



**Yukon Liquor
Corporation
25th Annual Report**
April 1, 2001 to March 31, 2002

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OFFICE OF THE PRESIDENT

Our File:

Your File:

The Honorable Glenn Hart
Minister Responsible for
Yukon Liquor Corporation
Executive Council Office
Government of Yukon
P.O. Box 2703
Whitehorse, Yukon
Y1A 2C8

Dear Mr. Hart:

I have the honor to submit the Annual Report of the Yukon Liquor Corporation for the fiscal year ended March 31, 2002.

I respectfully request that this report be tabled in the Legislative Assembly, in accordance with Section 14 of the *Liquor Act*.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Marc Tremblay", written over a large, stylized, circular flourish.

Marc Tremblay
President

2 President's Report

Yukon Liquor Corporation ~ 25th Annual Report ~ April 1, 2001 - March 31, 2002

The Yukon Liquor Corporation (YLC) continued to fulfil its administrative mandate under the *Liquor Act* and *Liquor Tax Act* in the 2001/2002 fiscal year.

Work continued under the *Liquor Act* and Regulations Review Project initiated the previous year. The YLC released “*Community Views: A Summary Report of Public Consultation on a New Liquor Act*” and the “*Final Report of the Yukon Liquor Act & Regulations Review Committee*” to the public in November 2001. The latter offered forty-nine recommendations that addressed a wide range of legislative, regulatory, and administrative aspects of the beverage alcohol environment in Yukon.

Acting upon the recommendations of the Review Committee, the YLC Management Team and the YLC Board of Directors were able to make decisions that met the needs of stakeholders. For example, the YLC Board of Directors reduced off-sales hours effective April 1, 2002; and the YLC Management Team implemented a process that enabled liquor licencees to purchase quantities of liquor with credit cards.

Planning to relocate the Haines Junction Liquor Store to street level access in the James Smith Administrative Building began in the fiscal year in order to improve service to the public and respond to community concerns. This move will also help to consolidate the liquor store operations to one level.

Through the Government of Yukon's Renewal exercise, the YLC became more closely aligned with the Department of Community Services and the Yukon Housing Corporation. Lotteries Yukon, the governmental organization that provides support to Yukon Lottery Commission also became part of the YLC's scope of responsibility.

The Yukon Liquor Corporation focuses on providing quality customer service through our liquor stores, by issuing licences and permits to licencees, and by providing valuable product and consumer information to both the hospitality industry and the general public.

The Corporation has an important role to play as a corporate citizen. It is our role to educate customers and the public about responsible consumption of alcohol. In conjunction with other levels of government and special interest partners, YLC continues to assist in the development, promotion and distribution of materials promoting the safe use of beverage alcohol.

The 2001/2002 fiscal year was one of reasonable financial stability. Although we saw a slight decrease by 136 hectolitres in beverage alcohol sold, sales increased by approximately \$639 thousand from the preceding year. The Net Income for the year was \$4.7 million with remittances to Government of Yukon's General Revenue Fund totaling \$7.3 million in Net Income and Liquor Tax combined.

The Corporation gratefully acknowledges the support and co-operation of the members of the Royal Canadian Mounted Police in assisting YLC to fulfill its legislative and regulatory responsibilities.

On behalf of the Yukon Liquor Corporation, I would like to thank our employees who are committed to the Corporation's goals. Their dedication and commitment enable us to improve efficiency, build on existing or new initiatives, provide quality customer service, and to sustain revenue delivery to the Government of Yukon while acting in a socially responsible and environmentally conscientious manner.

Marc Tremblay
President

Established in 1977, the 2001/2002 fiscal year marked the Yukon Liquor Corporation's twenty-fifth anniversary in the territory.

The Yukon Liquor Corporation (YLC) is a Yukon Territory Crown Corporation responsible for the administration of the *Liquor Act*, Liquor Regulations and the *Liquor Tax Act*. YLC is also responsible for the purchase, control and sale of beverage alcohol, and the licensing and inspection of premises licensed for the service and consumption of liquor in the Yukon.

