

Financial Statements of

**CREDIT UNION DEPOSIT INSURANCE
CORPORATION OF BRITISH COLUMBIA**

Year ended March 31, 2009



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AUDITORS' REPORT

To the Board of Directors of the
Credit Union Deposit Insurance Corporation of British Columbia

We have audited the balance sheet of the Credit Union Deposit Insurance Corporation of British Columbia as at March 31, 2009 and the statements of income and retained earnings, comprehensive income and accumulated other comprehensive income and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for 2008 were reported on by another firm of chartered accountants.

Chartered Accountants

Vancouver, Canada

June 11, 2009

**CREDIT UNION DEPOSIT INSURANCE CORPORATION OF
BRITISH COLUMBIA**

Balance Sheet

March 31, 2009, with comparative figures for 2008


	2009	2008 (Restated - note 4)
Assets		
Cash	\$ 22,527	\$ 2,863
Income taxes receivable	583,994	-
Future income taxes (note 6)	1,058,101	-
Investments (note 5)	273,826,907	263,148,004
Other assets	-	15,455
	<u>\$ 275,491,529</u>	<u>\$ 263,166,322</u>

**Liabilities, Retained Earnings and
Accumulated Other Comprehensive Income**

Trade settlements payable	\$ 6,099,635	\$ 888,240
Accounts payable and accrued liabilities	39,287	-
Due to FICOM (note 8)	279,791	167,895
Income taxes payable	-	80,006
Future income taxes payable (note 6)	-	189,986
	<u>6,418,713</u>	<u>1,326,127</u>
Retained earnings (note 7)	265,726,928	258,300,750
Accumulated other comprehensive income	3,345,888	3,539,445
	<u>\$ 275,491,529</u>	<u>\$ 263,166,322</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director

**CREDIT UNION DEPOSIT INSURANCE CORPORATION OF
BRITISH COLUMBIA**

Statement of Income and Retained Earnings

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 4)
Revenue:		
Investments:		
Interest and dividends	\$ 10,392,238	\$ 8,510,323
Gain on sale of investments	1,257,648	4,578,010
Assessments (note 7)	18,427,272	10,245,966
	<u>30,077,158</u>	<u>23,334,299</u>
Expenses:		
Administration (note 8 and Schedule)	2,212,685	2,067,207
Investment management fees	289,098	215,792
	<u>2,501,783</u>	<u>2,282,999</u>
Impairment of available-for-sale assets (note 5)	19,334,142	-
Income before income taxes	8,241,233	21,051,300
Provision for income taxes (note 6)	815,055	855,647
Net income for the year	7,426,178	20,195,653
Retained earnings, beginning of year	258,300,750	238,105,097
Retained earnings, end of year	<u>\$ 265,726,928</u>	<u>\$ 258,300,750</u>

See accompanying notes to financial statements.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Statement of Comprehensive Income and Accumulated Other Comprehensive Income

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008 (Restated - note 4)
Comprehensive income		
Net income for the year	\$ 7,426,178	\$ 20,195,653
Other comprehensive income:		
Net realized losses on available-for-sale assets, net of future income tax recovery of \$1,059,006 (2008 - \$1,391)	(17,104,437)	(1,825,049)
Reclassification of realized loss on available-for-sale assets to net income, net of future income tax recovery of \$139,441 (2008 - \$251,710)	(1,118,207)	(4,326,300)
Impairment of available-for-sale assets, net of future income tax charge of \$1,305,055	18,029,087	-
	(193,557)	(6,151,349)
Comprehensive income	\$ 7,232,621	\$ 14,044,304
Accumulated other comprehensive income (note 2(c))		
Balance, beginning of year (restated - note 4)	\$ 3,539,445	\$ -
Transition adjustments on adoption of new accounting standards, net of future income tax recovery of nil (2008 - \$688,685)	-	9,690,794
Other comprehensive loss, net of future income tax charge of \$106,608 (2008 - \$253,101)	(193,557)	(6,151,349)
Balance, end of year	\$ 3,345,888	\$ 3,539,445

