PUBLIC MEETING – 11:00 A.M

CALL TO ORDER .............................................................................................................. Chairman Holden

Pledge of Allegiance to the Flag.

OLD BUSINESS ................................................................................................................. Secretary Stark

A. Motion to approve the previous Board Meeting Minutes of the August 22, 2018 meeting.

   Motion Made: Board Member Negra
   Seconded: Board Member Newsome

   Board Decision: Unanimously agreed (3-0 vote) to Approve Previous Board Minutes.

PUBLIC COMMENT ON AGENDA ITEMS

   There was no public comment on the printed agenda items.

NEW BUSINESS

From the Office of Chief Counsel ......................................................................................... Rodrigo Diaz, Chief Counsel

(1) Det-Man, LLC

201 East 6th Avenue
Tarentum, Pennsylvania 15084-1541
Restaurant Liquor License No. R-18330
LID 90818

Request to Rescind
Conditional Licensing Agreement
Motion Made: Board Member Negra  
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Request to Rescind Conditional Licensing Agreement.

From the Bureau of Licensing .............................................. Tisha Albert, Director of Regulatory Affairs  
Barbara Peifer, Director, Bureau of Licensing

(1)  367 Steelton, LLC  
t/a Colonial Lounge  
R-19270 (LID No. 91928) Case No. 18-9054  
580 North Mountain Road  
Lower Paxton Township  
Harrisburg, Dauphin County

Motion Made: Board Member Negra  
Seconded: Board Member Newsome

Prior to the vote, Chairman Holden asked if there was anyone present from the Licensee. Peter Russo, Esquire, said he was representing the Licensee. He stated that he was disappointed with the Board’s decision. He described the applicants’ history as “youthful indiscretions.” He stated his clients would proceed with appropriate action.

Board Decision: Unanimously agreed (3-0 vote) to Refuse Transfer.

(2)  ADC Vino, LLC  
t/a Altomonte’s Italian Market & Deli  
R-20173 (LID No. 90495) Case No. 18-9051  
856 North Easton Road  
Plumstead Township  
Doylestown, Bucks County

Motion Made: Board Member Negra  
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Request for Interior Connections with Another Business.
(3) **KJ Choi, Corp.**  
R-4229 (LID No. 69182) Case No. 18-9052  
1933-35 Spruce Street  
Philadelphia, Philadelphia County  

Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business & to Conduct Another Business on the Licensed Premises – Restaurant.

(4) **Montage Mountain Resorts, LP**  
R-2854 (LID No. 69040)  
1000 Montage Mountain Road  
Scranton, Lackawanna County  

Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

Board Decision: Unanimously agreed (3-0 vote) to Approve Extension of License and Request to Conduct Another Business on the Licensed Premises – Restaurant.

(5) **Salem Beer and Deli, Inc.**  
E-2279 (LID No. 91823) Case No. 18-9053  
804 East 5th Street  
Salem Township  
Berwick, Luzerne County  

Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Request for Interior Connections with Another Business – Eating Place – Malt Beverage.

(6) **Sinnemahoning Sportsmen’s Association, Inc.**  
CC-5801 (LID No. 2616)  
15 Club Road, P. O. Box 102  
Gibson Township  
Sinnamahoning, Cameron County  

Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

Board Decision: Request to Conduct Another Business on the Licensed Premises – Catering Club.
Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Request to Conduct Another Business on the Licensed Premises.

(7) 562-66 S. 19th, Inc. t/a Double D Neighborhood Bar & Grill
R-5634 (LID No. 38818) Case No. 2018-38818
562-66 South 19th Street
Harrisburg, Dauphin County

Conditional Licensing Agreement Renewal – District 2

HOLD – 7/18/18 SESSION

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with New Conditional Licensing Agreement.

(8) Blairsville V.F.W. Club
CC-5042 (LID No. 2325) Case No. 2018-2325
9626 Route 22 West, R.D. 4, P.O. Box 82
Derry Township
Blairsville, Westmoreland County

Renewal – District 6

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold for a Conditional Licensing Agreement.

(9) Nite Trax, Inc.
R-9088 (LID No. 25213) Case No. 2018-25213
5095 West State Street
Mahoning Township
Edinburg, Lawrence County

Conditional Licensing Agreement Renewal – District 6

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.
Note: Board Minutes are not officially approved until all required signatures are affixed.

(10) George John Risha
t/a Esther’s Tavern
R-12206 (LID No. 15389) Case No. 2018-15389
56 Austin Street
Uniontown, Fayette County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with New Conditional Licensing Agreement.

