

Springbank Park For All Seasons (SPFAS) Investment Policy

Approved by SPFAS Board of Directors on December 16, 2019

Effective December 16, 2019

Background: SPFAS, incorporated under the *Agricultural Societies Act*, is a community-based, not-for-profit Society organized to promote and encourage educational, cultural, athletic, recreational and community endeavours at its two facilities, the Springbank Park For All Seasons and the Springbank Lions Soccer Park. SPFAS strives on an ongoing basis to be strong responsible stewards of the financial assets retained by the Society. The Society's investment portfolio is a key financial asset that is managed pursuant to the principles and related practices that are outlined in this Policy.

Principles: The Society utilizes and implements 5 key principles to guide the management of the investment portfolio. The Society's 1st principle and top priority with respect to managing the investment portfolio is to protect and secure the funds that are included in it. With the 2nd principle, the Society strives to generate interest revenues by investing and holding these funds in relatively conservative banking instruments. To practically attain and implement these first 2 priorities, SPFAS specifically only invests and holds funds in redeemable and non-redeemable guaranteed investment certificates, in term deposits and in interest bearing bank accounts offered by the 5 largest Canadian chartered banks (Scotiabank, Bank of Montreal, Royal Bank of Canada, Toronto Dominion Bank and the Canadian Imperial Bank of Commerce). With the 3rd principle, the Society strives to ensure that SPFAS retains flexibility by retaining ongoing accessibility to funds held in the investment portfolio. This is accomplished by retaining a mix of redeemable and non-redeemable investments in the portfolio, all of which are secured for terms on not more than 2 years in duration. The 4th principle involves SPFAS only utilizing investment instruments that are held in Canadian dollars (i.e. so as not to engage in investment practices that include speculating on currency valuations). The 5th principle pertains to the administration and control of the SPFAS investment portfolio. The Society ensures that all investment instruments and bank accounts are held under the overall umbrella name of the "Springbank Park For All Seasons Agricultural Society". The Society also ensures that, prior to being completed, all transactions that move funds in to, out of, or within the investment portfolio (including investment acquisitions, the transfers of funds in or out of bank accounts and the allocations of funds from matured investments) are jointly reviewed and approved by the SPFAS Treasurer or President (on behalf of the SPFAS Board of Directors), as well as by the SPFAS General Manager or Administrative & Scheduling Coordinator (on behalf of SPFAS management).

Practical Application of SPFAS Investment Policy:

SPFAS will:

- Post this Policy on the SPFAS website (www.springbankpark.com);
- Forward a copy of this Policy to banks that provide investment instruments to the Society;
- Ensure the SPFAS auditors have a copy of this Policy when performing fiscal year-end audits;
- Manage the investment portfolio on an ongoing basis by utilizing the following practices:
 1. Include Investment Schedules in the Financial Reports presented to the SPFAS Board;
 2. Ensure the bank provides written confirmations for all completed investment transactions;
 3. Rely on the bank to electronically complete SPFAS approved investment transactions;
 4. Ensure SPFAS forwards in writing to the bank investment instructions for approved transactions;
 5. Ensure funds held in investments, instead of borrowings, are utilized to provide cash flows;
 6. Accrue and record investment interest revenues as earned (rather than as when received);
 7. Reconcile monthly the investments held at the bank to the SPFAS accounting records;
 8. Segregate invested funds to hold Operating (Op) \$'s separately from Capital (Cap) \$'s;
 9. Include interest generated from Op investments as a revenue source in Operating Budgets;
 10. Include interest generated from Cap investments as a revenue source in the Capital Reserve;
- Review on an ongoing basis interest rate forecasts and trends with bank representatives;
- Review at least annually investment and bank account alternatives with bank representatives;
- Comply with requirements/conditions/restrictions to hold funds separately (i.e. casino funds).

The SPFAS Board of Directors recognizes the importance of approving this Investment Policy, which provides strong conservative guiding financial stewardship principles that give direction for the management and safekeeping of the investments held by the Society. The Board also supports the practical implementation of the guiding principles that are included in this Policy. In addition, the Board is committed to ensuring that transparency is retained with respect to clearly disclosing information pertaining to SPFAS investments and corresponding bank accounts in the financial reports that are presented to the Society's Board of Directors, as well as in the SPFAS annual audited financial statements that are presented at the Society's Annual General Meetings.