

# **TRIUMF INC.**

Financial Statements  
**March 31, 2023**



## Independent auditor's report

To the Governors of TRIUMF INC.

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### Our opinion

In our opinion, the accompanying financial statements of TRIUMF INC. and its subsidiaries (together, the Entity) as at March 31, 2023 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, 2023;
- 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.

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### 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.

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### 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 Governors. 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

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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; this 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.

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## **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 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  
August 3, 2023

# TRIUMF INC.

## Statement of Financial Position

As at March 31, 2023

	2023 \$	2022 \$
<b>Assets</b>		
Cash and cash equivalents	8,731,223	13,794,546
Investments	16,696,659	16,304,561
Restricted cash and investments	12,495,075	12,278,724
Due from Member Universities (notes 4 and 10)	4,802,272	1,889,706
Accounts receivable and other assets (note 3)	11,030,115	6,761,084
	<u>53,755,344</u>	<u>51,028,621</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,812,537	6,907,679
Funds received in advance (note 5)	6,453,858	3,430,750
	<u>11,266,395</u>	<u>10,338,429</u>
<b>Net Assets</b>		
<b>Externally restricted</b>		
National Research Council Fund	2,492,005	2,460,330
CERN Cryomodules Fund	1,600,494	1,802,605
Natural Sciences and Engineering Research Council Fund	4,103,473	5,338,871
Institute for Advanced Medical Isotopes	2,722,903	2,813,427
BWXT Medical Fund	100,000	100,000
Decommissioning Fund	12,495,075	12,278,724
	<u>23,513,950</u>	<u>24,793,957</u>
<b>Internally designated</b>		
Commercial Revenue Fund	13,672,483	9,422,740
Intramural Accounts Fund	3,667,455	4,634,510
	<u>17,339,938</u>	<u>14,057,250</u>
<b>Unrestricted</b>		
General Fund	1,635,061	1,838,985
	<u>42,488,949</u>	<u>40,690,192</u>
<b>Total liabilities and net assets</b>	<u>53,755,344</u>	<u>51,028,621</u>
<b>Commitments (note 6)</b>		
<b>Economic dependence (note 9)</b>		

### Approved by the Board of Governors

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*Angus Livingstone*

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Director

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*Sylvain Lévesque*

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Director

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

# TRIUMF INC.

## Schedule of Combined Funding and Expenditures and Changes in Fund Balances For the year ended March 31, 2023

	2023 \$	2022 \$
<b>Funding/income</b>		
National Research Council Fund	59,325,000	60,225,000
Natural Sciences and Engineering Research Council Fund	6,968,242	6,715,425
Canada Foundation for Innovation (including provincial contribution)	8,451,429	5,708,465
Western Economic Diversification Fund	276,556	60,627
Institute for Advanced Medical Isotopes	4,857,455	5,463,728
BWXT Medical Fund	5,815,233	5,085,318
TRIUMF Innovations Fund	633,000	588,533
Decommissioning Fund	216,351	64,854
Affiliated Institutions Fund	2,677,480	2,702,499
Commercial Revenue Fund	8,596,184	7,623,235
Intramural Accounts Fund	2,009,528	2,073,409
CERN Cryomodules Fund	-	2,000,000
General Fund	1,328,162	293,650
	<hr/> 101,154,620	<hr/> 98,604,743
<b>Expenditures</b>		
Buildings and improvements	5,228,328	19,687,895
Computers	2,790,094	2,592,773
Consulting	4,381,319	4,763,506
Equipment	14,537,025	10,329,226
Power	3,925,013	4,040,621
Salaries and benefits	58,897,808	56,069,625
Supplies and other expenses	7,741,663	5,516,796
Telecommunications	73,372	114,026
Travel	1,781,241	289,969
	<hr/> 99,355,863	<hr/> 103,404,437
<b>Surplus (deficit) of funding over expenditures for the year</b>	1,798,757	(4,799,694)
<b>Fund balances – Beginning of year</b>	40,690,192	45,489,886
<b>Fund balances – End of year</b>	<hr/> 42,488,949	<hr/> 40,690,192

