

**FINANCIAL SERVICES REGULATORY
AUTHORITY OF ONTARIO**

FINANCIAL STATEMENTS FOR THE YEAR ENDING MARCH 31, 2024

**Financial Services Regulatory
Authority of Ontario**

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Management's Responsibility for Financial Information

Management is responsible for the integrity and fair presentation of the accompanying financial statements and notes. The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards for Government Not-For-Profit ("PSAS-GNFPO"). The preparation of the financial statements involves the use of management's judgement and best estimates where appropriate.

Management is also responsible for developing and maintaining financial controls, information systems and practices to provide reasonable assurances on the reliability of financial information and the safeguarding of its assets.

The Financial Services Regulatory Authority of Ontario's Board of Directors is responsible for ensuring that management fulfils its responsibilities. The Board has appointed an Audit, Finance, and Risk Committee from among its own members (the "AFRC"). The AFRC meets periodically with senior management and the Office of the Auditor General of Ontario to discuss audit, internal control, accounting policy, and financial reporting matters. The financial statements have been reviewed by the AFRC and approved by the Board of Directors.

The financial statements have been audited by the Office of the Auditor General of Ontario. The auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with PSAS-GNFPO. The auditor's report follows.

A handwritten signature in black ink, appearing to read 'Mark White'.

Mark White
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Stephen Power'.

Stephen Power
Executive Vice President - Corporate Services

Toronto, Ontario
July 16, 2024



INDEPENDENT AUDITOR'S REPORT

To the Financial Services Regulatory Authority of Ontario

Opinion

I have audited the financial statements of the Financial Services Regulatory Authority of Ontario (the "Authority"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Authority 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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and my auditor's report thereon, in the Authority's 2023-2024 Annual Report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I obtained the Financial Services Regulatory Authority of Ontario's 2023-2024 Annual Report prior to the date of this auditor's report. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact in this auditor's report. I have nothing to report in this regard.

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 Canadian public sector accounting standards, 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 Authority'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 Authority either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority'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 Authority'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 Authority'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 Authority 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit and I remain solely responsible for my audit opinion.

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.



Shelley Spence, CPA, CA, LPA
Auditor General

Toronto, Ontario
July 16, 2024

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Statement of Financial Position As at March 31, 2024

(\$000)	Note(s)	March 31, 2024	Note 2(a) March 31, 2023
ASSETS			
Current			
Cash	3	\$87,532	\$90,210
Trade and other receivables	4	8,435	9,299
Prepaid expenses		<u>1,865</u>	<u>2,909</u>
Total current assets		97,832	102,418
Capital assets	5	<u>11,451</u>	<u>12,962</u>
Total assets		<u>\$109,283</u>	<u>\$115,380</u>
LIABILITIES			
Current			
Trade and other payables	6	\$23,392	\$17,878
Deferred revenue	8	20,447	19,270
Loan payable	9	<u>3,678</u>	<u>3,683</u>
Total current liabilities		47,517	40,831
Loan payable	9	42,392	44,740
Employee future benefits	11	1,897	2,334
Deferred lease inducements	7	2,105	2,482
Deferred revenue	8	2,892	3,170
Other long-term obligations	5	<u>3,986</u>	<u>3,246</u>
Total liabilities		<u>100,789</u>	<u>96,803</u>
NET ASSETS			
Internally restricted net assets	12	5,000	5,000
Unrestricted net assets		<u>3,494</u>	<u>13,577</u>
Total net assets		<u>8,494</u>	<u>18,577</u>
Total liabilities and net assets		<u>\$109,283</u>	<u>\$115,380</u>

See accompanying notes to the financial statements.

Commitments, Contracts, and Contingencies (Note 17)

On Behalf of the Board:



Joanne De Laurentiis
Board Chair



Brent Zorgdrager
Chair, Audit, Finance & Risk Committee

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

**Statement of Operations
For the year ended March 31, 2024**

(\$000)	Note(s)	March 31, 2024	Note 2(a) March 31, 2023
Revenue			
Assessments		\$78,859	\$77,315
Fees		28,999	29,053
Interest income		5,700	3,391
	20	<u>113,558</u>	<u>109,759</u>
Expenses			
Salaries and benefits	11, 13	90,691	72,988
Professional services		18,647	18,060
Technology		6,456	5,324
Accommodation		4,014	4,370
Amortization	5	3,046	3,373
Interest expense	5, 9	1,408	1,460
Staff development		1,496	1,475
Other operating expenses		<u>2,288</u>	<u>2,367</u>
		128,046	109,417
Less: Recoveries	14	<u>(4,405)</u>	<u>(3,755)</u>
		<u>123,641</u>	<u>105,662</u>
(Deficiency)/Excess of revenue over expenses		<u>(\$10,083)</u>	<u>\$4,097</u>

See accompanying notes to the financial statements.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Statement of Changes in Net Assets For the year ended March 31, 2024

(\$000)	Note (s)	Internally Restricted Net Assets	Unrestricted Net Assets	March 31, 2024 Total	March 31, 2023 Total
Net assets, the beginning of the year		\$5,000	\$13,577	\$18,577	\$7,554
Adjustment to opening accumulated surplus related to PS 3400 Revenue	2(a), 8	-	-	-	6,926
(Deficiency)/Excess of revenues over expenses	12	-	(10,083)	(10,083)	4,097
Net assets, end of year		\$5,000	\$3,494	\$8,494	\$18,577

See accompanying notes to the financial statements.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Statement of Cash Flows
For the year ended March 31, 2024

