Independent Electricity System Operator
Statement of Financial Position

DRAFT

As at (in thousands of Canadian dollars)	December 31, 2017	December 31, 2016
	$	$
FINANCIAL ASSETS		
Cash	64,214	38,914
Accounts receivable	42,708	25,194
Regulated assets (Note 3)	39,529	65,064
Long-term investments (Note 4)	45,276	40,355
Market accounts - assets (Note 5)	2,005,167	1,667,221
TOTAL FINANCIAL ASSETS	**2,196,894**	**1,836,748**
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	37,658	38,963
Accrued interest on debt	-	315
Rebates due to market participants (Note 7)	2,307	12,551
Debt (Note 8)	120,000	90,000
Accrued pension liability (Note 9)	29,229	34,620
Accrued liability for employee future benefits other than pension (Note 9)	96,216	90,251
Market accounts - liabilities (Note 5)	2,005,167	1,667,221
TOTAL LIABILITIES	**2,290,577**	**1,933,921**
NET DEBT	**(93,683)**	**(97,173)**
NON-FINANCIAL ASSETS		
Net tangible capital assets (Note 10)	100,794	105,047
Prepaid expenses	6,809	6,614
TOTAL NON-FINANCIAL ASSETS	**107,603**	**111,661**
ACCUMULATED SURPLUS		
Accumulated surplus from operations	3,436	6,582
Accumulated remeasurement gains	10,484	7,906
ACCUMULATED SURPLUS (Note 7)	**13,920**	**14,488**

Contingencies (Note 16)

See accompanying notes to financial statements

On behalf of the Board:

Tim O'Neill
Chair
Toronto, Canada

Carole Workman
Director
Toronto, Canada

Independent Electricity System Operator
Statement of Operations and Accumulated Surplus

DRAFT

For the year ended December 31 (in thousands of Canadian dollars)	2017 Budget	2017 Actual	2016 Actual
IESO CORE OPERATIONS	**$**	**$**	**$**
System fees	190,790	180,102	185,531
Other revenue (Note 11)	574	4,145	2,531
Interest and investment income	2,100	2,312	2,157
Core operation revenues	**193,464**	**186,559**	**190,219**
Core operation expenses (Note 12)	(193,464)	(184,252)	(177,668)
Core operations surplus/(deficit) before rebates	-	**2,307**	**12,551**
Rebates due to market participants	-	(6,307)	(12,551)
Core operations (deficit)	-	**(4,000)**	-
OTHER GOVERNMENT PROGRAMS			
Government transfer (Note 12)	-	2,696	-
Government transfer expenses (Note 12)	-	(2,696)	-
Government transfer surplus	**-**	**-**	**-**
SMART METERING ENTITY			
Smart metering charge	31,536	25,655	27,426
Smart metering expenses (Note 12)	(31,536)	(24,716)	(27,426)
Smart metering entity surplus	**-**	**939**	**-**
MARKET SANCTIONS AND PAYMENT ADJUSTMENTS			
Market sanctions and payment adjustments	4,219	3,176	3,889
Customer education and market enforcement expenses (Note 12)	(4,513)	(3,261)	(3,655)
Market sanctions and payment adjustments surplus/(deficit)	**(294)**	**(85)**	**234**
(DEFICIT)/SURPLUS	**(294)**	**(3,146)**	**234**
ACCUMULATED SURPLUS FROM OPERATIONS, BEGINNING OF PERIOD	6,582	6,582	6,348
ACCUMULATED SURPLUS FROM OPERATIONS, END OF PERIOD	**6,288**	**3,436**	**6,582**

See accompanying notes to financial statements

Independent Electricity System Operator
Statement of Remeasurement Gains and Losses

DRAFT

For the year ended December 31 (in thousands of Canadian dollars)	2017 Actual	2016 Actual
	$	$
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF PERIOD	7,906	7,658
UNREALIZED GAINS ATTRIBUTABLE TO:		
Foreign exchange - other	456	477
Portfolio investments (Note 4)	2,599	286
AMOUNTS RECLASSIFIED TO THE STATEMENT OF OPERATIONS:		
Foreign exchange - other	(477)	(515)
NET REMEASUREMENT GAINS FOR THE PERIOD	2,578	248
ACCUMULATED REMEASUREMENT GAINS, END OF PERIOD	10,484	7,906

See accompanying notes to financial statements

Independent Electricity System Operator
Statement of Change in Net Debt

DRAFT

For the year ended December 31 (in thousands of Canadian dollars)	2017 Budget	2017 Actual	2016 Actual
	$	$	$
SURPLUS/(DEFICIT)	**(294)**	**(3,146)**	**234**
CHANGE IN NON-FINANCIAL ASSETS			
Acquisition of tangible capital assets	(27,500)	(16,774)	(24,769)
Amortization of tangible capital assets	23,126	21,027	23,438
Change in prepaid expenses	-	(195)	(417)
TOTAL CHANGE IN NON-FINANCIAL ASSETS	**(4,374)**	**4,058**	**(1,748)**
NET REMEASUREMENT GAINS FOR THE PERIOD	-	2,578	248
CHANGE IN NET DEBT	**(4,668)**	**3,490**	**(1,266)**
NET DEBT, BEGINNING OF PERIOD	(97,173)	(97,173)	(95,907)
NET DEBT, END OF PERIOD	**(101,841)**	**(93,683)**	**(97,173)**

See accompanying notes to financial statements

Independent Electricity System Operator
Statement of Cash Flows

DRAFT

For the year ended December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
OPERATING TRANSACTIONS		
Change in accumulated surplus/(deficit)		
(Deficit)/Surplus	(3,146)	234
	(3,146)	234
Changes in non-cash items:		
Amortization	21,027	23,438
Pension expense	8,111	11,610
Other employee future benefits expense	8,601	8,127
	37,739	43,175
Changes in non-cash balances related to operations:		
Change in accounts payable and accrued liabilities	192	(7,495)
Change in accounts receivable	(17,514)	8,005
Change in rebates due to market participants	(10,244)	2,956
Change in regulated assets	25,535	23,138
Change in prepaid expenses	(195)	(417)
	(2,226)	26,187
Other:		
Contributions to pension fund	(13,502)	(13,052)
Payment of employee future benefits	(2,636)	(2,377)
	(16,138)	(15,429)
Cash provided by operating transactions	**16,229**	**54,167**
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(16,774)	(24,769)
Change in accounts payable and accrued liabilities	(1,812)	(2,410)
Cash applied to capital transactions	**(18,586)**	**(27,179)**
INVESTING TRANSACTIONS		
Purchase of long-term investments	(2,322)	(2,751)
Cash applied to investing transactions	**(2,322)**	**(2,751)**
FINANCING TRANSACTIONS		
Issuance of debt	30,000	-
Cash provided by financing transactions	**30,000**	**-**
INCREASE IN CASH	**25,321**	**24,237**
CASH - BEGINNING OF PERIOD	38,914	14,715
Unrealized foreign exchange (losses) for the period	(21)	(38)
CASH - END OF PERIOD	**64,214**	**38,914**

See accompanying notes to financial statements