



The Corporation of the Town of Parry Sound

# 2015 Annual Investment Report

In January 2015, the Town of Parry Sound reviewed and revised its Investment Policy. This policy requires that the Treasurer for the Town reports to Council on an annual basis by June 30<sup>th</sup> the state of the Town's investments.

## 1 SECURITIES HELD

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The individual securities held by the Town consist of:

- Bank accounts held with Canadian chartered banks (Bank of Nova Scotia)
- Loan to the West Parry Sound District Museum
- Investment in Lakeland Holdings Inc.

The bank accounts, at December 31, 2015, are held with the Parry Sound branch of the Bank of Nova Scotia (Scotiabank). There is currently no liquidity risk as funds are not locked into fixed term financial instruments, this results in a modest rate of return.

In 2015, the rate of return on the Town's bank accounts varied from 1.35% in January to 0.95% in December for CIBC and from 1.2% in September to 1.05% in December for Scotiabank. These rates were resulting from economic factors in the market. It should be noted that in 2014, the rate started at 1.02% and ended at 1.35%, so these rates at the end of 2015 are similar to 2014 rates.

The investments not held with the chartered banks are not easily liquidated to cash to meet the current needs of the municipality. However, the return is higher; the investment in Lakeland Holdings Ltd had a return of 3.1% whereas the loan to the Museum is Prime -1% rather than Prime-1.65%.



The Corporation of the Town of Parry Sound

## **2 REALIZED AND UNREALIZED GAINS**

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Due to the fact that all investments, held at December 31, 2015, are either cash, loans, or an investment in a non-traded company (Lakeland Holdings), there are no unrealized gains resulting from these investments.

An unrealized gain is a result of the increase in the market value of an investment which could be realized if the investment was sold. For example, if you purchased shares in BCE for \$1/share and it is now worth \$2/share you have an unrealized gain of \$1; however you don't actually have that extra money until you sell your share and realize the gain.

## **3 PORTFOLIO MIX**

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Of the Town's investment portfolio 75.9% are held in bank accounts with chartered banks. The loan to the West Parry Sound District Museum represents 0.1% of the Town's portfolio and the investment in Lakeland Holdings represents 24.0% of the overall portfolio.

All of the investments, except for Lakeland Holdings, are considered short term in nature as they are due within 1 year, on demand or are without fixed repayment terms. All bank accounts may be accessed at any time without restriction.

The Bank account balance consists of:

- \$12,094,940 in the general operating bank account which includes the general fund and the reserves (NOT reserve funds);
- \$276,541 held in trust for cemeteries and memorial gardens; and
- \$6,120,760 held in reserve funds.



The Corporation of the Town of Parry Sound

## 4 PORTFOLIO SUMMARY

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The Town's portfolio consists of general funds, trust funds, reserve funds and other investments.

### 4.1 GENERAL FUND

Investments included in the general fund consist of:

<b>Investment</b>	<b>Balance at December 31, 2015</b>	<b>2015 Investment Income</b>
<b>General Fund</b>	\$12,094,940	\$155,942.82

### 4.2 TRUST FUNDS

Investments included in the trust funds are not available for general Town use and consist of:

<b>Investment</b>	<b>Balance at December 31, 2015</b>	<b>2015 Investment Income</b>
<b>Sylvan Acres Cemetery</b>	\$164,249.49	\$1,927.06
<b>Hillcrest Cemetery</b>	110,968.37	1,318.19
<b>Trinity Memorial Garden</b>	1,323.29	17.82



The Corporation of the Town of Parry Sound

### 4.3 RESERVE FUNDS

Investments included in reserve funds may not be available for general Town use as a result of contractual obligations or legislative restrictions. Investments consist of:

<b>Investment</b>	<b>Balance at December 31, 2015</b>	<b>2015 Investment Income</b>
<b>Capital Asset Legacy Fund</b>	\$2,065,750.37	\$27,176.39
<b>Capital Replacement Reserve Fund</b>	393,584.20	4,795.83
<b>Lot Levy</b>	85,429.72	1,034.11
<b>Development Charges</b>	17,529.02	212.19
<b>Waterworks</b>	92,753.13	1,090.60
<b>Municipal Property and Parkland</b>	112,497.35	1,598.75
<b>Parking</b>	281,995.20	5,135.42
<b>Sewer Development</b>	89,397.92	1,049.98
<b>Pool – In Trust</b>	44,122.66	534.09
<b>Land Ambulance – Severances</b>	536,226.24	6,490.92
<b>Land Ambulance – Cross Border</b>	1,089,539.79	8,684.22
<b>Land Ambulance – Capital</b>	813,649.50	10,640.22
<b>Fire Training</b>	7,472.17	36.40
<b>WPS Association</b>	1,399.54	16.94
<b>Smelter Wharf</b>	289,667.59	2,669.85
<b>Bobby Orr Hall of Fame</b>	141,922.89	1,717.94
<b>Treetops Community Forest</b>	31,949.13	29.38
<b>Public Transit Gas Tax</b>	25,873.20	955.23



The Corporation of the Town of Parry Sound

#### 4.4 OTHER INVESTMENTS

Other investments are not bank accounts. They consist of:

Investment	Balance at December 31, 2015	2015 Investment Income
<b>Loan to West Parry Sound District Museum</b>	\$25,000.00	\$446.79
<b>Investment in Lakeland Holdings Ltd.</b>	5,855,104.00	179,318.08

## 5 STATEMENT OF COMPLIANCE

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In my opinion, all investments were made in accordance with the investment policies and goals adopted by the Town of Parry Sound and are in compliance with the Municipal Act.