



NORTHWEST TERRITORIES
LIQUOR AND
CANNABIS
COMMISSION

71ST ANNUAL REPORT

2024-2025

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Government of
Northwest Territories

October 28, 2025

MEMBERS OF LEGISLATIVE ASSEMBLY NWT

Liquor and Cannabis Commission Annual Report

I am pleased to present, for the information of the Members of the Legislative Assembly, the seventy-first Annual Report for the Northwest Territories Liquor and Cannabis Commission for the fiscal year ending March 31, 2025.

A handwritten signature in black ink, appearing to read "Caroline Wawzonek".

Caroline Wawzonek
Minister Responsible for the Northwest
Territories Liquor and Cannabis Commission

Attachment



NORTHWEST TERRITORIES
**LIQUOR AND
CANNABIS**
COMMISSION

HONOURABLE CAROLINE WAWZONEK
MINISTER OF FINANCE

Northwest Territories Liquor and Cannabis Commission

Pursuant to Subsection 64 (1) of the *Liquor Act*, we are pleased to submit the seventy-first Annual Report of the Northwest Territories Liquor and Cannabis Commission for the fiscal year ending March 31, 2025.

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

Kim Wilkins

Director, Liquor and Cannabis Operations
Northwest Territories Liquor and Cannabis
Commission

William Mackay

Deputy Minister, Department of Finance
Government of the Northwest Territories

Mandate

Our Vision

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

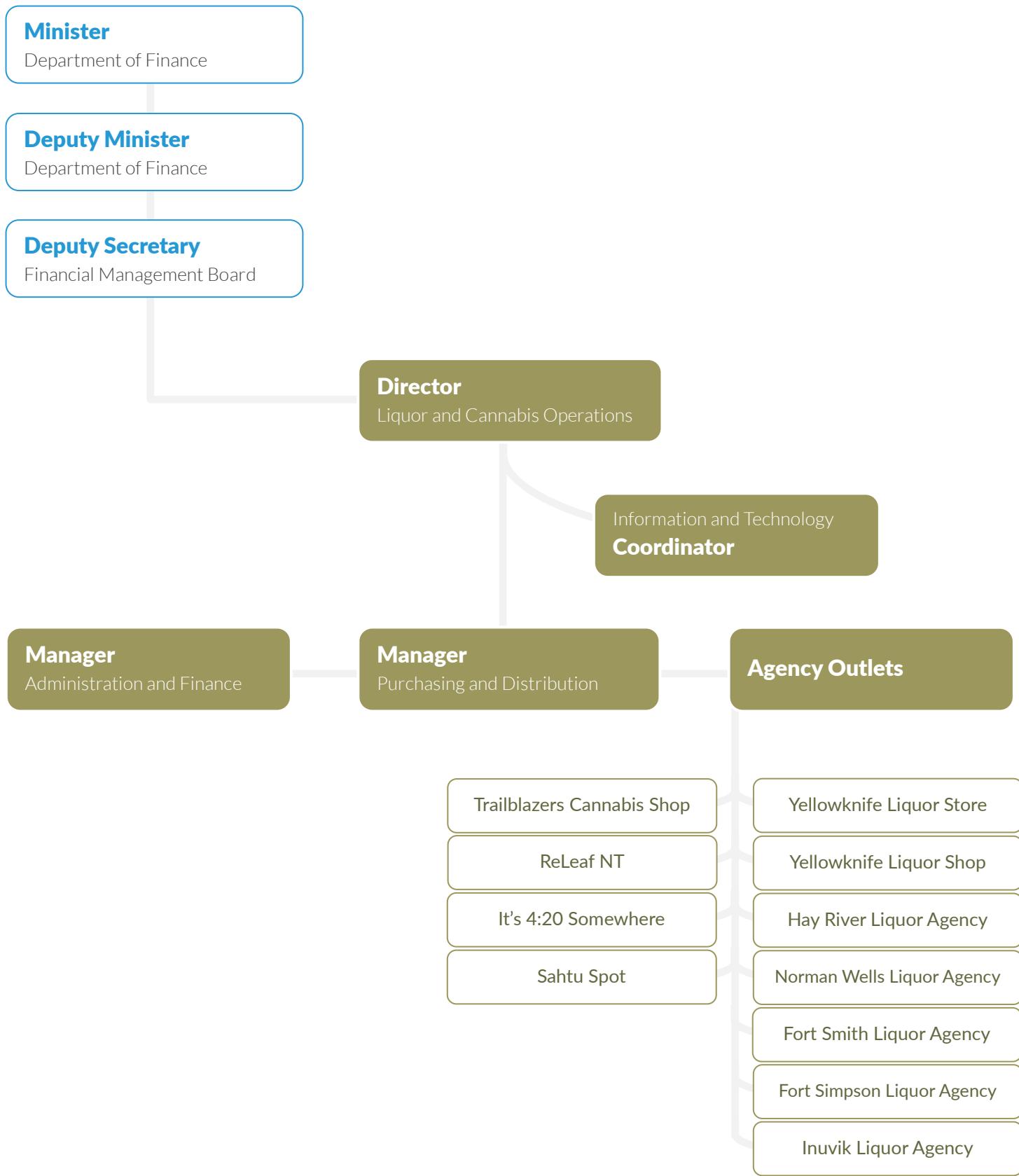
Our Mission

We will be an innovative, efficient and profitable organization, dedicated to the retail and wholesale distribution of beverage alcohol and cannabis products while promoting the development of a healthy and responsible consumption culture.

