

TRIUMF

Financial Statements
March 31, 2021



Independent auditor's report

To the Joint Venturers of TRIUMF

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TRIUMF (the Entity) as at March 31, 2021 and results of its operations and its cash flows for the year then ended in accordance with the basis of accounting described in note 2 of the financial statements.

What we have audited

The Entity's financial statements comprise:

- the statement of financial position as at March 31, 2021;
- 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 TRIUMF to comply with the reporting provisions of the TRIUMF joint venture agreement. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the joint venturers of TRIUMF and should not be distributed to parties other than TRIUMF or the joint venturers of TRIUMF. 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 and fair presentation of the financial statements in accordance with the basis of accounting described in note 2 of the financial statements, 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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
August 31, 2021

TRIUMF

Statement of Financial Position

As at March 31, 2021

	2021 \$	2020 \$
Assets		
Cash and cash equivalents	22,748,322	14,426,624
Investments	16,179,156	25,545,784
Restricted cash and investments	12,213,870	11,711,434
Due from Joint Venturers (notes 4 and 10)	1,409,779	1,154,915
Funding receivable (note 3)	1,894,926	1,910,232
	<u>54,446,053</u>	<u>54,748,989</u>
Liabilities		
Accounts payable and accrued liabilities	4,769,683	4,357,187
Funds received in advance (note 5)	4,186,484	5,138,357
	<u>8,956,167</u>	<u>9,495,544</u>
Fund Balances		
Externally restricted		
National Research Council Fund	1,060,162	-
CERN Cryomodules Fund	142,412	-
Natural Sciences and Engineering Research Council Fund	5,437,776	3,450,730
Institute for Advanced Medical Isotopes (Capital Fund)	9,569,631	15,010,770
BWXT Fund	100,000	100,000
Decommissioning Fund	12,213,870	11,711,434
	<u>28,523,851</u>	<u>30,272,934</u>
Internally designated		
Commercial Revenue Fund	8,072,263	6,295,856
Intramural Accounts Fund	4,129,136	4,134,962
Project Initiatives Fund	3,000,000	3,000,000
	<u>15,201,399</u>	<u>13,430,818</u>
Unrestricted		
General Fund	1,764,636	1,549,693
	<u>45,489,886</u>	<u>45,253,445</u>
Total liabilities and fund balances	<u>54,446,053</u>	<u>54,748,989</u>
Commitments (note 6)		
Economic dependence (note 9)		
Approved by the Board of Directors		

_____ Director _____ Director

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

TRIUMF

Statement of Combined Funding and Expenditures and Changes in Fund Balances For the year ended March 31, 2021

	2021 \$	2020 \$
Funding/income		
National Research Council Fund	59,143,659	55,162,800
Natural Sciences and Engineering Research Council Fund	7,374,626	6,562,194
Canada Foundation for Innovation (including provincial contribution)	4,448,376	3,738,780
Western Economic Diversification Fund	49,408	61,072
Institute for Advanced Medical Isotopes (Capital Fund)	1,143,680	2,644,217
BWXT Fund	5,167,555	5,280,311
TRIUMF Innovations Fund	640,765	557,718
Decommissioning Fund	502,436	176,640
Affiliated Institutions Fund	2,874,972	3,580,254
Commercial Revenue Fund	5,382,412	4,403,747
Intramural Accounts Fund	1,635,595	2,495,177
CERN Cryomodules Fund	300,000	-
General Fund	429,109	941,798
	<hr/> 89,092,593	<hr/> 85,604,708
Expenditures		
Buildings and improvements	9,476,321	3,145,513
Computer	2,413,114	1,771,031
Consulting	4,187,909	3,227,359
Equipment	9,642,050	10,076,424
Power	3,726,272	4,357,044
Salaries and benefits	53,985,501	53,830,783
Supplies and other expenses	5,006,896	6,971,689
Telecommunications	171,593	176,430
Travel	246,496	2,278,147
	<hr/> 88,856,152	<hr/> 85,834,420
Surplus (deficit) of funding over expenditures for the year	236,441	(229,712)
Fund balances – Beginning of year	45,253,445	45,483,157
Fund balances – End of year	<hr/> 45,489,886	<hr/> 45,253,445

