



Regional Hospital District Liability Certificate – Frequently Asked Questions

Do we have to fill out a liability certificate for each capital bylaw?

Yes. Each bylaw is treated separately and requires individual certification. Rating Agencies have asked for up-to-date information from us.

Does this liability certificate also need to be completed for interim financing requests?

No. This certificate only needs to be submitted when you are asking for long-term debt for a capital bylaw. However, your interim financing will be taken into account when completing the supplemental information section of the certificate.

If we have submitted our Capital Bylaw and have attached all the amendments, is it still necessary to list the amendment(s) on Schedule “A” as stated in section 2 of the liability certificate?

Yes. The listing of the amendments will certify that these are the only amendments to this Capital Bylaw.

Supplemental Information Section

7. **“Aggregate outstanding debt liability”** refers to the current dollar amount outstanding as of the date this certificate is completed. This should include both short and long-term debt.
8. **“Annual debt servicing costs”** refers to the total annual principal and interest costs associated with your debt. You may be able to use prior-year information, or you may have to estimate this cost if there have been any changes (e.g., a new loan, a loan repaid in full, a change in interest rate, etc.). You will also have to estimate the cost for this new request. You can use the Loan Schedule Calculator on the Long-Term Financing tab in the Client Portal to assist with estimates.
9. Calculate what percentage of your **“annual revenue”** will go to **“annual debt servicing costs”**. We recognize RHD's unique role in funding healthcare projects in BC. We are not concerned if the annual servicing costs are a high percentage of revenues for RHDs, but they must be less than 100%.
10. **“Aggregate authorized and unissued debt”** is the dollar amount of any approved borrowings that have not been drawn yet (e.g. if you have approved new capital bylaws that you haven't utilized yet, or if there is a remaining balance on the bylaw you are currently borrowing under).