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37TH ANNUAL REPORT

Northwest Territories Liquor Commission



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37TH ANNUAL REPORT

Northwest Territories Liquor Commission

April 1, 1990 to March 31, 1991



Northwest
Territories

Photos courtesy of the
Government of the Northwest Territories



Lupine

IQUALUIT OPERATION

Statement of Operations
for the year ended March 31, 1991

	(000's)				1990
	1991				
	Spirits	Wine	Beer	Total	
Sales	\$ 572	\$ 150	\$ 1,841	\$ 2,563	2,332
Cost of Goods Sold:					
Beginning Inventory	161	42	31	234	276
Purchases	195	60	653	908	833
Freight	41	27	399	467	427
Cost of Goods Available	\$ 397	\$ 129	\$ 1,083	\$ 1,609	\$ 1,536
Ending Inventory	160	57	43	260	234
Cost of Goods Sold	\$ 237	\$ 72	\$ 1,040	\$ 1,349	\$ 1,302
Gross Income				\$ 1,214	\$ 1,030
Other Income				0	0
Operating Expenses				153	168
NET INCOME				\$ 1,061	\$ 862

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-seventh Annual Report for the fiscal year ended March 31, 1991.

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,



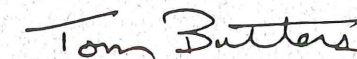
R. J. Courtoreille,
General Manager

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-seventh Annual Report of the Liquor Commission for the fiscal year ended March 31, 1991.

Respectfully submitted,



Tom Butters
Minister of Government Services

20 YEAR SALES HISTORY

Year ending March 31	Sales	Gross Income	Gross Income % of Sales	% Increase in Sales
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
1987	24,092,337	11,818,319	49.1	(3.4)
1988	25,394,451	12,227,965	48.2	5.4
1989	26,324,530	13,478,972	51.2	3.7
1990	28,603,030	15,083,010	52.7	8.7
1991	29,488,839	16,682,081	56.6	3.1

FORT SIMPSON OPERATION

Statement of Operations
for the year ended March 31, 1991

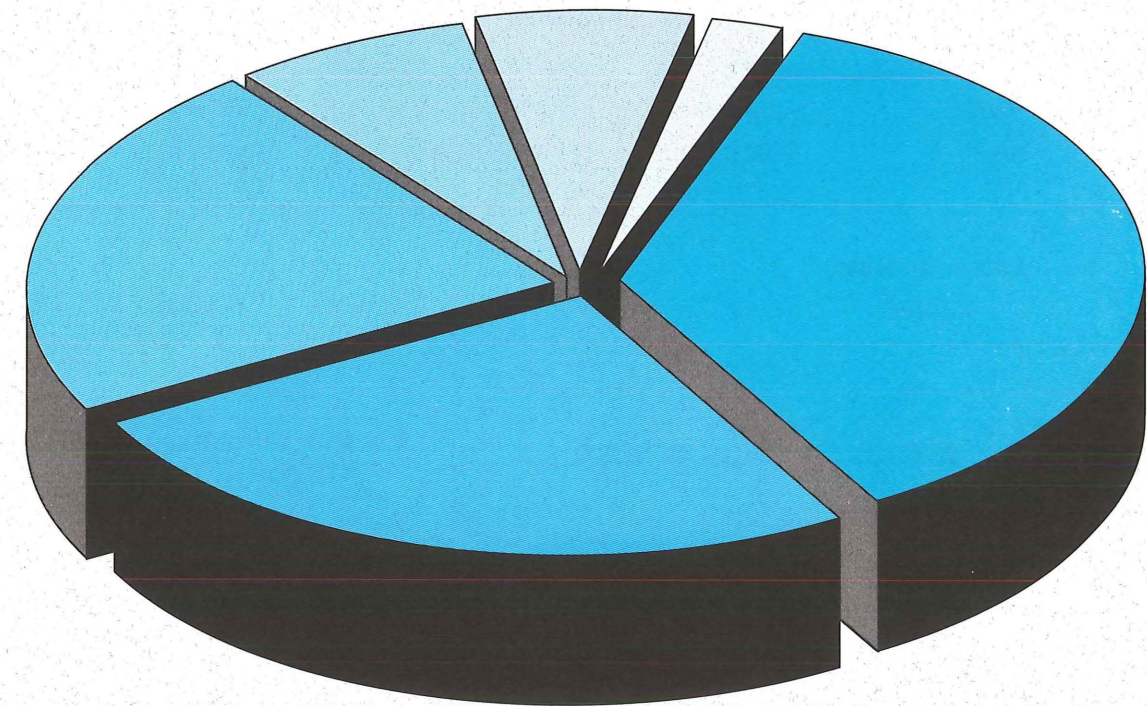
	(000's)				1990
	1991				
	Spirits	Wine	Beer	Total	Total
Sales	\$ 778	\$ 32	\$ 471	\$ 1,281	\$ 1,265
Cost of Goods Sold:					
Beginning Inventory	66	7	32	105	92
Purchases	279	11	237	527	559
Freight	14	3	23	40	35
Cost of Goods Available	\$ 359	\$ 21	\$ 292	\$ 672	\$ 686
Ending Inventory	58	5	75	138	105
Cost of Goods Sold	\$ 301	\$ 16	\$ 217	\$ 534	\$ 581
Gross Income				\$ 747	\$ 684
Other Income				0	0
Operating Expenses				132	127
NET INCOME				\$ 615	\$ 557

