

# **TRIUMF**

Summary Financial Statements  
**March 31, 2018**



July 24, 2018

## **Independent Auditor's Report**

### **To the Joint Venturers of TRIUMF**

The accompanying summary financial statements of TRIUMF, which comprise the summary statement of financial position as at March 31, 2018 and the summary statement of combined funding/income and expenditures and changes in fund balances for the year then ended, and related notes, are derived from the audited financial statements of TRIUMF for the year ended March 31, 2018. We expressed an unmodified audit opinion on those financial statements in our report dated June 29, 2018. Those financial statements, and the summary financial statements, do not reflect the effect of events that occurred subsequent to the date of our report on the audited financial statements.

The summary financial statements do not contain all the disclosures required by section 11b of the TRIUMF joint venture agreement, and are prepared using the basis of accounting referred to in Note 2 of the accompanying summary financial statements. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of TRIUMF.

#### **Management's responsibility for the summary financial statements**

Management is responsible for the preparation of these summary financial statements on the basis described in the note 2 to the summary financial statements.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

#### **Opinion**

In our opinion, these summary financial statements derived from the audited financial statements of TRIUMF for the year ended March 31, 2018 are a fair summary of those financial statements on the basis described in the note to the summary financial statements.

*PricewaterhouseCoopers LLP*

#### **Chartered Professional Accountants**

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**TRIUMF****SUMMARY STATEMENT OF FINANCIAL POSITION**

As at March 31, 2018

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
<b>Assets</b>		
Cash and cash equivalents	9,900,656	20,622,124
Investments	25,552,737	14,132,800
Restricted cash and investments	11,176,375	11,012,752
Due from Joint Venturers	1,472,091	1,018,703
Funding receivable	2,044,693	943,220
	<u>50,146,552</u>	<u>47,729,599</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,083,074	2,499,419
Funds received in advance	6,011,915	17,762,570
	<u>9,094,989</u>	<u>20,261,989</u>
<b>Fund Balances</b>		
<b>Externally restricted</b>		
National Research Council Fund	-	878,814
Natural Sciences and Engineering Research Council Fund	1,977,708	1,911,810
Institute for Advanced Medical Isotopes (Capital Fund)	12,734,393	-
NORDION Inc. Fund	100,000	100,000
Decommissioning Fund	11,176,375	11,012,752
	<u>25,988,476</u>	<u>13,903,376</u>
<b>Internally designated</b>		
Commercial Revenue Fund	7,147,022	6,048,450
Intramural Accounts Fund	4,250,581	3,794,456
Project Initiatives Fund	3,000,000	3,000,000
	<u>14,397,603</u>	<u>12,842,906</u>
<b>Unrestricted</b>		
General Fund	665,484	721,328
	<u>41,051,563</u>	<u>27,467,610</u>
<b>Total liabilities and fund balances</b>	<u>50,146,552</u>	<u>47,729,599</u>

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

## TRIUMF

### SUMMARY STATEMENT OF COMBINED FUNDING/INCOME AND EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended March 31, 2018

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
<b>Funding/income</b>		
National Research Council Fund	54,572,800	53,672,800
Natural Sciences and Engineering Research Council Fund	5,301,174	5,200,469
Canada Foundation for Innovation (including Provincial Contribution)	8,179,172	1,692,573
Institute for Advanced Medical Isotopes (Capital Fund)	12,250,000	-
NORDION Inc. Fund	4,508,268	4,266,120
TRIUMF Innovations Fund	508,702	495,029
Decommissioning Fund	163,623	157,646
Affiliated Institutions Fund	3,860,975	3,217,658
Commercial Revenue Fund	3,580,367	4,087,663
Intramural Accounts Fund	1,888,665	1,516,230
General Fund	399,753	388,086
	<u>95,213,499</u>	<u>74,694,274</u>
<b>Expenditures</b>		
Buildings and improvements	1,364,740	1,241,045
Computer	1,726,155	2,041,203
Consulting	2,428,946	2,342,758
Equipment	14,959,079	7,124,492
Power	4,437,775	4,289,857
Salaries and benefits	48,136,571	45,577,335
Supplies and other expenses	6,009,529	5,926,048
Telecommunications	264,862	183,823
Travel	2,301,889	2,198,224
	<u>81,629,546</u>	<u>70,924,785</u>
<b>Surplus of funding over expenditures for the year</b>	13,583,953	3,769,489
<b>Fund balances - Beginning of year</b>	<u>27,467,610</u>	<u>23,698,121</u>
<b>Fund balances - End of year</b>	<u>41,051,563</u>	<u>27,467,610</u>

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

## NOTES TO SUMMARY FINANCIAL STATEMENTS

### 1. Nature of operations

TRIUMF is Canada's national particle accelerator laboratory. It is owned and operated as a joint venture by a consortium of Canadian universities via a contribution through the National Research Council of Canada (NRC). As a registered charity, TRIUMF is not subject to income tax under paragraph 149 (1)(f) of the *Income Tax Act* (Canada).

At March 31, 2018, the members of the joint venture are the University of British Columbia, Simon Fraser University, University of Victoria, University of Alberta, University of Calgary, University of Regina, University of Manitoba, Carleton University, University of Guelph, Queen's University, University of Toronto, York University and l'Université de Montréal.

The University of Regina transitioned from associate member to a full member during the year.

Each university owns an undivided 7.69% interest in all the assets and liabilities of TRIUMF, except for the land and buildings occupied by TRIUMF, which are owned by the University of British Columbia.

These financial statements include only the assets, liabilities, funding and expenditures of the activities carried on under the control of TRIUMF and do not include the assets, liabilities, revenues and expenditures of the individual joint venture members.

Sources of funding include grants and contributions from the NRC, the Natural Sciences and Engineering Research Council, Canada Foundation for Innovation, Province of BC (Ministry of Health); advances and reimbursements from other sources; commercial revenues; and investment income. TRIUMF has established a number of separate funds to account for the various funding sources. The sources and purposes of these funds are:

#### **National Research Council Fund (NRC)**

Funding of operations, improvements and development; expansion of technical facilities (buildings excluded); and general support for experiments.

#### **Natural Sciences and Engineering Research Council Fund (NSERC)**

Funding to grantees for experiments related to TRIUMF activities. These funds are administered by TRIUMF on behalf of the grantees.

#### **Canada Foundation for Innovation (CFI)**

Funding to Canadian universities for capital projects related to TRIUMF initiatives and temporary operating funds for newly built infrastructure. These funds are administered by the universities and TRIUMF is reimbursed for expenditures undertaken in accordance with the terms of each grant. The funding that is reported under CFI includes any provincial and third-party matching funds required by the grant.

#### **Institute for Advanced Medical Isotopes (Capital Fund)**

Funding for the capital construction of a specialized infrastructure to support the expansion of TRIUMF's innovative world-class life sciences program. The funding is derived from federal, provincial and third-party sources.

#### **NORDION Inc. Fund**

Advances and reimbursements from NORDION Inc. for expenditures incurred at TRIUMF.

#### **TRIUMF Innovations Fund (formerly Advanced Applied Physics Solutions Inc. Fund - AAPS)**

Advances and reimbursements from TRIUMF Innovations Inc. (TI) for expenditures processed by TRIUMF.

#### **Decommissioning Fund**

While there is no intention of decommissioning the TRIUMF facilities, the TRIUMF joint venture members have complied with federal legislation by putting in place a decommissioning plan, including a funding plan, in the event TRIUMF is decommissioned. The decommissioning plan is updated regularly in compliance with TRIUMF's licensing requirements.

Consistent with TRIUMF's accounting policies (note 2), all decommissioning costs will be expensed in the period in which the costs are incurred.

At March 31, 2018, the balance in the fund, \$11.2 million, is held in an escrow account to fund decommissioning costs. The majority of the holdings are invested in cash and mutual funds of \$10.6 million (2017 - \$10.5 million), and a small holding is in equity investments of \$0.6 million (2017 - \$0.5 million). The funds are managed by an appointed escrow agent, Royal Trust Corporation of Canada, as agreed to by the Canadian Nuclear Safety Commission (CNSC), a joint venture of each member university and TRIUMF Accelerators Inc. (TAI), (holder of TRIUMF's operating license). Each member university has entered into an agreement confirming it will share the cost of any funding shortfall in the event decommissioning costs exceed funding available for decommissioning.

#### **Affiliated Institutions Fund**

Advances and reimbursements for expenditures undertaken on behalf of various Canadian and international institutions for scientific projects and experiments carried out at TRIUMF.

#### **Commercial Revenue Fund**

Royalties, revenues and expenditures relating to commercial activities and technology transfer.

#### **Intramural Accounts Fund**

Net recoveries generated by internal projects and services. The recoveries of expenditures are charged to the appropriate TRIUMF funding source by the appropriate internal project accounts.

#### **Project Initiatives Fund**

Funding for capital and project expenditures that are non-reimbursable and including ineligible expenditures associated with TRIUMF initiatives.

#### **General Fund**

Investment income generated that is used for non-qualifying discretionary expenditures incurred by TRIUMF.

## 2. Significant accounting policies

### **Basis of presentation**

These financial statements have been prepared in accordance with section 11(b) of the TRIUMF joint venture agreement. TRIUMF has elected to follow Canadian Public Sector Accounting Standards (PSAS), including accounting standards that apply to government not-for-profit organizations, except that all property, plant and equipment purchased or constructed for use at TRIUMF and related decommissioning costs (if any) are expensed in the period in which the costs are incurred.

These financial statements do not include the accounts of TAI, a not-for-profit federal corporation incorporated in 2006 and controlled by TRIUMF. The only asset held by TAI is the operating license issued by the CNSC, which was recorded at the exchange value of \$nil. Since inception, TAI has not incurred any expenses or liabilities and has not recognized any revenue.