

2024

ANNUAL REPORT

Building a Brighter Tomorrow



oneinvestment.ca

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About ONE

Vision

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

ONE Investment is the only not-for-profit for municipal investors, serving nearly 40% of Ontario municipalities.

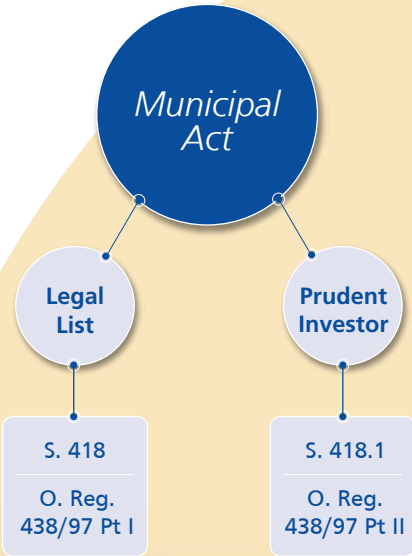
ONE Investment brings Ontario’s municipal sector together to benefit from the greater options and lower fees made possible by combining their investment power.

ONE was first offered as a program in 1993 by 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 municipal needs and changes in the regulatory environment. ONE Investment is 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, and their boards and commissions, develop investment strategies to meet their goals. As well, ONE offers education and training to help municipalities link investments to the funding of their asset management plans.

ONE Investment offers municipalities:

- ▶ Two unique pathways for municipal investing:
 - Four different investment products (High Interest Savings Account, Government Fixed Income, Corporate Bond and Canadian Equity), all compliant with the province’s legislated list of eligible investments, known as the ‘Legal List’
 - A robust Prudent Investment Program, that offers any municipality, regardless of size or assets, the opportunity to adopt more strategic, diverse, and flexible investment strategies.
- ▶ 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 (Chair)

Chief Administrative Officer, District Municipality of Muskoka

Gary McNamara (Vice-Chair)

Mayor, Town of Tecumseh

Roxana Baumann

Director of Corporate Services/Treasurer, Municipality of Kincardine

Greg Clark

Acting CAO, Director of Corporate Services / CFO, Township of Wilmont

Laura Jones

Deputy Treasurer, Municipality of Neebing

Stephanie Leveille

Treasurer, City of Temiskaming Shores

Terrie Miller, CFA

Consultant

Ken Nix

Former CAO, Township of Scugog

Trevor Pinn

Deputy CAO, Finance and Technology / Treasurer, Municipality of Clarington

Julie Pittini

Director, Treasury Services, Regional Municipality of Peel

ONE Joint Investment Board

The ONE Joint Investment Board (ONE JIB) is responsible for the control and management of investments under the Prudent Investor Standard. This Board is governed by the *Municipal Act*, and currently it acts for 15 municipalities, and growing. Under the *Municipal Act*, being a Prudent Investor 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

Craig Dyer, CPA, CGA

Former Commissioner of Corporate Services and CFO, Regional Municipality of Waterloo