YLC operates six (6) liquor stores that offer an extensive and varied selection of products from around the world. Yukon Liquor Stores carry 928 standard products and in this year added 120 new products to the inventory. As well, 65 products were de-listed due to unavailability from suppliers, or poor sales in the territory.

Through the special order feature, our customers can choose from a wide selection of domestic and imported liquor products that are not carried as part of the regular inventory. In this year we processed 104 special orders.

Throughout the 2001/2002 fiscal year, the Yukon Liquor Corporation issued a total of 333 licenses for the sale of spirits, wine and beer. In addition to annual licence renewals, this figure represents the issuance of 17 new licences and 12 licences resulting from changes in ownership of 7 businesses. 269 Special Occasion and 191 Reception Permits were issued.

The operational and administrative duties of the Corporation are conducted through its three branches - Corporate Services; Operations and Purchasing; and Licensing and Development.

Corporate Services Branch

The **Finance & Systems** unit of this branch ensures the financial control and reporting needs of YLC. This unit is also responsible for the enhancement of information systems and the development of any new systems as required. During the year, the YLC continued to refine its Point of Sale system.

The **Administration** unit provides YLC with a variety of essential support services. The responsibilities and services of this unit include electronic and telecommunications, records management, contract administration, administrative and reception functions, and other general support services to all branches of the Corporation.

The **Human Resources** unit supports YLC on a territory wide basis to meet its human resource needs in compliance with territorial legislation and guidelines.

The **Communications & Social Responsibility** unit conducts research, analysis and policy development for corporate projects and procedures, and co-ordinates the Corporation's social responsibility initiatives.

The unit also works to develop and implement communication support and marketing strategies in partnerships with other Government of Yukon departments and community stakeholders to address alcohol related issues.

4 Operational Review

This year the Corporation continued to work closely on Yukon wide community based substance abuse prevention initiatives, such as the Substance Abuse Prevention Coalition's "Dallton" mascot program.

A monthly Licensee Information Bulletin was introduced in 1994 and continued in this year to help communicate YLC and industry initiatives, and clarify new or changing policies.

Operations and Purchasing Branch

The Operations and Purchasing Branch provides service to the public and to licensees by:

- operating the Corporation's network of six (6) retail stores;
- operating the central warehouse and distribution centre in Whitehorse;
- working closely with suppliers to develop and implement progressive marketing strategies and merchandising programs for shelf management, merchandise display and in-store tasting programs;
- providing product and service information to customers and staff in the monthly Licensee Information Bulletin;
- applying stringent procedures to ensure quality control;
- developing and implementing proposals for the improvement of facilities and services offered to customers;
- purchasing beverage alcohol products in response to evolving consumer demand;
- placing special orders on behalf of licensees and individuals for products not carried by the Corporation;
- operating a Bottle Your Own Wine (BYOW) facility at the Whitehorse liquor store providing value, selection and quality to our retail customers;
- working with local service clubs and industry representatives to organize and facilitate annual wine and beer tasting festivals including an on site store; and
- participating in the beverage container deposit and refund system to support and encourage recycling.

During 2001/2002 fiscal year the layout for the new Haines Junction Liquor Store was developed. Plans were in place to move this store to the lower level of the James Smith Administrative Building in the 2002/2003 fiscal year.

Yukon Liquor Corporation staff continued to operate territorial government agencies annexed to liquor store operations in communities outside Whitehorse. The territorial agents provide a variety of government services relating to motor vehicles, renewable resources and justice.

Licensing and Development Branch

The Licensing and Development Branch is responsible for liquor licensing, inspecting licensed premises, interpreting and enforcing liquor legislation, and developing and delivering responsible server programs to reach the ultimate goal of socially responsible service of beverage alcohol throughout the Yukon.

The Branch endeavours to promote voluntary compliance particularly in the areas of public safety, including concerns like the sale and service of liquor to minors and intoxicated persons, and overcrowding. Liquor inspectors maintain a balanced schedule of walk-through and full-premise inspections of licensed establishments and permitted functions. These inspections focus on aspects of both operations and facilities.

