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Nunavut Liquor and Cannabis Board

Nunavunmi Tanngaliqinirmut Higaarlungniklu Katimayiit

Société des alcools et du cannabis du Nunavut

Nunavut Liquor and Cannabis Board
Annual Report
2020-21

August 26, 2021

Submitted to:

THE HONOURABLE GEORGE HICKES
MINISTER OF FINANCE
MINISTER RESPONSIBLE FOR
THE NUNAVUT LIQUOR AND CANNABIS BOARD
GOVERNMENT OF NUNAVUT

2020-21 Annual Report of the Nunavut Liquor and Cannabis Board

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, 2021.

This report is submitted pursuant to section 9(1) of the Nunavut *Liquor Act*.



TERRY DOBBIN,
Chairperson,
Nunavut Liquor and Cannabis Board

MISSION STATEMENT:

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.

Duties and Powers of the Nunavut Liquor and Cannabis Board:

1. All Board decisions must be made, and business conducted in a manner consistent with the Nunavut *Liquor Act* and *Regulations*, the Nunavut *Cannabis Act* and *Regulations*, and other applicable legislation and policies of the Board.
2. The Minister is authorized to set out guidelines not inconsistent with the *Liquor Act*, and the Board must act in accordance with those guidelines.
3. The Board shall control:
 - a. The conduct of licence holders.
 - b. The management and equipment of licensed premises.
 - c. The conditions under which liquor may be sold or consumed on licensed premises.
4. The Board may:
 - a. Issue, renew and transfer licences.
 - b. After a hearing, cancel or suspend licences.
 - c. Generally advise the Minister on matters of policy, legislation and administration relating to the sale, distribution and consumption of liquor.
 - d. Make rules or orders governing its proceedings.
5. The Board shall act as an impartial appeals body for licencees for non-renewal of cannabis licences by the Superintendent of Licensing (Cannabis).
6. The Board shall act as an impartial appeals body for licencees for imposition of variances, suspensions, and cancellations of cannabis licences by the Superintendent of Licensing (Cannabis).

Authority:

Liquor Act, s.6

Cannabis Act, ss.13,16

Members of the Nunavut Liquor and Cannabis Board: 2020-21

Members of the Board are appointed for two-year terms.

Terry Dobbin, chairperson, Iqaluit

Appointed: May 18, 2016

Appointed Chairperson: October 5, 2017

Reappointed Chairperson: May 18, 2018

Reappointed Chairperson: May 18, 2020

Miranda Atatahak, member, Kugluktuk

Appointed: October 5, 2017

Reappointed: October 5, 2019

Robert Jancke, member, Cambridge Bay

Appointed: May 18, 2016

Reappointed: May 18, 2018

Reappointed: May 18, 2020

Qilak Kusugak, member, Iqaluit/Rankin Inlet

Appointed: October 5, 2017

Reappointed: October 5, 2019

Leesa Ikkidluak, member, Pond Inlet/Iqaluit/Kimmiut

Appointed: November 30, 2007

Reappointed: November 9, 2009

Reappointed: September 20, 2011

Reappointed: September 20, 2013

Reappointed: October 5, 2015

Reappointed: October 5, 2017

Reappointed: October 5, 2019

Nancy Mike, member, Iqaluit

Appointed: January 15, 2021

Valerie Young, member, Sanikiluaq

Appointed: January 15, 2021

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 councilor, 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 the City's strategic plan. His focus during his terms on council were 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 (Sowdluapik)

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. She now works for Nunavut Arctic College as human resources relocation and leave and administrative coordinator.

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 seventh term.

Qilak Kusugak

Qilak Kusugak appointed to the Nunavut Liquor and Cannabis Board in 2017, currently resides in Rankin Inlet. Qilak has been the director of implementation for Nunavut Tunngavik Inc. since 2015, and has also held positions with the Kivalliq Inuit Association, 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; daughter Taylor and son Dylan.

Miranda Atatahak

Miranda Atatahak has been a director of the Nunavut Liquor and Cannabis Board since October 2017. Raised in Kugluktuk, Miranda has been a career development officer in the community for over seven years and is an active volunteer with a number of different activities, including the Nattiq Frolics and the Christmas committee. Miranda is currently serving as Deputy Mayor for the Hamlet of Kugluktuk. Some of her past board experience includes the Kugluktuk District Education Authority and the Kugluktuk Community Readiness Initiative.

Miranda's participation as a youth ambassador on the Nunavut *Liquor Act* Review Task Force from 2010-2012 has given her valuable experience and familiarity with the *Liquor Act*, making her an important contributing member of the Nunavut Liquor and Cannabis Board.

Robert Jancke

Bob 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.

