

MUNICIPAL PAPER PROSPECTUS

**BELIZE
CITY**

2020



VISION STATEMENT

“

To have all residents live in a modern, clean and secure environment. A city abounding with civic pride, patriotism, unity and opportunities for all.

”

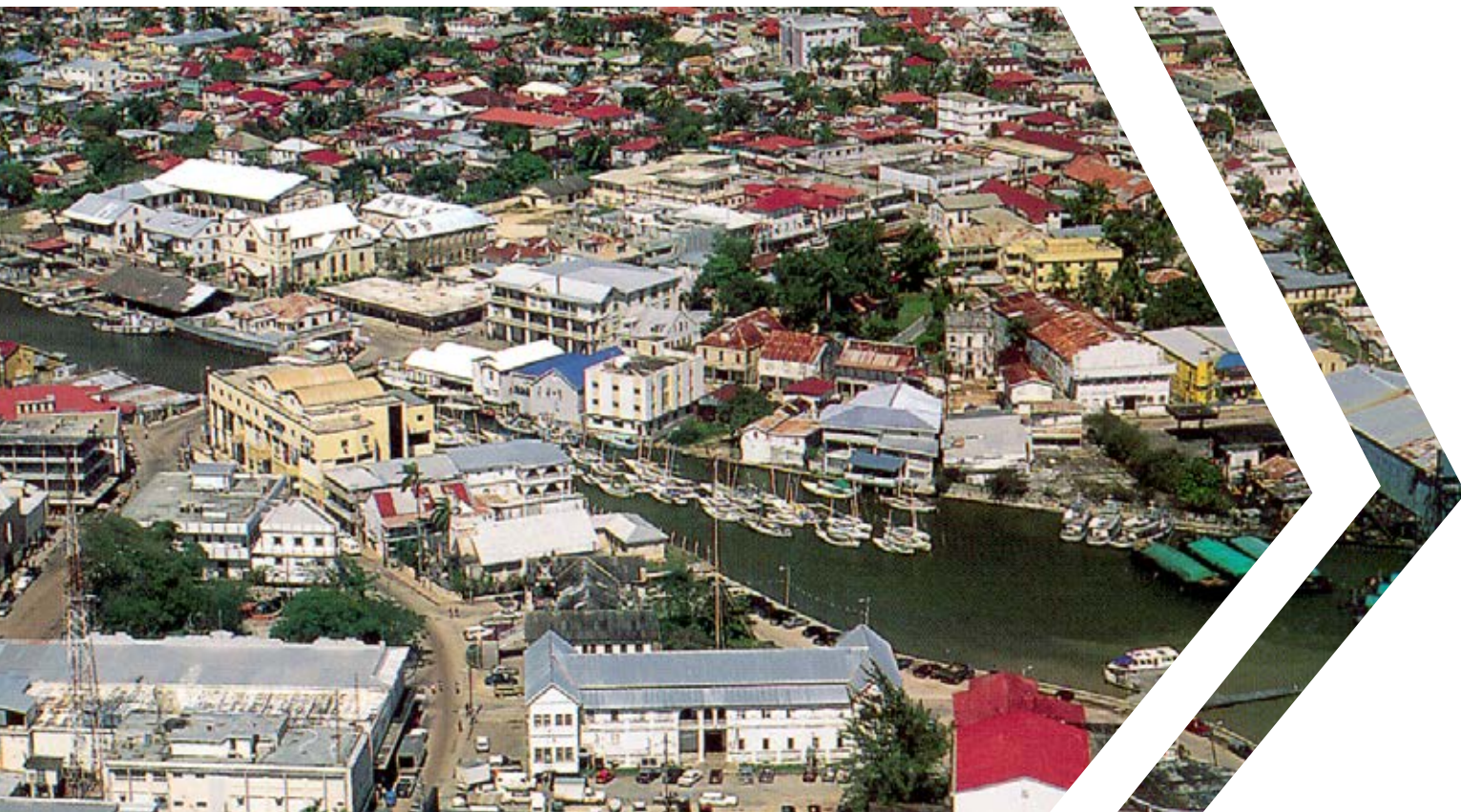


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CURRENCY INFORMATION

The Belize City Council's financial statements and projections are all presented in Belize Dollars. All other figures referred to in this Prospectus are also in Belize dollars unless otherwise specified.

THE BELIZE CITY COUNCIL

In this Prospectus, references to "Council" and "Bze Citco" are references to the Belize City Council.

OTHER DATA

Certain numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain parts of this document may not be arithmetically exact aggregations of the figures which precede them.

BELIZE CITY COUNCIL PROSPECTUS FOR BZE CITCO 2020 SERIES I MUNICIPAL PAPER

The Belize City Council 2020 SERIES I MUNICIPAL PAPERS (individually and collectively hereinafter referred to as the "2020 Series I Paper") are authorized by the Belize City Council Municipal Paper Act 2019, (the "Municipal Paper Act"), (See Appendix #5), the Belize City Council Resolution Approval of Municipal Bond 2019 (See Appendix #6a), the further Belize City Council Resolution of 18 February 2020 (See Appendix #6c); and Belize City Council Act (the "BCCA", Chapter 85, Revised Edition 2011, (See Appendix #7).

The 2020 Series I Municipal Paper constitutes unsubordinated, direct obligations¹ of the Belize City Council and are payable from the revenues generated by the Belize City Council.

The 2020 Series I Paper is being offered in denominations of Five thousand dollars (\$5,000.00) and multiples thereof as tradable instruments.

Interest on the 2020 Series I Paper will be paid quarterly and accrues from the **Dated Date of March 10, 2020** and will be payable at the end of each 91 days until maturity or rollover. **Heritage Financial Services Limited** (the "Fiscal Agent") is the fiscal agent for the 2020 Series I Paper. The Fiscal Agent will pay the principal and interest to registered holders on behalf of the *Council* on applicable payment dates. The 2020 Series I Paper will be issued as fully registered obligations.

The Belize City Council has general responsibility for the information contained in this document. The Council's financial statements have been externally audited by **Cedric Flowers**, public chartered accountant, while the financial projections have been prepared by the Council with the assistance of the Council's financial advisor, Alpha Capital LLP ("Financial Advisor").

Completed subscriptions applications should be submitted to the Fiscal Agent located at 21 Albert Street, Belize City, Belize in the form set forth in Appendix #1 hereto. Payment shall be made out to Heritage Financial Services Limited as depository and is due upon application. The Council reserves the right to accept or reject in whole or in part any subscription application to purchase 2020 Series I Paper. The subscription period for the 2020 Series I Paper closes on April 30th, 2020. The Council also reserves the right to close the subscription time prior to the date within this document or to extend the date for applications.

The 2020 Series I Paper is governed by the Laws of Belize and is being offered solely in or from within the country of Belize, Central America, in Belize currency with interest and principal payments payable in Belize currency.

¹ Direct obligations- securities are debt instruments backed by the credit and full taxing power of the Belize City Council which issued them; therefore, all revenue items support the debt service requirements for these loans.

INVESTMENT CONSIDERATIONS

An investment in the 2020 Series I Paper is subject to certain risks, including but not limited to credit risk, cash flow risk, secondary market liquidity risk, security risk, political risk, among other risks. It is expected that each investor interested in participating in this issuance is a sophisticated investor and will conduct an independent investigation of the risks posed by an investment in the 2020 Series I Paper. During the course of this offering, and prior to sale, representatives of the Council will be available on request to discuss with prospective investors the information contained herein, to answer questions concerning the terms and conditions of the offering, and the terms and provisions of the documents relating to the 2020 Series I Paper and to obtain and provide any additional information necessary to verify the accuracy of the information set forth herein that is material to the offering, to the extent the Financial Advisor possesses such information or can acquire it without unreasonable effort or expense.

Neither the Council or the Financial Advisor or any of their respective affiliates is making any representation to any investor in the 2020 Series I Paper regarding the legality of the investment therein under any applicable legal investment or similar laws or regulations. Each prospective investor is advised to consult its own attorneys, business advisors and tax advisers as to the legal, business, tax and related matters concerning this offering and the consequences of holding and disposing of the 2020 Series I Paper.

The obligations of the parties in the transactions summarized herein are set forth in, and will be governed by the agreements, instruments and documents referred to herein, all of which are subject to revision prior to issuance and delivery of the 2020 Series I Paper. All the statements and information contained herein are qualified in their entirety by reference to such agreements, instruments and documents, all of which will be made available to prospective investors on a confidential basis upon request.



HISTORY OF BELIZE

Belize City (the “City”), formerly known as Belize Town, was founded in 1638 by British wood cutters who settled at the mouth of the Haulover Creek. The site was ideal as it served as a central hub for floating mahogany and logwood from inland camps. The population, which consisted mainly of Creoles working in the forest industry, grew to 5,000 during the 19th century, quickly transforming the old capital into the country’s commercial centre. The destruction caused by Hurricane “Hattie” in 1961 eventually prompted a relocation of the capital inland to the City of Belmopan in 1970. Nevertheless, the City has expanded over the last decade, growing to Mile 6 on the George Price Highway and mile five on the Philip Goldson Highway. As of mid-2019, the estimated population of Belize City stood at 64,287, making it the largest municipality in Belize. The main revenue items for the municipality include property tax, trade license fees and driver license fees.

In 2012, the Council issued the country’s first ever Municipal Bond (Muni Bonds), raising \$20.0mn in capital for public works encompassing streets and drains. The Central Bank of Belize (CBB) acted as and remains the fiscal agent for this bond offer. Interest and principal repayments are being met as required under the terms of agreement. After paying out \$952,857 in interest on 1st June and 1st November of 2019, the established sinking fund held by the CBB has a positive fund balance of \$763,268 as of 29 February 2020. At present, \$8.52mn or 43% of the Muni Bonds have matured and been repaid on schedule. Six million dollars (\$6.0mn) is due in 2022, and final payment of \$5.5mn in 2023.

As security for the Bonds, the Bond Act 2012 established the Belize City Municipal Sinking Fund to be managed and held in the custody of the Central Bank of Belize. The Act also restricted the use of the funds held in the Sinking Fund to the repayment of principal and interest of the Muni Bonds. All monies due to the Council from cruise ship passenger fees and all monies provided by central government via appropriation by the National Assembly for use of the Council for the administration of Belize City have been assigned to the Sinking Fund until the full retirement of the Bond. As additional protection for Bondholders, the Act also insured that the Sinking Fund is immune from enforcement of any judgements or proceedings by any creditor or other person.

VISION STATEMENT

To have all residents live in a modern, clean and secure environment. A city abounding with civic pride, patriotism, unity and opportunities for all.

ESTABLISHMENT AND FUNCTION

The Council is the governing body of the City. The present Council was elected on March 7, 2018. All members are elected for a three-year term. The Council consists of a Mayor and ten (10) Councillors. The current Mayor is Mr. Joseph Bernard Wagner.

The City operates under a council form of government and provides services as authorized by the BCCA. In accordance with Section 29 of the BCCA (Duties of the Council), the Council is “entrusted with the general rule and good government of Belize City and has power, subject to the provisions of this Act to do all things necessary to carry out such trust.”

The Council has specific responsibility for the construction and maintenance of streets and drains, for the establishment and upkeep of parks, playgrounds, markets and public cemeteries, and for the removal of dangerous buildings and the removal of garbage (see *Section 29 of the BCCA*). The Council also administers or otherwise acts in pursuance of the following pieces of legislation or parts thereof: The Trade Licensing Act, the Intoxicating Liquor Licensing Act, the Public Roads Act, the Motor Vehicles and Road Traffic Act, the Towns Property Tax Act, the Belize City Council Municipal Bond Act, 2012 and the Belize City Council (Municipal Paper) Act, 2019. These pieces of legislation give the Council additional responsibilities for *inter alia*, traffic management, control and regulation of all types of businesses within the City (*including businesses that sell intoxicating liquor*), the assessment of taxable property values and ability to finance the necessary short-term and long-term public projects to develop the City. Most importantly, the non-borrowing laws provide the Council with sustainable autonomous sources of revenue, with the largest being property fees.



ORGANIZATION AND MANAGEMENT

The Mayor and Councillors all individually have portfolios. The portfolios identify the areas of priority in the operations of the Council. The current portfolios include as follows: *Finance, Budgeting, Foreign Affairs, Sanitation, Traffic, Youth & Sports, Market, Economic Development, Tourism, Public Health and Works*. The Councillors assigned to these portfolios are responsible to lead the discussion at the Council level for policy development and for strategic planning in their respective areas (See Table 1 below)

TABLE 1: COUNCIL MEMBERS AND PORTFOLIO

NAME	POSITION	PORTFOLIO
Mr. Joseph B. Wagner	Mayor	Finance
Mr. Michael Norales	Deputy Mayor/ Councillor	Budgeting
Dr. Candice Pitts	Councillor	Foreign Affairs
Mr. Michael Norales	Councillor	Sanitation
Mr. Allan Pollard Jr.	Councillor	Traffic
Mr. Micah Goodin	Councillor	Youth and Sports
Ms. Aisha Gentle	Councillor	Market
Mr. Javier Castellanos	Councillor	Economic Development
Mr. Ryan Eljio	Councillor	Tourism
Ms. Delthrude Hylton	Councillor	Public Health
Mr. Oscar Arnold	Councillor	Budgeting
Mr. Albert Vaughan	Councillor	Works

TABLE 2: KEY ADMINISTRATIVE OFFICIALS

NAME	POSITION
Mrs. Stephanie Lindo - Garbutt	City Administrator
Ms. Rosalie Perez	Finance Manager
Mr. Frank Thompson	Revenue Manager



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of counsel
Marissa F. Longworth, LL.B (Hons), C.L.E., LL.M (Merit)

17th February, 2020

Belize City Council
City Hall
Commercial Centre
Regent Street
Belize City,

Dear Sirs,

Belize City Council 2020 SERIES I MUNICIPAL PAPER

BACKGROUND

We have acted as legal advisers to the Belize City Council in connection with the transactions contemplated by the 2020 Belize City Municipal Paper (defined below) in connection with the issuance of the 2020 Belize City Municipal Paper – Series I in the maximum amount of \$10,000,000.00 (in denominations of \$5,000.00).

