



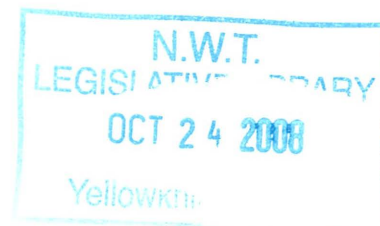
**2007 – 2008
54th ANNUAL REPORT**

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



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MEMBERS OF THE 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-fourth Annual Report for the Northwest Territories Liquor Commission and Northwest Territories Liquor Licensing Board for the fiscal year ended March 31, 2008.



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

THE HONOURABLE J. MICHAEL MILTENBERGER
MINISTER OF FINANCE

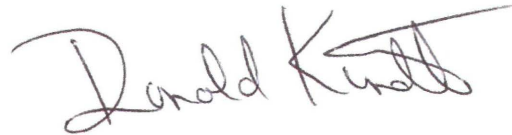
[NWT Liquor Commission and NWT Liquor Licensing Board Annual Report](#)

Pursuant to Subsection 9(1) and 61(1) of the *Liquor Act*, we are pleased to submit the fifty-fourth Annual Report for the Northwest Territories Liquor Commission and Northwest Territories Liquor Licensing Board for the fiscal year ended March 31, 2008.

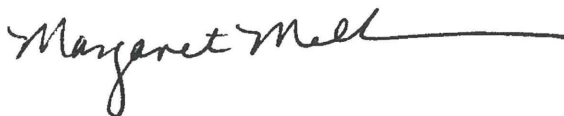
We wish to express our thanks to our staff for all their support and contributions to the progress of the Commission and the Board during the past year.



Kyle Reid
General Manager
NWT Liquor Commission



Don Kindt
Chairperson
NWT Liquor Licensing Board



Margaret Melhorn
Deputy Minister of Finance

Financial Statements of

**NORTHWEST TERRITORIES
LIQUOR COMMISSION**

Year ended March 31, 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Northwest Territories Liquor Commission ("the Commission") maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Commission acts in accordance with the laws of the Northwest Territories and Canada. The Commission's management recognizes its responsibility for conducting the Commission's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial agency.

The accompanying financial statements were prepared by management in accordance with Canadian generally accepted accounting principles.

To discharge the responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded.

The Auditor General of Canada annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. She also considers whether the transactions which come to her notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.



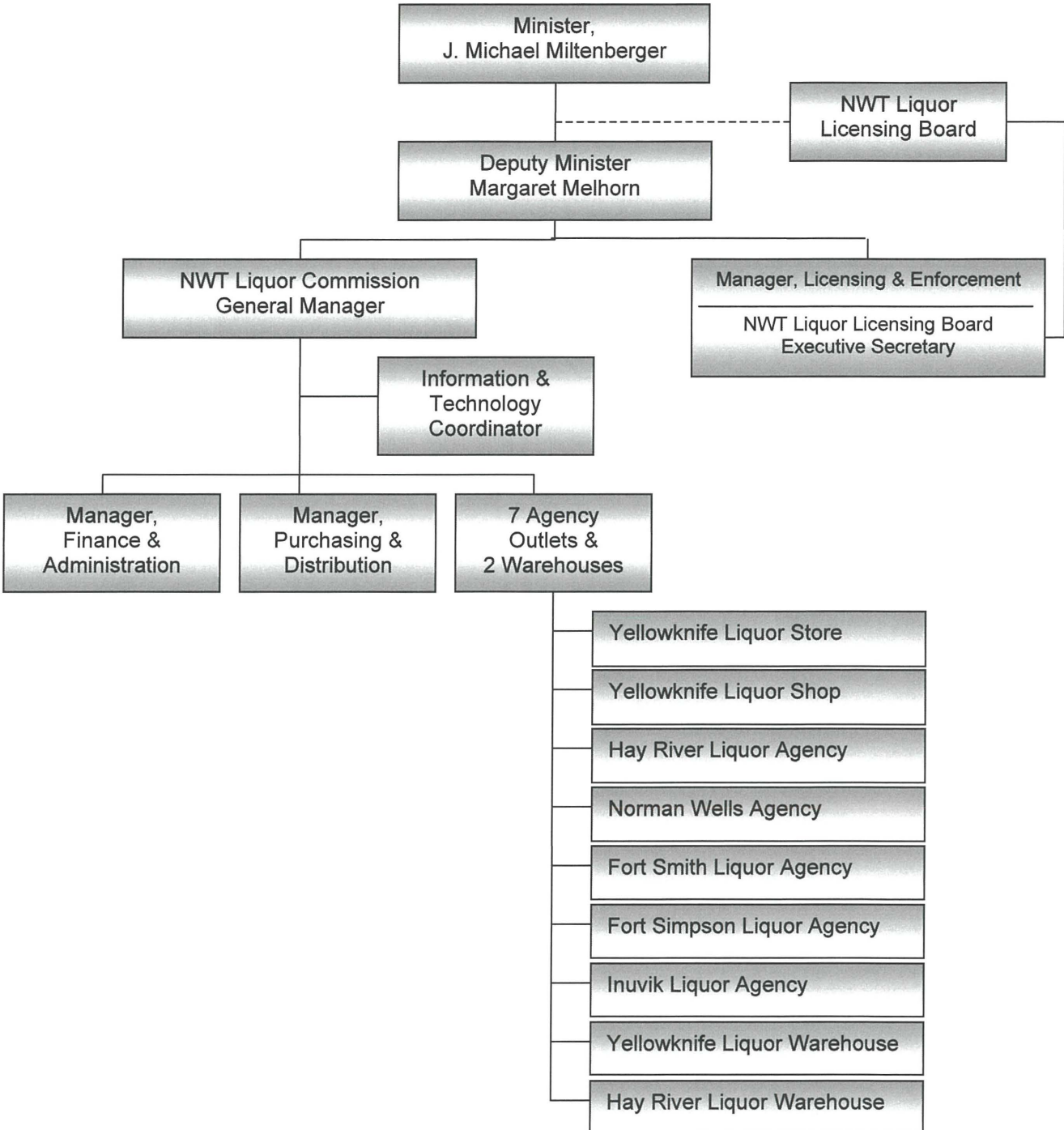
Kyle Reid
General Manager



Ruth Boden
Manager, Finance & Administration

May 16, 2008

ORGANIZATION CHART



NORTHWEST TERRITORIES LIQUOR COMMISSION

SUITE 201, 31 Capital Drive
HAY RIVER NT X0E 1G2
PH: (867) 874-8700 FAX: (867) 874-8720



GENERAL MANAGER'S REPORT

The Northwest Territories Liquor Commission (the Commission) is administered through the Government of the Northwest Territories, Department of Finance. The Minister has delegated the following duties to the Commission under Part II of the *Liquor Act*:

- a) Operate liquor stores
- b) Purchase, classify, sell and distribute liquor in the Territory
- c) Administer Part II of the *Liquor Act*.