(11) Sabato Sera, Ltd.
R-21173 (LID No. 54629) Case No. 2015-54629
52 East State Street, Units F & G
Doylestown, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal of Amusement Permit.

(12) Fun Time Investments, Inc.
t/a Diamond Lunch
R-13373 (LID No. 72121)
130 Diamond Street
Titusville, Crawford County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve New Tavern Gaming License.

(13) Rose Inn, Inc.
t/a Rose Inn
R-17010 (LID No. 34600)
2711 Route 110 Highway West
Rayne Township
Indiana, Indiana County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve New Tavern Gaming License.
Note: Board Minutes are not officially approved until all required signatures are affixed.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve New Tavern Gaming License.

(14) Schiffty’s Bar & Grill, LLC
    t/a Schiffty’s Bar & Grill
    R-13904 (LID No. 72782)
    157-159 West Main Street
    Westfield, Tioga County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve New Tavern Gaming License.

After the vote, Chairman Holden asked Tisha Albert, Director of Regulatory Affairs, “How many New Tavern Gaming Licenses are there now?” Director Albert replied, “As of today, there are 64 total licenses, but only 50 of them are active as some of the Licensees have not renewed.”

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

Personnel Actions

There were 11 personnel actions presented for consideration.

(1) Sharon B Boulware – Removal
(2) Tafseera S Brogdon – Affirm Removal
(3) Christina N Cooper – Affirm Removal
(4) Melissa Czarnecki – Affirm Removal
(5) Vernell M Fanning – Removal
(6) Davate M Folke – Affirm Removal
(7) Deangelis M Gomez – Removal
(8) Briaja A Mason – Affirm Removal
(9) Elena M Puglin – Removal

(10) Michael Sullivan – Affirm Removal

(11) Ronnisha M Thompson – Affirm Removal

Motion Made: Board Member Negra
Seconded: Board Member Newsome

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

From the Bureau of Accounting & Purchasing .......................................................... Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing
                                  Mike Freeman, Director, Bureau of Financial Management & Analysis

Procurement Actions:

(1) Senior Business Subject Matter Expert Staff Augmentation – Provide IBM Websphere Commerce support to assist with production issues and any needed changes to existing site while the new E-Commerce system is being built. This position will also work on the new functionality for CardConnect (Credit Card), ConnectPay (ACH) and the E-Commerce fulfillment center to be made available this fall.


(2) Database Administrator Staff Augmentation – Provide Oracle subject matter expertise during the data center migration/move from PennDOT Disaster Recovery site on Cameron Street, as well as moving the servers/services from PLCB’s NWOB data center to OA’s Enterprise Data Center.


(3) System Administrator Staff Augmentation – Provide primary support for Oracle ERP systems. In addition, will assist in the move to MS Dynamics and the migration from SUSE Linux to the supported Redhat Linux version.


(4) Consolidation and Delivery Services for West Coast Merchandise – This is a continuation of consolidation services for beverage alcohol and related products transporting them from various vendors in the West Coast region of the United States, primarily California, Oregon, and Washington, to the PLCB’s Distribution Centers.

Procured via Request for Proposal – VENDOR: JF Hillebrand, USA, Inc. – TERM: Three (3) years – Year 1: $3,082,000.00; Year 2: $3,311,000.00; Year 3: $3,564,000.00 – Total $9,957,000.00 estimated cost.
Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

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

Inter-Agency Charges:

(1) **Department of General Services (DGS) Property Costs (JOB 7)** – Billing of $129,939.89 for the FY 2017-18 Q4 “true-up” of Commonwealth property costs. This billing includes costs for the Northwest Office Building (NWOB) electricity charges, as well as prorated portions of the expenses for Capital Police services, City of Harrisburg Fire Protection and DGS’s maintenance costs. The total FY 2017-18 cost for the JOB 7 billings is $387,880.96.

(2) **Department of General Services (DGS) Real Estate MOU charge** – Billing of $754,316.37 for July 1, 2018 through June 30, 2019. The billing amount reflects $805,378 for projected FY 18-19 expenses and includes a $51,061.63 credit adjustment for the true-up adjustment for FY 17-18 expenses. This billing covers the estimated payroll and operating costs for the real estate staff that were transferred from the PLCB over to DGS in 2013.

The Bureau of Financial Management and Analysis has reviewed these charges and determined that they are reasonable based on billing methodology and previous experience.

Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

Board Decision: Unanimously agreed (3-0 vote) to Approve all Inter-Agency Charges.

