



REPORT TO

**CORPORATE SERVICES, STRATEGIC  
PLANNING AND PROPERTY  
COMMITTEE**

**INVESTMENT REPORT 2017-18**

*“I will give you peace and quietness.”*  
I Chronicles 16:11

Created, Draft	First Tabling	Review
November 27, 2018	December 12, 2018	
D. Bilenduke; Senior Coordinator, Finance P. De Cock; Comptroller, Business Services & Finance		

**INFORMATION REPORT**

**Vision:**

*At Toronto Catholic we transform the world through witness, faith, innovation and action.*

**Mission:**

*The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.*

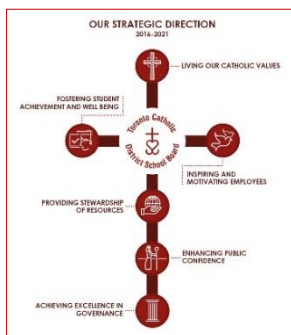
*We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.*

Rory McGuckin  
Director of Education

D. Koenig  
Associate Director  
of Academic Affairs

T. Robins  
Acting Associate Director  
of Planning and Facilities

L. Noronha  
Executive Superintendent  
of Business Services and  
Chief Financial Officer



## **A. EXECUTIVE SUMMARY**

The following report updates Trustees on the Board's investment activities during fiscal year 2017/18 as required by Ontario Regulation 41/10 section 14 (1) and TCDSB Policy F.M. 08 (Effective Financial Management and Control of Operations). The Treasurer of the Board confirms that all TCDSB borrowing and investment activity for fiscal 2017/18 conforms to both the Regulations and Board Policy.

*The cumulative staff time required to prepare this report was 6 hours*

## **B. PURPOSE**

The Ministry of Education mandates that the Treasurer of the Board reports on investing and commodity hedging activity (e.g. gas contracts) once annually.

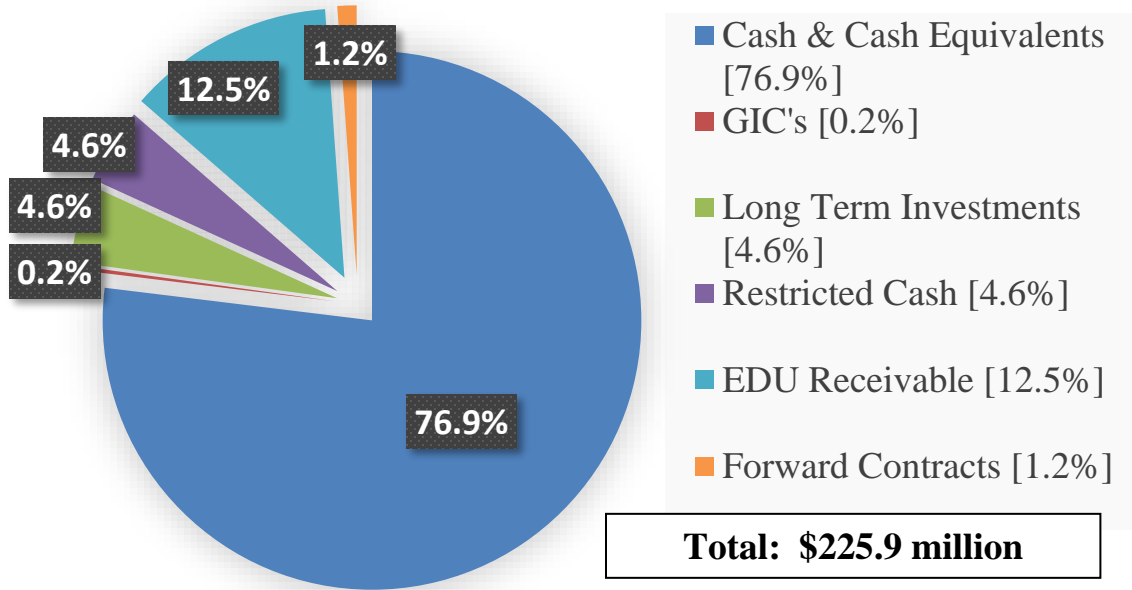
## **C. BACKGROUND**

1. *This report fulfils a legislative requirement.* Ontario Regulation 41/10 Board Borrowing, Investing and Other Financial Matters and TCDSB Policy F.M. 08 (Effective Financial Management and Control of Operations) requires the Treasurer of the Board to present an annual investment report confirming all investment activity is within the criteria specified by the Regulation. It also requires full disclosure of any commodity price hedging agreements in respect of energy prices.

## **D. EVIDENCE/RESEARCH/ANALYSIS**

1. *The Board controls a diversified portfolio relative to the legislative restrictions and its cash needs.* As at August 31, 2018 the audited financial statements of the Board listed \$173.8 million of Cash and Cash Equivalents and \$21.2 million of Investments & Restricted Cash. The Board also has forward gas contracts and a capital receivable from the Ministry of Education (EDU). Figure 1 illustrates the high level breakdown of the Boards investment portfolio as at August 31, 2018.

**Figure 1: Portfolio by Type of Investment**



- The Board's largest holding is in interest bearing cash investments.*** Cash and Cash Equivalents are temporary short-term cashable Guaranteed Investment Certificates (GIC) investments that earned an average of 1.60% over the year.
- The Board's Trust Funds have been safeguarded, while maximizing interest revenue.*** The Trust Funds of the Board have been invested in longer term GIC's in order to earn a higher rate of interest. The weighted average rate of return is approximately 1.8%. Figure 2 provides details of these investments.

**Figure 2: Trust Fund Yields and Maturities**

<b>Amount</b>	<b>Rate</b>	<b>Year of Maturity</b>
<b>\$60,722</b>	1.20%	2018
<b>\$60,842</b>	1.40%	2019
<b>\$50,000</b>	2.10%	2019
<b>\$51,412</b>	1.40%	2019
<b>\$50,000</b>	1.75%	2020
<b>\$60,000</b>	1.40%	2020
<b>\$55,000</b>	2.45%	2020
<b>\$65,000</b>	2.73%	2021
<b>\$60,000</b>	1.55%	2021
<b>\$512,976</b>	1.76%	

4. *The Board holds several special investments.* As of August 31<sup>st</sup> 2018, Special Investments include a \$10.5 million long term investment to secure an escrow agreement on a property purchase, \$10.3 million of Restricted Cash held in trust for a joint school construction project, a capital revenue receivable with the Ministry of Education totalling \$28.2 million and forward contracts to purchase natural gas for its schools totalling \$2.6 million. Figure 3 summarizes these holdings.

**Figure 3: Summary of Special Investments**

<b>Amount (\$M)</b>	<b>Rate</b>	<b>Description</b>	<b>Purpose</b>
<b>\$10.5</b>	2.05%	Long Term Investment	Escrow agreement, real estate
<b>\$10.3</b>	Variable	Restricted cash, in trust.	Railway lands school construction
<b>\$28.2</b>	1.00%	Short term EDU receivable	New school construction
<b>\$2.6</b>	Variable	Forward gas contracts	Mitigate variable natural gas rates

## **E. METRICS AND ACCOUNTABILITY**

1. ***Business Services staff continue to optimize the investment portfolio on behalf of the Board.*** In the 2017-18 fiscal year, TCDSB earned interest revenues totalling \$3.13 million or an average return of 1.60%, most of which is earned on capital funds held by the Board, (i.e. Proceeds of Disposition, and Education Development Charges). Interest rates are expected to rise slowly during 2018/19 and the Board will capitalize on these increases on its short-term investments. At the time of preparation of this report, the Board has already seen an increase to average return to 2.15% for the current fiscal year.
2. ***All investments are in accordance with legislation and policy.*** As required under O. Reg. 41/10 the Treasurer of the Board confirms that all TCDSB borrowing and investment activity for 2017-18 fiscal year is consistent with Ontario Regulation 41/10 and made in accordance with the investment policies and goals of the Board.

## **F. CONCLUDING STATEMENT**

This report is for the consideration of the Board.