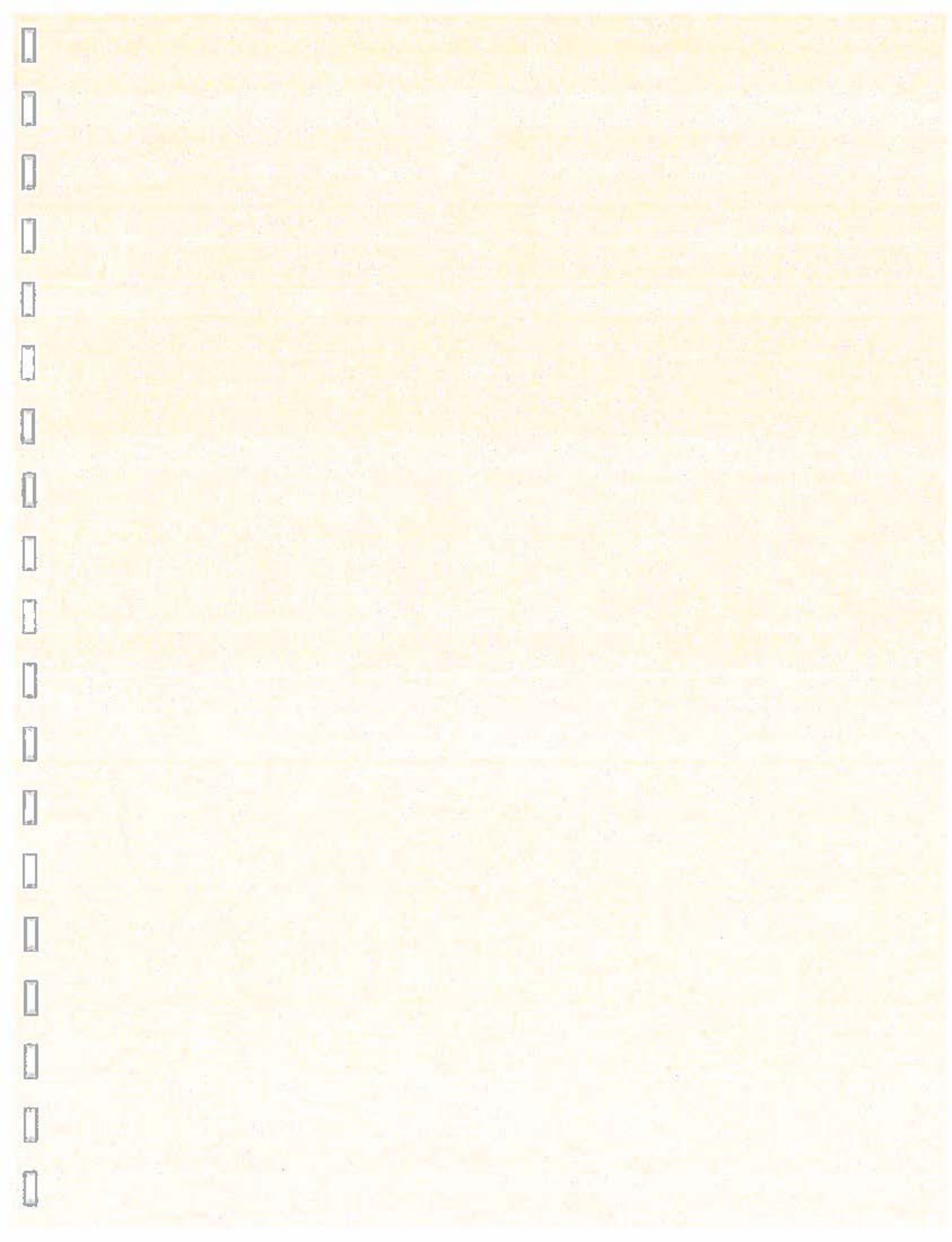


*Northwest Territories
Liquor Commission*

44th Annual Report



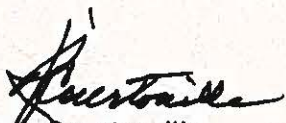
Honourable John Todd
Minister of Finance
YELLOWKNIFE NT

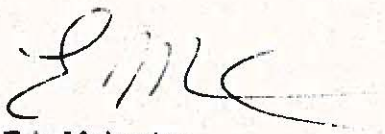
Dear Mr. Todd:

Pursuant to Sections 9(1) and 61 of the Liquor Act, we are pleased to submit the forty-fourth Annual Report for the fiscal year ended March 31, 1998.

We wish to express our thanks to all of our staff and the members of the Liquor Licensing Board for all their support and contribution to the progress of the NWT Liquor Commission and the NWT Liquor Licensing Board during the past year.

Respectfully submitted,


R.G. Courtoreille
General Manager
NWT Liquor Commission


Eric Malmsten
Chairperson
NWT Liquor Licensing Board

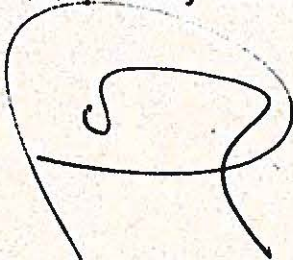


**Members of the Legislative Assembly
of the Northwest Territories
Yellowknife NT**

Dear Colleagues:

I am pleased to present herewith, for the information of the Members of the Legislative Assembly, the forty-fourth Annual Report of the Northwest Territories Liquor Commission and Liquor Licensing Board for the fiscal year ended March 31, 1998.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John Todd', written over a faint circular stamp or watermark.

**John Todd
Minister Responsible for the
Northwest Territories Liquor Commission**

TABLE OF CONTENTS

Executive Organization	5
Management's Responsibility for Financial Reporting	6
Auditor's Report	7
Balance Sheet	8
Statement of Income	9
Statement of Amount Due to the Government of the Northwest Territories	10
Statement of Changes in Financial Position	11
Notes to Financial Statements	12
Operations of the Northwest Territories Liquor Commission	
Message from the General Manager	16
Financial Results and General Statistics	18
Store Operations	25
Recycling Program	39
Northwest Territories Liquor Licensing Board	45

EXECUTIVE ORGANIZATION

as at March 31, 1998

Minister Responsible

Minister	- The Honourable John Todd
Deputy Minister	- Margaret Melhorn

Northwest Territories Liquor Commission

General Manager	- Ron Courtoreille
Manager, Finance and Administration	- Peter Smith
Stocks Manager	- Larry Kathan

Northwest Territories Liquor Licensing Board

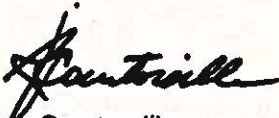
Chairperson	- Rosemary Cairns
Manager, Licensing and Enforcement	- Ann Lobb

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

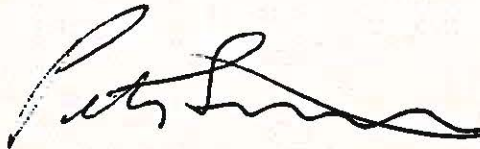
The Northwest Territories Liquor Commission ("the Commission") maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Commission acts in accordance 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.D. Courtoreille
General Manager



P. Smith
Manager, Finance and Administration

May 27, 1998



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Minister of Finance

I have audited the balance sheet of the Northwest Territories Liquor Commission as at March 31, 1998 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, 1998 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 by the Commission and the financial statements are in agreement therewith and the transactions of the Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Part IX of the *Financial Administration Act* and regulations, and the *Northwest Territories Liquor Act* and regulations.



Donald M. Young, FCA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 27, 1998

NORTHWEST TERRITORIES LIQUOR COMMISSION

Balance Sheet

March 31, 1998, with comparative figures for 1997

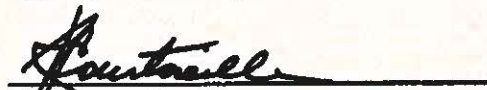
	1998	1997
	(\$000's)	(\$000's)
Assets		
Current assets:		
Cash	\$ 513	\$ 587
Accounts receivable	21	51
Prepaid expenses	17	37
Inventories (note 3)	2,868	2,566
	<u>3,419</u>	<u>3,241</u>
Capital assets (note 4)	413	115
	<u>\$ 3,832</u>	<u>\$ 3,356</u>

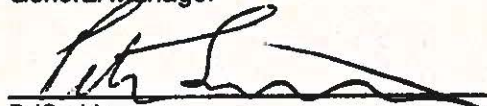
Liabilities

Current liabilities:		
Accounts payable	\$ 1,522	\$ 1,219
Accrued employee leave and termination benefits	133	186
Due to the Government of the Northwest Territories	2,177	1,951
Commitment (note 6)		
	<u>\$ 3,832</u>	<u>\$ 3,356</u>

See accompanying notes to financial statements.

Approved by Management:


 R. Courtoreille
 General Manager


 P. Smith
 Manager, Finance and Administration

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Income

Year ended March 31, 1998, with comparative figures for 1997

	1998	1997
	(\$000's)	(\$000's)
Sales:		
Beer	\$ 15,306	\$ 15,135
Spirits	12,664	12,370
Wine	2,736	2,543
	<u>30,706</u>	<u>30,048</u>
Cost of goods sold:		
Beer	6,336	6,265
Spirits	3,809	3,795
Wine	1,118	971
	<u>11,263</u>	<u>11,031</u>
Gross profit on sales	<u>19,443</u>	<u>19,017</u>
Other income:		
License fees and permits	618	619
Import fees and other income	283	303
	<u>901</u>	<u>922</u>
	<u>20,344</u>	<u>19,939</u>
Expenses:		
Commissions to agents	2,351	2,271
Salaries, wages and employee benefits	870	1,132
Rent	336	322
Amortization of capital assets	110	26
Travel	101	124
Computer services	64	34
Office supplies	60	58
Communications	42	47
Grants in lieu of taxes	39	38
Inspectors' fees	39	29
Utilities	29	30
Advertising	20	15
Board member honoraria	20	14
Insurance	19	20
Losses due to breakage, spoilage and theft	10	14
Repairs and maintenance	10	1
Miscellaneous	9	9
	<u>4,129</u>	<u>4,184</u>
Net income	<u>\$ 16,215</u>	<u>\$ 15,755</u>

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Amount Due to the Government of the Northwest Territories

Year ended March 31, 1998, with comparative figures for 1997

	1998	1997
	(\$000's)	(\$000's)
Balance, beginning of year	\$ 1,951	\$ 1,895
Net income	16,215	15,755
Salaries, wages and benefits paid by the Government	926	1,085
	19,092	18,735
Net transfer of funds to the Government	16,915	16,784
Balance, end of year	\$ 2,177	\$ 1,951

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Changes in Financial Position

Year ended March 31, 1998, with comparative figures for 1997

	1998	1997
	(\$000's)	(\$000's)
Cash provided by (used in):		
Operations:		
Net income	\$ 16,215	\$ 15,755
Salaries, wages and benefits paid by the Government of the Northwest Territories	926	1,085
Amortization of capital assets	110	26
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	30	(48)
Decrease (increase) in prepaid expenses	20	(16)
Increase in inventories	(302)	(22)
Increase in accounts payable	303	63
Increase (decrease) in accrued employee leave and termination benefits	(53)	39
	<u>17,249</u>	<u>16,882</u>
Financing:		
Purchase of capital assets	(408)	(8)
Cash transferred to the Government of the Northwest Territories	(16,915)	(16,784)
	<u>(17,323)</u>	<u>(16,792)</u>
Increase (decrease) in cash	(74)	90
Cash, beginning of year	587	497
Cash, end of year	<u>\$ 513</u>	<u>\$ 587</u>

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

Year ended March 31, 1998

1. Authority and operations:

The Northwest Territories Liquor Commission is responsible for the operation of liquor stores and the purchase and distribution of liquor in the Northwest Territories under Part II of the Northwest Territories Liquor Act. It is named in Schedule A to the Financial Administration Act. The Commission is authorized by the Legislative Assembly to receive interest free working capital advances from time to time not exceeding \$6,500,000 to finance its operations. The Northwest Territories Liquor Commission also operates the Liquor Licensing Board of the Northwest Territories.