The year was a success financially with liquor sales over \$42 million, the highest level in the history of the Commission. Sales increased over the previous year by nearly \$3 million. Over \$22 million was transferred to the Territorial Treasury, and budget targets were achieved.

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 fully successful in meeting the goals established in the strategic plan.

During the year the Commission implemented modern sales, inventory and financial information systems that will improve customer service at the point of sale and improve inventory and financial management. This project is part of a renewed commitment to improve our service, processes, policies and systems.

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



Fort Simpson Beverages Photo: Ian Laws

OPERATIONAL REVIEW

The Northwest Territories Liquor Commission 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 2007 – 2008 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

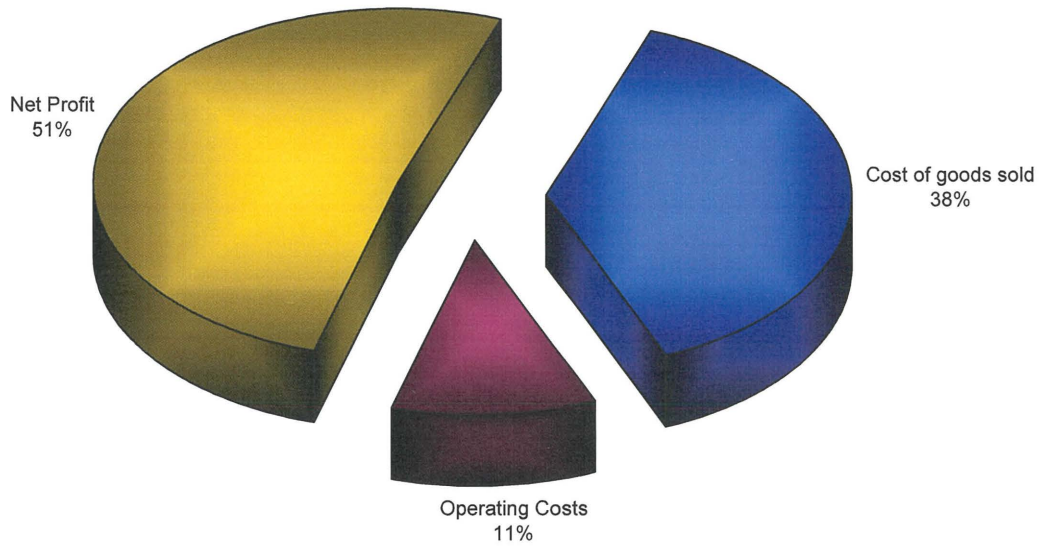
The operational structure of the Liquor Commission is designed to deliver optimal service levels for the best possible costs, and consists of a headquarters administrative staff of nine and a network of seven stores and two warehouses, operated by private contractors. Five of the private agency stores 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 11% of sales revenue, of which 7% was paid to liquor store and warehouse contractors.

Operational compliance with contracts, regulation and legislation by the store and warehouse operators was good throughout the year. The operations of all liquor outlets are monitored monthly and visited periodically by headquarters management.



Sun dog North Inc., Fort Smith, NT Photo: Ian Laws

Application of Revenues 2007 - 2008



Goal #2

Actively and continuously promote the responsible use of alcohol.

Performance Highlights

The Northwest Territories Liquor Commission supports the responsible use of alcohol through various awareness programs and initiatives. During the fiscal year, a Server Training program, “the Techniques of Alcohol Management” was developed and implemented in all liquor stores and a number of social responsibility programs were promoted.

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. The specific forms of identification papers allowed have been standardized.

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 all beverage containers and paper bags used at the point of sale.

In conjunction with Educ’ Alcool, a booklet titled “Be Prepared To Talk To Your Children About Alcohol” was distributed through the liquor stores and sent 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 Commission participates on the Canadian Liquor Jurisdictions’ Social Responsibility Committee and strives to provide products that are socially responsible and incorporates responsible messaging into product sales.



Goal #3

Meet financial income targets.

Performance Highlights

The NWT Liquor Commission achieved financial targets in the 2007-2008 fiscal year. Gross sales were \$42.8 million, an increase of 8% over 2006-2007. Net income of \$21.8 million was 7% higher than 2006-2007 levels.

Northwest Territories Liquor Commission (Excluding the Liquor Licensing Board)

Five Year Performance History

(\$000's)

For the year ending	2008	2007	2006	2005	2004
Gross sales	42,771	39,654	38,776	37,673	36,677
Gross profit as a % of sales	26,444 61.8	24,585 62.0	24,200 62.4	23,457 62.3	22,917 62.5
Net profit as a % of sales	21,880 51.2	20,520 51.7	20,333 52.4	20,101 53.4	19,873 54.2
Operating expenses as a % of sales	4,568 10.7	4,069 10.3	3,872 10.0	3,598 9.6	3,323 9.1



