MUNICIPAL EMPLOYER PENSION CENTRE ONTARIO

ANNUAL REPORT 2020

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MEPCO MUNICIPAL EMPLOYER PENSION CENTRE ONTARIO

Association of Municipalities of Ontario (AMO)

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Letter from the MEPCO Chair and President

2020 brought uncertainty to many aspects of what was once normal daily life. The pandemic changed the way we work and live, and it continues to impact global financial markets. The events of 2020 highlighted, more than ever before, the importance of sustainability for the OMERS Pension Plan. Tens of thousands of municipal employees rely on the Plan for their retirement.

In 2020 MEPCO supported several Plan changes designed to address COVID-19 impacts on employers and employees, including allowing members to purchase credited service for time away from work due to temporary layoffs.

Another key Plan change approved in 2020, and fully supported by MEPCO, is the concept of Shared Risk Indexing, which allows for the temporary reduction of future benefit indexation levels, if needed, to protect Plan sustainability. Shared Risk Indexing is a sustainability lever in the toolbox, giving OMERS more options to weather economic downturns and unexpected events. More information on Plan changes approved in 2020 is available on page 7.

In early 2021, OMERS reported 2020 net investment returns of -2.7%, pointing to lockdowns and other factors related to the pandemic to explain poor performance. These results were concerning as long-term Plan investment performance is a key driver of contribution rates and benefits. Results for the first half of 2021 are much better, with a net return of 8.8%, bringing the Fund's value up to \$114 billion.

MEPCO continues to support an OMERS Plan that is sustainable, affordable and meaningful for employers and employees. As Plan sponsor, AMO's job is to appoint qualified members to the OMERS Boards. MEPCO's work ensures that AMO's appointees have the resources, expertise and analysis that they need to fulfil their duties in a way that is fully informed by the realities and aspirations of Ontario's municipal employers.

MEPCO's Board is made up of experts in finance, pensions and municipal administration. Three of our long-serving members completed their terms in early 2021, including past-Chair Doug Reycraft and Board members Manon Harvey and Gretchen Van Reisen. Each served the organization since its inception and their expertise, insight and leadership will be missed.

Finally, MEPCO could not do its work to bring the municipal employer perspective to the forefront without your contributions. All municipal governments that are OMERS members benefit from this work and more than 300 contributed to MEPCO in 2020. Thank you for your support.

Sincerely,

Peter Hume, MEPCO Chair (as of May 2021)

Brian Rosborough, MEPCO President

About MEPCO

The Municipal Employer Pension Centre of Ontario (MEPCO) is a non-profit corporation that provides advice and resources to the Association of Municipalities of Ontario's (AMO) appointees to the OMERS corporate boards. MEPCO allows AMO to fulfil its statutory obligations as a Sponsor of the OMERS Pension Plan.

Employers and employees have a shared interest in protecting the long-term health and sustainability of the OMERS Plan. As many employee members are well represented by employee organizations, MEPCO provides the opportunity for municipal employers to pool resources and speak with one strong, well-informed voice. AMO's member municipal governments are OMERS's largest employer group, representing more than 36% of active members.

MEPCO shares OMERS's goal to ensure a sustainable, affordable and resilient pension plan that meets the needs of municipal employers and employees.

What Does MEPCO Do?

MEPCO shares its pension, actuarial and legal expertise and resources with AMO's appointees to the OMERS Sponsors Corporation (SC) and Administration Corporation (AC) Boards. MEPCO brings the municipal perspective to OMERS-related decisions by:

- Analyzing the impact of pension issues on municipal employers.
- Evaluating every proposed Plan change.
- Providing AMO's appointees to OMERS with advice, tools, professional actuarial and legal advice on Plan design, funding, growth and other matters.
- Keeping MEPCO members informed by issuing regular updates.
- Taking part in the selection process for AMO's SC and AC appointees.
- Recruiting a strong MEPCO Board membership with a broad spectrum of expertise, including a mix of public and private sector experts and municipal officials.

