

TRIUMF INC.

Financial Statements
March 31, 2022



Independent auditor's report

To the Directors of TRIUMF INC.

Our opinion

In our opinion, the accompanying financial statements of TRIUMF INC. and its subsidiaries (together, the Entity) as at March 31, 2022 and for the year then ended are prepared, in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements.

What we have audited

The Entity's financial statements comprise:

- the statement of financial position as at March 31, 2022;
- the statement of combined funding and expenditures and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of accounting and restriction on use

We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Entity in presenting the financial results of the Entity in accordance with the basis of accounting as agreed by the Directors. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Entity. We neither assume nor accept any responsibility or liability to any third party in respect of this report. Our opinion is not modified in respect of this matter.

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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 2 to the financial statements, which includes determining that the applicable financial reporting framework is acceptable for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our



opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
September 8, 2022

TRIUMF INC.

Statement of Financial Position

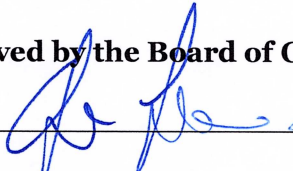
As at March 31, 2022

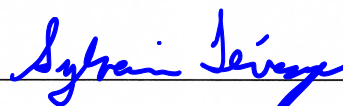
	2022 \$	2021 \$
Assets		
Cash and cash equivalents	13,794,546	22,748,322
Investments	16,304,561	16,179,156
Restricted cash and investments	12,278,724	12,213,870
Due from Member Universities (notes 4 and 10)	1,889,706	1,409,779
Funding receivable (note 3)	6,761,084	1,894,926
	<u>51,028,621</u>	<u>54,446,053</u>
Liabilities		
Accounts payable and accrued liabilities	6,907,679	4,769,683
Funds received in advance (note 5)	3,430,750	4,186,484
	<u>10,338,429</u>	<u>8,956,167</u>
Net Assets		
Externally restricted		
National Research Council Fund	2,460,330	1,060,162
CERN Cryomodules Fund	1,802,605	142,412
Natural Sciences and Engineering Research Council Fund	5,338,871	5,437,776
Institute for Advanced Medical Isotopes (Capital Fund)	2,813,427	9,569,631
BWXT Medical Fund	100,000	100,000
Decommissioning Fund	12,278,724	12,213,870
	<u>24,793,957</u>	<u>28,523,851</u>
Internally designated		
Commercial Revenue Fund	9,422,740	8,072,263
Intramural Accounts Fund	4,634,510	4,129,136
Project Initiatives Fund	-	3,000,000
	<u>14,057,250</u>	<u>15,201,399</u>
Unrestricted		
General Fund	1,838,985	1,764,636
	<u>40,690,192</u>	<u>45,489,886</u>
Total liabilities and net assets	<u>51,028,621</u>	<u>54,446,053</u>

Commitments (note 6)

Economic dependence (note 9)

Approved by the Board of Governors

 Director

 Director

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

TRIUMF INC.

Statement of Combined Funding and Expenditures and Changes in Fund Balances For the year ended March 31, 2022

	2022 \$	2021 \$
Funding/income		
National Research Council Fund	60,225,000	59,143,659
Natural Sciences and Engineering Research Council Fund	6,715,425	7,374,626
Canada Foundation for Innovation (including provincial contribution)	5,708,465	4,448,376
Western Economic Diversification Fund	60,627	49,408
Institute for Advanced Medical Isotopes (Capital Fund)	5,463,728	1,143,680
BWXT Medical Fund	5,085,318	5,167,555
TRIUMF Innovations Fund	588,533	640,765
Decommissioning Fund	64,854	502,436
Affiliated Institutions Fund	2,702,499	2,874,972
Commercial Revenue Fund	7,623,235	5,382,412
Intramural Accounts Fund	2,073,409	1,635,595
CERN Cryomodules Fund	2,000,000	300,000
General Fund	293,650	429,109
	<hr/> 98,604,743	<hr/> 89,092,593
Expenditures		
Buildings and improvements	19,687,895	9,476,321
Computers	2,592,773	2,413,114
Consulting	4,763,506	4,187,909
Equipment	10,329,226	9,642,050
Power	4,040,621	3,726,272
Salaries and benefits	56,069,625	53,985,501
Supplies and other expenses	5,516,796	5,006,896
Telecommunications	114,026	171,593
Travel	289,969	246,496
	<hr/> 103,404,437	<hr/> 88,856,152
(Deficit) surplus of funding over expenditures for the year	(4,799,694)	236,441
Fund balances – Beginning of year	45,489,886	45,253,445
Fund balances – End of year	<hr/> 40,690,192	<hr/> 45,489,886

