



Advancing Knowledge. Building Partnerships.

SYLVIA FEDORUK CANADIAN CENTRE
FOR NUCLEAR INNOVATION INC.
ANNUAL REPORT 2012-2013

**Medicine.
Materials.
Energy.
Environment.**

Located on the University of Saskatchewan campus in Saskatoon, the Sylvia Fedoruk Canadian Centre for Nuclear Innovation (Fedoruk Centre) is an independent, not-for-profit corporation that is a wholly-owned subsidiary of the University of Saskatchewan. The Fedoruk Centre is funded by Innovation Saskatchewan.

Find out more at: www.fedorukcentre.ca



CONTENTS

Message from the Chair 2

Message from the Interim Executive Director 3

Board of Directors 4

Project Advisory Committee 4

About the Fedoruk Centre 5

Timeline 7

Project Grant Recipients..... 9

Financial Highlights..... 10



MESSAGE FROM THE CHAIR

In its first full year of operations, the Sylvia Fedoruk Canadian Centre for Nuclear Innovation made significant progress towards realizing its vision of placing Saskatchewan among global leaders in nuclear research, development and training for maximum societal and economic benefit for the people of this province and beyond.

The Board of Directors has been very active in working to set the course for the Fedoruk Centre during this initial stage as it moves from start-up to routine operations. Currently, the Board is comprised of seven leaders, drawn from the Fedoruk Centre's principal stakeholders, the Province of Saskatchewan and the University of Saskatchewan, as well as distinguished representatives from industry and the academy. I am grateful to my Board colleagues for their astute insight and commitment to seeing the Fedoruk Centre reach its full potential.

I would also like to recognize interim Executive Director John Root and his team for their exceptional effort in setting up the Fedoruk Centre, taking it from earliest concept to a successfully operating agency that is working to build a network of nuclear expertise in Saskatchewan, connected through partnerships to the broader nuclear development community. This includes actively engaging with the nuclear research and development community both inside and outside the province, facilitating partnerships and awarding the first research grants.

Over the next year, the Board and management will build on the successes made to date by completing a strategic plan that will guide the Fedoruk Centre as it invests in people, projects and programs, and works to build and sustain partnerships. These activities will enable Saskatchewan people to generate, interpret and discuss knowledge related to nuclear development.

George Bereznai, PhD, PEng, FCNS
Chair of the Board



MESSAGE FROM THE INTERIM EXECUTIVE DIRECTOR

Photo credit: Kris Foster, On Campus News

The Fedoruk Centre has come a long way since its incorporation in December 2011. We are now moving forward with an efficient and productive team, establishing the processes and partnerships that will help position Saskatchewan researchers, academic institutions and industry at the forefront of nuclear medicine, nuclear energy and safety systems, materials innovation, and environmental research.

In the summer of 2012, we launched an initial \$500,000 “prototype” call for proposals to identify some of the Saskatchewan research leaders working in the nuclear domain and to test our awards management system. Thanks go to everyone who came forward with ideas and participated in the process. Congratulations go to the successful proponents from the University of Saskatchewan and University of Regina who received funding for their proposals. I would also like to acknowledge the work of the Fedoruk Centre’s Project Advisory Committee and external reviewers for contributing their energy and wisdom to the selection process, which will be applied in the \$2 million call for proposals that will close June 3, 2013.

Perhaps the most significant development of the past year was the decision to rename the Canadian Centre for Nuclear Innovation in honour of the late Sylvia Fedoruk, Saskatchewan’s first female Lieutenant Governor and nuclear medicine pioneer. Dr. Fedoruk’s model, as a trail-blazing scientist, renaissance person and outstanding citizen, sets a challenging standard for the aspirations of the Fedoruk Centre.

Over the coming years the Fedoruk Centre will continue to build Saskatchewan’s community of expertise related to nuclear innovation and education, with further calls for research projects and the development of academic programs at the province’s educational institutions. Working in close partnership with our key stakeholders, the University of Saskatchewan and the Province of Saskatchewan through Innovation Saskatchewan, the Fedoruk Centre has also accepted the responsibility of operating a state-of-the-art cyclotron and radioisotope laboratory. The purpose of this facility is twofold: to provide medical isotopes to the province’s first PET-CT scanner at the Royal University Hospital; and to support research and innovation in radio-imaging technologies, led by Saskatchewan-based scientists for the benefit of the province, Canada and the world.