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

**TRIUMF INC.**

## Statement of Cash Flows

For the year ended March 31, 2023

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	2023 \$	2022 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Surplus (deficit) of funding over expenditures for the year	1,798,757	(4,799,694)
Changes in working capital items		
Due from Member Universities	(2,912,566)	(479,927)
Accounts receivable and other assets	(4,269,031)	(4,866,158)
Accounts payable and accrued liabilities	(2,095,142)	2,137,996
Funds received in advance	3,023,108	(755,734)
	<hr/>	<hr/>
	(4,454,874)	(8,763,517)
Changes in fair value of restricted cash and investments	(216,351)	(64,854)
	<hr/>	<hr/>
	(4,671,225)	(8,828,371)
<b>Investing activities</b>		
Increase in investments	(392,098)	(125,405)
	<hr/>	<hr/>
<b>Decrease in cash and cash equivalents during the year</b>	(5,063,323)	(8,953,776)
<b>Cash and cash equivalents – Beginning of year</b>	13,794,546	22,748,322
	<hr/>	<hr/>
<b>Cash and cash equivalents – End of year</b>	8,731,223	13,794,546
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The accompanying notes are an integral part of these financial statements.

**TRIUMF INC.**

## Schedule of Funding and Expenditures and Changes in Fund Balance

## National Research Council Fund

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Funding</b>		
National Research Council	59,325,000	60,225,000
	<hr/>	<hr/>
<b>Expenditures</b>		
Buildings and improvements	435,950	266,910
Computers	1,964,245	2,165,777
Consulting	1,589,914	2,046,336
Equipment	3,728,117	3,440,410
Power	3,504,406	3,612,901
Salaries and benefits	44,463,016	44,579,771
Supplies and other expenses	3,095,560	2,534,053
Telecommunications	62,539	97,019
Travel	449,578	81,655
	<hr/>	<hr/>
	59,293,325	58,824,832
	<hr/>	<hr/>
<b>Surplus of funding over expenditures for the year</b>	31,675	1,400,168
<b>Fund balance – Beginning of year</b>	2,460,330	1,060,162
	<hr/>	<hr/>
<b>Fund balance – End of year</b>	2,492,005	2,460,330
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The accompanying notes are an integral part of these financial statements.



**TRIUMF INC.**

## Schedule of Funding and Expenditures and Changes in Fund Balance

## Natural Sciences and Engineering Research Council Fund

For the year ended March 31, 2023

	2023 \$	2022 \$
<b>Funding</b>		
Common grant awarded	5,509,310	5,392,737
Subgrants awarded	1,458,932	1,322,688
	<u>6,968,242</u>	<u>6,715,425</u>
<b>Expenditures</b>		
Buildings and improvement	27,818	-
Computers	129,257	133,360
Consulting	34,417	88,233
Equipment	1,384,247	1,318,057
Salaries and benefits	4,910,110	4,209,286
Supplies and other expenses	759,120	875,223
Travel	958,671	190,171
	<u>8,203,640</u>	<u>6,814,330</u>
<b>Deficit of funding over expenditures for the year</b>	(1,235,398)	(98,905)
<b>Fund balance – Beginning of year</b>	<u>5,338,871</u>	<u>5,437,776</u>
<b>Fund balance – End of year</b>	<u>4,103,473</u>	<u>5,338,871</u>

