



ONE  
INVESTMENT

ANNUAL REPORT 2021

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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
- Access to the Prudent Investor Standard, through the ONE Joint Investment Board (ONE JIB), to any municipality regardless of size or assets
- 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.



## 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**



## 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 Melinshyn, 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

### **ONE is an investment organization created by municipalities, for municipalities.**

In 2021, our Investment Advisory Services team and expert fund managers continued to actively oversee municipal investments to meet our investors' long-term goals.

We strengthened investment opportunities for the municipal sector, both under the Legal List of provincially approved products as well as under the Prudent Investment Program, which marked one full year of operation.

More and more we see municipalities recognize the value of joining with others through ONE Investment to improve and expand investment options. Both our Legal List and Prudent Investment businesses experienced growth, with a number of new municipalities signing on to Legal List products and others exploring the Prudent Investor (PI) option. This growing interest is a by-product of our strategic plan work, which focused on being highly proactive in anticipating municipal needs.

We were also pleased to have more municipal governments take advantage of the expertise and advice of our Investment Advisory team. Our advisors, which includes a municipal finance expert as well as investment experts, are key to the value-add we provide municipalities. Their work addresses gaps in staff capacity and expertise by providing experienced, strategic investment services. This allows municipal finance staff to focus on what they know best, while leaving investment strategy to the experts.

We're proud of the following key achievements of 2021:

- ONE went to market in early 2021 seeking better rates on our Legal List High-Interest Savings Account (HISA). In addition to adding another HISA offering, we also renegotiated rates with our existing provider. Work on a third HISA option also began in 2021.
- Our Prudent Investment Program welcomed the northern Municipality of Neebing and the City of Quinte West, who both entered into agreements with ONE JIB in 2021, with enabling by-laws to begin investing under ONE in 2022.



**Gary  
McNamara**  
Chair

- ONE JIB created a New Products Committee to review product offerings. Its first priority is to review fixed income mandates and look for new PI options for HISA.
- ONE also struck a Technical Working Group, comprised of municipally employed CFAs and investment experts who are helping to inform the work of both ONE JIB's New Products Committee as well ONE Investment's Legal List offerings.
- ONE added two new municipal Legacy investors. Legacy Funds were created in communities where the local distribution company has been sold. The intent of these investments is to protect the principal amount in perpetuity, while generating income for the municipality.
- ONE continued to support municipal staff through newsletters and webinars, including support to meet new reporting requirements for upcoming changes to Public Accounting Standards.
- ONE further strengthened our approach to Environmental, Social and Governance (ESG) investing by starting work on our own ESG framework. This builds on the ESG policies already embraced by our investment managers.

Our team works continually to harness the collective investment power of the sector, to improve our offerings, and create new opportunities for Ontario's municipalities to invest for the long term and build stronger communities.

**Gary McNamara**

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

2021 was a year of growth, as the Prudent Investment (PI) Program completed its first full year of investing. New municipalities began to explore the PI option, while ONE saw others broaden their holdings within the Legal List.

### Legal List: New HISA options and strong interest in Canadian equities

ONE Investment moved to improve and expand its High Interest Savings Account offering by going to the market to secure better rates under HISA. Proposals from six financial institutions were reviewed based on the rate formula, rate stability and administrative ease. Leveraging the investment power of the municipal sector, ONE secured two new HISA providers and renegotiated the rate with our existing provider. This will allow investors the flexibility to have one or multiple accounts. To ensure we were meeting municipal needs, the process was also informed by municipal feedback to our HISA survey.

We were also pleased to see Legal List municipalities recognize the value of equity holdings as part of a broad and diversified portfolio. For our Legal List investors, Canadian equity holdings comprised 38% of more than \$2.5 billion in total Legal List investments by end of 2021, up from 11% the previous year.

### More municipalities investing globally under Prudent Investor

Staff supported a new group of potential Prudent Investors in 2021. The ONE Prudent Investor Working Group met regularly with ONE staff throughout the year to learn more about the process, and to network and learn from others. The Municipality of Neebing and the City of Quinte West both passed enabling by-laws by the end of 2021 to invest through ONE JIB effective January 1, 2022. Other municipalities are also exploring the PI option with ONE.

