

Financial Statements

For the Fiscal Year
ended March 31, 2025



Management's Responsibility and Certification

Management is responsible for the integrity, consistency and reliability of the financial statements and other information presented in the annual report. The financial statements have been prepared by Management in accordance with International Financial Reporting Standards.

We certify that we have reviewed the financial statements and other information contained in the annual report, and, based on our knowledge, they do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the statements and the annual report.

Based on our knowledge, the financial statements together with other financial information included in the annual report fairly present in all material respects the financial condition, results of operations and cash flows of the Ontario Securities Commission (the "OSC") as of the dates and for the periods presented. The preparation of financial statements involves transactions affecting the current period which cannot be finalized with certainty until future periods. Judgments and estimates have been used where necessary to make estimates required to ensure fair and consistent presentation of the financial statements.

We are responsible for establishing and maintaining internal control over financial reporting for the OSC. We have designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles which incorporates International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

We evaluated, or caused to be evaluated under our supervision, the effectiveness of the OSC's internal control over financial reporting at the financial year-end, and the OSC has disclosed in its annual MD&A our conclusion about the effectiveness of internal control over financial reporting at the financial year-end based on that evaluation.

We have also disclosed in the MD&A any change in our internal control over financial reporting that occurred during the year that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

The Board of Directors ensures that management fulfills its responsibility for financial reporting and internal control. The financial statements have been reviewed by the Audit and Finance Committee and approved by the Board of Directors. The financial statements have been audited by the Office of the Auditor General of Ontario. The auditors have access to the Audit and Finance Committee, with and without the presence of management. The Auditor General's Report, which follows, outlines the scope of the auditor's examination and opinion on the financial statements.

Grant Vingoe
Chief Executive Officer

Mary Campione
Chief Financial Officer and
Senior Vice-President, Finance & Administration

July 9, 2025

INDEPENDENT AUDITOR'S REPORT

To the Ontario Securities Commission

Opinion

I have audited the financial statements of the Ontario Securities Commission (OSC), which comprise the statement of financial position as at March 31, 2025, and the statements of comprehensive (loss) income, changes in surplus and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the OSC as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the OSC in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 OSC'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 OSC's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the OSC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.



Toronto, Ontario
July 9, 2025

Shelley Spence, FCPA, FCA, LPA
Auditor General

Statement of Financial Position

(in Canadian dollars)

As at March 31, 2025

	Note(s)	2025	2024 (Restated)
ASSETS			
Current			
Cash		\$ 122,106,806	\$ 124,506,137
Restricted cash pursuant to settlements and sanction orders	6	112,602,103	121,855,728
Trade and other receivables	4, 5	4,195,691	5,138,077
Prepayments		5,868,982	5,486,425
Total current		\$ 244,773,582	\$ 256,986,367
Non-current			
Funds restricted for CSA systems operations and redevelopment	7, 18	\$ 29,689,265	\$ 45,722,346
Reserve funds	8	20,000,000	20,000,000
Lease receivable	12	—	2,770,983
Right of use assets	12	33,323,273	36,109,281
Property, plant & equipment	9	5,237,925	5,823,475
Intangible assets	10	19,343,418	22,712,605
Total non-current		\$ 107,593,881	\$ 133,138,690
Total assets		\$ 352,367,463	\$ 390,125,057
LIABILITIES			
Current			
Trade and other payables	11	\$ 28,384,535	\$ 28,202,345
Lease liabilities	12	2,445,480	2,636,107
Deferred income pursuant to settlements and sanction orders	6	113,214,698	122,976,879
Total current		\$ 144,044,713	\$ 153,815,331
Non-current			
Lease liabilities	12	\$ 34,798,827	\$ 40,015,290
Pension liabilities	13(b)	4,597,849	4,290,965
Funds restricted for CSA systems operations and redevelopment	7, 18	29,689,265	45,722,346
Total non-current		\$ 69,085,941	\$ 90,028,601
Total liabilities		\$ 213,130,654	\$ 243,843,932
SURPLUS			
General		\$ 119,236,809	\$ 126,281,125
Reserve	8, 14	20,000,000	20,000,000
Operating surplus		\$ 139,236,809	\$ 146,281,125
Total liabilities and surplus		\$ 352,367,463	\$ 390,125,057

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

On behalf of the board of the Commission.



Kevan Cowan
Chair



Hari Panday
Chair, Audit and Finance Committee

Statement of Comprehensive (Loss) Income

(in Canadian dollars)

For the year ended March 31, 2025	Note(s)	2025	2024 (Restated)
REVENUE			
Fees	15	\$ 169,461,115	\$ 159,680,338
Interest income		4,978,519	5,642,335
Miscellaneous		391,530	796,141
		\$ 174,831,164	\$ 166,118,814
EXPENSES			
Salaries and benefits	16	\$ 139,270,427	\$ 120,071,009
Administrative	17	17,569,835	17,536,738
Professional services		13,050,100	15,321,206
Occupancy		4,847,736	5,246,806
Depreciation	9, 12	4,708,655	4,683,544
Amortization	10	7,517,840	3,991,025
Finance costs	12	1,330,267	1,524,152
Travel and conferences		700,993	580,942
		\$ 188,995,853	\$ 168,955,422
Distributions and cost recoveries pursuant to securities legislation			
Third party distributions	20	\$ 10,209,197	\$ 4,473,265
Recoveries of enforcement costs		(272,773)	(266,768)
Recoveries of OSC costs	21	(7,062,061)	(5,524,093)
Recoveries of third party distributions	20	(10,209,197)	(4,473,265)
		\$ 181,661,019	\$ 163,164,561
(Deficiency) Excess of revenue over expenses		\$ (6,829,855)	\$ 2,954,253
OTHER COMPREHENSIVE (LOSS) INCOME			
Remeasurements of defined benefit pension plans	13(b)	\$ (214,461)	\$ 238,225
Other comprehensive (loss) income		\$ (214,461)	\$ 238,225
Total comprehensive (loss) income		\$ (7,044,316)	\$ 3,192,478

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

Statement of Changes in Surplus

(in Canadian dollars)

For the year ended March 31, 2025	Note(s)	2025	2024
Operating surplus, beginning of year		\$ 146,281,125	\$ 143,088,647
Total comprehensive (loss) income		(7,044,316)	3,192,478
Operating surplus, end of year		\$ 139,236,809	\$ 146,281,125
Represented by:			
General		\$ 119,236,809	\$ 126,281,125
Reserve	8, 14	20,000,000	20,000,000
		\$ 139,236,809	\$ 146,281,125

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

Statement of Cash Flows

(in Canadian dollars)

For the year ended March 31, 2025	Note(s)	2025	2024 (Restated)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
(Deficiency) Excess of revenue over expenses		\$ (6,829,855)	\$ 2,954,253
Adjusted for:			
Interest received		5,229,424	5,571,090
Interest income		(4,978,519)	(5,642,335)
Pension liabilities		92,423	118,178
Loss on disposal of property, plant & equipment	9	17,666	4,967
Depreciation – right of use asset	12	2,790,547	2,786,009
Depreciation – property, plant & equipment	9	1,918,108	1,897,535
Amortization	10	7,517,840	3,991,025
Unrealized loss on currency revaluation		3,494	—
		\$ 5,761,128	\$ 11,680,722
Changes in non-cash working capital:			
Trade and other receivables		\$ 7,142	\$ 183,111
Prepayments		(382,557)	1,816,047
Trade and other payables		(1,107,438)	(1,077,546)
		\$ (1,482,853)	\$ 921,612
Cash flows from (used in) restricted activities:			
Restricted cash payments per s.19(2) of the SCA		\$ (17,449,400)	\$ (9,997,358)
Restricted cash receipts per s.19(2) of the SCA		2,581,419	4,357,005
Interest received on restricted cash		5,614,356	6,386,214
		\$ (9,253,625)	\$ 745,861
Net cash flows from (used in) operating activities		\$ (4,975,350)	\$ 13,348,195
CASH FLOWS USED IN INVESTING ACTIVITIES			
Principal payments on lease receivable	12	\$ —	\$ 169,830
Purchase of intangible assets	10	(3,429,601)	(5,970,065)
Purchase of property, plant & equipment	9	(783,142)	(649,341)
Net cash used in investing activities		\$ (4,212,743)	\$ (6,449,576)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Principal payments on lease liabilities	12	\$ (2,464,863)	\$ (2,886,746)
Net cash flows used in financing activities		\$ (2,464,863)	\$ (2,886,746)
Net (decrease) increase		\$ (11,652,956)	\$ 4,011,873
Cash, beginning of year		246,361,865	242,349,992
Cash, end of year		\$ 234,708,909	\$ 246,361,865
Cash		122,106,806	124,506,137
Restricted cash pursuant to settlements and sanction orders		112,602,103	121,855,728

For the year ended March 31, 2025	Note(s)	2025	2024 (Restated)
SUPPLEMENTAL CASH FLOW INFORMATION			
Finance costs paid		\$ 1,330,267	\$ 1,524,152
Finance income received		—	104,854
Property, plant & equipment and intangible assets funded by trade and other payables		1,286,134	1,979,429

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

Notes to the Financial Statements

1. Reporting Entity

The Ontario Securities Commission (the OSC, or the Commission) is a corporation domiciled in Ontario. The address of the OSC's registered office is 20 Queen Street West, Toronto, Ontario, M5H 3S8. The OSC is a corporation without share capital incorporated under the *Securities Act*, R.S.O. 1990, c. S.5. The OSC is the regulatory body responsible for regulating the province's capital markets pursuant to the *Securities Commission Act*, 2021 (SCA). The OSC exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* and *Commodity Futures Act* and administration of certain provisions of Ontario's *Business Corporations Act*. As a Crown corporation, the OSC is exempt from income taxes.

