

# 52<sup>nd</sup> REPORT

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## LIQUOR CONTROL BOARD OF ONTARIO

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APRIL 1st, 1977  
to MARCH 31st, 1978

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# The Liquor Control Board of Ontario

651 Lake Shore Boulevard East,

Toronto, Ontario M5E 1A4

September 26, 1978

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In accordance with Section 7 of The Liquor Control Act, 1975, I have the honour to submit herewith the fifty-second report of the Liquor Control Board of Ontario. This report covers the fiscal year ended March 31, 1978 during which time the Board was responsible for the control and sale of the products of distillation, wineries and breweries in Ontario.

During the year 536 stores and 52 agency stores accounted for 227 millions of dollars, an increase of 5.1% over the previous year, while profits payable to the Treasury rose from 305 to 332 millions of dollars. Other revenues including 3 millions of dollars in the month reserved for purchase points last collected also speak of excellent performance in the Ontario Retail Sales Tax.

The Ontario Wine Assistance program which includes the accelerated distribution of wine to our retail outlets at reduced rates, again proved to be a success. The sales of Ontario produced wines have again increased during the 1977-78 year.

During the year the Board strives to attain excellence in the selection of products at affordable prices in our attempt to accommodate the vastness of the public sector.

A sincere thanks is extended to the 3,500 permanent employees whose conscientious efforts have made an important contribution to the successful operation of the Board during the year. In particular, Mr. R.J. Harris, Vice-Chairman, and Mr. F.A. Macdonald, General Manager, and the officers of the Board all warrant special acknowledgement. Their cooperative efforts have allowed the Board to function smoothly throughout the year.

# The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,  
Toronto, Ontario M5E 1A4,  
September 29, 1978.

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

May It Please Your Honour,

In accordance with Section 7 of The Liquor Control Act, 1975, I have the honour to submit herewith the fifty-second report of the Liquor Control Board of Ontario. This report covers the fiscal year ended March 31, 1978 during which time the Board was responsible for the control and sale of the products of distilleries, wineries and breweries in Ontario.

Sales through 586 stores and 63 agency stores exceeded 927 millions of dollars, an increase of 8.1% over the previous year, while profits payable to the Treasurer rose from 308 to 333 millions of dollars. Other revenues exceeding 3 millions of dollars, in the main, represented purchase permit fees collected from special occasion permit holders in lieu of Ontario Retail Sales Tax.

The Ontario Wine Assistance program which includes the accelerated distribution of wines to our retail outlets at reduced mark-ups continues to be a success. The sales of Ontario produced wines have again increased during the 1977-78 year.

During the year the Board strove to attain excellence in the selection of products at affordable prices in our attempt to accommodate the varied tastes of the public sector.

A sincere thanks is extended to the 3,569 permanent employees whose conscientious efforts have made an important contribution to the successful operation of the Board during the year. In particular Mr. R.J. Harris, Vice Chairman, and Mr. F.A. MacInnis, General Manager, and the officers of the Board all warrant special acknowledgement. Their cooperative efforts have allowed the Board to function smoothly throughout the year.



I would be remiss if I did not also mention the contributions of members, Mr. W.E. Austin, Mr. J.L. Slade and Ms. K.J. Anderson, whose fresh insights aided us in dealing successfully with our problems.

I have the honour to be Madam,

Your Obedient Servant,

William J. Bosworth,  
Chairman.

# Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$927,096,623. Sales in Ontario, of Canadian wine made direct to customers from licenced retail wine stores and wineries, amounted to \$11,400,179. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$492,557,349.

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<br>Ending<br>March 31, 1978 | Twelve Months<br>Ending<br>March 31, 1977 | Increase            |
|-------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------|
| <b>Sales by Board Stores</b>                                                                    |                                           |                                           |                     |
| Canadian Spirits                                                                                | \$560,760,105                             | \$533,091,226                             | \$27,668,879        |
| Imported Spirits                                                                                | 144,269,098                               | 133,620,462                               | 10,648,636          |
| Canadian Wines                                                                                  | 62,577,143                                | 54,085,873                                | 8,491,270           |
| Imported Wines                                                                                  | 117,685,776                               | 97,783,370                                | 19,902,406          |
| Canadian Beers                                                                                  | 31,070,284                                | 29,953,519                                | 1,116,765           |
| Imported Beers                                                                                  | 10,734,217                                | 8,972,875                                 | 1,761,342           |
| <b>Total Sales by<br/>Board Stores</b>                                                          | <u>\$927,096,623</u>                      | <u>\$857,507,325</u>                      | <u>\$69,589,298</u> |
| <br><b>Sales by Ontario Wineries<br/>And Winery Stores</b>                                      |                                           |                                           |                     |
|                                                                                                 | <u>\$ 11,400,179</u>                      | <u>\$ 10,879,615</u>                      | <u>\$ 520,564</u>   |
| <br><b>Sales by Breweries and<br/>Brewers' Retail Stores<br/>(exclusive of container value)</b> |                                           |                                           |                     |
|                                                                                                 | <u>\$492,557,349</u>                      | <u>\$456,813,662</u>                      | <u>\$35,743,687</u> |



