

Financial Statements of

**INVEST ONTARIO**

For the year ended March 31, 2026



Invest Ontario  
250 Yonge Street, 35th Floor  
Toronto, Ontario, Canada  
M5B 2L7

**Invest Ontario**  
**Year ended March 31, 2026**

### **Management's Responsibility for Financial Information**

The accompanying financial statements of Invest Ontario have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Estimates and assumptions are based on historical experience, current conditions and various other assumptions believed to be reasonable in the circumstances.

Management is responsible for the integrity of the financial statements and maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded, and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board of Directors oversees management's responsibilities for financial reporting through Finance, Audit and Risk Committee (the Committee), which is composed entirely of independent directors. The Committee reviews our financial statements and recommends them to the Board for approval. The Committee is also responsible for reviewing our internal controls and advising the directors on auditing matters and financial reporting issues.

The Office of the Auditor General of Ontario, appointed by our Board, has audited the financial statements in accordance with Canadian generally accepted auditing standards, as stated in their Independent Auditor's Report. The Office of the Auditor General of Ontario has full and unrestricted access to the Committee to discuss their audit and related findings.

A handwritten signature in blue ink, appearing to read "Khawar Nasim".

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Khawar Nasim  
Chief Executive Officer  
06-24-2026

A handwritten signature in blue ink, appearing to read "Alicia Yurichuk".

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Alicia Yurichuk, CPA, CGA  
Finance Director  
06-24-2026

## **INDEPENDENT AUDITOR'S REPORT**

### **To Invest Ontario**

#### **Opinion**

I have audited the financial statements of Invest Ontario, which comprise the statement of financial position as at March 31, 2026 and the statements of operations and accumulated surplus, change in net financial 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 Invest Ontario as at March 31, 2026, and the results of its operations, changes in its net financial assets 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 Invest Ontario 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 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 Invest Ontario'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 Invest Ontario either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Invest Ontario'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 Invest Ontario'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 Invest Ontario'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 Invest Ontario 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  
June 24, 2026

Jeremy Blair, CPA, CA, LPA  
Assistant Auditor General

**Invest Ontario**  
Statement of Financial Position

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	March 31, 2026	March 31, 2025
<b>Financial assets</b>		
Cash	\$ 5,477,209	\$ 3,962,911
Due from Province of Ontario (note 3)	614,286	-
HST, interest and other receivables (note 4)	206,805	626,786
<b>Total financial assets</b>	<b>6,298,300</b>	4,589,697
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	2,263,634	1,563,844
Due to the Province of Ontario (note 6)	207,711	362,647
Unearned Revenue (note 7)	1,347,615	-
<b>Total liabilities</b>	<b>3,818,960</b>	1,926,491
<b>Net financial assets</b>	<b>2,479,340</b>	2,663,206
<b>Non-financial assets</b>		
Prepaid expenses (note 8)	299,256	361,924
<b>Total non-financial assets</b>	<b>299,256</b>	361,924
<b>Accumulated surplus</b>	<b>\$ 2,778,596</b>	\$ 3,025,130

The accompanying notes are an integral part of these statements.



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Vice Chair, acting as Chair, Board of Directors



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Chair, Finance, Audit and Risk Committee

**Invest Ontario****Statement of Operations and Accumulated Surplus**

		For the year ended	
	Budget 2026	March 31, 2026	March 31, 2025
<b>Revenues</b>			
Government transfers (note 9)	\$ 16,750,000	\$ 15,007,176	\$ 12,501,176
Recovery of prior period HST (note 4)	-	-	321,704
Interest and other income	-	100,584	109,945
<b>Total revenues</b>	<b>16,750,000</b>	<b>15,107,760</b>	<b>12,932,825</b>
<b>Expenses</b>			
Salaries, wages and benefits (note 10)	\$ 11,007,771	\$ 10,668,382	\$ 9,356,156
Services (note 11)	3,008,829	3,125,553	2,251,989
Transportation and communications	421,900	468,118	336,942
Marketing (note 12)	2,004,500	1,083,545	367,160
Supplies and equipment	22,000	8,696	19,866
<b>Total expenses</b>	<b>16,465,000</b>	<b>15,354,294</b>	<b>12,332,113</b>
<b>Operating (deficit) surplus</b>	<b>285,000</b>	<b>(\$ 246,534)</b>	<b>\$ 600,712</b>
Accumulated surplus, beginning of year	3,025,130	3,025,130	2,424,418
<b>Accumulated surplus, end of year</b>	<b>\$ 3,310,130</b>	<b>\$ 2,778,596</b>	<b>\$ 3,025,130</b>

The accompanying notes are an integral part of these statements.

