

2022 - 2023

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# Financial Statements



Ontario  
Energy  
Board

Ontario

# FINANCIAL STATEMENTS

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## MANAGEMENT'S RESPONSIBILITY

The Ontario Energy Board's Board of Directors are responsible for the integrity and fair presentation of the financial statements and other information presented in the 2022-2023 Annual Report. The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The preparation of financial statements necessarily involves the use of management's judgment and best estimates, particularly when transactions affecting the current accounting period cannot be determined with certainty until future periods.

The Ontario Energy Board maintains systems of internal accounting controls designed to provide reasonable assurance that reliable financial information is available on a timely basis and that the Ontario Energy Board's assets and liabilities are adequately accounted for and assets safeguarded.

The financial statements have been reviewed and approved by the Ontario Energy Board's Board of Directors. In addition the financial statements have been audited by the Auditor General of Ontario, whose report follows.



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**Ian Malpass**

Vice President, Finance and Information Technology  
June 15, 2023



Office of the Auditor General of Ontario  
Bureau de la vérificatrice générale de l'Ontario

## Independent Auditor's Report

To the Ontario Energy Board

### Opinion

I have audited the financial statements of the Ontario Energy Board (OEB), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and 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 OEB as at March 31, 2023 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 OEB 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

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20 Dundas Street West  
Toronto, Ontario  
M5G 2C2  
416-327-2381  
fax 416-326-3812

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.

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In preparing the financial statements, management is responsible for assessing the OEB's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the OEB either intends to cease operations, or has no realistic alternative but to do so.

[www.auditor.on.ca](http://www.auditor.on.ca)

Those charged with governance are responsible for overseeing the OEB'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 OEB'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 OEB'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 OEB 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 15, 2023

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**Bonnie Lysyk**, MBA, FCPA, FCA, LPA  
Auditor General

# STATEMENT OF FINANCIAL POSITION

## AS OF MARCH 31, 2023

	2023	2022
<b>ASSETS</b>		
Current Assets:		
Cash (note 10)	\$ 14,373,849	\$ 13,988,685
Accounts receivable (note 10)	877,154	1,595,740
Regulatory process costs to be assessed (note 10)	1,480,256	1,318,974
Deposits and prepaid expenses	720,324	455,367
<b>Total Current Assets</b>	<b>17,451,583</b>	<b>17,358,766</b>
Non-current Assets:		
Capital Assets (note 5)	4,581,005	4,265,312
<b>Total Non-current Assets</b>	<b>4,581,005</b>	<b>4,265,312</b>
<b>TOTAL ASSETS</b>	<b>\$ 22,032,588</b>	<b>\$ 21,624,078</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Deferred revenue (note 3b)	\$ 945,036	\$ 1,180,266
Accounts payable and accrued liabilities (note 6)	9,870,218	7,551,730
<b>Total Current Liabilities</b>	<b>10,815,254</b>	<b>8,731,996</b>
Non-current Liabilities:		
Deferred revenue related to capital assets (note 3c)	4,581,005	4,265,312
Operating Reserve (note 4)	4,514,000	7,014,000
Pension liability (note 7b)	12,923	53,936
<b>Total Non-current Liabilities</b>	<b>9,107,928</b>	<b>11,333,248</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 19,923,182</b>	<b>\$ 20,065,244</b>
Net Assets:		
Internally Restricted Net Assets (note 8)	2,109,406	1,558,834
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 22,032,588</b>	<b>\$ 21,624,078</b>

Commitments and Contingencies (note 9 & 13)  
See accompanying notes to Financial Statements.

On behalf of the Board of Directors:



**Richard Dicerni**  
Chair of the OEB Board of Directors

# STATEMENT OF OPERATIONS AND NET ASSETS

## YEAR ENDED MARCH 31, 2023

	2023	2022
<b>REVENUES</b>		
Recovery of Costs:		
General cost recovery (note 3a)	\$ 45,338,969	\$ 41,937,888
Regulatory process costs - Ontario Electricity Support Program (note 12)	5,043,305	3,957,745
Regulatory process costs	2,230,595	2,346,370
Amortization of deferred revenue related to capital assets (note 3c)	1,447,009	1,145,817
<b>Total Revenues from Recovery of Costs</b>	<b>54,059,878</b>	<b>49,387,820</b>
Other Revenues:		
Administrative penalties and interest (note 8)	550,572	249,396
Interest income	466,248	95,235
Licence fees	428,500	427,600
Miscellaneous income	209,890	136,665
<b>Total Other Revenues</b>	<b>1,655,210</b>	<b>908,896</b>
<b>TOTAL REVENUES</b>	<b>\$ 55,715,088</b>	<b>\$ 50,296,716</b>
<b>EXPENSES</b>		
Salaries and benefits	36,942,003	34,792,615
Ontario Electricity Support Program - delivery and administration (note 12)	5,043,305	3,957,745
Consulting and professional	3,941,518	3,549,290
Premises	3,671,202	3,557,007
Information technology	1,461,890	1,237,315
Publications, media and advertising	1,432,749	991,736
Meetings, training and travel	708,983	467,118
Office and administration	515,857	348,677
Amortization of capital assets	1,447,009	1,145,817
<b>TOTAL EXPENSES FROM OPERATIONS</b>	<b>\$ 55,164,516</b>	<b>\$ 50,047,320</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>\$ 550,572</b>	<b>\$ 249,396</b>
Funding for Low-Income Energy Assistance Program (note 8)	-	(2,000,000)
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>550,572</b>	<b>(1,750,604)</b>
Net Assets, beginning of period	1,558,834	3,309,438
<b>NET ASSETS, end of period</b>	<b>\$ 2,109,406</b>	<b>\$ 1,558,834</b>

See accompanying notes to Financial Statements.

# STATEMENT OF CASH FLOWS

## YEAR ENDED MARCH 31, 2023

	2023	2022
Net inflow (outflow) of cash related to the following activities:		
<b>OPERATING</b>		
Assessment billed	\$ 44,366,441	\$ 39,549,955
Regulatory process costs revenue - Ontario Electricity Support Program	5,043,305	3,957,745
Regulatory process costs revenue	2,230,595	2,346,370
Other revenues	1,655,210	908,896
Expenses	(55,164,516)	(50,047,320)
Funding for Low-Income Energy Assistance Program	-	(2,000,000)
	(1,868,965)	(5,284,354)
Adjustment for Non-cash Expenses:		
Amortization of capital assets	1,447,009	1,145,817
	1,447,009	1,145,817
Changes in Non-cash Working Capital:		
Accounts receivable	718,586	(604,175)
Regulatory process costs to be assessed	(161,282)	146,056
Deposits and prepaid expenses	(264,957)	23,589
Accounts payable and accrued liabilities	2,318,488	236,980
Pension liability	(41,013)	(76,484)
	2,569,822	(274,034)
<b>Net Cash from Operating Activities</b>	<b>2,147,866</b>	<b>(4,412,571)</b>
<b>CAPITAL</b>		
Capital asset purchases	(1,762,702)	(1,581,436)
<b>Net Cash Used in Capital Activities</b>	<b>(1,762,702)</b>	<b>(1,581,436)</b>
<b>NET CHANGE IN CASH</b>	<b>385,164</b>	<b>(5,994,007)</b>
Cash, beginning of period	13,988,685	19,982,692
<b>Cash, end of period</b>	<b>\$ 14,373,849</b>	<b>\$ 13,988,685</b>

See accompanying notes to Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## MARCH 31, 2023

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### 1. NATURE OF THE CORPORATION

The Ontario Energy Board (the “OEB”) is the regulator of Ontario’s natural gas and electricity industries and provides independent adjudicative decision making. The OEB also deals with energy matters referred to it by the Minister of Energy and the Minister of Natural Resources and Forestry.

Pursuant to the *Ontario Energy Board Act, 1998* (the “OEB Act”), the OEB was continued as a corporation without share capital, empowered to fully recover its costs from natural gas and electricity industry participants.

As an agent of His Majesty in right of Ontario, the OEB is exempted from federal and provincial income taxes under the *Income Tax Act*.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of financial statement preparation

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PS), which constitutes generally accepted accounting principles for government not-for-profit organizations in Canada. The OEB has elected to use the standards for government not-for-profit organizations that include sections PS 4200 to PS 4270, which reflect the significant accounting policies.

