



ANNUAL REVIEW 2015-2016
*Growing*IMPACT

THE FEDORUK CENTRE IS WORKING TO BUILD
THE RESEARCH AND INNOVATION CAPACITY
NECESSARY TO SUPPORT A VIBRANT NUCLEAR
SECTOR IN SASKATCHEWAN.



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

 Twitter: @FedorukCentre

 Facebook.com/FedorukCentre



FedorukCENTRE

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MESSAGE FROM THE BOARD OF DIRECTORS

The past year was an active one for the Sylvia Fedoruk Canadian Centre for Nuclear Innovation, with several significant achievements that contribute to the building of nuclear research and innovation capacity in Saskatchewan.

After tremendous effort on the part of the staff of the Fedoruk Centre and partners at the University of Saskatchewan, the Saskatchewan Centre for Cyclotron Sciences at the U of S is now operating as the focus for a growing community of researchers and a supplier of medical isotopes for Saskatchewan patients.

The \$2 million investment made by the Fedoruk Centre to the Johnson Shoyama Graduate School of Public Policy will enable research related to energy and technology policy, and social engagement – areas where new knowledge is needed to better equip policy-makers and the public around the world as we deal with issues related to the use of technology and sustainability.

At the same time, the Fedoruk Centre and the community of researchers it supports are drawing the attention of the national and international nuclear sectors to the province, creating opportunities for new collaborations. This includes the recruiting of the first Fedoruk research chair in nuclear technology at the University of Regina and the attraction of leading radiochemistry researchers to the University of Saskatchewan. These leaders are contributing to Saskatchewan’s growing nuclear imaging community, with applications ranging from new ways to diagnose and treat cancers to improved crop varieties.


The Board is proud of the successes of the Fedoruk Centre to date, and is confident that it is on track to realize its objectives.

Karen Chad, PhD
Vice-Chair of the Board
Vice-President Research, University of Saskatchewan



IAEA
International Atomic Energy Agency

The Fedoruk Centre was recognized by the International Atomic Energy Agency as an example for countries looking to develop their own networks of nuclear innovation and research.



\$3.9 million

Total to date of additional funding from other sources received by Saskatchewan researchers to continue work first supported by the Fedoruk Centre

BOARD OF DIRECTORS

DIRECTOR	AFFILIATION
Dr. John Root, <i>Chair</i>	Director, Canadian Neutron Beam Centre
Dr. Karen Chad, <i>Vice-Chair</i>	Vice-President Research, University of Saskatchewan
Dr. William Kupferschmidt	Former Vice-President, R & D Canadian Nuclear Laboratories (retired)
Mr. Engin Özberk	Special Advisor and Executive in Residence, MITACS
Mr. Greg Fowler	Vice-President Finance and Resources, University of Saskatchewan
Mr. Donald Deranger	Aboriginal Advisor on Governance, Unity and Business Development
Mr. Thomas Kishchuk	Vice-President Operational Support, Federated Co-operatives Limited
Mr. David Katz	Chief Science and Policy Officer, Innovation Saskatchewan
Dr. Donald Wilson	Nuclear Medicine Physician and Radiation Oncologist, British Columbia Cancer Agency
Dr. Esam Hussein	Dean, Faculty of Engineering, University of Regina
Dr. Melissa Deneke <i>(joined June 2016)</i>	Scientific Director, Dalton Nuclear Institute The University of Manchester
Dr. Paul Schaffer <i>(joined June 2016)</i>	Associate Laboratory Director, Life Sciences TRIUMF

GOVERNANCE

PROJECT ADVISORY COMMITTEE

Made up of prominent experts from outside of Saskatchewan, the Project Advisory Committee works with subject matter experts to review and ranks project proposals received by the Fedoruk Centre.

