Management's Responsibility for Financial Reporting

Management is responsible for the integrity and fair presentation of the financial statements and other financial information included in this annual service plan report. Management has prepared the consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS).

We oversaw the design of internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with PSAS. We also directed the evaluation of the effectiveness of these internal controls and we are not aware of any material weakness in these controls.

We believe that the consolidated financial statements and other financial information in this annual service plan report fairly present in all material respects the financial condition, results of operations and cash flows of the British Columbia Securities Commission (BCSC) as of the dates and for the periods presented. The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. It is possible that circumstances will cause actual results to differ. We do not believe it is likely that any differences will be material.

The Board is responsible for ensuring that management fulfills its financial reporting and control responsibilities, and has appointed an independent Audit & Risk Committee to oversee the financial reporting process. The Audit & Risk Committee meets regularly throughout the year with management, the internal auditors and the external auditors to review the consolidated financial statements, adequacy of internal controls relating to financial reporting, and internal and external audit functions. The external auditor has full and open access to the Audit & Risk Committee, with and without the presence of management.

BDO Canada LLP (BDO), the BCSC's independent auditor, has examined the consolidated financial statements and its report follows.

Brenda M. Leong	Peter J. Brady
Chair and Chief Executive Officer	*Executive Director*

Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 – Royal Centre
1055 West Georgia Street
Vancouver, BC V6E 3P3 Canada

Independent Auditor's Report

To the Commissioners of the British Columbia Securities Commission
And to the Minister of Finance, British Columbia

Opinion

We have audited the consolidated financial statements of British Columbia Securities Commission (the "Commission"), which comprise the Consolidated Statement of Financial Position as at March 31, 2024, and the Consolidated Statements of Operations and Change in Accumulated Surplus, Remeasurement Gains and Losses, Change in Net Financial Assets and Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Commission as at March 31, 2024, and its consolidated results of operations, remeasurement gains and losses, change in net net financial assets, and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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 Consolidated Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Commission'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 Commission'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 consolidated 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 Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Commission 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.

Chartered Professional Accountants

BDO Canada LLP

Vancouver, British Columbia
June 6, 2024

Consolidated Financial Statements
For the Year Ended March 31, 2024

Consolidated Statement of Financial Position
As at March 31, 2024

	Notes	March 31, 2024	March 31, 2023
Financial assets			
Cash	4	$ 14,408,407	$ 16,483,061
Restricted cash - 161(1)(g) payments		2,788,496	2,810,678
Investments	5	59,771,346	80,966,527
Amounts receivable	6	4,827,435	3,035,579
		81,795,684	103,295,845
Liabilities			
Accounts payable and accrued liabilities	7	6,873,005	8,907,378
Accrued salaries and benefits		570,970	442,780
Employee vacation liability	8	1,515,330	1,478,846
161(1)(g) liabilities		2,788,496	2,810,678
Asset retirement obligation - leasehold improvements	9	957,550	928,350
		12,705,351	14,568,032
Net financial assets		69,090,333	88,727,813
Tangible capital assets	10	49,974,160	33,699,400
Prepaid expenses	11	1,700,469	1,365,375
		51,674,629	35,064,775
Accumulated Surplus		120,764,962	123,792,588
Accumulated Surplus is comprised of:			
Unrestricted operating surplus	12	73,095,945	77,667,679
Restricted operating surplus	12	46,031,329	50,773,317
		119,127,274	128,440,996
Accumulated remeasurement gains (losses)		1,637,688	(4,648,408)
		$ 120,764,962	$ 123,792,588

Commitments and contingencies (Note 19)

