



2011 — 2012
58TH ANNUAL REPORT

NORTHWEST TERRITORIES
LIQUOR COMMISSION &
LIQUOR LICENSING BOARD

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MEMBERS OF LEGISLATIVE ASSEMBLY

[NWT Liquor Commission and NWT Liquor Licensing Board Annual Report](#)

I am pleased to present, for the information of the Members of Legislative Assembly, the fifty-eighth Annual Report for the Northwest Territories Liquor Commission and Northwest Territories Liquor Licensing Board for the fiscal year ending March 31, 2012.

A handwritten signature in black ink, reading "J.M. Miltenberger", written over a horizontal line.

J. Michael Miltenberger
Minister Responsible for the
NWT Liquor Commission and
NWT Liquor Licensing Board

**THE HONORABLE J. MICHAEL MILTENBERGER
MINISTER OF FINANCE**

[NWT Liquor Commission and NWT Liquor Licensing Board Annual Report](#)

Pursuant to Subsection 64 (1) of the *Liquor Act*, we are pleased to submit the fifty-eighth Annual Report of the Northwest Territories Liquor Commission and Northwest Territories Liquor Licensing Board for the fiscal year ending March 31, 2012.

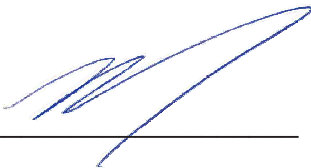
We wish to express our thanks to our staff for all their support and contributions to the progress of the Commission and the Board during the past year.



Kyle Reid
General Manager

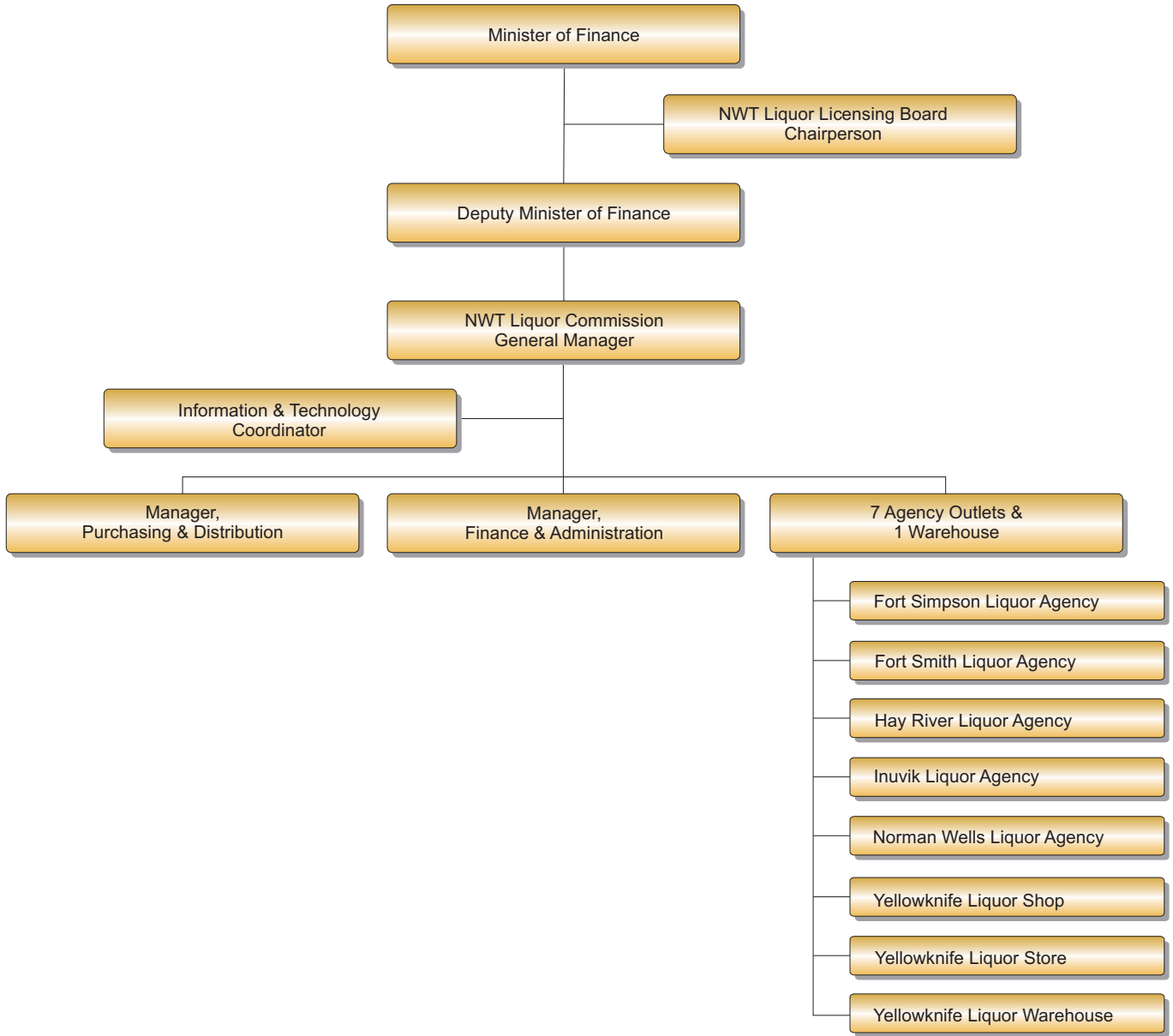


Colin Baile
Chairperson NWT Liquor Commission
NWT Liquor Licensing Board



Mike Aumond
Deputy Minister of Finance

ORGANIZATION CHART



NORTHWEST TERRITORIES LIQUOR COMMISSION

SUITE 201 — 31 CAPITAL DRIVE
HAY RIVER, NT X0E 0R2
PH: 867 874 8700
FAX: 867 874 8720

www.fin.gov.nt.ca/liquor



GENERAL MANAGER'S REPORT

The Northwest Territories Liquor Commission (NWTLC) is established under the *Liquor Act* of the Northwest Territories to purchase, sell, classify and distribute liquor in the Northwest Territories.

The year was a success, financially, with sales over \$46 million. The budget target was met and \$24 million transferred to the Territorial Treasury. NWTLC net surplus increased over the previous year by 1.6%.

Sales and distribution are carried out through a network consisting of seven retail outlets and one Yellowknife warehouse contracted to private sector operators. During the year the operations of the Hay River liquor store and warehouse were merged, allowing for improved distribution and service.

The strategic plan of the Commission focuses on three key areas for measuring performance:

1. Efficient operations, and compliance with legislation, regulation and policy
2. Social Responsibility
3. Financial Income Targets

These areas serve as a guideline for incorporating our mission statement into day to day activities. The success of the organization should not be measured in financial performance alone, and the responsibility of the Commission includes ensuring performance as a responsible industry partner, and as a socially responsible member of society. The Commission was successful in meeting our goals established in the strategic plan.