During routine visits to licensed premises and through the performance of permit functions, the majority of infractions noted during the year had to do with over-service and permitting intoxicated persons to remain on premises. Although it is the inspectors' duty to identify instances of non-compliance and initiate enforcement action when necessary, liquor inspectors spend a great deal of time consulting with licensees to promote greater awareness and compliance. Licensees and their staff are encouraged to participate in various training and information sessions offered by the Branch.

The "Be A Responsible Server" (B.A.R.S.) program was delivered to a 124 participants at 13 seminars in five Yukon Communities. Nine training sessions were held for licensees, managers and servers; while an additional four were held for permit holders. These programs are designed to make the participants aware of their legal responsibilities as alcohol providers and to encourage both responsible service and voluntary compliance.

This Branch continues to work closely with other regulatory agencies within the Yukon and in other jurisdictions to stay abreast of and address liquor service and health and safety issues in regard to licensed premises.

26 applications for new liquor licences were received in the fiscal year. Of these, 22 were approved and three were deferred. These figures do not necessarily reflect all those who expressed interest in licensing matters.

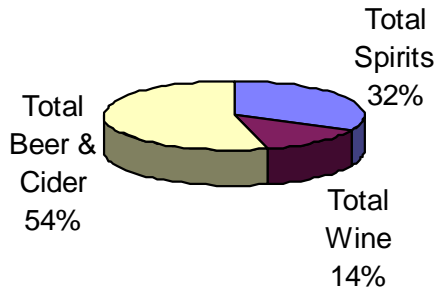
6 Financial Overview

Yukon Liquor Corporation ~ 25th Annual Report ~ April 1, 2001 - March 31, 2002

Comparative Statement of Sales by Product Type [\$000's]

		<u>2001/2002</u>		<u>2000/2001</u>	
		\$	%	\$	%
Rye	Domestic	1293	6.6	1,311	7.0
	Imported	77	0.4	70	0.4
Scotch	Domestic	0	0	0	0
	Imported	423	2.2	406	2.2
Rum	Domestic	895	4.6	923	4.9
	Imported	54	0.3	47	0.2
Gin	Domestic	63	0.3	62	0.3
	Imported	112	0.6	111	0.6
Brandy	Domestic	13	0.1	13	0.1
	Imported	107	0.5	101	0.5
Liqueur	Domestic	225	1.2	220	1.2
	Imported	832	4.3	785	4.2
Vodka	Domestic	1,326	6.8	1,327	7.0
	Imported	124	0.6	90	0.5
Coolers	Domestic	610	3.1	465	2.5
	Imported	20	0.1	17	0.1
Other	Domestic	19	0.1	24	0.1
	Imported	117	0.6	120	0.6
Total Spirits		<u>6,310</u>	<u>32.4</u>	<u>6,092</u>	<u>32.4</u>
Wine	Domestic	1,221	6.2	1,146	6.0
	Imported	1,554	8.0	1,427	7.6
Total Wine		<u>2,775</u>	<u>14.2</u>	<u>2,573</u>	<u>13.6</u>
Beer	Domestic	9,594	49.2	9,357	49.6
	Imported	348	1.8	300	1.6
Cider	Domestic	469	2.4	535	2.8
	Imported	0	0.0	0	0.0
Total Beer & Cider		<u>10,411</u>	<u>53.4</u>	<u>10,192</u>	<u>54.0</u>
Total		<u><u>19,496</u></u>	<u><u>100.0</u></u>	<u><u>18,857</u></u>	<u><u>100.0</u></u>

Sales by Product Type



Why does a 12 bottle case of domestic beer cost \$16.75?

Producer	\$4.44
Federal Duty & Excise Tax	1.23
Freight	1.07
YLC Mark-up	6.33
Yukon Liquor Tax	1.57
Refundable Deposits	1.20
G.S.T.	0.91

Why does a typical 750 ml bottle of spirits cost \$21.60?

