

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
10TH ASSEMBLY, 9TH SESSION

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32nd
Annual Report
April 1, 1985 to March 31, 1986

Northwest Territories
Liquor Commission



Honourable Tom Butters
Minister of Government Services
Government of the Northwest Territories
Yellowknife, N.W.T.

Dear Mr. Minister:

Pursuant to Section 74 of the Liquor Act, I am pleased to submit the thirty-second Annual Report for the fiscal year ending March 31, 1986.

I wish to express my thanks to all of our staff for their support and contribution to the progress of the N.W.T. Liquor Commission during the past year.

Respectfully submitted,



R.J. Courtoreille,
General Manager

Members of the Legislative Assembly
of the Northwest Territories
Yellowknife, N.W.T.

Dear Colleagues:

I am pleased to present herewith, for the information of the Members of the Legislative Assembly, the thirty-second Annual Report of the Liquor Commission for the fiscal year ended March 31, 1986.

Respectfully submitted,



Tom Butters, M.L.A.
Minister of Government Services

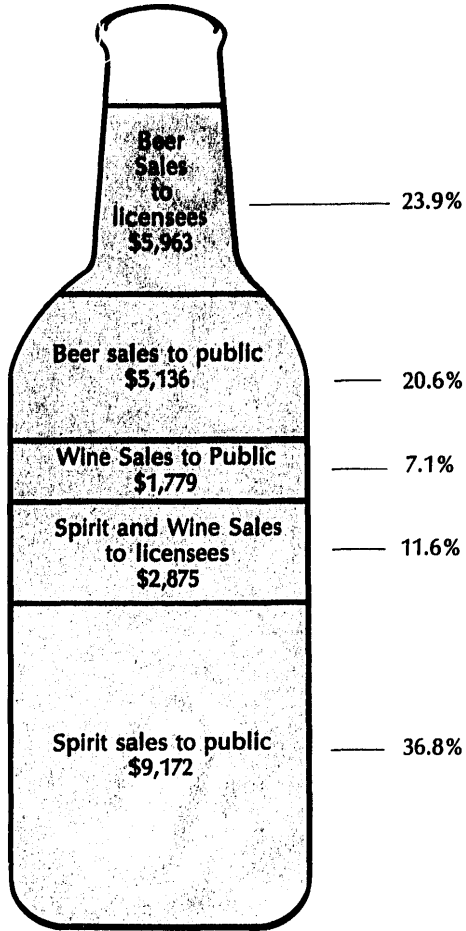
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**NORTHWEST TERRITORIES
LIQUOR COMMISSION
SALES HIGHLIGHTS**

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	8,704,102	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
1981	15,184,548	7,289,791	48.0	13.5
1982	17,750,366	8,154,080	45.9	16.9
1983	20,199,370	9,025,756	44.7	13.8
1984	22,060,442	10,212,125	46.3	9.2
1985	23,516,872	10,999,020	46.8	6.6
1986	24,925,453	11,831,338	48.2	6.0