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*From the Office of Retail Operations* ................................................................. *Carl Jolly, Director of Retail Operations*

1. #0302 – 137 South Jefferson Street, Kittanning  
   Amendment  
2. #0308 – 13 Franklin Village Mall, Kittanning  
   Amendment  
3. #3201 – 215 East Market Street, Blairsville  
   Amendment  
4. #3908 – 199 West Main Street, Macungie  
   Amendment  
5. #2315 – 643 Conchester Pike, Boothwyn  
   Closing  
6. #9712 – 916-928 North 6th Street, Harrisburg  
   Parking Agreement
Note: Board Minutes are not officially approved until all required signatures are affixed.

7. #9713 – 1017-1021 North 3rd Street, Harrisburg Parking Agreement

Motion Made: Board Member Negra  
Seconded: Board Member Newsome

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

From the Bureau of Product Selection ................................Dale Horst, Director of Marketing & Merchandising  
Tom Bowman, Director, Bureau of Product Selection

1. Regular New Items Accepted

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
</table>
| **Capital Wine and Spirits Inc**  
Pine Ridge Chenin Blanc Viognier 750 ML | 18 |
| **Jim Beam Brands Co**  
Sauza Signature Blue Reposado Tequila 1 L | 18 |
| **Majestic Wine and Spirits**  
Capriccio Sangria 4 Pack 1.5 L | 18 |
|  
Kono Sauvignon Blanc Marlborough 750 ML | 18 |
| **Southern W S PA**  
Evans & Tate Smooth Operator Winemakers Red Blend 750 ML | 2,3 |

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA Spirits New Items

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
</table>
| **Better World Spirits**  
Mango Libre Canned Cocktail 355 ML | 8 |
|  
Ruby Star Canned Cocktail 355 ML | 8 |
| **Lang Beverage Co**  
220 Shine Vodka 750 ML | 8 |
MHW LTD
Holla Cinnamon Vodka 750 ML 8
Holla Fresh Mint Vodka 750 ML 8

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA Spirits New Items Revision

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>VENDOR AND PRICE REVISION</td>
<td></td>
</tr>
<tr>
<td>Crutch LLC</td>
<td></td>
</tr>
<tr>
<td>Off The Rail Blended Whiskey 1 L</td>
<td>13, 16</td>
</tr>
<tr>
<td>Off The Rail Gin 1 L</td>
<td>13, 16</td>
</tr>
<tr>
<td>Off The Rail Gold Tequila 1 L</td>
<td>13, 16</td>
</tr>
<tr>
<td>Off The Rail Silver Tequila 1 L</td>
<td>13, 16</td>
</tr>
<tr>
<td>Off The Rail Triple Sec 1 L</td>
<td>13, 16</td>
</tr>
<tr>
<td>Off The Rail Vodka 1 L</td>
<td>13, 16</td>
</tr>
<tr>
<td>Off The Rail White Rum 1 L</td>
<td>13, 16</td>
</tr>
</tbody>
</table>

Note: Vendor change and price revisions from 8-22-18 board work

RECOMMENDED ACTION: We recommend the Board approve this action

New Items – Recommended Listings

Reason Codes

1. Strong marketing support
2. High brand recognition
3. Line/Size extension of successful brand
4. Trade up opportunity
5. Growing category
6. Growing segment
7. National rollout
8. Niche item / Limited distribution
9. High dollar profit potential
10. Trade out
11. High quality for the value
12. Innovative product/flavor
13. High sales through other PLCB channels (Luxury, Online, SLO)
14. Underrepresented category/segment
15. Hole in selection – consumer/store requests
16. PA Spirits
17. PA Wines
18. Licensee only
4. Regular Recommended Delist

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximo Spirits Inc 1800 Cristalino Anejo Tequila 750 ML</td>
<td>2545</td>
</tr>
</tbody>
</table>

EFFECTIVE DATE: The transference to closeout will become effective October 12, 2018

Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

Board Decision: Unanimously agreed (3-0 vote) to Approve all Bureau of Product Selection/Marketing Actions.
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)

