

NO: R231

COUNCIL DATE: October 24, 2016

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **October 17, 2016**
FROM: **General Manager, Finance & Technology** FILE: **1880-20**
SUBJECT: **Quarterly Financial Report - Third Quarter 2016**

RECOMMENDATION

The Finance and Technology Department recommends that Council:

1. Receive this report as information; and
2. Approve combining the funding for the Community Enhancement Partnership grant and the Façade Enhancement grant, allowing staff to better meet community demand.

INTENT

The intent of this report is to provide Council with an update on the City's financial activity for the third quarter of 2016 and to compare this activity with the adopted 2016 Financial Plan and with the same period in 2015.

DISCUSSION

The Five Year (2016-2020) Financial Plan was adopted by Council on December 14, 2015.

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 nine months ended September 30, 2016. It also includes an overview of the City's investment portfolio performance.

International Overview

The current low interest, low growth, and low inflation environment is expected to persist well into next year. The Organization for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) continue to urge governments around the world to ease their reliance on accommodative monetary policies to spur economic growth.

France, Germany, and The Netherlands are all headed into elections next year. Right-wing parties in Eurozone countries have gained substantial support as their platforms appeal to voters who are unhappy about high unemployment rates and the influx of refugees and immigrants into Europe.

Eurozone growth is forecasted at 1.7% this year and 1.6% in 2017. The European Central Bank (ECB) renewed pleas to Eurozone governments to enact policies to help boost sluggish growth. The ECB's €1.7 trillion asset purchase program is scheduled to end in March 2017. However, many economists predict that the ECB will extend the program beyond that date as years of accommodative monetary policy have resulted in an inflation rate that is still close to zero. Forecasts see Eurozone inflation at 0.2% this year and 1.2% next year.

United States Overview

Employment growth in the US has been strong this year with average gains of 175,000 jobs per month. The economy is considered to be at "full employment" with the August unemployment rate coming in at 4.9%. Jobless claims fell to their lowest level since July and the number of continuing claims is trending downwards.

The housing market is recovering with mortgage debt increasing 2.5% in quarter two of this year. Mortgage rates remain low with thirty year loans being offered at 3.5%. Home sales and housing starts are at their highest levels since 2007. US household wealth has seen improvements due to higher valuations for investments and real estate. Income growth, combined with increased wealth and favorable borrowing terms, continues to fuel consumer consumption.

US GDP grew by only 1.4% in the second quarter and is expected to come in at 1.6% for this year. Business investment remains soft due to uncertainty in the economy and weaknesses in demand. Inflation has not picked up even with improving labour market conditions and consumer demand.

Canadian Overview

The second quarter GDP contracted by 0.4% following a rise of 0.6% in the first quarter. Disruptions in Alberta oil production, weak exports and a pullback in energy-sector business investment weighed down the economy. The second half of the year is expected to bounce back with the resumption of oil production and rebuilding of homes and businesses devastated by the Alberta wildfires. Federal infrastructure spending and expanded child tax benefits are also expected to fuel growth.

The August unemployment rate was reported at 7% with the addition of 26,000 jobs. Increased hiring in government sectors was offset by a decline in self-employment.

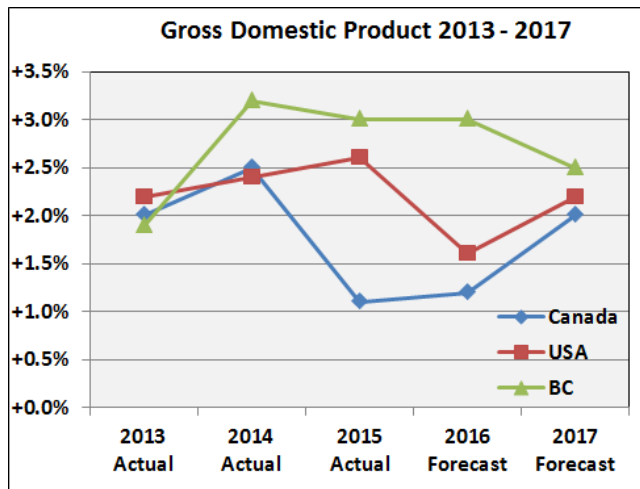
The Bank of Canada (BOC) kept its overnight interest rate at 0.50% and there are no expectations of a rate increase until at least mid-to-late 2017. The Canadian dollar has stabilized over the last year and the inflationary pressures from imported goods are starting to fade. The Loonie has traded around 77 cents for much of this year and is expected to remain close to this level during 2017.

British Columbia Overview

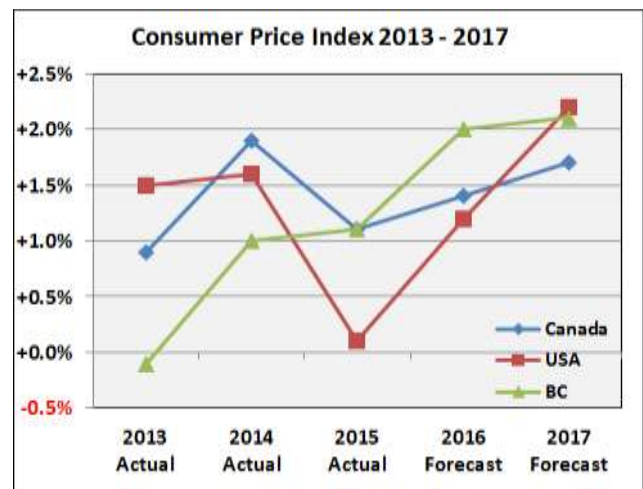
The BC economy is forecasted to grow by 3% this year due to strength in the tourism, real estate, and filming sectors. Real estate is a key contributor to BC's economic growth with spill-over benefits to other areas such as finance, insurance and construction. It is estimated that these industries together make up 35% of BC's GDP. The real estate price correction now materializing in the single family detached home market is expected to slow some of the recent economic momentum enjoyed by BC.