Our Values

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

Organization Chart



Report on

Liquor and Cannabis Operations

Director's Report

The Northwest Territories Liquor & Cannabis Commission (NTLCC) is established under the *Liquor Act*. The *Liquor Act* and the *Cannabis Products Act* of the Northwest Territories authorize the NTLCC to purchase, sell, classify, and distribute liquor and cannabis in the Northwest Territories.

Liquor sale volumes were relatively flat for the 2024-2025 fiscal year, on trend with the rest of Canada however NTLCC was able to increase liquor sales by 5% over last fiscal.

Cannabis sales of \$10.8 million this fiscal increased over last by 29%. Product selection and supply continue to improve across Canada.

Combined sales for liquor and cannabis products of \$64 million provided a total of \$24 million dividend payment to the Government of the Northwest Territories. We focused on balancing operational efficiency with updated pricing to reflect increases in the cost of goods sold, resulting in higher net profit.

Sale and distribution of liquor is carried out through a network consisting of seven retail outlets, which are contracted to private sector operators. Two of the seven retail outlets also sell cannabis. There is one private cannabis store in Hay River, one in Norman Wells and two in Yellowknife; one which also has a website offering an online option to NWT residents to purchase legal cannabis products.

The strategic plan of the Commission for Liquor and Cannabis focuses on three key areas for measuring performance:

1. Efficient operation, and compliance with legislation, regulation, and policy;
2. Social Responsibility; and
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 Commission includes ensuring performance as a responsible industry partner, and as a socially responsible member of society.

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



Kim Wilkins
Director, Liquor and Cannabis Operations
Northwest Territories Liquor and Cannabis Commission

Strategic Objectives

Goal #1: Management and Compliance

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

Performance Highlights

- The NTLCC operates on a cost recovery model. The headquarters consists of a staff of ten and a network of seven liquor stores and four cannabis stores, operated by private contractors.
- All seven of the private agency liquor stores operate with inventory on consignment from the Commission, two of which, also sold cannabis products.
- All four of the private cannabis stores operate by purchasing cannabis inventory exclusively from the Commission in a wholesale format to sell to the consumer.
- Operational compliance with contracts, regulation and legislation by the store operators was maintained throughout the year. The operations of all liquor and cannabis stores are monitored monthly and visited periodically by headquarters management.
- The cost to deliver the sales and administration throughout the year was 16.29% of sales revenue.

Figure 1: Application of Revenues

for the year ending March 31, 2025



Goal #2: Social Responsibility

Actively and continuously promote the responsible use of alcohol and cannabis.

Performance Highlights

- Liquor server training is mandatory in all NWT liquor stores. The SafeServe Certification Program is available online and is open to anyone working in the liquor server industry or those seeking employment as a liquor server.
- The Check 25 program is intended to strengthen controls 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 NTLCC applies two warning labels to beverage alcohol containers. One warns of the dangers of alcohol consumption during pregnancy, and the other states that alcohol can cause cancer.
- Reusable bags are available in our liquor stores as an alternative to single use paper or plastic bags.
- The NTLCC participates with the Western Canadian Association of Liquor Jurisdictions (WCALJ) Social Responsibility Committee in support of socially responsible liquor retailing on a nationwide basis. NTLCC works with other jurisdictions to monitor trends, work collaboratively, facilitate cross-jurisdictional activities where opportunities exist for efficiency/effectiveness, share campaign initiatives, exchange information, present best practices and discuss themes or trends emerging in the field.
- We continue to promote awareness that impaired driving extends to the use of recreational vehicles, through our Choose to be Unimpaired posters.
- The NTLCC promotes increased awareness of Canada's Low-Risk Drinking Guidelines; Stores make available pamphlets and display posters as provided by the Canadian Centre on Substance Use and Addictions.
- The NTLCC, in partnership with the Foster Family Coalition participates in the joint FASD Awareness Campaign, as well as frequent radio messaging throughout the year.
- The NTLCC continued their "Moderation is always in Good Taste! – Drink Responsibly" campaign with My True North Now radio station during 2024-25 fiscal and added additional digital messaging.

Goal #3: Financial Targets

Meet financial income targets.

Performance Highlights

- Overall litre sales were flat in comparison to last fiscal, which is on trend with the rest of Canada.
- Gross Dollar Sales had an increase of five million, due to increased cannabis sales and finalizing of freight and store contracts.
- Dried Cannabis represents more than half of overall cannabis sales while sales in the extracts inhaled category continued to increase.

