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Publicly Disclosed Unaudited Financial Statements

Appendix A contains the IESO's Q3 2018 publicly disclosed unaudited financial statements prepared under PSAB. Below is an executive summary of key Balance Sheet items for your reference.

- Accounts receivables is high primarily due to $115 million outstanding owed by the GreenOn entity.
- Market Accounts (assets and liabilities) are estimates only – as the final amounts are not available to late October 2018.
- During August and September 2018, the IESO has borrowed $60 million to support the GreenOn costs.

As at September 30, 2018, the Fair Hydro variance balance was $1.174 billion.

These statements have been prepared under the Canadian Public Sector Accounting Standards (PSAB) and the following are the key presentation differences between these statements and the management financial statements above:

- Interest is shown as net offset (credit) to expenses in the management statements, whereas it is broken out into interest revenue and interest expense in the statutory financial statements
- Unrecovered PSAB transition items result from the IESO's adoption of Canadian public sector accounting standards effective January 1, 2011. The adoption of PSAB was accounted for by retroactive application with restatement of prior periods subject to the requirements in Section PS 2125, First-time Adoption by Government Organizations. The corresponding change to pension and other post-employment benefits resulted in previously unrecognized actuarial losses and past service costs of $80,617 thousand at the date of transition. This item is included in the compensation and benefits expenses in the management statements, whereas it is shown as a reduction to the IESO's fee revenue in the statutory statements.

Reconciliation - Statutory vs Management Statements YTD Q3 2018

	Mgmt	Stat	Variance	
Usage Fee	144,551	141,616	2,934	PSAB Adj
Registration & Participant fees	6	5,201	(5,195)	Interest Revenue
Total Revenues	**144,556**	**146,817**	**(2,261)**	
Costs				
Compensation & Benefits	89,861	86,927	2,934	PSAB Adj
Professional & Consulting	13,019	13,019	-	
Operating & Administration	27,103	27,103	(0)	
Amortization	14,353	14,353	(0)	
Net Interest	(3,346)	1,849	(5,195)	Other Revenue
Total Operating Costs	**140,990**	**143,251**	**(2,261)**	
Total Surplus/(Deficit)	**3,566**	**3,566**	**0**	