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2. Basis of Presentation

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements are as at March 31, 2025 for the year then ended and include comparatives. These financial statements were authorized for issue by the Board of Directors on July 9, 2025.

(b) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the OSC's functional currency. Amounts have been rounded to the nearest dollar.

(c) Change in Accounting Policy for Funds Held Pursuant to Settlements and Sanctions

In response to the OSC's evolving role to include expanded uses of funds, new funding arrangements and ongoing work to facilitate distribution of amounts collected under disgorgement orders, the OSC revisited its classification and recognition of funds held pursuant to settlements and sanction orders. The OSC has determined that the presentation of these amounts as a principal is appropriate, rather than a custodian acting in the capacity of an agent. The change in the accounting policy has been accounted for retrospectively.

Previously, all amounts related to funds held pursuant to settlements and sanction orders were classified as non-current in the Statement of Financial Position, and amounts that the OSC paid to or for the benefit of third parties were recorded as either increases or decreases to funds held pursuant to settlements and sanction orders in the Statement of Financial Position.

Among other things, because of the evolution in our role, the OSC now:

- classifies all funds held pursuant to settlements and sanction orders as current in the Statement of Financial Position, reflected as Restricted cash pursuant to settlements and sanction orders, and trade and other receivable balances for amounts due from settlements and sanction orders and the associated current liability representing deferred income, and
- recognizes as income the recovery of third party distributions associated with the deferred income requirements being fulfilled, in the Statement of Comprehensive (Loss) Income in the same period as the associated expense being incurred.

The presentation of affected line items, subtotals, and totals in the Statement of Financial Position, Statement of Comprehensive (Loss) Income, and Statement of Cash Flows have been updated to reflect these changes. Refer to Notes 3(h) and 3(i) for more information regarding this accounting policy.

These changes have no effect on our total surplus and total comprehensive income but does increase our overall net cash position in the prior period as we combine both cash and restricted cash pursuant to settlements and sanction funds.

The specific effects on our **Statement of Financial Position** as at the beginning and end of the preceding period is as follows:

	April 1, 2023		Reclassification		April 1, 2023	
	Original				Restated	
ASSETS						
Current						
Cash	\$	119,450,786	\$	1,789,339	\$	121,240,125
Restricted cash pursuant to settlements and sanction orders		—		121,109,867		121,109,867
Trade and other receivables		5,912,178		(1,021,837)		4,890,341
Non-current						
Funds held pursuant to settlements and sanction orders	\$	123,666,708	\$	(123,666,708)	\$	—
LIABILITIES						
Current						
Deferred income pursuant to settlements and sanction orders	\$	—	\$	121,877,369	\$	121,877,369
Non-current						
Funds held pursuant to settlements and sanction orders	\$	(123,666,708)	\$	(123,666,708)	\$	—
SURPLUS						

	March 31, 2024		Reclassification	March 31, 2024
	Original			Restated
ASSETS				
Current				
Cash	\$ 122,513,949	\$	1,992,188	\$ 124,506,137
Restricted cash pursuant to settlements and sanction orders	—		121,855,728	121,855,728
Trade and other receivables	6,009,114		(871,037)	5,138,077
Non-current				
Funds held pursuant to settlements and sanction orders	\$ 124,969,067	\$	(124,969,067)	\$ —
LIABILITIES				
Current				
Deferred income pursuant to settlements and sanction orders	\$ —	\$	122,976,879	\$ 122,976,879
Non-current				
Funds held pursuant to settlements and sanction orders	\$ 124,969,067	\$	(124,969,067)	\$ —
SURPLUS				

The specific effects on our **Statement of Comprehensive (Loss) Income** for the preceding period is as follows:

	March 31, 2024		Adjustment	March 31, 2024
	Original			Restated
EXPENSES				
Recoveries of investor education and knowledge enhancement costs	\$ (5,149,228)	\$	5,149,228	\$ —
Recoveries of Office of Economic Growth and Innovation costs	(374,865)		374,865	—
Recoveries of OSC costs	—		(5,524,093)	(5,524,093)
Third party distributions	—		4,473,265	4,473,265
Recoveries of third party distributions	—		(4,473,265)	(4,473,265)
TOTAL COMPREHENSIVE INCOME				

The specific effects on our **Statement of Cash Flows** for the preceding period is as follows:

	March 31, 2024 <i>Original</i>	Adjustment	March 31, 2024 <i>Restated</i>
Cash and restricted cash, beginning of year	\$ 119,450,786	\$ 122,899,206	\$ 242,349,992
CASH FLOWS FROM OPERATING ACTIVITIES			
Restricted cash payments per s.19(2) of the SCA	\$ —	\$ (9,997,358)	\$ (9,997,358)
Restricted cash receipts per s.19(2) of the SCA	—	4,357,005	4,357,005
Interest received on restricted cash	—	6,386,214	6,386,214
Trade and other receivables	(19,738)	202,849	183,111
Cash and restricted cash, end of year	\$ 122,513,949	\$ 123,847,916	\$ 246,361,865

(d) Use of judgements and sources of estimation uncertainty

(i) Judgements

The preparation of financial statements in accordance with IFRS requires that management make judgements in applying accounting policies that can affect the reported amounts of assets and liabilities as at the date of the financial statements, as well as the reported amounts of revenue and expenses for the period.

The following are the judgements in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the financial statements.

Lease accounting

In determining the lease liabilities and corresponding right of use assets, significant judgement is required in determining that a premise lease exists and the corresponding lease term.

As described in Note 5, with the introduction of the Centralization of Broader Real Estate Authority (CBREA) legislative amendments on April 1, 2024, the OSC's premise lease was assigned to the Ministry of Infrastructure (MOI). In considering the terms and conditions of the legislative amendments and the corresponding arrangement with the MOI, the OSC exercised significant judgement to determine that the arrangement with the MOI contains a premise lease.

The lease term is defined as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The OSC exercised significant judgement in determining the lease term, particularly the premise lease, by considering all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option including investments in major leaseholds, past practice, location suitability, and the length of time remaining before the option is exercisable.

Revenue recognition

The OSC exercised significant judgement in determining whether participation fees and other certain fees are within the scope of IFRS 15. Since these fees do not arise from contracts with customers as envisioned in IFRS 15, the OSC has exercised judgement in deciding to apply IFRS 15, by analogy, to such fees.

Significant judgement is required to determine the nature and extent of the OSC's performance obligations arising from participation fees and determining the timing of the transfer of control – at a point in time or over time. OSC recognizes revenue when (or as) the organization satisfies a performance obligation by transferring the promised service to the market participant. This transfer happens when the market participant obtains control of the service.

Recoveries of OSC costs and third party distributions pursuant to section 19(2) of the SCA

The *Securities Commission Act, 2021 (SCA)* permits funds from settlements and sanction orders to be used in accordance with section 19(2), as follows:

- (i) to or for the benefit of third parties,
- (ii) for use by the Commission or third parties for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets, or
- (iii) for any other purpose specified in the regulations.

The OSC has guidelines in place to determine which costs are in accordance with section 19(2) of the SCA.

As of February 5, 2024, two additional authorized purposes came into force through regulation. The first purpose includes use by the Commission to fund activities of the Office of Economic Growth and Innovation that are aimed at fostering innovation, capital formation and competition in Ontario's capital markets ("Office of Economic Growth and Innovation costs"). The second purpose includes use by the Commission to enhance its capabilities in information technology, data acquisition and data analytics to address regulatory matters relating to investor protection and the reduction of systemic risk or the integrity of the capital markets ("technology and data capability costs") other than ongoing operating costs of the Commission.

The OSC exercised judgement in evaluating which costs would be recoverable in accordance with section 19(2) of the SCA. See Note 20 and 21 for a summary of costs recovered.

Funds restricted for Canadian Securities Administrators (CSA) Systems operations and redevelopment (Funds Restricted for CSA Systems)

The OSC was appointed the Designated Principal Administrator – Operations (DPA) to administer the financial management processes of the CSA Systems net assets and act as custodian over any surplus funds. The use of the CSA Systems surplus funds is governed by the four Principal Administrators (PAs), each having one vote on the CSA Systems matters. The four PAs are the OSC, British Columbia Securities Commission (BCSC), Alberta Securities Commission (ASC) and l'Autorité des marchés financiers (AMF).

Based on an evaluation of the contractual terms and conditions related to the arrangement, OSC management has exercised significant judgement to determine that participants in the capital markets, rather than the OSC (or other CSA members), obtain the benefit or rewards from the restricted funds or any future development of the CSA Systems. The OSC does not control or have significant influence over how the restricted funds are managed in performing its custodial role for the CSA Systems.

See Note 7 for more information, including summary financial information related to CSA systems operations and redevelopment.

(ii) Sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires management to make assumptions about the future and other sources of estimation uncertainty that have a significant risk of affecting the carrying amounts of assets and liabilities within the next fiscal year.

Determining the carrying amounts of some assets and liabilities requires management to estimate the effects of uncertain future events on those assets and liabilities at the end of the reporting period. Actual amounts can differ from these estimates to the extent future outcomes differ significantly from management's estimations. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the key assumptions and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year.

Leases

In determining the carrying amount of right of use assets and lease liabilities, the OSC is required to estimate the incremental borrowing rate specific to each leased asset if the interest rate implicit in the lease is not readily determined. The OSC determines the incremental borrowing rate using a prime rate with an adjustment that reflects, among other things, the OSC's credit rating, lease term, value of the underlying leased asset, and the economic environment in Ontario.

