



Corporate Report

NO: R057

COUNCIL DATE: April 20, 2009

REGULAR COUNCIL

TO: Mayor & Council DATE: April 15, 2009
FROM: General Manager, Finance & Technology FILE: 1880-20
SUBJECT: Quarterly Financial Report – First Quarter - 2009

RECOMMENDATION

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

INTENT

The purpose of this report is to provide Council with an update on the City's financial activity for the first quarter of 2009 and compare that activity with the 2009 Financial Plan.

DISCUSSION

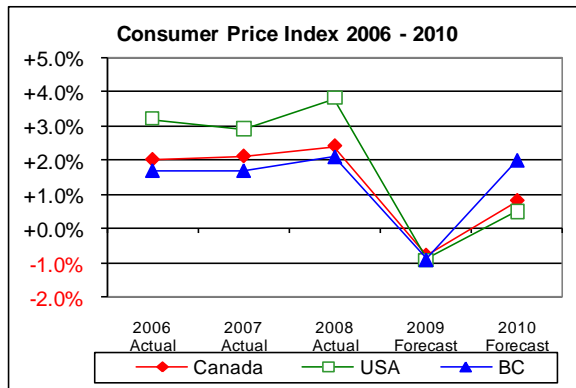
Surrey City Council adopted the 2009 Five-Year Financial Plan in December 2008. The global economic environment is continuing to change in a dramatic manner. In early 2009, it became apparent that the level of the growth-related revenues outlined in the Financial Plan would not be realized in 2009. Staff concluded that 'budget targets' had to be revised to more accurately reflect new economic forecasts for 2009. These new targets included a reduction in Planning and Land Development revenues that were offset by similar expenditure reductions across City departments. These revised budget targets were communicated informally to Council in mid-February 2009.

Staff continues to monitor the City's actual budget performance very closely and will report to Council if further action is considered necessary.

The following discussion provides an overall economic summary followed by an outline of Surrey's financial performance for the first quarter of the year. It also includes an overview of the City's investment portfolio performance.

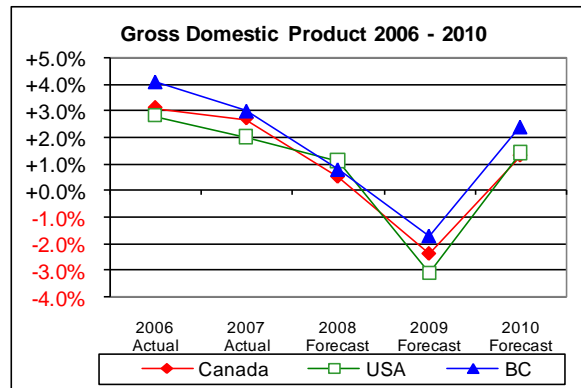
International Overview

The stresses in the financial markets of the United States have transformed themselves into a full-blown global financial crisis. No country is immune to the impact of the widening crisis. World leaders at the recent *Group of 20* summit in London, England agreed to do “whatever is necessary” to turn the world economy around. While they offered up more than \$1 Trillion US to help cushion the economic downturn, any significant turnaround will not likely happen in the near future.



Graph 1

Source: TD Economics March 17, 2009



Graph 2

United States Overview

The current US recession is already the longest downturn in the post-war period. Although the first quarter results are better than expected, a weak labour market and large drop in investment will impact growth for the rest of the year. US policy makers have taken dramatic steps to stimulate the economy and repair credit markets. Positive results from these initiatives will take time to materialize. As indicated in the above graphs, both inflation (CPI) and growth (Gross Domestic Product) is projected to be below zero for 2009.

Canada Overview

As indicated by *Graph 2* above, Canada's economy will decline in 2009 as a result of the deep recession experienced by the US as well as the shift away from commodities. The jobless rate in Canada is expected to rise to 8% by the end of 2009 and housing starts have fallen to their lowest level since 2000.

The first two quarters of 2009 are expected to show negative growth in Canada. However, the combination of a weaker Canadian Dollar and an expected fiscal stimulus package from the federal government should bring a moderate recovery in the second half of 2009.

As economic output continues to decline, it is expected that the Bank of Canada at its next meeting on April 21, 2009 will continue to provide monetary policy stimulus to the economy with a 0.25% cut in the target interest rate bringing it to 0.25%. This rate is forecast to remain at 0.25% into 2010 with the first increase expected in July 2010.

British Columbia Overview

The Province is now feeling the effects of the sharp and rapid downturn in the global economy. Capital investment in BC is expected to decline to \$43.3 billion in 2009, representing a 7.2% decrease from the 2008 level – a substantial downturn that represents the end of the multi-year investment boom that began in 2004.

