



Nunavut Liquor and Cannabis  
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Nunavut Taanngaq unalu Higaarluk  
Alcools et Cannabis Nunavut



As a public agency of the Government of Nunavut, the Nunavut Liquor and Cannabis Commission (NULC) prepares an annual report for the fiscal year ending March 31, and submits it to the Minister in accordance with the Liquor Act and the Financial Administration Act. The Minister then tables this report in the Legislative Assembly, usually in October. Some information may change during the intervening period. If you have questions about the data we use, please contact us at [info@nulc.ca](mailto:info@nulc.ca).

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Une copie de ce rapport dans chacune des langues officielles du Nunavut est à disposition sur notre site Web : [www.nulc.ca](http://www.nulc.ca).





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# 2024-25 HIGHLIGHTS

**\$21.3M**

Total Liquor  
Sales

**\$3.7M**

profits  
transferred to  
Government of  
Nunavut  
to support  
programs  
and services

**2.17M**

litres of  
liquor sold

**\$15.97M**

**or 78%**

Iqaluit  
operation's  
share  
of total liquor  
sales

**88%**

Inuit  
employment  
within the  
NULC on  
March 31, 2025

**\$342K**

spent on social  
responsibility  
campaigns





## MESSAGE FROM THE NULC

The Nunavut Liquor and Cannabis Commission (NULC) annual report for 2024-25 presents the achievements and activities for the Commission throughout the past year. The Commission, in partnership with our regulatory and enforcement partners, continues to make improvements to our operations and distribution of liquor in the territory.

In 2025, the NULC transferred \$3.723 million in profits to the Government of Nunavut, a decrease of approximately 33.5% from the previous year due in part to the lower sales volume, increased in compensation and benefits, and continued investments in our infrastructure to improve operational performance. We are grateful for the work of the NULC employees and are proud to note that 88% of jobs at the NULC are held by Nunavut Inuit.

We look forward to 2025-26 as we strive to improve our results and accomplishments.



# ABOUT THE NULC

## Our Authorities

Established by Section 56 of *Nunavut's Liquor Act*, the NULC is responsible for purchasing, selling, classifying and distributing alcoholic beverages in Nunavut. In 2018, the mandate expanded to allow the sale of recreational cannabis through contracted Agents. The Commission administers Part II of the *Liquor Act* and, as a public agency of the Government of Nunavut (GN), is subject to budget and reporting requirements of the *Financial Administration Act*. The Commission funds its operations from sales revenues using a revolving fund, and so also follows the requirements of the *Revolving Funds Act*. The NULC is accountable to the Minister of Finance, and reports to the Minister through the GN's Department of Finance.

## Our Activities

The NULC sells products through four distinct sales channels.

- The NULC acts as wholesaler for Nunavut's licensed liquor establishments and permit holders (hotels, bars, restaurants, special occasion permit holders etc.).
- The NULC ships liquor products to retail customers across Nunavut from warehouses in Iqaluit and Rankin Inlet.
- The NULC sells lower-alcohol products (beer, wine, ciders and coolers) through retail stores in Iqaluit and Rankin Inlet.
- The NULC administers the sale of Liquor Import permits on behalf of regulatory partners.

The NULC also actively supports programs and campaigns to educate Nunavummiut about alcohol, with the goal of helping individuals make healthier choices related to the products we sell.

## Our Structure

The NULC is a public agency, distinct from the GN and its departments. As the NULC is relatively small, it operates with the administrative support of the Department of Finance. This is similar to how other small public agencies in Nunavut operate (e.g. Nunavut Business Credit Corporation through the Department of Community Services, the Legal Services Board through the Department of Justice, etc.). The main difference is that the NULC funds itself, instead of relying on appropriations flowing through a department. The NULC's Director is accountable to the Minister, and reports through the Department of Finance's Assistant Deputy Minister.



## Our Funding

The NULC funds its operations using a special revolving fund, separate from the rest of the GN. The *Revolving Funds Act* and *Liquor Act* set out rules that govern this fund.

The NULC deposits all revenues into the revolving fund and uses these to pay for its operations expenses. Examples include employee compensation (salaries, pension and benefits, employer costs , northern allowances, etc.), facility space, vehicles, other overhead (office supplies, travel, contract services, etc.), social responsibility and education campaigns and purchasing more products to sell.

The NULC is expected to generate a profit for the public. At the end of each fiscal year, the NULC transfers its profits to the GN's consolidated revenue fund. The GN allocates this money to departments through its usual budget process. In this way, NULC profits contribute to public services and program delivery across the territory. The NULC's financial statements are independently audited each year, presented to the Minister of Finance in the summer, and tabled in the Legislative Assembly each fall. The NULC's 2024-25 financial statements and audit results are included at the end of this report.

## Our Locations

The NULC operates from offices, distribution warehouses and retail stores in Iqaluit and Rankin Inlet.

### NULC and GN responsibilities

The administration and oversight of many aspects of liquor and cannabis laws in Nunavut fall under the purview of the GN's Department of Finance. Finance is responsible for maintaining the *Liquor Act* and the *Cannabis Act*, relations with Alcohol Education Committees, and liquor policy in general.

The NULC operates as a responsible retailer within the established laws. This includes sales — both wholesale and retail — and importation of liquor, socially responsible messaging campaigns, selling import permits on behalf of the GN, managing relationships with vendors and key stakeholders, and public education about our products.