## Sales by Gallons

|                                                          | Twelve Months<br>Ending<br>March 31, 1978 | Twelve Months<br>Ending<br>March 31, 1977 | Increase         |
|----------------------------------------------------------|-------------------------------------------|-------------------------------------------|------------------|
| <b>Sales by Board Stores</b>                             |                                           |                                           |                  |
| Canadian Spirits                                         | 13,425,004                                | 13,270,340                                | 154,664          |
| Imported Spirits                                         | 2,825,742                                 | 2,798,086                                 | 27,656           |
| Canadian Wines                                           | 5,544,583                                 | 4,883,308                                 | 661,275          |
| Imported Wines                                           | 6,270,504                                 | 5,466,539                                 | 803,965          |
| Canadian Beers                                           | 7,610,583                                 | 7,497,387                                 | 113,196          |
| Imported Beers                                           | 1,301,972                                 | 1,104,582                                 | 197,390          |
| <b>Total Sales by<br/>Board Stores</b>                   | <u>36,978,388</u>                         | <u>35,020,242</u>                         | <u>1,958,146</u> |
| <b>Sales by Ontario Wineries<br/>and Winery Stores</b>   | <u>1,080,662</u>                          | <u>1,033,984</u>                          | <u>46,678</u>    |
| <b>Sales by Breweries and<br/>Brewers' Retail Stores</b> | <u>149,572,317</u>                        | <u>144,586,896</u>                        | <u>4,985,421</u> |

Revenue payments totalling \$786,240,611 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 \$2,181,280 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.

A summary of the aforementioned revenue payments follows:

### Treasurer of Ontario

Remitted by the Board —

On account of profits \$327,300,000

Ontario Retail Sales Tax on sales through  
liquor stores

79,048,971

406,348,971

Remitted by others —

Ontario Retail Sales Tax on sales through  
retail wine stores and brewers' retail stores

37,650,867

\$443,999,838

### Government of Canada

Paid by the Board —

Customs and Excise Duties 190,148,839

Federal Sales Tax on spirits, wines and  
Imported beers

47,979,475

238,128,314

|                                                   |                    |                      |
|---------------------------------------------------|--------------------|----------------------|
| Paid by others —                                  |                    |                      |
| Malt duties and taxes on domestic beers and wines | <u>104,112,459</u> | <u>\$342,240,773</u> |
|                                                   |                    | <u>\$786,240,611</u> |

#### Ontario Municipalities

|                                             |  |                      |
|---------------------------------------------|--|----------------------|
| Paid by the Board —                         |  |                      |
| Grants in lieu of realty and business taxes |  | <u>\$ 2,181,280</u>  |
|                                             |  | <u>\$788,421,891</u> |

## Sales by Breweries to Other Provinces and Countries

| Sales to<br>other | 1974<br><u>Gallons</u> | 1975<br><u>Gallons</u> | 1976<br><u>Gallons</u> | 1977<br><u>Gallons</u> | 1978<br><u>Gallons</u> |
|-------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Provinces         | 1,685,924              | 746,703                | 420,100                | 134,536                | 162,872                |
| Export Sales      | <u>4,043,696</u>       | <u>6,203,685</u>       | <u>8,147,926</u>       | <u>10,383,157</u>      | <u>12,162,090</u>      |
|                   | <u>5,729,620</u>       | <u>6,950,388</u>       | <u>8,568,026</u>       | <u>10,517,693</u>      | <u>12,324,962</u>      |

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

On August 24, 1977, Charal Winery and Vineyards Incorporated began operation in Blenheim. This increased to ten the number of wineries in operation at March 31, 1978.

The introduction of self-contained mini-stores located within large food and department stores has contributed to the net increase of wine retail stores during the year. This brings to 62 the number of retail wine stores in operation at March 31, 1978.

The following retail wine store was relocated during this year.