BC's lumber manufacturing industry continues to be depressed by dismal housing markets in the US. Last week the US National Association of Realtors reported that sales of existing homes increased 5% in February, month-over-month, but remained near a 10-year low.

The housing market in the Lower Mainland however, is showing signs of a moderate recovery. Sales have begun to rebound from a 13-month slide. This is mainly due to low mortgage rates and reduced housing prices.

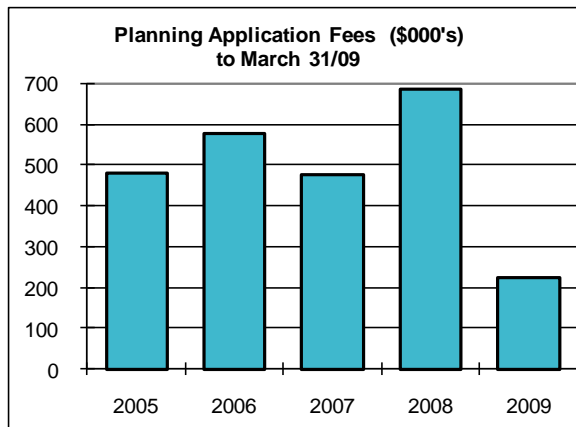
Surrey's Financial Performance

The level of new development in Surrey dropped significantly in the last quarter of 2008 and continues to remain slow into the first quarter of 2009 when compared to the same timeframe in prior years. The 2009 Financial Plan was adopted by Council in December 2008. Since that time, economic conditions throughout the world have deteriorated more than originally expected. The City's 2009 targeted revenues and corresponding expenditures have been adjusted to reflect the current conditions. Since both the revenues and expenditures have been adjusted by the same values, there is no overall change to the City's budgeted 'bottom-line'.

All of the following graphs indicate the actual revenue that has been collected by the City for the noted periods. The City's budget is based on recognized accounting principles, which require that development-related revenues be distributed over time to match the timing of related expenses that are incurred by the City.

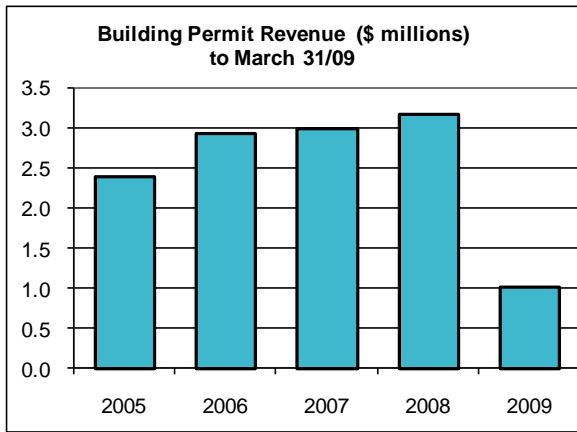
This revenue deferral process means that although there may be a significant reduction in the actual revenue collected in any given period, the effect of this reduction will not be recognized for sometime into the future, which in some cases will be in the following year. The timing difference between the collection of revenue and the actual recognition of that revenue allows staff to take early action to address future revenue projections and related workload demands.

The following graphs illustrate how the first quarter results for 2009 compare to previous years' results for the same period:



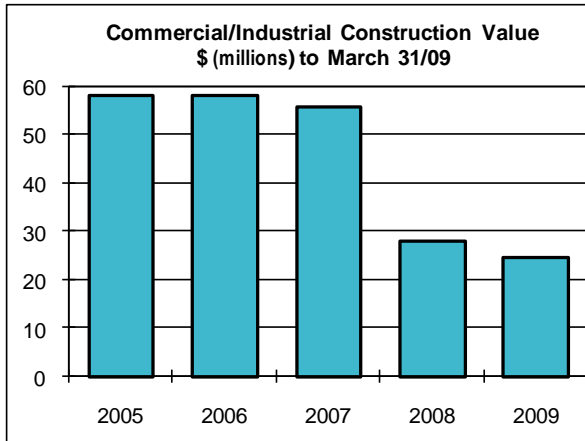
Graph 3

Application fees collected in the first quarter of the year are significantly lower than those collected for the same period in previous years. With the 2009 budget figures having been adjusted to reflect an anticipated reduction in overall revenues, the City will meet the 2009 budget figures.



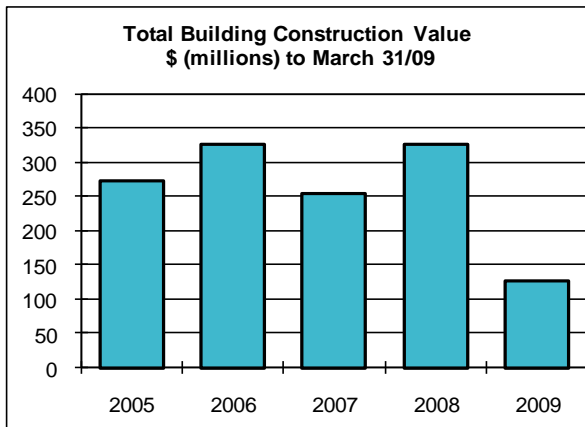
Graph 4

Building permit fees collected for the first quarter of this year are significantly lower than those collected in the same period of previous years. Although the budget target for building permit revenue has been reduced to reflect economic conditions, measures have been taken to monitor activity throughout the balance of the year.



