



**2010 – 2011
57TH ANNUAL REPORT**

**NORTHWEST TERRITORIES
LIQUOR COMMISSION &
LIQUOR LICENSING BOARD**

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NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

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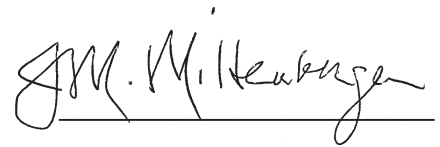
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MEMBERS OF LEGISLATIVE ASSEMBLY

NWT Liquor Commission and NWT Liquor Licensing Board Annual Report

I am pleased to present, for the information of the Members of the Legislative Assembly, the fifty-seventh Annual Report for the Northwest Territories Liquor Commission and Northwest Territories Liquor Licensing Board for the fiscal year ending March 31, 2011.

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 HONOURABLE J. MICHAEL MILTENBERGER
MINISTER OF FINANCE**

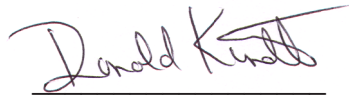
NWT Liquor Commission and NWT Liquor Licensing Board Annual Report

Pursuant to Subsection 64 (1) of the *Liquor Act*, we are pleased to submit the fifty-sixth Annual Report of the Northwest Territories Liquor Commission and Northwest Territories Liquor Licensing Board for the fiscal year ending March 31, 2011.

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
NWT Liquor Commission

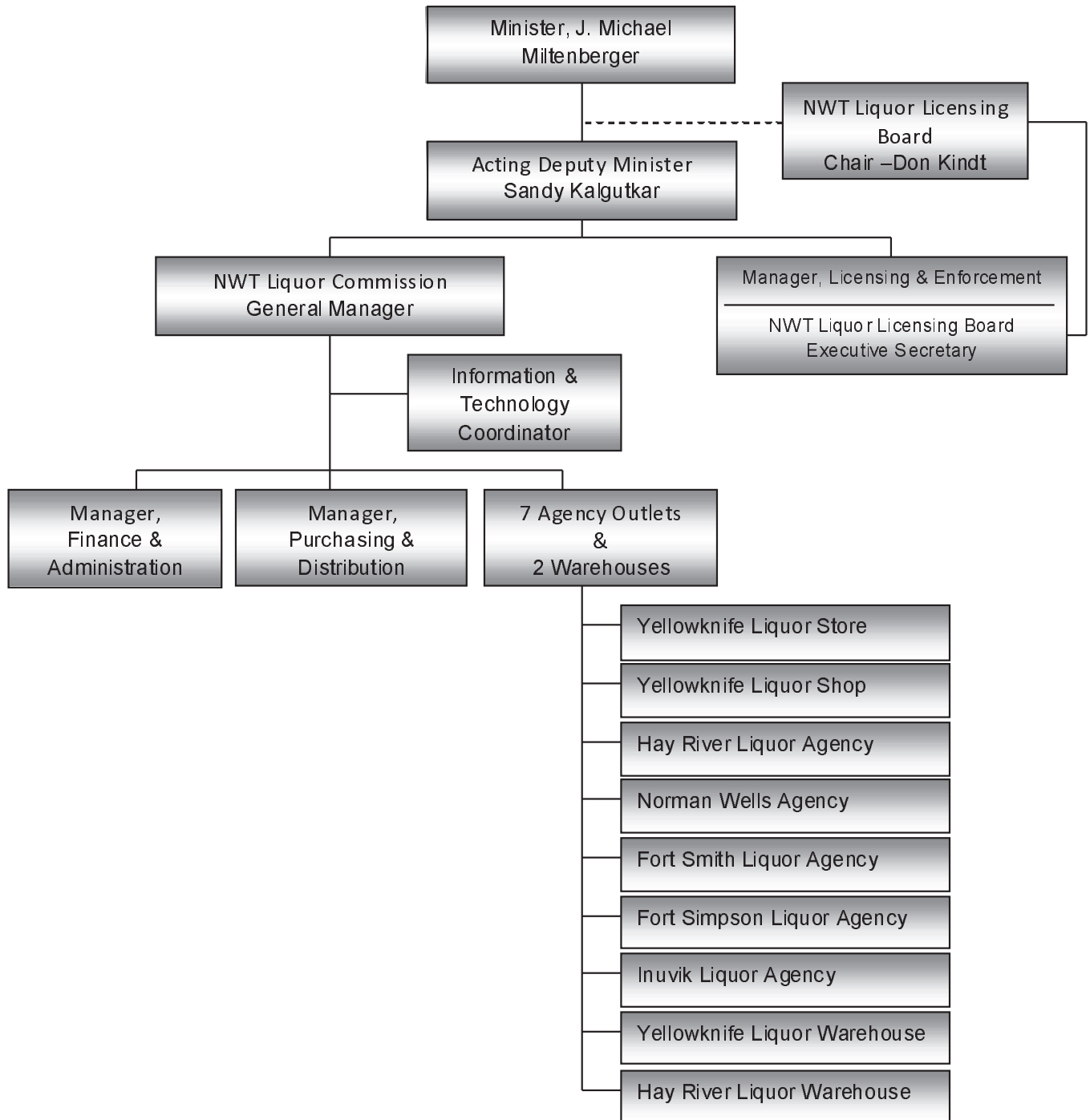


Don Kindt
Chairperson
NWT Liquor Licensing Board



Sandy Kalgutkar
Acting Deputy Minister of Finance

ORGANIZATION CHART



NORTHWEST TERRITORIES LIQUOR COMMISSION

**SUITE 201 – 31 CAPITAL DRIVE
HAY RIVER, NT X0E 1G2
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www.fin.gov.nt.ca/liquor



GENERAL MANAGER'S REPORT

The Northwest Territories Liquor Commission 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 \$45 million, and the budget target was met with \$24 million transferred to the Territorial Treasury. NWTLC net surplus increased over the previous year by 2%.