T.G. Bright & Company Limited — from 187 Dundas Street, London  
to 261 Dundas Street, London



## Sales by Wineries to Other Provinces and Countries

|                          | 1974<br>Gallons  | 1975<br>Gallons  | 1976<br>Gallons  | 1977<br>Gallons  | 1978<br>Gallons  |
|--------------------------|------------------|------------------|------------------|------------------|------------------|
| Sales to other Provinces | 4,031,620        | 4,035,073        | 3,360,683        | 3,124,471        | 2,591,790        |
| Export Sales             | 48,919           | 33,783           | 27,188           | 22,995           | 70,244           |
|                          | <u>4,080,539</u> | <u>4,068,856</u> | <u>3,387,871</u> | <u>3,147,466</u> | <u>3,662,034</u> |

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

|                                               | 1974<br>Tons  | 1975<br>Tons  | 1976<br>Tons  | 1977<br>Tons  | 1978<br>Tons  |
|-----------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Grapes used in the manufacture of wine        | 45,348        | 46,916        | 44,525        | 42,850        | 34,269        |
| Grapes used in the manufacture of concentrate | 1,358         | 2,058         | 268           | 492           | 824           |
| Cherries used in the manufacture of wine      | 67            | 21            | 41            | 48            | —             |
|                                               | <u>46,773</u> | <u>48,995</u> | <u>44,834</u> | <u>43,390</u> | <u>35,093</u> |

## Personnel

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1978, was as follows:

|                       |    |                          |              |
|-----------------------|----|--------------------------|--------------|
| Board Members         | 5  | Mail and Multigraph      | 7            |
|                       |    | Personnel                | 22           |
| Staffs of Departments |    | Planning and Development | 2            |
|                       |    | Product Administration   | 27           |
| Chairman's Office     | 1  | Properties Management    | 27           |
| General Manager       | 14 | Purchasing               | 3            |
| Accounting            | 56 | Records Management       | 7            |
| Audit                 | 52 | Safety and Security      | 2            |
| Customs               | 6  | Special Projects         | 6            |
| Data Processing       | 37 | Stores                   | 2,905        |
| Garage                | 5  | Store Operations         | 41           |
| Laboratory            | 10 | Traffic                  | 13           |
| Legal                 | 3  | Warehouses               | 323          |
|                       |    |                          | <u>3,569</u> |

In addition there were 2,260 temporary or hourly rate employees at March 31, 1978. Of this total 2,214 were employed in the stores.



## Board Stores

There were 586 Board stores in operation during the year which included the distribution depot in Toronto, two duty free stores at Toronto International Airport and a Rare Wines and Spirits store.

Thirteen self-serve stores were opened at the following locations:

|           |          |                                |             |
|-----------|----------|--------------------------------|-------------|
| April     | 7, 1977  | P.O. Box 940                   | Stittsville |
| May       | 18, 1977 | Water Street, General Delivery | Warsaw      |
| May       | 25, 1977 | 1245 Dupont Street             | Toronto     |
| June      | 10, 1977 | 2 King Street, West            | Hamilton    |
| August    | 5, 1977  | 500 James Street, North        | Hamilton    |
| August    | 5, 1977  | Yonge Street, P.O. Box 76      | Bonfield    |
| September | 19, 1977 | 1071 Wellington Road           | London      |
| October   | 20, 1977 | Highway 11, P.O. Box 112       | Moonbeam    |
| November  | 3, 1977  | 578 Main Street, West          | Winchester  |
| November  | 21, 1977 | Coldwater Road, P.O. Box 999   | Orillia     |
| December  | 2, 1977  | King Street, P.O. Box 129      | Brechin     |
| December  | 12, 1977 | 2503 Dougall Avenue            | Windsor     |
| December  | 16, 1977 | Amanda Street, P.O. Box 368    | Coniston    |

The following two stores were relocated and converted to self-serve operations during the year.

| Store | From              | To                                |
|-------|-------------------|-----------------------------------|
| 43    | 15 Charles Street | 9 Water Street North, Kitchener   |
| 314   | Lake Street       | Queen and North Streets, Killaloe |

The stores located in Embrun and Almonte ceased to operate as combination stores.

Other changes to stores during the year included; converting store 206, Windsor from a regular store to a Distribution Centre to accommodate licencees and special occasion permit purchases; closing store 36 at 105 O'Connor Street, Ottawa and converting an additional 30 stores to a self-serve operation at their present locations. At March 31, 1978 there were 347 self-serve stores in operation.

## Agency Stores

During the year eight agency stores changed ownership and three agency stores who surrendered their licences in the previous year were reassigned. In addition, one new agency store was opened at Keefer Lake to bring to 63 the number of stores in operation at March 31, 1978.

# Breweries and Brewers' Retail Stores

There were eleven Breweries located in Ontario, two in Quebec and two in Manitoba that were licenced to sell beer in Ontario.