**Invest Ontario****Statement of Change in Net Financial Assets**

	Budget 2026	For the year ended	
		March 31, 2026	March 31, 2025
<b>Operating (deficit) surplus</b>	\$ -	(\$ 246,534)	\$ 600,712
Decrease in prepaid expenses	-	62,668	54,445
<b>(Decrease) Increase in net financial assets</b>	-	<b>(183,866)</b>	655,157
Net financial assets, beginning of year	2,663,206	2,663,206	2,008,049
<b>Net financial assets, end of year</b>	<b>\$ 2,663,206</b>	<b>\$ 2,479,340</b>	<b>\$ 2,663,206</b>

The accompanying notes are an integral part of these statements.

**Invest Ontario**  
Statement of Cash Flows

	For the year ended	
	March 31, 2026	March 31, 2025
<b>Cash flows from operating activities</b>		
Operating (deficit) surplus	(\$ 246,534)	\$ 600,712
<b>Changes in working capital items:</b>		
(Increase) in interest receivable	(\$6,251)	(\$2,286)
(Increase) decrease in due from Province of Ontario	(614,286)	3,576,006
Decrease (increase) in HST and other receivables	426,232	(620,815)
Increase (decrease) in accounts payable and accrued liabilities	699,790	(3,404)
Decrease in due to Province of Ontario	(154,936)	(179,390)
Increase in unearned revenue	1,347,615	-
Decrease in prepaid expenses	62,668	54,445
<b>Net cash flows provided by operating activities</b>	<b>\$ 1,514,298</b>	<b>\$ 3,425,268</b>
<b>Net increase in cash</b>	<b>\$ 1,514,298</b>	<b>\$ 3,425,268</b>
Cash, beginning of year	3,962,911	537,643
<b>Cash, end of year</b>	<b>\$ 5,477,209</b>	<b>\$ 3,962,911</b>

The accompanying notes are an integral part of these statements.

## **Invest Ontario**

Notes to Financial Statements

For the year ended March 31, 2026

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### **1. Nature of operations**

Invest Ontario (the “Corporation”) was created on July 8, 2020 by Ontario Regulation 357/20 under the *Development Corporations Act, R.S.O. 1990, c. D.10* (Ontario). The Corporation was then continued April 27, 2021 under the *Invest Ontario Act, 2021* (the “Act”).

Under the Act, the objects of the Corporation are to:

- secure private sector strategic business and capital investments that support economic development, resiliency and job creation in Ontario by, among other things, providing financial assistance and incentives to promote Ontario’s overall economic competitiveness and to promote growth in Ontario;
- conduct such further activities, consistent with its objects, as are described in any policies or directives issued by the Ministry of Economic Development, Job Creation and Trade (the “Ministry”) or as set out in any agreement with the Minister of Economic Development, Job Creation and Trade (the “Minister”); and
- receive, hold, sell, invest and otherwise deal with its assets in carrying out its objects.

The Corporation utilizes a proactive data-driven approach to secure high-value investments in technology, life sciences and advanced manufacturing sectors alongside expanding its reach into emerging priority sectors such as critical minerals and defence, and provides customizable services to support investment opportunities, including available financial assistance, talent support, advisory supports and investor services. As the global economy shifts, the Corporation remains focused on our investment pipeline to drive job creation, productivity, innovation, and supply chain resilience. The Corporation's Board of Directors approves all recommendations to the Minister for investments of the Invest Ontario Fund and Critical Minerals Fund.

The Corporation is exempt from federal and provincial income taxes under the *Income Tax Act* (Canada).

### **2. Significant accounting policies**

#### (a) Basis of accounting

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

## **Invest Ontario**

Notes to Financial Statements

For the year ended March 31, 2026

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A statement of remeasurement gains and losses has not been presented as there is nothing to report therein.

The significant accounting policies used to prepare these financial statements are summarized below.

### (b) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. By their nature, estimates are subject to measurement uncertainty. Therefore, actual results may differ materially from the estimates included in these financial statements.

### (c) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, as described below. All revenues are recorded on an accrual basis.

#### *Government Transfers*

The Corporation receives operating transfers from the Ministry pursuant to a Master Transfer Payment Agreement (Master Agreement) signed on December 1, 2021.

The Corporation has determined that this is a transfer without eligibility criteria, but with stipulations. Under the Master Agreement, the Corporation must use operating funding allocated to each fiscal year by its fiscal year-end (March 31). The agreement outlines that any surplus funding received from the Ministry may be refunded or future installments may be adjusted.

Transfer revenue is recognized when the Ministry has the authorization to proceed with the transfer, as evidenced by an executed transfer payment agreement and sufficient budgetary appropriations, except to the extent that the transfer gives rise to a liability.

