PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES
WEDNESDAY, APRIL 13, 2022
Listen to the Recording
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.

Following the Pledge of Allegiance, Chairman Tim Holden informed the listening audience that he was unable to attend the meeting in person and Board Member Mike Negra had agreed to chair the meeting in his stead.

Board Member Negra acknowledged the role he would be playing and moved on to Old Business.

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

A. Motion to approve previous Board Meeting Minutes of the March 23, 2022 meeting.

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

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

PUBLIC COMMENT ON AGENDA ITEMS

The Board has reserved 10 minutes for Public Comment on printed agenda items.

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

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

(1) Danquiche Price v. PLCB
Appeal to the Commonwealth Court
Board of Review Docket – 2021289663-BR

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) not to approve an appeal to Commonwealth Court.

From the Bureau of Licensing................................................................. Tisha Albert, Director of Regulatory Affairs
Stephanie McGrath, Acting Director of Licensing

(1) 236 East Lincoln Highway, LLC
t/a Andrea’s Jazz Café
(LID No. 105567) Case No. 21-9065
236 East Lincoln Highway
Coatesville, Chester County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the new application.

(2) 500 Mansfield Avenue Owner, LLC
t/a DoubleTree by Hilton Pittsburgh Greentree
(LID No. 108319)
500 Mansfield Avenue
Pittsburgh, Allegheny County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

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

(3) Black Flag Distilling Co.
t/a Black Flag Distillery
(LID No. 110176)
4758 Scheidys Road
North Whitehall Township
Coplay, Lehigh County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the new application and the request to sell other items on the licensed premises.
Motion Made: Board Member Isenhour
Seconded: Chairman Holden

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

(4) Free Rein, LLC
R-3201 (LID No. 71341) Case No. 21-9063
411-19 Northampton Street
Easton, Northampton County
Requests for Hearing After Revocation and Nunc Pro Tunc – Extension of Safekeeping – Restaurant

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to affirm the administrative revocation.

(5) The Fuge, LLC
G-49094 (LID No. 107189)
780 Falcon Circle, Suite 200
Warminster Township
Warminster, Bucks County
Return (Release) from Safekeeping & Request for Interior Connections with Other Businesses - Brewery

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the release from safekeeping and the request for interior connections with other businesses.

(6) JJE Murphy, LLC
R-15110 (LID No. 57426) Case No. 21-9068
347 Slocum Street
Kingston, Luzerne County
Extension of License – Restaurant

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the request for the extension of license.

(7) Pine Creek Spirits, LLC
AL-41735 (LID No. 95323)
28 South Market Street
Elizabethtown, Lancaster County
Limited Distillery Additional Board-Approved Location & Request for an Interior Connection with Another Business – Limited Distillery
Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the limited distillery additional board-approved location and request for an interior connection with another business.

(8) Scott’s Harbor Place, LLC
t/a A Taste of Italy Italian Kitchen
R-1261 (LID No. 105495) Case No. 21-9045
2933 West 12th Street
Millcreek Township
Erie, Erie County

Motion Made: Board Member Isenhour

Board Member Negra asked if there was anyone on the line or in person who wanted to speak about this matter. There was no response.

Seconded: Chairman Holden

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

(9) Sheetz, Inc.
t/a Sheetz #557
R-33862 (LID No. 85031)
750 Peninsula Drive
Millcreek Township
Erie, Erie County

Motion Made: Board Member Isenhour

Seconded: Chairman Holden

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

(10) ABBS WM, LLC
t/a Mulligans
R-12675 (LID No. 60295) Case No. 2021-60295
Hot Metal Plaza
1013 Lebanon Road
West Mifflin, Allegheny County

Motion Made: Board Member Isenhour

Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve renewal.
(11) **Bachmiller Enterprises, Inc.**
t/a **Sandbar Draffthouse and Grille**
R-8014 (LID No. 59357) Case No. 2021-59357
2835 West Lake Road
Millcreek Township
Erie, Erie County

**Motion Made:** Board Member Isenhour  
**Seconded:** Chairman Holden

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

(12) **Coopers Bar and Grill, Inc.**
R-9029 (LID No. 66269) Case No. 2020-66269
100 West Wyoming Avenue
Philadelphia, Philadelphia County

**Motion Made:** Board Member Isenhour  
**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (3-0 vote) to hold for amended Conditional Licensing Agreement.