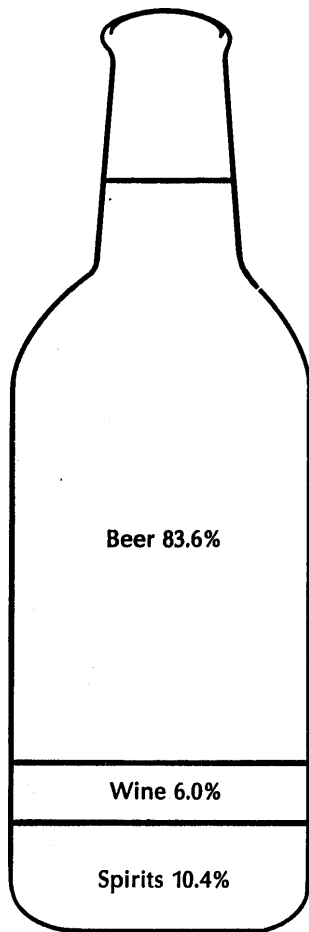
**Revenue From Sale of Liquor
(000's)**



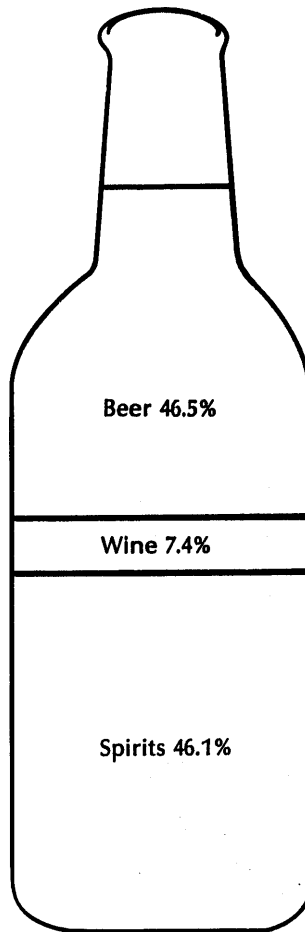
**NORTHWEST TERRITORIES
LIQUOR COMMISSION
LITRES OF LIQUOR SOLD**

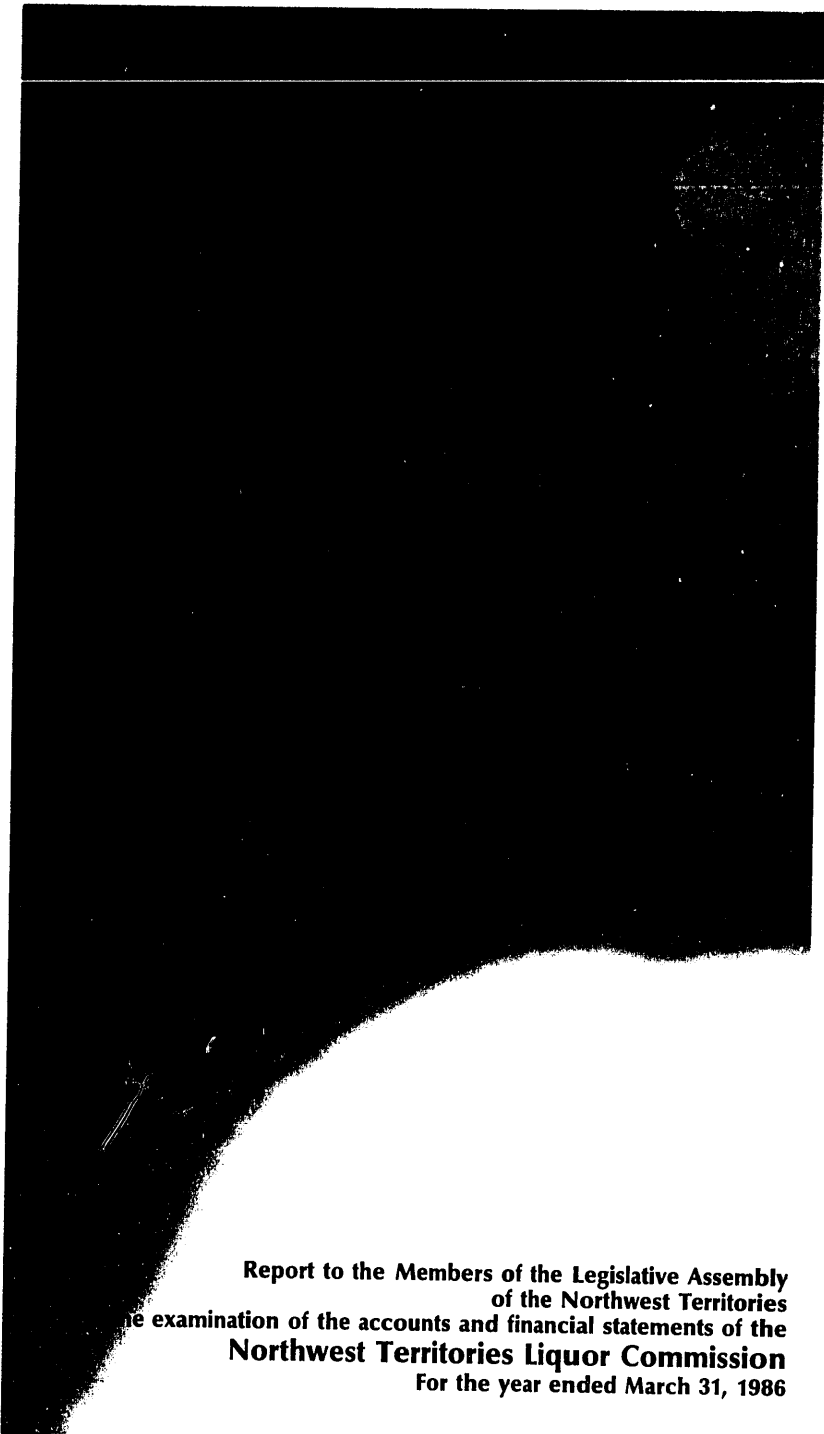
	<u>1984/85</u>				
	<u>Domestic</u>	<u>Imported</u>	<u>Total</u>	<u>Total</u>	<u>% Change</u>
Spirits	446,190	93,302	539,492	548,768	-1.7%
Wine	78,573	235,614	314,187	315,989	-.6%
Beer	4,327,235	24,996	4,352,231	4,153,890	+4.8%
	<u>4,851,998</u>	<u>353,912</u>	<u>5,205,910</u>	<u>5,018,647</u>	<u>+3.7</u>
 Litres Absolute					
Alcohol			<u>467,974</u>	<u>461,960</u>	+1.3

