



**Cedric D. Flowers**  
Certified Public Accountant

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# Belize City Council

## Financial Statements

March 31, 2019

International Financial Reporting Standards (IFRS)



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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE BELIZE CITY COUNCIL**

#### **Report on the Audit of the Financial Statements**

##### **Qualified Opinion**

We have audited the financial statements of the Belize City Council, which comprise the statements of financial position as of March 31, 2019 and 2018, the statements of financial performance, statements of changes in general fund, and the statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the **Basis for Qualified Opinion** section of our report, the financial statements present fairly, in all material respects, the financial position of the Belize City Council as of March 31, 2019 and 2018, its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

##### **Basis for Qualified Opinion**

We were unable to satisfy ourselves as to the accuracy of the amounts recorded for accounts receivable of \$6.5m and \$16.8m for March 31, 2019 and 2018 respectively, as well as to the adequacy of the provisions made by the Council for doubtful collections in relation to both years. Since recorded receivables enter into the determination of the financial performance, we were also unable to determine whether adjustments might have affected the net surplus (deficit) reported on the statements of financial performance and the net cash flows from operating activities reported on the statements of cash flows.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Belize City Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our modified opinion.

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MEMBER OF

The Institute of Chartered Accountants of Belize (ICAB) • American Institute of Certified Public Accountants (AICPA)



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## **Responsibilities of Management and the Members of the Belize City Council for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Members of the Belize City Council are responsible for overseeing the Council's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Cedric D. Flowers**  
Certified Public Accountant  
Belize City, Belize

January 29, 2020

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# Balance Sheets

## 31 March

|   | Notes   | 2019<br>\$        | 2018<br>\$         |
|---|---------|-------------------|--------------------|
| <b>ASSETS</b>                               |         |                   |                    |
| <b>Current Assets</b>                       |         |                   |                    |
| Cash & Cash equivalents                     | 2.03, 3 | 3,334,134         | 886,900            |
| Inventories                                 | 2.04    | 69,987            | 80,948             |
| Trade and other receivable                  | 4       | 6,536,465         | 16,858,754         |
| <b>Total current assets</b>                 |         | <b>9,940,586</b>  | <b>17,826,602</b>  |
| <b>Property and equipment</b>               | 2.05, 7 | <b>88,002,137</b> | <b>88,617,629</b>  |
| <b>TOTAL ASSETS</b>                         |         | <b>97,942,723</b> | <b>106,444,231</b> |
| <b>LIABILITIES AND FUND BALANCE</b>         |         |                   |                    |
| <b>Current liabilities</b>                  |         |                   |                    |
| Trade and other payables                    | 5       | 13,427,561        | 12,603,191         |
| Unearned revenues                           | 6       | 2,880,379         | 17,235,513         |
| Current portion of borrowings               | 8a, 8b  | 520,732           | 4,630,920          |
| <b>Total current liabilities</b>            |         | <b>16,828,672</b> | <b>34,469,624</b>  |
| <b>Net Municipal Bonds payable</b>          | 8a      | <b>10,150,255</b> | <b>8,040,788</b>   |
| <b>Other borrowings</b>                     | 8b      | <b>3,403,622</b>  | <b>1,162,570</b>   |
| <b>Gratuity/severance payable</b>           | 11      | <b>3,985,693</b>  | <b>3,652,013</b>   |
| <b>TOTAL LIABILITIES</b>                    |         | <b>34,368,242</b> | <b>47,324,995</b>  |
| <b>Fund balance</b>                         |         |                   |                    |
| Capital Grant                               | 10      | 15,317,340        | 14,558,514         |
| General Fund (Belize City Fund)             | 2.01    | 48,257,141        | 44,560,722         |
| <b>TOTAL LIABILITIES &amp; FUND BALANCE</b> |         | <b>97,942,723</b> | <b>106,444,231</b> |

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the Council for issue on \_\_\_\_\_.

Mayor \_\_\_\_\_

City Administrator \_\_\_\_\_

# Statements of Financial Performance

## Years ended 31 March

|  | Notes | 2019<br>\$        | 2018<br>\$        |
|--|-------|-------------------|-------------------|
| <b>REVENUES</b>  |       |                   |                   |
| Property taxation  |       | 9,070,918         | 8,299,693         |
| Traffic related revenue                                      |       | 6,029,061         | 4,551,683         |
| Trade license fees   |       | 5,438,994         | 5,093,322         |
| User charges -Tourism  |       | 1,938,001         | 979,037           |
| Liquor license fees  |       | 511,091           | 498,813           |
| Rent and concessions   |       | 595,461           | 622,199           |
| Donations & contributions                                    |       | 179,557           | 213,932           |
| Other income   |       | 162,305           | 260,944           |
| Building permits   |       | 136,671           | 110,367           |
| Cemetery   |       | 76,581            | 71,878            |
| Interest income  |       | 33,047            | 57,910            |
| Funding from Government                                      | 13    | 1,606,140         | 2,922,420         |
| <b>TOTAL REVENUES</b>  |       | <b>25,777,827</b> | <b>23,682,198</b> |
| <b>LESS: EXPENDITURES (See appendix section for details)</b> |       |                   |                   |
| Finance and administrative department                        |       | 8,005,430         | 9,242,316         |
| Human resource management department                         |       | 1,303,058         | 1,567,016         |
| Market department  |       | 204,061           | 218,621           |
| Mechanical department  |       | -                 | 1,078             |
| Management information systems department                    |       | 319,468           | 182,919           |
| Municipal court department                                   |       | 524,487           | 556,073           |
| Office of the Mayor  |       | 4,000,662         | 1,222,731         |
| Public relations department                                  |       | 742,842           | 943,571           |
| Revenue department   |       | 594,284           | 584,343           |
| Sanitation department  |       | 3,307,518         | 5,381,466         |
| Security department  |       | -                 | 121,656           |
| Traffic department   |       | 1,380,319         | 1,494,503         |
| Senior town planning department                              |       | 353,454           | 262,982           |
| Valuation department   |       | 440,620           | 456,274           |
| Works department   |       | 1,708,948         | 2,290,719         |
| <b>TOTAL EXPENDITURES</b>                                    |       | <b>22,885,151</b> | <b>24,526,268</b> |
| <b>NET SURPLUS (DEFICIT)</b>                                 |       | <b>2,892,676</b>  | <b>(844,070)</b>  |

The accompanying notes form an integral part of these financial statements.

