

Message from the Chair

August 18, 2022

Submitted to:

Hon. Lorne Kusugak
Minister Responsible for the Nunavut Liquor & Cannabis Board
Government of Nunavut

Dear Mr. Kusugak,

On behalf of the Nunavut Liquor and Cannabis Board, I am pleased to submit the annual report for the Nunavut Liquor and Cannabis Board and the audited financial statements for the Board's operations for the fiscal year ended March 31, 2022. This report is submitted pursuant to section 9(1) of the Nunavut *Liquor Act*.

Sincerely,



Valerie Inukpuk,
Chairperson,
Nunavut Liquor & Cannabis Board

About the NLCB

Accountable to the Minister responsible for the Nunavut Liquor and Cannabis Board (NLCB), the Board functions as an independent quasi-judicial tribunal under the *Liquor Act*. The Board is responsible for issuing all liquor licences and for ensuring that licence holders maintain and operate their licensed premises in accordance with the law. The Board is also authorized to issue special occasion permits (SOPs).

Under the *Act*, the NLCB issues, renews, transfers licenses and holds show-cause hearings that can lead to suspension or cancellation of a licence. The Board is also responsible for controlling the conduct of liquor licence holders, management and equipment of licensed premises, and conditions under which liquor may be sold or consumed in licensed premises.

Under the *Cannabis Act*, the NLCB acts as an impartial appeals body between the Superintendent of Licensing (cannabis) and the cannabis retailers. Unlike its role in liquor, the NLCB is not responsible for issuing cannabis licences.

Mission

The mission of the Nunavut Liquor and Cannabis Board is to foster an environment that guides and regulates the legal and responsible use of alcohol and cannabis in Nunavut.

The Board believes that licence holders share the responsibility for this mission, and endeavors to maintain a positive relationship with Nunavut's businesses and organizations.

Board Members

Chair

Designated by the Minister, the Board Chair is directly accountable for all operation of the Board and for ensuring that all responsibilities to outside groups and individuals are met. The Board Chair ensures the integrity of the Board's operations.

Members

Board members, appointed by the Minister, participate in the efficient and effective implementation of the *Liquor Act* and the *Liquor Regulations*, and in conducting appeals pursuant to the *Cannabis Act* and *Cannabis Regulations*. Board members are responsible for participating in a professional and ethical manner in Board activities.

In fiscal year 2021-22, the NLCB began the year with six board members but saw one resignation in March 2022. As of March 31, 2022, the Board maintained representatives across all three Nunavut regions.

Position	Incumbent	# of Terms	End of Term	Community
Chair	Terry Dobbin	3	May 18, 2022	Iqaluit
Member	Leesa Ikkidluak	8	October 4, 2023	Kimmirut
Member	Robert Jancke	3	May 18, 2022	Cambridge Bay
Member	Qilak Kusugak	3	October 4, 2023	Rankin Inlet
Member	Nancy Mike	1	March 11, 2022 (Resigned)	Iqaluit
Member	Valerie Inukpuk	1	January 15, 2023	Iqaluit

Duties and Powers of the Nunavut Liquor and Cannabis Board

All Board decisions and business is conducted in a manner consistent with the Nunavut *Liquor Act* and the *Liquor Regulations*, other applicable legislation, and the policies of the Board.

Liquor

For liquor, the Board controls:

- the conduct of licence holders;
- the management and equipment of licensed premises;
- the conditions under which liquor may be sold or consumed on licensed premises;

and is authorized to:

- issue, renew and transfer liquor licences;
- after a hearing, cancel or suspend liquor licences; and,
- generally advise the Minister on all matters of policy, legislation and administration relating to the sale, distribution and consumption of liquor.

Cannabis

For cannabis, the Board:

- acts as an independent tribunal for appeals from decisions made by the Office of the Superintendent; and,
- the Board may make rules or orders governing its proceedings.

Board Member Profiles

Terry Dobbin (chairperson)

A Nunavut resident for over 20 years, Terry brings a strong community commitment to the Nunavut Liquor and Cannabis Board. A former City of Iqaluit councillor, Terry has served on both City of Iqaluit and Government of Nunavut committees. He was co-chair of the city's economic development committee involved in the development of the City of Iqaluit Community Economic Development Plan and strategic plan. His focus during his terms on council was improving city infrastructure and addressing the housing shortage concerns.