Producer	\$3.52
Federal Duty & Excise Tax	3.32
Freight	0.16
YLC Mark-up	10.86
Yukon Liquor Tax	2.14
Refundable Deposits	0.25
Recycling Fee	0.10
G.S.T.	1.25

Why does a typical 750 ml bottle of wine cost \$12.75?

Producer	\$3.92
Federal Duty & Excise Tax	0.38
Freight	0.20
YLC Mark-up	6.06
Yukon Liquor Tax	1.16
Refundable Deposits	0.25
Recycling Fee	0.10
G.S.T.	0.68

Schedule of Spirits, Wine and Beer & Cider Sales by Store
[\$000's]

	Spirits	Wine	Beer & Cider	2001/2002	2000/2001
Whitehorse	3,125	1,416	2,969	7,510	7,003
Dawson City	543	242	1,221	2,006	1,961
Mayo	180	92	203	475	498
Watson Lake	465	182	724	1,371	1,410
Haines Junction	165	84	439	688	670
Faro	129	90	293	512	463
Licensed Outlet	<u>1,703</u>	<u>669</u>	<u>4,562</u>	<u>6,934</u>	<u>6,852</u>
Total 2001/2002	<u>6,310</u>	<u>2,775</u>	<u>10,411</u>	<u>19,496</u>	
% of Sales	<u>32.4</u>	<u>14.2</u>	<u>53.4</u>	<u>100.0</u>	
Total 2000/2001	<u>6,092</u>	<u>2,573</u>	<u>10,192</u>		<u>18,857</u>
% of Sales	<u>32.3</u>	<u>13.6</u>	<u>54.0</u>		<u>100.0</u>

Schedule of Hectolitres of Liquor Sold

	Spirits	Wine	Beer & Cider	2001/2002	2000/2001
Whitehorse	1,636	1,526	10,230	13,392	12,666
Dawson City	284	260	4,208	4,752	4,754
Mayo	94	98	705	897	984
Watson Lake	243	196	2,499	2,938	3,217
Haines Junction	86	90	1,510	1,686	1,692
Faro	67	97	1,008	1,172	1,088
Licensed Outlet	<u>896</u>	<u>720</u>	<u>15,711</u>	<u>17,327</u>	<u>17,899</u>
Total 2001/2002	<u>3,306</u>	<u>2,987</u>	<u>35,871</u>	<u>42,164</u>	
Total 2000/2001	<u>2,968</u>	<u>2,889</u>	<u>36,443</u>		<u>42,300</u>
% Increase/(Decrease)	11.4%	3.4%	(1.6)%		(0.3)%

Note: One hectolitre equals 22 imperial gallons

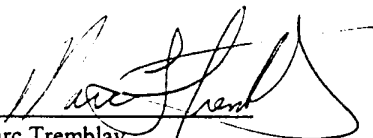
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Liquor Corporation is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to:

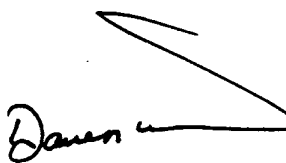
- provide reasonable assurance that reliable financial information is produced;
- safeguard and control the assets of the Corporation;
- ensure that the transactions of the Corporation are in accordance with relevant legislation, and by-laws of the Corporation;
- ensure that the resources of the Corporation are managed efficiently and economically; and,
- ensure that the operations of the Corporation are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Corporation. The accompanying financial statements, which include amounts based on management's best estimates as determined through experience and judgement, are in accordance with generally accepted accounting principles.

These financial statements have been independently audited by the Corporation's external auditor, the Auditor General of Canada, and her report is included in this report.



Marc Tremblay
President and Chief Executive Officer



David Steele
Director, Corporate Services

May 23, 2002



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Executive Council Member responsible for the
Yukon Liquor Corporation

I have audited the balance sheet of the Yukon Liquor Corporation as at March 31, 2002 and the statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Liquor Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith, and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Liquor Act* and regulations, the *Liquor Tax Act*, the *Financial Administration Act* and regulations and the by-laws of the Corporation.