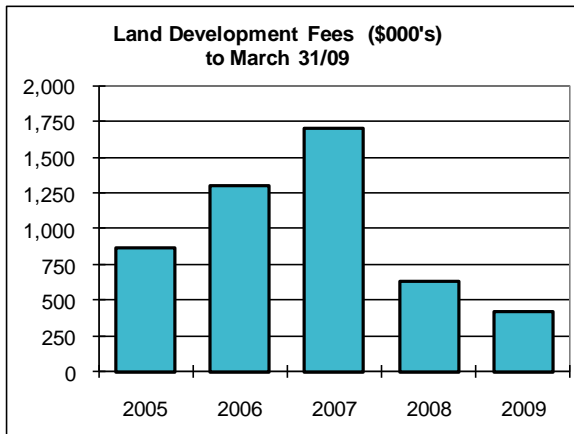
Graph 5

Construction value of commercial/industrial building permits for the first quarter of 2009 has declined slightly as compared to 2008. The number of permits issued is similar to 2008; however the value of industrial applications has declined over previous years.



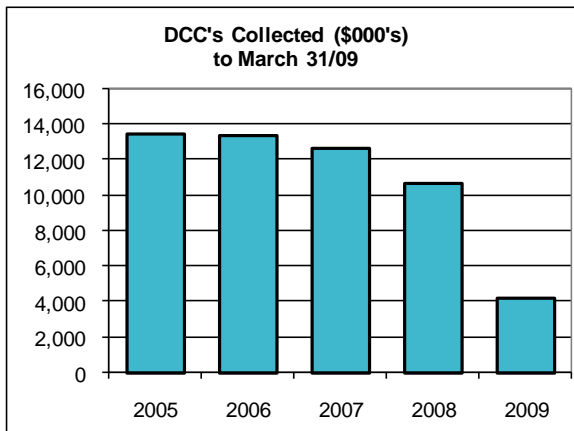
Graph 6

Overall, the value of new construction in the City for the first quarter of the year is significantly lower than the same time period in for any of the previous 4 years. This is primarily a result of a significant decline in the residential building activity.



Graph 7

Engineering Land Development activity in the first quarter of the year has decreased from that same period in 2008. 2007 saw an unusually high level of activity due to increased activity in advance of the DCC rate increase deadline of June 30/07. Activity is expected to remain flat throughout 2009 as a result of the slower economy. The 2009 budget has been amended to reflect an anticipated reduction in Land Development revenues.

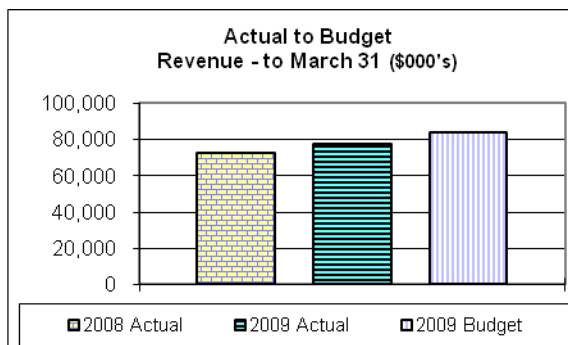


Graph 8

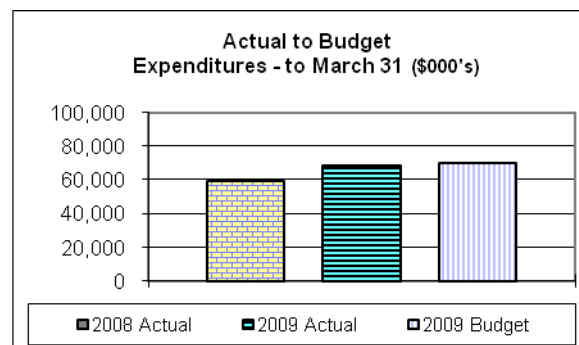
The Development Cost Charges that have been collected in the first quarter of the year are also significantly lower than those collected in the same period of 2008. The City collects DCC revenue throughout the year and distributes it to the related construction programs in the following year.

Comparison of Actual Revenues and Expenditures versus the 2009 Budget (Financial Plan)

The following graphs illustrate the variances between the actual and the budgeted revenues and expenditures, respectively, for the first quarter of 2009.