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

On April 1, 1999, the division of the Northwest Territories is scheduled to occur. It is anticipated that the Commission will be divided based on geographical and other criteria as agreed by both the Government of Nunavut and the Government of the Western Territory.

The Commission is non-taxable under the Income Tax Act, Canada.

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:

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%.

Leasehold improvements are stated at cost. Amortization is provided on the straight-line basis at an annual rate of 20%.

Furniture and fixtures are stated at cost. Amortization is provided on cost less estimated salvage value on the straight-line basis at an annual rate of 20%.

Computer equipment represents hardware and software and is stated at cost. Amortization is provided on the straight-line basis at an annual rate of 20%.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements, continued

Year ended March 31, 1998

2. Significant accounting policies, continued:

(c) Employee leave and termination benefits:

Under their conditions of employment, employees qualify for annual leave of varying lengths depending on their length of service. Employees also earn retirement and severance remuneration based on the number of years of service. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the Commission. The liability for these benefits is recorded in the accounts as the benefits accrue to the employees.

(d) Pension contributions:

The Commission and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Commission. These contributions represent the total pension obligation of the Commission and are recognized in the accounts on a current basis. The Commission is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

3. Inventories:

	1998	1997
	(\$000's)	(\$000's)
Spirits	\$ 1,402	\$ 1,299
Wine	496	543
Beer	970	724
	\$ 2,868	\$ 2,566

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements, continued

Year ended March 31, 1998

4. Capital assets:

			1998	1997
	Cost	Accumulated amortization	Net book value	Net book value
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Computer equipment	\$ 408	\$ 82	\$ 326	\$ -
Recycling equipment	151	96	55	69
Leasehold improvements	39	23	16	24
Furniture and fixtures	31	15	16	22
	\$ 629	\$ 216	\$ 413	\$ 115

5. Related party transactions:

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.

Certain warehouses are owned by the Government of the Northwest Territories. These are provided for the use of the Commission, the cost of which is reflected as a portion of rent in the financial statements.

	1998	1997
	(\$000's)	(\$000's)
Warehouse rent	\$ 282	\$ 281

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

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements, continued

Year ended March 31, 1998

6. Commitment:

The Commission has entered into a lease agreement for premises that commenced on September 1, 1995 for an initial term of five years to August 31, 2000. The Commission has an option to renew for one additional term. The minimum annual lease payments are:

March 31:	
1999	\$ 49,938
2000	49,938
2001	20,808
	<hr/>
	\$ 120,684

Annual lease payments include operating costs which are subject to annual increases based on the consumer price index and adjustments for tax assessments.

7. Financial Instruments:

The fair value of the Commission's accounts receivable and accounts payable approximates their carrying amounts due to their short-term nature.

OPERATIONS OF THE NORTHWEST TERRITORIES LIQUOR COMMISSION

Message from the General Manager

- Year In Review -

During the fiscal year ending March 31, 1998, the Northwest Territories Liquor Commission realized a net income of \$15,846,000, an increase of \$213,000 (1.4%) from the previous year's net income and \$104,000 (0.7%) over the budgeted net income.

The overall volume of liquor sold decreased by 29,000 litres for the period ending March 31, 1998 from the previous year. Increased volume sales in the spirits and wine categories are attributed to consumer preference for the spirit and wine based coolers.

On April 1, 1996 a flat rate per litre mark-up system was introduced. The flat rate mark-up establishes and monitors similar revenue levels on similar types of liquor products sold.

The flat mark-up system, along with supplier price, freight, container deposits, GST, retail, warehousing and administrative costs, yields a price at which residents and licensees are able to purchase liquor in each community. The use of the flat mark-up will result in revenues from the sales of liquor products to remain constant while prices vary from community to community.

The following mark-up rates were put into effect April 1, 1996:

<u>Product</u>	<u>\$ per litre</u>
Spirits	21.35
Wine	6.35
Beer	1.58
Coolers	2.48
Ciders	1.62

Import Permits:

An individual may personally bring into the Northwest Territories one 1140 ml bottle of spirits or wine or twelve - 355 ml of beer. To import quantities greater than the allowable amounts, an import permit is required. Fees for import permits are: Spirits \$8.77 per litre; Beer \$0.70 per litre; Wine \$7.02 per litre; Coolers/Ciders \$1.75 per litre. 284 import permits were issued in 1998 for \$126,000, down from the 361 permits issued in 1997 for \$140,000.

Retail & Warehousing:

All retail liquor outlets continue to be operated by private sector contractors as well as liquor warehouses in Inuvik, Hay River and Yellowknife. The Liquor Commission continues to operate the Iqaluit liquor warehouse.

During this current year, requests for proposals were issued for the provision and operation of a liquor warehouse in Yellowknife and the retail liquor outlet in Inuvik. After the reviews and evaluation of the proposals submitted, Hay River Liquor Retailers was awarded a ten year contract commencing March 1, 1998 for the Yellowknife Liquor Warehouse. Stanton Distributing was awarded a seven year contract for the retail liquor outlet in Inuvik commencing October 1, 1997.

Contractors and expiry dates of each contract are as follows:

<u>Agency:</u>	<u>Contractor:</u>	<u>Expiry Date:</u>
Hay River Liquor Warehouse	Hay River Liquor Retailers (1991) Ltd.	January 31, 2004
Hay River Liquor Agency	Hay River Liquor Retailers (1991) Ltd.	March 31, 2007
Norman Wells Liquor Agency	Norman Wells Liquor Store Ltd	September 30, 2003
Inuvik Liquor Warehouse	Stanton Holdings Ltd.	June 30, 2004
Inuvik Liquor Agency	Stanton Distributing Ltd.	September 30, 2004
Fort Smith Liquor Agency	Martselos Services Ltd.	November 30, 2001
Yellowknife Liquor Agency	913007 NWT Ltd.	August 31, 2001
Fort Simpson Liquor Agency	974173 NWT Ltd.	October 31, 2003
Yellowknife Liquor Warehouse	Hay River Liquor Retailers (1991) Ltd.	February 28, 2008

During this year the Liquor Commission implemented a new computerized system to operate and manage liquor sales, inventory management, accounts and general ledger modules. It is expected that this system will be finalized in 1998. In cooperation with other liquor jurisdictions and industry suppliers, bar code scanning capabilities were installed at the points of sale in all liquor stores.

Resupply:

The Liquor Commission uses all modes of transportation by air, sealift and highways, to resupply liquor products to its liquor agencies and warehouses.

Approximately 70% of liquor sold in the Northwest Territories is readily supplied by the highway system with little or no interruptions caused by the freeze up or break up of river crossings. Due to the availability of ferry services or winter roads, Inuvik and Fort Simpson liquor facilities must warehouse greater amounts of liquor to last over freeze up and break up periods. The Iqaluit liquor warehouse is resupplied with spirits, wine and beer annually by sealift. Beer is also flown in from Montreal for 2-3 months prior to the arrival of the sealift because of the limited shelf life of beer products. Similarly, the Norman Wells liquor outlet is resupplied by barge annually with spirits, wine and beer. This outlet is again resupplied during the winter months by winter road.

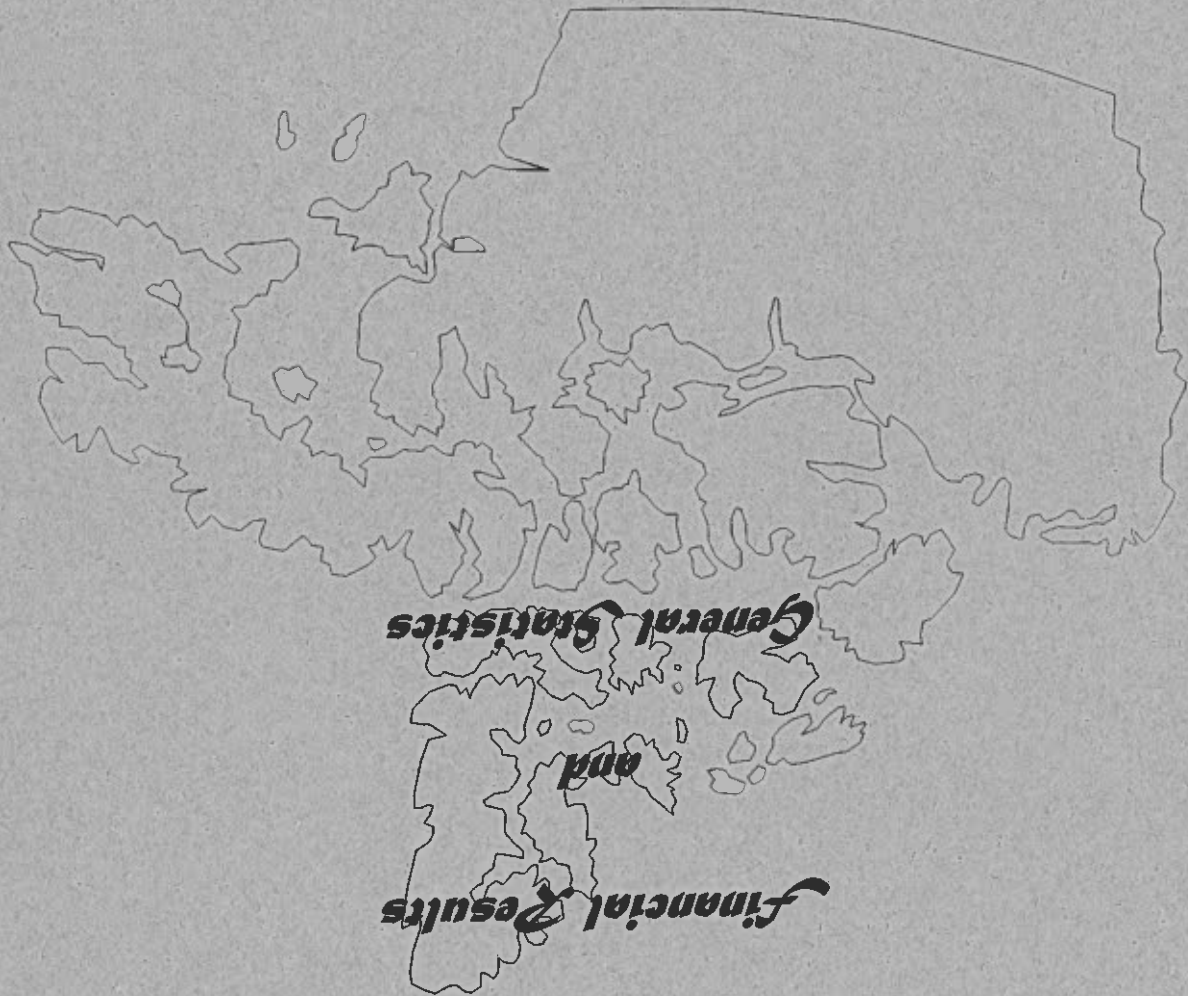
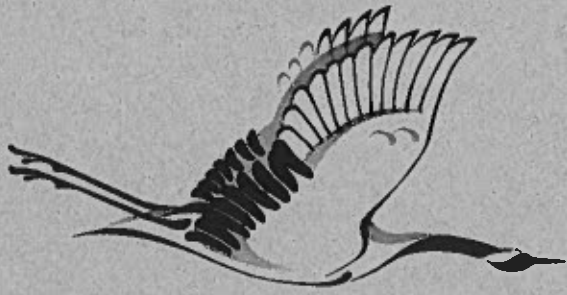
Over the past years, the Liquor Commission has increased the number of different types of liquor products offered for sale while trying to maintain or decrease the value of its inventory levels. The Liquor Commission is presently increasing the number of times liquor products are ordered to reduce its inventory levels. The purchase of most imported products has been increased to twice annually. Currently the Liquor Commission is negotiating with suppliers to have liquor products supplied from Edmonton instead of supplier's locations. This will enable the Commission to purchase in smaller quantities and reduce the amount of money tied up in inventories.