(\$000)	Note(s)	March 31, 2024	March 31, 2023
Cash flows (used in) received from operating activities:			
(Deficiency)/Excess of revenue over expenses		(\$10,083)	\$4,097
Adjustments for non-cash expense items:			
Amortization of capital assets		3,046	3,373
Interest expense		1,399	1,460
Bad debt expense		(140)	68
		<u>(5,778)</u>	<u>8,998</u>
Changes in non-cash working capital:			
Trade and other receivables		1,004	6,113
Prepaid expenses		1,044	(430)
Trade and other payables		5,514	3,783
Deferred revenue		899	1,643
Employee future benefits	11	(437)	(985)
Deferred lease inducements	7	(377)	(377)
Other long-term obligations		-	(48)
		<u>1,869</u>	<u>18,697</u>
Cash flows used in capital activities:			
Purchase of capital assets		(869)	(1,884)
		<u>(869)</u>	<u>(1,884)</u>
Cash flows used in financing activities:			
Repayment of loan principal and interest	9	(3,678)	(3,618)
		<u>(3,678)</u>	<u>(3,618)</u>
Net (decrease) increase in cash position		(2,678)	13,195
Cash, beginning of year		<u>90,210</u>	<u>77,015</u>
Cash, end of year	3	<u>87,532</u>	<u>\$90,210</u>
Supplemental cash flow information			
Capital assets funded by Trade and other payables		<u>\$0</u>	<u>\$(922)</u>

See accompanying notes to the financial statements.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

1. DESCRIPTION OF THE ORGANIZATION

The Financial Services Regulatory Authority of Ontario (FSRA or the Authority) was established under *the Financial Services Regulatory Authority of Ontario Act, 2016* (the *FSRA Act*) as a corporation without share capital.

FSRA was created to achieve specified statutory objectives, which include improving consumer and pension plan beneficiary protections in Ontario and was established to replace the Financial Services Commission of Ontario (FSCO) and the Deposit Insurance Corporation of Ontario (DICO) as the regulator under various financial services regulated sector statutes previously administered by those predecessors.

With the proclamation of certain provisions of the *FSRA Act*, and provisions of the regulated sector statutes, the Authority assumed substantially all the regulatory authorities and responsibilities of FSCO and DICO effective June 8, 2019. The transition involved the transfer of certain assets, liabilities, and contractual obligations from FSCO to FSRA pursuant to a Minister's transfer order, the amalgamation of FSRA and DICO, and the transfer of FSCO employees to FSRA.

FSRA regulates sectors subject to the following statutes:

- *Insurance Act, R.S.O. 1990, Chapter I.8;*
- *Co-operative Corporations Act;*
- *Credit Unions and Caisses Populaires Act, 2020 (Credit Unions and Caisses Populaires Act, 2020 came into force on March 1, 2022, replacing the Credit Unions and Caisses Populaires Act, 1994);*
- *Loan and Trust Corporations Act;*
- *Mortgage Brokerages, Lenders and Administrators Act, 2006;*
- *Pension Benefits Act; and*
- *Financial Professionals Title Protection Act, 2019.*

In addition to the DIRF being controlled by FSRA, FSRA is also responsible for the administration of the Deposit Insurance Reserve Fund (the "DIRF") through the Credit Unions and Caisses Populaires Act, 2020 (CUCPA). The DIRF may only be used to pay credit union deposit insurance claims or for other authorized purposes specified in the CUCPA. Under the CUCPA section 224(4), the total liability of FSRA to insure credit union deposits through the DIRF or to fund other authorized purposes of the DIRF at any particular time is limited to the assets of the DIRF at that time.

In addition to the PBGF being controlled by FSRA, the Chief Executive Officer of FSRA is responsible for the administration of the Pension Benefit Guarantee Fund (the "PBGF") through the *Pension Benefits Act*. The purpose of the PBGF is to guarantee the payment of pension benefits of certain defined benefit pension plans that are wound up under conditions specified in the *Pension Benefits Act* and regulations thereto. The total liability of the PBGF to guarantee pension benefits at any particular time is limited to the assets of the PBGF at that time, including any loans or grants received from the Province of Ontario.

As a listed regulatory crown agency of the Province of Ontario, FSRA is exempt from income taxes.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Public Sector Accounting Standards for Government Not-For-Profit Organizations (“PSAS-GNFPO”) as issued by the Public Sector Accounting Board (the “PSAB”). FSRA has elected to not consolidate controlled entities. Therefore, neither the DIRF’s nor the PBGF’s financial statements have been consolidated with FSRA’s financial statements (see notes 18 and 19). The significant accounting policies used to prepare these statements and notes are summarized below.

(a) Adoption of Section PS 3400 Revenue

On April 1, 2023, FSRA implemented PS 3400, *Revenues*, in accordance with the transitional provisions set out in PS 3400 and the requirements for changes in accounting policies in PS 2120, *Accounting Changes*. The impacts of implementing PS 3400 are described below.

In October 2018, the Public Sector Accounting Board (“PSAB”) issued PS 3400, *Revenues* in the Public Sector Accounting Standards (“PSAS”) Handbook. PS 3400 establishes standards on how to account for and report common types of revenues in the public sector that are not addressed in an individual standard in the PSAS Handbook. Specifically, PS 3400 differentiates between revenue arising from transactions that include performance obligations (“Exchange Transactions”), and transactions that do not have performance obligations (“Non-Exchange Transactions”).