The NULC and the Department of Finance work closely together to inform and advance our respective work.



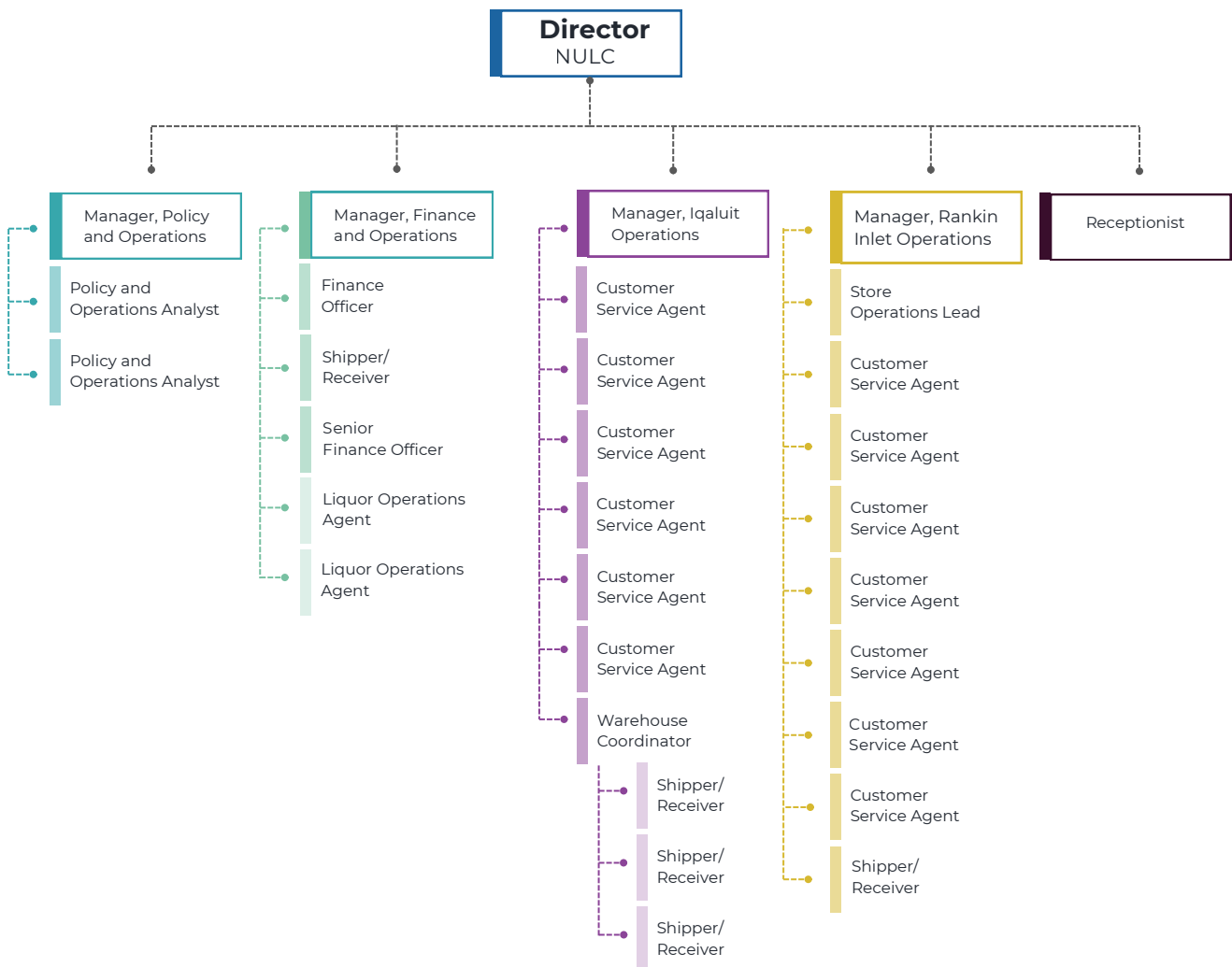




## Inuit Employment

The NULC is committed to increasing Inuit employment.

As of March 31, 2025, the NULC's team included 30 Nunavut Inuit employees - 88% of 34 active employees (including casual employees). Out of the 30 Inuit employees, 13 were indeterminate. The NULC is actively working to improve the number of permanent Inuit employees and improve support for their promotion and professional development, while continuing efforts to actively recruit Inuit across the commission.



# REVENUES



## TOTAL NULC REVENUE

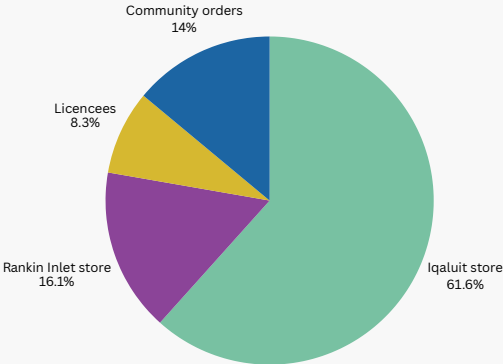
The NULC collected a total revenue of \$21.28 million.