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

TRIUMF INC.

Statement of Cash Flows

For the year ended March 31, 2022

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
(Deficit) surplus of funding over expenditures for the year	(4,799,694)	236,441
Changes in working capital items		
Increase in due from Member Universities	(479,927)	(254,864)
(Increase) decrease in funding receivable	(4,866,158)	15,306
Increase in accounts payable and accrued liabilities	2,137,996	412,496
Decrease in funds received in advance	(755,734)	(951,873)
	<hr/>	<hr/>
Changes in non-cash items – Restricted cash and investments	(8,763,517)	(542,494)
	(64,854)	(502,436)
	<hr/>	<hr/>
	(8,828,371)	(1,044,930)
Investing activities		
Net (increase) decrease in investments	(125,405)	9,366,628
	<hr/>	<hr/>
(Decrease) increase in cash and cash equivalents	(8,953,776)	8,321,698
Cash and cash equivalents – Beginning of year	22,748,322	14,426,624
	<hr/>	<hr/>
Cash and cash equivalents – End of year	13,794,546	22,748,322
	<hr/>	<hr/>

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

TRIUMF INC.

Statement of Funding and Expenditures and Changes in Fund Balance

National Research Council Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Funding		
National Research Council	60,225,000	59,143,659
	<hr/>	<hr/>
Expenditures		
Buildings and improvements	266,910	345,122
Computers	2,165,777	2,173,299
Consulting	2,046,336	2,150,520
Equipment	3,440,410	4,213,501
Power	4,038,784	3,726,271
Salaries and benefits	46,018,748	43,944,503
Supplies and other expenses	2,534,053	2,356,086
Telecommunications	97,019	168,926
Travel	81,655	29,879
Expenditure recoveries	(1,864,860)	(1,024,610)
	<hr/>	<hr/>
	58,824,832	58,083,497
	<hr/>	<hr/>
Surplus of funding over expenditures for the year	1,400,168	1,060,162
	<hr/>	<hr/>
Fund balance – Beginning of year	1,060,162	-
	<hr/>	<hr/>
Fund balance – End of year	2,460,330	1,060,162
	<hr/>	<hr/>

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

TRIUMF INC.

Statement of Funding and Expenditures and Changes in Fund Balance

Natural Sciences and Engineering Research Council Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Funding		
Common grant awarded	5,392,737	5,745,216
Subgrants awarded	1,322,688	1,629,410
	<hr/>	<hr/>
	6,715,425	7,374,626
Expenditures		
Computers	133,360	131,296
Consulting	88,233	101,841
Equipment	1,318,057	862,381
Salaries and benefits	4,209,286	3,557,928
Supplies and other expenses	875,223	542,668
Telecommunications	-	726
Travel	190,171	190,740
	<hr/>	<hr/>
	6,814,330	5,387,580
(Deficit) surplus of funding over expenditures for the year	(98,905)	1,987,046
Fund balance – Beginning of year	<hr/>	<hr/>
	5,437,776	3,450,730
Fund balance – End of year	<hr/>	<hr/>
	5,338,871	5,437,776

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

TRIUMF INC.

