



TOWNSHIP OF SOUTHWOLD

Report to Council

MEETING DATE: April 14, 2025

PREPARED BY: Michele Lant, Director of Corporate Services/Treasurer

REPORT NO: FIN 2025-10

SUBJECT MATTER: Investment Summary

Recommendation:

THAT Council receive Report FIN 2025-10 Investment Summary as of December 31, 2024 for information.

Purpose:

To advise Council on the status of municipal investments as at the 2024 Year End.

Background:

To maximize the return on Township funds, some available funds are invested through CIBC and ONE Investment. These tend to be funds associated with reserves that are not immediately needed.

Comments/Analysis:

Investments are held with CIBC and the ONE Investment, a local government investment pool in which Ontario Municipalities may invest. ONE Investment is an incorporated not-for-profit which was started by Local Authorities Service Limited (a wholly owned subsidiary of the Association of Municipalities of Ontario), together with CHUMS Financing Corporation (a wholly owned subsidiary of the Municipal Finance Officers' Association of Ontario).

Total cost of investments on December 31, 2024 is \$7,108,914 and are held in cash, market funds and bonds.

Purpose	2024	2023	2022
General	\$1,076,358.74	\$1,042,497.15	\$1,009,160.33
Water	\$5,860,055.04	\$5,670,463.22	\$5,482,985.52
Sewer	\$92,315.10	\$89,998.79	\$87,797.93
Parkland	\$80,184.77	\$78,384.73	\$76,785.95
Total Cost	\$7,108,913.65	\$6,881,343.89	\$6,656,729.73
Total Market Value	\$6,901,347.93	\$6,602,214.46	\$6,250,018.30

Purpose	2024	2023	2022
Gain (Loss) if Disposed	(\$207,565.72)	(\$279,129.43)	(\$406,711.46)

Unlike private entities which are required to record investments at the lower of cost and market, under Public Sector Accounting Standards, municipalities currently record investments at cost. This accounting treatment results in the Township recognizing net investment earnings in our financial statements but not recognizing the change in market value of our portfolio.

Financial Implications:

2024 unaudited net investment earnings total \$227,569.76. Following is a detailed breakdown.

	2024		2023		2022	
CIBC	\$2,875,945.09		\$2,754,282.89		\$2,630,187.56	
Interest	\$138,024.29	4.80%	\$147,512.25	5.36%	\$50,877.71	1.93%
Realized Capital Gain/Loss	\$0.00	0.00%	(\$7,740.00)	-0.28%	\$2,064.55	0.08%
Management Fees	(\$16,362.09)	-0.57%	(\$15,676.92)	-0.57%	(\$15,313.51)	-0.58%
Net Earnings	\$121,662.20	4.23%	\$124,095.33	4.51%	\$37,628.75	1.43%
ONE Fund	\$4,232,968.56		\$4,127,061.00		\$4,026,542.17	
Interest	\$124,915.83	2.95%	\$119,051.38	2.88%	\$101,288.93	2.52%
Management Fees	(\$18,687.53)	-0.44%	(\$18,219.04)	-0.44%	(\$17,773.90)	-0.44%
Net Earnings	\$106,228.30	2.51%	\$100,832.34	2.44%	\$83,515.02	2.07%
Total CIBC and ONE Fund Earnings	\$227,890.50	3.21%	\$224,927.67	3.27%	\$121,143.77	1.82%

Interest revenue remained higher compared to past years, but started to decline over the last half of 2024 with bank interest rates in January 2024 at 5.20% and December 2024 at 3.95%.

CIBC investments are held in Imperial Money Market Pool with all of the portfolio in short-term investments.

ONE Fund investments are held in several bond instruments, 98% of which are held in the Canadian Corporate Bond Portfolio which are recommended to be held for a minimum of four years.

Staff continually monitor cash flow needs and the ability to invest additional funds. At this time, Staff does not recommend additional funds to be invested with the capital projects being undertaken.

Strategic Plan Goals:

The above recommendation helps the Township meet the Strategic Plan Goal of:

- ☐ Managed Growth
- ☐ Welcoming and Supportive Neighbourhoods
- ☐ Economic Development
- ☒ Fiscal Responsibility and Accountability

Respectfully Submitted by:
Michele Lant, Director of Corporate
Services/Treasurer
"Submitted electronically"

Approved by:
Jeff Carswell, CAO/Clerk
"Approved electronically"