(13) **Croatian Fraternal Union of America**
Sveto Trojstvo Lodge 146
CC-1523 (LID No. 3159) Case No. 2021-3159
4400 3rd Street
Versailles
McKeesport, Allegheny County

**Motion Made:** Board Member Isenhour  
**Seconded:** Chairman Holden

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

(14) **Doug’s Den, Inc.**
t/a **Doug’s Den**
R-12642 (LID No. 42585) Case No. 2021-42585
2301-03 Brownsville Road
Pittsburgh, Allegheny County

**Motion Made:** Board Member Isenhour  
**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a Conditional Licensing Agreement.

HOLD – 2/23/22 SESSION
(15) E. M. Carpenter, Inc. t/a Black Bear Inn
R-20515 (LID No. 46839) Case No. 2021-46839
36009 Lake Road
Bloomfield Township
Union City, Crawford County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to hold for Conditional Licensing Agreement.

(16) Gingerbread Man of Carlisle, Inc.
R-18753 (LID No. 57218) Case No. 2021-57218
Five South Court House Avenue
Carlisle, Cumberland County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve renewal with a Conditional Licensing Agreement.

(17) HS Lounge, LLC
R-9945 (LID No. 66688) Case No. 2021-66688
4257 Verona Road
Penn Hills Township
Verona, Allegheny County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve renewal with the existing Conditional Licensing Agreement.

(18) The Legion Home Association of Lock Haven PA
CC-4199 (LID No. 3616) Case No. 2021-3616
20 South Grove Street, P. O. Box 1
Lock Haven, Clinton County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve renewal with a Conditional Licensing Agreement.
(19) **Kenneth Marsh**

t/a Kenneth B. Marsh

E-2770 (LID No. 27123) Case No. 2021-27123
136 West Washington Street
Bradford, McKean County

**Motion Made:** Board Member Isenhour

Board Member Negra asked if there was anyone on the line or in person who wanted to speak about this matter. There was no response.

**Seconded:** Chairman Holden

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

(20) **Rileerider Restaurant Corp.**

R-14438 (LID No. 56071) Case No. 2020-56071
816 Merchant Street, P. O. Box 221
Ambridge, Beaver County

**Motion Made:** Board Member Isenhour

**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (3-0 vote) to hold for Conditional Licensing Agreement.

(21) **Seldom Enterprises, LLC**

t/a The Seldom Inn

R-16817 (LID No. 101109) Case No. 2021-101109
255 Route 36
Green Township
Tionesta, Forest County

**Motion Made:** Board Member Isenhour

**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (3-0 vote) to hold for Conditional Licensing Agreement.

(22) **Snug Harbour, Inc.**

R-9191 (LID No. 13647) Case No. 2021-13647
6447 Route 66
Redbank Township
Fairmount City, Clarion County

**Motion Made:** Board Member Isenhour

**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (3-0 vote) to approve renewal.
(23) Vinne 1204, Inc. t/a Nero’s Bar
R-7063 (LID No. 12525) Case No. 2020-12525
1204 Seventh Avenue
Beaver Falls, Beaver County

Motion Made: Board Member Isenhour

Board Member Negra asked if there was anyone on the line or in person who wanted to speak about this matter. There was no response.

Seconded: Chairman Holden

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 15 personnel actions presented for consideration.

(1) Leilani Achoe – Affirm Removal
(2) Ciani Braxton – Removal
(3) Leon Bynum – Affirm Removal
(4) Indiya Calicat – Affirm Removal
(5) Jason Dankel – Affirm Removal
(6) Louise George-Plues – Removal
(7) Joshua Macosky – Affirm Removal
(8) Latashia McCullum - Removal
(9) Debra Miller – Affirm Removal
(10) Vincent Roberts – Removal
(11) Kathleen Shanahan – Removal
(12) Angela Sims - Removal
(13) Dawn Visakay – Affirm Removal
(14) Shontayr Wells – Affirm Removal
(15) Cynthia White – Affirm Removal

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

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

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

Procurement Actions:

(1) Retail Merchandising Suite Production Support and Enhancement Consulting Services Renewal - To continue support, maintenance, and enhancement consulting services for PLCB’s Oracle retail environment that includes tools like inventory management, pricing, and promotions.