We have been asked to provide an opinion to supplement the Prospectus.

DEFINITIONS

The definitions in this paragraph apply in this opinion.

"2020 Belize City Municipal Paper" means:

A short-term instrument with a maturity of less than one year that evidences an obligation of the Council to pay a specified amount of money, with or without interest, at a designated time or times to registered Municipal Paper holders.

"Bond Documents" means:

The Prospectus, Fiscal Agency Agreement and the 2020 Belize City Municipal Paper.

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- "Business Day"** means: any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in Belize are authorized or obligated by law to be closed.
- "Council"** means: The Belize City Council, established by the Belize City Council Act, Chapter 85 of the Laws of Belize.
- "Fiscal Agent"** means: Heritage Financial Services Limited.
- "Fiscal Agency Agreement"** means: The contract between the Council and the Fiscal Agent made on the 16th September, 2019 recording, *inter alia*, the structure through which Municipal Paper Holders will receive payment of coupon and principal.
- "Municipal Paper Holder"** means: any individual or corporate person, including any public corporation who is the registered owner of a Municipal Paper.
- "Prospectus"** means: The listing prospectus issued by the Council containing information necessary to enable potential Municipal Paper Holders to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Council of the 2020 Belize City Municipal Paper.

The headings in this opinion do not affect its interpretation.

Terms defined or given a particular construction in the Bond Documents have the same meaning in this opinion unless a contrary indication appears.

References to paragraphs and schedules are to paragraphs of, and schedules to, this opinion.

DOCUMENTS EXAMINED AND ENQUIRIES MADE

For the purpose of issuing this opinion, we have only examined the following:

DOCUMENTS EXAMINED

We have only examined the following documents for the purpose of this opinion:

1. A signed scanned copy of the Council's Resolution No. 43 of 2018 dated the 1st day of November, 2018;

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2. A draft copy of the Prospectus with Subscription Agreement to be entered into by the Council and the Municipal Paper Holders;
3. A scanned copy of the Fiscal Agency Agreement between the Council and the Fiscal Agent dated the 16th day of September, 2019;
4. A certificate of the Mayor and the City Administrator setting out the names and specimen signature of the persons authorised to execute the Bond Documents to which it is a party on its behalf.

ASSUMPTIONS AND QUALIFICATIONS

The opinions in this Opinion are given on the basis of the assumptions set out below and are subject to the qualifications set out below and to any other matters not disclosed to us.

The opinions in this opinion are strictly limited to the matters stated herein and do not extend to any other matters.

ASSUMPTIONS

The opinions below have been made on the following assumptions:

1. All signatures and seals on all documents are genuine and, in the case of any Bond Document that is a deed, the signatures and seals of the Council were made or affixed on a single, complete, physical version of that deed which has remained intact since those signatures or seals were made or affixed. All original documents are complete, authentic and up-to-date. All copy documents are complete and conform to the originals.
2. Each of the statements made in the certificate referred to in Documents Examined section is true and correct in all respects as at the date of this opinion.
3. That where a document has been examined by us in draft or specimen form, it will or has been executed in the form of the draft or specimen.
4. That the seal of the Council was duly affixed to the Bond Documents in the presence of the Mayor and the City Administrator in accordance with the Belize City Council Act.
5. Each party to the Bond Documents (other than the Council) has the capacity, power and authority:
 - a. to execute and deliver the Bond Documents to which it is a party; and
 - b. to exercise its rights and perform its obligations under the Bond Documents to which it is a party.
6. Each party to the Bond Documents has duly authorised, executed and delivered the Bond Documents to which it is a party in accordance with all applicable laws.

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7. The Bond Documents constitute legal, valid and binding obligations of each of the parties enforceable under all applicable laws and that if the laws or regulations of any other jurisdiction may be relevant to: (i) the obligations or rights of any of the parties in any of the Bond Documents; or (ii) any of the transactions contemplated by any Bond Document, such laws do not prohibit, and are not inconsistent with, the entry into and performance of any such obligations, rights or transactions.
8. All consents, licences, approvals, notices, filing, publications and registrations which are necessary under any applicable laws in order to permit the execution, delivery or performance of the Bond Documents or to perfect, protect or preserve any of the interests created by the Bond Documents, have been made or obtained or will be made and obtained within the period permitted by such laws or regulations.
9. The resolutions of the Council set out in the minutes referred to in paragraph 1 of the documents examined were duly passed at properly convened meetings of the Council. The correct procedure was carried out at the Council meetings, for example, there was a valid quorum. The minutes are complete and correct and have not been amended or rescinded and are in full force and effect.
10. The information disclosed by the searches and enquiries referred above are true, accurate, complete and up-to-date in all respects. There is no information which should have been disclosed by those searches and enquiries that has not been disclosed for any reason and there has been no alteration in the status or condition of the Council since the date that those searches were made.
11. The Council is able to pay its debts at the time of entering into the Bond Documents and will not become unable to pay its debts as a result of doing so. No resolution for its winding-up or dissolution and no proceedings have been commenced or steps taken for the winding-up of the Council or for the appointment of an administrator, an administrative receiver or receiver or manager in relation to the Council or any assets or revenue of the Council.
12. That there has been no bad faith or fraud, coercion, duress or undue influence on the part of any of the parties to the Bond Documents (including the Council) and/or their respective councillors, employees, agents and advisers.
13. The parties have complied (and will continue to comply) with all applicable anti-terrorism, anti-corruption, anti-money laundering laws and regulations, and that there is nothing in the transaction that is inconsistent with all such laws and regulations.
14. That the provisions of the Bond Documents do not breach any other agreement or instrument binding on the Council or its assets.

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15. That the creation of any security interests under the 2020 Belize City Municipal Paper is not prohibited by or inconsistent with the terms of any agreement or instrument relating to the charged property, or by any agreement or instrument to which the Council is a party or which is binding on its assets, and that any necessary consents have been obtained.
16. That none of the parties is or will be seeking to achieve any purpose not apparent from the Bond Documents which might render any of them illegal, void or unenforceable.
17. There is no other fact, matter or document which would, or might, affect this opinion and which was not revealed by the documents examined or the searches and enquiries made.

THE OPINION

We are of the opinion that as at the date of this opinion:

Status. The Council is a statutory corporation existing under and by virtue of the Belize City Council Act, Chapter 85 of the substantive laws of Belize.

Capacity. The council has the capacity:

- (a) to enter into the Bond Documents to which it is a party; and
- (b) to perform its obligations under the Bond Documents to which it is a party.

Authorisation. The Council has taken all necessary action to authorise:

- (a) the entering into and delivery of the Bond Documents to which it is a party; and
- (b) the performance of its obligations under the Bond Documents to which it is a party.

Due execution. The Council has duly executed and delivered the Bond Documents to which it is a party.

Legal validity. The obligations of the Council under the Bond Documents to which it is a party constitute its legal, valid, binding and enforceable obligations.

Non-conflict. Neither the entry into nor the delivery by the Council of any Bond Document to which it is a party, nor the performance of the obligations of the Council under any Bond Document to which it is a party conflict with or will conflict with:

- (a) any term of the constitutional documents of the Council; or

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(b) any present law or regulation having the force of law in Belize and applicable to the Council.

No consents. No further consent, licence, approval or authorisation of any governmental, judicial or public body or other authority in Belize is required by law applicable to the Council generally to be obtained and no further act, condition or thing is required to be done, fulfilled or performed in Belize to enable the Council lawfully to enter into or perform its obligations under any of the Bond Documents.

No registrations or filings. No registration, filing or recording with any court, governmental authority or other authority or body in Belize, applicable to the Council generally, is necessary under Belize law to ensure the legality, validity, enforceability or admissibility in evidence, of the Bond Documents in Belize.

Governing law. The choice of Belize law to govern the Bond Documents will be recognised and upheld as a valid choice of law in the Belize courts.

Submission to jurisdiction. The submission to the jurisdiction of the Belize courts by the Council is valid.

SCOPE OF OPINION

This opinion relates only to Belize law as applied by the Belize courts at the date of this opinion. By giving this opinion, we do not assume any obligation to notify you of future changes in law which may affect the opinions expressed in this opinion, or otherwise to update this opinion in any respect.

We express no opinion in this opinion on the laws of any other jurisdiction other than Belize.

We express no opinion on matters of fact.

We express no opinion as to any liability to tax that may arise or be suffered as a result of or in connection with the Bond Documents.

We have not been responsible for investigating or verifying the accuracy of the facts (including statements of foreign law), or the reasonableness of any statement of opinion or intention, contained in or relevant to any document referred to in this opinion, or that no material facts have been omitted therefrom.

This opinion (and any non-contractual obligations arising out of it) is governed by and shall be construed in accordance with Belize law as at the date of this opinion.

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WHO MAY RELY ON THE OPINION

This opinion is addressed to the Council solely for its own benefit in relation to the transactions contemplated by the 2020 Belize City Municipal Paper – Series I. It may not be disclosed to or relied on by any other person, or used for any other purpose without our prior written consent.

This opinion may be disclosed:

- (a) where required by law or judicial process;
- (b) on a non-reliance basis to your professional advisers, auditors, insurers and regulators.

This opinion is given by **GLENN D. GODFREY & CO LLP** and no partner, member or employee assumes any personal responsibility for it nor shall owe any duty of care in respect of it.

QUALIFICATIONS

The opinions in this Opinion above are subject to the following qualifications:

1. ENFORCEABILITY

The term “enforceable” as used in this opinion means that an obligation is of a type and form which the Belize courts generally enforce. This opinion is not to be taken to imply that any obligation would necessarily be capable of enforcement in all circumstances in accordance with its terms. In particular:

1.1 A Belize court will not necessarily grant a particular remedy because:

- (a) the principles of equity may dictate otherwise, for example, an order for the equitable remedy of specific performance may not be made where damages are considered to be an adequate remedy;
- (b) it may be incompatible with the Belize Constitution (as amended);
- (c) public policy requires otherwise; or
- (d) the court otherwise has discretion as to what remedy it grants.

1.2 The procedural rules to which any action brought in an Belize court is subject may be such that a court declines jurisdiction or stays an action. For example, a Belize court will only assume jurisdiction to hear a case, and give judgment against a defendant, where proceedings have been

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validly served. Where the defendant cannot be validly served, the Belize courts will not assume jurisdiction.

1.3 A Belize court may (or, in certain cases, must) stay or strike out proceedings if concurrent proceedings are being brought elsewhere and may or must decline to accept jurisdiction in certain cases.

1.4 Claims may become barred under the Limitation Act (as amended), or may be or become subject to a defence of set-off or counterclaim.

1.5 The enforcement of obligations may be limited by the provisions of Belize law, which may hold an agreement to have been frustrated by a supervening event.

1.6 The law relating to misrepresentation, mistake and fraud may mean that an agreement, or part of it, is rescinded and, therefore, unenforceable.

1.7 Where an obligation is to be performed in a jurisdiction outside Belize, that obligation may not be enforceable in Belize to the extent that:

(a) its performance would be illegal under the laws of, or contrary to public policy or to the exchange control regulations of, the other jurisdiction or of the law applicable to the obligation; and

(b) the Belize courts take account of the law of that jurisdiction.

1.8 The choice of Belize law to govern the Belize Documents would not be recognised or upheld by the Belize courts in all circumstances, for example, if to do so would be contrary to public policy or mandatory rules of Belize law.

1.9 We express no opinion as to whether or not a foreign court (applying its own conflict of laws rules) will act in accordance with the parties' agreement as to jurisdiction and/or choice of law.

1.10 Under the rules of procedure, a Belize court may, in certain circumstances, order a claimant in an action to provide security for costs.

2. LIMITATIONS ARISING FROM INSOLVENCY LAW

2.1 This opinion is subject to all insolvency, bankruptcy, liquidation, receivership, moratorium, reorganisation or similar laws affecting the rights of creditors (including secured creditors) generally.

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3. LIMITS ON EFFICACY OF PARTICULAR PROVISIONS

3.1 Any provision in the Bond Documents for the payment of a specific amount or liquidated damages in the event of a breach or default may be unenforceable if it amounts to a penalty.

3.2 Any provision in the Bond Documents providing for a matter to be agreed on in the future may be unenforceable or void for uncertainty.

3.3 A court may hold that the parties to a Bond Document have amended it orally, even though there is a provision requiring amendments to be in writing.

3.4 A court may hold that an oral waiver by one party may be effective, even though there is a provision in the Bond Documents requiring waivers to be in writing.

3.5 Any provision of a Bond Document stating that a failure or delay, on the part of the Municipal Paper Holder, in exercising any right or remedy under that Bond Document shall not operate as a waiver of such right or remedy, may not be effective.

3.6 Any provision in the Bond Documents purporting to restrict the exercise of any statutory power by any person may be void.

3.7 The effectiveness of terms in the Bond Documents exculpating a party from liability or duty otherwise owed are limited by law.

3.8 A Belize court may refuse to treat as final, conclusive and/or binding any notification, calculation, certificate or determination which is stated in any Bond Document to be final, conclusive and/or binding if it is shown to have an unreasonable or arbitrary basis, or not to have been reached in good faith, despite a provision to the contrary.

3.9 Where a party to a Bond Document has a discretion, or may determine a matter in its opinion, a court may require that such discretion is exercised in good faith reasonably and for a proper purpose, and that such determination is made in good faith based on reasonable grounds.

3.10 A court would have discretion on whether to allow the severance of an invalid or unenforceable provision in a Bond Document.

3.11 A provision requiring payments to be made without deduction or withholding will not be enforced if a deduction or withholding is made pursuant to a legal obligation.

