

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. DCAO-2025-0004

**FOR THE CONSIDERATION OF
COUNCIL**

April 16, 2025

SUBJECT: INVESTMENTS – ANNUAL REPORT

1. RECOMMENDATION:

1. That Council receive Report No. DCAO-2025-0004 prepared by the Financial Strategy and Planning Division, Office of the Deputy CAO dated April 16, 2025 respecting the Investments – Annual Report.

2. PURPOSE:

The purpose of this report is to provide an overview of the performance of the Town's investment portfolio for fiscal 2024 in accordance with the approved Investment Policy.

3. BACKGROUND:

The purpose of the Town's Investment Policy is to ensure that the Town of Georgina invests all available funds in a manner that will provide the highest rate of return while minimizing the degree of risk and maintaining an adequate level of solvency and liquidity, in conformity with the Municipal Act, S.O. 2001 and the Town's Investment Policy. Other primary objectives of the policy are the adherence to statutory requirements, the preservation of capital, maintaining liquidity, and earning a competitive rate of return.

The Town holds the majority of its investments with the One Investment Program. The One Investment Program is a co-mingled investment program designed specifically for the municipal and broader Ontario public sector that provides competitive rates of return over both the short and longer term.

4. ANALYSIS:

As of December 31, 2024, the Town has cash and investments of \$96,189,310 (Market Value \$98,704,842). The Town holds 85.5% of its available cash with the Local Authority Services ("LAS") One Fund as at December 31, 2024, which is in accordance with the Town's approved Investment Policy.

Below is a description of each type of investment, as well as a breakdown of investments by type and the percentage of the overall portfolio that they represent.

Cash – TD Bank

A sufficient balance is maintained in the operating account to ensure the Town can meet its day-to-day cash flow activities in an effective and efficient manner.

Term Deposit – TD Bank – Duration of 12 months

This Term Deposit offers a competitive interest rate with guaranteed return and no fees. Flexibility exists to cash this Term Deposit in full or in part.

High Interest Savings Account (“HISA”) – LAS One Fund – Duration 1+ Months

Offered through CIBC, Scotiabank and National Bank, the HISA preserves capital and maintains liquidity while maximizing short-term income via secure deposits with a Schedule One Canadian Bank under a master LAS/CHUMS savings account.

Bonds – LAS One Fund – Duration of 18 to 36 Months

The One Bond Portfolio is intended to provide a higher return over longer investment horizons than the HISA option. These higher returns are garnered primarily through investment in a diversified selection of federal, provincial and municipal bonds maturing within five years, as well as high quality bank paper. The portfolio manager is MFS Investment Management Canada.

Universe Corporate Bonds (“UCB”) – LAS One Fund – Duration of 4+ Years

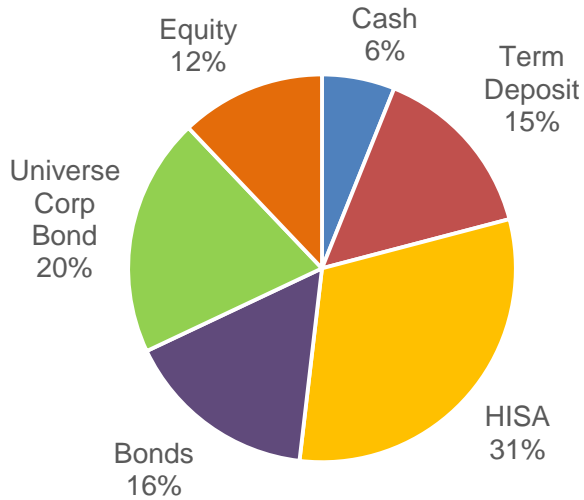
Launched in 2008, the One UCB Portfolio allows municipalities to invest in highly rated corporate bonds, maturing in the five to ten year range, which historically have produced greater investment returns with only incremental additional risk. The portfolio manager is MFS Investment Management Canada.

Canadian Equity Portfolio – LAS One Fund – Duration of 5+ Years

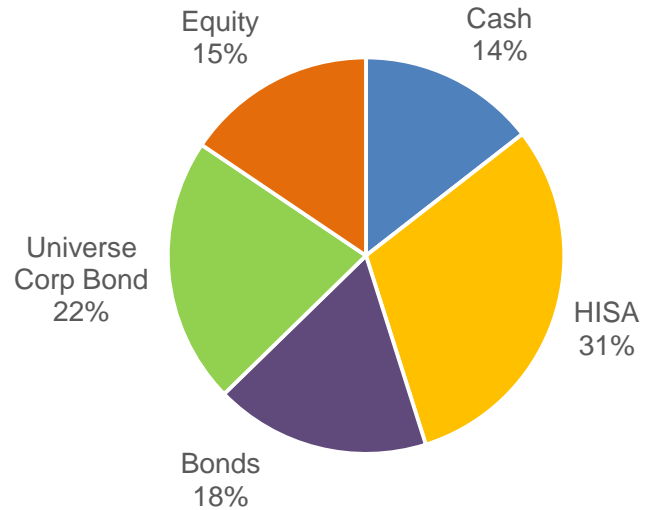
Launched in 2007, the One Equity Portfolio is an opportunity for Ontario municipalities to invest their long-term investment dollars in the equity market. The Portfolio Manager is Guardian Capital LP.

Investment by Type

January 1, 2024

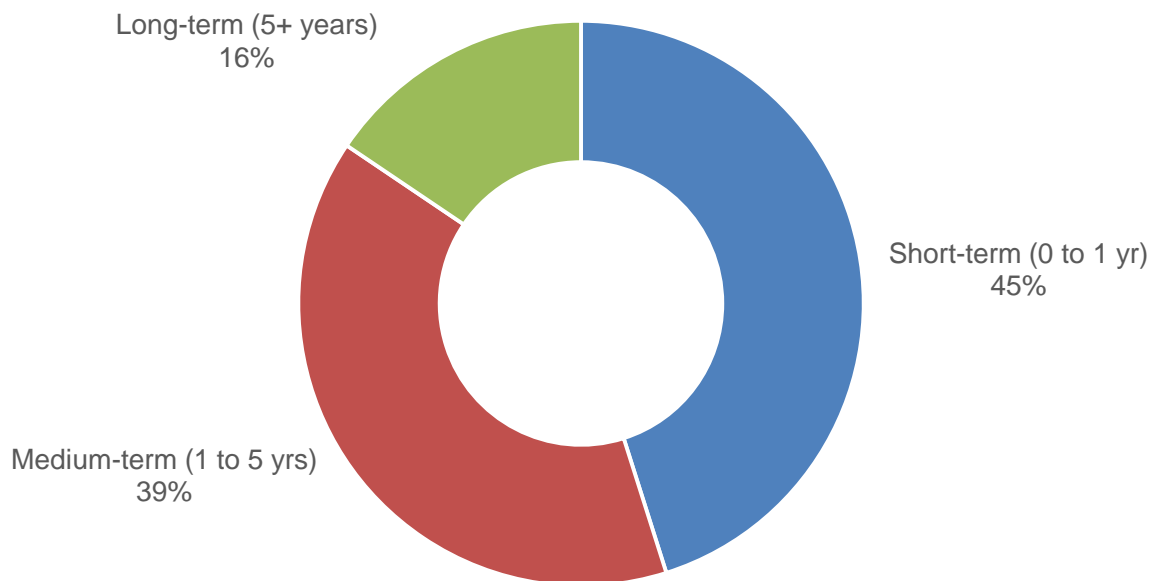


December 31, 2024



In 2024, the Town continued to diversify its investments between short, medium, and long-term. The Town continues to maintain the majority of its investments in short-term and medium-term options due to the cash flow needs identified in the 10-year capital plan over the next few years.

Term of Investments



The Chart below highlights the opening balances, transactions, investment income earned, realized and unrealized gains (losses), and various benchmark comparators.

	Cash - TD	GIC - TD	High Interest Savings Account - LAS One Fund	Bond Fund - LAS One Fund	Universe Corporate Bond Fund - LAS One Fund	Equity - LAS One Fund	Total
Book Value as at January 1, 2024	6,215,570	15,181,463	31,657,272	16,501,332	20,379,573	12,377,345	102,312,555
Market Value as at January 1, 2024	6,215,570	15,181,463	31,657,272	15,592,708	18,860,232	15,919,201	103,426,446
Deposits (Withdrawals):							
- June 27, 2024 - Principal Transfer	20,000,000		(20,000,000)				-
- October 16, 2024 - Principal Transfer	15,000,000	(15,000,000)					-
- October 16, 2024 - Interest Paid		871,500					871,500
- October 16, 2024 - Interest Transfer	871,500	(871,500)					-
- December 19, 2024 - Principal Transfer	(16,600,000)		16,600,000				-
- Investment Income Reinvested	1,221,449		1,261,779	400,994	518,022	398,932	3,801,176
- Capital Gains Reinvested						2,177,791	2,177,791
- Book Value - Cost Basis Adjustment				(1)	(1)	(34)	(36)
- Market Value - Unrealized Gains				355,718	348,835	697,088	1,401,640
- Interest Earned and Accrued			53,092				53,092
- Reversal of Previous Year's Accrual		(181,463)	(126,669)				(308,132)
Other transactions	(12,718,636)						(12,718,636)
Book Value as at December 31, 2024	13,989,884	-	29,445,474	16,902,325	20,897,594	14,954,033	96,189,310
Market Value as at December 31, 2024	13,989,884	-	29,445,474	16,349,419	19,727,088	19,192,977	98,704,842
Investment Income Earned	1,221,449	690,037	1,188,202	400,994	518,022	2,576,723	6,595,427
- Allocated to Discretionary Reserves and Operating Fund	243,216	380,846	655,794	365,060	471,601	2,576,723	4,693,240
- Allocated to Obligatory Reserves and OCIF	648,796	309,191	532,408	179,677	232,114	-	1,902,187

	Cash - TD	GIC - TD	High Interest Savings Account - LAS One Fund	Bond Fund - LAS One Fund	Universe Corporate Bond Fund - LAS One Fund	Equity - LAS One Fund
Return on Investment	4.9%	5.8%	5.1%	4.9%	4.6%	20.6%
Including Unrealized Gains						
Benchmarks for Comparison:		4.1%				
- One year Government of Canada Treasury Bills						
- Three month Government of Canada Treasury Bills	4.4%		4.4%			
- Bank of Canada Money Market Rates	4.6%		4.6%			
- Scotia McLeod's All Government Short Term Bond Index				3.2%	3.2%	3.2%
- One Fund's Bond Fund					4.9%	4.9%
- S&P/TSX Composite Index						18.0%

In order to reduce the risk of losses, the Town has only invested funds that it does not require for 5+ years in the equity portfolio. These funds generally represent the long-term repair and replacement reserves.

5. RELATIONSHIP TO STRATEGIC PLAN:

Delivering service excellence

Ensure continued financial sustainability and accountability.

6. FINANCIAL AND BUDGETARY IMPACT:

The recommendations contained in this report have no direct financial impact and are for information purposes only. Annually, investment income earned is allocated to the operating budget, Ontario Community Infrastructure Fund, and discretionary and obligatory reserves.

As per the Public Sector Accounting Board (PSAB) standards, the Town does not recognize unrealized gains or losses until the sale of the investment. To date, no investments have been sold that would result in a realized gain or loss.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

The information presented in this report is administrative in nature; consequently, no specific public consultation or notice has been undertaken.

8. CONCLUSION:

This report has been prepared for information purposes as required by the Town's approved Investment Policy. As the Treasurer, I confirm, that in my opinion, all investments were made in accordance with the investment policies and goals adopted by the Town.

APPROVALS

Prepared By:	Becky Ridding, CPA, CA Senior Financial Analyst
Reviewed By:	Dina Havkin, CPA, CMA Manager of Financial Strategy and Planning / Deputy Treasurer
Recommended By:	Rob Wheeler, CPA, CA Deputy Chief Administrative Officer / Treasurer
Approved By:	Ryan Cronsberry Chief Administrative Officer