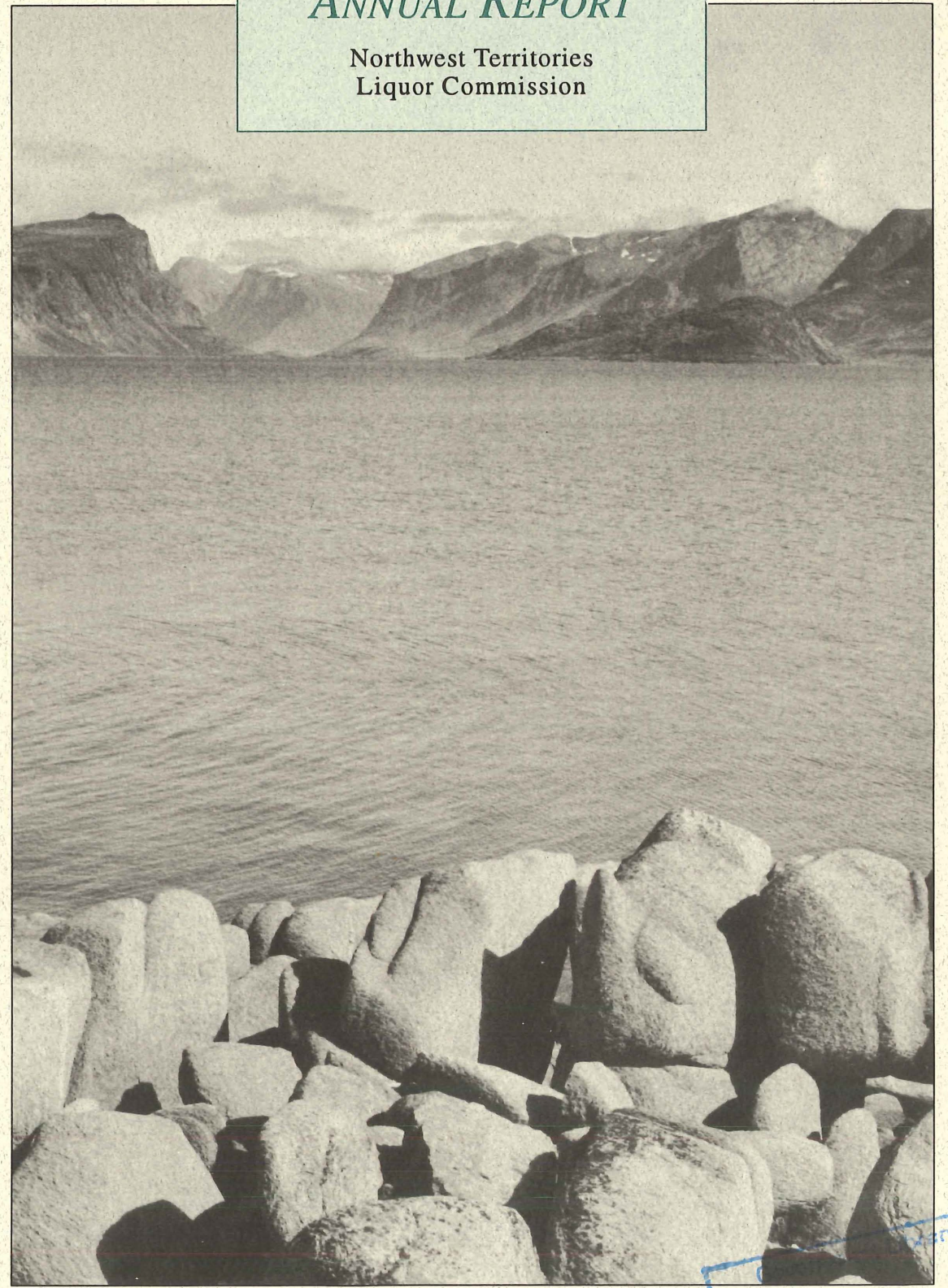


38TH
ANNUAL REPORT

Northwest Territories
Liquor Commission



MAR 02 1993
Govt. of N.W.T.
Yellowknife, N.W.T.