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

Brenda M. Leong
Chair and Chief Executive Officer

Jim Kershaw
Independent Commissioner

Consolidated Statement of Operations and Change in Accumulated Surplus

For the Year Ended March 31, 2024

	Notes	March 31, 2024 **Budget** (Note 20)	March 31, 2024 **Actual**	March 31, 2023 **Actual**
Revenues				
Regulatory and other local fees				
Prospectus and other distributions		$ 34,100,000	$ 32,556,175	$ 37,179,260
Registration		20,097,000	20,276,118	20,132,639
Financial filings		4,950,000	4,629,053	5,180,300
Exemptive orders and other		710,000	690,173	809,091
National systems user fees	13	6,500,000	5,748,901	7,032,137
Enforcement sanctions	14	1,000,000	2,691,522	1,856,853
Investment income	15	2,267,000	3,360,057	2,800,377
		69,624,000	69,951,999	74,990,657
Expenses				
Local operations	16	59,306,200	64,728,648	61,350,977
Partnership operations	13 & 16	10,317,000	11,168,296	6,966,813
Realized losses on investments	15	–	3,368,777	362,201
		69,623,200	79,265,721	68,679,991
Annual (deficit) surplus		$ 800	(9,313,722)	6,310,666
Accumulated operating surplus, beginning of year			128,440,996	122,130,330
Accumulated operating surplus, end of year			$ 119,127,274	$ 128,440,996

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

Consolidated Statement of Remeasurement Gains and Losses

For the Year Ended March 31, 2024

	Notes	March 31, 2024	March 31, 2023
Accumulated remeasurement losses, beginning of year		$ (4,648,408)	$ (3,515,289)
Remeasurement gains (losses) on investments during the year	15	2,917,319	(1,495,320)
Realized losses on investments	15	3,368,777	362,201
Accumulated remeasurement gains (losses), end of year		$ 1,637,688	$ (4,648,408)

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

Consolidated Statement of Change in Net Financial Assets

For the Year Ended March 31, 2024

	March 31, 2024 Budget (Note 20)	March 31, 2024 Actual	March 31, 2023 Actual
(Deficit) Surplus, for the year	$ 800	$ (9,313,722)	$ 6,310,666
Additions to tangible capital assets	(17,883,000)	(20,418,573)	(14,560,914)
Depreciation of tangible capital assets	4,538,000	4,141,919	1,846,131
Loss on disposal of tangible capital assets		1,894	23,792
	$ (13,345,000)	(16,274,760)	(12,690,991)
Acquisition of prepaid expenses		(4,815,132)	(4,268,430)
Use of prepaid expenses		4,480,038	4,382,940
		(335,094)	114,510
Remeasurement gains (losses) on investments during the year		2,917,319	(1,495,320)
Realized losses on investments		3,368,777	362,201
		6,286,096	(1,133,119)
Decrease in net financial assets, for the year		(19,637,480)	(7,398,934)
Net financial assets, beginning of year		88,727,813	96,126,747
Net financial assets, end of year		$ 69,090,333	$ 88,727,813

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

Consolidated Statement of Cash Flows

For the Year Ended March 31, 2024

	March 31, 2024	March 31, 2023
Operating transactions		
Cash received from:		
Fees	$ 62,042,633	$ 70,264,069
Enforcement sanctions	2,749,722	1,849,953
Interest	1,238,495	1,161,526
	66,030,850	73,275,548
Cash paid to and on behalf of employees	(46,382,557)	(42,779,918)
Cash paid to suppliers and others	(27,538,436)	(20,926,021)
	(73,920,993)	(63,705,939)
Cash (used) provided by operating transactions	(7,890,143)	9,569,609
Capital transactions		
Cash used to acquire tangible capital assets	(20,418,573)	(13,660,914)
Investing transactions		
Proceeds from disposals of investments	81,057,230	20,524,508
Purchase of investments	(54,823,168)	(10,740,086)
	26,234,062	9,784,422
(Decrease) increase in cash	(2,074,654)	5,693,117
Cash, beginning of year	16,483,061	10,789,944
Cash, end of year	$ 14,408,407	$ 16,483,061

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

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2024

1. Nature of operations

The British Columbia Securities Commission (BCSC) is a Crown corporation created by the Province of British Columbia on April 1, 1995. We are responsible for the administration of the *Securities Act*. As a Crown corporation, the BCSC is exempt from income taxes. We pay PST (7%) and GST (5%) on taxable purchases but recover the GST.