<table>
<thead>
<tr>
<th>June 30, 2016</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$54,183,489</td>
</tr>
<tr>
<td>Investments - short term</td>
<td>204,076,201</td>
</tr>
<tr>
<td>Accounts and claims receivable, net</td>
<td>747,207</td>
</tr>
<tr>
<td>Due from other funds - Note 8</td>
<td>833,117</td>
</tr>
<tr>
<td>Merchandise inventories, net</td>
<td>257,979,226</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>845,551</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>72,680</td>
</tr>
<tr>
<td>Total current assets</td>
<td>518,737,471</td>
</tr>
<tr>
<td>Non-current assets:</td>
<td></td>
</tr>
<tr>
<td>Non-depreciable capital assets:</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>322,973</td>
</tr>
<tr>
<td>Depreciable capital assets:</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>20,809,269</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>612,301</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>47,904,598</td>
</tr>
<tr>
<td>Intangibles - internally generated software</td>
<td>25,990,043</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>66,662,710</td>
</tr>
<tr>
<td>Net depreciable capital assets</td>
<td>28,653,501</td>
</tr>
<tr>
<td>Total non-current capital assets</td>
<td>28,976,474</td>
</tr>
<tr>
<td>Total assets</td>
<td>$547,713,945</td>
</tr>
<tr>
<td>Total deferred outflows of resources - Note 4</td>
<td>$88,630,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LIABILITIES</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
</tr>
<tr>
<td>Trade accounts payable</td>
<td>$277,831,858</td>
</tr>
<tr>
<td>Other accounts payable</td>
<td>27,298,341</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>14,332,279</td>
</tr>
<tr>
<td>OPEB - Note 5</td>
<td>11,976,000</td>
</tr>
<tr>
<td>Self-insurance, workers' compensation - Note 6</td>
<td>7,637,029</td>
</tr>
<tr>
<td>Due to other funds - Note 8</td>
<td>3,166,485</td>
</tr>
<tr>
<td>Due to fiduciary funds - Note 8</td>
<td>1,908,698</td>
</tr>
<tr>
<td>Due to other governments - Note 8</td>
<td>516,090</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>344,656,780</td>
</tr>
<tr>
<td>Non-current liabilities:</td>
<td></td>
</tr>
<tr>
<td>OPEB - Note 5</td>
<td>781,379,000</td>
</tr>
<tr>
<td>Self-insurance, workers' compensation - Note 6</td>
<td>47,949,448</td>
</tr>
<tr>
<td>Net pension liability - Note 4</td>
<td>440,677,473</td>
</tr>
<tr>
<td>Compensated absences - Note 1</td>
<td>20,809,984</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>1,290,815,905</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$1,635,472,685</td>
</tr>
<tr>
<td>Total deferred inflows of resources - Note 4</td>
<td>$108,178,959</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NET POSITION</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>$28,976,474</td>
</tr>
<tr>
<td>Deficit***</td>
<td>(1,136,283,373)</td>
</tr>
<tr>
<td>Total net position</td>
<td>$(1,107,306,899)</td>
</tr>
</tbody>
</table>

***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)

<table>
<thead>
<tr>
<th></th>
<th>June 2017-18</th>
<th>June 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$173,385,808</td>
<td>$167,000,860</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(118,468,025)</td>
<td>(117,966,982)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>54,917,783</td>
<td>49,033,878</td>
</tr>
</tbody>
</table>

### 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: (2,063,810) ($1,111,059)

Total 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: (224,447) ($220,814)

Total: 2,709,119 $3,632,976

Total operating income: 10,816,927 $10,002,469

### Non-operating revenues (expenses):
- Interest income: 372,306 $191,158
- Other: - ($4,297)

Total: 372,306 186,861

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: 8,075,005 $7,217,722

### Other operating transfers out:
- General fund - Note 3: - ($25,000,000)
- Drug and alcohol programs - Note 3: (2,500,000) ($2,500,000)

Total: (2,500,000) ($27,500,000)

Change in net position: 5,575,005 ($20,282,278)

Total net position, beginning 2017-18 restated - Note 9: (1,112,881,904) ($332,196,621)

Total net position - ending: $1,107,306,899 $352,478,899

<table>
<thead>
<tr>
<th>Taxes remitted to Dept of Revenue PTD</th>
<th>$44,220,477</th>
<th>$42,113,654</th>
</tr>
</thead>
</table>

Liquor tax: 31,199,285 29,698,438
State Sales Tax: 12,249,972 11,670,070
Local Tax: 771,220 745,146

Note: Board Minutes are not officially approved until all required signatures are affixed.
## Comparative Statements of Revenues, Expenses, and Changes in Net Position

For the Twelve Months Ending June 30, 2018 and June 30, 2017

(Unaudited)

### Sales net of taxes

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 2,066,562,034</td>
<td>$ 2,012,789,087</td>
</tr>
</tbody>
</table>

### Cost of goods sold

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1,408,532,024)</td>
<td>(1,390,882,364)</td>
</tr>
</tbody>
</table>

### Gross profit from sales

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>658,030,010</td>
<td>621,906,723</td>
</tr>
</tbody>
</table>

