

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

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THURSDAY, NOVEMBER 10, 2022

NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA
MICROSOFT TEAMS MEETING

Tim Holden, Chairman
Mary Isenhour, Board Member
Randy Vulakovich, Board Member
Michael Demko, Executive Director
Michael Vigoda, 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*

There was no verbal indication that a quorum of the Board was present, however, all voting members of the Board were present.

Chairman Tim Holden called the meeting to order.

Pledge of Allegiance to the Flag

Chairman Holden stated that he and Board Member Mary Isenhour had the great honor of welcoming Randy Vulakovich to the Board. He cited Board Member Vulakovich's 27 years of work in law enforcement as well as his service as a member of the General Assembly, stating that the Board would likely benefit from his extensive knowledge and experience. Board Member Isenhour indicated that she shared the Chairman's sentiments and that she looked forward to working with Board Member Vulakovich.

OLD BUSINESS..... *Secretary Vigoda*

- A. Motion to approve previous Board Meeting Minutes of the October 19, 2022 meeting.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

PUBLIC COMMENT

The Board has reserved 10 minutes for public comment.

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Caller Patty Smith stated that she was calling on behalf of Rock the Capital and expressed concern regarding the public’s ability to obtain the information necessary for participating in Board meetings via telephone conference. She explained that although she had been able to find details pertaining to in-person participation and participation via Microsoft Teams, the call-in number appeared to be missing from the PLCB’s website.

Deputy Press Secretary Shawn Kelly indicated that the call-in number had been removed in error from the section of the website to which Ms. Smith had referred. He apologized for the confusion after assuring Ms. Smith that in the future the number would appear on the website in its customary location. Chairman Holden then thanked Ms. Smith for bringing the issue to the Board’s attention. Deputy Press Secretary Kelly added that the call-in information (i.e., 267-332-8737, code 240 679 670) would remain unchanged until at least the end of 2023.

NEW BUSINESS

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

- (1) City of Pittston (22-NE-11) Municipal Petition for Exemption
from
Liquor Code Statute Regarding
Amplified Sound

Board Member Isenhour initially made a motion to approve the noise exemption from December 17, 2022 through December 17, 2025. Chief Counsel Rodrigo Diaz advised that, in cases such as this one involving an unopposed fourth renewal period, noise exemptions are generally effective for five years. It was determined that a typographical error had occurred and a revised motion was made.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve noise exemption from December 17, 2022 through December 17, 2027.

- (2) Fat Salmon, Inc. Request for Rescission of
Conditional
Licensing Agreement
719 Walnut Street
Philadelphia, Pennsylvania 19107-3208
License No. R-1626
LID 63107

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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(3) Nabil Abualburak, Inc. Resolution of Appeal Pending in the
219-225 South Main Street Court of Common Pleas
Wilkes-Barre, Pennsylvania 18701-1533
License No. R-7002
LID 63256

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve resolution of Court of Common Pleas appeal by approving renewal with conditional licensing agreement (offer-in-compromise terms).

*From the Bureau of LicensingTisha Albert, Director of Regulatory Affairs
Andrew Stuffick, Director, Bureau of Licensing*

(1) **1444 Restaurant Group, LLC** Request for Hearing to Extend
R-15497 (LID No. 91880) Case No. 22-9053 Safekeeping Period – Restaurant
1444 Frankford Avenue
Philadelphia, Philadelphia County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve request for one-year extension of safekeeping period without fee.

(2) **Bedford County Beverage Co., Inc.** Request to be Engaged in Another
D-3930 (LID No. 54381) Business – Distributor
259 East Main Street
Everett, Bedford County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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- (3) **B & S Beverage, LLC** Request to Sell Other Items on the
t/a B & S Beverage Licensed Premises – Distributor
D-2974 (LID No. 58927)
614 5th Avenue
Patton, Cambria County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve request to sell fermented fruit ice cream on licensed premises.

