



**Northwest Territories Liquor Licensing Board  
65th Annual Report**

**2018 - 2019**



June 27th, 2019

Honourable Robert C. McLeod  
Minister Responsible for the NWT Liquor Licensing Board

Dear Honourable Minister McLeod:

In accordance with the *Liquor Act*, I am pleased to present the Northwest Territories Liquor Licensing Board's 2018 - 2019 Annual Report.

Sincerely,

A handwritten signature in blue ink that reads "Sandra Aitken". The signature is written in a cursive, flowing style.

Sandra Aitken  
Chairperson

# Contents

- Chairperson’s Message ..... 1
- Board Overview ..... 2
  - Board Members and Staff ..... 2
- Board Activity ..... 4
  - Total Meetings ..... 4
  - Administration and Orientation Meetings ..... 4
  - Licence Applications and Board Requests ..... 4
  - Compliance Hearings ..... 5
- Liquor Licences ..... 6
  - Total Liquor Licences ..... 7
  - Total Liquor Licences % by Community ..... 8
  - Total Liquor Licences Class/ Community ..... 8
- Special Occasion Permits ..... 9
  - NWT Special Occasion Permit Issuers ..... 9
  - Special Occasion Permits % by Community ..... 11
  - Special Occasion Permits Class/ Community ..... 11
- Special Purpose Permits ..... 12

## Chairperson's Message

The Board continues to focus on improving its online services, to make it easier for licence holders, applicants and the public to get the information they need. The Board has created an LLB database which includes Board decisions, current licences, frequently asked questions ("FAQs"), a backgrounder and our policies, processes and procedures. We are in the process of revamping our licence applications to make them easier for applicants to navigate. We started with the renewal application form so that it could be used for the 2019-2020 renewal season, and expect to complete the remainder of the forms during this calendar year. We recognize that licence holders are operating businesses and face many challenges, and we are committed to enhancing our services to this community. To that end, the Board reviewed both the *Liquor Act* and the *Liquor Regulations* this year, with a view to identify changes that would make the application process easier, quicker and less expensive for applicants. Following that review the Board recommended a number of amendments to the Department of Finance. As we transition to a new Assembly there may be an opportunity for the Department to consider and hopefully advance these initiatives.

### Recommendations for Legislative Amendments

Currently the Act requires that an applicant give public notice in a newspaper of the licence application unless the Board grants an exemption from this requirement. The Board has two recommendations in respect of this requirement. First, it is clear that the Act anticipates that public notice would normally be required, and the exemption would be an exception to the usual process. In reality more than 90% of applications currently receive an exemption as they are transfer applications or they are new applications to use a pre-existing establishment for its previous purpose (i.e. a premises was previously operated under a licence but it has been surrendered or terminated so there is no licence to transfer). The Board only requires an applicant to give public notice if the application relates to a new establishment or if there would be a significant change of use in a pre-existing establishment. If this amendment is made, the Board would develop a policy as to when public notice would be required, based on the current practice described above. This change would make it simpler and more expedient for the applicant, and would save them the step of formally requesting the exemption. For those relatively rare circumstances where public notice would be required, the Board has recommended a second amendment to add further options for giving that public notice beyond advertising in a newspaper. The Board is very aware that the cost of giving public notice is paid by the applicant, so if notice can be given effectively and at reduced cost in a community by advertising on a popular website or in an electronic publication approved by the Board for that purpose, that option should be available under the Act.

In addition to the public notice issue, there are several provisions in the Act requiring that notice be given directly to an applicant or licence holder by either personal service or registered mail. The Board has recommended that the Act be amended to allow additional options such as giving notice by fax or email.

Increasingly the Board receives inquiries about new liquor services such as liquor delivery options, UVIN, UBrew, and liquor services related to tourism. Many of these services were not contemplated when the current Act was enacted and they cannot be approved as the Act reads now. The Board is recommending that the government consider these various services to determine if they should be permitted, as is the case in most provinces and territories.

The Board will continue to evaluate its processes and procedures in the coming year with the aim of further improving our regulatory framework.

Sincerely,



Sandra Aitken  
Chairperson

## Board Overview

The Northwest Territories Liquor Licensing Board (the Board) is established under Subsection 2(1) of the Northwest Territories *Liquor Act*. The Minister of Finance appoints Board Members for a term of three years.

The Board is a regulatory and quasi-judicial administrative tribunal that is independent from government. The Board administers several parts of the NWT *Liquor Act* and the NWT *Liquor Regulations*.

The Liquor Licensing Board regulates:

- the issuance of Licences and Permits;
- liquor sales and service in restaurants, bars, and at special events; and
- the manufacture of liquor.

The Board also adjudicates alleged violations of liquor laws by Licence Holders.

## Board Members and Staff

**Sandra Aitken** - Chairperson (*Yellowknife*)

**Adelle Guigon** - Vice-Chairperson (*Yellowknife*)

**Wayne Smith** - Board Member (*Inuvik*)

**Heather Bourassa** - Board Member (*Fort Good Hope*)

**Linda Martin** - Board Member (*Fort Smith*)

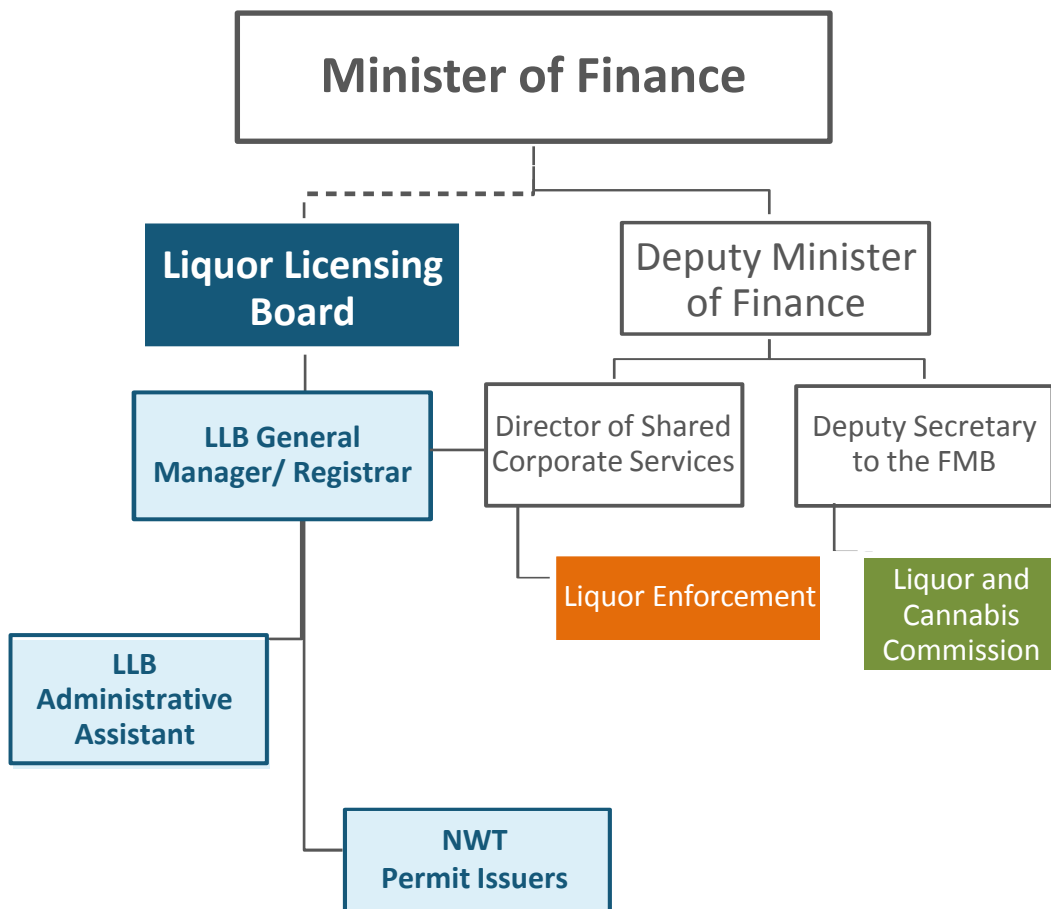
**Jaimie Graham** – General Manager/Registrar (*Hay River*)

