

48th REPORT

LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1973
to MARCH 31st, 1974



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The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,
Toronto, Ontario, M5E 1A4
October 3, 1974.

The Honourable Pauline M. McGibbon, O.C., B.A., LL.D., D.U.,
The Lieutenant Governor of the Province of Ontario,
Parliament Buildings,
Queen's Park,
Toronto, Ontario.

May It Please Your Honour,

In accordance with the requirements of Section 13 of the Liquor Control Act, I have the honour to submit the forty-eighth report of the Liquor Control Board of Ontario. This report covers the fiscal period from April 1, 1973 to March 31, 1974. The Board continued to exercise control over the use and abuse of beverage alcohol and at the same time provided the best possible distribution of beverage alcohol products to the purchasing public. At March 31, 1974 the Board listed 2,012 spirits, wines and imported beers which represented products of Canada and thirty-nine countries of the world.

Twenty-five new self-serve stores were opened in the year. In addition, five stores were relocated and seven stores were converted at their present location to self-serve. This is in keeping with the policy established a number of years ago whereby new outlets, relocations and renovations will be established as self-serve stores wherever possible. At March 31, 1974 there were 514 regular Board stores of which 146 were self-serve. In addition, there were 58 Agency stores operating in the northern half of the Province. In 1974-75 the Board will concentrate more on the conversion of conventional stores. The number of new stores may accordingly be curtailed.

Sales through the Board stores increased \$58.9 million or 11% during the year. At the same time the net profit paid to the Treasurer of Ontario was \$280,800,000, an increase of 10.6%. Total revenue paid to the Treasurer from profits and Ontario retail sales tax collected on the sales of beverage alcohol from government stores amounted to \$361,500,000 in the fiscal year under review. The cost of administration is under continual review by management and all departments of the Board. Administrative costs, including the writeoff of fixed assets, were approximately 8% of total revenue.

In 1973 the Board introduced the mobile home style of building to provide temporary stores in rural areas pending construction of more permanent buildings. This program has been most successful and was expanded in the current year. At March 31, 1974 the Board was operating 16 stores of this type.

The Rare Wines and Spirits Department was opened in October, 1973 and is staffed by two experienced wine consultants. There are 236 listings offered

for sale. The operation has roused a considerable interest and has proved to be a useful service.

The increasing volume of distribution requirements will be more effectively processed with the opening of a leased warehouse in Toronto. This warehouse initially was used to store imported goods but subsequently has been converted to a storage and distribution warehouse for almost two thirds of the volume of shipments in the Toronto delivery area.

Gas chromatography and atomic absorption equipment and other automatic and semi-automatic equipment has been added to the Board's laboratory. This will streamline and expedite analysis procedures and permit the present high levels of quality control to be applied to the increasing number of products listed and sold.

Considerable difficulty was experienced during the year in the flow of imported goods into Ontario. The contributing factors included changing price levels, fluctuating currencies and serious interruptions in both supplies and transportation. Although it is anticipated that some of these problems may continue into the next fiscal year, every effort has been made to ensure the minimum of customer inconvenience.

The rise in price of many imported products has been dramatic over the past year. The main reasons for these higher prices are increases in world demand, costs of the supplies and currency fluctuations.

Due to adverse weather conditions the Ontario grape crop of 1972 was disappointingly small. To make good the shortage, the Ontario wineries were permitted to import and use grape concentrate or grapes up to an amount equal to 80% of their estimated shortage of Ontario grapes. This permission was granted under the terms of The Wine Content Act, 1972.

The number of wine consultants in both conventional and self-serve stores has been increased to 36 so that this service is being expanded to all areas of the province. This function provides a service to the public in an area of increasing interest.

I would like to express my appreciation to the Honourable John Clement, Q.C., Minister of Consumer and Commercial Relations and the staff of his Ministry for their assistance and cooperation over the past year. At the same time, a warm tribute should also be paid to the 3,200 permanent employees of the Board. Their work and support are an essential part of the success of the Board's operations.

Special thanks are extended to Mr. R. J. Harris, Deputy Chief Commissioner, Reverend A. Walter Downer, M.P.P., Mr. J. S. Abra, General Manager and all the Board's executives for their achievements over the past year.

I have the honour to be, Madam,

Your Obedient Servant,

GEORGE KITCHING,
Chief Commissioner.

Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$594,438,726. Sales in Ontario, of Canadian wine made direct to customers from licenced retail wine stores and wineries, amounted to \$11,483,299. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$360,970,403.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

Sales by Value

	Twelve Months Ending March 31, 1974	Twelve Months Ending March 31, 1973	Increase
Sales by Board Stores			
Canadian Spirits	\$393,288,289	\$357,349,829	\$35,938,460
Imported Spirits	85,317,453	74,111,179	11,206,274
Canadian Wines	42,048,859	41,199,396	849,463
Imported Wines	52,182,039	44,772,593	7,409,446
Canadian Beers	18,307,419	15,573,820	2,733,599
Imported Beers	3,294,667	2,522,556	772,111
Total Sales by Board Stores	\$594,438,726	\$535,529,373	\$58,909,353
 Sales by Ontario Wineries and Winery Stores	 \$ 11,483,299	 \$ 11,702,322	 \$ 219,023 (dec)
 Sales by Breweries and Brewers' Retail Stores (exclusive of container value)	 \$360,970,403	 \$336,913,624	 \$24,056,779

Sales by Gallons

	Twelve Months Ending March 31, 1974	Twelve Months Ending March 31, 1973	Increase
Sales by Board Stores			
Canadian Spirits	11,713,433	10,651,366	1,062,067
Imported Spirits	2,135,088	1,876,626	258,462
Canadian Wines	4,451,072	4,418,149	32,923
Imported Wines	3,295,452	2,944,525	350,927
Canadian Beers	6,368,915	5,420,586	948,329
Imported Beers	499,624	408,349	91,275
Total Sales by Board Stores	<u>28,463,584</u>	<u>25,719,601</u>	<u>2,743,983</u>
Sales by Ontario Wineries and Winery Stores	<u>1,291,245</u>	<u>1,325,219</u>	<u>33,974 (dec)</u>
Sales by Breweries and Brewers' Retail Stores	<u>147,278,863</u>	<u>139,953,092</u>	<u>7,325,771</u>

Revenue payments totalling \$629,919,829 were received by the Treasurer of Ontario and the Government of Canada as a result of levies on beverage alcohol sold in Ontario during the year. In addition the Board paid \$1,383,710 to the Ontario municipalities as grants in lieu of realty and business taxes. These amounts are exclusive of corporation, realty and business taxes paid to these Governments and municipalities by the distilleries, wineries, breweries and licence holders. Ontario retail sales tax collected by licence holders and agency stores on their sales of beverage alcohol is also excluded.

In prior years rebates of a proportion of fees received from licencees were paid to those municipalities that policed the Liquor Control Act and Liquor Licence Act. These rebates were rescinded in the current year and were replaced by additional police grants from the Province of Ontario.

A summary of the aforementioned revenue payments follows:

Treasurer of Ontario

Remitted by the Board—		
On account of profits, licence fees etc.	\$280,800,000	
Ontario Retail Sales Tax on sales through liquor stores	<u>52,150,087</u>	
	332,950,087	
Remitted by others—		
Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	<u>28,568,454</u>	
		\$361,518,541

Government of Canada

Paid by the Board—	
Customs and Excise Duties	143,590,315
Federal Sales Tax on spirits, wines and imported beers	<u>32,421,537</u>
	176,011,852

Paid by others—		
Malt duties and taxes on domestic		
beers and wines	<u>92,389,436</u>	\$268,401,288
		<u>\$629,919,829</u>

Ontario Municipalities

Paid by the Board—		
Grants in lieu of realty and business taxes		\$ 1,383,710
		<u><u>\$631,303,539</u></u>

Sales by Breweries to Other Provinces and Countries

	1970 Gallons	1971 Gallons	1972 Gallons	1973 Gallons	1974 Gallons
Sales to other					
Provinces	1,137,053	3,019,168	4,904,485	1,806,931	1,685,924
Export Sales	<u>3,050,946</u>	<u>2,900,609</u>	<u>2,927,320</u>	<u>2,872,772</u>	<u>4,043,696</u>
	<u>4,187,999</u>	<u>5,919,777</u>	<u>7,831,805</u>	<u>4,679,703</u>	<u>5,729,620</u>

The decrease in sales to other provinces in 1973 and 1974 is the direct result of the transfer of the total production of canned beer by one brewery from Ontario to Quebec.

All brands of beer produced by the Ontario breweries and by the Quebec and Manitoba breweries which were sold in this province were periodically analysed as in previous years. This ensures that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its laboratory at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

Wineries

During the year a licence was issued to Baron Wines Limited to produce wine from Ontario fruit materials other than grapes. The company has not commenced production.

The number of wineries and winery stores in operation at March 31, 1974 remained at 8 and 51 respectively.