Total NULC Revenue **\$ 21.28M**

Year	Revenue	% Growth
2024-25	\$21,284,259	-2%
2023-24	\$21,729,158	-0.02%
2022-23	\$21,753,561	24%
2021-22	\$17,514,539	3.5%
2020-21	\$16,926,243	5.8%
2019-20	\$16,001,356	62%

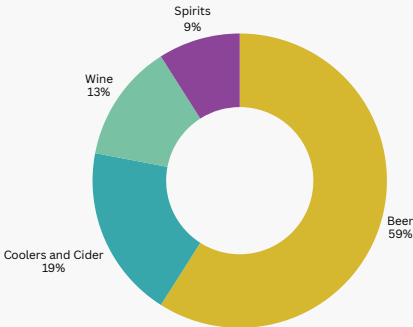
## LIQUOR REVENUES BY LOCATION & SALES CHANNELS

The Iqaluit Store generated 62% of NULC liquor sales revenues in 2024-25 while the Rankin Store generated 16%. The remainder was split between licensees (8%) and community orders (14%).



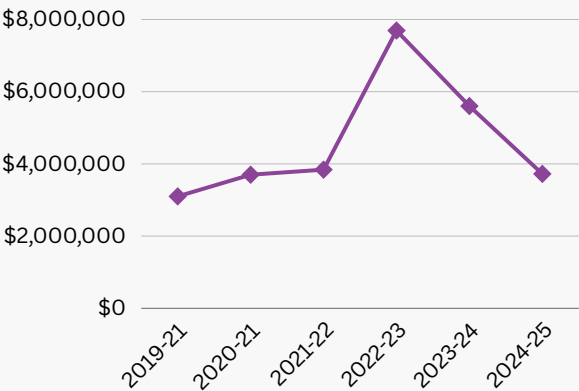
## LIQUOR REVENUES BY PRODUCT CATEGORY

Category	Sales Revenue	% Growth
Beer	\$12,182,000	-3%
Coolers	\$3,871,000	+4%
Wine	\$2,700,000	-7.5%
Spirits	\$1,888,000	+0.8%



## NET PROFITS TRANSFERRED TO THE GN

At the end of each year, the NULC transfers its profits to the GN to support programs and services. In 2024-25, the NULC transferred \$3.723 million.





## Total Sales by Detailed Product Category and Sales Channel

Table 3

Product	Iqaluit Store	Rankin Inlet Store	Sales to Licensees	Community Orders	Total
'000's	\$	\$	\$	\$	\$
<b>Beer</b>	<b>8,020</b>	<b>2,248</b>	<b>1539</b>	<b>375</b>	<b>12,182</b>
Domestic	6,834	1,880	1203	322	10,239
Imported	1186	368	336	53	1,943
<b>Coolers &amp; Ciders</b>	<b>2,601</b>	<b>774</b>	<b>418</b>	<b>78</b>	<b>3,871</b>
<b>Wine</b>	<b>2,107</b>	<b>293</b>	<b>222</b>	<b>78</b>	<b>2,700</b>
Other - Domestic	173	36	2	4	215
Other - Import	194	26	18	2	240
Red - Domestic	200	27	17	31	275
Red - Import	824	113	88	19	1044
White - Domestic	212	16	28	17	273
White - Import	504	75	69	5	653
<b>Spirits</b>			<b>698</b>	<b>1,190</b>	<b>1,888</b>
Bourbon			12	2	14
Cognac/Brandy			18	11	29
Gin			29	5	34
Liqueurs			153	28	181
Rum			142	122	264
Tequila			65	6	71
Vodka			125	347	472
Whisky			154	669	823
<b>*Total</b>	<b>12,728</b>	<b>3,315</b>	<b>2,877</b>	<b>1,721</b>	<b>20,641</b>

\*Total sales include liquor products only. Rounding may cause variances in totals.

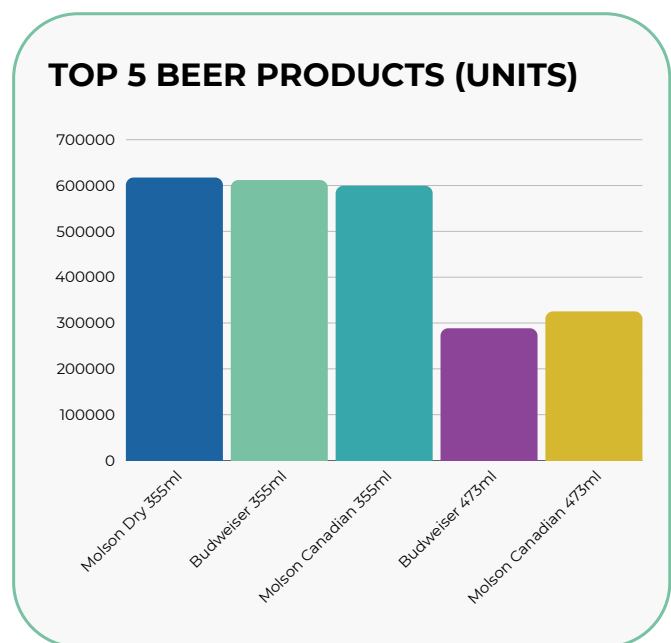
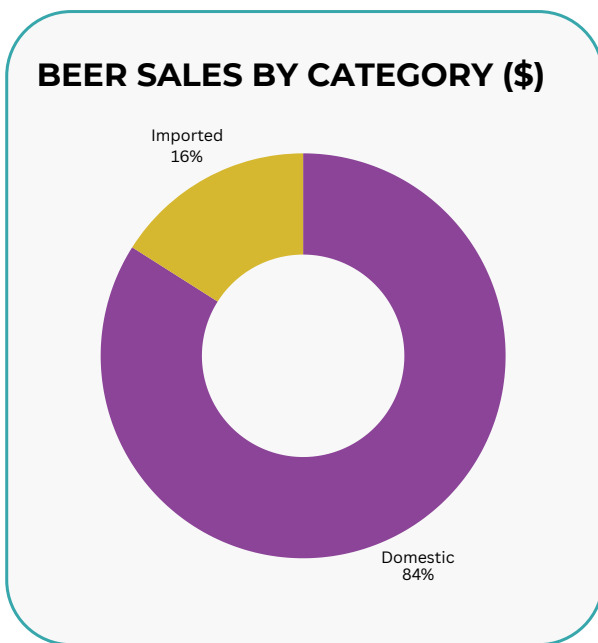