Bob 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, Bob brings valuable business and community experience to the Board, and in May 2018 was appointed to his second term. Bob'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 three daughters. Nancy works as a Research Associate: Community & Family Health for a local non-profit organization called 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 BScN in 2015, 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 Young

Valerie Young (Inukpuk) is a Community Psychiatric Nurse for the Government of Nunavut in the Kivalliq region. She grew up in the communities of Nunavik and Nunavut (before it was Nunavut!) and has now settled in Sanikiluaq where she works to provide community services in Mental Health and Addictions as a registered nurse. Prior to living and working in Sanikiluaq, Valerie was a police officer for Kativik Regional Police Force in Québec on the Hudson's Bay coast. After leaving policing, Valerie went into nursing and worked for the Government of Nunavut in the Qikiqtaaluk region and later for the Ministry of Community Safety and Corrections in Ontario. She has earned her diploma in Techniques Policières from John Abbott College and her Bachelor of Science in Nursing degree from Dalhousie University, she is fluent in both French and English.

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 Qikiqtarjuak and continues to work to support youth in healthy relationships. Outside of work, Valerie enjoys cooking and entertaining friends with her partner Magalie.

Role of the Board

The Nunavut Liquor and Cannabis Board (NLCB) is a public regulatory body established under the Nunavut Liquor Act. The NLCB reports to the Minister in its role as an impartial appeals body for cannabis, and in all its responsibilities and roles for liquor.

Under the *Liquor Act*, the NLCB issues, renews, transfers licences 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.

The Board's objective is to foster an environment that guides and regulates the legal and responsible use of alcohol and cannabis in Nunavut. The Board takes the position that licence holders share the responsibility for this mission, and endeavors to maintain a positive relationship with Nunavut's businesses and organizations.

Activities of the Board

To fulfill the roles and responsibilities, the NLCB undertakes the activities outlined below:

Quarterly Meetings

The Board normally holds four regular meetings each fiscal year to handle the business, inquiries, applications and issues that come before it. 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, meetings were held:

June 16-17 2020	Teleconference
October 19-22 2020	In-person, Iqaluit
January 11-12 2021	Teleconference
March 8-10 2021	Teleconference

Due to Covid-19 concerns, three of the four meetings were held by teleconference. The October meeting was held in Iqaluit due to legal requirements to have the Board members present in one room for the scheduled show cause.

Supplemental Applications 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.

Supplemental Teleconferences

Occasionally an issue arises which are too complex to handle by email decisions: the Board had one supplemental teleconference 20-July-2020.

Training & Development

In February 2021, the Board took a half-day teleconference course on the administration of a show cause hearing, which requires the understanding of legal jurisdiction and authority, and procedural fairness. This was the first scheduled training provided to the Board since 2008.

The Board continues to explore opportunities for remote and in-person training on a regular basis.

Show Cause Hearings

Under section 6(2)(a) of the *Liquor Act*, which directs the Board to control the conduct of licence holders, the Board can direct licence holder to appear and show cause as to why their licence should not be suspended, cancelled or have conditions and/or fines imposed on it pursuant to *sections 35 to 37* of the *Liquor Act* as a result of misconduct in dealings with the Board or as a result of complaints brought to it by Liquor Enforcement, when infractions of the *Liquor Act* or *Liquor Regulations* by licence holders have been reported.

Licence Holder	Show Cause Date	Alleged Violation	Disposition by Board
Ikaluktutiak Elks 593	January 6 2020	<ul style="list-style-type: none"> • Interfered with an inspector • Failed to admit an inspector • Failed to serve liquor in its original container • Failed to keep up-to-date inventory 	Pay a fine of \$5000 Suspension for 5 days Post copy of media release at the entrance of the building/venue
Discovery	March 8 2020	Failure to provide information required for renewal	Show cause cancelled – information provided
Royal Canadian Legion 168	March 10 2020	Failure to provide information required for renewal	Show cause cancelled – information provided
Chartroom	March 10 2020	Failure to provide information required for renewal	Show cause cancelled – information provided
Ikaluktutiak Elks 593	July 13 2020	Failure to provide information required for renewal	Show cause cancelled – information provided

Public Hearings

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

There were no requirements for public hearings for new licences in the year 2020-21.

Development of Resources to Assist Licence Holders

Rules and Procedures for Show Cause Hearings (Liquor)

The first draft is complete for the Rules and Procedures for Show Cause Hearings which allow written submissions. In response to the barriers imposed by Covid-19, the NLCB explored more flexible means of moving forward with legislated requirements. There are plans for this direction to be in place by January 2022.

By allowing a show cause to be entirely by written submission, this has the potential for:

- significant reduction of travel costs; and,
- much more timely resolution of issues. In the past, show cause hearings have had to be delayed due to travel difficulties.

Rules and Procedures for Cannabis Hearings

In anticipation of cannabis licensing, the NLCB has initiated preliminary drafts on the rules and procedures for cannabis hearings. This is undertaken in collaboration with NLCB legal counsel. There is a plan for this resource to be ready for translation by the end of the 2021-22 fiscal year.