A handwritten signature in black ink, appearing to read 'Ron Thompson'.

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 23, 2002

YUKON LIQUOR CORPORATION
Balance Sheet
 as at March 31, 2002

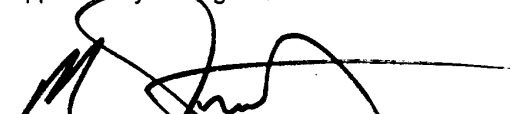
ASSETS

	<u>2002</u>	<u>2001</u>
	(thousands of dollars)	
Current		
Cash	\$ 579	\$ 126
Accounts receivable (Note 3)	142	128
Inventories	<u>1,817</u>	<u>1,887</u>
	2,538	2,141
Capital assets (Note 4)	<u>2,878</u>	<u>3,075</u>
	<u>\$ 5,416</u>	<u>\$ 5,216</u>

LIABILITIES & EQUITY

Current		
Accounts payable (Note 3)	\$ 1,366	\$ 817
Due to the Government of the Yukon (Note 5)	304	480
Deferred revenue	<u>93</u>	<u>92</u>
	1,763	1,389
Accrued employee future benefits	<u>775</u>	<u>752</u>
	<u>2,538</u>	<u>2,141</u>
Commitments (Note 9)		
Equity (Note 6)	<u>2,878</u>	<u>3,075</u>
	<u>\$ 5,416</u>	<u>\$ 5,216</u>

Approved by Management:



 President and Chief Executive Officer



 Director, Corporate Services

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION
Statement of Income
for the year ended March 31, 2002

	<u>2002</u>	<u>2001</u>
	(thousands of dollars)	
Sales		
Beer	\$ 10,411	\$ 10,192
Spirits	6,310	6,092
Wine	2,775	2,573
	<u>19,496</u>	<u>18,857</u>
Cost of goods sold	<u>9,371</u>	<u>8,955</u>
Gross profit	<u>10,125</u>	<u>9,902</u>
Expenses		
Salaries and benefits	3,715	3,421
Rent, utilities and maintenance	723	694
Amortization	305	318
Cartage	211	217
Professional services	142	173
Travel and communications	134	142
General and office supplies	134	113
Miscellaneous	129	93
Board expenses	19	34
	<u>5,512</u>	<u>5,205</u>
Operating income	<u>4,613</u>	<u>4,697</u>
Other income		
Fees, permits and licences	106	106
Miscellaneous	3	21
	<u>109</u>	<u>127</u>
Net Income	<u>\$ 4,722</u>	<u>\$ 4,824</u>

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION
Statement of Cash Flows
for the year ended March 31, 2002

	<u>2002</u>	<u>2001</u>
	(thousands of dollars)	
Cash provided by (used in):		
Operating activities:		
Net income for the year	\$ 4,722	\$ 4,824
Adjustment for non-cash items:		
Amortization	305	318
(Increase) decrease in accounts receivable	(14)	41
Decrease in inventories	70	29
Decrease in due to the Government of the Yukon	(176)	(529)
Increase (decrease) in accounts payable	549	(876)
Increase in deferred revenue	1	2
Increase (decrease) in accrued employee future benefits	23	(91)
	<u>5,480</u>	<u>3,718</u>
Investing activities:		
Acquisition of capital assets	<u>(107)</u>	<u>(102)</u>
Financing activities:		
Adjusted net income due to the Government of the Yukon	(4,920)	(5,040)
Repayment of advance from the Government of the Yukon	-	-
	<u>(4,920)</u>	<u>(5,040)</u>
Increase (decrease) in cash during the year	453	(1,424)
Cash at the beginning of the year	<u>126</u>	<u>1,550</u>
Cash at the end of the year	<u>\$ 579</u>	<u>\$ 126</u>

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION
Notes to the Financial Statements
 March 31, 2002

1. Authority and Operations

The Corporation, established in 1977, under the *Liquor Act*, is responsible for the purchase, distribution and sale of liquor within the Territory. It is responsible for controlling the sale of liquor through licensed outlets and enforcing all matters related to the *Act*.

