



**2008 – 2009
55th ANNUAL REPORT**

**NORTHWEST TERRITORIES
LIQUOR COMMISSION &
LIQUOR LICENSING BOARD**

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MEMBERS OF THE LEGISLATIVE ASSEMBLY

NWT Liquor Commission and NWT Liquor Licensing Board Annual Report

I am pleased to present, for the information of the Members of the Legislative Assembly, the fifty-fifth Annual Report for the Northwest Territories Liquor Commission and Northwest Territories Liquor Licensing Board for the fiscal year ended March 31, 2009.

A handwritten signature in black ink, reading "J. Michael Miltenberger". The signature is written in a cursive style with a horizontal line underneath it.

J. Michael Miltenberger
Minister Responsible for the
NWT Liquor Commission and
NWT Liquor Licensing Board

THE HONOURABLE J. MICHAEL MILTENBERGER
MINISTER OF FINANCE

NWT Liquor Commission and NWT Liquor Licensing Board Annual Report

Pursuant to Subsection 64 (1) of the *Liquor Act*, we are pleased to submit the fifty-fifth Annual Report for the Northwest Territories Liquor Commission and Northwest Territories Liquor Licensing Board for the fiscal year ending March 31, 2009.

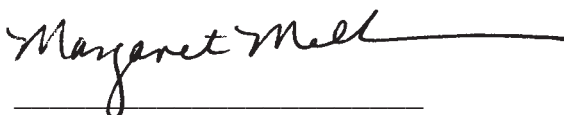
We wish to express our thanks to our staff for all their support and contributions to the progress of the Commission and the Board during the past year.



Kyle Reid
General Manager
NWT Liquor Commission

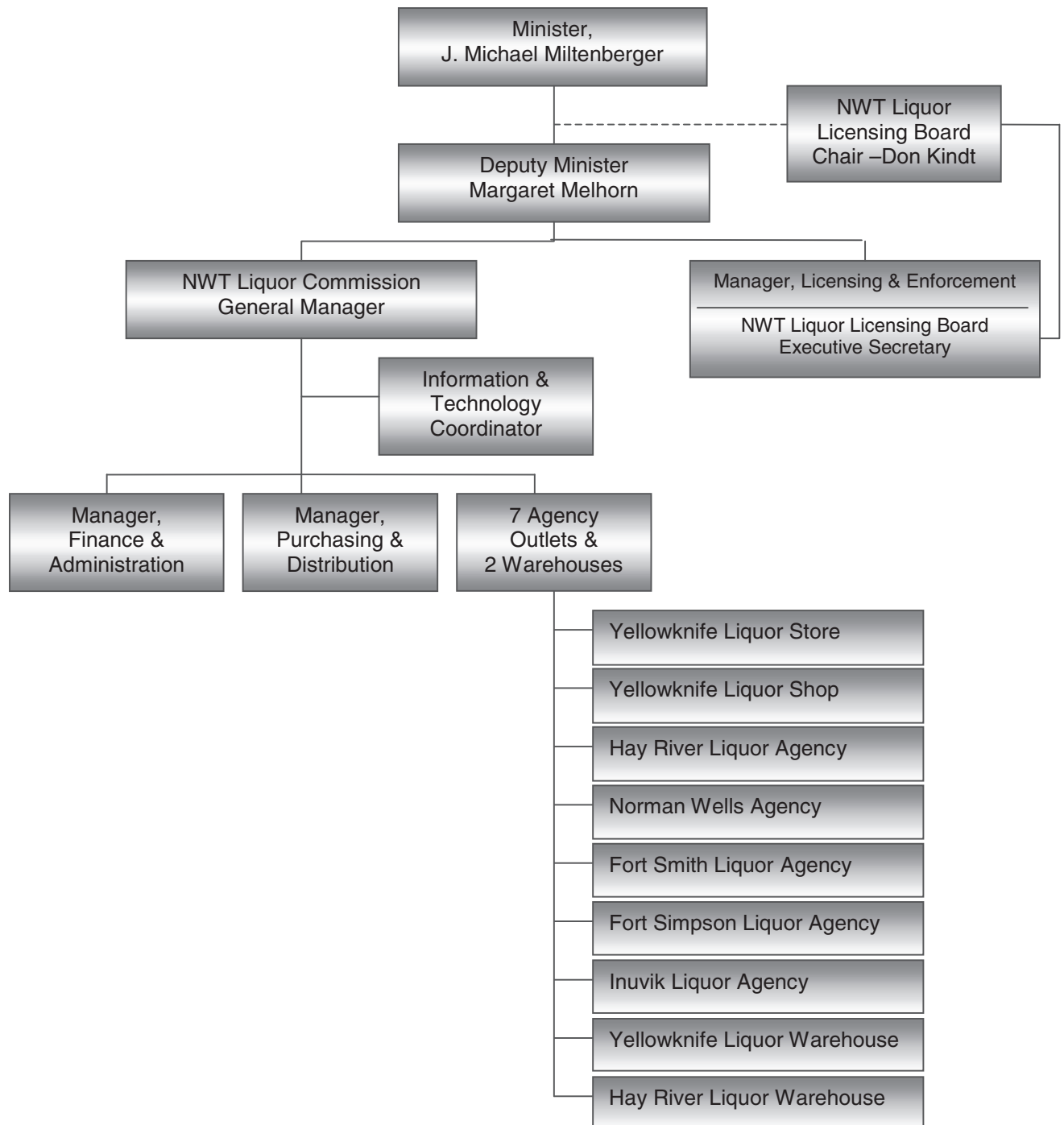


Don Kindt
Chairperson
NWT Liquor Licensing Board



Margaret Melhorn
Deputy Minister of Finance

ORGANIZATION CHART



NORTHWEST TERRITORIES LIQUOR COMMISSION

**SUITE 201, 31 Capital Drive
HAY RIVER NT X0E 1G2
PH: (867) 874-8700 FAX: (867) 874-8720**



GENERAL MANAGER'S REPORT

The Northwest Territories Liquor Commission (the NWTLC) is administered through the Government of the Northwest Territories Department of Finance. The Minister has delegated the following duties to the NWTLC under Part II of the *Liquor Act*:

- a) Operate liquor stores
- b) Purchase, classify, sell and distribute liquor in the Territory
- c) Administer Part II of the *Liquor Act*.

The year was a success financially and budget targets were achieved. Sales of \$44.6 million were achieved. Sales increased over the previous year by over \$1.9 million and \$24 million was transferred to the Territorial Consolidated Revenue Fund.

Sales and distribution are carried out through a network consisting seven retail outlets and two warehouses, contracted to private sector operators.

The strategic plan of the NWTLC focuses on three key areas for measuring performance:

- 1. Efficient operations, and compliance with legislation, regulation and policy
- 2. Social Responsibility
- 3. Financial Income Targets

These areas serve as a guideline for incorporating our mission statement into day to day activities. The success of the organization should not be measured in financial performance alone, and the responsibility of the NWTLC includes ensuring performance as a responsible industry partner, and as a socially responsible member of society. The NWTLC was successful in meeting the goals established in the strategic plan.

During the year the NWTLC implemented modern sales, inventory and financial information systems, that will improve customer service at the point of sale and improve inventory and financial management. This project is part of a renewed commitment to improve our service, processes, policies and systems.

I would like to thank our staff, agents, customers and partners for another successful year.

Kyle Reid
General Manager

MANDATE

Corporate Vision

Our customers will have a healthy and responsible attitude toward alcohol consumption and we will provide them the opportunity to discover, enjoy and share a wide variety of beverage alcohol.

