



**70th Annual Report
2023-2024**





June 24th, 2024

Honourable Caroline Wawzonek
Minister Responsible for the NWT Liquor Licensing Board

Dear Minister Wawzonek:

In accordance with the *Liquor Act*, I am pleased to present the Northwest Territories Liquor Licensing Board's 2023 - 2024 Annual Report.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Louis Sebert'. The signature is fluid and cursive, with a prominent initial 'L'.

Louis Sebert
Chairperson

Contents

- Board Overview..... 1
 - Board Members and Staff..... 1
- Board Activity..... 3
 - Total Meetings 3
 - Administration and Orientation Meetings 3
 - Licence Applications and Board Requests..... 3
 - Compliance Hearings 4
- Liquor Licences..... 5
 - Total Liquor Licences..... 6
- Special Occasion Permits 7
 - Total Special Occasion Permits..... 8
- Special Purpose Permits..... 9

Board Overview

The Northwest Territories Liquor Licensing Board (the Board) is established under Subsection 2(1) of the Northwest Territories *Liquor Act*. The Minister of Finance appoints Board Members for a term of three years.

The Board is a regulatory and quasi-judicial administrative tribunal that is independent from government. The Board administers several parts of the NWT *Liquor Act* and the NWT *Liquor Regulations*.

The Liquor Licensing Board regulates:

- the issuance of Licences and Permits;
- liquor sales and service in restaurants, bars, and at special events; and
- the manufacture of liquor.

The Board also adjudicates alleged violations of liquor laws by Licence Holders.

Board Members and Staff

Louis Sebert – Chairperson

Paul Falvo – Board Member

Michael Hansen - Board Member

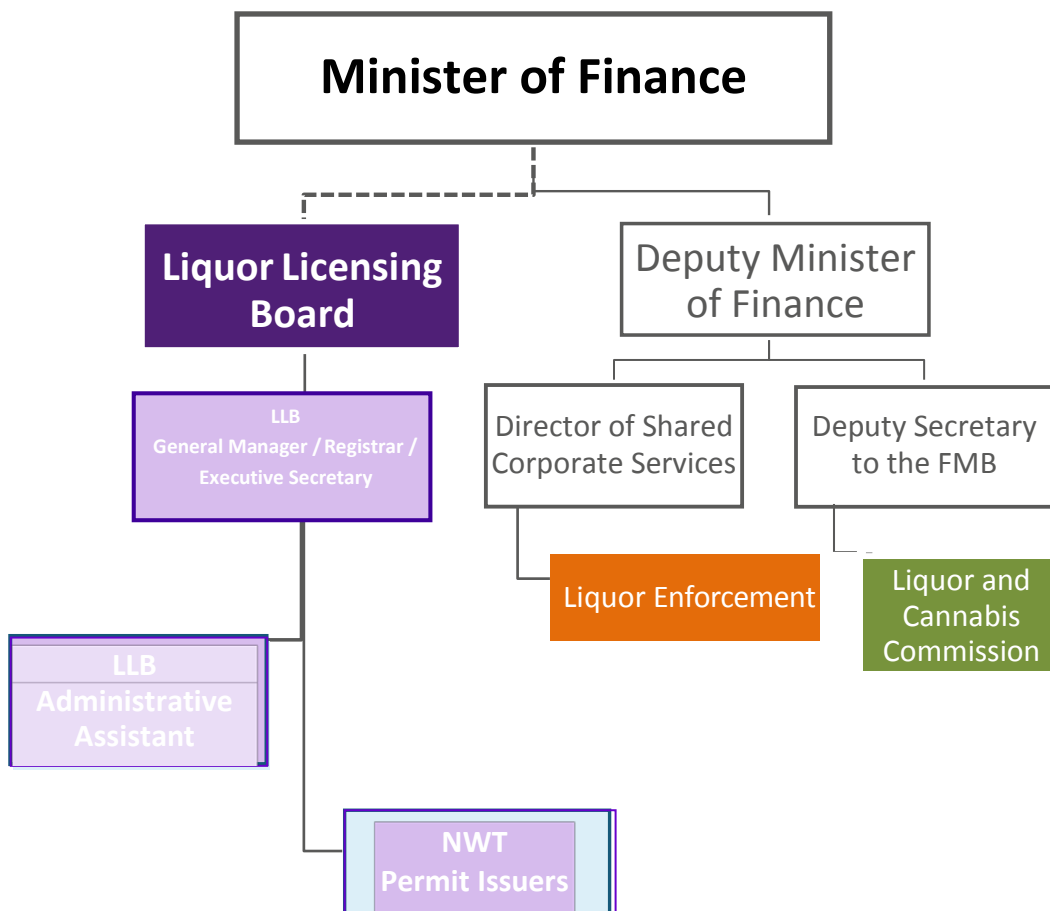
Jaimie Graham – General Manager/Registrar/Executive Secretary

