

NO: R160

COUNCIL DATE: July 27, 2015

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 20, 2015**

FROM: **General Manager, Finance & Technology**

FILE: **1880-20**

SUBJECT: **Quarterly Financial Report - Second Quarter - 2015**

RECOMMENDATION

The Finance and Technology Department recommends that Council receive this report as information.

INTENT

The intent of this report is to provide Council with an update on the City's financial activity for the second quarter of 2015 and to compare this activity with the adopted 2015 Financial Plan and the same period in 2014. This report will also provide Council with an update on additional grants that have been approved by the City to various organizations since the 2015 Community Grant program was approved; these are specifically in relation to the City's Community Enhancement Partnership (CEP) Program, Late Community Grants and the Façade Enhancement Program.

DISCUSSION

The Five Year (2015-2019) Financial Plan was adopted by Council on December 15, 2014.

The following discussion provides a summary of current global, national, and local economic conditions followed by an outline of Surrey's financial performance for the first half of 2015. It also includes an overview of the City's investment portfolio performance.

International Overview

The global economy is projected to grow by 3.2% this year in the face of various challenges. Low oil and gas prices along with weak global demand and business investment continue to hamper economic growth. Central banks around the world remain accommodative in their monetary policies by maintaining low interest rates.

Eurozone GDP grew by 0.4% in the first quarter, outperforming the US and Canada. A weakened Euro is supporting growth as evidenced by a 0.6% gain in exports. Household consumption and business investment grew 0.5% and 0.8%, respectively. However, positive results in the Eurozone are largely overshadowed by the ongoing Greek debt crisis.

At the end of June, Greece defaulted on its loan payment to the International Monetary Fund and was offered a bailout package from its European partners. The Greek government hastily arranged a referendum and the people signalled to creditors that they refuse to accept further austerity measures in exchange for additional bailout funds. With emergency funding from Europe cut-off, Greek banks closed their branches and imposed capital controls, limiting cash withdrawals to €60 per account, per day.

After marathon negotiations, Greece and its creditors finally agreed on a new bailout package, the third of its kind in the past five years. The new package has been approved by the Greek and German parliaments and is now with negotiators who will iron out the details of the €86 billion loan. Bridge financing, allowing Greek banks to re-open, has also been granted. In exchange, Greece has agreed to austerity measures, including tax increases and pension reforms, which are even harsher than the terms of the first bailout offer which were rejected through the referendum. Some analysts are skeptical about whether further austerity and the latest bailout will actually work to solve Greece's debt woes. Without massive write-offs of Greece's debt, some see the latest deal as simply a delay to the inevitable bankruptcy of Greece.

Political tensions are rising in the region with some Eurozone member countries calling for an end to assistance for Greece while others continue to pursue a compromise that will allow the heavily indebted country to stay within the common currency union. Greece's governing party has seen almost a third of its members of parliament defect over their discontent with the latest bailout and associated austerity. 20% of the members of the German Chancellor's ruling party also voiced their disapproval by voting against the bailout.

China's economic growth is expected to slow to 7% this year due to a decelerating property market and reduced foreign investment. China's stock market has experienced a sell-off since mid-June, falling by 30% and shedding \$3.2 trillion in value, prompting fears of a stock market bubble. The People's Bank of China has recently introduced rate cuts and eased reserve requirements on banks in hopes of introducing liquidity into the market. About 25% of the firms listed on China's stock exchanges have suspended trading in their shares in an effort to protect share prices and escape market turbulence.

United States Overview

Initial estimates of positive economic growth for the US economy did not materialize in quarter one, as evidenced by a 0.2% contraction during the first part of this year. Depressed oil and gas prices led to large reductions in capital investments within the energy sector. Additional factors contributing to sluggish growth included a port strike along the west coast, hampering the flow of goods, along with harsh winter weather conditions which dampened consumer spending.

Preliminary results for quarter two are pointing to a pickup in the economy with consumer spending bouncing back. Economists are expecting a significant improvement for the past quarter with GDP growth for the period projected at 2.8%.

The labour market has shown gains in the first half of the year with the June unemployment rate at 5.3%. On the surface, the result appears positive, however, the decrease in the jobless rate was the result of the highest number of people leaving the labour force in over a year, not gains in employment. The labour force participation rate moved down to 62.6%, the lowest level since 1977.

The Federal Reserve has kept its key interest rate at close to zero and has indicated that stronger evidence of wage and employment growth is needed before an interest rate hike is introduced. Many analysts forecast the first rate increase to take place in the third quarter of this year. Given the risks associated with raising interest rates for the first time in nine years, policy makers are likely to move slowly by way of small and gradual increases.

The US dollar remains strong against other major currencies. As the outlook on the US economy improves and volatility continues in the Eurozone and China, investors will look to the US as a “safe-haven.” This influx of capital will serve to further strengthen the dollar.

Canadian Overview

Canada’s economy contracted 0.6% in the first quarter, the first contraction in four years and the largest since 2009. Low energy prices and large scale pullbacks in business investment are the main drivers of the poor results. The month of April also reported negative output and the second-worst trade deficit on record. Although statistics for the remainder of quarter two are still forthcoming, many analysts predict that the results will show the Canadian economy in a “technical recession” for the first half of this year.

It is important to note that the majority of the downturn is concentrated in Alberta and its energy sector. Outside of the oil and gas industries (10% of GDP), the rest of the economy began expanding at the beginning of the second quarter. Non-energy GDP appears to have expanded 1% to 1.5% in quarter two, mainly due to consumer spending fueled by growth in disposable income.

At its most recent meeting, the Bank of Canada cut its key interest rate by 25 basis points to 0.50%, citing depressed oil prices and weak global demand as factors dragging down economic growth, spurring the need for further monetary stimulus. This is the second reduction this year, with the Bank cutting its key rate by 25 basis points in January as well. Some analysts fear that the latest rate decrease will add further momentum to an already hot real estate market, especially in Toronto and Vancouver. There is also fear that this latest attempt to kick-start the economy will see consumers add to their already high household debt loads through cheaper credit.