Five new Brewers' Retail stores were opened at the following locations:

|                   |          |                            |             |
|-------------------|----------|----------------------------|-------------|
| April             | 4, 1977  | 4141 Dixie Road            | Mississauga |
| July              | 27, 1977 | 113 High Street            | Almonte     |
| November 14, 1977 |          | 1080 Adelaide Street, West | London      |
| November 15, 1977 |          | Notre Dame Street          | Embrun      |
| March             | 28, 1978 | 9025 Torbram Road          | Brampton    |

On December 8, 1977, the Brewers' Retail store at 1515 Rebecca Street in Oakville was relocated in the same plaza.

There were 424 retail stores in operation at March 31, 1978.



# Financial Statements

Current Assets totalling \$88,628,134 consisted of the following:

|                                                                                                      |                     |
|------------------------------------------------------------------------------------------------------|---------------------|
| Cash on Hand and in Banks                                                                            | \$7,295,801         |
| Accounts Receivable: Licence holder fees, winery fees,<br>freight claims, hospital charge sales etc. | 1,171,383           |
| Inventories of liquors, supplies and equipment                                                       | 80,045,794          |
| Prepaid charges for Insurance, taxes etc.                                                            | 115,156             |
|                                                                                                      | <u>\$88,628,134</u> |

Included in inventories of liquors, supplies and equipment is prepaid merchandise for future delivery amounting to \$404,622 and supplies and equipment valued on \$529,469.

Mortgage receivable \$8,418 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 235 store sites on which completed stores are located; 10 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 \$1,426,154 have been charged against income.

The accumulations of reserve for depreciation have been increased by \$1,841,746 which represents the purchases of furniture, fixtures, machinery, equipment and alterations to leased premises.

Current liabilities of the Board totalled \$42,376,355 and consisted of trade accounts payable and accrued charges.

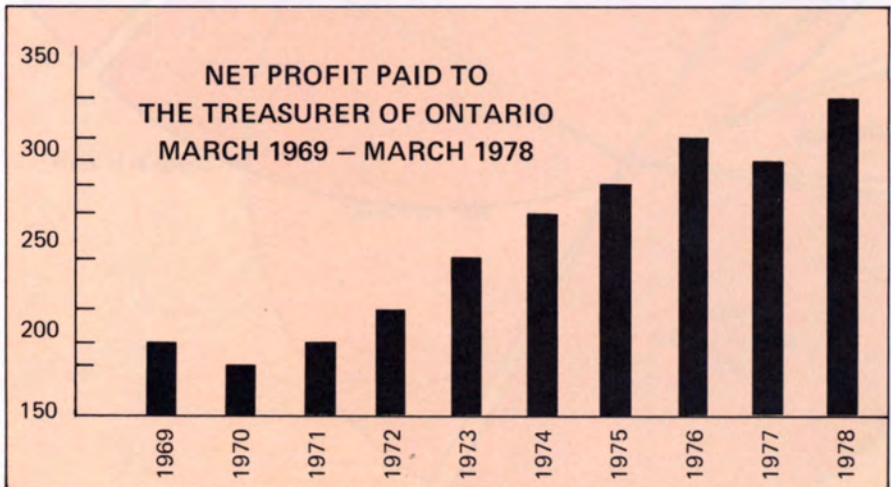
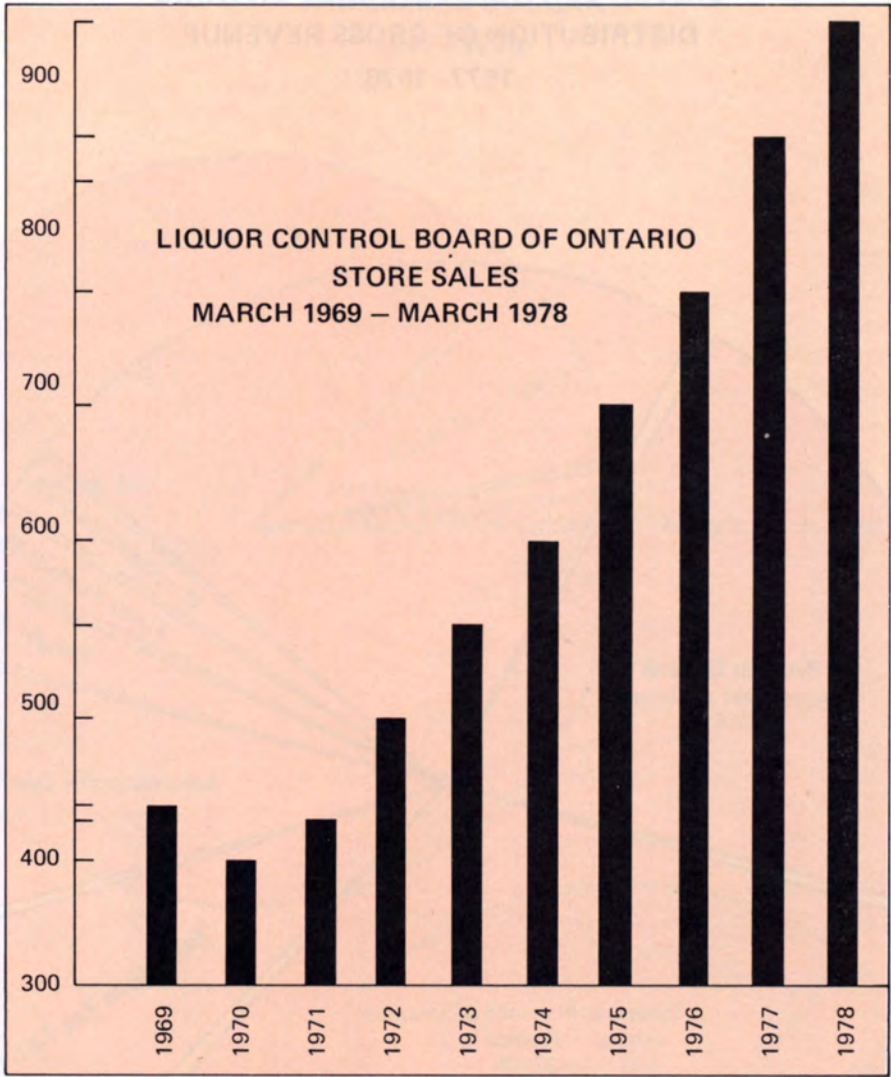
The statement of income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$927,096,623.