Sales and distribution are carried out through a network consisting of seven retail outlets and two warehouses; contracted to private sector operators.

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 the 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

Corporate 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 2010 – 2011 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

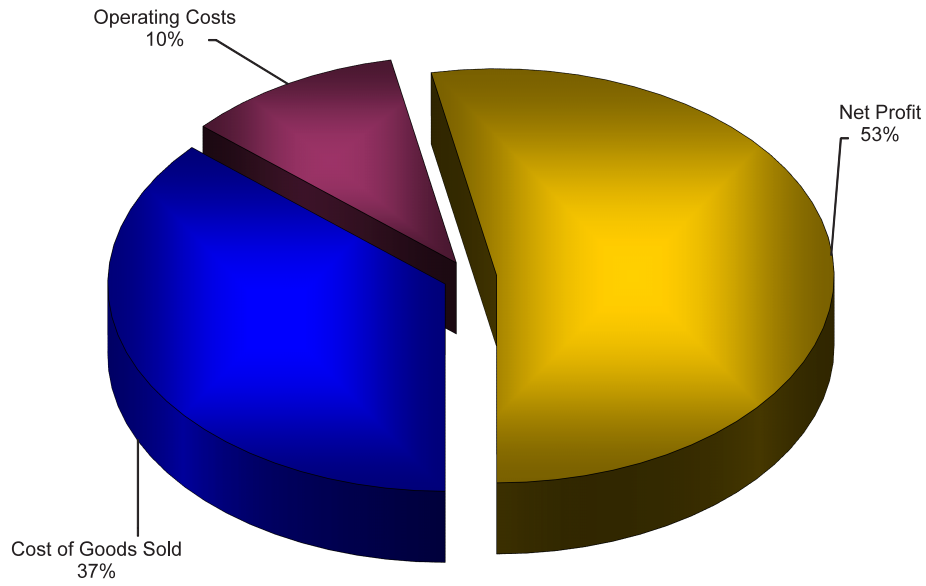
Operations are efficient and comply with legislation, regulation and policy.

Performance Highlights

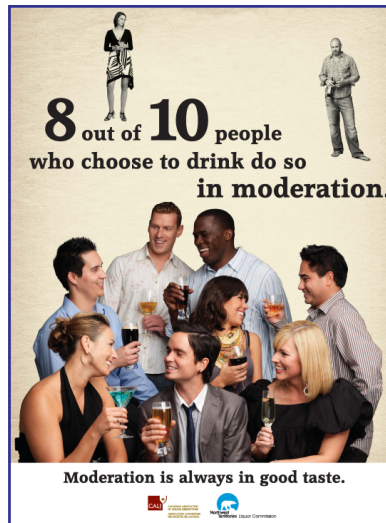
The operational structure of the NWTLC is designed to deliver optimal service levels for the best possible costs, and consists of a headquarters administrative staff of nine and a network of seven stores and two warehouses, operated by private contractors. Five of the private agency stores operate with 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 through sales by 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 10.4% of sales revenue, of which 7% was paid to 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, 2011



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.

Warnings 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, all 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.

The NWTLC participates with the Canadian Association of Liquor Jurisdictions Social Responsibility Committee in support of socially responsible liquor retailing on a nationwide basis.

During the year reusable bags were introduced in all NWTLC stores, and the single use paper bags were discontinued.

Goal #3

Meet financial income targets.

Performance Highlights.

NWTLC net surplus was 2% over the previous fiscal year and was substantially on budget within a small variance of -1.4%. Gross sales increased over the previous year by 1.2% but fell short of the budget target by 2.5%.

NWT Liquor Commission (Excluding Liquor Licensing Board)**Five Year Performance History**

For the year ending March 31, 2011

(\$000's)

	2011	2010	2009	2008	2007
Gross sales	45,312	44,780	44,649	42,771	39,654
Gross profit	28,782	28,398	27,460	26,444	24,585
As a % of sales	63.5	63.4	61.5	61.8	62.0
Net surplus	24,072	23,602	22,798	21,880	20,520
As a % of sales	53.1	52.7	51.1	51.2	51.7
Operating expenses	4,721	4,858	4,668	4,568	4,069
As a % of sales	10.4	10.9	10.5	10.7	10.3

