



Moody's Investors Service

Global Credit Research
Liquidity Risk Assessment
3 APR 2008

Liquidity Risk Assessment: **Municipal Fin. Authority of British Columbia**

Municipal Fin. Authority of British Columbia

British Columbia, Canada

Broad Industry:	Sovereign
Specific Industry:	Regional and Local Government
Short Term Rating:	P-1

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Opinion

The Municipal Finance Authority of British Columbia's liquidity position is exceptional due to its large Debt Reserve Fund and substantial investments. Combined, assets in the Debt Reserve Fund and those held as investments totaled C\$1.3 billion at December 31, 2007 and are more than adequate to meet potential challenges that might arise in the event of extreme market conditions.

The MFABC maintains a C\$400 million commercial paper program supported by backstop facilities of an equal size. The amount outstanding under the program was C\$400 million as at April 3, 2008. In the event of a loss of market access, backstop facilities, combined with liquid assets would be more than sufficient to meet cash requirements. Furthermore, the MFABC has legislative authority to levy a province-wide property tax, if required, to replenish its Debt Reserve Fund.

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