FORT SMITH OPERATION







Statement of Operations
for the year ended March 31, 1991

	(000's)				1990 Total
	1991			Total	
	Spirits	Wine	Beer		
Sales	\$ 579	\$ 203	\$ 828	\$ 1,610	\$ 1,536
Cost of Goods Sold:					
Beginning Inventory	59	18	44	121	142
Purchases	195	71	342	608	654
Freight	11	12	32	55	48
Cost of Goods Available	\$ 265	\$ 101	\$ 418	\$ 784	\$ 844
Ending Inventory	44	17	27	88	121
Cost of Goods Sold	\$ 221	\$ 84	\$ 391	\$ 696	\$ 723
Gross Income				\$ 914	\$ 813
Other Income				4	3
Operating Expenses				111	106
NET INCOME				\$ 807	\$ 710

**REVENUE FROM
SALE OF LIQUOR**



(000's)

	Spirit Sales to Public	(36.2%)	\$10,662
	Beer Sales to Licencees	(25.7%)	\$7,576
	Beer Sales to Public	(22.2%)	\$6,541
	Spirit Sales to Licencees	(7.1%)	\$2,091
	Wine Sales to Public	(6.6%)	\$1,960
	Wine Sales to Licencees	(2.2%)	\$638

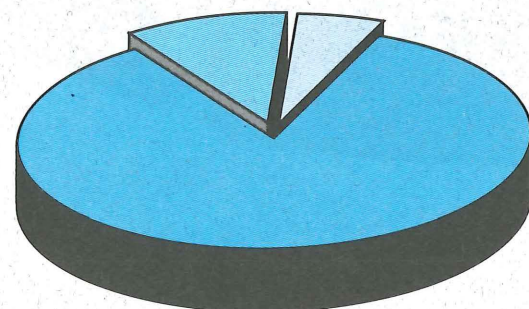
LITRES OF LIQUOR SOLD

	1990/91		Total	1989/90	
	Domestic	Imported		Total	% Change
Spirits	428,775	63,943	492,718	533,340	-7.6%
Wine	108,982	141,858	250,840	257,453	-2.6%
Beer	3,823,132	144,570	3,967,702	4,086,117	-2.9%
	<u>4,360,889</u>	<u>350,371</u>	<u>4,711,260</u>	<u>4,876,910</u>	<u>-3.4%</u>

Litres Absolute

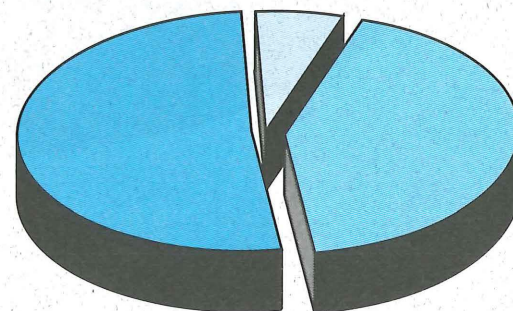
Alcohol	462,742	445,960	3.8%
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LITRES OF LIQUOR SOLD



Beer (84.2%)
Spirits (10.5%)
Wine (5.3%)

LITRES OF ABSOLUTE ALCOHOL SOLD



Beer (51.4%)
Spirits (42.6%)
Wine (6.0%)