2. Significant accounting policies

We have prepared these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant accounting policies followed in the preparation of these financial statements are:

a) Interest in national systems partnership (Partnership)

The Canadian Securities Administrators (CSA) is an umbrella organization of Canada's ten provincial and three territorial securities regulators, whose objective is to improve, coordinate and harmonize regulation of the Canadian capital markets. BCSC, Alberta Securities Commission, Ontario Securities Commission, and Autorité des marchés financiers (collectively, the Principal Administrators or PAs) have agreed to oversee CSA's shared national information systems, on behalf of the CSA. Each of the PAs has one vote on shared national system matters.

We collect approximately 87 percent of our local fee revenue through the national systems. The Partnership contracted CGI Information Systems and Management Consultants Inc. (CGI) to provide IT services to January 12, 2025. CGI maintains a comprehensive business continuity plan for the national systems.

The Partnership charges user fees to recover systems development and operating costs. The Partnership has agreed to use its accumulated surpluses only for the benefit of systems users.

The national systems arrangement is a government partnership under PSAS. Accordingly, these financial statements include 25 percent of the assets, liabilities, net assets, revenues and expenses of the Partnership.

b) Financial instruments

Our financial instruments include cash, restricted cash, investments, amounts receivable, accounts payable and accrued liabilities, accrued salaries and benefits and 161(1)(g) liabilities.

We measure our financial instruments at fair value.

We report remeasurement gains and losses in the statement of remeasurement gains and losses. We report realized gains and losses in the statement of operations and change in accumulated surplus. We reinvest any investment earnings relating to investments in the portfolio and adjust the carrying value of the units we own accordingly.

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

c) 161(1)(g) payments
The BCSC can order respondents to pay it money obtained as a result of contravening the *Securities Act*. If the BCSC receives money under such an order, we receive and consider applications for payment to eligible claimants from the money collected. We disburse funds to eligible claimants after adjudicating all claims, and retain any funds not disbursed after adjudicating all claims.

d) Tangible capital assets
We record tangible capital assets at cost. We depreciate them using the straight-line method over their useful lives.

We estimate the useful lives of our tangible capital assets as follows:

- Local information technology – three to ten years
- Local leasehold improvements – the remaining lease term to November 30, 2031
- Local furniture and equipment – ten years
- Partnership information technology – three to ten years

e) Asset retirement obligation
We have recognized the BCSC's obligation to return its leased premises to its original state upon end of lease term, November 30, 2031. We implemented this policy April 1, 2022 by recording the liability and a corresponding increase in tangible capital assets at an amount equal to the present value of the estimated future obligation at that date. Estimated costs have been discounted to the present value using a discount rate of 3.15% per annum. The increase in tangible capital assets is being amortized in accordance with the accounting policies outlined in note 2d. The asset retirement obligation is adjusted yearly for accretion expense up to its ending value at the date the obligation is to be settled.

f) Revenue recognition
We recognize revenue for prospectus and other distributions, registration, financial filings, exemption orders and other statutory filing fees when filings are made and collectability is assured.

We recognize revenue for National Systems user fees when filings are made and collectability is assured.

We recognize enforcement sanctions revenue when we determine sanctions are collectible.

g) Expenses
We recognize expenses on an accrual basis. We expense the cost of goods consumed and services received during the year.

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

h) Employee future benefits
We participate in the Public Service Pension Plan, a multi-employer defined benefit pension plan. We account for the plan as a defined contribution plan as we have insufficient information to apply defined benefit plan accounting. Pension costs included in our financial statements are comprised of the cost of employer contributions related to the current service of employees during the year.

i) Measurement uncertainty
PSAS require management to make estimates and assumptions for certain amounts disclosed in the financial statements.