Figure 2: Performance History

for the year ending March 31, 2025

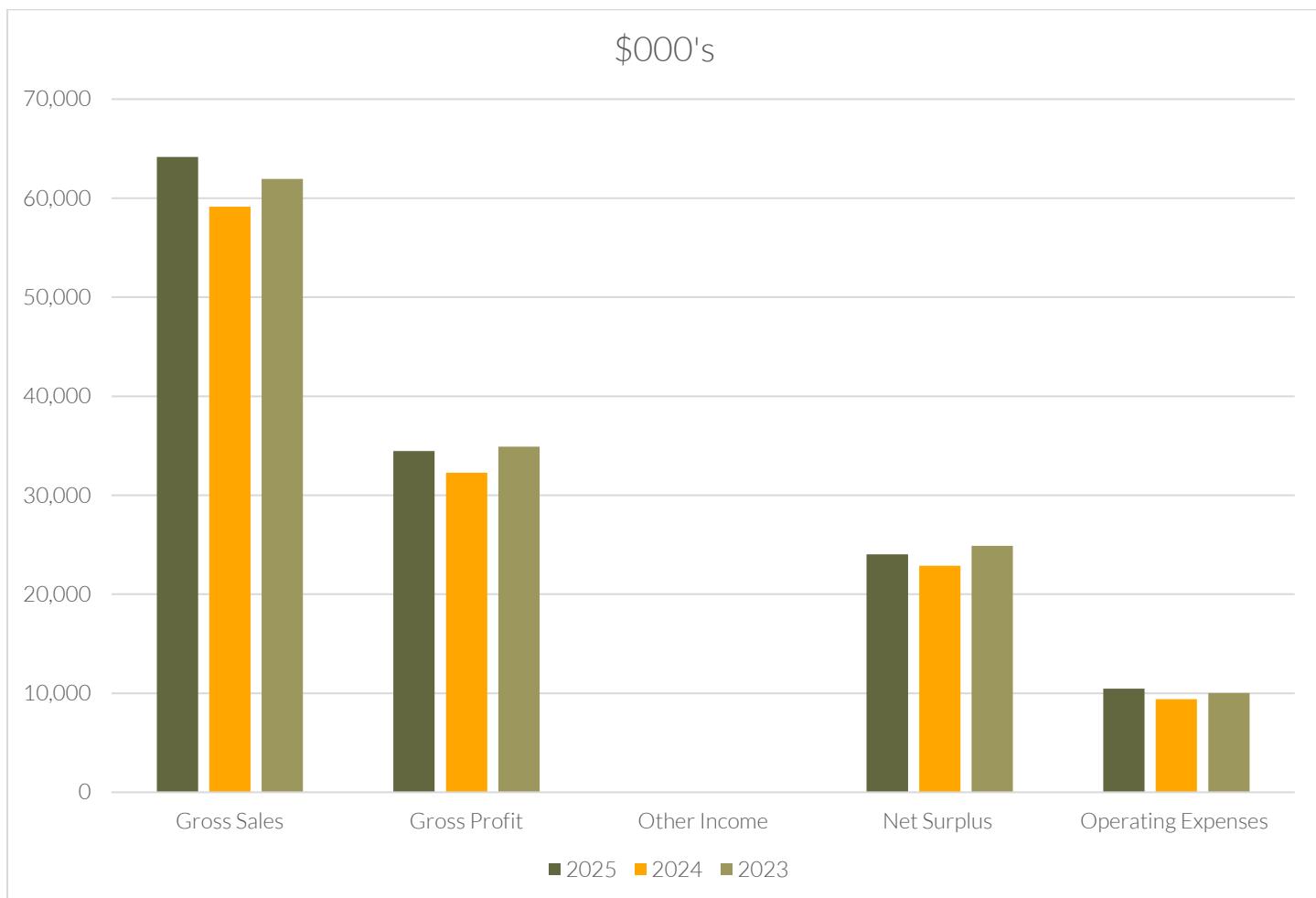


Figure 3: Sales Comparison

for the year ending March 31, 2025

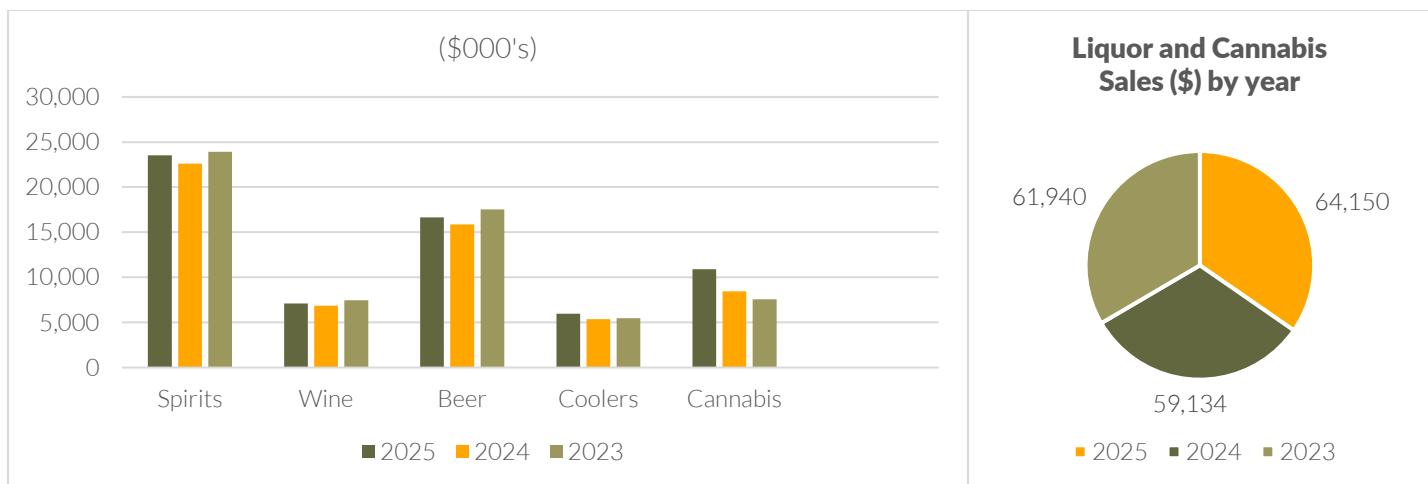


Figure 4: Cannabis Sales

