

Financial Statements of

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Year ended December 31, 2012

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Financial Statements

Year ended December 31, 2012

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Management's Responsibility for the Financial Statements

The accompanying financial statements of British Columbia Assessment Authority (the "Authority" or "BC Assessment") are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for public sector organizations established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies is described in Note 1 of the accompanying notes to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Audit and Risk Management Committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to the board's approval of the financial statements.

The financial statements have been audited by Grant Thornton LLP, independent external auditors appointed by the Authority. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.



Connie Fair
President and Chief Executive Officer



Andy Hoggarth
Vice President and Executive Financial Officer

Independent auditors' report

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To the Board of Directors of British Columbia Assessment Authority, and
To the Minister of Community, Sport and Cultural Development, Province of British Columbia

We have audited the accompanying financial statements of British Columbia Assessment Authority, which comprise the financial position as at December 31, 2012, and the results of operations, changes in net financial assets, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of British Columbia Assessment Authority as at December 31, 2012, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Victoria, Canada
April 8, 2013

Grant Thornton LLP

Chartered accountants

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Financial Position

As at December 31, 2012
(In thousands of dollars)

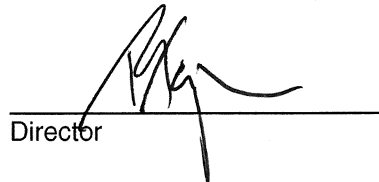
	December 31 2012	December 31 2011
Financial Assets:		
Cash and cash equivalents (note 2)	\$ 28,353	\$ 27,760
Accounts receivable	2,078	1,892
Accounts receivable from provincial government	1	2
	30,432	29,654
Liabilities:		
Accounts payable and accrued liabilities	3,175	3,425
Accounts payable due to provincial government	603	782
Employee benefits and other liabilities (note 3)	9,539	9,309
Lease inducements	3,712	3,481
Capital lease obligations (note 4)	797	980
	17,826	17,977
Net financial assets	12,606	11,677
Non-Financial Assets:		
Tangible capital assets (note 5)	14,815	15,473
Prepaid expenses	1,132	920
	15,947	16,393
Accumulated surplus (note 6)	\$ 28,553	\$ 28,070

Commitments (note 7)

The accompanying notes are an integral part of these financial statements

On Behalf of the Board:


Director


Director

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Operations

Year ended December 31, 2012

(In thousands of dollars)

	Budget (note 9)	2012	2011
Revenue:			
Tax levies	\$ 79,064	\$ 79,102	\$ 76,927
Data access services	3,431	3,547	3,490
Payments in lieu of taxes	780	799	846
First Nations	560	577	563
Investment income	240	284	269
Other	17	27	139
Gain on disposal of capital assets	-	66	74
	84,092	84,402	82,308
Expenses:			
Employee expenses	55,902	56,196	55,098
Office premises	6,582	6,211	6,185
Information and communications technology	6,222	7,139	5,601
Amortization	5,301	5,207	4,489
Appeal costs (note 8)	4,158	3,924	3,882
Corporate and office	2,682	2,414	2,727
Assessment notice printing and postage	1,668	1,573	1,618
Travel	1,577	1,255	1,563
Total expenses	84,092	83,919	81,163
Annual surplus	-	483	1,145
Accumulated surplus, beginning of year	28,070	28,070	26,925
Accumulated surplus, end of year	\$ 28,070	\$ 28,553	\$ 28,070

The accompanying notes are an integral part of these financial statements

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Change in Net Financial Assets

Year ended December 31, 2012

(In thousands of dollars)

	Budget (note 9)	2012	2011
Annual surplus	\$ -	\$ 483	\$ 1,145
Acquisition of tangible capital assets	(5,069)	(4,739)	(4,255)
Amortization of tangible capital assets	5,301	5,207	4,489
Reclassification of work-in progress	-	190	-
Gain on sale of tangible capital assets	-	(66)	(74)
Proceeds on sale of tangible capital assets	-	66	74
	232	1,141	1,379
Change in prepaid expenses	-	(212)	(149)
Change in net financial assets	232	929	1,230
Net financial assets, beginning of year	11,677	11,677	10,447
Net financial assets, end of year	\$ 11,909	\$ 12,606	\$ 11,677

The accompanying notes are an integral part of these financial statements

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Cash Flows

Year ended December 31, 2012
(In thousands of dollars)