In our financial statements, we have estimated the:
- portion of amounts receivable that we will collect
- useful lives of tangible capital assets
- value of the employee leave liability
- value of asset retirement obligation

Estimates reflect the best information available when we prepared these consolidated financial statements. Actual results may differ from these estimates. We will record any adjustments to these estimates in the period that additional information becomes available.

j) Foreign currency translation
Our investment in Principal Credit Fund is denominated in the United States dollar and is translated into Canadian dollars at the prevailing exchange rate on the year-end date.

3. Financial instruments

Cash and restricted cash are demand deposits held at federally regulated financial institutions.

We invest funds in investment pools managed by the British Columbia Investment Management Corporation (BCI). Refer to Note 5 for the description of these BCI pooled investment funds.

We determine the fair value of our investments in pooled funds, except the Principal Credit Fund, based on the net asset market value provided by the fund administrator (fair value measurement hierarchy level two); these pooled funds hold investments that are actively traded. The fair value of our investment in the Principal Credit Fund is based on unobservable inputs (fair value measurement hierarchy level three). Some of the unobservable inputs are derived from market prices or rates, or estimated based on assumptions. For our other financial instruments (amounts receivable, accounts payable and accrued liabilities, accrued salaries and benefits and 161(1)(g) liabilities), due to their short-term nature, we use cost as an approximate of fair value.

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

Our investments in the BCI pooled investment funds expose us to financial risks associated with the funds and the underlying securities held in the investment funds, including credit risk, market risk, and liquidity risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the risk of loss from unfavorable changes in fair value or future cash flows of a financial instrument. Market risk is comprised of currency risk, interest rate risk, and price risk. Liquidity risk is the risk that the BCSC will encounter difficulty in meeting obligations associated with its financial liabilities.

In management’s opinion, our investments do not expose the BCSC to significant credit risk because our investment policy is to target having 90% of our investments in liquid, high quality money market instruments, government securities, and investment-grade corporate debt and equity securities. However, we target having 5% of our investments in corporate bonds (Corporate Bond Fund) and 5% in private debt (Principal Credit Fund) which expose us to credit risk. In addition to these low target levels, credit risk exposure is mitigated through diversification within the Corporate Bond Fund and Principal Credit Fund.

Our investments in money market and pooled funds are highly liquid and therefore, liquidity risk is low for our investments with the exception of our investment in private debt. Because our investment policy sets a 5% target for private debt, in management’s opinion, we have low exposure to liquidity risk.

Currency risk is the risk that the value of financial instruments denominated in currencies other than the Canadian dollar will fluctuate due to changes in foreign exchange rates. We invest in Canadian dollar denominated investment pools with the exception of our investment in the Principal Credit Fund, which is denominated in the United States dollar. We are exposed to some currency risk through our investments in the US Dollar Money Market Fund, the Corporate Bond Fund, the Indexed Global Equity Fund, and the Indexed Emerging Markets Equity Fund. BCI manages the currency risk for these pools through hedging within the funds. Because our investment policy sets a 5% target for private debt, in management’s view we have low exposure to currency risk with respect to our investment in the Principal Credit Fund.

Our investments expose us to interest rate risk associated with the underlying interest-bearing securities held in the investment funds. Interest rate risk relates to the possibility that the fair value of fixed rate investments will change due to future fluctuations in market interest rates. In general, bond values are sensitive to changes in the level of interest rates, with longer-term interest-bearing securities being more sensitive to interest rate changes than shorter-term interest-bearing securities. Based on the March 31, 2024 composition of our investment portfolio, an immediate 1 percent increase in interest rates across the entire yield curve, with all other variables held constant, would result in a decrease in market value of approximately $0.8 million. In addition, future investment income earned on variable rate cash deposits and investments would increase after an interest rate increase. BCI manages interest rate risk by monitoring portfolio duration and yields. The current investment duration of the Canadian Money Market Fund, US Money Market Fund and the Principal Credit Fund is less than a year.