Recycling:

On January 1, 1991 the Liquor Commission initiated a deposit refund program for all spirits & wine containers, beer cans, imported beer bottles and cider & cooler bottles. Beer bottles from Molson and Labatt's breweries are not included in this program as the major breweries have their own deposit refund program in place on beer bottles sold in the Northwest Territories. In communities where the Liquor Commission has an outlet, liquor containers can be returned to designated bottle depots for a full deposit refund. The return rate on the NWT deposit program decreased slightly to 59% from 62% in 1996/97.

The Liquor Commission is currently negotiating with Brewers Distributing to refund full deposits on beer bottles from Labatt and Molson Breweries. Currently consumers may return their beer bottles to local bottle depots for refunds that are less than the bottle deposit applied by the two breweries. Approximately 90% of Labatt and Molson beer bottles sold in the N.W.T. are returned to Brewers Distributing in Edmonton through their deposit refund program.

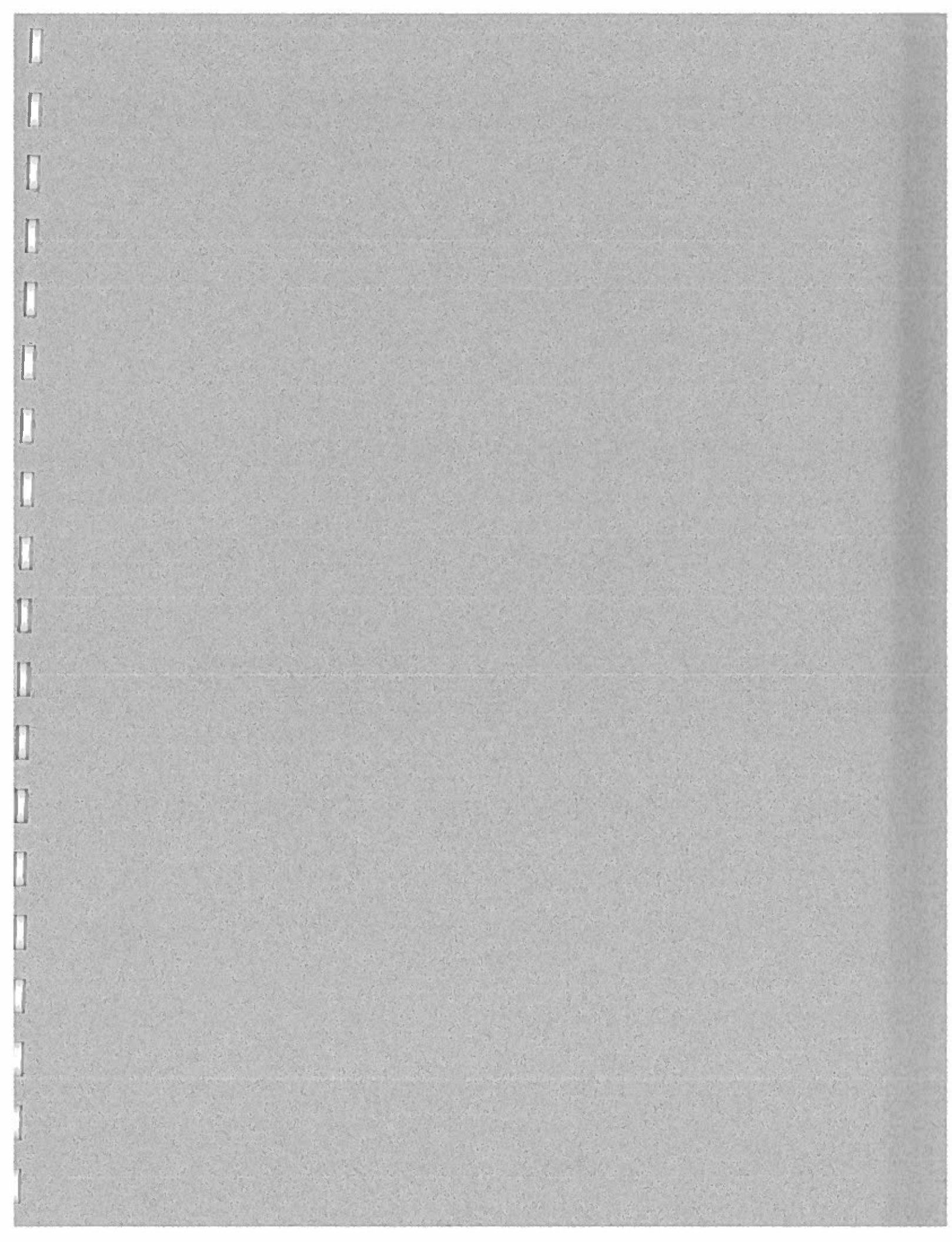




General Statistics

and

Financial Results



Consolidated Operations / Excluding Liquor Licensing Board

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	spirits	wine	beer	1998	1997
				(000's)	(000's)
Sales					
Consumers	\$10,671	\$2,243	\$7,855	\$20,769	\$20,218
Licensees	1,993	492	7,452	9,937	9,830
	<u>12,664</u>	<u>2,735</u>	<u>15,307</u>	<u>30,706</u>	<u>30,048</u>
Cost of Sales					
Beginning Inventory	1,299	543	724	2,566	2,544
Purchases	3,744	948	5,648	10,340	9,979
Freight	167	124	934	1,225	1,074
Ending Inventory	(1,402)	(496)	(970)	(2,868)	(2,566)
	<u>3,808</u>	<u>1,119</u>	<u>6,336</u>	<u>11,263</u>	<u>11,031</u>
Gross Profit	8,856	1,616	8,971	19,443	19,017
Other Income					
Import Permits				85	140
Bottle Deposit Program				188	158
Other				5	5
				<u>278</u>	<u>303</u>
Operating Expenses				3,875	3,687
Net Income				\$15,846	\$15,633
sales ratios:					
Category to Total Sales	41.2%	8.9%	49.8%		
Consumer Sales to					
Total Category	84.3%	82.0%	51.3%	67.6%	67.3%
Licensee Sales to					
Total Category	15.7%	18.0%	48.7%	32.4%	32.7%
profitability ratios:					
% Gross Profit to Sales	69.9%	59.1%	58.6%	63.3%	63.3%
% Net Income to Sales				51.6%	52.0%
efficiency ratio:					
Inventory Turns	2.82	2.15	7.47	4.15	4.32

Five Year Performance History/Excluding Liquor Licensing Board
(000's)

Year	Gross Sales (000's)	% Change In Sales	Net Income (000's)	Net Income as % of Sales	Operating Expenses (000's)
1994	29,341	3.5%	15,268	52.04%	3,285
1995	29,729	1.3%	14,993	50.43%	3,698
1996	30,415	2.3%	15,757	51.81%	3,775
1997	30,048	1.3%	15,633	52.03%	3,687
1998	30,706	2.2%	15,846	51.61%	3,875

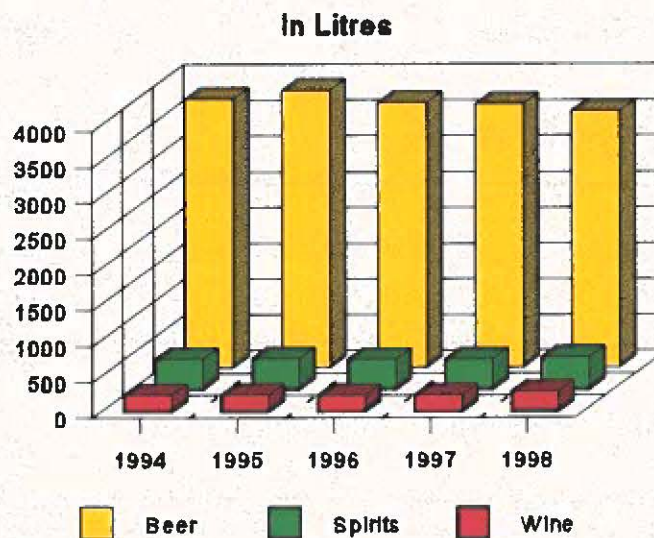
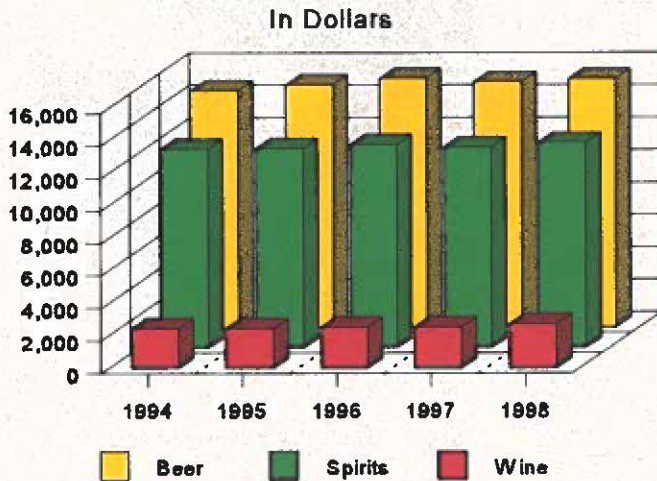
Five Year Sales History