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# Statements of Changes in General Fund

## Years ended 31 March

|   | 2019              | 2018        |
|---|-------------------|-------------|
|   | \$                | \$          |
| <b>GENERAL FUND</b>   |                   |             |
| General Fund Balance, <b>April 1, 2018</b> and 2017                 | <b>44,560,722</b> | 49,038,142  |
| Adjustments to general fund   | <b>803,743</b>    | (3,633,350) |
| Surplus (Deficit) for the year ended <b>March 31, 2019</b> and 2018 | <b>2,892,676</b>  | (844,070)   |
| <b>General Fund, End of Period</b>                                  | <b>48,257,141</b> | 44,560,722  |

The accompanying notes form an integral part of these financial statements.

# Statements of Cash Flows

## Years ended 31 March

|   | 2019<br>\$         | 2018<br>\$         |
|---|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |                    |                    |
| <b>Surplus (Deficit) for the year</b>                                 | <b>2,892,676</b>   | <b>(844,070)</b>   |
| Adjustments for non-cash items:                                       |                    |                    |
| Depreciation  | 2,013,363          | 2,458,508          |
| Prior year adjustments  | 803,743            | (3,633,350)        |
| Gratuity/severance provision  | 971,564            | 1,407,551          |
| Deferred grant income   | 758,826            | (758,826)          |
|   | <b>7,440,172</b>   | <b>(1,370,187)</b> |
| Changes in working capital:   |                    |                    |
| Decrease (Increase) in trade and other receivables                    | 10,322,289         | (1,995,510)        |
| Decrease (Increase) in inventories                                    | 10,961             | (47,596)           |
| Increase in trade and other payables                                  | 824,370            | 2,436,128          |
| Increase (Decrease) in deferred income                                | (14,355,134)       | 7,031,603          |
| Decrease in other assets  | -                  | 103,953            |
| Net cash generated from operating activities                          | <b>4,242,658</b>   | <b>6,158,391</b>   |
| Gratuity/severance paid   | <b>(637,884)</b>   | <b>(593,969)</b>   |
| <b>Net cash provided by operations</b>                                | <b>3,604,774</b>   | <b>5,564,422</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                           |                    |                    |
| Purchases of property and equipment                                   | (1,397,871)        | (5,096,698)        |
| Proceeds from sale of property and equipment                          | -                  | -                  |
| Purchase of other asset (land to be distributed to Council employees) | -                  | -                  |
| <b>Net cash used by investing activities</b>                          | <b>(1,397,871)</b> | <b>(5,096,698)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |                    |                    |
| Repayments of borrowings  | 240,331            | (6,611,738)        |
| <b>Net cash provided (used) by financing activities</b>               | <b>240,331</b>     | <b>(6,611,738)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>           | <b>2,447,234</b>   | <b>(6,144,014)</b> |
| Cash and cash equivalents at beginning of the year                    | 886,900            | 7,030,914          |
| <b>Cash and cash equivalents at end of the year</b>                   | <b>3,334,134</b>   | <b>886,900</b>     |



# Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

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## 1. GENERAL INFORMATION

### Status

Belize City is the largest municipality in the country of Belize; its affairs are governed by the Belize City Council (the Council), which was incorporated on February 17, 1999 under the Belize City Council Act, Chapter 85 of the Laws of Belize (the Act). The Council's administrative offices are located at City Hall, Regent Street, Belize City, Belize.

### Constitution and Term

The Belize City Council consists of a Mayor and ten other members (Councillors), elected in accordance with the provisions of the Act; it is lawfully constituted when the requisite number of members has been elected.

Every Council holds office until the last day of February next ensuing after the day in which the Council has been two years in office. An election of members of the Council is held on the first Wednesday next ensuing after the day in which the term of office of the Council expires.

During the period covered by this audit report, April 1, 2018 to March 31, 2019, the Mayor of Belize City was Mr. Bernard Wagner; (2017-2018, Mr. Darrell Bradley).

### Duties of the Council

The Council is entrusted with the general rule and good governance of Belize City and has the power, subject to the provisions of the Act, to do all things necessary to carry out such trust. The Council has the obligation to perform the following duties in Belize City in an efficient and timely manner:

- (a) to maintain all public cemeteries;
- (b) to coordinate, control, manage or regulate the timely and efficient collection and removal of garbage; and,
- (c) to construct, repair, alter, widen, lay out and make surveys for streets in Belize City; to cleanse and keep in good repair any public drain, canal, or creek in Belize City except when public health would, in the opinion of the Council, be endangered by such an operation.

### Property taxation and other sources of revenues of the Council

Property taxation is the most significant source of revenues of the Council. The authority to levy and collect property taxes and other significant sources of revenues is established under the Act, Section 59, by reference to additional powers and functions granted to the Council in respect of the following Acts:

- (a) The Public Roads Act;
- (b) Trade Licensing Act;
- (c) Intoxicating Liquor Licensing Act;
- (d) Motor Vehicles and Road Traffic Act;
- (e) Towns Property Tax Act;
- (f) Cruise Ship Passenger Tax Act.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.01 Basis of Preparation of the Financial Statements

The financial statements of the Council have been prepared in accordance with International Financial Reporting Standards (IFRS), subject to such adaptations as are necessary for the public sector context. The principal accounting policies applied in the preparation of these financial statements are set out in the following paragraphs.

# Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

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## **The Belize City Fund**

The General Fund represents the Belize City Fund in accordance with the provisions of Section 21 of the Act. All financial resources are accounted for in the General Fund. The operations are summarized by employing a separate set of self-balancing accounts which includes the Council's revenues, expenditures, assets, liabilities and fund balance.

## **Use of Estimates**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Council's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements include employee benefit liabilities, property tax assessments, and collectability of receivables. Actual amounts, which are accounted for as they become known, may differ significantly from estimates.

## **Going Concern Basis**

The financial statements have been prepared on a going concern basis which assumes that the Council will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continuing support of Central Government, the City's residents and the Council's suppliers of goods and services.

## **Changes in accounting policies and disclosures**

The following new accounting standard may impact the accounting of the Council in future financial statements.

**IFRS 16, 'Leases:** This standard replaces the current guidance in IAS 17. This will require far-reaching changes in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption for certain short-term leases of low-value assets; however, this exemption can only be applied by lessees. IFRS 16 applies to annual reporting periods beginning on or after 1 January 2019. Early adoption is permitted under certain conditions. The Council did not early adopt this new standard, and will evaluate its impact, as it relates to the Council's leasing arrangements, in due course.

## **2.02 Foreign currency translation**

### **Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Council operates ('the functional currency'). The financial statements are presented in Belize dollars which is the Council's functional and presentation currency.

### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance. The official exchange rate for the Belize dollar is fixed at BZ\$2 to US\$1.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are recognized in the statement of financial performance as revenues or expenditures in the period in which they arise.

## **2.03 Financial assets**

The Council's financial assets include: cash and cash equivalents, and trade and other receivables.

### **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand and at bank, bank drafts, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

# Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

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## Trade receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables or the appropriate taxing legislation.

## Other short-term financial assets

Other short-term financial assets comprise term deposit investments held for one year or less; they are initially recognized at transaction price. Due to the short-term maturity of these financial instruments, their carrying values are approximately equal to their market values.

### 2.04 Inventories

Inventories of the Council include license plates, licensing decals, stationery and usable supplies. Inventories at year end are valued at the lower of cost and net realizable value, cost being determined on the first-in-first-out (FIFO) basis.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Council.

### 2.05 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by the Council, including acquisition, construction, development or betterment of the asset.

The Council adds to the carrying amount of an item of property and equipment the cost of replacing parts of such item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Council. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of financial performance during the period in which they are incurred.

Land is not depreciated. Depreciation is applied to other assets. The cost less expected residual value is amortized on a straight-line basis over the estimated useful lives of the assets as follows:

|                                |               |
|--------------------------------|---------------|
| Buildings, reinforced concrete | 40 – 50 years |
| Infrastructure                 | 30 – 35 years |
| Computer and office equipment  | 3 – 5 years   |
| Furniture and fixtures         | 5 – 10 years  |
| Other equipment                | 5 – 10 years  |
| Machinery and vehicles         | 4 – 10 years. |

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount. The cost of ordinary repairs and maintenance which does not add value to an asset, or materially extends the asset's useful life, is not capitalized.

# *Notes to the Financial Statements*

*For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)*

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## **2.05 Property and equipment (cont'd)**

**The Council does not capitalize interest costs associated with the acquisition or construction of capital assets.**

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the statement of financial performance.

## **2.06 Borrowings**

The Council employed the use of long-term debt to finance capital expenditures, which included infrastructure works and other expenditures greater than can be met out of the annual revenues of the Belize City Fund.

Borrowings are recognized initially at the transactional price, i.e. the present value of cash payable to the lender. Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Borrowings are classified as current liabilities unless the borrowing terms allow the Council to defer settlement of the liability, or a portion thereof, for at least twelve months after the reporting date. Interest is charged to expense in the period incurred and is included in the statement of financial performance.

### **Bond Issue**

In accordance with Belize City Council (Municipal Bond) Act, 2012 (the Bond Act), the Council issued Municipal Bonds in 2012 and 2013 in the aggregate amount of \$19.97m, which mature in installments (serial bonds) ranging over a period of 2 years to 10 years, with interest rates varying from 3½% to 8% per annum. Use of the proceeds of the Municipal Bonds was restricted to those purposes specified in Schedule 2 of the Bond Act. The Municipal Bonds are classified as Revenue Bonds since their repayment is tied to specified revenue streams of the Council.

### **Bond Sinking Fund and Restrictions on Revenues**

The Bond Act established the Belize City Municipal Bond Sinking Fund (the Sinking Fund) which shall be used for the purpose of repaying principal and interest payable to bondholders, and into which shall be deposited (a) all monies due to the Council in respect of cruise ship passenger fee; (b) all monies voted from time to time by the National Assembly for the use by the Council in the administration of Belize City; and (c) any other monies from the Belize City Fund that the Council considers necessary to ensure the adequacy of the Sinking Fund, which is immune from enforcement of any judgment or proceedings by any creditor or other person.

The Central Bank of Belize manages the Sinking Fund, and makes interest and principal payments to bondholders.

### **Other Provisions**

The Bond Act requires that the Council shall maintain a debt ceiling below fifty percent of its previous year's recurrent revenues in respect of interest and principal payable in any year. Additionally, the Council's total debt shall not exceed forty million dollars.

## **2.07 Trade and other payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. The non-current portion of obligations arising from trade is classified as "deferrals".

# *Notes to the Financial Statements*

*For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)*

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## **2.08 Employee benefits**

### **Severance/Gratuity obligations**

The City Council recognises termination benefits in accordance with the Labour Act, Chapter 297 of the Substantive Laws of Belize.

The Labour Act was revised in April 2011 to require that employees who have been employed for (a) five to ten years be paid severance pay of one week's pay for each year of service provided he is retiring on or after 60 years of age or on medical grounds or his employment was terminated by the employer without good and sufficient cause and, (b) employees with more than ten years be paid severance pay of two week's pay for each year of service. The revised Act also provided that employees who had already completed ten years of service prior to the commencement of the revision be paid a week's salary for the period served prior to the commencement of the revision and two weeks' salary for the period served after the commencement of the revision to the Act. The revision was effective May 1, 2011.

Where a worker with a minimum of ten years' continuous service resigns his employment he is eligible for a gratuity equal to severance pay as computed in respect of redundancy. If a worker who had qualified for payment of severance or gratuity as outlined above dies while still in the employ, the employer must, within one month of the death, deposit any payment due with the Registrar General for the account of the estate of the deceased worker.

### **Pension obligations**

As provided by the Belize City Council Act, Chapter 85 of the Laws of Belize, the Council may grant a pension to retirees under a defined benefit plan arrangement. A defined benefit plan establishes the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation; the plan is fully funded by the Council. In accordance with IFRS, the defined benefit obligation payable to qualifying retirees should be determined with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from those that would be determined at end of the reporting period.

## **2.09 Revenues and Recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Council recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Council, and when specific criteria have been met for each of the Council's activities, as outlined below.

Significant sources of revenues of the Council comprise property taxes, traffic related fees and charges, trade license fees, cruise ship user charges, government subvention, liquor licenses, and rental and concessions fees.

### **Property tax revenues**

The Council bills and collects property taxes for municipal purposes. Property taxes are billed annually in January of each year for the ensuing financial year starting April 1<sup>st</sup>. Taxation revenues are recorded at the time billings are issued. Additional property tax revenues can be added throughout the year, related to new properties or properties which are reassessed. Taxation revenues may also be reduced for reassessments.

### **Government grants and subventions**

The Government of Belize's subvention is an allocation approved annually by the National Assembly of Belize for all municipalities, including the Belize City Council. The monies are disbursed in monthly instalments by the Ministry of Local Government.