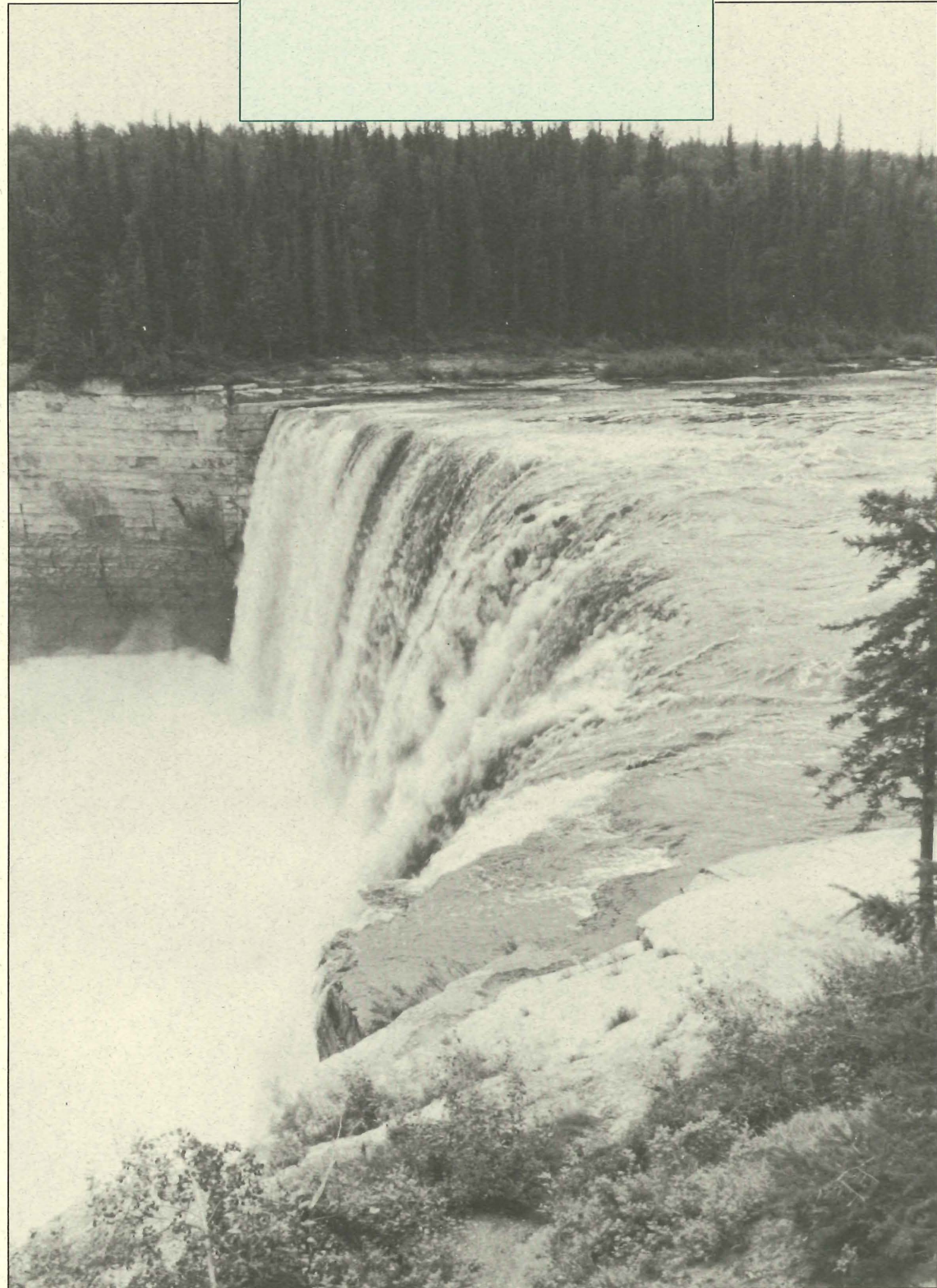
38TH
ANNUAL REPORT

Northwest Territories
Liquor Commission

For the Fiscal Year Ended March 31, 1992



Photo Credit: Government of the Northwest Territories



Alexandra Falls

IQALUIT OPERATION
 Statement of Operations
 for the year ended March 31, 1992

| | (000's) | | | | |
|-------------------------|---------|--------|----------|----------|----------|
| | 1992 | | | 1991 | |
| | Spirits | Wine | Beer | Total | Total |
| Sales | \$ 555 | \$ 144 | \$ 1,907 | \$ 2,606 | \$ 2,563 |
| Cost of Goods Sold: | | | | | |
| Beginning Inventory | 160 | 57 | 43 | 260 | 234 |
| Purchases | 148 | 46 | 731 | 925 | 908 |
| Freight | 22 | 18 | 363 | 403 | 467 |
| Cost of Goods Available | \$ 330 | \$ 121 | \$ 1,137 | \$ 1,588 | \$ 1,609 |
| Ending Inventory | 124 | 63 | 154 | 341 | 260 |
| Cost of Goods Sold | \$ 206 | \$ 58 | \$ 983 | \$ 1,247 | \$ 1,349 |
| Gross Income | | | | \$ 1,359 | \$ 1,214 |
| Other Income | | | | (124) | 0 |
| Operating Expenses | | | | 167 | 153 |
| NET INCOME | | | | \$ 1,068 | \$ 1,061 |

FORT SIMPSON OPERATION

Statement of Operations
for the year ended March 31, 1992

| | (000's) | | | | 1991 Total |
|-------------------------|---------|-------|--------|---------------|---------------|
| | 1992 | | | Total | |
| | Spirits | Wine | Beer | Total | |
| Sales | \$ 715 | \$ 28 | \$ 412 | \$ 1,155 | \$ 1,281 |
| Cost of Goods Sold: | | | | | |
| Beginning Inventory | 58 | 5 | 75 | 138 | 105 |
| Purchases | 238 | 14 | 145 | 397 | 527 |
| Freight | 14 | 4 | 12 | 30 | 40 |
| Cost of Goods Available | \$ 310 | \$ 23 | \$ 232 | \$ 565 | \$ 672 |
| Ending Inventory | 72 | 14 | 32 | 118 | 138 |
| Cost of Goods Sold | \$ 238 | \$ 9 | \$ 200 | \$ 447 | \$ 534 |
| | | | | | |
| Gross Income | | | | \$ 708 | \$ 747 |
| Other Income | | | | 9 | 0 |
| Operating Expenses | | | | 125 | 132 |
| NET INCOME | | | | \$ 592 | \$ 615 |

Honourable John Ningark
Minister of Government Services
Government of the Northwest Territories
Yellowknife, N.W.T.

Dear Mr. Minister:

Pursuant to Section 61 of the Liquor Act, I am pleased to submit the thirty-eighth Annual Report for the fiscal year ended March 31, 1992.