# SALES BY CATEGORY

## Beer

The NULC sold 1.5 million liters in beer products in 2024-25 for a total of \$12.18 million.

As in past years, domestic beer makes up the largest share of liquor sold by the NULC at almost 59%.



## Spirits

The NULC does not sell spirits through its stores, which focus on lower-alcohol products. Nunavummiut may only purchase spirits for consumption in licensed establishments (bars and restaurants) and by ordering through the NULC (community orders). Nunavummiut may also purchase a liquor import permit and import directly from other jurisdictions. Due to the costs of shipping heavy products in Nunavut, remote purchase customers predominantly choose to spend their money on spirits. Spirits sales account for 69% of the revenue the NULC collects from our community orders.

9% of the NULC's revenue in 2024-25, spirit sales are heavily weighted on whisky (44%), vodka (25%) and rum (14%).



## **Wine**

The NULC's customers prefer imported red wines (39% of total sales) over imported white wines (24%), domestic red (10%) and domestic white (10%). Sales of wine decreased by about 7% in 2024-25. 3-liter boxed wines were introduced by the NULC in 2019-20. Since then, 28,329 units have been sold. This has displaced about 113,316 glass bottles of wine brought into the territory.

### **Standard Drinks**

The NULC calculates standard drinks using the Canadian Centre on Substance Addiction's definition of 1.5 ounces of spirits, 12 ounces of beer/cider/coolers, and 5 ounces of wine per drink. Using standard drinks gives a better comparability of the amount of alcohol being consumed between different alcohol types. Overall, the total number of liters sold by the Commission is down 2.7% over the previous year.

## **Ciders and Coolers (RTD Ready To Drink)**

Ciders and coolers account for 19% of total sales of the NULC. This category grew by 4% over the last year. Ready to drink beverages (coolers and pre-mixed drinks) have been increasing in popularity across Canada and has grown particularly fast in Nunavut over the past five years since the NULC began selling them through the Iqaluit and Rankin Inlet Stores. These lower-alcohol products will likely continue to grow in the future, but not at the same pace. The NULC will continue to promote ciders and coolers as an alternative to free-poured spirits.

## **Other Revenues**

In addition to revenue from liquor sales, the Commission collects small amounts of revenue for bottle deposits, boxes, and bags. These amounts are reported in the audited financial statements which accompany this report.





# NULC PRICING

The NULC sets the retail price of its liquor products in a fair and open manner by adding a standard set of mark-ups, fees and taxes to the landed cost. The mark-up structure, which is approved by the GN's Financial Management Board, creates the retail margin the NULC uses to pay staff, support responsible messaging campaigns, cover all other overhead costs, and generate a public profit for Nunavummiut. Mark-ups differ based on liquor category (e.g. beer, wine, and spirits) as well as by strength (alcohol by volume). In some cases, mark-ups may differ by container volume (e.g. kegs vs. bottles/cans). We continue to provide a significant discount to small brewers. Locally produced products delivered directly to our warehouse avoid further warehouse fees, trucking fees, and shipping costs. The NULC made no changes to the mark-up structure in 2024-25 in an effort to keep prices low. With increasing operating costs, including a wage increase in the fall of 2024, the NULC will need to review our pricing structure in 2025-26 to ensure it remains appropriate.

Mark-up and Fee Structure	+Mark-up	+WH*/litre	=Total
<b>Beer</b>			
<= 7%	2.92	0.90	<b>3.82</b>
> 7%	3.14	0.90	<b>4.04</b>
Small brewer (first 1,500 hL)	0.94	0.90	<b>1.84</b>
Draught (containers above 18L in capacity)	1.38	0.90	<b>2.28</b>
Draught (containers below 18L in capacity)	2.26	0.90	<b>3.16</b>
<b>Coolers</b>			
<= 7%	3.58	0.90	<b>4.48</b>
> 7%	3.87	0.90	<b>4.77</b>
<b>Spirits</b>			
<= 30%	26.68	0.90	<b>27.58</b>
> 30%	31.08	0.90	<b>31.98</b>
<b>Wine</b>			
<= 16%	10.18	0.90	<b>11.08</b>
> 16%	12.38	0.90	<b>13.28</b>

\*NULC only applies the warehouse cost-of-service fee (WH) on products that make significant use of our warehouse facilities.



# CANNABIS

Since 2018-19, under the Cannabis Act, NULC has contracted Agents selling cannabis online on behalf of the NULC.