Harley Beaulieu - Administrative Assistant

In addition to the Liquor Licensing Board, the Northwest Territories liquor system also includes:

- Liquor Enforcement – Inspections of licensed premises, educating Licence and Permit Holders, and enforcement of liquor laws and Board conditions.
- Liquor and Cannabis Commission – Purchasing and retail sales of liquor.

Each of the three liquor entities is established by the *Liquor Act* and is **independent from each of the other two**. The Board, while at arm’s length from the Liquor and Cannabis Commission and Enforcement, often interacts with them on matters of mutual interest.



Board Activity

Total Meetings

Board Meeting Type	2022 - 2023	2023-2024
Orientation	0	0
Administrative	0	1
Teleconferences	0	0
Public Hearings	0	0
Compliance Hearings	0	0
Total	0	1

Administration and Orientation Meetings

The Board proposed legislative amendments to the GNWT Department of Finance in order to modernize the Board-related provisions of the *Liquor Act* and its Regulations. Where possible, the Board meets by teleconference, but it also meets in person where other business such as compliance hearings are scheduled. In this reporting period, any Board items were primarily performed by email, and there was one administrative in-person meeting.

Licence Applications and Public Hearings

The Board must consider each application for a liquor licence and other specific requests. Most often applications are dealt with by the Executive Secretary, but there may be times the Board must meet in person and/or conduct a public hearing of an application.

Compliance Hearings

Where Liquor Enforcement alleges that a Licence Holder has failed to comply with the *Liquor Act* or a condition of their liquor licence, the matter may be brought before the Board for adjudication.

As with other administrative tribunals, the Board does not operate on a cost recovery basis. Applying that requirement could impact the rights of parties to fair and unbiased decision-making. Just as there is no cost recovery requirement for policing and the Courts, the cost of administering and enforcing the *Liquor Act* and its Regulations is balanced against the requirements of procedural fairness.

One of the key requirements of administrative justice is to hear matters in a timely manner. A person accused of a statutory or regulatory infraction has the right to have the matter heard without undue delay.

Should the Board find a Licence Holder is noncompliant, a monetary penalty may be ordered. A licence may also be suspended for up to one year, or cancelled.

There were no compliance hearings conducted during this reporting period.

Liquor Licences

The Liquor Licensing Board regulates liquor sales and service in licensed premises and at special events. The Board also regulates liquor manufacturers. A person, company, or organization that holds a Liquor Licence is known as a Licence Holder. There are six types of Liquor Licences:

Class A (liquor primary) - allows a Licence Holder to sell liquor to patrons in a bar or similar business. The business must generate revenue primarily from the sale and service of liquor.

Class B (food primary) - allows a Licence Holder to sell liquor to patrons in a restaurant or similar business. The business must generate revenue primarily from the sale and service of meals.

Class C (mobile) - allows a Licence Holder to sell and serve liquor under one of three circumstances:

- Catering – where someone other than the Licence Holder hosts events at various locations, and the Licence Holder’s primary source of revenue is derived from catering food.
- Ship – where the Licence Holder operates a ship that generates revenue primarily from the sale and service of food, entertainment or services related to tourism.
- Special Events – where the Licence Holder organizes special events from time to time, and revenue is primarily generated from the sale and service of entertainment.