#### b) Revenue recognition

Revenues received in the fiscal year (FY) 2023 that relate to subsequent years are not recognized as revenue and are deferred. Recognition of revenue is matched to the expenses of the OEB as follows:

- General cost recovery under section 26 of the *OEB Act* related to the expenses of the OEB is recognized as revenue to the extent that the total expenses are in excess of regulatory process costs (section 30 and section 79.2), amortization of deferred revenue related to capital assets, and other revenues. When revenue is assessed in excess of actual cost in a current year, it is deferred and recognized in the following fiscal year and referred to as a true-up (note 3b).



- Regulatory process costs (section 30 and section 79.2 of the *OEB Act*) are recognized as revenue when related expenses are incurred.
  - Section 30 costs are regulatory process costs incurred in relation to specific proceedings and consultation processes. They are recovered from regulated entities through the cost award decisions made by the OEB in respect of those proceedings and processes. Some proceedings and consultation processes span several financial years. The OEB funds such proceedings and consultations through its operating reserve until the costs are finally recovered under section 30 of the *Ontario Energy Board Act, 1998*.
  - Section 79.2 costs are regulatory process costs related to the administration of the Ontario Electricity Support Program (OESP). Section 79.2, together with Ontario Regulation 14/18 made under the *OEB Act*, enables the OEB to recover its OESP administration costs from the Independent Electricity System Operator (IESO).
- Deferred revenue related to capital assets is recognized as revenue on the same basis that the underlying capital assets are amortized. Revenue related to capital asset expenditures is deferred because they have been billed in advance (note 3c).
- Revenue from administrative penalties assessed against market participants under section 112.5 of the *OEB Act* is recognized in the year the OEB accepts an assurance of voluntary compliance or issues the enforcement order for the amount identified, provided that the order is not under appeal and collection is reasonably assured. If the order is appealed, revenue will be recognized in the year in which all rights of appeal are exhausted and the order becomes final. Revenue from administrative penalties is not used to reduce the costs under section 26, 30 and 79.2 of the *OEB Act*, but used to support activities relating to consumer education, outreach and other activities in the public interest. Both administrative penalties and their related expenses are reflected in the Statement of Operations and Net Assets and are reflected as internally restricted net assets, which are summarized in note 8 of the financial statements.
- Other revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets, beginning in the fiscal year following the acquisition, as follows:

Office furniture and equipment	5 - 10 years
Computer software	3 or 5 years
Computer equipment	3 or 5 years
Audio visual equipment	3 years
Leasehold improvements	remainder of lease term

#### **d) Financial instruments**

The OEB's financial instruments are cash, accounts receivable, regulatory process costs to be assessed, accounts payable and accrued liabilities. Financial instruments are recorded at fair value at initial recognition and are subsequently measured at amortized cost. All financial assets are tested annually for impairment. In the event there are impairment of financial assets, the losses are recorded at the Statement of Operations and Net Assets.

#### **e) Use of estimates**

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards (PS) requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and recoveries for the year. Items requiring the use of significant estimates include pension liability, accounts payable and accrued liabilities and useful life of capital assets. Actual amounts could differ from these estimates.

#### **f) Employee pension plans**

The OEB's full-time employees participate in the Public Service Pension Plan (PSPP), which is a defined benefit pension plan for employees of the Province and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPP, determines the OEB's annual payments to the Plan. Since the OEB is not a sponsor of the pension plan, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of the OEB, as the sponsor is responsible for ensuring that the pension plan is financially viable. The OEB's expense is limited to the required contributions to the Plan as described in note 7a.

The OEB also manages a supplementary unfunded pension plan for a former Chair as described in note 7b. The OEB accrues its obligations and the related cost under this supplemental unfunded pension plan. The actuarial liability and the current service cost are determined by independent actuaries using the projected benefit method, prorated on management's best estimate assumptions.

### 3. INDUSTRY ASSESSMENTS

During FY 2023, the natural gas and electricity industry participants were assessed estimated costs for FY 2023 based on budgeted amounts. Amounts assessed in excess of actual costs are a true-up and are reported as current deferred revenue. The calculations of the general cost recovery, true-up and deferred revenue are outlined in the following tables.

