



**BC Securities  
Commission**  
Invest Right

Consolidated Financial Statements  
For the Year Ended March 31, 2026

### ***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*



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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, 2026, 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, 2026, 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.
- 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.

*BDO Canada LLP*  
Chartered Professional Accountants

Vancouver, British Columbia  
June 19, 2026

**Consolidated Statement of Financial Position**

As at March 31, 2026

|                                                      | Notes   | March 31, 2026 | March 31, 2025 |
|------------------------------------------------------|---------|----------------|----------------|
| <b>Financial assets</b>                              |         |                |                |
| Cash                                                 | 4       | \$ 14,016,641  | \$ 13,005,576  |
| Restricted cash - 161(1)(g) payments                 |         | 6,570,249      | 2,824,474      |
| Investments                                          | 5       | 68,304,761     | 57,468,409     |
| Amounts receivable                                   | 6       | 3,133,399      | 2,986,688      |
|                                                      |         | 92,025,050     | 76,285,147     |
| <b>Liabilities</b>                                   |         |                |                |
| Accounts payable and accrued liabilities             | 7       | 3,971,370      | 2,789,078      |
| Accrued salaries and benefits                        |         | 810,383        | 704,453        |
| Employee vacation liability                          | 8       | 1,748,536      | 1,462,605      |
| 161(1)(g) liabilities                                |         | 6,570,249      | 2,824,474      |
| Asset retirement obligation - leasehold improvements | 9       | 1,040,813      | 1,004,839      |
|                                                      |         | 14,141,351     | 8,785,449      |
| <b>Net financial assets</b>                          |         | 77,883,699     | 67,499,698     |
| <b>Tangible capital assets</b>                       | 10      | 47,397,554     | 51,373,348     |
| <b>Prepaid expenses</b>                              | 11      | 2,096,073      | 1,668,141      |
|                                                      |         | 49,493,627     | 53,041,489     |
| <b>Accumulated Surplus</b>                           |         | 127,377,326    | 120,541,187    |
| Accumulated Surplus is comprised of:                 |         |                |                |
| Unrestricted operating surplus                       | 12      | 86,010,732     | 76,832,274     |
| Restricted operating surplus                         | 12 & 13 | 36,654,656     | 40,646,297     |
|                                                      |         | 122,665,388    | 117,478,571    |
| Accumulated remeasurement gains                      |         | 4,711,938      | 3,062,616      |
|                                                      |         | \$ 127,377,326 | \$ 120,541,187 |

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, 2026

|                                                  | Notes   | March 31, 2026<br>Budget (Note 20) | March 31, 2026<br>Actual | March 31, 2025<br>Actual |
|--------------------------------------------------|---------|------------------------------------|--------------------------|--------------------------|
| <b>Revenues</b>                                  |         |                                    |                          |                          |
| Regulatory and other local fees                  |         |                                    |                          |                          |
| Prospectus and other distributions               |         | \$ 40,460,000                      | \$ 54,452,288            | \$ 42,954,061            |
| Registration                                     |         | 20,200,000                         | 21,281,780               | 20,232,043               |
| Financial filings                                |         | 4,930,000                          | 5,283,525                | 5,755,479                |
| Derivatives and Other fees                       |         | 940,000                            | 1,011,873                | 989,037                  |
| National systems user fees                       | 13      | 6,564,000                          | 8,529,730                | 5,821,443                |
| Enforcement sanctions                            | 14      | 1,000,000                          | 958,873                  | 1,109,542                |
| Realized gains on investments                    | 15      | –                                  | 1,344,439                | 1,333,015                |
| Investment income                                | 15      | 2,006,000                          | 2,276,337                | 2,612,118                |
|                                                  |         | 76,100,000                         | 95,138,845               | 80,806,738               |
| <b>Expenses</b>                                  |         |                                    |                          |                          |
| Local operations                                 | 16      | 75,280,667                         | 77,281,319               | 70,825,492               |
| Partnership operations                           | 13 & 16 | 12,370,000                         | 12,670,709               | 11,629,949               |
|                                                  |         | 87,650,667                         | 89,952,028               | 2,455,441                |
| Annual surplus (deficit)                         |         | \$ (11,550,667)                    | 5,186,817                | (1,648,703)              |
| Accumulated operating surplus, beginning of year |         |                                    | 117,478,571              | 119,127,274              |
| Accumulated operating surplus, end of year       |         |                                    | \$ 122,665,388           | 117,478,571              |

