

# **TRIUMF**

Summary Financial Statements  
**March 31, 2020**



## *Report of the Independent Auditor on the Summary Financial Statements*

To the Joint Venturers of TRIUMF

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### *Our opinion*

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

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### *The summary financial statements*

The Entity's summary financial statements derived from the audited financial statements for the year ended March 31, 2020 comprise:

- the summary statement of financial position as at March 31, 2020;
- the summary statement of combined funding 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 the basis of preparation of the audited financial statements, which is described in note 2 of the summary financial statements. 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 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.

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### *The audited financial statements and our report thereon*

We expressed an unmodified audit opinion on the audited financial statements in our report dated July 30, 2020.

Emphasis of matter – Basis of accounting and restriction on use

Our auditor's report dated July 30, 2020 on the audited financial statements included an emphasis of matter section drawing attention to the note to the audited financial statements that described the basis of accounting and restriction on use. The audited financial statements were prepared to assist the Entity to

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comply with the reporting provisions of the TRIUMF joint venture agreement. As a result, the audited financial statements may not be suitable for another purpose. Because the summary financial statements are derived from the audited financial statements, the summary financial statements also may not be suitable for another purpose. Our report on the audited financial statements was intended solely for the joint venturers of the Entity and should not be used by parties other than the Entity and the joint venturers of the Entity and accordingly our report on the summary of financial statements is also intended solely for the joint venturers of the Entity and should not be used by parties other than the Entity and the joint venturers of the Entity. Our opinion on the summary financial statements is not modified with respect of this matter.

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*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 to the summary financial statements.

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*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, Canada  
September 11, 2020

# TRIUMF

## Summary Statement of Financial Position

As at March 31, 2020

	2020 \$	2019 \$
<b>Assets</b>		
<b>Cash and cash equivalents</b>	14,426,624	8,293,331
<b>Investments</b>	25,545,784	30,980,726
<b>Restricted cash and investments</b>	11,711,434	11,534,794
<b>Due from Joint Venturers</b>	1,154,915	1,821,063
<b>Funding receivable</b>	1,910,232	2,135,854
	<u>54,748,989</u>	<u>54,765,768</u>
<b>Liabilities</b>		
<b>Accounts payable and accrued liabilities</b>	4,357,187	4,539,005
<b>Funds received in advance</b>	5,138,357	4,743,606
	<u>9,495,544</u>	<u>9,282,611</u>
<b>Fund Balances</b>		
<b>Externally restricted</b>		
National Research Council Fund	-	276,484
Natural Sciences and Engineering Research Council Fund	3,450,730	3,033,818
Institute for Advanced Medical Isotopes (Capital Fund)	15,010,770	13,937,306
BWXT Fund	100,000	100,000
Decommissioning Fund	11,711,434	11,534,794
	<u>30,272,934</u>	<u>28,882,402</u>
<b>Internally designated</b>		
Commercial Revenue Fund	6,295,856	8,820,497
Intramural Accounts Fund	4,134,962	3,937,798
Project Initiatives Fund	3,000,000	3,000,000
	<u>13,430,818</u>	<u>15,758,295</u>
<b>Unrestricted</b>		
General Fund	1,549,693	842,460
	<u>45,253,445</u>	<u>45,483,157</u>
<b>Total liabilities and fund balances</b>	<u>54,748,989</u>	<u>54,765,768</u>

