

# 2014 CORPORATE ANNUAL REPORT



ALBERTA  
LIQUOR STORE  
ASSOCIATION

CELEBRATING  
20 YEARS TOGETHER

***“Back in 1993, the year the Alberta Liquor retailing was privatized by the Government of Alberta, there were 208 stores. Today, we have over 1300 stores and provide the best liquor system in all of Canada.”***



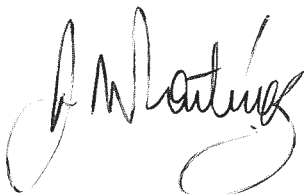
# Letter from the President

It was an honor to serve as the President of the Association during 2014, the year that marked the 20th Anniversary of the Alberta Liquor Store Association and the tremendous accomplishments our members. This year we took time to reflect on our history and focus on our future.

Back in 1993, the year the Alberta Liquor retailing was privatized by the Government of Alberta, there were 208 stores. Today, we have over 1300 stores and provide the best liquor system in all of Canada. The success of our industry today is credit to the hard work and vision of the many store owners that came together to form ALSA, an association to advocate on behalf of all liquor retailers in Alberta.

Today, ALSA under the leadership of the Board, continues to serve the independent liquor retailers of our Province. Although the issues and threats to our stores have changed throughout the years, ALSA's commitment to our industry remains steady. We continue to build strong relationships with our regulators and leverage partnerships

I would like to thank all of those members that have served on the ALSA's Board throughout the years and helped our industry grow and prosper. I would like to also thank our current Board of Directors, who continue to provide leadership and direction to myself and administration. As we look forward to the next 20 years, I encourage new members to consider serving on the ALSA Board. We need your voice at the table as face the next part of our history.



Ivonne Martinez

# The Alberta Model

When Alberta became the first Canadian jurisdiction to privatize liquor retailing, warehousing and distribution in 1993, it was considered a bold step. Now Albertans view it as simply another commercial enterprise operating successfully in the province. In fact, private liquor retailing has been remarkably well received by consumers and those that are involved in the liquor industry and continues to meet the original objectives set out by the provincial government.

The principles established when privatization was first introduced are referred to as the **Alberta Model**.

## Alberta Liquor Store Association

The Alberta Liquor Store Association (ALSA) was formed in 1994, following privatization of the sector, to provide a unified voice for Alberta liquor stores and to represent the interests of all members.

ALSA is committed to equitable, fair and consistent representation for the liquor retailers of Alberta while working for the betterment of the industry and upholding the highest of social responsibility standards. With over 1300 liquor stores in the Province, ALSA communicates and advocates the industry's interests to government officials and government agencies to gain their understanding of issues affecting our members.

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*The Alberta Liquor Store Association supports and vigorously defends the Alberta Model to maintain a level playing field for liquor retailers*

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## One wholesale price for all

This creates a level playing field for all liquor retailers and allows competition to occur on an equitable basis

## Liquor must be sold from a 'separate business'

Physically separated by 5 metres, it must operate as a separate viable business for profit and be incorporated as a separate business including maintaining separate financials. There will be a separate management and employees will be employed by the liquor store.

## Postage stamp delivery to all of Alberta

Every liquor store in Alberta pays the same delivery fees regardless of their location.

## A single warehouse

Liquor products (other than beer) imported, produced and sold in Alberta are distributed through a single warehouse system to keep administration, auditing and monitoring costs lower.

## Government control

Government will maintain regulatory responsibilities over liquor sales in Alberta and continue to collect revenue that is used to fund public programs.

## No 'carve-outs' or 'add-ons' to business over 10 000 sq ft (929m sq)

Large format retailers are not allowed to carve out a separate retail liquor store by sub-dividing existing retail space. An attached facility or free-standing detached facility must have 5 metre separation to the existing non-liquor business.

# Social Responsibility

ALSA has been involved in many public programs, such as We I.D. Under 25. Alberta liquor retailers post door and in-store signage in support of Alberta's identification laws.