Graph 9



Graph 10

Appendix A documents the revenues and expenditures for the first quarter of the year at a more detailed level. Departments are closely monitoring their actual results on a monthly basis. The following section provides an explanation on a Department-by-Department basis of variances from the revised 2009 Financial Plan:

RCMP currently shows a small favourable variance of \$56,000.

Fire Services has a favourable variance of \$83,000 as a result of delays in incurring some supply expenses.

Engineering Services currently has a \$132,000 negative variance. This variance is a result of lower than budgeted Land Development revenues and the timing of outside salary recoveries. Staff will be closely monitoring expenses throughout the year to reduce the variance.

Parks, Recreation & Culture Department is showing a favourable departmental variance of \$299,000. This is primarily due to timing associated with Spring registration for recreation programs and the later start to Parks Operations spring maintenance.

Library Services has an unfavourable variance of \$79,000 due to delays in receiving some grant revenues. They will monitor their activity to ensure that they meet their amended 2009 budget.

Planning and Development Department, which also includes Civic Facilities, is reporting a favourable variance of \$53,000. Savings in Civic Facilities have offset a short-fall in Area Planning revenues.

Mayor and Council has a favourable variance of \$38,000 due to the timing of expenditures.

City Manager's Department is currently reporting a favourable variance of \$127,000 due to revenue increases from fees and fines and some reduced expenditures.

Finance & Technology Department currently has a favourable variance of \$47,000. This is primarily due to the timing of the payments on IT maintenance contracts.

Human Resources Department has a favourable variance of \$23,000 as a result of a Diversity grant received from the Federal Government.

Council Initiatives: A summary of allocations that have been made from the Council Initiatives Fund to date in 2009 is attached as **Appendix B**.

Staff will continue to closely monitor all areas to ensure that immediate action is taken to address variances and to reduce as much as possible the budgeted transfer from surplus of \$4.1 million.

City Investment Portfolio

The schedules in *Appendix C* include a summary of our investment portfolio. *Schedule 1* is a summary of investments by issuer type, with comparative totals for each month-end from January through March 2009. *Schedule 2* is a detailed listing of securities as at March 31, 2009 sub-totaled by issuer type.

It is important to note that although the investment portfolio is currently valued in excess of \$678.9 million, most of these funds have either been committed to specific capital projects or are operating funds that have been invested until needed to pay operating expenses.

The City's investment portfolio is currently earning a combined rate of approximately 4.25%, while maintaining investment security as outlined in the investment policy. This is slightly higher than the investment interest return of 4.0% that was anticipated in our 2009 Financial Plan. A number of higher-yield investments matured in the first quarter and were replaced with new investments yielding lower interest rates. As the City continues to invest additional funds, interest income is expected to meet budget by year-end.

CONCLUSION

Surrey City Council adopted the 2009 Five-Year Financial Plan in December 2008. Since that time, the global economic environment has dramatically changed. Staff has adjusted 'budget targets' to reflect the new economic forecast for 2009. These new targets include reduced Planning, Building and Engineering Land Development revenues and similar amounts of expenditure reductions across City departments. These budget target adjustments were communicated to Council in mid-February 2009.

Staff will continue to closely monitor the City's financial performance against the budget targets over the remainder of the year and will make recommendations to Council of any further actions that are considered necessary. In any case, staff will also continue to provide a report to Council on the City's financial performance at the end of each quarter.

Vivienne Wilke, CGA
General Manager,
Finance & Technology

**2009 1st QUARTER COUNCIL REPORT
EXECUTIVE SUMMARY - REVENUES & EXPENDITURES
\$ 000's**

REVENUE SUMMARY	2008 1st Qtr Actual	2009 1st Qtr Actual	2009 1st Qtr Budget	2009 1st Quarter Variance	2009 Annual Budget
Net Taxation	\$ 46,551	\$ 51,622	\$ 51,703	\$ 81	\$ 206,811
Investment Interest	3,785	4,653	4,700	47	14,157
Penalties & Interest on Taxes	485	601	600	(1)	2,650
Corporate Leases	829	760	751	(9)	3,003
Other Revenues	5	128	0	(128)	-
Non-Tax Revenues	5,104	6,142	6,051	(91)	19,810
Provincial Casino Revenue Sharing	1,100	730	1,000	270	4,100
Utility Recoveries	876	864	991	127	3,963
Program Revenues	19,741	20,172	20,342	170	78,723
TOTAL REVENUES	\$ 73,372	\$ 79,530	\$ 80,087	\$ 557	\$ 313,407