Mission Statement

We will be an innovative, efficient and profitable organization, dedicated to the retail and wholesale distribution of beverage alcohol, and promote the development of a healthy and responsible drinking culture.

Values

We value our customers and employees.
We encourage and support the responsible use of alcohol.
We will be efficient and cost effective.
We will be responsible for our actions and will be honest and fair.
We will treat others with dignity and courtesy.
We will support one another to achieve our goals.

OPERATIONAL REVIEW

The Northwest Territories Liquor Commission has a number of stakeholders including the people of the Northwest Territories, our customers, employees, private sector contractors, suppliers, industry partners, and all those who share our concern for social responsibility and public safety. Our customer base includes the public who access our products through our retail network, as well as commercial clients such as restaurants and bars.

To respond to the needs and concerns of our customers and stakeholders during fiscal year 2008 – 2009 we:

- Delivered a wide variety of quality beverage alcohol products through our network of stores and warehouses.
- Promoted the safe and responsible use of beverage alcohol.

STRATEGIC OBJECTIVES

Goal #1

Operations are managed efficiently and comply with legislation, regulation and policy.

Performance Highlights

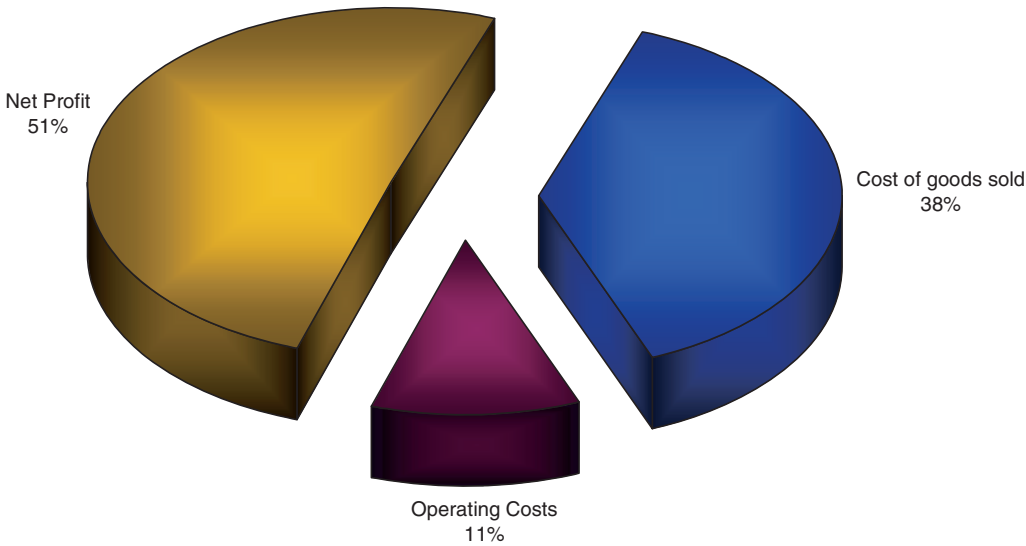
The operational structure of the Liquor Commission is designed to deliver optimal service levels for the best possible costs, and consists of a headquarters administrative staff of nine and a network of seven stores and two warehouses, operated by private contractors. Five of the private agency stores operate with inventory on consignment from the Commission and the two Yellowknife stores purchase inventory directly from the Yellowknife warehouse. Sales to consumers and licensees are made through sales by the consignment stores. Sales to private stores are realized through their purchase of liquor products from our warehouse. The cost to deliver the sales and administration throughout the year was 11% of sales revenue, of which 7% was paid to liquor store and warehouse contractors.

Operational compliance with contracts, regulations and legislation by the store and warehouse operators was good throughout the year. The operations of all liquor outlets are monitored monthly and visited periodically by headquarters management.



Sun Dog North Inc., Fort Smith, NT Photo: Ian Laws

Application of Revenues 2008 - 2009



Goal #2

Actively and continuously promote the responsible use of alcohol

Performance Highlights

The Northwest Territories Liquor Commission supports the responsible use of alcohol through various awareness programs and initiatives. During 2008 - 2009, the Northwest Territories Liquor Commission, in cooperation with nine other Canadian liquor jurisdictions, supported the launch of a national campaign to support moderation in the use of beverage alcohol.

The Northwest Territories Liquor Commission has provided its server training program, Techniques of Alcohol Management (TAM) to liquor store staff over the past two years. It is mandatory that all liquor store service personnel receive this training and demonstrate competence in the service of beverage alcohol in accordance with the TAM program before they can serve customers.

The Check 25 program is intended to strengthen controls in place concerning service to minors. The program conditions our customers to expect to be asked for proof of identification if they appear to be under the age of 25. The specific forms of identification papers allowed have been standardized.

Warnings messaging with regard to the dangers of alcohol consumption during pregnancy were delivered to all retail customers, in the form of warning labels on all beverage containers and paper bags used at the point of sale.

In conjunction with Educ' Alcool, a booklet titled "Be Prepared To Talk To Your Children About Alcohol" was distributed through the liquor stores and sent to medical clinics, schools and drug and alcohol committees throughout the Northwest Territories.

In support of MADD Canada, all liquor stores participated in the Red Ribbon Program, "It's Time to Change the meaning of Tie one on, Drive Safe, Drive Sober".

The Commission participates on the Canadian Liquor Jurisdictions' Social Responsibility Committee, strives to provide products that are socially responsible and incorporates responsible messaging into product sales.



Goal #3

Meet financial income targets.

Performance Highlights

The NWT Liquor Commission achieved its financial targets in the 2008-2009 fiscal year. Gross sales were \$44.6 million, an increase of 4.4 % over 2007-2008. Net income was \$22.8 million, 4.2 % higher than 2007–2008 levels.

Northwest Territories Liquor Commission (Excluding the Liquor Licensing Board)

Five Year Performance History

(\$000's)

For the year ending	2009	2008	2007	2006	2005
Gross sales	44,649	42,771	39,654	38,776	37,673
Gross profit as a % of sales	27,460 61.5	26,444 61.8	24,585 62.0	24,200 62.4	23,457 62.3
Net profit as a % of sales	22,798 51.1	21,880 51.2	20,520 51.7	20,333 52.4	20,101 53.4
Operating expenses as a % of sales	4,668 10.5	4,568 10.7	4,069 10.3	3,872 10.0	3,598 9.6



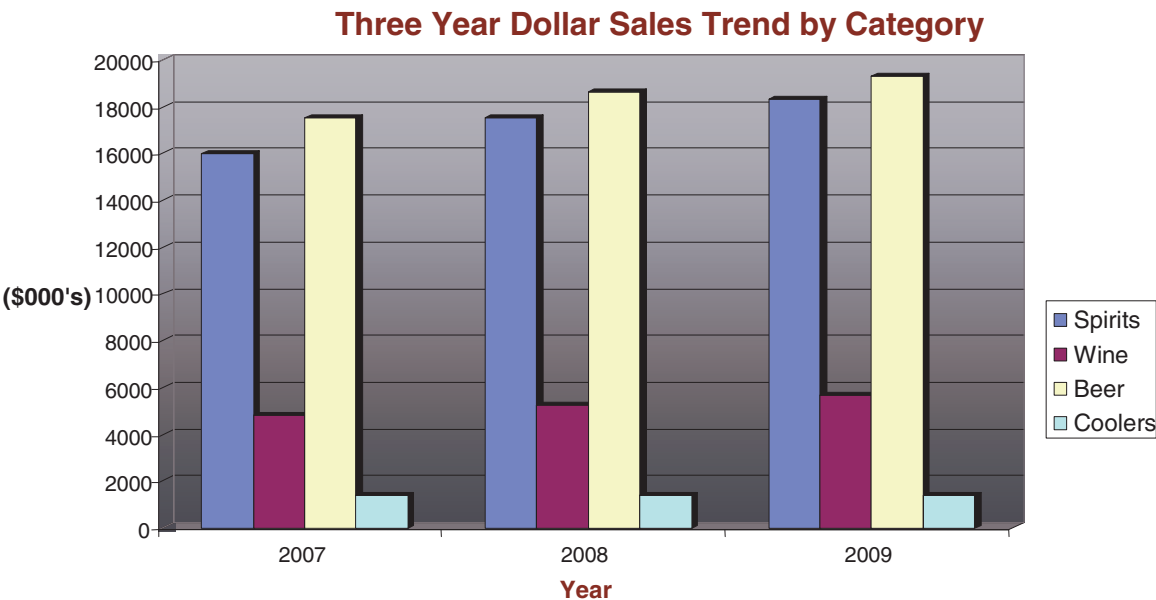
Inuvik Liquor Agency Photo: Ian Laws

NWT Liquor Commission (excluding Liquor Licensing Board)

