

**LEGISLATIVE ASSEMBLY OF THE**

**NORTHWEST TERRITORIES**

**9<sup>TH</sup> ASSEMBLY, 4<sup>TH</sup> SESSION**

**TABLED DOCUMENT NO. 5-81 (1)**

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26<sup>th</sup>  
**ANNUAL  
REPORT**

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**LIQUOR CONTROL SYSTEM  
AND LIQUOR LICENSING BOARD**

---

APRIL 1st, 1979  
to March 31st, 1980

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**26<sup>th</sup>**  
**ANNUAL**  
**REPORT**

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**LIQUOR CONTROL SYSTEM  
AND LIQUOR LICENSING BOARD**

---

APRIL 1st, 1979  
to March 31st, 1980

---



J. H. Parker,  
Commissioner of the Northwest Territories,  
Yellowknife, N.W.T.

Dear Sir:

In accordance with Section II of the Liquor Ordinance, I take pleasure in submitting the Twenty-sixth Annual Report of the Liquor Control System, and the Liquor Licensing Board.

This report contains three sections, Part I covering the Liquor Control System, Part II the Liquor Licensing Board, and Part III being the Auditor's report.

I wish to express my thanks and appreciation to the staff of the System, the agents, the Board members, and the R.C.M.P. for their cooperation and support.

Respectfully submitted,



General Manager,  
Liquor Control System

## LIQUOR CONTROL SYSTEM

TABLE I

Year Ending March 31	Sales	Gross Profit	Gross Profit % of Sales	Increase in Sales
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
1973	7,496,179	3,585,040	47.7	15.2
1974	8,704,012	4,252,030	48.8	16.1
1975	9,574,266	4,864,861	50.8	9.9
1976	10,981,708	5,081,679	46.3	14.7
1977	11,280,747	5,061,090	44.9	2.7
1978	12,150,944	5,241,284	43.1	7.7
1979	12,783,114	5,992,823	46.9	5.2
1980	13,379,588	6,604,938	49.4	4.7

## GALLONS OF LIQUOR SOLD

TABLE II

	1979-80			1978-79	
	Domestic	Imported	Total	Total	% Change
Spirits	88,830	15,489	104,319	107,641	-3.09
Wine	21,726	34,772	56,498	56,093	+0.72
Beer	<u>661,070</u>	_____	<u>661,070</u>	<u>671,797</u>	-1.60
Total	<u>771,626</u>	<u>50,261</u>	<u>821,887</u>	<u>835,531</u>	-1.63
Gallons of Absolute Alcohol Sold			<u>80,995</u>	<u>82,816</u>	-2.20

## LIQUOR LICENSING BOARD

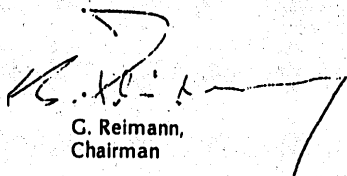
The Board held six meetings during the fiscal period April 1, 1979 to March 31, 1980, with all meetings being held in Yellowknife. During the period two licensees received suspensions, one for a period of two days, the other for one day in the Dining Lounge.

Eight additional licenses were issued and five licenses were transferred because of change of ownership. The Aircraft Licenses of Transair and Wardair were cancelled when the airlines ceased to operate in the Northwest Territories. The last existing Tavern Licence in the Northwest Territories was replaced by a Cocktail Lounge Licence.

The Board continued the practise of holding public meetings if objections were received from the public opposing the granting of a new licence. These meetings have provided a forum for interested parties to present their views to the Board.

Mr. Bill Erasmus and Ms. Jean Buck both resigned as Board members and in their places Mrs. Janice Ayotte and Ms. Monica Connelly were appointed for two year terms.

The Board wishes to express sincere appreciation to the officers and staff of the R.C.M.P. throughout the Territories for the efficient co-operation in supporting the Board in enforcing the provisions of the Liquor Ordinance.