*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, 2026

|                                                    | Notes | March 31, 2026 | March 31, 2025 |
|----------------------------------------------------|-------|----------------|----------------|
| Accumulated remeasurement gains, beginning of year |       | \$ 3,062,616   | \$ 1,637,688   |
| Remeasurement gains on investments during the year | 15    | 2,993,761      | 2,757,943      |
| Realized gains on investments                      | 15    | (1,344,439)    | (1,333,015)    |
| Accumulated remeasurement gains, end of year       |       | \$ 4,711,938   | \$ 3,062,616   |

*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, 2026

|                                                           | <b>March 31, 2026<br/>Budget (Note 20)</b> | <b>March 31, 2026<br/>Actual</b> | <b>March 31, 2025<br/>Actual</b> |
|-----------------------------------------------------------|--------------------------------------------|----------------------------------|----------------------------------|
| Surplus (deficit), for the year                           | \$ (11,550,667)                            | \$ 5,186,817                     | \$ (1,648,703)                   |
| Additions to tangible capital assets                      | (4,933,400)                                | (4,400,173)                      | (7,819,655)                      |
| Depreciation of tangible capital assets                   | 6,966,000                                  | 7,286,276                        | 6,385,050                        |
| Loss on disposal of tangible capital assets               |                                            | 1,089,691                        | 35,417                           |
|                                                           | \$ 2,032,600                               | 3,975,794                        | (1,399,188)                      |
| Acquisition of prepaid expenses                           |                                            | (6,286,665)                      | (5,202,967)                      |
| Use of prepaid expenses                                   |                                            | 5,858,733                        | 5,235,295                        |
|                                                           |                                            | (427,932)                        | 32,328                           |
| Remeasurement gains on investments during the year        |                                            | 2,993,761                        | 2,757,943                        |
| Realized gains on investments                             |                                            | (1,344,439)                      | (1,333,015)                      |
|                                                           |                                            | 1,649,322                        | 1,424,928                        |
| Increase (decrease) in net financial assets, for the year |                                            | 10,384,001                       | (1,590,635)                      |
| Net financial assets, beginning of year                   |                                            | 67,499,698                       | 69,090,333                       |
| Net financial assets, end of year                         |                                            | \$ 77,883,699                    | \$ 67,499,698                    |

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



**Consolidated Statement of Cash Flows**

For the Year Ended March 31, 2026

|                                                | March 31, 2026 | March 31, 2025 |
|------------------------------------------------|----------------|----------------|
| <b>Operating transactions</b>                  |                |                |
| Cash received from:                            |                |                |
| Fees                                           | \$ 90,282,478  | \$ 77,633,664  |
| Enforcement sanctions                          | 986,573        | 1,091,442      |
| Interest                                       | 691,852        | 795,332        |
|                                                | 91,960,903     | 79,520,438     |
| Cash paid to and on behalf of employees        | (53,646,060)   | (50,399,996)   |
| Cash paid to suppliers and others              | (26,645,499)   | (29,581,285)   |
|                                                | (80,291,559)   | (79,981,281)   |
| Cash provided (used) by operating transactions | 11,669,344     | (460,843)      |
| <b>Capital transactions</b>                    |                |                |
| Cash used to acquire tangible capital assets   | (4,400,173)    | (7,819,655)    |
| <b>Investing transactions</b>                  |                |                |
| Proceeds from disposals of investments         | 4,460,332      | 16,138,478     |
| Purchase of investments                        | (10,718,438)   | (9,260,811)    |
|                                                | (6,258,106)    | 6,877,667      |
| Increase (decrease) in cash                    | 1,011,065      | (1,402,831)    |
| Cash, beginning of year                        | 13,005,576     | 14,408,407     |
| Cash, end of year                              | \$ 14,016,641  | \$ 13,005,576  |

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

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2026

### 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 90 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.

## **Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2026

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.

### **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 3.73% 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.

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2026

### ***g) Expenses***

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

### **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

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2026

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 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, 2026 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 6.2 years and of the Government Bond Fund is 7.3 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, and in the case of amounts receivable there are numerous individual amounts.