EXPENDITURE SUMMARY	2008 1st Qtr Actual	2009 1st Qtr Actual	2009 1st Qtr Budget	2009 1st Quarter Variance	2009 Annual Budget
Program Expenditures	\$ 65,028	\$ 66,470	\$ 67,155	\$ 685	\$ 294,272
Council Projects	145	57	62	5	250
City Beautification	176	334	337	3	1,346
Community Health Care	0	0	0	0	0
Crime Reduction	24	46	50	4	560
Social Well-Being Plan	88	291	293	2	1,172
2010 Opportunities	0	90	90	0	150
Sustainability	0	0	62	62	250
Fiscal Services	323	296	299	3	1,197
Interest Allocations	151	173	178	5	710
TOTAL EXPENDITURES	\$ 65,935	\$ 67,757	\$ 68,526	\$ 769	\$ 299,907

TRANSFER SUMMARY	2008 1st Qtr Actual	2009 1st Qtr Actual	2009 1st Qtr Budget	2009 1st Quarter Variance	2009 Annual Budget
Transfer to Capital Program	\$ 1,450	\$ 1,600	\$ 1,600	\$ 0	\$ 6,300
Transfer to Capital Program - Gaming	1,100	730	1,000	270	4,100
Transfers To(From) Own Sources	253	(366)	(371)	(5)	7,177
	2,803	1,964	2,229	265	17,577
Surplus(Deficit)	4,634	9,809	9,332	(477)	(4,077)
Transfer (to)from Surplus	(4,634)	(9,809)	(9,332)	477	4,077
BALANCED BUDGET	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**2009 1st QUARTER COUNCIL REPORT
DEPARTMENTAL DETAIL
\$ 000's**

PROGRAM REVENUES	2008 1st Qtr Actual	2009 1st Qtr Actual	2009 1st Qtr Budget	2009 1st Quarter Variance	2009 Annual Budget
R.C.M.P.	\$ 1,635	\$ 1,822	\$ 1,759	\$ (63)	\$ 7,040
Fire	32	30	41	11	1,337
Engineering Services	6,610	6,199	6,998	799	28,651
Parks, Recreation & Culture	5,177	6,077	5,589	(488)	16,901
Surrey Public Library	305	321	522	201	1,695
Planning & Development	4,399	4,013	3,750	(263)	15,210
City Manager	1,396	1,534	1,494	(40)	6,937
Finance & Technology	188	139	189	50	952
Human Resources	0	37	0	(37)	0
TOTAL PROGRAM REVENUES	\$ 19,741	\$ 20,172	\$ 20,342	\$ 170	\$ 78,723

PROGRAM EXPENDITURES	2008 1st Qtr Actual	2009 1st Qtr Actual	2009 1st Qtr Budget	2009 1st Quarter Variance	2009 Annual Budget
R.C.M.P.	\$ 20,115	\$ 21,319	\$ 21,311	\$ (8)	\$ 92,914
Fire	10,331	10,414	10,508	94	47,303
Engineering Services	9,741	9,706	10,373	667	41,879
Parks, Recreation & Culture	9,809	9,949	9,761	(188)	48,917
Surrey Public Library	2,832	2,696	2,818	122	11,552
Planning & Development	4,188	4,154	3,944	(210)	18,443
Mayor & Council	226	234	272	38	1,161
City Grants	518	400	400	0	1,086
City Manager	2,637	2,705	2,792	87	12,444
Finance & Technology	4,024	4,315	4,412	97	15,306
Human Resources	607	578	564	(14)	2,484
Operating Contingency	0	0	0	0	783
TOTAL PROGRAM EXPENDITURES	\$ 65,028	\$ 66,470	\$ 67,155	\$ 685	\$ 294,272

NET PROGRAM	2008 1st Qtr Actual	2009 1st Qtr Actual	2009 1st Qtr Budget	2009 1st Quarter Variance	2009 Annual Budget
R.C.M.P.	\$ 18,479	\$ 19,496	\$ 19,552	\$ 56	\$ 85,874
Fire	10,300	10,384	10,467	83	45,966
Engineering Services	3,131	3,507	3,375	(132)	13,228
Parks, Recreation & Culture	4,631	3,873	4,172	299	32,016
Surrey Public Library	2,527	2,375	2,296	(79)	9,857
Planning & Development	(211)	141	194	53	3,233
Mayor & Council	226	234	272	38	1,161
City Grants	518	400	400	0	1,086
City Manager	1,241	1,171	1,298	127	5,507
Finance & Technology	3,836	4,176	4,223	47	14,354
Human Resources	607	541	564	23	2,484
Operating Contingency	0	0	0	0	783
NET PROGRAM TOTAL	\$ 45,285	\$ 46,298	\$ 46,813	\$ 515	\$ 215,549