# *Notes to the Financial Statements*

*For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)*

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## **User charges – Tourism**

In accordance with the Cruise Ship Passenger Tax Act, the Belize Tourism Board collects the established head tax from manifested passengers of cruise ships arriving in Belize. A shared portion of those funds is contributed to a Tourism Development Fund held by the Ministry of Local Government, who then makes disbursements from that fund to the Council, based on an approved allocation, which varies based on actual cruise ship arrivals.

## **Restrictions on revenues**

In conjunction with the Council's outstanding bond issue, and in accordance with the provisions of the Bond Act, certain revenues of the Council, including government subventions and tourism user charges, are not available for general usage but are paid directly into the Bond Sinking Fund, held and managed by the Central Bank of Belize.

## **Revenue from taxes, fees, licenses, fines and asset-exchange transactions**

The Council recognizes revenues from taxes, fees, user charges, licenses, fines and asset-exchange transactions when the event occurs and the asset recognition criteria are met. To the extent that the revenues received benefit future periods, a deferred income liability is recognized. Any asset-exchange revenues are recognized when it is probable that the economic benefits or service potential associated with the asset will flow to the Council and the fair value of the asset can be measured reliably.

## **Deferred revenues**

Certain amounts are collected pursuant to legislation or agreement (liquor license fees, traffic related fees, trade licenses, property taxes) in a period prior to which the fees relate. Such amounts are recorded as deferred revenues and are recognized as revenues in the year for which the revenues were billed, as this is the time the eligibility criteria have been met.

## **Government grants and subventions**

The Council applies the income approach in accounting for government grants and subventions. Revenues from government grants and subventions are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Council and can be measured reliably.

Government grants are recognized in the statement of financial performance on a systematic basis over the periods in which the Council recognises as expenses the related costs for which the grants are intended to compensate. All grants which relate to depreciable assets are recognized as capital grant income on a systematic basis over the periods, in the proportions in which depreciation expense on those assets is recognized. The balance of unamortized costs is reflected on the Statement of Financial Position as Capital Grant.

Where government grants become receivable to the Council as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Council with no future related costs, such amounts are recognised in the Statement of Financial Performance in the period in which they become receivable.

## **Interest income**

Interest income is recognized using the effective yield method; interest earning from the Sinking Fund investments are not paid to the Council but reinvested in the Sinking Fund managed by the Central Bank of Belize.

# *Notes to the Financial Statements*

*For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)*

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## **2.10 Leases/Rental**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged in the statement of financial performance on a straight-line basis over the period of the lease.

The Council leases out (rents out) stalls at the Michael Finnegan market, lots and other Council spaces and properties under operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and included in revenues in the statement of financial performance.

## **2.11 Provisions**

Provisions are recognized when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where some or all of a provision is to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. Otherwise, the expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

## **2.12 Income Taxes**

In accordance with provisions of the Income and Business Tax Act, as amended, Chapter 55 of the Laws of Belize, the Council is exempted from income taxation on its revenues.

## **2.13 Financial Risk Management**

The Belize City Council controls its exposure to financial risk of impairment to assets by conducting its activities under policies approved by the Mayor and the Councillors.

## **2.14 Trust Assets**

Trust assets and their related operations administered by the Council are not included in these financial statements, but reported separately.

## Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

|  | 2019                | 2018                |
|--|---------------------|---------------------|
|  | \$                  | \$                  |
| <b>3. CASH AND BANK BALANCES</b>                                   |                     |                     |
| Scotia Bank Operating  | 1,759,883           | 426,650             |
| Heritage Bank Operating  | 1,324,807           | 44,689              |
| Atlantic Bank Business Savings                                     | 11,281              | 11,281              |
| Atlantic Bank Operating  | 197,823             | 55,877              |
| Atlantic Bank Operating  | (21,388)            | 324,000             |
| Scotia Bank Credit Card Account                                    | 61,728              | 24,403              |
|  | <b>3,334,134</b>    | <b>886,900</b>      |
| <b>4. TRADE AND OTHER RECEIVABLES</b>                              |                     |                     |
| Property taxes receivable  | 17,224,838          | 20,628,012          |
| Trade license receivable   | 2,087,124           | 3,047,437           |
| Tourism related revenues receivable                                | 1,593,492           | 1,593,492           |
| Garbage fee receivables  | 275,196             | 275,196             |
| Liquor license   | 10,633              | 128,779             |
| Rent receivable  | 613,477             | 718,983             |
| Staff receivable   | 124,093             | 143,395             |
| Other receivables  | 209,514             | 381,471             |
|  | <b>22,138,367</b>   | <b>26,916,765</b>   |
| Less: Allowances for impairment of receivables                     | <b>(15,601,902)</b> | <b>(10,058,011)</b> |
|  | <b>6,536,465</b>    | <b>16,858,754</b>   |
| <b>5. TRADE AND OTHER PAYABLES</b>                                 |                     |                     |
| Accounts payable and accrued liabilities consist of the following: |                     |                     |
| Trade payable  | 7,452,724           | 6,584,786           |
| Other payables and accruals  | 5,684,221           | 5,727,789           |
| Escrow funds held from liquidation of properties for tax arrears   | 290,616             | 290,616             |
|  | <b>13,427,561</b>   | <b>12,603,191</b>   |



## Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

|  | 2019 | 2018 |
|--|------|------|
|  | \$   | \$   |

### 6. UNEARNED REVENUES

Revenues received for advance payments for property taxes, licenses and other charges are included in deferred revenues.

#### Deferred Revenues

|                 |                  |                   |
|-----------------|------------------|-------------------|
| Property tax    | 835,265          | 9,070,918         |
| Trade license   | -                | 5,438,994         |
| Liquor license  | 396,050          | 511,091           |
| Traffic license | 1,649,064        | 2,214,510         |
|                 | <b>2,880,379</b> | <b>17,235,513</b> |