Six retail wine stores were relocated during the year as follows:

- Barnes Wines Limited —from 448 Queen Street East, Sault Ste. Marie
to Georgian Mall, R.R. #3, Barrie
- Chateau Cartier Wines Limited—from Westmount Plaza,
50 Westmount Road, Waterloo
to Bayshore Shopping Plaza,
100 Bayshore Drive, Ottawa
- Chateau-Gai Wines Limited —from 38 King Street South, Waterloo
to 2500 Hurontario Street, Mississauga

Jordan Wines Limited

- from 84 Cedar Street South, Timmins
to Bramalea City Centre, Highway #7 and
Dixie Road, Bramalea
- from 171 Goyeau Street, Windsor
to Eastgate Square Shopping Plaza,
75 Centennial Park, Stoney Creek
- from 33 Cumberland Street South,
Thunder Bay
to White Oaks Plaza,
1100 Wellington Road South, London

Sales by Wineries to Other Provinces and Countries

	1970 Gallons	1971 Gallons	1972 Gallons	1973 Gallons	1974 Gallons
Sales to other					
Provinces	3,536,132	3,970,456	4,129,763	4,315,648	4,031,620
Export Sales	34,414	34,409	38,401	59,266	48,919
	<u>3,570,546</u>	<u>4,004,865</u>	<u>4,168,164</u>	<u>4,374,914</u>	<u>4,080,539</u>

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1970 Tons	1971 Tons	1972 Tons	1973 Tons	1974 Tons
Grapes used in the manu- facture of wine	36,417	40,278	52,750	39,739	45,348
Grapes used in the manu- facture of concentrate	2,015	2,139	5,286	434	1,358
Cherries used in the manufacture of wine	292	12	106	78	67
	<u>38,724</u>	<u>42,429</u>	<u>58,142</u>	<u>40,251</u>	<u>46,773</u>

Personnel

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1974, was as follows:

Board Members	3	Legal	4
		Permit	6
Staffs of Departments		Personnel	18
Chief Commissioner	3	Planning and Development	5
General Manager	8	Product Administration	25
Accounting	69	Properties Management	21
Audit	39	Purchasing	4
Customs	6	Records Management	9
Data Processing	32	Stores	2,621
Distribution Depot	41	Store Operations	34
Garage	6	Traffic	11
Laboratory	10	Warehouses	225
			<u>3,200</u>

In addition there were 1,524 temporary or daily rate employees at March 31, 1974. Of this total 1,494 were employed in the stores.

Board Stores

There were 514 Board stores in operation during the year which included the distribution depot in Toronto and a rare wines and spirits store which was opened in October, 1973. This specialty store is located on the third floor of the Toronto warehouse building.

Twenty-five self-serve stores were opened at the following locations:

April	2, 1973	Perth Street	Richmond
April	12, 1973	1 Byng Avenue	Kapuskasing
May	2, 1973	300 Borough Drive	Scarborough
May	10, 1973	R.R. #14, Dog Lake Road	Lappe
May	11, 1973	* 125 Sall Street	Red Rock
May	18, 1973	2458 Dundas Street West	Mississauga
May	28, 1973	Greenwin Square, 345 Bloor Street East	Toronto
June	14, 1973	T Ward and Colborne Streets	Bridgenorth
June	18, 1973	* 262 Edinburgh Road South	Guelph
June	21, 1973	T Hastings Road	Warkworth
June	22, 1973	*T P.O. Box 160	Delta
June	28, 1973	T Highway #62 East	Maynooth
July	6, 1973	T Second Street	South Baymouth
July	20, 1973	5 Main Street North	Callander
August	11, 1973	T Highway 506	Plevna
September	10, 1973	25 Main Street East	Lambeth
September	13, 1973	*T 90 Peterborough Street	Norwood
September	27, 1973	T Cedar Avenue	Thorne
October	3, 1973	Square One, 100 City Centre Drive	Mississauga
November	27, 1973	* P.O. Box 799	Pelham
November	30, 1973	3060 Falconbridge Highway	Garson
December	15, 1973	2300 Yonge Street	Toronto
December	15, 1973	217 Yonge Street	Stroud
December	17, 1973	* 4-10th Avenue South	Earlton
March	9, 1974	900 Dufferin Street	Toronto

T Trailer * Board-owned Properties

The two summer stores at Hurkett and Rossport were not reopened in 1973-74.

Five stores were relocated and converted to self-serve during the year as follows:

Store	From	To
23	1057 Barton Street East	883 Barton Street East, Hamilton
30	240 Durham Street	99 Durham Street West, Walkerton
78	Armstrong Street	Armstrong Street, New Liskeard
163	2820 Danforth Avenue	* 3111 Danforth Avenue, Scarborough
188	233 Brock Street South	* 111 Gilbert Street East, Whitby

* Board-owned Properties

The trailer store in Lanark was relocated to a permanent building. In addition, seven stores were converted to self-serve at their present locations. This is in keeping with the Board's policy of establishing new outlets, re-locations and renovations to self-service wherever possible.

At March 31, 1974 there were 146 self-serve stores in operation.

Agency Stores

Four new agency stores were opened during the year at the following locations:

May	15, 1973	Rosspport
August	1, 1973	Red Gut Bay Landing
October	12, 1973	Hillspport
March	13, 1974	Shabaqua

In addition, seven agencies changed ownership during the year. The original agency numbers were reassigned to the new owners. There were 58 agency stores in operation at March 31, 1974.