In response to the rate cut, the Canadian dollar plunged to its lowest level in more than six years, around 77 cents US. Forecasts predict that the Loonie will remain around this level for at least the remainder of 2015, notwithstanding anticipated interest rate increases by the US Federal Reserve later this year, which would serve to further weaken the Canadian dollar.

Weakness in the Canadian dollar in the first half of 2015 has not provided the expected boost to the manufacturing and export sectors due to weak global demand. The weaker Loonie, by way of cheaper exports, is expected to have some positive effects in the second half of 2015 as the US economy continues to improve and demand for Canadian products increase.

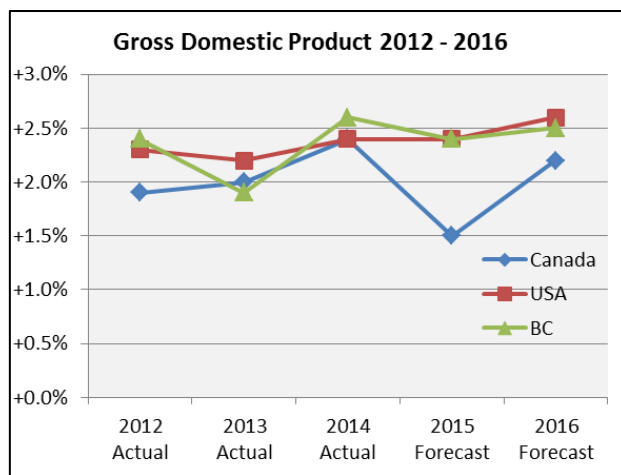
British Columbia Overview

BC's economic performance is projected to outpace the national average with growth estimated at 3.0% for the year. The tourism and export sectors should see improvements in the second quarter with a weaker Canadian dollar and improved US demand contributing to more favorable economic conditions. The tourism industry should experience a boost as Vancouver co-hosted the FIFA Women's World Cup tournament in June of this year. It is estimated that the event contributed \$52 million to BC's economy.

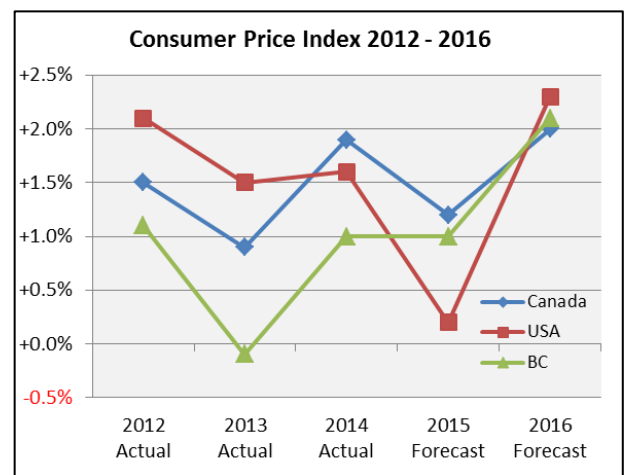
The BC housing market is benefiting from historically low mortgage rates with housing sales surging to their highest level in six years. Housing inventory is not keeping pace with buyer demand, leading to annual average price gains in the double digits. Increased consumer wealth stemming from rising home valuations, along with increased purchasing power from savings at the gas pumps, prompted an upturn in consumer spending.

The unemployment rate dropped to 6.1% in May. The labour market has performed erratically so far this year. After modest gains in the beginning of 2015, BC lost a record 29,000 jobs in April, with decreases concentrated in the service-producing sector. Since that time, hours worked and wages have increased, leading to the prospect of a turnaround in hiring in the coming months.

The BC government has signed a development deal with a large LNG proponent, although a final investment decision is contingent on a provincial legislature vote in July. If the deal is ratified, further environmental assessment is required before the project can move ahead. It is hoped that LNG projects can move into production by 2020. LNG development still remains uncertain given low energy prices and industry consolidation. Economic benefits stemming from the development of the LNG industry still remain years away.



Graph 1 Source: BMO Economics



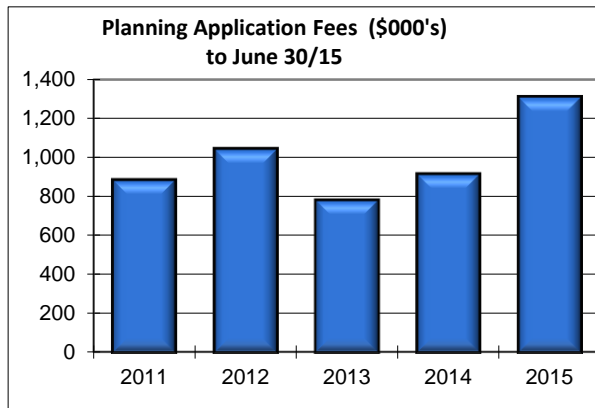
Graph 2 Source: BMO Economics

Surrey's Financial Performance

Mid-year results indicate that overall development activity has been relatively robust for the first six months of this year; in particular the residential sector has shown relative strength as the construction value of permits for the first six months of this year are over 80% higher than the same period last year. This sector was bolstered by three significant High Rise Apartment applications that have been received this year, in addition to strong townhouse and single family with secondary suite applications. The Institutional sector has also shown relative strength compared to last year, with significant building permits issued for church, school and long-term care facilities. Although, the first six months of this year have shown the Commercial sector as being somewhat weaker compared to the same period last year, there still has been significant applications received, particularly in the Campbell Heights area. Geographically, the City is experiencing development activity in all areas, with notable strength in Campbell Heights, South Surrey, Newton and the City Centre. Planning Application fees, which typically are indicators of future development activity, are also showing relative strength compared to the same period last year, up over 40% year to year. Overall, the City continues to provide value and opportunity for the residential and commercial development community, with record low mortgage rates continuing to stimulate growth and providing relative affordability for end consumers.