FSRA applied the requirements retroactively. An adjustment was made to the opening balance of Net assets as of April 1, 2022, to reflect the impact of the change in accounting policy.

Transactions with performance obligations

Under PS 3400, FSRA recognizes revenue from exchange transactions when it satisfies a performance obligation by providing the promised goods or services to a payor. FSRA satisfies a performance obligation when control of the benefits associated with the good or service has transferred to the payor. Revenue is measured at the amount of consideration to which FSRA expected to be entitled to in exchange for the promised services.

The implementation of PS 3400 had a significant impact on FSRA’s accounting for license fees. Previously, FSRA deferred and amortized license fees over the license term. As per PS 3400 FSRA recognizes revenue when the licenses are issued with transactions recorded at their transaction price.

Transactions without performance obligations

Under PS 3400, FSRA recognizes revenue from non-exchange transactions when it has the legislative authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset. Revenue is measured at the amount of cash or cash equivalents received or receivable.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

The implementation of PS 3400 impacted FSRA's accounting for fee assessments. Previously, FSRA deferred and amortized fee assessment revenue evenly over the fiscal year as operating costs were incurred. As per PS 3400 FSRA recognizes revenue upon budget approval and the start of the fiscal year, with transactions recorded at their realizable value.

The adoption of the Standard has been applied retroactively, with an adjustment made to the opening balance of net assets (deficit)/surplus as at April 1, 2022, to reflect the impact of the change in accounting policy. The comparative financial statements for the year ended March 31, 2023, have been restated to reflect the application of PS 3400.

The amount of adjustment for each financial statement line item affected by the adoption of PS 3400 for the prior years is illustrated in the table below.

Impact on liabilities, and accumulated surplus or deficit

As at April 1, 2022	As previously reported	PS 3400 Adjustments	As Restated
Deferred revenue	27,723	(6,565)	21,158
Accumulated surplus / deficit	7,554	6,565	14,119

As at March 31, 2023	As previously reported	PS 3400 Adjustments	As Restated
Deferred revenue	22,801	(361)	22,440
Accumulated surplus / deficit	18,216	361	18,577

(b) Revenue recognition

Assessment revenues from the insurance, pension, credit union, and caisses populaires, financial planners and financial advisors, and the loan and trust sectors are based on FSRA's approved operating budget for the fiscal period. Assessment revenues are recognized upon approval of the budget and at the start of the related fiscal year.

Revenues from license fees are recognized when the licenses are issued.

Revenues from administrative monetary penalties ("Penalties") and the settlement of enforcement proceedings ("Settlements") are deferred and recognized in revenue when used for the purposes specified (see Note 8). Penalties and Settlements are set up as deferred revenue when they are invoiced. If the invoiced amounts are deemed uncollectible, they are removed from deferred revenue and adjusted directly against the allowance for doubtful debts.

Interest income is recognized as earned.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

(c) Capital assets

Capital assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization is provided on a straight-line basis based on the estimated useful lives of the assets as follows:

Office furniture and equipment	5 years
Leasehold improvements	over the term of the lease
Software	3 to 10 years
Computer hardware	3 to 6 years

Asset retirement obligations

FSRA recognizes an asset retirement obligation (ARO) when the following criteria are met:

- a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and
- d) a reasonable estimate of the amount can be made.

ARO is measured as at the date the legal obligation was incurred and must be re-evaluated annually.

(d) Financial instruments

All financial instruments are included in the Statement of Financial Position and are measured either at fair value or cost.

Cash, trade and other receivables, trade and other payables, loans payable, and other long-term obligations are recorded at cost in the financial statements.

(e) Employee benefits

Pension Costs

FSRA participates in the Public Service Pension Fund ("PSPF") and the Ontario Public Service Employees Union Pension Fund ("OPSEU-PF"), which are defined benefit pension plans for employees of the Province of Ontario and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines FSRA's annual payments to the funds.

The plan sponsors are responsible for ensuring the pension funds are financially viable and that any surpluses or unfunded liabilities arising from the statutory actuarial funding valuations are not assets or obligations of FSRA.

Payments made to the plans are recognized as an expense when employees have rendered the service entitling them to the contributions.

FSRA Non-pension post-employment benefits

The cost of non-pension post-employment benefits for eligible pensioners is paid by the Province of Ontario and is not included in these financial statements.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

DICO Non-pension post-employment benefits

FSRA provides future non-pension post-employment benefits to provide extended health, dental, and life benefits to former employees and retirees of DICO who meet eligibility requirements. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on service and expensed as employment services are rendered.

Adjustments to these costs arising from changes in estimates and actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employees beginning in the fiscal year following the related actuarial valuation.

(f) Use of estimates

In preparing the financial statements, management is required to make judgments, estimates, and assumptions that affect the reported amount of assets, liabilities, revenue, expenses, and disclosure of contingent liabilities at the date of the financial statements. Actual amounts could differ from these estimates.

Items subject to such estimates include the allowance for doubtful debts, useful lives of capital assets, asset retirement obligations, accrued liabilities, employees' future benefits, and allocation of costs between industry sectors, revenue and deferred revenue recognition.

3. CASH

Cash includes \$2,040 (2023 - \$387) in restricted funds from the collection of Penalties and Settlements (see Note 8) and \$3,034 (2023 - \$3,174) in funds held in the Authority's role as a provider of administrative and support services for various organizations (see Note 14).

