



ANNUAL REPORT **2020**



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Serving Ontario's municipalities for more than 25 years

ONE Investment brings Ontario's municipal sector together to benefit from the greater options and lower fees made possible by combining their investment power.

ONE was first offered as a program in 1993 by Local Authority Services (LAS), the business services arm of the Association of Municipalities of Ontario (AMO), and CHUMS Financing Corp., a subsidiary of the Municipal Finance Officers' Association of Ontario (MFOA). It has evolved to meet changing needs and a new regulatory environment. ONE Investment is now an incorporated not-for-profit organization focused on one thing: providing investment options that support the needs of Ontario's municipalities.

ONE aims to be the leader in best practices for municipal investment. Our purpose as a not-for-profit is to offer enhanced investment services and to expand municipal capacity for long-term investing and asset management planning. This includes education and training for municipalities with respect to linking investments to funding asset management plans.

ONE Investment offers municipalities and municipal treasurers:

- Five different investment products for different timeframes and needs, all compliant with the Province's "Legal List" of eligible investments
- A Joint Investment Board to manage pooled municipal investments for those who want the flexibility afforded by the Prudent Investor Standard
- In-person and online education and training opportunities
- Tools and templates to support staff reports to council

Vision

To be the leading investment solutions provider that empowers the Ontario municipal sector to effectively harness the potential of investments.

ONE Board of Directors

As a not-for-profit, ONE Investment is governed by a Board of Directors, which provides oversight and direction to the organization. This role is governed by federal not-for-profit legislation.

BOARD OF DIRECTORS

Ken Nix, Chair

CAO, Township of Scugog

Gary McNamara, Vice-Chair

Mayor, Town of Tecumseh

Robin Jones

Mayor, Village of Westport

Gary Kent

Commissioner, Corporate Services & CFO, City of Mississauga

Jean-Pierre Ouellette

Consultant and retired CAO
Town of Cochrane

Trevor Pinn

Director of Financial Services/Treasurer,
Municipality of Clarington

Julie Stevens

CAO, District Municipality of Muskoka

Nancy Taylor

Commissioner of Finance/Treasurer,
Regional Municipality of Durham

Julie Pittini

Director of Treasury Services, Region of Peel

Sandra Zwiers

Director of Finance/Treasurer, County of Essex

ONE is further guided by a Peer Advisory Committee comprised of municipal leaders and an Investment Advisory Committee, comprised of investment sector experts and legal representatives. These Committees were established prior to incorporation as a not-for-profit and they continue to provide additional advice.

PROGRAM (PEER) ADVISORY COMMITTEE

Tara Baker

City of Guelph

Michael Coffey

Tbaytel (a municipal service board of the
City of Thunder Bay)

Ed Hankins

Region of York

Erika Kromm

Municipality of Neebing

Mark Martin

City of Ottawa

Michael McGovern

Township of Central Frontenac

INVESTMENT ADVISORY COMMITTEE

Heather Douglas

Committee Chair, Partner Weir Foulds

Jennifer Dowty, CFA

James Giles, CFA, CPA

Bill Hughes, MBA, MES

Geri James, CFA

ONE Joint Investment Board

The ONE Joint Investment Board is responsible for the control and management of investments under the Prudent Investor Regime. This Board is governed by the Municipal Act. Ontario's Prudent Investor regulation requires an arms-length, independent investment board to oversee and implement a municipality's investments.

JOINT INVESTMENT BOARD

Bill Hughes, MBA, MES – Chair

Senior Fellow
University of Toronto Institute on
Municipal Finance and Governance

Geri James, CFA – Vice Chair

Senior Investment Specialist
Former Director, Institutional Client Business
BlackRock Asset Management

Jennifer Dowty, CFA

Equities analyst/business reporter
Globe and Mail

Heidi Franken, CPA

Registrar, CPA Ontario

James G. Giles, CFA, CPA

Former Chief Investment Officer
Foresters Financial

Mike Melinyshyn, MBA, CPA, CMA

CFO/Director of Corporate
Services and Deputy Treasurer
Town of Innisfil

Stephen Rettie, CPA, CMA

CAO and Deputy Treasurer
Town of Bracebridge



Message from Chair

I want to commend the ONE Investment team for their hard work during an extraordinary year. Our staff not only helped clients navigate financial markets, but also followed through on introducing the single biggest change in municipal investing in a generation: the launch of the ONE Joint Investment Board to manage a pool of municipal investments under the Prudent Investment Standard.