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

The current investment duration of the Corporate Bond Fund is 5.5 years and of the Government Bond Fund is 7.9 years.

In our opinion, amounts receivable, accounts payable and accrued liabilities, and accrued salaries and benefits do not expose us to significant financial risk because of their short-term nature.

4. Cash

	March 31, 2024	March 31, 2023
Local demand deposits	$ 8,623,810	$ 11,195,480
Partnership demand deposits	5,784,597	5,287,581
	$ 14,408,407	$ 16,483,061

Local cash and the Partnership's cash are on deposit with federally regulated financial institutions and earn interest ranging from prime minus 1.9% to prime minus 1.7%.

5. Investments

	March 31, 2024		March 31, 2023	
	Market Value	Cost	Market Value	Cost
BCI pooled funds				
Canadian Money Market Fund	$ 21,560,478	$ 21,558,649	$ 8,522,489	$ 8,508,457
Corporate Bond Fund	3,306,835	3,770,432	5,929,512	6,750,601
Government Bond Fund	7,134,669	7,086,035	17,623,996	19,155,158
Indexed Emerging Market Equity Fund	3,554,324	3,525,009	8,739,658	10,373,456
Indexed Global Equity Fund	15,518,286	13,835,217	14,760,777	15,542,710
Principal Credit Fund	2,753,611	2,415,865	2,693,421	2,591,733
US Dollar Money Market Fund	297,083	296,391	116,552	112,698
	$ 54,125,286	$ 52,487,598	$ 58,386,405	$ 63,034,813
Partnership investments				
Notice account	$ 256,560	$ 256,560	$ 2,324,122	$ 2,324,122
Guaranteed Investment Certificate	5,389,500	5,389,500	20,256,000	20,256,000
	$ 5,646,060	$ 5,646,060	$ 22,580,122	$ 22,580,122
	$ 59,771,346	$ 58,133,658	$ 80,966,527	$ 85,614,935

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

During the year we invested in the following BCI pooled investment funds:
- Canadian Money Market Fund - Invests in Canadian government and Canadian dollar denominated corporate debt securities, including commercial paper, having a maximum term to maturity of 15 months.
- US Dollar Money Market Fund – Invests in short term (up to 45 days) corporate and government debt securities, including commercial paper. Investments may be in US dollar denominated paper issued by Canadian corporations or governments. The Pool may also hold United States Treasury bills (T-bills).
- Government Bond Fund – Invests in bonds issued or guaranteed by the Canadian government and its Provinces with terms to maturity of up to 30 years.
- Corporate Bond Fund – Invests in corporate investment grade and high yield securities issued in the United States and Canada.
- Principal Credit Fund – Invests in publicly traded or privately negotiated transactions involving private, and on occasion, public companies.
- Indexed Global Equity Fund – Invests in equity markets from across the globe by holding companies, sectors and country allocations roughly in proportion to their weighting in the Morgan Stanley Capital International (MSCI) World ex-Canada Net Index.
- Indexed Emerging Markets Equity Fund – Invests in emerging markets equity by holding companies, sectors, and country allocations roughly in proportion to their weighting in the Morgan Stanley Capital International (MSCI) Emerging Markets Net Index.

Refer to note 15 for information about investment income earned on the investments.

The Partnership's investments are held in a notice account and guaranteed investment certificates at interest rates ranging from 5.5% to 5.95%.

6. Amounts receivable

	March 31, 2024	March 31, 2023
SEDAR+ and other filings	$ 2,331,981	$ 306,977
National systems user fees	1,470,089	1,707,564
Enforcement sanctions	337,950	396,150
National project recoveries	301,163	344,225
Employee advances and other	174,219	68,211
GST refunds	155,133	170,452
Late insider report filing fees	56,900	42,000
	$ 4,827,435	$ 3,035,579

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

7. Accounts payable and accrued liabilities

	March 31, 2024	March 31, 2023
Local trade accounts payable	$ 3,417,492	$ 3,303,022
Partnership trade accounts payable	3,344,654	5,251,962
Other	110,859	352,394
	$ 6,873,005	$ 8,907,378

8. Employee vacation liability

Employee vacation liability is what we owe to our employees for their earned but unused vacation time.