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

# TRIUMF INC.

## Schedule of Funding and Expenditures and Changes in Fund Balance

Canada Foundation for Innovation

For the year ended March 31, 2023

	2023 \$	2022 \$
<b>Funding</b>		
CFI capital contribution	5,657,730	2,782,414
Provincial capital contribution	2,535,033	2,745,771
CFI Infrastructure Operating Funds (IOF)	258,666	180,280
	<hr/> 8,451,429	<hr/> 5,708,465
<b>Expenditures</b>		
Buildings and improvements	568,122	1,193,122
Computers	16,010	16,849
Consulting	77,347	94,479
Equipment	5,934,736	2,565,179
Power	5,695	5,695
Salaries and benefits	828,564	687,618
Supplies and other expenses	1,004,036	1,139,808
Telecommunication	-	1,350
Travel	16,919	4,365
	<hr/> 8,451,429	<hr/> 5,708,465
<b>Surplus of funding over expenditures for the year</b>	-	-
<b>Fund balance – Beginning of year</b>	<hr/> -	<hr/> -
<b>Fund balance – End of year</b>	<hr/> -	<hr/> -

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

**TRIUMF INC.**

## Schedule of Funding and Expenditures and Changes in Fund Balance

## Western Economic Diversification Fund

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Funding</b>		
Advances and reimbursements	276,556	60,627
	<hr/>	<hr/>
<b>Expenditures</b>		
Building and improvements	252,318	60,627
Computers	6,672	-
Equipment	15,841	-
Supplies and other expenses	1,725	-
	<hr/>	<hr/>
	276,556	60,627
	<hr/>	<hr/>
<b>Surplus of funding over expenditures for the year</b>	-	-
<b>Fund balance – Beginning of year</b>	-	-
	<hr/>	<hr/>
<b>Fund balance – End of year</b>	-	-
	<hr/>	<hr/>

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

**TRIUMF INC.**

## Schedule of Funding and Expenditures and Changes in Fund Balance

Institute for Advanced Medical Isotopes

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Funding</b>		
Federal funding	4,857,455	5,463,728
<b>Expenditures</b>		
Buildings and improvements	3,210,582	17,829,658
Computers	219,044	181,271
Consulting	321,543	365,713
Equipment	516,064	201,723
Salaries and benefits	206,991	290,591
Supplies and other expenses	471,560	94,039
Telecommunication	-	6,741
Travel	2,195	196
	<u>4,947,979</u>	<u>18,969,932</u>
<b>Deficit of funding over expenditures for the year</b>	(90,524)	(13,506,204)
<b>Contribution from Commercial Revenue Fund</b>	-	3,750,000
<b>Contribution from Project Initiatives Fund</b>	-	3,000,000
<b>Fund balance – Beginning of year</b>	<u>2,813,427</u>	<u>9,569,631</u>
<b>Fund balance – End of year</b>	<u>2,722,903</u>	<u>2,813,427</u>

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

**TRIUMF INC.**

## Schedule of Funding and Expenditures and Changes in Fund Balance

## BWXT Medical Fund

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Funding</b>		
Advances and reimbursements	5,815,233	5,085,318
	<hr/>	<hr/>
<b>Expenditures</b>		
Buildings and improvements	211,826	110,724
Computers	97,146	34,625
Consulting	97,200	30,239
Equipment	1,071,242	812,149
Power	387,443	420,188
Salaries and benefits	3,448,466	3,400,624
Supplies and other expenses	490,534	274,435
Telecommunications	121	-
Travel	11,255	2,334
	<hr/>	<hr/>
	5,815,233	5,085,318
	<hr/>	<hr/>
<b>Surplus of funding over expenditures for the year</b>	-	-
<b>Fund balance – Beginning of year</b>	100,000	100,000
	<hr/>	<hr/>
<b>Fund balance – End of year</b>	100,000	100,000
	<hr/>	<hr/>

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

**TRIUMF INC.**

## Schedule of Income and Expenditures and Changes in Fund Balance

## TRIUMF Innovations Fund

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Advances and reimbursements	633,000	588,533
	<hr/>	<hr/>
<b>Expenditures</b>		
Computers	4,327	3,668
Salaries and benefits	606,220	563,182
Supplies and other expenses	22,453	21,527
Travel	-	156
	<hr/>	<hr/>
	633,000	588,533
	<hr/>	<hr/>
<b>Surplus of income over expenditures for the year</b>	-	-
<b>Fund balance – Beginning of year</b>	-	-
	<hr/>	<hr/>
<b>Fund balance – End of year</b>	-	-
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The accompanying notes are an integral part of these financial statements.

