

Attachment 1



ANNUAL REPORT 2023

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Vision

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

Marking 30 years as the only not-for-profit for municipal investors, serving nearly 40% of Ontario municipalities

ONE Investment (ONE) 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 the 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 is to offer enhanced investment services and to expand municipal capacity for long-term investing and asset management planning. We provide Investment Advisory Services to help municipalities develop investment strategies to meet their goals. As well, ONE offers education and training to help municipalities link 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.
- Access to the Prudent Investor Standard, through the ONE Joint Investment Board (ONE JIB), to any municipality, regardless of population or financial assets, which seeks more strategic and flexible investment strategies.
- In-person and online education and training opportunities.
- Tools and templates to support staff reports to council.

Governance

ONE Investment 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 | |
|---|---|
| Julie Stevens <i>Chair</i> | Chief Administrative Officer (CAO), District Municipality of Muskoka |
| Gary McNamara <i>Vice-Chair</i> | Mayor, Town of Tecumseh |
| Stephanie Leveille | Treasurer, City of Temiskaming Shores |
| Terrie Miller | CFA, Consultant |
| Ken Nix | CAO, Township of Scugog |
| Trevor Pinn | Deputy CAO, Finance and Technology/Treasurer, Municipality of Clarington |
| Nancy Taylor | Commissioner of Finance/Treasurer, Regional Municipality of Durham |
| Julie Pittini | Director of Treasury Services, Region of Peel |
| Sandra Zwiers | CAO, County of Essex |

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 | |
|--|---|
| <p>Bill Hughes MBA, MES – Chair</p> | <p>Senior Fellow, University of Toronto Institute on Municipal Finance and Governance</p> |
| <p>Geri James CFA – Vice Chair</p> | <p>Senior Investment Specialist Former Director, Institutional Client Business BlackRock Asset Management</p> |
| <p>Jennifer Dowty CFA</p> | <p>Equities analyst/business reporter Globe and Mail</p> |
| <p>Heidi Franken CFA</p> | <p>Registrar CPA Ontario</p> |
| <p>James G. Giles CFA, CPA</p> | <p>Former Chief Investment Officer Foresters Financial</p> |
| <p>Mike Melinyshyn MBA, CPA, CMA</p> | <p>CFO/Director of Corporate Services and Deputy Treasurer Town of Innisfil</p> |
| <p>Scott Pountney CFA, CAIA, RIPC</p> | <p>Director, Managed Assets Program, Aviso</p> |
| <p>Stephen Rettie CPA, CMA</p> | <p>CAO and Deputy Treasurer Town of Bracebridge</p> |
| <p>Christine Tessier CFA, CAIA</p> | <p>Chief Investment Officer at Harbourfront Wealth Management</p> |

Advisory Committees

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 advice primarily related to ONE's Legal List investment products.

PROGRAM (PEER) ADVISORY COMMITTEE

| | |
|-------------------------|--|
| Tara Baker | General Manager/City Treasurer City of Guelph |
| Erika Kromm | Clerk-Treasurer Municipality of Neebing |
| Mark Martin | Manager, Treasury City of Ottawa |
| Michael McGovern | Treasurer Township of Central Frontenac |

INVESTMENT ADVISORY COMMITTEE

| | |
|---|--|
| Heather Douglas <i>LLB, Committee Chair</i> | Partner, WeirFouldsLLP |
| Jennifer Dowty <i>CFA</i> | Equities analyst/business reporter Globe and Mail |
| James G. Giles <i>CFA, CPA</i> | Former Chief Investment Officer Foresters Financial |
| Bill Hughes <i>MBA, MES</i> | Senior Fellow, University of Toronto Institute on Municipal Finance and Governance |
| Geri James <i>CFA</i> | Senior Investment Specialist Former Director, Institutional Client Business BlackRock Asset Management |
| Christine Tessier <i>CFA, CAIA</i> | Chief Investment Officer at Harbourfront Wealth Management |

2023-2027 Strategic Plan:

A renewed vision to be the leading investment solutions partner for the Ontario municipal sector.

The Strategic Plan aligns our goals with the needs of municipal and broader public sector investors. The plan identifies four main strategic imperatives:

1 Develop our data & analytics capabilities: initiatives that help ONE collect and leverage insights in a more effective manner.



2 Grow our people & capabilities: initiatives that improve ONE's ability to provide products and services to current and potential clients.