**Litres of
Liquor Sold**



**Litres of Absolute
Alcohol Sold**





**Report to the Members of the Legislative Assembly
of the Northwest Territories
on the examination of the accounts and financial statements of the
Northwest Territories Liquor Commission
For the year ended March 31, 1986**

Ring Seal pup, Pond Inlet, N.W.T.
Photo: Wayne Spencer

AUDITOR'S REPORT

To the Executive Member responsible for the
Northwest Territories Liquor Commission

I have examined the balance sheet of the Northwest Territories Liquor Commission as at March 31, 1986 and the statements of income and changes in financial position 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.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Commission, the financial statements are in agreement therewith and the transactions that have come under my notice have been, in all significant respects, within the statutory powers of the Commission.



Raymond Dubois, C.A.
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 5, 1986

Northwest Territories Liquor Commission

Balance Sheet
as at March 31, 1986

ASSETS	1986	1985
	(in thousands of dollars)	
Cash	\$ 2,447	\$ 997
Accounts receivable	52	119
Inventories	<u>3,653</u>	<u>3,594</u>
	<u>\$ 6,152</u>	<u>\$ 4,710</u>
LIABILITIES		
Accounts payable	\$ 1,701	\$ 1,841
Accrued employee leave and termination benefits, including \$39,000 due within one year (1985 - \$38,000)	108	102
Due to the Government of the Northwest Territories (Note 3)	<u>4,343</u>	<u>2,767</u>
	<u>\$ 6,152</u>	<u>\$ 4,710</u>

Approved by Management:

Manager, Finance and Operations

Approved by the Government of the Northwest Territories:

Comptroller General

General Manager

Deputy Minister of Finance

Northwest Territories Liquor Commission

Statement of Income for the year ended March 31, 1986

	1986			1985	
	Spirits	Beer	Wine	Total	Total
	(in thousands of dollars)				
Sales	\$11,454	\$11,099	\$ 2,373	\$24,926	\$23,517
Less discounts on sales	204	126	52	382	479
	11,250	10,973	2,321	24,544	23,038
Cost of goods sold (Note 4)	4,676	6,817	1,219	12,712	12,039
Gross profit	\$ 6,574	\$ 4,156	\$ 1,102	11,832	10,999
Interest income (Note 5)				49	67
Other income				25	3
				11,906	11,069
Expenses					
Salaries, wages and employee benefits				1,036	1,089
Commissions to agents				393	350
Utilities				108	108
Telephone, postage, stationery and supplies				60	60
Rent, taxes and insurance				57	113
Repairs and maintenance				50	35
Travel				49	49
Consultants and computer services				35	18
Breakage and spoilage				23	36
Miscellaneous				19	22
				1,830	1,880
Net income for the year transferable to the Government of the Northwest Territories (Note 3)				\$10,076	\$ 9,189

Northwest Territories Liquor Commission

Statement of Changes in Financial Position for the year ended March 31, 1986

	<u>1986</u>	<u>1985</u>
	(in thousands of dollars)	
Funds provided		
Reported net income	\$10,071	\$ 9,189
Increase (decrease) in trade balance	(72)	770
Increase in inventories	(57)	(843)
Increase in accrued employee leave and termination benefits	6	102
	<u>9,950</u>	<u>9,218</u>
Funds applied		
Transfer of funds to the Government of the Northwest Territories	<u>8,500</u>	<u>9,000</u>
Net funds provided	1,450	218
Cash at beginning of the year	<u>997</u>	<u>779</u>
Cash at end of the year	<u>\$ 2,447</u>	<u>\$ 997</u>

Northwest Territories Liquor Commission

Notes to Financial Statements
March 31, 1986

1. Authority and operations

The Northwest Territories Liquor Commission is responsible for the operation of liquor stores and the purchase, sale and distribution of liquor in the Northwest Territories under Part II of the Northwest Territories Liquor Act. The Commission is authorized by the Legislative Assembly to receive working capital advances from time to time not exceeding \$5,500,000 to finance its operations.

Net income for the year is to be transferred to the Government of the Northwest Territories in accordance with the Liquor Act.