I would like to thank our staff, agents customers and partners for another successful year.

Kyle Reid
General Manager

MANDATE

Vision

Our customers will have a healthy and responsible attitude toward alcohol consumption and we will provide them the opportunity to discover, enjoy and share a wide variety of beverage alcohol.

Mission Statement

We will be an innovative, efficient and profitable organization, dedicated to the retail and wholesale distribution of beverage alcohol, and promote the development of a healthy and responsible drinking culture.

Values

We value our customers and employees.

We encourage and support the responsible use of alcohol.

We will be efficient and cost effective.

We will be responsible for our actions and will be honest and fair.

We will treat others with dignity and courtesy.

We will support one another to achieve our goals.

OPERATIONAL REVIEW

The NWTLC has a number of stakeholders including the people of the Northwest Territories, our customers, employees, private sector contractors, suppliers, industry partners and all those who share our concern for social responsibility and public safety. Our customer base includes the public who access our products through our retail network, as well as, commercial clients such as restaurants and bars.

To respond to the needs and concerns of our customers and stakeholders in the fiscal year 2011 — 2012 we:

- Delivered a wide variety of quality beverage alcohol products through our network of stores and warehouses.
- Promoted safe and responsible use of beverage alcohol.

STRATEGIC OBJECTIVES

Goal #1

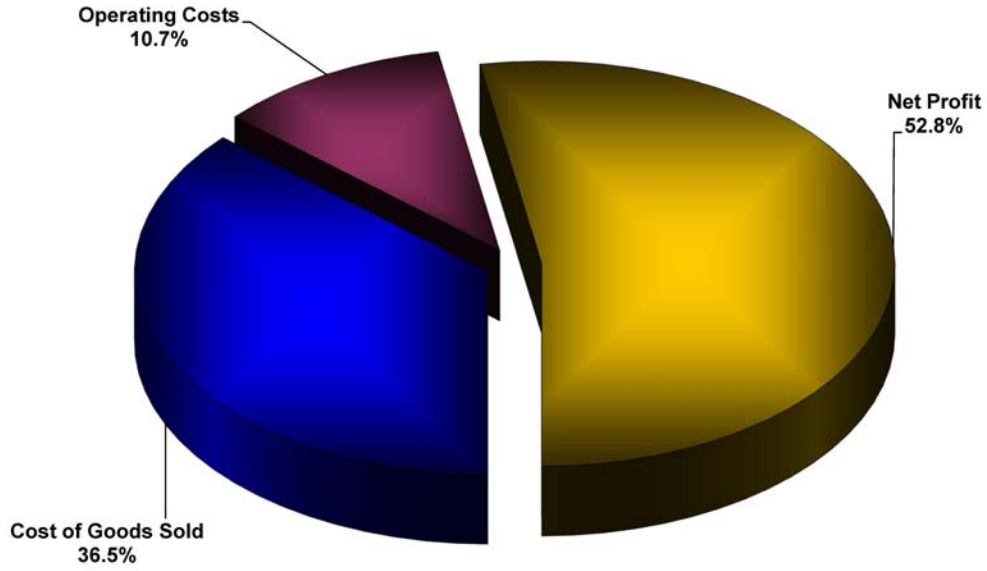
Operations are managed efficiently and comply with legislation, regulation and policy.

Performance Highlights

The operational structure of the NWTLC is designed to deliver optimal levels for the best possible costs, and consists of a headquarters administrative staff of nine and a network of seven stores and one warehouse, operated by private contractors. Five of the private agency stores operate with inventory on consignment from the Commission and the two Yellowknife stores purchase inventory directly from the Yellowknife warehouse. Sales to consumers and licensees are incurred by sales through the consignment stores. Sales to private stores are realized through their purchase of liquor products from our warehouse. The cost to deliver the sales and administration throughout the year was 10.7% of sales revenue, of which 6.9% was paid to private liquor store and warehouse contractors.

The operations of all liquor outlets are monitored monthly and visited periodically by headquarters management. Liquor store compliance with contracts, regulation and legislation was excellent this year.

Application of Revenues for the year ended March 31, 2012



Social Responsibility Awareness Programs



Goal #2

Actively and continuously promote the responsible use of alcohol.

Performance Highlights

The NWTLC supports the responsible use of alcohol through various awareness programs and initiatives.

Liquor server training is mandatory in all NWT liquor stores. All liquor store service personnel must successfully complete the NWTLC liquor store training program and demonstrate competence in the service of beverage alcohol.

The Check 25 program is intended to strengthen controls in place concerning service to minors. The program conditions our customers to expect to be asked for proof of identification if they appear to be under the age of 25.

Warning messaging with regard to the dangers of alcohol consumption during pregnancy were delivered to all retail customers, in the form of warning labels on beverage alcohol containers.

In conjunction with the GNWT Department of Health and Social Services, an FASD poster and brochure program, “No Alcohol during Pregnancy” and “We can all help prevent FASD” , was promoted in stores and licensed establishments.

In conjunction with Educ' Alcool, a booklet titled “Be prepared To Talk To Your Children About Alcohol” was distributed through the liquor stores and supplied to medical clinics, schools and drug and alcohol committees throughout the Northwest Territories.

In support of MADD Canada, liquor stores participated in the Red Ribbon program, “It's Time to Change the Meaning of Tie One On, Drive Safe, Drive Sober”.

The NWTLC supported the poster campaign “Moderation is always in good taste”, in conjunction with 9 other Canadian liquor jurisdictions.

Goal #3

Meet financial income targets.

Performance Highlights

The NWTLC Annual Net Surplus was 1.6% over the previous year and was substantially on budget. Gross sales increased over the previous year by 2.2% but fell short of the budget target by 1.3%

NWT Liquor Commission (excluding Liquor Licensing Board)

Five Year Performance History

For the year ending March 31st, 2012

(\$000's)

	2012	2011	2010	2009	2008
Gross sales	46,300	45,312	44,780	44,649	42,771
Gross profit	29,378	28,782	28,398	27,460	26,444
as a % of sales	63.5	63.5	63.4	61.5	61.8
Net surplus	24,463	24,072	23,602	22,798	21,880
as a % of sales	52.8	53.1	52.7	51.1	51.2
Operating expenses	4,935	4,721	4,858	4,668	4,568
as a % of sales	10.7	10.4	10.9	10.5	10.7