Board Member Isenhour made a second motion to approve the sale of fermented fruit ice cream by all wholesalers. Chief Counsel Diaz confirmed that it has been the Board’s custom to consider approving sales by all licensees within a certain category with regard to this type of Board action. He also indicated that the pertinent Advisory Notice would be amended if necessary.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve sales of fermented fruit ice cream by all wholesalers.

- (4) **The Boozy Mutt, LLC** Double Transfer & Request to Sell
R-1367 (LID No. 113743) Other Items on the Licensed
2633-39 Poplar Street Premises –
Philadelphia, Philadelphia County Restaurant

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve transfer and request to sell other items on licensed premises.

- (5) **Cheap Shotz Management, LLC** Person-to-Person Transfer –
R-3423 (LID No. 110960) Case No. 22-9127 Restaurant
120 Lincoln Street
Olyphant, Lackawanna County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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- (6) **Highlands Leisure, LLC** Extension of License & Request to
t/a Highlands Golf Course Conduct Another Business on the
PGR-44428 (LID No. 98987) Licensed Premises – Privately-
424 Country Club Road Owned Public Golf Course
Conemaugh Township Restaurant
Johnstown, Somerset County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (7) **Liquid 891, Inc.** Request for Hearing to Extend the
R-18464 (LID No. 59215) Case No. 22-9040 Safekeeping Period & Renewal –
891 Eisenhower Boulevard Restaurant
Swatara Township
Harrisburg, Dauphin County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone representing Liquid 891, Inc. who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to deny request for additional year of safekeeping with no fee.

- (8) **Pacific Street, LLC** Request for Hearing to Extend the
R-11080 (LID No. 85155) Case No. 22-9051 Safekeeping Period – Restaurant
2758-2762 East Pacific Street
Philadelphia, Philadelphia County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone representing Pacific Street, LLC who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to deny request for additional year of safekeeping with no fee.

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- (9) **The Steel Mill Saloon, LLC** Request for Hearing to Extend the
R-13737 (LID No. 71522) Case No. 22-9067 Safekeeping Period – Restaurant
1225 Grandview Avenue
Pittsburgh, Allegheny County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve request for one-year extension of safekeeping period without fee.

- (10) **TJ Warren Associates, Inc.** Request for Hearing to Extend the
R-13453 (LID No. 53703) Case No. 22-9037 Safekeeping Period – Restaurant
74 Warren Street
Tunkhannock, Wyoming County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone representing TJ Warren Associates, Inc. who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to deny request for additional year of safekeeping with no fee.

- (11) **TNP, LLC** Temporary Outdoor Extension of
t/a The Belmont Inne Premises – Restaurant
R-10232 (LID No. 59931) Case No. 22-9092
3750 Old Philadelphia Pike
Lower Saucon Township
Bethlehem, Northampton County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone representing TNP, LLC who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to refuse extension of premises.

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- (12) **49 Falone, Inc.** Renewal – District 11
E-4897 (LID No. 59386) Case No. 2021-59386
47-49 East Chester Pike
Glenolden, Delaware County
HOLD 8/11/22 SESSION
Conditional Licensing Agreement

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve renewal with conditional licensing agreement.

- (13) **312 Denden, Inc.** Renewal – District 10
R-6139 (LID No. 82273) Case No. 2022-82273
312 Market St
Philadelphia, Philadelphia County
HOLD 8/11/22 SESSION
Conditional Licensing Agreement

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve renewal with conditional licensing agreement.

- (14) **Danny V., LLC** Renewal – District 6
t/a Hugo's Taproom
R-9978 (LID No. 71405) Case No. 2022-71405
106 W Pittsburgh St
Greenburg, Westmoreland County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.