See accompanying notes to financial statements.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 4)
Cash provided by (used in):		
Operations:		
Net earnings	\$ 7,426,178	\$ 20,195,653
Items not affecting cash:		
Realized gain on sale of investments	(1,257,648)	(4,578,010)
Amortization of discount on purchase of fixed income investments	1,129,831	669,102
Impairment of available-for-sale assets	19,334,142	-
Future income taxes (recovery)	(1,354,695)	(151,117)
	25,277,808	16,135,628
Changes in non-cash operating accounts:		
Other assets	15,455	-
Trade settlements payable	5,211,395	888,240
Accounts payable and accrued liabilities	39,289	-
Due to FICOM	111,896	(28,125)
Income taxes payable	(664,000)	(115,047)
	29,991,843	16,880,696
Investments:		
Purchase of investments	(991,394,596)	(487,241,513)
Proceeds from sale of investments	961,422,417	470,361,566
	(29,972,179)	(16,879,947)
Increase in cash	19,664	749
Cash, beginning of year	2,863	2,114
Cash, end of year	\$ 22,527	\$ 2,863
Supplemental cash flow information:		
Income taxes paid	\$ 2,833,750	\$ 1,121,811

See accompanying notes to financial statements.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

1. Governing legislation and operations:

The Credit Union Deposit Insurance Corporation of British Columbia (the Corporation) is a statutory corporation continued under the *Financial Institutions Act* (FIA) and administered by the Financial Institutions Commission (FICOM) of the Ministry of Finance of the Province of British Columbia. The mandate of the Corporation is to guarantee all British Columbia credit union deposits and non-equity shares. BC credit union deposit insurance increased from \$100,000 to unlimited when Bill 45 received Royal Assent, on November 27, 2008. To meet this mandate the Corporation undertakes functions set out in the FIA and maintains the deposit insurance fund. FICOM is empowered to augment the deposit insurance fund by annually assessing each BC credit union and/or by issuing debentures. No debentures were issued in the last fiscal year and none are outstanding as at March 31, 2009.

The amount, timing and form of deposit insurance payments or financial assistance that may be required for credit unions are dependent on future events and outcomes. Outcomes that may require financial assistance are rehabilitation, amalgamation or liquidation of credit unions.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies of the Corporation used in the preparation of these financial statements are described below:

(b) Cash:

Cash consists of cash held with banks and other financial institutions.

(c) Investments:

The Corporation's investment policy permits investment in both fixed income securities and equities. Investment assets are managed on both a segregated basis by British Columbia Investment Management Corporation (bcIMC), the Corporation's investment manager, and in bcIMC pooled funds. Also, the Corporation can make any investment that a pension plan is capable of making under the *Pension Benefits Standards Act*.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

2. Significant accounting policies (continued):

(c) Investments (continued):

All investments in bonds and pooled funds are classified as "available-for-sale" (AFS). Investments in bonds and pooled funds are stated at fair value. The calculation of fair value is based on market conditions or estimates at a point in time and may not be reflective of future fair value. Fair value is an estimated amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Investments in bonds and pooled funds are valued at year-end quoted prices where available. For those investments where quoted market prices are not available, estimated fair values are recorded in other comprehensive income, net of future income taxes, until the financial asset has been disposed of or has become other than temporarily impaired. When the asset is disposed of, or has become other than temporarily impaired, the accumulated fair value adjustments recognized in accumulated other comprehensive income (AOCI) are transferred to the statement of income and retained earnings.

A provision for impairment of AFS designated securities is established when there is objective evidence that the investment is impaired and the impairment is other than temporary. Objective evidence of impairment may include financial difficulty of the issuer, bankruptcy or defaults, delinquency in payments of interest or principal, or a significant or prolonged decline in the fair value of the investment below cost.

(d) Investment income and expenses:

Investment income from investments is recorded on an accrual basis using the effective interest method. Distributions from pooled fund investments are recognized on the distribution date to the extent that collection is reasonably assured, as evidenced by the fair value of the respective pooled fund being in excess of amortized cost. Gains and losses from investment transactions are calculated on an average cost basis and recorded when realized. Premiums or discounts related to the purchase of bonds are recorded as part of the carrying value of the bond at the date of purchase and are amortized using the effective interest method.

Transaction costs for AFS fixed income securities are added to the value of the security at acquisition and are recognized in net income using the effective interest method or immediately on the subsequent sale of a security.

Investment management fees payable to the Corporation's investment manager for managing investments in pooled funds are charged directly to the underlying pooled funds in which the Corporation invests. Other investment management fees are expensed as incurred on an accrual basis.

(e) Financial liabilities:

Accounts payable and other financial liabilities are measured at amortized cost using the effective interest method.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

2. Significant accounting policies (continued):

(f) Foreign exchange:

Investments in foreign currency denominated securities are translated into Canadian dollars at the fiscal year-end exchange rate. Purchases and sales of investments are translated at the rate prevailing on the respective dates of such transactions. Realized and unrealized gains arising from these transactions are recorded within net realized and change in unrealized gains (losses) in the statement of comprehensive income and accumulated other comprehensive income respectively.