In September, the BC government announced plans to invest \$500 million dollars to build 2,900 housing units over the next three to four years in conjunction with non-profit and private partners.

This funding is in addition to the \$350 million dollars announced in February to build 2,000 units over five years.



Graph 1 Source: BMO Economics



Graph 2 Source: BMO Economics

Surrey's Financial Performance

Development activity in aggregate for the nine months ending September 30th is comparable to the activity noted for the same period last year with the exception of commercial and industrial activity which is notably lower. This is due primarily to a few large scale projects that impacted last year's figures. Residential activity, measured by the value of building permits issued, continues to show relative strength even when compared with last year's strong performance, in particular the single family and townhome sectors. Although, the value of residential building permits issued relative to the same period last year has increased, it is noted that within the last several months the volume of residential sales has softened in the Region, even though prices have not substantially decreased. This may be a signal that the residential market is entering a cooling period- which is not unexpected given the high level of activity experienced in the last several years both in regard to price appreciation and increase in volume of sales.

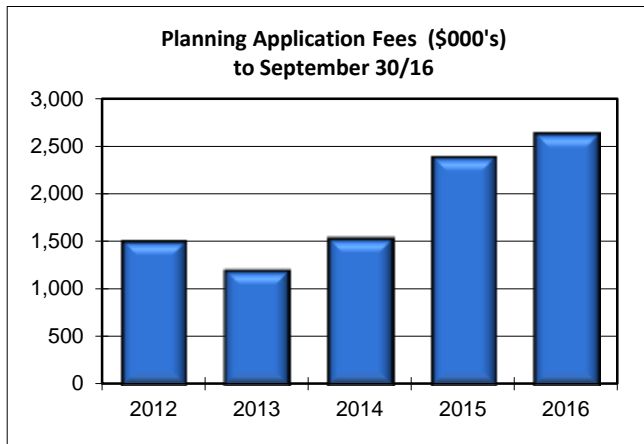
Planning Application Fees collected for the first nine months of the year are approximately 10% higher than those collected for the same period last year; these fees are a key indicator of expected future development activity, which in turn translates into building permit activity and ultimately into new market construction. New market construction is a vital contribution toward a healthy and sustainable taxation base for the City.

Building Permit revenue collected for the first nine months of the year is also 6% higher than the same period last year; Building Permit revenue is a key indicator of near future development activity and is directly correlated to past Planning Application activity.

Overall, demand for residential properties continues to be strong, in part supported by historically low interest rates. Surrey, in particular continues to be a desired location for young families and first time home owners due to the relative value it offers in relation to the rest of the Lower Mainland Region, and the high level of community amenities it has to offer.

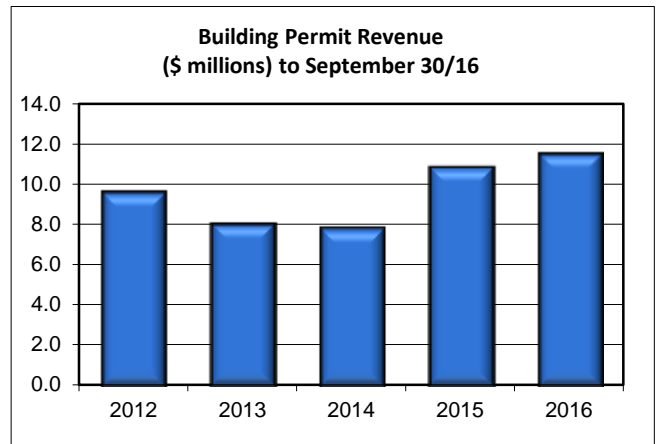
The graphs on the following pages display actual key revenues and fees collected by the City in the first nine months of 2016 compared to previous years; in addition graph 5 and 6 summarize the value of new Commercial/Industrial Construction.

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.



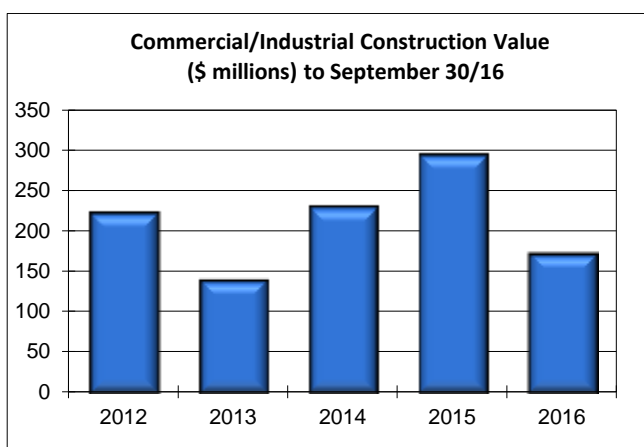
Graph 3

Application fees collected up to the third quarter of this year are 10% higher than those collected for the same period last year; these fees typically are future indicators of development activity.



