

# 2024 **Annual Report**





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## Board Members



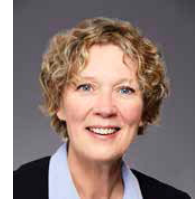
**Gary McNamara**

Chair, Mayor  
Town of Tecumseh



**Chris Wray**

Vice Chair, General Manager of  
Community Services/Deputy CAO  
Town of Cochrane



**Aina DeViet**

Mayor  
Middlesex Centre



**Chris Gerrits**

Mayor  
Township of Amaranth



**Oliver Jerschow**

CAO  
Town of Innisfil



**Dave Landers**

CAO  
City of Timmins



**Suzanne Madder**

Manager, Corporate  
Performance and Strategy  
Niagara Region



**Julia McKenzie**

Manager of Finance/  
Treasurer  
Town of Huntsville



**Lealand Sibbick**

Treasurer  
County of Simcoe



**David Unrau**

CAO  
City of Pembroke

## Message from the Chair



For more than 30 years, Local Authority Services (LAS) has provided services and solutions that help municipalities do more for their communities. As the business services arm of the Association of Municipalities of Ontario, we leverage the collective power and knowledge of the municipal sector to explore made-in-Ontario solutions for timely challenges. Our approach is straightforward, even if the issues are not:

- Listen to municipal needs
- Bring municipal expertise to the table
- Create practical solutions for complicated problems

In each of the examples below, municipal governments helped shape a vision. The LAS team is now leading, at various stages, competitive procurement processes, legal arrangements and contracts, and provincial coordination, as needed to bring the vision to reality.



- **Exploring joint municipal services corporations:** The increasing costs of operating, maintaining and expanding municipal water and wastewater services impacts affordability for ratepayers, and expanding housing supply. A feasibility study conducted by an LAS expert municipal panel concluded that joint municipal services corporations could help some municipal operators leverage economies of scale and new debt financing opportunities for the sustainable operation of their systems. LAS continues to dig deeper by developing a business case working with interested municipalities.
- **Creating a Protective Association model to help finance risk:** LAS convened a working group of municipal experts to explore ways to manage rising costs and volatility in the insurance market. The outcome is Ontario's first protective association for municipalities. A protective association is a membership-based model that offers mutual protection. The LAS team made major strides in 2024 towards establishing a non-profit protective association – a task that while complicated, will allow municipalities of all sizes different options for financing risk.
- **Deploying technology for safer communities:** Automated Speed Enforcement, meaning the use of speed cameras, is a proven tool to address speeding in community safety zones. Many smaller municipalities lack the resources to implement these tools because of regulatory hurdles and staffing constraints. LAS created a full turn-key solution that provides camera technology and ticket processing by municipally-employed Provincial Offences Officers in partnership with the cities of Barrie and Clarence-Rockland.

In a world of rapid change and alarming uncertainty, LAS strives to remain a steady presence. We stand ready, as always, to work with the municipal sector on emerging challenges. We will listen, we will collaborate, and we will develop practical solutions that are easy for the sector to choose and use.

I want to extend special thanks to all of the municipal leaders and staff who have worked with us for your exceptional generosity. LAS could not achieve success without your continued willingness to generously share your time and expertise with us for the betterment of the sector as a whole.

Sincerely,



**Gary McNamara**  
Chair, LAS

## DEVELOPING FUTURE LEADERS

### **Building the Case for Municipal Careers**

LAS is committed to mentoring future leaders and introducing them to the opportunities in municipal careers. In fact, it was a recent LAS intern, Juan Park, who suggested LAS get involved in case competitions sponsored by ACE Laurier. This is a student-led organization at Wilfrid Laurier University that provides students with practical training programs and case competition exposure. These competitions help students develop the essential skills and confidence to solve real-life business challenges.

In 2024, LAS was pleased to have three managers, Jason Hagan, Jeff Barten and Meagan Khan judge the ACE x Second Harvest Charity Case Competition. Another manager, Shannon Devane, judged the WILL x ACE (Women in Leadership Laurier) competition later in the year.

“

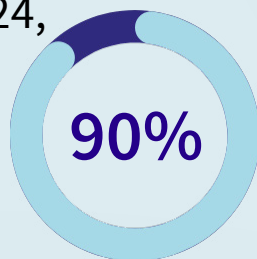
**Many of the participants said they had never before thought of career opportunities in municipal government.**

**They were excited to learn that their business skills could be put to good use building strong communities, even in their own hometown. We were impressed to meet so many bright young people who will certainly be tomorrow's community and business leaders.**”

- Shannon Devane

# About LAS

In 2024,



of Ontario's **444** municipalities participated in LAS programs and services.