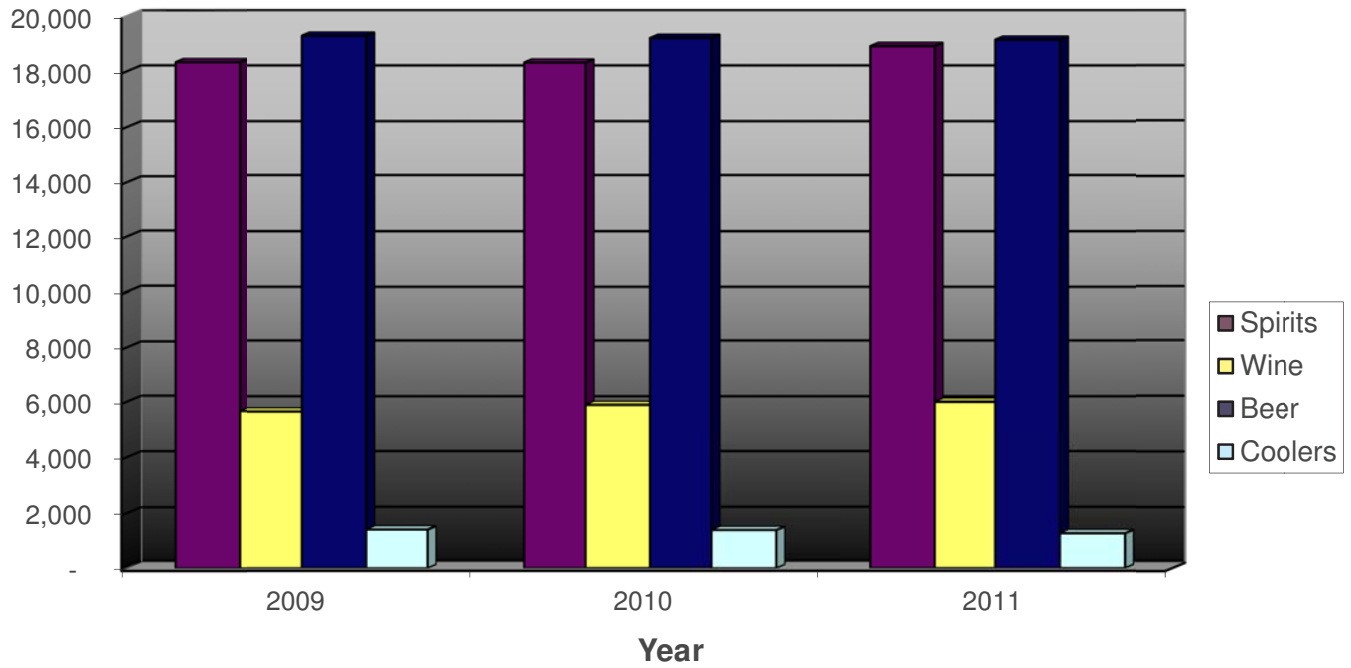
NWT Liquor Commission (excluding Liquor Licensing Board)**Statement of Operations**

for the year ended March 31, 2011 with comparative figures for 2010

(\$000's)

	Budget		
	2011	2011	2010
Sales			
Private Stores	21,304	20,791	19,918
Consumers	18,321	17,991	18,116
Licensees	6,805	6,530	6,746
	46,429	45,312	44,780
Cost of Sales			
Beginning Inventory	3,539	3,539	3,366
Purchases	15,775	15,346	15,181
Freight	1,233	1,200	1,374
Ending Inventory	(3,539)	(3,555)	(3,539)
	17,008	16,530	16,382
Gross Margin	29,421	28,782	28,398
Other Income			
Government Contributions services provided without charge - Legal Services	-	4	56
Import Permits	2	1	1
Other	3	6	5
	5	11	62
Expenses			
Commissions to agents	3,202	3,185	3,178
Salaries, wages & employee benefits	1,129	989	967
Bank service charges	217	213	212
Amortization of capital assets	150	88	157
Travel	57	39	41
Rent	76	69	72
Office supplies	68	66	50
Computer services	50	23	57
Communications	40	22	26
Professional fees	5	9	67
Advertising	5	7	8
Losses due to breakage & spoilage	8	11	23
Miscellaneous	-	-	-
	5,007	4,721	4,858
Net Surplus	24,419	24,072	23,602

Three Year Dollar Sales Trend by Category



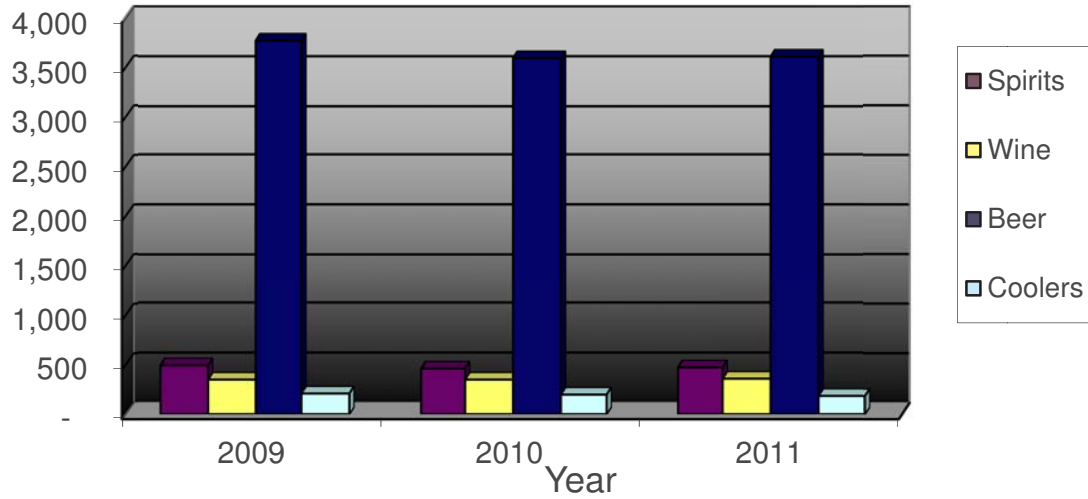
Three Year Dollar Sales by Category

for the year ending March 31, 2011

(\$000's)

	Spirits	Wine	Beer	Coolers	Total
2009	18,322	5,654	19,284	1,389	44,649
2010	18,312	5,894	19,203	1,371	44,780
2011	18,909	6,007	19,139	1,257	45,312