**TRIUMF INC.**

## Schedule of Income and Expenditures and Changes in Fund Balance

## Decommissioning Fund

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Investment income	216,351	64,854
<b>Expenditures</b>	-	-
<b>Surplus of income over expenditures for the year</b>	216,351	64,854
<b>Fund balance – Beginning of year</b>	12,278,724	12,213,870
<b>Fund balance – End of year</b>	12,495,075	12,278,724

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

**TRIUMF INC.**

## Schedule of Funding and Expenditures and Changes in Fund Balance

## Affiliated Institutions Fund

For the year ended March 31, 2023

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	2023	2022
	\$	\$
<b>Funding</b>		
Advances and reimbursements	2,677,480	2,702,499
	<hr/>	<hr/>
<b>Expenditures</b>		
Buildings and improvements	596	-
Computers	92,038	35,536
Consulting	260,928	403,163
Equipment	217,280	949,497
Salaries and benefits	1,475,822	1,008,628
Supplies and other expenses	446,438	304,528
Travel	184,378	1,147
	<hr/>	<hr/>
	2,677,480	2,702,499
	<hr/>	<hr/>
<b>Surplus of funding over expenditures for the year</b>	-	-
<b>Fund balance – Beginning of year</b>	-	-
	<hr/>	<hr/>
<b>Fund balance – End of year</b>	-	-
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The accompanying notes are an integral part of these financial statements.



**TRIUMF INC.**

## Schedule of Income and Expenditures and Changes in Fund Balance

## Commercial Revenue Fund

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Income</b>		
Royalties	3,128,772	1,961,797
Other commercial income	5,467,412	5,661,438
	<hr/>	<hr/>
	8,596,184	7,623,235
<b>Expenditures</b>		
Building and improvements	57,838	98,300
Computers	44,089	4,193
Consulting	1,497,662	1,117,638
Equipment	590,854	127,193
Salaries and benefits	1,434,859	1,088,285
Supplies and other expenses	639,954	82,608
Travel	81,185	4,541
	<hr/>	<hr/>
	4,346,441	2,522,758
<b>Surplus of income over expenditures for the year</b>	4,249,743	5,100,477
<b>Contribution to Institute for Advanced Medical Isotopes</b>	-	(3,750,000)
<b>Fund balance – Beginning of year</b>	9,422,740	8,072,263
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<b>Fund balance – End of year</b>	13,672,483	9,422,740

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

**TRIUMF INC.**

## Schedule of Income and Expenditures and Changes in Fund Balance

## Intramural Accounts Fund

For the year ended March 31, 2023

	2023 \$	2022 \$
<b>Income</b>		
Salaries and benefits recoveries	405,650	488,785
Rentals and other revenues	1,603,878	1,584,624
	<u>2,009,528</u>	<u>2,073,409</u>
<b>Expenditures</b>		
Buildings and improvements	91,680	128,554
Computers	146,951	17,437
Consulting	316,316	468,963
Equipment	525,468	711,964
Power	27,469	1,838
Salaries and benefits	1,387,509	177,017
Supplies and other expenses	449,408	48,250
Telecommunications	9,693	8,916
Travel	22,089	5,096
	<u>2,976,583</u>	<u>1,568,035</u>
<b>(Deficit) surplus of income over expenditures for the year</b>	(967,055)	505,374
<b>Fund balance – Beginning of year</b>	4,634,510	4,129,136
<b>Fund balance – End of year</b>	<u>3,667,455</u>	<u>4,634,510</u>