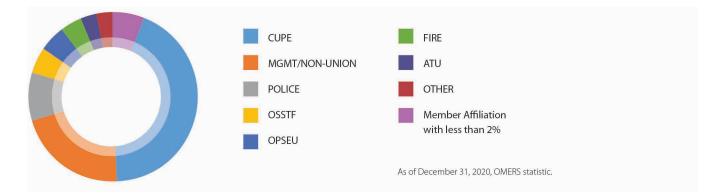
Funding

MEPCO relies entirely on voluntary contributions from municipal government employers and the Province's district social services administration boards (DSSABs) to complete its work. All OMERS member municipalities benefit from MEPCO's work so it is reasonable to expect that they all contribute. In 2020, 329 of these organizations contributed to MEPCO.

About OMERS

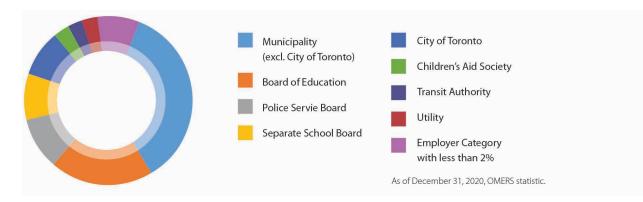
The Ontario Municipal Employees Retirement System (OMERS) is the Pension Plan for more than half a million active and retired municipal employees from communities across the province. OMERS has generated more than \$105 million in net assets, making it one of the largest defined benefit pension plans in Canada.

AMO's member municipal governments are OMERS's largest employer group, representing more than 36% of active Plan members in 2020¹. AMO created MEPCO to provide municipal employers with support, advocacy and resources on OMERS matters that is equivalent to the level of support provided by other OMERS sponsor organizations. More information about OMERS is available at **www.omers.com**.



Affiliation of Active OMERS Members in 2020

Employer Category of Active OMERS Members in 2020



¹ Municipal governments, excluding the City of Toronto, represented 104,959 active OMERS Plan members in 2020.

Key Developments in 2020 and MEPCO's Work

OMERS Board Composition and Effectiveness Review

As part of good governance practices, the OMERS Sponsors Corporation (SC) periodically reviews its effectiveness and composition, as well as that of the Administration Corporation (AC). In 2019 the SC Board, through its Corporate Governance Committee, began a Board Effectiveness Review which resulted in the following decisions:

- Beginning in 2021, the SC Board has a Chair and Vice-Chair, replacing the current Co-Chair model.
- The current appointment process for the SC Board will be maintained with sponsors directly appointing Board members.
- SC and AC directors will have a 12-year term limit.

MEPCO supported these changes as they are in line with good governance practices and should help contribute to the Plan's long-term sustainability.

The Review continued in 2020 and the SC consulted with stakeholders, including AMO, on current by-laws, including:

- Composition of the OMERS Boards.
- Weighted voting.
- Super-majority voting.
- Arbitration for disputes relating to Plan change decisions.
- Arbitration for disputes relating to nomination and appointments to the Administration Corporation Board.

AMO's appointees to the SC Board have two votes each, reflecting the large proportion of OMERS members employed by municipal governments. MEPCO opposed any changes to weighted voting and maintained that employers should continue to hold a proportionate share of the votes on the Board. AMO, as the Plan sponsor on behalf of municipal employers, formally submitted this position to OMERS.

The SC Board decided not to make any changes to Board composition, weighted voting or super-majority voting.

On arbitration related to Plan changes, the SC committed to reviewing this practice in 2021 as part of a larger review of the Plan design change process. The SC will end the practice of arbitration related to disputes around Board appointments for directors who begin after January 1, 2022. The SC decided that the appointment of a director is fundamental to the best interest of the Plan and should not be left to a third party to decide.

The Comprehensive Plan Review

The 2018 OMERS Comprehensive Plan Review (CPR) was the first full review of the Plan in more than 50 years. The CPR process provided an opportunity to improve Plan sustainability, a goal shared by all sponsors. While several Plan changes were proposed, the SC did not have the two-thirds majority support needed to approve any of the changes that were likely to improve sustainability.

MEPCO's Board was disappointed with the CPR results. However, the Board continues to call for the Sponsors Corporation to advance the principles of the CPR process and implement common-sense changes that would improve Plan health and protect benefits, including changes to the indexation levels.

Shared Risk Indexing

In June 2020, the OMERS Sponsors Corporation Board (SC) approved several Plan changes, including the provision for Shared Risk Indexing (SRI) – a change fully supported by the MEPCO Board.