for the year ending March 31, 2025

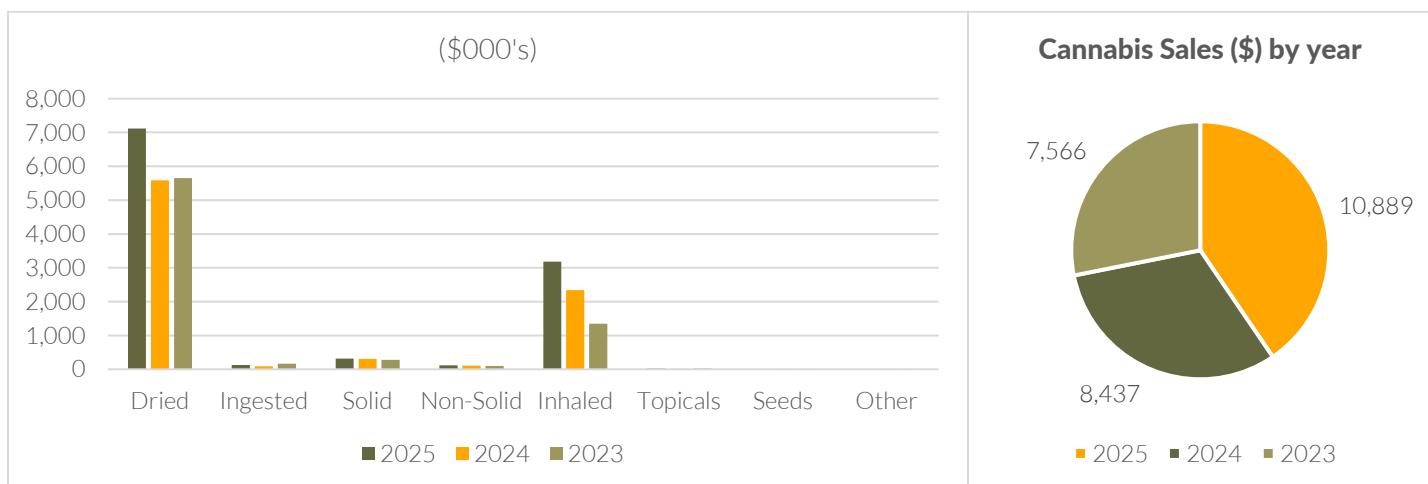


Figure 5: Litre Sales

for the year ending March 31, 2025

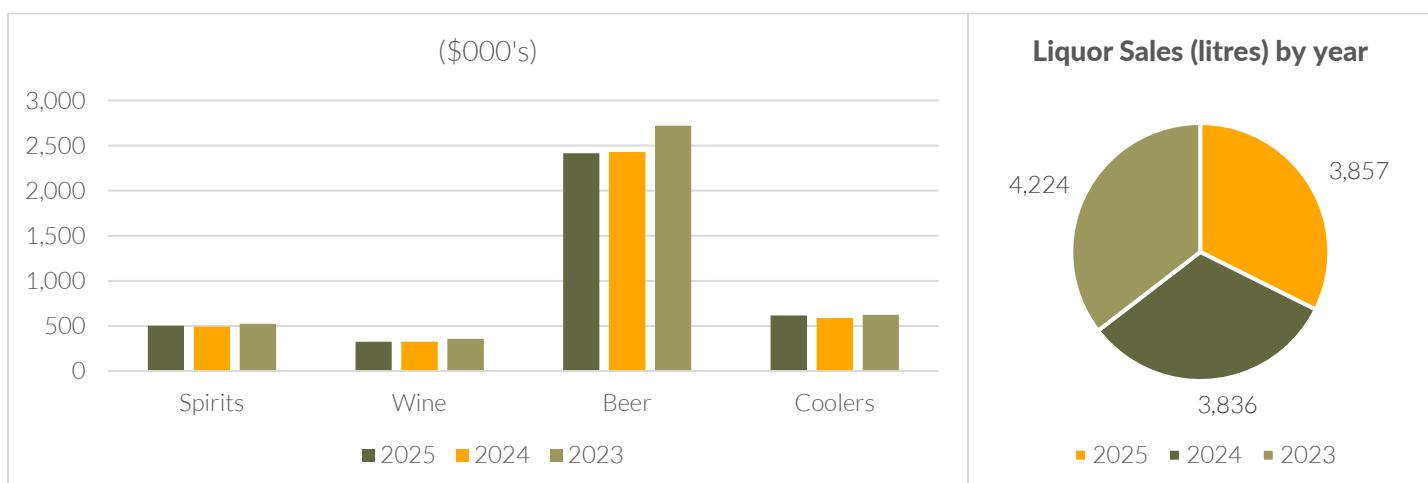


Figure 6: Liquor Dollar Sales (by distribution channel)