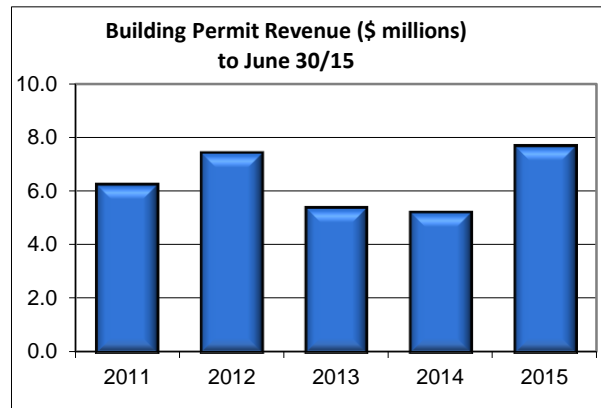
The graphs on the following pages display actual key revenues and fees collected by the City in the first six months of 2015 compared to previous years; in addition graph 5 and 6 summarize the value of new Commercial/Industrial Construction and total Building Construction respectively and graphs 10 and 11 display new growth in the City's taxation base.

It is important to note that the City is governed by accounting principles that require that development-related revenues be distributed over time to match the timing of the related expenses incurred by the City. Accordingly, the financial impact of any significant reduction or increase in development related revenue may not be seen until sometime into the future.



Graph 3

Application fees collected in the first half of the year are 43% higher than those collected for the same period last year; these fees typically are future indicators of development activity.



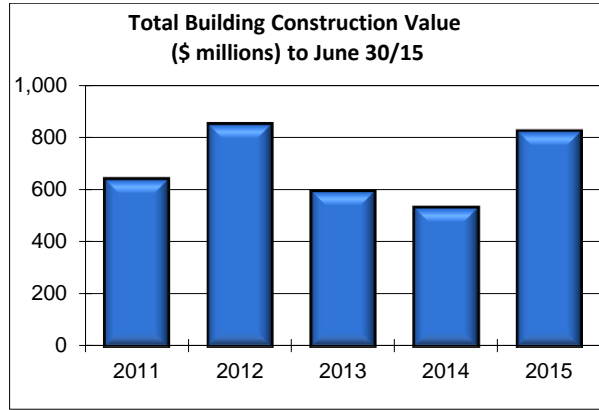
Graph 4

Building permit fees collected for the first six months of this year are 47% higher than those collected in the same period last year.



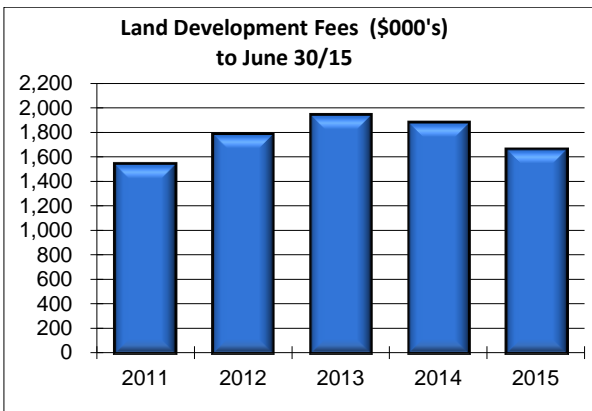
Graph 5

Construction value of commercial and industrial building permits up to the second quarter of 2015 is 6% lower compared to the same period in 2014.



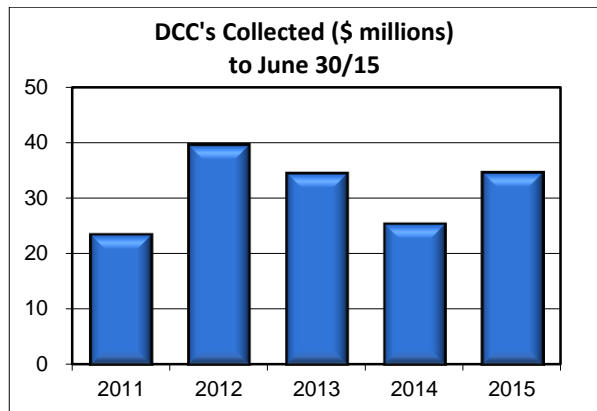
Graph 6

The aggregate value of new construction in the City has increased by 54% compared to the same time period last year; with relative strength from the Residential and Institutional sectors.



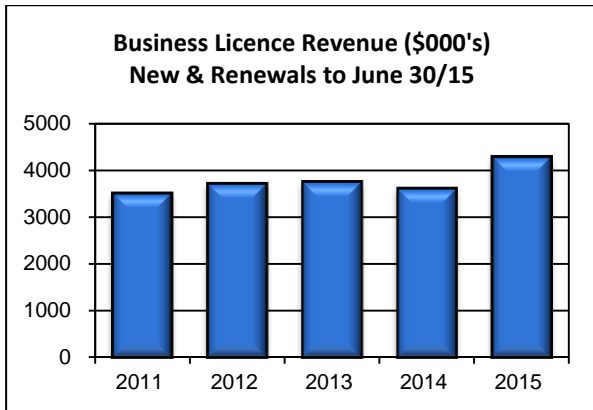
Graph 7

Engineering Land Development fees collected in the first six months of the year are 11% lower than the same period in 2014, this is primarily due to the development process and the relative timing of Land Development fees within that process.

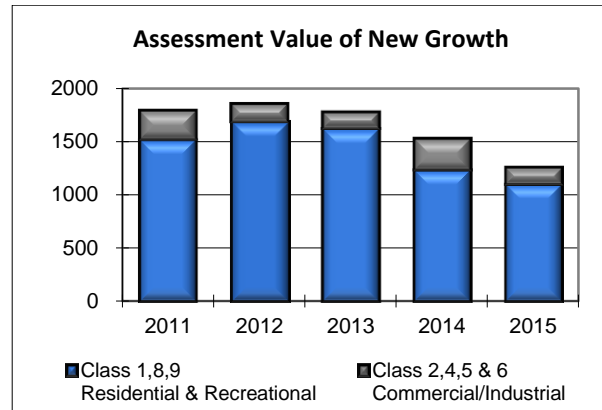


Graph 8

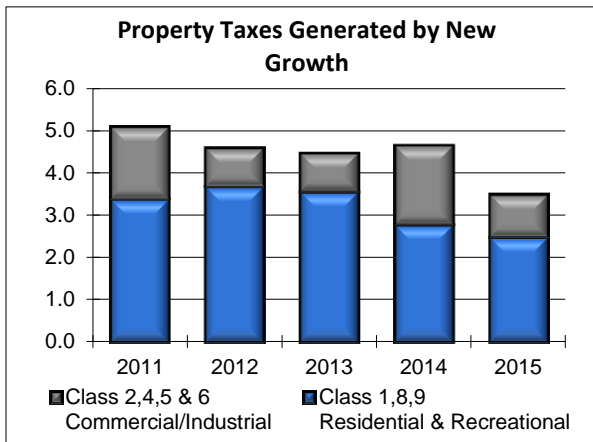
Development Cost Charges that have been collected in the first six months of the year are 36% higher than those collected in the same period in 2014.