Duane Bratt, PhD	Mount Royal University, Dept. of Policy Studies (Chair)
Katherine Zukotynski, MD, FRCPC	McMaster University, Departments of Medicine and Radiology
John Luxat, PhD, P.Eng, FCAE, FCNS	McMaster University, Engineering Physics Department

StrategicDIRECTION

OUTCOME: By 2020, the Fedoruk Centre will establish a research and innovation capacity to support a vibrant nuclear sector in Saskatchewan.

GOALS:

Build Nuclear Expertise and Capacity

Enhance Innovation

Engage Communities and Increase Understanding

Ensure Sustainability and Accountability of Resources and Infrastructure



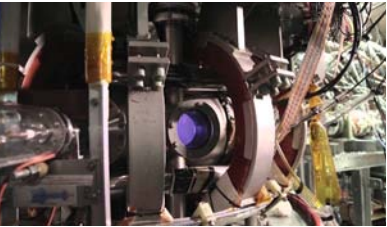
Leadership in public policy and the social aspects of nuclear development
In February 2016 the Fedoruk Centre invested \$2 million to support visiting scholars, graduate student training and research in the Johnson Shoyama Graduate School of Public Policy related to energy and technology policy, and social engagement.



New nuclear leadership in Saskatchewan universities
In September, Aram Teymurazyan was welcomed as the first Fedoruk Chair in Nuclear Imaging Technologies at the University of Regina. With close to \$1.5 million in funding from the Fedoruk Centre, Dr. Teymurazyan will develop new radiation detectors for imaging radioisotopes in plants, animal and humans.



Supporting Saskatchewan excellence in international particle physics research
The Fedoruk Centre contributed \$67,000 to a Canada Foundation for Innovation grant awarded to Professor Garth Huber and his team in the Physics Department at the University of Regina. Professor Huber is leading the development of a new kind of particle detector that will be used in experiments at Jefferson National Laboratory in the United States to study the building blocks of atomic nuclei. The technology could also find its way into new forms of medical imaging devices to detect cancer.



International researchers conduct fusion experiments
Scientists from nine countries conducted a series of fusion experiments at the University of Saskatchewan as part of a meeting organized by the International Atomic Energy Agency. The experiments help to answer questions crucial to the development of a commercial nuclear fusion power plant. The U of S is home to the only operating tokamak fusion reactor in the country. The Fedoruk Centre was pleased to support the workshop through an outreach grant, and is working with Saskatchewan researchers to revitalize fusion R&D efforts in Canada.

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:

- Advancing nuclear medicine, instruments and methods;
- Advancing knowledge of materials through nuclear techniques for applications in energy, health, environment, transportation and communication;
- Improving safety and engineering of nuclear energy systems, including small reactors; and
- Managing the risks and benefits of nuclear technology for society and our environment.

\$7.2 million for programs

\$5.2 MILLION NUCLEAR MEDICINE
Three Fedoruk Chairs, two other faculty

\$2 MILLION SOCIETY AND ENVIRONMENT
Visiting Fedoruk Scholars, graduate students



GrowingIMPACT

PROJECTS FUNDED	26
PROJECTS COMPLETED	8
TOTAL FEDORUK CENTRE CONTRIBUTION	\$3.949 MILLION
FEDORUK CENTRE INVESTMENT BY IMPACT AREA <ul style="list-style-type: none">• NUCLEAR MEDICINE• NUCLEAR TECHNIQUES FOR MATERIALS RESEARCH• ENERGY AND SAFETY• SOCIETY AND ENVIRONMENT	\$1.81 MILLION, 11 PROJECTS \$453 THOUSAND, 4 PROJECTS \$296 THOUSAND, 3 PROJECTS \$1.39 MILLION, 8 PROJECTS
PARTNER CASH CONTRIBUTIONS	\$231 THOUSAND, 7 PROJECTS (INCLUDES INSTITUTIONAL BASE FUNDING DIVERTED TO THE PROJECTS)
PARTNER IN-KIND CONTRIBUTIONS CLAIMED	\$4.152 MILLION
FOLLOW ON FUNDING LEVERAGED BY SUPPORTED RESEARCHERS	\$3.929 MILLION
INDUSTRIAL PARTNERS (PROJECTS)	9 PARTNERS ON 13 PROJECTS