Prudent Investor has opened global markets up for municipal investors. ONE JIB, on behalf of our six Founding Municipalities, embraced ONE's Global Equity and Bond products to diversify portfolios. Total ONE Prudent Investor holdings were \$394.1 million with 31% held in Global Equities and 32% in Global Bond portfolios.

ONE JIB's New Products Committee also began to explore new opportunities for fixed income and HISA products for municipal PI investors. This work is guided by the Technical Working Group, an advisory group comprise of municipal CFAs.



**Judy Dezell**  
Co-President/CEO



## Supporting municipal staff and building capacity

ONE remains strongly positioned to adapt to changing circumstances. Our established Investment Advisory 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.

In 2021, panel discussions with our fund managers helped investors understand the philosophy, process and performance of both our Canadian fixed and equity products. 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.

## Setting a course forward for responsible, municipally focused investing

ONE's inaugural Strategic Plan was established in 2018, when the not-for-profit was first established. This work is bearing fruit as we see more municipalities recognize the value of long-term investing. Guided by the plan, ONE has become a financially sustainable not-for-profit focused on proactively serving the investment needs of the municipal sector.

Renewal of the Strategic Plan began in 2021. ONE's objective is to ensure we keep pace with changing market conditions and opportunities to meet our investor needs. This means continually seeking solutions to support municipalities of all sizes that want to invest - whether they are looking for a high-interest savings account or building an investment strategy and portfolio. It also means expanding education efforts and maintaining our advisory services to support municipal staff, particularly around the link between asset management plans and investment strategy.

Investing that prioritizes Environmental, Social and Governance (ESG) factors is becoming more important, especially for municipal governments. ONE's fund managers have all signed on the United Nations' Principles for Responsible Investment and have strong ESG policies and procedures. To complement and build on this work, ONE began developing its own ESG framework tailored to the needs of Ontario's municipal community.

We want to thank the ONE Investment Board of Directors, members of our Peer and Investment Advisory Committees, and members of ONE JIB, 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

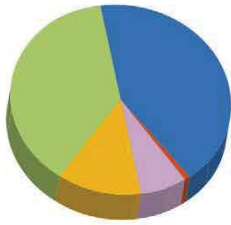


**Donna Herridge**

Co-President/CEO

ONE Investment had 197 active Ontario municipal and broader public sector investors, with a total investment balance of \$2.91 billion at the end of 2021

## Legal List Results Overview

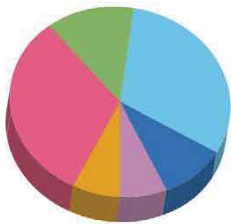


**ONE Legal List Portfolio and HISA - 2021 Balances \$2.52 billion**

42%	HISA	7%	Canadian Government Bond
38%	Canadian Equity	1%	Money Market
12%	Canadian Corporate Bond		

- Municipal Legal List investments managed by ONE Investment ended 2021 with a total balance at year-end of \$2.52 billion.
- As municipalities recognized opportunities in equity markets, there was significant movement to Canadian Equities, which rose to represent 38% of the portfolio from 11% in 2020.
- ONE Investment leveraged municipal investment power and negotiated higher rates on the existing High Interest Savings Account (HISA) and also secured another HISA option for municipalities.

## Expanding the Prudent Investor Program



**ONE Prudent Investor Funds - 2021 Balances \$394.1 million**

32%	Global Bond	10%	HISA
31%	Global Equity	7%	Canadian Government Bond
13%	Canadian Equity	7%	Canadian Corporate Bond

- ONE JIB was the first and it remains the only Joint Investment Board of its kind serving Ontario municipalities. It was founded by six municipalities and removes any Municipal Act barriers allowing all municipalities access to join. The six Founding Municipalities include the City of Kenora, District Municipality of Muskoka and Towns of Bracebridge, Huntsville, Innisfil, and Whitby.