After years of advocacy and preparation, ONE's Prudent Investment Program gives Ontario municipalities access to global financial markets for the first time. The Prudent Investor Regime allows municipalities to invest in any security that is prudent for its circumstances, under the expert management of an investment board or joint investment board.

The events of 2020 certainly highlighted the benefits of greater flexibility when investing during times of market uncertainty. With more diverse portfolios, municipal investors can better manage risk and improve potential returns on long-term investments.

The ONE Joint Investment Board is Ontario's first and only Joint Investment Board bringing municipal governments together to invest under the province's Prudent Investor Regime. The City of Kenora, District Municipality of Muskoka and Towns of Bracebridge, Huntsville, Innisfil, and Whitby demonstrated leadership by becoming founders. They recognized that by working together and pooling resources, they could do more for their communities.

ONE Investment staff provided these Founding Municipalities with the support and staff capacity to move through the regulatory process to expand their investment powers. Each municipal portfolio is managed and guided by Council-approved policies and overseen by the Joint Investment Board. This group includes professionals with a mix of expertise in the municipal sector and the investment industry, including global markets and pensions.



Ken Nix
Chair

In 2020, ONE's team also pivoted quickly to support our existing "Legal List" investors, ensuring continued staff support even as they shifted to working remotely. Legal List investors are municipalities who limit their investments to a list of provincially approved securities.

Our fund managers did an exceptional job navigating markets on behalf of both our Legal List and Prudent Investment clients. We were very pleased to see many Legal List investors seize the opportunity presented by market downturns early in the year, with substantial increase in our Canadian Equity Fund holdings. This demonstrates how Ontario's municipalities are becoming increasingly sophisticated in understanding the potential of long-term planning and equity investments in their overall financial plans.

ONE is an investment organization created by municipalities, for municipalities. As the pandemic wears on, our investment advisory team and expert fund managers will continue to play an important role in ensuring that our investments continue to meet our investors' long-term goals.

Ken Nix

Chair ONE Investment Board

ONE Investment is based on the principle that by having municipalities combine their investment power, we can achieve more, at lower cost, generating greater returns.



Message from Management Team

In 2020, ONE Investment solidified our role as a leading provider of investment solutions for Ontario's municipal sector.

Business continuity and investment opportunities during the pandemic

As the COVID-19 pandemic began to shutter the province in early 2020, ONE's Advisory Services Team and staff moved quickly to ensure business continuity and support. Early in 2020, we helped our investors understand changing market conditions and hosted several webinars featuring our fund managers to provide insights on their analysis and approach to markets.

After years of investor education, we were gratified to see municipal investment in our Canadian Equity Portfolio increase substantially to almost \$700 million as municipalities recognized the opportunity to rebalance their portfolios in 2020. Equities offered through ONE's Canadian Equity Portfolio are currently the only ones available to municipalities investing through the Province's approved "Legal List" of investment products.

Opening global markets to Ontario municipalities

ONE successfully launched our Prudent Investor Program, an effort that has been years in the making. Switching to online tools and formats, ONE staff supported six Founding Municipalities to form the ONE Joint Investment Board (ONE JIB) in May 2020, in keeping with provincial requirements for the Prudent Investor Regime. ONE JIB is comprised of experts in municipal finance and investment markets, and it manages the pooled investments of the participating municipalities. In July 2020, the enabling by-laws came into effect to allow ONE JIB to begin managing the funds under the Prudent Investment Regime. ONE JIB's work is guided by Council-approved investment policy statements to ensure investments are managed in keeping with the goals of each municipality.

Part of the Prudent Investment Offering included launching the ONE Global Equity Fund and the ONE Global Bond Fund. These products allow participating municipalities to invest in global securities, guided by expert fund managers. These funds open Ontario's municipal investing to the world, with the opportunity to develop truly diverse, global portfolios.