Statement of Funding and Expenditures and Changes in Fund Balance

Canada Foundation for Innovation

For the year ended March 31, 2022

	2022 \$	2021 \$
Funding		
CFI capital contribution	2,782,414	2,158,973
Provincial capital contribution	2,745,771	2,169,244
CFI Infrastructure Operating Funds (IOF)	180,280	120,159
	<hr/> 5,708,465	<hr/> 4,448,376
Expenditures		
Buildings and improvements	1,193,122	347,498
Computers	16,849	10,600
Consulting	94,479	76,688
Equipment	2,565,179	2,587,099
Power	5,695	5,695
Salaries and benefits	687,618	1,200,715
Supplies and other expenses	1,139,808	220,081
Telecommunication	1,350	-
Travel	4,365	-
	<hr/> 5,708,465	<hr/> 4,448,376
Surplus of funding over expenditures for the year	-	-
Fund balance – Beginning of year	<hr/> -	<hr/> -
Fund balance – End of year	<hr/> -	<hr/> -

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

TRIUMF INC.

Statement of Funding and Expenditures and Changes in Fund Balance

Western Economic Diversification Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Funding		
Advances and reimbursements	60,627	49,408
Expenditures		
Building and improvements	60,627	49,408
Surplus of funding over expenditures for the year	-	-
Fund balance – Beginning of year	-	-
Fund balance – End of year	-	-

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

TRIUMF INC.

Statement of Funding and Expenditures and Changes in Fund Balance

Institute for Advanced Medical Isotopes (Capital Fund)

For the year ended March 31, 2022

	2022	2021
	\$	\$
Funding		
Federal funding	5,463,728	1,143,680
Expenditures		
Buildings and improvements	17,829,658	8,628,322
Computers	181,271	5,283
Consulting	365,713	569,117
Equipment	201,723	124,134
Salaries and benefits	290,591	232,091
Supplies and other expenses	94,039	25,393
Telecommunication	6,741	-
Travel	196	479
	<u>18,969,932</u>	<u>9,584,819</u>
Deficit of funding over expenditures for the year	(13,506,204)	(8,441,139)
Contribution from Commercial Revenue Fund	3,750,000	1,500,000
Contribution from Intramural Accounts Fund	-	1,500,000
Contribution from Project Initiatives Fund	3,000,000	-
Fund balance – Beginning of year	<u>9,569,631</u>	<u>15,010,770</u>
Fund balance – End of year	<u>2,813,427</u>	<u>9,569,631</u>

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

TRIUMF INC.

Statement of Funding and Expenditures and Changes in Fund Balance

BWXT Medical Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Funding		
Advances and reimbursements	5,085,318	5,167,555
	<hr/>	<hr/>
Expenditures		
Buildings and improvements	110,724	96,094
Computers	34,625	38,191
Consulting	30,239	42,939
Equipment	812,149	676,159
Power	420,188	392,533
Salaries and benefits	3,400,624	3,488,833
Supplies and other expenses	274,435	432,437
Telecommunications	-	369
Travel	2,334	-
	<hr/>	<hr/>
	5,085,318	5,167,555
	<hr/>	<hr/>
Surplus of funding over expenditures for the year	-	-
Fund balance – Beginning of year	100,000	100,000
	<hr/>	<hr/>
Fund balance – End of year	100,000	100,000
	<hr/>	<hr/>

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

TRIUMF INC.

Statement of Income and Expenditures and Changes in Fund Balance

TRIUMF Innovations Fund

For the year ended March 31, 2022

	2022 \$	2021 \$
Income		
Advances and reimbursements	588,533	640,765
	<hr/>	<hr/>
Expenditures		
Computers	3,668	10,505
Salaries and benefits	563,182	630,174
Supplies and other expenses	21,527	86
Travel	156	-
	<hr/>	<hr/>
	588,533	640,765
	<hr/>	<hr/>
Surplus of income over expenditures for the year	-	-
Fund balance – Beginning of year	-	-
	<hr/>	<hr/>
Fund balance – End of year	-	-
	<hr/>	<hr/>

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

TRIUMF INC.

Statement of Income and Expenditures and Changes in Fund Balance

Decommissioning Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Income		
Investment income	64,854	502,436
Expenditures	-	-
Surplus of income over expenditures for the year	64,854	502,436
Fund balance – Beginning of year	12,213,870	11,711,434
Fund balance – End of year	12,278,724	12,213,870

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

TRIUMF INC.