In his civic role, and from having travelled throughout Nunavut's Baffin, Kitikmeot and Kivalliq regions, Terry has extensive understanding of local community challenges and opportunities associated with responsible community development. Prior to joining the NWT and Nunavut Chamber of Mines, he was employed at Northern News Services based in Iqaluit. Additionally, Terry owns and operates a small business in the territory's capital.

Terry has a Bachelor of Arts from the University of New Brunswick in Fredericton, New Brunswick, a diploma in social sciences from Champlain Regional College in Lennoxville, Québec, and a legal studies diploma from Academy Canada in Corner Brook, Newfoundland. His hobbies include fishing, guitar and hockey.

Leesa Ikkidluak

Leesa was raised in Pangnirtung, Nunavut, but now resides in Kimmirut. In 2000, Leesa began her career with the Government of Nunavut. Since joining the GN, Leesa has served as a travel coordinator, staff development specialist and finance officer for the Department of Health and Social Services in Iqaluit, and as the staff relocation officer for the Department of Education, Qikiqtani

School Operations in Pond Inlet.

In Pond Inlet, Leesa served as a member of the hamlet council and of the health and social services committee, which monitors and approves liquor applications for the community. Leesa was appointed to the Nunavut Liquor and Cannabis Board in December 2007 and is currently serving her eighth term. She now works with the Department of Executive and Intergovernmental Affairs as a Government Liaison Officer.

Qilak Kusugak

Qilak Kusugak was appointed to the Nunavut Liquor and Cannabis Board in 2017 and currently resides in Rankin Inlet. Qilak is currently the Director of Planning and Implementation for Kivalliq Inuit Association, and has also held positions with the Nunavut Tunngavik Inc, the Government of Nunavut, and the Nunavut Planning Commission. Qilak has over 12 years of Board experience, including work with the Nunavut Water Board, the Nunavut Broadband Development Corporation and the Kivalliq Mine Training Society. Qilak and his wife Denise have two teenage children; a daughter Taylor and son Dylan.

Robert Jancke

Robert Jancke has been a resident of the Kitikmeot region in Nunavut for over 35 years and is the owner/operator of Nanook Woodworking Ltd. in Cambridge Bay; a construction, general contracting, and property management company.

Robert has been an active volunteer in Cambridge Bay since 1994, including working as a volunteer firefighter, coaching minor hockey, and supporting and fundraising for many other youth and community activities. As a small business and property owner, Robert brings valuable business and community experience to the Board, and in 2020 was appointed to his third term. Robert's interests include spending time with family, outdoor activities, and carpentry.

Nancy Mike

Nancy Mike currently lives in Apex/Iqaluit and is a mother to four children. Nancy works as a Research Associate: Community & Family Health for the local non-profit Qaujigiartiit Health Research Centre and takes on some relief work at the Qikiqtani General Hospital when needed.

Nancy attended Nunavut Arctic College/Dalhousie University and completed her Bachelor of Science in Nursing in 2015. She has worked as a nurse at the In-patient unit at the Qikiqtani General Hospital and at the Iqaluit Elders home. Nancy truly enjoys utilizing her Inuit culture and the Inuktitut language in all the work that she does.

Valerie Inukpuk

Valerie Inukpuk is a Registered Nurse in the Baffin region. She grew up in the communities of Nunavik and Nunavut (before it was Nunavut!) and has recently moved to Iqaluit. Valerie has lived and worked across Canada and the Arctic before settling in Nunavut's capital. Her time spent in different regions and communities of Nunavut afford her a unique understanding of the strengths and challenges Nunaviummiut face.

Valerie served as an ambassador for circumpolar issues from 2016-2019 representing Canada and speaking at international conferences about climate change, food security, and population health. She has worked with Qaujigiartiit Health Research Centre to offer sexual health and wellness workshops for youth in Iqaluit and

Qikiqtarjuaq and continues to work to support healthy relationships. Outside of work, Valerie enjoys cooking and entertaining friends.