APPENDIX B


**2009 FINANCIAL PLAN
COUNCIL INITIATIVES**

Description	Amount	Allocation to date	Remaining
Carried Forward from Prior Year	119,397		
2009 Proposed Budget	<u>250,000</u>		\$ 369,397
Surrey Crime Prevention Society - Anti-Graffiti Program	30,000		
Canada West Chamber Orchestra	34,500		
BC High School Bhangra Society	1,500		
2009 CPGA City of Surrey Invitational Golf Tournament	32,500		
On-Site Corporate Hospitality	6,000		
Surrey Children's Choir (going to London and Wales)	5,000		
Allocations for 2009		<u><u>\$ 109,500</u></u>	<u><u>\$ 259,897</u></u>

SCHEDULE 1

DESCRIPTION	INVESTMENT (MILLIONS) JANUARY/09	INVESTMENT (MILLIONS) FEBRUARY/09	INVESTMENT (MILLIONS) MARCH/09
RBC Month End Balance	42.0	23.4	24.0
Overnight	25.0	25.0	25.0
MAJOR BANKS			
Bank of Montreal	65.1	85.4	85.4
Bank of Nova Scotia	29.0	36.2	36.2
Canadian Imperial Bank of Commerce	128.4	128.4	128.4
Citizens Bank of Canada	0.0	0.0	0.0
Manulife Bank of Canada	35.0	35.0	35.0
National Bank of Canada	90.6	90.6	90.6
Royal Bank of Canada	69.7	80.3	90.0
Toronto Dominion	28.6	28.6	28.6
SUB TOTAL - MAJOR BANKS	446.4	484.6	494.2
SCHEDULE B BANKS			
Banque Nationale de Paris	0.0	0.0	0.0
Citibank of Canada	0.0	0.0	0.0
Hong Kong Bank of Canada (HSBC)	0.0	0.0	0.0
JP Morgan Canada	0.0	0.0	0.0
Societe Generale Canada	0.0	0.0	0.0
SUB TOTAL - SCHEDULE B BANKS	0.0	0.0	0.0
CREDIT UNIONS			
Coast Capital Credit Union	15.0	15.0	15.0
Central1 (CUCBC)	15.0	15.0	15.0
Envision Credit Union	25.0	25.0	25.0
Vancity Savings	13.0	13.0	13.0
Westminster Savings Credit Union	68.0	68.0	68.0
SUB TOTAL - CREDIT UNIONS	68.0	68.0	68.0
GOVERNMENT OF CANADA			
Canada Treasury Bills	0.0	0.0	0.0
Gov't Cda Bonds/Cpns	29.6	4.0	4.0
SUB TOTAL - GOV'T OF CANADA	29.6	4.0	4.0
PROVINCES			
Alberta	1.3	1.3	1.3
British Columbia	6.9	6.9	6.9
Manitoba	9.0	9.0	4.0
New Brunswick	0.8	0.8	0.8
Newfoundland	5.1	5.1	5.1
Nova Scotia	0.0	0.0	0.0
Ontario	10.0	10.0	10.0
Quebec	26.5	26.5	26.5
Saskatchewan	0.0	0.0	0.0
SUB TOTAL - PROVINCES	59.5	59.5	54.4
OTHER			
GVHD	0.0	0.0	0.0
GVRD	0.0	0.0	0.0
MFA	9.3	9.3	9.3
SUB TOTAL - OTHER	9.3	9.3	9.3
TOTAL PORTFOLIO	679.8	673.7	678.9