Class D (liquor incidental) - allows a Licence Holder to sell and serve liquor under one of five circumstances:

- Canteen – The Licence Holder is an authorized organization operating a canteen for its authorized patrons. An authorized organization includes a division of the military, the RCMP, and a fire department.
- B & B, Lodge – The Licence Holder operates a bed & breakfast or a remote lodge, and the sale or use of liquor is for its authorized patrons.
- Community, Recreational, Cultural Activities – the Licence Holder operates a facility that provides benevolent, philanthropic, charitable, religious, scientific, artistic, musical, literary, social, educational, recreational, sporting or other like activities, and the sale or use of liquor is for its authorized patrons.
- Tourist Facility – The Licence Holder operates a tourist facility without a licensed premises, but has a mini-bar extension.
- Personal Services – The Licence Holder operates a business that offers to the public hair styling or barber services, nail or skin care services or therapeutic massage services, and the use of liquor is for its authorized patrons.

Manufacturing Licence - authorizes the Licence Holder to manufacture a specified type of liquor. The holder of a Manufacturing Licence may only sell its manufactured liquor to the NWT Liquor and Cannabis Commission or to a liquor commission or other similar authority outside the Northwest Territories.

Manufacturer’s Retail Outlet Licence - A Manufacturer’s Retail Outlet Licence may only be issued to a person who holds a Manufacturing Licence. A Manufacturer’s Retail Outlet Licence authorizes the Licence Holder to operate a retail outlet within the manufacturing facility in order to sell its own liquor to the public, including Licence and Permit Holders.

Total Liquor Licences

Community	Class A	Class B	Class C	Class D	MFG.	Retail Outlet	2023-24	2022-23
Fort Providence	2	1	0	0	0	0	3	3
Fort Simpson	1	1	0	2	0	0	4	4
Fort Smith	1	1	0	2	0	0	4	4
Hay River	2	3	0	5	0	0	9	12
Inuvik	2	3	0	4	0	0	9	7
Norman Wells	2	2	0	2	0	0	6	6
Remote Lodges	-	-	-	7	-	-	7	8
Yellowknife	12	21	1	10	1	1	46	48
Total	21	32	1	32	1	1	88	92

Special Occasion Permits

There are three types of Special Occasion Permits (SOP's):

Class 1 - Anyone 19 years of age or older may apply for a Class 1 Permit. There must not be an admission charge for the event and liquor may not be directly or indirectly sold. A Class 1 permit is intended for events where liquor is given to guests such as a business "meet and greet" where wine is served, or a wedding reception with an open bar.

Class 2 (resale) - Anyone 19 years of age or older may apply for a Class 2 Permit. Liquor may be sold, but not for a profit. The Board sets the maximum amount a Permit Holder may charge for liquor, and presently, the limit is \$5.00 per drink. This class of permit is intended for events where the organizer wants to provide liquor but does not want to give it away. The per-drink limit is intended to offset some of the organizer's costs.

Class 3 (fundraising) - Class 3 Resale Permits are available to organizations only, and not to individuals. Organizations eligible for a Class 3 permit include:

- a society incorporated under the *Societies Act*;
- a body incorporated under *Part II* of the *Canada Corporations Act*;
- a service club that holds a premises licence; or
- an unincorporated group of persons that:
 - i. has been in existence for a period not less than six months before the date of application,
 - ii. has an executive elected by its members, and
 - iii. conducts a community, recreational or cultural activity, and does not carry on a trade or business for the pecuniary gain of its members.

After the event, a Class 3 Permit Holder must provide the Board with a statement of account, which reflects the profit from liquor sales and the purpose to which the proceeds will be put.

Total Special Occasion Permits

Community	Class 1	Class 2	Class 3	2023-24	2022-23
Fort Providence	0	0	1	1	8
Fort Resolution	0	0	0	0	1
Fort Simpson	0	1	8	9	13
Fort Smith	7	17	9	33	26
Hay River	9	4	50	63	45
Inuvik	1	2	19	22	21
Norman Wells	0	1	2	3	3
Ulukhaktok	0	0	0	0	1
Yellowknife	103	20	94	217	196
*Total	120	45	183	348	314

*Please note that totals reflect issued permits and do not reflect actual events, as some permits did not occur due to the wildfire evacuations in the Northwest Territories during this reporting period - some permit holders were issued a refund in these specific exceptional circumstances.