### 7. PROPERTY, PLANT AND EQUIPMENT

|  | Land<br>& Buildings | City Streets<br>& Drains<br>Infrastructure | Furniture<br>& Fixtures | Vehicles<br>& Machinery | Computers<br>& Other<br>Equipment | Work in<br>Progress<br>Streets/Drains | Totals<br>\$      |
|--|---------------------|--|-------------------------|-------------------------|-----------------------------------|---------------------------------------|-------------------|
| <b>Gross carrying amount</b>               |                     |  |                         |                         |                                   |                                       |                   |
| Balance, April 1, 2018                     | 54,516,542          | 35,096,524                                 | 367,021                 | 3,745,280               | 1,102,299                         | 3,481,662                             | 98,309,328        |
| Additions                                  | 505,630             | 1,927,010                                  | 8,102                   | 620,941                 | 263,198                           | -                                     | 3,324,881         |
| Disposals                                  | -                   | -  | -                       | -                       | -                                 | (1,927,010)                           | (1,927,010)       |
| <b>Balance, March 31, 2019</b>             | <b>55,022,172</b>   | <b>37,023,534</b>                          | <b>375,123</b>          | <b>4,366,221</b>        | <b>1,365,497</b>                  | <b>1,554,652</b>                      | <b>99,707,199</b> |
| <b>Accumulated Depreciation</b>            |                     |  |                         |                         |                                   |                                       |                   |
| Balance, April 1, 2018                     | 1,866,178           | 4,677,181                                  | 159,198                 | 2,392,476               | 596,666                           | -                                     | 9,691,699         |
| Disposals                                  | -                   | -  | -                       | -                       | -                                 | -                                     | -                 |
| Depreciation for the year                  | 252,329             | 1,002,512                                  | 22,548                  | 569,214                 | 166,760                           | -                                     | 2,013,363         |
| <b>Balance, March 31, 2019</b>             | <b>2,118,507</b>    | <b>5,679,693</b>                           | <b>181,746</b>          | <b>2,961,690</b>        | <b>763,426</b>                    | <b>-</b>                              | <b>11,705,062</b> |
| <b>Net carrying amount, March 31, 2019</b> | <b>52,903,665</b>   | <b>31,343,841</b>                          | <b>193,377</b>          | <b>1,404,531</b>        | <b>602,071</b>                    | <b>1,554,652</b>                      | <b>88,002,137</b> |
| <b>Net carrying amount, March 31, 2018</b> | <b>52,650,364</b>   | <b>30,419,343</b>                          | <b>207,823</b>          | <b>1,352,804</b>        | <b>505,633</b>                    | <b>3,481,662</b>                      | <b>88,617,629</b> |

## Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

|   | 2019               | 2018               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| <b>8a. NET MUNICIPAL BONDS</b>  |                    |                    |
| The net unsecured long-term debt reported on the Statement of Financial Position comprises municipal bonds issued by the City Council as follows: |                    |                    |
| <b>Municipal bonds:</b>   |                    |                    |
| Municipal bonds series No. 2 of issue No. 1, interest rate of 5.5%, maturing on December 24, 2017.  | -                  | -                  |
| Municipal bonds series No. 3 of issue No. 1, interest rate of 8%, maturing on December 24, 2022.  | 6,000,000          | 6,000,000          |
| Municipal bonds series No. 2 of issue No. 2, interest rate of 5.5%, maturing on May 24, 2018.   | -                  | 2,000,000          |
| Municipal bonds series No. 3 of issue No. 2, interest rate of 8%, maturing on May 24, 2023.   | 3,172,000          | 3,172,000          |
| Municipal bonds series No. 2 of issue No. 3, interest rate of 5.5%, maturing on September 6, 2018.  | -                  | 500,000            |
| Municipal bonds series No. 2 of issue No. 3, interest rate of 5.5%, maturing in November, 2018.   | -                  | 1,528,000          |
| Municipal bonds series No. 3 of issue No. 3, interest rate of 8%, maturing in November, 2023.   | 2,300,000          | 2,300,000          |
| Total municipal bonds   | 11,472,000         | 15,500,000         |
| <b>Less: Bond Sinking Fund</b>  | <b>(1,321,745)</b> | <b>(3,431,212)</b> |
| Net Municipal Bonds Payable   | 10,150,255         | 12,068,788         |
| Current portion payable   | -                  | (4,028,000)        |
| <b>Non-current portion</b>  | <b>10,150,255</b>  | <b>8,040,788</b>   |

### 8b. OTHER BORROWINGS

|   |                  |                  |
|---|------------------|------------------|
| Heritage Bank Commercial Center (see note 9b) | 3,924,354        | 1,765,490        |
| Less: current portion                         | (520,732)        | (602,920)        |
|   | <b>3,403,622</b> | <b>1,162,570</b> |

Principal amounts on borrowings are repayable as follows:

|                      |      |                   |
|----------------------|------|-------------------|
| Year ended March 31, | 2020 | 520,732           |
|                      | 2021 | 569,580           |
|                      | 2022 | 6,623,011         |
|                      | 2023 | 6,153,454         |
|                      | 2024 | 745,379           |
|                      |      | <b>14,612,156</b> |

## Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

### 9. BANK INDEBTEDNESS

- a. The Council has a secured demand revolving credit facility in the amount of \$1,000,000 (2018 - \$1,000,000), bearing interest at the rate of 8.5% (2018 - 8.5%) per annum. The facility is secured by a first lien over several of the Council's properties in Belize City. The full facility was available at March 31, 2019 (March 31, 2018 - \$21,388 drawn).
- b. Heritage Bank loan of \$4.8m was obtained by the Council to refinance an existing loan (\$1.4m) and to assist with the rehabilitation of the Commercial Center building for City Hall (\$3.4m). The loan is repayable by 96 equal monthly installments of \$71,066 each, inclusive of interest at the rate of 9% per annum. The loan is secured by a guarantee of the Gov. of Belize for \$3.9m (valid to April 30, 2019), 1st charge over the Commercial Center, 1st charge over BTL Park, Princess Margaret Drive, 1st charge over City Hall Building, North Front Street, and Insurance cover to include fire and all risks.

|  | 2019 | 2018 |
|--|------|------|
|  | \$   | \$   |

### 10. CAPITAL GRANT

|                                   |                   |                   |
|-----------------------------------|-------------------|-------------------|
| Government grants: infrastructure | 13,892,073        | 13,475,311        |
| Government grant: vehicles        | 1,425,267         | 1,083,203         |
|                                   | <b>15,317,340</b> | <b>14,558,514</b> |

### 11. GRATUITY/SEVERANCE PAYABLE

Employee benefit liabilities are as follows:

|                              |                  |                  |
|------------------------------|------------------|------------------|
| Balance, Beginning of Period | 3,652,013        | 2,838,431        |
| Additions                    | 971,564          | 1,407,551        |
| Gratuity/severance paid      | (637,884)        | (593,969)        |
| Balance, End of Period       | <b>3,985,693</b> | <b>3,652,013</b> |

### 12. INTENTIONALLY LEFT BLANK

# Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

|  | 2019             | 2018      |
|--|------------------|-----------|
|  | \$               | \$        |
| <b>13. GOVERNMENT GRANTS AND SUBVENTIONS</b> |                  |           |
| a. Contributions in cash                     | <b>1,483,300</b> | 1,479,700 |
| b. Contributions in debt service             | <b>122,840</b>   | 683,894   |
| c. Deferred grant income - infrastructure    | -                | 416,762   |
| d. Deferred grant income - vehicles          | -                | 342,064   |
| e. Contribution - flood relief programme     | -                | -         |
|  | <b>1,606,140</b> | 2,922,420 |

- a. Cash contributions represent allocations approved by the National Assembly. The monies are disbursed in 12 equal monthly installments of \$123,708 to the Council by the Ministry of Local Government.
- b. Debt service contributions represent payments made on behalf of the Council by the Government of Belize towards the Council's bank loan.
- c. Deferred grant income - infrastructure represents the depreciable portion of the construction costs granted to the Council for the completion of Belize City streets, which is recognized as income for the year.
- d. Deferred grant income - vehicle represents the depreciable portion of the vehicles granted to the Council, which is recognized as income for the year.
- e. Contribution related to flood relief programme represents funds received from the Government of Belize to assist the Council with the cost incurred to clean the city drainage system following Hurricane Earl in August 2016.

