

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
7TH COUNCIL, 48TH SESSION

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NORTHWEST TERRITORIES

LIQUOR CONTROL SYSTEM
&
LIQUOR CONTROL BOARD

Eighteenth
ANNUAL REPORT

APRIL 1, 1971 TO MARCH 31, 1972



Yellowknife, N.W.T.
December 1, 1972

COMMISSIONER S.M. HODGSON

Attached find the Eighteenth Annual Report of the Liquor Control System submitted in accordance with section 9 of the Liquor Ordinance.

This report contains a resume of the activities of the Liquor Control Board and the Liquor Control System. For the first time, in compliance with recent amendments to the Liquor Ordinance, an auditor's certificate is included.

A warm tribute should be paid to our employees throughout the Territories. Their efforts and cooperation have contributed to the successful operation of the System and Board throughout the past year.

Respectfully submitted

T. G. Robinson
General Manager
Liquor Control System

Approved by the Liquor Control Board

per: A. J. Severn
Chairman

LIQUOR CONTROL SYSTEM

SALES

Liquor sales increased 16.4% in 1971-72, a slight increase over the previous year and an increase of three percentage points over the average annual increase for the last ten years. Sales in the Fort Simpson area increased by 33%, by 18% in the Inuvik and Frobisher areas, 16% in Yellowknife and Fort Smith, and 7% in the Pine Point-Hay River area. In Cambridge Bay, an increase in sales of 17% was offset by the additional air freight required and a net loss in excess of three thousand dollars was incurred.

TABLE I

	<u>Sales</u>	<u>Gross Profit</u>	<u>Gross Profit of Sales</u>	<u>Increase in Sales</u>
1963	1,874,577	902,278	48.1%	6.1%
1964	2,153,287	1,050,445	48.7%	14.8%
1965	2,353,258	1,131,722	48.0%	9.3%
1966	2,669,435	1,332,221	49.9%	13.4%
1967	3,143,242	1,586,088	50.8%	17.7%
1968	3,463,041	1,859,144	53.7%	*10.2%
1969	3,981,842	2,060,746	51.8%	15.0%
1970	4,783,210	2,334,611	48.8%	20.1%
1971	5,589,192	2,673,637	47.6%	16.8%
1972	6,509,583	3,107,027	47.7%	16.4%

*Selling price was increased 9% in this year.

STORES AND AGENCIES

As in the previous year, during 1971-72 the following stores and agencies were in operation:

Liquor Stores	-	6
Liquor Agencies	-	3
Beer Agencies	-	2

BUILDINGS AND EQUIPMENT

The System continued to occupy six government-owned store buildings and routine maintenance only was carried out on these buildings.

PERSONNEL

There were 23 established positions within the Liquor System during this period and all positions were filled.

The Liquor System continued to provide administrative support for the Liquor Control Board.

GENERAL

In a previous report, it was pointed out that the operating costs shown in these reports could only be taken as a minimum, rather than the actual expenditures, due to various costs being absorbed in the general government structure. This condition still exists. For this reason, Table I now shows only gross profit as a percentage of sales, it being thought that this would provide a truer indication of the profit trend over the years. A gradual decline in this percentage in the main results from increased freight rates and the decision to supply northern outlets by air rather than build or lease additional warehouse facilities.



N.W.T. LIQUOR CONTROL BOARD

The N.W.T. Liquor Control Board has endeavoured to provide Regulations appropriate to and in accordance with the varied conditions and locations where licensed premises exist.

We find that our decision making is being affected by a feeling of responsibility regarding the consumer and his environment.

The Regulations will constantly be under review to stay abreast of the rapidly changing desires of our people and Government. The extent of the changes by a path that can do least damage would best be accomplished by more preventative maintenance. The Alcohol Education Program must accelerate its exposure of the damage and hazards of alcohol abuse.