Statement of Funding and Expenditures and Changes in Fund Balance

Affiliated Institutions Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Funding		
Advances and reimbursements	2,702,499	2,874,972
	<hr/>	<hr/>
Expenditures		
Computers	35,536	23,592
Consulting	403,163	198,374
Equipment	949,497	967,322
Salaries and benefits	1,008,628	989,108
Supplies and other expenses	304,528	696,533
Telecommunications	-	43
Travel	1,147	-
	<hr/>	<hr/>
	2,702,499	2,874,972
	<hr/>	<hr/>
Surplus of funding over expenditures for the year	-	-
Fund balance – Beginning of year	<hr/>	<hr/>
	-	-
Fund balance – End of year	<hr/>	<hr/>
	-	-

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

TRIUMF INC.

Statement of Income and Expenditures and Changes in Fund Balance

Commercial Revenue Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Income		
Royalties	1,961,797	2,045,782
Other commercial income	5,661,438	3,336,630
	<u>7,623,235</u>	<u>5,382,412</u>
Expenditures		
Building and improvements	98,300	-
Computers	4,193	8,381
Consulting	1,117,638	881,071
Equipment	127,193	78,207
Salaries and benefits	1,088,285	473,802
Supplies and other expenses	82,608	663,915
Travel	4,541	629
	<u>2,522,758</u>	<u>2,106,005</u>
Surplus of income over expenditures for the year	5,100,477	3,276,407
Contribution to Institute for Advanced Medical Isotopes (Capital Fund)	(3,750,000)	(1,500,000)
Fund balance – Beginning of year	<u>8,072,263</u>	<u>6,295,856</u>
Fund balance – End of year	<u>9,422,740</u>	<u>8,072,263</u>

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

TRIUMF INC.

Statement of Income and Expenditures and Changes in Fund Balance

Intramural Accounts Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Income		
Salaries and benefits recoveries	488,785	690,989
Rentals and other revenues	1,584,624	944,606
	<hr/>	<hr/>
	2,073,409	1,635,595
Expenditures		
Buildings and improvements	128,554	9,876
Computers	17,437	11,967
Consulting	468,963	21,806
Equipment	711,964	27,077
Power	1,838	-
Salaries and benefits	177,017	69,005
Supplies and other expenses	48,250	-
Telecommunications	8,916	1,529
Travel	5,096	161
	<hr/>	<hr/>
	1,568,035	141,421
Surplus of income over expenditures for the year	505,374	1,494,174
Contribution to Institute for Advanced Medical Isotopes (Capital Fund)	-	(1,500,000)
Fund balance – Beginning of year	<hr/>	<hr/>
	4,129,136	4,134,962
Fund balance – End of year	<hr/>	<hr/>
	4,634,510	4,129,136

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

TRIUMF INC.

Statement of Funding and Expenditures and Changes in Fund Balance

Project Initiatives Fund

For the year ended March 31, 2022

	2022 \$	2021 \$
Funding	-	-
Expenditures	-	-
Surplus of funding over expenditures for the year	-	-
Contribution to Institute for Advanced Medical Isotopes (Capital Fund)	(3,000,000)	-
Fund balance – Beginning of year	3,000,000	3,000,000
Fund balance – End of year	-	3,000,000

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

TRIUMF INC.

Statement of Income and Expenditures and Changes in Fund Balance

CERN Cryomodules Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Income		
Advances and reimbursements	2,000,000	300,000
	<hr/>	<hr/>
Expenditures		
Computers	57	-
Equipment	203,054	106,171
Salaries and benefits	64,623	25,724
Supplies and other expenses	72,073	1,083
Travel	-	24,610
	<hr/>	<hr/>
	339,807	157,588
	<hr/>	<hr/>
Surplus of income over expenditures for the year	1,660,193	142,412
Fund balance – Beginning of year	142,412	-
	<hr/>	<hr/>
Fund balance – End of year	1,802,605	142,412
	<hr/>	<hr/>

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

TRIUMF INC.