(2) Point of Service (POS) Production Support and Enhancement Consulting Services Renewal - To continue support, maintenance, and enhancement consulting services for PLCB’s specific Oracle POS and cash register environments.

Procured via PO 63013714 Renewal Option to RFP Contract 20143025 - VENDOR: SkillNet Solutions, Inc. - TERM: One year for period 5/18/2022 through 5/17/2023 - $1,326,780.00 estimated cost.

(3) Hearing Examiner Renewal – Represent the Board in the capacity of a Hearing Examiner for administrative hearings conducted in the Commonwealth of Pennsylvania regarding matters which the Board shall adjudicate as required by law.

Procured via PO 63019831 Option Year – VENDOR: Charles M. Gibbs – TERM: One year for period 4/20/2022 through 4/19/2023 - $150,000.00 estimated cost.

(4) PA Compute Services (PACS) Renewal – Provide storage space for six server environments.

Procured via DGS Contract # 4400014635 – VENDOR: UNISYS – TERM: One year for period July 1, 2022 through June 30, 2023 - $1,131,286.08 estimated cost.

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Member Negra commented that he would adopt items one, two and four but voted no on item number three, Hearing Examiner Renewal. He went on to explain that he was not happy with the interactions between the Hearing Examiner and the Office of Chief Counsel, but he
acknowledged that the Hearing Examiner had made steps to improve and would be continuing to work with the PLCB. Mr. Negra wanted to go on the record to say that he still was unhappy with the decision.

**Board Decision:** Unanimously agreed (3-0 vote) to approve Procurement items 1, 2 and 4. Agreed (2-1 vote) to approve Procurement item 3.

### Inter-Agency Charges:

1. **Office of Administration – IT Shared Services** – Billing of $1,386,350 for the FY 2021-22 Q3 billing 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 LCB’s charge represents 2.1% of the total $66.2M OA- IT Shared Services billing. The FY 2021-22 billings for Q1-Q3 total $2.95 million and are $1.53 million (107%) more than last year.

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:** Chairman Holden  

**Board Decision:** Unanimously agreed (3-0 vote) to hold the Inter-Agency Charge.

Board Member Negra commented that this was the 4th or 5th time that this item had been held due to a lack of information from the Office of Administration. He said that he hoped they would soon get the information requested so that the matter could be concluded.

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*From the Office of Retail Operations ......................................................... Michael Demko, Executive Director*

1. **#0802 – Colonial Plaza, 85 Reuter Boulevard, Towanda**  
   **Amendment**

2. **#3608 – Manor Shopping Center, 1234 Millersville Pike, Lancaster**  
   **Amendment**

3. **#5165 – 2118 Cottman Avenue, Philadelphia**  
   **Amendment / Closing**

**Motion Made:** Board Member Isenhour  
**Seconded:** Chairman Holden  

**Board Decision:** Unanimously agreed (3-0 vote) to approve all Retail Operations actions.
From the Bureau of Product Selection

Tom Bowman, Director of Product Selection

<table>
<thead>
<tr>
<th>VENDOR – ITEM NAME</th>
<th>BOARD ACTION REQUESTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>1. Regular New Items Accepted</td>
</tr>
<tr>
<td>Various</td>
<td>2. Regular New Items Accepted Revision</td>
</tr>
<tr>
<td>Various</td>
<td>3. Regular PA New Items Accepted</td>
</tr>
<tr>
<td>Various</td>
<td>4. Regular Recommended Delist</td>
</tr>
</tbody>
</table>

1. Regular New Items Accepted

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bacardi USA Inc</td>
<td></td>
</tr>
<tr>
<td>Patron Tequila Anejo 200 mL</td>
<td>2, 3</td>
</tr>
<tr>
<td>Sutter Home Winery Inc</td>
<td></td>
</tr>
<tr>
<td>California Roots Sauvignon Blanc 1.5 L</td>
<td>18</td>
</tr>
</tbody>
</table>