### 4. Cash

|                             | March 31, 2026       | March 31, 2025       |
|-----------------------------|----------------------|----------------------|
| Local demand deposits       | \$ 8,940,461         | \$ 5,851,647         |
| Partnership demand deposits | 5,076,180            | 7,153,929            |
|                             | <b>\$ 14,016,641</b> | <b>\$ 13,005,576</b> |

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, 2026

### 5. Investments

|                                     | March 31, 2026 |               | March 31, 2025 |               |
|-------------------------------------|----------------|---------------|----------------|---------------|
|                                     | Market Value   | Cost          | Market Value   | Cost          |
| <b>BCI pooled funds</b>             |                |               |                |               |
| Canadian Money Market Fund ST2      | \$ 27,685,890  | \$ 27,694,323 | \$ 19,837,627  | \$ 19,827,379 |
| Corporate Bond Fund                 | 3,305,859      | 3,779,492     | 3,490,020      | 3,983,360     |
| Government Bond Fund                | 7,681,695      | 7,620,344     | 7,655,991      | 7,356,744     |
| Indexed Emerging Market Equity Fund | 5,153,552      | 3,738,291     | 4,091,136      | 3,641,314     |
| Indexed Global Equity Fund          | 20,332,057     | 16,577,945    | 17,681,673     | 15,103,022    |
| Principal Credit Fund               | 3,056,798      | 3,047,743     | 2,714,373      | 2,502,476     |
| US Dollar Money Market Fund ST3     | 812,410        | 858,185       | 1,729,195      | 1,723,104     |
|                                     | \$ 68,028,261  | \$ 63,316,323 | \$ 57,200,015  | \$ 54,137,399 |
| <b>Partnership investments</b>      |                |               |                |               |
| Notice account                      | \$ 276,500     | \$ 276,500    | \$ 268,394     | \$ 268,394    |
|                                     | \$ 68,304,761  | \$ 63,592,823 | \$ 57,468,409  | \$ 54,405,793 |

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 fixed income securities issued by a Canadian government or Canadian government-related entities.
- 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 primarily in corporate investment grade and high yield securities issued in the U.S. 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 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 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 2.75%.

**Notes to the Consolidated Financial Statements**

For the Year Ended March 31, 2026

**6. Amounts receivable**

|                                 | March 31, 2026      | March 31, 2025      |
|---------------------------------|---------------------|---------------------|
| SEDAR+ and other filings        | \$ 1,656,234        | \$ 1,351,222        |
| National systems user fees      | 794,162             | 769,246             |
| Enforcement sanctions           | 326,700             | 356,050             |
| National project recoveries     | 134,820             | 233,171             |
| GST refunds                     | 119,835             | 157,261             |
| Late insider report filing fees | 58,400              | 55,150              |
| Employee advances and other     | 43,248              | 64,588              |
|                                 | <b>\$ 3,133,399</b> | <b>\$ 2,986,688</b> |

**7. Accounts payable and accrued liabilities**

|                                    | March 31, 2026      | March 31, 2025      |
|------------------------------------|---------------------|---------------------|
| Local trade accounts payable       | \$ 2,675,524        | \$ 979,796          |
| Partnership trade accounts payable | 1,015,171           | 1,580,669           |
| Other                              | 280,675             | 228,613             |
|                                    | <b>\$ 3,971,370</b> | <b>\$ 2,789,078</b> |

**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, 2026      | March 31, 2025      |
|-------------------|---------------------|---------------------|
| Opening balance   | \$ 1,004,839        | \$ 957,550          |
| Accretion expense | 35,974              | 47,289              |
| Closing balance   | <b>\$ 1,040,813</b> | <b>\$ 1,004,839</b> |

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2026

### 10. Tangible capital assets

| March 31, 2026                  |                                    |                                    |                                   |                                          |               |
|---------------------------------|------------------------------------|------------------------------------|-----------------------------------|------------------------------------------|---------------|
|                                 | Local<br>Information<br>Technology | Local<br>Leasehold<br>Improvements | Local<br>Furniture &<br>Equipment | Partnership<br>Information<br>Technology | Total         |
| <b>Cost</b>                     |                                    |                                    |                                   |                                          |               |
| Opening balance                 | \$ 20,210,377                      | \$ 9,836,458                       | \$ 2,804,221                      | \$ 41,889,958                            | \$ 74,741,014 |
| Additions                       | 2,995,091                          | 46,539                             | 72,069                            | 1,286,474                                | 4,400,173     |
| Disposals                       | (3,006,094)                        | —                                  | (106,897)                         | —                                        | (3,112,991)   |
| Closing balance                 | \$ 20,199,374                      | \$ 9,882,997                       | \$ 2,769,393                      | \$ 43,176,432                            | \$ 76,028,196 |
| <b>Accumulated depreciation</b> |                                    |                                    |                                   |                                          |               |
| Opening balance                 | \$ 6,484,539                       | \$ 6,326,618                       | \$ 2,613,556                      | \$ 7,942,953                             | \$ 23,367,666 |
| Depreciation                    | 2,711,206                          | 531,071                            | 22,720                            | 4,021,279                                | 7,286,276     |
| Disposals                       | (1,916,403)                        | —                                  | (106,897)                         | —                                        | (2,023,300)   |
| Closing balance                 | \$ 7,279,342                       | \$ 6,857,689                       | \$ 2,529,379                      | \$ 11,964,232                            | \$ 28,630,642 |
| <b>Net book value</b>           | \$ 12,920,032                      | \$ 3,025,308                       | \$ 240,014                        | \$ 31,212,200                            | \$ 47,397,554 |