Statement of Operations

for the year ended March 31, 2009 with comparative figures for 2008

(\$000's)	Budget 2009	2009	2008
Sales			
Private Stores	\$ 19,129	\$ 20,230	\$ 18,324
Consumers	17,113	17,600	16,598
Licensees	7,900	6,819	7,849
	44,142	44,649	42,771
Cost of Sales			
Beginning Inventory	3,175	3,175	2,222
Purchases	15,330	15,691	15,745
Freight	1,489	1,689	1,535
Ending Inventory	(3,175)	(3,366)	(3,175)
	16,819	17,189	16,327
Gross Margin	27,323	27,460	26,444
Other Income			
Import Permits	2	1	1
Other	3	5	3
	5	6	4
Expenses			
Commissions to agents	3,046	3,082	2,930
Salaries, wages & employee benefits	964	903	963
Bank service charges	207	212	200
Amortization of capital assets	171	181	178
Travel	57	54	71
Rent	76	72	68
Office supplies	120	59	75
Computer services	50	54	31
Communications	16	37	33
Professional fees	5	3	2
Advertising	10	2	9
Losses due to breakage & spoilage	4	8	3
Miscellaneous	2	1	5
	4,728	4,668	4,568
Net Income	\$ 22,600	\$ 22,798	\$ 21,880



Three Year Dollar Sales by Category
for the year ending March 31st

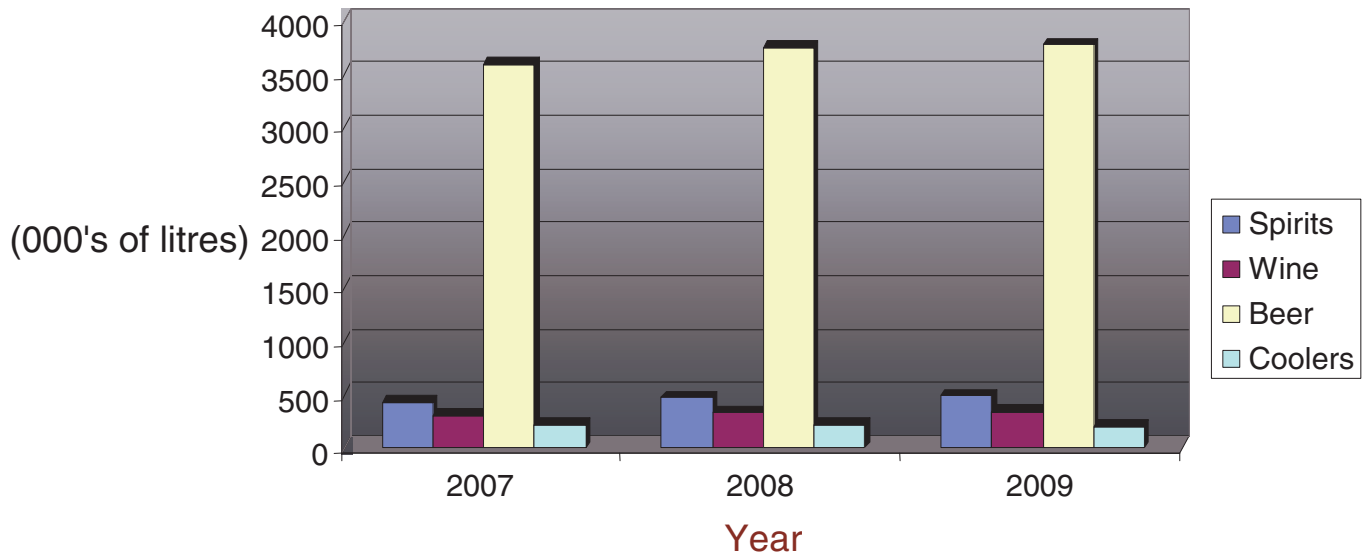
(\$000's)

	Spirits	Wine	Beer	Coolers	Total
2007	15,981	4,803	17,515	1,355	39,654
2008	17,517	5,227	18,621	1,406	42,771
2009	18,322	5,654	19,284	1,389	44,649



The Liquor Shop, Yellowknife NT Photo: Donna Smith

Three Year Litre Sales Trend by Category



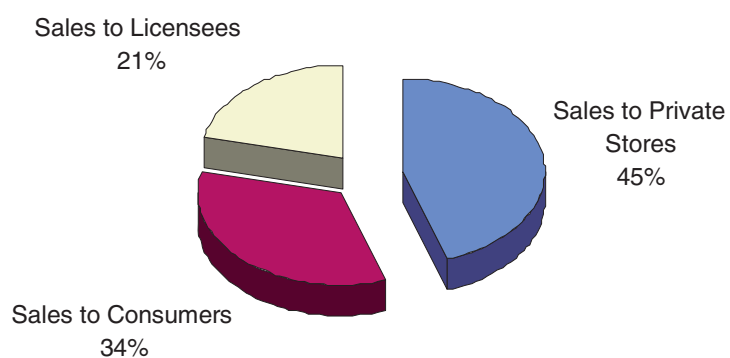
Three Year Litre Sales by Category

for the year ending March 31st

(000's)

	Spirits	Wine	Beer	Coolers	Total
2007	431	308	3,585	213	4,537
2008	470	331	3,747	215	4,763
2009	488	345	3,772	206	4,811

Litre Sales by Distribution Channel 2008 - 2009

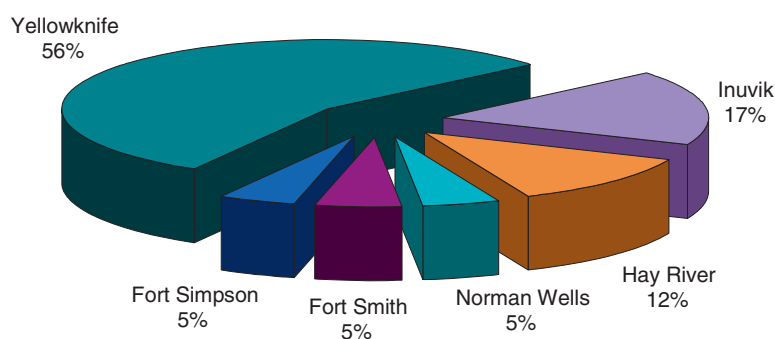


Three Year Litre Sales by Distribution Channel for the year ending March 31st

(000's)	2009	2008	2007
Sales to Private Stores	2,159	2,030	1,939
Sales to Consumers	1,627	1,602	1,499
Sales to Licensees	1,025	1,131	1,099
Total	4,811	4,763	4,537

STORE OPERATIONS

Location sales 2008 - 2009



Sales by Location 2008 - 2009 for the year ended March 31st

(\$000's)	2009	2008	Increase (Decrease)
Yellowknife	\$ 24,729	\$ 23,439	1,290
Inuvik	7,755	7,615	140
Hay River	5,434	5,087	347
Norman Wells	2,108	2,190	(82)
Fort Smith	2,347	2,182	165
Fort Simpson	2,129	2,134	(5)
*Other	147	124	23
	\$ 44,649	\$ 42,771	\$ 1,878

* Other consists of miscellaneous sales that do not conform to the prescribed commission sales.