(g) Assessments:

The Corporation has established a target fund size in relation to the total of British Columbia credit union system deposits and non equity shares, based upon independent actuarial advice and management's assessment of deposit failure risk (note 7). Assessments are recognized as revenue when due.

(h) Provision of credit union assistance:

The Corporation may provide assistance to credit unions in respect of deposit insurance. Specific provisions are established for financial assistance provided to a credit union and deposit insurance claims for a credit union in financial difficulty. These provisions are recorded when it is determined that assistance is likely required and the amount can be reasonably estimated. No payments or accruals were made in relation to credit union assistance in the current or prior year.

(i) Income taxes:

Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets, when applicable, are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

(j) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual results may differ from those estimates. Significant areas requiring the use of estimates include the fair value of investments and the requirement for any provision for credit union assistance.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

3. Changes in accounting policies:

(a) Current year:

Capital Disclosures and Financial Instruments - Disclosure and Presentation

On April 1, 2008, the Corporation adopted three new CICA Handbook sections: Section 1535, *Capital Disclosures* (Section 1535); Section 3862, *Financial Instruments - Disclosures* (Section 3862) and Section 3863, *Financial Instruments - Presentation* (Section 3863). Section 1535 requires disclosure of an entity's objectives, policies and processes for managing capital; information about what an entity regards as capital: whether the entity has complied with any capital requirements; and the consequences of not complying with any capital requirements. Section 3862 and Section 3863 replace handbook Section 3861. Section 3863 carries forward unchanged the requirements of Section 3861 while Section 3862 requires enhanced financial instrument disclosures related to the nature and extent of risks arising from financial instruments and how the entity manages these risks.

(b) Future changes:

The CICA plans to converge Canadian GAAP for publicly accountable enterprises with International Financial Reporting Standards (IFRS). The Company's financial statements will be prepared in accordance with IFRS for the fiscal year commencing April 1, 2011, including comparative balances for the prior year. The impact of the transition to IFRS on the Company's financial statements is not yet determinable.

4. Restatement of prior year figures:

The prior year comparative figures have been restated in accordance with Canadian generally accepted accounting principles to reverse certain investment income recognized in the year ended March 31, 2008 and previous years. In previous years distributions of realized gains and losses on the sale of underlying assets in pooled investment funds which were allocated for tax purposes were recognized as income, even though there was not reasonable assurance of future collectibility.

The impact at April 1, 2007 was to increase the previously reported accumulated other comprehensive income transition adjustment by \$1,028,934, which is net of future income tax of \$74,481, with a corresponding entry to retained earnings.

The effect on the year ended March 31, 2008 was to decrease previously reported investment income by \$2,238,765 and future income taxes by \$151,117, and to decrease net income and retained earnings by \$2,087,648. Corresponding entries were made to decrease other comprehensive loss and accumulated other comprehensive loss by \$2,087,648.

The statement of cash flows for the year ended March 31, 2008 has been restated accordingly.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

5. Investments:

Investments have been recorded on the balance sheet at fair value. The following table shows the comparison to cost adjusted for other than temporary impairments:

	2009		2008	
	Fair value	Adjusted cost	Fair value	Adjusted cost
				(Restated - note 4)
Bonds - direct:				
Canadian	\$ 63,318,995	\$ 61,766,810	\$ 39,379,302	\$ 38,437,003
Provincial	76,486,998	74,575,368	82,871,035	80,292,094
Municipal	29,325,742	28,207,087	27,495,064	26,315,880
Corporate	52,420,304	53,134,313	48,952,662	48,509,854
Pooled funds:				
Money market	6,808,333	6,808,714	4,575,371	4,572,350
Government bond	-	-	3,424,245	3,337,634
Canadian equity	14,585,774	14,585,774	18,091,707	19,013,477
U.S. equity	14,408,901	14,408,901	17,442,791	18,610,594
International equity	13,751,820	13,751,820	18,213,865	17,402,127
Accrued interest	2,720,040	2,720,040	2,701,962	2,701,962
	\$ 273,826,907	\$ 269,958,827	\$ 263,148,004	\$ 259,192,975

The adjusted cost amounts reflect the following other than temporary impairments recognized in the year ended March 31, 2009:

Canadian equity pooled fund	\$ 6,576,120
U.S. equity pooled fund	5,740,690
International equity pooled fund	7,017,332
	\$ 19,334,142

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

6. Income taxes:

Under the *Income Tax Act*, the Corporation pays income taxes on its taxable income at the statutory rate prescribed for deposit insurance corporations. To maintain status as a deposit insurance corporation under the *Income Tax Act*, 50% of the cost of the Corporation's investment property must be held in eligible securities, defined as bonds or other fixed income securities issued by the Canadian federal, provincial or municipal governments, or guaranteed by the Canadian federal government.