Honoraria

Board members receive honoraria in accordance with the Financial Administration Manual directive 810:

Duty	Chair	Member
Attendance at hearings for periods in excess of three hours (full day)	\$ 450.00	\$ 350.00
Attendance at hearings for periods of three hours or less (half-day)	\$ 225.00	\$ 175.00
Preparation for hearings	\$ 60.00/hr	\$ 45.00/hr
Preparation, drafting and review of decisions	\$ 60.00/hr	\$ 45.00/hr
Travel time at half-day rate	\$225.00	\$175.00

Activities

Quarterly Meetings

The Board normally holds four regular meetings each fiscal year to handle business, inquiries, applications and issues that come forward. One meeting is scheduled in March of each year to approve liquor licence renewals for the following fiscal year, which is also the licensing year. In 2020-21, the following meetings were held:

- Meeting # 85 - June 14-16, 2021 (video conference)
- Meeting # 86 - October 18-19, 2021 (in person)
- Meeting # 87 - January 11, 2022 (video conference)
- Meeting #88 - March 8-10, 2022 (*cancelled due to quorum*)
 - Ad Hoc-March 31, 2022 (via tele-conference)

Supplemental Application and Email Polling

Ongoing business such as requests for changes in hours of operations, approval to purchase types of alcohol not stocked by the government's liquor warehouses, and the approval of special occasion permits are handled by email on a regular basis. In fiscal year 2021-22, there were approximately 130 decisions required by the Board.

Supplemental Teleconferences

Occasionally an issue arises which are too complex to handle by email decisions. In these instances, a supplemental teleconference is held.

On March 31, 2022, ad hoc meeting #88 was scheduled to address several incomplete licence renewal applications. This meeting was made necessary when March's schedule quarterly meeting failed to achieve quorum.

Show Cause Hearings

A Show Cause Hearing must be held whenever alleged infractions of the Act and/or the regulations, or breaches of any conditions that may be attached to licences indicate that a suspension or cancellation of the licence may be appropriate.

The licence holder must show cause to the Board why the licence should not be cancelled or suspended, or a lesser penalty imposed.

The Board shall ensure that all licence holders, applicants for a licence, and other parties involved in a hearing are provided with a fair and impartial process in accordance with the Act, Regulations and policies.

Any proceedings before the Board for the cancellation or suspension of a licence must be held in accordance with the rules of natural justice, namely:

- the licence holder must know the nature of the accusation made;
- the licence holder must be given an opportunity to state their case; and
- the Board must act in good faith.

In Fiscal Year 2021-22, there were no show cause hearing required.

Public Hearings

Public hearings are required for new licences unless that requirement is waived by the Board, as required under section 28 of the *Liquor Act*.

There were no public hearings for new licences in fiscal year 2021-22.

Development of Resources to Assist Licence Holders

Rules and Procedures for Show Cause Hearings (Liquor)

The updated rules and procedures for show cause hearings were ratified in June 2021. This change was made to allow for written submissions, which provides a more flexible means of moving forward with legislated requirements. The benefits to this amendment also include a reduction to travel costs and more timely resolution of issues.

Rules and Procedures for Cannabis Hearings

In anticipation of cannabis licensing, the NLCB has approved the rules and procedures for cannabis hearings. This is undertaken in collaboration with NLCB legal counsel.

Liquor Licence Renewal Manual

The new resource manual for licence holders, available in all languages, was distributed with the renewal package in early December. This manual provides both licenses and the NLCB office with consistency in the event of staff turnover.

Liquor Licence Renewals

The Board continues to work with licence holders to improve its licensing processes and practices.

As per section 17 of the *Liquor Act*, all licences issued under the *Liquor Act* expire on March 31, unless otherwise specified. Licence holders must annually submit a licence renewal application to the Board, who will issue a renewed licence valid for the following fiscal year. The Board renewed the following liquor licences for 2021-22, valid until March 31, 2022:

Licence Number	Establishment Name	Type of Licence
001	Granite Dining Room and Banquet Rooms, Discovery Boutique Hotel	Dining Room Liquor Licence
003	BPO Elks Lodge #570, Iqaluit	Club Liquor Licence