in dollars

	1994 (000's)	1995 (000's)	1996 (000's)	1997 (000's)	1998 (000's)
spirits	12,265	12,296	12,531	12,370	12,664
wine	2,461	2,464	2,537	2,543	2,735
beer	14,616	14,969	15,347	15,135	15,307
	29,342	29,729	30,415	30,048	30,706

in litres

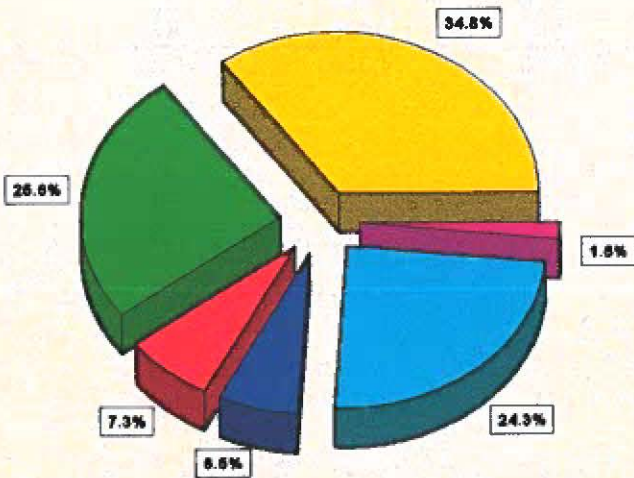
	1994 (000's)	1995 (000's)	1996 (000's)	1997 (000's)	1998 (000's)
spirits	433	438	425	430	457
wine	244	246	239	246	292
beer	3,751	3,871	3,698	3,678	3,576
	4,428	4,555	4,362	4,354	4,325



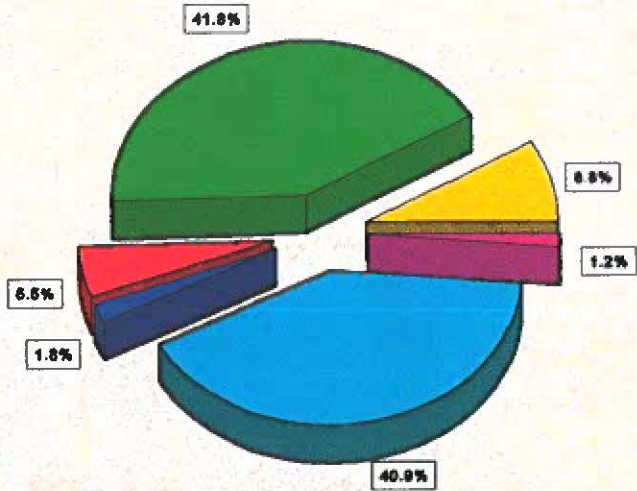
Liquor Sales by Customer Type
in dollars (000's)

	1998 (000's)	
Spirit Sales to Public	10,671	34.8%
Beer Sales to Public	7,855	25.6%
Wine Sales to Public	2,243	7.3%
Total Consumer Sales	20,769	67.6%
Spirit Sales to Licensees	1,993	6.5%
Beer Sales to Licensees	7,452	24.3%
Wine Sales to Licensees	492	1.6%
Total Licensee Sales	9,937	32.4%
Total Sales	30,706	100.0%

In Dollars



In Litres

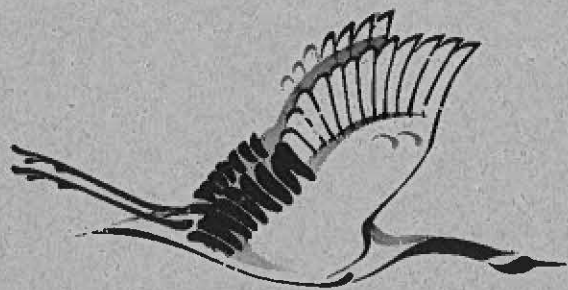


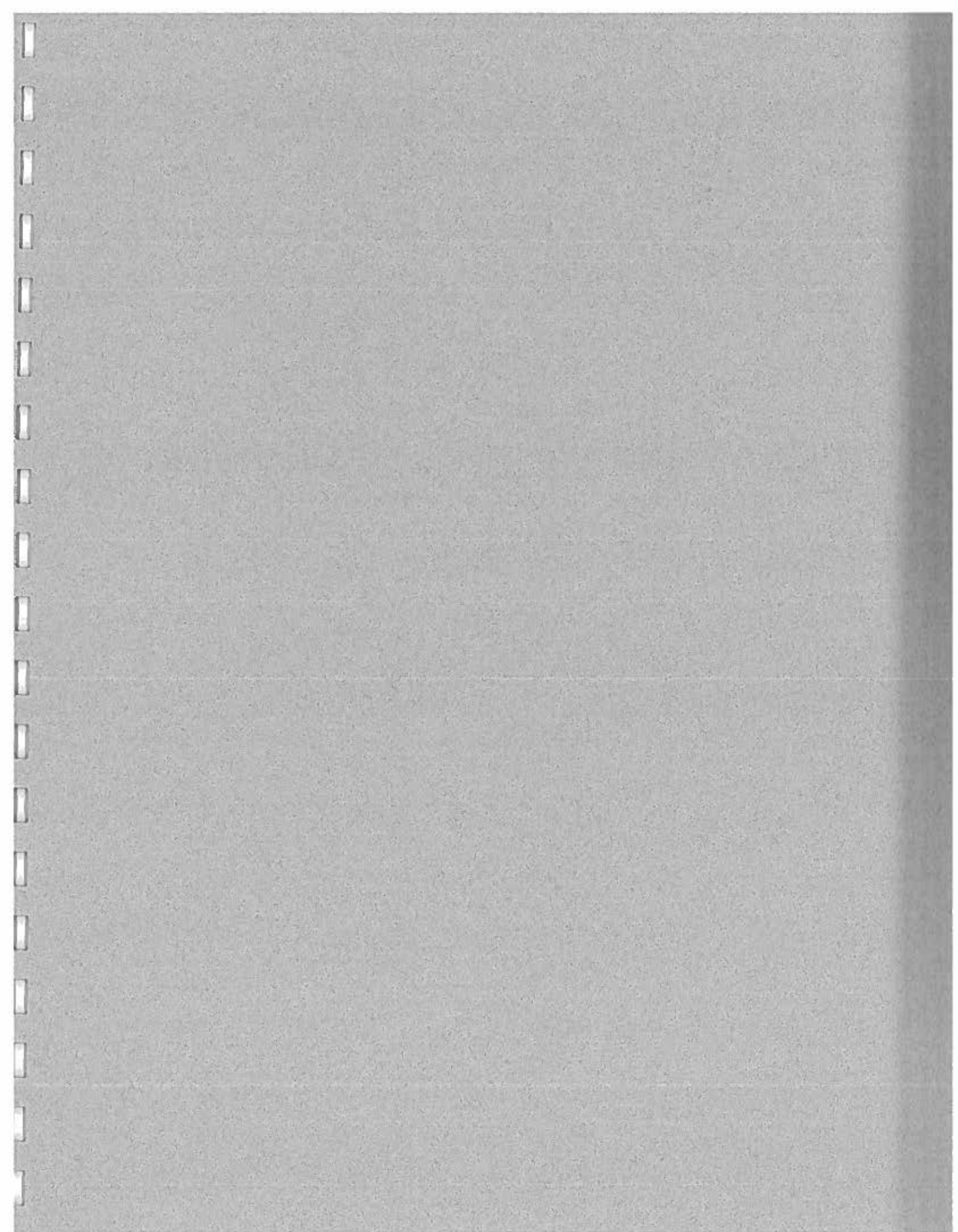
- *Spirits Sales to Public*
- *Beer Sales to Public*
- *Wine Sales to Public*

- *Spirits Sales to Licensees*
- *Beer Sales to Licensees*
- *Wine Sales to Licensees*

Litre Sales by Customer Type
in litres (000's)

	1998 (000's)	
Spirit Sales to Public	379	8.8%
Beer Sales to Public	1,808	41.8%
Wine Sales to Public	239	5.5%
Total Consumer Sales	2,426	56.1%
Spirit Sales to Licensees	78	1.8%
Beer Sales to Licensees	1,768	40.9%
Wine Sales to Licensees	53	1.2%
Total Licensee Sales	1,899	43.9%
Total Sales	4,325	100.0%





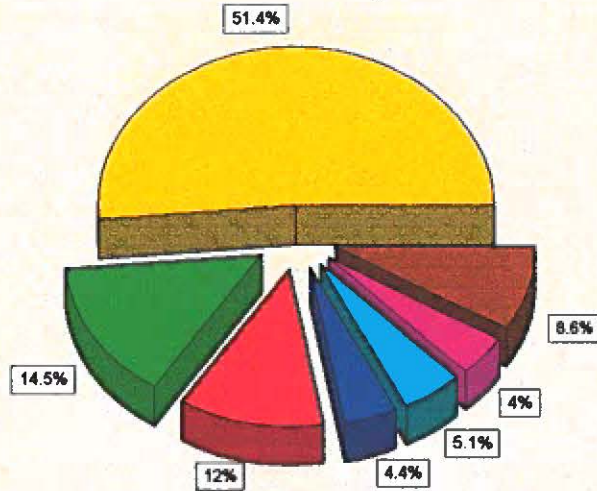
Liquor Sold By Location

	Spirits	Wine	Beer	1998 (000's)	1997 (000's)
Yellowknife	\$6,597	\$1,759	\$7,429	\$15,785	\$15,498
Inuvik	2,287	268	1,894	4,449	4,201
Hay River	1,421	255	1,997	3,673	3,698
Norman Wells	648	69	637	1,354	1,321
Fort Smith	485	235	845	1,565	1,511
Fort Simpson	732	23	479	1,234	1,243
Iqaluit	491	116	2,022	2,629	2,567
Other	3	10	4	17	9
Total 1998	12,664	2,735	15,307	30,706	
Total 1997	12,371	2,542	15,135		30,048
% Increase	2.4%	7.6%	1.1%	2.2%	