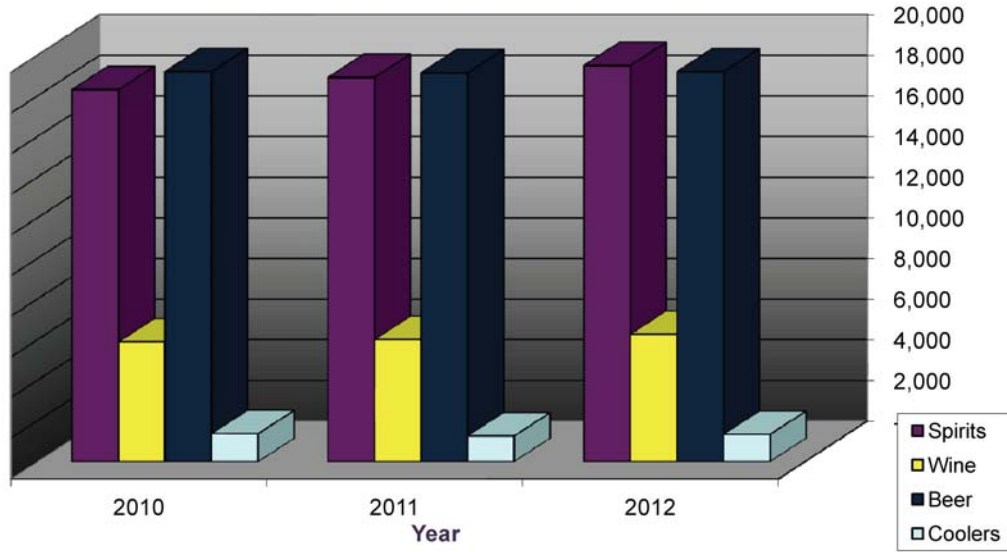
NWT Liquor Commission (excluding Liquor Licensing Board)

Statement of Operations

for the year ended March 31, 2012 with comparative figures for 2011

(\$000's)	Budget		
	2012	2012	2011
Sales			
Private Stores	22,232	21,936	20,791
Consumers	18,496	18,250	17,991
Licensees	6,196	6,114	6,530
	46,924	46,300	45,312
Cost of Sales			
Beginning Inventory	3,555	3,555	3,539
Purchases	15,798	15,816	15,346
Freight	1,449	1,416	1,200
Ending Inventory	(3,555)	(3,865)	(3,555)
	17,247	16,922	16,530
Gross Margin	29,677	29,378	28,782
Other Income			
Government Contributions services provided without charge - Legal Services	-	15	4
Import Permits	2	1	1
Other	3	4	6
	5	20	11
Expenses			
Commissions to agents	3,291	3,209	3,185
Salaries, wages & employee benefits	1,119	1,048	989
Bank service charges	229	214	213
Amortization of capital assets	150	79	88
Travel	57	39	39
Rent	76	151	69
Office supplies	68	55	66
Computer services	50	50	23
Communications	30	16	22
Professional fees	5	60	9
Advertising	8	6	7
Losses due to breakage & spoilage	8	8	11
Miscellaneous	-	-	-
	5,091	4,935	4,721
Net Surplus	24,591	24,463	24,072

Three Year Dollar Sales Trend by Category



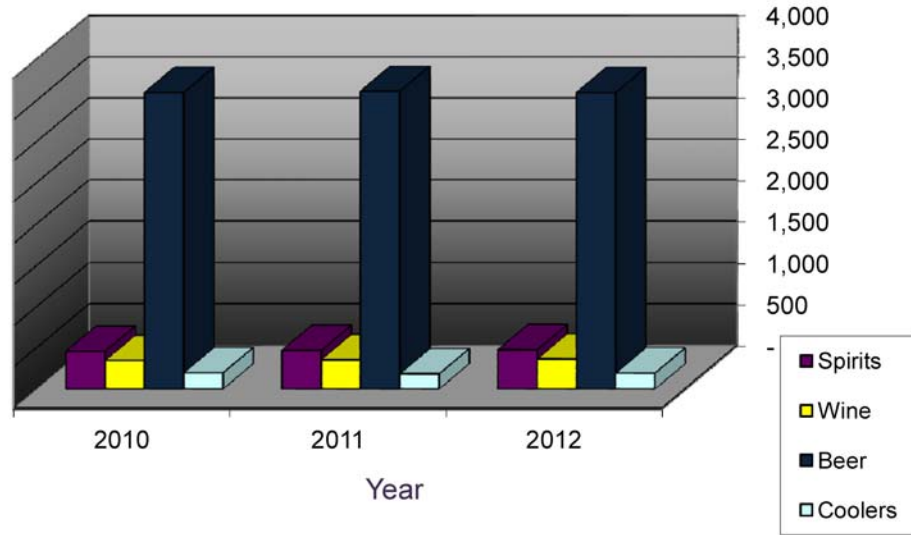
Three Year Dollar Sales by Category

for the year ending March 31, 2012

(\$000's)

	Spirits	Wine	Beer	Coolers	Total
2010	18,312	5,894	19,203	1,371	44,780
2011	18,909	6,007	19,139	1,257	45,312
2012	19,499	6,273	19,192	1,336	46,300

Three Year Litre Sales Trend by Category



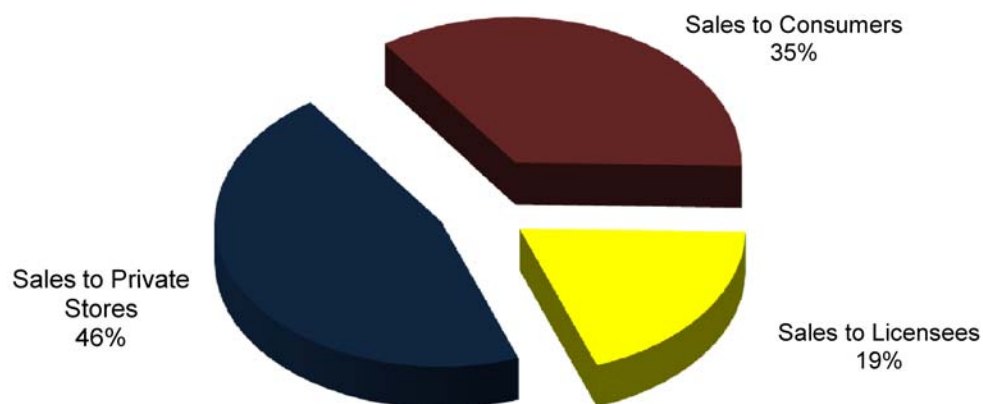
Three Year Litre Sales by Category

for the year ending March 31, 2012

(000's)

	Spirits	Wine	Beer	Coolers	Total
2010	456	345	3,596	195	4,592
2011	467	354	3,612	182	4,615
2012	474	363	3,595	193	4,625