¹for the year ending March 31, 2025

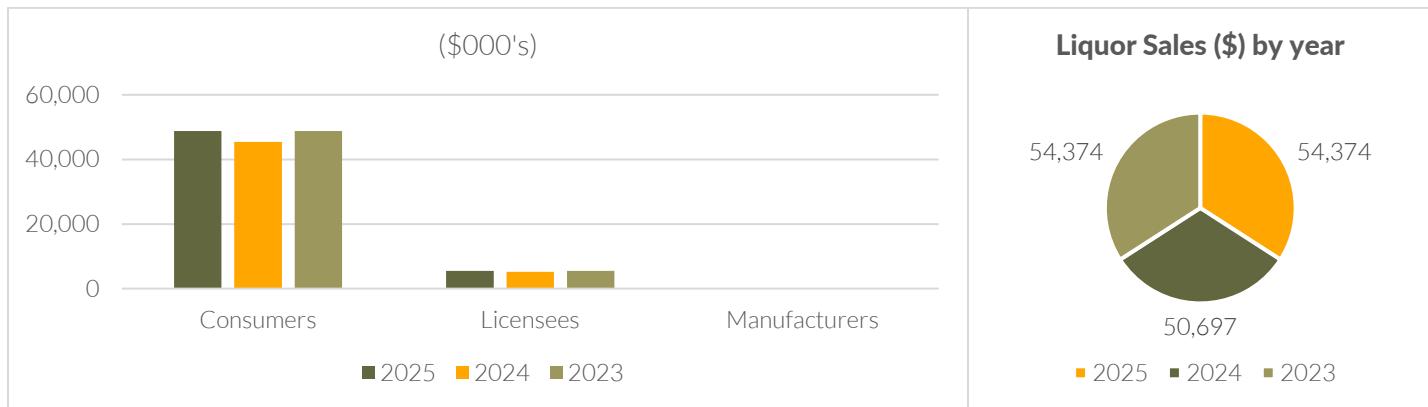


Figure 7: Liquor Sales (by location)

²for the year ending March 31, 2025

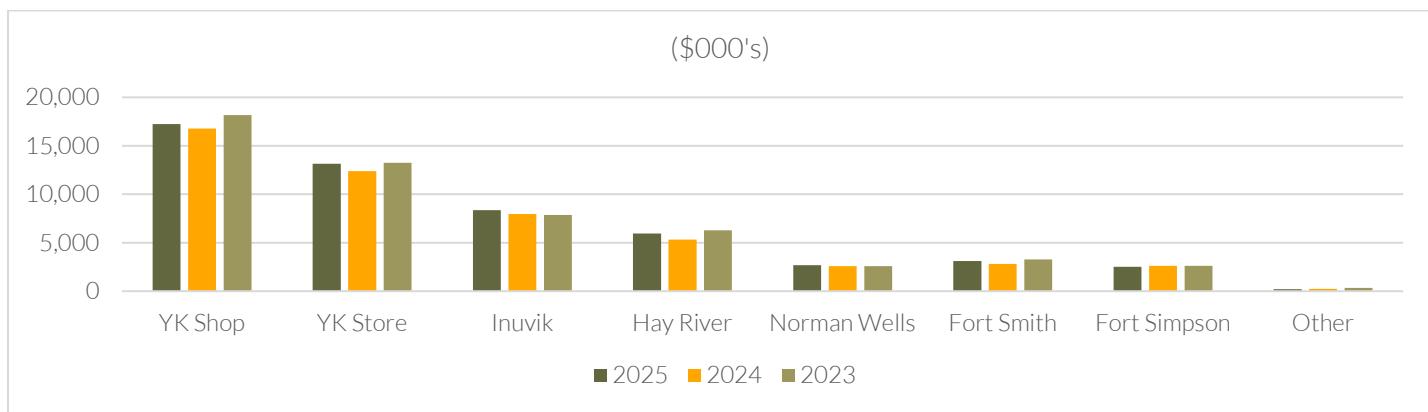
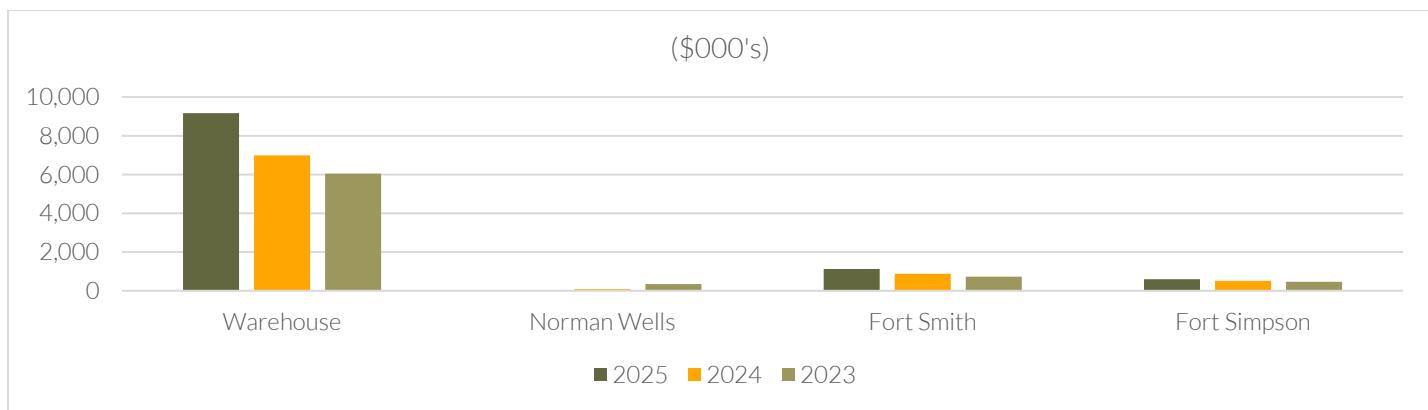