How-to Complete Liquor Renewal

The first draft of a step-by-step manual to assist licence holders in completing the liquor renewal process has been completed. It is anticipated that it will be ready in advance of the next renewal cycle.

Liquor Licence Renewal

Since 2019, the Board has had a focus on three aspects of the renewal process:

1. Changing the culture of non-compliance for timely submission of renewal applications;
2. Raising the standards of best practices and;
3. Increasing efficiencies inter-departmentally and for the licence holders.

See below for more details on how the Board has proceeded this year and in recent years to effect these changes.

1. To increase licence holder compliance:

- Held mandatory Renewal Meetings in January in 2019 and 2020 for all licence holders:
- provided a prototype “How-to” manual in 2020; and,
- called show cause hearings for those who miss the first February required deadline.

2. To raise the standards of best practices:

- In 2019-20, made criminal record checks for the owners/decision-makers of the establishment a requirement for renewal; and,
- In 2020-21, made the Server Training Logs a requirement of owning an establishment. This action was instituted because establishments were not ensuring that their servers were trained in a timely manner.

3. To increase efficiencies:

- Since 2019-20, worked with the Office of the Fire Marshal and the Department of Health to develop annual letters that list those establishments which are in-compliance for fire safety and public health. This reduces the strain on the licence holder and both departmental offices.
- Annually updated the Renewal Application Form to clarify and streamline the process.

In 2020-21, created the preliminary “how-to” document on liquor licence renewals.

The Board continues to work with licence holders to improve its licensing processes and practices and looks forward to making further enhancements in the coming year

As per section 17 of the *Liquor Act*, all licences issued under the *Liquor Act* expire on March 31, unless otherwise specified. Licenceholders 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 the 2020-21 year, valid until March 31, 2022:

Table: Renewed Licences

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
009	High Arctic Lodge	Special Liquor Licence
014	Royal Canadian Legion Branch #168, Iqaluit	Club Liquor Licence
017	Frobisher Inn	Guest Room Liquor Licence
018	The Frob Kitchen & Eatery	Dining Room Liquor Licence
019	The 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 Tours Ltd	Guest Room Liquor Licence
029	Arctic Haven Lodge, Canadian Arctic Holidays Ltd	Special Liquor Licence
030	Royal Canadian Legion Branch #169, Rankin Inlet	Club Liquor Licence
031	The Snack	Dining Room Liquor Licence
032	Nunavut Brewing Company Ltd	Brew Pub 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
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
033	Siniktarvik Hotel	Guest Room Liquor Licence	May 31 2021

NUNAVUT LIQUOR AND CANNABIS BOARD
STATEMENT OF EXPENDITURES
March 31, 2021

NUNAVUT LIQUOR AND CANNABIS BOARD

Index

March 31, 2021

	<u>Page</u>
Independent Auditors' Report	1 - 3
Statement of Expenditures	4
Notes to the Statement of Expenditures	5

Auditors' Responsibilities for the Audit of the Statement Of Expenditures

Our objectives are to obtain reasonable assurance about whether the statement of expenditures as a whole is 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 this statement of expenditures.

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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the statement of expenditures 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 Board to cease to continue as a going concern.
- 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*, that, in our opinion, proper books of account have been kept by the Board, the statement of expenditures is in agreement with the records maintained by the Board 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, 2021



Chartered Professional Accountants

NUNAVUT LIQUOR AND CANNABIS BOARD

STATEMENT OF EXPENDITURES

For the Year Ended March 31, 2021

	Budget <u>2021</u> (Unaudited)	Actual <u>2021</u>	Actual <u>2020</u>
Expenditures			
Advertising and promotion	\$ -	\$ 5,359	\$ -
Conferences and catering	-	2,389	400
Fees and payments	2,000	8,250	8,950
Purchased services	5,000	-	-
Materials and supplies	4,000	335	741
Permanent salaries	37,000	9,508	13,166
Service contracts	90,000	65,050	70,787
Travel and transportation	35,000	8,672	35,389
Other expenses	<u>2,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 175,000</u>	<u>\$ 99,563</u>	<u>\$ 129,433</u>

NUNAVUT LIQUOR AND CANNABIS BOARD
NOTES TO THE STATEMENT OF EXPENDITURES

For the Year Ended March 31, 2021

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 have been prepared, on a going concern basis, in accordance with the Financial Administration Manual of the Government of Nunavut and include the following significant accounting policies.

(a) Use of Estimates

The preparation of 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 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 centers 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.

3. Covid-19 Implications

The COVID-19 pandemic has developed rapidly during the year and continues to affect businesses in Nunavut and throughout the world. At this stage, the impact on the Board and results has not been significant and based on our experience to date we expect this to remain the case. Consequently, at the time of issuance of these financial statements, the effect that the unexpected, abrupt decline in economic activity will have on the Board's operations, assets, liabilities, net assets, revenues, and expenses is not yet known.