Breweries and Brewers' Retail Stores

Henninger Brewery (Ontario) Limited commenced operation during the year. There were thirteen breweries located in Ontario, two in Quebec and three in Manitoba that were licenced to sell their products in Ontario.

Eleven new brewers' retail stores were opened during the year at the following locations:

April	17, 1973	178 Main Street North	Uxbridge
May	18, 1973	3030 Erindale Station Road	Mississauga
May	28, 1973	345 Bloor Street East	Toronto
June	20, 1973	300 Borough Drive	Scarborough
July	12, 1973	1380 Lambton Road	Sarnia
August	29, 1973	125 Lindsay Street	Fenelon Falls
August	29, 1973	500 Princess Street	Kingston
December	17, 1973	Ottawa Street	Havelock
January	28, 1974	248 Stirling Avenue South	Kitchener
February	4, 1974	25 King Street East	Bobcaygeon
March	11, 1974	300 King George Road	Brantford

On June 11, 1973 the brewers' retail store at 6567 Raglan Street, Renfrew was relocated to New Street and Highway #17, Renfrew.

There were 404 stores in operation at March 31, 1974.

Permits

A classification of permits and licences issued during the year follows:

PERMITS 1973-1974

Physicians	30
Druggists	67
Dentists and Veterinarians	59
Mechanical and Scientific	676 (350 Free)
Manufacturers	144
Kitchen	78
Hospitals	309 (Free)
First Aid	20 (Free)

LICENCES 1973-1974

Breweries	13
Wineries	8
Sacramental Wine Vendorships	15
Non-potable alcohol, Storage	
Warehouses	1

Financial Statements

Current Assets totalling \$60,839,420 consisted of the following:

Cash on hand and in banks	\$ 4,099,686
Accounts Receivable: Licence holder fees, beer levies, winery fees, freight claims, hospital charge sales etc.	6,610,626
Inventories of liquors and supplies	50,129,108
	<u>\$60,839,420</u>

Prepaid charges for insurance, taxes, etc. amounted to \$187,914.
Prepaid merchandise for future delivery amounted to \$1,003,006.

Mortgage Receivable \$19,168 represents the principal amount outstanding of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building and trailer, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 190 store sites on which completed stores are located; 28 store sites, against which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,965,906 have been charged against income. The accumulations of Reserve

for Depreciation have been increased by \$1,978,662, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$34,164,969 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences etc.

The Reserve for Insurance of \$1,000,000 and the Reserve for Contingencies of \$500,000 remained the same as at the end of the previous year.

Outstanding Commitments amounted to \$50,199,000. These items represent the value of undelivered orders totalling \$38,100,000, the amounts of \$10,716,000 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1974, the liabilities for property under option and uncompleted contracts of \$600,000 and goods and services ordered but not delivered of \$783,000. These outstanding commitments have not been reflected in the trading profits of the Board.

The Statement of Income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$594,438,726.

The same statement shows a gross trading profit of \$266,541,571 and other revenues of \$74,991,620 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$59,492,889 consisting of administrative and operating expenses (including \$2,722,877 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Statement of Retained Income is \$282,040,302. After payment to the Treasurer of Ontario of \$280,800,000 on account of profits, a balance of \$26,384,994 remained in Retained Income.

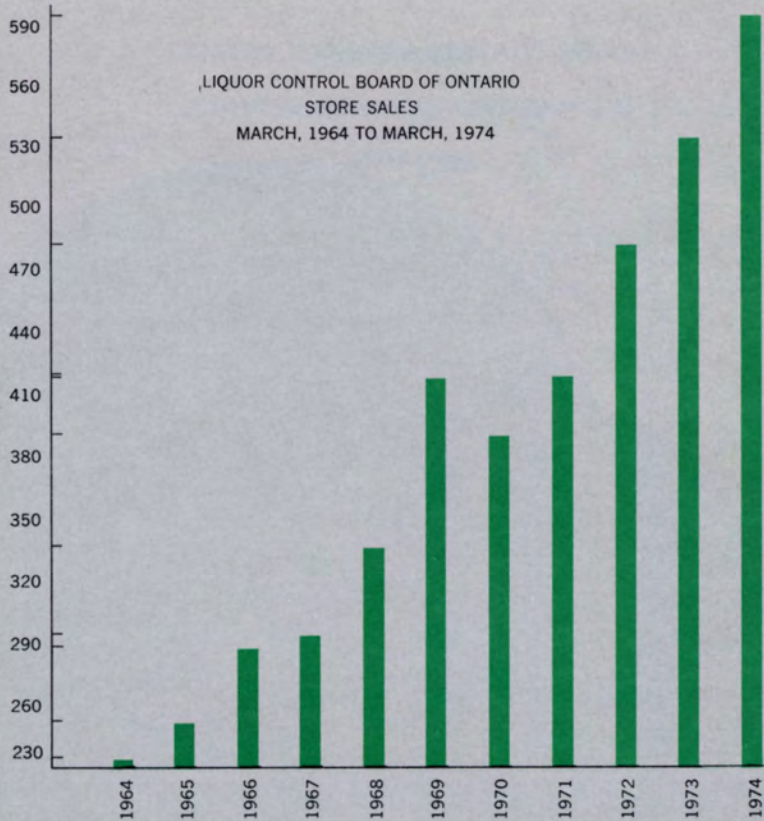
For comparative purposes the figures and percentage to sales are given for the twelve month period reported upon herein and the preceding fiscal year.