The NULC chose this model to ensure that legal-aged Nunavummiut who choose to consume cannabis had access the legal market, regardless of whether there is a physical store in their community.

There are privately-owned cannabis stores licensed to operate who offer shipping to all communities. To support the locally owned businesses, the NULC had discontinued its Agency agreements in 2023-24. For the foreseeable future, the NULC will not be involved in cannabis sales or distribution.

The Department of Finance is the regulator and oversees licensing and enforcement of Nunavut's cannabis industry.



# SOCIAL RESPONSIBILITY

The Commission takes its role as Nunavut's responsible retailer of alcohol and cannabis very seriously. A large part of retailing potentially harmful products in a responsible way is providing our consumers with the information they need to make healthy and informed decisions about our products. The NULC balances the obligations of providing Nunavummiut access to the products we sell while also reducing the potential-harms associated with those products. The NULC is committed to the continuous promotion of the safe use of alcohol, through our Let's Be Aware/Ujjiqsuqta campaign, and to reducing harms associated with its use. The NULC encourages further prevention and education initiatives to help Nunavummiut understand, avoid, and manage the harms associated with alcohol.

Social responsibility and promoting responsible drinking behavior extend beyond advertising campaigns. The NULC also tries to promote healthy choices through the product mix we choose to sell, how we price our products, and how we distribute our products. Many of our decisions are based on the recommendations of the "Taking Steps to Reduce Alcohol Related Harm in Nunavut" document produced by the GN and the "Halting the Harm" report produced in 2012 by the Nunavut Liquor Act Review Task Force. The NULC also collaborates with various other academic and research groups to improve its harm reduction approach. Depending on the subject matter, the NULC usually collaborates with other government departments when developing and delivering our campaigns to better address the information gaps of our audience.

## **Social Media**

The NULC continues to use its own social media to better engage with the public and to distribute its messaging more directly to the public. This ensures that our customers have access to timely information about closures and other announcements.

## **"Thank You for not Driving" Campaign**

This campaign was created to spread the important message of discouraging our customers from driving under the influence of alcohol and cannabis. The NULC printed 10,800 prepaid taxi vouchers and handed them out at the NULC store, local establishments, RCMP check stops, and holiday parties during the Christmas and New Year season. Last year, 26,559 vouchers were redeemed for a total of \$248,706.75 plus design fee and printing costs. This remains our largest single campaign annually.







## Community Engagement

In addition to socially responsible messaging campaigns, the NULC works with law enforcement, municipalities, and the Department of Finance to reduce alcohol related harm and combat bootlegging. In response to a request from the Nunavut Association of Municipalities, the NULC assisted the Department of Finance in implementing daily limits on liquor import permits. The goal of these changes is to slow down the flow of alcohol and make it more difficult for individuals to purchase large quantities for illegal resale. A separate request from Rankin Inlet's Municipal Council asked the NULC to reduce the daily purchase limit at the retail location in their community. The daily purchase limits at the Rankin Inlet store have been reduced by half and the NULC continues to monitor the results.

### Ujjiqsuqta Grants and Contribution Policy

The NULC's Ujjiqsuqta / Let's Be Aware community initiatives Grants and Contributions program encourages Nunavummiut to be mindful of the impacts of liquor and cannabis, including how their own consumption may impact friends, families, and communities. NULC recognizes that community organizations play an important role in influencing healthy behaviours, and can support the NULC's Ujjiqsuqta / Let's Be Aware campaign by effectively delivering responsible use messaging in impactful, innovative and locally-relevant ways. Through the Community Initiatives program, the NULC provides financial support to eligible organizations to help them design, deliver, and promote messaging, activities, and information consistent with the Ujjiqsuqta / Let's Be Aware campaign and the NULC's wider role as Nunavut's public retailer. Through the Ujjiqsuqta Safe and Sober Graduation Grant, the NULC provides financial support to graduating classes in Nunavut to promote an alcohol and cannabis free, "safe and sober" graduation ceremony and celebration. NULC provides a grant of \$2,500 to the District Education Authorities (DEAs) for the high school graduating classes in that district for eligible activities and supplies to hold a graduation ceremony. In 2024-25, the NULC provided a total of \$65,000 to DEA's under this program.

### Going forward

The NULC has set aside funding to allow for more flexibility in how we deliver our campaigns. Most notably, the NULC has set aside \$100,000 for grants and contributions programs to support community-led initiatives which line-up with the NULC's messaging. The new format will also allow for better financial support for government departments who promote the socially responsible use of alcohol. If successful and well-received, the NULC may consider increasing or expanding available support.



# AUDITED FINANCIAL STATEMENTS

The legislation governing the NULC requires all finances and activities of the Commission to be audited every year and presented to the Legislative Assembly. The audited financial statements for the year ending March 31, 2025 are attached.

# **NUNAVUT LIQUOR AND CANNABIS COMMISSION**

Rankin Inlet, NU

## **FINANCIAL STATEMENTS**

For the Year Ended March 31, 2025

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

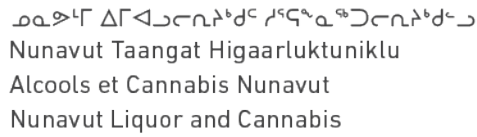
## FINANCIAL STATEMENTS

March 31, 2025

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The management of the Nunavut Liquor and Cannabis Commission (NULC) is responsible for the integrity and objectivity of the financial statements and related note disclosures. The financial statements were prepared in accordance with Canadian Public Sector Accounting Standards and, consequently, include some amounts which are based on the best estimates and judgment of management.

