

VI. The Canadian Nuclear Safety Commission

Management Responsibility for Financial Statements

The accompanying financial statements of the Canadian Nuclear Safety Commission (CNSC) for the year ended March 31, 2005 and all information included in its annual report are the responsibility of management.

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for the public sector and, where appropriate, they include amounts that have been estimated according to management's best estimates and judgement. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that provided in the financial statements.

Management has developed and maintains books, records, financial and management controls and information systems. They are designed to provide reasonable assurance that the Government's assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, 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*.

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



Linda J. Keen
President and CEO



Hugh Robertson
Acting Vice President, Corporate Services Branch

Ottawa, Canada
June 3, 2005

Auditor's Report

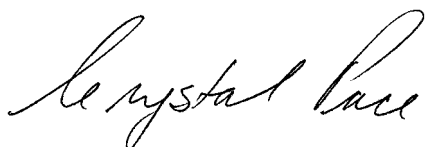
To the Canadian Nuclear Safety Commission
and the Minister of Natural Resources

I have audited the statement of financial position of the Canadian Nuclear Safety Commission as at March 31, 2005 and the statements of operations, deficit 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, 2005 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 3, 2005

Statement of Financial Position

as at March 31

	2005	2004
Assets		
Current assets:		
Due from the Consolidated Revenue Fund	\$6,273,832	\$5,141,024
Accounts receivable (Note 4)	4,665,597	2,630,536
Prepaid expenses	<u>256,489</u>	<u>269,569</u>
	11,195,918	8,041,129
Non-current assets:		
Capital assets (Note 5)	3,309,023	1,395,878
Total Assets	\$14,504,941	\$9,437,007
Liabilities and Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	\$6,273,832	\$5,141,024
Vacation pay	3,350,110	3,136,267
Deferred revenue (Note 6)	4,944,687	6,445,602
Employee severance benefits (Note 12)	<u>476,757</u>	<u>468,705</u>
	15,045,386	15,191,598
Non-current liabilities:		
Employee severance benefits (Note 12)	<u>8,034,219</u>	<u>7,264,144</u>
	23,079,605	22,455,742
Deficit	(8,574,664)	(13,018,735)
Total Liabilities and Deficit	\$14,504,941	\$9,437,007

Commitments and Contingencies (Note 11)

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

Approved by:



Linda J. Keen
President and CEO



Hugh Robertson
Acting Vice President, Corporate Services Branch

Statement of Operations

for the year ended March 31

	2005	2004
Revenues		
Licence fees	\$44,296,069	\$38,010,204
Special projects	4,489,706	4,122,783
Other	10,143	16,336
Total revenues (Note 7)	48,795,918	42,149,323
Expenses		
Salaries and employee benefits	54,458,975	51,330,580
Professional and special services	10,701,495	9,818,998
Accommodation	4,640,009	4,288,523
Furniture, equipment repairs and rental	4,412,733	3,699,189
Travel and Relocation	3,699,005	4,084,327
Communication and information	1,613,672	1,574,955
Utilities, materials and supplies	597,019	742,353
Grants and contributions	226,957	448,976
Other	489,855	486,072
Total expenses (Note 7)	80,839,720	76,473,973
Net cost of operations	\$32,043,802	\$34,324,650

Statement of Deficit

for the year ended March 31

	2005	2004
Balance at beginning of year	(\$13,018,735)	(\$17,029,479)
Net cost of operations	(32,043,802)	(34,324,650)
Services provided without charge (Note 9)	8,138,745	7,783,155
Net cash provided by government (Note 3 c)	27,216,320	29,233,200
Change in due from Consolidated Revenue Fund	1,132,808	1,319,039
Balance at end of year	(\$8,574,664)	(\$13,018,735)

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

Statement of Cash Flows

for the year ended March 31

	2005	2004
Operating Activities		
Net cost of operations	\$32,043,802	\$34,324,650
Non-cash items		
Amortization of capital assets (Note 5)	(481,056)	(408,792)
Services provided without charge by other Government departments and agencies (Note 9)	(8,138,745)	(7,783,155)
Net gain on disposal of surplus assets	3,759	984
Net change in non-cash working capital balances	2,168,193	3,549,407
Change in non-current employee severance benefits	(770,075)	(1,019,087)
Cash used in operating activities	24,825,878	28,664,007
Investing Activities		
Acquisitions of, and improvements to, capital assets (Note 3a)	2,394,201	571,212
Proceeds on disposal of surplus assets	(3,759)	(2,019)
Cash used in investing activities	2,390,442	569,193
Net cash provided by government (Note 3c)	\$27,216,320	\$29,233,200

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

Notes to Financial Statements

as at March 31, 2005

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 NSCA also provides CNSC compliance inspectors with clearer, fuller powers and brings penalties for infractions in line with current legislative practices. 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 sum of the basic insurance and supplementary insurance totals \$75 million for each designated installation (Note 13). The number of installations requiring insurance coverage is 14 (2004 – 14).

The CNSC's expenditures are funded by a budgetary lapsing authority. Employer contributions to employee pension and non-pension benefits are authorized by a statutory authority.

The CNSC established a cost recovery program as provided for by the NSCA. The intent of the program is the recovery of CNSC's 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 CNSC *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 Canadian generally accepted accounting principles for the public sector. The significant accounting policies are:

a) Parliamentary appropriations

Appropriations are based in large part on cash flow requirements. Consequently, items recognized in the statement of deficit and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 shows the reconciliation of net cost of operations, parliamentary appropriations voted and net cash provided by government to parliamentary appropriations used.

b) Due from the Consolidated Revenue Fund

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. 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.

c) 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). All other revenue is recognized in the period in which the underlying transaction or event occurred that gave rise to the revenue. 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.

d) Vacation pay

Vacation pay is expensed as the benefit accrues to employees under their respective terms of employment using the salary levels at year end. Vacation pay liability payable on cessation of employment represents obligations of the CNSC that are normally funded by appropriation when paid.

e) Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The CNSC's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The CNSC's contributions are expensed during the year in which the services are rendered and represent the total pension obligation. The CNSC is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

f) 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. Employee severance benefits represent obligations of the CNSC that are normally funded by appropriation when the benefits are paid. The cost of 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.

g) 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 fair value. 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 Skills Development Canada. A corresponding amount is credited directly to the Deficit.

h) 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.

i) Capital assets

Capital assets with an acquisition cost of \$10,000 or more are recorded at cost less accumulated amortization. Amortization commences on the first day of the month following the month of acquisition and is calculated on a straight-line basis over the estimated useful life of the asset as follows:

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

j) 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 13 of these financial statements.

k) Use of estimates

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The preparation of accrual financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and contingencies during the reporting period. Actual results could differ from the estimates. The most significant items where estimates are used are employee severance liabilities and amortization of capital assets.

3. Parliamentary Appropriations

The CNSC receives its funding through parliamentary appropriations, which are based primarily on cash flow requirements. Items recognized in the statement of operations and the statement of deficit in one year may be funded through parliamentary appropriations in prior and future years. Accordingly, the CNSC has different net results of operations for the year on a government funding basis than on a Canadian generally accepted accounting principles basis. These differences are reconciled below.

a) Reconciliation of net cost of operations to total parliamentary appropriations used

	2005	2004
Net cost of operations	\$32,043,802	\$34,324,650
Items not affecting appropriations:		
Amortization of capital assets	(481,056)	(408,792)
Vacation pay – accrual	(213,842)	(333,069)
Services provided without charge by other Government departments and agencies	(8,138,745)	(7,783,155)
Revenue (non-respendable)	48,795,918	42,149,323
Change in employee severance benefits	(778,127)	(807,610)
Other expenses	(655,803)	(394,164)
	<u>38,528,345</u>	<u>32,422,533</u>
Items affecting appropriation:		
Capital asset acquisitions	2,394,201	571,212
Prepays (excluding accountable advances)	214,039	262,707
	<u>2,608,240</u>	<u>833,919</u>
Total parliamentary appropriations used	<u>\$73,180,387</u>	<u>\$67,581,102</u>

b) Reconciliation of parliamentary appropriations voted to total parliamentary appropriations used

	2005	2004
Parliamentary appropriations voted:		
Vote 20 – CNSC Operating expenditures	\$57,414,000	\$53,241,000
Supplementary Vote 20a	9,229,200	6,743,500
Supplementary Vote 20b	359,000	2,553,472
Transfer from Treasury Board Vote 10	-----	120,000
Transfer from Treasury Board Vote 15	1,015,000	940,000
	<u>68,017,200</u>	<u>63,597,972</u>
Less: lapsed appropriation	2,425,660	3,026,176
	<u>65,591,540</u>	<u>60,571,796</u>
Statutory		
Spending of proceeds from disposal of surplus assets	1,035	9,981
Contributions to employee pension and non-pension benefit plans	7,587,812	6,999,325
Total parliamentary appropriations used	<u>\$73,180,387</u>	<u>\$67,581,102</u>

c) Reconciliation of net cash provided by government to total parliamentary appropriations used

	2005	2004
Net cash provided by government	\$27,216,320	\$29,233,200
Revenue (non-respendable)	48,795,918	42,149,323
Net change in non-cash working capital balances charged to Vote	(2,873,894)	(3,920,615)
Refunds of prior years' expenditures	42,043	119,194
Total parliamentary appropriations used	\$73,180,387	\$67,581,102

4. Accounts Receivable

	2005	2004
Licence fees	\$4,233,803	\$2,218,096
Contract Project	-----	377,630
Other	431,794	34,810
Net receivables	\$4,665,597	\$2,630,536

5. Capital Assets

Capital asset class	2005			2004	
	Opening Balance	Additions (disposals) for the year	Accumulated Amortization	Net book value	Net book value
Informatics equipment and software	\$717,272	\$39,838	\$435,308	\$321,802	\$388,223
Motor vehicles	457,592	(13,079)	352,633	91,880	119,698
Furniture and equipment	1,415,794	2,305,941	826,394	2,895,341	887,957
Total	\$2,590,658	\$2,332,700	\$1,614,335	\$3,309,023	\$1,395,878

Amortization for the current year amounts to \$481,056 (2004 – \$408,792) and is included in other expenses on the statement of operations.

6. Deferred Revenue

Generally, licence fees are paid in advance of the fee period. Since revenue is recognized over the duration of the fee period, fees received for future year licence periods are recorded as deferred revenue.

	2005	2004
Balance at beginning of year	\$6,445,602	\$10,210,591
Less: revenue included in licence fees in the year	(6,403,401)	(9,163,830)
Add: fees received in the year for future year licence periods	4,902,486	5,398,841
Balance at end of year	\$4,944,687	\$6,445,602

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

	Revenue	Licences Provided Free of Charge (Note 10)	2005 Total Value of Licences and Other Revenue	2004 Total Value of Licences and Other Revenue	2005 Cost of Operations	2004 Cost of Operations
Licensing, Certification & Compliance						
Regulatory Plan Activity Fees						
Power reactors	\$29,900,355	\$ -----	\$29,900,355	\$26,428,275	\$33,690,541	\$32,148,743
Non-power reactors	930,285	375,084	1,305,369	1,142,648	1,474,702	1,415,411
Nuclear research & test establishments	3,002,441	-----	3,002,441	1,580,560	3,383,063	1,937,790
Particle accelerators	-----	344,147	344,147	227,702	339,091	385,724
Uranium processing facilities	1,543,800	-----	1,543,800	923,614	1,739,493	1,113,162
Nuclear substance processing facilities	272,577	-----	272,577	430,034	310,008	581,857
Heavy water plants	11,774	-----	11,774	133,426	13,266	112,698
Radioactive waste facilities	993,807	-----	993,807	896,937	1,119,782	1,251,051
Fusion facilities	-----	-----	-----	9,387	-----	10,366
Uranium mines & mills	3,799,696	124,314	3,924,010	3,136,572	4,453,525	3,914,313
Waste nuclear substance licences	155,074	361,744	516,818	427,665	579,801	489,984
Total Regulatory Plan Activity Fees	40,609,809	1,205,289	41,815,098	35,336,820	47,103,272	43,361,099
Formula Fees						
Nuclear substances	3,141,773	3,876,512	7,018,285	5,924,507	7,560,905	7,321,967
Class II nuclear facilities	191,680	1,826,446	2,018,126	1,736,311	2,486,997	2,070,465
Dosimetry services	46,252	2,797	49,049	90,837	693,913	537,046
Total Formula Fees	3,379,705	5,705,755	9,085,460	7,751,655	10,741,815	9,929,478
Fixed Fees						
Transport licences and transport package certificates	132,505	-----	132,505	294,633	431,250	692,018
Radiation device and prescribed equipment certificates	91,600	16,650	108,250	168,316	272,134	167,756
Exposure device operator certificates	82,450	-----	82,450	39,100	43,310	138,198
Total Fixed Fees	306,555	16,650	323,205	502,049	746,694	997,972
Total Licensing, Certification and Compliance	44,296,069	6,927,694	51,223,763	43,590,524	58,591,781	54,288,549
Non-Licensing and Non-Certification						
Co-operation undertakings	10,143	-----	10,143	-----	12,243,854	11,162,148
Stakeholder relations	-----	-----	-----	-----	4,812,991	6,051,862
Regulatory framework	-----	-----	-----	-----	521,812	894,826
Special projects, other revenue and related expenses	4,489,706	-----	4,489,706	4,139,119	4,669,282	4,076,588
Total Non-Licensing and Non-Certification	4,499,849	-----	4,499,849	4,139,119	22,247,939	22,185,424
Total	\$48,795,918	\$6,927,694	\$55,723,612	\$47,729,643	\$80,839,720	\$76,473,973

8. Related Party Transactions

The CNSC is related in terms 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.

During the year, the CNSC expensed \$18,547,219 (2004 – \$17,025,131) which include services provided without charge of \$8,138,745 (2004 – \$7,783,155) as described in Note 9. The CNSC recognized revenue of \$4,072,168 (2004 – \$7,508,925) which include accounts receivables in the amount of \$774,719 (2004 – \$745,842).

9. 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 fair value in the financial statements as follows:

	2005	2004
Accommodation provided by Public Works and Government Services Canada	\$4,473,762	\$4,149,585
Contributions for employer's share of employee benefits provided by the Treasury Board Secretariat	3,398,459	3,232,418
Salary and associated costs of legal services provided by Justice Canada	171,000	207,996
Audit services provided by the Office of the Auditor General of Canada	63,524	106,221
Other	32,000	86,935
Total	\$8,138,745	\$7,783,155

10. 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 of these licences amounted to \$6,927,694 (2004 – \$5,580,320).

11. Commitments and Contingencies

a) Commitments

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. These commitments are subject to there being an appropriation by Parliament for the fiscal year in which the payment is made and the CNSC has the right to terminate these commitments. As of March 31, 2005 the CNSC has future years contractual obligations for the following:

	2006	2007	2008	2009 and thereafter
Acquisitions of goods and services	\$7,616,896	\$ 16,833	\$ -----	\$-----
Operating leases	113,432	93,786	93,216	8,510
Total	\$7,730,328	\$110,619	\$93,216	\$8,510

b) Contingencies

Claims have been made against the CNSC in the normal course of operations. Legal proceedings for claims totaling approximately \$55,250,000 (2004 – \$55,250,000) were still pending at March 31, 2005. The final outcome is presently not determinable and, accordingly, no provision has been recorded in the accounts for these contingent liabilities. Settlements, if any, resulting from the resolution of these claims will be accounted for in the year in which the liability is considered likely and the cost can be reasonably estimated.

12. Employee Future Benefits

a) Pension Benefits

The CNSC and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The employer's and employees' contributions to the plan were as follows:

	2005	2004
CNSC's contributions	\$5,561,867	\$4,983,519
Employees' contributions	\$2,269,595	\$2,141,052

b) Employee Severance Benefits

The CNSC provides severance benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations. Information about the plan, measured as at the statement of financial position date is as follows:

	2005	2004
Accrued benefit obligation, beginning of year	\$7,732,849	\$6,925,239
Cost for the year	1,245,415	1,254,449
Benefits paid during the year	(467,288)	(446,839)
Accrued benefit obligation, end of year	\$8,510,976	\$7,732,849

13. 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, damages 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, 2005 the total supplementary insurance coverage is \$584,500,000 (2004 – \$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 \$140,523 (2004 – \$134,055). 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 j), 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:

	2005	2004
Opening balance	\$690,476	\$554,921
Receipts deposited	142,323	135,555
Closing balance	\$832,799	\$690,476