Supplemental pension plan

Supplemental pension plan liabilities represent the estimated present value of the OSC's obligation for future payments as at the fiscal year end. The OSC utilizes an independent actuarial expert to determine the present value of the defined benefit obligation of the supplemental pension plan and related impact to the Statement of Comprehensive (Loss) Income and Other Comprehensive (Loss) Income.

In some cases, this determination will involve management's best estimates and information from other accredited sources. A change in one or more of these assumptions could have a material impact on the OSC's financial statements.

The significant actuarial assumptions used to determine the present values of the defined benefit obligations and sensitivity analysis of changes in the actuarial assumptions used are outlined in Note 13(b).

Trade and other receivables for settlements and sanction orders and recoveries of enforcement costs

Trade and other receivables for settlements and sanction orders and recoveries of enforcement costs are recorded when settlements are approved or orders are made by the Commission, unless management determines that collecting the settlement and order is significantly doubtful, in which case it is recognized when payment is received. Estimation is required to determine the collectible amount of monetary sanctions and recoveries of enforcement costs reflected in trade and other receivables.

Management considers the ability of the respondent to pay the sanction amount, the ability to locate the respondent and whether the respondent owns any assets. A change in any of these factors could have a material impact on the OSC's financial statements. Assets and liabilities will change based on estimated settlements and sanction order amounts deemed to be collectible. Expenses may change based on recoveries of enforcement costs. For more information on restricted cash pursuant to settlements and sanction orders, see Note 6.

Allowance for credit losses

The determination of the OSC's expected credit losses for trade receivables depends on several highly related variables and is subject to estimation uncertainty. In determining expected credit losses, the OSC considers historical data, existing market conditions, and forward-looking information to determine, among other things, expected loss rates. The OSC must rely on estimates and exercise judgement regarding circumstances that may cause future assessments of expected credit losses to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses.

Trade and other receivables are subject to measurement uncertainty due to the credit risk of debtors. See Note 5 and Note 6 for further detail on trade and other receivables, and restricted cash pursuant to section 19(2) of the SCA.

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. See Note 22 for discussion related to accounting standards, interpretations and amendments that became effective in the year.

(a) Financial instruments

Trade receivables and borrowings issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the OSC becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, plus or minus transaction costs that are directly attributable to their acquisition. The measurement of financial instruments in subsequent periods and the recognition of changes in the fair value depend on the category in which they are classified. All financial assets and financial liabilities are categorized and subsequently measured at amortized cost as noted in the table below.

Financial Assets	Measurement category under IFRS 9
Cash	Amortized Cost
Restricted cash pursuant to settlements and sanction orders	Amortized Cost
Funds restricted for CSA systems operations and redevelopment	Amortized Cost
Reserve funds	Amortized Cost
Trade and other receivables	Amortized Cost
Financial Liabilities	
Deferred income pursuant to settlements and sanction orders	Amortized Cost
Funds restricted for CSA systems operations and redevelopment	Amortized Cost
Lease liabilities	Amortized Cost
Line of credit	Amortized Cost
Trade and other payables	Amortized Cost

Classification of financial assets depends on the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. A financial asset is subsequently measured at amortized cost if both of the following conditions are met.

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Currently, OSC's financial assets meet the conditions for subsequent measurement at amortized cost. Gains or losses on disposal and impairment losses are recorded in the Statement of Comprehensive (Loss) Income. Premiums, discounts and transaction costs are amortized over the term of the instrument on an effective yield basis as an adjustment to interest income. Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or when the contractual rights to receive the cash flows of the financial asset are transferred. A financial liability is derecognized when it is extinguished; that is, when the contractual obligation is discharged, cancelled or expires.

The OSC recognizes an allowance for expected credit losses for all financial assets not held at fair value through profit and loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the OSC expects to receive, discounted at an approximation of the original effective interest rate.

In relation to trade receivables, the OSC measures expected credit losses for trade receivables by establishing a provision based on aging at year end through the application of a provision matrix. The provision matrix is based on historically observed default rates over the expected life of the trade receivables, adjusted for forward looking estimates.

The carrying amount of trade receivables is reduced through the use of an allowance account and the expected credit loss is recognized in the Statement of Comprehensive (Loss) Income.

The gross carrying amount of a trade receivable is written off to the extent there is no reasonable prospect of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, insolvency of the debtor and the exhaustion of reasonable collection efforts.

(b) Property, plant & equipment

Items of property, plant & equipment are recorded at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of property, plant & equipment, less any residual value, is depreciated and recognized in excess of revenues over expenses on a straight-line basis over the estimated useful life of the asset, as follows:

Network and computer equipment	3 to 5 years
Office furniture and equipment	5 to 10 years
Leasehold improvements	Lesser of lease term and useful life of asset

The estimated useful lives, residual values and depreciation method are reviewed at the end of each fiscal year. Any changes in estimates are accounted for on a prospective basis.

An item of property, plant & equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property, plant & equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in excess of revenue over expenses.

Items of property, plant & equipment are reviewed for impairment at each reporting date. If any impairment is indicated, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(c) Intangible assets

Intangible assets represent identifiable non-monetary assets and are acquired either separately or internally generated. The OSC's intangible assets consist primarily of software enhancement and development and purchased software.

Development costs that are directly attributable to internally developed software are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- there is an ability to use the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditures attributable to the software during its development can be reliably measured.

For internally generated intangible assets, cost includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Spend on certain technology related intangible assets are eligible for recovery from settlements and sanction funds pursuant to section 19(2) of the SCA. See Note 3(i) for more details.

Subsequent expenditures on a specific intangible asset is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including maintenance, are recognized in profit or loss as incurred. Research expenditures and certain development expenditures that do not meet the criteria for capitalization above are recognized as an expense as incurred.

For purchased software, the cost of separately acquired intangible assets includes its purchase price and directly attributable costs of preparing the asset for its intended use.

For software enhancement and development, amortization of an intangible asset begins when development is complete, and the asset is available for use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment losses. Amortization expense is included in the Statement of Comprehensive (Loss) Income. Intangible assets are amortized using the straight-line method over the following periods:

Software enhancement and development	1 to 10 years
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Purchased software	3 years
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Amortization methods, useful lives and residual values are reviewed at the end of each fiscal year and adjusted if appropriate, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. If any impairment is indicated, the intangible asset's recoverable amount is estimated. The recoverable amount is the higher of an intangible asset's fair value less costs to sell and value in use. An impairment

loss is recognized for the amount by which the intangible asset's carrying amount exceeds its recoverable amount. An impairment loss is recognized on the Statement of Comprehensive (Loss) Income in the period in which the impairment is identified.

Impairment losses previously recognized are assessed and reversed if the circumstances leading to the impairment are no longer present. Reversal of any impairment loss will not exceed the carrying amount of the intangible asset that would have been determined had no impairment loss been recognized for the asset in prior periods.

(d) Revenue recognition

IFRS 15 sets out the principles for when revenue should be recognized and how it should be measured, together with related disclosures.

Participation fees

Participation fees are recognized when the OSC has permitted (or not restricted) market participant or derivatives reporting counterparty access to the Ontario capital markets. Typically, this occurs at a point in time when both the access is granted (or not restricted) and the associated fees are received.

These fees represent the payment for the right to participate in the Ontario capital markets. The OSC has no specific obligations throughout the year to any individual market participant or derivatives reporting counterparty. As such, the OSC's performance consists of a single act, which is provision of access. Once the access is provided (or not restricted), the OSC has the right to the stipulated participation fees, there is no obligation to refund the fees, the market participant or derivatives reporting counterparty has the legal right to access and participate in the capital market including the risks and rewards associated with such participation and there are no unfulfilled conditions on behalf of the OSC to the market participant or derivatives reporting counterparty.

Activity fees

Activity fees represent the direct cost of OSC staff resources expended in undertaking certain activities requested of staff by market participants. Activity fees are recognized when the filing is received, as the activities undertaken are normally completed in a relatively short period of time.

Late filing fees

Late fees may apply if certain documents that are required to be filed under Ontario Securities law are not filed on time. Additional fees may be charged for payments made past the required due date. Revenue from late fees is recognized when the respective document is filed or the corresponding outstanding fee is paid. In addition, the transaction price is measured as the amount of the fee.

(e) Deferred income pursuant to section 19(2) of the SCA

Deferred income pursuant to section 19(2) of the SCA is recorded when settlements and sanction orders are imposed or approved by the Capital Markets Tribunal, unless management determines that collecting the sanction or settlement is significantly doubtful, in which case it is recognized when payment is received. Due to the restricted use of funds held from settlements and sanction orders, income is deferred until the eligible expense is recognized within the Statement of Comprehensive (Loss) Income.

(f) Employee benefits

Ontario Public Service Pension Plan (OPSPP)

The OSC provides pension benefits to its full-time employees through participation in the OPSPP. The Province of Ontario is the sole sponsor of the OPSPP. This plan is accounted for as a defined contribution plan because sufficient information is not provided to the OSC or otherwise available for the OSC to apply defined benefit plan accounting to this pension plan.

The plan sponsor is responsible for ensuring that the pension funds are financially viable. Any surpluses or unfunded liabilities arising from statutory actuarial funding valuations are not assets or obligations of the OSC. The OSC is not exposed to any liability to the plan for other entities' obligations under the terms and conditions of the plan.

In addition, there is no agreed allocation of a deficit or surplus on wind-up or withdrawal by the OSC from the plan. Payments made to the plan are recognized as an expense when employees have rendered the service entitling them to the benefit. For more information on the OPSPP, see Note 13(a).