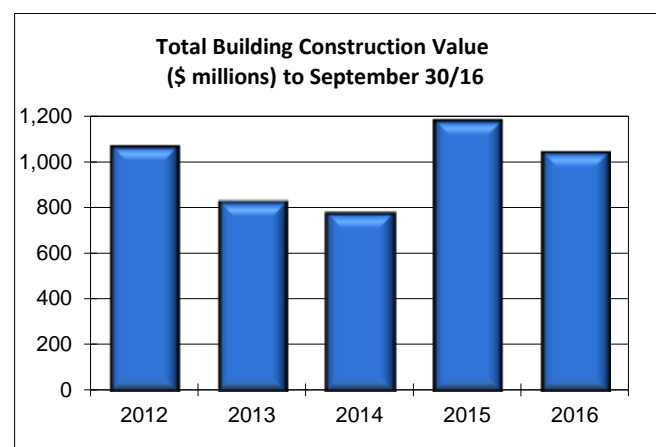
Graph 4

Building permit fees collected for the first nine months of this year are 6% higher than those collected in the same period last year.



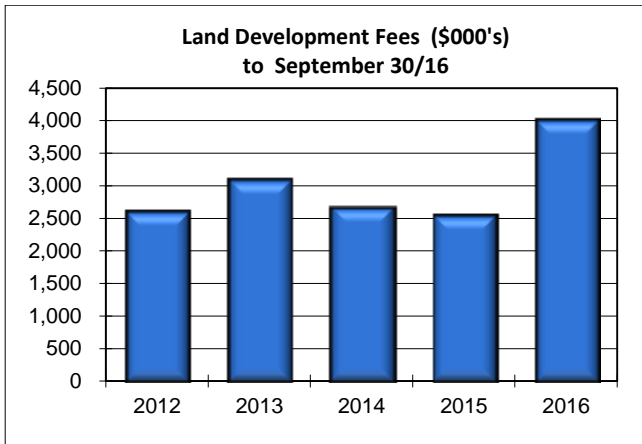
Graph 5

Construction value of commercial and industrial building permits up to the third quarter of 2016, are 41% lower compared to the same period in 2015; this is predominately due to a few large scale projects that impacted 2015 figures.



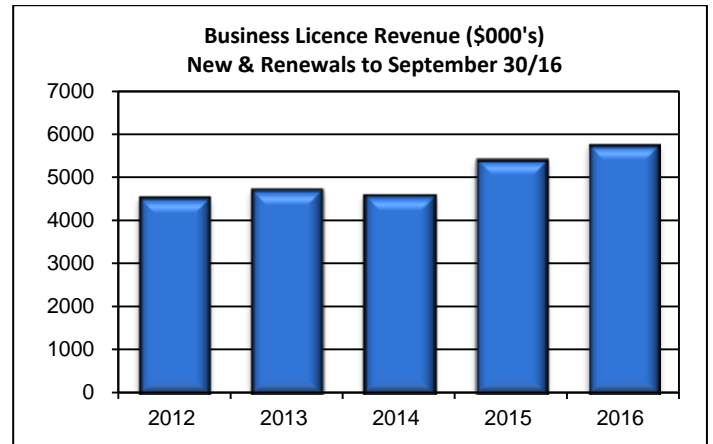
Graph 6

The aggregate value of new construction in the City has decreased by 12% compared to the same time period last year.



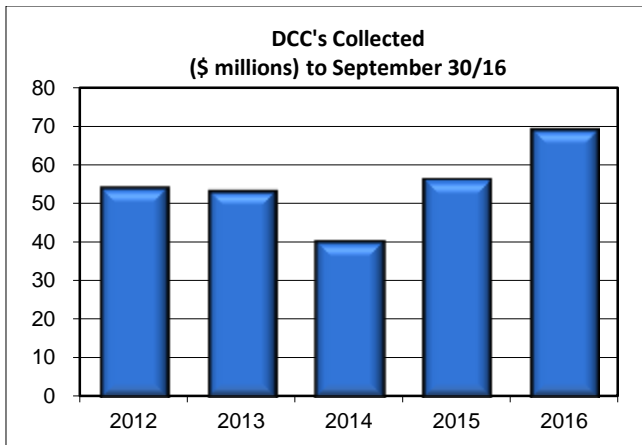
Graph 7

Engineering Land Development fees collected in the first nine months of the year are approximately 57% higher than the same period in 2015.



Graph 8

Business license revenue collected up to the third quarter of 2016 is approximately 6% higher compared to that same period in 2015.

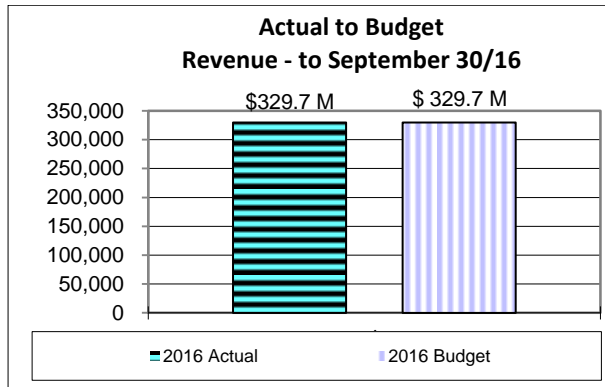


Graph 9

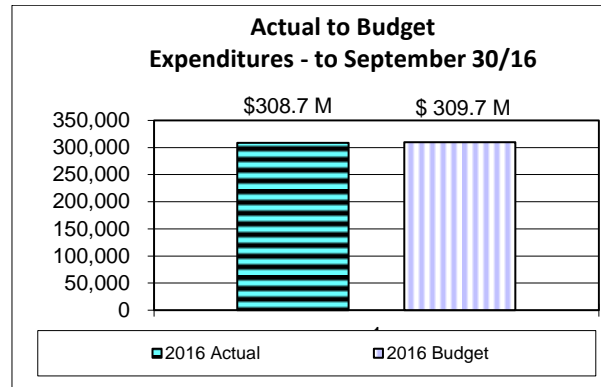
Development Cost Charges that have been collected in the first nine months of the year are 23% higher than those collected in the same period in 2015.

