

**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
6TH COUNCIL, 40TH SESSION**

TABLED DOCUMENT NO. 3-40

TABLED ON OCTOBER 7, 1969



PLEASE QUOTE

FILE.....

GOVERNMENT OF THE NORTHWEST TERRITORIES
CANADA

Yellowknife, N.W.T.
9 September, 1969

S.M. HODGSON
COMMISSIONER

Herewith, in revised form, is the Fifteenth Annual Report of the Northwest Territories Liquor System covering the fiscal year ending March 31, 1969.

This report is designed to set out all pertinent information in a form that enables easy study and ready comparison of the various statistics.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'T.C. Robinson'.

T.C. Robinson,
Superintendent of Northwest
Territories Liquor System

A handwritten signature in cursive script, appearing to read 'W.A. Gamble'.

W.A. Gamble,
Territorial Treasurer

GENERAL INFORMATION

Sales

Sales revenue increased by 15% over the previous year. As indicated in the following table, the average annual increase in sales over the past eight years has been 12% per year. The largest annual increase (17.7%) occurred in 1966-67, to be followed by the lowest increase (1.2% in volume) in 1967-68, which reflects the initial reaction to the selling price being increased by 9% in that year.

TABLE 1

	<u>Sales</u>	<u>Net Profit</u>	<u>Gross Profit of sales</u>	<u>Net Profit of sales</u>	<u>Increase in sales</u>
1962	\$1,765,366.	\$ 808,098.	49.3%	45.8%	10.0%
1963	1,874,577.	848,552.	48.1%	45.3%	6.1%
1964	2,153,287.	985,572.	48.7%	45.8%	14.8%
1965	2,353,258.	1,059,927.	48.0%	45.0%	9.3%
1966	2,669,435.	1,226,278.	49.9%	45.9%	13.4%
1967	3,143,242.	1,440,521.	50.8%	45.8%	17.7%
1968	3,463,041.	1,707,097.	53.7%	49.3%	*10.2%
1969	3,981,842.	1,908,346.	51.8%	47.7%	15.0%

*Selling price was increased
9% in this year.

Inspections

Licensed premises and stores

The supervision and inspection of stores and licensed premises has been limited in frequency and thoroughness by the lack of adequate inspection staff.

A routine inspection was made of most of the licensed premises by store managers and the assistant accountant. The deficiencies noted and the remedies instituted as result of these inspections emphasize the benefit that would derive from expanding this service and would ensure that the licensees discharge fully their obligations to the public.

Buildings and Equipment

The Liquor System continued to occupy six stores owned by the N.W.T. Government.

Major repairs required to the store in Norman Wells were not carried out satisfactorily necessitating further work in 1969. While these renovations were being carried out temporary accommodation was made available, at no cost to the System, by Imperial Oil Limited.

A failure in the controls of the Yellowknife store steam heating system caused extensive damage to the boiler; the heating system will be converted to hot water during the summer of 1969.

All other buildings required only routine maintenance.

At the year's end seven employees occupied Government accommodation, three in Yellowknife, one in each of Inuvik, Fort Smith, Hay River and Frobisher Bay.

Outlets

One new outlet was opened with the Hudson's Bay Company being appointed Beer Agent in Cambridge Bay.

The beer store in Fort Simpson expanded its services and now handles liquor, wine and beer.

The following licences were issued during the year:

Cocktail Lounges - Hotel	8
- Clubs	12
Dining Lounges	14
Beer Parlour	3
Guest Room	13
Annual Special	26
Special Licences	1048
Permit to Brew Beer.	54
Permit to Make Wine.	28

Personnel

There are 21 established positions within the Liquor System all of which were filled at time of reporting.

Local Option

A local option plebiscite was held in Cambridge Bay, as a result of which the previous mentioned Beer Agency was opened.

Board of Inquiry

A Board of Inquiry was appointed by the Territorial Council in June 1968 with the broad objective of reviewing policy, legislation and administration relating to the manufacture, sale, distribution and consumption of spirits, wines and malt liquors in the Territories.

The Board was comprised of:

Chairman: J.J. Choquette, Executive Director, Canadian Association of Provincial Liquor Commissioners

Members: Bishop H.G. Cook - Yellowknife, N.W.T.
Mayor D. Godwin - Hay River, N.W.T.
Mr. G. Rennie - Frobisher Bay, N.W.T.