Shared Risk Indexing gives the SC Board the ability, based on its annual assessment of the Plan's health, to assess the Plan's capacity for inflationary increases to benefits earned after December 31, 2022. SRI does not impact benefits earned before this date. Prior to this change, benefits were guaranteed to be fully indexed to inflation regardless of the financial impact for the Plan.

Shared Risk Indexing is just that – it allows the impact of changes to indexation to be shared broadly across Plan members. As Plan maturity, demographic changes and market volatility continue to pose challenges to the Plan's long-term health, it is prudent to ensure that sustainability levers like SRI are available to the Sponsors Corporation to be used as needed.

More information about Shared Risk Indexing is available on the OMERS website.

COVID-19

Throughout 2020, the COVID-19 pandemic rocked global markets, highlighting the importance of sustainability for all pension plans. The pandemic created exceptional circumstances for everyone, including municipal employers and employees. Municipal employers requested several measures to help manage those impacts, including:

- Extending leave purchase deadlines.
- Reducing or eliminating the 36-month employment requirement for purchases of periods of reduced pay.
- Allowing members to purchase credited service for periods of absence or layoff that were initiated in 2020 or 2021.

All three of these changes, supported by MEPCO's Board, were approved by the SC in June 2020. Visit **OMERS's website** for regular updates on how COVID-19 is impacting the Plan.

Working with Employee Sponsors to Oppose Accounting Changes

In December 2020 employer and employee sponsors, including AMO, CUPE and others signed a joint letter to the Public Sector Accounting Board (PSAB) outlining concerns about the organization's ongoing consultations.

PSAB is considering requiring public entities to report their share of a pension plan's accrued benefit as a liability on financial statements. Plan sponsors believe that these changes are not appropriate for public sector pensions in Canada. They could increase volatility in public sector financial statements, lead to higher administrative costs and added complexity.

Keeping Members Informed

OMERS Education Session at the AMO Conference

For the first time in the organization's 120-year history, the 2020 AMO Conference was delivered entirely online due to the COVID-19 pandemic. OMERS AC President and CEO Blake Hutcheson and OMERS SC CEO Michael Rolland delivered a **video presentation at the Conference** that can be viewed on YouTube.

Newsletter

MEPCO continues to issue a quarterly e-newsletter to keep members informed of important developments in the sector and MEPCO's ongoing work. Each issue is posted on **MEPCO's website**.

MEPCO Board of Directors



Peter Hume, MEPO Chair (as of March 2021)



Deborah Dubenofsky



Aubrey Basdeo MBA



Rick Goldring *CFP, CLU, CH.F.C.*



James C L Clark CPA, CA, CFA



Barbara Hume-Wright B.A., B.Ed., M. Sc., C. Dir.



Lynn Dollin Mayor, Town of Innisfil



Patrick Moyle



Janet G. Downing



John Skorobohacz

OMERS Plan Governance

The Ontario Municipal Retirement System (OMERS) is governed by two corporate Boards. The **Sponsors Corporation (SC)** is responsible for Plan design, including changes to contribution rates. The **Administration Corporation (AC)** is responsible for the Plan's day to day operations, including managing investment strategy, Plan valuation and benefit administration. The two Boards are made up of employee and employer representatives. AMO appoints two members to each Board. MEPCO provides AMO's appointees with key resources, advice and expertise.

Sponsors Corporation Board of Directors

Employer Representatives	Employee Representatives		
Barry Brown (Vice Chair)	Frank Ramagnano (Chair)		
Association of Municipalities of Ontario (AMO)	Ontario Professional Fire Fighters' Association (OPFFA)		
Marianne Love	Dan Axford		
Association of Municipalities of Ontario (AMO)	Police Association of Ontario (PAO)		
Frederick Biro	Paul Bailey		
Ontario Association of Police Services Boards (OAPSB)	Retiree - Police Pensioners Association of Ontario (PPAO)		
Mary McConville	Jason Chan		
Ontario Association of Children's Aid Societies (OACAS)	Canadian Union of Public Employees (CUPE) Local 79		
Charlie Macaluso	Giulia Volpe		
Electricity Distributors Association (EDA)	Ontario Public Service Employees Union (OPSEU)		
Pete Derochie	John Weatherup		
Ontario Catholic School Trustees' Association (OCSTA)	Canadian Union of Public Employees (CUPE) Ontario		
Joe Pennachetti	Sandra Sahli		
City of Toronto	Ontario Secondary School Teachers' Federation (OSSTF)		