3.12 A Belize court may refuse to give effect to a provision in the Bond Documents for the payment of expenses in respect of the costs of enforcement (actual or contemplated) or of unsuccessful litigation brought before a Belize court, or where the court has made an order for .../10





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costs or where it would involve the enforcement of foreign revenue or penal laws.

3.13 Despite a provision in any Bond Document to the effect that the written terms of that Bond Document constitute the entire agreement between the parties to it, a court may hold that oral or other assurances given in the course of negotiations may be binding.

3.14 A person who is not a party to a Bond Document may not be able to enforce a provision of that Bond Document expressed to be for the benefit of that person where third party rights have been excluded.

3.15 A Belize court may hold that a judgment on a Bond Document, whether given in a Belize court or elsewhere, supersedes the provisions of such Bond Document, so that any provision in that Bond Document for the payment of money (for example, interest) may not be effective after a judgment.

3.16 The appointment of a receiver as the attorney of the Council may not, despite the terms of the power of attorney, be irrevocable to the extent that the power of attorney does not secure the performance of an obligation owed to the Municipal Paper Holder.

3.17 Confidentiality obligations may be overridden by the requirements of legal process.

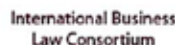
3.18 Belize courts can give judgment in currencies other than Belize Dollars if, subject to the terms of the contract, it is the currency which most fairly expresses the claimant's loss. However, such judgments may be required to be converted into Belize Dollars for enforcement purposes.

3.19 A provision in any Bond Document which confers, purports to confer or waives a right of set-off against a liquidator or creditor may not be effective.

3.20 To the extent that any operative provision of a Bond Document is reliant on a provision in another contract, or such other contract, and such provision or such contract is held to be void then such operative provision would also be unenforceable to the extent of such reliance.

Yours faithfully,

Glenn D. Godfrey & Co. LLP
GLENN D. GODFREY & Co LLP
Attorneys-at-Law



Member firms practice independently and not in a relationship for the joint practice of law.

GENERAL DESCRIPTION OF THE MUNICIPAL PAPER

PRINCIPAL AMOUNT, DATE, INTEREST RATES AND MATURITIES

The 2020 Series I Paper are issued pursuant to the Belize City Council Resolution passed on May 21st, 2019, and the Municipal Paper Act. The 2020 Series I Paper constitutes unsubordinated, registered, tradable debt and are direct obligations of the Council. The 2020 Series I Paper will be sold in denominations of \$5,000 and integrals thereof up to a maximum of \$10.0mn. The 2020 Series I Paper has three (3) tranches with different maturities and coupon rates and an anticipated weighted coupon average rate of 3.45%. The maturities range from 91 days to 364 days and carry coupon rates from 3.20% for the 91 days to 3.70% for the 364 days. Interest Payments will be made quarterly commencing July 1, 2020 with future maturity and interest payment schedules for October 1, January 2, and April 1. Interest will be calculated based on an actual 365-day year. (See Table 3 below for anticipated schedule)

TABLE 3: ANTICIPATED MATURITY SCHEDULE

TRANCHE	FACE VALUE (\$'000)	MATURITY (DAYS)	COUPON RATE (%)
1	≥ 2,000	91	3.20
2	≥ 2,000	182	3.45
3	≥ 2,000	364	3.70
Total/Weighted	≥ 6,000		3.46



STRUCTURE OF OFFER AND PURPOSES

ROLLOVER OPTIONS (CALL/PUT OPTIONS)

In the first instance, the 2020 Series I Paper will mature and become payable and shall bear interest at the annual rates given for the various maturities by the *Council* on the dates provided in **Appendix 3B - Anticipated Belize Citco Municipal Paper Maturity Schedule ('000)**. The 2020 Series I Paper will automatically rollover in perpetuity for further terms equal in duration to the terms for which they were originally issued on the expiration of each of the said terms unless a 2020 Series I Paper holder gives formal notice in writing (not less than 45 days prior to maturity) of an intention to surrender their 2020 Series I Paper at its maturity. Similarly, the *Council* must give formal notice in writing (not less than 45 days prior to maturity) of its intent to redeem all or a portion of the 2020 Series I Paper at its maturity. The Fiscal Agent shall issue notice of rollover amounts, new interest rates and new maturity dates as required. The interest rates of future Series of municipal papers are linked to the **91-day Government of Belize (GoB) Treasury Bill Yield²** plus a risk premium (if any) to be market determined from time to time. To manage medium- to long-term interest rate risk, the 2020 Series I Paper, and its subsequent Series have an interest rate ceiling and floor of 6.0% and 2.0% respectively.

USE OF PROCEEDS

Proceeds from the sale of the 2020 Series I Paper will be used for any one or more of the following purposes:

1. To retire any existing debt or liability.
2. To fund the **Interest Reserve Fund**.
3. To pay fees and expenses for any professional or other services, including but not limited to, the services of any financial advisor, attorney, auditor, accountant, bank, underwriter, fiscal agent or trustee engaged in connection with the structuring, issuing, sale and delivery of the municipal paper.
4. To smooth short-term cash flow variability and reduce short-term financing costs.
5. To provide working capital.
6. To fund such other projects or activities within the City as benefit residents of the City, and;
7. Generally, to enable the *Council* to meet its obligations and discharge its functions under the BCCA.

TRANSFERABILITY

The 2020 Series I Paper are freely transferable investments (**see below Fiscal Agent Role & Responsibility no. 3, Transfer Agent; p.23**).

INCOME TAX CONSIDERATIONS

Interest paid by and received from investments in the 2020 Series I Paper is exempt from Business Tax by virtue of the Income and Business Tax Act, Chapter 55 of the Laws of Belize Revised Edition 2011 as amended.

MUNICIPAL PAPER ACT

The 2020 Series I Paper is issued in accordance with the **Municipal Paper Act** and subject to any other applicable laws as outlined under The Legal Opinion.

² The most current 91-day GOB T-Bill yield can be found on the Central Bank of Belize website www.centralbank.org.bz/home

SECURITY

The 2020 Series I Paper constitutes an unsecured debt obligation of the Council **SAVE AND EXCEPT THAT** credit support for the 2020 Series I Paper will be provided by the following arrangements:

1. **Overdraft Facility**

The Council shall maintain an overdraft credit facility with a domestic commercial bank in the sum of \$1.20mn to support any debt servicing shortfall (if any) from its general revenue items including property tax, trade license fees and others.

2. **Belize City Interest Reserve Fund**

The **Belize Interest Reserve Fund (the Interest Reserve Fund)**, established in accordance with **Section 7** of the *Belize City Council Municipal Paper Act 2019*, is to be used as a one (1) year interest service reserve. This Fund shall be used for the repayment of interest to 2020 Series I Paper holders if the Council is unable to meet payments when they become due and payable from the Belize City Fund. The Interest Reserve Fund is a segregated account under the custody of the Fiscal Agent. The Fiscal Agent shall from the Belize City Council Municipal Paper Fund deposit into and maintain in this Interest Reserve Fund Account an interest reserve fund from the 2020 Series I Paper Proceeds equal to one year's interest payable in respect of all issued 2020 Series I Paper, and all other additional series of Belize City Municipal Paper. The Interest Reserve Fund is immune from enforcement of any judgment or proceedings including any proceedings for the attachment of debt or seizure of assets by any creditor or other person.

3. **Set Off Clause**

In accordance with Section 10, of the Municipal Paper Act, a municipal paper holder may, if the Council defaults on the payment of any interest or principal payable to that municipal paper holder, deduct the equivalent sum from any payment due to the Council in respect of any trade license or property tax due by that municipal paper holder to the Council.

4. **Modification of Rights of Paper Holders**

The rights and obligations of the owners of the 2020 Series I Paper specified in this Prospectus may be modified or amended at any time by a supplemental agreement pursuant to the affirmative vote at a meeting of 2020 Series I Paper Holders, or with the written consent, without a meeting, of the registered owners of at least sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the 2020 Series I Paper then outstanding. No such modification or amendment shall (i) extend the maturity of any 2020 Series I Paper or reduce the interest rate thereon, or otherwise alter or impair the obligation to pay the principal of, and the interest on, any 2020 Series I Paper, without the express consent of the registered owner of such 2020 Series I Paper or (ii) reduce the percentage of 2020 Series I Paper required for the amendment hereof.

Such amendments or modifications shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties. All amendments and modifications signed during the life of the municipal papers shall be governed by the relevant *Council Resolutions* and may be incorporated by reference with the written consent of both parties.

5. **Collective Action Clause (CAC): Appointment of Municipal Paper Holders' Trustee**

2020 Series I Paper Holders at their own cost can appoint a Trustee to act on their collective behalf at any time. This exercise shall be conducted via a quorate meeting. A quorate meeting requires that at least 66 2/3% of the principal amount of outstanding 2020 Series I Paper must be present at the meeting. Once a quorum has been achieved at least 75% by principal amount of 2020 Series I Paper Holders

represented at the meeting must vote in favor of the proposal. The Fiscal Agent agrees to give due recognition to any Trustee properly appointed as having full authority to represent the interests of 2020 Series I Paper Holders.

BELIZE CITY FUND

In accordance with **Section 5** of the *Belize City Council (Municipal Paper) Act 2019*, the **Belize City Council Municipal Paper Fund** will be established to credit all proceeds from the issuance of the Municipal Paper. The Municipal Paper Fund is immune from enforcement of any judgment or proceedings including any proceedings for the attachment of debt or seizure of assets by any creditor or other person.

SOURCE OF FINANCING THE DEBT PAYMENTS

The 2020 Series I Paper constitute unsubordinated short-term, general obligation debt and constitute a direct obligation of the Council payable from the gross revenues generated by the *Council*.



FISCAL AGENT: ROLE AND RESPONSIBILITY

Heritage Financial Services Limited is the fiscal agent for the 2020 Series I Paper.

Under the Fiscal Service Agreement signed on September 16, 2019, the Fiscal Agent is responsible for the following fundamental duties:

1. **PAYING AGENT:**

In respect to its duty as the *Paying Agent*, the Fiscal Agent shall:

- require of each 2020 Series I Paper holder to provide it with their appropriate banking information in order to receive payments of principal and interest.
- determine the amount of interest and principal payable in respect of the outstanding 2020 Series I Paper.
- calculate the interest payable **based on a 365-day count**.
- be responsible for making the required principal and interest payments to municipal paper holders by *direct deposit* or *bank draft* in accordance with the verified banking information provided for and on behalf of the *Council* from funds provided by the *Council*.

2. **MUNICIPAL PAPER REGISTER** - MAINTAINING A REGISTRY TO HAVE ACCURATE RECORDS OF INVESTORS.

In respect to its duty as Municipal Paper Registrar, the Fiscal Agent shall:

- keep at its principal office accurate records for registration and transfer of the municipal papers, which records will show the municipal paper's certificate number, date, amount, rate of interest and last known and current owner of each 2020 Series I Paper, supported with the appropriate due diligence information including as appropriate, corporate records, social security or passport records, and addresses. This collective information is termed The Municipal Paper Register.
- Ensure during regular business hours and on reasonable notice, that the Municipal Paper Register shall always be open for inspection by the Council, and that the Council may rely on the information of an owner as it appears in The Municipal Paper Register.

3. **TRANSFER AGENT** - PROCESSING THE REGISTRATION OF TRANSFERS OF MUNICIPAL PAPER.

In respect to its duty as the Transfer Agent, the Fiscal Agent:

- shall act in accordance with the related authorizing instructions upon the surrender of the old certificates in form deemed by it to be properly endorsed for transfer and accompanied by such documents as it may deem necessary to evidence the authority of the person making the transfer.
- shall process the registration of transfers of municipal paper and coupons, cancel all such securities transferred, prepare and authenticate securities to be issued on transfer, and update individual registration records of municipal paper holders.
- shall issue new authenticated certificates on transfer.

- reserves the right to refuse to transfer municipal paper until it is satisfied that the endorsement on the certificate is valid and genuine, and for that purpose it may require a guaranty of signature.
- reserves the right to refuse to transfer municipal paper until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for the refusal in good faith to effect transfers which, in its judgment, it deems improper or unauthorized.

4. **EXCHANGE AGENT** - EXCHANGING SECURITIES FOR AN ISSUE FOR OTHER SECURITIES OF THE SAME ISSUE.

In respect to its duty as the *Exchange Agent*, the Fiscal Agent shall:

- upon request from any municipal paper holder, exchange securities of an issue for other securities of the same issue in accordance with the authorizing instructions.
- upon receipt of a declaration from any municipal paper holder of a lost, stolen or destroyed certificate(s) immediately place a stop in The Municipal Paper Register and provide replacement affidavit forms to the municipal paper holder.
- require municipal paper holder to sign an indemnity not to seek to benefit from the original municipal paper declared lost, stolen or destroyed.
- issue the replacement municipal paper certificate as set out in Appendix 13.

5. **COMMUNICATION AGENT** - PROVIDING NOTICES TO INVESTORS, RATING AGENCIES & MUNICIPAL PAPER ISSUERS;

In respect to its duty as the *Communication Agent*, the Fiscal Agent shall:

- provide notices and communications to municipal paper holders, regulators, rating agencies, municipal paper insurers, security depositories, escrow agents, regulators, and other information services upon the request of the *Council*.

6. **RECORDS MANAGER** - MAINTAINING APPROPRIATE RECORDS IN CONNECTION WITH THE SERVICES PROVIDED.

In respect to its duty as the *Records Manager*, the Fiscal Agent shall:

- maintain appropriate records in connection with the services provided.
- maintain a detailed audit trail that enables all municipal paper and coupons to be traced from issuance through transfer, payment, redemption and as appropriate to return to the *Council*.
- make available such records for auditing purposes during the contract period, and for six (6) full years from the final service date to ensure compliance with the terms and conditions of its Fiscal Agency Agreement.