The external auditors, Baker Tilly Arctic, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of NULC and meet when required.

Director, Nunavut Liquor and Cannabis Commission

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## **Independent Auditors' Report**

To the Minister of Finance responsible for the Nunavut Liquor and Cannabis Commission

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of the Nunavut Liquor and Cannabis Commission (the Commission), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net financial debt, amount due to the Government of Nunavut and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the 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 opinion.

#### **Other Matter**

The financial statements of Nunavut Liquor and Cannabis Commission for the year ended March 31, 2024, were audited by Lester Landau Accounting Professional Corp. which has now become Baker Tilly Arctic Inc.

## **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 Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free of 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.

## **Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

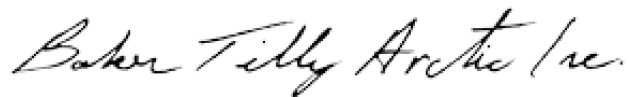
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on Other Legal and Regulatory Requirements**

As required by the *Financial Administration Act* of Nunavut we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

We further report in accordance with the *Financial Administration Act* of Nunavut and regulations, the *Liquor Act* of Nunavut and regulations and the *Cannabis Act* of Nunavut and regulations that, in our opinion, proper books of account have been kept by the Commission, the financial statements are in agreement with the records maintained by the Commission and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Commission.

A handwritten signature in cursive script that reads "Baker Tilly Arctic Inc.".

Iqaluit, Nunavut  
July 30, 2025

Chartered Professional Accountants



# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## STATEMENT OF FINANCIAL POSITION

	2025	2024
<b>Financial Assets</b>		
Cash	\$ 10,250	\$ 10,250
GST and other receivables	47,756	44,519
Inventories (note 3)	7,827,824	9,117,428
	7,885,830	9,172,197
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,107,279	803,152
Employee future benefits (note 4)	389,492	298,058
Bottle deposit outstanding	18,102	21,434
Due to Government of Nunavut	7,776,349	10,300,408
	9,291,222	11,423,052
<b>Net Financial Debt</b>	( 1,405,392)	( 2,250,855)
<b>Non-Financial Assets</b>		
Prepaid expenses	-	455,199
Tangible capital assets (note 5)	1,405,392	1,795,656
	1,405,392	2,250,855
<b>Accumulated Surplus</b>	\$ -	\$ -
<b>Commitments</b> (note 6)		

Lewis MacKay  
Director

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## STATEMENT OF OPERATIONS

For the year ended,	2025	2024
<b>Sales - Liquor</b>	\$ 21,284,259	\$ 21,729,158
<b>Cost of Sales</b>	9,196,963	8,505,570
<b>Gross Margin</b>	12,087,296	13,223,588
<b>Other Income</b>		
Customer shipping charged	444,090	435,835
Other income	32,489	87,225
Cannabis Markups	-	250
	12,563,875	13,746,898
<b>Expenses</b>		
Salaries and benefits	3,759,814	3,455,536
Rent	2,327,374	2,018,141
Customer shipping paid	457,248	466,262
Amortization	390,264	395,339
Social responsibility	342,269	214,105
Bottle deposits refund	287,027	293,091
Bank charges and interest	286,196	254,629
Office	275,828	336,391
Utilities	231,202	302,937
Loss on inventory on barge	192,144	-
Repairs and maintenance	188,278	253,379
Professional fees	69,359	120,091
Travel	25,371	27,249
Communication	7,685	7,588
Bad Debt	742	-
	8,840,801	8,144,738
<b>Net Surplus from Operations (Note 8)</b>	\$ 3,723,074	\$ 5,602,160

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## STATEMENT OF CHANGES IN NET FINANCIAL DEBT

For the year ended,	2025	2024
Net surplus for the year	\$ 3,723,074	\$ 5,602,160
Amortization of tangible capital assets	390,264	395,339
Purchase of tangible capital assets	-	( 200,213)
Prepaid expenses	455,199	( 455,199)
Transfer of net surplus for the year to the Government of Nunavut	( 3,723,074)	( 5,602,160)
	( 2,877,611)	( 5,862,233)
(Increase) Decrease in net financial debt	845,463	( 260,073)
Net financial debt, beginning of year	( 2,250,855)	( 1,990,782)
Net financial debt, end of year	\$ ( 1,405,392)	\$ ( 2,250,855)

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## STATEMENT OF AMOUNT DUE TO THE GOVERNMENT OF NUNAVUT

For the year ended,	2025	2024
Balance, beginning of year	\$ 10,300,408	\$ 8,750,404
Net surplus for the year	3,723,074	5,602,160
Net transfer of funds from (to) the Government of Nunavut	( 6,247,133)	( 4,052,156)
	\$ 7,776,349	\$ 10,300,408

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## STATEMENT OF CASH FLOWS

For the year ended,	2025	2024
<b>Cash Flows from Operating Activities</b>		
Cash receipts from customers	\$ 21,757,601	\$ 22,285,718
Cash paid to suppliers and employees	( 15,510,468)	( 18,033,349)
Cash transferred from (to) the Government of Nunavut (Net)	( 6,247,133)	( 4,052,156)
<b>Cash Provided by Operating Activities</b>	-	200,213
Purchase of tangible capital assets	-	( 200,213)
<b>Cash Used in Investing Activities</b>	-	( 200,213)
<b>Net Increase in Cash</b>	-	-
<b>Cash, beginning of year</b>	10,250	10,250
<b>Cash, end of year</b>	\$ 10,250	\$ 10,250

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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March 31, 2025

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### 1. Authority and Operations

The Nunavut Liquor and Cannabis Commission (NULC) - The Commission is established originally under Part II of the *Liquor Act (Nunavut)* and subsequently amended under the *Cannabis Act (Nunavut)*.