Statement of Operations by Location

(for the year ended March 31, 2009 with comparative figures for 2008)

(excluding miscellaneous sales that do not conform to the prescribed commission sales)

YELLOWKNIFE OPERATIONS

(\$000's)	2008-2009				2007-2008	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Private Stores	8,660	3,280	7,668	622	20,230	18,324
Licensees	1,004	508	2,817	170	4,499	5,116
	9,664	3,788	10,485	792	24,729	23,440
Cost of goods sold	2,933	1,950	4,798	362	10,043	9,469
Gross margin	6,731	1,838	5,687	430	14,686	13,971
Other income					-	-
Operating expenses					829	795
Net income					13,857	13,176

INUUVIK OPERATIONS

(\$000's)	2008-2009				2007-2008	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	3,506	667	2,311	208	6,692	6,403
Licensees	233	66	715	49	1,063	1,212
	3,739	733	3,026	257	7,755	7,615
Cost of goods sold	1,079	329	1,347	114	2,869	2,704
Gross margin	2,660	404	1,679	143	4,886	4,911
Other income					-	-
Operating expenses					838	830
Net income					4,048	4,081

HAY RIVER OPERATIONS

(\$000's)	2008-2009				2007-2008	
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	2,076	453	2,260	159	4,948	4,585
Licensees	114	28	331	14	487	503
	2,190	481	2,591	173	5,435	5,088
Cost of goods sold	634	187	946	81	1,848	1,729
Gross margin	1,556	294	1,645	92	3,587	3,359
Other income					-	-
Operating expenses					682	606
Net income					2,905	2,753

NORMAN WELLS OPERATIONS

(\$000's)		2008-2009				2007-2008	
		Spirits	Wine	Beer	Coolers	Total	Total
Sales							
Consumers		811	132	868	34	1,845	1,857
Licensees		58	24	178	3	263	333
		869	156	1,046	37	2,108	2,190
Cost of goods sold		248	73	447	15	783	794
Gross margin		621	83	599	22	1,325	1,396
Other income						-	-
Operating expenses						269	281
Net income						1,056	1,115

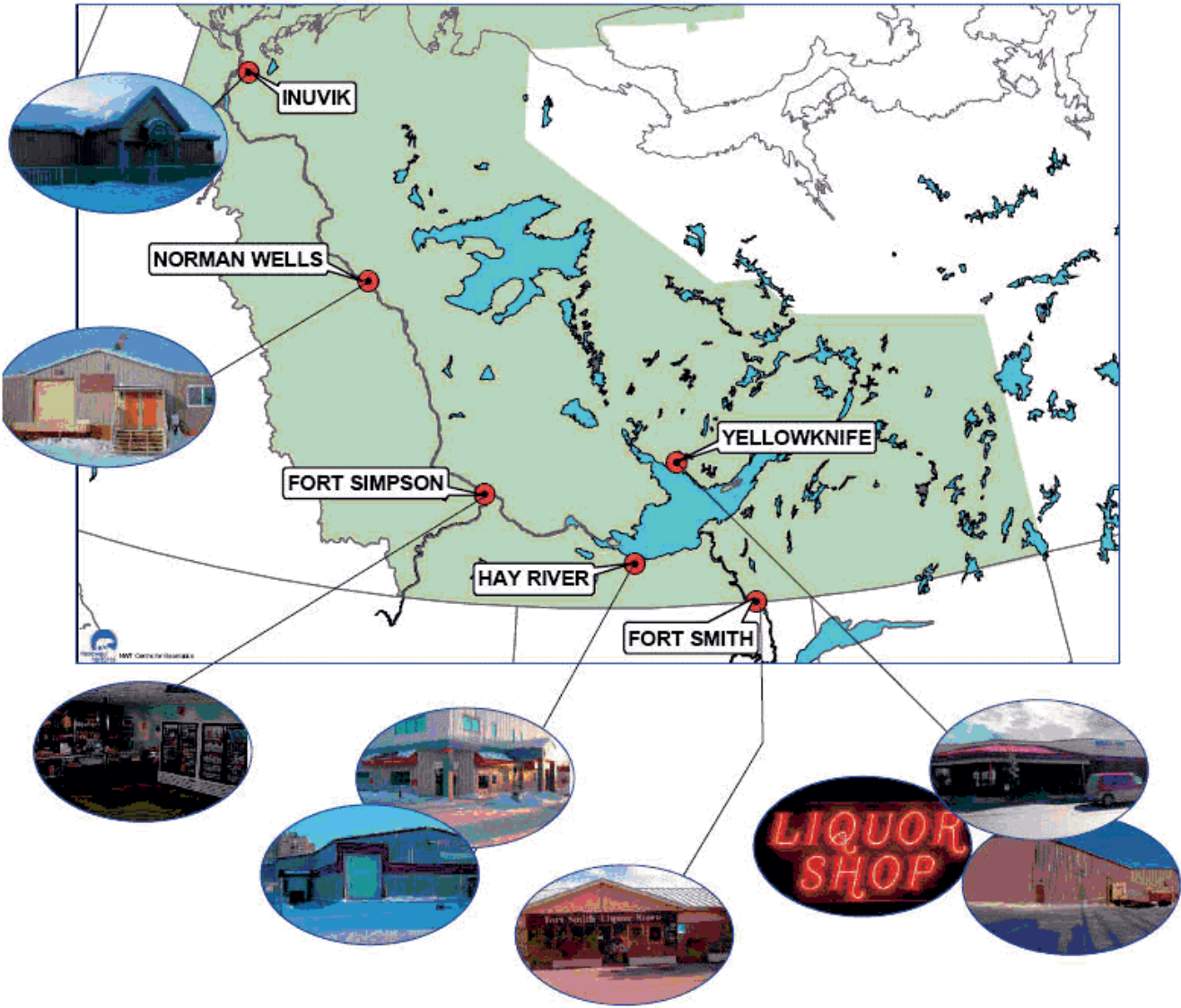
FORT SMITH OPERATIONS

(\$000's)		2008-2009				2007-2008	
		Spirits	Wine	Beer	Coolers	Total	Total
Sales							
Consumers		750	244	972	66	2,032	1,844
Licensees		85	3	217	10	315	338
		835	247	1,189	76	2,347	2,182
Cost of goods sold		252	99	448	30	829	833
Gross margin		583	148	741	46	1,518	1,349
Other income						-	-
Operating expenses						340	316
Net income						1,178	1,033

FORT SIMPSON OPERATIONS

(\$000's)		2008-2009				2007-2008	
		Spirits	Wine	Beer	Coolers	Total	Total
Sales							
Consumers		982	111	789	47	1,929	1,909
Licensees		49	3	141	7	200	225
		1,031	114	930	54	2,129	2,134
Cost of goods sold		321	54	343	20	738	733
Gross margin		710	60	587	34	1,391	1,401
Other income						-	-
Operating expenses						319	318
Net income						1,072	1,083

STORE LOCATIONS



NORTHWEST TERRITORIES LIQUOR LICENSING & ENFORCEMENT

Suite 204, 31 Capital Drive
HAY RIVER NT X0E 1G2
PH: (867) 874-8715 FAX: (867) 874-8722
TOLL FREE: 1-800-351-7770