Building capacity

Our Investment Advisory Team provides municipal treasurers with trusted expertise to help them manage their investments. This team includes a Chief Investment Officer who is a CFA Charterholder with extensive experience in global markets, a municipal finance expert, and a customer service



Judy Dezell

Co-President/CEO

representative with strong investment experience. About 60 municipalities took advantage of the team's services during 2020.

As municipal investing gets more sophisticated, ONE has made strengthening reporting and portfolio management a priority. In 2020, our new portfolio management system was fully implemented. This was critical to monitor Prudent Investment Funds for both compliance oversight and to rebalance portfolios as needed. Importantly, the new system generated major benefits for all clients in terms of improved quarterly reporting, with more in-depth performance metrics and analysis.

Training and education of the sector continued despite the pandemic. We shifted to online learning opportunities. Webinar series were introduced to help investors navigate and understand the markets and changes in spring and fall 2020. ONE also launched the podcast "Main Street to Bay Street," trying to reach a broader audience using new platforms. We also continued to use other tools, such as the ONE Update e-newsletter, to deliver investment expertise, resources, and knowledge to investors and municipal finance staff.

Serving municipal best interests

As a municipally focused, not-for-profit organization, ONE is consistently looking to provide the best value to Ontario's municipalities. On the Legal List, ONE took steps in late 2020 to protect investors in our High Interest Savings Account. In December 2020, the Board approved dropping our fees by four basis points (bps) to counteract lower interest rates. We will be going back to the market to leverage the power of more than \$2 billion in HISA holdings to get as competitive a rate as possible. We also dropped our fees by 10 bps for both our Canadian Equity Portfolio (Legal List) and the Canadian Equity Fund (Prudent Investment).

ONE remains strongly positioned to adapt to changing circumstances. Our established team of municipal finance and investment experts are focused on managing municipal investments to meet local communities' goals and aspirations. This team also provides municipalities with the added capacity and expertise needed to pursue more strategic municipal investing.

We want to thank our staff for their efforts and hard work during a challenging and eventful year, as well as our ONE Investment Board of Directors, members of our Peer and Investment Advisory Committees, and members of the ONE Joint Investment Board, for their support, guidance, and counsel. We also want to extend our thanks to our municipal investors, who entrust us with their funds. We look forward to continuing to work together towards our common goal of building a stronger Ontario.



Judy Dezell, Donna Herridge

Co-President/CEOs

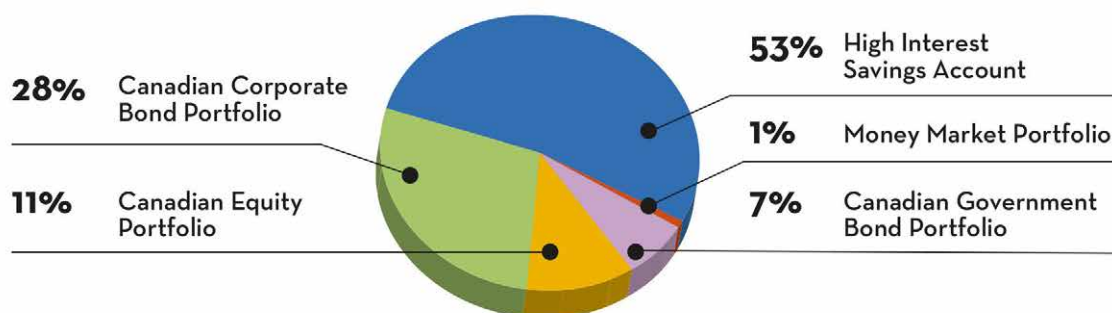
Donna Herridge
Co-President/CEO

ONE 2020 Highlights

ONE Investment had 183 active Ontario municipal and broader public sector investors, with a total investment balance of \$2.79 billion at the end of 2020.