Alberta liquor retailers are champions of social responsibility, demonstrating that liquor retailing can be responsibly and well-managed by the private sector. ALSA is a member of the AGLC's social responsibility Safer Bar's Council and Industry Stakeholder Advisory Committees.

In conjunction with Transport Alberta, AGLC, Alberta's Solicitor General, ALSA featured a presentation at its inaugural Alberta Liquor Industry Conference (ALIC) in Calgary in 2012. ALSA also


participated in the education and information distribution before and during the implementation of changes to the impaired driving penalties legislation brought into force during 2012.

ALSA collaborated with the Alberta Motor Association (AMA) in the "Plan Ahead" program supporting the AMA's education campaign to reduce drinking and driving. ALSA members are involved with Crime Stoppers and work with local police services to help prevent robberies, break-ins and shoplifting at




**Many people  
find it flattering.**

**WE I.D.  
UNDER 25**



**You've aged  
amazingly.**

**WE I.D.  
UNDER 25**



**We wouldn't  
guess your  
weight either.**

**WE I.D.  
UNDER 25**



**What's  
your secret?**

**WE I.D.  
UNDER 25**



**You don't look  
a day over 24.**

**WE I.D.  
UNDER 25**

their stores.

ALSA has developed radio advertising aimed specifically at bringing awareness about drinking responsibly and planning ahead and are released throughout the year especially during holiday season and long weekends. ALSA introduced new information distribution through "Twitter" as well during the year.

# Letter from the Honourable Joe Ceci



ALBERTA  
TREASURY BOARD AND FINANCE

*Office of the Minister  
MLA, Calgary-Fort*

8228

SEP 14 2015

Ms. Ivonne Martinez  
President  
Alberta Liquor Store Association  
2707 Ellwood Drive SW  
Edmonton AB T6X 0P7

Dear Ms. Martinez:

On behalf of the Government of Alberta, I am pleased to congratulate the Alberta Liquor Store Association (ALSA) members on another successful year.

The spirit of entrepreneurialism balanced with social consciousness is something Albertans and our government values. Your association and its members have embodied that spirit through your continued commitment to responsible liquor sales, innovation and dedication to industry leadership.

I applaud the solid relationships that are evident in all areas of our liquor industry. To this end, I would like to encourage ALSA and its members to continue building on the positive dynamics among the government, the Alberta Gaming and Liquor Commission, and industry players to help grow what is undoubtedly one of the most successful liquor markets in all of Canada.

Congratulations on your continued success, and all the best in your future endeavors.

Sincerely,

A handwritten signature in blue ink, reading "Joe Ceci".

Joe Ceci  
President of Treasury Board  
Minister of Finance



# Letter from the AGLC President Bill Robinson



Office of the President & Chief Executive Officer  
50 Corriveau Avenue  
St. Albert, AB T8N 3T5  
Tel: 780-447-8602  
Fax: 780-447-8950

September 1, 2015

8232

Ms. Ivonne Martinez  
President  
Alberta Liquor Store Association  
2707 Ellwood Drive SW  
Edmonton, AB T5X 2P7

Dear Ms. Martinez:

On behalf of the Alberta Gaming and Liquor Commission (AGLC), it gives me great pleasure to congratulate our partners, the members of the Alberta Liquor Store Association (ALSA), on yet another successful year.

Throughout the past year, ALSA and the AGLC continued our great relationship, collaborating on very important issues and working on topics of great importance to the liquor retail industry. The results of our work continue to be extremely positive.

Your members have also enjoyed yet another successful year and for that we offer our congratulations. Your wins are our wins, and by working together, we continue to grow a liquor industry that is both bold and balanced in its approach – recognizing new and innovative ways to enhance Alberta's liquor marketplace, while ensuring we continue to protect the interests of Albertans. The AGLC is confident that the continued partnership between our two organizations will bring about even more positive results for not only our organizations, but for Alberta as a whole.