- (15) **Keah, LLC** Renewal – District 5
R-2435 (LID No. 91809) Case No. 2021-91809
7365 Denniston Ave
Pittsburgh, Allegheny County
HOLD 9/21/22 SESSION

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone representing Keah, LLC who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

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- (16) **New Beginnings Enterprises LLC** Renewal – District 11
H-4003 (LID No. 62079) Case No. 2021-62079
11 Beaver Street
Hulmeville, Bucks County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.
- (17) **Purvi, LLC** Renewal – District 11
t/a The Lincoln Motel
H-6000 (LID No. 54519) Case 2021-545196 **HOLD 9/21/22 SESSION**
2277 Lincoln Hwy US Rte 1 **Conditional Licensing Agreement**
Feasterville, Bucks County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with conditional licensing agreement.
- (18) **Route 309 Six Packs To Go, LLC** Renewal – District 8
R-3441 (LID No. 89589) Case No. 2022-89589 **HOLD 9/21/22 SESSION**
1337 N Church St
Hazle Township, Luzerne County
- Motion Made:** Board Member Isenhour
- Chairman Holden asked if there was anyone representing Route 309 Six Packs To Go, LLC who wished to be recognized. There was no response.
- Seconded:** Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to refuse renewal.
- (19) **Sara, Inc.** Renewal – District 5
t/a Double S Saloon
R-14292 (LID No. 64339) Case No. 2021-64339 **HOLD - 7/13/22 SESSION**
610 Evans Ave
McKeesport, Allegheny County
- Motion Made:** Board Member Isenhour
- Chairman Holden asked if there was anyone representing Sara, Inc. who wished to be recognized. There was no response.

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Seconded: Board Member Vulakovich

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

(20) S P V Inc

R-13755 (LID No. 69600) Case No. 2020-69600
5801 Catherine St
Philadelphia, Philadelphia County

Renewal – District 10

HOLD 9/21/22 SESSION

Conditional Licensing Agreement

Motion Made: Board Member Isenhour

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve renewal with conditional licensing agreement.

(21) Wyoming Quality Beverage Co.

D-2084 (LID No. 84995) Case No. 2022-84995
855 Exeter Ave
Exeter, Luzerne County

Renewal – District 8

Conditional Licensing Agreement

Motion Made: Board Member Isenhour

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve renewal with conditional licensing agreement.

(22) Zachary M. Zankofsky

R-12262 (LID No. 66407) Case No. 2021-66407
339 Claremont Ave
Tamaqua, Schuylkill County

Renewal – District 3

Motion Made: Board Member Isenhour

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.

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

Personnel Actions

There were 17 personnel actions presented for consideration.

- (1) **John Bormuth - Removal**
- (2) **Mark Cherry – Affirm Removal**
- (3) **Autumn Eichhorn – Affirm Removal**
- (4) **Robert Eisenberg - Removal**
- (5) **Charlie Fine - Removal**
- (6) **Christina Helwig – Removal**
- (7) **Tishante Jackson – Affirm Removal**
- (8) **Tracy Kern – Affirm Removal**
- (9) **Jay Loomis – Affirm Removal**
- (10) **Dillon Manning – Removal**
- (11) **Jaleel Moore - Removal**
- (12) **Tanya Robinson-Lancit – Removal**
- (13) **Shawn Stubbs – Removal**
- (14) **Joseph Thomas - Removal**
- (15) **Ashley Thompson – Affirm Removal**
- (16) **Adam Tyson – Affirm Removal**
- (17) **Mackenzie Withrow – Affirm Removal**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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*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) **Warehousing and Transportation Services for Western Pennsylvania--REVISION** of previously approved spend associated with Amendment No. 1. On March 9, 2022, the Board approved Amendment No. 1 to Contract 20191104 involving the addition of thirty-eight delivery locations previously serviced by a different third-party logistics provider. The additional spend was incorrectly stated to be \$1,400,000.00, for a total contract spend of \$73,400,000.00 "through the contract expiration date of February 11, 2033." In fact, the \$1,400,000.00 increase was meant to be a per-contract-year estimated cost for the specific period of performance from March 1, 2022 through February 28,2026. Thus, the new total estimated spend approved by the Board with Amendment No. 1 should have been \$77,600,000.00 through February 28, 2026.
- (2) **Warehousing and Transportation Services for Western Pennsylvania** – This amendment allows for fuel and wage surcharges against existing contract rates to offset the increase in fuel prices and labor costs that have been experienced since the contract was awarded in 2021.