Legal List Results Overview

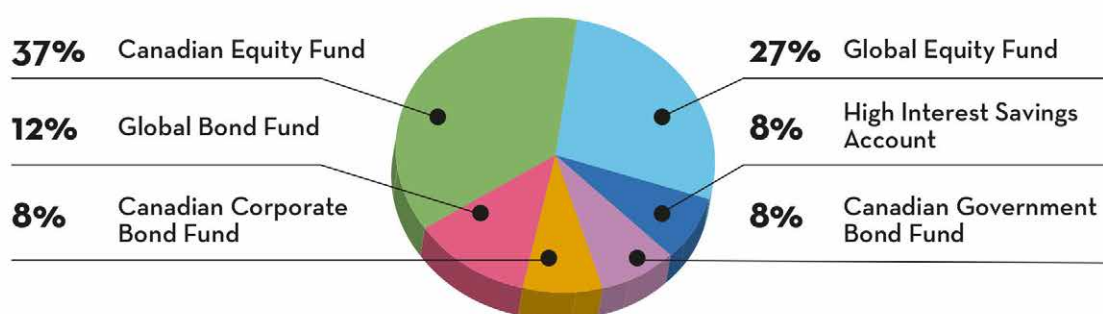
ONE Legal List Portfolio and HISA: Total 2020 Year-End Balance: \$2.47 billion



- Municipal Legal List investments managed by ONE Investment ended 2020 with a total balance at year-end 2020 of \$2.47 billion, 8.5% higher than the 2019 year-end balance.
- Read more about [ONE's 2020 portfolio performance](#) results.
- In 2020, ONE conducted a review of fees for existing Legal List Investment offerings. Following this review, fees for the Canadian Equity fund were reduced by 10 basis points (bps) for a new all-in rate of 50 bps effective January 1, 2021. (This fund is cloned under the ONE Prudent Investment Program and the 10-bps reduction will also be implemented under the ONE Prudent Investment Program.)
- As interest rates dropped in 2020, ONE moved to protect investors in the High-Interest Savings Account (HISA). ONE has dropped administrative fees for the HISA program from 7.5 bps to 3.5 bps and plans to go to market in 2021 for a HISA provider. With \$2 billion in investments, ONE has considerable leverage in negotiating improved rates on behalf of municipal investors.
- ONE Investment completed implementation of a new portfolio management system, strengthening quarterly reporting and enhanced information and commentary. This system improves municipal capacity to track investment performance and report back to council.

Launching the Prudent Investor Program

ONE Prudent Investor Funds: Total 2020 Year-End Balance: \$317 million



- In 2020, ONE Investment was proud to usher in a new era for municipalities that want to build more diverse investment portfolios with the launch of the ONE Joint Investment Board (ONE JIB) under the Prudent Investment Regime. This is the first and only Joint Investment Board of its kind serving Ontario municipalities.
- Six founding municipalities came together to form the ONE JIB, including the City of Kenora, District Municipality of Muskoka and Towns of Bracebridge, Huntsville, Innisfil, and Whitby. JIB members boast deep experience in financial markets, institutional investing and municipal finance.
- The ONE Global Equities Fund and the ONE Global Bond Fund were both developed as part of the Prudent Investment Offering. These funds provide municipal investors with access to global markets for the first time.
- ONE JIB began investing municipal funds in July of 2020. The Board manages each municipalities' investments, guided by their Council-approved investment policy statements. At year end, investments were valued at \$317 million.
- ONE JIB continues to identify new opportunities for municipal investors. In late 2020, it created a New Products Committee to investigate and expand Prudent Investment Offerings. This Board committee is guided by an external Technical Working Committee, comprised of municipal finance experts to provide input on products that would interest municipal investors.

Building Municipal Capacity: Investment Advisory Services, Education and Training

- ONE's Investment Advisory Services team of experts includes a CFA Charterholder, a municipal finance specialist, and a customer service representative with investment expertise. In 2020, the team served more than 60 municipal investors both those on the Legal List and the six Prudent Investor clients. The team guides municipalities through each step from understanding their cash flow and asset management plan, to turning municipal investments into a capital financing strategy. In addition, the team provides guidance on the appropriate investment policy and portfolio structure.
- Bridging the gap between municipal finance and the world of financial markets requires training and support. In 2020, ONE continued to support building capacity of municipal staff. Four webinars were held in collaboration with our Legal List fund managers, MFS and Guardian Capital to help our investors navigate changing markets due to the pandemic. Regular e-newsletters also provided further insights and information on municipal investing. In 2021, we are expanding our learning opportunities to increase investment knowledge in the municipal sector.