Inuvik Liquor Agency Photo: Ian Laws

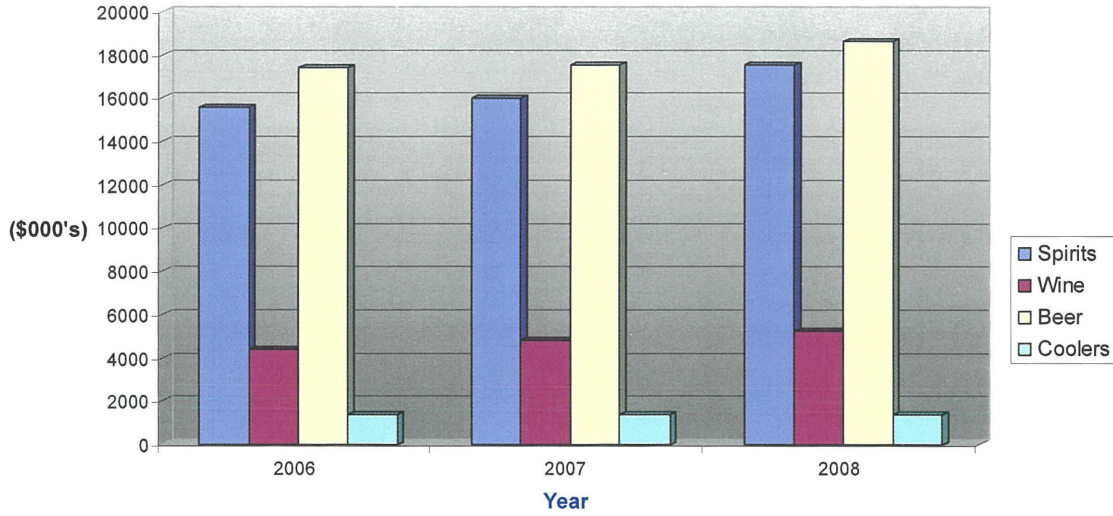
NWT Liquor Commission (excluding Liquor Licensing Board)

Sales / Cost of Sales / Gross Margin

for the year ended March 31, 2008 with comparative figures for 2007

(\$000's)	Budget 2008	2008	2007
Sales			
Private Stores	\$ 17,388	\$ 18,324	\$ 17,635
Consumers	15,246	16,598	14,730
Licensees	8,483	7,849	7,289
	<u>41,117</u>	<u>42,771</u>	<u>39,654</u>
Cost of Sales			
Beginning Inventory	2,222	2,222	2,954
Purchases	14,256	15,745	13,101
Freight	1,163	1,535	1,236
Ending Inventory	(2,222)	(3,175)	(2,222)
	<u>15,419</u>	<u>16,327</u>	<u>15,069</u>
Gross Margin	<u>25,698</u>	<u>26,444</u>	<u>24,585</u>
Other Income			
Import Permits	2	1	1
Other	3	3	3
	<u>5</u>	<u>4</u>	<u>4</u>
Expenses			
Commissions to agents	2,714	2,930	2,735
Salaries, wages & employee benefits	817	963	839
Bank service charges	149	200	174
Amortization of capital assets	103	178	73
Travel	37	71	33
Rent	56	68	65
Office supplies	63	75	55
Computer services	40	31	43
Communications	16	33	30
Professional fees	10	2	10
Advertising	10	9	4
Losses due to breakage, spoilage and t	11	3	8
Miscellaneous	10	5	-
	<u>4,036</u>	<u>4,568</u>	<u>4,069</u>
Net Income	<u>\$ 21,667</u>	<u>\$ 21,880</u>	<u>\$ 20,520</u>

Three Year Dollar Sales Trend by Category



Three Year Dollar Sales by Category
for the year ending March 31st

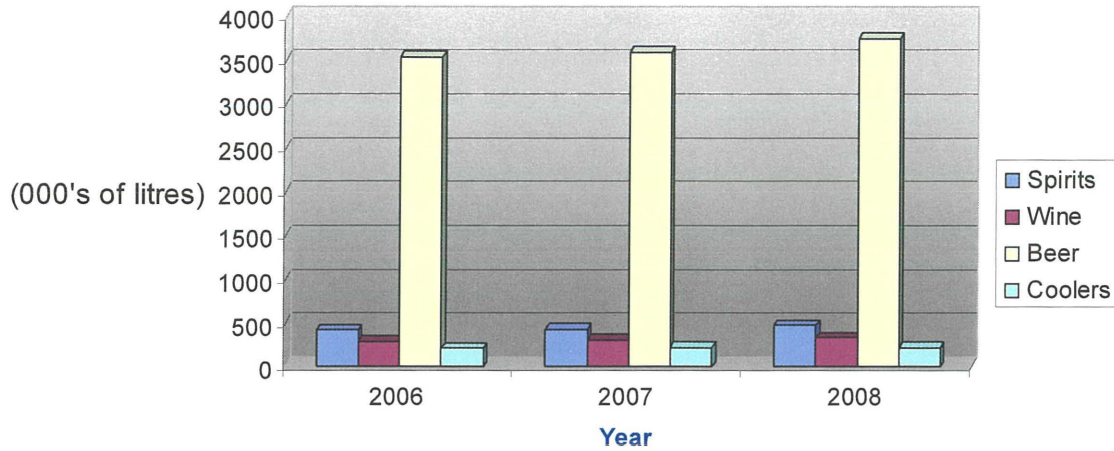
(\$000's)

	Spirits	Wine	Beer	Coolers	Total
2006	15,592	4,404	17,418	1,362	38,776
2007	15,981	4,803	17,515	1,355	39,654
2008	17,517	5,227	18,621	1,406	42,771



The Liquor Shop, Yellowknife, NT photo Donna Smith

Three Year Litre Sales Trend by Category

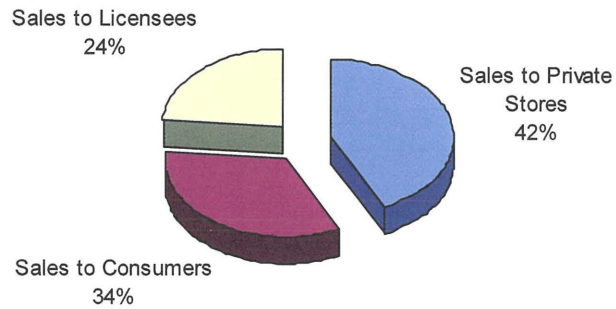


Three Year Litre Sales by Category
for the year ending March 31st

(000's)

	Spirits	Wine	Beer	Coolers	Total
2006	419	291	3,541	210	4,461
2007	431	308	3,585	213	4,537
2008	470	331	3,747	215	4,763