Actual Revenues and Expenditures Relative to the 2016 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 nine months of 2016.



Graph 10



Graph 11

Appendix "I" documents the General Operating Fund's revenues and expenditures for the first nine months of 2016 at a more detailed level. Departments continue to proactively monitor their actual results on a monthly basis. The following section provides a brief explanation on a Department-by-Department basis of year to date variances in relation to the 2016 Financial Plan:

RCMP is currently showing an unfavorable variance of \$617,000, and it is forecasted that this department will have an \$800,000 unfavorable variance by the end of year, predominately due to the usage of overtime and the trial medical services project which is unfunded.

Fire Services is currently showing a slight favorable variance of \$26,000 for the first nine months of the year, it is expected that this department will meet budget by the end of the year.

Engineering Services currently has a favourable variance of \$437,000 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 \$500,000.

Parks, Recreation & Culture Department is showing an unfavourable variance of \$304,000 which is primarily due to lower than budgeted revenues although this was somewhat offset by lower than budgeted expenses. The forecast for year-end indicates that a unfavorable variance of approximately \$400,000 is expected.

Library Services currently has a favorable variance of \$42,000, due predominately to the timing of expenditures relative to budget. It is forecasted that by year end, Library Services will meet budget.

Planning and Development Department, which also includes Civic Facilities, is reporting a positive variance of \$1,378,000 due to staff vacancies and the timing of maintenance costs for civic facilities. It is forecasted that by year end this department will have a favorable variance of \$1,500,000 due primarily to higher than budgeted revenues.

Mayor and Council currently is on budget and is expected to meet budget by year end.

City Grants is currently on budget and it is forecasted that City Grants will meet budget by year end.

City Manager's Department is currently showing a \$16,000 favorable variance; by year end it is forecasted that the City Manager's Department will meet budget.

Public Safety Office which is comprised of the Public Safety Office and By-Laws, is currently showing an unfavourable variance of \$351,000 which is predominately due to lower than budgeted revenues for By-Laws. It is forecasted that this Department will have an unfavorable variance by end of year of \$200,000.

Investment and Intergovernmental Relation's Department is currently showing a \$52,000 favorable variance predominately due to the timing of expenditures. It is forecasted that Investment and Intergovernmental Relations will meet budget by year end.

Finance & Technology Department currently has a favourable variance of \$8,000 and is expected to meet budget by year end.

Human Resources Department has an unfavourable variance of \$52,000, however is forecasted to meet budget by the end of year.

It is noted that the above analysis incorporates the targeted savings for each respective department and if those savings are met, then the overall budget for the City will also be met by year end without the need to draw from our accumulated surplus. Although, some departments are forecasting an unfavorable variance by year end, staff are cautiously optimistic that overall the City budget will be met by year end.

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 July through to September 2016. **Schedule 2** is a detailed listing of securities as at September 30, 2016 sub-totaled by issuer type.

It is important to note that although the investment portfolio is currently valued at \$922.2 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 2.10%, 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 Grant 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. Since that time, the Grants Evaluation Committee has reviewed and made recommendations for grant payments to organizations that have submitted late grant applications, 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. Grant applications for the 2017 Annual Community Grant Program were due and received by September 30th and that review and evaluation process is now underway. It is expected that these grant requests will be brought forward to Council in November.

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 nine months ending September 30, 2016.

Each year, staff has seen the Community Enhancement Partnership Program grow and in 2015, that growth has taken place predominantly in the community engagement category with more and more applications for block parties. The Façade Enhancement program is also starting to take hold, however as a new program, the availability of the program is not as widely known. In order to provide optimal community benefit, staff are recommending that the funding for the Community Enhancement Partnership grant and the Façade Enhancement grant be combined, allowing staff to better meet community demand, however staff will continue to report to Council, on the allocation for each category.

CONCLUSION

Development activity noted in the first nine months of 2016 is comparable to the same period in 2015, although staff will pay particular attention to the possibility of the market cooling as demonstrated recently with softening sales volumes in the residential sector. Staff will proactively take all possible measures in reducing the unfavorable variances currently noted in relation to the adopted 2016 budget.

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

Appendix "I": 2016 Third Quarter Council Report
Appendix "II": Third Quarter Investment Summary
Appendix "III": Financial Assistance Awards Update