4. TRADE AND OTHER RECEIVABLES

	Note(s)	March 31, 2024	March 31, 2023
HST (Harmonized Sales Tax) recoverable		\$ 2,123	\$ 4,457
Trade and accrued receivables, net of allowance for doubtful debts		5,283	3,994
Due from Ministries of the Province of Ontario	15(a)	181	168
Administrative monetary penalties receivable, net of allowance for doubtful debts	8	848	680
		<u>\$ 8,435</u>	<u>\$ 9,299</u>

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

5. CAPITAL ASSETS

Capital assets consist of the following:

	March 31, 2024			March 31, 2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements	\$ 11,882	\$ 3,712	\$ 8,170	\$ 9,411
Asset retirement obligation	2,369	582	1,787	1,292
Software	4,649	4,519	130	1,010
Computer hardware	4,687	3,711	976	1,031
Office furniture and equipment	523	135	388	218
	\$ 24,110	\$ 12,659	\$ 11,451	\$ 12,962

Leasehold improvements

Leasehold improvements for FSRA's premises at 25 Sheppard Avenue West are amortized over an initial term of 10 years, the term of the lease.

Asset retirement obligation (ARO)

FSRA entered into a lease agreement for office space at 25 Sheppard Avenue West, which commenced on November 1, 2020, and expires on October 31, 2030, with an option for two extension terms of 5 years each. Pursuant to the lease agreement, FSRA is obligated to remove non-standard leasehold improvements, non-standard equipment, trade fixtures, and cabling. Initially on April 1, 2021, FSRA recognized an undiscounted expenditure of \$2,500.

On March 31, 2024, the ARO liability was revised; the total undiscounted expenditure has increased to \$3,620, calculated based on new estimated cost per square foot. The new discount rate was used 4.99% as per FSRA's borrowing rate as of March 31, 2024.

The capital asset is depreciated on a straight-line basis over the lease term, and the ARO liability is accreted over the term of the lease with corresponding credits recorded as ARO liabilities. The following table describes the changes to the FSRA's ARO liability:

	March 31, 2024	March 31, 2023
Asset retirement obligation at beginning of year	\$ 1,869	\$ 1,798
Change in Liability- revision of estimate	666	-
Accretion expense	73	70
Asset retirement obligation at end of year	\$ 2,608	\$ 1,869

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

6. TRADE AND OTHER PAYABLES

	Note(s)	March 31, 2024	March 31, 2023
Accounts payable and accruals		\$22,663	\$16,940
Current portion of deferred lease inducements	7	377	377
Current portion of employee benefits	11(b)	319	358
Due to Ministries of the Province of Ontario	15(a)	27	87
Due to Deposit Insurance Reserve Fund	15(b)	6	116
		\$23,392	\$17,878

7. DEFERRED LEASE INDUCEMENTS

FSRA entered into a lease agreement for office space at 25 Sheppard Avenue West, which commenced on November 1, 2020, and expires on October 31, 2030, with an option for two extension terms of 5 years each. The lease included a \$3,099 allowance for renovations and a four-month rent-free period valued at \$671. Both amounts have been set up as deferred lease inducements and are amortized over the term of the lease. Total amortized lease inducements of \$377 (2023 - \$377) were recorded as a reduction of accommodation expenses during the year.

	Note(s)	March 31, 2024	March 31, 2023
Balance, beginning of year		\$ 2,859	\$ 3,236
Amortization to expense		(377)	(377)
Balance, end of year		2,482	2,859
Less: Current portion	6	(377)	(377)
		\$ 2,105	\$ 2,482

8. DEFERRED REVENUE

Deferred revenue represents payments received for fees that relate to the next fiscal year. The deferred portion is recognized as revenue in the fiscal year to which it relates.

Deferred revenue also includes amounts related to administrative monetary penalties and related settlements. Revenue from penalties and settlements may only be used for purposes specified by *Regulation 554/21 (effective August 3, 2021)*, under the FSRA Act, which includes funding research or educational initiatives that enhance the knowledge of persons or entities carrying on business in the sectors FSRA regulates and have the goals of protecting consumers or pension plan beneficiaries, promoting the good administration of pension plans or improving compliance by persons carrying on business in the regulated sectors. These penalties are set up as deferred revenue when they are invoiced. If the invoiced amounts are deemed uncollectible, they are removed from deferred revenue and adjusted directly against the allowance for doubtful debts.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

Changes in the deferred revenue balances during the current year are summarized as follows:

	Balance, beginning of April 1, 2023 before restatement	Restatement for PS 3400 Revenue	Received during year	Recognized during year	Reversal of uncollectible amounts	Balance, end of March 31, 2024
Fees:						
Mortgage Brokers	\$ 14,839	\$ -	\$18,114	\$ (18,652)	\$ -	\$14,300
Insurance agents, adjusters, and corporations	7,982	(6,926)	7,860	(8,086)	-	830
Health service providers	2,778	-	3,073	(3,251)	-	2,600
Other	2,700	-	1,171	(1,154)	-	2,717
	28,299	(6,926)	30,218	(31,143)	-	20,447
Penalties and Settlements:						
Insurance sector	451	-	1,508	(261)	(96)	1,602
Mortgage broker sector	466	-	638	(200)	(142)	762
Pension sector	150	-	529	(151)	-	528
	1,067	-	2,675	(612)	(238)	2,892
Total deferred revenue	\$ 29,366	\$ (6,926)	\$32,892	\$ (31,755)	\$ (238)	\$23,339

Deferred Revenue has been separated into a current portion of \$20,447 (2023 - \$19,270 after restatement) and a long-term portion of \$2,892 (2023 - \$3,170) totaling \$23,339 (2023 - \$22,440 after restatement).