Litre Sales by Distribution Channel



Three Year Litre Sales by Distribution Channel

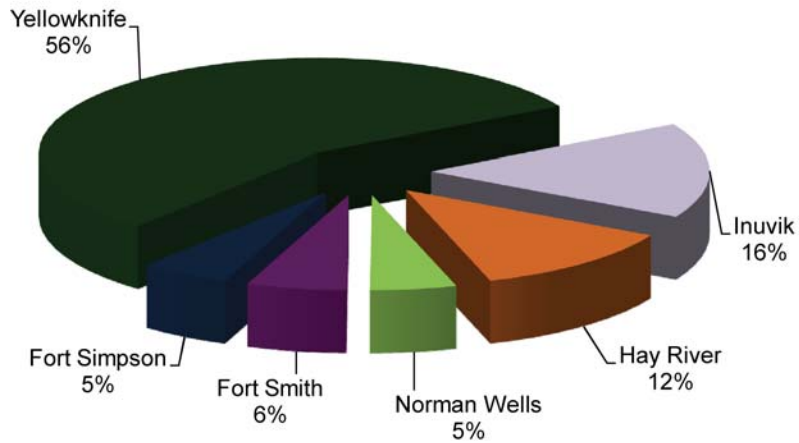
for the year ending March 31, 2012

(000's)

	2012	2011	2010
Sales to Private Stores	2,116	2,074	2,031
Sales to Consumers	1,625	1,601	1,588
Sales to Licensees	884	940	973
Total	4,625	4,615	4,592

STORE OPERATIONS

Location Sales
for the year ending March 31st, 2012



Sales by Location

for the year ended March 31, 2012

(\$000's)

	2012	2011	Increase (Decrease)
Yellowknife	\$ 25,730	\$ 25,013	717
Inuvik	7,446	7,778	(332)
Hay River	5,627	5,571	56
Norman Wells	2,315	2,095	220
Fort Smith	2,673	2,627	46
Fort Simpson	2,404	2,117	287
*Other	105	111	(6)
Total	\$ 46,300	\$ 45,312	\$ 988

* Other consists of miscellaneous sales that do not conform to the prescribed commission sales.

Statement of Operations by Location

(for the year ended March 31, 2012 with comparative figures for 2011)
(revenue and expenses directly related to sales per location)

YELLOWKNIFE OPERATIONS

(\$000's)

	2012					2011	
	Spirits	Wine	Beer	Coolers	Total	Total	
Sales							
Private Stores	9,632	3,740	7,902	662	21,936	20,791	
Licensees	835	492	2,347	120	3,794	4,222	
	10,467	4,232	10,249	782	25,730	25,013	
Cost of goods sold	2,986	2,013	4,605	338	9,942	9,581	
Gross margin	7,481	2,219	5,644	444	15,788	15,432	
Other income					-	-	
Operating expenses					842	842	
Net income					14,946	14,590	

INUVIK OPERATIONS

(\$000's)

	2012					2011	
	Spirits	Wine	Beer	Coolers	Total	Total	
Sales							
Consumers	3,404	697	2,390	153	6,644	6,761	
Licensees	166	50	552	34	802	1,017	
	3,570	747	2,942	187	7,446	7,778	
Cost of goods sold	993	303	1,173	87	2,556	2,722	
Gross margin	2,577	444	1,769	100	4,890	5,056	
Other income					-	-	
Operating expenses					814	845	
Net income					4,076	4,211	

HAY RIVER OPERATIONS

(\$000's)

	2012					2011	
	Spirits	Wine	Beer	Coolers	Total	Total	
Sales							
Consumers	2,178	541	2,331	136	5,186	5,020	
Licensees	92	28	311	10	441	551	
	2,270	569	2,642	146	5,627	5,571	
Cost of goods sold	620	211	951	62	1,844	1,814	
Gross margin	1,650	358	1,691	84	3,783	3,757	
Other income					-	-	
Operating expenses					822	750	
Net income					2,961	3,007	

NORMAN WELLS OPERATIONS

(\$000's)

	2012					2011
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	596	165	860	45	1,666	1,814
Licensees	468	29	147	5	649	281
	1,064	194	1,007	50	2,315	2,095
Cost of goods sold	295	90	418	23	826	756
Gross margin	769	104	589	27	1,489	1,339
Other income					-	-
Operating expenses					300	272
Net income					1,189	1,067

FORT SMITH OPERATIONS

(\$000's)

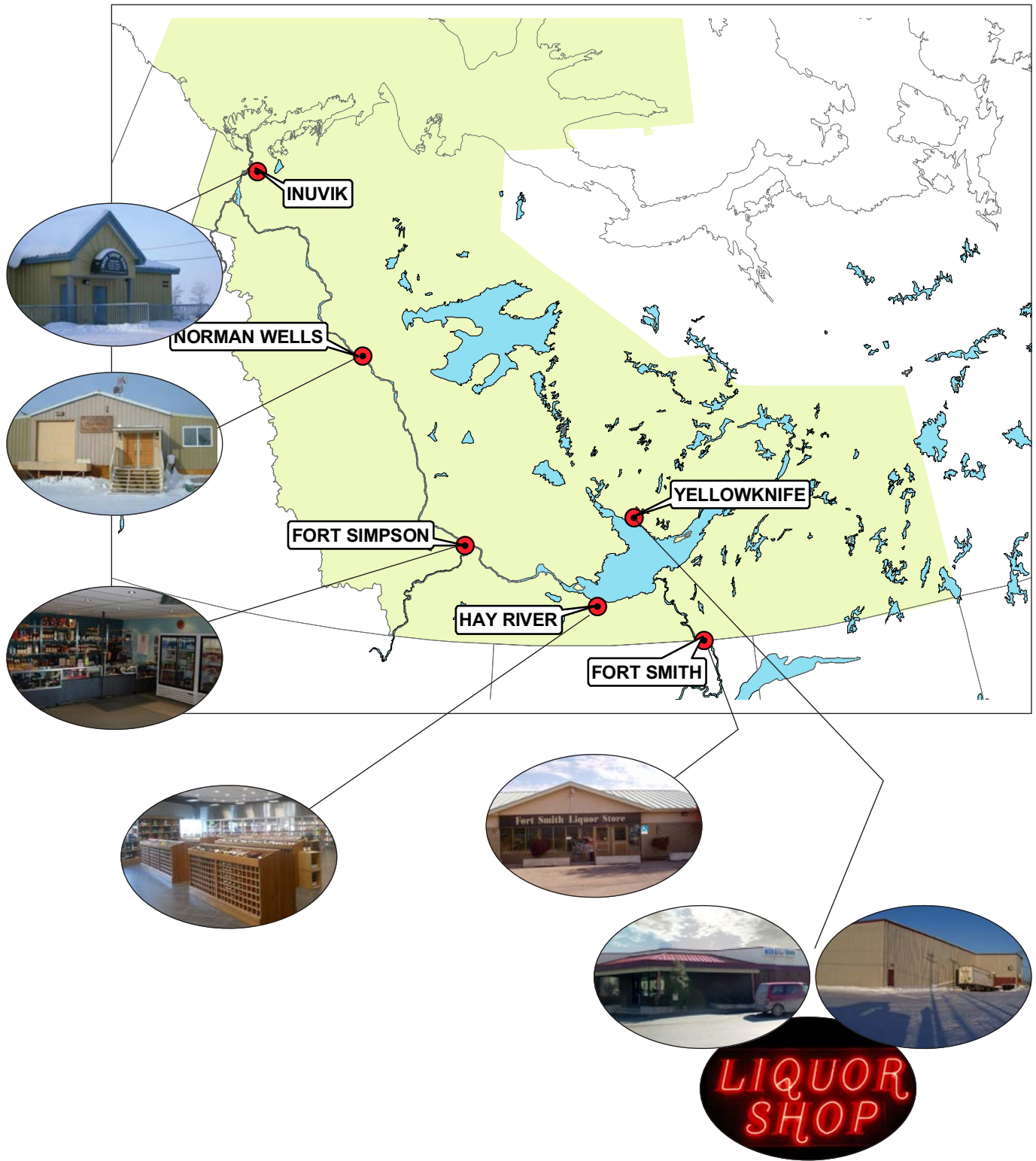
	2012					2011
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	848	304	1,265	87	2,504	2,389
Licensees	36	2	124	7	169	238
	884	306	1,389	94	2,673	2,627
Cost of goods sold	266	119	514	38	937	924
Gross margin	618	187	875	56	1,736	1,703
Other income					-	-
Operating expenses					386	376
Net income					1,350	1,327