| March 31, 2025                  |                                    |                                    |                                   |                                          |               |
|---------------------------------|------------------------------------|------------------------------------|-----------------------------------|------------------------------------------|---------------|
|                                 | Local<br>Information<br>Technology | Local<br>Leasehold<br>Improvements | Local<br>Furniture &<br>Equipment | Partnership<br>Information<br>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>           | \$ 13,725,838                      | \$ 3,509,840                       | \$ 190,665                        | \$ 33,947,005                            | \$ 51,373,348 |



## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2026

### 11. Prepaid expenses

|                                                  | March 31, 2026      | March 31, 2025      |
|--------------------------------------------------|---------------------|---------------------|
| Local IT and information service contracts       | \$ 1,504,612        | \$ 1,423,548        |
| Partnership IT and information service contracts | 591,461             | 244,593             |
|                                                  | <b>\$ 2,096,073</b> | <b>\$ 1,668,141</b> |

### 12. Accumulated operating surplus

|                                      | General       | March 31, 2026 |                 | Total          |
|--------------------------------------|---------------|----------------|-----------------|----------------|
|                                      |               | Reserve (a)    | Partnership (b) |                |
| Opening balance                      | \$ 76,832,274 | \$ –           | \$ 40,646,297   | \$ 117,478,571 |
| Annual surplus (deficit)             | 8,219,585     | 958,873        | (3,991,641)     | 5,186,817      |
| Education expenses paid from reserve | 958,873       | (958,873)      | –               | –              |
| Closing balance                      | \$ 86,010,732 | \$ –           | \$ 36,654,656   | \$ 122,665,388 |

|                                      | General       | March 31, 2025 |                 | Total          |
|--------------------------------------|---------------|----------------|-----------------|----------------|
|                                      |               | Reserve (a)    | Partnership (b) |                |
| Opening balance                      | \$ 73,095,945 | \$ –           | \$ 46,031,329   | \$ 119,127,274 |
| Annual surplus (deficit)             | 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 |

#### 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, 2026

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, 2026  |                | March 31, 2025  |                |
|-----------------------------|-----------------|----------------|-----------------|----------------|
|                             | Partnership     | 25% share      | Partnership     | 25% share      |
| <b>Financial Position</b>   |                 |                |                 |                |
| Financial assets            | \$ 24,587,369   | 6,146,842      | \$ 32,766,276   | \$ 8,191,569   |
| Liabilities                 | 5,183,385       | 1,295,846      | 6,947,477       | 1,736,869      |
| Net Financial assets        | \$ 19,403,984   | \$ 4,850,996   | \$ 25,818,799   | \$ 6,454,700   |
| Non-financial assets        | 127,214,638     | 31,803,660     | 136,766,387     | 34,191,597     |
| Accumulated surplus         | \$ 146,618,622  | \$ 36,654,656  | \$ 162,585,186  | \$ 40,646,297  |
| <b>Operations</b>           |                 |                |                 |                |
| Revenues:                   |                 |                |                 |                |
| National systems user fees  | \$ 34,118,919   | \$ 8,529,730   | \$ 23,285,771   | \$ 5,821,443   |
| Investment income and other | 597,351         | 149,338        | 1,693,895       | 423,474        |
| Expenses                    | 50,682,834      | 12,670,709     | 46,519,794      | 11,629,949     |
| Deficit                     | \$ (15,966,564) | \$ (3,991,641) | \$ (21,540,128) | \$ (5,385,032) |

### 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 \$9.95 million (fiscal 2025 – \$23.9 million) during the year, of which we did not recognize \$5.31 million (fiscal 2025 – \$22.9 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, 2026

