

VI. The Canadian Nuclear Safety Commission

Management Responsibility for Financial Statements

The integrity and objectivity of the accompanying financial statements of the Canadian Nuclear Safety Commission (CNSC) for the year ended March 31, 2006 and all information included in its annual report are the responsibility of CNSC management.

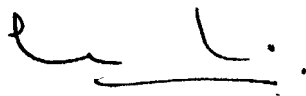
These financial statements have been prepared by management in accordance with Treasury Board accounting policies and year-end instructions issued by the Office of the Comptroller General, which are consistent with Canadian generally accepted accounting principles for the public sector. Some of the information in the financial statements is based on management's best estimates and judgement and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the CNSC's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in this annual report and CNSC's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act* and regulations as well as CNSC policies and statutory requirements such as the *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations*. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the CNSC.

The CNSC's external auditor, the Auditor General of Canada, has audited the financial statements and at the specific request of the CNSC, compliance with the *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations*. The Auditor General has reported on her audit and compliance findings to the CNSC and to the Minister of Natural Resources.



Linda J. Keen
President and CEO



Claude Caron
Vice President and Chief Financial Officer
Corporate Services Branch

Ottawa, Canada
June 2, 2006

Auditor's Report

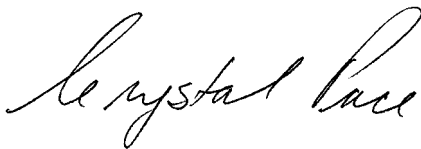
To the Canadian Nuclear Safety Commission
and the Minister of Natural Resources

I have audited the statement of financial position of the Canadian Nuclear Safety Commission as at March 31, 2006 and the statements of operations, equity of Canada and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, in my opinion, the Canadian Nuclear Safety Commission has complied, in all significant respects, with the *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations* pursuant to the *Nuclear Safety and Control Act*.



Crystal Pace, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
June 2, 2006

Financials

Statement of Financial Position as at March 31

	2006	2005
Assets		
Financial assets:		
Due from the Consolidated Revenue Fund	\$8,309,921	\$6,273,832
Accounts receivable (Note 4)	5,581,161	4,665,597
	<u>13,891,082</u>	<u>10,939,429</u>
Non-financial assets:		
Prepaid expenses	344,367	256,489
Tangible capital assets (Note 5)	3,138,646	3,309,023
Total Assets	<u>\$17,374,095</u>	<u>\$14,504,941</u>
Liabilities		
Accounts payable and accrued liabilities	\$8,309,921	\$6,273,832
Vacation pay and compensatory leave	3,617,848	3,350,110
Deferred revenue (Note 6)	3,443,184	4,944,687
Employee severance benefits (Note 9b)	9,145,863	8,510,976
	<u>24,516,816</u>	<u>23,079,605</u>
Equity of Canada	<u>(7,142,721)</u>	<u>(8,574,664)</u>
Total Liabilities and Equity of Canada	<u>\$17,374,095</u>	<u>\$14,504,941</u>

Contractual obligations and contingent liabilities (Note 10)

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

Approved by:



Linda J. Keen
President and CEO



Claude Caron
Vice President and Chief Financial Officer
Corporate Services Branch

Statement of Operations

for the year ended March 31

	2006	2005
Revenues		
Licence fees	\$49,336,934	\$44,296,069
Special projects	3,206,374	4,489,706
Other	34,190	10,143
Total revenues (Note 7)	52,577,498	48,795,918
Expenses		
Salaries and employee benefits	55,383,938	54,458,975
Professional and special services	10,993,080	10,701,495
Furniture, equipment repairs and rental	7,083,812	4,412,733
Accommodation	4,630,628	4,640,009
Travel and Relocation	3,555,388	3,699,005
Communication and information	1,946,908	1,613,672
Utilities, materials and supplies	773,027	597,019
Grants and contributions	333,962	226,957
Other	499,206	489,855
Total expenses (Note 7)	85,199,949	80,839,720
Net cost of operations	\$32,622,451	\$32,043,802

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

Statement of Equity of Canada

for the year ended March 31

	2006	2005
Equity of Canada at beginning of year	(\$8,574,664)	(\$13,018,735)
Net cost of operations	(32,622,451)	(32,043,802)
Services provided without charge (Note 12a)	8,195,630	8,138,745
Net cash provided by government (Note 3c)	23,822,675	27,216,320
Change in due from Consolidated Revenue Fund	2,036,089	1,132,808
Equity of Canada at end of year	(\$7,142,721)	(\$8,574,664)