NWT LIQUOR LICENSING BOARD and LIQUOR LICENSING and ENFORCEMENT

Statement of Operations

for the year ended March 31, 2009 with comparative figures for 2008

(\$000's)	Budget 2009	2009	2008
Income			
Licensing Fees	385	364	375
Special Occasion Licenses	39	41	40
Annual License Fees	31	21	31
Other	3	11	1
Total Income	458	437	447
Operating Expenses			
Salaries, wages & employee benefits	340	307	316
Travel	100	69	80
Inspection Contracts	35	37	40
Office Rent & Supplies	63	61	41
Honoraria	64	54	61
Training & Development	15	46	1
Advertising	10	6	10
Total Expenditures	627	580	549
Net Loss	(169)	(143)	(102)

LIQUOR ENFORCEMENT REPORT 2008 – 2009

ENFORCEMENT ACTIVITY

The Liquor Licensing and Enforcement Division is responsible for issuing liquor licenses, conducting liquor inspections, and administering community options on behalf of communities. Contract liquor inspectors monitor the activities of licensed premises by doing spot checks at irregular intervals at licensed premises and at special occasion functions where liquor is being served or sold. The inspection program strives for voluntary compliance through regular spot checks, training courses, newsletters and on-site visits from the Enforcement Coordinator. The inspection program targets high risk premises (those most likely to offend) for inspection more frequently than those considered to be lower risk (e.g. dining rooms).

The RCMP also conducts walk-throughs in licensed premises and at special occasion functions. However, the number of times these types of inspections are done is not reported to enforcement unless there is a violation to report.

There are three inspectors in Yellowknife, one inspector each in Hay River, Inuvik, Norman Wells, Fort Simpson and Fort Smith. The RCMP also have a presence in licensed premises in these communities on a regular basis.

INSPECTION OF LICENSED PREMISES

In 2008 - 2009 a total of 1,158 inspections were conducted by the inspectors.

Community	Inspections	
	2008-2009	2007-2008
Fort Simpson	11	11
Fort Smith	63	26
Hay River	219	185
Inuvik	214	214
Norman Wells	189	261
Yellowknife	462	701
TOTAL	1,158	1,398

There has been a drop in inspections in Yellowknife by inspectors as a result of having only one inspector available for a period of time. The RCMP are active in all the high risk premises, however they do not report the number of times they walk through the premises.

LICENSEE TRAINING

Enforcement offers and conducts server training courses free of charge to licensees, their staff, and special occasion permit holders. The course was offered in four of the seven communities. Attendance at these courses is voluntary, unless the Liquor Licensing Board orders the licensee and their staff to take the course as part of a penalty when a licensee has been found in violation of the *Liquor Act*. In 2008 - 2009, the Board ordered two licensees to take the server training course. The server training course educates the licensees and permit holders on their responsibilities under the *Liquor Act* and *Regulations*, and on Board policy. Some of the issues covered in the training include recognizing intoxication, identifying minors, responsible serving, managing crowd control, and liabilities.

Every licensee has been provided with a licensee handbook relevant to the class of license they hold. The purpose of the handbook is to help licensees to understand their obligations under the *Liquor Act* and *Liquor Regulations*. The book summarizes the *Act* and *Regulations* in an attempt to simplify the concepts and make the language more readable. Licensees also have access to a toll-free line for assistance if required. Licensees are also contacted and provided with up-to-date information, or sent written reminders of an ongoing nature to assist them in complying with the *Liquor Act* and *Regulations*.

SERVER TRAINING COURSE PARTICIPANTS

Community	2008-2009	2007-2008
Fort Providence	14	7
Fort Simpson	0	16
Fort Smith	0	0
Hay River	12	24
Inuvik	0	18
Norman Wells	27	0
Yellowknife	44	20
TOTAL	97	85

COMMUNITY OPTIONS 2008 – 2009

COMMUNITY STATUS

Communities in the Northwest Territories have options available to them regarding their liquor status. Communities are either:

Unrestricted - there are no restrictions beyond those that are described in the *Liquor Act* or *Regulations*;

Restricted - a restriction may limit the quantity of alcohol and/or frequency that liquor can be brought into the community, the quantity of alcohol and hours of sale, or to seek approval to bring alcohol into the community from an Alcohol Education Committee; or

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

UNRESTRICTED** COMMUNITIES INCLUDE

Aklavik	Hay River	Tuktoyaktuk
Colville Lake	Inuvik	Wrigley
Enterprise	Jean Marie River	Yellowknife
Fort Providence	Kakisa	
Fort Resolution	Sachs Harbour	
Fort Smith	Trout River	

RESTRICTED** COMMUNITIES INCLUDE

Behchokò	Fort Liard	Paulatuk
Deline	Fort McPherson	Tulita
Dettah	Fort Simpson*	Ulukhaktok
Fort Good Hope	Norman Wells*	

* The restriction applies to the amount of liquor that can be bought at a liquor store.

** As of March 31, 2009

Behchokò (see note)

The restriction applies to the amount of liquor an individual can possess or transport in any one-month within a 25-km radius of the hamlet office. The amount of liquor permitted is one 750 ml container of spirits and either;

(a) 24 containers (355 ml) of beer;

(b) 12 containers (355 ml) of beer and one 750 ml container of wine, or

(c) Two 750 ml containers of wine.

Note: As of June 15, 2009, Behchokò became a prohibited community.

Deline

The restriction prohibits an individual from bringing into the community in any 24-hour period or possess at any time within a 25 km radius of the Deline Charter Community Office an amount of liquor that exceeds any one of the following combinations:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine;
- (d) 24 containers (355 ml) of beer and one litre of wine.

The restriction regulations authorize the Deline Dene Council to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

Dettah

The restriction applies to the amount of liquor an individual can possess in any one month. This is either;

- (a) 12 containers (355 ml) of beer and 1 container (750 ml) of spirits; or
- (b) 4,500 ml of wine.

Fort Good Hope

The restriction applies to the amount of liquor an individual can possess in a seven-day period. An individual may possess one of the following quantities of liquor:

- (a) 1140 ml of spirits and one dozen (355 ml) containers of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) one dozen (355 ml) containers of beer and two litres of wine;
- (d) two dozen (355 ml) containers of beer and one litre of wine.

Fort Liard

The restriction applies to the amount of liquor an individual can transport into the community in a one-week period. An individual may transport either:

- (a) 1140 ml of spirits;
- (b) two dozen containers (355 ml) of beer; or
- (c) two containers (750 ml) of wine.

The restriction does not apply to the purchase, sale or transport of liquor by the municipal or band council where liquor shall be consumed at community dances.

Fort McPherson

The restriction prohibits an individual from:

- i. bringing into the restricted area, in any seven day period, a quantity of liquor that is in excess of one of the following combinations,
- ii. operating within the restricted area a vehicle having two or more occupants and transporting a quantity of liquor that is in excess of two of the following combinations:
 - (a) 2280 ml of spirits and 24 containers (355 ml) of beer;
 - (b) 2280 ml of spirits and four litres of wine;
 - (c) 24 containers (355 ml) of beer and four litres of wine;
 - (d) 48 containers (355 ml) of beer and two litres of wine

Norman Wells

The restriction applies to the amount of liquor an individual can purchase at the liquor store and to the operating hours of the liquor store. On any given day an individual may purchase either;

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) two litres of wine and 12 containers (355 ml) of beer;
- (d) 24 containers (355 ml) of beer and one litre of wine.

Store hours are from 5:00 p.m. to 8:00 p.m. Tuesday - Friday and from 3:00 p.m. to 7:00 p.m. on Saturday.