APPENDIX I-1

2016 3rd QUARTER COUNCIL REPORT
EXECUTIVE SUMMARY - REVENUES & EXPENDITURES
\$ 000's

	2016: 3rd Qtr YTD Actual	2016 YTD BUDGET	2016: 3rd Qtr YTD Variance	2016 ANNUAL FORECAST	2016 ANNUAL BUDGET	2016 Projected Variance
REVENUE SUMMARY						
Net Taxation	230,567	232,233	1,666	307,487	309,643	2,156
Investment Interest	11,553	10,327	(1,226)	15,214	13,769	(1,445)
Secondary Suite Infrastructure Fee	12,556	13,213	657	16,709	17,617	908
Contribution from SCDC	3,375	3,375	-	4,500	4,500	-
Provincial Casino Revenue Sharing	3,169	2,700	(469)	4,069	3,600	(469)
Penalties & Interest on Taxes	2,984	3,076	92	4,008	4,100	92
Corporate Leases	4,102	4,447	345	5,584	5,930	346
Other Revenues	2,105	806	(1,299)	2,374	1,075	(1,299)
Non-Tax Revenues	39,844	37,944	(1,900)	52,458	50,591	(1,867)
Program Revenues	59,332	59,554	222	78,170	79,405	1,235
TOTAL REVENUES	329,743	329,731	(12)	438,115	439,639	1,524
EXPENDITURE SUMMARY						
Program Expenditures	297,920	298,786	866	396,543	398,378	1,835
Council Priorities	188	188	-	250	250	-
Fiscal Services	380	592	212	577	789	212
MFA Principal	9,666	9,585	(81)	12,779	12,779	-
Other	557	557	-	218	743	525
TOTAL EXPENDITURES	308,711	309,708	997	410,367	412,939	2,572
TRANSFER SUMMARY						
Carbon Emission Offsets	300	300	-	400	400	-
Transfer to Capital Program	10,125	10,125	-	13,500	13,500	-
Contributions to Road & Trans. Fund	12,444	12,444	-	16,592	16,592	-
Transfers To(From) Own Sources	(1,418)	(2,846)	(1,428)	(2,744)	(3,792)	(1,048)
TOTAL TRANSFERS	21,451	20,023	(1,428)	27,748	26,700	(1,048)
Surplus (Deficit)	(419)	0	419		-	0
Transfer (To)From Surplus	419		(419)	-	-	
BALANCED BUDGET			0		-	0
PROJECTED SURPLUS (DEFICIT)						\$
BUDGETED TRANSFER FROM SURPLUS						-
ANTICIPATED SURPLUS (DEFICIT) AT YEAR END						\$

APPENDIX I-2

2016 3rd QUARTER COUNCIL REPORT DEPARTMENTAL DETAIL \$ 000's						
	2016: 3rd Qtr YTD ACTUAL	2016 YTD BUDGET	2016: 3rd Qtr YTD Variance	2016 Projected ACTUAL	2016 ANNUAL BUDGET	2016 Projected Variance
PROGRAM REVENUES						
R.C.M.P.	5,962	6,061	99	7,949	8,081	132
Fire	1,414	1,247	(167)	1,891	1,663	(228)
Engineering Services	4,953	4,667	(286)	6,617	6,222	(395)
Parks, Recreation & Culture	21,846	23,957	2,111	28,461	31,943	3,482
Surrey Public Library	1,198	1,135	(63)	1,513	1,513	-
Planning & Development	16,599	15,053	(1,546)	21,900	20,071	(1,829)
Mayor & Council	-	-	-	-	-	-
City Grants	-	-	-	-	-	-
City Manager	6	4	(2)	9	5	(4)
Public Safety	6,169	6,461	292	8,393	8,615	222
Invest. & Intergovernmental Relations	45	-	(45)	45	-	(45)
Finance & Technology	1,140	969	(171)	1,392	1,292	(100)
Human Resources	-	-	-	-	-	-
TOTAL PROGRAM REVENUES	59,332	59,554	222	78,170	79,405	1,235
PROGRAM EXPENDITURES NET OF INTERNAL TRANSFERS						
R.C.M.P.	110,656	110,138	(518)	147,518	146,850	(668)
Fire	44,611	44,470	(141)	59,521	59,293	(228)
Engineering Services	5,593	5,744	151	7,553	7,658	105
Parks, Recreation & Culture	62,842	64,649	1,807	83,116	86,198	3,082
Surrey Public Library	12,263	12,242	(21)	16,322	16,322	-
Planning & Development	22,561	22,402	(159)	30,199	29,870	(329)
Mayor & Council	1,021	1,021	-	1,361	1,361	-
City Grants	1,247	1,247	-	1,662	1,662	-
City Manager	4,385	4,399	14	5,870	5,866	(4)
Public Safety	5,992	5,933	(59)	7,889	7,911	22
Invest. & Intergovernmental Relations	850	857	7	1,187	1,142	(45)
Finance & Technology	23,064	22,901	(163)	30,634	30,534	(100)
Human Resources	2,835	2,783	(52)	3,711	3,711	-
TOTAL PROGRAM EXPENDITURES	297,920	298,786	866	396,543	398,378	1,835
NET PROGRAM						
R.C.M.P.	104,694	104,077	(617)	139,569	138,769	(800)
Fire	43,197	43,223	26	57,630	57,630	-
Engineering Services	640	1,077	437	936	1,436	500
Parks, Recreation & Culture	40,996	40,692	(304)	54,655	54,255	(400)
Surrey Public Library	11,065	11,107	42	14,809	14,809	-
Planning & Development	5,962	7,349	1,387	8,299	9,799	1,500
Mayor & Council	1,021	1,021	-	1,361	1,361	-
City Grants	1,247	1,247	-	1,662	1,662	-
City Manager	4,379	4,395	16	5,861	5,861	-
Public Safety	(177)	(528)	(351)	(504)	(704)	(200)
Invest. & Intergovernmental Relations	805	857	52	1,142	1,142	-
Finance & Technology	21,924	21,932	8	29,242	29,242	-
Human Resources	2,835	2,783	(52)	3,711	3,711	-
NET PROGRAM TOTAL	238,588	239,232	644	318,373	318,973	600