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

TRIUMF

Statement of Cash Flows

For the year ended March 31, 2021

	2021 \$	2020 \$
Cash provided by (used in)		
Operating activities		
Surplus (deficit) of funding over expenditures for the year	236,441	(229,712)
Changes in working capital items		
Decrease (increase) in due from Joint Venturers	(254,864)	666,148
Decrease in funding receivable	15,306	225,622
Increase (decrease) in accounts payable and accrued liabilities	412,496	(181,818)
(Decrease) increase in funds received in advance	(951,873)	394,751
	<hr/>	<hr/>
	(542,494)	874,991
Changes in non-cash items – Restricted cash and investments	(502,436)	(176,640)
	<hr/>	<hr/>
	(1,044,930)	698,351
Investing activities		
Net decrease in investments	9,366,628	5,434,942
	<hr/>	<hr/>
Increase in cash and cash equivalents	8,321,698	6,133,293
Cash and cash equivalents – Beginning of year	14,426,624	8,293,331
	<hr/>	<hr/>
Cash and cash equivalents – End of year	22,748,322	14,426,624
	<hr/>	<hr/>

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

TRIUMF

Statement of Funding and Expenditures and Changes in Fund Balance

National Research Council Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Funding		
National Research Council	59,143,659	55,162,800
Expenditures		
Buildings and improvements	345,122	1,354,230
Computer	2,173,299	1,538,269
Consulting	2,150,520	860,130
Equipment	4,213,501	5,098,926
Power	3,726,271	4,357,044
Salaries and benefits	43,944,503	44,780,533
Supplies and other expenses	2,356,086	3,422,770
Telecommunications	168,926	172,122
Travel	29,879	939,476
Expenditure recoveries	(1,024,610)	(2,008,008)
	58,083,497	60,515,492
Surplus (deficit) of funding over expenditures for the year	1,060,162	(5,352,692)
Contribution from Commercial Revenue Fund	-	5,076,208
Fund balance – Beginning of year	-	276,484
Fund balance – End of year	1,060,162	-

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

TRIUMF

Statement of Funding and Expenditures and Changes in Fund Balance

Natural Sciences and Engineering Research Council Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Funding		
Common grant awarded	5,745,216	4,833,931
Subgrants awarded	1,629,410	1,728,263
	<u>7,374,626</u>	<u>6,562,194</u>
Expenditures		
Computer	131,296	127,416
Consulting	101,841	322,559
Equipment	862,381	782,576
Salaries and benefits	3,557,928	3,240,089
Supplies and other expenses	542,668	645,804
Telecommunications	726	541
Travel	190,740	1,026,297
	<u>5,387,580</u>	<u>6,145,282</u>
Surplus of funding over expenditures for the year	1,987,046	416,912
Fund balance – Beginning of year	<u>3,450,730</u>	<u>3,033,818</u>
Fund balance – End of year	<u>5,437,776</u>	<u>3,450,730</u>

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

TRIUMF

Statement of Funding and Expenditures and Changes in Fund Balance

Canada Foundation for Innovation

For the year ended March 31, 2021

	2021 \$	2020 \$
Funding		
CFI capital contribution	2,158,973	1,552,500
Provincial capital contribution	2,169,244	1,456,568
CFI Infrastructure Operating Funds (IOF)	120,159	729,712
	<hr/> 4,448,376	<hr/> 3,738,780
Expenditures		
Buildings and improvements	347,498	28,074
Computer	10,600	15,097
Consulting	76,688	7,269
Equipment	2,587,099	1,982,362
Power	5,695	9,813
Salaries and benefits	1,200,715	772,717
Supplies and other expenses	220,081	905,757
Travel	-	17,691
	<hr/> 4,448,376	<hr/> 3,738,780
Surplus of funding over expenditures for the year	-	-
Fund balance – Beginning of year	<hr/> -	<hr/> -
Fund balance – End of year	<hr/> <hr/> -	<hr/> <hr/> -