Three Year Litre Sales by Category



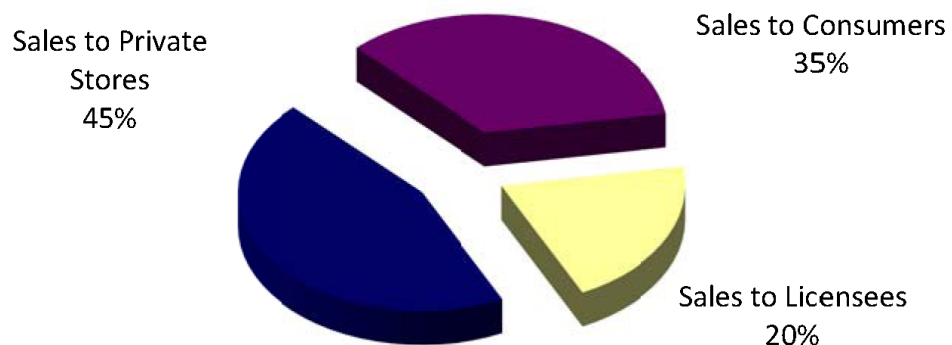
Three Year Litre Sales by Category

for the year ending March 31, 2011

(000's)

	Spirits	Wine	Beer	Coolers	Total
2009	488	345	3,772	206	4,811
2010	456	345	3,596	195	4,592
2011	467	354	3,612	182	4,615

Litre Sales by Distribution Channel



Three Year Litre Sales by Distribution Channel

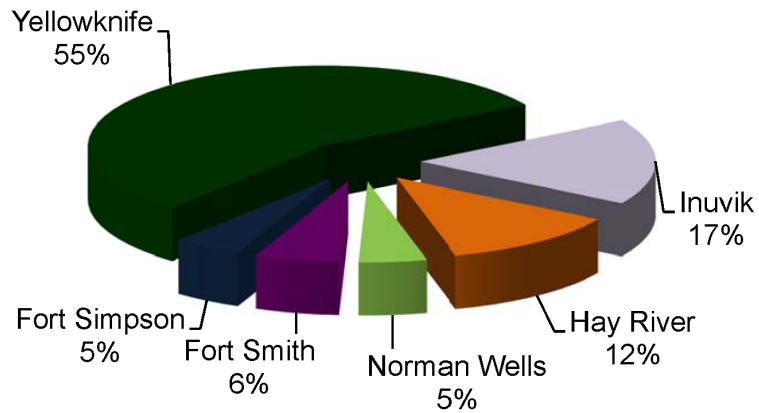
for the year ending March 31, 2011

(000's)

	2011	2010	2009
Sales to Private Stores	2,074	2,031	2,159
Sales to Consumers	1,601	1,588	1,627
Sales to Licensees	940	973	1,025
Total	4,615	4,592	4,811

STORE OPERATIONS

Location Sales
for the year ending March 31, 2011



Sales by Location

for the year ended March 31, 2011

(\$000's)

	2011	2010	Increase (Decrease)
Yellowknife	25,013	24,436	577
Inuvik	7,778	7,770	8
Hay River	5,571	5,663	(92)
Norman Wells	2,095	2,148	(53)
Fort Smith	2,627	2,449	178
Fort Simpson	2,117	2,203	(86)
*Other	111	111	-
Total	45,312	44,780	532

* 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, 2011 with comparative figures for 2010)
(revenue and expenses directly related to sales per location)

YELLOWKNIFE OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2011 Total	2010 Total
Sales						
Private Stores	9,123	3,563	7,532	573	20,791	19,918
Licensees	981	486	2,614	141	4,222	4,518
	10,104	4,049	10,146	714	25,013	24,436
Cost of goods sold	2,908	1,907	4,436	330	9,581	9,466
Gross margin	7,196	2,142	5,710	384	15,432	14,970
Other income					-	-
Operating expenses					842	830
Net income					14,590	14,140

INUVIK OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2011 Total	2010 Total
Sales						
Consumers	3,412	696	2,484	169	6,761	6,856
Licensees	230	54	689	44	1,017	914
	3,642	750	3,173	213	7,778	7,770
Cost of goods sold	1,011	314	1,306	91	2,722	2,691
Gross margin	2,631	436	1,867	122	5,056	5,079
Other income					-	-0
Operating expenses					845	847
Net income					4,211	4,232

HAY RIVER OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2011 Total	2010 Total
Sales						
Consumers	2,179	510	2,202	129	5,020	5,106
Licensees	98	26	414	13	551	557
	2,277	536	2,616	142	5,571	5,663
Cost of goods sold	624	199	930	61	1,814	1,885
Gross margin	1,653	337	1,686	81	3,757	3,778
Other income					-	-
Operating expenses					750	759
Net income					3,007	3,019

NORMAN WELLS OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2011 Total	2010 Total
Sales						
Consumers	831	141	796	46	1,814	1,882
Licensees	62	27	187	5	281	266
	893	168	983	51	2,095	2,148
Cost of goods sold	253	78	403	22	756	774
Gross margin	640	90	580	29	1,339	1,374
Other income					-	-
Operating expenses					272	278
Net income					1,067	1,096