**Valerie Daniels** – Administrative Assistant (*Hay River*)

In addition to the Liquor Licensing Board, the Northwest Territories liquor system also includes:

- Liquor Enforcement – Inspections of licensed premises, educating Licence and Permit Holders, and enforcement of liquor laws and Board conditions.
- Liquor and Cannabis Commission – Purchasing and retail sales of liquor.

Each of the three liquor entities is established by the *Liquor Act* and is **independent from each of the other two**. The Board, while at arm’s length from the Liquor Commission and Enforcement, often interacts with the others on matters of mutual interest.



## Board Activity

The Board participated in several teleconferences during this reporting period. The number of teleconferences reflects an increase in issues requiring Board decisions.

### Total Meetings

Board Meeting Type	2018-2019	2017-2018
Orientation	0	1
Administrative	2	1
Teleconferences	12	25
Public Hearings	1	0
Compliance Hearings	1	1
<b>Total</b>	<b>16</b>	<b>28</b>

### Administration and Orientation Meetings

There were two administrative meetings conducted on May 8-9, 2018 in Inuvik and November 7-8, 2018, in Yellowknife. The focus was the development of new policies and procedures, creation and updated forms and documents, and discussions surrounding proposed legislative amendments in order to modernize the Board-related provisions of the *Liquor Act* and its Regulations. Where possible, the Board meets by teleconference, but it also meets in person where other business such as compliance hearings are scheduled. As there were no new members appointed to the Board, there were no orientation meetings held during this time period.

### Licence Applications and Public Hearings

The Board must consider each application for a liquor licence and other specific requests. Most often these are conducted by teleconference, but there are times the Board must meet in person and/or conduct a public hearing of an application. During this reporting period, the Board conducted 12 teleconferences, which includes consideration of licence applications and other requests. In addition, there was one Public Hearing conducted in Yellowknife on January 7th, 2019 for which Board members residing outside of Yellowknife attended by phone to maintain fiscal responsibility in Board processes.

## Compliance Hearings

Where Liquor Enforcement alleges that a Licence Holder has failed to comply with the *Liquor Act* or a condition of their liquor licence, the matter may be brought before the Board for adjudication.

As with other administrative tribunals, the Board does not operate on a cost recovery basis, as applying that requirement could impact the rights of parties to fair and unbiased decision-making. As there is no cost recovery requirement for policing and the Courts, the cost of administering and enforcing the *Liquor Act* and its Regulations is always balanced against the requirements of procedural fairness.

One of the key requirements of administrative justice is that matters should be heard in a timely manner. A person accused of a statutory or regulatory infraction has the right to have the matter heard without undue delay. This can, on occasion, result in the need to ensure procedural fairness overriding financial considerations.

Should the Board find a Licence Holder is noncompliant, a monetary penalty may be ordered. A licence may also be suspended for up to one year, or cancelled.

During this reporting period, there was one compliance hearing conducted on August 1, 2018 in Yellowknife.

Licence Holder	Violation (s)	Compliance Decision
The Kilt & Castle Pub Inc.	<b><i>Liquor Act Section 75</i></b>	NOT GUILTY
o/a Kilt and Castle Pub	<i>No person shall sell liquor to an intoxicated person.</i>	



## Liquor Licences

The Liquor Licensing Board regulates liquor sales and service in licensed premises and special events. The Board also regulates liquor manufacturers. A person, company or organization that holds a Liquor Licence is known as a Licence Holder. There are six types of Liquor Licences:

**Class A (liquor primary)** - allows a Licence Holder to sell liquor to patrons in a bar or similar business. The business must generate revenue primarily from the sale and service of liquor.

**Class B (food primary)** - allows a Licence Holder to sell liquor to patrons in a restaurant or similar business. The business must generate revenue primarily from the sale and service of meals.

**Class C (mobile)** - allows a Licence Holder to sell and serve liquor under one of three circumstances:

- Catering – where someone other than the Licence Holder hosts events at various locations, and the Licence Holder’s primary source of revenue is derived from catering food.
- Ship – where the Licence Holder operates a ship that generates revenue primarily from the sale and service of food, entertainment or services related to tourism.
- Special Events – where the Licence Holder organizes special events from time to time, and revenue is primarily generated from the sale and service of entertainment.

**Class D (liquor incidental)** - allows a Licence Holder to sell and serve liquor under one of four circumstances:

- Canteen – The Licence Holder is an authorized organization operating a canteen for its authorized patrons. An authorized organization includes a division of the military, the RCMP, and a fire department.
- B & B, Lodge – The Licence Holder operates a bed & breakfast or a remote lodge, and the sale or use of liquor is for its authorized patrons.
- Community, Recreational, Cultural Activities – the Licence Holder operates a facility that provides benevolent, philanthropic, charitable, religious, scientific, artistic, musical, literary, social, educational, recreational, sporting or other like activities, and the sale or use of liquor is for its authorized patrons.
- Tourist Facility – The Licence Holder operates a tourist facility without a licensed premises, but has a mini-bar extension.

**Manufacturing Licence** - authorizes the Licence Holder to manufacture a specified type of liquor. The holder of a Manufacturing Licence may only sell its manufactured liquor to the