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular New Items Accepted Revision

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESCIND</td>
<td></td>
</tr>
<tr>
<td>Pernod Ricard USA</td>
<td></td>
</tr>
<tr>
<td>Jameson Orange Irish Whiskey 50 mL</td>
<td>2, 7, 12</td>
</tr>
</tbody>
</table>

NOTE: This was sent to board 3-23-22

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA New Items Accepted

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Spirits LLC</td>
<td></td>
</tr>
<tr>
<td>Lucky Sign Spirits Aquavit 750 mL</td>
<td>16</td>
</tr>
<tr>
<td>Lucky Sign Spirits London Dry Gin 750 mL</td>
<td>16</td>
</tr>
</tbody>
</table>

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
19. Probationary listing

4. Regular Recommended Delist

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Glazers Wine and Spirits of PA</td>
<td></td>
</tr>
<tr>
<td>Fever Tree Aromatic Tonic Water Nonalcoholic 4x200 mL.</td>
<td>35117</td>
</tr>
</tbody>
</table>

EFFECTIVE DATE: The transference to closeout will become effective May 13, 2022

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

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

Current assets:

- Cash: $79,168,754 (2022) vs $52,133,588 (2021)
- Merchandise inventories, net: $197,714,863 (2022) vs $220,205,779 (2021)
- Operating supplies: $468,126 (2022) vs $401,925 (2021)
- Prepaid expenses: $1,169,266 (2022) vs $1,246,287 (2021)

Total current assets: $563,964,418 (2022) vs $569,828,785 (2021)

Non-current assets:

- Non-depreciable capital assets:
  - Land: $322,973 (2022) vs $322,973 (2021)
- Depreciable capital assets:
  - Building: $10,711,917 (2022) vs $21,009,026 (2021)
  - Machinery and equipment: $47,677,083 (2022) vs $48,972,184 (2021)
  - Intangible - internally generated software: $45,415,065 (2022) vs $27,055,409 (2021)
  - Intangible - right to use leases - Note 10: $351,445,742 (2022) vs $293,274,083 (2021)
- Less: accumulated depreciation
  - $150,809,824 (2022) vs $98,505,425 (2021)
- Net depreciable capital assets: $304,649,117 (2022) vs $292,003,049 (2021)
- Total non-current capital assets: $304,972,090 (2022) vs $292,326,022 (2021)

Total assets: $868,936,508 (2022) vs $862,154,807 (2021)

**Note:** 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.
Commonwealth of Pennsylvania  
Pennsylvania Liquor Control Board  
State Stores Fund  
Comparative Statements of Revenues, Expenses, and Changes in Net Position  
For the Month Ending January 31, 2022 and January 31, 2021  
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$ 158,646,749</td>
<td>$ 162,320,508</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(111,128,645)</td>
<td>(112,291,376)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>47,518,104</td>
<td>50,029,132</td>
</tr>
</tbody>
</table>

Operating (expenses):
- Retail operations: (28,088,190)  
- Marketing & merchandising: (571,428)  
- Supply chain: (261,367)  
- Wholesale operations: (96,636)  
- Information technology services: (1,829,432)  
- Regulatory affairs: (1,054,061)  
- Administration: (720,343)  
- Finance: (193,782)  
- Board & secretary: (899,018)  
- Legal: (349,626)  
- Commonwealth provided services - Note 2: (1,418,577)  
- Total: (35,482,460)  
- Operating profit/(loss): 12,035,644  
- Operating transfers out: 
  - PSP enforcement - Note 3: (2,364,031)  
  - General fund - Note 4: -  
  - Drug and alcohol programs - Note 4: -  
  - Total: (2,364,031)  
  - Net Income/(Loss) from operations: 12,845,445  

Miscellaneous revenues (expenses):
- Interest income (expense): (382,286)  
- Other: -  
- Total: (382,286)  
- Income/(Loss) before operating transfers: 15,209,475  