SCHEDULE 2 - 1

MATURITY DATE	PURCHASE DATE	SECURITY	# OF DAYS	PRINCIPAL	TOTAL
Royal Bank Month End Balance				24,042,400.00	24,042,400.00
31-Mar-09		Royal Bank			
CALL LOAN					
01-Apr-09	31-Mar-09	VanCity Credit Union Call Loan	1	25,000,000.00	25,000,000.00
MAJOR BANKS					
19-Aug-09	19-Aug-08	Bank of Montreal accrual note	365	10,000,000.00	
07-Dec-09	07-Dec-06	Bank of Montreal accrual note	1096	10,000,000.00	
21-Jan-10	01-Nov-07	Bank of Montreal fixed floater	812	4,962,630.61	
21-Jan-10	28-Jan-05	Bank of Montreal fixed floater	1819	2,002,253.21	
31-Jan-11	06-Feb-09	Bank of Montreal deposit note	724	10,308,622.93	
13-Feb-12	13-Feb-09	Bank of Montreal step up	1095	10,000,000.00	
29-Feb-12	04-Mar-05	Bank of Montreal futures cd	2553	3,000,000.00	
21-Jun-12	01-Nov-07	Bank of Montreal fixed floaters	1694	10,019,397.41	
21-Jun-12	01-Nov-07	Bank of Montreal fixed floaters	1694	5,009,700.80	
21-Jun-12	29-Aug-08	Bank of Montreal fixed floaters	1392	10,084,536.62	
15-Jul-12	15-Jul-05	Bank of Montreal step up	2557	10,000,000.00	
*** BANK OF MONTREAL					85,387,141.58
27-Mar-13	10-Apr-08	Bank of Nova Scotia fixed floaters	1812	9,977,183.61	
27-Mar-13	18-Apr-08	Bank of Nova Scotia fixed floaters	1804	9,982,246.96	
27-Mar-13	21-Apr-08	Bank of Nova Scotia fixed floaters	1801	1,294,524.83	
03-Oct-13	06-Oct-08	Bank of Nova Scotia fixed floaters	1823	705,687.44	
03-Oct-13	08-Oct-08	Bank of Nova Scotia fixed floaters	1821	5,003,795.82	
22-Jan-16	22-Jan-09	Bank of Nova Scotia fixed floaters	2556	1,999,669.05	
22-Jan-16	06-Feb-09	Bank of Nova Scotia fixed floaters	2541	2,060,706.81	
22-Jan-16	10-Feb-09	Bank of Nova Scotia fixed floaters	2537	5,166,783.60	
*** BANK OF NOVA SCOTIA					36,190,598.12
01-Jun-09	21-Apr-08	CIBC fixed floaters	406	9,995,928.57	
15-Oct-09	13-Jun-05	CIBC fixed floaters	1585	2,487,769.66	
15-Oct-09	17-Jun-05	CIBC fixed floaters	1581	5,021,489.92	
09-Sep-10	11-Dec-08	CIBC fixed floaters	637	5,963,809.56	
07-Mar-11	29-Aug-08	CIBC deposit note	920	9,975,486.96	
28-Mar-11	25-Sep-06	CIBC fixed floaters	1645	5,014,755.89	
28-Mar-11	10-Apr-08	CIBC fixed floaters	1082	9,914,479.55	
28-Mar-11	05-Jun-08	CIBC fixed floaters	1026	5,004,244.13	
28-Mar-11	11-Aug-08	CIBC fixed floaters	959	9,972,907.35	
10-Sep-12	29-Feb-08	CIBC deposit note	1655	10,051,677.94	
10-Sep-12	10-Apr-08	CIBC deposit note	1614	5,005,065.28	
06-Jun-13	11-Aug-08	CIBC fixed floaters	1760	10,047,103.71	
23-Jun-11	23-Jun-08	CIBC accrual note	1095	10,000,000.00	
27-Jun-11	27-Jun-08	CIBC step up	1095	20,000,000.00	
27-Jun-11	27-Jun-08	CIBC step up	1095	9,957,332.99	
*** CIBC					128,412,051.51
04-Dec-09	04-Dec-08	Manulife GIC	365	35,000,000.00	
*** MANULIFE BANK OF CANADA					35,000,000.00
16-Apr-09	13-Jun-05	National Bank fixed floaters	1403	1,631,557.42	
16-Apr-09	14-Jun-05	National Bank fixed floaters	1402	5,004,596.45	
16-Apr-09	04-Jul-05	National Bank fixed floaters	1382	5,004,706.80	
16-Apr-09	06-Jul-05	National Bank fixed floaters	1380	3,002,824.66	
30-Jun-09	20-Feb-06	National Bank deposit note	1226	2,767,392.00	
10-Sep-09	10-Sep-03	National Bank deposit note	2192	4,999,610.28	
10-Sep-09	19-Mar-04	National Bank deposit note	2001	5,011,713.13	
10-Sep-09	17-Jun-05	National Bank deposit note	1546	5,022,122.68	
02-Nov-11	26-Nov-07	National Bank bond	1437	9,812,429.56	
02-Nov-11	27-Nov-07	National Bank bond	1436	9,838,642.93	
02-Nov-11	10-Apr-08	National Bank fixed floaters	1301	19,728,556.84	
15-Nov-13	05-Jun-08	National Bank fixed floaters	1989	5,069,197.14	
22-Dec-14	29-Feb-08	National Bank fixed floaters	2488	3,919,260.75	
22-Dec-14	29-Feb-08	National Bank fixed floaters	2488	9,765,546.90	
*** NATIONAL BANK OF CANADA					90,578,157.54

