

### ***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  
*Chair and Chief Executive Officer*



Peter J. Brady  
*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

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## Independent Auditor's Report

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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, 2025, 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, 2025, and its consolidated results of operations, remeasurement gains and losses, change in 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia

June 9, 2025



Consolidated Financial Statements  
For the Year Ended March 31, 2025

**Consolidated Statement of Financial Position**

As at March 31, 2025

	Notes	March 31, 2025	March 31, 2024
<b>Financial assets</b>			
Cash	4	\$ 13,005,576	\$ 14,408,407
Restricted cash - 161(1)(g) payments		2,824,474	2,788,496
Investments	5	57,468,409	59,771,346
Amounts receivable	6	2,986,688	4,827,435
		76,285,147	81,795,684
<b>Liabilities</b>			
Accounts payable and accrued liabilities	7	2,789,078	6,873,005
Accrued salaries and benefits		704,453	570,970
Employee vacation liability	8	1,462,605	1,515,330
161(1)(g) liabilities		2,824,474	2,788,496
Asset retirement obligation - leasehold improvements	9	1,004,839	957,550
		8,785,449	12,705,351
<b>Net financial assets</b>		67,499,698	69,090,333
<b>Tangible capital assets</b>			
	10	51,373,348	49,974,160
<b>Prepaid expenses</b>			
	11	1,668,141	1,700,469
		53,041,489	51,674,629
<b>Accumulated Surplus</b>		120,541,187	120,764,962
Accumulated Surplus is comprised of:			
Unrestricted operating surplus	12	76,832,274	73,095,945
Restricted operating surplus	12	40,646,297	46,031,329
		117,478,571	119,127,274
Accumulated remeasurement gains		3,062,616	1,637,688
		\$ 120,541,187	\$ 120,764,962

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  
Chair, Audit & Risk Committee

## Consolidated Statement of Operations and Change in Accumulated Surplus

For the Year Ended March 31, 2025

	Notes	March 31, 2025 Budget (Note 20)	March 31, 2025 Actual	March 31, 2024 Actual
<b>Revenues</b>				
Regulatory and other local fees				
Prospectus and other distributions		\$ 35,780,000	\$ 42,954,061	\$ 32,556,175
Registration		20,710,000	20,232,043	20,276,118
Financial filings		5,730,000	5,755,479	4,629,053
Derivatives and Other fees		1,233,000	989,037	690,173
National systems user fees	13	6,425,000	5,821,443	5,748,901
Enforcement sanctions	14	1,000,000	1,109,542	2,691,522
Realized gains on investments	15	–	1,333,015	–
Investment income	15	2,775,000	2,612,118	3,360,057
		73,653,000	80,806,738	69,951,999
<b>Expenses</b>				
Local operations	16	73,381,867	70,825,492	64,728,648
Partnership operations	13 & 16	11,000,000	11,629,949	11,168,296
Realized losses on investments	15	-	-	3,368,777
		84,381,867	82,455,441	79,265,721
Annual deficit		\$ (10,728,866)	(1,648,703)	(9,313,722)
Accumulated operating surplus, beginning of year			119,127,274	128,440,996
Accumulated operating surplus, end of year			\$ 117,478,571	119,127,274

*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, 2025

	Notes	March 31, 2025	March 31, 2024
Accumulated remeasurement gains (losses), beginning of year		\$ 1,637,688	\$ (4,648,408)
Remeasurement gains on investments during the year	15	2,757,943	2,917,319
Realized (gains) losses on investments	15	(1,333,015)	3,368,777
Accumulated remeasurement gains, end of year		\$ 3,062,616	\$ 1,637,688