Supplemental pension plan

The OSC also maintains unfunded supplemental pension plans for full-time appointees comprised of its current Chief Executive Officer and Chief Adjudicator, and former Chairs, and Vice-Chairs as described in Note 13(b). These plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of the target benefits provided depends on the member's length of service and their salary in the final years prior to retirement. In some plans, the target benefits are indexed with inflation. The target benefits are then offset by the benefits payable from the OPSPP (registered and supplemental plans), which are linked to inflation.

The defined benefit liability recognized in the Statement of Financial Position for the supplemental pension plans is the present value of the defined benefit obligation at the reporting date.

Actuarial gains and actuarial losses resulting from remeasurements of the net defined benefit liability arising from the supplemental pension plans are recognized immediately in the Statement of Financial Position with a corresponding increase or decrease through OCI in the period in which they occur. Remeasurements are not reclassified to excess of revenues over expenses in subsequent periods.

Other post-employment obligations

The costs of non-pension benefits for eligible pensioners are paid by the Government of Ontario and are not included in the Statement of Comprehensive (Loss) Income, as described in Note 19(b).

Termination benefits

Termination benefits are generally payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The OSC recognizes a liability and an expense for termination benefits at the earlier of the date the OSC has demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without a realistic possibility of withdrawal or when the OSC has recognized costs for providing termination benefits as a result of a restructuring involving a fundamental reorganization that has a material effect on the nature and focus of OSC operations.

Short-term benefits

Short-term employee benefits, such as salaries, pension contributions, paid annual leaves and bonuses, are measured on an undiscounted basis and are expensed as the related service is provided to the OSC.

(g) Leases

A contract is or contains a lease if it conveys the right to control the use of an identified asset for a specified period in exchange for consideration. When the OSC leases assets from other parties, the OSC is the lessee. When the OSC leases or subleases assets to other parties, the OSC is the lessor.

Lessee accounting

At the lease commencement date, a lease liability and right of use asset are recognized on the Statement of Financial Position for the leased asset. These two amounts are determined as follows:

- a) Lease liability – the present value of fixed payments from commencement date, variable payments that depend on an index or a rate, exercise price of a purchase option (if the lessee is reasonably certain to exercise that purchase option), payments for penalties for terminating a lease (if the lease term reflects the lessee exercising an option to terminate the lease), and amounts expected to be payable by the lessee under residual value guarantees.
- b) Right of use asset – the sum of the initial lease liability, initial indirect costs and expected restoration costs, and lease payments made at or prior to commencement, less any lease incentives received.

In determining the carrying amount of lease liabilities and right of use assets, the lessee is required to use the incremental borrowing rate specific to each leased asset, if the interest rate implicit in the lease is not readily determined.

Most of the OSC's leases are comprised of premise leases, for which fixed payments covering lease components are included in the value of the right of use assets and lease liabilities. As lease payments are made and the leases elapse, lease liabilities are reduced by the principal portion of payments, finance costs are recognized for the interest portion of payments, and the right of use assets are depreciated. Depreciation and finance costs are recognized in the Statement of Comprehensive (Loss) Income.

For non-lease component payments (i.e. common area maintenance), amounts are recognized within occupancy costs in the Statement of Comprehensive (Loss) Income and are not recognized in the Statement of Financial Position.

Payments for short-term leases (12 months or less and do not have a purchase option) and low-value leases are recognized on a straight-line basis within occupancy costs in the Statement of Comprehensive (Loss) Income and are not recognized in the Statement of Financial Position.

Lessor accounting

The OSC engages in subleasing arrangements for premise leases on a full cost recovery basis. When the OSC makes the underlying leased asset available for use to the lessee, the OSC classifies each lease as either an operating lease or a finance lease. A lease is a finance lease if it transfers substantially all the risks and rewards of the underlying asset to the lessee; otherwise, the lease is an operating lease.

For leases classified as finance leases, the underlying assets are derecognized, lease receivables are recognized on the Statement of Financial Position and finance income is recognized.

The OSC assesses the sublease classification by reference to the right of use assets. Among other things, the OSC considers factors such as whether the sublease term covers a major portion of the head lease term. For those subleases classified as finance leases, a lease receivable is recognized within the trade and other receivables, with an offsetting reduction in the right of use assets, on the Statement of Financial Position, and finance income is recognized. For those classified as operating leases, there is no impact on the right of use assets and lease income is recognized. Refer to Note 12 for details on subleasing activities.

(h) Third party distributions pursuant to section 19(2) of the SCA

The SCA permits distributions from restricted cash from settlements and sanction orders to the benefit of third parties as per section 19(2). Distributions include funds paid for the purposes of carrying out distributions to harmed investors, whistleblowers who meet the requirements set out in OSC Policy 15-601 Whistleblower Program, and other third parties who undertake initiatives that further the purposes of the *Ontario Securities Act* or the *Commodity Futures Act*. These costs are recovered from restricted cash pursuant to settlements and sanction orders and are recognized as an expense when the obligation for payment is met.

(i) Recoveries

Recoveries of enforcement costs

Recoveries of enforcement costs are recognized on the date a settlement is approved or an order is issued by the OSC, unless management determines that collecting the settlement amount is significantly doubtful, in which case, recovery is recognized when payment is received.

Recoveries of third party payments pursuant to section 19(2) of the SCA

Recoveries of third party costs include amounts paid for the purposes of carrying out distributions to harmed investors, whistleblowers who meet the requirements set out in OSC Policy 15-601 Whistleblower Program, and other third parties who undertake initiatives that further the purposes of the *Ontario Securities Act* or *Commodity Futures Act*. Cost recoveries for third party payments are recognized when the associated eligible costs are incurred.

Recoveries of OSC costs pursuant to section 19(2) of the SCA

The OSC is permitted to recover costs from settlement and sanction funds in accordance with specific statutory constraints per section 19(2) of the SCA. The use of these funds is restricted as follows:

1. Recoveries of investor education and knowledge enhancement costs – recognized when the associated approved eligible costs are incurred.
2. Recoveries of Office of Economic Growth and Innovation costs – recognized when eligible costs are incurred.
3. Recoveries of technology and data capability operational expenses – recognized when eligible costs are incurred as “Recoveries of technology and data capability costs”. Recoveries of capital asset expenditures are initially recognized as deferred revenue under trade and other payables in the Statement of Financial Position and recognized in income on a systematic basis over the useful life of the capital asset. Refer to Note 21 for details on breakdown of recoveries of technology and data capability costs.

(j) Provisions

A provision is recognized when a present legal or constructive obligation results from past events, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

4. Financial Instruments Risks

The OSC is exposed to various risks in relation to financial instruments. The OSC's objective is to manage risks to acceptably low levels. The OSC's financial assets and liabilities by category are summarized in Note 3(a). The main types of risks related to the OSC's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. This note provides information about the OSC's exposure to these risks and the OSC's objectives, policies and processes for measuring and managing these risks.

Currency risk

The OSC's exposure to currency risk is minimal due to the low number of transactions denominated in currencies other than Canadian dollars.

Interest rate risk

The OSC's financial assets and liabilities are not exposed to significant interest rate risk due to their short-term nature. The OSC's cash, restricted cash pursuant to settlements and sanction orders, funds restricted for CSA systems operations and redevelopment and reserve funds are held by Schedule I financial institutions. The bank balances earn interest at a rate of 1.90% (2024 – 1.90%) below the prime rate. The average rate of interest earned on bank balances for the year was 4.45% (2024 – 5.27%).

A 25 basis points change in the interest rate would impact the OSC's operating surplus as follows:

Impact on operating surplus				
	25 basis points increase in rates		25 basis points decrease in rates	
Reserve funds	\$	50,744	\$	(50,744)
Cash		231,784		(231,784)
	\$	282,528	\$	(282,528)

Credit risk

The OSC is exposed to credit risk related to cash, restricted cash pursuant to settlements and sanction orders, funds restricted for CSA systems operations and redevelopment, reserve funds and trade and other receivables.

Schedule I financial institutions hold 100% of the OSC's financial assets including those held for funds restricted for CSA systems operations and redevelopment (2024 – Schedule I financial institutions hold 93.1% and 6.9% are held in one credit union in British Columbia). Deposits are guaranteed to a maximum of \$0.1 million (2024 – a maximum of \$0.1 million) by Canada Deposit Insurance Corporation. The remaining balance of financial assets are accounts receivable. Given the nature of these counterparties, it is management's opinion that the credit risk exposure due to concentration is low. Trade receivables balances consist of a large number of debtors owing individually immaterial balances.

Other receivables in aggregate are material, with most debtors owing individually and in aggregate immaterial amounts, and a small number of debtors owing larger amounts, which are material in aggregate or individually, and are receivable from:

- Funds restricted for CSA systems operations and redevelopment, to recover staff and occupancy costs and other charges incurred,
- Funds owing from settlements and sanction orders deemed collectable,
- Government of Canada for recovering Harmonized Sales Tax paid during the year.

Therefore, the OSC's exposure to credit risk is considered low.

The OSC maintains an allowance for credit losses. Therefore, the carrying amount of trade and other receivables generally represents the maximum credit exposure. The expected credit loss is not expected to have a significant impact on trade and other receivables, the CSA. Collection efforts continue for trade and other receivables balances, including those that are captured in the allowance for credit loss.

