PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES
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WEDNESDAY, JULY 13, 2022
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
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

Board Secretary Michael Vigoda indicated that a quorum of the Board was present, and Chairman Holden called the meeting to order.

Pledge of Allegiance to the Flag

OLD BUSINESS.................................................................................................................. Secretary Vigoda

A. Motion to approve previous Board Meeting Minutes of the June 22, 2022 meeting.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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)  Speedy’s Place, LLC  ALJ Opinion
Citation No. 20-1181

At Board Member Negra’s request, Chief Counsel Diaz explained that this agenda item as well as the following two agenda items pertain to citations related to violations of the Governor’s COVID-19 emergency declaration and mitigation orders. Chief Counsel Diaz affirmed that while the occurrence of violations had not been disputed, the constitutionality of the Governor’s orders along with the question of whether or not citations could be considered appropriate penalties for such violations were at issue.

Since the Board previously held that the Governor indeed had the authority to issue orders with regard to the regulation of alcohol during a declared emergency, Chief Counsel Diaz stated that although a subsequent appeal could be anticipated, the recommendation from his office was that the citations be affirmed and the matter remanded to the ALJ.

Motion Made:  Board Member Negra
Seconded:  Board Member Isenhour

Board Decision:  Unanimously agreed (3-0 vote) to affirm the ALJ’s opinion and remand to the ALJ in order to serve suspension.

(2)  Speedy’s Place, LLC  ALJ Opinion
Citation No. 21-0080

Motion Made:  Board Member Negra
Seconded:  Board Member Isenhour

Board Decision:  Unanimously agreed (3-0 vote) to affirm the ALJ’s opinion and remand to the ALJ in order to serve suspension.

(3)  Speedy’s Place, LLC  ALJ Opinion
Citation No. 21-0284

Motion Made:  Board Member Negra
Seconded:  Board Member Isenhour

Board Decision:  Unanimously agreed (3-0 vote) to affirm the ALJ’s opinion and remand to the ALJ in order to serve suspension.
City of Sunbury
Case No. 22-NE-06

Municipal Petition for Exemption from Liquor Code Statute Regarding Amplified Sound

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the municipal petition for exemption from Liquor Code statute regarding amplified sound from July 13, 2022 through July 13, 2023.

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

(1) Blackbird Distillery, LLC
   t/a Blackbird Distillery
   AL-2 (LID No. 89358)
   93 Blackout Alley
   Rose Township
   Brookville, Jefferson County

   Limited Distillery Additional Board-Approved Location & Request
   for an Interior Connection with Another Business – Limited Distillery

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(2) Fresh Jrink, LLC
   t/a Santana’s Soulfrito
   R-7949 (LID No. 108552) Case No. 22-9026
   318 Market Street
   Sunbury, Northumberland County

   Person-to-Person Transfer – Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.
(3) Juan Carlos, LLC
t/a Juan Carlos Fine Mexican Cuisine
(LID No. 109267) Case No. 22-9062
235 East High Street
Pottstown, Montgomery County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve new economic development license.

(4) Vicinitas, LLC
R-8302 (LID No. 105901) Case No. 22-9023
3849 Lancaster Avenue
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(5) 2420 Flag LLC
R-15555 (LID No. 57602) Case No. 2020-57602
2420 Rhawn Street
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(6) B & T Tavern LLC
R-14921 (LID No. 68129) Case No. 2021-68129
501 Chestnut Street
Dunmore, Lackawanna County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.
CLD Associates, Inc. t/a Olyvias Italian Eatery
R-15885 (LID No. 73359) Case No. 2021-73359
3674 Pricetown Rd
Ruscombmanor Township
Fleetwood, Berks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

Country Garden 6-Pak Restaurant Of Lancaster Inc.,
R13812 (LID No. 28722) Case No. 2022-28722
876 Manor St.
Lancaster, Lancaster County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

MacBlane Enterprises, Inc. t/a Brackney Inn
H-3198 (LID No. 43382) Case No. 2021-43382
769 Brackney Hill Road
Brackney, Susquehanna County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

MR I LLC
R-2244 (LID No. 86694) Case No. 2020-86694
1000 Frankford Ave
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal.
(11) **Order of Owls Homestead Nest No. 1538**  
Renewal – District 5  
CC-1024 (LID No. 3079) Case No. 2021-3079  
524 West 7th Avenue  
West Homestead, Allegheny County  

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour  
**Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal.