9. Asset retirement obligation – leasehold improvements

	March 31, 2024	March 31, 2023
Opening balance	$ 928,350	$ –
Additions (see note 2e)	–	900,000
Accretion expense	29,200	28,350
Closing balance	$ 957,550	$ 928,350

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

10. Tangible capital assets

	March 31, 2024				
	Local Information Technology	Local Leasehold Improvements	Local Furniture & Equipment	Partnership Information Technology	Total
Cost					
Opening balance	$ 16,255,825	$ 6,621,236	$ 2,697,084	$ 27,736,960	$ 53,311,105
Additions	5,044,310	3,203,481	35,294	12,135,488	20,418,573
Disposals	(4,077,740)	(67,996)	(55,633)	–	(4,201,369)
Closing balance	$ 17,222,395	$ 9,756,721	$ 2,676,745	$ 39,872,448	$ 69,528,309
Accumulated depreciation					
Opening balance	$ 9,926,997	$ 5,663,658	$ 2,594,383	$ 1,426,667	$ 19,611,705
Depreciation	1,480,109	201,907	55,809	2,404,094	4,141,919
Disposals	(4,077,740)	(66,595)	(55,140)	–	(4,199,475)
Closing balance	$ 7,329,366	$ 5,798,970	$ 2,595,052	$ 3,830,761	$ 19,554,149
Net book value	$ 9,893,029	$ 3,957,751	$ 81,693	$ 36,041,687	$ 49,974,160

	March 31, 2023				
	Local Information Technology	Local Leasehold Improvements	Local Furniture & Equipment	Partnership Information Technology	Total
Cost					
Opening balance	$ 14,951,085	$ 5,911,949	$ 2,718,473	$ 16,486,074	$ 40,067,581
Additions	2,410,028	–	–	11,250,886	13,660,914
Increase due to asset retirement obligation	-	900,000	–	–	900,000
Disposals	(1,105,288)	(190,713)	(21,389)	–	(1,317,390)
Closing balance	$ 16,255,825	$ 6,621,236	$ 2,697,084	$ 27,736,960	$ 53,311,105
Accumulated depreciation					
Opening balance	$ 9,647,484	$ 5,734,788	$ 2,547,201	$ 1,129,699	$ 19,059,172
Depreciation	1,374,371	111,194	63,598	296,968	1,846,131
Disposals	(1,094,858)	(182,324)	(16,416)	–	(1,293,598)
Closing balance	$ 9,926,997	$ 5,663,658	$ 2,594,383	$ 1,426,667	$ 19,611,705
Net book value	$ 6,328,828	$ 957,578	$ 102,701	$ 26,310,293	$ 33,699,400

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

11. Prepaid expenses

		March 31, 2024		March 31, 2023
Local IT and information service contracts	$	1,157,619	$	874,115
Partnership IT and information service contracts		542,850		491,260
	$	1,700,469	$	1,365,375

12. Accumulated operating surplus

	March 31, 2024							
		General		Reserve (a)		Partnership (b)		Total
Opening balance	$	77,667,679	$	–	$	50,773,317	$	128,440,996
Annual Surplus		(7,263,256)		2,691,522		(4,741,988)		(9,313,722)
Education expenses paid from reserve		2,691,522		(2,691,522)		–		–
Closing balance	$	73,095,945	$	–	$	46,031,329	$	119,127,274