G. Reimann,  
Chairman

September 11, 1980

**SUSPENSIONS:**

**One Cocktail Lounge Licence suspended for two days.**

**One Dining Room Licence suspended for two days.**

**One Off-Sales Licence suspended for two days.**

**One Dining Lounge Licence suspended for one day.**



# N.W.T. LIQUOR LICENSING BOARD

TABLE III

<u>Licences Issued</u>	<u>1979-80</u>	<u>1978-79</u>
Cocktail Lounge	31	30
Cocktail Lounge — Cabaret	1	1
Dining Lounge	20	20
Dining Room	4	1
Tavern	1	1
Off Premises	14	13
Club	14	16
Canteen	16	15
Guest Room	21	22
Aircraft and Ship	5	5
Annual Special	21	21
Special Occasion	1220	1650
Wine Permit	10	13
Beer Permit	29	37
Import Permit	730	323



Kakisa Lake, N.W.T.

**Report to the Commissioner of the  
Northwest Territories**

**on the examination of the accounts  
and financial statements of the**

**Northwest Territories Liquor Control System**

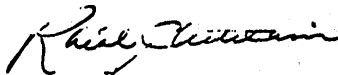
**for the year ended March 31, 1980**

**The Commissioner  
Government of the Northwest Territories  
Yellowknife, N.W.T.**

**I have examined the statement of assets and liabilities of the Northwest Territories Liquor Control System as at March 31, 1980 and the statements of operations and equity for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.**

**As stated in Note 2, no cost is included in the financial statements for the use of fixed assets which are owned by the Government of the Northwest Territories and provided without charge.**

**In my opinion, except that a fair charge for the use of the fixed assets is not recorded, these financial statements present fairly the financial position of the Northwest Territories Liquor Control System as at March 31, 1980 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.**




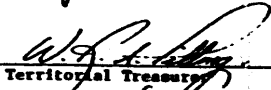

**Senior Deputy Auditor General  
for: Auditor General of Canada**

**Ottawa, Ontario  
June 13, 1980**

# Northwest Territories Liquor Control System

(Established by the Liquor Ordinance)

## Statement of Assets and Liabilities as at March 31, 1980

Assets	1980	1979	Equity	1980	1979
Cash	\$ 653,645	\$ 579,382	Equity of the Government of the Northwest Territories	<u>2,396,836</u>	<u>2,284,559</u>
Due from liquor agents	30,218	76,098		<u>\$2,917,314</u>	<u>\$2,661,700</u>
Other accounts receivable	22,844	27,817	The accompanying notes and schedules are an integral part of the financial statements.		
Inventory-at cost	<u>2,210,607</u>	<u>1,978,403</u>	Approved by:	 General Manager	
	<u>\$2,917,314</u>	<u>\$2,661,700</u>		 Territorial Treasurer	
<b>Liabilities</b>				 Senior Financial Officer	
Accounts payable	\$ 502,378	\$ 363,061			
Deferred revenue — licence fees	<u>18,100</u>	<u>14,080</u>			
	520,478	377,141			

## Northwest Territories Liquor Control System

### Statement of Operations for the year ended March 31, 1980

	1980				1979
	Spirits	Beer	Wine	Total	Total
Sales	\$6,801,008	\$5,189,909	\$1,388,671	\$13,379,588	\$12,783,114
Less discounts on sales	153,940	67,383	44,015	265,338	263,913
	<u>6,647,068</u>	<u>5,122,526</u>	<u>1,344,656</u>	<u>13,114,250</u>	<u>12,519,201</u>
Cost of goods sold (Schedule 1)	<u>2,710,053</u>	<u>3,116,128</u>	<u>683,131</u>	<u>6,509,312</u>	<u>6,526,378</u>
Gross profit	<u>\$3,937,015</u>	<u>\$2,006,398</u>	<u>\$ 661,525</u>	6,604,938	5,992,823
Operating expenses (Schedule 2)				<u>1,146,236</u>	<u>1,081,855</u>
				5,458,702	4,910,968
Other income (Schedule 3)				<u>1,775</u>	<u>514,579</u>
Net income for the year				<u>\$ 6,029,477</u>	<u>\$ 5,425,547</u>

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

## Northwest Territories Liquor Control System

### Statement of Equity for the year ended March 31, 1980

	1980	1979
Balance at beginning of the year	\$ 2,284,559	\$1,561,455
Net income for the year	6,029,477	5,425,547
Expenses paid by the Government of the Northwest Territories on behalf of the Northwest Territories Liquor Control System	<u>582,000</u>	<u>497,557</u>
	8,696,836	7,484,559
Transfer of funds to the Government of the Northwest Territories	<u>6,500,000</u>	<u>5,200,000</u>
Balance at end of the year	<u>\$2,396,836</u>	<u>\$ 2,284,559</u>

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

# Northwest Territories Liquor Control System

## Notes to Financial Statements

March 31, 1980

### 1. Nature of operations

Under the Northwest Territories Liquor Ordinance, the Northwest Territories Liquor Control System is responsible for administering the purchase, sale and control of liquor consumption in the Northwest Territories. The System has been authorized by Council to receive working capital advances from time to time not exceeding \$2,500,000 to finance its operations.