Graph 9
Business license revenue collected up to the second quarter of 2015 is approximately 18% higher compared to that same period in 2014.



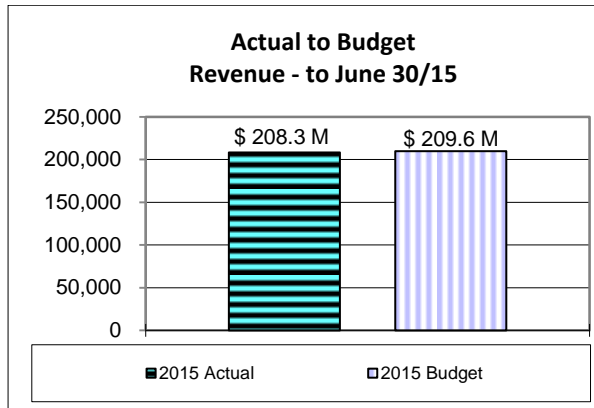
Graph 10
The overall Assessment Value of new growth is slightly lower for the first half of this year compared to the same period last year; this is due in part to a number of large value permits that did not have substantial work completed.



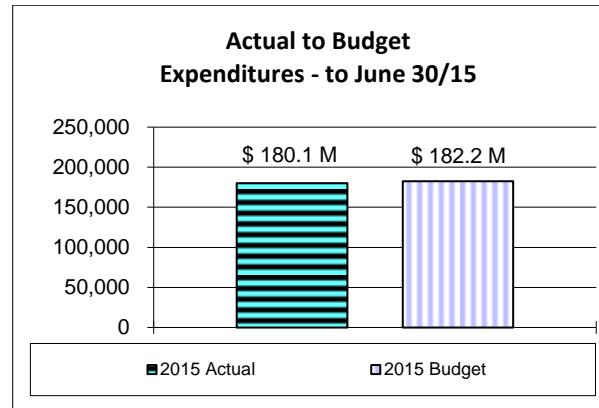
Graph 11
The property taxes generated by new growth for 2015 are slightly lower than 2014 for the Residential and Recreational classes, and moderately lower for the Commercial and Industrial categories, these figures are driven by the figures in graph 10 and are thus correspondingly lower than the same period last year.

Actual Revenues and Expenditures Relative to the 2015 Budget (Financial Plan)

The following graphs illustrate the variances between the actual and the budgeted operating revenues and expenditures respectively, excluding transfers to reserves, for the first half of 2015.



Graph 12



Graph 13

Appendix I documents the General Operating Fund's revenues and expenditures for the first half of 2015 at a more detailed level. Departments are proactively monitoring their actual results on a monthly basis. The following section provides an explanation on a Department-by-Department basis of year to date variances in relation to the 2015 Financial Plan:

RCMP is currently showing a slight favorable variance of \$6,000 and is forecasted to meet budget by the end of year.

Fire Services is meeting budget for the first six months of the year and is expected to maintain that to the end of the year.

Engineering Services currently has a favourable variance of \$122,000 which is due primarily to staff vacancies and the timing of expenditures, it is forecasted that at year end, Engineering Services will have a favorable variance of approximately \$114,000.

Parks, Recreation & Culture Department is showing a favourable variance of \$629,000, which is primarily due to the timing of various expenditures. The forecast for year end indicates that a favorable variance of approximately \$230,000 is expected.

Library Services currently has a favorable variance of \$281,000, due predominately to the timing of expenditures relative to budget. It is forecasted that by year end Library Services will have a favorable variance of approximately \$60,000.

Planning and Development Department, which also includes Civic Facilities, is reporting a positive variance of \$551,000 due to staff vacancies and the timing of significant maintenance costs for civic facilities. It is forecasted that by year end this department will have a favorable variance of \$179,000.

Mayor and Council currently have a slight favorable variance of \$6,000 and are expected to meet budget by year end.

City Grants currently has a \$197,000 positive variance which is due to timing of grant disbursements. It is forecasted that City Grants will meet budget by year end.

City Manager's Department is currently showing a \$93,000 favorable variance; this is due primarily to staff vacancies and timing of expenditures. By year end it is forecasted that the City Manager's Department will have a favorable variance of \$168,000.

Finance & Technology Department currently has a favourable variance of \$561,000. This is primarily due to the timing of the payments on IT maintenance contracts and various staff vacancies. It is forecasted that Finance & Technology will have a favorable variance of \$349,000 by year end.

Human Resources Department has a favourable variance of \$46,000 due to timing differences with various expenses. It is forecasted that Human Resources will meet budget by the end of year.

Staff will continue to closely monitor all areas to ensure that immediate action is taken to address any negative variances that may occur and to reduce as much as possible the 2015 budgeted transfer from surplus of \$3.87 million dollars.

City Investment Portfolio

The Schedules in **Appendix II** include a summary of the City's investment portfolio. **Schedule 1** is a summary of investments by issuer type with comparative totals for each month-end from April through June 2015. **Schedule 2** is a detailed listing of securities as at June 30, 2015 sub-totalled by issuer type.

It is important to note that although the investment portfolio is currently valued at \$814 million, most of these funds have either been committed to specific capital projects or are funds that have been invested until they are needed to pay current operating expenses (including taxes collected for other government organizations). Some of the funds that are not required for immediate expenditure have been internally loaned to various projects.