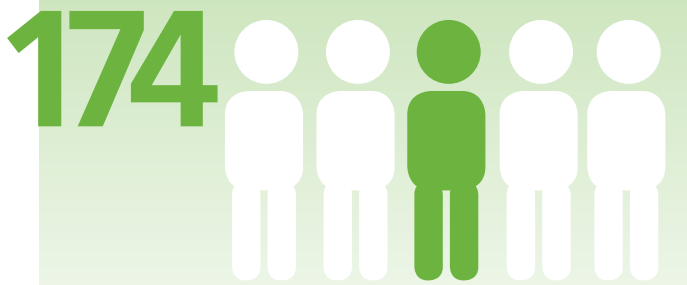


165

PUBLICATIONS, peer-reviewed articles, theses, abstracts, conference presentations, public outreach, news stories, non-peer reviewed.

12 PROJECTS

reported social and economic benefits in 2015. Activity is underway to commercialize work patented in 2014 on improved diagnostics for kidney function by University of Saskatchewan researcher Dr. Carl Wesolowski, including the formation of a start-up company.



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HQP (Highly Qualified Personnel) Trained or Hired: 54 Undergrads, 34 M.Sc., 18 Ph.D., 48 Post-Doc, 15 Technicians, 5 Other

65% of project teams have developed new collaborations since the start of their projects. Of those partnerships:
- 36% were from elsewhere in Canada and a further 36% were from outside Canada.
- 9 partners were from industry.

The Fedoruk Centre is seeking to better assess public understanding of nuclear issues through the support of social science research programs and projects. This includes work aimed at better understanding the information needs of communities, including Northern and Indigenous communities.

\$8.3 million



Since 2012, the Fedoruk Centre has awarded \$3.95 million to 26 projects led by Saskatchewan-based researchers. When combined with reported cash and in-kind contributions from project partners, the total value of the funded projects is over \$8 million.

In 2015, project teams reported **\$739,000** in new funding from Federal, provincial and non-profit sources to support work originally funded by the Fedoruk Centre.

GrowingINSIGHT



Dr. Chris Phenix joined the University of Saskatchewan's Department of Chemistry from the Thunder Bay Regional Research Institute. A graduate of the University of Saskatchewan and University of Regina, Dr. Phenix researches novel ways to image the activity of enzymes important for human health using PET scanners.



Dr. Eric Price came to the Department of Chemistry at the University of Saskatchewan from the Memorial Sloan Kettering Cancer Center in New York. His research includes developing new radioactive drugs to fight cancers and bacterial infections.