	2012	2011
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 483	\$ 1,145
Items not involving cash:		
Amortization	5,207	4,489
Change in lease inducements	231	(344)
Gain on sale of tangible capital assets	(66)	(74)
Change in employee benefits and other liabilities	231	3
Change in non-cash assets and liabilities:		
Accounts receivable	(185)	283
Accounts payable and accrued liabilities	(429)	(530)
Prepaid expenses	(212)	(149)
Net change in cash from operating activities	5,260	4,823
Capital activities:		
Proceeds on sale of tangible capital assets	66	74
Reclassification of work-in-progress	190	-
Cash used to acquire tangible capital assets	(4,739)	(3,666)
Net change in cash from capital activities	(4,483)	(3,592)
Financing activities:		
Principal payments on tangible capital leases	(184)	(108)
Net change in cash from financing activities	(184)	(108)
Net change in cash	593	1,123
Cash and cash equivalents, beginning of year	27,760	26,637
Cash and cash equivalents, end of year	\$ 28,353	\$ 27,760
Supplementary cash flow information		
Non-cash transactions		
Financing used to acquire tangible capital assets	\$ -	\$ 589

The accompanying notes are an integral part of these financial statements

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

The British Columbia Assessment Authority ("BC Assessment") was established in 1974 as an independent Crown corporation by the Province of British Columbia by enactment of the *Assessment Authority Act*. The purpose of BC Assessment is to establish and maintain assessments that are uniform in the whole of the province in accordance with the *Assessment Authority Act*. BC Assessment is exempt from incomes taxes under the *Income Tax Act*.

1. Significant accounting policies:

The financial statements of BC Assessment are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) standards. Significant accounting policies adopted by BC Assessment are as follows:

(a) Basis of accounting:

BC Assessment follows the accrual method of accounting for revenues and expenses. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Financial instruments

Financial instruments are accounted for in accordance with PS 3450. Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, all of which are reported at amortized cost.

(c) Revenues:

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenues.

Tax levies: BC Assessment, by by-law and subject to the prior approval of the Lieutenant Governor in Council, each year imposes and levies a tax upon all taxable real property in the province, but excluding property that is taxable for school purposes only by special Act. A copy of this by-law is forwarded to the Tax Collector of every municipality in the province and to the Surveyor of Taxes in order that the taxes so levied will be placed on the tax rolls. The proceeds of the taxes so levied and collected by the municipalities or the Minister of Finance constitutes BC Assessment's tax levies revenue. This revenue is recognized equally across all periods in the year.

Other revenue: Other revenue includes revenue from data access services, payments in lieu of taxes, contracts with First Nations, and other miscellaneous revenue. Data access revenue and other miscellaneous revenue are recognized when earned, while payments in lieu of taxes and First Nations revenue are recognized equally across all periods throughout the year.

Investment: Investment revenue includes interest on deposits in banks, and earnings generated by short-term investments, and is reported as revenue in the period earned.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

1. Significant accounting policies (continued):

(d) Lease inducements:

Lease inducements include cash payments, tenant improvement allowances, reduced rent and rent free periods. The lease inducement benefits are amortized on a straight-line basis over the occupancy period.

(e) Cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(f) Investments:

Investments consist of short-term treasury bills and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

(g) Employee future benefits:

(i) BC Assessment and its employees make contributions to the Public Service Pension Plan. This plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. The joint trustee board of the plan determines the required plan contributions annually. These contributions are expensed as incurred.

(ii) Retirement and other future benefits are also available to BC Assessment's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages, expected future salary and wage increases, long-term inflation rates and discount rates. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service life of the employees.

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

1. Significant accounting policies (continued):

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings	20
Furniture and equipment	3 to 5
Computer equipment	3 to 5
Motor vehicles	5
Assessment system software	10
Other software	1 to 5
Leasehold improvements	Equal to the lease term
Leased equipment	Equal to the lease term

Annual amortization is charged in the year of acquisition and not in the year of disposal. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to BC Assessment's ability to provide services, or when the value of the future economic benefits associated with the tangible capital assets is less than their net book value. The net write-down is accounted for as an expense in the statement of operations.