NORMAN WELLS OPERATION

Statement of Operations
for the year ended March 31, 1991

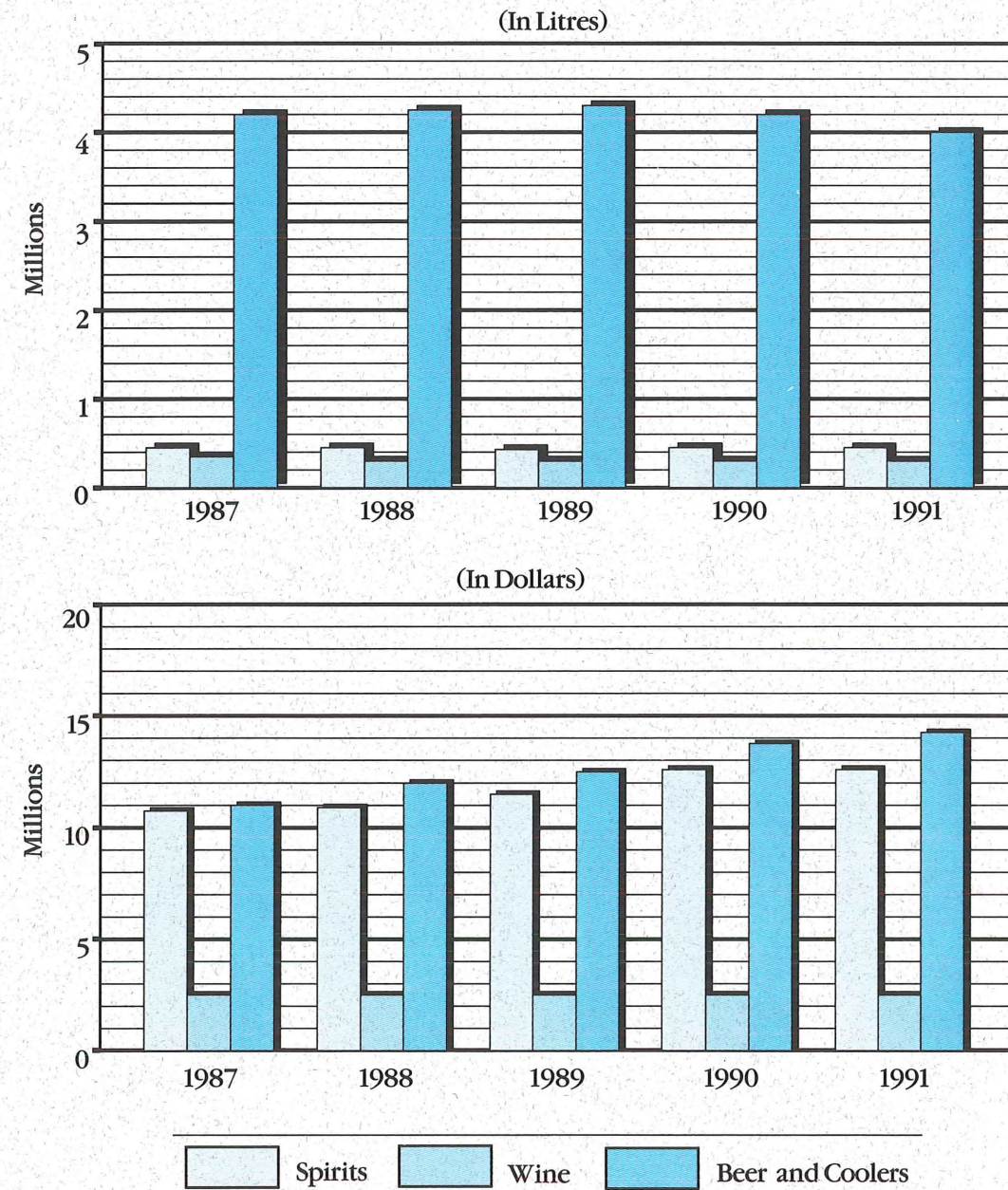
	(000's)				1990
	1991				
	Spirits	Wine	Beer	Total	Total
Sales	\$ 559	\$ 50	\$ 505	\$ 1,114	\$1,073
Cost of Goods Sold:					
Beginning Inventory	93	20	50	163	247
Purchases	167	7	237	411	389
Freight	11	2	54	67	74
Cost of Goods Available	\$ 271	\$ 29	\$ 341	\$ 641	\$ 710
Ending Inventory	70	10	68	148	162
Cost of Goods Sold	\$ 201	\$ 19	\$ 273	\$ 493	\$ 548
Gross Income				\$ 621	\$ 525
Other Income				0	1
Operating Expenses				104	104
NET INCOME				\$ 517	\$ 422