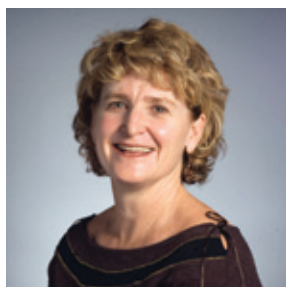
Through all of the research, development and educational activities we aim to support, the Fedoruk Centre is also striving to create the conditions for fact-based conversations about nuclear science and technology in Saskatchewan. On behalf of the Fedoruk Centre, I hope you will be interested and feel welcome to participate in our community of researchers, students, doctors, patients, innovators and workers as we learn together how to manage risks and harvest the benefits of nuclear technologies for the advancement of medicine, materials, energy and the environment in the years ahead.

John Root, PhD
Interim Executive Director

BOARD OF DIRECTORS



George Bereznai
Chair of the Board
University of Ontario
Institute of Technology



Karen Chad
Vice Chair of the Board
University of Saskatchewan



Greg Fowler
University of Saskatchewan



Jerome Konecsni
Innovation Saskatchewan



William Kupferschmidt
Atomic Energy of
Canada Ltd.



Engin Özberk
Cameco (retired)



Howard Wheeler
University of Saskatchewan



Richard Florizone
University of Saskatchewan
to January 2013

PROJECT ADVISORY COMMITTEE

The Project Advisory Committee, made up of prominent experts from outside of Saskatchewan, reviews and ranks project proposals that are received by the Fedoruk Centre. Since a proposal could address highly specialized, technical content from across a wide spectrum of fields, the Project Advisory Committee also seeks out the advice of subject-matter experts to serve as reviewers. Proposals are ranked according to four general criteria: Alignment with the Fedoruk Centre's purpose and target impact areas; Partners who are contributing to the proposal; Feasibility; and Pathway to Impact – the degree of impact envisioned and the plan to get there.



Duane Bratt, PhD
Mount Royal University
Dept. of Policy Studies (Chair)
International relations,
Canadian public policy,
Canadian nuclear policy



Albert Driedger, MD, PhD, FRCPC
University of Western Ontario
Victoria Hospital (Professor Emeritus),
Radiation and Nuclear Medicine,
Medical Research, Biochemistry



John Luxat, PhD, PEng
McMaster University
Engineering Physics Dept.
NSERC/UNENE Industrial Research
Chair in Nuclear Safety Analysis,
Nuclear Energy and Safety, Nuclear
Materials Research

ABOUT THE FEDORUK CENTRE



VISION

To place Saskatchewan among global leaders in nuclear research, development and training through investment in partnerships with academia and industry for maximum societal and economic benefit.

VALUE PROPOSITION

The Fedoruk Centre will advance knowledge in nuclear medicine, energy, materials and the environment, while creating benefits for the people of Saskatchewan and around the world.

MISSION

The Sylvia Fedoruk Canadian Centre for Nuclear Innovation meets the needs of the people of Saskatchewan and Canada by making investments in programs and projects, managing facilities, and facilitating long-lasting partnerships that will deliver positive impacts in nuclear science and technology.

VALUES

The Sylvia Fedoruk Canadian Centre for Nuclear Innovation demonstrates:

- **Excellence:** The Fedoruk Centre's activities and investments ensure the achievement of excellence in scientific innovation and community engagement.

- **Collaboration:** The Fedoruk Centre's activities and investments facilitate the creation of partnerships – in Saskatchewan, Canada and the world – among experts in academia, industry, governments and the public.
- **Credibility:** The Fedoruk Centre's activities and investments are governed by the highest standard of evidence-based scientific integrity and quality, pursuing world-wide respect.
- **Accountability:** The Fedoruk Centre fosters a culture of responsibility and voluntary participation in all its activities and investments, while demonstrating accountability to the people of Saskatchewan, Canada and the world.
- **Transparency:** The Fedoruk Centre ensures an open and accessible environment in its decision-making and business processes.

STRATEGIC OUTCOME

By 2020, the Fedoruk Centre will have succeeded in placing Saskatchewan among global leaders in selected areas of nuclear research, development, training and education, and will have delivered significant benefits.

Impact Areas

The Fedoruk Centre is working to build a network of experts and manage facilities that will enable Saskatchewan people to generate, interpret and apply knowledge, and make positive impacts in four areas:

- **Nuclear Medicine:** Advancing nuclear medicine, instruments and methods;
- **Nuclear Techniques for Materials Research:** Advancing knowledge of materials through nuclear techniques for applications in energy, health, environment, transportation and communication;
- **Nuclear Energy and Safety:** Improving safety and engineering of nuclear energy systems, including small reactors; and
- **Physical and Social Environment:** Managing the risks and benefits of nuclear technology for society and our environment.