Secretary: T.C. Robinson, Superintendent, N.W.T. Liquor System, Yellowknife, N.W.T.

During the fall of 1968 the Board travelled throughout the entire Territories, visiting 23 settlements and holding 30 public meetings. The resulting report and recommendations are submitted for consideration and action in 1969.

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N.W.T. LIQUOR SYSTEM
 PROFIT AND LOSS STATEMENT
 FOR THE YEAR ENDING MARCH 31, 1969

		<u>Previous Year 1967-68</u>	<u>Percentage Increase or Decrease</u>
<u>SALES:</u>			
Spirits	\$1,960,007	\$1,674,866	+17.0
Wines	323,633	285,923	+13.0
Beer	<u>1,698,202</u>	<u>1,502,253</u>	+13.0
Total Sales	\$3,981,842	<u>\$3,463,042</u>	+15.0
<u>COST OF SALES:</u>			
Opening Inventory	\$ 718,626	\$ 387,149	
Purchases:			
Spirits	716,299	946,837	-24.4
Wine	90,722	103,883	-12.6
Beer	780,987	630,501	+23.8
Freight:	235,360	232,702	+ 1.8
Discounts & Allowances:			
Sales	12,113	24,139	
Delivery	13,457		
Insurance	<u>12,448</u>	<u>10,098</u>	
	\$2,580,012	<u>\$2,335,309</u>	
Closing Inventory	\$ 637,679	\$ 718,626	-11.3
Claims & Refunds:			
Purchase	17,324	2,444	
Freight	<u>3,913</u>	<u>243</u>	
	<u>658,916</u>	<u>\$ 721,313</u>	
Total Cost of Sales		<u>\$1,613,996</u>	
		\$2,060,746	<u>\$1,849,046</u> +11.4
<u>GROSS PROFIT:</u>			
<u>OTHER REVENUE:</u>			
Special Licences	\$ 5,240	\$ 5,030	
Licence Fees	24,535	19,746	
Import Permits	51,024	46,409	
Rental	960	2,308	
Travel Advance Refunds		1,637	
Claims & Refunds 1967-68	3,222	2,298	
Miscellaneous	<u>25</u>	<u>775</u>	
		<u>85,006</u>	<u>\$ 78,203</u> + 9.5
		\$2,145,752	<u>\$1,927,249</u>
<u>STORES OPERATING COSTS:</u>		<u>185,243</u>	<u>\$ 170,127</u> + 8.8
Profit Before Applying Headquarters Cost:		\$1,960,509	<u>\$1,757,122</u> +11.5
Headquarters Cost		<u>52,163</u>	<u>50,025</u> + 4.0
<u>NET PROFIT FOR YEAR:</u>		<u>\$1,908,346</u>	<u>\$1,707,097</u> +11.7

N.W.T. LIQUOR SYSTEM
STORES PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDING MARCH 31, 1969