(12) **Padraic Carpenter**  
t/a Down Under  
Renewal – District 7  
R-16753 (LID No. 72271) Case No. 2021-72271  
7 E Main Street  
Youngsville, Warren County  

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour  
**Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal.

(13) **Rupp Land Development Company, Inc.**  
t/a High Street Pub & Grill  
Renewal – District 7  
R-8011 (LID No. 61795) Case No. 2021-61795  
103 East High Street  
Sharpsville, Mercer County  

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour  
**Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal.

(14) **Sara, Inc.**  
t/a Double S Saloon  
Renewal – District 4  
R-14292 (LID No. 64339) Case No. 2021-64339  
610 Evans Ave  
McKeesport, Allegheny County  

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour  
**Board Decision:** Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.
Note: Board Minutes are not officially approved until all required signatures are affixed.

(15) Slice Life Operations LLC
t/a Paradise by the Slice
R-531 (LID No. 101167) Case No. 2021-101167
69 E Penn Ave
Wernersville, Berks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(16) St. Ann’s Athletic Association
C-3007 (LID No. 1473) Case No. 2021-1473
501-509 Wood Street
Bristol, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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

Personnel Actions

There were 22 personnel actions presented for consideration.

(1) Jason Burfield – Affirm Removal
(2) Tionta Burns – Affirm Removal
(3) John Clemison – Removal
(4) Joshua Deans – Affirm Removal
(5) Stephanie Dunkley – Removal
(6) Matthew Ferro - Removal
(7) Kinta Gomez – Affirm Removal
(8) Patricia Hall - Removal
(9) Daylyn Henderson - Removal
(10) Amy Janoski – Removal
(11) Laniya Jones-Blount – Affirm Removal
(12) Cory Maines - Suspension
(13) Nicole McKay – Affirm Removal
(14) Brinley Monstwil – Removal
(15) Brandon Moyer – Removal
(16) Samantha Perez – Affirm Removal
(17) Brianna Preston – Affirm Removal
(18) Alayaha Rucker – Affirm Removal
(19) Brian Smith – Affirm Removal
(20) Forrest Smith – Removal
(21) Johnelle Troutman - Removal
(22) Ciara Williams – Affirm Removal

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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

Procurement Actions:

(1) Corrugated Cardboard Shipping Boxes and Inserts – This request is for corrugated cardboard shipping boxes and inserts to be used by the PLCB to pack bottles of wine and spirits at the PLCB’s E-Commerce Fulfillment Center and all Fine Wine & Good Spirits stores and Licensee Service Centers throughout the Commonwealth.

Procured via IFB #270003 – VENDORS: Edwin Bell Cooperage Company and Phoenix Packaging Inc. - TERM: One year for period 8/1/2022 through 7/31/2023 - $1,363,880.40 estimated cost to be split between the two awarded suppliers.
Inter-Agency Charges:

(1) **Office of Administration – VMware ELA agreement** – Charge of $21,484.00 to reimburse the Office of Administration for the PLCB’s annual subscription cost for VMware software licenses and services for July 1, 2022 through June 30, 2023. This is a three-year enterprise licensing agreement (ELA) between VMware and the Office of Administration that the PLCB has committed to for a total cost of $64,452.00 for fiscal years 2022-23, 2023-24 and 2024-25, (charge of $21,484.00 for each of the three years).

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 Isenhour  
**Board Decision:** Unanimously agreed (3-0 vote) to approve the Procurement Action and the Inter-Agency Charge.

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

(1) #0290 – Noble Manor Shopping Center, 2350 Noblestown Road, Pittsburgh  
Amendment

(2) #3915 – Westgate Mall, 2289 Schoenersville Road, Bethlehem  
Amendment

(3) #4807 – Hellertown Market Place, 1848 Leithsville Road, Hellertown  
Amendment

(4) #4815 – Forks Town Center, 341 Town Center Boulevard, Easton  
Amendment

(5) #0238 – Shady Hill Shopping Center, 6320 Shakespeare Street, Pittsburgh  
Store Closing

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour  
**Board Decision:** Unanimously agreed (3-0 vote) to approve all Retail Operations actions.
From the Bureau of Product Selection .................................Tom Bowman, Director of Product Selection

The Bureau of Product Selection respectfully submits the attached Actions for Board approval:

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

“These items went to Board for the public meeting without pricing”

