



***67th Annual Report***  
***2020-2021***





June 30, 2021

Honourable Caroline Wawzonek  
Minister Responsible for the NWT Liquor Licensing Board

Dear Honourable Minister Wawzonek:

In accordance with the *Liquor Act*, I am pleased to present the Northwest Territories Liquor Licensing Board's 2020 - 2021 Annual Report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adelle Guigon". The signature is fluid and cursive, with a large loop at the end.

Adelle Guigon

A/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

**Adelle Guigon** – A/Chairperson (*Yellowknife*)

**Wayne Smith** - Board Member (*Inuvik*)

**Heather Bourassa** - Board Member (*Fort Good Hope*)

**Linda Martin** - Board Member (*Fort Smith*)

**June Tobin** - Board Member (*Hay River*)

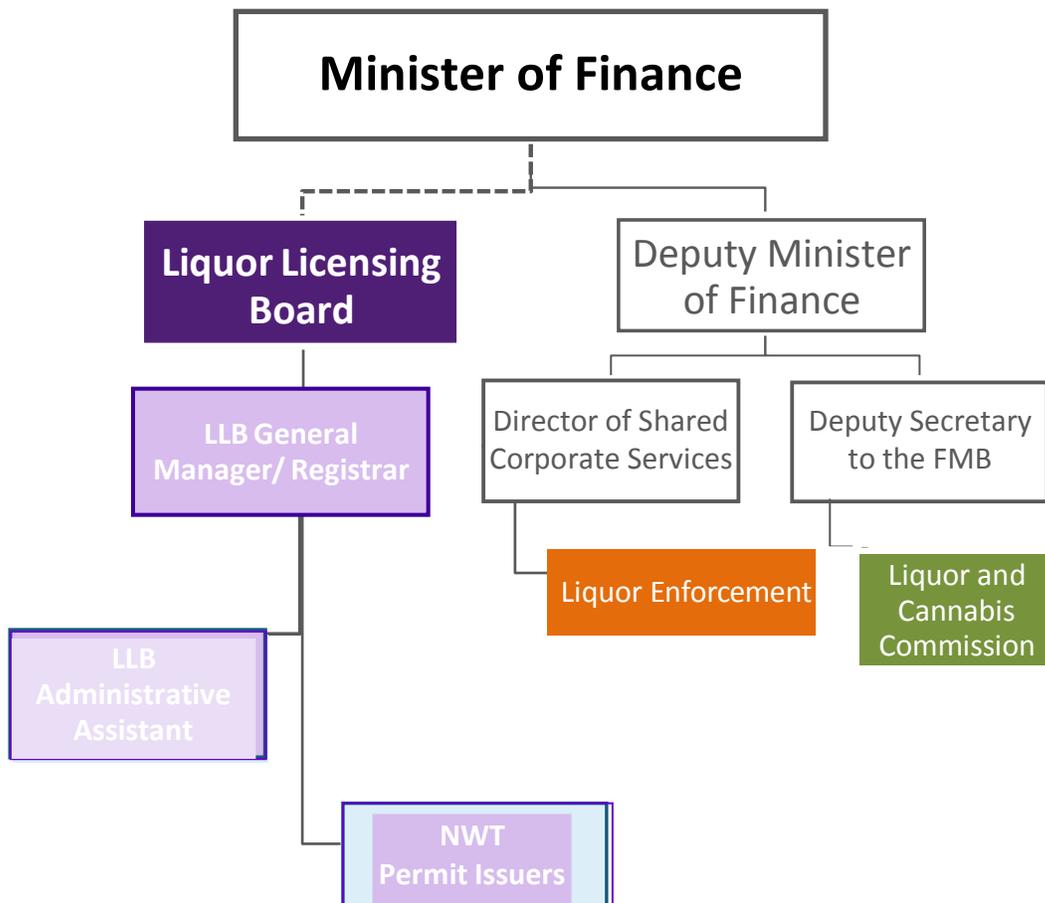
**Jaimie Graham** – General Manager/Registrar (*Hay River*)

**Kesree Loutit** – Administrative Assistant (*Hay River*)

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 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 Commission and Enforcement, often interacts with them on matters of mutual interest.



