



Moody's Investors Service

Announcement: [Moody's Issues Annual Report on Municipal Finance Authority of British Columbia](#)

Global Credit Research - 16 Mar 2010

Toronto, March 16, 2010 -- In its annual report on the Municipal Finance Authority of British Columbia (MFABC), Moody's Investors Service says that the Authority's Aaa rating reflects a strong institutional framework and substantial liquidity. Moody's also assigns a Prime-1 (P-1) rating to MFABC's commercial paper program.

"Significant bondholder security is provided by a strong institutional framework, which includes the joint and several liability of members of regional districts that borrow from MFABC as well as the unlimited taxing powers on all taxable properties in the province of British Columbia," says Moody's Assistant Vice President Jennifer Wong, lead analyst for MFABC and author of the report. Furthermore, as in other Canadian provinces, the Province of British Columbia exercises a high degree of oversight over municipal financial activities, resulting in strong municipal financial performance and balance sheets.

MFABC's Aaa rating is also supported by substantial liquidity. The Authority's total cash and investments measured CAD 1.3 billion at December 31, 2009, equivalent to roughly 22% of total debt outstanding. The Municipal Finance Authority Act of British Columbia requires that MFABC's clients make contributions to a Debt Reserve Fund, which would provide liquidity in the event of non-payment by a participating municipality. In its history, MFABC has never had to rely on the Debt Reserve Fund as all clients have made required payments when due.

MFABC is a non-share capital corporation that was created in 1970 by the Canadian province of British Columbia. MFABC acts as the central borrowing agency for financing capital requirements of municipalities and regional districts, including hospital districts, in British Columbia.

The rating agency's report is a yearly update to the markets and does not constitute a rating action.

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