The same statement shows a gross trading profit of \$428,389,713 and other miscellaneous revenue of \$3,534,493. Expenses for the year totalled \$98,226,621 consisting of administrative and operating expenses 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 \$333,697,585. After payment to the Treasurer of Ontario of \$327,300,000 on account of profits, a balance of \$46,260,719 remained in retained income.

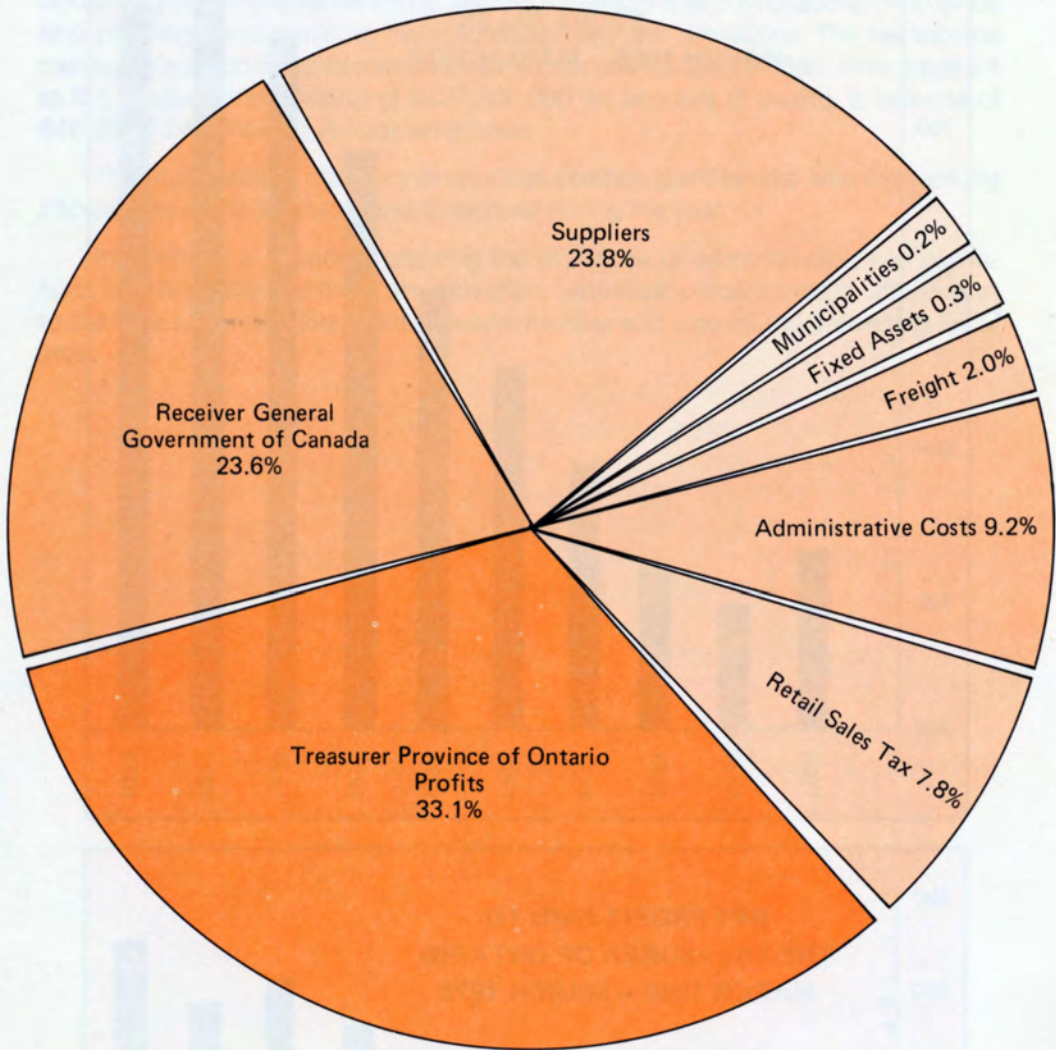
The statement of changes in financial position summarizes how the working capital was made available and disbursed during the year.