The City's investment portfolio is currently earning a combined rate of approximately 2.68%, while maintaining investment security as outlined in the City's investment policy. This includes the internal borrowing pay back. Interest revenue is expected to meet budget by year end.

Community Grant Program Update

Community Grants

The City of Surrey's annual community grants program is designed to support non-profit groups or organizations. Ninety-five percent of the community grants were approved by Council in January of this year. The Grants Evaluation Committee continues to review and recommend grant payments for organizations that have submitted a late grant, based on the need of the project, number of residents benefiting, the value to the community, history and financial stability of the organization and the effectiveness and quality of the proposed project or event.

Community Enhancement Partnership Grants

In January 2010 Council adopted the Community Enhancement Partnership Program (CEP), which is intended to provide financial support for projects focussed on community engagement and neighbourhood beautification. Under the CEP program, residents and community groups are required to match the City's grant with contributions of volunteer labour, donated materials, professional services and/or cash. The process for the CEP program has recently been updated, allowing for the General Manager of Parks, Recreation & Culture or the General Manager of Finance & Technology to approve qualifying applications for up to \$2,000 with a quarterly update to Council.

Façade Enhancement Grants

The City of Surrey's Façade Enhancement Grant program provides a grant matching up to 30% of the eligible costs to a maximum \$3,000 to commercial property owners who want to improve their storefront facades. The process for this grant follows the same process as the CEP program.

Appendix III provides a listing segregated by category of grants issued by the City to various organizations for the first six months of this year.

CONCLUSION

Development activity experienced in the first half of 2015 is relatively stronger than the same period in 2014; accordingly there is cautious optimism that the second half of the year will follow this trend. The 2015 adopted Financial Plan anticipates a transfer from surplus of \$3.87 million. Staff will continue to closely monitor all areas to ensure that immediate action is taken to address negative variances in relation to the 2015 budget and to reduce as much as possible by year end, the budgeted transfer from surplus.

Vivienne Wilke, CPA, CGA
General Manager, Finance & Technology

Appendix I: 2015 Second Quarter Council Report
Appendix II: Second Quarter Investment Summary
Appendix III: Financial Assistance Awards Update

APPENDIX I-1

**2015 2nd QUARTER COUNCIL REPORT
EXECUTIVE SUMMARY - REVENUES & EXPENDITURES
\$ 000's**

	2015: 2nd Qtr YTD Actual	2015 YTD BUDGET	2015: 2nd Qtr YTD Variance	2015 FORECAST	2015 ANNUAL BUDGET	2015 Projected Variance
REVENUE SUMMARY						
Net Taxation	146,080	147,257	1,177	292,164	294,514	2,350
Investment Interest	6,659	7,056	397	13,932	14,112	180
Secondary Suite Infrastructure Fee	7,915	8,156	241	16,111	16,311	200
Contribution from SCDC	2,250	2,250	-	4,500	4,500	-
Provincial Casino Revenue Sharing	1,550	1,550	-	3,100	3,100	-
Penalties & Interest on Taxes	1,900	1,900	-	3,800	3,800	-
Corporate Leases	2,200	2,448	248	4,645	4,895	250
Carbon Tax Rebate	205	200	(5)	400	400	-
Other Revenues	984	750	(234)	1,750	1,500	(250)
Program Revenues	38,213	37,857	(356)	71,991	74,391	2,400
TOTAL REVENUES	207,955	209,423	1,468	412,393	417,523	5,130
EXPENDITURE SUMMARY						
Program Expenditures	178,245	180,379	2,134	368,085	371,585	3,500
Utility Recoveries	(5,009)	(5,009)	-	(10,017)	(10,017)	-
Council Priorities	125	125	-	250	250	-
Fiscal Services	333	383	50	716	766	50
MFA Principal	6,435	6,390	(45)	12,779	12,779	-
TOTAL EXPENDITURES	180,129	182,268	2,139	371,813	375,363	3,550
TRANSFER SUMMARY						
Carbon Emission Offsets	205	200	(5)	400	400	-
Transfer to Capital Program	6,430	6,200	(230)	12,400	12,400	-
Contributions to Road & Trans. Fund	9,216	9,216	-	18,432	18,432	-
Transfers To(From) Own Sources	11,322	10,962	(360)	12,048	14,798	2,750
TOTAL TRANSFERS	27,173	26,578	(595)	43,280	46,030	2,750
Surplus (Deficit)	653	577	(76)	(2,700)	(3,870)	(1,170)
Transfer (To)From Surplus	(653)	(577)	76	2,700	3,870	1,170
BALANCED BUDGET	-	-			-	-

PROJECTED SURPLUS (DEFICIT)	\$ 1,170
BUDGETED TRANSFER FROM SURPLUS	(3,870)
ANTICIPATED SURPLUS (DEFICIT) AT YEAR END	\$ (2,700)

