

## Report to Council

**Report Title:** 2025 Annual Investment Report  
**Prepared By:** Trish Serratore, Chief Financial Officer  
**Department:** Finance  
**Date:** April 28, 2026  
**Report Number:** FIN2026-16                      **File Number:** C11FIN

### Attachments:

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### Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2026-16 - 2025 Annual Investment Report, prepared by Trish Serratore, Chief Financial Officer for information purposes.

### Report:

#### Background:

Ontario Regulation 438/97 requires the Treasurer to provide an annual report of investments made by the Municipality. The report is to include:

- A statement outlining the performance of the investments during the period covered by the report;
- A description of the estimated proportion of the total investments invested in its own long-term and short-term securities in relation to the total investment of the Municipality. A description of material changes, if any, in that proportion since the previous year's report;
- A statement by the Municipality, in their opinion, all investments are consistent with the investment policies and goals adopted by the Municipality;
- A record of the date of acquisition or disposal of securities; including a statement of the purchase and sale price of each security; and
- Such other information that Council may require or in the opinion of the Treasurer, should be included.

The objectives of the Municipality's investment policy are to ensure:

- Adherence to statutory requirements;
- Preservation of capital;
- Maintaining liquidity; and
- Earning a competitive rate of return

## **Analysis:**

Municipal investments totaled \$7,554,234 on December 31, 2025 (2024: \$6,774,092). Below is an outline of the total investments held by the Municipality.

### **Westario Power:**

The Municipality owns 12.61% of the outstanding common shares of Westario Power Holdings Inc., representing 1,261 Common Shares with a value of \$2,303,593.

Dividends received in 2025 totaled \$100,870.99, compared with \$50,435.50 in both 2023 and 2024, and \$100,871 in 2022.

### **CIBC Investments:**

On March 28, 2023, Council passed a motion – Invest Reserve Funds that requested a portion of the reserve funds be invested in a Guaranteed Investment Trust (GIC) with a cashable or non-cashable feature and within the interest rate range of 4.5 to 5.5%.

Below is a summary of the total investments with CIBC as of December 2025. Overall, there is an increase in both the short-term and long-term investments cumulative of \$764,700 (17.44%).