3 Grow our brand, awareness & education: initiatives that support ONE's growth goals as they relate to engagement with and support of municipalities.



4 Drive investment maturity: initiatives that better enable ONE to support the investment maturity development of municipalities, with the goal of Prudent Investor participation.



Message from the ONE Investment Board Chair



The world does not stop changing, and neither does ONE Investment. The pressures on municipal budgets, asset management plans and infrastructure spending are only escalating.

In 2023, ONE marked its 30th anniversary and continued to evolve as a leader in municipal investments – creating innovative new solutions to help make investing easier, less costly and more effective – for more municipalities.

The ONE Legal List Investment Program allows municipalities to jointly invest in securities that are specified in provincial regulations. Choices include High Interest Savings Accounts, as well as Canadian government and corporate bonds and equities that are all aligned with this provincial Legal List.

The ONE Prudent Investment (PI) Program, launched in 2020, allows Participating Municipalities to invest long-term funds far more broadly and globally while still being compliant with provincial legislation.

Municipalities appoint the ONE Joint Investment Board (ONE JIB), an independent board of seasoned experts, to manage their portfolio. The Program includes a suite of investment products that is broader than those offered under the Legal List Program, as well as advisory services including templates and support for the Council process.

The PI Program continued to grow in 2023. The Town of Aylmer and the Town of Aurora both joined the program, bringing the total to 11 municipalities. This is nearly double the six that helped found the ONE JIB in 2020.

Providing more ways for municipal investors to benefit from ONE

Given the growth in the PI Program, and to ensure that the largest municipal investors have a Prudent Investor solution to meet their unique needs, ONE Investment recognized the need to develop a new offering.

In 2023, ONE staff worked to lay the foundation for the new Outsourced Chief Investment Officer (OCIO) Offering. This will be a comprehensive investment program available through ONE JIB, along with an external portfolio manager, to offer broader investment opportunities. The OCIO offering provides the scale and specialization that larger municipalities seek, without compromising ONE Investment's own staff capacity.

The OCIO Offering will be competitively priced and far more efficient for municipalities as compared to creating and managing their own investment board. This program will be ready for launch in 2024.

Expanding municipal expertise and capacity

Many municipalities have limited staff capacity or expertise to manage a long-term investment strategy while also managing budgets and day-to-day operations.

Investing public sector funds requires a high level of transparency and accountability. ONE Investment provides several tools to help municipalities fulfill these expectations.

For example, in 2023, ONE developed a Responsible Investing policy to guide ONE Investment activities in 2024 and beyond. ONE Investment believes that environmental, social and governance (ESG) risks are important considerations for investment decisions as they may affect long-term risk and potential returns of securities. The ONE policy builds on existing frameworks used by our fund managers. It provides confidence to municipalities that ESG risks are being mitigated.

As well, ONE offers monthly and quarterly reporting for all investors, to make it easier for finance staff to monitor and report back to Council.

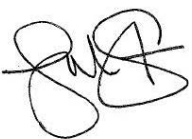
In addition, webinars from our fund managers keep municipalities apprised of our offerings and investment sector developments. ONE's quarterly e-newsletters on investment topics provide practical insights and continue to be well received. Many are still being viewed long after their initial publication date.

The world keeps getting more complicated. ONE Investment aims to make life easier for municipal finance staff. ONE is laying a strong financial foundation for local communities.

ONE Investment does not do this work alone and we benefit from the insights of many experts. I would like to thank my fellow Board members, ONE Investment staff, members of our advisory committees and the ONE Joint Investment Board for supporting our work. Their professional knowledge, experience and expertise is benefitting communities across Ontario.

The support of the Boards of both LAS and CHUMS is valued as we build successful solutions for municipalities by municipalities.

Finally, I must thank our more than 190 municipal and public sector investors for their confidence and trust over the past year, and over the past three decades.



Julie Stevens

Chair, ONE Investment Board

Message from ONE Joint Investment Board Chair



In 2023, the ONE JIB continued to attract new investors. The Board has a robust governance and policy framework designed to ensure that it carries out its fiduciary responsibilities in an effective and ethical manner.

The Prudent Investment Program has become increasingly attractive to municipalities, especially given the changes affecting the sector. ONE JIB launched in 2020 with six founding municipalities and about \$315 million in assets under management. By end of 2023, assets under management had more than doubled to \$664 million, and the number of Participating Municipalities had grown to 11.

Two new municipalities joined ONE JIB in 2023, the Town of Aylmer and the Town of Aurora.