#### a) General cost recovery

	FY 2023	FY 2022
Salaries and benefits	\$ 36,942,003	\$ 34,792,615
Ontario Electricity Support Program – delivery and administration (note 11)	5,043,305	3,957,745
Consulting and professional	3,941,518	3,549,290
Premises	3,671,202	3,557,007
Information technology	1,461,890	1,237,315
Publications, media and advertising	1,432,749	991,736
Meetings, training and travel	708,983	467,118
Office and administration	515,857	348,677
Amortization of capital assets	1,447,009	1,145,817
Total expenses from operations	55,164,516	50,047,320
Regulatory process costs, amortization of deferred revenue related to capital assets and other revenues excluding administration penalties and interest	(9,825,547)	(8,109,432)
<b>General cost recovery</b>	<b>\$ 45,338,969</b>	<b>\$ 41,937,888</b>

#### b) Current deferred revenue (True-up)

	FY 2023	FY 2022
General cost recovery (note 3a)	\$ 45,338,969	\$ 41,937,888
Capital expenditures	1,762,702	1,581,436
Operating reserve adjustment (note 4)	(2,500,000)	(1,500,000)
Total assessment (actual)	44,601,671	42,019,324
Total assessment (budget)	45,546,707	43,199,590
<b>Current deferred revenue (True-up)</b>	<b>\$ 945,036</b>	<b>\$ 1,180,266</b>

#### c) Deferred revenue related to capital assets

Capital asset expenditures are included in the cost assessment in the year of capital acquisition and deferred into revenue on the same basis as the underlying capital assets. The following table shows capital asset expenditures billed in advance and will be recognized into revenue in future periods:

	FY 2023	FY 2022
Deferred revenue related to capital assets, beginning of period	\$ 4,265,312	\$ 3,829,693
Add: capital expenditures included in cost assessment	1,762,702	1,581,436
Less: amortization of deferred revenue related to capital assets	(1,447,009)	(1,145,817)
<b>Deferred revenue related to capital assets, end of period</b>	<b>\$ 4,581,005</b>	<b>\$ 4,265,312</b>

## 4. OPERATING RESERVE

As a self-financing entity, the OEB maintains a Board approved operating reserve, which can be adjusted on an annual basis. The primary objective of maintaining this reserve is to fund the OEB's operations in the event of revenue shortfalls or unanticipated expenditures. It is to be used for cash flow management and to support working capital requirements.

The operating reserve at the end of the fiscal year is 10% (2022 – 16%) of the annual budget. The Board of Directors has approved reductions to its operating reserve to 8% (approximately \$3,500,000) by the end of FY 2024.

	FY 2023		FY 2022	
Operating reserve, beginning of the year	\$	7,014,000	\$	8,514,000
Adjustment to the operating reserve		(2,500,000)		(1,500,000)
<b>Operating reserve, end of the year</b>	<b>\$</b>	<b>4,514,000</b>	<b>\$</b>	<b>7,014,000</b>

The OEB is not subject to any externally imposed reserve requirements.

## 5. CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value FY 2023	Net book value FY 2022
Office furniture and equipment	\$ 2,615,195	\$ 2,471,023	\$ 144,172	\$ 116,923
Computer equipment	3,442,531	2,802,567	639,964	565,861
Computer software	12,137,388	8,567,242	3,570,146	3,368,830
Audio visual equipment	308,565	242,620	65,945	62,076
Leasehold improvements	1,888,474	1,727,696	160,778	151,622
Leasehold improvements paid by the landlord	3,540,400	3,540,400	-	-
<b>Total</b>	<b>\$ 23,932,553</b>	<b>\$ 19,351,548</b>	<b>\$ 4,581,005</b>	<b>\$ 4,265,312</b>

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	FY 2023		FY 2022	
Payroll and benefits accruals	\$	7,381,966	\$	5,917,931
Accounts payable		2,488,252		1,633,799
<b>Total accounts payable and accrued liabilities</b>	<b>\$</b>	<b>9,870,218</b>	<b>\$</b>	<b>7,551,730</b>

Payroll and benefits accruals include salaries, vacation, and other employee benefits. Accounts payable relates largely to normal business transactions with third party vendors and are subject to standard commercial terms.