The aging of trade and other receivables is as follows:

2025	Note(s)	Current	Past due 31 to 60 days	Past due 61 to 90 days	Past due greater than 90 days	Total
Trade and other receivables		\$ 3,622,733	\$ 182,838	\$ 126,329	\$ 934,645	\$ 4,866,545
Allowance for credit losses		—	—	—	(670,854)	(670,854)
Total Trade and other receivables	5	\$ 3,622,733	\$ 182,838	\$ 126,329	\$ 263,791	\$ 4,195,691

2024	Note(s)	Current	Past due 31 to 60 days	Past due 61 to 90 days	Past due greater than 90 days	Total
Trade and other receivables		\$ 4,407,609	\$ 364,415	\$ 141,792	\$ 843,154	\$ 5,756,970
Allowance for credit losses		—	—	—	(618,893)	(618,893)
Total Trade and other receivables	5	\$ 4,407,609	\$ 364,415	\$ 141,792	\$ 224,261	\$ 5,138,077

Reconciliation of allowance for credit losses is as follows:

	Note(s)	March 31, 2025	March 31, 2024
Opening balance		\$ 618,893	\$ 413,914
Current year provision		430,583	364,244
Written-off during the year		(378,622)	(159,265)
Closing balance		\$ 670,854	\$ 618,893

In 2025, after reviewing the collectability of trade and other receivables, \$0.4 million (2024 – \$0.2 million) of balances were deemed uncollectable and were written off, resulting in a reduction to the allowance for credit losses and a corresponding reduction of trade and other receivables for the same amount. The amount written off was charged to bad debt expense in prior years. The current year provision of \$0.7 million (2024 – \$0.6 million) resulted in \$0.4 million (2024 – \$0.4 million) charged to bad debt expense in 2025. Credit losses are calculated at an amount equal to the lifetime expected credit losses.

Liquidity risk

The OSC's exposure to liquidity risk is low as the OSC has sufficient cash, reserve fund assets, and access to a credit facility to settle all current liabilities. As at March 31, 2025, the OSC had a cash balance of \$122.1 million (excluding any restricted cash) and reserve fund assets of \$20.0 million to settle current liabilities of \$30.8 million (excluding deferred income).

The OSC has a \$52.0 million credit facility to address any short-term cash deficiencies. Interest on the credit facility is charged at a rate of 0.5% below the prime rate. During the year, the OSC did not utilize the credit facility (2024 – nil).

The overall assessment of the OSC's exposure to liquidity risk is low and remains unchanged from 2024.

Supplemental pension plan risks

The OSC's overall exposure to supplemental pension plan risks is low due to the plan being a supplemental plan and the limited number of plan members entitled to plan benefits. For more information, see Note 13(b).

5. Trade and Other Receivables

	Note(s)	March 31, 2025	March 31, 2024
Trade receivables		\$ 2,101,034	\$ 1,813,075
Other receivables		1,170,379	1,604,783
Allowance for credit losses	4	(670,854)	(618,893)
		\$ 2,600,559	\$ 2,798,965
Sanction and settlement order receivables	6	612,595	1,121,151
Interest receivable		395,292	646,197
Sales taxes recoverable		587,245	395,981
Lease receivable	12	—	175,783
Total Trade and other receivables	4	\$ 4,195,691	\$ 5,138,077

In prior years, the lease receivable represented the current portion of the receivable due from the Government of Canada as part of a subleasing arrangement. The OSC was an intermediate lessor in the arrangement to sublease floor space to the Government of Canada. On April 1, 2024, the *Reducing Inefficiencies Act, 2023* was proclaimed and came into effect, introducing CBREA legislative amendments which resulted in the transfer of the sublease arrangement to the MOI. Accordingly, the MOI became entitled to the contractual rights to receive the cash flows from the sublease. This resulted in the OSC derecognizing the lease receivable as of April 1, 2024, as described in Note 12.

6. Deferred Income Pursuant to Settlements and Sanction Orders

Deferred income pursuant to settlements and sanction orders arise from enforcement proceedings where monies from these settlements and sanction orders are to be set aside and allocated to third parties or for use by the Commission in accordance with section 19(2) of the SCA. Authorized uses defined in section 19(2) of the SCA, including such designated internal costs as approved by the Board, are further described in Note 3(i).

On July 14, 2016, the OSC established the Whistleblower Program (the "Program"). Under the Program, whistleblowers may be eligible for awards of between 5% to 15% of total monetary sanctions imposed and/or voluntary payments made if their information leads to an administrative proceeding where these amounts total \$1.0 million or more. The maximum amount of the award has been set at \$1.5 million where monetary sanctions and/or voluntary payments are not collected and \$5.0 million where these amounts have been collected. Whistleblowers will be paid out of restricted cash pursuant to section 19(2) of the SCA.

The accumulated funds are held in a segregated bank account and earn interest at the monthly average bank prime rate less 1.90%. Funds are paid to harmed investors where practicable and possible to do so. The remaining funds are allocated as determined by the Board in accordance with the authorized purposes as set out in section 19(2) of the SCA.

As at March 31, 2025 the accumulated balance is determined as follows:

	March 31, 2025	March 31, 2024
Opening balance	\$ 122,976,879	\$ 121,877,369
Assessed during the year		
Contested Hearings	\$ 106,745,487	\$ 77,588,959
Settlements	435,000	4,008,686
	\$ 107,180,487	\$ 81,597,645
Less: Orders deemed uncollectible	(106,466,142)	(77,588,959)
Amount recorded from assessments in year	\$ 714,345	\$ 4,008,686
Add: Amounts received from previously deemed uncollectible orders	1,609,466	610,286
Interest	5,363,408	6,477,896
Less: Payments to		
Investor education and advocacy organizations	(9,619,500)	(2,409,065)
External collections firms	(392,828)	(264,200)
Whistleblowers	(146,869)	(1,800,000)
Harmed investors	(50,000)	—
OSC for recovery of investor education and knowledge enhancement costs	(4,076,951)	(5,149,228)
OSC for recovery of Office of Economic Growth and Innovation	(2,662,079)	(374,865)
OSC for recovery of technology and data capability	(501,173)	—
Closing balance	\$ 113,214,698	\$122,976,879
Represented by:		
Restricted cash pursuant to settlements and sanction orders	\$ 112,602,103	\$ 121,855,728
Trade and other receivables	612,595	1,121,151
	\$ 113,214,698	\$122,976,879

During the year, \$107.2 million (2024 – \$81.6 million) in settlements and sanction orders were assessed, of which \$0.7 million (2024 – \$4.0 million) was collected or deemed collectable and \$106.5 million (2024 – \$77.6 million) was deemed uncollectible. The OSC's average collection rate of settlements and sanction orders assessed during the year was 0.6% (2024 – 4.5%). The collection rate will vary each year, depending on the types of settlements and sanction orders issued by the Capital Markets Tribunal.

The accumulated balance of settlements and sanction orders funds of \$113.2 million (2024 – \$123.0 million) is comprised of \$112.6 million in cash (2024 – \$121.9 million) and \$0.6 million in receivables (2024 – \$1.1 million). After considering funds set aside for possible allocation to harmed investors, \$106.6 million (2024 – \$117.9 million) of the funds are available for use by the Commission for authorized uses defined in section 19(2) of the SCA. Of the \$106.6 million, a total of \$103.7 million (2024 – \$117.4 million) has been earmarked for authorized uses defined in section 19(2) of the SCA.

During the year, the Board authorized payments of \$17.4 million from funds held pursuant to settlements and sanction orders in accordance with section 19(2) of the SCA (2024 – \$10.0 million). Details on the categories of recipients of these payments are included in the table above.

7. Funds Restricted for CSA Systems Operations and Redevelopment

The core CSA systems consist of the System for Electronic Document Analysis and Retrieval + (SEDAR+), the National Registration Database (NRD) and the System for Electronic Disclosure by Insiders (SEDI).

The OSC, in its role as DPA, collects, holds and administers the CSA systems surplus funds. User fees are charged to recover systems operations and redevelopment costs, which are used only for the benefit of CSA systems users. A CSA Systems Governance Committee (SGC), consisting of members of the four PAs, was established through an agreement that sets out a governance framework for management and oversight of the CSA systems and the external service provider who hosts and maintains the CSA systems.

Use of the surplus funds within the terms of the various agreements requires the approval of members of the SGC. Majority approval is required for all permissible uses of the surplus funds as outlined within the various agreements, with the exception of the following, which all require unanimous approval of the PAs:

- any financial commitments in excess of the lesser of (i) \$5.0 million and (ii) 15% of the accumulated surplus at such date,
- significant changes to the design of the systems, and
- any changes to system fees.

The 2025 financial results of the CSA systems operations and redevelopment are presented below. Assets include cash and cash equivalents of \$29.7 million (2024 – \$45.7 million) presented on the OSC's Statement of Financial Position. Assets also include intangible assets of \$135.8 million (2024 – \$144.1 million) primarily consisting of costs towards the redevelopment of the CSA systems.

Summarized Statement of Financial Position

As at March 31	2025	2024
Assets	\$ 169,460,556	\$ 197,867,298
Liabilities	\$ 6,876,227	\$ 13,831,438
Surplus	162,584,329	184,035,860
Liabilities and surplus	\$ 169,460,556	\$ 197,867,298

Summarized Statement of Comprehensive Loss

For the year ended March 31	2025	2024
Revenue	\$ 24,959,258	\$ 25,725,640
Expenses	46,410,789	44,599,945
Deficiency of revenues over expenses	\$ (21,451,531)	\$ (18,874,305)

Summarized Statement of Cash Flows

For the year ended March 31	2025	2024
Net cash flows used in operating activities	\$ (8,684,658)	\$ (26,042,890)
Net cash flows from investing activities	14,209,627	19,204,016
Net increase in cash position	5,524,969	(6,838,874)
Cash and equivalents, beginning of year	\$ 24,164,296	\$ 31,003,170
Cash and equivalents, end of year	\$ 29,689,265	\$ 24,164,296

For more information on the net assets held for CSA systems operations and redevelopment, see Note 2(c) and Note 18.