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

TRIUMF

Statement of Funding and Expenditures and Changes in Fund Balance

Western Economic Diversification Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Funding		
Advances and reimbursements	49,408	61,072
Expenditures		
Building and improvements	49,408	-
Equipment	-	44,915
Supplies and other expenses	-	16,157
	49,408	61,072
Surplus of income 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

Statement of Funding and Expenditures and Changes in Fund Balance

Institute for Advanced Medical Isotopes (Capital Fund)

For the year ended March 31, 2021

	2021 \$	2020 \$
Funding		
Federal funding	1,143,680	1,144,217
Others	-	1,500,000
	<hr/> 1,143,680	<hr/> 2,644,217
Expenditures		
Buildings and improvements	8,628,322	1,500,608
Computer	5,283	3,703
Consulting	569,117	753,452
Equipment	124,134	71,378
Salaries and benefits	232,091	314,854
Supplies and other expenses	25,393	271,316
Travel	479	442
	<hr/> 9,584,819	<hr/> 2,915,753
Deficit of funding over expenditures for the year	(8,441,139)	(271,536)
Contribution from Commercial Revenue Fund	1,500,000	-
Contribution from Intramural Accounts Fund	1,500,000	1,345,000
Fund balance – Beginning of year	<hr/> 15,010,770	<hr/> 13,937,306
Fund balance – End of year	<hr/> 9,569,631	<hr/> 15,010,770

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

TRIUMF

Statement of Funding and Expenditures and Changes in Fund Balance

BWXT Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Funding		
Advances and reimbursements	5,167,555	5,280,311
Expenditures		
Buildings and improvements	96,094	84,193
Computer	38,191	35,356
Consulting	42,939	65,432
Equipment	676,159	878,498
Power	392,533	401,917
Salaries and benefits	3,488,833	3,305,545
Supplies and other expenses	432,437	497,798
Telecommunications	369	68
Travel	-	11,504
	<u>5,167,555</u>	<u>5,280,311</u>
Surplus of funding over expenditures for the year	-	-
Fund balance – Beginning of year	<u>100,000</u>	<u>100,000</u>
Fund balance – End of year	<u>100,000</u>	<u>100,000</u>

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

TRIUMF

Statement of Income and Expenditures and Changes in Fund Balance

TRIUMF Innovations Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Income		
Advances and reimbursements	640,765	557,718
Expenditures		
Computer	10,505	8,088
Salaries and benefits	630,174	536,477
Supplies and other expenses	86	11,882
Telecommunications	-	1,163
Travel	-	108
	640,765	557,718
Surplus of income 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

Statement of Income and Expenditures and Changes in Fund Balance

Decommissioning Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Income		
Investment income	502,436	176,640
Expenditures	-	-
Surplus of income over expenditures for the year	502,436	176,640
Fund balance – Beginning of year	11,711,434	11,534,794
Fund balance – End of year	12,213,870	11,711,434

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

TRIUMF

Statement of Funding and Expenditures and Changes in Fund Balance

Affiliated Institutions Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Funding		
Advances and reimbursements	2,874,972	3,580,254
	<hr/>	<hr/>
Expenditures		
Computer	23,592	26,983
Consulting	198,374	168,801
Equipment	967,322	791,956
Salaries and benefits	989,108	1,552,901
Supplies and other expenses	696,533	803,442
Telecommunications	43	20
Travel	-	236,151
	<hr/>	<hr/>
	2,874,972	3,580,254
	<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

Statement of Income and Expenditures and Changes in Fund Balance

Commercial Revenue Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Income		
Royalties	2,045,782	2,937,379
Other commercial income	3,336,630	1,466,368
	<u>5,382,412</u>	<u>4,403,747</u>
Expenditures		
Building and improvements	-	51,690
Computer	8,381	6,363
Consulting	881,071	933,857
Equipment	78,207	324,030
Salaries and benefits	473,802	477,889
Supplies and other expenses	663,915	27,493
Travel	629	30,858
	<u>2,106,005</u>	<u>1,852,180</u>
Surplus of income over expenditures for the year	3,276,407	2,551,567
Contribution to National Research Council Fund	-	(5,076,208)
Contribution to Institute for Advanced Medical Isotopes (Capital Fund)	(1,500,000)	-
Fund balance – Beginning of year	<u>6,295,856</u>	<u>8,820,497</u>
Fund balance – End of year	<u>8,072,263</u>	<u>6,295,856</u>