Operating transfers out: 
- PSP enforcement - Note 3: (2,364,031)  
- General fund - Note 4: -  
- Drug and alcohol programs - Note 4: -  
- Total: (2,364,031)  
- Net Income/(Loss) from operations: 12,845,445  

Statutory Transfers:
- Total: -  

Change in net position: 12,845,445  

Total net position - beginning: (933,338,972)  
Total net position - ending: $ (920,493,527)  

<table>
<thead>
<tr>
<th>Taxes remitted to Dept.of Revenue PTD</th>
<th>$ 40,652,374</th>
<th>$ 42,916,464</th>
</tr>
</thead>
</table>

Note: Board Minutes are not officially approved until all required signatures are affixed.
### Commonwealth of Pennsylvania Pennsylvania Liquor Control Board State Stores Fund

#### Comparative Statements of Revenues, Expenses, and Changes in Net Position

For the Seven Months Ending January 31, 2022 and January 31, 2021

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$1,448,548,349</td>
<td>$1,369,534,231</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>$(997,348,893)</td>
<td>$(923,053,833)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>451,199,456</td>
<td>446,480,398</td>
</tr>
</tbody>
</table>

**Operating (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail operations</td>
<td>(200,709,337)</td>
<td>(218,764,694)</td>
</tr>
<tr>
<td>Marketing &amp; merchandising</td>
<td>(6,160,608)</td>
<td>(7,926,646)</td>
</tr>
<tr>
<td>Supply chain</td>
<td>(2,381,145)</td>
<td>(4,503,961)</td>
</tr>
<tr>
<td>Wholesale operations</td>
<td>(783,558)</td>
<td>(926,013)</td>
</tr>
<tr>
<td>Information technology services</td>
<td>(13,382,159)</td>
<td>(15,660,147)</td>
</tr>
<tr>
<td>Regulatory affairs</td>
<td>(8,372,543)</td>
<td>(9,899,151)</td>
</tr>
<tr>
<td>Administration</td>
<td>(5,277,933)</td>
<td>(5,654,549)</td>
</tr>
<tr>
<td>Finance</td>
<td>(1,462,426)</td>
<td>(1,651,109)</td>
</tr>
<tr>
<td>Board &amp; secretary</td>
<td>(5,839,670)</td>
<td>(1,832,045)</td>
</tr>
<tr>
<td>Legal</td>
<td>(2,495,941)</td>
<td>(2,117,113)</td>
</tr>
<tr>
<td>Commonwealth provided services - Note 2</td>
<td>(9,975,014)</td>
<td>(8,964,703)</td>
</tr>
<tr>
<td>Total</td>
<td>(256,840,334)</td>
<td>(277,900,130)</td>
</tr>
</tbody>
</table>

**Operating profit/(loss):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>194,359,122</td>
<td>168,580,268</td>
</tr>
</tbody>
</table>

**Other operating revenues (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement fines</td>
<td>600,655</td>
<td>645,732</td>
</tr>
<tr>
<td>License fees</td>
<td>13,604,263</td>
<td>15,301,518</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>3,927,888</td>
<td>1,261,297</td>
</tr>
<tr>
<td>Administrative law judge</td>
<td>(1,644,324)</td>
<td>(1,584,588)</td>
</tr>
<tr>
<td>Total</td>
<td>16,488,482</td>
<td>15,623,958</td>
</tr>
</tbody>
</table>

**Total operating income/(loss):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>210,847,604</td>
<td>184,204,226</td>
</tr>
</tbody>
</table>

**Miscellaneous revenues (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income (expense)</td>
<td>(2,656,656)</td>
<td>(2,323,972)</td>
</tr>
<tr>
<td>Other</td>
<td>46,420</td>
<td>14,020</td>
</tr>
<tr>
<td>Total</td>
<td>(2,610,236)</td>
<td>(2,309,952)</td>
</tr>
</tbody>
</table>

**Income/(Loss) before operating transfers:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>208,237,368</td>
<td>181,894,274</td>
</tr>
</tbody>
</table>