Statement of Income and Expenditures and Changes in Fund Balance

General Fund

For the year ended March 31, 2022

	2022	2021
	\$	\$
Income		
Investment and other	293,650	429,109
	<hr/>	<hr/>
Expenditures		
Escrow fees	39,721	57,291
Supplies and other expenses	179,271	156,875
Travel	309	-
	<hr/>	<hr/>
	219,301	214,166
	<hr/>	<hr/>
Surplus of income over expenditures for the year	74,349	214,943
Fund balance – Beginning of year	1,764,636	1,549,693
	<hr/>	<hr/>
Fund balance – End of year	1,838,985	1,764,636
	<hr/>	<hr/>

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

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

1 Nature of operations

TRIUMF is Canada's national particle accelerator laboratory. It was owned and operated as a joint venture by a consortium of Canadian universities via a contribution through the National Research Council of Canada (NRC) until May 31, 2021. On June 1, 2021, the joint venturers of TRIUMF incorporated as TRIUMF INC. (TRIUMF).

As a registered charity, TRIUMF is not subject to income tax under paragraph 149 (1)(f) of the Income Tax Act (Canada).

As at March 31, 2022, the members of the corporation 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.

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 member universities.

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 as follows.

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.

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

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) (IAMI)

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 Medical Fund

Advances and reimbursements from the BWXT Medical Fund 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 member universities 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.

As at March 31, 2022, the balance in the fund, \$12.3 million, is held in an escrow account to fund decommissioning costs. The majority of the holdings are invested in cash and mutual funds of \$11.6 million (2021 – \$11.2 million), and a small holding is in equity investments of \$0.7 million (2021 – \$1.0 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 licence). 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.

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

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, including ineligible expenditures associated with TRIUMF initiatives.

CERN Cryomodules Fund

Funding for the collaboration between the European Organization for Nuclear Research (CERN) and TRIUMF, on the High-Luminosity LHC and construction of RFD Crab Cavities cryomodules.

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 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 year in which the costs are incurred.

These 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 licence 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.

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

Revenue recognition

- a) Contributions and funding for restricted funds

TRIUMF follows the restricted fund method of accounting for contributions to the NRC Fund, the NSERC Fund, the CFI Fund, the WD Fund, the IAMI Fund, the Decommissioning Fund, the BWXT Medical Fund, the TRIUMF Innovations Fund, the CERN Cryomodules Fund and the Affiliated Institutions Fund.

Contributions are recognized as revenue in the appropriate fund in the period in which they are received or receivable.

- b) Other revenue

Revenue received in advance for the Affiliated Institutions Fund is deferred as a liability on the statement of financial position and recognized as revenue in the period the related services or expenses are incurred.

Commercial revenue is considered to be realized or realizable and earned when all of the following criteria are met: persuasive evidence of a sales arrangement exists; delivery has occurred or services have been rendered; the price is fixed or determinable; and collectability is reasonably assured. These criteria are generally met when services are rendered or at the time of product shipment when the risk of loss and title passes to the customer or distributor.

Operating costs

Operating supplies are expensed in the period they are acquired.

Financial instruments

Financial instruments consist of cash and cash equivalents, investments, restricted cash and investments, due from Member Universities, funding receivable, accounts payable and accrued liabilities and funds received in advance.

Cash and cash equivalents, investments, restricted cash and investments (other than the holding in equity investments), due from Member Universities, funding receivable, accounts payable and accrued liabilities and funds received in advance are initially measured at fair value and subsequently carried at amortized cost. Investments that are held in equities are initially measured and subsequently carried at fair value.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and highly liquid short-term investments with a maturity of less than three months that are readily convertible to a known amount of cash.

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

Investments

Investments consist of guaranteed investment certificates that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Interest earned is recognized as income in the General Fund. As at March 31, 2022, TRIUMF had \$16.3 million (2021 – \$16.2 million) plus accrued interest in redeemable and non-redeemable investments which matured in April 2022 and were subsequently reinvested.

Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Foreign currency

Foreign currency denominated monetary assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date, and revenue and expenses expressed in foreign currencies are translated at the rate of exchange prevailing on the date of the transaction. Foreign exchange gains and losses are included in the results of the General Fund.

3 Funding receivable

	2022 \$	2021 \$
BWXT Medical Fund	3,358,004	641,918
TRIUMF Innovations Fund	198,957	227,171
Affiliated Institutions Fund	659,914	333,966
GST/HST – net rebate	35,795	361,114
Others	2,508,414	330,757
	<hr/> 6,761,084	<hr/> 1,894,926

4 Due from Member Universities

	2022 \$	2021 \$
University of British Columbia	584,046	399,913
University of Victoria	833,136	-
University of Winnipeg	108,512	-
Simon Fraser University	359,602	902,714
University of Alberta	4,410	107,152
	<hr/> 1,889,706	<hr/> 1,409,779

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

5 Funds received in advance

	2022 \$	2021 \$
Affiliated Institutions Fund	3,058,454	3,572,702
E. Vogt Medal Fund	176,000	176,000
Other	196,296	437,782
	<hr/>	<hr/>
	3,430,750	4,186,484
	<hr/>	<hr/>

6 Commitments

In addition to the accounts payable reflected on the statement of financial position, outstanding commitments, representing the estimated costs of purchase commitments and contracts in place at the fiscal year-end, comprise:

	2022 \$	2021 \$
National Research Council Fund	2,818,424	5,523,164
Natural Sciences and Engineering Research Council Fund	-	452,949
Canada Foundation for Innovation	1,658,081	7,065,034
Institute for Advanced Medical Isotopes (Capital Fund)	2,000,873	20,706,897
BWXT Medical Fund	287,280	144,665
Affiliated Institutions Fund	-	508,865
TRIUMF Innovations Fund	10,168	12,021
Commercial Revenue Fund	-	68,543
Intramural Accounts Fund	-	301,326
CERN Cryomodules Fund	-	63,923
General Fund	-	11,552
	<hr/>	<hr/>
	6,774,826	34,858,939
	<hr/>	<hr/>

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

Commitments for the next fiscal years are as follows:

	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	Total by fund \$
National Research Council Fund	83,972	741,899	677,313	673,087	642,153	2,818,424
Canada Foundation for Innovation	621,795	978,225	58,061	-	-	1,658,081
Institute for Advanced Medical Isotopes (Capital Fund)	1,250,546	750,327	-	-	-	2,000,873
BWXT Medical Fund	-	287,280	-	-	-	287,280
TRIUMF Innovations Fund	2,827	4,637	2,704	-	-	10,168
	<u>1,959,140</u>	<u>2,762,368</u>	<u>738,078</u>	<u>673,087</u>	<u>642,153</u>	<u>6,774,826</u>

7 Financial instruments and risk management

TRIUMF is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk. However, this exposure is not significant. TRIUMF's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on TRIUMF's financial performance. TRIUMF is exposed to market risk and interest rate risk with regard to its cash and cash equivalents, investments and restricted cash and investments.

Market risk

TRIUMF is exposed to market risk through the fluctuation of financial instrument fair values from changes in market prices. Due to the nature of the financial instruments being invested in, this exposure is not significant.

Credit risk

TRIUMF is exposed to credit risk in the event of non-payment by funding agencies or Member Universities. As the majority of TRIUMF's funding is from the Government of Canada through the NRC (note 9) and other federal and provincial government agencies for approved projects, this exposure is not significant.

As at March 31, 2022, the following receivables were past due but not impaired:

	30 days \$	60 days \$	90 days \$	Over 90 days \$
Due from Member Universities	1,710,648	-	-	165,713
Funding receivable	4,422,079	158,481	23,327	269,754

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

As at March 31, 2021, the following receivables were past due but not impaired:

	30 days \$	60 days \$	90 days \$	Over 90 days \$
Due from Member Universities	1,049,365	298,881	61,533	-
Funding receivable	1,686,871	104,632	14,279	89,144

Interest rate risk

Interest rate risk arises from fluctuations in interest rates and the degree of volatility of these rates. TRIUMF is exposed to interest rate risk on its fixed income instruments. TRIUMF invests in a diversified portfolio of fixed income securities to provide stability of capital within a suitable risk reward framework.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk). TRIUMF is not exposed to other price risk.