Various

1. Regular New Items Accepted

Various

2. Regular Recommended Delist

1. Regular New Items Accepted

BRAND NAME AND SIZE

REASON

Bacardi USA Inc
Patron Anejo 50 mL 2,3
Patron Anejo 1.75 L 2,3
Patron Reposado 200 mL 2,3
Patron Silver 200 mL 2,3
Patron Silver 50 mL 2,3

Cape Classics Inc
The Beach House Pinot Grigio 750 mL 11,19

G&B Importers
Bulgariana Cabernet Sauvignon 750 mL 14,19

Heaven Hill Brands
Admiral Nelson Silver 1.75 L 3

Jim Beam Brands Co
Truly Pineapple Mango 750 mL 2,3,10
Truly Strawberry Lemonade 750 mL 2,3,10
Truly Wild Berry 750 mL 2,3,10

Luxco Inc
El Mayor Anejo Tequila 750 mL 3,5

Majestic W S USA Inc
Santa Margherita Rose 750 mL 2,3,19

Regal Wine Imports
Paquet Montagnac Pinot Noir 750 mL 11,14,19
## 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

### 2. Regular Recommended Delist

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constellations Brands</strong></td>
<td></td>
</tr>
<tr>
<td>Svedka Pure Infusions Dragonfruit Melon Vodka 750 mL</td>
<td>855</td>
</tr>
<tr>
<td>Woodbridge by Robert Mondavi Bourbon Barrel Aged Red Blend 750 mL</td>
<td>784</td>
</tr>
<tr>
<td>Woodbridge by Robert Mondavi Malbec Central Valley 1.5 L</td>
<td>3829</td>
</tr>
<tr>
<td>Woodbridge by Robert Mondavi Rum Barrel Aged Chardonnay 750 mL</td>
<td>783</td>
</tr>
<tr>
<td><strong>Heaven Hill Brands</strong></td>
<td></td>
</tr>
<tr>
<td>Christian Brothers Cream Sherry 1.5 L</td>
<td>4788</td>
</tr>
</tbody>
</table>
**BRAND NAME AND SIZE**

<table>
<thead>
<tr>
<th>BRAND NAME</th>
<th>SIZE</th>
<th>CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxco Inc</td>
<td>Salvador’s Hard Iced Tea Lemonade Cocktail 1.75 L</td>
<td>98709</td>
</tr>
<tr>
<td>The Wine Group</td>
<td>Ava Grace Pinot Grigio 375 mL</td>
<td>98068</td>
</tr>
<tr>
<td></td>
<td>Ava Grace Rose 375 mL</td>
<td>98067</td>
</tr>
<tr>
<td></td>
<td>Beringer Main and Vine Dry Rose 750 mL</td>
<td>340</td>
</tr>
<tr>
<td></td>
<td>Corbett Canyon Cabernet Sauvignon 3 L</td>
<td>9838</td>
</tr>
</tbody>
</table>

EFFECTIVE DATE: The transference to closeout will become effective August 12, 2022