**Operating transfers out:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSP enforcement - Note 3</td>
<td>(17,442,557)</td>
<td>(17,084,325)</td>
</tr>
<tr>
<td><strong>Net Income/(Loss) from operations</strong></td>
<td><strong>190,794,811</strong></td>
<td><strong>164,809,949</strong></td>
</tr>
</tbody>
</table>

**Statutory Transfers:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund - Note 4</td>
<td>(100,000,000)</td>
<td>(100,000,000)</td>
</tr>
<tr>
<td>Drug and alcohol programs - Note 4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(100,000,000)</td>
<td>(100,000,000)</td>
</tr>
</tbody>
</table>

**Change in net position:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>90,794,811</td>
<td>64,809,949</td>
</tr>
</tbody>
</table>

**Total net position - beginning:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>(1,011,288,338)</td>
<td>(1,085,749,457)</td>
</tr>
</tbody>
</table>

**Total net position - ending:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$920,493,527</td>
<td>$1,020,939,508</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>259,672,030</td>
<td>245,083,477</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>102,200,768</td>
<td>96,635,096</td>
</tr>
<tr>
<td>Local Tax</td>
<td>6,241,311</td>
<td>5,431,958</td>
</tr>
<tr>
<td>Taxes remitted to Dept.of Revenue YTD</td>
<td>$368,114,109</td>
<td>$347,150,531</td>
</tr>
</tbody>
</table>
# FINANCIAL REPORT

*Michael J. Burns, Comptroller Operations, Office of Budget*

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

<table>
<thead>
<tr>
<th></th>
<th>February 28, 2022</th>
<th>February 28, 2021*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$46,805,260</td>
<td>$53,728,789</td>
</tr>
<tr>
<td>Investments - short term</td>
<td>276,777,364</td>
<td>281,119,634</td>
</tr>
<tr>
<td>Accounts and claims receivable, net</td>
<td>8,184,653</td>
<td>7,507,994</td>
</tr>
<tr>
<td>Due from other funds - Note 9</td>
<td>197,922,362</td>
<td>221,846,011</td>
</tr>
<tr>
<td>Merchandise inventories, net</td>
<td>573,689</td>
<td>394,979</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,029,865</td>
<td>1,145,440</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$531,293,193</td>
<td>$565,742,847</td>
</tr>
<tr>
<td>Non-current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-depreciable capital assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>322,973</td>
<td>322,973</td>
</tr>
<tr>
<td>Depreciable capital assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>10,712,687</td>
<td>21,009,026</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>209,134</td>
<td>197,771</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>47,708,201</td>
<td>49,065,922</td>
</tr>
<tr>
<td>Intangible - internally generated software</td>
<td>45,421,308</td>
<td>27,595,545</td>
</tr>
<tr>
<td>Intangible - right to use leases - Note 10</td>
<td>353,318,563</td>
<td>300,742,181</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>156,385,129</td>
<td>103,913,117</td>
</tr>
<tr>
<td><strong>Net depreciable capital assets</strong></td>
<td>$300,984,764</td>
<td>$294,697,328</td>
</tr>
<tr>
<td><strong>Total non-current capital assets</strong></td>
<td>$301,307,737</td>
<td>$295,020,301</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$832,600,930</td>
<td>$860,763,148</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources - Notes 5, 6</strong></td>
<td>$191,823,647</td>
<td>$153,833,669</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade accounts payable</td>
<td>$263,901,462</td>
<td>$304,088,856</td>
</tr>
<tr>
<td>Other accounts payable</td>
<td>13,215,667</td>
<td>24,454,386</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>22,938,702</td>
<td>21,129,755</td>
</tr>
<tr>
<td>OPEB - Note 6</td>
<td>6,298,715</td>
<td>9,595,210</td>
</tr>
<tr>
<td>Due to other funds - Note 9</td>
<td>8,780,740</td>
<td>7,963,575</td>
</tr>
<tr>
<td>Due to fiduciary funds - Note 9</td>
<td>3,362,139</td>
<td>3,352,830</td>
</tr>
<tr>
<td>Due to other governments - Note 9</td>
<td>947,892</td>
<td>915,488</td>
</tr>
<tr>
<td>Right to use liabilities - Note 10</td>
<td>55,230,486</td>
<td>19,256,668</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$374,675,803</td>
<td>$392,838,768</td>
</tr>
<tr>
<td>Non-current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPEB - Note 6</td>
<td>458,891,000</td>
<td>482,263,000</td>
</tr>
<tr>
<td>Self-insurance, workers’ compensation - Note 7</td>
<td>6,298,715</td>
<td>9,595,210</td>
</tr>
<tr>
<td>Due to other funds - Note 9</td>
<td>8,780,740</td>
<td>7,963,575</td>
</tr>
<tr>
<td>Due to fiduciary funds - Note 9</td>
<td>3,362,139</td>
<td>3,352,830</td>
</tr>
<tr>
<td>Due to other governments - Note 9</td>
<td>947,892</td>
<td>915,488</td>
</tr>
<tr>
<td>Right to use liabilities - Note 10</td>
<td>55,230,486</td>
<td>19,256,668</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>$1,229,950,012</td>
<td>$1,283,958,527</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$1,604,625,815</td>
<td>$1,676,797,295</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources - Notes 5, 6</strong></td>
<td>$191,823,647</td>
<td>$153,833,669</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$37,258,850</td>
<td>28,492,138</td>
</tr>
<tr>
<td>Deficit</td>
<td>(936,950,152)</td>
<td>(1,029,650,154)</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$(899,691,302)</td>
<td>$(1,001,158,016)</td>
</tr>
</tbody>
</table>