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

**TRIUMF INC.**

## Schedule of Funding and Expenditures and Changes in Fund Balance

## Project Initiatives Fund

For the year ended March 31, 2023

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	2023 \$	2022 \$
<b>Funding</b>	-	-
<b>Expenditures</b>	-	-
<b>Surplus of funding over expenditures for the year</b>	-	-
<b>Contribution to Institute for Advanced Medical Isotopes</b>	-	(3,000,000)
<b>Fund balance – Beginning of year</b>	-	3,000,000
<b>Fund balance – End of year</b>	-	-

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

**TRIUMF INC.**

## Schedule of Income and Expenditures and Changes in Fund Balance

## CERN Cryomodules Fund

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Advances and reimbursements	-	2,000,000
	<hr/>	<hr/>
<b>Expenditures</b>		
Computers	-	57
Equipment	73,389	203,054
Salaries and benefits	98,540	64,623
Supplies and other expenses	7,278	72,073
Travel	22,904	-
	<hr/>	<hr/>
	202,111	339,807
	<hr/>	<hr/>
<b>(Deficit) surplus of income over expenditures for the year</b>	(202,111)	1,660,193
<b>Fund balance – Beginning of year</b>	1,802,605	142,412
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<b>Fund balance – End of year</b>	1,600,494	1,802,605
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The accompanying notes are an integral part of these financial statements.

**TRIUMF INC.**

## Schedule of Income and Expenditures and Changes in Fund Balance

## General Fund

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Income</b>		
Investment and other	1,328,162	293,650
	<hr/>	<hr/>
<b>Expenditures</b>		
Buildings and improvements	371,598	-
Computers	70,315	-
Consulting	185,992	-
Equipment	479,787	-
Salaries and benefits	37,711	-
Escrow fees	58,117	39,721
Supplies and other expenses	295,480	179,271
Telecommunication	1,019	
Travel	32,067	309
	<hr/>	<hr/>
	1,532,086	219,301
	<hr/>	<hr/>
<b>(Deficit) surplus of income over expenditures for the year</b>	(203,924)	74,349
<b>Fund balance – Beginning of year</b>	1,838,985	1,764,636
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<b>Fund balance – End of year</b>	1,635,061	1,838,985
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The accompanying notes are an integral part of these financial statements.

# TRIUMF INC.

## Notes to Financial Statements

March 31, 2023

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### 1 Nature of operations

TRIUMF INC. (TRIUMF) is Canada's national particle accelerator laboratory. It is owned and operated by a consortium of Canadian universities via a contribution through the National Research Council of Canada (NRC).

On July 1, 2022, TRIUMF amalgamated with TRIUMF Accelerators Inc. (TAI), a not-for-profit federal corporation incorporated in 2006 and controlled by TRIUMF. 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 was 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. 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, 2023, the members of TRIUMF 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, McGill University, University of Northern British Columbia, Saint Mary's University, University of Waterloo, Western University, University of Winnipeg, l'Université de Sherbrooke 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.

# TRIUMF INC.

## Notes to Financial Statements

March 31, 2023

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### **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 Fund (IAMI)**

Funding for the capital construction and operation 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, 2023, the balance in the fund, \$12.5 million, is held in an escrow account to fund decommissioning costs. The majority of the holdings are invested in cash and mutual funds of \$10.8 million (2022 – \$11.6 million), and a small holding is in equity investments of \$1.7 million (2022 – \$0.7 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 INC.**

## Notes to Financial Statements

March 31, 2023

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### **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 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.

TRIUMF has elected not to consolidate its controlled subsidiary, TI. These financial statements do not include the assets, liabilities and results of operations of TI, but rather include the required note disclosures as per note 11.