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,



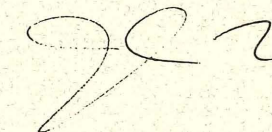
R.J. Courtoreille,
General Manager

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-eighth Annual Report of the Liquor Commission for the fiscal year ended March 31, 1992.

Respectfully submitted,



John Ningark
Minister of Government Services

**20 YEAR
SALES HISTORY**

| Year ending March 31 | Sales | Gross Income | Gross Income % of Sales | % Increase in Sales |
|-------------------------|------------|-----------------|----------------------------|------------------------|
| 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 |
| 1992 | 28,604,340 | 17,000,671 | 59.4 | (3.0) |

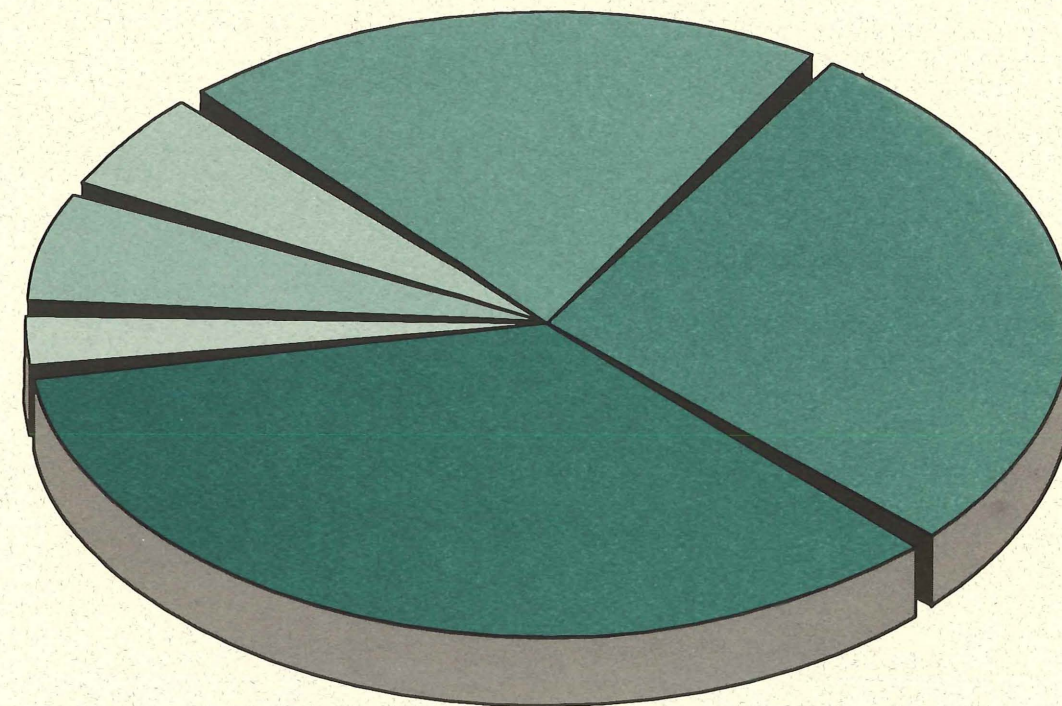
FORT SMITH OPERATION
Statement of Operations
for the year ended March 31, 1992

| | (000's) | | | | 1991 Total |
|-------------------------|---------|--------|--------|----------|---------------|
| | 1992 | | | Total | |
| | Spirits | Wine | Beer | Total | |
| Sales | \$523 | \$ 221 | \$ 864 | \$ 1,608 | \$ 1,610 |
| Cost of Goods Sold: | | | | | |
| Beginning Inventory | 44 | 17 | 27 | 88 | 121 |
| Purchases | 174 | 69 | 343 | 586 | 608 |
| Freight | 11 | 12 | 32 | 55 | 55 |
| Cost of Goods Available | \$ 229 | \$ 98 | \$ 402 | \$ 729 | \$ 784 |
| Ending Inventory | 41 | 18 | 22 | 81 | 88 |
| Cost of Goods Sold | \$ 188 | \$ 80 | \$ 380 | \$ 648 | \$ 696 |
| Gross Income | | | | \$ 960 | \$ 914 |
| Other Income | | | | 16 | 4 |
| Operating Expenses | | | | 155 | 111 |
| NET INCOME | | | | \$ 821 | \$ 807 |



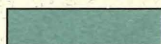
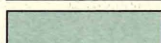

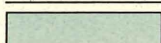
NORMAN WELLS OPERATION
 Statement of Operations
 for the year ended March 31, 1992

| | (000's) | | | | 1991 Total |
|-------------------------|---------|-------|--------|---------------|---------------|
| | 1992 | | | Total | |
| | Spirits | Wine | Beer | Total | |
| Sales | \$545 | \$ 52 | \$ 567 | \$ 1,164 | \$ 1,114 |
| Cost of Goods Sold: | | | | | |
| Beginning Inventory | 70 | 10 | 68 | 148 | 163 |
| Purchases | 182 | 15 | 239 | 436 | 411 |
| Freight | 13 | 5 | 50 | 68 | 67 |
| Cost of Goods Available | \$ 265 | \$ 30 | \$ 357 | \$ 652 | \$ 641 |
| Ending Inventory | 91 | 12 | 78 | 181 | 148 |
| Cost of Goods Sold | \$ 174 | \$ 18 | \$ 279 | \$ 471 | \$ 493 |
| Gross Income | | | | \$ 693 | \$ 621 |
| Other Income | | | | 15 | 0 |
| Operating Expenses | | | | 112 | 104 |
| NET INCOME | | | | \$ 596 | \$ 517 |