- 2021 marked the first full year of investing for the six Founding Municipalities who came together in 2020 to form ONE JIB. Founding Municipalities took advantage of the broader, global options available through Prudent Investor. The proportion of investment in the ONE Global Equities Fund and the ONE Global Bond Fund both grew significantly.
- Several new municipalities began the process for joining the Prudent Investment Program. In 2021, the Municipality of Neening and the City of Quinte-West both passed by-laws to enable ONE JIB to manage investments starting in 2022.
- ONE JIB manages each municipalities' investments, guided by their Council-approved investment policy statements. At year end, the total ONE Prudent Investment portfolio was valued at \$394.1 million, up 24% from December 31, 2021.
- ONE JIB continues to identify new opportunities for municipal investors. Its New Products Committee began to explore new fixed income options for the Prudent Investment Program. An external Technical Working Committee, comprised of municipal finance experts, guides the committee's work and provides input on products that would benefit 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. The team helps existing clients on both the Legal List and Prudent Investment Program, as well as those exploring ONE's investment options. Common themes in 2021 included managing short-term liquidity as well as long-term funds in light of changing interest rates. There was also greater interest in understanding how to invest within an ESG (Environmental, Social and Governance) framework. The team continued to support investment strategy and investment policy work, including guidance on cash flow and asset management plans, investment policies and capital financing strategies.
- Bridging the gap between municipal finance and the world of financial markets requires training and support. In 2021, ONE continued to support building capacity of municipal staff. Webinars were held in collaboration with our Legal List fund managers, MFS and Guardian Capital to help our investors understand the philosophy, process and performance of both our Canadian fixed and equity products. Regular e-newsletters also provided further insights and information on municipal investing.

## A Prudent Investor Journey

### A Smaller Northern Community Thinks Big

The Municipality of Neebing became a Prudent Investor with ONE Investment as of January 2022. The rural, northern municipality has about 2,000 residents spread out over 877 square kilometres, halfway between Thunder Bay and Grand Portage, Minnesota. It is a rural residential community with Crown land, and some agriculture, forestry, and cottages. The Municipality maintains about 500 lane-kilometers of gravel and chip seal roads.

Deputy Clerk-Treasure Laura Jones wanted to help futureproof the Municipality's reserve funds by pursuing greater investment options and expertise. As a smaller municipality, joining with others made the most sense. Municipal staff began participating in monthly meetings with other municipalities interested in the joining the ONE Joint Investment Board (ONE JIB) as part of the Prudent Investor Regime. These meetings of the ONE Prudent Investor Working Group provided not only information about the ONE JIB, but also helped Neebing staff connect and network with others.

Using a combination of committees and public works staff, and with help from auditors and ONE Investment, the Municipality was able to develop sound assumptions to develop a capital plan approved by Council. This information helped drive the investment plan.

ONE Investment staff met with Neebing Council to answer questions and helped staff complete the necessary by-laws and documents. ONE's template documents and Council reports further helped inform Council and secure its support. Neebing learned that ONE JIB is a solution that can help municipalities of any size improve long-term investment planning and potential returns.

**"I knew that developing a capital plan and identifying how our reserve money would flow over the next several years was critical to my job. I had to accept that we would not have everything perfect for this first plan, but that once we had a plan, it could be changed. I am just entering into our first budget cycle with an approved capital plan, and it is already smoothing the process of budget discussions."**

*- Laura Jones, Deputy-Clerk Treasurer*

**ONE Investment**  
**Financial Statements**  
For the year ended December 31, 2021

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Tel: 289 881 1111  
Fax: 905 845 8615  
www.bdo.ca

BDO Canada LLP  
360 Oakville Place Drive, Suite 500  
Oakville ON L6H 6K8 Canada

## Independent Auditor's Report

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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, 2021, 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, 2021, 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



#### 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 6, 2022

**ONE Investment**  
**Statement of Financial Position**

December 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 210,235	\$ 317,982
Investments (Note 4)	803,572	301,243
Accounts receivable (Note 6 (a))	1,510,163	1,498,087
Prepaid expenses	85,841	53,184
	2,609,811	2,170,496
<b>Equipment (Note 3)</b>	<b>9,010</b>	<b>10,596</b>
	<b>\$ 2,618,821</b>	<b>\$ 2,181,092</b>

**Liabilities**

<b>Current</b>		
Accounts payable and accrued liabilities (Notes 5 and 6 (b))	\$ 1,390,372	\$ 1,167,728
Advances from related parties (Note 6 (c))	1,228,449	1,013,364
	<b>\$ 2,618,821</b>	<b>\$ 2,181,092</b>

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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