Administration Corporation Board of Directors

George L. Cooke (Chair)

Employer Representatives	Employee Representatives	
Monty Baker	Darcie Beggs	
Ontario Association of Police Services Boards (OAPSB)	Canadian Union of Public Employees Ontario (CUPE)	
David M. Beatty	Paul Elliot	
City of Toronto	Ontario Secondary School Teachers' Federation (OSSTF)	
William (Bill) Butt	Laurie Hutchinson	
Electricity Distributors' Association (EDA)	Ontario Public Service Employees Union (OPSEU)	
Michael Fenn	Charlene Mueller	
Association of Municipalities of Ontario (AMO)	Canadian Union of Public Employees Ontario (CUPE)	
Debbie Fischer	Rajiv Silgardo	
Ontario Association of Children's Aid Societies (OACAS)	Ontario Professional Fire Fighters Association (OPFFA)	
Cliff Inskip Ontario Catholic School Trustees' Association (OCSTA), and the Ontario Public School Boards' Association (OPSBA)	David Tsubouchi Retiree Organization	
Penny Somerville	Yung Wu	
Association of Municipalities of Ontario (AMO)	Police Association of Ontario (PAO)	

Municipal Employer Pension Centre of Ontario Financial Statements For the year ended December 31, 2020

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Independent Auditor's Report

To the Directors of Municipal Employer Pension Centre of Ontario

Opinion

We have audited the financial statements of Municipal Employer Pension Centre of Ontario ("MEPCO"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets 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 MEPCO as at December 31, 2020, and results of its 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 MEPCO 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 MEPCO'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 MEPCO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing MEPCO'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 MEPCO'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 MEPCO'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 MEPCO 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 May 10, 2021

Municipal Employer Pension Centre of Ontario Statement of Financial Position

December 31	2020	2019
Assets		
Current Cash Investments (Note 3) Accounts receivable Prepaid expenses	\$ 5,546 936,474 21,172 6,919	\$ 20,413 896,292 6,989 7,907
	\$ 970,111	\$ 931,601
Liabilities and Net Assets		
Current Accounts payable and accrued liabilities (Note 6(c)) Due to Association of Municipalities of Ontario (Note 6(a))	\$ 37,387 5,759	\$ 46,033 -
	 43,146	46,033
Net assets Internally restricted funds		
Arbitration and Mediation Reserve (Note 5)	445,548	445,548
Wind Up Reserve (Note 5) Unrestricted	 321,893 159,524	321,893 118,127
	 926,965	885,568
	\$ 970,111	\$ 931,601

On behalf of the Board:

Peter Hume

Director

Felcla Director

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

Municipal Employer Pension Centre of Ontario Statement of Operations

For the year ended December 31		2020	2019
Revenue Municipal contributions	\$	629,228 \$	610,874
Interest income	Ψ 	14,729	27,031
		643,957	637,905
Expenditures			
Administrative (Note 6(b))		498,729	509,727
Board expense		79,928	83,214
Communications expense		12,122	23,059
Consultants expense		11,781	12,682
		602,560	628,682
Excess of revenue over expenditures	\$	41,397 \$	9,223

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

		Mun	icip	al Empl	loyer I Staten	Pension nent of	с С D	Municipal Employer Pension Centre of Ontario Statement of Changes in Net Assets	of (Net	Ontario : Assets
For the year ended December 31										
	I	Internally Restricted	Rest	ricted						
	∢	Arbitration								
	_	Mediation Reserve		Wind-Up Reserve Unrestricted	Unrest	ricted		Total 2020		Total 2019
Balance, beginning of year	\$	\$ 445,548	\$	\$ 321,893	\$ 118,127	8,127	\$	\$ 885,568	÷	\$ 876,345
Excess of revenue over expenditures				•	4	41,397		41,397		9,223
Balance, end of year	\$	\$ 445,548	\$	\$ 321,893	\$ 159	159,524	\$	926,965	÷	\$ 885,568