REVENUE FROM SALE OF LIQUOR



(000's)

| | | | |
|---|---------------------------|---------|----------|
|  | Spirit Sales to Public | (35.8%) | \$10,249 |
|  | Beer Sales to Licencees | (26.7%) | \$7,638 |
|  | Beer Sales to Public | (23.0%) | \$6,572 |
|  | Spirit Sales to Licencees | (6.2%) | \$1,770 |
|  | Wine Sales to Public | (6.6%) | \$1,899 |
|  | Wine Sales to Licencees | (1.7%) | \$476 |

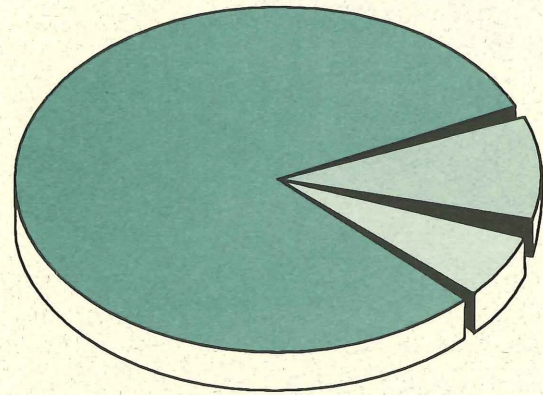
LITRES OF LIQUOR SOLD

| | 1991/92 | | | 1990/91 | | % Change |
|---------|-----------|----------|-----------|---------|-----------|----------|
| | Domestic | Imported | Total | abs alc | Total | |
| Spirits | 419,797 | 57,913 | 477,710 | 191,084 | 492,718 | -3.0% |
| Wine | 124,260 | 120,849 | 245,109 | 26,962 | 250,840 | -2.3% |
| Beer | 3,782,755 | 145,931 | 3,928,686 | 235,721 | 3,967,702 | -1.0% |
| | 4,326,812 | 324,693 | 4,651,505 | 453,767 | 4,711,260 | -1.3% |

Litres Absolute

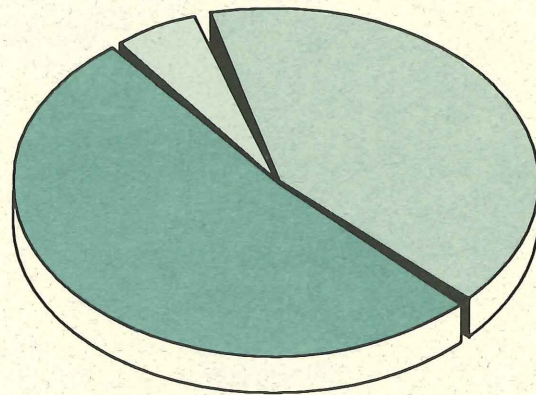
| | | | |
|---------|---------|---------|-------|
| Alcohol | 453,767 | 462,742 | -1.9% |
|---------|---------|---------|-------|

LITRES OF LIQUOR SOLD



| |
|-----------------|
| Beer (84.5%) |
| Spirits (10.3%) |
| Wine (5.3%) |

LITRES OF ABSOLUTE ALCOHOL SOLD



| |
|-----------------|
| Beer (51.9%) |
| Spirits (42.1%) |
| Wine (5.9%) |

HAY RIVER OPERATION

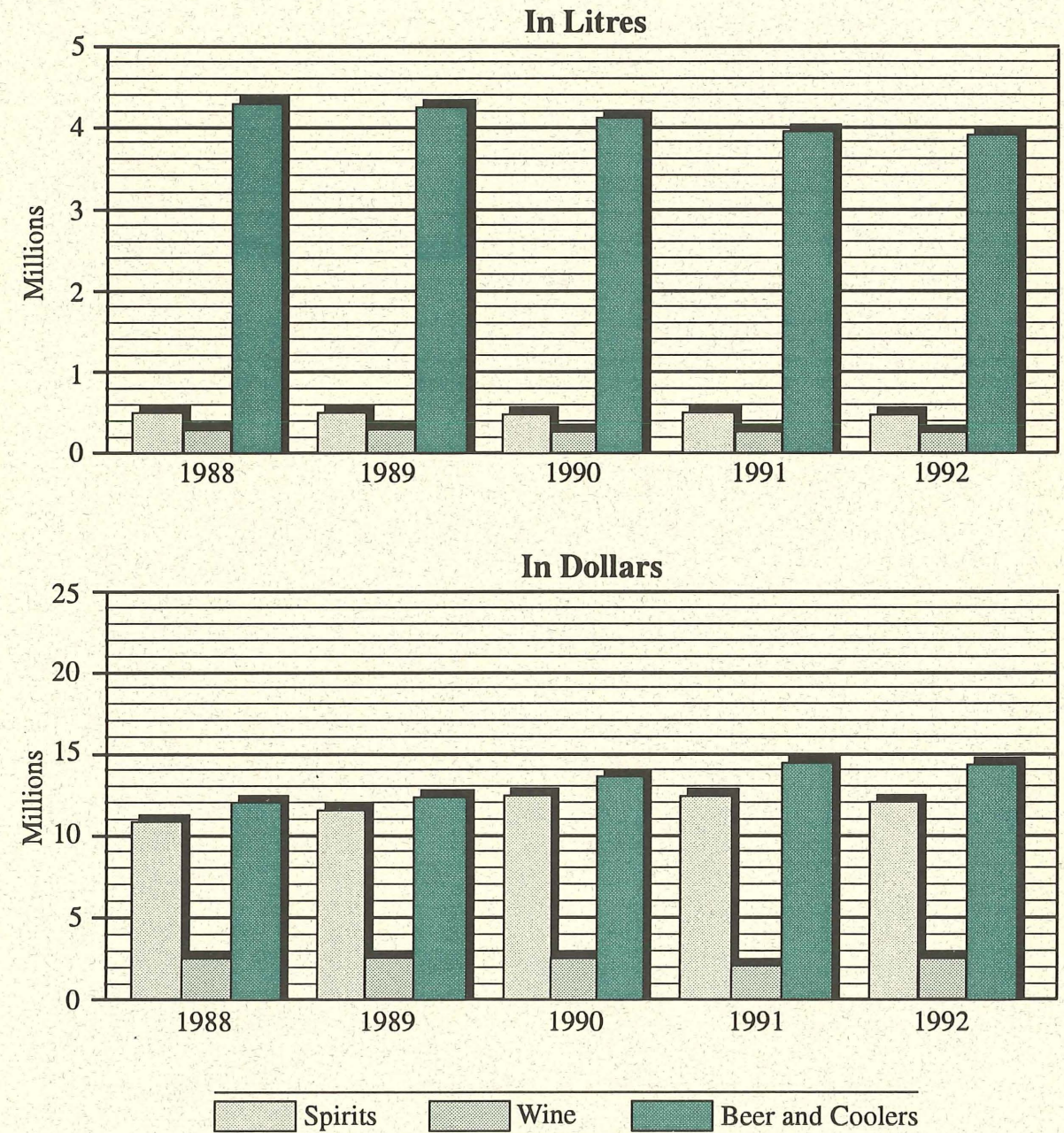
Statement of Operations
for the year ended March 31, 1992