FORT SIMPSON OPERATIONS

(\$000's)

	2012					2011
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	1,194	125	757	69	2,145	1,896
Licensees	47	2	200	10	259	221
	1,241	127	957	79	2,404	2,117
Cost of goods sold	333	57	337	28	755	669
Gross margin	908	70	620	51	1,649	1,448
Other income					-	-
Operating expenses					337	327
Net income					1,312	1,121

STORE LOCATIONS



NORTHWEST TERRITORIES LIQUOR LICENSING & ENFORCEMENT

**SUITE 204 — 31 CAPITAL DRIVE
HAY RIVER NT
X0E 1G2**

**PH: 867 874 8715
FAX: 867 874 8722
TOLL FREE: 1 800 351 7770**

NWT LIQUOR LICENSING BOARD and LIQUOR LICENSING and ENFORCEMENT

Statement of Operations

for the year ended March 31, 2012 with comparative figures for 2011
(\$000's)

	Budget 2012	2012	2011
Income			
Licensing Fees	365	316	336
Special Occasion Permits	40	52	43
Annual Licence Fees	22	24	26
Other	3	18	14
	430	410	419
Government Contribution Service			
Provided without charge	-	45	47
Total Income	430	455	466
Operating Expenses			
Salaries, wages & employee benefits	364	369	362
Travel	95	80	77
Professional Fees	12	65	60
Honoraria	57	45	44
Other	105	123	102
Total Expenditures	633	682	645
Net Loss	(203)	(227)	(179)

Liquor Enforcement Report 2011 — 2012

ENFORCEMENT ACTIVITY

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

INSPECTION OF LICENSED PREMISES

Community	Inspections	
	2011 - 2012	2011 - 2010
Fort Simpson	211	152
Fort Smith	154	252
Hay River	76	61
Inuvik	171	182
Norman Wells	77	72
Yellowknife	776	671
Total	1,465	1,390

Fluctuations in the number of inspections performed are affected by the availability of the inspectors. The RCMP also conduct inspections in all communities where there are licensed premises and special occasion permits issued, however reports are only submitted if an alleged violation is being reported.

SERVER TRAINING

The enforcement program conducts server training courses free of charge to licence holders, their staff and special occasion permit holders. Attendance at these courses is voluntary; however the Liquor Licensing Board can order licence holders and their staff to take the course as part of a penalty when a licence holder has been found in violation of the *Liquor Act*. The server training course educates the licence holder 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 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 line 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	2011 - 2012	2011 - 2010
Fort Providence	0	11
Fort Simpson	0	10
Fort Smith	17	8
Hay River	11	22
Inuvik	0	0
Norman Wells	0	10
Yellowknife	125	179
Total	153	240

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	

RESTRICTED COMMUNITIES INCLUDE

Déline	Fort McPherson	Ulukhaktok
Detah	Fort Simpson*	Tuktoyaktuk
Fort Good Hope	Paulatuk	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.

Detah

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.

Trout Lake

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 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 one of the following combinations:

- (a) 1140 ml of spirits and 24 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 24 containers (355 ml) of beer and three litres of wine;
- (d) 2280 ml of spirits;
- (e) 6 litres of wine; or
- (f) 48 containers (355 ml) of beer.

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

Behchokò	Nahanni Butte	Whatì
Gamètì	Tsiigehtchic	Wekweètì
Lutsel'Ke		

**NORTHWEST TERRITORIES
LIQUOR LICENSING BOARD**

NWT LIQUOR LICENSING BOARD MISSION STATEMENT

The mission of the NWT Liquor Licensing Board is to conduct business to the best of our ability in accordance with the *Liquor Act* and the principals of natural justice.

BOARD MEMBERS (as of MARCH 31, 2012)

Chairperson:	Mr. Colin Baile	Yellowknife
Members:	Mr. Stanley Jones	Hay River
	Mr. Albert Monchuk	Fort Smith
	Mrs. Lorna Skinner	Yellowknife
	Mr. Wayne Smith	Inuvik

MEETINGS/HEARINGS

The Board held five application hearings to consider new applications or applications to transfer liquor licences. The Board also considers requests from licence holders for exemptions to the *Liquor Act and Regulations* where the Board has the legislative authority to do so.

The Board held 15 Compliance Hearings under section 28 of the *Liquor Act* where 30 allegations were lodged against 14 Licence Holders. The hearings were held to adjudicate allegations of non-compliance brought forward by Liquor Enforcement. After holding a hearing the Board may dismiss the matter or make an order that it considers appropriate which may include: imposing conditions on the licence holder; disqualifying the licence holder, an associate of the licence holder or the licence holder's on-site manager from eligibility to hold a licence; disqualifying any premises from eligibility to serve as a licensed premises; imposing a compliance penalty on the licence holder not exceeding \$10,000 for the first offence or \$20,000 for a second or subsequent offence and providing for the suspension of the licence until the penalty is paid in full; suspending the licence for a period not exceeding 12 months; and cancelling the licence.

The Board held three administrative meetings to deal with administrative issues such as establishing policies, recommending legislative amendments to the Minister; reviewing requests submitted by licence holders; reviewing correspondence written on the Board's behalf and to deal with any other issue brought forward for Board's attention or review of an administrative nature.

The Board holds Compliance Hearings and administrative meetings consecutively in order to reduce travel and honoraria costs.

NWT LIQUOR LICENCES

There are four classes of liquor licences available in the NWT.