The Commission is responsible for the operation of the liquor warehouses, the retail outlets and the purchase and sale of liquor and cannabis in Nunavut through the Liquor and Cannabis Revolving Fund of the Government of Nunavut. The Commission is authorized by the Legislative Assembly to receive free working capital advances from time to time not exceeding \$15,000,000 (\$15,000,000 - 2024) to finance its operations. The NULC did not request any working capital advances for the 2024 - 2025 fiscal year. While some expenses are paid directly from the Liquor and Cannabis Revolving Fund, other expenses are paid by the Government of Nunavut through the Consolidated Revenue Fund and are reimbursed from the Liquor and Cannabis Revolving Fund.

### 2. Significant Accounting Policies

#### (a) Financial Statements

NULC's financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

#### (b) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires the use of estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable. Significant management estimates include the liability for bottle deposit outstanding, the provision for employee future benefits and the useful lives of tangible capital assets.

#### (c) Cash and cash equivalents

Cash and cash equivalents are comprised of a cash floats that are maintained by NULC. All sales and other cash receipts of NULC are deposited to the Liquor and Cannabis Revolving Fund.

#### (d) Inventories

Inventories consist of alcohol products valued at the lower of cost or net realizable value calculated on a weighted average cost basis. No cannabis inventory is carried.

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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March 31, 2025

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### 2. Significant Accounting Policies (continued)

(e) Accounts Receivable

Accounts receivable are valued at the lower of cost and net recoverable value. Valuation allowances, if necessary, are recorded based on all circumstances in existence at the statement of financial position date that are known at the date these financial statements are prepared.

(f) Tangible Capital Assets

Tangible Capital Assets are initially recorded at cost, and are subsequently amortized to expense. Work-in-progress is recorded as construction in progress and is transferred to a specific asset category in the year it is completed and put into use. Amortization expense is recognized on a consistent basis over the estimated useful life of the assets. In the year of purchase, amortization is applied at half the normal rate. The rates are as follows:

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Computer hardware	30% declining balance
Computer software	100% declining balance
Furniture and equipment	20% declining balance
Leasehold improvements	straight line over the term of the lease up to 10 years
Vehicles	30% declining balance

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(g) Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are recorded as incurred.

(h) Bottle Deposit Liability

The bottle deposit liability is estimated based on the last three months of sales, to allow time for licensees and customers to return recyclables for refund.

(i) Deferred Revenue

Deferred revenue includes revenues received in advance of goods being provided or services being performed with stipulations that meet the definition of a liability per Section PS 3200. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the revenue received as a liability.

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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March 31, 2025

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### 2. Significant Accounting Policies (continued)

#### (j) Employee Future Benefits

##### Non-pension Benefits

Under the conditions of employment, eligible employees may earn non-pension benefits for severance, retirement and removal based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service and has been determined based on management's assumptions and best estimates. The NULC provides severance, retirement and removal benefits to eligible employees based on years of service, final salary and community of residence.

##### Pension Benefits

Eligible employees of the NULC participate in the Public Service Pension Plan administered by the Government of Canada. The employees and NULC contribute to the cost of the Plan. The NULC's contributions to the Plan reflect the full cost of the employer contributions. This amount is currently based on a multiple of the employee's required contributions and may change from time to time depending on the experience of the Plan. The NULC contributed at a rate of 1.00 times the employees contribution for the calendar year of 2025 (1.00 times for the calendar year of 2024). These contributions are charged to expenditures on a current year basis, and represent the total pension obligation of the NULC. NULC is not obligated under present legislation to make contributions to actuarial deficiencies of the Public Service Pension Plan.

#### (k) Revenue Recognition

Revenue from sales of liquor is recorded when the customer places their order, it has been paid in full and the products have been shipped.

#### (l) Expenses

Expenses are recorded on an accrual basis.



# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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March 31, 2025

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### 2. Significant Accounting Policies (continued)

#### (m) Financial Instruments

Financial instruments are financial assets or liabilities of NULC where, in general, NULC has the rights to receive cash or another financial asset from another party or NULC has the obligation to pay another party cash or other financial assets.

The NULC initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Financial transactions and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost.

The NULC subsequently measures all its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and GST and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, employee future benefits, bottle deposit outstanding and amounts due to the Government of Nunavut.

#### Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial assets or group of assets, a write down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of

- The present value of the cash flows expected to be generated by the asset or group of assets;
- The amount that could be realized by selling the asset or asset group; or
- The net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized up to the amount of the previously recognized impairment.

#### (n) Due to the Government of Nunavut

The *Liquor Act (Nunavut)* requires the NULC to present the amount owing to the Government of Nunavut. This is calculated by summing the following amounts: The balance owing at the end of the prior year, the net surplus for the year, less the net funds transferred to the Government of Nunavut during the year. The ending balance is normally carried forward to be funded from future year's net surplus.