The Statement of Source and Application of Funds summarizes how the funds were made available and how funds were disbursed during the year.

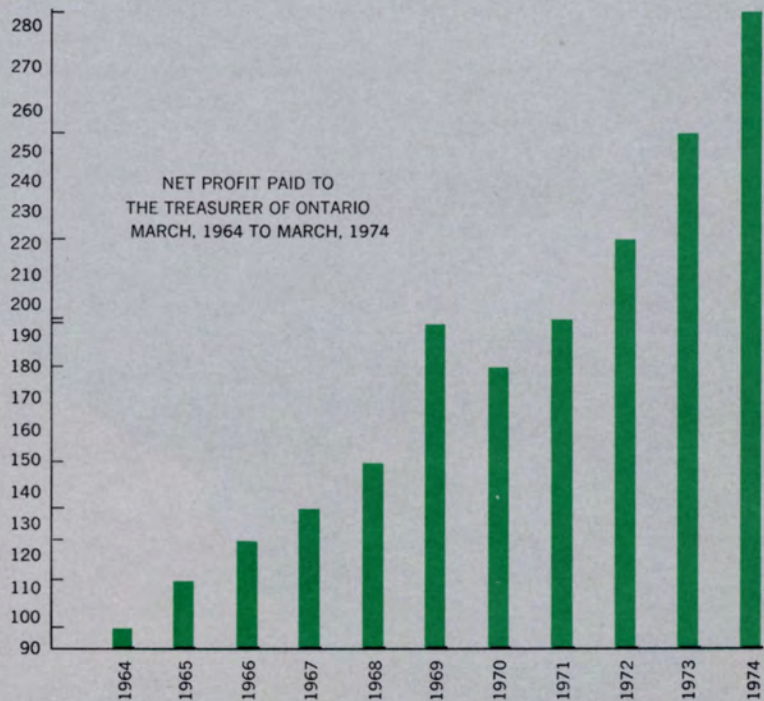
In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

The Statement of Administration and Operation includes a total of \$407,298 for miscellaneous other expenses and a total of \$374,628 for store services. Of these amounts, a total of \$194,013 represents expenses paid from the stores' and warehouses' petty cash.