ONE JIB is in the process of introducing a new Outsourced Chief Investment Officer (OCIO) offering under the Prudent Investment Program. It will provide the scale and investment specialization needed to appeal to large municipal investors. The OCIO offering will be available to all Participating Municipalities.

ONE has partnered with Phillips, Hager & North (PH&N) Institutional to deliver a scalable OCIO program with a broad suite of investment products and services.

What is ONE JIB?

The ONE Joint Investment Board, or ONE JIB, develops and manages investments for municipalities under the Prudent Investor (PI) Standard. Under PI, municipalities can build more strategic and diverse investment portfolios to better manage risk and achieve higher long-term risk-adjusted returns.

Prudent Investor for municipalities is governed by provincial legislation and regulation:

- To be eligible, a municipality or group of municipalities must have \$100 million in funds set aside for long-term use.
- Municipalities must create an independent board of experts to manage their long-term investments or join a Joint Investment Board.

The ONE Joint Investment Board (JIB) combines municipal investments so any municipality can benefit.

- Comprised of senior-level global investment experts and specialists in municipal finance.
- Develops a tailor-made Investment Plan for each Participating Municipality's investment goals and risk tolerance.
- Created and uses an Outcomes Framework to allocate investments.

Governance

Independent expertise ensures that investment decisions are based on experience and strategy, even during difficult times. ONE JIB is comprised of investment, municipal finance and compliance experts.

In late 2023, ONE JIB increased the maximum number of Board members from 10 to 12. This will allow a seat for a municipal treasurer from a large municipality.

ONE JIB reviewed its Terms of Reference, Code of Conduct and Procedure By-law in 2023 to ensure they continued to support a strong governance framework.

ONE has consistently worked with firms that strive for high standards of investing through an environmental, social and governance (ESG) framework. ONE Investment formed an ESG Working Group to begin the work of formalizing the ESG practices already embedded in ONE Investment and ONE JIB's investment decision-making processes, with a goal of a single policy to govern the Legal List and Prudent Investment Programs. This policy was approved in 2024.

On behalf of the entire ONE JIB, I would like to thank all the municipalities who have entrusted us with their investments. We are committed to working with you to build your community.



Bill Hughes

Chair, ONE Joint Investment Board

“

With the help of ONE's staff team, joining the ONE Investment Prudent Investment (PI) Program was straightforward. We appreciate the broader investment powers and professional investment expertise that our Town receives from ONE Investment and ONE Joint Investment Board. We also are pleased to take a more diversified, risk-managed and flexible approach to investing our longer-term funds to help us prepare for future municipal capital needs.”

- Andy Grozelle
CAO, Town of Aylmer

2023 Highlights

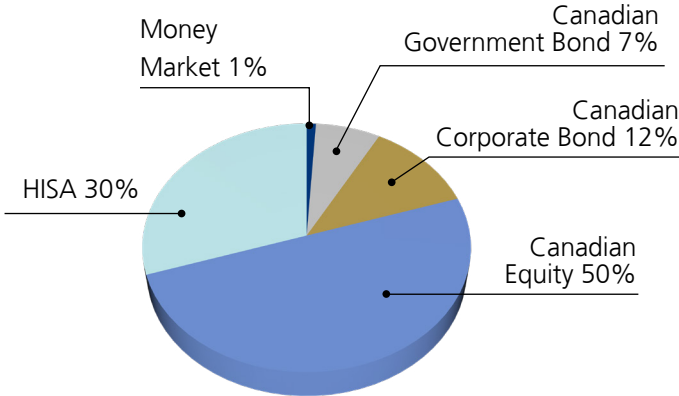
ONE Investment had **192** active Ontario municipal and broader public sector investors, with a total investment balance of **\$3.13 billion** at the end of 2023.

Legal List Results Overview

ONE Investment has created a range of investment products that comply with the provincially approved list of municipal investments. In fact, ONE's equity portfolio is the only equities product allowed for municipalities investing under the Legal List framework.

The available products meet different time horizons, to serve different municipal needs. At the end of 2023, ONE was managing \$2.47 billion in its Legal List and High Interest Savings Account (HISA) portfolios for about 192 municipal and public sector clients.

ONE - Legal List Portfolio and HISA - \$2.47B
(As of December 31, 2023)

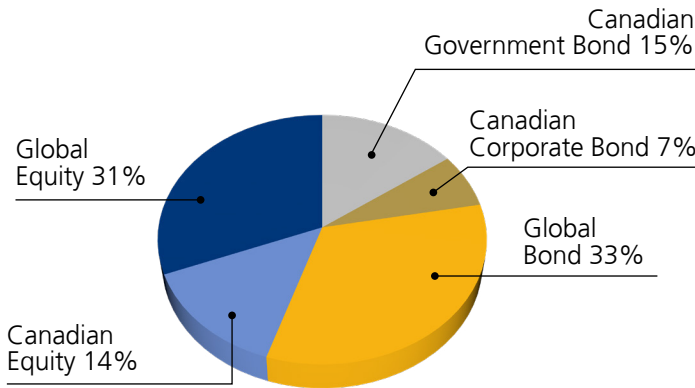


Prudent Investor Overview

The Prudent Investment Program features ONE JIB – the sector's first and only Joint Investment Board created by municipalities for municipalities. Through the collective approach of ONE JIB, any municipality will meet the investment threshold set by the Municipal Act and can take part in Prudent Investor.

Under the Prudent Investor framework, municipalities who opt-in can invest in a broader range of investments, to better diversify portfolios. This helps manage risk and improve returns over the long-term.

ONE - Prudent Investor Funds - \$664.4M
(As of December 31, 2023)



To further enhance the Prudent Investment Offering, ONE JIB, through its agent, ONE Investment, is looking to leverage an Outsourced Chief Investment Officer (OCIO) model to offer more investment solutions to municipalities in 2024 and beyond.

In 2023, two more municipalities, the Towns of Aylmer and Aurora, also transitioned their investments to ONE JIB. At year-end, ONE JIB was managing investments of \$664.4 million for 11 municipalities.

Building Municipal Capacity: Investment Advisory Services, Education and Training

Many municipalities do not have the resources, capacity, or expertise to manage long-term investments. ONE's team of advisors support municipalities through the process, creating financial strategies to help pay for asset management plans, and setting up investments.

Through the advisory services team, municipalities access advice from both a dedicated investment expert and a municipal finance expert. This team bridges the gap, translating the realities of Main Street into a Bay Street financing strategy appropriate for a municipality's investment policy and portfolio structure.

The team works with prospective and current investors. In 2023, the team onboarded two new PI municipalities as well as supported many Legal List investors.

ONE also offers training for municipal staff. Investment 101 sessions will be back again in person in 2024. This training helps bridge the skills of municipal staff who are seeking to learn how investment planning can fund asset management and capital plans.

ONE fosters investment maturity through a quarterly newsletter that provides insights about current market and economic trends, as well as investment basics. It was created in 2018 to help municipalities learn about the Prudent Investor opportunity and it continues to serve both our Legal List and Prudent Investor clients. It has been well received, consistently meeting or exceeding industry benchmarks.

In 2023, more than 160 existing ONE clients or prospective municipalities contacted us to discuss their investments, learn more about ONE Investment options, or seek support from our Investment Advisory Services team.

“**Kincardine has chosen ONE Investment's Legal List products since 2013 because it gives us confidence that we are leveraging professional portfolio management and maintaining our compliance with the Municipal Act. As a next step, we are on track to use all of ONE's Legal List portfolios to invest funds from a newly created legacy fund. This strategy is the result of a council-approved investment policy that we created with the support of ONE's Investment Advisory Services team. ONE will help us manage a well-diversified portfolio of securities that will maximize the value of these legacy funds for future community infrastructure projects.**”

- Roxana Baumann CPA, CA, CMO
Director of Corporate Services/Treasurer, Municipality of Kincardine

Financial Statements

**ONE Investment
Financial Statements
For the year ended December 31, 2023**

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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, 2023, 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, 2023, 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 12, 2024

ONE Investment Statement of Financial Position

| December 31 | 2023 | 2022 |
|----------------------------------|---------------------|---------------------|
| Assets | | |
| Current | | |
| Cash | \$ 1,841,321 | \$ 149,968 |
| Investments (Note 4) | - | 1,262,284 |
| Accounts receivable (Note 6 (a)) | 2,093,446 | 1,768,394 |
| Prepaid expenses | 104,908 | 109,093 |
| | 4,039,675 | 3,289,739 |
| Equipment (Note 3) | 2,500 | 6,270 |
| | \$ 4,042,175 | \$ 3,296,009 |