## Administrative Services

- [Automated Speed Enforcement](#)
- [Closed Meeting Investigator](#)
- [Sewer and Water Line Warranty](#)



## Energy Services

- [Electricity Program](#)
- [Energy Planning Tool](#)
- [Facility Lighting](#)
- [Natural Gas Procurement](#)
- [Energy Training](#)



## Financial Services

- [Cyber Incident Management for Ontario Municipalities \(CIMOM\)](#)
- [Group Benefits](#)
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- [Investments](#)



## Municipal Asset Services

- [Canoe Procurement Group](#)
- [Road and Sidewalk Assessment Service](#)



## Digital Services

- [Barrier-free Website Builder](#)
- [Electronic Signatures](#)
- [Electronic Meeting Management and Livestreaming](#)
- [Electronic Permitting](#)
- [Freedom of Information \(FOI\) Solutions](#)
- [Occupational Health and Safety Management](#)
- [Risk and Claim Management System](#)



## Administrative Services

### **Automated Speed Enforcement**

The LAS Automated Speed Enforcement (ASE) program helps municipalities, regardless of size or capacity, to improve road safety through strategic deployment of speed cameras in community safety and school zones. LAS has partnered with the cities of Barrie and Clarence-Rockland, and with technology provider, Elovate (formerly Conduent Transportation, which was purchased by Modaxo in 2024). This creates a complete end-to-end solution, from advanced camera technology to ticket processing, in compliance with provincial law.

LAS funds Joint Processing Centres (JPCs) at the cities of Barrie and Clarence-Rockland where Provincial Offences Officers process speeding violations on behalf of municipalities participating in the ASE Service. Provincial law requires highway traffic violations, such as speeding, to be issued by the police or by a designated Provincial Offences Officer employed by a municipality. LAS welcomed the Town of Innisfil as its first participating municipality to the Service in Fall 2024.

### **Closed Meeting Investigator**

LAS has been filling the role of closed-meetings investigator for interested Ontario municipalities since 2008 through a credible, professional, and independent investigator service, offered through Aird & Berlis LLP.

### **Sewer and Water Line Warranty**

The LAS-endorsed Sewer and Water Line Warranty Service offers interested municipalities the option of a low-cost warranty for their homeowners that will repair or replace water and sewer lines on residential properties. Homeowners do not always realize that they are responsible for these repairs. The service provides both warranty protection and confidence that repairs will be done correctly. LAS has partnered with Service Line Warranties of Canada Inc. to provide this service to homeowners across Ontario.







## **Electricity Program**

LAS helps municipalities find stability in Ontario's unpredictable electricity market through a managed program of hedge contracts and spot market exposure. As a licensed electricity retailer in the Ontario market, LAS enables municipalities to take advantage of low spot market rates overnight for their streetlights and avoid the peaks and valleys in the market. The program also provides usage data and market information to further help municipalities proactively manage energy costs.

## **Energy Planning Tool**

Municipal governments and other broader public- sector organizations must complete and submit an Energy Consumption and Green House Gas (GHG) Emission report each year. LAS' Energy Planning Tool helps these organizations to complete annual reporting, track energy-related initiatives and projects, and develop and update five-year energy plans that comply with provincial government regulations.

## **Facility Lighting Service**

LAS offers a turnkey solution through Conrad Lighting Solutions and supplier, Gerrie Electric, to upgrade municipal and public facilities to more efficient LED lighting. LAS offers a range of solutions for LED lighting that can be used across all municipal facilities, including outdoor spaces such as parks, sports fields and parking lots.

## **Natural Gas Procurement**

LAS' first and longest-serving program, it helps members stabilize natural gas rates through a multi- year natural gas hedging strategy. The LAS Program provides pricing protection and cost savings in an often uncertain commodity environment and offers member rebates if collective natural gas usage differs from expected volumes in a given year.

## **Energy Training**

LAS' energy training workshops focus on the specific needs of the municipal sector. LAS has partnered with Stephen Dixon of Knowenergy to offer cost-effective, customizable workshops. The sessions help municipalities cut utility costs, comply with regulations, or increase knowledge of energy conservation. In 2024, LAS helped to deliver several webinars under the IESO's Municipal Series. In addition, twenty municipalities took advantage of LAS' Consulting Service to complete their five-year Conservation and Demand Management Plans under *O.Reg 25/23*.







## Financial Services

### Group Benefits

This program offered through a partnership with Mosey & Mosey, provides completely flexible benefit coverage options for staff and elected officials at a cost lower than what most municipalities can achieve on a standalone basis. The program serves municipalities ranging from those with less than 10 employees to those with more than 400.

### Home and Auto Insurance

LAS negotiated exclusive discounts for personal home and automobile insurance through the Cowan Insurance Group. The service is available to all staff and elected officials of Ontario municipalities.

### Municipal Risk Management

LAS is committed to help municipalities build capacity in risk management. Risk Management resources are designed to spread awareness of emerging risks, best practices and new approaches to both managing and financing risk.

In partnership with Intact Public Entities (IPE), LAS provided four webinars to municipalities in 2024: Waivers and the Law, AI Tools, Minimum Maintenance Standards and Outdoor Ice.

LAS hosted a half-day, virtual Cyber Risk Management for Municipalities event on October 23, 2024. This session was designed to help municipalities improve their understanding of cyber risk and how to better manage it within the context of their operations.

The content was provided by Toronto Metropolitan University's Rogers Cybersecure Catalyst, who offered an update on the cyber threat landscape for municipalities. This session also covered how to translate cyber risk into municipal risk, including impacts on municipal operations, critical infrastructure and the local community. Updates were shared on LAS' Cyber Incident Management for Ontario Municipalities (CIMOM program) by LAS, as well as updates from MISA Ontario and Rogers Cybersecure Catalyst.

### Cyber Incident Management for Ontario Municipalities (CIMOM)

The cyber insurance market continues to be unstable. While some municipalities are able to secure coverage, others cannot for various reasons. As a result, these municipalities can't access incident response support through an insurer. To address this gap, LAS rolled out the Cyber Incident Management for Ontario Municipalities (CIMOM) in 2023.



In 2023, LAS partnered with ISA Cybersecurity, selected through a competitive RFP process. The Canadian company has more than 30 years of experience delivering cybersecurity services. The program has been designed for municipalities with or without cyber insurance and for a variety of budgets with tiered options to choose from. The program was shaped with municipal and IT input.

The goal is to provide access to a quick, effective, and orderly response to cyber security incidents. This includes assessing, identifying, containing, eradicating and providing lessons learned post incident. CIMOM also provides additional services like creating incident response plans and policy development. Sixteen municipalities have signed on to the program.

## **All Risk Municipal Grant**

In 2024, Local Authority Services (LAS) and Intact Public Entities (IPE) introduced the All Risk Municipal Grant – Investing in Municipal Risk Resiliency. This initiative recognizes and supports innovative risk management practices within Ontario municipalities.

Through this program, three municipalities demonstrating exceptional and creative solutions to risk management challenges will each receive a \$10,000 grant to support their initiatives. The grant applications will be evaluated and awarded in 2025.

## **The First Made-in-Ontario Protective Association for Municipal Risk**

LAS is developing the province's first protective association for municipal risk, offering an alternative approach to risk financing for Ontario municipalities who are struggling with the uncertainty in the traditional insurance market. The Protective Association is starting with cyber risk protection and will expand as appropriate.

LAS conducted a feasibility study with input from 25 municipalities. It determined that a Protective Association would offer more control and less sensitivity to negative market cycles compared to traditional insurance. Under a protective association members collectively share costs, risks, and benefits while maintaining cybersecurity standards.

It is not the same as insurance coverage. As a membership-based model, if one member experiences a cyber incident, the association will provide financial support to members with additional technical assistance options under consideration.

To develop this membership model, LAS has established an expert working group that includes municipal leads coming from communities of all sizes from across Ontario, and private sector specialists.

The Protective Association's governance structure will prioritize transparency and ensure that members provide input in funding and service decisions. The amount that members will be asked to contribute will depend on the size and number of participating municipalities. The more municipalities that participate, the stronger and more cost effective the model will become.



## ONE Investment

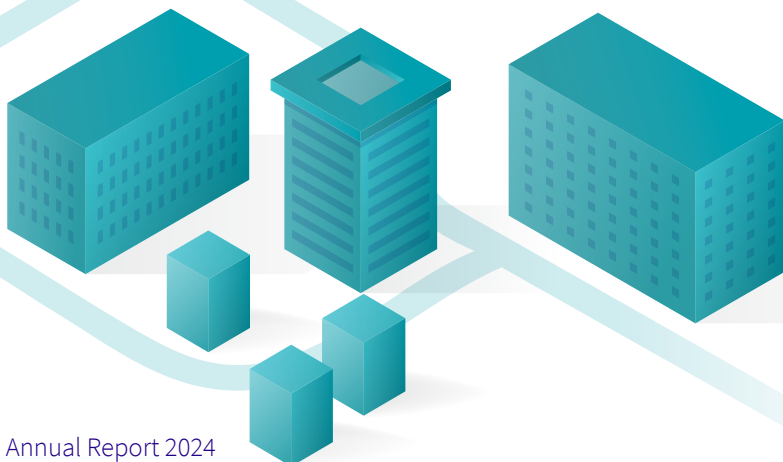
ONE Investment is a non-profit organization, operated by LAS and CHUMS (part of the Municipal Finance Officers Association (MFOA)), and dedicated to offering turnkey investment options for municipal governments, all fully compliant with the Ontario *Municipal Act*.

By combining the investments of municipal governments, ONE achieves the scale needed to deliver better returns and lower management fees. It has been in operation for more than 30 years, and offers expertise tailored to the Ontario municipal context.

By law, municipal governments have two options when it comes to investing. They can invest in a provincially approved Legal List of investment products, or they can pursue investing under the Prudent Investor Standard. ONE offers investors both options. ONE's Investment Advisory Services team supports municipalities large and small with investment policies, strategy and Legal List or Prudent Investor options.

**“ We appreciate the broader investment powers and professional investment expertise that our Town receives from ONE Investment and the ONE Joint Investment Board. We 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**



## Prudent Investor

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 standard.

Under the Prudent Investor framework, municipalities who opt-in can invest in a broader range of investments, to better diversify their portfolio. This helps manage risk and improve returns over the long-term. To further enhance the Prudent Investment Program, ONE has partnered with PH&N Institutional as our investment manager with a suite of 35 available funds. These include domestic and international securities, and fixed income products.

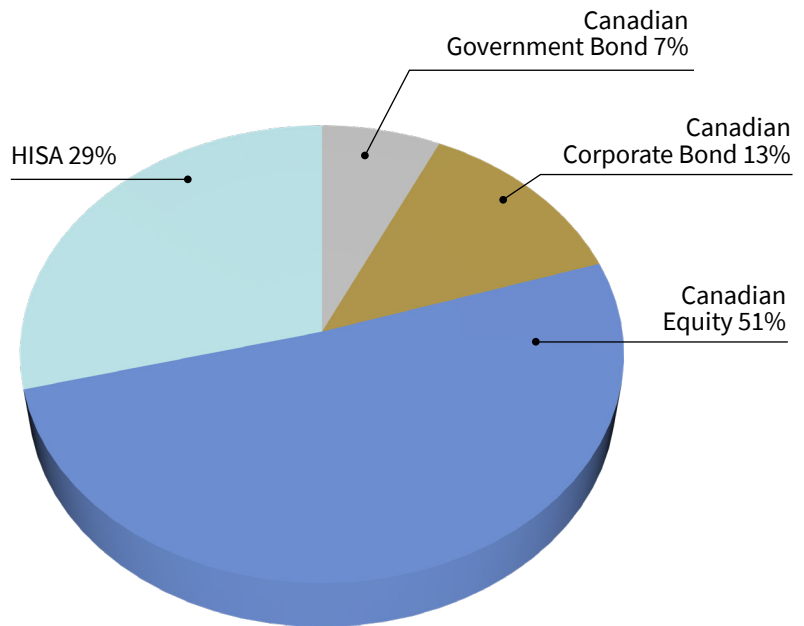
In 2024, four more municipalities: the Township of Central Frontenac, Municipality of Clarington, Region of Durham, and Municipality of Red Lake, transitioned their investments to ONE JIB. At year-end, ONE JIB was managing investments of \$1.75 billion for 12 municipalities.

## Legal List

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 allowable equity product for municipalities investing under the Legal List framework.

The available products meet different time horizons, to serve different municipal needs. At the end of 2024, ONE managed \$2.5 billion in its Legal List and High Interest Savings Account (HISA) portfolios for many municipal and public sector clients.

**ONE - Legal List Portfolio and HISA - \$2.5B  
(As of December 31, 2024)**





## Municipal Asset Services

### Canoe Procurement Group

LAS is in its fourth year of partnering with the Canoe Procurement Group, one of Canada's leading public-sector buying groups. It includes sister municipal organizations across the country to leverage the combined purchasing power of more than 5,000 Canadian municipalities and public sector organizations.

By combining forces, municipalities can access high-quality, competitively priced goods and services, and free up staff time. All offerings have undergone a formal competitive bid process on behalf of municipalities, ensuring compliance with purchasing bylaws and trade agreements. There are no minimum purchase requirements, membership fees, or binding contracts. Through the program, municipalities can access specialized pricing on goods from more than 300 vendors in more than 70 categories. The program can be used for the purchase of large, customized vehicles, like firetrucks and snowplows, to routine items like office supplies, as well as everything in between. In 2023, LAS rolled the Fuel Procurement Program into the Canoe offering.

### Road and Sidewalk Assessment Service

With more than 300,000-lane kilometers of municipal roads, and tens of thousands of kilometers of sidewalks across Ontario, manual inspection and roads assessment studies are an onerous task.

Given the importance of asset management, and the need for municipalities to have better data, LAS partners with StreetScan to offer an automated option. This program includes:

- Patented mobile sensing and condition data-gathering,
- Data handling, processing, algorithms and analysis,
- Customizable data analysis software and visualization in a secure web-based GIS application, and
- Pavement management engine for repair and maintenance decision-making.

The result is a service that provides timely data in a cost-effective way to help municipal governments maintain high-quality road networks.



## **LAS to develop business case on water and wastewater joint municipal services corporation**

Ontario's municipalities own almost all of the water and wastewater systems in the province. Many systems, particularly in smaller communities, are grappling with how to operate, maintain or expand these systems while keeping water rates affordable.

In the face of these challenges, LAS struck an expert panel in early 2024 comprised of municipal finance, economics, policy, legal and operations experts to look at potential options. ([The LAS Expert Panel: Report on the feasibility of water and wastewater utility model](#))

Based on expert panel recommendations, LAS will develop a business case to evaluate whether a joint municipal services corporation would be a financially sound and practical solution for some of Ontario's water and wastewater infrastructure challenges.

The panel reviewed financial data and consulted extensively with the municipal sector and other key stakeholders. It concluded that a voluntary public utility option, such as a joint municipal services corporation, could offer some financial, administrative and operational savings and benefits. For example, a joint MSC has the potential to:

- Access more sophisticated capital financing tools and better borrowing rates.
- Enable better systemwide planning to match system capacity with growth.
- Address staffing shortages by allowing for a critical mass of staffing expertise.
- Address soaring construction and operations costs through joint procurement.

"At the outset, we decided that any solution must be completely voluntary for municipal governments. That is how all of LAS programs work. We also committed to keeping water and wastewater infrastructure under public management," said Craig Dyer, Expert Panel Chair. "The public must have confidence in the safety and quality of our drinking water and wastewater systems. Private interests and profit motives would erode that trust."

The panel report acknowledges that creating one or more joint municipal services corporations will come with its own financial and policy challenges. The next step is creating a business case for a joint MSC.

"We know there are pros and cons to changing the status quo. That is why a more detailed business case, with fulsome financial modeling, is so important," said LAS Chair Gary McNamara. "During the consultation, we had massive interest in our work. A municipal staff working group will take this to the next level."

Digital services are an AMO initiative. These partnerships are closely aligned with LAS objectives to help communities work better and are managed through LAS staff. Digital technology offers municipal government opportunities to unlock efficiencies and save money, while also improving accessibility, customer service, and citizen engagement.

Implementing digital solutions requires a substantial amount of legwork and research. Since 2017, the Association has been doing that legwork. It has since partnered with leading providers to offer scalable, affordable, and easy-to-use technologies to help members find ways to be more efficient and reduce costs.

### **Barrier-free Accessible Website Builder**

GHD Digital (formerly eSolutionsGroup) is a one-stop shop for municipal websites and intuitive digital solutions. Through its partnership with AMO, municipalities can benefit from GHD Digital's modular, barrier-free web design as well as a variety of advanced applications and other integrated technologies. All websites meet or exceed AODA and WCAG 2.0 accessibility requirements ensuring all residents can access web services and information.

### **Digital and Electronic Signing Solutions**

Notarius offers a suite of digital signature services to help municipal governments manage electronic documents more efficiently. Notarius digital signatures are electronic signatures that provide high assurance levels of signer identity and document integrity, authenticity, and longevity. It enables professionals to sign electronic documents with the same legal value as a paper document signed by hand. The technology helps municipalities streamline processes, reduce costs for document storage and safeguard the integrity of important records.

### **Electronic Meeting Management and Livestreaming Solutions**

eScribe provides secure, cloud-based, paperless meeting management and livestreaming solutions. Besides agendas and minutes, eScribe supports each step of the meeting lifecycle with comprehensive tools and workflow for staff, meeting participants and the public. eScribe is compliant with accessibility requirements, such as AODA and WCAG 2.0. The program helps improve transparency with fewer resources, freeing staff to focus on serving their communities.

### **Electronic Permitting**

Streamlining permit processes is key to building new housing and improving Ontario's housing stock. In 2022, AMO launched a partnership with Cloudpermit to offer municipalities a digital platform to manage building permits more efficiently and effectively.



AMO selected Cloudpermit through a competitive bidding process. Managing building permits electronically increases efficiency and streamlines approvals. Integration with MPAC also ensures that municipalities are able to capture new assessments in a timely manner.

Members can access the entire suite of Cloudpermit solutions: building permit, planning and development, and by-law enforcement; platform is secure, scalable and cloud based.

### **Occupational Health and Safety Compliance and Training**

4S offers health and safety training and consulting services, including a comprehensive online management system for employees. The partnership with 4S helps municipal governments continue to build an effective Occupational Health and Safety (OHS) program that improves productivity, reduces costs, and creates a safer workplace. 4S takes an approach that engages all employees, from senior management to frontline workers, in building a strong workplace safety culture. Its online platform provides a comprehensive way to easily track and manage all employee training, workplace incidents, and various procedures and compliance checklists.

### **Risk Management Information System**

Since 2021, AMO has partnered with ClearRisk to offer AMO members a comprehensive online risk management platform. ClearRisk's system delivers functionality, data insights and analytics that municipalities need to make informed decisions. The system helps participating municipalities improve processing and tracking of municipal insurance claims and better manage risk.

Optimizing risk management processes is one of the main ways that municipalities can manage skyrocketing insurance costs. This means identifying potential risks to prevent accidents, protect property and keep people safe. The entire sector stands to benefit from this partnership, as AMO will be able to analyze aggregate and anonymous claims data to better identify sector-wide trends and cost pressures.

### **Freedom of Information**

In 2023, AMO launched a partnership with Vayle, a software firm that offers a digital platform to streamline and automate managing Freedom of Information (FOI) requests.

Under the *Municipal Freedom of Information and Protection of Privacy Act*, municipal governments are required to respond to public information requests within legislated timelines. Vayle's solution will help municipalities efficiently track requests and responses, freeing up valuable municipal staff time while ensuring compliance with the law.



# Financial Statements

**Local Authority Services**  
**Financial Statements**  
For the year ended December 31, 2024

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## Independent Auditor's Report

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To the Directors of Local Authority Services

### Opinion

We have audited the financial statements of Local Authority Services ("LAS"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 LAS 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 LAS 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 LAS'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 LAS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing LAS'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 LAS'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 LAS'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 LAS 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 16, 2025

## Local Authority Services Statement of Financial Position

<b>December 31</b>	<b>2024</b>	<b>2023</b>
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### Assets

#### Current

Cash	\$ 1,332,543	\$ 727,662
Investments (Note 3)	2,525,104	2,261,332
Accounts receivable (Note 6(a))	5,618,035	6,056,856
Prepaid expenses	66,116	46,148
Due from ONE Investment (Note 6(c))	1,118,708	1,091,109
	10,660,506	10,183,107

**Property and equipment (Note 4)**

13,373

**Natural Gas program fund (Note 5(a))**

9,384

7,446,628

**\$ 18,120,507**

**\$ 16,848,631**

### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities (Note 6(b))	\$ 4,421,145	\$ 4,298,894
Due to Association of Municipalities of Ontario (Note 6(c))	30,032	117,566
Deferred revenue	24,250	12,500
	4,475,427	4,428,960

**Natural Gas program fund (Note 5(a))**

7,446,628

6,656,140

**11,922,055**

11,085,100

#### Net assets

Unrestricted	6,198,452	5,763,531
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**\$ 18,120,507**

**\$ 16,848,631**

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

## Local Authority Services

### Statement of Operations and Changes in Net Assets

For the year ended December 31	2024	2023
<b>Revenue</b>		
Financial service fees	\$ 7,468,565	\$ 6,421,267
Municipal assets service fees	4,064,136	2,712,242
Energy service fees	1,024,990	708,428
Administrative service fees	565,627	87,560
Investment income	156,509	158,495
Education and training	44,675	92,588
	<u>13,324,502</u>	<u>10,180,580</u>
<b>Expenditures</b>		
Financial services	4,085,182	3,458,821
Municipal asset services	3,583,926	2,423,178
Salaries and benefits	2,289,646	2,037,337
General administration	1,654,232	1,661,071
Administrative services	782,114	136,748
Energy services	463,264	324,693
Education and training	24,986	59,786
Amortization	6,231	6,933
	<u>12,889,581</u>	<u>10,108,567</u>
<b>Excess of revenue over expenditures</b>	434,921	72,013
<b>Net assets, beginning of year</b>	<u>5,763,531</u>	<u>5,691,518</u>
<b>Net assets, end of year</b>	<u>\$ 6,198,452</u>	<u>\$ 5,763,531</u>

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



## Local Authority Services Statement of Cash Flows

For the year ended December 31	2024	2023
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures	\$ 434,921	\$ 72,013
Adjustment required to reconcile excess of revenue over expenditures to net cash provided by operating activities		
Amortization	6,231	6,933
Changes in non-cash working capital balances		
Accounts receivable	438,821	569,733
Prepaid expenses	(19,968)	4,381
Accounts payable and accrued liabilities	122,251	(169,511)
Due to Association of Municipalities of Ontario	(87,534)	47,519
Due from ONE Investment	(27,599)	(249,940)
Deferred revenue	11,750	(3,700)
	<u>878,873</u>	<u>277,428</u>
<b>Investing activities</b>		
Purchase of property and equipment	(10,220)	(4,800)
Redemption (purchase) of investments	(263,772)	1,620
	<u>(273,992)</u>	<u>(3,180)</u>
<b>Increase in cash during the year</b>	<b>604,881</b>	<b>274,248</b>
<b>Cash, beginning of year</b>	<u><b>727,662</b></u>	<u><b>453,414</b></u>
<b>Cash, end of year</b>	<u><b>\$ 1,332,543</b></u>	<u><b>\$ 727,662</b></u>

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

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## Local Authority Services

### Notes to Financial Statements

**December 31, 2024**

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#### **1. Basis of Presentation**

Local Authority Services Limited ("LAS") was incorporated on May 13, 1992 under the Business Corporations Act (Ontario) without share capital. On November 28, 2013, LAS was issued a Certificate of Continuance under the Canada Not-For-Profit Corporations Act as a not-for-profit organization, and changed its name to Local Authority Services.

LAS is a subsidiary of Association of Municipalities of Ontario ("AMO"). LAS is mandated to work with municipalities, their agencies, boards and commissions as well as other organizations of Ontario's broader public sector to assist them in reducing the cost of their expenditures and to increase their levels of non-tax revenue through the principle of joint or co-operative procurement efforts.

LAS is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

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#### **2. Significant Accounting Policies**

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

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## Local Authority Services Notes to Financial Statements

December 31, 2024

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### 2. Significant Accounting Policies (continued)

#### Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Computer hardware and software - 4 years straight-line

#### Contracts to Buy or Sell a Non-Financial Item

Contracts related to the natural gas procurement program and the retail electricity program are future contracts to buy or sell a commodity and as such are non-financial items and therefore not recognized in the financial statements but are disclosed in Note 5. The gains and losses are recognized in the statement of operations and changes in net assets in the year in which the contracts are settled.

#### Revenue Recognition

LAS follows the deferral method of accounting. Under the deferral method, grants and funds received in support of specific initiatives are deferred until such time as costs related to the initiative are incurred. Non-restricted grants and funds are recognized as revenue in the year received.

Energy services fees, financial services fees, municipal assets service fees and administrative services fees are recognized when the services have been provided, the amount can be reasonably estimated and collection is reasonably assured.

Education and training revenue is recognized when the education or training event takes place, the amount can be reasonably estimated and collection is reasonably assured.

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

#### Pension

AMO makes contributions on behalf of its employees, including the employees of LAS, to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan. The Plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The Plan has net assets of \$138.2 billion per 2024 annual report. The actuarially determined deficit of the OMERS plan on a going concern basis at December 31, 2024 was \$4.3 billion (2023 - \$7.6 billion). As the amount LAS is obligated to contribute under the Plan is not quantifiable, the accounting, presentation and disclosures that would otherwise be required are not determinable. Due to this fact, LAS follows the standards for a defined contribution plan, the details of which are disclosed in Note 7.

#### Investment in ONE Investment

ONE Investment ("ONE") is a not-for-profit organization and is exempt from income taxes provided certain requirements of the Income Tax Act are met. LAS is one of the two members of ONE. A financial summary of ONE is presented and disclosed in Note 8.

## Local Authority Services Notes to Financial Statements

**December 31, 2024**

### 3. Investments

	2024	2023
ONE Investment High Interest Savings Account (HISA) bearing interest at bank prime rate less 1.675% (2023 - bank prime rate less 1.735%)	<b>\$ 2,525,104</b>	<b>\$ 2,261,332</b>

### 4. Property and Equipment

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware and software	<b>\$ 94,493</b>	<b>\$ 81,120</b>	\$ 1,291,790	\$ 1,282,406
Net book value		<b>\$ 13,373</b>		\$ 9,384

### 5. Energy Programs

#### (a) Natural Gas procurement program

LAS as agent for the Natural Gas program, records an asset and liability on the statement of financial position. The statement of operations and changes in net assets includes the administration fee revenue and the expenses to operate the program.

LAS, on behalf of the municipalities, enters into natural gas purchase contracts with suppliers for the purpose of managing the price risk relating to natural gas. LAS has offsetting sales contracts with municipalities. On a monthly basis, all gas contracts are balanced. On an annual basis, LAS is required to balance the gas purchased for the municipalities with their consumption, in line with the parameters established by the gas utilities. If the municipalities consume more gas than hedged, then any shortfall is purchased on the spot market. Conversely, if the municipalities consume less gas than hedged, then the surplus gas is sold in the market place at the then prevalent spot market price.

The Natural Gas procurement program established a fund that is held in trust and is maintained by a third party service provider. This fund is used to balance any purchasing shortfalls or surpluses. Based on a recommendation from management, rebates may be distributed from the excess funds to municipalities in the form of a rebate in proportion to their consumption for a stated period. These funds, along with any accumulated interest, are not usually distributed until a year after the reconciliation has occurred.

## Local Authority Services Notes to Financial Statements

**December 31, 2024**

### 5. Energy Programs (continued)

#### (a) Natural Gas procurement program (continued)

In June 2007, LAS changed its service provider and transferred \$732,000 to the new service provider as seed money for the program, which is included in the program fund asset and liability. The amount in excess of the \$732,000 was distributed to municipalities based on their consumption as at November 1, 2006. If and when this program is terminated, this seed money will be distributed to the municipalities enrolled in the program at November 2006 based on their consumption at that time.

At year-end, LAS had the following natural gas purchase and sale and transportation contracts that were not recognized in these financial statements based on LAS's accounting policy for contracts to buy or sell a non-financial item disclosed in Note 2.

	2024	2023
<u>Purchase and sale contracts</u>		
Flow end date	<b>January 2025 to October 2028</b>	January 2024 to October 2026
Fixed price (per GJ)	<b>\$2.35 to \$4.61</b>	\$2.10 to \$4.61
Supply period (months)	<b>10 - 36</b>	10 - 34
Volume (GJ)	<b>6,052,500</b>	5,695,000
Amount of forward contracts	<b>\$22,190,015</b>	\$21,118,488
<u>Transportation contracts</u>		
Flow end date	<b>January 2025 to October 2025</b>	January 2024 to October 2024
Fixed price (per GJ)	<b>\$1.00 to \$1.55</b>	\$1.41 to \$2.03
Supply period (months)	<b>10</b>	10
Volume (GJ)	<b>3,131,200</b>	3,102,460
Amount of forward contracts	<b>\$3,912,936</b>	\$5,425,762

#### (b) Electricity procurement program

LAS, on behalf of the municipalities, enters into electricity purchase contracts with suppliers for the purpose of managing the price risk relating to electricity. LAS has offsetting sales contracts with municipalities. On an hourly basis, LAS is required to balance the electricity purchased for the municipalities with their consumption. If the municipalities consume more electricity than hedged, then any shortfall is purchased on the spot market. Conversely, if the municipalities consume less electricity than hedged, then the surplus electricity is sold in the market place, at the then prevalent spot market price.

## Local Authority Services Notes to Financial Statements

**December 31, 2024**

### 5. Energy Programs (continued)

#### (b) Electricity procurement program (continued)

At year-end, LAS had the following electricity purchase and sale contracts that were not recognized in the financial statements based on LAS's accounting policy for contracts to buy or sell a non-financial item disclosed in Note 2.

	<b>2024</b>	2023
Flow end date	<b>December 31, 2025</b>	December 31, 2024
Fixed price (per MW)	<b>\$57.05</b>	\$48.71
Supply period (months)	<b>12</b>	12
Volume (MW)	<b>298,871</b>	305,729
Amount of forward contracts	<b>\$17,050,593</b>	\$14,892,073

### 6. Related Party Balances and Transactions

- a) Included in accounts receivable are amounts due from ONE Investment of \$772,196 (2023 - \$613,331).
- b) Included in accounts payable and accrued liabilities are amounts owing to AMO of \$330,885 (2023 - \$219,862) and amounts owing to ONE Investment of \$1,191,137 (2023 - \$1,040,181).
- c) Amounts due to AMO and from ONE Investment are unsecured, repayable on demand and are non-interest bearing.
- d) Included in administration expenses is \$1,095,668 (2023 - \$1,055,232) for administration and occupancy costs charged by AMO. Included in administration expenses are management fees of \$4,085,886 (2023 - \$3,458,119) charged by ONE. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## Local Authority Services Notes to Financial Statements

**December 31, 2024**

### 7. Pension

Included in administration costs are pension contributions in the amount of \$203,367 (2023 - \$179,618) expensed and paid to OMERS on behalf of employees of LAS.

### 8. ONE Investment

ONE was incorporated on July 18, 2018. ONE is a not-for-profit organization and is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met. The members of ONE are LAS and CHUMS Financing Corporation ("CHUMS"). The mandate of ONE is to work with municipalities, their agencies, boards and commissions as well as other organizations of Ontario's broader public sector to provide investment products such as bond and equity portfolios, as well as teaching and supporting their client's investment decisions through online training and various tools and templates.

ONE has not been consolidated in LAS's financial statements. Financial statements of ONE are available on request. A financial summary of ONE as at December 31, 2024 and 2023 and for the years then ended is as follows:

	2024	2023
Financial position		
Total assets	\$ 4,570,903	\$ 4,042,175
Total liabilities	4,570,903	4,042,175
Net assets	\$ -	\$ -
Results of operations		
Total revenue	\$ 8,171,772	\$ 6,916,238
Total expenditures	8,171,772	6,916,238
Excess of revenue over expenditures	\$ -	\$ -
Cash provided by (used in)		
Operating activities	\$ 114,522	\$ (69,344)
Investing activities	(1,450)	1,262,284
Financing activity	53,888	498,413
Net change in cash	\$ 166,960	\$ 1,691,353



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## Local Authority Services Notes to Financial Statements

December 31, 2024

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### 9. Allocation of Expenses

Salaries and benefits are allocated based on the percentage of the expense which is used to benefit the underlying program as follows:

	2024	2023
Energy services	\$ 205,446	\$ 172,709
Financial services	270,610	208,117
Municipal assets services	53,398	56,258
Education and training	25,794	34,621
Administrative services	49,778	19,671
General administration	119,014	138,089
	<b>\$ 724,040</b>	<b>\$ 629,465</b>

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### 10. Financial Instruments Risks

#### Interest rate risk

Interest rate risk is the risk that the fair value or cash flows from a financial instrument will fluctuate because of market changes in interest rates. LAS is exposed to interest rate price risk on its investments. This risk has not changed from prior year.

#### Liquidity risk

Liquidity risk is the risk that LAS will encounter difficulty in meeting the obligations associated with its financial liabilities. LAS is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities and amounts due to AMO. This risk has not changed from prior year.

LAS reduces exposure to liquidity risk by ensuring that it maintains adequate cash reserves to pay trade 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. LAS's main credit risks relate to its accounts receivable, amounts due from ONE Investment and investments. This risk has not changed from prior year.

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

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## **Local Authority Services Notes to Financial Statements**

**December 31, 2024**

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### **11. Comparative Figures**

The comparative figures have been reclassified to conform with the current method of presentation.



**Local Authority Services (LAS)**

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