Special Purpose Permits

A Special Purpose Permit authorizes a Permit Holder to possess and use liquor for a medicinal, scientific or other special purpose. All applications for Special Purpose Permits require the approval of the Liquor Licensing Board.

The Liquor Licensing Board may issue a Special Purpose Permit to:

- a medical practitioner, dentist, nurse practitioner, registered midwife or veterinarian;
- a person requiring liquor for a legitimate scientific or research purpose; or
- a person in charge of a facility that provides health services pursuant to the *Hospital Insurance and Health and Social Services Administration Act*, or a person in charge of a nursing home.

There were three Special Purpose Permits in effect on March 31st, 2024.

Board Office

The Liquor Licensing Board office is located in Hay River.

NWT Liquor Licensing Board
Suite 204 - 31 Capital Drive
Hay River, NT X0E 1G2

Toll-free: 1-800-351-7770

Phone: (867) 874-8715

Email: LLBinfo@gov.nt.ca

Website: www.fin.gov.nt.ca/services/liquor/liquor-licensing-board



Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest

NORTHWEST TERRITORIES LIQUOR ENFORCEMENT ANNUAL REPORT 2023-24

**SUITE 204 - 31 CAPITAL DRIVE
HAY RIVER NT X0E 1G2
PH: 867 874 8719
Cell: 867 875 7898
FAX: 867 874 8722
TOLL FREE: 1 800 351 7770**

ENFORCEMENT ACTIVITY

The Liquor Enforcement Division is responsible for ensuring compliance with the Northwest Territories Liquor Act, by supervising liquor inspectors, conducting liquor inspections, and administering community options on behalf of communities.

Contracted liquor inspectors monitor the activities of licensed premises by conducting liquor inspections at irregular intervals at licensed premises and at licensed special occasion permit functions where liquor is being served or sold. The inspection program strives for voluntary compliance through regular liquor inspections, training courses, newsletters, and on-site visits from the Manager of Enforcement. The inspections program targets high risk premises (those most likely to offend) for inspections more frequently than those considered to be a lower risk (e.g. Restaurants).

The RCMP also conducts walkthroughs at licensed premises and at licensed special occasion permit functions. The frequency of RCMP inspections are not reported to Enforcement, however, violations are reported to Liquor Enforcement when found.

INSPECTION OF LICENSED PREMISES

Community	Inspections	
	2022/23	2023/24
Fort Providence	18	16
Fort Simpson	17	40
Fort Smith	15	N/A
Hay River	196	121
Inuvik	39	N/A
Norman Wells	292	226
Yellowknife	726	630
TOTAL	1,300	1,033

Fluctuations in the number of inspections performed are affected by the availability of the inspectors and vacancies in inspector positions.

PUBLIC TRAINING

SafeServe Certification Program

Liquor Enforcement offers an online SafeServe Certification Program free of charge. SafeServe is an online certification program that provides responsible liquor service training. SafeServe is designed to ensure that liquor is sold and served in a way that keeps customers, guests, and others safe from alcohol-related harms.

The NWT online SafeServe Certification Program was released to Licence Holders on March 11, 2022 and released to the public on March 15, 2022. As of June 26, 2024, **990** individuals have completed this training.

Currently, the Liquor Licensing Board requires the on-site managers, bartenders, and servers to obtain training for licence renewals and some special occasion permit holders. The Liquor Commission also has the option to use the program for Vendors and their employees. SafeServe educates the license and permit holders on their responsibilities under the *Liquor Act and Regulations* and on-Board policy. The training covers recognizing intoxication, identifying minors, responsible serving, managing crowd control, providing a safe environment and liability issues.

Liquor Enforcement with Policy and Communications are in the final stages of development of policy guidelines to support the SafeServe Certification Program.

Special Occasions Permit Training

Liquor Enforcement is initiating the development of a training program focused on liquor service for those who are not in the liquor service industry, for non-paid positions, volunteers under Special Occasion Permits. The Training will focus on social responsibilities, providing a safe and enjoyable atmosphere at the event while reducing liability, understand and apply relevant liquor legislation.