- **Class A:** (liquor primary) authorizes the licence holder to purchase, sell, possess, transport and use liquor for patrons in licensed premises where the licence holder operates a bar or similar business to generate revenue primarily from the sale and service of liquor where the bar or similar business is located.
- **Class B:** (food primary) authorizes the licence holder to purchase, sell, possess, transport and use liquor for patrons in the licensed premises where the licence holder operates a restaurant or similar business to generate revenue primarily from the sale and service of meals.
- **Class C:** (mobile) authorizes the licence holder to purchase, sell, possess, transport and use liquor for patrons in one of the following situations:
 - at events hosted by other persons in various premises where the licence holder is generating revenue primarily from the catering of food.
 - on a ship while navigating waters in the NWT.
 - at special events organized by the licensee in premises it rents or uses from time to time for the purpose of generating revenue primarily from the sale and service of entertainment.
- **Class D:** (liquor incidental) authorizes the licence holder who operates a canteen, bed and breakfast, or a facility that provides community, recreational, or cultural activities to purchase, sell, possess, transport and use liquor for its authorized patrons; and for a licence holder who operates a tourist facility without licensed premises to hold a mini-bar extension.

The following classes of licences were in effect in the following communities on March 31, 2012.

Community	Class A	Class B	Class C	Class D
Fort Providence	2	1	-	-
Fort Simpson	2	1	-	2
Fort Smith	2	2	-	2
Hay River	2	5	-	6
Inuvik	2	3	-	3
Norman Wells	3	4	-	2
Yellowknife	17	21	4	8
Other (Lodges)	-	-	-	8
Total	30	37	4	31

LIQUOR LICENSING BOARD COMPLIANCE HEARINGS

The Liquor Licensing Board is a quasi-judicial tribunal. The Board gives notice to Licence Holders of Compliance Hearings. Compliance Hearings may result in the suspension or cancellation of a liquor licence.

The following licence holders appeared before the Liquor Licensing Board at Compliance Hearings during the period of April 1, 2011 to March 31, 2012. Dispositions vary according to the specifics of each case.

COMPLIANCE HEARINGS

Hearing Date, Licensee, Location	Alleged Violation	Board Order
April 11, 2011 99401 NWT LTD. o/a Raven's Pub Yellowknife, NT	Count 1: Allowed an intoxicated person to enter or remain in the licensed premises contrary to <i>Liquor Act</i> section 92. Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93.	Count 1 & 2: The licence holder was fined \$1,500
April 12, 2011 953785 NWT LTD. o/a Sam's Monkey Tree Pub Yellowknife, NT	Count 1: Allowed an intoxicated person to enter or remain in the licensed premises contrary to <i>Liquor Act</i> section 92.	Count 1: The licence holder was fined \$3000 and the liquor licence was suspended for two days.
May 17, 2011 953785 NWT LTD. o/a Sam's Monkey Tree Pub Yellowknife, NT	Count 1: Allowed an intoxicated person to enter or remain in the licensed premises contrary to <i>Liquor Act</i> section 92. Count 2: No person shall while working in a licensed premises, consume liquor unless he or she is only providing entertainment. (<i>Liquor Regulations</i> section 57).	Count 1: The licence holder was fined \$2000 and the liquor licence was suspended for one day. Count 2: The allegation was dismissed.
May 18, 2011 4717 NWT LTD. o/a Corner Mart Leisure Café Yellowknife, NT	Count 1: Allowed an intoxicated person to enter and remain in a licensed premise contrary to <i>Liquor Act</i> section 92.	Count 1: The allegation was dismissed.
October 26, 2011 6050 NWT LTD. o/a Pelican Boardroom Fort Smith, NT	Count 1: Allowed an intoxicated person to enter and remain in a licensed premise contrary to <i>Liquor Act</i> section 92. Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93.	Count 1: The licence holder was fined \$500. Count 2: The liquor licence was suspended for one day.

<p>October 27, 2011 4758 NWT LTD. o/a Hot Shots Pub & Grub Yellowknife, NT</p>	<p>Count 1: Allowed an intoxicated person to enter and remain in a licensed premise as per <i>Liquor Act</i> section 92. Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93.</p>	<p>Count 1: The licence holder was fined \$500. Count 2: The licence holder was fined \$1000 and the liquor licence was suspended for two days.</p>
<p>October 28, 2011 Royal Host Hotels GP INC. o/a MacKenzie Lounge Yellowknife, NT</p>	<p>Count 1: Allowed an intoxicated person to enter and remain in a licensed premise contrary to <i>Liquor Act</i> section 92. Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93.</p>	<p>Count 1: The liquor licence was suspended for 2 days and the licence holder was fined \$500. Count 2: The liquor licence was suspended for one day.</p>
<p>December 6, 2011 Black Knight Pub LTD. o/a Black Knight Pub Yellowknife, NT</p>	<p>Count 1: Allowed an intoxicated person to enter or remain on a licensed premise contrary to <i>Liquor Act</i> section 92</p>	<p>Count 1: The licence holder was fined \$750</p>
<p>December 7, 2011 Papa Jim's Roadhouse Inc. o/a Papa Jim's Yellowknife NT</p>	<p>Count 1: Sold liquor while the polls were open during an election for members of the Legislative Assembly contrary to <i>Liquor Regulations</i> section 46(1)</p>	<p>Count 1: The licence holder was fined \$750</p>
<p>December 7, 2011 Yellowknife Pizza Hut LTD. o/a Yellowknife Pizza Yellowknife NT</p>	<p>Count 1: Sold liquor while the polls were open during an election for members of the Legislative Assembly contrary to <i>Liquor Regulations</i> section 46(1)</p>	<p>Count 1: The licence holder was fined \$500</p>
<p>December 8, 2011 Thionic Northern Cartrols Inc. o/a Canoal Lounge Norman Wells NT</p>	<p>Count 1: Sold/served liquor while the polls were open during an election for members of the Legislative Assembly contrary to <i>Liquor Regulations</i> section 46(1)</p>	<p>Count 1. The licence holder was fined \$300</p>
<p>December 12, 2011 953785 NWT LTD. o/a Sam's Monkey Tree Pub Yellowknife NT</p>	<p>Count 1: Allowed an intoxicated person to enter or remain in a licensed premises contrary to <i>Liquor Act</i> section 92 Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93</p>	<p>Count 1: The licence holder was fined \$5000 Count 2: The liquor licence was suspended for six days.</p>
<p>Mbotlaxo Investments LTD. o/a Boston Pizza Yellowknife NT</p>	<p>Count 1: Allowed an intoxicated person to enter or remain in a licensed premises contrary to <i>Liquor Act</i> section 92 Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93</p>	<p>Count 1: The licence holder was fined \$500 Count 2: The liquor licence was suspended for one day.</p>

SPECIAL OCCASION PERMITS

The Liquor Licensing Board is responsible for the issuance of Special Occasion Permits. There are three types of permits; Class 1 (ordinary), Class 2 (not-for-profit) resale; and Class 3 (fundraising). Permits are issued through contractors in various privately owned companies, hamlets, and government departments.