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

Statement of Cash Flows

for the year ended March 31

	2006	2005
Operating Activities		
Net cost of operations	\$32,622,451	\$32,043,802
Non-cash items		
Amortization of tangible capital assets (Note 5)	(485,052)	(481,056)
Write-down of tangible capital assets	(20,316)	—
Services provided without charge by other Government departments and agencies (Note 12a)	(8,195,630)	(8,138,745)
Net gain on disposal of surplus assets	7,276	3,759
Variations in Statement of Financial Position:		
Increase in accounts receivable	915,564	2,035,061
Increase (decrease) in prepaid expenses	87,878	(13,080)
(Increase) in liabilities	(1,437,211)	(623,863)
Cash used in operating activities	23,494,960	24,825,878
Capital Investment Activities		
Acquisitions of tangible capital assets (Note 3a)	335,550	2,394,201
Proceeds on disposal of surplus assets	(7,835)	(3,759)
Cash used by capital investment activities	327,715	2,390,442
Net cash provided by government (Note 3c)	\$23,822,675	\$27,216,320

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

Notes to Financial Statements

as at March 31, 2006

1. Authority and Objectives

The Canadian Nuclear Safety Commission (CNSC) was established in 1946 by the *Atomic Energy Control Act*. Prior to May 31, 2000, when the federal *Nuclear Safety and Control Act* (NSCA) came into effect, the CNSC was known as the Atomic Energy Control Board (AECB). The CNSC is a departmental corporation named in Schedule II to the *Financial Administration Act* and reports to Parliament through the Minister of Natural Resources.

The *Nuclear Safety and Control Act* provides comprehensive powers to the CNSC to establish and enforce national standards for nuclear energy in the areas of health, safety and environment. It establishes a basis for implementing Canadian policy and fulfilling Canada's obligations with respect to the non-proliferation of nuclear weapons. The CNSC is empowered to require financial guarantees, order remedial action in hazardous situations and require responsible parties to bear the costs of decontamination and other remedial measures.

The objectives of the CNSC are to:

- regulate the development, production and use of nuclear energy and the production, possession and use of nuclear substances, prescribed equipment and information in order to: a) prevent unreasonable risk to the environment, to the health and safety of persons and to national security; and b) achieve conformity with measures of control and international obligations to which Canada has agreed; and
- disseminate scientific, technical and regulatory information concerning: a) the activities of the CNSC; b) the development, production, possession, transport and use of nuclear energy and substances; and c) the effects of nuclear energy and substances use on the environment and on the health and safety of persons.

The CNSC also administers the *Nuclear Liability Act*, including designating nuclear installations and prescribing basic insurance to be carried by the operators of such nuclear installations, and the administration of supplementary insurance coverage premiums for these installations.

The CNSC recovers expenditures related to its regulatory activities from users licensed under the Act. These expenditures include the technical assessment of licence applications, compliance inspections and the development of licence standards. On July 1, 2003 new *Canadian Nuclear Safety Commission Cost Recovery Fees Regulations* were implemented which replace the former *AECB Cost Recovery Fees Regulations 1996*. The new fees are being phased in over a three-year period through application of fee reductions amounting to 15% in the first year, 10% in the second year and 5% in the third year.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Treasury Board accounting policies and year-end instructions issued by the Office of the Comptroller General, which are consistent with Canadian generally accepted accounting principles for the public sector. The significant accounting policies are:

a) Parliamentary appropriations

The CNSC is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the CNSC do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

b) Net cash provided by Government

The CNSC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the CNSC is deposited to the CRF and all cash disbursements made by the CNSC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

c) Due from the Consolidated Revenue Fund

Due from the Consolidated Revenue Fund represents the amount of cash that the CNSC is entitled to draw from the Consolidated Revenue Fund, without further appropriations, in order to discharge its liabilities.

d) Revenue

Revenue is recognized in the period in which the underlying transaction or event occurred that gave rise to the revenue. Licence fee revenue is recognized on a straight-line basis over the period to which the fee payment pertains (normally three months or one year). Licence fees received for future year licence periods are recorded as deferred revenue. Revenue from licence fees, contract projects and other sources is deposited to the Consolidated Revenue Fund and is not available for use by the CNSC. Legislative authority allows for the respending of amounts received on the disposal of surplus assets.

e) Vacation pay and compensatory leave

Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

f) Pension benefits

All eligible employees participate in the Public Service Pension Plan, a multi-employer plan, administered by the Government of Canada. The CNSC's contributions to the Plan are charged to expenses in the year incurred and represent the total CNSC obligation to the Plan. Current legislation does not require the CNSC to make contributions for any actuarial deficiencies of the Plan.