COMMUNITY LIQUOR STATUS

Communities in the Northwest Territories can choose whether or not they will permit alcohol to be brought into the community or if the quantity of alcohol will be restricted or unrestricted. For more information and details by community, please refer to the information below.

BACKGROUND:

Communities in the Northwest Territories are classed as either:

Unrestricted There are no restrictions beyond those that are described in the *Liquor Act* and Regulations.

Restricted The restriction may limit the quantity and/or frequency of alcohol brought into a community; limit the quantity and hours of sale at a liquor store or require individuals to seek prior approval from a community alcohol education committee to bring in a limited amount of alcohol into a community.

Prohibited There is a complete ban on alcohol being brought into the community.

CURRENT STATUS:

1. Unrestricted Communities

Aklavik	Fort Simpson*	Norman Wells*
Behchokö	Fort Smith*	Sachs Harbour
Colville Lake	Hay River*	Tsiigetichic
Enterprise	Inuvik*	Wrigley
Fort Providence	Jean Marie River	Yellowknife*
Fort Resolution	Kakisa	

*These communities have licensed premises and/or a liquor store(s).

2. Restricted Communities

Déline	Fort McPherson	Tuktoyuktuk
Dettah	Fort Simpson	Tulita
Fort Good Hope	Paulatuk	Uluhuktuk
Fort Liard	Saamba Ke	

There are **two** types of restrictions that can apply:

- i) Through community options; or
- ii) The Minister may impose a restriction on the operating hours of a liquor store and/or the amount of liquor to be purchased in a certain period.

Déline

No person shall bring into the restricted area, in any 24-hour period, within a radius of 25km of the Déline Got'ine Government John Tetso office building, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

- a) Combination 1: 1140 *ml* of spirits and 12 355 *ml* containers of beer;
- b) Combination 2: 1140 *ml* of spirits and two *litres* of wine;
- c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
- d) Combination 4: 24 355 *ml* containers of beer and one *litre* of wine.

Combinations do not apply to a person authorized by the Déline Got'ine Government to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special event.

Dettah

No person shall at any time have in his or her possession in, or in any month take into Dettah a quantity of liquor that is in excess of the following combinations:

- a) Twelve 355 *ml* containers of beer and one 750 *ml* container of spirits; or
- b) 4,500 *ml* of wine in sealed containers.

Fort Good Hope

No person shall bring into the restricted area, in any 24-hour period, within 25km of the Fort Good Hope Community Complex, a quantity of liquor in excess of one unit of liquor of the following types:

- a) Type 1: 1140 *ml* of spirits and one dozen 355 *ml* containers of beer;
- b) Type 2: 1140 *ml* of spirits and two *litres* of wine;
- c) Type 3: one dozen 355 *ml* containers of beer and two *litres* of wine;
- d) Type 4: two dozen 355 *ml* containers of beer and one *litre* of wine.

Fort Liard

No person shall purchase, sell or transport within a radius of 15km of the building in the Hamlet of Fort Liard commonly known as the Community Centre, more liquor in one week than any three units of the following types:

- a) Type 1: 1140 *ml* of spirits;
- b) Type 2: two dozen 355 *ml* containers of beer;
- c) Type 3: two 750 *ml* containers of wine.

The restriction does not apply to the purchase, sale or transport of liquor by the Municipal Council or Band Council where liquor shall be consumed at community dances.

Fort McPherson

No person shall bring into the restricted area, in any seven-day period, within a radius of 25km of the Tetlit Co-op Store of the Hamlet:

- a) a quantity of spirits in excess of 2280 ml.
- b) no person shall operate within the restricted area a vehicle having two or more occupants and transporting a quantity of spirits that exceed 4560ml.

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special occasion.

Paulatuk

No person shall bring into the restricted area, in any seven-day period, within a radius of 2km of the Paulatuk Hamlet Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

- a) Combination 1: 1140 *ml* of spirits and 12 355 containers *ml* of beer;
- b) Combination 2: 1140 *ml* of spirits and two *litres* of wine;
- c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
- d) Combination 4: 24 355 *ml* containers of beer and 750 *ml* of spirits;
- e) Combination 5: 1175 *ml* of spirits.

