



Financial Statements

2019-2020

Financial Statements

Year Ended March 31, 2020

Management's Responsibility

The Ontario Energy Board's management is responsible for the integrity and fair presentation of the financial statements and other information presented in the 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 Management Committee. In addition the financial statements have been audited by the Auditor General of Ontario, whose report follows.



Ian Malpass

Vice President, Finance & Information Technology

June 4, 2020



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, 2020, 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, 2020 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

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 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.

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.

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Independent Auditor's Report (continued)

- 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 4, 2020

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

Statement of Financial Position

As of March 31, 2020

	2020	2019
ASSETS		
Current Assets:		
Cash (note 9)	\$ 18,898,236	\$ 16,485,514
Accounts receivable (note 9)	554,210	1,340,386
Regulatory process costs to be assessed (note 9)	2,512,258	3,478,549
Deposits and prepaid expenses	625,537	428,717
Total Current Assets	22,590,241	21,733,166
Non-current Assets:		
Capital assets (note 5)	3,186,522	3,236,237
Total Non-current Assets	3,186,522	3,236,237
TOTAL ASSETS	\$ 25,776,763	\$ 24,969,403
LIABILITIES		
Current Liabilities:		
Deferred revenue (note 3b)	\$ 4,282,622	\$ 2,296,647
Accounts payable and accrued liabilities	6,646,599	8,187,937
Deferred rent inducement (note 8)	-	253,739
Total Current Liabilities	10,929,221	10,738,323
Non-current Liabilities:		
Deferred revenue related to capital assets (note 3c)	3,186,522	3,039,763
Pension liability (note 6b)	120,003	134,642
Total Non-current Liabilities	3,306,525	3,174,405
TOTAL LIABILITIES	\$ 14,235,746	\$ 13,912,728
Operating Reserve (note 4)	\$ 8,514,000	\$ 8,514,000
Net Assets:		
Internally Restricted Net Assets (note 7)	3,027,017	2,542,675
TOTAL LIABILITIES, RESERVE AND NET ASSETS	\$ 25,776,763	\$ 24,969,403

Commitments and Contingencies (note 8 & 11)

See accompanying notes to financial statements

On behalf of the Management Committee:



Robert Dodds

Vice-Chair

Statement of Operations and Net Assets

Year Ended March 31, 2020

	2020	2019
REVENUES		
Recovery of Costs:		
General cost recovery (note 3a)	\$ 38,562,517	\$ 39,066,798
Regulatory process costs	4,355,053	4,716,246
Amortization of deferred revenue related to capital assets	1,305,379	1,367,335
Total Revenues from Recovery of Costs	44,222,949	45,150,379
Other Revenues:		
Ministry of Energy, Northern Development and Mines (note 10)	1,002,244	-
Administrative penalties and interest (note 7)	484,342	47,524
Licence fees	423,600	404,400
Interest income (note 9)	289,610	298,834
Miscellaneous income	19,834	7,000
Total Other Revenues	2,219,630	757,758
TOTAL REVENUES	\$ 46,442,579	\$ 45,908,137
EXPENSES		
Salaries and benefits	33,199,761	31,753,339
Consulting and professional	5,610,590	5,664,184
Premises	2,890,126	3,059,586
Information technology	1,040,621	1,083,755
Publications, media and advertising	819,099	1,610,556
Meetings, training and travel	666,386	827,381
Office and administration	426,275	494,477
Amortization of capital assets paid by OEB	1,305,379	1,367,335
TOTAL EXPENSES	\$ 45,958,237	\$ 45,860,613
EXCESS OF REVENUES OVER EXPENSES	\$ 484,342	\$ 47,524
Net Assets, beginning of period	2,542,675	2,495,151
NET ASSETS, end of period (note 7)	\$ 3,027,017	\$ 2,542,675