CYCLOTRON

Saskatchewan Centre for Cyclotron Sciences

MARCH 2011: FUNDING AWARDED



AUGUST 2013: CONSTRUCTION BEGINS



APRIL 2014: CYCLOTRON
INSTALLED IN THE FACILITY



DECEMBER 2014: FACILITY
CONSTRUCTION COMPLETED



JANUARY 2015: FACILITY COMMISSIONING BEGINS



JUNE 2015: FIRST
RADIOISOTOPES PRODUCED

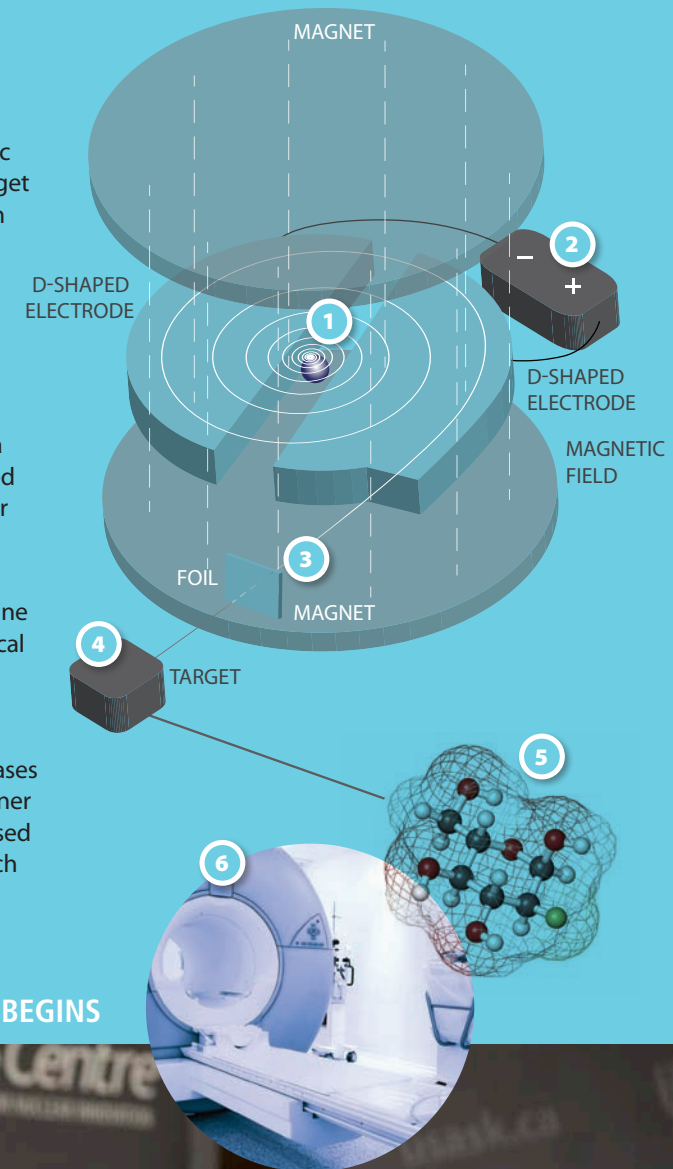


MAY 2016: FIRST RADIOISOTOPES
USED IN RESEARCH

HOW IT WORKS

- 1 A stream of negatively-charged hydrogen ions (atoms with one proton and two electrons) are injected into a vacuum chamber between two D-shaped plates – called 'dees' – enclosed between the poles of an electromagnet.
- 2 An alternating positive and negative charge between the dees moves the ion back and forth from one dee to the other. The ion accelerates every time it crosses the gap between the dees, gaining energy. The magnetic field holds the ion within the horizontal plane, resulting in the accelerating ions moving in a spiral path out towards the edge of the dees.
- 3 At the edge of the dee, the ions pass through a graphite foil that strips away the electrons, leaving a beam of high energy protons that are steered down a beamline to a target. Target materials can be liquids, solids or gases, depending on the radioisotope being made.

- 4 When a high energy proton from the cyclotron collides with an atom in the target, other sub-atomic particles are knocked out of the target atom's nucleus converting the atom into a radioisotope.
- 5 The radioisotope is separated from the target material in the facility's production laboratory. The radioisotope is tagged on to a molecule such as a sugar, creating a radiopharmaceutical. The completed drug is then shipped to a hospital or used in research.
- 6 In the hospital nuclear medicine department, the radiopharmaceutical is injected into a patient who is then placed in a PET-CT scanner. As the radioisotope in the radiopharmaceutical decays, it releases energy that is detected by the scanner which generates an image that is used by doctors to diagnose diseases such as cancer.