| | (000's) | | | | 1991 |
|-------------------------|---------|--------|----------|----------|----------|
| | 1992 | | | | |
| | Spirits | Wine | Beer | Total | Total |
| Sales | \$1,521 | \$ 213 | \$ 1,968 | \$ 3,702 | \$ 3,660 |
| Cost of Goods Sold: | | | | | |
| Beginning Inventory | 197 | 39 | 80 | 316 | 513 |
| Purchases | 511 | 77 | 791 | 1,379 | 1,239 |
| Freight | 12 | 13 | 61 | 86 | 75 |
| Cost of Goods Available | \$ 720 | \$ 129 | \$ 932 | \$ 1,781 | \$ 1,827 |
| Ending Inventory | 214 | 55 | 55 | 324 | 316 |
| Cost of Goods Sold | \$ 506 | \$ 74 | \$ 877 | \$ 1,457 | \$ 1,511 |
| Gross Income | | | | \$ 2,245 | \$ 2,149 |
| Other Income | | | | 0 | 5 |
| Operating Expenses | | | | 370 | 341 |
| NET INCOME | | | | \$ 1,875 | \$ 1,813 |

INUVIK OPERATION
Statement of Operations
for the year ended March 31, 1992

| | (000's) | | | | 1991 Total |
|-------------------------|----------|--------|----------|-----------------|-----------------|
| | 1992 | | | Total | |
| | Spirits | Wine | Beer | Total | |
| Sales | \$ 2,277 | \$ 241 | \$ 1,878 | \$ 4,396 | \$ 4,634 |
| Cost of Goods Sold: | | | | | |
| Beginning Inventory | 358 | 86 | 98 | 542 | 874 |
| Purchases | 624 | 71 | 734 | 1,429 | 1,464 |
| Freight | 47 | 21 | 232 | 300 | 312 |
| Cost of Goods Available | \$ 1,029 | \$ 178 | \$ 1,064 | \$ 2,271 | \$ 2,650 |
| Ending Inventory | 288 | 88 | 61 | 437 | 542 |
| Cost of Goods Sold | \$ 741 | \$ 90 | \$ 1,003 | \$ 1,834 | \$ 2,108 |
| Gross Income | | | | \$ 2,562 | \$ 2,526 |
| Other Income | | | | 7 | 81 |
| Operating Expenses | | | | 428 | 882 |
| NET INCOME | | | | \$ 2,141 | \$ 1,725 |

**FIVE YEAR
SALES HISTORY**



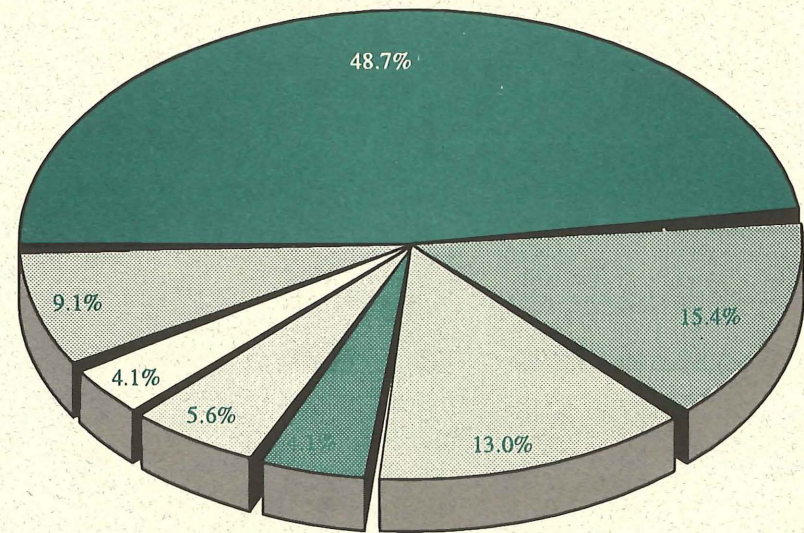


Tuktoyaktuk Pingo

YELLOWKNIFE OPERATION
 Statement of Operations
 for the year ended March 31, 1992