HAY RIVER OPERATION

Statement of Operations
for the year ended March 31, 1991

	(000's)				1990
	1991				
	Spirits	Wine	Beer	Total	Total
Sales	\$ 1,607	\$ 227	\$ 1,826	\$ 3,660	\$ 3,554
Cost of Goods Sold:					
Beginning Inventory	382	68	63	513	604
Purchases	400	44	795	1,239	1,433
Freight	9	8	58	75	83
Cost of Goods Available	\$ 791	\$ 120	\$ 916	\$ 1,827	\$ 2,120
Ending Inventory	197	39	80	316	513
Cost of Goods Sold	\$ 594	\$ 81	\$ 836	\$ 1,511	\$ 1,607
Gross Income				\$ 2,149	\$ 1,947
Other Income				5	7
Operating Expenses				341	328
NET INCOME				\$ 1,813	\$ 1,626

FIVE YEAR SALES HISTORY





Labrador Tea

INUVIK OPERATION

Statement of Operations
for the year ended March 31, 1991

(000's)

	1991			1990	
	Spirits	Wine	Beer	Total	
Sales	\$ 2,444	\$ 280	\$ 1,910	\$ 4,634	\$ 4,779
Cost of Goods Sold:					
Beginning Inventory	608	124	142	874	920
Purchases	594	53	817	1,464	1,958
Freight	46	21	245	312	328
Cost of Goods Available	\$ 1,248	\$ 198	\$ 1,204	\$ 2,650	\$ 3,206
Ending Inventory	358	86	98	542	874
Cost of Goods Sold	\$ 890	\$ 112	\$ 1,106	\$ 2,108	\$ 2,332
Gross Income				\$ 2,526	\$ 2,447
Other Income				4	1
Operating Expenses				427	410
NET INCOME				\$ 2,103	\$ 2,038

YELLOWKNIFE OPERATION

Statement of Operations
for the year ended March 31, 1991

	(000's)				1990
	1991				
	Spirits	Wine	Beer	Total	Total
Sales	\$ 6,233	\$ 1,658	\$ 6,735	\$ 14,626	\$ 14,064
Cost of Goods Sold:					
Beginning Inventory	664	435	246	1,345	1,437
Purchases	1,993	334	2,812	5,139	5,840
Freight	72	55	257	384	467
Cost of Goods Available	\$ 2,729	\$ 824	\$ 3,315	\$ 6,868	\$ 7,744
Ending Inventory	387	166	198	751	1,344
Cost of Goods Sold	\$ 2,342	\$ 658	\$ 3,117	\$ 6,117	\$ 6,400
Gross Income				\$ 8,509	\$ 7,664
Other Income				(1)	4
Operating Expenses				711	657
NET INCOME:				\$ 7,797	\$ 7,011

**MANAGEMENT'S
RESPONSIBILITY FOR
FINANCIAL REPORTING**

To the Minister Responsible for 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 conformity with generally accepted accounting principles appropriate in the circumstances.

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



R.J. Courtoreille
General Manager



K. Reid
Manager Finance and Administration

AUDITOR'S REPORT

To the Minister responsible for the
Northwest Territories Liquor Commission

I have audited the balance sheet of the Northwest Territories Liquor Commission as at March 31, 1991 and the statements of income, amount due to the Government of the Northwest Territories and changes in financial position 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 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, 1991 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. As required by the Financial Administration Act, 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 and the financial statements are in agreement therewith and the transactions of the Commission that have come to my notice during my examination of the financial statements have, in all significant respects, been in accordance with the Financial Administration Act and regulations, and the Northwest Territories Liquor Act and regulations.



Raymond Dubois, F.C.A.
Deputy Auditor General

Ottawa, Canada
May 29, 1991

LITRES OF LIQUOR SOLD BY STORE

	(000's)			1991	1990
	Spirits	Wine	Beer		
Yellowknife	240	158	1,925	2,323	2,391
Inuvik	97	25	549	671	715
Hay River	64	25	534	623	655
Norman Wells	21	3	150	174	181
Fort Smith	24	26	241	291	307
Fort Simpson	29	2	130	161	177
Iqaluit	20	10	438	468	419
Total 1991	495	249	3,967	4,711	
Total 1990	534	263	3,923		4,845
% Increase	-7.3%	-5.3%	1.1%	2.8%	