## Board Activity

The Board activity this reporting period was significantly reduced as a direct result of the COVID-19 pandemic. The majority of Board activities were managed primarily by the Chairperson in collaboration with the Executive Secretary. Two occasions required Board Member participation by teleconference, with any remaining consultations occurring by email communication.

### Total Meetings

Board Meeting Type	2019	-2020	2020-2021
Orientation		1	0
Administrative		2	0
Teleconferences		3	2
Public Hearings		1	0
Compliance Hearings		0	0
<b>Total</b>		<b>7</b>	<b>2</b>

### 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 there were no administrative or orientation meetings, either in-person or otherwise, as a direct result of the COVID-19 pandemic.

### Licence Applications and Public Hearings

The Board must consider each application for a liquor licence and other specific requests. Most often these are conducted by teleconference, but there are times the Board must meet in person and/or conduct a public hearing of an application. During this reporting period, the Board conducted 2 teleconferences to discuss and consider applications.

## 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. This can, on occasion, result in the need to ensure procedural fairness over financial considerations.

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 hearing 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 four 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.

**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	2020-21	2019-20
Fort Providence	2	1	0	0	0	0	3	3
Fort Simpson	2	2	0	2	0	0	6	6
Fort Smith	1	1	0	2	0	0	4	4
Hay River	2	5	0	6	0	0	13	15
Inuvik	2	2	0	4	0	0	8	11
Norman Wells	2	2	0	2	0	0	6	7
Remote Lodges	-	-	-	8	-	-	8	8
Yellowknife	13	21	3	10	1	1	49	52
<b>Total</b>	<b>24</b>	<b>34</b>	<b>3</b>	<b>34</b>	<b>1</b>	<b>1</b>	<b>97</b>	<b>106</b>

## 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.

The significant reduction in Special Occasion Permits issued in this reporting period is a direct result of the COVID-19 pandemic.

## Total Special Occasion Permits

Community	Class 1	Class 2	Class 3	2020-21	2019-20
Enterprise	0	0	0	0	1
Fort Providence	0	0	0	0	3
Fort Resolution	0	0	0	0	1
Fort Simpson	0	0	1	1	15
Fort Smith	0	0	0	0	32
Hay River	10	0	8	18	107
Inuvik	0	0	2	2	46
Norman Wells	0	0	0	0	13
Yellowknife	9	9	0	18	158
<b>Total</b>	<b>19</b>	<b>9</b>	<b>11</b>	<b>39</b>	<b>376</b>

## 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 are presently three Special Purpose Permits in effect.**

## 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](mailto:LLBinfo@gov.nt.ca)

Website: [www.fin.gov.nt.ca/services/liquor/liquor-licensing-board](http://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 2020/2021**

**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	
	2019-2020	2020-2021
Fort Providence	0	9
Fort Simpson	1	9
Fort Smith	87	15
Hay River	91	164
Inuvik	39	44
Norman Wells	4	37
Yellowknife	430	224
<b>TOTAL</b>	<b>622</b>	<b>502</b>

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

## SERVER TRAINING

Enforcement offers and conducts server training courses free of charge to licence holders, their staff, the general public and special occasion permit holders. Attendance at these courses is voluntary. The Liquor Licensing Board can also order licence holders and their staff to take the course as a condition of their license. The server training course 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.

SafeServe Online Server training will be coming soon, it will provide the general public access to the training at anytime. This training will be mandatory for all who work in the liquor industry.

Licence holders are provided with a newsletter on a quarterly basis and provided with up-to-date information to assist them in complying with the *Liquor Act and Regulations*. Licence holders also have access to a toll-free number for assistance. Every licence holder has been provided with a licence holder handbook and a copy of the *Liquor Act and Regulations*. When a large number of persons are expected to attend an event such as a concert the permit holder is contacted and offered server training for persons working the event.

## SERVER TRAINING COURSE PARTICIPANTS

Community	2019-2020	2020 - 2021
Fort Providence	0	0
Fort Simpson	0	0
Fort Smith	0	0
Hay River	23	0
Inuvik	0	0
Norman Wells	0	0
Yellowknife	80	0
<b>Total</b>	<b>103</b>	<b>0**</b>

\*\* In person liquor server training has not been given due to the current COVID-19 Pandemic. Liquor Enforcement is working on getting the training online, and will be coming soon.