Figure 8: Cannabis Sales (by location)

for the year ending March 31, 2025



¹Manufacturer's licence markup, per the Liquor Regulations (4.1.): A licence holder referred to in paragraph (4)(a) or (b) who sells liquor directly to patrons in the Northwest Territories is deemed to have first sold the liquor to the Commission and purchased it back from the Commission.

² Other consists of miscellaneous sales that do not conform to the prescribed commission sales.

Northwest Territories Liquor
and Cannabis Commission

Audited Financial Statements

Year ended March 31, 2025

Northwest Territories Liquor & Cannabis Commission

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March 31, 2025

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Management's Responsibility for Financial Reporting

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

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

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Commission 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 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, they also examine transactions that have come to their notice to ensure they are, in all significant respects, in accordance with the statutory authorities of the Commission.



Kim Wilkins
Director, Liquor & Cannabis Operations
NWT Liquor & Cannabis Commission
July 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Ministers of NWT Liquor & Cannabis Commission

Qualified Opinion

We have audited the financial statements of NWT Liquor & Cannabis Commission (the commission), which comprise the statement of financial position as at March 31, 2025, 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 commission as at March 31, 2025, 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 commission 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 commission'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 commission or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Ministers of NWT Liquor & Cannabis Commission (*continued*)

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 commission'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 commission'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 commission 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
July 31, 2025

Ashton Chartered Professional Accountants

Northwest Territories Liquor & Cannabis Commission

Statement of Financial Position

As at March 31 (\$000)	2025	2024
Financial Assets		
Cash	\$ 9,545	\$ 3,839
Accounts receivable	20	822
Inventories for resale (note 3)	2,481	3,227
	12,046	7,888
Financial Liabilities		
Accounts payable and accrued liabilities (note 7)	4,751	2,130
Pension and other employee benefits (note 4)	35	54
Due to the NWT Liquor Licensing Board (note 5)	143	117
	4,929	2,301
Net Financial Assets	7,117	5,587
Non-Financial Assets		
Tangible capital assets (note 6)	329	351
Prepaid expenses	113	166
	442	517
Accumulated Surplus	\$ 7,559	\$ 6,104

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

the Northwest Territories Liquor & Cannabis Commission:



Kim Wilkins
Director, Liquor & Cannabis Operations

Northwest Territories Liquor & Cannabis Commission

Statement of Operations

For the year ended March 31 (\$000)	2025	2025	2024
	Budget	Actual	Actual
Sales			
Spirits	\$ 23,247	\$ 23,514	\$ 22,607
Wine	6,887	7,109	6,861
Beer	17,408	16,661	15,873
Coolers and Ciders	6,680	5,977	5,356
Cannabis	9,595	10,889	8,437
	63,817	64,150	59,134
Cost of goods sold			
Spirits	7,357	7,411	7,153
Wine	3,294	3,395	3,271
Beer	7,627	7,176	6,954
Coolers and Ciders	3,064	2,687	2,458
Cannabis	8,067	9,024	7,033
	29,409	29,693	26,869
Gross profit on sales	34,408	34,457	32,265
Other income			
Government contribution - services provided without charge (note 7)	-	2	1
Import fees and Income	8	7	7
	8	9	8
Expenses (note 7)			
Commissions to agents - Liquor	7,501	6,882	6,041
Commissions to agents - Cannabis	210	251	211
Licensee Discounts	551	556	523
Salaries, wages and employee benefits	1,451	1,489	1,279
Administration - Liquor	677	542	652
Administration - Cannabis	219	189	152
Travel	75	25	38
Rent	435	327	329
Amortization of tangible capital assets (note 6)	132	108	122
Professional Fees	80	81	42
	11,331	10,450	9,389
Annual surplus	\$ 23,085	\$ 24,016	\$ 22,884