- Class 1 (ordinary) allows any person, other than a minor, to apply for a permit, which will allow that individual to serve alcohol.
- Class 2 (not-for-profit) allows any person, other than a minor to apply for a permit to sell liquor while not making a profit on the sale of the liquor.
- Class 3 (for-profit) allows the following groups to apply for a permit to sell liquor for a profit:
 - (a) an unincorporated group of persons that:
 - (i) has been in existence for not less than six months
 - (ii) has an executive elected by its members
 - (iii) conducts a community, recreational or cultural activity and does not carry on a trade or business of the pecuniary gain of its members;
 - (b) a society incorporated under the *Society's Act*;
 - (c) a body incorporated under Part 11 of the *Canada Corporations Act*;
 - (d) a service club that holds a premises licence.

In 2011 - 2012 there were 498 ordinary and resale permits issued across the Northwest Territories.

Permits Issued

Community	2011 - 2012		2010 - 2011	
	Resale	Ordinary	Resale	Ordinary
Fort Smith	26	8	22	12
Fort Simpson	7	2	7	4
Hay River	66	11	47	14
Inuvik	76	4	48	9
Norman Wells	23	9	21	0
Yellowknife	144	122	112	123
Total	342	156	257	162

ADMINISTRATION

The administrative offices for the Liquor Licensing Board, and Licensing and Enforcement are maintained in Hay River. The office maintains a toll free number (1-800-351-7770) for the benefit of the licensees and the general public.

AUDITED FINANCIAL STATEMENTS 2011 — 2012

The financial transactions for the operation of the Northwest Territories Liquor Licensing Board and Liquor Licensing and Enforcement are processed and administrated through the Northwest Territories Liquor Commission. The audited financial statements are therefore a consolidation of the financial activities incurred to administer Part I as well as Part II of the *Liquor Act*.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Financial Statements

Year ended March 31, 2012

NORTHWEST TERRITORIES LIQUOR COMMISSION

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March 31, 2012

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor Commission (Commission) is the responsibility of the Commission's management.

The financial statements have been prepared in accordance with Canadian public sector accounting standards for the public sector. 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 Commission 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 Commission, 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 Commission.



Kyle Reid
General Manager

July 31, 2012

Chris Polsell, CA
5 Deer Park Point
Spruce Grove, AB, T7X 4N6

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Liquor Commission

Report on the Financial Statements

I have audited the accompanying financial statements of the Northwest Territories Liquor Commission, which comprise the statement of financial position as at March 31, 2012, and the statements of operations, accumulated surplus, change in net financial resources and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



Independent Auditor's Report (Continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northwest Territories Liquor Commission as at March 31, 2012 and the results of its operations, changes in its net financial resources, and its cash flows for the year ended March 31, 2012 in accordance with Canadian public sector accounting standards.

Other Matter

The comparative information presented in these financial statements was audited by a predecessor auditor. The predecessor's audit report was dated August 15, 2011 and was unmodified.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* of the Northwest Territories, I report that, in my opinion, Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Northwest Territories Liquor Commission and the financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Liquor Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* of the Northwest Territories (and regulations) and the *Liquor Act* of the Northwest Territories (and regulations).



Chris Polselli, CA
July 31, 2012
Spruce Grove, Canada



NORTHWEST TERRITORIES LIQUOR COMMISSION**Statement of Financial Position**

As at March 31 (\$000)	2012	2011
Financial assets		
Cash	\$ 2,300	\$ 2,564
Inventories for resale (note 3)	3,865	3,555
	<u>6,165</u>	<u>6,119</u>
Financial Liabilities		
Accounts payable and accrued liabilities	2,921	2,464
Pension and other employee benefits (note 4)	96	90
	<u>3,017</u>	<u>2,554</u>
Net financial resources	<u>3,148</u>	<u>3,565</u>
Non-financial assets		
Tangible capital assets (note 5)	779	179
Prepaid expenses	47	46
	<u>826</u>	<u>225</u>
Accumulated surplus	<u>\$ 3,974</u>	<u>\$ 3,790</u>

Contractual obligations (note 8)

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

Approved by the Northwest Territories Liquor Commission:



Kyle Reid
General Manager

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Operations

For the year ended March 31 (\$000)	2012 Budget	2012 Actual	2011 Actual
Sales			
Beer	\$ 20,522	\$ 19,192	\$ 19,139
Spirits	18,642	19,499	18,909
Wine	6,110	6,273	6,007
Coolers and ciders	1,650	1,336	1,257
	<u>46,924</u>	<u>46,300</u>	<u>45,312</u>
Cost of goods sold			
Beer	8,570	8,000	7,900
Spirits	5,194	5,495	5,359
Wine	2,760	2,853	2,717
Coolers and ciders	723	574	554
	<u>17,247</u>	<u>16,922</u>	<u>16,530</u>
Gross profit on sales	<u>29,677</u>	<u>29,378</u>	<u>28,782</u>
Other income			
License fees and permits (note 6)	430	410	419
Government contribution – services provided without charge (note 7)	-	60	52
Import fees and other income	5	6	6
	<u>435</u>	<u>476</u>	<u>477</u>
Expenses (notes 6 and 7)			
Commissions to agents	3,291	3,209	3,185
Salaries, wages and employee benefits	1,483	1,417	1,351
Administration	452	499	438
Travel	152	119	116
Rent	103	182	95
Amortization of tangible capital assets	150	79	88
Inspectors' fees	36	68	49
Board member honoraria	57	45	44
	<u>5,724</u>	<u>5,618</u>	<u>5,366</u>
Annual surplus	<u>\$ 24,388</u>	<u>\$ 24,236</u>	<u>\$ 23,893</u>

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

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Accumulated Surplus

For the year ended March 31 (\$000)	2012		2012		2011	
	Budget		Actual		Actual	
Accumulated surplus, beginning of year	\$	3,790	\$	3,790	\$	4,175
Annual surplus		24,388		24,236		23,893
Amounts transferred to the Consolidated Revenue Fund		(24,444)		(24,052)		(24,278)
Increase (decrease) in accumulated surplus		(56)		184		(385)
Accumulated surplus, end of year	\$	3,734	\$	3,974	\$	3,790

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

NORTHWEST TERRITORIES LIQUOR COMMISSION**Statement of Change in Net Financial Resources**

For the year ended March 31 (\$000)	2012		2012		2011	
	Budget		Actual		Actual	
Net financial resources, beginning of year	\$	3,565	\$	3,565	\$	3,907
Items affecting net financial resources:						
Increase (decrease) in accumulated surplus		(56)		184		(385)
Net investment in tangible capital assets:						
Acquisitions		-		(679)		(36)
Amortization expense		150		79		88
Increase in prepaid expenses		-		(1)		(9)
Net financial resources, end of year	\$	3,659	\$	3,148	\$	3,565