7. **CONFIDENTIALITY** - MAINTAIN CONFIDENTIALITY OF SAID INFORMATION

In respect to its all duties outlined above, the *Fiscal Agent*:

- shall hold all material and information in strictest confidence and not make use thereof other than for the performance of its duties.
- shall release information to authorized employees requiring such information, and not release, sell or disclose it to any other party.
- Notwithstanding the above, may release the material and information described in **duty 2** to its auditors, regulators, and bankers for official use and pursuant to a subpoena or other order issued by the Courts of Belize.
- shall promptly notify the *Council* of any such subpoena or order upon its receipt; except where it is precluded from doing so by Law.



FUTURE FINANCING EXPECTATIONS

The Council may consider issuing additional debt after 2021. The Municipal Paper Act increased the overall debt ceiling for the Council to BZ\$50 million from BZ\$40 million. However, the *Council's* debt service upper limit (*interest and principal*) was maintained substantially below 50% of the previous year's recurrent revenue³ to ensure the *Council* maintains debt solvency (see *Belize Citco Key Debt Metrics Table 4 p.39*). As noted in the financial projections, the Council's financial performance improves over time with estimated growing surpluses. However, it is the intent of the Council to further develop Municipal securities financing and use this new funding mechanism. Further development will support the *Council's* objective of addressing the large unsatisfied City public goods demands which include streets, drains, parks, cemeteries and other public spaces. Historically, these public goods and services have remained in huge deficit positions.

GENERAL FINANCIAL INFORMATION

The revenues available to the Belize City Council may be divided into two main classifications: **external receipts** and **internal receipts**. The external receipts consist of an annual subvention and a "head tax." The annual subvention is a monetary transfer from the Central Government. These monetary transfers form part of the national annual budget and are paid monthly by the Ministry of Finance directly to the Council. The "head tax" is a cash transfer from the Ministry of Tourism through the Ministry of Local Government to the City Council. The **head tax** is paid monthly by the 15th and is calculated on the number of cruise ship passengers who are processed at the cruise port of entry in Belize City-Fort Street Tourism Village. As of 2012, both the annual subvention and the "head tax" have been assigned for debt servicing to the Belize Citco Muni Bond Sinking Fund Account managed by the Central Bank of Belize for the Belize Citco Municipal Bonds 2012. Therefore, these external receipts are no longer available for general operational expenses of the City Council until the Muni Bonds have been paid by the Council in full in 2023.

The internal receipts are revenues generated from fees, primarily property fees, traffic revenues, trade license fees, liquor license fees, and smaller fees such as building permits, cemetery fees, rental fees etc. Autonomous Revenues are internal receipts plus the head tax, as there is a monitoring and contributory effort by the City Council to obtain these funds.

The City practices cash-basis accounting but introduced an accrual component of the accounting process in 2012 concurrently adopting the International Financial Reporting Standards. Under the present system of accounting, the revenues are recorded when they become measurable and are available. Expenses are recorded when the liability is paid. Taxes not paid are recorded as receivables on a yearly basis until paid and do not accrue interest charges. Outstanding commitments by the Council are recorded as payables but do not accrue interest charges.

The BCCA also makes provisions for the Council's finances to be audited on a yearly basis by the Auditor General. The audited report is then forwarded to the Ministry of Finance for review. In 2012, the Council implemented the process of an external audit by an independent certified public accountant/audit firm to support the internal governmental review. The most recent audited financial statements (2018/2019) along with main accounting notes as included from p.32 to 33. In addition, public queries into the Council's finances can take place via several formal mediums.


The Council's proposed operational and capital budget for the next fiscal period is prepared during the second quarter of the current fiscal period. The budget provides a projection of revenues and a structure by which expenses are anticipated. Since 2011, all department heads submit their upcoming fiscal year estimations to the Finance Director. The budget is reviewed and amended (if necessary), after which the Finance Director submits the report to the City Administrator for final administrative approval. Another approval is given by the Council, after which the budget goes to the Local Government for final approval.

³ The Belize City Council (Municipal Bond) Act 2012

GOVERNANCE AND STAFF CAPACITY BUILDING

As part of meeting the developing sophistication of its financing operations, the *Council* will embark on an internal training program. This training program will be focused on the Finance Department to ensure critical training in the areas of liquidity, interest rate and risk management, and debt management.





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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.

MEMBER OF

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



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


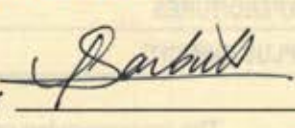
January 29, 2020

Balance Sheets 31 March

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
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
Total current assets		9,940,586	17,826,602
Property and equipment	2.05, 7	88,002,137	88,617,629
TOTAL ASSETS		97,942,723	106,444,231
LIABILITIES AND FUND BALANCE			
Current liabilities			
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
Total current liabilities		16,828,672	34,469,624
Net Municipal Bonds payable	8a	10,150,255	8,040,788
Other borrowings	8b	3,403,622	1,162,570
Gratuity/severance payable	11	3,985,693	3,652,013
TOTAL LIABILITIES		34,368,242	47,324,995
Fund balance			
Capital Grant	10	15,317,340	14,558,514
General Fund (Belize City Fund)	2.01	48,257,141	44,560,722
TOTAL LIABILITIES & FUND BALANCE		97,942,723	106,444,231

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

These financial statements were approved by the Council for issue on **FEB 18 2020**

Mayor  City Administrator 

Statements of Financial Performance Years ended 31 March

	Notes	2019 \$	2018 \$
REVENUES			
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
TOTAL REVENUES		25,777,827	23,682,198
LESS: EXPENDITURES (See appendix section for details)			
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
TOTAL EXPENDITURES		22,885,151	24,526,268
NET SURPLUS (DEFICIT)		2,892,676	(844,070)

Statements of Changes in General Fund
Years ended 31 March

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

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

Statements of Cash Flows
Years ended 31 March

	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus (Deficit) for the year	2,892,676	(844,070)
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)
	7,440,172	(1,370,187)
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	4,242,658	6,158,391
Gratuity/severance paid	(637,884)	(593,969)
Net cash provided by operations	3,604,774	5,564,422
CASH FLOWS FROM INVESTING ACTIVITIES		
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)	-	-
Net cash used by investing activities	(1,397,871)	(5,096,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	240,331	(6,611,738)
Net cash provided (used) by financing activities	240,331	(6,611,738)
Net increase (decrease) in cash and cash equivalents	2,447,234	(6,144,014)
Cash and cash equivalents at beginning of the year	886,900	7,030,914
Cash and cash equivalents at end of the year	3,334,134	886,900

BELIZE CITCO'S PERFORMANCE

The financial year of the Council runs from April 1st to March 31st of the subsequent calendar year.

For the fiscal period ending March 31st, 2019, Council's **Net Surplus** increased sharply by \$3.8mn or 4.4X to \$2.9mn over the previous period. The favourable improvement in **Net Surplus** was led by a robust increase in *Autonomous Revenues* of 16.49% from \$20.8mn to \$24.2mn and a sharp decline in *Expenditure* of 7.0% from \$24.5mn to \$22.9mn (See **Appendix 11 - Statement of Financial Performance and Projections, 2017-2024**).

CITY REVENUE SOURCES & EXPENSES

REVENUE

After a decline in the previous period, for the fiscal year **2019**, the Council recorded an increase of \$3.4mn or 16.4% to \$24.2mn in **Autonomous Revenues**⁴. The growth in **Autonomous Revenues** were driven by a \$1.5mn or 32.5% and \$960,000 or 98.0% increase in **Traffic** and **Tourism Revenues**⁵ respectively. Other major revenue items, **Property fees** and **Trade License**, also saw strong increases of 9.3% to \$9.1mn and 6.8% to \$5.4mn correspondingly. These increases more than offset a 43.0% and 38.0% decline in *Interest Income* and *Other Income* in that order.

In line with the increase in *Autonomous Revenues*, *Gross Revenues* increased healthily by \$2.1mn or 9.0% to \$25.8mn over the previous period. Strong **Autonomous Revenue** growth more than compensated for a weakening of fiscal support from Central Government as the *Government of Belize Subvention* declined sharply by \$1.3mn or 45.0% to \$1.6mn. An increase in the **Autonomous Revenue to Gross Revenue Ratio** from 88.0% to 94.0% indicates a strengthening of the Council's fiscal position and bodes well for the long-term financial sustainability of the Council. Improvement in the Council's financial sustainability indicator can lead to an increase in future public investments.

During the last five years (*adjusting for the outlier year of 2018*⁶), *Autonomous Revenue* has increased by an average of 3.9%. Notably, *core revenues*⁷ have been the significant drivers of this five-year growth trend increasing in aggregate by 21.5% year over year. Over this period, *Traffic Related Revenues* has led *core revenues*, improving by 18.0% annually. *Property fees*, *Liquor Related Fees*, and *Trade License fees* supported this trend with increases of 6.0%, 5.0% and 5.0% respectively year over year.

Over the same period (2015-2019), **Property Tax** was the primary revenue driver, averaging 42.0% of *Autonomous Revenues*, while **Trade-related revenues** and **Traffic-related** accounted for 22.0% and 21.0% of *Autonomous Revenues* respectively. In aggregate, these three core revenue earners accounted for over 85.0% of Belize Citco's *Autonomous Revenues*.

Despite the strong underlying trends in *core revenues* and the anticipated policy adjustments which will continue to drive revenue improvements, the conservative forecast is for *Autonomous Revenues* to increase at its historical average rate of 4.0% over the next 5 years. Therefore, by 2023, the Council is expected to collect annual *Autonomous Revenues* of approximately \$30.0mn (See **Appendix 11 - Statement of Financial Performance and Projections, 2017-2024**).

4 Revenues generated solely from the fiscal efforts of the municipal body

5 Tourism related revenues Belize Citco collects a head tax for each passenger that disembarks at the Fort Street Tourism Village Port of Entry

6 Property tax revenue fell sharply in 2018 as oppose to its general increasing trend.

7 Property tax, trade license fees, driver license fees, and tourism related revenues

EXPENSES

After rising by \$0.5mn or 2.0% to \$24.5mn for fiscal year 2018, *Expenditure* fell strongly by \$1.6mn or 7.0% to \$22.9mn for fiscal year ending 2019. The sharp decline in *Expenditure* was underpinned by a decline in expenses in the **Sanitation**, the **Works**, and the **Finance & Administrative Departments** of \$2.1mn or 39.0%, \$0.6mn or 25.0%, and \$0.6mn or 9.0%, respectively. In addition, **Public Relation Expenses** showed a significant contraction, falling by \$0.2mn or 21.0% to \$0.70mn.

These contractions were able to outweigh the rise in expenditure in the *Office of the Mayor* of \$4.0mn. The growth in the *Office of the Mayor* was generated by the accounting reclassification of \$2.1mn in *Sanitation Expenses*, to this expenditure account, and the increase of \$0.31mn in *Social assistance and charitable contributions*.

Over the last five years, *Expenditure* has decreased on average by 3.2% per year. Despite this solid trend of declining expenditure, a growing municipality will require increases in public goods and services. In addition, pressure on municipal bodies to spend any surpluses provides a constant bias against greater savings. Therefore, the conservative forecast is for *Expenditure* to show an inverse trend increasing at an average rate of 3.0% over the next 5 years. By 2024, the Council is projected to spend just under \$26.0mn. This would lead to a gross surplus of approximately \$5.4mn (*inclusive of Central Government Subvention*).

REVENUE ITEMS

PROPERTY FEE REVENUE

For the fiscal year 2019, *Property Fee Revenues (Property Fees)* increased by \$771,225 or 9.3% over the previous period. The increase in *Property revenues* was driven by newly issued titles being added to the billable **Property Fee Roll (the Roll)**. The collection rate remained constant at 74.0%.

Over the period 2015 - 2019, **Property Fees** grew by an annual average of 6.0% and was the largest *Autonomous Revenue* earner for the City, averaging \$10.1mn or 41.0% of overall *Autonomous Revenues* over the same period.

The Council, through a memorandum of understanding (**MOU**) with the Ministry of Lands, continues to work with the Ministry to obtain data on newly issued titles within the City. These new properties are then valued and added to the *Roll* on a continuous basis, augmenting the *Roll* by approximately \$12.0mn annually. The billable *Property Fee Roll* is determined by multiplying the annual value of the property in the case of unoccupied property, by the current property fee rate of 2.0%, and in the case of occupied property by the current property fee rate of 9.0%.

The Council conservatively forecasts that this practice should increase *Property Fee Revenues* by a minimum of \$250,000 annually over the next five years. In addition, the Revenue Department's target is to increase the collection rate of *Property Fees* from its present rate of 74% to 80% over the first term (3 years) of the current Council. Therefore, based on its historical growth rate of 6.9%, an ongoing active policy adjustment, and an average increase in the collection rate of 2.0% per year over the next three years, *Property Fees* are projected to grow by a conservative 3.5% annually. By 2024 property revenue is estimated at \$10.8mn (See **Appendix 11 - Statement of Financial Performance and Projections, 2017-2024**).

Valuation Method for Property Fees

The property tax rate for the past 5 years has been set at 9.0% for properties which are occupied and 2.0 % for those properties unoccupied. The property tax rate is based on rental & market value rather than on site value. Not all properties within the City's Tax Limitation are taxable (**See Appendix 8 - List of Tax-Exempt Properties**).

TRAFFIC RELATED REVENUES

For 2019, **Traffic Related Revenues (Traffic Revenues)**, which consist of *traffic fines and licenses*, was \$6.0mn, a \$1.5mn or 32.5% increase over the previous period. The increase in *Traffic Revenues* was the result of traffic wardens' *hyper-proactive* approach in enforcing traffic laws and an increase in registered vehicles and licenses.