# Notes to the Financial Statements

For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)

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## 14. COMMITMENTS AND CONTINGENCIES

Contingent liabilities reflect possible liabilities that may be incurred by the Council where the potential amount is unable to be estimated, and/or it is still not deemed probable that an obligating event has arisen. Material contingent liabilities are disclosed in these financial statements.

### 14.01 Contracts

The Council was a party to contracts and business arrangements with various parties at March 31, 2019. Unless recognized as a provision in these financial statements, the Council had not yet received services for which amounts had become due and payable at balance sheet date.

Significant non-employment contracts which existed at March 31, 2019 date comprised the following:

- a. RJB Construction Co. Ltd., street refurbishment, \$140,584;
- b. RJB Construction Co. Ltd., street refurbishment, \$577,511;
- c. Ekaterina Diab, lease of land, \$300,000;

### 14.02 Legal Matters

The City Council is subject to various litigation and claims arising in the normal course of operations. Unless otherwise stated, the final outcome of the outstanding claims cannot be determined at this time. Adjustments to accrued amounts, where applicable, will be recorded once new information becomes available. A significant matter which existed at March 31, 2019 was as follows:

Claim No. 433 of 2018 – Candice Miller v. Belize City Council

This action was filed in the Supreme Court of Belize against the Council in which Miller claimed wrongful termination of employment and sought damages of \$498,175. The Council filed a counter-claim contending that it suffered loss in the sum of \$1,000,000 arising from the Miller's negligence during her employment with the Council.

**See also subsequent event note.**

### 14.03 Proposed General Obligation Bond Issue

By a resolution dated October 18, 2018, the Council proposes to issue The Belize City Council 2019 Series 1 Municipal Paper, also termed "the 2019 Series 1".

The 2019 Series 1 proposes to be direct obligations of the Belize City Council and will be repaid from the revenues generated by the Council. The Municipal Paper will be classified as general obligation bonds since its repayment is not tied to any specified revenue stream, but will be backed by the Council's taxing power.

In accordance with the Belize City Council (Municipal Paper) Act 2019 and the Council's Prospectus, the 2019 Series 1 will consist of three tranches with maturities varying from 91 days to 361 days. The Municipal Paper will be offered in denominations of \$5,000 and multiples thereof to a maximum of \$10m, as tradable instruments.

Interest on the 2019 Series 1 bonds will be payable quarterly at rates varying from 3.20% to 3.70% per annum.

# *Notes to the Financial Statements*

*For the years ended March 31, 2019 and 2018 (expressed in Belize Dollars)*

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## **15. KEY MANAGEMENT AND COUNCIL COMPENSATION**

The aggregate compensation of the Mayor, the Councillors, and the City Administrator for the year ended March 31, 2019 was \$500,450; (March 31, 2018 - \$515,055).

## **16. SEGMENTED INFORMATION**

The City Council provides a wide range of services to residents of Belize City. The Council is organized into departments and its services are delivered through the various departments. The segmented information represents costs incurred by the departments, without allocation of revenues earned. Expenditures may represent amounts which are directly attributable to the department, as well as amounts which may have been reasonably allocated.

The segmented information is provided in the Appendix Section of this report and include the following departments:

- Finance and Administrative
- Human Resource Management
- Market
- Mechanical
- Management Information Systems
- Municipal Court
- Office of the Mayor
- Public Relations
- Revenue
- Sanitation
- Security
- Traffic
- Senior Town Planning
- Valuation
- Works

## **17. SUBSEQUENT EVENT**

### **Legal Judgment**

Subsequent to balance sheet date, a judgment of the Supreme Court was entered in the matter of Claim No. 433 of 2018 (Miller v. BCC) in which the claimant was awarded the sum of \$447,993. The City Council has appealed that judgment and awaits a hearing of the Court of Appeals.

These financial statements have not been adjusted to provide for the effects of the judgment.

## **APPENDIX**

## *Appendix to the Financial Statements*

### SEGMENT REPORTING

The segmented information provided herein is consistent with the aggregate balances reflected on the statements of financial performance presented in these audited accounts, although individual account classifications within departments may vary from year to year in some cases.

| Year Ended March 31,                                     | 2019             | 2018             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>a. FINANCE AND ADMINISTRATION</b>                     |                  |                  |
| Advertisement  | 1,400            | 1,815            |
| Board meetings   | 6,101            | 16,278           |
| Consultancy and professional fees                        | 40,238           | 53,395           |
| Depreciation   | 2,013,363        | 2,458,508        |
| Disaster preparedness - Hurricane Earl                   | 16,943           | 18,297           |
| Donation   | 6,048            | 160,527          |
| Financial expenses                                       | 1,389,603        | 741,897          |
| Fuel   | 94,639           | 128,173          |
| Implements   | 945              | 647              |
| Indemnities  | 1,260            | 7,438            |
| Insurance and licenses                                   | 137,301          | 98,591           |
| Materials and supplies                                   | 140,869          | 240,401          |
| Miscellaneous  | 2,348            | 2,831            |
| National celebrations/festivities                        | 9,952            | 121,702          |
| Pensions, severance and gratuity                         | 1,016,174        | 1,487,355        |
| Provision for uncollectible receivables                  | 465,043          | 632,207          |
| Rent and leases  | 15,850           | 39,466           |
| Repairs and maintenance                                  | 26,628           | 48,660           |
| Street maintenance                                       | 507              | 113,856          |
| Salaries   | 1,546,478        | 1,440,907        |
| Contracts and Consultancy                                | 708,090          | 717,785          |
| Social assistance and contributions to social activities | 25,837           | 368,437          |
| Staff benefits and social security                       | 86,784           | 125,874          |
| Training   | 6,172            | 5,229            |
| Transport & Travel                                       | 2,925            | 64,419           |
| Utilities  | 243,932          | 147,621          |
|  | <b>8,005,430</b> | <b>9,242,316</b> |