# TRIUMF INC.

## Notes to Financial Statements

March 31, 2023

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### Revenue recognition

a) Accounting for contributions

TRIUMF follows the restricted fund method of accounting. Restricted funds include 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. Unrestricted contributions are recognized when receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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, accounts receivable and other assets, 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, 2023

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### 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, 2023, TRIUMF had \$16.7 million (2022 – \$16.3 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 as 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 Accounts receivable and other assets

	2023 \$	2022 \$
Commercial revenue	3,625,546	2,403,172
Funding	3,305,000	31,502
Recoveries	2,280,280	2,439,991
Prepayments to suppliers	1,664,485	1,838,596
Others	154,804	47,823
	<hr/> 11,030,115	<hr/> 6,761,084

# TRIUMF INC.

## Notes to Financial Statements

March 31, 2023

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### 4 Due from Member Universities

	2023 \$	2022 \$
University of Victoria	3,826,082	833,136
Simon Fraser University	499,394	359,602
University of British Columbia	406,688	584,046
Saint Mary's University	37,144	-
University of Winnipeg	27,766	108,512
University of Alberta	5,198	4,410
	<hr/> 4,802,272	<hr/> 1,889,706

### 5 Funds received in advance

	2023 \$	2022 \$
Affiliated Institutions Fund	3,797,849	3,058,454
BWXT	1,984,660	-
E. Vogt Medal Fund	176,000	176,000
Other	495,349	196,296
	<hr/> 6,453,858	<hr/> 3,430,750

### 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:

	2023 \$	2022 \$
Building and improvements	64,695	583,524
Computer and technology	2,131,284	2,348,818
Consulting	1,968,358	97,650
Equipment and furniture	3,773,974	3,689,969
Supplies and other expenses	222,088	-
Telecommunications	40,814	54,865
Travel	50,983	-
	<hr/> 8,252,196	<hr/> 6,774,826

# TRIUMF INC.

## Notes to Financial Statements

March 31, 2023

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Commitments for the next fiscal years are as follows:

	2024	2025	2026	2027	2028	Total
	\$	\$	\$	\$	\$	\$
Building and improvements	64,695	-	-	-	-	64,695
Computer and technology	704,563	701,404	659,796	40,706	24,815	2,131,284
Consulting	709,671	1,081,546	177,141	-	-	1,968,358
Equipment and furniture	3,687,138	42,780	44,056	-	-	3,773,974
Supplies and other expenses	62,384	39,926	39,926	39,926	39,926	222,088
Telecommunications	20,407	20,407	-	-	-	40,814
Travel	50,983	-	-	-	-	50,983
	<u>5,299,841</u>	<u>1,886,063</u>	<u>920,919</u>	<u>80,632</u>	<u>64,741</u>	<u>8,252,196</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 interest rate risk with regard to its cash and cash equivalents, investments and restricted cash and investments. TRIUMF is not significantly exposed to market risk and other price risk.

### 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, 2023, the following receivables were past due but not impaired:

	30 days	60 days	90 days	Over 90 days
	\$	\$	\$	\$
Due from Member Universities	2,666,070	1,046,927	154,740	934,535
Funding receivable and other assets	8,579,538	217,236	55,187	365,037

# TRIUMF INC.

## Notes to Financial Statements

March 31, 2023

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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
Accounts receivable and other assets	4,422,079	158,481	23,327	269,754

### 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.

### 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 plans sponsored by the University of British Columbia. 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 \$3.9 million (2022 – \$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.

## 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.

# TRIUMF INC.

## Notes to Financial Statements

March 31, 2023

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### 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)

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, 2023, TRIUMF transferred \$1.1 million to TI (2022 – \$1.1 million).

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, 2023 and 2022 is as follows:

	2023 \$	2022 \$
<b>Financial position</b>		
Total assets	1,010,514	565,637
<b>Revenue and expenses</b>		
Revenue	1,412,332	1,111,644
Expenses	(1,067,426)	(924,608)
<b>Excess of revenue over expenses</b>	344,906	187,036
<b>Cash flows</b>		
Cash flows from operating activities	120,358	262,873

### 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. A further \$25,000 was transferred during the year ended March 31, 2022. 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, 2023, TRIUMF received income of \$21,371 (2022 – \$14,157) from the Endowment Fund and recorded it in the Intramural Accounts Fund.