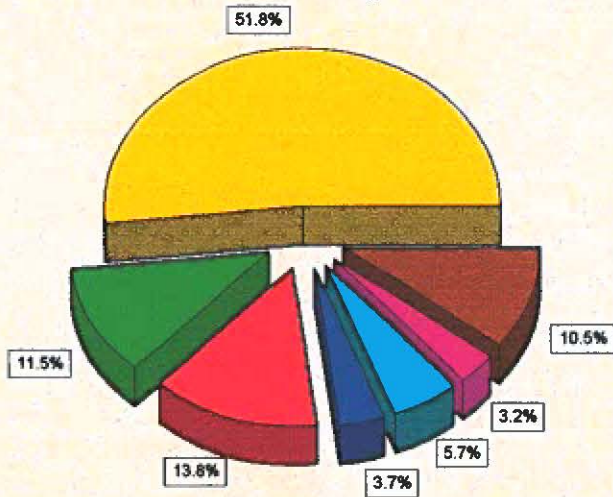
Litres Sold By Location

	Spirits	Wine	Beer	1998 (000's)	1997 (000's)
Yellowknife	236	177	1,826	2,239	2,292
Inuvik	84	25	388	497	491
Hay River	57	45	492	594	574
Norman Wells	22	6	130	158	166
Fort Smith	18	25	202	245	242
Fort Simpson	25	3	109	137	135
Iqaluit	15	9	428	452	452
Other	0	2	1	3	2
Total 1998	457	292	3,576	4,325	
Total 1997	429	247	3,678		4,354
% Increase	6.5%	18.2%	-2.8%	-0.7%	

Sales in Dollars by Location



Sales in Litres by Location



- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Yellowknife</i> | <i>Inuvik</i> |
| <i>Hay River</i> | <i>Norman Wells</i> |
| <i>Fort Smith</i> | <i>Fort Simpson</i> |
| <i>Iqaluit</i> | |

Sales to Licensee's

	Spirits	Wine	Beer	1998 (000's)	1997 (000's)
Yellowknife	\$1,023	\$ 299	\$2,841	\$4,163	\$4,233
Inuvik	244	42	969	1,255	1,159
Hay River	175	23	851	1,049	1,122
Norman Wells	89	16	244	349	346
Fort Smith	97	7	381	485	450
Fort Simpson	42	1	219	262	257
Iqaluit	320	94	1,943	2,357	2,262
Other	3	10	4	17	0
Total 1998	\$1,993	\$ 492	\$7,452	\$9,937	
Total 1997	1,962	410	7,457		9,829
% Increase	1.6%	20.0%	-0.1%	1.1%	

Sales to Consumers

	Spirits	Wine	Beer	1998 (000's)	1997 (000's)
Yellowknife	\$5,574	\$1,460	\$4,588	\$11,622	\$11,265
Inuvik	2,043	226	925	3,194	3,042
Hay River	1,246	232	1,146	2,624	2,577
Norman Wells	559	53	393	1,005	975
Fort Smith	388	228	464	1,080	1,061
Fort Simpson	690	22	260	972	985
Iqaluit	171	22	79	272	305
Other	0	0	0	0	9
Total 1998	10,671	2,243	7,855	20,769	
Total 1997	10,408	2,133	7,678		20,219
% Increase	2.5%	5.2%	2.3%	2.7%	

Sales to Licensee's

in litres	Spirits	Wine	Beer	1998 (000's)	1997 (000's)
Yellowknife	42	35	757	834	819
Inuvik	11	4	206	221	212
Hay River	7	2	202	211	234
Norman Wells	3	1	50	54	57
Fort Smith	4	1	91	96	91
Fort Simpson	1	1	50	52	49
Iqaluit	10	7	411	428	426
Other	0	2	1	3	0
Total 1998	78	53	1,768	1,899	
Total 1997	66	38	1,784		1,888
% Increase	18.2%	39.5%	-0.8%	0.6%	

Sales to Consumers

in litres	Spirits	Wine	Beer	1998 (000's)	1997 (000's)
Yellowknife	194	142	1,069	1,405	1,473
Inuvik	73	21	182	276	279
Hay River	50	43	290	383	340
Norman Wells	19	5	80	104	109
Fort Smith	14	24	111	149	151
Fort Simpson	24	2	59	85	86
Iqaluit	5	2	17	24	26
Other	0	0	0	0	2
Total 1998	379	239	1,808	2,426	
Total 1997	363	209	1,894		2,466
% Increase	4.4%	14.4%	-4.5%	-1.6%	

Sales By Customer Type

in dollars

	consumer	licensee	1998 (000's)
Yellowknife	\$11,622	\$ 4,163	\$15,785
Inuvik	3,194	1,255	4,449
Hay River	2,624	1,049	3,673
Norman Wells	1,005	349	1,354
Fort Smith	1,080	485	1,565
Fort Simpson	972	262	1,234
Iqaluit	272	2,357	2,629
Other	0	17	17
Total 1998	\$20,769	\$ 9,837	\$30,708
Total 1997	\$20,219	\$ 9,829	\$30,048

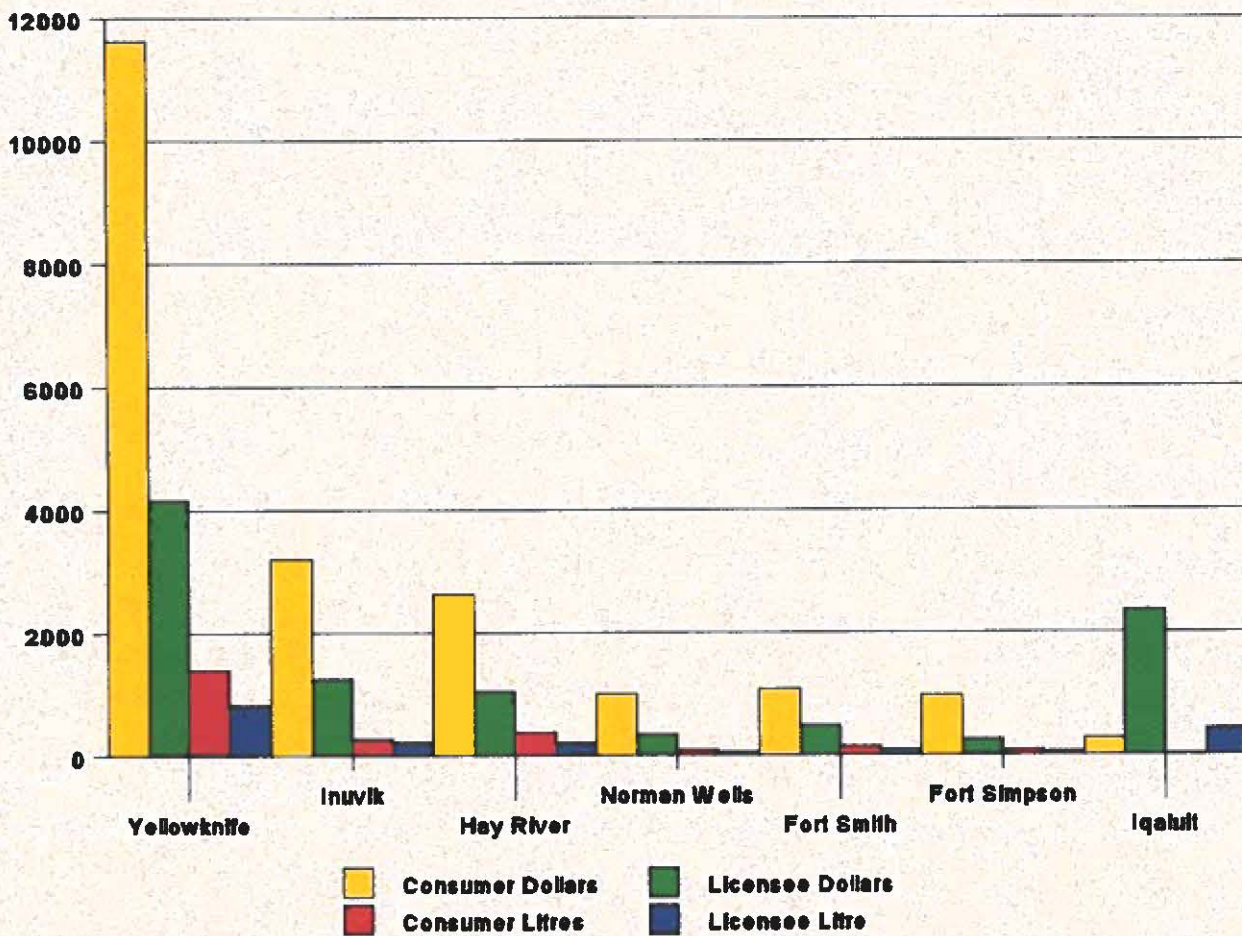
Sales By Customer Type

in litres

	consumer	licensee	1998 (000's)
Yellowknife	1,405	834	2,239
Inuvik	278	221	497
Hay River	383	211	594
Norman Wells	104	54	158
Fort Smith	149	96	245
Fort Simpson	85	52	137
Iqaluit	24	428	452
Other	0	3	3
Total 1998	2,426	1,899	4,325
Total 1997	2,466	1,888	4,354

Sales by Customer Type

In Dollars & Litres



Northwest Territories Liquor Commission

Yellowknife Operations

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	spirits	wine	beer	1998 (000's)	1997 (000's)
Sales					
Consumers	\$5,574	\$1,460	\$4,588	\$11,622	\$11,264
Licensees	1,023	299	2,841	4,163	4,234
	6,597	1,759	7,429	15,785	15,498
Cost of Sales					
Beginning Inventory	552	316	184	1,052	1,076
Purchases	1,955	633	2,854	5,442	5,258
Freight	64	65	270	399	385
Ending Inventory	(561)	(287)	(252)	(1,100)	(1,052)
	2,010	727	3,056	5,793	5,667
Gross Profit	4,587	1,032	4,373	9,992	9,831
Operating Expenses					
Warehouse				458	426
Retail				980	937
				1,438	1,363
Net Income				\$8,554	\$8,468

sales ratios:

Category to Total Sales	41.8%	11.1%	47.1%		
Consumer Sales to					
Total Category	84.5%	83.0%	61.8%	73.6%	72.7%
Licensee Sales to					
Total Category	15.5%	17.0%	38.2%	26.4%	27.3%

profitability ratios:

% Gross Profit to Sales	69.6%	58.7%	58.9%	63.3%	63.4%
% Net Income to Sales				54.2%	54.6%

efficiency ratio:

Inventory Turns	3.61	2.41	14.01	5.38	5.33
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Inuvik Operations

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	spirits	wine	beer	1998 (000's)	1997 (000's)
Sales					
Consumers	\$2,043	\$226	\$925	\$3,194	\$3,042
Licensees	244	42	969	1,255	1,159
	2,287	268	1,894	4,449	4,201
Cost of Sales					
Beginning Inventory	220	65	153	438	487
Purchases	644	79	674	1,397	1,256
Freight	44	16	168	228	200
Ending Inventory	(256)	(51)	(201)	(508)	(438)
	652	109	794	1,555	1,505
Gross Profit	1,635	159	1,100	2,894	2,696
Operating Expenses					
Warehouse				203	199
Retail				270	264
				473	463
Net Income				\$2,421	\$2,233

sales ratios:

Category to Total Sales	51.4%	6.0%	42.6%		
Consumer Sales to Total Category	89.3%	84.3%	48.8%	71.8%	72.4%
Licensee Sales to Total Category	10.7%	15.7%	51.2%	28.2%	27.6%

profitability ratios:

% Gross Profit to Sales	71.5%	59.4%	58.0%	65.0%	64.2%
% Net Income to Sales				54.4%	53.2%

efficiency ratio:

Inventory Turns	2.75	1.87	4.53	3.30	3.25
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Northwest Territories Liquor Commission

Hay River Operations

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	spirits	wine	beer	1998	1997
				(000's)	(000's)
Sales					
Consumers	\$1,246	\$232	\$1,146	\$2,624	\$2,577
Licensees	175	23	851	1,049	1,122
	1,421	255	1,997	3,673	3,699
Cost of Sales					
Beginning Inventory	251	75	86	412	298
Purchases	424	82	739	1,245	1,354
Freight	15	10	56	81	82
Ending Inventory	(248)	(66)	(106)	(420)	(412)
	442	101	775	1,318	1,322
Gross Profit	979	154	1,222	2,355	2,377
Operating Expenses					
Warehouse				189	186
Retail				219	225
				408	411
Net Income				\$1,947	\$1,966

sales ratios:

Category to Total Sales	38.7%	6.9%	54.4%		
Consumer Sales to					
Total Category	87.7%	90.6%	57.4%	71.4%	69.7%
Licensee Sales to					
Total Category	12.3%	9.4%	42.6%	28.6%	30.3%

profitability ratios:

% Gross Profit to Sales	68.9%	60.3%	61.2%	64.1%	64.3%
% Net Income to Sales				53.0%	53.1%

efficiency ratio:

Inventory Turns	1.77	1.44	8.06	3.17	3.72
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Norman Wells Operations

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	spirits	wine	beer	1998 (000's)	1997 (000's)
Sales					
Consumers	\$559	\$53	\$393	\$1,005	\$975
Licensees	89	16	244	349	346
	648	69	637	1,354	1,321
Cost of Sales					
Beginning Inventory	102	23	75	200	176
Purchases	222	30	188	440	436
Freight	14	7	43	64	58
Ending Inventory	(141)	(32)	(54)	(227)	(200)
	197	28	252	477	470
Gross Profit	451	41	385	877	851
Operating Expenses				170	161
Net Income				\$707	\$690

sales ratios:

Category to Total Sales	47.8%	5.1%	47.0%		
Consumer Sales to					
Total Category	86.3%	76.8%	61.7%	74.2%	73.8%
Licensee Sales to					
Total Category	13.7%	23.2%	38.3%	25.8%	26.2%

profitability ratios:

% Gross Profit to Sales	69.6%	60.5%	60.3%	64.7%	64.4%
% Net Income to Sales				52.2%	52.2%

efficiency ratio:

Inventory Turns	1.62	0.99	3.94	2.24	2.49
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Northwest Territories Liquor Commission

Fort Smith Operations

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	spirits	wine	beer	1998 (000's)	1997 (000's)
Sales					
Consumers	\$388	\$228	\$464	\$1,080	\$1,061
Licensees	97	7	381	485	450
	485	235	845	1,565	1,511
Cost of Sales					
Beginning Inventory	44	23	35	102	98
Purchases	148	72	318	538	513
Freight	6	7	34	47	42
Ending Inventory	(53)	(27)	(45)	(125)	(102)
	145	75	342	562	551
Gross Profit	340	160	503	1,003	960
Operating Expenses				160	154
Net Income				\$843	\$806

sales ratios:

Category to Total Sales	31.0%	15.0%	54.0%		
Consumer Sales to					
Total Category	80.0%	97.0%	54.9%	69.0%	70.2%
Licensee Sales to					
Total Category	20.0%	3.0%	45.1%	31.0%	29.8%

profitability ratios:

% Gross Profit to Sales	70.1%	68.1%	59.6%	64.2%	63.5%
% Net Income to Sales				54.0%	53.3%

efficiency ratio:

Inventory Turns	3.00	2.97	8.49	4.94	5.51
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Fort Simpson Operations

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	spirits	wine	beer	1998 (000's)	1997 (000's)
Sales					
Consumers	\$690	\$22	\$260	\$972	\$985
Licensees	42	1	219	262	257
	732	23	479	1,234	1,242
Cost of Sales					
Beginning Inventory	31	10	23	64	79
Purchases	230	3	163	396	367
Freight	7	0	18	25	23
Ending Inventory	(64)	(8)	(16)	(88)	(64)
	204	5	188	397	405
Gross Profit	528	18	291	837	837
Operating Expenses				158	157
Net Income				\$679	\$680

sales ratios:

Category to Total Sales	59.3%	1.9%	38.8%		
Consumer Sales to					
Total Category	94.3%	95.8%	54.3%	78.8%	79.3%
Licensee Sales to					
Total Category	5.7%	4.2%	45.7%	21.2%	20.7%

profitability ratios:

% Gross Profit to Sales	72.1%	74.8%	60.8%	67.7%	67.4%
% Net Income to Sales				54.9%	54.8%

efficiency ratio:

Inventory Turns	4.30	0.69	9.60	5.25	5.66
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Northwest Territories Liquor Commission

Iqaluit Operations

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	spirits	wine	beer	1998	1997
				(000's)	(000's)
Sales					
Consumers	\$171	\$22	\$79	\$272	\$305
Licensees	320	94	1,943	2,357	2,262
	491	116	2,022	2,629	2,567
Cost of Sales					
Beginning Inventory	98	29	169	296	329
Purchases	125	38	711	874	789
Freight	18	19	345	382	284
Ending Inventory	(79)	(25)	(296)	(400)	(296)
	162	61	929	1,152	1,106
Gross Profit	329	55	1,093	1,477	1,461
Operating Expenses				269	287
Net Income				\$1,208	\$1,174

sales ratios:

Category to Total Sales	18.7%	4.4%	76.9%		
Consumer Sales to					
Total Category	34.8%	19.0%	3.9%	10.3%	11.9%
Licensee Sales to					
Total Category	65.2%	81.0%	96.1%	89.7%	88.1%

profitability ratios:

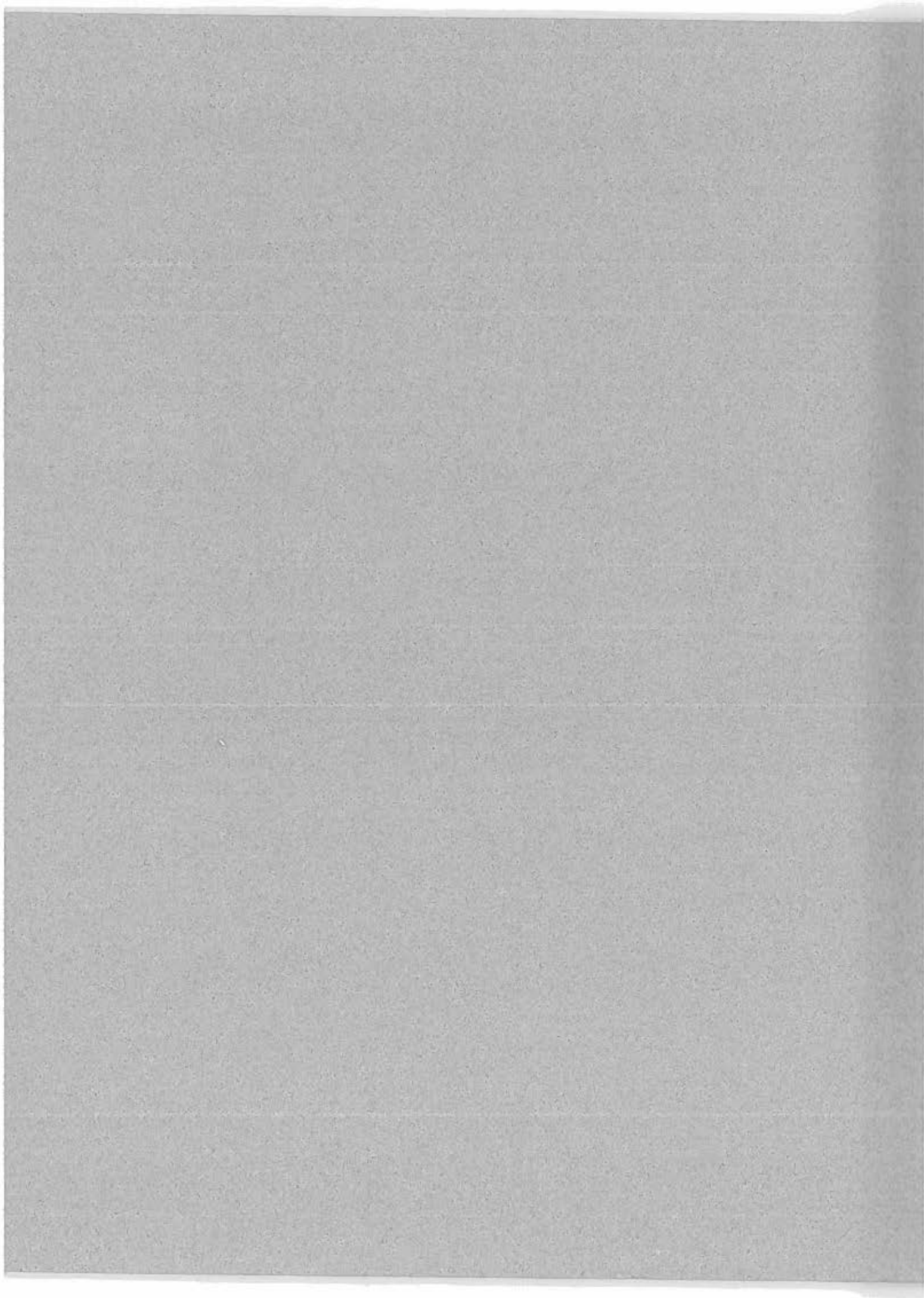
% Gross Profit to Sales	66.9%	48.2%	54.0%	56.2%	56.9%
% Net Income to Sales				46.0%	45.7%

efficiency ratio:

Inventory Turns	1.83	2.22	4.00	3.31	3.54
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Recycling Program