FORT SMITH OPERATIONS

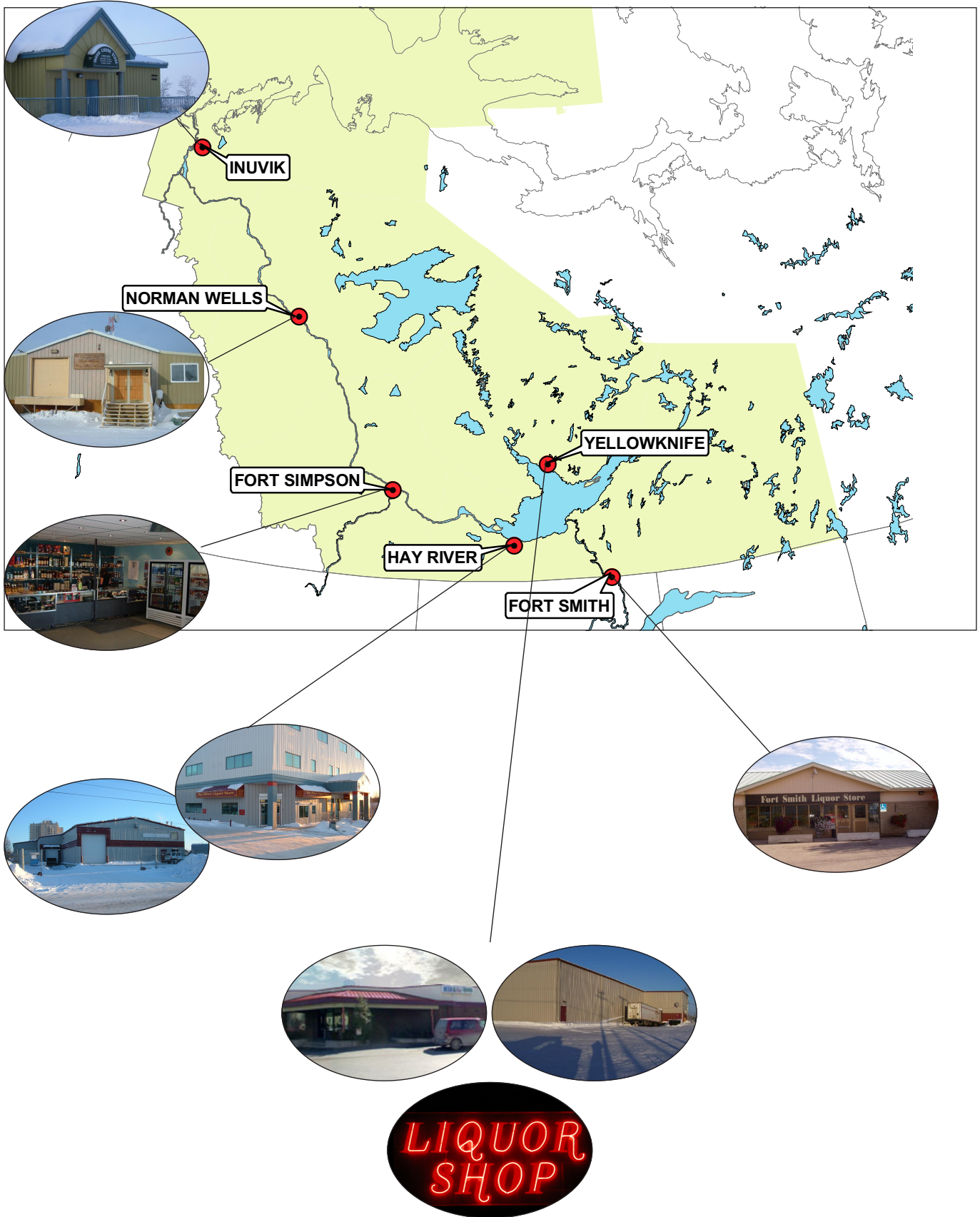
(\$000's)

	Spirits	Wine	Beer	Coolers	2011 Total	2010 Total
Sales						
Consumers	850	282	1,181	76	2,389	2,166
Licensees	53	2	175	8	238	283
	903	284	1,356	84	2,627	2,449
Cost of goods sold	268	111	514	31	924	851
Gross margin	635	173	842	53	1,703	1,598
Other income					-	-
Operating expenses					376	356
Net income					1,327	1,242

FORT SIMPSON OPERATIONS

(\$000's)

	Spirits	Wine	Beer	Coolers	2011 Total	2010 Total
Sales						
Consumers	1,050	115	684	47	1,896	1,995
Licensees	38	1	176	6	221	208
	1,088	116	860	53	2,117	2,203
Cost of goods sold	295	49	308	17	669	651
Gross margin	793	67	552	36	1,448	1,552
Other income					-	-
Operating expenses					327	326
Net income					1,121	1,226



NORTHWEST TERRITORIES LIQUOR LICENSING & ENFORCEMENT

**SUITE 204 – 31 CAPITAL DRIVE
HAY RIVER NT X0E 1G2
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TOLL FREE: 1 800 351 7770**

NWT LIQUOR LICENSING BOARD and LIQUOR LICENSING and ENFORCEMENT

Statement of Operations

for the year ended March 31, 2011 with comparative figures for 2010

(\$000's)

	Budget 2011	2011	2010
Income			
Licensing Fees	365	336	341
Special Occasion Permits	40	43	37
Annual Licence Fees	22	26	31
Other	3	14	8
	430	419	417
Government Contribution Service Provided without charge	-	47	28
Total Income	430	466	445
Operating Expenses			
Salaries, wages & employee benefits	368	362	366
Travel	90	77	106
Professional Fees	10	60	40
Honoraria	50	44	56
Other	104	102	92
Total Expenditures	622	645	660
Net Loss	(192)	(179)	(215)

LIQUOR ENFORCEMENT REPORT 2010– 2011

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 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. dining rooms).

The RCMP also conducts walkthroughs at licensed premises and at licensed special occasion functions. The number of times these types of inspections are done is not reported to enforcement. However, violations are reported.

INSPECTION OF LICENSED PREMISES

Community	Inspections	
	2011 - 2010	2010 - 2009
Fort Simpson	152	12
Fort Smith	252	148
Hay River	61	161
Inuvik	182	201
Norman Wells	72	63
Yellowknife	671	328
Total	1,390	913

There are 8 inspectors; three in Yellowknife and one in each community of Hay River, Inuvik, Norman Wells, Fort Simpson and Fort Smith. Fluctuations in the number of inspections performed are affected by the availability of the inspectors.