Yours sincerely,

D.W. Bill Robinson  
President and Chief Executive Officer

# Chairman's Report

2014 our 21st year had the Association involved in our primary tasks, Advocacy and Member Services. Advocacy with all stakeholders in the province addressing zoning issues in Calgary and Edmonton, working with changes to policy and procedural changes within AGLC, and meeting with members of the Legislature at every opportunity to brief on the strengths of the Alberta model and answer questions and concerns about the liquor retail business in the Province. We hosted 3 community events for Retailers in Grande Prairie, Lethbridge and Medicine Hat and were pleased by the participation of so many owners and the contributions of AGLC, Connect Logistics and Hub Insurance in the events.

The 3rd Alberta Liquor Industry Conference was another huge success. We were pleased with our partnership with the International Vintners and Spirits Association who conducted their Tasting Salon as an integral part of the activities for the day. We hosted our AGM and Awards as a separate event and were gratified that so many Members of the Legislature, Board of AGLC and Senior Staff of Alberta Government were present for our Annual Awards presentations.

I am completing my 3rd year as Chair and look forward to continuing to achieve our long term goals so ably assisted by Ivonne Martinez and her staff.

I want to thank retiring Director Garedew Woldemedhin for his contributions and I look forward to another term as the Chairman.

Adam Koziak,

Chateau Louis Liquor Store

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# Treasurer's Report

2014 completed with a small but manageable deficit but it did point to looking at making some changes in the next fiscal year.

Financially, 2014 was solid year. Membership numbers are stable, renewals were very strong again, and our partnerships are growing as are their contributions to the work of the Association.

With the lease of our current facility about to end early in 2015, an opportunity opened to plan some significant changes to the costs related to staff and a location. We will make some cost reductions for 2015 to alleviate the deficit position.

I want to thank King & Co for their diligence as auditors and I want to join my Board colleagues in thanking the members of the association for their trust in work that we do on your behalf.

Paul Howe,

Medicine Hat

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# Statement of Financial Position and Statement of Operations and Net Assets year ended Dec 31 2014

**As at December 31 2014**

ASSETS		2014	2013
Cash	\$	227 208	264 425
Accounts Receivable	\$	10 597	29 335
Pre-Paid Expenses	\$	4 644	5 073
	\$	242 449	298 833
Equipment	\$	6 767	9 912
	\$	249 216	308 745
LIABILITIES			
Accts Payable and accrued liabilities	\$	25 415	44 914
Deferred Revenue	\$	35 390	16 201
	\$	60 805	61 115
	\$	188 411	247 630
NET ASSETS	\$	249 216	308 745

REVENUE		2014	2013
Sponsorship	\$	174 485	175 000
Member Contributions	\$	153 194	151 733
Alberta Liquor Industry Conference	\$	48 411	45 253
Group Buy Rebates	\$	40 564	41 604
Other	\$	4 206	24 338
Legal Recovery	\$	-	11 000
	\$	420 860	448 928
EXPENSES			
Salaries and Benefits	\$	282 162	252 810
Rent	\$	40 936	39 763
Alberta Liquor Industry Conference	\$	40 139	44 271
Professional and Consulting Fees	\$	28 272	45 309
Office	\$	26 716	34 466
Advertising and Media	\$	11 910	12 963
Travel	\$	11 600	7 989
Educational Materials	\$	9 383	74 625
Association Development	\$	8 577	14 263
Audit	\$	7 500	8 000
Directors' Meetings	\$	5 355	6 763
Insurance	\$	4 484	5 212
Amortization of equipment	\$	3 045	4 248
Bad Debts	\$	-	3 486