APPENDIX I-2

2015 2nd QUARTER COUNCIL REPORT							
DEPARTMENTAL DETAIL							
\$ 000's							
	2014: 2nd Qtr YTD ACTUAL	2015: 2nd Qtr YTD ACTUAL	2015 YTD BUDGET	2015: 2nd Qtr YTD Variance	2015 Projected ACTUAL	2015 ANNUAL BUDGET	2015 Projected Variance
PROGRAM REVENUES							
R.C.M.P.	2,854	4,133	3,946	(187)	8,093	7,893	(200)
Fire	153	804	815	11	1,729	1,629	(100)
Engineering Services	3,412	3,475	3,172	(303)	6,540	6,140	(400)
Parks, Recreation & Culture	13,193	14,262	14,657	395	25,734	28,134	2,400
Surrey Public Library	796	810	778	(32)	1,661	1,561	(100)
Planning & Development	8,917	10,031	9,718	(313)	18,741	19,441	700
City Manager	3,531	4,063	4,168	105	8,245	8,345	100
Finance & Technology	692	636	602	(34)	1,248	1,248	-
Human Resources	-	-	-	-	-	-	-
TOTAL PROGRAM REVENUES	33,548	38,215	37,857	(358)	71,991	74,391	2,400
PROGRAM EXPENDITURES NET OF INTERNAL TRANSFERS							
R.C.M.P.	59,517	65,298	65,117	(181)	132,690	132,490	(200)
Fire	25,539	27,295	27,306	11	59,035	58,935	(100)
Engineering Services	2,117	3,991	3,809	(182)	7,762	7,462	(300)
Parks, Recreation & Culture	29,753	36,837	37,861	1,024	76,420	79,020	2,600
Surrey Public Library	418	7,654	7,903	249	16,267	16,267	-
Planning & Development	11,569	13,551	13,789	238	27,219	28,219	1,000
Mayor & Council	602	684	690	6	1,383	1,383	-
City Grants	661	552	749	197	1,497	1,497	-
City Manager	6,960	6,913	7,111	198	13,968	14,168	200
Finance & Technology	12,323	13,728	14,255	527	28,255	28,555	300
Human Resources	1,859	1,744	1,790	46	3,589	3,589	-
TOTAL PROGRAM EXPENDITURES	151,318	178,246	180,379	2,133	368,085	371,585	3,500
NET PROGRAM							
R.C.M.P.	56,664	61,165	61,171	6	124,597	124,597	-
Fire	25,386	26,491	26,491	-	57,306	57,306	-
Engineering Services	(1,295)	515	637	122	1,222	1,322	100
Parks, Recreation & Culture	16,560	22,575	23,204	629	50,686	50,886	200
Surrey Public Library	(378)	6,844	7,125	281	14,606	14,706	100
Planning & Development	2,653	3,520	4,071	551	8,478	8,778	300
Mayor & Council	602	684	690	6	1,383	1,383	-
City Grants	661	552	749	197	1,497	1,497	-
City Manager	3,430	2,850	2,943	93	5,723	5,823	100
Finance & Technology	11,631	13,092	13,653	561	27,007	27,307	300
Human Resources	1,859	1,744	1,790	46	3,589	3,589	-
NET PROGRAM TOTAL	117,772	140,031	142,523	2,492	296,094	297,194	1,100

APPENDIX II-1

SECOND QUARTER INVESTMENT SUMMARY

SCHEDULE 1

DESCRIPTION	INVESTMENT (MILLIONS) APRIL/15	INVESTMENT (MILLIONS) MAY/15	INVESTMENT (MILLIONS) JUNE/15
<i>RBC Month End Balance</i>	43.4	27.9	149.4
<i>RBC USD Month End Balance (CAD\$)</i>	3.0	3.0	3.0
MAJOR BANKS - SCHEDULE I			
Bank of Montreal	55.8	55.8	54.1
Bank of Nova Scotia	52.1	32.1	32.1
Canadian Imperial Bank of Commerce	30.9	30.9	30.9
Canadian Western Bank	37.4	42.6	42.4
Laurentian Bank of Canada	28.9	28.9	28.9
Manulife Bank of Canada	20.0	20.0	20.0
National Bank of Canada	50.1	70.1	70.1
Royal Bank of Canada	17.1	17.1	17.1
Toronto-Dominion Bank	19.4	19.3	19.3
SUB TOTAL - SCHEDULE I BANKS	<u>311.7</u>	<u>316.8</u>	<u>314.8</u>
MAJOR BANKS - SCHEDULE II			
HSBC Bank Canada	2.5	2.5	2.5
SUB TOTAL - SCHEDULE II BANKS	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
CREDIT UNIONS			
BlueShore Financial	8.0	8.0	27.4
Coast Capital Savings Credit Union	55.0	75.0	75.0
Envision Financial	50.0	50.0	50.0
G&F Financial Group	12.0	12.0	12.7
Khalsa Credit Union	3.0	3.0	3.2
Prospera Credit Union	0.0	0.0	26.4
Vancity Credit Union	2.5	2.5	75.0
Westminster Savings Credit Union	21.0	10.0	25.1
SUB TOTAL - CREDIT UNIONS	<u>151.5</u>	<u>160.5</u>	<u>294.9</u>
PROVINCES			
Province - BC	2.6	2.6	2.6
Province - ON	4.9	4.9	0.0
Province - QC	9.6	9.6	5.5
SUB TOTAL - PROVINCES	<u>17.0</u>	<u>17.0</u>	<u>8.1</u>
OTHER			
MFA	41.0	41.0	41.0
SUB TOTAL - OTHER	<u>41.0</u>	<u>41.0</u>	<u>41.0</u>
TOTAL PORTFOLIO	<u><u>570.1</u></u>	<u><u>568.7</u></u>	<u><u>813.7</u></u>