In accordance with the *Liquor Act*, the net income for the year, before amortization, less amounts expended on capital assets, is remitted to the Government of the Yukon on a monthly basis.

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of the Yukon and to remit these taxes on a monthly basis. The current rate is 12%, and is applied on the amount the Corporation would otherwise charge for its products.

In accordance with the provisions of the Beverage Container Regulations under the *Environment Act*, the Corporation collects various beverage container deposits and recycling surcharges on the sale of its products. These amounts are remitted to the Recycling Fund on a monthly basis after deducting deposit refunds paid and fees earned under the program.

The employees of the Corporation are paid by the Government of the Yukon. The Corporation reimburses the Government on a monthly basis for salaries and benefits expenses paid.

2. Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The more significant accounting policies are as follows:

Inventories

Inventories are comprised of alcoholic beverages for resale and are valued at the lower of landed cost at Whitehorse, or market.

Amortization

Amortization of capital assets owned by the Corporation is calculated by the straight-line method over the estimated useful life of the assets as follows:

Buildings	20 years
Furniture and office equipment	5 years
Equipment	5 years
Systems equipment & software	3 years
Leasehold improvements	4 years or remaining term of lease

Employee future benefits

Under the conditions of employment, employees may qualify and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus, and severance benefits. The benefit obligation was determined on an actuarial basis. The key assumptions used were a liability discount rate of 6.5% and an annual rate of general salary escalation of 3%. The obligation for vacation leave, sick leave, and severance benefits were calculated using the projected benefit method pro-rated on service. The remainder was calculated assuming all employees would receive the benefits on valuation date.

YUKON LIQUOR CORPORATION

Notes to the Financial Statements

March 31, 2002

4. Capital Assets (continued)

- b) The unamortized cost of capital assets acquired by the Government of the Yukon until March 31, 1990 and held by the Corporation is as follows:

	2002	2001
	(thousands of dollars)	
Liquor store buildings	\$ 978	\$ 978
Store and warehouse improvements	1,167	1,167
Equipment	375	375
Furniture and office equipment	104	104
	<u>\$ 2,624</u>	<u>\$ 2,624</u>

5. Due to the Government of the Yukon

	2002	2001
	(thousands of dollars)	
Adjusted net income due (Note 7a)	\$ (300)	\$ 20
Reimbursements for salaries paid to employees on behalf of the Corporation	418	390
Liquor tax (Note 7b)	142	31
Net remittances due to the Recycling Fund	44	40
	<u>\$ 304</u>	<u>\$ 481</u>

6. Equity

This amount represents the sum of the net book value of capital assets purchased by the Corporation after March 31, 1990, \$2,878,000 (2001 - \$3,075,000) which the Government of the Yukon has provided to the Yukon Liquor Corporation on a cumulative basis.

7. Related party transactionsa) Adjusted Net Income

Calculation of adjusted net income due to the Government of the Yukon for the year (Note 1):

	2002	2001
	(thousands of dollars)	
Balance due at the beginning of the year	\$ 20	\$ 324
Net income	4,722	4,824
Capital expenditures	(107)	(102)
Capital asset amortization	305	318
Adjusted net income due to the Government of the Yukon	<u>4,920</u>	<u>5,040</u>
Less: remitted during the year	<u>(5,240)</u>	<u>(5,344)</u>
Balance due at the end of the year	<u>\$ (300)</u>	<u>\$ 20</u>

YUKON LIQUOR CORPORATION

Notes to the Financial Statements

March 31, 2002

7. Related party transactions (continued)b) **Liquor tax**

Liquor tax collected and due to the Government of the Yukon for the year (Note 1):

	<u>2002</u>	<u>2001</u>
	(thousands of dollars)	
Balance due at the beginning of the year	\$ 31	\$ 177
Liquor tax collected during the year	2,340	2,263
Less: remitted during the year	<u>(2,229)</u>	<u>(2,409)</u>
Balance due at the end of the year	<u>\$ 142</u>	<u>\$ 31</u>

c) **Other transactions**

The value of services provided without charge by the Government of the Yukon to the Corporation is estimated to be \$553,000 (2001-\$552,842) the value of services provided without charge by the Corporation to the Government is estimated to be \$394,000 (2001 - \$385,000). These transactions were not included in the financial statements of the Corporation.