Fort Simpson

The restriction applies to the amount of liquor an individual can purchase at the liquor store and to the operating hours of the liquor store. On any given day an individual may purchase either;

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) two litres of wine and 12 containers (355 ml) of beer;
- (d) 24 containers (355 ml) of beer and one litre of wine.

Store hours are from 3:00 p.m. to 7:00 p.m. Monday - Wednesday and 3:00 p.m. to 8:00 p.m. Thursday - Saturday.

Paulatuk

The restriction prohibits an individual from bringing into the restricted area in any seven day period, and from possessing in the restricted area at any time, a quantity of liquor that is in excess of one of the following combinations:

- (a) 1140 ml of spirits and 12 container (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine;
- (d) 24 containers (355 ml) of beer and 750 ml of spirits;
- (e) 1175 ml of spirits.

Tulita

The restriction prohibits an individual from bringing into the restricted area, in any 24 hour period, and from possessing in the restricted area, at any time, a quantity of liquor that is in excess of the following combinations:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine;
- (d) 24 containers (355 ml) of beer and one litre of wine.

Ulukhaktok

The restriction prohibits an individual from bringing into the community in any seven day period, and from possessing at any time, a quantity of liquor that is in excess of one of the following combinations:

- (a) 1140 ml of spirits and 12 containers (355 ml) of beer;
- (b) 1140 ml of spirits and two litres of wine;
- (c) 12 containers (355 ml) of beer and two litres of wine;
- (d) 24 containers (355 ml) of beer and one 750 ml of spirits;
- (e) 1775 ml of spirits.

The restriction regulations authorize the Ulukhaktok Hamlet Council to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special events.

PROHIBITED COMMUNITIES INCLUDE

Gamètì	Nahanni Butte	Wekweètì
Lutsel'Ke	Tsiigehtchic	Whatì

Note: As of June 15, 2009, Behchokò became a prohibited community.

**NORTHWEST
TERRITORIES LIQUOR
LICENSING BOARD
2008 – 2009**

NWT LIQUOR LICENSING BOARD MISSION STATEMENT

The mission of the NWT Liquor Licensing Board is to conduct business to the best of our ability in accordance with the *Liquor Act* and the principles of natural justice.

BOARD MEMBERS (as of MARCH 31, 2009)

Board members are appointed for a two-year term by the Minister of Finance. As of March 31, 2009 the following persons were sitting as members of the Northwest Territories Liquor Licensing Board. Effective October 31, 2008 members will be appointed for a three-year term.

Chairperson	Mr. Don Kindt	Yellowknife
Members	Mrs. Sherry Hodgson	Norman Wells
	Mr. Stanley Jones	Hay River
	Mr. Albert Monchuk	Fort Smith
	Mrs. Lorna Skinner	Yellowknife
	Mr. Wayne Smith	Inuvik

MEETINGS/PUBLIC HEARINGS

During 2008-2009 the Board held meetings/hearings in Yellowknife, Inuvik and Norman Wells as well as by teleconference.

The Board holds application hearings to consider new applications for liquor licenses or to transfer existing liquor licenses, as well as to consider requests from licensees for exemptions to the *Liquor Regulations* where it is in the Board's power to do so.

The Board holds compliance hearings to determine if a licensee's liquor license will be suspended, cancelled or a lesser penalty imposed when allegations of violations against the *Liquor Act* or *Regulations* are reported.

The Board holds administrative meetings to review correspondence sent on their behalf, approvals done on their behalf, board policies and any other issue brought forward for Board attention or review of an administrative nature.

In addition, the Board was involved in making recommendations related to the development of the new *Liquor Act* and *Regulations*.

NWT LIQUOR LICENSES

The following licenses were valid to October 30, 2008. The number of licenses change throughout the year, as new licenses are approved or existing premises close. New classes of licenses were established under the new *Liquor Act*, which became effective October 31, 2008.

LICENSES in effect on April 1, 2008 until October 30, 2008										
Community	Aircraft	Canteen	Clubroom	Cocktail Lounge	Cultural & Private Recreational Facility	Dining Room	Guest Room	Off Premise	Ship	Total per Community
Fort Simpson	0	0	2	2	0	2	0	1	0	7
Fort Smith	0	0	3	3	0	1	0	1	0	8
Fort Providence	0	0	0	2	0	1	0	2	0	5
Hay River	0	2	3	3	1	5	0	0	0	14
Inuvik	0	2	2	3	0	5	0	1	0	13
Norman Wells	0	0	2	4	0	4	0	0	0	10
Yellowknife	0	2	4	17	3	27	0	1	0	54
No Specific Community	1	0	0	0	0	0	10	0	1	12
Total Licenses Issued	1	6	16	34	4	45	10	6	1	123

Effective October 31, 2008 a new licensing structure came into effect. There are now four classes of licenses.

- Class A (liquor primary) replaces cocktail lounge licenses.
- Class B (food primary) replaces dining room licenses.
- Class C (mobile) replaces ship licenses and includes a new license type for caterers and event promoters.
- Class D (liquor incidental) replaces aircrafts, canteens, clubrooms, cultural and private recreational facilities, guest rooms, off-premises and ships.

Note: Under the previous *Liquor Act*, an off-premise was a class of licence, under the new *Act* it is an extension of a licence. Class A (liquor primary) and Class B (food primary) licence holders may apply for an off-premise extension.

LIQUOR LICENSING BOARD COMPLIANCE HEARINGS

The Liquor Licensing Board is a quasi-judicial board that has the power to bring licensees to a compliance hearing to determine why their liquor license should not be suspended, cancelled and/or have conditions imposed when allegations of violations under the *Liquor Act* or *Regulations* are reported and brought forward at a compliance hearing.

The following licensees appeared before the Liquor Licensing Board at a compliance hearing during the period of April 1, 2008 to March 31, 2009. Dispositions vary according to the specifics of each case.

2008 - 2009 COMPLIANCE HEARINGS

Licensee	Violation	Disposition
953785 NWT LTD. o/a Sam's Monkey Tree Pub Yellowknife NT	(Previous <i>Liquor Act</i>) Count #1 – On June 8, 2008 the licensee violated Section 98(2) (a) of the <i>Liquor Act</i> (sold or served liquor to an intoxicated person) Count #2: On June 8, 2008 the licensee violated Section 20. 1 of the <i>Liquor Regulations</i> (allowed liquor to be removed from the premises)	Count #1: The Board ordered a 3-day suspension and a \$2,500 fine. Count #2: The Board ordered a 1-day suspension and a \$2,000 fine and ordered the licensee and staff to attend a Server Training Course.
1190879 Alberta LTD. o/a Gold Range Hotel Yellowknife NT	(Previous <i>Liquor Act</i>) Count #1: On September 22, 2008 the licensee violated section 98 (2) of the <i>Liquor Act</i> (allowed drunkenness) Count #2: On September 22, 2008 the licensee violated section 98 (1) of the <i>Liquor Act</i> (sold or supplied liquor to an intoxicated person) Count #3: On September 22, 2008 the licensee violated section 23 of the <i>Liquor Regulations</i> (did not maintain facilities in good order)	Count #1: The Board ordered a 2-day suspension and a \$1,500 fine. Count #2: The Board ordered a 2-day suspension and a \$1,500 fine. Count #3: The Board ordered a \$1,000 fine.