	March 31, 2023							
		General		Reserve (a)		Partnership (b)		Total
Opening balance	$	72,240,946	$	–	$	49,889,384	$	122,130,330
Annual Surplus		3,569,880		1,856,853		883,933		6,310,666
Investment income allocation		(16,231)		16,231		–		–
Education expenses paid from reserve		1,873,084		(1,873,084)		–		–
Closing balance	$	77,667,679	$	–	$	50,773,317	$	128,440,996

a) Reserve (internally-restricted)
The following administrative penalties and other financial orders can be made following a determination there was a contravention under the *Securities Act* or a conviction for an offence under the *Securities Act*:

- administrative penalties after a commission hearing
- administrative monetary penalties imposed by notice
- disgorgement orders
- orders against family members or third parties who received undervalued property from a person who contravened the *Securities Act* or committed an offence
- orders to forfeit property

We also negotiate settlement amounts.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2024

We designate revenue from settlements, unclaimed amounts of disgorgement orders and from the other orders to a Reserve, which we spend in accordance with s.15(3) of the *Securities Act* on educating securities market participants and members of the public about investing, financial matters or the operation or regulation of securities markets, benefiting third parties the commission considers appropriate, enforcing (including collecting on) these orders, and processing claims to proceeds from disgorgement orders.

b) Partnership (restricted)

The partners have agreed to use Partnership surplus only for the benefit of systems users.

13. Partnership – summarized annual financial information

	March 31, 2024		March 31, 2023	
	Partnership	**25% share**	**Partnership**	**25% share**
Financial Position				
Financial assets	$ 51,602,987	12,900,747	$ 118,301,072	$ 29,575,268
Liabilities	13,815,815	3,453,954	22,414,014	5,603,504
Net Financial assets	$ 37,787,172	$ 9,446,793	$ 95,887,058	$ 23,971,764
Non-financial assets	146,338,144	36,584,536	107,206,213	26,801,553
Accumulated surplus	$ 184,125,316	$ 46,031,329	$ 203,093,271	$ 50,773,317
Operations				
Revenues:				
National systems user fees	$ 22,995,604	$ 5,748,901	$ 28,128,547	$ 7,032,137
Investment income and other	2,709,628	677,407	3,274,437	818,609
Expenses	44,673,183	11,168,296	27,867,252	6,966,813
Surplus	$ (18,967,951)	$ (4,741,988)	$ 3,535,732	$ 883,933

14. Enforcement sanctions

Enforcement sanctions revenue includes administrative penalties, settlements, and unclaimed 161(1)(g) payments, if any. Revenues depend on the timing of enforcement actions completed during the year and on our ability to collect assessed amounts.

We assessed enforcement sanctions of $5.1 million (fiscal 2023 – $5.5 million) during the year, of which we did not recognize $2.9 million (fiscal 2023 – $2.7 million) as revenue because we have not determined that the sanctions are collectible.

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

15. Investment income, realized gains (losses) on investments, and remeasurement gains (losses) on investments

For the Year Ended March 31, 2024	Investment Income	Realized Gains (Losses)	Total Income	Remeasurement Gains (Losses) during the year
Cash, term deposits and GIC	$ 1,076,991	$ –	$ 1,076,991	$ –
Restricted cash - 161(1)(g) payments	161,504	–	161,504	–
Canadian Money Market Fund	394,701	8,399	403,100	(3,804)
Corporate Bond Fund	373,332	(453,501)	(80,169)	(96,009)
Government Bond Fund	584,958	(2,154,082)	(1,569,124)	(574,286)
Indexed Emerging Market Equity	298,502	(1,346,949)	(1,048,447)	316,164
Indexed Global Equity Fund	473,079	419,428	892,507	2,884,430
Principal Credit Fund	(10,547)	147,339	136,792	383,397
US Money Market Fund	7,537	10,589	18,126	7,427
	$ 3,360,057	$ (3,368,777)	$ (8,720)	$ 2,917,319