Over the period 2015 - 2019, *Traffic Revenues* had an average annual growth rate of 18.0%. Further, over the same period, *Traffic Revenues* averaged 21.0% of total *Autonomous Revenues*, the second-highest *Autonomous Revenue* source. Historically and at present, the two (2) major revenue earners for *Traffic Revenues* are *licensing of motor vehicles and issuance of driver's licenses*.

Given the historical performance and improved collection measures of the traffic department, *Traffic Revenues* are conservatively⁸ projected to grow at an annual rate of 6.0% over the next five years and are projected to yield \$8.0mn in revenues by the year 2024 (**See Appendix 11 - Statement of Financial Performance and Projections, 2017-2024**).

TRADE LICENSES FEES

For 2019, **Trade License Fees** generated \$5.4mn, a respectable increase of \$346,000 or 6.8% over the previous period. This reversed a three-year trend in marginal declines in *Trade License Fees*.

Over the last five years, revenue from *Trade License Fees* has grown by an average of 4.0% and has averaged 23.0% of *Autonomous Revenues*. This represents the third largest *Autonomous Revenue* earner for Belize Citco.

The medium-term volatility in *Trade License Fees* collection is considered a direct effect of the present trade license regime, which is focused on the rental value of the premises where the business is stationed. Central Government, the Council and the Belize Chamber of Commerce and Industry are in the process of revisiting the trade license regime to focus on the classification of the trade conducted as opposed to rental values. With a view to establishing a more fair and level playing field, it is expected that with appropriate adjustments to the trade license regime in due course, firms in the same line of trade will be quoted similar rates. This will eliminate the current discretion in arriving at a trade license fee for an operating business and should result in a more stable trend.

There are approximately 2,300 registered businesses conducting trade in Belize City. Through a market study, the Council estimates that there are an additional 1,700 businesses that are not registered under the current trade license regime. By establishing a level playing field, the reform is expected to create a better business environment, thereby increasing the Council's trade license revenue by incentivizing most of the 1,700 unregistered businesses to comply.

Based on historical performance, and the projected positive impact of the major trade regime reform, *Trade Revenue Fees* is conservatively forecast to increase at a steady rate of 2.0% year over year, yielding \$6.0mn by the year 2024. (**See Appendix 11 - Statement of Financial Performance and Projections, 2017-2024**).

⁸ Approximately half of the historical average.

TOURISM RELATED REVENUES

For 2019, *Tourism Related Revenues* was \$1.9mn, an increase of \$960,000 or 98.0% over the previous period. This increase, however, results from an accounting adjustment on the recognition of tourism receipts, rather than from a fundamental change in tourism revenue.

In line with the overall positive trend in national tourist arrivals, *Tourism Related Revenues* have increased by an average of 33.0% year over year, and over the same period on average represent 7.0% of *Autonomous Revenues*.

From 2012 to 2018, Cruise ship tourist arrivals have increased by an annual average of 19.1%. Nevertheless, the Tourism sector is a volatile industry and changing international sentiment or the occurrence of a pandemic in Belize's major markets can easily erode or reverse any positive trend. Therefore, while the strong fundamentals for continuous growth in Cruise ship arrivals are present, *Tourism Related Revenues* is cautiously forecast to increase by a steady rate of 5.0% annually reaching \$2.5mn by 2024.

LIQUOR LICENSES REVENUE

For 2019, **Liquor License Revenues** were \$511,438, up \$12,000 or 2.0% from a year ago. As compliance on *Liquor License* fee is near 100.0%, increases in revenues are driven by increase in business activity requiring licenses.

Over the period 2015 - 2019, **Liquor License** revenue had an average growth rate of 5.0% but represented just 3.0% of *Autonomous Revenue*.

Liquor license revenue is forecast to grow at 2.5% over the next five years, yielding total revenue of \$578,000 by the year 2024 (**See Appendix 11 - Statement of Financial Performance and Projections, 2017-2024**). This forecast reflects greater restrictions on the issuance of liquor licenses. Community concern over the links between the increase in violent crimes and the growing accessibility to alcohol has influenced the Council to implement a more restrictive policy on the issuance of new liquor licenses.

RENTAL REVENUES

For the fiscal year 2019, *Rental Revenues (Rentals)* were \$595,461, a decrease of \$26,738 or 24.0% over the previous period. Between 2015 and 2019, *Rental Revenues* fell by an annual average of 2.0% and averaged just 2.4% of *Autonomous Revenue*.

The Council generates an average of \$24,000 monthly on the rental of seventy-eight (78) stalls in the **Michael Finnegan Market**. Vendors are currently paying a standard rate of \$2.00 per square foot. In March 2019, the Council undertook a revaluation exercise of these rental stalls and now forecasts earnings of \$30,000 monthly, an increase of \$6,000 or 25.0% over current earnings.

With completion of the renovation of the **Commercial Centre** in August 2019, the Council anticipates generating an additional \$18,000 monthly or \$216,000 annually in rental fees from additional commercial spaces in the building. By the end of fiscal year 2020, the Council is forecast to earn \$850,000 in *Rental Revenue*. *Rental Revenue* is then forecast to increase at a steady rate of 2.0% year over year, yielding \$920,000 in revenues by the year 2024.

OTHER REVENUE ITEMS

For 2019, **Other Revenue Items** were \$588,000, down \$127,000 or 18.0% over the previous period. The decrease was driven by a sharp decline in *Interest Income*. Over the same five-year period, *Other Revenue Items* constitute approximately 2.90% of *Autonomous Revenue*.

BELIZE CITCO’S FUTURE PERFORMANCE

For the fiscal year ending 2020, the Council’s **Net Surplus** is projected at \$2.30mn. Slightly down from 2019 due to an increase of \$0.50mn in *Interest Expense* to \$1.9mn. The major drivers of the increase in interest expense are from the Council’s *commercial bank facilities* and *suppliers’ credit*. Due to the much lower weighted interest rate tied to the *Muni Papers*, the issuance of \$10.0mn in these securities adds only \$0.35mn or 36.0% of the increase; This marginal increase in interest expense presents no risk to the Council’s capacity to adequately service its outstanding debts (**See Key Debt Metrics Table 4**). Nevertheless, in 2021 **Net Surplus** is projected to strengthened further to \$3.0mn driven by an increase in *Autonomous Revenue* by 3.0% and a decrease in *Interest Expense*.

Despite a precipitous decline in Central Government (GoB) subvention, no further decline is anticipated. Therefore, over the projected period, GoB subvention is held constant at \$1.6mn. Going forward, a projected continuous decline in Interest Expense following the retirement of the 2012 Municipal Bonds and a consistent increase in Autonomous Revenue should lead to a gradual strengthening of the Council’s fiscal position, with Net Surplus projected at \$5.4mn by 2024..

DEBT SERVICE ANALYSIS

OUTSTANDING DEBT

As of March 31, 2019, the Council’s outstanding formal debt was \$14.1mn, a decrease of \$1.1mn or 7.2% over the previous period. This is significantly (\$35.9mn) below the Council’s legal debt ceiling of \$50.0mn. The debt consisted of 10.2mn in net Muni Bonds issued in 2012 and \$3.9mn in commercial loans. Non-banking credit arrangements include suppliers’ credit of \$4.5mn and court judgments amounting to approximately \$1.6mn.

With the issuance of \$10.0mn in short-term municipal paper, \$7.0mn in fiscal year 2020 and the remaining \$3.0mn issued in fiscal year 2021, the Council’s debt level, inclusive of formal debt and non-banking credit arrangements, is forecast to increase and peak in the immediate short-term to \$25.7mn in fiscal year 2021, This is partially the result of the retirement of \$4.2mn of existing high interest cost debt with \$4.2mn of the 2020 Series I Paper proceeds. After this initial refinancing exercise, the Council’s debt will trend downward significantly from approximately \$25.7mn at the end of fiscal 2020 to a low of \$12.3mn over the forecast period (See Appendix 12 - Key Debt Capacity Indicators, 2017 - 2024). The downward debt profile is largely underpinned by the maturity of \$6.0mn and \$5.6 in municipal bonds in 2022 and in 2023 respectively. Furthermore, the debt reduction is supported by the continuous amortization of the commercial bank facilities, and the repayment or debt reprofiling of suppliers’ credit and the judgements to approximately \$33,000 and a zero balance respectively by 2023. Consequently, debt per capita (a widely used benchmark of municipal residents’ tax burden) is forecast to maintain a more than satisfactory fiscal position peaking at \$391 per resident before falling to \$173 per resident by 2024 (See Key Debt Metrics Below Table 4).

TABLE 4: KEY DEBT METRICS

KEY DEBT METRICS	AUDITED FINANCIALS			PROJECTIONS				
	2017	2018	2019	2020	2021	2022	2023	2024
Annual Debt Service/General Fund Expenditures (%) -Debt Burden ⁹	25.97	29.98	28.58	30.30	18.42	36.67	28.04	4.82
Debt per capita (Total Debt/Population of City) (\$) Leverage/Tax Burden ¹⁰	327	243	219	391	385	279	186	173
Total Revenues/Annual Debt Service ¹¹	4.6	3.2	3.9	3.6	6.1	3.1	4.2	25.1
Debt Service/Total Revenues (%) ¹²	21.78	31.05	25.38	27.70	16.42	32.39	23.83	3.98

ANNUAL DEBT SERVICE POSITION AND PROJECTIONS

For fiscal year ending March 31st, 2020, the Council is projected to pay approximately \$7.5mn in net debt service inclusive of principal and interest payments, as \$4.2mn in high interest cost debt (inclusive of formal banking overdraft and certain term credit facilities, court judgments and certain suppliers’ credit arrangements) is prepaid in addition to normal debt servicing. Consequently, annual debt service/general fund expenditure is expected to increase slightly from approximately 29 cents on every dollar spent to just above 30 cents on the dollar. Likewise, Debt Service/Total Revenues is projected to increase from 25 cents on every dollar earned to just under 28 cents on the dollar. Corresponding to these debt indicators, Total Revenues/Annual Debt Services (coverage ratio) is estimated to decline slightly from 3.9 times to 3.6 times (See Key Debt Metrics Table 4 above).

As expected, the issuance of the \$10.0mn in Municipal Paper and the Council’s existing suppliers’ credit and court judgements will not impact the Council’s debt indicators significantly, with all benchmarks remaining in acceptable ranges.

The Council’s debt servicing is expected to peak in 2022 and remain substantial in 2023, with the maturing of the municipal bonds moving to \$9.3mn and \$7.2mn respectively. Consequently, total revenues/annual debt services ratio will weaken to 3.1 in 2022 before improving to 4.2 in 2023.

As noted previously, after peaking in 2022, the Council’s debt servicing is projected to trend dramatically downwards with the retirement of the municipal bonds in full. As a result, by 2024 annual debt service is projected at just \$1.2mn, with total revenues/annual debt services ratio strengthening strongly to 25.1 from 4.2 at the end of the prior year. Consistent with this improving benchmark, annual debt service/general fund expenditures will improve to under 5 cents to every dollar spent; and debt services/total revenues is expected to improve from 24 cents on every dollar earned to just under 4 cents on the dollar (**See Key Debt Metrics Table 4**).

9 Low < 8%; 8% < moderate < 15%; 15%< elevated < 20%; high > 20.0%
10 Very low < \$1,000; \$1,000 < low < \$2,000; \$2,000< moderate< \$5,000; high >\$5,000
11 Vulnerable < 2.5; 2.5 < Good < 5.0; 5.0 <Strong < 10; very strong > 10.
12 Low < 10%; 10% < moderate < 25.0%; high > 25%

FINANCIAL INFORMATION

METHOD OF PREPARATION FOR FINANCIAL STATEMENTS

The Council's financial accounts are managed by the Finance Manager, who has been a part of the management committee for seven years and in the Finance Department for 12 years. The accounting system utilized by the City is QuickBooks 2010 and Belize Payroll Systems. These systems provide ease of preparation and production and timeliness in the release of financial statements and reports, which is essential for analytical and planning purposes. The City operates on a modified cash-accrual basis using a computerized and manual system. Financial statements, including the income statement and cash-flow statement, are produced on a monthly, quarterly and annual basis. The balance sheet is generated only annually in coordination with the audit; however, information on long-term assets is monitored and maintained according to a fixed asset schedule.

SPECIFIC FUNDS MAINTAINED BY THE CITY

The Finance Department is responsible for the disbursement of all funds. There is a \$1,000 petty-cash float held at the main office. The petty cash is managed by the Accountant. All disbursements have receipts and are signed. Cash orders from the petty cash are authorized by the Accountant and then cross-checked by the Financial Director. The account is balanced weekly. The Council has one operational account at Scotia Bank which requires two signatories, who must include two of the following: The Mayor, City Administrator and Financial Director. The Council's primary bankers are Scotia Bank (Belize) Limited and Heritage Bank Limited.

RATINGS

Rating agencies provide investors and debtors with important information regarding creditworthiness of an entity. A credit agency also helps in measuring the qualitative and quantitative risk so that investors can make wise decisions. The quantitative risk focuses on financial ratios with chosen benchmarks, while the qualitative risk concentrates on management character. At present, these bonds are not rated but are structured based on current best practices.

DELIVERY

It is expected that the 2020 Series I Paper Certificates will be available for delivery to the Paper holder by the Fiscal Agent on or about the above-mentioned Date of Delivery, which is March 31, 2020.

CONTINUING DISCLOSURE AND UNDERTAKING

The Belize City Council has covenanted for the benefit of registered Paperholders of the 2020 Series I Municipal Papers to provide certain financial information and operating data relating to the City in its Audited Financial report no later than six months after the end of the Fiscal Year, beginning with the Fiscal Year ending March 31, 2020, and to provide notices through the Fiscal Agent of the occurrence of certain enumerate events, if material.