*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, 2025

	<b>March 31, 2025 Budget (Note 20)</b>	<b>March 31, 2025 Actual</b>	<b>March 31, 2024 Actual</b>
Deficit, for the year	\$ (10,728,866)	\$ (1,648,703)	\$ (9,313,722)
Additions to tangible capital assets	(9,371,000)	(7,819,655)	(20,418,573)
Depreciation of tangible capital assets	6,630,000	6,385,050	4,141,919
Loss on disposal of tangible capital assets		35,417	1,894
	\$ (2,741,000)	(1,399,188)	(16,274,760)
Acquisition of prepaid expenses		(5,202,967)	(4,815,132)
Use of prepaid expenses		5,235,295	4,480,038
		32,328	(335,094)
Remeasurement gains on investments during the year		2,757,943	2,917,319
Realized (gains) losses on investments		(1,333,015)	3,368,777
		1,424,928	6,286,096
Decrease in net financial assets, for the year		(1,590,635)	(19,637,480)
Net financial assets, beginning of year		69,090,333	88,727,813
Net financial assets, end of year		\$ 67,499,698	\$ 69,090,333

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

**Consolidated Statement of Cash Flows**

For the Year Ended March 31, 2025

	March 31, 2025	March 31, 2024
<b>Operating transactions</b>		
Cash received from:		
Fees	\$ 77,633,664	\$ 62,042,633
Enforcement sanctions	1,091,442	2,749,722
Interest	795,332	1,238,495
	79,520,438	66,030,850
Cash paid to and on behalf of employees	(50,399,996)	(46,382,557)
Cash paid to suppliers and others	(29,581,285)	(27,538,436)
	(79,981,281)	(73,920,993)
Cash (used) provided by operating transactions	(460,843)	(7,890,143)
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(7,819,655)	(20,418,573)
<b>Investing transactions</b>		
Proceeds from disposals of investments	16,138,478	81,057,230
Purchase of investments	(9,260,811)	(54,823,168)
	6,877,667	26,234,062
Decrease in cash	(1,402,831)	(2,074,654)
Cash, beginning of year	14,408,407	16,483,061
Cash, end of year	\$ 13,005,576	\$ 14,408,407

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

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 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 88 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, 2030. 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, 2025

### *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 3.76% 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, 2025

### ***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.

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

### 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.

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

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2025

through our investments in the US Dollar Money Market Fund ST3, 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, 2025 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 ST2, US Money Market Fund ST3 and the Principal Credit Fund is less than a year. The current investment duration of the Corporate Bond Fund is 5.4 years and of the Government Bond Fund is 7.5 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, 2025	March 31, 2024
Local demand deposits	\$ 5,851,647	\$ 8,623,810
Partnership demand deposits	7,153,929	5,784,597
	\$ 13,005,576	\$ 14,408,407

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%.

**Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2025

**5. Investments**

	March 31, 2025		March 31, 2024	
	Market Value	Cost	Market Value	Cost
<b>BCI pooled funds</b>				
Canadian Money Market Fund ST2	\$ 19,837,627	\$ 19,827,379	\$ 21,560,478	\$ 21,558,649
Corporate Bond Fund	3,490,020	3,983,360	3,306,835	3,770,432
Government Bond Fund	7,655,991	7,356,744	7,134,669	7,086,035
Indexed Emerging Market Equity Fund	4,091,136	3,641,314	3,554,324	3,525,009
Indexed Global Equity Fund	17,681,673	15,103,022	15,518,286	13,835,217
Principal Credit Fund	2,714,373	2,502,476	2,753,611	2,415,865
US Dollar Money Market Fund ST3	1,729,195	1,723,104	297,083	296,391
	\$ 57,200,015	\$ 54,137,399	\$ 54,125,286	\$ 52,487,598
<b>Partnership investments</b>				
Notice account	\$ 268,394	\$ 268,394	\$ 256,560	\$ 256,560
Guaranteed Investment Certificate	-	-	5,389,500	5,389,500
	\$ 268,394	\$ 268,394	\$ 5,646,060	\$ 5,646,060
	\$ 57,468,409	\$ 54,405,793	\$ 59,771,346	\$ 58,133,658

During the year we invested in the following BCI pooled investment funds:

- Canadian Money Market Fund ST2- Invests primarily in high-quality Canadian government and corporate debt securities, including commercial paper and repurchase agreements secured by fixed income securities of approved issuers.
- US Dollar Money Market Fund ST3– Invests primarily in short-term (up to 45 days) reverse repurchase agreements, term deposits, and debt securities issued by high-quality corporations, the U.S. government, or a Canadian government (federal, provincial, or municipal).
- Government Bond Fund – Invests primarily in bonds issued or guaranteed by a Canadian government (federal, provincial, or municipal), with terms to maturity across the yield curve.
- 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 with an interest rate of 3.25%.

**Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2025

**6. Amounts receivable**

	March 31, 2025	March 31, 2024
SEDAR+ and other filings	\$ 1,351,222	\$ 2,331,981
National systems user fees	769,246	1,470,089
Enforcement sanctions	356,050	337,950
National project recoveries	233,171	301,163
GST refunds	157,261	155,133
Employee advances and other	64,588	174,219
Late insider report filing fees	55,150	56,900
	\$ 2,986,688	\$ 4,827,435

**7. Accounts payable and accrued liabilities**

	March 31, 2025	March 31, 2024
Local trade accounts payable	\$ 979,796	\$ 3,417,492
Partnership trade accounts payable	1,580,669	3,344,654
Other	228,613	110,859
	\$ 2,789,078	\$ 6,873,005

**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, 2025	March 31, 2024
Opening balance	\$ 957,550	\$ 928,350
Accretion expense	47,289	29,200
Closing balance	\$ 1,004,839	\$ 957,550

**Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2025

**10. Tangible capital assets**

	March 31, 2025				
	Local Information Technology	Local Leasehold Improvements	Local Furniture & Equipment	Partnership Information Technology	Total
<b>Cost</b>					
Opening balance	\$ 17,222,395	\$ 9,756,721	\$ 2,676,745	\$ 39,872,448	\$ 69,528,309
Additions	5,581,812	79,737	140,596	2,017,510	7,819,655
Disposals	(2,593,830)	–	(13,120)	–	(2,606,950)
Closing balance	\$ 20,210,377	\$ 9,836,458	\$ 2,804,221	\$ 41,889,958	\$ 74,741,014
<b>Accumulated depreciation</b>					
Opening balance	\$ 7,329,366	\$ 5,798,970	\$ 2,595,052	\$ 3,830,761	\$ 19,554,149
Depreciation	1,713,586	527,648	31,624	4,112,192	6,385,050
Disposals	(2,558,413)	–	(13,120)	–	(2,571,533)
Closing balance	\$ 6,484,539	\$ 6,326,618	\$ 2,613,556	\$ 7,942,953	\$ 23,367,666
<b>Net book value</b>	<b>\$13,725,838</b>	<b>\$ 3,509,840</b>	<b>\$ 190,665</b>	<b>\$ 33,947,005</b>	<b>\$ 51,373,348</b>

	March 31, 2024				
	Local Information Technology	Local Leasehold Improvements	Local Furniture & Equipment	Partnership Information Technology	Total
<b>Cost</b>					
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
<b>Accumulated depreciation</b>					
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
<b>Net book value</b>	<b>\$ 9,893,029</b>	<b>\$ 3,957,751</b>	<b>\$ 81,693</b>	<b>\$ 36,041,687</b>	<b>\$ 49,974,160</b>

**Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2025

**11. Prepaid expenses**

	March 31, 2025	March 31, 2024
Local IT and information service contracts	\$ 1,423,548	\$ 1,157,619
Partnership IT and information service contracts	244,593	542,850
	\$ 1,668,141	\$ 1,700,469

**12. Accumulated operating surplus**

	March 31, 2025			Total
	General	Reserve (a)	Partnership (b)	
Opening balance	\$ 73,095,945	\$ –	\$ 46,031,329	\$ 119,127,274
Annual Surplus	2,626,787	1,109,542	(5,385,032)	(1,648,703)
Education expenses paid from reserve	1,109,542	(1,109,542)	–	–
Closing balance	\$ 76,832,274	\$ –	\$ 40,646,297	\$ 117,478,571

	March 31, 2024			Total
	General	Reserve (a)	Partnership (b)	
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