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

Northwest Territories Liquor & Cannabis Commission

Statement of Accumulated Surplus

For the year ended March 31 (\$000)	2025 Budget	2025 Actual	2024 Actual
Accumulated surplus, beginning of the year	\$ 6,104	\$ 6,104	\$ 6,611
Annual surplus	23,085	24,016	22,884
Amounts transferred to the Consolidated Revenue Fund	(22,400)	(21,950)	(22,900)
Amounts Transferred to the NWT Liquor Licensing Board (note 5)	(685)	(611)	(491)
Increase in accumulated surplus	-	1,455	(507)
Accumulated surplus, end of year	\$ 6,104	\$ 7,559	\$ 6,104

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

Northwest Territories Liquor & Cannabis Commission

Statement of Changes in Net Financial Assets

For the year ended March 31 (\$000)	2025 Budget	2025 Actual	2024 Actual
Net financial assets, beginning of year	\$ 5,587	\$ 5,587	\$ 6,062
Items affecting net financial resources:			
Increase (decrease) in accumulated surplus	-	1,455	(507)
Net investment in tangible capital assets:			
Acquisitions	-	(86)	(39)
Amortization expense	132	108	122
Increase in prepaid expenses	-	53	(51)
Net financial assets, end of year	\$ 5,719	\$ 7,117	\$ 5,587

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

Northwest Territories Liquor & Cannabis Commission

Statement of Cash Flow

<u>For the year ended March 31 (\$000)</u>	<u>2025</u>	<u>2024</u>
Operating activities		
Cash received from customers	\$ 64,957	\$ 59,219
Cash paid to employees and suppliers	(36,630)	(36,612)
<u>Cash provided by operating activities</u>	<u>28,327</u>	<u>22,607</u>
Capital activities		
Purchase of tangible capital assets	(86)	(39)
Financing activities		
Cash transferred to the Consolidated Revenue Fund	(21,950)	(22,900)
Cash transferred to the NWT Licensing Board	(585)	(466)
<u>Cash provided by financing activities</u>	<u>(22,535)</u>	<u>(23,366)</u>
Change in cash	5,706	(798)
Cash, beginning of year	3,839	4,637
Cash, end of Year	\$ 9,545	\$ 3,839

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

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2025 (\$000)

1. Authority and operations

The Northwest Territories Liquor & Cannabis 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 (the "NWT"). The Northwest Territories Liquor Licensing Board (the "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 (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, 2025 the Fund's assets exceeded the liabilities by \$7,117 (2024 – \$5,587).

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

2. Significant accounting policies

(a) Basis of accounting

The financial statements of the Commission are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(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 estimation of the useful life of the tangible capital assets.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2025 (\$000)

2. Significant accounting policies (continued)

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured, regardless of when the payment is received.

Revenue is measured at the fair value of the consideration received or receivable, excluding rebates, recycling fees, and sales taxes or duties.

The Commission assesses its revenue arrangements to determine if it is acting as principal or agent. It acts as a principal in its sales to consumers through its consignment stores. The Commission acts as an agent where manufacturers sell liquor directly to patrons, as well as through the wholesale sale of Cannabis to private stores.

Other income includes revenue from administration fees, restocking fees and in-kind income.

(d) Services provided without charge

The Commission 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 in the statement of operations.

(e) 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.

(f) 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	5 Year Straight Line
Computer hardware and software	3 Year Straight Line
Equipment	10 Year Straight Line
Leasehold improvements	Over the life of the lease plus any additional renewal period

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2025 (\$000)

2. Significant accounting policies (continued)

(g) Pension benefits

The employees of the Commission 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 Commission to cover current service cost. Pursuant to legislation currently in place, the Commission 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.

(h) 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 cost of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

3. Inventories for resale

	2025	2024
Spirits	\$ 1,030	\$ 1,171
Wine	513	531
Beer	637	821
Coolers and ciders	244	298
Cannabis	57	406
	<hr/> \$ 2,481	<hr/> \$ 3,227

4. Other employee future benefits

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

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2025 (\$000)

4. Other employee future benefits (continued)

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

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

Valuation results

The last actuarial valuation was completed as at February 12, 2025. The results were extrapolated to March 31, 2025. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Commission.

	2025					2024						
	Severance			Accumulated		Severance			Accumulated			
	and	Removal	Sick & Special	Obligation	Total	and	Removal	Sick & Special	Obligation	Total		
Accrued benefit obligation,												
beginning of the year	\$	69	\$	15	\$	84	\$	78	\$	14	\$	92
Current Service Costs		3		1		4		2		1		3
Actuarial (gain)/loss		(11)		(4)		(15)		7		(1)		6
Interest Cost		3		1		4		3		1		4
Benefits paid during the year		(35)		(1)		(36)		(21)		(1)		(22)
Accrued benefit obligation,												
end of the year	\$	29	\$	12	\$	41	\$	69	\$	14	\$	83
Unamortized net actuarial gain (loss)		8		(14)		(6)		(6)		(23)		(29)
Accrued benefit (liability)/asset	\$	37	\$	(2)	\$	35	\$	63	\$	(9)		54

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2025 (\$000)

4. Other employee future benefits (continued)

	2025	2024
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	4.3%	5.3%
Expected average remaining service life of related employee groups (EARSL)	10.6	10.3

