



REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

INVESTMENT REPORT 2014/15

Proverbs 14:23

All hard work brings a profit, but mere talk leads only to poverty.

Created, Draft	First Tabling	Review
January 12, 2016	January 21, 2016	
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 rooted in the love of Christ. We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity



G. Poole

Associate Director of Academic Affairs

A. Sangiorgio

Associate Director of Planning and Facilities

Angela Gauthier

Director of Education

A. EXECUTIVE SUMMARY

The following report updates Trustees on the Board's investment activities during fiscal year 2014/15 as required by Ontario Regulation 41/10 section 14 (1) and TCDSB Policy F.M. 08 (Effective Financial Management and Control of Operations). Both the Regulation and Policy requires the Treasurer of the Board to prepare an annual report if the Board has investments in securities prescribed under this Regulation or maintains commodity price hedging agreements.

B. PURPOSE

1. The Ministry of Education mandates that the Treasurer of the Board reports on investing and commodity hedging activity once annually. It is vital that the Board of Trustees has absolute confidence in the care and custody of the Board's assets.

C. BACKGROUND

1. Ontario Regulation 41/10 Board Borrowing, Investing and Other Financial Matters requires the Treasurer of the Board to present an annual Investment report confirming all investment activity is within that specified by the Regulation. It also requires full disclosure of any commodity price hedging agreements in respect of energy prices.
2. This requirement was given further weight by being included as a regulation in TCDSB Policy F.M. 08 (Effective Financial Management and Control of Operations).

D. EVIDENCE/RESEARCH/ANALYSIS

1. As at August 31, 2015 the audited financial statements of the Board listed \$95.362 million of *Cash and Cash Equivalents* and \$10.864 million of *Investments & Restricted Cash*. The Cash and Cash Equivalents are not required to be reported under O. Reg. 41/10. They are temporary short term cashable GIC investments that are earning between 0.95% and 1.30%.
2. The Trust Funds of the Board have been invested in longer term GIC's at ING Bank in order to earn a higher rate of interest. The weighted rate of return is approximately 1.88%. The following is a table of these investments as required by O. Reg. 41/10:

<u>Amount</u>	<u>Rate</u>	<u>Year of Maturity</u>
\$58,535	3.50%	2016
\$54,929	2.50%	2016
\$53,220	2.10%	2017
\$53,220	2.10%	2017
\$52,125	2.10%	2018
\$50,000	1.40%	2018
\$50,000	2.10%	2019
\$50,000	1.75%	2020

3. The Board also has a \$10,530,000 long term investment with Bank of Nova Scotia which matures in March 2017 and pays 1.75% per annum. This deposit note was required to secure an escrow agreement on a property purchase and interest accrues to the Board.
4. The Regulation also requires a disclosure as to the amount invested in its own long or short term securities. As funds are spent on the current construction of new schools and additions, the TCDSB will use its own funds to finance these projects to the full extent possible before external borrowing is required or the projects become 95% complete and eligible for long term debenture financing support from the Ministry of Education. As at August 31, 2015 the TCDSB had \$13.8 million of its operating funds invested in capital projects not permanently financed. As of this date, \$11.4 million of this amount has been approved by the Ministry of Education for debenture financing at the next offering by the Ontario Financing Authority (OFA) in March 2016.
5. As at August 31, 2015 the Board had entered into forward contracts to purchase and transport natural gas for its schools in the amount of \$2.533 million. Although a risk exists that the price could go down or demand may not be met, it offers a large degree of certainty that the Board will not exceed its natural gas expense budget for the coming year.

E. METRICS AND ACCOUNTABILITY

1. In its day to day activities, Business Services staff exercise due diligence by monitoring all investments and reinvest at the best market rates available while ensuring compliance with TCDSB Policies and Ontario Regulations concerning the types of permissible investments.

2. In the 2014-15 fiscal year, TCDSB earned interest revenues totalling \$1.75M, most of which are attributable to capital funds, i.e. Proceeds of Disposition, and Education Development Charges.
3. As required under O. Reg. 41/10 the Treasurer of the Board confirms that all TCDSB borrowing and investment activity for fiscal 2014/15 is consistent with Ontario Regulation 41/10 and were made in accordance with the investment policies and goals of the Board.

F. CONCLUDING STATEMENT

This report is for the consideration of the Board.