(j) Leased tangible capital assets

Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, the useful life of capital assets and in performing actuarial valuations of employee future benefits. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

2. Cash and cash equivalents:

Cash and cash equivalents reported on the statement of financial position have cost and market values as follows:

	December 31, 2012	December 31, 2011
Cash	\$ (287)	\$ 1,116
Cash Equivalents	28,640	26,644
Total	\$ 28,353	\$ 27,760

3. Employee benefits and other liabilities:

The employee benefit and other liabilities, reported on the statement of financial position, are made up of the following:

	December 31, 2012	December 31, 2011
Employee future benefits	\$ 3,390	\$ 3,618
Employee past benefits	6	6
Other liabilities	6,143	5,685
Total	\$ 9,539	\$ 9,309

Other liabilities include outstanding payables for employer remittances, accrued salaries, vacation, and overtime.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

3. Employee benefits and other liabilities (continued):

Employees' past benefits:

At the time of the formation of the British Columbia Assessment Authority, BC Assessment negotiated an agreement with those designated employees whose previous working agreements contained clauses that called for payment of certain benefits upon death, retirement or termination of employment. The benefits under the agreement are recognized as a liability. Adjustments to the liability resulting from changes in salary rates are charged to the current year. Payments of benefits are treated as a reduction of the liability.

Employees' future benefits:

Outside of the Public Service Pension Plan, BC Assessment annually accrues the future obligation under the defined retirement benefit plan as the employees render the services necessary to earn the benefit. These retirement benefit plans include a retirement allowance, unearned vacation entitlement, and death benefits. An independent actuarial valuation of the post-employment benefits obligation and net periodic benefit cost was calculated at October 31, 2011 using management's estimates of salary escalation and expected retirement ages. This valuation was then extrapolated to December 31, 2012. The recorded liability represents these estimated future costs discounted to a present value using market interest rates applicable to BC Assessment.

Information about BC Assessment's retirement benefit plans is as follows:

	2012	2011
Accrued benefit obligation:		
Balance, beginning of year	\$ 3,618	\$ 3,654
Current benefit cost	258	229
Interest	118	144
Benefits paid	(589)	(409)
Benefits payable as at December 31, 2012	(18)	-
Amortization of Loss	3	-
Balance, end of year	\$3,390	\$3,618
Actuarial benefit obligation:		
Accrued benefit obligation	\$ 3,390	\$ 3,618
Unamortized actuarial loss	222	35
Balance, end of year	\$ 3,612	\$ 3,653

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

3. Employee benefits and other liabilities (continued):

The significant actuarial assumptions adopted in measuring BC Assessment's accrued benefit obligations are as follows:

	2012	2011
Discount rate	2.70%	3.25 %
Expected future inflation rate	1.50%	1.50 %
Expected productivity and seniority increases	1.10% to 3.65%	1.10% to 3.65%

Over time, changes in assumptions and actual experience compared to expected results will cause actuarial gains and losses in future valuations. A decrease in the discount rate from 2011 to 2012, partially offset by actual benefit payments being less than expected, has created a net actuarial loss at December 31, 2012.

The unamortized actuarial loss on future payments is amortized over the estimated average service lives of the employees which is 12 years.

Other pension plans:

BC Assessment and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2011) determined the Plan had an unfunded liability. As a result, the Public Service Pension Board of Trustees will implement a contribution rate increase of 0.40% each, for plan members and employers to meet the funding requirements of the *Pension Benefits Standards Act*. The increase in rates went into effect April 1, 2012.

Contributions to the Plan by BC Assessment for 2012 were \$3,980 (2011 - \$3,755).

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

4. Capital lease obligations:

In 2010 and 2011, BC Assessment entered into agreements to lease office equipment. These leases are accounted for as capital leases with minimum lease payments for each of the five years of the lease term.

Year ending December 31:	2012	2011
2012	\$ -	\$ 289
2013	289	289
2014	289	289
2015	289	289
2016	105	105
<hr/>		
Subtotal	972	1,261
Less amount representing interest at 3% per annum	(175)	(281)
<hr/>		
Present value of net minimum capital lease payments	\$ 797	\$ 980

Interest of \$105 (2011 - \$114) relating to capital lease obligations has been included in expenses on the Statement of Operations.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

5. Tangible capital assets:

Cost	Balance at December 31, 2011	Additions	Disposals	Balance at December 31, 2012
Land	\$ 354	\$ -	\$ -	\$ 354
Buildings	2,519	-	-	2,519
Furniture and equipment	4,289	891	-	5,180
Computer equipment	8,215	862	-	9,077
Motor vehicles	1,980	167	(214)	1,933
Leasehold improvements	5,058	1,590	-	6,648
Leased equipment	1,150	-	-	1,150
Assessment system software	14,543	343	(190)	14,696
Other software	1,155	653	-	1,808
Enterprise Resource Planning Software	1,768	233	-	2,001
Total	\$ 41,031	\$ 4,739	\$ (404)	\$ 45,366