Litre Sales by Distribution Channel 2007 - 2008



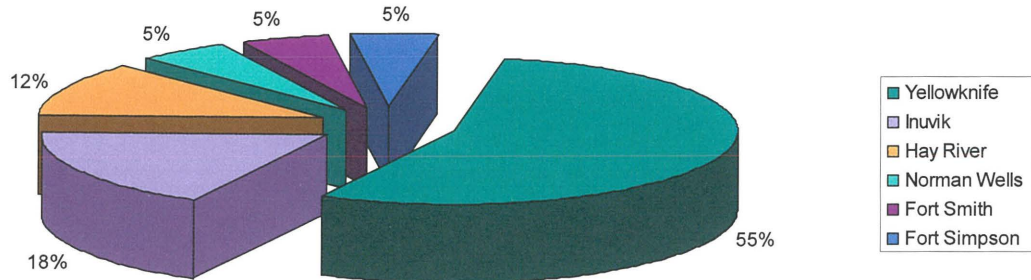
Three Year Litre Sales by Distribution Channel for the year ending March 31st

(000's)

	2008	2007	2006
Sales to Private Stores	2030	1939	1861
Sales to Consumers	1602	1499	1397
Sales to Licensees	1131	1099	1203
Total	4763	4537	4461

STORE OPERATIONS

Location Sales 2007 - 2008



Sales by Location 2007 - 2008 for the year ended March 31st (\$000's)

	2008	2007	Increase (Decrease)
Yellowknife	\$ 23,439	\$ 21,861	\$ 1,578
Inuvik	7,615	6,804	811
Hay River	5,087	4,659	428
Norman Wells	2,190	2,184	6
Fort Smith	2,182	2,074	108
Fort Simpson	2,134	1,923	211
*Other	124	149	(25)
	42,771	39,654	3,117

* 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, 2008 with comparative figures for 2007)

(excluding miscellaneous sales that do not conform to the prescribed commission sales)

YELLOWKNIFE OPERATIONS

(\$000's)	2007/2008				2006/2007	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Private Stores	7,860	2,899	6,960	605	18,324	17,170
Licensees	1,211	612	3,116	177	5,116	4,691
	9,071	3,511	10,076	782	23,440	21,861
Cost of goods sold	2,707	1,744	4,668	350	9,469	8,847
Gross margin	6,364	1,767	5,408	432	13,971	13,014
Other income					-	-
Operating expenses					795	742
Net income					13,176	12,272

INUVIK OPERATIONS

(\$000's)	2007/2008				2006/2007	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	3,421	599	2,165	218	6,403	5,643
Licensees	259	66	823	64	1,212	1,161
	3,680	665	2,988	282	7,615	6,804
Cost of goods sold	1,052	285	1,257	110	2,704	2,384
Gross margin	2,628	380	1,731	172	4,911	4,420
Other income					-	-
Operating expenses					830	759
Net income					4,081	3,661

HAY RIVER OPERATIONS

(\$000's)	2007/2008				2006/2007	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	1,941	415	2,083	146	4,585	4,109
Licensees	121	28	337	17	503	550
	2,062	443	2,420	163	5,088	4,659
Cost of goods sold	559	165	941	64	1,729	1,580
Gross margin	1,503	278	1,479	99	3,359	3,079
Other income					-	-
Operating expenses					606	625
Net income					2,753	2,454

NORMAN WELLS OPERATIONS

(\$000's)	2007/2008				2006/2007	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	837	110	874	36	1,857	1,711
Licensees	81	24	219	9	333	367
	918	134	1,093	45	2,190	2,078
Cost of goods sold	260	59	456	19	794	729
Gross margin	658	75	637	26	1,396	1,349
Other income					-	-
Operating expenses					281	265
Net income					1,115	1,084

FORT SMITH OPERATIONS

(\$000's)	2007/2008				2006/2007	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	638	247	898	61	1,844	1,599
Licensees	90	5	230	13	338	413
	728	252	1,128	74	2,182	2,012
Cost of goods sold	257	108	432	36	833	731
Gross margin	471	144	696	38	1,349	1,281
Other income					-	-
Operating expenses					316	250
Net income					1,033	1,031

FORT SIMPSON OPERATIONS

(\$000's)	2007/2008				2006/2007	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	1,012	106	740	51	1,909	1,670
Licensees	57	2	157	9	225	224
	1,069	108	897	60	2,134	1,894
Cost of goods sold	324	57	329	23	733	608
Gross margin	745	51	568	37	1,401	1,286
Other income					-	-
Operating expenses					318	238
Net income					1,083	1,048

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, 2008 with comparative figures for 2007

(\$000's)	2008	2007
Income		
Licensing Fees	375	372
Special Occasion Licenses	40	39
Annual License Fees	31	31
Other	1	37
Total Income	447	479
Operating Expenses		
Salaries	316	279
Travel	80	77
Inspections Contracts	40	49
Office Rent & Supplies	41	38
Honoraria	61	54
Training & Development	1	9
Advertising	10	5
Total Expenditures	549	511
Net Loss	(102)	(32)

LIQUOR ENFORCEMENT REPORT 2007 – 2008

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. Contract 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 inspection more frequently than those considered to be lower risk (e.g. dining rooms).

The RCMP also conducts walkthroughs in licensed premises and at licensed special occasion functions. However, the number of times these types of inspections are done is not reported to enforcement unless there is a violation to report.

There are two inspectors in Yellowknife, and one each in Hay River, Inuvik, Norman Wells and Fort Simpson. Fort Smith has been without an inspector for several months and recruitment efforts have been unsuccessful to date, however, the RCMP does have a presence in licensed premises in this community on a regular basis.

INSPECTION OF LICENSED PREMISES

In 2007 - 2008 a total of 1,398 inspections were conducted by the inspectors.

Community	Inspections	
	2007-2008	2006-2007
Fort Simpson	11	49
Fort Smith	26	47
Hay River	185	113
Inuvik	214	98
Norman Wells	261	268
Yellowknife	701	1073
TOTAL	1,398	1,648

There appears to be a higher number of inspections completed in Inuvik in 2007-2008 compared to 2006-2007, however in 2006-2007 an Inspector was not hired until October 2006 and therefore inspections were only conducted for five months of the year. In Yellowknife the decrease is due to having only one inspector available for part of the year.