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

2026	\$	2
2027		3
2028		3
2029		3
2030		3
2031 and beyond		26
	\$	<u>40</u>

5. Due to/from the NWT Liquor Licensing Board

As explained in Note 1, the financial activities of the Board are administered by the Commission. 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 capital assets for use by the Board and Enforcement without charge.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2025 (\$000)

6. Tangible capital assets

	Computer					
	Furniture and fixtures	hardware and software	Equipment	Leasehold improvements	2025	2024
Cost:						
Opening balance	\$ 147	\$ 908	\$ -	\$ 880	\$ 1,935	\$ 1,896
Acquisitions	22	4	15	45	86	39
Disposals and write-downs	-	-	-	-	-	-
Closing balance	169	912	15	925	2,021	1,935
Accumulated Amortization:						
Opening balance	(137)	(818)	-	(629)	(1,584)	(1,462)
Amortization	(6)	(58)	(1)	(43)	(108)	(122)
Disposals and write-downs	-	-	-	-	-	-
	(143)	(876)	(1)	(672)	(1,692)	(1,584)
Net book value	\$ 26	\$ 36	\$ 14	\$ 253	\$ 329	\$ 351

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2025 (\$000)

7. Related party transactions

The Commission is related, in terms of common ownership, to all GNWT 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 Commission incurred \$1,489 (2024 – \$1,279) related to salaries, wages, and employee benefits for the Commission's employees. The Commission reimburses the Department of Finance for these costs.

The Department of Justice provides the Commission with legal services without charge. The total cost of these services has been estimated to be \$2 (2024 – \$1). 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 \$136 (2024 – \$147) for bottle deposits payable to the Department of Environment and Natural Resources, \$399 (2024 – \$219) for salaries, wages, and employee benefits payable to the Department of Finance, and \$2,500 (2024 - \$0) other various Government Departments.

8. Contractual obligations

The Commission has lease agreements for office, retail and warehouse premises expiring between 2026 and 2035. Several leases include options to extend for additional terms ranging from four to fifteen years. The minimum annual lease payments for the leases over the next five year(s) are:

2025/26	\$ 1,063
2026/27	\$ 902
2027/28	\$ 815
2028/29	\$ 790
2029/30	\$ 755

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

9. Financial instruments

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

The commission is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that debtors may experience financial difficulty and be unable to fulfill their obligations. Credit risk is considered minimal as most sales are done on a cash-on-delivery basis.

The carrying value of the financial instrument approximates fair value.

Appendix: Tables

Table 1: Application of Revenues

for the year ending March 31, 2025

(\$000's)	
	2025
Revenues	64,159
Cost of goods sold	-29,693
Operating Costs	-10,450
Net Profit	24,016

Table 2: Performance History

for the year ending March 31, 2025

(\$000's)			
	2025	2024	2023
Gross sales	64,150	59,134	61,940
Gross profit	34,457	32,265	34,899
Other income	9	8	15
Net surplus	24,016	22,884	24,883
Operating expenses	10,450	9,389	10,031

Table 3: Sales Comparison

for the year ending March 31, 2025

	Spirits	Wine	Beer	Coolers and Ciders	Cannabis	Total
2025	23,514	7,109	16,661	5,977	10,889	64,150
2024	22,607	6,861	15,873	5,356	8,437	59,134
2023	23,904	7,453	17,545	5,472	7,566	61,940

Table 4: Cannabis Sales

for the year ending March 31, 2025

(\$000's)

	Dried	Extracts (ingested)	Edibles (solid)	Edibles (non-solid)	Extracts (inhaled)	Topicals	Seeds	Other	Total
2025	7,120	123	317	122	3,186	21	0	0	10,889
2024	5,586	87	305	108	2,338	11	1	1	8,437
2023	5,653	161	277	103	1,349	21	1	1	7,566

Table 5: Liquor Litre Sales

for the year ending March 31, 2025

(\$000's)

	Spirits	Wine	Beer	Ciders and Coolers	Total
2025	502	324	2,414	617	3,857
2024	493	326	2,430	587	3,836
2023	523	357	2,720	624	4,224

Table 6: Liquor Dollar Sales (by distribution channel)

for the year ending March 31, 2025

(\$000's)

	Consumers	Licensees	Manufacturers	Total
2025	48,807	5,505	62	54,374
2024	45,397	5,236	64	50,697
2023	48,807	5,505	62	54,374

Table 7: Liquor Dollar Sales (by location)

for the year ending March 31, 2025

(\$000's)

	YK Shop	YK Store	Inuvik	Hay River	Norman Wells	Fort Smith	Fort Simpson	Other	Total
2025	17,241	13,150	8,376	5,948	2,696	3,128	2,518	204	53,261
2024	16,790	12,392	7,975	5,315	2,571	2,816	2,613	225	50,697
2023	18,157	13,262	7,876	6,272	2,588	3,264	2,616	339	54,374

Table 8: Cannabis Sales (by location)

for the year ending March 31, 2025

(\$000's)

	Warehouse	Norman Wells	Fort Smith	Fort Simpson	Total
2025	9,161	0	1,127	601	10,889
2024	6,979	80	869	509	8,437
2023	6,037	341	729	459	7,566