Key Activities

The Fedoruk Centre works to achieve its purpose and make positive impacts by engaging in three key activities:

- **Programs:** to establish multi-disciplinary clusters of academic activity in Saskatchewan, within the nuclear domain, by supporting the appointment of academic leaders and faculty, as well as supporting the inclusion of nuclear components in existing courses or programs, providing students with opportunities for learning or accreditation in fields related to nuclear science, technology or policy;
- **Projects:** to support research and development projects that engage partners from academia, industry and other research institutions inside and outside Saskatchewan, with target outcomes including ongoing and new business activity within the province, in turn creating a venue for young Canadians to pursue careers at the leading edge of nuclear technology; and
- **Facilities:** to provide good stewardship of selected nuclear infrastructure, ensuring it is maintained in a competitive state of readiness for access in support of research, development and training, with a cyclotron as an initial example.

The Fedoruk Centre does not perform its own in-house research, development or training. Rather, these impacts are delivered through the work of Saskatchewan-based research leaders, in partnership with other researchers or organizations from throughout Canada or internationally, who contribute financial, material and human resources; and through access to research facilities managed by the Fedoruk Centre.

SYLVIA FEDORUK: SASKATCHEWAN NUCLEAR PIONEER

On October 3, 2012, Saskatchewan Premier Brad Wall announced that the Canadian Centre for Nuclear Innovation would be renamed in honour of the late Dr. Sylvia Fedoruk, former Lieutenant Governor of Saskatchewan, internationally acclaimed nuclear medicine pioneer and trailblazer.

Sylvia Fedoruk started her schooling in a one-room school near Wroxton, Saskatchewan. She would go on to earn a B.A. with great distinction from the University of Saskatchewan, receiving the Governor General's Medal as outstanding graduate. Dr. Fedoruk went on to obtain a Master's of Science in Physics with University of Saskatchewan professor Harold Johns, as the sole female member of the team working to develop an effective cobalt-60 radiation therapy machine.

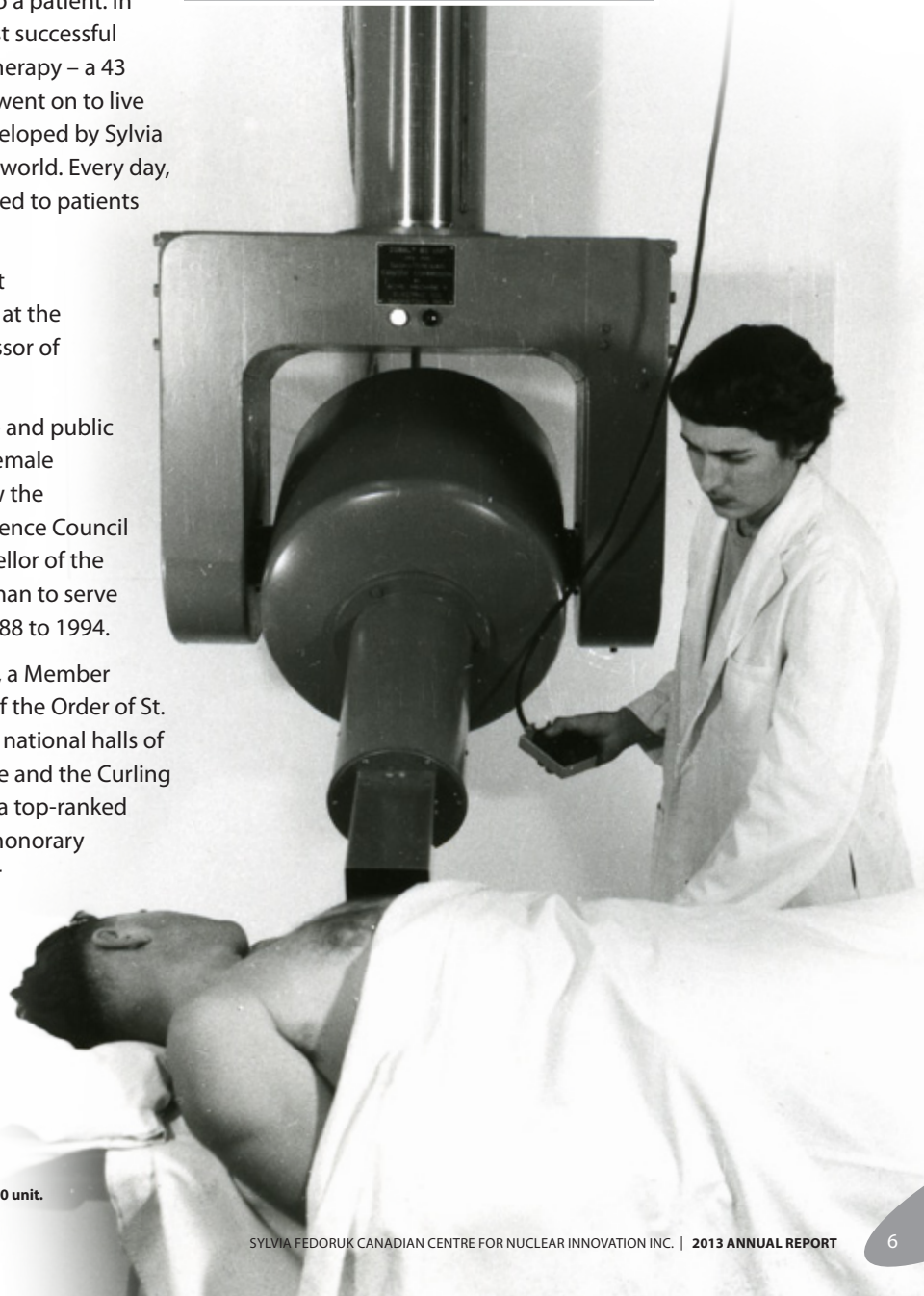
Dr. Fedoruk's work involved developing the calculations to predict and control the radiation dose delivered to a patient. In 1951, the calculations were used in the world's first successful treatment of a patient using cobalt-60 radiation therapy – a 43 year-old mother of four with cervical cancer who went on to live for another 47 years. Since then, the methods developed by Sylvia Fedoruk have gone on to save people around the world. Every day, more than 45,000 radiation treatments are delivered to patients in more than 80 countries.