APPENDIX II-1

THIRD QUARTER INVESTMENT SUMMARY
SCHEDULE 1

DESCRIPTION	INVESTMENT (MILLIONS) JULY/16	INVESTMENT (MILLIONS) AUGUST/16	INVESTMENT (MILLIONS) SEPTEMBER/16
<i>RBC Month End Balance</i>	283.4	149.2	97.1
<i>RBC USD Month End Balance (CAD\$)</i>	1.3	1.2	1.1
MAJOR BANKS - SCHEDULE I			
Bank of Montreal	26.2	26.2	21.1
Bank of Nova Scotia	47.0	47.0	46.9
Canadian Imperial Bank of Commerce	16.8	16.8	16.8
Canadian Western Bank	84.8	84.8	89.8
Laurentian Bank of Canada	59.4	59.4	59.4
Manulife Bank of Canada	22.0	22.0	22.0
National Bank of Canada	80.0	80.0	80.0
Royal Bank of Canada	49.7	49.7	49.7
Toronto-Dominion Bank	12.3	12.3	12.3
SUB TOTAL - SCHEDULE I BANKS	398.2	398.2	398.0
MAJOR BANKS - SCHEDULE II			
HSBC Bank Canada	5.9	11.1	11.1
SUB TOTAL - SCHEDULE II BANKS	5.9	11.1	11.1
CREDIT UNIONS			
BlueShore Financial	31.2	31.2	31.2
Central 1 Credit Union (CUCBC)	0.0	10.1	10.1
Coast Capital Savings Credit Union	75.0	75.0	75.0
Envision Financial	50.0	50.0	50.0
G&F Financial Group	14.0	14.0	14.0
Khalsa Credit Union	3.5	3.5	3.5
Prospera Credit Union	28.8	28.8	28.8
Vancity Credit Union	75.0	75.0	75.0
Westminster Savings Credit Union	27.2	27.2	27.2
SUB TOTAL - CREDIT UNIONS	304.7	314.8	314.8
PROVINCES			
Province - BC	0.0	0.0	0.0
Province - ON	0.0	0.0	0.0
Province - QC	0.0	0.0	0.0
SUB TOTAL - PROVINCES	0.0	0.0	0.0
OTHER			
MFA	60.0	100.0	100.0
SUB TOTAL - OTHER	60.0	100.0	100.0
TOTAL PORTFOLIO	\$ 1,053.5	\$ 974.5	\$ 922.2

SCHEDULE 2 - 1

MATURITY DATE	PURCHASE DATE	SECURITY	# OF DAYS	PRINCIPAL	TOTAL
ROYAL BANK MONTH END BALANCE					
30-Sep-16		Royal Bank		97,121,008.13	
30-Sep-16		Royal Bank USD Account (CAD\$)		1,148,421.29	
					98,269,429.42
CALL LOAN					
03-Nov-16	03-Nov-15	Coast Capital 1 year cashable term deposit	366	5,000,000.00	20,000,000.00
08-Jun-17	08-Jun-16	Prospera Credit Union 1 year cashable term deposit	365	5,000,000.00	
08-Jun-17	08-Jun-16	Prospera Credit Union 1 year cashable term deposit	365	5,000,000.00	
08-Jun-17	08-Jun-16	Prospera Credit Union 1 year cashable term deposit	365	5,000,000.00	
MAJOR BANKS - SCHEDULE I					
26-Sep-17	14-Jan-10	Bank of Montreal Fixed Floater	2812	10,129,251.78	
26-Sep-17	26-Jan-10	Bank of Montreal Fixed Floater	2800	5,072,835.71	
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			21,118,674.22
03-Aug-17	05-Sep-12	Bank of Nova Scotia Fixed Floater	1793	3,005,887.90	
18-Oct-19	29-Sep-15	Bank of Nova Scotia Fixed Floater	1480	10,289,796.22	
18-Oct-19	26-Oct-15	Bank of Nova Scotia Fixed Floater	1453	6,132,521.62	
18-Oct-19	13-Apr-16	Bank of Nova Scotia Fixed Floater	1283	5,126,454.25	
21-Aug-20	21-Aug-15	Bank of Nova Scotia GIC	1827	8,000,000.00	
18-Oct-19	27-Apr-16	Bank of Nova Scotia Zero Coupon	1269	9,248,000.00	
18-Oct-19	01-Jun-16	Bank of Nova Scotia Fixed Floater	1234	5,144,458.01	
		*** BANK OF NOVA SCOTIA			46,947,118.00
06-Jun-18	26-Jan-10	Canadian Imperial Bank of Commerce Zero Coupon	3053	2,122,890.00	
06-Jun-18	26-Oct-15	Canadian Imperial Bank of Commerce Zero Coupon	954	4,744,500.00	
19-Feb-25	19-Feb-15	Canadian Imperial Bank of Commerce Step Up	3653	9,966,460.44	
		*** CIBC			16,833,850.44
11-Oct-16	10-Oct-14	Canadian Western Bank GIC	732	5,000,000.00	
01-Jan-17	27-Jun-16	Canadian Western Bank Savings Account	188	20,000,000.00	
26-Jun-17	02-Nov-15	Canadian Western Bank Deposit Note	602	5,002,225.91	
22-Mar-18	20-Sep-16	Canadian Western Bank Deposit Note	548	5,043,214.78	
17-Dec-19	22-May-15	Canadian Western Bank Fixed Floater	1670	5,086,987.66	
17-Dec-19	08-Apr-15	Canadian Western Bank Fixed Floater	1714	10,261,956.36	
17-Dec-19	03-Jul-15	Canadian Western Bank Fixed Floater	1628	5,120,691.52	
17-Dec-19	16-Sep-15	Canadian Western Bank Fixed Floater	1553	5,070,184.16	
17-Dec-19	26-Nov-15	Canadian Western Bank Fixed Floater	1482	2,021,352.23	
17-Dec-19	19-Oct-15	Canadian Western Bank Fixed Floater	1520	5,056,248.29	
17-Dec-19	28-Apr-14	Canadian Western Bank Fixed Floater	2059	3,046,942.61	
17-Dec-19	20-May-16	Canadian Western Bank Fixed Floater	1306	6,025,845.02	
29-Jun-20	13-Apr-16	Canadian Western Bank Deposit Note	1538	10,084,526.46	
29-Jun-20	20-May-16	Canadian Western Bank Deposit Note	1501	3,013,988.75	
		*** CANADIAN WESTERN BANK			89,834,163.77
19-Oct-17	19-Oct-15	Laurentian Bank of Canada Fixed Floater	731	2,017,153.79	
19-Oct-17	25-Aug-15	Laurentian Bank of Canada Fixed Floater	786	4,050,326.01	
19-Oct-17	02-Nov-15	Laurentian Bank of Canada Fixed Floater	717	5,049,143.65	
19-Oct-17	25-Aug-15	Laurentian Bank of Canada Fixed Floater	786	8,097,455.47	
26-Mar-18	02-Nov-15	Laurentian Bank of Canada Deposit Note	875	1,004,451.66	
15-Oct-18	09-Jul-14	Laurentian Bank of Canada Deposit Note	1559	10,137,585.12	
23-Jan-20	16-Sep-15	Laurentian Bank of Canada Deposit Note	1590	10,055,127.36	
23-Jan-20	19-Oct-15	Laurentian Bank of Canada Deposit Note	1557	4,971,696.82	
23-Jan-20	26-Nov-15	Laurentian Bank of Canada Deposit Note	1519	9,957,020.41	
22-Apr-21	01-Jun-16	Laurentian Bank of Canada Deposit Note	1786	4,051,185.81	
		*** LAURENTIAN BANK OF CANADA			59,391,146.09
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	
21-Aug-20	21-Aug-15	Manulife Bank of Canada GIC	1827	2,000,000.00	
		*** MANULIFE BANK OF CANADA			22,000,000.00