Liquidity risk

Liquidity risk is the risk that TRIUMF will not be able to meet its financial obligations as they come due. TRIUMF's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flows to fund operations and settle liabilities when due. All TRIUMF's accounts payable and accrued liabilities are due to be settled in six months or less.

8 Pension arrangements

The employees of TRIUMF are members of the pension plan administered by the university that sponsors their employment. TRIUMF records the pension expense as cash contributions are made to the plans based on a prescribed percentage of employee earnings. The pension expense for the year was \$3.8 million (2021 – \$3.8 million). In the event there is a future deficiency in the pension plans, the plans' policy for balancing benefits and funding requires a reduction in benefits, starting with future indexing. Consequently, TRIUMF is not required to fund any such deficiency.

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

9 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 with \$292.7 million over the five years from April 1, 2020 to March 31, 2025.

10 Related party transactions

TRIUMF enters into transactions with the members of the corporation in the normal course of operations. The members of the corporation are considered related parties to TRIUMF. Amounts due from Member Universities are disclosed in note 4. Revenues from Member Universities are recorded in the CFI Fund and NSERC Fund for subgrants. Salaries and benefits are paid by the University of British Columbia, TRIUMF's paymaster, and are recorded in the applicable funds.

Under the terms of the Membership agreement, the University of British Columbia provides the land and buildings occupied by TRIUMF for \$100 per year to the members. TRIUMF pays for all other goods and services provided by the University of British Columbia and the other Member Universities on a fee-for-service basis.

Balances with related parties are unsecured, non-interest bearing and are due in the normal course of business.

11 TRIUMF Innovations Inc. (TI)

TI is a not-for-profit organization incorporated under Part II of the Canada Corporations Act on February 21, 2008, and was continued under the Canada Not-For-Profit Corporations Act in November 2014. TI's sole founding member was TRIUMF.

TI received start-up funding totalling \$14,955,575 in April 2008 from the Government of Canada's Networks of Centres of Excellence Program through the Centres of Excellence for Commercialization and Research Initiative (CECR). TI was funded to commercialize Canadian research and technology, which may include TRIUMF research and technology.

At the end of fiscal year March 31, 2016, TI had exhausted CECR funding and successfully exited the CECR program.

As at April 1, 2016, TI became a controlled entity of TRIUMF due to the operational funding support it receives from TRIUMF. During the year ended March 31, 2022, TRIUMF transferred \$1.1 million to TI (2021 – \$0.8 million).

TRIUMF INC.

Notes to Financial Statements

March 31, 2022

The net assets, revenues and expenses of TI are not consolidated in TRIUMF's financial statements. The financial summary of TI as at March 31, 2022 and 2021 is as follows:

	2022 \$	2021 \$
Financial position		
Total assets	568,137	313,003
Revenue and expenses		
Revenue	1,111,644	951,204
Expenses	(924,608)	(1,471,238)
Excess of expenses over revenue	187,036	(520,034)
Cash flows		
Cash flows from operating activities	262,873	42,465

12 Endowment Fund

A permanent Endowment Fund has been established with the Vancouver Foundation, whereby \$350,000 from TRIUMF was transferred to the Vancouver Foundation during the year ended March 31, 2018. The capital of the fund is held permanently by the Vancouver Foundation and accordingly is not recorded on the statement of financial position. As at March 31, 2022, TRIUMF received income of \$14,157 (2021 – \$13,981) from the Endowment Fund and recorded it in the Intramural Accounts Fund.

13 Subsequent event

On July 1, 2022, the assets, liabilities and future obligations of TAI, valued at \$nil, were transferred to TRIUMF. The TRIUMF facility's operating licence which was held by TAI will be assumed by TRIUMF, as approval was granted by the CNSC. Additionally, TRIUMF secured a ten-year renewal of its operating licence through to June 30, 2032.