### 2. Significant accounting policies

#### Accrual basis

The Northwest Territories Liquor Control System follows the accrual basis of accounting.

#### Fixed assets

Buildings, furnishings and fixtures owned by the Government of the Northwest Territories are provided for the use of the Northwest Territories Liquor Control System without cost.

### 3. Agency sales

Pursuant to the Liquor Ordinance, agents have been appointed in several locations to sell liquor. Commissions are paid to agents selling consigned liquor stocks owned by the Northwest Territories Liquor Control System. For agents purchasing liquor stock from the Northwest Territories Liquor Control System the purchases are subject to a discounted price.



## Northwest Territories Liquor Control System

### Schedule of Cost of Goods Sold for the year ended March 31, 1980

	1980			1979	
	Spirits	Beer	Wine	Total	Total
Inventory at beginning of the year	\$1,341,499	\$ 307,927	\$ 328,977	\$1,978,403	\$1,711,817
Purchases	2,666,776	2,243,247	663,390	5,573,413	5,606,958
Freight	<u>243,146</u>	<u>740,114</u>	<u>184,843</u>	<u>1,168,103</u>	<u>1,186,006</u>
	4,251,421	3,291,288	1,177,210	8,719,919	8,504,781
Inventory at end of the year	<u>1,541,368</u>	<u>175,160</u>	<u>494,079</u>	<u>2,210,607</u>	<u>1,978,403</u>
Cost of goods sold	<u><u>\$2,710,053</u></u>	<u><u>\$3,116,128</u></u>	<u><u>\$683,131</u></u>	<u><u>\$6,509,312</u></u>	<u><u>\$6,526,378</u></u>

## Northwest Territories Liquor Control System

### Schedule of Operating Expenses for the year ended March 31, 1980

	1980	1979
Salaries and wages	\$ 488,389	\$ 427,682
Employee benefits	93,214	108,020
Commissions to agents	247,596	256,218
Utilities	51,487	54,295
Travel	41,175	44,449
Insurance	41,065	41,974
Repairs and maintenance	34,405	34,140
Rent — warehouse	24,000	24,000
— office	23,178	3,913
— equipment	6,994	5,450
Consultants and computer services	20,886	12,233
Stationery and supplies	20,320	14,432
Telephone and postage	17,289	14,704
Grants in lieu of taxes	15,140	14,187
Breakage and spillage	10,617	—
Honoraria	5,794	4,432
Miscellaneous	4,687	6,502
Head office move	—	15,224
	\$1,146,236	\$1,081,855