LICENSEE TRAINING

Enforcement offers and conducts server training courses free of charge to licensees, their staff, and special occasion permit holders. The course was offered in five of the seven communities. Attendance at these courses is voluntary unless the Liquor Licensing Board orders the licensee and their staff to take the course as part of a penalty when a licensee has been found in violation of the *Liquor Act*. In 2007 - 2008, two licensees were ordered to take the course by the Board. The server training courses educate the licensees and permit holders on their responsibilities under the *Liquor Act* and *Regulations* and on Board policy. Some of the issues covered in the training include recognizing intoxication, identifying minors, managing crowd control, and liabilities.

Licensees are contacted on a regular basis and provided with up-to-date information, or sent written reminders of an ongoing nature that will assist them in complying with the *Liquor Act* and *Regulations*. Licensees also have access to a toll-free line for assistance if required. In addition, quarterly newsletters are published to assist in informing licensees of current issues and to educate them on various sections of the legislation.

SERVER TRAINING COURSE PARTICIPANTS

Community	2007-2008	2006-2007
Fort Providence	7	8
Fort Simpson	16	0
Fort Smith	0	0
Hay River	24	4
Inuvik	18	23
Norman Wells	0	0
Yellowknife	20	8
Total	85	43

COMMUNITY OPTIONS 2007 – 2008

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

RESTRICTED** COMMUNITIES INCLUDE

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

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

** As of March 31, 2008

Behchokò

The restriction applies to the amount of liquor an individual can possess or transport in any one month within a 25-km radius of the hamlet office. The amount of liquor permitted is one 750 ml of spirits and either **(a)** 24 containers (355 ml) of beer; **(b)** 12 containers (355 ml) of beer and one 750 ml of wine or **(c)** two 750 ml containers of wine.

Deline

The restriction applies to the amount of liquor an individual can possess at any time, within a 25 km radius of the Deline Charter Community Office. The amount cannot exceed 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 ml litres of wine; **(d)** 24 containers (355) of beer and one litre of wine. The Deline Dene Council may authorize a person to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

Dettah

The restriction states no person can possess or bring into the community a quantity of liquor in excess of: **(a)** 12 containers (355 ml) of beer and one (750 ml) of spirits; or **(b)** 4,500 ml of wine.

Fort Good Hope

The restriction states no person shall within a seven-day period possess a quantity of liquor, within 25km radius of the Fort Good Hope Community Complex that is in excess of one of the following combinations: **(a)** 1140 ml of spirits and 12 containers (355 ml) of beer; **(b)** 1140 ml of spirits and 2 litres of wine; **(c)** 12 containers (355 ml) of beer and two litres of wine; **(d)** 24 containers (355 ml) of beer and one litre of wine.

Fort Liard

The restriction states no person can purchase, sell or transport within 15km radius of the Community Center more than any three units of the following: **(a)** 1140 ml of spirits; **(b)** 24 containers (355 ml) of beer; or **(c)** two 750 ml containers of wine. The restriction does not apply to the purchase, sale or transportation of liquor by the municipal or band council where liquor is consumed at community dances.

Fort McPherson

The restriction applies to **(i)** the amount of liquor a person can bring within a 25km radius of the Tetlit Co-op Store in a seven day period that is in excess of one of the following combinations and **(ii)** from 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; **(d)** 48 containers (355 ml) of beer and two litres of wine.

Fort Simpson

The restriction applies to the amount of liquor an individual can purchase at the Fort Simpson liquor store and to the hours of operation the liquor store may open. On any given day a person may purchase either: **(a)** 1140 ml of spirits and 12 containers (355 ml) of beer; **(b)** 1140 ml of spirits and 2 litres of wine; **(c)** 2 litres of wine and 12 containers (355 ml) of beer; **(d)** 24 containers (355 ml) of beer and 1 litre of wine. The liquor store hours are from 3:00 p.m. to 7:00 p.m. Monday to Wednesday and from 3:00 p.m. to 8:00 p.m. Thursday to Saturday.

Norman Wells

The restriction applies to the amount of liquor an individual can purchase at the Norman Wells liquor store and to the hours of operation the store may be open. On any give day a person may purchase either: **(a)** 1140 ml of spirits and 12 containers (355 ml) of beer; **(b)** 1140 ml of spirits and 2 litres of wine; **(c)** 2 litres of wine and 12 containers (355 ml) of beer; **(d)** 24 containers (355 ml) of beer and 1 litres of wine. The liquor store hours are from 5:00 p.m. to 8:00 p.m. Tuesday to Friday and from 3:00 p.m. to 7:00 p.m. on Saturday's.

Paulatuk

The restriction states no person can bring within a 25km radius of the Paulatuk Hamlet Office, in a seven day period, and possess in the restricted area at any time, a quantity of liquor that is in excess of one of the following combinations: **(a)** 1140 ml of spirits and 12 containers (355 ml) of beer; **(b)** 1140 ml of spirits and two litres of wine; **(c)** 12 containers (355 ml) of beer and two litres of wine; **(d)** 24 containers (355 ml) of beer and 750 ml of spirits; **(e)** 1775 ml of spirits.

Tulita

The restriction states no person can bring within a 25km radius of the Tulita Band Office, in a seven day period and possess in the restricted area at any time, a quantity that is in excess of one of the following combinations: **(a)** 1140 ml of spirits and 12 (355) containers 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 litre of wine.

PROHIBITED COMMUNITIES INCLUDE

Gamètì	Nahanni Butte	Wekweètì
Lutsel'Ke	Tsiigehtchic	Whatì

LIQUOR PLEBISCITE

A community may initiate a change to their existing liquor status by having 20 qualified voters petition the Minister responsible for the *Liquor Act* to hold a liquor plebiscite. Before a change can be made to the existing liquor status, 60% of the votes cast at a plebiscite must be in favour of the change.

In October 2007, Tulita held a plebiscite where 60.9% of the qualified voters voted to change the community's liquor status from unrestricted to restricted. The community's liquor status changed effective November 18, 2007.

In December 2007, Paulatuk held a plebiscite where 67.9% of the qualified voters voted to change the community's liquor status from unrestricted to restricted. The community's liquor status changed effective December 17, 2007.

In February 2008, Deline held a plebiscite where 75% of the qualified voters voted to change the community's liquor status from an Alcohol Education Committee system to a restricted system. The community's liquor status changed effective March 5, 2008.