2. Accounting policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles considered to be appropriate in the circumstances and applies on a basis consistent with that of the preceding year. A summary of the significant accounting policies of the Commission is as follows:

Inventories

Inventories are valued at the landed cost at each liquor store.

Fixed assets

Buildings, furnishings and fixtures, owned and paid for by the Government of the Northwest Territories, are provided for the use of the Commission without charge and are not reflected in the financial statements.

3. Due to the Government of the Northwest Territories

	<u>1986</u>	<u>1985</u>
	(in thousands of dollars)	
Balance at beginning of the year	\$ 2,767	\$ 2,578
Net income for the year	<u>10,076</u>	<u>9,189</u>
	12,843	11,767
Transfer of funds to the Government of the Northwest Territories	<u>8,500</u>	<u>9,000</u>
Balance at end of the year	<u>\$ 4,343</u>	<u>\$ 2,767</u>

4. Cost of goods sold

	<u>1986</u>			<u>1985</u>	
	<u>Spirits</u>	<u>Beer</u>	<u>Wine</u>	<u>Total</u>	
	(in thousands of dollars)				
Inventories at beginning of the year	\$ 2,230	\$ 757	\$ 607	\$ 3,594	\$ 2,751
Purchases	4,614	5,390	906	10,910	11,152
Freight	298	1,187	376	1,861	1,730
	7,142	7,334	1,889	16,365	15,633
Less: Inventories at end of the year	2,466	517	670	3,653	3,594
Cost of goods sold	<u>\$ 4,676</u>	<u>\$ 6,817</u>	<u>\$ 1,219</u>	<u>\$12,712</u>	<u>\$12,039</u>

5. Interest income

The Commission's bank account has been included as part of a banking agreement negotiated by the Government of the Northwest Territories. The banking agreement, which became effective November 1, 1985, provides for interest earned on the account to be paid to the Consolidated Revenue account of the Government of the Northwest Territories and is recorded as revenue by the Government. Consequently, as of November 1, 1985, the Commission no longer received or recognized as revenue, interest on funds on deposit in its account.

STORES' OPERATIONS





Northwest Territories Liquor Commission

YELLOWKNIFE WAREHOUSE

Statement of Operations
for year ended March 31, 1986
(000's)

	1986				1985
	Spirits	Beer	Wine	Total	Total
Sales	\$ 4,987	4,307	1,386	10,680	9,716
Less:					
Agency Discounts	204	126	52	382	479
Net Sales	4,783	4,181	1,334	10,298	9,237
Cost of Goods Sold:					
Beginning Inventory	738	298	324	1,360	790
Purchases	2,060	2,048	521	4,629	4,835
Freight	129	243	204	576	493
	2,927	2,589	1,049	6,565	6,118
Ending Inventory	919	111	319	1,349	1,337
Cost of Goods Sold	2,008	2,478	730	5,216	4,781
Gross Profit	2,775	1,703	604	5,082	4,456
Other Income				1	—
Operating Expenses				134	178
Net Income				4,949	4,278

Northwest Territories Liquor Commission

INUVIK STORE

Statement of Operations
for the year ended March 31, 1986
(000's)

	1986			1985	
	Spirits	Beer	Wine	Total	Total
Sales	2,549	1,660	276	4,485	4,139
Cost of Goods Sold:					
Beginning Inventory	605	128	124	857	758
Purchases	923	675	88	1,686	1,807
Freight	77	289	57	423	347
	1,605	1,092	269	2,966	2,912
Ending Inventory	509	125	108	742	857
Cost of Goods Sold	1,096	967	161	2,224	2,055
Gross Profit	1,453	693	115	2,261	2,084
Other Income				2	—
Operating Expenses				271	273
Net Income				1,992	1,811

Northwest Territories Liquor Commission

HAY RIVER STORE

Statement of Operations
for the year ended March 31, 1986
(000's)

	1986			1985	
	Spirits	Beer	Wine	Total	Total
Sales	1,308	1,505	217	3,030	2,997
Cost of Goods Sold:					
Beginning Inventory	340	46	61	447	433
Purchases	610	860	109	1,579	1,438
Freight	37	52	38	127	101
	987	958	208	2,153	1,922
Ending Inventory	451	27	84	562	446
Cost of Goods Sold	536	931	124	1,591	1,526
Gross Profit	772	574	93	1,439	1,471
Operating Expenses				226	206
Net Income				1,213	1,265

Northwest Territories Liquor Commission

FROBISHER BAY STORE

Statement of Operations
for the year ended March 31, 1986
(000's)