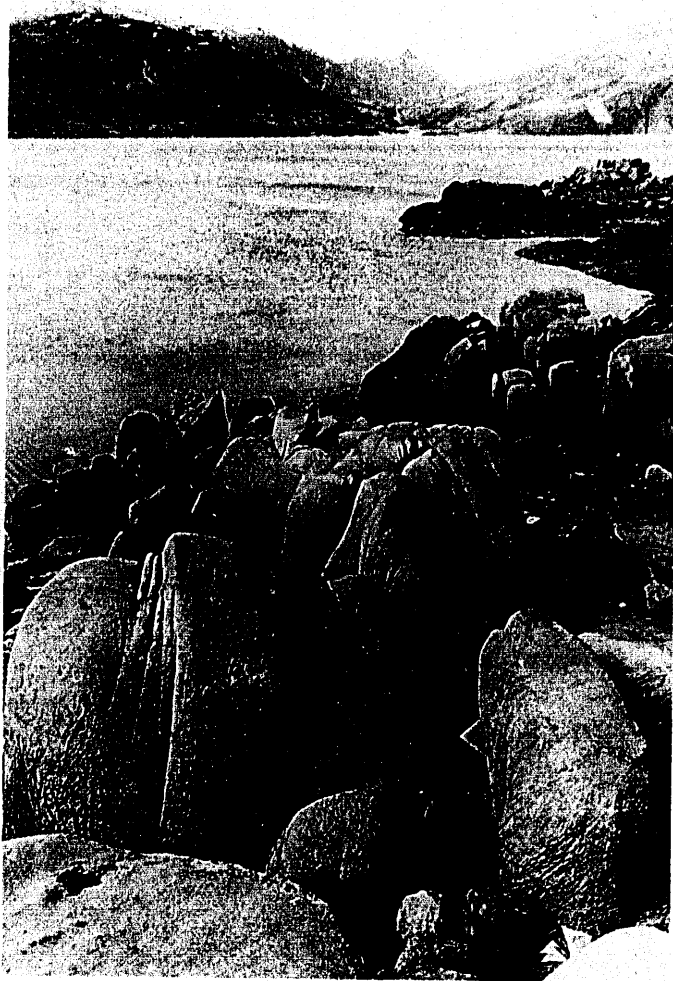
Schedule 2

## Northwest Territories Liquor Control System

### Schedule of Other Income for the year ended March 31, 1980

	1980	1979
Licence fees	\$285,085	\$281,153
Interest	158,646	125,284
Permits	124,219	101,534
Miscellaneous	<u>2,825</u>	<u>6,608</u>
	<u>\$570,775</u>	<u>\$514,579</u>

## STORES' OPERATIONS



Pangnirtung, N.W.T.

**Northwest Territories Liquor Control System**  
**YELLOWKNIFE WAREHOUSE**

Statement of Operations  
for the year ended March 31, 1980

	1980			
	Spirits	Beer	Wine	Total
Sales	<u>\$2,730,699</u>	<u>\$1,913,704</u>	<u>\$760,363</u>	<u>\$5,404,766</u>
Less:				
Agency Discount	<u>153,940</u>	<u>67,383</u>	<u>44,015</u>	<u>265,338</u>
Net Sales	<u>2,576,759</u>	<u>1,846,321</u>	<u>716,348</u>	<u>5,139,428</u>
Cost of Goods Sold:				
Inventory April 1, 1979	476,894	158,009	188,829	823,732
Purchases	1,010,358	726,941	327,122	2,064,421
Freight	<u>92,985</u>	<u>228,546</u>	<u>86,417</u>	<u>407,948</u>
	1,580,237	1,113,496	602,368	3,296,101
Inventory March 31, 1980	<u>541,954</u>	<u>68,398</u>	<u>213,455</u>	<u>823,807</u>
Cost of Goods Sold	<u>1,038,283</u>	<u>1,045,098</u>	<u>388,913</u>	<u>2,472,294</u>
Gross Profit	<u>\$1,538,476</u>	<u>\$801,223</u>	<u>\$327,435</u>	2,667,134
Operating Expenses				<u>112,402</u>
Net Income for the Year				<u>\$2,554,732</u>

# Northwest Territories Liquor Control System

## INUVIK STORE

Statement of Operations  
for the year ended March 31, 1980

	1980			
	Spirits	Beer	Wine	Total
Sales	<u>\$1,546,772</u>	<u>\$854,661</u>	<u>\$157,398</u>	<u>\$2,558,831</u>
Cost of Goods Sold:				
Inventory April 1, 1979	300,655	46,000	35,846	382,501
Purchases	578,357	376,218	111,540	1,066,115
Freight	<u>56,360</u>	<u>147,629</u>	<u>35,010</u>	<u>238,999</u>
	935,372	569,847	182,396	1,687,615
Inventory March 31, 1980	<u>309,058</u>	<u>59,152</u>	<u>105,359</u>	<u>473,569</u>
Cost of Goods Sold	<u>626,314</u>	<u>510,695</u>	<u>77,037</u>	<u>1,214,046</u>
Gross Profit	<u>\$920,458</u>	<u>\$343,966</u>	<u>\$80,361</u>	<u>\$1,344,785</u>
Operating Expenses				<u>177,938</u>
Net Income for the Year				<u>\$1,166,847</u>