9. LOAN AGREEMENT

In August 2019 FSRA entered into an Amended and Restated Loan Agreement (the "Agreement") with Her Majesty the Queen for a maximum principal amount of \$60.0 million.

The Agreement includes four short-term non-revolving facilities (Facilities 1, 2, 3, and 4) and four long-term loans (Term Loans 1, 2, 3, and 4). The term loans are advanced as the non-revolving facilities come due and are equal to the principal and accrued interest balance of the non-revolving loans at their repayment dates. The maximum principal amount available for Facility 1 is \$40.0 million, for Facility 2 is \$12.5 million, for Facility 3 is \$4.5 million, and for Facility 4 is \$3.0 million.

Facilities 1, 2, 3, and 4 were drawn and replaced with their respective term loans in prior fiscal years. All four term loans are repayable in equal quarterly installments. Term Loan 1 matures on August 29, 2039, and Term Loans 2, 3, and 4 mature on April 1, 2039.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

The loan balances as at year-end are summarized in the table below:

	Opening balance	Interest expense	Principal and Interest repayments	Ending balance
Term loan 1 (interest rate 2.71%)	\$ 35,183	\$ 931	\$ (2,646)	\$ 33,468
Term loan 2 (interest rate 2.81%)	6,115	165	(467)	5,814
Term loan 3 (interest rate 2.99%)	4,192	121	(324)	3,988
Term loan 4 (interest rate 3.845%)	2,933	108	(241)	2,800
	\$ 48,423	\$ 1,325	\$ (3,678)	\$ 46,070

The loan has been separated into a current portion of \$3,678 (2023 - \$3,683) and a long-term portion of \$42,392 (2023 - \$44,740).

10. CREDIT FACILITY AGREEMENT AND LETTER OF CREDIT

On December 19, 2023, FSRA entered into a one-year credit facility agreement with the Ontario Financing Authority, with an option to extend twice for one year each. The facility was established for the purpose of mitigating any potential future liquidity risk in the Ontario credit union sector, including situations where one or more credit unions may require financial support beyond the support available from the Deposit Insurance Reserve Fund (the DIRF). The agreement includes a revolving facility with a maximum principal amount of \$2.0 billion.

Any undrawn balance at the end of the term will expire. Interest on the revolving facility will accrue daily on the outstanding amount at a rate equal to the three-month Ontario Treasury Bill rate plus 0.788 percentage points, compounded quarterly.

No amounts have been drawn under this Facility during the fiscal period.

FSRA has also issued an irrevocable standby letter of credit for \$1,740 (2023 - \$1,740) in respect of the pension obligations described in Note 11(a). No amounts have been drawn under this letter of credit.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

11. EMPLOYEE BENEFITS

(a) Pension plan

FSRA's contribution to the PSPF and OPSEU-PF for the year was \$5,676 (2023 - \$5,124), which is included in salaries and benefits in the Statement of Operations.

(b) Employee future benefits

	Note(s)	March 31, 2024	March 31, 2023
DICO non-pension post-employment benefits		\$ 1,082	\$ 1,398
Legislated severance entitlements		638	674
DICO supplemental pension benefits		410	489
Other employee future benefits		86	131
Total employee future benefit liability		2,216	2,692
Less: Due within one year	6	(319)	(358)
		<u>\$ 1,897</u>	<u>\$ 2,334</u>

(i) DICO Non-Pension Post-Employment Benefits

On June 8, 2019, FSRA became the sponsor of retiree benefits other than pensions for former employees of DICO. The plan provides extended health and dental as well as life insurance to eligible employees.

Total benefit payments to retirees during the year were \$244 (2023 - \$196). The plan is unfunded and requires no contributions from employees.

The retirement benefit liability as at March 31 includes the following components:

	March 31, 2024	March 31, 2023
Accrued benefit obligation	\$ 1,204	\$ 1,262
Unamortized actuarial gains/(loss)	(122)	136
Retirement benefit liability	<u>\$ 1,082</u>	<u>\$ 1,398</u>

The most recent actuarial report was prepared as at March 31, 2024. Unamortized actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee group. All employees eligible for benefits under this arrangement have now retired and there is therefore no remaining service life of the employee and actuarial gains and losses will be fully amortized in the fiscal year following the related actuarial valuation.

The actuarial valuation is based on several assumptions about future events, such as inflation rates, interest rates, medical inflation rates, salary increases, and employee turnover and mortality. The assumptions used reflect management's best estimates. The discount rate used to determine the accrued benefit obligation is 4.99% (2023 – 5.33%).

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

The retirement benefit gain includes the following components:

	March 31, 2024	March 31, 2023
Current period benefit cost	\$ 25	\$ 7
Amortization of actuarial gains	(136)	(426)
Interest expense	65	57
Retirement benefit loss/(gain)	<u>\$ 46</u>	<u>\$ (362)</u>

These amounts have been included in salaries and benefits in the Statement of Operations.

(ii) Legislated severance

The legislative severance portion of the employee's future benefits obligation was calculated using a discount rate of 4.99% (2023 – 5.33%) and estimated average years to retirement of 8.6 years (2023 – 9.7 years). These assumptions are management's best estimates.

A credit to expenses of \$36 (2023 – a credit to expenses of \$160) was recognized in relation to legislated severance and is included in salaries and benefits in the Statement of Operations.

(iii) DICO Supplemental Pension Benefits

On June 8, 2019, FSRA assumed an obligation for a supplemental defined contribution pension plan that was established to provide pension benefits to certain former DICO employees for income in excess of registered pension limits.