Procured via Amendment 2 to Contract 20191104 – **VENDOR: FedEx Supply Chain Inc.**
– **AMENDMENT TERM: From the date of Attorney General approval through February 28, 2026** - **COST OF CHANGE: \$6,000,000.00 estimated increase to revised total approved spend of \$77,600,000.00 for initial, 4-year, fixed rate period ending February 28, 2026. TOTAL APPROVED COST OF CONTRACT: estimated \$83,600,000.00.**

Inter-Agency Charges:

- (1) **Office of Administration – IT Shared Services** – Billing of \$795,271 for the FY 2022-23 Q2 estimate for OA’s IT Enterprise Technology Essential Services. This billing is for enterprise-wide infrastructure, network, security, enterprise data center (EDC) and service desk costs. The PLCB’s charge represents 1.0% of the total \$76.0M OA- IT Shared Services Q2 billing. This year’s billings are \$1.632M or \$68,150 (+4.4%) higher than the last years Q1 and Q2 billings.
- (2) **Department of General Services (DGS) Property Costs (JOB 7)** – Billing of \$116,442.27 for FY 2022-23 Q2 for Commonwealth property costs. This is for the property costs for the Northwest Office Building (NWOB), which includes direct costs paid by DGS (electricity charges), as well as prorated expenses for Capital Police services and City of Harrisburg Fire Protection The year-to-date JOB 7 billings are \$205,737 or \$24,787 (-10.8%) less than last year due to the \$27,148 credit on the Q1 billing for the FY 2021-22 “true-up”.

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 Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to accept all Procurement Actions and Inter-Agency Charges.

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From the Office of Retail OperationsMichael Demko, Executive Director

- (1) #0222 – 98 Vanadium Road, Bldg. D, Bridgeville
Amendment (Licensee Service Center)
- (2) #5002 – 53 Main Street, Duncannon
Amendment
- (3) #2002 – 126 South Martin Street, Titusville
Exercise Option
- (4) #5112 – 2550 Grant Avenue, Philadelphia
Exercise Option

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

Various
Various

- 1. Regular PA New Items Accepted
- 2. Regular Recommended Delist

1. Regular PA New Items Accepted

BRAND NAME AND SIZE

REASON

Altered State Distillery

Altered State Spiced Rum 750 mL

16

Trinity Flavors LLC

Trinity Flavors Espresso Martini 4x 355 mL Cans

16

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

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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
19. Probationary listing

2. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Jim Beam Co</u>	
Pinnacle Orange Vodka 60 Proof	3036
Pinnacle Raspberry Vodka 60 Proof	5076
Pinnacle Tropical Punch Vodka 60 Proof	3140
Skinnygirl Margarita Cocktail 25 Proof	3343
<u>Majestic WS USA Inc</u>	
Rancho La Gloria Classic Lime Margarita Wine Cocktail 4x250 mL Cans	806
Rancho La Gloria Mango Margarita Wine Cocktail 4x250 mL Cans	805
Rancho La Gloria Strawberry Margarita Wine Cocktail 4x250 mL Cans	807
<u>North Wales Wines</u>	
Ravenswood Vintners Blend Zinfandel	4068
<u>Trinity Flavors LLC</u>	
Trinity Flavors Iced Irish Coffee 4x355 mL Cans	97107

EFFECTIVE DATE: The transference to closeout will become effective December 10, 2022

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to accept 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)**