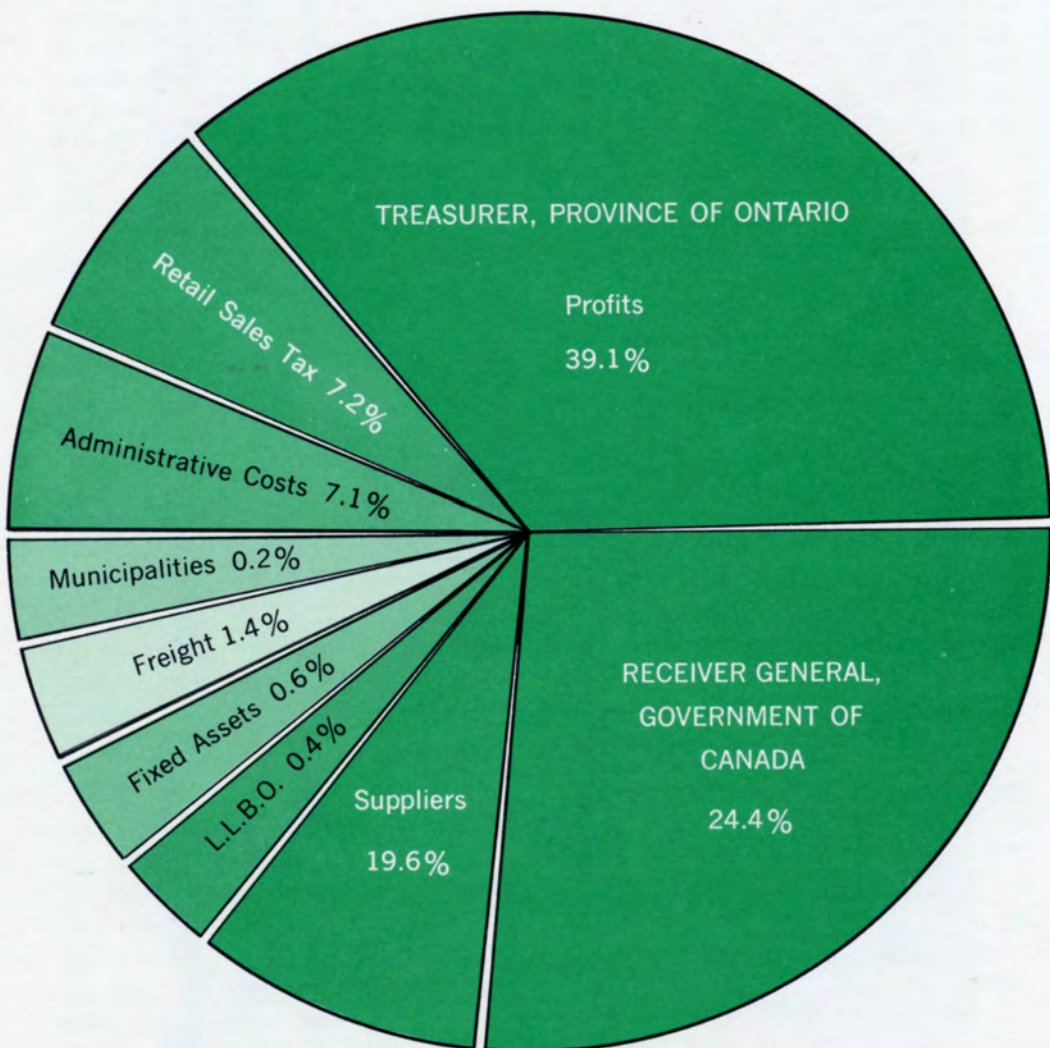
Millions



Millions

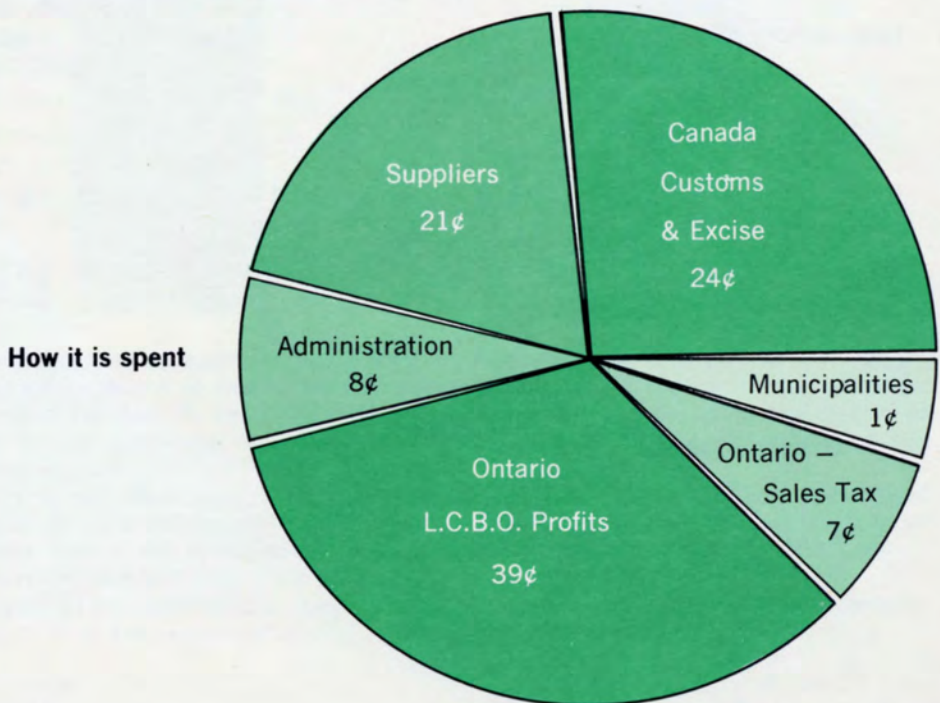
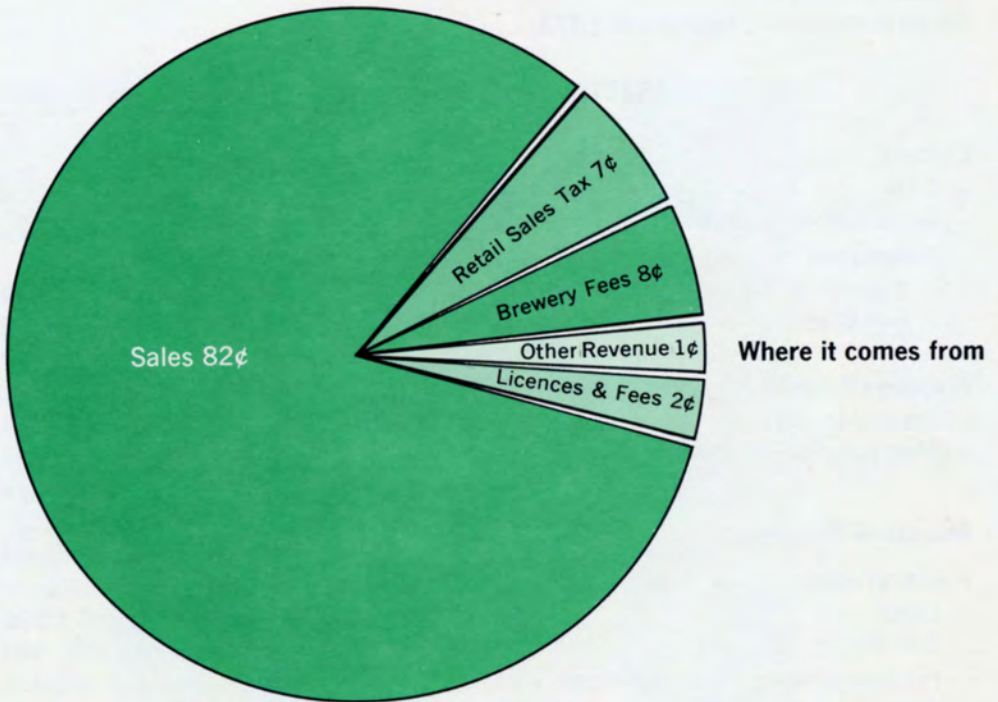