Sambaa Ke

No person shall bring into the restricted area, in any 24-hour period, within 15km of the Sambaa K'e Dene Band Administration Office, a quantity of liquor that exceeds the amount described in any one of the following combinations:

- a) Combination 1: 750 *ml* of spirits and 12 355 *ml* containers of beer;
- b) Combination 2: 750 *ml* of spirits and two *litres* of wine;
- c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
- d) Combination 4: 24 355 *ml* containers of beer and one *litre* of wine.

Tuktoyaktuk

No person shall bring into the restricted area or possess within the restricted area, at any time, within a 25 km of the Tuktoyaktuk Hamlet Office:

- a) a quantity of spirits in excess of 2280 ml
- b) within the restricted area, no person shall operate a vehicle
 - having one to three adult occupants and transporting a quantity of spirits that exceed 2280ml per adult occupant; or

- having four or more adult occupants and transporting a quantity of spirits that exceeds 9120 ml.

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special event.

Tulita

No person shall bring into the residential area, in any 24-hour period, within a radius of 25km of the Tulita Dene Band Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

- a) Combination 1: 1140 ml of spirits and 12 355 ml containers of beer;
- b) Combination 2: 1140 ml of spirits and two litres of wine;
- c) Combination 3: 12 355 ml containers of beer and two litres of wine;
- d) Combination 4: 24 355 ml containers of beer and one litre of wine.

Ulukhaktok

No person shall bring into the restricted area, in any seven-day period, within a radius of 2 km from the Ulukhaktok Hamlet Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

- a) Combination 1: 200 ml of spirits and 12 355 ml containers of beer;
- b) Combination 2: 200 ml of spirits and two litres of wine;
- c) Combination 3: 12 355 ml containers of beer and two litres of wine;
- d) Combination 4: 24 355 ml containers of beer and one 100 ml bottle of spirits;

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special event.

3. Prohibited Communities

Gamètì	Nahanni Butte	Whatì
Lutselk’e	Wekweètì	K’atì’odeeche First Nation

A prohibition may include the consumption, possession, purchase, sale or transport of liquor into a community. Any liquor being transported through a prohibited area must be sealed during the time the traveler is in the prohibited area.

Gamètì

Prohibited area lies within a 20 km of the building in Gamètì commonly known as the Gamètì School

Lutselk'e

Prohibited area lies within a radius of 25 km of the building in Lutselk'e commonly known as the Community Hall

Guests and other persons who does not reside within the Prohibited Area may sell and purchase liquor at the Frontier Fishing Lodge for consumption within the lodge or its immediate precincts. The owner/operator may transport, arrange for transport of liquor required to stock, provided that no seals on any of the liquor containers are broken

No person who is a resident of the prohibited area and who works in or is a guest of the lodge shall purchase, sell or consume any liquor in the prohibited area and in particular lodge.

Nahanni Butte

Prohibited area lies within a radius of 15km from the building in the community commonly known as the Old School.

Wekweètì

Prohibited area lies within a radius of 30 km from the Wekweètì Community Office Building.

Whatì

Prohibited area lies withing a radius of 25 km from the building in Whatì commonly known as the Mezi Community School.

K'atl'odeeche First Nation

K'atl'odeeche First Nation is prohibited under the *Indian Act* of Canada.

**Northwest Territories Liquor Licensing Board and Liquor
Enforcement**

Financial Statements

Year ended March 31, 2024

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Index to Financial Statements

March 31, 2024

Management's Responsibility for Financial Reporting.....	21
Auditor's Report	22
Statement of Financial Position	24
Statement of Operations.....	25
Statement of Accumulated Surplus	26
Statement of Change in Net Debt.....	30
Statement of Cash Flow	31
Notes to Financial Statements.....	32

Management's Responsibility for Financial Reporting

The preparation of the financial statements of the Northwest Territories Liquor Licensing Board and Liquor Enforcement (Board) is the responsibility of the Board's management.

The financial statements have been prepared in accordance with the Public Sector Accounting Standards as recommended by the Public Sector Accounting Standards Board. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Board complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Liquor Licensing Board and Liquor Enforcement, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, they also examined transactions that have come to their notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Board.