Dr. Fedoruk would continue her research and treat cancer patients as the Director of Physics Services at the Saskatchewan Cancer Commission and as a Professor of Oncology at the University of Saskatchewan.

Dr. Fedoruk was a trailblazer for women in science and public service. Among her many firsts, she was the first female member of the Atomic Energy Control Board (now the Canadian Nuclear Safety Commission) and the Science Council of Canada. She was the first female elected chancellor of the University of Saskatchewan, and was the first woman to serve as Lieutenant Governor of Saskatchewan, from 1988 to 1994.

Dr. Fedoruk was an Officer of the Order of Canada, a Member of the Saskatchewan Order of Merit and a Dame of the Order of St. John of Jerusalem. She was an inductee in several national halls of fame, including the Canadian Medical Hall of Fame and the Curling Hall of Fame, for her contributions to the sport as a top-ranked athlete. Dr. Fedoruk was also the recipient of five honorary doctorates from universities across Canada for her contributions to medicine and public policy.

The Sylvia Fedoruk Canadian Centre for Nuclear Innovation is honoured to be able to build upon our namesake's amazing legacy as we work to create opportunities for Saskatchewan's next generation of leaders in nuclear research, development and training.



Sylvia Fedoruk treating patient with cobalt-60 unit.



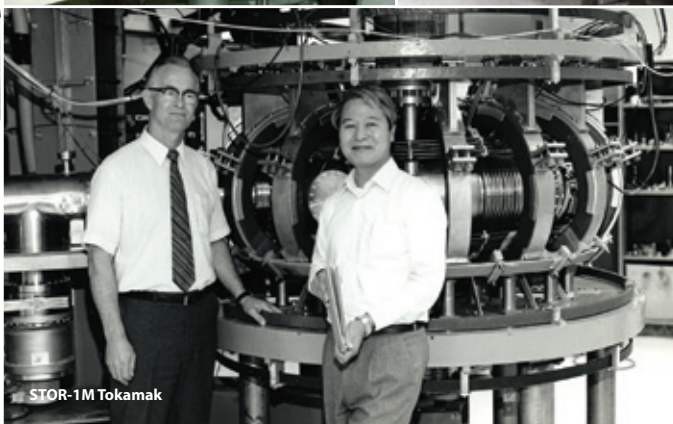
The Cobalt-60 'Bomb'