SCHEDULE 2 - 2

27-Sep-10	06-Feb-09	Royal Bank deposit note	598	10,374,026.76	
25-Jan-10	02-Jun-03	Royal Bank fixed floaters	2429	5,086,745.76	
25-Jan-10	14-Jan-04	Royal Bank fixed floaters	2203	5,092,568.09	
24-Jun-10	01-Nov-07	Royal Bank fixed floaters	966	9,849,897.10	
12-Apr-11	27-Mar-06	Royal Bank fixed floaters	1842	5,165,783.39	
12-Apr-11	01-Nov-07	Royal Bank fixed floaters	1258	5,115,566.76	
30-Apr-12	01-Nov-07	Royal Bank fixed floaters	1642	4,926,502.47	
30-Apr-12	05-Jun-08	Royal Bank fixed floaters	1425	4,974,821.39	
30-Apr-12	11-Dec-08	Royal Bank fixed floaters	1236	3,811,275.78	
11-Mar-13	18-Apr-08	Royal Bank fixed floaters	1788	9,937,353.16	
11-Mar-13	18-Apr-08	Royal Bank fixed floaters	1788	4,964,167.30	
11-Mar-13	05-Jun-08	Royal Bank fixed floaters	1740	5,001,450.95	
04-Nov-13	15-Oct-08	Royal Bank fixed floaters	1846	3,940,124.51	
04-Nov-13	15-Apr-08	Royal Bank fixed floaters	2029	1,783,586.91	
17-Mar-14	17-Mar-09	Royal Bank step up	1826	9,955,345.02	
		*** ROYAL BANK OF CANADA			89,979,215.35
18-Jan-11	27-Mar-06	Toronto Dominion Bank fixed floaters	1758	3,490,684.79	
01-Nov-12	11-Apr-08	Toronto Dominion Bank fixed floaters	1665	10,118,152.82	
01-Nov-12	11-Dec-08	Toronto Dominion Bank fixed floaters	1421	9,972,164.36	
01-Nov-12	21-Apr-08	Toronto Dominion Bank fixed floaters	1655	5,049,066.17	
		*** TORONTO DOMINION			28,630,068.14
CREDIT UNIONS					
27-Jan-10	27-Jan-09	Coast Capital Credit Union	365	15,000,000.00	
20-Jul-09	21-Jan-09	Envision Credit Union	180	5,000,000.00	
14-Jan-10	14-Jan-09	Envision Credit Union	365	10,000,000.00	
15-Jan-10	16-Jan-09	VanCity Savings Credit Union	364	10,000,000.00	
25-Jan-10	26-Jan-09	VanCity Savings Credit Union	364	15,000,000.00	
24-Apr-09	24-Feb-09	Westminster Savings Credit Union	59	8,000,000.00	
15-May-09	23-Mar-09	Westminster Savings Credit Union	53	5,000,000.00	
		*** CREDIT UNIONS			68,000,000.00
FEDERAL GUARANTEED PAPER					
15-Mar-10	28-Jan-05	Canada Mortgage bond	1872	2,000,000.00	
01-Oct-14	01-Oct-04	Farm Credit Corp DYNO	3652	2,000,000.00	
		*** OTHER FEDERAL GUARANTEED			4,000,000.00
PROVINCIAL GUARANTEED PAPER					
20-Aug-10	21-Nov-03	Alberta Capital Finance Bond	2464	1,296,911.70	
		*** ALBERTA			1,296,911.70
18-Jun-09	05-Apr-02	BC cpns	2631	1,849,474.07	
01-Dec-09	05-Apr-02	BC bonds	2797	5,008,119.98	
		*** BRITISH COLUMBIA			6,857,594.05
05-Sep-10	01-Dec-03	Manitoba residuals	2470	3,972,705.00	
		*** MANITOBA			3,972,705.00
17-Dec-10	17-Dec-03	New Brunswick MFA	2557	764,222.12	
		*** NEW BRUNSWICK			764,222.12
03-Nov-09	02-Feb-04	Newfoundland bond	2101	5,067,612.44	
		*** NEWFOUNDLAND			5,067,612.44
19-May-10	04-Apr-05	Ontario bond	1871	4,995,120.30	
19-Nov-10	21-Nov-03	Ontario bond	2555	4,999,999.53	
		*** ONTARIO			9,995,119.83
01-Jun-09	13-Jun-05	Quebec bond	1449	5,017,313.99	
01-Dec-09	21-Oct-03	Quebec MFA	2233	4,001,046.32	
01-Dec-09	21-Oct-03	Quebec MFA	2233	3,000,000.00	
01-Dec-09	09-Jan-04	Quebec MFA	2153	5,007,995.11	
16-Aug-10	05-Mar-04	Hydro Quebec coupon	2355	5,305,300.00	
01-Dec-10	28-Jan-05	Quebec bond	2133	4,132,684.10	
		*** QUEBEC			26,464,339.52
03-Oct-09	03-Oct-03	BCMFA bond	2192	799,805.31	
03-Oct-10	03-Oct-03	BCMFA bond	2557	1,798,860.19	
03-Oct-10	10-Oct-03	BCMFA bond	2550	699,392.76	
01-Jun-11	11-Apr-01	BCMFA bond	3703	4,996,215.49	
open	17-Dec-03	BCMFA investment pool-money market fund	2208	1,000,000.00	
		*** BCMFA			9,294,273.75
TOTAL PORTFOLIO					678,932,410.65