Interest expense of \$25 (2023 - \$7) was recorded in respect of this obligation and is included in salaries and benefits in the Statement of Operations.

As the plan is a defined contribution plan, FSRA assumes no actuarial or investment risk.

(iv) Other Employee Future Benefits

Other employee future benefits include other future compensation entitlements earned. A credit to expenses of \$44 (2023 – a credit to expenses of \$15.9) was recognized in relation to other employees future benefits and is included in salaries and benefits in the Statement of Operations.

12. INTERNALLY RESTRICTED NET ASSETS

In accordance with FSRA *Rule 2019-001 Assessments and Fees*, FSRA has established a \$5,000 (2023 - \$5,000) operating reserve. The primary purpose of the reserve is to fund FSRA's operations in the event of revenue shortfalls and unanticipated expenditures or to cover the discrepancy between the timing of revenue and expenses.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

13. DIRECTOR'S REMUNERATION

The Board of Directors are part-time appointees and the amounts paid to the Directors are established in an Order in Council. Salaries and benefits expenses include \$367 (2023 - \$299) for the remuneration of members of the Board of Directors.

14. RECOVERIES

FSRA provides administrative and other support services to several governmental and non-governmental organizations and recovers the costs from these organizations in accordance with the memorandum of understanding or agreement signed with the respective organizations.

The recovery details are as follows:

	Note(s)	March 31, 2024	March 31, 2023
Recoveries from unrelated parties:			
General Insurance Statistical Agency		\$ 1108	\$ 1,054
Canadian Council of Insurance Regulators		875	588
Canadian Association of Pension Supervisory Authorities		366	341
Canadian Insurance Services Regulatory Organization		282	287
Mortgage Broker Regulators' Council of Canada		270	197
		<u>2,901</u>	<u>2,467</u>
Recoveries from related parties:			
Pension Benefits Guarantee Fund	15(b)	1,238	1,037
Province of Ontario Co-operative offering statements program	15(a)	181	168
Financial Services Tribunal	15(a)	85	83
		<u>1,504</u>	<u>1,288</u>
		<u>\$ 4,405</u>	<u>\$ 3,755</u>

15. RELATED PARTY TRANSACTIONS

FSRA is wholly owned by the Province of Ontario through the Ministry of Finance and is, therefore, a related party to other organizations that are controlled or subject to significant influence by the Province of Ontario. Transactions with related parties are outlined below.

All related party transactions were measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

(a) Ministries of the Province of Ontario

FSRA entered into the following transactions with the various Ministries of the Province of Ontario:

- (i) FSRA received a \$148 (2023 - \$661) assessment invoice from the Ministry of Finance for expenditures that it made in respect of the regulated sectors for the operation of Dispute Resolution Services and the Financial Services Tribunal. FSRA will recover this amount from the regulated sectors through the fiscal 2024-2025 assessments. The amount has been included in trade and other receivables in the Statement of Financial Position as at March 31, 2024.
- (ii) Co-location, connectivity, and related charges in support of information technology services at the Guelph Data Centre and IT (Information Technology) user per seat costs. Expenses for these services of \$111 (2023 - \$376) have been included in technology costs in the Statement of Operations. Trade and other payables include \$27 (2023 – \$73) in respect of these expenses.
- (iii) Provided administrative and other support services for the Province's co-operating offering statements program and the Financial Services Tribunal as described in Note 14. Trade and other receivables include \$181 (2023 - \$168) in respect of these services.
- (iv) Under the Loan Agreement with the Ministry of Finance described in Note 9, the total interest expense for borrowings under this agreement was \$1,325 (2023 - \$1,390).

(b) Funds Administered by FSRA

The Chief Executive Officer of FSRA is responsible for the administration of the PBGF and FSRA is responsible for the administration of the DIRF.

(i) Pension Benefit Guarantee Fund

During the year FSRA recognized a recovery of \$1,238 (2023 - \$1,037) for administrative and other support services to the PBGF as described in Note 14. In addition, the FSRA paid certain expenses on behalf of PBGF. As at March 31, 2024, trade and other receivables include a net receivable of \$789 (2023 – trade and other receivable of \$ nil) in respect of these expenses.

(ii) Deposit Insurance Reserve Fund

During the year, the FSRA paid certain expenses on behalf of DIRF. As at March 31, 2024, trade and other payables include a net payable of nil (2023 – trade and other payable of \$116) in respect of these expenses.

16. FINANCIAL INSTRUMENTS

FSRA's financial instruments are exposed to certain financial risks including credit risk, interest risk, and liquidity risk. There have been no significant changes in FSRA's risk exposures or FSRA's policies to mitigate risk.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

Credit risk

Credit risk is the risk that FSRA will suffer financial loss due to a third party failing to meet its financial or contractual obligations to FSRA. The Authority is exposed to credit risk on its trade and other receivables balances. FSRA manages its credit risk by closely monitoring its receivable balances and maintains reserves for potential credit losses on trade receivables. FSRA's maximum exposure to credit risk related to trade and other receivables as at March 31, 2024, is as follows:

	0-30 days overdue	31-60 days overdue	61-90 days overdue	> 91days overdue	Total
HST recoverable	\$ 381	\$ 1742	-	-	\$ 2,123
Trade and accrued receivables	3,185	-	-	2,098	5,283
Due from Ministries of the Province of Ontario	181	-	-	-	181
Administrative monetary penalties	328	122	200	198	848
	\$ 4,075	\$ 1,864	\$ 200	\$ 2,296	\$ 8,435

The amounts presented are net of reserves for potential credit losses.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. FSRA is subject to interest rate risk on its loan payable. The interest rates on the non-revolving loan facilities are based on the 90-day Ontario Treasury Bill rate and the term loans have fixed interest rates for their entire terms. FSRA is currently subject to limited interest rate risk (see Notes 9 and 10).