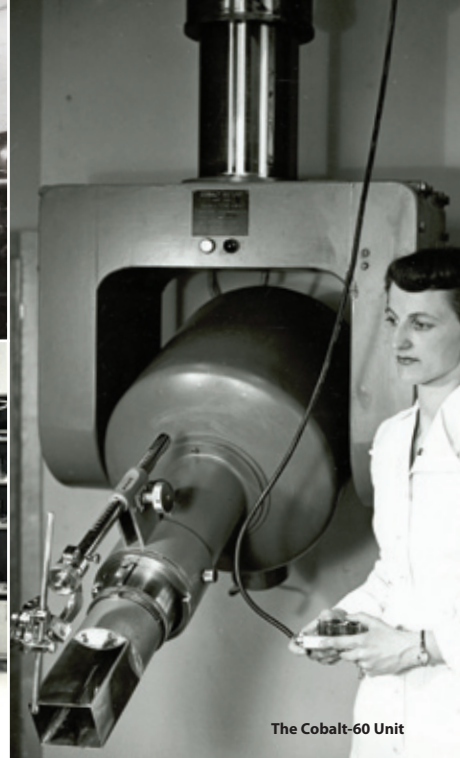
Betatron



Leon Katz at SAL



STOR-1M Tokamak



The Cobalt-60 Unit

TIMELINE



40s

50s

60s

70s

1948

A betatron – a particle accelerator that produces intense X-rays – is installed at the University of Saskatchewan for research, education and cancer therapy. The project was supported by Premier Tommy Douglas on the recommendation of Professor Harold Johns of the University of Saskatchewan and Dr. Allan Blair of Regina.

1951

University of Saskatchewan research team led by Harold Johns and including Sylvia Fedoruk conducts the first successful cancer treatment using cobalt-60 radiation.

1953

Saskatchewan's first uranium mines begin operation near Uranium City.

1958

The Plasma Physics Laboratory is established at the University of Saskatchewan.

1962

The Saskatchewan Accelerator Laboratory (SAL) opens in Saskatoon under the leadership of Professor Leon Katz, establishing an active nuclear physics community.

1981

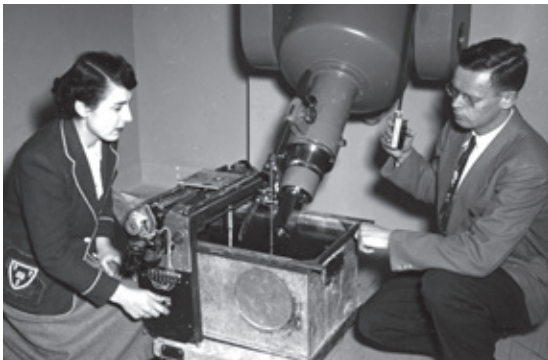
The Saskatchewan Research Council's SLOWPOKE II research reactor begins operation.

1983

The Plasma Physics Laboratory constructs STOR-1M, Canada's first tokamak plasma containment device, to conduct research into nuclear fusion.



Harold Johns



Sylvia Fedoruk and Ed Epp



Leon Katz





Unveiling the Fedoruk Centre, January 2013



Recipients of the first project grants, January 2013



Premier Brad Wall, Sylvia Fedoruk, Minister Rob Norris and University of Saskatchewan President Peter MacKinnon, March 2011

80s 90s 00s 10s

1987

The Plasma Physics Laboratory begins to operate a second, larger tokamak, STOR-M

1999

The Canadian Light Source synchrotron project is announced.

2004

The Canadian Light Source opens.

2009

The Government of Saskatchewan establishes the Uranium Development Partnership to assess opportunities to add value to the uranium fuel chain through research, innovation and training.

2011

March 2, The Government of Saskatchewan commits \$30 million to establish an Institute for Nuclear Studies, which will become the Canadian Centre for Nuclear Innovation (CCNI).

2011

March 4, The Province of Saskatchewan and Government of Canada announce funding for a cyclotron for research and the production of medical isotopes. It will be operated by the CCNI.

2011

December 20, The Canadian Centre for Nuclear Innovation is incorporated.

2012

February 25, The CCNI funding agreement is signed by the CCNI and Innovation Saskatchewan.

2012

October 3, The CCNI becomes the Sylvia Fedoruk Canadian Centre for Nuclear Innovation (Fedoruk Centre).

2013

January 15, The Fedoruk Centre's first project grant recipients announced.



Uranium Development Partnership Report



RECIPIENTS OF THE FEDORUK CENTRE'S 2012 PROJECT GRANTS

Using medical isotopes to better assess kidney function, developing new sensors for applications ranging from medical instruments to cargo scanners and taking the pulse of Saskatchewan's attitude towards nuclear issues are the subjects of some of the first research projects that received funding from the Sylvia Fedoruk Canadian Centre for Nuclear Innovation.

Five research projects, four from the University of Saskatchewan and one from the University of Regina, received \$485,000 from the Fedoruk Centre over the next two years. This funding leveraged an additional \$773,000 in cash and in-kind contributions from the research teams and partner organizations, bringing the total value of the research projects to over \$1.2 million.

The five projects are:

Nuclear Medicine: Better test for kidney function using medical isotopes

Effectively measuring how well a patient's kidneys are working is crucial to assessing kidney health, determining suitability for organ transplants and determining the right dose for chemotherapy drugs. But changes in the body's fluid balance in the very sick distort the accuracy of current methods for assessing kidney function. Dr. Paul Babyn and Dr. Carl Wesolowski of the University of Saskatchewan and the Saskatoon Health Region are developing a new test using a medical isotope without the shortcomings of current methods, leading to earlier detection of illness and more effective treatments for a number of conditions.