LIQUOR CONTROL BOARD OF ONTARIO
DISTRIBUTION OF GROSS REVENUE
1973-1974



THE L.C.B.O. DOLLAR

1973-1974



LIQUOR CONTROL BOARD OF ONTARIO

Balance Sheet

March 31, 1974

(with comparative figures for 1973)

ASSETS	1974 \$	1973 \$
Current		
Cash	4,099,686	7,066,715
Accounts receivable	6,610,626	6,582,469
Inventories, at cost		
Liquors in warehouses and stores	49,956,132	45,994,953
Supplies	172,976	283,847
	<u>60,839,420</u>	<u>59,927,984</u>
Prepaid Charges		
Insurance and other charges	187,914	314,688
Merchandise for future delivery	1,003,006	411,496
	<u>1,190,920</u>	<u>726,184</u>
Mortgage Receivable	19,168	21,487
Fixed, at cost		
Land	8,107,873	7,625,693
Buildings	33,274,974	31,834,865
Furniture, equipment and motor vehicles	8,440,495	7,766,038
Alterations to owned and rented premises	9,856,083	8,551,878
	<u>59,679,425</u>	<u>55,778,474</u>
Less: Amounts written off	<u>59,678,970</u>	<u>55,778,055</u>
	<u>455</u>	<u>419</u>
	<u><u>62,049,963</u></u>	<u><u>60,676,074</u></u>

Approved:

J. S. ABRA
General Manager

F. A. MACINNIS
Deputy General Manager

LIABILITIES		1974	1973
		\$	\$
Current			
Accounts payable and accrued liabilities		34,092,194	33,963,278
Deferred revenue		72,775	68,104
		<u>34,164,969</u>	<u>34,031,382</u>
Reserve for Insurance		1,000,000	1,000,000
Reserve for Contingencies		500,000	500,000
Retained Income		<u>26,384,994</u>	<u>25,144,692</u>
	1974	1973	
	\$	\$	
Outstanding Commitments			
Duty on stocks in bond	10,716,000	13,846,000	
Liquors ordered but not delivered (including duty, freight, etc.)	38,100,000	6,747,000	
Goods and services ordered but not delivered (excluding liquors)	783,000	209,000	
Property under option and uncompleted building contracts	600,000	223,000	
	<u>50,199,000</u>	<u>21,025,000</u>	
		<u>62,049,963</u>	<u>60,676,074</u>

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1974, and the statements of income, retained income and source and application of funds for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board as at March 31, 1974 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has also been made to the Board, to the Minister and, in accordance with section 17 of The Liquor Control Act, to the Lieutenant Governor in Council.

Toronto, Ontario.
July 23, 1974.