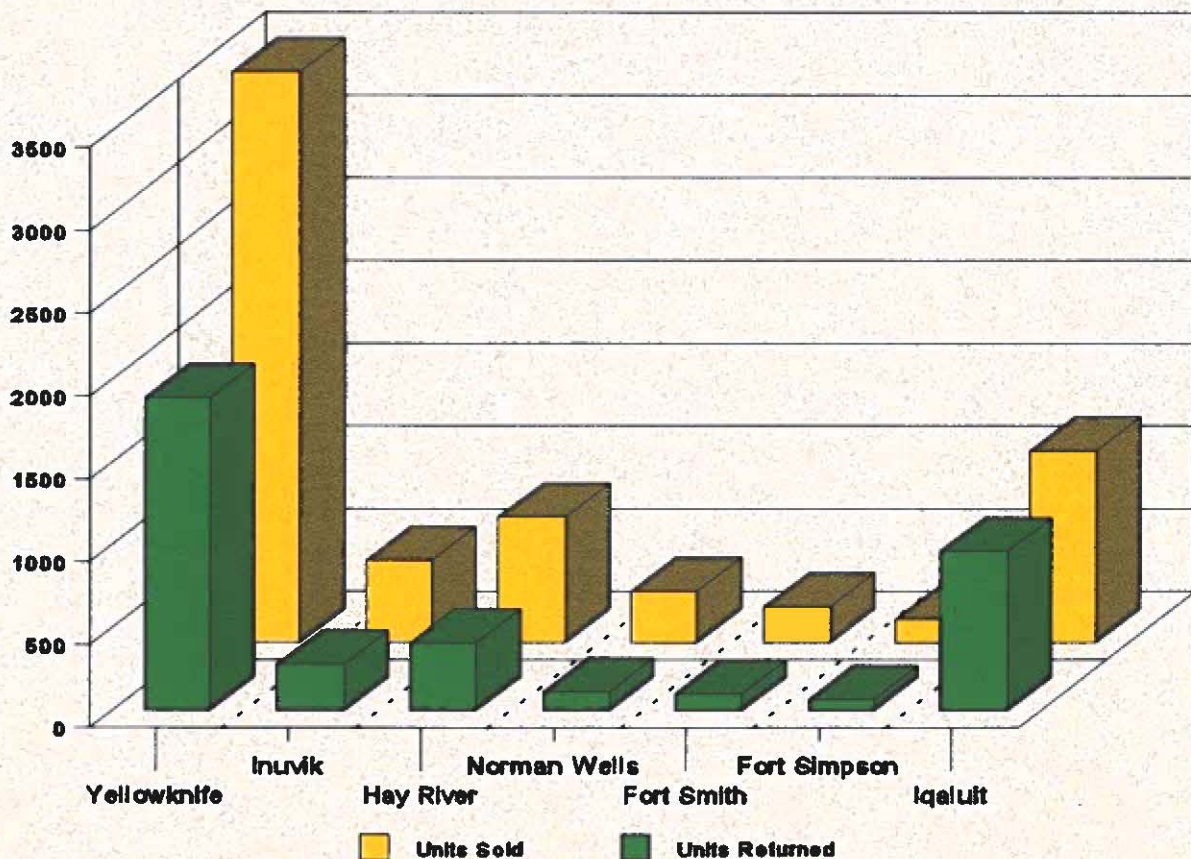
Bottle Depot Operations

Sales/ Cost of Sales/ Gross Margin/ Inventory Turns

March 31, 1998

	1998 (000's)	1997 (000's)
Income		
Deposits collected on sales	\$ 773	\$ 683
Reduction in allowance for outstanding deposits	(18)	(8)
Total income	\$ 755	\$ 675
Expenditures		
Deposits reimbursed to agents on returns	459	419
Commissions paid to agents on returns	77	71
Amortization of recycling equipment	14	14
Accrued Liability to Agents	17	15
Total Expenditures	\$ 567	\$ 519
Surplus	\$ 188	\$ 156

Deposit Units Sold & Returned



Northwest Territories Liquor Commission

Deposit Units Sold by Location

	Spirits	Wine	Beer & Coolers	1998 (000's)	1997 (000's)
Yellowknife	273	150	3,024	3,447	2,779
Inuvik	88	22	388	498	444
Hay River	73	45	641	757	623
Norman Wells	21	6	283	310	316
Fort Smith	20	25	172	217	214
Fort Simpson	33	2	106	141	121
Iqaluit	15	10	1,133	1,158	1,207
Total 1998	523	260	5,747	6,530	
Total 1997	499	230	4,975		5,704
% change	4.8%	13.0%	15.5%	14.5%	

Deposit Units Returned by Location

	Spirits	Wine	Beer & Coolers	1998 (000's)	1997 (000's)
Yellowknife	209	112	1,569	1,890	1,589
Inuvik	35	16	229	280	277
Hay River	39	18	354	411	416
Norman Wells	5	3	106	114	128
Fort Smith	14	19	68	101	0
Fort Simpson	21	0	46	67	93
Iqaluit	15	1	947	963	1,048
Total 1998	338	169	3,319	3,826	
Total 1997	274	141	3,136		3,551
% change	23.4%	19.9%	5.8%	7.7%	

Deposits Collected on Sales

	Spirits	Wine	Beer & Coolers	1998 (000's)	1997 (000's)
Yellowknife	\$ 68	\$ 37	\$ 304	\$ 409	\$ 339
Inuvik	22	5	40	67	60
Hay River	18	12	64	94	76
Norman Wells	5	1	29	35	36
Fort Smith	5	7	17	29	29
Fort Simpson	8	0	11	19	18
Iqaluit	4	3	113	120	125
Total 1998	130	65	578	773	
Total 1997	125	60	498		683
% change	4.0%	8.3%	16.1%	12.9%	

Deposits Paid to Agents on Returns

	Spirits	Wine	Beer & Coolers	1998 (000's)	1997 (000's)
Yellowknife	\$ 52	\$ 28	\$ 157	\$ 237	\$ 195
Inuvik	9	4	23	36	36
Hay River	10	4	35	49	53
Norman Wells	1	1	11	13	15
Fort Smith	4	5	6	15	0
Fort Simpson	5	0	5	10	14
Iqaluit	4	0	95	99	106
Total 1998	85	42	332	459	
Total 1997	70	36	313		419
% change	20.0%	16.7%	6.4%	9.5%	

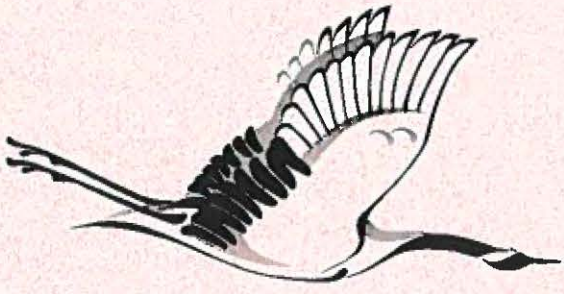
Northwest Territories Liqueur Commission

Depot Fees Paid to Operators

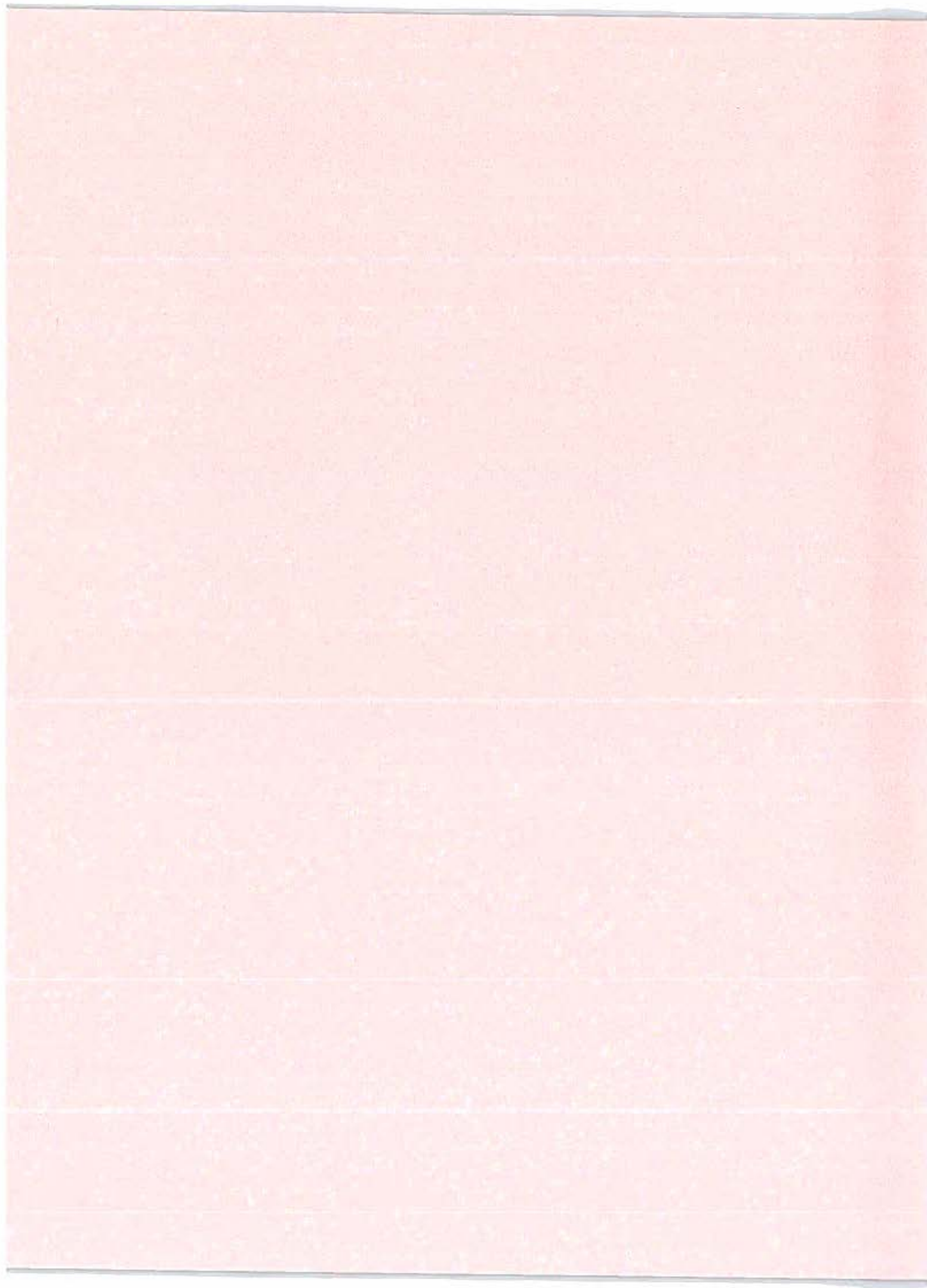
	Spirits	Wine	Beer & Coolers	1998	1997
Yellowknife	\$ 4	\$ 2	\$ 31	\$ 37	\$ 32
Inuvik	1	0	5	6	5
Hay River	1	0	7	8	9
Norman Wells	0	0	2	2	2
Fort Smith	0	0	1	1	0
Fort Simpson	0	0	1	1	2
Iqaluit	0	0	19	19	21
Total 1998	6	2	66	74	
Total 1997	6	3	62		71
% change	0.0%	-33.3%	6.5%	4.2%	

Ratio of Returns to Sales

	Spirits	Wine	Beer & Coolers	1998	1997
Yellowknife	76.4%	74.9%	51.9%	54.8%	57.2%
Inuvik	39.8%	74.7%	58.9%	56.3%	62.4%
Hay River	53.4%	39.4%	55.2%	54.1%	66.8%
Norman Wells	22.6%	52.1%	37.4%	36.7%	40.5%
Fort Smith	67.9%	77.2%	39.9%	46.6%	0.0%
Fort Simpson	66.9%	2.4%	43.7%	48.0%	76.9%
Iqaluit	101.7%	9.5%	83.6%	83.2%	86.8%
Total 1998	64.6%	65.4%	57.8%	58.6%	
Total 1997	54.9%	61.3%	63.0%		62.3%
% change	9.7%	4.1%	5.2%	-3.7%	