	YELLOW- KNIFE	FORT SMITH	HAY RIVER	INUVIK	NORMAN WELLS	FROBISHER BAY	FORT SIMPSON	CHURCHILL	CANADA TUNGSTEN	RANKIN INLET	EASTERN ARCTIC	CAMBRIDGE BAY	ADMINIS- TRATION	TOTAL
SALES:	\$1,335,276	\$398,814	\$758,335	\$700,844	\$101,448	\$427,041	\$133,097	\$ 18,891	\$ 43,451	\$ 42,356	\$ 5,163	\$ 17,126		\$3,981,842
	(A) (1,136,918)	(366,295)	(765,719)	(585,733)	(85,146)	(398,748)	(16,330)	(20,368)	(52,915)	(32,609)	(2,261)	(
COST OF SALES:														
Opening Inventory	\$ 259,443	\$ 67,650	\$130,777	\$140,882	\$ 12,928	\$ 96,419			\$ 6,476	\$ 4,051				\$ 718,626
Purchases	490,477	159,382	335,056	261,522	39,265	199,286	\$ 26,513	\$ 12,214	31,873	30,600	\$ 1,820			1,588,008
Store Transfers - In				7,676	3,721		39,722					12,234		63,353
Freight	68,484	22,490	36,254	49,843	5,964	27,874	10,987	695	1,199	6,278	14	5,278		235,360
Sales & Delivery Discounts	11,752	3,542	10,023	253										25,570
Insurance	4,471	1,305	1,562	2,431	329	1,422	455		244	123		106		12,448
	\$ 834,627	\$254,369	\$513,672	\$462,607	\$ 62,207	\$325,001	\$ 77,677	\$ 12,909	\$ 39,792	\$ 41,052	\$ 1,834	\$ 17,618		\$2,643,365
Claims & Refunds	\$ 1,239	\$ 394	\$ 212	\$ 324	\$ 401		\$ 45			\$ 18,614		\$ 8		\$ 21,237
Store Transfers - Out	6,210	1,605	55,538											63,353
Closing Inventory	187,888	65,015	106,238	113,201	13,744	122,933	18,731		4,678	1,051		4,200		637,679
	\$ 195,337	\$ 67,014	\$161,988	\$113,525	\$ 14,145	\$122,933	\$ 18,776		\$ 4,678	\$ 19,665		\$ 4,208		\$ 722,269
Total Cost of Sales:	\$ 639,290	\$187,355	\$351,684	\$349,082	\$ 48,062	\$202,068	\$ 58,901	\$ 12,909	\$ 35,114	\$ 21,387	\$ 1,834	\$ 13,410		\$1,921,096
	(506,748)	(156,766)	(347,038)	(273,974)	(36,676)	(186,030)	(11,065)	(13,315)	(39,651)	(24,294)	(1,478)			
GROSS PROFIT:	\$ 695,986	\$211,459	\$406,651	\$351,762	\$ 53,386	\$224,973	\$ 74,196	\$ 5,982	\$ 8,337	\$ 20,969	\$ 3,329	\$ 3,716		\$2,060,746
	(630,170)	(209,529)	(418,681)	(311,759)	(48,470)	(212,718)	(5,265)	(7,053)	(13,264)	(8,315)	(783)			
STORE OPERATING COSTS														
Salaries and Wages	\$ 42,861	\$ 17,347	\$ 31,957	\$ 15,509	\$ 5,433	\$ 11,563	\$ 4,144						\$ 44,247	\$ 173,061
Medical Travel	360	86												446
Business Travel				782		948							2,377	4,107
Holiday Travel	1,878	260	1,123	491		540							970	5,262
Staff Bonding	37	15	29	15	7	7	7		\$ 7				37	161
Telephone & Telegraph	180	218	420	302	10	179	3						1,293	2,605
Postage	26	16	25	25	11	14	6						451	574
Office Supplies	200	130	146	123	58	118	68		12				1,554	2,409
Sundry	15		4	25	65	5							282	396
Store Materials	1,757	726	748	845	252	257	587	\$ 33	14					5,219
Equipment	28		70		215		42						930	1,285
Buildings:														
Maintenance	1,167	10	81	1,710		53	466							3,487
Power	1,097	626	2,317	1,370	955	571							22	6,958
Fuel	2,027	1,371	894	4,280	253	1,619								10,444
Water & Sewer	61	207	174	120	182	264								1,008
Rent							2,700							2,700
Insurance	545	641	2,715	281	672	1,730								6,584
Staff Housing		5												5
Commissions									1,773	\$ 6,353		\$ 2,569		10,695
	\$ 52,239	\$ 21,658	\$ 40,703	\$ 25,878	\$ 8,113	\$ 17,868	\$ 8,023	\$ 33	\$ 1,806	\$ 6,353		\$ 2,569	\$ 52,163	\$ 237,406
	(56,673)	(24,720)	(41,862)	(29,321)	(7,997)	(18,047)	(1,241)	(47)	(2,289)	(4,892)			(50,025)	
STORE NET PROFIT:	\$ 643,747	\$189,801	\$365,948	\$325,884	\$ 45,273	\$207,105	\$ 66,173	\$ 5,949	\$ 6,531	\$ 14,616	\$ 3,329	\$ 1,147 (B)		\$1,875,503
	(573,497)	(184,809)	(376,819)	(282,438)	(40,473)	(194,671)	(4,024)	(7,006)	(10,975)	(3,423)	(783)			

Other Revenue: 85,006

\$1,960,509

Less: Administration
Expense : 52,163

System's Net Profit For the Year: \$1,908,346

NOTE:

(A) THE FIGURES IN BRACKETS INDICATE 1967-68 FISCAL YEAR

(B) NET PROFIT OVERSTATED BY \$1,428 (FREIGHT PAYABLE)