## 7. EMPLOYEE FUTURE BENEFITS

- a) The OEB's contribution to the Public Service Pension Plan (PSPP) for FY 2023 was \$2,338,487 (2022 - \$2,219,837) and is included in salaries and benefits costs on the Statement of Operations and Net Assets.
- b) The unfunded supplemental pension plan for a former Chair had an accrued total benefit obligation and an accrued benefit liability. The significant actuarial assumptions adopted at March 31, 2023 included a discount rate of 4.25% (2022 – 2.75%). The OEB's pension expense, included in salaries and benefits costs on the Statement of Operations and Net Assets, is shown below:

Components of Net Periodic Pension Cost	FY 2023	FY 2022
Current service costs	\$ -	\$ -
Interest costs	1,302	2,133
Actuarial (gain)/loss	(29,158)	(61,558)
<b>Net periodic pension cost recognized</b>	<b>\$ (27,856)</b>	<b>\$ (59,425)</b>

The total benefit obligation and the accrued benefit liability included on the Statement of Financial Position, is shown below:

Change in Accrued Benefit Obligation	FY 2023	FY 2022
Accrued benefit obligation, beginning of the year	\$ 53,936	\$ 130,420
Current service costs	-	-
Interest costs	1,302	2,133
Benefits paid	(13,157)	(17,059)
Actuarial (gain)/loss	(29,158)	(61,558)
<b>Accrued benefit obligation, end of the year</b>	<b>\$ 12,923</b>	<b>\$ 53,936</b>

- c) The OEB is not responsible for the cost of employee post-retirement and non-pension benefits. These costs are the responsibility of the Province of Ontario, a related party.

## 8. INTERNALLY RESTRICTED NET ASSETS

The internally restricted net assets on March 31, 2023 represent revenue from administrative penalties assessed against individual market participants under section 112.5 of the *OEB Act*. Revenue from administrative monetary penalties, plus any related interest revenue, is internally restricted to activities in the public interest, i.e., activities including but not limited to providing consumers with information and education and facilitating innovation.

During FY 2022, in response to the ongoing COVID-19 pandemic, the OEB had utilized a portion of the internally restricted net assets towards an initiative for public interest. The OEB provided \$2,000,000 in funding to local distribution companies to use towards the Low-Income Energy Assistance Program (LEAP).

The changes in internally restricted net assets are as follows:

	<b>FY 2023</b>	<b>FY 2022</b>
Balance, beginning of the year	\$ 1,558,834	\$ 3,309,438
Add: Administrative penalties issued in the year	483,250	235,200
Add: Interest revenue from administrative penalties	67,322	14,196
Total Administrative penalties & interest	550,572	249,396
Less: Funding for low-income energy assistance program	–	(2,000,000)
<b>Balance, end of the year</b>	<b>\$ 2,109,406</b>	<b>\$ 1,558,834</b>

## 9. COMMITMENTS

The OEB's current office space lease commitment ends on December 31, 2024. The minimum base rental payments in aggregate are as follows:

<b>FY 2024</b>	1,868,158
<b>FY 2025 – 9 months</b>	1,483,582
<b>Total</b>	<b>\$ 3,351,740</b>

The OEB is committed to pay its proportionate share of realty taxes and operating expenses for the premises, which amounted to \$1,809,365 during FY 2023 (2022 - \$1,771,352).

## 10. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

### Interest rate risk:

The OEB is not exposed to significant interest rate risk as OEB's funds are held in interest bearing accounts at a financial institution. The average interest rate on cash balance was 3.25% (2022 – 0.62%). A 25-basis point change in the interest rate would impact the OEB's operating surplus by \$40,124 (2022 - \$44,583).

### Currency risk:

The OEB's exposure to currency risk is minimal as few transactions are in currencies other than Canadian dollars.

### Credit risk:

#### Accounts Receivable

The OEB has minimal credit risk exposure in regard to accounts receivable due to high historical collection rates. The accounts receivable aging is summarized below:

<b>March 31, 2023</b>	<i>Current</i>	<i>+30 Days</i>	<i>+60 Days</i>	<i>+90 Days</i>	<b>Total</b>
Regulatory process costs	\$ 73,691	\$ 2,731	\$ 7,202	\$ 12,793	\$ 96,417
General cost recovery	26,868	15,440	-	-	42,308
License fee	-	-	-	\$ 11,200	11,200
Admin penalty	15,000	-	-	-	15,000
HST recovery	653,985	-	-	-	653,985
Interest receivable	69,444	-	-	-	69,444
Allowance for Doubtful Accounts	-	-	-	(11,200)	(11,200)
<b>Total</b>	<b>\$ 838,988</b>	<b>\$ 18,171</b>	<b>\$ 7,202</b>	<b>\$ 12,793</b>	<b>\$ 877,154</b>