SPECIAL PROHIBITION ORDERS

Where a special occasion is to occur in a municipality, settlement, or area, and the council of the municipality, settlement or band wishes to have the consumption, purchase, sale, or transport of liquor prohibited, they may submit a written request to the Minister to declare the area prohibited during the event. The request for a Special Prohibition Order must be submitted to the Minister 15 days prior to the event. The Minister may then declare the area prohibited for a period not exceeding 10 days.

The following communities had Special Prohibition Orders in place on various dates between April 1, 2007 and March 31, 2008:

Community	Event	Duration
Behchokò	Russell Lake Spiritual Gathering	Jul 07/07 - Jul 15/07
Behchokò	Dene National Assembly/Tlichò Annual Gathering	Jul 16/07 - Jul 20/07
K'asho Got'ine	Ramparts Rendezvous	Aug 09/07 - Aug 16/07
Sachs Harbour	White Fox Jamboree	Aug 17/07 - Aug 19/07
Paulatuk	Ikhalukpik Jamboree	Aug 17/07 - Aug 19/07
Tulita	Sahtu Secretariat AGM	Aug 27/07 - Sep 03/07
Paulatuk	Christmas Celebrations	Dec 21/07- Dec 31/07

**NORTHWEST
TERRITORIES LIQUOR
LICENSING BOARD
2007 - 2008**

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 principles of natural justice.

NWT LIQUOR LICENSING BOARD MANDATE

The Liquor Licensing Board controls the conduct of license holders, the management and equipment of licensed premises, and the conditions under which liquor may be sold or consumed on licensed premises.

As set out in Section 6(3) of the *Liquor Act*, the Board may

- (a) issue, renew and transfer licenses;
- (b) after a hearing, cancel or suspend licenses;
- (c) generally advise the Minister on matters of policy, legislation and administration relating to the sale, distribution and consumption of liquor and;
- (d) make rules or orders governing its proceedings.

BOARD MEMBERS (as of MARCH 31, 2008)

Board members are appointed for a two-year term by the Minister of Finance. As of March 31, 2008 the following persons were sitting as members of the Northwest Territories Liquor Licensing Board.

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/PUBLIC HEARINGS

During 2007-2008 the Board held meetings/hearings in Yellowknife, Inuvik and Norman Wells.

The Board holds hearings to consider new applications for liquor licenses or to transfer existing liquor licenses, as well as to consider requests from licensees for exemptions to the *Liquor Regulations* where it is in the Board's power to do so.

The Board holds show cause hearings to determine 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 reported.

The Board also meets to discuss policy, draft regulations and other administrative matters.

NWT LIQUOR LICENSES

The following licenses were valid at the time this report was compiled. The number of licenses change throughout the year, as new licenses are approved or existing premises close.

LICENSES ISSUED FOR 2007-2008										
Community	Aircraft	Canteen	Clubroom	Cocktail Lounge	Cultural & Private Recreational Facility	Dining Room	Guest Room	Off Premise	Ship	Total per Community
Fort Simpson	0	0	2	2	0	2	0	1	0	7
Fort Smith	0	0	3	3	0	1	0	1	0	8
Fort Providence	0	0	0	2	0	1	0	2	0	5
Hay River	0	2	3	3	1	5	0	0	0	14
Inuvik	0	2	2	3	0	5	0	1	0	13
Norman Wells	0	0	2	4	0	4	0	0	0	10
Yellowknife	0	2	4	17	3	27	0	1	0	54
No Specific Community	1	0	0	0	0	0	10	0	1	12
Total Licenses Issued	1	6	16	34	4	45	10	6	1	123

LIQUOR LICENSING BOARD SHOW CAUSE HEARINGS

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

The following licensees appeared before the Liquor Licensing Board at a show cause hearing during the period of April 1, 2007 to March 31, 2008. Dispositions vary according to the specifics of each case.

2007 - 2008 SHOW CAUSE HEARINGS

Date:	June 18, 2007
Location:	Hay River NT
Licensee:	William Leung o/a Caribou Restaurant
Violation:	The licensee did buy liquor for sale and consumption in licensed premises except from a liquor warehouse that is located in the same community as the licensed premises contrary to <i>Section 36 (1) of the NWT Liquor Regulations</i> .
Disposition:	The licensee's dining room liquor license was suspended for 30 days from 10:00 a.m. on June 25, 2007 to 10:00 a.m. on July 26, 2007. The licensee and staff were ordered to attend a Server Training Course and to demonstrate a proper inventory control system.

Date:	October 29, 2007
Location:	Inuvik NT
Licensee:	Frosty's Arctic Pub and Apt. Hotel o/a Mad Trapper Lounge
Violation	<p>Count 1: The licensee did allow drunkenness in the premises, contrary to <i>Section 98 (2) (a) of the NWT Liquor Act</i>;</p> <p>Count 2: The licensee did supply liquor to a person in an intoxicated condition, contrary to <i>Section 98 (1) of the NWT Liquor Act</i>.</p>

Disposition	The licensee's cocktail lounge liquor license was suspended from 10:00 a.m. on November 22 2007 to 10:00 a.m. on November 25, 2007; the licensee was ordered to pay a fine of \$1000.00 no later than November 23, 2007. The licensee was also ordered that the staff of Frosty's Arctic Pub take the server training course within sixty days of the hearing.
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SPECIAL OCCASION PERMITS

The Liquor Licensing Board is responsible for the issuance of Special Occasion Permits. There are two types of permits, an ordinary permit and a resale permit. Permits are issued through contractors in various privately owned companies, hamlets, and government departments.

An ordinary permit allows an individual to serve alcohol in a public setting. A resale permit allows a non-commercial organization, a recognized group (e.g. local sports or fund-raising groups) to resell liquor at a specific function.

In 2007 - 2008 there were 429 permits issued across the Northwest Territories.

PERMITS ISSUED				
Community	2007-2008		2006-2007	
	Resale	Ordinary	Resale	Ordinary
Hay River	68	23	72	14
Yellowknife	110	112	84	103
Fort Simpson	7	7	16	2
Fort Smith	9	12	11	6
Inuvik	37	7	27	2
Norman Wells	33	1	24	0
Ulukhaktok	0	2	0	2
Fort Liard	1	0	0	0
Total	265	164	265	164

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 2007 – 2008

The financial transactions for the operation of the Northwest Territories Liquor Licensing Board and Liquor Licensing and Enforcement are processed and administered 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*.



Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister of Finance

I have audited the balance sheet of the Northwest Territories Liquor Commission as at March 31, 2008 and the statements of income and comprehensive income, amount due to the Government of the Northwest Territories and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act* of the Northwest Territories, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Commission and the financial statements are in agreement therewith. In addition, the transactions of the 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, with the exception that the Commission did not meet its statutory deadline for submitting its annual report for the prior fiscal year to its Minister as described in the following paragraph.

Section 100 of the *Financial Administration Act* of the Northwest Territories requires the Commission to submit its annual report to its Minister not later than 90 days after the end of its financial year. This Act also permits an additional extension, not exceeding 60 days, which was not requested by the Commission. The Commission submitted its annual report for its prior fiscal year to its Minister in February 2008, approximately eight months after its ninety-day statutory deadline.

A handwritten signature in black ink, appearing to read 'Guy LeGras'.

Guy LeGras, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
May 16, 2008

NORTHWEST TERRITORIES LIQUOR COMMISSION

Financial Statements

Year ended March 31, 2008

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NORTHWEST TERRITORIES LIQUOR COMMISSION

Balance Sheet

As at March 31, (thousands of dollars)	2008	2007
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Assets

Current assets:

Cash	\$ 3,447	\$ 3,626
Accounts receivable	3	53
Inventories (note 3)	3,175	2,222
Prepaid expenses	26	11
	<u>6,651</u>	<u>5,912</u>

Property and equipment (note 4)	497	472
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	<u>\$ 7,148</u>	<u>\$ 6,384</u>
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Liabilities

Current liabilities:

Accounts payable and accrued liabilities	\$ 2,980	\$ 2,638
Due to the Government of the Northwest Territories	4,092	3,695
	<u>7,072</u>	<u>6,333</u>

Employee future benefits (note 5)	76	51
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Commitments (note 8)		
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	<u>\$ 7,148</u>	<u>\$ 6,384</u>
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See accompanying notes to financial statements.

Approved by Management:



Kyle Reid, General Manager



Ruth Boden, Manager, Finance & Administration

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Income and Comprehensive Income

For the year ended March 31, (thousands of dollars)	2008	2007
Sales:		
Beer	\$ 18,621	\$ 17,515
Spirits	17,517	15,981
Wine	5,227	4,803
Coolers and ciders	1,406	1,355
	<u>42,771</u>	<u>39,654</u>
Cost of goods sold:		
Beer	8,086	7,637
Spirits	5,160	4,618
Wine	2,478	2,204
Coolers and ciders	603	611
	<u>16,327</u>	<u>15,070</u>
Gross profit on sales	26,444	24,584
Other income:		
License fees and permits	447	441
Import fees and other income	4	41
	<u>451</u>	<u>482</u>
	26,895	25,066
Expenses:		
Commissions to agents	2,930	2,735
Salaries, wages and employee benefits	1,279	1,129
Administration	392	348
Travel	150	110
Rent	88	81
Amortization of capital assets	178	73
Board member honoraria	60	54
Inspectors' fees	40	49
	<u>5,117</u>	<u>4,579</u>
Net income and comprehensive income	\$ 21,778	\$ 20,487

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Amount Due to the Government of the Northwest Territories

For the year ended March 31, (thousands of dollars)	2008	2007
Balance, beginning of year	\$ 3,695	\$ 3,823
Net income and comprehensive income	21,778	20,487
Salaries, wages and benefits and other costs incurred by the Government	1,302	1,197
	26,775	25,507
Net transfer of funds to the Government	22,683	21,812
Balance, end of year	\$ 4,092	\$ 3,695

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Cash Flows

For the year ended March 31, (thousands of dollars)	2008	2007
Cash flows from operating activities:		
Cash received from customers	\$ 43,272	\$ 39,608
Cash paid to suppliers	(20,588)	(17,375)
Net cash provided by operating activities	22,684	22,233
Cash flows from investing activities:		
Purchase of capital assets	(180)	(366)
Cash flows from financing activities:		
Cash transferred to the Government of the Northwest Territories	(22,683)	(21,812)
Increase (decrease) in cash	(179)	55
Cash, beginning of year	3,626	3,571
Cash, end of year	\$ 3,447	\$ 3,626

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements
(In thousands)

For the year ended March 31, 2008

1. Authority and operations:

The Northwest Territories Liquor Commission (the "Commission") is established under the *Liquor Act* (the "Act"). It is responsible for the operation of liquor stores and the purchase and distribution of liquor in the Northwest Territories. The Liquor Licensing Board (the "Board") of the Northwest Territories is established under the same Act. The Board is responsible for controlling the conduct of license holders; the management and equipment of licensed premises; and the conditions under which liquor may be sold or consumed on licensed premises. The Commission administers the Board's operations, which are disclosed in these financial statements (note 6).

The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund. As such, the Net income for the year is to be transferred to the Government of the Northwest Territories in accordance with the Act. The Department of Finance is responsible for the administration of the Fund through the Consolidated Revenue Fund. The Commission is authorized by the Legislative Assembly to receive interest-free working capital advances from time to time not exceeding \$6,500 to finance its operations.

The Commission is non-taxable under the *Income Tax Act*, Canada.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements were prepared in accordance with Canadian generally accepted accounting principles.

(b) Revenue recognition:

The Commission recognizes revenue when goods are shipped or services are provided and the customer takes ownership and assumes risk of loss, collection of any relevant accounts receivable is probable, persuasive evidence of an arrangement exists and the sale price is fixed or determinable.

(c) 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.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements (continued)
(In thousands)

For the year ended March 31, 2008

2. Significant accounting policies (continued):

(d) Property and equipment

Property and equipment are recorded at cost. Amortization is provided on cost less estimated salvage value using the straight-line basis, at the following annual rates:

Asset	Rate
Furniture and fixtures	20%
Computer hardware and software	20 to 33%
Leasehold improvements	5 years

(e) 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.