APPENDIX II-2

SCHEDULE 2 - 1

MATURITY DATE	PURCHASE DATE	SECURITY	# OF DAYS	PRINCIPAL	TOTAL
ROYAL BANK MONTH END BALANCE					
30-Jun-15		Royal Bank		149,364,737.39	
30-Jun-15		Royal Bank USD Account (CAD\$)		2,992,088.32	
					152,356,825.71
CALL LOAN					
30-Mar-16	31-Mar-15	Coast Capital 1 year cashable term deposit	365	20,000,000.00	20,000,000.00
MAJOR BANKS - SCHEDULE I					
18-Aug-15	18-Aug-14	Bank of Montreal GIC	365	5,000,000.00	
21-Apr-16	15-Jan-10	Bank of Montreal Zero Coupon	2288	4,675,938.00	
08-Jul-16	24-Aug-11	Bank of Montreal Fixed Floater	1780	2,781,694.52	
08-Jul-16	15-Oct-13	Bank of Montreal Fixed Floater	997	15,237,941.83	
23-Sep-16	23-Sep-14	Bank of Montreal GIC	731	5,000,000.00	
26-Sep-17	14-Jan-10	Bank of Montreal Fixed Floater	2812	10,293,688.76	
26-Sep-17	26-Jan-10	Bank of Montreal Fixed Floater	2800	5,165,498.93	
28-Mar-18	15-Mar-12	Bank of Montreal Zero Coupon	2204	2,509,500.00	
28-Mar-18	17-Oct-12	Bank of Montreal Zero Coupon	1988	3,407,086.73	
		*** BANK OF MONTREAL			54,071,348.77
22-Jan-16	22-Jan-09	Bank of Nova Scotia Fixed Floater	2556	1,999,972.73	
22-Jan-16	06-Feb-09	Bank of Nova Scotia Fixed Floater	2541	2,005,001.97	
22-Jan-16	10-Feb-09	Bank of Nova Scotia Fixed Floater	2537	5,013,736.69	
22-Jan-16	11-Jun-09	Bank of Nova Scotia Fixed Floater	2416	10,102,483.03	
03-Aug-17	05-Sep-12	Bank of Nova Scotia Fixed Floater	1793	3,014,700.50	
13-Dec-21	13-Dec-11	Bank of Nova Scotia Step Up	3653	9,951,608.27	
		*** BANK OF NOVA SCOTIA			32,087,503.19
02-Nov-15	24-Aug-11	Canadian Imperial Bank of Commerce Fixed Floater	1531	2,755,345.53	
02-Nov-15	04-Oct-13	Canadian Imperial Bank of Commerce Fixed Floater	759	11,038,278.26	
06-Jun-18	26-Jan-10	Canadian Imperial Bank of Commerce Zero Coupon	3053	2,122,890.00	
28-Nov-24	28-Nov-14	Canadian Imperial Bank of Commerce Step Up	3653	4,983,529.98	
19-Feb-25	19-Feb-15	Canadian Imperial Bank of Commerce Step Up	3653	9,961,445.38	
		*** CIBC			30,861,489.15
13-Oct-15	10-Oct-14	Canadian Western Bank GIC	368	5,000,000.00	
30-Nov-15	30-Nov-10	Canadian Western Bank Fixed Floater	1826	2,001,048.85	
30-Nov-15	23-Jun-11	Canadian Western Bank Fixed Floater	1621	3,005,434.87	
30-Nov-15	21-Aug-13	Canadian Western Bank Fixed Floater	831	2,518,967.99	
30-Nov-15	26-Sep-13	Canadian Western Bank Fixed Floater	795	4,172,825.46	
30-Nov-15	04-Oct-13	Canadian Western Bank Fixed Floater	787	2,117,006.42	
11-Oct-16	10-Oct-14	Canadian Western Bank GIC	732	5,000,000.00	
17-Dec-19	28-Apr-14	Canadian Western Bank Fixed Floater	2059	3,065,287.08	
17-Dec-19	08-Apr-15	Canadian Western Bank Fixed Floater	1714	10,364,324.97	
17-Dec-19	22-May-15	Canadian Western Bank Fixed Floater	1670	5,120,981.14	
		*** CANADIAN WESTERN BANK			42,365,876.78
02-Nov-15	23-Jun-11	Laurentian Bank of Canada Fixed Floater	1593	1,000,904.67	
02-Nov-15	28-Jun-11	Laurentian Bank of Canada Fixed Floater	1588	4,004,997.48	
02-Nov-15	21-Aug-13	Laurentian Bank of Canada Fixed Floater	803	2,510,006.48	
02-Nov-15	26-Sep-13	Laurentian Bank of Canada Fixed Floater	767	5,020,548.11	
02-Nov-15	04-Oct-13	Laurentian Bank of Canada Fixed Floater	759	1,104,706.61	
02-Nov-15	04-Nov-14	Laurentian Bank of Canada Fixed Floater	363	5,030,487.60	
15-Oct-18	09-Jul-14	Laurentian Bank of Canada Deposit Note	1559	10,222,281.34	
		*** LAURENTIAN BANK OF CANADA			28,893,932.29
24-Mar-17	23-Sep-13	Manulife Bank of Canada GIC	1278	5,000,000.00	
03-Apr-17	01-Oct-13	Manulife Bank of Canada GIC	1280	10,000,000.00	
16-Oct-17	15-Oct-12	Manulife Bank of Canada GIC	1827	5,000,000.00	
		*** MANULIFE BANK OF CANADA			20,000,000.00