SCHEDULE 2 - 2

MATURITY PURCHASE		SECURITY	# OF DAYS	PRINCIPAL	TOTAL
DATE	DATE				
11-Apr-17	11-Apr-12	National Bank of Canada Fixed Floater	1826	1,000,546.77	
11-Apr-17	01-May-12	National Bank of Canada Fixed Floater	1806	3,000,567.71	
11-Apr-17	18-Sep-12	National Bank of Canada Fixed Floater	1666	5,013,051.62	
11-Apr-17	17-Oct-12	National Bank of Canada Fixed Floater	1637	6,019,845.08	
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	
24-Jul-25	24-Jul-15	National Bank of Canada Step Up	3653	10,000,410.96	
		*** NATIONAL BANK OF CANADA			80,034,422.14
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	
28-Dec-16	29-Jun-16	Royal Bank of Canada GIC	182	10,000,000.00	
11-Oct-18	28-Apr-14	Royal Bank of Canada Deposit Note	1627	5,055,033.80	
06-Dec-19	13-Apr-16	Royal Bank of Canada Fixed Floater	1332	5,124,772.64	
06-Dec-19	27-Apr-16	Royal Bank of Canada Fixed Floater	1318	10,218,898.71	
06-Dec-19	01-Jun-16	Royal Bank of Canada Zero Coupon	1283	9,266,400.00	
		*** ROYAL BANK OF CANADA			49,665,105.15
09-Jul-18	27-Jun-11	Toronto-Dominion Bank Fixed Floater	2569	5,164,328.92	
09-Jul-18	26-Jan-10	Toronto-Dominion Bank Zero Coupon	3086	2,114,700.00	
04-Dec-24	04-Dec-14	Toronto-Dominion Bank Step Up	3653	4,973,434.16	
		*** TORONTO-DOMINION BANK			12,252,463.09
MAJOR BANKS - SCHEDULE II					
10-Apr-17	05-Sep-12	HSBC Bank Canada Fixed Floater	1678	778,482.40	
10-Apr-17	09-Aug-16	HSBC Bank Canada Fixed Floater	244	5,149,425.37	
14-Jan-20	29-Sep-15	HSBC Bank Canada Deposit Note	1568	5,135,841.84	
		*** HSBC BANK CANADA			11,063,749.61
CREDIT UNIONS					
19-Apr-17	19-Apr-16	BlueShore Financial Term Deposit	365	6,750,500.00	
21-Apr-17	21-Apr-16	BlueShore Financial Term Deposit	365	5,000,000.00	
27-Dec-17	24-Jun-16	BlueShore Financial Term Deposit	551	19,421,500.00	
25-Apr-19	29-Aug-16	Central 1 Credit Union (CUCBC) Fixed Floater	969	10,138,885.12	
16-Feb-17	16-Feb-16	Coast Capital Savings Credit Union Term Deposit	366	1,516.16	
14-Mar-17	14-Mar-16	Coast Capital Savings Credit Union Term Deposit	365	12,500,000.00	
29-Mar-17	29-Mar-16	Coast Capital Savings Credit Union Term Deposit	365	10,000,000.00	
04-May-17	04-May-16	Coast Capital Savings Credit Union Term Deposit	365	10,000,000.00	
14-Mar-18	14-Mar-16	Coast Capital Savings Credit Union Term Deposit	730	12,500,000.00	
20-Jun-18	20-Jun-16	Coast Capital Savings Credit Union Term Deposit	730	7,500,000.00	
08-Apr-19	07-Apr-16	Coast Capital Savings Credit Union Term Deposit	1096	10,000,000.00	
20-Jun-19	20-Jun-16	Coast Capital Savings Credit Union Term Deposit	1095	7,500,000.00	
06-Feb-17	05-Feb-16	Envision Financial Term Deposit	367	10,000,000.00	
06-Apr-17	06-Apr-16	Envision Financial Term Deposit	365	22,500,000.00	
18-Apr-17	14-Apr-16	Envision Financial Term Deposit	369	17,500,000.00	
05-Dec-16	08-Jun-16	G&F Financial Group Term Deposit	180	1,639,000.00	
12-Dec-16	15-Jun-16	G&F Financial Group Term Deposit	180	1,100,000.00	
04-Mar-19	03-Mar-16	G&F Financial Group Term Deposit	1096	10,000,000.00	
06-Apr-21	07-Apr-16	G&F Financial Group Term Deposit	1825	1,291,600.00	
27-Apr-17	27-Apr-16	Khalsa Credit Union Term Deposit	365	266,000.00	
15-Jun-17	15-Jun-16	Khalsa Credit Union Term Deposit	365	3,216,500.00	
27-Oct-16	14-Jun-16	Prospera Credit Union Term Deposit	135	6,292,100.00	
17-Apr-17	17-Apr-16	Prospera Credit Union Term Deposit	365	7,500,000.00	
14-Dec-16	14-Dec-15	Vancity Credit Union Term Deposit	366	22,500,000.00	
28-Dec-16	29-Mar-16	Vancity Credit Union Term Deposit	274	2,500,000.00	
07-Feb-17	13-May-16	Vancity Credit Union Term Deposit	270	20,000,000.00	
03-Mar-17	06-Jun-16	Vancity Credit Union Term Deposit	270	30,000,000.00	
26-Oct-16	28-Jun-16	Westminster Savings Credit Union Term Deposit	120	16,965,200.00	
12-Oct-18	13-Oct-15	Westminster Savings Credit Union Term Deposit	1095	5,205,000.00	
13-Oct-20	13-Oct-15	Westminster Savings Credit Union Term Deposit	1827	5,000,000.00	
		*** CREDIT UNIONS			294,787,801.28