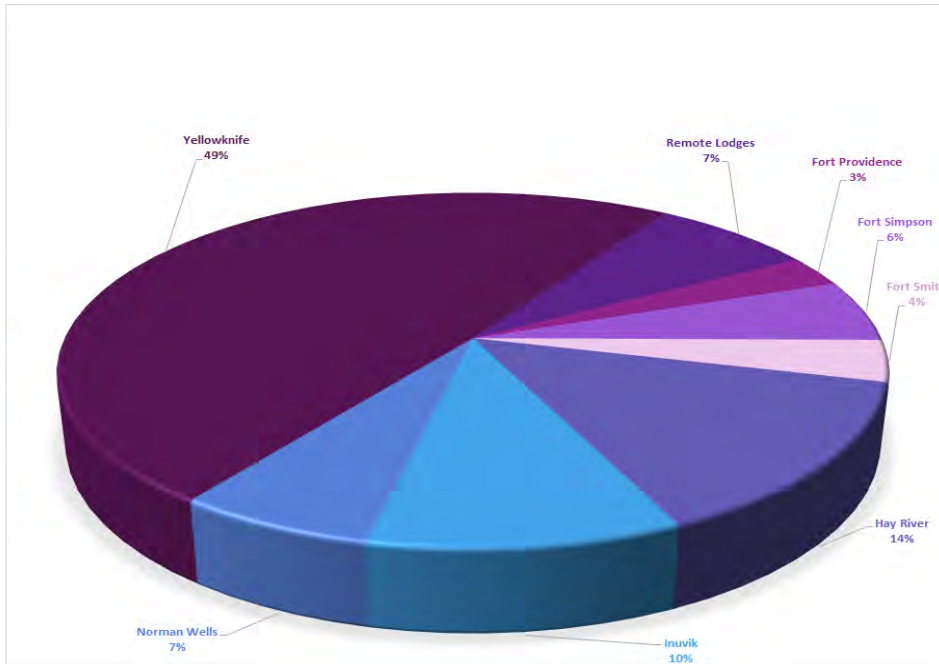
NWT Liquor and Cannabis Commission or to a liquor commission or other similar authority outside the Northwest Territories.

**Manufacturer's Retail Outlet Licence** - A Manufacturer's Retail Outlet Licence may only be issued to a person who holds a Manufacturing Licence. A Manufacturer's Retail Outlet Licence authorizes the Licence Holder to operate a retail outlet within the manufacturing facility in order to sell its own liquor to the public, including Licence and Permit Holders.

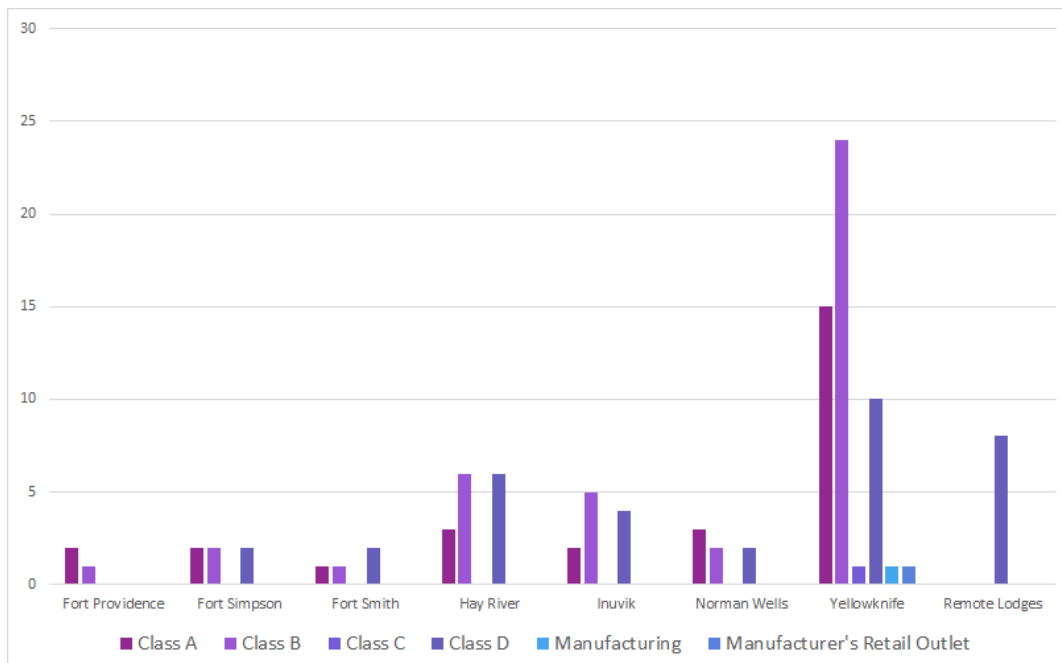
### Total Liquor Licences

Community	Class A	Class B	Class C	Class D	MFG.	Retail Outlet	2018-19	2017-18
Fort Providence	2	1	0	0	0	0	3	3
Fort Simpson	2	2	0	2	0	0	6	6
Fort Smith	1	1	0	2	0	0	4	3
Hay River	3	6	0	6	0	0	15	12
Inuvik	2	5	0	4	0	0	11	11
Norman Wells	3	2	0	2	0	0	7	7
Remote Lodges	-	-	-	8	-	-	8	7
Yellowknife	15	24	1	10	1	1	52	53
<b>Total</b>	<b>28</b>	<b>41</b>	<b>1</b>	<b>34</b>	<b>1</b>	<b>1</b>	<b>106</b>	<b>102</b>

## Total Liquor Licences % by Community



## Total Liquor Licences Class/Community



## Special Occasion Permits

There are three types of Special Occasion Permits (SOP's):

**Class 1** - Anyone 19 years of age or older may apply for a Class 1 Permit. There must not be an admission charge for the event and liquor may not be directly or indirectly sold. A Class 1 permit is intended for events where liquor is given to guests such as a business "meet and greet" where wine is served, or a wedding reception with an open bar.

**Class 2 (resale)** - Anyone 19 years of age or older may apply for a Class 2 Permit. Liquor may be sold, but not for a profit. The Board sets the maximum amount a Permit Holder may charge for liquor, and presently, the limit is \$3.00 per drink. This class of permit is intended for events where the organizer wants to provide liquor but does not want to give it away. The per-drink limit is intended to offset some of the organizer's costs.

**Class 3 (fundraising)** - Class 3 Resale Permits are available to organizations only, and not to individuals. Organizations eligible for a Class 3 permit include:

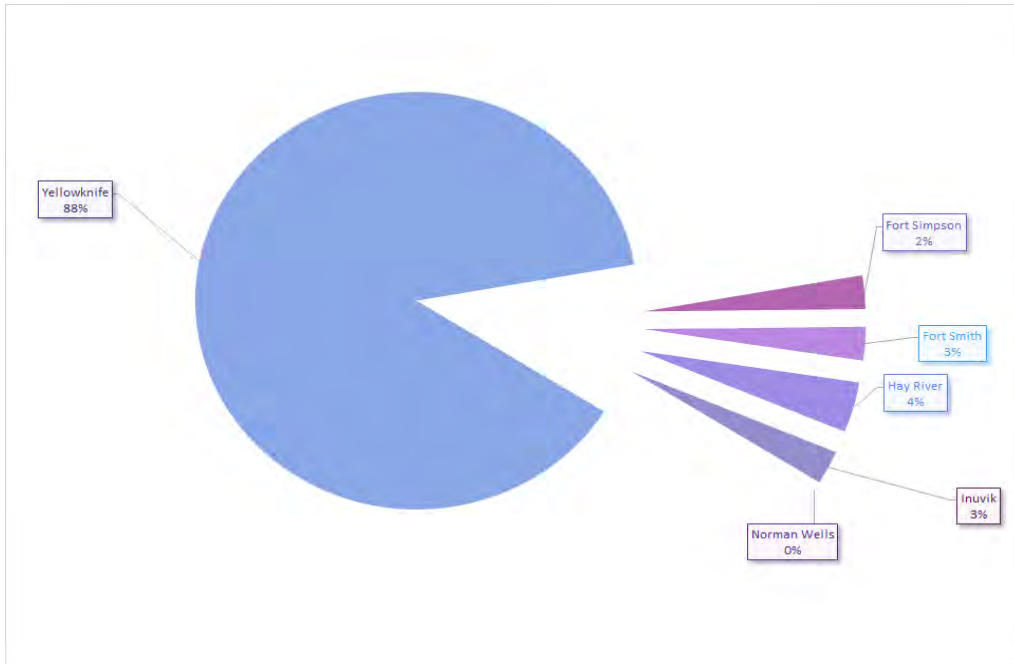
- a society incorporated under the *Societies Act*;
- a body incorporated under *Part II of the Canada Corporations Act*;
- a service club that holds a premises licence; or
- an unincorporated group of persons that:
  - i. has been in existence for a period not less than six months before the date of application,
  - ii. has an executive elected by its members, and
  - iii. conducts a community, recreational or cultural activity, and does not carry on a trade or business for the pecuniary gain of its members.