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour  
**Board Decision:** Unanimously agreed (3-0 vote) to approve all Product Selection 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></th>
<th>May 31, 2022</th>
<th>May 31, 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>$57,552,401</td>
<td>$59,081,956</td>
</tr>
<tr>
<td>Investments - short term</td>
<td>130,519,059</td>
<td>304,322,724</td>
</tr>
<tr>
<td>Accounts and claims receivable, net</td>
<td>8,403,793</td>
<td>6,666,282</td>
</tr>
<tr>
<td>Merchandise inventories, net</td>
<td>207,656,076</td>
<td>208,242,091</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>532,659</td>
<td>472,995</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>622,362</td>
<td>450,692</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>405,286,349</strong></td>
<td><strong>579,236,640</strong></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>10,762,508</td>
<td>21,139,183</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>209,134</td>
<td>209,134</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>48,018,934</td>
<td>47,497,747</td>
</tr>
<tr>
<td>Intangible - internally generated software</td>
<td>54,969,809</td>
<td>28,755,848</td>
</tr>
<tr>
<td>Intangible - right to use leases - Note 10</td>
<td>359,951,909</td>
<td>317,872,713</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>173,508,327</td>
<td>117,524,616</td>
</tr>
<tr>
<td><strong>Net depreciable capital assets</strong></td>
<td><strong>300,443,967</strong></td>
<td><strong>297,950,009</strong></td>
</tr>
<tr>
<td><strong>Total non-current capital assets</strong></td>
<td><strong>300,766,940</strong></td>
<td><strong>298,272,982</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$706,053,288</td>
<td>$877,509,622</td>
</tr>
<tr>
<td>Total deferred outflows of resources - Notes 5, 6</td>
<td>$184,850,447</td>
<td>$167,450,369</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>$193,977,277</td>
<td>$311,326,116</td>
</tr>
<tr>
<td>Other accounts payable</td>
<td>13,293,130</td>
<td>26,926,122</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>17,374,577</td>
<td>15,080,521</td>
</tr>
<tr>
<td>OPEB - Note 6</td>
<td>6,298,716</td>
<td>11,095,210</td>
</tr>
<tr>
<td><strong>Self-insurance, workers’ compensation - Note 7</strong></td>
<td><strong>64,400,982</strong></td>
<td><strong>47,955,269</strong></td>
</tr>
<tr>
<td>Due to other funds - Note 9</td>
<td>8,944,819</td>
<td>6,387,522</td>
</tr>
<tr>
<td>Due to fiduciary funds - Note 9</td>
<td>2,566,844</td>
<td>2,368,220</td>
</tr>
<tr>
<td>Due to other governments - Note 9</td>
<td>746,290</td>
<td>670,377</td>
</tr>
<tr>
<td>Right to use liabilities - Note 10</td>
<td>55,172,729</td>
<td>52,019,183</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>298,374,382</strong></td>
<td><strong>427,955,251</strong></td>
</tr>
<tr>
<td>Non-current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPEB - Note 6</td>
<td>438,836,000</td>
<td>502,804,000</td>
</tr>
<tr>
<td><strong>Self-insurance, workers’ compensation - Note 7</strong></td>
<td><strong>64,400,982</strong></td>
<td><strong>47,955,269</strong></td>
</tr>
<tr>
<td>Compensated absences - Note 1</td>
<td>25,995,401</td>
<td>24,809,043</td>
</tr>
<tr>
<td>Right to use liabilities - Note 10</td>
<td>201,581,520</td>
<td>217,545,111</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>1,208,180,232</strong></td>
<td><strong>1,283,373,243</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$1,506,554,614</td>
<td>$1,711,328,494</td>
</tr>
<tr>
<td>Total deferred inflows of resources - Notes 5, 6</td>
<td>$305,735,964</td>
<td>$307,431,438</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$44,012,691</td>
<td>$28,708,708</td>
</tr>
<tr>
<td>Deficit</td>
<td>(965,399,533)</td>
<td>(1,002,508,649)</td>
</tr>
<tr>
<td><strong>Total net position - Note 12</strong></td>
<td><strong>(921,386,842)</strong></td>
<td><strong>(973,799,941)</strong></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.*
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending May 31, 2022 and May 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>$199,753,785</td>
<td>$199,864,617</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(138,139,769)</td>
<td>(136,680,581)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>61,614,016</td>
<td>63,184,036</td>
</tr>
</tbody>
</table>

Operating (expenses):
- Retail operations: (28,590,923) (29,812,658)
- Marketing & merchandising: (780,396) (768,256)
- Supply chain: (176,748) (669,806)
- Wholesale operations: (121,682) (113,178)
- Information technology services: (2,020,781) (2,620,036)
- Regulatory affairs: (1,496,816) (1,655,890)
- Administration: (813,095) (785,643)
- Finance: (205,465) (180,530)
- Board & secretary: (1,133,095) (338,188)
- Legal: (349,559) (318,286)
- Commonwealth provided services - Note 2: (1,578,219) (799,413)
- Total: (37,266,159) (38,061,884)

Operating profit/(loss): 24,347,857 25,122,152

Other operating revenues (expenses):
- Enforcement fines: 143,705 45,343
- License fees: 2,156,279 911,919
- Miscellaneous income: 231,877 160,193
- Administrative law judge: (251,160) (219,867)
- Total: 2,280,701 897,588

Total operating income/(loss): 26,628,558 26,019,740

Miscellaneous revenues (expenses):
- Interest income (expense): (353,656) (399,176)
- Other: - 1,396
- Total: (353,656) (397,780)

Income/(Loss) before operating transfers: 26,274,902 25,621,960

Operating transfers out:
- PSP enforcement - Note 3: (2,503,271) (1,971,646)
- Total: (2,503,271) (1,971,646)

Net Income/(Loss) from operations: 23,771,631 23,650,314

Statutory Transfers:
- General fund - Note 4: - -
- Drug and alcohol programs - Note 4: - -
- Total: - -

