

mfa-bc

Regional Hospital District Liability Certificate – Frequently Asked Questions

- 1) 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.

- 2) Does this liability certificate need to be completed for interim financing requests as well?

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.

- 3) 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.

- 4) Section 5 requires us to submit financial statements as Schedule “B”. If we prepare semi annual financial statements shouldn't we be sending those in as they would be more up to date?

No. If your semi annual financial statements are “audited”, then they may be submitted.

- 5) I've heard that Hospital Districts will soon be switching to PSAAB (Public Sector Accounting and Auditing standards) yet you are still referring to accounting policies as established by the Minister of Health.

Until such time as we have confirmation of a change in the accounting policies to be used we will continue to reference those policies generally accepted by the Minister of Health. Once we have confirmation of a change, a revised liability certificate will be forwarded to you.

Supplemental Information Section

The revised liability certificate contains a supplemental information section that will capture all the required updated information as requested by the rating agencies.

- 7) “Aggregate outstanding debt liability” refers to the original borrowing less principal payments made as well as your budgeted actuarials that will be credited to you. This can be obtained from your amortization schedules. “Hereof” refers to as of the date the certificate is completed.

- 8) “Annual servicing costs” (total annual principal and interest costs) can be obtained from your amortization schedules. Alternatively, you can calculate the annual cost by adding together the relending rate interest percentage to the percentage of principal paid and multiply that by the original borrowing. For a complete table of principal payment percentages based on terms as well as a sample of this calculation please see our website – www.mfa.bc.ca under “Treasurer Info”

- 9) Even though we are aware that the annual servicing costs will be a high percentage of revenues it is still valuable information and this ratio has been requested by the rating agencies.

- 10) Aggregate authorized and unissued debt includes not only long term debt but any approved borrowings that have not been enacted upon if applicable(i.e.: lines of credit, contractual commitments if contain a principal and interest component, etc.)