8. Reserve Funds

As part of the approval of its self-funded status, the OSC was allowed to establish a \$20.0 million reserve to be used as an operating contingency against revenue shortfalls and unanticipated costs, or to cover the discrepancy between timing of revenue and expenses. The prime investment consideration for the reserve is the protection of principal and appropriate liquidity to meet cash flow needs. Interest earned on investments is credited to the operations of the OSC. Reserve funds are held in a segregated bank account and earn interest at the monthly average bank prime rate less 1.90%.

9. Property, Plant & Equipment

The table below presents the property, plant & equipment continuity schedule.

2025	Office furniture and equipment	Network and computer equipment	Leasehold improvements	Total
COST				
Balance as at April 1, 2024	\$ 4,166,384	\$ 11,102,361	\$ 9,976,924	\$ 25,245,669
Additions	14,277	970,474	365,473	1,350,224
Disposals	(67,694)	(1,823,346)	—	(1,891,040)
Balance as at March 31, 2025	\$ 4,112,967	\$ 10,249,489	\$ 10,342,397	\$ 24,704,853
ACCUMULATED DEPRECIATION				
Balance as at April 1, 2024	\$ (2,410,016)	\$ (8,876,448)	\$ (8,135,730)	\$ (19,422,194)
Depreciation for the year	(238,353)	(1,436,087)	(243,668)	(1,918,108)
Disposals	64,728	1,808,646	—	1,873,374
Balance as at March 31, 2025	\$ (2,583,641)	\$ (8,503,889)	\$ (8,379,398)	\$ (19,466,928)
Carrying amount as at March 31, 2025	\$ 1,529,326	\$ 1,745,600	\$ 1,962,999	\$ 5,237,925

2024	Office furniture and equipment	Network and computer equipment	Leasehold improvements	Total
COST				
Balance as at April 1, 2023	\$ 6,980,135	\$ 10,988,593	\$ 12,913,460	\$ 30,882,188
Additions	159,975	612,487	—	772,462
Disposals	(2,973,726)	(498,719)	(2,917,346)	(6,389,791)
Adjustments	—	—	(19,190)	(19,190)
Balance as at March 31, 2024	\$ 4,166,384	\$ 11,102,361	\$ 9,976,924	\$ 25,245,669
ACCUMULATED DEPRECIATION				
Balance as at April 1, 2023	\$ (5,150,002)	\$ (7,958,845)	\$ (10,800,637)	\$ (23,909,484)
Depreciation for the year	(233,741)	(1,411,355)	(252,439)	(1,897,535)
Disposals	2,973,727	493,752	2,917,346	6,384,825
Balance as at March 31, 2024	\$ (2,410,016)	\$ (8,876,448)	\$ (8,135,730)	\$ (19,422,194)
Carrying amount as at March 31, 2024	\$ 1,756,368	\$ 2,225,913	\$ 1,841,194	\$ 5,823,475

In 2025, the OSC has grouped classes of property, plant & equipment that have similar characteristics and functions that are not materially different in nature or use. They have been aggregated to provide a more meaningful presentation of the OSC's assets. This includes grouping office furniture and office equipment as office furniture and equipment, and computer hardware and related applications and network and servers were combined under network and computer equipment. The OSC identified adjustments to the opening balances pertaining to asset categorizations and reflected changes to the opening balances as at April 1, 2023. There was no impact on total comprehensive income but rather a reclassification between classes of property, plant & equipment.

Assets under construction as at March 31, 2025, totaled \$0.6 million (2024 – \$0.1 million).

For the year ended March 31, 2025 the OSC disposed of \$1.9 million (2024 – \$6.4 million) of property, plant & equipment and realized a nominal loss on disposal in 2025 and 2024.

10. Intangible Assets

Intangible assets consist of assets with finite useful lives. Finite life intangible assets include assets such as purchased software and software enhancement and development. Amortization of intangible assets only commences once the software is available for use.

2025	Purchased software	Software enhancement and development	Total
COST			
Balance as at April 1, 2024	\$ 3,360,602	\$ 28,845,409	\$ 32,206,011
Additions	11,164	4,137,489	4,148,653
Less: Disposals	(28,938)	(1,465,706)	(1,494,644)
Balance as at March 31, 2025	\$ 3,342,828	\$ 31,517,192	\$ 34,860,020
ACCUMULATED AMORTIZATION			
Balance as at April 1, 2024	\$ (3,233,569)	\$ (6,259,837)	\$ (9,493,406)
Amortization for the year	(94,504)	(7,423,336)	(7,517,840)
Disposals	28,938	1,465,706	1,494,644
Balance as at March 31, 2025	\$ (3,299,135)	\$ (12,217,467)	\$ (15,516,602)
Carrying amount as at March 31, 2025	\$ 43,693	\$ 19,299,725	\$ 19,343,418

2024	Purchased software	Software enhancement and development	Total
COST			
Balance as at April 1, 2023	\$ 4,212,400	\$ 21,019,037	\$ 25,231,437
Additions	—	7,826,372	7,826,372
Less: Disposals	(851,798)	—	(851,798)
Balance as at March 31, 2024	\$ 3,360,602	\$ 28,845,409	\$ 32,206,011
ACCUMULATED AMORTIZATION			
Balance as at April 1, 2023	\$ (3,998,329)	\$ (2,355,850)	\$ (6,354,179)
Amortization for the year	(87,038)	(3,903,987)	(3,991,025)
Disposals	851,798	—	851,798
Balance as at March 31, 2024	\$ (3,233,569)	\$ (6,259,837)	\$ (9,493,406)
Carrying amount as at March 31, 2024	\$ 127,033	\$ 22,585,572	\$ 22,712,605

Software enhancement and development that are not yet available for use totaled \$3.3 million (2024 – \$4.2 million). No amortization has been taken on these assets.

Effective October 2024, the OSC reassessed its estimate of the useful life of its Ontario SEDAR+ Integration Project (OSIP) from 5 years to 2.4 years, which better reflects the estimated periods during which these assets will remain in service. This change in useful lives has been applied prospectively and resulted in a \$2.2 million increase in amortization expense for the fiscal year ended March 31, 2025.

For the year ended March 31, 2025, the OSC disposed of \$1.5 million of fully amortized intangible assets that are no longer in use (2024 – \$0.9 million).

11. Trade and Other Payables

	March 31, 2025	March 31, 2024
Payroll accruals	\$ 22,181,039	\$ 22,024,375
Trade payables	5,128,711	5,791,008
Other accrued expenses	771,829	310,237
Deferred revenue	302,956	76,725
	\$ 28,384,535	\$ 28,202,345

12. Leases

Lessee Accounting – Lease Liabilities and Right of Use Assets

The OSC's leasing activities, as a lessee, relate to a premise lease and office equipment leases.

The OSC entered into a premise lease on September 1, 2017 for a term of ten years, ending August 31, 2027. The lease contains two consecutive options to extend the term beyond August 31, 2027, each for a period of five years. The lease was approved by the Minister of Finance under the *Financial Administration Act* section 28, which required review of contingent liabilities inherent in the lease.

With the assignment of the OSC's premise lease to the MOI, an assessment concluded that the OSC continues to maintain control of the premise leased. The premise continues to be leased for the OSC's sole use and the lease term, payments, and related estimates remain unchanged. The OSC continues to work with the MOI to monitor incremental changes to the arrangement and implications to the OSC's accounting treatment.

Under CBREA, the OSC's sublease of premise lease to the Government of Canada has been transferred to the MOI. Since the OSC no longer has the contractual rights to receive the cash flows from its sublease, nor responsibilities as a lessor, the OSC derecognized the corresponding lease receivable in the current fiscal year.

The OSC entered into a lease agreement for office equipment (printers) as of March 20, 2020 for a term of five years ending March 19, 2025, which was extended for one month expiring in April 19, 2025.

The following tables provide reconciliations of the right of use assets and lease liabilities for the year ended March 31, 2025:

2025 – Right of use assets	Premise Lease(s)	Office Equipment Lease(s)	Total
COST			
Balance as at April 1, 2024	\$ 53,951,068	\$ 511,279	\$ 54,462,347
Lease reassessment	(3,668,596)	—	(3,668,596)
Lease extension	—	4,539	4,539
Balance as at March 31, 2025	\$ 50,282,472	\$ 515,818	\$ 50,798,290
ACCUMULATED DEPRECIATION			
Balance as at April 1, 2024	\$ (14,275,446)	\$ (409,024)	\$ (14,684,470)
Depreciation expense	(2,683,753)	(106,794)	(2,790,547)
Balance as at March 31, 2025	\$ (16,959,199)	\$ (515,818)	\$ (17,475,017)
Carrying amount as at March 31, 2025	\$ 33,323,273	\$ —	\$ 33,323,273

2024 – Right of use assets	Premise Lease(s)	Office Equipment Lease(s)	Total
COST			
Balance as at April 1, 2023	\$ 53,951,068	\$ 511,279	\$ 54,462,347
Lease reassessment	—	—	—
Sublease to Government of Canada	(3,668,596)	—	(3,668,596)
Balance as at March 31, 2024	\$ 50,282,472	\$ 511,279	\$ 50,793,751
ACCUMULATED DEPRECIATION			
Balance as at April 1, 2023	\$ (11,591,693)	\$ (306,768)	\$ (11,898,461)
Depreciation expense	(2,683,753)	(102,256)	(2,786,009)
Balance as at March 31, 2024	\$ (14,275,446)	\$ (409,024)	\$ (14,684,470)
Carrying amount as at March 31, 2024	\$ 36,007,026	\$ 102,255	\$ 36,109,281