See accompanying notes to financial statements

Statement of Cash Flows

Year Ended March 31, 2020

	2020	2019
Net inflow (outflow) of cash related to the following activities:		
OPERATING		
Assessment billed	\$ 42,000,630	\$ 39,943,552
Regulatory process costs revenue	4,355,053	4,716,246
Other revenues	2,219,630	757,758
Expenses	(45,958,237)	(45,860,613)
	2,617,076	(443,057)
Adjustment for Non-cash Expenses:		
Amortization of capital assets paid by OEB	1,305,379	1,367,335
Amortization of leasehold improvements paid by Landlord	196,474	261,965
Deferred rent inducement	(253,739)	(338,172)
	1,248,114	1,291,128
Changes in Non-cash Working Capital:		
Accounts receivable	786,176	(420,046)
Regulatory process costs to be assessed	966,291	(910,762)
Deposits and prepaid expenses	(196,820)	12,730
Operating reserve	-	114,000
Accounts payable and accrued liabilities	(1,541,338)	1,389,220
Pension liability	(14,639)	(2,147)
	(330)	182,995
Net Cash from Operating Activities	3,864,860	1,031,066
CAPITAL		
Capital asset purchases	(1,452,138)	(1,092,556)
Net Cash Used in Capital Activities	(1,452,138)	(1,092,556)
NET CHANGE IN CASH	2,412,722	(61,490)
Cash, beginning of period	16,485,514	16,547,004
Cash, end of period	\$ 18,898,236	\$ 16,485,514

See accompanying notes to financial statements

Notes to the Financial Statements

March 31, 2020

1. Nature of the Corporation

The Ontario Energy Board (the “OEB”) is the regulator of Ontario’s natural gas and electricity industries. The OEB also deals with energy matters referred to it by the Minister of Energy, Northern Development and Mines and the Minister of Natural Resources and Forestry.

Effective August 1, 2003, and 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 Her Majesty in right of Ontario, the OEB is exempted from federal and provincial income taxes under the *Income Tax Act*.

The OEB is classified as a government not-for-profit organization for accounting purposes.

On May 9, 2019, Bill 87, the *Fixing the Hydro Mess Act, 2019* was given Royal Assent. The legislation contains provisions that, among other things, will, when proclaimed into force (expected in FY 2021), change the OEB’s corporate governance structure and realign roles, responsibilities and accountabilities amongst a board of directors, a chair, a chief executive officer and commissioners, including a chief commissioner.

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) 2020 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*.

Notes to the Financial Statements (continued)

March 31, 2020

- 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). It also enables responsibility for the administration of the OESP to be transferred from the OEB to a Minister of the Crown. At this time, the OEB is not aware of any plans to transfer the administration of the OESP.
- 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 7 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 initial lease term

d) Financial instruments

The OEB's financial instruments are initially measured at their fair value and subsequently measured in one of the following categories: (i) fair value or (ii) cost or amortized cost. The OEB uses fair value for the subsequent measurement of cash, accounts receivable, regulatory process costs to be assessed, accounts payable and accrued liabilities.

e) Use of estimates

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards

Notes to the Financial Statements (continued)

March 31, 2020

(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 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 6a.

The OEB also manages a supplementary unfunded pension plan for a former Chair as described in note 6b. 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 2020, the natural gas and electricity industry participants were assessed estimated costs for FY 2020 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 2020	FY 2019
Salaries and benefits	\$ 33,199,761	\$ 31,753,339
Consulting and professional	5,610,590	5,664,184
Premises	2,890,126	3,059,586
Information technology	1,040,621	1,083,755
Publications, media and advertising	819,099	1,610,556
Meetings, training and travel	666,386	827,381
Office and administration	426,275	494,477
Amortization of capital assets paid by the OEB	1,305,379	1,367,335
Total expenses	45,958,237	45,860,613
Regulatory process costs, amortization of deferred revenue related to capital assets and other revenues excluding administration penalties and interest	(7,395,720)	(6,793,815)
General cost recovery	\$ 38,562,517	\$ 39,066,798

Notes to the Financial Statements (continued)

March 31, 2020

b) Current deferred revenue (True-up)