1190879 Alberta LTD. o/a Gold Range Hotel Yellowknife NT	(Current <i>Liquor Act</i>) Count #1: On November 8, 2008 the licensee violated section 93 of the <i>Liquor Act</i> (sold or served liquor to an intoxicated person) Count #2: On November 8, 2008 the licensee violated Section 57 of the <i>Liquor Regulations</i> (consumed liquor while working) Count #3: On November 8, 2008 the licensee violated Section 61 <i>Liquor Regulations</i>. (did not maintain the facilities in good order)	Count #1: The Board ordered a 2-day suspension and a \$1,500 fine. Count #2: The Board ordered a \$1,000 fine. Count #3: The Board ordered a \$1,000 fine.
5933 NWT LTD. o/a Navigator Restaurant (Airport) Yellowknife NT	(Current <i>Liquor Act</i>) Count #1: On November 15, 2008 the licensee was charged with an offence under the criminal code and became ineligible to hold a liquor license as per Section 5 (2) of the <i>Liquor Act</i>. Count #2: On November 15, 2008 the licensee no longer met Section 11. (1) and 11. (2) of the <i>Liquor Regulations</i> where it is a condition the licensee remain eligible to hold a liquor license. Count #3; On November 15, 2008 the licensee was charged with possession of a narcotic for the purpose of trafficking contrary to Section 12 (e) of the <i>Liquor Regulations</i>.	The Board cancelled the liquor license effective immediately.
953781 NWT LTD. o/a After 8 Neighbourhood Pub Yellowknife NT	(Current <i>Liquor Act</i>) On January 10, 2009 the licensee violated Section 77. (1) of the <i>Liquor Act</i> (sold or supplied liquor to a minor)	The Board ordered a 1-day suspension and a \$500 fine.
Frosty's Arctic Pub & Apartment Hotel 2004 LTD. o/a Mad Trapper Lounge Inuvik NT	(Current <i>Liquor Act</i>) On February 15, 2009 the licensee violated Section 92 of the <i>Liquor Act</i> (allowed intoxicated persons to enter and remain on the premises)	The Board ordered a 1-day suspension and a \$500 fine.

Royal Canadian Legion Branch #239 Fort Smith NT	(Current <i>Liquor Act</i>) On February 15, 2009 the licensee violated Section 62 (1) of the <i>Liquor Regulations</i> (made alterations to the premises without Board approval)	The Board ordered a 3-day suspension and a \$300 fine.
--	--	--

SPECIAL OCCASION PERMITS

The Liquor Licensing Board is responsible for the issuance of Special Occasion Permits. There are three types of permits; Class 1 (ordinary), Class 2 (not-for-profit resale; and Class 3 (fundraising). Permits are issued through contractors of privately owned companies, hamlets, and government departments.

Class 1: Any person other than a minor is eligible for a Class 1 (ordinary) permit that allows an individual to serve alcohol.

Class 2: Any person other than a minor is eligible for a Class 2 (not-for-profit) permit to sell, without making a profit, on the sale of liquor.

Class 3: The following are eligible for a Class 3 (fundraising) permit to sell liquor for a profit:

- (a) an unincorporated group of persons that:
 - (i) has been in existence for not less than six months
 - (ii) has an executive elected by its members
 - (iii) conducts a community, recreational or cultural activity and does not carry on a trade or business for pecuniary gain of its members;
- (b) a society incorporated under the *Societies Act*;
- (c) a body incorporated under Part 11 of the *Canada Corporations Act*;
- (d) a service club that holds a premises license.

In 2008 - 2009 there were 425 ordinary and resale permits issued across the Northwest Territories.

PERMITS ISSUED				
Community	2008 – 2009		2007 – 2008	
	Resale	Ordinary	Resale	Ordinary
Hay River	78	20	58	18
Yellowknife	78	111	55	98
Fort Simpson	7	9	6	5
Fort Smith	17	19	14	13
Inuvik	37	4	30	3
Norman Wells	39	6	37	6
Uluksaktok	0	0	0	0
Fort Liard	0	0	0	0
Total	256	169	200	143

ADMINISTRATION

The administrative offices for the Liquor Licensing Board, Licensing and Enforcement, and Community Options are maintained in Hay River. The office maintains a toll free number (1-800-351-7770) for the benefit of the licensees and the general public.

AUDITED FINANCIAL STATEMENTS 2008 – 2009

The financial transactions for the operation of the Northwest Territories Liquor Licensing Board and Liquor Licensing and Enforcement are processed and administered through the Northwest Territories Commission. The audited financial statements are therefore a consolidation of the financial activities incurred to administer Part I as well as Part II of the *Liquor Act*.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Financial Statements

Year ended March 31, 2009

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor Commission ("the Commission") is the responsibility of the Commission's management.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector. Where GAAP permits alternative accounting methods, 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 Commission complies with all statutory requirements.

The Auditor General of Canada 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 Commission, 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, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Commission.



Kyle Reid
General Manager

May 8, 2009



Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister of Finance

I have audited the statement of financial position of the Northwest Territories Liquor Commission as at March 31, 2009 and the statements of accumulated surplus, operations, change in net financial resources and cash flow 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 Canadian 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, 2009 and the results of its operations, the change in its net financial resources and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act* of the Northwest Territories, I report that, in my opinion, these principles have been applied, except for the change in accounting policy as explained in note 2 of the financial statements, 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. In addition, 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 Part IX of the *Financial Administration Act* of the Northwest Territories and regulations, and the *Liquor Act* and regulations.

Guy LeGras, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
May 8, 2009

NORTHWEST TERRITORIES LIQUOR COMMISSION

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March 31, 2009

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NORTHWEST TERRITORIES LIQUOR COMMISSION

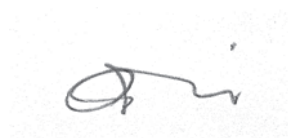
Statement of Financial Position

As at March 31 (\$000)	2009	2008
Financial assets		
Cash	\$ 2,715	\$ 3,447
Accounts receivable	-	3
Inventories for resale (note 4)	3,366	3,175
	6,081	6,625
Liabilities		
Accounts payable and accrued liabilities	2,319	2,980
Pension and other employee benefits (note 5)	73	76
	2,392	3,056
Net financial resources	3,689	3,569
Non-financial assets		
Tangible capital assets (note 6)	371	497
Prepaid expenses	34	26
	405	523
Accumulated surplus	\$ 4,094	\$ 4,092

Contractual obligations (note 9)

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

Approved by management:



Kyle Reid
General Manager

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Accumulated Surplus

For the year ended March 31 (\$000)	2009	2008
Accumulated surplus, beginning of year	\$ 4,092	\$ 3,695
Add: Annual surplus	22,655	21,778
Services provided without charge by the Government on behalf of the Commission (note 8)	1,300	1,302
<u>Less: Amounts transferred to the Consolidated Revenue Fund</u>	<u>(23,953)</u>	<u>(22,683)</u>
Increase in accumulated surplus	2	397
Accumulated surplus, end of year	\$ 4,094	\$ 4,092

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

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Operations

For the year ended March 31 (\$000)	2009	2009	2008
	Budget	Actual	Actual
Sales			
Beer	\$ 18,883	\$ 19,283	\$ 18,621
Spirits	18,391	18,324	17,517
Wine	5,260	5,654	5,227
Coolers and ciders	1,607	1,388	1,406
	44,141	44,649	42,771
Cost of goods sold			
Beer	8,275	8,334	8,086
Spirits	5,424	5,465	5,160
Wine	2,491	2,767	2,478
Coolers and ciders	629	623	603
	16,819	17,189	16,327
Gross profit on sales	27,322	27,460	26,444
Other income			
License fees and permits (note 7)	458	437	447
Import fees and other income	5	6	4
	463	443	451
Expenses (notes 7 and 8)			
Commissions to agents	3,046	3,082	2,930
Salaries, wages and employee benefits	1,310	1,267	1,279
Administration	473	408	392
Amortization of tangible capital assets	171	181	178
Travel	152	123	150
Rent	103	97	88
Board member honoraria	64	54	60
Inspectors' fees	35	36	40
	5,354	5,248	5,117
Annual surplus	\$ 22,431	\$ 22,655	\$ 21,778