APPENDIX II-3

SCHEDULE 2 - 2

MATURITY PURCHASE			# OF		
DATE	DATE	SECURITY	DAYS	PRINCIPAL	TOTAL
11-Apr-17	11-Apr-12	National Bank of Canada Fixed Floater	1826	1,001,851.04	
11-Apr-17	01-May-12	National Bank of Canada Fixed Floater	1806	3,001,921.93	
11-Apr-17	18-Sep-12	National Bank of Canada Fixed Floater	1666	5,044,185.17	
11-Apr-17	17-Oct-12	National Bank of Canada Fixed Floater	1637	6,067,183.87	
11-Sep-17	09-Sep-13	National Bank of Canada GIC	1463	12,500,000.00	
16-Aug-18	16-Aug-13	National Bank of Canada GIC	1826	5,000,000.00	
10-Sep-18	09-Sep-13	National Bank of Canada GIC	1827	12,500,000.00	
24-Sep-18	23-Sep-13	National Bank of Canada GIC	1827	5,000,000.00	
01-May-20	01-May-15	National Bank of Canada GIC	1827	20,000,000.00	
*** NATIONAL BANK OF CANADA					70,115,142.01
02-Nov-15	17-Apr-13	Royal Bank of Canada Fixed Floater	929	2,008,862.86	
03-Oct-16	02-Oct-13	Royal Bank of Canada GIC	1097	5,000,000.00	
14-Nov-16	13-Nov-14	Royal Bank of Canada GIC	732	5,000,000.00	
11-Oct-18	28-Apr-14	Royal Bank of Canada Deposit Note	1627	5,089,095.27	
*** ROYAL BANK OF CANADA					17,097,958.13
09-Jul-18	26-Jan-10	Toronto-Dominion Bank Zero Coupon	3086	2,114,700.00	
09-Jul-18	27-Jun-11	Toronto-Dominion Bank Fixed Floater	2569	5,280,834.57	
19-Nov-23	19-Nov-13	Toronto-Dominion Bank Step Up	3652	6,976,515.88	
04-Dec-24	04-Dec-14	Toronto-Dominion Bank Step Up	3653	4,969,359.43	
*** TORONTO-DOMINION BANK					19,341,409.88
MAJOR BANKS - SCHEDULE II					
16-Mar-16	17-Oct-12	HSBC Bank Canada Fixed Floater	1246	1,726,714.83	
10-Apr-17	05-Sep-12	HSBC Bank Canada Fixed Floater	1678	796,424.50	
*** HSBC BANK CANADA					2,523,139.33
CREDIT UNIONS					
08-Sep-15	08-Sep-14	BlueShore Financial Term Deposit	365	1,425,000.00	
18-Sep-15	19-Sep-14	BlueShore Financial Term Deposit	364	1,550,000.00	
21-Apr-16	22-Apr-15	BlueShore Financial Term Deposit	365	5,000,000.00	
24-Jun-16	25-Jun-15	BlueShore Financial Term Deposit	365	19,421,500.00	
16-Feb-16	16-Feb-15	Coast Capital Savings Credit Union Term Deposit	365	1,492.28	
14-Mar-16	16-Jun-15	Coast Capital Savings Credit Union Term Deposit	272	25,000,000.00	
29-Mar-16	30-Mar-15	Coast Capital Savings Credit Union Term Deposit	365	10,000,000.00	
07-Apr-16	09-Apr-15	Coast Capital Savings Credit Union Term Deposit	364	10,000,000.00	
04-May-16	05-May-15	Coast Capital Savings Credit Union Term Deposit	365	10,000,000.00	
03-Jul-15	03-Jun-15	Envision Financial Term Deposit	30	20,000,000.00	
09-Dec-15	12-Jun-15	Envision Financial Term Deposit	180	10,000,000.00	
22-Dec-15	25-Jun-15	Envision Financial Term Deposit	180	20,000,000.00	
07-Jul-15	07-Jul-14	G&F Financial Group Term Deposit	365	5,000,000.00	
07-Jul-15	07-Jul-14	G&F Financial Group Term Deposit	365	5,000,000.00	
08-Jun-16	09-Jun-15	G&F Financial Group Term Deposit	365	1,639,000.00	
15-Jun-16	16-Jun-15	G&F Financial Group Term Deposit	365	1,100,000.00	
15-Jun-16	16-Jun-15	Khalsa Credit Union Term Deposit	365	3,216,500.00	
19-Oct-15	19-Jun-15	Prospera Credit Union Term Deposit	122	7,500,000.00	
21-Oct-15	23-Jun-15	Prospera Credit Union Term Deposit	120	10,000,000.00	
26-Oct-15	25-Jun-15	Prospera Credit Union Term Deposit	123	8,936,500.00	
17-Aug-15	17-Jun-15	Vancity Credit Union Term Deposit	61	20,000,000.00	
29-Sep-15	29-Sep-14	Vancity Credit Union Term Deposit	365	2,500,000.00	
14-Dec-15	15-Jun-15	Vancity Credit Union Term Deposit	182	22,500,000.00	
06-Jun-16	05-Jun-15	Vancity Credit Union Term Deposit	367	30,000,000.00	
13-Oct-15	13-Jun-15	Westminster Savings Credit Union Term Deposit	122	10,205,000.00	
20-Oct-15	22-Jun-15	Westminster Savings Credit Union Term Deposit	120	14,859,000.00	
*** CREDIT UNIONS					274,853,992.28

APPENDIX II-4

SCHEDULE 2 - 3

MATURITY DATE	PURCHASE DATE	SECURITY	# OF DAYS	PRINCIPAL	TOTAL
PROVINCIAL GUARANTEED PAPER					
09-Jul-15	19-Jan-10	Province - BC Zero Coupon *** BRITISH COLUMBIA	1997	2,552,912.00	2,552,912.00
		*** ONTARIO			-
16-Jul-15	01-May-09	Province - QC Zero Coupon	2267	1,521,463.00	
15-Aug-15	11-May-09	Province - QC Zero Coupon	2287	4,018,150.00	
		*** QUEBEC			5,539,613.00
Open	14-Sep-12	BCMFA Investment Pool-money Market Fund		1,000,000.00	
Open	10-Jun-13	BCMFA Investment Pool-money Market Fund		40,000,000.00	
		*** BC MUNICIPAL FINANCE AUTHORITY			41,000,000.00
TOTAL PORTFOLIO					813,661,142.52

APPENDIX III



FINANCIAL ASSISTANCE AWARDS

since 2015 Community Grants were approved

to June 30th, 2015

Description	Amount
Community Grants Awarded February 2, 2015	\$ 1,449,825
Community Grants (late grants)	
Eversafe Ranch Outreach Society	1,500
Global Clergy Association of Canada	1,000
Seniors Come Share Society	2,000
Open Dialogue with South Asian Pioneers - 100 Year Journey	1,500
VISHWA International Yoga Day	1,000
Newton Community Festival	2,000
Phoenix House Live Well Street Fair	2,000
	\$ 11,000
Neighbourhood Enhancement Grants	
Friends of the Grove	1,000
Hall's Prairie Elementary School Stream of Dreams	1,000
Frost Road Elementary School and Hub for Active School Travel	1,000
Indigo Townhouse Complex Pollinator Friendly Garden Project	500
DIVERSECity Community Resources Society Street Patio	3,000
Crescent Park Community Garden Pathway and Bench Project	3,000
W.E.Kinvig Elementary School Travel Smart Fence Art	2,912
Panorama Picnic in the Park	1,000
Gratitude Garden Project	3,000
98 Avenue Block Party	690
34B Avenue Block Party	655
81A Boulevard Project	500
Skylands Towhhouse Block Party	275
Fraserview Terrance Block Party	550
	\$ 19,082
Façade Enhancement Grants	
Old Surrey Restaurant Ltd	3,000
Yang Family Gateway Medical	1,520
	\$ 4,520
Total Grants issued to June 30th, 2015	\$ 1,484,427
Unallocated Grant Funding	
Dry Grad	3,250
Neighbourhood Enhancement Program	5,918
Façade Enhancement Program	20,480
One-Time Community Grant	925
Property Taxes	5,000
Special Recognition	2,500
	\$ 38,073
Total Grant Funding for 2015	\$ 1,522,500