Chairperson, NWT Liquor Licensing Board
June 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the Ministers of Northwest Territories Liquor Licensing Board and Liquor Enforcement

Qualified Opinion

We have audited the financial statements of Northwest Territories Liquor Licensing Board and Liquor Enforcement (the organization), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of the Commission's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Commission's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Financial Position

As at March 31, (\$000)	2024	2023
Financial Assets		
Accounts Receivable	\$ -	\$ -
Due from NWT Liquor & Cannabis Commission (note 3)	117	92
Pension and other employee benefits (note 4)	7	14
	124	106
Financial Liabilities		
Accounts payable (Note 6)	98	74
Deferred revenue	26	32
	124	106
Net Financial Assets (debt)	-	-
Non-financial Assets		
Prepaid Expenses	-	-
Accumulated surplus	\$ -	\$ -

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

Approved by the Northwest Territories Liquor Licensing Board:



Chairperson, Liquor Licensing Board

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Operations

For the year ended March 31 (\$000)	2024	2024	2023
	Budget	Actual	Actual
Revenue			
License fees and permits	\$ 65	\$ 49	\$ 50
Government contribution - services provided without charge (note 6)	-	-	-
	<u>65</u>	<u>49</u>	<u>50</u>
Expenses (notes 5 and 6)			
Salaries, wages and employee benefits	534	388	414
Honoraria	50	4	3
Inspector's fees	68	51	52
Rent	30	40	37
Travel	75	10	14
Professional fees	29	22	6
Administration	40	16	15
Server Training	10	9	0
	<u>836</u>	<u>540</u>	<u>541</u>
Annual loss	<u>\$ (771)</u>	<u>\$ (491)</u>	<u>\$ (491)</u>

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Accumulated Surplus

For the year ended March 31 (\$000)	2024	2024	2023
	Budget	Actual	Actual
Accumulated surplus, beginning of the year	\$ -	\$ -	\$ -
Annual loss	(771)	(491)	(491)
Amounts transferred from the NWT Liquor & Cannabis Commission	771	491	491
Change in accumulated surplus	-	-	-
Accumulated surplus, end of year	\$ -	\$ -	\$ -

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Change in Net Debt

For the year ended March 31 (\$000)	2024	2024	2023
	Budget	Actual	Actual
Net debt, beginning of year	\$ -	\$ -	\$ -
Items affecting net financial resources:			
Increase (decrease) in accumulated surplus	-	-	-
Decrease (increase) in prepaid expenses	-	-	-
Net debt, end of year	\$ -	\$ -	\$ -

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Cash Flow

For the year ended March 31 (\$000)	2024	2023
Operating activities		
Cash received from customers	\$ 43	\$ 54
Cash paid to employees and suppliers	(509)	(567)
Cash provided by operating activities	(466)	(513)
Financing activities		
Cash transferred from the NWT Liquor & Cannabis Commission	466	513
Change in cash	-	-
Cash, beginning of year	-	-
Cash, end of Year	\$ -	\$ -

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

1. Authority and operations

The Northwest Territories Liquor Licensing Board (the "Board") was established under the *Liquor Act* (the "Act") for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The Minister appoints a member of the Public Service to be the Executive Secretary to the Board. Liquor Enforcement is separate from the Liquor Licensing Board and is managed by different staff. The Liquor & Cannabis Commission (the "Commission") provides financial administrative support to the Board.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the "Fund"). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission provides financial administrative support to the Board and may receive a working capital advance from the Consolidated Revenue Fund (the "CRF") of the Government of the Northwest Territories ("GNWT") to finance its operations.
- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed \$12,000.
- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2024, the Fund's assets exceeded the liabilities by \$5,587 (2023 – \$6,062).

Neither the Commission nor the Board are separate legal entities apart from the Department of Finance of the NWT and neither is subject to the requirements of the *Income Tax Act*.

The operations of enforcement are managed separately from the Board. For the purpose of financial reporting the assets, liabilities, and expenses are combined in these financial statements as both are funded from the Liquor Revolving Fund. The Board is a Schedule A (Financial Administration Act) public agency and Liquor Enforcement is not.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

2. Significant accounting policies

(a) Basis of accounting

The financial statements of the Board are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. These financial statements include the activities of the Enforcement Program which have been disclosed separately and combined with the activities of the Board in the statement of operations.