After the event, a Class 3 Permit Holder must provide the Board with a statement of account, which reflects the profit from liquor sales and the purpose to which the proceeds will be put.

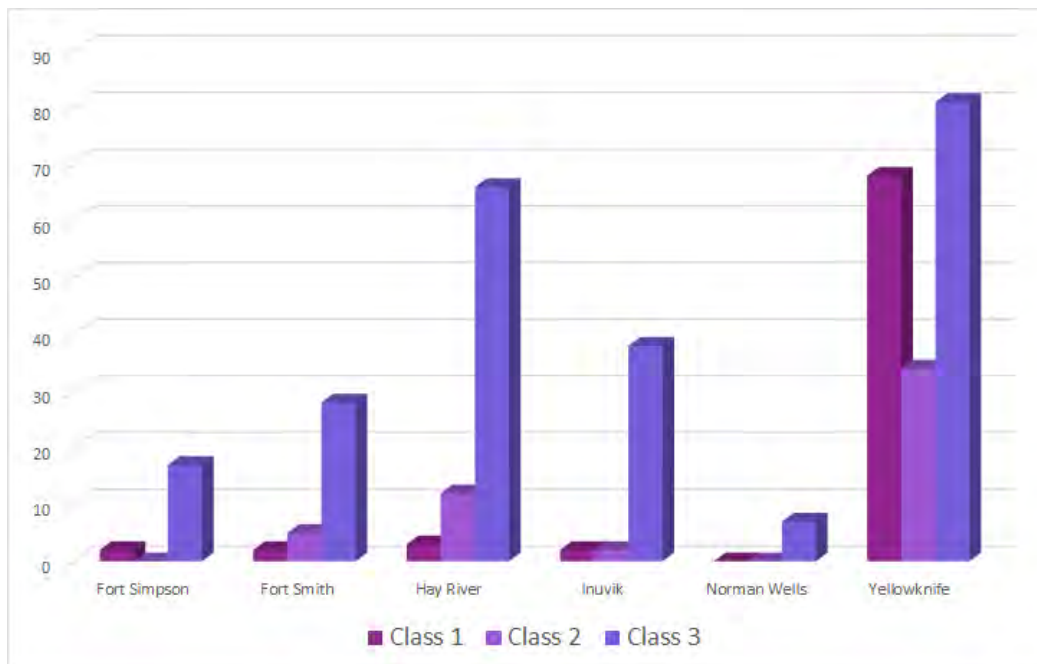
## Total Special Occasion Permits

Community	Class 1	Class 2	Class 3	2018-19	2017-18
Enterprise	1	0	1	2	1
Fort Providence	0	0	4	4	1
Fort Resolution	1	0	0	1	1
Fort Simpson	2	0	17	19	15
Fort Smith	2	5	28	35	57
Hay River	3	12	66	81	48
Inuvik	2	2	38	42	52
Norman Wells	0	0	7	7	6
Ulukhaktok	0	0	0	0	1
Yellowknife	68	34	81	183	154
<b>Total</b>	<b>79</b>	<b>53</b>	<b>242</b>	<b>374</b>	<b>336</b>

## Special Occasion Permits % by Community



## Special Occasion Permits Class/Community



## Special Purpose Permits

A Special Purpose Permit authorizes a Permit Holder to possess and use liquor for a medicinal, scientific or other special purpose. All applications for Special Purpose Permits require the approval of the Liquor Licensing Board.

The Liquor Licensing Board may issue a Special Purpose Permit to:

- a medical practitioner, dentist, nurse practitioner, registered midwife or veterinarian;
- a person requiring liquor for a legitimate scientific or research purpose; or
- a person in charge of a facility that provides health services pursuant to the *Hospital Insurance and Health and Social Services Administration Act*, or a person in charge of a nursing home.

**There are presently three Special Purpose Permits in effect.**

## Board Office

The Liquor Licensing Board office is located in Hay River.

**NWT Liquor Licensing Board**

**Suite 204 - 31 Capital Drive**

**Hay River, NT X0E 1G2**

Toll-free: 1-800-351-7770

Phone: (867) 874-8715

Email: [LLBinfo@gov.nt.ca](mailto:LLBinfo@gov.nt.ca)

Website: [www.fin.gov.nt.ca/services/liquor/liquor-licensing-board](http://www.fin.gov.nt.ca/services/liquor/liquor-licensing-board)



# **NORTHWEST TERRITORIES LIQUOR ENFORCEMENT**

**SUITE 204 – 31 CAPITAL DRIVE  
HAY RIVER NT X0E 1G2  
PH: 867 874 8719  
FAX: 867 874 8722  
TOLL FREE: 1 800 351 7770**

## ENFORCEMENT ACTIVITY

The Liquor Enforcement Division is responsible supervising liquor inspectors, conducting liquor inspections, and administering community options on behalf of communities. Contracted liquor inspectors monitor the activities of licensed premises by conducting liquor inspections at irregular intervals at licensed premises and at licensed special occasion permit functions where liquor is being served or sold. The inspection program strives for voluntary compliance through regular liquor inspections, training courses, newsletters and on-site visits from the Manager of Enforcement. The inspections program targets high risk premises (those most likely to offend) for inspections more frequently than those considered to be a lower risk (e.g. Restaurants).

The RCMP also conducts walkthroughs at licensed premises and at licensed special occasion permit functions. The frequency of RCMP inspections are not reported to Enforcement. However, violations are reported to Liquor Enforcement when found.

## INSPECTION OF LICENSED PREMISES

Community	Inspections	
	2017 - 2018	2018 - 2019
Fort Providence	4	4
Fort Simpson	16	38
Fort Smith	149	108
Hay River	249	118
Inuvik	108	39
Norman Wells	37	0
Yellowknife	511	379
<b>TOTAL</b>	<b>1,074</b>	<b>686</b>

Fluctuations in the number of inspections performed are affected by the availability of the inspectors and vacancies in inspector positions.

## SERVER TRAINING

Enforcement offers and conducts server training courses free of charge to licence holders, their staff, the general public and special occasion permit holders. Attendance at these courses is voluntary. The Liquor Licensing Board can also order licence holders and their staff to take the course as a condition of their license. The server training course educates the license and permit holders on their responsibilities under the *Liquor Act and Regulations* and on Board policy. The training covers recognizing intoxication, identifying minors, responsible serving, managing crowd control, providing a safe environment and liability issues.