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

# TRIUMF

## Summary Statement of Combined Funding and Expenditures and Changes in Fund Balances For the year ended March 31, 2020

	2020 \$	2019 \$
<b>Funding/income</b>		
National Research Council Fund	55,162,800	57,280,490
Natural Sciences and Engineering Research Council Fund	6,562,194	6,516,489
Canada Foundation for Innovation (including provincial contribution)	3,738,780	7,072,556
Western Economic Diversification Fund	61,072	4,955
Institute for Advanced Medical Isotopes (Capital Fund)	2,644,217	-
BWXT Fund	5,280,311	4,722,355
TRIUMF Innovations Fund	557,718	562,012
Decommissioning Fund	176,640	358,419
Affiliated Institutions Fund	3,580,254	3,579,261
Commercial Revenue Fund	4,403,747	4,669,284
Intramural Accounts Fund	2,495,177	1,538,253
General Fund	941,798	959,510
	<hr/> 85,604,708	<hr/> 87,263,584
<b>Expenditures</b>		
Buildings and improvements	3,145,513	1,413,462
Computer	1,771,031	1,878,188
Consulting	3,227,359	3,893,586
Equipment	10,076,424	10,923,871
Power	4,357,044	4,232,901
Salaries and benefits	53,830,783	50,987,442
Supplies and other expenses	6,971,689	6,729,177
Telecommunications	176,430	222,912
Travel	2,278,147	2,550,451
	<hr/> 85,834,420	<hr/> 82,831,990
<b>(Deficit) surplus of funding over expenditures for the year</b>	(229,712)	4,431,594
<b>Fund balances – Beginning of year</b>	<hr/> 45,483,157	<hr/> 41,051,563
<b>Fund balances – End of year</b>	<hr/> <b>45,253,445</b>	<hr/> <b>45,483,157</b>

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

# TRIUMF

## Summary Statement of Cash Flows

For the year ended March 31, 2020

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	2020 \$	2019 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
(Deficit) surplus of funding over expenditures for the year	(229,712)	4,431,594
Changes in working capital items		
Decrease (increase) in due from Joint Venturers	666,148	(348,972)
Decrease (increase) in funding receivable	225,622	(91,161)
(Decrease) increase in accounts payable and accrued liabilities	(181,818)	1,455,931
Increase (decrease) in funds received in advance	394,751	(1,268,309)
	<hr/>	<hr/>
	874,991	4,179,083
Changes in non-cash items – restricted cash and investments	(176,640)	(358,419)
	<hr/>	<hr/>
	698,351	3,820,664
<b>Investing activities</b>		
Net decrease (increase) in investments	5,434,942	(5,427,989)
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<b>Increase (decrease) in cash and cash equivalents</b>	6,133,293	(1,607,325)
<b>Cash and cash equivalents – Beginning of year</b>	8,293,331	9,900,656
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<b>Cash and cash equivalents – End of year</b>	14,426,624	8,293,331
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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, 2020, 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.

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 summary 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**

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, 2020, the balance in the fund, \$11.7 million, is held in an escrow account to fund decommissioning costs. The majority of the holdings are invested in cash and mutual funds of \$10.7 million (2019 - \$10.4 million), and a small holding is in equity investments of \$1.0 million (2019 - \$1.1 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**

Management prepared these summary financial statements using the following criteria:

- a) The summary financial statements include a statement for each statement included in the audited financial statements, with the exception of the fund-specific Statements of Funding and Expenditures and Changes in Fund Balance;
- b) Information in the summary financial statements agrees with the related information in the completed set of audited financial statements;
- c) Major subtotals, totals and comparative information from the audited financial statements are included; and
- d) The summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summary financial statements.

### **Audited financial statements**

The audited financial statements of TRIUMF are available on request by contacting the organization.

The audited financial statements were 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.

The audited 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.

### **3. Economic Dependence**

TRIUMF's operations are funded under a contribution from the Government of Canada through the NRC. TRIUMF is economically dependent upon this funding source for its ongoing viability. The Government of Canada funded through NRC to TRIUMF \$271.5 million over the five-year period from April 1, 2015 to March 31, 2020. On March 19, 2019, the Government of Canada announced in its Budget 2019 to provide TRIUMF with \$292.7 million over the next five-year period from April 1, 2020 to March 31, 2025. TRIUMF is currently in the process of finalizing the agreement with the NRC in relation to the funding for the five-year period.