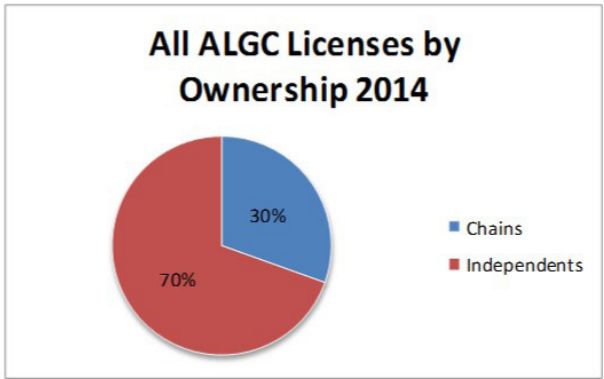
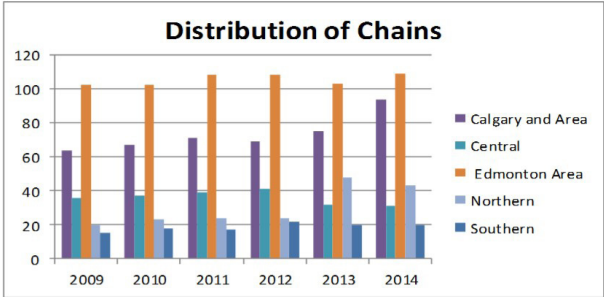
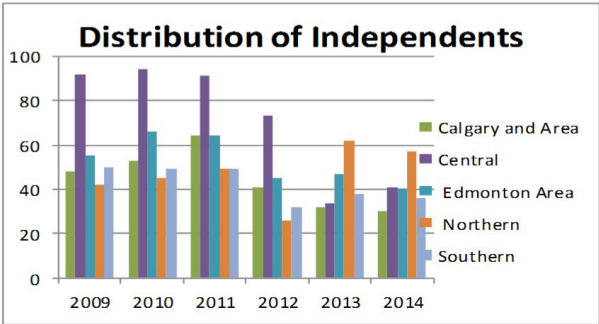
		2014	2013
total from previous page	\$	480 079	556 168
Deficiency of Revenue Over Expenses	\$	(59 219)	(107 240)
NET ASSETS Beginning of Year	\$	247 630	354 870
NET ASSETS End Of Year	\$	188 411	247 630

# Statement of Cash Flows Year ended Dec 31 2014

**As at December 31 2014**

		2014	2013
OPERATING and INVESTING ACTIVITY			
Cash Receipts from members' contributions,sponsorship	\$	347 110	29 335
Cash Receipts from other revenue	\$	111 157	5 073
Cash paid to suppliers and employees	\$	(495 484)	298 833
	\$		
Cash Flow From (Used By) operating activities	\$	(37 217)	308 745
Purchase of Equipment	\$	-	1 403
Casheflow used by Investing activity	\$	-	1 403
Increase (Decrese) in Cash	\$	(37 217)	159 072
Cash Beginning of Year	\$	264 425	105 353
Cash End of Year	\$	227 208	264 425

# Alberta Liquor Store Association Membership



# Board of Directors 2013 - 2014

## Executive

Adam Koziak— Chateau Louis Liquor Store Edmonton- Chair  
Bob Richardson— Crowfoot Liquor Stores Calgary—Vice-Chair  
Paul Howe—Crescent Heights and Trackside Liquor Medicine Hat -Treasurer  
Grant Graves—Kensington Wine Market— Calgary - Secretary  
Allison Byrne - Anderson's Liquor - Edmonton - Past Chair

## Directors

Craig Corbett—Liquor Stores NA Ltd Inc Edmonton—Edmonton and Region  
Scott Mather—Liquor Town Edmonton—Northern Alberta Director  
Tank Vander—Solo Liquor Stores Edmonton— Director at Large  
Jay Robinson—Wainwright Liquor Wainwright—Director Central Region  
Colleen Feeney—Jerry's Liquor Hanna and Drumheller— Director at Large  
Christine Doell—Original Beach Liquor Stony Plain— Director at Large  
Garedew Woldemedhin—Picollo Liquor Edmonton— Director at Large  
David Owens—Sherbrooke Liquor Edmonton— Director at Large

## President's Council

Irv Kipnes—Liquor Stores GP Inc Edmonton  
Greg Krischke - Corinthia Liquor Leduc

## Staff

Ivonne Martinez—President  
Howard Riddel—Membership Services Coordinator  
Heather Kingston—Education Coordinator  
Cassandra Murray — Administrator and Board Support  
Frank Green—Bookkeeper  
Jennifer Budd—Admin Support



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