SERVER TRAINING

Enforcement offers and conducts server training courses free of charge to licensees, their staff and special occasion permit holders. Attendance at these courses is voluntary. The Liquor Licensing Board can order licensees and their staff to take the course as part of a penalty when a licensee has been found in violation of the *Liquor Act*. The server training course educates the licensees 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.

Licensees are contacted on a regular basis and provided with up-to-date information to assist them in complying with the *Liquor Act and Regulations*. Licensees also have access to a toll-free line for assistance. Every licensee has been provided with a licensee handbook. 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 - 2010	2010 - 2009
Fort Providence	11	15
Fort Simpson	10	9
Fort Smith	8	23
Hay River	22	64
Inuvik	0	45
Norman Wells	10	1
Yellowknife	179	75
Total	240	232

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	Sachs Harbour
Colville Lake	Hay River	Trout River
Enterprise	Inuvik	Wrigley
Fort Providence	Jean Marie River	Yellowknife
Fort Resolution	Kakisa	

RESTRICTED COMMUNITIES INCLUDE

Deline	Fort McPherson	Tulita
Dettah	Fort Simpson*	Ulukhaktok
Fort Good Hope	Norman Wells*	Tuktoyaktuk
Fort Liard	Paulatuk	

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

Deline

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 Deline 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 Deline 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.

Norman Wells

The restriction applies to the amount of liquor an individual can purchase at the liquor store and to the operating hours of the liquor store. On the days the stores are operating an individual may purchase either;

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

Store hours are from 5:00 p.m. to 8:00 p.m. Tuesday - Friday and from 3:00 p.m. to 7:00 p.m. on Saturday.

Fort Simpson

The restriction applies to the amount of liquor an individual can purchase at the liquor store and to the operating hours of the liquor store. On the days the stores are operating an individual may purchase either;

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

Store hours are from 3:00 p.m. to 7:00 p.m. Monday - Wednesday and 3:00 p.m. to 8:00 p.m. Thursday - Saturday.

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 anytime, 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.

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 anytime, 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 anytime, 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 anytime 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

Whati

Gamètì

Tsiigehtchic

Lutsel'Ke

Wekweètì

**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, 2011)

Chairperson:	Mr. Don Kindt	Yellowknife
Members:	Mrs. Sherry Hodgson	Norman Wells
	Mr. Stanley Jones	Hay River
	Mr. Albert Monchuk	Fort Smith
	Mrs. Lorna Skinner	Yellowknife
	Mr. Wayne Smith	Inuvik

MEETINGS AND/OR PUBLIC HEARINGS

During 2010 - 2011 the Board held meetings/hearings in Yellowknife, Fort Smith and Fort Simpson as well as by teleconference.

The Board holds application hearings to consider new applications for liquor licences to transfer existing liquor licences, and to consider requests from licensees for exemptions to the *Liquor Act and Regulations* where it is in the Board's power to do so.

The Board holds Compliance Hearings to determine if a violation did in fact occur and if so if a licensee's liquor license will be suspended, cancelled or a lesser penalty imposed when allegations of violations against the *Liquor Act or Regulations* are brought forward by Liquor Enforcement.

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

NWT LIQUOR LICENSES

There are four classes of licence 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 licenses were in effect in the following communities on March 31, 2011.

Community	Class A	Class B	Class C	Class D
Fort Providence	2	1	-	-
Fort Simpson	2	1	-	2
Fort Smith	3	1	-	2
Hay River	3	6	-	6
Inuvik	2	3	-	4
Norman Wells	4	4	-	2
Yellowknife	18	22	3	9
Other (Lodges)	-	-	-	9
Total	34	38	3	34

LIQUOR LICENSING BOARD COMPLIANCE HEARINGS

The Liquor Licensing Board is a quasi-judicial board that has the power to bring licensees to a Compliance Hearing to determine why their liquor license should not be suspended, cancelled and/or have conditions imposed when allegations of violations under the *Liquor Act* or *Regulations* are reported and brought forward at a Compliance Hearing.

The following licensees appeared before the Liquor Licensing Board at a Compliance Hearing during the period of April 1, 2010 to March 31, 2011. Dispositions vary according to the specifics of each case.

COMPLIANCE HEARINGS

Hearing Date, Licensee, Location	Violation/Allegation	Disposition
April 27, 2010 World Catering & Banquet Services Yellowknife, NT	Count 1: Contravened a term or condition of the <i>Liquor Act</i> section 11. (5). Count 2: Failed to operate as per licence issued as per <i>Liquor Regulations</i> section 13 (2).	Fined \$500 and the licence was suspended until the Board is satisfied that the licensee is operating as a Class B licence under specified operating hours.
April 28, 2010 Royal Canadian Legion Yellowknife, NT	Failed to obtain Board approval prior to doing structural alterations as per <i>Liquor Regulations</i> section 62 (1).	The licensee was issued a letter of reprimand.
June 23, 2010 World Catering & Banquet Services Yellowknife, NT	Count 1: Contravened a term or condition of the <i>Liquor Act</i> section 11 (5). Count 2: Failed to operate as per licensed issued of the <i>Liquor Regulation</i> section 13. (2). Count 3: Failed to comply with order of the board as per <i>Liquor Act</i> section 28 (1) (c).	The licensee was fined \$3000 and the liquor licence was cancelled.
June 24, 2010 The Landing Lounge 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.	The licensee was fined \$1000 and the liquor licence was suspended for 4 days.
June 25, 2010 Hogies Pub & Grill Bistro Hay River, 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.	The licensee was fined \$3500.