Liabilities

| | | |
|--|---------------------|---------------------|
| Current | | |
| Accounts payable and accrued liabilities (Notes 5 and 6 (b)) | \$ 1,864,240 | \$ 1,616,487 |
| Advances from related parties (Note 6 (c)) | 2,177,935 | 1,679,522 |
| | \$ 4,042,175 | \$ 3,296,009 |

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 | 2023 | 2022 |
|--|------------------|------------------|
| Revenue | | |
| Management fees (Note 6 (d)) | \$ 6,916,238 | \$ 6,087,360 |
| Fund management expenditures | | |
| Bond manager - legal list | 201,533 | 210,268 |
| Corporate bond fund - prudent investor | 46,094 | 39,332 |
| Custodial recordkeeping - legal list | 282,035 | 271,418 |
| Custodial recordkeeping - prudent investor | 234,356 | 216,733 |
| Equity fund - prudent investor | 132,435 | 109,920 |
| Equity manager - legal list | 1,767,000 | 1,545,533 |
| General administration fees - legal list | 67,956 | 65,062 |
| Global bond fund - prudent investor | 626,325 | 543,279 |
| Global equity fund - prudent investor | 1,041,152 | 844,474 |
| Government bond fund - prudent investor | 63,092 | 40,396 |
| Money market manager - legal list | 6,628 | 7,794 |
| Prudent rebates and tier discounts | 354,576 | 275,312 |
| Universe corporate bond manager - legal list | 352,147 | 345,008 |
| | 5,175,329 | 4,514,529 |
| Operating expenditures | | |
| Advertising and promotion | 42,378 | 21,042 |
| Amortization | 3,770 | 4,038 |
| Bank fees | 1,171 | 1,748 |
| Consulting | 61,290 | 2,126 |
| General administration fees | 123,024 | 117,926 |
| Governance | 360,946 | 340,789 |
| Harmony system | 79,900 | 99,328 |
| Insurance | 135,890 | 129,261 |
| IT services | 51,499 | 48,680 |
| Legal fees | 168,810 | 58,557 |
| Office and general | 50,671 | 23,849 |
| Professional fees | 145,920 | 128,932 |
| Special projects | 27,612 | 203,708 |
| Staff support | 429,797 | 378,289 |
| Training and development | 49,546 | 8,888 |
| Travel | 8,685 | 5,670 |
| | 1,740,909 | 1,572,831 |
| Total expenditures | 6,916,238 | 6,087,360 |
| Excess of revenue over expenditures | \$ - | \$ - |

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

ONE Investment Statement of Cash Flows

| For the year ended December 31 | 2023 | 2022 |
|---|---------------------|-------------------|
| 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 | 3,770 | 4,038 |
| Changes in non-cash working capital balances | | |
| Accounts receivable | (325,052) | (258,231) |
| Prepaid expenses | 4,185 | (23,252) |
| Accounts payable and accrued liabilities | 247,753 | 226,115 |
| | (69,344) | (51,330) |
| Investing activities | | |
| Purchase of equipment | - | (1,298) |
| Purchase of investments | - | (458,712) |
| Redemption of investments | 1,262,284 | - |
| | 1,262,284 | (460,010) |
| Financing activity | | |
| Advances from related parties | 498,413 | 451,073 |
| | 1,691,353 | (60,267) |
| Increase (decrease) in cash during the year | 1,691,353 | (60,267) |
| Cash, beginning of year | 149,968 | 210,235 |
| Cash, end of year | \$ 1,841,321 | \$ 149,968 |

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

ONE Investment

Notes to Financial Statements

December 31, 2023

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.

ONE Investment Notes to Financial Statements

December 31, 2023

6. Related Party Transactions

- a) Included in accounts receivable are amounts due from Local Authority Services of \$1,040,181 (2022 - \$883,847) and amounts due from CHUMS Financing Corporation of \$1,040,181 (2022 - \$883,847).
- b) Included in accounts payable and accrued liabilities are amounts owing to Local Authority Services of \$55,451 (2022 - \$29,376).
- c) Amounts due to Local Authority Services of \$1,091,109 (2022 - \$841,170) and CHUMS Financing Corporation of \$1,086,826 (2022 - \$838,353) are unsecured, repayable on demand and are non-interest bearing.
- d) Included in revenue is \$3,458,119 (2022 - \$3,043,680) from Local Authority Services and \$3,458,119 (2022 - \$3,043,680) 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 to Local Authority Services were \$190,980 (2022 - \$182,988).

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.



oneinvestment.ca