“All municipalities deserve the opportunity to generate as much return as we can on our existing tax dollars. We believe ONE is the right fit for us based on our experience with the program over the years. They understand the municipal sector. We believe in their strategy and leadership in the municipal community.”

Mayor Graydon Smith, Bracebridge

ONE Investment
Financial Statements
For the year ended December 31, 2020

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Independent Auditor's Report

To the Directors of ONE Investment

Opinion

We have audited the financial statements of ONE Investment (the "Organization"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 accounting standards for not-for-profit organizations, 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 Organization'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 management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

We 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 we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 11, 2021

ONE Investment Statement of Financial Position

| | 2020 | 2019 |
|----------------------------------|---------------------|---------------------|
| Assets | | |
| Current | | |
| Cash | \$ 317,982 | \$ 420,955 |
| Investments (Note 4) | 301,243 | - |
| Accounts receivable (Note 6 (a)) | 1,498,087 | 1,102,516 |
| Prepaid expenses | 53,184 | 22,966 |
| | 2,170,496 | 1,546,437 |
| Equipment (Note 3) | 10,596 | 1,513 |
| | \$ 2,181,092 | \$ 1,547,950 |

Liabilities

| | | |
|--|---------------------|---------------------|
| Current | | |
| Accounts payable and accrued liabilities (Note 5, 6 (b)) | \$ 1,167,728 | \$ 485,638 |
| Advances from related parties (Note 6 (c)) | 1,013,364 | 1,062,312 |
| | \$ 2,181,092 | \$ 1,547,950 |

On behalf of the Board:

Director

Director

The accompanying notes are an integral part of these financial statements.

ONE Investment Statement of Operations

| | 2020 | 2019 |
|--|------------------|------------------|
| Revenue | | |
| Management fees (Note 6 (d)) | \$ 3,883,372 | \$ 2,577,794 |
| Fund management expenditures | | |
| Bond manager - legal list | 231,776 | 205,824 |
| Corporate bond fund - prudent investor | 14,353 | - |
| Custodial recordkeeping - legal list | 99,722 | 8,000 |
| Custodial recordkeeping - prudent investor | 74,717 | - |
| Equity fund - prudent investor | 29,702 | - |
| Equity manager - legal list | 874,726 | 500,125 |
| General administration fees - legal list | 67,660 | 64,568 |
| Government bond fund - prudent investor | 14,351 | - |
| Global bond fund - prudent investor | 200,658 | - |
| Global equity fund - prudent investor | 230,176 | - |
| Money market manager - legal list | 10,105 | 8,642 |
| Prudent rebates and tier discounts | 94,892 | - |
| Universe corporate bond manager - legal list | 320,361 | 233,656 |
| | 2,263,199 | 1,020,815 |
| Operating expenditures | | |
| Advertising and promotion | 49,605 | 4,620 |
| Amortization | 2,437 | 349 |
| Bank fees | 590 | 130 |
| Communications | - | 17,489 |
| Consulting | 24,358 | 193,721 |
| General administration fees | 94,121 | 109,396 |
| Governance | 341,003 | 7,377 |
| Harmony system | 118,563 | 78,300 |
| Insurance | 80,767 | 154,207 |
| IT services | 30,365 | 38,647 |
| Legal fees | 433,547 | 581,870 |
| Office and general | 12,758 | 3,941 |
| Professional fees | 115,560 | 15,000 |
| Sponsorship | 15,000 | 10,000 |
| Staff support | 295,408 | 326,298 |
| Training and development | 4,202 | 3,755 |
| Travel | 1,889 | 11,879 |
| | 1,620,173 | 1,556,979 |
| Total expenditures | 3,883,372 | 2,577,794 |
| Excess of revenue over expenditures | \$ - | \$ - |

The accompanying notes are an integral part of these financial statements.