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

TRIUMF

Statement of Income and Expenditures and Changes in Fund Balance

Intramural Accounts Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Income		
Salaries and benefits recoveries	690,989	507,251
Rentals and other revenues	944,606	1,987,926
	<u>1,635,595</u>	<u>2,495,177</u>
Expenditures		
Buildings and improvements	9,876	126,718
Computer	11,967	9,756
Consulting	21,806	-
Equipment	27,077	101,783
Salaries and benefits	69,005	446,056
Supplies and other expenses	-	252,945
Telecommunications	1,529	2,516
Travel	161	13,239
	<u>141,421</u>	<u>953,013</u>
Surplus of income over expenditures for the year	1,494,174	1,542,164
Contribution to Institute for Advanced Medical Isotopes (Capital Fund)	(1,500,000)	(1,345,000)
Fund balance – Beginning of year	<u>4,134,962</u>	<u>3,937,798</u>
Fund balance – End of year	<u>4,129,136</u>	<u>4,134,962</u>

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

TRIUMF

Statement of Funding and Expenditures and Changes in Fund Balance

Project Initiatives Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Funding	-	-
Expenditures	-	-
Surplus of funding over expenditures for the year	-	-
Fund balance – Beginning of year	<u>3,000,000</u>	<u>3,000,000</u>
Fund balance – End of year	<u>3,000,000</u>	<u>3,000,000</u>

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

TRIUMF

Statement of Income and Expenditures and Changes in Fund Balance

CERN Cryomodules Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Income		
Advances and reimbursements	300,000	-
Expenditures		
Equipment	106,171	-
Salaries and benefits	25,724	-
Supplies and other expenses	1,083	-
Travel	24,610	-
	157,588	-
Surplus of income over expenditures for the year	142,412	-
Fund balance - Beginning of year	-	-
Fund balance - End of year	142,412	-

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

TRIUMF

Statement of Income and Expenditures and Changes in Fund Balance

General Fund

For the year ended March 31, 2021

	2021 \$	2020 \$
Income		
Investment and other	429,109	941,798
Expenditures		
Escrow fees	57,291	56,723
Supplies and other expenses	156,875	177,842
	214,166	234,565
Surplus of income over expenditures for the year	214,943	707,233
Fund balance – Beginning of year	1,549,693	842,460
Fund balance – End of year	1,764,636	1,549,693

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

TRIUMF

Notes to Financial Statements

March 31, 2021

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).

As at March 31, 2021, 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 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 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

Notes to Financial Statements

March 31, 2021

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 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.

As at March 31, 2021, the balance in the fund, \$12.2 million, is held in an escrow account to fund decommissioning costs. The majority of the holdings are invested in cash and mutual funds of \$11.2 million (2020 – \$10.7 million), and a small holding is in equity investments of \$1.0 million (2020 – \$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.

TRIUMF

Notes to Financial Statements

March 31, 2021

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, 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 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 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

Notes to Financial Statements

March 31, 2021

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 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.

- 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 Joint Venturers, 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 Joint Venturers, 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.

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Notes to Financial Statements

March 31, 2021

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, 2021, TRIUMF had \$16 million (2020 – \$25.2 million) plus accrued interest in redeemable and non-redeemable investments with maturities in April 2021. During the year, investments maturing in September, October and December 2020 were reinvested in an interest-bearing savings account.