Change in net position: 23,771,631 23,650,314

Total net position - beginning: (945,158,473) (997,450,255)

Total net position - ending: $921,386,842 $973,799,941

<table>
<thead>
<tr>
<th></th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>35,936,702</td>
<td>35,687,417</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>14,128,035</td>
<td>14,040,501</td>
</tr>
<tr>
<td>Local Tax</td>
<td>907,788</td>
<td>876,790</td>
</tr>
<tr>
<td>Taxes remitted to Dept.of Revenue PTD</td>
<td>$50,972,525</td>
<td>$50,604,708</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 Eleven Months Ending May 31, 2022 and May 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>$2,209,564,194</td>
<td>$2,125,609,213</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(1,522,902,711)</td>
<td>(1,441,434,332)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>686,661,483</td>
<td>684,174,881</td>
</tr>
</tbody>
</table>

Operating (expenses):
- Retail operations: (313,717,576) (331,389,705)
- Marketing & merchandising: (10,972,324) (10,682,239)
- Supply chain: (4,010,552) (6,701,370)
- Wholesale operations: (1,228,687) (1,411,016)
- Information technology services: (21,959,287) (25,005,143)
- Regulatory affairs: (13,681,910) (14,844,096)
- Administration: (8,403,203) (8,683,090)
- Finance: (2,272,464) (2,409,477)
- Board & secretary: (11,556,395) (14,844,096)
- Legal: (3,958,851) (3,217,810)
- Commonwealth provided services - Note 2: (16,332,184) (13,261,585)

Total: (408,092,933) (420,991,488)

Operating profit/(loss): 278,568,550 263,183,393

Other operating revenues (expenses):
- Enforcement fines: 1,777,259 912,512
- License fees: 24,107,068 20,907,497
- Miscellaneous income: 5,433,559 2,923,916
- Administrative law judge: (2,607,186) (2,493,749)

Total: 28,710,700 22,250,176

Total operating income/(loss): 307,279,250 285,433,569

Miscellaneous revenues (expenses):
- Interest income (expense): (4,094,265) (3,889,088)
- Other: 49,085 15,416

Total: (4,045,180) (3,873,672)

Income/(Loss) before operating transfers: 303,234,070 281,559,897

Operating transfers out:
- PSP enforcement - Note 3: (28,232,574) (27,010,381)

Net Income/(Loss) from operations: 275,001,496 254,549,516

Statutory Transfers:
- General fund - Note 4: (185,100,000) (142,600,000)
- Drug and alcohol programs - Note 4:

Total: (185,100,000) (142,600,000)

Change in net position: 89,901,496 111,949,516

Total net position - beginning - Note 12: (1,011,288,338) (1,085,749,457)

Total net position - ending:
- Liquor tax: 396,451,387 380,990,327
- State Sales Tax: 155,965,233 150,163,553
- Local Tax: 9,763,673 8,771,995
- Taxes remitted to Dept.of Revenue YTD:

$562,180,293 539,925,875
OTHER ISSUES

None

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

Chairman Holden recognized Peter Laurenzano, who stated that he is the sole proprietor of licensee Marlboro Partners. Mr. Laurenzano reiterated his points made at the June 8, 2022 board meeting regarding the status of his license and asked the Board Members to forego a hearing. Mr. Laurenzano insisted that the matter could be settled without the need for a hearing and expressed his concerns about costs and delays. Chief Counsel Diaz advised that the Board does not have discretion to act in the manner proposed by Mr. Laurenzano, as the Liquor Code sets forth the required handling of such matters by way of an administrative hearing. That hearing is scheduled for late July. Mr. Diaz strongly encouraged Mr. Laurenzano to be prepared to present all of his arguments and documentation at that hearing to ensure that the Board has a complete record when the case is before it for decision.

Caller Lisa Brown then inquired as to when license auctions would resume. Chairman Holden stated that this topic had been discussed very recently and that the PLCB would likely be auctioning licenses in the fall. After Board Member Negra suggested that auctions could begin as early as August, Chief Counsel Diaz affirmed that uncertainty remained regarding exact time frames. Chairman Holden recognized the substantial level of interest in the auctions but indicated that additional details were currently unavailable.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday July 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 Negra, seconded by Board Member Isenhour, the meeting was adjourned.

The foregoing actions are hereby officially approved.

_________________________________________
Chairman

_________________________________________
Member

_________________________________________
Member

ATTEST:

____________________________
Secretary