▼ JUNE 2016: SUPPLY OF RADIOISOTOPES FOR PATIENT USE BEGINS

Cyclotron TIMELINE

MARCH 2011

AUGUST 2013

APRIL 2014

DECEMBER 2014

JANUARY 2015

JUNE 2015

MAY 2016

JUNE 2016



"WE'RE NOW USING MEDICAL ISOTOPES MADE RIGHT HERE TO HELP PATIENTS AND ALSO TO FURTHER MORE RESEARCH IN AGRICULTURE. THAT'S A HUGE DEAL"

- HONOURABLE BRAD WALL,
PREMIER OF SASKATCHEWAN



May 30, 2016

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, 2016 and the statements of operations and unrestricted net assets and cash flows and schedule of expenditures 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, 2016 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 Professional Accountants

PricewaterhouseCoopers LLP
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T: +1 306 668 5900, F: +1 306 652 1315

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

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.

Statement of Financial Position

As at March 31, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash held by University of Saskatchewan (note 6)	12,473,811	14,190,568
Accounts receivable	9,946	2,831
Prepaid expenses	3,248	-
	<u>12,487,005</u>	<u>14,193,399</u>
Tangible capital assets (note 3)	31,244	46,257
	<u>12,518,249</u>	<u>14,239,656</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	101,718	23,824
Deferred contributions (note 4)	12,416,531	14,215,832
Unrestricted net assets	<u>-</u>	<u>-</u>
	<u>12,518,249</u>	<u>14,239,656</u>
Economic dependence (note 1)		
Operating lease (note 5)		
Commitments (note 8)		

Approved by the Board of Directors

John Root Director Greg Fowler Director

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

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.
Statement of Operations and Unrestricted Net Assets
For the year ended March 31, 2016

	2016 \$	2015 \$
Revenue		
Innovation Saskatchewan grant – restricted (note 7)	6,799,301	2,727,565
Interest income (note 6)	63,974	114,608
Other income	-	2,000
	6,863,275	2,844,173
Expenditures (Schedule)		
Grants (note 6)	5,365,048	1,795,218
Cyclotron (note 6)	878,513	208,876
Operations (note 6)	619,714	840,079
	6,863,275	2,844,173
Excess of revenue over expenditures	-	-
Unrestricted net assets – Beginning of year	-	-
Unrestricted net assets – End of year	-	-

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

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.
Schedule of Expenditures
For the year ended March 31, 2016

	2016 \$	2015 \$
Expenditures		
Grants (note 6)		
Cyclotron capital grants	2,805,000	825,000
Program grants	2,096,444	-
Project grants	463,604	970,218
	5,365,048	1,795,218
Cyclotron (note 6)		
Salaries and benefits	545,503	170,599
Operating license (note 8)	220,740	-
Supplies and services	107,434	30,690
Travel	3,494	7,587
Amortization	1,342	-
	878,513	208,876
Operations (note 6)		
Salaries and benefits	385,856	545,758
Supplies and services	119,070	185,804
Travel	58,465	52,057
Rent and occupancy	39,050	38,899
Amortization	17,273	17,561
	619,714	840,079
	6,863,275	2,844,173

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

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.
Statement of Cash Flows
For the year ended March 31, 2016

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	-	-
Item not affecting cash		
Amortization	18,615	17,561
	18,615	17,561
Changes in non-cash working capital items		
Cash held by University of Saskatchewan	1,716,757	(1,092,767)
Accounts receivable	(7,115)	12,485
Prepaid expenses	(3,248)	738
Accounts payable and accrued liabilities	77,894	(205,843)
Deferred contributions	(1,799,301)	1,272,435
	(15,013)	(12,952)
	3,602	4,609
Investing activities		
Purchase of tangible capital assets	(3,602)	(4,609)
Net change in cash	-	-
Cash – Beginning of year	-	-
Cash – End of year	-	-

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

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.
Notes to Financial Statements
March 31, 2016