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

NORTHWEST TERRITORIES LIQUOR COMMISSION**Statement of Change in Net Financial Resources**

For the year ended March 31 (\$000)	2009	2008
Net financial resources, beginning of year	\$ 3,569	\$ 3,212
Items affecting net financial resources:		
Increase in accumulated surplus	2	397
Decrease (increase) in tangible capital assets	126	(25)
(Increase) in prepaid expenses	(8)	(15)
Net financial resources, end of year	\$ 3,689	\$ 3,569

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

NORTHWEST TERRITORIES LIQUOR COMMISSION**Statement of Cash Flow**

For the year ended March 31 (\$000)	2009	2008
Operating transactions		
Cash received from customers	\$ 45,095	\$ 43,272
Cash paid to suppliers	(21,819)	(20,588)
Cash provided by operating activities	23,276	22,684
Capital transactions		
Purchase of tangible capital assets	(55)	(180)
Financing transactions		
Cash transferred to the Consolidated Revenue Fund	(23,953)	(22,683)
Increase (decrease) in cash	(732)	(179)
Cash, beginning of year	3,447	3,626
Cash, end of year	\$ 2,715	\$ 3,447

The accompanying notes are an integral part of the financial statements

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2009 (\$000)

1. Authority and operations

The Northwest Territories Liquor Commission (the "Commission") was established under the *Liquor Act* (the "Act") for the purposes of operating liquor stores and distributing liquor in the Northwest Territories (NWT). The NWT Liquor Licensing Board (Board) was also established under the same 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 activities of the Board are administered by the Commission.

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 may also receive a working capital advance from the Consolidated Revenue Fund (CRF) of the Government of the NWT Territories 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 \$6,500.
- 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, 2009, the Fund's assets exceeded the liabilities by \$3,689 (2008 - \$3,569).

The Commission and the Board are not considered to be separate legal entities apart from the Department of Finance of the NWT and are also not subject to the requirements of the *Income Tax Act*.

2. Change in accounting policy

During the current year, the Commission changed the basis of accounting used to prepare its financial statements. The Commission which is classified as an "Other government organization" under the Public Sector Accounting Handbook has chosen to adopt GAAP for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants to prepare its financial statements. Previously, the Commission had been using GAAP for the private sector to prepare its financial statements. The change in the basis of accounting has been applied retroactively and did not have any effect on the Commission's financial position, operating results and cash flows for the current and prior periods.

3. Significant accounting policies

(a) Basis of presentation

The financial statements of the Commission are prepared in accordance with GAAP for the public sector and include the activities of the Board which have been combined with the activities of the Commission in the Statement of Operations and which are also disclosed separately in note 7 of the financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2009 (\$000)

3. Significant accounting policies (continued)

(b) Measurement uncertainty

The preparation of financial statements in accordance with GAAP 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 estimation of the useful life of the tangible capital assets.

(c) Revenue recognition

The Commission recognizes revenue on an accrual basis (i.e. when the goods are shipped and the customer assumes all risks of ownership and the collection of any amounts receivable is considered probable).

(d) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Cost includes invoiced cost, freight, duties and taxes.

(e) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is determined on a straight-line basis using the following rates:

Asset	Rate
Furniture and fixtures	20%
Computer hardware and software	30%
Leasehold improvements	Over the life of the lease and any additional renewal period

(f) Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Commission's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions, and may change over time depending on the experience of the Plan. The Commission's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Commission. The Commission is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

(g) Employee severance benefits

Employees are entitled to severance benefits and reimbursement of removal costs, as provided for under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee. The cost of these benefits is accrued as the employees render the services necessary to earn them. The cost of the benefits has been determined based on management's best estimates using the expected compensation level and employee leave credits.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2009 (\$000)

(h) Future accounting changes

PSAB is currently developing an exposure draft on the recognition of financial instruments which is expected to be issued in June 2009 with the final standard to be approved in March 2010. The future accounting implications of this new standard on the Commission are not expected to be significant.

4. Inventories for resale

		2009		2008
Spirits	\$	1,430	\$	1,477
Beer		1,231		1,017
Wine		561		507
Coolers and ciders		144		174
	\$	3,366	\$	3,175

5. Pension and other employee benefits

a) Pension benefits:

The Commission and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the consumer Price Index. The Commission's and employees' contributions to the Public Service Pension Plan for the year were as follows:

		2009		2008
Commission's contributions	\$	117	\$	107
Employees' contributions		55		50

b) Severance and removal benefits

The Commission provides severance benefits to its employees based on years of service and final salary. The Commission also provides removal assistance to eligible employees, as provided under labour contracts. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Future benefits will be paid out of future net income.

Information about the plan, measured as at the statement of financial position date, is as follows:

		2009		2008
Accrued benefit obligation, beginning of year	\$	76	\$	51
Cost (recoveries) for the year		(3)		25
Benefits paid during the year		-		-
Accrued benefit obligation, end of year	\$	73	\$	76

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2009 (\$000)

6. Tangible capital assets

	Furniture and fixtures		Computer hardware and software		Leasehold improvements		2009	2008
Cost:								
Opening balance	\$	78	\$	573	\$	178	\$ 829	\$ 656
Acquisitions		14		14		27	55	202
Disposals and write-downs		-		(4)		-	(4)	(29)
Closing balance	\$	92	\$	583	\$	205	\$ 880	\$ 829
Accumulated Amortization:								
Opening balance		(55)		(231)		(46)	(332)	184
Amortization		(10)		(118)		(53)	(181)	(177)
Disposals and write-downs		-		4		-	4	29
Closing balance		(65)		(345)		(99)	(509)	(332)
Net book value	\$	27	\$	238	\$	106	\$ 371	\$ 497

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2009 (\$000)

7. Liquor Licensing Board of the Northwest Territories

The revenues and expenses of the Board are as follows:

	2009	2008
Revenues:		
Licensee fees	\$ 364	\$ 375
Special occasion licenses	41	40
Annual license fees	21	31
Other	11	1
	437	447
Expenses:		
Salaries, wages and benefits	345	316
Travel	69	80
Honoraria	54	60
Other	113	93
	581	549
Net loss	\$ (144)	\$ (102)

The net loss is funded by the Government of the NWT.

8. Related party transactions

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

The Government of the NWT provides the following services without charge on behalf of the Commission:

	2009	2008
Provision of salaries, wages and employee benefits	\$ 1,228	\$ 1,279
Administrative services (legal services and other costs)	72	23
	\$ 1,300	\$ 1,302

The cost of these services has been recognized on the statement of operations with an offsetting amount credited directly to accumulated surplus. In 2009, the Commission also paid for training and development costs and medical travel of \$39 (2008 – nil) which are included in the salaries, wages and employees benefits recognized on the statement of operations of \$1,267 (2008 - \$1,279).

Included in accounts payable and accrued liabilities is an amount of \$189 (2008 - \$180) for bottle deposits payable to Environment and Natural Resources and \$12 (2008 - \$3) for other government departments.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2009 (\$000)

9. Contractual obligations

The Commission has a five year lease agreement ending April 30, 2011 for its office premises. The minimum annual payments for the lease and leasehold improvements over the next three years are:

Year ending March 31:

2010	82
2011	82
2012	7
	\$ 171

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

10. Fair value of financial assets and financial liabilities

The fair values of the Commission's cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying amounts due to the relatively short periods to maturity of these items.