The provision for income taxes comprises:

	2009	2008
Current	\$ 2,169,750	\$ 1,006,764
Future (recovery)	(1,354,695)	(151,117)
	<u>\$ 815,055</u>	<u>\$ 855,647</u>

Income tax expense differs from the amount that would be consistent with tax workings computed by applying the combined federal and provincial statutory income tax rates of 14.57% to income before income taxes. The reasons for the differences are outlined below:

	2009	2008
Computed tax expense	\$ 1,200,748	\$ 3,067,174
Increase (decrease) resulting from:		(Restated - note 4)
Non-taxable credit union assessments	(2,684,854)	(1,492,837)
Non-taxable portion of realized gains on equity dispositions	(53,574)	(235,499)
Valuation allowance related to other than temporary impairments recognized	1,579,473	-
Non-taxable portion of dividends received	(51,642)	(46,342)
Permanent differences	5,129	802
Other	819,775	(437,651)
	<u>\$ 815,055</u>	<u>\$ 855,647</u>

The tax effect of the temporary difference that gives rise to a future income tax asset (liability) is presented below:

	2009	2008
Future income tax asset / (liability)		
Unrealized losses (gains) on available-for-sale financial assets	\$ 1,058,101	\$ (189,986)

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

7. Depositor protection:

The deposit insurance fund is comprised of the Corporation's retained earnings, accumulated other comprehensive income and a \$20 million letter of credit issued by Central 1 Credit Union (refer to note 9). These combine to form an Ex Ante fund to pay for potential deposit insurance claims, to provide financial assistance when required and to provide liquidity in the event of the wind up of a credit union.

With the increase in deposit insurance coverage, the target deposit insurance fund size was increased from 0.84% to 0.88% of total BC credit union deposits, based upon actuarial advice and an assessment of deposit failure risk.

At March 31, 2009, the Corporation's retained earnings and accumulated other comprehensive income represent 0.682% (2008 - 0.710%) of BC credit union deposits. Combined with the \$20 million letter of credit, the deposit insurance fund amounts to 0.733% (2008 - 0.764%).

In 2008, the Corporation issued assessments to BC credit unions of \$18,427,272 (2007 - \$10,245,966).

8. Related party transactions:

As the Corporation is administered by FICOM, administrative expenses relating to the Corporation's mandate are charged by FICOM to the Corporation at cost. The allocation of a percentage of salaries to the Corporation is calculated based on the activities performed by FICOM staff on tasks pertinent to the mandate of the Corporation. Other expenses, including occupancy costs, are allocated to the Corporation according to the Corporation's proportionate share of activities. These transactions are conducted in the normal course of business at amounts established and agreed to by both parties.

In the current year, total expenses charged to the Corporation by FICOM amounted to \$2,212,631 (2008 - \$2,064,566). The balance remaining payable to FICOM at March 31, 2009 was \$279,791 (2008 - \$167,895).

The Corporation is related to bcIMC, the Corporation's investment manager, which is also a British Columbia provincial crown corporation. Investment management fees of \$289,098 (2008 - \$215,792) were incurred during the year from bcIMC. The balance payable to bcIMC at March 31, 2009 was \$39,289 (2008 - nil).

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

9. Credit facilities:

The Corporation has available a \$250,000 unsecured line of credit for operating purposes with Central 1 Credit Union, which bears interest at the prime rate.

In addition, the Corporation is the beneficiary of an irrevocable and unrestricted letter of credit for \$20 million issued by Central 1 Credit Union on behalf of Stabilization Central Credit Union. One letter of credit expiring June 13, 2009 was in place at fiscal year-end. A letter of credit expiring June 13, 2010 replaced that agreement on May 12, 2009.

On May 13, 2008 the Board of Directors approved an agreement with the BC Minister of Finance for a \$200 million line of credit to support deposit insurance operations. Advances will not be specifically secured, and confirmation of investment holdings will be required prior to advances.

10. Nature and extent of risks arising from financial instruments:

The fair value of financial instruments other than investments, which include cash, income taxes payable, trade settlements payables, and amounts due to FICOM, approximate their carrying values due to their short-term nature.