The Audited Reports are to be filed by the Belize City Council with the Fiscal Agent. Pursuant to continuing disclosure, the Council agrees to provide the following information:

1. Financial Information and operating data including financial statement, provided on or before November 1 of each year for the fiscal year ending on the preceding March 31, commencing fiscal year March 31, 2020.
2. Notice of the following events with respect to the Bond:
 - a. Principal and interest-rate delinquencies;
 - b. Payment defaults;
 - c. Financial Difficulties which may affect debt-service payments and ratios;
 - d. Adverse changes which may affect payments;
 - e. Failure in meeting disclosure deadlines;
 - f. Violation of specified debt service covenants;
 - g. Litigation which may result in material settlement costs and
 - h. Modifications, changes, sale of security used, if any, for the 2020 Series I Papers.

BY:  Mr. Joseph B. Wagner
Mayor

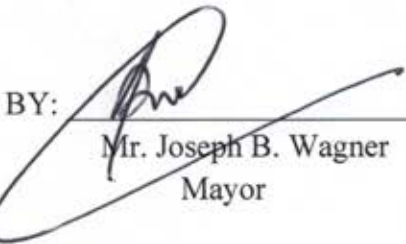
BY:  Ms. Stephanie Lindo-Garbutt
City Administrator

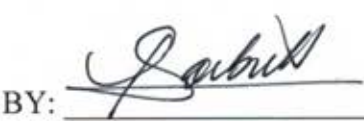


CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required or necessary to be stated in order for a statement not to be misleading in the light of the circumstance in which it was made. The Council and the City of Belize’s Senior Management team have taken reasonable care to ensure that, to the best of their knowledge, the information given here in or in those portions for which they have particular responsibility, as the case may be, is in accordance with the facts and nothing is omitted, the inclusion of which would materially affect the import of this document.

The execution and delivery of this Prospectus Statement have been duly authorized by the City of Belize.

BY: 
Mr. Joseph B. Wagner
Mayor

BY: 
Ms. Stephanie Lindo-Garbutt
City Administrator



BELIZE CITY COUNCIL OFFERING OF 2020 SERIES I MUNICIPAL PAPER

To: **Heritage Financial Services Limited**
21 Albert Street, Downtown, Belize City
Belize

1. I/We hereby apply for the quantity of _____ **Belize City Council (Council) 2020 Series I Municipal Paper** with a face value **\$5,000 each**, Coupon Rate _____ %, Tranche No. _____. (Provide the Tranche that applies: 1, 2, 3)
2. In full payment of the subscribed amount I/We tender herewith (complete the appropriate item):
- a. Direct Deposit(s) in the sum of BZ\$ _____ made in favour of “Heritage Financial Services Limited” for the quantity of _____ Municipal Paper;
 - b. Banker’s cheque(s) in the sum of BZ\$ _____ made in favour of “Heritage Financial Services Limited” for the quantity of _____ Municipal Paper;
 - c. Other method of payment in the sum of BZ\$ _____ made payable to Heritage Financial Services Limited for the quantity of _____ Municipal Paper.
 - d. Cash for the sum of BZ\$ _____ for the quantity of _____ Municipal Paper.
3. I/We request the following allocation of our subscription:

TRANCHE	MATURITY (DAYS)	FACE VALUE (\$'000)	COUPON RATE (%)	SUBSCRIPTION (\$)
1	91	≥ 2,000	3.20	
2	182	≥ 2,000	3.45	
3	364	≥ 2,000	3.70	
Total/Weighted		≥ 6,000	3.45	

For a total subscription of _____ **Belize Citco 2020 Series I Municipal Paper** as in item #1.

4. I/We hereby acknowledge that this payment is made to Heritage Financial Services Limited as depository until acceptance of the subscription by the Council.
5. In making this application I/We represent and warrant that:
- a. The remittance enclosed herewith has been made on behalf of the undersigned;
 - b. The offer to subscribe for Municipal Paper is made in Belize and that the undersigned submits to the jurisdiction of Belize and applicable Belizean Law including any rights and remedies that may be available thereunder.

- c. The Council has the final authority to accept or refuse any offer for subscription in whole or in part.
- d. The principal & interests are payable only in Belize Dollars.
- e. I/We have attained the age of majority and have the capacity to contract.
- f. I/We agree to provide the Fiscal Agent with acceptable identification and address confirmation as part of its due diligence requirements and the latest annual filing in the case of a corporate entity.
- g. The Fiscal Agent is obliged to provide only the following two methods of payment:
 - 1. Direct deposit to a Specified Bank Account or Credit Union;
 - 2. Cheque payment to be picked up at Heritage Financial Services Limited office at 21 Albert St., Downtown, Belize City, Belize.

Select statement which is applicable:

- I ☐ (a) Given (#5 g.), I/We hereby direct that in the event that my/our offer is accepted, payments of interest and/or principal in respect of my/our Bze Citco Municipal Paper shall be deposited to the named institution and Account Number below:
- Name of Bank or Credit Union: _____
- Account Number: _____
- Or
- I ☐ (b) I/We will pick up our interests and/or principal payments at Heritage Financial Services Limited located at 21 Albert St, Downtown, Belize City, Belize after it publishes a public notice informing Paper holders that cheques are available to be collected.
- II ☐ This is my/our first application in respect of this Municipal Paper offering.
- Yes ☐ No ☐
- If No, in my prior application dated the ____ day of _____ 2020, I/We had applied for _____ Municipal Paper.

III I/We hereby instruct that in the event that my/our offer is NOT accepted in full or is only partially filled, payments of refund in respect of my application for the **Bze Citco 2020 Series I Municipal Paper** offering shall be made out by cheque in the name below:

(If Municipal Paper is held jointly, please fill out both informational tables.)

Company Name (If Applicable): _____

Signature: _____

Date: _____

Personal Investment

Forename: _____ Forename: _____

Surname _____ Surname: _____

Date: _____ Date: _____

Occupation: _____ Occupation: _____

Address: _____ Address: _____

Phone No: _____ Phone No: _____

Email: _____ Email: _____

(Note: The Bank or Financial Institution must carry on business in Belize and the Account must be in Belizean Dollars. Any notice of change of Bank/Financial Institution Account shall not take effect until seven (7) days after service of the notice on Heritage Financial Services Limited.)

If a company is subscribing for the 2020 Series I Paper, the company must present the following;

- a. Brief description of business;
- b. Certified copy of Certificate of Incorporation;
- c. Certified copy of Memorandum & Articles of Association;
- d. Present Members of Board of Directors;
- e. Certificate of Good Standing;
- f. Completed Subscription Form;
- g. Signature Cards;
- h. Copy of Social Security or Passport of each Signatory and Director (up to 3 Directors);
- i. Utility bill to confirm address of business.

The subscription form is to be accompanied by a certified resolution from the Company’s Board of Directors authorizing the purchase and authorizing an individual to enter the transaction on behalf of the company, with proof of identity of the authorized individual supplied. The resolution must be certified by a director or the secretary of the Company who by his/her certification shall thereby represent that (a) he/she is a validly appointed director or secretary [as the case may be] and (b) that the application is duly authorized by the Company. If applicable, the Company should provide a letter of instruction regarding authorities for security. All documents must be sealed with the common seal of the Company.

For the subsequent sale and/or transfer of 2020 Series I Paper held by a Company, the following authorization documents must be presented along with the completed relevant sale or disposal document: certified resolution from the Company’s Board of Directors authorizing sale or other disposal of the 2020 Series I Paper and authorizing an individual to effect such transaction with proof of identity supplied. The resolution must be certified by a director or the secretary of the Company, who by his/her certification shall thereby represent that (a) he/ she is a validly appointed director or the secretary [as the case may be] and (b) that this transaction is duly authorized by the Company.

When this form is executed by a person acting as a representative on behalf of a 2020 Series I Paperholder, the signature must be accompanied by satisfactory evidence of his/her authority to sign. On behalf of the Company, similar evidence is required in the case of subsequent sale and/ or transfer of 2020 Series I Papers.

On the subsequent sale and/or transfer of 2020 Series I Papers held by joint holders, both holders must sign the related sale or disposal document and provide proof of their identities.

On the subsequent sale and/or transfer of 2020 Series I Papers by a deceased 2020 Series I Paperholder, a Grant of Probate or other court document appointing the executor(s), administrator(s), or legal representative of the deceased 2020 Series I Paperholder must be provided. The 2020 Series I Paperholder’s estate must be presented, along with the completed sale or disposal document and proof of identity supplied.

In the case of the death of one or more joint 2020 Series I Paperholders, the par value of the 2020 Series I Paper and capital appreciation (if any) and interest on the 2020 Series I Paper may be paid to the survivor(s), whose receipts therefore shall constitute a valid discharge to the Council or its Fiscal Agent.

APPENDIX 3A - ANTICIPATED BELIZE CITY COUNCIL
MUNICIPAL PAPERS INTEREST CALCULATION ('000)

ANTICIPATED BELIZE CITY COUNCIL MUNICIPAL PAPERS INTEREST CALCULATION ('000)							
Series Number	Value of Municipal Paper ('000)	Weighted Average	Issue Date	Maturity Date	Est Days	Interest Calculation ('000)	Value at Maturity ('000)
01N-91	2,500	3.20%	March 10, 2020	July 1, 2020	~113	25	2,525
01E-182	2,500	3.45%	March 10, 2020	October 1, 2020	~205	48	2,548
01T-364	5,000	3.70%	March 10, 2020	January 2, 2021	~298	151	5,151
Total	10,000	3.54%	n/a	n/a	229	224	\$10,224

APPENDIX 3B - ANTICIPATED BELIZE CITCO MUNICIPAL PAPER
MATURITY SCHEDULE ('000)

ANTICIPATED BELIZE CITCO MUNICIPAL PAPER MATURITY SCHEDULE ('000)				
Series #	1st Payment & Maturity	2nd Payment & Maturity	3rd Payment & Maturity	Total ('000)
01N				
Date	July 1, 2020			
Interest ('000)	25			25
Principal ('000)	2,500			2,500
01E				
Date	July 1, 2020	Oct 1, 2020		
Interest ('000)	25	23		48
Principal ('000)		2,500		2500
01T				
Date	July 1, 2020	Oct 1, 2020	Jan 2, 2021	
Interest ('000)	50	46	55	151
Principal ('000)			5,000	5,000
Final Total ('000)	2,600	2,569	5,055	10,224

<i>Income and Business Tax</i>
BELIZE:
<u>INCOME AND BUSINESS TAX (AMENDMENT) ACT, 2018</u>
<u>ARRANGEMENT OF SECTIONS</u>
1. Short title.
2. Amendment of section 2.
3. Amendment of section 8.
4. Amendment of section 21.
5. Amendment of section 31.
6. Insertion of new section 32A.
7. Amendment of section 104.
8. Amendment of section 108.
9. Commencement.



No. 26 of 2018

I assent,

(SIR COLVILLE N. YOUNG)
Governor-General

20th December, 2018

AN ACT to amend the Income and Business Tax Act, Chapter 55 of the Substantive Laws of Belize, Revised Edition 2011; to make provision for a tax regime for companies engaged in certain business activities; to set the rate of tax for these companies; to exempt from tax the interests and dividends from certain trade or business; and to provide for matters connected therewith or incidental thereto.

(Gazetted 22nd December, 2018.)

BE IT ENACTED, by and with the advice and consent of the House of Representatives and the Senate of Belize and by the authority of the same, as follows:

1. This Act may be cited as the

INCOME AND BUSINESS TAX (AMENDMENT)
ACT, 2018.

Short title.
CAP. 55
Act No.
5/2012.
Act No.
13/2012.
Act No.
7/2017.

and shall be read and construed as one with the Income and Business Tax Act, which as amended, is hereinafter referred to as the principal Act.

Amendment of
section 2.

2. The principal Act is amended in section 2 by inserting the following defined term and definition in its proper alphabetical order:

“designated processing area” or “DPA” has the meaning assigned in the Designated Processing Area Act with respect to one of the three statuses;

Amendment of
section 8.

3. The principal Act is amended in section 8 as follows:

(a) in subsection (1) by deleting the full stop at the end of paragraph (w) and inserting new paragraphs (x), and (y), as follows –

“(x) interest paid or received by an international business company in relation to income earned through a [bond] or dividends paid to or received by a shareholder in any basis year;

(y) interest paid or received by a company that is issued a DPA status under the DPA Act in relation to income earned through a bond or dividends paid to or received by a shareholder in any basis year if the activities of such company includes activities within a national priority sector in accordance with the Designated Processing Areas Act.”;

(b) in subsection (2) by inserting before the word “Nothing” the words “Subject to subsection (1)(x) and (y),”.

Amendment of
section 21.