<b>March 31, 2022</b>	<i>Current</i>	<i>+30 Days</i>	<i>+60 Days</i>	<i>+90 Days</i>	<b>Total</b>
Regulatory process costs	\$ 675,040	\$ 37,310	\$ 62,703	-	\$ 775,053
General cost recovery	7,545	-	3,826	\$ 800	12,171
HST recovery	797,658	-	-	-	797,658
Interest receivable	10,858	-	-	-	10,858
<b>Total</b>	<b>\$ 1,491,101</b>	<b>\$ 37,310</b>	<b>\$ 66,529</b>	<b>\$ 800</b>	<b>\$ 1,595,740</b>

**Regulatory process costs to be assessed:**

The OEB also has minimal credit risk exposure in regard to the \$1,480,256 (2022 - \$1,318,974) of regulatory process costs to be assessed due to high historical collection rates. Included in these costs is \$371,470 (2022 - \$595,924) to be collected from related parties.

Regulatory process costs to be assessed are costs incurred by the OEB which will be invoiced in a future fiscal year after March 31, 2023.

**Liquidity risk:**

The OEB's exposure to liquidity risk is minimal as the OEB has a sufficient cash balance to settle all current liabilities. As of March 31, 2023, the OEB had a cash balance of \$14,373,849 (2022 - \$13,988,685) to settle current liabilities of \$10,815,254 (2022 - \$8,731,996).

## 11. RELATED PARTY TRANSACTIONS

The Province of Ontario is a related party as it is the controlling entity of the OEB. All related party transactions have been recorded at their exchange amounts, which is the amount of consideration established and agreed to by the related party.

Under the *OEB Act*, the OEB recovers its costs from various regulated entities, which include the following related parties:

- Independent Electricity System Operator (IESO), Ontario Power Generation, Hydro One, Ontario Electricity Financial Corporation totaled \$13,589,928 (2022 - \$12,370,479) and is recorded in General cost recovery and Regulatory process costs on the Statement of Operations and Net Assets.

The OEB has entered into transactions with other related parties as follows:

- Ministry of Government and Consumer Services recovered data communication and records storages services of \$26,735 (2022 - \$50,132) and which are included in Information technology and Office & administration on the Statement of Operation and Net Assets.

Related party transactions pertaining to employee future benefits are disclosed in note 7.



## 12. ONTARIO ELECTRICITY SUPPORT PROGRAM (OESP)

The OEB administers the Ontario Electricity Support Program (OESP), which provides fixed credits (determined by a sliding scale) to all eligible lower income customers of electricity distributors and unit sub-meter providers. Section 79.2 of the *OEB Act*, together with Ontario Regulation 14/18 made under the *OEB Act*, enables the OEB to recover its OESP delivery and administration costs from the IESO.

In FY 2023, the Statement of Operations and Net Assets has \$5,043,305 of delivery and administration costs.

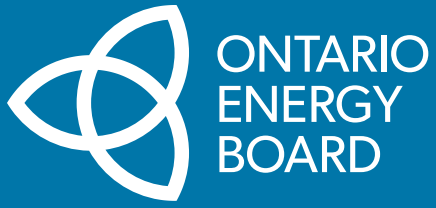
Subsequent to 2023 fiscal year end, the OEB entered into a new agreement with a Central Service Provider (CSP) to replace the existing OESP System. The CSP will develop and deliver a new OESP System and provide the ongoing hosting, operation and maintenance of the system, including the managed business process services to support it. The initial term of the agreement is for five years, expiring in April 2028, and renewable at the option of the OEB for an additional three years. The committed costs for the initial five-year term is \$28.2 million.

## 13. CONTINGENCIES

Contingencies refer to possible legal claims that have been made against the OEB, the ultimate outcome of which cannot be predicted with certainty. Management does not expect that the outcome of the claims against the OEB will have a material and adverse effect on its financial results and does not believe any provisions for losses are necessary at this time. No amounts have been recognized in the accounts for claims made against the OEB. Any settlements will be accounted for at the time of settlement.

## 14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.



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