



REPORT TITLE									
2023 Treasurer's Investment Report									
FROM (Name and Position)									
Johnny Pereira, CPA, CGA, Treasurer									
Council Meeting Date:	June 17, 2024				Report Date:	June 10, 2024			
Decision Required:	Yes		No	X	Type of Meeting:	Open	X	Closed	
Outcome:	Information Only	X	Direction		Priority:	High		Low	X

BACKGROUND

The purpose of the Treasurer's Investment Report is to comply with the annual reporting requirements for investments in accordance with the Townships investment policy, section 418 of the Municipal Act, 2001 and related regulation O. Reg. 438/97. Which states:

If a municipality has an investment in a security prescribed under this Regulation, the council of the municipality shall require the treasurer of the municipality to prepare and provide to the council, each year or more frequently as specified by the council, an investment report. O. Reg. 438/97, s. 8 (1).

(2) The investment report referred to in subsection (1) shall contain,

- a) a statement outlining the performance of the portfolio of investments of the municipality during the period covered by the report;
- b) a description of the estimated proportion of the total investments of a municipality that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in that estimated proportion since the previous year's report;
- c) a statement by the treasurer as to whether or not, in his or her opinion, all investments are consistent with the investment policies and goals adopted by the municipality;
- d) a record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale price of each security; and
- e) such other information that the council may require or that, in the opinion of the treasurer, should be included. O. Reg. 438/97, s. 8 (2); O. Reg. 655/05, s. 6.

(2.1) The investment report referred to in subsection (1) shall contain a statement by the Treasurer as to whether any of the following investments fall below the standard required for that investment during the period covered by the report:

- a) An investment described in subparagraph 1 iii, v.1, v.2, vi.1, vi.2 or vi.3 of section 2.
- b) An investment described in paragraph 3.1, 4, 6.1, 7, 7.1, 7.2 or 8 of section 2.
- c) An investment described in subsection 9 (1). O. Reg. 292/09, s. 4.

ANALYSIS

The objectives of the Township's investment policy are to ensure:

1. The security of deposits is the prime consideration when investing any funds under the care, custody and control of the Township;
2. A diversified portfolio of investments to ensure cash availability to meet daily needs and
3. The maximization of return from term investments must be in accordance with guidelines on safety, liquidity, risk and authority in order to provide general revenues to the Township and reduce amounts otherwise required from taxation by the Township.

The Township's investments as of December 31, 2023, totalled \$4.6M (2022 – \$4.1M), excluding cash and cash equivalents. Total matured investments generated \$227K (2022 - \$153) in interest revenue.

The Township had a year-end cash balance of \$7.5M in 2023 (2022 - \$6.2M) and earned \$424K (2022 - \$268K) in interest. In 2023, cash on hand increased by \$1.3M, resulting from lifecycle management contributions, interest income, and the implementation of development charges.

The Township's cash holdings are diversified into cash and cash equivalents, variable-rate deposits such as high-interest cash accounts, and Guaranteed Investment Certificates (GIC).

Cash for investments throughout 2023 came primarily from reserve and reserve fund balances.

The Township's investment transactions and listing of current investments are outlined in the chart below:

2023 Matured Investments

<i>Funding Source</i>	<i>Institution</i>	<i>Type</i>	<i>Purchase Date</i>	<i>Term</i>	<i>Maturity</i>	<i>Yield</i>	<i>Cost of Initial Investment</i>
Reserve Funds - Lifecycle Management	Meridian Credit Union	GIC	29-Dec-22	1 Year	29-Dec-23	5.64%	\$ 4,000,000
Reserve Funds - Tree Funds	TD Canada Trust	GIC	18-Apr-22	1 Year	17-Jun-23	2.30%	\$ 23,514
Reserve Funds - Cash-In-lieu of Parkland	Libro	GIC	17-Jun-21	2 Year	17-Jun-23	1.20%	\$ 20,256
Reserve Funds - Cash-In-lieu of Parkland	Libro	GIC	17-Jun-21	2 Year	17-Jun-23	1.20%	\$ 34,885

New 2023 Investments**Short Term Investments**

<i>Funding Source</i>	<i>Institution</i>	<i>Type</i>	<i>Purchase Date</i>	<i>Term</i>	<i>Maturity</i>	<i>Yield</i>	<i>Cost of Initial Investment</i>
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Long Term Investments

<i>Funding Source</i>	<i>Institution</i>	<i>Type</i>	<i>Purchase Date</i>	<i>Term</i>	<i>Maturity</i>	<i>Yield</i>	<i>Cost of Initial Investment</i>
Cemetery Care & Maintenance Funds	Meridian Credit Union	GIC	29-Dec-23	5 Years	29-Dec-28	4.45%	\$ 600
Reserve Funds - Landfill	Meridian Credit Union	GIC	8-Dec-23	5 Years	8-Dec-28	5.45%	\$ 400,000
Reserve Funds - Lifecycle Management	Meridian Credit Union	GIC	8-Dec-23	2 Years	8-Dec-25	5.86%	\$ 2,500,000
Reserve Funds - Lifecycle Management	Meridian Credit Union	GIC	8-Dec-23	1.5 Years	8-Jun-25	5.88%	\$ 1,600,000

Current Outstanding Investments at Dec 31, 2023

<i>Funding Source</i>	<i>Institution</i>	<i>Type</i>	<i>Purchase Date</i>	<i>Term</i>	<i>Maturity</i>	<i>Yield</i>	<i>Cost of Initial Investment</i>
Cemetery Care & Maintenance Funds	Meridian Credit Union	GIC	29-Dec-22	6 Year	29-Dec-28	5.47%	56,000
Cemetery Care & Maintenance Funds	Meridian Credit Union	GIC	29-Dec-23	5 Years	29-Dec-28	4.45%	600
Reserve Funds - Landfill	Meridian Credit Union	GIC	8-Dec-23	5 Years	8-Dec-28	5.45%	400,000
Reserve Funds - Lifecycle Management	Meridian Credit Union	GIC	8-Dec-23	2 Years	8-Dec-25	5.86%	2,500,000
Reserve Funds - Lifecycle Management	Meridian Credit Union	GIC	8-Dec-23	1.5 Years	8-Jun-25	5.88%	1,600,000

Total Investments at Dec 31, 2023							\$ 4,556,600
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The Bank of Canada Prime rate on December 31, 2023, was 7.20% (2022 - 6.45%). The Township receives interest at a rate equivalent to the prime lending rate by the Bank of Canada, less 1.50% on all Libro account balances. In 2023, the average prime rate was 6.97% (2022 - 4.20%), generating an average return of 5.47% (2022 - 2.47%).

TREASURER'S STATEMENT

In my opinion, the investments held by the Township of Adelaide Metcalfe during the calendar year of 2023 were all consistent with the Township's investment policy and did not fall below the standards set out in section 418 of the Municipal Act, 2001 and related regulation O. Reg. 438/97.

RECOMMENDATION

THAT the 2023 Treasurer's Investment Report be received for information.

APPROVED by the Chief Administrative Officer
Morgan Calvert