	<u>July 31, 2022</u>	<u>July 31, 2021</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 48,032,956	\$ 49,599,392
Investments - short term	227,599,774	318,067,877
Accounts and claims receivable, net	8,630,509	6,812,654
Due from other funds - Note 9	-	2,048
Merchandise inventories, net	207,519,232	202,676,413
Operating supplies	471,703	400,739
Prepaid expenses	<u>885,497</u>	<u>1,559,111</u>
Total current assets	<u>493,139,671</u>	<u>579,118,234</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,762,508	10,646,706
Leasehold improvements	209,134	209,134
Machinery and equipment	48,621,223	47,397,048
Intangible - internally generated software	55,497,662	22,479,466
Intangible - right to use leases - Note 10	365,334,155	329,560,381
Intangible - right to use IT subscriptions - Note 11	20,300,870	-
Less: accumulated depreciation or amortization	<u>185,734,948</u>	<u>118,781,277</u>
Net depreciable or amortizable capital assets	<u>314,990,604</u>	<u>291,511,458</u>
Total non-current capital assets	<u>315,313,577</u>	<u>291,834,431</u>
Total assets	<u>\$ 808,453,248</u>	<u>\$ 870,952,665</u>
Total deferred outflows of resources - Notes 5, 6	\$ 182,990,205	\$ 208,094,447
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 254,228,395	\$ 320,479,681
Other accounts payable	19,109,051	25,992,893
Accrued expenses	24,862,340	21,361,214
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	5,038,908	6,798,715
Due to other funds - Note 9	7,561,935	6,288,419
Due to fiduciary funds - Note 9	3,927,195	3,254,984
Due to other governments - Note 9	1,094,197	890,199
Right to use liabilities - Note 10	62,876,431	52,835,345
Total current liabilities	<u>378,698,452</u>	<u>437,901,450</u>
Non-current liabilities:		
OPEB - Note 6	430,810,000	505,686,000
Self-insurance, workers' compensation - Note 7	42,846,197	58,900,982
Net pension liability - Note 5	370,818,163	463,959,328
Compensated absences - Note 1	26,865,598	25,995,401
Right to use liabilities - Note 10	208,869,122	219,745,084
Total non-current liabilities	<u>1,080,209,080</u>	<u>1,274,286,795</u>
Total liabilities	<u>\$ 1,458,907,532</u>	<u>\$ 1,712,188,245</u>
Total deferred inflows of resources - Notes 5, 6	\$ 385,868,486	\$ 351,582,964
<u>NET POSITION</u>		
Net investment in capital assets	\$ 43,568,024	\$ 19,254,002
Deficit	<u>(896,900,589)</u>	<u>(1,003,978,099)</u>
Total net position - Note 12	<u>\$ (853,332,565)</u>	<u>\$ (984,724,097)</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 Month Ending July 31, 2022 and July 31, 2021
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 197,076,689	\$ 201,824,115
Cost of goods sold	<u>(140,949,220)</u>	<u>(139,004,843)</u>
Gross profit from sales	56,127,469	62,819,272
Operating (expenses):		
Wholesale	(1,566,252)	(1,794,400)
Retail	(27,518,305)	(26,566,403)
E-Commerce	(186,297)	(160,512)
Regulatory	(759,954)	(777,807)
Enterprise	(5,618,522)	(4,976,266)
Commonwealth provided services - Note 2	<u>(1,514,990)</u>	<u>(1,180,942)</u>
Total	<u>(37,164,320)</u>	<u>(35,456,330)</u>
Operating profit/(loss)	18,963,149	27,362,942
Other operating revenues (expenses):		
Enforcement fines	150,413	102,875
License fees	2,095,266	1,104,939
Miscellaneous income	<u>181,292</u>	<u>814,873</u>
Total	<u>2,426,971</u>	<u>2,022,687</u>
Total operating income/(loss)	21,390,120	29,385,629
Miscellaneous revenues (expenses):		
Interest income (expense)	(228,369)	(388,116)
Other	<u>2,483</u>	<u>1,179</u>
Total	<u>(225,886)</u>	<u>(386,937)</u>
Income/(Loss) before operating transfers	21,164,234	28,998,692
Operating transfers out:		
PSP enforcement - Note 3	(2,712,320)	(2,434,451)
Net Income/(Loss) from operations	<u>18,451,914</u>	<u>26,564,241</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	18,451,914	26,564,241
**Total net position - beginning 2022-23 Restated - Note 12	<u>(871,784,479)</u>	<u>(1,011,288,338)</u>
Total net position - ending	<u><u>\$ (853,332,565)</u></u>	<u><u>\$ (984,724,097)</u></u>
Liquor tax	35,706,943	36,191,390
State Sales Tax	14,053,367	14,236,369
Local Tax	876,479	859,843
Taxes remitted to Dept.of Revenue PTD	<u>\$ 50,636,789</u>	<u>\$ 51,287,602</u>

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**Beginning Net Position was restated from \$(872,154,418) at June 30, 2022 to \$(871,784,479) at July 1, 2022, a \$369,939 increase, due to the implementation of Governmental Accounting Standards Board Statement No. 96 – Subscription Based Information Technology Agreements.