Accumulated amortization	Balance at December 31, 2011	Disposals	Amortization expense	Balance at December 31, 2012
Land	\$ -	\$ -	\$ -	\$ -
Buildings	1,848	-	126	1,974
Furniture and equipment	2,756	-	834	3,590
Computer equipment	7,098	-	865	7,963
Motor vehicles	1,594	(214)	201	1,581
Leasehold improvements	1,596	-	566	2,162
Leased equipment	225	-	213	438
Assessment system software	9,500	-	1,647	11,147
Other software	941	-	355	1,296
Enterprise Resource Planning software	-	-	400	400
Total	\$ 25,558	\$ (214)	\$ 5,207	\$ 30,551

Net book value	Balance at December 31, 2011	Balance at December 31, 2012
Land	\$ 354	\$ 354
Building	671	545
Furniture and equipment	1,533	1,590
Computer equipment	1,117	1,114
Motor vehicles	386	352
Leasehold improvements	3,462	4,486
Leased equipment	925	712
Assessment system software	5,043	3,549
Other software	214	512
Enterprise Resource Planning software	1,768	1,601
Total	\$ 15,473	\$ 14,815

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

6. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

Accumulated surplus as at December 31, 2011:

Equity in capital assets	\$ 14,493
Equity from operations - appropriated	5,500
Equity from operations - unappropriated	8,077
	28,070
Annual surplus for 2012	483
Accumulated surplus at December 31, 2012	\$ 28,553

Reserves:

Equity in capital assets	14,018
Equity from operations - unappropriated	9,035
Reserves set aside for specific purpose by the Board of Directors:	
Replacement of assessment software system	5,500
	\$ 28,553

7. Commitments:

BC Assessment is committed to make payments under operating leases and contracts as follows:

2013	\$ 12,140
2014	10,607
2015	8,459
2016	8,355
2017	7,093
2018-2026	33,415
	\$ 80,069

8. Appeal costs:

BC Assessment is required to reimburse the Province of British Columbia for the operating costs of the Property Assessment Review Panel and the Property Assessment Appeal Board.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

9. Budget data:

The budget figures from the 2012 operating and capital budgets approved by the Board on December 15, 2011 have been provided for comparison purposes.

10. Related party transactions:

BC Assessment is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations and all public sector organizations such as school districts, colleges, universities and health authorities that are included in the provincial government reporting entity. In addition, transactions with senior management, directors, immediate family members of senior management and directors and companies with which any of the above have a financial interest are also considered related parties. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Statement of Operations includes the following transactions with related parties of the Province of British Columbia:

	2012	2011
Other revenue	\$ 2,905	\$ 3,053
Payments for:		
Appeal costs	2,677	2,743
Salaries and benefits	947	795
Office	166	266
Professional and special services	1,041	1,331
Interest	23	23
Office premises	171	419
Travel	1	1
Assets (liabilities) at December 31 with related parties		
Accounts receivable	1	2
Accounts payable	(665)	(782)

BC Assessment contracted with the Province for the disposal of surplus property, plant and equipment with net proceeds of \$66 (2011 - \$74).

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2012
(In thousands of dollars)

11. Financial risk management:

In the normal course of operations, BC Assessment is exposed to a number of risks that can affect its operating performance. BC Assessment has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management and the Board of BC Assessment ensures that BC Assessment has identified its risks and ensures they are being monitored. It is management's opinion that the BC Assessment is not exposed to significant risks arising from these financial instruments.

Credit risk: Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise primarily from certain assets held consisting of cash, cash equivalents and accounts receivable. BC Assessment is exposed to credit risk in the event of non-performance by a customer. This risk is mitigated as most accounts receivable are current, only 1% of the accounts receivable balance is past due and management does not consider it impaired. It is management's opinion that BC Assessment is not exposed to significant credit risk associated with cash and cash equivalents as they are placed in recognized British Columbia institutions and BC Assessment only invests in short term treasury bills.

Market risk: Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that BC Assessment is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. BC Assessment is exposed to interest rate risk through its cash equivalents. It is management's opinion that the BC Assessment is not exposed to significant interest rate risk as they invest solely in short term treasury bills that have a maturity date of no more than 91 days from date of acquisition.

Liquidity Risk: Liquidity risk is the risk that BC Assessment will not be able to meet its financial obligations as they become due. BC Assessment manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due.