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

|                                      | <b>For the Year Ended March 31, 2026</b> |                                    |                     |                                                             |
|--------------------------------------|------------------------------------------|------------------------------------|---------------------|-------------------------------------------------------------|
|                                      | <b>Investment<br/>Income</b>             | <b>Realized<br/>Gains (Losses)</b> | <b>Total Income</b> | <b>Remeasurement<br/>Gains (Losses)<br/>during the year</b> |
| Cash, term deposits and GIC          | \$ 503,758                               | \$ –                               | \$ 503,758          | \$ –                                                        |
| Restricted cash - 161(1)(g) payments | 188,094                                  | –                                  | 188,094             | –                                                           |
| Canadian Money Market Fund ST2       | 522,475                                  | (475)                              | 522,000             | (19,156)                                                    |
| Corporate Bond Fund                  | 189,969                                  | (43,836)                           | 146,133             | (24,129)                                                    |
| Government Bond Fund                 | 263,599                                  | –                                  | 263,599             | (237,896)                                                   |
| Indexed Emerging Market Equity       | 96,977                                   | –                                  | 96,977              | 965,439                                                     |
| Indexed Global Equity Fund           | 383,725                                  | 1,091,198                          | 1,474,923           | 2,266,659                                                   |
| Principal Credit Fund                | 58,528                                   | 303,438                            | 361,966             | 100,596                                                     |
| US Money Market Fund ST3             | 69,212                                   | (5,886)                            | 63,326              | (57,752)                                                    |
|                                      | <b>\$ 2,276,337</b>                      | <b>\$ 1,344,439</b>                | <b>\$ 3,620,776</b> | <b>\$ 2,993,761</b>                                         |

|                                      | <b>For the Year Ended March 31, 2025</b> |                                    |                     |                                                             |
|--------------------------------------|------------------------------------------|------------------------------------|---------------------|-------------------------------------------------------------|
|                                      | <b>Investment<br/>Income</b>             | <b>Realized<br/>Gains (Losses)</b> | <b>Total Income</b> | <b>Remeasurement<br/>Gains (Losses)<br/>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>                                         |

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2026

### 16. Operating Expenses

|                                                      | Budget 2026   | Year ended March 31 |               |
|------------------------------------------------------|---------------|---------------------|---------------|
|                                                      |               | 2026                | 2025          |
| <b>Local operations</b>                              |               |                     |               |
| Salaries and benefits                                | \$ 51,050,000 | \$ 52,234,128       | \$ 48,674,512 |
| Professional services                                | 5,540,000     | 5,825,531           | 4,549,656     |
| Information management                               | 5,710,000     | 5,301,953           | 4,801,034     |
| Investor Education                                   | 3,650,000     | 4,139,466           | 4,699,581     |
| Occupancy                                            | 3,908,000     | 3,909,992           | 3,834,618     |
| Depreciation                                         | 2,700,000     | 3,264,996           | 2,272,858     |
| Loss on write off of local systems no longer in use  | –             | 1,089,691           | –             |
| Administration                                       | 392,000       | 528,187             | 533,797       |
| Funding International Sustainability Standards Board | 266,667       | 266,667             | 266,667       |
| Travel                                               | 350,000       | 240,450             | 309,538       |
| Staff training                                       | 530,000       | 237,765             | 531,717       |
| Telecommunications                                   | 184,000       | 169,685             | 169,674       |
| External communication                               | 300,000       | 72,808              | 181,840       |
| Whistleblower payments                               | 700,000       | –                   | –             |
| Total local operations                               | 75,280,667    | 77,281,319          | 70,825,492    |
| <b>Partnership operations</b>                        |               |                     |               |
| Professional services                                | 6,504,000     | 6,574,831           | 5,499,204     |
| Depreciation                                         | 4,266,000     | 4,021,279           | 4,112,192     |
| Salaries and benefits                                | 1,600,000     | 1,814,039           | 1,785,616     |
| Information management and administration            | –             | 260,560             | 232,937       |
| Total Partnership operations                         | 12,370,000    | 12,670,709          | 11,629,949    |
|                                                      | \$ 87,650,667 | \$ 89,952,028       | \$ 82,455,441 |

### 17. Related party transactions

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

## Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2026

### 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 80,000 active members, 58,000 retired members, and 27,000 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 \$4.1 million (fiscal 2025 – \$3.9 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 | 2027 - 2028  | 2029 - 2030  | 2031 - 2032  | Total        |
|--------------|--------------|--------------|--------------|--------------|
|              | \$ 7,983,000 | \$ 8,315,000 | \$ 7,155,000 | \$23,453,000 |

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.