Liquidity risk

Liquidity risk is the risk that FSRA will not be able to meet its cash flow obligations. The Authority mitigates liquidity risk by establishing and holding an operating reserve (see Note 12) and by monitoring cash activities and expected outflow to ensure that it has sufficient resources readily available to meet its liabilities when due.

Trade and other payables as at March 31, 2024, mature within six months (2023 - six months).

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

17. COMMITMENTS CONTRACTS AND CONTINGENCIES

(a) Lease agreement

FSRA entered into a lease agreement for office spaces which commenced on November 1, 2020, for an initial term of 10 years, with two five-year renewal options.

The minimum annual payments for the office lease space are as follows for the years ending March 31:

2025	\$ 4,752
2026	\$ 4,925
2027	\$ 5,128
2028	\$ 5,245
2029	\$ 5,368
<u>Total</u>	<u>\$ 25,417</u>
<u>Thereafter</u>	<u>\$ 8,746</u>

(b) PACE Purchase and Assumption Transaction with Alterna Savings & Credit Union Limited

Pursuant to section 294 of the CUCPA 1994, PACE Savings & Credit Union Limited (PACE) was placed under Administration in September 2018 by FSRA's predecessor, DICO, to protect members from failed board governance and misconduct by certain former executives. FSRA assumed the responsibility to administer PACE since its amalgamation with DICO in June 2019.

On April 20, 2022, PACE (acting through FSRA as its administrator), Alterna Savings and Credit Union Limited (Alterna), and FSRA as administrator of the DIRF, entered into a purchase and assumption transaction (the "P&A Transaction") for Alterna to acquire most of the assets and liabilities of PACE to enable Alterna to continue to operate PACE's core business. The P&A transaction closed on June 30, 2022.

Under the terms of the agreement for the P&A Transaction, certain assets and liabilities were excluded from the P&A transaction (the "Excluded Items") and remained with the PACE legal entity, including PACE's investment shares, profit shares, membership shares, prepaid card business, and the claims and legal proceedings relating to the matters which caused the PACE administration (the "Recovery Litigation Claims").

As part of the P&A transaction, FSRA in its capacity as administrator of the DIRF, provided a limited guarantee (the "Guarantee") to Alterna in which it guarantees certain payment obligations of PACE under the P&A Transaction and other related agreements up to a maximum amount of \$155 million.

The Guarantee includes PACE's payment obligations under a Loss Sharing Agreement (the "Loss Sharing Agreement") executed when the P&A Transaction closed. Under this agreement PACE is required to make deficiency payments to Alterna for losses Alterna incurs on the retail and commercial loans it acquired from PACE as part of the transaction. The deficiency payments will be equal to 50% of Alterna's losses on retail loans and 100% of its losses on commercial loans,

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

such losses being calculated after taking into account the loss provisions accrued by PACE and included in the calculation of the purchase price of such portfolio assets.

Deficiency payments for commercial loans will cover a period of up to five (5) years after the closing date of the P&A transaction. For retail loans with a fixed maturity date, deficiencies will cover a period of up to twelve (12) months after the maturity date of the loan period. For all other retail loans, the coverage period will be up to three (3) years after the closing date of the P&A transaction. The Guarantee also extends to any payments arising from PACE's representations and warranties under the P&A Transaction.

As at March 31, 2024, \$252 was paid by the DIRF under the Guarantee (2023 – no claims).

(c) Liquidation of PACE Legal Entity

On August 24, 2022, pursuant to an order of the Ontario Superior Court of Justice (the "Court"), the PACE legal entity was ordered to be wound up pursuant to section 240 of the CUCPA 2020 and KPMG was appointed as liquidator to wind up the PACE legal entity, including realizing its assets and distributing the proceeds therefrom to its creditors and capital providers in accordance with applicable law governing priorities. Costs associated with the PACE wind-up may, to the extent PACE has insufficient resources to pay its senior creditors and such costs, be borne by the DIRF pursuant to the provisions of the CUCPA 2020.

On September 22, 2023, the Court approved the PACE liquidation Claims Process Order, and KPMG, in its capacity as court-appointed liquidator of PACE, was authorized to conduct a claims process for the purpose of identifying and determining claims against PACE. FSRA filed its claims on November 22, 2023, for the financial assistance advances made from the DIRF to PACE and the DIRF payment under the P&A limited guarantee over fiscal years from 2022 to 2024 in the amount of \$31.1 million.

PACE's investment shares, profit shares, and membership shares are part of the Excluded Items and remain an obligation of PACE if it has sufficient assets after paying higher-ranking claims, including FSRA's claims of \$31.1 million. These shares provided risk-bearing capital to PACE and are not insured by the DIRF and are not obligations of FSRA – as such, any losses to PACE members arising from owning these shares do not impact the DIRF or FSRA.