## COMMUNITY STATUS

Communities in the Northwest Territories are able to 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/liquor warehouse.

#### 2. Restricted Communities

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

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  
Lutselk'e

Nahanni Butte  
Wekweètì

Whatì  
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, 2021**

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Index to Financial Statements

### March 31, 2021

---

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.....	27
Statement of Cash Flow .....	28
Notes to Financial Statements .....	29

## 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 Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. 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.



Adelle Guigon, A/ Chairperson  
NWT Liquor Licensing Board  
June 30, 2021

---

## INDEPENDENT AUDITOR'S REPORT

---

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

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of Northwest Territories Liquor Licensing Board and Liquor Enforcement (the Board), which comprise the statement of financial position as at March 31, 2021, 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 Board as at March 31, 2021, 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 Board 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board'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 Board'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 Board'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 Board 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.



Hay River, Northwest Territories  
June 30, 2021

Chartered professional accountants

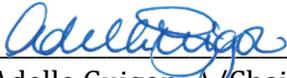
**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Financial Position**

<b>As at March 31, (\$000)</b>	<b>2021</b>	<b>2020</b>
<b>Financial Assets</b>		
Accounts Receivable	\$ 5	\$ 5
Due from NWT Liquor Commission (note 3)	138	61
Pension and other employee benefits (note 4)	30	34
	173	100
<b>Financial Liabilities</b>		
Accounts payable (Note 6)	140	70
Deferred revenue	33	30
	173	100
<b>Net Financial Assets (debt)</b>	-	-
<b>Non-financial Assets</b>		
Prepaid Expenses	-	-
<b>Accumulated surplus</b>	\$ -	\$ -

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

Approved by the Northwest Territories Liquor Licensing Board:

  
 \_\_\_\_\_  
 Adelle Guigon, A/Chairperson  
 Liquor Licensing Board

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Operations**

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>		<b>2021</b>		<b>2020</b>	
	<b>Budget</b>		<b>Actual</b>		<b>Actual</b>	
<b>Revenue</b>						
License fees and permits	\$	63	\$	28	\$	53
Government contribution - services provided without charge (note 6)		-		1		5
		63		29		58
<b>Expenses (notes 5 and 6)</b>						
Salaries, wages and employee benefits		503		396		401
Honoraria		50		13		23
Inspector's fees		68		34		34
Rent		29		29		30
Travel		75		11		36
Professional fees		29		21		16
Administration		43		33		35
		797		537		575
<b>Annual loss</b>	<b>\$</b>	<b>(734)</b>	<b>\$</b>	<b>(508)</b>	<b>\$</b>	<b>(517)</b>

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

## NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

### Statement of Accumulated Surplus

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>		<b>2021</b>		<b>2020</b>	
	<b>Budget</b>		<b>Actual</b>		<b>Actual</b>	
<b>Accumulated surplus, beginning of the year</b>	\$	-	\$	-	\$	-
Annual loss		(734)		(508)		(517)
Amounts transferred from the NWT Liquor & Cannabis Commission		734		508		517
Change in accumulated surplus		-		-		-
<b>Accumulated surplus, end of year</b>	\$	-	\$	-	\$	-

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

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Change in Net Financial Assets (debt)**

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>		<b>2021</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Net financial assets (debt), beginning of year</b>	\$ -	\$ -	\$ -	(8)
Items affecting net financial assets (debt):				
Increase (decrease) in accumulated surplus	-	-	-	-
Decrease (increase) in prepaid expenses	-	-	-	8
<b>Net financial assets (debt), end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

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

**NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND  
LIQUOR ENFORCEMENT**

**Statement of Cash Flow**

<b>For the year ended March 31 (\$000)</b>	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Cash received from customers	\$ 31	\$ 57
Cash paid to employees and suppliers	(462)	(617)
Cash provided by operating activities	(431)	(560)
<b>Financing activities</b>		
Cash transferred from the NWT Liquor & Cannabis Commission	431	560
<b>Change in cash</b>	-	-
<b>Cash, beginning of year</b>	-	-
<b>Cash, end of Year</b>	\$ -	\$ -

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, 2021 (\$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 for the 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, 2021, the Fund's assets exceeded the liabilities by \$6,075 (2020 - \$4972).