2025 – Lease liabilities	Premise Lease(s)	Office Equipment Lease(s)	Total
Balance as at April 1, 2024	\$ 42,553,740	\$ 97,657	\$ 42,651,397
Lease reassessment	(2,946,766)	—	(2,946,766)
Lease extension	—	4,539	4,539
Balance as at March 31, 2025	\$ 39,606,974	\$ 102,196	\$ 39,709,170
Increase(s) to lease liabilities – finance costs	\$ 1,329,313	\$ 954	\$ 1,330,267
Decrease(s) to lease liabilities – lease payments	(3,691,980)	(103,150)	(3,795,130)
Lease liabilities balance as at March 31, 2025	\$ 37,244,307	\$ —	\$ 37,244,307
Non-current portion of lease liabilities	\$ 34,798,827	\$ —	\$ 34,798,827
Current portion of lease liabilities	2,445,480	—	2,445,480
Lease liabilities balance as at March 31, 2025	\$ 37,244,307	\$ —	\$ 37,244,307

2024 – Lease liabilities	Premise Lease(s)	Office Equipment Lease(s)	Total
Balance as at April 1, 2023	\$ 45,335,922	\$ 202,221	\$ 45,538,143
Lease reassessment	—	—	—
Lease extension	—	—	—
Balance as at March 31, 2024	\$ 45,335,922	\$ 202,221	\$ 45,538,143
Increase(s) to lease liabilities – finance costs	\$ 1,521,140	\$ 3,012	\$ 1,524,152
Decrease(s) to lease liabilities – lease payments	(4,303,322)	(107,576)	(4,410,898)
Lease liabilities balance as at March 31, 2024	\$ 42,553,740	\$ 97,657	\$ 42,651,397
Non-current portion of lease liabilities	\$ 40,015,290	\$ —	\$ 40,015,290
Current portion of lease liabilities	2,538,450	97,657	2,636,107
Lease liabilities balance as at March 31, 2024	\$ 42,553,740	\$ 97,657	\$ 42,651,397

Lessee Accounting – Depreciation, Finance Costs, and Payments

The related right of use depreciation and interest charges are recorded on the Statement of Comprehensive (Loss) Income under the depreciation and finance costs expense line items, respectively. For the year ended March 31, 2025, depreciation and finance costs were \$2.8 million (2024 – \$2.8 million) and \$1.3 million (2024 – \$1.5 million), respectively.

For the year ended March 31, 2025, payments of lease principal and interest on the leases recorded as lease liabilities were \$3.8 million (2024 – \$4.4 million). With the introduction of CBREA, a derecognition of total lease liabilities of \$2.9 million occurred in 2025.

The following table sets forth the OSC's future aggregate undiscounted lease payments over the lease term:

	March 31, 2025	March 31, 2024
Less than one year	\$ 8,104,272	\$ 8,533,976
Between one and five years	32,417,088	33,741,456
More than five years	60,106,684	70,997,647
	\$ 100,628,044	\$ 113,273,079

The OSC had no office equipment leases that qualify as short-term leases in 2025 (2024 – nil). The OSC would recognize the lease payments associated with such office equipment leases as an expense on a straight-line basis over the lease term.

The OSC makes non-lease payments (i.e. common area maintenance, property tax, and insurance) on leased properties. For the year ended March 31, 2025, \$4.5 million (2024 – \$4.9 million) was recognized within occupancy costs in the Statement of Comprehensive (Loss) Income. As of March 31, 2025, the OSC has not committed to leases with future cash outflows beyond those recognized and presented above.

Lessor Accounting

Lessor accounting is applicable in premise subleasing agreements where the OSC is the lessor. The one sublease arrangement to the CSA IT Systems Project Office is on a cost-recovery basis (2024 – two sublease arrangements as further described in Note 5).

The OSC has classified the sublease with the CSA as an operating lease since the arrangement does not substantially transfer all the risks and rewards incidental to ownership of the underlying asset. Accordingly, the OSC recognizes income from the sublease within miscellaneous revenue on the Statement of Comprehensive (Loss) Income. For the year ended March 31, 2025, sublease payments totaling \$0.2 million (2024 – \$0.2 million) were recorded for the operating lease.

In prior years, the OSC classified the sublease with the Government of Canada as a finance lease since all of the risks and rewards incidental to ownership of the underlying asset had been substantially transferred to the lessee. Accordingly, the OSC recognized a lease receivable, with an offsetting reduction to the right of use asset, on the Statement of Financial Position and finance income on the Statement of Comprehensive (Loss) Income. With the introduction of CBREA, the OSC derecognized the lease receivable in the current fiscal year. For the year ended March 31, 2025, sublease payments totaling nil (2024 – \$0.3 million) were recorded for the finance lease.

The table below provides a reconciliation of the lease receivable and finance income for the year ended March 31, 2025:

Lease receivable	Note(s)	March 31, 2025	March 31, 2024
Opening balance		\$ 2,946,766	\$ 3,116,596
Lease reassessment		(2,946,766)	—
Sublease payments		—	(274,684)
Finance income		—	104,854
Closing balance		\$ —	\$ 2,946,766
Current portion of Lease receivable	5	\$ —	\$ 175,783
Non-current portion of Lease receivable		—	2,770,983
Total Lease receivable		\$ —	\$ 2,946,766

The table below presents the OSC's expected aggregate undiscounted sublease payment receipts for operating and finance leases:

	March 31, 2025	March 31, 2024
Less than one year	\$ 228,404	\$ 503,088
Between one and five years	—	1,098,736
More than five years	—	2,311,924
	\$ 228,404	\$ 3,913,748

13. Pension Plans

(a) Ontario Public Service Pension Plan (OPSPP)

All eligible OSC employees must, and members may, participate in the OPSPP. The OSC's contribution to the OPSPP for the year ended March 31, 2025 was \$9.1 million (2024 – \$8.1 million), which is included under salaries and benefits in the Statement of Comprehensive (Loss) Income. The expected contributions for the plan for 2026 are \$10.0 million.

(b) Supplemental pension plans

The OSC has an unfunded supplemental defined benefit pension plans for full-time appointed current and former Chairs, Vice-Chairs, Chief Executive Officer, and Chief Adjudicator. These supplemental pension plans have no plan assets. The actuarial liability and the current service cost are determined by independent actuaries using the projected benefit method prorated on services and management's best estimate assumptions. The supplemental defined benefit pension plans are non-registered plans. The benefit payments are made by the OSC as they become due.

The OSC is responsible for governance of these plans. The OSC Board's Audit and Finance Committee assists in the management of the plans. The OSC uses external actuaries to provide a valuation of the pension obligation for the supplemental plans in accordance with the standards of practice established by the Canadian Institute of Actuaries.

Under the projected benefit method, the pension liabilities are the present value of benefits accrued in respect of service prior to the valuation date, based on projected final average earnings. The current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. The current service cost, expressed as a percentage of pensionable earnings, will be stable over time if the demographic characteristics of the active membership remain stable from valuation to valuation. However, all other things being equal, the current service cost of an active membership whose average age rises between actuarial valuations will result in an increasing current service cost.

The supplemental pension plans expose the OSC to the following risks:

- Changes in bond yields – a decrease in corporate bond yields will increase the plans' liabilities.
- Inflation risk – in plans where the target benefit is not indexed, given that the pension offset amounts are linked to inflation, higher inflation will lead to lower liabilities. Conversely, for plans where the target benefits are linked to inflation, the OSC's liability increases when inflation increases.
- Life expectancy – the majority of the obligations are to provide benefits for the life of the members. Therefore, increases in life expectancy will result in an increase in the plans' liabilities.

During the year, there were no plan amendments, curtailments or settlements. The duration of all supplemental pension plans combined is approximately 11 years (2024 – 11 years).

	March 31, 2025	March 31, 2024
Defined benefit obligation, beginning of year	\$ 4,290,966	\$ 4,411,012
Current service cost	145,655	173,490
Interest cost	210,924	215,776
Benefit payments	(264,157)	(271,088)
Actuarial loss/(gain) on obligation	214,461	(238,225)
Defined benefit obligation, end of year	\$ 4,597,849	\$ 4,290,965

Actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation were as follows:

	March 31, 2025	March 31, 2024
Discount rate(s)	4.60%	4.90%
Inflation	2.00%	2.00%
Expected rate(s) of salary increase	0%	0%
CPP YMPE increase	2.50%	2.50%
Increase in Canada Revenue Agency limit	\$ 3,757	\$ 3,610

The assumptions for mortality rates are based on the 2014 Canadian Pensioners Mortality Public Sector Mortality Table (CPM2014-Public) and the CPM-B Improvement Scale with a size adjustment for monthly income of \$6,000 or more as at March 31, 2025.

Sensitivity analysis

Changes in the actuarial assumptions used have a significant impact on the defined benefit obligation. The following is an estimate of the sensitivity of the defined benefit obligation to a change in the significant actuarial assumptions (the sensitivity assumes all other assumptions are held constant):

	March 31, 2025	March 31, 2024
Discount rate increased by 0.5% (obligation will decrease by)	5.0%	5.0%
Discount rate decreased by 0.5% (obligation will increase by)	5.5%	5.4%
Life expectancy increased by 1 year (obligation will increase by)	3.1%	3.0%
Life expectancy decreased by 1 year (obligation will decrease by)	3.0%	2.9%
Inflation rate increased by 0.5% (obligation will increase by)	1.3%	0.6%
Inflation rate decreased by 0.5% (obligation will decrease by)	0.7%	0.0%

The OSC's pension expense relating to the supplemental pension plans for the year ended March 31, 2025 was \$0.4 million (2024 – \$0.4 million). The OSC expects to incur \$0.4 million in benefit payments relating to the supplemental pension plan during the next fiscal year.