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

	<u>August 31, 2022</u>	<u>August 31, 2021</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 28,857,238	\$ 46,019,400
Investments - short term	256,981,150	333,354,508
Accounts and claims receivable, net	8,979,700	7,083,554
Due from other funds - Note 9	-	-
Merchandise inventories, net	221,173,733	214,935,382
Operating supplies	607,811	313,650
Prepaid expenses	<u>1,024,318</u>	<u>1,543,027</u>
Total current assets	<u>517,623,950</u>	<u>603,249,521</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,820,411	10,691,986
Leasehold improvements	209,134	209,134
Machinery and equipment	49,123,373	47,489,523
Intangible - internally generated software	55,250,050	31,883,392
Intangible - right to use leases - Note 10	364,935,269	331,220,298
Intangible - right to use IT subscriptions - Note 11	<u>20,300,870</u>	<u>-</u>
Less: accumulated depreciation or amortization	<u>191,388,826</u>	<u>124,107,493</u>
Net depreciable or amortizable capital assets	<u>309,250,281</u>	<u>297,386,840</u>
Total non-current capital assets	<u>309,573,254</u>	<u>297,709,813</u>
Total assets	<u>\$ 827,197,204</u>	<u>\$ 900,959,334</u>
Total deferred outflows of resources - Notes 5, 6	\$ 181,625,405	\$ 205,770,047
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 262,144,517	\$ 334,343,323
Other accounts payable	20,454,283	28,671,769
Accrued expenses	27,437,987	23,521,436
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	5,038,908	6,298,715
Due to other funds - Note 9	8,961,882	6,778,804
Due to fiduciary funds - Note 9	4,254,440	3,626,825
Due to other governments - Note 9	1,199,415	987,075
Right to use liabilities - Note 10	<u>62,458,524</u>	<u>52,835,345</u>
Total current liabilities	<u>391,949,956</u>	<u>457,063,292</u>
Non-current liabilities:		
OPEB - Note 6	429,465,000	499,001,000
Self-insurance, workers' compensation - Note 7	43,346,197	59,900,983
Net pension liability - Note 5	372,590,363	465,300,028
Compensated absences - Note 1	26,865,598	25,995,401
Right to use liabilities - Note 10	<u>204,203,139</u>	<u>216,865,336</u>
Total non-current liabilities	<u>1,076,470,297</u>	<u>1,267,062,748</u>
Total liabilities	<u>\$ 1,468,420,253</u>	<u>\$ 1,724,126,040</u>
Total deferred inflows of resources - Notes 5, 6	\$ 374,943,486	\$ 346,998,264
<u>NET POSITION</u>		
Net investment in capital assets	\$ 42,911,591	\$ 28,009,132
Deficit	<u>(877,452,721)</u>	<u>(992,404,055)</u>
Total net position - Note 12	<u>\$ (834,541,130)</u>	<u>\$ (964,394,923)</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 Month Ending August 31, 2022 and August 31, 2021
(Unaudited)