## *Appendix to the Financial Statements*

| Year Ended March 31,                                     | 2019             | 2018             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>b. HUMAN RESOURCE MANAGEMENT</b>                      |                  |                  |
| Board Meetings   | -                | 1,500            |
| Disaster preparedness - Hurricane Earl                   | -                | 10               |
| Donation   | 245              | 1,000            |
| Fuel expenses  | 9,508            | 22,104           |
| Insurance and licenses                                   | 154,766          | 206,443          |
| Materials and supplies                                   | 24,410           | 86,018           |
| Miscellaneous  | 6,802            | 5,934            |
| National celebrations/festivities                        | 154,229          | 205,887          |
| Pension  | 268,745          | 252,968          |
| Rent and leases  | 62,295           | 61,500           |
| Repairs and maintenance - Building                       | 747              | 5,672            |
| Salaries   | 327,975          | 308,932          |
| Severance and Gratuity                                   | 262,768          | 214,690          |
| Social assistance and contributions to social activities | 1,834            | 3,988            |
| Staff benefits and social security                       | 28,587           | 172,519          |
| Training   | -                | 16,053           |
| Transport & Travel                                       | 147              | 195              |
| Utilities  | -                | 1,603            |
|  | <b>1,303,058</b> | <b>1,567,016</b> |
| <b>c. MARKET DEPARTMENT</b>                              |                  |                  |
| Disaster preparedness - Hurricane Earl                   | -                | -                |
| Fuel   | 1,319            | 447              |
| Implements   | 7,698            | 13,098           |
| Materials and supplies                                   | 2,272            | 8,359            |
| Miscellaneous  | 63               | 35               |
| Reconciliation differences write off                     | -                | 11,005           |
| Repairs and maintenance                                  | 19,727           | 3,627            |
| Street maintenance                                       | 814              | 3,795            |
| Salaries   | 123,384          | 130,912          |
| Staff benefits and social security                       | 6,999            | 5,375            |
| Utilities  | 41,785           | 41,968           |
|  | <b>204,061</b>   | <b>218,621</b>   |
| <b>d. MECHANICAL DEPARTMENT</b>                          |                  |                  |
| Staff benefits and social security                       | -                | 1,078            |
|  | <b>-</b>         | <b>1,078</b>     |

## *Appendix to the Financial Statements*

| Year Ended March 31,                                     | 2019           | 2018           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>e. MANAGEMENT INFORMATION SYSTEM DEPARTMENT</b>       |                |                |
| Disaster preparedness - Hurricane Earl                   | -              | 25             |
| Fuel   | 7,222          | 8,020          |
| Implements   | -              | 27             |
| Material and supplies                                    | 55,758         | 5,823          |
| MIS Consultancy  | 26,472         | -              |
| Repairs and maintenance                                  | 86,264         | 477            |
| Salaries   | 127,210        | 160,287        |
| Staff benefits and social security                       | 5,672          | 4,525          |
| Social assistance and contributions to social activities | 150            | -              |
| National celebrations/festivities                        | 575            | -              |
| Transport and travel                                     | -              | 135            |
| Contracts and Consultancy                                | -              | 3,600          |
| Utilities  | 10,145         | -              |
|  | <b>319,468</b> | <b>182,919</b> |
| <b>f. MUNICIPAL COURT DEPARTMENT</b>                     |                |                |
| Board Meetings   | -              | 3,000          |
| Fuel   | 4,314          | 2,369          |
| Implements   | -              | 64             |
| Materials and supplies                                   | 6,899          | 20,882         |
| Miscellaneous  | 255            | -              |
| National celebrations/festivities                        | 192            | -              |
| Pension, severance and gratuity                          | -              | 12,626         |
| Rent and leases  | 129,340        | 112,904        |
| Repairs and maintenance                                  | -              | 337            |
| Salaries   | 351,718        | 347,441        |
| Staff benefits and social security                       | 20,938         | 18,654         |
| Transport & Travel                                       | -              | 180            |
| Utilities  | 10,831         | 37,616         |
|  | <b>524,487</b> | <b>556,073</b> |

## *Appendix to the Financial Statements*

| Year Ended March 31,                                     | 2019             | 2018             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>g. OFFICE OF THE MAYOR DEPARTMENT</b>                 |                  |                  |
| Board Meetings   | 227              | 3,750            |
| Donations  | 150,824          | 3,613            |
| Fuel   | 22,831           | 305              |
| Implements   | 1,202            | 88               |
| Miscellaneous  | 128,117          | 31               |
| Materials and supplies                                   | 75,082           | 45,679           |
| National celebrations/festivities                        | 60,307           | 6,000            |
| Contracts and Consultancy                                | 2,822,150        | 711,111          |
| Repairs and maintenance                                  | 34,223           | 2,463            |
| Remuneration of Mayor and Councilors                     | 444,113          | 388,983          |
| Social assistance and contributions to social activities | 174,763          | 12,716           |
| Salaries, staff benefits and social security             | 30,486           | 20,532           |
| Transport & Travel                                       | 47,018           | 17,047           |
| Training   | 954              | -                |
| Utilities  | 8,365            | 10,413           |
|  | <b>4,000,662</b> | <b>1,222,731</b> |
| <b>h. PUBLIC RELATIONS DEPARTMENT</b>                    |                  |                  |
| Advertisement  | 148,767          | 128,975          |
| Donations  | 881              | 534              |
| Fuel   | 17,395           | 25,165           |
| Implements   | 563              | 4,969            |
| Miscellaneous  | 112              | 27,298           |
| Street maintenance                                       | 40,983           | 40,106           |
| Materials and supplies                                   | 20,161           | 192,387          |
| National celebrations/festivities                        | 73,715           | 420              |
| Rent and leases  | 2,719            | 696              |
| Repairs and maintenance                                  | 150              | 411,713          |
| Salaries   | 364,450          | 16,417           |
| Staff benefits and social security                       | 20,556           | 87,485           |
| Social assistance and contributions to social activities | 47,985           | 1,080            |
| Transport & Travel                                       | 60               | 854              |
| Training   | -                | 5,472            |
| Utilities  | 4,345            | -                |
|  | <b>742,842</b>   | <b>943,571</b>   |