Northwest Territories Liquor Licensing Board
and
Financial Results
General Statistics



Statement of Operations

March 31, 1998

	1998 (000's)	1997 (000's)
Income		
Licensing Fees	\$ 506	\$ 497
Special Occasion Licenses	70	79
Annual License Fees	42	43
Other	5	0
Total Income	623	619
Operating Expenses		
Salaries	103	355
Honoraria	20	14
Travel	44	52
Inspections Contracts	39	29
Advertising	6	5
Office Rent & Supplies	42	42
	254	497
Net Income	\$ 369	\$ 122

Five Year Performance History

Year	Gross Revenue (000's)	% Change Revenue	Net Income (000's)	% Change Net Income	Operating Expenses (000's)
1994	571	8.3%	128	-33.3%	443
1995	574	0.5%	43	-66.4%	531
1996	623	8.5%	148	244.2%	475
1997	619	-0.6%	122	-17.6%	497
1998	623	0.6%	369	202.5%	254

MANDATE

The Northwest Territories Liquor Licensing Board has been in existence since the Government of the Northwest Territories passed the Liquor Act in 1970. The Board is composed of not more than nine members with one member being designated as the Chairperson. The Liquor Licensing Board is responsible for various policy related and licensing matters. It also serves in an administrative tribunal capacity and holds hearings into violations of the legislation by operators of licensed premises. The Board may also hold public hearings in a community that objects to having a new licenced premise opening in their community.

The legal mandate of the Board is to control:

1. The conduct of licence holders:
2. The management and equipment of licensed premises: and
3. The conditions under which liquor may be sold or consumed on licensed premises.

BOARD MEMBERS

Chairperson:	Ms. Rosemary Cairns	Yellowknife
Members:	Ms. Elizabeth Danielson	Norman Wells
	Mr. Gordon Rennie	Iqaluit
	Mr. Percy Kabloona	Whale Cove
	Mr. Pete Fraser	Fort Resolution

The Head Office for the Liquor Licensing Board is located in Hay River. It acts as the administrative and operational arm which is responsible for the day-to-day functioning.

BOARD MEETINGS

During the 1997/98 fiscal year, the Board held nine meetings. Six of these meetings were held through teleconferencing. Three meetings were held in Yellowknife, and Fort Smith.

Seventy-seven applications including requests were received by the Board for consideration. These included requests for new liquor license applications, transfer of liquor licenses as well as any extraordinary licensee requests.

LICENSES GRANTED

In 1997/98, the Board granted eleven (11) new licenses and approved one (1) liquor license transfer. The requests for new licensed premises include: four (4) Dining Room and seven (7) Cocktail Lounge licenses.

LIQUOR LICENSING IN N.W.T. COMMUNITIES

There are three categories of liquor status in the Northwest Territories. These categories are:

- **Unrestricted** - there are no restrictions beyond those described in the Liquor Act and regulations.
- **Restricted** - in quantity, frequency, point of sale, hours of sale and/or requiring prior approval by the community Alcohol Education Committee and;
- **Prohibition** - alcohol is not allowed in the community.

The following is a list of communities in which **no restrictions exist** beyond the Liquor Act and Regulations.

Aklavik	Baker Lake	Bathurst Inlet	Chesterfield Inlet
Colville Lake	Enterprise	Fort McPherson	Fort Providence
Fort Resolution	Fort Smith	Grise Fiord	Hay River
Holman Island	Inuvik	Kugluktuk	Jean Marie River
Nanisivik	Paulatuk	Sachs Harbour	Taloyoak
Trout Lake	Tuktoyaktuk	Tulita	Umingmaktok
Wrigley	Yellowknife		

Restricted Communities:

Detah	Arctic Bay	Broughton Island	Cambridge Bay
Cape Dorset	Clyde River	Deline	Fort Good Hope
Fort Liard	Fort Simpson	Hall Beach	Igloodik
Iqaluit	Norman Wells	Pond Inlet	Rae/Edzo
Rankin Inlet	Repulse Bay	Resolute	

Prohibited Communities:

Arviat	Pangnirtung	Tsiigehtchic	Coral Harbour
Pelly Bay	Wha Ti	Gjoa Haven	Rae Lakes
Whale Cove	Kimmirut	Sanikiluaq	Nahanni Butte
Lutselk'e	Snare Lake		

PUBLIC HEARINGS

There were no Public Hearings held in the 1997/98 fiscal year.

SHOW CAUSE HEARINGS

The Board held four show cause hearings in the 97/98 fiscal year. Three were held in Yellowknife and one in Fort Smith involving alleged violations of the Liquor Act and Regulations. The Board found the alleged violations by the licensees, did occur and disciplinary action was taken by the Board.

TYPES OF LICENCE

The following is a profile of the liquor status in the various locations in the NWT. Each location is indicated with the type of licensed premises, number and type of Special Occasion Permits issued and the number of inspections by a Liquor Inspector and the RCMP:

COMMUNITY	TYPE OF LICENCE	PERMITS	INSPECTIONS
Enterprise (Unrestricted)	1 Dining Room 1 Off Premise	2 Ordinary	12 Inspector 8 RCMP
Fort Providence (Unrestricted)	3 Cocktail Lounge 2 Dining Rooms 3 Off Premises	15 Resale	15 Inspector 200 RCMP
Fort Smith (Unrestricted)	4 Cocktail Lounge 2 Dining Room 2 Club Room 2 Off Premises	15 Ordinary 93 Resale	72 Inspector 450 RCMP
Hay River (Unrestricted)	5 Cocktail Lounge 7 Dining Room 4 Club Room 2 Canteen 1 Off Premise	19 Ordinary 72 Resale	109 Inspector 120 RCMP
Holman (Unrestricted)		6 Ordinary 6 Resale	
Inuvik (Unrestricted)	7 Cocktail Lounge 7 Dining Room 2 Club Room 2 Canteen 2 Off Premises	6 Ordinary 33 Resale	118 Inspector 297 RCMP
Kugluktuk (Unrestricted)		2 Ordinary	
Yellowknife (Unrestricted)	21 Cocktail Lounge 22 Dining Room 4 Club Room 3 Canteen 1 Cultural & Sports 3 Private Recreational 1 Off Premise	104 Ordinary 97 Resale	619 Inspector 1500 RCMP
Cambridge Bay (Restricted)		23 Ordinary 15 Resale	
Fort Simpson (Restricted)	2 Cocktail Lounge 3 Dining Room 1 Off Premise 1 Clubroom	7 Ordinary 53 Resale	56 Inspector 260 RCMP
Iqaluit (Restricted)	2 Cocktail Lounge 6 Dining Room 2 Club Room 1 Canteen 1 Private Recreational	69 Ordinary 73 Resale	116 Inspector 160 RCMP
Norman Wells (Restricted)	3 Cocktail Lounge 3 Dining Room 2 Club Room	4 Ordinary 14 Resale	114 Inspector 225 RCMP
Rankin Inlet (Restricted)	2 Guest Room	17 Ordinary 63 Resale	20 RCMP

SPECIAL OCCASION PERMITS

Special Occasion Permits may be issued to individuals, non-commercial organizations and holders of a private recreational facility. Special Occasion Permits are issued in several communities across the NWT. The Issuers of Special Occasion Permits are appointed by the Minister of Finance. For the fiscal year 97/98 a total of 817 permits were issued. This is down from the 96/97 year where a total of 928 permits were issued.

Special Occasion Permits are available from the Issuers in the following communities:

Hay River	Liquor Licencing Board Office
Yellowknife	Yellowknife Liquor Store
Fort Simpson	Financial Management Board Office
Fort Smith	Mageean & Associates
Inuvik	Inuvik Liquor Store
Iqaluit	Iqaluit Liquor Warehouse
Norman Wells	Norman Wells Liquor Store
Kugluktuk	Hamlet Office
Rankin Inlet	Sappujjijit Friendship Centre
Holman Island	Hamlet Office
Cambridge Bay	Hamlet Office
Fort Liard	Hamlet Office

Communities that do not have a local issuer may apply to the issuer that is closest to their home community or call the Hay River office for assistance.

COMMUNITY REQUESTS

Special Prohibition

The following community requested and was granted Special Prohibition Orders during the 1997/98 fiscal year:

Rae Edzo	Regional Land Claims	January 23 - February 1, 1998
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Plebiscites

The community of Rankin Inlet held a plebiscite vote in December 1997. The community asked two questions of the eligible voters.

- 1) Do you want 151 proof liquor to be prohibited in Rankin Inlet?
- 2) Do you want an alcohol education committee for Rankin Inlet?

Sections 48 and 49 of the Liquor Act require a majority vote by 60% of the qualified voters before any liquor system in the Norhtwest Territories may be change from one system to another.

As the Community of Ranklin Inlet did not get the required 60% majority vote in favour of the two questions posed, the existing regulations remained in place.

INSPECTIONS

The role of the Liquor Inspector is to attempt to obtain voluntary compliance to the Liquor Act and Regulations by ongoing inspections. The Coordinator of Enforcement is located in Hay River and oversees the work of seven contract liquor inspectors. There are two Liquor Inspectors in Yellowknife and one in each of the following communities; Fort Simpson, Norman Wells, Fort Smith, Iqaluit, and Inuvik. The goal at present is to improve the quality of inspections as opposed to the quantity of inspections. There was a total of 1,231 inspections carried out by our in-house Liquor Inspectors.

The RCMP Walkthru Program is an inspection program done by the Detachment Members in communities. The RCMP members inspect and report any problems to the Liquor Licencing Office in Hay River. Both licensed premises and Special Occasion Permit holders are inspected by RCMP members. The RCMP statistics show they did 4,449 licensed premise checks while on duty.

The Liquor Licensing Board approved a zero tolerance policy for the following offences:

- Serving minors
- Allowing intoxicated persons on licensed premises
- Serving intoxicated persons on licensed premises
- Overcrowding
- Allowing disruptive, violent and illegal behavior

It can be shown that these items are the cause of most problems in and around licensed establishments. In the majority of cases it is obvious that license holders are making an honest effort to comply with the Act and Regulations. There are a few who ignore the advice and direction of Liquor Licensing and Enforcement, and as a result 10% of all license holders cause approximately 90% of all problems.

The goal is to bring these license holders in line with the 90% who are operating within the guidelines of the Liquor Act and Regulations. It is hoped this can be accomplished through education, inspection and subsequent enforcement action. Inspectors are constantly on the alert for any of these violations and licensees will be brought before the Board on a show cause hearing, if they are found to be in contravention of the above Board Policy.

The Coordinator of Enforcement has also developed an in-depth server training course which is recommended for all new licensees. The course is available free of charge to licensees.