LIQUOR SOLD BY STORE

	(000's)			1991	1990
	Spirits	Wine	Beer		
Yellowknife	\$ 6,233	\$ 1,658	\$ 6,735	\$14,626	\$14,064
Inuvik	2,444	280	1,910	4,634	4,779
Hay River	1,607	227	1,826	3,660	3,554
Norman Wells	559	50	505	1,114	1,073
Fort Smith	579	203	828	1,610	1,536
Fort Simpson	778	32	471	1,281	1,265
Iqaluit	572	150	1,841	2,563	2,332
Total 1991	\$12,772	\$ 2,600	\$14,116	\$29,488	
Total 1990	\$12,352	\$ 2,578	\$13,673		\$28,603
% Increase	3.4%	0.9%	3.2%	3.1%	

BALANCE SHEET:

March 31, 1991

	1991 (\$000's)	1990 (\$000's)
Assets		
Current Assets:		
Cash	\$ 3,113	\$ 1,555
Accounts receivable	211	44
Inventories (note 3)	2,243	3,355
	\$ 5,567	\$ 4,954
Recycling Equipment	150	—
	\$ 5,717	\$ 4,954
Liabilities		
Current Liabilities:		
Accounts Payable	\$ 1,026	\$ 958
Accrued employee leave and termination benefits	107	84
Due to the Government of the Northwest Territories	4,584	3,912
	\$ 5,717	\$ 4,954

Approved by Management:



R. Courtoreille
General Manager



K. Reid
Manager of Finance and Administration

STATEMENT OF INCOME:

Year Ended March 31, 1991

	1991	1990
	(\$000's)	(\$000's)
Sales:		
Spirits	\$ 12,773	\$ 12,352
Wine	2,599	2,578
Beer	14,117	13,673
	29,489	28,603
Cost of goods sold:		
Spirits	4,788	5,044
Wine	1,040	1,079
Beer	6,979	7,397
	12,807	13,520
Gross margin on sales	16,682	15,083
Import fees and other income	121	122
	16,803	15,205
Expenses:		
Commissions and discounts to agents	1,213	1,139
Salaries, wages and employee benefits	1,033	939
Utilities	105	97
Communications	48	49
Travel	40	49
Rent	38	35
Office Supplies	34	39
Computer Services	28	50
Insurance	17	20
Miscellaneous	17	15
Breakage and spoilage	16	19
Repairs and maintenance	12	16
Bad debts	9	—
Advertising	7	25
Grants in lieu of taxes	—	24
	2,617	2,516
Net income	\$ 14,186	\$ 12,689

STORES' OPERATIONS

Mountain Avens

Northwest Territories Liquor Commission

**STATEMENT OF AMOUNT DUE TO
THE GOVERNMENT OF THE
NORTHWEST TERRITORIES**

Year Ended March 31, 1991

	1991 (\$000's)	1990 (\$000's)
Balance, beginning of year	\$ 3,912	\$ 3,313
Net income for the year	14,186	12,689
Salaries, wages and benefits paid by the Government	986	910
	19,084	16,912
Transfer of funds to the Government	14,500	13,000
Balance, end of year	\$ 4,584	\$ 3,912

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended March 31, 1991

	1991	1990
	(\$000's)	(\$000's)
Cash provided by (used in):		
Operations:		
Net income	\$ 14,186	\$ 12,689
Salaries, wages and benefits paid by the Government of the Northwest Territories	986	910
	15,172	13,599
Change in non-cash operating working capital:		
Increase (decrease) in accounts payable	68	(83)
Increase in accrued employee leave and termination benefits	23	—
Increase in accounts receivable	(167)	(24)
Decrease in inventories	1,112	364
	16,208	13,856
Investing:		
Purchase of recycling equipment	(150)	—
Cash transferred to the Government of the Northwest Territories	(14,500)	(13,000)
Increase in cash	1,558	856
Cash, beginning of year	1,555	699
Cash, end of year	\$ 3,113	\$ 1,555

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 1991

1. 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 \$6,500,000 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. Significant accounting policies

(a) Inventories:

Inventories are valued at replacement cost which is not materially different than cost. Cost includes invoiced cost, freight, duties and taxes.

(b) Capital assets:

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

Recycling equipment is stated at cost. Amortization at an annual rate of 20% is provided commencing the first full year the equipment is in use.

3. Inventories:

	1991	1990
	(\$000's)	(\$000's)
Spirits	\$ 1,273	\$ 2,032
Wine	381	714
Beer	589	609
	\$ 2,243	\$ 3,355

Included in inventories and accounts payable is \$204,176 (1990 - \$377,224) in duties and taxes on inventories that are in bond.