Nuclear Medicine and Engineering: Developing the next 'it' technology

What does a particle physics experiment aimed at discovering what holds matter together have to do with medical imaging, bomb-sniffing sensors and the parking-assist radar in cars? The answer: a silicon photomultiplier, which could soon be at the heart of a staggering array of new devices. They have been in use for about a decade to detect the tiny bursts of energy that are the hallmark of collisions between subatomic particles. Dr. Zisis Papandreou and colleagues in the University of Regina's physics faculty are working on a project to make large-area silicon photomultipliers robust enough to use in a variety of applications, ranging from medical scanners that can be used inside MRIs, to security sensors that can screen for trace amounts of radioactive materials inside a shipping container, to collision avoidance devices in new cars.

Nuclear Techniques: Seeing cell membranes...with neutrons

The membranes that surround human (and most other) cells are composed of two layers of phospholipid molecules. The arrangement of molecules in the layers creates a difference in electric charge across the membrane, from one side to the other. This electric potential is partly responsible for how molecules exit and enter our cells. According to University of Saskatchewan chemist Dr. Ian Burgess, diseases that manifest at the cellular level, such as Alzheimer's Disease and Multiple Sclerosis, affect the ability of the membranes to regulate their electric potential. With the support of the Fedoruk Centre, Dr. Burgess will travel to AECL Chalk River Laboratories to use neutrons produced by the venerable NRU nuclear reactor to peer into the structure of lab-grown phospholipid layers that mimic the condition of diseased cell membranes, providing clues as to how diseases develop and could perhaps be treated.

Nuclear Engineering and Safety: Innovative fusion reactor fuelling

Nuclear fusion, the nuclear reaction that powers the Sun, involves squeezing light atomic nuclei together within a super-hot plasma at temperatures around 100 million° C, producing a heavier nucleus and tremendous energy. One way to do this is to contain the plasma inside a powerful magnetic field in hopes that the atoms within the plasma will fuse. Dr. Chijin Xiao and his colleague Dr. Akira Hirose of the University of Saskatchewan's Plasma Physics Laboratory along with Quebec's Plasmionique Inc. are working to develop a system to deliver hydrogen fuel into the lab's STOR-M tokamak device while maintaining the plasma's stability. Knowledge gained from the work could provide insights for building fueling systems for fusion reactors that could one day be used in power plants.

Environment: Assessing public and business attitudes towards nuclear issues

Opinion and attitudes towards nuclear development are dynamic and gaining a better understanding of them is at the heart of the Fedoruk Centre's impact areas. University of Saskatchewan geographer Dr. Scott Bell and political scientist Dr. Loleen Berdahl will use the state of the art Social Sciences Research Laboratory to take the pulse of the community – including businesses and the general public – to examine views on nuclear-related issues, including nuclear medicine, nuclear energy and nuclear technology. The results will be used by policy makers and others, as well as form a baseline for future studies.

FINANCIAL STATEMENTS



SYLVIA FEDORUK CANADIAN
CENTRE FOR NUCLEAR
INNOVATION INC.
MARCH 31, 2013



June 4, 2013

Independent Auditor's Report

To the Member of

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.

We have audited the accompanying financial statements of Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc., which comprise the statement of financial position as at March 31, 2013 and the statements of operations and accumulated surplus and cash flows for the year then ended, and the related notes which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc. as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP

The Princeton Tower, 123 2nd Avenue South, Suite 200, Saskatoon, Saskatchewan, Canada S7K 7E6

T: +1 (306) 668 5900, F: +1 (306) 652 1315

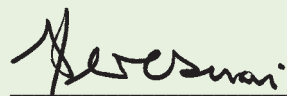
"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 2013

	MARCH 31, 2013 \$	DECEMBER 20, 2011 TO MARCH 31, 2012 \$
ASSETS		
Current assets		
Due from University of Saskatchewan (note 7)	3,756,504	2,673,940
Accounts receivable	9,680	-
Prepaid expenses	1,074	40,236
	3,767,258	2,714,176
Tangible capital assets (note 3)	77,205	2,260
Intangible capital assets (note 4)	2,500	5,000
	3,846,963	2,721,436
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	72,571	33,206
Unearned revenue	-	1,650
	72,571	34,856
Deferred contributions (note 5)	3,774,392	2,686,580
Accumulated surplus	-	-
	3,846,963	2,721,436
Economic dependence (note 1)		
Operating lease (note 6)		
Contractual obligations (note 9)		
Subsequent event (note 10)		