	FY 2020	FY 2019
General cost recovery (note 3a)	\$ 38,562,517	\$ 39,066,798
Capital expenditures paid by the OEB	1,452,138	1,092,556
Operating reserve adjustment	0	114,000
Total assessment (actual)	40,014,655	40,273,354
Total assessment (budget)	44,297,277	42,570,001
Current deferred revenue (True-up)	\$ 4,282,622	\$ 2,296,647

c) Deferred revenue related to capital assets

Revenues related to capital asset expenditures are deferred because they have been billed in advance with the exclusion of leasehold improvements paid by the landlord, which were not included in the assessments. As part of the leasehold inducements included in the lease agreement, the landlord paid for \$3,540,400 of leasehold improvements on behalf of the OEB since the start of the lease on January 1, 2005. The current balance is zero as the initial lease expired on December 31, 2019.

	FY 2020	FY 2019
Net book value of capital assets (note 5)	\$ 3,186,522	\$ 3,236,237
Net book value of leasehold improvements paid by landlord (note 5)	0	(196,474)
Deferred revenue related to capital assets	\$ 3,186,522	\$ 3,039,763

4. Operating Reserve

As part of its self-financing status, the OEB established an operating reserve, which is 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.

Based on the review of cash flow, the OEB has increased the maximum allowable operating reserve to 20% of the OEB's current annual funding requirement. The operating reserve is currently 19.2%.

	FY 2020	FY 2019
Operating reserve, beginning of the year	\$ 8,514,000	\$ 8,400,000
Adjustment to the operating reserve	0	114,000
Operating reserve, end of the year	\$ 8,514,000	\$ 8,514,000

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

Notes to the Financial Statements (continued)

March 31, 2020

5. Capital Assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value FY 2020</i>	<i>Net book value FY 2019</i>
Office furniture and equipment	\$ 2,507,902	\$ 2,417,656	\$ 90,246	\$ 118,233
Computer equipment	3,623,955	3,090,265	533,690	524,974
Computer software	8,380,232	6,192,299	2,187,933	2,152,768
Audio visual equipment	729,974	599,467	130,507	41,605
Leasehold improvements paid by OEB	1,813,937	1,569,791	244,146	202,183
Leasehold improvements paid by landlord	3,540,400	3,540,400	0	196,474
Total	\$ 20,596,400	\$ 17,409,878	\$ 3,186,522	\$ 3,236,237

6. Employee Future Benefits

- The OEB's contribution to the Public Service Pension Plan (PSPP) for FY 2020 was \$2,094,936 (2019 - \$2,005,060), and is included in salaries and benefits costs on the Statement of Operations and Net Assets.
- The OEB has an unfunded supplemental pension plan for a former Chair. The significant actuarial assumptions adopted at March 31, 2020 included a discount rate of 2.00% (2019 – 2.25%). The OEB's pension expense, included in salaries and benefits costs, is shown below:

Components of Net Periodic Pension Cost	FY 2020	FY 2019
Current service costs	\$ 0	\$ 0
Interest costs	2,799	3,135
Actuarial loss (gain)	3,025	17,503
Costs arising in the period	5,824	20,638
Difference between costs arising in the period and costs recognized in the period in respect of actuarial loss (gain)	0	0
Net periodic pension cost recognized	\$ 5,824	\$ 20,638

The total benefit obligation and the accrued benefit liability with respect to the OEB is as follows:

Change in Accrued Benefit Obligation	FY 2020	FY 2019
Accrued benefit obligation, beginning of the year	\$ 134,642	\$ 136,789
Current service costs	0	0
Interest costs	2,799	3,135
Benefits paid	(20,463)	(22,785)
Actuarial loss (gain)	3,025	17,503
Accrued benefit obligation, end of the year	\$ 120,003	\$ 134,642

Notes to the Financial Statements (continued)

March 31, 2020

- 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.

7. Internally Restricted Net Assets

The internally restricted net assets at March 31, 2020 represent revenue from administrative penalties assessed against individual market participants under section 112.5 of the *Ontario Energy Board Act, 1998*. According to the OEB Cost Assessment Model, revenue from administrative penalties will not be used to reduce payments under the general assessment. Revenue from administrative penalties plus any related interest revenue is internally restricted by the Management Committee to support activities relating to consumer education, outreach and other activities in the public interest.

