685,408)
Marketing & merchandising	(895,573)	(1,020,586)
Supply chain	(692,480)	(1,360,007)
Wholesale operations	(220,143)	(264,267)
Information technology services	(3,696,558)	(3,807,479)
Regulatory affairs	(2,441,805)	(3,069,806)
Administration	(1,491,188)	(1,540,880)
Finance	(352,582)	(613,659)
Board & secretary	(1,247,753)	(503,068)
Legal	(689,513)	(651,643)
Commonwealth provided services - Note 2	<u>(2,324,106)</u>	<u>(2,242,426)</u>
Total	<u>(70,906,717)</u>	<u>(75,759,229)</u>
Operating profit/(loss)	49,292,428	39,847,800
Other operating revenues (expenses):		
Enforcement fines	109,366	153,376
License fees	2,267,034	6,386,209
Miscellaneous income	979,715	358,104
Administrative law judge	<u>(476,228)</u>	<u>(423,818)</u>
Total	<u>2,879,887</u>	<u>6,473,871</u>
Total operating income/(loss)	52,172,315	46,321,671
Miscellaneous revenues (expenses):		
Interest income (expense)	(770,746)	(626,770)
Other	<u>46,420</u>	<u>-</u>
Total	<u>(724,326)</u>	<u>(626,770)</u>
Income/(Loss) before operating transfers	51,447,989	45,694,901
Operating transfers out:		
PSP enforcement - Note 3	(4,554,574)	(4,604,008)
Net Income/(Loss) from operations	<u>46,893,415</u>	<u>41,090,893</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	46,893,415	41,090,893
Total net position - beginning	<u>(1,011,288,338)</u>	<u>(1,085,749,457)</u>
Total net position - ending	<u>\$ (964,394,923)</u>	<u>\$ (1,044,658,564)</u>
Liquor tax	69,690,047	64,375,558
State Sales Tax	27,415,976	25,440,602
Local Tax	1,674,710	1,428,733
Taxes remitted to Dept.of Revenue YTD	<u>\$ 98,780,733</u>	<u>\$ 91,244,893</u>

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Michael Burns provided a brief financial report. Sales for the month of July were up by 11.4% compared to the previous year. Net Income for the month of July was up 34.2% from the previous year. Sales for the month of August were up 5.6% from the previous year. Net income for the month of August was up 4.6% from the previous year. Year-to-date, sales are up 8.5% compared to the previous year. Year-to-date net income is up 14.1% compared to the previous year. Remitted tax revenue is up 8.3% year-to-date when compared to the previous year.

OTHER ISSUES

Transfer to General Fund.....Michael Demko, Executive Director

The Office of Budget requests a transfer of one hundred million dollars (\$100,000,000) in the month of November 2021 from the State Stores Fund to the General Fund. The Finance team will schedule when this transfer will occur.

This transfer of this prescribed amount of \$100,000,000 will be processed as authorized in Expenditure Symbol Notification Number 21-033.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to authorize the transfer to General Fund.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, November 10, 2021 beginning at 11:00 A.M. Prior to the public meeting, there will be an Executive Session to discuss matters of personnel and to engage in non-deliberative informational discussions, some of which are regarding actions and matters which have been approved at previous public meetings.

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ADJOURNMENT

On a motion by Board Member Negra, seconded by Board Member Isenhour, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary