

TRIUMF

Summary Financial Statements
March 31, 2019



Report of the Independent Auditor on the Summary Financial Statements

To the Shareholder Joint Venturers of TRIUMF

Our opinion

In our opinion, the accompanying summary financial statements of TRIUMF (the Company) are a fair summary of the audited financial statements, on the basis described in Note 2 to the summary financial statements.

The summary financial statements

The Company's summary financial statements derived from the audited financial statements for the year ended March 31, 2019 comprise:

- the summary statement of financial position as at March 31, 2019;
- the summary statement of combined funding/income and expenditures and changes in fund balances for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by section 11b of the TRIUMF joint venture agreement. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated July 25, 2019.

Management's responsibility for the summary financial statements

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

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



Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 25, 2019

TRIUMF

Summary Statement of Financial Position

As at March 31, 2019

	2019 \$	2018 \$
Assets		
Cash and cash equivalents	8,293,331	9,900,656
Investments	30,980,726	25,552,737
Restricted cash and investments	11,534,794	11,176,375
Due from Joint Venturers	1,821,063	1,472,091
Funding receivable	2,135,854	2,044,693
	<u>54,765,768</u>	<u>50,146,552</u>
Liabilities		
Accounts payable and accrued liabilities	4,539,005	3,083,074
Funds received in advance	4,743,606	6,011,915
	<u>9,282,611</u>	<u>9,094,989</u>
Fund Balances		
Externally restricted		
National Research Council Fund	276,484	-
Natural Sciences and Engineering Research Council Fund	3,033,818	1,977,708
Institute for Advanced Medical Isotopes (Capital Fund)	13,937,306	12,734,393
BWXT Fund	100,000	100,000
Decommissioning Fund	11,534,794	11,176,375
	<u>28,882,402</u>	<u>25,988,476</u>
Internally designated		
Commercial Revenue Fund	8,820,497	7,147,022
Intramural Accounts Fund	3,937,798	4,250,581
Project Initiatives Fund	3,000,000	3,000,000
	<u>15,758,295</u>	<u>14,397,603</u>
Unrestricted		
General Fund	842,460	665,484
	<u>45,483,157</u>	<u>41,051,563</u>
	<u>54,765,768</u>	<u>50,146,552</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, 2019

	2019 \$	2018 \$
Funding/income		
National Research Council Fund	57,280,490	54,572,800
Natural Sciences and Engineering Research Council Fund	6,516,489	5,301,174
Canada Foundation for Innovation (including Provincial Contribution)	7,072,556	8,179,172
Western Economic Diversification Fund	4,955	-
Institute for Advanced Medical Isotopes (Capital Fund)	-	12,250,000
BWXT Fund	4,722,355	4,508,268
TRIUMF Innovations Fund	562,012	508,702
Decommissioning Fund	358,419	163,623
Affiliated Institutions Fund	3,579,261	3,860,975
Commercial Revenue Fund	4,669,284	3,580,367
Intramural Accounts Fund	1,538,253	1,888,665
General Fund	959,510	399,753
	<u>87,263,584</u>	<u>95,213,499</u>
Expenditures		
Buildings and improvements	1,413,462	1,364,740
Computer	1,878,188	1,726,155
Consulting	3,893,586	2,428,946
Equipment	10,923,871	14,959,079
Power	4,232,901	4,437,775
Salaries and benefits	50,987,442	48,136,571
Supplies and other expenses	6,729,177	6,009,529
Telecommunications	222,912	264,862
Travel	2,550,451	2,301,889
	<u>82,831,990</u>	<u>81,629,546</u>
Surplus of funding over expenditures for the year	4,431,594	13,583,953
Fund balances – Beginning of year	<u>41,051,563</u>	<u>27,467,610</u>
Fund balances – End of year	<u>45,483,157</u>	<u>41,051,563</u>

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

TRIUMF

Summary Statement of Cash Flows For the year ended March 31, 2019

	2019 \$	2018 \$
Cash provided by (used in)		
Operating activities		
Surplus of funding over expenditures for the year	4,431,594	13,583,953
Changes in working capital items		
Increase in due from Joint Venturers	(348,972)	(453,388)
Increase in funding receivable	(91,161)	(1,101,473)
Increase in accounts payable and accrued liabilities	1,455,931	583,655
Decrease in funds received in advance	(1,268,309)	(11,750,655)
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Changes in non-cash items – Restricted cash and investments	4,179,083 (358,419)	862,092 (163,623)
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	3,820,664	698,469
Investing activities		
Net increase in investments	(5,427,989)	(11,419,937)
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Decrease in cash and cash equivalents	(1,607,325)	(10,721,468)
Cash and cash equivalents – Beginning of year	9,900,656	20,622,124
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Cash and cash equivalents – End of year	8,293,331	9,900,656
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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, 2019, 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, McMaster University and l'Université de Montréal.

McMaster University transitioned from associate member to a full member during the year.

Each university owns an undivided 7.14% 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 National Research Council, 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.

Western Economic Diversification Fund (WD)

Funding for projects related to TRIUMF activities that enhance and strengthen the economy of Western Canada.

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.

BWXT Fund (formerly NORDION Inc. Fund)

Advances and reimbursements from BWXT for expenditures incurred at TRIUMF.

TRIUMF Innovations Fund

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, 2019, the balance in the fund, \$11.5 million, is held in an escrow account to fund decommissioning costs. The majority of the holdings are invested in cash and mutual funds of \$10.4 million (2018 - \$10.6 million), and a small holding is in equity investments of \$1.1 million (2018 - \$0.6 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., (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 summary 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 summary financial statements do not include the accounts of TRIUMF Accelerators Inc. (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.