Due to the ongoing PACE liquidation claims process which has yet to be finalized, the recoverable amount of the net assets that will be available in the PACE liquidation to repay the DIRF is undeterminable at this time.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

(d) Potential PACE Class Action Claim

During fiscal 2024, a former PACE member (the “member”) holding Class A Profit Shares and Class B Special Shares filed a motion in the Ontario Superior Court of Justice (Commercial List) seeking leave to issue a class action against FSRA and its CEO. The motion alleges that between October 25, 2018, and November 29, 2019, the member purchased a number of securities (investment shares) in the authorized capital of PACE while it was under the administration of FSRA, and the member did not receive an offering statement prior to the purchases. The member further alleges that others also purchased investment shares of PACE between September 28, 2018, and August 24, 2022, and were also not provided offering statements. The member requires leave of the Court to bring the action. Both the Liquidator and FSRA will be opposing the motion which is scheduled to be heard on July 2, 2024.

(e) General contingency

In the normal course of operations, the Authority is subject to various claims and potential claims. Management has recorded its best estimate of the potential liability related to these claims where potential liability is likely and able to be estimated. In other cases, the ultimate outcome of the claims cannot be determined at this time.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

18. Deposit Insurance Reserve Fund (DIRF)

As defined by Public Sector Accounting Standards for Government Not-For-Profit Organizations, FSRA controls the DIRF. FSRA has elected to not consolidate controlled entities. Therefore, the DIRF's financial statements have not been consolidated with FSRA's financial statements on a line-by-line basis. The DIRF may only be used to pay credit union deposit insurance claims or for other authorized purposes specified in the CUCPA. Under the CUCPA section 224(4), the total liability of FSRA to insure credit union deposits through the DIRF or to fund other authorized purposes of the DIRF at any particular time is limited to the assets of the DIRF at that time.

The financial summaries of the DIRF as at March 31, 2024, and March 31, 2023, and for the years then ended are as follows:

	March 31, 2024	March 31, 2023
Total assets	\$ 510,681	\$ 449,557
Total liabilities	(77)	(1,087)
Net assets	<u>510,604</u>	<u>448,470</u>
Revenue	61,669	50,391
Expenses	(252)	(1,772)
Excess of revenue over expenses	<u>61,417</u>	<u>48,619</u>
Fund surplus from operations, beginning of year	449,881	401,262
Fund surplus from operations, end of year	<u>511,298</u>	<u>449,881</u>
Cash flow from operating activities	58,573	46,353
Cash flow used in investing activities	(59,989)	(46,749)
Net cash (outflow) inflow	<u>\$ (1,416)</u>	<u>\$ (396)</u>

For the year ended March 31, 2024, there were no accounting policy differences used by FSRA that would have resulted in an adjustment to disclosures in these financial statements. Separate audited financial statements of the DIRF are available.

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Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

19. Pension Benefits Guarantee Fund (PBGF)

FSRA controls the assets of the PBGF by virtue of its legislated authority to appoint, direct, and supervise the CEO of FRSA, who is responsible for the administration of the PBGF and investment of its assets. FSRA has elected to not consolidate controlled entities. Therefore, PBGF's financial statements have not been consolidated with FSRA's financial statements on a line-by-line basis.

The purpose of the PBGF is to guarantee the payment of pension benefits of certain defined benefit pension plans that are wound up under conditions specified in the Pension Benefits Act and regulations thereto. The total liability of the PBGF to guarantee pension benefits at any particular time is limited to the assets of the PBGF at that time, including any loans or grants received from the Province of Ontario.

The financial summaries of the PBGF as at March 31, 2024, and March 31, 2023, and for the years then ended are as follows:

	March 31, 2024	March 31, 2023
Total assets	\$1,321,863	\$1,249,738
Total liabilities	(122,172)	(132,177)
Net assets	<u>1,199,691</u>	<u>1,117,561</u>
Revenue	81,955	44,696
Expenses	(3,753)	(7,690)
Excess of revenue over expenses	78,202	37,006
Fund surplus from operations, beginning of year	1,131,785	1,094,779
Fund surplus from operations, end of year	<u>1,209,987</u>	<u>1,131,785</u>
Cash flow from operating activities	88,046	49,414
Cash flow used in investing activities	(76,639)	(38,574)
Cash flow used in financing activities	(11,000)	(11,000)
Net cash inflow (outflow)	<u>\$ 407</u>	<u>\$ (160)</u>

For the year ended March 31, 2024, there were no accounting policy differences used by FSRA that would have resulted in an adjustment to disclosures in these financial statements. Separate audited financial statements of the PBGF are available.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Notes to the Financial Statements For the Year ended March 31, 2024 (\$000)

20. OTHER INFORMATION

FSRA regulates six distinct sectors: insurance, pensions, credit unions and caisses populaires, mortgage brokers, loan and trust, and financial planners and financial advisors. The six sectors are governed by different statutes and regulations.

The following table summarizes revenue for each sector during the year ended March 31, 2024:

Sector (\$000)	Insurance						Pensions (Fixed and Variable)	Credit Unions (Variable)	Mortgage Brokers (Fixed)	Loans & Trusts (Variable)	Financial Planner & Financial Advisor	Corporate	Total
Subsector	Auto Products	P&C Conduct	P&C Prudential Regulation	Life Conduct & Life Health	Health Service Provide rs (Fixed)	Total Insurance							
Actual Revenue													
Assessment	14,242	8,257	3,405	7,819	-	33,723	24,665	18,741	-	534	1,196	-	78,859
Fees	-	1,204	-	6,343	3,354	10,901	11	65	17,890	6	125	-	28,999
Other Income	-	-	-	-	-	-	-	1	-	-	-	5,700	5,700
Total Revenue	14,242	9,461	3,405	14,162	3,354	44,624	24,676	18,807	17,890	540	1,321	5,700	113,558