004	Arctic Club and Wolf's Den (Canadian Forces Station, Alert)	Canteen Liquor Licence
008	Frobisher Racquet Club, Ltd	Private Recreational Facility Liquor Licence
014	Royal Canadian Legion Branch #168, Iqaluit	Club Liquor Licence
017	Frobisher Inn	Guest Room Liquor Licence
018	Frobisher Kitchen & Eatery	Dining Room Liquor Licence
019	Storehouse Bar & Grill	Cocktail Lounge Liquor Licence
020	Arctic Watch Lodge	Special Liquor Licence
023	L'Association des francophones du Nunavut	Club Liquor Licence
025	RCMP Headquarters - All Ranks Mess (Iqaluit)	Canteen Liquor Licence
026	Ikaluktutiak Elks Lodge #593, Cambridge Bay	Club Liquor Licence
028	Dorset Suites, Huit Huit Tours Ltd	Guest Room Liquor Licence
029	Arctic Haven Lodge, Canadian Arctic HolidaysLtd	Special Liquor Licence
030	Royal Canadian Legion Branch #169, RankinInlet	Club Liquor Licence
031	Snack	Dining Room Liquor Licence
034	Chartroom	Cocktail Lounge Liquor Licence
035	Aqsarniit Hotel and Conference Centre	Dining Room Liquor Licence
036	Aqsarniit Hotel and Conference Centre	Cocktail Lounge Liquor Licence
037	Nunavut Brewing Company Ltd	Cocktail Lounge Liquor Licence
BP001	Nunavut Brewing Company LTD	Brewery Permit

Extensions were granted to the following establishments with incomplete renewal applications.

Licence Number	Establishment Name	Type of Licence	Extended to
003	BPO Elks Lodge #570, Iqaluit	Club Liquor Licence	May 31 2021

Auditor's Report

NUNAVUT LIQUOR AND CANNABIS BOARD
STATEMENT OF EXPENDITURES
March 31, 2022

NUNAVUT LIQUOR AND CANNABIS BOARD

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March 31, 2022

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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 statement of expenditures, 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.
- Evaluate the overall presentation, structure and content of the statement of expenditures, including the disclosures, and whether the statement of expenditures represents 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

We further report in accordance with the *Financial Administration Act* of Nunavut that, in our opinion, proper books of account have been kept by the Board, the statement of expenditures is in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Board.

Iqaluit, Nunavut
June 22, 2022



Chartered Professional Accountants
Lester Landau Accounting Professional Corp.

NUNAVUT LIQUOR AND CANNABIS BOARD

SCHEDULE OF EXPENSES

For the Year Ended March 31, 2022

	<u>Budget</u> <u>2022</u> (Unaudited)	<u>Actual</u> <u>2022</u>	<u>Actual</u> <u>2021</u>
Expenses			
Advertising and promotion	\$ -	\$ 5,727	\$ 5,359
Conferences and catering	-	871	2,389
Fees and payments	2,000	9,600	8,250
Materials and supplies	4,000	406	335
Purchased services	5,000	-	-
Permanent salaries	37,000	6,374	9,508
Service contracts	90,000	59,079	65,050
Travel and transportation	35,000	5,945	8,672
Other expenses	2,000	-	-
	<u>\$ 175,000</u>	<u>\$ 88,002</u>	<u>\$ 99,563</u>

NUNAVUT LIQUOR AND CANNABIS BOARD
NOTES TO THE STATEMENT OF EXPENDITURES

For the Year Ended March 31, 2022

1. Nature of the Organization

The Nunavut Liquor and Cannabis Board operates at arm's length from the Government of Nunavut under the Nunavut Liquor Act. The purpose of the Board is to adjudicate over liquor and cannabis licensing in Nunavut. The Board is a public agency and is exempt from income tax. The Board's continued existence is dependent upon the continuing support from the Government of Nunavut.

2. Significant Accounting Policies

The statement of expenditures has been prepared, on a going concern basis, in accordance with the Financial Administration Manual of the Government of Nunavut and includes the following significant accounting policies.

(a) Use of Estimates

The preparation of the statement of expenditures of the Board requires management to make estimates and assumptions based on information available as of the date of the statement of expenditures. Actual results could differ from those estimates.

(b) Expense Allocations

Expenses are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable, as a result of receipt of goods or services.

Expenses which are wholly attributable to the Board are charged directly to the Board. Where expenses are not wholly attributable to the Board these expenses are allocated amongst the Board and other cost centres of the Ministry of Finance based on the Ministry's estimates of the time, effort and resources required to support these activities.

(c) Accrual Basis

The statement of expenditures has been prepared on the accrual basis of accounting.