Approved by the Board of Directors



Chair



Vice Chair

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

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2013

	MARCH 31, 2013 \$	DECEMBER 20, 2011 TO MARCH 31, 2012 \$
REVENUE		
Innovation Saskatchewan grant – restricted (note 8)	912,188	313,420
Interest income (note 7)	27,834	-
Contributions in-kind (note 7)	8,690	3,450
Registration fees	7,948	-
University of Saskatchewan grant – unrestricted (note 7)	-	15,000
	<u>956,660</u>	<u>331,870</u>
EXPENDITURES		
Amortization	11,580	969
Board expenditures	10,523	2,547
Computing services support	1,347	1,063
Consulting and professional fees	40,317	41,134
Grants	315,895	-
Insurance in-kind (note 7)	2,500	-
Office services	3,600	5,008
Office supplies	21,180	1,533
Payroll and accounting services	7,154	-
Promotion and communications	33,991	823
Rent and occupancy	22,338	-
Rent in-kind (note 7)	6,190	3,450
Salaries and benefits	423,160	239,051
Travel	56,885	36,292
	<u>956,660</u>	<u>331,870</u>
Excess of revenue over expenditures	-	-
Accumulated surplus – Beginning of year	-	-
Accumulated surplus – End of year	<u>-</u>	<u>-</u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2013

	MARCH 31, 2013 \$	DECEMBER 20, 2011 TO MARCH 31, 2012 \$
CASH PROVIDED BY (USED IN)		
Operating activities		
Excess of revenue over expenditures for the year	-	-
Item not affecting cash		
Amortization	11,580	969
	<u>11,580</u>	<u>969</u>
Changes in non-cash working capital items		
Due from University of Saskatchewan	(1,082,564)	(2,673,940)
Accounts receivable	(9,680)	-
Prepaid expenses	39,162	(40,236)
Accounts payable and accrued liabilities	39,365	33,206
Unearned revenue	(1,650)	1,650
Deferred contributions	1,087,812	2,686,580
	<u>72,445</u>	<u>7,260</u>
	<u>84,025</u>	<u>8,229</u>
Investing activities		
Purchase of tangible capital assets	(84,025)	(3,229)
Purchase of intangible assets	-	(5,000)
	<u>(84,025)</u>	<u>(8,229)</u>
Increase in cash	-	-
Cash – Beginning of year	-	-
Cash – End of year	-	-

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2013

1 Nature of business

The Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc. (the “corporation” or “Fedoruk Centre”) was originally incorporated as a non-profit organization under the Canadian Not-for-Profit Corporations Act on December 20, 2011 as the Canadian Centre for Nuclear Innovation Inc., with its parent company and sole member being the University of Saskatchewan (“U of S”). On October 5, 2012 the corporation was registered with Corporations Canada as the Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.

The purpose of the Fedoruk Centre is to place Saskatchewan among global leaders in nuclear research, development and training through investments in partnerships with academia and industry, for maximum societal and economic benefit. This purpose is accomplished through investment in projects and programs of Saskatchewan-based, publicly-funded institutions and their partners and through stewardship of selected nuclear research facilities. The first such facility will be the research cyclotron facility currently under construction by the U of S. Upon conventional building commissioning of the cyclotron facility in 2014, the U of S will maintain ownership while the Fedoruk Centre will take responsibility for regulatory commissioning and ongoing operation.

The corporation qualifies as a tax exempt organization under the Income Tax Act.

The operation of the corporation is economically dependent on the funding from Innovation Saskatchewan (note 8).

2 Summary of significant accounting policies

a) Basis of presentation

These financial statements include the accounts of the corporation and are presented in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”).

b) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reporting period. Actual results could differ from these estimates.

c) Tangible capital assets

Tangible capital assets are recorded at cost and amortized over their expected useful lives. Computer equipment and software is amortized using the declining balance method at a rate of 30%. Furnishings and equipment are amortized using the straight-line method at a rate of 20%. Leasehold improvements are amortized using the straight-line method over the term of the lease.

d) Intangible assets

Intangible assets are recorded at cost and amortized over their expected useful lives using the straight-line method.

e) Revenue recognition

The corporation follows the deferral method of accounting for contributions which includes funding from Innovation Saskatchewan and other funding sources. Deferred contributions related to expenses of future periods represent unspent externally restricted funding and any related investment income, which are for the purposes of providing funding to eligible recipients and the payment of operating and capital expenditures in future periods. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions of materials and services are recognized only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the corporation's operations and would otherwise have been purchased.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2013

2 Summary of significant accounting policies (continued)

f) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and subsequent measurement is at amortized cost. The corporation does not consider itself to have significant exposure to credit risk, currency risk, interest rate risk, liquidity risk, market risk or other price risk.