Neither the Commission nor the Board is 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, 2021 (\$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 Canadian Institute of Chartered Professional Accountants. 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, 2021 (\$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 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. Pension and other employee benefits

#### a) Pension benefits

The employees of the Board participate in the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2019 - 1.01) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2019 - 1.0) the employees' contributions for all other employees. The Employers contributions and the Board & Enforcement's employees' contribution for the year were as follows:

		2021		2020
Commission's contributions (recognized as expense)	\$	27	\$	36
Employees' contribution		27		34

The plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2021 (\$000)

### 4. Pension and other employee benefits (continued)

#### b) Other employee benefits

	2021			2020		
	Severance and Removal	Compensated Absences	Total	Severance and Removal	Compensated Absences	Total
Accrued benefit obligation, beginning of the year	\$ 6	\$ 3	\$ 9	\$ 5	\$ 3	\$ 8
Current Service Costs	-	-	-	-	-	-
Interest Cost	-	-	-	-	-	-
Benefits paid during the year	-	(3)	(3)	(13)	(7)	(19)
Actuarial (gain)/loss	(1)	3	2	13	7	20
Accrued benefit obligation, end of the year	\$ 5	\$ 3	\$ 8	\$ 5	\$ 3	\$ 9
Unamortized net actuarial gain (loss)	(12)	(26)	(38)	(15)	(28)	(43)
Accrued benefit (liability)/asset	\$ (7)	\$ (23)	\$ (30)	\$ (10)	\$ (25)	\$ (34)

The Board provides severance benefits to its employees based on years of service and final salary. The Board also provides removal assistance to eligible employees, as provided under labour contracts. These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Board provides accumulating sick and special leave employee benefits. Sick leave accrues at a rate of one and a one quarter day per month and special leave accumulates at a rate of one-half day per month. These leave balances require funding in future periods when employees become sick or require special leave. Sick leave can only be used for paid time off for illness of the employee. Special leave can only be claimed in certain circumstances (e.g. sick family members, family deaths, marital leave). Sick and special leave taken is paid at the employee's normal rate of pay. Sick and special leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick and special days accumulate and there are no limits to the accumulation.

An actuarial valuation for accounting purposes was prepared at March 31, 2021 for the Board's other employee future benefit plans using the projected benefits method prorated on services.

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

March 31, 2021 (\$000)

---

### 4. Pension and other employee benefits (continued)

#### b) Other employee benefits (continued)

The actuarial valuation at March 31, 2021 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2021</u>	<u>2020</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	3.3%	2.7%
Expected average remaining service life of related employee groups (EARSL)	8.3	8.3
Timing of expected payments for other employee benefits are as follows:		
2022	\$	0
2023		0
2024		0
2025		0
2026		0
2027 and beyond		<u>5</u>
	\$	<u>5</u>

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD AND LIQUOR ENFORCEMENT

## Notes to Financial Statements

**March 31, 2021 (\$000)**

### 5. Expenses

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

	<b>Enforcement</b>		
	2021 Budget	2021 Actual	2020 Actual
<b>For the year ended March 31 (\$000)</b>			
<b>Expenses (notes 5 and 6)</b>			
Salaries, wages and employee benefits	\$ 304	\$ 189	\$ 203
Inspector's fees	54	34	29
Rent	17	17	17
Travel	18	11	11
Professional fees	5	1	5
Administration	15	26	19
	413	278	284
<b>Annual loss</b>	<b>\$ (413)</b>	<b>\$ (278)</b>	<b>\$ (284)</b>

### 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 \$396 (2020 - \$401) related to salaries, wages, and employee benefits for the Board's employees and \$13 (2020 - \$23) 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 \$1 (2020 - \$5). 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 \$94 (2020 - \$162) 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, 2021 (\$000)**

---

### **7. Contractual obligations**

The Board has a five-year lease agreement ending April 30, 2021 for its Office premises. The minimum annual lease payments for the leases over the next five year(s) are:

2021/22	\$ 2
2022/23	\$ NIL
2023/24	\$ NIL
2024/25	\$ NIL

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 management's 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.