* 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.
## Commonwealth of Pennsylvania
### Pennsylvania Liquor Control Board
#### State Stores Fund
### Comparative Statements of Revenues, Expenses, and Changes in Net Position
#### For the Month Ending February 28, 2022 and February 28, 2021
##### (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$175,682,164</td>
<td>$169,782,109</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>$(121,311,568)</td>
<td>$(116,162,101)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>54,370,596</td>
<td>53,620,008</td>
</tr>
</tbody>
</table>

### Operating (expenses):

- Retail operations: $(25,364,624)
- Marketing & merchandising: $(493,591)
- Supply chain: $(364,065)
- Wholesale operations: $(81,924)
- Information technology services: $(1,957,700)
- Regulatory affairs: $(978,563)
- Administration: $(674,997)
- Finance: $(168,496)
- Board & secretary: $(1,940,744)
- Legal: $(409,260)
- Commonwealth provided services - Note 2: $(1,342,410)

Total operating expenses: $(33,776,374)

Operating profit/(loss): $20,594,222

### Other operating revenues (expenses):

- Enforcement fines: 76,500
- License fees: 2,677,666
- Miscellaneous income: 150,029
- Administrative law judge: $(210,314)

Total other operating revenues (expenses): $2,693,881

Total operating income/(loss): $23,288,103

### Miscellaneous revenues (expenses):

- Interest income (expense): $(368,617)
- Other: -

Total miscellaneous revenues (expenses): $(368,617)

Income/(Loss) before operating transfers: $22,919,486

### Operating transfers out:

- PSP enforcement - Note 3: $(2,117,261)

Net Income/(Loss) from operations: $20,802,225

### Statutory Transfers:

- General fund - Note 4: -
- Drug and alcohol programs - Note 4: -

Total statutory transfers: -

Change in net position: 20,802,225

Total net position - beginning: $(920,493,527)

Total net position - ending: $(899,691,302)

<table>
<thead>
<tr>
<th>Source of Taxes</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>31,784,959</td>
<td>31,440,983</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>12,510,872</td>
<td>12,392,432</td>
</tr>
<tr>
<td>Local Tax</td>
<td>825,425</td>
<td>759,520</td>
</tr>
<tr>
<td>Taxes remitted to Dept.of Revenue PTD</td>
<td>$45,121,256</td>
<td>$44,592,935</td>
</tr>
</tbody>
</table>
Commonwealth of Pennsylvania  
Pennsylvania Liquor Control Board  
State Stores Fund  
Comparative Statements of Revenues, Expenses, and Changes in Net Position  
For the Eight Months Ending February 28, 2022 and February 28, 2021  
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$1,624,230,513</td>
<td>$1,539,316,340</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(1,118,660,460)</td>
<td>(1,039,215,934)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>505,570,053</td>
<td>500,100,406</td>
</tr>
</tbody>
</table>