<p>August 24, 2010</p> <p>JJ's Rock n Roll Fort Smith, 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.</p> <p>Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93.</p>	<p>The licensee was fined \$750 and the liquor licence was suspended for 3 days. (Appealed – not heard as of March 31, 2011).</p>
<p>September 27, 2010</p> <p>Ice Breaker Lounge Fort Simpson, NT</p>	<p>Count 1: Allowed an intoxicated person to enter and remain in a licensed premise contrary to <i>Liquor Act</i> section 93.</p> <p>Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93.</p>	<p>The liquor licence was suspended for 2 days and the licensee was fined \$500.</p>
<p>November 24, 2010</p> <p>Explorer Hotel 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.</p> <p>Count 2: Sold or served liquor to an intoxicated person contrary to <i>Liquor Act</i> section 93.</p>	<p>The licensee was fined \$750 and the licensee and staff was ordered to take the Server Training Course.</p>
<p>November 25, 2010</p> <p>Sam's Monkey Tree Yellowknife, NT</p>	<p>Count 1: The occupancy load limit was exceeded contrary to <i>Liquor Regulations</i> section 55 (4).</p> <p>Count 2: Allowing an employee to consume liquor while working contrary to <i>Liquor Regulations</i> section 57.</p>	<p>The licensee was fined \$2000 and the licence was suspended for 2 days.</p> <p>The allegation was dismissed.</p>
<p>November 26, 2010</p> <p>Gold Range Hotel Yellowknife, NT</p>	<p>Count 1: Selling or supplying liquor to a minor contrary to <i>Liquor Act</i> section 77 (1)</p> <p>Count 2: Allowing a minor to remain on a licensed premises contrary to <i>Liquor Act</i> section 99 (1).</p>	<p>The licensee was fined \$3000.</p>
<p>January 25, 2011</p> <p>Sam's Monkey Tree Yellowknife, NT</p>	<p>Allowed an intoxicated person to enter or remain on a licensed premise contrary to <i>Liquor Act</i> section 92.</p>	<p>The licensee was fined \$2000 and the licence was suspended for one day. The licensees and staff were ordered to the Server Training Course.</p>

SPECIAL OCCASION PERMITS

The Liquor Licensing Board is responsible for the issuance of Special Occasion Permits. There are three types of permits; (a) Class 1 (ordinary), (b) Class 2 (not-for-profit) resale; and (c) 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 2010 - 2011 there were 419 ordinary and resale permits issued across the Northwest Territories.

PERMITS ISSUED

Community	2011 - 2010		2010 - 2009	
	Resale	Ordinary	Resale	Ordinary
Fort Smith	22	12	24	5
Fort Simpson	7	4	12	5
Hay River	47	14	74	9
Inuvik	48	9	39	8
Norman Wells	21	0	26	2
Yellowknife	112	123	72	84
Total	257	162	247	113

ADMINISTRATION

The administrative offices for the Liquor Licensing Board, Licensing and Enforcement and Community Options 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 2010 – 2011

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, 2011

NORTHWEST TERRITORIES LIQUOR COMMISSION

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March 31, 2011

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector. Where GAAP permits alternative accounting methods, 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.

The Auditor General of Canada 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 29, 2011



Auditor General of Canada
Vérificateur général du Canada

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 31 March 2011, and the statement of operations, statement of accumulated surplus, statement of change in net financial resources and statement of 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 generally accepted accounting principles, 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.

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 31 March 2011, and the results of its operations, changes in its net financial resources, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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 generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept 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 and regulations.

Terrance DeJong, CA
Assistant Auditor General
for the Interim Auditor General of Canada

15 August 2011
Edmonton, Canada

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

As at March 31 (\$000)	2011		2010	
Financial assets				
Cash	\$	2,564	\$	2,710
Inventories for resale (note 3)		3,555		3,539
		6,119		6,249
Liabilities				
Accounts payable and accrued liabilities		2,464		2,262
Pension and other employee benefits (note 4)		90		80
		2,554		2,342
Net financial resources		3,565		3,907
Non-financial assets				
Tangible capital assets (note 5)		179		231
Prepaid expenses		46		37
		225		268
Accumulated surplus	\$	3,790	\$	4,175

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)	2011 Budget	2011 Actual	2010 Actual
Sales			
Beer	\$ 20,410	\$ 19,139	\$ 19,203
Spirits	18,401	18,909	18,312
Wine	5,991	6,007	5,894
Coolers and ciders	1,627	1,257	1,371
	<u>46,429</u>	<u>45,312</u>	<u>44,780</u>
Cost of goods sold			
Beer	8,420	7,900	8,016
Spirits	5,199	5,359	5,101
Wine	2,695	2,717	2,666
Coolers and ciders	694	554	599
	<u>17,008</u>	<u>16,530</u>	<u>16,382</u>
Gross profit on sales	<u>29,421</u>	<u>28,782</u>	<u>28,398</u>
Other income			
License fees and permits (note 6)	430	419	417
Government contribution ; services provided without charge (note 7)	-	52	84
Import fees and other income	5	6	6
	<u>435</u>	<u>477</u>	<u>507</u>
Expenses (notes 6 and 7)			
Commissions to agents	3,202	3,185	3,178
Salaries, wages and employee benefits	1,501	1,351	1,333
Administration	446	438	518
Travel	142	116	146
Rent	103	95	97
Amortization of tangible capital assets	150	88	158
Inspectors' fees	36	49	32
Board member honoraria	50	44	56
	<u>5,630</u>	<u>5,366</u>	<u>5,518</u>
Annual surplus	<u>\$ 24,226</u>	<u>\$ 23,893</u>	<u>\$ 23,387</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)	2011	2010
Accumulated surplus, beginning of year	\$ 4,175	\$ 4,094
Add: Annual surplus	23,893	23,387
Less: Amounts transferred to the Consolidated Revenue Fund	(24,278)	(23,306)
Increase (decrease) in accumulated surplus	(385)	81
Accumulated surplus, end of year	\$ 3,790	\$ 4,175