### Operating (expenses):

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail operations</td>
<td>(398,301,097)</td>
<td>(400,020,196)</td>
</tr>
<tr>
<td>Marketing &amp; merchandising</td>
<td>(15,052,290)</td>
<td>(14,792,217)</td>
</tr>
<tr>
<td>Supply chain</td>
<td>(8,970,204)</td>
<td>(10,418,688)</td>
</tr>
<tr>
<td>Wholesale operations</td>
<td>(1,773,887)</td>
<td>(1,193,681)</td>
</tr>
<tr>
<td>Information technology services</td>
<td>(31,225,089)</td>
<td>(33,086,472)</td>
</tr>
<tr>
<td>Regulatory affairs</td>
<td>(20,802,809)</td>
<td>(22,280,153)</td>
</tr>
<tr>
<td>Administration</td>
<td>(14,782,471)</td>
<td>(14,430,335)</td>
</tr>
<tr>
<td>Finance</td>
<td>(3,890,566)</td>
<td>(3,716,756)</td>
</tr>
<tr>
<td>Board &amp; secretary</td>
<td>(6,660,227)</td>
<td>(6,144,528)</td>
</tr>
<tr>
<td>Total</td>
<td>(14,819,054)</td>
<td>(13,436,645)</td>
</tr>
</tbody>
</table>

### Operating profit

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>138,149,531</td>
<td>99,320,141</td>
</tr>
</tbody>
</table>

### Other operating revenues (expenses):

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement fines</td>
<td>1,522,287</td>
<td>1,352,931</td>
</tr>
<tr>
<td>License fees</td>
<td>46,377,715</td>
<td>30,812,542</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>2,418,403</td>
<td>2,020,451</td>
</tr>
<tr>
<td>Administrative law judge</td>
<td>(2,709,397)</td>
<td>(2,622,807)</td>
</tr>
<tr>
<td>Total</td>
<td>47,609,008</td>
<td>31,563,117</td>
</tr>
</tbody>
</table>

### Total operating income

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>185,758,539</td>
<td>130,883,257</td>
</tr>
</tbody>
</table>

### Non-operating revenues (expenses):

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>2,998,479</td>
<td>2,225,054</td>
</tr>
<tr>
<td>Other</td>
<td>18,751</td>
<td>(106,249)</td>
</tr>
<tr>
<td>Total</td>
<td>3,017,230</td>
<td>2,118,805</td>
</tr>
</tbody>
</table>

### Income before operating transfers

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>188,775,769</td>
<td>133,002,062</td>
</tr>
</tbody>
</table>

### Operating transfers out:

<table>
<thead>
<tr>
<th>PSP enforcement - Note 3</th>
<th>(30,527,781)</th>
<th>(30,527,781)</th>
<th>(28,106,852)</th>
<th>(28,106,852)</th>
</tr>
</thead>
</table>

### Income after enforcement/before other transfers

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>158,247,988</td>
<td>104,895,210</td>
</tr>
</tbody>
</table>

### Other operating transfers out:

<table>
<thead>
<tr>
<th>General fund - Note 3</th>
<th>(185,100,000)</th>
<th>(216,695,746)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug and alcohol programs - Note 3</td>
<td>(2,500,000)</td>
<td>(2,500,000)</td>
</tr>
<tr>
<td>Total</td>
<td>(187,600,000)</td>
<td>(219,195,746)</td>
</tr>
</tbody>
</table>

### Change in net position

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(29,352,012)</td>
<td>(114,300,535)</td>
</tr>
</tbody>
</table>

### Total net position, beginning 2017-18 restated - Note 9

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1,107,954,887)</td>
<td>(238,178,364)</td>
</tr>
</tbody>
</table>

### Total net position - ending

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ (1,107,306,899)</td>
<td>$ (352,478,899)</td>
</tr>
</tbody>
</table>

### Liquor tax

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>371,507,515</td>
<td>361,856,317</td>
</tr>
</tbody>
</table>

### State Sales Tax

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>146,027,242</td>
<td>142,005,398</td>
</tr>
</tbody>
</table>

### Local Tax

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9,398,136</td>
<td>9,060,399</td>
</tr>
</tbody>
</table>

### Taxes remitted to Dept. of Revenue YTD

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 526,932,893</td>
<td>$ 512,922,114</td>
</tr>
</tbody>
</table>
OTHER ISSUES

None.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, September 26, 2018, 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.

ADJOURNMENT

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

The foregoing actions are hereby officially approved.

__________________________________________
Chairman

__________________________________________
Member

__________________________________________
Member

ATTEST:

__________________________________________
Secretary