## **Invest Ontario**

Notes to Financial Statements

For the year ended March 31, 2026

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### *Interest income*

Interest income is recognized when earned.

### (d) Expenses

Expenses are reported on an accrual basis. Expenses are recognized in the fiscal year when the events give rise to the expenses occur and resources are consumed.

### (e) Prepaid expenses

Prepaid expenses are cash disbursements paid in advance for goods or services that will be received or consumed in a future accounting period. Prepaid expenses are initially recorded as an asset and amortized to expense over the periods that the Corporation expects to benefit from them.

### (f) Inter-entity transactions

Inter-entity transactions are transactions occurring between commonly controlled entities. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties.

### (g) Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Corporation becomes a party to the contractual provisions of the instrument. The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset are settled. The Corporation derecognizes a financial liability or part of a financial liability when the obligation specified in the contract is discharged or cancelled or expires.

All financial instruments are assigned to one of the two measurement categories at initial recognition: fair value, or cost/amortized cost.

The Corporation's financial assets and liabilities are accounted for as follows:

- Cash is recognized at cost, which approximates fair value since cash is subject to an insignificant risk of change in value; and
- Interest receivable, due from the Province of Ontario, accounts payable and accrued liabilities and due to the Province of Ontario, are recorded at amortized cost.

## Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2026

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### (h) Employee pension plans

The Corporation is a participating employer in the Public Service Pension Plan, which is a multi-employer defined benefit plan that is solely sponsored by the Province of Ontario. When benefits are provided to employees through a multi-employer defined benefit plan, each entity participating in the plan, other than the sponsoring entity, is required to follow the standards for defined contribution plans. As a result, the Corporation recognizes an expense equal to the amount of required contributions provided for employees' services rendered during the period. Any outstanding contributions are recognized as a liability in the Statement of Financial Position.

### 3. Due from Province of Ontario

The Due from Province of Ontario represents the transfer payment amount owing to the Corporation by the Ministry and amounted to \$614,286 (2025 - \$nil). Amounts due from Province of Ontario are settled separately from amounts due to Province of Ontario.

### 4. HST, interest and other receivables

In December 2024, the Corporation was added to the Reciprocal Tax Agreement and received approval to claim HST rebates incurred on or after its inception on July 8, 2020. The Corporation paid HST on the purchases of goods and services and is eligible for rebates.

	2026	2025
HST	\$ 180,410	\$ 616,763
Interest	12,222	5,971
Other	14,173	4,052
<b>Total HST, interest and other receivables</b>	<b>\$ 206,805</b>	<b>\$ 626,786</b>

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Notes to Financial Statements

For the year ended March 31, 2026

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### 5. Accounts payable and accrued liabilities

Accounts payables relate to normal business transactions with third-party vendors. Accrued liabilities relates to salaries, wages, vacation and other employee benefits.

	2026	2025
Account payables and other accruals	\$ 687,820	\$ 212,397
Accrued liabilities	1,575,814	1,351,447
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 2,263,634</b>	<b>\$ 1,563,844</b>

### 6. Due to the Province of Ontario

During the fiscal year, the Ministry invoiced the Corporation the cost of dedicated staff, goods and services noted (see note 12). In addition, the Ministry charged the Corporation its share of costs from external service providers.

Changes to the Due to Province of Ontario balances during the year are as follows.

	2026	2025
Balance, beginning of year	\$ 362,647	\$ 542,037
Invoices received	772,079	469,863
Amounts paid and credits received	(927,015)	(649,253)
Balance, end of year	\$ 207,711	\$ 362,647

### 7. Unearned Revenue

On November 1, 2024, the Ministry and the Corporation entered into a new transfer payment project agreement pursuant to the Master Agreement to provide \$2,950,000 for Life Sciences Marketing activities over three years. The project agreement outlines stipulations that create a liability related to the revenue not yet used. The Corporation recorded unearned revenue for Life Science transfer payments received for which corresponding expenses were not incurred as at March 31, 2026 as follows.

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Notes to Financial Statements

For the year ended March 31, 2026

	2026	2025
Balance, beginning of year	\$ -	\$ -
Payments	1,908,953	-
Revenue recognized	(561,338)	-
Balance, end of year	\$ 1,347,615	\$ -

As at March 31, 2026, the Corporation has not been informed of any potential repayment requirement.