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

	2021 \$	2020 \$
BWXT Fund	641,918	617,579
TRIUMF Innovations Fund	227,171	40,676
Affiliated Institutions Fund	333,966	416,934
GST/HST – net rebate	361,114	61,149
Others	330,757	773,894
	<u>1,894,926</u>	<u>1,910,232</u>

4 Due from Joint Venturers

	2021 \$	2020 \$
University of British Columbia	399,913	635,547
University of Victoria	-	332,637
University of Carleton	-	89,870
Simon Fraser University	902,714	83,299
Others	107,152	13,562
	<u>1,409,779</u>	<u>1,154,915</u>

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5 Funds received in advance

	2021 \$	2020 \$
Affiliated Institutions Fund	3,572,702	4,807,452
E. Vogt Medal Fund	176,000	176,000
Other	437,782	154,905
	<hr/> 4,186,484	<hr/> 5,138,357

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:

	2021 \$	2020 \$
National Research Council Fund	5,523,164	1,765,380
Natural Sciences and Engineering Research Council Fund	452,949	431,576
Canada Foundation for Innovation	7,065,034	5,067,408
Institute for Advanced Medical Isotopes (Capital Fund)	20,706,897	930,552
BWXT Fund	144,665	199,111
Affiliated Institutions Fund	508,865	609,714
TRIUMF Innovations Fund	12,021	15,383
Commercial Revenue Fund	68,543	168,765
Intramural Accounts Fund	301,326	257,683
CERN Cryomodules Fund	63,923	-
General Fund	11,552	12,159
	<hr/> 34,858,939	<hr/> 9,457,731

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Commitments for the next fiscal years are as follows:

	2021 \$	2022 \$	2023 \$	2024 \$	2025 \$	Total by Fund \$
National Research Council Fund	3,600,053	649,614	626,021	622,215	25,261	5,523,164
Natural Sciences and Engineering Research Council Fund	452,949	-	-	-	-	452,949
Canada Foundation for Innovation	7,065,034	-	-	-	-	7,065,034
Institute for Advanced Medical Isotopes (Capital Fund)	20,706,897	-	-	-	-	20,706,897
BWXT Fund	144,665	-	-	-	-	144,665
Affiliated Institutions Fund	508,865	-	-	-	-	508,865
TRIUMF Innovations Fund	5,007	4,430	2,584	-	-	12,021
Commercial Revenue Fund	68,543	-	-	-	-	68,543
Intramural Accounts Fund	301,326	-	-	-	-	301,326
CERN Cryomodules Fund	63,923	-	-	-	-	63,923
General Fund	11,552	-	-	-	-	11,552
	<u>32,928,814</u>	<u>654,044</u>	<u>628,605</u>	<u>622,215</u>	<u>25,261</u>	<u>34,858,939</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, this exposure is not significant.

Credit risk

TRIUMF is exposed to credit risk in the event of non-payment by funding agencies or Joint Venturers. 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.

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Notes to Financial Statements

March 31, 2021

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 Joint Venturers	1,049,365	298,881	61,533	-
Funding receivable	1,686,871	104,632	14,279	89,144

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 Joint Venturers	998,736	93,828	10,113	52,238
Funding receivable	1,185,852	448,389	-	275,991

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.

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 \$3,822,226 (2020 – \$3,482,245). 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.

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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 joint venture in the normal course of operations. The members of the joint venture are considered related parties to TRIUMF. Amounts due from Joint Venturers are disclosed in note 4. Revenues from Joint Venturers 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 joint venture agreement, the University of British Columbia provides the land and buildings occupied by TRIUMF for \$100 per year to the joint venture. TRIUMF pays for all other goods and services provided by the University of British Columbia and the other Joint Venturers 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, 2021, TRIUMF transferred \$880,749 to TI (2020 – \$933,857).

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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, 2021 is as follows:

	2021 \$	2020 \$
Financial position		
Total assets	313,003	740,953
Revenue and expenses		
Revenue	885,772	934,619
Expenses	(1,405,806)	(2,821,032)
Excess of expenses over revenue	(520,034)	(1,886,413)
Cash flows		
Cash flows from operating activities	42,465	(54,984)
Cash flows from investing activities	-	200,000

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, 2021, TRIUMF received \$13,981 (2020 – \$13,552) income from the Endowment Fund and recorded it in the Intramural Accounts Fund.

13 Subsequent event

On June 1, 2021, the joint venturers of TRIUMF incorporated a new not-for-profit corporation, TRIUMF Inc. The assets, liabilities and future obligations of TRIUMF were transferred to TRIUMF Inc. in exchange for \$14 consideration on the date of incorporation.