Licence holders are provided with a newsletter on a quarterly basis and provided with up-to-date information to assist them in complying with the *Liquor Act and Regulations*. Licence holders also have access to a toll-free number for assistance. Every licence holder has been provided with a licence holder handbook and a copy of the *Liquor Act and Regulations*. When a large number of persons are expected to attend an event such as a concert the permit holder is contacted and offered server training for persons working the event.

### SERVER TRAINING COURSE PARTICIPANTS

Community	2017 – 2018	2018 - 2019
Fort Providence	2	14
Fort Simpson	4	0
Fort Smith	0	24
Hay River	26	52
Inuvik	8	0
Norman Wells	0	0
Yellowknife	107	315
<b>Total</b>	<b>147</b>	<b>405</b>

## COMMUNITY STATUS

Communities in the Northwest Territories have options available to them regarding their liquor status. Communities are either:

**Unrestricted** - there are no restrictions beyond those that are described in the *Liquor Act* or *Regulations*;

**Restricted** - a restriction may limit the quantity of alcohol and/or frequency that liquor can be brought into the community, the quantity of alcohol and hours of sale, or to seek approval to bring alcohol into the community from an Alcohol Education Committee; or

**Prohibited** - there is a complete ban on alcohol being brought into the community.

### UNRESTRICTED COMMUNITIES INCLUDE

Aklavik	Fort Smith*	Kakisa
Colville Lake	Hay River*	Sachs Harbour
Enterprise	Inuvik *	Wrigley
Fort Providence*	Jean Marie River	Yellowknife*
Fort Resolution	Norman Wells*	Behchoko

\*These communities have licensed premises and/or liquor store/liquor warehouses.

### RESTRICTED COMMUNITIES INCLUDE

Déline	Fort McPherson	Ulukhaktok
Dettah	Fort Simpson*	Tuktoyaktuk
Fort Good Hope	Paulatuk	Sambaa K'e
Fort Liard	Tulita	

\*The restriction applies to the amount of liquor that can be bought at the liquor store.

#### Déline

The restriction prohibits an individual from bringing into the community in any 24-hour period or possesses at any time within a 25-km radius of the Déline Charter Community Office an amount of liquor that exceeds any one of the following combinations:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

The restriction regulations authorize the Déline Dene Council to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

#### **Dettah**

The restriction applies to the amount of liquor an individual can possess in any one-month. This is either;

- (a) 12 containers (355 ml) of beer and 1 container (750 ml) of spirits; or
- (b) 4500 ml of wine.

#### **Fort Good Hope**

The restriction applies to the amount of liquor an individual can possess in a seven-day period. An individual may possess one of the following quantities of liquor:

- (a) 1140 ml of spirits and one dozen (355 ml) containers of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) one dozen (355 ml) containers of beer and two litres of wine; or
- (d) two dozen (355 ml) containers of beer and one litre of wine.

#### **Fort Liard**

The restriction applies to the amount of liquor an individual can transport into the community over a one-week period. An individual may transport either:

- (a) 1140 ml of spirits;
- (b) two dozen containers (355 ml) of beer; or
- (c) two containers (750 ml) of wine.

The restriction does not apply to the purchase, sale or transport of liquor by the municipal or band council where liquor shall be consumed at community dances.

## **Fort McPherson**

The restriction prohibits an individual from:

- i. bringing into the restricted area, in any seven-day period, a quantity of liquor that is in excess of one of the following combinations:
- ii. operating within the restricted area a vehicle having two or more occupants and transporting a quantity of liquor that is in excess of two of the following combinations:
  - (a) 2280 ml of spirits and 24 containers (355 ml) of beer;
  - (b) 2280 ml of spirits and four litres of wine;
  - (c) 24 containers (355 ml) of beer and four litres of wine; or
  - (d) 48 containers (355 ml) of beer and two litres of wine.

## **Fort Simpson**

The restriction applies to the quantity of liquor the vendor can sell to a person during a day in which the liquor store is open. The quantity is:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 2 litres of wine and 12 containers (355 ml) of beer; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

## **Paulatuk**

The restriction prohibits an individual from bringing into the restricted area in any seven-day period, and from possessing in the restricted area at any time, a quantity of liquor that is in excess of one of the following combinations:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and 750 ml of spirits;
- (e) 1175 ml of spirits.

### **Sambaa K'e**

The restriction prohibits an individual from bringing into the restricted area in any twenty-four-hour period, a quantity of liquor that is in excess of one of the following combinations:

- (a) 750 ml of spirits and 12 containers (355 ml) of beer;
- (b) 750 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

### **Tulita**

The restriction prohibits an individual from bringing into the restricted area, in any 24-hour period, and from possessing in the restricted area, at any time, a quantity of liquor that is in excess of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

### **Ulukhaktok**

The restriction prohibits an individual from bringing into the community in any seven-day period, and from possessing at any time, a quantity of liquor that is in excess of one of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine;
- (d) 24 containers (355 ml) of beer and one 750 ml bottle of hard liquor; or
- (e) 1775 ml of spirits of hard liquor.

The restriction regulations authorize the Ulukhaktok Hamlet Council to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

## Tuktoyaktuk

The restriction prohibits an individual from bringing into the community at any time, and from possessing at any time a quantity of liquor that exceeds:

2280 ml of spirits;

The restriction authorizes the Hamlet Council to authorize a person to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or some other special function.

## PROHIBITED COMMUNITIES INCLUDE

Gamètì	Nahanni Butte	Whatì
Lutsel'Ke	Tsiigehtchic	Wekweètì

## COMMUNITY OPTIONS

Municipalities, settlements or bands may request to have the consumption, purchase, sale or transport of alcohol prohibited during a special event. An Order may not be made if it would require the temporary closure of any licensed premises or liquor store in the area. Liquor Enforcement liaises with local governments, Legislation and the Department of Finance to assist communities in the process to obtain Temporary Prohibition Orders and Plebiscites.

Between April 1, 2018 and March 31, 2019 the Minister approved the following Temporary Prohibition Orders:

Community	Event	Duration
Tuktoyaktuk	2018 Beluga Jamboree	April 26- April 30, 2018
Wrigley	2018 Dene National Assembly	July 25- July 27, 2018
Deline	2018 Annual Spiritual Gathering	Aug. 11-Aug 20, 2018
Sachs Harbour	2018 White Fox Jamboree	Aug 16- Aug 20, 2018
Tulita	Multiple Special Events	Aug. 29- Sept. 7, 2018
Fort Good Hope	2019 Hand Games event	Feb 21-24, 2019

Communities are sent an information package in May of each year with instructions on how to apply for a Temporary Prohibition Order.

Liquor Enforcement assists communities in identifying Community Status Options for their unique needs. Choices are Unrestricted, Restricted and Prohibited. Status and



changes in status are community driven. Enforcement assists in educating the leadership as to available options and steering the Community through the plebiscite process, with the Departments of Finance and Justice.

During 2017-2018 there was one request for a Liquor Plebiscite in Fort McPherson. The plebiscite, held on December 10, 2018, indicated that the community wanted to eliminate the restriction of beer and wine, while maintaining restriction on spirits. As such, the new Fort McPherson Liquor Restrictions will come into effect in July 2019.