## *Appendix to the Financial Statements*

| Year Ended March 31,                                     | 2019             | 2018             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>i. REVENUE DEPARTMENT</b>                             |                  |                  |
| Commissions paid   | 310,943          | 229,061          |
| Board expenses   | 26,306           | 37,612           |
| Financial expenses                                       | 740              | 60               |
| Fuel   | 4,710            | 11,694           |
| Implements   | -                | -                |
| Materials and supplies                                   | 2,549            | 16,498           |
| Miscellaneous  | 2,189            | 30               |
| National celebrations/festivities                        | 1,115            | 750              |
| Repairs and maintenance                                  | 308              | 553              |
| Salaries   | 231,700          | 274,907          |
| Staff benefits and social security                       | 13,724           | 13,178           |
| Transport and travel                                     | -                | -                |
| Utilities  | -                | -                |
|  | <b>594,284</b>   | <b>584,343</b>   |
| <b>j. SANITATION DEPARTMENT</b>                          |                  |                  |
| Fuel   | 146,421          | 147,404          |
| Implements   | 31,752           | 33,089           |
| Indemnities  | 450              | 325              |
| Insurance and licenses                                   | -                | 2,275            |
| Materials and supplies                                   | 106,709          | 48,130           |
| Miscellaneous  | 124              | -                |
| National celebrations/festivities                        | 12,905           | 2,867            |
| Repairs and maintenance                                  | 21,528           | 57,931           |
| Street maintenance                                       | 51,270           | 92,866           |
| Rent and leases  | 74,814           | 104,905          |
| Salaries   | 2,439,657        | 2,341,883        |
| Contracts and Consultancy                                | 253,605          | 2,437,654        |
| Social assistance and contributions to social activities | 17,002           | 90               |
| Staff benefits and social security                       | 150,541          | 111,937          |
| Transport & Travel                                       | 740              | 110              |
| Training   | -                | -                |
|  | <b>3,307,518</b> | <b>5,381,466</b> |

*Appendix to the Financial Statements*

| Year Ended March 31,                                     | 2019      | 2018      |
|--|-----------|-----------|
|  | \$        | \$        |
| <b>k. SECURITY DEPARTMENT</b>                            |           |           |
| Fuel   | -         | -         |
| Consultancy and professional fees                        | -         | -         |
| Repairs and maintenance                                  | -         | -         |
| Contracts and Consultancy                                | -         | 121,656   |
| Staff benefits and social security                       | -         | -         |
| Transport & Travel                                       | -         | -         |
|  | -         | 121,656   |
| <b>I. TRAFFIC DEPARTMENT</b>                             |           |           |
| Financial expenses                                       | 480       | 159       |
| Fuel   | 47,075    | 66,473    |
| Implements   | 568       | 651       |
| Insurance and licenses                                   | 3,139     | 5,169     |
| Materials and supplies                                   | 197,826   | 318,123   |
| Miscellaneous  | 1,076     | -         |
| National celebrations/festivities                        | 1,954     | 8,701     |
| Repairs and maintenance                                  | 17,298    | 20,558    |
| Salaries   | 992,232   | 28,211    |
| Staff benefits and social security                       | 51,976    | 963,327   |
| Street maintenance                                       | 27,236    | 44,469    |
| Social assistance and contributions to social activities | -         | 1,698     |
| Contracts and Consultancy                                | 5,325     | 4,750     |
| Transport & Travel                                       | -         | 1,760     |
| Utilities  | 34,134    | 30,454    |
|  | 1,380,319 | 1,494,503 |

*Appendix to the Financial Statements*

| Year Ended March 31,                                     | 2019           | 2018           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>m. SENIOR TOWN PLANNING DEPARTMENT</b>                |                |                |
| Disaster preparedness - Hurricane Earl                   | -              | 450            |
| Board Meetings   | -              | 15,450         |
| Fuel   | 51,301         | 31,296         |
| Implements   | 429            | 1,148          |
| Materials and supplies                                   | 10,401         | 4,826          |
| Street maintenance                                       | 16,379         | 24,323         |
| Rent and leases  | -              | 1,418          |
| Repairs and maintenance                                  | 6,894          | 8,546          |
| Salaries   | 248,904        | 167,833        |
| Contracts and Consultancy                                | 4,000          | -              |
| Staff benefits and social security                       | 14,325         | 7,692          |
| Social assistance and contributions to social activities | 821            | -              |
|  | <b>353,454</b> | <b>262,982</b> |
| <b>n. VALUATION DEPARTMENT</b>                           |                |                |
| Advertising  | -              | -              |
| Board meetings   | -              | 1,125          |
| Fuel   | 9,188          | 10,760         |
| Indemnities  | -              | 683            |
| Implements   | -              | -              |
| Materials and supplies                                   | 5,447          | 44,001         |
| Miscellaneous  | 1,901          | 30             |
| Contracts and Consultancy                                | -              | 2,350          |
| Repairs and maintenance                                  | -              | 2,105          |
| Salaries   | 393,747        | 358,392        |
| Staff benefits and social security                       | 18,659         | 17,519         |
| Transport & Travel                                       | 11,678         | 19,309         |
| Training   | -              | -              |
|  | <b>440,620</b> | <b>456,274</b> |

## *Appendix to the Financial Statements*

| <b>Year Ended March 31,</b>                              | <b>2019</b>      | <b>2018</b> |
|--|------------------|-------------|
|  | <b>\$</b>        | <b>\$</b>   |
| <b>o. WORKS DEPARTMENT</b>                               |                  |             |
| Donations  | <b>540</b>       | -           |
| Fuel expenses  | <b>155,787</b>   | 187,785     |
| Implements   | <b>16,758</b>    | 7,860       |
| Insurance and licenses                                   | <b>14,249</b>    | 8,420       |
| Materials and supplies                                   | <b>21,496</b>    | 34,299      |
| Miscellaneous  |                  | 84          |
| National celebrations/festivities                        | <b>28,386</b>    | -           |
| Pension, severance and gratuity                          | <b>6,120</b>     | 5,610       |
| Rent and leases  | <b>16,396</b>    | 94,096      |
| Repairs and maintenance                                  | <b>100,121</b>   | 186,106     |
| Salaries   | <b>1,020,652</b> | 977,489     |
| Staff benefits and social security                       | <b>61,951</b>    | 39,770      |
| Social assistance and contributions to social activities | <b>106</b>       | 585         |
| Street maintenance                                       | <b>215,545</b>   | 711,255     |
| Transport & Travel                                       | <b>360</b>       | 135         |
| Utilities  | <b>50,481</b>    | 37,225      |
|  | <b>1,708,948</b> | 2,290,719   |