Investments are exposed to credit risk, liquidity and market risk. Market risk comprises of currency risk, interest rate risk, and other price risk.

(a) Credit risk:

Credit risk relates to the possibility that a loss may occur from the failure of another party to comply with the terms of contract. The investment policy established by the Corporation limits the credit risk of bonds held directly by limiting the maximum exposure to one single issuer and by investing only in securities from counterparties with a minimum rating of at least "BBB" as defined by Moody's, Standard & Poors or Dominion Bond Rating Service. Credit ratings of bonds held directly are reviewed at least quarterly to confirm compliance. The investment policy permits further investment in pooled funds offered by the investment manager. The credit risk within the pooled funds is managed by the investment manager in accordance with their individual policies.

(b) Liquidity risk:

Liquidity risk relates to the possibility that the Corporation does not have sufficient cash or cash equivalent to fulfill its financial obligations as they come due. All of the Corporation's assets are classified as "available for sale," therefore they can be sold when the need arises. In addition the Corporation has credit facilities to ensure that it has sufficient liquidity to manage its financial obligations as they come due.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

10. Nature and extent of risks arising from financial instruments (continued):

(c) Market risk:

Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices. Investments are carried on the balance sheet at fair value and are exposed to fluctuations in fair value. Changes in unrealized gains (losses) to the value of investments are recorded as other comprehensive income, net of any other than temporary impairments which are recognized immediately in net income. Market risk comprises of following three types of risk:

(i) Currency risk:

Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. The fair value of investments exposed to currency risk amounts to \$28.2 million (2008 - \$35.7 million). If the Canadian dollar had strengthened/weakened by 1% against all other currencies (all other variables held constant), the Fund's net assets would have increased/decreased respectively by approximately \$280,000 (2008 - \$346,000).

(ii) Interest rate risk (continued):

Interest rate risk relates to the possibility that fixed income investments will change in value due to future fluctuations in market interest rates. As fixed income investments are carried at their fair value, the carrying value of investments has exposure to interest rate risk. The corporation is exposed to interest rate risk on its fixed income investments. Fluctuations in interest rates may adversely impact the Corporation's fair value of investments. The Corporation's investment manager monitors duration and re-pricing risk of fixed income investments. The effective yield and duration of fixed income investments is described below:

	Weighted average rate	Less than one year	1 to 5 years	Over 5 years	Total
Bonds:					
Canadian	1.74%	\$ 5,914,601	\$ 47,846,255	\$ 9,558,139	\$ 63,318,995
Provincial	4.04	1,678,871	21,084,404	53,723,723	76,486,998
Municipal	3.88	-	1,785,949	27,539,793	29,325,742
Corporate	5.29	-	15,560,324	36,859,980	52,420,304
	3.66%	\$ 7,593,472	\$ 86,276,932	\$ 127,681,635	\$ 221,552,039

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2009

10. Nature and extent of risks arising from financial instruments (continued):

(c) Market risk (continued):

(iii) Other price risk:

Other price risk relates to the possibility that the fair value or future cash flows from financial instruments will change due to market fluctuations (other than due to currency or interest rate movements). If the benchmark indices for equity investments fluctuated by 10% (all other variables held constant), the Fund's net assets would increase/decrease by the following:

	Index	
Canadian equity	S&P/TSX Capped Equity	\$ 1,273,245
US equity	Russell 1000	1,387,177
International equity	MCSI EAFE net	1,420,005
Total		\$ 4,080,427

11. Capital management:

CUDIC is not subject to externally imposed capital requirements. It is the intention of the Corporation to maintain the deposit insurance fund at a target of 0.88% of total British Columbia credit union deposits. Actual deposit growth rates have exceeded those forecast and investment returns have been below expectations, combining to cause the deposit insurance fund to decline in relation to modeled performance. Assessments charged to British Columbia credit unions will be adjusted to reflect requirements to maintain the deposit insurance fund at the target level. A variable assessment methodology has been instituted, for implementation in 2009, resulting in higher rates of assessment being assigned to those credit unions with higher risk indicators.

CREDIT UNION DEPOSIT INSURANCE CORPORATION OF BRITISH COLUMBIA

Schedule of Administration Expenses

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Salaries and benefits	\$ 1,467,399	\$ 1,492,433
Professional services	315,574	120,623
Building occupancy	193,695	209,139
Furniture and equipment	82,699	73,998
Information services	71,000	81,962
Travel	57,127	39,068
Other	16,298	47,053
Directors' expenses	8,893	2,931
	<u>\$ 2,212,685</u>	<u>\$ 2,067,207</u>