	1986				1985
	Spirits	Beer	Wine	Total	Total
Sales	361	965	89	1,415	1,443
Cost of Goods Sold:					
Beginning Inventory	171	30	39	240	173
Purchases	179	458	32	669	639
Freight	15	381	27	423	401
	365	869	98	1,332	1,213
Ending Inventory	196	47	50	293	210
Cost of Goods Sold	169	822	48	1,039	1,003
Gross Profit	192	143	41	376	440
Other Income				1	—
Operating Expenses				156	167
Net Income				221	273

Northwest Territories Liquor Commission

NORMAN WELLS STORE

Statement of Operations
for the year ended March 31, 1986
(000's)

	1986				1985
	Spirits	Beer	Wine	Total	Total
Sales	567	522	76	1,165	1,366
Cost of Goods Sold					
Beginning Inventory	240	74	36	350	231
Purchases	189	279	23	491	668
Freight	15	74	13	102	141
	444	427	72	943	1,040
Ending Inventory	208	99	34	341	350
Cost of Goods Sold:	236	328	38	602	690
Gross Profit	331	194	38	563	676
Other Income				—	—
Operating Expenses				104	101
Net Income				459	575

Northwest Territories Liquor Commission

FORT SMITH AGENCY

Statement of Operations
for the year ended March 31, 1986
(000's)

	1986				1985
	<u>Spirits</u>	<u>Beer</u>	<u>Wine</u>	<u>Total</u>	<u>Total</u>
Sales	627	793	188	1,608	1,460
Cost of Goods Sold:					
Beginning Inventory	76	22	30	128	139
Purchases	216	409	69	694	684
Freight	8	36	19	63	58
	300	467	118	885	881
Ending Inventory	67	29	35	131	128
Cost of Goods Sold:	233	438	83	754	753
Gross Profit	394	355	105	854	707
Other Income				—	—
Operating Expenses				148	116
Net Income				706	591

Northwest Territories Liquor Commission

FORT SIMPSON AGENCY

Statement of Operations
for the year ended March 31, 1986
(000's)

	<u>1986</u>				<u>1985</u>
	<u>Spirits</u>	<u>Beer</u>	<u>Wine</u>	<u>Total</u>	<u>Total</u>
Sales	339	455	30	824	838
Cost of Goods Sold:					
Beginning Inventory	33	19	11	63	78
Purchases	136	220	8	364	396
Freight	6	21	4	31	36
	175	260	23	458	510
Ending Inventory	38	31	9	78	94
Cost of Goods Sold:	137	229	14	380	416
Gross Profit	202	226	16	444	422
Other Income				—	—
Operating Expenses				97	93
Net Income				347	329

Northwest Territories Liquor Commission

PINE POINT AGENCY

Statement of Operations
for the year ended March 31, 1986
(000's)

	1986				1985
	Spirits	Beer	Wine	Total	Total
Sales	531	571	68	1,170	1,099
Cost of Goods Sold:					
Beginning Inventory	73	21	17	111	119
Purchases	200	257	34	491	474
Freight	8	18	12	38	36
	281	296	63	640	629
Ending Inventory	68	30	25	123	112
Cost of Goods Sold:	213	266	38	517	517
Gross Profit	318	305	30	653	582
Other Income				—	—
Operating Expenses				122	109
Net Income				530	473

Northwest Territories Liquor Commission

TUNGSTEN AGENCY

Statement of Operations
for the year ended March 31, 1986
(000's)

	1986				1985
	Spirits	Beer	Wine	Total	Total
Sales	105	122	30	257	236
Cost of Goods Sold:					
Beginning Inventory	15	7	5	27	24
Purchases	41	73	18	132	135
Freight	2	9	2	13	16
	58	89	25	172	175
Ending Inventory	10	10	5	25	27
Cost of Goods Sold:	48	79	20	147	148
Gross Profit	57	43	10	110	88
Other Income				—	—
Operating Expenses				11	10
Net Income				99	78

Northwest Territories Liquor Commission

CAMBRIDGE BAY AGENCY

Statement of Operations
for the year ended March 31, 1986
(000's)

	1986				1985
	Spirits	Beer	Wine	Total	Total
Sales	—	199	—	199	186
Cost of Goods Sold:					
Beginning Inventory	—	11	—	11	6
Purchase	—	107	—	107	71
Freight	—	65	—	65	102
	—	183	—	183	179
Ending Inventory	—	9	—	9	3
Cost of Goods Sold:	—	174	—	174	176
Gross Profit	—	25	—	25	10
Other Income				—	—
Operating Expenses				26	24
Net Income				(1)	(14)