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 192,738,147	\$ 187,371,728
Cost of goods sold	<u>(135,612,291)</u>	<u>(129,991,855)</u>
Gross profit from sales	57,125,856	57,379,873
Operating (expenses):		
Wholesale	(1,780,586)	(1,813,908)
Retail	(27,996,040)	(26,257,871)
E-Commerce	(281,734)	(204,338)
Regulatory	(1,015,095)	(774,654)
Enterprise	(7,150,385)	(5,732,682)
Commonwealth provided services - Note 2	<u>(1,418,433)</u>	<u>(1,143,164)</u>
Total	<u>(39,642,273)</u>	<u>(35,926,617)</u>
Operating profit/(loss)	17,483,583	21,453,256
Other operating revenues (expenses):		
Enforcement fines	139,305	6,491
License fees	2,621,511	1,162,095
Miscellaneous income	<u>969,556</u>	<u>164,843</u>
Total	<u>3,730,372</u>	<u>1,333,429</u>
Total operating income/(loss)	21,213,955	22,786,685
Miscellaneous revenues (expenses):		
Interest income (expense)	(91,096)	(382,629)
Other	<u>19,331</u>	<u>45,241</u>
Total	<u>(71,765)</u>	<u>(337,388)</u>
Income/(Loss) before operating transfers	21,142,190	22,449,297
Operating transfers out:		
PSP enforcement - Note 3	(2,350,755)	(2,120,123)
Net Income/(Loss) from operations	<u>18,791,435</u>	<u>20,329,174</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	18,791,435	20,329,174
**Total net position - beginning 2022-23 Restated - Note 12	<u>(853,332,565)</u>	<u>(984,724,097)</u>
Total net position - ending	<u>\$ (834,541,130)</u>	<u>\$ (964,394,923)</u>
Liquor tax	34,318,517	33,498,657
State Sales Tax	13,508,305	13,179,607
Local Tax	873,107	814,867
Taxes remitted to Dept.of Revenue PTD	<u>\$ 48,699,929</u>	<u>\$ 47,493,131</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, 2022 and August 31, 2021
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 389,814,836	\$ 389,195,843
Cost of goods sold	<u>(276,561,510)</u>	<u>(268,996,698)</u>
Gross profit from sales	113,253,326	120,199,145
Operating (expenses):		
Wholesale	(3,346,838)	(3,608,308)
Retail	(55,514,345)	(52,824,274)
E-Commerce	(468,030)	(364,850)
Regulatory	(1,775,048)	(1,552,460)
Enterprise	(12,768,909)	(10,708,947)
Commonwealth provided services - Note 2	<u>(2,933,423)</u>	<u>(2,324,106)</u>
Total	<u>(76,806,593)</u>	<u>(71,382,945)</u>
Operating profit/(loss)	36,446,733	48,816,200
Other operating revenues (expenses):		
Enforcement fines	289,718	109,366
License fees	4,716,776	2,267,034
Miscellaneous income	<u>1,150,848</u>	<u>979,715</u>
Total	<u>6,157,342</u>	<u>3,356,115</u>
Total operating income/(loss)	42,604,075	52,172,315
Miscellaneous revenues (expenses):		
Interest income (expense)	(319,465)	(770,746)
Other	<u>21,814</u>	<u>46,420</u>
Total	<u>(297,651)</u>	<u>(724,326)</u>
Income/(Loss) before operating transfers	42,306,424	51,447,989
Operating transfers out:		
PSP enforcement - Note 3	(5,063,075)	(4,554,574)
Net Income/(Loss) from operations	<u>37,243,349</u>	<u>46,893,415</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	37,243,349	46,893,415
**Total net position - beginning 2022-23 Restated - Note 12	<u>(871,784,479)</u>	<u>(1,011,288,338)</u>
Total net position - ending	<u>\$ (834,541,130)</u>	<u>\$ (964,394,923)</u>
Liquor tax	70,025,459	69,690,047
State Sales Tax	27,561,672	27,415,976
Local Tax	1,749,587	1,674,710
Taxes remitted to Dept.of Revenue PTD	<u>\$ 99,336,718</u>	<u>\$ 98,780,733</u>

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OTHER ISSUES

None

PUBLIC COMMENT

The Board has reserved 10 minutes for public comment.

Patty Smith inquired as to how the PLCB’s Russian vodka inventory was being handled. She also requested information regarding the shelf life of products within this category.

Chairman Holden affirmed that at the time of the meeting, such products were in storage and therefore not being sold. After requesting that a member of the Executive Team address the shelf life question, Director of Product Selection Tom Bowman stated that vodka has an indefinite shelf life. To clarify information from an article to which Ms. Smith had referred, Director Bowman indicated that although vodka does not improve over time like whiskey, straight vodka does not deteriorate.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, November 30, 2022 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 Isenhour, seconded by Board Member Vulakovich, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary