



REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

INVESTMENT REPORT 2016/17

Genesis 2:15

The LORD God took the man and put him in the Garden of Eden to work it and take care of it.

Created, Draft	First Tabling	Review
January 30, 2018	February 8, 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.B.D.
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 2016/17 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 2016/17 conforms to both the Regulations and Board Policy.

The cumulative staff time required to prepare this report was 8 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.

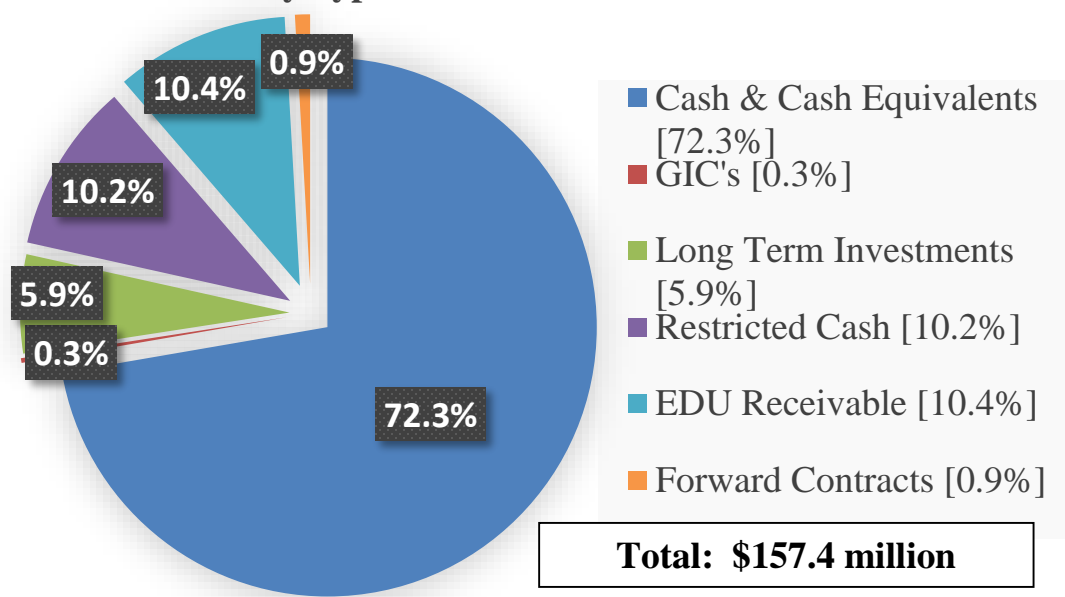
C. BACKGROUND

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 compliant with legislative restrictions and its cash needs.*** As at August 31, 2017 the audited financial statements of the Board listed \$128.3 million of Cash and Cash Equivalents and \$29.1 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, 2017.

Figure 1: Portfolio by Type of Investment



2. ***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 are earning between 0.95% and 1.49%.
3. ***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 at Tangerine Bank in order to earn a higher rate of interest. The weighted average rate of return is approximately 1.48%. Investments in their year of maturity will be reinvested at the best prevailing market rate of return. Figure 2 provides details of these investments.

Figure 2: Trust Fund Yields and Maturities

Amount	Rate	Year of Maturity
\$54,340	2.10%	2018
\$50,000	1.40%	2018
\$60,000	1.20%	2018
\$60,000	1.40%	2019

\$50,000	2.10%	2019
\$50,702	1.40%	2019
\$50,000	1.75%	2020
\$60,000	1.40%	2020
\$60,000	1.55%	2021
\$495,042	1.48%	

4. ***The Board holds several special investments.*** As of August 31, 2017 these include a \$10.5 million long term investment to secure an escrow agreement on a property purchase, \$18.1 million of Restricted Cash held in trust for a joint school construction project, a capital revenue receivable with the Ministry of Education totalling \$18.5 million and forward contracts to purchase natural gas for its schools totalling \$1.6 million. Figure 3 summarizes these holdings.

Figure 3: Summary of Special Investments

Amount (\$M)	Rate	Description	Purpose
\$10.5	1.75%	Long Term Investment	Escrow agreement, real estate
\$18.1	Variable	Restricted cash, in trust.	Railway lands school construction
\$18.5	1.00%	Short term EDU receivable	New school construction
\$1.6	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 2016-17 fiscal year, TCDSB earned interest revenues totalling \$1.98 million or an average return of 1.25%, 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 very slowly during 2018 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 1.34% 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 fiscal 2016/17 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.