(b) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and deferred revenue.

(c) Revenue recognition

License fees and permits are recorded in revenue in the year that the fee or permit relates. If cash is received in advance of the fee or permit period, it is recorded in deferred revenue.

(d) Services provided without charge

Liquor Enforcement records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses on the statement of operations.

(e) Tangible capital assets

The Board receives the use of tangible capital assets from the Commission without charge.

(f) Pension benefits

The appointed employees of the Board are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Board to cover current service cost. Pursuant to legislation currently in place, the Board has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

2. Significant accounting policies; continued,

(g) Other employee benefits

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The costs of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

3. Due from NWT Liquor and Cannabis Commission

As explained in note 1, the Commission provides financial administrative support to the Board. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts, nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides tangible capital assets for the use by the Board without charge.

4. Other employee future benefits

In addition to pension benefits, the board provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity, and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit liability.

Severance benefits are paid to the board's employees based on the type of termination (e.g., resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to, employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when the leave commences.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

4. Other employee future benefits (continued)

Valuation results

The last actuarial valuation was completed as at Feb 11, 2022. The results were extrapolated to March 31, 2024. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Board.

	2024			2023		
	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total
Accrued benefit obligation, beginning of the year	\$ 3	\$ 2	\$ 5	\$ 3	\$ 2	\$ 5
Current Service Costs	0	0	0	0	0	0
Actuarial (gain)/loss	0	0	0	0	0	0
Interest Cost	0	0	0	0	0	0
Benefits paid during the year	0	0	0	0	0	0
Accrued benefit obligation, end of the year	\$ 3	\$ 2	\$ 5	\$ 3	\$ 2	\$ 5
Unamortized net actuarial gain (loss)	(4)	(8)	(12)	(6)	(14)	(20)
Accrued benefit (liability)/asset	\$ (1)	\$ (6)	\$ (7)	\$ (3)	\$ (12)	\$ (15)

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

4. Pension and other employee benefits (continued)

The actuarial valuation at March 31, 2024 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2024</u>	<u>2023</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	5.3%	4.8%
Expected average remaining service life of related employee groups (EARSL)	10.3	10.3

Timing of expected payments for other employee benefits are as follows:

2025	\$	0
2026		0
2027		0
2028		0
2029		0
2030 and beyond		<u>2</u>
	\$	<u>2</u>

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

5. Expenses

As explained in note 1, the liquor enforcement activities are included in total expenses as follows:

For the year ended March 31 (\$000)	Enforcement		
	2024 Budget	2024 Actual	2023 Actual
Expenses			
Salaries, wages and employee benefits	\$ 328	\$ 193	\$ 200
Inspector's fees	54	51	52
Rent	19	24	23
Travel	18	9	14
Professional fees	5	7	0
Administration	14	9	11
Server Training	10	9	0
	448	302	300
Annual loss	\$ (448)	\$ (302)	\$ (300)

6. Related party transactions

The Board is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Board enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Board incurred \$388 (2023 – \$414) related to salaries, wages, and employee benefits for the Board's employees and \$4 (2023 - \$3) related to honoraria for Board members. The Board reimburses the Department of Finance for these costs.

The Department of Justice provides Liquor Enforcement with legal services without charge. The total cost of these services has been estimated to be \$0 (2023 – \$0). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of \$53 (2023 – \$22) for salaries, wages, board honoraria, employee benefits including Worker's Compensation and Medical Travel, payable to the Government of the NWT.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

7. Contractual obligations

The Board has a five-year lease agreement ending April 30, 2026 for its Office premises. The minimum annual lease payments for the leases over the next five year(s) are:

2024/25	\$ 31
2025/26	\$ 31
2026/27	\$ 3

Annual lease payments for the office premises include estimated operating costs and property taxes.

8. Financial instruments

The Board's financial instruments consist of accounts receivable, cash due from the NWT Liquor Commission, accounts payable and accrued liabilities, pension and other employee benefits. It is managements opinion that the Board is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of the financial instrument approximates fair value.