## ONE Investment Statement of Operations

For the year ended December 31	2021	2020
<b>Revenue</b>		
Management fees (Note 6 (d))	\$ 5,096,930	\$ 3,883,372
<b>Fund management expenditures</b>		
Bond manager - legal list	210,953	231,776
Corporate bond fund - prudent investor	29,390	14,353
Custodial recordkeeping - legal list	264,434	99,722
Custodial recordkeeping - prudent investor	221,213	74,717
Equity fund - prudent investor	72,356	29,702
Equity manager - legal list	1,335,222	874,726
General administration fees - legal list	70,728	67,660
Government bond fund - prudent investor	29,565	14,351
Global bond fund - prudent investor	423,889	200,658
Global equity fund - prudent investor	571,968	230,176
Money market manager - legal list	9,257	10,105
Prudent rebates and tier discounts	223,841	94,892
Universe corporate bond manager - legal list	332,219	320,361
	<b>3,795,035</b>	<b>2,263,199</b>
<b>Operating expenditures</b>		
Advertising and promotion	17,537	49,605
Amortization	3,383	2,437
Bank fees	944	590
Consulting	3,780	24,358
General administration fees	96,984	94,121
Governance	365,304	341,003
Harmony system	93,363	118,563
Insurance	102,193	80,767
IT services	30,667	30,365
Legal fees	106,773	433,547
Office and general	10,818	12,758
Professional fees	99,442	115,560
Sponsorship	-	15,000
Staff support	364,405	295,408
Training and development	6,226	4,202
Travel	76	1,889
	<b>1,301,895</b>	<b>1,620,173</b>
<b>Total expenditures</b>	<b>5,096,930</b>	<b>3,883,372</b>
<b>Excess of revenue over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>

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

## ONE Investment Statement of Cash Flows

For the year ended December 31	2021	2020
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures	\$ -	\$ -
Adjustment required to reconcile excess of revenue over expenditures with net cash provided by operating activities		
Amortization	3,383	2,437
Changes in non-cash working capital balances		
Accounts receivable	(12,076)	(395,571)
Prepaid expenses	(32,657)	(30,218)
Accounts payable and accrued liabilities	222,644	682,090
	181,294	258,738
<b>Investing activities</b>		
Purchase of equipment	(1,797)	(11,520)
Purchase of investments	(502,329)	(301,243)
	(504,126)	(312,763)
<b>Financing activity</b>		
Advances from (repayments to) related parties	215,085	(48,948)
	(107,747)	(102,973)
<b>Cash, beginning of year</b>	317,982	420,955
<b>Cash, end of year</b>	\$ 210,235	\$ 317,982

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

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# ONE Investment Notes to Financial Statements

**December 31, 2021**

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## 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.

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## 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.

## ONE Investment Notes to Financial Statements

**December 31, 2021**

### 2. Significant Accounting Policies (continued)

#### Revenue Recognition

Management fees are recognized as revenue in the period to which the fees relate.

#### Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful life as follows:

Computer equipment - 4 years straight-line

### 3. Equipment

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 15,179	\$ 6,169	\$ 13,382	\$ 2,786
Net book value		<u>\$ 9,010</u>		<u>\$ 10,596</u>

### 4. Investments

	2021	2020
One Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.735% (2020 - bank prime rate less 1.535%)	<u>\$ 803,572</u>	<u>\$ 301,243</u>

### 5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are amounts payable to the government of \$24,554 (2020 - \$34,852).

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## ONE Investment Notes to Financial Statements

**December 31, 2021**

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### 6. Related Party Transactions

- a) Included in accounts receivable are amounts due from Local Authority Services of \$749,581 (2020 - \$746,284) and amounts due from CHUMS Financing Corporation of \$749,581 (2020 - \$746,284).
- b) Included in accounts payable and accrued liabilities are amounts owing to Local Authority Services of \$31,072 (2020 - \$25,110).
- c) Amounts due to Local Authority Services of \$616,454 (2020 - \$506,395) and CHUMS Financing Corporation of \$611,995 (2020 - \$506,969) are unsecured, repayable on demand and are non-interest bearing.
- d) Included in revenue is \$2,548,465 (2020 - \$1,941,686) from Local Authority Services and \$2,548,465 (2020 - \$1,941,686) 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 \$167,712 (2020 - \$161,781).

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### 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.

The logo for ONE INVESTMENT features the word "ONE" in a large, serif font. The "O" is white, the "N" is white with a yellow diagonal line, and the "E" is yellow. Below "ONE" is a thin yellow horizontal line, and underneath that, the word "INVESTMENT" is written in a smaller, white, sans-serif font.

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