In addition, a schedule showing the expenses of administration and operations 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.



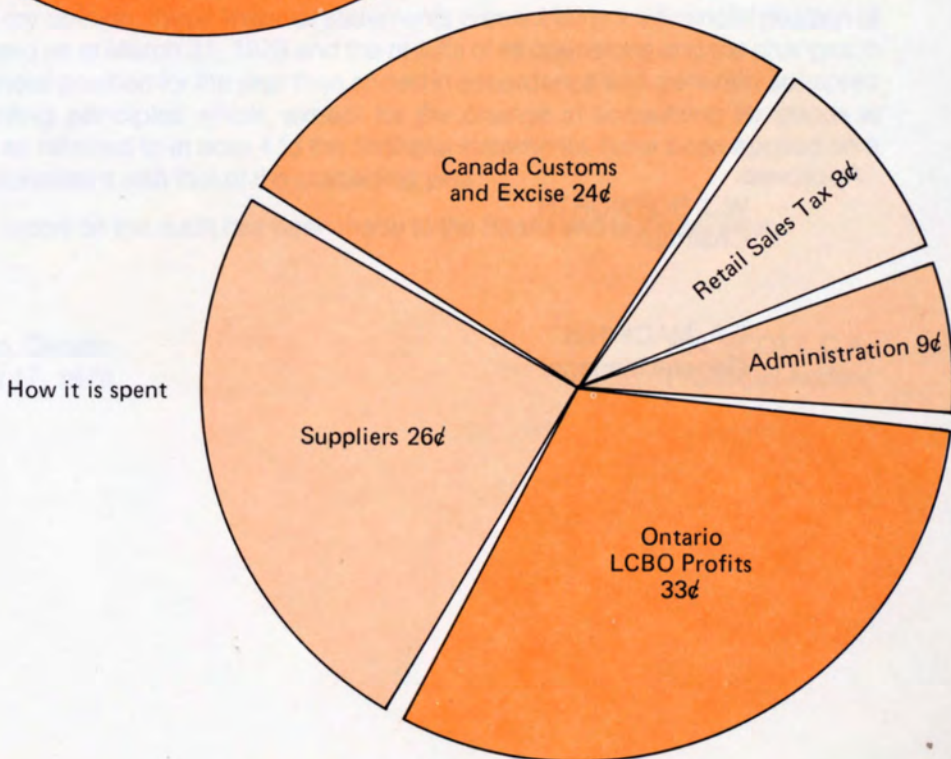
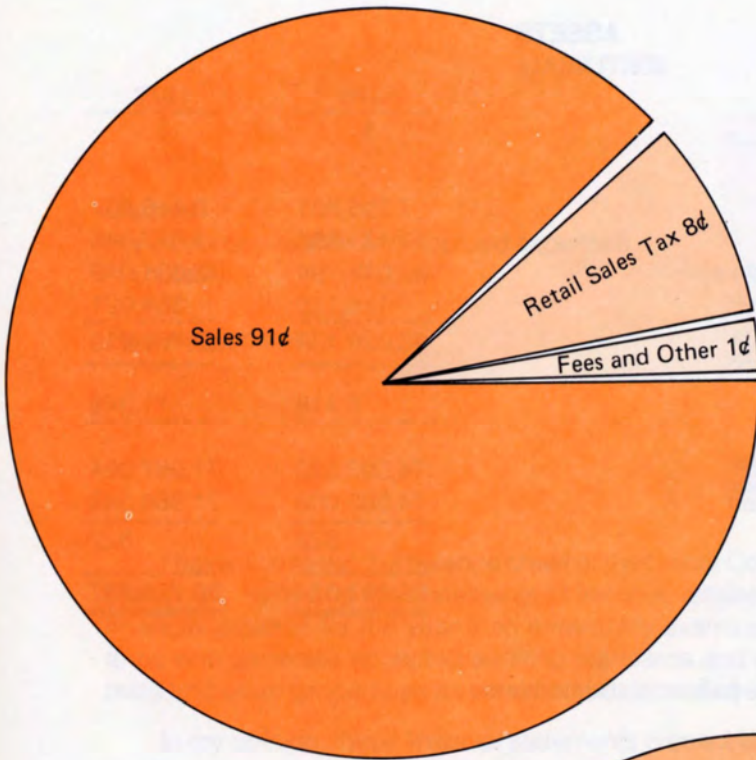