ONE Investment Statement of Cash Flows

| | 2020 | 2019 |
|---|-------------------|-------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Excess of revenue over expenditures | \$ - | \$ - |
| Adjustment required to reconcile excess of revenue over expenditures with net cash provided by operating activities | | |
| Amortization | 2,437 | 349 |
| Changes in non-cash working capital balances | | |
| Accounts receivable | (395,571) | (1,102,516) |
| Prepaid expenses | (30,218) | (22,966) |
| Accounts payable and accrued liabilities | 682,090 | 485,638 |
| | <u>258,738</u> | <u>(639,495)</u> |
| Investing activities | | |
| Purchase of equipment | (11,520) | (1,862) |
| Purchase of investments | (301,243) | - |
| | <u>(312,763)</u> | <u>(1,862)</u> |
| Financing activity | | |
| Advances from (repayments to) related parties | (48,948) | 1,062,312 |
| Increase (decrease) in cash during the year | (102,973) | 420,955 |
| Cash, beginning of year | 420,955 | - |
| Cash, end of year | \$ 317,982 | \$ 420,955 |

The accompanying notes are an integral part of these financial statements.

ONE Investment

Notes to Financial Statements

December 31, 2020

1. Basis of Presentation

ONE Investment (the "Organization") is a not-for-profit organization incorporated, without share capital, under Letters Patent on July 10, 2018 under the Canada Not-for-profit Corporations Act, and operations commenced transitioning to the Organization in 2019. The members of the Organization are Local Authority Services ("LAS") and CHUMS Financing Corporation ("CHUMS"). The Organization's mandate is to facilitate investments by municipalities and public sector bodies in investment products and vehicles and to make available, and lower the cost of, such products and services in a manner consistent with the investment objectives of such municipalities and public sector bodies, including:

- i. providing access to appropriate cash and treasury management products and services;
- ii. assisting municipalities and municipal agencies, boards and commissions (including local boards as well as conservation authorities) in building and expanding capacity as relates to effective financial and infrastructure asset management;
- iii. providing education and training to municipalities and municipal officers with respect to financial and infrastructure asset management; and
- iv. providing leadership through promotion of best practices in municipal finance.

As a not-for-profit organization, the Organization is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Accounting standards for not-for-profit organizations require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the choices selected by the Organization and applied in these financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Financial assets include cash, High Interest Savings Account (HISA), and accounts receivable. Transaction costs incurred on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

December 31, 2020

Computer equipment - 4 years straight-line

| Equipment | 2020 | | 2019 | |
|--------------------|-----------|--------------------------|----------|--------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Computer equipment | \$ 13,382 | \$ 2,786 | \$ 1,862 | \$ 349 |
| Net book value | | \$ 10,596 | | \$ 1,513 |

| | 2020 | 2019 |
|--|------------|------|
| One Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.535% | \$ 301,243 | \$ - |

Included in accounts payable and accrued liabilities are amounts payable to the government of \$34,852 (2019 - \$Nil).

ONE Investment Notes to Financial Statements

December 31, 2020

6. Related Party Transactions

- a) Included in accounts receivable are amounts due from Local Authority Services of \$746,284 (2019 - \$517,973) and amounts due from CHUMS Financing Corporation of \$746,284 (2019 - \$543,439).
- b) Included in accounts payable and accrued liabilities are amounts owing to Local Authority Services of \$25,110 (2019 - \$37,784).
- c) Amounts due to Local Authority Services of \$506,395 (2019 - \$541,063) and CHUMS Financing Corporation of \$506,969 (2019 - \$521,249) are unsecured, repayable on demand and are non-interest bearing.
- d) Included in revenue is \$1,941,686 (2019 - \$1,288,897) from Local Authority Services and \$1,941,686 (2019 - \$1,288,897) from CHUMS Financing Corporation, which is 100% of the Organization's revenue, for management fee income related to services performed. These transactions are measured at the exchange amount, which is the consideration established and agreed to by the related parties.
- e) Administration fees paid by to Local Authority Services were \$161,781 (2019 - \$173,967).

7. Financial Instrument Risks

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of market changes in interest rates. The Organization is exposed to interest rate risk on its investments.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and advances from related parties. The Organization reduces exposure to liquidity risk by ensuring that it maintains adequate cash reserves to pay creditors.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable and investments.

ONE Investment Notes to Financial Statements

December 31, 2020

8. Impact of COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

There could be further impacts on the Organization from COVID-19 that could impact the timing and amounts recognized in the Organization's financial results. The full potential impact of the ongoing pandemic on the Organization is unknown at this point.

9. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's method of presentation.



www.oneinvestment.ca