1	<p>Nature of business</p> <p>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 corporation qualifies as a tax exempt organization under the Income Tax Act.</p> <p>The mandate 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 operating the Saskatchewan Centre for Cyclotron Sciences (“SCCS”), which is owned by the U of S, for research and clinical applications.</p> <p>The Fedoruk Centre began the regulatory commissioning of the cyclotron and radioisotope production facility in October 2014 and achieved operational status in May 2016.</p> <p>The operation of the corporation is economically dependent on the funding from Innovation Saskatchewan (note 7).</p>
2	<p>Summary of significant accounting policies</p> <p>a) Basis of presentation</p> <p>These financial statements include the accounts of the corporation and are presented in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”).</p> <p>b) Use of estimates</p> <p>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.</p> <p>c) Tangible capital assets</p> <p>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.</p> <p>d) Revenue recognition and project grant expenditures</p> <p>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.</p> <p>Investment income earned on the cash held by University of Saskatchewan is recognized as revenue when the U of S can measure and transfer the income to the corporation. 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.</p> <p>Grants are recognized as expenditures when the current year grant commitment to the recipient is due under the terms of the grant agreement.</p>

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.

Notes to Financial Statements

March 31, 2016

e) Financial instruments

Financial assets and financial liabilities consisting of cash held by University of Saskatchewan, accounts receivable, and accounts payable and accrued 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.

Financial assets are tested for impairment at the end of each reporting period when there are indications that an asset may be impaired.

f) Decommissioning and asset retirement obligation

During the year, as a component of its Class II Nuclear Facilities and Prescribed Equipment License from the Canadian Nuclear Safety Commission (“CNSC”), the corporation completed its acknowledgement of liability with respect to the safe termination of licensed activities under the Class II license. As at March 31, 2016, the obligation is calculated as \$93,000 based on the formula provided by the CNSC and the Fedoruk Centre’s inventory of prescribed equipment. The corporation is not required to set aside any specific funds, or pay any annual financial contribution to the CNSC, with respect to this obligation.

As the cyclotron facility has not received its CNSC operating license as of March 31, 2016 there is no decommissioning liability recognized in these financial statements. At a minimum, upon achieving the operating license a decommissioning liability will be recorded to reflect certain baseline regulatory activities that will be required upon decommissioning, such as radiological surveys. A reasonable estimate of the full amount of any potential further asset retirement obligation cannot be made at this time as there is significant uncertainty regarding the present amount of any additional obligation, due to factors such as the potential for activation of the concrete and the ultimate method of decommissioning. These factors will be evaluated on an annual basis.

g) Allocation of expenses

To reflect the shift in effort by operating staff from operations towards the cyclotron facility, salaries and benefits for certain individuals are allocated from operations to the cyclotron. During the year ended March 31, 2016 \$126,332 (2015 – nil) was allocated.

3 Tangible capital assets

			2016	2015
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Leasehold improvements	36,671	25,708	10,963	18,271
Furnishings	36,193	25,336	10,857	18,096
Equipment	10,267	7,186	3,081	5,134
Computer equipment and software	12,517	6,174	6,343	4,756
	95,648	64,404	31,244	46,257

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.

Notes to Financial Statements

March 31, 2016

4 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, which is for the purpose 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:

	Operations \$	Cyclotron \$	2016 \$
Opening deferred contributions	8,740,832	5,475,000	14,215,832
Contributions during the year: Innovation Saskatchewan (note 8)	4,000,000	1,000,000	5,000,000
Total contributions available	12,740,832	6,475,000	19,215,832
Less: Amount recognized as revenue in current year	3,115,788	3,683,513	6,799,301
Closing deferred contributions	9,625,044	2,791,487	12,416,531
	Operations \$	Cyclotron \$	2015 \$
Opening deferred contributions	6,643,397	6,300,000	12,943,397
Contributions during the year: Innovation Saskatchewan (note 8)	4,000,000	-	4,000,000
Total contributions available	10,643,397	6,300,000	16,943,397
Less: Amount recognized as revenue in current year	1,902,565	825,000	2,727,565
Closing deferred contributions	8,740,832	5,475,000	14,215,832

5 Operating lease

On September 1, 2012 the corporation entered into a lease agreement for office space. The term of the lease agreement is five years and the future minimum annual lease payments are \$37,180 per year until the expiry of the lease agreement on August 31, 2017.