**Northwest Territories Liquor Control System**  
**HAY RIVER STORE**

Statement of Operations  
for the year ended March 31, 1980

	1980			
	Spirits	Beer	Wine	Total
Sales	<u>\$736,569</u>	<u>\$799,452</u>	<u>\$140,247</u>	<u>\$1,676,268</u>
Cost of Goods Sold:				
Inventory April 1, 1979	143,727	12,497	48,378	204,602
Purchases	419,682	364,123	63,602	847,407
Freight	<u>39,752</u>	<u>69,786</u>	<u>23,063</u>	<u>132,601</u>
	603,161	446,406	135,043	1,184,610
Inventory March 31, 1980	<u>247,352</u>	<u>8,104</u>	<u>54,126</u>	<u>309,582</u>
Cost of Goods Sold	<u>355,809</u>	<u>438,302</u>	<u>80,917</u>	<u>875,028</u>
Gross Profit	<u>\$380,760</u>	<u>\$361,150</u>	<u>\$59,330</u>	<u>\$801,240</u>
Operating Expenses				<u>133,578</u>
Net Income for the Year				<u>\$667,662</u>

# Northwest Territories Liquor Control System

## FORT SMITH AGENCY

### Statement of Operations for the year ended March 31, 1980

	1980			
	<u>Spirits</u>	<u>Beer</u>	<u>Wine</u>	<u>Total</u>
Sales	<u>\$407,888</u>	<u>\$329,251</u>	<u>\$147,635</u>	<u>\$884,774</u>
Cost of Goods Sold:				
Inventory April 1, 1979	100,761	2,971	24,215	127,947
Purchases	139,287	154,336	68,230	361,853
Freight	<u>6,201</u>	<u>34,032</u>	<u>8,515</u>	<u>48,748</u>
	246,249	191,339	100,960	538,548
Inventory March 31, 1980	<u>101,710</u>	<u>7,717</u>	<u>35,660</u>	<u>145,087</u>
Cost of Goods Sold	<u>144,539</u>	<u>183,622</u>	<u>65,300</u>	<u>393,461</u>
Gross Profit	<u>\$263,349</u>	<u>\$145,629</u>	<u>\$82,335</u>	<u>\$491,313</u>
Operating Expenses				<u>83,704</u>
Net Income for the Year				<u>\$407,609</u>



**Northwest Territories Liquor Control System**  
**FORT SIMPSON AGENCY**

Statement of Operations  
for the year ended March 31, 1980

	1980			
	Spirits	Beer	Wine	Total
Sales	<u>\$461,871</u>	<u>\$209,410</u>	<u>\$36,625</u>	<u>\$707,906</u>
Cost of Goods Sold:				
Inventory April 1, 1979	88,397	13,916	17,048	119,361
Purchases	191,187	100,495	13,839	305,521
Freight	<u>6,349</u>	<u>21,210</u>	<u>3,389</u>	<u>30,948</u>
	285,933	135,621	34,276	455,830
Inventory March 31, 1980	<u>107,987</u>	<u>4,801</u>	<u>19,308</u>	<u>132,096</u>
Cost of Goods Sold	<u>177,946</u>	<u>130,820</u>	<u>14,968</u>	<u>323,734</u>
Gross Profit	<u>\$283,925</u>	<u>\$78,590</u>	<u>\$21,657</u>	384,172
Operating Expenses				<u>69,375</u>
Net Income for the Year				<u>\$314,797</u>

**Northwest Territories Liquor Control System**  
**FROBISHER BAY WAREHOUSE**

Statement of Operations  
for the year ended March 31, 1980

	1980			
	Spirits	Beer	Wine	Total
Sales	<u>\$217,515</u>	<u>\$409,821</u>	<u>\$46,900</u>	<u>\$674,236</u>
Cost of Goods Sold:				
Inventory April 1, 1979	44,131	9,809	11,376	85,316
Purchases	66,796	182,400	25,008	274,204
Freight	<u>23,236</u>	<u>112,535</u>	<u>17,460</u>	<u>153,231</u>
	134,163	324,744	53,844	512,751
Inventory March 31, 1980	<u>57,554</u>	<u>13,116</u>	<u>21,858</u>	<u>92,528</u>
Cost of Goods Sold	<u>76,609</u>	<u>311,628</u>	<u>31,986</u>	<u>420,223</u>
Gross Profit	<u>\$140,906</u>	<u>\$98,193</u>	<u>\$14,914</u>	254,013
Operating Expenses				<u>72,572</u>
Net Income for the Year				<u>\$181,441</u>