For the Year Ended March 31, 2023	Investment Income	Realized Gains (Losses)	Total Income	Remeasurement Gains (Losses) during the year
Cash, term deposits and GIC	$ 1,095,821	$ –	$ 1,095,821	$ –
Restricted cash - 161(1)(g) payments	65,705	–	65,705	–
Canadian Money Market Fund	227,774	8,462	236,236	37,175
Corporate Bond Fund	315,255	(131,659)	183,596	(509,426)
Government Bond Fund	473,870	(46,572)	427,298	(661,548)
Indexed Emerging Market Equity	238,524	-	238,524	(458,832)
Indexed Global Equity Fund	384,374	(212,286)	172,088	(82,552)
Principal Credit Fund	(2,167)	2,703	536	152,224
US Money Market Fund	1,221	17,151	18,372	27,639
	$ 2,800,377	$ (362,201)	$ 2,438,176	$ (1,495,320)

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

16. Operating Expenses

	Budget 2024	Year ended March 31 2024	2023
Local operations			
Salaries and benefits	$ 40,416,000	$ 44,961,395	$ 41,617,706
Information management	4,260,000	4,322,921	3,731,835
Occupancy	3,871,000	4,143,641	3,826,274
Professional services	5,020,000	4,078,131	5,686,621
Education	2,000,000	3,777,018	3,486,624
Depreciation	1,780,000	1,737,825	1,549,163
Administration	439,200	498,801	627,489
External communication	200,000	281,559	138,348
Travel	250,000	275,377	156,761
Staff training	350,000	268,942	341,938
Funding International Sustainability Standards Board	200,000	200,000	–
Telecommunications	170,000	183,038	188,218
Whistle blower payments	350,000	-	–
Total local operations	59,306,200	64,728,648	61,350,977
Partnership operations			
Professional services	5,728,000	6,924,723	5,114,858
Depreciation	2,758,000	2,404,094	296,968
Salaries and benefits	1,586,000	1,578,248	1,369,212
Information management and administration	245,000	261,231	185,775
Total Partnership operations	10,317,000	11,168,296	6,966,813
	$ 69,623,200	$ 75,896,944	$ 68,317,790

17. Related party transactions

We are related through common control to all B.C. provincial government ministries, agencies, and Crown corporations. We conducted all transactions with these entities as though we were unrelated parties.

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2024

18. Post-retirement employee benefits

We, and our employees, contribute to the Public Service Pension Plan, a multi-employer plan. The plan is contributory, and its basic benefits are defined. The plan has approximately 71,000 active members, 55,000 retired members, and 24,000 inactive members. A board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of assets and administration of benefits.

An actuarial valuation of the plan performed every three years assesses the plan's financial position. The latest valuation, as at March 31, 2023, indicated a $4,491 million (March 31, 2020 – $2,667 million, restated) surplus for basic pension benefits. In addition to basic benefits, the plan also provides supplementary benefits, including inflation indexing. These supplementary benefits are paid only to the extent that they have been funded, which is currently done on a "pay-as-you-go" basis.

The plan trustees monitor the impact of the financial environment on plan health. Plan surpluses and deficits are not attributable to individual employers, but affect future contribution levels. We charged $3.6 million (fiscal 2023 – $3.4 million) to expense for employer contributions during the period.

19. Commitments and contingencies

Our contractual obligations relating to lease agreements for local office space and equipment are as follows:

Fiscal years	2025 - 2026	2027 - 2028	2029 - 2030	2031 - 2032	Total
	$ 7,408,000	$ 7,706,000	$ 8,028,000	$ 6,931,000	$ 30,073,000

The Partnership has contracted with CGI to host and operate the national systems until January 12, 2025. The Partnership has also contracted with First Derivatives Canada Inc. to host and operate a shared investment market analysis system until July 30, 2028. The Partnership has certain rights to terminate the agreements, with and without cause, as set out in the agreements.

The BCSC has committed to pay 25 percent of any claim or expenses related to operation and redevelopment of the shared filing systems that exceed the Partnership's surplus funds.

20. Budgeted figures

Budgeted figures are approved by the Board and published in the BCSC's Service Plan; they are presented in these financial statements for comparison purposes.