APPENDIX II-4

SCHEDULE 2 - 3

MATURITY DATE	PURCHASE DATE	SECURITY	# OF DAYS	PRINCIPAL	TOTAL
PROVINCIAL GUARANTEED PAPER					
		*** BRITISH COLUMBIA			-
		*** ONTARIO			-
		*** QUEBEC			-
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	
Open	25-Jul-16	BCMFA Investment Pool-money Market Fund		19,000,000.00	
Open	10-Aug-16	BCMFA Investment Pool-money Market Fund		20,000,000.00	
Open	23-Aug-16	BCMFA Investment Pool-money Market Fund		20,000,000.00	
		*** BC MUNICIPAL FINANCE AUTHORITY			100,000,000.00
TOTAL PORTFOLIO					\$ 922,197,923.21


FINANCIAL ASSISTANCE AWARDS
*since 2016 Community Grants were approved
to September 30, 2016*

Description	Amount
Community Grants Awarded November 23, 2015	\$ 1,521,125
Community Grants (late grants)	
Neighbourhood Community Dog Park	9,800
Hope Symposium	1,500
Volunteer Cancer Drivers Society	5,000
Spinal Cord Injury BC	1,000
West Coast Kings Field Hockey Society	3,500
VISHWA	500
	\$ 21,300
Neighbourhood Enhancement Grants	
Bark Park Temporary Dog Park	3,000
120th Street Planters	315
Little Free Library Fraser Heights	240
Kingfisher Community Gardens	2,300
Crescent Beach Garden	900
Chinese Traditional Festival	1,000
Park Drive Boulevard Garden	450
Rosemary Heights Block Party	550
Panoramic Picnic in the Park	1,000
Ocean Park Banner Pole Lights	3,000
129A Street Block Party	625
60th Avenue Block Party	450
Whalley's Corner Community Festival	1,000
Fraserview Terrace Block Watch Festival	1,000
PLOT Celebration	1,000
Newton Early Years Festival	1,000
Fraser Heights Block Party	1,000
Church Lane Walkway	207
Adams Road Community Fall Fair	-
141 St Neighbourhood Day Party	280
Holly Park Lane Neighbourhood Party	500
Roxburgh Road Block Party	610
Chatham Lane Townhouses Block Party	265
Jedburgh Place Block Party	350
129 St Block Party	1,000
Cherry Tree Lane Block Party	500
PLOT Cleanup and Celebration	600
	\$ 23,142
Façade Enhancement Grants	
Ukrainian Orthodox Cultural Centre	3,000
Rickshaw Restaurant	1,140
Sprite Computers	1,500
	\$ 5,640
Policing at Community Events	
Gurdwara Dukh Nivaran Sahib Society	9,293
Heart and Stroke Foundation	1,313
Guru Nanak Sikh Gurdwara Society	9,093
	\$ 19,698
Total Grants Issued to September 30, 2016	\$ 1,590,905
Unallocated Grant Funding	
Neighbourhood / Façade Enhancement Program	11,218
Policing at Community Events	35,302
Sports Tourism	50,000
One-time Grants	2,750
	\$ 99,270
Total Grant Funding for 2016	\$ 1,690,175