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

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Municipal Employer Pension Centre of Ontario Statement of Cash Flows

For the year ended December 31	2020	2019
Cash provided by (used in)		
Operating activities Excess of revenue over expenditures Changes in non-cash working capital balances	\$ 41,397 \$	9,223
Accounts receivable Prepaid expenses Accounts payable and accrued liabilities Due to Association of Municipalities of Ontario	 (14,183) 988 (8,646) 5,759	(5,262) (1,550) 25,081 (22,867)
	25,315	4,625
Investing activity Purchase of investments	 (40,182)	(28,442)
Decrease in cash during the year	(14,867)	(23,817)
Cash, beginning of year	 20,413	44,230
Cash, end of year	\$ 5,546 \$	20,413

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

Municipal Employer Pension Centre of Ontario Notes to Financial Statements

December 31, 2020

1. Basis of Presentation

Municipal Employer Pension Centre of Ontario ("MEPCO") is a not-for-profit organization incorporated on August 1, 2007, under Letters Patent under provisions of Part II of the Canada Corporations Act. MEPCO became operational on January 1, 2008. The mandate of MEPCO is to fulfill the obligations of the Association of Municipalities of Ontario ("AMO") and others under the Ontario Municipal Employees Retirement Systems Act, 2006.

As a not-for-profit organization, MEPCO 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 MEPCO 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. Transaction costs incurred on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Revenue Recognition

MEPCO follows the deferral method of accounting for externally restricted contributions whereby contributions are deferred and recognized as revenue in the period to which the fees relate or the expenses are incurred. All other contributions are recognized in the period received.

Interest income is recognized as revenue in the period it is earned.

Municipal Employer Pension Centre of Ontario Notes to Financial Statements

December 31, 2020

3.

Investments		
	 2020	2019
One Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.535% (2019 - bank prime rate less 1.535%).	\$ 936,474	\$ 896,292

Capital Management 4.

The capital structure of MEPCO consists of internally restricted funds (Note 5) and unrestricted net assets. The primary objective of MEPCO's capital management is to provide adequate funding to fulfill the obligations of Association of Municipalities of Ontario ("AMO") and others under the Ontario Municipal Employees Retirement Systems Act, 2006.

The purpose of the internally restricted funds is to provide (a) arbitration and mediation services to support its members' interests should mediation / arbitration be required through the OMERS conflict resolution process; and (b) for the eventual wind-up of MEPCO.

Unrestricted net assets are funds available for future operations and preserved so MEPCO can have financial flexibility should opportunities arise in the future.

Internally Restricted Net Assets 5.

Arbitration and Mediation Reserve

The Board of Directors ("Board") has allocated certain amounts to be used specifically for arbitration and mediation. These funds are not available for general purposes and require the approval of the Board prior to use.

Wind-Up Reserve

The Board has set aside funds for the eventual wind-up of MEPCO. Each year, management will reassess the necessary reserve and based on that assessment, transfer an amount to the reserve subject to the surplus available.

Related Party Transactions 6.

- Amounts due to AMO are unsecured, repayable on demand and are non-interest a) bearing.
- Included in administration expense is \$466,744 (2019 \$468,865) for administration and b) occupancy costs charged by AMO. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.
- Included in accounts payable and accrued liabilities are amounts owing to AMO of C) \$23,245 (2019 - \$27,172).

Municipal Employer Pension Centre of Ontario Notes to Financial Statements

December 31, 2020

7. Financial Instruments 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. MEPCO is exposed to interest rate risk on its investments.

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. MEPCO's main credit risks relate to its accounts receivable from its members and investments.

Liquidity risk

Liquidity risk is the risk that MEPCO will encounter difficulty in meeting the obligations associated with its financial liabilities. MEPCO is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and amounts due to AMO. MEPCO reduces exposure to liquidity risk by ensuring that it maintains adequate cash reserves to pay creditors.

It is management's opinion that MEPCO is not exposed to significant interest rate, credit or liquidity risk arising from its financial instruments.

8. 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 MEPCO from COVID-19 that could affect the timing and amounts recognized in MEPCO's financial results. The full potential impact of the ongoing pandemic on MEPCO is not known at this time.

9. Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.



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