This balance is a non-interest bearing liability.

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

### 3. Inventories

	2025	2024
Spirits	\$ 1,574,806	\$ 1,063,524
Wine	1,927,640	1,898,802
Beer	3,113,524	4,562,367
Coolers and ciders	1,211,854	1,592,735
	<b>\$ 7,827,824</b>	<b>\$ 9,117,428</b>

### 4. Employee Future Benefits

The Employee Future Benefits accrued by the NULC relate to annual leave benefits and severance benefits.

#### Non-pension Benefits

NULC provides non-pension benefits to its employees for severance and removal costs. As at March 31, 2025 severance and removal costs total \$ 133,284, (\$ 117,727 - 2024).

#### Pension Plan

NULC and all eligible employees contribute to the Public Service Pension Plan (PSPP). This pension plan provides benefits based on years of service and best five consecutive years average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. Contributions during the year were as follows:

	2025	2024
Employer's contributions	\$ 191,333	\$ 187,869
Employees' contributions	\$ 190,088	\$ 185,656

### 5. Tangible Capital Assets

			2025	2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 37,385	\$ 36,045	\$ 1,340	\$ 1,914
Computer software	211,968	211,968	-	-
Furniture and equipment	729,400	495,762	233,638	292,241
Leasehold improvements	2,737,053	1,702,917	1,034,136	1,306,818
Vehicles	308,466	172,188	136,278	194,683
	\$ 4,024,272	\$ 2,618,880	\$ 1,405,392	\$ 1,795,656

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

### 6. Commitments

There is a five year lease effective June 1, 2018, expiring on March 31, 2025, for the warehouse and office premises in Rankin Inlet, valued at \$287,600 per year. This lease has been extended until May 31, 2027 at \$298,962 per year. An annual lease agreement with CGS, effective April 1, 2024, expiring April 1, 2025, for the liquor warehouse in Iqaluit valued at \$120,000 per year has expired, and automatically renews annually until further notice. Additional warehouse space in Rankin was leased commencing July 15, 2020 and expiring July 14, 2025 at an annual rate of \$268,800. Additional warehouse space in Iqaluit was leased from CGS, effective August 1, 2023 with no expiry date at an annual rate of \$1,500,000 until the cost of purchasing the facility has been covered. Additional warehouse space in Rankin Inlet was leased commencing November 1, 2023 and expiring October 31, 2024 at an annual rate of \$95,625. This lease has been extended until October 31, 2026 with an option to extend for two more years.

The minimum annual lease and commitment payments are as follows:

Fiscal year ending March 31	Total
2026	\$ 2,097,237
2027	1,857,223
2028	1,549,827
2029	1,500,000
2030	1,500,000
	<b>\$ 8,504,287</b>

### 7. Related Party Transactions

The NULC is related in terms of common ownership to all of the Government of Nunavut created departments, agencies and Crown corporations. The NULC enters into transactions with these entities in the normal course of business at normal trade terms. All sums collected by the NULC are deposited directly into a Government bank account, and the Government of Nunavut pays for all of the expenses of the NULC. Expenses include the following services provided by the Government of Nunavut at cost and Qulliq Energy Corporation at normal trade terms, during the normal course of business:

	2025	2024
Government of Nunavut:		
Communications	\$ 3,908	\$ 4,376
Office	104,909	90,430
Rent	1,620,000	1,120,000
Repairs and maintenance	131,114	130,824
Property taxes	43,997	43,997
Qulliq Energy Corporation		
Utilities (electricity)	62,818	101,671
	<b>\$ 1,966,746</b>	<b>\$ 1,491,298</b>

# NUNAVUT LIQUOR AND CANNABIS COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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March 31, 2025

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### 8. Capital Management

NULC's capital is cash, it has no Contributed Equity. NULC is authorized by the Legislative Assembly to receive free working capital advances from time to time not exceeding \$15,000,000 (\$15,000,000 - 2024) to finance its operations. The NULC did not request any working capital advance for the 2024-25 fiscal year.

All revenues collected by the NULC are deposited into a bank account controlled by the Government of Nunavut. As the Government of Nunavut controls all cash deposited by the NULC, the Government of Nunavut pays for all the expenses of the NULC.

### 9. Financial Instruments and Risk Management

**Credit Risk** - Credit risk refers to the potential that a customer or counter party to a financial instrument will fail to discharge its contractual obligations, and arises principally from the NULC's receivables from customers. NULC has minimum exposure to credit risk from customers as collection is made prior to sales. Where necessary, the NULC performs ongoing credit evaluations of new and existing customers' financial condition and reviews the collectibility of its trade and other accounts receivable in order to mitigate any possible credit losses.

**Interest Rate Risk** - Interest rate risk is the risk that the fair values of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The NULC is not exposed to interest rate risk because the NULC has no investments or debt.

**Liquidity Risk** - Liquidity risk is the risk that the NULC will not be able to meet its financial obligations as they fall due. The NULC is not exposed to liquidity risk.

**Foreign Currency Risk** - The NULC is not exposed to risk arising from fluctuation in foreign exchange rates since it enters into sales and purchase transactions denominated in Canadian currency.

Unless otherwise noted, it is management's opinion that NULC is not exposed to other significant interest, currency or credit risks arising from these financial instruments.