6 Related party transactions

During the year, the corporation entered into transactions with its parent company and sole member, the U of S. The corporation purchased goods and services from the U of S in the amount of \$16,495 (2015 – \$30,163) and incurred operating license costs for the cyclotron of \$220,740 (2015 – nil), which are included in expenditures. In addition, cyclotron capital costs of \$973,416 (2015 – \$305,357) incurred by the corporation were reimbursed by the U of S, with no net amount remaining in expenditures.

Interest income of \$63,974 (2015 – \$114,608) 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, \$4,484,755 (2015 – \$1,795,218) were made to the U of S, including individuals or entities related to or employed by the U of S.

The related party transactions described above are measured at carrying amounts. 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, which are included on the statement of financial position as “cash held by University of Saskatchewan”.

Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.

Notes to Financial Statements

March 31, 2016

7 Innovation Saskatchewan grant

The Fedoruk Centre signed a funding agreement with Innovation Saskatchewan on March 2, 2012 for a total of \$30 million to be disbursed over 7 years, from January 2, 2012 to March 31, 2019. 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.

The funding agreement with Innovation Saskatchewan was amended on June 4, 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 cyclotron capital project. If capital costs for the cyclotron are less than \$6.3 million, any remaining amount will be returned to the Fedoruk Centre’s operating budget. The amendment also provides for \$1 million per year for three years, in addition to the original \$30 million, for cyclotron facility operating costs. A payment of \$1 million was advanced to the Fedoruk Centre during the year ended March 31, 2016. Two payments of \$1 million each will be advanced on the second and third anniversaries of the first payment.

8 Commitments

a) Grants

The Fedoruk Centre provides grants to eligible individuals and their institutions for the purpose of nuclear research, development and training. Project grant awards are funded over multiple years. The total maximum commitment made during the year ended March 31, 2016 was approximately \$152,000 (2015 – \$1,228,000). Project grants disbursed during the year ended March 31, 2016 were \$463,604 (2015 – \$970,218). The remaining maximum commitment on all projects is approximately \$712,000 (2015 – \$1,024,000).

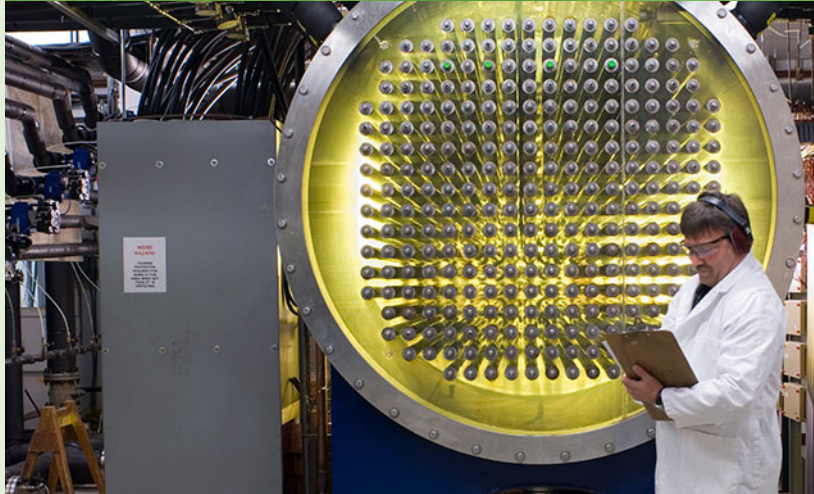
During the year, an agreement was signed between the Fedoruk Centre, the University of Regina and the University of Saskatchewan under which the Fedoruk Centre will fund three research chairs for five years, beginning in 2015 and ending June 30, 2020, and will fund ancillary support to accelerate innovation in nuclear imaging tools and techniques and to advance research, development and training in nuclear medicine. The Fedoruk Centre’s total maximum commitment is \$5,166,444 over the term of the agreement.

b) Cyclotron

The Fedoruk Centre has entered into an operating license agreement with the U of S for the cyclotron facility. The agreement calls for the Fedoruk Centre to be responsible for the operation, maintenance and eventual decommissioning of the cyclotron facility. During the term of the license agreement, an annual estimated license fee of \$520,000 will be paid to the U of S by the Fedoruk Centre based on costs that the U of S incurs on the facility.