8. Pensions

The Corporation and its employees, who are deemed to be employees of the Government of the Yukon, make contributions to the Public Service Superannuation Account administered by the Government of Canada. These contributions represent the Corporation's total pension obligation and are recognized in the accounts on a current basis. The Corporation's contributions to the plan have been limited to an amount equal to the employee's contributions on account of current services. Effective April 1, 2000, the Corporation's contributions increased to an amount reflecting the full cost of the employer's contributions. As of April 1, 2000, the employer's contribution is 2.14 times the employees' contribution. The Corporation is not required to make any contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

	<u>2002</u>	<u>2001</u>
	(thousands of dollars)	
Employer Contribution	\$259	\$245
Employee Contribution	<u>121</u>	<u>118</u>
Total	<u>\$380</u>	<u>\$363</u>

9. Commitments

In March 2002, the Yukon Government announced that the Whitehorse Liquor Store would be moved from its present leased premises to the Corporation's headquarters and warehouse site. To facilitate this relocation the Corporation will renovate its existing warehouse at an estimated cost of \$750 thousand. It is planning to move the store by April 2003 and as a result, would only be paying rent for the coming year amounting to \$210,120. Afterwards, the Yukon Government will assume the lease.

LIQUOR LICENCES ISSUED

	2001/2002	2000/2001
Liquor Cocktail Lounge	60	64
Beer Tavern	-	-
Dining Room	60	61
Restaurant Beer and Wine	40	45
Liquor Off Premises	67	70
Beer Off Premises	24	22
Club Liquor	10	9
Beer Canteen	-	-
Special Liquor	35	33
Aircraft/Ship Liquor	3	4
Room Service Liquor	22	22
Mess Liquor	1	1
Sport Stadium	1	1
Recreation Facility	8	6
Brewer's	1	1
Brewer's Retail	<u>1</u>	<u>1</u>
TOTAL	<u>333</u>	<u>340</u>

PERMITS ISSUED

Reception Permits	191	151
Special Occasion Permits	<u>269</u>	<u>331</u>
TOTAL	<u>460</u>	<u>482</u>

SUMMARY OF PERMITS ISSUED BY LOCATION DURING 2001/2002

	Reception	Special Occasion
Whitehorse Office	124	120
Faro Store	3	20
Mayo Store	2	7
Watson Lake Store	9	35
Haines Junction Store	10	37
Dawson City Store	<u>43</u>	<u>50</u>
TOTAL	<u>191</u>	<u>269</u>

SUMMARY OF LICENCE INFRACTIONS

During the 2001/2002 fiscal year eleven (11) liquor licence suspensions were upheld and twenty (20) letters of warning were issued for offences under the *Liquor Act and Regulations*:

- Permitting violent, riotous or disorderly conduct on premises
- Permitting minors on premises
- Permitting intoxicated patrons to enter or remain on premises
- Permitting server to serve while intoxicated
- Over-serving patrons
- Sale/service of liquor to minors
- Sale of liquor to intoxicated persons or persons appearing to be intoxicated
- Operating outside the terms and conditions of licence type/class
- Sale/service of liquor outside the authorized hours
- Sale/service of liquor from unlicensed area
- Violation of entertainment policies
- Failure to enforce off sales policy
- Failure to maintain premises health and safety standards
- Failure to clear premises at stated time
- Exceeding the maximum seating limits (overcrowding)
- Permitting liquor purchased for on premises consumption to be taken off premises
- Advertising without prior approval