Operating (expenses):

- Retail operations (226,073,961) (244,984,001)
- Marketing & merchandising (6,654,200) (8,511,750)
- Supply chain (2,745,210) (4,899,225)
- Wholesale operations (865,481) (1,037,031)
- Information technology services (15,339,860) (17,763,536)
- Regulatory affairs (9,351,106) (10,904,725)
- Administration (5,952,930) (6,326,843)
- Finance (1,630,922) (1,815,980)
- Board & secretary (7,780,414) (2,129,053)
- Legal (2,905,201) (2,370,249)
- Commonwealth provided services - Note 2 (11,317,424) (10,159,535)

Total (290,616,709) (310,901,928)

Operating profit/(loss) 214,953,344 189,198,478

Other operating revenues (expenses):

- Enforcement fines 677,155 704,205
- License fees 16,281,929 17,028,229
- Miscellaneous income 4,077,917 1,419,725
- Administrative law judge (1,854,638) (1,778,167)

Total 19,182,363 17,373,992

Total operating income/(loss) 234,135,707 206,572,470

Miscellaneous revenues (expenses):

- Interest income (expense) (3,025,273) (2,714,758)
- Other 46,420 14,020

Total (2,978,853) (2,700,738)

Income/(Loss) before operating transfers 231,156,854 203,871,732

Operating transfers out:

- PSP enforcement - Note 3 (19,559,818) (19,280,291)

Net Income/(Loss) from operations 211,597,036 184,591,441

Statutory Transfers:

- General fund - Note 4 (100,000,000) (100,000,000)
- Drug and alcohol programs - Note 4 - -

Total (100,000,000) (100,000,000)

Change in net position 111,597,036 84,591,441

Total net position - beginning (1,011,288,338) (1,085,749,457)

Total net position - ending $ (899,691,302) $ (1,001,158,016)

Liquor tax 291,456,989 276,524,460
State Sales Tax 114,711,640 109,027,528
Local Tax 7,066,736 6,191,478
Taxes remitted to Dept.of Revenue YTD $ 413,235,365 $ 391,743,466
OTHER ISSUES

Employee Retirement – 30 Years’ Commonwealth Service..........................Chairman Tim Holden

John Stark – Board Secretary, Pennsylvania Liquor Control Board

Board Member Negra made comments about Mr. Stark’s retirement, indicating that Mr. Stark was one of several key PLCB personnel to retire this year. Board Member Negra then read the retirement certificate:

“The Pennsylvania Control Board proudly presents this certificate, honoring the retirement of John K. Stark from the Commonwealth of Pennsylvania on the 16th day of April 2022. We wish to express our sincere thanks and gratitude for your 30 years of dedicated service and wish you a happy, healthy and enjoyable retirement.”

Mr. Negra continued with his own comments, saying that he couldn’t have said it better himself and that Mr. Stark had been rock solid in the 8 years that he (Mr. Negra) had been at the PLCB. He has run great meetings and been a great mentor and was one of the rocks of agency who would be missed greatly.

Chairman Holden then commented. He wanted to echo Mr. Negra’s comments and said that Mr. Stark had been great for the agency through all these years. He had been a great help to the agency and to Mr. Holden. He will be missed and Mr. Holden regretted that he wasn’t able to be at the meeting in person. He said he would celebrate with Mr. Stark when he returned.

Board Member Isenhour commented next, saying she also wanted to echo Board Member Negra and Chairman Holden. She said that they would miss his soothing, strong voice at the Board Meetings. His voice was the one voice she could always hear. She continued by saying that she wanted to wish him and his wife all the best and hoped he enjoys his retirement years. It was well earned and well deserved.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, April 27, 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 Chairman Holden, the meeting was adjourned.

The foregoing actions are hereby officially approved.

_________________________________________
Chairman

_________________________________________
Member

_________________________________________
Member

ATTEST:

_______________________________________
Secretary