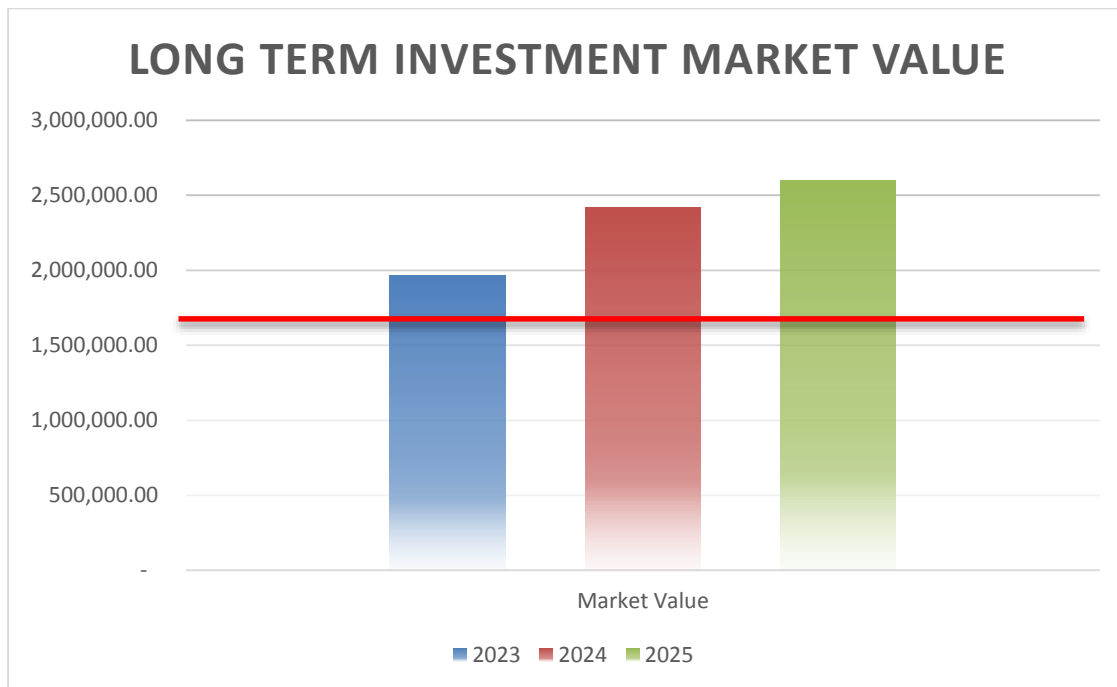
### **Long-Term Investments:**

Lower interest rates and an expanding fiscal deficit in Canada created a supportive backdrop for the domestic economic outlook, which was reflected in forecasts for Canadian equity markets. The PPN portfolio benefited significantly from the strong performance of the S&P/TSX Composite Index, which rose 33% in 2025 and outperformed global peer equity markets. The underlying assets linked to the notes generated returns in excess of 30%, enabling the portfolio to capture most of this upside within a principal-protected structure.

In February 2025, the Municipality realized gains from these notes and reinvested the proceeds into new principal-protected notes (PPNs), thereby securing the accumulated profits while maintaining downside protection. Given the favourable pricing environment for PPNs, this strategy is expected to provide higher upside participation rates, aligning with a positive medium-term market outlook.

The newly acquired notes continue to focus on long-term growth, with exposure to blue-chip equities listed on the Toronto Stock Exchange, while preserving full principal protection at maturity.

| Year | Description      | Book Value  | Gain/(Loss) | Market Value December |
|------|------------------|-------------|-------------|-----------------------|
| 2023 | CIBC – Long-term | \$2,000,000 | (\$32,770)  | \$1,967,230           |
| 2024 | CIBC – Long-term | \$2,000,000 | \$453,350   | \$2,420,580           |
| 2025 | CIBC – Long-term | \$2,420,600 | \$705,939   | \$3,126,539           |



#### Short-term Investments:

| Year | Description       | Book Value  | Interest Income as of December | Market Value December |
|------|-------------------|-------------|--------------------------------|-----------------------|
| 2023 | CIBC – Short-term | \$1,800,000 | \$23,347                       | <b>\$1,823,347</b>    |
| 2024 | CIBC – Short-term | \$1,800,000 | \$79,550                       | <b>\$1,902,897</b>    |
| 2025 | CIBC – Short-term | \$1,800,000 | \$46,163                       | <b>\$1,949,060</b>    |

\*Not accounting for unrealized capital gains/losses

Interest income earned on the investments was allocated to the reserve funds, less any management fees, as of December 2025.

#### Breakdown by Reserve Fund:

| Reserve Fund                        | 2025             | 2024            | 2023            |
|-------------------------------------|------------------|-----------------|-----------------|
| Equipment - Infrastructure          | \$212,614        | \$2,863         | <b>\$1,297</b>  |
| Equipment - Roads                   | \$24,002         | \$22,902        | <b>\$10,376</b> |
| Utilities                           | \$24,002         | \$22,902        | <b>\$10,376</b> |
| Equipment - WSIB                    | \$3,000          | \$2,863         | <b>\$1,297</b>  |
| Equipment – Recreation Facility     | \$239,840        | \$0             | <b>\$0</b>      |
| Equipment – Brant/Greenock Landfill | \$149,900        | \$0             | <b>\$0</b>      |
| <b>Total Interest Earned</b>        | <b>\$653,358</b> | <b>\$51,530</b> | <b>\$23,346</b> |

## Cemetery Care and Maintenance Investments:

Brockton's Cemetery Care and Maintenance funds were invested into a short-term GIC with Bank of Montreal (BMO) with a maturity of May 1, 2025. The interest earned on the Cemetery Trust Fund is allocated to the operating budget to assist with the care and maintenance costs of the cemetery.

**Table 2. Current Investments Held by the Municipality Which are Part of the Cemetery Trust Fund:**

| Description                  | Amount    | Interest Rate | Annual Interest   | Maturity     |
|------------------------------|-----------|---------------|-------------------|--------------|
| BMO – GIC                    | \$175,042 | 3.450%        | \$9,049.67        | May 11, 2026 |
| <b>Total Interest earned</b> |           |               | <b>\$9,049.67</b> |              |

All investments are consistent with the investment policies and goals adopted by the Municipality of Brockton. Next steps, staff will review Reserve Fund balances and unallocated funds for future investment opportunities.

## Brockton's Community Goals:

The content and recommendations in this report support advancing the priorities to **Build a Better Brockton** in one or more of the following areas: **Heritage, Culture, and Community, Quality of Life, Municipal Governance, Land Use Planning and the Natural Environment, and/or Economic Development.**

## Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

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## Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

## Reviewed By:



Sonya Watson, Chief Administrative Officer