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

NORTHWEST TERRITORIES LIQUOR COMMISSION**Statement of Cash Flow**

For the year ended March 31 (\$000)	2012	2011
Operating transactions		
Cash received from customers	\$ 46,776	\$ 45,737
Cash paid to employees and suppliers	(22,309)	(21,569)
Cash provided by operating transactions	24,467	24,168
Capital transactions		
Purchase of tangible capital assets	(679)	(36)
Financing transactions		
Cash transferred to the Consolidated Revenue Fund	(24,052)	(24,278)
Decrease in cash	(264)	(146)
Cash, beginning of year	2,564	2,710
Cash, end of year	\$ 2,300	\$ 2,564

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

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2012 (\$000)

1. Authority and operations

The Northwest Territories Liquor Commission (the "Commission") was established under the *Liquor Act* (the "Act") for the purposes of operating liquor stores and distributing liquor in the Northwest Territories (the "NWT"). The Northwest Territories Liquor Licensing Board (the "Board") was also established under the same 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 activities of the Board are administered by the Commission.

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 may also 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 \$6,500.
- 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, 2012, the Fund's assets exceeded the liabilities by \$3,148 (2011 – \$3,565).

The Commission and the Board are not considered to be separate legal entities apart from the Department of Finance of the NWT and are also not subject to the requirements of the *Income Tax Act*.

2. Significant accounting policies

(a) Basis of accounting

The financial statements of the Commission 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 Accountants. These financial statements include the activities of the Board which have been combined with the activities of the Commission in the statement of operations and which are also disclosed separately in note 6 of the financial statements.

(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 estimation of the useful life of the tangible capital assets.

NORTHWEST TERRITORIES LIQUOR COMMISSION**Notes to Financial Statements****March 31, 2012 (\$000)**

2. Significant accounting policies (continued)**(c) Revenue recognition**

The Commission recognizes revenue on an accrual basis (i.e. when the goods are shipped and the customer assumes all risks of ownership and the collection of any amounts receivable is considered probable).

(d) Services provided without charge

The Commission 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) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Cost includes invoiced cost, freight, duties and taxes.

(f) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is determined on a straight-line basis using the following rates:

Asset	Rate
Furniture and fixtures	20%
Computer hardware and software	30%
Leasehold improvements	Over the life of the lease plus any additional renewal period

(g) Pension benefits

The employees of the Commission 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 Commission to cover current service cost. Pursuant to legislation currently in place, the Commission 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.

(h) Employee severance benefits

Employees are entitled to severance benefits and reimbursement of removal costs, as provided for under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee. The cost of these benefits is accrued as the employees render the services necessary to earn them. The cost of the benefits has been determined based on management's best estimates using the expected compensation level and employee leave credits.

NORTHWEST TERRITORIES LIQUOR COMMISSION**Notes to Financial Statements****March 31, 2012 (\$000)****2. Significant accounting policies (continued)****(i) Future accounting changes**

In March 2011, the PSAB approved Section PS 3450, Financial Instruments and related amendments to existing PS 1200, Financial Statement Presentation, and PS 2600, Foreign Currency Translation. The adoption of these standards is effective for the 2013 fiscal year and is not expected to be significant to the Commission.

3. Inventories for resale

	2012	2011
Spirits	\$ 1,519	\$ 1,420
Beer	1,376	1,274
Wine	809	722
Coolers and ciders	161	139
	\$ 3,865	\$ 3,555

4. Pension and other employee benefits**a) Pension benefits:**

The employees of the Commission 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 Commission. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The employer contribution rate effective at the end of the year was 1.74 times employees' contributions (2011 – 1.86 times).

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

The Commission's and employees' contributions to the Plan for the year were as follows:

	2012	2011
Commission's contributions (recognized as expense)	\$ 131	\$ 122
Employees' contributions	71	63

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2012 (\$000)

4. Pension and other employee benefits (continued)

b) Severance and removal benefits

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

Information about the plan, measured as at the statement of financial position date, is as follows:

	2012	2011
Accrued benefit obligation, beginning of year	\$ 90	\$ 80
Cost for the year	6	10
Benefits paid during the year	-	-
Accrued benefit obligation, end of year	\$ 96	\$ 90

5. Tangible capital assets

	Furniture and fixtures	Computer hardware and software	Leasehold improvements	2012	2011
Cost:					
Opening balance	\$ 92	\$ 595	\$ 205	\$ 892	\$ 898
Acquisitions	-	61	618	679	36
Disposals and write-downs	-	(18)	-	(18)	(42)
Closing balance	92	638	823	1,553	892
Accumulated Amortization:					
Opening balance	(67)	(555)	(91)	(713)	(667)
Amortization	(19)	(22)	(38)	(79)	(88)
Disposals and write-downs	-	18	-	18	42
Closing balance	(86)	(559)	(129)	(774)	(713)
Net book value	\$ 6	\$ 79	\$ 694	\$ 779	\$ 179

NORTHWEST TERRITORIES LIQUOR COMMISSION**Notes to Financial Statements****March 31, 2012 (\$000)****6. Liquor Licensing Board of the Northwest Territories**

The revenues and expenses of the Board are as follows:

	2012	2011
Revenues:		
Licensee fees	\$ 316	\$ 336
Special occasion permits	52	43
Annual license fees	24	26
Other	18	14
	<u>410</u>	<u>419</u>
Government contribution – services provided without charge	45	47
	<u>455</u>	<u>466</u>
Expenses:		
Salaries, wages and benefits	369	362
Travel	80	77
Professional fees	65	60
Honoraria	45	44
Other	123	102
	<u>682</u>	<u>645</u>
Net loss	\$ (227)	\$ (179)

7. Related party transactions

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

The Commission incurred \$1,417 (2011 – \$1,351) related to salaries, wages, and employee benefits for the Commission's employees and \$45 (2011 – \$44) related to honoraria for Board members. The Commission reimburses the Department of Finance for these costs.

The Department of Justice provides the Commission with legal services without charge. The total cost of these services has been estimated to be \$60 (2011 – \$52). 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 \$178 (2011 – \$185) for bottle deposits payable to the Department of Environment and Natural Resources, \$137 (2011 – \$434) for salaries, wages, and employee benefits to the Department of Finance, and \$8 (2011 – \$8) for other government departments.

NORTHWEST TERRITORIES LIQUOR COMMISSION**Notes to Financial Statements****March 31, 2012 (\$000)**

8. Contractual obligations

The Commission has a five year lease agreement ending April 30, 2016 for its Office premises. The Commission also has a ten year lease agreement ending January 31, 2022 with the option of extending the lease for two further terms of five years for the Hay River Liquor Store. The minimum annual lease payments for the leases over the next five year(s) are:

2012/13	\$ 239
2013/14	\$ 245
2014/15	\$ 245
2015/16	\$ 149

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