LIQUOR CONTROL BOARD OF ONTARIO  
DISTRIBUTION OF GROSS REVENUE  
1977-1978





# THE L.C.B.O. DOLLAR 1977-1978



LIQUOR CONTROL BOARD OF ONTARIO

# Balance Sheet

March 31, 1978

## ASSETS

|                                | 1978                     | 1977                     |
|--------------------------------|--------------------------|--------------------------|
|                                | \$                       | \$                       |
| <b>Current</b>                 |                          |                          |
| Cash                           | 7,295,801                | 8,416,804                |
| Accounts receivable            | 1,171,383                | 1,637,045                |
| Inventories, at cost (note 4)  | 80,045,794               | 72,301,049               |
| Prepaid expenses               | 115,156                  | 354,021                  |
|                                | <u>88,628,134</u>        | <u>82,708,919</u>        |
| <b>Mortgage receivable</b>     | <u>8,418</u>             | <u>11,346</u>            |
| <b>Fixed, at cost (note 1)</b> | 74,503,530               | 71,967,064               |
| Less: amounts written off      | 74,503,008               | 71,966,542               |
|                                | <u>522</u>               | <u>522</u>               |
|                                | <u><u>88,637,074</u></u> | <u><u>82,720,787</u></u> |

See accompanying notes to financial statements.

Approved:

W.J. BOSWORTH  
Chairman

F.A. MACINNIS  
General Manager



## LIABILITIES

|                                                   | <u>1978</u>       | <u>1977</u>       |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | \$                | \$                |
| <b>Current</b>                                    |                   |                   |
| Accounts payable and accrued expenses<br>(note 4) | 42,376,355        | 42,857,653        |
| <b>Retained income</b>                            | 46,260,719        | 39,863,134        |
|                                                   | <u>88,637,074</u> | <u>82,720,787</u> |

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1978 and the statements of income, retained income and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures 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, 1978 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles which, except for the change in accounting for goods in transit as referred to in note 4 to the financial statements, have been applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario,  
August 17, 1978.

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

LIQUOR CONTROL BOARD OF ONTARIO

## Statement of Income

Year ended March 31, 1978

|                             | 1978        | 1977        |
|-----------------------------|-------------|-------------|
|                             | \$          | \$          |
| Sales                       | 927,096,623 | 857,507,325 |
| Cost of sales               | 498,706,910 | 461,609,550 |
| Gross income                | 428,389,713 | 395,897,775 |
| Operating expenses (note 2) | 98,226,621  | 90,535,055  |
| Operating income            | 330,163,092 | 305,362,720 |
| Other revenue (note 3)      | 3,534,493   | 3,423,774   |
| Net income for the year     | 333,697,585 | 308,786,494 |

See accompanying notes to financial statements.

LIQUOR CONTROL BOARD OF ONTARIO

## Statement of Retained Income

Year ended March 31, 1978

|                                                                  | 1978        | 1977        |
|------------------------------------------------------------------|-------------|-------------|
|                                                                  | \$          | \$          |
| Balance at beginning of year                                     | 39,863,134  | 33,272,447  |
| Add:                                                             |             |             |
| Net income for the year                                          | 333,697,585 | 308,786,494 |
|                                                                  | 373,560,719 | 342,058,941 |
| Deduct:                                                          |             |             |
| Payments to the Treasurer of Ontario<br>on account of net income | 327,300,000 | 302,195,807 |
| Balance at end of year                                           | 46,260,719  | 39,863,134  |

See accompanying notes to financial statements.