F. N. SCOTT, C.A.,
Provincial Auditor.

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Income

For the year ended March 31, 1974

(with comparative figures for 1973)

	1974 \$
Sales	
Sales of spirits, wines and beers	
Cost of Sales	
Inventories at beginning of year	45,994,953
Purchases	331,858,334
	<u>377,853,287</u>
Less: Inventories at end of year	49,956,132
Gross Profit on Sales	
Other Revenue (the Liquor Control Board and the Liquor Licence Board)	
Brewers' licence fees	19,500
Brewery store and brewers' retail store licence fees	274,600
Gallonage fees on beer production—Ontario breweries	51,845,856
Gallonage fees on beer sales—Extra-Provincial breweries	3,386,799
Licence fees—The Liquor Licence Act (1973—Net after deducting municipalities' share)	11,334,669
Ontario wine licence fees	1,197,339
Special occasion permit fees	1,858,175
Special occasion permit purchase fees	2,730,645
Transfer fees	1,799,398
Interest on bank balances	176,327
Remuneration for collecting Ontario Retail Sales Tax	—
Miscellaneous income	<u>368,312</u>
Income	
Expenses— (the Liquor Control Board and the Liquor Licence Board)	
Administrative and operating expenses (Schedule 1)	55,456,350
Furniture and equipment and alterations to owned and rented premises written off	2,070,633
Additions to land and buildings during the year written off	<u>1,965,906</u>
Net Income	

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Retained Income

For the year ended March 31, 1974

(with comparative figures for 1973)

	<u>1974</u>	<u>1973</u>
	\$	\$
Balance at beginning of year	25,144,692	25,125,857
Add:		
Net income for the year	<u>282,040,302</u>	<u>253,718,835</u>
	307,184,994	278,844,692
Deduct:		
Payments to Treasurer of Ontario on account of profits	<u>280,800,000</u>	<u>253,700,000</u>
Balance at end of year	<u><u>26,384,994</u></u>	<u><u>25,144,692</u></u>

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Source and Application of Funds

For the year ended March 31, 1974
(with comparative figures for 1973)

	1974 \$	1973 \$
Source of Funds		
Net Income	282,040,302	253,718,835
Items not requiring an outlay of funds—		
Provision for write-off:		
Land and buildings	1,965,906	1,885,624
Furniture and equipment and alterations to premises	2,070,633	2,810,346
Decrease in mortgage receivable	2,319	2,193
	<u>286,079,160</u>	<u>258,416,998</u>
Application of Funds		
Investment in:		
Land and buildings	1,965,942	1,885,660
Furniture and equipment and alterations to premises	2,070,633	2,810,346
Increase (Decrease) in prepaid insurance and other charges	(126,774)	70,279
Increase in merchandise for future delivery	591,510	232,591
Payments to Treasurer of Ontario on account of profits	280,800,000	253,700,000
	<u>285,301,311</u>	<u>258,698,876</u>
Increase (Decrease) in working capital	777,849	(281,878)
Working capital at beginning of year	<u>25,896,602</u>	<u>26,178,480</u>
Working capital at end of year	<u>26,674,451</u>	<u>25,896,602</u>

LIQUOR CONTROL BOARD OF ONTARIO

Administrative and Operating Expenses

(including Liquor Licence Board of Ontario expenses)

For the year ended March 31, 1974

(with comparative figures for 1973)

	1974		1973	
	\$	% of sales	\$	% of sales
Salaries	39,403,752	6.63	34,516,624	6.45
Superannuation	1,633,706	.28	1,422,806	.27
Canada Pension Plan	405,852	.07	384,127	.07
Employees' insurance and health plans	892,004	.15	751,371	.14
Workmen's Compensation and Unemployment Insurance	349,564	.06	237,121	.04
Rent	3,804,238	.64	2,988,881	.56
Light, heat and power	909,619	.15	798,223	.15
Premises protection	64,080	.01	59,319	.01
Repairs and maintenance	1,638,975	.28	1,318,246	.25
Insurance	147,044	.02	108,930	.02
Grants in lieu of business taxes	698,370	.12	693,620	.13
Grants in lieu of property taxes	685,340	.12	684,700	.13
Postage	134,791	.02	121,415	.02
Stationery	718,910	.12	717,249	.13
Telephone and telegraph	238,710	.04	209,768	.04
Packing material	691,770	.12	558,702	.10
Freight	13,991	.00	14,572	.00
Discounts	63,953	.01	54,957	.01
N.A.T.O. discounts	103,174	.02	94,026	.02
Agency commissions	349,101	.06	312,467	.06
Agency expenses	62,185	.01	50,541	.01
Breakages	189,623	.03	144,216	.03
Sundries	407,298	.07	260,763	.05
Travelling	594,360	.10	511,293	.10
Car and truck expenses	9,157	.00	5,898	.00
Data processing equipment rental and supplies	327,564	.05	301,272	.05
Exchange	26,601	.00	16,839	.00
Store service expenses	374,624	.06	233,562	.04
Ontario Provincial Police— Reimbursement of certain administrative and enforcement expenses	353,608	.06	156,163	.03
Store stock losses	164,386	.03	116,104	.02
	<u>55,456,350</u>	<u>9.33</u>	<u>47,843,775</u>	<u>8.93</u>