### 8. Prepaid expenses

	2026	2025
Analytical subscriptions and licenses	\$ 241,290	\$ 331,027
Other	57,966	30,897
Total	\$ 299,256	\$ 361,924

### 9. Ministry funding arrangement

A base funding project agreement pursuant to the Master Agreement was signed on December 1, 2021, and amended on January 1, 2026 to increase operating funding. The agreement outlines that any surplus funding received from the Ministry may be refunded or allocated to a subsequent period. The Ministry recovered surplus funds of \$600,712 from fiscal year 2024-25 under the base funding project agreement. During the fiscal year, the Corporation recognized base funding transfer revenue of \$14,445,838 (2025 - \$12,501,176) on the Statement of Operations and Accumulated Surplus. As at March 31, 2026, the Corporation has not been informed of any potential additional repayment requirement.

During the fiscal year, the Corporation also recognized Life Sciences Marketing transfer revenue of \$561,338 (2025 - \$0) on the Statement of Operations and Accumulated Surplus (see note 7).

### 10. Employee future benefits

The Corporation provides pension benefits for all of its employees through its participation in the Public Service Pension Plan (PSPP), which is a multi-employer defined benefit pension plan that is solely sponsored by the Province of Ontario. The

## Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2026

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pension benefit formula is based on a member's best five-year average salary and length of service. Pension benefits are indexed to changes in the Consumer Price Index to provide protection against inflation. Plan benefits are funded by contributions from participating employers, employees, the Province of Ontario, as well as investment earnings. Plan members normally contribute 8 to 11.5 per cent of their salaries to the plan and participating employers match these contributions. There were no significant changes to the plan during the period.

The Corporation's contributions to the PSPP amounted to \$627,868 (2025 - \$538,709) during the period, which are recorded in salaries, wages and benefits in the statements of operations and accumulated surplus.

### 11. Services expense

Services consists of the following:

	2026	2025
Data, client management and due diligence services	\$ 1,300,690	\$ 1,357,641
Professional and administrative services	1,824,863	894,348
Total	\$ 3,125,553	\$ 2,251,989

### 12. Marketing expense

Operating relates to marketing and sponsorship initiatives funded under the base operating transfer payment project agreement. Activities funded under the Life Sciences transfer payment project agreement began in 2025-26 and are used to fund Life Sciences marketing and sponsorship initiatives.

Marketing consists of the following:

	2026	2025
Operating	\$ 496,244	\$ 367,160
Life Sciences	587,301	-
Total	\$ 1,083,545	\$ 367,160

## **Invest Ontario**

Notes to Financial Statements

For the year ended March 31, 2026

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### **13. Related party transactions**

Related parties of the Corporation include the Government of Ontario ministries, agencies, and all other entities subject to common control of the Province of Ontario. During the fiscal year, in support of the Corporation's operations, the Ministry provided dedicated staff, goods and services to the Corporation on a cost basis, as follows:

- The Corporation was charged by the Ministry for the salaries and benefits (excluding pension costs) of Ministry dedicated staff working at the Corporation totaling \$492,900 (2025 – \$298,097). Costs were recorded in salaries, wages and benefits expense on the Statement of Operations and Accumulated Surplus.
- The Corporation received invoices from the Ministry for goods and services on a cost recovery basis totaling \$312,720 (2025 – \$176,738) and recorded these costs in transportation, communications and services expense on the Statement of Operations and Accumulated Surplus.

In addition, the following goods and services were provided at no cost to the Corporation and were not included in the Statement of Operations and Accumulated Surplus:

- Accommodation costs incurred by the Corporation were absorbed by Ministry of Infrastructure. The Corporation was provided additional accommodation for staff to use. The costs for these services amounted to \$420,363 (2025 – \$332,094).
- Certain legal expenses incurred by the Corporation were absorbed by the Ministry. The costs for these services amounted to \$133,368 (2025 - \$5,398).
- The Ministry provided payment, administration support and website management support services.

### **14. Ontario Centre of Innovation**

The Corporation entered into an agreement with the Ontario Centre of Innovation to provide financial accounting systems, payroll and expense reporting services. The term of the original contract commenced on March 18, 2022, has been extended to August 31, 2026. The total contract has a value of up to \$811,460, exclusive of HST.

## **Invest Ontario**

Notes to Financial Statements

For the year ended March 31, 2026

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### **15. Financial instrument risks**

#### a) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation's exposure to liquidity risk is minimal as all operations funding is provided by the Ministry. The Corporation mitigates its liquidity risk by preparing cash forecasts and regular reports to the Ministry. Accounts payable balances at period end are due within the first quarter of the following fiscal period. There have been no significant changes from the previous year in the exposure to liquidity risk or to the policies, procedures and methods used to measure the risk.

#### b) Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Corporation is exposed to minimal risk through its interest-bearing bank accounts.

### **16. Comparative figures**

Comparative figures have been reclassified, specifically, interest receivable, and HST and other receivables, which were previously presented separately, have been combined into a single line item, "HST, interest and other receivables," in the current year. This reclassification has no impact on the previously reported total financial assets.