# **NORTHWEST TERRITORIES LIQUOR ENFORCEMENT**

**SUITE 204 – 31 CAPITAL DRIVE  
HAY RIVER NT X0E 1G2  
PH: 867 874 8719  
FAX: 867 874 8722  
TOLL FREE: 1 800 351 7770**

## ENFORCEMENT ACTIVITY

The Liquor Enforcement Division is responsible for superintending liquor inspectors, conducting liquor inspections, and administering community options on behalf of communities. Contracted liquor inspectors monitor the activities of licensed premises by conducting liquor inspections at irregular intervals at licensed premises and at licensed special occasion permit functions where liquor is being served or sold. The inspection program strives for voluntary compliance through regular liquor inspections, training courses, newsletters and on-site visits from the Manager of Enforcement. The inspections program targets high risk premises (those most likely to offend) for inspections more frequently than those considered to be a lower risk (e.g. Restaurants).

The RCMP also conducts walkthroughs at licensed premises and at licensed special occasion permit functions. The frequency of RCMP inspections are not reported to Enforcement. However, violations are reported to Liquor Enforcement when found.

## INSPECTION OF LICENSED PREMISES

Community	Inspections	
	2017 - 2018	2018 - 2019
Fort Providence	4	4
Fort Simpson	16	38
Fort Smith	149	108
Hay River	249	118
Inuvik	108	39
Norman Wells	37	0
Yellowknife	511	379
<b>TOTAL</b>	<b>1,074</b>	<b>686</b>

Fluctuations in the number of inspections performed are affected by the availability of the inspectors and vacancies in inspector positions. Significant drop in inspections is directly related to numerous vacancies, despite numerous recruitment advertisements in several communities.

## SERVER TRAINING

Enforcement offers and conducts server training courses free of charge to licence holders, their staff, the general public and special occasion permit holders. Attendance at these courses is voluntary. The Liquor Licensing Board can also order licence holders and their staff to take the course as a condition of their license. The server training course educates the license and permit holders on their responsibilities under the *Liquor Act and Regulations* and on Board policy. The training covers recognizing intoxication, identifying minors, responsible serving, managing crowd control, providing a safe environment and liability issues.

Licence holders are provided with a newsletter on a quarterly basis and provided with up-to-date information to assist them in complying with the *Liquor Act and Regulations*. Licence holders also have access to a toll-free number for assistance. Every licence holder has been provided with a licence holder handbook and a copy of the *Liquor Act and Regulations*. When a large number of persons are expected to attend an event such as a concert the permit holder is contacted and offered server training for persons working the event.

## SERVER TRAINING COURSE PARTICIPANTS

<b>Community</b>	<b>2017 – 2018</b>	<b>2018 - 2019</b>
Fort Providence	2	14
Fort Simpson	4	0
Fort Smith	0	24
Hay River	26	52
Inuvik	8	31
Norman Wells	0	32
Yellowknife	107	315
<b>Total</b>	<b>147</b>	<b>405</b>

Liquor Server Training became a board mandated requirement for license holder renewals as of March 31, 2019.

## COMMUNITY STATUS

Communities in the Northwest Territories have options available to them regarding their liquor status. Communities are either:

**Unrestricted** - there are no restrictions beyond those that are described in the *Liquor Act* or *Regulations*;

**Restricted** - a restriction may limit the quantity of alcohol and/or frequency that liquor can be brought into the community, the quantity of alcohol and hours of sale, or to seek approval to bring alcohol into the community from an Alcohol Education Committee; or

**Prohibited** - there is a complete ban on alcohol being brought into the community.

### UNRESTRICTED COMMUNITIES INCLUDE

Aklavik	Fort Smith*	Kakisa
Colville Lake	Hay River*	Sachs Harbour
Enterprise	Inuvik *	Wrigley
Fort Providence*	Jean Marie River	Yellowknife*
Fort Resolution	Norman Wells*	Behchokò

\*These communities have licensed premises and/or liquor store/liquor warehouses.

### RESTRICTED COMMUNITIES INCLUDE

Déłıne	Fort McPherson	Ulukhaktok
Dettah	Fort Simpson*	Tuktoyaktuk
Fort Good Hope	Paulatuk	Sambaa K'e
Fort Liard	Tulita	

\*The restriction applies to the amount of liquor that can be bought at the liquor store.

### Déłıne

The restriction prohibits an individual from bringing into the community in any 24-hour period or possesses at any time within a 25-km radius of the Déłıne Charter Community Office an amount of liquor that exceeds any one of the following combinations:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

The restriction regulations authorize the Délı̄ne Dene Council to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

### **Dettah**

The restriction applies to the amount of liquor an individual can possess in any one-month. This is either;

- (a) 12 containers (355 ml) of beer and 1 container (750 ml) of spirits; or
- (b) 4500 ml of wine.

### **Fort Good Hope**

The restriction applies to the amount of liquor an individual can possess in a seven-day period. An individual may possess one of the following quantities of liquor:

- (a) 1140 ml of spirits and one dozen (355 ml) containers of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) one dozen (355 ml) containers of beer and two litres of wine; or
- (d) two dozen (355 ml) containers of beer and one litre of wine.

### **Fort Liard**

The restriction applies to the amount of liquor an individual can transport into the community over a one-week period. An individual may transport either:

- (a) 1140 ml of spirits;
- (b) two dozen containers (355 ml) of beer; or
- (c) two containers (750 ml) of wine.

The restriction does not apply to the purchase, sale or transport of liquor by the municipal or band council where liquor shall be consumed at community dances.

### **Fort McPherson**

The restriction prohibits an individual from:

- i. bringing into the restricted area, in any seven-day period, a quantity of liquor that is in excess of one of the following combinations:
- ii. operating within the restricted area a vehicle having two or more occupants and transporting a quantity of liquor that is in excess of two of the following combinations:
  - (a) 2280 ml of spirits and 24 containers (355 ml) of beer;
  - (b) 2280 ml of spirits and four litres of wine;
  - (c) 24 containers (355 ml) of beer and four litres of wine; or
  - (d) 48 containers (355 ml) of beer and two litres of wine.

### **Fort Simpson**

The restriction applies to the quantity of liquor the vendor can sell to a person during a day in which the liquor store is open. The quantity is:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 2 litres of wine and 12 containers (355 ml) of beer; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

### **Paulatuk**

The restriction prohibits an individual from bringing into the restricted area in any seven-day period, and from possessing in the restricted area at any time, a quantity of liquor that is in excess of one of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and 750 ml of spirits;
- (e) 1175 ml of spirits.

### **Sambaa K'e**

The restriction prohibits an individual from bringing into the restricted area in any 24 hour period, a quantity of liquor that is in excess of one of the following combinations:

- (a) 750 ml of spirits and 12 container (355 ml) of beer;
- (b) 750 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

### **Tulita**

The restriction prohibits an individual from bringing into the restricted area, in any 24 hour period, and from possessing in the restricted area, at any time, a quantity of liquor that is in excess of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine; or
- (d) 24 containers (355 ml) of beer and one litre of wine.