(f) 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. Termination benefits are also recorded when employees are identified for lay-off. 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 (continued)
(In thousands)

For the year ended March 31, 2008

(g) Use of estimates:

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 most significant items where estimates are used are employee severance liabilities and amortization of property and equipment.

h) Financial Instruments

On April 1, 2007 the Commission adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530 "Comprehensive Income", Section 3251 "Equity", Section 3855 "Financial Instruments – Recognition and Measurement", Section 3861 "Financial Instruments – Disclosure and Presentation". As required by the new standards, prior periods have not been restated. The adoption of these standards has had no material impact on the Commission's net earnings or cash flows. The other effects of the implementation of the new standards are discussed below.

Comprehensive Income

The new standards introduce comprehensive income, which consists of net earnings and other comprehensive income ("OCI"). Upon adoption of Section 1530, the Commission revised its "Statements of Income" to include the newly required statement of comprehensive income by creating a combined statement.

The adoption of comprehensive income has been made in accordance with the applicable transitional provisions and no amounts have been reclassified to accumulated other comprehensive income. Currently the Commission has no OCI.

Financial Instruments

The financial instruments standard establishes the recognition and measurement criteria for financial assets, financial liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading", "available-for-sale", "held-to-maturity", "loans and receivables" or "other financial liabilities", as defined by the standard.

Financial assets and financial liabilities "held-for-trading" or "available-for-sale" are measured at fair value with changes in those fair values recognized in OCI. Financial assets "held-to-maturity", "loans and receivables" and "other financial liabilities" are measured at amortized cost using the effective interest method of amortization. The methods used by the Commission in determining the carrying value of financial instruments are unchanged as a result of implementing the new standard.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements (continued)
(In thousands)

For the year ended March 31, 2008

Accounts receivable are designated as "loans and receivables". Accounts payable and accrued liabilities are designated as "other liabilities".

The adoption of the financial instruments standard has no impact on the opening balance of the Due to the Government of the Northwest Territories.

(i) Future Accounting Changes

Financial Instruments

In December 2006, the CICA issued two new accounting standards: Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation, which will become effective for the Commission beginning April 1, 2008. Section 3862 and Section 3863 will replace Section 3861, Financial Instruments – Disclosure and Presentation which the Commission adopted on April 1, 2007. The presentation requirements prescribed by Section 3863 are consistent with the requirements of Section 3861. The adoption of Section 3862 will result in enhanced disclosures with respect to risk management policies as well as the nature and extent of risk arising from financial instruments. These risks typically include credit risk, liquidity risk, and market risk. Sensitivity analysis will be provided for each type of risk to which the entity is exposed.

Capital Disclosures

In December 2006, the CICA also issued accounting standard Section 1535, Capital Disclosures, which will become effective for the Commission beginning April 1, 2008. Section 1535 will result in both quantitative and qualitative disclosure, and will enable users to evaluate an entity's objectives, policies and processes for managing capital.

Inventories

In June 2007, the CICA issued Section 3031, Inventories, which will affect the measurement and disclosure of inventory. The measurement changes include the requirement to measure inventories at the lower of cost and net realizable value, the use of the specific cost method for inventories that are not ordinarily interchangeable or goods and services produced for specific purposes, the requirement for an entity to use a consistent cost formula for inventory of a similar nature and use, and the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. Disclosures of inventories will also be enhanced. Inventory policies, carrying amounts, amounts recognized as an expense, write-downs and the reversals of write-downs are required to be disclosed. This Section is effective for fiscal years beginning on or after January 1, 2008. The Commission will evaluate the impact of this new recommendation.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements (continued)

(In thousands)

For the year ended March 31, 2008

3. Inventories:

	2008	2007
Spirits	\$ 1,477	\$ 952
Wine	507	385
Beer	1017	779
Coolers and ciders	174	106
	\$ 3,175	\$ 2,222

4. Property and equipment:

	2008		2007	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 78	\$ 55	\$ 23	\$ 20
Computer hardware and software	573	231	342	435
Leasehold improvements	178	46	132	17
	\$ 829	\$ 332	\$ 497	\$ 472

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements (continued)
(In thousands)

Year ended March 31, 2008

5. Employee future 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:

	2008	2007
Commission's contributions	\$ 107	\$ 92
Employees' contributions	50	43

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. Future benefits will be paid out of future net income.

Information about the plan, measured as at the balance sheet date, is as follows:

	2008	2007
Accrued benefit obligation, beginning of year	\$ 51	\$ 99
Cost for the year	25	3
Benefits paid during the year	-	(51)
Accrued benefit obligation, end of year	\$ 76	\$ 51

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements (continued)

(In thousands)

Year ended March 31, 2008

6. Liquor Licensing Board of the Northwest Territories:

The activities of the Liquor Licensing Board of the Northwest Territories (the "LLB") are included in the Statement of Income and Comprehensive Income of the Commission. The revenues and expenses are detailed as follows:

	2008	2007
Revenues:		
Licensee fees	\$ 375	\$ 372
Special occasion licenses	40	39
Annual license fees	31	31
Other	1	37
	447	479
Expenses:		
Salaries, wages and benefits	316	279
Honoraria	60	136
Travel	80	38
Other	93	58
	549	511
Loss for the year	\$ (102)	\$ (32)

The activities of the LLB are administered by the Commission as agent for the LLB. The net loss generated in the year represents amounts receivable from the Government of the Northwest Territories. The LLB does not have separate banking facilities apart from the Commission.

7. Related party transactions:

The Commission is related in terms of common ownership to all Government of the Northwest Territories 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 Government of the Northwest Territories provides the Commission with various administrative services. The cost of these services has been estimated to be \$12 (2007 - \$14) for legal services provided by the Department of Justice, and \$11 (2007 - \$10) for payroll services provided by the Department of Human Resources.

Included in accounts payable are bottle deposits paid to Environment and Natural Resources for \$180 (2007 - \$168).

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements (continued)
(In thousands)

Year ended March 31, 2008

8. Commitments:

The Commission has a five year lease agreement ending April 30, 2011 for its office premises. The minimum annual payments for the lease and leasehold improvements over the next five years are:

Year ending March 31:

2009	82
2010	82
2011	82
2012	7
	\$ 253

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.

9. Fair value of financial assets and financial liabilities:

The fair values of the Commission's cash, accounts receivable, accounts payable and amount due to the Government of the Northwest Territories approximate their carrying amounts due to the relatively short periods to maturity of these items.