## LIQUOR CONTROL BOARD OF ONTARIO

**Statement of Changes in Financial Position**

Year Ended March 31, 1978

|                                           | <u>1978</u>        | <u>1977</u>        |
|-------------------------------------------|--------------------|--------------------|
|                                           | \$                 | \$                 |
| <b>Source of working capital</b>          |                    |                    |
| Net income for the year                   | 333,697,585        | 308,786,494        |
| Item not requiring an outlay of funds —   |                    |                    |
| Fixed assets written off                  | 3,267,900          | 4,920,930          |
| Decrease in mortgage receivable           | <u>2,928</u>       | <u>2,756</u>       |
|                                           | <u>336,968,413</u> | <u>313,710,180</u> |
| <br><b>Application of working capital</b> |                    |                    |
| Investment in fixed assets                | 3,267,900          | 4,920,951          |
| Payments to Treasurer of Ontario          |                    |                    |
| on account of net income                  | <u>327,300,000</u> | <u>302,195,807</u> |
|                                           | <u>330,567,900</u> | <u>307,116,758</u> |
| <br>Increase in working capital           | 6,400,513          | 6,593,422          |
| <br>Working capital at beginning of year  | <u>39,851,266</u>  | <u>33,257,844</u>  |
| <br>Working capital at end of year        | <u>46,251,779</u>  | <u>39,851,266</u>  |

See accompanying notes to financial statements.

## Notes to Financial Statements

March 31, 1978

## 1. FIXED ASSETS

It is the policy of the Board to carry each parcel of land and each building on its books at the nominal value of \$1.00. The total of furniture and equipment in current use and leasehold improvements is carried on the books at the nominal value of \$1.00. All asset costs in excess of these nominal values are written off in the year of acquisition.

The cost at year-end of fixed assets is as follows:

|                         | 1978              | 1977              |
|-------------------------|-------------------|-------------------|
|                         | \$                | \$                |
| Land                    | 8,677,472         | 8,600,200         |
| Buildings               | 46,374,368        | 45,115,577        |
| Furniture and equipment | 11,435,036        | 10,938,381        |
| Leasehold improvements  | 8,016,654         | 7,312,906         |
|                         | <u>74,503,530</u> | <u>71,967,064</u> |

Details of fixed assets written off during the year are as follows:

|                         | 1978             | 1977             |
|-------------------------|------------------|------------------|
|                         | \$               | \$               |
| Land                    | 77,273           | 233,010          |
| Buildings               | 1,348,881        | 2,803,976        |
| Furniture and equipment | 1,029,938        | 1,207,264        |
| Leasehold improvements  | 811,808          | 676,680          |
|                         | <u>3,267,900</u> | <u>4,920,930</u> |



## 2. OPERATING EXPENSES

|                                               | 1978              |              | 1977              |              |
|-----------------------------------------------|-------------------|--------------|-------------------|--------------|
|                                               | \$                | % of sales   | \$                | % of sales   |
| Salaries and employee benefits                | 73,241,592        | 7.90         | 66,067,181        | 7.70         |
| Rent                                          | 8,055,280         | .87          | 7,135,396         | .83          |
| Repairs and maintenance                       | 2,255,048         | .24          | 2,328,899         | .27          |
| Grants in lieu of taxes                       | 2,181,280         | .24          | 2,059,784         | .24          |
| Utilities                                     | 1,935,556         | .21          | 1,705,489         | .20          |
| Packing material                              | 1,227,109         | .13          | 1,222,318         | .14          |
| Stationery                                    | 929,755           | .10          | 904,488           | .11          |
| Travelling                                    | 472,878           | .05          | 507,327           | .06          |
| Stock breakage and losses                     | 983,536           | .11          | 789,757           | .09          |
| Agency commissions and expenses               | 556,069           | .06          | 569,343           | .07          |
| Security services                             | 541,475           | .06          | 483,027           | .06          |
| Data processing equipment rental and supplies | 465,724           | .05          | 453,841           | .05          |
| Telephone and telegraph                       | 323,992           | .03          | 298,198           | .04          |
| Other                                         | 1,789,427         | .19          | 1,089,077         | .13          |
| Fixed assets written off                      | <u>3,267,900</u>  | <u>.35</u>   | <u>4,920,930</u>  | <u>.57</u>   |
|                                               | <u>98,226,621</u> | <u>10.59</u> | <u>90,535,055</u> | <u>10.56</u> |

### 3. OTHER REVENUE

|                                          | <u>1978</u>      | <u>1977</u>      |
|------------------------------------------|------------------|------------------|
|                                          | \$               | \$               |
| Ontario wine licence fees                | 21,469           | 21,586           |
| Special occasion permit<br>purchase fees | 2,766,809        | 2,746,025        |
| Interest on bank balances                | 283,390          | 173,509          |
| Miscellaneous income                     | 462,825          | 482,654          |
|                                          | <u>3,534,493</u> | <u>3,423,774</u> |

### 4. INVENTORY

In 1977-78, foreign goods in transit were considered for purposes of balance sheet presentation whereas in previous years they were not. This change has the effect of increasing the 1978 amounts reported for both inventories and accounts payable by \$8,716,992.

### 5. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Board is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.

### 6. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1978 presentation.