### **Ulukhaktok**

The restriction prohibits an individual from bringing into the community in any seven-day period, and from possessing at any time, a quantity of liquor that is in excess of one of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine;
- (d) 24 containers (355 ml) of beer and one 750 ml bottle of hard liquor; or
- (e) 1775 ml of spirits of hard liquor.

The restriction regulations authorize the Ulukhaktok Hamlet Council to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

**Tuktoyaktuk**

The restriction prohibits an individual from bringing into the community at any time, and from possessing at any time a quantity of liquor that exceeds:

- (a) 2280 ml of spirits;

The restriction authorizes the Hamlet Council to authorize a person to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or some other special function.



## PROHIBITED COMMUNITIES

Gamètì  
Łutselk'e

Nahanni Butte  
Tsiigehtchic

Whatì  
Wekweètì

## COMMUNITY OPTIONS

Municipalities, settlements or bands may request to have the consumption, purchase, sale or transport of alcohol prohibited during a special event. An Order may not be made if it would require the temporary closure of any licensed premises or liquor store in the area. Liquor Enforcement liaises with local governments, Legislation and the Department of Finance to assist communities in the process to obtain Temporary Prohibition Orders and Plebiscites.

Between April 1, 2018 and March 31, 2019 the Minister approved the following Temporary Prohibition Orders:

Community	Event	Duration
Tuktoyaktuk	2018 Beluga Jamboree	April 26- April 30, 2018
Wrigley	2018 Dene National Assembly	July 25- July 27, 2018
Délıne	2018 Annual Spiritual Gathering	Aug. 11-Aug 20, 2018
Sachs Harbour	2018 White Fox Jamboree	Aug 16- Aug 20, 2018
Tulita	Multiple Special Events	Aug. 29- Sept. 7, 2018
Fort Good Hope	2019 Hand Games event	Feb 21-24, 2019

Communities are sent an information package in May of each year with instructions on how to apply for a Temporary Prohibition Order.

Liquor Enforcement assists communities in identifying Community Status Options for their unique needs. Choices are Unrestricted, Restricted and Prohibited. Status and changes in status are community driven. Enforcement assists in educating the leadership as to available options and steering the Community through the plebiscite process, with the Departments of Finance and Justice.

During 2018-2019 there was one request for a Liquor Plebiscite in Fort McPherson. The plebiscite, held on December 10, 2018, indicated that the community wanted to eliminate the restriction of beer and wine, while maintaining restriction on spirits. As such, the new Fort McPherson Liquor Restrictions will come into effect in July 2019.

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Financial Statements**

**Year ended March 31, 2019**

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Index to Financial Statements

**March 31, 2019**

---

Management's Responsibility for Financial Reporting.....	25
Auditor's Report .....	26
Statement of Financial Position .....	29
Statement of Operations.....	30
Statement of Accumulated Surplus .....	31
Statement of Change in Net Debt.....	32
Statement of Cash Flow .....	33
Notes to Financial Statements.....	34

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor Licensing Board and Liquor Enforcement (Board) is the responsibility of the Board's management.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Board complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Liquor Licensing Board and Liquor Enforcement, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Board.



Chairperson, NWT Liquor Licensing Board  
June 27, 2019

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Minister responsible for the Northwest Territories Liquor Licensing Board and Liquor Enforcement

### *Qualified Opinion*

We have audited the financial statements of Northwest Territories Liquor Licensing Board and Liquor Enforcement (the Board), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net financial assets (debt), changes in accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Board's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Board's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

(continues)

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report to the Minister of Northwest Territories Liquor Licensing Board and Liquor Enforcement (*continued*)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

We further report in accordance with the *Financial Administration Act* that, in our opinion, proper books of account have been kept by the Northwest Territories Liquor Licensing Board and Liquor Enforcement and the financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Liquor Licensing Board and Liquor Enforcement that have come to our notice during our audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of the Northwest Territories and regulations and the *Liquor Act* of the Northwest Territories and regulations.

Hay River, Northwest Territories  
June 27, 2019



Ashton, Chartered Accountants

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Financial Position**

<b>As at March 31 (\$000)</b>	<b>2019</b>	<b>2018</b>
<b>Financial Assets</b>		
Accounts Receivable	\$ 5	\$ -
Due from NWT Liquor Commission (note 3)	104	198
Pension and other employee benefits (note 4)	20	22
	<u>129</u>	<u>220</u>
<b>Financial Liabilities</b>		
Accounts payable (Note 6)	111	216
Deferred revenue	26	18
	<u>137</u>	<u>234</u>
<b>Net debt</b>	<u>(8)</u>	<u>(14)</u>
<b>Non-financial Assets</b>		
Prepaid Expenses	8	14
<b>Accumulated surplus</b>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

Approved by the Northwest Territories Liquor Licensing Board:



Sandra Aitken  
Chairperson, Liquor Licensing Board



**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Operations**

<b>For the year ended March 31, (\$000)</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenue</b>			
License fees and permits	\$ 64	\$ 64	\$ 70
Government contribution – services provided without charge (note 6)	-	8	5
	<b>64</b>	<b>72</b>	<b>75</b>
<b>Expenses (notes 5 and 6)</b>			
Salaries, wages and employee benefits	469	409	462
Honoraria	50	38	64
Inspector's fees	44	44	38
Rent	36	32	30
Travel	75	58	46
Professional fees	29	19	25
Administration	68	24	38
	<b>771</b>	<b>624</b>	<b>703</b>
<b>Annual loss</b>	<b>\$ (707)</b>	<b>\$ (552)</b>	<b>\$ (628)</b>

The accompanying notes are an integral part of the financial statements.

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Accumulated Surplus**

<b>For the year ended March 31, (\$000)</b>	<b>2019</b>		<b>2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Accumulated surplus, beginning of year</b>	\$ -	\$ -	\$ -
Annual loss	(707)	(552)	(628)
Amounts transferred from the NWT Liquor Commission	707	552	628
<b>Increase (decrease) in accumulated surplus</b>	-	-	-
<b>Accumulated surplus, end of year</b>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Change in Net Debt**

<b>For the year ended March 31 (\$000)</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Net debt, beginning of the year</b>	\$ (14)	\$ (14)	\$ (2)
Items affecting net financial resources:			
Increase (decrease) in accumulated surplus	-	-	-
Decrease (increase) in prepaid expenses	-	6	(12)
<b>Net debt, end of year</b>	\$ (14)	\$ (8)	\$ (14)

The accompanying notes are an integral part of the financial statements.

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Statement of Cash Flow

<b>For the year ended March 31, (\$000)</b>	<b>2019</b>	<b>2018</b>
<b>Operating transactions</b>		
Cash received from customers	\$ 66	\$ 60
Cash paid to employees and suppliers	(712)	(577)
Cash provided by operating transactions	(646)	(517)
<b>Financing transactions</b>		
Cash transferred from the NWT Liquor Commission	646	517
<b>Change in cash</b>	-	-
<b>Cash, beginning of year</b>	-	-
<b>Cash, end of year</b>	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

# NORTHWEST TERRITORIES LIQUOR BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2019 (\$000)

---

### 1. Authority and operations

The Northwest Territories Liquor Licensing Board (the "Board") was established under the *Liquor Act* (the "Act") for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The Minister appoints a member of the Public Service to be the Executive Secretary to the Board. Liquor Enforcement is separate from the Liquor Licensing Board and is managed by different staff. The Liquor & Cannabis Commission (the "Commission") provides financial administrative support to the Board.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the "Fund"). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission provides for the financial administrative support to the Board and may receive a working capital advance from the Consolidated Revenue Fund (the "CRF") of the Government of the Northwest Territories ("GNWT") to finance its operations.
- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed \$12,000.
- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2019, the Fund's assets exceeded the liabilities by \$4,840 (2018 – \$4,996).