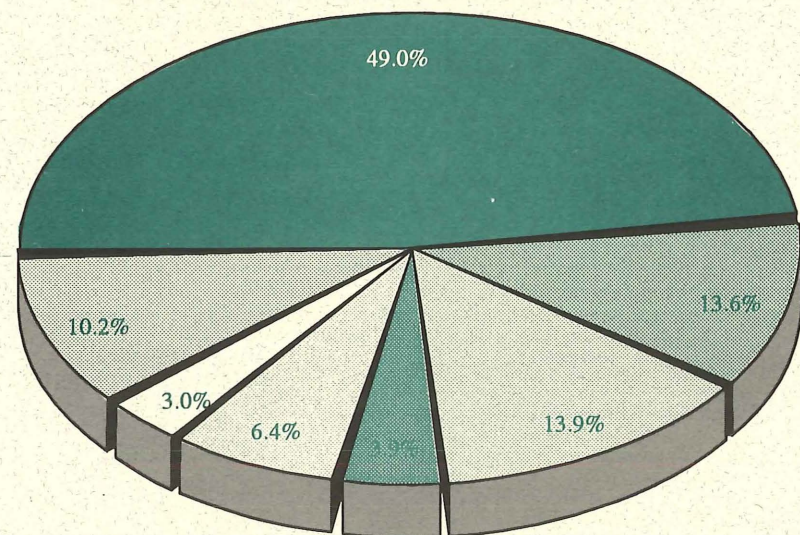
| | (000's) | | | | |
|-------------------------|----------|----------|----------|----------|----------|
| | 1992 | | | 1991 | |
| | Spirits | Wine | Beer | Total | Total |
| Sales | \$ 5,883 | \$ 1,460 | \$ 6,527 | \$13,870 | \$14,626 |
| Cost of Goods Sold: | | | | | |
| Beginning Inventory | 387 | 166 | 198 | 751 | 1,345 |
| Purchases | 2,136 | 514 | 2,921 | 5,571 | 5,139 |
| Freight | 88 | 100 | 276 | 464 | 384 |
| Cost of Goods Available | \$ 2,611 | \$ 780 | \$ 3,395 | \$ 6,786 | \$ 6,868 |
| Ending Inventory | 571 | 271 | 463 | 1,305 | 751 |
| Cost of Goods Sold | \$ 2,040 | \$ 509 | \$ 2,932 | \$ 5,481 | \$ 6,117 |
| Gross Income | | | | \$ 8,389 | \$ 8,509 |
| Other Income | | | | 58 | (1) |
| Operating Expenses | | | | 882 | 711 |
| NET INCOME | | | | \$ 7,565 | \$ 7,797 |

SALES IN DOLLARS BY LOCATION
Represents Sales for year ended March 31, 1992



| | | | | | | | |
|------|--------------|------|------------|------|--------------|-----|---------|
| 48.7 | Yellowknife | 15.4 | Inuvik | 13.0 | Hay River | 9.1 | Iqaluit |
| 5.6 | Norman Wells | 4.1 | Fort Smith | 4.1 | Fort Simpson | | |

SALES IN LITRES BY LOCATION
Represents Sales for year ended March 31, 1992



| | | | | | | | |
|------|--------------|------|------------|------|--------------|------|---------|
| 49.0 | Yellowknife | 13.6 | Inuvik | 13.9 | Hay River | 10.2 | Iqaluit |
| 3.9 | Norman Wells | 6.4 | Fort Smith | 3.0 | Fort Simpson | | |

**MANAGEMENT'S
RESPONSIBILITY FOR
FINANCIAL REPORTING**

To the Minister Responsible for the
Northwest Territories Liquor Commission

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, 1992 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, 1992 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, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 27, 1992

LITRES SOLD BY STORE

(000's)

| Location | Spirits | Wine | Beer | 1992 | 1991 |
|--------------|---------|-------|-------|-------|-------|
| Yellowknife | 236 | 151 | 1,890 | 2,277 | 2,323 |
| Inuvik | 93 | 24 | 516 | 633 | 671 |
| Hay River | 60 | 25 | 559 | 644 | 623 |
| Norman Wells | 21 | 4 | 156 | 181 | 174 |
| Fort Smith | 23 | 28 | 245 | 296 | 291 |
| Fort Simpson | 26 | 2 | 111 | 139 | 161 |
| Iqaluit | 20 | 11 | 442 | 473 | 468 |
| Other | | | 9 | 9 | |
| Total 1992 | 479 | 245 | 3,928 | 4,652 | |
| Total 1991 | 534 | 263 | 3,923 | | 4,711 |
| % Increase | -10.3% | -6.8% | 0.1% | -1.3% | |