The changes in internally restricted net assets are as follows:

	FY 2020	FY 2019
Balance, beginning of the year	\$ 2,542,675	\$ 2,495,151
Administrative penalties issued in the year	429,000	0
Interest revenue from administrative penalties	55,342	47,524
Expenses incurred	0	0
Balance, end of the year	\$ 3,027,017	\$ 2,542,675

8. Deferred Rent Inducement and Operating Lease Commitments

The OEB entered into a lease commitment for its office space during FY 2005, which included various lease inducements. Deferred rent inducement represents the benefit of operating lease inducements which are being amortized on a straight-line basis over the term of the lease (15 years) ending on December 31, 2019.

The changes in deferred rent inducements are as follows:

	FY 2020	FY 2019
Balance, beginning of the year	\$ 253,739	\$ 591,911
Less: Amortization of deferred rent inducement netted against premises expense	(253,739)	(338,172)
Balance, end of the year	\$ 0	\$ 253,739

The OEB extended its lease commitment for its office space for an additional five years ending December 31, 2024. The minimum base rental payments under the operating lease, expiring December 31, 2024 and in aggregate are as follows:

FY 2021	\$ 1,490,156
FY 2022	1,574,954
FY 2023	1,721,556
FY 2024	1,868,158
FY 2025 – 9 months	1,483,582
Total	\$ 8,138,406

Notes to the Financial Statements (continued)

March 31, 2020

OEB is committed to pay its proportionate share of realty taxes and operating expenses for the premises, which amounted to \$1,619,716 during FY 2020 (2019 - \$1,948,859).

9. Financial Instruments

Interest rate risk:

The OEB's financial assets and liabilities are not exposed to significant interest rate risk. Cash balances earn interest at a rate ranging from 1.39% to 2.10% (2019 – 1.60% to 2.10%). The average cash balance interest rate for the year was 2.04% (2019 – 1.89%).

A 25 basis point change in the interest rate would impact the OEB's operating surplus by \$42,475 (2019 - \$45,889).

Currency risk:

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

Credit risk:

The OEB's exposure to credit risk is minimal. 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:

	<i>Current</i>	<i>+60 days</i>	<i>+90 days</i>	<i>Total</i>
Regulatory process costs	\$ 133,658	\$ 2,915	\$ 8,401	\$ 144,974
General cost recovery	1,000		7,195	8,195
Admin Penalty	10,000			10,000
HST recovery	379,506			379,506
Interest receivable	24,389			24,389
Allowance for Doubtful Accounts			(12,854)	(12,854)
Total	\$ 548,553	\$ 2,915	\$ 2,742	\$ 554,210

The OEB also has minimal credit risk exposure in regard to the \$2,512,258 (2019 - \$3,478,549) of regulatory process costs to be assessed due to high historical collection rates. Included in these costs is \$683,852 to be collected by 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, 2020.

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, 2020, the OEB had a cash balance of \$18,898,236 (2019 - \$16,485,514) to settle current liabilities of \$10,929,221 (2019 - \$10,738,323).

Notes to the Financial Statements (continued)

March 31, 2020

10. Related Party Transactions

The Province of Ontario is a related party as it is the controlling entity of the OEB. Therefore, the Independent Electricity System Operator (IESO), Ontario Power Generation (OPG), Hydro One, Ontario Electricity Financial Corporation (OEFB), Infrastructure Ontario, Ontario Ministry of Energy, Northern Development and Mines and Ontario Ministry of Finance are related parties of the OEB, through the common control of the Province of Ontario. The total related party transactions for FY 2020 are revenues of \$13,314,519 (2019 - \$11,825,087) and expenses of \$585,410 (2019 - \$367,307). These expenses relate to consulting and professional costs, information technology, advertising and leasing services. Revenues relate to general cost recovery, regulatory process costs, and funding from the Ministry of Energy, Northern Development and Mines to cover organizational restructuring including severance costs.

Related party transactions pertaining to employee future benefits are disclosed in note 6.

11. 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 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.