Neither the Commission nor the Board is separate legal entities apart from the Department of Finance of the NWT and neither is subject to the requirements of the *Income Tax Act*.

The operations of enforcement are managed separately from the Board. For the purpose of financial reporting the assets, liabilities, and expenses are combined in these financial statements as both are funded from the Liquor Revolving Fund. The Board is a Schedule A (Financial Administration Act) public agency and Liquor Enforcement is not.

# **NORTHWEST TERRITORIES LIQUOR BOARD AND LIQUOR ENFORCEMENT**

## **Notes to Financial Statements**

**March 31, 2019 (\$000)**

---

### **2. Significant accounting policies**

#### **(a) Basis of accounting**

The financial statements of the Board are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants. These financial statements include the activities of the Enforcement Program which have been disclosed separately and combined with the activities of the Board in the statement of operations.

#### **(b) Measurement uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and deferred revenue.

#### **(c) Revenue recognition**

License fees and permits are recorded in revenue in the year that the fee or permit relates. If cash is received in advance of the fee or permit period, it is recorded in deferred revenue.

#### **(d) Services provided without charge**

Liquor Enforcement records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses in the statement of operations.

#### **(e) Tangible capital assets**

The Board receives the use of tangible capital assets from the Commission without charge.

#### **(f) Pension benefits**

The appointed employees of the Board are covered by the public service pension plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Board to cover current service cost. Pursuant to legislation currently in place, the Board has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

# NORTHWEST TERRITORIES LIQUOR BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2019 (\$000)

---

### 2. Significant accounting policies; continued,

#### (g) Other employee benefits

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The costs of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

### 3. Due from NWT Liquor Commission

As explained in note 1, the Commission provides financial administrative support to the Board. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides tangible capital assets for the use by the Board without charge.

### 4. Pension and other employee benefits

#### a) Pension benefits

The employees of the Board participate in the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2018 - 1.01) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2018 - 1.0) the employees' contributions for all other employees. The Employers contributions and the Board & Enforcement's employees' contribution for the year were as follows:

	2019	2018
Employer's contributions (recognized as expense)	\$ 39	\$ 29
Employee's contribution	38	32

The plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

# NORTHWEST TERRITORIES LIQUOR BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2019 (\$000)

### 4. Pension and other employee benefits (continued)

#### b) Other employee benefits

	2019			2018		
	Severance and Accumulated Removal Obligation	Sick & Special Obligation	Total	Severance and Accumulated Removal Obligation	Sick & Special Obligation	Total
Accrued benefit obligation, beginning of the year	\$ 4	\$ 3	\$ 7	\$ 5	\$ 3	\$ 8
Current Service Costs	-	-	-	-	-	-
Interest Costs	-	-	-	-	-	-
Benefits paid	-	(2)	(2)	-	(12)	(12)
Actuarial (gain)/loss	1	2	3	-	12	12
Accrued benefit obligation, end of the year	\$ 5	\$ 3	\$ 8	\$ 5	\$ 3	\$ 8
Unamortized net actuarial gain (loss)	(2)	(26)	(28)	(2)	(28)	(30)
Accrued benefit (liability)/asset	\$ 3	\$ (23)	\$ (20)	\$ 3	\$ (25)	\$ (22)

The Board provides severance benefits to its employees based on years of service and final salary. The Board also provides removal assistance to eligible employees, as provided under labour contracts. These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Board provides accumulating sick and special leave employee benefits. Sick leave accrues at a rate of one and a one quarter day per month and special leave accumulates at a rate of one-half day per month. These leave balances require funding in future periods when employees become sick or require special leave. Sick leave can only be used for paid time off for illness of the employee. Special leave can only be claimed in certain circumstances (e.g. sick family members, family deaths, marital leave). Sick and special leave taken is paid at the employee's normal rate of pay. Sick and special leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick and special days accumulate and there are no limits to the accumulation.

An actuarial valuation for accounting purposes was prepared at March 31, 2019 for the Board's other employee future benefit plans using the projected benefits method prorated on services.



# NORTHWEST TERRITORIES LIQUOR BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2019 (\$000)

---

### 4. Pension and other employee benefits (continued)

#### b) Other employee benefits (continued)

The actuarial valuation at March 31, 2019 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2019</u>	<u>2018</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	3.2%	3.8%
Expected average remaining service life of related employee groups (EARSLS)	8.3	8.0
Expected age at termination	59.2	58.7

Timing of expected payments for other employee benefits are as follows:

2020	\$	-
2021		-
2022		-
2023		-
2024		-
2025 and beyond		<u>3</u>
	\$	<u>3</u>

# NORTHWEST TERRITORIES LIQUOR BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

**March 31, 2019 (\$000)**

### 5. Expenses

As explained in note 1, the liquor enforcement activities are included in total expenses as follows:

<b>For the year ended March 31, (\$000)</b>	<b>Enforcement</b>		
	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Expenses (notes 6 and 7)</b>			
Salaries, wages and employee benefits	\$ 286	\$ 202	\$ 250
Inspector's Fees	54	20	35
Rent	30	18	17
Travel	18	28	10
Professional Fees	5	8	5
Administration	15	18	24
	<b>408</b>	<b>293</b>	<b>341</b>
<b>Annual loss</b>	<b>\$ (408)</b>	<b>\$ (293)</b>	<b>\$ (341)</b>

### 6. Related party transactions

The Board is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Board enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Board incurred \$409 (2018 - \$462) related to salaries, wages, and employee benefits for the Board's employees and \$38 (2018 - \$64) related to honoraria for Board members. The Board reimburses the Department of Finance for these costs.

The Department of Justice provides Liquor Enforcement with legal services without charge. The total cost of these services has been estimated to be \$8 (2018 - \$5). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of \$36 (2018 - \$183) for salaries, wages, board honoraria, employee benefits including Worker's Compensation and Medical Travel, payable to the Government of the NWT.

# NORTHWEST TERRITORIES LIQUOR BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

**March 31, 2019 (\$000)**

---

### 7. Contractual obligations

The Board has a five-year lease agreement ending April 30, 2021 for its Office premises. The minimum annual lease payments for the leases over the next five year(s) are:

2019/20	\$ 29
2020/21	\$ 2
2021/22	\$ NIL
2022/23	\$ NIL

Annual lease payments for the office premises include estimated operating costs and property taxes.

### 8. Financial instruments

The Board's financial instruments consist of accounts receivable, cash due from the NWT Liquor Commission, accounts payable and accrued liabilities, pension and other employee benefits. It is management's opinion that the Board is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of the financial instrument approximates fair value.