LIQUOR SOLD BY STORE

(000's)

| | Spirits | Wine | Beer | 1992 | 1991 |
|--------------|----------|----------|----------|----------|----------|
| Yellowknife | \$ 5,883 | \$ 1,460 | \$ 6,527 | \$13,870 | \$14,626 |
| Inuvik | \$ 2,277 | \$ 241 | \$ 1,878 | \$ 4,396 | \$ 4,634 |
| Hay River | \$ 1,521 | \$ 213 | \$ 1,968 | \$ 3,702 | \$ 3,660 |
| Norman Wells | \$ 545 | \$ 52 | \$ 567 | \$ 1,164 | \$ 1,114 |
| Fort Smith | \$ 523 | \$ 221 | \$ 864 | \$ 1,608 | \$ 1,610 |
| Fort Simpson | \$ 715 | \$ 28 | \$ 412 | \$ 1,155 | \$ 1,281 |
| Iqaluit | \$ 555 | \$ 144 | \$ 1,907 | \$ 2,606 | \$ 2,563 |
| Other | | \$ 16 | \$ 87 | \$ 103 | |
| Total 1992 | \$12,019 | \$2,375 | \$14,210 | \$28,604 | |
| Total 1991 | \$12,352 | \$2,578 | \$13,673 | | \$29,488 |
| % Increase | -2.7% | -7.9% | 3.9% | -3.0% | |

BALANCE SHEET

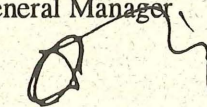
March 31, 1992, with comparative figures for 1991

| | 1992 | 1991 |
|---|-----------------|-----------------|
| | (\$ 000's) | (\$ 000's) |
| Assets | | |
| Current Assets: | | |
| Cash | \$ 2,879 | \$ 3,113 |
| Accounts receivable | 48 | 211 |
| Inventories (note 3) | 2,787 | 2,243 |
| | <u>5,714</u> | <u>5,567</u> |
| Recycling Equipment (net of accumulated amortization of \$13; 1991 - \$nil) | 137 | 150 |
| | <u>\$ 5,851</u> | <u>\$ 5,717</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts Payable and Accrued Liabilities | \$ 1,436 | \$ 1,026 |
| Accrued Employee Leave and Termination Benefits | 134 | 107 |
| Due to the Government of the Northwest Territories | 4,281 | 4,584 |
| | <u>\$ 5,851</u> | <u>\$ 5,717</u> |

Approved by Management:



R. Courtoreille
General Manager

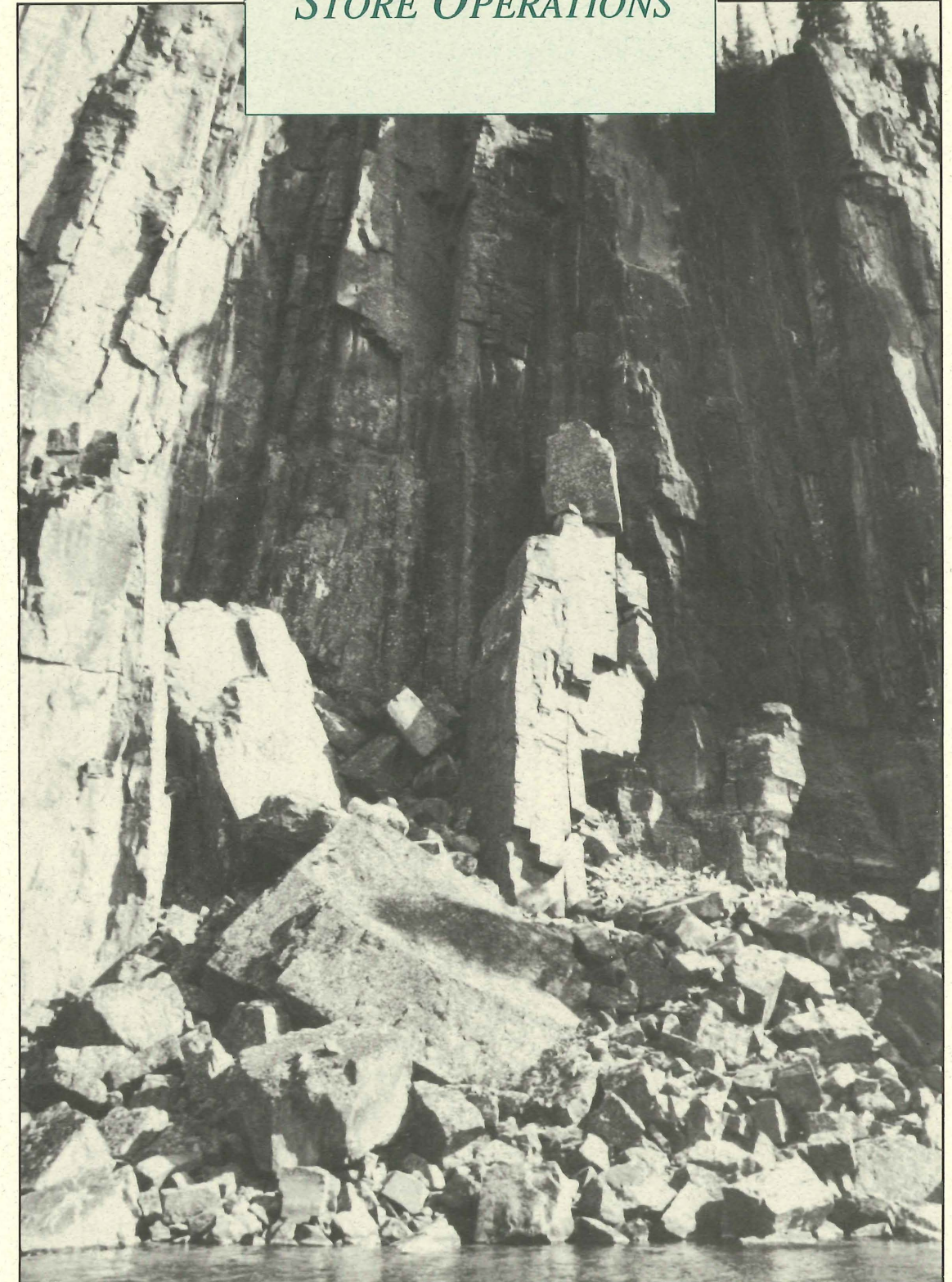


K. Reid
Manager of Finance and Administration

STATEMENT OF INCOME

Year ended March 31, 1992, with comparative figures for 1991

| | 1992 | 1991 |
|---------------------------------------|------------------|------------------|
| | (\$ 000's) | (\$ 000's) |
| Sales: | | |
| Spirits | \$ 12,019 | \$ 12,773 |
| Wine | 2,375 | 2,599 |
| Beer | 14,210 | 14,117 |
| | 28,604 | 29,489 |
| Cost of goods sold: | | |
| Spirits | 4,093 | 4,788 |
| Wine | 841 | 1,040 |
| Beer | 6,669 | 6,979 |
| | 11,603 | 12,807 |
| Gross profit on sales | 17,001 | 16,682 |
| Import fees and other income | 97 | 121 |
| | 17,098 | 16,803 |
| Expenses: | | |
| Commissions and discounts to agents | 1,339 | 1,213 |
| Salaries, wages and employee benefits | 1,159 | 1,033 |
| Utilities | 104 | 105 |
| Rent | 64 | 38 |
| Communications | 51 | 48 |
| Travel | 43 | 40 |
| Office supplies | 39 | 34 |
| Computer services | 25 | 28 |
| Advertising | 22 | 7 |
| Repairs and maintenance | 14 | 12 |
| Breakage and spoilage | 13 | 16 |
| Amortization of recycling equipment | 13 | - |
| Insurance | 12 | 17 |
| Bad debts | 6 | 9 |
| Miscellaneous | 10 | 17 |
| | 2,914 | 2,617 |
| Net income for the year | \$ 14,184 | \$ 14,186 |

STORE OPERATIONS

*Utsingi Point Bay,
Great Slave Lake*

**NOTES TO
FINANCIAL STATEMENTS CONTINUED**

Year Ended March 31, 1992

4. Related party transactions

In addition to those related party transactions disclosed elsewhere in these financial statements, 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.

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

Year Ended March 31, 1992, with comparative figures for 1991

| | 1992 | 1991 |
|---|------------|------------|
| | (\$ 000's) | (\$ 000's) |
| Balance, beginning of year | \$ 4,584 | \$ 3,912 |
| Net income for the year | 14,184 | 14,186 |
| Salaries, wages and benefits paid by the Government | 1,102 | 986 |
| | 19,870 | 19,084 |
| Net transfer of funds to the Government | 15,589 | 14,500 |
| Balance, end of year | \$ 4,281 | \$ 4,584 |

**STATEMENT OF CHANGES
IN FINANCIAL POSITION**

Year ended March 31, 1992, with comparative figures for 1991

| | 1992 | 1991 |
|---|-----------------------------------|----------------|
| | (\$ 000's) | (\$ 000's) |
| Cash provided by (used in): | | |
| Operations: | | |
| Net income | \$ 14,184 | \$ 14,186 |
| Salaries, wages and benefits paid by the Government of the Northwest Territories | 1,102 | 986 |
| Amortization which does not affect cash | 13 | - |
| | <hr/> 15,299 | <hr/> 15,172 |
| Changes in non-cash operating working capital: | | |
| Increase in accounts payable | 410 | 68 |
| Increase in accrued employee leave and termination benefits | 27 | 23 |
| Decrease (increase) in accounts receivable | 163 | (167) |
| Decrease (increase) in inventories | (544) | 1,112 |
| | <hr/> 15,355 | <hr/> 16,208 |
| Investing: | | |
| Purchase of recycling equipment | - | (150) |
| Financing: | | |
| Cash transferred to the Government of the Northwest Territories | (15,589) | (14,500) |
| | <hr/> Increase (decrease) in cash | <hr/> 1,558 |
| Cash, beginning of year | 3,113 | 1,555 |
| | <hr/> Cash, end of year | <hr/> \$ 3,113 |
| | \$ 2,879 | \$ 3,113 |

**NOTES TO
FINANCIAL STATEMENTS**

Year Ended March 31, 1992

1. Authority and operations:

The Northwest Territories Liquor Commission (the 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 and is named in Schedule A to the Financial Administration 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 is provided on cost less estimated salvage value on the straight-line basis at an annual rate of 10%.

(c) Services provided without charge:

The Government of the Northwest Territories provides the Commission with various administrative services, the value of which are not reflected in these financial statements.

3. Inventories:

| | 1992 | 1991 |
|---------|----------------|----------------|
| | (\$ 000's) | (\$ 000's) |
| Spirits | \$ 1,401 | \$ 1,273 |
| Wine | 520 | 381 |
| Beer | 866 | 589 |
| | <hr/> \$ 2,787 | <hr/> \$ 2,243 |

Included in inventories and accounts payable is \$260,501 (1991 - \$204,176) in duties and taxes on inventories that are in bond.