4. The principal Act is amended in section 21 as follows:

(a) by deleting the Proviso to subsection (1) and substituting the Proviso, as follows:

“ Provided that -

(a) the rate of tax for persons engaged in petroleum operations shall be forty per centum of the amount of the surchargeable income derived from such operations, and such tax shall be payable in the currency of the United States of America (US\$);

(b) the rate of tax for international business companies shall be as follows -

(i) one point seventy-five per centum of the chargeable income amounting to a sum greater than three million Belize dollars derived from business operations, and such tax shall be payable in the currency of the United States of America (US\$);

(ii) three per centum of the chargeable income amounting to the sum of three million of a lesser amount in Belize dollars derived from business operations, and such tax shall be payable in the currency of the United States of America (US\$);

(c) the rate of tax for companies operating in a designated processing area shall be the rates specified in paragraph (b);”

(b) by inserting after subsection (5) a new subsection (6), as follows:

“(6) For purposes of the *Proviso* paragraph (b), where a company is engaged in a trade, business, or profession where the revenue

168	Income and Business Tax	[No. 26]
	or income is derived outside of Belize, the company shall not be liable for payment of income tax in Belize.”.	
Amendment of section 31.	5. The principal Act is amended in section 31 by inserting after subsection (2) the following as new subsection (2A): “(2A) Notwithstanding subsection (1), an international business company that does not have physical presence may file a return pursuant to subsection (1).”	
Insertion of new section 32A.	6. The principal Act is amended by inserting after section 32, a new section 32A, as follows:	
Power of Commissioner to require audited financial statements.	32A. (1) The Commissioner shall have the power to require the following companies to be audited by an independent audit firm in accordance with International Financial Reporting Standards (IFRS) - (a) an international business company with receipts of at least \$6,000,000 United States dollars (US\$); (b) a company operating in a designated processing area with receipts of at least \$500,000; (c) any other appropriate entity which meets at least two of the following criteria: (i) entities listed on an approved stock exchange; (ii) entities under going a restructure and liquidation or proposing to sell all of its assets through an auction; (iii) entities regulated by the International Financial Services Commission;	

No. 26]	Income and Business Tax	169
	(iv) entities and organisations subject to preparing consolidated financial statements; or (v) any other business entities.	
	(2) For the purposes of subsection (1)(c), the Commissioner shall have regard to total assets, revenues and the average number of employees during the reporting period;	
	(3) The procedural details of this requirement may be as prescribed.	
	(4) Every person who contravenes any of the provisions of this section commits an offence.	
	7. The principal Act is amended in section 104, as follows:	Amendment of section 104.
	(a) by deleting subsection (2) and substituting a new subsection (2) as follows: “(2) This Part shall not apply to - (a) persons and companies engaged in petroleum operations, and where a person or company is partly engaged in petroleum operations and partly in other activities, the provisions of this Part shall not apply to that part of the activities as is materially related to petroleum operations; (b) international business companies engaged in a trade, business, or profession if the revenue or income is derived outside of Belize notwithstanding anything to the	

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	contrary contained in the Act of in any other law;	
	(c) companies developing or operating in a designated processing area.”;	
	(b) by inserting after subsection (3) a new subsection (4), as follows:	
	“(4)Subsection (2)(b) shall not apply to a company that is licensed under the International Financial Services Commission Act to carry on, conduct or transaction international financial services.”	
Amendment of section 108.	8. The principal Act is amended in section 108(1), as follows:	
	(a) in paragraph (f) by inserting after the word “Belize” the word “or by a council constituted under the Belize City Council Act, Cap. 85, the Belmopan City Council Act, Cap. 86, or the Town Councils Act, Cap. 87;”;	
	(b) by repealing paragraph (k).	
Commencement.	9. This Act shall come into force on the 1st day of January 2019.	

Belize City Council (Municipal Paper)
BELIZE:
BELIZE CITY COUNCIL (MUNICIPAL PAPER) ACT, 2019
ARRANGEMENT OF SECTIONS
1. Short title.
2. Interpretation.
3. Authority to issue Municipal Paper.
4. Charge on Belize City Fund.
5. Establishment of Belize City Municipal Paper Fund.
6. Uses of Municipal Paper Fund.
7. Establishment of Belize City Interest Reserve Fund.
8. Protection of Funds.
9. Appointment of Trustee.
10. Set-off in the event of default.
11. Maintenance of Accounting Records and Disclosure.
12. Regulations.

No. 13] Belize City Council (Municipal Paper) 175



No. 13 of 2019

I assent,

(SIR COLVILLE N. YOUNG)
Governor-General

17th September, 2019.

AN ACT to provide for the issuance of Municipal Paper by the Belize City Council, the establishment of a Belize City Municipal Paper Fund and a Belize City Interest Reserve Fund in connection therewith; and to provide for matters connected therewith or incidental thereto.

(Gazetted 20th September, 2019.)

BE IT ENACTED, by and with the advice and consent of the House of Representatives and the Senate of Belize and by the authority of the same, as follows:

1. This Act may be cited as the

Short title.

BELIZE CITY COUNCIL (MUNICIPAL
PAPER) ACT, 2019.

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Interpretation.

2. In this Act-

“Belize City Fund” means the fund established under section 21 of the Belize City Council Act;

“Council” means the Belize City Council constituted and established under section 3 of the Belize City Council Act;

“debt” means debt of the Council including any monies owed or accruing in respect of a loan or any other extension of credit including an overdraft facility, bond, municipal paper, debenture, note or other security, any indirect obligation such as a guarantee, surety, underwriting or security issued and any other similar financial arrangement which creates a liability;

“Holder” means a person in whose name Municipal Paper is registered and to whom a certificate of registration has been issued for the Municipal Paper;

“Interest Reserve Fund” means the Belize City Interest Reserve Fund established in section 5 of this Act;

“Minister” means the Minister with responsibility for Finance;

“Municipal Paper Proceeds” means any monies raised by the issue of Municipal Paper;

“Municipal Paper” means municipal paper issued by the Belize City Council from time to time having a maturity period of no more than twelve months; and

“Municipal Paper Fund” means the Belize City Municipal Paper Fund established in section 3 of this Act;

No. 13] Belize City Council (Municipal Paper) 177

3.-(1) Subject to this Act, and notwithstanding the Belize City Council Act or any other law, the Council is hereby authorised to borrow by the issue in Belize of Municipal Paper together with such further Municipal Paper as shall be required to pay off at maturity Municipal Paper already lawfully issued.

Authority to
issue
Municipal
Paper.

(2) Municipal Paper may include roll-over options providing for renewal thereof on a continuing basis.

(3) The principal sums represented by any debt outstanding at any one time shall not exceed in the aggregate the sum of fifty million dollars or such further sums as the Minister shall authorize from time to time.

4. The principal sums represented by any Municipal Paper issued under this Act and any interest thereon are charged upon and shall be payable out of the Belize City Fund.

Charge on
Belize City
Fund.

5. There is hereby established, in accordance with section 21A of the Belize City Council Act, a fund to be known as the Belize City Municipal Paper Fund into which shall be deposited or credited all Municipal Paper Proceeds.

Establishment
of Belize City
Municipal
Paper Fund.

6. The Municipal Paper Fund shall be used for the following purposes-

Uses of
Municipal
Paper Fund.

- (a) to retire any existing debt or liability;
- (b) to fund the Interest Reserve Fund;
- (c) to pay fees and expenses for any professional or other services, including but not limited to services of any financial advisor, attorney, auditor, accountant, bank, underwriter, fiscal agent or trustee engaged in connection with the structuring, issue, sale and delivery of the Municipal Paper;

178 Belize City Council (Municipal Paper) [No. 13

- (d) to smooth out short term cash flow variability and reduce short term financing costs;
- (e) to provide working capital;
- (f) to fund such other projects or activity within Belize City that benefits residents of Belize City; and
- (g) generally to enable the Council to meet its obligations and discharge its functions under the Belize City Council Act.

Establishment
of Belize City
Interest
Reserve Fund.

7. There is hereby established, in accordance with section 21A of the Belize City Council Act, a fund to be known as the Belize City Interest Reserve Fund-

- (a) into which shall be deposited from the Municipal Paper Proceeds one-year interest service reserve on the Municipal Paper, and
- (b) which shall be used for the purpose of repaying interest payable to Holders of Municipal Paper in the event that the Council is unable to meet interest payments or any portion thereof from the Belize City Fund as they become due and payable from time to time.

Protection of
Funds.

8. The Municipal Paper Fund and the Interest Reserve Fund shall be immune from enforcement of any judgment or proceedings including any proceedings for the attachment of debtor seizure of assets by any creditor or other person.

Appointment
of Trustee.

9. The Council may appoint, on such terms and conditions as the Council determines, a person to act as trustee to represent the interest of Holders.

No. 13] Belize City Council (Municipal Paper) 179

10.-(1) A Holder may, if the Council defaults on the payment of any interest or principal payable to that Holder, deduct the equivalent sum from any payment due to the Council in respect of any trade licence fee or property tax due by that Holder to the Council.

Set-off in the event of default.

(2) The Holder shall, seven days before the date on which a payment to the Council is due, give to the Council written notice of its intention to exercise a set-off under subsection(1).

(3) For the purpose of subsection(1), "trade licence fee" or "property tax" means any fee or tax imposed by the Council in accordance with its powers under section 59(b) and (e) of the Belize City Council Act, respectively.

11.-(1) The Council shall maintain complete and accurate records and accounts of all monies received and disbursed from Municipal Paper Proceeds and any transaction involving and related to the use of Municipal Paper Proceeds.

Maintenance of Accounting Records and Disclosure.

(2) The accounts of the Council including but not limited to the Belize City Fund, the Municipal Paper Fund and the Interest Reserve Fund shall be audited by an independent auditor appointed by the Council annually until all principal and interest due in respect of the Municipal Paper has been repaid to Holders.

(3) The Council shall submit to the Minister, within three months after the end of each fiscal year in which-

- (a) monies from the Municipal Paper Fund is used; and
- (b) principal or interest is due and payable to Holders in respect of the Municipal Paper,

180 Belize City Council (Municipal Paper) [No. 13

a report of the audit conducted under subsection (2) and a report on all the projects and activities undertaken wholly or partly with Municipal Paper Proceeds.

(4) The Minister shall lay a copy of the reports referred to in subsection (3) before the National Assembly as soon as possible after he receives them.

(5) The Council shall cause a copy of the reports referred to in subsection (3) to be made available to members of the public on the Council's website or otherwise.

Regulations.

12. The Council may, with the approval of the Minister, make Regulations for the better carrying out of the objects and purposes of this Act, including but not limited to-

- (a) the preparation, form, mode of issue, mode of payment and cancellation of Municipal Paper;
- (b) the issue of new Municipal Paper in lieu of one which has been defaced, lost or destroyed;
- (c) such other matters as may seem necessary to him for the purposes of giving effect to the provisions of this Act.

BELIZE CITY COUNCIL

A body corporate established under the Belize City Council Act,
Chapter 85 of the Laws of Belize, R.E. 2011.

EXTRACT OF MINUTES OF MEETING OF THE BELIZE CITY COUNCIL

Council Members Present: Mayor Bernard Wagner Deputy Mayor Oscar Arnold
Councillor Allan Pollard Jr. Councillor Micah Goodin
Councillor Javier Castellanos Councillor Albert Vaughan
Councillor Aisha Gentle Councillor Michael Norales
Councillor Delthruide Hylton Councillor Ryan Eljio

Other Persons Present: Mrs. Stephanie Lindo-Garbutt Mr. Rafael Sosa
City Administrator Manager, Office of the Mayor

At a quorate meeting of the Members of the Belize City Council ("the Council") held at the City Hall
at No. 109 North Front Street, Belize City, Belize on the 21st day of May, 2019 at 3:00 p.m. – 6:00
p.m.

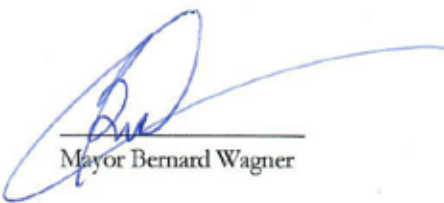
APPROVAL OF BOND "MUNICIPAL PAPER"

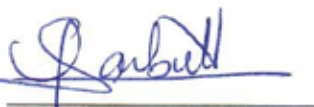
It was noted that notice of a motion for approval of the issuance by the Council of the 2019 Series 1
Municipal Paper and appointment of Heritage Financial Services Limited as fiscal agent was given in
writing to the City Administrator more than 96 hours before the meeting.

Mayor Wagner made a motion to approve:

- 1) the issuance by the Council of the 2019 Series 1 Municipal Paper on the terms of the
Preliminary Term Sheet annexed hereto as 'Exhibit A' and subject to the requisite approval
being granted by the Minister of Finance; and
- 2) the appointment of Heritage Financial Services Limited to act as fiscal agent with respect to
the 2019 Series 1 Municipal Paper.

The motions were seconded by Councillor Albert Vaughan and (the terms of the Preliminary Term
Sheet having been considered by the Councillors) unanimously approved by the Councillors present at
the meeting.


Mayor Bernard Wagner


Mrs. Stephanie Lindo-Garbutt
City Administrator



**BELIZE CITY COUNCIL
RESOLUTION NO. 38 of 2019**

**A RESOLUTION TO APPOINT HERITAGE FINANCIAL SERVICES LIMITED AS
FISCAL AGENT FOR THE BELIZE CITY COUNCIL 2019 SERIES 1 MUNICIPAL
PAPER**


WHEREAS, the Belize City Council, is a body corporate established by Sec 3 (1) of the Belize
City Council Act, CAP 85 of the Substantive Laws of Belize, Revised Edition 2000,

AND WHEREAS, the Belize City Council, having been duly elected by the residents of Belize
City mandated to serve the citizenry and entrusted with the general rule and good governance of
Belize City,

AND WHEREAS, the Belize City Council is desirous of identifying and appointing a Fiscal
Agent for its bond offering,

NOW THEREFORE, BE IT RESOLVED that the Council supports, approves and confirms the
appointment of **Heritage Financial Services Limited** as Fiscal Agent for the Belize City Council
2019 Series 1 Municipal Paper.

**In pursuance of an order of the Belize City Council made on the 21st Day of May 2019, the
Common Seal was hereunto affixed by:**


**BERNARD WAGNER
MAYOR**


**STEPHANIE LINDO-GARBUTT
CITY ADMINISTRATOR**



North Front Street, P.O. Box 259, Belize City, Belize, Central America
Tel (Mayor's Office): 227-0056, City Administrator & Offices: 227-3073/7205,
Fax: 227-7236, Email: mavor@btl.net
Website: www.belizecitycouncil.org, Facebook Page: [mayorbelize](https://www.facebook.com/mayorbelize)

BELIZE CITY COUNCIL

A body corporate established under the Belize City Council Act,
Chapter 85 of the Laws of Belize, R.E. 2011.