**Northwest Territories Liquor Control System**  
**PINE POINT AGENCY**

Statement of Operations  
for the year ended March 31, 1980

	1980			
	Spirits	Beer	Wine	Total
Sales	<u>\$315,633</u>	<u>\$264,904</u>	<u>\$40,233</u>	<u>\$620,770</u>
Cost of Goods Sold:				
Inventory April 1, 1979	93,821	8,446	16,607	118,874
Purchases	66,517	127,390	20,128	214,035
Freight	<u>3,204</u>	<u>25,517</u>	<u>4,493</u>	<u>33,214</u>
	163,542	161,353	41,228	366,123
Inventory March 31, 1980	<u>47,903</u>	<u>8,322</u>	<u>22,371</u>	<u>78,596</u>
Cost of Goods Sold	<u>115,639</u>	<u>153,031</u>	<u>18,857</u>	<u>287,527</u>
Gross Profit	<u>\$199,994</u>	<u>\$111,873</u>	<u>\$21,376</u>	333,243
Operating Expenses				<u>61,456</u>
Net Income for the Year				<u>\$271,787</u>

**Northwest Territories Liquor Control System**  
**NORMAN WELLS STORE**

Statement of Operations  
for the year ended March 31, 1980

	1980			
	Spirits	Beer	Wine	Total
Sales	<u>\$250,263</u>	<u>\$111,685</u>	<u>\$21,251</u>	<u>\$383,199</u>
Cost of Goods Sold:				
Inventory April 1, 1980	81,416	1,716	14,800	97,932
Purchases	123,494	60,942	13,754	198,190
Freight	<u>10,549</u>	<u>35,757</u>	<u>5,577</u>	<u>51,883</u>
	215,459	98,415	34,131	348,005
Inventory March 31, 1980	<u>122,277</u>	<u>2,800</u>	<u>20,083</u>	<u>145,160</u>
Cost of Goods Sold	<u>93,182</u>	<u>95,615</u>	<u>14,048</u>	<u>202,845</u>
Gross Profit	<u>\$157,081</u>	<u>\$16,070</u>	<u>\$7,203</u>	180,354
Operating Expenses				<u>48,426</u>
Net Income for the Year				<u>\$131,928</u>

# Northwest Territories Liquor Control System

## TUNGSTEN AGENCY

### Statement of Operations for the year ended March 31, 1980

	1980			
	<u>Spirits</u>	<u>Beer</u>	<u>Wine</u>	<u>Total</u>
Sales	<u>\$105,728</u>	<u>\$96,042</u>	<u>\$31,726</u>	<u>\$233,496</u>
Cost of Goods Sold:				
Inventory April 1, 1979	11,698	3,742	2,697	18,137
Purchases	51,759	56,536	15,257	123,552
Freight	<u>4,509</u>	<u>10,245</u>	<u>920</u>	<u>15,674</u>
	67,966	70,523	18,874	157,363
Inventory March 31, 1980	<u>5,573</u>	<u>1,513</u>	<u>1,859</u>	<u>8,945</u>
Cost of Goods Sold	<u>62,393</u>	<u>69,010</u>	<u>17,015</u>	<u>148,418</u>
Gross Profit	<u>\$43,355</u>	<u>\$27,032</u>	<u>\$14,711</u>	85,078
Operating Expenses				<u>10,565</u>
Net Income for the Year				<u>\$74,513</u>

**Northwest Territories Liquor Control System**  
**CAMBRIDGE BAY AGENCY**

Statement of Operations  
for the year ended March 31, 1980

	1980			
	Spirits	Beer	Wine	Total
Sales	<u>—</u>	<u>\$200,977</u>	<u>—</u>	<u>\$200,977</u>
Cost of Goods Sold:				
Inventory April 1, 1979	—	—	—	—
Purchases	—	93,866	—	93,866
Freight	<u>—</u>	<u>54,856</u>	<u>—</u>	<u>54,856</u>
	—	148,722	—	148,722
Inventory March 31, 1980	<u>—</u>	<u>1,236</u>	<u>—</u>	<u>1,236</u>
Cost of Goods Sold	<u>—</u>	<u>147,486</u>	<u>—</u>	<u>147,486</u>
Gross Profit	<u>—</u>	<u>\$53,491</u>	<u>—</u>	53,491
Operating Expenses				<u>30,530</u>
Net Income for the Year				<u>\$22,961</u>