3 Tangible capital assets

Tangible capital assets consist of:

			March 31, 2013	March 31, 2012
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Leasehold improvements	37,566	3,757	33,809	-
Furnishings	36,193	3,619	32,574	-
Equipment	10,267	1,027	9,240	-
Computer equipment and software	3,228	1,646	1,582	2,260
	87,254	10,049	77,205	2,260

4 Intangible assets

The corporation entered into a software license agreement effective March 12, 2012. The cost of \$5,000 will be amortized over the 2-year term of the agreement.

5 Deferred contributions

The corporation receives funding from Innovation Saskatchewan to be held, administered and distributed in accordance with the funding agreement. Deferred contributions related to expenses of future periods represent the unspent externally restricted funding and any related investment income, which are for the purposes of providing funding to eligible recipients and the payment of operating and capital expenditures in future periods. The changes in the deferred contributions balance are as follows:

	March 31, 2013 \$	Dec. 20, 2011 to March 31, 2012 \$
Opening deferred contributions	2,686,580	-
Contributions during the year: Innovation Saskatchewan	2,000,000	3,000,000
Total contributions available	4,686,580	3,000,000
Less: Amount recognized as revenue in current year	912,188	313,420
Closing deferred contributions	3,774,392	2,686,580

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2013

6 Operating lease

On September 1, 2012 the corporation entered into a lease agreement with Saskatchewan Opportunities Corporation, otherwise known as Innovation Place, for office space. The term of the lease agreement is five years and the future minimum annual lease payments are \$35,484 per year until the expiry of the lease agreement on August 31, 2017.

7 Related party transactions

During the year, the corporation entered into transactions with its parent company and sole member, the U of S. It received grant revenue of nil (2012 – \$15,000) from the U of S and it purchased goods and services from the U of S in the amount of \$60,042 (2012 – \$9,756), which are included in expenditures. Interest income of \$27,834 (2012 – nil) was received from the U of S based on the corporation's funds held in bank accounts administered by the U of S.

Of the grants made during the year by the corporation, \$218,322 (2012 – nil) were made to the U of S, including individuals or entities related to or employed by the U of S. At March 31, 2013, there was \$7,154 (2012 – \$4,680) included in accounts payable and accrued liabilities owing to the U of S.

During the year, the U of S provided the corporation with office space, furniture, a computer, equipment, and access to facilities, phones, computer networks and financial administrative systems needed to serve as the administrative secretariat of the corporation. Rent in-kind with a fair value, at the dates of contribution, of \$6,190 (2012 – \$3,450) has been recognized as a contribution and expenditure in the statement of operations and accumulated surplus, as has insurance in-kind of \$2,500 (2012 – nil).

All funds received by the corporation are held in, and payments to vendors of the corporation are made from, bank accounts administered by the U of S. The amount due from the U of S is included on the statement of financial position as "Due from University of Saskatchewan".

8 Innovation Saskatchewan grant

The Fedoruk Centre signed a funding agreement with Innovation Saskatchewan on March 2, 2012 for a total of \$30 million over 7 years, from January 2, 2012 to March 31, 2019. The initial installment of \$3 million was received in January 2012 to be followed by installments of \$2 million (with the exception of April 2013 which will be \$3 million) in April and October of each year beginning in April 2012 and ending in October 2018.

Funds are to be used solely for the purposes of the project as defined in the agreement. The agreement defines that all funds must be returned to the funder if there is non-compliance or the agreement is terminated by the funder, and at the application of the Fedoruk Centre the funder may elect to limit repayment to an amount not exceeding actual and reasonable project expenses paid by the Fedoruk Centre.

9 Contractual obligations

The primary activity of the Fedoruk Centre is to provide grants to eligible individuals and their institutions for the purpose of nuclear research, development and training. The Fedoruk Centre's first prototype call for proposals was undertaken in June 2012, and five projects were awarded grants. The grant awards are to be funded over a two-year period. The total maximum commitment made during the year ended March 31, 2013 was \$484,785 (2012 – nil), of which \$285,265 was funded during the year (2012 – nil). The remaining maximum commitment on these projects is \$199,520.

10 Subsequent event

The funding agreement with Innovation Saskatchewan was amended subsequent to March 31, 2013. The amendment allows the Fedoruk Centre to redirect up to \$6.3 million of the original \$30 million to assist the U of S with cash flow for the research cyclotron capital project. The amendment also provides for \$1 million per year for three years, in addition to the original \$30 million, to assist with the operation of the cyclotron.



www.fedorukcentre.ca

111-54 Innovation Boulevard, Saskatoon SK S7N 2V3 306.966.3375

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