The Liquor Control Board must develop a system of inspection whereby the licensee, as the professional operator, is kept under surveillance and kept conscious of his obligations and responsibilities which are vested in him when a licence is granted.

It is our intention to provide more inspection and rigid controls. Finances permitting, additional part-time resident inspectors or a full-time inspector available for extensive travel must be provided in the very near future.

J. A. Severn, Chairman
N.W.T. Liquor Control Board

LICENCES

1971-72 was the first full year's operation of the Board. During that year the Board held 19 meetings and 3 public hearings. They renewed 91 licences, granted 12 new licences and suspended two licences for short periods. Table II, hereunder, shows a breakdown of the licences in effect at the end of the period under report.

TABLE II

Cocktail Lounge	-	17
Club	-	10
Canteen	-	6
Dining Lounge	-	17
Tavern	-	3
Off Premises	-	10
Guest Room	-	10
Aircraft and Ship	-	4
Annual Special	-	26
Special Occasion Licences	-	1323
Permit to Brew Beer	-	57
Permit to Make Wine	-	83

LOCAL OPTION PLEBISCITES

Two Local Option votes were held, with the following results:

Fort Simpson, 17 January, 1972:

Three questions were asked and all three were approved.

Cocktail Lounge	-	79% in favour
Tavern	-	68% in favour
Off Premises Sales	-	70% in favour

Norman Wells, 17 January, 1972:

Two questions were asked; one was rejected, one was approved.

Cocktail Lounge	-	73% in favour
Off Premises Sales	-	38% in favour



Commissioner
Government of the Northwest Territories

AUDITORS' REPORT

We have examined the balance sheet of the Northwest Territories Liquor Control System as at March 31, 1972, the consolidated statement of profit and loss and the stores and agencies statement of profit and loss for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the System as at March 31, 1972 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

C. E. Callas
Territorial Auditor

Yellowknife, N.W.T.
2 November, 1972.

GOVERNMENT OF THE NORTHWEST TERRITORIES

LIQUOR CONTROL SYSTEM

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 1972

SALES:

Spirits	\$3,152,274
Wines	564,925
Beer	<u>2,792,384</u>
	6,509,583

COST OF GOODS SOLD:

Opening Inventory, April 1, 1971 \$ 857,475

PURCHASES:

Spirits	1,170,674
Wines	183,978
Beer	1,269,974
Freight	612,737
Storage Allowances	3,465
Stock Insurance	<u>22,245</u>
	4,120,548

LESS:

Closing Inventory, March 31, 1972	\$712,921
Claims and Refunds	<u>5,071</u>
	<u>717,992</u>

3,402,556

OPERATING GROSS PROFIT:

3,107,027

OTHER REVENUE:

Import Permits	50,893
Commercial Licences	48,857
Bank Interest Earned	8,464
Special Occasion Licences	5,868
Club Licences	1,637
Annual Special Licences	1,200
Rental	960
Wine Permits	166
Revenue Received in Treasury	117
Miscellaneous Revenue	<u>24</u>

118,186

GROSS PROFIT:

\$3,225,213

LESS: Administration Costs -
Head Office and Store Operation

407,928

NET PROFIT:

\$2,817,285

GOVERNMENT OF THE NORTHWEST TERRITORIES

LIQUOR CONTROL SYSTEM

BALANCE SHEET

MARCH 31, 1972

ASSETS

CURRENT:

Cash	\$ 495,515
Accounts Receivable	941
Inventory	<u>712,921</u>
	<u>\$1,209,377</u>

LIABILITIES

CURRENT:

Accounts Payable	\$ 302,826
Deferred Income	2,958

DUE TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES:

Revolving Fund, April 1, 1971	\$ 778,497
Gross Profit for the Year	<u>3,225,213</u>
	4,003,710
LESS: Transferred to Territorial Treasury	<u>3,100,117</u>
Revolving Fund, March 31, 1972	<u>903,593</u>
	<u>\$1,209,377</u>