EXTRACT OF MINUTES OF MEETING OF THE BELIZE CITY COUNCIL

Council Members Present: Mayor Bernard Wagner Deputy Mayor Oscar Arnold
Councilor Alan Pollard Councilor Micah Goodin
Councilor Javier Castellanos Councilor Deltrude Hylton
Councilor Ryan Elijo Councilor Aisha Gentle
Councilor Albert Vaughn Councilor Dr. Candice Pitts
Councilor Michael Noralez

Other Persons Present: Ms. Stephanie Lindo-Garbutt, City Administrator
Mr. Rafael Sosa, Manager Office of Mayor

At a quorate meeting of the Members of the Belize City Council ("the Council") held at the City Hall
at the Commercial Center, Regent Street, Belize City, Belize on the 18th day of February, 2020 at 2:00
p.m. – 4:00 p.m. :

APPROVAL OF 2020 SERIES I MUNICIPAL PAPER

It was noted that notice of a motion for approval of the issuance by the Council of the 2020 Series 1
Municipal Paper was given in writing to the City Administrator more than 96 hours before the
meeting.

Mayor Wagner made a motion to approve the issuance by the Council, pursuant to the Belize City
Council Act and the Belize City Council (Municipal Paper) Act, of the 2020 Series 1 Municipal Paper
up to an aggregate principal sum of BZ\$10,000,000.00 (Ten Million Belize Dollars) upon the principal
terms as more particularly set forth in the Preliminary Term Sheet previously approved by the Council
on the 21 May, 2019.

The motion was seconded by Councilor Javier Castellanos and unanimously approved by the
councilors present at the meeting.

CERTIFIED TO BE TRUE AND CORRECT this 18th day of February, 2020.


Mayor Bernard Wagner




Stephani Lindo-Garbutt – City Administrator

Belize City Council

[CAP. 85

2

- (a) all monies voted from time to time by the National
Assembly for the use by the Council in the
administration of Belize City;
- (b) all monies payable in any manner whatsoever to the
Council whether under or pursuant to this Act or
regulations made thereunder or otherwise;
- (c) all fines and penalties recovered summarily on the
information of the Council or of any officer, servant
or member thereof for non-compliance with the
provisions of this or any other Act or rules, regulations
and by-laws of the Council for the time being in force.

(2) The Belize City Fund shall be kept at such banks or other financial
institutions as the Council may from time to time determine.

22.-(1) The Council may, with the approval of the Minister of Finance,
borrow sums required by it for meeting any of its obligations or
discharging any of its functions.

Raising of loans.

(2) Subject to subsection (1) of this section, it shall be lawful for the
Council to establish companies under the Companies Act, Cap. 250 to
raise funds for infrastructural development projects.

(3) The Council may, either directly or through companies established
by it, float bonds or issue shares or debentures for the purpose of
exercising its borrowing powers under this Act.

(4) Notwithstanding the above provisions, it shall be lawful for the
Minister responsible for Finance to advance from the public funds of
Belize any sum required by the Council, on such terms and conditions
as the said Minister may determine, if the said Minister is satisfied that
the Council shall be able from its ordinary revenue to repay the amount
advanced within such time as he may determine.

THE SUBSTANTIVE LAWS OF BELIZE

REVISED EDITION 2011

Printed by Authority of the
Government of Belize

APPENDIX 8:
LIST OF TAX-EXEMPT PROPERTIES

THE FOLLOWING PROPERTIES ARE EXEMPTED FROM TAXATION:

LIST OF PROPERTIES EXEMPTED FROM TAXATION	
Number	Property Type
1.	Every building and site for the public worship of God;
2.	All property vested or held by Her Majesty;
3.	All property vested in any person or body in trust for the Government of Belize or for the site public use of any town;
4.	All property owned by local authority;
5.	Any school approved by the Chief Education Officer or any schoolroom used exclusively for the public worship of God;
6.	Any building together with the land used exclusively for religious and charitable purposes;
7.	Every building or part of a building owned by a recognized religious denomination and occupied by a minister of that denomination.



APPENDIX 9: BALANCE SHEET FINANCIAL
POSITION & PROJECTIONS, 2017-2024 ('000)

STATEMENT OF FINANCIAL POSITION YEARS ENDED 31ST MARCH ('000) 2017-2024 (IN BZD)								
	Audited Financials			Projections				
	2017	2018	2019	2020	2021	2022	2023	2024
Assets								
Current Assets								
Cash & Cash Equivalents	7,031	887	3,334	1,894	2,781	3,147	2,932	7,812
Inventories	33	81	70	58	59	60	66	67
Trade & Other Receivables	14,863	16,859	6,536	14,428	15,864	15,706	15,651	13,565
Total Current Assets	21,928	17,827	9,941	16,380	18,704	18,913	18,649	21,444
Non-Current Assets								
Other Assets	104							
Property, Plant & Equipment	85,979	88,618	88,002	93,407	95,214	92,664	92,447	95,386
Total Long Term assets	86,083	88,618	88,002	93,407	95,214	92,664	92,447	95,386
Total Assets	108,011	106,444	97,943	109,787	113,918	111,577	111,096	116,830
Current Liabilities								
Trade & Other Payables	10,167	12,603	13,428	10,857	11,274	11,708	12,162	12,527
Unearned revenues	10,204	17,236	2,880	3,000	3,124	3,254	3,390	3,492
Current Portion of Borrowings	3,985	4,631	521	2,892	7,746	6,060	644	684
Subtotal Current Liabilities	24,356	34,470	16,829	16,749	22,144	21,022	16,196	16,703
Non - Current Liabilities								
Net Municipal Bonds payable	14,515	8,041	10,150	18,472	15,472	10,000	10,000	10,000
Other Borrowings	1,946	1,163	3,404	4,274	2,529	2,941	2,298	1,614
Gratuity/Severance Payable	2,838	3,652	3,986	4,257	4,546	4,855	5,185	5,497
	19,299	12,855	17,540	27,003	22,547	17,796	17,483	17,110
TOTAL LIABILITIES	43,655	47,325	34,368	43,752	44,691	38,818	33,679	33,813
Fund Balance								
Capital Grant	15,317	14,559	15,317	15,471	15,625	15,781	15,939	16,099
General Fund	49,038	44,561	48,257	50,564	53,602	56,978	61,478	66,918
TOTAL LIABILITIES & NET ASSETS	108,011	106,444	97,943	109,787	113,918	111,577	111,096	116,830

APPENDIX 10: STATEMENT OF CASH FLOW, 2018-2024

STATEMENTS OF CASH FLOWS ('000) AUDITED FINANCIALS 2018-2019 AND PROJECTIONS 2020-2024							
	Audited Financials		Projections				
	2018	2019	2020	2021	2022	2023	2024
Cash flow from operating activities							
Surplus (deficit) for the year	(844)	2,893	2,307	3,038	3,376	4,500	5,440
Adjustments for non-cash items	(526)	4,547	2,574	2,611	2,706	2,625	2,660
Changes in working capital	7,529	(3,198)	(10,331)	(896)	721	639	2,552
Gratuity/severance paid	(594)	(638)	271	289	309	330	311
Net cash generated from operating activities	5,564	3,605	(5,179)	5,042	7,112	8,095	10,962
Cash flow from Investing activities							
Purchases of property and equipment	(5,097)	(1,398)	(7,825)	(4,263)	0	(2,250)	(5,440)
Net Cash used by investing activities	(5,097)	(1,398)	(7,825)	(4,263)	0	(2,250)	(5,440)
Cash Flows from Financing Activities							
Proceeds/Repayment from Com. Fac & Borrowings	(138)	240	3,242	3,108	(1,273)	(6,060)	(643)
Proceeds/Repayments from Municipal Securities	(6,474)	0	8,322	(3,000)	(5,472)	0	0
Net cash used for financing activities	(6,612)	240	11,564	108	(6,745)	(6,060)	(643)
Net increase in cash and cash equivalents	(6,144)	2,447	1,440	887	366	(215)	4,880
Cash & cash equivalents at the beginning of the year	7,031	887	3,334	1,894	2,781	3,147	2,932
Cash & cash equivalents at end of the year	887	3,334	1,894	2,781	3,147	2,932	7,812



APPENDIX 11:STATEMENT OF FINANCIAL PERFORMANCE AND PROJECTIONS, 2017-2024

BELIZE CITY COUNCIL STATEMENT OF FINANCIAL PERFORMANCE & PROJECTIONS 2017 - 2024								
	Audited Financials			Projections				
	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenues ('000)								
Property tax revenue	10,772	8,300	9,071	9,388	9,717	10,057	10,409	10,773
Traffic-related revenue	5,434	4,552	6,029	6,391	6,774	7,181	7,612	8,068
Trade License Fees	5,085	5,093	5,439	5,548	5,659	5,772	5,887	6,005
Tourism Related Revenue	1,919	979	1,938	2,035	2,137	2,243	2,356	2,473
Liquor License Fees	742	499	511	524	537	550	564	578
Other Revenues	1,229	1,337	1,184	1,454	1,488	1,522	1,557	1,593
Total Operating Revenues	25,180	20,760	24,172	25,340	26,311	27,325	28,385	29,492
Operating Expenses ('000)								
Finance & Administration	4,992	4,002	3,166	3,261	3,359	3,459	3,563	3,670
Human Resources	1,527	1,567	1,303	1,342	1,382	1,424	1,467	1,511
Works Department	2,266	2,291	1,709	1,760	1,813	1,867	1,923	1,981
Sanitation Department	5,734	5,381	3,308	3,407	3,509	3,614	3,723	3,834
Traffic Department	1,375	1,495	1,380	1,422	1,464	1,508	1,554	1,600
Other Expenses	4,482	6,590	8,616	9,133	9,205	9,508	9,706	9,967
Total Operating Expenses ('000)	20,376	21,326	19,482	20,325	20,732	21,382	21,936	22,564
Operating Surplus (a) ('000)	4,804	(566)	4,690	5,015	5,579	5,944	6,449	6,928
Depreciation (b) ('000)	2,040	2,459	2,013	2,420	2,456	2,550	2,467	2,500
Interest Expense (c) ('000)	1,598	742	1,390	1,894	1,692	1,624	1,088	594
Net Operating Surplus (d) = a - (b+c) ('000)	1,166	(3,766)	1,287	703	1,376	1,742	2,877	3,827
Government Subvention (e) ('000)	3,452	2,922	1,606	1,606	1,606	1,606	1,606	1,606
Surplus/(Deficit) for Year (f) = d+e ('000)	4,619	(844)	2,893	2,307	3,038	3,376	4,500	5,440

APPENDIX I2: KEY DEBT CAPACITY INDICATORS, 2017 - 2024

Key Values	2017	2018	2019	2020	2021	2022	2023	2024
Total Revenues (mn)	28.6	23.7	25.8	26.9	27.9	28.9	30.0	31.1
Annual Debt Service (mn)	6.2	7.4	6.5	7.5	4.6	9.4	7.1	1.2
General Fund Expenditures (mn)	24.0	24.5	22.9	24.6	24.9	25.6	25.5	25.7
Surplus/Deficit (mn)	4.6	(0.8)	2.9	2.3	3.0	3.3	4.5	5.4
Total Debt (mn)	20.4	15.2	14.1	25.6	25.7	19.0	12.9	12.3
Population of City ('000)	63	63	64	66	67	68	70	71
Key Debt Capacity Indicators								
Annual Debt Service/General Fund Expenditures (%) -Debt Burden ¹⁴	25.97	29.98	28.58	30.30	18.42	36.67	28.04	4.82
Debt per capita (Total Debt/Population of City) (\$) Leverage/Tax Burden ¹⁵	327	243	219	391	385	279	186	173
Total Revenues/Annual Debt Service ¹⁶	4.6	3.2	3.9	3.6	6.1	3.1	4.2	25.1
Debt Service/Total Revenues (%) ¹⁷	21.78	31.05	25.38	27.70	16.42	32.39	23.83	3.98
Fiscal Rule								
Debt Ceiling/Stock (\$) (mn)	40	40	50	50	50	50	50	50
Fiscal Space (Debt ceiling-outstanding Debt) (mn)	19.6	24.8	35.9	24.4	24.3	31.0	37.1	37.7
Debt Service Threshold								
Interest & Principal < 50% of Recurrent Revenues (mn)	13.8	14.3	11.8	12.9	13.5	14.0	14.5	15.0
Fiscal Rule Space (mn)	7.6	7.0	5.3	5.4	8.9	5.5	7.4	13.8



14 Low < 8%; 8% < moderate < 15%; 15% < elevated < 20%; high > 20.0%

APPENDIX 13A- BCC MUNICIPAL PAPER CERTIFICATE TEMPLATE- SERIES 01N

BELIZE  **CITY**
COUNCIL

CERTIFICATE NO.
BCC/01N/00X/2020

ISSUE DATE
XX/XX/XXXX

\$**5,000**
MUNICIPAL PAPER
CERTIFICATE

THIS ISSUE OF THE SERIES I - COMMERCIAL PAPER FOR THE SUM OF
FIVE THOUSAND DOLLARS

BEARING INTEREST AT **THREE POINT TWO PERCENT (3.20%)**
PER ANNUM MATURING IN 91 DAYS ON **XXXX XXTH, XXXX**
IS ISSUED UNDER THE AUTHORITY OF THE BELIZE CITY COUNCIL
(MUNICIPAL PAPER) ACT 2019 OF THE LAWS OF BELIZE

INTEREST AND PRINCIPAL
ON THE COMMERCIAL PAPER
WILL BE PAID AT FULL MATURITY
ON **XXTH XXXX, XXXX.**

THE BELIZE CITY COUNCIL WILL, ON THE DAY
ON WHICH THE PRINCIPAL MONIES SECURED
HEREBY BECOME DUE, PAY TO

Firstname Lastname

OR THEIR ASSIGNEE OR TRANSFEREE THE SUM OF
FIVE THOUSAND DOLLARS
PLUS INTEREST PAYMENT.

BERNARD B. WAGNER
MAYOR

STEPHANIE LINDO-GARBUTT
CITY ADMINISTRATOR