**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, 2025

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, 2025		March 31, 2024	
	Partnership	25% share	Partnership	25% share
<b>Financial Position</b>				
Financial assets	\$ 32,766,276	8,191,569	\$ 51,602,987	\$ 12,900,747
Liabilities	6,947,477	1,736,869	13,815,815	3,453,954
Net Financial assets	\$ 25,818,799	\$ 6,454,700	\$ 37,787,172	\$ 9,446,793
Non-financial assets	136,766,387	34,191,597	146,338,144	36,584,536
Accumulated surplus	\$ 162,585,186	\$ 40,646,297	\$ 184,125,316	\$ 46,031,329
<b>Operations</b>				
Revenues:				
National systems user fees	\$ 23,285,771	\$ 5,821,443	\$ 22,995,604	\$ 5,748,901
Investment income and other	1,693,895	423,474	2,709,628	677,407
Expenses	46,519,794	11,629,949	44,673,183	11,168,296
Surplus	\$ (21,540,128)	\$ (5,385,032)	\$ (18,967,951)	\$ (4,741,988)

### 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 \$23.9 million (fiscal 2024 – \$5.1 million) during the year, of which we did not recognize \$22.9 million (fiscal 2024 – \$2.9 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, 2025

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

<b>For the Year Ended March 31, 2025</b>				
	<b>Investment Income</b>	<b>Realized Gains (Losses)</b>	<b>Total Income</b>	<b>Remeasurement Gains (Losses) during the year</b>
Cash, term deposits and GIC	\$ 667,368	\$ –	\$ 667,368	\$ –
Restricted cash - 161(1)(g) payments	127,964	–	127,964	–
Canadian Money Market Fund ST2	844,628	12,860	857,488	21,279
Corporate Bond Fund	212,928	–	212,928	(29,743)
Government Bond Fund	270,709	–	270,709	250,613
Indexed Emerging Market Equity	115,611	694	116,305	421,201
Indexed Global Equity Fund	365,373	902,433	1,267,806	1,798,015
Principal Credit Fund	(16,853)	406,039	389,186	280,190
US Money Market Fund ST3	24,390	10,989	35,379	16,388
	<b>\$ 2,612,118</b>	<b>\$ 1,333,015</b>	<b>\$ 3,945,133</b>	<b>\$ 2,757,943</b>

<b>For the Year Ended March 31, 2024</b>				
	<b>Investment Income</b>	<b>Realized Gains (Losses)</b>	<b>Total Income</b>	<b>Remeasurement Gains (Losses) during the year</b>
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
	<b>\$ 3,360,057</b>	<b>\$ (3,368,777)</b>	<b>\$ (8,720)</b>	<b>\$ 2,917,319</b>

**Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2025

**16. Operating Expenses**

	Budget 2025	Year ended March 31	
		2025	2024
<b>Local operations</b>			
Salaries and benefits	\$49,870,000	\$48,674,512	\$44,961,395
Information management	4,840,000	4,801,034	4,322,921
Investor Education	4,100,000	4,699,581	3,777,018
Professional services	5,350,000	4,549,656	4,078,131
Occupancy	3,795,000	3,834,618	4,143,641
Depreciation	2,480,000	2,272,858	1,737,825
Administration	600,200	533,797	498,801
Staff training	480,000	531,717	268,942
Travel	350,000	309,538	275,377
Funding International Sustainability Standards Board	266,667	266,667	200,000
External communication	350,000	181,840	281,559
Telecommunications	200,000	169,674	183,038
Whistle blower payments	700,000	–	–
<b>Total local operations</b>	<b>73,381,867</b>	<b>70,825,492</b>	<b>64,728,648</b>
<b>Partnership operations</b>			
Professional services	5,225,000	5,499,204	6,924,723
Depreciation	4,150,000	4,112,192	2,404,094
Salaries and benefits	1,625,000	1,785,616	1,578,248
Information management and administration	–	232,937	261,231
<b>Total Partnership operations</b>	<b>11,000,000</b>	<b>11,629,949</b>	<b>11,168,296</b>
	<b>\$84,381,867</b>	<b>\$82,455,441</b>	<b>\$75,896,944</b>

**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, 2025

### 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 76,000 active members, 57,000 retired members, and 25,000 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 \$3.9 million (fiscal 2024 – \$3.6 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	2026 - 2027	2028 - 2029	2030 - 2031	2032	Total
	\$ 7,640,000	\$ 7,959,000	\$ 8,288,000	\$ 2,827,000	\$ 26,714,000

The Partnership has contracted with CGI to host and operate the national systems until January 12, 2030. 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.