Heidi Franken, CPA

Registrar, CPA Ontario

James G. Giles, CFA, CPA

Former Chief Investment Officer, Foresters Financial

Deborah Leckman, MBA CFA

Mike Melinyshyn, MBA, CPA, CMA

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

Scott Pountney, CFA, CAIA, RIPC

Director, Managed Assets Program, Aviso

Stephen Rettie, CPA, CMA

CAO and Deputy Treasurer, Town of Bracebridge

Nancy Taylor, BBA, CPA, CA

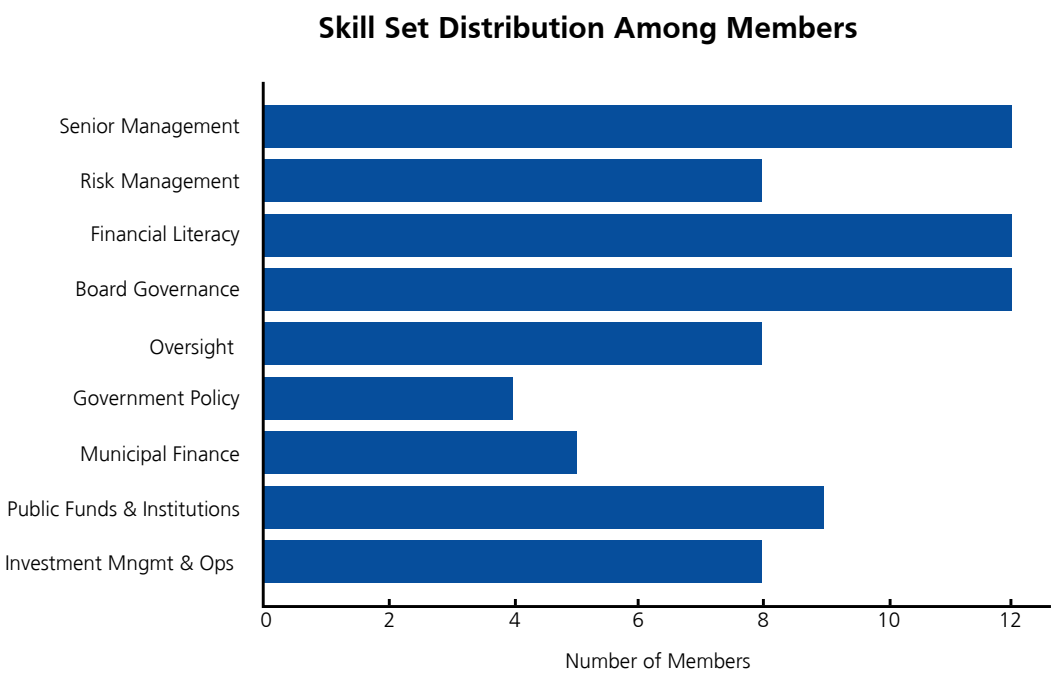
Commissioner of Finance and Treasurer, Regional Municipality of Durham

Christine Tessier, CFA, CAIA

Former Chief Investment Officer, Harbourfront Wealth Management

ONE JIB: A skill-based board

Since its inception, ONE JIB has represented a broad range of skills, knowledge, and experience to effectively perform their duties.



Advisory Committees

ONE is further guided by an Investment Advisory Committee, comprised of investment sector experts and legal representatives. This committee was established prior to ONE’s incorporation as a not-for-profit and continues to provide additional advice related to ONE’s Legal List investment products.

Investment Advisory Committee

- Heather Douglas (Committee Chair), Partner, WeirFoulds LLP
- Jennifer Dowty, CFA
- Campbell Fraser, CFA, CPA, MBA
- James Giles, CFA, CPA
- Bill Hughes, MBA, MES
- Geri James, CFA
- Christine Tessier, CFA

2024 Highlights

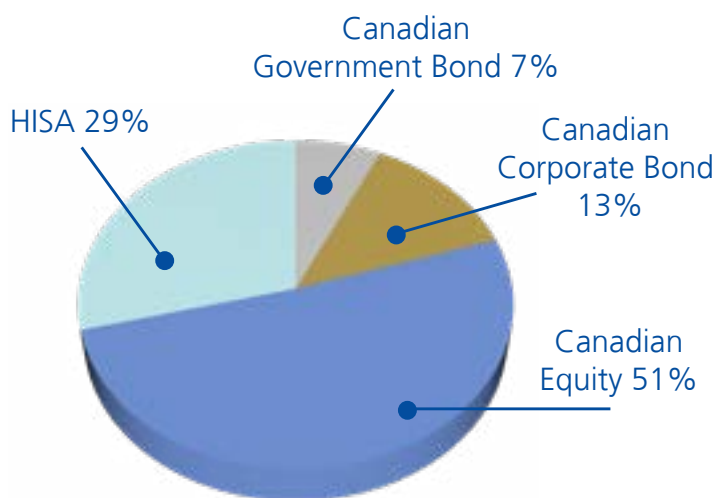
Assets under management: **\$4.3 billion**

Legal List/High Interest Savings Account (HISA) portfolios

\$2.5 billion for approximately **190** municipalities and local boards and commissions

Highly competitive HISA rate adjustments

ONE Legal List and HISA Portfolio - **\$2.5 billion** (As of January 2, 2025)



Prudent Investor

\$1.8 billion for **15** municipalities
600% growth since 2020

Onboarded four new municipalities:

- Regional Municipality of Durham
- Township of Central Frontenac
- Municipality of Red Lake
- Municipality of Clarington

Transitioned to new Prudent Investment model in partnership with PH&N Institutional.