g) Employee severance benefits

Employees are entitled to severance benefits, as provided for under their respective terms of employment. The cost of these benefits is accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

h) Services provided without charge by other government departments and agencies

Services provided without charge by other government departments and agencies are recorded as operating expenses at their estimated cost. These include services such as: accommodation provided by Public Works and Government Services Canada, contributions covering employers' share of employees' insurance premiums and costs paid by Treasury Board Secretariat, salaries and associated legal costs of services provided by Justice Canada, audit services provided by the Office of the Auditor General, and workers' compensation benefits provided by Human Resources and Social Development Canada.

i) Grants and contributions

Grants are recognized in the year in which entitlement of recipients has been established, while contributions are recognized in the year in which the conditions for payment are met.

j) Accounts receivables

Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

k) Tangible capital assets

Tangible capital assets with an acquisition cost of \$10,000 or more are recorded at their acquisition cost. Amortization is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Furniture and equipment	5 to 20 years
Informatics equipment and software	2 to 5 years
Motor vehicles	4 years

l) Nuclear Liability Reinsurance Account

The CNSC administers the Nuclear Liability Reinsurance Account on behalf of the federal government. The CNSC receives premiums paid by the operators of nuclear installations for the supplementary insurance coverage and credits these to the Nuclear Liability Reinsurance Account in the Consolidated Revenue Fund. Since the CNSC does not have the risks and rewards of ownership, nor does it have accountability for this account, it does not include any of the associated financial activity or potential liability in its financial statements. Financial activity and liability is however reported in Note 11 of these financial statements.

m) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies and year-end instructions issued by the Office of the Comptroller General, which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

The CNSC receives its funding through Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through parliamentary appropriations in prior, current and future years. Accordingly, the CNSC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. These differences are reconciled below.

a) Reconciliation of net cost of operations to current year appropriations used

	2006	2005
Net cost of operations	\$32,622,451	\$32,043,802
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (Less)		
Amortization of tangible capital assets	(485,052)	(481,056)
Vacation pay and compensatory leave	(267,738)	(213,842)
Services provided without charge by other Government departments and agencies	(8,195,630)	(8,138,745)
Revenue not available for spending	52,577,498	48,795,918
Employee severance benefits	(634,887)	(778,127)
Other expenses	<u>(742,604)</u>	<u>(655,803)</u>
	42,251,587	38,528,345
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (Less)		
Acquisition of tangible capital assets	335,550	2,394,201
Prepaid expenses	<u>340,110</u>	<u>214,039</u>
	675,660	2,608,240
Current year appropriations used	<u>\$75,549,698</u>	<u>\$73,180,387</u>

b) Appropriations provided and used

	2006	2005
Parliamentary appropriations voted:		
Vote 20 – CNSC Operating expenditures	\$71,034,019	\$68,017,200
Less: Lapsed appropriation	<u>3,383,949</u>	<u>2,425,660</u>
	67,650,070	65,591,540
Statutory		
Spending of proceeds from disposal of surplus assets	6,311	1,035
Contributions to employee benefit plans	7,893,317	7,587,812
Current year appropriations used	<u>\$75,549,698</u>	<u>\$73,180,387</u>

c) Reconciliation of net cash provided by Government to current year appropriations used

	2006	2005
Net cash provided by Government	\$23,822,675	\$27,216,320
Revenue not available for spending	52,577,498	48,795,918
Change in net position in the Consolidated Revenue Fund:		
Variation in accounts receivable	(915,564)	(2,035,061)
Variation in accounts payable and accrued liabilities	2,036,089	1,132,808
Variation in deferred revenues	(1,501,503)	(1,500,915)
Other adjustments	(532,153)	(470,726)
Refunds of prior years' expenses	62,656	42,043
Current year appropriations used	\$75,549,698	\$73,180,387

4. Accounts Receivable

	2006	2005
Licence fees	\$5,330,648	\$4,233,803
Other	250,513	431,794
Net receivables	\$5,581,161	\$4,665,597

5. Tangible Capital Assets

Capital asset class	Cost				Accumulated Amortization				2006	2005
	Opening Balance	Aquisit-ions	Disposals/adjustments	Closing balance	Opening balance	Amortiz-ation	Disposals/adjustments	Closing balance	Net book value	Net book value
Furniture & equipment	\$3,721,735	\$90,683	\$20,316	\$3,792,102	\$826,394	\$313,320	\$ —	\$1,139,714	\$2,652,388	\$2,895,341
Informatics equipment and software	757,110	101,232	164,384	693,958	435,308	122,316	163,825	393,799	300,159	321,802
Motor vehicles	444,513	143,635	48,342	539,806	352,633	49,416	48,342	353,707	186,099	91,880
Total	\$4,923,358	\$335,550	\$233,042	\$5,025,866	\$1,614,335	\$485,052	\$212,167	\$1,887,220	\$3,138,646	\$3,309,023

Amortization for the current year amounts to \$485,052 (2005 - \$481,056) and is included in other expenses on the statement of operations.

6. Deferred Revenue

	2006	2005
Balance at beginning of year	\$4,944,687	\$6,445,602
Less: revenue recognized in licence fees in the year	(4,871,268)	(6,403,401)
Add: fees received in the year for future year licence periods	3,369,765	4,902,486
Balance at end of year	\$3,443,184	\$4,944,687

7. Summary of Expenditures and Revenues by Cost Recovery Fee Category

	Revenue	Licences Provided Free of Charge (Note 8)	2006 Total Value of Licences and Other Revenue	2005 Total Value of Licences and Other Revenue	2006 Cost of Operations	2005 Cost of Operations
Licensing, Certification & Compliance						
Regulatory Plan Activity Fees						
Power reactors	\$33,045,840	\$ —	\$33,045,840	\$29,900,355	\$35,248,916	\$33,690,541
Non-power reactors	1,010,680	280,185	1,290,865	1,305,369	1,376,944	1,474,702
Nuclear research & test establishments	3,598,612	—	3,598,612	3,002,441	3,838,494	3,383,063
Particle accelerators	—	362,500	362,500	344,147	386,672	339,091
Uranium processing facilities	1,817,970	—	1,817,970	1,543,800	1,939,189	1,739,493
Nuclear substance processing facilities	577,075	—	577,075	272,577	615,560	310,008
Heavy water plants	35,055	—	35,055	11,774	37,396	13,266
Radioactive waste facilities	1,128,870	—	1,128,870	993,807	1,204,156	1,119,782
Fusion facilities	—	—	—	—	—	—
Uranium mines & mills	3,627,998	34,360	3,662,358	3,924,010	3,898,645	4,453,525
Waste nuclear substance licences	255,375	522,410	777,785	516,818	829,745	579,801
Total Regulatory Plan Activity Fees	45,097,475	1,199,455	46,296,930	41,815,098	49,375,717	47,103,272
Formula Fees						
Nuclear substances	3,615,635	4,106,060	7,721,695	7,018,285	7,115,805	7,560,905
Class II nuclear facilities	193,387	1,864,572	2,057,959	2,018,126	2,290,562	2,486,997
Dosimetry services	29,825	2,944	32,769	49,049	757,378	693,913
Total Formula Fees	3,838,847	5,973,576	9,812,423	9,085,460	10,163,745	10,741,815
Fixed Fees						
Transport licences and transport package certificates	197,675	450	198,125	132,505	223,293	431,250
Radiation device and prescribed equipment certificates	143,822	15,700	159,522	108,250	941,764	272,134
Exposure device operator certificates	59,115	—	59,115	82,450	—	43,310
Total Fixed Fees	400,612	16,150	416,762	323,205	1,165,057	746,694
Total Licensing, Certification and Compliance	49,336,934	7,189,181	56,526,115	51,223,763	60,704,519	58,591,781
Non-Licensing and Non-Certification						
Co-operation undertakings	34,190	—	34,190	10,143	11,805,112	12,243,854
Stakeholder relations	—	—	—	—	9,084,344	4,812,991
Regulatory framework	—	—	—	—	227,738	521,812
Special projects, other revenue and related expenses	3,206,374	—	3,206,374	4,489,706	3,378,236	4,669,282
Total Non-Licensing and Non-Certification	3,240,564	—	3,240,564	4,499,849	24,495,430	22,247,939
Total	\$52,577,498	\$7,189,181	\$59,766,679	\$55,723,612	\$85,199,949	\$80,839,720

8. Licences Provided Free of Charge by the CNSC

The CNSC provides licences free of charge to educational institutions; not-for-profit research institutions wholly owned by educational institutions; publicly funded health care institutions; not-for-profit emergency response organizations; and federal departments. The total value of these licences amounted to \$7,189,181 (2005 - \$6,927,694).

9. Employee Future Benefits

a) Pension Benefits

The CNSC and all eligible employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans and they are indexed to inflation. The employer's and employees' contributions to the plan were as follows:

	2006	2005
CNSC's contributions	\$5,841,054	\$5,561,867
Employees' contributions	\$2,247,601	\$2,269,595

b) Employee Severance Benefits

The CNSC provides severance benefits to its employees based on eligibility, years of service and final salary. This benefit plan is not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31 is as follows:

	2006	2005
Accrued benefit obligation, beginning of year	\$8,510,976	\$7,732,849
Expense for the year	1,477,249	1,245,415
Benefits paid during the year	(842,362)	(467,288)
Accrued benefit obligation, end of year	\$9,145,863	\$8,510,976

10. Contractual Obligations and Contingent Liabilities

Contractual Obligations

The nature of the CNSC's activities results in some multi-year contracts and obligations whereby the CNSC will be committed to make some future payments when the services and goods are received. As of March 31, 2006 the CNSC has significant future year's contractual obligations for the following:

	2007	2008	2009	2010 and thereafter
Acquisitions of goods and services	\$3,370,146	\$ 65,398	\$25,589	\$—
Operating leases	107,016	107,016	27,683	44,883
Total	\$3,477,162	\$172,414	\$53,272	\$44,883

b) Contingent Liabilities

Claims have been made against the CNSC in the normal course of operations. Legal proceedings for claims totaling approximately \$55,250,000 (2005 - \$55,250,000) were still pending at March 31, 2006. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

11. Nuclear Liability Reinsurance Account

Under the *Nuclear Liability Act* (NLA), operators of designated nuclear installations are required to possess basic and/or supplementary insurance of \$75 million per installation for specified liabilities. The federal government has designated the Nuclear Insurance Association of Canada (NIAC) as the sole provider of third party liability insurance and property insurance for the nuclear industry in Canada. NIAC provides insurance to nuclear operators under a standard policy.

The policy consists of two types of coverage: Coverage A and Coverage B. Coverage A includes only those risks that are accepted by the insurer, that is, bodily injury and property damage. Coverage B risks include personal injury that is not bodily, for example psychological injury, damage arising from normal emissions and damage due to acts of terrorism. Effective in 2003, the federal government agreed to provide coverage for damage due to acts of terrorism which was previously provided under Coverage A.

NIAC receives premiums from operators for both coverages, however, premiums for Coverage B risks are remitted to the federal government which reinsures these risks under a Reinsurance Agreement between NIAC and the federal government. The federal government, through the Reinsurance Agreement also pays the difference (supplementary insurance) between the basic insurance amount set by the CNSC and the full \$75 million of liability imposed by the NLA. As of March 31, 2006 the total supplementary insurance coverage is \$584,500,000 (2005 - \$584,500,000).

All premiums paid by the operators of nuclear installations for the supplementary insurance coverage are credited to a Nuclear Liability Reinsurance Account in the Consolidated Revenue Fund. Premiums received in respect of coverage for damage due to acts of terrorism amount to \$273,154 (2005 - \$140,523). Claims against the supplementary insurance coverage are payable out of the Consolidated Revenue Fund and charged to the Account. There have been no claims against or payments out of the Account since its creation.

As explained in Note 2 I), the CNSC administers the Nuclear Liability Reinsurance Account on behalf of the Government of Canada through a specified purpose account consolidated in the Public Accounts of Canada. During the year, the following activity occurred in this account:

	2006	2005
Opening balance	\$832,799	\$690,476
Receipts deposited	274,754	142,323
Closing balance	\$1,107,553	\$832,799

12. Related Party Transactions

The CNSC is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The CNSC enters into transactions with these entities in the normal course of business. Certain of these transactions are on normal trade terms applicable to all individuals and enterprises, while others are services provided without charge to the CNSC. All material related party transactions are disclosed below.

a) Services Provided Without Charge

During the year, the CNSC received services that were obtained without charge from other government departments and agencies. These are recorded at their estimated cost in the financial statements as follows:

	2006	2005
Accommodation provided by Public Works and Government Services Canada	\$4,481,934	\$4,473,762
Contributions for employer's share of employee benefits provided by the Treasury Board Secretariat	3,450,962	3,398,459
Salary and associated costs of legal services provided by Justice Canada	171,000	171,000
Audit services provided by the Office of the Auditor General of Canada	58,734	63,524
Other	33,000	32,000
Total	\$8,195,630	\$8,138,745

b) Payables and receivables outstanding at year-end with related parties:

During the year, the CNSC expensed \$21,637,725 (2005 - \$18,547,219), which include services provided without charge of \$8,195,630 (2005 - \$8,138,745) as described above and recognized revenue of \$7,920,734 (2005 - \$4,072,168) which include accounts receivables in the amount of \$1,097,876 (2005 - \$774,719).

	2006	2005
Accounts receivable with other government departments and agencies	\$1,102,569	\$1,148,089
Accounts payable to other government departments and agencies	1,476,256	941,758

13. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.