14. Capital Management

Since 2001, the OSC has held a \$20.0 million reserve fund, as described in Note 8, which it considers as capital. The primary objective of maintaining this capital is to fund OSC's operations in the event of revenue shortfalls and unanticipated costs, or to cover the discrepancy between timing of revenue and expenses.

The OSC maintains an investment policy where reserve funds are restricted to direct and guaranteed obligations of the Government of Canada and its provinces, and to instruments issued by Canadian Schedule I financial institutions to protect the principal.

The OSC has a \$52.0 million credit facility with a Schedule I financial institution to provide additional support for short-term cash deficiencies. On June 18, 2024, the credit facility was approved by the Minister of Finance as permitted by the SCA.

The OSC is not subject to any externally imposed capital requirements.

15. Fees

The OSC's fee structure is designed to generate fees that recover the OSC's cost of providing services to market participants. The fee structure is based on the concept of participation fees, activity fees, and late filing fees.

Participation fees are based on the cost of a broad range of regulatory services that cannot be practically or easily attributed to individual activities or entities and are intended to serve as a proxy for the market participants' use of the Ontario capital markets.

Activity fees represent the direct cost of OSC staff resources expended in undertaking certain activities requested of staff by market participants.

Late fees represent fees applied to market participants for not filing required documents and/or paying their participation and activity fees on time.

Fees received are as follows:

	March 31, 2025	March 31, 2024
Participation fees	\$ 147,288,943	\$ 139,956,397
Activity fees	17,560,801	15,132,980
Late filing fees	4,611,371	4,590,961
	\$ 169,461,115	\$ 159,680,338

16. Salaries and Benefits

	March 31, 2025	March 31, 2024
Salaries	\$ 114,776,156	\$ 96,688,451
Benefits	13,948,822	12,515,413
Pension expense	9,095,720	8,095,955
Termination benefits	1,449,729	2,771,190
	\$ 139,270,427	\$ 120,071,009

17. Administrative

	March 31, 2025	March 31, 2024
Technology licenses and support	\$ 11,364,267	\$ 10,831,800
Communications and publications	2,560,180	2,858,893
Miscellaneous expenses	939,209	937,180
Capital Markets Tribunal expenses	854,940	1,024,149
Training	772,784	1,033,254
Board regulatory and governance expenses	489,834	336,575
Bad debt	430,583	364,244
Supplies	158,038	150,643
	\$ 17,569,835	\$ 17,536,738

18. Contingent Liabilities and Contractual Commitments

The OSC has committed to paying in full any liability with respect to CSA Systems operations and custody of the related surplus funds that arises as a result of wilful neglect or wilful misconduct on behalf of the OSC.

Under the agreements described in Note 7, the OSC, ASC, BCSC and AMF, as PAs, have committed to paying an equal share of any claim or expenses related to operation and redevelopment of the CSA Systems that exceed the surplus funds held.

In 2024 and 2025, there were no such claims or expenses. As described in Note 7, the OSC, in its capacity as DPA, is holding funds in segregated bank and investment accounts that may be used to settle claims and expenses relating to the operation and redevelopment of the CSA Systems.

Occasionally, the OSC is involved in legal actions arising from the ordinary course of business. Settlements from these actions are accounted for when they occur. The outcome and ultimate disposition of these actions cannot currently be determined. However, management does not expect the outcome of any legal actions, individually or in aggregate, to have a material impact on the OSC's financial position.

19. Related Party Transactions

(a) Funds restricted for CSA Systems operations and redevelopment

In the course of normal operations, the OSC fulfills transactions for CSA Systems with the funds restricted for CSA Systems operations and redevelopment. During the year, total related party charges incurred and to be reimbursed were \$7.2 million (2024 – \$7.3 million). At March 31, 2025, \$0.5 million (2024 – \$0.3 million) was still owed to the OSC. For more information, see Note 7.

(b) The Province of Ontario

In the course of normal operations, the OSC entered into the following transactions with the Province of Ontario:

The *Ontario Securities Act* states that when ordered to do so by the responsible Minister, the OSC shall remit to the Province of Ontario such surplus funds as determined by the Minister. In light of the fee model as described in Note 15 and the OSC's practice of setting fees periodically, the OSC is not required to make remittances of its surplus to the Consolidated Revenue Fund. Surpluses retained by the OSC are subject to appropriate terms and conditions to be agreed with the Minister.

Costs of non-pension benefits for eligible pensioners are paid by the Government of Ontario and are not included in the Statement of Comprehensive (Loss) Income.

Certain payments to harmed investors from restricted cash pursuant to section 19(2) of the SCA are made through the Ministry of the Attorney General (MAG) via the Crown Law Office – Civil (CLOC) and Victims and Vulnerable Persons Division (VVPD). Payments are made to MAG from the OSC pursuant to forfeiture orders obtained by CLOC under the *Civil Remedies Act*.

(c) Compensation to key management personnel

The OSC's key management personnel are the members of the Board of Directors, Chief Executive Officer, Chief Adjudicator and Executive Vice Presidents.

To facilitate the execution of our strategy, the OSC implemented a new organizational structure, effective April 1, 2024. The new structure better aligns our functional capabilities with the markets we regulate, while enabling us to deal with complex, interrelated matters in a faster and more effective manner. The new organizational structure resulted in an increase of two additional OSC staff roles defined as key management personnel. The remuneration of key management personnel includes the following expenses:

	March 31, 2025	March 31, 2024
Short-term employee benefits	\$ 4,204,495	\$ 3,924,087
Post-employment benefits	544,814	547,431
	\$ 4,749,309	\$ 4,471,518

(d) The Ministry of Infrastructure (MOI)

As described in Notes 5 and 12, on April 1, 2024, the OSC's premise lease was assigned to MOI. During the year, total related party charges incurred were \$8.3 million (2024 – nil). At March 31, 2025, there was nil owed by the OSC (2024 – nil). The corresponding premise lease liability is included in Note 12.

20. Third Party Distributions Pursuant to Section 19(2) of the SCA

	March 31, 2025	March 31, 2024
Investor education and advocacy organizations	\$ 9,619,500	\$ 2,409,065
External collections firms	392,828	264,200
Whistleblowers	146,869	1,800,000
Harmed investors	50,000	—
	\$ 10,209,197	\$ 4,473,265

21. Recoveries of OSC Costs Pursuant to Section 19(2) of the SCA

During the year, as described in Note 3(i), the OSC recorded recoveries within the Statement of Comprehensive (Loss) Income of eligible investor education and knowledge enhancement costs, Office of Economic Growth and Innovation costs, and technology and data capability costs from restricted cash pursuant to settlements and sanction orders. Specifically, the latter two purposes were added in this fiscal year under the new regulation that came into force as of February 5, 2024, as permitted under subclause 19(2)(b)(iii) of the SCA.

The recoveries of OSC costs pursuant to section 19(2) of the SCA are comprised of the following totals:

	March 31, 2025	March 31, 2024
Recoveries of eligible investor education and knowledge enhancement costs	\$ 4,076,951	\$ 5,149,228
Recoveries of Office of Economic Growth and Innovation costs	2,662,079	374,865
Recoveries of technology and data capability costs	323,031	—
	\$ 7,062,061	\$ 5,524,093

The recoveries of eligible investor education and knowledge enhancement costs are presented as follows:

	March 31, 2025	March 31, 2024
Salaries and benefits	\$ 2,333,729	\$ 2,377,481
Professional services	668,355	1,351,281
Media campaign costs	667,979	884,543
Website and other technology costs	303,356	433,241
Investor Advisory Panel costs	103,532	102,682
	\$ 4,076,951	\$ 5,149,228

The amounts recorded from eligible investor education and knowledge enhancement costs in the year were \$4.1 million (2024 – \$5.1 million).

The recoveries of Office of Economic Growth and Innovation costs are presented as follows:

	March 31, 2025	March 31, 2024
Salaries and benefits	\$ 2,545,321	\$ 374,865
Professional services	76,771	—
Media campaign costs	39,987	—
	\$ 2,662,079	\$ 374,865

The amounts recorded for recoveries of Office of Economic Growth and Innovation costs in the year were \$2.7 million (2024 – \$0.4 million).

The recoveries of technology and data capability costs are presented as follows:

	March 31, 2025	March 31, 2024
Salaries and benefits	\$ 323,031	\$ —
	\$ 323,031	\$ —

The amounts recorded as recoveries of technology and data capability costs in the year were \$0.3 million (2024 – nil).

22. Accounting Pronouncements

Current period changes

The OSC has not adopted any new accounting standards or amendments in the current period.

Standards issued but not yet effective

The following new IFRS Accounting Standard, relevant to the OSC's financial statements, has been issued, but is not yet effective and has not been early adopted by the OSC.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements, and will be effective for the OSC's fiscal year beginning April 1, 2027.

IFRS 18 introduces a defined structure for the presentation of the Statement of Comprehensive (Loss) Income, including required totals and subtotals, as well as aggregating and disaggregating principles to categorize financial information. The standard also requires certain management-defined performance measures to be disclosed in the notes to the financial statements.

The OSC is working to identify the impacts IFRS 18 will have on the OSC's financial statements.



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As the regulatory body responsible for overseeing the capital markets in Ontario, the Ontario Securities Commission administers and enforces the provincial *Securities Act* and the provincial *Commodity Futures Act*, and administers certain provisions of the provincial *Business Corporations Act*. The OSC is a self-funded Crown corporation accountable to the Ontario Legislature through the Minister of Finance.