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)	2011		2011		2010	
	Budget		Actual		Actual	
Net financial resources, beginning of year	\$	3,907	\$	3,907	\$	3,689
Items affecting net financial resources:						
Increase (decrease) in accumulated surplus		26		(385)		81
Net investment in tangible capital assets						
Acquisitions		-		(36)		(18)
Amortization expense		150		88		158
Increase in prepaid expenses		-		(9)		(3)
Net financial resources, end of year	\$	4,083	\$	3,565	\$	3,907

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)	2011	2010
Operating transactions		
Cash received from customers	\$ 45,737	\$ 45,203
Cash paid to employees and suppliers	(21,569)	(21,968)
Cash provided by operating transactions	24,168	23,235
Capital transactions		
Purchase of tangible capital assets	(36)	(18)
Financing transactions		
Cash transferred to the Consolidated Revenue Fund	(24,278)	(23,222)
Decrease in cash	(146)	(5)
Cash, beginning of year	2,710	2,715
Cash, end of year	\$ 2,564	\$ 2,710

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

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2011 (\$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 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, 2011, the Fund's assets exceeded the liabilities by \$3,565 (2010 – \$3,907).

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 presentation

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 (the "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 in accordance with GAAP 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, 2011 (\$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 and any additional renewal period

(g) Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Commission's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions, and may change over time depending on the experience of the Plan. The Commission's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Commission. The Commission is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

(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, 2011 (\$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 Section PS 1200, Financial Statement Presentation, and Section PS 2600, Foreign Currency Translation. The adoption of these standards is effective for the fiscal year beginning on April 1, 2012. The adoption of these new standards is not expected to be significant to the Commission.

3. Inventories for resale

	2011	2010
Spirits	\$ 1,420	\$ 1,465
Beer	1,274	1,310
Wine	722	629
Coolers and ciders	139	135
	\$ 3,555	\$ 3,539

4. Pension and other employee benefits

a) Pension benefits:

The Commission and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The Commission's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2011	2010
Commission's contributions	\$ 122	\$ 119
Employees' contributions	63	59

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:

	2011	2010
Accrued benefit obligation, beginning of year	\$ 80	\$ 73
Cost for the year	10	12
Benefits paid during the year	-	(5)
Accrued benefit obligation, end of year	\$ 90	\$ 80

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2011 (\$000)

5. Tangible capital assets

	Furniture and fixtures	Computer hardware and software	Leasehold improvements	2011	2010
Cost:					
Opening balance	\$ 92	\$ 601	\$ 205	\$ 898	\$ 880
Acquisitions	-	36	-	36	18
Disposals and write-downs	-	(42)	-	(42)	-
Closing balance	92	595	205	892	898
Accumulated Amortization:					
Opening balance	(49)	(550)	(68)	(667)	(509)
Amortization	(18)	(47)	(23)	(88)	(158)
Disposals and write-downs	-	42	-	42	-
Closing balance	(67)	(555)	(91)	(713)	(667)
Net book value	\$ 25	\$ 40	\$ 114	\$ 179	\$ 231

6. Liquor Licensing Board of the Northwest Territories

The revenues and expenses of the Board are as follows:

	2011	2010
Revenues:		
Licensee fees	\$ 336	\$ 341
Special occasion permits	43	37
Annual license fees	26	31
Other	14	8
	419	417
Government contribution ; services provided without charge	47	28
	466	445
Expenses:		
Salaries, wages and benefits	362	366
Travel	77	106
Professional fees	60	40
Honoraria	44	56
Other	102	92
	645	660
Net loss	\$ (179)	\$ (215)

The net loss is funded by the Government of the NWT.

For the year ended March 31, 2011, the amount of legal fees provided without charge has been disclosed separately. In prior years, the amount for legal services provided without charge to the

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2011 (\$000)

7. Related party transactions

The Commission is related in terms of common ownership to all Government of the NWT 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 \$1,351 (2010 – \$1,333) related to salaries, wages, and employee benefits for the Commission's employees and \$44 (2010 – \$56) 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 \$52 (2010 – \$84).

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 \$185 (2010 – \$195) for bottle deposits payable to the Department of Environment and Natural Resources, \$434 (2010 – nil) for salaries, wages, and employee benefits to the Department of Finance, and \$8 (2010 – \$9) for other government departments.

For the year ended March 31, 2011, the Commission has been invoiced for salaries and honoraria expense by the Government of the Northwest Territories. In prior years, a portion of the amount transferred to the Consolidated Revenue Fund was deemed to have paid for salaries and honoraria. As the Commission is now invoiced for these expenses, as at March 31, 2011, there is a payable for the amount of salaries and honoraria not paid at year-end.

In prior years, services without charge were recorded as a reduction in the amounts transferred to the Consolidated Revenue Fund. To be consistent with other public agencies and government entities in the Northwest Territories, the amount of services without charge has been recorded as revenue in the current year.

8. Contractual obligations

The Commission has a five year lease agreement ending April 30, 2011 for its office premises. The minimum annual payment for the lease and leasehold improvements over the next year is \$7.

Annual lease payments for the office premises include operating costs and property taxes which are subject to annual increases based on the Consumer Price Index and adjustments for property tax assessments.

As of July 1, 2011, no new lease agreement has been signed. The Commission is currently on a month-to-month lease as specified in the original lease agreement.

9. Comparative figures

Certain of the comparative figures have been reclassified to conform to the presentation adopted in the current year.