35 funds for highly specialized, diversified portfolios

Complete full transition to new Prudent Investment Offering in early 2025

Education, Outreach and Support

- ONE Investment Advisory services engaged with **160** existing or prospective municipal investors to share product information, support investment planning, or offer investor support
- Attended 6 municipal conferences
- Delivered Investment 101 session both in-person and on-demand
- Hosted fixed income webinar
- Distributed quarterly e-newsletters

Message from the ONE Investment Board Chair



Julie Stevens
Chair, ONE Investment Board

Municipalities build better when we build together

ONE Investment continues to bring Ontario's municipal sector together to deliver better investment options and returns, with low fees.

A not-for-profit, ONE is focused on the interests of municipal investors, and inspired to help build a prosperous Ontario. In a changing world, we continue to build and adapt our services, products and educational resources to best support municipalities.

ONE Investment offers two pathways for municipal governments to build inflation-proof savings through strategic investments: the 'Legal List' and the 'Prudent Investor Standard'.

In 2024, ONE did substantial work to ensure that both investment pathways were meeting municipal needs with strong oversight.

ONE's Legal List continues to perform well with highly competitive HISA rates and Canadian Equity returns

The Legal List refers to an eligible list of investments that are provincially approved for municipalities. ONE Investment leverages the combined investment power of municipal government to achieve lower fees and to improve returns. We are proud to offer the only access to Canadian equities, and longer term corporate bonds allowed under the Legal List. In 2024, we saw strong performance across all three pooled portfolios in a period of declining interest rates and economic uncertainty.

Our High Interest Savings Account continues to attract municipalities looking for better rates of return on short term funds. Leveraging the scale of the sector, ONE has negotiated highly competitive rates of return with Scotiabank and CIBC, including a six-month promotional rate improvement with CIBC for the final quarter of 2024. In view of the success of the HISA offering, ONE wound down its Money Market Portfolio in 2024.

Prudent Investment Program builds on success at critical time

We are particularly pleased at the exceptional growth in our Prudent Investment Program. The program allows municipalities of any size to invest under the Prudent Investor Standard, providing them the chance to enhance longer-term risk adjusted returns with a well-diversified investment portfolio.

It is great to see more municipalities working with ONE to develop investment strategies for their long-term funds. With recent high rates of inflation, it is critical for municipalities to preserve their buying power through a thoughtful, broader approach to long-term investing.

Launched in 2020, ONE's Prudent Investment Program made substantial strides in 2024 to build an even more robust offering. From six Founding Municipalities we have grown to a total of 15 participants, including four who joined in 2024.

In 2024, ONE partnered with PH&N Institutional to expand the Prudent Investment Offering to include 35 different investment funds. This allows municipalities to create portfolios targeted to their unique needs, particularly for larger municipalities.

The end of 2024 saw a rapid and unexpected global shift, economically and politically.

The work we completed in 2024 puts ONE on strong footing to support municipalities going forward. We offer a steady hand through disciplined investment strategies and broad, diverse portfolios to help manage risk.

I am so proud that municipal governments are seeing the value in working with ONE's professional advisors to create investment strategies that leverage their collective power.

I would like to thank my fellow Board members, ONE Investment staff, members of our advisory committee and the ONE Joint Investment Board for supporting our work. The support of the Boards of LAS and CHUMS is also highly valued.

With this level of professional knowledge, experience and expertise, we can build a better tomorrow for Ontario, together.

Finally, I must thank the approximately 190 municipal and public sector investors for their confidence and trust.



Julie Stevens

Chair ONE Investment Board

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“Through the ONE Prudent Investment Program, Red Lake is diversifying its portfolio, to help provide stability and long-term growth. As a smaller municipality, we are pleased to access the investment experience and knowledge of the ONE team, including PH&N Institutional. The onboarding experience was great with a lot of support, a clearly articulated process and time-saving templates to help me bring Council and staff through the process, including the investment policy statement and plan.”

Trilbee Stirling-Kattler, *Treasurer, Municipality of Red Lake*

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Message from ONE Joint Investment Board Chair



Bill Hughes
Chair, ONE Joint Investment Board

Municipalities continued to face revenue and spending pressures in 2024 amid rising economic uncertainty. ONE's Prudent Investment Program offers a way for municipalities to improve their investment returns. Every dollar of investment income is a dollar that does not need to be raised through property taxes or is an extra dollar that can be used to improve services. The Prudent Investment Program has become increasingly attractive to municipalities, especially given the challenges affecting the sector. ONE JIB invests for the long term. Most Participating Municipalities are seeking long-term risk-adjusted returns that outpace inflation and preserve purchasing power.

ONE JIB launched in 2020 with six founding municipalities and about \$315 million in assets under management. By end of 2024, there were 15 total Participating Municipalities, and assets under management has grown to approximately \$1.8 billion - almost a six-fold increase.

In 2024, ONE JIB introduced a new Prudent Investment (PI) Offering to provide greater scale and investment specialization. This approach appeals to large municipal investors and provides more investment options for all participating municipalities.

ONE Investment has partnered with PH&N Institutional to deliver a scalable program with a broad suite of investment products and services. Today, the offering includes 35 funds, allowing municipal investors to create well-diversified portfolios across asset classes. ONE JIB has approved ten model portfolios that are designed to meet the needs of most Participating Municipalities. Additionally, individually tailored investment plans are available for large investors.

Current Participating Municipalities will transition to the new portfolios in early 2025.

ONE JIB continues to attract new investors. The number of Participating Municipalities has grown from an initial six to 15. A new large investor, the Regional Municipality of Durham, joined the Board in 2024. The Board was also pleased to welcome the Municipality of Clarington, the Township of Central Frontenac and the Municipality of Red Lake as Participating Municipalities.

What is ONE JIB?

The ONE Joint Investment Board, or ONE JIB, develops and manages investments for Ontario municipalities under the Prudent Investor 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.

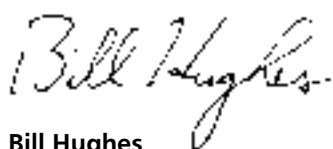
[The ONE Joint Investment Board \(JIB\) combines municipal investments so any municipality can benefit.](#)

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

ONE JIB has a robust governance and policy framework designed to ensure that it carries out its fiduciary responsibilities in an effective and ethical manner. ONE JIB is comprised of investment, municipal finance and compliance experts. Independent expertise ensures that investment decisions are based on experience and strategy, even during difficult times. ONE JIB added three new board members in 2024, bringing the total number of members to twelve.

As part of the transition to the new, expanded PI offering, ONE JIB reviewed and revised its Municipal Client Questionnaire, Investment Policy Statement and Investment Plan templates. The Municipal Client Questionnaire and Investment Plan templates make it easier for Participating Municipalities to manage the process of joining ONE JIB and streamlines Board management. The Board approves an Investment Plan for each Participating Municipality and reviews each municipality's Investment Plan at least annually.

I would like to thank my fellow board members for their insights, expertise and commitment to our work. I am also grateful for the excellent support provided by ONE Investment and PH&N Institutional staff. And finally, on behalf of ONE JIB, I would like to thank all the Participating Municipalities who have entrusted us with their investments. We are committed to helping you build your community.



Bill Hughes

Chair, ONE Joint Investment Board

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“By joining the ONE Prudent Investment Program, Durham Region is taking advantage of the Prudent Investor Standard to improve risk-adjusted investment returns to support our long-term capital needs. ONE’s solution aligns with Durham’s forward-thinking, responsible approach to investing, helping us deliver on capital projects that keep our economy strong and deliver a great quality of life to residents. We are happy to demonstrate sector collaboration as the first regional municipality in Ontario to adopt PI.

ONE provided templates and supports to streamline the consideration/approval process and aid in the development of our investment policy/plan. While no transition is perfect, they have been very responsive, with a commitment to work with the Region to resolve any concerns before, and after, joining ONE JIB.”

Duane Ramkissoo, CPA, CMA, Manager, Investment Portfolio, Regional Municipality of Durham

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ONE Investment
Financial Statements
For the year ended December 31, 2024

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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, 2024, 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, 2024, 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 13, 2025

ONE Investment Statement of Financial Position

December 31	2024	2023
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Assets

Current

Cash	\$ 2,008,281	\$ 1,841,321
Accounts receivable (Note 5 (a))	2,416,798	2,093,446
Prepaid expenses	143,587	104,908
	4,568,666	4,039,675

Equipment (Note 3)

2,237	2,500
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\$ 4,570,903	\$ 4,042,175
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Liabilities

Current

Accounts payable and accrued liabilities (Notes 4 and 5 (b))	\$ 2,339,080	\$ 1,864,240
Advances from related parties (Note 5 (c))	2,231,823	2,177,935

\$ 4,570,903	\$ 4,042,175
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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

2024

2023

Revenue

Management fees (Note 5 (d))

\$ 8,171,772 \$ 6,916,238

Fund management expenditures

Bond manager - legal list
Corporate bond fund - prudent investor
Custodial recordkeeping - legal list
Custodial recordkeeping - prudent investor
Equity fund - prudent investor
Equity manager - legal list
General administration fees - legal list
Global bond fund - prudent investor
Global equity fund - prudent investor
Government bond fund - prudent investor
Money market manager - legal list
Prudent rebates and tier discounts
Universe corporate bond manager - legal list

189,013 201,533
54,171 46,094
300,091 282,035
228,882 234,356
156,931 132,435
2,067,223 1,767,000
75,000 67,956
716,134 626,325
1,178,825 1,041,152
117,648 63,092
1,449 6,628
487,141 354,576
348,200 352,147

5,920,708 5,175,329

Operating expenditures

Advertising and promotion
Amortization
Bank fees
Consulting
General administration fees
Governance
Harmony system
Insurance
IT services
Legal fees
Office and general
Professional fees
Special projects
Staff support
Training and development
Travel

47,746 42,378
1,713 3,770
990 1,171
15,000 61,290
135,000 123,024
499,213 360,946
76,284 79,900
136,078 135,890
104,197 51,499
378,723 168,810
67,711 50,671
229,027 145,920
13,979 27,612
521,106 429,797
14,639 49,546
9,658 8,685

2,251,064 1,740,909

Total expenditures

8,171,772 6,916,238

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	2024	2023
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	1,713	3,770
Changes in non-cash working capital balances		
Accounts receivable	(323,352)	(325,052)
Prepaid expenses	(38,679)	4,185
Accounts payable and accrued liabilities	474,840	247,753
	<u>114,522</u>	<u>(69,344)</u>
Investing activities		
Purchase of equipment	(1,450)	-
Redemption of investments	-	1,262,284
	<u>(1,450)</u>	<u>1,262,284</u>
Financing activity		
Advances from related parties	53,888	498,413
Increase in cash during the year	166,960	1,691,353
Cash, beginning of year	1,841,321	149,968
Cash, end of year	\$ 2,008,281	\$ 1,841,321

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

ONE Investment Notes to Financial Statements

December 31, 2024

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 and accounts receivable. Transaction costs incurred on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

December 31, 2024

Computer equipment - 4 years straight-line

Equipment	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 17,927	\$ 15,690	\$ 16,477	\$ 13,977
Net book value		\$ 2,237		\$ 2,500

Included in accounts payable and accrued liabilities are amounts payable to the government of \$37,353 (2023 - \$43,096).

- a) Included in accounts receivable are amounts due from Local Authority Services of \$1,191,137 (2023 - \$1,040,181) and amounts due from CHUMS Financing Corporation of \$1,191,137 (2023 - \$1,040,181).
- b) Included in accounts payable and accrued liabilities are amounts owing to Local Authority Services of \$175,072 (2023 - \$55,451) and amounts owing to CHUMS Financing Corporation of \$92,788 (2023 - \$Nil).
- c) Amounts due to Local Authority Services of \$1,118,709 (2023 - \$1,091,109) and CHUMS Financing Corporation of \$1,113,114 (2023 - \$1,086,826) are unsecured, repayable on demand and are non-interest bearing.
- d) Included in revenue is \$4,085,886 (2023 - \$3,458,119) from Local Authority Services and \$4,085,886 (2023 - \$3,458,119) 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 \$210,000 (2023 - \$190,980).

ONE Investment Notes to Financial Statements

December 31, 2024

6. 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. This risk has not changed from the prior year.

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. This risk has not changed from the prior year.

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. This risk has not changed from the prior year.