The operating license agreement includes a requirement for a separate funding agreement to provide the U of S with funding in the form of grant contributions of up to \$6.3 million for the construction of the cyclotron facility. Funds from other sources are to be fully exhausted prior to any funds from the Fedoruk Centre being utilized. Each instalment, a maximum of \$2.1 million, will be adjusted according to need. The balance of the \$6.3 million not required for the capital project will be returned to the Fedoruk Centre’s operating account. During the year ended March 31, 2016 grants of \$2,805,000 (2015 – \$825,000) were made.

During the year, the Fedoruk Centre entered into an agreement for the provision of cyclotron maintenance services. The term of the agreement is from February 1, 2016 to January 31, 2019 and the cost is \$280,000 per year.



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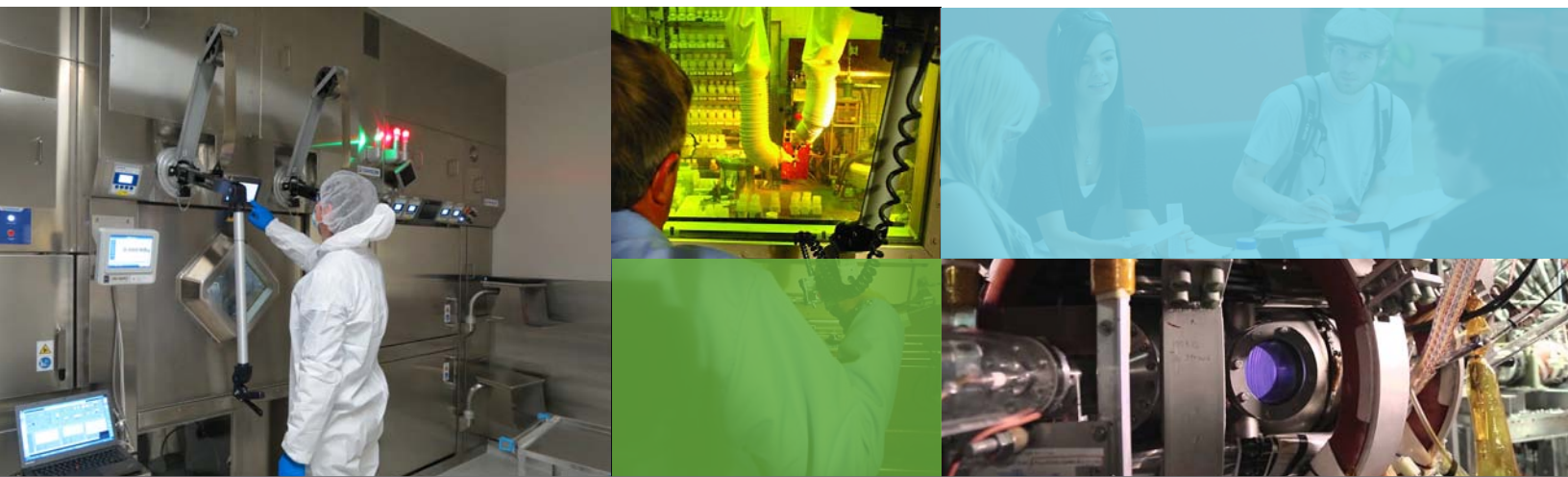


Find out more at: www.fedorukcentre.ca

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